



Sacramento Regional Transit District

BOARD MEETING NOTICE TO THE PUBLIC & AGENDA

The SacRT Board meeting will be live stream and open to the public for attendance.

PLEASE NOTE CHANGE IN MEETING LOCATION
Sacramento Area Council of Governments
1415 L Street, Suite 300 Sacramento, CA 95814

To participate in or view SacRT Board Meetings:

<http://sacrt.com/board>

Please check the Sacramento Metropolitan Cable Commission Broadcast Calendar - <https://sacmetrocable.saccounty.net> for replay dates and times.

Submit written public comment up to 250 words relating to the Agenda by 2:00 p.m. on the day of the Board meeting to

Boardcomments@sacrt.com

Written comments will be provided to the Board and will become part of public record upon submission to the Board.

Please place the Item Number in the Subject Line of your correspondence.

Members of the public may also address the Board via Zoom to submit public comment. To join, please call 253-215-8782 and enter Webinar ID: 837 9338 8162 or join the meeting online by logging into <https://us02web.zoom.us/j/83793388162>

If you wish to make a comment on an item, press the “raise a hand” button. If you are joining the meeting by phone, press *9 to indicate a desire to make a comment. By participating in this meeting, you acknowledge that you are being recorded.



Sacramento Regional Transit District Agenda

SACRAMENTO REGIONAL TRANSIT DISTRICT BOARD MEETING

5:30 P.M., MONDAY, DECEMBER 11, 2023

PLEASE NOTE CHANGE IN MEETING LOCATION

Sacramento Area Council of Governments

1415 L Street, Suite 300 Sacramento, CA 95814

Website Address: www.sacrt.com

(Light Rail: Blue Line 11th & K St. or 16th St.; Gold Line 16th St.)

See notice for Teleconference information.

ROLL CALL — Directors Budge, Daniels, Hume, Jennings, Kozlowski, Loloee, Maple, Serna, Singh-Allen, Valenzuela and Chair Kennedy

Alternates: Directors Chalamcherla, Sander, Schaefer, Suen

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of November 13, 2023
- 2.2 Resolution 2023-12-112: 2024 Board Meeting Calendar (T. Smith)
- 2.3 Resolution 2023-12-125: Approving the Construction and Maintenance Agreement for Off-Site Improvements with Capital Planet, LLC (L. Ham)
- 2.4 Awarding On-Call Contracts for Railroad Flagging Support Services to National Railroad Safety Services, Inc., Railpros Field Services, Inc., and Railway Flagging Service, Inc. for Ongoing Construction Projects and Third Parties Requesting Right of Way (C.Alba)
 - a) Resolution 2023-12-113: Awarding Contract for Railroad Flagging Support Services to National Railroad Safety Services Inc.; and
 - b) Resolution 2023-12-114: Awarding Contract for Railroad Flagging Support Services to Railpros Field Services, Inc.; and
 - c) Resolution 2023-12-115: Awarding Contract for Railroad Flagging Support Services to Railway Flagging Services, Inc.
- 2.5 Resolution 2023-12-116: Approving Revised SacRT Drug and Alcohol Testing and Rehabilitation Policy (D. Topaz)
- 2.6 Resolution 2023-12-117: Approving the Renewal of All SacRT Health and Welfare Benefits for 2024 (D. Topaz)

- 2.7 Resolution 2023-12-118: Award a Purchase Order to Hawthorn Ventures LLC, DBA Purpose-Built Trade Co. for the Purchase of Safety Shoes (L. Hinz)
- 2.8 Resolution 2023-12-119: Delegating Authority to the General Manager/CEO to Bind SacRT to Contracts for Legacy Telecommunications Voice and Data Networks and Communications Services Under State of California Nextgen Master Agreements (S. Valenton)
- 2.9 Resolution 2023-12-120: Approving the Second Amendment to the Contract for Naming Rights Negotiation Services with The Superlative Group, Inc. (D. Selenis)
- 2.10 Resolution 2023-12-121: Approving Work Order No. 5 to the Contract for General Construction Management Support Services – 2019 with 4LEAF, Inc. for Construction Management for the Blue Line Low Floor Vehicle Platform Conversion Phase 3 Project (H. Ikwut-Ukwa)
- 2.11 Resolution 2023-12-122: Temporarily Modifying the Definition of “Group Pass” in the Fare Structure for Los Rios Student Transit Pass (J. Johnson)
- 2.12 Resolution 2023-12-123: Delegating Authority to Award a Contract for On-Call Real Estate Seller Representative Services and Delegating Authority to the General Manager/CEO to Issue Work Orders for Commission-Based Sale Transactions over \$150,000 (S. Valenton)
- 2.13 Resolution 2023-12-124: Approve Contract Change Order No. 11 to the Contract for Low Floor Vehicle Platform Conversion Phase 1 with PNP Construction, Inc. (H. Ikwut-Ukwa)
- 2.14 Resolution 2023-12-126: Conditionally Delegating Authority to the General Manager/CEO to Approve the Contract for Diesel Storage Tank Conversion to Gasoline to GEMS Environmental Management Services, Inc. (H. Ikwut-Ukwa)
- 2.15 Approving the Sixth Amendment to the Contract for General Engineering Support Services – 2020 with Psomas and Conditionally Delegating Authority to the General Manger/CEO to Approve: (1) Amendment No. 2 to Work Order No. 7 for Final Design of Low Floor Vehicle Platform Conversion Phase 2 and (2) Amendment No. 2 to Work Order No. 11 for Final Design, Bidding Assistance& Construction Support for Low Floor Vehicle Platform Conversion Phases 3 & 4 (H. Ikwut-Ukwa)
 - a) Resolution 2023-12-129: Approving Amendment No. 6 to the Contract for General Engineering Support Services – 2020 with Psomas
 - b) Resolution 2023-12-130: Conditionally Delegating Authority to the General Manager/CEO to Approve Amendment No. 2 to Work Order No. 7 to the Contract for General Engineering Support Services – 2020 for Final Design of the Low Floor Vehicle Platform Conversion Phase 2 with Psomas; and

- c) Resolution 2023-12-131: Conditionally Delegating Authority to the General Manager/CEO to Approve Amendment No. 2 to Work Order No. 11 to the Contract for General Engineering Support Services – 2020 for Final Design of the Low Floor Vehicle Platform Conversion Phase 4 with Psomas; and

- 2.16 Resolution 2023-12-132: Approving a Sole Source Procurement and Delegating Authority to the General Manager/CEO to Approve and Execute a Contract for (1) The Purchase and Installation of Intelligent Vehicle Network 5 Equipment for the Elk Grove Fleet and (2) Add the Disruption Management Solution to the Entire SacRT Fleet Including Elk Grove (C. Alba)

3. INTRODUCTION OF SPECIAL GUESTS

- 3.1 Community Transit Champion Recognition Program (D. Selenis)
 - a. Miguel Barraza (Director Maple)
 - b. Rick Hodgkins (CEO, Henry Li)
 - c. Keith Smothers (Director Hume)
 - d. David Von Aspern (Director Serna)

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

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

7. NEW BUSINESS

- 7.1 Resolution 2023-12-128: Declaring Electrical and Plumbing/Chiller Damage at the 1400 29th Street, Main Administrative Building an Emergency and Authorizing the Suspension of Competitive Bidding (L. Ham)

[Note: Resolution Requires 4/5th vote]

- 7.2 Motion to Approve: Motion to Reconsider Board Vote on Item 7.1 Dos Rios Light Rail Station Taken November 13, 2023 (L. Ham)

If Motion to Reconsider is Approved, then:

Motion to Approve: Motion to Rescind the November 13, 2023 Vote on Item 7.1 Dos Rios Light Rail Station Project and Motion to Approve Directing the General Manager/CEO to Allocate Capital Funds to Proceed With the Construction of the Dos Rios Light Rail Station.

- 7.3 Motion: Intent Motion to Select the Chair and Vice Chair of the Sacramento Regional Transit Board of Directors for 2024 (S. Valenton / T. Smith)

- 7.4 Resolution 2023-12-127: Receive and File the Annual Comprehensive Financial Report and Designate the Operating Surplus and Working Capital Reserve for Fiscal Year ended June 30, 2023 (J. Johnson)

8. GENERAL MANAGER’S REPORT

- 8.1 General Manager’s Report
 - a. Major Project Updates
 - b. SacRT Meeting Calendar
 - c. Q1 Strategic Plan Update

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

- 9.1 Capitol Corridor Joint Powers Authority Meeting Summary – November 15, 2023 (Daniels, Maple)
- 9.2 San Joaquin Joint Powers Authority Meeting Summary - November 17, 2023 (Hume)

10. CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)

11. ANNOUNCEMENT OF CLOSED SESSION ITEMS

12. RECESS TO CLOSED SESSION

13. CLOSED SESSION

14. RECONVENE IN OPEN SESSION

15. CLOSED SESSION REPORT

16. ADJOURN

*NOTICE TO THE PUBLIC

It is the policy of the Board of Directors of the Sacramento Regional Transit District to encourage participation in the meetings of the Board of Directors. At each open meeting, members of the public will be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board of Directors. Please fill out a speaker card and give it to the Board Clerk if you wish to address the Board. Speaker cards are provided on the table at the back of the auditorium.

Public comment may be given on any agenda item as it is called and will be limited by the Chair to 3 minutes or less per speaker. Speakers using a translator will be provided twice the allotted time, to account for the time needed to translate speaker’s comment. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item the Chair of the Board will announce the maximum amount of time that will be allowed for public comment on that item.

Written public comment submitted to boardcomments@sacrt.com up to 250 words and received by 2:00 p.m. on the day of the meeting will be provided to the Board and will become part of public record upon submission to the Board.

Matters under the jurisdiction of the Board and not on the posted agenda may be addressed under the Item “Public addresses the Board on matters not on the agenda.” Up to 30 minutes will be allotted for this purpose. The Board limits public comment on matters not on the agenda to 3 minutes per person and not more than 15 minutes for a particular subject. If public comment has reached the 30 minute time limit, and not all public comment has been received, public comment will resume after other business has been conducted as set forth on the agenda. The Board will not act upon or discuss an item that is not listed on the agenda except as provided under Section 3.1.3.6.

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

This meeting of the Sacramento Regional Transit District will be cablecast on Metro Cable 14, the local government affairs channel on Comcast, Consolidated Communications and AT&T U-Verse cable systems. This meeting is closed captioned and webcast at metro14live.sacounty.gov. The meeting will replay Thursday, December 14th at 9:00 AM and Sunday, December 17th at 12:00 PM on Channel 14. This meeting can also be viewed at youtube.com/metrocable14.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Clerk of the Board at 916-556-0456 or TDD 916-557-4686 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on SacRT's website, on file with the Clerk to the Board of Directors of the Sacramento Regional Transit District, and are available for public inspection at its Administrative Offices.

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: APPROVAL OF THE ACTION SUMMARY OF NOVEMBER 13,
2023

RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
NOVEMBER 13, 2023**

ROLL CALL: Roll Call was taken at 5:33 p.m. PRESENT: Directors Budge, Daniels, Hume, Jennings, Kozlowski, Maple, Serna, Singh-Allen, Valenzuela, and Chair Kennedy. Absent: None. Director Loloee arrived at 6:00 p.m.

It was announced that with just cause, Director Valenzuela would be attending virtually.

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of October 23, 2023
- 2.2 Receive and File: Quarterly Treasurer's Report (J. Johnson)
- 2.3 Resolution 2023-11-108: Delegating Authority to the General Manager/CEO to Amend or Approve and Execute Procurement Contracts for Cybersecurity Incident Response (S. Valenton)
- 2.4 Resolution 2023-11-109: Amend and Restate Title III of the Administrative Code for the Sacramento Regional District Board's Rules of Procedure (S. Valenton)
- 2.5 Resolution 2023-11-110: Approve Contract Change Order No. 10 to the Contract for Low Floor Vehicle Platform Conversion Phase 1 with PNP Construction, Inc. (H. Ikwut-Ukwa)
- 2.6 Resolution 2023-11-111: Ratifying the Execution of Special Purchase Amendments to the Gas Services Agreement with the Department of General Services and Delegating Authority to the General Manager/CEO to Enter into Future Agreements with The Department of General Services Under the Natural Gas Services Program for the Purchase of Compressed Natural Gas (J. Johnson)

Director Budge moved; Director Serna seconded approval of the consent calendar. Motion was carried by roll call vote. Ayes: Directors Budge, Daniels, Hume, Jennings, Kozlowski, Maple, Serna, Singh-Allen, Valenzuela and Chair Kennedy; Noes: None; Abstain: None; Absent: Loloee.

Chair Kennedy announced that Item 3.1 was pulled by staff and would be brought back to the Board at the December 11, 2023 meeting.

3. INTRODUCTION OF SPECIAL GUESTS

- 3.1 Community Transit Champion Recognition Program (D. Selenis)
 - a. Miguel Barraza (Director Maple)
 - b. Rick Hodgkins (CEO, Henry Li)
 - c. Keith Smothers (Director Hume)
 - d. David Von Aspern (Director Serna)

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Chair Kennedy requested a change to the order of the agenda to hear Item 7.1 ahead of Item 6.

7. NEW BUSINESS

- 7.1 Motion to Approve: Dos Rios Light Rail Station (L. Ham)

Chair Kennedy stated he has never been opposed to the Dos Rios Light Rail Station project and the idea for the item to be pulled from the agenda was not considered. He further stated that he never said he is opposed to any of the options but what he did say was it would be a responsible decision to have the different options heard in order to have the Board make an informed decision and to be able provide adequate direction to staff.

Laura Ham, VP, Planning & Engineering and Chris Flores, Chief of Staff, provided a comprehensive project briefing on the Dos Rios Light Rail station project.

Ms. Ham provided a brief background and an overview of the project. She noted that the station has been envisioned for many years as a part of the City of Sacramento Transformation Plan and Transit Oriented Development (TOD) Plans for the Twin Rivers/River District area and would be directly adjacent to the Mirasol Village community. The Sacramento Housing and Redevelopment Agency (SHRA) is the lead for the Mirasol Village project and owns the property where the future light rail station will be constructed.

Ms. Ham shared a project timeline starting with 2005 when SacRT completed a detailed operational analysis for the Dos Rios Light Rail station, and it was determined that a station was operationally feasible. In December of 2018 it was announced that SHRA was the recipient of a \$23M Transformative Climate Communities Grant, administered by Strategic Growth Council (SGC), with \$17M directed to the light rail station project. SacRT is a subrecipient to SHRA on the grant.

Ms. Ham explained that SacRT and SHRA have encountered many challenges, one which included significant remediation needs while the cost for construction was increasing

simultaneously. The end of site cleanup is approaching and SacRT is prepared to place the project out to bid next month and construction is projected to be completed late 2026.

Ms. Ham provided a light rail station project scope which she stated was complex due to current track configuration. She stated the estimated project budget is a fully burdened estimate of \$43M and the total actual cost will depend on upcoming bidding of the contract.

Ms. Ham offered additional details for the project which included cost escalation, site clean-up and extensive cost reduction efforts made by SacRT. She explained the primary issue for the delay of releasing an invitation to bid was due to the site not being ready because of the remediation efforts. The site is still not ready for construction activities because SHRA needs a close-out report approved by (Department of Toxic Substance Control) DTSC for the hot spot locations. Ms. Ham stated bid pricing is valid for 90 days and releasing an invitation to bid before a site is ready for construction would result in costly delay claims or an invalid procurement. SacRT has a target release of no later than December 15, 2023.

Ms. Ham stated in early 2023, SHRA and SacRT met with SGC to discuss the project funding shortfall which was identified as \$19.2M. Funding options were discussed and following the meeting, SacRT and SGC appealed to partners, including the City of Sacramento, to find another grant or local funding to fill the gap. In February 2023 SacRT applied for \$20.2M in TIRCP Cycle 6 funds for Dos Rios as its top-priority project, along with two other projects associated with Light Rail modernization. The application was not successful but a \$5.5M Congressionally Directed Spending Request was secured at the recommendation of Congresswoman Matsui. The \$5.5M was later reduced to \$1M in the House Transportation Budget.

Ms. Ham said the partners requested an extension on the grant in May 2023 and SGC explained that due to the budgetary structure of the TCC program, an additional funding allocation was not possible. SGC notified SHRA on July 31, 2023, that the project was in non-performance status and that SHRA was required to provide an updated project budget and funding strategy.

Ms. Ham stated SacRT continued to communicate with partners over the summer. A 2-year extension was requested to allow time to apply for additional funding through various grant cycles. There was no immediately available funding nor was SacRT aware at the time that the TCC grant program was ending nor had the state approved the SB125 funding for transit agencies at the time. At SHRA's request per discussions with SGC, SacRT prepared a substitute transit project, subject to SGC's approval, that would ensure that the residents were afforded a transit option, and the grant funds would not be lost.

Ms. Ham stated on September 20, 2023, SGC sent a letter to SHRA notifying of non-performance and requesting a substitute project. The shortfall issues were raised at the September 25 and October 23 SacRT Board meetings. On November 2, 2023, at a meeting with SHRA, Senator Ashby and the City of Sacramento a proposal was put forth that SacRT should consider the use of \$10M in SacRT's SB125 funding, as well as approximately \$9.2M in additional funding to be absorbed by SacRT. At that same meeting it was clearly conveyed by staff that the use of this funding to fill the gap on the Dos Rio project would be subject to SacRT Board approval and the SB125 allocation would be presented to the Board. Ms. Ham stated

SacRT has consistently shared with partners the need for filling the project gap and that all stakeholders bear some responsibility for this connected community project.

Ms. Ham provided a brief description of the structure of SacRT's funding plan Streetcar and other capital projects. She stated that generally when there are cost overruns and delays, grants can be extended and, in some cases, awarded additional funding to address the cost overrun.

Ms. Ham concluded with a brief recap of all SacRT has done to try and address the funding gap. She stated it was not until September 20, 2023, that it was fully understood there would be no extension on the grant, and an alternative project must be developed. She provided a summary of potential next steps to complete the station project should a funding plan be approved and turned it over to Chris Flores to present funding options including the SB125 program.

Mr. Flores provided a summary of the estimated project cost of \$43M broken down by category and noted that \$22M is funded and \$21M is unfunded. He stated if SacRT funds the remaining shortfall it would be almost 55% of the total project cost from the agency. Mr. Flores said there is currently \$1.9B in approved capital projects of which only \$855M have been funded. Most of the short fall is state of good repair projects and necessary maintenance of the system. He stated staff continues to review all existing projects to determine if any funding can be reallocated or redistributed based on the reprioritization of projects.

Mr. Flores provided an explanation of SB125 funding stating it is a one-time funding source passed in response to the fiscal cliff California transit agencies are facing. Under SB125 guidelines, the transit funding flows to Regional Transportation Planning Agencies (RTPA) for distribution among the regional transit agencies. SACOG is the RTPA in the Sacramento region. SacRT staff are working closely with SACOG to ensure SacRT receives its appropriate share of funds to address both capital and operational needs. He noted SacRT staff had a joint meeting with SACOG and CalSTA for clarification regarding intended SB 125 use of funds and the priority use is to maintain baseline operations and to cover funding gaps.

Mr. Flores stated that SACOG's regional share of SB125 funding over the next two years is \$238 million and SacRT is requesting approximately 89% of the funding. While most of the request is to support operational deficits in the out years, SacRT is requesting approximately \$80 million in maintenance, state of good repair and capital projects. Mr. Flores said staff has presented SACOG with estimates for SB 125 operating requests totaling \$130.5M. Some funding is restricted and can only be used for one type of expenditure; however, much of the funding available to SacRT over the next few years is flexible. Any funding obligated to one project or expenditure will reduce the funding available for future needs.

Director Loloee arrived at the meeting at 6:00 p.m.

Ms. Ham stated on September 20, 2023, SGC directed SHRA to work with project partners to prepare an alternative project that would ensure that the residents were afforded a transit option if the light rail station did not move forward. If the project partners determine that the light rail station cannot move forward, the approximately \$17.6M in available TCC funding could potentially be applied to a substitute project that could include capital costs and approximately

2 years of operations and maintenance before the grant program closes. A concept that has received positive community feedback is a redesigned route 33 that provides improved east-west connectivity, connecting Mirasol Village to the Blue and Green Lines, Route 11, Greyhound, and the Museum of Science and Curiosity. Staff is developing options for the 33, which includes 30 or 20 minute frequency, extending services hours until 9:00 p.m. and operating 7 days per week. SacRT also proposed the use of zero emission 40-foot buses for the service. All would require SGC approval and a grant amendment. If the community does not support the substitute project, it may not be approved by SGC.

Ms. Ham concluded with the three options being proposed to the Board.

Director Serna asked what would be the comparable headway frequency of a modified route 33 vs. Dos Rios Light Rail headways.

Ms. Ham responded that on weekdays the light rail system runs on 15-minute headways.

Director Singh-Allen stated she would love to hear from the public.

Chair Kennedy stated he would like to let the Board ask questions first.

Director Valenzuela asked how long the funding would last on the proposed bus route 33.

Ms. Ham responded the estimation is 2-3 years.

Director Valenzuela stated there would be 2-3 years of bus services vs. a forever light rail station.

Ms. Ham stated if implemented, SacRT would commit to operating the route for a reasonable period of time.

Director Valenzuela stated additional money would be needed to operate past the grant term.

Director Valenzuela read a letter received by the SGC that stated there has been an agreement with SHRA and SacRT to move forward with a revised timeline and budget and the amended corrective action plan must be submitted by December 1, 2023.

Director Valenzuela stated her support for option 1.

Chair Kennedy requested that Director Valenzuela forward the letter to the clerk to be a part of the record.

Director Loloee asked if it is possible to increase the request to SACOG from 89% to 91% or 93% to cover the gap.

Jason Johnson, VP, Finance/CFO responded there has just been an initial submittal of needs to SACOG right now and once SacRT knows the allocation that question can be better answered.

Director Loloee asked if there was a commitment made in the meeting with SACOG and SacRT.

Mr. Flores responded \$10M has been requested for the Dos Rios project, however, a \$10M shortfall remains.

Mr. Loloee affirmed that there has been no commitment.

Mr. Flores said that James Corless, SACOG, stated the project would meet the guidelines for additional funds.

Director Loloee asked if SACOG is committing to taking some of the funding received for other purposes and applying it to the Dos Rios project or if it would be in addition.

Mr. Flores stated that was not discussed.

Director Loloee asked if it has been brought up at all.

Mr. Flores responded that it has been mentioned to SACOG that SacRT would like to get a fair share based on the ridership and population formula that brings money into the region.

Director Loloee asked if when the \$17.3M runs out if bus route 33 would be included in SacRT's budget or eliminated.

Ms. Ham stated the proposal is that the bus service will continue to be provided.

Director Loloee asked what the ridership is currently for route 33.

Ms. Ham stated about 100 passengers per day.

Director Serna asked what the perspective tradeoffs are if option 1 is chosen relative to funding state of good repair.

Mr. Johnson responded that in general there is \$1B dollars of unfunded projects and any money allocated to one project restricts or takes it away from another project. The SB 125 money has more flexibility and can be moved from one project to another.

Director Serna asked what a possible tradeoff would look like.

Ms. Ham stated the funding is flexible and SacRT would be able to use it as a match to apply for other competitive grants. She shared the highest priorities and expansion projects. She also stated that the mandated zero emission vehicle transition by 2040 to replace 600-700 vehicles will be a large funding need.

Director Serna asked if there could be other economically challenged and disadvantaged areas that need service enhancements as well that might need to be forgone.

Ms. Ham stated potentially, yes.

Director Daniels asked how long it takes on route 33 to get to Alkali Flats.

Ms. Ham stated 5-10 minutes.

Chair Kennedy asked if the Stockton BRT plan could be impacted.

Ms. Ham replied yes.

Chair Kennedy asked if the amount being received from SB125 is known.

Ms. Ham said it is unknown at this time. She believes the SACOG Board will take action in December.

Chair Kennedy asked when the soonest the changes to route 33 could take place.

Ms. Ham responded potentially up to 18 months while simultaneously amending the grant, which could be 1 to 2 years.

Director Loloee asked how long the light rail construction would take.

Ms. Ham responded that the estimate completion is December 2026.

Director Loloee reaffirmed that the bus route changes would take longer.

Ms. Ham stated it would be about the same or maybe a little sooner.

Director Loloee asked if there was any way an extension of the December 1, 2023, deadline could be granted in order to hear from SACOG.

Ms. Ham said she is not sure. Previously SacRT was told there would be no extension.

Director Valenzuela stated that at the meeting with Senator Ashby it was mentioned there would be a letter submitted by December 1, 2023, and SACOG would work hard to secure the funding. She stated option 2 or 3 do not work and the success of this project would do a lot for SacRT's reputation and competitiveness.

Director Budge asked for clarification that notice of direction is needed by December 1, 2023. She asked if there is implication that a bid is needed without adequate documents.

Ms. Ham stated that the bid documents can be processed simultaneously while waiting for final approval of funding and the contractor is currently in the process of updating the bid set.

Director Hume asked for clarification on if SACOG's commitment to find funding would be SACOG re-prioritizing funding that would otherwise come to SacRT for a different purpose.

Mr. Johnson stated that is correct.

Director Loloee asked if without the updated bid how the \$10M shortfall was determined.

Ms. Ham stated that as far as the expenditures, the engineer's estimate of \$22M for construction was based on actual bids received for the Folsom 15 project which is a comparable project.

Director Loloee asked if option 1 is not voted in if it would jeopardize future potential grants for SacRT.

Ms. Ham stated the grant program SacRT is funded through is going away and SacRT will not be eligible for this program in the future. She said there is always a fear it could damage credibility if the project was not pursued however, with the options put forth, the project is progressing in one form or another and ensures the funds are expended.

Director Loloee asked if the substitute project would be frowned upon because it was not the original project.

Ms. Ham stated the SGC asked for a substitute project.

Director Serna shares Director Valenzuela's concern regarding possible damage to SacRT's reputation. He asked if the \$10M provided through option 1 could and should be used as a match for other grants. And, if the \$10M is used for option 1 and then not available, would it then affect the ability to apply and succeed for future grants.

Ms. Ham responded that it is difficult to say. She said the initial hope was that there would be an extension on this grant and an opportunity to apply for others grants and leverage the funds as well as be competitive in future grant cycles. Since there is no opportunity to extend the grant, it is a balance of fulfilling the commitment on this project or with a substitute project and the potential competitiveness for other state grants in the future.

Director Serna stated a possible trade-off if the Board goes with option 1, is that there would be a lack of resources to pursue future grants to take care of state of good repair and other operational needs.

Ms. Ham responded that is true that SacRT would have reduced flexible resources to pursue other competitive grants.

Speakers:

Jeffery Tardaguila stated his support for option 1 and said more consideration for the elimination of route 15 was needed and on route 33 an expansion of hours of operation and space is needed

Jeff Harris, former SacRT Board member, proposed option 3 as the best way to go forward. He said creating a bus route to serve the needs of the people in the River District and directing Mr. Li, by motion to continue to pursue grant funds to build the Dos Rios station in the future would

be a win all the way around.

Kathryn Canepa, Civic Thread, provided support of option 1. The light rail would provide a critical connection to other locations in the city and honor a promise that has been made.

Joe Robustelli supports option 1.

Reggie Foster is in support of expansion of route 33.

Chair Kennedy asked Ms. Ham if the expansion of route 33 would allow access to the Greenline via the Township station.

Ms. Ham responded yes, and you could also connect to route 11 there.

Director Serna asked if in addition to the headways being adjusted to 15 minutes or less, will route 33 operating hours and days be expanded.

Ms. Ham responded yes, the proposed expansion is to extend from 5:00 a.m. to 9:00 p.m. seven days a week and those elements of the service expansion could be implemented within six months, with the existing fleet. Increasing the headways even further and extending it at the same time would require new vehicles.

Director Maple asked if the SGC \$17M can be used for the bus route or if there is a possibility it could be lost entirely.

Ms. Ham responded that the substitute would have to be accepted and supported by the community. She understands that SHRA is looking at some other elements to include in the project to get to \$17.6M. Based on feedback received, transit is the highest priority.

Director Maple asked if it is possible SGC would not accept the alternative project.

Ms. Ham said yes, it is possible.

Director Serna asked if option 2 forecloses the possibility of the Dos Rios Light Rail Station.

Ms. Ham said for option 2, a partner would need to come forth with funding by December 1, 2023.

Director Serna asked how option 2 is different than 3.

Ms. Ham stated option 3 would be to move ahead with a substitute project and then pursue new grants for the construction of the light rail station.

Director Serna stated this would be based on the fact the substitute project would be accepted.

Ms. Ham replied yes.

Director Loloee asked for clarification that the \$17.6M funding is guaranteed for option 1 and not guaranteed with option 3 as it would be based on SGC acceptance of the substitute proposal.

Ms. Ham affirmed and added that with option 1 SacRT would need to go out to bid, get the construction bids in, be successful and maintain the schedule.

Director Jennings stated it sounds like option 1 is being looked at so funding is not lost but it will be combined with option 3 moving to route 33.

Ms. Ham stated it would be one or the other.

Director Kozlowski asked if the short-term plan is to enhance route 33 and the long-term plan is to continue to pursue funding for the station.

Ms. Ham stated SacRT's current Short Range Transit Plan envisions the route would go away once the station is constructed because it is duplicative and there has been communication with the community with regards to expanding the hours in the short term.

Director Jennings asked if the community engagement has already happened or if it is something that will be occurring.

Ms. Ham responded that the community engagement has been led by SHRA in the affected project area. SacRT would still need to follow the service change process with full public outreach, public comment and a Title VI analysis before the changes take place.

Mr. Flores commented that at the November 2, 2023, meeting, the SGC was clear they wanted SacRT to propose a parallel path if possible and want it submitted by December 1, 2023.

Director Loloee asked if the Board chooses option 3, if SacRT can simultaneously get bids for option 1 and if pivoting is necessary, would it be allowed.

Ms. Ham responded yes and stated SGC asked for the parallel path. SacRT would need to hit all milestones, award a contract this spring and simultaneously look at a substitute project in case the light rail station project does not happen.

Director Loloee asked if the Board goes with option 1 and if the cost is greater than anticipated would the pivot to option 3 be available.

Ms. Ham said that it would be subject to the decision of the SGC, but she thinks there is some potential for that.

Director Valenzuela stated that the \$17.6M was based on a GHG reduction and she does not think bus service would qualify for the full amount of money. She then asked staff if service on route 33 has been recently reduced.

Ms. Ham said there have not been any recent changes.

Director Valenzuela stated if service on a line was reduced in the term of the grant and then the grant was used to bring the service back up there could be supplanting resources accusations and wanted to add that caution.

Chair Kennedy asked if the vehicles are zero emission.

Ms. Ham responded yes.

Billy Baker is supportive of the light rail and explained his concerns regarding the safety issues with Mirasol Village's current transportation options.

Kiara Reed, Civic Thread, shared her support for option 1 and stated the light rail is a critical means of connecting residents to essential destinations.

Devin Strecker, River District Executive Director, supports option 1, and stated the station was planned and grant funding was obtained to coincide with the construction of Mirasol Village. The Growers District, the Village at Dos Rios, Dos Rios Hobby Condos, the Alchemist Public Market, Sactown Eats and Pint Works are all projects that spurred investment and interest in the River District based on the promise of the Dos Rios Light Rail Station.

Greta Lacin, President River District Board, stated the River District Board has long anticipated the building of the Dos Rios Station and it is viewed as an essential building block for the future. She is asking the Board to make a solid commitment to building the Dos Rios station.

Robyn Ayres expressed her support for option 1. The light rail has been an integral part of how the Mirasol Village project was promoted by SHRA with the idea of improved, environmentally efficient transit and an increased opportunity for people in the community.

Aquilina Sharp stated that she recently moved to Mirasol Village and stated the money, the need, and safety need to be thought about.

Rhea Hartwell supports option 1 and stated that she has a garden plot at the Mirasol Village Community Garden and that for the community to thrive and grow it needs a permanent and reliable transit option.

Josn Kohlenbrener, Head of Development Bauen Capital, is in support of option 1. Bauen Capital owns several properties in the Sacramento area. In addition to the millions already spent cleaning up the property, Bauen is preparing to spend over \$250M to see the development through. A large part of the investment is predicated on the assumption that the public transportation infrastructure would be addressed via the construction of the Dos Rio Light Rail station.

Director Loloee asked Mr. Kohlenbrener when he anticipated that the 500 units he mentioned would be completed.

Mr. Kohlenbrener responded 4-5 years.

Sarah Blincoe stated that route 33 does not run at night and the space is limited barely fitting one wheelchair. She is concerned about her safety past 3:00 or 4:00 in the afternoon.

Howard Jones stated he is previous President and Treasurer of the River District resident council. He is concerned regarding the limited space on buses.

Sondra Sulli is a resident of Marisol Village and works 2.5 miles from Marisol Village. She is unable to walk to work due to safety concerns and urges the Board to support option 1.

LaShelle Dozier, SHRA, stated that Dos Rios had been overlooked for a very long time. In 2007 SHRA came forward with asset repositioning and looked at all their developments and Dos Rios came to the top of the list for complete renovation. SHRA secured funding and HUD gave \$30M in seed money to start the transformation. A big part of the transformation and overall vision for that neighborhood was light rail and transportation was a key part of how SHRA got SGC to buy into their vision and put \$17M on the table. Over \$300M in funding has been secured for housing. Ms. Dozier said that building the light rail is a culmination of a lot of hard work and promises.

Director Loloee asked if there is an additional project that SHRA is looking at in the Dos Rios area.

Ms. Dozier replied yes with regards to future housing and that the light rail station is a TOD where housing will be built. She said that SHRA has spent millions of dollars to purchase the triangle site, nearly \$2M to clean up the site and once the light rail goes in, senior housing will be built on that site. Ms. Dozier said light rail needs to be in place and then much needed senior housing units will be built.

Director Loloee asked what the timeline on that project is.

Ms. Dozier stated once the light rail is under construction then SHRA will finish the further clean up and then go after funding for the future housing. She said it would be another 3-4 years from when the light rail goes in.

Director Loloee asked if when pursuing funding for the future housing if there is any opportunity to ask for additional funding for the operation of light rail.

Ms. Dozier stated there are different types of funding sources.

Director Loloee asked if Ms. Dozier sees anything in the near future that could come back to SacRT for the light rail project.

Ms. Dozier asked if Director Loloee is asking if SHRA is looking for funding to build the light rail station.

Director Loloee stated there is essentially a \$10M gap in funding and asked if there are any other buckets now or in the future that could be utilized to cover the gap.

Ms. Dozier stated SGC wanted to see that there was a path forward by December 1, 2023. The purpose of the November 2, 2023, meeting was to look at the funding gap. It was then to be brought to the SacRT Board, a letter is to be sent to SGC and then SACOG is to put a placeholder for their December meeting for the \$10M.

Director Loloee asked if the funding was different than the SB125 funding.

Ms. Dozier responded it is the same.

Director Loloee asked if it is not additional funding if it is a matter of reallocating \$10M from SB125 to the Dos Rios project.

Ms. Dozier does not know if it is reallocating or allocating.

Director Loloee asked if it will be taking away from the 89%.

Ms. Dozier stated it would be a part of the 89%.

Kesha Harris, advocating for the community, brought over 50 signatures from households that could not attend the meeting. She shared some community benefits of the vote in support of option 1.

Sam Greenlee, Executive Director Alchemist CDC, is one of the partners in the SIMPL project who is developing the Alchemist Public Market which was inspired by Mirasol Village and the impending light rail station.

Eugene shared his support for the light rail station and the benefits of being able to use light rail.

Lisa Humphrey is a student and supports the light rail.

Lisa M. Humphrey is a resident of Marisol Village and supportive of the light rail.

Public comment was then taken by phone.

Daniel Washington, Director for Senator Angelique Ashby, supports option 1. He stated the funds are tied to option 1 and any other selection jeopardizes funding..

Rick Hodgkins supports option 1.

Mariah Bell encouraged the Board to support option 1.

Sean Wright, Akali & Mansion Flats Historic Neighborhood Association, supports light rail station option 1.

Director Valenzuela moved option 1. Director Maple seconded.

Director Hume stated in the original proposal, SacRT's commitment was \$4.24M and under current option 1, the figure would swell to \$23.44M. Director Hume said spending \$23.44M to secure \$17.55M does not make sense. He supports the option of expanding the transit network while also making sure the Dos Rios light rail station is the number one priority for SacRT's capital projects list. It seems like the larger partners are putting all the share on the local agency and he will not support option 1.

Director Maple complimented the young people that spoke. She thanked Ms. Dozier for providing the historical perspective. She thanked Daniel Washington for speaking on behalf of Senator Ashby and read a portion of a letter from the Senator. Director Maple said this is not just about equity, that people need access to jobs, school and feeling safe and this fits in with a lot of SacRT's goals.

Director Singh-Allen supports the Dos Rios Light Rail Station but has concerns about how to fund the gap. She stated that putting light rail before having a zero-emission fleet seems out of order and asked what services would be cut and where the money would come from. She stated option 3 has the most flexibility and a robust route 33 would meet the needs of the community while at the same time funding for the light rail station can still be pursued. She complimented Mr. Li on his ability to find grant funding. She stated that SACOG's commitment is currently unknown which could present a troubling scenario. Director Singh-Allen made a motion for option 3.

Director Daniels seconded the motion.

Director Budge supports the motion for option 3. She stated in addition to the question of what will be cut is what will not happen. She added that it does not do any good to build a light rail station if there are not enough vehicles to stop there.

Director Kozlowski echoed Director Singh-Allen's comments. He stated everyone commenting is right. The cost escalation for construction projects has been extraordinary and that has moved the finish line. If the Board moved forward with the light rail station the finish line would be moved for potentially dozens of other projects with equally worthy users of SacRT services. He added that he believes the expanded route 33 bus service which was mentioned would take a year or more to get in place could be done much faster.

Director Daniels stated that neither Citrus Heights nor Elk Grove currently have light rail and are the most densely populated areas. He said the Dos Rios Light Rail project exploded in costs with many other things that were planned five years ago, and the taxpayers are the ones who will be paying the difference. To do this project means other projects will not occur and, as far as Dos Rios, there is a system in place, it will be enhanced and allow access to the light rail station in a timely manner. It would not be fair to all else living outside of this area to redirect funds that are needed for the region.

Director Jennings stated the Dos Rios light rail project has been stopped because other projects have been moved before it and now is the time to commit to the promise made. He stated if the project continues to be held the cost of the project will become much larger.

Director Loloee stated the number one concern he has heard is public safety and whether option 1 or option 3 is chosen it will not help with public safety. He is concerned about what will be cut if option 1 is supported. He asked for clarification on if the funding is used for option 3 and Mr. Li finds the funds if they can then be diverted for option 1.

Ms. Ham responded that SacRT is the subrecipient to SHRA on the project and there are no direct communications between SacRT and SGC. SGC is requesting the substitute project so it could be presumed that SGC is fully intending to go forward with the substitute project in good faith should SacRT meet all the criteria however, there is not 100% certainty.

Director Loloee asked if SHRA would be able to provide a more definite answer.

Victoria Johnson, SHRA responded that the grant funds per the contractual agreement are specifically for the light rail station. Because the state wants to support the community, they have offered the option of proposing alternates which must be community supported. She said the route 33 expansion is the preferred alternate and in the \$4M - \$5M range. She also clarified that if the Board moves forward with the alternate option 3, going back to option 1 is not an option.

Director Loloee asked if the Board chooses option 3, if SacRT would only receive a portion of the funding.

Ms. Johnson replied that the \$4M is based on information from SacRT staff.

Director Loloee asked if anything beyond that number would not be able to be used.

Ms. Johnson stated multiple options are being looked at on how to identify projects that the community supports that would reach the \$17M but that has not been achieved yet.

Director Loloee stated given there is approximately \$1B in capital projects, he asked if \$10M would create that much of a consequence regarding the \$1B in overdue services for projects.

Ms. Ham stated the primary issue is the ability to leverage the funds. She said there are other competitive projects where SacRT could use it as match to go after another grant and potentially complete other projects whereas with this project, SacRT is essentially filling a gap and does not have the ability to go after additional grants to complete.

Director Loloee asked if it would jeopardize future grants for SacRT.

Ms. Ham responded yes. She then clarified that the original package put forth included improvements to route 33, route 11, route 142 and three commuter routes and so far, based on community research, route 33 has been the most popular. She believes SacRT is being afforded

the opportunity by SGC to continue working on it.

Director Loloee asked if the new route 33 had expanded times and if they were electric buses.

Ms. Ham said yes, 5:00 am to 9:00 pm, seven days a week and 40-foot, low floor, ADA compliant electric buses is the proposal.

Mr. Johnson added with regards to leveraging that usually the match is about 20% so \$10M could potentially add up to about \$40M.

Director Maple asked about the potential for the SACOG money and if it is still a question mark.

Ms. Ham responded SACOG has indicated the request would be approved but the SACOG Board would need to approve it.

Mr. Flores added that SacRT has not seen an actual draft from SACOG of how they propose to allocate the SB125 funding.

Director Maple made a substitute motion to go with option 1 and added that there be a report back to the SacRT Board after the SACOG meeting which will give SacRT an opportunity to potentially keep the \$17M on the table and continue to work with regional partners with the SACOG money secured.

Director Jennings seconded the motion.

Chair Kennedy stated with the route 33 expansion there will be more transportation options available and better service. Chair Kennedy commented that SGC would not be asking for alternate options if the funding was tied to option 1. He shares Director Singh-Allen's thoughts and thinks option 3 is the best option for the people in the community and for the transit district.

Director Serna thanked staff and Mr. Li for bringing the options forward and agrees with all his colleagues have said. He supports Director Maple's motion but acknowledges there could be a cost to doing it later. If the motion fails, he hopes that his colleagues at the dais realize the importance of speaking with one voice and move forward with preserving the ability to continue seeking the funding for a light rail station.

Chair Kennedy stated that tonight's outcome does not change his commitment to seeing that the station eventually is built.

Director Loloee expressed his concerned that if the Board goes with option 1 and SACOG does not come through, then option 3 would not be an available option.

ACTION: MOTION FAILED. Director Maple moved; Director Jennings seconded approval of item 7.1, option 1: Request an allocation of \$10M in SacRT's SB125 funds and utilize approximately \$9.2M in SacRT's other funds to fully fund the Project (for a total of \$19.2M from SacRT). Director Maple added to option 1 that after the vote at the SACOG meeting,

the vote will then be brought back to the SacRT Board for review in the event that SACOG would decide not to allocate the \$10M in SB125 funding. Motion failed by roll call vote. Ayes: Directors Jennings, Loloee, Maple, Serna and Valenzuela; Noes: Directors Budge, Daniels, Hume, Kozlowski, Singh-Allen and Chair Kennedy; Abstain: None; Absent: None.

ACTION: APPROVED. Director Singh-Allen moved; Director Daniels seconded approval of item 7.1, option 3: Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission, frequent service, while continuing to pursue new grant funding for the station in the future. Motion was carried by roll call vote. Ayes: Directors Budge, Daniels, Hume, Jennings, Kozlowski, Loloee, Serna, Singh-Allen and Chair Kennedy; Noes: Directors Maple and Valenzuela; Abstain: None; Absent: None.

Mr. Li thanked staff and the community members and stated that in Senator Ashby's meeting, he made a commitment, subject to Board approval, to try to support option 1, because this community is a heavily disadvantaged community. He also talked to Congresswoman Matsui to ask to earmark funding for just this one specific project, and normally SacRT asks for funding for several projects. He expressed his appreciation for the Congresswoman and Senator Ashby and community leaders. Mr. Li stated that SacRT needs to submit the SB125 funding request to SACOG for SACOG to approve, which was also the commitment he made at the meeting facilitated by Senator Ashby. He asked the Board for permission to still submit a \$10M request from SB125 funds to be used as a local match, or seed money, to apply for federal and state money in the future. Without the availability of a matching fund, it will be very difficult to apply for federal and state grants.

Director Serna asked if it would be alright after adopting option 3 to give general direction to pursue additional funding.

Chair Kennedy stated Mr. Li should ask for all the funding he can, and that he believes there is a consensus from the Board to support his request. He thanked staff for the extensive time spent on the item.

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Speakers:

Michael Bevens, transit academy graduate, came to talk about Sacramento Regional Transit with an emphasis on the "regional".

Kesha Harris thanked SacRT for providing free bus service to the community dental event. She recognized the Board for having to make hard decisions and complimented them on the amazing things they do.

Jeffery Tardaguila is concerned with the planning for Broadway regarding bus stops and construction. He complimented the transit academy for having nearly 100 graduates.

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. Major Project Updates
 - b. SacRT Meeting Calendar

Due to the length of the meeting, Mr. Li waived providing a verbal report.

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

Director Loloee suggested having workshops for large projects.

Mr. Li commented that normally there are extensions on grants but due to state and budget limitations, SacRT was unable to get an extension. He stated SacRT applied for \$21M in TIRCP funding early this year and he spoke to CalSTA official before and after applying. They were very interested in the project; however, they ended up focusing on state of good repair and urgent maintenance needs instead.

Director Daniels recommended looking at having a pilot program of using Uber and Lyft to enhance service in areas.

Mr. Li acknowledged Director Daniel's idea of a pilot program. He then recognized Director Kozlowski's thought regarding the route 33 expansion happening sooner. Mr. Li stated if it is within his authority, SacRT can start the process of public comment and public hearing and hopes to make it happen in less than six months.

10. CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)

11. ANNOUNCEMENT OF CLOSED SESSION ITEMS

12. RECESS TO CLOSED SESSION

13. CLOSED SESSION

14. RECONVENE IN OPEN SESSION

15. CLOSED SESSION REPORT

16. ADJOURN

As there was no further business to be conducted, the meeting was adjourned at 8:39 p.m.

PATRICK KENNEDY, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: 2024 BOARD MEETING CALENDAR

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will result in establishing the Sacramento Regional Transit District Board of Directors meeting calendar for 2024.

FISCAL IMPACT

There is no fiscal impact associated with this action.

DISCUSSION

The Board's Rules of Procedure require the Board to set forth its regular meeting schedule for the following year. The attached schedule provides for two regular meetings on the second and fourth Monday of each month with the following exceptions:

- January: No meeting on January 8; to be consolidated with the January 22 meeting
- February: No meeting on February 12 due to Presidents Day holiday
- May: No meeting on May 27 due to the Memorial Day holiday
- June: No meeting on June 24 due to City and County recesses
- July: No Meeting on July 8 due to City and County recesses
- October: No Meeting on October 14 due to the Columbus Day holiday
- November: No Meeting on November 11 due to the Veterans Day holiday
- November: No Meeting on November 25 due to the Thanksgiving holiday
- December: No meeting on December 23 due to the Holiday season

Due to both November regular meetings being affected by holidays, there will be a regular meeting scheduled for Monday, November 18.

Staff recommends approval of the 2024 Board Meeting calendar attached to the Resolution as Exhibit A.

RESOLUTION NO. 2023-12-112

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

December 11, 2023

2024 BOARD MEETING CALENDAR

WHEREAS, the Sacramento Regional Transit Board of Directors desires to establish its regular meeting schedule for calendar year 2024; and

WHEREAS, Section 3.111 of Article 1 (Meetings) of Chapter 1 (Board Rules) of Title III of the Sacramento Regional Transit District Administrative Code Relating to Rules of Procedure provides in relevant part as follows:

The resolution establishing the Board's regular meeting schedule will state the date for each regular meeting, and the time or place for each regular meeting. Unless otherwise specified in the Resolution establishing the Board's regular meeting schedule, the Board will conduct its regular meetings at Sacramento Regional Transit's Administrative Offices. The Board Agenda will include the physical address of the location where the Board meeting will be held.

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

THAT, the regular meeting schedule set out in attached Exhibit A for the meetings of the Sacramento Regional Transit Board of Directors for calendar year 2024 is hereby adopted.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

EXHIBIT A

2024 BOARD MEETING CALENDAR

SACRAMENTO REGIONAL TRANSIT BOARD OF DIRECTORS 4:00 P.M.

Monday	NONE	January 8, 2024
Monday	Regular Meeting	January 22, 2024
Monday	NONE	February 12, 2024
Monday	Regular Meeting	February 26, 2024
Monday	Regular Meeting	March 11, 2024
Monday	Regular Meeting	March 25, 2024
Monday	Regular Meeting	April 8, 2024
Monday	Regular Meeting	April 22, 2024
Monday	Regular Meeting	May 13, 2024
Monday	NONE	May 27, 2024
Monday	Regular Meeting	June 10, 2024
Monday	NONE	June 24, 2024
Monday	NONE	July 8, 2024
Monday	Regular Meeting	July 22, 2024
Monday	Regular Meeting	August 12, 2024
Monday	Regular Meeting	August 26, 2024
Monday	Regular Meeting	September 9, 2024
Monday	Regular Meeting	September 23, 2024
Monday	NONE	October 7, 2024
Monday	Regular Meeting	October 21, 2024
Monday	NONE	November 11, 2024
Monday	Regular Meeting	November 18, 2024
Monday	NONE	November 25, 2024
Monday	Regular Meeting	December 9, 2024
Monday	NONE	December 23, 2024

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: APPROVING THE CONSTRUCTION AND MAINTENANCE
AGREEMENT FOR OFF-SITE IMPROVEMENTS WITH CAPITAL
PLANET, LLC

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the attached Resolution will approve an agreement for construction activities and ongoing maintenance at, and adjacent to, the 23rd Street light rail station.

FISCAL IMPACT

The proposed improvements will be constructed at no cost to SacRT. The intent of the agreement is to avoid additional ongoing costs for SacRT facility maintenance as a result of allowing construction of these improvements within the station area. There is a possibility, though remote, that the leaseholder will, after completion of construction, default on its obligations to maintain these unique features, in which case SacRT would incur costs to either assume maintenance of the improvements or remove them.

DISCUSSION

In February 2022, the City of Sacramento (“City”) received an entitlement application from SKK Developments and Capital Planet, LLC (formerly Another Planet Entertainment) for their 24R Theater project, which proposed a general admission ticketed, indoor live performance theater located at 1800 24th Street, on the southwest corner of 24th and R Streets. The project included plans to replace an existing vacant industrial/commercial building with a new 42,700 square foot building, to host live music and other events with a maximum capacity of 2,300.

The project was designed to take advantage of SacRT’s light rail system, with the 23rd Street station located directly in front of the project site. As such, SacRT staff was an integral part of the entitlement application approval process and worked in coordination with both the City and the 24R Theater development team to provide project conditions of approval and discuss the effects on transit. The property is owned by 1800 24th Street, LLC. Capital Planet, LLC will have a long-term lease to construct and operate the theater.

One condition of approval was to provide SacRT staff with the opportunity to review the project's construction and off-site improvement plans to identify station impacts and determine solutions. Upon review, SacRT staff determined several elements that needed to be addressed through an agreement that would define the roles and responsibilities of each entity, including but not limited to construction activity, work within SacRT's right-of-way, maintenance responsibility, and right of access.

A Construction and Maintenance Agreement for Off-Site Improvements ("Agreement") has been developed in partnership with 1800 24th Street, LLC and Capital Planet, LLC. The Agreement includes all terms and conditions for construction and maintenance at the 24R Theater project site (APN 010-0035-002-0000) and SacRT's adjacent station, including obligations to maintain, in perpetuity, certain features within SacRT's station area that are being constructed as part of the project. During the term of the lease, Capital Planet, LLC will be responsible for these obligations. If the lease is terminated or expires, the property owner will assume these responsibilities. The Agreement will be recorded with the County Recorder to ensure terms and conditions are preserved with future sale(s) of the property, though there is still some risk to SacRT if Capital Planet, LLC is not performing its obligations under the Agreement, but the property owner has not terminated the lease.

The 24R Theater development team is preparing permits with the City to begin construction at the project site, which requires SacRT's signature approving the off-site improvement plan set. Capital Planet, LLC and 1800 24th Street, LLC have already executed the agreement and are awaiting action by SacRT.

RESOLUTION NO. 2023-12-125

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

December 11, 2023

APPROVING THE CONSTRUCTION AND MAINTENANCE AGREEMENT FOR OFF-SITE IMPROVEMENTS WITH CAPITAL PLANET, LLC

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

THAT, the Construction and Maintenance Agreement for Off-Site Improvements by and between the Sacramento Regional Transit District (therein "SacRT") and Capital Planet, LLC (therein "Property Operator"), whereby the Property Operator agrees to specified terms and conditions for the construction and maintenance of improvements within and adjacent to SacRT's 23rd Street Light Rail Station, including the obligation to maintain specified improvements in perpetuity and to which the property owner 1800 24th Street LLC is joined as a contingent obligor upon termination or expiration of the leasehold interest, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Carmen Alba, Acting VP Light Rail Operations
SUBJ: AWARDING ON-CALL CONTRACTS FOR RAILROAD FLAGGING SUPPORT SERVICES TO NATIONAL RAILROAD SAFETY SERVICES, INC., RAILPROS FIELD SERVICES, INC., AND RAILWAY FLAGGING SERVICE, INC. FOR ONGOING CONSTRUCTION PROJECTS AND THIRD PARTIES REQUESTING RIGHT OF WAY

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Awarding Contracts for Railroad Flagging Support Services (RFSS) will provide on-call railroad flagging support services for SacRT's ongoing construction projects and third parties requesting access to SacRT's right-of-way as required by PUC regulations.

FISCAL IMPACT

There is no fiscal impact associated with the execution of the RFSS Contracts, which will be Work Order based contracts. No costs will be incurred until an individual Work Order is executed. For each Work Order, after review of the scope and price proposals, the General Manager/CEO or his designee will approve Work Orders with a price of \$150,000 or less. Work Orders exceeding \$150,000 will be brought to the Board for approval. As Work Orders are issued to a contractor, funding will be identified for the Work Order either: (a) from the Capital project budget line item for the task being performed (if permitted by the funding source); (b) based on a project or real estate agreement with a third party; or (c) from the Wayside Operating budget as funds permit. The precise extent of the required services is unknown at this time and will depend largely on the projects undertaken by SacRT and third parties during the contract term. The identified maximum total consideration for the three-year term is up to \$3,000,000 per contract, for a maximum total consideration of \$9,000,000.

The daily rates per staff person vary between the three firms, by the time and day of the work, and over the three years of the contract term. The cost per Lookout/Employee In Charge for an 8-hour day ranges from \$898 to \$2,047.00 depending on the firm and timing. The number of employees needed also varies based on the nature of the work and proximity to the tracks but ranges from 1 to 4 individuals. Where allowed by the

relevant agreement, SacRT will seek reimbursement from third parties for the costs of providing the flagging support services.

DISCUSSION

SacRT is required by the Public Utilities Commission (General Order 175-A) to provide roadway worker protection, also known as railroad flagging, to support all activities in the SacRT right-of-way and infrastructure and systems.

Work that requires railroad flagging includes but is not limited to design and construction projects for the SacRT Engineering & Construction Department, SacRT maintenance activities, and design, construction, and maintenance activities for third parties. Due to SacRT's limited internal resources and its own maintenance requirements, the SacRT Light Rail Maintenance Department is unable to consistently commit to provide flagging support for SacRT capital projects and third-party access requests. SacRT risks delay claims by construction contractors if it is unable to timely provide flagging support services for its own capital projects. To fill the demand for flagging support requests and requirements in construction contracts and third-party agreements, Staff decided to solicit supplemental RFSS.

On February 8, 2023, SacRT released a Request for Proposal (RFP) for Railroad Flagging Support Services. The RFSS contracts will provide on-call railroad flagging support services on a Work Order basis as needed for various SacRT Capital projects and for access and construction requests by third parties. The support services will be contracted over a three-year period with a SacRT option to renew for two 1-year periods for railroad flagging support tasks. The RFP specified that multiple contractors could be selected.

Staff posted the opportunity on SacRT's website under Procurement's Bid Opportunities and on Planet Bids. On March 22, 2023, SacRT received three responsive proposals from: National Railroad Safety Services, Inc., RailPros Field Services, Inc., and Railway Flagging Services, Inc. The five-member Evaluation Committee reviewed the written proposals. The qualifying criteria included Contract Understanding, Contract Staffing and Experience, Contract Approach to Work, and Price Proposal. The Evaluation Committee completed its evaluation of the written proposals and, based on the results, determined that oral presentations were not needed. All three firms were determined to be qualified for award.

Because of the uncertain nature of the work and funding sources, pursuant to the Disadvantaged Business Enterprise (DBE) regulations in 49 C.F.R. Part 26 and SacRT's DBE Program, no overall DBE participation goal was set for the overall contracts. DBE Goals will be established on a project-by-project basis on Work Orders that are funded with federal assistance, and that have subcontracting opportunities and for which there is an available pool of DBEs that are certified in the NAICS codes related to the Work Order. Contractors were required, as part of their response to the RFP, to attempt, in good faith, to secure and include sufficient DBE certified firms on their proposal related to RFSS to help ensure they can meet, in good faith, the DBE goal set on any federally funded Work Orders as applicable, that are executed post award of a Contract.

SacRT has multiple simultaneous projects and access requests that at times may require more than one train control method on any given day. To complete work as quickly and efficiently as possible, SacRT requires multiple RFSS contracts to meet the safety needs for the projects. Procurement reviewed the pricing from all three firms and determined that it is fair and reasonable despite the significant variation (up to 65% of the hourly rate) between the firms.

RESOLUTION NO. 2023-12-113

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

December 11, 2023

AWARDING CONTRACT FOR RAILROAD FLAGGING SUPPORT SERVICES TO NATIONAL RAILROAD SAFETY SERVICES, INC.

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

THAT, the Contract for Railroad Flagging Support Services by and between Sacramento Regional Transit District, therein referred to as "SacRT," and National Railroad Safety Services, Inc, therein referred to as "Contractor," whereby Contractor agrees to provide railroad flagging support services on a Work Order basis, as further specified in the Contract, for a term of 3 years, for an amount not to exceed \$3,000,000.00, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2023-12-114

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

December 11, 2023

AWARDING CONTRACT FOR RAILROAD FLAGGING SUPPORT SERVICES TO RAILPROS FIELD SERVICES, INC.

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

THAT, the Contract for Railroad Flagging Support Services by and between Sacramento Regional Transit District, therein referred to as "SacRT," and Railpros Field Services, Inc., therein referred to as "Contractor," whereby Contractor agrees to provide railroad flagging support services on a Work Order basis, as further specified in the Contract, for a term of 3 years, for an amount not to exceed \$3,000,000.00, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2023-12-115

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

December 11, 2023

AWARDING CONTRACT FOR RAILROAD FLAGGING SUPPORT SERVICES TO RAILWAY FLAGGING SERVICES, INC.

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

THAT, the Contract for Railroad Flagging Support Services by and between Sacramento Regional Transit District, therein referred to as "SacRT," and Railway Flagging Services, Inc., therein referred to as "Contractor," whereby Contractor agrees to provide railroad flagging support services on a Work Order basis, as further specified in the Contract, for a term of 3 years, for an amount not to exceed \$3,000,000.00, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: David Topaz, VP, Employee Development and Engagement
SUBJ: APPROVING REVISED SACRT DRUG AND ALCOHOL TESTING AND REHABILITATION POLICY

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Repealing Resolution No. 14-04-0028 and adopting Resolution No. 2023-12-116, approving the revised Sacramento Regional Transit District (SacRT) Drug and Alcohol Testing and Rehabilitation Policy (DAT Policy). Approving this Resolution will ensure SacRT implements a policy that is compliant with DOT FTA Regulations.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION

The Board last adopted the DAT Policy in April 2014 (Resolution No. 14-04-0028). The FTA performed a “courtesy review” of the existing policy in June 2022 and provided recommendations to avoid potential deficiencies, after which the Labor Relations Department began work on updating the policy and shared a draft of the document to all represented organizations for review on November 28, 2022.

On April 19-21, 2023, the draft policy was audited by the U.S. Department of Transportation Federal Transit Administration (DOT/FTA) and some additional areas were identified as needing correction to conform to new regulations.

In response to the courtesy review and audit, Staff revised the DAT Policy to conform to new regulations implemented after April 2014, and made other administrative revisions to clarify current practices. Some of the changes include:

- Added the exception to termination for “Refusals to Test” if the employee cooperated with the “3-Hour Shy Bladder Procedure” (Arbitration Settlement – July 11, 2014);
- Addition of synthetic opioids to the testing panel (Implemented January 2018);
- Added the procedure for Safety Concern Examinations;

- Clarified the rehabilitation process for employees that commit drug and/or alcohol policy violations.
- Clarified that the policy as it pertains to non-safety sensitive employees applies to off-site lunch periods and breaks when an employee is scheduled to return to work.

The policy serves to implement both SacRT's obligations under 49 C.F.R. Part 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations) and the federal Drug-Free Workplace Act of 1988 and associated regulations (49 C.F.R. Part 32).

The proposed policy, after incorporation of the changes associated with the audit, was re-distributed to all labor organizations representing SacRT employees for review on October 3, 2023, to comply with SacRT's bargaining obligations.

The revised DAT Policy is attached to the Resolution as Exhibit A, and a comprehensive list summarizing the changes is also included as Attachment 1. Staff recommends approval of the revised DAT Policy. Upon approval, a Board adopted copy will be provided to all labor organizations representing SacRT employees and all current and newly hired employees, as required by 49 C.F.R. Sections 655.15 and 655.16.

DAT Policy Revisions Summary of Changes

1.0 Policy

- *Updated SacRT References throughout the Policy*
- *Updated grammar throughout the Policy*

2.0 Purpose

- Added reference to FTA Drug and Alcohol Program Website
- Added reference to The Drug-Free Workplace Act of 1988

3.0 Application Of Policy

- Changed the title to “Applicability”
- Added details concerning what constitutes a safety-sensitive function
- Policy is in effect during off-site lunches
- Added section for “On-Call Employees”

4.0 Prohibited Substances

- Added details concerning prohibited substances
- Updated the term “Opiates” to “Opioids”
- Added details concerning alcohol misuse
- Added details concerning the process for securing a negative test result when legally taking prescription drugs

5.0 Prohibited Conduct

- Moved the language contained previously in Section 8.0 (*Required Notification Of A Criminal Conviction*)
- Added clarification concerning prohibited drug use and alcohol misuse
- Added the District’s practice of placing employees on Paid Administrative Leave pending investigation and verification of a positive result
- Added a reference to the “Consequences Section” for non-negative alcohol test results

6.0 Education And Training

- Added details concerning training

7.0 ~~Behavior Constituting A Refusal To Submit To Testing~~ Procedures For Drug And Alcohol Testing

- Moved Section 11 to Section 7
- Updated the term “Opiates” to “Opioids”
- Added details concerning the procedures
- Moved the “Dilute Test Result Procedure” from Section 12 to Section 7
- Moved the “Split Specimen Procedure” from Section
- Created a section for “Split Specimen Test Procedure”
- Added details about the cost of split specimen testing being paid by the employee
- Added “Safety Concern Examination Procedures”

8.0 ~~Required Notification Of A Criminal Conviction~~ Behavior Constituting A Refusal To Submit To Testing

- Moved Section 7 to Section 8
- Added clarifying language
- Moved the “Consequences for a Refusal” to Section 11

9.0 Circumstances Under Which An Employee Will Be Tested

- Added the purpose for each testing type
- Added details concerning each testing type
- Added the “negative-dilute” retest procedure for each testing type that it applies
- Added details concerning what the DOT FTA background check entails
- Discontinued Pre-Employment Testing for employees that are off for 90 days or more
- Moved “Consequences For A Positive Pre-Employment Test” to Section 11
- Added details for when alcohol tests can be conducted for Reasonable Suspicion and Post-Accident Testing
- Added the District’s practice of placing employees on Paid Administrative Leave pending test results for applicable testing types
- Added reference to FTA Drug and Alcohol Program Website for random testing rates
- For Return-To-Duty Testing and Follow-Up Testing, added an employee can be terminated for a positive drug test, positive alcohol test, or a non-negative alcohol test result.

10.0 Conditions For An Observed Collection

- Added clarifying language

11.0 ~~Procedures For Drug And Alcohol Testing~~ Non-Negative And/Or Positive Drug And Alcohol Test Results With Disciplinary Consequences

- Moved Section 12 to Section 11
- Renamed section
- Moved Pre-Employment (New-Hire) positive consequences from Section 9
- Added clarifying language throughout section
- Outlined necessary steps external candidates must accomplish for consideration for future employment
- If SAP and Rehab Facility agree that more treatment is necessary, then employee can opt for more treatment at their cost (most insurances pay for the bulk of treatment)
- Employees can avail themselves of 1 Voluntary (or DUI) Rehabilitation Treatment and 1 Involuntary (positive test) Rehabilitation Treatment
- Refusals – Added exception to Termination if the employee cooperated with the 3-hour Shy Bladder Procedure. Instead, the employee will be able to go through the involuntary Rehabilitation Treatment Program
- Added 2 Day Suspension as a consequence for employees who has a second non-negative within 36 months.

12.0 ~~Drug And Alcohol Test Results And Consequences~~ Voluntary Rehabilitation Treatment

- Moved Section 13 to Section 12
- Added clarifying language
- Referred to professional services of a “Counselor” instead of an “SAP” since this is a Non-DOT Program
- Such testing under this program is not observed
- Added the Employee Assistance Program (EAP) as a possible avenue for drug abuse and/or alcohol misuse assistance
- Added protocol for admissions of drug abuse and/or alcohol misuse
- Added reference to DUI Leave as a type of Voluntary Rehabilitation

13.0 ~~Voluntary Rehabilitation Treatment~~ Incorporation Of New Or Changed Requirements

- Moved Section 14 to Section 13

14.0 ~~Incorporation Of New Or Changed Requirements~~ Adoption And Reinstatement Of The Policy

- This section will be updated when the Board adopts the Policy

~~15.0 Adoption And Reinstatement Of The Policy~~

Appendices

Appendix A – ~~Glossary Of Terms~~ Safety Sensitive & Non-Safety-Sensitive Job Classification Designations

- Added classifications that were not referenced in the previous policy.
- Made certain Management Positions non-safety-sensitive so the pool will not continue to be diluted.

Appendix B – Contact Persons

- Moved from Appendix F to Appendix B
- Updated current Labor Relations contact information
- Added D.E.R. designations

RESOLUTION NO. 2023-12-116

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

December 11, 2023

APPROVING REVISED SACRT DRUG AND ALCOHOL TESTING AND REHABILITATION POLICY

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

THAT, Resolution No. 14-04-0028, adopted on April 14, 2014, is hereby repealed.

THAT, the Drug and Alcohol Testing and Rehabilitation Policy attached hereto as Exhibit A is hereby approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

SACRAMENTO REGIONAL TRANSIT DISTRICT
Drug and Alcohol Testing and Rehabilitation Policy

----- < > -----

ADOPTED BY THE
SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
ON

December 11, 2023

RESOLUTION No. 2023-12-116

----- < > -----

PREVIOUS REVISIONS

- 14-04-0028 (04-14-2014)
- 11-01-0010 (01-24-2011)
- 08-12-0165 (12-25-2008)
- 08-08-0118 (08-25-2008)
- 05-03-0061 (03-28-2005)
- 03-04-0097 (04-28-2003)
- 01-10-0217 (10-08-2001)
- 01-04-0070 (03-13-2001)
- 00-10-0218 (10-23-2000)
- 94-10-2228 (10-06-1994)

SACRAMENTO REGIONAL TRANSIT DISTRICT DRUG AND ALCOHOL TESTING AND REHABILITATION PROGRAM

TABLE OF CONTENTS

1.0	POLICY	1
2.0	PURPOSE	2
3.0	APPLICABILITY	3
3.1	SacRT’s Safety-Sensitive Employees	3
3.2	SacRT’s Non-Safety-Sensitive Employees	4
3.3	On-Call Employees	4
4.0	PROHIBITED SUBSTANCES	5
4.1	Controlled Substances or Illegal Drugs (Including Their Metabolites)	5
4.2	Alcohol	5
4.3	Legal Drugs (Prescription and Over-the-Counter Medications)	5
5.0	PROHIBITED CONDUCT	7
5.1	Prohibited Manufacture, Trafficking, Possession, and Use of Drugs (Drug-Free Workplace Act of 1988)	7
5.2	Prohibited Drug Use	7
5.3	Prohibited Alcohol Use	7
6.0	EDUCATION AND TRAINING	9
6.1	General	9
6.2	Supervisor	9
7.0	PROCEDURES FOR DRUG AND ALCOHOL TESTING	10
7.1	Drug Testing Procedures	10
7.2	Alcohol Testing Procedures	16
8.0	BEHAVIOR CONSTITUTING A REFUSAL TO SUBMIT TO TESTING	18
8.1	Drug Testing Refusal	18
8.2	Alcohol Testing Refusal	19
9.0	CIRCUMSTANCES UNDER WHICH AN EMPLOYEE WILL BE TESTED	20
9.1	Pre-Employment Testing	20
9.2	Reasonable Suspicion Testing	21
9.3	Post-Accident Testing	22
9.4	Random Testing	25
9.5	Return-To-Duty Testing	25
9.6	Follow-Up Testing	26

TABLE OF CONTENTS (Continued)

10.0 CONDITIONS FOR AN OBSERVED COLLECTION28

**11.0 NON-NEGATIVE AND/OR POSITIVE DRUG AND ALCOHOL TEST RESULTS
WITH DISCIPLINARY CONSEQUENCES29**

11.1 Positive Pre-Employment Test Results29

11.2 Other Positive Test Results29

**11.3 Consequences of a Refusal to Submit to a Required Drug
 and/or Alcohol Test32**

11.4 Non-Negative Alcohol Test Result32

12.0 VOLUNTARY REHABILITATION TREATMENT & DUI LEAVE.....34

12.1 SacRT Voluntary Rehabilitation Treatment Program34

12.2 Employee Assistance Program (EAP) Substance Abuse Services.....35

12.3 Admission of Drug and/or Alcohol Misuse35

12.4 DUI Leave (Voluntary Rehabilitation Treatment)36

13.0 INCORPORATION OF NEW OR CHANGED REQUIREMENTS37

14.0 ADOPTION AND RESTATEMENT OF THE POLICY38

APPENDICIES

**APPENDIX A: SAFETY-SENSITIVE & NON-SAFETY-SENSITIVE
JOB CLASSIFICATION DESIGNATIONSI**

APPENDIX B: CONTACT PERSONS.....III

SACRAMENTO REGIONAL TRANSIT DISTRICT DRUG AND ALCOHOL TESTING AND REHABILITATION PROGRAM

1.0 POLICY

The Sacramento Regional Transit District (SacRT) is dedicated to providing safe, dependable, and economical transportation services to our transit system passengers. SacRT employees are our most valuable resource. It is SacRT's goal to provide a healthy and satisfying working environment that promotes personal opportunities for growth. In meeting these goals, it is SacRT's Policy to:

- a. Ensure that employees are not impaired in their ability to perform assigned duties in a safe, productive, and healthy manner;
- b. Create a workplace environment free from the adverse effects of the use or misuse of alcohol or controlled substances¹;
- c. Reduce absenteeism, tardiness, and indifference to job performance as a result of the use or misuse of alcohol or controlled substances;
- d. Prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances; and
- e. Encourage employees to seek professional assistance at any time personal problems, including alcohol or drug dependency, adversely affects their ability to perform their assigned duties.

2.0 **PURPOSE**

The purpose of this policy is to ensure worker fitness for duty and to protect SacRT's employees, passengers, and the public from the risks posed by the use or misuse of alcohol and prohibited drugs. This policy strengthens and reaffirms our commitment by complying with all applicable federal regulations governing workplace drug prevention programs in the transit industry. SacRT conforms to the Federal Transit Administration (FTA) of the U.S. Department of Transportation (DOT) regulations at 49 CFR Part 655, as it may be amended after the date of this policy, that mandate drug testing and alcohol testing for transit employees working in safety-sensitive classifications to prevent performance of such functions by employees when there is a positive drug or alcohol test result. SacRT also complies with DOT regulations at 49 CFR Part 40, as it may be amended after the date of this policy, that sets standards for the collection and testing of urine and breath specimens. Copies of the regulations are available by contacting a SacRT Staff Member identified in Appendix J of this document, or on the FTA Drug and Alcohol Program Website at <http://transit-safety.fta.dot.gov/DrugAndAlcohol/>.

In addition, SacRT is committed to maintaining a drug and alcohol-free workplace in compliance with DOT Regulation (49 CFR Part 32), by implementing "The Drug-Free Workplace Act of 1988," and the "Omnibus Transportation Employee Testing Act of 1991." These statutes and implementing regulations require the promulgation of a Drug-Free Workplace Statement and the reporting of certain drug-related convictions to the FTA.

The provisions contained in this policy that are implemented under SacRT's authority are identified by bold, italicized font. All other provisions are implemented by the authority of and pursuant to the DOT and FTA Regulations at 49 CFR Parts 32, 40 and 655 and the FTA Master Agreement, which includes an obligation to comply with 2 CFR Part 182.

3.0 APPLICABILITY

3.1 SacRT's Safety-Sensitive Employees

- a. This policy applies to all employees, including an applicant, transferee, or Contractor who performs (or will perform) safety-sensitive functions, as defined in Part 655, Section 655.4. Such persons are required to submit to drug and alcohol testing when they are on duty or subject to duty.
- b. A person is designated safety-sensitive if they perform any of the following duties:
 - i. Operating a revenue service vehicle, whether in or out of revenue service;
 - ii. Operating a non-revenue service vehicle when required to be operated by a holder of a Commercial Driver's License;
 - iii. Controlling movement or dispatch of a revenue service vehicle;
 - iv. Maintaining (including repairs, overhauls, and rebuilds) a revenue service vehicle or equipment used in revenue service;
 - v. Carrying a firearm for security purposes; or
 - vi. Supervisors of employees performing the foregoing activities provided they perform, or may be called upon to perform, safety-sensitive tasks.
- c. This policy applies to off-site lunch periods or breaks when an employee is scheduled to return to work.
- d. SacRT has evaluated the actual duties performed by employees in all job classifications and determined which employees perform safety-sensitive functions. A list of identified safety-sensitive positions is included in Appendix B. All new job classifications will be assessed to determine if the new position is considered to be safety-sensitive.

3.2 SacRT's Non-Safety-Sensitive Employees

- a. ***All SacRT non-safety-sensitive employees are required to submit to drug and alcohol testing under the following testing criteria:***
 - i. ***Reasonable Suspicion Testing – Occurs if there is reason to believe the employee may be under the influence of a prohibited substance;***
 - ii. ***Return-To-Duty and Follow-Up Testing – Occurs when the employee enters the Voluntary Rehabilitation Program under Section 12.***
- b. ***This policy applies to off-site lunch periods or breaks when an employee is scheduled to return to work. Visitors, vendors, and temporary employees may be asked to leave SacRT property that is not open to the public if they appear impaired and will not be permitted to conduct SacRT related business.***
- c. ***SacRT's non-safety-sensitive job classifications are identified in Appendix B.***

3.3 On-Call Employees

- a. SacRT shall prohibit the consumption of alcohol for the specified on-call hours of each covered employee who is on-call.
 - i. Covered employees will be given the opportunity to acknowledge the use of alcohol at the time they are called to report to duty and the inability to perform their safety-sensitive functions.
 - ii. If the covered employee has acknowledged the use of alcohol, but claims to have the ability to perform their safety-sensitive functions, then the employee will be required to take an alcohol test.
- b. ***Non-safety-sensitive employees that are in On-Call Standby status are also prohibited from consuming alcohol while on-call.***

4.0 PROHIBITED SUBSTANCES

Prohibited substances addressed by this policy are:

4.1 Controlled Substances or Illegal Drugs (Including Their Metabolites)

The use of any illegal drug or any substance identified in Schedule I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812), as further defined by 21 CFR 1300.11 through 1300.15, is prohibited at all times for safety-sensitive employees in the workplace unless a legal prescription has been written for the substance. **(Non-safety sensitive employees are prohibited from use that would impair the performance of their job functions).** This includes any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use also includes usage of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

The consumption of any of the following substances, is prohibited at all times for safety-sensitive employees. **(Non-safety sensitive employees are prohibited from use that would impair the performance of their job functions)** (see Section 5.2 below):

- a. Marijuana
- b. Amphetamines
- c. Opioids¹
- d. Phencyclidine (PCP)
- e. Cocaine

4.2 Alcohol

All covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater.

4.3 Legal Drugs (Prescription and Over-the-Counter Medications)

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. A legally prescribed drug means that an

1. The Opioids category includes the following drugs: hydrocodone, hydromorphone, oxycodone, oxymorphone, codeine, morphine, and 6-acetylmorphine.

individual has a prescription or other written approval from a physician for the use of a drug in the course of medical treatment. The misuse or abuse of legal drugs while performing SacRT business is prohibited. For DOT drug testing, if the MRO determines that an employee has a legitimate medical reason for the presence of a prohibited drug in their urine specimen, the MRO will report the test result as negative to SacRT. For further information, see 49 CFR 40.135(d).

FTA Regulations do not mandate covered employees must report prescription and over-the-counter medication use. However, it is imperative that covered employees recognize that prescription medications and certain over-the-counter medications may affect their ability to perform their job duties. Each safety-sensitive employee must inform their physician about the type of job duties they perform and be aware of the effect drugs (over-the-counter or prescribed) may have on the performance of their job.

5.0 PROHIBITED CONDUCT

5.1 Prohibited Manufacture, Trafficking, Possession, and Use of Drugs (Drug-Free Workplace Act of 1988)

Pursuant to the Drug-Free Workplace Act of 1988, all transit system employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use a prohibited substance while on SacRT property, in SacRT vehicles, or while conducting SacRT business. This includes unlawfully assisting another person engaging in such conduct. An employee involved in any such conduct is subject to termination of employment and law enforcement will be notified, as appropriate.

Under the Drug-Free Workplace Act, all employees must notify SacRT of any criminal drug statute conviction for a violation occurring in the workplace, within 5 days of any conviction. Any employee who fails to notify SacRT of such a conviction will be subject to termination of employment. SacRT will notify FTA of any such employee criminal violation within 10 days of notification of the conviction.

5.2 Prohibited Drug Use

SacRT will place any employee who is reasonably suspected of being intoxicated or impaired on Paid Administrative Leave, pending an investigation and verification of such condition via a Drug Test. SacRT will remove employees who fail to pass a Drug Test from duty and the employee will be subject to the terms of this Policy concerning a positive test result and consequences for such actions (Section 11). Unless legally prescribed under Federal law, consumption of any of the substances listed in Section 4.1 above is prohibited at all times for safety-sensitive employees.

5.3 Prohibited Alcohol Use

SacRT will place any employee who is reasonably suspected of being intoxicated or impaired on Paid Administrative Leave, pending an investigation and verification of such condition via an Alcohol Test. SacRT will remove employees who fail to pass an Alcohol Test from duty and the employee will be subject to the terms of this Policy concerning alcohol test results and consequences for such actions (Section 11).

All employees are prohibited from consuming alcohol while on safety-sensitive duty ***or while in uniform***. Safety-Sensitive employees must not use alcohol while performing safety-sensitive functions or within 4 hours of reporting to duty. Alcohol use is also prohibited 8 hours following an accident

that requires testing, or until the employee undergoes Post-Accident Testing, whichever comes first.

A safety-sensitive employee with a breath alcohol concentration of 0.02 but less than 0.04 is prohibited from performing safety-sensitive duties for 8 hours, or until a retest indicates a concentration below 0.02 (**See Section 11.4 for consequences of a non-negative test result**). **The employee must pass a Non-DOT Alcohol Test to be returned to work.**

A breath alcohol concentration of 0.04 or greater is considered a positive result and in violation of this policy. **An employee who violates any of these provisions will be subject to disciplinary action, up to and including termination from employment.**

6.0 EDUCATION AND TRAINING

6.1 General

SacRT has established an education and training program for its employees that addresses the adverse effects of drugs and alcohol. All employees will receive such education and informational material, including a copy of this policy and ready access to the corresponding federal regulations, including 49 CFR Parts 655 and 40, as it may be amended after the date of the policy. In addition, employees will receive at least 60 minutes of training on the signs, symptoms, effects, and consequences of prohibited drug use on personal safety, health, and the work environment.

6.2 Supervisor

All supervisors or SacRT officials of safety-sensitive employees who are in a position to determine employee fitness for duty, will receive 2 hours of “Reasonable Suspicion Training” in addition to the above general training. Supervisory training will consist of at least 60 minutes of training on the physical, behavioral and performance indicators of probable drug use and at least 60 minutes of training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

Supervisors or SacRT officials of non-safety-sensitive employees will receive the same Reasonable Suspicion Training in addition to the above general training.

7.0 PROCEDURES FOR DRUG AND ALCOHOL TESTING

7.1 Drug Testing Procedures

Testing will be conducted in a manner that ensures a high degree of accuracy and reliability using techniques, equipment, and laboratory facilities which have been approved by the U.S. Department of Health and Human Services (DHHS). All testing will be conducted consistent with the procedures in 49 CFR Part 40, as amended.

The collection procedures will be performed in a confidential manner, and every effort will be made to protect the employee, the integrity of the testing procedure, and the validity of the test result. The collection site will provide a privacy enclosure for urination, a toilet, a suitable clean writing surface, and a water source outside the private enclosure for hand washing. Access to each collection area will be restricted and either secured, or visually inspected before specimen collection. A blue dye will be used in each toilet and all other water sources will be inoperable or secured.

The drugs that will be tested for include marijuana, cocaine, opioids, amphetamines, and phencyclidine. After the identity of the donor is checked using picture identification, a urine specimen will be collected using the split specimen collection method described in 49 CFR Part 40, as amended. Each specimen will be accompanied by a DOT Chain of Custody and Control Form (CCF) and identified using a unique identification number that attributes the specimen to the correct individual. ***A Non-DOT CCF will be used for testing under “SacRT Authority.”*** An initial drug screen will be conducted on the primary urine specimen. The test will be considered positive if the amounts of the drug(s) and/or its metabolites identified by the test are above the minimum thresholds established in 49 CFR Part 40, as amended. The cutoff concentration is displayed in the following table for initial and confirmatory drug tests. All cutoff concentrations are expressed in nanograms per milliliter (ng/mL):

Initial Test Analyte	Initial Test Cutoff Concentration ¹	Confirmatory Test Cutoff Concentration ¹
Marijuana Metabolites		
THCA ²	50 ng/mL	15 ng/mL
Cocaine Metabolites		
Benzoylcegonine	150 ng/mL	100 ng/mL
Phencyclidine (PCP)	25 ng/mL	25 ng/mL
Opioid Metabolites		
Codeine/ Morphine ³	2000 ng/mL	2000 ng/mL
Hydrocodone/Hydromorphone	300 ng/mL	100 ng/mL
Oxycodone/Oxymorphone	100 ng/mL	100 ng/mL
6-Acetylmorphine	10 ng/mL	10 ng/mL
Amphetamines⁴		
Amphetamines (AMP)	500 ng/mL	250 ng/mL
Methamphetamines (MAMP) ⁵	500 ng/mL	250 ng/mL ⁶
MDMA ⁷	500 ng/mL	250 ng/mL
MDA ⁸	500 ng/mL	250 ng/mL

The test results from the DHHS certified laboratory will be reported to a Medical Review Officer (MRO). An MRO is a licensed physician with detailed knowledge of substance abuse disorders and drug testing. The MRO will review the test results to ensure the scientific validity of the test and to determine whether there is a legitimate medical explanation for a confirmed positive, substituted, or adulterated test result. Before verifying that an employee has a positive test result, the MRO is responsible for contacting the employee to determine whether the employee wishes to discuss the test and/or present a legitimate medical explanation for the positive test result.

1 These cutoff levels are subject to change by the Department of Health and Human Services as advances in technology or other considerations warrant identification of these substances at other concentrations.

2 Delta-9-tetrahydrocannabinol-9-carboxylic acid (THCA)

3 Morphine is the target analyte for codeine/morphine testing.

4 Either a single initial test kit or multiple initial test kits may be used, provided the single test kit detects each target analyte independently at the specified cutoff.

5 Methamphetamine is the target analyte for amphetamine/methamphetamine testing.

6 To be reported positive for methamphetamine, a specimen must also contain amphetamine at a concentration equal to or greater than 100 ng/mL.

7 Methylenedioxyamphetamine (MDMA).

8 Methylenedioxyamphetamine (MDA).

The MRO will subsequently review the employee's medical history and/or medical records as appropriate to determine whether there is a legitimate medical explanation for a non-negative laboratory result. If no legitimate medical explanation exists to explain the test result, the test will be verified positive, substituted, or adulterated and reported to SacRT's DER. The employee will be informed that they have 72 hours in which to request a test of the split specimen (See Section 7.1b. below). If the MRO determines that an employee has a legitimate medical explanation for a positive test result, the MRO will report the test result as negative. If the test is invalid without a medical explanation, a retest will be conducted under direct observation.

Any specimen testing positive and reported as "dilute" by the MRO, will be treated as a verified positive test. ***Any specimen reported by the MRO as negative dilute with a creatinine level greater than or equal to 5 mg/dl may be retested. This applies to Pre-Employment, Return-To-Duty, and Follow-Up Testing.*** Any specimen reported by the MRO as negative dilute with a creatinine level greater than or equal to 2 mg/dL but less than or equal to 5 mg/dl will require a retest under direct observation and applies to all testing.

The step-by-step drug testing procedure is outlined in Appendix E.

a. Dilute Test Result Procedure

- i. When SacRT is notified by the MRO that a drug test will be reported as positive dilute, then the test will be treated as a verified positive test. The employee will not be directed to provide another sample.
- ii. ***If a Pre-Employment, Return-To-Duty, or Follow-Up Drug Test Result is negative dilute (creatinine concentration greater than 5 mg/dL), then SacRT will conduct one additional retest. The result of the second collection will be the test result of record.***
- iii. If a Random, Post-Accident, or Reasonable Suspicion Test Result is negative dilute, SacRT will accept the test result and there will be no retest, unless the MRO directs the employer to perform a retest under direct observation (49 CFR Part 40, Section 40.67).
- iv. A drug test reported by the MRO as negative dilute with a creatinine level greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL will be retested immediately under direct observation collection procedures. The result of the second collection will be the test result of record.

b. Split Specimen Test Procedure

- i. The split specimen will be stored at the initial laboratory until the analysis of the primary specimen is completed. If the primary specimen is negative, then the split will be discarded. If the primary specimen is positive, then the split will be retained for testing in case it is requested by the employee through the MRO. If the specimens are positive, then they will be retained in frozen storage for one year.
- ii. Employees that question a verified positive drug test result, or a test refusal due to adulteration or substitution, may request that the split specimen be tested at a second laboratory with no affiliation with the original laboratory that analyzed the primary specimen (employees do not have access to a test of their split specimen following an invalid result). The employee's request must be made to the MRO within 72 hours of notice that the original sample was verified as positive. Requests after 72 hours will only be accepted at the discretion of the MRO if the delay was due to documentable facts that were beyond the control of the employee.
- iii. The test must be conducted on the split sample that was provided by the employee at the same time as the original sample. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in 49 CFR Part 40, as amended.
- iv. If the analysis of the split specimen test confirms the presence of the originally reported drug or metabolite, the test is reported as a verified positive test and the employee remains prohibited from performing safety-sensitive tasks.
- v. If the split specimen is 1) Not able to be analyzed, or 2) The results are not reconfirmed, but the split specimen creatine concentration was greater than or equal to 2 mg/dL, but less than or equal to 5 mg/dL, or 3) The primary specimen had an invalid result that was reported to the DER, then the MRO will declare the original test to be cancelled and will direct SacRT to retest the employee under direct observation.
- vi. If an employee submits a specimen for testing that the MRO verifies has been adulterated or substituted, the employee will be considered to have refused the drug test and ***will be subject to termination from employment.***

vii. ***If the employee requests a split specimen, SacRT will request that the employee provide a signed Payroll Deduction Authorization Form, authorizing deduction of the split specimen testing cost if the test result is reconfirmed as positive.***

c. **Prescription Drug Use Safety Concern Examination Procedures**

All safety-sensitive employees may be subject to an evaluation when the MRO has reason to believe that a prescription drug may be adversely affecting the employee's job performance.

i. **Prescription Drug Use Safety Concern (First Result / Incident)**

- 1) ***After receiving an initial safety concern notice from the MRO that the documentation for current prescription medication use was not received from the physician within 5 days, the DER will contact the employee. From that point, the employee is responsible for communicating with their doctor and the MRO to ensure the correct paperwork is submitted to either validate or mitigate the MRO's concern.***
- 2) ***The employee will be given 10 business days from notification by the DER to have their doctor respond to the safety concern. During this time, the employee will be permitted to continue to work.***
 - ***Follow-Up Program participants will be removed from safety-sensitive duty and placed on Paid Administrative Leave during the 10 business days referenced above.***
- 3) ***If the MRO does not receive an appropriate response within 10 business days, the employee will be removed from safety-sensitive duty and placed on a Leave of Absence. The employee must use any available leave balances until it is determined by the MRO that either:***
 - ***The medication use has been discontinued; or***
 - ***The employee can safely work while taking the medication.***

Any time off not covered by leave balances will be unpaid.

- 4) ***Any employee asserting that their doctor will not fill out the MRO's required paperwork must provide a substantiating doctor's note. When the doctor's note is received by SacRT, the employee will be placed on Paid Administrative Leave and the protocol below will be followed (referral to a doctor paid by SacRT).***
 - 5) ***The employee is required to keep the DER apprised of their progress in resolving the matter, as reasonably necessary. If the DER determines the employee is making a reasonable effort to have the paperwork submitted by their doctor, then the time frame for responding to the safety concern may be extended, at the DER's discretion.***
 - 6) ***If after the employee's physician responds to the initial safety concern notice, the MRO is unable to confirm that the prescribing physician authorizes the performance of covered duties given the donor's current medication usage, then the employee will immediately be placed on Paid Administrative Leave and referred to a doctor paid by SacRT (see process below).***
- ii. ***Prescription Drug Use Safety Concern (Second Result / Incident or Doctor Unwilling to Comply with Validation Requirements)***
- 1) ***After receiving a second safety concern notice within 1 year from the MRO (or if the employee's doctor is unwilling to validate prescription usage for the first prescription drug safety concern), the employee will be relieved of safety-sensitive duty and placed on Paid Administrative Leave.***
 - 2) ***SacRT will set up an appointment with a qualified doctor and pay for all costs associated with the safety concern examination. The doctor will determine if:***
 - ***The employee can safely perform safety-sensitive duties at the levels prescribed; or***
 - ***The medication causes a safety concern that requires the employee to discontinue use.***

The employee must comply with all requirements outlined by the doctor in order to be permitted to return to safety-sensitive duty.

- 3) ***If the employee is unwilling to comply with the doctor's requirements and no further evaluation of the matter is deemed necessary by the appropriate medical professionals, then the employee will be taken off of Paid Administrative Leave and the matter will be referred to the Human Resources Department for further assessment as an ADA Accommodation Request.***
- 4) ***During the duration of this process, the employee is required to respond in a timely manner to the DER, MRO, and doctor when questions arise. Noncompliance will jeopardize the employee's Paid Administrative Leave status and result in discipline, up to and including termination from employment.***

7.2 Alcohol Testing Procedures

Breath alcohol testing, pursuant to this policy, will be conducted regardless of whether the alcohol was ingested as a beverage that included alcohol, ingested medicinally, or other by another method of preparation.

Tests for breath alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA) approved Evidential Breath Testing Device (EBT) operated by a trained Breath Alcohol Technician (BAT). The DOT Alcohol Testing Form (ATF) will be used for every DOT Alcohol Test. ***A Non-DOT Alcohol Testing Form will be used for non-safety-sensitive employees under SacRT authority.*** The test will be performed in a private, confidential manner as required by 49 CFR Part 40, as amended. To protect the security of the testing site and process, the breath alcohol testing location must afford privacy, not permit unauthorized persons access, and the EBT must be stored in a secure location. This procedure will protect the employee, maintain the integrity of the alcohol testing procedures, and ensure a valid test result.

If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. The confirmatory test will be conducted at least 15 minutes after the completion of the initial test. The EBT will identify each test by a unique sequential identification number. This number, time, and unit identifier will be provided on each EBT printout. The EBT printout, along with an approved alcohol testing form, will be used to document the test, the subsequent results, and to attribute the test to the correct employee.

An employee who has a confirmed alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy. The

consequences of a positive alcohol test are described in Section 11 of this policy. Even though an employee who has a confirmed alcohol concentration of 0.02 to 0.039 is not considered positive, the employee shall still be removed from duty for at least 8 hours or for the duration of the workday, whichever is longer. An alcohol concentration of less than 0.02 will be considered a negative test result.

The step-by-step alcohol testing procedure is outlined in Appendix F.

8.0 BEHAVIOR CONSTITUTING A REFUSAL TO SUBMIT TO TESTING

8.1 Drug Testing Refusals

Refusal to submit to a drug test includes any of the following acts or omissions:

- a. Failure to appear for any test (except Pre-Employment Testing) within a reasonable time, as determined by SacRT, after being directed to do so;
- b. Failure or declining to take a second drug test as directed by SacRT or the Collector;
- c. Failure to cooperate with any part of the testing process (e.g., refusal to empty pockets or wash hands when directed by the Collector, behaving in a confrontational manner that disrupts the collection process);
- d. Failure to follow the observer's instructions to raise and lower clothing and turn around during a directly observed collection;
- e. Possess or wear a prosthetic or other device that could be used to tamper with the collection process;
- f. Admit to the Collector or MRO that a specimen was adulterated or substituted;
- g. Failure to remain at the testing site until the testing process is complete (For Pre-Employment Testing, the testing process does not begin until the donor accepts the specimen collection cup for the drug test.);
- h. Failure to remain at the scene of an accident and readily available prior to submission to a drug test without a legitimate explanation;
- i. Failure to provide a sufficient quantity of urine when directed, and when it is determined through a required medical evaluation that there is no adequate medical explanation for the failure;
- j. In the case of a directly observed or monitored urine drug collection, any failure to permit monitoring or observation of delivery of the specimen, as required;
- k. Failure to undergo a medical evaluation as required by the MRO as part of the verification process or by SacRT's DER;

- l. If verified by the MRO having falsified test results by tampering, adulterating, or substituting specimen;
- m. Failure to attempt to provide a urine specimen for any required drug test.

8.2 Alcohol Testing Refusal

Refusal to submit to an alcohol test includes any of the following acts or omissions:

- a. Failure to appear for any test within a reasonable time, as determined by SacRT, after being directed to do so;
- b. Failure or declining to take a second alcohol test as directed by SacRT or the Collector;
- c. Failure to cooperate with any part of the testing process (e.g., behaving in a confrontational way that disrupts the collection process);
- d. Failure to remain at the testing site until the testing process is complete;
- e. Failure to remain at the scene of an accident and readily available prior to submission to an alcohol test without a legitimate explanation;
- f. Failure to provide a sufficient breath specimen, and the physician has determined through a required medical evaluation that there is no adequate medical explanation for the failure;
- g. Failure to undergo a medical evaluation as required by the DER as part of the verification process;
- h. Failure or refusal to sign the certification as required at step 2 of the Alcohol Testing Form (ATF).

9.0 CIRCUMSTANCES UNDER WHICH AN EMPLOYEE WILL BE TESTED

9.1 Pre-Employment Testing

(This section of the policy applies to safety-sensitive employees and non-safety-sensitive employees applying for a safety-sensitive classification)

- a. Purpose: The purpose of Pre-Employment Drug Testing is to identify current drug use problems of applicants or employees who may seek to apply and/or transfer from a non-safety-sensitive position to a safety-sensitive position. As part of the employment process, SacRT follows the investigative process as outlined in 49 CFR 40.25.
- b. Applicants: A non-safety-sensitive employee or external applicant for employment in a safety-sensitive classification will be required to take a Pre-Employment Drug Test, administered pursuant to 49 CFR Part 655.
 - i. All offers of employment for covered positions shall be extended conditionally upon the applicant passing a drug test. An applicant shall not be hired into a safety-sensitive position nor perform any safety-sensitive duties unless the applicant takes a drug test with a verified negative result.
 - ii. If a Pre-Employment Drug Test is deemed “cancelled” or “invalid,” the individual will be required to undergo another test to fulfill this requirement prior to starting a safety-sensitive position.
 - iii. ***If the test result is negative dilute, SacRT will conduct one additional retest. The second test will be the recorded test and the result will be the test of record (see Section 7.1a.).***
 - iv. If more than 90 days have elapsed between the time of successfully completing a Pre-Employment Drug Test and the assignment of safety-sensitive duties, another Pre-Employment Test will be required.
 - v. SacRT investigates the Drug and Alcohol Testing records of all applicants for safety-sensitive positions. To be considered for employment, all applicants for employment in a safety-sensitive classification must provide SacRT with written consent to conduct a background check of their previous DOT Covered Employers over the past 2 years, as defined by 49 CFR 40.25. Information requested includes:

- 1) Alcohol test results of 0.04 or higher alcohol concentration;
 - 2) Verified positive drug tests;
 - 3) Refusals to be tested (including verified adulterated or substituted drug test results);
 - 4) Other violations of DOT Agency Drug and Alcohol Testing Regulations;
 - 5) Information obtained from previous employers of a drug and/or alcohol rule violation;
 - 6) With respect to any applicant who violated a DOT Drug and/or Alcohol Regulation, documentation of the employee's successful completion of DOT Return-To-Duty Requirements (including completion of a Follow-Up Testing Program).
- vi. When an applicant has previously failed or refused a Pre-Employment Drug Test, the applicant must provide SacRT proof of having successfully completed a referral, evaluation, and treatment plan as described in Part 655, Section 655.41(a)(2), **including completion of a Follow-Up Testing Program.**
- vii. **Failure to provide consent to such background checks will disqualify the applicant from further considerations for employment.**
- c. Extended Absences: When a safety-sensitive employee is on an extended leave for a period of 90 or more consecutive calendar days, regardless of the reason, and has been taken out of the Random Selection Testing Pool, the employee will be required to take a Pre-Employment Drug Test and obtain a verified negative result before returning to safety-sensitive duties. **The employee will remain on leave until a verified negative result is received.**

9.2 Reasonable Suspicion Testing

(This section of the policy applies to all employees, including non-safety-sensitive and safety-sensitive employees.)

- a. Purpose: The purpose of Reasonable Suspicion Testing is to provide a method to identify drug and/or alcohol affected employees who may pose a danger to themselves and others in the performance of their job functions (both safety-sensitive **and non-safety-sensitive** employees).

- b. A drug and/or alcohol test will be conducted when there is reason to believe an employee may have used illegal drugs or misused alcohol as defined in Sections 4.1 and 4.2, above. A Reasonable Suspicion Referral for testing will be made by a trained supervisor or other trained SacRT official on the basis of documented, specific, contemporaneous, and articulable observations concerning the appearance, behavior, speech, or body odors of the employee. Only 1 trained supervisor or SacRT official is required to make the determination. The testing process cannot be delayed in order to obtain a second opinion to confirm findings.
- c. A referral for drug testing for a reasonable suspicion can be conducted anytime the employee is on duty.
- d. A referral for alcohol testing for Reasonable Suspicion can be conducted for safety-sensitive employees only if the observations are made during, just preceding, or immediately following the performance of safety-sensitive duties. Alcohol tests must be performed within 8 hours of the observation. SacRT will attempt to complete the Reasonable Suspicion Alcohol Test within 2 hours following the observation(s). If that is not possible, the reason for the delay will be documented and continued attempts to complete the test will proceed until 8 hours following the observation(s), after which attempts to complete the alcohol test will cease. ***For non-safety-sensitive employees, a Reasonable Suspicion Referral may be made under the circumstances set out in paragraph b. any time the employee is on-duty.***
- e. The employee will be informed of the reason for testing and transported to the Collection Facility immediately after the supervisor completes valid documentation.
- f. ***If an employee is required to submit to a Reasonable Suspicion Test based on qualified observations, then the employee will be placed on Paid Administrative Leave until a verified negative or positive result is received from the MRO.***

9.3 **Post-Accident Testing**

(This section of the policy applies to safety-sensitive employees.)

- a. Purpose: The FTA regulations require Drug and Alcohol Testing in the case of certain public transit accidents.
- b. Definition of Accident: An accident, as defined by the FTA, is an occurrence associated with the operation of a vehicle (including operation of its disabled persons lift) in which:

- i. An individual dies; or
 - ii. An individual suffers bodily injury requiring immediate medical treatment away from the scene. The individual can be transported by any means; or
 - iii. With respect to an occurrence in which the public transit vehicle involved is a bus, electric bus, van, or automobile, 1 or more vehicles (including Non-FTA funded vehicles) incurs disabling damage as the result of the occurrence and must be transported away from the scene by a tow truck or other vehicle. Disabling damage occurs when a vehicle cannot be easily repaired at the scene of the accident and cannot proceed under its own power without causing further damage.; or
 - iv. With respect to an occurrence in which the public transportation vehicle involved is a rail car, trolley car, or trolley bus the vehicle is removed from operation. "Disabling damage" is not applicable for such vehicles, therefore, no tow is required.
- c. Post-Accident Drug and Alcohol Testing will occur under the following circumstances:
- i. Fatal Accident: A fatality is defined as any individual that dies at the scene of an accident and the death is associated with the occurrence. As soon as practicable following an accident involving the loss of a human life, drug and alcohol testing will be conducted on each surviving covered employee operating the transit vehicle at the time of the accident. Further, any other covered employee whose performance could have contributed to the accident, as determined by SacRT using the best information available at the time of the decision, shall also be required to submit to a drug and alcohol test.
 - ii. Non-Fatal Accident: As soon as practicable following an accident not involving the loss of human life in which a public transportation vehicle is involved, the employee operating the transit vehicle at the time of the accident shall submit to a drug and alcohol test unless SacRT determines, using the best information available at the time of the decision, that the employee's performance can be completely discounted as a contributing factor to the accident. In addition, any other employee (i.e., maintenance, dispatch personnel, etc.) whose performance could have contributed to the accident, as determined by SacRT, will be required to submit to a drug and alcohol test.

- d. Testing Guidelines: Post-Accident Drug and Alcohol Tests will be performed as soon as possible. Drug tests will be performed within 32 hours following the accident. Alcohol tests will be performed within 8 hours. An employee involved in an accident is prohibited from consuming alcohol for 8 hours following the accident or until they undergo a Post-Accident Alcohol Test. SacRT will attempt to complete the alcohol test within 2 hours following the accident. If that is not possible, the reason for the delay will be documented and continued attempts to complete the test will proceed until 8 hours following the accident, after which attempts to complete the alcohol test will cease. Documentation of why the drug and alcohol test could not be performed within the required time frame will be noted on the form and submitted to the DER.

Nothing in this section shall be construed to require the delay of necessary medical attention for the injured employee following an accident, nor prohibit a safety-sensitive employee from leaving the scene of an accident to obtain assistance and/or necessary emergency medical care.

- e. Post-Accident Testing Availability: A SacRT employee involved in an accident who fails to remain readily available for the drug and alcohol testing, including keeping SacRT officials notified of their location if permitted to leave the scene of the accident before the tests have been completed, will be deemed to have refused to submit to testing.
- f. SacRT may use the Post-Accident Results of a blood, urine, or breath test for the use of prohibited drugs or alcohol misuse, conducted by the Federal, State, or local officials having independent authority for the test, provided it conforms to applicable Federal, State, or local testing requirements, and that the test results are obtained by SacRT. Such test results may be used only when SacRT is unable to perform a Post-Accident Test within the required period noted in 49 CFR Part 655.44 (a) and (b).
- g. ***Any event that necessitates the performance of a Post-Accident Test will result in the employee being placed on Paid Administrative Leave until a verified negative or positive result is received from the MRO.***

9.4 Random Testing

(This section of the policy applies to safety-sensitive employees.)

- a. Purpose: The purpose of Random Testing is to serve as a strong deterrent to prevent employees from beginning or continuing drug use or alcohol misuse. This assists with protecting the safety of the public, coworkers, and the employees.
- b. All safety-sensitive employees will be placed in the Random Testing Pool and subject to unannounced and unpredictable drug and alcohol testing. The random selection procedure shall be implemented using a scientifically valid method (Simple Random Sampling) that ensures each safety-sensitive employee will have an equal chance of being selected each time selections are made. Employees will remain in the pool and subject to selection whether or not the employee has been previously tested. Through the use of a computer based random number generation program, employees are selected on a monthly basis for testing. There is no discretion on the part of Management in the selection and notification of the individuals who are selected for testing.
- c. The number of employees selected will be spread reasonably throughout the calendar year in accordance with the federally required testing rates established on an annual basis. Random Testing will be conducted at all times of the day during which transit service or maintenance of vehicles and equipment is in operation throughout the calendar year. The current year testing rates can be viewed online at <http://www.transportation.gov/odapc/random-testing-rates>.
- d. An employee who is randomly selected and informed of the need to test must immediately cease performing their safety-sensitive functions to be transported for testing. Random Testing for alcohol will be during, just before, or just after the employee's performance of a safety-sensitive function. Random testing for prohibited drugs may occur at any time while the employee is on duty.

9.5 Return-To-Duty Testing

(This section of the policy applies to all employees, including non-safety-sensitive and safety-sensitive employees.)

- a. Purpose: A Return-To-Duty Test is completed by an employee following a verified positive drug test, an alcohol result of 0.04 or greater, a refusal

to submit to a DOT required Drug or Alcohol Test or **completion of the Voluntary Rehabilitation Program under Section 12**. An employee is not permitted to “return-to-duty” until the following actions have been taken:

- i. Employee has been evaluated by a Substance Abuse Professional (SAP) (**or Counselor**) who is qualified in accordance with 49 CFR Part 40 Subpart O.
 - ii. Employee has adhered to the course of treatment as prescribed by the SAP (**or Counselor**).
 - iii. Employee has submitted to a Return-To-Duty urine drug test and/or breath alcohol test (as determined by the SAP **or Counselor**) and SacRT is in receipt of a negative result(s).
- b. A DOT Return-To-Duty test will be conducted under direct observation. See Section 10.0g. for a description of direct observation collection procedures. **Employees completing a Return-To-Duty test as part of the Voluntary Rehabilitation Program, will not be subject to an observed collection.**
 - c. **If the drug test result is negative dilute, SacRT will conduct one additional retest. The second test will be the recorded test and the result will be the test of record (see Section 7.1a.).**
 - d. **If the drug test result is confirmed positive by the Medical Review Officer (MRO), the alcohol result is confirmed non-negative (0.02-0.039), or positive (over 0.04), then the employee will be terminated from employment.**

9.6 Follow-Up Testing

(This section of the policy applies to all employees, including non-safety-sensitive and safety-sensitive employees.)

- a. Purpose: Upon completing the Return-To-Duty process and returning to safety-sensitive functions, an employee will be required to undergo unannounced Follow-Up Drug and/or Alcohol Testing, according to FTA Regulations. This is done as a deterrent and to detect a relapse.
- b. Follow-Up Testing is separate from and in addition to all other required testing. The number and duration of the Follow-Up Testing Program shall be at the direction of the SAP (**or Counselor**). However, the testing period can last anywhere from 1 to 5 years in duration, as directed by the SAP (**or Counselor**). **If the drug test result is confirmed positive by**

the Medical Review Officer (MRO), the alcohol result is confirmed non-negative (0.02-0.039), or positive (over 0.04) on such a test, then the employee will be terminated from employment and referred to an SAP for evaluation at their own expense (DOT positive tests only).

- c. Follow-Up Testing for alcohol will occur during, just before, or just after the employee's performance of a safety-sensitive function.
- d. A Follow-Up Test that has been determined by the MRO as "cancelled" is not considered a completed Follow-Up Test and must be recollected.
- e. Follow-Up Drug Testing under DOT authority will be conducted using the direct observation collection procedures. All tests will be conducted in accordance with 49 CFR Part 40, Subpart O. ***Employees completing a Follow-Up Drug Test as part of the Voluntary Rehabilitation Program, will not be subject to an observed collection.***
- f. ***If the test result is negative dilute, SacRT will conduct one additional retest. The second test will be the recorded test and the result will be the test of record (see Section 7.1a.).***

10.0 CONDITIONS FOR AN OBSERVED COLLECTION

Consistent with the requirements of 49 CFR Section 40.67, an immediate urine specimen collection under direct observation with no advance notice will be conducted if any of the following situations occur:

- a. The individual presents a urine sample that falls outside the accepted temperature range (90° – 100°F).
- b. The collection site personnel observe materials brought to the collection site or the employee's conduct clearly indicates an attempt to tamper with, substitute or adulterate the sample (e.g., substitutes urine in plain view, blue dye in specimen presented, etc.)
- c. The MRO reports to the DER that there was no adequate medical explanation for a specimen reported as invalid.
- d. The MRO reports to the DER that the original positive, adulterated, or substituted test result had to be cancelled because the split specimen is unavailable to confirm the result.
- e. The MRO directs the DER to conduct a second specimen collection because the creatinine concentrations are equal to or greater than 2 mg/dL, but less than or equal to 5 mg/dL.
- f. Testing conducted pursuant to Return-To-Duty or Follow-Up Testing.
- g. Observation Procedure: During an observed collection, the employee who is being observed will be required to raise their shirt, blouse, or dress/skirt, as appropriate, above the waist, and lower clothing and underpants to show the Collector, by turning around, that they do not have a prosthetic device. The Collector/Observer must witness the employee's urine leave the body and enter the collection cup. The Collector/Observer must be of the same gender as the employee being observed.

11.0 NON-NEGATIVE AND/OR POSITIVE DRUG AND ALCOHOL TEST RESULTS WITH DISCIPLINARY CONSEQUENCES

11.1 Positive Pre-Employment Test Results

a. External Applicant

- i. If an applicant refuses to take a Pre-Employment Drug Test, or tests positive for a prohibited substance, then the conditional offer of employment shall be rescinded. ***Failure of such a test will disqualify an applicant from employment for any position with SacRT for a period of at least 1 year. At the expiration of this period,*** if reapplying for a safety-sensitive position, the applicant will also need to provide evidence of the following (no matter the length of time):
 - 1) Evidence of the absence of drug dependency from a Substance Abuse Professional (SAP) that meets the qualifications outlined in 49 CFR Part 40, as amended.
 - 2) Proof of having successfully completed a referral, evaluation, and treatment plan under an SAP in accordance with the requirements outlined above (including proof of satisfying Follow-Up Testing Program Requirements).
 - 3) A negative Pre-Employment Drug Test Result, as required.
- ii. The applicant will be solely responsible for the cost of compliance with these terms and any subsequent treatment.

b. Internal Applicant

- i. When an employee being placed, transferred, or promoted from a non-safety sensitive position to a safety-sensitive position submits to a drug test with a verified refusal or positive result, the employee will be subject to the same provisions as stated in Section 11.1a. above.

11.2 Other Positive Test Results

(The consequences outlined in this section of the policy apply to the following testing categories: Reasonable Suspicion, Post-Accident, and Random. Nothing in this section precludes SacRT from administering a higher level of discipline if the circumstances warrant such action.)

After receiving notice of a verified positive drug test result, a positive alcohol test result ≥ 0.04 , or a test refusal, SacRT's DER (or designee) will contact the employee's supervisor to have the employee removed from safety-sensitive duty, **or relieved from work for a non-safety-sensitive employee**. SacRT's DER (or designee) will meet with the employee and set up an appointment for the employee to meet with the SAP (**or Counselor**). The SAP (**or Counselor**) will evaluate the employee to determine what assistance is needed to resolve the problems associated with prohibited drug use or alcohol misuse.

For the first instance of a verified positive drug or alcohol test result, the disciplinary action against the employee will include:

- a. Mandatory referral to SAP (**or Counselor**) for assessment, formulation of a treatment plan, and execution of a Return-To-Work Agreement.
 - i. **SacRT will pay for all costs associated with a Rehabilitation Program, not to exceed the amount of time specified by the SAP (or Counselor) in their Initial Evaluation & Recommendation.**
 - 1) **If the SAP (or Counselor) recommends the employee attend treatment that is covered by their respective health insurance plan (excluding high deductible health plans), and a copay is required at the time of treatment, then the employee may provide receipts to SacRT for reimbursement of any associated costs.**
 - ii. **If the employee is not able to be rehabilitated within the period specified by the SAP (or Counselor), then the following may be applicable:**
 - 1) **The SAP (or Counselor) will reevaluate the employee and make an assessment as to whether to extend more treatment options to the employee.**
 - 2) **If subsequent treatment is recommended, then it is the employee's option to agree to such treatment, at their expense.**
 - 3) **The employee will be solely responsible for further treatment costs. SacRT will not be obligated to pay further costs. (Healthcare Providers may cover the fees for additional treatment. Copays will be the responsibility of the employee).**

- 4) ***The program must comply with the SAP's (or Counselor's) requirements, otherwise, the treatment program will not be accepted.***
- 5) ***If the employee completes the program recommended in the SAP (or Counselor) Initial Evaluation & Recommendation, and is:***
 - ***Not deemed to be ready to engage in safety-sensitive duties; and either***
 - ***The SAP (or Counselor) determines that more treatment will not successfully rehabilitate the employee at this time; or***
 - ***The employee chooses not to pay for subsequent treatment costs, then the employee will be subject to termination from employment.***
- iii. ***Employees referred to the SAP (or Counselor) and Rehabilitation Program (if applicable) may use accrued sick leave and vacation to provide an income during the period of leave. The accruals must be available for use during the calendar year in which the leave is requested. Employees having no accrued time available for use will be put on a leave of absence without pay until returning to regular duty or separation from employment.***
- b. ***Failure to execute or remain compliant with the Return-To-Work Agreement will result in termination from employment.***
 - i. Compliance with the Return-To-Work Agreement means that the employee has submitted to a drug and/or alcohol test immediately prior to returning to work; the result of those tests are negative; in the judgement of the SAP (***or Counselor***), the employee is cooperating with their recommended treatment program; and the employee has agreed to periodic unannounced Follow-Up Testing.
 - c. ***Refusal to submit to periodic unannounced Follow-Up Drug and/or Alcohol Tests is considered a direct act of insubordination and will result in termination from employment.***
 - d. ***An employee subject to an unannounced drug and/or alcohol test that results in a non-negative result, or a verified positive result will be terminated from employment.***
 - e. ***A second verified positive test (for any reason) will result in termination from employment. An employee is afforded a maximum of 1 involuntary treatment pursuant to Section 11.2, due to a positive drug and/or alcohol test, and 1 voluntary treatment***

pursuant to Section 12.0, during their length of employment with SacRT. The employee will be issued a listing of readily available SAPs per 49 CFR Part 40, Section 40.287, if the positive occurs due to a DOT regulated drug and/or alcohol Test.

11.3 Consequences of a Refusal to Submit to a Required Drug and/or Alcohol Test

An employee refusing to submit to a drug and/or alcohol test or who exhibits a behavior considered a 'Refusal' as specified in Section 8.0 above, will be:

- a. Removed from their safety-sensitive function, ***or relieved from work for a non-safety-sensitive employee.***
- b. ***Subject to termination (see exception below).***
 - i. ***In cases where an employee has failed to provide an adequate amount of urine when directed and cooperated with the Collector by adhering to the 3-hour Shy Bladder Procedures, but the MRO has determined there is no medical explanation for the failure to provide such specimen, the employee will be referred to the SAP for evaluation at SacRT's expense. This specific type of "refusal" will be treated as a positive test result; however, the employee will not be subject to termination if there are no prior positive test results or previous failures to provide an adequate urine specimen without a medical explanation. Where the exception applies, the employee will be subject to Section 11.2 of this policy. However, if the employee continues to produce an insufficient sample without a medical explanation or obtains a subsequent positive test result for a prohibited substance, it will be grounds for termination.***
- c. Provided with a list of Substance Abuse Professionals (SAPs). SacRT will not be responsible for any costs associated with the chosen treatment program.

11.4 Non-Negative Alcohol Test Result

- a. An alcohol test result of ≥ 0.02 to < 0.04 BAC shall result in the immediate removal of the employee from safety-sensitive duty, ***or relief from work for a non-safety-sensitive employee,*** for at least 8 hours or the remainder of the workday, whichever is longer.
- b. ***Prior to returning to duty, the employee must be retested for alcohol. The test result must be less than 0.02 BAC.***

- c. ***A Written Reprimand will be administered as disciplinary action.***
- d. ***If the employee has another alcohol test result of ≥ 0.02 to < 0.04 BAC within 36 months from the first non-negative test result, in addition to being relieved from duty for the day, the employee will be subject to a 2-day disciplinary suspension and referred to rehabilitation under the Voluntary Rehabilitation section of this policy.***

12.0 VOLUNTARY REHABILITATION TREATMENT & DUI LEAVE

12.1 SacRT Voluntary Rehabilitation Treatment Program

- a. ***Any employee who feels they may have a problem with drugs and/or alcohol may voluntarily request admission to SacRT's Rehabilitation Program. Requests must be referred to the DER (or designee) for review and referral. To be eligible for admission:***
 - i. ***An employee must request treatment before they are directed to submit to a drug and/or alcohol test for Reasonable Suspicion, Random, Pre-Employment, or Post-Accident Testing; and***
 - ii. ***The Employee must not have previously refused a drug and/or alcohol test; and***
 - iii. ***The employee cannot be charged with an offense for which the proposed discipline is termination unless the action is not imposed or reversed.***
 - iv. ***The employee must be compliant with all treatment recommendations of the Counselor.***
- b. ***Program costs will be paid by SacRT. An employee who is admitted to a Rehabilitation Program and thereafter fails to attend or complete the program will be terminated.***
- c. ***The Substance Abuse Counselor will evaluate the employee and make a specific recommendation regarding the appropriate treatment. Employees are encouraged to voluntarily seek professional substance abuse assistance before any substance use or dependence affect their job performance.***
- d. ***An employee completing a Rehabilitation Program must pass a Return-To-Duty Drug and/or Alcohol Test (Non-DOT) and will be subject to a number of Follow-Up Tests, as determined by the Substance Abuse Counselor.***
- e. ***A verified positive Return-To-Duty or Follow-Up Test while completing this program will result in termination from employment. An employee is afforded a maximum of 1 involuntary treatment pursuant to Section 11.2, due to a positive drug and/or alcohol test, and 1 voluntary treatment pursuant to Section 12.0, during their length of employment with SacRT.***

- f. ***All testing in the Voluntary Rehabilitation Program will be done under SacRT authority and only Non-DOT Drug and Alcohol Testing Forms will be utilized. Therefore, such drug tests will not be observed.***
- g. ***Employees referred to the Substance Abuse Counselor and Rehabilitation Program (if applicable) may use accrued sick leave and vacation to provide an income during the period of leave. The accruals must be available for use during the calendar year in which the leave is requested. Employees having no accrued time available for use will be put on a leave of absence without pay until they return to regular duty or separation from employment.***
- h. ***A self-referral that was not precipitated by a positive test result does not constitute a violation of the federal regulations and will not be considered a positive test result in relation to the progressive discipline defined in Section 11 of this policy. Also, such a referral does not shield an employee from the requirement to comply with all drug and/or alcohol testing provisions outlined in this policy.***

12.2 Employee Assistance Program (EAP) Substance Abuse Services

SacRT's Employee Assistance Program (EAP) offers help for employees to improve or maintain their job performance by solving personal problems. A component of that program is helping employees that have personal problems related to addiction (drug use and/or alcohol misuse). Employees may choose to contact the EAP Provider to connect with a specialist trained specifically in substance abuse disorders. For more information, employees can contact the Human Resources Department.

12.3 Admission of Drug and/or Alcohol Misuse

When there are no specific, contemporaneous, articulable objective facts that indicate current drug and/or alcohol use, but the employee (who has not participated in the SacRT Rehabilitation Program), admits the abuse of alcohol or other substances to a supervisor in their chain of command, the employee will be referred to the Labor Relations Department for further assessment.

12.4 DUI Leave (Voluntary Rehabilitation Treatment)

- a. ***When a safety-sensitive employee receives a DUI conviction off duty, then treatment and consequences will be handled in accordance with the provisions outlined in the Collective Bargaining Agreement applicable for said employee.***

- b. ***An employee will be afforded DUI Leave under their Collective Bargaining Agreement a maximum of 1 time during their length of employment with SacRT. This leave is equivalent to and counts as their 1 Voluntary Rehabilitation Treatment.***

13.0 INCORPORATION OF NEW OR CHANGED REQUIREMENTS

Notwithstanding anything in this policy to the contrary, it will be construed to incorporate any changes required by any law, regulation or directive adopted, amended, or issued after the effective date of its issuance. This will include applicable State and Federal case law pertaining to drug and/or alcohol testing and rehabilitation programs for public employees performing safety-sensitive functions.

14.0 ADOPTION AND RESTATEMENT OF THE POLICY

The SacRT Board of Directors adopted Resolution No. 2023-12-116, on December 11, 2023, approving this policy. All prior versions of this policy have been repealed. The effective date of this revised policy is December 11, 2023.

APPENDIX A

SAFETY-SENSITIVE & NON-SAFETY-SENSITIVE JOB CLASSIFICATION DESIGNATIONS

I. Safety-Sensitive

The following SacRT Job Classifications have been deemed safety-sensitive and are subject to this policy pursuant to 49 CFR Part 655.

A. AFSCME Classifications

Community Bus Services Dispatcher
Maintenance Supervisor – Bus
Maintenance Supervisor – Light Rail
Maintenance Supervisor – Paratransit
Maintenance Supervisor – Wayside
Maintenance Trainer – Bus
Maintenance Trainer – Light Rail
Maintenance Trainer – Wayside
Operations Training Specialist
Transportation Supervisor

B. ATU Classifications

Bus Operator
Bus Operator – Elk Grove
Bus Operator (Part-Time) – Elk Grove
Community Bus Services Operator
Dispatcher – Elk Grove
Light Rail Operator
Paratransit Dispatcher
Paratransit Operator
Paratransit Operator / Trainer

C. IBEW Classifications

Bus Service Worker
Electronic Mechanic
Elk Grove Bus Service Worker
Elk Grove Mechanic A
Elk Grove Mechanic B
Elk Grove Mechanic C
Journey Lineworker
Light Rail Assistant Mechanic
Light Rail Service Worker
Light Rail Vehicle Technician
Lineworker
Lineworker Technician
Mechanic A
Mechanic A – Body / Fender

Mechanic A – Gasoline / Propane
Mechanic B
Mechanic C
Painter
Paratransit Mechanic A
Paratransit Mechanic B
Paratransit Mechanic C
Paratransit Service Worker
Rail Laborer
Rail Maintenance Worker
Senior Mechanic
Senior Rail Maintenance Worker
Upholsterer

D. MCEG Classifications

Assistant Paratransit Operations Manager
Maintenance Superintendent – Bus
Maintenance Superintendent – Light Rail
Maintenance Superintendent – Wayside

Paratransit Operations Manager
Transportation Superintendent – Bus
Transportation Superintendent – Light Rail

*The Appendix will be updated as necessary, without SacRT Board Approval.

II. Non-Safety-Sensitive Classifications

Any SacRT adopted Job Classification not listed within the categories of A, B, C, or D above, has been deemed non-safety-sensitive and is subject to the terms of this policy under the authority of SacRT.

A. AEA (OE3) Classifications

All AEA (OE3) Classifications

B. AFSCME Classifications

All remaining AFSCME Classifications not listed above

C. ATU 256 Classifications

All Clerical Classifications
Lead Transit Ambassador
Transit Ambassador
Transit Fare Inspector

D. IBEW 1245 Classifications

Facilities and Grounds Worker I
Facilities and Grounds Worker II
Facilities Electronic Technician
Facilities Maintenance Mechanic
Facilities Service Worker
Storekeeper

E. MCEG Classifications

All remaining MCEG classifications not listed above

*The Appendix will be updated as necessary, without SacRT Board Approval.

APPENDIX B

CONTACT PERSONS

For more information or questions about the policy or testing program, please contact a staff member in the Labor Relations Department at the telephone numbers listed below.

David Topaz VP, Employee Development & Engagement	(916) 261-4429	dtopaz@sacrt.com
Mark Salvo (D.E.R.) Senior Manager, Labor Relations	(916) 531-5275	msalvo@sacrt.com
Lydia Thames (D.E.R. / D.A.P.M.) Senior Labor Relations Analyst	(916) 557-1053 (916) 869-8116	lthames@sacrt.com

*The Appendix will be updated as necessary, without SacRT Board Approval.

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: David Topaz, VP, Employee Development and Engagement
SUBJ: APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2024

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The effect of the Board approving the renewal of all the Health and Welfare insurance coverages is that employees will continue to receive the health and welfare benefits described below in accordance with SacRT's collective bargaining agreements and employment contracts.

FISCAL IMPACT

The total Fiscal Year (FY) 2024 increase will be \$15,809.88. The cost of this increase is included in the approved FY 2024 Operating Budget.

DISCUSSION

Each year, SacRT must determine whether to continue its current insurance benefit policies with its current benefit providers. The following is a summary of the results of the 2024 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates, providing details on all the renewal information. The rates are renewed on a calendar year basis as opposed to how funds are budgeted on a fiscal year basis.

Dental

The Delta Dental PPO and Delta HMO plans both renewed with a pass rate and a 2-year rate guarantee. Current rates and benefits for all employees enrolled remain the same for the 2024 plan year. The next plan renewal will be January 1, 2026.

Vision

Current rates for all employees enrolled in the VSP Basic or Enhanced Plan will remain the same for the 2024 plan year. This is the second year of a three-year rate guarantee. The next plan renewal will be January 1, 2026.

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

The current Hartford Basic Life rates will renew with a 13.7% increase, which will result in an increase to the Basic Life rate from \$0.254/\$1000 to \$0.289/\$1000 of coverage. The current Long-Term Disability (LTD) rate will renew with a rate reduction, resulting in a decrease of rate from \$0.265/\$1000 to \$0.239/\$1000 of coverage. The rates remain unchanged for Basic Dependent Life, Supplemental Employee Life, Standalone AD&D, and Supplemental Dependent Life. The increase in the Basic Life premium and the decrease in the Long-Term Disability premium results in an increase of \$15,809.88 for FY 2024. The next plan renewal will be January 1, 2027.

Flexible Spending Account (FSA) and COBRA Administration

Current rates for all employees will remain the same for the 2024 plan year. The contract with Navia Benefits Solutions is an evergreen contract meaning that it continues in force indefinitely but may be terminated with a 30-day notice of cancellation.

Employee Assistance Program

In July 2021, SacRT entered into a contract with Optum, with a three-year rate guarantee. This is the third year of a three-year rate guarantee. Current rates will remain the same through June 30, 2023, which is when the current contract with Optum expires. t



Sacramento Regional Transit District
2024 Health & Welfare Renewal
Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2024 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

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

Dental and Vision Care Trends

Keenan & Associates is forecasting the following dental and vision trend increases:

<u>Dental</u>	<u>Vision</u>
PPO – 6%	3%
Prepaid – 3%	

Delta Dental

A dental marketing was conducted to review PPO and DHMO alternatives, focusing on provider availability and increased annual maximum benefits. It was determined that the current plans continue to offer the most robust network of providers and that annual maximum utilization did not substantiate a change in benefits. The District decided to renew both plans as-is.

The Delta Dental PPO and DHMO rates are renewing with a rate pass and a 2-year rate guarantee. All rates and benefits will remain the same until the next renewal occurring January 1, 2026.

VSP

The VSP Vision Base, Buy-Up Option 1 and Buy-Up Option 2 plans will renew with a rate pass as they are in the middle of a rate guarantee. All current rates will remain the same until the next renewal occurring January 1, 2026.

The Hartford

The current Hartford Basic Life rates will renew with a 13.7% increase, which Keenan was able to successfully negotiate down from the initially proposed increase of 20%. This will result in an increase to the Basic Life rate from \$0.254 per \$1,000 of coverage to \$0.289 per \$1,000 of coverage, with the new rate guaranteed for 3-years. The current Long-Term Disability (LTD) rate will renew with a rate reduction, resulting in a decrease of rate from \$0.265 per \$100 of coverage to \$0.239 per \$100 of coverage, also guaranteed for 3-years. The rates for Basic Dependent Life, Supplemental Employee Life, Standalone AD&D, and Supplemental Dependent Life will renew with a rate pass and rates guaranteed for 3-years until January 1, 2027.

Flexible Spending Account

Navia Benefits administration will renew with a rate pass and the administration fee will remain at \$4.55 per participant per month for the 2024 plan year.

Optum EAP

The current Employee Assistance Program (EAP) rates are going into the final year of a three-year rate guarantee that started July 1, 2021. All rates and benefits will remain the same until the next renewal effective July 1, 2024.

Summary

We appreciate the long-term partnership we've had with Sacramento Regional Transit District and look forward to working with the District during the 2024 plan year. We will continue to work with the current lines of coverage while keeping the District informed of new regulations and changes that affect the employee benefits offered to District employees.

Sincerely,

Robin Neer

Robin Neer
Senior Account Executive
Employee Benefits

RESOLUTION NO. 2023-12-117

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

December 11, 2023

APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2024

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

THAT, the Board hereby approves the 2024 Health and Welfare Renewals for dental coverage with Delta Dental, vision coverage with Vision Service Plan, life insurance and long-term disability insurance with The Hartford Life Insurance Company, flexible spending account management with Navia Benefit Solutions, and employee assistance program services with Optum; and

THAT, the Board hereby authorizes the General Manager/CEO to fill out, execute, and submit any and all forms, applications, documents, and agreements necessary to effectuate the renewal of all insurance coverages herein approved.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Lisa Hinz, VP, Security, Safety and Customer Satisfaction
SUBJ: AWARD A PURCHASE ORDER TO HAWTHORN VENTURES LLC, DBA PURPOSE-BUILT TRADE CO. FOR THE PURCHASE OF SAFETY SHOES

RECOMMENDATION

Adopt the Attached Resolution

RESULT OF RECOMMENDED ACTION

If the Board approves this action, SacRT will continue to have a source to purchase required Safety Shoes for its employees for a 5-year term.

FISCAL IMPACT

Based on the supply quantities estimated by the Safety Department, the not-to-exceed amount for the 5-year contract term will be \$225,000, plus applicable sales tax. SacRT will be invoiced based on the shoes selected by employees from the available range up to the value of the issued vouchers, at the unit prices specified in the Bid, which reflect a 20% discount off the catalog prices. These prices are subject to change after the first year of the contract, with prior approval by SacRT.

FY24 estimated contract expenditure of \$22,500 which covers January, February, March, April, May, and June 2024, is included in the approved FY24 Operating Budget. Future fiscal year estimated contract amounts are \$45,000 for FY25, FY26, FY27, FY28, and FY29, which will cover July 2024 through December 2029. These future amounts will be included in the Operating Budget for each fiscal year.

DISCUSSION

Under the terms of SacRT's Collective Bargaining Agreements with the IBEW and AFSCME Supervisor Unit, SacRT provides safety shoes through a voucher program to all IBEW members (\$175 annually) and to certain AFSCME supervisors (\$200 every two years). Safety shoes reduce injuries and create a safer work environment. Not only do protective shoes protect against foot injuries from sharp objects, spilled liquids, slips and falls, and more, but they also help SacRT more effectively achieve safety goals. In the past, staff has requested quotes and awarded a Blanket Purchase Order (BPO) for a 3-year term. Upon expiration of the 3-year BPO, staff determined it was in SacRT's best interest to solicit bids for a 5-year term for the purchase of safety shoes, due to the

ongoing need for these supplies. If an employee selects a shoe that costs less than the available voucher, SacRT is billed for the actual cost. If an employee selects a shoe that costs more than the available voucher, SacRT is billed for the value of the voucher and the employee must pay the difference.

On September 22, 2023, staff released an Invitation for Bid (IFB) on PlanetBids e-Procurement System and notified 4 vendors of the bid opportunity. SacRT requires that the safety shoe store be located within Sacramento County because employees must go to the store(s) to order and pick up the shoes. On October 13, 2023, SacRT received the following two bids:

	Beck's Shoes	Hawthorn Ventures LLC dba Purpose-Built Trade Co.
Percentage discount given off catalog price for all purchases	18.63% (46.57 points)	20.00% (50 points)
Total pricing offered for the 10 most popular shoe styles of the last 2 years or comparable alternatives	\$37,712.70 (41.99 points)	\$32,277.90 (50 points)
Total Points	88.573	100

Both bids were reviewed and determined to be responsive. Based on the two bids, Hawthorn Ventures LLC dba Purpose-Built Trade Co. is the highest-ranked firm and eligible for award. The bid price is considered fair and reasonable in comparison with the other bidder and is comparable to the independent cost estimate established prior to the receipt of bids.

RESOLUTION NO. 2023-12-118

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

December 11, 2023

AWARD A PURCHASE ORDER TO HAWTHORN VENTURES LLC, DBA PURPOSE-BUILT TRADE CO. FOR THE PURCHASE OF SAFETY SHOES

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

THAT, the Blanket Purchase Order for Purchase of Safety Shoes between Sacramento Regional Transit District, therein referred to as "SacRT", and Hawthorn Ventures, LLCdba Purpose-Built Trade Co., therein referred to as "Contractor," whereby Contractor agrees to provide Safety Shoes for the Safety Department, as further specified, for an amount not to exceed \$225,000.00, plus applicable sales tax, for a 5-year term, is hereby approved.

That, the General Manager/CEO is hereby authorized and directed to execute the Purchase Order.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, Deputy General Manager/CEO
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO BIND SACRT TO CONTRACTS FOR LEGACY TELECOMMUNICATIONS VOICE AND DATA NETWORKS AND COMMUNICATIONS SERVICES UNDER STATE OF CALIFORNIA NEXTGEN MASTER AGREEMENTS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the recommended action will allow SacRT to acquire supplies and services under competitive state pricing until June 30, 2025. If the State exercises the option years within the current NextGen agreements (“Master Agreements”), this action will potentially facilitate SacRT’s use of those agreements through June 30, 2028, at which time all available options under the State of California contracts with AT&T will expire.

FISCAL IMPACT

SacRT intends to continue purchasing AT&T services and supplies for a period from January 1, 2024, extending until June 30, 2025, which is a term of eighteen months, under the AT&T NextGen contract.

In addition, other vendors may be engaged for additional supplies and services under a State Master Agreement.

If the State of California exercises the options to extend the term of one or more of the Master Agreements beyond June 30, 2025, this delegation will permit the General Manager/CEO to continue purchasing for so long as a state Master Agreement is in place.

The cost for AT&T services for Fiscal Year 2024 is estimated at \$825,000 and included in the approved FY 24 Operating Budget. Future fiscal year expenditures will be included in the Operating Budget for that year. Funding will be identified as each service is ordered under the applicable Authorization to Order.

DISCUSSION

In 2018, the State of California issued competitive solicitations for Legacy Communications (IFB C4A1LEG18) and Data Networks and Communications Services (IFB C4DNCS19) (collectively referred to as "CALNET NextGen"). After evaluation, the State awarded contracts to 16 different vendors, including AT&T, and entered into an individual Master Agreement with each of the vendors for specified categories of services.

These contracts are available for use by Non-State Entities on specified terms.

Contracts were awarded to the following vendors: Airespring Inc., Aspen Technology Group, AT&T, Carousel Industries, Charter Communications, Comcast Business Communications LLC, Crown Castle Fiber, ENA Services, Granite Telecommunications, InterVision Systems, Level 3 dba CenturyLink dba LUMEN, NTT America, Inc., NWN Corporation, Red River Technology, T-Mobile, Verizon Business Services, Wave Division Holdings LLC, Zayo Group LLC.

On December 13, 2021, the Board adopted Resolution No. 21-12-0141, delegating authority to the General Manager/CEO to bind SacRT to a contract or contracts with AT&T in accordance with the terms and conditions, and for the prices, set forth in a master contract with the State of California. Under the Resolution, the existing delegation of authority expires December 31, 2023.

Each Master Agreement currently expires June 30, 2025. The State of California has three option years that may be exercised to ultimately extend the Master Agreements to June 30, 2028. During the course of each Master Agreement, additional services may be added by the various vendors to their current offerings.

In addition to requesting an extension of the existing delegation with respect to AT&T, at this time Staff is requesting that the Board broaden the authorization to allow SacRT to contract with any of the 16 available vendors that currently has a NextGen Master Agreement in place with the State of California to obtain the benefit of the competitive pricing offered by these vendors under the Master Agreements.

RESOLUTION NO. 2023-12-119

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

December 11, 2023

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO BIND SACRT TO CONTRACTS FOR LEGACY TELECOMMUNICATIONS VOICE AND DATA NETWORKS AND COMMUNICATIONS SERVICES UNDER STATE OF CALIFORNIA NEXTGEN MASTER AGREEMENTS

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

THAT, contingent upon satisfaction of the condition set forth below, the General Manager/CEO is hereby authorized to bind Sacramento Regional Transit District to a contract or contracts with any vendor that has a NextGen Master Agreement with the State of California, in accordance with the terms and conditions, and for the prices, set forth in the Master Agreement with the State of California; and

THAT, prior to entering into any contract under this delegation, the General Manager/CEO must determine that the master contract with the State of California through which the supplies and services will be purchased was awarded through competitive bidding and that all applicable federal and state requirements are met; and

THAT, this delegation of authority will expire June 30, 2028.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Devra Selenis, VP, Communications and Partnerships
SUBJ: APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR NAMING RIGHTS NEGOTIATION SERVICES WITH THE SUPERLATIVE GROUP, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval will allow the continuation of the current contract with The Superlative Group, Inc. ("Superlative") for Option Year 8 to provide additional opportunities to generate revenue from naming rights agreements. In October 2021 (Resolution No. 21-10-0116), the Board previously exercised the right to extend the Contract term by two years (Option Years 6 and 7).

FISCAL IMPACT

Continuing the contract for one year will provide additional opportunities for Superlative to seek naming rights partners to generate additional revenues for SacRT. Superlative receives compensation (30% of revenues) only if a naming rights agreement is successfully negotiated. There is no additional cost to SacRT to continue the agreement.

DISCUSSION

On September 13, 2016, SacRT received a single proposal from Superlative in response to the competitive Request for Proposals for Naming Rights Negotiation Services. On January 10, 2017, SacRT executed a Contract with Superlative for a 5-year term, which was originally set to expire January 9, 2022. With the previous extension for Option Years 6 and 7, it is now set to expire on January 9, 2024.

In June 2019, SacRT approved the first 10-year revenue generating station sponsorship agreement with UC Davis Health, renaming the 39th Street Station to the 39th Street/UC Davis Health Station as a result of the Contract with Superlative. In early 2020, like many businesses, Superlative was significantly impacted as a result of the COVID-19 pandemic, experiencing a drastic reduction in potential interest in naming rights.

With business and ridership returning to a new normal, this Second Amendment (Option Year 8) will allow an additional year for Superlative to seek revenue-generating naming

negotiations. Option Year 8 is the last of the three option years agreed to in the original terms of the Contract with Superlative. Since there is no cost to SacRT and SacRT anticipates difficulty finding another vendor to offer these services, Staff recommends extending the contract term one more year.

RESOLUTION NO. 2023-12-120

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

December 11, 2023

APPROVING THE SECOND AMENDMENT TO THE CONTRACT FOR NAMING RIGHTS NEGOTIATION SERVICES WITH THE SUPERLATIVE GROUP, INC.

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

THAT, the Second Amendment to the Contract for Naming Rights Negotiation Services by and between the Sacramento Regional Transit District (therein "SacRT") and The Superlative Group, Inc. (therein "Consultant"), whereby SacRT exercises Option Year 8 and the term is extended to January 9, 2025, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Ikwut-Ukwa, VP, Capital Programs
SUBJ: APPROVING WORK ORDER NO. 5 TO THE CONTRACT FOR GENERAL CONSTRUCTION MANAGEMENT SUPPORT SERVICES – 2019 WITH 4LEAF, INC. FOR CONSTRUCTION MANAGEMENT FOR THE BLUE LINE LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 3 PROJECT.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving Work Order No. 5 to the Contract for General Construction Management Support Services (GCMSS) – 2019 with 4LEAF, Inc. (“4LEAF”) will provide construction management support services for the Blue Line Low Floor Vehicle Platform Conversion Phase 3 Project.

FISCAL IMPACT

Work Order No. 5 will engage 4LEAF to provide construction management and inspection services for the Blue Line Low Floor Vehicle Platform Conversion Phase 3 Project. The total cost of these services is estimated for a total amount not to exceed \$591,625.35. Work Order No. 5 will be funded with Low Carbon Transit Operations Program funds.

The GCMSS Contract was awarded in 2019 with a Total Consideration amount of \$3,000,000. Funds are encumbered and applied against the Total Consideration for specific projects as Work Orders are executed. To date, \$1,895,978.78 has been committed for Work Order Nos. 1 through 4. No increase is proposed to the Contract Total Consideration in connection with approving Work Order No. 5.

DISCUSSION

Sacramento Regional Transit District (SacRT) solicited bids for Phase 3 of the light rail station conversion project to accommodate the new low-floor vehicles (three-car consist) for four stations along the Blue Line. The improvements will allow the operation of the new low-floor vehicles to increase the capacity for passengers with disabilities and increase overall operational reliability. The overall project is broken into four phases as follows:

- Phase 1: Gold Line 2-car platform conversion
- Phase 2: Gold Line 3-car platform conversion
- Phase 3: Blue Line platform conversion (Alkali Flat/La Valentina, Globe, Swanston, Roseville Road Stations)
- Phase 4: Blue Line remaining 15 platform conversion

To assist SacRT staff during the construction of Phase 3 of the low floor vehicle platform conversions, SacRT requested a Work Order No. 5 proposal for Construction Management Services from 4LEAF under the GCMSS - 2019 Contract. The construction of the Blue Line Low Floor Vehicle Platform Phase 3 Project is anticipated to be completed no later than March 1, 2025. The not-to-exceed amount for Work Order No. 5, based on 4LEAF's hourly rates and estimated number of hours, is \$591,625.35.

RESOLUTION NO. 2023-12-121

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

December 11, 2023

APPROVING WORK ORDER NO. 5 TO THE CONTRACT FOR GENERAL CONSTRUCTION MANAGEMENT SUPPORT SERVICES – 2019 WITH 4LEAF, INC. FOR CONSTRUCTION MANAGEMENT FOR THE BLUE LINE LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 3 PROJECT.

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

THAT, Work Order No. 5 to the Contract for General Construction Management Support Services – 2019 between Sacramento Regional Transit District, therein referred to as “SacRT” and 4LEAF, Inc., therein referred to as “Consultant,” whereby Consultant agrees to provide Construction Management for the Blue Line Low Floor Vehicle Platform Conversion Phase 3 Project, for a total amount not to exceed \$591,625.35, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute Work Order No. 5.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: TEMPORARILY MODIFYING THE DEFINITION OF “GROUP PASS” IN THE FARE STRUCTURE FOR LOS RIOS STUDENT TRANSIT PASS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approval of the attached Resolution will temporarily modify the fare structure to allow for issuance of a Group Pass that does not include a photo ID and name for Los Rios Community College District Students.

FISCAL IMPACT

There is no fiscal impact from the proposed Resolution.

DISCUSSION

At the October 23, 2023 meeting (Resolution No. 2023-10-100), the SacRT Board of Directors delegated authority to the General Manager/CEO to approve a new Student Transit Pass Agreement with the Los Rios Community College District (Los Rios) to extend the transit pass program through December 2028.

Historically, the pass was provided to students in the form of a sticker affixed to the student ID card issued by Los Rios. As noted in the October Staff Report, the bulk of students now receive the pass in an electronic form that can be redeemed using a student-specific email address through SacRT’s mobile fare application, ZipPass. ZipPass is very popular among students. It is distributed to over 40,000 students per semester and is the preferred version of the pass with over 97% of the student population accepting the electronic pass.

The hard copy form of the pass would be issued to the remaining 3% of students who do not have access to a smartphone or prefer to not use their smartphone as a means of storing the transit pass. The initial draft of the new agreement carried over the historic language related to the hard-copy form of the pass, which was consistent with the definitions of “Group Pass” and “ID Card” in SacRT’s Fare Structure:

“Group Pass means either: 1) an ID Card to which an RT sticker or an RT approved sticker, logo or insignia is affixed, or 2) an ID Card that is inserted inside a sleeve with a clear plastic window through which the information on the ID Card is visible and the window side of the sleeve contains an affixed sticker, printed or other information as required by the applicable Group Pass Agreement.”

“ID Card means a card approximately 2 and 1/8 inches wide by 3 and 3/8 inches wide that incorporates a picture of the person bearing the card and the full name of that person, which card is either issued by RT (and incorporates RT’s logo) or by a third party pursuant to an agreement with RT...”

After the Board approval of the delegation and while the parties were negotiating the final agreement terms, Los Rios informed SacRT staff that they have just recently begun printing student ID cards again and fear that many students may have difficulty obtaining an ID prior to January 1, 2024. The Los Rios student ID card must be picked up in person. Therefore, SacRT Staff is proposing that the Board temporarily modify the definition of Group Pass from January 1, 2024 through the last day of final exams for the summer 2024 session to allow a form of Group Pass without a photo or name to be used specifically and only for the Los Rios student transit pass.

Temporarily modifying the definition of Group Pass in this manner will provide Los Rios students with access to SacRT services while Los Rios staff and students work towards a wider distribution of traditional Los Rios Student ID cards over the coming months. Due to the absence of a student photo and name and without any requirements to provide evidence of eligibility, there is some risk of fraud associated with issuing the Group Pass in this format. However, given the small proportion of students that obtain the pass in a hard-copy format, SacRT anticipates limited fraudulent use. Los Rios will work with SacRT to ensure that students obtain only one form of pass. Staff anticipates returning to a more traditional sticker on the Los Rios pass by the fall 2024.

RESOLUTION NO. 2023-12-122

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

December 11, 2023

TEMPORARILY MODIFYING THE DEFINITION OF “GROUP PASS” IN THE FARE STRUCTURE FOR LOS RIOS STUDENT TRANSIT PASS

WHEREAS, on October 25, 2023 the Board delegated authority to the General Manager/CEO to approve and execute a Student Pass Agreement with Los Rios Community College District (“Los Rios”), which is a “Group Pass Agreement” under the terms of SacRT’s Board-adopted Fare Structure;

WHEREAS, this agreement is a continuation of the program that has existed since 2007 in which students pay fees each semester to fund the provision of a transit pass; and

WHEREAS, historically, the “Group Pass” for Los Rios has taken the form of the Los Rios Student ID with the student photo and name to which a transit pass sticker was affixed that included the validity dates of the pass; and

WHEREAS, Los Rios Community College District expressed concerns about the issuance of Los Rios Student ID cards post-COVID and expressed concerns that students may not have access to an ID card prior to the beginning of the Spring 2024 semester.

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

THAT, in addition to the definition of Group Pass set out in Resolution 2022-06-053, for the period from January 1, 2024 until the last date of Los Rios final exams for the summer session, the definition of “Group Pass” will also include a printed card approved by SacRT, issued solely to eligible Los Rios students, that specifies it is a student transit pass and provides the validity dates of the Group Pass for the Spring 2024 semester and Summer 2024 summer session.

THAT, the Group Pass will be valid on the terms specified in the Student Transit Pass Agreement -- 2023 between SacRT and Los Rios.

PATRICK KENNEDY, Chair

A T T E S T:
HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, Deputy General Manager/CEO
SUBJ: DELEGATING AUTHORITY TO AWARD A CONTRACT FOR ON-CALL REAL ESTATE SELLER REPRESENTATIVE SERVICES AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ISSUE WORK ORDERS FOR COMMISSION-BASED SALE TRANSACTIONS OVER \$150,000

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to award a Work Order-based contract for On-Call Real Estate Seller Representative Services.

FISCAL IMPACT

There is no fiscal impact associated with the execution of this contract. The selected Contractor will be assigned tasks to perform for a particular property or properties through a Work Order process. Work Orders will be issued on a commission or non-commission basis.

For Work Orders issued on a commission basis, after closing of a transaction for a particular property sale or lease, all costs associated with the transaction will be paid out of the sale/lease proceeds.

For any tasks assigned to be done on a non-commission basis, the funding for the Work Order will be identified prior to Work Order execution. The General Manager/CEO or his designee will approve Work Orders up to a total amount of \$150,000. Work Orders over \$150,000 would be brought to the Board of Directors for approval.

DISCUSSION

Sacramento Regional Transit District (SacRT) released a Request for Proposals (RFP) on September 14, 2023 on PlanetBids e-Procurement System and received five proposals on October 20, 2023, from: Paragon Partners Consultants, Inc.; Jones Lang LaSalle Americas, Inc.; CBRE, Inc.; Cushman & Wakefield of California, Inc.; and Newmark Knight Frank. The proposals from four of the firms were deemed non-

responsive because they did not comply with the requirements of the RFP. Because four out of five proposals were rejected due to correctable errors, Staff will reject all proposals and resolicit for these services, with only small changes to the RFP.

Because the previous solicitation was posted for six weeks, 78 potential bidders were previously notified, and SacRT received several proposals, Staff is planning an expedited re-solicitation and anticipates that the same firms will propose. Staff anticipates being ready to award the contract prior to the next scheduled Board meeting. Consequently, Staff is requesting that the Board delegate authority to the General Manager/CEO to award the contract, so that SacRT can quickly begin the surplus disposition process with respect to parcels the Board has declared surplus or conditionally surplus.

The primary objective of the RFP is for SacRT to secure the services of the most experienced and qualified firm to strategize and advise on selling, joint developing, and/or leasing of surplus property. The evaluation of the proposals will focus on experience and staffing, approach to work, contract understanding, and price (both commission and non-commission based).

The initial term for the contract will be two years, with a SacRT option to renew for three additional one-year periods.

RESOLUTION NO. 2023-12-123

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

December 11, 2023

DELEGATING AUTHORITY TO AWARD A CONTRACT FOR ON-CALL REAL ESTATE SELLER REPRESENTATIVE SERVICES AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ISSUE WORK ORDERS FOR COMMISSION-BASED SALE TRANSACTIONS OVER \$150,000

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

THAT, authority is hereby delegated to the General Manager/CEO to award and execute a Contract for On-Call Real Estate Seller Representative Services for a two-year term, with option to renew for three additional one-year periods, on a commission basis paid from sale proceeds, with additional non-sale Work Orders issued as needed for specialized services.

THAT, notwithstanding anything to the contrary in the Procurement Ordinance (2022-12-001), the General Manager/CEO is authorized to issue commission-based Work Orders under the foregoing contract for which the commission that may be paid will exceed \$150,000. Non-commission-based Work Orders will be subject to the otherwise applicable requirements of the Procurement Ordinance related to General Manager or Board approval.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Ikwut-Ukwa, VP, Capital Programs
SUBJ: APPROVE CONTRACT CHANGE ORDER NO. 11 TO THE CONTRACT FOR LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 1 WITH PNP CONSTRUCTION, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving Contract Change Order (CCO) No. 11 to the Phase 1 construction contract will modify the platforms at the Sunrise Light Rail Station to full conversion, to accommodate a 3-car low floor train.

FISCAL IMPACT

CCO No. 11 will increase the Contract Total Consideration by the lump sum amount of \$535,090.00, from \$17,814,085.48 to \$18,349,175.48. This CCO No. 11 is being funded with the following federal and state sources: Transportation, Housing, and Urban Development funds and State Transit Assistance funds.

DISCUSSION

The Light Rail Modernization Project includes the procurement of low floor light rail vehicles, 15-minute service to Historic Folsom, and the station platform conversions to accommodate low-floor light rail trains.

As explained in prior Staff Reports, the low floor vehicle platform conversion project has been split into four phases, to allow for the most expeditious path forward to begin operating the new S700 light rail vehicles on the Gold Line at the earliest opportunity using 2-car trains. Due to funding, timing, and design constraints, it was infeasible to do the full platform construction under one contract.

The Low Floor Vehicle Platform Conversion Project Phase 1 (Low Floor 1) includes adjusting all Gold Line platforms to an 8-inch elevation above top of rail to accommodate 2-car trains; replacing detectable warning tiles/directional guidance tiles; adjusting all facilities and furniture on the platforms to the new height; removing all in-ground artwork in direct conflict; modifying tree grates/planters; modifying drainage facilities; modifying

adjacent improvements to meet ADA requirements; and adding crosswalk areas and signage.

Phase 2 includes platform conversions on the Gold Line to accommodate 3-car low floor trains (essentially extending the raised platform area) and signaling improvements. Phase 2 is still in the final design stage through Work Order No. 7 to the Contract for General Engineering Support Services – 2020 with Psomas.

On September 12, 2022, the Board conditionally awarded the Contract for the Base Bid of \$9,713,000 to PNP Construction, Inc., with a delegation of authority to the General Manager/CEO to award the additive alternates based on available additional funding. Through a series of Contract Change Orders, numbered 1 through 10, Staff and the Board have effected changes to the original Base Bid contract amount as shown in Table 1:

Table 1:

Change Order #	Date	Scope Change	Fiscal Impact	Total Contract Amount
Base Bid Contract	12-Sep-22	Base Bid	\$9,713,000.00	\$9,713,000.00
1	23-Jan-23	Remove the 8th & O Station (Inbound) from the scope of work	-\$378,639.00	\$9,334,361.00
2	23-Feb-23	Repair sink hole at the 39th Street Station	\$30,000.00	\$9,364,361.00
3	13-Mar-23	Additive Alternates in Contract Change Order No. 3	\$9,061,000.00	\$18,425,361.00
4	10-Apr-23	Modify work parameters and DWT installation	\$302,846.41	\$18,122,514.59
5	5-May-23	Added Schwager to the Indemnification and Additional Insured Obligations for Right of Entry	\$0.00	\$18,122,514.59
6	8-May-23	Extend work parameters and DWT installation changes to the Additive Alternate stations	-\$733,452.11	\$17,389,062.48
7	8-Jun-23	Revise Plans at 8 th & K	\$16,526.00	\$17,405,588.48
8	7-Jul-23	Electrical Work at Iron Point and 7 th & I	\$0.00	\$17,405,588.48
9	13-Oct-23	Revise Plans for Iron Point Station	\$68,934.00	\$17,474,522.48
10	11-Nov-23	End Treatment Modifications	\$339,563.00	\$17,814,085.48

SacRT received additional funding for a full station conversion (3-car train) at the Sunrise Light Rail Station. CCO No. 11 would complete a portion of the task that Staff had contemplated for Phase 2.

The revised plans were presented to PNP Construction, Inc. with a Request for Change Quote. PNP Construction, Inc. provided a Change Quote for a lump-sum amount of \$535,090.00 and requested an additional 30 calendar days be added to each Completion Milestone under the Contract. While this will result in an approximate doubling of the cost of the work at the Sunrise station, this lump-sum amount and schedule extension have been determined by Staff to be fair and reasonable based on a cost analysis comparison to the approved schedule of values for the competitively-bid Low Floor 1 Contract. The nature of the work is the same; there are no new work elements or Technical Specifications being added, only changes to quantities. The signaling work associated with the Sunrise station will be executed as part of Phase 2, as previously planned.

The alternatives to issuing this CCO would be:

- (1) Have PNP proceed to perform only the Phase 1 work and defer the remaining work to Phase 2, as originally intended. However, Staff has not yet identified funding for the Phase 2 work at all stations; there is a risk that the existing grant funding for the Sunrise full conversion could expire prior to SacRT being prepared to bid the remaining Phase 2 work. In addition, it would be inefficient and more expensive for another contractor to complete a portion of the work.
- (2) Eliminate the Phase 1 work at the Sunrise station through a deductive Contract Change Order and bid out the Phase 1 and 2 work at the Sunrise station separately. This option is infeasible because the platform conversion (whether partial or full) must be complete by Summer 2024 for SacRT to begin running 2-car S700 trains on the Gold Line. PNP is already mobilized and can perform the full conversion with only a one-month schedule adjustment. Between the bidding process and mobilization, prosecuting the work under a separate contract would delay the deployment of the new low-floor vehicles.

RESOLUTION NO. 2023-12-124

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

December 11, 2023

APPROVE CONTRACT CHANGE ORDER NO. 11 TO THE CONTRACT FOR LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 1 WITH PNP CONSTRUCTION, INC.

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

THAT, Contract Change Order No. 11 to the Construction Contract for Low Floor Vehicle Platform Conversion Phase 1 between the Sacramento Regional Transit District, therein referred to as "SacRT," and PNP Construction, Inc., therein referred to as "Contractor," whereby Contractor agrees to implement revised design Plans for the full station conversion at the Sunrise Light Rail Station to accommodate a 3-car low floor train, and the Contract Total Consideration is increased by \$535,090.00, from \$17,814,085.48 to \$18,349,175.48, is hereby approved.

THAT, General Manager/CEO is hereby authorized and directed to execute Contract Change Order No. 11 to the Contract.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Ikwut-Ukwa, VP, Capital Programs
SUBJ: CONDITIONALLY DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE CONTRACT FOR DIESEL STORAGE TANK CONVERSION TO GASOLINE TO GEMS ENVIRONMENTAL MANAGEMENT SERVICES, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to approve this construction contract will allow SacRT to repurpose the existing diesel storage tank to gasoline to fuel non-revenue vehicles and gasoline cutaway vehicles.

FISCAL IMPACT

The Total Bid price for the Construction Contract for the Diesel Storage Tank Conversion to Gasoline Project is \$509,884.95. This contract is being funded by State Transit Assistance. This project is included in the approved FY 24 Capital Budget.

DISCUSSION

The Diesel Storage Tank Conversion to Gasoline Project is located at the Bus Maintenance Facilities 1 (BMF1). The completed work will improve control of vehicle fueling, reduce service worker travel time, reduce risk by eliminating driving outside of the SacRT property at night to fuel SacRT vehicles, and promote a safer environment for SacRT employees.

On August 1, 2023, Staff released an Invitation for Bid for Diesel Storage Tank Conversion to Gasoline. On October 26, 2023, SacRT received 1 bid from GEMS Environmental Management Services, Inc. with a total bid amount of \$509,884.95 for the Base Bid plus Additive Alternate 1. The Base Bid includes (1) converting a diesel tank, consisting of a 12,000-gallon compartment of an existing 15,000-gallon single wall tank in an underground vault, to store unleaded gasoline; (2) install one new unleaded gasoline dispenser; and (3) provide new tank level leak detection sensors. The bid documents also include Additive Alternate 1 to clean the diesel storage tank.

The original Engineer's Estimate of \$431,881.00 included only the Base Bid and not the Additive Alternate. While sufficient funds are available for the total bid amount, Staff is still evaluating whether the amount bid for the Additive Alternate is fair and reasonable. In addition, the Contractor has not yet furnished the required payment and performance bonds. To enable execution of the Contract once these actions are completed, Staff is requesting a delegation of authority to the General Manager/CEO.

RESOLUTION NO. 2023-12-126

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

December 11, 2023

CONDITIONALLY DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE CONTRACT FOR DIESEL STORAGE TANK CONVERSION TO GASOLINE TO GEMS ENVIRONMENTAL MANAGEMENT SERVICES, INC.

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

THAT, authority is delegated to the General Manager/CEO to award the Construction Contract for Diesel Storage Tank Conversion to Gasoline between Sacramento Regional Transit District, therein referred to as "SacRT," and GEMS Environmental Management Services, Inc., therein referred to as "Contractor," whereby Contractor agrees to complete the construction required for Diesel Storage Tank Conversion to Gasoline Base Bid and Additive Alternate 1, as specified, for an amount not to exceed \$509,884.95, contingent upon receipt of all required bonds and a determination that the bid amount is fair and reasonable.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023

TO: Sacramento Regional Transit Board of Directors

FROM: Henry Ikwut-Ukwa, VP, Capital Programs

SUBJ: APPROVING THE SIXTH AMENDMENT TO THE CONTRACT FOR GENERAL ENGINEERING SUPPORT SERVICES – 2020 WITH PSOMAS AND CONDITIONALLY DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE: (1) AMENDMENT NO. 2 TO WORK ORDER NO. 7 FOR FINAL DESIGN OF LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 2 AND (2) AMENDMENT NO. 2 TO WORK ORDER NO. 11 FOR FINAL DESIGN, BIDDING ASSISTANCE & CONSTRUCTION SUPPORT FOR LOW FLOOR VEHICLE PLATFORM CONVERSION PHASES 3 & 4

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

Approving the Sixth Amendment to the General Engineering Support Services Contract – 2020 (GESS – 2020) will extend the Contract term to September 20, 2025 by exercising Option Year 5 and increase the maximum Contract Total Consideration by \$1,000,000. Delegating authority to the General Manager/CEO to approve Amendment No. 2 to Work Order No. 7, and Amendment No. 2 to Work Order No. 11 will result in a timely execution of the respective Work Orders. This will allow SacRT to move forward with the Light Rail Modernization Project on the Gold Line and the Blue Line.

FISCAL IMPACT

1. The GESS – 2020 Contract was awarded in 2020 with a Total Consideration amount of \$3,000,000. Funds are encumbered and applied against the Total Consideration for specific projects as Work Orders are issued. To date, \$1,872,178.84 has been committed for Work Orders 1 through 21, including amendments to those Work Orders. As noted above, the proposed amendments would add an increase is proposed to the Contract Total Consideration in the amount of \$1,000,000 in connection with exercising Option Year 5, approving Amendment No. 2 to Work Order 7 and Amendment No. 2 to Work Order 11, since the existing ceiling is expected to be surpassed prior to the end of the term. The

Page 1 of 3

one-year extension is critical to support the Low Floor Vehicle Platform Conversion Project through the duration of construction. This will be funded by a combination of Federal and State funds.

2. Amendment No. 2 to Work Order No. 7 will increase the revised scope of work to include providing signal design of the Gold Line Low Floor Vehicle Platform Conversion Phase 2 Project. The estimated cost for these additional services is \$479,692.25. Amendment No. 2 to Work Order No. 7 will be funded with a combination of Federal and State funds.
3. Amendment No. 2 to Work Order No. 11 will increase the original scope of work to include providing survey and signal design for the Blue Line Low Floor Vehicle Platform Conversion Phase 4 Project. The estimated cost for these additional services is \$456,387.93. Amendment No. 2 to Work Order No. 11 will be funded with a combination of Federal and State funds.

DISCUSSION

The Light Rail Modernization Project includes the procurement of low floor light rail vehicles, 15-minute service to Historic Folsom, and the station platform conversions to accommodate low-floor light rail trains. The Low Floor Vehicle Platform Conversion Project includes adjusting all Gold Line and Blue Line platforms to an 8-inch elevation above top of rail; replacing detectable warning tiles/directional guidance tiles; adjusting all facilities and furniture on the platforms to the new height; removing/replacing all in-ground artwork in direct conflict; modifying tree grates/planters; modifying drainage facilities; modifying adjacent improvements to meet ADA requirements; and adding crosswalk areas, fencing, and signage. Upon full integration of low floor vehicles, SacRT will be operating 3-car trains with Siemens S700 vehicles.

The overall project is broken into four phases as follows:

- Phase 1: Gold Line 2-car platform conversion
- Phase 2: Gold Line 3-car platform conversion
- Phase 3: Blue Line platform conversion (Alkali Flat/La Valentina, Globe, Swanston, Roseville Road Stations)
- Phase 4: Blue Line remaining 15 platform conversions

On March 14, 2022, the Board approved Work Order No. 7 for the Gold Line Low Floor Vehicle Platform Conversion Phase 2 Design (the full 3-car station conversion) with Psomas under the GESS – 2020 Contract. Work Order No. 7 for \$363,314.04 included the work to complete construction documents, bidding assistance, and construction support. On September 12, 2022, the Board approved Amendment No. 1 to Work Order No. 7 to add the additional work for minor signal and braille sign design. After execution of Amendment No. 1 and through the prosecution of the signal design and construction work for the pass track at Glenn Station, Staff determined that more extensive signaling improvements to the train-to-wayside communication (TWC) equipment are required to

Page 2 of 3

operate the 3-car S700 trains on both the Gold Line and Blue Line. Once designed, these signaling improvements will be part of the Phase 2 and Phase 4 construction contracts in addition to the platform conversion work. The need for this work wasn't foreseen at the time of the original Work Order execution, but the work must be performed by the same final design contractor to create a complete bidding package for the Phase 2 and Phase 4 work.

Amendment No. 2 to Work Order No. 7 will add additional signal design to update existing track and signal plans to add new TWC equipment at each station as the low floor trains are implemented for revenue service. The estimated cost for Amendment No. 2 to Work Order No. 7 is for an amount not to exceed \$479,692.25. Amendment No. 1 to Work Order No. 7 included a small amount of funding for the signal design contractor (HATCH) to provide design support during bidding and construction. If additional funding is needed for those services, it will need to be added through another Work Order amendment.

On September 12, 2022, the Board approved Work Order No. 11 for the Blue Line Low Floor Vehicle Platform Conversion Design (Phases 3 and 4) with Psomas under the GESS – 2020 Contract for \$792,882.01. The original scope included the work to complete construction documents, bidding assistance, and construction support. Amendment No. 1 to the Work Order was issued in the amount of \$57,586.93 for additional engineering services for the shelter design at the Globe Station for the Phase 3 Project. Amendment No. 2 will add additional survey work and signal design to update existing track and signal plans to add new TWC equipment at each station included in Phase 4. The total cost for Amendment No. 2 to Work Order No. 11 is for a total amount not to exceed \$456,387.93. This amount does not include any design support by the signal design contractor (HATCH) during bidding or construction. These required services will need to be added later through another Work Order amendment.

On September 12, 2022, by Resolution No. 2022-09-111, the Board approved exercising Option Year 4 of the GESS – 2020 Contract. Without exercise of Option Year 5, the Contract will expire September 20, 2024. While Work Order services can extend beyond the expiration date of the Contract, there are limits to SacRT's ability to modify or add funds to a Work Order after contract expiration. To ensure Psomas can continue to provide design services through construction support for Phase 2 and Phase 4, the GESS – 2020 Contract needs to be extended for an additional year. The Contract term will extend to September 20, 2025.

RESOLUTION NO. 2023-12-129

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

December 11, 2023

**APPROVING AMENDMENT NO. 6
TO THE CONTRACT FOR GENERAL ENGINEERING SUPPORT SERVICES – 2020
WITH PSOMAS**

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

THAT, the Sixth Amendment to the Contract for General Engineering Support Services – 2020 by and between the Sacramento Regional Transit District, therein referred to as “SacRT,” and Psomas, therein referred to as “Consultant,” whereby SacRT exercises Option Year 5, to extend the term to September 20, 2025, and the maximum Total Consideration is increased by \$1,000,000, from \$3,000,000 to \$4,000,000 is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2023-12-130

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

December 11, 2023

CONDITIONALLY DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AMENDMENT NO. 2 TO WORK ORDER NO. 7 TO THE CONTRACT FOR GENERAL ENGINEERING SUPPORT SERVICES – 2020 FOR FINAL DESIGN OF THE LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 2 WITH PSOMAS

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

THAT, authority is hereby conditionally delegated to the General Manager/CEO to approve Amendment No. 2 to Work Order No. 7 to the Contract for General Engineering Support Services – 2020 between Sacramento Regional Transit District, therein referred to as “SacRT,” and Psomas, therein referred to as “Consultant,” whereby the scope of Work Order is amended to include additional signal design to Phase 2 of the Low Floor Vehicle Platform Conversion project, for a total amount not to exceed \$479,692.25, contingent upon receipt of funding and confirmation that any applicable DBE requirements have been met.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2023-12-131

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

December 11, 2023

CONDITIONALLY DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AMENDMENT NO. 2 TO WORK ORDER NO. 11 TO THE CONTRACT FOR GENERAL ENGINEERING SUPPORT SERVICES – 2020 FOR FINAL DESIGN OF THE LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 4 WITH PSOMAS

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

THAT, authority is hereby conditionally delegated to the General Manager/CEO to approve Amendment No. 2 to Work Order No. 11 to the Contract for General Engineering Support Services – 2020 between the Sacramento Regional Transit District, therein referred to as “SacRT,” and Psomas, therein referred to as “Consultant,” whereby the scope of Work Order is amended to include additional signal design and survey to Phase 4 of the Low Floor Vehicle Platform Conversion project, for a total amount not to exceed \$456,387.93, upon receipt of funding and confirmation that any applicable DBE requirements have been met.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Carmen Alba, VP, Bus Operations
SUBJ: APPROVING A SOLE SOURCE PROCUREMENT AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE A CONTRACT FOR (1) THE PURCHASE AND INSTALLATION OF INTELLIGENT VEHICLE NETWORK 5 EQUIPMENT FOR THE ELK GROVE BUS FLEET AND (2) ADDING THE DISRUPTION MANAGEMENT SOLUTION TO THE ENTIRE SACRT FLEET INCLUDING ELK GROVE

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action would replace the existing Syncromatics dispatch and tracking system in the entire Elk Grove bus fleet (both the existing fleet and new Gillig buses) with Clever Devices Intelligent Vehicle Network 5 (IVN5) to be consistent with SacRT's overall system and also add the Disruption Management Solution to the entire SacRT fleet, including Elk Grove.

FISCAL IMPACT

The total cost of the Clever Devices software system and configuration for the new Gillig buses for Elk Grove is \$201,698.00, which will be paid for using Elk Grove Annexation Funds.

The total cost of the equipment and installation for 38 existing Elk Grove buses is \$942,773.77, including applicable state and local tax; using Elk Grove Annexation Funds.

The total cost of the Disruption Management Software is \$310,135.00, using Elk Grove Annexation Funds of \$81,070.77 and State Transit Assistance funds of \$229,065.00.

The Total Consideration for all three contract phases is \$1,454,606.77, including applicable state and local tax.

In addition to the initial fees, to maintain the functionality of the product, SacRT must pay annual software maintenance fees to Clever Devices beginning on the anniversary date of the license. The Board delegated authority to the General Manager in 2015 (by Resolution No. 15-10-0110) to pay these costs for so long as SacRT continues to require maintenance and upgrades for the licensed software.

To ensure the predictability of costs, since 2020, SacRT has had an ongoing Software Maintenance Agreement in place with Clever Devices for the licensed products, based on the (1) number of buses that were in SacRT's fleet at the time; and (2) the products that were licensed.

This new contract would add both additional buses and new software, which will result in ongoing increased operating costs for the duration of the use of the Clever Devices software and equipment. As part of its quotes for the Contract, Clever Devices has proposed software maintenance fees for Years 2-5 are projected to be \$259,720 for the three SOWs. This cost will be included in the Operating Budget for each fiscal year 2026 through 2029 at approximately \$70,000 per year.

DISCUSSION

Beginning in 2001, with the first solicitation for low-floor Compressed Natural Gas (CNG) buses, which resulted in the award of a Contract to Orion Bus Industries for 96 buses, and continuing over the last 20 years, SacRT has, on a sole source basis, expanded the Clever Devices system to the full bus fleet and added additional products and services to the Intelligent Transportation System (ITS)

The 2001 solicitation included a requirement that the buses be equipped with an automated voice announcement and passenger counting system with GPS functionality and equipment. In support of the American Public Transportation Association (APTA) guidelines, SacRT did not specify a manufacturer for the ITS and offered proposers the opportunity to select a subcontractor that could provide the ITS as an option under the CNG bus procurement. After a competitive solicitation was conducted, the contract was awarded to Orion Bus Industries, which included an ITS system from Clever Devices in its proposal response, which met the technical specifications of the solicitation.

The Intelligent Vehicle Network (IVN) is the vehicle logic unit that controls the complete Clever Devices ITS technology package on each vehicle. The IVN is a rugged and powerful onboard computer specifically designed to manage transportation applications, collecting and transmitting data, either in real-time or upon arrival in the depot. The IVN provides automated GPS-based "next stop" voice announcements, automated head sign control, passenger boarding counts, and vehicle on-time performance monitoring. The IVN system is essentially the heart of an on-board computer monitoring and GPS-based location and schedule/route adherence system. The IVN system is configured to work with Trapeze, which is SacRT's expansive, integrated scheduling and run-cut technology.

Currently, all of SacRT's fixed route vehicles, including the 8 new buses delivered for the Elk Grove Transit Service, are equipped with Clever Devices IVN systems; however, the remaining 38 Elk Grove Transit Service buses have Syncromatics equipment that is not

compatible with the Clever Devices programs used by SacRT. Syncromatics is the technology that was included in the Elk Grove buses upon transition and annexation. This purchase includes a separate database/domain for the Elk Grove service that will provide the ability to allow separate operator bid sign-ups required by the ATU contracts. As Clever Devices equipment and software are proprietary to this manufacturer and the manufacturer does not offer its equipment, software, or software maintenance through resellers, the purchase to replace the Syncromatics equipment must be a sole source.

Separately, the Disruption Management Solution, which will be applied to the entire fleet, will allow real-time route adjustments with turn-by-turn directions for, detours, construction projects, and bus bridges for the low floor vehicle platform conversion improvements at light rail stations and other unforeseen disruptions.

To fund the replacement of the currently installed Syncromatics equipment with Clever Devices IVN5 equipment, SacRT applied for and was awarded State of Good Repair Program grant funding. The award funds the replacement of the remaining Syncromatics equipment on the 38 Elk Grove fixed route vehicles and the implementation of the Disruption Management Solution on all fixed route vehicles in SacRT's service.

Staff has researched the market and found that other suppliers of hardware and software are not compatible with SacRT's existing Clever Devices IVN equipment. Removing and replacing the entire Clever Devices system would be cost prohibitive and not in the best interest of the agency.

The current costs for replacement parts and components are considered fair and reasonable based on market research of similar equipment and services, as well as historical data.

At this time, SacRT and Clever Devices are still negotiating contract terms, so the Board is being asked to delegate authority to the General Manager/CEO to award the contract upon successful conclusion of negotiations.

RESOLUTION NO. 2023-12-132

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

December 11, 2023

APPROVING A SOLE SOURCE PROCUREMENT AND EXECUTE A CONTRACT FOR THE PURCHASE OF INTELLIGENT VEHICLE NETWORK 5 EQUIPMENT FOR ELK GROVE AND ADD THE DISRUPTION MANAGEMENT SOLUTION TO THE ENTIRE SACRT FLEET INCLUDING ELK GROVE

WHEREAS, the bus fleet acquired by SacRT as part of the Elk Grove annexation includes the Syncromatics dispatch and tracking system that is inconsistent with the remainder of the SacRT fixed-route fleet; and

WHEREAS, Clever Devices has additional software available to add to SacRT's existing software licenses to better manage real-time route adjustments with turn-by-turn directions for, detours, construction projects, and bus bridges for the low floor vehicle platform conversion improvements at light rail stations and other unforeseen disruptions.

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

THAT, the Clever Devices solution was competitively procured as part of the 2001 Compressed Natural Gas (CNG) bus procurement, which included a requirement that vehicles be equipped with an automated voice announcement and passenger counting system with GPS functionality and equipment; and

THAT, the procurement of Clever Devices IVN technology has been included in all subsequent bus and equipment procurements; and

THAT, pursuant to Section 1.405.B.1 of the Procurement Ordinance, the products and services needed to make the Elk Grove fleet compatible with the remaining SacRT fixed-route fleet can only be provided by Clever Devices, Ltd. and it would be futile to seek competition, justifying a sole source procurement; and

THAT, the Disruption Management Solution is designed to integrate with SacRT's existing Clever Devices software products and is only available from Clever Devices; and

THAT, a transition to another vendor for the equipment and software would be cost-prohibitive; and

THAT, authority is delegated to the General Manager/CEO to approve and execute a Contract with Clever Devices, Ltd. (therein "Contractor") whereby Contractor agrees to

provide: (a) configuration of software and hardware for 8 Elk Grove buses already equipped with Clever Devices Intelligent Vehicle Network 5 (IVN5) equipment; (b) IVN5 equipment, installation and configuration for 38 Elk Grove buses; and (c) Disruption Management Solution, as further set forth therein, for an amount not to exceed \$1,454,606.77, including applicable state and local tax, upon conclusion of Contract negotiations.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



Transit Champion

presented to

Miguel Bararza

in recognition of your continued support and enthusiasm for public transportation, on November 13, 2023

Caity Maple

SacRT Board Member & City of Sacramento Councilmember

Patrick Kennedy

SacRT Board Chair & Sacramento County Supervisor

Henry Li

SacRT General Manager/CEO





Transit Champion

presented to

Rick Hodgkins

in recognition of your continued support and enthusiasm for public transportation, on November 13, 2023

Patrick Kennedy

SacRT Board Chair &
Sacramento County Supervisor

Henry Li

SacRT General Manager/CEO





Transit Champion

presented to

David Von Aspern

in recognition of your continued support and enthusiasm for public transportation, on November 13, 2023

A blue ink signature of Phil Serna.

Phil Serna

SacRT Board Member &
Sacramento County Supervisor

A blue ink signature of Patrick Kennedy.

Patrick Kennedy

SacRT Board Chair &
Sacramento County Supervisor

A blue ink signature of Henry Li.

Henry Li

SacRT General Manager/CEO





Transit Champion

presented to

Keith Smothers

in recognition of your continued support and enthusiasm for public transportation, on November 13, 2023

Pat Hume

SacRT Board Member &
Sacramento County Supervisor

Patrick Kennedy

SacRT Board Chair &
Sacramento County Supervisor

Henry Li

SacRT General Manager/CEO



STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: DECLARING ELECTRICAL AND PLUMBING/CHILLER DAMAGE AT THE 1400 29TH STREET, MAIN ADMINISTRATIVE BUILDING AN EMERGENCY AND AUTHORIZING THE SUSPENSION OF COMPETITIVE BIDDING

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The proposed Resolution will declare electrical and plumbing/chiller damage at the 1400 29th Street, Main Admin Building an emergency, authorize a suspension of competitive bidding, and delegate authority to the General Manager/CEO to use SacRT's existing on-call contracts or enter into a non-competitive contract or contracts to install conduit and run new wire to and from the existing panels and fix any plumbing/chiller valves, pipes, or equipment found to be leaking.

FISCAL IMPACT

SacRT estimates the cost of the repairs to be over \$5,000 but less than \$75,000; however, the exact cost will not be known until further investigatory work is done on the plumbing and chiller system. Sufficient capacity exists in the approved FY 2024 Operating Budget to cover a \$75,000 expenditure. As needed, the Finance Department will determine whether funding is available before the General Manager/CEO exercises the authority provided by the Resolution.

DISCUSSION

On December 1, 2023, SacRT discovered water in the basement of the Main Admin Building, which had submerged some electrical wiring and conduit. Based on Staff's evaluation and consultation with the Sacramento Municipal Utility District (SMUD), the electrical panel for the building was shut down, SMUD depowered the transformer, and the building was evacuated for safety.

Because the building has been evacuated and the power has been shut down, there is no imminent threat to life or property as a result of the water leak and electrical damage.

The SacRT building at 1400 29th Street houses approximately 40 full-time staff members and dispatches approximately 380 bus drivers. This includes dispatching and control for bus service operations, other key personnel, and equipment. This building is critical to safely operate Bus Operations and dispatch (radio control) calls. Moreover, it houses SacRT's day-to-day operations and enables SacRT to provide service to the public and run Bus Operations safely.

While the dispatch function has been temporarily relocated, this relocation compromises SacRT's ability to provide essential public transit services.

Additionally, SacRT is currently operating Bus Operations on a backup generator that provides SacRT just enough electrical power to maintain radio control and the Information Technology main server room. The failure of this back-up generator could preclude SacRT from being able to provide critical bus services and halt operations. Therefore, SacRT must restore power to the building in a safe manner at the earliest possible opportunity to avoid service disruptions.

Under the National Electric Code (NEC), "all electrical equipment must be used for its listed purpose." If the wire has been submerged in water and the wire is not listed for submersion in water, then the wire has been compromised and is no longer appropriate for use. To restore power to the building, due to water in the in-floor electrical conduit, SacRT must reroute the electrical conduit pipes in the ceiling and pull new wire. In addition, SacRT must determine the root cause of the water intrusion, both of which may cost in excess of \$5,000.

Under Public Contract Code section 20321, contracts for the construction of SacRT transit works or facilities, including repairs, over \$5,000 must be publicly advertised for a period of at least 10 days and awarded to the lowest responsive and responsible bidder except in an emergency declared by a 4/5ths vote of the Board.

On August 31, 2022, after a competitive solicitation process, SacRT awarded a Contract for On-Call Lighting and Electrical Services to Next Stage Construction for repair work. Consistent with the Public Contract Code requirements, this Contract generally excludes repairs over \$5,000. If the Board authorizes the suspension of bidding, Staff intends to use Next Stage for this work, based on the competitively bid hourly rates and specified parts mark up, to expedite repairs.

In addition, to determine the root cause and possible plumbing issue(s), SacRT must restore power to bring the chiller system back online, pressurize the system, and perform troubleshooting to determine where the water leak is coming from. Staff anticipates that repairs will be needed to the water piping system and chiller system.

The basement sump pumps may need to be replaced and SacRT must replace or repair the sump pump drain line as it has a small hole in it. Facilities Staff also inspected all main water lines and found corrosion in multiple lines. They found valves that are showing that they are leaking. A pressure relief valve could be the source of the water leak and

the reason the basement flooded. Other components may need to be replaced in the plumbing/chiller system, separate from the electrical repairs, for SacRT to re-occupy the building

SacRT has two competitively solicited contracts with ACCO Engineered Systems, Inc. that would encompass this work (Contract for On-Call Plumbing Services and a Contract for Trane Chiller and Water Treatment Equipment Preventive Maintenance and On-Call Repair Services). As with the electrical contract with Next Stage Construction, these contracts generally limit allowable repairs to \$5,000 or less. Suspending competitive bidding would allow for repairs over \$5,000 to be completed using these existing contracts.

It is anticipated that any repairs to either the plumbing system or chiller that are identified through the troubleshooting process will be undertaken using the rates and methodology set out in these competitively-bid contracts.

While this specific work has not been bid out competitively, SacRT will still undertake the work using competitively bid repair rates to the extent possible.

RESOLUTION NO. 2023-12-128

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

December 11, 2023

DECLARING ELECTRICAL AND PLUMBING/CHILLER DAMAGE AT THE 1400 29TH STREET, MAIN ADMINISTRATIVE BUILDING AN EMERGENCY AND AUTHORIZING THE SUSPENSION OF COMPETITIVE BIDDING

WHEREAS, on Friday December 1, 2023, SacRT staff identified water intrusion in the basement of the building at 1400 29th Street that compromised the electrical wiring and required a power system shutdown and building evacuation; and

WHEREAS, this building houses approximately 40 full-time staff members and dispatches approximately 380 bus drivers and includes dispatching and control for bus service operations, other key personnel, and equipment. This building is critical to safely operate Bus Operations and dispatch (radio control) calls. Moreover, it houses SacRTs day-to-day operations and enables SacRT to be able to provide service to the public and run Bus Operations safely; and

WHEREAS, SacRT's radio dispatch functions are currently being performed on a backup generator, the failure of which could compromise SacRT's ability to provide essential public services.

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

THAT, pursuant to Public Contract Code section 20321, the Board declares that an emergency condition exists at the 1400 29th Street, Main Admin Building that could result in impairment of essential public services, which justifies the suspension of competitive bidding to complete the electrical and plumbing repairs required to mitigate the emergency and permit reoccupation of the building for SacRT's critical Bus Operations functions.

THAT, notwithstanding the monetary limits in the Procurement Ordinance (2022-12-001) the General Manager/CEO is authorized to use SacRT's existing on-call contracts, including amending those contracts if necessary, or enter into a non-competitive contract or contracts to install conduit and run new wire to and from the existing panels and fix any plumbing/chiller valves, pipes, or equipment found to be leaking to the extent necessary to mitigate the emergency and permit reoccupation of the

building, subject to a determination by that the cost for the work is fair and reasonable and a determination by the Finance Department that funding is available for work.

AYES/YES:

NOES:

ABSTAIN:

ABSENT:

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: MOTION TO RECONSIDER BOARD VOTE ON ITEM 7.1 DOS
RIOS LIGHT RAIL STATION TAKEN NOVEMBER 13, 2023

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

This item contains two separate motions. If the Motion to Reconsider is approved by the Board, then the Board will be asked to rescind the November 13, 2023 vote and approve a motion to direct staff to fully fund the construction of the Dos Rios Light Rail Station Project and move forward the Project as originally planned.

FISCAL IMPACT

The Project has a current total estimated cost of \$43M which is included in the FY 24 Capital Plan. SacRT has a total of \$33.8M in available funding, which includes the anticipated allocation of \$10M in SB125, leaving an estimated funding shortfall of \$9.2M.

To fill the \$9.2M shortfall, based on information provided by Vice Chair Jennings, Senator Angelique Ashby has agreed to support SacRT's proposal to request TIRCP Cycle 7 funding which will be submitted in March 2024. Additionally, Senator Ashby has agreed to assist SacRT in seeking alternative State funding to the extent such funds are available and are deemed necessary to address cost overruns or shortfalls. SacRT staff has also been evaluating and planning to apply for other grant programs that may provide funding for the project, including the U.S. Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program as potential sources for funding the gap. SacRT staff is continuing to perform value engineering to find cost efficiencies that could lower the estimated project costs.

DISCUSSION

At the Board's November 13, 2023 meeting, staff presented information regarding the Dos Rios Light Rail Project and informed the Board of the Project's \$19.2M funding gap, since SacRT has only secured \$23.8M for the Project and the estimated cost of the Project currently stands at \$43M. Staff requested direction from the Board regarding whether to direct capital dollars to fill the gap or to pursue a substitute path forward. The Board was presented with three options:

1. Request an allocation of \$10M in SacRT's SB125 funds and use approximately \$9.2M of SacRT's other funds to fully fund the Dos Rios Light Rail Station Project.
2. Direct SacRT staff to allocate a portion of its SB125 and other funds to fund up to ½ of the shortfall of approximately \$19.2M through SacRT's SB125 allocation and continue to seek partnership on the remaining ½ from other partners.
3. Move forward with the substitute project, which includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission buses, frequent service, while continuing to pursue new grant funding for the station in the future.

After significant discussion and the consideration of input from the public, the Board voted to move forward with the substitute project that includes the implementation of increased bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission buses, while continuing to pursue new grant funding for the station in the future.

Since the Board took action, a number of positive developments have unfolded prompting Vice Chair Rick Jennings to make a formal request to the Board Chair to have the Board reconsider the motion that was approved at the November 13, 2023 Board meeting, and asking the Board to consider an alternative motion that will allow the Light Rail Station Project to proceed at this time. The Board Chair approved the request to place this item on the Board Agenda for this evening.

Motion to Reconsider

Pursuant to Roberts Rule of Order, in order for the Board to reconsider a vote taken at a previous meeting of the board, two factors have to be present. First, the director making the motion must have voted **for** the motion that passed. Second, the motion to reconsider must be prompted because there is new information that, had it been known at the time of the Board meeting, might have affected the vote. In this instance, Director Jennings voted for the motion the Board approved, making him eligible to make a motion to reconsider. Second, there is new information that could influence a different outcome from the vote taken in November.

According to information shared with staff by Director Jennings, the following developments have unfolded since the November 13th vote:

1. SACOG is recommending approval of \$10M in SB125 funds to complete the construction of the Dos Rios Light Rail Station at their December 11, 2023 Board meeting.
2. To fill the \$9.2M shortfall, based on information provided by Vice Chair Jennings, Senator Angelique Ashby has agreed to support SacRT's proposal to request TIRCP Cycle 7 for funding which will be submitted in March 2024, if those funds are available and needed for the completion of the project.
3. Additionally, Senator Ashby has agreed to assist SacRT in seeking alternative State funding (to the extent such funds are available and are deemed necessary to address cost overruns or shortfalls).
4. SHRA recently advised that the TCC project includes over \$100M in leveraged funding that was issued on the understanding that a light rail station would be built at the site.
5. Prior to December 1st, SHRA requested and the SGC granted a two-month extension, and its extension letter states that alternative projects must meet several criteria including permanency, which a bus route does not likely meet.
6. SacRT staff has also been evaluating and planning to apply for other grant programs that may provide funding for the project, including the U.S. Department of Transportation Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program as potential sources for funding the gap. SacRT staff is continuing to perform value engineering to find cost efficiencies that could reduce the overall cost of the project.

Staff Recommendation

Based on the information listed above, staff recommends that the Board take the following action:

1. Motion to Reconsider – Staff recommends that the Board approve Director Jennings's motion to reconsider the Board's November 13, 2023 vote.
2. If the Board approves the Motion to Reconsider, staff recommends that the Board then rescind the motion approved at the November 13, 2023 Board meeting to move forward with a substitute project, that includes the implementation of robust bus service, including augmentation of Route 33 and potentially other routes in the Project Area with zero emission vehicles, frequent service, while continuing to pursue new grant funding for the station in the future and that the Board motion direct the General Manager/CEO to allocate sufficient funding to fill the budget shortfall and proceed with the construction of the Dos Rios Light Rail Station.

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Shelly Valenton, Deputy General Manager/CEO / Tabettha Smith, Clerk to the Board
SUBJ: INTENT MOTION TO EXTEND THE TERM OF THE CURRENT CHAIR (PATRICK KENNEDY) AND VICE CHAIR (RICK JENNINGS) FOR ONE MORE YEAR AS CHAIR AND VICE CHAIR FOR THE SACRT BOARD OF DIRECTORS FOR 2024

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

This intent motion will extend the term of the Current Chair (Patrick Kennedy) and Vice Chair (Rick Jennings) for One More Year as Chair and Vice Chair for the SacRT Board of Directors for 2024.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

SacRT's Enabling Act provides that the Chair is to be selected at the first meeting in January of each year. Currently, Patrick Kennedy is serving as Chair, and Rick Jennings is serving as Vice Chair.

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

§3.1.2.5 Elections

Election of any officer of the District will be by nomination, closing of nominations and balloting on nominees. Before the declaration of the result of the vote, a unanimous ballot may be cast for the successful candidate. The Chair and Vice- Chair will be elected at the first regular

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

In order to assist Staff with planning purposes for next year, the SacRT Board may adopt an intent motion now with respect to the election of a Chair and Vice Chair for calendar year 2024. The formal election of the Chair and Vice Chair will take place at SacRT's first Board meeting in January 2024.

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT AND DESIGNATE THE OPERATING SURPLUS AND WORKING CAPITAL RESERVE FOR FISCAL YEAR ENDED JUNE 30, 2023

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Receive and File the Annual Comprehensive Financial Report (ACFR); Reports on Compliance and Internal Controls as Required by Uniform Guidance and the Transportation Development Act (TDA); Report to the Board of Directors for the Fiscal Year (FY) ended June 30, 2023; and designate the \$3,152,280 FY 2023 Operating Surplus to the Operating Reserve. This will result in an increase of \$3,152,280 in the Operating Reserve from \$34,727,150 as of June 30, 2022, to \$37,879,430 as of June 30, 2023.

FISCAL IMPACT

As of June 30, 2023, Revenue from Operations of \$242,510,898 exceeded Expenses from Operations of \$239,358,618.

DISCUSSION

Each fiscal year, SacRT prepares an ACFR and reports on compliance and internal control as required by the Federal Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly known as "Uniform Guidance") and the TDA. In addition, SacRT's auditors provide an annual Report to the Board of Directors, which summarizes any opportunities for strengthening internal controls and operating efficiencies.

SacRT received an unqualified (clean) opinion on the ACFR and Uniform Guidance from its auditors, Crowe LLP, for the fiscal year ended June 30, 2023. Moreover, no material weaknesses involving SacRT's financial reporting, internal control processes, or issues of non-compliance were identified.

Financial Results Summary

The ACFR presentation and classifications are intended to provide an overall picture of SacRT's year-end position, as well as the results of operations. Overall, and as reflected in the Financial Section to the ACFR (see Attachment 1 – Statement of Revenue and expenses), SacRT's net position increased by \$32.3 million as of June 30, 2023.

The increase in net position is due primarily to capital activity which includes progress payments for the light rail modernization program and the acquisition of 22 40' Gillig buses. This increase was partially mitigated by the permanent impairment of SacRT's Urban and Transportation Development Corporation light rail vehicle fleet. This \$22.3 million impairment loss includes both the remaining book value on 20 LRVs of \$16.1 million and related spare parts of \$6.2 million. Due to both reliability issues and safety concerns following a thermal event (fire), as well as the increased risk of a catastrophic event, SacRT Light Rail Maintenance performed a Hazard Analysis. Six system areas consisting of 38 components were reviewed. This fleet has a 40-year-old design and is obsolete. As such, obtaining parts (requiring reverse engineering) and performing necessary repairs and upgrades is not economically feasible. SacRT continues discussions with its funding partners to resolve any remaining issues including engaging a third party to perform a cost analysis if deemed necessary. For additional analysis, please refer to the Management Discussion and Analysis (MD&A) section found within the ACFR document starting on page 4.

Summary of Actual Results

The ACFR presentation differs from SacRT's Operating and Capital budgets in that the ACFR combines both Operating and Capital activities. To evaluate the FY 2023 operating results, Attachment 1 and page 11 of the ACFR shows SacRT's Operating and Capital funds separately. As of June 30, 2023, SacRT's operating results were as follows: \$16.6 million in fare revenues, \$239.4 million in operating expenses, and a combined \$225.9 million in non-operating revenues and expenses.

Summary of Budget to Actual Results

The amended Budget to actual highlights includes a favorable variance in fare revenues of \$1.1 million, net unfavorable variance in operating expenses of \$1.6 million, and a net favorable variance in non-operating revenues of \$3.7 million (see Attachment 2).

Operating Revenues

SacRT's FY 2022 fare revenue totaled \$16.6 million. The favorable variance of \$1.1 million is attributed to an increase in fare purchases due to escalating ridership, transit passes issued to college students, as well as the expansion of SacRT's student fare free program, RydeFreeRT which receives funding from cities and school districts participating in the program.

Operating Expenses

Operating expenses totaled \$239.3 million, a net unfavorable variance of \$1.6 million from the budget of \$237.7 million. Spare Parts and Supplies are displayed as over budget by \$1.0 million; however, CNG sales to outside agencies is budgeted net of revenue, but shown gross in the ACFR. The difference is recorded as other revenue.

Leases and Subscription-Based Information Technology Arrangements activity is budgeted in Other and Professional and Other Services, respectively. This activity is recorded as amortization and interest expense in the ACFR per the requirements of GASB Statements No. 87 and No. 96.

Non-Operating Revenues and Expenses

Non-operating revenue and expenses totaled \$225.9 million, a net favorable variance of \$3.7 million from the budget of \$222.2 million. The net favorable variance is due to higher than expected investment income due to both higher cash and investment balances and rising rates, and CNG sales revenue that is budgeted as a net expense. The favorable variance was partially mitigated by lower carbon tax credit sales due to decreased demand for carbon credits.

Operating Results

SacRT concluded FY 2023 with an operating surplus of \$3,152,280 which will be designated to SacRT's Operating Reserve.

Comprehensive Reserve Policy

The Comprehensive Reserve Policy adopted by the Board of Directors on November 9, 2015, and revised on December 13, 2022, has four categories of reserves: Operating, Self-Insurance, Capital, and Grant/Project Specific. The table below illustrates the target requirements of each, and the current balance held by SacRT. Note, the target Operating Reserve for FY 2023 is 60 days of the of the annual operating budget less current year self-insurance expense, which is approximately \$36.8M. The actual reserve balance for FY 2023 is \$37.9M, which meets the target amount.

The Government Finance Officers Association best practice recommendation operating reserve balance is 60 days of operating expense.

Reserve Type	Policy Target	FY 2023 Policy Target Amount	Actual Reserve Balance	Target Reserve Shortfall
Operating Reserve	60 day of operation expenses. (Initial FY 2023 budget of \$230.9M less current year self-insurance expense)	\$34.7 million*	\$37.9 million**	-
Working Capital		N/A	\$ 8.1 million**	-
Total				\$46.0 million
Self-Insurance	Current year actuarially determined claim expense at a minimum	\$7.5 million	\$3.4 million	\$4.1 million
Capital	Annual contribution for depreciating assets	N/A	-	-
Grant/Project Specific	Not Applicable	-	-	-

*Based on initial FY 23 operating budget

**Includes FY 23 increase in net position

In the past eight fiscal years, SacRT has made a significant financial turn-around by building the operating reserve and working capital balance to \$46.0 million, as of June 30, 2022 from a low of \$3.1 million as of June 30, 2015. The increase in operating reserves is vital for financial health, cash liquidity, and credit rating reviews of SacRT.

The invested operating reserve target presented above is the minimum requirement per the Comprehensive Reserve Policy; however, SacRT currently has a \$20 million Line of Credit to supplement operating cash flows. SacRT management continues to budget with the goal of building operating and capital reserves to improve the efficiency and effectiveness of SacRT's operations and to meet the requirements of the Comprehensive Reserve Policy.

Attachments

The following documents (Attachments 1 - 6) are submitted to the Board for receipt and filing:

- Fiscal Year 2023 Statement of Revenue and Expense per Funding Designations – Attachment 1
- Fiscal Year 2023 Statement of Revenue and Expenses, Operating Budget to Actual Expenses – Attachment 2
- The Annual Comprehensive Financial Report (ACFR) – Attachment 3
- Reports Required by Uniform Guidance and Transportation Development Act (TDA) – Attachment 4
- Report to the Board of Directors – Attachment 5
- Management Letter – Attachment 6

Fiscal Year 2023
Statement of Revenues and Expenses
Per Funding Designation

Statement of Revenues and Expenses	FY 2023 Funding Designation			
	Operations	GASB	Capital Improvement Program	Total
OPERATING REVENUES (Fares)	\$ 16,614,532	\$ -	\$ -	\$ 16,614,532
OPERATING EXPENSES				
Labor and Fringe Benefits	159,973,967	1,241,191	-	161,215,158
Professional and Other Services	20,082,342	-	417,650	20,499,992
Spare Parts and Supplies	18,955,278	-	607,367	19,562,645
Utilities	7,987,760	-	-	7,987,760
Casualty and Liability Costs	28,247,808	-	-	28,247,808
Depreciation and Amortization	1,453,449	-	45,687,058	47,140,507
Other	2,658,014	-	-	2,658,014
Impairment Loss	-	-	22,254,333	22,254,333
Total Operating Expenses	\$ 239,358,618	\$ 1,241,191	\$ 68,966,408	\$ 309,566,217
Loss from Operations	(222,744,086)	(1,241,191)	(68,966,408)	(292,951,685)
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	159,055,051	-	-	159,055,051
Federal	56,875,708	-	1,110,123	57,985,831
Investment Income	5,113,768	-	108,740	5,222,508
Interest Expense	(3,011,210)	-	(1,232,799)	(4,244,009)
Pass Through to Subrecipients	-	-	(1,110,123)	(1,110,123)
Contract Services	842,450	-	-	842,450
Alternative Fuel and Carbon Tax Credits	3,196,338	-	516,287	3,712,625
Other	3,824,261	-	60,053	3,884,314
Total Non-operating Revenues (Expense)	\$ 225,896,366	\$ -	\$ (547,719)	\$ 225,348,647
Increase (Decrease) in Net Position Before Capital Contributions and Special Item	3,152,280	(1,241,191)	(69,514,127)	(67,603,038)
Capital Contributions				
State and Local	-	-	64,933,238	64,933,238
Federal	-	-	34,976,736	34,976,736
Total Capital Contributions	-	-	99,909,973	99,909,973
Increase in Net Position	\$ 3,152,280	\$ (1,241,191)	\$ 30,395,846	\$ 32,306,935
Reserve				
Operating Reserve Balance June 30, 2022	\$ 34,727,150			
FY2023 Surplus Designation to Operating Reserve	3,152,280			
Operating Reserve Balance June 30, 2023	\$ 37,879,430			
Working Capital Balance June 30, 2022	\$ 8,046,414			
FY2023 Designation of Working Capital to Operating Reserve	-			
Working Capital Balance June 30, 2023	\$ 8,046,414			

Fiscal Year 2023
Statement of Revenues and Expenses
Operating Budget to Actual Expenses

Statement of Revenues and Expenses	FY 2023 Budget to Actual Expenses			
	Approved Budget	Adjusted Operating Results	Variance (Unfavorable)/ Favorable	Percent Variance
OPERATING REVENUES				
Fares	\$ 15,500,000	\$ 16,614,532	\$ 1,114,532	7.2%
OPERATING EXPENSES				
Labor and Fringe Benefits	160,382,320	159,973,967	408,353	0.3%
Professional and Other Services	20,008,495	20,082,342	(73,847)	-0.4%
Spare Parts and Supplies	17,934,662	18,955,278	(1,020,616)	-5.7%
Utilities	8,009,000	7,987,760	21,240	0.3%
Casualty and Liability Costs	28,337,862	28,247,808	90,054	0.3%
Depreciation and Amortization	-	1,453,449	(1,453,449)	-
Other	3,044,251	2,658,014	386,237	12.7%
Total Operating Expenses	\$ 237,716,590	\$ 239,358,618	\$ (1,642,028)	-0.7%
(Loss) Income from Operations	(222,216,590)	(222,744,086)	(527,496)	0.2%
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	158,801,942	159,055,051	253,109	0.2%
Federal	56,874,918	56,875,708	790	0.0%
Investment Income	3,211,210	5,113,768	1,902,558	59.2%
Interest Expense	(3,011,210)	(3,011,210)	-	0.0%
Contracted Services	649,730	842,450	192,720	29.7%
Alternative Fuel and Carbon Tax Credits	4,348,094	3,196,338	(1,151,756)	-26.5%
Other	1,341,906	3,824,261	2,482,355	185.0%
Total Non-operating Revenues (Expense)	\$ 222,216,590	\$ 225,896,366	\$ 3,679,776	1.7%
Increase in Net Position	\$ -	\$ 3,152,280	\$ 3,152,280	-



Sacramento Regional Transit District
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
For the Fiscal Year Ended June 30, 2023

1102 Q Street, Suite 3000
Sacramento, CA 95811
916-321-2800 • sacrt.com



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



Prepared by the Finance Division

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	i
Certificate of Achievement	xi
List of Principal Officials	xii
Organization Chart	xiii
Service Area Map	xiv
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A Unaudited)	4
BASIC FINANCIAL STATEMENTS:	
Business Type Activities – Enterprise Fund:	
Statement of Net Position	14
Statement of Revenues, Expenses, and Changes in Net Position	16
Statement of Cash Flows	17
Fiduciary Activities - Pension Trust Funds:	
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to the Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Schedules of Changes in the Net Pension Liability and Related Ratios	75
Schedules of District Pension Contributions	80
Schedule of Changes in Net OPEB Liability and Related Ratios	84
Schedule of District OPEB Contributions	86
COMBINING STATEMENTS – FIDUCIARY FUND	
Combining Statement of Fiduciary Net Position	87
Combining Statement of Changes in Fiduciary Net Position	88
STATISTICAL SECTION (Unaudited)	
Contents	89
Net Position	90
Changes in Net Position	91
Operating Revenues by Source	92
Principal Fare Revenue Payers	93
Ratio of Outstanding Debt by Type	94
Pledged Revenue Coverage	95
Demographic and Economic Indicators	96
Principal Employers	97
Continuing Disclosure Requirements (SEC Rule 15c2-12)	98
ADDITIONAL STATISTICAL INFORMATION	
District Profile	99
Ten-Year Funding History	100
Fare Recovery	102
Ridership	103
Operating Subsidy	104
Service Performance Data	105
Fares	107
Performance Measures	108



Introductory Section

**Administrative Offices**

1102 Q Street
Sacramento, CA 95811
916-321-2800

Equal Opportunity Employer

Human Resources

2810 O Street
Sacramento, CA 95816
916-556-0299

Mailing Address

P.O. Box 2110
Sacramento, CA 95812

December 11, 2023

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

The Sacramento Regional Transit District (SacRT) is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance as it pertains to audits of state and local governments. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller of the United States within six months of the close of each fiscal year. Pursuant to that requirement, SacRT hereby issues the Annual Comprehensive Financial Report (ACFR) of SacRT for the fiscal year ended June 30, 2023.

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

SacRT's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that SacRT's financial statements for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there are no material weaknesses to report and that there was a reasonable basis for rendering an unmodified opinion that SacRT's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP.

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

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

Profile of SacRT

In 1971, California legislation allocated sales tax money for local and statewide transit service and created the organizational framework for SacRT pursuant to the Sacramento Regional Transit District Act. SacRT began operation on April 1, 1973, with the acquisition of the Sacramento Transit Authority, and on April 1, 2023, SacRT celebrated its 50th anniversary. SacRT is the largest transit provider carrying over 90% of riders in the 6-county mega-region that serves the heart of California’s capital, serving a metropolitan population of over 1.6 million with a service area of approximately 440 square miles.

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

SacRT provides bus and light rail service 365 days a year covering a 440 square-mile service area. Annual ridership was approximately 22 million pre-pandemic and was on a steadfast ridership growth trajectory of 15% on fixed-route bus, 7% on light rail and 127% growth in student ridership – almost unheard of during a time of downward ridership trends nationwide. As was the case for all public transit agencies, SacRT experienced significant ridership reductions during the first three months of the pandemic in 2020. However, ridership has continued to grow each year since with fiscal year 2023 realizing a 30% increase in ridership over Fiscal Year 2022, bringing current levels to approximately near 70% of pre-pandemic numbers. There remains a nationwide public transit workforce shortage, however, SacRT has been very effective in recruiting new talent. Currently, SacRT’s vacancy rate is only about 2%, while nationwide the industry average is 15%.

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

SacRT’s annual budget serves as the foundation for financial planning and control. The budget is a financial plan for one fiscal year of operating revenue and expenses, and capital investments. The plan matches revenues with the service expenses and project cost expenses based on policies set by SacRT’s Board. The budget process follows three basic steps that help provide continuity in decision making: 1) assess current conditions and needs, and develop goals, objectives, policies and plans; 2) prioritize projects and develop a work program, and 3) implement those plans and policies, and prepare to evaluate their effectiveness and shortcomings.

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

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which SacRT operates bus, light rail, microtransit and paratransit services.

In February 2023, Moody's Investors Service published a research report on the financial status of California's transit agencies and found that SacRT has an A2 financial rating, one of the most favorable outlooks of any transit agency. The report noted that SacRT "will add to already sound operating liquidity by the end of Fiscal Year 2023. Providing additional cushion to weather operating headwinds from potential sales tax volatility as the economy cools, rising expenditures especially from labor costs, and the end of federal pandemic aid, which officials plan to spend down by fiscal 2025.

Local Economy

SacRT operates services in the capitol city of California, the fifth largest economy in the world – soon to be the fourth largest. The mega-region, which includes six counties (El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba), has varied state governmental services and a light industrial base. The annual unemployment rate for the Sacramento area in 2023 was 4.5%, a slight increase from the 2022 rate of 3.9%. The Sacramento region continues to trend below the statewide annual unemployment averages, which demonstrates the need for robust transit in the Sacramento region.

A significant portion of SacRT's operating funds is derived from sales tax revenues. In Fiscal Year 2023, taxable sales in the Sacramento region rose resulting in an increase of 1.8% in Measure A Revenue. It is estimated that the taxable sales in the region will increase in Fiscal Year 2024. SacRT adopted the Fiscal Year 2024 Operating Budget with an increase of approximately 1.5% in Measure A sales tax-based revenues compared to Fiscal Year 2023 actuals and a 9.7% increase in Local Transportation Funds due to the estimated taxable sales.

Secured Additional Funding

In August 2022, SacRT was awarded \$30 million in state funding from California State Transportation Agency through the Transit and Intercity Rail Capital Program (TIRCP). Of that, \$24 million will go directly to help purchase an additional 8 new low-floor light rail vehicles. SacRT has secured funding to support the purchase of 44 new vehicles, with the goal to purchase up to 76. An additional \$5 million grant will support connectivity and planning at Sacramento Valley Station (SVS) to prepare for future development at the Railyards, and \$1.5 million for contactless fare payment devices onboard buses and light rail vehicles. In May 2023, SacRT was successfully awarded the first ever Federal Transit Administration (FTA) Railcar Vehicle Replacement Program grant, securing \$45.1 million to support the purchase of 16 additional new low-floor light rail vehicles from Siemens in south Sacramento. The program was created by the President's Bipartisan Infrastructure law, and only six awards were made nationwide.

SacRT's federal delegation, Senator Alex Padilla and Congressmembers Doris Matsui and Ami Bera championed the application and all three of them have submitted community project funding requests to support SacRT's transition to a low-floor light rail fleet. In December 2022, Congressman Bera successfully secured \$3.7 million to support station conversions on the Gold Line as part of the federal omnibus package. SacRT looks forward to working with them as these requests make their way through the appropriations process. Funding the project is a big undertaking, and as the federal government begins its Fiscal Year 2024 appropriations process, SacRT is thankful for the strong support of our federal delegation.

To date, SacRT has secured more than \$400 million for its Light Rail Modernization Project, which includes the purchase of new low-floor light rail vehicles, modifications to station platforms and adding a passing track to provide 15-minute service to Folsom area stations. SacRT previously purchased 28 new low-floor light rail vehicles from Siemens Mobility and has a contract to order up to 76. As delivery of the vehicles roll in each month, the vehicles are currently undergoing a phased testing process before they can be put into service, which is expected to take place in summer 2024. With the order of an additional 16 new low-floor vehicles, SacRT will have 44 new low-floor vehicles on order or already delivered, which is close to two-thirds of all the vehicles needed to operate on Sacramento's light rail system.

SacRT also received a federal grant for approximately \$38 million in funding from the Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) as well as \$1.5 million in CRRSAA funds available from the City of Elk Grove annexation. CRRSAA is a federal formula grant program in which SacRT used approximately \$19 million for operations in fiscal year 2022 and the balance of \$21 million in fiscal year 2023. Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT used approximately \$32 million in fiscal year 2023, approximately \$35 million in fiscal year 2024 and the balance for fiscal year 2025.

In November 2022, a Citizens' Initiative placed a countywide transportation initiative, Measure A, on the ballot. Unfortunately, the Measure was defeated. Although the news is disappointing, SacRT sees this opportunity to move forward with a more ambitious transit funding plan in the next couple of years to improve and implement innovative mobility solutions that will benefit the Sacramento region, while pushing for additional funding at the federal, state, and local levels to help address our region's climate, equity, and social justice goals.

SacRT's FY 2021-2025 Strategic Plan

The disruptive impact of the COVID-19 pandemic precisely demonstrated the need for a Strategic Plan – especially for organizations that are publicly funded like SacRT. The pandemic was a major hurdle; however, it was also an opportunity for the transit industry to show the vital role public transit plays in keeping the Sacramento region moving. Adopted in October 2021, SacRT's Strategic Plan for Fiscal Years 2021-2025, drives SacRT's strategic priorities: Operational Excellence, Customer Satisfaction, Employee Community Value, and Employee Engagement.

Goals and tactics have been thoughtfully developed and measured on a quarterly basis to align directly with one of the four strategic priorities that have successfully guided our work over the last fiscal year. The new strategic plan introduced SacRT's performance scorecard, with quarterly metrics, tactics, and milestones for achieving SacRT's goals and will continue to 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 the Strategic Plan offers a platform from which the agency takes aim at these two high level aspirations. Here is the breakdown of the four guiding principles:

- **Customer Satisfaction:** ensuring that SacRT customers have access to high quality mobility options that they actively and increasingly use is a priority for SacRT. SacRT wants to ensure that the system provides customers with mobility options that get them where they want to go, when they want to go there.
- **Operational Excellence:** SacRT is dedicated to providing innovative mobility solutions and developing and implementing programs that provide best in class service that puts customers first. As public transportation service continues to evolve, SacRT is committed to providing the highest standards in transportation by implementing industry best practices and ensuring clean, safe, reliable and convenient service for our customers.

- **Community Value:** SacRT is committed to expanding regional partnerships and providing excellent public transit service to promote SacRT as our region's premier public transit agency. SacRT will continue to promote programs and incentive options that will encourage more people to try transit, build our ridership, demonstrate our value and economic impact as a community partner, and educate the public about the benefits of transit and how local funding is important to create a world-class public transit system.
- **Employee Engagement:** SacRT is dedicated to providing a positive and collaborative workplace that enables us to build a strong workforce of highly satisfied and performing individuals. SacRT recognizes that the work employees do every day, in every single position, has a potentially significant impact on the quality of life in the Sacramento region. SacRT employees are foundational to the success and SacRT is committed to hiring the best people and supporting them throughout their careers at SacRT.

District-Wide Improvement Initiatives

While the Covid-19 pandemic impacted some of SacRT's original Fiscal Year 2021 and 2022 goals, it provided SacRT with an opportunity to live its mission, vision, and values. Staff continues to pride itself on not only maintaining service levels but continuing to deliver a variety of innovative solutions throughout the year. SacRT's transformation was recognized through national awards, including the national American Public Transportation Association's 2021 Outstanding Public Transportation System of the Year Award for accomplishment and innovations in public transportation. Other recognitions in Fiscal Year 2023 included:

- 2022 Federal Transportation Security Administration's Gold Standard Award for System Security. This prestigious award is the highest recognition TSA can give to a transit agency for achieving top scores during an annual review of 17 categories of security and emergency preparedness elements. Out of the 6,800 public transit agencies the TSA oversees, SacRT is one of only four nationwide to receive this recognition this year.
- 2022 APTA First Place AdWheel Award for Best Partnership to Support Ridership
- 2022 APTA First Place AdWheel Award for Best Special Event to Support Ridership
- 2023 APTA First Place AdWheel Award for Best Marketing and Communications to Highlight Transit Needs/Funding
- 2023 California Association of Public Information Officials Epic Award for the Rolling Library Train
- 2023 APTA Rail Safety Certificate of Merit Award

Social Equity Programming

Recognizing that Sacramento is one of the most diverse cities in the nation, SacRT has taken a very thoughtful approach in ensuring that our disadvantaged community members have equitable access to jobs, education, resources, and economic opportunity to keep the region moving forward. SacRT's service area is 53% minority and 28% low-income, and 67% of all SacRT riders do not own a personal vehicle. Also of note, communities of color make up 60% of transit riders, and 15% of all passengers speak a primary language other than English. In response, SacRT created a Social Equity Program, which is focused on overcoming the extraordinary challenges of Sacramento's most vulnerable populations, including low income, unhoused individuals, youth, and elderly.

SacRT continues to be a great Social Equity Partner in the Sacramento region. In Fiscal Year 2023, SacRT teamed up with Sacramento County to provide free rides system-wide to vote centers and ballot drop box locations across the Sacramento region to help Drive the Vote in November 2022. During the unprecedented winter storms and high heat days in the summer, SacRT provided free rides for vulnerable populations needing

to get to regional respite centers. SacRT also supported the region by providing transportation assistance for major community events such as the Aftershock Festival, GoldenSky Festival, California International Marathon, Ironman, and Folsom Pro Rodeo to name a few. Other SacRT service and fare equity programming includes:

RydeFreeRT Fare-Free Transit for Youth:

In 2019 SacRT was also the first transit agency in the nation to implement an unrestricted system-wide fare-free transit program, called RydeFreeRT, for over 265,000 eligible students from transitional kindergarten through 12th, including foster and homeless youth. Now in the fifth year of the program, that number has significantly grown by adding additional school districts in the Sacramento area. In September 2023, SacRT estimated nearly 350,000 student boardings. This put us on pace for over 3.5 million student rides this fiscal year.

Prior to the pandemic, SacRT was carrying approximately 1.7 million students, meaning that total student ridership has doubled since the onset of the free ride program. Through the fare-free program, SacRT is not only increasing ridership today, but also creating life-long transit riders and advocates. SacRT's school district partners often speak to the direct impact of the program in combatting school absenteeism.

SacRT GO Paratransit Services:

In July 2022, SacRT celebrated our 2nd Anniversary of SacRT GO, after bringing ADA paratransit service back in-house following years of contracting the service out. And in April 2023, SacRT celebrated the one-year anniversary of contracting with UZURV, a transportation network company (TNC) that provides supplemental paratransit service to help improve service efficiency. On-time performance has improved with the implementation of the contract with UZURV. March 2023 had the highest ridership for SacRT GO and supplemental service since bringing it back in-house with over a total of 25,994 passengers. Not only is this the highest ridership SacRT experienced since Covid, it's back to 82% of pre-pandemic levels. UZURV provided service to 6,226 passengers, their largest ridership number since they've started providing supplemental service and 24% of overall trips.

SmaRT Ride Services:

SacRT continues to make service improvements that better serve the communities we serve. In August 2022, SacRT expanded two SmaRT Ride zones to provide additional service to the residents and workforce in Elk Grove and the McClellan Park area in North Sacramento. SacRT's SmaRT Ride service is provided through Measure A funding. SmaRT Ride microtransit initially experienced a 15% decline in ridership at the start of the pandemic; however, SacRT has since experienced the highest ridership ever on the service nearly 50% higher than at any point prior to the pandemic and more than double what ridership was at the beginning of the pandemic. !

Rolling Library Train:

In August 2022, SacRT partnered with the Sacramento Public Library Authority to launch the nation's first Rolling Library Train. The Sacramento Public Library is the fourth largest library system in California with 28 locations serving 1.4 million urban, suburban and rural residents. In addition to lending books, the Sacramento Public Library offers services and programming focused on early learning, technology, and education and is committed to providing Sacramento communities with welcoming community spaces. The brightly decorated train travels throughout Sacramento promoting riding and reading using QR codes. Riders simply take out their phone, scan the QR code and that brings up the Sacramento Library app where they can download ebooks or audiobooks for free. Within the first two weeks of launching the train, the Sacramento Library experienced a significant increase in online access using the QR codes.

Power Inn Light Rail Station Charging Hub

In June 2023, SacRT partnered with GiddyUp EV Charging, Inc. and the Sacramento Municipal Utility District (SMUD) to open a public high-speed electric vehicle Charger Hub at the Power Inn light rail station. The charging hub could be one of the largest charging hubs in the state when fully equipped.

The goal is to serve SacRT ridership, the local community, and local commercial fleet operators with easy and fast EV charging. This project features a large-scale network of Level 3 charging stations using a proprietary design providing the ability to charge both passenger and commercial vehicles simultaneously and dramatically faster than the Level 2 chargers found in the majority of public charging stations. The new Charging Hub occupies 20 underutilized parking spots at the Power Inn light rail Station. The first phase includes 10 high-speed DC charging stations with several stations designed to accommodate large fleet vehicles (bus or semi-tractor).

This public-private partnership delivers a state-of-the-art charging solution for Sacramento's emerging electric vehicle market, meets the region's and state's sustainability goals, and provides a revenue sharing model for SacRT. This innovative project serves as an opportunity for SacRT to begin development of Mobility Hubs (places that bring together multiple transportation modes for seamless transportation options) at light rail stations to add amenities and e-mobility options for transit users and transit-oriented development.

Improving the Customer Experience by Levering Technology

In February 2023, in coordination with Cal-ITP and SACOG, SacRT launched a "tap to pay" program enabling Transit Ambassadors (TAs) to collect fare in lieu of issuing a citation on board light rail vehicles through a cellular app. The TA's and management have been happy with the program whose main goal is to reduce contentious interactions with customers, reduce citations, and improve customer satisfaction. In spring 2023, SacRT began working with SACOG on joint procurement of new fare collection hardware through a Cal-ITP program. The region was awarded \$2.1 million to buy tap-to-ride hardware for buses for the entire region. These devices will be installed on the SacRT bus fleets.

Transit Oriented Development

SacRT continues to develop our relationships with Transit Oriented Development (TOD) partners and examine various surplus properties to determine if they qualify for projects that would encourage transit use and potentially increase our ridership. SacRT continued to progress TOD investments, property dispositions, revenue licenses and easements.

In October 2022, SacRT and the Martin Group celebrated the grand opening of the Wexler, a new student housing TOD project located adjacent to the University/65th Street Transit Center, one of SacRT's busiest transit centers and light rail stations, which is utilized by more than 40,000 light rail riders and 30,000 bus riders per month, and just steps away from nearby retail centers. This TOD project now provides housing for more than 750 students in a village-like locale less than a block south of Sacramento State. SacRT sold the property to Wexler in November 2019, marking SacRT's first TOD property sale and the first student housing TOD in the Sacramento region. The project also reconstructed the SacRT bus stops on 67th and Q Street to improve the connection to the light rail Station. SacRT received \$2 million from the sale proceeds, to reinvest into the system.

In July 2023 the Salvator Apartments, a sustainable infill development featuring 120 affordable apartment homes opened adjacent to the Royal Oaks Transit Station. The project will serve as a catalyst for neighborhood revitalization and smart growth, and provide affordable housing options for the local workforce, families, seniors, and veterans. The property was sold by SacRT to Community Housing Works in 2019.

Major Initiatives Moving Forward

By identifying future opportunities and prioritizing projects, SacRT has successfully led district planning initiatives that will help increase access to public transit in the region to make sure rider experience is best in class. These initiatives include our Light Rail Modernization Project, a future Bus Rapid Transit plan, Bus Stop Improvement plan and the Downtown Riverfront Streetcar project.

Light Rail Modernization Project:

SacRT's Light Rail Modernization Project includes new vehicles, station modifications and additional track to improve headways and reliability. The Light Rail Modernization Project underscores SacRT's commitment to sustainable, state-of-the-art public transportation solutions.

SacRT is currently in the testing process of 17 new low-floor trains, which were built at Siemens Mobility in south Sacramento. SacRT has an order of 36 trains with the option to purchase up to 76. SacRT has also been actively modifying station platforms along the Gold Line to meet the height requirements of the new low-floor trains. The trains are expected to be in service on the Gold Line by summer 2024.

As SacRT continues to leverage federal and state funding sources, SacRT plans to transition to an entirely new low-floor light rail fleet. The new low-floor vehicles will have low level boarding at every doorway. They will feature improved accessibility with wider aisles and areas providing more access to passengers with disabilities and others boarding with strollers, bicycles, and other mobility devices.

The multi-pronged improvement program includes three major highlights:

- Purchasing a new fleet of low-floor trains that allow passengers to directly enter trains at nearly floor level. Passengers using mobility devices may board the train using a passenger deployed bridge plate and ramp assembly.
- Reconfiguring light rail station platforms, in sequence over time, to accommodate the new low-floor trains.
- Adding a passing track to operate 15-minute service between Sunrise and Historic Folsom stations, rather than the existing 30-minute service. The double tracking project is expected to be completed by summer 2024.

Bus Rapid Transit Plan:

SacRT is assessing opportunities for High Capacity Bus Service along congested corridors in the Sacramento region, including Stockton Boulevard, Florin Road, Sunrise Boulevard, Arden Way and Watt Avenue. High Capacity Bus Service or Bus Rapid Transit (BRT) is a faster and more reliable service that is useful to more people for travel to work, school and to meet their daily needs and increase ridership. Some of the strategies include bus-only lanes, signal priority, and station amenities. The BRT project continues the work of SacRT Forward, SacRT's bus route optimization project that redesigned the entire bus network in fall 2019.

SacRT has designated Route 51 – Stockton/Broadway at the forefront of the BRT efforts. With 2,000 daily boardings, Route 51 is SacRT's highest ridership bus route. With a strong partnership between the City and County of Sacramento, along with a recent \$5 million award from SACOG, SacRT is making incredible strides.

Bus Stop Improvement Plan:

In 2022, SacRT partnered with Civic Thread, a local non-profit planning and advocacy organization, to complete a Bus Stop Improvement Plan for SacRT's service area. The plan, finalized in March 2023, created a

comprehensive list of necessary and desired improvements to bus stops, amenities, and supporting pedestrian infrastructure. This will help SacRT focus the plan on areas with the greatest needs and pursue funding opportunities. The plan includes a comprehensive list of necessary and desired improvements to bus stops throughout SacRT's service area and identifies over \$65 million worth of improvements to 630 bus stops out of over 3,200 systemwide. With the plan, SacRT is now well positioned to apply and secure grant funding to implement these improvements.

Downtown Riverfront Streetcar Project Update:

SacRT is also in advanced planning for a streetcar line over the Tower Bridge into West Sacramento that will better connect the two cities. SacRT has most, but not all, the funding needed for the project. October 2022, SacRT officially took ownership of the streetcar project following the dissolution of the Joint Powers Authority.

Zero Emission Vehicle Plan Update

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

In Fiscal Year 2023, SacRT joined a four-agency collaborative partnership between SacRT, Sacramento Area Council of Governments, Sacramento Air Quality Management District, and the Sacramento Municipal Utility District, by creating together the "Sacramento Region Zero Carbon Transportation" initiatives. The 28-page Zero Emission Vehicle (ZEV) Deployment Strategy is a coordinated regional approach to improve air quality, reduce greenhouse gas emissions, abate exposure to toxins, adapt to a warming planet, and promote efficient mobility. The plan includes detailed focus on transitioning SacRT's fleet of ZEV buses in the coming years.

Balanced Funding Concepts

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

- Locally controlled federal and state funding sources (funding given to local governments and agencies to spend on their priority projects)
- Federal discretionary funding sources (designated by the federal government for a specific project)
- Locally raised money (from county sales tax and development fees)

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

SacRT has specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. The required continuing disclosure items and their locations within the ACFR are presented on page 98.

SacRT maintains three Retirement Plans for the benefit of its employees. The three Plans are ATU, IBEW, and Salaried. The Salaried Plan is made up of members from AFSCME, AEA/OE3, and MCEG. Each year, an independent actuary engaged by the respective Retirement Boards calculates the amount of the annual contribution that SacRT must make to the Trusts to ensure that each retirement plan will be able to fully meet its obligations to retired employees on a timely basis.

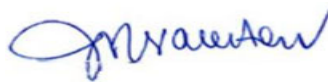
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SacRT for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. This was the 23rd consecutive year that SacRT has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe that our current Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of several departments and the tireless efforts of the Finance department staff. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report, with special thanks to Paul Selenis, Director of Accounting and Treasury; Lynda Volk, Senior Accountant; Nadia Mokhov, Senior Financial Analyst; Elizabeth Her, Accountant I; and Maria Whitworth, Program Analyst.



Henry Li
General Manager/CEO



Shelly Valenton
Deputy General Manager/CEO



Jason Johnson
Vice President, Finance/CFO

**SACRAMENTO REGIONAL TRANSIT DISTRICT
CERTIFICATE OF ACHIEVEMENT
FISCAL YEAR ENDED JUNE 30, 2022**



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Sacramento Regional Transit District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**SACRAMENTO REGIONAL TRANSIT DISTRICT
LIST OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2023**

Board of Directors

Patrick Kennedy, County of Sacramento, **Chair**
Rick Jennings, II, City of Sacramento, **Vice Chair**
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

General Manager/CEO

Henry Li

Deputy General Manager/CEO

Shelly Valenton

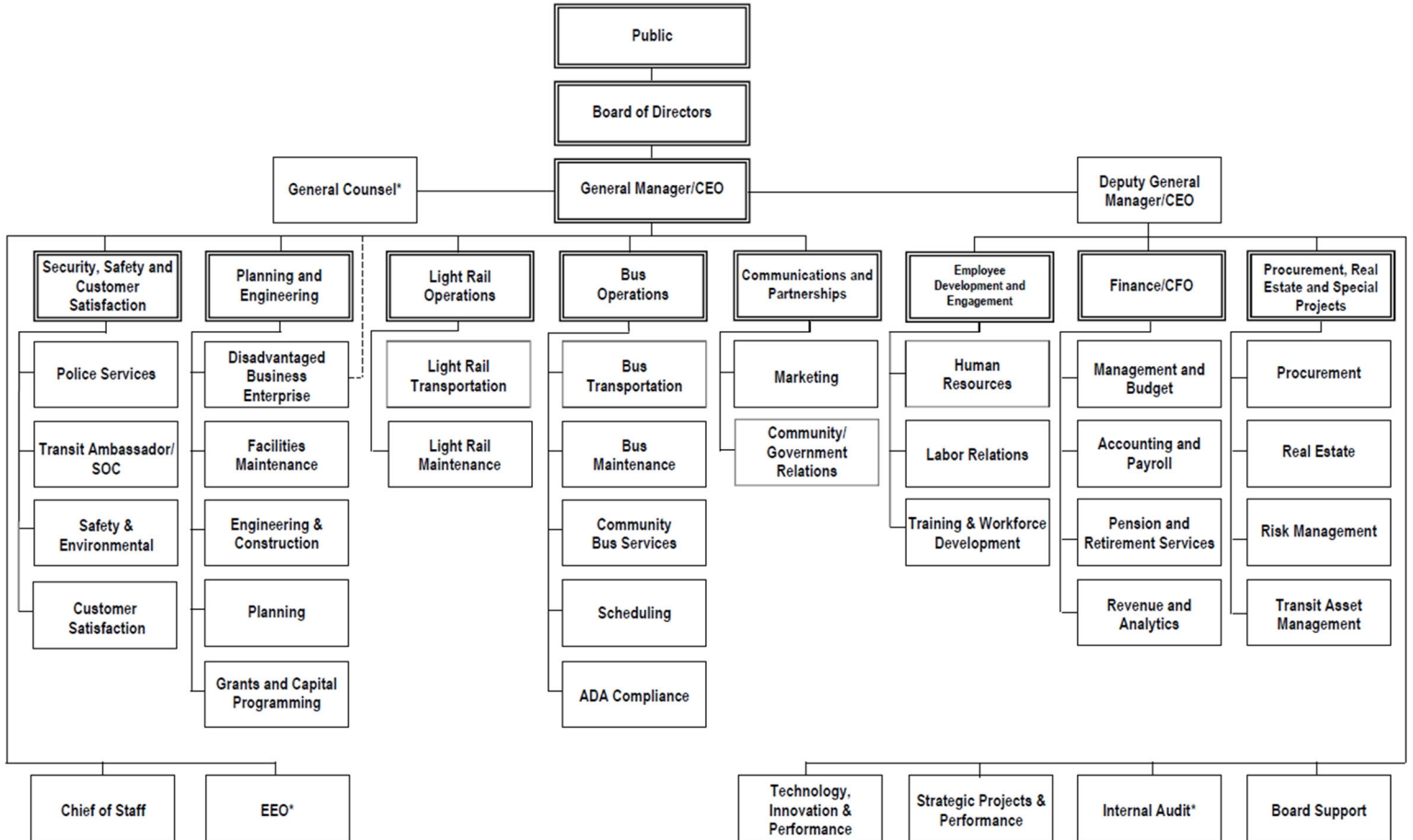
General Counsel

Olga Sanchez-Ochoa

Executive Management Team

Carmen Alba, Vice President, Bus Operations
Jamie Adelman, Vice President, Procurement, Real Estate and Special Projects
Ron Forrest, Vice President, Light Rail Operations
Laura Ham, Vice President, Planning and Engineering
Lisa Hinz, Vice President, Security, Safety and Customer Satisfaction
Jason Johnson, Vice President, Finance/CFO
Devra Selenis, Vice President, Communications and Partnerships
David Topaz, Vice President, Employee Development and Engagement

SACRAMENTO REGIONAL TRANSIT DISTRICT ORGANIZATIONAL CHART FISCAL YEAR ENDED JUNE 30, 2023

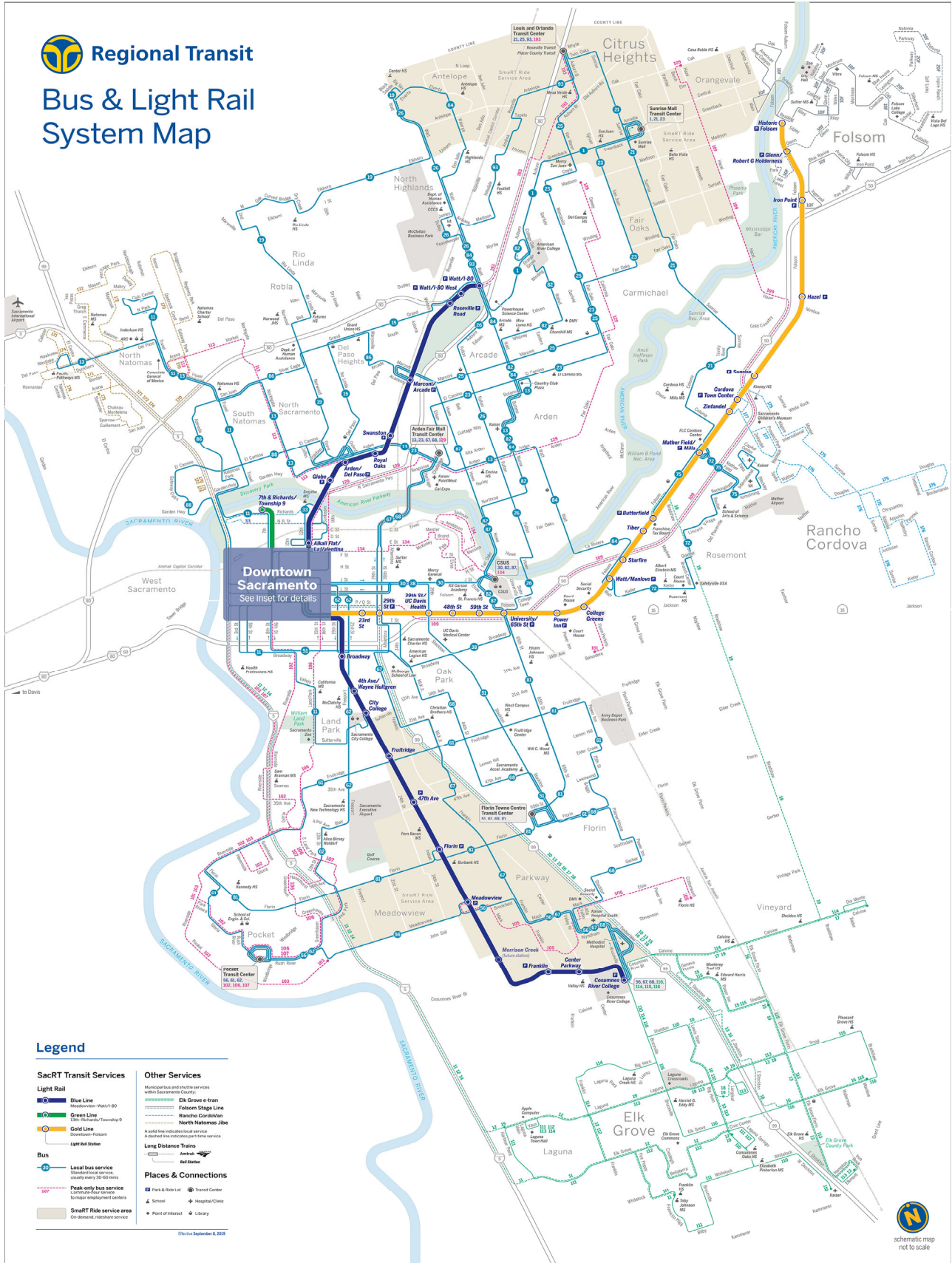


*Dotted line to the Board of Directors

SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



Regional Transit Bus & Light Rail System Map



Legend

SACT Transit Services

- Light Rail**
 - Blue Line (Walt/90)
 - Green Line (Town Center)
 - Gold Line (Folsom)
- Bus**
 - Local bus service (Standard bus services, qualityway 20-Gates)
 - Peak-only bus service (Commuter four service, longer employment centers)
 - Smart Ride service area (On demand, ride share service)

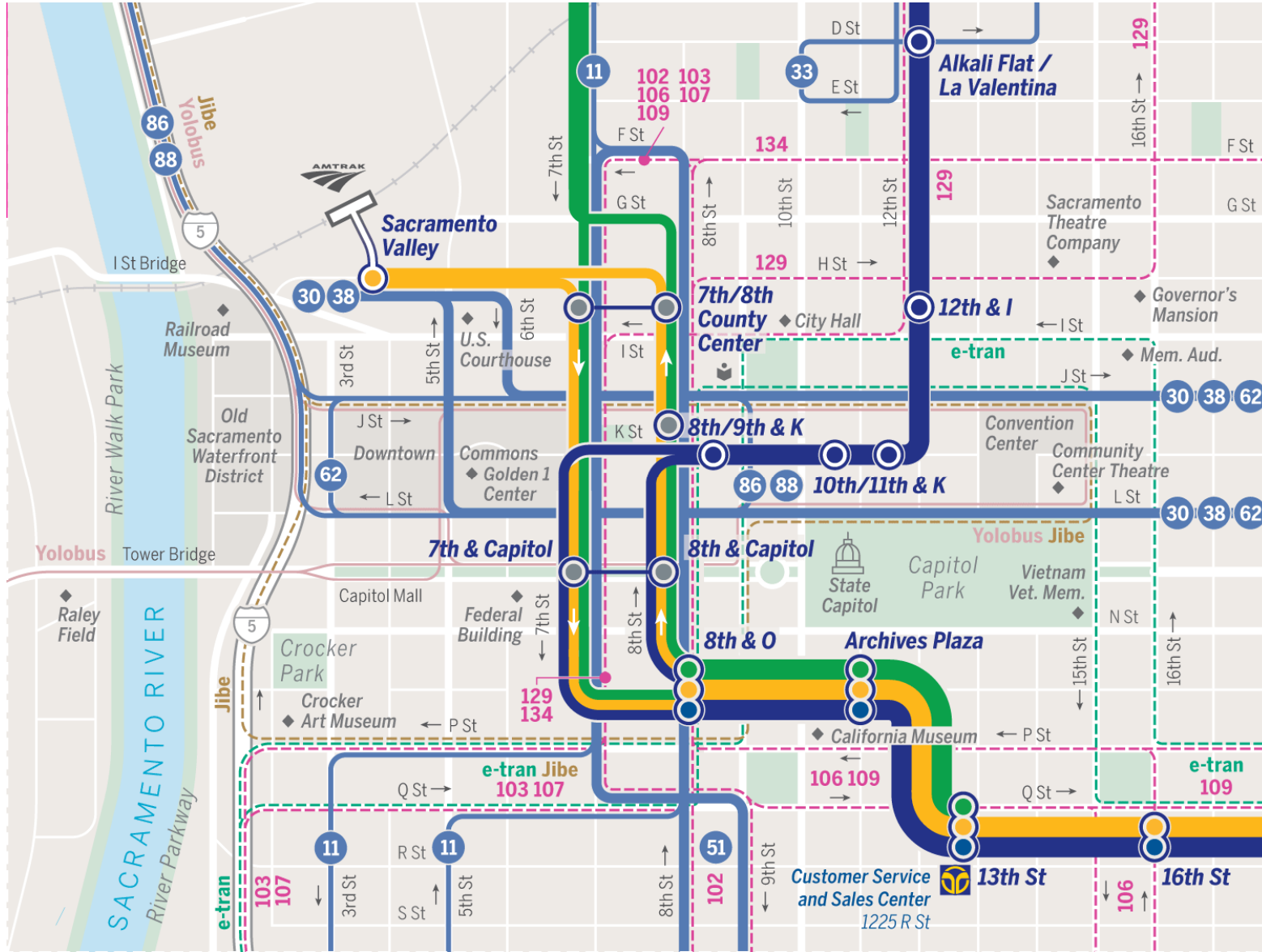
Other Services

- Municipal bus and shuttle services within Sacramento County
- Elk Grove + train
- Folsom Drag Line
- Rancho Cordova
- North Natomas Jibe
- Long Distance Trains
 - Amtrak
 - Rail Station
- Places & Connections**
 - Transit Center
 - Smart
 - Hospital/Clinic
 - Point of Interest
 - Library

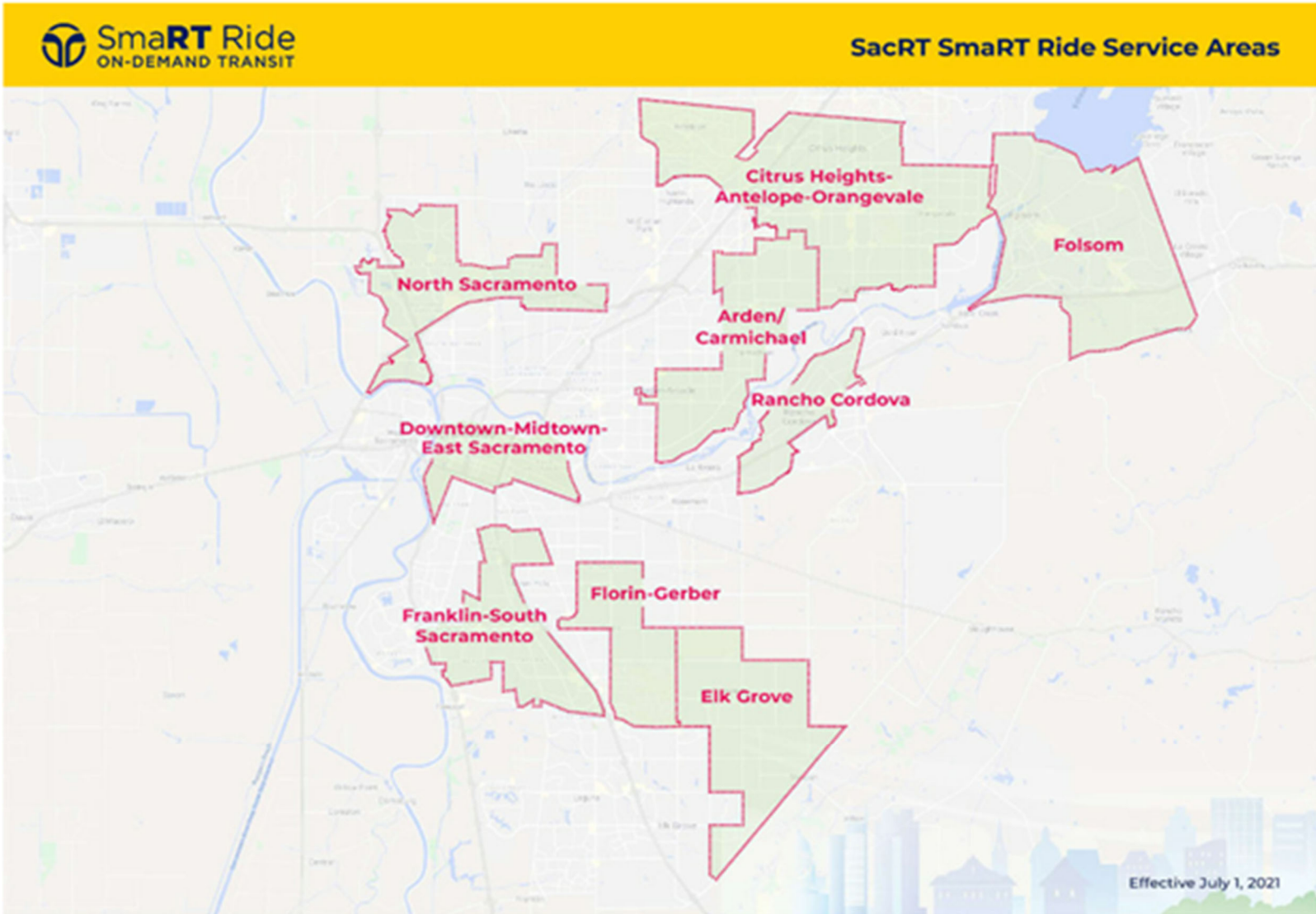
Effective September 8, 2018



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP





Financial Section

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Sacramento Regional Transit District (SacRT), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the SacRT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the SacRT, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SacRT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 5 to the financial statements, during the year ended June 30, 2023, SacRT adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The adoption resulted in recording subscription liabilities and right-of-use lease subscription assets. There was no impact to net position as of July 1, 2022 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SacRT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of District pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of District OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SacRT's basic financial statements. The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023 on our consideration of SacRT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SacRT's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
November 17, 2023



Management Discussion & Analysis

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

As management of the Sacramento Regional Transit District (SacRT), we offer the readers of SacRT's financial statements this narrative overview and analysis of the financial activities for SacRT for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter and financial statements which are included in this report.

Financial Highlights

- The assets and deferred outflows of resources of SacRT exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$837,031,031 (net position). Of this amount \$752,982,537 is net investment in capital assets, \$57,413,864 is restricted for debt service, \$5,780,515 is restricted for Folsom and Elk Grove from Annexations, \$8,691,843 is restricted for capital projects and \$12,162,272 is unrestricted.
- SacRT's total net position increased for the year ended June 30, 2023 by \$32,306,935 or 4.0 percent compared to the year ended June 30, 2022. This Increase is due primarily to capital activity which includes progress payments for the light rail modernization project and the acquisition of 22 40' Gillig buses. This increase was partially mitigated by the permanent impairment of SacRT's Urban Transportation Development Corporation light rail vehicle fleet. See Note 3 for additional information regarding this impairment.
- SacRT's total liabilities and deferred inflows of resources increased by \$39,252,917 or 11.3 percent for the fiscal year ended June 30, 2023. The net increase is primarily attributed to payments due for SacRT's new buses, unfavorable Pension and OPEB investment experience, adverse self-insurance claim activity, the commencement of leases at 1102 Q Street, Sacramento, for office space, and 27th and R Streets, Sacramento for warehouse space and a change in OPEB actuarial assumptions.
- During the fiscal year ended June 30, 2023, fare revenue increased by \$2,305,763 or 16.1 percent from the fiscal year ended June 30, 2022. This is attributed to an increase in fare purchases due to escalating ridership, transit passes issued to college students, as well as the expansion of SacRT's student fare free program, RydeFreeRT. Non-operating revenue increased by \$11,286,067 or 5.1 percent in fiscal year 2023 primarily due to an increase in sales tax generated revenue from the Transportation Development Act's Local Transportation Fund.
- Total operating costs increased by \$56,174,214 or 22.2 percent for the fiscal year ended June 30, 2023. This increase is due to labor and fringe benefit costs, increases in Casualty and Liability insurance costs premiums and claims and the recording of permanent capital asset impairments. The increase in labor and fringe benefits is due to a rise in pension costs resulting from an increase in SacRT's actuarially determined pension contribution and a rise in labor costs resulting from contractual pay rate escalation. The increase in Casualty and Liability insurance costs is due to an increase in personal liability and property damage and workers compensation claims. SacRT recorded a permanent asset impairment loss for 20 light rail vehicles and related spare parts.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to SacRT's basic financial statements, which are comprised of the financial statements and the notes to the financial statements.

Basic Financial Statements – The financial statements are designed to provide readers with a broad overview of SacRT's finances, in a manner similar to a private-sector business.

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

The statement of revenues, expenses and changes in net position presents information showing how SacRT's net position changed during the fiscal year ended June 30, 2023. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (such as the receipt of goods and services or submittal of claims for capital and operating revenue), regardless of the timing of related cash flows. In other words, SacRT reports expenses and revenues on an accrual basis rather than a cash basis. Since SacRT's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. SacRT serves in a fiduciary capacity for the Pension Trust Funds and the Connect Card Custodial Fund. The fiduciary fund statements are presented on an accrual basis and are included in these financial statements. The resources of the fiduciary funds are not available to support SacRT programs.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the financial statements.

Statistical Section – In addition to the basic financial statements, this report also includes a statistical section of selected financial information over a 10-year period when available.

Analysis of the Financial Statements

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

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of SacRT, assets and deferred outflows exceeded liabilities and deferred inflows by \$837,031,031.

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

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

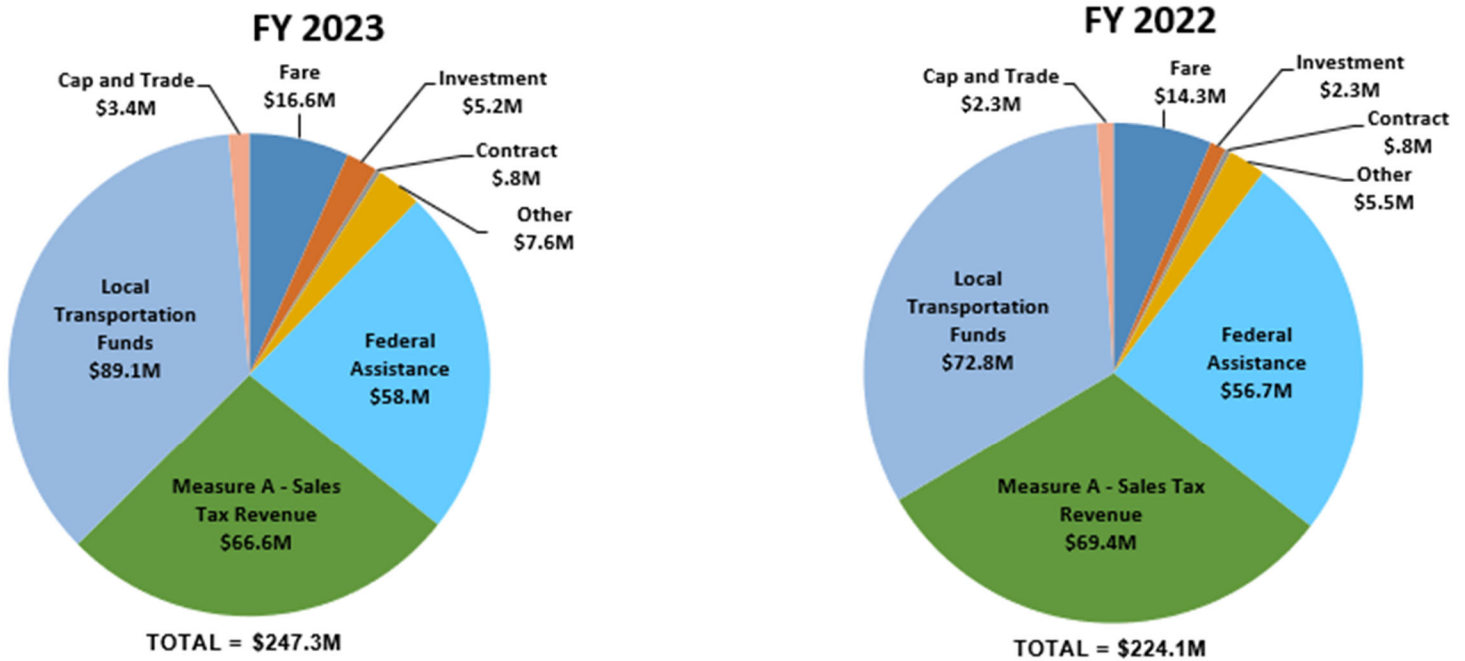
	June 30, 2023	June 30, 2022	Increase or (Decrease)	
			Dollar	Percent
Current and Other Assets	\$ 269,750,856	\$ 225,902,727	\$ 43,848,129	19.4%
Capital Assets	878,672,218	860,497,406	18,174,812	2.1%
Total Assets	<u>1,148,423,074</u>	<u>1,086,400,133</u>	<u>62,022,941</u>	<u>5.7%</u>
Deferred Outflows of Resources	73,966,655	64,429,744	9,536,911	14.8%
Current Liabilities	65,578,740	43,907,726	21,671,014	49.4%
Non-Current Liabilities	<u>303,351,528</u>	<u>241,005,384</u>	<u>62,346,144</u>	<u>25.9%</u>
Total Liabilities	<u>368,930,268</u>	<u>284,913,110</u>	<u>84,017,158</u>	<u>29.5%</u>
Deferred Inflows of Resources	16,428,430	61,192,671	(44,764,241)	(73.2)%
Net Position				
Net Investment in Capital Assets	752,982,537	806,700,457	(53,717,920)	(6.7)%
Restricted for:				
Debt Service	57,413,864	3,382,532	54,031,332	1597.4%
Annexations	5,780,515	5,780,515	-	0.0%
Capital Projects	8,691,843	5,816,891	2,874,952	49.4%
Unrestricted	<u>12,162,272</u>	<u>(16,956,299)</u>	<u>29,118,571</u>	<u>(171.7)%</u>
Total Net Position	<u>\$ 837,031,031</u>	<u>\$ 804,724,096</u>	<u>\$ 32,306,935</u>	<u>4.0%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022	Increase or (Decrease)	
			Dollar	Percent
Operating Revenue				
Fares	\$ 16,614,532	\$ 14,308,769	\$ 2,305,763	16.1%
Non-Operating Revenues				
Operating Assistance	217,040,882	204,005,938	13,034,944	6.4%
Investment Income	5,222,508	2,311,345	2,911,163	126.0%
Other Revenue	8,439,389	13,099,429	(4,660,040)	(35.6)%
Total Operating and Non-Operating Revenue	<u>247,317,311</u>	<u>233,725,481</u>	<u>13,591,830</u>	<u>5.8%</u>
Operating and Non-Operating Expenses				
Labor & Fringe Benefits	161,215,158	143,524,063	17,691,095	12.3%
Professional & Other Services	20,499,992	17,656,676	2,843,316	16.1%
Spare Parts & Supplies	19,562,645	15,861,776	3,700,869	23.3%
Utilities	7,987,760	7,424,682	563,078	7.6%
Casualty & Liability Costs	28,247,808	19,783,494	8,464,314	42.8%
Depreciation	47,140,507	46,623,437	517,070	1.1%
Other	2,658,014	2,517,875	140,139	5.6%
Impairment Loss	22,254,333	-	22,254,333	N/A
Interest Expense	4,244,009	4,672,261	(428,252)	(9.2)%
Pass through to Subrecipients	1,110,123	2,742,607	(1,632,484)	(59.5)%
Total Operating and Non-Operating Expenses	<u>314,920,349</u>	<u>260,806,871</u>	<u>54,113,478</u>	<u>20.7%</u>
Loss Before Capital Contributions	(67,603,038)	(27,081,390)	(40,521,648)	149.6%
Capital Contributions				
State and Local	64,933,237	41,351,937	23,581,300	57.0%
Federal	34,976,736	29,408,366	5,568,370	18.9%
Total Capital Contributions	<u>99,909,973</u>	<u>70,760,303</u>	<u>29,149,670</u>	<u>41.2%</u>
Increase in Net Position Before Special Item	32,306,935	43,678,913	(11,371,978)	26.0%
Special Item: Transfer of Operations	-	15,781,405	(15,781,405)	-
Increase in Net Position	<u>32,306,935</u>	<u>59,460,318</u>	<u>(27,153,383)</u>	<u>(45.7)%</u>
Net Position, beginning of year	<u>804,724,096</u>	<u>745,263,778</u>	<u>59,460,318</u>	<u>8.0%</u>
Net Position, end of year	<u>\$ 837,031,031</u>	<u>\$ 804,724,096</u>	<u>\$ 32,306,935</u>	<u>4.0%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
REVENUES BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Operating and Non-operating Revenue by Source



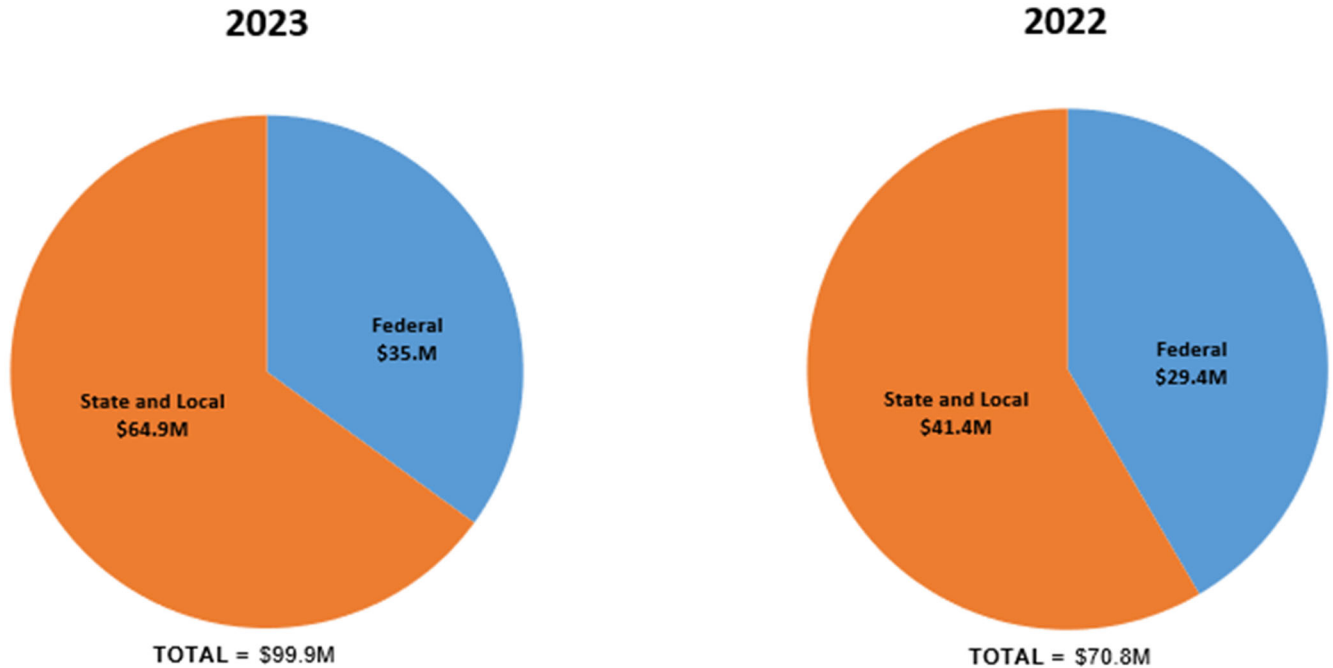
The significant changes in Operating and Non-operating Revenue by Source are described below:

Fares, investment income, contracted services, alternative fuel and carbon tax credits and other revenue increased by a combined \$556,886 for the fiscal year ended June 30, 2023, or 1.9 percent. This is attributed to higher returns on SacRT's cash position and increases in fare purchases due to escalating ridership, transit passes issued to college students, as well as the expansion of SacRT's student fare free program, RydeFreeRT. This increase was partially mitigated due to insurance proceeds recognized from a damaged light rail vehicle and the sale of SacRT's Calvine property in the prior year.

Operating assistance increased by \$13,034,944 or 6.4 percent for the fiscal year ended June 30, 2023 primarily due to an increase in sales tax generated revenue from the Transportation Development Act's Local Transportation Fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
REVENUES BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Capital Contributions by Source

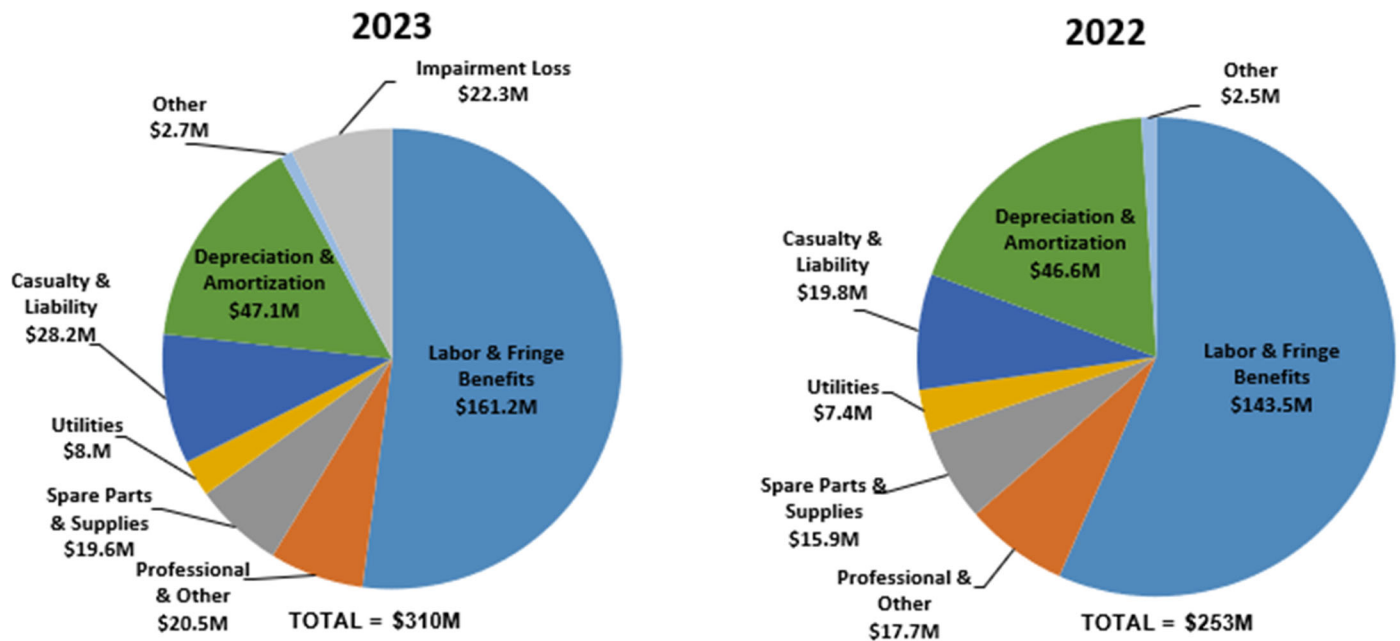


The significant changes in Capital Contributions by Source are described below:

The majority of construction and acquisition activities are funded with capital contributions from other governmental units such as federal, state, and local agencies. Capital contributions increased by \$29,149,670 million or 41.2 percent during the fiscal year ended June 30, 2023. The increase is primarily due to progress payments for SacRT's light rail modernization project and the purchase of 22 new 40' Gillig buses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Operating Expenses



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

- Total operating costs increased by \$56,174,214 or 22.2 percent for the fiscal year ended June 30, 2023. This increase is due to labor and fringe benefit costs, increases in Casualty and Liability insurance costs premiums and claims and the recording of permanent capital asset impairments. The increase in labor and fringe benefits is due to a rise in pension costs resulting from an increase in SacRT's actuarially determined pension contribution and a rise in labor costs resulting from contractual pay rate escalation. The increase in Casualty and Liability insurance costs is due to an increase in personal liability and property damage and workers compensation claims. SacRT recorded a permanent asset impairment loss for 20 light rail vehicles and related spare parts.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
FISCAL YEAR 2023
STATEMENT OF REVENUES AND EXPENSES BY FUNDING DESIGNATION**

Statement of Revenues and Expenses	FY 2023 Funding Designation		
	Operations	Capital Improvement Program, GASB 68 & 75, 78	Total
OPERATING REVENUES (Fares)	\$ 16,614,532	\$ -	\$ 16,614,532
OPERATING EXPENSES			
Labor and Fringe Benefits	159,973,967	1,241,191	161,215,158
Professional and Other Services	20,082,342	417,650	20,499,992
Spare Parts and Supplies	18,955,278	607,367	19,562,645
Utilities	7,987,760	-	7,987,760
Casualty and Liability Costs	28,247,808	-	28,247,808
Depreciation	1,453,449	45,687,058	47,140,507
Other	2,658,014	-	2,658,014
Impairment Loss	-	22,254,333	22,254,333
Total Operating Expenses	239,358,618	70,207,599	309,566,217
Loss from Operations	(222,744,086)	(70,207,599)	(292,951,685)
NON-OPERATING REVENUES (EXPENSES)			
Operating Assistance			
State and Local	159,055,051	-	159,055,051
Federal	56,875,708	1,110,123	57,985,831
Investment Income	5,113,768	108,740	5,222,508
Interest Expense	(3,011,210)	(1,232,799)	(4,244,009)
Pass Through to Subrecipients	-	(1,110,123)	(1,110,123)
Professional and Other Services Funded by Others	-	-	-
Contract Services	842,450	-	842,450
Alternative Fuel and Carbon Tax Credits	848,244	516,287	1,364,531
Insurance Proceeds and Other	6,172,355	60,053	6,232,408
Total Non-operating Revenues (Expense)	225,896,366	(547,719)	225,348,647
Gain (Loss) Before Capital Contributions	3,152,280	(70,755,318)	(67,603,038)
Capital Contributions			
State and Local	-	64,933,237	64,933,237
Federal	-	34,976,736	34,976,736
Total Capital Contributions	-	99,909,973	99,909,973
Change in Net Position	\$ 3,152,280	\$ 29,154,655	\$ 32,306,935

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED 2023**

The Annual Comprehensive Financial Report (ACFR) presentation differs from SacRT's operating and capital budgets in that the ACFR combines both operating and capital activities. To assist SacRT's Board and readers in their review, a Statement of Revenues and Expenses by Funding Designation is provided to show SacRT's operating and capital funds separately. As of June 30, 2023, SacRT's operating results were as follows: \$16,614,532 in fare revenues, \$239,358,618 in operating expenses, and \$225,896,366 in non-operating revenues, resulting in a \$3,152,280 operating surplus. Additional information regarding the Statement of Revenues by Funding Designation can be found in SacRT's 2023 ACFR Staff Report to the Board of Directors.

Analysis of SacRT's Financial Position

SacRT's net position provides information on near term inflows, outflows, and balances of spendable resources. SacRT is reporting a net position as of June 30, 2023 of \$837,031,031 and operating and capital activity increase of \$32,306,935 or 4.0 percent.

Capital Asset and Long-Term Debt Activity

As of June 30, 2023, SacRT's investment in various capital assets, such as bus and light rail vehicles, facilities, land, buildings and equipment increased to \$878,672,218 from \$860,834,020 representing a 2.1 percent increase as capital acquisition exceeded depreciation. Additional information on capital assets can be found in Footnote 3 of the financial statements.

In August 2021, SacRT issued \$35,475,000 of Refunding Bonds, Series 2021A, at a premium of \$9,165,477 to current refund and defease all the outstanding Farebox Revenue Bonds, Series 2012. The \$43,806,597 balance represents what remains of the Refunding Bonds, Series 2021A and the unamortized premium. The Farebox Revenue Bonds, Series 2012, issued in the fiscal year 2013 were used to primarily fund construction on the South Line Phase 2 light rail extension. SacRT recorded a liability and a corresponding asset of \$53,985,255 as of June 30, 2023, resulting from its participation in three Lease/Leaseback transactions. Additional information on debt activity can be found in Footnotes 4 through 7 to the financial statements.

Current Economic Factors and Conditions

SacRT received a federal grant for approximately \$37.8 million in funding from the Federal Transit Administration-Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) as well as \$1.5 million in CRSSA funds available from the City of Elk Grove annexation. CRRSAA is a federal formula grant program in which SacRT used approximately \$18.7 million for operations in fiscal year 2022 and the balance of \$20.6 million fiscal year 2023.

Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT used approximately \$32.0 million in fiscal year 2023, will use approximately \$35.2 million in fiscal year 2024 and the balance in fiscal year 2025.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

SacRT has plans for future expansion and improvement of light rail and bus services. As of June 30, 2023, SacRT has construction contracts and property acquisition commitments of approximately \$107,632,197.

Request for Information

Please address all questions or requests for additional information to the Finance and Treasury Department, Attention: Chief Financial Officer, Sacramento Regional Transit District, 1102 Q Street, Suite 3000, Sacramento, CA 95811 or P.O. Box 2110, Sacramento CA 95812.



Financial Statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2023**

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$ 53,169,767
Restricted Cash and Cash Equivalents	6,389,649
Investments	35,619,421
Restricted Investments	3,799,273
Receivables:	
State and Local Government	35,071,354
Federal Government	25,575,300
Other	3,060,631
Spare Parts and Supplies Inventory	18,133,450
Other Current Assets	<u>603,385</u>
Total Current Assets	<u>181,422,230</u>
Non-Current Assets:	
Restricted Cash and Cash Equivalents	9,612,069
Investments	5,288,877
Restricted Investments	19,442,425
Deposits for Lease/Leaseback Payable	53,985,255
Non-Depreciated/Amortized Capital Assets	229,631,550
Depreciated/Amortized Capital Assets, Net	<u>649,040,668</u>
Total Non-Current Assets	<u>967,000,844</u>
Total Assets	<u>1,148,423,074</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows from Pension	58,437,612
Deferred Outflows from Other Post Employment Benefits	9,794,652
Deferred Outflows: Loss on Refunding	<u>5,734,391</u>
Total Deferred Outflows of Resources	<u>73,966,655</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,222,389,729</u></u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2023**

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 30,602,668
Other Accrued Liabilities	6,289,454
Compensated Absences	10,213,596
Interest Payable	520,744
Unearned Revenue	2,799,747
Advances from Other Governments	3,662,347
Claims Payable	9,897,530
Lease Payable	1,030,613
Subscription Payable	562,041
Total Current Liabilities	<u>65,578,740</u>

Long-Term Liabilities:

Compensated Absences	1,460,102
Advances from Other Governments	16,662,139
Claims Payable	18,885,135
Refunding Bonds	43,806,597
Lease Payable	6,924,880
Subscriptions Payable	648,443
Lease/Leaseback Payable	53,985,255
Net Pension Liability	145,382,947
Net Other Post Employment Benefits Liability	15,596,030
Total Long-Term Liabilities	<u>303,351,528</u>
Total Liabilities	<u>368,930,268</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows from Other Post Employment Benefits	7,789,762
Deferred Gain on Lease/Leaseback	4,607,850
Deferred Inflows: Gain on Refunding	3,276,603
Deferred Inflows from Pension	754,215
Total Deferred Inflows of Resources	<u>16,428,430</u>

NET POSITION

Net Investment in Capital Assets	752,982,537
Restricted for:	
Debt Service	57,413,864
Annexations	5,780,515
Capital Projects	8,691,843
Unrestricted	12,162,272
Total Net Position	<u>837,031,031</u>

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

\$ 1,222,389,729

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OPERATING REVENUES	
Fares	\$ 16,614,532
OPERATING EXPENSES	
Labor and Fringe Benefits	161,215,158
Professional and Other Services	20,499,992
Spare Parts and Supplies	19,562,645
Utilities	7,987,760
Casualty and Liability Costs	28,247,808
Depreciation/Amortization	47,140,507
Other	2,658,014
Impairment Loss	22,254,333
Total Operating Expenses	<u>309,566,217</u>
Operating Loss	(292,951,685)
NON-OPERATING REVENUES (EXPENSES)	
Operating Assistance:	
State and Local	159,055,051
Federal	57,985,831
Investment Income	5,222,508
Interest Expense	(4,244,009)
Pass-Through to Subrecipients	(1,110,123)
Contract Services	842,450
Alternative Fuel and Carbon Tax Credits	3,712,625
Other	3,884,314
Total Non-Operating Revenues	<u>225,348,647</u>
Loss Before Capital Contributions	(67,603,038)
Capital Contributions:	
State and Local	64,933,237
Federal	34,976,736
Total Capital Contributions	<u>99,909,973</u>
Increase in Net Position	32,306,935
Net Position, beginning of year	<u>804,724,096</u>
Net Position, end of year	<u>\$ 837,031,031</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 18,091,645
Cash Received from Contract Sources	842,450
Cash Paid to Suppliers	(71,859,584)
Cash Paid to Employees and Employee Benefits	(158,759,823)
Cash Received from Other Sources	<u>7,435,637</u>
Net Cash Used in Operating Activities	<u>(204,249,675)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State and Local Receipts	142,121,270
Federal Receipts	53,161,252
Payments Pass-Through to Subrecipients	<u>(1,110,123)</u>
Net Cash Provided by Noncapital Financing Activities	<u>194,172,399</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(62,334,345)
Payment/Receipt on Refunding	-
Bond Issuance Costs Paid	-
Interest Paid	(2,890,436)
Proceeds from Sale of Capital Assets Receipts	161,302
State and Local Capital Grants Receipts	58,786,524
Federal Capital Grants	32,243,488
Principal Payments on Leases	(517,174)
Principal Payments on Subscriptions	<u>(919,172)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>24,530,187</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	1,078,649
Purchases of Investments	(13,665,570)
Investment Income	<u>1,339,682</u>
Net Cash Provided by Investing Activities	<u>(11,247,239)</u>
Net Increase in Cash and Cash Equivalents	3,205,672
Cash and Cash Equivalents, July 1	<u>65,965,813</u>
Cash and Cash Equivalents, June 30	<u>\$ 69,171,485</u>
RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and Cash Equivalents	\$ 53,169,767
Restricted Cash and Cash Equivalents, Current	6,389,649
Restricted Cash and Cash Equivalents, Non-Current	<u>9,612,069</u>
Total Cash and Cash Equivalents	<u>\$ 69,171,485</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Operating Loss	\$ (292,951,685)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used in Operating Activities:	
Depreciation/Amortization	47,140,507
Impairment Loss	22,254,333
Contract Services- Nonoperating Income	842,450
Miscellaneous Nonoperating Income	7,435,637
Effect of Changes in:	
Other Receivables	711,837
Spare Parts and Supplies Inventory	37,660
Other Current Assets	358,129
Accounts Payable and Accrued Liabilities	(219,144)
Compensated Absences	685,331
Unearned Revenue	765,276
Claims Payable	7,466,685
Deferred Outflows from Pension	(5,229,657)
Net Pension Liability	45,087,211
Deferred Inflows from Pension	(37,196,843)
Deferred Outflows from Other Post Employment Benefits	(4,619,222)
Net Other Post Employment Benefit Liability	9,934,300
Deferred Inflows from Other Post Employment Benefits	(6,752,480)
Net Cash Used in Operating Activities	<u><u>\$ (204,249,675)</u></u>

NON-CASH INVESTING AND FINANCING ACTIVITIES

Interest Income from Investments Held to Pay Lease/Leaseback	\$ 1,664,480
Interest Expense on Capital Lease/Leaseback	(1,664,480)
Capital Assets Included in Accounts Payable	21,718,855
Capital Contributions Included in Receivables	25,900,398

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	<u>Pension Trust Funds</u>	<u>Connect Card Custodial Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 19,787,498	\$ 757,673
Receivables:		
Securities Sold	7,078,567	-
Invoiced Receivables	-	94,045
Interest and Dividends	637,515	-
Other Receivables and Prepaids	73,656	29,793
Total Receivables	<u>7,789,738</u>	<u>123,838</u>
Investments:		
Equity Securities	251,245,058	-
Fixed Income Securities	86,294,530	-
Real Estate	34,438,121	-
Total Investments	<u>371,977,709</u>	<u>-</u>
Total Assets	<u>399,554,945</u>	<u>881,511</u>
LIABILITIES		
Securities Purchased Payable	27,346,822	-
Accounts Payable	683,948	-
Due to Connect Card Consortium Members	<u>-</u>	<u>264,774</u>
Total Liabilities	<u>28,030,770</u>	<u>264,774</u>
NET POSITION		
Restricted for Pension Benefits	371,524,175	-
Restricted for Connect Card Consortium Members	<u>-</u>	<u>616,737</u>
Total Net Position	<u>\$ 371,524,175</u>	<u>\$ 616,737</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Pension Trust Funds	Connect Card Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 26,557,004	\$ -
Member	2,873,527	-
Change in Bargaining Group	248,765	-
Total Contributions	29,679,296	-
Investment Income (Loss):		
Net Appreciation in Fair Value of Investments	21,776,045	-
Interest, Dividends, and Other Income	6,574,922	10
Investment Expenses	(1,810,298)	-
Net Investment Income	26,540,669	10
Connect Card Fare Collections for Consortium Members	-	1,310,909
Total Additions	56,219,965	1,310,919
DEDUCTIONS		
Benefits Paid to Participants	30,702,604	-
Change in Bargaining Group	248,765	-
Distribution to Consortium Members	-	1,135,795
Administrative Expenses	767,609	89,703
Total Deductions	31,718,978	1,225,498
Increase in Net Position	24,500,987	85,421
Net Position - Beginning of Year	347,023,188	531,316
Net Position - End of Year	\$ 371,524,175	\$ 616,737

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

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

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

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

BASIS OF PRESENTATION

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

Proprietary Fund Type

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

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types

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

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

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

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

The **Connect Card Custodial Fund** is used to account for assets held by SacRT for the benefit of the transit agencies who are members of the Connect Card Consortium. Connect Card is the Sacramento region's electronic transit fare payment system and the Connect Card Consortium's participating agencies include SacRT, El Dorado Transit, Placer County Transit, Roseville Transit, SCT/Link, YoloBus and Yuba-Sutter Transit. Any balances or transactions related to SacRT are not recorded in the fund and instead are recorded in SacRT's enterprise fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

BUDGETARY INFORMATION

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

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

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

INVESTMENTS

Investments consist of securities or other assets that SacRT holds primarily for the purpose of income or profit and its present service capacity is based solely on its ability to generate cash or to be sold to generate cash. Investments are recorded at fair value.

RESTRICTED ASSETS

Restricted assets consist of monies and other resources, the use of which is legally restricted for capital projects and debt service.

RECEIVABLES

Receivables are reported at present value less the estimated portion that is estimated to be uncollectible. As of June 30, 2023, management has estimated that no allowance for uncollectible accounts is needed.

INVENTORIES

Inventories are stated at average cost and charged to expense at the time individual items are withdrawn from inventory (consumption method). Inventory consists primarily of parts and supplies relating to transportation vehicles and facilities.

CAPITAL ASSETS

Capital assets are stated at historical cost (except for intangible right-to-use lease assets and intangible right-to-use SBITAs, the measurement of which is discussed in leases below). Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs is charged to operations as incurred. Infrastructure, which includes light rail vehicle tracks, has been capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over estimated useful lives and intangible right-to-use assets are amortized over the shorter of their estimated useful life or the remaining lease or subscription term. Depreciable/amortized lives are as follows:

Buildings and improvements	30 to 50 years
Intangible right-to use buildings	2 to 51 years
Buses and maintenance vehicles	4 to 12 years
Light-rail structures and light rail vehicles	25 to 45 years
Intangible right-to use light rail vehicles	27 to 29 years
Other operating equipment	5 to 15 years
Intangible right-to use SBITAs	2 to 5 years

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

No depreciation is provided on construction in progress until construction is completed and the asset is placed in service. It is SacRT's policy to capitalize all capital assets with an individual cost of more than \$5,000 or a group of similar items amounting to \$100,000 or more with an individual cost of at least \$500 and a useful life in excess of one year.

Impairment of Capital Assets: In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, management evaluates events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, other changes in environmental factors, technology changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will continue to be used are written down to reflect the decline in service utility of the capital asset. Impaired capital asset that will no longer be used are reported at the lower of carrying value or fair value. During the year ended June 30, 2023, SacRT reported an impairment loss of \$22,254,333. See Note 3 for additional information regarding this impairment.

LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

SacRT is a lessee for noncancellable leases of buildings and equipment as well as a contractee to subscription-based information technology arrangements (SBITAs). SacRT recognizes lease and SBITA liabilities and intangible right-to-use lease and SBITA assets in the enterprise fund's financial statements. SacRT recognizes lease and SBITA liabilities with an initial, individual value greater than 1 percent of the 5-year average of annual total liabilities for lease and subscription based information technology arrangement contracts.

At the commencement of the lease or SBITA, SacRT initially measures the lease or SBITA liability at the present value of payments expected to be made during the lease or subscription term. Subsequently, the lease or SBITA liability is reduced by the principal portion of the lease or SBITA payments made. The lease or SBITA asset is initially measured as the initial amount of the lease or SBITA liability adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease or SBITA asset is amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the term of the lease or SBITA contract.

Key estimates and judgments related to leases and SBITAs include how SacRT determines the discount rate it uses to discount the expected lease and SBITA payments to present value and the lease or SBITA term. SacRT uses the interest rate charged by the lessor if known, the implicit rate in the lease if calculable, or more commonly SacRT's incremental borrowing rate as the discount rate for leases. The lease or SBITA term includes the noncancellable period of the lease or SBITA including extensions that SacRT is reasonably certain to exercise. SacRT monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the lease or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease or SBITA liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

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

The current portion of the compensated absences is estimated by applying a percentage to the end of the year compensated absences liability. The percentage is calculated by dividing the vacation and sick leave that was liquidated (used/cashed out) during the year by the beginning vacation and sick leave balance.

FEDERAL, STATE, AND LOCAL GRANT FUNDS

Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land, buildings, and equipment are recorded as capital contributions as the related grant conditions are met. Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met.

Advances received on grants are recorded as a liability until related grant conditions are met. The Transportation Development Act (TDA) provides that any funds not earned and not used may be required to be returned to their source.

When both restricted and unrestricted resources are available for the same purpose, SacRT uses restricted resources first.

SELF-INSURANCE AND CLAIMS PAYABLE

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

PENSION

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ATU Plan, IBEW Plan and Salaried Plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds to employee contributions) are recognized when due and payable in accordance with the benefit terms.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

USE OF ESTIMATES

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

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended June 30, 2023, SacRT adopted the following accounting Pronouncements:

- GASB Statement No 91, Conduit Debt Obligations, was adopted with no impact on the financial statements.
- GASB Statement No 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, was adopted with no impact on the financial statements.
- GASB Statement No. 96, Subscription Based Information Technology Arrangements, was adopted. As a result of adoption, SacRT reported an intangible right-to use SBITA asset of \$336,614 and subscriptions payable of \$239,457 as of July 1, 2022.
- GASB Statement No. 99, Omnibus, was adopted with no impact on the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS

The total cash and investments as of June 30, 2023, are reported in the accompanying basic financial statements as follows:

	Enterprise Fund	Fiduciary Funds	Total
Unrestricted:			
Cash and cash equivalents	\$ 53,023,534	\$ -	\$ 53,023,534
Cash on hand	146,233	-	146,233
Investments	<u>40,908,298</u>	-	<u>40,908,298</u>
Total unrestricted	<u>94,078,065</u>	<u>-</u>	<u>94,078,065</u>
Restricted:			
Cash and cash equivalents	16,001,718	20,545,171	36,546,889
Investments	<u>23,241,698</u>	<u>371,977,709</u>	<u>395,219,407</u>
Total restricted	<u>39,243,416</u>	<u>392,522,880</u>	<u>431,766,296</u>
Total cash and investments	<u>\$ 133,321,481</u>	<u>\$ 392,522,880</u>	<u>\$ 525,844,361</u>

INVESTMENTS

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

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

The following table identifies the investment types that are authorized by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	N/A	None	None
U.S. Treasury Obligations	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	None	None
Bankers' Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1/P1	25%	10%
Negotiable Certificates of Deposit	5 years	N/A	30%	None
Reverse Repurchase Agreements	92 days	N/A	20% of base value	None
Medium-Term Notes	5 years	A	30%	None
Mutual Funds Investing in Eligible Securities	N/A	AAA	20%	10%
Mortgage Pass-Through Securities	5 years	AA	20%	None
Local Agency Investment Fund	N/A	N/A	None	None
JPA Pools (other investment pools)	N/A	N/A	None	None

A Retirement Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Pension Plans" governs the Pension Trust Funds' investments. This policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions.

The following table identifies the investment types that are authorized by the Retirement Board. The table also identifies certain provisions of the Investment Objectives and Policy that address interest risk, credit risk and concentration of credit risk.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%
Other Equity Securities (7)	N/A	N/A	25% (2)	5%
Real Estate	None	N/A	None	None

- (1) The fixed income portion of the ATU Plan, IBEW Plan and Salaried Plan shall be limited in duration to between 75% and 125% of the Bloomberg Aggregate Index benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and EETCs.
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
- (7) Other Equity Securities include: rights and warrants.

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments such as: interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. These types of risks may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with a shorter duration.

The following table provides information about the interest rate risks associated with applicable investments as of June 30, 2023:

<u>Enterprise Fund</u>	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ 34,871	\$ 147,463	\$ -	\$ -	\$ 182,334
Corporate Bonds	-	880,470	-	-	880,470
Municipals	167,970	124,793	-	-	292,763
U.S. Government Agency Obligations	63,421	658,443	-	-	721,864
U.S. Government Issued Obligations	-	1,205,055	-	-	1,205,055
Asset-Backed Securities	-	255,077	-	-	255,077
CalTRUST	60,612,433	-	-	-	60,612,433
Total Enterprise Fund	<u>\$ 60,878,695</u>	<u>\$ 3,271,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,149,996</u>

<u>Fiduciary Funds</u>	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ 182,656	\$ 167,899	\$ 5,041,545	\$ 5,392,100
Corporate Bonds	354,313	10,145,913	7,892,680	6,721,805	25,114,711
Municipal Bonds	-	-	-	441,714	441,714
U.S. Government Agency Obligations	1,889,890	2,980	344,485	31,226,819	33,464,174
U.S. Government Issued Obligations	-	7,340,632	1,953,325	7,316,344	16,610,301
Asset-Backed Securities	116,265	435,715	234,417	4,485,133	5,271,530
Total Fiduciary Fund	<u>\$ 2,360,468</u>	<u>\$ 18,107,896</u>	<u>\$ 10,592,806</u>	<u>\$ 55,233,360</u>	<u>\$ 86,294,530</u>

MORTGAGE PASS-THROUGH SECURITIES

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the value of these securities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the fair value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. SacRT or the Pension Trust Funds must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. As of June 30, 2023, SacRT held callable bonds in the amount of \$484,767. The Pension Trust Funds held callable bonds in the amount of \$22,750,797.

INVESTMENT IN STATE INVESTMENT POOL AND CALTRUST

SacRT is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Local Investment Advisory Board (LIAB). The LIAB consists of five members as designated by State statute. The value of SacRT's investment in this pool is reported in the accompanying financial statements at amounts based upon the SacRT's pro-rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. SacRT's total investment in the LAIF at June 30, 2023, was \$61,569,246.

SacRT is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. SacRT's investments in CalTRUST are measured at net asset value (NAV), as described on page 35. As of June 30, 2023, SacRT's investments in CalTRUST were \$60,612,433, all of which is invested in the Short-Term fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

CREDIT RISK

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. SacRT's investments in LAIF and CalTRUST external investment pools are not rated.

For the fiscal year ending June 30, 2023, management has reported that the Pension Trust Funds are in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines.

The following tables provide information on the credit ratings associated with investments as of June 30, 2023:

Moody's Ratings	Enterprise Fund		Moody's Ratings	Fiduciary Funds		Percentage of Portfolio
	Amount	Percentage of Portfolio		Amount		
Not Applicable	\$ 60,612,433	94.49%	Not Applicable	\$ 285,683,179	76.80%	
Not rated	282,322	0.44%	Not rated	40,777,066	10.96%	
Aaa/Aaa-mf/P1	2,104,868	3.28%	Aaa	17,024,720	4.58%	
Aa2	368,374	0.57%	Aa1	534,981	0.14%	
Aa3	32,886	0.05%	Aa2	917,907	0.25%	
A1	395,792	0.62%	Aa3	551,673	0.15%	
A2	246,240	0.38%	A1	5,114,664	1.37%	
A3	107,081	0.17%	A2	1,076,212	0.29%	
	<u>\$ 64,149,996</u>	<u>100.00%</u>	A3	4,858,887	1.31%	
			Baa1	2,127,609	0.57%	
			Baa2	3,714,842	1.00%	
			Baa3	3,657,196	0.98%	
			Ba1	1,522,593	0.41%	
			Ba2	464,861	0.12%	
			Ba3	484,185	0.13%	
			B1	982,513	0.26%	
			B2	436,951	0.12%	
			B3	1,050,052	0.28%	
			Caa1	331,723	0.09%	
			Caa2	63,357	0.02%	
			Caa3	15,000	0.00%	
			WR	587,538	0.17%	
			Total	<u>\$ 371,977,709</u>	<u>100.00%</u>	

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policy of SacRT contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, SacRT did not hold more than 5% of total investments in a single issuer.

The investment policy of the Pension Trust Funds states that an investment in domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the company's total outstanding shares. As of June 30, 2023, the Plans had the following investments in one issuer that comprised more than 5% of Plan investments.

Federal National Mortgage Association \$23,190,193

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2023, \$7,457,746 of SacRT's deposits and \$751,210 of the Custodial Fund's deposits were in excess of federal depository insurance (FDIC) limits and were held in collateralized accounts with securities collateralized in the financial institutions' name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SacRT's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, SacRT had no investment securities exposed to custodial credit risk. The Pension Trust Funds' investment securities are not exposed to custodial credit risk because all securities are held by the Pension Trust Funds' custodian bank in SacRT's name.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

FOREIGN CURRENCY RISK

The current SacRT investment policy does not address foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Pension Trust Funds' investment policy states that international equity shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

The following table provides information on deposits and investments held in foreign currencies, which are stated in U.S. dollars. As of June 30, 2023, SacRT does not have any deposits or investments in a foreign currency; however, the Pension Trust Funds do have foreign currency deposits and investments, which may be used for hedging purposes.

As of June 30, 2023, the U.S. dollar balances organized by investment type and currency denominations as follows:

	Foreign Currency	U.S. Dollars
Cash	Euro Currency	\$ 4,476
Corporate Bonds	Euro Currency	152,757
Government Agencies	Euro Currency	116,375
Total		\$ 273,608

FAIR VALUE MEASUREMENTS

SacRT categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. SacRT had the following recurring fair value measurements as of June 30, 2023:

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

Investments measured at fair value

	<u>6/30/2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Enterprise fund				
Debt securities				
Collateralized mortgage obligations	\$ 182,334	\$ -	\$ 182,334	\$ -
Corporate bonds	880,470	-	880,470	-
Municipals	292,763	-	292,763	-
U.S. Government Agency obligations	721,864	-	721,864	-
U.S. Government issued obligations	1,205,055	1,205,055	-	-
Asset backed securities	255,077	-	255,077	-
Carbon credits (LCFS/RIN)*	440,318	440,318	-	-
Total enterprise fund	<u>3,977,881</u>	<u>1,645,373</u>	<u>2,332,508</u>	<u>-</u>

Fiduciary funds

Debt securities				
Collateralized mortgage obligations	5,392,100	-	5,392,100	-
Corporate bonds	25,114,711	-	25,114,711	-
Municipals	441,714	-	441,714	-
U.S. Government Agency obligations	33,464,174	-	33,464,174	-
U.S. Government issued obligations	16,610,301	-	16,610,301	-
Asset backed obligations	5,271,530	-	5,271,530	-
Equity securities				
Common stock	92,908,146	92,908,146	-	-
Depository receipts	430,230	430,230	-	-
Rights/Warrants	2,127	2,127	-	-
Total fiduciary funds	<u>179,635,033</u>	<u>93,340,503</u>	<u>86,294,530</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 183,612,914</u>	<u>\$ 94,985,876</u>	<u>\$ 88,627,038</u>	<u>\$ -</u>

Investments measured at the net asset value (NAV)

Enterprise fund

CalTRUST	\$ 60,612,433
----------	---------------

Fiduciary funds

S&P 500 Index Fund	62,164,518
MSCI EAFE Index Fund	17,845,877
International Equity Fund	36,286,881
International Small Capital Equity Fund	19,342,499
International Emerging Markets Fund	22,264,780
Real Estate Funds	34,438,121
Total fiduciary funds	<u>192,342,676</u>
Total investments measured at NAV	<u>\$ 252,955,109</u>

*Balance included in Receivables Other on the Statement of Net Position

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.

	Amount	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>Enterprise fund</u>				
CalTRUST (1)	\$ 60,612,433	\$ -	Daily	1 day
<u>Fiduciary funds</u>				
S&P 500 Index Fund (2)	62,164,518	-	Daily	1 day
MSCI EAFE Index Fund (3)	17,845,877	-	Semi-monthly	6-8 days
International Equity Fund (4)	36,286,881	-	Monthly	7 days
International Small Capital Equity Fund (5)	19,342,499	-	Monthly	2 days
International Emerging Markets Fund (6)	22,264,780	-	Daily	1 day
Real Estate Funds (7)	34,438,121	-	Daily, Quarterly	90 days, 1 quarter
Total fiduciary fund	<u>192,342,676</u>			
Total investments measured at NAV	<u>\$ 252,955,109</u>			

1. CalTRUST. This type includes an investment in an external investment pool that is governed by the California Government Investment Code. CalTRUST is benchmarked against LAIF and the Barclays Short-Term Government/Corporate Index. The fair value of the investment in this type has been determined using the NAV. The NAV is calculated daily by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.
2. S&P 500 Index Fund. This type includes an investment in an S&P 500 index fund that invests to match the S&P 500 Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment is determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

3. MSCI EAFE Index Fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily international stocks. The per-unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.
4. International Equity Fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.
5. International Small Capital Equity Fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.
6. International Emerging Markets Fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage of larger companies associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investors may purchase or redeem shares of the fund on any business day.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

2. CASH AND INVESTMENTS (Continued)

7. Real estate funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments has been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Prime Property Fund, LLC had a redemption queue of \$4.1 billion at June 30, 2023. Prime Property Fund, LLC estimates the redemption queue will remain in effect at least through December 2024. The current redemption queue has been in effect since June 30, 2022. Clarion Lion Properties Fund, LP had a redemption queue of \$4.8 billion at June 30, 2023. Clarion Lion Properties Fund, LP is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since September 30, 2022.

RESTRICTED CASH AND INVESTMENTS

Enterprise Fund

At June 30, 2023, cash and investments include restricted amounts of \$39,243,416. Amounts represent monies restricted for debt reserve requirements of \$3,957,821 developer fee projects of \$17,420,455, and grantor-approved projects of \$17,865,140.

Fiduciary Funds

At June 30, 2023, restricted cash and investments of the Fiduciary Funds totaled \$392,522,880. Amounts represent funds restricted for employees' retirement of \$391,765,207 and Connect Card consortium members of \$757,673.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

3. CAPITAL, LEASE AND SUBSCRIPTION ASSETS

Capital, intangible right-to-use lease and subscription asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Transfers	Deletions	Balance June 30, 2023
Non-Depreciated Capital Assets					
Land*	\$ 84,774,783	\$ -	\$ -	\$ -	\$ 84,774,783
Construction in Progress	92,386,315	71,065,403	(18,594,951)	-	144,856,767
Total Non-Depreciated Capital Assets	177,161,098	71,065,403	(18,594,951)	-	229,631,550
Depreciated Capital Assets					
Buildings and Improvements*	950,407,573	1,973,921	7,373,491	(240,126)	959,514,859
Rolling Stock and Equipment	283,175,675	1,511,388	11,221,460	(55,914,377)	239,994,146
Total Depreciated Capital Assets	1,233,583,248	3,485,309	18,594,951	(56,154,503)	1,199,509,005
Accumulated Depreciation					
Buildings and Improvements	(436,915,860)	(24,114,447)	-	240,126	(460,790,181)
Rolling Stock and Equipment	(182,266,065)	(17,936,925)	-	39,836,114	(160,366,876)
Total Accumulated Depreciation	(619,181,925)	(42,051,372)	-	40,076,240	(621,157,057)
Capital Assets Being Depreciated, Net	614,401,323	(38,566,063)	18,594,951	(16,078,263)	578,351,948
Amortized Intangible Right-to-use Assets					
Intangible Right-to-use Buildings	34,368,282	5,352,399	-	-	39,720,681
Intangible Right-to-use Rolling Stock and Equipment**	113,888,206	-	-	(13,622)	113,874,584
Intangible Right-to-use SBITAs***	336,614	1,793,042	-	-	2,129,656
Total Amortized Right-to-use Assets	148,593,102	7,145,441	-	(13,622)	155,724,921
Accumulated Amortization					
Intangible Right-to-use Buildings	(5,654,818)	(1,627,988)	-	-	(7,282,806)
Intangible Right-to-use Rolling Stock and Equipment**	(73,666,685)	(3,696,456)	-	13,622	(77,349,519)
Intangible Right-to-use SBITAs***	-	(403,876)	-	-	(403,876)
Total Accumulated Amortization	(79,321,503)	(5,728,320)	-	13,622	(85,036,201)
Intangible Right-to-use Assets Being Amortized, Net	69,271,599	1,417,121	-	-	70,688,720
Capital Assets, Net	\$ 860,834,020	\$ 33,916,461	\$ -	\$ (16,078,263)	\$ 878,672,218

*Land and Building – the values of the land and buildings at McClellan Park, approximately \$3.7 million and \$6.7 million, respectively, are included as a capital assets in anticipation of SacRT receiving Fee Simple title to the property. On January 5, 2007, a net lease and purchase agreement was recorded, giving SacRT a 94-year land and building leasehold. Pursuant to such transaction, SacRT acquired a leasehold interest in multiple buildings and some exterior parking and the right to use certain common areas at McClellan Park (formerly McClellan Air Force Base). As the United States Air Force has completed its Hazardous Materials clean-up and Fee Simple Title has been transferred from the United States Air Force to McClellan, SacRT believes Fee Simple title will pass from McClellan to SacRT next year. All payments to acquire the land and building have been made upfront.

**Intangible Right-to-use Rolling Stock and related Accumulation Amortization - In the prior fiscal year, SacRT's light rail vehicles that are collateral for its leveraged lease/leaseback transactions were not properly classified as right-to-use rolling stock and accumulated amortization. The beginning balances have been adjusted to reflect the correct classification.

*** July 1, 2022 balance restated due to implementation of GASB Statement 96.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

3. CAPITAL, LEASE AND SUBSCRIPTION ASSETS (Continued)

Asset Impairments – SacRT periodically reviews its capital assets for possible impairment defined as a significant, unexpected decline in service utility of a capital asset. Urban Transportation Development Corporation light rail vehicles 301-309 and 311-321 as well as related spare parts inventory were permanently impaired due to concerns about meeting safety requirements as well as ongoing reliability issues. SacRT recorded an impairment loss of \$22,254,333 in fiscal year 2023 as an operating expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

4. LEASES

LEASE PAYABLE

SacRT, as lessee, has entered into various leases for intangible right-to-use office space, maintenance facilities, and parking with lease terms expiring between 2025 and 2031, with some leases containing options to renew. These leases include intangible right-to-use office space for administrative staff, an intangible right-to-use bus maintenance facility servicing Elk Grove, CA, an intangible right-to-use warehouse for facilities staff, and an intangible right-to-use office space and bus parking for SacRT GO operations. Additionally, SacRT leases an intangible right-to-use parking garage at Consumnes River College pursuant to a Lease and Joint Use Agreement for the construction of a parking structure at Cosumnes River College with Los Rios Community College District (Los Rios). SacRT and Los Rios have agreed to make joint use of the parking structure and adjacent surface parking. SacRT's lease payments are the cost of construction and have been paid in full, so there is no associated lease payable. The term of the lease, which commenced in August 2015 with the opening of the South Sacramento Corridor Phase II light rail extension, is for a period of 51 years with the option to extend for two consecutive 5-year terms.

If the lease's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB GO BVAL plus 100 basis points in fiscal year 2023 and BBB General Obligation Municipal Markets Data tax exempt index plus 100 basis points in fiscal year 2022 for a term similar to the lease. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new leases during the year.

As of June 30, 2023 the value of the lease liabilities, intangible right-to-use assets and related accumulated amortization are as follows:

Lease	Lease Liability	Intangible Right-to-use Asset	Accumulated Amortization
Intangible right-to-use Consumnes River College parking garage	\$ -	\$ 30,793,432	\$ 5,742,679
Intangible right-to-use office space	4,319,988	4,261,525	467,578
Intangible right-to-use bus maintenance facility	2,586,333	3,383,402	845,850
Intangible right-to-use warehouse	921,252	1,025,713	97,687
Intangible right-to-use office space and bus parking	127,920	256,609	129,012
Intangible right-to-use lease buildings	<u>\$ 7,955,493</u>	<u>\$ 39,720,681</u>	<u>\$ 7,282,806</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

4. LEASES (Continued)

The future principal and interest lease payments excluding lease/leaseback obligations as of June 30, 2023 are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	\$ 1,030,613	\$ 264,233	\$ 1,294,846
2025	1,077,788	230,385	1,308,173
2026	1,050,526	195,157	1,245,683
2027	1,108,186	158,183	1,266,369
2028	1,168,352	118,825	1,287,177
2029-2031	2,520,028	125,971	2,645,999
Total	<u>\$ 7,955,493</u>	<u>\$ 1,092,754</u>	<u>\$ 9,048,247</u>

LEASE/LEASEBACK PAYABLES

In December 2005, January 2006, and September 2007, SacRT entered into separate leveraged lease/leaseback transactions over a total of 50 light rail vehicles (the "Equipment"). Each transaction was structured as a head lease of the Equipment (the "Head Lease") to a special purpose trust created by an equity investor and a simultaneous sublease of the Equipment back to SacRT (the "Sublease"). Under the Sublease agreements, SacRT retains the intangible right-to-use light rail vehicles and is also responsible for their continued maintenance and insurance. Each Sublease Agreement provides SacRT with an option to purchase the intangible right-to-use Equipment at the end of the applicable Sublease term on specified dates between June 2030 and September 2035 for an aggregate purchase price of \$97,932,090.

At the closing of the lease/leaseback transactions, the light rail vehicles had a fair value of approximately \$223,880,000 and a net book value of \$94,822,528. SacRT received an aggregate of \$223,880,000 from the equity investor in full prepayment of the Head Leases. SacRT deposited a portion of the prepaid Head Lease payments with debt payment undertakers whose repayment obligations were guaranteed by American International Group Inc. ("AIG"). SacRT also deposited a portion of the prepaid Head Lease payments with an equity payment undertaker whose obligations, which were collateralized with U.S. agency securities and guaranteed by AIG, matured at such times and in such amounts that correspond to the purchase option payment dates and amounts for the intangible right-to-use Equipment under each Sublease. Although these escrows do not represent a legal defeasance of SacRT's obligations under the Subleases, management believes that these transactions were structured in such a way that it was not probable that SacRT would need to access other monies to make Sublease payments.

In addition, SacRT purchased surety bonds from Ambac Assurance Corporation ("Ambac"), a bond insurance company, to guarantee certain termination payments that are in the nature of stipulated damages, in the event the lease/leaseback transactions were terminated, in whole or in part, prior to each Sublease expiration payment date.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

4. LEASES (Continued)

The lease/leaseback transactions resulted in a net cash gain to SacRT of \$11,820,731, which was deferred and is being amortized over the lives of the Subleases. In the fiscal year ending June 30, 2023, SacRT amortized \$639,185 of such deferred gain. On June 30, 2023, SacRT had a balance of \$4,607,850 as deferred gain on the lease/leaseback transactions. SacRT's lease/leaseback transactions have been recorded similar to leases in that the present value of the future lease payments has been recognized on the Statement of Net Position as a Lease/Leaseback payable.

The original terms of the lease/leaseback transactions required SacRT replace (1) AIG as debt payment undertaker if its ratings were to fall below "A3" from Moody's Investor Services ("Moody's") or "A-" from Standard & Poor's Rating Group ("S&P"), (2) AIG as equity payment surety provider if its ratings were to fall below "Aa3" from Moody's or "AA-" from S&P, in each case within a specified period of time following demand by the equity investor.

In July 2011, the lease/leaseback transactions were restructured to (1) eliminate any minimum rating requirements applicable to Ambac, (2) reduce the minimum rating requirement applicable to AIG as debt payment undertaker guarantor to "Baa3" from Moody's and "BBB-" from S&P, (3) replace AIG as equity payment undertaker and guarantor with U.S. Treasury Obligations that matured by such dates and in such amounts that correspond to the purchase option dates and amounts for the Equipment under each Sublease and (4) extend the time periods for any of SacRT's remaining replacement obligations to one year. No payments under the debt payment undertaking agreements remain.

Under the terms of the July 2011 restructuring, SacRT was required to replace the U.S. Treasury Obligations if the rating fell below "Aaa" from Moody's or "AAA" from S&P. In August 2011, S&P downgraded the U.S. Treasury Obligation to "AA+". On October 16, 2013, the equity investor, SacRT and Ambac agreed to amend the minimum rating requirements for the U.S. Treasury Obligations to "Aa2" from Moody's and "AA" from S&P (the "October Amendment").

As a result of the October Amendment, SacRT is in full compliance with the terms of the lease/leaseback transactions.

In October 2022, CAF light rail vehicle 217 was removed from the September 2007 lease/leaseback transaction due to accident damage. The stipulated loss value less the value of securities held in trust of \$817,050 was paid to the Head Lessor from insurance proceeds.

As U.S. Treasury Obligations, held in trust, will mature to satisfy the purchase option for the Equipment under each Sublease, SacRT has recorded the amounts held by the trustee, US Bank, as Deposits for Lease/Leaseback Payables on the Statements of Net Position. The obligation under the lease agreements and the investments held to pay the lease/leaseback obligation are adjusted annually to reflect the change in the net present value of the related sublease and buy-out options. At June 30, 2023, the balance of this deposit was \$53,985,255.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

4. LEASES (Continued)

As of June 30, 2023 the value of the lease/leaseback liabilities, intangible right-to-use assets and related accumulated amortization are as follows:

Lease/Leaseback	Lease/Leaseback Liability	Intangible Right-to-use Asset	Accumulated Amortization
Light Rail Vehicles	\$ 53,985,255	\$ 113,874,584	\$ (77,349,519)
Intangible right-to use rolling stock and equipment	\$ 53,985,255	\$ 113,874,584	\$ (77,349,519)

The following table sets forth the aggregate amounts due under the sublease agreements, which is recorded as lease/leaseback payables on the statement of net position:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	\$ (2,769,235)	\$ 2,769,235	\$ -
2025	(2,911,303)	2,911,303	-
2026	(3,060,659)	3,060,659	-
2027	(3,217,679)	3,217,679	-
2028	(3,382,755)	3,382,755	-
2029-2033	(3,375,332)	17,627,967	14,252,635
2034-2036	72,702,218	9,071,713	81,773,931
Total	\$ 53,985,255	\$ 42,041,311	\$ 96,026,566

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

5. SUBSCRIPTIONS

SacRT has various subscription-based information technology agreements (SBITAs), the terms of which expire in various years through 2028.

If the SBITA's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB GO BVAL plus 100 basis points. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new SBITAs during the year. Discount rates applied and the initial subscription liabilities are as follows:

SBITA	Discount Rate	Initial Subscription Liability
Intangible right-to-use enterprise productivity applications	3.96%	\$ 1,035,886
Intangible right-to-use fleet maintenance application	4.27%	494,641
Intangible right-to-use information technology security application	3.96%	239,457
Intangible right-to-use fleet maintenance application	3.96%	109,061
		\$ 1,879,045

As of June 30, 2023, the value of the subscription liabilities, intangible right-to-use SBITA assets and related accumulated amortization are as follows:

SBITA	Subscription Liability	Intangible Right-to-use SBITA Asset	Accumulated Amortization
Intangible right-to-use enterprise productivity applications	\$ 695,173	\$ 1,095,171	\$ (132,677)
Intangible right-to-use fleet maintenance applications	433,910	611,892	(77,784)
Intangible right-to-use information technology security applications	81,401	336,120	(174,986)
Intangible right-to-use document management application	-	48,600	(8,100)
Intangible right-to-use fare management application	-	37,873	(10,329)
Intangible right-to-use SBITAs	\$ 1,210,484	\$ 2,129,656	\$ (403,876)

The future principal and interest subscription payments as of June 30, 2023 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 562,041	\$ 41,309	\$ 603,350
2025	414,441	22,128	436,569
2026	105,880	8,372	114,252
2027	62,696	4,855	67,551
2028	65,426	2,125	67,551
	\$ 1,210,484	\$ 78,789	\$ 1,289,273

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

6. DIRECT BORROWINGS

LINE OF CREDIT

For the purpose of short-term borrowing needs, SacRT has an unsecured line of credit (LOC) agreement with U.S. Bank National Association. The purpose of the line of credit is to meet SacRT’s liquidity needs stemming from the timing of cash receipts from Federal and State awards. The line is subject to a \$20,000,000 limit and matured on September 30, 2023. The interest rate for the LOC with U.S. Bank for the used portion of the LOC was at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion was a fixed 0.40% for the fiscal year ending June 30, 2023.

The LOC was subsequently extended to September 30, 2024; see subsequent event note 14 for additional information.

As of June 30, 2023, SacRT reported compliance with the short-term borrowing requirements stated under the California Government Code and with the financial covenants required by U.S. Bank.

The LOC direct borrowing contains (1) a provision that in event insolvency the LOC is automatically terminated and (2) a provision that in an event of default, the LOC can be immediately terminated or the timing of repayment of outstanding amounts become immediately due if SacRT is unable to make payment; SacRT’s farebox recovery ratio falls below the California Transportation Development Act requirements; SacRT does not maintain a net operating ratio for the most recently ended four consecutive fiscal quarters equal to at least 0.95:1; SacRT does not maintain a fixed charge coverage ratio for the most recently ended fiscal year equal to at least 1.15:1; SacRT does not maintain unrestricted liquidity in an amount at least equal to \$9,000,000, consisting of at least \$4,500,000 in cash on hand and the balance of the \$9,000,000 in cash and/or LOC availability; or any Revenue Bond rating is withdrawn or suspended or fall below “BBB” by S&P, “Baa2” by Moody’s or “BBB” by Finch.

SacRT’s LOC contains a subjective acceleration clause that allows the lender to immediately terminate the LOC or accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Short-term debt activity for the fiscal year ended June 30, 2023, was as follows:

	<u>7/1/2022</u>		<u>Draws</u>		<u>Repayments</u>		<u>6/30/2023</u>
Line of Credit \$	-	\$	-	\$	-	\$	-

The unused LOC balance at June 30, 2023 was \$20,000,000.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

7. LONG-TERM DEBT

REVENUE REFUNDING BONDS (Refunding Bonds), SERIES 2021A

In August 2021, SacRT issued Refunding Bonds totaling \$35,475,000 with interest rates ranging from 4% to 5%. The Refunding Bonds were issued to (a) current refund and defease all of the outstanding Sacramento Regional Transit District Farebox Revenue Bonds, Series 2012, (b) fund the Bond Reserve Fund and (c) pay the costs of issuance of the Series 2021A Refunding Bonds. The Refunding Bonds are a special limited obligation of SacRT and are secured solely by a pledge of Revenues, consisting of certain fare revenues collected by SacRT in connection with the operation of its transit system, the "Local Transportation Fund" revenues (subject to the parity lien thereon granted to the Line of Credit Bank) received by SacRT pursuant to the California Transportation Development Act of 1971, as amended, which consist of a portion of the sales tax revenues generated in Sacramento County from the one-fourth of 1% California statewide sales tax, and certain other moneys. Revenues are pledged thorough 2042.

Annual principal and interest payments on the bonds are expected to require approximately 2% of farebox and Local Transportation Fund revenue. The total principal and interest remaining to be paid on the bonds is \$55,377,000. Principal and interest paid for the current year and total farebox and Local Transportation Fund revenues were \$1,542,900 and \$105,700,666, respectively.

The Series 2021A Bonds maturing on or before March 1, 2031, are not subject to redemption prior to maturity. The Series 2021A Bonds maturing on and after March 1, 2032 are subject to redemption prior to their respective stated maturities, at the option of SacRT, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as SacRT specifies and within a maturity by lot), on or after March, 1 2031, at the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

As of June 30, 2023, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	\$ -	\$ 1,542,900	\$ 1,542,900
2025	-	1,542,900	1,542,900
2026	-	1,542,900	1,542,900
2027	-	1,542,900	1,542,900
2028	-	1,542,900	1,542,900
2029-2033	10,000,000	6,798,000	16,798,000
2034-2038	13,025,000	4,119,700	17,144,700
2039-2042	12,450,000	1,269,800	13,719,800
Total	<u>\$ 35,475,000</u>	<u>\$ 19,902,000</u>	<u>\$ 55,377,000</u>

As of June 30, 2023, the unamortized premium associated with the Refunding Bonds was \$8,331,597. The amortization of the premium for fiscal year ended June 30, 2023, was \$446,336 and was amortized to interest expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

7. LONG-TERM DEBT (Continued)

The debt indenture contains financial covenants including requirements for punctual payments to sinking funds, minimum amounts to be maintained in sinking funds, an annual balanced budget and submission of audited financial statements to the trustee within 210 days after the end of each fiscal year. As of June 30, 2023, SacRT was in compliance with all financial covenants of the Refunding Bonds.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due within One Year
Other Debt					
2021A Refunding Bonds	\$ 35,475,000	\$ -	\$ -	\$ 35,475,000	\$ -
Issuance Premium	8,777,933	-	(446,336)	8,331,597	-
Total Bonds	<u>44,252,933</u>	<u>-</u>	<u>(446,336)</u>	<u>43,806,597</u>	<u>-</u>
Other Long-Term Liabilities					
Compensated Absences	10,988,367	10,298,284	(9,612,953)	11,673,698	10,213,596
Advances from Other Governments	19,467,235	8,570,444	(7,713,193)	20,324,486	3,662,347
Claims Payable	21,315,980	16,375,174	(8,908,489)	28,782,665	9,897,530
Leases Payable	3,120,268	5,609,458	(774,233)	7,955,493	1,030,613
Lease/Leaseback Payable	52,320,775	2,634,101	(969,621)	53,985,255	-
Subscriptions Payable	239,457	1,639,588	(668,561)	1,210,484	562,041
Long-Term Liabilities	<u>\$ 151,705,015</u>	<u>\$ 45,127,049</u>	<u>\$ (29,093,386)</u>	<u>\$ 167,738,678</u>	<u>\$ 25,366,127</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

8. FUNDING SOURCES

SacRT is dependent upon funds from several sources to meet its operating, maintenance, and capital requirements. The receipt of such funds is controlled by statutes, the provisions of various grant contracts, regulatory approvals, and, in some instances, is dependent on the availability of grantor and local matching funds.

FEDERAL GRANTS

Federal grant funding is obtained from the Federal Transit Administration (FTA) and Department of Homeland Security. Federal funding for the fiscal year ended June 30, 2023, is comprised of the following:

Operating assistance grants:	
FTA Section 5307	\$ 57,884,208
FTA Section 5304	<u>101,623</u>
Total Federal operating assistance grants	<u>57,985,831</u>
Capital grants:	
FTA Section 5307	25,407,281
FTA Section 5339	3,655,647
FTA Section 5337	3,115,695
FTA Section 5309	2,727,367
FTA Section 5304	<u>70,746</u>
Total Federal capital grants	<u>34,976,736</u>
Total Federal operating and capital grants	<u><u>\$ 92,962,567</u></u>

The FTA retains its interest in assets acquired with Federal funds should they be disposed of before the end of their economic lives or not used for public transit.

Under provisions of Section 5307 of the Urban Mass Transportation Act of 1964, as amended, Federal resources are made available for planning, capital, and operating assistance, subject to certain limitations. Funds are apportioned annually based on a statutory formula and are available for a period of five years following the close of the fiscal year for which they were apportioned. Any unobligated funds at the end of such period revert to the federal government. In general, funds received for operations must, at a minimum, be matched 50% with local contributions and funds for capital projects, including operating activities defined as capital projects, must be matched 20% with local contributions.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

8. FUNDING SOURCES (Continued)

STATE AND LOCAL GRANTS

SacRT qualifies for and receives distributions from Local Transportation Funds, State Transit Assistance and Senate Bill 1 State of Good Repair under claims approved by the Sacramento Area Council of Governments (SACOG) in accordance with provisions of the Transportation Development Act (TDA).

State and local grant funding for the fiscal year ended June 30, 2023, is comprised of the following:

Operating assistance grants:	
Local Transportation Funds	\$ 89,086,134
Measure A Sales Tax Revenue	66,583,370
Low Carbon Transit Operations Program	<u>3,385,547</u>
Total state and local operating assistance grants	<u>159,055,051</u>
Capital grants:	
State Transit Assistance	26,101,770
Proposition 1A	13,084,451
Transit and Intercity Rail Program	10,658,131
Senate Bill 1 - State of Good Repair	4,867,845
California Department of Transportation	3,006,717
Developer Fees	2,319,559
Proposition 1B	1,593,886
Traffic Congestion Relief Program	1,405,009
Electrify America LLC	870,572
UC Davis Health	748,381
Sacramento Transportation Authority	255,391
Other	<u>21,525</u>
Total state and local capital grants	<u>64,933,237</u>
Total state and local grants	<u>\$ 223,988,288</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

8. FUNDING SOURCES (Continued)

ADVANCES FROM OTHER GOVERNMENTS

Advances from other governments at June 30, 2023, consisted of the following:

Developer Fees	\$ 15,168,088
Low Carbon Operations Transit Program	3,817,249
Sacramento County	1,208,113
California Labor Federation	77,000
Other	54,036
Total advances from other governments	<u>\$ 20,324,486</u>

The advances from other governments is restricted cash from grants and fees from area developers designated specifically for transit improvements, but not yet spent; utilized principally for capital projects. Management makes an estimate of the amount that will be recognized in the next fiscal year and classifies this amount as current.

PUBLIC TRANSPORTATION MODERNIZATION IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the \$19.925 billion of state general obligation bonds authorized, \$4.000 billion was set aside by the State as instructed by statute as the PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement. PTMISEA revenues are included as part of Proposition 1B state and local capital contributions on the Statement of Revenues, Expenses, and Changes in Net Position. PTMISEA activity for the fiscal year ended June 30, 2023, was as follows:

Revenues	\$ 1,930,917
Expenditures:	
Connect Card Firewall Refresh	(750,688)
Light Rail Crossing Enhancements	(711,540)
Purchase Wheel Truing Machine	(359,759)
Bus Stop Improvements	(108,930)
Net Activity	<u>\$ -</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

9. FARE RECOVERY RATIO

SacRT is required to maintain a fare revenue-to-operating expense ratio of 23% in accordance with the Transportation Development Act. To demonstrate compliance with this Fare Recovery Ratio, SacRT has supplemented, per California Public Utilities Code Section 99268.19, a portion of its Local Measure A funds in order to meet the required ratio. The fare revenue-to-operating expense ratio for SacRT is calculated as follows for the fiscal year ended June 30, 2023:

Fare Revenues	\$	16,614,532
Local Fund Supplementation (Measure A)		43,743,381
Total Revenues	\$	<u>60,357,913</u>
Operating Expenses	\$	309,566,217
Less Allowable Exclusions:		
Depreciation/Amortization		<u>(47,140,507)</u>
Net Operating Expenses	\$	<u>262,425,710</u>
Fare Revenue Ratio		<u>23.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS

DESCRIPTION OF PLANS

SacRT contributes to three single employer defined benefit pension plans:

- The Retirement Plan for Sacramento Regional Transit District employees who are members of ATU, Local 256 (ATU Plan),
- The Retirement Plan between International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District (IBEW Plan), and
- The Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Salaried Plan), which covers three different groups:
 - American Federation of State, County and Municipal Employees (AFSCME), which is further broken down into the following groups for bargaining and contract purposes:
 - AFSCME-Technical
 - AFSCME-Supervisors
 - Operating Engineers Local 3 which remain under the Administrative Employees' Association (AEA), and
 - Management and Confidential Employees Group (MCEG)

The plans are administered by SacRT under the direction of five separate Retirement Boards of Directors, each representing one of the aforementioned bargaining and employee groups of ATU, IBEW, AEA, AFSCME and MCEG. SacRT's administrative functions include: payments to retirees, accounting, financial management, Plan document management, correspondence with retirees, pension calculations, and other administrative tasks. The Retirement Boards are responsible for investment decisions, approving the annual actuarial valuation and annual contributions, approving the annual audited financial statements, approving retirements, and other tasks. All expenses incurred in the administration of the plans are paid by the plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Each Retirement Board is comprised of equal representation; SacRT Management by a member from SacRT's Board of Directors and General Manager, and two members from the represented group. Each Board member serves a four-year term, with no limit on the amount of terms that can be served. The ATU, IBEW and Salaried Plans issue a publicly available combined financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to Sacramento Regional Transit District, Attention: Chief Financial Officer, P.O. Box 2110, Sacramento, CA 95812, or online at www.sacrt.com.

Change in Bargaining Group - Changes in bargaining groups occur when an active employee of any Plan accepts a new position with a bargaining unit that participates in another Plan. When a change in bargaining group occurs, contributions made on behalf of that employee must be assessed to determine if the assets need to be moved to the new Plan. Amounts related to a change in bargaining group are recorded upon final verification and approval of calculated amounts by SacRT and the related bargaining group's retirement board. During the year ended June 30, 2023, assets were moved from the ATU Plan to the Salaried Plan in the amount of \$248,765. The effects of the change can be seen on the Statement of Changes in Fiduciary Net Position as Change in Bargaining Group within the additions and deductions categories.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tier effective date was directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of December 30, 2014, the ATU, IBEW, and AFSCME-Technical unions were bound by a current MOU. Whereas the AEA, MCEG, and AFSCME-Supervisors had not settled negotiations and were not bound by a current MOU; therefore, PEPRA was required to be implemented for these groups.

- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period from January 1, 2015, to December 31, 2015
- IBEW – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015
- AEA, MCEG, AFSCME-Supervisors, and AFSCME-Technical – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.

Tier 1 and Tier 3 are closed to new entrants as all newly hired employees will be placed into the respective Tier 2 plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Plan Termination – If a Plan is terminated with the consent of SacRT and the affected bargaining unit(s), the Plan’s net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

BENEFITS PROVIDED

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Boards based on an actuarial basis. The authority under which benefit provisions are established and amended rests with SacRT's Board of Directors as a result of labor negotiations.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors bargaining units.

The benefits for Tier 1, Tier 2, and Tier 3 members begin at retirement and continue for the participant’s life with no cost of living adjustment. The participant can elect to receive the normal form of payment (single life annuity) or an optional form of payment with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with SacRT, cannot be transferred to another job with SacRT, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU, IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant’s life unless the participant elects to receive an optional form of payment with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective plan documents. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

ATU, IBEW and Salaried Plan membership for Tier 1, Tier 2 and Tier 3 on June 30, 2023, consisted of:

Retirees and beneficiaries currently receiving benefits	1,040
Terminated members entitled to but not yet collecting benefits	94
Current active members	1,035
	2,169
	2,169

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Table 1 below presents a summary of the retirement benefits for Tier 1 and Tier 3 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans as of the fiscal year ended June 30, 2023.

Table 1

TIER 1 & TIER 3	ATU Plan	IBEW Plan	Salaries Plan			
Employee Union/ Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Ranges from 48 to 60 months depending on date of separation. See Plan documents for specific provisions.					
Vacation and sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans effective as of the fiscal year ended June 30, 2023.

Table 2

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Highest consecutive 48 months					
Vacation and sick leave sell back towards pension calculation	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Disability Retirement Multiplier	If allowable, equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required.					

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. The multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service for Tier 1 and Tier 3. Tier 2 retirement ages and multipliers are mandated by PEPRA, ranging from 1% at age 52 to 2.5% at age 67 and older. There were no changes to benefits during the year ended June 30, 2023.

Contributions

The ATU, IBEW and Salaried Plans' funding policies provide for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method and are approved by the Retirement Boards annually. During the fiscal year ended June 30, 2023, SacRT made contributions to the ATU, IBEW, and Salaried Plan of \$10,500,021, \$4,495,272, and \$11,561,711 respectively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Table 3 presents the employer and employee contribution rates and for Tier 1 and Tier 3 employees as of June 30, 2023:

Table 3

<u>Employee Group</u>	Tier 1		Tier 3	
	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>
ATU	30.23%	-	28.45%	3.00%
IBEW	34.11%	-	-	-
AEA, MCEG and AFSCME	43.28%	-	-	-

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPRA. Table 4 presents the employer and employee contribution rates for Tier 2 employees as of June 30, 2023:

Table 4

<u>Employee Group</u>	Tier 2	
	<u>Employer</u>	<u>Employee</u>
ATU	22.39%	7.25%
IBEW	25.68%	7.00%
AEA, MCEG and AFSCME	30.30%	6.50%

The employee contributions to the ATU, IBEW, and Salaried Plan for the fiscal year ended June 30, 2023, were \$1,429,978, \$585,325, and \$858,224, respectively.

The employee contribution rates calculated in compliance with PEPRA, for June 30, 2023, were actuarially determined as part of the valuations dated July 1, 2021. Employer contribution rates are calculated and change annually for all tiers. The employee contribution rates for Tier 2 employees are also calculated annually but only change if the total normal cost changes by more than 1 percent of payroll.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

NET PENSION LIABILITY

SacRT's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, and projected to June 30, 2022, for the ATU, IBEW and Salaried Plans. Update procedures were used to roll forward the total pension liability to the measurement date.

Actuarial Assumptions

The total pension liability measured as of June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement for the ATU, IBEW, and Salaried Plans.

Inflation	2.50%
Salary Increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Discount Rate	6.75%

Mortality rates were based on the Cheiron ATU Healthy Annuitant Mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016 for the ATU and IBEW Plans, and the Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted by 105% for females for the Salaried Plan.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

For the ATU, IBEW, and Salaried Plans, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Large Cap	32.00%	8.60%
Domestic Equity Small Cap	8.00%	9.60%
International Equity Developed	19.00%	9.00%
International Equity Emerging Markets	6.00%	10.45%
Domestic Fixed Income	25.00%	4.25%
Real Estate	10.00%	6.60%
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that SacRT contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

CHANGES IN THE NET PENSION LIABILITY

Table 5 below presents the changes in the net pension liability for the ATU Plan as of June 30, 2023:

Table 5

	ATU Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2022	\$ 206,737,070	\$ 171,544,565	\$ 35,192,505
Changes for the year:			
Service cost	5,953,419	-	5,953,419
Interest	13,712,873	-	13,712,873
Differences between expected and actual experience	(285,600)	-	(285,600)
Changes of assumptions	-	-	-
Contributions - employer	-	10,417,845	(10,417,845)
Contributions - member	-	1,191,796	(1,191,796)
Change in bargaining group	(515,525)	(667,990)	152,465
Net investment income	-	(12,345,778)	12,345,778
Benefit payments, including refunds of employee contributions	(13,239,168)	(13,239,168)	-
Administrative expense	-	(269,615)	269,615
Net Changes	<u>5,625,999</u>	<u>(14,912,910)</u>	<u>20,538,909</u>
Balances at 6/30/2023	<u>\$ 212,363,069</u>	<u>\$ 156,631,655</u>	<u>\$ 55,731,414</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Table 6 below presents the changes in the net pension liability for the IBEW Plan as of June 30, 2023:

Table 6

	IBEW Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2022	\$ 94,522,042	\$ 75,917,397	\$ 18,604,645
Changes for the year:			
Service cost	2,184,369	-	2,184,369
Interest	6,284,031	-	6,284,031
Differences between expected and actual experience	(291,610)	-	(291,610)
Changes of assumptions	-	-	-
Contributions - employer	-	4,163,949	(4,163,949)
Contributions - member	-	488,243	(488,243)
Net investment income	-	(5,444,825)	5,444,825
Benefit payments, including refunds of employee contributions	(5,082,251)	(5,082,251)	-
Administrative expense	-	(234,081)	234,081
Net Changes	<u>3,094,539</u>	<u>(6,108,965)</u>	<u>9,203,504</u>
Balances at 6/30/2023	<u>\$ 97,616,581</u>	<u>\$ 69,808,432</u>	<u>\$ 27,808,149</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Table 7 below presents the changes in net pension liability for the Salaried Plan as of June 30, 2023:

Table 7

	Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2022	\$ 175,865,307	\$ 129,366,721	\$ 46,498,586
Changes for the year:			
Service Cost	4,836,477	-	4,836,477
Interest	11,663,422	-	11,663,422
Differences between expected and actual experience	311,027	-	311,027
Changes of assumptions	-	-	-
Contributions - employer	-	10,993,228	(10,993,228)
Contributions - member	-	705,053	(705,053)
Change in bargaining group	836,523	667,990	168,533
Net investment income	-	(9,801,602)	9,801,602
Benefit payments, including refunds of employee contributions	(11,086,271)	(11,086,271)	-
Administrative expense	-	(262,018)	262,018
Net Changes	<u>6,561,178</u>	<u>(8,783,620)</u>	<u>15,344,798</u>
Balances at 6/30/2023	<u>\$ 182,426,485</u>	<u>\$ 120,583,101</u>	<u>\$ 61,843,384</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Table 8 below presents the changes in net pension liability combined for the ATU, IBEW and Salaried Plans as of June 30, 2023:

Table 8

	ATU, IBEW and Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2022	\$ 477,124,419	\$ 376,828,683	100,295,736
Changes for the year:			
Service Cost	12,974,265	-	12,974,265
Interest	31,660,326	-	31,660,326
Differences between expected and actual experience	(266,183)	-	(266,183)
Changes of assumptions	-	-	-
Contributions - employer	-	25,575,022	(25,575,022)
Contributions - member	-	2,385,092	(2,385,092)
Change in bargaining group	320,998	-	320,998
Net investment income	-	(27,592,205)	27,592,205
Benefit payments, including refunds of employee contributions	(29,407,690)	(29,407,690)	-
Administrative expense	-	(765,714)	765,714
Net Changes	<u>15,281,716</u>	<u>(29,805,495)</u>	<u>45,087,211</u>
Balances at 6/30/2023	<u>\$ 492,406,135</u>	<u>\$ 347,023,188</u>	<u>\$ 145,382,947</u>

There are no special funding situations for the ATU, IBEW or Salaried Plans for the fiscal year ending June 30, 2023.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of SacRT, calculated using the discount rate of 6.75%, as well as what SacRT's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
SacRT's net pension liability:			
ATU Plan	\$ 77,782,298	\$ 55,731,414	\$ 36,926,704
IBEW Plan	38,459,604	27,808,149	18,752,301
Salaried Plan	81,973,860	61,843,384	44,718,100
Total	<u>\$ 198,215,762</u>	<u>\$ 145,382,947</u>	<u>\$ 100,397,105</u>

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Plans for the Sacramento Regional Transit District Employees financial report. The Plan assets, for investing purposes, have been commingled to reduce investment expenses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The total pension expense recognized by SacRT for the ATU, IBEW and Salaried Plans for the fiscal year ended June 30, 2023, was \$11,645,452, \$5,542,846 and \$12,029,417 respectively, totaling \$29,217,715. At June 30, 2023, SacRT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:		
ATU Plan	\$ 6,152,089	\$ -
IBEW Plan	2,595,719	-
Salaried Plan	4,305,615	-
Differences between expected and actual experience:		
ATU Plan	918,878	(367,184)
IBEW Plan	437,933	(332,832)
Salaried Plan	1,831,413	-
Changes of assumptions:		
ATU Plan	6,414,033	(34,588)
IBEW Plan	4,741,250	(19,611)
Salaried Plan	4,483,678	-
Total of deferred outflows and inflows of resources before employer contributions	31,880,608	(754,215)
Employer contributions subsequent to the measurement date of the net pension liability:		
ATU Plan	10,500,021	-
IBEW Plan	4,495,272	-
Salaried Plan	11,561,711	-
Total employer contributions	26,557,004	-
 Total deferred outflows and inflows of resources	 \$ 58,437,612	 \$ (754,215)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

10. PENSION PLANS (Continued)

Deferred outflows of resources resulting from contributions made subsequent to the measurement date in the amount of \$26,557,004 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended June 30:	<u>ATU Plan</u>	<u>IBEW Plan</u>	<u>Salaried Plan</u>	<u>Total</u>
2023	\$ 3,388,454	\$ 1,815,920	\$ 4,175,809	\$ 9,380,183
2024	3,218,308	1,606,774	3,287,428	8,112,510
2025	1,761,187	788,218	(551,626)	1,997,779
2026	4,715,279	3,211,547	3,709,095	11,635,921
Total	<u>\$ 13,083,228</u>	<u>\$ 7,422,459</u>	<u>\$ 10,620,706</u>	<u>\$ 31,126,393</u>

PAYABLE TO THE PENSION PLAN

At June 30, 2023, there is no payable to the Plans as SacRT paid all contributions required for the fiscal year ended June 30, 2023.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

11. OTHER POST-EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description - SacRT's defined benefit OPEB plan provides OPEB under provisions of SacRT's Personnel Policy Manual, Collective Bargaining Agreements and certain California Public Employees' Retirement System (CalPERS) requirements for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT established an IRC Section 115 irrevocable trust under the California Employers' Retiree Benefit Trust Program (CERBT) for the purpose of (i) receiving employer contributions to prefund OPEB for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for OPEB in accordance with the terms of SacRT's plan. The funds in the CERBT are administered by CalPERS as an agent multiple-employer plan. Benefit provisions are established and may be amended by SacRT labor agreements which are approved by the Board of Directors.

Benefits Provided - SacRT provides medical care benefits for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT also provides dental care and life insurance benefits to active as well as to retired members hired before 2015 of the OE3, AFSCME, and MCEG. The benefits are mandated by contracted agreements between SacRT and the respective employee groups and may be amended at any time. Employees and their dependents may become eligible for such benefits if the employees reach normal retirement age while working for SacRT. Medical, dental, and life insurance benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year.

SacRT contributes between the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) and 90% the cost for retired members of OE3, AFSCME, and MCEG hired after 2014, 90% or 92% for plan members hired after 1993 and before 2014, and 100% for plan members hired prior to 1994. SacRT is required to contribute the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) for retired members of the ATU and IBEW.

Employees Covered by Benefit Terms - At June 30, 2023 the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	708
Terminated members entitled to but not yet collecting benefits	97
Current active members	1,088
	1,893

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions - The obligation of SacRT to contribute to the plan is established by the Board of Directors. SacRT currently prefunds the OPEB plan at 100% of the actuarially determined contribution. For the year ended June 30, 2023, SacRT's contribution was \$3,066,821. Employees are not required to contribute to the plan.

NET OPEB LIABILITY

SacRT's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods in the measurement.

General Inflation Rate	2.3 percent
Salary increases	3.0 percent
Investment rate of return	6.3 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	<i>Medical: Society of Actuaries Long Term Healthcare Cost Trends Model</i> using baseline assumptions Dental and required PEMHCA minimum employer contribution: 4.0% per year

Mortality rates were based on the Society of Actuaries' RP-2014 Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 130% for females and unadjusted for males for salaried and the RP-2014 Blue Collar Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 115% for males and 130% for females for union. The mortality tables were projected generationally using scale MP-2021.

Demographic actuarial assumptions used in the June 30, 2022 valuation were based on the July 1, 2015 valuations of the retirement plans covering SacRT employees and are based on the 2016 actuarial experience study of SacRT's retirement plans using data from 2011 to 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	49%	6.8%
Fixed Income	23%	3.7%
REITs	20%	6.0%
Treasury Inflation Protected Securities	5%	2.8%
Commodities	3%	3.4%
	100%	

* Developed by the CalPERS Investment Office for financial reporting after September 30, 2022.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.3 percent. The projection of cash flows used to determine the discount rate assumed that SacRT contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2022	\$ 48,107,336	\$ 42,445,606	\$ 5,661,730
Changes for the year:			
Service cost	1,645,108	-	1,645,108
Interest	3,268,195	-	3,268,195
Differences between expected and actual experience	(8,083)	-	(8,083)
Changes of assumptions	2,584,382	-	2,584,382
Contributions - employer	-	3,294,153	(3,294,153)
Net investment income	-	(5,718,188)	5,718,188
Benefit payments	(1,923,778)	(1,923,778)	-
Administrative expense	(745,754)	(745,754)	-
Other changes	-	(20,663)	20,663
Net Changes	4,820,070	(5,114,230)	9,934,300
Balances at 6/30/2023	\$ 52,927,406	\$ 37,331,376	\$ 15,596,030

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.3 percent) or 1-percentage-point higher (7.3 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	5.3%	6.3%	7.3%
Net OPEB liability	\$ 22,149,715	\$ 15,596,030	\$ 10,117,239

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Current Trend	Current Trend	Current Trend
	-1.0%		+1.0%
Net OPEB liability	\$ 9,363,823	\$ 15,596,030	\$ 23,234,642

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial statements that will be included in the CalPERS ACFR. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2023, SacRT recognized OPEB expense of \$1,629,419. At June 30, 2023, SacRT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 3,496,316	\$ (488,826)
Differences between expected and actual experience	2,211	(7,300,936)
Net difference between projected and actual earnings on OPEB Plan Investments	3,229,304	-
Contributions made subsequent to the measurement date	3,066,821	-
	\$ 9,794,652	\$ (7,789,762)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The \$3,066,821 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending on June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the future years as follows:

Year Ending June 30	Net Deferred Inflows of Resources
2024	\$ (387,784)
2025	(438,483)
2026	(898,684)
2027	767,370
2028	(329,020)
Thereafter	224,670
Total	\$ (1,061,931)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

12. SELF-INSURANCE

SacRT is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage provided by self-insured and excess coverage is generally as follows as of June 30, 2023:

Type of Coverage	Self-insurance (per occurrence)	Excess Commercial Insurance Coverage (per occurrence)
Workers' Compensation	Up to \$2,000,000	Statutory Limits
Commercial General Liability		
Bus	Up to \$2,000,000	\$2,000,000 to \$100,000,000
Light Rail	Up to \$2,000,000	\$2,000,000 to \$323,000,000
*Property:		
Buildings/Perils	Up to \$250,000	\$250,000 to \$92,749,000
Business Personal Property	Up to \$250,000	\$250,000 to \$61,792,000
Collision Bus	Up to \$500,000	\$500,000 to \$20,000,000
Collision Rail	Up to \$1,000,000	\$1,000,000 to \$100,000,000
Flood	Up to \$500,000	\$500,000 to \$10,000,000
Cyber Security	Up to \$500,000	\$500,000 to \$4,000,000

* includes revenue and non-revenue vehicles

SacRT purchases commercial insurance for claims in excess of self-insured amounts and for all other risks of loss to a stated maximum amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the previous year.

The claims liability of \$28,782,665 reported on June 30, 2023, is based on estimates of the amounts needed to pay prior and current year claims and to allow accrual of estimated incurred but not reported claims. Non-incremental claims adjustment expenses have been included as part of the liability. As of June 30, 2023, the Public Liability and Property Damage (PLPD) liability is discounted using a discount factor of 1.0% as SacRT holds in a reserve fund of \$3,485,415 at June 30, 2023. The Workers' Compensation liability is not discounted.

These claim estimates are actuarially determined and based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in SacRT's claims liability amount during the fiscal years ended June 30, 2023 and 2022, were as follows:

Fiscal Year Ended	Beginning of the Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	End of the Year Liability
June 30, 2023	\$ 21,315,980	\$ 16,375,174	\$ (8,908,489)	\$ 28,782,665
June 30, 2022	\$ 20,089,978	\$ 8,638,262	\$ (7,412,260)	\$ 21,315,980

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

13. CONTINGENT LIABILITIES AND COMMITMENTS

SacRT is involved in various claims and litigation arising from its operations. SacRT management, after consultation with SacRT's general counsel, believes that the resolution of such matters will not have a material adverse effect on SacRT's financial position or results of operations.

SacRT receives funding for specific purposes that is subject to review and audit by the granting agencies or funding source. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

SacRT has construction contracts and property acquisition commitments of \$107,632,197 at June 30, 2023. Federal, state, and local grant funds have been approved for such construction.

14. SUBSEQUENT EVENTS

LINE OF CREDIT

On September 28, 2023, the credit agreement with U.S. Bank was amended. Per the amended agreement, the line is subject to a \$20,000,000 limit and matures on September 30, 2024. The interest rate for the LOC with U.S. Bank for the used portion of the LOC is at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion is a fixed 0.40%.



Required Supplementary Information (Other than MD&A)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU Plan

	2023	2022	2021	2020	2019	2018
Total pension liability						
Service cost	\$ 5,953,419	\$ 5,457,843	\$ 5,197,253	\$ 5,084,840	\$ 4,765,696	\$ 4,835,944
Interest	13,712,873	13,411,008	13,012,883	12,664,533	12,761,359	12,885,195
Changes of benefit terms	-	-	-	-	-	(11,268)
Difference between expected and actual returns	(285,600)	1,531,462	(87,109)	(519,304)	(261,689)	(5,577,742)
Change of assumptions	-	10,690,055	-	(172,948)	3,663,543	-
Change in bargaining group	(515,525)	-	-	(314,880)	(5,129,398)	(2,713,007)
Benefit payments, including refunds of member contributions	(13,239,168)	(13,074,333)	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Net change in total pension liability	5,625,999	18,016,035	5,667,205	5,196,869	4,495,399	(1,357,864)
Total pension liability - beginning	206,737,070	188,721,035	183,053,830	177,856,961	173,361,562	174,719,426
Total pension liability - ending	\$ 212,363,069	\$ 206,737,070	\$ 188,721,035	\$ 183,053,830	\$ 177,856,961	\$ 173,361,562
Plan fiduciary net position						
Contributions - employer	\$ 10,417,845	\$ 9,579,205	\$ 8,783,426	\$ 8,533,307	\$ 7,863,420	\$ 7,987,367
Contributions - member	1,191,796	1,041,899	766,861	493,597	337,009	168,463
Change in bargaining group	(667,990)	-	-	(343,707)	(2,638,467)	(3,851,827)
Net investment income	(12,345,778)	36,857,731	2,523,724	8,012,792	8,591,810	14,419,708
Benefit payments, including refunds of member contributions	(13,239,168)	(13,074,333)	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Administrative expense	(269,615)	(283,989)	(243,847)	(279,016)	(260,006)	(306,539)
Net change in plan fiduciary net position	(14,912,910)	34,120,513	(625,658)	4,871,601	2,589,654	7,640,186
Plan fiduciary net position - beginning	171,544,565	137,424,052	138,049,710	133,178,109	130,588,455	122,948,269
Plan fiduciary net position - ending	\$ 156,631,655	\$ 171,544,565	\$ 137,424,052	\$ 138,049,710	\$ 133,178,109	\$ 130,588,455
Net pension liability - beginning	\$ 35,192,505	\$ 51,296,983	\$ 45,004,120	\$ 44,678,852	\$ 42,773,107	\$ 51,771,157
Net pension liability - ending	\$ 55,731,414	\$ 35,192,505	\$ 51,296,983	\$ 45,004,120	\$ 44,678,852	\$ 42,773,107
Plan fiduciary net position as a percentage of the total pension liability	73.76%	82.98%	72.82%	75.41%	74.88%	75.33%
Covered payroll	\$ 38,050,032	\$ 35,334,877	\$ 34,174,428	\$ 30,125,788	\$ 31,575,118	\$ 30,212,311
Net pension liability as a percentage of covered payroll	146.47%	99.60%	150.10%	149.39%	141.50%	141.58%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: Amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: Amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

2022: Amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	IBEW Plan					
	2023	2022	2021	2020	2019	2018
Total pension liability						
Service cost	\$ 2,184,369	\$ 1,935,920	\$ 1,806,472	\$ 1,792,845	\$ 1,596,227	\$ 1,640,651
Interest	6,284,031	6,010,122	5,716,051	5,449,300	5,338,451	4,742,855
Changes of benefit terms	-	-	-	-	-	(105,378)
Difference between expected and actual returns	(291,610)	(149,316)	845,009	499,642	(978,363)	2,420,299
Change of assumptions	-	7,111,874	-	(98,047)	1,630,101	-
Change in bargaining group	-	-	-	-	-	2,713,007
Benefit payments, including refunds of member contributions	(5,082,251)	(4,587,268)	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Net change in total pension liability	3,094,539	10,321,332	4,197,553	3,864,664	3,964,731	8,130,267
Total pension liability - beginning	94,522,042	84,200,710	80,003,157	76,138,493	72,173,762	64,043,495
Total pension liability - ending	\$ 97,616,581	\$ 94,522,042	\$ 84,200,710	\$ 80,003,157	\$ 76,138,493	\$ 72,173,762
Plan fiduciary net position						
Contributions - employer	\$ 4,163,949	\$ 3,578,685	\$ 3,230,879	\$ 3,299,013	\$ 3,195,912	\$ 3,315,379
Contributions - member	488,243	342,404	304,593	209,531	103,415	39,287
Change in bargaining group	-	-	-	-	-	3,851,827
Net investment income	(5,444,825)	16,461,248	1,082,659	3,482,632	3,629,569	5,332,230
Benefit payments, including refunds of member contributions	(5,082,251)	(4,587,268)	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Administrative expense	(234,081)	(256,797)	(218,135)	(229,569)	(225,752)	(239,189)
Net change in plan fiduciary net position	(6,108,965)	15,538,272	230,017	2,982,531	3,081,459	9,018,367
Plan fiduciary net position - beginning	75,917,397	60,379,125	60,149,108	57,166,577	54,085,118	45,066,751
Plan fiduciary net position - ending	\$ 69,808,432	\$ 75,917,397	\$ 60,379,125	\$ 60,149,108	\$ 57,166,577	\$ 54,085,118
Net pension liability - beginning	\$ 18,604,645	\$ 23,821,585	\$ 19,854,049	\$ 18,971,916	\$ 18,088,644	\$ 18,976,744
Net pension liability - ending	\$ 27,808,149	\$ 18,604,645	\$ 23,821,585	\$ 19,854,049	\$ 18,971,916	\$ 18,088,644
Plan fiduciary net position as a percentage of the total pension liability	71.51%	80.32%	71.71%	75.18%	75.08%	74.94%
Covered payroll	\$ 14,720,399	\$ 13,777,698	\$ 14,166,689	\$ 13,300,633	\$ 13,137,945	\$ 12,473,480
Net pension liability as a percentage of covered payroll	188.91%	135.03%	168.15%	149.27%	144.41%	145.02%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: Changes in benefit terms are due to *changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit*. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: Amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: Amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

2022: Amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU/IBEW PLAN

	2017	2016	2015
Total pension liability			
Service cost	\$ 5,760,060	\$ 5,753,143	\$ 5,599,479
Interest	16,758,356	16,384,487	15,740,342
Difference between expected and actual returns	(1,456,639)	(2,941,777)	-
Changes of assumptions	8,176,501	1,621,574	-
Transfers out - Salaried Plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Net change in total pension liability	16,057,404	7,659,442	8,288,478
Total pension liability - beginning	222,705,517	215,046,075	206,757,597
Total pension liability - ending	\$ 238,762,921	\$ 222,705,517	\$ 215,046,075
Plan fiduciary net position			
Contributions - employer	\$ 10,447,190	\$ 10,343,620	\$ 9,711,107
Contributions - member	54,714	3,682	22,425
Net investment income	(1,121,417)	4,609,506	22,631,819
Transfers out - salaried plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Administrative expense	(290,647)	(190,442)	(230,365)
Net change in plan fiduciary net position	(4,091,034)	1,608,381	19,083,643
Plan fiduciary net position - beginning	172,106,054	170,497,673	151,414,030
Plan fiduciary net position - ending	\$ 168,015,020	\$ 172,106,054	\$ 170,497,673
Net pension liability - beginning	\$ 50,599,463	\$ 44,548,402	\$ 55,343,567
Net pension liability - ending	\$ 70,747,901	\$ 50,599,463	\$ 44,548,402
Plan fiduciary net position as a percentage of the total pension liability	70.37%	77.28%	79.28%
Covered payroll	\$ 39,996,326	\$ 37,950,269	\$ 38,857,668
Net pension liability as a percentage of covered payroll	176.89%	133.33%	114.65%

Notes to Schedule:

Benefit changes – There were no substantial changes to the benefits in 2017.

Changes of assumptions – the investment rate of return and discount rate was reduced from 7.65% to 7.50%, during the fiscal year ended June 30, 2016, which is the measurement year for reporting. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. ATU and IBEW are reported as stand-alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

SALARIED PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 4,836,477	\$ 4,265,105	\$ 4,024,291	\$ 3,831,831	\$ 3,647,115	\$ 3,873,148	\$ 3,594,919	\$ 3,476,103	\$ 3,321,337
Interest (includes interest on service cost)	11,663,422	11,359,811	10,794,658	10,288,390	9,485,966	8,960,042	8,807,953	8,434,365	7,978,675
Changes in benefit terms	-	-	-	-	-	(298,430)	-	-	-
Difference between expected and actual returns	311,027	1,861,545	2,669,480	1,215,057	1,856,563	2,062,482	(852,040)	(753,076)	-
Changes of assumptions	-	8,967,358	-	(17,295)	3,291,931	-	(680,161)	930,863	-
Change in bargaining group	836,523	-	-	474,438	5,129,398	-	-	-	174,166
Benefit payments, including refunds of member contributions	(11,086,271)	(10,182,471)	(9,453,326)	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Net change in total pension liability	6,561,178	16,271,348	8,035,103	7,418,927	15,631,607	7,417,880	4,679,690	6,586,111	5,809,778
Total pension liability - beginning	175,865,307	159,593,959	151,558,856	144,139,929	128,508,322	121,090,442	116,410,752	109,824,641	104,014,863
Total pension liability - ending	\$ 182,426,485	\$ 175,865,307	\$ 159,593,959	\$ 151,558,856	\$ 144,139,929	\$ 128,508,322	\$ 121,090,442	\$ 116,410,752	\$ 109,824,641
Plan fiduciary net position									
Contributions - employer	\$ 10,993,228	\$ 9,807,539	\$ 9,159,513	\$ 8,503,815	\$ 7,669,178	\$ 7,321,138	\$ 7,576,866	\$ 7,335,308	\$ 6,609,083
Contributions - member	705,053	466,141	360,051	193,293	143,094	53,706	21,014	261	1,678
Change in bargaining group	667,990	-	-	343,707	2,638,467	-	-	-	174,166
Net investment income	(9,801,602)	28,976,644	1,526,151	5,649,123	6,073,483	9,388,876	(396,556)	2,132,136	9,297,644
Benefit payments, including refunds of member contributions	(11,086,271)	(10,182,471)	(9,453,326)	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Administrative expense	(262,018)	(253,303)	(226,310)	(260,441)	(247,077)	(289,067)	(269,624)	(194,209)	(176,367)
Net change in plan fiduciary net position	(8,783,620)	28,814,550	1,366,079	6,056,003	8,497,779	9,295,291	740,719	3,771,352	10,241,804
Plan fiduciary net position - beginning	129,366,721	100,552,171	99,186,092	93,130,089	84,632,310	75,337,019	74,596,300	70,824,948	60,583,144
Plan fiduciary net position - ending	\$ 120,583,101	\$ 129,366,721	\$ 100,552,171	\$ 99,186,092	\$ 93,130,089	\$ 84,632,310	\$ 75,337,019	\$ 74,596,300	\$ 70,824,948
Net pension liability - beginning	\$ 46,498,586	\$ 59,041,788	\$ 52,372,764	\$ 51,009,840	\$ 43,876,012	\$ 45,753,423	\$ 41,814,452	\$ 38,999,693	\$ 43,431,719
Net pension liability - ending	\$ 61,843,384	\$ 46,498,586	\$ 59,041,788	\$ 52,372,764	\$ 51,009,840	\$ 43,876,012	\$ 45,753,423	\$ 41,814,452	\$ 38,999,693
Plan fiduciary net position as a percentage of the total pension liability	66.10%	73.56%	63.00%	65.44%	64.61%	65.86%	62.22%	64.08%	64.49%
Covered payroll	\$ 28,436,264	\$ 27,147,142	\$ 26,295,215	\$ 22,220,418	\$ 24,283,580	\$ 23,435,642	\$ 24,341,878	\$ 23,022,281	\$ 22,008,809
Net pension liability as a percentage of covered payroll	217.48%	171.28%	224.53%	235.70%	210.06%	187.22%	187.96%	181.63%	177.20%

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

Notes to Schedule:

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Beginning in FYE 2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports, which can be updated with actual amounts by Plan for the final disclosure.

2017: The investment rate of return and discount rate was reduced from 7.75% to 7.65%.

2018: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The investment rate of return and discount rate was reduced from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.25%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU Plan
(Dollar amounts in thousands)**

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 10,500	\$ 10,418	\$ 9,579	\$ 8,783	\$ 8,533	\$ 7,863	\$ 7,987
Contributions in relation to the actuarially determined contribution	10,500	10,418	9,579	8,783	8,533	7,863	7,987
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 39,651	\$ 38,050	\$ 35,335	\$ 34,174	\$ 30,126	\$ 31,575	\$ 30,212
Contributions as a percentage of covered payroll	26.48%	27.38%	27.11%	25.70%	28.33%	24.90%	26.44%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2021 (to determine FY22-23 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 11-year closed period as of 6/30/2021. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Asset valuation method	5-year smoothed market
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023, can be found in the July 1, 2021 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the ATU Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
IBEW Plan
(Dollar amounts in thousands)**

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 4,495	\$ 4,164	\$ 3,579	\$ 3,231	\$ 3,299	\$ 3,196	\$ 3,315
Contributions in relation to the actuarially determined contribution	4,495	4,164	3,579	3,231	3,299	3,196	3,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 15,215	\$ 14,720	\$ 13,778	\$ 14,167	\$ 13,301	\$ 13,138	\$ 12,473
Contributions as a percentage of covered payroll	29.54%	28.29%	25.98%	22.81%	24.80%	24.33%	26.58%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2021 (to determine FY22-23 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 11-year closed period as of 6/30/2021. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Asset valuation method	5-year smoothed market
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023, can be found in the July 1, 2021 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the IBEW Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU/IBEW Plan
(Dollar amounts in thousands)**

	2016	2015	2014
Actuarially determined contribution	\$ 10,447	\$ 10,343	\$ 9,711
Contributions in relation to the actuarially determined contribution	10,447	10,343	9,711
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 39,996	\$ 37,950	\$ 38,858
Contributions as a percentage of covered payroll	26.12%	27.25%	24.99%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2014 (to determine FY15-16 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 17 year period as of 7/1/2015
Asset valuation method	5-year smoothed market
Discount Rate	7.65%
Amortization growth rate	3.15%
Price inflation	3.15%
Salary Increases	3.15%, plus merit component on employee classification and years of service
Mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. ATU and IBEW are reported as stand alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
SALARIED PLAN
(Dollar amounts in thousands)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 11,562	\$ 10,993	\$ 9,808	\$ 9,160	\$ 8,504	\$ 7,669	\$ 7,321	\$ 7,577	\$ 7,335	\$ 6,609
Contributions in relation to the actuarially determined contribution	11,562	10,993	9,808	9,160	8,504	7,669	7,321	7,577	7,335	6,609
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 30,417	\$ 28,436	\$ 27,147	\$ 26,295	\$ 22,220	\$ 24,284	\$ 23,436	\$ 24,342	\$ 23,022	\$ 22,009
Contributions as a percentage of covered payroll	38.01%	38.66%	36.13%	34.84%	38.27%	31.58%	31.24%	31.13%	31.86%	30.03%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2021 (to determine FY22-23 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 11-year closed period as of 6/30/2021. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Asset valuation method	5-year smoothed market
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Pri-2012 Bottom Quartile Table for Healthy Annuitants projected with Scale MP-2020, base tables adjusted 105% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2020, base tables adjusted 130% for males and 115% for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2023, can be found in the July 1, 2021 actuarial valuation report.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 1,645,108	\$ 1,681,694	\$ 1,632,712	\$ 1,556,281	\$ 1,507,294	\$ 1,459,848
Interest	3,268,195	3,640,504	3,469,020	3,514,022	3,345,560	3,196,439
Changes of benefit terms			-	-	-	-
Differences between expected and actual experience	(8,083)	(8,266,030)	-	(3,752,353)	-	-
Changes in assumptions	2,584,382	111,008	-	2,376,944	-	-
Benefit payments	(2,669,532)	(2,623,016)	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Net change in total OPEB liability	<u>4,820,070</u>	<u>(5,455,840)</u>	<u>2,504,282</u>	<u>1,134,818</u>	<u>2,422,437</u>	<u>1,939,867</u>
Total OPEB liability - beginning	<u>48,107,336</u>	<u>53,563,176</u>	<u>51,058,894</u>	<u>49,924,076</u>	<u>47,501,639</u>	<u>45,561,772</u>
Total OPEB liability - ending	<u>\$ 52,927,406</u>	<u>\$ 48,107,336</u>	<u>\$ 53,563,176</u>	<u>\$ 51,058,894</u>	<u>\$ 49,924,076</u>	<u>\$ 47,501,639</u>
Plan fiduciary net position						
Contributions - employer	\$ 3,294,153	\$ 3,207,854	\$ 3,134,146	\$ 3,292,735	\$ 3,182,371	\$ 5,817,444
Net investment income	(5,718,188)	9,037,648	1,129,669	1,778,876	2,069,510	2,299,759
Benefit payments	(2,669,532)	(2,623,016)	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Other expense	-	14,533	-	-	(34,264)	-
Administrative expense	(20,663)	(18,514)	(15,264)	(6,158)	(13,849)	(11,457)
Net change in plan fiduciary net position	<u>(5,114,230)</u>	<u>9,618,505</u>	<u>1,651,101</u>	<u>2,505,377</u>	<u>2,773,351</u>	<u>5,389,326</u>
Plan fiduciary net position - beginning	<u>42,445,606</u>	<u>32,827,101</u>	<u>31,176,000</u>	<u>28,670,623</u>	<u>25,897,272</u>	<u>20,507,946</u>
Plan fiduciary net position - ending	<u>\$ 37,331,376</u>	<u>\$ 42,445,606</u>	<u>\$ 32,827,101</u>	<u>\$ 31,176,000</u>	<u>\$ 28,670,623</u>	<u>\$ 25,897,272</u>
Net OPEB liability - beginning	<u>\$ 5,661,730</u>	<u>\$ 20,736,075</u>	<u>\$ 19,882,894</u>	<u>\$ 21,253,453</u>	<u>\$ 21,604,367</u>	<u>\$ 25,053,826</u>
Net OPEB liability - ending	<u>\$ 15,596,030</u>	<u>\$ 5,661,730</u>	<u>\$ 20,736,075</u>	<u>\$ 19,882,894</u>	<u>\$ 21,253,453</u>	<u>\$ 21,604,367</u>
Plan fiduciary net position as a percentage of the total OPEB liability	70.53%	88.23%	61.29%	61.06%	57.43%	54.52%
Covered employee payroll	\$ 87,460,343	\$ 81,204,926	\$ 78,109,160	\$ 73,751,153	\$ 68,996,643	\$ 67,347,993
Net OPEB liability as a percentage of covered employee payroll	17.83%	6.97%	26.55%	26.96%	30.80%	32.08%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

Notes to Schedule (Continued):

FY2023: Amounts reported as changes in assumptions resulted from lowering the discount rate from 6.75% to 6.30%, the inflation rate from 2.50% to 2.30% and the Pre-Medicare healthcare cost trend rate from 7.00% to 6.50%

FY2022: Amounts reported as changes in assumptions resulted from the change in the healthcare cost trend from the Getzen model to the *Society of Actuaries Long Term Healthcare Cost Trends Model*.

FY2020: Amounts reported as changes in assumptions resulted from the lowering of the discount rate from 7.00% to 6.75%, the inflation rate from 2.75% to 2.50%, salary increases from 3.25% to 3.00%, PEMHCA minimum and dental premium from 4.50% to 4.00% as well as the change to the Getzen model for medical cost trend rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
LAST 10 FISCAL YEARS**

(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,049	\$ 3,277	\$ 3,189	\$ 3,112	\$ 3,278	\$ 3,179
Contributions in relation to the actuarially determined contribution	3,067	3,294	3,208	3,134	3,293	3,182
Contribution deficiency (excess)	<u>\$ (18)</u>	<u>\$ (17)</u>	<u>\$ (19)</u>	<u>\$ (22)</u>	<u>\$ (15)</u>	<u>\$ (3)</u>
Covered employee payroll	\$ 91,669	\$ 87,460	\$ 81,025	\$ 78,109	\$ 73,751	\$ 68,997
Contributions as a percentage of covered employee payroll	3.35%	3.77%	3.96%	4.01%	4.46%	4.61%

Note: This schedule uses covered employee payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 6/30/2021 (to determine FY22-23)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation no more than 30 months plus 1 day prior to the close of the fiscal year end per GASB 75

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age, Level percentage of payroll
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market value of assets
Discount Rate	6.30%
General inflation	2.30%
Salary Increases	3.00%
Mortality	2016 SacRT Experience Study; Improvement

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2023**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 9,126,920	\$ 4,035,233	\$ 6,625,345	\$ 19,787,498
Receivables:				
Securities Sold	3,301,193	1,450,253	2,327,121	7,078,567
Interest and Dividends	296,802	130,469	210,244	637,515
Other Receivables and Prepaids	15,907	13,900	43,849	73,656
Total receivables	<u>3,613,902</u>	<u>1,594,622</u>	<u>2,581,214</u>	<u>7,789,738</u>
Investments:				
Equity Securities	110,120,195	49,824,454	91,300,409	251,245,058
Fixed Income Securities	40,256,470	17,682,606	28,355,454	86,294,530
Real Estate	16,108,690	7,076,728	11,252,703	34,438,121
Total investments	<u>166,485,355</u>	<u>74,583,788</u>	<u>130,908,566</u>	<u>371,977,709</u>
Total assets	<u>179,226,177</u>	<u>80,213,643</u>	<u>140,115,125</u>	<u>399,554,945</u>
LIABILITIES				
Securities Purchased Payable	12,757,315	5,603,635	8,985,872	27,346,822
Accounts Payable	395,186	149,937	138,825	683,948
Total liabilities	<u>13,152,501</u>	<u>5,753,572</u>	<u>9,124,697</u>	<u>28,030,770</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 166,073,676</u>	<u>\$ 74,460,071</u>	<u>\$ 130,990,428</u>	<u>\$ 371,524,175</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 10,500,021	\$ 4,495,272	\$ 11,561,711	\$ 26,557,004
Member	1,429,978	585,325	858,224	2,873,527
Change in Bargaining Group	-	-	248,765	248,765
Total contributions	<u>11,929,999</u>	<u>5,080,597</u>	<u>12,668,700</u>	<u>29,679,296</u>
Investment income:				
Net Appreciation in Fair Value of Investments	9,347,186	4,313,999	8,114,860	21,776,045
Interest, Dividends, and Other Income	2,977,294	1,316,610	2,281,018	6,574,922
Investment Expenses	(823,418)	(365,404)	(621,476)	(1,810,298)
Net investment income	<u>11,501,062</u>	<u>5,265,205</u>	<u>9,774,402</u>	<u>26,540,669</u>
Total additions	<u>23,431,061</u>	<u>10,345,802</u>	<u>22,443,102</u>	<u>56,219,965</u>
DEDUCTIONS				
Benefits Paid to Participants	13,450,294	5,470,433	11,781,877	30,702,604
Change in Bargaining Group	248,765	-	-	248,765
Administrative Expenses	289,981	223,730	253,898	767,609
Total deductions	<u>13,989,040</u>	<u>5,694,163</u>	<u>12,035,775</u>	<u>31,718,978</u>
Net increase in plan net position	9,442,021	4,651,639	10,407,327	24,500,987
Net position restricted for pension benefits - Beginning of fiscal year	<u>156,631,655</u>	<u>69,808,432</u>	<u>120,583,101</u>	<u>347,023,188</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 166,073,676</u>	<u>\$ 74,460,071</u>	<u>\$ 130,990,428</u>	<u>\$ 371,524,175</u>



Statistical Section (Unaudited)

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

This part of the Sacramento Regional Transit District's (SacRT) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about SacRT's overall financial health.

CONTENTS	<u>Page</u>
Financial Trends	90
These schedules contain information to help the reader understand how SacRT's financial performance and well-being have changed over time.	
Revenue Capacity	92
These schedules contain information to help the reader assess the factors affecting SacRT's ability to generate its fares.	
Debt Capacity	94
These schedules present information to help the reader assess the affordability of SacRT's current levels of outstanding debt and the SacRT's ability to issue additional debt in the future.	
Demographic and Economic Information	96
These schedules offer demographic and economic indicators to help the reader understand the environment within which SacRT's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	99
These schedules contain information about SacRT's operations and resources to help the reader understand how SacRT's financial information relates to the services SacRT provides and the activities it performs.	

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant year. SacRT implemented GASB Statements No. 63 and 65 in the fiscal year ended June 30, 2013, GASB Statement No. 68 in the fiscal year ended June 30, 2015 and GASB Statement No. 75 in the fiscal year ended June 30, 2018. Schedules comparative results are retroactively presented.*

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Position										
Net Investment in Capital Assets	\$ 798,019	\$ 864,160	\$ 878,849	\$ 889,347	\$ 852,174	\$ 821,610	\$ 779,273	\$ 788,415	\$ 806,700	\$ 752,983
Restricted for:										
Capital Projects	1,211	1,751	-	-	-	-	2,280	5,522	5,817	5,567
Debt Service	2,279	1,829	1,831	-	3,484	3,435	3,472	3,439	3,383	57,414
Annexations							3,694	3,420	5,780	5,780
Unrestricted	<u>31,723</u>	<u>(48,259)</u> ¹	<u>(50,474)</u>	<u>(48,012)</u>	<u>(61,136)</u>	<u>(49,001)</u>	<u>(74,451)</u>	<u>(55,532)</u>	<u>(16,956)</u>	<u>12,162</u>
Total Net Position	<u>\$ 833,232</u>	<u>\$ 819,481</u>	<u>\$ 830,206</u>	<u>\$ 841,335</u>	<u>\$ 794,522</u>	<u>\$ 776,044</u>	<u>\$ 714,268</u>	<u>\$ 745,264</u>	<u>\$ 804,724</u>	<u>\$ 833,906</u>

¹ The fiscal year 2015 decrease is due to the implementation of GASB Statement No. 68 which reduced net position by \$82,455,095 offset by an increase in net position of \$68,704,438 that is primarily the result of capital contributions that funded the District South Line Phase 2 extension project and the delivery of 30 new Gillig 40' buses

²The fiscal year 2020 decrease is due the change in federal grant revenue recognition per GASB Implementation Guide 2019-1

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(expressed in thousands)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Fares	\$ 29,157	\$ 28,396	\$ 28,056	\$ 30,487	\$ 27,276	\$ 25,428	\$ 20,999	\$ 12,001	\$ 14,309	\$ 16,615
Operating Expenses										
Labor and Fringe Benefits	94,755	93,182	99,692	108,886	110,545	116,997	133,144	146,708	143,524	161,215
Professional and Other Services	26,130	27,533	29,332	30,342	27,119	27,348	27,923	16,455	17,657	20,500
Spare Parts and Supplies	11,996	10,549	8,526	11,996	10,841	12,139	14,550	14,836	15,862	19,563
Utilities	5,646	5,816	6,288	6,619	6,995	6,761	6,821	7,272	7,425	7,988
Casualty and Liability Costs	8,343	7,906	7,160	9,317	9,300	14,011	9,931	12,336	19,783	28,248
Depreciation	33,982	34,128	39,925	43,959	43,126	43,359	42,739	44,060	46,623	47,141
Indirect Costs Allocated to Capital Programs	(887)	(1,204)	(1,038)	(538)	(459)	(309)	(230)	(199)	-	-
Other	1,460	1,541	1,434	1,702	2,355	2,847	2,745	2,144	2,518	2,658
Impairment Loss	-	-	-	-	-	15,375	15,375	-	-	22,254
Total Operating Expenses	181,425	179,451	191,319	212,283	209,822	223,153	237,623	243,612	253,392	309,566
Operating Loss	(152,268)	(151,055)	(163,263)	(181,796)	(182,546)	(197,725)	(216,624)	(231,611)	(239,083)	(292,952)
Non-Operating Revenues (Expenses)										
Operating Assistance:										
State and Local	78,318	80,350	81,518	86,911	93,339	104,031	114,880	113,657	144,508	159,055
Federal	32,620	32,764	36,156	35,611	41,746	38,668	36,719	95,986	59,498	57,986
Investment Income	1,941	1,996	2,129	2,124	2,223	2,753	3,105	2,651	2,311	5,223
Interest Expense	(3,223)	(2,982)	(3,675)	(2,353)	(2,707)	(2,745)	(5,010)	(4,881)	(4,672)	(4,244)
Pass Through to Subrecipients	(3,401)	(2,933)	(2,030)	(1,075)	(4,645)	(2,838)	(301)	(4,260)	(2,743)	(1,110)
Professional and Other Services-Funded Alternative Fuel and Carbon Tax Credits	-	-	-	(6,162)	(7,325)	(4,448)	(74)	-	-	-
Contract Services	5,530	5,810	6,110	6,260	6,420	3,731	7,125	6,634	826	842
Insurance Proceeds and Other	2,863	4,193	5,325	4,353	4,981	8,027	9,601	716	9,344	3,884
Total Non-Operating Revenues	114,648	119,198	125,533	125,669	134,032	147,179	166,045	210,503	212,002	225,349
Loss Before Capital Contributions	(37,620)	(31,857)	(37,730)	(56,127)	(48,514)	(50,546)	(50,579)	(21,108)	(27,081)	(67,603)
Capital Contributions										
State and Local	15,878	25,635	18,376	18,376	16,804	24,307	27,812	42,669	41,352	64,933
Federal	48,512	74,926	30,078	30,078	4,133	2,371	4,558	4,848	29,408	34,977
Increase (Decrease) in Net Position before Special Item	26,769	68,704	10,724	10,724	(27,577)	(23,868)	(26,531)	30,996	43,679	32,307
Extraordinary (Loss) Gain on Early Extinguishment of Debt	-	-	-	-	-	-	-	-	-	-
Special Items	-	-	-	-	-	5,390	-	-	15,781	-
Increase (Decrease) in Net Position after Special and Extraordinary Items	\$ 26,769	\$ 68,704	\$ 10,724	\$ 10,724	\$(27,577)	\$(18,478)	\$(26,531)	\$ 30,996	\$ 59,460	\$ 32,307

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Farebox</u>	<u>Fare Prepayment/ Outlet Sales</u>	<u>Special/ Contracted</u>	<u>Other</u>	<u>Total</u>
2014	8,069,001	19,305,312	1,771,265	11,342	29,156,920
2015	8,047,861	18,514,485	1,822,565	11,191	28,396,102
2016	7,423,668	18,304,088	2,320,645	7,403	28,055,804
2017	8,028,861	18,729,711	3,719,407	9,119	30,487,098
2018	9,826,478	14,243,595	3,193,550	12,608	27,276,231
2019	11,948,401	10,102,175	3,367,622	10,234	25,428,432
2020	10,773,484	5,998,126	4,225,036	2,231	20,998,877
2021	5,394,475	3,815,707	2,791,090	-	12,001,272
2022	6,544,999	4,043,805	3,719,345	620	14,308,769
2023	7,272,766	4,385,625	4,953,896	2,245	16,614,532

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL FARE REVENUE PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Customers	Fiscal Year 2023 Sales		Fiscal Year 2014 Sales	
	Amount	%	Amount	%
Los Rios Community College District	\$ 2,343,745	14.11%	\$ 1,028,074	3.53%
Department of Human Assistance	2,040,000	12.28%	1,927,255	6.61%
RydeFree Program K-12 Student	1,455,000	8.76%	-	0.00%
California State University Sacramento	961,204	5.79%	688,327	2.36%
Alta California Regional Center	248,435	1.50%	787,600	2.70%
Highlands Community Charter School	216,900	1.31%	-	0.00%
Francis House Center-A Program of Next Move	163,850	0.99%	-	0.00%
SCUSD WorkAbility Program	52,110	0.31%	-	0.00%
Sacramento County Probation	35,000	0.21%	-	0.00%
Dept. of Child, Family, and Adult Services	21,000	0.13%	-	0.00%
Raleys Family of Fine Stores	-	0.00%	1,133,745	3.89%
Health and Human Services	-	0.00%	953,470	3.27%
Department of Transportation	-	0.00%	903,615	3.10%
Employment Development Department	-	0.00%	880,135	3.02%
California Environmental Protection Agency	-	0.00%	790,648	2.71%
Franchise Tax Board	-	0.00%	730,043	2.50%
Subtotal (10 Largest)	7,537,244	45.37%	9,822,912	33.69%
Balance from other customers	9,077,288	54.63%	19,334,008	66.31%
Grand Total	\$ 16,614,532	100.00%	\$ 29,156,920	100.00%

Grand Total Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Farebox Revenue	Refunding Bonds Series 2021A	Lease/		Total Debt	Six-County Region Percentage	Six-County Region
	Bonds Series 2012		Leaseback Payable	Loan Payable		of Personal Income	Per Capita
2014	92,006,633	-	35,062,503	13,988,074	141,057,210	0.11%	38.27
2015	88,927,782	-	36,861,364	13,988,074	139,777,220	0.10%	36.11
2016	87,113,931	-	38,752,526	13,988,074	139,854,531	0.10%	35.37
2017	51,017,296	-	40,740,724	13,988,074	105,746,094	0.07%	20.46
2018	50,841,764	-	42,830,939	13,988,074	107,660,777	0.07%	20.20
2019	50,666,232	-	45,028,404	13,988,074	109,682,710	0.07%	19.95
2020	49,628,200	-	47,338,625	13,988,074	110,954,899	0.06%	19.45
2021	48,242,667	-	49,767,388	-	98,010,055	0.06%	18.72
2022	-	44,252,933	52,320,775	-	96,573,708	Not available	17.16
2023	-	43,806,597	53,985,255	-	97,791,852	Not available	16.99

Lease/Leaseback is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting deposit on SacRT's Statement of Net Position

Loan Payable is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting receivable accrual on SacRT's Statement of Net Position

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PLEGGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Fare Revenue	Non-Fare Revenues	Total Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2014	29,156,920	115,299,629	144,456,549	144,777,141	(320,592)	2,710,000	4,123,100	(0.05)
2015	28,396,102	119,886,619	148,282,721	146,515,212	1,767,509	2,795,000	4,041,800	0.26
2016	28,055,804	126,809,242	154,865,046	152,830,940	2,034,106	1,530,000	3,957,950	0.37
2017	30,487,098	131,596,154	162,083,252	157,379,743	4,703,509	33,142,500	-	0.14
2018	27,276,231	141,379,634	168,655,865	159,444,596	9,211,269	175,532	-	52.48
2019	25,428,432	151,586,987	177,015,419	173,778,795	3,236,624	175,532	-	18.44
2020	20,998,877	173,098,872	194,097,749	181,407,884	12,689,865	862,500	1,711,575	4.93
2021	12,001,272	185,269,071	197,270,343	191,326,773	5,943,570	1,210,000	2,224,600	1.73
2022	14,308,769	207,090,527	221,399,296	215,176,642	6,222,654	1,270,000	2,164,100	1.81
2023	16,614,532	225,896,366	242,510,898	239,358,618	3,152,280	1,330,000	2,100,600	0.92

Notes: Details regarding SacRT's debt can be found in the notes to the financial statements. Operating expenses do not include depreciation and capital funded expenses.

A portion of the 2012 Revenue Bond interest is funded with Federal Capital Revenue
A refunding of the 2012 Revenue Bonds occurred in Fiscal Year 2022
Capital revenue has been excluded from this schedule.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**DEMOGRAPHIC AND ECONOMIC INDICATORS
LAST TEN FISCAL YEARS**

	Population 1,2		Personal Income 1,2 (In Thousands)		Per Capital Personal ¹ Income		Unemployment Rate ³	
	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region
2014	1,485,221	2,415,013	65,106,762	112,028,672	43,836	46,388	7.4%	7.5%
2015	1,506,558	2,446,275	69,706,561	119,814,816	46,269	48,978	6.0%	6.2%
2016	1,527,104	2,479,591	72,142,550	124,623,797	47,241	50,260	5.4%	5.6%
2017	1,546,422	2,513,134	75,107,692	129,603,877	48,569	51,571	4.7%	4.8%
2018	1,560,721	2,539,823	78,819,492	135,829,947	50,502	53,480	3.9%	4.0%
2019	1,575,602	2,564,909	83,515,309	144,038,387	53,005	56,157	3.7%	3.9%
2020	1,586,241	2,580,763	91,987,475	157,856,536	57,991	61,167	9.5%	9.0%
2021	1,588,921	2,593,912	98,241,828	168,426,248	61,829	64,931	6.9%	6.6%
2022	1,573,366	2,575,545	Not available	Not available	Not available	Not available	3.9%	3.9%
2023	1,572,453	2,574,273	Not available	Not available	Not available	Not available	4.4%	4.5%

Source: Six-county region includes Sacramento, Placer, Yolo, El Dorado, Yuba and Sutter counties.

1. 2014-2021 U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal income population, per capita personal income*.
2. 2022-2023 State of California, Department of Finance, E-1 City, County and State Population Estimates, 2022–2023.
3. State of California, Employment Development Department, Labor Force & Employment Data

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2023			Fiscal Year 2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of California	107,876	1	15.38%	77,220	1	12.33%
UC Davis Health	16,075	2	2.29%	9,905	4	1.58%
Sacramento County	13,252	3	1.89%	10,700	2	1.71%
Kaiser Permanente	10,934	4	1.56%	5,421	8	0.87%
U.S. Government	10,507	5	1.50%	9,906	3	1.58%
Sutter Health	9,350	6	1.33%	7,352	5	1.17%
Dignity Health	7,353	7	1.05%	6,212	6	0.99%
Intel	5,000	8	0.71%	6,000	7	0.96%
San Juan Unified School District	4,801	9	0.68%			
Los Rios Community College District	3,049	10	0.43%			
Elk Grove Unified School District				5,410	9	0.86%
Sacramento City Unified School District				4,200	10	0.67%
Total	188,197		26.83%	142,326		22.72%

Source: Sacramento Business Journal

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

CONTINUING DISCLOSURE REQUIREMENTS

SEC Rule 15c2-12

The following summary provides SacRT's specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in SacRT's Annual Comprehensive Financial Report (ACFR) and SacRT's Adopted Budget.

	2023 ACFR Page No.
Management Discussion and Analysis, Audited Financial Statements and Statistical Information	4-108

Tabular or numerical information of the types contained in the Official Statement relating to the 2021A Refunding Bonds under the following subscriptions:

(i) Total bus passengers, total light rail passengers, total ridership and amount of total Farebox Revenues	16,102-105
(ii) SacRT Farebox Recovery Ratio	52,102
(iii) LTF Revenues claimed and expended	50,101
(iv) Measure A Sales Taxes, STA Funds and federal grants used for operating expenses	50,101
(v) Measure A Sales Taxes allocated to SacRT	50,101
(vi) STA Funds claimed and expended by SacRT	50,101
(vii) Federal grant funds expended by SacRT	49,100

Covenants of the Issuer

The following summary provides SacRT's specific and continuing covenants of the issuer in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in the 2021A Official Statement, SacRT's Annual Comprehensive Financial Report (ACFR).

	2021A Official Statement	FY 2023 ACFR Page No.
Punctual Payments	C-31	47
Application of Farebox Revenues	C-32	16

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**DISTRICT PROFILE
As of June 30, 2023**

Date the Authority began Operations	April 1, 1973
Form of Governance	Board of Directors, with General Manager
Metropolitan Population	1.4 million
Total Employees	1,289
Service Area	All of Sacramento County, with services to Citrus Heights, Elk Grove, Folsom and Rancho Cordova
Population of Service Area	Approximately 1.7 million
Local Financial Support	Local Transportation Funds Measure A Sales Tax Revenue
Number of Bus Routes	81
Number of Rail Lines	3
Miles of Rail	44
Weekday Bus Revenue Service Miles	32,337
Weekday Rail Revenue Service Miles	10,590
Average Weekday Bus and Rail Riders	47,409
Number of Vehicles in Service	238 40' CNG Buses 211 - Electric, Gasoline Shuttles and Diesel Buses
Paratransit	120
Park and Ride Lots	22
Bus and Light Rail Transfer Stations	30
Bus Stops	3,200+
Rail Stations	53

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

TEN YEAR FUNDING HISTORY

The following table shows available funding that SacRT as been awarded over the last ten years from our major federal funding sources, followed by a brief description of each source.

FEDERAL FUNDS								
Federal Transit Funds								
	Section 5307	Section 5309 Fixed Guideway	Section 5316/5317 JARC/NF	Federal Highway Discretionary Funds	Section 5339	Section 5337	ARRA	Other
2014	\$ 20,420,103	\$ -	\$ 45,660,000	\$ 663,603	\$ -	\$ 9,764,225	\$ 3,034,209	\$ 241,696
2015	21,159,005	-	-	10,345,160	1,792,567	10,239,772	-	171,557
2016	34,542,554	-	-	3,060,284	1,858,949	11,499,470	-	35,193
2017	25,131,975	-	-	3,154,867	745,539	11,580,302	-	68,161
2018	24,458,274	-	-	1,479,789	2,544,715	13,804,359	-	101,912
2019	24,616,326	-	-	505,056	2,117,403	13,064,129	-	79,976
2020	27,616,695	-	-	211,902	2,073	13,098,402	-	348,132
2021	82,360,152	-	-	-	1,355,747	12,220,975	-	49,262
2022	83,732,851	49,519	-	28,963	394,391	4,454,602	-	115,193
2023	83,291,490	2,727,367	-	-	3,655,647	3,115,695	-	172,368

Federal Funds

Section 5307 Funds: Funds distributed by formula to large and small urban areas for a variety of transit planning, capital and preventive maintenance needs.

Section 5307 Funds: Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Relief Plan (ARP) stimulus funds to offset revenue decline and additional expenses related to COVID-19.

Section 5309 Fixed Guideway Funds: Funds distributed by formula to urban rail transit operators for repair and rehabilitation of commuter and light rail systems.

Section 5316 Jobs Access & Reverse Commute (JARC): Funds for operating new service that provides increased access to job opportunities, either through new service routes or expansions of existing routes into non-traditional service hours.

Section 5317 New Freedom (NF): Funds to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities Act (ADA) of 1990.

Federal Highway Discretionary Funds: Funds distributed for a variety of transportation planning, construction, and equipment acquisition needs. Projects are approved for funding by local agencies and forwarded to appropriate state and federal agencies for funding authorization.

Section 5339 Bus and Facilities Funds: A portion of the funds distributed by formula and a portion of the funds are distributed through a competitive process. Funds are used for bus renovations, purchases and bus support facility projects.

Section 5337 State of Good Repair Funds: Funds distributed for formula to repair and upgrade rail transit systems along with high-density motor bus systems that use high occupancy vehicle (HOV) lanes including bus rapid transit (BRT).

ARRA Funds: On February 17, 2009 the President signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). The Act provides direct funding from the federal government for infrastructure, fiscal stabilization and other programs over the next several years. ARRA is designed to create or save jobs, and invest in science, health care, transportation, education, and energy efficiency.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

TEN YEAR FUNDING HISTORY (Continued)

The following table shows available funding that SacRT has been awarded over the last ten years from our major state and local funding sources, followed by a brief description of each source.

	STATE FUNDS		LOCAL FUNDS		
	Transit Capital Improvement	Measure A	Local Transportation Fund	State Transit Assistance	Other
2014	\$ 15,649,388	\$ 34,063,375	\$ 34,608,256	\$ 9,787,039	\$ 87,174
2015	22,299,682	36,889,447	36,098,557	8,869,049	1,828,749
2016	16,609,064	37,244,297	36,950,479	7,049,646	2,040,730
2017	63,558,519	39,263,496	38,731,878	7,156,739	(3,556,168)
2018	5,001,678	41,460,448	40,966,707	12,603,839	10,110,006
2019	21,293,864	44,949,578	47,175,047	9,606,729	5,312,351
2020	30,362,695	46,714,046	51,729,305	12,778,564	1,107,351
2021	42,669,140	59,903,826	51,158,504	10,004,038	2,595,082
2022	41,351,937	69,381,797	72,783,913	-	2,341,898
2023	64,933,237	66,583,370	89,086,134	-	3,385,547

State Funds

State Transportation Improvement Program: Funds distributed by the State for projects, including transit construction projects that relieve traffic congestion on state and local roads and highways.

Transit Capital Improvement funds for projects include, Proposition 1B funds, and Cap-and-Trade Program funds.

Local Funds

Measure A is a ½ cent sales tax ordinance that supports road and public transportation improvements in Sacramento County. Passed by voters in 1998, it expired in April 2009. SacRT received approximately 1/3 of the tax (1/6 cent). In November 2004, voters approved an extension of the Measure A ordinance until 2039 with transit receiving 38.25% of the ½-cent tax.

Local Transportation Fund: Funds generated by the state sales tax, and used for transit operating support purposes. The Transportation Development Act (TDA) allocates a portion of the state sales tax for transportation purposes.

State Transit Assistance Funds: Funds generated by the sales tax on gasoline and diesel fuel sales. These funds are disbursed to transit agencies for a variety of transit capital and operating support needs. SB1 funds, the Road Repair and Accountability Act of 2017, are included in STA funds beginning FY2018.

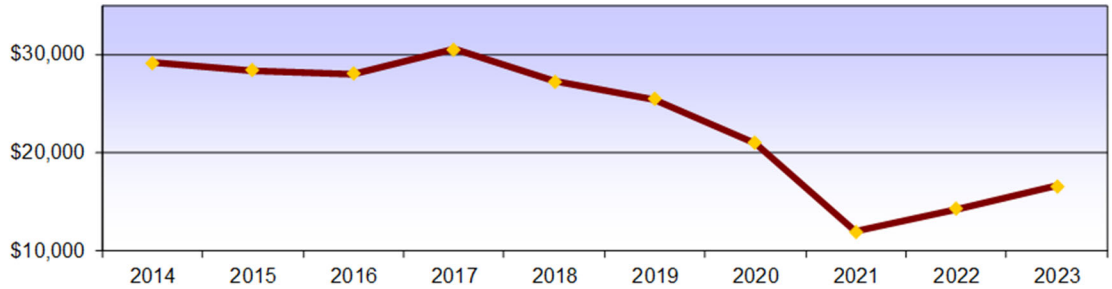
Other: This funding is from City of Sacramento, City of Rancho Cordova, County of Sacramento, City of Roseville, Sacramento Area Council of Governments (SACOG) and Sacramento Housing, Redevelopment Agency (SHRA), Bus Fire Insurance Proceeds, and cost reimbursement agreements with local agencies.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

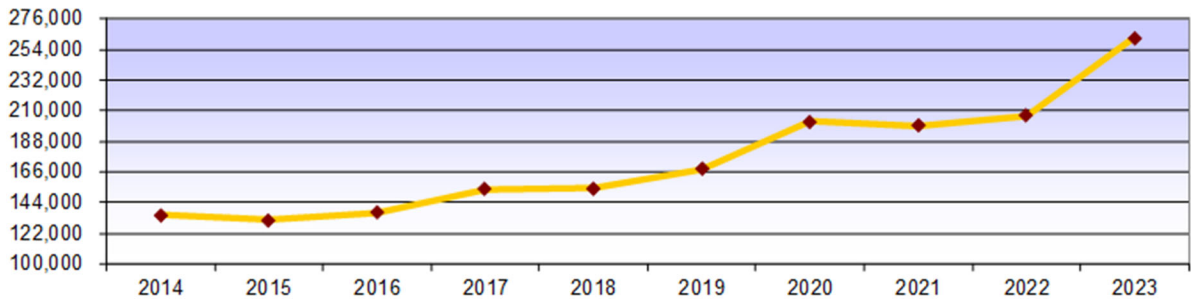
**FARE RECOVERY
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fare Revenue	\$29,156	\$28,396	\$28,056	\$30,487	\$27,276	\$25,428	\$20,999	\$12,001	\$14,309	\$16,614
Local Fund Supplementation	5,322	5,208	3,436	4,948	8,321	13,256	25,615	33,896	33,248	43,743
Total Operating Expenses	135,034	131,779	136,920	154,067	154,770	168,194	202,667	199,552	206,763	262,426
Fare Recovery Ratio	25.5%	25.5%	25.5%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%

FARE REVENUE



TOTAL OPERATING EXPENSES



Notes: Operating expenses do not include depreciation and Paratransit operations.

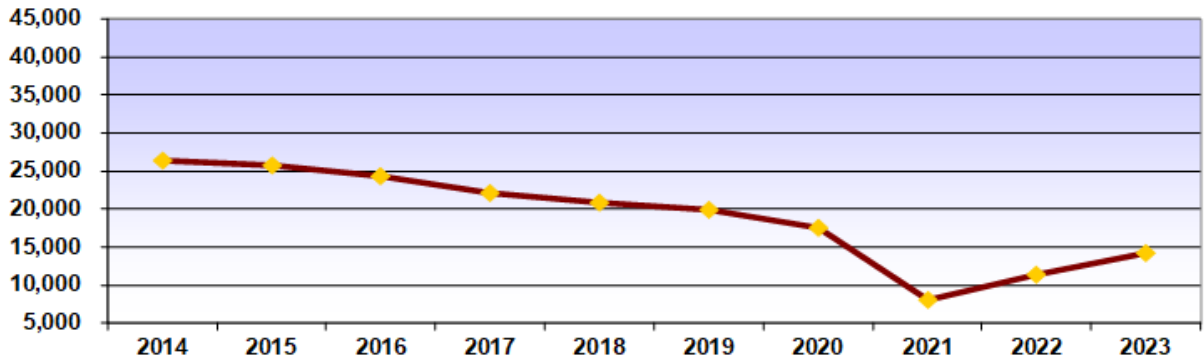
Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**RIDERSHIP
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ridership	26,368	25,768	24,330	22,050	20,890	19,989	17,564	8,108	11,315	14,279
% change	(3.41%)	(2.28%)	(5.58%)	(9.37%)	(5.26%)	(4.31%)	(12.13%)	(53.84%)	39.55%	26.20%

RIDERSHIP



Source: SacRT Planning Department
NTD Statistics

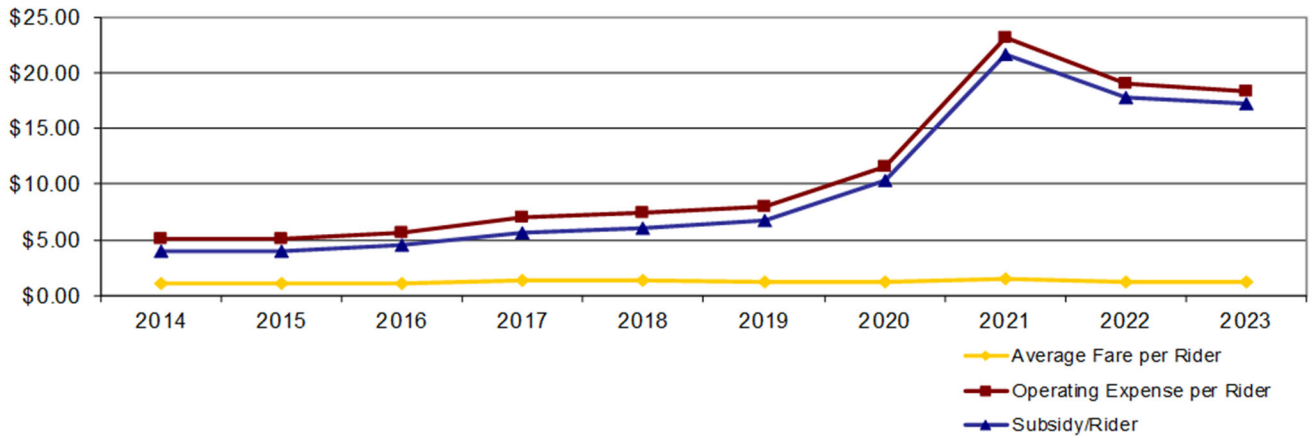
**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING SUBSIDY
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average Fare per Rider	\$1.11	\$1.10	\$1.15	\$1.38	\$1.31	\$1.21	\$1.20	\$1.48	\$1.26	\$1.16
Operating Expense per Rider ¹	\$5.12	\$5.11	\$5.63	\$6.99	\$7.41	\$8.01	\$11.54	\$23.15	\$19.02	\$18.38
Subsidy/Rider	\$4.02	\$4.01	\$4.47	\$5.60	\$6.10	\$6.80	\$10.34	\$21.66	\$17.75	\$17.21

¹ Operating expense per rider excludes Paratransit and depreciation costs.

OPERATING EXPENSE & SUBSIDY PER RIDER



Source: Annual Comprehensive Financial Report
SacRT Planning Department
NTD Statistics

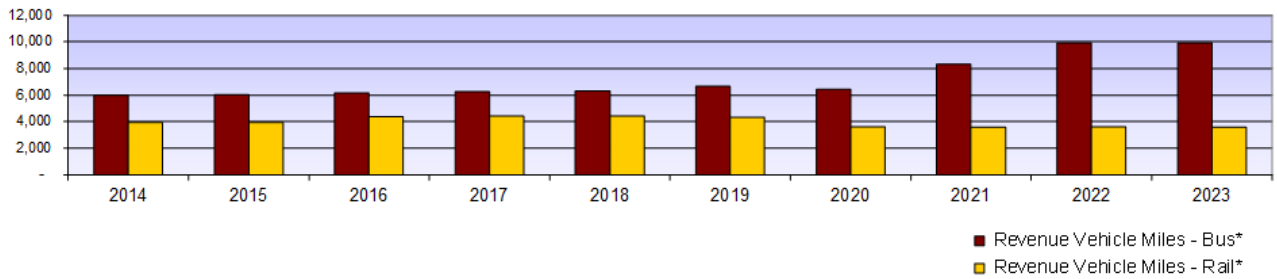
**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA
LAST TEN FISCAL YEARS
(* amounts expressed in thousands)**

SERVICE PROVIDED

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
BUS										
Revenue Vehicle Miles - Bus*	6,002	6,023	6,152	6,269	6,288	6,646	6,439	8,307	9,949	9,915
Revenue Vehicle Hours*	548.0	549.8	558.0	558.5	559.2	580.9	564.1	689.7	796.0	795.6
# Vehicles	232	232	223	223	225	237	237	249	366	449
RAIL										
Revenue Vehicle Miles - Rail*	3,947	3,936	4,370	4,422	4,418	4,344	3,610	3,559	3,606	3,588
Revenue Vehicle Hours*	218.6	218.1	245.2	248.9	248.7	243.2	207.0	199.5	200.7	199.8
Train Revenue Hours*	83.2	83.2	93.0	94.9	94.7	99.9	98.1	100.9	101.7	101.2
# of Vehicles	76	76	87	96	97	97	95	95	95	72

SERVICE PROVIDED



SERVICE CONSUMED

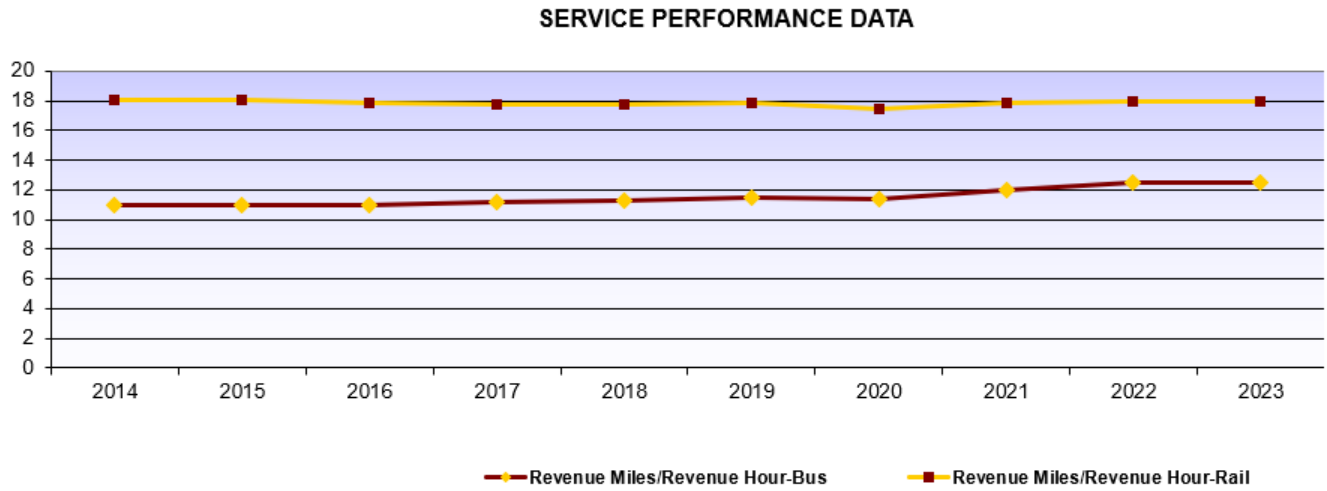
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
BUS										
Passengers*	13,658	13,706	12,114	10,608	10,517	10,008	8,575	4,241	6,683	8,120
Passenger Miles*	53,133	52,346	43,911	39,468	37,925	35,382	31,008	31,008	25,781	30,229
RAIL										
Passengers*	12,710	12,062	12,216	11,442	10,373	9,981	8,989	3,847	4,632	6,159
Passenger Miles*	74,580	68,717	69,171	68,760	65,531	63,074	53,131	22,217	26,610	35,157
TOTAL										
Passengers*	26,368	25,768	24,330	22,050	20,890	19,989	17,564	8,088	11,315	14,279
Passenger Miles*	127,713	121,063	113,082	108,228	103,456	98,456	84,139	53,225	52,391	65,386
FLEET										
Bus	232	232	223	223	225	237	237	249	366	449
Rail	76	76	87	96	97	97	95	95	95	72
TOTAL EMPLOYEES	933	937	982	974	997	1036	1228	1450	1267	1289

Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA (Continued)
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue Miles/Revenue Hour-Bus	11	11	11	11	11	11	11	12	12	12
Revenue Miles/Revenue Hour-Rail	18	18	18	18	18	18	17	18	18	18



Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**FARES
As of June 30, 2023**

Single and Daily Pass Fares

<u>Rider Type</u>	<u>Fare Type</u>	<u>Single Ride</u>	<u>Daily Pass</u>
Age 19-61	Basic	\$ 2.50	\$ 7.00
Senior (62 & older)	Discount	\$ 1.25	\$ 3.50
Individuals with Disabilities	Discount	\$ 1.25	\$ 3.50
Medicare Cardholder	Discount	\$ 1.25	\$ 3.50
Student (grades K-12)*	Discount	\$ 1.25	\$ 3.50

*Many students, in grades K through 12, are eligible for free transit passes. Students need to check with their school district for details or visit www.RydreFreeRT.com

Monthly Passes and Stickers

<u>Fare/Rider Type</u>	<u>Price</u>
Basic Monthly Pass	\$ 100.00
Basic Semi-Monthly Pass	\$ 50.00
Senior/Disabled Monthly Sticker	\$ 50.00
Senior/Disabled Semi-Monthly Sticker	\$ 25.00
Super Senior Monthly Sticker (age 75+)	\$ 40.00
Student Monthly Sticker*	\$ 20.00
Student Semi-Monthly Sticker*	\$ 10.00

Bus: Passengers are required to pay a basic or discount single fare for each trip or may purchase a daily pass valid for unlimited rides on that day.

Light Rail: Single ride tickets are valid for 90 minutes from time of validation on light rail only, or pay the 25 cents transfer fee when boarding a bus.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

PERFORMANCE MEASURES

Performance Measures in Sacramento's Peer Transit Agencies							
City State	2010 Urban Area Population	2021 Statistics					
		Cost per passenger	Cost per Revenue Mile	Cost per Revenue Hour	Subsidy per Passenger	Farebox Recovery Ratio	
	(UZA Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	
BUS PEERS							
Sacramento, CA	1,723,634 (28)	\$ 23.77 (3)	\$ 14.71 (6)	\$ 167.04 (6)	\$ 22.39 (3)	5.8% (2)	
Los Angeles, CA	12,150,996 (2)	7.05 (7)	18.80 (5)	199.33 (5)	6.94 (7)	1.5% (7)	
Oakland, CA	3,281,212 (13)	21.49 (4)	29.82 (2)	253.92 (2)	20.29 (4)	5.6% (3)	
San Carlos, CA	3,281,212 (13)	29.44 (1)	22.63 (4)	230.78 (4)	28.25 (1)	4.0% (5)	
San Diego, CA	2,956,746 (15)	9.40 (6)	8.80 (7)	96.60 (7)	7.97 (6)	15.2% (1)	
San Francisco, CA	3,281,212 (13)	10.84 (5)	37.77 (1)	294.89 (1)	10.53 (5)	2.9% (6)	
San Jose, CA	1,664,496 (29)	27.12 (2)	21.57 (3)	249.03 (3)	3.76 (2)	4.1% (4)	
Average for Bus Peers	4,048,501	\$ 18.44	\$ 22.01	\$ 206.66	\$ 17.50	5.6%	
RAIL PEERS							
Sacramento, CA	1,723,634 (28)	\$ 19.00 (3)	\$ 20.60 (4)	\$ 367.66 (4)	\$ 17.57 (3)	7.5% (2)	
Los Angeles, CA	12,150,996 (2)	17.22 (4)	31.71 (3)	663.94 (2)	17.09 (4)	0.8% (4)	
San Diego, CA	2,956,746 (15)	5.11 (5)	9.89 (5)	179.56 (5)	4.12 (5)	19.4% (1)	
San Francisco, CA	3,281,212 (13)	35.56 (2)	156.26 (1)	1,174.68 (1)	35.31 (2)	0.7% (5)	
San Jose, CA	1,664,496 (29)	53.41 (1)	40.89 (2)	535.96 (3)	52.31 (1)	2.1% (3)	
Average for Rail Peers	4,355,417	\$ 26.06	51.87	\$ 584.36	\$ 25.28	6.1%	

Source: National Transit Database, 2021 Transit Profiles - All Agencies

In 2010, the Sacramento urban area ranked 28th in the US based on population. The table compares SacRT's 2021 performance to 6 other bus peer transit properties and 4 other rail peer transit properties. It indicates the following:

Bus

SacRT ranks 3rd in Cost per Passenger and Subsidy per Passenger and ranks 2nd in Farebox Recovery Ratio among its bus peer transit agencies.

SacRT ranks 6th in Cost per Revenue Mile and Cost per Revenue Hour among its bus peer transit agencies.

Rail

SacRT ranks 3rd in Cost per Passenger and Subsidy per Passenger and 2nd on Farebox Recovery Ratio among its rail peer transit agencies.

SacRT ranks 4th in Cost per Revenue Mile and Cost per Revenue Hour among its rail peer transit agencies.



Sacramento Regional Transit District
Finance Division

1102 Q Street, Suite 3000
Sacramento, CA 95811

916-321-2800

sacrt.com

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California

**REPORTS REQUIRED BY UNIFORM GUIDANCE
AND TRANSPORTATION DEVELOPMENT ACT**
Year ended June 30, 2023

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California
Year ended June 30, 2022

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE	9

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Sacramento Regional Transit District (SacRT) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements, and have issued our report thereon dated November 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SacRT's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control. Accordingly, we do not express an opinion on the effectiveness of SacRT's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SacRT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California
November 17, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on SacRT's major federal program for the year ended June 30, 2023. SacRT's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SacRT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SacRT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of SacRT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SacRT's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SacRT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SacRT's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SacRT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SacRT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of SacRT as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements. We issued our report thereon dated November 17, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Sacramento, California
November 17, 2023

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through / Grant Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation:				
Federal Transit Cluster				
<i>Direct Programs:</i>				
Federal Transit Capital Investment Grants	20.500	N/A	\$ 2,727,367	\$ -
Federal Transit Formula Grants	20.507	N/A	26,240,592	526,714
COVID-19 - Federal Transit Formula Grants (CARES Act)	20.507	N/A	3,931,489	-
COVID-19 - Federal Transit Formula Grants (CRRSAA Act)	20.507	N/A	20,618,429	-
COVID-19 - Federal Transit Formula Grants (ARP Act)	20.507	N/A	32,500,980	481,786
State of Good Repair Grants Program	20.525	N/A	3,115,695	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	N/A	3,655,647	-
Total Federal Transit Cluster			92,790,199	1,008,500
<i>Passed through State of California Department of Transportation</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	74A1246	172,369	101,623
Total U.S. Department of Transportation			92,962,568	1,110,123
Total Expenditures of Federal Awards			\$ 92,962,568	\$ 1,110,123

See accompanying Notes to Schedule of Expenditures of Federal Awards.

SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of SacRT, for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. SacRT has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 – MATCHING COSTS

Matching costs, i.e., the nonfederal share of program costs, are not included in the accompanying Schedule.

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

_____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

Assistance Listing Numbers
20.500 / 20.507 / 20.525 / 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 2,788,877

Auditee qualified as low-risk auditee?

 X Yes _____ No

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

Report on Compliance with Transportation Development Act***Opinion on Transportation Development Act***

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Guidebook, the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively "Transportation Development Act") that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2023.

In our opinion, SacRT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2023.

Basis for Opinion on Transportation Development Act

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Transportation Development Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SacRT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Transportation Development Act program. Our audit does not provide a legal determination of SacRT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Transportation Development Act.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SacRT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SacRT's compliance with the requirements the Transportation Development Act program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SacRT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SacRT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Transportation Development Act program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Transportation Development Act program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Transportation Development Act program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements the Transportation Development Act. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, slightly stylized font.

Crowe LLP

Sacramento, California
November 17, 2023



Crowe LLP
Independent Member Crowe Global

Members of the Board of Directors

Sacramento Regional Transit District

Sacramento, California

Members of the Board of Directors

Sacramento Area Council of Governments

Sacramento, California

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with Sacramento Regional Transit District (SacRT) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the SacRT's financial statements are free of material misstatement, we performed tests of SacRT's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM SacRT

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to SacRT under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with SacRT that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance in its oversight role, we also provide the following.

Accounting Standard	Impact of Adoption
Significant Unusual Transactions.	No such matters noted.
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted.

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in SacRT year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to SacRT accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

- Adjustment to accrue for 4 additional buses purchased prior to 06/30 but not yet placed into service. As the buses were purchased with developer fees and other local grant revenue funds, the entry included the recording of the local grant revenue as well.

Clearing Account for AUC Entries	\$ 2,993,526	
Accrued Liabilities		\$ 2,993,526
Accrued Receivables	\$ 748,381	
Local Grant Revenues		\$ 748,381
Developer Fees	\$ 2,245,144	
Local Grant Revenues		\$ 2,245,144

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared other information to accompany the audited financial statements.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Company's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>

Communication Item	Results
<p>Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p>Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the Company's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve SacRT as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe LLP
 Crowe LLP

Sacramento, California
 November 17, 2023



Crowe LLP
Independent Member Crowe Global

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Members of the Board of Directors
Sacramento Area Council of Governments
Sacramento, California

In planning and performing our audit of the financial statements of Sacramento Regional Transit District ("SacRT") as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

The purpose of this letter is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. This letter is an integral part of an audit performed in accordance with Government Auditing Standards in considering SacRT's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.


Crowe LLP

Sacramento, California
November 17, 2023

RESOLUTION NO. 2023-12-127

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

December 11, 2023

RECEIVE AND FILE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT AND DESIGNATE THE OPERATING SURPLUS AND WORKING CAPITAL RESERVE FOR FISCAL YEAR ENDED JUNE 30, 2023

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

THAT, the Board hereby receives and files the Annual Financial Report (ACFR), Reports on Compliance and Internal Controls for the Fiscal Year Ended June 30, 2023, as required by the Uniform Guidance and the Transportation Development Act; and

THAT, the Board hereby directs the General Manager/CEO to designate \$3,152,280 to SacRT's Operating Reserve, which funds may only be used as governed by the Board adopted Comprehensive Reserve Policy of 2022.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Li, General Manager/CEO
SUBJ: GENERAL MANAGER'S REPORT

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Meeting Calendar

Regional Transit Board Meeting

January 22, 2023

SacRT Auditorium / Webconference

4:00 P.M

Quarterly Retirement Board Meeting

December 20, 2023

SacRT Auditorium / Webconference

9:00 A.M

Mobility Advisory Council Meeting

January 18, 2024

SacRT Auditorium / Webconference

2:30 P.M

Rider Alert: SacRT Board of Directors Meeting Venue Change

Due to a water leak and resulting electrical outage at SacRT's 1400 29th Street offices, the Monday, December 11, 2023 SacRT Board of Directors meeting venue will be temporarily moved. During this emergency situation, the meeting will instead be held at the Sacramento Area Council of Governments Board Room located at 1415 L Street, Suite 300, Sacramento. The 5:30 p.m. start time will not change. The meeting space is ADA accessible.

SacRT Board of Directors Meeting

Monday, December 11, 2023

5:30 p.m.

SACOG Board Meeting Room

1415 L Street, Suite 300, Sacramento

(Accessible by light rail to the Cathedral Square Station and downtown bus routes)

Ride Free on the SacRT Holiday Bus

SacRT's annual FREE Holiday Bus is back! The holiday themed 40-foot bus travels on various routes throughout the region between December 1, 2023 and January 2, 2024. To thank our riders, the SacRT Holiday Bus is FREE to ride. Learn more at sacrt.com/holidaybus. View the schedule:

- Friday, December 1, 2023 – Routes 62, 106, 252
- Saturday, December 2, 2023 – Routes 51, 56, Elk Grove Parade
- Sunday, December 3, 2023 – Route 81
- Monday, December 4, 2023 – Route 1
- Tuesday, December 5, 2023 – Routes 67, 68
- Wednesday, December 6, 2023 – Route 86
- Thursday, December 7, 2023 – Route 13
- Friday, December 8, 2023 – Route F10
- Saturday, December 9, 2023 – Santa Parade
- Sunday, December 10, 2023 – Routes 30, 38
- Monday, December 11, 2023 – Route 19
- Tuesday, December 12, 2023 – Route 11
- Wednesday, December 13, 2023 – Routes 75, 78
- Thursday, December 14, 2023 – Route E110
- Friday, December 15, 2023 – Routes 15, 88
- Saturday, December 16, 2023 – Route 23
- Sunday, December 17, 2023 – Route 142
- Monday, December 18, 2023 – Route 138
- Tuesday, December 19, 2023 – Routes 30, 38
- Wednesday, December 20, 2023 – Route 61
- Thursday, December 21, 2023 – Route 25
- Friday, December 22, 2023 – Routes 26, 72, 84, 161
- Saturday, December 23, 2023 – Routes 21, 93
- Sunday, December 24, 2023 – Routes 15, 23, 88
- Monday, December 25, 2023 – Route 1 (Sunday/holiday schedule)
- Tuesday, December 26, 2023 – Route 137
- Wednesday, December 27, 2023 – Route 81, 102, 129
- Thursday, December 28, 2023 – Routes 93, 113
- Friday, December 29, 2023 – Route 82
- Saturday, December 30, 2023 – Routes 72, 75 78
- Sunday, December 31, 2023 – Route 51
- Monday, January 1, 2024 – Routes 30, 38 (Sunday/holiday schedule)
- Tuesday, January 2, 2024 – Routes 25, 26, 87

Folsom 15-Minute Light Rail Service Update

SacRT is adding a passing track at the Glenn/Robert G. Holderness Station to be able to provide 15-minute light rail service to all Folsom area stations including Hazel, Iron Point, Glenn/Robert G. Holderness and Historic Folsom.

During construction, which begins on Tuesday, January 2, 2024, there will be NO light rail service between Iron Point Station and Historic Folsom Station. Instead, SacRT will provide supplemental shuttle bus service for customers that need to travel to Folsom

stations from Iron Point that are impacted by track construction. This includes Glenn/Robert G. Holderness and Historic Folsom stations. Light rail service will be available at Iron Point Station for travel to and from downtown Sacramento. If a customer does not want to take the shuttle bus they can park and catch the train at one of SacRT's free park-and-ride lots at Iron Point, Hazel and Sunrise stations.

Once construction is completed in summer 2024, SacRT will operate 15-minute service at all Folsom area stations (Hazel, Iron Point, Glenn/Robert G. Holderness and Historic Folsom) using new low-floor light rail trains. Learn more about the project at sacrt.com/Folsom15.

New Low-Floor Light Rail Trains Enter Final Testing Phase

SacRT is pleased to announce a significant milestone in the Light Rail Modernization Project as its new low-floor trains enter the final testing phase, bringing the region one step closer to an enhanced and more accessible public transit system.

SacRT began the “burn-in” testing phase on December 6, 2023. Testing is being conducted systemwide on the Blue, Green, and Gold Lines from 8 p.m. to 4 a.m., Monday through Friday. This schedule is designed to minimize any impact on regular light rail service.

During this phase of testing, the new low-floor trains will simulate real-world scenarios, actively pulling into stations, deploying ramps, opening and closing doors and proceeding to the next station. To distinguish these trains from regular service trains, prominent “Test Train” decals are on doors and windows to prevent customers from accidentally boarding.

The burn-in testing is expected to take approximately two weeks per train. This thorough process allows SacRT staff to identify and address any issues before the trains are approved for passenger service.

The testing process is projected to continue through spring 2024 for the first 20 low-floor trains in anticipation of starting passenger service with the new trains on the Gold Line in summer 2024. Learn more about the testing process at sacrt.com/newtrains.

Rider Alert: SacRT Holiday Service

Christmas Day (Monday, December 25, 2023)

Sunday/Holiday Schedule: SacRT fixed-route buses and light rail

No Service: Causeway Connection, Elk Grove Local, Elk Grove Commuter, Folsom Stage Line, Rancho CordoVan, SacRT e-van and SmaRT Ride

New Years Day (Monday, January 1, 2024)

Sunday/Holiday Schedule: SacRT fixed-route buses and light rail

No Service: Causeway Connection, Elk Grove Local, Elk Grove Commuter, Folsom Stage Line, Rancho CordoVan, SacRT e-van and SmaRT Ride

SacRT Overall Performance Scorecard

Strategic Pillar	Overall Metric	FY2024 Performance Goals	FY24 Annual Performance		Goal Points	Q1 Earned Points	Definition
			Q1 (July-Sept)	% Toward Goal			
Operational Excellence	Operating Cost Per Vehicle Revenue Hour	FY24 Budgeted Cost Per Hour:					
	Bus:	\$183.71	\$177.39	103%	3	3.00	The average operating cost of an hour of revenue service.
	CBS Fixed:	\$279.15	\$253.16	109%	3	3.00	The average operating cost of an hour of revenue service.
	SmaRT Ride:	\$225.37	\$194.95	113%	3	3.00	The average operating cost of an hour of revenue service.
	SacRT GO:	\$221.72	\$185.00	117%	3	3.00	The average operating cost of an hour of revenue service.
	Light Rail:	\$445.24	\$418.75	106%	3	3.00	The average operating cost of an hour of revenue service.
	On-Time Performance						
	On-Time Performance (Fixed Route)	80%	78.76%	98%	3	2.95	The percentage of trips completed within the scheduled on-time window.
	On-Time Performance (Paratransit)	85%	84.43%	99%	3	2.98	The percentage of trips completed within the scheduled on-time window.
	On-Time Departure (LR)	97%	96.6%	100%	6	6.00	The percentage of trips completed within the scheduled on-time window.
	Mean Distance Between Failures (Miles)						The average miles between mechanical problems that result in a vehicle not completing its scheduled revenue trip, or a vehicle not starting its next scheduled revenue trip.
	Bus	13,700	13,581	99%	3	2.97	Total fleet miles divided by total monthly road calls.
	CBS/SacRT GO/ SmaRT Ride	TBD	25,036	TBD	3	3.00	Total fleet miles divided by total monthly road calls.
	Light Rail	8,200	9,235	113%	4	4.00	Total fleet miles divided by total monthly road calls.
	System Cleanliness	100%	92%	92%	5	4.58	The average score for LR Stations, Bus Stops, bus and light rail vehicle cleanliness metrics.
Collisions Per 100k Miles (YTD)	1.6	0.41	200%	5	5.00	The quarterly number of accidents per 100,000 miles. Calculated by (Accidents/ Revenue Miles) *100,000.	
TOTAL POINTS				47	46.48		
Community Value	Rebuild Ridership Trust	3,610,931	3,922,453	109%	10	10.00	The average number of unlinked trips per revenue hour across all service modes.
	Fare Evasion Rate	2.08%	0.84%	160%	5	5.00	Percentage of fares inspected divided by the number of citations issued for the month.
	Social Media Engagement						
	Facebook Reach/Impressions	140,000	138,000	99%	2	1.97	Total reach/impressions of content shared on SacRT social media platforms.
	Twitter Reach/Impressions	400,000	81,410	20%	2	0.41	Total reach/impressions of content shared on SacRT social media platforms.
	Instagram Reach/Impressions	30,000	54,900	183%	2	2.00	Total reach/impressions of content shared on SacRT social media platforms.
	LinkedIn Reach/Impressions	25,000	16,500	66%	2	1.32	Total reach/impressions of content shared on SacRT social media platforms.
TOTAL POINTS				23	20.70		
Employee Engagement	% Agree They Receive Timely Feedback on Performance from Supervisor	68.15%	64.90%	95.23%	4	3.81	The % of employees that somewhat agree, agree, or strongly agree that they receive timely feedback on their performance from their supervisors.
	% Agree They Receive Enough Training to be Their Best at Work	84.11%	80.10%	95.23%	3	2.86	The % of employees that somewhat agree, agree, or strongly agree that they receive enough training to be best their best at work.
	% Overall I am Happy At Work	88.50%	88.50%	100.00%	3	3.00	The % of employees that somewhat agree, agree, or strongly agree that they are happy at work at SacRT.
	% Agree they Have a Good Working Relationship with Those Around Me	96.50%	96.50%	100.00%	2	2.00	The % of employees that somewhat agree, agree, or strongly agree that they have a good working relationship with those around me.
TOTAL POINTS				15	14.52		
Customer Satisfaction	Overall Customer Satisfaction	3.5	3.7	107%	10	10.00	Through customer surveys, using a scale of 0 to 5 of how satisfied the public is with SacRT. The KPI goal is overall score of 3.5 or higher.
	Service Level for Calls Answered for Customer Service, Customer Advocacy queues						
	Customer Service	80%	81%	101%	2.5	2.50	Percentage of calls answered within 20 seconds for Customer Service.
	Customer Advocacy	60%	29%	48%	2.5	1.21	Percentage of calls answered within 20 seconds for Advocacy queues.
TOTAL POINTS				15	13.71		
OVERALL PERFORMANCE SCORE					100	95.41	

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Michael Cormia, Director, Light Rail Maintenance
SUBJ: CAPITOL CORRIDOR JOINT POWERS AUTHORITY MEETING
SUMMARY OF NOVEMBER 15, 2023.

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Board Members present: Bret Daniels, Caity Maple.

RESULT OF RECOMMENDED ACTION

AGENDA

- I. Call to Order -10:01
- II. Roll Call and Pledge of Allegiance (Est. Time: 5 minutes)
- III. Report of the Chair (Est. Time: 5 minutes)
- IV. Consent Calendar (Est. Time: 5 minutes) *Action-Passed*
 1. Approve Minutes of the September 20, 2023 Meeting
- V. Action and Discussion Items
 1. San Joaquin Joint Powers Authority (SJPA) Mechanical Services Agreement (Est. Time: 10 minutes) *Action-Passed*
 2. Potential Actions to Reduce Amtrak Operating Expenses (Est. Time: 20 minutes) *Info*
 3. Capitol Corridor Annual Performance Report (FY 2022-23) (Est. Time: 15 minutes) *Info*
 4. Capital Project Update (Est. Time: 10 minutes)
 - a. Capital Project Spotlight: California Passenger Information Display System (CalPIDS). *Info*
 - b. CCJPA Capital Project Portfolio *Info*
 5. Capitol Corridor Annual On Board Survey Results (June 2023) (Est. Time: 10 minutes) *Info*
 6. Legislation and Funding Update – State and Federal *Info*
 7. Managing Director’s Report (Est. Time: 10 minutes) *Public Comment: Barnbaum Info*
 8. CCJPA Project and Program Updates (Est. Time: 0 mins) *Info*
 - a. Marketing and Communications Activities
 - b. Sacramento to Roseville Third Track
 - c. South Bay Connect
 - d. Davis Crossover and Signal Replacement
 - e. Stege Crossover and Signal Upgrade

- f. Agnew Siding
 - g. Right-of-Way Safety & Security
 - h. Link21 Program
- VI. Board Director Reports (Est. Time: 5 minutes)
- VII. Public Comments (Est. Time: 10 minutes)
Public Comment: Barnbaum
- VIII. Adjournment. Next Meeting Date: 10:00 a.m., February 21, 2024 – San Francisco Bay Area Rapid Transit Board Room

STAFF REPORT

DATE: December 11, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Kevin Schroder, Senior Planner
SUBJ: SAN JOAQUIN JOINT POWERS AUTHORITY MEETING
SUMMARY OF NOVEMBER 17, 2023

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Board members present:

Chair Pat Hume was present for the regular meeting of the San Joaquin Joint Powers Authority on November 17, 2023.

Meeting Notes

Item 1. Call to Order, Pledge of Allegiance, Roll Call

Item 2. Moment of Silence in Honor of Former City of Modesto Councilmember

Item 3. Public Comments

- N/A

Item 4. Consent Calendar

- All comments were approved.

Item 5. Approve a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Authorizing the Executive Director to Submit and Execute Any and All Grant Applications, Agreements, Certifications, and Assurances and Any Other Documents Necessary to the California State Transportation Agency to obtain State Rail Assistance (SRA) Funding in the Amount of \$525,000 and Consolidated Rail and Infrastructure and Safety Improvements (CRISI) Funding in the Amount of \$2,100,000 for the Hanford Station Project (Angela Miller/Laurence Farrell)

Staff Comments:

The Authority has an available balance in SRA funding of \$7,133,036 to program to projects. Staff is requesting \$525,000 for the Hanford Station Project as a Federal State grant match to the \$2,100,000 Consolidated Rail Infrastructure and Safety Improvements Award. Design on the project will begin in Winter of 2024 with construction expected to

start in Winter of 2025. The project will reach completion in late Spring 2026. These enhancements to the station site will keep the landmark and transit facility in a state of good repair and modernized amenities along with safer and more accessible station experiences for all users.

Board Comments:

- Supportive of the action.

Public comments:

- N/A

Board Vote:

- All Approved

Item 6. Approve a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Authorizing the Executive Director to Submit a Request for \$8,000,000 in Senate Bill (SB) 125 Funding from the Madera County Transportation Commission (Madera CTC) for Phase 1 of the Madera High-Speed Rail (HSR) Station Project (Dan Leavitt)

Staff Comments:

The SB 125 funding will be allocated to Regional Transportation Planning Agencies by formula. The Madera HSR Station Project is being implemented in three phases:

- Phase 1: Relocated Madera San Joaquins Station
- Phase 2: Madera HSR Station for Early Operating Segment
- Phase 3: Full-Build Madera HSR Station

Phase 1 final design is nearly completed, the right-of-way needed is nearly completely secured and construction is expected to begin in 2024. The staff is looking for formal Board action to support the already allocated \$8,000,000 in SB 125 funding from the Madera CTC to account for Phase 1.

Board Comments:

- N/A

Public comments:

- N/A

Board Vote:

- All Approved

Item 7. Approve a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Approving a Hybrid Fare Grid Methodology for the Thruway Bus Program (David Lipari)

Staff Comments:

In 2018, the Authority took action to normalize Thruway Bus fares across all routes based on a distance-based formula. The formula was constructed to provide a descending fare per mile scale based on the distance traveled by the passenger creating the “connected Journey”. The same formula was then used to calculate local journeys.

Amtrak updating ticketing system and fare products created a system that no longer can accommodate having two separate fares for the same segment. Staff were directed to investigate new fare limitations scenarios: 1) adopt connected journey fares, 2) adopt local journey fares, 3) adopt a hybrid fare grid. The third hybrid fare grid was suggested for approval.

Board Comments:

- Support more ridership based on greenhouse gas emissions reductions.

Public comments:

- One question: About being charged for only service based on availability offered by SJJPA.

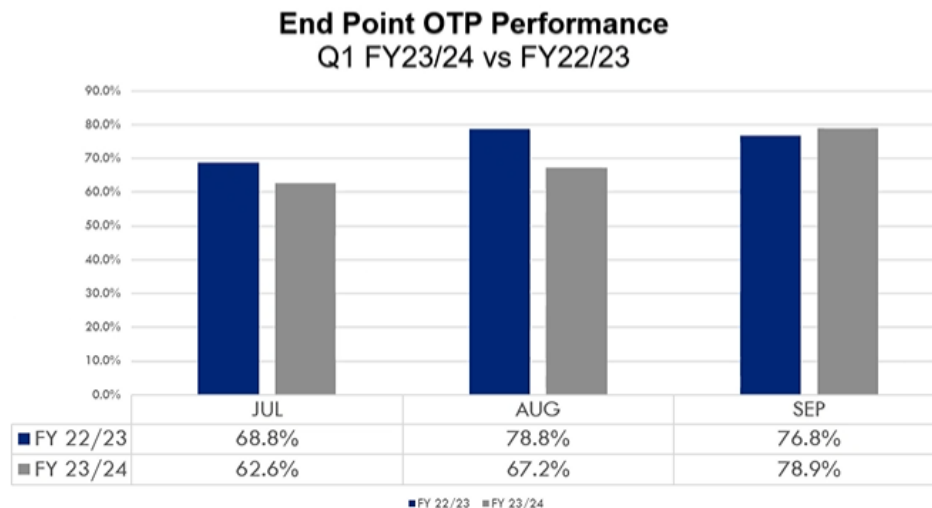
Board Vote:

- All approved.

Item 8. San Joaquins Service Update (David Lipari/Nathan Alastra)

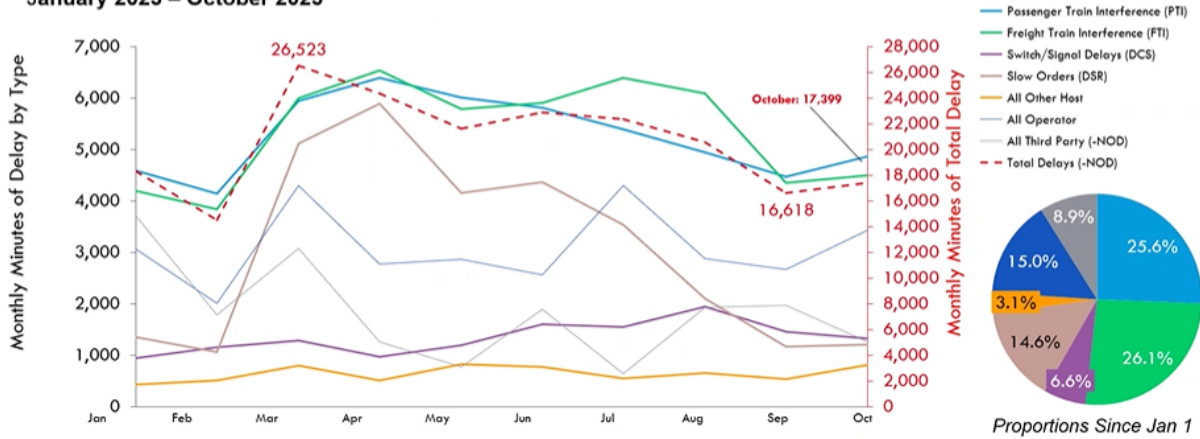
Staff Comments:

Comments were provided about on-time performance:



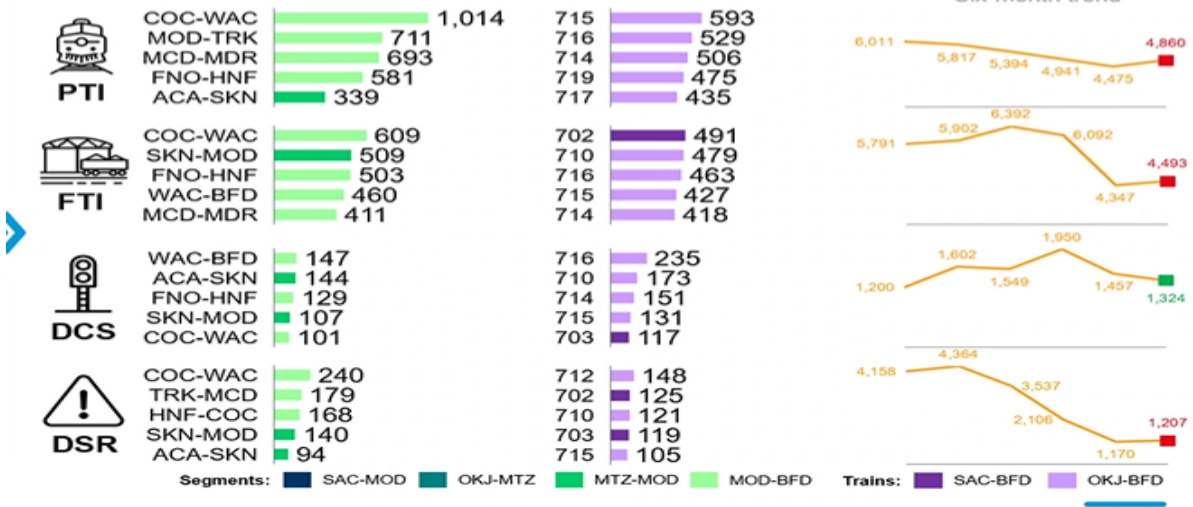
Monthly delay minutes fell by nearly 10,000 due to flooding-related spikes in March to September

January 2023 – October 2023



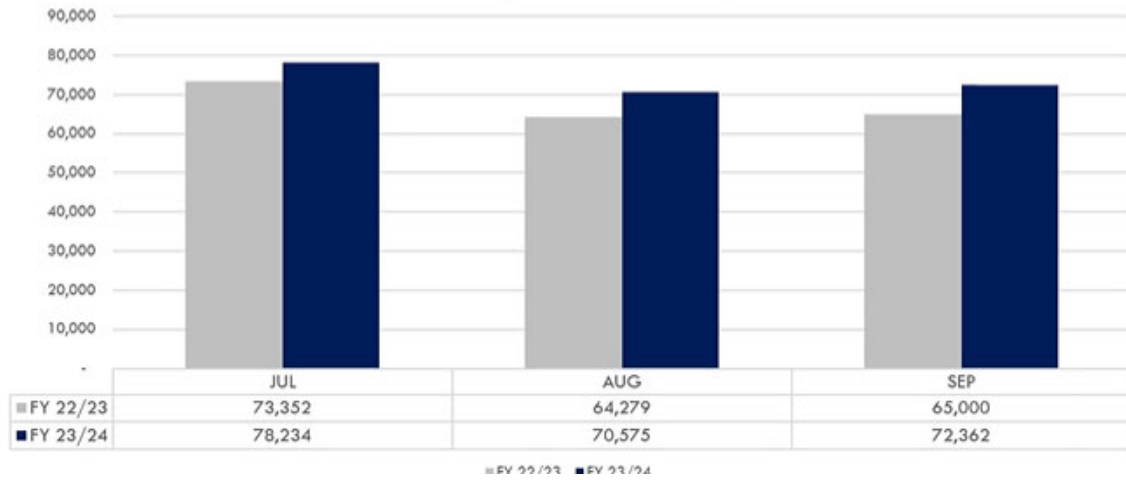
Top 4 Host Delay Types by Locations and Trains (in minutes)

October 2023



San Joaquins Ridership and Revenue						
(JUL – SEP FY23/24 vs. FY22/23)						
Month	Ridership			Ticket Revenue		
	FY23/24	FY22/23	% change	FY23/24	FY22/23	% change
Jul	78,234	73,352	7%	\$2,716,014	\$2,593,962	5%
Aug	70,575	64,279	10%	\$2,438,759	\$2,240,669	9%
Sep	72,362	65,000	11%	\$2,473,576	\$2,300,735	8%
Total	221,171	202,631	9%	\$7,628,348	\$7,135,366	7%

San Joaquins Ridership Q1 FY23/24 vs. FY22/23



Board Comments:

- N/A

Public comments:

- Asked about future discussion of 7th round trip.

Board Vote:

- N/A

Item 9. Midtown Event Recap (Michael Hanebutt)

Staff Comments:

Well attended event, with community leaders and community stakeholders and booths with information about the future service.





Board Comments:

N/A

Public comments:

- N/A

Board Vote:

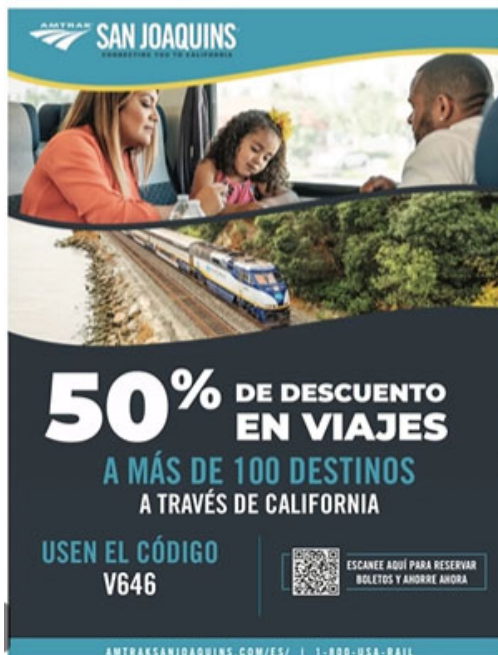
- All approved.

Item 10. Hispanic Outreach Update (Rene Gutierrez)

Staff Comments:

Apart of the SJJPA Marketing & Outreach Plan is to engage the underserved and non-English speaking constituencies along the San Joaquin Corridor. With Hispanics comprising 37% of the 11-county corridor and 43% of the San Joaquins ridership.

Staff discussed recent events and marketing efforts to reach this base of the population (as shown below)



Board Comments:

- N/A

Public comments:

- N/A

Board Vote:

- All approved.

Item 11. Board Member Comments

- N/A

Item 12. Executive Director's Report Adjournment

- Operation funding is still difficult to obtain, and we need to discover ways to trim the budget and/or find partnerships. Of course, with no impact to current labor but we need to be innovative moving forward.