



STAFF REPORT

DATE: April 8, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: AUTHORIZING THE GENERAL MANAGER/CEO TO RELEASE THE SACRAMENTO REGIONAL TRANSIT DISTRICT PRELIMINARY FISCAL YEAR 2025 OPERATING AND CAPITAL BUDGET, AND SET A NOTICE OF A PUBLIC HEARING FOR MAY 13, 2024

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the attached Resolution authorizes the General Manager/CEO to release the Sacramento Regional Transit District (SacRT) Preliminary FY 2025 Operating and Capital Budgets and Set a Notice of a Public Hearing for May 13, 2024.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

Staff is proud to submit a balanced preliminary budget for Fiscal Year 2025. SacRT's budget has modest growth to account for inflationary and general cost increases while maintaining the exceptional level of service the Sacramento region relies upon. This is possible through a combination of strong fiscal discipline and management of expenditures, continued growth in ridership and subsequent farebox collections, and strong federal and state support for the transit industry.

On March 11, 2021, the American Recovery Plan Act (ARP) was signed into law, the last of three federal pandemic relief funding packages for transit, and provided over \$26B to transit agencies apportioned through the Urbanized Area Formula Program (Section 5307). SacRT's portion of this funding was over \$103M, of which the final \$7.8m is allocated for the FY 2024-2025 Budget. SacRT funding related to the first two federal pandemic relief funding packages; the Coronavirus Aid, Relief and Economic Security

(CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), was fully depleted prior to the beginning of FY24.

In July 2023, the State of California passed Senate Bill 125 (SB 125), which serves as a trailer bill to the State's Fiscal Year FY 2023-2024 budget. SB 125 creates approximately \$5.1 billion statewide, of new one-time funding to help address transit providers' operating and capital needs. SB 125 guides the distribution of \$4 billion from the State of California General Fund through the Transit and Intercity Rail Capital Program (TIRCP) on a population-based formula to regional transportation planning agencies (RTPA), which will have the flexibility to use the money to fund transit operations or capital improvements. The transportation budget trailer bill also establishes the \$1.1 billion Zero-Emission Transit Capital Program to be allocated to regional transportation planning agencies on a population-based formula and another formula based on revenues to fund zero-emission transit equipment and operations. SB125 was created in response to ongoing revenue shortfalls in the transit industry and is intended to fund operating gaps and avoid a fiscal cliff that many transit agencies in California are facing.

The Sacramento Area Council of Governments (SACOG), the region's RTPA, was allocated a total of \$238.2 million for the region across the two programs. Staff is working with SACOG to secure \$59 million of TIRCP funds from SB125 in FY25 to support operations and will continue to work closely with SACOG to secure additional funding for both operating and capital needs in the near future. These federal and state allocations will fully offset any projected revenue losses due to the residual impacts of COVID-19 and other economic factors for FY 2024-2025.

Assumptions Built into the FY 2025 Budget

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

These assumptions are as follows:

- Service levels have been budgeted without reductions, allowing for minor service modifications, such as improved headways on existing routes.
- The budget will support SacRT strategic priorities such as our customer first approach to services and business optimization.
- ARP federal stimulus funding and SB125 state funding is being used to offset the loss of fares and other revenues due to various economic factors.
- All merit increases will be received by employees per Collective Bargaining Agreements (CBA).
- There will be no fare rate adjustments.

Summary of FY 2025 Operating Budget

Tables 1A and 1B provide summaries of the preceding three years actual results, the current year budget, and the FY 2025 proposed budgeted amounts. Revenues and expenditures each increased in total by \$17.6M or 7.0% compared to the original FY 2024 budget.

State & Local revenues are increasing by \$49.1M or 29.2% as the local economy (sales tax revenue) is projected to remain steady and new funding from SB125 will be available. Federal funds are projected to decrease by \$33.2M or 56.7% which is due to the full depletion of American Rescue Plan (ARP) funds.

Salaries & Benefits are increasing \$12.6M or 7.4%, which is attributed to both annual salary and benefits increases across all Collective Bargaining Agreements, and the addition of new full-time positions that directly support operations.

Table 1A - Revenues (Thousands)

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2024 to FY 2025	
						\$ Change	% Change
Fare Revenue	\$ 12,000	\$ 14,309	\$ 16,615	\$ 17,300	\$ 18,439	\$ 1,139	6.6%
Contract Services	6,634	825	842	800	1,150	350	43.8%
State & Local	113,657	144,508	159,055	168,495	217,623	49,128	29.2%
Federal	57,704	56,676	56,876	58,540	25,360	(33,180)	-56.7%
Other	7,340	5,239	9,500	4,365	4,490	125	2.9%
Total	\$ 197,335	\$ 221,557	\$ 242,888	\$ 249,500	\$ 267,062	\$ 17,562	7.0%
Operating Surplus/(Deficit)	5,943	6,223	3,152	-	-		
Operating Revenue	\$ 191,392	\$ 215,334	\$ 239,736	\$ 249,500	\$ 267,062	\$ 17,562	7.0%

Table 1B - Expenses (Thousands)

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2024 to FY 2025	
						\$ Change	% Change
Salaries & Benefits	\$ 141,910	\$ 153,684	\$ 160,614	\$ 171,645	\$ 184,264	\$ 12,619	7.4%
Professional Services	14,162	16,497	19,400	24,620	26,515	1,895	7.7%
Materials & Supplies	13,504	14,748	18,955	15,839	16,562	723	4.6%
Utilities	7,272	7,425	7,988	8,458	8,427	(31)	-0.4%
Insurance & Liability	12,336	19,784	28,248	22,789	25,560	2,771	12.2%
Other	2,208	2,634	2,784	6,149	5,734	(415)	-6.7%
Operating Expenses	\$ 191,392	\$ 214,772	\$ 237,989	\$ 249,500	\$ 267,062	\$ 17,562	7.0%
GASB 87 Lease	-	562	1,747				
Total Expenses	\$ 191,392	\$ 215,334	\$ 239,736	\$ 249,500	\$ 267,062	\$ 17,562	7.0%

Focus on Operations

In an effort to continue a customer first approach at SacRT, the FY 2025 Operating Budget places a clear emphasis on our operations. The proposed budget includes 24 new operator positions to be hired throughout the year. To augment funding for direct operations and customer-facing positions, previously authorized non-operations

positions that had not been filled were eliminated. In addition, an organizational restructuring following voluntary staff departures led to a reduction in the size of the Executive Management Team. Chart 1 and Table 2 below show that 82.1% of the positions at SacRT directly support the Operations Division.

Chart 1 – FY 2025 Positions by Division

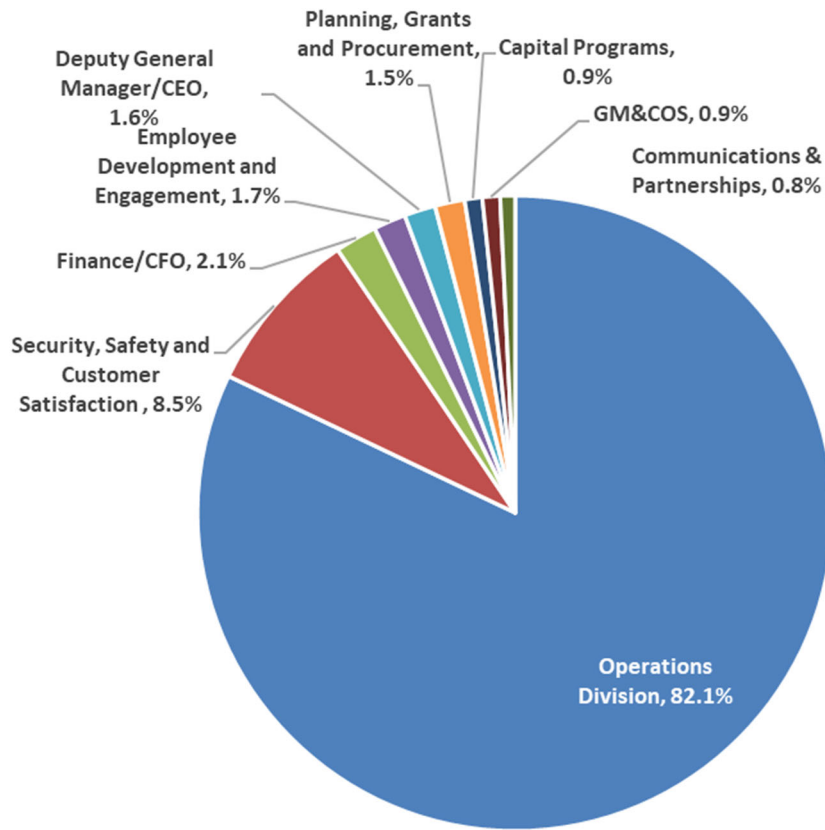


Table 2 – FY 2025 Positions by Division

Division	FY 2021 Funded	FY 2022 Funded	FY 2023 Funded	FY 2024 Funded	FY 2025 Funded	FY 2024 to FY 2025
General Manager/CEO	16	9	10	10	9	-1
Chief of Staff/VP, Real Estate	0	0	0	0	4	4
Planning, Grants and Procurement	57	58	59	67	22	-45
Operations Division*	0	0	0	0	1192	1192
Bus Operations	1196	939	945	928	0	-928
Light Rail Operations	0	261	266	270	0	-270
Deputy General Manager/CEO	33	41	22	23	23	0
Employee Development and Engagement	0	0	0	24	24	0
Capital Programs	0	0	0	0	13	13
Finance/CFO	47	51	29	23	31	8
Procurement, Real Estate & Special Projects	0	0	22	23	0	-23
Communications & Partnerships	0	9	16	16	11	-5
Security, Safety and Customer Satisfaction	74	82	79	79	123	44
Total	1,423	1,450	1,448	1,463	1,452	-11

Capital Budget

Unlike the Operating Budget, the Capital Budget consists of projects that often take multiple years to complete, and in some cases take multiple years to fully fund. Funds approved for a project that are not spent in the previous fiscal year are typically carried over to the following fiscal year. Similarly, when the Board approves the budget for a large multi-year project in one fiscal year’s budget, the project continues to have Board-approved budget authority rolled over from year to year, less any funds that have been expended on the project. The estimated amounts to be carried over from FY 2024 will be reported to the Board as part of the five-year Capital Improvement Plan later this year. The total Capital Budget for existing projects is estimated to exceed \$1.95 billion. An updated project list, including all new projects for FY 2025, will be included in the draft Budget at the May 13th Board meeting. Table 3 below provides a summary of new projects and currently approved projects that require additional Capital Budget funding for FY 2025.

Table 3 - Summary of FY 2025 Capital Budget

Project		FY 2024	FY 2025		Available	Prior Yr Funds	FY25 Funds To	
Number	Project Name	Amended	Budget	FY25 Budget	Funding	Awarded Not Available	Be Added	Funding TBD
Bus/Paratransit/Microtransit Projects								
B147	Fleet Maintenance Mgmt Software	\$ 414,500	\$ 1,085,500	\$ 1,500,000			\$ 1,500,000	
B150	Watt I-80 Transit Center Imprvmts	\$ 30,000,000	\$ 112,905	\$ 30,112,905	\$ 30,112,905			\$ -
B174	Disruption Manager Software	\$ 214,866	\$ 95,269	\$ 310,135	\$ 310,135			\$ -
B176	Vehicle Event Recorder	\$ 454,590	\$ 100,000	\$ 554,590	\$ 454,590	\$ 100,000		\$ -
B184	CA Labor Federation WED		\$ 77,000	\$ 77,000	\$ 77,000			\$ -
Total Bus Projects		\$ 31,083,956	\$ 1,470,674	\$ 32,554,630	\$ 30,954,630	\$ 100,000	\$ 1,500,000	\$ -
Light Rail Projects								
R384	LRV Maintenance Shop Upgrade	\$ 289,800	\$ 2,228	\$ 292,028	\$ 292,028			\$ -
R386	LR Station LED Light Upgrade	\$ 2,750,000	\$ 2,250,000	\$ 5,000,000	\$ -	\$ 2,000,000	\$ 1,000,000	\$ 2,000,000
R387	Park & Ride LED Light Upgrade	\$ 3,000,000	\$ 2,000,000	\$ 5,000,000	\$ -	\$ 2,000,000	\$ 1,000,000	\$ 2,000,000
Total Light Rail Projects		\$ 6,039,800	\$ 4,252,228	\$ 10,292,028	\$ 292,028	\$ 4,000,000	\$ 2,000,000	\$ 4,000,000
Facilities Projects								
F042	South Bus Parking Lot Pavement	\$ 100,000	\$ 700,000	\$ 800,000	\$ -	\$ 800,000		\$ -
Total Facilities Projects		\$ 100,000	\$ 700,000	\$ 800,000	\$ -	\$ 800,000		\$ -
Planning Projects								
M019	Arcade Creek Bridge Enviro	\$ 110,000	\$ 31,781	\$ 141,781	\$ 141,781			\$ -
M025	Truxel Bridge Study		\$ 14,730	\$ 14,730	\$ 14,730			\$ -
Total Planning Projects		\$ 110,000	\$ 46,511	\$ 156,511	\$ 156,511	\$ -		\$ -
Other								
M004	FY12 Revenue Bond Payments	\$ 25,406,671	\$ 1,542,900	\$ 26,949,571	\$ 25,406,671		\$ 1,542,900	\$ -
V102	Q Street Move	\$ 2,900,000	\$ 500,000	\$ 3,400,000	\$ 3,152,000		\$ 248,000	\$ -
Total Other Projects		\$ 28,306,671	\$ 2,042,900	\$ 30,349,571	\$ 28,558,671	\$ -	\$ 1,790,900	\$ -
Subrecipients								
TBD	El Dorado Transit FFY24 FTA 5307/5339(a)		\$ 450,000	\$ 450,000			\$ 450,000	
		\$ -	\$ 450,000	\$ 450,000	\$ -	\$ -	\$ 450,000	\$ -
Totals		\$ 65,640,427	\$ 8,962,313	\$ 74,602,740	\$ 59,961,840	\$ 4,900,000	\$ 5,740,900	\$ 4,000,000

Outlook for FY 2025

The residual effects of the COVID-19 pandemic continue to negatively impact some of SacRT’s revenue sources; however, the regional economy is forecast to remain strong for Fiscal Year 2024-2025. The revenues presented in the budget reflect these expectations. SacRT’s fare-based revenues are expected to gradually increase through Fiscal Year 2024-2025, and modest increases for sales tax based (State & Local) revenues above FY 2023-2024 have been forecasted. While Federal stimulus funds will be fully exhausted in FY 2024-2025, SacRT expects to backfill operational funding gaps with state of CA SB125 funds for the next two to three years and has already begun to focus on securing a long-term and sustainable funding source to ensure that SacRT can continue to provide our patrons with a world class public transit system in the Sacramento Region. Also funded by SB 125 is the Comprehensive Operational Analysis (COA) presented separately. The COA will include scenarios not only for expansion of SacRT’s network if a new source of revenue be secured, such as a sales tax measure or statewide

transit funding, but will also take a fiscally constrained approach to service plans in a scenario where such funding is not available by 2026. The COA will also include a review of service standards for all modes (i.e., bus, light rail, SmaRT Ride) to ensure an optimal mix of services that is cost-effective, fiscally sustainable, and consistent with other goals such as ridership maximization, coverage and accessibility, equity, air quality, etc. and to make sure that level of service expectations match industry norms for communities of various sizes and densities (i.e., that high-frequency service is planned and provided only in areas with the jobs and population density to support such service).

The General Manager/CEO is presenting a balanced budget for FY 2024-2025 that maintains service levels and includes new service expansions, while addressing the pressing need to fund SacRT's operating reserve and continue our reduced reliance on the line of credit. We will continue to relentlessly pursue efficiency improvements, business optimizations, and revenue opportunities in the upcoming year.

RESOLUTION NO. 2024-04-023

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

April 8, 2024

AUTHORIZING THE GENERAL MANAGER/CEO TO RELEASE THE SACRAMENTO REGIONAL TRANSIT DISTRICT PRELIMINARY FISCAL YEAR 2025 OPERATING AND CAPITAL BUDGET, AND SET A NOTICE OF A PUBLIC HEARING FOR MAY 13, 2024

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

THAT, the General Manager/CEO is hereby authorized to release the proposed Operating and Capital Budgets for FY 2025, as summarized in Exhibit A, attached hereto, including the information described in paragraphs (3) to (10) of Public Utilities Code Section 102205(b), and notice a public hearing for said budgets be held on May 13, 2024.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary



**Regional
Transit**

Sacramento Regional Transit District

**Abridged Budget
Fiscal Year 2024-2025**

April 8, 2024

Table of Contents

Table of Contents.....	2
Board of Directors	3
Executive Management Team	4
Office of Management & Budget Team.....	5
Grants & Capital Programming Team.....	5
Organizational Structure	6
District Overview	7
District Profile.....	7
Strategic Plan	8
Budget Process	10
SacRT Major Goals and Objectives.....	11
Operating Budget Summary	17
Revenues.....	17
Expenses	21
Positions	24
Capital Budget Summary	27
Project Overview.....	27
Major Capital Projects.....	27
Capital Budget by Category	28
Capital Revenues & Expenses	29
FY 2025 Capital Budget.....	30
Capital Project Funding Addition Descriptions	31

Board of Directors

Patrick Kennedy, Chair
County of Sacramento

Rick Jennings II, Vice Chair
City of Sacramento

Rod Brewer
City of Elk Grove

Linda Budge
City of Rancho Cordova

Bret Daniels
City of Citrus Heights

Pat Hume
County of Sacramento

Lisa Kaplan
City of Sacramento

Mike Kozlowski
City of Folsom

Caity Maple
City of Sacramento

Phil Serna
County of Sacramento

Bobbie Singh-Allen
City of Elk Grove

Mai Vang
City of Sacramento

Board of Directors Alternates

YK Chalamcherla
City of Folsom

David Sander
City of Rancho Cordova

Tim Schaefer
City of Citrus Heights

Darren Suen
City of Elk Grove

Executive Management Team

Henry Li
General Manager/CEO

Shelly Valenton
Deputy General Manager/CEO

Olga Sanchez-Ochoa
General Counsel

Carmen Alba
VP, Operations

Christopher Flores
Chief of Staff/VP, Real Estate

Laura Ham
VP, Planning, Grants & Procurement

Lisa Hinz
VP, Security, Safety, and Customer Satisfaction

Henry Ikwut-Ukwa
VP, Capital Programs

Jason Johnson
VP, Finance/Chief Financial Officer

Devra Selenis
VP, Communications and Partnerships

David Topaz
VP, Employee Development and Engagement

Office of Management & Budget Team

Casey Courtright

Director, Office of Management and Budget

Nadia Mokhov

Senior Financial Analyst

Judy Wong

Senior Financial Analyst

Grants & Capital Programming Team

Wondimu Ketsela Mengistu

Director, Grants and Capital Programming

Joe Paglieroni

Senior Grants Analyst

Carol Lynn Cherry

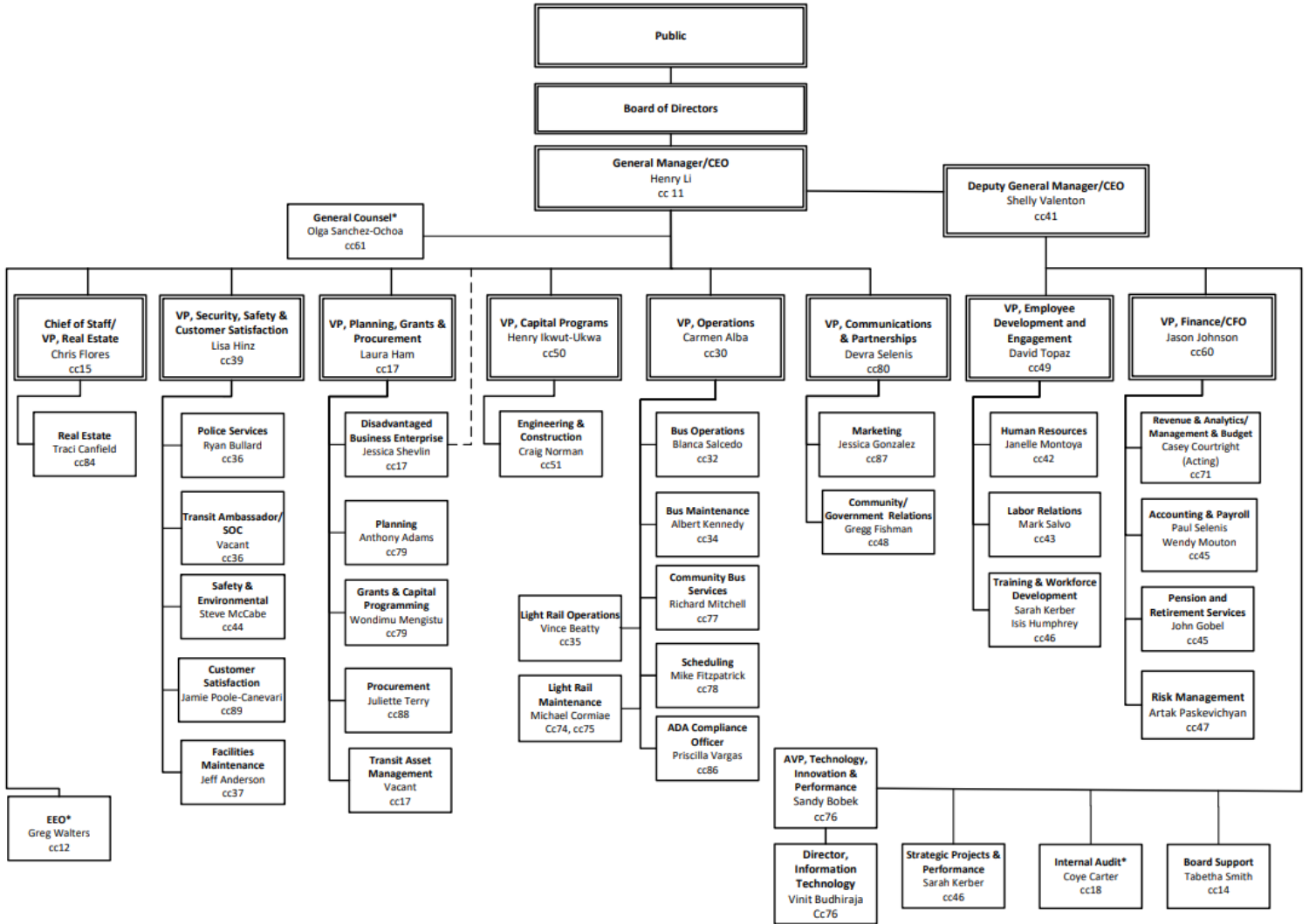
Senior Grants Analyst

Qin Huang

Senior Grants Analyst

Organizational Structure

(Cost Center/Functional Base)



Effective February 12, 2024

*Dotted line to the Board of Directors

cc=Cost Center

District Overview

District Profile

Sacramento Regional Transit District (SacRT)	Constructs, operates, and maintains a comprehensive mass transportation system that serves 438 square miles in Sacramento County
---	--

Bus Service	
Power	CNG, Diesel, Gasoline, Electric
Routes	82
Schedule	4:59 am to 11:15 pm daily
Stops	3,100+
Vehicles	40' Buses - total 245: CNG – 231, Diesel – 5, Electric -9 Shuttles – total 73: CNG – 35, Gas – 29, Electric - 9
Annual Ridership	9,500,000

Light Rail Service	
Power	Electrical
Miles	44.9
Schedule	3:49 am to 12:59 am daily
Stops	52
Vehicles	36 Siemens (U2) 40 CAF 20 Siemens S700 (will be in service in FY25)
Annual Ridership	6,700,000

ADA Service	
ADA Passenger Trips Provided	360,000
ADA Vehicle Revenue Miles	2,960,000
Vehicles	120

Passenger Amenities/ Customer Service	
Transfer Centers	32
Park & Ride	22
Annual Customer Satisfaction Calls	260,434
Customer Info Line	(916) 321-2877

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

Strategic Plan

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

Following a months-long collaborative internal planning process with staff and board members, SacRT's five-year Strategic Plan will serve as the guiding vision for strategic success. SacRT strives to balance the delivery of high-quality customer experience with value to taxpayers.

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

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

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

Strategic Plan (continued)

Mission Statement

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

Vision Statement

A leader in providing mobility options for our community.

Organizational Values

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

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



Budget Process

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



SacRT Major Goals and Objectives

Strategic Initiatives

The Strategic Plan provides the management team and stakeholders with strategic priorities, projects, and programs to be implemented in the short term to achieve longer-term outcomes. Organizational success is aligned with the completion of tactics which directly impact at least one of the four strategic priorities:

Operational Excellence - SacRT is dedicated to providing innovative mobility solutions and developing and implementing programs that provide best in class service that puts customers first. As public transportation services continue to evolve, SacRT is committed to providing the highest standards in transportation by implementing industry best practices and ensuring clean, safe, reliable, and convenient service for our customers.

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

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

SacRT Major Goals and Objectives (continued)

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

SacRT Major Goals and Objectives (continued)

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

SacRT Major Goals and Objectives (continued)

Community Value - SacRT is committed to expanding regional partnerships and providing excellent public transit service to promote SacRT as our region's premier public transit agency. SacRT will continue to promote programs and incentive options that will encourage more people to try transit, build our ridership, demonstrate our value and economic impact as a community partner, and educate the public about the benefits of transit and how local funding is important to create a world class public transit system.

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

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

SacRT Major Goals and Objectives (continued)

Employee Engagement - SacRT is dedicated to providing a positive and collaborative workplace that enables us to build a strong workforce of highly satisfied and performing individuals. We recognize that the work our employees do every day, in every single position, has a potentially significant impact on the quality of life in the Sacramento region. Our employees are foundational to our success, and we are committed to hiring the best people and supporting them throughout their careers at SacRT.

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

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

SacRT Major Goals and Objectives (continued)

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

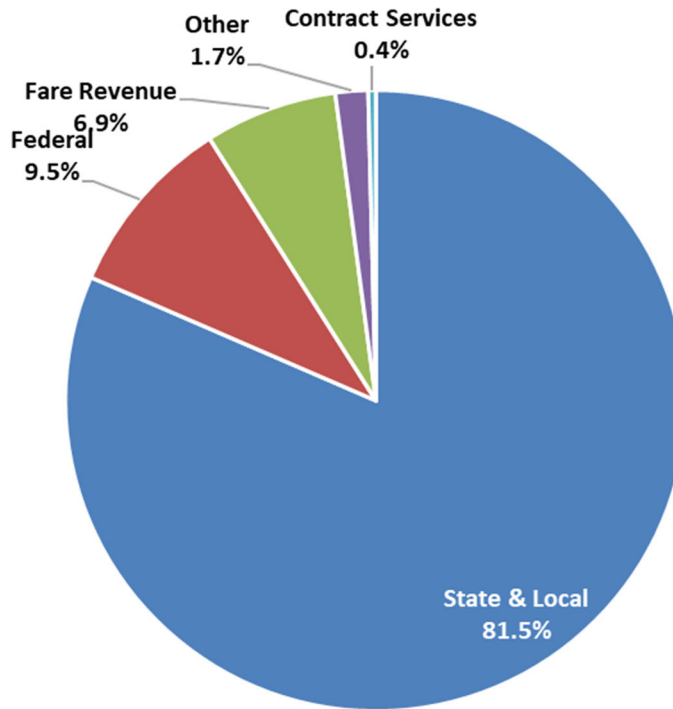
These team tactics illustrate how annual goals will be attained for assessing delivery of high-quality transportation services to customers:

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

Operating Budget Summary

Revenues

FY 2025 Operating Revenue by Funding Source



(Dollars in Thousands)

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2024 to FY 2025	
						\$ Change	% Change
Fare Revenue	\$ 12,000	\$ 14,309	\$ 16,615	\$ 17,300	\$ 18,439	\$ 1,139	6.6%
Contract Services	6,634	825	842	800	1,150	350	43.8%
State & Local	113,657	144,508	159,055	168,495	217,623	49,128	29.2%
Federal	57,704	56,676	56,876	58,540	25,360	(33,180)	-56.7%
Other	7,340	5,239	9,500	4,365	4,490	125	2.9%
Total	\$ 197,335	\$ 221,557	\$ 242,888	\$ 249,500	\$ 267,062	\$ 17,562	7.0%
Operating Surplus/(Deficit)	5,943	6,223	3,152	-	-		
Operating Revenue	\$ 191,392	\$ 215,334	\$ 239,736	\$ 249,500	\$ 267,062	\$ 17,562	7.0%

Revenues (continued)

Fare Revenue

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

The FY 2025 Budget includes \$18.4 million in Fare Revenue, an increase of \$1.1 million (6.6%) from the FY 2024 Adopted Budget of \$17.3 million.

- The fare revenue increase is based on continued ridership growth and service enhancements.

Contracted Services

Contracted Services include the City of Rancho Cordova contract for transit services, as well as UC Davis Causeway Connection and Elk Grove Medical Center shuttle services.

The FY 2025 Budget includes \$1.15 million in Contracted Services revenue, an increase of \$0.35 million (43.8%) from the FY 2024 Adopted Budget of \$0.8 million.

- The Rancho Cordova contract is \$0.5 million based on current trend.
- UC Davis Causeway Connection and Elk Grove Medical Center shuttle services are budgeted at \$0.3 million each.

Revenues (continued)

State & Local

State & Local funding includes formula-based allocations to SacRT from state and local government sales taxes. SacRT receives funding from the California Transportation Development Act Local Transportation Fund (TDA-LTF), the Transportation Development Act State Transit Assistance Program (TDA-STA), Sacramento County Measure A and State Cap and Trade Program revenue and Senate Bill 125 funding.

The FY 2025 Budget includes \$217.6 million in state and local funding revenue, an increase of \$49.1 million (29.2%) from the FY 2024 Adopted Budget of \$168.5 million.

- Measure A increased \$0.2 million or 0.4% over the FY 2024 Adopted Budget to reflect trends in sales tax collection.
- \$5.5 million of Measure A is budgeted for Paratransit SacRT Go service.
- TDA-LTF decreased \$9.9 million or 10.1% due to an adjustment done in FY 2024 to LTF allocation by SACOG, which reduced the base for future projection.
- \$4.0 million is included for the Low Carbon Transit Operations Program (LCTOP) revenue, which is a State Cap and Trade program established in 2014 that provides funds to public transportation agencies throughout California for operations that reduce greenhouse gas emissions.
- \$0.8 million is included in Neighborhood Shuttle Measure A for SmART Ride service, which is the same amount as FY 2024 Adopted Budget.
- This budget includes \$59 million in projected Senate Bill 125 funding.

Federal

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

The FY 2025 Budget includes \$25.4 million in federal funding, a reduction of \$33.1 million (56.7%) from the FY 2024 Adopted Budget of \$58.5 million.

- This budget includes \$1.1 million in Job Access/Reverse Commute (JARC) funding, which is the same level of funding as in FY 2024.
- \$16.0 million is budgeted in FY 2023 Section 5307 Urbanized Area funds. Federal Section 5337 State of Good Repair funds are budgeted in the capital budget.
- \$7.8 million is included in the America Rescue Plan of 2021 (ARP) funding, which is an economic stimulus package to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. The year over year reduction of \$27.4 million or 77.9% from FY 2024 Adopted Budget is due to depletion of ARP funding.
- This budget includes \$0.25 million in Congestion Mitigation and Air Quality Improvement (CMAQ) funds for Causeway Connection to UC Davis and \$0.22 million in CMAQ funding for Airport Shuttle.

Revenues (continued)

Other

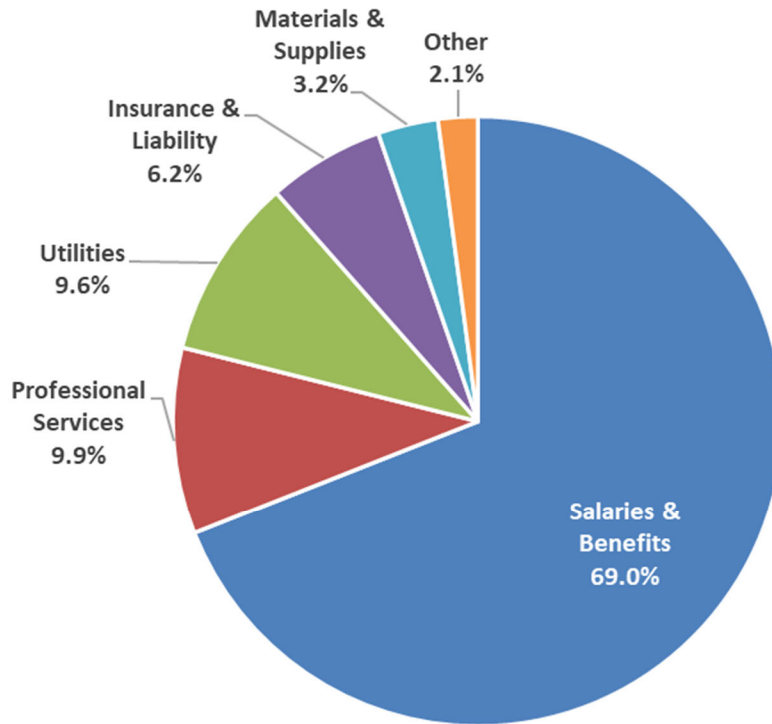
Other revenues include investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, and photo identification sales.

The FY 2025 Budget includes \$4.5 million in other revenue, which is an increase of \$0.1 million (2.9%) from the FY 2024 Adopted Budget of \$4.4 million.

- \$0.3 million is included for the sale of Low Carbon Credits through the State Cap and Trade program and \$0.4 million for RINs credits, which is the same as FY 2024 Adopted Budget.
- Investment income is \$0.75 million.
- Advertising revenue is \$0.8 million.
- This budget includes \$1.5 million in Miscellaneous Income.

Expenses

FY 2025 Operating Expenses by Expense Category



(Dollars in Thousands)

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Budget	FY 2024 to FY 2025 \$ Change	FY 2024 to FY 2025 % Change
Salaries & Benefits	\$ 141,910	\$ 153,684	\$ 160,614	\$ 171,645	\$ 184,264	\$ 12,619	7.4%
Professional Services	14,162	16,497	19,400	24,620	26,515	1,895	7.7%
Materials & Supplies	13,504	14,748	18,955	15,839	16,562	723	4.6%
Utilities	7,272	7,425	7,988	8,458	8,427	(31)	-0.4%
Insurance & Liability	12,336	19,784	28,248	22,789	25,560	2,771	12.2%
Other	2,208	2,634	2,784	6,149	5,734	(415)	-6.7%
Operating Expenses	\$ 191,392	\$ 214,772	\$ 237,989	\$ 249,500	\$ 267,062	\$ 17,562	7.0%
GASB 87 Lease	-	562	1,747				
Total Expenses	\$ 191,392	\$ 215,334	\$ 239,736	\$ 249,500	\$ 267,062	\$ 17,562	7.0%

Expenses (continued)

Salaries & Benefits

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

The FY 2025 Budget includes \$184.2 million for salaries and benefits, an increase of \$12.6 million (7.4%) from the FY 2024 Adopted Budget of \$171.6 million.

- The Fiscal Year 2025 Budget includes 1,452 funded positions, which is a decrease of 11 funded positions from the Fiscal Year 2024 Adopted Budget of 1,463 funded positions. See Positions section on page 24 for details.
- Straight time pay, overtime and personal service contract costs increased by \$7.8 million (7.3%) from the FY 2024 Adopted Budget of \$107.1 million. This reflects CBA (Collective Bargaining Agreement) salary increases and overtime adjustments.
- Fringe Benefit costs increased by \$4.3 million (6.4%) from the FY 2024 Adopted Budget of \$67.2 million. This reflects an increase of \$0.6 million in FICA costs, \$1.9 million in pension and defined contribution costs, \$1.7 million in medical, dental, life and vision costs, and \$0.7 million in vacation and sick leave accrual, etc.
- Capital recovery and indirect savings decreased by \$0.5 million (19.2%) from the FY 2024 Adopted Budget of \$2.6 million. This represents labor charged to capital projects and other initiatives.

Professional Services

Professional services include transit security, equipment maintenance, facilities maintenance, legal services, and services provided by outside consultants.

The FY 2025 Budget includes \$26.5 million for Professional Services, an increase of \$1.9 million (7.7%) from the FY 2024 Adopted Budget of \$24.6 million.

- Security services cost increased \$1.1 million from the FY 2024 Adopted Budget due to additional security guards' coverage and contractual cost increases.
- Outside services costs were reduced by \$0.7 million.
- Software/cloud services cost increased by \$0.6 million.
- Radio Maintenance cost increased by \$0.35 million.
- Purchased Transportation cost for supplemental ADA service increased \$0.6 million due to increased demand.
- This budget reflects the FY 2025 portion of multi-year contracts for professional services.

Materials & Supplies

Materials and supplies include fuel, bus and light rail parts, small maintenance tools and equipment, cleaning supplies, printing materials, and general office supplies.

The FY 2025 Budget includes \$16.5 million for materials and supplies, an increase of \$0.7 million (4.6%) from the FY 2024 Adopted Budget of \$15.8 million.

Expenses (continued)

- This budget includes \$3.6 million in gasoline cost. This is an increase of \$0.6 million in gasoline cost due to gas prices and higher demand for ADA service, which uses gasoline as a fuel for most of the vehicles.
- Bus parts budget increased by \$0.4 million due to a noticeable increase in pricing for standard inventory materials for the buses and vans currently supported by Bus Maintenance.
- This budget reflects a \$0.1 million increase in Wayside spare parts.

Utilities

Utilities include electricity, water, gas, refuse, and telephone for bus, light rail, and administrative facilities.

The FY 2025 Budget includes \$8.4 million for Utilities, which is about the same as the FY 2024 Adopted Budget.

- Electricity cost increased by \$0.2 million due to projected electricity rate increases.
- Traction power cost increased by \$0.1 million.
- This budget reflects a reduction of \$0.4 million in telephone costs.

Insurance & Liability

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

The FY 2025 Budget includes \$25.6 million for Insurance & Liability, an increase of approximately \$2.8 million (12.2%) from the FY 2024 Adopted Budget of \$22.8 million.

- Cost for projected claim reserves for Property and Liability for FY 2025 increased by \$1.5 million.
- Cost for projected claim reserves for Workers' Compensation for FY 2025 increased by \$0.9 million.
- The budget includes an increase of \$0.6 million in excess liability insurance costs due to challenging market conditions to get the required insurance limits.
- This budget reflects increases in FY 2025 estimated insurance premium costs due to a more restrictive and more competitive insurance market.

Other

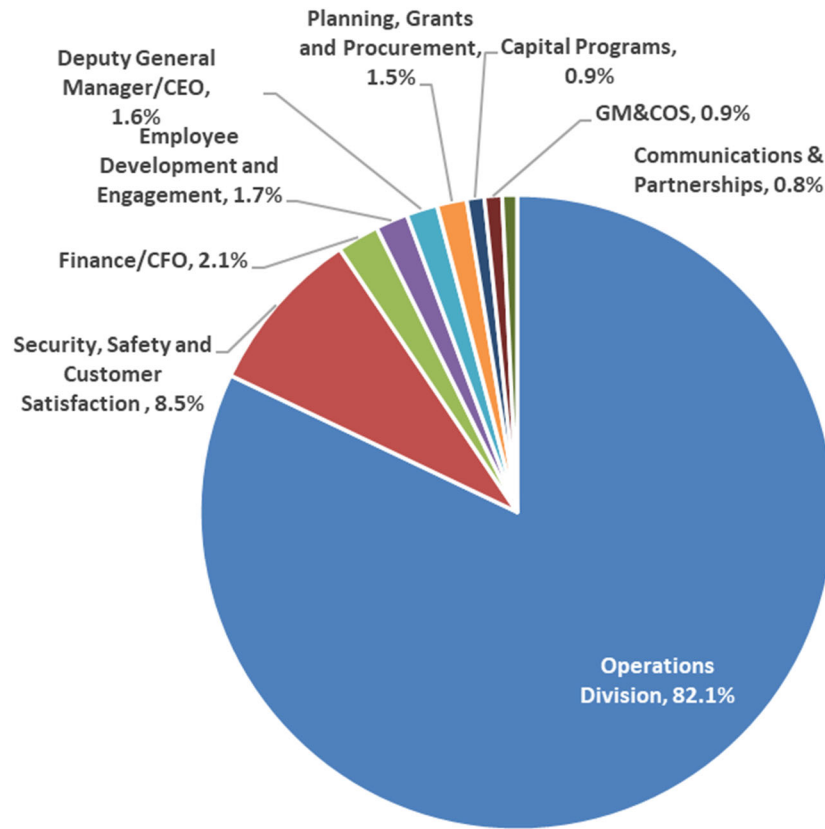
Other expenses include, but is not limited to, travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and banking fees.

The FY 2025 Budget includes \$5.7 million for other expenditures, a reduction of \$0.4 million (6.7%) from the FY 2024 Adopted Budget of \$6.1 million.

- Cost for property leases increased by \$0.2 million due to lease cost for additional suites at Q Street administrative building and scheduled property cost increases.
- This budget reflects a reduction of \$0.6 million in contingency funds.

Positions

FY 2025 Positions by Division



Division	FY 2021 Funded	FY 2022 Funded	FY 2023 Funded	FY 2024 Funded	FY 2025 Funded	FY 2024 to FY 2025
General Manager/CEO	16	9	10	10	9	-1
Chief of Staff/VP, Real Estate	0	0	0	0	4	4
Planning, Grants and Procurement	57	58	59	67	22	-45
Operations Division*	0	0	0	0	1192	1192
Bus Operations	1196	939	945	928	0	-928
Light Rail Operations	0	261	266	270	0	-270
Deputy General Manager/CEO	33	41	22	23	23	0
Employee Development and Engagement	0	0	0	24	24	0
Capital Programs	0	0	0	0	13	13
Finance/CFO	47	51	29	23	31	8
Procurement, Real Estate & Special Projects	0	0	22	23	0	-23
Communications & Partnerships	0	9	16	16	11	-5
Security, Safety and Customer Satisfaction	74	82	79	79	123	44
Total	1,423	1,450	1,448	1,463	1,452	-11

*The FY25 Operations Division is equivalent to the sum of the Bus Operations and Light Rail Operations divisions in prior years.

Positions (continued)

As we continue to strive for excellence through business optimization, leadership and professional development and continuous improvement, effective January 5, 2024, SacRT adjusted our organizational structure. From FY 2024 to FY 2025, SacRT has a total net decrease of 11 funded positions. The changes reflected in the FY 2025 Budget are as follows:

General Manager/CEO Division has net decrease of 1 funded position.

- Reclassed Chief of Staff to Chief of Staff/VP, Real Estate and transferred to Chief of Staff/VP, Real Estate Division.

The Chief of Staff/VP, Real Estate Division was created and has a net increase of 4 positions.

- Transferred 1 Chief of Staff/VP, Real Estate from GM's Division.
- Transferred 2 from the Procurement, Real Estate and Special Project Division.

Planning, Grants and Procurement Division was renamed from Planning and Engineering Division. It has a net decrease of 45 funded positions.

- Transferred total net decrease of 44 positions: transferred 12 Engineering and Construction to Capital Programs Division, transferred 42 Facilities to Security, Safety & CS (Customer Satisfaction) Division, and added 10 Procurement from Procurement, Real Estate and Special Project Division, which has been eliminated.
- Eliminated 1 Procurement Analyst II.
- Reclassed 1 Manager, Procurement Services from Senior Procurement Analyst.

Combined both Bus and Light Rail Operations and reinstated the Operation Division. It has a net decrease of 6 funded positions.

- Added 26 positions: 1 AVP, Operations and 1 Program Analyst, 7 Bus Operators, 7 Light Rail Operators, and 10 Paratransit Operators,
- Eliminated 32 positions: 1 VP, Light Rail Operations, 29 CBS Smartride Operators (24 of these positions were budgeted part-time and created in FY2020, but never filled), and 2 Folsom Operators.
- Reclassed and promote VP, Bus Operations to VP, Operations.
- Reclassed 1 Elk Grove Reservationist to 1 Elk Grove Dispatcher.

Deputy General Manager/CEO Division and Employment Development and Engagement Division has no changes.

Finance/Chief Financial Officer (CFO) Division has a net increase of 8 funded positions.

- Transferred 8 Risk positions from Procurement, Real Estate and Special Project Division.
- Added 1 Accountant I
- Eliminated 1 Senior Manager, Revenue and Analytics
- Reclassed 1 Accounts Payable Clerk and 2 Revenue Clerks to Senior Clerks.

The Procurement, Real Estate and Special Project Division was eliminated. It has a net decrease of 23 funded positions.

- Transferred total of 21 positions: 1 Sr. Administrative Assistant and 2 Real Estate to Chief of Staff/VP, Real Estate, 10 Procurement to Planning, Grants and Procurement Division, and 8 Risk Management to Finance/CFO Division.
- Unfunded 1 Manager, Quality Assurance and TAM.
- Eliminate 1 VP, Procurement, Real Estate and Special Project.

Positions (continued)

Communications and Partnerships Division has a net decrease of 5 funded positions.

- Reclassed and eliminated 6 Community Outreach Specialist to 2 Marketing and Communications Specialist.
- Unfunded 1 Senior Governmental Affairs Officer.

Security, Safety and Customer Satisfaction Division has net increase of 44 funded positions.

- Transferred 42 Facilities from Planning, Grants and Procurement Division.
- Added 2 positions: 1 Transportation Supervisor – Police Services and 1 Facilities Superintendent.
- Reclassed 1 Administrative Technician to Facilities Maintenance Scheduler.
- Reclassed 1 Facilities Service Worker (Elk Grove) to 1 Facilities Grounds Worker I (Elk Grove).
- Reclassed 1 Treasury Clerk to 1 Senior Clerk.

Capital Budget Summary

Project Overview

SacRT adopted the FY 2023 – FY 2027 Capital Improvement Plan (CIP) on August 22, 2022. The CIP represents the culmination of Sacramento Regional Transit District's (SacRT) efforts to strategically plan and prioritize capital expenditures and activities over five years. SacRT has a large backlog of capital asset rehabilitation and replacement needs and limited funding and resources with which to accomplish it. A multi-year view of capital needs is essential to maximize the use of capital funds. The CIP is intended to be a "living document" that is reviewed and updated on a regular basis. The preliminary FY 2025 Capital Budget includes only additions to previously approved projects. The following tables and chart represent the Capital Budget as it pertains to the FY 2025 Budget for the projects listed. The amounts contained in the FY 2025 Preliminary Capital Budget represent fully funded, partially funded, and unfunded projects along with anticipated and secured funding sources for FY 2025. Non-Awarded grant funding is shown as To-Be-Determined (TBD).

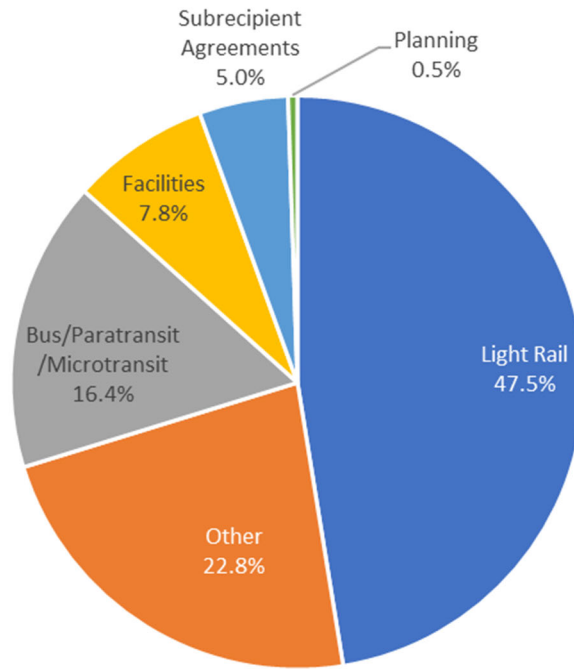
Major Capital Projects

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

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

Modernizing the rail fleet will reduce maintenance and repair costs associated with keeping the aging LRVs in service past their 25-year useful life. SacRT has executed a contract with Siemens to purchase up to 76 modern low floor light rail vehicles (LRVs). Twenty S700 new light rail vehicles have been delivered and another 25 are in production. Station modifications design began in 2023 and will be completed by December 2024. Station modifications started in 2023 and will continue through 2027.

Capital Budget by Category



Project Categories	# of Projects	FY 2025 Budget Additions		%
Bus/Paratransit/Microtransit	5	\$	1,470,674	16.4%
Light Rail	3		4,252,228	47.5%
Facilities	1		700,000	7.8%
Planning	2		46,511	0.5%
Other	2		2,042,900	22.8%
Subrecipient Agreements	1		450,000	5.0%
Total	14	\$	8,962,313	100%

Capital Revenues & Expenses

SacRT relies primarily on local, state, and federal grants to pay for capital projects. The FY 2025 budget proposes an increase in budget authority of \$8.96 million.

- Progress on CIP since FY24 – SacRT obtained over \$5 million in competitive grant funding towards our CIP list.
- The new capital project revenues for FY 2025 include \$5.74 million of funding and \$4 million in to be determined (TBD) funding.
- Federal, State and Local funding opportunities for capital projects are comprised of funding sources that are applied for on a project-by-project basis. The availability of the funding is dependent upon individual funding programs. The total funding opportunities for a fiscal year is based on the amount of funding sources available from federal appropriations, program allocations made by the State, or other funding sources made available for application.
- The TBD budget amount gives SacRT staff the authority to apply for competitive grant opportunities and/or allocate formula grant funds for projects up to the TBD amount.

The capital projects requiring FY 2025 budget additions include total available funding of \$59.96 million which includes \$30.95 million for Bus/Paratransit/Microtransit Projects, \$0.29 million for Light Rail Projects, \$0.16 million for Planning Projects, and \$28.56 million for Other Projects.

FY 2025 Capital Budget

Project Number	Project Name	FY 2024 Amended Budget	FY 2025 Budget Additions	FY25 Budget	Available Funding	Prior Yr Funds Awarded Not Available	FY25 Funds To Be Added	Funding TBD
Bus/Paratransit/Microtransit Projects								
B147	Fleet Maintenance Mgmt Software	\$ 414,500	\$ 1,085,500	\$ 1,500,000			\$ 1,500,000	
B150	Watt I-80 Transit Center Imprvmnts	30,000,000	112,905	30,112,905	30,112,905			-
B174	Disruption Manager Software	214,866	95,269	310,135	310,135			-
B176	Vehicle Event Recorder	454,590	100,000	554,590	454,590	100,000		-
B184	CA Labor Federation WED		77,000	77,000	77,000			-
	Total Bus Projects	31,083,956	1,470,674	32,554,630	30,954,630	100,000	1,500,000	-
Light Rail Projects								
R384	LRV Maintenance Shop Upgrade	289,800	2,228	292,028	292,028			-
R386	LR Station LED Light Upgrade	2,750,000	2,250,000	5,000,000	-	2,000,000	1,000,000	2,000,000
R387	Park & Ride LED Light Upgrade	3,000,000	2,000,000	5,000,000	-	2,000,000	1,000,000	2,000,000
	Total Light Rail Projects	6,039,800	4,252,228	10,292,028	292,028	4,000,000	2,000,000	4,000,000
Facilities Projects								
F042	South Bus Parking Lot Pavement	100,000	700,000	800,000	-	800,000		-
	Total Facilities Projects	100,000	700,000	800,000	-	800,000		-
Planning Projects								
M019	Arcade Creek Bridge Enviro	110,000	31,781	141,781	141,781			-
M025	Truxel Bridge Study		14,730	14,730	14,730			-
	Total Planning Projects	110,000	46,511	156,511	156,511	-		-
Other								
M004	FY12 Revenue Bond Payments	25,406,671	1,542,900	26,949,571	25,406,671		1,542,900	-
V102	Q Street Move	2,900,000	500,000	3,400,000	3,152,000		248,000	-
	Total Other Projects	28,306,671	2,042,900	30,349,571	28,558,671	-	1,790,900	-
Subrecipients								
TBD	El Dorado Transit FFY24 FTA 5307/5339(a)		450,000	450,000			450,000	
		-	450,000	450,000	-	-	450,000	-
	Totals	\$ 65,640,427	\$ 8,962,313	\$ 74,602,740	\$ 59,961,840	\$ 4,900,000	\$ 5,740,900	\$ 4,000,000

Capital Project Funding Addition Descriptions

- B147 Replace the existing internally developed Bus Maintenance system with a new SacRT Fleet Maintenance Management Software for Bus, Light Rail Maintenance, Light Rail Wayside Maintenance, and Facilities.
- B150 Watt/I-80 Transit Center Improvements – Construction activities include relocating the roadway median barrier and narrowing vehicle travel lanes, expanding platform(s), new stairway(s), add new lighting & signage, trash and recycling receptacles, seating, shade/rain shelters, pedestrian amenities, landscape buffer, relocating bus stops, improving on-ramps and pick-up/drop-off space, shelter modifications, elevator replacement, bathroom/breakroom renovations, and demolition.
- B174 Disruption Manager Software – Software will allow SacRT to react quickly to service disruptions that occur due to weather, traffic, or road conditions, and/or vehicle maintenance issues.
- B176 Vehicle Event Recorder – The on-board video event recorder will increase visibility, improve safety, track vehicles, and streamline fleet compliance.
- B184 CA Labor Federation WED – Workforce and Economic Development Program to build out and continue the Partners Moving Forward high road training partnership.
- F042 South Bus Parking Lot Pavement – Pavement repair to South bus parking lot.
- M004 FY12 Revenue Bond Payments – Annual payments for revenue bond issuance.
- M019 Arcade Creek Bridge Environmental – To obtain CEQA categorical exemption and environmental permitting to proceed with repairs.
- M025 Truxel Bridge Study – SacRT is providing internal technical review/support for the City of Sacramento engineering feasibility study for a new multi-modal bridge across the lower American River between Truxel Road and Sequoia Pacific Boulevard
- R384 LRV Maintenance Shop Upgrades – Engineering and construction for Light Rail Maintenance Shop upgrades needed to maintain the new Siemens S700.
- R386 LR Station LED Light Upgrade – Replace all obsolete high intensity discharge (HID) light fixtures at all light rail stations.
- R387 Park & Ride LED Light Upgrade - Replace all obsolete high intensity discharge (HID) light fixtures at all park & ride locations.
- R388 Facilities LED Light Upgrade - Replace all obsolete high intensity discharge (HID) light fixtures at all SacRT facilities.
- V102 1102 Q Street Building Move – Relocate staff to new building, buildout of office space and Board room, purchase/install furniture, and equipment.