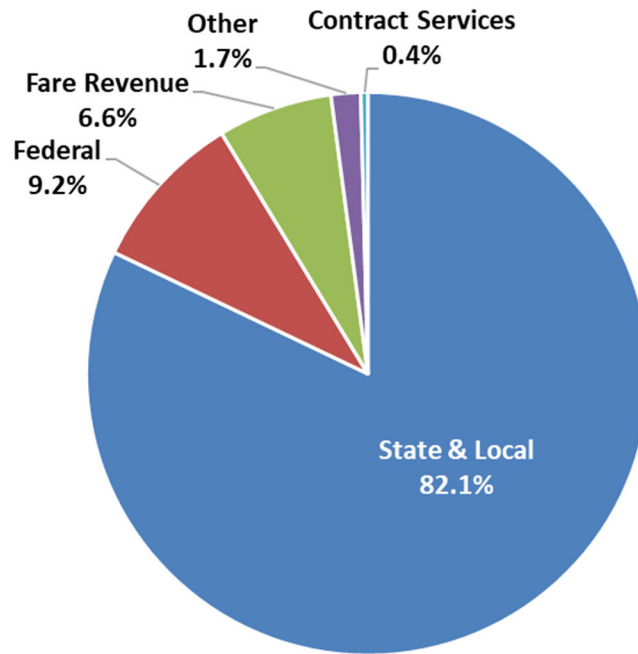


Operating Budget Summary

Revenues

FY 2025 Operating Revenue by Funding Source



(Dollars in Thousands)

		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025		FY 2024 to FY 2025	
		Actual		Actual		Actual		Budget		Budget		\$ 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		219,223		50,728	30.1%
Federal		57,704		56,676		56,876		58,540		23,760		(34,780)	-59.4%
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 such as fares from Los Rios Community College District (Los Rios), California State University, Sacramento (CSUS) and RydeFreeRT.

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.

- FY 2024 fare revenue is anticipated to end the year over budget at approximately \$17.9 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 \$1.2 million in Contracted Services revenue, an increase of \$0.4 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 \$219.2 million in state and local funding revenue, an increase of \$50.7 million (30.1%) 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 \$60.6 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 \$23.8 million in federal funding, a reduction of \$34.8 million (59.4%) 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.
- \$14.4 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**

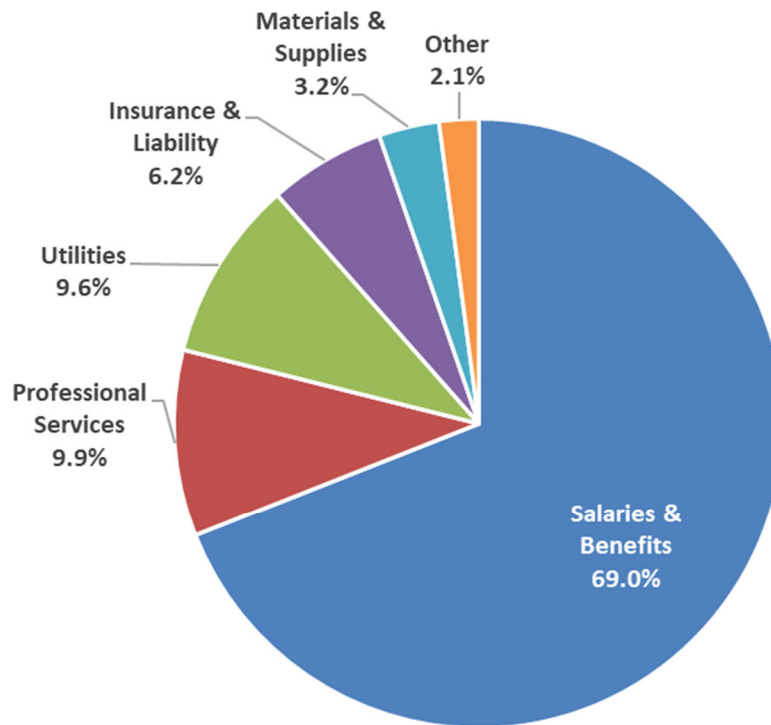
Other revenues include investment income, commercial real estate leases, advertising income, bus book sales, fare evasion fines, promotional item sales, and photo identification sales.

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		FY 2022		FY 2023		FY 2024		FY 2025		FY 2024 to FY 2025	
		Actual		Actual		Actual		Budget		Budget		\$ 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%

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

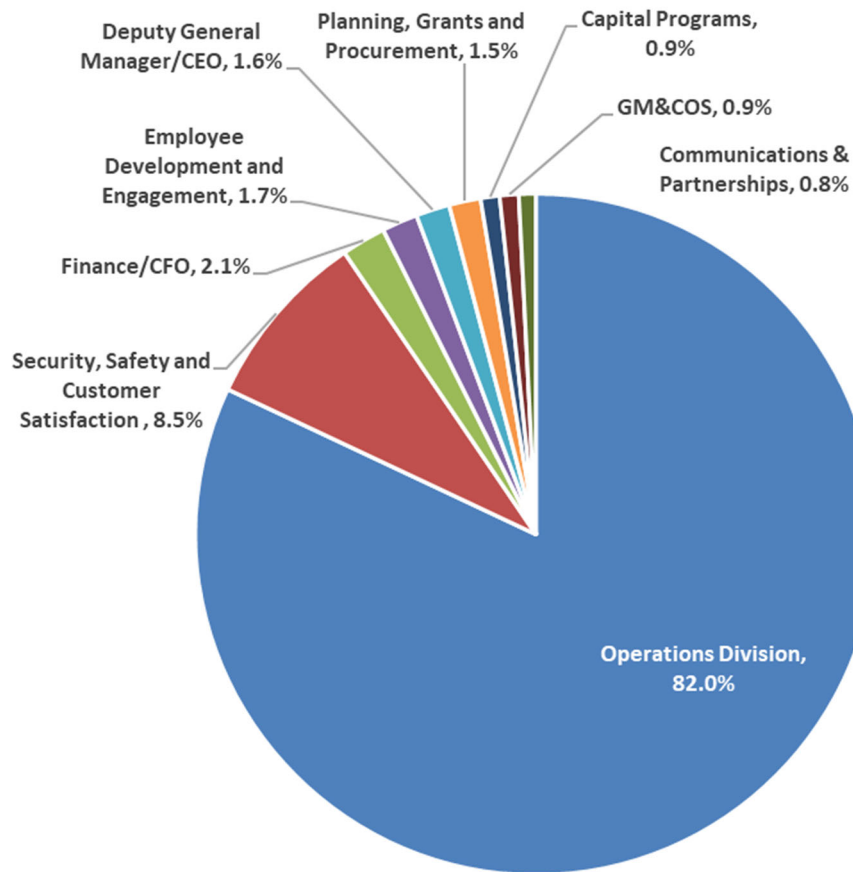
Other expenses include, but is not limited to, travel and training, seminars, dues and subscriptions, awards and ceremonies, building leases, equipment leases, taxes, freight, advertising, legal notices, and banking fees.

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.