



Operating Budget Summary

Operating Budget Summary

Enterprise Fund Statement (Fund Balance)

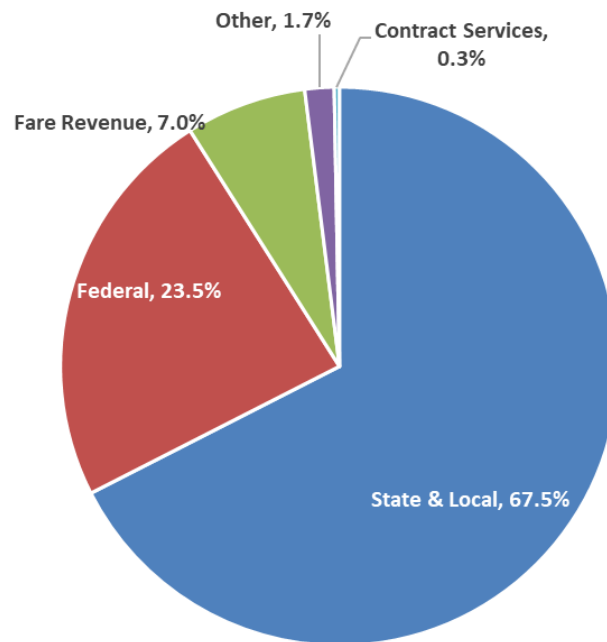
	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Budget
Operating Revenues					
Fare Revenue	\$12,001,272	\$14,308,770	\$16,614,532	\$18,241,769	\$18,439,108
Contracted Services	6,634,126	825,900	842,449	1,291,951	1,149,730
State & Local	113,657,412	144,507,608	159,055,051	160,123,520	219,223,010
Federal	57,703,601	56,675,720	56,875,709	63,953,441	23,760,075
Other	7,339,536	5,239,086	9,500,266	11,533,267	4,490,000
Total Operating Revenue	197,335,947	221,557,084	242,888,007	255,143,948	267,061,923
Capital Revenue Contributions					
State & Local	42,669,138	41,351,937	64,933,238	77,579,926	20,178,707
Federal	4,848,118	29,408,367	34,976,735	40,328,461	67,452,267
Total Capital Revenue	47,517,256	70,760,304	99,909,973	117,908,387	87,630,974
Operating Expenses					
Salaries & Benefits	141,909,606	153,684,302	160,613,840	176,214,559	184,263,558
Professional Services	14,162,411	16,497,310	19,400,569	22,695,874	26,514,807
Materials & Supplies	13,503,911	14,748,156	18,955,278	17,783,426	16,562,316
Utilities	7,271,754	7,424,683	7,987,760	8,204,292	8,427,059
Insurance & Liability	12,335,695	19,783,495	28,247,808	23,640,593	25,560,113
Other	2,209,092	2,633,987	2,783,525	3,022,127	5,734,070
Total Operating Expenses	191,392,469	214,771,933	237,988,780	251,560,871	267,061,923
Operating Expenses for Capital	4,701,779	(5,128,457)	339,937	4,182,464	3,000,000
Non-Operating Expenses					
Depreciation & Amortization	44,060,094	46,623,437	47,140,507	46,406,590	43,000,000
Interest Expense	2,386,142	1,574,881	1,526,297	1,593,632	2,224,600
Total Non-Operating Expenses	46,446,236	48,198,317	48,666,804	48,000,221	45,224,600
GASB Adjustment	0	9,480,288	(1,241,191)	821,427	0
Impairment Loss	0	0	(22,254,333)	0	0
Prior Year Adjustment	0	0	0	0	0
Special Item: Transfer of Operations	0	15,781,405	0	0	0
Services Funded by Others	(123,612)	(276,970)	0	0	0
Beginning Balance, July 1	714,268,059	745,263,778	804,724,096	837,031,031	907,161,237
Ending Balance, June 30	\$745,263,778	\$804,724,096	\$837,031,031	\$907,161,237	\$946,567,611
% Change in Ending Fund Balance		7.98%	4.01%	8.38%	4.34%

Division/Fund Relationship

Division	Enterprise Fund
General Manager/CEO	√
Chief of Staff/VP, Real Estate	√
VP, Planning, Grants and Procurement	√
VP, Operations	√
VP, Light Rail Operations	√
Deputy General Manager/CEO	√
VP, Employment Development & Engagement	√
VP, Capital Programs	√
VP, Finance/CFO	√
VP, Procurement, Real Estate & Special Projects	√
VP, Communications and Partnerships	√
VP, Security, Safety, Customer Satisfaction and Facilities	√

Revenues

Operating Revenues by Funding Source



(Dollars in Thousands)

Revenue Categories	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Budget	FY 2024 to FY 2025	
						\$ Change	% Change
Fare Revenue	\$12,000	\$14,309	\$16,615	\$18,242	\$18,439	\$197	1.1%
Contract Services	6,634	825	842	1,292	1,150	(142)	-11.0%
State & Local	113,657	144,508	159,055	160,124	219,223	59,099	36.9%
Federal	57,704	56,676	56,876	63,953	23,760	(40,193)	-62.8%
Other	7,340	5,239	9,500	11,533	4,490	(7,043)	-61.1%
Total	\$197,335	\$221,557	\$242,888	\$255,144	\$267,062	\$11,918	4.7%
Operating Surplus/(Deficit)	5,943	6,223	3,152	1,213	-		
Operating Revenue	\$191,392	\$215,334	\$239,736	\$253,931	\$267,062	\$ 11,918	4.7%

*Operating Reserve: Negative indicates an allocation of surplus to the reserve. Positive indicates use of the reserve.

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), California State University, Sacramento (CSUS) Student pass programs and funding from partners for SacRT's RydeFreeRT program.

The FY 2025 Budget proposes \$18.4 million in Fare Revenue, an increase of \$0.2 million (1.1%) from the FY 2024 Projected Revenue of \$18.2 million.

- This Fare Revenue increase is due to a projected increase in system-wide ridership and in Los Rios contract revenue.

Contracted Services

This category includes contracts with the city of Rancho Cordova, as well as with UC Davis for Causeway Connection transit services. These jurisdictions purchase SacRT transit services.

The FY 2025 Budget proposes \$1.15 million in Contracted Services revenue, a reduction of \$0.14 million (11.0%) from the FY 2024 Projected Revenue of \$1.29 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.

State & Local

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

Revenues continued

California Transportation Development Act

The California Transportation Development Act of 1971 (TDA), as amended, provides two sources of funding for public transportation. The first is the county Local Transportation Fund (LTF) which was established in 1972, whereby one-fourth of 1% of the current Statewide sales tax is made available for public transportation operating and capital expenditures in the county in which the sales tax is collected. The second is the State Transit Assistance Program (STA) which was established in 1979, whereby a portion of gasoline sales and diesel use tax revenues is appropriated by the State Legislature to the State Public Transportation Account (PTA) for certain public transportation purposes.

Measure A

On November 1988, Sacramento County voters approved the passage of Measure A, a one-half of one percent countywide retail transactions and use tax ("Sales Tax") to help relieve traffic congestion, improve air quality, construct new and repair existing highways, maintain local streets and roads, expand public transit, and increase public safety by providing essential countywide transportation improvements. Measure A incorporated the Sacramento County Transportation Expenditure Plan (the "Expenditure Plan"), which includes those projects that are eligible for funding from the proceeds of the Sales Tax. As the March 2008 expiration of Measure A approached, the Sacramento Transportation Authority (STA) placed a measure on the November 2004 ballot to renew the Measure for 30 more years after the original measure expires.

Voters overwhelmingly approved the new Measure A, with more than 75 percent of voters in favor of it. The new Measure A includes the continuation of the one-half percent sales tax through 2039 and introduces a countywide development impact fee program (development impact fee) to be adopted and implemented by each participating jurisdiction and remitted to STA for reallocation.

Percentage breakdown of Developer Fees:

35%	Local Road Maintenance, Safety and Congestion Relief Program
20%	Transit Congestion Relief Program
20%	Freeway Safety and Congestion Relief Program
15%	Smart Growth Incentive program
10%	Transportation Project Environmental Mitigation Program

Revenues continued

Percentage breakdown of Sales Tax:

38%	Local Road Maintenance, Safety and Congestion Relief Program
38%	Transit Congestion Relief Program
5%	Senior & Disabled Transportation Services
12%	Freeway Safety and Congestion Relief Program
4%	Safety, Streetscaping, Pedestrian and Bicycle Facilities
2%	Transportation-Related Air Quality Program
1%	Program Administration

The FY 2025 Budget proposes \$219.2 million in state and local funding revenue, an increase of \$59.0 million (36.9%) from the FY 2024 Projected Revenue of \$160.1 million and includes:

- \$60.6 million in Senate Bill 125 funding, which is Transit and Intercity Rail Capital Program, which has flexibility to use money to fund transit operations or capital improvements.
- Measure A Sales tax-based revenue is budgeted flat compared to FY 2024 Projected Revenue.
- \$5.5 million of Measure A is budgeted for Paratransit SacRT Go service.
- 1.1% reduction in TDA-LTF.
- \$4.0 million of 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 in Neighborhood Shuttle Measure A for SmaRT Ride service, which is the same amount as FY 2024 Adopted Budget.



Revenues continued

Federal

This category includes Section 5307 Formula Funds, Section 5316 Jobs Access Reverse Commute allocations and Congestion Mitigation Air Quality (CMAQ) funds. This category also includes the America Rescue Plan of 2021 (ARP) funding.

The FY 2025 Budget proposes \$23.8 million in federal funding, a decrease of \$40.2 million (62.8%) from the FY 2024 Projected Revenue of \$64.0 million. The FY 2025 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 in FY 2023 Section 5307 Urbanized Area funds.
- \$7.8 million of 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 \$55.9 million or 87.8% from FY 2024 Projected Revenue is due to depletion of ARP funding.
- \$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.

Other

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

The FY 2025 Budget includes \$4.5 million in other revenue, which is a reduction of \$7.0 million (61.1%) from the FY 2024 Projected Revenue of \$11.5 million. Other revenues include:

- \$0.4 million for the sale of Low Carbon Credits through the State Cap and Trade program and \$0.7 million for RINs credits.
- Investment income of \$0.75 million.
- Advertising revenue of \$0.8 million.
- \$1.4 million in Miscellaneous Income.

Revenues continued

FY 2024 to FY 2025 Revenue Comparison

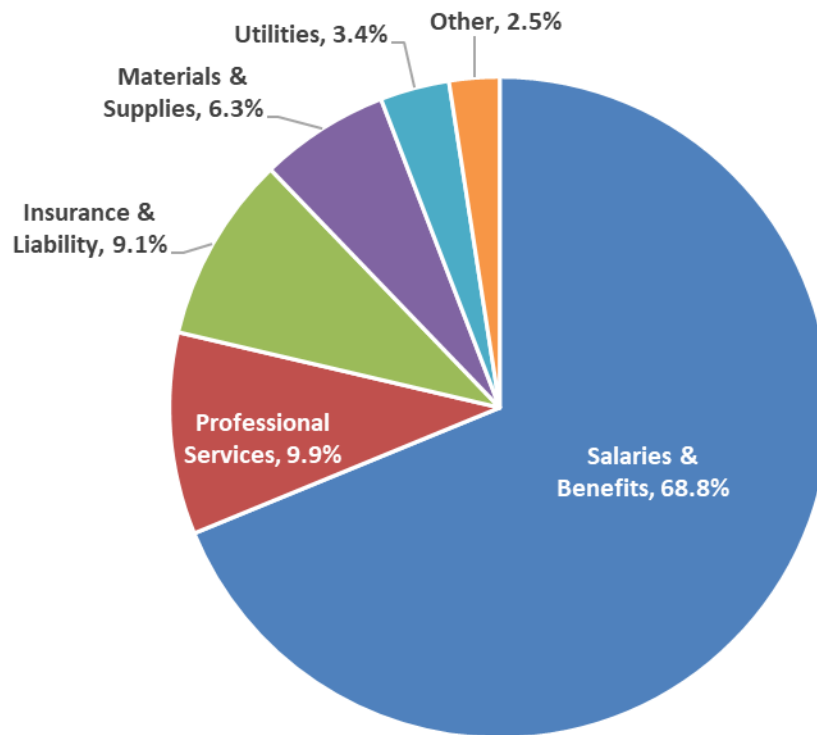
GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Income		\$255,143,947	\$267,061,923	\$11,917,976
Fare Revenue		18,241,770	18,439,108	197,338
<i>Farebox Revenue</i>		<i>4,181,802</i>	<i>4,439,268</i>	<i>257,466</i>
410920	Cash Fares	4,171,582	4,439,268	267,686
410921	FVM Audit Adj/Refund	10,220	0	(10,220)
<i>Transfer Agreements</i>		<i>(76,029)</i>	<i>(59,000)</i>	<i>17,029</i>
410925	Transfer Agreements	(76,029)	(59,000)	17,029
<i>Sales</i>		<i>8,751,240</i>	<i>8,996,840</i>	<i>245,600</i>
410301	Prepaid Sales	0	8,996,840	8,996,840
410310	MTO Net Sales	408,650	0	(408,650)
410315	FPP Gross Sales	7,942,013	0	(7,942,013)
410316	FPP Sales Discounts	(4,549,138)	0	4,549,138
410317	FPP Return Discounts	7,450	0	(7,450)
410318	FPP Sales Adjustment	(304)	0	304
410319	FPP Actual Returns	(34,963)	0	34,963
410320	FPP Accrual Returns	0	0	0
410350	Connect Fare Sales	3,231,899	0	(3,231,899)
410360	Mobile Ap Fare Sales	0	0	0
410370	MAPP Passenger Fares	1,773,934	0	(1,773,934)
410371	MAPP Passenger Fares	(28,301)	0	28,301
410903	Ticket Exchange Ref	0	0	0
<i>Special Fare Services</i>		<i>5,382,827</i>	<i>5,065,000</i>	<i>(317,827)</i>
410120	Alta Pass	267,675	300,000	32,325
410204	CSUS - Students	990,040	900,000	(90,040)
410205	Los Rios - Student	2,697,975	2,500,000	(197,975)
410210	K-12 Ryde Free	1,420,000	1,305,000	(115,000)
420918	Special Services	7,137	60,000	52,863
<i>Miscellaneous Revenue</i>		<i>1,930</i>	<i>(3,000)</i>	<i>(4,930)</i>
410105	Adult Daily	1,930	0	(1,930)
410601	Commissions	0	(3,000)	(3,000)
410930	Folsom Revenues	0	0	0
Contracted Services		1,291,951	1,149,730	(142,221)
<i>Contract Services</i>		<i>1,291,951</i>	<i>1,149,730</i>	<i>(142,221)</i>
420919	City Services	51,725	49,730	(1,995)
420923	Rancho Cordova	526,461	500,000	(26,461)
420926	UC Davis	326,305	300,000	(26,305)
420930	UCDMC Elk Grove	387,460	300,000	(87,460)

Revenues continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Other Income		11,533,265	4,490,000	(7,043,265)
<i>Advertising</i>		<i>987,671</i>	<i>800,000</i>	<i>(187,671)</i>
430915	Ads shelters	90,384	164,000	73,616
430916	Ads LR Stations	26,250	36,000	9,750
430919	Ads Bus Vehicles	616,665	300,000	(316,665)
430920	Advertising LR Vehicle	221,250	300,000	78,750
431100	Naming Rights	33,122	0	(33,122)
<i>Miscellaneous Income</i>		<i>5,328,928</i>	<i>2,600,000</i>	<i>(2,728,928)</i>
430913	ID Sales	47,440	50,000	2,560
430914	Fines	2,395	6,000	3,605
450710	CNG Revenue	1,916,153	0	(1,916,153)
450922	Other Revenue	2,287,409	1,443,300	(844,109)
450923	ECOS Revenue	54,598	0	(54,598)
450926	Bike Locker	180	700	520
450939	RIN Credits-Biofuels	450,551	700,000	249,449
470952	Low Carbon Credit	570,202	400,000	(170,202)
<i>Real Estate Income</i>		<i>430,673</i>	<i>340,000</i>	<i>(90,673)</i>
441140	RE Lease	376,166	340,000	(36,166)
441144	R.E. Joint Development	32,507	0	(32,507)
441145	R.E. Processing Fee	22,000	0	(22,000)
<i>Investment Income</i>		<i>4,785,993</i>	<i>750,000</i>	<i>(4,035,993)</i>
450924	Interest Income	2,370,263	0	(2,370,263)
450943	Investment Income	2,413,704	750,000	(1,663,704)
450944	Interest Income Misc	2,026	0	(2,026)
State and Local Subsidy		160,123,520	219,223,010	59,099,490
<i>State and Local Assistance</i>		<i>160,123,520</i>	<i>219,223,010</i>	<i>59,099,490</i>
470930	MSA - RT General	60,513,144	60,500,000	(13,144)
	MSA - Neighborhood			
470931	Shuttle	800,400	800,000	(400)
470932	MSA: SacRT GO	5,525,113	5,500,449	(24,664)
470934	LTF	88,766,333	87,822,561	(943,772)
470945	Cap and Trade LCTOP	4,518,530	4,000,000	(518,530)
470946	SB125	0	60,600,000	60,600,000
Federal Subsidy		63,953,441	23,760,075	(40,193,366)
<i>Federal Assistance</i>		<i>63,953,441</i>	<i>23,760,075</i>	<i>(40,193,366)</i>
460941	Fed 5307 Prev Maint	0	14,400,000	14,400,000
460942	Federal Access Jobs	0	1,106,565	1,106,565
460951	Federal CMAQ UCD	270,000	250,000	(20,000)
460958	ARP Stimulus	63,683,441	7,780,630	(55,902,811)
460959	CMAQ - Airport Shuttle	0	222,880	222,880

Expenses

Operating Expenses by Expense Category

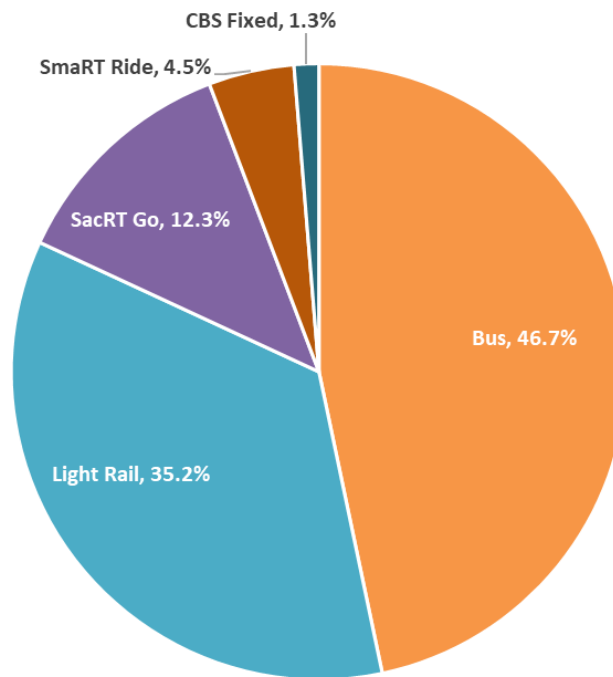


(Dollars in Thousands)

Expense Categories	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Budget	FY 2024 to FY 2025	Changes %
Salaries & Benefits	\$141,910	\$153,684	\$160,614	\$176,215	\$184,263	\$8,048	4.6%
Professional Services	14,162	16,497	19,401	22,696	26,515	3,819	16.8%
Materials & Supplies	13,504	14,748	18,955	17,783	16,562	(1,221)	-6.9%
Utilities	7,272	7,425	7,988	8,204	8,427	223	2.7%
Insurance & Liability	12,336	19,783	28,248	23,641	25,560	1,919	8.1%
Other	2,209	2,634	2,784	3,022	5,735	2,713	89.8%
Total Operating Exp	191,392	214,772	237,989	251,561	267,062	15,501	6.2%
GASB 87 Lease	0	562	1,747	2,370	0	(2,370)	(100.0%)
Total Expenses	\$191,392	\$215,334	\$239,736	\$253,931	\$267,062	\$13,131	5.2%

Expenses continued

Operating Expenses by Mode

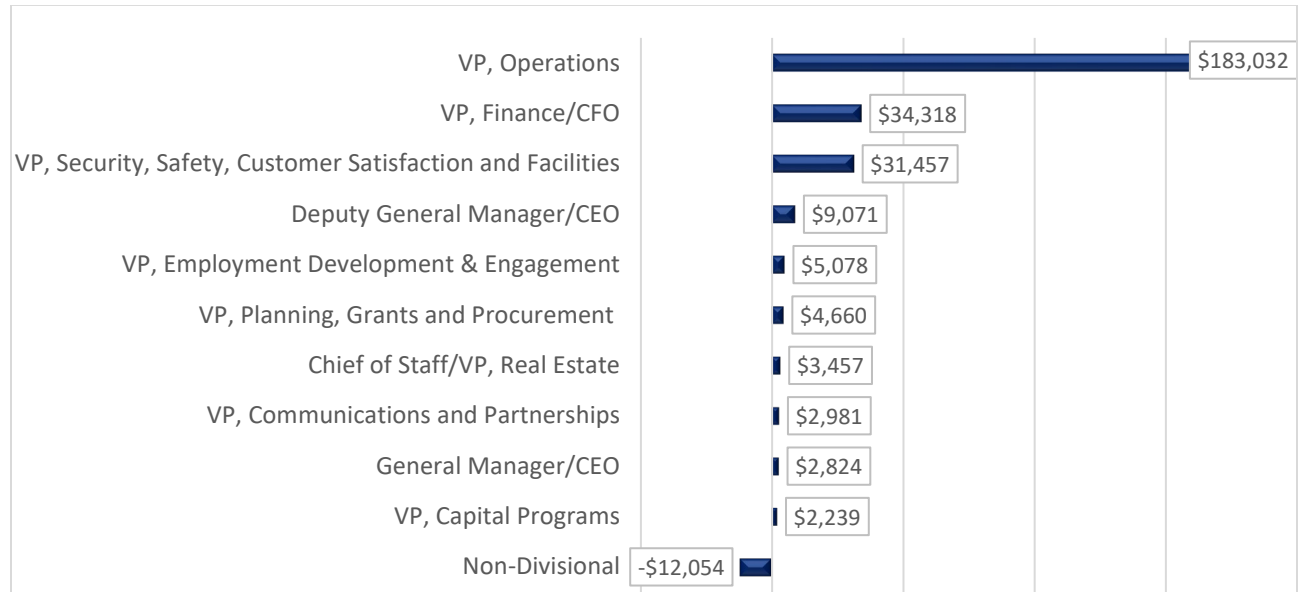


(Dollars in Thousands)

Expense Categories	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Budget	FY 2024 to FY 2025	Change Percent
Bus	\$85,199	\$103,505	\$113,518	\$115,780	\$120,297	\$4,517	3.9%
CBS Fixed	3,869	2,810	2,957	2,922	2,938	15	0.5%
SmaRT Ride	7,476	9,807	10,352	10,340	11,203	863	8.3%
SacRT Go	16,907	22,022	28,225	35,594	38,194	2,600	7.3%
Light Rail	71,531	76,628	82,937	86,924	94,430	7,506	8.6%
Elk Grove e-Tran Services	6,410	0	0	0	0	0	N/A
Total Expenses	\$191,392	\$214,772	\$237,989	\$251,561	\$267,062	\$15,502	6.2%
GASB 87 Lease		562	1,747	2,370		(2,370)	-100.0%
Total Expenses	\$191,392	\$215,334	\$239,736	\$253,931	\$267,062	\$13,131	5.2%

Expenses continued

Operating Expenses by Division



(Dollars in Thousands)

Division	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Budget	FY 2024 to FY 2025	Change Percent
General Manager/CEO	\$4,028	\$2,356	\$2,458	\$2,441	\$2,824	\$383	15.7%
Chief of Staff/VP, Real Estate	0	0	0	1,923	3,457	1,534	79.8%
VP, Planning, Grants and Procurement	9,756	9,844	11,707	3,923	4,660	737	18.8%
VP, Operations	133,724	102,873	110,908	168,190	183,032	14,842	8.8%
VP, Light Rail Operations	0	42,676	44,193	0	0	0	N/A
Deputy General Manager/CEO	9,778	10,896	7,529	8,637	9,071	434	5.0%
VP, Employment Development & Engagement	0	0	4,308	4,574	5,078	504	11.0%
VP, Capital Programs	0	0	0	1,156	2,239	1,083	93.8%
VP, Finance/CFO	20,468	28,524	5,123	30,768	34,318	3,550	11.5%
VP, Procurement, Real Estate & Special Projects	0	0	33,328	0	0	0	N/A
VP, Communications and Partnerships	0	2,300	2,792	2,823	2,980	157	5.6%
VP, Security, Safety, Customer Satisfaction and Facilities	13,839	15,475	15,887	27,727	31,457	3,730	13.5%
Non-Divisional	(199)	(172)	(245)	(600)	(12,054)	(11,454)	1907.7%
Total Operating Expenses	191,392	214,772	237,989	251,561	267,063	15,502	6.2%
GASB 87 Lease	0	562	1,747	2,370	0	(2,370)	(100.0%)
Total Expenses	\$191,392	\$215,334	\$239,736	\$253,931	\$267,062	\$13,131	5.2%

* Non-Divisional amounts are proportionally allocated to all other divisions in the pie chart above.

Expenses continued

FY 2025 Operating Budget Summary - All Divisions

(Dollars in Thousands)

Expense Categories/Division	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Projected	FY 2025 Budget	FY 2024 to FY 2025	Change Percent
Salaries & Benefits	\$141,909	\$153,684	\$160,614	\$176,215	\$184,265	\$7,170	4.1%
General Manager/CEO	3,150	2,052	2,170	2,305	2,348	43	1.9%
Chief of Staff/VP, Real Estate	0	0	0	969	843		
VP, Planning, Grants and Procurement	5,810	6,085	6,970	3,622	4,270	648	17.9%
VP, Operations	113,623	87,894	91,908	140,647	154,950	14,303	10.2%
VP, Light Rail Operations	0	35,020	35,547	0	0	0	N/A
Deputy General Manager/CEO	6,171	7,030	4,393	4,750	4,940	190	4.0%
VP, Employment Development & Engagement	0	0	3,636	3,929	4,207	278	7.1%
VP, Capital Programs	0	0	0	1,099	2,105		
VP, Finance/CFO	6,247	6,776	3,405	4,564	4,950	386	8.5%
VP, Procurement, Real Estate & Special Projects	0	0	3,449	0	0	0	N/A
VP, Communications and Partnerships	0	1,435	1,662	1,846	1,922	76	4.1%
VP, Security, Safety, Customer Satisfaction and Facilities	7,107	7,564	7,719	13,084	15,784	2,700	20.6%
Non-Divisional	(199)	(172)	(245)	(600)	(12,054)	(11,454)	1909.0%
Other Expenses	\$49,483	\$61,088	\$77,375	\$75,346	\$82,798	\$7,452	9.9%
General Manager/CEO	876	303	287	135	475	340	251.9%
Chief of Staff/VP, Real Estate	0	0	0	954	2,614	1,660	
VP, Planning, Grants and Procurement	3,946	3,760	4,737	301	392	91	30.2%
VP, Operations	20,101	14,980	18,999	27,543	28,081	538	2.0%
VP, Light Rail Operations	0	7,656	8,647	0	0	0	N/A
Deputy General Manager/CEO	3,607	3,865	3,136	3,887	4,131	244	6.3%
VP, Employment Development & Engagement	0	0	672	645	870	225	35.0%
VP, Capital Programs	0	0	0	56	134	78	
VP, Finance/CFO	14,221	21,748	1,719	26,205	29,368	3,163	12.1%
VP, Procurement, Real Estate & Special Projects	0	0	29,879	0	0	0	N/A
VP, Communications and Partnerships	0	865	1,131	977	1,059	82	8.4%
VP, Security, Safety, Customer Satisfaction and Facilities	6,732	7,911	8,168	14,643	15,673	1,030	7.0%
Total Operating Exp	191,392	214,772	237,989	251,561	267,062	15,501	6.2%
GASB 87 Lease		562	1,747	2,370		(2,370)	-100.0%
Total Expenses	\$191,392	\$215,334	\$239,736	\$253,931	\$267,062	\$13,131	5.2%

Expenses continued

Salaries & Benefits

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

The FY 2025 Budget proposes \$184.3 million for salaries and benefits, an increase of \$8.0 million (4.6%) from the FY 2024 Projected cost of \$176.2 million. The FY 2025 budget includes:

- 1,452 funded positions, a decrease of 11 funded positions from the Fiscal Year 2024 Projected of 1,463 funded positions. See Positions section on page 108 for details.
- Straight time pay, overtime and personal service contract costs increases of \$1.4 million (1.4%) from the FY 2024 Projected cost of \$102.7 million. This reflects various District position salary adjustments.
- Fringe Benefit cost increases of \$5.6 million (7.4%) from the FY 2024 Projected cost of \$76.6 million. This reflects an increase of \$0.4 million in FICA costs, \$3.3 million in medical, dental, life and vision costs, and \$2.2 million in vacation and sick leave accrual, etc.
- A decrease of \$1.0 million (31.8%) in Capital recovery and indirect savings compared to the FY 2024 projected cost recovery. This represents labor charged to capital projects and other initiatives such as the Connect Card Consortium, which results in a reduction in operating costs.

Professional Services

This category includes transit security, equipment maintenance, tire lease services, facilities maintenance, legal services, purchased transportation to comply with the Americans with Disabilities Act (ADA), and services provided by outside consultants.

The FY 2025 Budget proposes \$26.5 million for Professional Services, an increase of \$3.8 million (16.8%) from the FY 2024 Projected cost of \$22.7 million.

- Outside Services costs increased \$1.1 million in Information Technology, Training and Light Rail Wayside.
- Security Services costs increased by \$0.3 million.
- Software/Cloud Services costs increased by \$0.8 million.
- UZURV ADA supplemental services contract increased by \$0.1 million.
- This budget reflects the FY 2025 portion of multi-year contracts for professional services.

Expenses continued

Materials & Supplies

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

The FY 2025 Budget includes \$16.6 million for materials and supplies, a reduction of \$1.2 million (6.9%) from the FY 2024 Projected cost of \$17.8 million and:

- Reflects a reduction in CNG and diesel cost due to anticipation that fuel prices will stabilize in FY 2025.
- Includes \$3.3 million in Bus parts.

Utilities

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

The FY 2025 Budget includes \$8.4 million for Utilities, an increase of \$0.2 million (2.7%) from the FY 2024 Projected cost of \$8.2 million.

- This budget reflects an increase of \$0.9 million in traction power due to light rail service level and increases in electricity rates.

Insurance & Liability

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

The FY 2025 Budget proposes \$25.6 million for Insurance & Liability, an increase of \$1.9 million (8.1%) from the FY 2024 Proposed cost of \$23.6 million and includes:

- \$1.1 million decrease in cost for projected claim reserves for Property and Liability.
- \$0.7 million increase in cost for projected claim reserves for Workers' Compensation.
- \$1.4 million increase in excess liability insurance costs due to challenging market conditions to get the required insurance limits.
- Additional increases in FY 2025 estimated insurance premium costs due to a more restrictive and more competitive insurance market.

Expenses continued

Other

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

The FY 2025 Budget proposes \$5.7 million for other expenditures, an increase of \$2.7 million (89.7%) from the FY 2024 Projected cost of \$3.0 million and includes:

- \$0.9 million in Contingency for unforeseen expenditures that may happen throughout the year.
- \$2.1 million in Property lease cost.
- \$0.5 million in Connect Card fees, which is SacRT's portion of running the Connect Card Regional Service Center. It should be noted that most of these costs are recovered via cost recovery in the salary and benefits section.
- Variances in other accounts make up the remaining difference.



Expenses continued

FY 2024 to FY 2025 Expenses Comparison

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Expenses		\$251,560,870	\$267,061,923	\$15,501,053
Wages		176,214,559	184,263,558	8,048,999
<i>Labor/Fringes</i>		176,214,559	184,263,558	8,048,999
<i>Labor</i>		102,747,811	104,167,152	1,419,341
510010	Straight Time	86,480,658	90,403,446	3,922,788
510011	Overtime	14,804,748	11,995,488	(2,809,260)
510025	Salary PSC	888,469	1,444,506	556,037
510050	Supplemental Pension	41,707	41,712	5
630015	Temporary Help	532,229	282,000	(250,229)
<i>Fringes</i>		76,599,250	82,231,503	5,632,253
510017	Med Cost Pay	1,162,715	0	(1,162,715)
520001	FICA	8,449,209	8,855,309	406,100
520002	Pension	29,063,868	28,829,526	(234,342)
520003	Medical	21,162,199	24,324,774	3,162,575
520004	Dental	1,590,012	1,731,240	141,228
520005	Life	374,701	392,085	17,384
520007	Unemployment	53,511	150,000	96,489
520008	Post Retirement	3,063,758	4,108,821	1,045,063
520009	Vacation Accrual Exp	6,706,350	7,911,897	1,205,547
520010	Sick Leave Accrual Exp	4,287,394	5,137,608	850,214
520016	Vision Care	222,787	232,848	10,061
520019	1/2 Percent ATU	339,768	361,692	21,924
520050	Retirement 401/457	980,067	1,206,382	226,315
520108	OPEB Implicit Rate CR	(857,089)	(1,010,679)	(153,590)
<i>Capital Labor & Fringes</i>		(3,132,502)	(2,135,097)	997,405
550001	Project Labor Rollup	(1,761,008)	(1,125,749)	635,259
550002	Project Indirect	(600,403)	(331,825)	268,578
550003	Pension Contra	(355,550)	(274,129)	81,421
550004	Connect Contra	(312,437)	(319,988)	(7,551)
550005	Connect Indirect	(103,104)	(83,406)	19,698

Expenses continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Other Expenditures		\$75,346,311	\$82,798,365	\$7,452,054
Services		19,601,779	23,274,807	3,673,028
<i>Professional & Other Services</i>		<i>19,571,431</i>	<i>23,139,807</i>	<i>3,568,376</i>
610014	Board Fees	22,200	20,000	(2,200)
630001	Laundry	182,155	197,000	14,845
630002	Consultants	28,750	36,250	7,500
630003	Outside Service	2,937,078	4,005,199	1,068,121
630005	Insurance Brokers	200,810	197,000	(3,810)
630006	Arbitration	0	10,000	10,000
630008	Management Fees	527,165	536,000	8,835
630009	Legal Services	105,893	324,291	218,398
630010	Physicals	226,795	256,600	29,805
630011	Auditing	12,950	13,350	400
630012	Timetables and Maps	24,900	30,000	5,100
630016	Accident Board	1,800	2,400	600
630018	Building grounds	830,497	719,333	(111,164)
630019	Bus Stops	(19,308)	91,000	110,308
630020	Revenue Vehicles	469,194	450,000	(19,194)
630021	Contract Maintenance	961,140	1,249,693	288,553
630022	LR Non Rev Vehicles	80,840	115,000	34,160
630023	Bus Non Rev Vehicles	236,434	205,000	(31,434)
630024	Service Maintenance	742,096	844,925	102,829
630025	Landscaping	10	10,000	9,990
630026	Radio Maintenance	736,953	800,000	63,047
630027	Custodial	169,959	193,800	23,841
630029	Computer Maintenance	228,203	97,000	(131,203)
630031	Data Communications	2,881	0	(2,881)
630032	Mobile App Fees	35,833	100,000	64,167
630038	Plants	461	0	(461)
630039	PBID Related Expense	221,419	293,420	72,001

Expenses continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
<i>Professional & Other Services</i>				
630040	Work program	277,254	500,000	222,746
630045	Security Services	8,936,782	9,568,972	632,190
630047	Printing	99,189	85,500	(13,689)
630050	Weeds	35,819	58,000	22,181
630052	COVID-19 Services	6,080	1,000	(5,080)
630056	Promo	32,118	60,000	27,882
630057	Other Prod Serv	0	0	0
630061	Record Destruction	546	1,000	454
630065	Management Services	15,655	0	(15,655)
630070	Software/Cloud Services	801,652	1,559,074	757,422
630082	Board Support	5,200	7,000	1,800
630083	Art Work	0	0	0
630085	Media Advertising	16,265	80,000	63,735
630089	Advocacy Services	214,500	222,000	7,500
630090	Legal Notices	10,099	10,000	(99)
630095	Employee Advertisement	46,637	70,000	23,363
630096	Pre Employment Cost	106,527	120,000	13,473
630097	Hazardous Materials	30,348	135,000	104,652
	SacRT GO Vehicle			
630100	Maintenance	399,317	420,000	20,683
690019	Advertising	850	0	(850)
<i>Purchased Transportation</i>		2,693,927	2,820,000	126,073
630091	Purchased Transportation	2,693,927	2,820,000	126,073

Expenses continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Supplies		\$17,783,426	\$16,562,316	(\$1,221,110)
<i>Materials & Supplies</i>		<i>17,783,426</i>	<i>16,562,316</i>	<i>(1,221,110)</i>
640001	Tires	3,543	11,500	7,957
640002	Gasoline	3,601,653	3,620,000	18,347
640003	Diesel	134,978	110,000	(24,978)
640004	CNG	4,192,048	4,100,000	(92,048)
640005	Sac Vocational Supplies	1	17,000	16,999
640006	Lubricants	318,834	275,000	(43,834)
640007	Cleaning	23,929	98,916	74,987
640008	Bus Parts	4,236,027	3,300,000	(936,027)
640009	Parts Non Rev	95,265	82,000	(13,265)
640010	Parts LRV	2,443,385	2,500,000	56,615
640011	Parts Farebox	2,522	0	(2,522)
	Parts Fare Vending			
640012	Machines	59,742	75,000	15,258
640013	Equipment Supplies	245,498	85,000	(160,498)
640014	Parts Facility	112,219	80,000	(32,219)
640015	Building and Grounds	397,083	240,000	(157,083)
640017	Wayside Spares/supply	471,830	480,000	8,170
640020	Camera	33,957	23,000	(10,957)
640021	Printing Tickets	104,679	150,000	45,321
640022	Printed Materials	2,941	4,000	1,059
640023	Copier Supplies	18,706	23,000	4,294
640025	Office Supplies	106,219	108,900	2,681
640026	Legal Research Mater	3,221	45,000	41,779
640027	Small Tools	52,240	53,200	960
640030	Equipment Items	8,813	59,200	50,387
640031	Other Supplies	501,111	555,600	54,489
640032	District Supplies	1,187	12,000	10,813
640033	Consumables LR	127,701	134,000	6,299
640037	Metro Tools	52,861	51,000	(1,861)
640038	Office Furniture	52,835	31,000	(21,835)
640040	District Postage	72,890	75,000	2,110
	Connect Card Parts &			
640050	Equipment	93,268	36,000	(57,268)
640051	DMS Parts & Equipment	146,069	10,000	(136,069)
640052	COVID-19 Supplies	58,964	117,000	58,036
640101	Invent Value Adj Bus	(26,886)	0	26,886
640102	Inv Gain or Loss Bus	(20,674)	0	20,674
640103	Invent Val Adj Rail	61,854	0	(61,854)
640104	Inv Gain or Loss LR	(7,087)	0	7,087

Expenses continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Utilities		8,204,292	8,427,059	222,767
<i>Utilities</i>		8,204,292	8,427,059	222,767
650001	Natural Gas	170,612	110,000	(60,612)
650002	Water	767,402	750,000	(17,402)
650003	Electricity	1,360,397	1,403,000	42,603
650004	Garbage	188,477	163,200	(25,277)
650006	Telephone	1,402,929	900,859	(502,070)
650007	LRV Traction	4,230,850	5,000,000	769,150
650008	Electricity: Bus Charging	83,625	100,000	16,375
Insurance/Liabilities		23,640,593	25,560,113	1,919,520
<i>Casualty & Liability</i>		23,640,593	25,560,113	1,919,520
660004	Liability Accrual	5,899,990	4,809,000	(1,090,990)
660022	WC Accrual	5,509,798	6,181,000	671,202
660027	Employment Practices	79,379	81,710	2,331
660038	Recoveries	(687,875)	(150,000)	537,875
660040	Crime	14,683	14,000	(683)
660041	Boiler & Machinery	16,512	18,410	1,898
660043	Excess WC	264,461	349,000	84,539
660044	Excess Liability	9,718,748	11,132,550	1,413,802
660047	Assault Premium	(12)	3,518	3,530
660049	Property Premium	2,636,974	2,942,049	305,075
660060	Pollution/UST Premium	6,989	14,841	7,852
660062	Flood Premium	19,772	19,782	10
660063	Privacy/Cyber Liability	150,074	133,103	(16,971)
660064	Fiduciary Insurance	11,100	11,150	50



Expenses continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
Other Expenses		1,529,805	3,218,697	1,688,892
<i>Miscellaneous - Taxes</i>		397,050	410,100	13,050
670001	Fuel Taxes	48,720	50,000	1,280
670002	Highway Use	25	100	75
670004	Property Taxes	348,305	360,000	11,695
<i>Miscellaneous - Leases</i>		609,405	2,179,368	1,569,963
680001	Copier Lease	105,894	87,200	(18,694)
680002	Property Leases	502,811	2,092,168	1,589,357
680003	Other Leases	480	0	(480)
680004	Lease Equipment	220	0	
<i>Other Employee Benefits</i>		523,350	629,229	105,879
520020	Car Allowance	47,100	46,800	(300)
630007	Training Materials	2,243	6,000	3,757
630013	Uniforms	207,222	237,050	29,828
	Employee Assistant			
630014	Program	65,958	75,000	9,042
630081	Drivers licenses	10,285	13,650	3,365
630084	Tuition Reimbursement	1,559	10,000	8,441
690016	Continuing Education	1,552	6,500	4,948
690023	Train Operations	29,297	28,675	(622)
690025	Training Engineering	2,071	5,000	2,929
690028	Train Mkt & Pub Rel	1,590	0	(1,590)
690033	Training Others	153,834	199,804	45,970
690056	Train Legal	1	750	749
690057	Train Finance	495	0	(495)
	Train Facilities			
690058	Management	143	0	(143)

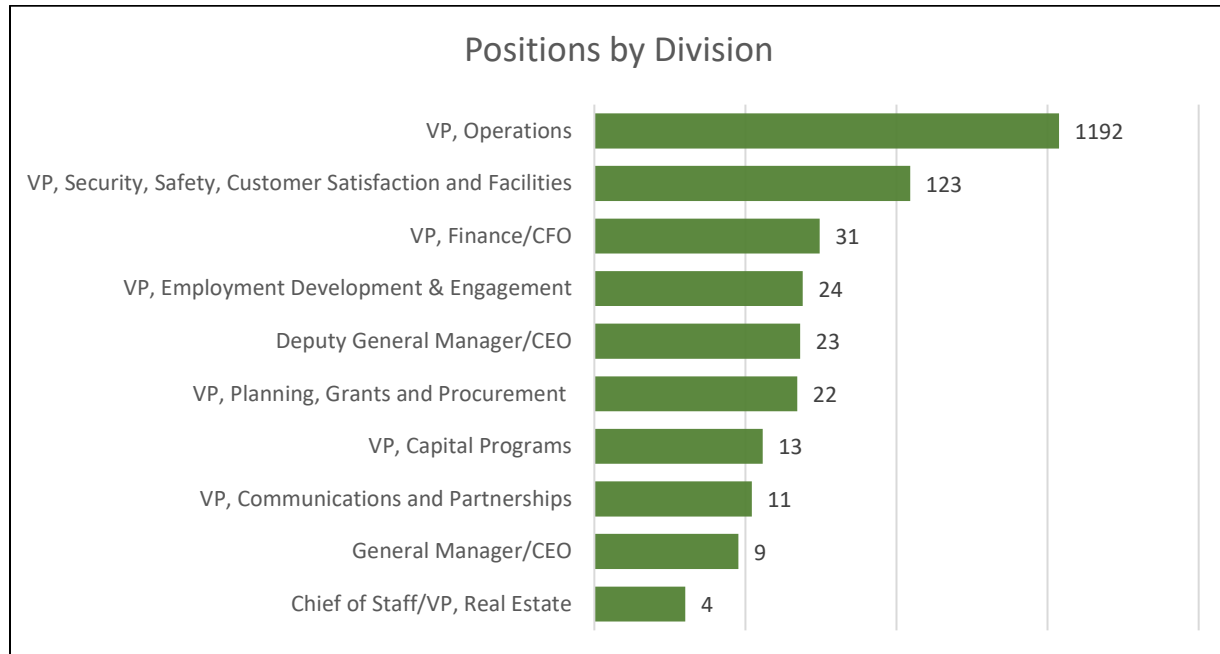
Expenses continued

GL Description		FY 2024 Projected	FY 2025 Budget	Variance
<i>Miscellaneous - Other</i>		1,492,322	2,515,373	1,023,051
685001	Freight Out	27,916	23,000	(4,916)
690001	Dues & Subscriptions	270,914	262,310	(8,604)
690003	Bad Debt	18,520	0	(18,520)
690004	Bad Debt Return Checks	3,920	2,000	(1,920)
690005	Meals & Lodging	44,119	98,850	54,731
690006	Travel & Mileage	22,763	96,700	73,937
690011	Recognitions	9,065	6,550	(2,515)
690014	Miscellaneous	145,998	122,590	(23,408)
690022	Conference & Seminar	52,196	77,600	25,404
690030	Awards Ceremonies	40,358	50,000	9,642
690034	Events & Sponsorship	81,828	80,000	(1,828)
690050	Contingency	0	948,773	948,773
690070	Investment Fees	17,058	17,000	(58)
690071	Banking Fees	210,214	200,000	(10,214)
690072	Interest Expense	81,778	80,000	(1,778)
690075	Connect Card Fees	465,675	450,000	(15,675)



Positions

The Fiscal Year 2025 Budget includes 1,452 funded positions, which is a reduction of 11 funded positions from the Fiscal Year 2024 projection of 1,463 funded positions.



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
VP, Planning, Grants and Procurement	57	58	59	67	22	-45
VP, Operations	1196	939	945	928	1192	264
VP, Light Rail Operations	0	261	266	270	0	-270
Deputy General Manager/CEO	33	41	22	23	23	0
VP, Employment Development & Engagement	0	0	0	24	24	0
VP, Capital Programs	0	0	0	0	13	13
VP, Finance/CFO	47	51	29	23	31	8
VP, Procurement, Real Estate & Special Projects	0	0	22	23	0	-23
VP, Communications and Partnerships	0	9	16	16	11	-5
VP, Security, Safety, Customer Satisfaction and Facilities	74	82	79	79	123	44
Total	1423	1450	1448	1463	1452	-11

FY 2025 Position Changes and Additions

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:

Division	Positions	Added	Eliminated	Total
17 VP, Planning, Grants and Procurement	Procurement Analyst II		-1	-1
VP, Planning, Grants and Procurement Total		0	-1	-1
30 VP, Operations	AVP, Operations	1		1
	Program Analyst	1		1
	VP, Light Rail Operations		-1	-1
	Bus Operator	7		7
	Light Rail Operator	7		7
	Paratransit Operator	10		10
	Community Bus Services Operator - S/R		-29	-29
	Folsom Operator		-1	-1
	Folsom Operator - Part time		-1	-1
VP, Operations Total		26	-32	-6
50 Capital Programs	Resident Engineer	1		1
VP, Capital Programs Total		1	0	1
60 VP, Finance/CFO	Accountant I	1		1
	Sr. Manager, Revenue & Analytics		-1	-1
VP, Finance/CFO Total		1	-1	0
70 Procurement, Real Estate & Special Projects	Manager, Quality Assurance & TAM		-1	-1
	VP, Procurement, RE & Special Project		-1	-1
VP, Procurement, Real Estate & Special Projects Total		0	-2	-2
80 Communications & Partnerships	Senior Governmental Affairs Officer		-1	-1
	Community Outreach Specialist		-6	-6
	Marketing and Communications Specialist	2		2
VP, Communications & Partnerships Total		2	-7	-5
90 VP, Security, Safety, Customer Satisfaction and Facilities	Transportation Supervisor - Police Services	1		1
	Facilities Superintendent	1		1
VP, Security, Safety, Customer Satisfaction and Facilities Total		2		2
Grand Total		32	-43	-11

Long-Range Financial Forecast

As part of the budget process, Office of Management and Budget (OMB) develops a long-range financial plan that projects the district's financial condition for the next four years beyond the budget year. The long-range financial plan ensures that the district has the resources necessary to implement long-range goals. Staff uses the budget year for future year projections. To develop this forecast, OMB analyzed the prior year trends and applied conservative assumptions to estimate future revenues and expenses. In addition, staff also considered the continuous impacts of the pandemic. This plan is a work in progress, as it must be regularly monitored and periodically updated to reflect changing economic conditions and organizational priorities. The following budget principles were applied to this long-range financial plan:

- Funding ongoing operating expenditures with ongoing revenue sources.
- Using one-time revenues for one-time expenditures.
- Maintaining sufficient reserve balances to address unforeseen events.
- Using a conservative approach to revenue estimation to avoid budget shortfalls during the fiscal year.

Forecast Revenues & Expenses (Dollars in Thousands)

	FY 2024	FY 2025 Budget	FY 2026	FY 2027	FY 2028	FY 2029
Revenues						
Fare Revenue	\$18,242	\$18,439	\$19,092	\$19,637	\$20,198	\$20,775
Contracted Services	1,292	1,150	1,190	1,232	1,275	1,340
Other	11,533	4,490	4,634	4,801	4,931	5,064
State & Local	160,124	219,223	208,465	216,976	226,082	237,500
Federal	63,953	23,760	46,598	48,905	51,101	53,394
Total	255,144	267,062	279,979	291,551	303,586	318,072
Expenses						
Salaries & Benefits	176,215	184,263	191,958	199,978	208,336	217,043
Professional Services	22,696	26,515	27,623	28,777	29,980	31,233
Materials & Supplies	17,782	16,562	17,254	17,975	18,726	19,509
Utilities	8,204	8,427	8,779	9,146	9,528	9,926
Insurance & Liability	23,641	25,561	26,629	27,742	28,901	30,109
Other	5,392	5,734	5,974	6,224	6,484	6,755
Total	253,930	267,062	280,066	291,764	303,954	316,658
Potential Surplus/Deficit	\$1,214	\$0	(\$87)	(\$213)	(\$368)	\$1,414

Long-range Financial Forecast continued

Service Plan (Revenue Hours)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Service Plan						
Fixed Route Bus	628,617	632,723	645,746	652,203	658,725	658,725
Demand Response	230,819	222,492	191,263	194,609	198,017	198,017
Light Rail	200,768	207,926	209,889	212,947	224,494	224,494

Source: SacRT's Financial Forecasting Model

Forecast Assumptions

To create this long-range financial forecast, OMB uses an internally developed Financial Forecasting Model (FFM). This is a service driven model. Cost is estimated based on the projected service level for fixed bus routes, light rail and demand response. The model is designed to accept a variety of input variables including revenue growth assumptions, service level by mode, fare changes, ridership productivity and cost factors. The output of the model is a year-by-year summary of operating revenue and expenses, which yields the forecasted net change for the district each year.

- In FY 2025, fixed route bus revenue hours are projected to increase by 0.7%.
- In FY 2025, demand response revenue hours are projected to decrease by 3.6% due to reduction in SmarT Ride services due to depletion of funding source for this service.
- In FY 2025, light rail vehicle revenue hours are projected to increase by 3.6%, due to change in consist due to new trains availability.

Specific revenue assumptions:

- Local Transportation Fund (LTF) increases by 3.5% annually from FY 2026 to FY 2029. SacRT continues to receive these revenues from smaller cities.
- Measure A increases by 4.8% annually from FY 2026 to FY 2029.
- State Transit Assistance Program (STA) increases 3.0% annually from FY 2026 to FY 2028 and is budgeted on capital.
- In FY 2026-27, SB 125 Transit Program funds are used as part of State and Local Revenue.

Long-range Financial Forecast continued

Specific revenue assumptions continued:

- In FY 2025, \$14.4 million of Federal Section 5307 Urbanized Area funding is included in the operating budget. The remaining balance of Section 5307 Urbanized Area and Section 5337 State of Good Repair are included in the capital budget. In FY 2026 and forward, Section 5307 and 5337 are partially restored back to the operating budget with 1.5% annual growth.
- In FY 2025, Federal Section 5307 Jobs Access and Reverse Commute is projected at \$1.1 million and growing at 1.5% annually in FY 2026-26 and at 5.0% annually in FY 2027-29.
- In FY 2025, the remaining ARP (American Rescue Plan) funds are included in the forecast to cover post COVID-19 related cost and lost revenue. It is assumed that these funds will be fully expended at the beginning of FY 2025.
- Fare revenue (average fare) – no fare increase was assumed in FY 2025 Budget. No fare increase is projected in the near future.

Specific Cost Assumptions:

- Consumer Price Index at 2.5% per year.
- SacRT unit labor costs increase 3.0% in FY 2026 and thereafter until FY 2029.
- Materials/service unit costs increase at 2.0% in FY 2026 and 2.8% thereafter until FY 2029.

