

Sacramento Regional Transit District Agenda

REVISED 12-09-2024
ITEMS 2.3 & 2.7

BOARD MEETING
4:00 P.M., MONDAY, DECEMBER 9, 2024
SACRAMENTO REGIONAL TRANSIT Q STREET AUDITORIUM
1102 Q Street 4th Floor, Suite 4600, Sacramento, California
Website Address: www.sacrt.com
(13th St. Light Rail Station – served by all three light rail stations)

ROLL CALL — Directors Brewer, Budge, Hume, Jennings, Kaplan, Kozlowski, Maple, Serna, Singh-Allen, Vang and Chair Kennedy

Alternates: Directors Chalamcherla, Sander, Schaefer, Suen

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of November 18, 2024
- 2.2 Resolution 2024-12-128: 2025 Board Meeting Calendar (T. Smith)
- 2.3 Resolution 2024-12-129: Approving the Renewal of all SacRT Health and Welfare Benefits for 2025 (D. Topaz)
- 2.4 Resolution 2024-12-130: Award Contract for On-Call Hazardous Waste Removal Services to Safety-Kleen Systems, Inc. (L. Hinz)
- 2.5 Resolution 2024-12-131: Approving a Sole Source Procurement of Motorola Radios and Parts and Delegating Authority to the General Manager/CEO to Procure Motorola Radio Equipment (B. Araujo)
- 2.6 Resolution 2024-12-132: Delegating Authority to the General Manager/CEO to Award and Execute a Contract for Federal Lobbying Services with Carpi & Clay, Inc. (D. Selenis)
- 2.7 Resolution 2024-12-133: Approving a Contract for ADA Paratransit Scheduling, Dispatch and Eligibility Software as a Service with HBSS Connect Corp. (B. Araujo)
- 2.8 Resolution 2024-12-134: Awarding a Contract for Comprehensive Operational Analysis to Nelson\Nygaard Consulting Associates, Inc. (L. Ham)

- 2.9 Resolution 2024-12-135: Delegating Authority to the General Manager/CEO to Approve and Execute Work Order No. 24 to the Contract for General Engineering Support Services – 2020 with Psomas for the Train and Station Technology Refresh Project (S. Bobek)
- 2.10 Resolution 2024-12-136: Amending the SacRT Fare Structure (Resolution 09-10-0174) to Create New Fares for SacRT Flex Microtransit Service (L. Ham)
- 2.11 Resolution 2024-12-137: Delegating Authority to the General Manager/CEO to Approve Amendment No. 1 to Work Order No. 4 to the Contract for On-Call Flagging Support Services with National Railroad Safety Services, Inc. for Additional Flagging Support During Construction of the Low Floor Vehicle Platform Conversion Phase 3 Project (H. Ikwut-Ukwa)

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

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

7. NEW BUSINESS

- 7.1 Motion: Intent Motion to Select the Chair and Vice Chair of The Sacramento Regional Transit Board of Directors for 2025 (T. Smith)
- 7.2 Information: Receive and File the Annual Comprehensive Financial Report and Designate the Operating Surplus and Working Capital Reserve for Fiscal Year Ended June 30, 2024 (J. Johnson)

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. Major Project Updates
 - b. SacRT Meeting Calendar
 - c. Semi-Annual Report: EEO Officer
 - d. Semi-Annual Report: Internal Auditor
 - e. Semi-Annual Report: General Counsel
 - f. Strategic Plan Update
 - g. Customer Service Response to Feedback and Comments (L. Hinz)

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

- 9.1 Capitol Corridor Joint Powers Authority Meeting Summary – November 20, 2024 (Schaefer)
- 9.2 Mobility Advisory Council Meeting Summary – November 21, 2024 (B. Araujo)
- 9.3 San Joaquin Joint Powers Authority Meeting Summary – November 22, 2024 (Hume)

10. **CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)**
11. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**
12. **RECESS TO CLOSED SESSION**
13. **CLOSED SESSION**
14. **RECONVENE IN OPEN SESSION**
15. **CLOSED SESSION REPORT**
16. **ADJOURN**

*NOTICE TO THE PUBLIC

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

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

Written public comment submitted to boardcomments@sacrt.com up to 250 words and received by 1:00 p.m. on the day of the meeting will be provided to the Board and will become part of public record upon submission to the Board.

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

This agenda may be amended up to 72 hours prior to the meeting being held. An Agenda, in final form, is posted by the front door of Sacramento Regional Transit's Administration building located at 1102 Q Street, Sacramento, California, and is posted on the SacRT website.

This meeting of the Sacramento Regional Transit District is recorded with closed captioning. The recording will be cablecast on Metro Cable Channel 14, the local government affairs channel on the Comcast and Direct TV U-Verse cable systems. The recording will also be video streamed at metro14live.saccounty.gov. Today's meeting replays Sunday, December 15th at 11:30 AM and Tuesday, December 17th at 2:00 PM on Metro Cable Channel 14. Once posted, the recording of this meeting can be viewed on-demand at youtube.com/metrocable14.

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

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on SacRT's website, on file with the Clerk to the Board of Directors of the Sacramento Regional Transit District, and are available for public inspection at its 1102 Q Street Administrative Offices.

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: APPROVAL OF THE ACTION SUMMARY OF NOVEMBER 18, 2024

RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
NOVEMBER 18, 2024**

ROLL CALL: Roll Call was taken at 4:04 p.m. PRESENT: Directors Brewer, Schaefer, Jennings, Kaplan, Kozlowski, Maple, Serna, Singh-Allen and Chair Kennedy. Absent: Directors Budge, Hume and Vang.

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of October 14, 2024
- 2.2 Receive and File: Quarterly Treasurer's Report (J. Johnson)
- 2.3 Resolution 2024-11-108: Approving the First Amendment to the Memorandum of Understanding for Public Transit Route Between Davis and Sacramento with UC Davis and Yolo County Transportation District (L. Ham)
- 2.4 Resolution 2024-11-109: Awarding the Contract for Security Camera System Upgrade to HCI Systems, Inc. (L. Hinz)
- 2.5 Resolution 2024-11-110: Approving the Contract for On-Call Revenue Vehicle Auto Body Repair Services with Moto's Auto Body, Inc. (B. Araujo)
- 2.6 Resolution 2024-11-111: Approving a Sole Source Procurement and Amendment to Existing Blanket Purchase Order with INIT Innovations in Transportation, Inc. for PROXStation2 Repair and/or Refurbishment (S. Bobek)
- 2.7 Resolution 2024-11-112: Approving Contract Change Order No. 4 to the Contract for TPSS A1 Negative Return Cable Replacement with Shane Brown Electric (H. Ikwut-Ukwa)
- 2.8 Resolution 2024-11-113: Approving the Second Amendment to the Personal Services Contract with Tony Bizjak (D. Selenis)
- 2.9 Resolution 2024-11-114: Conditionally Delegating Authority to the General Manager/CEO to Bind SacRT to Contracts for Wireless Data, Voice, and Accessories Under National Association of State Procurement Officials Master Agreements Resulting from Utah Solicitation Number CJ18012 (S. Bobek)
- 2.10 Resolution 2024-11-115: Second Amendment to the FY25 Capital Budget (J. Johnson)

- 2.11 Resolution 2024-11-116: Delegating Authority to the General Manager/CEO to Award and Execute a Contract for Light Rail Vehicle and Station Advertising to Lamar Transit, LLC. (D. Selenis)
- 2.12 Resolution 2024-11-117: Approve Contract Change Order No. 3 to the Contract for Low Floor Vehicle Platform Conversion Phase 3 With PNP Construction, Inc. (H. Ikwut-Ukwa)
- 2.13 Resolution 2024-11-118: Conditionally Awarding a Contract for Wayside Roofing Replacement at 2750 Academy Way to Barth Roofing Company, Inc. (L. Hinz)
- 2.14 Resolution 2024-11-119: Approve Contract Change Order No. 17.1 to the Contract for Low Floor Vehicle Platform Conversion Phase 1 With PNP Construction, Inc. (H. Ikwut-Ukwa)
- 2.15 Resolution 2024-11-120: Approve the Sixth Amendment to the Contract for Downtown Riverfront Streetcar Design Services with HDR Engineering, Inc. (H. Ikwut-Ukwa)
- 2.16 Resolution 2024-11-121: Approving the Eighth Amendment to the Contract for Low Floor Light Rail Vehicles Procurement with Siemens Mobility, Inc. and Delegating Authority to the General Manager/CEO to Execute Contract Amendments for Specified Configuration Changes (B. Araujo)
- 2.17 Resolution 2024-11-122: Approving a Sole Source Procurement and Contract for Sacramento Regional Transit District Demand-Response Transit-As-A-Service with Nomad Transit, LLC and Delegating Authority to the General Manager/CEO to Execute Contract Amendments (L. Ham)
- 2.18 Resolution 2024-11-124: Approving a Collective Bargaining Agreement for Amalgamated Transit Union, Local 256 SacRT GO Bargaining Unit for the Term July 1, 2024 through June 30, 2027 (D. Topaz)
- 2.19 Resolution 2024-11-125: Approval of the Sixth Amendment to the Employment Contract of the General Manager/CEO, Henry Li (S. Valenton)
- 2.20 Resolution 2024-11-126: Authorizing Travel Outside of The United States for Shelly Valenton, Deputy General Manager/CEO to Represent SacRT at The United States Department of Transportation's Sustainable Mobility Tour (H. Li)
- 2.21 Resolution 2024-11-127: Delegating Authority to the General Manager/CEO to Approve Contract Change Order No. 5 to the Construction Contract for Watt/I-80 Transit Center Improvement Project with Thompson Builders Corporation (H. Ikwut-Ukwa)

Written Public Comment Item 2.6:

Glenn Mandelkern commented on Connect Card placement.

Public Comment:

Item 2.8 - Helen O'Connell commented on the PSC.

Item 2.16 – Helen O'Connell commented light rail outside audio and call strip placement.

Item 2.16 – Coco Cocozzella, STAR, commented on the call strip placement.

Item 2.17 – Michelle Baker commented on the SacRT Flex program.

Item 2.18 – Helen O'Connell commented on SacRT GO pay and benefits.

ACTION: APPROVED. Director Maple moved; Director Singh-Allen seconded approval of the consent calendar as written. Motion was carried by voice vote. Ayes: Directors Brewer, Jennings, Kaplan, Kozlowski, Maple, Schaefer, Serna, Singh-Allen and Chair Kennedy; Noes: None; Abstain: None; Absent: Directors Budge, Hume and Vang.

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

- 4.1 Resolution 2024-11-123: Approval to Enter into a Purchase and Sale Agreement with The Code Solution, Inc. for Surplus Property Located in Sacramento, CA and Delegation of Authority to the General Manager/CEO to Execute One or More Grant Deeds and Lease Agreement (C. Flores)

Chris Flores, Chief of Staff/VP, Real Estate, provided a presentation.

Director Comment:

Director Serna commented on The Surplus Lands Act priority order.

Mr. Flores provided the order as low-and moderate-income housing; park and recreation, and open space; school facilities; public agencies for public purposes; or infill opportunity zones or transit village plans.

Public Comment:

Robert Coplin asked when construction would start and commented on zero emissions.

David Park, The Code Solution, stated construction would start at the time of close of escrow.

Director Maple complimented the SacRT team and is excited for this affordable housing project.

Chair Kennedy thanked SacRT staff and stated this project is taking SacRT to the next step into the future and for generations will impact the future of SacRT.

Director Kozlowski commented on the bus maintenance facility and asked if Caltrans needs the buses, or the chargers moved.

Mr. Flores said there was a recent policy directive regarding air space and what is underneath it. There were 38 properties identified that would require a waiver to be issued to park any electric buses or charge electric buses in those areas which would affect our bus maintenance facility.

Director Kozlowski asked about the timeframe and potential locations.

Mr. Flores mentioned Power Inn may be used because there are already charging stations there and that SacRT will reconvene the Real Estate Subcommittee for direction of potential locations.

ACTION: APPROVED. Director Kaplan moved; Director Maple seconded approval of Item 4.1. Motion was carried by voice vote. Ayes: Directors Brewer, Jennings, Kaplan, Kozlowski, Maple, Schaefer, Serna, Singh-Allen and Chair Kennedy; Noes: None; Abstain: None; Absent: Directors Budge, Hume and Vang.

- 4.2 Motion: Appointing One Board Member and One Alternate Board Member to the Capitol Corridor Joint Powers Authority (S. Valenton/T. Smith)

ACTION: APPROVED. Chair Kennedy moved; Director Jennings seconded approval of the selection of Director Brewer to the CCJPA alternate member position. Motion was carried by voice vote. Ayes: Directors Brewer, Jennings, Kaplan, Kozlowski, Maple, Schaefer, Serna, Singh-Allen and Chair Kennedy; Noes: None; Abstain: None; Absent: Directors Budge, Hume and Vang.

ACTION: APPROVED. Chair Kennedy moved; Director Brewer seconded approval of the selection of Director Schaefer to serve as member on the CCJPA. Motion was carried by voice vote. Ayes: Directors Brewer, Jennings, Kaplan, Kozlowski, Maple, Schaefer, Serna, Singh-Allen and Chair Kennedy; Noes: None; Abstain: None; Absent: Directors Budge, Hume and Vang.

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Public Comment:

Julia Coleman commented on the SacRT GO CBA.

Helen O'Connell commented on bus cancellations and notification of bus cancellations.

Coco Coccozzella, STAR, recommended having a community advocate serve on the Board.

Michael Bevens commented on service gaps and adding additional bike racks at bus stops and light rails stations.

Jeffery Tardaguila commented on Dos Rios, Folsom and Watt/I-80 station updates, low floor platform incidents and connect cards.

Robert Coplin commented on bus cancellations.

Litiane Lam Yuen commented on bus incidents her family have experienced.

Director Jennings apologized on behalf of his office for not responding to her concerns earlier and asked Ms. Lam Yuen to contact his office.

Violeta Caldeira provided information on World Relief which is one of the largest resettlement agencies in the region.

7. NEW BUSINESS

8. GENERAL MANAGER'S REPORT

8.1 General Manager's Report

- a. Major Project Updates
- b. SacRT Meeting Calendar
- c. Customer Service Response to Feedback and Comments (L. Hinz)

Mr. Li provided a brief report.

Public Comment:

Helen O'Connell commented on SacRT Flex concerns regarding rear entry.

Jeffery Tardaguila commented on SacRT Flex and mentioned there were hydrogen fuel initiative issues that were brought up at the SACOG meeting.

Robert Coplin commented on bus cancellations, potential grants and cost of light rail to Elk Grove.

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

9.1 Mobility Advisory Council Meeting Summary – October 17, 2024 (B. Araujo)

9.2 Sacramento Placerville Transportation Corridor Joint Powers Authority Meeting Summary – November 4, 2024 (Budge)

Director Kozlowski invited everyone to come to Folsom for the Christmas tree lighting and ice skating on December 6.

Director Kaplan asked Mr. Li to look into extending route 11 in North Natomas to Metro Airpark and the Sacramento International Airport. She also asked about looking at potential grants for light rail to the airport and BRT.

Director Singh-Allen looks forward to expanded services in Elk Grove.

10. **CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)**
11. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**
12. **RECESS TO CLOSED SESSION**
13. **CLOSED SESSION**
14. **RECONVENE IN OPEN SESSION**
15. **CLOSED SESSION REPORT**
16. **ADJOURN**

As there was no further business to be conducted, the meeting was adjourned at 5:18 p.m.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: 2025 BOARD MEETING CALENDAR

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This action will result in establishing the Sacramento Regional Transit District Board of Directors meeting calendar for 2025.

FISCAL IMPACT

There is no fiscal impact associated with this action.

DISCUSSION

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

- February: No meeting February 24 due to the President's Day holiday
- May: No meeting on May 26 due to the Memorial Day holiday
- June: No meeting on June 23 due to City and County recesses
- July: No Meeting on July 14 due to City and County recesses
- October: No Meeting on October 13 due to the Indigenous People's Day holiday
- November: No Meeting on November 24 due to the Thanksgiving holiday
- December: No meeting on December 22 due to the Holiday season

Staff recommends approval of the 2025 Board Meeting calendar attached to the Resolution as Exhibit A.

RESOLUTION NO. 2024-12-128

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

December 9, 2024

2025 BOARD MEETING CALENDAR

WHEREAS, the Sacramento Regional Transit Board of Directors desires to establish its regular meeting schedule for calendar year 2025; and

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

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

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

THAT, the regular meeting schedule set out in attached Exhibit A for the meetings of the Sacramento Regional Transit Board of Directors for calendar year 2025 is hereby adopted.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

EXHIBIT A

2025 BOARD MEETING CALENDAR

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

Monday	Regular Meeting	January 13, 2025
Monday	Regular Meeting	January 27, 2025
Monday	Regular Meeting	February 10, 2025
Monday	NONE	February 24, 2025
Monday	Regular Meeting	March 10, 2025
Monday	Regular Meeting	March 24, 2025
Monday	Regular Meeting	April 14, 2025
Monday	Regular Meeting	April 28, 2025
Monday	Regular Meeting	May 12, 2025
Monday	NONE	May 26, 2025
Monday	Regular Meeting	June 9, 2025
Monday	NONE	June 23, 2025
Monday	NONE	July 14, 2025
Monday	Regular Meeting	July 28, 2025
Monday	Regular Meeting	August 11, 2025
Monday	Regular Meeting	August 25, 2025
Monday	Regular Meeting	September 8, 2025
Monday	Regular Meeting	September 22, 2025
Monday	NONE	October 13, 2025
Monday	Regular Meeting	October 27, 2025
Monday	Regular Meeting	November 10, 2025
Monday	NONE	November 24, 2025
Monday	Regular Meeting	December 8, 2025
Monday	NONE	December 22, 2025

STAFF REPORT

Revised 12-09-2024

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: David Topaz, VP, Employee Development and Engagement
SUBJ: APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2025

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

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

FISCAL IMPACT

The estimated annual cost of the agreement renewal is \$50,000.00 per year for 3 years and the cost for FY 2025 is included in the approved FY 24/25 Operating Budget. Amounts for future fiscal years will be included in the budgets for those years.

DISCUSSION

Each year, SacRT must determine whether to continue its current insurance benefit policies with its current benefit providers. The following is a summary of the results of the 2025 renewal process. Attachment 1 contains an Executive Summary prepared by SacRT's benefit broker, Keenan and Associates, providing details on all the renewal information. The rates are renewed on a calendar year basis as opposed to how funds are budgeted on a fiscal year basis.

Dental

The Delta Dental PPO and Delta HMO plans both renewed with a pass rate. Current rates and benefits for all employees enrolled remain the same for the 2025 plan year. The next plan renewal will be January 1, 2026.

Vision

Current rates for all employees enrolled in the VSP Basic or Enhanced Plan will remain the same for the 2025 plan year. This is the third year of a three-year rate guarantee. The next plan renewal will be January 1, 2026.

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

Current rates for all employees will remain the same for the 2025 plan year. The next plan renewal will be January 1, 2027.

Flexible Spending Account (FSA) and COBRA Administration

Current rates for all employees will remain the same for the 2025 plan year. The contract with Navia Benefits Solutions is an evergreen contract meaning that it continues in force indefinitely but may be terminated with a 30-day notice of cancellation. The GM/CEO will sign the new Administrative Services Agreement, including the funding deposit requirement, once we ensure it is agreeable.

Employee Assistance Program (EAP)

U.S Behavioral Health Plan of California is SacRT's current EAP provider, providing these services for our employees, with a contract expiration date of December 31, 2024. Keenan solicited quotes from the current contractor and an additional firm (Concern) for these services. U.S Behavioral Health Plan of California offered a rate of \$1.63 per employee per month for the services for the first year, with a 3% escalation for each subsequent year. This is the same rate paid by SacRT under the existing contract. The quote from Concern was \$3.68 per employee per month, more than double the U.S. Behavioral Health Plan of California quote. SacRT has been satisfied with the services provided by U.S. Behavioral Health Plan of California; Staff is proposing that the existing contract be amended to add an additional \$150,000.00 to provide for services to continue for an additional 3 years. The rates have been determined to be fair and reasonable by comparison to both the current rates and the rates offered by the other proposer.



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Keenan & Associates | CA License #0451271

Sacramento Regional Transit District
2025 Health & Welfare Renewal
Executive Summary

On behalf of Sacramento Regional Transit District, Keenan & Associates is pleased to present the 2025 renewal overview for the ancillary benefit plans.

Renewal and Marketing Objectives

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

Dental and Vision Care Trends

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

<u>Dental</u>	<u>Vision</u>
PPO – 6%	3%
Prepaid – 4%	

Delta Dental

The current Delta Dental PPO and DHMO rates are going into the second year of a two-year rate guarantee that started January 1, 2024. All rates and benefits will remain the same until the next renewal effective January 1, 2026.

VSP

The VSP Vision Base, Buy-Up Option 1 and Buy-Up Option 2 plans are in the middle of a three-year rate guarantee which started January 1, 2023. All current rates will remain the same until the next renewal effective January 1, 2026.

The Hartford

The District's Basic Life, Basic Accidental Death & Dismemberment (AD&D), Basic Dependent Life, Voluntary Life and Long-Term Disability (LTD) plans are going into the second year of a three-year rate guarantee. All rates and benefits will remain the same until the next renewal effective January 1, 2027.

Flexible Spending Account

Navia Benefits administration will renew with a rate pass and the administration fee will remain at \$4.55 per participant per month for the 2025 plan year.

Optum Employee Assistance Program (EAP)

An EAP marketing was conducted as the existing vendor's renewal offer contained changes to the rating structure. Alternative vendors were reviewed, and it was determined that the options available did not offer enough savings or enhancement to benefits to substantiate a change. A three-year renewal contract was agreed to with the current vendor, with years two and three renewals to include a fixed 3% rate escalator per year. The next contract renewal is set to occur January 1, 2028.

Summary

We appreciate the long-term partnership we've had with Sacramento Regional Transit District and look forward to working with the District during the 2025 plan year. We will continue to work with the current lines of coverage while keeping the District informed of new regulations and changes that affect the employee benefits offered to District employees.

Sincerely,

Robin Neer

Robin Neer
Senior Account Executive
Employee Benefits

RESOLUTION NO. 2024-12-129

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

December 9, 2024

APPROVING THE RENEWAL OF ALL SACRT HEALTH AND WELFARE BENEFITS FOR 2025

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

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

THAT, the Third Amendment to the Contract for Employee Assistance Program by and between the Sacramento Regional Transit District (therein "SacRT") and U.S. Behavioral Health Plan, California (therein "Contractor") whereby Contractor agrees to continue performing Employee Assistance Program services for an additional 3 years and the maximum Total Consideration is increased by \$150,000.00, from ~~\$150~~**135**,000.00 to ~~\$300~~**285**,000.00, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2024-12-129

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Lisa Hinz, VP, Security, Safety, Customer Satisfaction & Facilities
SUBJ: AWARD CONTRACT FOR ON-CALL HAZARDOUS WASTE
REMOVAL SERVICES TO SAFETY-KLEEN SYSTEMS, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving award of the Contract will provide Sacramento Regional Transit District (SacRT) with on-call hazardous waste removal services for a 5-year term.

FISCAL IMPACT

The Contract for On-Call Hazardous Waste Removal Services is for a 5-year term for a not-to-exceed amount of \$376,086.05, with two additional one-year options.

The Bid submitted by Safety-Kleen Systems, Inc., based on SacRT's estimated hazardous waste removal volumes and needs, is \$376,086.05. Staff is recommending that the Board approve the Contract for the full amount bid; however, funding for the entire Contract is not in the approved FY 24/25 Operating Budget. Funding will need to be identified and included in the Operating Budgets for future Fiscal Years.

DISCUSSION

SacRT requires hazardous waste removal services to comply with the United States Department of Transportation (DOT) regulations in Title 49, Code of Federal Regulations (49 CFR) and the Occupational Safety and Health Administration's (OSHA) (29 CFR 1910.120; and construction 29 CFR 1926.65).

The current Contract for On-Call Hazardous Waste Removal Services with Safety-Kleen Systems, Inc. expires on February 2, 2025.

Staff released an Invitation for Bid (IFB) on September 24, 2024, via PlanetBids e-Procurement System, using the category codes pertaining to these services. Seventy-five vendors were notified, and bids were due on October 15, 2024. One responsive bid was received. After a thorough review of the Bid, Staff has determined that Safety-Kleen Systems, Inc. is a responsive and responsible bidder, and the amount is determined to be fair and reasonable based on inflation and comparison to the current contract rates.

RESOLUTION NO. 2024-12-130

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

December 9, 2024

**AWARD CONTRACT FOR ON-CALL HAZARDOUS WASTE REMOVAL SERVICES
TO SAFETY-KLEEN SYSTEMS, INC.**

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

THAT, the Contract for On-Call Hazardous Waste Removal Services by and between Sacramento Regional Transit District, therein "SacRT," and Safety-Kleen, Inc., therein "Contractor," whereby Contractor agrees to provide specified services for an amount not to exceed \$376,086.05 for a 5-year term, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Blanca Araujo, VP, Operations
SUBJ: APPROVING SOLE SOURCE PROCUREMENT OF MOTOROLA RADIOS AND PARTS AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PROCURE MOTOROLA RADIO EQUIPMENT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the Resolution will allow Motorola radios and equipment to be procured to meet SacRT's ongoing needs .

FISCAL IMPACT

Funding will be identified for each order as purchase orders or contracts are executed for the purchase. Funding may come from either the Operating or Capital Budget, depending on the circumstances of the purchase.

DISCUSSION

The SacRT Board of Directors approved entering into an agreement between SacRT and the County of Sacramento on October 13, 1993, for the county public safety radio system under the Sacramento Regional Radio Communications System (SRRCS) Licensing Agreement. In October 2020, the Board delegated authority to the General Manager/CEO to enter into a new licensing agreement to extend SacRT's participation for an additional 10 years.

As part of the Licensing Agreement, all SRRCS parties share the annual operating expenses of the shared radio system. Each party to the radio licensing agreement is responsible for maintenance and replacement of unshared components, such as radios. Motorola Wireless is the sole and exclusive P25 radio system for the SRRCS. SacRT must use Motorola equipment and, specifically, Motorola P25 radio equipment, to use the system. The County has a Master Contract with Motorola Wireless in place that SacRT can use to purchase equipment at a discount.

Since SacRT joined the SRRCS, it has entered into a number of sole source contracts with Motorola for the purchase of equipment, approved by both the Board and the General Manager/CEO (depending on the dollar value).

At this time, SacRT is preparing to purchase additional radio equipment for the new S700 low floor light rail vehicles. In reviewing those planned purchases, as well as other ongoing needs for Motorola radio equipment, Staff determined that it would be most transparent and efficient to request an ongoing delegation of authority from the Board for the purchase of this proprietary equipment, which is necessary for SacRT to maintain its participation in the regional radio system. The delegation would remain in effect until SacRT ceases participation in the regional radio system.

RESOLUTION NO. 2024-12-131

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

December 9, 2024

APPROVING SOLE SOURCE PROCUREMENT OF MOTOROLA RADIOS AND PARTS AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PROCURE MOTOROLA RADIO EQUIPMENT

WHEREAS, in accordance with Section 1.405.A of the Sacramento Regional Transit District Procurement Ordinance a sole source supply procurement is permitted upon a determination that: (a) the federal criteria for a sole source procurement are met; and (b) the required product is only available from the manufacturer, and it would be futile to seek competition; and

WHEREAS, Sacramento Regional Transit District has participated in the County of Sacramento regional radio system since 1993 to ensure effective communications in emergency situations and the regional radio system uses proprietary equipment manufactured by Motorola; and

WHEREAS, SacRT periodically requires new radio equipment, including but not limited to radio equipment for new rolling stock equipment (light rail vehicles and buses); and

WHEREAS, because Motorola is the only manufacturer that can provide equipment that integrates into the Sacramento Regional Transit District existing radio system, it would be futile to seek competitive bids for Motorola's proprietary equipment.

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

THAT, pursuant to Section 1.405.A of SacRT's Procurement Ordinance, the Board finds that noncompetitive and sole source procurement for Motorola radio equipment is appropriate under both federal and state law due to Motorola's proprietary data rights and the requirement that the radios be compatible with the Sacramento Regional Radio Communications System (SRRCS) and that it would be futile to seek competition.

THAT, the Board hereby delegates authority to the General Manager/CEO to purchase Motorola radio equipment as needed for SacRT's operations.

THAT, this delegation of authority will be valid for so long as SacRT participates in the SRRCS and SRRCS uses Motorola equipment.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Devra Selenis, VP, Communications and Partnerships
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO
TO AWARD AND EXECUTE A CONTRACT FOR FEDERAL
LOBBYING SERVICES WITH CARPI & CLAY, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

As a result of the proposed action, SacRT will continue to have experienced representation at the federal level to advance all surface transportation, transit funding, congestion management, clean air initiatives, and other relevant policy and federal funding proposals. The current federal lobbying contract will expire on December 31, 2024.

FISCAL IMPACT

Carpi & Clay, Inc. proposed a monthly fixed retainer fee of \$10,500 per month (\$126,000 per year for three years) for a total consideration of \$378,000 for the 3-year contract term.

The proposal also includes two one-year Option Years. If SacRT elects to exercise the Option Years, the fixed retainer fee would increase to \$11,500 per month (\$138,000 for the year) for Option Year 4 and \$12,500 per month (\$150,000 for the year) for Option Year 5.

The cost associated with Federal Lobbying Services is approved in the Fiscal Year 2025 Operating Budget and will be included in Operating Budgets for the corresponding Fiscal Years.

DISCUSSION

Federal funding and policies are critical to SacRT's operations, and SacRT benefits from a highly qualified professional consulting firm based in the Washington D.C. area to effectively represent SacRT's legislative policy, regulatory, and appropriations interests at the federal level. SacRT's existing contract for these services expires December 31, 2024.

SacRT staff issued a Request for Proposals (RFP) on September 24, 2024, on PlanetBids with the following requirements: (1) identify, monitor, review, and analyze pending federal legislation, policies, regulations, general activities, and actions that may impact SacRT's interests; (2) provide SacRT with effective representation on all federal surface transportation, transit funding, congestion management, clean air initiatives, and other relevant policy and federal funding proposals; and (3) assist SacRT in developing and carrying out strategies for advancing SacRT's interests at the federal level that are beneficial to SacRT and its programs. There were 272 firms notified of the contracting opportunity, with proposals due on November 20, 2024.

SacRT only received one responsive proposal, from Carpi & Clay, Inc., which was evaluated using criteria established in the RFP, including contract understanding, staffing and experience, Contract Work Plan, and pricing proposal.

After a thorough evaluation, Carpi & Clay, Inc. was ranked with a score of 186 out of 200 points possible.

Carpi & Clay, Inc. is SacRT's existing contractor under the Contract that will expire on December 31, 2024. Under the existing contract, Carpi and Clay, Inc. partnered with Boothe Transit Consulting, LLC. For the new contract, Carpi and Clay, Inc. is partnering with Cardinal Infrastructure, LLC. Julie Minerva will continue to head SacRT's lobbying efforts under the new contract.

A Notice of Intent to Award was issued December 4, 2024; however, the protest period has not expired, and Carpi & Clay, Inc. has not provided its evidence of insurance or other documents required to move forward with the Contract at this time. For that reason, a delegation of authority is being requested to the General Manager/CEO to award and execute the contract once those steps are complete.

RESOLUTION NO. 2024-12-132

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

December 9, 2024

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO AWARD AND EXECUTE A CONTRACT FOR FEDERAL LOBBYING SERVICES WITH CARPI & CLAY, INC.

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

THAT, authority is delegated to the General Manager/CEO to award and execute the Contract for Federal Lobbying Services between Sacramento Regional Transit District, therein referred to as "SacRT," and Carpi & Clay, Inc., therein referred to as "Contractor," whereby Contractor agrees to provide federal lobbying services, as further specified, for an amount not to exceed \$378,000 for a 3-year term, with an option to extend for two additional 1-year periods, conditioned on the protest period expiring without receipt of any protests and upon submission by Contractor of the necessary documents required for award of the Contract.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

Revised 12-09-2024

STAFF REPORT

DATE: December 9, 2024

TO: Sacramento Regional Transit Board of Directors

FROM: Blanca Araujo, VP, Operations

SUBJ: **DELEGATING AUTHORITY TO AWARD AND EXECUTE A CONTRACT FOR ADA PARATRANSIT SCHEDULING, DISPATCH AND ELIGIBILITY SOFTWARE AS A SERVICE WITH HBSS CONNECT CORP.**

SUBJ: ~~APPROVING A CONTRACT FOR ADA PARATRANSIT SCHEDULING, DISPATCH AND ELIGIBILITY SOFTWARE AS A SERVICE WITH HBSS CONNECT CORP.~~

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to Approveing a contract with HBSS Connect Corp. will allow SacRT to significantly improve paratransit operations through continuous optimization software.

This contract will also include complementary paratransit eligibility software, which is not part of the contract currently held with Ecolane USA, Inc. for ADA scheduling and dispatching software.

FISCAL IMPACT

If award is made to HBSS Connect Corp. the proposed contract total is \$1,361,750 for a 5-year period. The annual costs for year 1 are included in the FY25 Operating Budget, and the costs for years 2 through 5 of the contract will be included in the Operating Budgets for the corresponding Fiscal Years. There is a higher cost in Year 1 to reflect the implementation costs. The overall cost was determined to be fair and reasonable and is below SacRT's independent cost estimate. **At this time, SacRT awaiting confirmation from HBSS Connect Corp. that there will be no additional charges if SacRT's peak fleet need expands beyond 85 vehicles and 95 tablets, which is why a delegation is being requested. In addition, SacRT is awaiting confirmation regarding when the implementation costs and annual fees will be due.**

DISCUSSION

SacRT's amended contract with Ecolane, USA for ADA paratransit scheduling and dispatching software will expire on April 30, 2025. On July 26, 2024, SacRT released a Request for Proposal (RFP) to solicit a cloud-hosted complementary paratransit scheduling, dispatch and eligibility software as a service on Planetbids eProcurement System, with a proposal due date of September 13, 2024.

SacRT received seven proposals. After completion of the evaluation of the written proposals, two firms, HBSS Connect Corp. and Trapeze, were invited to oral presentations.

The proposals were rescored after the oral presentations and HBSS Connect Corp. was determined to be the most-qualified firm. The firm will be instrumental in helping SacRT meet its requirements related to API integration, mobile application, reporting, ADA paratransit eligibility, and service area management. HBSS Connect Corp. is built on close to three decades of scheduling and dispatch experience. HBSS Connect Corp. and its QRYde cloud-based software platform offer a proprietary, global scheduling solution for maximizing the efficiency of ADA paratransit operations.

The RFP allowed Proposers to offer a variety of pricing approaches based on SacRT's current peak maximum of 85 SacRT GO vehicles, but also specified that the price proposal must "also include the pricing that will be applicable if SacRT experiences an increase in the peak maximum vehicle requirement during the term of this Contract."

While a Notice of Intent to Recommend Award was issued to HBSS Connect Corp. on October 7, 2024, Staff noticed in preparing the Contract in advance of the Board meeting that the price proposal from HBSS Connect Corp. does not specifically address whether the fixed annual pricing is valid for expansions beyond the 85 vehicles. Unfortunately, if HBSS Connect Corp. indicates that additional charges would be applicable, SacRT will have no choice but to deem the firm non-responsive and consider alternative options for moving forward.

The proposal also did not specify the payment schedule for either the implementation charges or annual fees. Staff is awaiting responses from HBSS Connect Corp. regarding these issues. To maintain the implementation schedule for the new software, Staff is requesting a delegation of authority to the General Manager/CEO to award and execute the Contract if these issues are successfully resolved.

RESOLUTION NO. 2024-12-133

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

December 9, 2024

DELEGATING AUTHORITY TO AWARD AND EXECUTE A CONTRACT FOR ADA PARATRANSIT SCHEDULING, DISPATCH AND ELIGIBILITY SOFTWARE AS A SERVICE WITH HBSS CONNECT CORP.

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

THAT, **authority is hereby delegated to the General Manager/CEO to award and execute a** ~~the~~ Contract for ADA Paratransit Scheduling, Dispatch and Eligibility Software as a Service by and between Sacramento Regional Transit District, therein referred to as "SacRT," and HBSS Connect Corp., therein referred to as "Contractor," for an amount not to exceed \$1,361,750 ~~is hereby approved.~~

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

RESOLUTION NO. 2024-12-133

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

December 9, 2024

DELEGATING AUTHORITY TO AWARD AND APPROVE A CONTRACT FOR ADA PARATRANSIT SCHEDULING, DISPATCH AND ELIGIBILITY SOFTWARE AS A SERVICE WITH HBSS CONNECT CORP.

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

THAT, authority is hereby delegated to the General Manager/CEO to award and execute a Contract for ADA Paratransit Scheduling, Dispatch and Eligibility Software as a Service by and between Sacramento Regional Transit District, therein referred to as "SacRT," and HBSS Connect Corp., therein referred to as "Contractor," for an amount not to exceed \$1,361,750.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning, Grants and Procurement
SUBJ: AWARDING A CONTRACT FOR COMPREHENSIVE OPERATIONAL ANALYSIS TO NELSON\NYGAARD CONSULTING ASSOCIATES, INC.

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving the attached Resolution will award a contract to Nelson\Nygaard Consulting Associates, Inc., to perform a Comprehensive Operational Analysis (COA).

FISCAL IMPACT

The not-to-exceed amount for the Contract will be \$899,950.

The contract will be funded by \$1,000,000 of one-time SB 125 capital funds that were designated to SacRT from the Sacramento Area Council of Governments (SACOG) specifically to complete a COA.

The cost associated with the COA is approved in the Fiscal Year 2025 Capital Budget.

DISCUSSION

SB 125 guides the distribution of \$4 billion of transportation funds to California's regional transportation planning agencies. SACOG was the designated recipient for the region's SB 125 allocation of over \$200 million. With this allocation, SACOG had the flexibility to use the money to fund transit operations or capital improvements, of which they did both.

SB 125 includes an accountability program to govern the distribution of these funds, which includes the requirement that metropolitan planning organizations (MPOs) provide a fiscal sustainability plan for transit operators in their region. As part of SacRT's Fiscal Year 2025 SB 125 funding allocation, SacRT requested \$1 million to develop a COA to help meet its fiscal sustainability goals. With an eye on the future, this effort will encompass updates to SacRT's Short-Range Transit Plan (SRTP) and Long-Range Transit Plan (LRTP) with fiscal sustainability being a key objective of both plans.

Key objectives of the COA include:

- Updating SacRT's **SRTP** to assure fiscal sustainability in the years ahead (i.e., reduce reliance on one-time funds such as SB125)
- Review and potentially reposition SacRT's **mix of modes** (i.e., where and when fixed-route versus non-fixed route service is provided) to assure cost-effectiveness, fiscal sustainability, and other agency priorities (e.g., socioeconomic equity and balance between member jurisdictions)
- Assessing and potentially introducing new **service delivery models** (e.g., Mobility as a Service (MaaS) versus Software as a Service (SaaS) for non-fixed-route services)
- Updating **service standards** to include all modes (i.e., including microtransit) and to include level-of-service guidelines based on population and job density (i.e., similar to existing Federal criteria used to evaluate new light rail extensions) to guide service changes, system expansion, regional transportation planning, and land-use planning
- Unifying transit network design and fare structure across SacRT's service area (i.e., reflecting **annexations** of Citrus Heights, Folsom, and Elk Grove) and to reflect changes in travel patterns (i.e., from the COVID-19 pandemic and suburbanization)
- Potentially streamlining **job classifications** created for specific "service lines" or pilot program (e.g., Neighborhood Ride, Folsom Transit, Elk Grove Transit, SacRT GO) to simplify organization and improve flexibility
- Updating SacRT's **LRTP**, including a fresh look at major fixed guideway expansion projects, better adherence to service and performance standards, and better agreement with the regional transportation plan (i.e., SACOG's Blueprint)
- As part of the **LRTP** update, prepare and secure public awareness and support for at least one fiscally constrained expansion scenario that could serve as the basis for a **local funding measure** on the November 2026 ballot

SacRT's last LRTP was the 2009 Transit Action Plan. SacRT's most recent SRTP was adopted in 2022 and covers the period through 2027. SacRT's most recent COA, entitled SacRT Forward, was implemented in 2019.

Procurement Process

A Request for Proposals was released on PlanetBids on July 15, 2024, to 357 firms, with a proposal due date of September 6, 2024. SacRT received proposals from the following four firms:

- Nelson\Nygaard Consulting Associates, Inc.
- Arup US, Inc.
- Jacobs Engineering Group, Inc.
- WSP USA, Inc.

Proposals were reviewed by a panel from SacRT Planning, Finance, as well as SACOG. Arup's proposal was rejected for material non-compliance to the requirements of the scope of work. WSP's written proposal was not found to be in the competitive range. After oral interviews with Nelson\Nygaard and Jacobs, Nelson\Nygaard was the highest-ranked firm and selected for award of a contract.

Nelson\Nygaard is one of a small number of firms that specialize in projects such as these, with a major focus on transit service design and operations management. The team boasts a great deal of experience in both short-range and long-range projects of this nature.

The initial price proposal submitted by Nelson\Nygaard was for \$988,598, above SacRT's \$900,000 budget. Through the negotiation process, SacRT agreed to reduce the scope of the required passenger survey work and modify the project schedule. Nelson\Nygaard submitted a revised Pricing Proposal as part of a Best and Final Offer, which reduced the overall price to \$899,950 for all required tasks.

Timeline

Assuming Board approval, Notice to Proceed for the COA will be issued in time for the project to kick off in the beginning of 2025. With the goal of informing the Fiscal Year 2026 budgeting process, the SRTP will precede the LRTP and look at ways to reduce expenditures, preferably by lower-cost business practices rather than service reductions. The SRTP is expected to be presented for approval in the first half of 2025, at which point, the project focus will turn to the LRTP, with a goal of concluding most work by the end of 2025, to provide a technically-sound, publicly supported, realistic expenditure plan that could accompany a potential local funding measure in 2026.

RESOLUTION NO. 2024-12-134

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

December 9, 2024

AWARDING A CONTRACT FOR COMPREHENSIVE OPERATIONAL ANALYSIS TO NELSON\NYGAARD CONSULTING ASSOCIATES, INC.

WHEREAS, Sacramento Regional Transit District was awarded \$900,000 of funds from Senate Bill 125 by the Sacramento Area Council of Governments to complete a Comprehensive Operational Analysis; and

WHEREAS, Nelson\Nygaard Consulting Associates, Inc., was selected as the highest-ranked firm to perform this work through a competitive Request for Proposals process.

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

THAT, the Contract for Comprehensive Operational Analysis by and between Sacramento Regional Transit District (therein "SacRT") and Nelson\Nygaard Consulting Associates, Inc. (therein "Contractor"), whereby Contractor agrees to complete a Comprehensive Operational Analysis of SacRT's transit system, as further set forth therein, for an amount not to exceed \$899,950, is hereby approved.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Sandy Bobek, AVP, Technology, Innovation & Performance
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE WORK ORDER NO. 24 TO THE CONTRACT FOR GENERAL ENGINEERING SUPPORT SERVICES – 2020 WITH PSOMAS FOR THE TRAIN AND STATION TECHNOLOGY REFRESH PROJECT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The proposed Resolution will allow the General Manager/CEO to approve and execute Work Order No. 24 with Psomas for the development of the scope of work (SOW) and approach for solicitation documents for the Train and Station Technology Refresh project (T072).

FISCAL IMPACT

Work Order No. 24 is expected to have a not-to-exceed amount of \$300,000. The cost of these services is fully funded and is included in T072 Train and Station Technology Refresh project.

DISCUSSION

Alongside the introduction of new Siemens S700 light rail vehicles (LRVs) and accommodating low-floor passenger boarding at stations, SacRT plans to upgrade technology on legacy vehicles, enhance passenger communication systems, and implement or integrate Backoffice systems to create a unified communications and operations platform. The goal of the Train and Station Technology Refresh project is to improve service management, communications, and the passenger experience.

In 2024, the Train and Station Technology Refresh project received funding to advance the modernization of technology installed on board light rail vehicles and at light rail stations. This initiative aims to implement technology solutions that:

- Support multiple departments in the effective and efficient delivery of transit services.

- Create efficiencies by digitizing manual processes, replacing paper workflows with digital ones.
- Enhance the passenger experience through real-time passenger information across multiple communication channels.

The procurement will include hardware, software, installation, and ongoing maintenance and support. To ensure the success of the project, Staff is proposing to engage Hatch Associates Consultants, Inc. through Psomas as a prime contractor, to assist in the development and validation of the scope of work as well as advise regarding the procurement approach. This approach will ensure the project is well-defined, reduces complexity, and enhances the likelihood of a successful implementation and long-term operational success. Hatch is the successor in interest to LTK Engineering and absorbed its staff through an acquisition which was approved in the Third Amendment to the Contract. LTK Engineering has expertise in systems and vehicle engineering support, including signaling, train control, and communication design.

On September 14, 2020, the Board awarded Contracts (2019136) for General Engineering Support Services (“Psomas GESS – 2020”). The base term of the Psomas GESS – 2020 Contract was set to expire September 20, 2023. On September 12, 2022, the Board approved the Second Amendment to the Contract for General Engineering Support Services – 2020 with Psomas extending the expiration to September 20, 2024. On December 11, 2023, the Board approved the Sixth Amendment to the Contract for General Engineering Support Services – 2020 with Psomas extending the expiration to September 20, 2025.

Psomas has submitted an initial work order proposal for Hatch to assist SacRT staff in developing a requirements document and SOW for the project. The Work Order proposal is currently under review. To allow for work to commence prior to the next scheduled Board meeting, Staff is requesting a delegation of authority for the General Manager/CEO to approve and execute Work Order No. 24 for an amount not to exceed \$300,000.

RESOLUTION NO. 2024-12-135

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

December 9, 2024

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE WORK ORDER NO. 24 TO THE CONTRACT FOR GENERAL ENGINEERING SUPPORT SERVICES – 2020 WITH PSOMAS FOR THE TRAIN AND STATION TECHNOLOGY REFRESH PROJECT

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

THAT, authority is hereby delegated to the General Manager/CEO to approve and execute Work Order No. 24 to the Contract for General Engineering Support Services – 2020 by and between the Sacramento Regional Transit District (therein “SacRT”) and Psomas (therein “Consultant”) to support the Train and Station Technology Refresh Project, for an amount not to exceed \$300,000, conditioned upon a determination that the proposed work is within the scope of the Contract and the proposed pricing is fair and reasonable.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning, Grants and Procurement
SUBJ: AMENDING THE SACRT FARE STRUCTURE (RESOLUTION 09-10-0174) TO CREATE NEW FARES FOR SACRT FLEX MICROTRANSIT SERVICE

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adopting the Resolution would establish new fare categories for the new SacRT Flex microtransit service (which is replacing SmarT Ride) including: (a) a \$2.50 flat fare for all adults and minors 13-17 riding unaccompanied; and (b) a SacRT Flex Minor Fare allowing individuals under 18 to ride SacRT Flex at no cost when accompanied by a paying adult.

FISCAL IMPACT

SacRT is expected to receive approximately \$247,000 in fare revenue annually for SacRT Flex.

DISCUSSION

On November 18, 2024, the Board of Directors approved a contract with Nomad Transit, LLC, a wholly owned subsidiary of Via Transportation, Inc. (Via) which essentially approved the new SacRT Flex program for a period of approximately 18 months, beginning with a “soft launch” on December 17, 2024, with a full launch on January 2, 2025, and ending on June 30, 2026.

The proposed fare structure for SacRT Flex was presented but could not be approved at that time. Federal transit regulations require a public review period of at least 30 days, prior to a fare increase, and the public had not been fully notified in time to satisfy that requirement. The attached resolution would formally approve the fare structure for SacRT Flex, consistent with all requirements.

SacRT Flex Background

With the goals of fiscal sustainability and maintaining lifeline mobility, SacRT is transitioning SmarT Ride microtransit service into SacRT Flex, which will be a curb-to-curb microtransit service that operates in the same zones and during the same hours as

SmaRT Ride. SacRT Flex will be restricted to populations that need it the most: seniors, persons with disabilities, and low-income. SacRT Flex will be operated by a private contractor under contract with SacRT. Rides will be reservable in advance, vehicles will be minivans instead of cut-away shuttles.

Fare Structure

The fare for SacRT Flex would be a flat, fixed \$2.50 per trip. This would price SacRT Flex lower than SacRT GO paratransit (\$5.00) but higher than fixed-route transit (\$1.25 at the senior/disabled discount price).

SacRT Flex Fare Structure

	SmaRT Ride	SacRT Flex (Proposed)
Disabled with valid SacRT photo ID	\$1.25 per person	\$2.50 per trip
Senior with proof of age	\$1.25 per person	
Student Fare RydeFreeRT	Free Unlimited free rides	
DHA Pass Dept. of Human Assistance general assistance recipients	Free Unlimited free rides	
Low-Income Fare CalFresh/SNAP, CalWorks/TANF, Medi-Cal recipients	n/a Does not currently exist	
Companions	Special Group Fare Groups of 5 or more persons riding together pay no fare	One Paid Companion One companion allowed per paying customer, regardless of eligibility, but additional fare required Kids Ride Free w/Paying Adult Kids aged under 18 ride free when accompanying an adult

Daily, monthly, and other multi-ride passes would not be accepted on SacRT Flex. Low-income youth aged 13 to 17 would be allowed to ride alone but would be required to pay the fixed fare of \$2.50; however, minors under 18 would be allowed to ride for free when accompanying a paying adult.

Fare Policy

Pricing microtransit at \$2.50, between paratransit (\$5.00) and fixed-route transit (\$1.25 for senior/disabled) has emerged as a best practice among most transit agencies operating microtransit. Pricing microtransit above fixed-route transit is a best practice because fixed-route transit generally has fixed costs and available capacity. Incentivizing riders to take fixed-route transit for any trips they can, rather than microtransit, conserves the agency's limited funds as well as the limited capacity on microtransit for customers who have no other option.

Passes will also not be accepted on SacRT Flex. This is also a best practice for microtransit, because microtransit costs tend to scale with ridership.¹ This will also help conserve capacity, i.e., assure the limited amount of service is not monopolized by a small fraction of "superusers."

Increasing the one-way fare on SacRT Flex also helps keep farebox recovery ratio on par with other services. Under the proposed fare structure, the average fare per passenger for SacRT Flex would be \$2.50, compared to just \$1.05 for SmaRT Ride. Farebox recovery ratio would improve from 2 percent under SmaRT Ride to 16 percent for SacRT Flex, which would be more similar to SacRT's fixed-route services.

Future Changes

As a pilot program, the SacRT Flex fare structure, eligibility rules, ability to book on-demand, and similar parameters are all subject to change, which Staff will review once the initial service begins. Some potential options include:

- Reintroduce same-day reservations, if capacity permits. *Rationale: Customers appreciate the independence of same-day reservations.*
- Charge a premium fare (e.g., \$5.00 or more) for on-demand trips. *Rationale: On-demand service is personalized and convenient, comparable to Uber or Lyft, where a similar trip would cost closer to \$13.*
- Allow the general public to ride, but only at a premium fare, only on an on-demand basis, when capacity permits, and only if they have already purchased a \$100 monthly pass for fixed-route. *Rationale: Customers who have paid for a fixed-route monthly pass are more likely to use SacRT Flex to feed fixed-route transit.*

¹ Demand response service (i.e., microtransit or paratransit) tends to run at capacity (e.g., 3 to 4 boardings per hour, per vehicle). As ridership demand grows, additional vehicle hours must be added to maintain the same availability and response times, incrementing cost. In comparison, the capacity for a 40-foot bus on a fixed-route is well over 40 boardings per vehicle-hour, before delays necessarily begin to become problematic. Most routes operate closer to 20 boardings per vehicle-hour, so additional riders can easily be accommodated, bringing in more fare revenue, at no additional cost.

Equity

Changes to demand-response service and fares do not require a formal service equity analysis or fare equity analysis; however, Title VI of the Civil Rights Act of 1964 does include broad prohibitions on discrimination.

Approximately 26 percent of existing SmaRT Ride customers are low-income,² compared to just 20 percent for the general population.³ The demographics of SacRT Flex users are not yet known; however, SacRT Flex will be available for only seniors, persons with disabilities, and low-income persons. Although the fare will increase for these users, for everyone else, the service will not be available at all. Given SacRT's requirement under SB 125 to take significant steps to reduce expenditures, the transition from SmaRT Ride to SacRT Flex, including the fare structure changes, is an effective way to shield vulnerable populations from what would otherwise be a significant impact from complete elimination of service.

² Source: Survey data collected for *A Glimpse of Microtransit at an Early Stage: The SmaRT Ride Consumer Market in the Sacramento Area*. Xing, Yan. University of California, Davis (2022). Additional analysis by SacRT (unpublished). Low-income was considered household income under \$25,000 for the purposes of this survey.

³ Source: SacRT's Draft Title VI Program Update (2023), Appendix G, Page 86. Available online at: https://www.sacrt.com/apps/wp-content/uploads/Title-VI-Draft-Document_for-Web.pdf

RESOLUTION NO. 2024-12-136

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

December 9, 2024

**AMENDING THE SACRT FARE STRUCTURE (RESOLUTION 09-10-0174) TO
CREATE NEW FARES FOR SACRT FLEX MICROTRANSIT SERVICE**

WHEREAS, by Resolution No. 09-10-0174, as subsequently amended, the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, by Resolution No. 19-01-0009, the fixed-route Fare Structure was extended to the SmaRT Ride demand response/microtransit service; and

WHEREAS, the Sacramento Regional Transit District ("SacRT") recently approved creation of a new non-fixed route, non-fixed schedule, shared-ride, demand response microtransit service referred to as SacRT Flex; and

WHEREAS, the Board of Directors intends for SacRT Flex to have a single one-way fare of \$2.50 per passenger, except for persons under age 18 accompanied by an adult, who will be eligible to ride at no cost; and

WHEREAS, the Fare Structure must be updated to specify the Applicable Fare for the new service and the approved methods of payment for the SacRT Flex service.

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

THAT, effective January 1, 2025, Resolution No. 09-10-0174, as previously amended, is hereby further amended as follows:

Article II, "Fare Structure Definitions," is amended to include, inserted into the alphabetically sorted list of definitions:

"Microtransit Service means non-fixed route, non-fixed schedule, shared-ride, demand response public transportation, specifically excluding complementary paratransit service, typically provided with reservation and real-time arrival prediction capabilities provided through a smartphone app, and often including or focused on same-day or on-demand travel."; and

"Minor means a person who has not yet reached their eighteenth (18th) birthday."; and

“SacRT Flex means a subset of Microtransit Service intended to have its own distinct operating characteristics, including fare structure.”; and

“SacRT Flex Vehicle means a passenger vehicle designated by SacRT to provide SacRT Flex Microtransit Service.”

The section entitled “Pay or Payment” of Article II, “Fare Structure Definitions” of the Fare Structure, as previously modified by Resolution 21-04-0032, is hereby further amended to read in its entirety as follows:

“Pay or Payment means the following:

1. Depositing in the fare box upon boarding a Bus an amount equal to or greater than the Applicable Fare in U.S. currency or Fare Equivalents; or
2. Paying the Applicable Fare upon boarding a Bus or Light Rail Vehicle using a RT-authorized credit card or contactless payment method to the extent those options are made available by SacRT; or
3. Displaying upon boarding a Bus a Prepaid Fare or Fare Equivalent for an amount equal to or greater than the Applicable Fare, and the Prepaid Fare or Fare Equivalent must be valid at the time of boarding; or
4. Possessing while riding SacRT light rail service a Prepaid Fare or Fare Equivalent for an amount equal to or greater than the amount of the Applicable Fare and the Prepaid Fare or Fare Equivalent in the passenger's possession must be valid throughout the duration of the Ride.
5. Paying the Applicable Fare to the driver in U.S. currency upon entering a SacRT Flex Vehicle or paying the Applicable Fare for SacRT Flex in advance through a mobile application approved by SacRT, which will be the only form of Prepaid Fare accepted for SacRT Flex Service.

The section of Article II entitled “Ride”, of Article II “Fare Structure Definitions,” as previously amended and restated by Resolution No. 19-01-0009, is further amended to read in its entirety as follows:

“Ride means (1) a trip of any length that can be taken by one person on a Bus operating on Fixed Route Service without repeating a Bus stop or transferring to another Transit Vehicle; (2) a ride from a single origin to a single destination on Microtransit Service; or (3) as many trips as can be taken by one person on a light rail train(s) with a single Validated Prepaid Fare Ticket during the time period it is valid; or (4) as many trips as can be taken on a Single Ride — Electronic Fare Media ticket for fixed-route service during the time period it is valid.” Article IV, is amended to add Section H, “SacRT Flex Fare” to read: The SacRT Flex Fare will be the price set forth in Article VI of the Fare Structure. Any passenger who Pays the SacRT Flex Fare will be entitled to one Ride on SacRT Flex.

Article IV is amended to add Section I, “Minor Fare” to read: a Minor is entitled to one Ride for free on SacRT Flex Service when accompanied by a passenger Paying the Applicable Fare who has the same origin and destination as the Minor.”;

Article V is amended to include a new Section N that reads “The Applicable Fare for SacRT Flex Service will consist of only the SacRT Flex Fare, listed in Article VI, paid in U.S. currency or in advance through a mobile application and the Minor Fare as set out in Article IV. No other form of Fare will be accepted for SacRT Flex Service.”

THAT, effective as of January 1, 2025, the attached Exhibit B-8 will replace Exhibit B-7 to the Fare Structure (as adopted by Resolution 21-12-0132) as part of Article VI of the Fare Structure.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

Exhibit B-8
Effective January 1, 2025

Sacramento Regional Transit Fares

Fare Category	Fare
Single Ride	\$2.50
Single Ride - Electronic Fare Media (valid for unlimited rides for 90 minutes)	\$2.50
Discount Single Ride ¹	\$1.25
Discount Single Ride - Electronic Fare Media (valid for unlimited rides for 90 minutes)	\$1.25
Transfer (valid for one transfer on either the bus or light rail)	\$0.25
SacRT Flex Fare	\$2.50
Daily Pass	\$7.00
Discount Daily Pass ¹	\$3.50
Monthly Pass	\$100.00
Semi-Monthly Pass	\$50.00
Student Semi-Monthly Sticker ²	\$10.00
Student Monthly Pass ² (on electronic fare media only)	\$20.00
Senior/Disabled Monthly Sticker	\$50.00
Senior/Disabled Semi-Monthly Sticker	\$25.00
Super Senior Monthly Sticker	\$40.00

Single ride tickets and daily passes may be sold in booklets.

¹ Discount single rides and daily pass fares are available to qualifying students grades K-12, seniors age 62 and over, and eligible disabled persons.

² Price applies to all Students including those who qualify for Free/Reduced Meal

(continued)

Elk Grove Service Fares³

Fare Category	Fare
Elk Grove Single Ride	\$2.25
Elk Grove Single Ride - Electronic Fare Media (valid for 120 minutes on Elk Grove Service)	\$2.25
Elk Grove Discount Single Ride	\$1.10
Elk Grove Discount Single Ride - Electronic Fare Media (valid for 120 minutes on Elk Grove Service)	\$1.10
Elk Grove Transfer ⁴	\$0.50
Elk Grove 10-Ride Pass ⁵	\$22.50
Elk Grove Discount 10-Ride Pass ⁵	\$11.00
Elk Grove 31-Day Local Pass ⁶	\$80.00
Elk Grove 31-Day Discount Local Pass ⁶	\$40.00
Elk Grove 31-Day Unlimited Pass ⁷	\$100.00
Elk Grove 31-Day Unlimited Discount Pass ⁷	\$50.00
SacRT E-Van Fares⁸	
SacRT E-Van Single Ride	\$3.50
SacRT E-Van 10-Ride Pass	\$35.00
SacRT E-Van 44-Ride Pass	\$150.00

³ Elk Grove service fares are limited to Elk Grove service only (routes E10-E19 & E110-E116)

⁴ Noted Elk Grove fares include a 120-minute transfer window rather than the 90 minutes available on other SacRT services.

⁵ Elk Grove 10 ride and discount 10 ride passes are valid for the equivalent of 10 Elk Grove Single Ride fares

⁶ Elk Grove 31-day local passes are valid for 31 days from the date of activation and only valid on routes E110-E116.

⁷ Elk Grove 31-day unlimited passes are valid for 31 days from the date of activation and are valid on all Elk Grove Service routes only.

⁸ SacRT E-Van fares are valid on paratransit services offered entirely within the city limits of Elk Grove.

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Ikwut-Ukwa, VP, Capital Programs
SUBJ: DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AMENDMENT NO. 1 TO WORK ORDER NO. 4 TO THE CONTRACT FOR ON-CALL FLAGGING SUPPORT SERVICES WITH NATIONAL RAILROAD SAFETY SERVICES, INC. FOR ADDITIONAL FLAGGING SUPPORT DURING CONSTRUCTION OF THE LOW FLOOR VEHICLE PLATFORM CONVERSION PHASE 3 PROJECT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Delegating authority to the General Manager/CEO to approve Amendment No. 1 to Work Order No. 4 to the Contract for On-Call Flagging Support Services will provide additional funding and extend the duration of work to allow National Railroad Safety Services, Inc. (NRSS) to provide additional flagging support during the construction of the Low Floor Vehicle Platform Conversion Phase 3 Project by PNP Construction, Inc..

FISCAL IMPACT

Amendment No. 1 to Work Order No. 4 will increase the Work Order not-to-exceed amount for flagging support during construction of the Low Floor Vehicle Platform Conversion Phase 3 Project by \$220,680, from \$146,480 to \$367,160. This amendment is fully funded through State funds.

DISCUSSION

SacRT is required by the Public Utilities Commission (General Order 175-A) to provide roadway worker protection, also known as railroad flagging, to support all activities in the SacRT rail right-of-way and infrastructure and systems. Under normal circumstances, the SacRT Light Rail Maintenance Department provides these services. However, at times the demand for railroad flagging exceeds the capacity of the department's personnel resources. To alleviate this problem, SacRT solicited bids from third party contractors to provide flagging services under a general On-Call Flagging Support Services Contract.

On December 11, 2023, the Board awarded three on-call contracts for railroad flagging support services for ongoing SacRT construction projects and third parties requesting access to SacRT's right-of-way, including a contract with NRSS.

The Low Floor Vehicle Platform Conversion Phase 3 construction contractor, PNP Construction (PNP), requires flagging services to modify four Blue Line station platforms (Roseville Road, Swanston, Globe, and Alkali Flat) to an 8-inch elevation above top of rail. Due to SacRT's limited internal resources and its own ongoing maintenance obligations, the SacRT Light Rail Maintenance Department is unable to provide the required flagging services internally and requested assistance from NRSS.

On October 16, 2024, Work Order No. 4 was executed by the General Manager in the amount of \$146,480 for NRSS to provide flagging support through December 18, 2024 for construction of Roseville Rd and Swanston Light Rail Stations for the Low Floor Vehicle Platform Conversion Phase 3 Project.

At the time PNP was unable to estimate the duration of flagging support needs for work at Globe and Alkali Flat/La Valentina Stations. PNP has now developed the construction staging plans and provided an estimate for flagging support at those two stations, which will be included in the amendment.

In addition, since the time Work Order No. 4 was executed, two Contract Change Orders have been processed under the construction contract with PNP to modify the scope of work at the Swanston station and Alkali Flat, which will extend the duration of that work.

Under Amendment No. 1 to Work Order No. 4, NRSS will provide additional flagging support for the Low Floor Vehicle Platform Conversion Phase 3 Project. The additional funding is anticipated to be sufficient to provide all required flagging support for the remainder of the construction based on the current construction schedule. If additional time or funds are required, an additional amendment may need to be processed at a later date.

A delegation of authority is being requested at this time because the Work Order documentation has not yet been submitted to the Legal Department and the Work Order amendment has not been prepared, but the flagging support services will be required prior to the next Board meeting.

RESOLUTION NO. 2024-12-137

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

December 9, 2024

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE
AMENDMENT NO. 1 TO WORK ORDER NO. 4 TO THE CONTRACT FOR ON-CALL
FLAGGING SUPPORT SERVICES WITH NATIONAL RAILROAD SAFETY
SERVICES, INC. FOR ADDITIONAL FLAGGING SUPPORT DURING
CONSTRUCTION OF THE LOW FLOOR VEHICLE PLATFORM CONVERSION
PHASE 3 PROJECT**

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

THAT, authority is hereby delegated to the General Manager/CEO to approve Amendment No. 1 to Work Order No. 4 to the Contract for On-Call Flagging Support Services between Sacramento Regional Transit District, therein referred to as "SacRT," and National Railroad Safety Services, Inc., therein referred to as "Contractor," whereby the Contractor agrees to provide additional flagging services in support of the Low Floor Vehicle Platform Conversion Phase 3 Project and the not-to-exceed amount for the Work Order is increased by no more than \$220,680.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Tabetha Smith, Clerk to the Board
SUBJ: INTENT MOTION TO SELECT THE CHAIR AND VICE CHAIR OF
THE SACRAMENTO REGIONAL TRANSIT BOARD OF
DIRECTORS FOR 2025

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

This intent motion will allow staff to provide a smooth transition into 2025 in setting up all of the administrative functions that need to occur before the Chair officially takes over in 2025.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

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

In order to assist with the transition next year, the SacRT Board may adopt an intent motion now with respect to the election of a Chair and Vice Chair for calendar year 2025.

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Jason Johnson, VP, Finance/CFO
SUBJ: RECEIVE AND FILE THE ANNUAL COMPREHENSIVE
FINANCIAL REPORT AND DESIGNATE THE OPERATING
SURPLUS AND WORKING CAPITAL RESERVE FOR FISCAL
YEAR ENDED JUNE 30, 2024

RECOMMENDATION

No Recommendation - For Information Only.

RESULT OF RECOMMENDED ACTION

Receive and File the Annual Comprehensive Financial Report (ACFR); Reports on Compliance and Internal Controls as Required by Uniform Guidance and the Transportation Development Act (TDA); Report to the Board of Directors for the Fiscal Year (FY) ended June 30, 2024; and designate the \$1,213,480 FY 2024 Operating Surplus to the Operating Reserve. This will result in an increase of \$1,213,480 in the Operating Reserve from \$37,879,430 as of June 30, 2023, to \$39,092,910 as of June 30, 2024.

FISCAL IMPACT

As of June 30, 2024, Revenue from Operations of \$254,696,769 exceeded Expenses from Operations of \$253,483,289.

DISCUSSION

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

SacRT received an unqualified (clean) opinion on the ACFR and Uniform Guidance from its auditors, Crowe LLP, for the fiscal year ended June 30, 2024. Moreover, no material weaknesses involving SacRT's financial reporting, internal control processes, or issues of non-compliance were identified.

Financial Results Summary

The ACFR presentation and classifications are intended to provide an overall picture of SacRT's year-end position, as well as the results of operations. Overall, and as reflected in the Financial Section to the ACFR (see Attachment 1 – Statement of Revenue and expenses), SacRT's net position increased by \$70.1 million as of June 30, 2024.

This increase is due primarily to capital activity which includes progress payments for the light rail modernization project including the delivery of 20 new Siemens S700 low-floor light rail vehicles as well as the acquisition of 18 40' Gillig CNG buses and 10 Paratransit vehicles.

Summary of Actual Results

The ACFR presentation differs from SacRT's Operating and Capital budgets in that the ACFR combines both Operating and Capital activities. To evaluate the FY 2024 operating results, Attachment 1 and page 11 of the ACFR shows SacRT's Operating and Capital funds separately. As of June 30, 2024, SacRT's operating results were as follows: \$18.2 million in fare revenues, \$253.5 million in operating expenses, and a combined \$236.5 million in non-operating revenues and expenses.

Summary of Budget to Actual Results

The amended Budget to actual highlights includes a favorable variance in fare revenues of \$0.9 million, net unfavorable variance in operating expenses of \$2.5 million, and a net favorable variance in non-operating revenues of \$2.8 million (see Attachment 2).

Operating Revenues

SacRT's FY 2024 fare revenue totaled \$18.2 million. The favorable variance of \$0.9 million is attributed to an increase in fare purchases due to escalating ridership and transit passes issued to college students.

Operating Expenses

Operating expenses totaled \$253.5 million, a net negative variance of \$2.5 million from the budget of \$251.0 million. This is a result of higher than expected overtime hours primarily due to unplanned vacancies and other unanticipated payroll expenditures. The variance was partially mitigated by the delay of several operating projects due to contract timing.

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

Non-Operating Revenues and Expenses

Non-operating revenue and expenses totaled \$236.5 million, a net favorable variance of \$2.8 million from the budget of \$233.7 million. The net favorable variance is due to increased draws of federal American Relief Plan funds, higher than expected investment income due to both higher cash and investment balances and rising rates, and CNG sales revenue that is budgeted as a net expense. The favorable variance was partially mitigated by an unfavorable revision of Local Transportation Funds.

Operating Results

SacRT concluded FY 2024 with an operating surplus of \$1,213,480 which will be designated to SacRT's Operating Reserve.

Comprehensive Reserve Policy

The Comprehensive Reserve Policy adopted by the Board of Directors on November 9, 2015, and revised on December 12, 2022, has five categories of reserves: Operating, Working Capital, Self-Insurance, Capital, and Grant/Project Specific. The table below illustrates the target requirements of each, and the current balance held by SacRT. Note, the target Operating Reserve for FY 2024 is 60 days of the of the annual operating budget less current year self-insurance expense, which is approximately \$39.6 million. While the actual reserve balance for FY 2024 is \$39.1 million, it exceeds the reserve requirement set by SacRT's Comprehensive Reserve Policy, and is supplemented by \$8.1M in Working Capital and a \$20M Line of Credit.

Reserve Type	Policy Target	FY 2024 Policy Target Amount	Actual Reserve Balance	Target Reserve Shortfall
Operating Reserve	60 day of operation expenses. (Initial FY 2024 budget of \$249.5M less current year self-insurance expense)	\$39.6 million*	\$39.1 million**	\$0.5 million
Working Capital		N/A	\$ 8.1 million	-
Total			\$47.2 million	
Self-Insurance	Current year actuarially determined claim expense at a minimum	\$12.7 million	\$3.7 million	\$9.0 million
Capital	Annual contribution for depreciating assets	N/A	-	-
Grant/Project Specific	Not Applicable	-	-	-

*Based on initial FY 24 operating budget

In the past nine fiscal years, SacRT has made a significant financial turn-around by building the operating reserve and working capital balance to \$47.2 million, as of June 30, 2024, from a low of \$3.1 million as of June 30, 2015. The increase in operating reserves is vital for financial health, cash liquidity, and credit rating reviews of SacRT.

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

Attachments

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

- Fiscal Year 2024 Statement of Revenue and Expense per Funding Designations – Attachment 1
- Fiscal Year 2024 Statement of Revenue and Expenses, Operating Budget to Actual Expenses – Attachment 2
- The Annual Comprehensive Financial Report (ACFR) – Attachment 3
- Reports Required by Uniform Guidance and Transportation Development Act (TDA) – Attachment 4
- Report to the Board of Directors – Attachment 5
- Management Letter – Attachment 6

Fiscal Year 2024
Statement of Revenues and Expenses
Per Funding Designation

Statement of Revenues and Expenses	FY 2024 Funding Designation			
	Operations	GASB	Capital Improvement Program	Total
OPERATING REVENUES (Fares)	\$ 18,241,769	\$ -	\$ -	\$ 18,241,769
OPERATING EXPENSES				
Labor and Fringe Benefits	175,729,429	(821,427)	-	174,908,002
Professional and Other Services	23,227,254	-	2,613,964	25,841,218
Spare Parts and Supplies	17,783,426	-	2,547,396	20,330,822
Utilities	8,204,291	-	-	8,204,291
Casualty and Liability Costs	23,640,593	-	-	23,640,593
Depreciation and Amortization	2,004,197	-	44,402,393	46,406,590
Other	2,894,099	-	-	2,894,099
Impairment Loss	-	-	-	-
Total Operating Expenses	\$ 253,483,289	\$ (821,427)	\$ 49,563,753	\$ 302,225,615
Loss from Operations	(235,241,520)	821,427	(49,563,753)	(283,983,846)
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	160,123,520	-	-	160,123,520
Federal	63,953,441	-	2,923,287	66,876,728
Investment Income	7,453,884	-	186,586	7,640,470
Interest Expense	(3,115,069)	-	(1,228,232)	(4,343,301)
Pass Through to Subrecipients	-	-	(2,897,054)	(2,897,054)
Contract Services	1,291,951	-	-	1,291,951
Alternative Fuel and Carbon Tax Credits	2,591,701	-	696,878	3,288,579
Other	4,155,572	-	69,200	4,224,772
Total Non-operating Revenues (Expense)	\$ 236,455,000	\$ -	\$ (249,335)	\$ 236,205,665
Increase (Decrease) in Net Position Before Capital Contributions and Special Item	1,213,480	821,427	(49,813,088)	(47,778,181)
Capital Contributions				
State and Local	-	-	77,579,926	77,579,926
Federal	-	-	40,328,461	40,328,461
Total Capital Contributions	-	-	117,908,387	117,908,387
Increase in Net Position	\$ 1,213,480	\$ 821,427	\$ 68,095,299	\$ 70,130,206
Reserve				
Operating Reserve Balance June 30, 2023	\$ 37,879,430			
FY2024 Surplus Designation to Operating Reserve	1,213,480			
Operating Reserve Balance June 30, 2024	\$ 39,092,910			
Working Capital Balance June 30, 2023	\$ 8,046,414			
FY2023 Designation of Working Capital to Operating Reserve	-			
Working Capital Balance June 30, 2024	\$ 8,046,414			

Fiscal Year 2024
Statement of Revenues and Expenses
Operating Budget to Actual Expenses

Statement of Revenues and Expenses	FY 2024 Budget to Actual Expenses			
	Approved Budget	Adjusted Operating Results	Variance (Unfavorable)/ Favorable	Percent Variance
OPERATING REVENUES				
Fares	\$ 17,300,000	\$ 18,241,769	\$ 941,769	5.4%
OPERATING EXPENSES				
Labor and Fringe Benefits	171,270,254	175,729,429	(4,459,175)	-2.6%
Professional and Other Services	25,292,430	23,227,254	2,065,176	8.2%
Spare Parts and Supplies	16,897,342	17,783,426	(886,084)	-5.2%
Utilities	8,458,000	8,204,291	253,709	3.0%
Casualty and Liability Costs	23,488,131	23,640,593	(152,462)	-0.6%
Depreciation and Amortization	-	2,004,197	(2,004,197)	-
Other	5,593,843	2,894,099	2,699,744	48.3%
Total Operating Expenses	\$ 251,000,000	\$ 253,483,289	\$ (2,483,289)	-1.0%
(Loss) Income from Operations	(233,700,000)	(235,241,520)	(1,541,520)	0.7%
NON-OPERATING REVENUES (EXPENSES)				
Operating Assistance				
State and Local	168,495,265	160,123,520	(8,371,745)	-5.0%
Federal	58,540,005	63,953,441	5,413,436	9.2%
Investment Income	5,033,291	7,453,884	2,420,593	48.1%
Interest Expense	(3,033,291)	(3,115,069)	(81,778)	2.7%
Contracted Services	799,730	1,291,951	492,221	61.5%
Alternative Fuel and Carbon Tax Credits	2,670,947	2,591,701	(79,246)	-3.0%
Other	1,194,053	4,155,572	2,961,519	248.0%
Total Non-operating Revenues (Expense)	\$ 233,700,000	\$ 236,455,000	\$ 2,755,000	1.2%
Increase in Net Position	\$ -	\$ 1,213,480	\$ 1,213,480	-



Sacramento Regional Transit District

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024
Sacramento, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Sacramento Regional Transit District for the Fiscal Year Ended
June 30, 2024

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Introductory Section

December 9, 2024

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

The Sacramento Regional Transit District (SacRT) is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance as it pertains to audits of state and local governments. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards* issued by the Comptroller of the United States within six months of the close of each fiscal year. Pursuant to that requirement, SacRT hereby issues the Annual Comprehensive Financial Report (ACFR) of SacRT for the fiscal year ended June 30, 2024.

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

SacRT's financial statements have been audited by Crowe LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that SacRT's financial statements for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there are no material weaknesses to report and that there was a reasonable basis for rendering an unmodified opinion that SacRT's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP.

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

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter

of transmittal is designed to complement the MD&A and should be read in conjunction with it. SacRT's MD&A can be found immediately following the independent auditor's report of Crowe LLP.

Profile of SacRT

In 1971, California legislation allocated sales tax money for local and statewide transit service and created the organizational framework for SacRT pursuant to the Sacramento Regional Transit District Act. SacRT began operation on April 1, 1973, with the acquisition of the Sacramento Transit Authority, and on April 1, 2023, SacRT celebrated its 50th anniversary. SacRT is the largest transit provider carrying over 90% of riders in the 6-county mega-region that serves the heart of California's capital, serving a metropolitan population of over 1.7 million with a service area of approximately 440 square miles. SacRT continued to celebrate our 50th anniversary of service in the Sacramento region, which culminated on April 1, 2024, with the launch of SacRT's new branding and logo as part of our long-term marketing strategy that will redefine SacRT for the future.

A 12-member Board of Directors is responsible for governing SacRT. The Board is comprised of four members of the Sacramento City Council, three members of the Sacramento County Board of Supervisors, one member of the Rancho Cordova City Council, one member of the Citrus Heights City Council, one member of the Folsom City Council, and two members of the Elk Grove City Council. The Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring SacRT's General Manager/Chief Executive Officer (GM/CEO). SacRT's GM/CEO is responsible for carrying out the policies and ordinances of the Board for overseeing the day-to-day operations of SacRT, and for appointing the executive management of the various divisions.

SacRT provides bus and light rail service 365 days a year covering a 440 square-mile service area. Annual ridership was approximately 22 million pre-pandemic and was on a steadfast ridership growth trajectory of 15% on fixed-route bus, 7% on light rail and 127% growth in student ridership – almost unheard of during a time of downward ridership trends nationwide. As was the case for all public transit agencies, SacRT experienced significant ridership reductions during the first three months of the pandemic in 2020. However, ridership has continued to grow each year since, with Fiscal Year 2024 realizing a 14% increase in ridership over Fiscal Year 2023, bringing current levels to approximately near 83% of pre-pandemic ridership levels, with bus ridership at approximately 100%, faring much better than many peer agencies. We also celebrated another major ridership milestone – SacRT GO paratransit service hit one million rides in May 2024. Despite an ongoing nationwide recruitment crisis, SacRT has successfully hired key frontline positions, maintained and expanded service levels, minimized service cancelations, and welcomed over 200 new employees

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

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

SacRT's General Manager/CEO presents a proposed budget to the Board for a 60-day public review period beginning in April. Following the review period, SacRT is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the fiscal year. The budget is prepared

by fund (operating or capital), division and department (e.g., safety) or by capital project. The legal level of control is at the fund level, where budget amendments are authorized by the Board. The responsible division executive manager and the GM/CEO authorize interdivisional transfers. The respective division directors and department managers authorize intra-divisional transfers, and the responsible manager authorizes departmental transfers.

Factors Affecting Financial Condition

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

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

Local Economy

SacRT operates services in the capitol city of California, which remains the fifth largest economy in the world. The mega-region, which includes six counties (El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba), has varied state governmental services and a light industrial base. The annual unemployment rate for the Sacramento area in 2024 was 5.0%, a slight increase from the 2023 rate of 4.5%. The Sacramento region continues to trend below the statewide annual unemployment averages, which demonstrates the need for robust transit in SacRT's service area.

A significant portion of SacRT's operating funds is derived from sales tax revenues. In Fiscal Year 2024, taxable sales in the Sacramento region rose resulting in an increase of 1.9% in Measure A Revenue. It is estimated that the taxable sales in the region will slightly decrease in Fiscal Year 2025. SacRT adopted the Fiscal Year 2025 Operating Budget with Measure A sales tax-based revenues remaining unchanged compared to Fiscal Year 2024 actuals and a slight 1.1% decrease in Local Transportation Funds due to the estimated taxable sales.

Secured Additional Funding

It's been a tremendous year for SacRT securing over \$170 million in local, state and federal grant funding to advance key transit projects in the Sacramento region.

In September 2023, SacRT was awarded a total of \$4.4 million in state grant funding for three projects aimed at enhancing transportation infrastructure and addressing climate change impacts within the Sacramento region. These grants underscore SacRT's commitment to sustainable and accessible transit options across the region. The grant awards are as follows: Strategic Growth Council Affordable Housing Sustainable Communities (AHSC) Grant - \$3.2 Million to make critical improvements to eight bus stops and fund platform modifications at the Arden/Del Paso Station on the Blue Line; Caltrans Climate Adaptation Planning Grant - \$730,209 to address the impacts of climate change. The project involves a comprehensive multi-hazard risk assessment of transportation systems, the development of adaptation solutions, and the creation of a prioritized list of transit projects using a multi-criteria analysis; and a Caltrans Climate Adaptation Grant - \$470,000 to further plan and conceptual design for extending the Blue Line light rail and/or bus rapid transit from the city of Sacramento to the city of Elk Grove.

In March 2024, SacRT announced the launch of an innovative project aimed at enhancing connectivity and sustainability within our community. In partnership with the Sacramento Metropolitan Air Quality Management District (Sac Metro Air District) and Sacramento Clean Cities Coalition (Clean Cities), SacRT is embarking on the development of Mobility Hubs at three light rail stations. This groundbreaking initiative has been made possible through the receipt of \$1.7 million in federal grant funding from the Joint Office of Energy and Transportation. Additionally, the Sac Metro Air District may contribute up to \$3 million to further bolster the benefits and amenities of these Mobility Hubs, including enhancements such as landscaping, lighting, and other infrastructure improvements.

In July 2024, the Federal Transit Administration announced that SacRT is receiving \$76,847,678 in Capital funds from the Low or No Emission Grant program to purchase new hydrogen fuel cell buses to replace older buses, modernize a bus maintenance facility and initiate a workforce development program. This is the third highest award in this major grant category across the nation. In addition, SacRT received \$10 million from SB125 provided by the Sacramento Area Council of Governments (SACOG) and \$7.5 million from HVIP by California Air Resources Board (CARB), which are utilized as local match, bringing SacRT's available funds to \$94.3 million. With an additional \$2.9 million from the Sacramento Metropolitan Air Quality Management District and \$4 million from the EnergIIZE Fund from the California Energy Commission that we anticipate securing, our total funding amount for the project will be approximately \$102 million. A check ceremony and press conference was held in October 2024 to celebrate this major milestone.

In October 2024, SacRT was awarded an additional \$29 million in state funding from the California State Transportation Agency through the Transit and Intercity Rail Capital Program (TIRCP). This funding, combined with \$84 million leveraged from additional state and federal funding sources, will support several transformative projects. These include the purchase of 10 new S700 low-floor light rail vehicles; converting 17 Blue Line light rail stations to accommodate the height requirement of the new low-floor vehicles; constructing the new Dos Rios Station, and constructing the new Horn Road Station in Rancho Cordova, which will close a 2.5-mile gap between existing stations on the Gold Line and provide access to a public library, parks, and the American River. Additionally, SacRT will install Cal-ITP platform validator devices and integrate them with Scheidt & Bachman fare vending machines at 54 light rail stations to streamline ticket purchasing and validation, improving the customer experience. SacRT currently has an order of 45 new trains, with the first 20 already in service on the Gold Line. Combined with other state and federal funds, this additional grant funding will assist with the purchase of 10 additional new low-floor light rail vehicles, bringing our total to 55.

In addition, SacRT has recently been awarded three Caltrans Sustainable Community grants totaling nearly \$1 million. These planning grants will help SacRT improve safety, help residents make better transit connections, and meet the mobility needs of the growing region through the following projects: Safe Routes to Transit Plan; Folsom Connections to Healthcare (partnership with City of Folsom); and Reimagine Roseville Road Station.

SB 125 Funding

Across the country, the transit industry is experiencing significant operating deficits, with a lot of transit agencies in California facing a fiscal cliff. As a result, the California state legislature has passed SB 125 relief legislation for transit providing over \$2 billion to the state's transit agencies. Early in the pandemic many transit agencies had to use most of their federal COVID relief funds entirely for operations, depleting those funds early. At SacRT we have been able to extend the use of relief funds, focusing on long delayed state of good repair projects.

SacRT has been allocated \$89 million for Capital and \$61 million for Operating assistance. We will continue to work closely with SACOG to ensure SacRT receives the maximum allocation of SB 125 funding, to not

only close the projected operational gaps, but to free up discretionary monies such as Federal 5307 funds to address significant Capital needs.

Other Federal Assistance

Approximately \$104 million in American Relief Plan (ARP) funds was allocated to SacRT. SacRT used approximately \$32 million in fiscal year 2023, approximately \$64 million in fiscal year 2024, and the remaining balance for fiscal year 2025.

Possible Ballot Measure: even though SacRT has been very successful in securing unprecedented federal and state grant funding, we know we need to continue to relentlessly seek more grant opportunities in the future given that we have such limited local funding. SacRT receives approximately five times less in local funding support than our peer agencies, who receive a ½ penny, penny, or more. SacRT will work with community partners to refine a transportation measure in 2026 to put more focus on climate change and transit improvement. SacRT has an ambitious \$6B capital plan, including many of our state of good repair programs.

SacRT's FY 2021-2025 Strategic Plan

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

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

- **Customer Satisfaction:** ensuring that SacRT customers have access to high quality mobility options that they actively and increasingly use is a priority for SacRT. SacRT wants to ensure that the system provides customers with mobility options that get them where they want to go, when they want to go there.
- **Operational Excellence:** SacRT is dedicated to providing innovative mobility solutions and developing and implementing programs that provide best in class service that puts customers first. As public transportation service continues to evolve, SacRT is committed to providing the highest standards in transportation by implementing industry best practices and ensuring clean, safe, reliable and convenient service for our customers.
- **Community Value:** SacRT is committed to expanding regional partnerships and providing excellent public transit service to promote SacRT as our region's premier public transit agency. SacRT will continue to promote programs and incentive options that will encourage more people to try transit, build our ridership, demonstrate our value and economic impact as a community partner, and educate the public about the benefits of transit and how local funding is important to create a world-class public transit system.

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

SacRT is currently working on the next Strategic Plan update that is expected to guide us through 2030.

District-Wide Improvement Initiatives

As SacRT continues our recovery from the pandemic and addresses the future challenges of the transit industry, we are focusing on efficient service lines that attract more riders. Staff continues to pride itself on not only maintaining service levels but continuing to deliver a variety of innovative solutions, including:

Social Equity Programming

Recognizing that Sacramento is one of the most diverse cities in the nation, SacRT has taken a very thoughtful approach in ensuring that our disadvantaged community members have equitable access to jobs, education, resources, and economic opportunity to keep the region moving forward. SacRT's service area is 53% minority 28% low-income, and 67% of all SacRT riders do not own a personal vehicle, with 1/3 of riders making less than \$10,000 annually. Also of note, communities of color make up 68% of transit riders, and 15% of all passengers speak a primary language other than English. In response, SacRT created a Social Equity Program which is focused on overcoming the extraordinary challenges of Sacramento's most vulnerable populations, including low income, unhoused individuals, youth, and the elderly.

SacRT continues to be a great Social Equity Partner in the Sacramento region. In Fiscal Year 2024, SacRT teamed up with Sacramento County and the City of Sacramento to provide over 100 free ride days to vulnerable populations to travel to and from weather respite centers. And we have provided over 50 monthly passes to assist the recent arrival of asylum seekers. SacRT also supported the region by providing transportation assistance for major community events such as the Aftershock Festival, GoldenSky Festival, California International Marathon, and Ironman, to name a few.

RydeFreeRT Fare-Free Transit for Youth

In 2019 SacRT was also the first transit agency in the nation to implement an unrestricted system-wide fare-free transit program, called RydeFreeRT. Now more than 300,000 youth/students from transitional kindergarten through 12th grade, including foster and homeless youth, are eligible for this fare-free program. When we launched in 2019, prior to the pandemic, kindergarten through 12th ridership was approximately 1.5 million a year. Now in its sixth year, the program has grown tremendously, SacRT finished FY24 with approximately 4.2 million rides.

Through the fare-free program, SacRT is not only increasing ridership today, but also creating life-long transit riders and advocates. The community benefits from less congestion at our school sites caused by pick up/drop off lines, in addition to giving working parents more freedom and flexibility with their commute. Increasing access to SacRT has provided students with more reliable school transportation options thereby reducing absenteeism and providing a path to economic prosperity. And schools also benefit from reduced absenteeism resulting in additional state funding.

SacRT GO Paratransit Services

In July 2023, SacRT celebrated our 3rd Anniversary of SacRT GO, after bringing ADA paratransit service back in-house following years of contracting the service out. March 2023 had the highest ridership for SacRT GO and supplemental service since bringing it back in-house with over a total of 25,994 passengers. Not only is this the highest ridership SacRT experienced since Covid, it's back to 82% of pre-pandemic levels. UZURV provided service to 6,226 passengers, their largest ridership number since they've started providing supplemental service and 24% of overall trips.

SmaRT Ride Service Transition to SacRT Flex

SacRT will transition its SmaRT Ride on-demand microtransit service to a new shared-use mobility program known as SacRT Flex. Launching on Thursday, January 2, 2025, SacRT Flex aims to prioritize eligible riders with the greatest transportation needs such as persons with disabilities, low-income individuals, and seniors. The final day of SmaRT Ride service will be Tuesday, December 31, 2024.

While SacRT has taken great pride in being a trendsetter in the transit industry over the years, implementing innovative new transit services to boost mobility in the Sacramento region, we must also be good stewards of public funds. SmaRT Ride was implemented as a pilot program in 2018, with a one-time lump sum grant of \$14 million from Measure A's Neighborhood Shuttle program. Unfortunately, today, the annual funding from the grant program is only \$800,000. When compared to SmaRT Ride's annual operating costs of \$8.4 million, it's clear that the service was too expensive to continue to operate. To ensure financial sustainability and to meet the requirements of SB125, we have re-envisioned our on-demand service model, prioritizing essential riders needing lifeline service while significantly lowering operating costs to be fiscally responsible.

Improving the Customer Experience by Levering Technology

Through an innovative public private partnership, SacRT was the first transit agency in the state of California to offer a contactless fare payment option on light rail trains as part of the California Integrated Travel Plan (Cal-ITP) for the new statewide integrated fare payment system. The "Tap2Ride" program enables Transit Ambassadors (TAs) to collect fare in lieu of issuing a citation on board light rail vehicles through a cellular app. The TA's and management have been happy with the program whose main goal is to reduce contentious interactions with customers, reduce citations, and improve customer satisfaction. In spring 2023, SacRT began working with SACOG on joint procurement of new fare collection hardware through a Cal-ITP program. The region was awarded \$2.1 million to buy tap-to-ride hardware for buses for the entire region. These devices will be installed on the SacRT bus fleets.

As part of the "Tap2Ride" Digital Identity service in partnership with the California Department of Technology (CDT) and the Cal-ITP, SacRT will introduce its first-ever discount fare program for veterans in early 2025. The six-month pilot program will provide discount fares for up to 60,000 eligible military veterans residing in the Sacramento region. The discount aims to recognize and support those who have served our country. The state program also allows us to incorporate and verify discount fares. This removes the administrative burden on staff and allows SacRT to implement a variety of fare benefits to increase ridership.

As part of this initiative, SacRT is also planning to integrate all fare payment methods into a single unified system over the next year, providing a streamlined experience for all passengers. This will allow passengers to benefit from features like "fare capping," which automatically calculates the lowest fare based on the number of rides taken in a day.

Transit Oriented Development

In California, with the housing costs so unsustainable, we need to do more to incentivize growth near quality transit lines. To do so, California created the Affordable Housing Sustainable Communities (AHSC) grant program – over \$700 million annually for transit and housing projects. As a result, SacRT has a tremendous opportunity to convert underutilized properties into infill housing projects, while also securing grant funding for transit. Now thousands of affordable housing units are being built along our system. We have renewed our commitment to this effort in recent years, selling five different properties that have resulted in robust transit-oriented development. These projects not only help to create vibrant, livable, and sustainable communities, they also address much needed housing and build ridership for SacRT.

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

In July 2023 the Salvator Apartments, a sustainable infill development featuring 120 affordable apartment homes opened adjacent to the Royal Oaks Station. The project will serve as a catalyst for neighborhood revitalization and smart growth, and provide affordable housing options for the local workforce, families, seniors, and veterans. The property was sold by SacRT to Community Housing Works in 2019. This is the second of many TODs in the works. The first sale was the University/65th Street transit center property to the Martin Group, which built the Wexler apartments on our former bus transit center that is now home to more than 750 students with easy access to bus and light rail services just a few steps away from the development.

We have a tremendous opportunity to convert underutilized surplus properties into infill housing projects, while also securing grant funding supporting transit improvement adjacent to transit-oriented communities. Now thousands of housing units are being planned along our light rail lines and proposed Bus Rapid Transit routes. These projects not only help to create vibrant, livable, and sustainable communities, they also address much needed housing and build ridership for SacRT.

On July 24, 2023, the SacRT Board of Directors adopted a resolution declaring SacRT's Midtown Administrative Complex Properties Excess to Transit Operations as Surplus, which included nine parcels (1.88 acres total). In January 2024, SacRT issued a Notice of Availability to HCD's Affordable Housing Developer list and public agencies. On November 18, 2024, the Board of Directors approved to enter into a Purchase and Sale Agreement with The Code Solution Inc., a multi-disciplinary real estate development firm based in Los Angeles that provides a multitude of services for each phase of real estate development. The housing proposal includes 304+ affordable units to be built in three phases, and a \$0 lease-back to SacRT for up to 10 years to continue to occupy the Administration Building at N Street to provide adequate time to look for or build out a new campus. The final Purchase and Sale Agreement for the properties and lease-back are valued at over \$18 million.

Major Initiatives Moving Forward

By identifying future opportunities and prioritizing projects, SacRT has successfully led district planning initiatives that will help increase access to public transit in the region to make sure rider experience is best in class. Our goal is to position ourselves as a state-of-the-art, robust, convenient and innovative mobility service for millions of Sacramentans as our region grows. These initiatives include our Light Rail Modernization Project, a future Bus Rapid Transit plan, Bus Stop Improvement plan and the Downtown Riverfront Streetcar project.

Light Rail Modernization Project

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

In May 2024, SacRT announced that the first two of 21 new S700 low-floor light rail trains completed 1,000 miles of testing and were deemed ready for passenger service, and the Gold Line station platform construction was completed to meet the height requirements of the new trains. In September 2024, SacRT celebrated the launch of the new low-floor S700 light rail trains, built by Siemens Mobility here in south Sacramento, into fare revenue service on the Gold and Green lines. And as of November 2024, 18 of the 21 new trains are in service with the last three in the final testing phases.

Additional trains are in the process of being built in preparation for systemwide service – with active platform construction started on the Blue Line. SacRT has the option of purchasing up to 76 low-floor light rail trains – to achieve this, SacRT continues to leverage federal and state funding sources. The new low-floor vehicles will have low level boarding at every doorway. They feature improved accessibility with wider aisles and areas providing more access to passengers with disabilities and others boarding with strollers, bicycles, and other mobility devices.

The multi-pronged modernization program includes three major highlights:

- Purchasing a new fleet of low-floor trains that allow passengers to directly enter trains at nearly floor level. Passengers using mobility devices may board the train using a passenger deployed bridge plate and ramp assembly.
- Reconfiguring light rail station platforms, in sequence over time, to accommodate the new low-floor trains.
- Adding a passing track to operate 15-minute service between Sunrise and Historic Folsom stations, rather than the existing 30-minute service. The double tracking project is expected to be completed in December 2024, with service starting in January 2025.

Bus Rapid Transit Plan

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

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

In addition, the City of Elk Grove, in partnership with SacRT, is working to increase mobility options for residents and visitors. The City is exploring providing high-frequency transit service to connect Elk Grove to the larger Sacramento region. The Blue Line/Bus Rapid Transit to Elk Grove Implementation Plan (Project) will study the feasibility of two high-capacity transit alternatives – light rail (LRT) and bus rapid transit (BRT) – to improve travel options for Elk Grove residents and visitors.

The goal is to determine which, if any, transit mode can move forward in the near-term and what the long-term vision is for transit on this corridor. A grant from the State of California was awarded to fund this phase of the Project. This effort will engage the community throughout the development of the alignment and station locations, station area plans, and a funding strategy. The City is currently undertaking a feasibility study that will confirm the high-capacity transit alignment, identify station locations, forecast ridership potential, and estimate project cost.

Downtown Riverfront Streetcar Project

SacRT and partners have finalized track layouts for an upcoming project to build a 1.8-mile Downtown Riverfront Streetcar line. The streetcar, which will connect with SacRT's existing light rail system and provide transit service between downtown Sacramento and the burgeoning riverfront area of West Sacramento SacRT has most, but not all, the funding needed for the project. October 2022, SacRT officially took ownership of the streetcar project following the dissolution of the Joint Powers Authority. The project finished environmental review and is expected to complete design by the end of 2024. The project will then be submitted to the Federal Transportation Administration (FTA) for approval and begin construction in 2027.

Dos Rios Station

SacRT started preliminary construction on the future Dos Rios light rail station, located on the Blue Line on North 12th Street between Richards Boulevard and Sunbeam Avenue in Sacramento. Site prep work began in November 2024. The Dos Rios Station is part of a larger community development initiative, which includes affordable housing, supported by a \$23 million Transformative Climate Communities (TCC) Grant from the California Strategic Growth Council. This project aims to bring environmental, health, and economic benefits to Sacramento's underserved communities.

Zero Emission Vehicle Plan Update/New Hydrogen Bus Facility

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

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

In July 2024 SacRT received a \$77 million Federal Transit Administration grant to begin build out of a zero-emission hydrogen bus maintenance facility in the north area of Sacramento, purchase 29 state-of the art hydrogen fuel cell buses to replace older buses, and initiate a workforce development program. This is the third highest award in this major grant category across the nation. The project aligns with SacRT's broader strategy to enhance public transportation infrastructure, create new job opportunities, and ensure a cleaner environment for the Sacramento community.

Watt/I-80 Transit Center Improvement Project

The Watt/I-80 light rail station and transit center is one of the busiest, oldest and largest transit centers in the SacRT system. It's the northern terminus for the Blue Line and a major bus transfer center for SacRT and our partners in the region. SacRT approved the Award of the Contract for Construction Management Services for the Watt/I-80 Transit Center Improvement Project in April 2024. Active construction started in November 2024.

The project includes the construction of new stairways and new elevators that are more open, visible and accessible, with more lighting along the way. The updated station will have a well-defined plaza area and access to the platform will be limited to riders only. The site will be redesigned to allow riders greater ability to see what's happening all around them as they head to and wait on platforms.

Sacramento Valley Railyard Light Rail Extension

This project will relocate the existing terminal LRT station and storage tracks on H Street to a new north-south axis west of 5th Street and construct a new centerboard platform. The project is currently undergoing an environmental update to be completed by December 2023. Design starts immediately after and will be finished by April 2025. Construction begins in December 2025 with completion scheduled by June 2028. The loop will operate through the Sacramento Railyards, the nation's largest sustainable infill development. The Railyards development will connect with Sacramento's downtown office, retail, tourism, residential, and government centers to essentially double the size of Downtown Sacramento

Comprehensive Operational Analysis (COA)

Initiate a comprehensive operational analysis and long-range plan for our bus and light rail system. Post-pandemic travel patterns have changed, and we need to once again look to evaluate our efficiency and service standards for all transit modes to ensure an optimal mix of services that is cost-effective, fiscally sustainable, and consistent with SacRT strategic goals.

Balanced Funding Concepts

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

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

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

SacRT has specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. The required continuing disclosure items and their locations within the ACFR are presented on page 101.

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

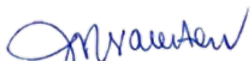
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SacRT for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state or local government financial reports. This was the 24th consecutive year that SacRT has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe that our current Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for continued certification.

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



Henry Li
General Manager/CEO



Shelly Valenton
Deputy General Manager/CEO



Jason Johnson
Vice President, Finance/CFO

**SACRAMENTO REGIONAL TRANSIT DISTRICT
CERTIFICATE OF ACHIEVEMENT
FISCAL YEAR ENDED JUNE 30, 2023**



Government Finance Officers Association

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

Presented to

**Sacramento Regional Transit District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

**SACRAMENTO REGIONAL TRANSIT DISTRICT
LIST OF PRINCIPAL OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2024**

Board of Directors

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

General Manager/CEO

Henry Li

Deputy General Manager/CEO

Shelly Valenton

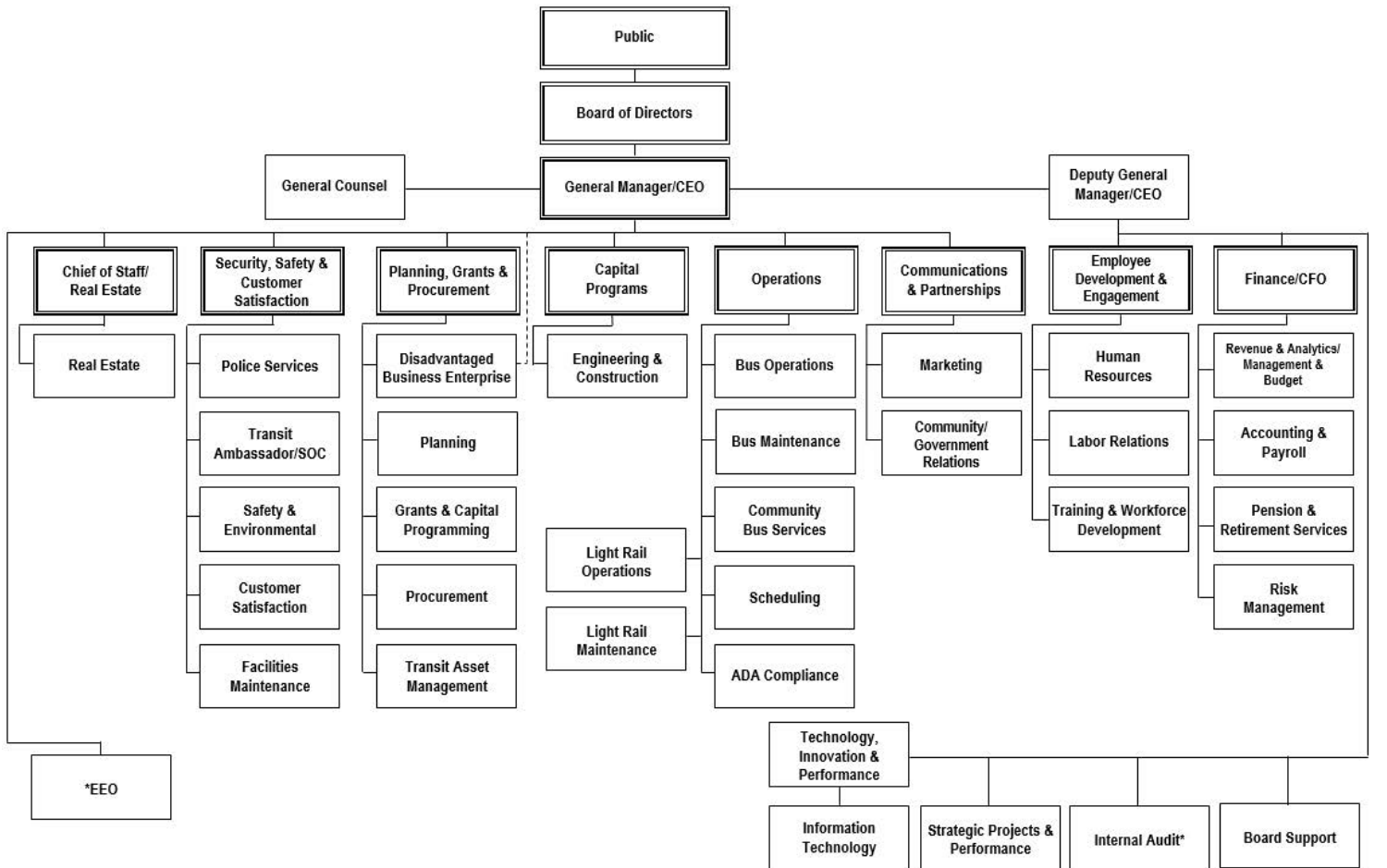
General Counsel

Olga Sanchez-Ochoa

Executive Management Team

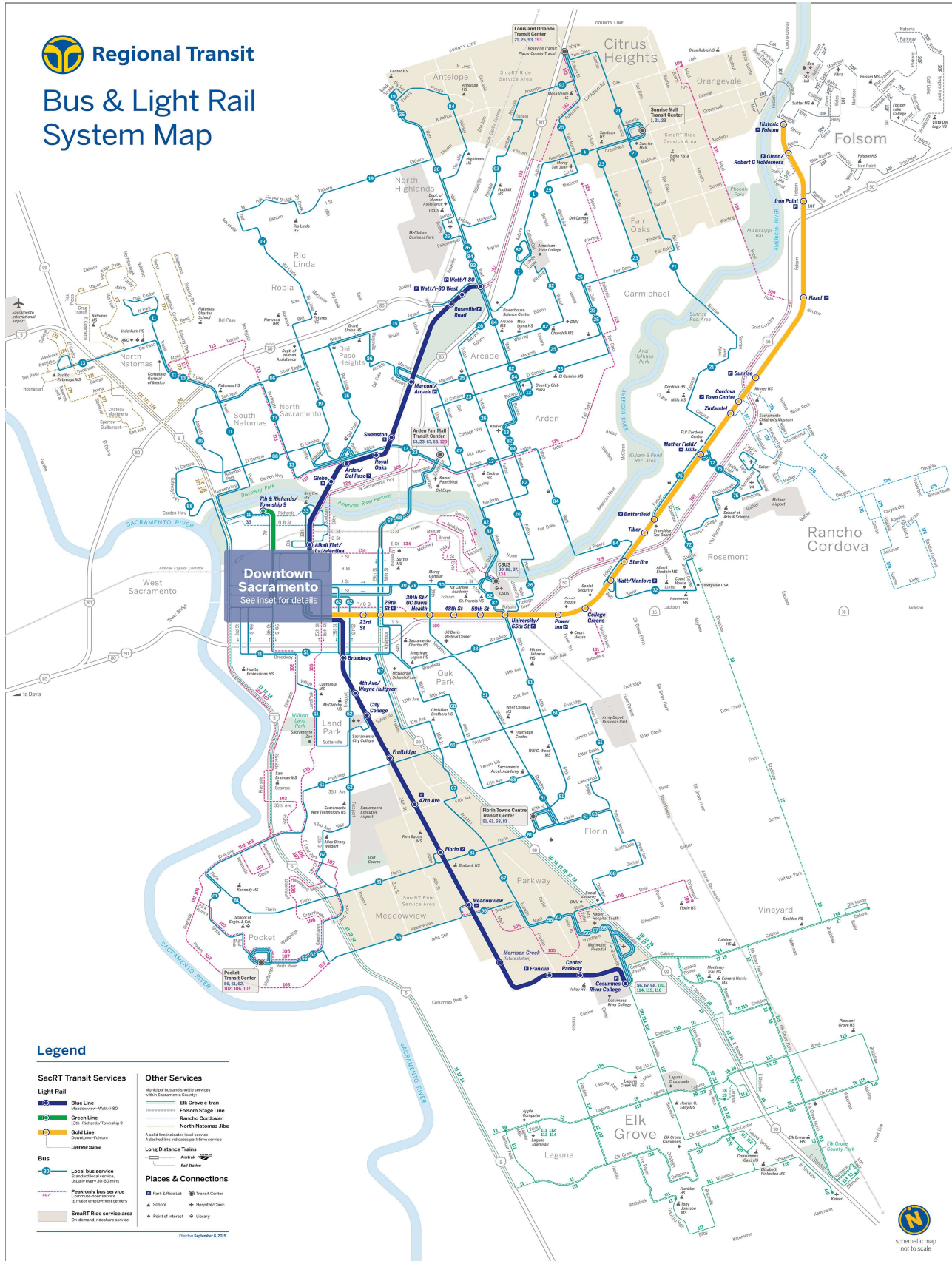
Carmen Alba, Vice President, Operations
Christopher Flores, Chief of Staff/Vice President, Real Estate
Laura Ham, Vice President, Planning, Grants and Procurement
Lisa Hinz, Vice President, Security, Safety and Customer Satisfaction
Henry Ikwut-Ukwa, Vice President, Capital Programs
Jason Johnson, Vice President, Finance/CFO
Devra Selenis, Vice President, Communications and Partnerships
David Topaz, Vice President, Employee Development and Engagement

SACRAMENTO REGIONAL TRANSIT DISTRICT ORGANIZATIONAL CHART FISCAL YEAR ENDED JUNE 30, 2024

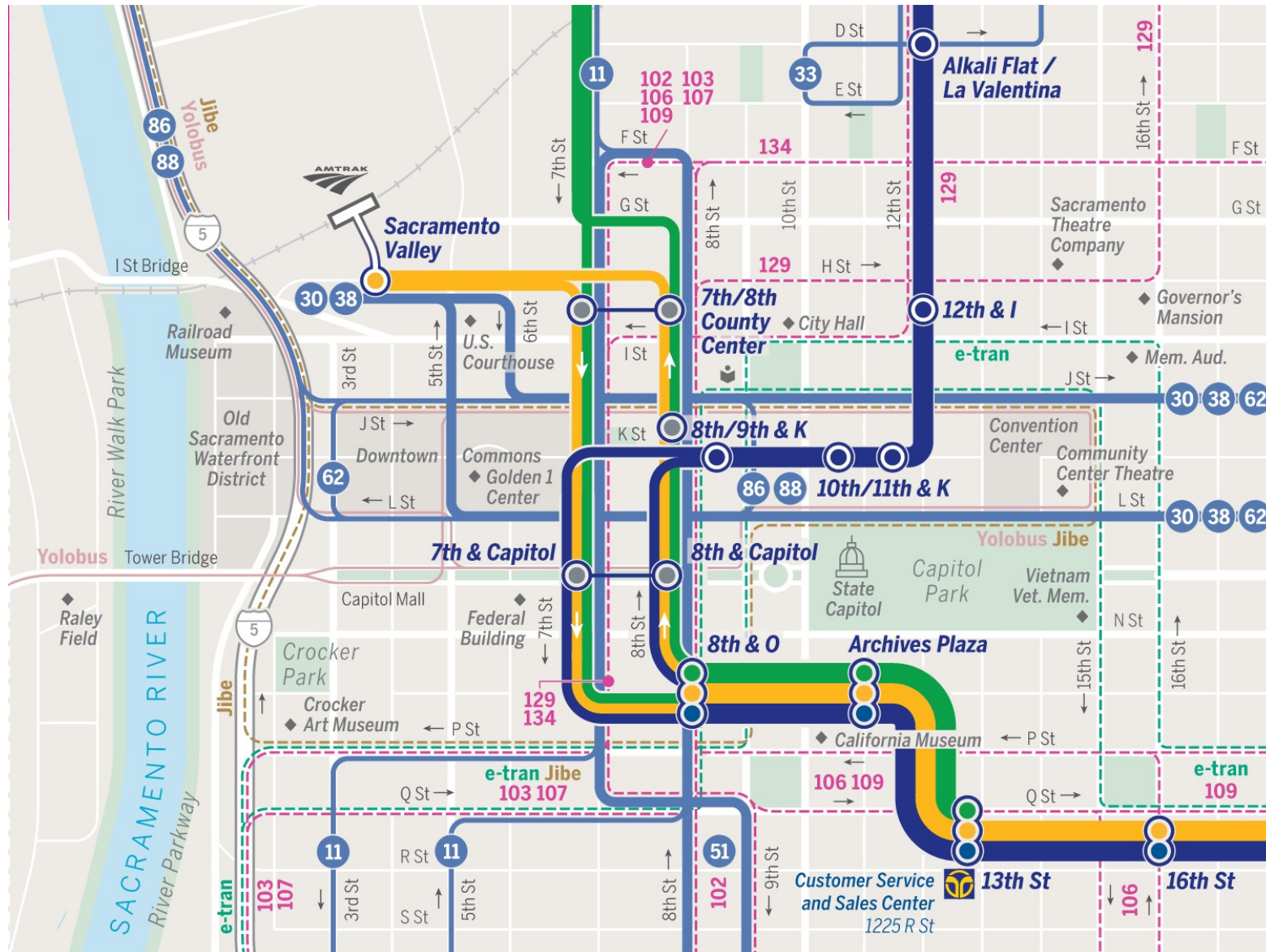


*Dotted line to the Board of Directors

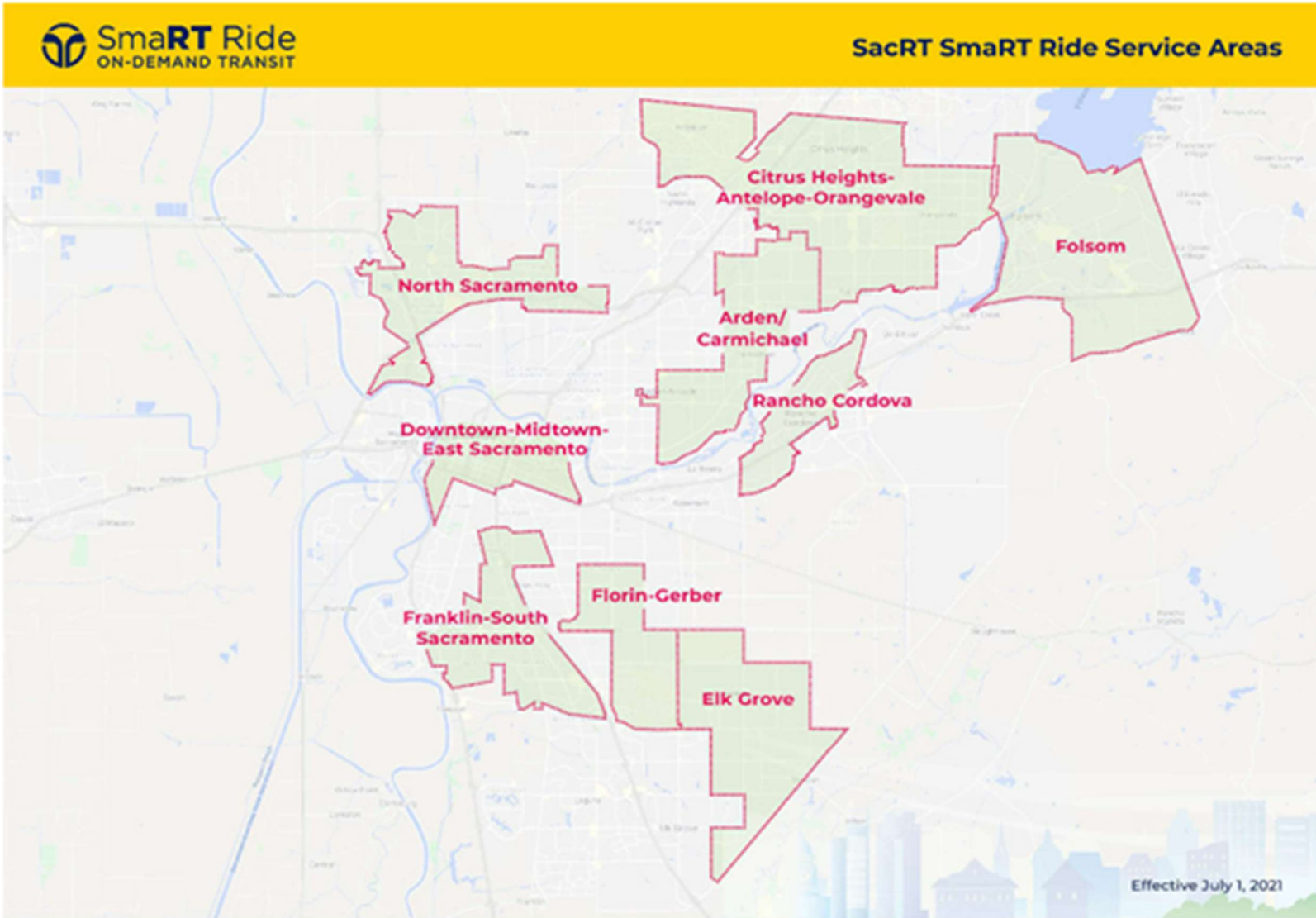
SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP



SACRAMENTO REGIONAL TRANSIT DISTRICT SERVICE AREA MAP





Financial Section

INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Sacramento Regional Transit District (SacRT), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the SacRT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the SacRT, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the SacRT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SacRT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the SacRT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios, the schedules of District pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of District OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SacRT's basic financial statements. The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024 on our consideration of SacRT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SacRT's internal control over financial reporting and compliance.


Crowe LLP

Sacramento, California
December 2, 2024



Management Discussion and Analysis

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

As management of the Sacramento Regional Transit District (SacRT), we offer the readers of SacRT's financial statements this narrative overview and analysis of the financial activities for SacRT for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter and financial statements which are included in this report.

Financial Highlights

- The assets and deferred outflows of resources of SacRT exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$907,161,237 (net position). Of this amount \$821,847,958 is net investment in capital assets, \$58,093,888 is restricted for debt service, \$3,291,283 is restricted for Folsom and Elk Grove from Annexations, \$7,383,452 is restricted for capital projects and \$16,544,656 is unrestricted.
- SacRT's total net position increased for the year ended June 30, 2024 by \$70,130,206 or 8.4 percent compared to the year ended June 30, 2023. This increase is due primarily to capital activity which includes progress payments for the light rail modernization project including the delivery of 20 new Siemens S700 low-floor light rail vehicles as well as the acquisition of 18 40' Gillig CNG buses and 10 Paratransit vehicles.
- SacRT's total liabilities and deferred inflows of resources decreased by \$(21,075,490) or (5.5) percent for the fiscal year ended June 30, 2024. The net decrease is due to payments made for Gillig 40' CNG buses that were accrued on June 30, 2023, favorable Pension and OPEB investment experience and its impact on their actuarially determined liabilities and an additional claim year and its impact on SacRT's actuarially determined self-insurance claims accrual.
- During the fiscal year ended June 30, 2024, fare revenue increased by \$1,627,237 or 9.8 percent from the fiscal year ended June 30, 2023. This is attributed to an increase in ridership. Non-operating revenue increased by \$12,743,241 or 5.5 percent in fiscal year 2024 primarily due to an increase in draws of federal American Rescue Plan (ARP) funds as well as increased investment income on SacRT reserves.
- Total operating costs decreased by \$(7,340,602) or (2.4) percent for the fiscal year ended June 30, 2024. This decrease is due to an impairment loss recorded in fiscal year 2023 and a decrease in Casualty and Liability insurance costs due to a decrease in personal liability and property damage and workers compensation claims expense due to adverse claims activity in the prior year. The decrease was partially mitigated by increases to labor and fringe benefit costs from contractual pay rate escalation as well as an increase in contracted security and paratransit services.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to SacRT's basic financial statements, which are comprised of the financial statements and the notes to the financial statements.

Basic Financial Statements – The financial statements are designed to provide readers with a broad overview of SacRT's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of SacRT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether SacRT's financial position is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how SacRT's net position changed during the fiscal year ended June 30, 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (such as the receipt of goods and services or submittal of claims for capital and operating revenue), regardless of the timing of related cash flows. In other words, SacRT reports expenses and revenues on an accrual basis rather than on a cash basis. Since SacRT's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. SacRT serves in a fiduciary capacity for the Pension Trust Funds and the Connect Card Custodial Fund. The fiduciary fund statements are presented on an accrual basis and are included in these financial statements. The resources of the fiduciary funds are not available to support SacRT programs.

The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the financial statements.

Statistical Section – In addition to the basic financial statements, this report also includes a statistical section of selected financial information over a 10-year period when available.

Analysis of the Financial Statements

The financial statements provide both short-term and long-term information about SacRT's overall financial condition. This analysis addresses the financial statements of SacRT as a whole.

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of SacRT, assets and deferred outflows exceeded liabilities and deferred inflows by \$907,161,237.

The vast majority of SacRT's total net position reflects investment in capital assets, less any related debt, unused bond proceeds, and funds held to service SacRT's debt. These capital assets are used to provide bus and light rail services to the greater Sacramento area. Consequently, these assets are not available for future spending. Although SacRT's net investment in its capital assets is reported net of related debt, resources are needed to repay this debt and must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

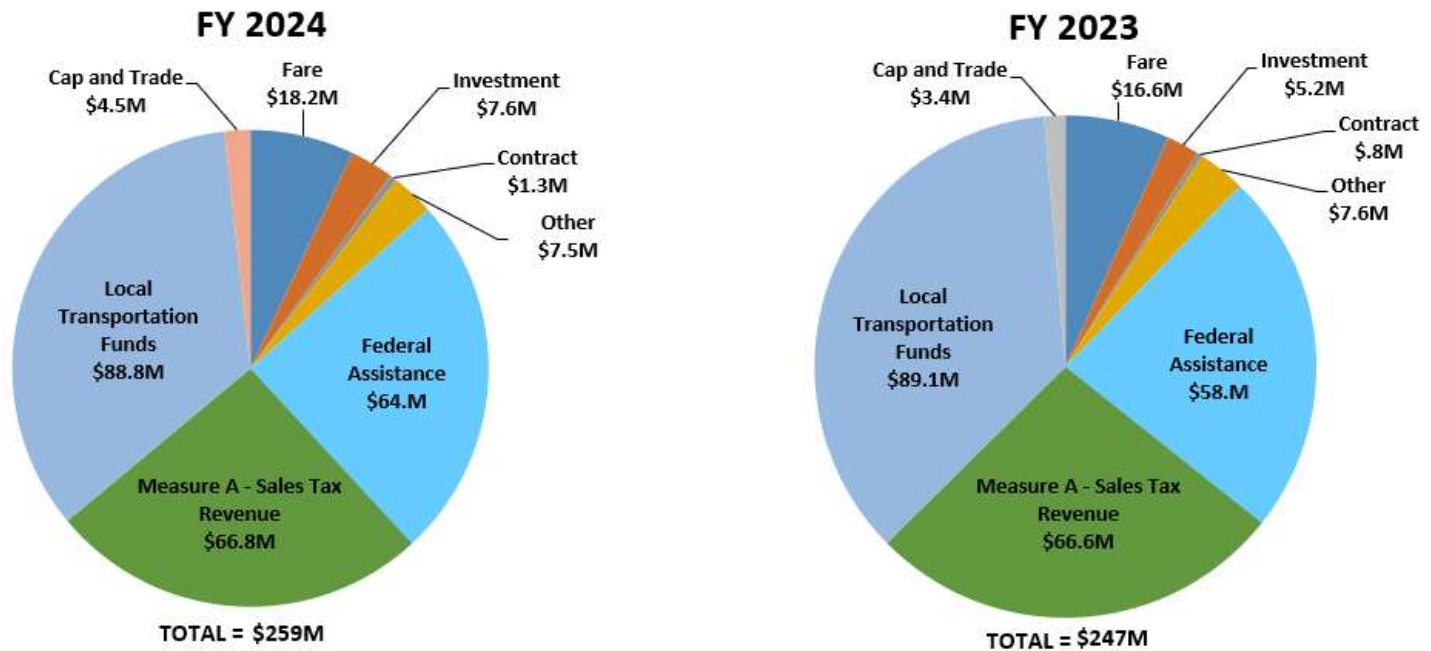
	June 30, 2024	June 30, 2023	Increase or (Decrease)	
			Dollar	Percent
Current and Other Assets	\$ 275,221,975	\$ 269,750,856	\$ 5,471,119	2.0%
Capital Assets	932,650,747	878,672,218	53,978,529	6.1%
Total Assets	1,207,872,722	1,148,423,074	59,449,648	5.2%
Deferred Outflows of Resources	63,571,723	73,966,655	(10,394,932)	(14.1)%
Current Liabilities	56,146,933	65,578,740	(9,431,807)	(14.4)%
Non-Current Liabilities	290,226,872	303,351,528	(13,124,656)	(4.3)%
Total Liabilities	346,373,805	368,930,268	(22,556,463)	(6.1)%
Deferred Inflows of Resources	17,909,403	16,428,430	1,480,973	9.0%
Net Position				
Net Investment in Capital Assets	821,847,958	752,982,537	68,865,421	9.1%
Restricted for:				
Debt Service	58,093,888	57,413,864	680,024	1.2%
Annexations	3,291,283	5,780,515	(2,489,232)	(43.1)%
Capital Projects	7,383,452	8,691,843	(1,308,391)	(15.1)%
Unrestricted	16,544,656	12,162,272	4,382,384	36.0%
Total Net Position	\$ 907,161,237	\$ 837,031,031	\$ 70,130,206	8.4%

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	June 30, 2024	June 30, 2023	Increase or (Decrease)	
			Dollar	Percent
Operating Revenue				
Fares	\$ 18,241,769	\$ 16,614,532	\$ 1,627,237	9.8%
Non-Operating Revenues				
Operating Assistance	227,000,248	217,040,882	9,959,366	4.6%
Investment Income	7,640,470	5,222,508	2,417,962	46.3%
Other Revenue	8,805,302	8,439,389	365,913	4.3%
Total Operating and Non-Operating Revenue	<u>261,687,789</u>	<u>247,317,311</u>	<u>14,370,478</u>	<u>5.8%</u>
Operating and Non-Operating Expenses				
Labor & Fringe Benefits	174,908,002	161,215,158	13,692,844	8.5%
Professional & Other Services	25,841,218	20,499,992	5,341,226	26.1%
Spare Parts & Supplies	20,330,822	19,562,645	768,177	3.9%
Utilities	8,204,291	7,987,760	216,531	2.7%
Casualty & Liability Costs	23,640,593	28,247,808	(4,607,215)	(16.3)%
Depreciation	46,406,590	47,140,507	(733,917)	(1.6)%
Other	2,894,099	2,658,014	236,085	8.9%
Impairment Loss	-	22,254,333	(22,254,333)	N/A
Interest Expense	4,343,301	4,244,009	99,292	2.3%
Pass through to Subrecipients	<u>2,897,054</u>	<u>1,110,123</u>	<u>1,786,931</u>	<u>161.0%</u>
Total Operating and Non-Operating Expenses	<u>309,465,970</u>	<u>314,920,349</u>	<u>(5,454,379)</u>	<u>(1.7)%</u>
Loss Before Capital Contributions	(47,778,181)	(67,603,038)	19,824,857	(29.3)%
Capital Contributions				
State and Local	77,579,926	64,933,237	12,646,689	19.5%
Federal	<u>40,328,461</u>	<u>34,976,736</u>	<u>5,351,725</u>	<u>15.3%</u>
Total Capital Contributions	<u>117,908,387</u>	<u>99,909,973</u>	<u>17,998,414</u>	<u>18.0%</u>
Increase in Net Position	<u>70,130,206</u>	<u>32,306,935</u>	<u>37,823,271</u>	<u>117.1%</u>
Net Position, beginning of year	<u>837,031,031</u>	<u>804,724,096</u>	<u>32,306,935</u>	<u>4.0%</u>
Net Position, end of year	<u>\$ 907,161,237</u>	<u>\$ 837,031,031</u>	<u>\$ 70,130,206</u>	<u>8.4%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
REVENUES BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Operating and Non-operating Revenue by Source



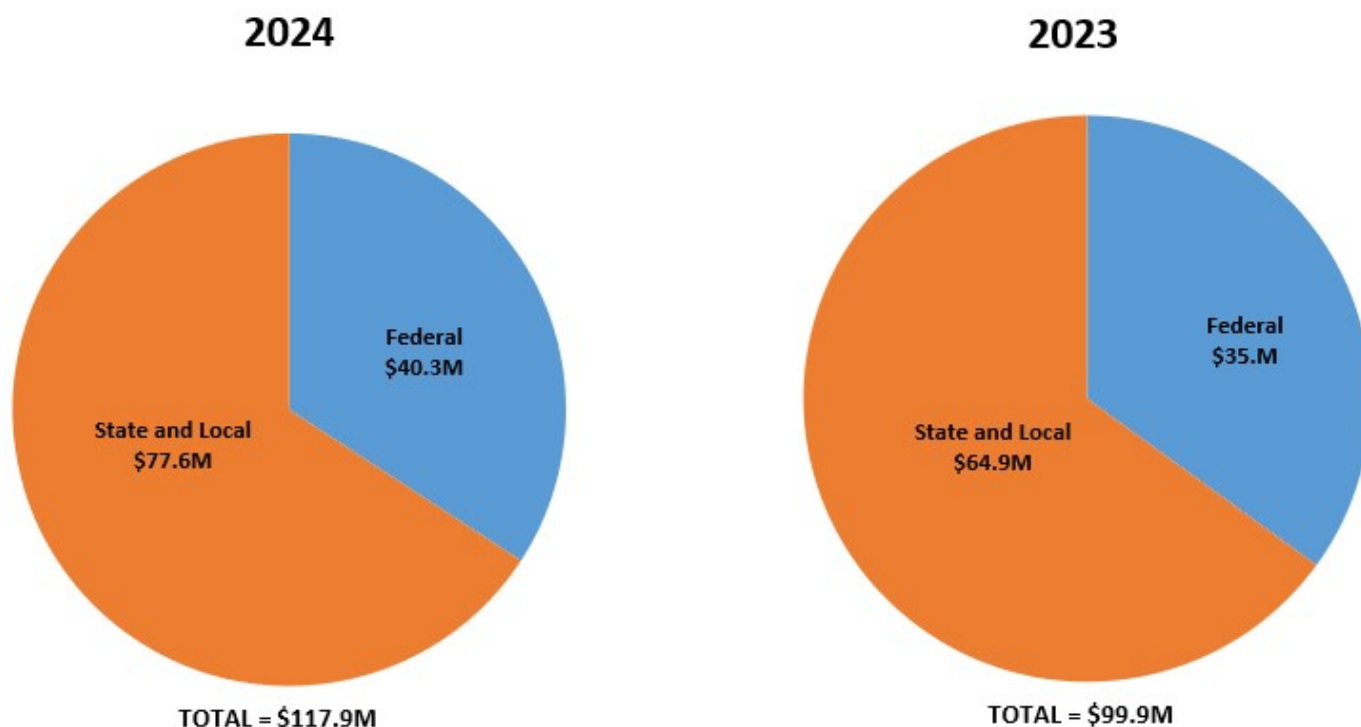
The significant changes in Operating and Non-operating Revenue by Source are described below:

Fares, investment income, contracted services, alternative fuel and carbon tax credits and other revenue increased by a combined \$4,411,112 for the fiscal year ended June 30, 2024 or 14.6 percent. This is attributed to higher returns on SacRT's cash position as well as increased fare revenue due to increased ridership.

Operating assistance increased by \$9,959,366 or 4.6 percent for the fiscal year ended June 30, 2024. The increase is primarily due to an increase in draws of federal ARP funds as well as increases in sales tax generated Measure A funds. The increase was partially mitigated by a decrease in Sacramento Transit Authority SmART Ride funding.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
REVENUES BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Capital Contributions by Source



The significant changes in Capital Contributions by Source are described below:

The majority of construction and acquisition activities are funded with capital contributions from other governmental units such as federal, state, and local agencies. Capital contributions increased by \$17,998,414 or 18.0 percent during the fiscal year ended June 30, 2024. This increase is due to progress payments for the light rail modernization project, including the delivery of 20 new Siemens S700 low-floor light rail vehicles as well as the acquisition of 18 40' Gillig CNG buses and 10 Paratransit vehicles.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Operating Expenses



The significant changes in Operating Expenses by Source are described below:

Total operating costs decreased by \$(7,340,602) or (2.4) percent for the fiscal year ended June 30, 2024. This decrease is due to an impairment loss recorded in fiscal year 2023 and a decrease in Casualty and Liability insurance costs due to an decrease in personal liability and property damage and workers compensation claims expense due to adverse claims activity in the prior year. The decrease was partially mitigated by increases to labor and fringe benefit costs from contractual pay rate escalation as well as an increase in contracted security and paratransit services.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
FISCAL YEAR 2024
STATEMENT OF REVENUES AND EXPENSES BY FUNDING DESIGNATION**

Statement of Revenues and Expenses	FY 2024 Funding Designation		
	Operations	Capital Improvement Program, GASB 68 & 75, 78	Total
OPERATING REVENUES (Fares)	\$ 18,241,769	\$ -	\$ 18,241,769
OPERATING EXPENSES			
Labor and Fringe Benefits	175,729,429	(821,427)	174,908,002
Professional and Other Services	23,227,254	2,613,964	25,841,218
Spare Parts and Supplies	17,783,426	2,547,396	20,330,822
Utilities	8,204,291	-	8,204,291
Casualty and Liability Costs	23,640,593	-	23,640,593
Depreciation	2,004,197	44,402,393	46,406,590
Other	2,894,099	-	2,894,099
Total Operating Expenses	253,483,289	48,742,326	302,225,615
Loss from Operations	(235,241,520)	(48,742,326)	(283,983,846)
NON-OPERATING REVENUES (EXPENSES)			
Operating Assistance			
State and Local	160,123,520	-	160,123,520
Federal	63,953,441	2,923,287	66,876,728
Investment Income	7,453,884	186,586	7,640,470
Interest Expense	(3,115,069)	(1,228,232)	(4,343,301)
Pass Through to Subrecipients	-	(2,897,054)	(2,897,054)
Contract Services	1,291,951	-	1,291,951
Alternative Fuel and Carbon Tax Credits	2,591,701	696,878	3,288,579
Insurance Proceeds and Other	4,155,572	69,200	4,224,772
Total Non-operating Revenues (Expense)	236,455,000	(249,335)	236,205,665
Gain (Loss) Before Capital Contributions	1,213,480	(48,991,661)	(47,778,181)
Capital Contributions			
State and Local	-	77,579,926	77,579,926
Federal	-	40,328,461	40,328,461
Total Capital Contributions	-	117,908,387	117,908,387
Change in Net Position	\$ 1,213,480	\$ 68,916,726	\$ 70,130,206

SACRAMENTO REGIONAL TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED 2024

The Annual Comprehensive Financial Report (ACFR) presentation differs from SacRT's operating and capital budgets in that the ACFR combines both operating and capital activities. To assist SacRT's Board and readers in their review, a Statement of Revenues and Expenses by Funding Designation is provided to show SacRT's operating and capital funds separately. As of June 30, 2024, SacRT's operating results were as follows: \$18,241,769 in fare revenues, \$253,483,289 in operating expenses, and \$236,455,000 in non-operating revenues, resulting in a \$1,213,480 operating surplus. Additional information regarding the Statement of Revenues by Funding Designation can be found in SacRT's 2024 ACFR Staff Report to the Board of Directors.

Analysis of SacRT's Financial Position

SacRT's net position provides information on near-term inflows, outflows, and balances of spendable resources. SacRT is reporting net position as of June 30, 2024, of \$907,161,237 and operating and capital activity increase of 70,130,206 or 8.4 percent.

Capital Asset and Long-Term Debt Activity

As of June 30, 2024, SacRT's investment in various capital assets, such as bus and light rail vehicles, facilities, land, buildings and equipment increased to \$932,650,747 from \$878,672,218 representing a 6.1 percent increase as capital acquisition exceeded depreciation. Additional information on capital assets can be found in Footnote 3 of the financial statements.

In August 2021, SacRT issued \$35,475,000 of Refunding Bonds, Series 2021A, at a premium of \$9,165,477 to current refund and defease all the outstanding Farebox Revenue Bonds, Series 2012. The \$43,360,261 balance represents what remains of the Refunding Bonds, Series 2021A and the unamortized premium. The Farebox Revenue Bonds, Series 2012, issued in the fiscal year 2013, were used to primarily fund construction on the South Line Phase 2 light rail extension. SacRT has a liability and a corresponding asset of \$54,657,507 as of June 30, 2024, resulting from its participation in three Lease/Leaseback transactions. Additional information on debt activity can be found in Footnotes 4 through 7 to the financial statements.

Current Economic Factors and Conditions

Approximately \$104 million in federal American Relief Plan (ARP) funds was allocated to SacRT. SacRT used approximately \$32.0 million in fiscal year 2023, approximately \$63.7 million fiscal year 2024 and will use the remaining balance in fiscal year 2025.

Approximately \$114.2 million in state SB125 Formula-Based Transit and Intercity Rail Capital Program & Zero Emission Transit Capital Program Funds (SB125) was allocated to SacRT to implement and support transit capital and operating projects. It is estimated that SacRT will use the approximately \$60.6 million allocated for operating use in fiscal year 2025.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

SacRT has plans for future expansion and improvement of light rail and bus services. As of June 30, 2024, SacRT has construction contracts and property acquisition commitments of approximately \$152,572,535.

Request for Information

Please address all questions or requests for additional information to the Finance and Treasury Department, Attention: Chief Financial Officer, Sacramento Regional Transit District, 1102 Q Street, Suite 3000, Sacramento, CA 95811 or P.O. Box 2110, Sacramento CA 95812.



Financial Statements

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2024**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 59,131,891
Restricted Cash and Cash Equivalents	6,026,835
Investments	37,641,282
Restricted Investments	4,665,874
Receivables:	
State and Local Government	41,371,958
Federal Government	14,850,714
Other	4,183,175
Spare Parts and Supplies Inventory	18,199,564
Other Current Assets	<u>507,950</u>

Total Current Assets	<u>186,579,243</u>
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Non-Current Assets:

Restricted Cash and Cash Equivalents	10,761,558
Investments	5,404,267
Restricted Investments	17,819,400
Deposits for Lease/Leaseback Payable	54,657,507
Non-Depreciated/Amortized Capital Assets	282,289,645
Depreciated/Amortized Capital Assets, Net	<u>650,361,102</u>

Total Non-Current Assets	<u>1,021,293,479</u>
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Total Assets	<u>1,207,872,722</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows from Pension	49,948,498
Deferred Outflows from Other Post Employment Benefits	8,196,033
Deferred Outflows: Loss on Refunding	<u>5,427,192</u>
Total Deferred Outflows of Resources	<u>63,571,723</u>

**TOTAL ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

	<u><u>\$ 1,271,444,445</u></u>
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See accompanying notes to the financial statements.

SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
JUNE 30, 2024

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 15,142,420
Other Accrued Liabilities	6,579,830
Compensated Absences	10,971,693
Interest Payable	520,744
Unearned Revenue	2,683,880
Advances from Other Governments	7,255,005
Claims Payable	11,094,998
Lease Payable	1,212,964
Subscription Payable	685,399
Total Current Liabilities	<u>56,146,933</u>

Long-Term Liabilities:

Compensated Absences	842,285
Advances from Other Governments	15,683,414
Claims Payable	20,520,158
Refunding Bonds	43,360,261
Lease Payable	7,078,229
Subscriptions Payable	234,001
Lease/Leaseback Payable	54,657,507
Net Pension Liability	136,812,477
Net Other Post Employment Benefits Liability	11,038,540
Total Long-Term Liabilities	<u>290,226,872</u>
Total Liabilities	<u>346,373,805</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows from Other Post Employment Benefits	9,387,774
Deferred Gain on Lease/Leaseback	4,066,297
Deferred Inflows: Gain on Refunding	3,101,070
Deferred Inflows from Pension	1,354,262
Total Deferred Inflows of Resources	<u>17,909,403</u>

NET POSITION

Net Investment in Capital Assets	821,847,958
Restricted for:	
Debt Service	58,093,888
Annexations	3,291,283
Capital Projects	7,383,452
Unrestricted	<u>16,544,656</u>
Total Net Position	<u>907,161,237</u>

**TOTAL LIABILITIES, DEFERRED
INFLOWS OF RESOURCES, AND
NET POSITION**

\$ 1,271,444,445

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OPERATING REVENUES

Fares	\$ 18,241,769
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OPERATING EXPENSES

Labor and Fringe Benefits	174,908,002
Professional and Other Services	25,841,218
Spare Parts and Supplies	20,330,822
Utilities	8,204,291
Casualty and Liability Costs	23,640,593
Depreciation/Amortization	46,406,590
Other	2,894,099
Total Operating Expenses	302,225,615

Operating Loss	(283,983,846)
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**NON-OPERATING REVENUES
(EXPENSES)**

Operating Assistance:	
State and Local	160,123,520
Federal	66,876,728
Investment Income	7,640,470
Interest Expense	(4,343,301)
Pass-Through to Subrecipients	(2,897,054)
Contract Services	1,291,951
Alternative Fuel and Carbon Tax Credits	3,288,579
Other	4,224,772
Total Non-Operating Revenues	236,205,665

Loss Before Capital Contributions	(47,778,181)
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Capital Contributions:

State and Local	77,579,926
Federal	40,328,461
Total Capital Contributions	117,908,387

Increase in Net Position	70,130,206
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Net Position, beginning of year	837,031,031
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Net Position, end of year	\$ 907,161,237
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See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 17,299,276
Cash Received from Contract Sources	1,291,951
Cash Paid to Suppliers	(78,218,205)
Cash Paid to Employees and Employee Benefits	(175,319,514)
Cash Received from Other Sources	7,444,151
Net Cash Used in Operating Activities	<u>(227,502,341)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State and Local Receipts	165,660,028
Federal Receipts	66,617,912
Payments Pass-Through to Subrecipients	(2,897,054)
Net Cash Provided by Noncapital Financing Activities	<u>229,380,886</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and Construction of Capital Assets	(114,333,546)
Interest Paid	(3,985,719)
Proceeds from Sale of Capital Assets Receipts	69,200
State and Local Capital Grants Receipts	68,356,747
Federal Capital Grants	51,311,864
Principal Payments on Leases	(1,086,986)
Principal Payments on Subscriptions	(752,780)
Net Cash Provided by Capital and Related Financing Activities	<u>(421,220)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	5,934,176
Purchases of Investments	(4,902,830)
Investment Income	4,260,128
Net Cash Provided by Investing Activities	<u>5,291,474</u>
Net Increase in Cash and Cash Equivalents	6,748,799
Cash and Cash Equivalents, July 1	69,171,485
Cash and Cash Equivalents, June 30	<u>\$ 75,920,284</u>

RECONCILIATION TO STATEMENT OF NET POSITION

Cash and Cash Equivalents	\$ 59,131,891
Restricted Cash and Cash Equivalents, Current	6,026,835
Restricted Cash and Cash Equivalents, Non-Current	10,761,558
Total Cash and Cash Equivalents	<u>\$ 75,920,284</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CASH FLOWS – BUSINESS TYPE ACTIVITIES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES:**

Operating Loss	\$ (283,983,846)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used in Operating Activities:	
Depreciation/Amortization	46,406,590
Contract Services- Nonoperating Income	1,291,951
Miscellaneous Nonoperating Income	7,444,151
Effect of Changes in:	
Other Receivables	(826,626)
Spare Parts and Supplies Inventory	(66,114)
Other Current Assets	95,433
Accounts Payable and Accrued Liabilities	121,384
Compensated Absences	140,280
Unearned Revenue	(115,867)
Claims Payable	2,832,491
Deferred Outflows from Pension	8,489,114
Net Pension Liability	(8,570,470)
Deferred Inflows from Pension	600,047
Deferred Outflows from Other Post Employment Benefits	1,598,619
Net Other Post Employment Benefit Liability	(4,557,490)
Deferred Inflows from Other Post Employment Benefits	1,598,012
Net Cash Used in Operating Activities	<u>\$ (227,502,341)</u>

NON-CASH INVESTING AND FINANCING ACTIVITIES

Interest Income from Investments Held to Pay Lease/Leaseback	\$ 672,252
Interest Expense on Capital Lease/Leaseback	(672,252)
Capital Assets Included in Accounts Payable	6,427,599
Capital Contributions Included in Receivables	26,754,096
Additions to Leases Payable	1,422,686
Additions to Subscriptions Payable	461,696

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	Pension Trust Funds	Connect Card Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 20,834,193	\$ 915,549
Receivables:		
Securities Sold	3,641,736	-
Invoiced Receivables	-	162,187
Interest and Dividends	674,738	-
Other Receivables and Prepaids	109,703	55,874
Total Receivables	<u>4,426,177</u>	<u>218,061</u>
Investments:		
Equity Securities	283,897,868	-
Fixed Income Securities	104,121,866	-
Real Estate	31,959,740	-
Total Investments	<u>419,979,474</u>	<u>-</u>
Total Assets	<u>445,239,844</u>	<u>1,133,610</u>
LIABILITIES		
Securities Purchased Payable	32,268,980	-
Accounts Payable	632,225	-
Due to Connect Card Consortium Members	<u>-</u>	<u>359,063</u>
Total Liabilities	<u>32,901,205</u>	<u>359,063</u>
NET POSITION		
Restricted for Pension Benefits	412,338,639	-
Restricted for Connect Card Consortium Members	<u>-</u>	<u>774,547</u>
Total Net Position	<u>\$ 412,338,639</u>	<u>\$ 774,547</u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Pension Trust Funds	Connect Card Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 29,063,868	\$ -
Member	3,602,588	-
Total Contributions	<u>32,666,456</u>	<u>-</u>
Investment Income (Loss):		
Net Appreciation in Fair Value of Investments	35,721,780	-
Interest, Dividends, and Other Income	7,035,102	10
Investment Expenses	<u>(1,904,184)</u>	<u>-</u>
Net Investment Income	40,852,698	10
Connect Card Fare Collections for Consortium Members	<u>-</u>	<u>1,542,107</u>
Total Additions	<u>73,519,154</u>	<u>1,542,117</u>
DEDUCTIONS		
Benefits Paid to Participants	31,941,785	-
Distribution to Consortium Members	-	1,311,492
Administrative Expenses	<u>762,905</u>	<u>72,815</u>
Total Deductions	<u>32,704,690</u>	<u>1,384,307</u>
Increase in Net Position	40,814,464	157,810
Net Position - Beginning of Year	<u>371,524,175</u>	<u>616,737</u>
Net Position - End of Year	<u><u>\$ 412,338,639</u></u>	<u><u>\$ 774,547</u></u>

See accompanying notes to the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

The Sacramento Regional Transit District (SacRT) was established in 1973 pursuant to the Sacramento Regional Transit District Act. SacRT has the responsibility to develop, maintain, and operate a public mass transit transportation system for the benefit of the residents of the Sacramento area. SacRT is governed by a Board of Directors appointed by the Sacramento City Council, the Sacramento County Board of Supervisors, the Elk Grove City Council, the Citrus Heights City Council, the Rancho Cordova City Council, and the Folsom City Council.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and its amendment GASB Statement No. 61, SacRT has reviewed the criteria to determine whether other entities with activities that benefit SacRT should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity has a significant operational and financial relationship with SacRT.

SacRT has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in SacRT's financial statements. In addition, SacRT is not aware of any entity that has such a relationship to SacRT that would result in SacRT being considered a component unit of that other entity.

BASIS OF PRESENTATION

The accounts of SacRT are organized and operated on the basis of funds, each of which is considered an independent fiscal and accounting entity. The activities of each fund are accounted for with a separate set of self-balancing statements that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses, as appropriate. These statements distinguish between the business-type and fiduciary activities of SacRT. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. SacRT's statements are organized into the following fund types:

Proprietary Fund Type

The **Enterprise Fund** distinguishes operating revenues and expenses from non-operating items. SacRT's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for the transit operations include all costs related to providing transit services. These costs include labor, fringe benefits, materials, supplies, services, utilities, leases, rentals, and depreciation of capital assets. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Unrestricted net position for the enterprise fund represents the net position available for future operations.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Fund Types

The **Pension Trust Funds** are used to account for assets held by SacRT in a trustee capacity. The SacRT maintains the following Pension Trust Funds:

The **Amalgamated Transit Union (ATU) Local 256 Retirement Plan Fund** (ATU Plan) accounts for the retirement funds of members of ATU Local 256.

The **International Brotherhood of Electrical Workers (IBEW) Local 1245 Member Retirement Plan Fund** (IBEW Plan) accounts for the retirement funds of members of IBEW Local 1245.

The **Salaried Employees Retirement Plan Fund** (Salaried Plan) accounts for the retirement funds of SacRT's salaried employees.

The **Connect Card Custodial Fund** is used to account for assets held by SacRT for the benefit of the transit agencies who are members of the Connect Card Consortium. Connect Card is the Sacramento region's electronic transit fare payment system, and the Connect Card Consortium's participating agencies include SacRT, El Dorado Transit, Placer County Transit, Roseville Transit, SCT/Link, YoloBus and Yuba-Sutter Transit. Any balances or transactions related to SacRT are not recorded in the fund and instead are recorded in SacRT's enterprise fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund and the fiduciary funds are accounted for on a flow of economic resources measurement focus. This measurement focus emphasizes the determination of increased/decreased net position. The accrual basis of accounting is used for the enterprise fund and the fiduciary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. SacRT contributions to the pension trust funds are recognized in the period in which contributions are due, while benefits and refunds are recognized when due and payable in accordance with the pension trust funds plan agreements.

BUDGETARY INFORMATION

State law requires the adoption of an annual budget for the enterprise fund, which must be approved by the Board of Directors. The budget is prepared on an accrual basis. Budgetary control is maintained at several levels. The legal level of control is at the fund level. The Board of Directors authorizes budget amendments to the fund level. Line item reclassification amendments to the budget must be authorized by the responsible manager. Operating expenses are monitored by department managers who are assigned responsibility for controlling their budgets. Emphasis is placed on the total budget for the division. Capital expenses operate under the control of a project-to-date budget.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, SacRT considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

INVESTMENTS

Investments consist of securities or other assets that SacRT holds primarily for the purpose of income or profit and its present service capacity is based solely on its ability to generate cash or to be sold to generate cash. Investments are recorded at fair value.

RESTRICTED ASSETS

Restricted assets consist of monies and other resources, the use of which is legally restricted for capital projects and debt service.

RECEIVABLES

Receivables are reported at present value less the estimated portion that is estimated to be uncollectible. As of June 30, 2024, management has estimated that no allowance for uncollectible accounts is needed.

INVENTORIES

Inventories are stated at average cost and charged to expense at the time individual items are withdrawn from inventory (consumption method). Inventory consists primarily of parts and supplies relating to transportation vehicles and facilities.

CAPITAL ASSETS

Capital assets are stated at historical cost (except for intangible right-to-use lease assets and intangible right-to-use SBITAs, the measurement of which is discussed in leases below). Donated capital assets are recorded at acquisition value. The cost of normal maintenance and repairs is charged to operations as incurred. Infrastructure, which includes light rail vehicle tracks, has been capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over estimated useful lives and intangible right-to-use assets are amortized over the shorter of their estimated useful life or the remaining lease or subscription term. Depreciable/amortized lives are as follows:

Buildings and improvements	30 to 50 years
Intangible right-to use buildings	2 to 51 years
Buses and maintenance vehicles	4 to 12 years
Light-rail structures and light rail vehicles	25 to 45 years
Intangible right-to use light rail vehicles	27 to 29 years
Other operating equipment	5 to 15 years
Intangible right-to use SBITAs	2 to 5 years

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

No depreciation is provided on construction in progress until construction is completed and the asset is placed in service. It is SacRT's policy to capitalize all capital assets with an individual cost of more than \$5,000 or a group of similar items amounting to \$100,000 or more with an individual cost of at least \$500 and a useful life in excess of one year.

Impairment of Capital Assets: In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, management evaluates events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations, other changes in environmental factors, technology changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will continue to be used are written down to reflect the decline in service utility of the capital asset. Impaired capital asset that will no longer be used are reported at the lower of carrying value or fair value. During the year ended June 30, 2024, SacRT did not have impaired capital assets.

LEASES & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

SacRT is a lessee for noncancellable leases of buildings and equipment as well as a contractee to subscription-based information technology arrangements (SBITAs). SacRT recognizes lease and SBITA liabilities and intangible right-to-use lease and SBITA assets in the enterprise fund's financial statements. SacRT recognizes lease and SBITA liabilities with an initial, individual value greater than 1 percent of the 5-year average of annual total liabilities for lease and subscription based information technology arrangement contracts.

At the commencement of the lease or SBITA, SacRT initially measures the lease or SBITA liability at the present value of payments expected to be made during the lease or subscription term. Subsequently, the lease or SBITA liability is reduced by the principal portion of the lease or SBITA payments made. The lease or SBITA asset is initially measured as the initial amount of the lease or SBITA liability adjusted for payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease or SBITA asset is amortized on a straight-line basis over the shorter of the estimated useful life of the asset or the term of the lease or SBITA contract.

Key estimates and judgments related to leases and SBITAs include how SacRT determines the discount rate it uses to discount the expected lease and SBITA payments to present value and the lease or SBITA term. SacRT uses the interest rate charged by the lessor if known, the implicit rate in the lease if calculable, or more commonly SacRT's incremental borrowing rate as the discount rate for leases. The lease or SBITA term includes the noncancellable period of the lease or SBITA including extensions that SacRT is reasonably certain to exercise. SacRT monitors changes in circumstances that would require a remeasurement of its leases or SBITAs and will remeasure the lease or SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease or SBITA liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

SacRT's policy allows employees to accumulate earned unused vacation and sick leave which can be paid to employees upon separation from SacRT. These compensated absences are reported and accrued as a liability in the period incurred.

The current portion of the compensated absences is estimated by applying a percentage to the end of the year compensated absences liability. The percentage is calculated by dividing the vacation and sick leave that was liquidated (used/cashed out) during the year by the beginning vacation and sick leave balance.

FEDERAL, STATE, AND LOCAL GRANT FUNDS

Grants are accounted for in accordance with the purpose for which the funds are intended. Approved grants for the acquisition of land, buildings, and equipment are recorded as capital contributions as the related grant conditions are met. Approved grants for operating assistance are recorded as revenues in the year in which the related grant conditions are met.

Advances received on grants are recorded as a liability until related grant conditions are met. The Transportation Development Act (TDA) provides that any funds not earned and not used may be required to be returned to their source.

When both restricted and unrestricted resources are available for the same purpose, SacRT uses restricted resources first.

SELF-INSURANCE AND CLAIMS PAYABLE

SacRT is self-insured up to specified limits for workers' compensation claims, general liability claims, and major property damage. SacRT accrues the estimated costs of the self-insured portion of claims in the period in which the amount of the estimated loss is incurred.

PENSION

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ATU Plan, IBEW Plan and Salaried Plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds to employee contributions) are recognized when due and payable in accordance with the benefit terms.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the California Employers' Retiree Benefit Trust Program (CERBT) and additions to/deductions from CERBT's fiduciary net position have been determined on the same basis as they are reported by CERBT. For this purpose, CERBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended June 30, 2024, SacRT adopted the following accounting Pronouncements:

- Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62." was adopted with no impact on the financial statements.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS

The total cash and investments as of June 30, 2024, are reported in the accompanying basic financial statements as follows:

	Enterprise Fund	Fiduciary Funds	Total
Unrestricted:			
Cash and cash equivalents	\$ 59,006,606	\$ -	\$ 59,006,606
Cash on hand	125,285	-	125,285
Investments	43,045,549	-	43,045,549
Total unrestricted	<u>102,177,440</u>	<u>-</u>	<u>102,177,440</u>
Restricted:			
Cash and cash equivalents	16,788,393	21,749,742	38,538,135
Investments	22,485,274	419,979,474	442,464,748
Total restricted	<u>39,273,667</u>	<u>441,729,216</u>	<u>481,002,883</u>
Total cash and investments	<u>\$ 141,451,107</u>	<u>\$ 441,729,216</u>	<u>\$ 583,180,323</u>

INVESTMENTS

SacRT pursues a program of safety, liquidity, and yield in its cash management and investment program in order to achieve maximum return on the Enterprise Fund's available funds. The Enterprise Fund's investment policy (pertaining to investment of surplus funds) is governed by an annual Board adopted policy, which is in compliance with the provisions of Articles 1 and 2 of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

The following table identifies the investment types that are authorized by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Rating	Maximum Investment in One Issuer
Local Agency Bonds	5 years	30%	N/A	5%
U.S. Treasury Obligations	5 years	None	N/A	None
State Obligations— CA And Others	5 years	30%	N/A	5%
CA Local Agency Obligations	5 years	30%	N/A	5%
U.S. Agency Securities	5 years	None	N/A	30%
Bankers' Acceptances	180 days	40%	N/A	5%
Commercial Paper—Non-Pooled Funds (under \$100,000,000 of investments)	270 days	25% of the agency's money	Highest letter and number rating by an NRSRO	5%
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days	40% of the agency's money	Highest letter and number rating by an NRSRO	5%
Negotiable Certificates of Deposit	5 years	30%	N/A	5%
Non-negotiable Certificates of Deposit	5 years	20%	N/A	None
Placement Service Deposits	5 years	30%	N/A	None
Placement Service Certificates of Deposit	5 years	30%	N/A	None
Repurchase Agreements	1 year	None	N/A	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	N/A	None
Medium-Term Notes	5 years	30%	A	5%
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	10%
Collateralized Bank Deposits	5 years	None	N/A	None
Mortgage Pass-Through and Asset-Backed Securities	5 years	20%	AA	5%
Joint Powers Authority Pool	N/A	20%	Multiple	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A	None
Voluntary Investment Program Fund	N/A	None	N/A	None
Supranational Obligations	5 years	30%	AA	10%
Public Bank Obligations	5 years	None	N/A	None

A Retirement Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Pension Plans" governs the Pension Trust Funds' investments. This policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions.

The following table identifies the investment types that are authorized by the Retirement Board. The table also identifies certain provisions of the Investment Objectives and Policy that address interest risk, credit risk and concentration of credit risk.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%
Other Equity Securities (7)	N/A	N/A	25% (2)	5%
Real Estate	None	N/A	None	None

- (1) The fixed income portion of the ATU Plan, IBEW Plan and Salaried Plan shall be limited in duration to between 75% and 125% of the Bloomberg Aggregate Index benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and EETCs.
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
- (7) Other Equity Securities include: rights and warrants.

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments such as: interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk. These types of risks may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with a shorter duration.

The following table provides information about the interest rate risks associated with applicable investments as of June 30, 2024:

Enterprise Fund

	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ 20,022	\$ -	\$ -	\$ 20,022
Corporate Bonds	121,764	698,463	-	-	820,227
Municipal Bonds	39,678	659,457	-	-	699,135
U.S. Government Agency Obligations	66,965	778,900	-	-	845,865
U.S. Government Issued Obligations	-	1,518,322	-	-	1,518,322
Asset-Backed Securities	-	155,303	-	-	155,303
CalTRUST	61,471,949	-	-	-	61,471,949
Total Enterprise Fund	<u>\$ 61,700,356</u>	<u>\$ 3,830,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,530,823</u>

Fiduciary Funds

	Maturities in Years				Total
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ 183,343	\$ 411,094	\$ 6,925,047	\$ 7,519,484
Corporate Bonds	438,495	8,787,627	4,091,388	3,603,777	16,921,287
Municipal Bonds	-	-	-	418,933	418,933
U.S. Government Agency Obligations	-	1,942	288,320	33,729,320	34,019,582
U.S. Government Issued Obligations	-	22,517,338	6,837,136	9,837,893	39,192,367
Asset-Backed Securities	-	308,764	2,142,451	3,598,998	6,050,213
Total Fiduciary Fund	<u>\$ 438,495</u>	<u>\$ 31,799,014</u>	<u>\$ 13,770,389</u>	<u>\$ 58,113,968</u>	<u>\$ 104,121,866</u>

MORTGAGE PASS-THROUGH SECURITIES

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the value of these securities.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the fair value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. SacRT or the Pension Trust Funds must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. As of June 30, 2024, SacRT held callable bonds in the amount of \$546,395. The Pension Trust Funds held callable bonds in the amount of \$14,902,912.

INVESTMENT IN STATE INVESTMENT POOL AND CALTRUST

SacRT is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Local Investment Advisory Board (LIAB). The LIAB consists of five members as designated by State Statute. The value of SacRT's investment in this pool is reported in the accompanying financial statements at amounts based upon the SacRT's pro-rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. SacRT's total investment in the LAIF on June 30, 2024, was \$66,999,813.

SacRT is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. SacRT's investments in CalTRUST are measured at net asset value (NAV), as described on page 35. As of June 30, 2024, SacRT's investments in CalTRUST were \$61,471,949, all of which is invested in the Short-Term fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

CREDIT RISK

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. SacRT's investment in the CalTRUST external investment pool is not rated.

For the fiscal year ending June 30, 2024, management has reported that the Pension Trust Funds are in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines.

The following tables provide information on the credit ratings associated with investments as of June 30, 2024:

Moody's Ratings	Enterprise Fund		Moody's Ratings	Fiduciary Funds	
	Amount	Percentage of Portfolio		Amount	Percentage of Portfolio
Not Applicable	\$ 61,471,949	93.81%	Not Applicable	\$ 315,857,608	75.21%
Not rated	440,944	0.67%	Not rated	54,482,287	12.97%
Aaa/Aaa-mf/P1	2,397,385	3.66%	Aaa	29,443,977	7.01%
Aa1	52,461	0.08%	Aa1	895,007	0.21%
Aa2	395,324	0.60%	Aa2	641,473	0.15%
Aa3	33,346	0.05%	Aa3	700,796	0.17%
A1	403,447	0.62%	A1	3,230,850	0.77%
A2	185,595	0.28%	A2	1,088,143	0.26%
A3	131,319	0.20%	A3	1,731,189	0.41%
Baa1	19,053	0.03%	Baa1	1,658,152	0.39%
	<u>\$ 65,530,823</u>	<u>100.00%</u>	Baa2	2,372,818	0.56%
			Baa3	3,025,157	0.72%
			Ba1	1,273,577	0.30%
			Ba2	256,658	0.06%
			Ba3	389,952	0.09%
			B1	445,513	0.11%
			B2	477,249	0.11%
			B3	941,211	0.22%
			Caa1	204,404	0.05%
			Caa2	207,328	0.05%
			Caa3	10,800	0.00%
			Ca	11,701	0.00%
			WR	633,624	0.18%
			Total	<u>\$ 419,979,474</u>	<u>100.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policy of SacRT contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2024, SacRT did not hold more than 5% of total investments in a single issuer.

The investment policy of the Pension Trust Funds states that an investment in domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the company's total outstanding shares. As of June 30, 2024, the Plans had the following investments in one issuer that comprised more than 5% of Plan investments.

Federal National Mortgage Association \$22,390,869

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2024, \$7,376,581 of SacRT's deposits and \$909,915 of the Custodial Fund's deposits were in excess of federal depository insurance (FDIC) limits and were held in collateralized accounts with securities collateralized in the financial institutions' name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SacRT's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, SacRT had no investment securities exposed to custodial credit risk. The Pension Trust Funds' investment securities are not exposed to custodial credit risk because all securities are held by the Pension Trust Funds' custodian bank in SacRT's name.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

FOREIGN CURRENCY RISK

The current SacRT investment policy does not address foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The Pension Trust Funds' investment policy states that international equity shall be comprised of American Depositary Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

The following table provides information on deposits and investments held in foreign currencies, which are stated in U.S. dollars. As of June 30, 2024, SacRT does not have any deposits or investments in a foreign currency; however, the Pension Trust Funds do have foreign currency deposits and investments, which may be used for hedging purposes.

As of June 30, 2024, the U.S. dollar balances organized by investment type and currency denominations as follows:

	<u>Foreign Currency</u>	<u>U.S. Dollars</u>
Cash	Euro Currency	\$ 4,991
Corporate Bonds	Euro Currency	618,803
Government Agencies	Euro Currency	114,671
Total		<u>\$ 738,465</u>

FAIR VALUE MEASUREMENTS

SacRT categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. SacRT had the following recurring fair value measurements as of June 30, 2024:

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

Investments Measured at Fair Value

	6/30/2024	Level 1	Level 2	Level 3
Enterprise Fund				
Debt Securities				
Collateralized Mortgage Obligations	\$ 20,022	\$ -	\$ 20,022	\$ -
Corporate Bonds	820,227	-	820,227	-
Municipal Bonds	699,135	-	699,135	-
U.S. Government Agency Obligations	845,865	-	845,865	-
U.S. Government issued Obligations	1,518,322	1,248,701	269,621	-
Asset Backed Securities	155,303	-	155,303	-
Carbon Credits (LCFS/RIN)*	336,442	336,442	-	-
Total Enterprise Fund	<u>4,395,316</u>	<u>1,585,143</u>	<u>2,810,173</u>	<u>-</u>
Fiduciary Funds				
Debt Securities				
Collateralized Mortgage Obligations	7,519,484	-	7,519,484	-
Corporate Bonds	16,921,287	-	16,921,287	-
Municipal Bonds	418,933	-	418,933	-
U.S. Government Agency Obligations	34,019,582	-	34,019,582	-
U.S. Government issued Obligations	39,192,367	-	39,192,367	-
Asset Backed Obligations	6,050,213	-	6,050,213	-
Equity Securities				
Common Stock	101,746,086	101,746,086	-	-
Depository Receipts	244,197	244,197	-	-
Total Fiduciary Funds	<u>206,112,149</u>	<u>101,990,283</u>	<u>104,121,866</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>\$ 210,507,465</u>	<u>\$ 103,575,426</u>	<u>\$ 106,932,039</u>	<u>\$ -</u>

Investments Measured at the Net Asset Value (NAV)

Enterprise Fund

CalTRUST	\$ 61,471,949
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Fiduciary Funds

S&P 500 Index Fund	74,536,312
MSCI EAFE Index Fund	19,950,338
International Equity Fund	38,634,913
International Small Capital Equity Fund	23,222,410
International Emerging Markets Fund	25,563,612
Real Estate Funds	31,959,740
Total Fiduciary Funds	<u>213,867,325</u>
Total Investments Measured at NAV	<u>\$ 275,339,274</u>

*Balance included in Receivables Other on the Statement of Net Position

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.

	Amount	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<u>Enterprise fund</u>				
CalTRUST (1)	\$ 61,471,949	\$ -	Daily	1 day
<u>Fiduciary funds</u>				
S&P 500 Index Fund (2)	74,536,312	-	Daily	1 day
MSCI EAFE Index Fund (3)	19,950,338	-	Semi-monthly	6-8 days
International Equity Fund (4)	38,634,913	-	Monthly	7 days
International Small Capital Equity Fund (5)	23,222,410	-	Monthly	2 days
International Emerging Markets Fund (6)	25,563,612	-	Daily	1 day
Real Estate Funds (7)	<u>31,959,740</u>	-	Daily, Quarterly	90 days, 1 quarter
Total fiduciary fund	<u>213,867,325</u>			
Total investments measured at NAV	<u><u>\$ 275,339,274</u></u>			

1. CalTRUST. This type includes an investment in an external investment pool that is governed by the California Government Investment Code. CalTRUST is benchmarked against LAIF and the Barclays Short-Term Government/Corporate Index. The fair value of the investment in this type has been determined using the NAV. The NAV is calculated daily by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding shares of the fund.
2. S&P 500 Index Fund. This type includes an investment in an S&P 500 index fund that invests to match the S&P 500 Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment are determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

3. MSCI EAFE Index Fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily international stocks. The per-unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.
4. International Equity Fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.
5. International Small Capital Equity Fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.
6. International Emerging Markets Fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage of larger companies associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per share of the investments. Investors may purchase or redeem shares of the fund on any business day.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. CASH AND INVESTMENTS (Continued)

7. Real Estate Funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments have been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Prime Property Fund, LLC had a redemption queue of \$4.6 billion at June 30, 2024. Prime Property Fund, LLC is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since June 30, 2022. Clarion Lion Properties Fund, LP had a redemption queue of \$3.8 billion at June 30, 2024. Clarion Lion Properties Fund, LP is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since September 30, 2022.

RESTRICTED CASH AND INVESTMENTS

Enterprise Fund

On June 30, 2024, cash and investments include restricted amounts of \$39,273,667. Amounts represent monies restricted for debt reserve requirements of \$3,963,430 developer fee projects of \$17,043,996, and grantor-approved projects of \$18,266,241.

Fiduciary Funds

On June 30, 2024, restricted cash and investments of the Fiduciary Funds totaled \$441,729,216. Amounts represent funds restricted for employees' retirement of \$440,813,667 and Connect Card consortium members of \$915,549.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

3. CAPITAL, LEASE AND SUBSCRIPTION ASSETS

Capital, intangible right-to-use lease and subscription asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Transfers	Deletions	Balance June 30, 2024
Non-Depreciated/Amortized Capital Assets					
Land*	\$ 84,774,783	\$ -	\$ -	\$ -	\$ 84,774,783
Construction in Progress	144,856,767	96,454,406	(43,796,311)	-	197,514,862
Total Non-Depreciated/Amortized Capital Assets	<u>229,631,550</u>	<u>96,454,406</u>	<u>(43,796,311)</u>	<u>-</u>	<u>282,289,645</u>
Depreciated/Amortized Capital Assets					
Buildings and Improvements*	959,514,859	51,498	14,948,209	-	974,514,566
Rolling Stock and Equipment	239,994,146	2,517,849	28,848,102	(10,342,599)	261,017,498
Intangible Right-to-use Buildings	39,720,681	1,383,463	-	-	41,104,144
Intangible Right-to-use Rolling Stock and Equipment	113,874,584	-	-	-	113,874,584
Intangible Right-to-use SBITAs	2,129,656	519,457	-	(239,457)	2,409,656
Total Depreciated/Amortized Capital Assets	<u>1,355,233,926</u>	<u>4,472,267</u>	<u>43,796,311</u>	<u>(10,582,056)</u>	<u>1,392,920,448</u>
Accumulated Depreciation/Amortization					
Buildings and Improvements	(460,790,181)	(24,440,818)	-	-	(485,230,999)
Rolling Stock and Equipment	(160,366,876)	(16,633,409)	-	10,342,599	(166,657,686)
Intangible Right-to-use Buildings	(7,282,806)	(1,837,918)	-	-	(9,120,724)
Intangible Right-to-use Rolling Stock and Equipment	(77,349,519)	(3,291,440)	-	-	(80,640,959)
Intangible Right-to-use SBITAs	(403,876)	(744,559)	-	239,457	(908,978)
Total Accumulated Depreciation/Amortization	<u>(706,193,258)</u>	<u>(46,948,144)</u>	<u>-</u>	<u>10,582,056</u>	<u>(742,559,346)</u>
Capital Assets, Net	<u>\$ 878,672,218</u>	<u>\$ 53,978,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 932,650,747</u>

*Land and Building – the values of the land and buildings at McClellan Park, approximately \$3.7 million and \$6.7 million, respectively, are included as a capital assets in anticipation of SacRT receiving Fee Simple title to the property. On January 5, 2007, a net lease and purchase agreement was recorded, giving SacRT a 94-year land and building leasehold. Pursuant to such transaction, SacRT acquired a leasehold interest in multiple buildings and some exterior parking and the right to use certain common areas at McClellan Park (formerly McClellan Air Force Base). As the United States Air Force has completed its Hazardous Materials clean-up and Fee Simple Title has been transferred from the United States Air Force to McClellan, SacRT believes Fee Simple title will pass from McClellan to SacRT in the near future. All payments to acquire the land and building have been made upfront.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. LEASES

LEASE PAYABLE

SacRT, as lessee, has entered into various leases for intangible right-to-use office space, maintenance facilities, and parking with lease terms expiring between 2025 and 2031, with some leases containing options to renew. These leases include, intangible right-to-use office space for administrative staff, an intangible right-to-use bus maintenance facility servicing Elk Grove, CA, an intangible right-to-use warehouse for facilities staff, and an intangible right-to-use office space and bus parking for SacRT GO operations. Additionally, SacRT leases an intangible right-to-use parking garage at Consumnes River College pursuant to a Lease and Joint Use Agreement for the construction of a parking structure at Cosumnes River College with Los Rios Community College District (Los Rios). SacRT and Los Rios have agreed to make joint use of the parking structure and adjacent surface parking. SacRT's lease payments are the cost of construction and have been paid in full, so there is no associated lease payable. The term of the lease, which commenced in August 2015 with the opening of the South Sacramento Corridor Phase II light rail extension, is for a period of 51 years with the option to extend for two consecutive 5-year terms.

If the lease's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB GO BVAL plus 100 basis points in fiscal year 2023 and thereafter and BBB General Obligation Municipal Markets Data tax exempt index plus 100 basis points in fiscal year 2022 for a term similar to the lease. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new leases during the year.

As of June 30, 2024, the value of the lease liabilities, intangible right-to-use assets and related accumulated amortization are as follows:

Lease	Lease Liability	Intangible Right-to-use Asset	Accumulated Amortization
Intangible right-to-use Consumnes River College parking garage	\$ -	\$ 30,793,432	\$ 6,320,959
Intangible right-to-use office space	5,247,792	5,644,988	1,093,962
Intangible right-to-use bus maintenance facility	2,175,998	3,383,402	1,268,776
Intangible right-to-use warehouse	802,960	1,025,713	244,217
Intangible right-to-use office space and bus parking	64,443	256,609	192,810
Intangible right-to-use lease buildings	<u>\$ 8,291,193</u>	<u>\$ 41,104,144</u>	<u>\$ 9,120,724</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. LEASES (Continued)

The future principal and interest lease payments excluding lease/leaseback obligations as of June 30, 2024, are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	\$ 1,212,964	\$ 295,857	\$ 1,508,821
2026	1,197,886	253,459	1,451,345
2027	1,268,494	208,681	1,477,175
2028	1,342,412	160,839	1,503,251
2029	1,419,797	109,785	1,529,582
2030-2031	1,849,640	85,653	1,935,293
Total	\$ 8,291,193	\$ 1,114,274	\$ 9,405,467

LEASE/LEASEBACK PAYABLES

In December 2005, January 2006, and September 2007, SacRT entered into separate leveraged lease/leaseback transactions over a total of 50 light rail vehicles (the "Equipment"). Each transaction was structured as a head lease of the Equipment (the "Head Lease") to a special purpose trust created by an equity investor and a simultaneous sublease of the Equipment back to SacRT (the "Sublease"). Under the Sublease agreements, SacRT retains the intangible right-to-use light rail vehicles and is also responsible for their continued maintenance and insurance. Each Sublease Agreement provides SacRT with an option to purchase the intangible right-to-use Equipment at the end of the applicable Sublease term on specified dates between June 2030 and September 2035 for an aggregate purchase price of \$97,932,090. On June 30, 2024, 47 of the original 50 light rail vehicles remain in the leases.

At the closing of the lease/leaseback transactions, the light rail vehicles had a fair value of approximately \$223,880,000 and a net book value of \$94,822,528. SacRT received an aggregate of \$223,880,000 from the equity investor in full prepayment of the Head Leases. SacRT deposited a portion of the prepaid Head Lease payments with debt payment undertakers whose repayment obligations were guaranteed by American International Group Inc. ("AIG"). SacRT also deposited a portion of the prepaid Head Lease payments with an equity payment undertaker whose obligations, which were collateralized with U.S. agency securities and guaranteed by AIG, matured at such times and in such amounts that correspond to the purchase option payment dates and amounts for the intangible right-to-use Equipment under each Sublease. Although these escrows do not represent a legal defeasance of SacRT's obligations under the Subleases, management believes that these transactions were structured in such a way that it was not probable that SacRT would need to access other monies to make Sublease payments.

In addition, SacRT purchased surety bonds from Ambac Assurance Corporation ("Ambac"), a bond insurance company, to guarantee certain termination payments that are in the nature of stipulated damages, in the event the lease/leaseback transactions were terminated, in whole or in part, prior to each Sublease expiration payment date.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. LEASES (Continued)

The lease/leaseback transactions resulted in a net cash gain to SacRT of \$11,820,731, which was deferred and is being amortized over the lives of the Subleases. In the fiscal year ending June 30, 2024, SacRT amortized \$541,554 of such deferred gain. On June 30, 2024, SacRT had a balance of \$4,066,297 as deferred gain on the lease/leaseback transactions. SacRT's lease/leaseback transactions have been recorded similar to leases in that the present value of the future lease payments has been recognized on the Statement of Net Position as a Lease/Leaseback payable.

The original terms of the lease/leaseback transactions required SacRT replace (1) AIG as debt payment undertaker if its ratings were to fall below "A3" from Moody's Investor Services ("Moody's") or "A-" from Standard & Poor's Rating Group ("S&P"), (2) AIG as equity payment surety provider if its ratings were to fall below "Aa3" from Moody's or "AA-" from S&P, in each case within a specified period of time following demand by the equity investor.

In July 2011, the lease/leaseback transactions were restructured to (1) eliminate any minimum rating requirements applicable to Ambac, (2) reduce the minimum rating requirement applicable to AIG as debt payment undertaker guarantor to "Baa3" from Moody's and "BBB-" from S&P, (3) replace AIG as equity payment undertaker and guarantor with U.S. Treasury Obligations that matured by such dates and in such amounts that correspond to the purchase option dates and amounts for the Equipment under each Sublease and (4) extend the time periods for any of SacRT's remaining replacement obligations to one year. No payments under the debt payment undertaking agreements remain.

Under the terms of the July 2011 restructuring, SacRT was required to replace the U.S. Treasury Obligations if the rating fell below "Aaa" from Moody's or "AAA" from S&P. In August 2011, S&P downgraded the U.S. Treasury Obligation to "AA+". On October 16, 2013, the equity investor, SacRT and Ambac agreed to amend the minimum rating requirements for the U.S. Treasury Obligations to "Aa2" from Moody's and "AA" from S&P (the "October Amendment").

As a result of the October Amendment, SacRT is in full compliance with the terms of the lease/leaseback transactions.

In August 2023, Siemens light rail vehicles 134 and 136 were removed from the January 2006 lease/leaseback transaction due to electrical fire damage. The stipulated loss value less the value of securities held in trust of \$738,010 was paid to the Head Lessor. The option(s) to purchase the remaining intangible right-to-use Equipment at the end of the applicable Sublease term on specified dates between June 2030 and September 2035 is \$93,176,039.

As U.S. Treasury Obligations, held in trust, will mature to satisfy the purchase option for the Equipment under each Sublease, SacRT has recorded the amounts held by the trustee, US Bank, as Deposits for Lease/Leaseback Payables on the Statements of Net Position. The obligation under the lease agreements and the investments held to pay the lease/leaseback obligation are adjusted annually to reflect the change in the net present value of the related sublease and buy-out options. At June 30, 2024, the balance of this deposit was \$54,657,507.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. LEASES (Continued)

As of June 30, 2024 the value of the lease/leaseback liabilities, intangible right-to-use assets and related accumulated amortization are as follows:

Lease/Leaseback	Lease/Leaseback Liability	Intangible Right-to-use Asset	Accumulated Amortization
Light Rail Vehicles	\$ 54,657,507	\$ 113,874,584	\$ (80,640,960)
Intangible right-to use rolling stock and equipment	\$ 54,657,507	\$ 113,874,584	\$ (80,640,960)

The following table sets forth the aggregate amounts due under the sublease agreements, which is recorded as lease/leaseback payables on the statement of net position:

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	\$ (2,804,812)	\$ 2,804,812	-
2026	(2,948,761)	2,948,761	-
2027	(3,100,098)	3,100,098	-
2028	(3,259,204)	3,259,204	-
2029	(3,426,476)	3,426,476	-
2030-2034	(6,244,408)	17,646,516	11,402,108
2035-2036	76,441,266	5,332,666	81,773,932
Total	\$ 54,657,507	\$ 38,518,533	\$ 93,176,040

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

5. SUBSCRIPTIONS

SacRT has various subscription-based information technology agreements (SBITAs), the terms of which expire in various years through 2028.

If the SBITA's interest rate is not explicitly stated in the lease agreement and if SacRT is unable to determine the rate implicit in the lease, the discount rate used to calculate lease liabilities will be SacRT's incremental borrowing rate. This estimated rate is based on BBB GO BVAL plus 100 basis points. SacRT establishes these rates at the commencement of the fiscal year and applies them to all new SBITAs during the year. Discount rates applied and the initial subscription liabilities are as follows:

SBITA	Discount Rate	Initial Subscription Liability
Intangible right-to-use enterprise productivity applications	3.96%	\$ 1,035,886
Intangible right-to-use enterprise productivity applications	5.29%	224,449
Intangible right-to-use fleet maintenance application	4.27%	494,641
Intangible right-to-use fleet maintenance application	3.96%	109,061
Intangible right-to-use information technology security application	5.29%	237,247
		<u>\$ 2,101,284</u>

As of June 30, 2024, the value of the subscription liabilities, intangible right-to-use SBITA assets and related accumulated amortization are as follows:

SBITA	Subscription Liability	Intangible Right-to-use SBITA Asset	Accumulated Amortization
Intangible right-to-use enterprise productivity applications	\$ 435,164	\$ 1,319,620	\$ (555,583)
Intangible right-to-use fleet maintenance applications	323,995	611,892	(191,064)
Intangible right-to-use information technology security applications	160,241	391,671	(117,374)
Intangible right-to-use document management application	-	48,600	(24,300)
Intangible right-to-use fare management application	-	37,873	(20,658)
Intangible right-to-use SBITAs	<u>\$ 919,400</u>	<u>\$ 2,409,656</u>	<u>\$ (908,979)</u>

The future principal and interest subscription payments as of June 30, 2024 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ 685,399	\$ 30,503	\$ 715,902
2026	105,880	8,375	114,255
2027	62,696	4,855	67,551
2028	65,425	2,124	67,549
	<u>\$ 919,400</u>	<u>\$ 45,857</u>	<u>\$ 965,257</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

6. DIRECT BORROWINGS

LINE OF CREDIT

For the purpose of short-term borrowing needs, SacRT has an unsecured line of credit (LOC) agreement with U.S. Bank National Association. The purpose of the line of credit is to meet SacRT's liquidity needs stemming from the timing of cash receipts from Federal and State awards. The line is subject to a \$20,000,000 limit and matured on September 30, 2024. The interest rate for the LOC with U.S. Bank for the used portion of the LOC was at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion was a fixed 0.40% for the fiscal year ending June 30, 2024.

The LOC was subsequently extended to September 30, 2025; see subsequent event note 14 for additional information.

As of June 30, 2024, SacRT reported compliance with the short-term borrowing requirements stated under the California Government Code and with the financial covenants required by U.S. Bank.

The LOC direct borrowing contains (1) a provision that in event insolvency the LOC is automatically terminated and (2) a provision that in an event of default, the LOC can be immediately terminated or the timing of repayment of outstanding amounts become immediately due if SacRT is unable to make payment; SacRT's farebox recovery ratio falls below the California Transportation Development Act requirements; SacRT does not maintain a net operating ratio for the most recently ended four consecutive fiscal quarters equal to at least 0.95:1; SacRT does not maintain a fixed charge coverage ratio for the most recently ended fiscal year equal to at least 1.15:1; SacRT does not maintain unrestricted liquidity in an amount at least equal to \$9,000,000, consisting of at least \$4,500,000 in cash on hand and the balance of the \$9,000,000 in cash and/or LOC availability; or any Revenue Bond rating is withdrawn or suspended or fall below "BBB" by S&P, "Baa2" by Moody's or "BBB" by Finch.

SacRT's LOC contains a subjective acceleration clause that allows the lender to immediately terminate the LOC or accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Short-term debt activity for the fiscal year ended June 30, 2024, was as follows:

	<u>7/1/2023</u>	<u>Draws</u>	<u>Repayments</u>	<u>6/30/2024</u>
Line of Credit \$	-	\$ -	\$ -	\$ -

The unused LOC balance on June 30, 2024 was \$20,000,000.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

7. LONG-TERM DEBT

REVENUE REFUNDING BONDS (Refunding Bonds), SERIES 2021A

In August 2021, SacRT issued Refunding Bonds totaling \$35,475,000 with interest rates ranging from 4% to 5%. The Refunding Bonds were issued to (a) current refund and defease all of the outstanding Sacramento Regional Transit District Farebox Revenue Bonds, Series 2012, (b) fund the Bond Reserve Fund and (c) pay the costs of issuance of the Series 2021A Refunding Bonds. The Refunding Bonds are a special limited obligation of SacRT and are secured solely by a pledge of Revenues, consisting of certain fare revenues collected by SacRT in connection with the operation of its transit system, the "Local Transportation Fund" revenues (subject to the parity lien thereon granted to the Line of Credit Bank) received by SacRT pursuant to the California Transportation Development Act of 1971, as amended, which consist of a portion of the sales tax revenues generated in Sacramento County from the one-fourth of 1% California statewide sales tax, and certain other moneys. Revenues are pledged throughout 2042.

Annual principal and interest payments on the bonds are expected to require approximately 2% of farebox and Local Transportation Fund revenue. The total principal and interest remaining to be paid on the bonds is \$53,834,100. Principal and interest paid for the current year and total farebox and Local Transportation Fund revenues were \$1,542,900 and \$107,008,102, respectively.

The Series 2021A Bonds maturing on or before March 1, 2031, are not subject to redemption prior to maturity. The Series 2021A Bonds maturing on and after March 1, 2032 are subject to redemption prior to their respective stated maturities, at the option of SacRT, from any source of available funds, as a whole or in part on any date (and if in part, in such amount and such order of maturity as SacRT specifies and within a maturity by lot), on or after March, 1 2031, at the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium.

As of June 30, 2024, debt service requirements to maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2025	\$ -	\$ 1,542,900	\$ 1,542,900
2026	-	1,542,900	1,542,900
2027	-	1,542,900	1,542,900
2028	-	1,542,900	1,542,900
2029	1,535,000	1,542,900	3,077,900
2030-2034	10,855,000	6,298,000	17,153,000
2035-2039	13,565,000	3,574,800	17,139,800
2040-2042	9,520,000	771,800	10,291,800
Total	\$ 35,475,000	\$ 18,359,100	\$ 53,834,100

As of June 30, 2024, the unamortized premium associated with the Refunding Bonds was \$7,885,261. The amortization of the premium for fiscal year ended June 30, 2024, was \$446,336 and was amortized to interest expense.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

7. LONG-TERM DEBT (Continued)

The debt indenture contains financial covenants including requirements for punctual payments to sinking funds, minimum amounts to be maintained in sinking funds, an annual balanced budget and submission of audited financial statements to the trustee within 210 days after the end of each fiscal year. As of June 30, 2024, SacRT was in compliance with all financial covenants of the Refunding Bonds.

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due within One Year
Other Debt					
2021A Refunding Bonds	\$ 35,475,000	\$ -	\$ -	\$ 35,475,000	\$ -
Issuance Premium	8,331,597	-	(446,336)	7,885,261	-
Total Bonds	<u>43,806,597</u>	<u>-</u>	<u>(446,336)</u>	<u>43,360,261</u>	<u>-</u>
Other Long-Term Liabilities					
Compensated Absences	11,673,698	10,993,744	(10,853,464)	11,813,978	10,971,693
Advances from Other Governments	20,324,486	12,906,412	(10,292,479)	22,938,419	7,255,005
Claims Payable	28,782,665	11,409,788	(8,577,297)	31,615,156	11,094,998
Leases Payable	7,955,493	1,422,686	(1,086,986)	8,291,193	1,212,964
Lease/Leaseback Payable	53,985,255	2,667,891	(1,995,639)	54,657,507	-
Subscriptions Payable	1,210,484	461,696	(752,780)	919,400	685,399
Long-Term Liabilities	<u>\$ 167,738,678</u>	<u>\$ 39,862,217</u>	<u>\$ (34,004,981)</u>	<u>\$ 173,595,914</u>	<u>\$ 31,220,059</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

8. FUNDING SOURCES

SacRT is dependent upon funds from several sources to meet its operating, maintenance, and capital requirements. The receipt of such funds is controlled by statutes, the provisions of various grant contracts, regulatory approvals, and, in some instances, is dependent on the availability of grantor and local matching funds.

FEDERAL GRANTS

Federal grant funding is obtained from the Federal Transit Administration (FTA) and Department of Homeland Security. Federal funding for the fiscal year ended June 30, 2024, is comprised of the following:

Operating assistance grants:	
FTA Section 5307	\$ 66,062,888
FTA Section 5309	813,840
Total Federal operating assistance grants	<u>66,876,728</u>
Capital grants:	
FTA Section 5307	19,904,808
FTA Section 5337	13,708,058
FTA Section 5339	5,943,812
22-CMPJ-1	1,029,439
FTA Section 5309	(257,656)
Total Federal capital grants	<u>40,328,461</u>
Total Federal operating and capital grants	<u>\$ 107,205,189</u>

The FTA retains its interest in assets acquired with Federal funds should they be disposed of before the end of their economic lives or not used for public transit.

Under provisions of Section 5307 of the Urban Mass Transportation Act of 1964, as amended, Federal resources are made available for planning, capital, and operating assistance, subject to certain limitations. Funds are apportioned annually based on a statutory formula and are available for a period of five years following the close of the fiscal year for which they were apportioned. Any unobligated funds at the end of such period revert to the federal government. In general, funds received for operations must, at a minimum, be matched 50% with local contributions and funds for capital projects, including operating activities defined as capital projects, must be matched 20% with local contributions.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

8. FUNDING SOURCES (Continued)

STATE AND LOCAL GRANTS

SacRT qualifies for and receives distributions from Local Transportation Funds, State Transit Assistance and Senate Bill 1 State of Good Repair under claims approved by the Sacramento Area Council of Governments (SACOG) in accordance with provisions of the Transportation Development Act (TDA).

State and local grant funding for the fiscal year ended June 30, 2024, is comprised of the following:

Operating assistance grants:	
Local Transportation Funds	\$ 88,766,333
Measure A Sales Tax Revenue	66,838,656
Low Carbon Transit Operations Program	4,518,531
Total state and local operating assistance grants	<u>160,123,520</u>
Capital grants:	
State Transit Assistance	26,359,915
Transit and Intercity Rail Program	20,119,994
California Department of Transportation	10,625,108
Proposition 1A	4,320,162
Sacramento Transportation Authority	4,090,728
Solutions for Congested Corridors Program	3,296,281
Senate Bill 1 - State of Good Repair	3,000,770
City of West Sacramento	2,155,527
Developer Fees	1,600,896
Senate Bill 1 - Local Partnership Program	1,437,000
Low Carbon Transit Operations Program	401,671
City of Sacramento	149,000
Other	22,874
Total state and local capital grants	<u>77,579,926</u>
Total state and local grants	<u><u>\$ 237,703,446</u></u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

8. FUNDING SOURCES (Continued)

ADVANCES FROM OTHER GOVERNMENTS

Advances from other governments on June 30, 2024, consisted of the following:

Developer Fees	\$ 17,043,936
Low Carbon Operations Transit Program	4,584,330
Sacramento County	1,208,113
Other	<u>102,040</u>
Total advances from other governments	<u>\$ 22,938,419</u>

The advances from other governments are restricted cash from grants and fees from area developers designated specifically for transit improvements, but not yet spent; utilized principally for capital projects. Management makes an estimate of the amount that will be recognized in the next fiscal year and classifies this amount as current.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

9. FARE RECOVERY RATIO

SacRT is required to maintain a fare revenue-to-operating expense ratio of 23% in accordance with the Transportation Development Act. To demonstrate compliance with this Fare Recovery Ratio, SacRT has supplemented, per California Public Utilities Code Section 99268.19, a portion of its Local Measure A funds in order to meet the required ratio. The fare revenue-to-operating expense ratio for SacRT is calculated as follows for the fiscal year ended June 30, 2024:

Fare Revenues	\$ 18,241,769
Local Fund Supplementation (Measure A)	40,596,607
Total Revenues	<u>\$ 58,838,376</u>
Operating Expenses	\$ 302,225,615
Less Allowable Exclusions: Depreciation/Amortization	<u>(46,406,590)</u>
Net Operating Expenses	<u>\$ 255,819,025</u>
Fare Revenue Ratio	<u>23.00%</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS

DESCRIPTION OF PLANS

SacRT contributes to three single-employer defined benefit pension plans:

- The Retirement Plan for Sacramento Regional Transit District employees who are members of ATU, Local 256 (ATU Plan),
- The Retirement Plan between International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District (IBEW Plan), and
- The Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Salaried Plan), which covers three different groups:
 - American Federation of State, County and Municipal Employees (AFSCME), which is further broken down into the following groups for bargaining and contract purposes:
 - ❑ AFSCME-Technical
 - ❑ AFSCME-Supervisors
 - Operating Engineers Local 3 which remain under the Administrative Employees' Association (AEA), and
 - Management and Confidential Employees Group (MCEG)

The plans are administered by SacRT under the direction of five separate Retirement Boards, each representing one of the aforementioned bargaining and employee groups of ATU, IBEW, AEA, AFSCME and MCEG. SacRT's administrative functions include: payments to retirees, accounting, financial management, plan document management, correspondence with retirees, pension calculations, and other administrative tasks. The Retirement Boards are responsible for investment decisions, approving the annual actuarial valuation and annual contribution rates, approving the annual audited financial statements, approving retirements, and other tasks. All expenses incurred in the administration of the plans are paid by the plans.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Each Retirement Board is comprised of equal representation; SacRT Management by a member from SacRT's Board of Directors and General Manager, and two members from the represented group. Each Board member serves a four-year term, with no limit on the amount of terms that can be served. The ATU, IBEW and Salaried Plans issue a publicly available combined financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to Sacramento Regional Transit District, Attention: Chief Financial Officer, 1102 Q Street, Suite 300, Sacramento, CA 95811, or online at www.sacrt.com.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tier effective date was directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of December 30, 2014, the ATU, IBEW, and AFSCME-Technical unions were bound by a current MOU. Whereas, the AEA, MCEG, and AFSCME-Supervisors had not settled negotiations and were not bound by a current MOU; therefore, PEPRA was required to be implemented for these groups.

- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period from January 1, 2015 to December 31, 2015
- IBEW – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015
- AEA, MCEG, AFSCME-Supervisors, and AFSCME-Technical – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.

Tier 1 and Tier 3 are closed to new entrants as all newly eligible employees are placed into the respective Tier 2 plans.

Plan Termination – If a Plan is terminated with the consent of SacRT and the affected bargaining unit(s), the Plan's net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

BENEFITS PROVIDED

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Boards based on an actuarial basis. The authority under which benefit provisions are established and amended rests with SacRT's Board of Directors as a result of labor negotiations.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors bargaining units.

The benefits for Tier 1, Tier 2, and Tier 3 members begin at retirement and continue for the participant's life with no cost-of-living adjustment. The participant can elect to receive the normal form of payment (single life annuity) or an optional form of payment with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with SacRT, cannot be transferred to another job with SacRT, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU, IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive an optional form of payment with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective plan documents. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

ATU, IBEW and Salaried Plan membership for Tier 1, Tier 2 and Tier 3 on June 30, 2024, consisted of:

Retirees and beneficiaries currently receiving benefits	1,066
Terminated members entitled to but not yet collecting benefits	91
Current active members	1,065
	<u>2,222</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Table 1 below presents a summary of the retirement benefits for Tier 1 and Tier 3 members for each of the employee groups represented by the ATU, IBEW and Salaried Plans as of the fiscal year ended June 30, 2024.

Table 1

TIER 1 & TIER 3	ATU Plan	IBEW Plan	Salaried Plan			
Employee Union/ Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Ranges from 48 to 60 months depending on date of separation. See Plan documents for specific provisions.					
Vacation and sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans effective as of the fiscal year ended June 30, 2024.

Table 2

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%
Wages used in pension calculation	Highest consecutive 48 months					
Vacation and sick leave sell back towards pension calculation	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Disability Retirement Multiplier	If allowable, equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required.					

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. The multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service for Tier 1 and Tier 3. Tier 2 retirement ages and multipliers are mandated by PEPRA, ranging from 1% at age 52 to 2.5% at age 67 and older. There were no changes to benefits during the year ending June 30, 2024.

Contributions

The ATU, IBEW and Salaried Plans' funding policies provide for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method and are approved by the Retirement Boards annually. During the fiscal year ended June 30, 2024, SacRT made contributions to the ATU, IBEW, and Salaried Plan of \$11,437,314, \$5,263,040, and \$12,363,514 respectively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Table 3 presents the employer and employee contribution rates and for Tier 1 and Tier 3 employees as of June 30, 2024:

Table 3

Employee Group	Tier 1		Tier 3	
	Employer	Employee	Employer	Employee
ATU	30.74%	-	29.61%	3.00%
IBEW	35.62%	-	-	-
AEA, MCEG and AFSCME	42.74%	-	-	-

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPR. Table 4 presents the employer and employee contribution rates for Tier 2 employees as of June 30, 2024:

Table 4

Employee Group	Tier 2	
	Employer	Employee
ATU	22.63%	7.75%
IBEW	27.34%	7.00%
AEA, MCEG and AFSCME	30.43%	6.50%

The employee contributions to the ATU, IBEW, and Salaried Plan for the fiscal year ended June 30, 2024, were \$1,911,287, \$685,610, and \$1,005,691, respectively.

The employee contribution rates calculated in compliance with PEPR, for June 30, 2024, were actuarially determined as part of the valuations dated July 1, 2022. Employer contribution rates are calculated and change annually for all tiers. The employee contribution rates for Tier 2 employees are also calculated annually but only change if the total normal cost changes by more than 1 percent of payroll.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

NET PENSION LIABILITY

SacRT's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, and projected to June 30, 2023 for the ATU, IBEW and Salaried Plans. Update procedures were used to roll forward the total pension liability to the measurement date.

Actuarial Assumptions

The total pension liability measured as of June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement for the ATU, IBEW, and Salaried Plans.

Inflation	2.50%
Salary Increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Discount Rate	6.75%

Mortality rates were based on the Cheiron ATU Healthy Annuitant Mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016 for the ATU and IBEW Plans, and the Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted by 105% for females for the Salaried Plan.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

For the ATU, IBEW, and Salaried Plans, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	32.00%	8.70%
Domestic Equity Small Cap	8.00%	9.80%
International Equity Developed	19.00%	9.25%
International Equity Emerging Markets	6.00%	10.65%
Domestic Fixed Income	25.00%	5.25%
Real Estate	10.00%	6.85%
Total	100.00%	

Discount rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the employee contributions will be made at the current contribution rate and that SacRT contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

CHANGES IN THE NET PENSION LIABILITY

Table 5 below presents the changes in the net pension liability for the ATU Plan as of June 30, 2024:

Table 5

	ATU Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2023	\$ 212,363,069	\$ 156,631,655	\$ 55,731,414
Changes for the year:			
Service cost	6,147,536	-	6,147,536
Interest	14,092,064	-	14,092,064
Differences between expected and actual experience	(1,144,821)	-	(1,144,821)
Changes of assumptions	-	-	-
Contributions - employer	-	10,500,021	(10,500,021)
Contributions - member	-	1,429,978	(1,429,978)
Change in bargaining group	(306,032)	(248,765)	(57,267)
Net investment income	-	11,501,062	(11,501,062)
Benefit payments, including refunds of employee contributions	(13,450,294)	(13,450,294)	-
Administrative expense	-	(289,981)	289,981
Net Changes	5,338,453	9,442,021	(4,103,568)
Balances at 6/30/2024	\$ 217,701,522	\$ 166,073,676	\$ 51,627,846

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Table 6 below presents the changes in the net pension liability for the IBEW Plan as of June 30, 2024:

Table 6

	IBEW Plan		
	Increase (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2023	\$ 97,616,581	\$ 69,808,432	\$ 27,808,149
Changes for the year:			
Service cost	2,213,369	-	2,213,369
Interest	6,480,988	-	6,480,988
Differences between expected and actual experience	393,923	-	393,923
Changes of assumptions	-	-	-
Contributions - employer	-	4,495,272	(4,495,272)
Contributions - member	-	585,325	(585,325)
Net investment income	-	5,265,205	(5,265,205)
Benefit payments, including refunds of employee contributions	(5,470,433)	(5,470,433)	-
Administrative expense	-	(223,730)	223,730
Net Changes	3,617,847	4,651,639	(1,033,792)
Balances at 6/30/2024	\$ 101,234,428	\$ 74,460,071	\$ 26,774,357

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Table 7 below presents the changes in net pension liability for the Salaried Plan as of June 30, 2024:

Table 7

	Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2023	\$ 182,426,485	\$ 120,583,101	\$ 61,843,384
Changes for the year:			
Service Cost	5,169,296	-	5,169,296
Interest	12,094,257	-	12,094,257
Differences between expected and actual experience	1,243,109	-	1,243,109
Changes of assumptions	-	-	-
Contributions - employer	-	11,561,711	(11,561,711)
Contributions - member	-	858,224	(858,224)
Change in bargaining group	249,432	248,765	667
Net investment income	-	9,774,402	(9,774,402)
Benefit payments, including refunds of employee contributions	(11,781,877)	(11,781,877)	-
Administrative expense	-	(253,898)	253,898
Net Changes	6,974,217	10,407,327	(3,433,110)
Balances at 6/30/2024	\$ 189,400,702	\$ 130,990,428	\$ 58,410,274

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Table 8 below presents the changes in net pension liability combined for the ATU, IBEW and Salaried Plans as of June 30, 2024:

Table 8

	ATU, IBEW and Salaried Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 7/1/2023	\$ 492,406,135	\$ 347,023,188	145,382,947
Changes for the year:			
Service Cost	13,530,201	-	13,530,201
Interest	32,667,309	-	32,667,309
Differences between expected and actual experience	492,211	-	492,211
Changes of assumptions	-	-	-
Contributions - employer	-	26,557,004	(26,557,004)
Contributions - member	-	2,873,527	(2,873,527)
Change in bargaining group	(56,600)	-	(56,600)
Net investment income	-	26,540,669	(26,540,669)
Benefit payments, including refunds of employee contributions	(30,702,604)	(30,702,604)	-
Administrative expense	-	(767,609)	767,609
Net Changes	<u>15,930,517</u>	<u>24,500,987</u>	<u>(8,570,470)</u>
Balances at 6/30/2024	<u>\$ 508,336,652</u>	<u>\$ 371,524,175</u>	<u>\$ 136,812,477</u>

There are no special funding situations for the ATU, IBEW or Salaried Plans for the fiscal year ending June 30, 2024.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of SacRT, calculated using the discount rate of 6.75%, as well as what SacRT's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
SacRT's net pension liability:			
ATU Plan	\$ 74,119,552	\$ 51,627,846	\$ 32,421,747
IBEW Plan	37,715,605	26,774,357	17,471,378
Salaried Plan	79,339,867	58,410,274	40,616,467
Total	<u>\$ 191,175,024</u>	<u>\$ 136,812,477</u>	<u>\$ 90,509,592</u>

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Retirement Plans for the Sacramento Regional Transit District Employees financial report. The Plan assets, for investing purposes, have been commingled to reduce investment expenses.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The total pension expense recognized by SacRT for the ATU, IBEW and Salaried Plans for the fiscal year ended June 30, 2024, was \$11,491,583, \$5,421,067 and \$12,669,909 respectively, totaling \$29,582,559. At June 30, 2024, SacRT reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments:		
ATU Plan	\$ 4,204,128	\$ -
IBEW Plan	1,672,419	-
Salaried Plan	2,284,328	-
Differences between expected and actual experience:		
ATU Plan	612,586	1,104,638
IBEW Plan	484,139	249,624
Salaried Plan	1,553,232	-
Changes of assumptions:		
ATU Plan	4,276,022	-
IBEW Plan	3,555,938	-
Salaried Plan	2,241,838	-
Total of deferred outflows and inflows of resources before employer contributions	<u>20,884,630</u>	<u>1,354,262</u>
Employer contributions subsequent to the measurement date of the net pension liability:		
ATU Plan	11,437,314	-
IBEW Plan	5,263,040	-
Salaried Plan	12,363,514	-
Total employer contributions	<u>29,063,868</u>	<u>-</u>
Total deferred outflows and inflows of resources	<u>\$ 49,948,498</u>	<u>\$ 1,354,262</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

10. PENSION PLANS (Continued)

Deferred outflows of resources resulting from contributions made subsequent to the measurement date in the amount of \$29,063,868 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended June 30:	<u>ATU Plan</u>	<u>IBEW Plan</u>	<u>Salaried Plan</u>	<u>Total</u>
2024	\$ 2,791,639	\$ 1,570,858	\$ 3,273,747	\$ 7,636,244
2025	1,334,518	752,302	(565,307)	1,521,513
2026	4,288,610	3,175,631	3,695,415	11,159,656
2027	(426,669)	(35,919)	(324,457)	(787,045)
Total	<u>\$ 7,988,098</u>	<u>\$ 5,462,872</u>	<u>\$ 6,079,398</u>	<u>\$ 19,530,368</u>

PAYABLE TO THE PENSION PLAN

At June 30, 2024, there is no payable to the Plans as SacRT paid all contributions required for the fiscal year ended June 30, 2024.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

11. OTHER POST-EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description – SacRT's defined benefit OPEB plan provides OPEB under provisions of SacRT's Personnel Policy Manual, Collective Bargaining Agreements and certain California Public Employees' Retirement System (CalPERS) requirements for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT established an IRC Section 115 irrevocable trust under the California Employers' Retiree Benefit Trust Program (CERBT) for the purpose of (i) receiving employer contributions to prefund OPEB for retirees and their beneficiaries, (ii) investing contributed amounts and income therein, and (iii) disbursing contributed amounts and income therein, if any, to pay for costs of administration of the fund and to pay for OPEB in accordance with the terms of SacRT's plan. The funds in the CERBT are administered by CalPERS as an agent multiple-employer plan. Benefit provisions are established and may be amended by SacRT labor agreements which are approved by the Board of Directors.

Benefits Provided – SacRT provides medical care benefits for active and retired members of OE3, AFSCME, MCEG, ATU, and IBEW. SacRT also provides dental care and life insurance benefits to active as well as to retired members hired before 2015 of the OE3, AFSCME, and MCEG. The benefits are mandated by contracted agreements between SacRT and the respective employee groups and may be amended at any time. Employees and their dependents may become eligible for such benefits if the employees reach normal retirement age while working for SacRT. Medical, dental, and life insurance benefits for active employees are provided through an insurance company whose premiums are based on the benefits paid during the year.

SacRT contributes between the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) and 90% the cost for retired members of OE3, AFSCME, and MCEG hired after 2014, 90% or 92% for plan members hired after 1993 and before 2014, and 100% for plan members hired prior to 1994. SacRT is required to contribute the unequal minimum required contribution set under the Public Employees' Medical & Hospital Care Act (PEMHCA) for retired members of the ATU and IBEW.

Employees Covered by Benefit Terms – On June 30, 2024 the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	771
Terminated members entitled to but not yet collecting benefits	91
Current active members	1,311
	<u>2,173</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions – The obligation of SacRT to contribute to the plan is established by the Board of Directors. SacRT currently prefunds the OPEB plan at 100% of the actuarially determined contribution. For the year ended June 30, 2024, SacRT's contribution was \$3,084,498. Employees are not required to contribute to the plan.

NET OPEB LIABILITY

SacRT's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods in the measurement.

General Inflation Rate	2.5 percent
Salary increases	2.75 percent
Investment rate of return	6.3 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	<i>Medical: Society of Actuaries Long Term Healthcare Cost Trends Model v2024_1b using baseline assumptions</i> Required PEMHCA minimum employer contribution: 4% per year

Mortality rates were based on the Society of Actuaries' RP-2014 Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 130% for females and unadjusted for males for salaried and the RP-2014 Blue Collar Employee and Annuitant Headcount weighted Mortality Tables with base rates adjusted to 115% for males and 130% for females for union. The mortality tables were projected generationally using scale MP-2021.

Demographic actuarial assumptions used in the June 30, 2023 valuation were based on the July 1, 2020 valuations of the retirement plans covering SacRT employees and are based on the 2021 actuarial experience study of SacRT's retirement plans using data from 2015 to 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Global Equity	49%	6.8%
Fixed Income	23%	3.7%
REITs	20%	6.0%
Treasury Inflation Protected Securities	5%	2.8%
Commodities	3%	3.4%
	100%	

* Developed by the CalPERS Investment Office for financial reporting after September 30, 2022.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.3 percent. The projection of cash flows used to determine the discount rate assumed that SacRT contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CHANGES IN THE NET OPEB LIABILITY

	Increase (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 7/1/2023	\$ 52,927,406	\$ 37,331,376	\$ 15,596,030
Changes for the year:			
Service cost	1,852,594	-	1,852,594
Interest	3,362,568	-	3,362,568
Differences between expected and actual experience	(2,213,031)	-	(2,213,031)
Changes of assumptions	(2,112,300)	-	(2,112,300)
Contributions - employer	-	3,066,821	(3,066,821)
Net investment income	-	2,399,140	(2,399,140)
Benefit payments	(1,943,846)	(1,943,846)	-
Administrative expense	(867,983)	(867,983)	-
Other changes	-	(18,640)	18,640
Net Changes	(1,921,998)	2,635,492	(4,557,490)
Balances at 6/30/2024	<u>\$ 51,005,408</u>	<u>\$ 39,966,868</u>	<u>\$ 11,038,540</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.3 percent) or 1-percentage-point higher (7.3 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	5.3%	6.3%	7.3%
Net OPEB liability	\$ 16,794,424	\$ 11,038,540	\$ 6,165,973

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of SacRT, as well as what SacRT's net OPEB liability would be if it were calculated used a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Current Trend	Current Trend	Current Trend
	-1.0%		+1.0%
Net OPEB liability	\$ 5,841,164	\$ 11,038,540	\$ 17,303,145

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial statements that will be included in the CalPERS ACFR. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2024, SacRT recognized OPEB expense of \$1,723,640 At June 30, 2024, SacRT reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,526,973	\$ (2,065,412)
Differences between expected and actual experience	1,833	(7,322,362)
Net difference between projected and actual earnings on OPEB Plan Investments	2,582,729	-
Contributions made subsequent to the measurement date	3,084,498	-
	<u>\$ 8,196,033</u>	<u>\$ (9,387,774)</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

The \$3,084,498 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending on June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the future years as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Inflows of Resources</u>
2025	\$ (1,215,168)
2026	(1,675,369)
2027	(9,315)
2028	(1,105,701)
2029	(173,877)
Thereafter	(96,809)
Total	<u>\$ (4,276,239)</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

12. SELF-INSURANCE

SacRT is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage provided by self-insured and excess coverage is generally as follows as of June 30, 2024:

Type of Coverage	Self-insurance (per occurrence)	Excess Commercial Insurance Coverage Limit (per occurrence)	Excess Commercial Insurance Catastrophic Coverage Limit (per occurrence)
Workers' Compensation	Up to \$2,000,000	Statutory Limits	
Commercial General Liability			
Bus	Up to \$2,000,000	\$2,000,000 to \$100,000,000	
Light Rail	Up to \$2,000,000	\$2,000,000 to \$100,000,000	
Light Rail - Union Pacific Corridor	Up to \$2,000,000	\$2,000,000 to \$323,000,000	
*Property:			
Buildings	Up to \$250,000	\$250,000 to \$50,000,000	\$250,000 to \$50,000,000
Business Personal Property	Up to \$250,000	\$250,000 to \$50,000,000	\$250,000 to \$50,000,000
Extra Expense	Up to \$250,000	\$250,000 to \$50,000,000	\$250,000 to \$50,000,000
Collision Bus	Up to \$500,000	\$500,000 to \$20,000,000	\$500,000 to \$50,000,000
Collision Rail	Up to \$1,000,000	\$1,000,000 to \$100,000,000	\$1,000,000 to \$100,000,000
Flood	Up to \$750,000	\$750,000 to \$10,000,000	\$750,000 to \$10,000,000
Flood Deductible Buydown	Up to \$50,000	\$50,000 to \$5,662,000	\$50,000 to \$5,662,000
Cyber Security	Up to \$500,000	\$500,000 to \$4,000,000	

* includes revenue vehicles valued over \$500,000

SacRT purchases commercial insurance for claims in excess of self-insured amounts and for all other risks of loss to a stated maximum amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the previous year.

The claims liability of \$31,615,156 reported at June 30, 2024, is based on estimates of the amounts needed to pay prior and current year claims and to allow accrual of estimated incurred but not reported claims. Non-incremental claims adjustment expenses have been included as part of the liability. As of June 30, 2024, the Public Liability and Property Damage (PLPD) liability is discounted using a discount factor of 1.0% as SacRT holds in a reserve fund of \$3,671,038 at June 30, 2024. The Workers' Compensation liability is not discounted.

These claim estimates are actuarially determined and based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

12. SELF-INSURANCE (Continued)

Changes in SacRT's claims liability amount during the fiscal years ended June 30, 2024 and 2023, were as follows:

<u>Fiscal Year Ended</u>	<u>Beginning of the Year Liability</u>	<u>Current Year Claims and Changes in Estimate</u>	<u>Claims Payments</u>	<u>End of the Year Liability</u>
June 30, 2024	\$ 28,782,665	\$ 11,409,788	\$ (8,577,297)	\$ 31,615,156
June 30, 2023	\$ 21,315,980	\$ 16,375,174	\$ (8,908,489)	\$ 28,782,665

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

13. CONTINGENT LIABILITIES AND COMMITMENTS

SacRT is involved in various claims and litigation arising from its operations. SacRT management, after consultation with SacRT's general counsel, believes that the resolution of such matters will not have a material adverse effect on SacRT's financial position or results of operations.

SacRT receives funding for specific purposes that is subject to review and audit by the granting agencies or funding source. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

SacRT has construction contracts and property acquisition commitments of \$152,572,535 at June 30, 2024. Federal, state, and local grant funds have been approved for such construction.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

14. SUBSEQUENT EVENTS

LINE OF CREDIT

On September 27, 2024 the credit agreement with U.S. Bank was amended. Per the amended agreement, the line is subject to a \$20,000,000 limit and matures on September 30, 2025. The interest rate for the LOC with U.S. Bank for the used portion of the LOC is at Daily Simple Secured Overnight Financing Rate (SOFR) plus 1.35% and the unused portion is a fixed 0.40%.



Required Supplementary Information (Other than MD&A)

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU Plan

	2024	2023	2022
Total pension liability			
Service cost	\$ 6,147,536	\$ 5,953,419	\$ 5,457,843
Interest	14,092,064	13,712,873	13,411,008
Changes of benefit terms	-	-	-
Difference between expected and actual returns	(1,144,821)	(285,600)	1,531,462
Change of assumptions	-	-	10,690,055
Change in bargaining group	(306,032)	(515,525)	-
Benefit payments, including refunds of member contributions	(13,450,294)	(13,239,168)	(13,074,333)
Net change in total pension liability	5,338,453	5,625,999	18,016,035
Total pension liability - beginning	212,363,069	206,737,070	188,721,035
Total pension liability - ending	\$ 217,701,522	\$ 212,363,069	\$ 206,737,070
Plan fiduciary net position			
Contributions - employer	\$ 10,500,021	\$ 10,417,845	\$ 9,579,205
Contributions - member	1,429,978	1,191,796	1,041,899
Change in bargaining group	(248,765)	(667,990)	-
Net investment income	11,501,062	(12,345,778)	36,857,731
Benefit payments, including refunds of member contributions	(13,450,294)	(13,239,168)	(13,074,333)
Administrative expense	(289,981)	(269,615)	(283,989)
Net change in plan fiduciary net position	9,442,021	(14,912,910)	34,120,513
Plan fiduciary net position - beginning	156,631,655	171,544,565	137,424,052
Plan fiduciary net position - ending	\$ 166,073,676	\$ 156,631,655	\$ 171,544,565
Net pension liability - beginning	\$ 55,731,414	\$ 35,192,505	\$ 51,296,983
Net pension liability - ending	\$ 51,627,846	\$ 55,731,414	\$ 35,192,505
Plan fiduciary net position as a percentage of the total pension liability	76.29%	73.76%	82.98%
Covered payroll	\$ 39,651,360	\$ 38,050,032	\$ 35,334,877
Net pension liability as a percentage of covered payroll	130.20%	146.47%	99.60%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU Plan

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 5,197,253	\$ 5,084,840	\$ 4,765,696	\$ 4,835,944
Interest	13,012,883	12,664,533	12,761,359	12,885,195
Changes of benefit terms	-	-	-	(11,268)
Difference between expected and actual returns	(87,109)	(519,304)	(261,689)	(5,577,742)
Change of assumptions	-	(172,948)	3,663,543	-
Change in bargaining group	-	(314,880)	(5,129,398)	(2,713,007)
Benefit payments, including refunds of member contributions	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Net change in total pension liability	5,667,205	5,196,869	4,495,399	(1,357,864)
Total pension liability - beginning	183,053,830	177,856,961	173,361,562	174,719,426
Total pension liability - ending	\$ 188,721,035	\$ 183,053,830	\$ 177,856,961	\$ 173,361,562
Plan fiduciary net position				
Contributions - employer	\$ 8,783,426	\$ 8,533,307	\$ 7,863,420	\$ 7,987,367
Contributions - member	766,861	493,597	337,009	168,463
Change in bargaining group	-	(343,707)	(2,638,467)	(3,851,827)
Net investment income	2,523,724	8,012,792	8,591,810	14,419,708
Benefit payments, including refunds of member contributions	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Administrative expense	(243,847)	(279,016)	(260,006)	(306,539)
Net change in plan fiduciary net position	(625,658)	4,871,601	2,589,654	7,640,186
Plan fiduciary net position - beginning	138,049,710	133,178,109	130,588,455	122,948,269
Plan fiduciary net position - ending	\$ 137,424,052	\$ 138,049,710	\$ 133,178,109	\$ 130,588,455
Net pension liability - beginning	\$ 45,004,120	\$ 44,678,852	\$ 42,773,107	\$ 51,771,157
Net pension liability - ending	\$ 51,296,983	\$ 45,004,120	\$ 44,678,852	\$ 42,773,107
Plan fiduciary net position as a percentage of the total pension liability	72.82%	75.41%	74.88%	75.33%
Covered payroll	\$ 34,174,428	\$ 30,125,788	\$ 31,575,118	\$ 30,212,311
Net pension liability as a percentage of covered payroll	150.10%	149.39%	141.50%	141.58%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPPRA members to account for missed pay periods.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

IBEW Plan

	2024	2023	2022
Total pension liability			
Service cost	\$ 2,213,369	\$ 2,184,369	\$ 1,935,920
Interest	6,480,988	6,284,031	6,010,122
Changes of benefit terms	-	-	-
Difference between expected and actual returns	393,923	(291,610)	(149,316)
Change of assumptions	-	-	7,111,874
Change in bargaining group	-	-	-
Benefit payments, including refunds of member contributions	(5,470,433)	(5,082,251)	(4,587,268)
Net change in total pension liability	3,617,847	3,094,539	10,321,332
Total pension liability - beginning	97,616,581	94,522,042	84,200,710
Total pension liability - ending	\$ 101,234,428	\$ 97,616,581	\$ 94,522,042
Plan fiduciary net position			
Contributions - employer	\$ 4,495,272	\$ 4,163,949	\$ 3,578,685
Contributions - member	585,325	488,243	342,404
Change in bargaining group	-	-	-
Net investment income	5,265,205	(5,444,825)	16,461,248
Benefit payments, including refunds of member contributions	(5,470,433)	(5,082,251)	(4,587,268)
Administrative expense	(223,730)	(234,081)	(256,797)
Net change in plan fiduciary net position	4,651,639	(6,108,965)	15,538,272
Plan fiduciary net position - beginning	69,808,432	75,917,397	60,379,125
Plan fiduciary net position - ending	\$ 74,460,071	\$ 69,808,432	\$ 75,917,397
Net pension liability - beginning	\$ 27,808,149	\$ 18,604,645	\$ 23,821,585
Net pension liability - ending	\$ 26,774,357	\$ 27,808,149	\$ 18,604,645
Plan fiduciary net position as a percentage of the total pension liability	73.55%	71.51%	80.32%
Covered payroll	\$ 15,215,157	\$ 14,720,399	\$ 13,777,698
Net pension liability as a percentage of covered payroll	175.97%	188.91%	135.03%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

IBEW Plan				
	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 1,806,472	\$ 1,792,845	\$ 1,596,227	\$ 1,640,651
Interest	5,716,051	5,449,300	5,338,451	4,742,855
Changes of benefit terms	-	-	-	(105,378)
Difference between expected and actual returns	845,009	499,642	(978,363)	2,420,299
Change of assumptions	-	(98,047)	1,630,101	-
Change in bargaining group	-	-	-	2,713,007
Benefit payments, including refunds of member contributions	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Net change in total pension liability	4,197,553	3,864,664	3,964,731	8,130,267
Total pension liability - beginning	80,003,157	76,138,493	72,173,762	64,043,495
Total pension liability - ending	\$ 84,200,710	\$ 80,003,157	\$ 76,138,493	\$ 72,173,762
Plan fiduciary net position				
Contributions - employer	\$ 3,230,879	\$ 3,299,013	\$ 3,195,912	\$ 3,315,379
Contributions - member	304,593	209,531	103,415	39,287
Change in bargaining group	-	-	-	3,851,827
Net investment income	1,082,659	3,482,632	3,629,569	5,332,230
Benefit payments, including refunds of member contributions	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Administrative expense	(218,135)	(229,569)	(225,752)	(239,189)
Net change in plan fiduciary net position	230,017	2,982,531	3,081,459	9,018,367
Plan fiduciary net position - beginning	60,149,108	57,166,577	54,085,118	45,066,751
Plan fiduciary net position - ending	\$ 60,379,125	\$ 60,149,108	\$ 57,166,577	\$ 54,085,118
Net pension liability - beginning	\$ 19,854,049	\$ 18,971,916	\$ 18,088,644	\$ 18,976,744
Net pension liability - ending	\$ 23,821,585	\$ 19,854,049	\$ 18,971,916	\$ 18,088,644
Plan fiduciary net position as a percentage of the total pension liability	71.71%	75.18%	75.08%	74.94%
Covered payroll	\$ 14,166,689	\$ 13,300,633	\$ 13,137,945	\$ 12,473,480
Net pension liability as a percentage of covered payroll	168.15%	149.27%	144.41%	145.02%

Notes to Schedule:

Payroll amounts are based on actual pensionable compensation from the employer.

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

2018: Changes in benefit terms are due to *changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit*. The ATU and IBEW Plans were separated as of 7/1/16; previous years not available.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

ATU/IBEW PLAN

	2017	2016	2015
Total pension liability			
Service cost	\$ 5,760,060	\$ 5,753,143	\$ 5,599,479
Interest	16,758,356	16,384,487	15,740,342
Changes of benefit terms	-	-	-
Difference between expected and actual returns	(1,456,639)	(2,941,777)	-
Change of assumptions	8,176,501	1,621,574	-
Transfers out - Salaried Plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Net change in total pension liability	16,057,404	7,659,442	8,288,478
Total pension liability - beginning	222,705,517	215,046,075	206,757,597
Total pension liability - ending	\$ 238,762,921	\$ 222,705,517	\$ 215,046,075
Plan fiduciary net position			
Contributions - employer	\$ 10,447,190	\$ 10,343,620	\$ 9,711,107
Contributions - member	54,714	3,682	22,425
Net investment income	(1,121,417)	4,609,506	22,631,819
Transfers out - Salaried Plan	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Administrative expense	(290,647)	(190,442)	(230,365)
Net change in plan fiduciary net position	(4,091,034)	1,608,381	19,083,643
Plan fiduciary net position - beginning	172,106,054	170,497,673	151,414,030
Plan fiduciary net position - ending	\$ 168,015,020	\$ 172,106,054	\$ 170,497,673
Net pension liability - beginning	\$ 50,599,463	\$ 44,548,402	\$ 55,343,567
Net pension liability - ending	\$ 70,747,901	\$ 50,599,463	\$ 44,548,402
Plan fiduciary net position as a percentage of the total pension liability	70.37%	77.28%	79.28%
Covered payroll	\$ 39,996,326	\$ 37,950,269	\$ 38,857,668
Net pension liability as a percentage of covered payroll	176.89%	133.33%	114.65%

Notes to Schedule:

Benefit changes – There were no substantial changes to the benefits in 2017.

Changes of assumptions – the investment rate of return and discount rate was reduced from 7.65% to 7.50%, during the fiscal year ended June 30, 2016, which is the measurement year for reporting. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. ATU and IBEW are reported as stand-alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

SALARIED PLAN					
	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 5,169,296	\$ 4,836,477	\$ 4,265,105	\$ 4,024,291	\$ 3,831,831
Interest	12,094,257	11,663,422	11,359,811	10,794,658	10,288,390
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual returns	1,243,109	311,027	1,861,545	2,669,480	1,215,057
Change of assumptions	-	-	8,967,358	-	(17,295)
Change in bargaining group	249,432	836,523	-	-	474,438
Benefit payments, including refunds of member contributions	(11,781,877)	(11,086,271)	(10,182,471)	(9,453,326)	(8,373,494)
Net change in total pension liability	6,974,217	6,561,178	16,271,348	8,035,103	7,418,927
Total pension liability - beginning	182,426,485	175,865,307	159,593,959	151,558,856	144,139,929
Total pension liability - ending	\$ 189,400,702	\$ 182,426,485	\$ 175,865,307	\$ 159,593,959	\$ 151,558,856
Plan fiduciary net position					
Contributions - employer	\$ 11,561,711	\$ 10,993,228	\$ 9,807,539	\$ 9,159,513	\$ 8,503,815
Contributions - member	858,224	705,053	466,141	360,051	193,293
Change in bargaining group	248,765	667,990	-	-	343,707
Net investment income	9,774,402	(9,801,602)	28,976,644	1,526,151	5,649,123
Benefit payments, including refunds of member contributions	(11,781,877)	(11,086,271)	(10,182,471)	(9,453,326)	(8,373,494)
Administrative expense	(253,898)	(262,018)	(253,303)	(226,310)	(260,441)
Net change in plan fiduciary net position	10,407,327	(8,783,620)	28,814,550	1,366,079	6,056,003
Plan fiduciary net position - beginning	120,583,101	129,366,721	100,552,171	99,186,092	93,130,089
Plan fiduciary net position - ending	\$ 130,990,428	\$ 120,583,101	\$ 129,366,721	\$ 100,552,171	\$ 99,186,092
Net pension liability - beginning	\$ 61,843,384	\$ 46,498,586	\$ 59,041,788	\$ 52,372,764	\$ 51,009,840
Net pension liability - ending	\$ 58,410,274	\$ 61,843,384	\$ 46,498,586	\$ 59,041,788	\$ 52,372,764
Plan fiduciary net position as a percentage of the total pension liability	69.16%	66.10%	73.56%	63.00%	65.44%
Covered payroll	\$ 30,417,243	\$ 28,436,264	\$ 27,147,142	\$ 26,295,215	\$ 22,220,418
Net pension liability as a percentage of covered payroll	192.03%	217.48%	171.28%	224.53%	235.70%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Beginning in FYE 2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports, which can be updated with actual amounts by Plan for the final disclosure.

2020: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

2022: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75%, lowering wage inflation rate from 3.00% to 2.75%, lowering the inflation rate from 3.00% to 2.50%, and updated demographic and economic assumptions that were adopted following an experience study.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

SALARIED PLAN					
	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 3,647,115	\$ 3,873,148	\$ 3,594,919	\$ 3,476,103	\$ 3,321,337
Interest	9,485,966	8,960,042	8,807,953	8,434,365	7,978,675
Changes of benefit terms	-	(298,430)	-	-	-
Difference between expected and actual returns	1,856,563	2,062,482	(852,040)	(753,076)	-
Change of assumptions	3,291,931	-	(680,161)	930,863	-
Change in bargaining group	5,129,398	-	-	-	174,166
Benefit payments, including refunds of member contributions	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Net change in total pension liability	15,631,607	7,417,880	4,679,690	6,586,111	5,809,778
Total pension liability - beginning	128,508,322	121,090,442	116,410,752	109,824,641	104,014,863
Total pension liability - ending	\$ 144,139,929	\$ 128,508,322	\$ 121,090,442	\$ 116,410,752	\$ 109,824,641
Plan fiduciary net position					
Contributions - employer	\$ 7,669,178	\$ 7,321,138	\$ 7,576,866	\$ 7,335,308	\$ 6,609,083
Contributions - member	143,094	53,706	21,014	261	1,678
Change in bargaining group	2,638,467	-	-	-	174,166
Net investment income	6,073,483	9,388,876	(396,556)	2,132,136	9,297,644
Benefit payments, including refunds of member contributions	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Administrative expense	(247,077)	(289,067)	(269,624)	(194,209)	(176,367)
Net change in plan fiduciary net position	8,497,779	9,295,291	740,719	3,771,352	10,241,804
Plan fiduciary net position - beginning	84,632,310	75,337,019	74,596,300	70,824,948	60,583,144
Plan fiduciary net position - ending	\$ 93,130,089	\$ 84,632,310	\$ 75,337,019	\$ 74,596,300	\$ 70,824,948
Net pension liability - beginning	\$ 43,876,012	\$ 45,753,423	\$ 41,814,452	\$ 38,999,693	\$ 43,431,719
Net pension liability - ending	\$ 51,009,840	\$ 43,876,012	\$ 45,753,423	\$ 41,814,452	\$ 38,999,693
Plan fiduciary net position as a percentage of the total pension liability	64.61%	65.86%	62.22%	64.08%	64.49%
Covered payroll	\$ 24,283,580	\$ 23,435,642	\$ 24,341,878	\$ 23,022,281	\$ 22,008,809
Net pension liability as a percentage of covered payroll	210.06%	187.22%	187.96%	181.63%	177.20%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Beginning in FYE 2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports, which can be updated with actual amounts by Plan for the final disclosure.

2017: The investment rate of return and discount rate was reduced from 7.75% to 7.65%.

2018: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The investment rate of return and discount rate was reduced from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

2019: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

EMPLOYEES WHO ARE MEMBERS OF ATU Plan (Dollar amounts in thousands)								
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 11,437	\$ 10,500	\$ 10,418	\$ 9,579	\$ 8,783	\$ 8,533	\$ 7,863	\$ 7,987
Contributions in relation to the actuarially determined contribution	11,437	10,500	10,418	9,579	8,783	8,533	7,863	7,987
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 43,424	\$ 39,651	\$ 38,050	\$ 35,335	\$ 34,174	\$ 30,126	\$ 31,575	\$ 30,212
Contributions as a percentage of covered payroll	26.34%	26.48%	27.38%	27.11%	25.70%	28.33%	24.90%	26.44%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2022 (to determine FY23-24 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed fair value
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 10-year closed period as of 6/30/2022. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024, can be found in the July 1, 2022 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the ATU Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

EMPLOYEES WHO ARE MEMBERS OF IBEW Plan (Dollar amounts in thousands)								
	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 5,263	\$ 4,495	\$ 4,164	\$ 3,579	\$ 3,231	\$ 3,299	\$ 3,196	\$ 3,315
Contributions in relation to the actuarially determined contribution	5,263	4,495	4,164	3,579	3,231	3,299	3,196	3,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,996	\$ 15,215	\$ 14,720	\$ 13,778	\$ 14,167	\$ 13,301	\$ 13,138	\$ 12,473
Contributions as a percentage of covered payroll	30.97%	29.54%	28.29%	25.98%	22.81%	24.80%	24.33%	26.58%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2022 (to determine FY23-24 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed fair value
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 10-year closed period as of 6/30/2022. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024, can be found in the July 1, 2022 actuarial valuation report. The financial reporting for the ATU and IBEW Plans was split during FY2017, previous years information for the IBEW Plan is not available.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
ATU/IBEW PLAN
(Dollar amounts in thousands)**

	2016	2015
Actuarially determined contribution	\$ 10,447	\$ 10,344
Contributions in relation to the actuarially determined contribution	10,447	10,344
Contribution deficiency (excess)	\$ -	\$ -
 Covered payroll	 \$ 39,996	 \$ 37,950
Contributions as a percentage of covered payroll	26.12%	27.26%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2014 (to determine FY15-16 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 17 year period as of 7/1/2015
Asset valuation method	5-year smoothed fair value
Discount Rate	7.65%
Amortization growth rate	3.15%
Price inflation	3.15%
Salary Increases	3.15%, plus merit component on employee classification and years of service
Mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. ATU and IBEW are reported as stand alone plans beginning 7/1/16.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS**

**EMPLOYEES WHO ARE MEMBERS OF
SALARIED PLAN
(Dollar amounts in thousands)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 12,364	\$ 11,562	\$ 10,993	\$ 9,808	\$ 9,160	\$ 8,504	\$ 7,669	\$ 7,321	\$ 7,577	\$ 7,335
Contributions in relation to the actuarially determined contribution	12,364	11,562	10,993	9,808	9,160	8,504	7,669	7,321	7,577	7,335
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 33,042	\$ 30,417	\$ 28,436	\$ 27,147	\$ 26,295	\$ 22,220	\$ 24,284	\$ 23,436	\$ 24,342	\$ 23,022
Contributions as a percentage of covered payroll	37.42%	38.01%	38.66%	36.13%	34.84%	38.27%	31.58%	31.24%	31.13%	31.86%

Note: This schedule uses covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 7/1/2022 (to determine FY23-24 contribution)
Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed fair value
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 10-year closed period as of 6/30/2022. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Pri-2012 Bottom Quartile Table for Healthy Annuitants projected with Scale MP-2020, base tables adjusted 105% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2020, base tables adjusted 130% for males and 115% for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024, can be found in the July 1, 2022 actuarial valuation report.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 1,852,594	\$ 1,645,108	\$ 1,681,694	\$ 1,632,712	\$ 1,556,281	\$ 1,507,294	\$ 1,459,848
Interest	3,362,568	3,268,195	3,640,504	3,469,020	3,514,022	3,345,560	3,196,439
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(2,213,031)	(8,083)	(8,266,030)	-	(3,752,353)	-	-
Changes in assumptions	(2,112,300)	2,584,382	111,008	-	2,376,944	-	-
Benefit payments	(1,943,846)	(1,923,778)	(2,623,016)	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Administrative expense	(867,983)	(745,754)	-	-	-	-	-
Net change in total OPEB liability	(1,921,998)	4,820,070	(5,455,840)	2,504,282	1,134,818	2,422,437	1,939,867
Total OPEB liability - beginning	52,927,406	48,107,336	53,563,176	51,058,894	49,924,076	47,501,639	45,561,772
Total OPEB liability - ending	\$ 51,005,408	\$ 52,927,406	\$ 48,107,336	\$ 53,563,176	\$ 51,058,894	\$ 49,924,076	\$ 47,501,639
Plan fiduciary net position							
Contributions - employer	\$ 3,066,821	\$ 3,294,153	\$ 3,207,854	\$ 3,134,146	\$ 3,292,735	\$ 3,182,371	\$ 5,817,444
Net investment income	2,399,140	(5,718,188)	9,037,648	1,129,669	1,778,876	2,069,510	2,299,759
Benefit payments	(1,943,846)	(1,923,778)	(2,623,016)	(2,597,450)	(2,560,076)	(2,430,417)	(2,716,420)
Administrative expense	(867,983)	(745,754)	(18,514)	(15,264)	(6,158)	(13,849)	(11,457)
Other expense	(18,640)	(20,663)	14,533	-	-	(34,264)	-
Net change in plan fiduciary net position	2,635,492	(5,114,230)	9,618,505	1,651,101	2,505,377	2,773,351	5,389,326
Plan fiduciary net position - beginning	37,331,376	42,445,606	32,827,101	31,176,000	28,670,623	25,897,272	20,507,946
Plan fiduciary net position - ending	\$ 39,966,868	\$ 37,331,376	\$ 42,445,606	\$ 32,827,101	\$ 31,176,000	\$ 28,670,623	\$ 25,897,272
Net OPEB liability - beginning	\$ 15,596,030	\$ 5,661,730	\$ 20,736,075	\$ 19,882,894	\$ 21,253,453	\$ 21,604,367	\$ 25,053,826
Net OPEB liability - ending	\$ 11,038,540	\$ 15,596,030	\$ 5,661,730	\$ 20,736,075	\$ 19,882,894	\$ 21,253,453	\$ 21,604,367
Plan fiduciary net position as a percentage of the total OPEB liability	78.36%	70.53%	88.23%	61.29%	61.06%	57.43%	54.52%
Covered employee payroll	\$ 91,668,644	\$ 87,460,343	\$ 81,204,926	\$ 78,109,160	\$ 73,751,153	\$ 68,996,643	\$ 67,347,993
Net OPEB liability as a percentage of covered employee payroll	12.04%	17.83%	6.97%	26.55%	26.96%	30.80%	32.08%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS**

Notes to Schedule (Continued):

FY2024: Amounts reported as changes in assumptions resulted from increasing the inflation rate from 2.30% to 2.50% and the Pre-Medicare healthcare cost trend rate from 6.50% to 7.40% while lowering salary increases from 3.00% to 2.75%

FY2023: Amounts reported as changes in assumptions resulted from lowering the discount rate from 6.75% to 6.30%, the inflation rate from 2.50% to 2.30% and the Pre-Medicare healthcare cost trend rate from 7.00% to 6.50%

FY2022: Amounts reported as changes in assumptions resulted from the change in the healthcare cost trend from the Getzen model to the *Society of Actuaries Long Term Healthcare Cost Trends Model*.

FY2020: Amounts reported as changes in assumptions resulted from the lowering of the discount rate from 7.00% to 6.75%, the inflation rate from 2.75% to 2.50%, salary increases from 3.25% to 3.00%, PEMHCA minimum and dental premium from 4.50% to 4.00% as well as the change to the Getzen model for medical cost trend rates.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
LAST 10 FISCAL YEARS**

(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 3,064	\$ 3,049	\$ 3,277	\$ 3,189	\$ 3,112	\$ 3,278	\$ 3,179
Contributions in relation to the actuarially determined contribution	3,084	3,067	3,294	3,208	3,134	3,293	3,182
Contribution deficiency (excess)	<u>\$ (20)</u>	<u>\$ (18)</u>	<u>\$ (17)</u>	<u>\$ (19)</u>	<u>\$ (22)</u>	<u>\$ (15)</u>	<u>\$ (3)</u>
Covered employee payroll	\$ 101,438	\$ 91,669	\$ 87,460	\$ 81,025	\$ 78,109	\$ 73,751	\$ 68,997
Contributions as a percentage of covered employee payroll	3.04%	3.35%	3.77%	3.96%	4.01%	4.46%	4.61%

Note: This schedule uses covered employee payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule:

Valuation Date 6/30/2023 (to determine FY24-25)

Timing Actuarially determined contribution rates are calculated based on the actuarial valuation no more than 30 months plus 1 day prior to the close of the fiscal year end per GASB 75

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age, Level percentage of payroll
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market value of assets
Discount Rate	6.30%
General inflation	2.50%
Salary Increases	2.75%
Mortality	2021 SacRT Experience Study; Improvement

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2024**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 9,475,700	\$ 4,244,281	\$ 7,114,212	\$ 20,834,193
Receivables:				
Securities Sold	1,669,042	744,550	1,228,144	3,641,736
Interest and Dividends	310,224	137,961	226,553	674,738
Other Receivables and Prepaids	16,288	14,373	79,042	109,703
Total receivables	<u>1,995,554</u>	<u>896,884</u>	<u>1,533,739</u>	<u>4,426,177</u>
Investments:				
Equity Securities	123,348,793	56,329,749	104,219,326	283,897,868
Fixed Income Securities	47,838,390	21,308,232	34,975,244	104,121,866
Real Estate	14,939,435	6,566,355	10,453,950	31,959,740
Total investments	<u>186,126,618</u>	<u>84,204,336</u>	<u>149,648,520</u>	<u>419,979,474</u>
Total assets	<u>197,597,872</u>	<u>89,345,501</u>	<u>158,296,471</u>	<u>445,239,844</u>
LIABILITIES				
Securities Purchased Payable	14,824,023	6,603,498	10,841,459	32,268,980
Accounts Payable	<u>334,707</u>	<u>153,284</u>	<u>144,234</u>	<u>632,225</u>
Total liabilities	<u>15,158,730</u>	<u>6,756,782</u>	<u>10,985,693</u>	<u>32,901,205</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 182,439,142</u>	<u>\$ 82,588,719</u>	<u>\$ 147,310,778</u>	<u>\$ 412,338,639</u>

**SACRAMENTO REGIONAL TRANSIT DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
ADDITIONS				
Contributions:				
Employer	\$ 11,437,314	\$ 5,263,040	\$ 12,363,514	\$ 29,063,868
Member	1,911,287	685,610	1,005,691	3,602,588
Total contributions	<u>13,348,601</u>	<u>5,948,650</u>	<u>13,369,205</u>	<u>32,666,456</u>
Investment income:				
Net Appreciation in Fair Value of Investments	15,140,602	7,082,870	13,498,308	35,721,780
Interest, Dividends, and Other Income	3,164,926	1,411,236	2,458,940	7,035,102
Investment Expenses	(858,392)	(383,662)	(662,130)	(1,904,184)
Net investment income	<u>17,447,136</u>	<u>8,110,444</u>	<u>15,295,118</u>	<u>40,852,698</u>
Total additions	<u>30,795,737</u>	<u>14,059,094</u>	<u>28,664,323</u>	<u>73,519,154</u>
DEDUCTIONS				
Benefits Paid to Participants	14,134,387	5,702,774	12,104,624	31,941,785
Administrative Expenses	<u>295,884</u>	<u>227,672</u>	<u>239,349</u>	<u>762,905</u>
Total deductions	<u>14,430,271</u>	<u>5,930,446</u>	<u>12,343,973</u>	<u>32,704,690</u>
Net increase in plan net position	16,365,466	8,128,648	16,320,350	40,814,464
Net position restricted for pension benefits - Beginning of fiscal year	<u>166,073,676</u>	<u>74,460,071</u>	<u>130,990,428</u>	<u>371,524,175</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 182,439,142</u>	<u>\$ 82,588,719</u>	<u>\$ 147,310,778</u>	<u>\$ 412,338,639</u>



Statistical Section

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

This part of the Sacramento Regional Transit District's (SacRT) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about SacRT's overall financial health.

CONTENTS	<u>Page</u>
Financial Trends	93
These schedules contain information to help the reader understand how SacRT's financial performance and well-being have changed over time.	
Revenue Capacity	95
These schedules contain information to help the reader assess the factors affecting SacRT's ability to generate its fares.	
Debt Capacity	97
These schedules present information to help the reader assess the affordability of SacRT's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	99
These schedules offer demographic and economic indicators to help the reader understand the environment within which SacRT's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	102
These schedules contain information about SacRT's operations and resources to help the reader understand how SacRT's financial information relates to the services SacRT provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant year. SacRT implemented GASB Statements No. 63 and 65 in the fiscal year ended June 30, 2013, GASB Statement No. 68 in the fiscal year ended June 30, 2015 and GASB Statement No. 75 in the fiscal year ended June 30, 2018. Schedules comparative results are retroactively presented.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net Position										
Net Investment in Capital Assets	\$ 864,160	\$ 878,849	\$ 889,347	\$ 852,174	\$ 821,610	\$ 779,273	\$ 788,415	\$ 806,700	\$ 752,983	\$ 821,848
Restricted for:										
Capital Projects	1,751	-	-	-	-	2,280	5,522	5,817	8,692	7,383
Debt Service	1,829	1,831	-	3,484	3,435	3,472	3,439	3,383	57,414	58,094
Annexations						3,694	3,420	5,780	5,780	3,291
Unrestricted	(48,259) ¹	(50,474)	(48,012)	(61,136)	(49,001)	(74,451)	(55,532)	(16,956)	12,162	16,545
Total Net Position	<u>\$ 819,481</u>	<u>\$ 830,206</u>	<u>\$ 841,335</u>	<u>\$ 794,522</u>	<u>\$ 776,044</u>	<u>\$ 714,268</u>	<u>\$ 745,264</u>	<u>\$ 804,724</u>	<u>\$ 837,031</u>	<u>\$ 907,161</u>

¹ The fiscal year 2015 decrease is due to the implementation of GASB Statement No. 68 which reduced net position by \$82,455,095 offset by an increase in net position of \$68,704,438 that is primarily the result of capital contributions that funded the District South Line Phase 2 extension project and the delivery of 30 new Gillig 40' buses

²The fiscal year 2020 decrease is due the change in federal grant revenue recognition per GASB Implementation Guide 2019-1

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(expressed in thousands)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues										
Fares	\$ 28,396	\$ 28,056	\$ 30,487	\$ 27,276	\$ 25,428	\$ 20,999	\$ 12,001	\$ 14,309	\$ 16,615	\$ 18,242
Operating Expenses										
Labor and Fringe Benefits	93,182	99,692	108,886	110,545	116,997	133,144	146,708	143,524	161,215	174,908
Professional and Other Services	27,533	29,332	30,342	27,119	27,348	27,923	16,455	17,657	20,500	25,841
Spare Parts and Supplies	10,549	8,526	11,996	10,841	12,139	14,550	14,836	15,862	19,563	20,331
Utilities	5,816	6,288	6,619	6,995	6,761	6,821	7,272	7,425	7,988	8,204
Casualty and Liability Costs	7,906	7,160	9,317	9,300	14,011	9,931	12,336	19,783	28,248	23,641
Depreciation	34,128	39,925	43,959	43,126	43,359	42,739	44,060	46,623	47,141	46,407
Indirect Costs Allocated to Capital Programs	(1,204)	(1,038)	(538)	(459)	(309)	(230)	(199)	-	-	-
Other	1,541	1,434	1,702	2,355	2,847	2,745	2,144	2,518	2,658	2,894
Impairment Loss	-	-	-	-	15,375	15,375	-	-	22,254	-
Total Operating Expenses	179,451	191,319	212,283	209,822	223,153	237,623	243,612	253,392	309,567	302,226
Operating Loss	(151,055)	(163,263)	(181,796)	(182,546)	(197,725)	(216,624)	(231,611)	(239,083)	(292,952)	(283,984)
Non-Operating Revenues (Expenses)										
Operating Assistance:										
State and Local	80,350	81,518	86,911	93,339	104,031	114,880	113,657	144,508	159,055	160,124
Federal	32,764	36,156	35,611	41,746	38,668	36,719	95,986	59,498	57,986	66,877
Investment Income	1,996	2,129	2,124	2,223	2,753	3,105	2,651	2,311	5,223	7,640
Interest Expense	(2,982)	(3,675)	(2,353)	(2,707)	(2,745)	(5,010)	(4,881)	(4,672)	(4,244)	(4,343)
Pass Through to Subrecipients	(2,933)	(2,030)	(1,075)	(4,645)	(2,838)	(301)	(4,260)	(2,743)	(1,110)	(2,897)
Professional and Other Services-Funded	-	-	(6,162)	(7,325)	(4,448)	(74)	-	-	-	-
Alternative Fuel and Carbon Tax Credits	-	-	-	-	-	-	-	2,930	3,713	3,288
Contract Services	5,810	6,110	6,260	6,420	3,731	7,125	6,634	826	842	1,292
Insurance Proceeds and Other	4,193	5,325	4,353	4,981	8,027	9,601	716	9,344	3,884	4,225
Total Non-Operating Revenues	119,198	125,533	125,669	134,032	147,179	166,045	210,503	212,002	225,349	236,206
Loss Before Capital Contributions	(31,857)	(37,730)	(56,127)	(48,514)	(50,546)	(50,579)	(21,108)	(27,081)	(67,603)	(47,778)
Capital Contributions										
State and Local	25,635	18,376	18,376	16,804	24,307	27,812	42,669	41,352	64,933	77,580
Federal	74,926	30,078	30,078	4,133	2,371	4,558	4,848	29,408	34,977	40,328
Increase (Decrease) in Net Position before Special Item	68,704	10,724	10,724	(27,577)	(23,868)	(26,531)	30,996	43,679	32,307	70,130
Special Items	-	-	-	-	5,390	-	-	15,781	-	-
Increase (Decrease) in Net Position after Special and Extraordinary Items	\$ 68,704	\$ 10,724	\$ 10,724	\$ (27,577)	\$ (18,478)	\$ (26,531)	\$ 30,996	\$ 59,460	\$ 32,307	\$ 70,130

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**OPERATING REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Farebox</u>	<u>Fare Prepayment/ Outlet Sales</u>	<u>Special/ Contracted</u>	<u>Other</u>	<u>Total</u>
2015	\$ 8,047,861	\$ 18,514,485	\$ 1,822,565	\$ 11,191	\$ 28,396,102
2016	7,423,668	18,304,088	2,320,645	7,403	28,055,804
2017	8,028,861	18,729,711	3,719,407	9,119	30,487,098
2018	9,826,478	14,243,595	3,193,550	12,608	27,276,231
2019	11,948,401	10,102,175	3,367,622	10,234	25,428,432
2020	10,773,484	5,998,126	4,225,036	2,231	20,998,877
2021	5,394,475	3,815,707	2,791,090	-	12,001,272
2022	6,544,999	4,043,805	3,719,345	620	14,308,769
2023	7,272,766	4,385,625	4,953,896	2,245	16,614,532
2024	7,952,139	4,904,874	5,382,826	1,930	18,241,769

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL FARE REVENUE PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Customers	Fiscal Year 2024 Sales		Fiscal Year 2015 Sales	
	Amount	%	Amount	%
Los Rios Community College District	\$ 2,697,975	14.79%	\$ 1,011,106	3.56%
Department of Human Assistance	2,040,000	11.18%	2,026,200	7.14%
RydeFree Program K-12 Student	1,420,000	7.78%	-	0.00%
California State University Sacramento	990,040	5.43%	750,603	2.64%
Highlands Community Charter School	436,750	2.39%	-	0.00%
Alta California Regional Center	393,175	2.16%	814,150	2.87%
Francis House Center	237,948	1.30%	-	0.00%
Sierra Vista Hospital	96,450	0.53%	-	0.00%
Sacramento County Probation Department	49,000	0.27%	-	0.00%
Sutter Medical Center, Sacramento	24,200	0.13%	-	0.00%
Raleys Family of Fine Stores	-	0.00%	1,058,425	3.73%
Health & Human Services	-	0.00%	899,846	3.17%
Department of Transportation	-	0.00%	881,430	3.10%
California Environmental Protection Agency	-	0.00%	810,100	2.85%
Franchise Tax Board	-	0.00%	724,508	2.55%
Employment Development Department	-	0.00%	723,625	2.55%
Subtotal (10 Largest)	8,385,538	45.97%	9,699,993	34.16%
Balance from other customers	9,856,231	54.03%	18,696,109	65.84%
Grand Total	\$ 18,241,769	100.00%	\$ 28,396,102	100.00%

Grand Total Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Farebox Revenue Bonds Series 2012	Refunding Bonds Series 2021A	Lease/ Leaseback Payable	Loan Payable	Total Debt	Six-County Region Percentage of Personal Income	Six-County Region Per Capita
2015	88,927,782	-	36,861,364	13,988,074	139,777,220	0.10%	36.11
2016	87,113,931	-	38,752,526	13,988,074	139,854,531	0.10%	35.37
2017	51,017,296	-	40,740,724	13,988,074	105,746,094	0.07%	20.46
2018	50,841,764	-	42,830,939	13,988,074	107,660,777	0.07%	20.20
2019	50,666,232	-	45,028,404	13,988,074	109,682,710	0.07%	19.95
2020	49,628,200	-	47,338,625	13,988,074	110,954,899	0.06%	19.45
2021	48,242,667	-	49,767,388	-	98,010,055	0.06%	18.69
2022	-	44,252,933	52,320,775	-	96,573,708	0.06%	17.02
2023	-	43,806,597	53,985,255	-	97,791,852	Not available	17.00
2024	-	43,360,261	54,657,507	-	98,017,768	Not available	16.77

Lease/Leaseback is not included in Percentage of Personal Income or Per Capital as there is an equal and offsetting deposit on SacRT's Statement of Net Position

Loan Payable is not included in Percentage of Personal Income or Per Capital as the there is an equal and offsetting receivable accrual on SacRT's Statement of Net Position

Source: Annual Comprehensive Financial Report

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Fare Revenue	Non-Fare Revenues	Total Revenue	Less Operating Expense	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2015	\$ 28,396,102	\$ 119,886,619	\$ 148,282,721	\$ 146,515,212	\$ 1,767,509	\$ 2,795,000	\$ 4,041,800	0.26
2016	28,055,804	126,809,242	154,865,046	152,830,940	2,034,106	1,530,000	3,957,950	0.37
2017	30,487,098	131,596,154	162,083,252	157,379,743	4,703,509	33,142,500	-	0.14
2018	27,276,231	141,379,634	168,655,865	159,444,596	9,211,269	175,532	-	52.48
2019	25,428,432	151,586,987	177,015,419	173,778,795	3,236,624	175,532	-	18.44
2020	20,998,877	173,098,872	194,097,749	181,407,884	12,689,865	862,500	1,711,575	4.93
2021	12,001,272	185,269,071	197,270,343	191,326,773	5,943,570	1,210,000	2,224,600	1.73
2022	14,308,769	207,090,527	221,399,296	215,176,642	6,222,654	1,270,000	2,164,100	1.81
2023	16,614,532	225,896,366	242,510,898	239,358,618	3,152,280	1,330,000	2,100,600	0.92
2024	18,241,769	236,455,000	254,696,769	253,483,289	1,213,480	-	1,542,000	0.79

Notes: Details regarding SacRT's debt can be found in the notes to the financial statements. Operating expenses do not include depreciation and capital funded expenses.

A portion of the 2012 Revenue Bond interest is funded with Federal Capital Revenue
A refunding of the 2012 Revenue Bonds occurred in Fiscal Year 2022
Capital revenue has been excluded from this schedule.

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

DEMOGRAPHIC AND ECONOMIC INDICATORS LAST TEN FISCAL YEARS

	Population ¹²		Personal Income ¹² (In Thousands)		Per Capital Personal ¹ Income		Unemployment Rate ³	
	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region	Sacramento County	Six-County Region
2015	1,506,558	2,446,275	65,106,762	112,028,672	45,866	48,495	6.0%	6.2%
2016	1,527,104	2,479,591	69,706,561	119,814,816	46,904	49,838	5.4%	5.6%
2017	1,546,422	2,513,134	72,142,550	124,623,797	48,299	51,229	4.7%	4.8%
2018	1,560,721	2,539,823	75,107,692	129,603,877	50,314	53,234	3.9%	4.0%
2019	1,575,602	2,564,909	78,819,492	135,829,947	52,561	55,683	3.7%	3.9%
2020	1,586,465	2,581,323	83,515,309	144,038,387	57,243	60,733	9.4%	9.0%
2021	1,588,106	2,589,778	91,987,475	157,856,536	61,775	65,619	6.9%	6.6%
2022	1,584,169	2,599,515	98,241,828	168,426,248	61,558	65,767	4.0%	4.0%
2023	1,576,639	2,576,307	Not available	Not available	Not available	Not available	4.4%	4.5%
2024	1,578,938	2,585,862	Not available	Not available	Not available	Not available	4.9%	5.0%

Source: Six-county region includes Sacramento, Placer, Yolo, El Dorado, Yuba and Sutter counties.

1. 2015-2022 U.S. Department of Commerce, Bureau of Economic Analysis, *CAINC1 Personal income population, per capita personal income*.
2. 2023-2024 State of California, Department of Finance, E-1 City, County and State Population Estimates,
3. 2015-2024 State of California, Employment Development Department, Labor Force & Employment Data

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2024			Fiscal Year 2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of California	113,610	1	16.20%	74,329	1	9.90%
UC Davis Health	16,075	2	2.29%	9,706	3	1.29%
Sacramento County	13,611	3	1.94%	10,598	2	1.41%
Kaiser Permanente	11,856	4	1.69%	6,464	7	0.86%
U.S. Government	10,699	5	1.53%	9,668	4	1.29%
Sutter Health	10,129	6	1.44%	8,817	5	1.17%
Dignity Health	7,353	7	1.05%	6,286	8	0.84%
San Juan Unified School District	5,346	8	0.76%	7,523	6	1.00%
Intel	4,300	9	0.61%	6,200	9	0.83%
Los Rios Community College District	3,366	10	0.48%			
Elk Grove Unified School District				5,758	10	0.77%
Total	196,345		28.00%	145,349		19.36%

Source: Sacramento Business Journal

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

CONTINUING DISCLOSURE REQUIREMENTS

SEC Rule 15c2-12

The following summary provides SacRT's specific and continuing Securities and Exchange Commission (SEC) disclosure requirements (Rule 15c2-12) in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in SacRT's Annual Comprehensive Financial Report (ACFR) and SacRT's Adopted Budget.

	2024 ACFR Page No.
Management Discussion and Analysis, Audited Financial Statements and Statistical Information	4-111
Tabular or numerical information of the types contained in the Official Statement relating to the 2021A Refunding Bonds under the following subscriptions:	
(i) Total bus passengers, total light rail passengers, total ridership and amount of total Farebox Revenues	16,105-107
(ii) SacRT Farebox Recovery Ratio	51,102
(iii) LTF Revenues claimed and expended	49,101
(iv) Measure A Sales Taxes, STA Funds and federal grants used for operating expenses	49,101
(v) Measure A Sales Taxes allocated to SacRT	49,101
(vi) STA Funds claimed and expended by SacRT	49,101
(vii) Federal grant funds expended by SacRT	48,100

Covenants of the Issuer

The following summary provides SacRT's specific and continuing covenants of the issuer in connection with the 2021A Refunding Bonds. All Disclosure requirements can be found in the 2021A Official Statement, SacRT's Annual Comprehensive Financial Report (ACFR).

	2021A Official Statement	FY 2024 ACFR Page No.
Punctual Payments	C-31	46
Application of Farebox Revenues	C-32	16

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

DISTRICT PROFILE

As of June 30, 2024

Date the Authority began Operations	April 1, 1973
Form of Governance	Board of Directors, with General Manager
Metropolitan Population	1.5 million
Total Employees	1,340
Service Area	All of Sacramento County, with services to Citrus Heights, Carmichael, Fair Oaks, Elk Grove, Folsom and Rancho Cordova
Population of Service Area	Approximately 1.9 million
Local Financial Support	Local Transportation Funds Measure A Sales Tax Revenue
Number of Bus Routes	82
Number of Rail Lines	3
Miles of Rail	42.9
Weekday Bus Revenue Service Miles	33,977
Weekday Rail Revenue Service Miles	10,635
Average Weekday Bus and Rail Riders	54,261
Number of Vehicles in Service	239 40' CNG Buses 86 - Electric, Gasoline Shuttles and Diesel Small Buses
Paratransit	149
Park and Ride Lots	22
Bus and Light Rail Transfer Stations	30
Bus Stops	3,100+
Rail Stations	53

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

TEN YEAR FUNDING HISTORY

The following table shows available funding that SacRT has been awarded over the last ten years from our major federal funding sources, followed by a brief description of each source.

FEDERAL FUNDS							
Federal Transit Funds							
	Section 5307	Section 5309 Fixed Guideway	Federal Highway Discretionary Funds	Section 5339	Section 5337	Other	
2015	\$ 21,159,005	\$ -	\$ 10,345,160	\$ 1,792,567	\$ 10,239,772	\$	171,557
2016	34,542,554	-	3,060,284	1,858,949	11,499,470		35,193
2017	25,131,975	-	3,154,867	745,539	11,580,302		68,161
2018	24,458,274	-	1,479,789	2,544,715	13,804,359		101,912
2019	24,616,326	-	505,056	2,117,403	13,064,129		79,976
2020	27,616,695	-	211,902	2,073	13,098,402		348,132
2021	82,360,152	-	-	1,355,747	12,220,975		49,262
2022	83,732,851	49,519	28,963	394,391	4,454,602		115,193
2023	83,291,490	2,727,367		3,655,647	3,115,695		172,368
2024	85,967,696	556,184	-	5,943,812	13,708,058		1,029,439

Federal Funds

Section 5307 Funds: Funds distributed by formula to large and small urban areas for a variety of transit planning, capital and preventive maintenance needs.

Section 5307 Funds: Coronavirus Aid, Relief, and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Relief Plan (ARP) stimulus funds to offset revenue decline and additional expenses related to COVID-19.

Section 5309 Fixed Guideway Funds: Funds distributed by formula to urban rail transit operators for repair and rehabilitation of commuter and light rail systems.

Federal Highway Discretionary Funds: Funds distributed for a variety of transportation planning, construction, and equipment acquisition needs. Projects are approved for funding by local agencies and forwarded to appropriate state and federal agencies for funding authorization.

Section 5339 Bus and Facilities Funds: A portion of the funds distributed by formula and a portion of the funds are distributed through a competitive process. Funds are used for bus renovations, purchases and bus support facility projects.

Section 5337 State of Good Repair Funds: Funds distributed for formula to repair and upgrade rail transit systems along with high-density motor bus systems that use high occupancy vehicle (HOV) lanes including bus rapid transit (BRT).

Other: Community Project Funding 22-CMPJ-1 funds.

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

TEN YEAR FUNDING HISTORY (Continued)

The following table shows available funding that SacRT has been awarded over the last ten years from our major state and local funding sources, followed by a brief description of each source.

	STATE FUNDS		LOCAL FUNDS		
	Transit Capital Improvement	Measure A	Local Transportation Fund	State Transit Assistance	Other
2015 \$	22,299,682	\$ 36,889,447	\$ 36,098,557	\$ 8,869,049	\$ 1,828,749
2016	16,609,064	37,244,297	36,950,479	7,049,646	2,040,730
2017	63,558,519	39,263,496	38,731,878	7,156,739	(3,556,168)
2018	5,001,678	41,460,448	40,966,707	12,603,839	10,110,006
2019	21,293,864	44,949,578	47,175,047	9,606,729	5,312,351
2020	30,362,695	46,714,046	51,729,305	12,778,564	1,107,351
2021	42,669,140	59,903,826	51,158,504	10,004,038	2,595,082
2022	41,351,937	69,381,797	72,783,913	-	2,341,898
2023	64,933,237	66,583,370	89,086,134	-	3,385,547
2024	77,579,926	66,838,656	88,766,333	-	4,518,531

State Funds

State Transportation Improvement Program: Funds distributed by the State for projects, including transit construction projects that relieve traffic congestion on state and local roads and highways.

Transit Capital Improvement funds for projects include, Proposition 1B funds, and Cap-and-Trade Program funds.

Local Funds

Measure A is a ½ cent sales tax ordinance that supports road and public transportation improvements in Sacramento County. Passed by voters in 1998, it expired in April 2009. SacRT received approximately 1/3 of the tax (1/6 cent). In November 2004, voters approved an extension of the Measure A ordinance until 2039 with transit receiving 38.25% of the ½-cent tax.

Local Transportation Fund: Funds generated by the state sales tax, and used for transit operating support purposes. The Transportation Development Act (TDA) allocates a portion of the state sales tax for transportation purposes.

State Transit Assistance Funds: Funds generated by the sales tax on gasoline and diesel fuel sales. These funds are disbursed to transit agencies for a variety of transit capital and operating support needs. SB1 funds, the Road Repair and Accountability Act of 2017, are included in STA funds beginning FY2018.

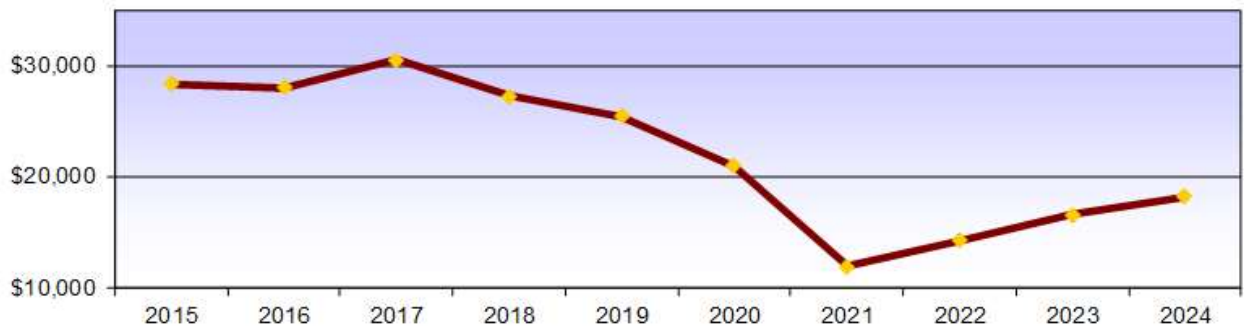
Other: This funding is from the City of Sacramento, City of Rancho Cordova, County of Sacramento, City of Roseville, Sacramento Area Council of Governments (SACOG) and Sacramento Housing, Redevelopment Agency (SHRA), Bus Fire Insurance Proceeds, cost reimbursement agreements with local agencies and Low Carbon Transit Operations Program (LCTOP) funds.

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

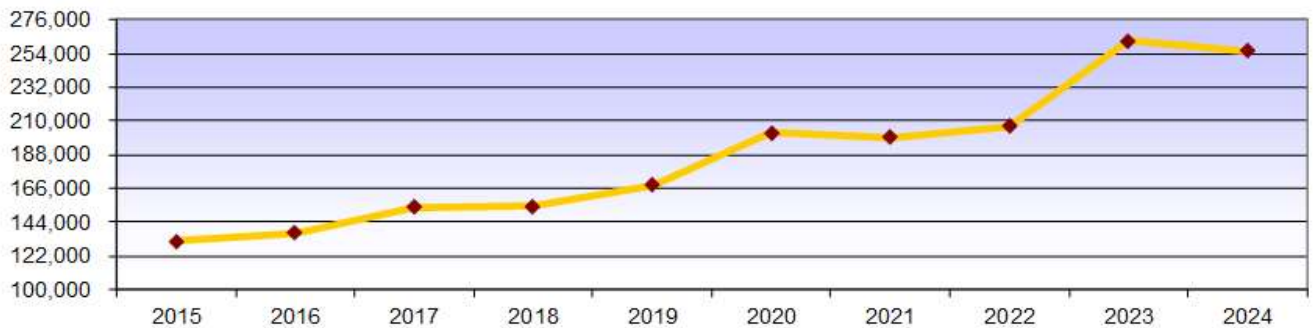
FARE RECOVERY LAST TEN FISCAL YEARS (amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fare Revenue	\$28,396	\$28,056	\$30,487	\$27,276	\$25,428	\$20,999	\$12,001	\$14,309	\$16,614	\$18,242
Local Fund Supplementation	5,208	3,436	4,948	8,321	13,256	25,615	33,896	33,248	43,743	40,596
Total Operating Expenses	131,779	136,920	154,067	154,770	168,194	202,667	199,552	206,763	262,426	255,819
Fare Recovery Ratio	25.5%	25.5%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%

FARE REVENUE



TOTAL OPERATING EXPENSES



Notes: Operating expenses do not include depreciation and Paratransit operations.

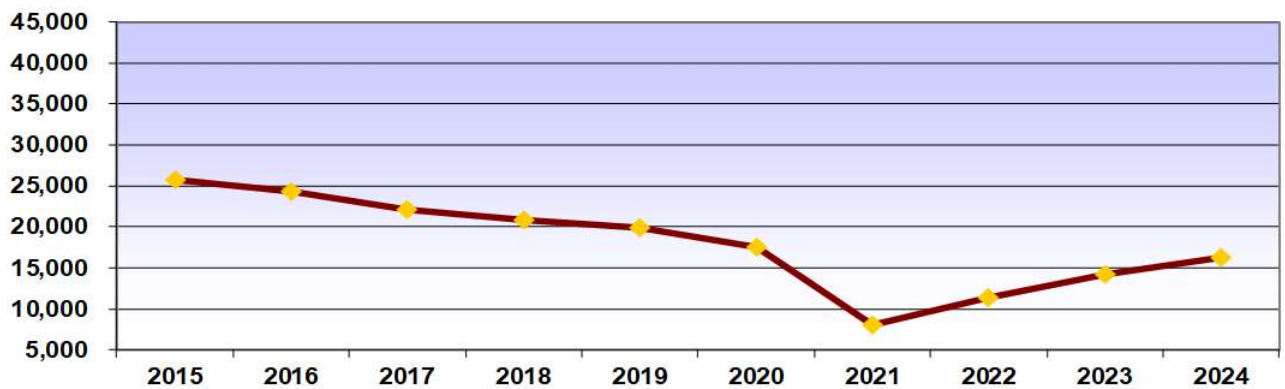
Source: Annual Comprehensive Financial Report

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

RIDERSHIP LAST TEN FISCAL YEARS (amounts expressed in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ridership	25,768	24,330	22,050	20,890	19,989	17,564	8,108	11,315	14,279	16,274
% change	(2.28%)	(5.58%)	(9.37%)	(5.26%)	(4.31%)	(12.13%)	(53.84%)	39.55%	26.20%	13.97%

RIDERSHIP



Source: SacRT Planning Department
NTD Statistics

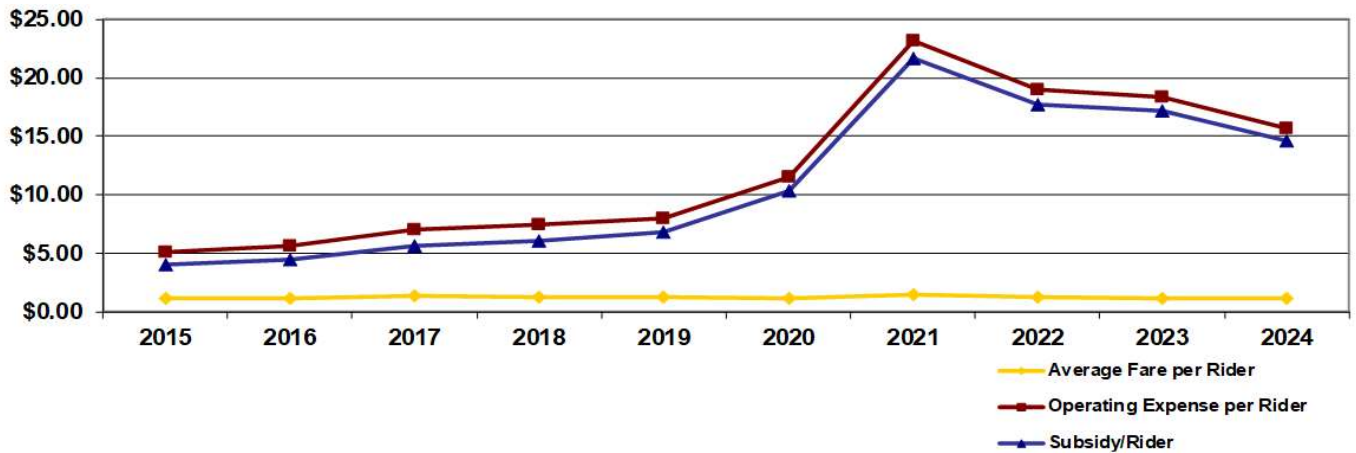
SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

OPERATING SUBSIDY LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Average Fare per Rider	\$1.10	\$1.15	\$1.38	\$1.31	\$1.21	\$1.20	\$1.48	\$1.26	\$1.16	\$1.12
Operating Expense per Rider ¹	\$5.11	\$5.63	\$6.99	\$7.41	\$8.01	\$11.54	\$23.15	\$19.02	\$18.38	\$15.72
Subsidy/Rider	\$4.01	\$4.47	\$5.60	\$6.10	\$6.80	\$10.34	\$21.66	\$17.75	\$17.21	\$14.60

¹ Operating expense per rider excludes Paratransit and depreciation costs.

OPERATING EXPENSE & SUBSIDY PER RIDER



Source: Annual Comprehensive Financial Report
SacRT Planning Department
NTD Statistics

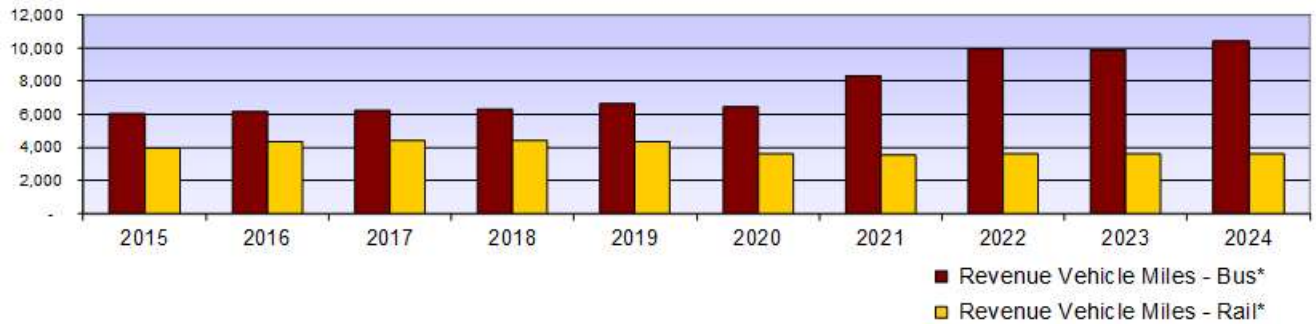
SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

SERVICE PERFORMANCE DATA LAST TEN FISCAL YEARS

(* amounts expressed in thousands)

SERVICE PROVIDED

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BUS										
Revenue Vehicle Miles - Bus*	6,023	6,152	6,269	6,288	6,646	6,439	8,307	9,949	9,915	10,434
Revenue Vehicle Hours*	549.8	558.0	558.5	559.2	580.9	564.1	689.7	796.0	795.6	826.9
# Vehicles	232	223	223	225	237	237	249	366	449	474
RAIL										
Revenue Vehicle Miles - Rail*	3,936	4,370	4,422	4,418	4,344	3,610	3,559	3,606	3,588	3,606
Revenue Vehicle Hours*	218.1	245.2	248.9	248.7	243.2	207.0	199.5	200.7	199.8	205.4
Train Revenue Hours*	83.2	93.0	94.9	94.7	99.9	98.1	100.9	101.7	101.2	101.7
# of Vehicles	76	87	96	97	97	95	95	95	72	72



SERVICE CONSUMED

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
BUS										
Passengers	13,706	12,114	10,608	10,517	10,008	8,575	4,241	6,683	8,120	9,491
Passenger Miles**	52,346	43,911	39,468	37,925	35,382	31,008	31,008	25,781	30,229	34,432
RAIL										
Passengers	12,062	12,216	11,442	10,373	9,981	8,989	3,847	4,632	6,159	6,783
Passenger Miles**	68,717	69,171	68,760	65,531	63,074	53,131	22,217	26,610	35,157	38,007
TOTAL										
Passengers	25,768	24,330	22,050	20,890	19,989	17,564	8,088	11,315	14,279	16,274
Passenger Miles	121,063	113,082	108,228	103,456	98,456	84,139	53,225	52,391	65,386	72,439
FLEET										
Bus	232	223	223	225	237	237	249	366	449	474
Rail	76	87	96	97	97	95	95	95	72	72
TOTAL EMPLOYEES	937	982	974	997	1,036	1,228	1,450	1,267	1,289	1,340

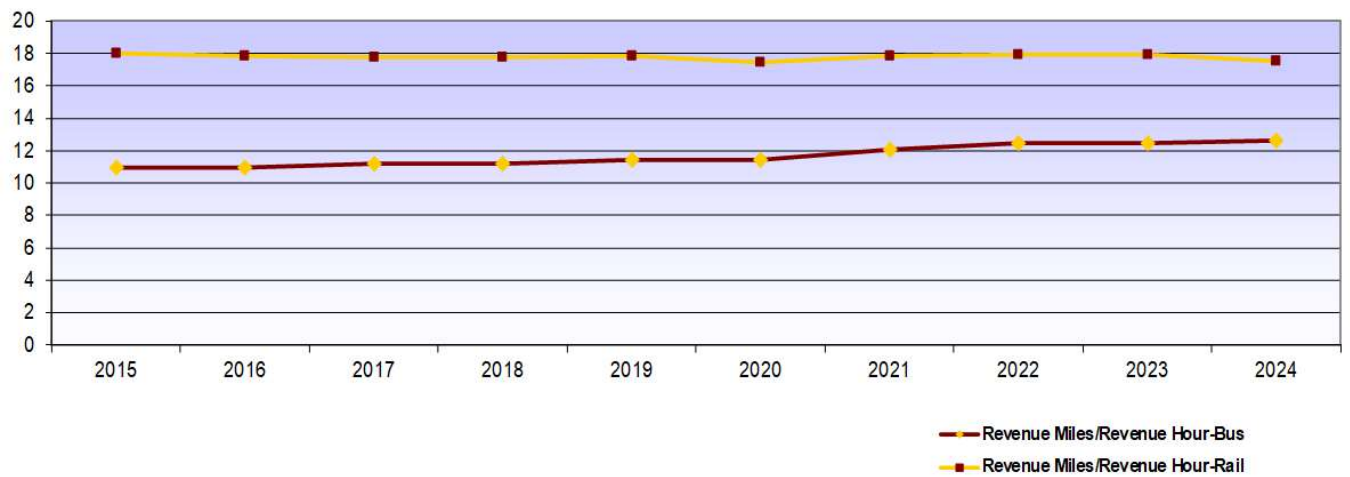
Source: SacRT Planning Department
NTD Statistics

**SACRAMENTO REGIONAL TRANSIT DISTRICT
STATISTICAL INFORMATION (UNAUDITED)**

**SERVICE PERFORMANCE DATA (Continued)
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue Miles/Revenue Hour-Bus	11	11	11	11	11	11	12	12	12	13
Revenue Miles/Revenue Hour-Rail	18	18	18	18	18	17	18	18	18	18

SERVICE PERFORMANCE DATA



Source: SacRT Planning Department
NTD Statistics

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

FARES As of June 30, 2024

Single and Daily Pass Fares

<u>Rider Type</u>	<u>Fare Type</u>	<u>Single Ride</u>	<u>Daily Pass</u>
Age 19-61	Basic	\$ 2.50	\$ 7.00
Senior (62 & older)	Discount	\$ 1.25	\$ 3.50
Individuals with Disabilities	Discount	\$ 1.25	\$ 3.50
Student (grades K-12)*	Discount	\$ 1.25	\$ 3.50

*Many students, in grades K through 12, are eligible for free transit passes. Students need to check with their school district for details or visit www.RydreFreeRT.com

Monthly Passes and Stickers

<u>Fare/Rider Type</u>	<u>Price</u>
Basic Monthly Pass	\$ 100.00
Basic Semi-Monthly Pass	\$ 50.00
Senior/Disabled Monthly Pass/Sticker	\$ 50.00
Senior/Disabled Semi-Monthly Pass/Sticker	\$ 25.00
Super Senior Monthly Pass/Sticker (age 75+)	\$ 40.00
Student Monthly Pass/Sticker*	\$ 20.00
Student Semi-Monthly Pass/Sticker*	\$ 10.00

*Many students, in grades K through 12, are eligible for free transit passes. Students need to check with their school district for details or visit www.RydreFreeRT.com

Bus: Passengers are required to pay a basic or discount single fare for each trip or may purchase a daily pass valid for unlimited rides on that day.

Light Rail: Single ride tickets are valid for 90 minutes from time of validation on light rail only, or pay the 25 cents transfer fee when boarding a bus.

SACRAMENTO REGIONAL TRANSIT DISTRICT STATISTICAL INFORMATION (UNAUDITED)

PERFORMANCE MEASURES

Performance Measures in Sacramento's Peer Transit Agencies						
City State	2022 Urban Area Population	2022 Statistics				
		Cost per passenger	Cost per Revenue Mile	Cost per Revenue Hour	Subsidy per Passenger	Farebox Recovery Ratio
	(UZA Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)	(Peer Rank)
BUS PEERS						
Sacramento, CA	1,946,618 (41)	\$ 17.35 (3)	\$ 14.87 (6)	\$ 173.59 (6)	\$ 16.15 (3)	6.9% (3)
Los Angeles, CA	12,237,376 (2)	5.94 (7)	18.36 (5)	191.07 (5)	5.70 (7)	4.1% (7)
Oakland, CA	3,515,933 (19)	15.66 (4)	24.50 (2)	256.12 (3)	14.38 (4)	8.1% (2)
San Carlos, CA	3,515,933 (19)	19.46 (1)	22.30 (3)	262.19 (2)	18.24 (1)	6.3% (6)
San Diego, CA	3,070,300 (22)	6.86 (6)	9.22 (7)	100.44 (7)	5.79 (6)	15.6% (1)
San Francisco, CA	3,515,933 (19)	7.58 (5)	33.63 (1)	265.10 (1)	7.08 (5)	6.6% (4)
San Jose, CA	1,837,446 (45)	18.72 (2)	19.98 (4)	234.42 (4)	17.53 (2)	6.4% (5)
Average for Bus Peers	4,234,220	\$ 13.08	\$ 20.41	\$ 211.85	\$ 12.12	7.7%
RAIL PEERS						
Sacramento, CA	1,946,618 (41)	\$ 16.97 (2)	\$ 21.80 (4)	\$ 391.69 (4)	\$ 15.79 (2)	7.0% (2)
Los Angeles, CA	12,237,376 (2)	13.40 (4)	30.48 (3)	621.46 (3)	13.11 (4)	2.1% (5)
San Diego, CA	3,070,300 (22)	3.45 (5)	8.83 (5)	160.73 (5)	2.59 (5)	24.9% (1)
San Francisco, CA	3,515,933 (19)	14.43 (3)	47.02 (2)	392.95 (1)	13.93 (3)	3.5% (3)
San Jose, CA	1,837,446 (45)	50.67 (1)	73.59 (1)	992.00 (2)	49.45 (1)	2.4% (4)
Average for Rail Peers	4,521,535	\$ 19.78	\$ 36.34	\$ 511.77	\$ 18.97	8.0%
<i>Source: National Transit Database, 2022 Transit Profiles - All Agencies</i>						

In 2022, the Sacramento urban area ranked 41st in the US based on population. The table compares SacRT's 2022 performance to 6 other bus peer transit properties and 4 other rail peer transit properties. It indicates the following:

Bus

SacRT ranks 3rd in Cost per Passenger, Subsidy per Passenger and Farebox Recovery Ratio among its bus peer transit agencies. SacRT ranks 6th in Cost per Revenue Mile and Cost per Revenue Hour among its bus peer transit agencies.

Rail

SacRT ranks 2nd in Cost per Passenger, Subsidy per Passenger and Farebox Recovery Ratio among its rail peer transit agencies. SacRT ranks 4th in Cost per Revenue Mile and Cost per Revenue Hour among its rail peer transit agencies.



1102 Q Street, Suite 3000, Sacramento, CA 95811 • 916.321.2800 • sacrt.com

Attachment 4

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California

**REPORTS REQUIRED BY UNIFORM GUIDANCE
AND TRANSPORTATION DEVELOPMENT ACT**
Year ended June 30, 2024

SACRAMENTO REGIONAL TRANSIT DISTRICT
Sacramento, California
Year ended June 30, 2024

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Sacramento Regional Transit District (SacRT) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SacRT's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control. Accordingly, we do not express an opinion on the effectiveness of SacRT's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SacRT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Sacramento, California
December 2, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

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

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on SacRT's major federal program for the year ended June 30, 2024. SacRT's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SacRT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SacRT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of SacRT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SacRT's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SacRT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SacRT's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SacRT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SacRT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of SacRT as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SacRT's basic financial statements. We issued our report thereon dated December 2, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Crowe LLP

Sacramento, California
December 2, 2024

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through / Grant Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation:				
Federal Transit Cluster				
<i>Direct Programs:</i>				
Federal Transit Capital Investment Grants - South Line	20.500	N/A	\$ (257,656)	\$ -
Federal Transit Capital Investment Grants	20.500	N/A	813,840	813,840
Federal Transit Formula Grants	20.507	N/A	20,989,808	815,000
COVID-19 - Federal Transit Formula Grants (ARP Act)	20.507	N/A	64,951,655	1,268,214
State of Good Repair Grants Program	20.525	N/A	13,708,058	-
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	N/A	5,943,812	-
Total Federal Transit Cluster			106,149,517	2,897,054
Community Project Funding/Congressionally Directed Spending				
<i>Direct Programs:</i>				
Community Project Funding	20.534	N/A	1,029,439	-
Total U.S. Department of Transportation			107,178,956	2,897,054
U.S. Department of Education:				
<i>Passed through California Labor Federation:</i>				
COVID-19 - Reimagining Workforce Preparation	84.425G	M64366	26,233	-
Total Education Stabilization Fund			26,233	-
Total U.S. Department of Education			26,233	-
Total Expenditures of Federal Awards			\$ 107,205,189	\$ 2,897,054

See accompanying Notes to Schedule of Expenditures of Federal Awards.

SACRAMENTO REGIONAL TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of SacRT, for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. SacRT has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 – MATCHING COSTS

Matching costs, i.e., the nonfederal share of program costs, are not included in the accompanying Schedule.

SACRAMENTO REGIONAL TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified not
considered to be material weaknesses?

_____ Yes X None reported

Type of auditor's report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

Assistance Listing Numbers

20.500 / 20.507 / 20.525 / 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between
type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE TRANSPORTATION
DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

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

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

Report on Compliance with Transportation Development Act***Opinion on Transportation Development Act***

We have audited Sacramento Regional Transit District's (SacRT) compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Guidebook, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively "Transportation Development Act") that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2024.

In our opinion, SacRT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on SacRT's compliance with the Transportation Development Act for the year ended June 30, 2024.

Basis for Opinion on Transportation Development Act

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Transportation Development Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SacRT and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Transportation Development Act program. Our audit does not provide a legal determination of SacRT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Transportation Development Act.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SacRT's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SacRT's compliance with the requirements the Transportation Development Act program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SacRT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of SacRT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Transportation Development Act program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the Transportation Development Act program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Transportation Development Act program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements the Transportation Development Act. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
December 2, 2024

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

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

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with Sacramento Regional Transit District (SacRT) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether SacRT's financial statements are free of material misstatement, we performed tests of SacRT's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM SACRAMENTO REGIONAL TRANSIT DISTRICT

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to SacRT under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with SacRT that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you during the planning stages of the audit.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance in its oversight role, we direct you to Note 1 of the financial statements and also provide the following.

Accounting Standard	Impact of Adoption
Significant Unusual Transactions.	No such matters noted
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the SacRT year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to SacRT.	We tested the propriety of information underlying management's estimates.
Loss Contingencies	SacRT consults with legal counsel to evaluate outstanding litigation, claims and assessments. Factors that affect management's evaluation of litigation contingencies requiring disclosure include the nature of the contingencies and whether the outcome could have an effect on the financial statements.	Based on information obtained from SacRT's legal counsel regarding the disclosed matters and discussions with management, we concur with management's determination.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to SacRT's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the entity, considering the need to balance the cost of providing information with the likely benefit to users of the entity's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the entity's basis for determining useful lives assigned to tangible and intangible assets.

- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no corrected misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no uncorrected misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the entity's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>

Communication Item	Results
Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.	During the audit, there were no such issues for which we consulted outside the engagement team.
Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.	There are no such circumstances that affect the form and content of the auditor's report.
Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.	We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.
Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.	We direct your attention to a copy of the letter of management's representation to us provided separately.
Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.	There were no such significant issues discussed, or subject to correspondence, with management.
Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the entity's related parties.	There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.
Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.	There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.

We are pleased to serve SacRT as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.


Crowe LLP

Sacramento, California
December 2, 2024



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

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

In planning and performing our audit of the financial statements of Sacramento Regional Transit District ("SacRT") as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered SacRT's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SacRT's internal control. Accordingly, we do not express an opinion on the effectiveness of SacRT's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

The purpose of this letter is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of SacRT's internal control over financial reporting or on compliance. This letter is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SacRT's internal control over financial reporting and compliance. Accordingly, this letter is not suitable for any other purpose.


Crowe LLP

Sacramento, California
December 2, 2024

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Li, General Manager/CEO
SUBJ: GENERAL MANAGER'S REPORT

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Meeting Calendar

Regional Transit Board Meeting

January 27, 2025
1102 Q Street - SacRT Auditorium
4:00 P.M.

Quarterly Retirement Board Meeting

December 11, 2024
1102 Q Street - SacRT Auditorium
1:00 P.M.

Mobility Advisory Council Meeting

December 19, 2024
1102 Q Street - SacRT Auditorium
2:30 P.M.

Bus Service Adjustments Begin January 5, 2025

Effective Sunday, January 5, 2025, SacRT will implement service changes for bus routes 19, 23, 61, 88, 103, 106 and 129.

Route 19 (Rio Linda): The bus layover location will be moved to provide a safer environment. The terminus of bus route 19 will be relocated to the southbound stop on Watt Avenue at Elverta Road. In addition, the bus will travel along the outbound direction (toward Black Saddle Drive) instead of the inbound direction (toward Arden/Del Paso Station). Two minutes have been added to the outbound direction and two minutes have been removed from the inbound schedule.

Route 23 (El Camino): Departure times from Arden/Del Paso Station will shift one minute later to improve connections. All trip times will shift accordingly.

Route 61 (Fruitridge): To provide a better connection with students at West Campus High School, the 3:12 p.m. trip from Florin Town Centre will depart five minutes later at 3:17 p.m. All times will shift accordingly.

Route 88 (West El Camino): Departures from J & 11th streets will shift four minutes earlier to improve connections at Arden/Del Paso Station. All trip times will shift accordingly.

Route 103 (Riverside Express): Certain trips will be extended to serve the new State of California office building located at 7th Street & Richards Boulevard.

Route 106 (Land Park Commuter): Certain trips will be extended to serve the new State of California office building located at 7th Street & Richards Boulevard.

Route 129 (Arden Commuter): Certain trips will be extended to serve the new State of California office building located at 7th Street & Richards Boulevard.

Visit sacrt.com/servicechanges to view the new schedules or call 916-321-BUSS (2877).

Rider Alert: Construction Updates at Watt/I-80 Transit Center Improvement Project

On Tuesday, December 3, 2024, the next phase of construction began at the Watt/I-80 Transit Center. The SacRT bus stop located on the southbound side of Watt Avenue (upper level) is temporarily closed due to construction activity. The bus routes affected include 1, 26, 84 and 93. Riders can catch the bus for those routes at an existing bus stop located further down Watt Avenue toward Longview Drive.

To access the temporary bus stop from the light rail station: use the northbound stairs or elevator to Watt Avenue, turn left on Watt Avenue and follow the pedestrian detour signs to cross Watt Avenue at the crosswalk. The bus stop is in front of the Red Roof Inn.

During this stage of construction, the southbound elevator and stairs will also be closed. Riders can use the northbound elevator or stairs to get to the upper level. At this time, the northbound bus stop is not impacted. This stage of construction is expected to last into May 2025. Learn more at sacrt.com/WattI80.

SmaRT Ride Transitions to SacRT Flex

SacRT will introduce SacRT Flex, a new shared-use pilot program that will replace SmaRT Ride, on Thursday, January 2, 2025. The last day for SmaRT Ride service will be Tuesday, December 31, 2024.

SacRT Flex service will be limited to riders with the greatest transportation need such as low-income individuals, persons with disabilities, and seniors. Eligible riders must register in advance, with early registration opening this month. Required documentation includes items such as a DHA eligibility card, EBT verification letter, or Medi-Cal card.

Learn more about the program and how to pre-register at sacrt.com/flex.

Ride the SacRT Holiday Bus for Free

Ride for FREE on SacRT's Holiday Bus while supporting our community! This year, we're proud to partner with the Health Education Council, a local organization committed to improving the health and well-being of those in historically under-served neighborhoods.

Your free ride helps spread holiday cheer—and raises awareness for the vital work the Health Education Council is doing to ensure everyone has access to the resources they need for a healthier life. Together, we're making Sacramento a better, healthier place for all!

Look for the festive Holiday Bus on your route, snap a pic, and share it with us using #SacRTHolidayBus! It's FREE to ride on the SacRT Holiday Bus, which travels on a different route each day from now through Thursday, January 2, 2025. Visit sacrt.com/holidaybus for more.

SacRT Holiday Service Schedule – December & January

As a reminder, SacRT operates a modified service schedule during the holidays. The schedule is as follows:

Christmas Day – Wednesday, December 25

- Sunday/Holiday Schedule: SacRT fixed-route buses, light rail, and SacRT GO paratransit services
- No Service: Causeway Connection, Elk Grove Local, Elk Grove Commuter, Folsom Stage Line, Rancho CordoVan, SacRT e-van, and SmaRT Ride

New Year's Day – Wednesday, January 1, 2025

- Sunday/Holiday Schedule: SacRT fixed-route buses, light rail, and SacRT GO paratransit services
- No Service: Causeway Connection, Elk Grove Local, Elk Grove Commuter, Folsom Stage Line, Rancho CordoVan, and SacRT e-van

Martin Luther King Jr. Day – Monday, January 20, 2025

- Sunday/Holiday Schedule: SacRT fixed-route buses, light rail, and SacRT GO paratransit services
- No Service: Causeway Connection, Elk Grove Local, Elk Grove Commuter, Folsom Stage Line, Rancho CordoVan, SacRT e-van, and SacRT Flex

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Greg Walters, EEO Officer
SUBJ: EQUAL EMPLOYMENT OPPORTUNITY UPDATE

RECOMMENDATION

No Recommendation - For Information Only.

INFORMATION

2024 has been a good year for SacRT with respect to equal employment opportunity and our role in moving our community where they want to go, when they want to go. We continue to fulfill our FTA EEO compliance requirements with the help of our great management team.

Specific accomplishments include:

- Assisted managers with conducting EEO-related informational meetings with most employees. In 2024 they covered our EEO policy and a primer on harassment, retaliation and discrimination and what to watch for.
- Facilitated ongoing online EEO training for all employees on sexual harassment, discrimination, and harassment prevention.
- By December 31, we will have run all employees through either online or classroom training on preventing sexual harassment as required by AB1825 and SB1343.
- Responded to 5 EEO complaints, each resulting in no findings of discrimination, harassment or retaliation. We still took the opportunity to improve uncomfortable situations for our employees and in one case, a bus rider.
- Diligently working through the FTA checklist for EEO responsibilities and tasks in anticipation of the audit.

By the Numbers

SacRT			SacRT			City of Sacramento*		
12/31/2022			11/7/2024			7/1/2023		
Total Employees	1291	% of Total Employees	Total Employees	1328	% of Total Employees	Total Population	526,839	% of Total Population
Persons of Color	926	71.7%	Persons of Color	946	71.2%	Persons of Color		60.7%
Veterans	52	4.0%	Veterans	72	5.4%	Veterans		3.8%
Disabled	61	4.7%	Disabled	71	5.3%	Disabled		8.2%

* US Census Bureau

The numbers remained relatively stable. I believe the gap in those identifying as disabled may be skewed lower at SacRT because some employees fear identifying themselves as disabled believing it could result in negative consequences. In reality, the opposite is true as we continue to strive to meet the federal requirements for the number of disabled employees. We will do our big voluntary survey for all employees in April 2025.

Complaints

SacRT has had only 5 EEO-related complaints in 2024 so far which is noticeably lower than the consistent number of 13-15 per year. Only one recent complaint originated from the Civil Rights Division by a rider against one of our operators. This should be resolved with no finding. Much of the credit for this reduction goes to our management team and front line supervisors who recognize situations early and ask for assistance from Labor Relations and EEO to address and resolve issues before they become complaints.

What is Next?

The focus for the next six months will be the FTA Triennial audit and the data we pull at year end 2024 for their report requests. In January, we will have updated underutilization numbers, new goals and a plan to reach those goals. Our actual EEO Program document will be updated in January 2026 for Board approval before it goes to the FTA.

EEO is in the process of hiring an EEO specialist which will create a succession plan for the department with the added benefit of creating and delivering more HR and EEO-related training programs with the Training and Workforce Development staff.

We will ask all our employees to update the voluntary self-identification form in March (race, gender, vet status or disabled) which typically results in higher numbers of veteran and disabled employees reporting as such.

Other projects include:

- Mandatory harassment prevention training for all employees required every two years
- Quickly and fairly respond to all employee complaints
- Continue efforts to further improve hiring and selection process with HR and develop and deliver training in the new process; training will include developing tools and skills to continue to successfully hire the best people to serve our communities

EEO continues to monitor our disciplinary actions with respect to fairness and to prevent potential adverse impact. This data will be updated in January. Labor Relations does an excellent job with fairly suggesting discipline consistent with past practice and without regard to any protected categories.

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Coye E. Carter, Internal Accountability and Compliance Auditor
SUBJ: INTERNAL AUDIT UPDATE

RECOMMENDATION

No Recommendation - For Information Only.

Internal Audit **Semiannual Report to the Board of Directors**

The Sacramento Regional Transit District's (SacRT) Internal Audit (IA) Unit plans, coordinates, and oversees organizational internal audit and risk assessment activities. IA reviews the integrity and efficiency of SacRT's critical activities, projects, and programs to determine if internal controls are adequate and effective in mitigating operational risks and complying with applicable laws and regulations. Additionally, IA works collaboratively with management and staff at all levels to implement necessary changes and corrective actions to assist SacRT with accomplishing its organizational goals and missions.

IA created an Internal Audit Plan for fiscal years 2024 through 2026 and continuously schedules identified operational areas for review. The Internal Audit Plan was developed through interviews with SacRT Leadership, managers, and staff along with review of financial reports, audit reports, and governing regulations for transportation agencies. Several engagements identified on the Internal Audit Plan, and additional special project reviews requested by SacRT Leadership, were completed or are on-going for the period of February 1, 2024 through November 29, 2024:

- Cell Phone Issuance Review – (Completed)
- Light Rail Rolling Stock Maintenance Review – (Completed)
- Light Rail Wayside Maintenance Preventative Maintenance Review - (Completed)
- Utility Billing Review (Electricity and Water) – (Completed)
- Federal Transportation Administration (FTA) Grant (5307 and 5337) Compliance Review (Ongoing)
- Subrecipient Monitoring Compliance Review (Ongoing)

Additionally, IA continues to support SacRT's Strategic Plan and four strategic organizational pillars with the following engagements scheduled for fiscal years ending June 30, 2025 and June 30, 2026:

- 2025 FTA Triennial Review
- Light Rail Flagging Activities Review
- Light Rail Training Curriculum Review
- IT – Active Directory (AD) Review
- Elk Grove Annexation
- Take-Home Vehicle Review
- California Public Utilities Commission (CPUC) Safety Compliance Review
- Cash Handling Review
- Travel Reimbursement Review
- Revenue Contract Review

The Internal Audit Plan is periodically re-evaluated and adjusted to suit organizational priorities and accommodate special project requests from SacRT Leadership.

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Olga Sanchez-Ochoa, General Counsel
SUBJ: GENERAL COUNSEL UPDATE

RECOMMENDATION

No Recommendation - For Information Only.

Overview:

The Legal Department has been busy working with management on a number of projects since the second half of 2024, including the Light Rail Modernization project, disposition of SacRT's administrative complex in Midtown Sacramento, purchase of the new low-floor light rail vehicles, construction of the Dos Rios Light Rail Station, and a number of other important projects for the District. Below is a summary of some of the highlights.

Employment Litigation:

Responsibility for management and oversight of employment related litigation rests with the Legal Services Department. SacRT has experienced cost-savings by using SacRT's in-house attorneys to second chair each litigated matter, while outside counsel serves as first chair. Staff in SacRT's Legal Services Department handle all document gathering and review throughout the litigation process, which significantly reduces litigation costs. In addition, close oversight of these cases by in-house counsel has resulted in the quick, cost-effective resolution of many of the cases. The SacRT Legal Services Department has also been working closely with Management to resolve employment issues early to avoid litigation by providing advice on discipline, leave administration, and other employment related process issues to reduce the likelihood of triggering a claim and ensuring positive outcomes for both the agency and SacRT's employees.

Unhoused Crises

SacRT's Legal Services Department continues to work closely with our VP of Safety and Security and her team to help manage the unhoused crises in and around SacRT's facilities.

California Public Records Act

SacRT's Legal Services Department historically handled responding to California Public Records Act (CPRA) requests. The Legal Services Department works closely with the

Program Analyst in the General Manager/CEO's office to process all CPRA requests that are submitted by the public to SacRT. Since February 2024, the Legal Services Department and the GM's Program Analyst have processed approximately 155 of varying degrees of complexity, which is almost double the total number of requests handled in the previous 10 month period when we processed 79 requests.

Real Estate Support

Throughout 2024, the Legal Services Department has worked closely with the Real Estate Department on a number of key projects including navigating the Surplus Land Act ("SLA"), disposing of SacRT's midtown administrative complex, SacRT expanding its Q Street Lease, the acquisition of property rights necessary to complete the Light Rail Modernization Project, providing legal support for the Dos Rios Light Rail Station project, providing legal support for the close out of several remaining real estate transactions related to the SSCP2 project, providing legal support to secure land rights to complete SacRT's Gold Line passing track projects, providing legal support for SacRT's quest to acquire a new administrative campus and maintenance facility, and providing legal support for numerous easements, licenses, rights of entry and other real estate related transactions. There are several real estate related transactions that are in progress that SacRT's Legal Services Department will dedicate significant resources to in 2025 to progress those transactions. In addition to what has already been mentioned, the SacRT Legal Services Department worked on the following real estate transactions during the latter

Pension Support

The Legal Services Department continues to serve the role of counsel to SacRT's pension staff as that staff performs their role of pension administrator. While the Retirement System has its own counsel, SacRT, as the pension administrator that executes the directives of the Retirement Boards, relies on SacRT's Legal Services Department to provide advice and counsel on pension related issues from the perspective of the pension administrator. In that role, SacRT's Legal Services Department continues to review all pension applications and approvals before their final approval by the General Manager/CEO. In addition, SacRT Legal Services Department continues to review all Qualified Domestic Relations Orders and works with Pension Administration on ensuring that all provisions in each QDRO comply with SacRT's pension plans.

Leave Administration

SacRT established a Leave Administration Committee approximately 14 years ago to manage complex leave requests submitted by employees. The Committee is a cross-departmental body made up of representatives from Human Resources, Labor Relations, EEO, Risk and Legal. SacRT's Legal Services Department has been actively engaged with the Committee throughout 2024 providing legal advice and counsel to the Committee on SacRT's legal obligations related to FMLA, ADA, CFRA, PDL and the various other leave laws that provide leave entitlement to employees in California.

Procurement Support and Drafting of Contracts

The Legal Services Department has participated in the majority of procurements over the past 10 months, including assisting in the drafting and review of bid documents, providing advice and counsel during the selection process, drafting the contracts and providing assistance with contract interpretation after contract execution. Since February 2024, the Legal Services Department has worked on a number of significant procurements and other project agreements including:

- (1) Security Camera replacement to provide a safer environment for passengers.
- (2) Contracts for expansion of contactless fare payment program
- (3) Solicitation for Account-Based Ticketing Platform to replace ZipPass and Connect Card
- (4) Critical Firewall replacement of SacRT core firewalls and Connect Card firewalls
- (5) Horn Station Final Design Contract
- (6) Light Rail Vehicle Advertising
- (7) SacRT Flex contract with Nomad/Via
- (8) Comprehensive Operational Analysis solicitation/contract
- (9) Electric Vehicle Charging Public/Private Partnership
- (10) Gold Line Tie Replacement project
- (11) Final Design SVS Station Relocation
- (12) Streetcar contract amendments
- (13) Boilerplate updates
- (14) 15-Minute Service to Folsom CCOs
- (15) DAT Program contracts required for federal compliance
- (16) Street Harassment Survey Work Order
- (17) Blue Knight amendment to extend security services
- (18) Dos Rios Station construction contract

In addition to the procurements listed above, SacRT Legal worked on numerous other smaller procurements. SacRT Legal anticipates that it will continue to serve a role in the

procurement process in 2025. In the last six months, SacRT Legal has drafted 258 contracts.

General Legal Support

During the latter half of 2024, SacRT's Legal Services Department provided advice and counsel to SacRT Management on the many projects the district is progressing. We provided advice and counsel on labor and employment issues, real property, CEQA, NEPA, PEPPA, Title VI, First Amendment issues, procurement, Brown Act, FPPC and conflicts issues, leave administration, and the many legal issues that arise daily at a high performing public transit agency. We have faced many challenges during this year and anticipate that 2025 will be no different. In addition to the projects already mentioned previously in this update, we also dedicated significant staff time to the following projects:

(1) Causeway Connection Continuation

(2) Highlands Charter School fare media agreement to provide expanded access to transit for disadvantaged communities

(3) Arden Armory Affordable agreements for affordable housing project.

(4) Student Transit Pass Agreements to receive reimbursement for RydeFreeRT

(5) Caltrans Streetcar Cooperative Agreement to allow for Caltrans' review of SacRT's plans and environmental documents.

We look forward to continuing to assist SacRT Management progress the Board's many initiatives and priorities.

Federal Grant Compliance Special Project

In addition to the above projects and programs, the Legal Services has been working with Management on issues concerning Federal Grant Compliance and we will continue to work on this issue in the upcoming year.

SacRT Overall Performance Scorecard

Strategic Pillar	Overall Metric	FY2025 Performance Goals	FY25 Annual Performance Results		Goal Points	Q1 Earned Points	Definition
			Q1 (July-Sept)	% Toward Goal			
Operational Excellence	Operating Cost Per Vehicle Revenue Hour	FY25 Budgeted Cost Per Hour:					
	Bus:	\$188.65	\$179.88	105%	3	3.00	The average operating cost of an hour of revenue service.
	CBS Fixed:	\$285.13	\$242.65	115%	3	3.00	The average operating cost of an hour of revenue service.
	SmaRT Ride:	\$223.12	\$199.96	110%	3	3.00	The average operating cost of an hour of revenue service.
	SacRT GO:	\$217.00	\$192.98	111%	3	3.00	The average operating cost of an hour of revenue service.
	Light Rail:	\$459.61	\$437.53	105%	3	3.00	The average operating cost of an hour of revenue service.
	On-Time Performance						
	On-Time Performance (Fixed Route)	80%	75.72%	95%	3	2.84	The percentage of trips completed within the scheduled on-time window.
	On-Time Performance (Paratransit)	85%	85.00%	100%	3	3.00	The percentage of trips completed within the scheduled on-time window.
	On-Time Departure (LR)	97%	94.53%	97%	6	5.85	The percentage of trips departing their mainline terminal points within the scheduled on-time window.
	Mean Distance Between Failures (Miles)						The average miles between mechanical problems that result in a vehicle not completing its scheduled revenue trip, or a vehicle not starting its next scheduled revenue trip.
	Bus	13,700	17,891	131%	3	3.00	Total fleet miles divided by total monthly road calls.
	CBS/SacRT GO/ SmaRT Ride	16,600	35,338	213%	3	3.00	Total fleet miles divided by total monthly road calls.
	Light Rail	8,200	8,434	97%	4	3.89	Total fleet miles divided by total monthly road calls.
	System Cleanliness	100%	95%	95%	5	4.74	The average score for LR Stations, Bus Stops, bus and light rail vehicle cleanliness metrics.
	Collisions Per 100k Miles (YTD)	1.6	0.57	164%	5	5.00	The quarterly number of accidents per 100,000 miles. Calculated by (Accidents/ Revenue Miles) *100,000.
	TOTAL POINTS				47	46.31	
Community Value	Rebuild Ridership Trust	4,171,841	4,195,928	101%	10	10.00	Quarterly Ridership (unlinked trips)
	Fare Evasion Rate	2.08%	0.45%	178%	5	5.00	Percentage of fares inspected divided by the number of citations issued for the month.
	Social Media Engagement						
	Facebook Reach/Impressions	140,000	265,000	189%	2	2.00	Total reach/impressions of content shared on SacRT social media platforms.
	Twitter Reach/Impressions	400,000	59,700	15%	2	0.30	Total reach/impressions of content shared on SacRT social media platforms.
	Instagram Reach/Impressions	30,000	70,158	234%	2	2.00	Total reach/impressions of content shared on SacRT social media platforms.
	LinkedIn Reach/Impressions	25,000	38,791	155%	2	2.00	Total reach/impressions of content shared on SacRT social media platforms.
	TOTAL POINTS				23	21.30	
Employee Engagement	% Agree They Receive Timely Feedback on Performance from Supervisor	68.15%	75.30%	110.49%	4	4.00	The % of employees that somewhat agree, agree, or strongly agree that they receive timely feedback on their performance from their supervisors.
	% Agree Teamwork is Encouraged and Practiced	73.92%	73.90%	99.97%	3	3.00	The % of employees that somewhat agree, agree, or strongly agree that teamwork is encouraged and practiced.
	% Agree They Receive Enough Training to be Their Best at Work	84.11%	84.70%	100.70%	3	3.00	The % of employees that somewhat agree, agree, or strongly agree that they receive enough training to be best their best at work.
	% Overall I am Happy At Work	88.50%	90.70%	102.49%	3	3.00	The % of employees that somewhat agree, agree, or strongly agree that they are happy at work at SacRT.
	% Agree they Have a Good Working Relationship with Those Around Me	96.50%	94.20%	97.62%	2	1.95	The % of employees that somewhat agree, agree, or strongly agree that they have a good working relationship with those around me.
	TOTAL POINTS				15	14.95	
Customer Satisfaction	Overall Customer Satisfaction	3.5	3.7	106%	10	10.00	Through customer surveys, using a scale of 0 to 5 of how satisfied the public is with SacRT. The KPI goal is overall score of 3.5 or higher.
	Service Level for Calls Answered for Customer Service, Customer Advocacy queues						
	Customer Service	80%	77%	96%	2.5	2.40	Percentage of calls answered within 20 seconds for Customer Service.
	Customer Advocacy	60%	33%	55%	2.5	1.38	Percentage of calls answered within 20 seconds for Advocacy queues.
	TOTAL POINTS				15	13.77	
OVERALL PERFORMANCE SCORE					100	96.33	

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Michael Cormiaae, Director, Light Rail Maintenance
SUBJ: CAPITOL CORRIDOR JOINT POWERS AUTHORITY MEETING
SUMMARY – NOVEMBER 20, 2024

RECOMMENDATION

No Recommendation - For Information Only.

SacRT Board Members Present: Tim Schaefer

AGENDA

- I. Call to Order 10:03 am
- II. Roll Call and Pledge of Allegiance (*Est. Time: 5 minutes*)
- III. Report of the Chair (*Est. Time: 10 minutes*) *Passed*
 1. Election of Chair and Vice Chair –
Bruce Houdesheldt, Chair, Melissa Hernandez, Vice Chair
- IV. Consent Calendar (*Est. Time: 5 minutes*) *Passed*
 1. Approve Minutes of the September 18, 2024 Meeting
 2. Authorize Amendment to Master Services Agreement with XenaTech Software Integration Services LLC for California Passenger Information Display System (CalPIDS)
 3. Authorize Amendment to S&K Endeavors Agreement for Legacy California Information Display System Management Support
- V. Action and Discussion Items
 1. San Francisco Bay Area Rapid Transit (BART) Administrative Services Agreement Renewal (*Est. Time: 15 minutes*) *Passed*

Public Comment: **Mike Barnbaum, Michael, Shirley**

Board Comments: **None**
 2. South Bay Connect Final Environmental Impact Report (EIR) Certification¹ and Approval² (*Est. Time: 30 minutes*) *¹Passed ²Passed*

Public Comment: **Mike Barnbaum, Julie, Carter, Sandra, Charlie, Adrian, Beth, Robin, Barbara, Jan, Michael, Jenny, Alejandra, Safarli, Tresa, Jonathan, Gerold, Yung, Liz, Nevpreet, Anthony Lanlan.**

Board Comments: **Saltzman, Houldesheldt, Frerichs, M. Hernandez, Raburn**
 3. Legislation and Funding Update – State and Federal (*Est. Time: 10 minutes*) *Info*
 4. Capital Project Update (*Est. Time: 15 minutes*) *Info*
 - a. Link21
 - b. CCJPA Capital Project Portfolio

Public Comment: Dominic, Liz, Anthony, Adrian

Boar Comments: None

5. Managing Director's Report (*Est. Time: 10 minutes*) *Info*
6. CCJPA Project and Program Updates(*Est. Time: 0 mins*) *Info*
 - a. Marketing and Communications Activities
 - b. Sacramento to Roseville Third Track
 - c. Davis Crossover and Signal Replacement
 - d. Stege Crossover and Signal Upgrade
 - e. Agnew Siding
 - f. Right-of-way Safety & Security
 - g. Link21Program
 - h. CalPIDS Modernization
 - i. South Bay Connect

VI. Board Director Reports (Est. Time: 5 minutes)

Info

VII. Public Comments (Est. Time: 10 minutes)

Public Comment: Liz, Jeffery

Board Comments: Saltzman

VIII. Adjournment. Next Meeting Date: 10:00 a.m., February 19, 2025 – SF Bay Area Rapid Transit District Board Room in Oakland

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Blanca Araujo, VP, Operations
SUBJ: MOBILITY ADVISORY COUNCIL MEETING SUMMARY –
NOVEMBER 21, 2024

RECOMMENDATION

No Recommendation - For Information Only.

SUMMARY

The following is a summary of the Mobility Advisory Council Meeting (MAC) held on November 21, 2024. Full Meeting Minutes and previous MAC Meeting Minutes can be found at www.sacrt.com/sacramento-regional-transit-mobility-advisory-council/

Item 1. Call to Order

Item 2. Introduction of Council Members and Staff

Item 3. Approval of Minutes

Item 4. Public Comment

- Mr. Coplin shared that a rider using a walker could not understand how to board the light rail at Zinfandel.

Item 5. Chair Report

- Mr. Thom reported that MAC members will be selected for the Access & Infrastructure and Training, Communications & Policies committee at the January MAC meeting. There will be an election for chair of both committees. Dyanne Olafson, Jacob Miller, and Melissa Bachrach have been newly appointed to the MAC.

Item 6. Old Business

- A. Cal Integrated Travel Project Update: Casey Courtright, Director Office of Management and Budget reported that Cal ITP Tap-to-Ride equipment will be installed on all fixed-route services and SacRT GO beginning in December through January 2025. Staff are working with two hardware vendors, CUBA and payment processor Little Pay.
- B. Station Improvement Update: Henry Ikwut-Ukwa, VP, Capital Programs and Craig Norman, Director Engineering and Construction reported that SacRT is on phase

three of the station improvement program on the Gold Line, which is to update Blue Line stations Swanston, Roseville Road, Globe, and Alkali Flat-La Valentina. Swanston Station was completed in October; the platforms are raised 8 inches to accommodate low-floor trains. Globe and Alkali Flat will begin in January 2025.

- C. S700 LRV Post Launch Update: Anthony DiCristofano, Assistant Vice President, and Michael Cormia, Director Light Rail Maintenance reported SacRT now has 18 S700 trains, and another will be delivered in December 2024. Staff are working with Siemens to fix missing announcements at some stations, the ramp extension tone, and the tape switch.
- D. Mystery Rider Update: This item was tabled.
- E. SacRT Flex Update: Anthony Adams, Director Planning and James Drake, Senior Planner reported that customer registration will begin on December 2, 2024. A soft launch will kick off on December 17, 2024, with a full launch on January 2, 2025. The SacRT Flex fleet will consist of 11 passenger vans, with a rear-entry ramp. Eligible riders will either show proof of low income or proof of disability, including SacRT GO eligibility, DMV handicap placards, senior status, or other.
- F. SacRT GO 1st Quarter Operations Update: Kathy Sachen, Paratransit Operations Manager reported a correction to last month's report on total ridership for FY25 Q1; it was 31,930; she also said 0.34% of trips were late by over 60 minutes.

Item 7. New Business

Item 8. Other Business

- Ms. O'Connell requested a presentation about bus service adjustments in Elk Grove and how that may impact SacRT GO. She also asked for a presentation about bus cancellations and what riders can do when buses have cancellations or service disruptions. Mr. Thom said this can be discussed as an agenda item.

Item 9. Announcements/Council Members Request for Information

STAFF REPORT

DATE: December 9, 2024
TO: Sacramento Regional Transit Board of Directors
FROM: Sarah Poe, Senior Planner
SUBJ: SAN JOAQUIN JOINT POWERS AUTHORITY MEETING
SUMMARY – NOVEMBER 22, 2024

RECOMMENDATION

No Recommendation - For Information Only.

Chair Pat Hume was present for the special meeting of the San Joaquin Joint Powers Authority on November 22, 2024 (10:00am-11:30am).

Meeting Notes

Item 1. Call to Order, Pledge of Allegiance, Roll Call

Item 2. Public Comments

- Steve Roberts (Public) explains that Amtrak won funding to put antennas on trains.

Item 3. Consent Calendar

- All items were passed on consent.

Item 4. Adopt a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Approving an Agreement with Tai Ginsberg & Associates, LLC for Federal Legislative Advocacy Services in an Amount Not-To-Exceed \$1,078,490 and Authorizing the Executive Director to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Project including Approving Any and All Amendments thereto within Her Spending Authority (Stacey Mortensen/Autumn Gowan)

Staff seeks authority to execute contract with Tai Ginsburg & Associates for Federal Advocacy Services

Public Comments:

- No public comments

Board Vote:

- Item was passed

Item 5. Adopt a Resolution of the San Joaquin Joint Powers Authority Approving an Agreement with JMA Civil, Inc. for Project Development Support Services (PDSS) for Burlington North Santa Fe (BNSF) Specific Projects for an Amount Not-to-Exceed \$585,301 and Authorizing the Executive Director to Negotiate, Award, and Execute Any and All

Agreements and Documents Related to the Project including Approving Any and All Amendments thereto within Her Spending Authority (Laurence Farrell)

Staff seek authority to execute contract and any future amendments with JAM Civil Inc. regarding BNSF related project development.

Public Comments:

- No Public Comments

Board Vote:

- Item was passed

Item 6. Adopt a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Extending the Revenue Management Pilot for the San Joaquins Intercity Passenger Rail Service to January 31, 2025, and Authorizing the Executive Director to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Project Including Any and All Amendments thereto within Her Spending Authority (David Lipari)

Staff seeks to sunset the Revenue Management pilot program approved back in November 2023

Director Young asks if Marketing is helping to provide revenue in addition to the pilot pricing program. Staff believes so, and one of the reasons to sunset their program is to see how much of an effect marketing is having.

Public Comments:

- No Public Comments

Board Vote:

- Item was passed

Item 7. San Joaquins Service Food and Beverage Program Update (Marques Cook)

Staff gives updates on the Food and Beverage program

Public Comments:

- No Public Comments

Board Vote:

- Item is informational, no board action is necessary

Item 8. Adopt a Resolution of the Governing Board of the San Joaquin Joint Powers Authority Allowing for an Agreement with Compass Group USA, Inc. dba Canteen for an Amount Not-To-Exceed \$2,200,000 to support the Food and Beverage Program Pilot for the San Joaquins Intercity Passenger Rail Service from January 1, 2025 to December 31, 2025, and Authorizing the Executive Director to Negotiate, Award, and Execute Any and All Agreements and Documents Related to the Project Including Any and All Amendments thereto within Her Spending Authority (Marques Cook)

Staff seek authority to enter into an agreement with Compass Group USA to support the Food Beverage pilot program.

A board member asks if there are controls for administering food. Staff responds that there are procedures.

Director Hernandez suggests scaling down the portions of snacks

Public Comments:

- Doug Kerr (Rail Passenger Association of California) advocates the current state of the food and beverage program is not sufficient for riders traveling longer distances.

Board Vote:

- Item was passed

Item 9. Recent Grant Awards

Staff updates the board on recent Grant Awards

Public Comments:

- No Public Comments

Board Vote:

- Item is informational, no board action is necessary

Item 10. Update and Discussion of Central Valley Region Marketing and Outreach Efforts for Amtrak San Joaquins (Marques Cook)

Staff gives updates to marketing and outreach efforts in the Central Valley Region

Public Comments:

- No Public Comments

Board Vote:

- Item is informational, no board action is necessary

Item 11. Recognition of Board Members

Recognition of Director Young stepping down as Director

Public Comments:

- No Public Comments

Board Vote:

- Item is informational, no board action is necessary

Item 12. Board Member Comments

Chair Hume appreciates the work Young put into the SJJPA

Director Hernandez congratulates Young on their retirement

Item 13. Executive Director's Report

Executive Director gives regular report

Public Comments:

- No Public Comments

Board Vote:

- Item is informational, no board action is necessary

Item 14. Adjournment

The next regular SJJPA meeting is scheduled for January 24, 2025 at 10:30 PST