



# Adopted Budget Fiscal Year 2024

San Joaquin Regional Transit District

421 East Weber Avenue, Stockton, CA 95202 | Phone: (209) 943-1111 | [sjRTD.com](http://sjRTD.com)

(Page intentionally left blank.)

# Table of Contents

Message from the CEO. . . . .	2
Profile of RTD. . . . .	4
Rider Demographics . . . . .	6
Organizational Chart . . . . .	8
Transit Centers. . . . .	9
Transfer Stations. . . . .	9
Services . . . . .	10
Access San Joaquin . . . . .	12
Strategic Plan . . . . .	14
Fiscal Year 2024 Goals and Initiatives. . . . .	15
Budget Process . . . . .	16
Budget Approval Board Resolution. . . . .	18
Budget Summary . . . . .	19
Revenue Sources . . . . .	20
Operating Revenues . . . . .	28
Operating Expenses . . . . .	29
Personnel Expenses (Wages and Fringe Benefits) . . . . .	31
Funded Full Time Equivalents (FTEs) . . . . .	32
Non-Personnel Operating Budget . . . . .	36
Capital Budget. . . . .	38
Budget Risk and Economic Conditions. . . . .	40

# Message from the Board Chair and the CEO



Gary Giovanetti, Board Chair

We are thankful that the pandemic is behind us and that we were able to keep our customers and our employees safe. We are now focusing our work on growing ridership; designing the system to meet the customers' needs; employee development and retention and continuing the transition of our fleet to zero emission vehicles.

We are pleased to present the balanced budget for San Joaquin Regional Transit District's (RTD) Fiscal Year 2024 (FY24) Budget. RTD's FY24 budget covers the period from July 1, 2023, through June 30, 2024. This FY24 budget was prepared based on the strategic initiatives contained within RTD's FY24 Strategic Plan in collaboration with the Board and our dedicated employees who are all committed to providing quality public transportation services to the residents of San Joaquin County and to doing our part to help reduce vehicle emissions.



Alex Clifford, Chief Executive Officer

The FY24 Operating Budget is \$53.21 million and the FY24 Capital Budget is \$12.48 million. The budget includes a new focus on the county's transit dependent and underserved communities. In FY24, this new focus will also result in RTD implementing service improvements in the areas of safety, reliability, and sustainable mobility solutions, including higher frequency service in underserved areas of the county.

The FY24 Budget continues to reflect a steady growth in ridership, and therefore a small year-over-year increase in fare revenues. It also includes a projected increase in sales tax revenues in San Joaquin County that results in a higher Transportation Development Act (TDA) revenue



estimate for RTD. These additional dollars will help to offset increases in the costs of goods and services resulting from inflation and vendor supply chain-related price increases. As we strive to increase our farebox recovery ratio, in the coming year RTD will continue to implement measures to reduce fare evasion, including the installation of fareboxes on the BRT buses, front door boarding only, and increased security dedicated to fare-checking, among other measures.


The FY24 Capital Budget of \$12.48 million is aligned with RTD's goals and helps to keep RTD's infrastructure and vehicles in a state of good repair; enhance the safety and security of our customers and employees; improve the customer experience; implement technology; and maintain our vehicles and facilities. Further, RTD will continue its commitment to creating an environmentally responsible business model by continuing to comply with the California Air Resource Board (CARB) Innovative Clean Transit (ICT) regulation - Zero emission buses by 2040. To that end, in FY24, RTD will implement the next phase of clean vehicle technology with a hydrogen fuel cell electric bus pilot project. The pilot project will include the installation of a liquid hydrogen refueling trailer and at least five Fuel Cell Electric Buses.

As we strive to deliver the service we promise to the public, RTD continues to experience challenges in the recruitment for Bus Operators and other mission critical positions throughout the agency. In the coming year, RTD will continue to implement measures to attract and retain employees, provide career development, and succession planning.

The FY24 budget builds upon the successes of the prior year; improves service to underserved communities in San Joaquin County; and takes yet another major step to build upon the zero-emission bus program platform first initiated by RTD in 2013 when the agency added zero emission battery electric buses to the fleet. RTD continues to be a leader in innovation and in doing our part to improve the air quality in the San Joaquin Valley air basin.

Join us in taking this great ride together.

Sincerely,



Gary Giovanetti  
RTD Board Chair



Alex Clifford  
Chief Executive Officer

# Profile of RTD

San Joaquin Regional Transit District (RTD) is the regional transit provider for San Joaquin County. RTD is a political subdivision of the State of California, organized and existing under the San Joaquin Regional Transit District Act, as found in the California Public Utilities Code, commencing with Section 50000. Established in 1963 as the Stockton Metropolitan Transit District (SMTD), SMTD began providing service in 1965. With the expansion of its service area to all of San Joaquin County and Bay Area, SMTD became San Joaquin Regional Transit District in 1994. RTD is a special district and fiscally independent of the City of Stockton and San Joaquin County as far as neither makes budget appropriations to RTD.

RTD provides the following services throughout San Joaquin County:

- Twenty-six Stockton Metropolitan Area (SMA) and adjacent unincorporated area routes.
- Five Bus Rapid Transit routes.
- Five County Hopper deviated fixed routes.
- Seven Metro Hopper deviated fixed routes.
- Three Commuter routes to Tracy, Sacramento, Dublin/Pleasanton BART Station with connections to the Bay Area.
- Dial-A-Ride service for persons who, due to their disability, are unable to use fixed-route service.
- Van Go! mobility on demand service.

RTD is designated as Manager of Access San Joaquin programs. Access San Joaquin is a Consolidated Transportation Services Agency (CTSA) formed by multiple transit operators in San Joaquin County. One of its primary goals is to improve the quality of transportation services for low-mobility groups such as seniors and people with disabilities.

RTD has four transfer stations in south, central, and north Stockton: Downtown Transit Center (DTC), Union Transfer Station (UTS), Hammer Transfer Station (HTS), and Mall Transfer Station (MTS) to provide convenient connections between its routes and services. RTD has 146 revenue vehicles, a total of 308 employees in administration, transportation, and maintenance, working in its three Stockton operations and administrative locations: County Transportation Center (CTC), Downtown Transit Center (DTC), and Regional Transportation Center (RTC).

RTD has consistently delivered innovative, high-quality service, and consistently passes reviews and audits. RTD received multiple awards, the notable ones were the “Outstanding Public Transportation System Achievement Award,” a very prestigious award that only goes to those public transit systems in North America that have excelled in service and leadership. RTD received the 2022 AdWheel First Place and Grand Award for the Best Comprehensive Campaign to Highlight Transit Needs/Funding for the Marketing for Workforce Recruitment ads from the American Public Transportation Association. RTD was among 16 esteemed organizations drawn from 300 entries to receive recognition. RTD has consistently been a recipient of the “Excellence in Financial Reporting Award” for nineteen years in a row.

## **Board of Directors**

A five-member Board of Directors governs RTD. The Stockton City Council appoints two members, the San Joaquin County Board of Supervisors appoints two, and the City Council and Board of Supervisors appoint one.

Gary Giovanetti, Chair  
Les Fong, Vice-Chair  
Michael Restuccia, Director  
Balwinder Singh, Director  
Stephan Castellanos, Director

Per RTD's Rules of Procedure, the Chair of the Board of Directors may create standing, special, and/or ad hoc committees consisting of not more than two Directors and one alternate Director to advise the Board on matters assigned to the committees. Per Rule of Procedure 3.13.3 the Chair shall fill any vacancy. The following are RTD's current Board Standing Committees.

## **Facilities Committee**

Construction and remodeling Projects, Land Needs, and Site Selection Review.

## **Finance and Audit Committee**

Pre-Audit Conference, Post-Audit Conference, and Budget and Financial Reviews.

## **Personnel Committee (Human Resources)**

Reviews and recommend Salary Schedule, Review of personnel policies and guidelines, and CEO's Annual Review.

## **City/County/Transit Liaison Committee**

Apprise RTD of policy issues regarding transit in the region.

## **Retirement Board**

Manage Retirement Plan accounts in accordance with the Retirement Plan.

## **San Joaquin Council of Governments (SJCOG) Ex-Officio**

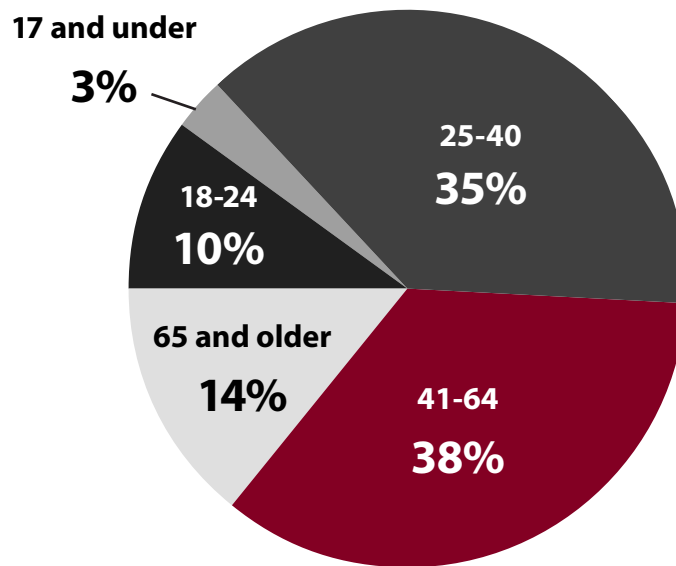
Serves on the SJCOG Board as RTD's Ex-Officio representative.

## **Executive Management Team**

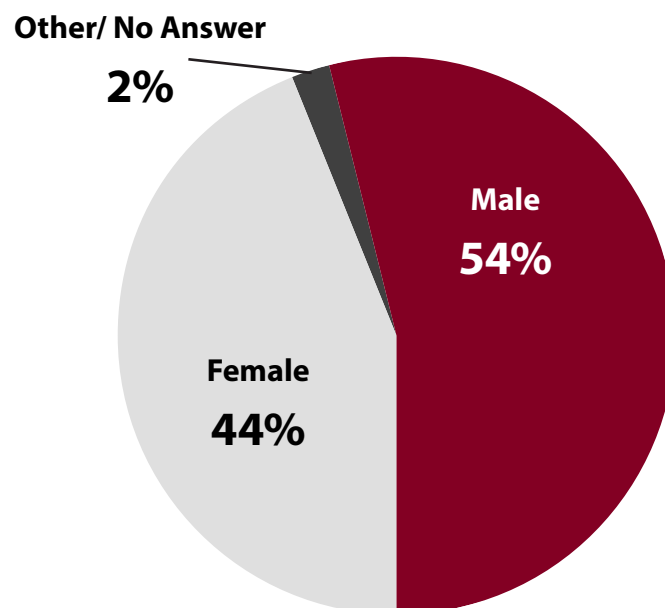
Alexander Clifford, Chief Executive Officer  
Ciro Aguirre, Chief Operating Officer  
Robert Kyle, Chief Financial Officer  
John Hodson, Chief Information Officer

# Rider Demographics

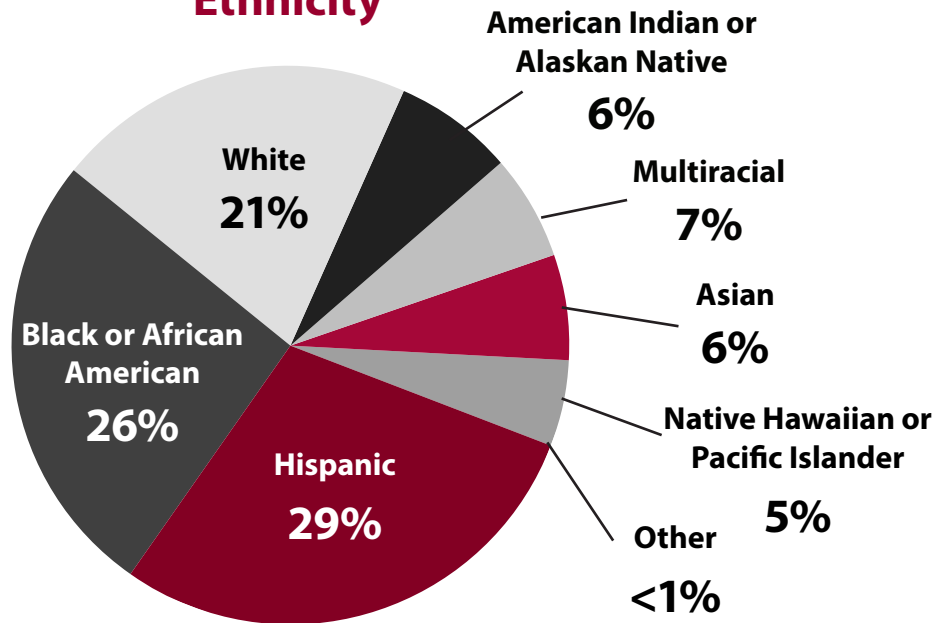
## Age



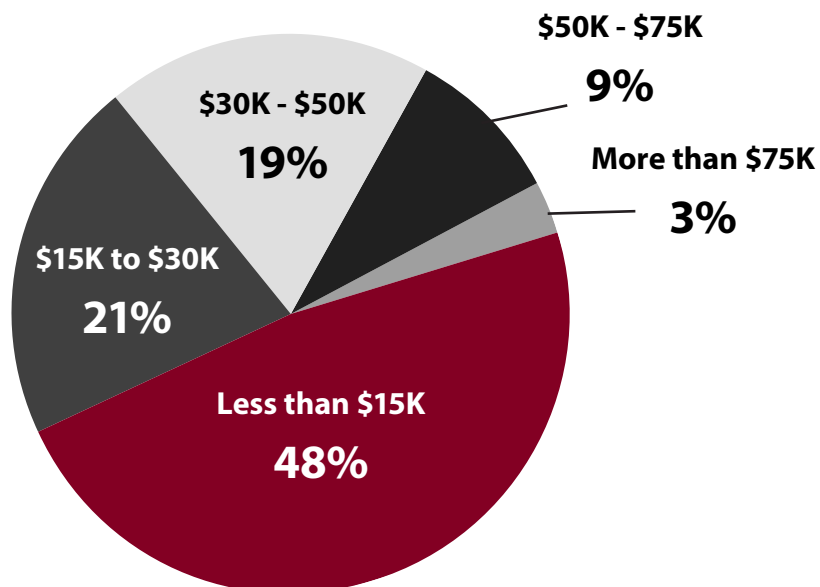
## Gender



## Ethnicity

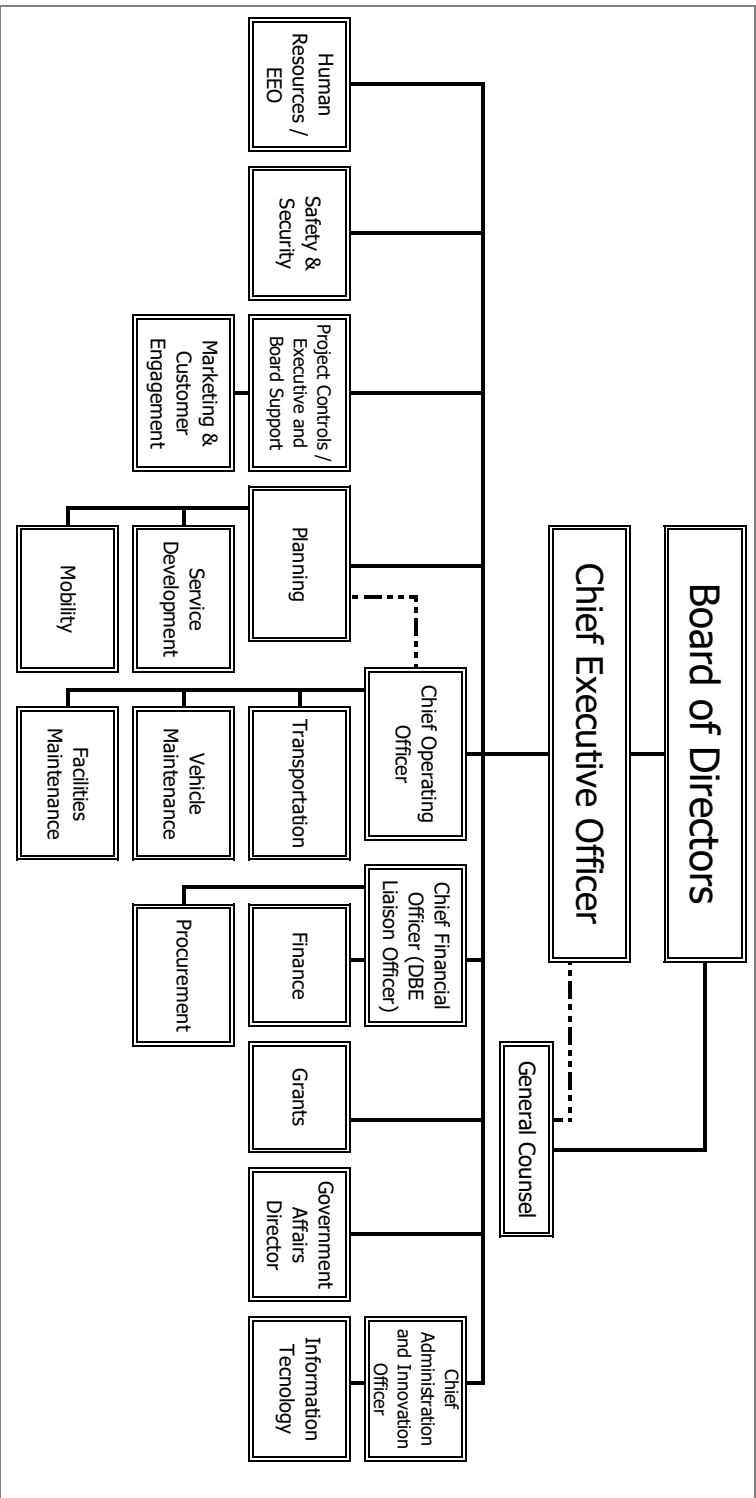


## Household Income





# Organizational Chart



# Transit Centers

## Downtown Transit Center (DTC)

421 East Weber Avenue, Stockton, CA 95202  
General offices and Customer Engagement offices.



## Regional Transportation Center (RTC)

2849 East Myrtle Street, Stockton, CA 95205  
Central maintenance and operations facility for Metro services and general offices.



## County Transportation Center (CTC)

120 North Filbert Street, Stockton, CA 95205  
Central operations facility for County services.



# Transfer Stations

## Downtown Transit Center

421 East Weber Avenue, Stockton, CA 95202

## Hammer Transfer Station

7735 N Lower Sacramento Road, Stockton, CA



## Mall Transfer Station

Yokuts and Pacific Avenues



## Union Transfer Station

1505 South Union Street, Stockton CA 95206



# Services

RTD provides services within San Joaquin County, Sacramento, and to the Dublin BART Station. RTD services cover 1,426 square miles with services to the Stockton Metropolitan Area (SMA), including its adjacent San Joaquin unincorporated areas, connections to the City of Manteca, City of Tracy, City of Lodi, City of Lathrop, City of Escalon, and City of Ripon.

The FY24 budget assumes service increase and improvements to provide safe, reliable, and sustainable mobility that is more frequent and connected particularly in disadvantaged communities within the City of Stockton. RTD will complete its evaluation on the effectiveness and sustainability of the pilot micro transit project known as Van Go! service and will continue to monitor all services to ensure they meet the needs of our customers. RTD will continue its partnership with schools to increase ridership and make efforts to let the community know that RTD is their partner in transportation needs and coordinate to ensure that RTD provides appropriate, reliable, and sustainable services.



## Local

RTD's Local services connect to RTD's BRT Express, Hopper, and Commuter services at RTD's major transfer locations; the Downtown Transit Center (DTC), Mall Transfer Station (MTS), Union Transfer Station (UTS) and Hammer Transfer Station (HTS).



## Bus Rapid Transit (BRT) Express

BRT Express routes 40, 43, 44, 47, and 49 operate within SMA with fewer stops and more frequent trips than regular bus service to make it fast, reliable, and with convenient connections at the following RTD's major transfer locations: Routes 40, 44, and 47 at DTC, Routes 40 and 43 at HTS, Routes 44 and 49 at UTS, and Route 40 at MTS.



## Paratransit Service

RTD offers paratransit service for Americans with Disabilities Act (ADA)-certified passenger within SMA. This program provides curb-to-curb service to eligible individuals who, due to their disability, are functionally unable to use fixed-route services. This service is available seven days a week by appointment only during SMA service hours and within three-quarters of a mile of SMA fixed routes. Persons interested in this service must obtain certification under the ADA through an eligibility process.

RTD will provide free transportation to and from the ADA eligibility in-person interview if needed. Individuals may bring a family member or a Personal Care Attendant (PCA) to accompany them to the interview. To schedule an eligibility interview, call (209) 242-9965.



## Van Go!

Van Go! is a pilot on-demand micro transit rideshare service that offers seamless trips throughout San Joaquin County. Van Go! service requires advance booking and can be booked using Van Go! Desktop web app or mobile app. Van Go! service is provided in vehicles that are safe and accessible (can transport wheelchairs). Drivers are professionally trained and ready to help.



## Commuter Services

Commuter services connect San Joaquin County customers to Dublin BART (Route 150), Tracy Depot (Route 120), and Sacramento (Route 163). "Park and Ride" are free parking facilities for commuters to park their cars and connect with RTD's Commuter services.



## Metro and County Hopper

Metro Hopper is a deviated fixed-route service serving popular destinations throughout the Stockton city limits. There are seven weekday routes that operate Monday – Friday, 6:00 a.m. to 6:30 p.m. Metro Hopper can deviate from its normal route for ADA-certified customers a distance of up to one mile with advance reservation. 75% of ADA-certified customers in SMA use deviated Metro Hopper service.

County Hopper is a deviated fixed-route service serving San Joaquin County and provides intercity connections between Stockton, Tracy, Lodi, Manteca, Ripon, Lathrop, and Escalon. There are 5 weekday routes that operate from 5:30 a.m. to 9:00 p.m. County Hopper can deviate from its normal route a distance of up to one mile to accommodate customers who are not able to reach their destinations within a rural area. Deviation requires advance reservation.



# Access San Joaquin

Access San Joaquin is a Consolidated Transportation Services Agency (CTSA) formed by multiple transit operators in San Joaquin County. RTD is designated as the manager of Access San Joaquin programs. CTSA programs are fully funded by the Transportation Development Act - Local Transportation Funds (TDA-LTF).



One of the primary goals of Access San Joaquin is to improve the quality of transportation services for low-mobility groups such as seniors and people with disabilities who are unable to use traditional public transit services. Access San Joaquin provides centralized information for countywide transit services, which includes Altamont Corridor Express, Escalon eTrans, Lodi Grapeline, Manteca Transit, Ripon Blossom Express, Tracy Tracer, City of Lathrop, and San Joaquin RTD. Access San Joaquin provides the following services:



## ADA Eligibility Assessment

ADA- certified individuals are qualified to use ADA complementary Dial-A-Ride services within San Joaquin County. This program is specifically designed for those individuals who, due to their disability, are functionally unable to use fixed route services. Call (209) 242-9965 to schedule an interview.



## Travel Training Program

Dedicated professionals teach seniors and persons with disabilities how to use public transit so they can navigate independently to specific destinations, maneuver mobility aids on and off buses, identify landmarks, and travel to and from bus stops using public transportation services of RTD, Lodi Grapeline, Tracy Tracer, Manteca Transit, Ripon Blossom Express, and Escalon eTrans.





### **Discount Fare Card (DFC) Program**

Offers discounted fares of no more than half the regular base fare to DFC holders, who meet the eligibility criteria (seniors, and persons with disabilities). Any person, regardless of age or condition, may ride for a discount fare when displaying a Medicare Card or Department of Motor Vehicle (DMV) placard and a photo ID (under Federal Law).



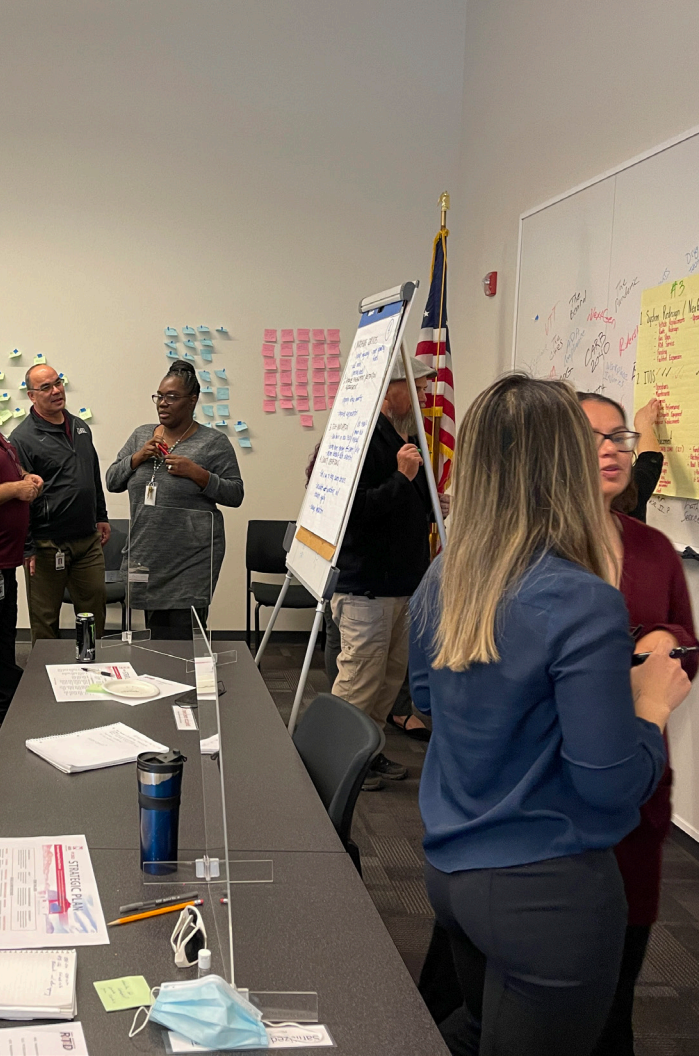
### **My Ride**

It is a self-directed, practical, and empowering mileage reimbursement service program that enables ADA-certified passengers to compensate their friends and neighbors for providing them with transportation assistance within San Joaquin County.



### **Access Pass**

The pass allows ADA-certified passengers to ride most fixed-route services free of charge on all systems in San Joaquin County. All buses are ADA-accessible; without the requirement of making advanced reservations (as is necessary for ADA Dial-A-Ride service), this provides greater freedom to limited mobility passengers.



# Strategic Plan

RTD's operating and capital planning decisions are based on the strategic initiatives contained within its annual Strategic Plan. The mission and vision statements of RTD guide the initiatives. Annual updates to the plan are developed through a collaboration of RTD's dedicated employees representing all departments across the agency, then presented to RTD Board of Directors for review and adoption.

## Mission Statement

To provide a safe, reliable, and efficient transportation system for the region.

## Vision

To be the transportation service of choice for the residents we serve.

## Core Values

### Customer Service

We serve our customers well because we are empowered by the strength, contributions, and dedication of our employees. We treat each other, our customers, and our community with respect, integrity, and loyalty.

### Safety

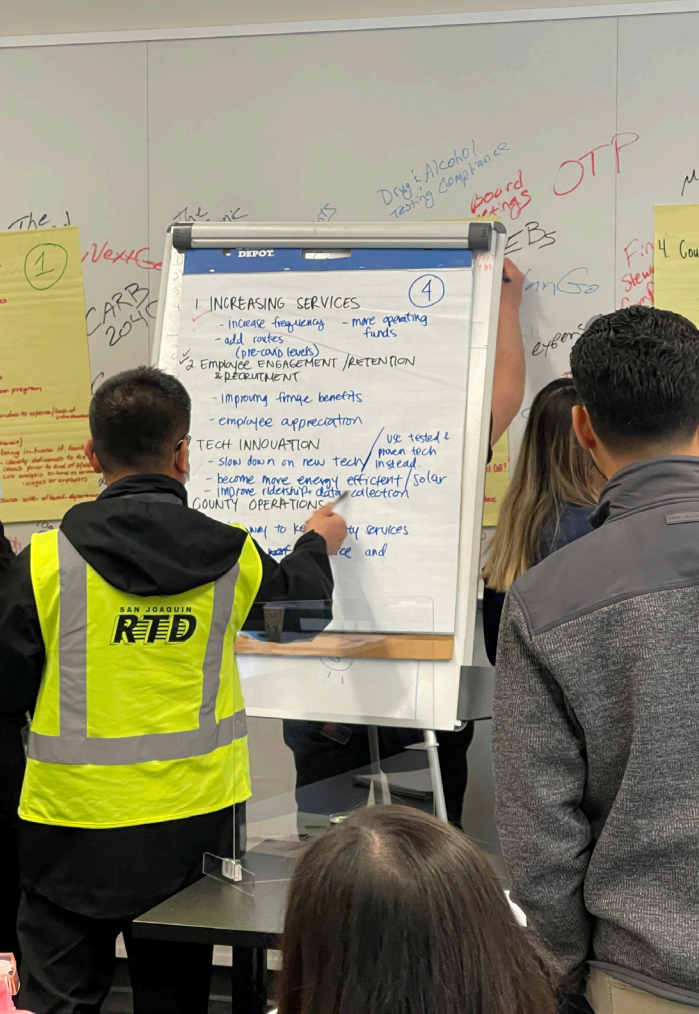
We commit to creating a safe and responsible environment for our employees, our customers, and our community.

### Positive Work Environment

We promote a positive work environment by supporting each other through effective communication, teamwork, and appreciation for our diverse abilities and contributions.

### Sustainability

We commit to a sustainable business model that includes environmental and fiscal responsibility, business continuity, and succession planning.





# Fiscal Year 2024 Goals and Initiatives

## Employees

- Empower employees to continually advance their careers by aligning training to improve and develop.
- Increase morale with timely, meaningful feedback and involvement in decision-making.
- Boost Joint Workforce Investment Program to provide a greater career opportunity.
- Prioritize safety with effective communication systems in the workplace.
- Enhance wellness program for a healthy work/life balance.
- Work to create a pathway from frontline employee to supervision.

## Customers

- Enhance the customer experience with technologies and service improvements.
- Improve customer safety perception.
- Ensure that what we do or propose helps to satisfy a customer's transit need or improves the customer experience.
- Simplify fare payments.

## Financial Health

- Leverage grants, revenue contracts, and partnerships to catapult sustainable ridership growth.
- Establish a resilient business model informed by the comprehensive system redesign study, driving long-term financial viability.
- Align business decisions with robust key performance indicators, transparency, and a steadfast commitment to fiduciary accountability.

## Operations Excellence

- Revitalize service offerings while being agile to customer needs and funding availability.
- Continuously assess the efficacy of service design to deliver quality transit experience with RTD's resources.
- Create and establish departmental key performance indicators.
- Seamless implementation of software solutions.

## Community Relations

- Amplify RTD's value to the community by fostering meaningful public engagement that informs, involves, and empowers individuals to utilize and advocate for public transit.
- Enhance and showcase RTD as an exemplary model of safe, clean, reliable, efficient, and cost-effective transportation for the community.
- Actively promote RTD services to regional governing boards, Chamber of Commerce, transit-dependent resource groups and centers, educational institutions, and stakeholders.
- Strengthen regional partnerships to mutually support and advocate for innovative programs and services in the region.

## Innovation

- Increase ridership with the use of modern technology.
- Proactively monitor and maintain our fleet to ensure a safe, comfortable, and accessible ride for our operators and passengers.
- Increase the use of hybrid and zero-emission buses to improve our energy efficiency and reduce greenhouse gases.
- Maintain the business continuity plan to further improve resiliency.

# Budget Process

RTD has been strategic and proactive in its fiscal management to avoid structural deficit. On an annual basis, RTD reviews and updates its strategic goals and initiatives to determine its operating and capital requirements. It is important to ensure the availability of financial resources to maintain existing levels of service and to fund operating expenses and planned capital projects to keep RTD's infrastructure and buses in a state of good repair.

RTD adopts a zero-based operating budget. The budget is a financial plan governing the fiscal year's operating and capital investments. The budget matches revenues with operating and capital project expenses based on adopted policies and direction set by RTD's Board of Directors. The budget line-item expenses are classified in accordance with the required Federal Transit Administration (FTA) Uniform System of Accounts for public transit.

The budget process follows three basic steps that provide continuity in decision-making:

1. Assess current conditions and needs to develop goals, objectives, policies, and plans.
2. Prioritize projects and develop a work program based on available resources.
3. Implement identified project plans and evaluate their effectiveness and shortcomings.

The budget process started with budget formulation training, preparation of forms, templates, historical data, then followed by a strategic planning with staff last January 17, 2023. Department heads were required to submit the details of their line-item operating budget proposals, personnel needs, planned service levels, and capital project plans along with justifications. Submitted proposals were tested for reasonability based on justifications, and/or comparison with five-years historical data. The preliminary budget was calculated based on department heads' proposals, approved assumptions, historical data, and proposed service levels.

Planning: Strategic planning with management staff (1/17/2023)

Budget training, preparation of forms and templates, service levels, and preliminary assumptions.

Funding sources and revenue estimates

Budget calculations and deliberation meetings

CEO review

Finance and Audit Committee Board review (5/12/2023)

Board review (5/19/2023 and 5/22/2023)

Board adoption (6/19/2023)

Budget distribution to stakeholders

Budget control and status reporting

Projected revenue sources were applied to FY24 proposed expenses and capital projects accordingly, then presented to the CEO for review. The CEO, CFO, and Director of Financial Planning conducted budget deliberation meetings with each department head to give them an opportunity to provide justifications for reversal of budget cuts and for further analysis of the underlying assumptions for revenue and expense projections, the number of authorized positions by department, and revenue service hours and miles during the fiscal year.

The details of the preliminary budget and the assumptions applied to the calculations were presented to RTD's Finance and Audit Committee Board last May 12, 2023, for review and to answer their questions. The details of the budget were also presented to the full Board for their review on May 19, 2023. A separate budget review meeting was conducted on May 22, 2023, for a Board member unable to attend the May 19, 2023, meeting. The Operating and Capital budget was adopted by the Board on June 16, 2023, Board of Directors Meeting.

After Board approval, the line-item details of the adopted budget were entered in the financial system. Newly created accounts are entered in Transtrack ERP system with applicable cost allocation setup to applicable service(s).

The adopted budget is then distributed to stakeholders. A monthly "Budget vs. Actual" analysis and status will be reported to the Board at the Board's regular monthly meetings. RTD conducts quarterly meetings with department heads for explanations or justifications of budget category line items that might go over the budgeted amount by fiscal year-end. An increase to the overall total of operating and capital budget requires Board approval.





# Budget Approval Board Resolution

RESOLUTION NO. 7034  
DATED: JUNE 16, 2023

RESOLUTION ADOPTING THE FISCAL YEAR 2024 OPERATING BUDGET IN THE AMOUNT OF \$53,205,623 AND CAPITAL BUDGET IN THE AMOUNT OF \$12,484,608

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the San Joaquin Regional Transit District as follows:

- 1) That the Fiscal Year 2024 operating budget in the amount of \$53,205,623 and capital budget in the amount of \$12,484,608 be, and hereby are, approved; and
- 2) That the CEO be, and hereby is, authorized and directed to carry out the programs as outlined within the Budget.

Alex Clifford, the duly appointed, qualified, and acting Secretary of the San Joaquin Regional Transit District, does hereby certify that the foregoing is true and exact copy of the Resolution passed and adopted at a regular meeting of the Board of Directors of said District held on June 16, 2023.

DATED: June 16, 2023

  
ALEX CLIFFORD, SECRETARY

# Budget Summary

FY 2023-24 Operating Budget	
Revenues	
Passenger Fares	\$ 2,112,428
Auxiliary and Non-transportation	\$1,120,126
Property Tax	\$1,336,386
Measure K	\$5,706,030
LCTOP	\$1,602,176
TDA-STA	\$175,000
TDA-LTF	\$32,363,399
Federal Programs	\$8,690,077
<b>Total Operating Revenue</b>	<b>\$53,205,623</b>
Operating Expenses	
Wages & Fringes	\$36,854,204
Services	\$4,815,580
Materials & Supplies	\$3,669,899
Utilities	\$1,270,443
Insurance	\$1,938,589
Taxes & Licenses	\$289,031
Purchased Transportation	\$2,299,663
Operating Contingency	\$500,000
Miscellaneous Expenses	\$1,568,215
<b>Total Operating Expenses</b>	<b>\$53,205,623</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>

FY 2023-24 Capital Budget	
Capital Funding Sources	
FTA 5307 Urbanized Area (UZA) Formula Program	\$8,002,967
FTA 5339 (a) Bus & Bus Facilities	\$1,629,791
SB1 State of Good Repair (SGR)	\$819,238
State Transit Assistance (STAF)	\$2,032,612
<b>Total Projected Capital Funds</b>	<b>\$12,484,608</b>
Capital Projects	
Communication, IT and Office Equipment	\$5,906,836
Facilities-Associated Transit Improvements	\$254,812
Facilities-Other Capital Improvements	\$4,447,955
Maintenance Equipment and Support Vehicles	\$819,238
Safety and Security	\$1,055,767
<b>Total Proposed Capital Projects</b>	<b>\$12,484,608</b>
<b>Budget Surplus (Deficit)</b>	<b>\$ -</b>

# Revenue Sources

San Joaquin RTD receives funds from fares, local sources, state sources, federal sources, advertising revenue on its vehicles, and interest revenue. Certain revenue sources are restricted to either operating or capital expenses and other sources are flexible or fungible for use in operating or capital expenses.

## Fare Revenue

Fares collected from passengers are used to fund operations. The Fare revenue growth is mostly dependent on an increase in ridership. Fare revenue is projected to increase by 4.8% over FY23 because ridership is projected to increase but remains below pre-COVID levels. The Farebox

Ratio, which is the ratio of fares over operating expenses, is one of the required efficiency criteria measures of the Transportation Development Act funding. The farebox ratio requirement was lifted through the end of FY26. RTD will implement measures to curtail fare evasion to help improve its farebox ratio. The Stockton Unified School District, the San Joaquin Delta College, and the San Joaquin County Office of Education provide RTD with fare subsidies to allow their students to ride fare-free, except on Van Go!, Commuter routes, and Paratransit services.

RTD Fare Structure				
Services:		1-Ride	1-Day Pass	31-Day Pass
<b>BRT Express, Local, Intercity, &amp; Hopper Services</b>				
<b>Discount</b>	Ages 60 and over, persons with disability, veterans, Medicare card holders, and eligible passengers with Discount Fare Card (DFC).	\$0.75	\$2.00	\$30.00
<b>Full Fare</b>	Ages 18 to 59.	\$1.50	\$4.00	\$65.00
<b>Student</b>	31-Day Pass requires valid student ID. Students from schools that subsidizes "Fare-Free Program", ride for FREE. i.e, Students of Stockton Unified Schools District (SUSD), San Joaquin Delta College, and San Joaquin Office of Education (SJOE)	\$1.50	\$4.00	\$40.00
<b>Children</b>	Limited to three children ages 4 and under, must be accompanied by a fare paying adult. \$1.50 for each additional child. Riders under age 9 must be accompanied by an adult.	FREE for the first 3 children, \$1.50 for each additional child.		
<b>ADA Dial-A-Ride (DAR)</b>	ADA passengers. Reservations required.	\$3.00		
<b>Hopper Deviation</b>	ADA passengers. Reservations required. 10-Ride punch card is also available for \$10	\$1.00	10-Ride punch card is available for \$10.	
<b>Commuter</b>	Monthly pass is by subscription only.	\$7.00		Varies by route
<b>Van Go!</b>				
<b>Discount</b>	Ages 60 and over, persons with disability, veterans, Medicare card holders, and eligible passengers with Discount Fare Card (DFC).	\$3 one-way base fare for the first 5 miles, \$0.50 cents per mile after the 5th mile.		
<b>Full Fare</b>	Ages 18 to 59.	\$4 one-way base fare for the first 5 miles, \$0.50 cents per mile after the 5th mile.		

## **Auxiliary and Non-Transportation Revenue**

RTD receives operating revenues from advertisers on its buses, rental of its properties, sales proceeds of less than \$5,000 of fully depreciated properties, interest, and other revenues. There is an increase in Auxiliary and non-transportation revenue because of projected higher interest income from cash balance and an increase in interest rates. This revenue is being used for operations.

## **Property Tax Revenue**

The property tax revenue is generated from general property tax levy and distributed by San Joaquin County Auditor-Controller pursuant to State Assembly Bill 8 (AB 8). AB8 provides a share of the total property taxes collected within a community to each local government that provides services within that community. San Joaquin County Auditor's Office annually determines revenue that was collected in each Tax Rate Area (TRA) and allocates to each local government in the TRA the same amount of revenue it received in the prior year. Each local government then receives a share of any growth (or loss) in revenue that occurred within the TRA that year, such as assessed value growth for the year. The responsibility for allocating the property tax was assigned to the state by Proposition 13 which stated that property taxes were to be allocated "according to law". AB 8 allocated property taxes among the local governments within a county and provided fiscal relief to partially make up for property tax losses resulting from Proposition 13's tax limitation provisions.

The formulas contained in AB 8 were designed to allocate property taxes in proportion to the share of property taxes received by a local entity prior to Proposition 13. Over time, as assessed values grew, the amount of property taxes received by a local government also grew. However, the share rate of property taxes does not change. For example, if a county, city, special district, and school district each receive 25 percent of property taxes collected within a community under AB 8, they will continue to receive 25 percent of taxes collected regardless of property taxes growth. These "AB 8 shares" were developed based on the historical share of property taxes received by local jurisdictions prior to Proposition 13. Local jurisdictions that had received a large share of property taxes prior to 1978 received a large share of property taxes under AB 8. Thus, the variation in property tax receipts in effect at the time was continued. Since 1979, there have been just two significant changes to the original property tax shares contained in AB 8: legislation designed to aid cities that receive no, or exceptionally low, property taxes and the property tax shifts of 1992–93 and 1993–94. Despite these changes, however, the state property tax allocation system developed in 1979 in response to Proposition 13 continues to be the basis for the property tax allocation among local governments. RTD's share is currently at 0.1227% and is being used to support operations.

Measure K (MK)

MK is derived from the half-cent sales tax dedicated to transportation projects in San Joaquin County. Voters first approved MK in 1990 for a 20-year period. MK funding provided \$735 million in transportation improvements in San Joaquin County. After experiencing the success and progress of MK, San Joaquin voters renewed the sales tax in November 2006 for an additional 30 years (extension became effective April 1, 2011, and ends March 31, 2041).

By the year 2041, MK is estimated to deliver an additional \$2.552 billion worth of transportation improvements to the region. The MK Ordinance and Expenditure Plan sets forth the eligible uses of MK funds and identifies the funding categories for various projects. The San Joaquin Council of Governments (SJCOG) is still using

the MK Categorical Allocations from the 2019 MK Renewal Strategic Plan pending its update. Categorical allocation for passenger rail, bus, and bicycles is 30%, 49% of which is bus transit share and 5% for BRT capital projects.

MK partially funds RTD’s BRT services, Commuter services, County Hopper services, passenger amenities projects, fleet/engine replacements, BRT capital projects, and funds Park-and-Ride lot leases.

The 2019 Strategic Plan of the MK renewal program will provide funding for 20 years of identified projects for a variety of transportation modes in San Joaquin County within the following allocation MK categories:

2019 MK Categorical Allocations Renewed in November 2006 (effective 4/1/2011 through 3/31/2041)		
Fund Administration: By law, the Local Transportation Authority can take no more than 1% of gross revenues for administrative salaries and benefits.		
Categorical Allocations		
Local Street Repairs and Roadway Safety		35.0%
Local Street Repairs	86%	
Roadway Safety	14%	
Congestion Relief Projects		32.5%
State Highways	60%	
Regional Arterials	40%	
Railroad Crossing Safety		2.5%
Total Passenger Rail, Bus, and Bicycles		30.0%
Passenger Rail Transit	39%	
Bicycles, Pedestrians, and Safe routes to school	7%	
Formula (40%), and Competitive (60%)		
Bus Transit	49%	
Services and Capital (95%)		
BRT, Intercity, Commuter, Passenger Amenities, Park, and Ride Leases		
BRT Capital (5%)		
Total		100.0%



## **Transportation Development Act (TDA)**

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination, known as the Transportation Development Act of 1971. TDA provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans. Efficiency criteria requirements of Transportation Development Act funding were lifted through the end of FY26.

TDA established two funding sources: the Local Transportation Fund (LTF), and the State Transit Assistance (STA) fund.

### **TDA-Local Transportation Fund (LTF)**

LTF is one of the two TDA funding sources. LTF remains to be RTD's major source of operating revenue. It is generated from a quarter cent of the general state tax collected statewide and is allocated through the California Department of Tax and Fee Administration (CDTFA). LTF's purpose is to provide a dependable source of funding to support public transit in California. It is apportioned by SJCOG to its jurisdictions based on the past two year's population estimate from the State Department of Finance. The FY24 apportionment basis is January 2022 population estimate. The estimated apportionment for FY24 is \$32,363,399, of which \$1,040.883 is specifically apportioned for Consolidated Transportation Service Agency (CTSA) programs within San Joaquin County, RTD was appointed to manage the programs. The final apportionments are normally released in August or September after the fiscal year-end.

SJCOG's apportionments to agencies under its jurisdiction are calculated after off-the-top apportionments for:

- 2.9% administration and planning cost for SJCOG.
- 2% for county and cities' bicycle/pedestrian programs.
- 11.5% for San Joaquin Regional Rail Commission (ACE Services).
- 2% for CTSA programs. *RTD is designated as Manager of CTSA programs in San Joaquin County.*

## **TDA-State Transit Assistance (STA) Fund**

STA is generated from sales tax on diesel fuel. STA is appropriated by the legislature to the State Controller's Office (SCO), then the SCO allocates by formula to SJCOG.

STA revenues under Public Utility Code (PUC) 99314 are allocated based on local revenues reported annually to the SCO by each entity throughout California, then the amounts are published by the State Controller around March of each year.

STA revenues under PUC 99313 are allocated between San Joaquin Regional Rail Commission (SJRRRC) and RTD after off-the-top apportionments. The allocation between SJRRRC and RTD is based on ridership within the San Joaquin County. SJCOG has been using FY18 ridership data for the past five years due to the irregularity of ridership brought about by the COVID pandemic.

STA can be programmed for operating and/or capital projects. In FY24, RTD plans to use its STA apportionment for capital projects. The estimated apportionment for FY24 is \$8,238,555, which is \$242,092 lower than FY23 estimate. The final apportionments are normally published after the fiscal year end, around August or September.

The following factors affect RTD's STA apportionments:

- Diesel Fuel usage and/or price because the STA revenue source is from Diesel Fuel taxes.
- RTD's annual local revenues reported to SCO as it is the basis for PUC 99314 apportionment.
- RTD's relative ridership compared to SJRRRC's ridership within the SJCOG's jurisdiction because it is the basis for PUC 99313 apportionment.
- Adherence to TDA's 14 PUC compliance requirements for LTF and STA. RTD consistently passed annual and triennial compliance audits in the past years.
- Off-the-top allocations affect RTD's apportionment. 2% of PUC 99313 planning apportionment and \$1,000 San Joaquin Auditor Administration for SJCOG is the only current off-the top apportionment in FY24.
- San Joaquin County's ridership revenue compared to statewide data affects countywide apportionment, consequently RTD's apportionment.

SJCOG selects the audit firm to conduct Annual Financial Audits and Triennial Performance Audits to evaluate performance measures and standards that are required by TDA Statutes and California Code of Regulations. Performance measures and standards requirements have been lifted from FY20 through FY26. This temporarily suspends penalties for non-compliance. RTD consistently complied with compliance requirements in the past fiscal years.

### **Senate Bill 1 (SB1): State of Good Repair**

SB1 provides resources to build a safe, resilient, and equitable transportation future. RTD will use FY24 SB1 revenues to replace fully depreciated non-revenue/service vehicles, purchase of repair tools and equipment, and purchase of bus safety scaffolding required for maintenance work on top of the buses.

### **Low Carbon Transportation Operations Program (LCTOP)**

The LCTOP is one of the state programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. The State Controller's Office allocates 5% of the annual proceeds from the Greenhouse Gas Reduction Fund to the LCTOP Operations Program. It is apportioned in the same manner as STA.

RTD is using LCTOP grant a year in arrears due to timing of apportionment amount. i.e. FY23 allocation will be used in FY24 operations. There is a \$45K increase in FY23 allocation to RTD compared to FY22. RTD will continue to use LCTOP to partially fund BRT Midtown Corridor Service for sixth year in a row in FY24 because the five-year limitation for project use has been lifted.

### **Transformative Climate Communities (TCC)**

The TCC program was established by Assembly Bill (AB) 2722 to fund community-led development and infrastructure projects that achieve environmental, health, and economic benefits in California's most disadvantaged communities. The program is administered by the Strategic Growth Council (SGC) and implemented by the Department of Conservation, along with other partnering state agencies. TCC is part of California Climate Investments, a statewide program that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment—particularly in disadvantaged communities. RTD is a subrecipient of TCC grant from City of Stockton to fund RTD's Mechanic Apprenticeship Program, however the program no longer meets the need of City of Stockton so in FY24, TCC grant will be used to partially fund purchase of one bus pending executed award/agreement.

## **Federal Section 5307: Urbanized Area Formula Program**

The Urbanized Area Formula Funding program is authorized by 49 United State Code (U.S.C.) 5307. It provides funding to urbanized areas for qualified transit-related expenses. Federal funding levels are tied to congressional negotiations on other budget and policy issues and apportioned based on legislative formulas.

RTD is a direct recipient of Section 5307 funds under the “Urbanized Area with 200,000 and over population classification”. The appropriation formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density. Funding apportionment for Stockton Urbanized Zone Area is being split between RTD and SJRRC/ ACE based on applicable Federal Fiscal Year (FFY)’s Table of Formula Programs Apportionment Data Unit Values. The Federal Register that provides information on Federal funds for the fiscal year is not available until around February of the Fiscal Year, but Section 5307 grant allows for pre-award authority to spend.

In FY24, RTD will use Section 5307 funds for Preventive Maintenance, Capital Cost of Contracting, Tire Lease, 1% minimum/ mandated security projects, 1% minimum for Transit Improvement, Repairs on Bus Stop and Passenger Amenities, and implement financial and administrative system. RTD plans to use Toll Credits for Section 5307 required match.

## **Federal Section 5307: Congestion Mitigation and Air Quality (CMAQ) Improvement Program**

The CMAQ Program was created in 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA) to support surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief. The Carbon Reduction Program was created under the Infrastructure Investment and Jobs Act (IIJA) and designed to provide federal funding to support surface transportation projects and other related efforts that contribute to air quality improvements and provide congestion relief. Once awarded, RTD will use this grant to purchase zero-emission bus replacements.

## **Federal Section 5310: Enhanced Mobility of Seniors & Individuals with Disabilities Program**

The FTA Section 5310 Program is authorized by 49 U.S.C. 5310. Its goal is to improve the mobility of seniors and individuals with disabilities by removing barriers to transportation services and expanding their transportation mobility options. Caltrans is administering the program and RTD is a sub-recipient. This program provides grants that can be used for capital, mobility management, and operating expenses. Section 5310 is a competitive grant program, RTD will continue to pursue Federal 5310 grant in FY24.

### **Federal Section 5311: Rural Area Formula Program**

The FTA Section 5311 Program is authorized by 49 U.S.C. Chapter 53, Section 5311, as reauthorized under Fixing America's Surface Transportation (FAST) Act Section 3007. It provides capital, planning, and operating assistance to support public transportation in rural areas with populations less than 50,000. Caltrans administers the program and RTD is a sub-recipient. Section 5311 funds 50% of eligible rural area operating expenses up to \$561K in FY24 to support County Hopper and County Van Go! services.

RTD was awarded the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARPA). CRRSA will need to be exhausted before RTD can use ARPA grant. Both stimulus grants do not require a match, so it will reimburse 100% of eligible operating expenses. RTD will prioritize use of these funds prior to using formula grant to avoid relinquishment.

### **Federal Section 5339 (a): Bus and Bus Facilities (Formula)**

Provides funding to states and transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. RTD will use Section 5339 (a) grant for facility improvements and upgrades, such as additional funds for the HVAC unit replacements Project to maintain Occupational Safety and Health Administration (OSHA)'s recommended office temperatures for a comfortable working environment, to replace information technology equipment.

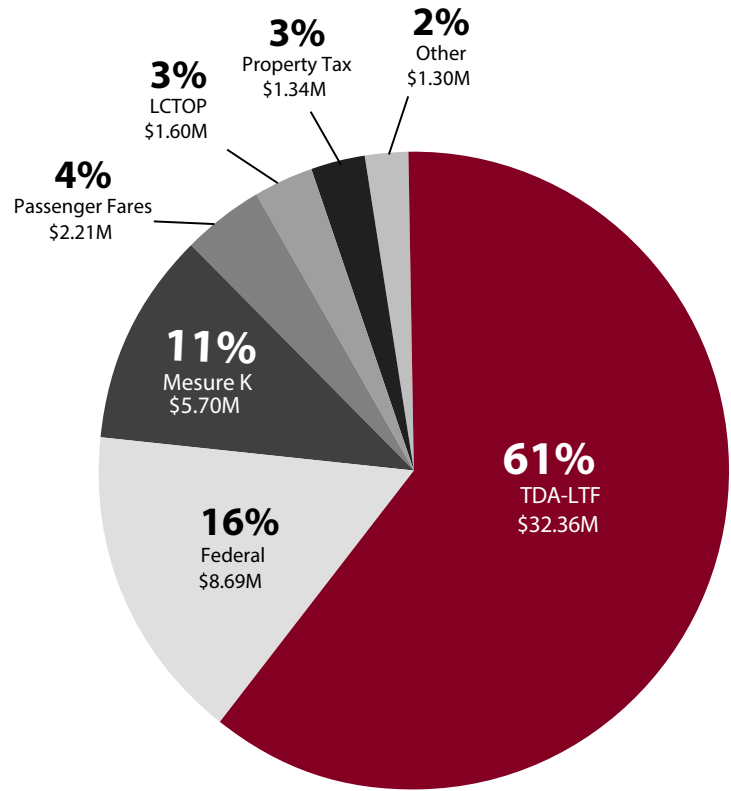
### **Federal Section 5339 (b) Bus and Bus Facilities Infrastructure Investment Program and Section 5339 (c) Low or No Emission Vehicle Program (Discretionary)**

In addition to the formula allocation, the Grants for Buses and Bus Facilities program (49 U.S.C. 5339) includes two discretionary components: the Bus and Bus Facilities Discretionary Program and the Low or No Emissions Bus Discretionary Program. The Grants for Buses and Bus Facilities Competitive Program (49 U.S.C. 5339(b)) makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

The Low or No Emission competitive program (49 U.S.C. 5339(c)) provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities. All eligible expenses under the Low-No Program are attributable to compliance with the Clean Air Act and/or the Americans with Disabilities Act. The Federal share of the cost of leasing or purchasing a transit bus is not to exceed 85 percent of the total transit bus cost. The federal share of the cost of leasing or acquiring low or no-emission bus-related equipment and facilities is 90 percent of the net project cost. Once awarded, RTD will use this grant to purchase zero-emission bus replacements.

# F24 Operating Revenues

FY24 Projected Operating Revenue is \$53,205,623, a 9% increase compared to FY23 revenue estimate. The increase is mostly due to a 7% increase in RTD's major operating funding source, the TDA-LTF, which is derived from the quarter-cent of general sales tax collected from the county. San Joaquin County continue to experience an increase in sales tax revenues, consequently an increase in RTD's apportionment.



Operating Revenues	Amount	%
Passenger Fares	\$2,212,428	4%
Auxiliary and Non-transportation	\$1,120,126	2%
Property Tax	\$1,336,386	3%
Measure K	\$5,706,030	11%
LCTOP	\$1,602,176	3%
TDA-STA	\$175,000	0%
TDA-LTF	\$32,363,399	61%
Federal Programs	\$8,690,077	16%
<b>Total Operating Revenues</b>	<b>\$53,205,623</b>	<b>100.0%</b>

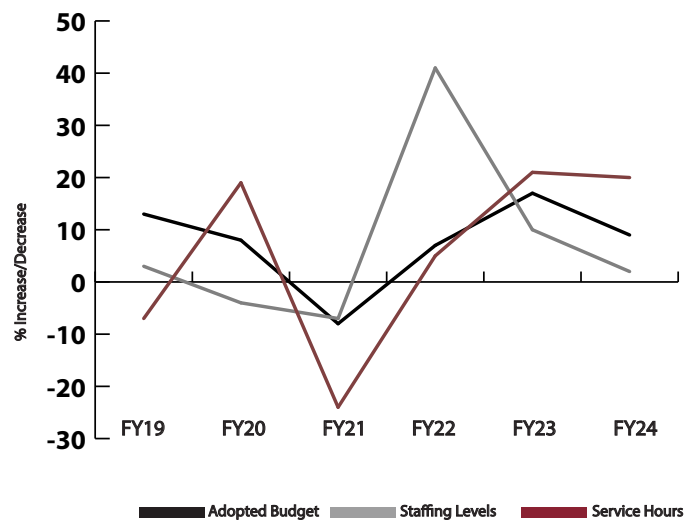


# F24 Operating Expenses

The total projected operating expenses for FY24 are \$53,205,623, which is fully funded by projected operating revenues. FY24 Operating expenses assumes pre-pandemic service levels with service improvements, especially in disadvantaged communities within Stockton. There are no assumptions made for increases that may result from labor negotiation. However there is a contingency budget of \$500,000 incorporated into the budget.

The illustration below shows that the FY24 operating budget increased by 9% with a 2% staffing increase, and a 20% increase in service hours. There is a spike in staffing level in FY22 because RTD started directly operating its county services.

## Illustration of prior years' adopted budgets from FY19 through FY24.

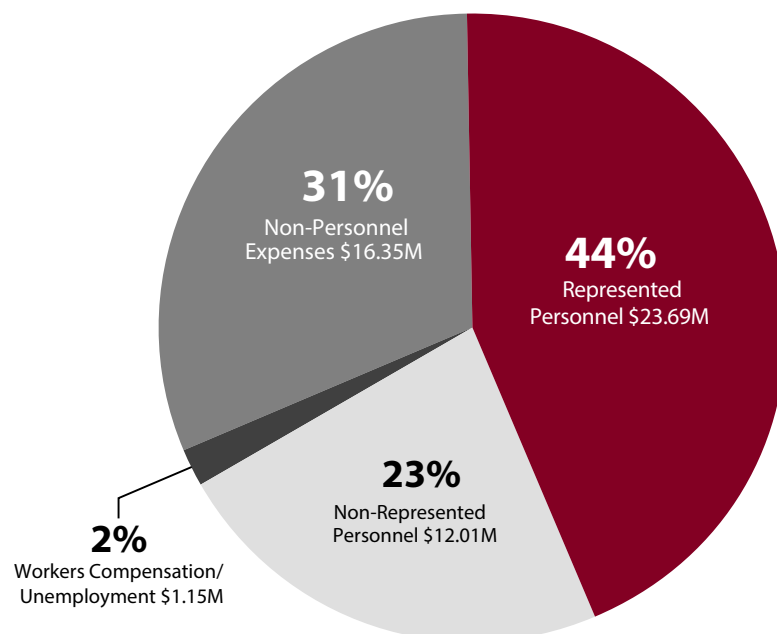


Prior Years' Adopted Budgets From FY19 Through FY24						
	FY19	FY20	FY21	FY22*	FY23	FY24
<b>Budget</b>	\$39.12M	\$42.38M	\$38.98M	\$41.26M	\$48.69M	\$53.21M
% Increase (Decrease)	13%	8%	(8%)	7%	17%	9%
Metro Operator	86.0	85.0	84.5	76.5	84.5	90.0
County Operator				51.0	60.5	61.0
Other Represented	46.0	46.0	45.0	70.0	71.0	71.0
Non-Represented	85.5	77.9	63.8	74.5	84.5	85.7
<b>Total Staffing Level (FTE)</b>	217.5	208.9	193.3	272.0	300.5	307.7
% Increase (Decrease)	3%	(4%)	(7%)	41%	10%	2%
<b>Service Hours</b>	204,681	243,733	184,029	193,926	234,382	280,379
% Increase (Decrease)	(7%)	19%	24%	5%	21%	20%

\*RTD directly operated County Services starting FY22.

# F24 Operating Expenses

Operating Expenses	Amount	%
<b>Personnel Cost</b>		
Represented Personnel	\$23,691,649	44%
Non-Represented Personnel	\$12,013,583	23%
Workers Compensation and Unemployment Benefits	\$1,148,971	2%
Total Personnel Cost	\$36,854,203	69%
<b>Non-Personnel Cost</b>		
Services	\$4,815,580	9%
Materials & Supplies	\$3,669,899	7%
Utilities	\$1,270,443	2%
Insurance	\$1,938,589	4%
Taxes & Licenses	\$289,031	1%
Purchased Transportation	\$2,299,663	4%
Operation Contingency	\$500,000	1%
Miscellaneous Expenses	\$1,568,215	3%
Total Non-Personnel Cost	\$16,351,419	31%
<b>Total Operating Revenues</b>	<b>\$53,205,623</b>	<b>100.0%</b>



# Personnel Expenses (Wages and Fringe Benefits)

FY24 Budget for Wages and Fringe Benefits is \$36,854,203. It is 69% of the total FY24 Operating Budget. It is normal that personnel expenses are higher compared to other operating expenses because depreciation or capital expenses are budgeted separately under Capital Budget using capital grants.

The projected increase in personnel expenses is mostly due to assumptions for:

- Service improvements and an increase in service, therefore, an increase in personnel FTEs.
- 3% cost-of-living allowance (COLA) adjustments for non-represented employees. *Actual Cost of living increased by 4% but RTD's Board Resolution Number 6021 capped COLA increase to 3%.*
- Progression increases for represented employees.
- Defined Benefit Retirement plan contribution rate increased by 4.46% (from 32.42% to 36.88%). *The rates are calculated by retirement actuaries and approved by the RTD Board.*
- 6.25% increase in medical premiums and 3.5% increase in dental and vision premiums for the 2nd half of FY24 based on projected increase by Retirement Actuaries for FY24. *The medical premium for the first half of FY24 was calculated using actual premium rates.*
- Position changes are also a factor in personnel cost increases.

## New positions:

- Engineer with skill set needed for higher technology projects, such as solar, and hydrogen fuel cell charging.
- Project Manager to coordinate and manage districtwide capital projects.
- Operations Training Instructor for operators.
- Five operators for the planned service expansion.
- Procurement Intern to be trained and provide help in contracts department.
- Full-time Graphic designer to replace part-time contractors.

## Upgraded positions:

- HR Manager, upgraded to HR Director.
- IT Specialist, upgraded to IT System Administrator.
- IT Administrator, upgraded to Software Developer.
- IT Administrator, upgraded to Network/System Engineer.
- Facilities Analyst, upgraded to Facilities Specialist.
- Three Facilities Technician C, upgraded to two Technician B and one Technician A.
- Superintendent positions were upgraded from Management level 2 to 3.5 level.
- Other hard to fill positions were upgraded to a higher pay rate.

# Funded Full Time Equivalents (FTEs)

Departments/Positions	FTEs
<b>Customer Engagement</b>	<b>5</b>
1 Specialist	
2 Senior Administrative Assistants	
1 Customer Engagement Analyst/Outreach (two Part-time)	
1 Customer Information Clerk	
<b>Executive Office</b>	<b>6.75</b>
1 Chief Executive Office	
1 Deputy CEO	
0.75 Director of Government Affairs (Part-time)	
1 Engineer	
1 Executive Support/Project Controls Manager	
1 Project Manager	
1 Executive and Board Support Specialist	
<b>Facilities Maintenance</b>	<b>19</b>
1 Superintendent	
2 Supervisors	
1 Specialist	
5 Facilities Technicians	
10 Porters	

Departments/Positions	FTEs
<b>Finance</b>	<b>9</b>
1 Chief Financial Officer	
1 Director of Financial Planning	
1 Finance Manager	
2 Payroll Specialist	
2 Finance Specialist	
2 Accounts Payable Specialist	
<b>Grants</b>	<b>4</b>
1 Grants Manager	
2 Senior Specialists	
1 Analyst	
<b>Human Resources</b>	<b>6</b>
1 Human Resources Director	
2 Administrators	
1 Training & Development Specialist	
1 Specialist	
1 Senior Administrative Assistant	
<b>Information Technology</b>	<b>6</b>
1 Chief Information Technology & Intelligent Transportation Systems Officer	
1 Network/System Engineer	
2 Network/System Administrators	
1 Software Developer	
1 Senior Specialist	

Continue to next page

Departments/Positions	FTEs
<b>Marketing</b>	<b>3</b>
1 Marketing Supervisor	
1 Senior Specialist	
1 Graphic Designer	
<b>Mobility</b>	<b>4</b>
1 Mobility Manager	
1 Supervisor	
1 Senior Specialist	
1 Specialist	
<b>Procurement</b>	<b>9.5</b>
1 Director of Procurement	
1 Supervisor	
1 Senior Specialist	
4 Storekeepers	
2 Analyst	
0.5 Intern (part-time)	
<b>Safety &amp; Risk</b>	<b>3</b>
1 Safety & Security Director	
1 Administrator	
1 Safety Surveillance Officer (3 Part-time)	



Departments/Positions	FTEs
<b>Service Development and Planning</b>	<b>5.5</b>
1 Service Development and Planning Director	
1 Service Development and Planning Manager	
1 Transit Planner	
2 Senior Specialists	
0.5 Administrative Assistant	
<b>Transportation</b>	<b>171</b>
1 Chief Operating Officer	
1 Superintendent	
1 Assistant Superintendent (County)	
1 Training Instructor	
14 Supervisors	
1 Specialists	
1 Administrative Assistant	
151 Operators	
<b>Vehicle Maintenance</b>	<b>55</b>
1 Superintendent	
1 Assistant Superintendent	
3 Supervisors	
24 Mechanics	
18 Utility Workers	
4 Electronic Technicians	
4 Mechanic Apprentices	

**Total Full Time Equivalents      306.75**

# Non-Personnel Operating Budget

Non-personnel operating expenses were budgeted based on proposals from department heads that were in-line with RTD's objectives and analyzed based on five-year historical data, contracts, and prevailing cost adjustments, with department heads' justifications on increases from the five-year average. Non-personnel operating budget is 31% of total FY24 Operating Budget.

Non-Personnel Expenses	Amount
Services	\$ 4,815,580
Materials & Supplies	\$3,669,899
Utilities	\$1,270,443
Insurance	\$1,938,589
Taxes & Licenses	\$289,031
Purchased Transportation	\$2,299,663
Operating Contingency	\$500,000
Miscellaneous Expenses	\$1,568,215
<b>Total Non-Personnel Expenses</b>	<b>\$16,351,419</b>

## Services (\$4,815,580)

Services were budgeted using five-year historical data as well as contractual stipulations. Budgeted Services includes ADA Certification services, professional and technical services, management services fees, ad agency production charges, professional consulting services, legal and attorney fees, financial/audit services, employee assistance program, random substance abuse testing, environmental analysis, temporary help, various software maintenance, equipment maintenance, outside services on RTD vehicles, hazardous waste removal, facilities cleaning, garden maintenance, security services, armored car services, and uniform laundry services.

## Materials and Supplies (\$3,669,899)

This expense category includes diesel and unleaded fuels with cost assumed at \$4.50 per gallon; vehicle parts, industrial gases, tires and wheels; repair parts for fare vending machines, small equipment, fareboxes, furniture; tools, custodial supplies, environmental supplies, fare media, passenger amenities supplies, information materials, promotional items, general office supplies, freight, and sales tax costs.

**Utilities (\$1,270,443)**

Utilities budget includes electricity, electric vehicle fuel, natural gas, water, sewer, waste collection, and communication subscriptions costs.

**Taxes and Licenses (\$289,031)**

Budget for taxes and licenses includes property assessments, fuel and lubricant taxes, electric power taxes, and permits and renewals.

**Casualty and Insurance Premium Costs (\$1,938,589)**

Insurance premiums were budgeted based on actual premiums cost for the first six months of FY24, and the 2nd half of the FY was based on historical average increases as well as changes to coverage. RTD's insurance costs are for the following coverages: vehicle physical damage program, commercial property, general liability program, underground storage tank, public, professional liability, employment practices liability, crime bond, license and permit bond, Fiduciary Bond, cyber liability, and provision for payout for uninsured public liability. RTD partnered with California Transit Indemnity Pool (CALTIP) through Cal Transit Systems Joint Power for its insurance needs which resulted in reduced premiums costs.

**Purchased Transportation (\$2,299,663)**

RTD contracted out its Paratransit Dial-A-Ride service to Rydetrans effective January 1, 2022, through December 31, 2026. The contract is for three years with three one-year options. FY24 budget was based on the contract amount.

**Operating Contingency (\$500,000)**

The FY24 operating contingency budget has been increased by \$200,000 compared to FY23. The operating contingency budget will provide extra support for expenses during the fiscal year.

**Miscellaneous Expenses (\$1,568,215)**

The FY24 miscellaneous expenses budget includes projected cost for membership dues, training, travels, programs and events for employees' health and wellness, tuition reimbursement, employees' recognition, employees' licensing, recruitment advertisements, public notices, promotional, and outreach programs, interest and bank charges, lease for data center, record storage, leases for park-and-ride lots, and other expenses that cannot be classified under the previous expense categories.

# Capital Budget

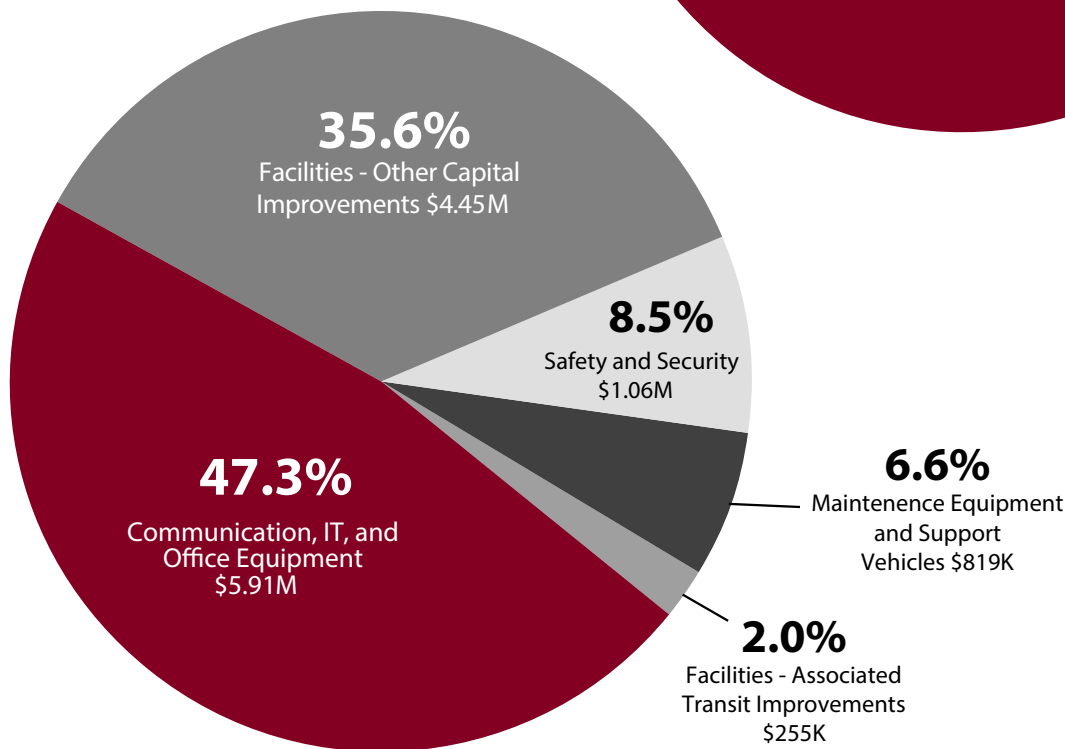
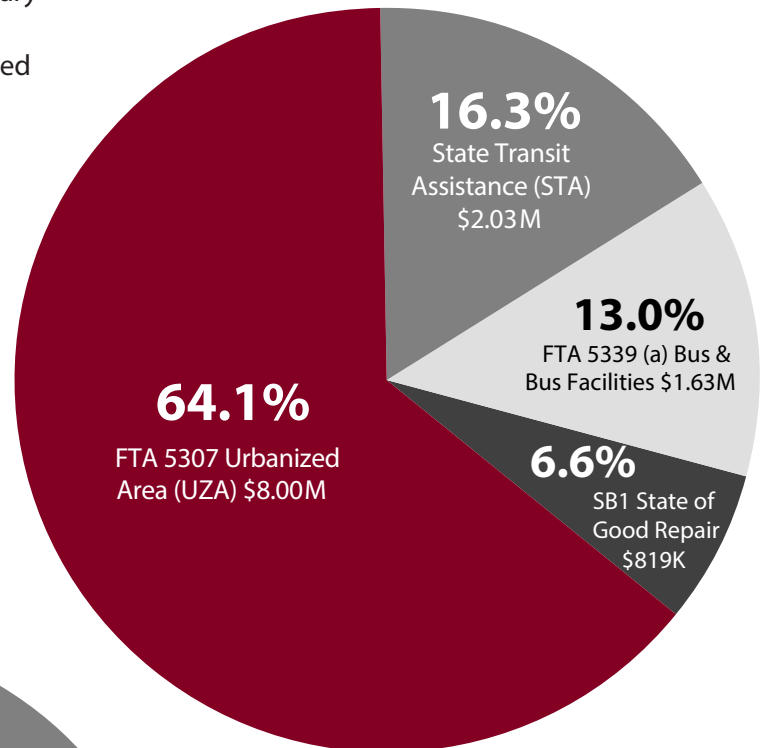
## Capital Projects Goals

- Improve the safety and security of passengers and employees.
- Improve the customer experience with the implementation of technology and facility improvements.
- Keep RTD's Infrastructure and rolling stocks in a state of good repair.
- Reduce greenhouse gas emissions and focus on capital expenditures to improve services in disadvantaged neighborhoods.
- Comply with California Air Resource Board's (CARB) Innovative Clean Transit (ICT) Regulations.
- Fuel Cell Electric Bus (FCEB) Pilot Program
- Revisit Intelligent Transportation Operating System (ITOS) project.
- Major investments in IT Infrastructure removing single point of failures, increasing redundancy, and ensuring data backup.

FY24 Capital Budget Summary		
Capital Funding Sources	Amount	%
FTA 5307 Urbanized Area (UZA)	\$8,002,967	64.1%
FTA 5339 (a) Bus & Bus Facilities	\$1,629,791	13.0%
SB1 State of Good Repair (SGR)	\$819,238	6.6%
State Transit Assistance (STA)	\$2,032,612	16.3%
<b>Total Projected Capital Funds</b>	<b>\$12,484,608</b>	<b>100%</b>
Proposed Capital Projects by Category	Amount	%
Communication, IT, and Office Equipment: Financial and Grants software, Switch network infrastructure, servers, storage arrays, copiers, other hardware/software, and equipment.	\$5,906,836	47.3%
Facilities - Associated Transit Improvements: Bus stop signs and amenities update.	\$254,812	2.0%
Facilities - Other Capital Improvements: Hydrogen Fueling Trailer, DTC HVAC replacement, DTC Scrubber and HTS plumbing/sink.	\$4,447,955	35.6%
Maintenance Equipment and Support Vehicles: Shop tools, equipment and replacement for six (6) support vehicles.	\$819,238	6.6%
Safety and Security: Portable light towers, network firewall, and Pedestrian Collision Avoidance System (PCADS).	\$1,055,767	8.5%
<b>Total Proposed Capital Projects</b>	<b>\$12,484,608</b>	<b>100%</b>
<b>Capital Budget Surplus (Deficit)</b>	<b>\$0</b>	



FY24 Capital Budget is \$12,484,608. Capital projects are fully funded with formula grants. RTD will continue to aggressively pursue discretionary or competitive grants for unfunded capital projects, upon grant award, discretionary funded projects will be presented to the Board as an adjustment to the adopted budget.



# Budget Risk and Economic Conditions

RTD is committed to its long-term financial health, economic stability, and viability in order to provide continued services to its customers. Prudent financial planning is essential to achieve this commitment. The key element of prudent financial planning is to ensure that there are sufficient reserves to cover current operating and capital cash flows. Prior years' cost savings from low service level due to COVID, staff shortage, and unanticipated increase in State funding resulted in favorable net position which allowed RTD to set aside funds for reserves. Reserves will allow RTD to prepare for unforeseen disruptions in cash flow and revenue sources. Strategic expense management is only as good as the employees who uphold it. RTD will require strong cost controls and continue to build up cash reserves to mitigate potential deficits in the future when there is an unforeseen or severe economic downturn.

RTD updates its Business Continuity Plan and Emergency Guide accordingly. System failure disruptions during emergencies or Cyber-attacks can happen. Managing transportation networks is extremely complex and fraught with uncertainty. Executive managers and department heads coordinate a multitude of organizational and technical resources to manage transportation network performance. 47% of FY24 Capital Budget is programmed for RTD's communication and information technology upgrades.

RTD sets strategic goals and objectives, but success is uncertain because external and internal risk events can impact the achievement of these goals. There is still significant uncertainty about the economy and how inflation and recession may play out in the near-term. Recession will result in a reduction of RTD's operating revenue

sources because its source is sales taxes collected from its residents. Reduction in regular sources of subsidy and farebox revenues may not be enough to match RTD's projected expenses in the future because of increasing prices of commodities.

Hiring and training new operators continue to be a challenge to RTD due to a very tight labor market. Hiring challenges are a nationwide problem for transit agencies, and particularly at RTD as we are competing with other agencies in the same labor pool.

RTD maintains insurance coverage for liability and loss of use of its assets. Any loss that is beyond insurance coverage levels can result in a negative impact on RTD's finances.

Non-compliance with funding agencies' requirements, rules, regulations, and adverse opinions of auditors can affect RTD's ability to secure funding and may result in penalties. Thanks to hardworking, well-trained, and dedicated staff; RTD has been compliant with requirements, rules, regulations, and has consistently received clean audit opinions from auditors.

RTD must continue to advocate for funding to ensure our industry's future and continue to improve the quality of life for everyone in San Joaquin County; learn about the latest issues, technologies, and advances; continue to tell compelling stories about the benefits we deliver that public transportation is an essential service in building stronger communities.

(Page intentionally left blank.)



San Joaquin Regional Transit District

421 East Weber Avenue, Stockton, CA 95202 | Phone: (209) 943-1111 | [sjRTD.com](http://sjRTD.com)