STAFF REPORT

MEETING DATE:	**October 31, 2024**
SUBJECT:	**Approve the Fiscal Year 2024/25 Comprehensive Budget**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Jessica Carlson, Chief Fiscal Officer**

SUMMARY:
SRTA's comprehensive budget for Fiscal Year (FY) 2024/25 estimates $21,668,094 in revenue and $21,534,566 in expenditures. $5.1 million in SRTA operating costs are projected to support the $21.6 million in new revenue, $16.2 million of which is for regional funding for streets and roads, public transit, and non-motorized projects suballocated through SRTA to regional partners. Additionally, SRTA's planning and programming activities support city, county, transit, and Caltrans partners in implementing over $80 million in transportation infrastructure and transit operations projects listed in our Regional Transportation Improvement Program (RTIP) and Federal Transportation Improvement Program (FTIP), over the next year.

STAFF RECOMMENDATION:
It is recommended that the board of directors approve the FY 2024/25 Comprehensive Budget.

DISCUSSION:
A comprehensive budget was created to consolidate all revenues and expenditures into one cohesive document. Existing budgeting processes, including the annual overall work program (OWP) and Transportation Development Act (TDA) budgets are limited on the projects and partners they include. The FY 2024/25 comprehensive budget presents a picture of the agency's financial activities region-wide and consolidates the agency's activities into three categories:

- 'General Building and Rental' includes rental incomes and building expenses.
- 'Capital and Transit Operations,' includes revenues and expenditures for streets and roads allocations, transit operations and capital programs, and active transportation projects. SB125 Transit Operation, Capital, and Planning Funds (TIRCP/ZETCP) and Regional Early Action Plan (REAP) 2.0 activities will be added to this section when agreements are finalized.
- 'Planning and Administration' includes revenue and expenditures per SRTA's FY 2024/25 OWP adopted on April 25, 2024. Planning revenue is displayed by fund source, and planning expenditures are broken down by: OWP work element; funding source; and budget category (i.e., personnel, consultants, and services and supplies).

Budget highlights for each category are as follows:

General Building and Rental – Both suites have fully executed rental agreements. A building reserve fund is budgeted into the TDA disbursements to cover the costs of maintaining the agency's real property. Current reserve balances are provided in the quarterly budget reports. Building improvement projects related to Suite 100 heat, ventilation, and air conditioning (HVAC) system replacement, interior door replacement, and parking lot sealant/painting, are finished. Final payments will be made when the Notice of Completion period has passed.

Capital and Transit Operations - Transportation Capital and Transit funding to the region is largely monitored by SRTA, through responsibilities assigned under federal and state regulation, as the regional transportation planning agency (RTPA) and metropolitan planning organization (MPO) for the Shasta Region. Programs, such as the Regional Surface Transportation Program (RSTP), State of Good Repair (SGR), and TDA payments to jurisdictions, are included in this activity category. Key highlights are below:

- The Regional Surface Transportation Program (RSTP) approved projects for FY 2023/24 are included in the overall expenditure total ($2,290,774). Additionally, funds from prior years are available for reimbursement and have not been invoiced. The total available balance for reimbursement for RSTP is $5,512,148. Construction and project planning delays impact the timing of invoices delivered to SRTA for reimbursement.
- The TDA Loan fund provides transit related funding for board approved expenditures to SRTA and its members. For example, SRTA used a portion of the fund for the building repairs in progress and is currently paying back the TDA loan fund at $57,336 annually.
- The board of directors approved $475,286 in regional FY 2023/24 Low Carbon Transit Operations Program (LCTOP) funds in April 2024 to fund three RABA projects: Free Summer Rides in Shasta, Mobility Management, and Lifeline. (view staff report online at: https://www.srta.ca.gov/DocumentCenter/View/9382/13_LCTOP). These funds will be paid directly to RABA, with SRTA as a contributing sponsor. These funds have been removed from the comprehensive budget revenue and expenditures.
- SRTA has been approved for $15.3 million in projects from the SB 125 Transit Capital and Operations funding. In August 2024, SRTA received $10,416,717 in FY 2023/24 funds from both programs, including $215,348 for SRTA's administration. A total of $21.5 million in allocations are estimated through FY 2026/27. Staff awaits final guidance on these new programs.
- Regional Early Action Planning (REAP) 2.0 funds were reduced by 2.63 percent in the final FY 2024/25 state budget, and projects have been reduced proportionately. REAP 2.0 administrative costs incurred after July 1, 2021, have been retro-actively approved for reimbursement by the program, up to the revised budget amount of $109,254.27.

Planning and Administration - SRTA is continuing forward many planning efforts from last year into the current year, with some additions. In FY 2023/24, SRTA was awarded a discretionary Senate Bill (SB) 1 grant for the Shasta Planning Data Dashboard and, along with extensions approved for the SR 273 Multimodal Corridor Plan and Bus to Rail Project, rolls over nearly $1 million in previously approved planning projects to this budget year. In Spring 2025, staff will initiate efforts to identify regional freight corridors and early development for the next update to the Regional Transportation Plan will begin.

Note: Typically, a number of the activities or projects shown in the comprehensive budget are not completed within the fiscal year. Some approving agencies require programming an entire new grant award in the first fiscal year, like the OWP, regardless of multi-year project schedules developed by staff or partner agencies. Project examples include those funded with Senate Bill (SB) 1 formula and discretionary grants, State of Good Repair, and local agency RSTP capital projects.

ALTERNATIVES:

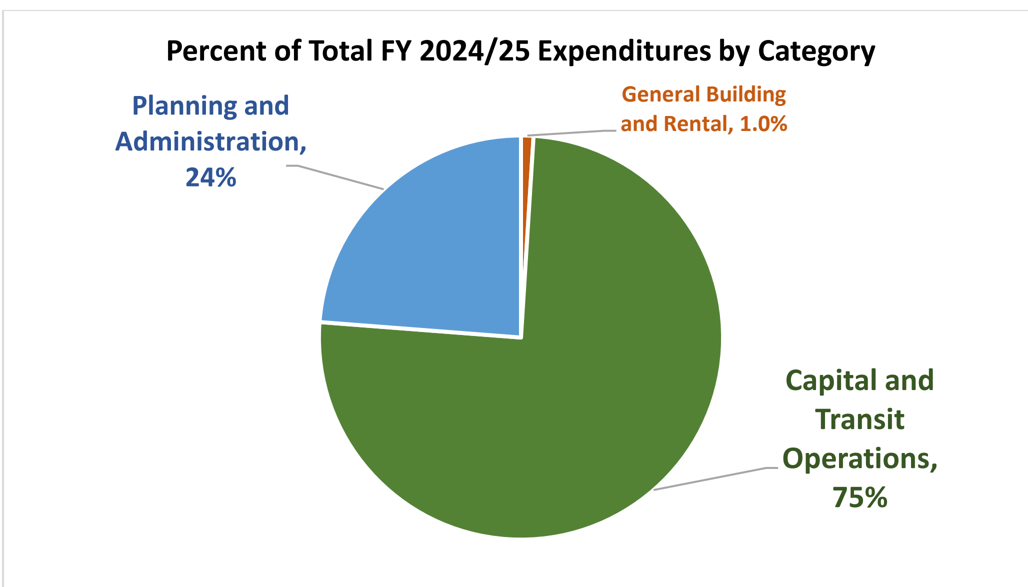
The board of directors may modify the FY 2024/25 Comprehensive Budget, provided that such changes are consistent with Caltrans, Federal Highway Administration, and Federal Transit Administration agreements and funding revenues. The board of directors may request additional information and continue this item to a future meeting.

FISCAL & POLICY COMMITTEE REVIEW:

The Fiscal and Policy Committee met on October 22, 2024, to review and discuss the FY 2024/25 Comprehensive Budget and concurs with the staff recommendation.

FISCAL IMPACT:

The FY 2024/25 Comprehensive Budget of $21,668,094 in revenue and $21,534,566 in expenditures is based on projections of the current year's activities up to the date of this report. The expenditures are estimated to be spent 75 percent towards Capital and Transit Operations and 24 percent for Planning and Administration activities in the OWP. Should anticipated grant funds not be awarded, or revenues decrease for any reason, the board of directors may eliminate work tasks and/or reallocate funds as desired. Budget projections are subject to change throughout the year as amendments, estimates, and allocations for various programs are approved and released (e.g., OWP). Changes are reflected in subsequent Budget to Actual reports presented to the board for review quarterly.



Sean Tiedgen, AICP, Executive Director

Attachment: FY 2024/25 Comprehensive Budget

SRTA Comprehensive Budget Fiscal Year 2024/25

ANTICIPATED REVENUES

	Final FY 2023/24 Budget	**Proposed FY 2024/25 Budget**	**% change from prior fiscal year**
General Building and Rental	*57,296*	**57,296**	**0%**
Capital and Transit Operations	*15,586,194*	**15,574,735**	**0%**
Planning and Administration	*3,954,439*	**6,036,063**	**53%**
TOTAL REVENUES	*19,597,929*	**21,668,094**	**11%**

ANTICIPATED EXPENDITURES

	Final FY 2023/24 Budget	**Proposed FY 2024/25 Budget**	**% change from prior fiscal year**
General Building and Rental	*391,492*	**214,158**	**-45%**
Capital and Transit Operations	*19,680,996*	**16,199,698**	**-18%**
Planning and Administration	*5,674,085*	**5,120,710**	**-10%**
TOTAL EXPENDITURES	*25,746,573*	**21,534,566**	**-16%**

Revenue Detail

	Final FY 2023/24 Budget	Proposed FY 2024/25 Budget	Notes / % change from prior fiscal year
General Building and Rental			
Total Rental Fund	*57,296*	57,296	Rental Agreements 2024/25; Does not include shared cost estimates.
General Building and Rental	*57,296*	**57,296**	**0%**
Capital-Transit Operations			
Transit and Intercity Rail Capital Program (TIRCP, SB125)	*9,423,391*	*9,423,391*	*These capital programs are awaiting final awards and executed sub-cooperative agreements with sub-recipients. These recent estimates are not included in the revenue*
Zero-Emission Transit Capital Program (ZETCP, SB125)	*993,316*	*993,316*	*total, and are shown for informational purposes at this time. SB125 Transit Operation, Capital, and Planning Funds (TIRCP/ZETCP) have been approved by CalSTA. The*
Regional Early Action Plan (REAP 2.0)	*2,006,319*	*1,976,319*	*REAP 2.0 budget cuts have been applied by HCD, and budgeted proportionately to each sub-recipient.*
Total Low Carbon Transit Operations Program (LCTOP)	*326,572*	177,951	Remaining LCTOP funds from prior years. FY 2023/24 allocations contributed 100% to RABA projects
Total Local Transportation Fund (LTF) for Sub Recipients	*9,458,399*	8,353,548	RABA + CTSA + Local Streets and Roads
Non-Motorized Program	*599,819*	398,123	Non-Motorized Program is funded through the TDA Budget, per Board policy
Regional Surface Transportation Program (RSTP)	*2,292,252*	2,927,050	February 2024 FYE 2025 FTIP RSTP estimates
State of Good Repair (SGR)	*574,583*	1,107,501	August budget estimates from SCO.
State Transit Assistance (STA)	*2,334,569*	2,610,562	August budget estimates from SCO.
Capital and Transit Operations	*15,586,194*	**15,574,735**	**0%**
Planning and Administration			
Federal Highway Administration (FHWA)	*1,178,236*	1,106,613	Does not include matching toll credits
Federal Transportation Administration (FTA) 5303	*95,146*	95,177	Does not include matching toll credits
Strategic Partnerships Transit - FTA 5304	*253,212*	224,616	North State Intercity Bus to Rail
SRTA Local Transportation Fund (LTF)	*925,150*	1,659,730	TDA budget for SRTA planning and administration
Planning, Programming, and Monitoring	*57,000*	170,000	
North State Super Region	*7,615*	15,000	Membership dues of $1,000 per agency invoiced August 2024
SB1 Formula Funding	*468,800*	480,695	See planning expenses by work element below for project details
Sustainable Communities Discretionary (Competitive) FTA 5304	*500,000*	461,556	Shasta Regional Planning Dashboard
State Highway Account (SHA)	*129,327*	129,327	Pit River Tribe Long Range Transit Plan (707.11), no spending reported to date
Strategic Partnerships - FHWA SPR	*777,496*	316,043	State Route 273 Corridor Plan, Caltrans grant expired 6/30/2024
Non-Motorized Program - On OWP	*159,168*	0	Previous non-moto consultant expenses currently budgeted in other fund sources (SB1, PPM, etc.)
Regional Early Action Plan (REAP) 2.0 Administration	*31,257*	42,144	Sub-Recipient Cooperative Agreements (SCA) in progress
SB125 TIRCP/ZETCP Administration	*68,963*	215,348	Maximum 5% admin of $215,348 for SRTA received August 2024, total payment was $10,416,717 in FY 23/24 funds.
Indirect Cost Allocation	*1,049,776*	1,119,814	FY 2024/25 ICAP Rate approved 8/16/2024 at 223.71%, budget from OWP indirect salaries, benefits, and costs
Planning and Administration	*3,954,439*	**6,036,063**	**53%**
TOTAL REVENUES	*19,597,929*	**21,668,094**	**11%**

Expense Detail

	Final FY 2023/24 Budget	**Proposed FY 2024/25 Budget**	**Notes / % change from prior fiscal year**
General Building and Rental			
Building Loan Principal Payment	*59,582*	59,582	Building Loan Balance: $469,862
Building Repairs and Maintenance - Approved Projects	*331,910*	*154,576*	
Suite 100 HVAC repair/replacement and Installation		*in progress*	NMR (engineer) and G&S Construction, Project near completion as of September 2024
Parking lot repairs, resurfacing, and striping		*complete*	
Replace interior doors with fire and safety compliant doors		*complete*	
General Building and Rental	**391,492**	**214,158**	**-45%**
Capital-Transit Operations			
Transportation Development Act (TDA) Loan Fund	*57,336*	57,336	Annual payment to the TDA Loan fund for funds borrowed by SRTA
TDA Payments			
Redding Area Bus Authority (RABA)			
RABA - State Transit Assistance (STA) Funds	*2,380,424*	2,380,424	
RABA - Local Transportation Funds (LTF)	*1,734,875*	1,734,875	
Total RABA	*4,115,299*	***4,115,299***	
City of Anderson - Streets and Roads	*560,083*	560,083	
City of Redding - Streets and Roads	*2,816,884*	2,816,884	
City of Shasta Lake - Streets and Roads	*483,259*	483,259	
County of Shasta - Streets and Roads	*3,404,646*	3,404,646	
CTSA - Dignity Health (DHCL)	*458,652*	458,652	
Total TDA Payments	*11,838,823*	***11,838,823***	
State Transit Assistance (STA) Reserve Payments	*230,138*	230,138	
State Transit Assistance (STA) Reserve Funded Requests	*290,000*	200,000	Van Pool ($100,000), Bike Share ($25,000), Transit Marketing ($75,000)
Non-Motorized Program	*599,820*	398,123	
Total Allocation Payments	*12,668,781*	**12,467,084**	SRTA LTF for administration included in Planning activity category below
Subrecipient Payments			
State of Good Repair (SGR)	*865,215*	**1,206,552**	Includes remaining unused funds from prior years and FY 24/25 estimate of $315,891
RABA Fiscal Year 2024/25 Proposed Projects		*315,891*	FY 2024/25 RABA and CTSA Maintenance/Supplies ($285,891) and CTSA Security Equipment ($30,000)
Low Carbon Transit Operations Program (LCTOP)	*577,516*	**177,951**	Includes remaining unused funds from prior years. **FY 23/24 project funds now paid directly to RABA ($499,873)**
RABA FY 2023/24 99313 Approved Projects (direct recipient)		*475,286*	Free Fare Summer 2024 ($350,000), Mobility Management ($79,151), and Lifeline ($46,135)
RABA FY 2023/24 99314 Approved Projects (direct recipient)		*24,587*	Mobility Management ($24,587)
Regional Surface Transportation Program (RSTP)	*5,512,148*	**5,512,148**	Budget is available balance on approved projects 2018-2024 funds
City of Anderson 2023/24 Approved Projects		*159,923*	McMurray Drive Reconstruction
City of Redding 2023/24 Approved Projects		*1,477,744*	Street Maintenance
City of Shasta Lake 2023/24 Approved Projects		*175,465*	Street Maintenance
County of Shasta 2023/24 Approved Projects		*477,642*	2024 Overlay Project
Transit and Intercity Rail Capital Program (TIRCP)	*0*	*9,423,391*	*These capital programs are awaiting final awards and executed sub-cooperative agreements with sub-recipients. These recent estimates are not included in the revenue*
Zero-Emission Transit Capital Program (ZETCP)	*0*	*777,968*	*total, and are shown for informational purposes at this time. SB125 Transit Operation, Capital, and Planning Funds (TIRCP/ZETCP) have been approved by CalSTA. The*
Regional Early Action Plan (REAP 2.0)	*0*	*1,976,319*	*REAP 2.0 budget cuts have been applied by HCD, and budgeted proportionately to each sub-recipient.*
Capital and Transit Operations	*19,680,996*	**16,199,698**	**-18%**

Expense Detail Cont'd

	Final FY 2023/24 Budget	Proposed FY 2024/25 Budget	Notes / % change from prior fiscal year
Planning and Administration Expenses			**Current OWP: FY 2024/25, adopted 04/25/2024**
			Planning funds are fully programmed by grant award, regardless of annual estimated expenditures. Unused funds are carried over into the next fiscal year.
Expenses by Work Element			**All work elements include indirect cost allocations**
701.01 Development of Regional Transportation Plan (RTP)	*403,915*	417,529	
701.03 Performance Measures	*34,561*	34,262	
701.09 Air Quality	*6,864*	27,094	
701.11 Regional Traffic Data Collection	*29,334*	177,227	
701.16 Sustainable Community Strategies (SCS) Dev 22/23	*521,526*	184,360	Low-Stress Shasta, formally work element 703.07
701.17 Sustainable Community Strategies (SCS) Dev 23/24	*187,789*	185,420	Regional Transit Planning
701.18 Sustainable Community Strategies (SCS) Dev 24/25	*0*	190,613	Regional Freight Plan
702.01 Transportation Improvement Program (TIPS)	*521,526*	263,504	
702.02 Overall Work Program (OWP) Development	*187,789*	186,413	
702.03 Grant Writing and Technical Assistance	*521,526*	31,017	
703.01 Active Transportation Planning	*187,789*	142,757	
703.01(CS) Active Transportation Planning - Complete Streets	*521,526*	20,075	2.5% of all FHWA planning funds need to be dedicated to complete streets projects
703.07 Low-Stress Shasta	*187,789*	0	Competitive grant not awarded, work element will be removed. Low-Stress Shasta work moved to 701.16
704.01 Public Information and Participation	*109,854*	328,707	
705.02 GIS Applications	*41,223*	101,689	
705.05 Regional Travel Demand Model	*108,485*	124,147	
705.06 Shasta Planning Data Dashboard	*564,780*	526,336	
706.02 Public Transportation Planning and Coordination	*163,372*	222,815	
707.01 Corridor Studies and Project Review	*10,287*	46,100	
707.03 Alternative Fuels Vehicle Planning	*86,243*	104,031	
707.04 Goods & Freight Coordination and Planning	*6,665*	18,686	
707.09A SR273 Northern Section Multimodal Corridor Plan	*540,612*	804,419	SRTA portion of the grant. Caltrans grant expended and expired 06/30/2024
707.10 North State Intercity Bus to Rail Plan	*286,018*	365,267	
707.11 Pit River Tribe Long Range Transportation Plan	*148,626*	148,626	No SRTA funds or staff time committed to this project. Administrative only
707.12 Regional Early Action Planning (REAP) 2.0	*31,257*	42,144	Staff time and indirect costs to administrate REAP 2.0 program and outreach. Total SRTA admin set-aside $109,254.27
708.03 Transportation Development Act (TDA) Management	*100,440*	169,765	SSTAC, Unmet transit needs report, TDA Budget, etc.
708.04 Transit and CTSA Administration	*87,711*	106,683	
801.01 North State Super Region (NSSR)	*7,615*	20,324	Staff time and indirect costs to administrate NSSR meetings and collaboration
801.02 SB125 TIRCP/ZETCP Administration	*68,963*	130,700	Staff time and indirect costs to administrate SB125 regional program
Total Expenses by Work Element	*5,674,085*	**5,120,710**	**-10%**

Expense Detail Cont'd

	Final FY 2023/24 Budget	Proposed FY 2024/25 Budget	Notes / % change from prior fiscal year
Planning and Administration Expenses by Fund Source			**All funding sources include indirect cost estimates and exclude matching toll credits, if applicable FY 2024/25 OWP adopted April 25, 2024**
Federal Highway Administration (FHWA)	*1,178,236*	1,106,613	
Federal Transportation Administration (FTA) 5303	*95,146*	95,177	
Strategic Partnership Transit - FTA 5304 (FY 2021/22)	*253,212*	224,616	North State Intercity Bus to Rail (707.10)
SRTA Local Transportation Fund (LTF)	*925,150*	1,514,566	SRTA Administration on OWP for local match
Planning, Programming, and Monitoring	*402,309*	170,000	Low Stress Shasta, SR 273 Multimodal Corridor Plan, and Shasta Regional Planning Dashboard local match funds
North State Super Region (NSSR)	*7,615*	15,000	SRTA administration of NSSR regional coordination
SB1 Formula Funding	*468,800*	480,695	Low-Stress Shasta SCS Implementation Project (701.16), Regional Transit Planning (701.17), and Regional Freight Planning (701.18)
Sustainable Communities - FTA 5304 (FY 2023/24)	*500,000*	461,556	Shasta Regional Planning Dashboard (705.06)
State Highway Account (SHA)	*129,327*	129,327	Pit River Tribe Long Range Transit Plan, no expenses reported to date
Strategic Partnerships - State Route 273 Corridor Plan	*777,496*	316,043	SRTA portion of the SPR grant. Caltrans grant expired June 30, 2024
Non-Motorized Program - On OWP	*159,168*	0	Consultant expenses for Low-Stress Shasta
Regional Early Action Plan (REAP 2.0)	*31,257*	42,144	Staff time and indirect costs to administrate REAP 2.0 program and outreach. Total SRTA admin set-aside $109,254.27
Total Planning and Administration Expenses by Fund Source	*4,927,716*	**4,555,737**	**-8%**
Indirect Costs for Reimbursement	*1,049,776*	1,049,776	**0%**
Salaries and Benefits	*1,574,753*	1,574,753	**0%**
Consultants	*2,017,080*	1,434,738	**-29%**
Direct Costs for Support Services, Conferences, Marketing, etc.	*286,107*	496,470	**74%**
TOTAL EXPENDITURES	*25,746,573*	**21,534,566**	**-16%**