

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	06/28/10	Open	Action	06/28/10

Subject: Amend the Service Agreement with the City of Elk Grove

ISSUE

Whether or not to Approve the Second Amendment to the Service Agreement with the City of Elk Grove.

RECOMMENDED ACTION

Adopt Resolution No. 06-10-____, Approving the Second Amendment to the Service Agreement with the City of Elk Grove

FISCAL IMPACT

Estimated Revenue Loss for FY11:	\$ 7,355 6129 (3,855 3212 +3,500-2917)*
Estimated RT labor expense savings during FY11:	\$ 7,793 6633 (\$67 x 119 99)**
Net labor savings FY11:	\$ 618 504

* Note: The service agreement provides for reimbursement based on an estimated 130 certifications per year, but also provides for pro-rated reimbursement if the number of certifications exceeds this amount, which it has historically. This estimate assumes loss of half of the base reimbursement (7,709.90/12) * 5 = ~~3,855 3212~~) and revenue for an additional 59 certifications at the pro-rated amount of \$59.31 per certification.

** The estimated labor savings did not include overhead savings. If overhead savings were included in this calculation, the savings would be even higher.

DISCUSSION

In January 2005, RT entered into a one year service and cost sharing agreement with the City of Elk Grove that outlined the provision of transit services within each jurisdiction. On February 15, 2006, the agreement was amended to extend the term through December 31, 2010.

The terms of the agreement require the City of Elk Grove to pay RT's proportional costs for providing the following services: Bus, Rail, Facility support, and ADA eligibility certification support. In recent contract negotiations, Elk Grove requested that the accessible services section of the agreement be modified. The changes would shift the responsibility for providing ADA eligibility certification support from RT to the City of Elk Grove. Since RT staff has recently experienced a reduction of staff in all administrative areas, and the costs of providing the service is greater than the revenue it generates, Staff believes the request is reasonable and would be beneficial to both parties.

In addition to the changes noted above, RT and Elk Grove staff have been involved in multiple meetings to discuss changes to the reimbursement methodology, cost sharing and other terms

Approved:

Presented:

FINAL REVISED 6/28/10

General Manager/CEO

Chief Financial Officer

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outlined in the existing agreement. Staff is anticipating completion of these negotiated changes to be ready for Board approval by the December 13, 2010 Board meeting.

Staff is recommending approval of a second amendment to the cost sharing agreement with the City of Elk Grove to eliminate the requirement for RT to provide ADA Eligibility Certification Support for the City of Elk Grove, effective ~~July~~ **August** 1, 2010.

RESOLUTION NO. 10-06-_____

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

June 28, 2010

**APPROVING THE SECOND AMENDMENT TO THE SERVICE AGREEMENT WITH
THE CITY OF ELK GROVE**

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

THAT, THE Second Amendment to the Service Agreement between Regional
Transit and the City of Elk Grove, whereby RT's responsibility for providing ADA
certification is removed, is hereby approved.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary