

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	06/24/13	Open	Action	05/02/13

Subject: Approving the Second Amendment to Agreement with City of Citrus heights for Bus Service

ISSUE

Whether or not to approve the Second Amendment to Agreement with City of Citrus Heights for Bus Service.

RECOMMENDED ACTION

Adopt Resolution No. 13-05_____ Approving the Second Amendment to Agreement with City of Citrus Heights for Bus Service.

FISCAL IMPACT

This action will extend the terms of the agreement one additional year to June 30, 2014 and add provisions for the City Ride service. Annual revenue expected to be attributed to Citrus Heights under this service agreement in FY 2014 is \$2.9 million. The cost of City Ride in FY 2014 is projected to be \$176,826, which will be paid for using the Transit Service Enhancement Credit. Under the Second Amendment, the Transit Enhancement Credit of \$300,000 will accrue for fiscal year 2013-14.

DISCUSSION

Since 1998, RT and the City of Citrus Heights have had a contract for the provision of transit service. In December 2007, the RT Board approved the most recent agreement with the City of Citrus Heights for the operation of bus service and associated maintenance activities. The Agreement also allowed for the provision of customer service activities. In return for the services, Citrus Heights agreed to provide to RT an amount equal to the City's allocation of Transportation Development Act (TDA) funding minus an administrative fee.

The 2007 Agreement was authorized until June 30, 2012 with mutual options to extend for up to three successive one-year periods until June 3, 2015.

The Agreement covers:

- The provision of transit service
- The charge for service
- Customer Service
- Bus Stop Maintenance
- Records and Reports
- Service Changes

Approved:

Presented:

Final 06/19/13

General Manager/CEO

Assistant General Manager, Planning and Transit System Development

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- Terms of the Agreement, and
- Transit Service Enhancement Credit of \$300,000 per year

The Agreement took effect on July 1, 2007 and was due to expire on June 30, 2012. The First Amendment extended the term to June 30, 2013. It also provided that the \$300,000 Transit Service Enhancement Credit would not accrue for Fiscal Year 2012-13. If approved, the Second Amendment will further extend the term to June 30, 2014.

The 2007 Agreement was extended to allow ample time for the City and RT to jointly conduct a study to assess the effect of a number of changes to RT's financial situation as related to the provisions of transit service in the City. The study was also to consider the advantages of a negotiated annexation of the City of Citrus Heights into RT. The City has solicited consultant proposals to conduct the study, but no contract has been awarded yet. A consultant is expected to be hired by this summer. The study is expected to take approximately 6 months to complete. The consultant will be paid with funds from the Transit Service Enhancement Credit.

As part of the Second Amendment to the current Agreement, the Transit Enhancement Credit of \$300,000 will accrue again for Fiscal Year 2013-14. Also, the Second Amendment to the Agreement will update the description of transit service provided to the City of Citrus Heights to include the "City Ride" service authorized by the RT Board as part of Transit Renewal. City Ride began operation in October 2012. City Ride costs estimated at \$176,826 exclusive of target marketing which are both being deducted from the accumulated Transit Service Enhancement Credit balance.

At the conclusion of the extended term, the parties may either: (1) mutually agree to exercise the final one-year option to extend the current agreement; or (2) enter into a new multi-year agreement. RT Staff has communicated to Citrus Heights that the Transit Service Enhancement Credit will not be offered beyond the 2013-14 Fiscal Year and RT will not consider an extension of the credit as part of next year's negotiations.

Staff requests that the Board approve the Second Amendment based on the terms and conditions set forth in this issue paper.

RESOLUTION NO. 13-06-_____

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

June 24, 2013

APPROVING THE SECOND AMENDMENT TO THE AGREEMENT WITH THE CITY OF CITRUS HEIGHTS FOR BUS SERVICE

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

THAT, the Second Amendment to the Agreement with City of Citrus Heights for Bus Service which would extend the term by one year until June 30, 2014, update the description of Bus Service, and allow the accrual of the Transit Service Enhancement Credit for the fiscal year 2013-14, is hereby approved.

THAT, the Board Chair and General Manager/CEO are hereby authorized and directed to execute the Second Amendment.

PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary