

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
16	12/08/14	Open	Action	12/03/14

Subject: Delegating Authority to the General Manager/CEO to Execute an Agreement with the City of Citrus Heights to Operate Transit Service

ISSUE

Whether or not to delegate authority to the General Manager/CEO to execute an Agreement with City of Citrus Heights for Bus Service.

RECOMMENDED ACTION

Adopt Resolution No. 14-12-_____, Delegating Authority to the General Manager/CEO to Execute an Agreement with City of Citrus Heights for Bus Service.

FISCAL IMPACT

For Fiscal Year (FY) 2015, the estimated revenue net of fees is \$3,017,473. This amount is based on the following formula:

Estimated LTF* Revenues	\$ 2,836,631
Estimated STA* Revenues	\$ 414,423
Total Revenues:	\$ 3,251,054
Less Admin Fee:	\$ (233,581)
Net Charge for Service	\$ 3,017,473

*The City of Citrus Heights receives Local Transportation Funds (LTF) and State Transit Assistance (STA) under the Transportation Development Act (TDA). These estimates are based on the February 2014 apportionment schedules.

DISCUSSION

Since 2001, RT and the City of Citrus Heights (City) have had an Agreement for the provision of transit service. In December 2007, the RT Board approved a five-year Agreement with the City of Citrus Heights for the operation of bus service and associated maintenance activities. The agreement was amended three times to extend through December 31, 2014.

Staff from Citrus Heights and RT have worked to negotiate a draft three-year Agreement for the provision of transit service. The City is still reviewing the final draft of the Agreement, but has agreed in principle to the following business points. Because the final draft is not yet completed, Staff is requesting a delegation of authority to the General Manager/CEO to execute the Agreement upon completion of negotiations.

Approved:

Presented:

Final 12/3/14

General Manager/CEO

AGM of Planning and Transit System Development

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The Agreement would cover:

- A description of the service to be provided
- The cost for service
- Payment of the service cost
- Cost sharing
- Maintenance of transit facilities
- Capital Improvements; including annual programming, pursuit of funding, and cost allocation/sharing
- Service Changes
- Marketing and Planning
- Records and Reporting

As detailed in the 2007 Agreement, Citrus Heights has provided RT all of its annual apportionment of Transportation Development Act (TDA) funding for transit, less a portion of the TDA funds to cover an administrative fee of approximately \$200,000. In addition, RT established a transit enhancement fund of \$300,000 annually to pay for transit enhancements within the City.

The new Agreement would state that funds deducted from TDA for the Administrative Fee will be a fixed amount of \$233,581 for FY 2015 and then be based on the actual transit-related costs incurred by Citrus Heights during subsequent fiscal years, not to exceed the base amount of \$233,581 plus a Consumer Price Index (CPI) factor.

The transit enhancement fund was meant to adjust for the previously-held belief that Citrus Heights TDA funding was in excess of the benefit of transit service provided to the City by RT. The fund allowed Citrus Height to initiate improvements to City transit service beyond the normal RT service.

In 2013, Citrus Heights hired a consultant to evaluate, among other things, the actual cost of the service provided by RT as compared to the total of the TDA funds received by the City. The analysis determined that the TDA funding received by the City no longer covers the cost of transit service provided to the City by RT.

As a result, the provision to provide a \$300,000 annual transit enhancement credit would be excluded from the new Agreement.

The current balance of the transit enhancement fund will be used to cover costs associated with operation of the Citrus Heights City Ride service. Upon depletion of the balance of the transit enhancement fund, the Citrus Heights City Ride service will continue to be provided by RT as part of the City's standard service package. The estimated incremental cost to RT to provide the Citrus Heights City Ride service is approximately \$230,000 annually.

The draft Agreement would require written approval by both RT and the City of any change to a route that operates primarily within the jurisdictional boundaries of the City that constitutes a

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“major service change” as defined by RT’s Service and Fare Change Policies. All other major service changes may be made at RT’s discretion.

RT will provide paratransit service for CITY residents from locations within the City to Medical Facilities within the City of Roseville until the Transit Center at Louis Ln. and Orlando Ave. is constructed. Passengers may reach these facilities by transferring to another service provider upon completion of the Transit Center at Louis Ln. and Orlando Ave.

A separate agreement will be developed to define standards and responsibility for maintenance of transit facilities within the City. Transit facilities within the City will be maintained by RT to RT’s districtwide standards until a separate agreement is fully executed.

RT and the City have had informal discussions surrounding the possibility of Citrus Heights activating as a member entity of RT. Those discussions were put on hold pending modification of the RT enabling legislation, which currently does not allow for a negotiated annexation. RT staff is currently working to determine the steps necessary to incorporate the process of negotiated annexation into the enabling act. During the next three years, the City and RT will continue to discuss options for improving transit service delivery, including the City becoming a formal member of RT.

RESOLUTION NO. 14-12-_____

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

December 8, 2014

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE AN
AGREEMENT WITH 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, authority is hereby delegated to the General Manager/CEO to execute an Agreement between Sacramento Regional Transit District, therein referred to as "RT," and the City of Citrus Heights, therein referred to as "City," whereby RT agrees to provide transit service within City and City agrees to pay RT for such service as further set forth therein.

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary