

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
17	12/08/14	Open	Action	12/03/14

Subject: Delegating Authority to the General Manager/CEO to Execute the Service Agreement with the City of Elk Grove.

ISSUE

Whether or not to delegate authority to the General Manager/CEO to execute the Service Agreement between Regional Transit and the City of Elk Grove.

RECOMMENDED ACTION

Adopt Resolution No. 14-12-_____, Delegating Authority to the General Manager/CEO to Execute a Service Agreement Between Regional Transit and the City of Elk Grove.

FISCAL IMPACT

If the Agreement is executed, the City of Elk Grove (City) would pay RT \$179,316 for districtwide transit services for the last six months of Fiscal Year (FY) 2015. This amount was calculated using the cost sharing methodology established in the current Service Agreement between RT and City, and accounted for in RT's FY 2015 Budget.

Payment for FY 2016 would be based on RT's audited, actual operating costs (from FY 2013). City's share of these costs would be determined by the share of RT ridership attributed to Elk Grove as measured by passenger boardings. RT estimates the cost to City for FY 2016 would be \$796,731. The cost for FY 2017 would use the previously described-methodology, but with the latest available audited costs not to exceed the base amount of \$796,731 plus 4% annually.

RT estimates that City residents will account for 590,810 passenger boardings in FY 2015. The subsidy per passenger provided by the City to RT for use of RT services with an estimated annual payment of \$796,731 equals \$1.35 for FY 2015. The City paid approximately \$8.59 per passenger boarding on e-tran services in FY 2012.

DISCUSSION

Background

RT and the City initially entered into a Service Agreement in 2004. The initial Service Agreement was intended to comply with the requirements of A.B. 466 to permit Elk Grove to make an appointment to the RT Board of Directors. The initial Agreement was successfully amended three times. A new six-month Service Agreement was executed earlier this year; this agreement expires on December 31, 2014.

Staff from City and RT are negotiating a draft thirty (30) month Agreement for compensation for region-wide transit service and coordination of transit service operations. The City is still reviewing

Approved:

Presented:

Final 12/3/14

General Manager/CEO

AGM of Planning and Transit Systems Development

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the final draft of the Agreement; consequently staff is requesting a delegation of authority to the General Manager/CEO to execute the Agreement upon completion of negotiations.

The draft Agreement under consideration would cover:

- City’s payment to RT for districtwide transit service
- Consent of parties to operate within each other’s boundaries
- Support services for e-tran
- Consent for placement of RT poles, benches and shelters

Districtwide Transit Service Cost Sharing Calculation

The population of the City grew from 8.5% to 11.0% of the population of Sacramento County between January of 2004 and January of 2014, representing a nearly 30% increase in City’s share of the county population. This disproportional growth in the City compared to rest of the county and the decade-old inputs used in the current proportional share cost estimate necessitated an update to the proportional share of RT service consumed by the City.

The City’s share is currently calculated based on passenger mile estimates provided in RT’s 2005 Transit Equity Study. The 2005 Transit Equity Study used inputs from the Sacramento Area Council of Governments (SACOG) 1999 On-board Transit Survey applied to a modeled network of RT service in 2005.

To avoid a drastic mid-year increase in cost, the amount to be paid by Elk Grove for the remainder of FY 2015 would be fixed at \$179,316.

For FYs 2016 and 2017, the draft Agreement would calculate City’s share of districtwide transit costs using an estimated share of RT passenger boardings by Elk Grove residents. The estimated share of boardings on RT services attributed to City residents is based on data collected in the SACOG’s Connect Card Transit Surveys in 2013.

The updated proportionate share estimate in the draft Agreement uses more recently collected data. While several differences exist in the data sets used in the current and proposed methodologies, RT staff used several methods to compare currently estimated passenger boardings to information provide in the 2005 Transit Equity Study; all methods indicated significant growth in the estimated use of RT service attributed to City.

Consent to Operate within Each Other’s Boundaries

The draft Agreement grants permission for City to operate all of City’s existing services in RT’s service area, and for all existing RT service that operates within the City’s jurisdictional boundaries. If adjustments are needed in the agreed upon service by either jurisdiction and the desired change would affect the use of a transit facility or result in additional incursion into a service area, the requesting entity must submit a written request for approval describing the adjustment.

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Support Services for e-tran

RT will be responsible for the operation and maintenance of any layover locations, bus stops and/or transit centers within its service area. The City has agreed in principle to pay RT for repairs and maintenance based on a proportionate fee schedule measured by the number of bus trips using the facility requiring maintenance. A separate agreement will be developed to identify fees and the process for reimbursement of maintenance-related expenses. If an agreement for reimbursement of maintenance-related expenses is not executed, RT may not receive reimbursement for these expenses.

The draft Agreement also outlines a process for conducting joint marketing efforts.

Separate Facility Use Agreements

The draft Agreement acknowledges the need for a separate agreement for City shared maintenance costs and use of RT’s Compressed Natural Gas fueling facility or parking facilities in downtown Sacramento.

The draft Agreement also provides that if RT acquires bus stop shelters or benches from its advertising contractor, RT and the City will work collaboratively to transfer ownership of all RT bus shelters and facilities currently located within the City’s boundaries to City in a manner and at a cost agreed to by both parties.

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 A SERVICE AGREEMENT BETWEEN REGIONAL TRANSIT AND THE CITY OF ELK GROVE.

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 Elk Grove, therein referred to as "City," which addresses consent for operation within each other's service area, compensation for operation of RT districtwide services, and maintenance of facilities and other support services provided to the City as further set forth therein.

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary