

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	01/25/16	Open	Action	01/19/16

Subject: Approving an Amendment to the Service Agreement between Regional Transit and the City of Elk Grove.

ISSUE

Whether or not to approve an Amendment to the Service Agreement between Regional Transit and the City of Elk Grove.

RECOMMENDED ACTION

Adopt Resolution No. 16-01-____, Approving an Amendment to the Service Agreement Between Regional Transit and the City of Elk Grove.

FISCAL IMPACT

This contract amendment will reduce FY 2016 operating revenue budget by \$446,731. The new contract amount is \$350,000 per year for the following 3-year contract term. The original Agreement allowed for the possibility of Elk Grove purchasing CNG fuel from RT. If this occurs, additional revenue from Elk Grove may be forthcoming. The amount of fuel related revenue has not been estimated

DISCUSSION

On December 8, 2014, the RT Board of Directors authorized its General Manager/CEO to execute a Service Agreement with the City of Elk Grove to define the parameters for each party's operations within the jurisdictional boundaries of the other party and to establish a "proportionate share" payment for use by Elk Grove residents of regionwide transit services provided by RT. Under state law, the proportionate share payment is a prerequisite to Elk Grove holding a seat on RT's Board of Directors. RT and the City of Elk Grove have had similar agreements in place since 2004. The current Service Agreement was approved by the Elk Grove City Council on December 10, 2014 and was fully executed January 6, 2015, for a term of 30 months.

The Service Agreement calculates a proportionate payment for the use of RT bus and rail services by Elk Grove residents using a methodology that is consistent with that in place since 2005, with updated inputs. Based on passenger boardings obtained from a Sacramento Area Council of Governments (SACOG) administered survey and actual audited cost, the City was estimated to owe a proportionate share of \$796,731 for FY 2016. RT's adopted FY2016 operating budget and vote allocation assume this contribution from the City.

Based on discussions between Chair Schenirer, the General Manager/CEO, and Elk Grove Staff, on December 9, 2015 the Elk Grove City Council approved an amendment to the Service Agreement that would cap the proportionate share payment at \$350,000 per fiscal year, for both FY2016 and FY2017 (the remaining term of the Agreement).

Approved:

Presented:

Final 01/20/16

General Manager/CEO

AGM of Planning and Transit System Development

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All other clauses of the original Agreement, including consent to operate within each other's boundaries, would remain the same.

RESOLUTION NO. 16-01-_____

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

January 25, 2016

**APPROVING AN AMENDMENT TO THE 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, the Amendment to the Service Agreement between Sacramento Regional Transit District, therein referred to as "RT," and the City of Elk Grove, therein referred to as "City," whereby the proportionate share payment due under the Agreement is capped at \$350,000 per fiscal year, is hereby approved.

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

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary