

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	09/26/16	Open	Action	09/20/16

Subject: Delegating Authority to the General Manager/CEO to Enter into a Light Rail Maintenance and Operations Agreement with the City of Folsom

ISSUE

Whether or not to delegate authority to the General Manager/CEO to enter into a light rail maintenance and operations agreement with the City of Folsom.

RECOMMENDED ACTION

Adopt Resolution No. 16-09-____, Delegating Authority to the General Manager/CEO to Enter into a Light Rail Maintenance and Operations Agreement with the City of Folsom.

FISCAL IMPACT

The Agreement with the City of Folsom is a full cost reimbursement agreement. The arrangement requires the City of Folsom to pay RT for the cost of light rail service in its service area. Since RT collects fares from Folsom customers, RT reimburses the City of Folsom for the fare revenues collected.

For FY2016, RT recorded approximately \$1.7M in Contract Revenues and reimbursed the City of Folsom for approximately \$0.4M. Each year, these costs are anticipated to increase based on RT's cost factors and revenues collected. For FY 2017, RT budgeted \$1.7M in Contract Revenues and budgeted \$0.4M in reimbursements.

The additional event night service for larger events is anticipated to increase the annual amount by 10 – 14%.

DISCUSSION

RT operates Light Rail service on the Gold Line from the Sunrise Light Rail Station to Historic Sutter Street under contract with the City of Folsom. Execution of a Light Rail Maintenance and Operations Agreement that included a commitment by Folsom to cover the full costs of operations from the Hazel light rail station to Folsom was a pre-condition of the Folsom extension, which opened in 2005. An Agreement was initially executed in 1997 that covered Light Rail service and complementary paratransit service required to be provided into the City of Folsom as a consequence of the light rail operations. The agreement defined the level of service and method of reimbursement for both paratransit and light rail Services. It also defined a number of other responsibilities related to the maintenance and security of the light rail operations within the City of Folsom. The 1997 Agreement was for an initial term of 10 years and was amended twice to extend the term to October 14, 2015.

Approved:

Presented:

Final 09/21/16

General Manager/CEO

VP of Transit Services/Chief Operating Officer

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RT has operated without an agreement since the initial agreement expired on October 14, 2015. During the past year, RT and the City of Folsom were engaged in discussions that would modify the Maintenance and Operations Agreement. Specifically, these discussions included late night rail service, the feasibility of RT operating Folsom’s existing bus service, and extra light rail service to events at the Golden 1 Center. Since the expiration of the agreement, both parties have continued to operate as if the agreement had been renewed without any change in terms.

RT is close to completing discussions with Folsom over the terms and conditions of a new agreement. At this point, a new agreement would not include late night service on Light Rail or RT operating Folsom’s bus service. The new agreement would include event night service for larger events at the Golden 1 Center consistent with RT’s operating plan, which has previously been presented to the RT Board. Other terms and conditions of the Agreement would be substantially similar to the recently-expired Agreement. The new agreement would have a five-year term commencing October 15, 2015, which coincides with the expiration of the previous agreement.

This action would delegate authority to the General Manager/CEO to enter into a new five-year Light Rail Maintenance and Operations Agreement with the City of Folsom.

RESOLUTION NO. 16-09-_____

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

September 26, 2016

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ENTER INTO A
LIGHT RAIL MAINTENANCE AND OPERATIONS AGREEMENT WITH THE CITY OF
FOLSOM**

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

THAT, authority is hereby granted to the General Manager/CEO to enter into a Light
Rail Maintenance and Operations Agreement with the City of Folsom.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary