

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	12/11/17	Open	Action	12/04/17

Subject: Citrus Heights Contract Extension

ISSUE

Whether or not to extend SacRT's contract with the City of Citrus Heights for transit service.

RECOMMENDED ACTION

Adopt Resolution No. 17-12-_____, Approving the First Amendment to the Agreement with City of Citrus Heights for Bus Service.

FISCAL IMPACT

The Fiscal Year (FY) 2018 budget assumes extension of the Citrus Heights contract and assumes \$3,334,877 in revenue for FY 2018. The proposed contract extension would increase the contract amount for FY 2018 to \$3,595,239 (net of fees), an increase of \$260,362. The increase is primarily a result of revised estimates for State Transit Assistance due to legislative changes in 2017.

DISCUSSION

Since 2001, SacRT and the City of Citrus Heights (the City) have had a contract for the provision of transit service. The contract covers fixed-route bus service, CityRide demand response service, complementary paratransit service under the Americans With Disabilities Act (ADA), infrastructure maintenance, and capital improvement projects related to transit. The term of the current three-year contract is from January 1, 2015 through December 31, 2017, with the potential for three successive one year options to be implemented through amendments. The proposed two-year extension would change the end date to December 31, 2019.

Under the terms of the existing and past contracts, the City has passed to SacRT its California Transportation Development Act (TDA) funds as consideration for transit service provided by SacRT within and/or benefitting the City. TDA funds are comprised of Local Transportation Funds (LTF) and State Transit Assistance (STA), which are based on sales tax and diesel fuel excise tax. Although these sources can fluctuate, the City's total TDA apportionment is typically over \$3 million per year.

Earlier in 2017, the City began a transit study to examine route structure in Citrus Heights as well as cost of service. SacRT is also beginning its Route Optimization project, which will examine service levels and network design throughout the SacRT service area. With these two studies pending, the City and SacRT staff sought a contract extension with minimal changes, with the intent of reviewing service levels and our partnership more thoroughly in response to the findings and outcomes of the two transit studies.

Approved:

Presented:

Final 12/6/17

General Manager/CEO

Director of Planning

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The proposed extension maintains key terms of the contract unchanged, with the exception that language has been added to clarify handling of new transit funds under S.B.-1 and other legislation from 2017. First, the extension specifies that increases to the City's STA apportionment resulting from 2017 legislation will continue to flow to SacRT like all other STA revenues, other than Transit State of Good Repair funds. The extension provides for the City to retain new STA Transit State of Good Repair funds generated under 2017 legislation for use on eligible capital projects or preventative maintenance. Due to uncertainty with respect to the future of these funds, a provision has been added to reopen the contract if the charge for service differs by more than 15 percent from the estimated amount in FY2018, or by more than 15 percent from the prior year in any subsequent year.

Staff recommends the Board approve the resolution amending the contract with the City .

RESOLUTION NO. 17-12-_____

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

December 11, 2017

**APPROVING THE FIRST AMENDMENT TO THE 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, the First Amendment to the Agreement with City of Citrus Heights for Bus Service, by and between the City of Citrus Heights (therein "City") and the Sacramento Regional Transit District (therein "RT") whereby the term is extended to December 31, 2019, and the treatment of new revenues from the 2017 legislative session is addressed, is hereby approved.

THAT, the Chair and General Manager/CEO are authorized to execute the First Amendment to the Agreement with City of Citrus Heights for Bus Service.

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary