

REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 4 | 06/12/17 | Open | Action | 05/25/17 |

Subject: Approving the Service Agreement with the City of Elk Grove

ISSUE

Whether or not to approve the Service Agreement between Sacramento Regional Transit (SacRT) and the City of Elk Grove.

RECOMMENDED ACTION

Adopt Resolution No. 17-06-_____, Approving the Service Agreement Between Sacramento Regional Transit and the City of Elk Grove.

FISCAL IMPACT

The proposed Agreement secures \$350,000 per year in proportionate share contributions to SacRT from the City of Elk Grove (City) for a three-year contract term beginning on July 1, 2017. This annual amount continues existing terms.

DISCUSSION

SacRT and the City of Elk Grove entered into a Service Agreement in 2004, in conjunction with the City's separation from SacRT and establishment of its own independent transit system under A.B. 466. That Agreement was amended three times to extend the term. The most recent Agreement was effective January 1, 2015 for a term of 30 months, expiring on June 30, 2017. That Agreement was amended in January 2016 to significantly reduce the proportionate share amount to \$350,000 per year.

Staff from City and SacRT have negotiated minor alterations to the existing Agreement and are recommending adoption of a new Agreement covering the three-year period from July 1, 2017 through June 30, 2020. City approval is expected on June 14, 2017.

Key terms of the agreement include:

- City representation on the SacRT Board of Directors
- City's proportionate share payment to SacRT
- Consent for City transit service to operate within SacRT's service area
- Maintenance and repair of bus stops and facilities

City Representation on SacRT Board

SacRT's Enabling Legislation allows a city or county that is not annexed to SacRT (e.g., City of Elk Grove) to make at least one appointment to the SacRT Board if it enters into an Agreement that provides for payment of its proportionate share of SacRT's cost to provide rail or other

Approved:

Presented:

Final 060/17

General Manager/CEO

VP, Accountability & Performance

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districtwide services. The proposed Agreement would continue City representation on the SacRT Board as-is.

Proportionate Share Payment

The proportionate share payment would be \$350,000 per year, continuing the existing amount, as negotiated in 2016. Light rail was extended to South Sacramento (Meadowview) in 2003 and to Cosumnes River College in 2015. Although light rail does not enter City limits, by virtue of City’s geographical situation, City residents benefit directly from these long-term regional investments. Prior to 2004, State Transit Assistance (STA) and Local Transportation Fund (LTF) revenues attributable to the City were received directly by SacRT and useable for both local and regional transit services. Since establishing an independent transit system in 2004, City now receives 100 percent of these STA and LTF funds. The proportionate share payment provides for the return of a fraction of these funds to SacRT to support rail and other districtwide (i.e., regional) service.

Consent to Operate SacRT’s Service Area

The proposed Agreement continues permission for City to operate all of City’s existing services (i.e., commuter bus service) in SacRT’s service area. Adjustments to service may be made via written request to SacRT. SacRT no longer operates transit service within City boundaries, but the Agreement maintains a reciprocal process, whereby SacRT could seek City consent to do so.

Maintenance and Repair of Bus Stops and Facilities

The Agreement continues existing roles, responsibilities, and cost-sharing arrangements for the use, maintenance, and repair of bus stops, stations, and related infrastructure, including:

- Placement by SacRT of City decals on bus stop signs in SacRT’s service area
- Assignment of bus berths at Cosumnes River College light rail station
- Use of SacRT restrooms by City bus operators
- Reimbursement by City for infrastructure repair costs based on City’s percentage of use

Staff recommends approving a new Service Agreement between City and SacRT.

RESOLUTION NO. 17-06-_____

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

June 12, 2017

**APPROVING THE SERVICE AGREEMENT BETWEEN
SACRAMENTO REGIONAL TRANSIT AND THE CITY OF ELK GROVE**

WHEREAS, the Sacramento Regional Transit District and the City of Elk Grove executed a Service Agreement on January 6, 2015 for a term ending on June 30, 2017; and

WHEREAS, both parties desire to continue their existing relationship.

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

THAT, the Service Agreement between the Sacramento Regional Transit District (therein "SacRT") and the City of Elk Grove (therein "City") which provides for an annual proportionate share payment by City of \$350,000, consent to operate transit service within each other's service areas, City representation on the SacRT Board of Directors, and terms for use and maintenance of transit facilities in each other's service area, for a three-year term, commencing July 1, 2017 and terminating June 30, 2020, is hereby approved.

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

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary