

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	07/22/19	Open	Action	07/15/19

Subject: Approving an Increase to the Number of Complimentary Tickets the General Manager/CEO is Authorized to Distribute Each Month

ISSUE

Whether or not to approve an increase to the number of complimentary tickets the General Manager/CEO is authorized to distribute each month for marketing promotions and partnerships.

RECOMMENDED ACTION

Adopt Resolution 19-07-____, Repealing Resolution No. 08-01-0013 and Approving an Increase to the Number of Complimentary Tickets the General Manager/CEO is Authorized to Distribute Each Month for Marketing Promotions and Partnerships.

FISCAL IMPACT

Budgeted:	No	This FY:	\$	73,800
Budget Source:	Operating	Next FY:	\$	73,800
Funding Source:	Operating	Annualized:	\$	73,800
Cost Cntr/GL Acct(s) or Capital Project #:	Revenue 410920	Total Amount:	\$	N/A
Total Budget:	\$ 73,800			

This action would result in an additional estimated annual loss of up to \$73,800 in fare revenue. The estimate is based on assumption that if 50,000 complimentary tickets were distributed each month, up to 10 percent would be redeemed. The annual fiscal impact is based on the average cash fare of \$1.23 multiplied by 10 percent of 50,000 (5,000) complimentary tickets, which equals \$6,150 per month and \$73,800 per year.

DISCUSSION

In an aggressive effort to build ridership and public awareness of SacRT bus, light rail and microtransit services, Marketing staff proposes to increase the number of complimentary tickets the General Manager/CEO is authorized to distribute each month from 25,000 to 50,000. Complimentary tickets are a great way to incentivize the public to try transit and build future ridership through marketing promotions and regional events. It is anticipated that new riders gained through this program would exceed the cost of any lost fare revenue.

SacRT has had a program in place since 1989 for the distribution of complimentary fare media for promotional purposes. In its most recent iteration, adopted in 2008, the General Manager/CEO was given authority to distribute 25,000 single-ride tickets or daily passes per calendar month and

Approved:

Presented:

Final 07/16/19

General Manager/CEO

Chief Communications Officer

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25 monthly passes per calendar month. The monthly limit of 25,000 single ride tickets and daily passes has been in place since April 2002.

Since that time, the region has grown significantly and so has the interest in alternative transportation. As part of that growth, the number of large regional events, including large-scale concerts and festivals, has grown. These regional events, which typically have parking and traffic constraints, provide an excellent opportunity to demonstrate the benefits of transit for potential riders. To that end, in September 2016, by Resolution No. 16-09-0104, the SacRT Board allowed the General Manager/CEO to recognize event tickets as “fare equivalent,” allowing the event ticket to serve as a complimentary ticket/pass and avoiding the need for distribution of paper SacRT fare media. However, just one such event can exceed the current 25,000 ticket limit.

SacRT is not just a bus and light rail service provider; it’s now an integrated mobility provider. Approving the increase to the number of complimentary tickets that can be distributed each month will provide staff a greater opportunity to show the public all the great initiatives being implemented. SacRT staff proposes to maintain the allotment of 25 complimentary monthly passes per calendar month that was originally adopted by the Board on January 28, 2008.

RESOLUTION NO. 19-07-_____

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

July 22, 2019

REPEALING RESOLUTION NO. 08-01-0013 AND APPROVING AN INCREASE TO THE NUMBER OF COMPLIMENTARY TICKETS THE GENERAL MANAGER/CEO IS AUTHORIZED TO DISTRIBUTE EACH MONTH FOR MARKETING PROMOTIONS AND PARTNERSHIPS

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

THAT, Resolution No. 08-01-0013 is hereby repealed.

THAT, the General Manager/CEO or his designee is hereby authorized to distribute up to 50,000 complimentary tickets and daily passes per calendar month and up to 25 complimentary monthly passes per calendar month for special promotional campaigns and partnerships to increase SacRT ridership and community awareness of SacRT transport services.

THAT, the General Manager/CEO or his designee shall report periodically to the Board about the results of promotional campaigns supported with complimentary tickets and passes.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary