



STAFF REPORT

DATE: March 8, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: PROSPECTIVE CITY OF ELK GROVE ANNEXATION TO SACRT

RECOMMENDATION

No Recommendation — For Information Only.

FISCAL IMPACT

None.

DISCUSSION

Staff will present an update regarding the prospective annexation of the City of Elk Grove's transit services, provide an overview of the major business points of the draft annexation agreement, and seek guidance and feedback from the Board of Directors on the agreement terms and next steps.



Prospective Annexation City of Elk Grove Transit Services

Benefits of Annexation

- Region better positioned for transit-related grant funding
- Regional paratransit service - one-seat rides
- Continued enhancements in service delivery and customer satisfaction
- Simplified regional fare structure
- Operational efficiency - economies of scale
- Continue improved wages and benefits for employees
- Continued SacRT Board of Directors representation

Customer Survey

January 2020

Local (e-Tran)

4.19 of 5.00

Overall Satisfaction

**4.30 Safe Driving
Performance**

**3.85 Cleanliness of Bus
Stops & Shelters**

Commuter (e-Tran)

3.32 of 5.00

Overall Satisfaction

**3.69 Driver Courtesy
and Helpfulness**

**3.07 Phone Customer
Service**

Partransit (e-Van)

3.46 of 5.00

Overall Satisfaction

**3.50 Safe Driving
Performance**

**3.02 Availability of
Reservation Time**

Transition of Service

- Effective Date of Annexation – July 1, 2021
- Current contract – effective since March 13, 2019 – would terminate upon annexation
- Board representation in accordance with legislated voting structure
- City of Elk Grove becomes member entity of the District
- Detailed Transition Plan regarding financial and administrative function transfer

Operation of Service and Fare Structure

- Maintain Proportionate Share of Service
- Year 1 – No Changes to Service
- Service Change Obligations for Years 2 – 4
 - City retains significant control of service changes
 - Emergency Service Changes permitted
 - Preserve current Fare Structure for at least 6 months
 - Form a Rider Task Force

Under Discussion:

- Reasonable consideration of service changes under certain circumstances

Major Financial Terms

- City will transfer all Transit-Related Revenues and Assets to SacRT and SacRT will be responsible for all Costs upon Annexation
- SacRT commits a reasonably proportionate Future Sales Tax Measure allocation, including commitment for light rail extension, zero emission vehicle replacement and other service improvements
- SacRT will lease Transit Facility at the City's Corporation Yard – City will use these funds to address Negative Transit Fund Balance of \$3.58 million
- SacRT will provide the City approx. \$98,000 per year for Transit Administration / Transit Improvements, +/- with TDA
- SacRT expects to breakeven over a five-year period

Possible Next Steps

- Possible Next Steps
 - Schedule additional negotiation meetings as needed
 - Schedule 2x2 including SacRT Board and Elk Grove Council members
 - Return on March 22, 2021 for adoption
- Questions/comments