



STAFF REPORT

DATE: September 27, 2021
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: REPEAL RESOLUTION 21-08-0103 AND APPROVE THE STUDENT TRANSIT PASS AGREEMENT 2021-2022 WITH THE CITY OF SACRAMENTO

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

The attached Resolution will repeal the prior approval and approve the final Student Transit Pass Agreement – 2021-2022 (“Agreement”) with the City of Sacramento to provide a path forward for the RydeFreeRT program.

FISCAL IMPACT

At this time, Staff does not believe that the attached Resolution will have an impact on the FY22 budget. The final version of the Agreement proposes a change in methodology from a flat fee of \$750,000 to a per ride fee of \$0.84 per ride by Students assumed to reside in or attend school within the City of Sacramento (estimated as 66% of total Student ridership), **up to a maximum amount of \$750,000**. Staff analysis suggests that there should be enough ridership to recover the full \$750,000 from the City if schools remain open for the entire school year.

DISCUSSION

In August 2021, the SacRT Board, by Resolution 21-08-0103, approved execution of a Student Transit Pass Agreement that would have guaranteed that the City of Sacramento would pay SacRT \$750,000 (\$250,000 each quarter) in FY22 for an extension of the RydeFreeRT from October 1, 2021, through June 30, 2022. Prior to the Board meeting, Staff shared the draft agreement with City staff and communicated the expectation of a flat-rate methodology, which Staff understood to be consistent with the City’s approval of \$750,000 in the City’s FY22 Budget for the program and the pre-pandemic methodology.

After the Board adopted the Resolution, City staff informed SacRT that the City’s intent was to continue the \$0.84 per ride fee model (for Students living or attending school within the City of Sacramento, estimated at 66% of total Student ridership) adopted for Year 2

due to school closures and lower ridership as a result of COVID, up to a maximum contribution of \$750,000 through June 30, 2021.

While entering into the Agreement on the revised terms does present an increased budget risk to SacRT, it is fair and reasonable of the City to make this request given the recent increase in COVID cases and potential for future school closures. If schools remain open during the 2021-2022 school year, Staff is confident that Student ridership levels will be sufficient to receive the full \$750,000 in funding from the City. During FY19 (pre-COVID) student ridership was double what would have been needed to secure the maximum amount of funding from the City under the proposed agreement structure. At this time, it is still too early in the school year to determine whether student ridership will return to near pre-COVID levels; however, Staff has seen results from the first couple of weeks of school that are very promising. As a result, Staff recommends approval with the noted revisions.

RESOLUTION NO. 21-09-0107

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

September 27, 2021

REPEAL RESOLUTION 21-08-0103 AND CONDITIONALLY APPROVE THE TRANSIT PASS AGREEMENT 2021-2022 WITH THE CITY OF SACRAMENTO

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

THAT, Resolution 21-08-0103 is hereby repealed.

THAT, the Student Transit Pass Agreement - 2021-2022 by and between the City of Sacramento (therein "City") and the Sacramento Regional Transit District (therein "SacRT") whereby City agrees to pay \$.84 per ride by Students living or attending School within the City of Sacramento (billed quarterly in arrears), up to a maximum of \$750,000, as consideration for SacRT to permit students who live in or attend school within the boundaries of the City or who are homeless or in foster care within the City to ride SacRT services at no cost for the period from October 1, 2021 until June 30, 2022, using an Annual Student (TK-12) Pass is hereby approved.

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

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary