

## **STAFF REPORT**

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**DATE:** September 12, 2022  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Jamie Adelman, Acting VP, Finance/CFO  
**SUBJ:** DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO  
TO DESIGNATE FOUR CALENDAR WEEKS DURING FY23 TO  
SUSPEND PAYMENT OF FARES ON SACRT SERVICE

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

The recommended action would allow the General Manager/CEO to suspend fare collection during four separate calendar weeks throughout FY23 on all SacRT service.

### FISCAL IMPACT

The funding awarded to SacRT was based on budgeted fare revenues for a one-month period. If the General Manager/CEO exercises the requested discretion to approve the four fare free weeks, anticipated fare revenues will be directly replaced by grant funds, and there will be no impact on FY23 revenues. Any expenses related to the fare suspensions (promotional materials, etc.) will be reimbursed by grant funding as well.

### DISCUSSION

As part of continued efforts to rebuild ridership and provide affordable transportation options to SacRT passengers, Staff applied for a Low Carbon Transportation Operation Program (LCTOP) grant to offer free rides to all SacRT passengers during October 2022, including fixed route bus, light rail, SmarT Ride, SacRT GO and SacRT e-van services.

SacRT was awarded \$1,476,227 in funding for this offering. Grant funds will be used to replace anticipated fare revenues (approximately \$1,406,227) from these services plus other items (approximately \$70,000) such as marketing and other items necessary to prepare and promote fare-free weeks. These four weeks will be in addition to the 10 free-ride days delegated to the VP, Communications & Partnerships for special events throughout the calendar year.

After award of the grant, Staff determined that it would be preferable to spread the fare free days throughout the year, one week at a time, and will be requesting Caltrans approval to modify the grant terms to allow this alternative.

While individual free ride days provide the public with an opportunity to try transit, waiving fare for an extended period of time would further boost ridership by providing a greater span of time to try different services. If approved, staff anticipates that ridership during the fare-free weeks may increase by 10-20% over previously-forecasted levels.

In addition to attracting new passengers, the grant will also provide a temporary reprieve from paying fares for existing passengers. Inflation has been a topic of concern for everyone in the greater Sacramento region as of late. A suspension of fares, while temporary, will also provide some temporary relief for existing passengers who have been impacted by inflation.

RESOLUTION NO. 2022-09-103

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

September 12, 2022

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO DESIGNATE FOUR CALENDAR WEEKS DURING FY23 TO SUSPEND PAYMENT OF FARES ON SACRT SERVICE**

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

THAT, to encourage ridership, the General Manager/CEO is hereby authorized to approve up to four “fare-free” calendar weeks during Fiscal Year 2023 on SacRT’s bus system, SacRT GO paratransit service, SmarT Ride service, E-van service, and light rail service.

THAT, during the periods designated by the General Manager/CEO, no passenger will be obligated to pay the otherwise “Applicable Fare” under the adopted Fare Structure to access and use SacRT’s transit service.

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STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary