

STAFF REPORT

DATE: March 27, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Chris Flores, Chief of Staff
SUBJ: AUTHORIZE THE GENERAL MANAGER/CEO TO PURSUE A LEGISLATIVE AMENDMENT TO SACRT ENABLING LEGISLATION RELATIVE TO THE BOARD'S COMPOSITION AND VOTING STRUCTURE

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

To authorize the General Manager/CEO to pursue a legislative amendment to add an additional Board seat for the County of Sacramento and for the City of Elk Grove and continue to have the Board Composition and Voting Structure Ad Hoc Committee convene to discuss additional potential changes in the future.

FISCAL IMPACT

There is no fiscal impact related to the approval of a motion..

DISCUSSION

On March 15, 2023, the Board Composition and Voting Structure Ad Hoc Committee met and voted unanimously (Director Valenzuela did not vote as she was absent from the meeting due to a conflict) to recommend to the SacRT Board to pursue legislation to add an additional seat for the City of Elk Grove and an additional seat for Sacramento County to immediately address representation concerns. The Ad Hoc Committee also recommended that they continue to convene to discuss potential changes to SacRT's structure for Board member alternates, as well as how additional members could be added in the future and whether to have a cap on the number of members on the Board.

On September 23, 2021, Governor Gavin Newsom signed AB 1196 (Cooley), which changed the voting structure for SacRT's governing Board of Directors from a weighted voting structure to a one member, one vote structure.

The composition of SacRT's Board is set out in state law. Specifically, California Public Utilities Code Sections 102100.1 - 102107 sets out the Board's composition, the way Board seats are allocated and if and how representation can be increased or decreased.

SacRT's Enabling Act at Cal. PUC Sec. 102100.2 establishes that the initial SacRT Board would consist of four members appointed by the City Council of the City of Sacramento and three members appointed by the County Board of Supervisors for the County of Sacramento. Cal. PUC Sec. 102100.3 states that each additional member entity will be entitled to make one appointment to the Board. Thus, the cities of Citrus Heights, Elk Grove, Folsom and Rancho Cordova each have one seat on the Board. Cal. PUC Sec. 102100.5 states that after the initial Board, the City of Sacramento and County may voluntarily reduce the number of Board members it appoints to the Board, from their allotted four and three seats, so long as each entity appoints at least one member to the Board. Finally, no more frequently than every two years, the appointing entities may mutually agree to reapportion the seats on the Board, but the apportionment will be "determined by the gross cost of service without regard to income or revenues of the district, within their respective boundaries."

There are only two ways to modify the seat allocation: (1) the City of Sacramento and Sacramento County may voluntarily reduce the number of members they appoint to the Board, but their empty seats cannot be reallocated; or (2) the member entities can come together and reallocate seats based on the gross cost of service within their respective boundaries.

Following implementation of AB 1196, the County has raised concerns about its decrease in voting power as a result of the implementation of AB 1196, while the City of Sacramento's voting power has increased in proportion to its strength compared to weighted voting, creating an inequitable distribution of votes. Additionally, during annexation discussions with the City of Elk Grove, the City of Elk Grove requested that SacRT increase its seat allocation from one seat to two. Elk Grove's population is almost double that of Folsom, Citrus Heights and Rancho Cordova's and Elk Grove believes it should have two seats on the Board.

In 2022, SacRT formed a Board Composition and Voting Structure Ad Hoc Committee (Committee) with one member from each jurisdiction. The Committee's task was to discuss potential changes to the Board's composition and reach a consensus on a proposed modification to the structure of the Board to address the representation concerns raised and present a proposal to the full Board for a vote.

The Ad Hoc Committee reviewed the Board structure change options and voted without objection (5 yes, 1 abstention) to support the following amendment to SacRT's Enabling Legislation to the full Board:

The County of Sacramento will have an additional seat (four total) and the City of Elk Grove will have an additional seat (two total) on the SacRT Board of Directors. The City of Sacramento can appoint an alternate, but they must be an elected official. The Board must revisit seat allocation no less than every 10 years, but it must happen if/when Yolo/West Sacramento annex to SacRT or whenever a member jurisdiction has had a significant population increase or decrease or change to their landscape. The maximum size of the SacRT Board will be 13 members.

At the February 14th, 2022, Board meeting, staff presented the recommendation of the Ad Hoc Committee to add two seats to the SacRT Board (County of Sacramento & City of Elk Grove).

The Board discussion focused on how the district would handle voting when members are absent, and the allocation of alternates. Under the current structure, the County of Sacramento and the City of Sacramento do not have alternates. It was also discussed if non-elected individuals could serve on the Board or as alternates.

Following discussion, staff's recommendation was moved forward with modifications:

- Any member jurisdiction that would have alternates, the members of those jurisdictions would select the alternates for their seated representation on the SacRT Board commensurate with the number appropriated for service on the SacRT Board.
- The selection of those alternates is not restricted to elected individuals – it would be at the discretion of individual jurisdiction and their membership to select them.
- The 5th member of the Board of Supervisors would no longer be considered the alternate explicitly.

The Board approved the modified recommendation by a vote of 9-2; however, Assemblymember Cooley indicated that he would not seek changes to SacRT's board voting structure without unanimous consent of the SacRT Board.

As noted above, on March 15, 2023, the Board Composition and Voting Structure Ad Hoc Committee met and voted unanimously to recommend to the SacRT Board to pursue legislation to add an additional seat for the City of Elk Grove and an additional seat for Sacramento County to immediately address representation concerns. The Ad Hoc Committee also recommended that they continue to convene to discuss potential changes to SacRT's Board member alternates and potential changes to the manner in which Board members could be added in the future, as well as whether the Board should have a limit in the total number of members that are appointed to the Board.

Assemblywoman Stephanie Nguyen is supportive of the Voting Structure Ad Hoc Committee recommendations and is interested seeking Enabling Act changes pertaining to the District's Board composition. She has introduced AB 354 as the legislative vehicle for the change, pending Board approval.

BOARD COMPOSITION & VOTING STRUCTURE

March 27, 2023

Chris Flores
Chief of Staff

Board Member Composition- Summary

- AB 1196 (Cooley) took effect January 1, 2022 and changed the Board voting structure from weighted voting to one member, one vote;
- County of Sacramento – Under weighted voting, the County of Sacramento had 32 votes and the City of Sacramento has 28 votes. Now the County now has 3 votes and the City has 4 votes, reducing the County’s voting strength.
- City of Elk Grove – During annexation discussions, Elk Grove requested that SacRT analyze the Board composition and consider actions to change the Board composition to increase Elk Grove’s seats from one to two.

Board Composition and Voting Structure Ad Hoc Committee

Recommendation From March 15th Meeting:

Add two board members (County of Sacramento and City of Elk Grove) and the Ad Hoc continue to meet to discuss alternates and the potential for changing board composition in the future.

Board Discussion