



## STAFF REPORT

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**DATE:** February 26, 2024  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Olga Sanchez-Ochoa, General Counsel  
**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 SacRT's enabling legislation relative to the Board's composition and voting structure.

### FISCAL IMPACT

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

### DISCUSSION

In late 2022, the Board Composition and Voting Structure Ad Hoc Committee ("Ad Hoc Committee") was established by the Board of Directors. In December 2022 the Ad Hoc Committee met for the first time to discuss the possibility of doing two things. The first was to discuss the City of Elk Grove's request to add one seat to the SacRT Board because of the City's relative size compared to the cities of Rancho Cordova, Folsom and Citrus Heights. Because Elk Grove had nearly double the population of each of the other small jurisdictions, the City of Elk Grove made a case for deserving a second seat. The second task was to review how best to address the change in the County's voting strength that would emerge after the Board transitioned from a weighted voting structure to a one-person-one vote voting structure that was going to take effect January 1, 2023. While the Ad Hoc Committee and the full Board were able to unanimously agree to pursue a change in SacRT's Enabling Act to give the City of Elk Grove a second seat, the issue of granting the County an additional seat did not move forward due to the City of Sacramento's opposition. The issue of the County's relative loss in voting strength due to the change to a one-person-one-vote structure has persisted as a concern for the County and other members of the Board. Consequently, the Board agreed to reconvene the Ad Hoc Committee and asked them to explore options for addressing the imbalance between the City of Sacramento and the County created by the change in voting structure. The Ad

Hoc Committee has had three meetings recently (December 6<sup>th</sup>, January 16<sup>th</sup>, and February 16<sup>th</sup>) to discuss the composition of SacRT's Board of Directors. As noted during the February 16<sup>th</sup> meeting, any decision about the Board's governing structure and composition is strictly a Board decision. Consequently, while staff will provide the Board with potential options to consider, staff will not provide a recommendation on which option the Board should select.

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. Currently, Cal. PUC sec. 102100.2 allocates four seats to the City of Sacramento and allocates three seats to the County of Sacramento. Pursuant to Cal. PUC sec. 102100.3, the cities of Folsom, Citrus Heights, and Rancho Cordova each have one seat and pursuant to Cal. PUC sec. 102100.3(a)(2), the City of Elk Grove has two seats. At the Ad Hoc Committee's direction, staff conducted a peer review comparing SacRT's structure to eleven of SacRT's peer agencies in California. Based on feedback from Ad Hoc Committee members, staff provided the Ad Hoc subcommittee with some examples of board structures that had a built in a process for shifting seat allocation as population grows or decreases within each member jurisdiction during the January 16<sup>th</sup> meeting. Based on the Ad Hoc Committee's discussion at their January 16<sup>th</sup> meeting, staff developed three potential models for seat allocation for the Board to consider. Staff asked the Ad Hoc Committee members to vote on their preferred option via email. However, none of the options that were presented as potential options received a majority vote. The Ad Hoc Committee reconvened on February 16 to discuss the various options that staff presented based on feedback received by staff from members of the Ad Hoc Committee during the period they were asked to vote by email. Staff presented the Ad Hoc Committee with three new options to discuss:

1. Cap the total number of seats on the Board at eleven members and allocate two seats to the City of Sacramento, two seats to the County of Sacramento, two seats to the City of Elk Grove, one seat each to the cities of Folsom, Citrus Heights, and Rancho Cordova, and leave two seats vacant that could be later allocated to any new jurisdictions that join the District; or
2. Cap the total number of seats on the Board at thirteen members and allocate three seats to the City of Sacramento, three seats to the County of Sacramento, two seats to the City of Elk Grove, one seat each to the cities of Folsom, Citrus Heights and Rancho Cordova, and leave two seats vacant that could be later allocated to any new jurisdictions that join the District; or
3. Cap the total number of seats on the Board at fifteen members and allocate four seats to the City of Sacramento, four seats to the County of Sacramento, two seats to the City of Elk Grove, one seat each to the cities of Folsom, Citrus Heights and Rancho Cordova and leave two seats vacant that could later be allocated to any new jurisdictions that join the District.

After a thorough discussion, a majority of the Ad Hoc Committee voted to recommend to the full Board that the District pursue modifying its Enabling Act to cap the total number of Board members at thirteen and statutorily allocate three seats to the City of Sacramento, three seats to the County of Sacramento, two seats to the City of Elk Grove, one seat each to the cities of Folsom, Citrus Heights, and Rancho Cordova,

and leave two seats vacant for future growth of the District. Vice Chair Jennings was the sole dissenting vote, stating a preference for option three. Vice Chair Jennings presented the Ad Hoc Committee with an analysis of how the City of Sacramento believes the board seats should be allocated. As a courtesy to Vice Chair Jennings, staff has attached the City's analysis to this Staff Report as Attachment 1.

If the Board votes to move forward tonight, staff will work with the SacRT's state lobbyist to secure an amendment to a measure that SacRT is currently sponsoring in the Legislature. AB 1924 (Nguyen) was introduced earlier this year by Assemblywoman Stephanie Nguyen to modify SacRT's Enabling Act to allow for the City of Galt to join SacRT through annexation and this would be the likely vehicle to add the changes to the Board's composition.

The Board does not need to vote unanimously to move forward; only a majority of the Board needs to vote in the affirmative to move forward with whichever option the majority of the Board decides to approve. If the Board does select to move forward with one of the proposed options, staff will work to draft language to submit to Legislative Counsel and will work with the author to ensure that the amended version of AB 1924 (Nguyen) moves forward through the legislative process.



# Board Structure & Restructuring

February 26, 2024





# Summary

The SacRT Board established the Ad Hoc Committee to address the Board's governance structure after the Board moved away from a weighted voting structure to a one-person-one-vote structure on January 1, 2022. Before the change the County had 33% of the vote and the City of Sacramento had 27% of the vote. After January 1, 2022, the City of Sacramento had 36% of the vote and the County had 27% of the vote. To address his imbalance the Board directed the Ad Hoc Committee to recommend a revised Board structure. The SacRT Board Composition Ad Hoc met on:

- December 6<sup>th</sup> – Review of current Board structure
- January 16<sup>th</sup> – Review of peer agency structures
- February 16<sup>th</sup> – Review Board Restructuring Options

Staff followed the subcommittees instructions and provided the Ad Hoc Committee with industry best practices, and benchmarking to 11 California peer transit agencies and local jurisdictions.

**Since this is a Board Structure matter, this is solely a Board decision. It is a best practice that staff did not recommend any options to the Ad Hoc Committee. Staff merely provided potential options for discussion and consideration per the clear directions from the Committee.**

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## Board Structure and Restructuring



# Staff Analysis

At the Ad Hoc Committee's request staff reviewed the Board composition structure of 11 of SacRT's transit peers in California. Three general models emerged:

1. Selection Committee Model
2. Everyone Gets a Seat Model
3. Population Based Reapportionment Model – the Santa Cruz Model

The Ad Hoc Committee initially liked the Santa Cruz Model and asked staff to look into it further. Ultimately, the Ad Hoc Committee settled on a model more similar to the Everyone Gets a Seat Model, with some modifications.



# City of Sacramento Option – 15 Seat Board (Option #5 Below)

Organization	Population	% of Pop	Current	% Vote	Op #1	%Vote	Op #2	% Vote	Op #3	% Vote	Op #4	% Vote	Op #5	%Vote	Op #6	Op #7			
Sac County	598,519	37%	3	25%	3	27%	2	22%	3	27%	4	31%	4	27%	37%	9.25%			
Sac City	518,161	32%	4	33%	3	27%	2	22%	3	27%	4	31%	4	27%	32%	8.00%			
City of Elk Grove	177,005	11%	2	17%	2	18%	2	22%	2	18%	2	15%	2	13%	11%	5.50%			
City of Folsom	85,498	5%	1	8%	1	9%	1	11%	1	9%	1	8%	1	7%	5%	5.00%			
City of Citrus Heights	85,837	5%	1	8%	1	9%	1	11%	1	9%	1	8%	1	7%	5%	5.00%			
City of Rancho Cordova	81,117	5%	1	8%	1	9%	1	11%	1	9%	1	8%	1	7%	5%	5.00%			
<b>Total</b>			<b>12</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>13</b>	<b>100%</b>							
West Sacramento	54,187	3%											1	7%	3%	3.00%			
Galt	25,557	2%											1	7%	2%	2.00%			
<b>Total</b>	<b>1,625,881</b>	<b>100%</b>											<b>15</b>	<b>100%</b>	<b>100%</b>				

#1--Up to 13 seats to accommodate additional jurisdictions like West Sac or Galt

#2--Up to 11 seats to accommodate additional jurisdictions like West Sac or Galt

#3--Up to 13 seats based on population 1 seat 0-150K

2 seats 150K - 300K, 3 seats more than 300K---cap at 3 seats regardless of population

#4--Just add County Seat to current

#5--Just add County Seat plus West Sacramento and Galt to current

#6--Weighted voting based on population % using CDF annual numbers (Based on 2023 CDF numbers) per organization not by seat using current plus adding 1 County, West Sac and Galt

#7--Weighted voting based on population % using CDF annual numbers (Based on 2023 CDF numbers) per organization per seat using current plus adding 1 County, West Sac and Galt





The Ad Hoc Committee considered three options at the February 16 Ad Hoc Committee Meeting:

**11-Member board – Requires 6 affirmative votes**

(City of Sacramento 2), (Sacramento County 2), (City of Elk Grove 2), (City of Citrus Heights 1), (City of Folsom 1), (City of Rancho Cordova 1), with the capacity to add two additional jurisdictions (City of West Sac and City of Galt)

**13-Member board – Requires 7 affirmative votes**

(City of Sacramento 3), (Sacramento County 3), (City of Elk Grove 2), (City of Citrus Heights 1), (City of Folsom 1), (City of Rancho Cordova 1), with the capacity to add two additional jurisdictions (City of West Sac and City of Galt)

**15-Member board – Requires 8 affirmative votes**

(City of Sacramento 4), (Sacramento County 4), (City of Elk Grove 2), (City of Citrus Heights 1), (City of Folsom 1), (City of Rancho Cordova 1), with the capacity to add two additional jurisdictions (City of West Sac and City of Galt)

**On a vote of 6-1, the Ad Hoc Committee voted to recommend the 13-Member Board option to the full board. Vice Chair Jennings was a “no” vote, expressing a preference for the 15-Member Board option with a chart in the previous slide.**