



# Sacramento Regional Transit District Agenda

**SPECIAL BOARD MEETING**  
**NOON, MONDAY, July 22, 2019**  
**STANLEY MOSK LIBRARY AND COURTS BUILDING**  
**914 CAPITOL MALL, MEETING ROOM 500**  
**SACRAMENTO, CALIFORNIA**  
Website Address: [www.sacrt.com](http://www.sacrt.com)

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**ROLL CALL** — Directors Budge, Hansen, Harris, Howell, Hume, Jennings, Miller, Nottoli, Schenirer, Serna and Chair Kennedy

Alternates: Directors Detrick, Kozlowski, Sander and Slowey

**PLEDGE OF ALLEGIANCE**

**WELCOMING REMARKS:** Greg Lucas, California State Librarian

**CONSENT CALENDAR**

1. Motion: Approval of the Action Summary of June 10, 2019
2. Resolution: Repealing Resolution No. 16-09-0103 and Approving: (1) Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition and (2) Fare Equivalent Agreement with Sacramento Kings Limited Partnership for Golden 1 Center Employees (D. Cook)
3. Resolution: Waiving the Requirements in Title VII of the SacRT Administrative Code that Federally Acquired Real Property Be Sold to the "Highest Bidder" and Delegating Authority to the General Manager/CEO to Enter in a Purchase and Sale Agreement for a Portion of APN 010-0093-025 with DRI Enterprises, LLC. (B. Bernegger)
4. Resolution: Approving the Fifth Amendment to the Contract for Mobile and Online Fare Application Bytemark, Inc. to Include Integration Work with Scheidt & Bachmann for New Fare Vending Machines and Extend the Contract Term (S. Arya/L. Ham)
5. Resolution: Repealing Resolution No. 08-01-0013 and Approving an Increase in the Number of Complimentary Tickets the General Manager/CEO is Authorized to Distribute Each Month for Marketing Promotions and Partnerships (D. Selenis/H. Li)

6. Updating the Comprehensive Reserve, Fiscal Sustainability, Farebox Recovery and Fare Change Policies (B. Bernegger)
  - A. Resolution: Approving a Revised Comprehensive Reserve Policy; and
  - B. Resolution: Approving a Revised Fiscal Sustainability Policy; and
  - C. Resolution: Approving a Revised Farebox Recovery Policy; and
  - D. Resolution: Approving a Revised Fare Change Policy

#### **INTRODUCTION OF SPECIAL GUESTS**

#### **UNFINISHED BUSINESS**

#### **PUBLIC HEARING**

#### **PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA\***

#### **NEW BUSINESS**

7. SacRT Update and Strategic Initiatives

#### **GENERAL MANAGER'S REPORT**

#### **REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**

8. Paratransit Board Meeting – June 17, 2019 (Hume)
9. Capitol Corridor Joint Powers Authority Meeting – June 19, 2019 (Miller)

#### **CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)**

#### **ANNOUNCEMENT OF CLOSED SESSION ITEMS**

#### **RECESS TO CLOSED SESSION**

#### **CLOSED SESSION**

- A. Public Employee Performance Evaluation  
Pursuant to Gov. Code Section 54957
  - 1) Title: General Manager/CEO

#### **RECONVENE IN OPEN SESSION**

#### **CLOSED SESSION REPORT**

## **ADJOURN**

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### **\*NOTICE TO THE PUBLIC**

It is the policy of the Board of Directors of the Sacramento Regional Transit District to encourage participation in the meetings of the Board of Directors. At each open meeting, members of the public will be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Board of Directors. Please fill out a speaker card and give it to the Board Clerk if you wish to address the Board. Speaker cards are provided on the table at the entrance to the room.

Public comment may be given on any agenda item as it is called and will be limited by the Chair to 3 minutes or less per speaker. Speakers using a translator will be provided twice the allotted time. When it appears there are several members of the public wishing to address the Board on a specific item, at the outset of the item the Chair of the Board will announce the maximum amount of time that will be allowed for public comment.

Matters under the jurisdiction of the Board and not on the posted agenda may be addressed under the Item "Public addresses the Board on matters not on the agenda." Up to 30 minutes will be allotted for this purpose. The Board limits public comment on matters not on the agenda to 3 minutes per person and not more than 15 minutes for a particular subject. If public comment has reached the 30 minute time limit, and not all public comment has been received, public comment will resume after other business has been conducted as set forth on the agenda. The Board will not act upon or discuss an item that is not listed on the agenda except as provided under Section 3.1.3.6.

This agenda may be amended up to 72 hours prior to the meeting being held. An Agenda, in final form, is located by the front door of Regional Transit's building at 1400 29<sup>th</sup> Street, Sacramento, California, and is posted on the SacRT website.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Clerk of the Board at 916/556-0456 or TDD 916/483-4327 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on SacRT's website, on file with the Clerk to the Board of Directors of the Sacramento Regional Transit District, and are available for public inspection at 1400 29<sup>th</sup> Street, Sacramento, California. Any person who has any questions concerning any agenda item may call the Clerk to the Board of Sacramento Regional Transit District.

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
BOARD OF DIRECTORS  
BOARD MEETING  
June 10, 2019**

**ROLL CALL:** Roll Call was taken at 5:31 p.m. PRESENT: Directors Budge, Harris, Hume, Kozlowski, Miller, Schenirer, Serna and Chair Kennedy. Director Nottoli arrived at 5:43 p.m. Absent: Directors Hansen and Jennings.

**PLEDGE OF ALLEGIANCE**

**CONSENT CALENDAR**

1. Motion: Approval of the Action Summary of May 13, 2019
2. Resolution: Approving the First Amendment to the Contract for Heavy Duty Lifts: Annual Inspection, Preventative Maintenance, and On-Call Repair with Autolift Services, Inc. to Add SacRT and Elk Grove Heavy Duty Lifts (D. Cook)
3. Resolution: Delegating Authority to the General Manager/CEO to Award and Execute a Contract for the Administration Building Lobby Remodel (D. Abansado/L. Ham)
4. Resolution: Conditionally Approving Terms for the Collective Bargaining Agreement between Sacramento Regional Transit District and Amalgamated Transit Union Local 256 for Employees for the Elk Grove Service Line for the Three Year Period July 1, 2019 through June 30, 2022 (S. Booth/S. Valenton)
5. Resolution: Approving the Project List Under the Roadway Repair and Accountability Act State of Good Repair Funds for Fiscal Year 2020 (D. Goldman/B. Bernegger)
6. Motion: Rescheduling the Next Regularly Scheduled Meeting on July 22, 2019 as a Special Meeting on July 22, 2019 to Begin at Noon and to be Held at the Stanley Mosk Library and Courts Building, 914 Capitol Mall, Meeting Room 500, Sacramento, CA. (S. Valenton)
7. Resolution: Delegating Authority to the General Manager/CEO to Execute a Grant Deed for the Retention of a Portion of 7745 Laurie Way in Sacramento CA (B. Bernegger)
8. Resolution: Ratifying the General Manager/CEO's 2009 Execution of the Brinks Services Agreement for Armored Car Services and Approving a Sole Source

Justification for Continuing the Contract Until June 30, 2020 (J. Adelman/B. Bernegger)

9. Resolution: Approving the Third Amendment to the Transit Operations and Maintenance Agreement Between the City of Rancho Cordova and Sacramento Regional Transit District (D. Cook)
10. Resolution: Approving Second Amendments to the Personal Services Contracts for Temporary Employment with the Security and Safety Administrator, Mark Sakauye, and Security and Safety Specialists, Benjamin Louie and Tino Bamberger (J. Risley)
11. Security Operations Center Personal Services Contract Employees (J. Risley)
  - A. Resolution: Approving the Third Amendment to the Personal Services Contracts for Temporary Employment with 1 Security Operations Center Manager, 1 Security Operations Center Lead Supervisor, and 1 Security Operations Center Supervisor; and
  - B. Resolution: Approving the Second Amendment to the Personal Services Contracts for Temporary Employment with 5 Security Operations Center Specialists; and
  - C. Resolution: Approving the First Amendment to the Personal Services Contracts for Temporary Employment with 6 Security Operations Center Specialists
12. Resolution: Repealing Resolution 19-05-0046 and Approving the Agreement with County of Sacramento for Discount Purchase and Sale of Prepaid Fare Media (J. Adelman/B. Bernegger)
13. Resolution: Delegating Authority to the General Manager/CEO to Approve the Student Ridership Initiative Student Transit Pass Agreement with the City of Sacramento (B. Bernegger)
14. Second Amendment to the Fiscal Year 2019 Operating Budget and Seventh Amendment to the 2019 Capital Budget (D. Goldman/B. Bernegger)
  - A. Resolution: Approving the Second Amendment to the Fiscal Year 2019 Operating Budget; and
  - B. Resolution: Approving the Seventh Amendment to the Fiscal Year 2019 Capital Budget; and
  - B. Motion: Accept Notification of General Manager Authorized Adjustments to the Fiscal Year 2019 Capital Budget During Fiscal Year 2019.

15. First Amendment for On-Call General Planning Support Services and Work Order No. 3 to Conduct a High Capacity Bus Corridor Study (L. Ham)
  - A. Resolution: Approving the First Amendment to the On-Call General Planning Support Services Contract with WSP USA, Inc.; and
  - B. Resolution: Approving Work Order No. 3 with WSP USA, Inc. to Conduct a High Capacity Bus Corridor Study
16. Resolution: Conditionally Awarding a Contract for General Construction Management Support Services to 4LEAF, Inc. (D. Abansado/L. Ham)
17. Resolution: Conditionally Approving the Terms for Settlement of Labor Contract Negotiations between Sacramento Regional Transit District and Amalgamated Transit Union, Local 256, for a Four Year Term April 1, 2019 through March 31, 2023 (S. Booth/S. Valenton)
18. Resolution: Approving a Sole Source Procurement and Approving a Contract for UTDC Repairs and Maintenance Support with Siemens Mobility, Inc. (D. Cook)
19. General Engineering Support Services Contract with Mark Thomas & Company Design Development and Final Design of the Dos Rios Project (D. Abansado/L. Ham)
  - A. Resolution: Approving Work Order No. 11 to the Contract with Mark Thomas & Company, Inc. for General Engineering Support Services - 2016 for Design Development of the Dos Rios Station Project; and
  - B. Resolution: Conditionally Approving Work Order No. 12 to the Contract with Mark Thomas & Company, Inc. for General Engineering Support Services - 2016 for Final Design of the Dos Rios Station Project
20. Resolution: Amending and Restating the Personnel Rules and Procedures and Renaming the Document the SacRT Personnel Policy Manual (S. Booth/S. Valenton)
21. Resolution: Authorizing Renewal of General Liability, Including Public Officials Professional Liability, Auto, Property, Boiler & Machinery, Excess Workers' Compensation, Employment Practices Liability, Crime/Employee Dishonesty, Privacy & Network Liability and Underground Storage Tank Pollution Liability for the Period of July 1, 2019 through July 1, 2020 (B. Bernegger)

Speakers on Item 6:           Mike Barnbaum                   Jeffery Tardaguila

**ACTION: APPROVED - Director Budge moved; Director Miller seconded approval of the consent calendar as written. Motion was carried by voice vote. Absent: Directors Hansen, Jennings and Nottoli.**

## **INTRODUCTION OF SPECIAL GUESTS**

## **UNFINISHED BUSINESS**

## **PUBLIC HEARING**

22. Sacramento Regional Transit District FY 2020 Operating and Capital Budget (D. Goldman/B. Bernegger)
  - A. Accept Public Comment; and
  - B. Resolution: Approving the Sacramento Regional Transit District FY 2020 Operating, Debt Service, Capital Budgets and Vote Allocation; and
  - C. Resolution: Authorizing the Filing of the FY 2020 Transportation Development Act (TDA) Claim Based on the Adopted Budget

Director Hume noted that SacRT and Paratransit, Inc. (PI) are still in negotiations and the amount listed in the budget, as proposed, would not reflect any new negotiated amount. Mr. Li indicated that SacRT has some flexible money within the budget if the amount changes during negotiations. The Board is being asked to approve the overall budget, not a line item budget.

**ACTION: APPROVED - Director Budge moved; Director Hume seconded approval of the items B and C as written. Motion was carried by voice vote. Absent: Directors Hansen and Jennings.**

## **PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

Speakers:

Mike Barnbaum – Mr. Barnbaum provided an update on upcoming meetings for SacRT and other jurisdictions.

Jeffery Tardaguila – Mr. Tardaguila commended Director Hansen and Chris Flores for their quick action with the relocation of the 14/L Street bus stop. Mr. Tardaguila suggested that Roger Thorn provide an update on Information Technology projects that SacRT is working on during the SacRT Retreat.

Arthur Ketterling – Mr. Ketterling noted that on Monday, June 3<sup>rd</sup> he rode a Sunrise train at approximately 5:45 p.m. The destination announcements on the train were

announcing the wrong light rail station destinations; one station earlier than arrival. He departed that train and rode another, and there were no problems with those announcements on the other train.

## **NEW BUSINESS**

### **GENERAL MANAGER'S REPORT**

23. General Manager's Report
  - a. SacRT Comprehensive Marketing Campaign
  - b. Transit Ambassador/Fare Inspection Reorganization
  - c. SacRT Meeting Calendar

Mr. Li acknowledged the Finance Department for their work on the FY 2020 budget, and noted that David Goldman will be leaving SacRT to take a job in Washington.

Mr. Li provided information on meetings he had attended: He, Chair Kennedy and Vice Chair Hansen met with FTA Region IX Administrator, Ray Tellis and talked about SacRT's initiatives. Mr. Li also met with the California State Transportation Agency, Under Secretary and Deputy Secretary for Transportation, Chad Edison. CalSTA awarded SacRT \$85 million to assist with SacRT's light rail modernization effort. Mr. Li attended a meeting by Congresswoman Matsui, Mayor Steinberg and Mayor Cabaldon to discuss the streetcar project. The preliminary direction is to change the streetcar to a light rail extension project. The two project owners should be contacting SacRT with more information in the future. Mr. Li attended the APTA Mobility Conference Panel and participated on a panel session on emerging technology and innovation in transit. The Congressional Highway and Transportation Committee called SacRT and have invited us to testify on the new mobility initiatives in front of the Highway and Transportation Committee.

Director Harris wanted to know whether the aspect of the JPA was discussed during the streetcar project meeting. Mr. Li indicated that the JPA was not discussed at that meeting.

Devra Selenis provided information on SacRT's comprehensive marketing campaign for SacRT Forward, Elk Grove service and the possibility of a ballot Measure in November 2020. This campaign will inform the public that SacRT is not the same as it was four years ago, and has made advancements in safety, security and cleanliness. Ms. Selenis also provided a brief update on the new bus stop signs. An open house was held for members of the public to review the new bus stop signs and provide comments.

Vincent Beatty provided updates to SacRT's fare inspection and security deployments as part of a new Transit Ambassador program. The pilot Transit Agent Program is being discontinued and a Transit Ambassador Program is being implemented. This program provides better staffing, coverage and security presence.



Mr. Li indicated that with this new program, SacRT has more coverage and more presence throughout the system with the same amount of money. Mr. Li reviewed the cost to hire a security guard, a transit agent/ambassador and a police officer. Mr. Li thanked the Amalgamated Transit Union leadership for being flexible with SacRT to seek the best practices.

Mr. Li indicated that SacRT's ridership increased over the last three months by 5% compared to last year. May's ridership is 5% higher than last year as well. By the end of the fiscal year, SacRT's ridership will match last year's ridership. Mr. Li thanked Director Schenirer for recommending the students free program, and noted that SacRT is likely to have a free pass for all students within the County soon which will allow ridership to increase.

Speaker: Mike Barnbaum

## **REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**

24. Paratransit, Inc. Board of Directors Meeting - May 20, 2019 (Hume/Hansen)

No additional comments were provided.

25. San Joaquin Joint Power Authority Meeting – May 31, 2019 (Hume)

No additional comments were provided.

Speaker: Mike Barnbaum\*

Director Budge wanted all SacRT's rider to know that the City of Rancho Cordova received a grant from the Sacramento Area Council of Governments (SACOG) to start a pilot program with Lyft. This grant allows SacRT riders, from the train station, to get to their destination, and the cost is only \$5.00. There are no caveats about where you live or work, other than the trip needs to begin or end at one of the light rail stations in Rancho Cordova. The program will run until the money runs out. She is hopeful that the program is very popular and that SACOG will renew the grant.

## **CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)**

### **ANNOUNCEMENT OF CLOSED SESSION ITEMS**

### **RECESS TO CLOSED SESSION**

### **CLOSED SESSION**

**RECONVENE IN OPEN SESSION**

**CLOSED SESSION REPORT**

**ADJOURN**

\*Handout

As there was no further business to be conducted, the meeting was adjourned at 6:35 p.m.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	07/22/19	Open	Action	07/09/19

Subject: Repeal Resolution No. 16-09-0103 and Approving a Reimbursement Agreement and Fare Equivalent Agreement with the Sacramento Kings

## ISSUE

Whether or not to repeal Resolution No. 16-09-0103, and approve (1) the Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition and (2) the Fare Equivalent Agreement with Sacramento Kings LLC to Recognize a Connect Card with Employer ID as valid Fare Equivalent.

## RECOMMENDED ACTION

Adopt Resolution No. 19-07-\_\_\_, Repealing Resolution No. 16-09-0103 and Approving: (1) Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition and (2) Fare Equivalent Agreement with Sacramento Kings Limited Partnership for Golden 1 Center Employees

## FISCAL IMPACT

Funding Source: Operating Budget	FY 2019:	\$184,925 - one-time payment (Oct 16, 2018 - Feb 28, 2019)
		\$20,800 - regular payment (Mar 1, 2019 - Jun 30, 2019)
(If approved, this will generate additional revenue)	FY 2020:	\$62,400
	FY 2021:	\$41,600

## DISCUSSION

Since September 2016, SacRT has been working with the City of Sacramento and the Sacramento Kings LLC (the "Kings") on mobility options for employees at the Golden 1 Center and surrounding areas. Due to limited parking availability downtown, it is logistically problematic for the 400-600 Golden 1 Center employees to park downtown. For weeknight events, employees go to work as early as 3:00 p.m., with some employees scheduled to work until 2:00 a.m. the next morning.

In September 2016, the Board adopted Resolution 16-09-0103, delegating authority to the General Manager/CEO to enter into an agreement with the City of Sacramento to recognize Golden 1 Center employee badges as valid fare equivalent for a one-year period, for a lump-sum payment of \$500,000. Due to complications in the negotiations between the City of Sacramento and the Kings, that agreement was never executed.

Approved:

Presented:

Final 07/15/19

General Manager/CEO

VP, Operations

J:\Board Meeting Documents\2019\10 July 22, 2019\Kings Agreement Issue Paper mmedits.template fixed cb.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	07/22/19	Open	Action	07/09/19

Subject: Repeal Resolution No. 16-09-0103 and Approving a Reimbursement Agreement and Fare Equivalent Agreement with the Sacramento Kings

However, in the meantime, in anticipation of an agreement ultimately being finalized, SacRT continued to accept the Golden 1 Center employee badge as valid Fare Equivalent.

In addition to SacRT’s regular fixed-route service, which serves many Kings employees, to meet the unique needs of Golden 1 Center employees, SacRT’s fixed route service has been augmented to deviate from the existing Route 51 to serve satellite parking lots at W/X from 6<sup>th</sup> Street to 21<sup>st</sup> Street, along with increasing the span of service. The augmented Route 51 service is open to the general public and serves all of SacRT’s regular bus stops along the route.

In subsequent discussions with the Kings and the City of Sacramento, the parties determined that it would be better for SacRT to directly enter into an agreement with the Kings to pay fares for its employees. The Kings do not have a sufficient number of employees to qualify for a group pass or discount fare program under the Board’s adopted Group Pass policy (Resolution No. 05-06-012), which requires that the entity represent at least 1,000 persons. Staff may bring a proposal to the Board at a future date to revisit the group/discount pass criteria.

The Kings have offered to pay SacRT \$1.25 per ride for employees using SacRT service. This proposal helps both the City of Sacramento with parking issues in the downtown area and provides ridership and extra fares to SacRT. The Kings would be responsible for issuing special Connect Cards to employees that would not be loaded with fare media, but would be used for SacRT to monitor usage. The Connect Card would be valid as a Fare Equivalent only when used in conjunction with a Golden 1 Center ID Badge. It would be valid throughout SacRT’s system on all fixed-route and demand-response service. Each month, SacRT will invoice the Kings for each “tap” of the special Connect Cards.

The proposed actions would authorize a Fare Equivalent Agreement with the Sacramento Kings LP to accept employee badge with a special Connect Card as valid fare for Golden 1 Center employees on all SacRT service. The duration of the agreement would be for two years, commencing March 1, 2019 and ending February 28, 2021. The potential revenue estimated on current ridership figures is \$62,400.00 annually, based on \$1.25 per tap.

In addition, the agreement will provide for retroactive collection of payment from the Sacramento Kings LLC based on estimated ridership LP from October 16, 2016 - February 28, 2019. That will allow SacRT to collect payment in arrears totaling \$184,925.00.

Staff recommends repeal of the prior delegation of approval to enter into an agreement with the City of Sacramento and approval of two new agreements with the Sacramento Kings LLC.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 16-09-0103 AND APPROVING: (1)  
REIMBURSEMENT AGREEMENT FOR GOLDEN 1 CENTER EMPLOYEE FARE  
BADGE RECOGNITION AND (2) FARE EQUIVALENT AGREEMENT WITH  
SACRAMENTO KINGS LIMITED PARTNERSHIP FOR GOLDEN 1 CENTER  
EMPLOYEES**

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

THAT, Resolution No. 16-09-0103 is hereby repealed.

THAT, the Fare Equivalent Agreement between the Sacramento Regional Transit District, therein "SacRT," and the Sacramento Kings LP, therein "Kings," whereby SacRT agrees to recognize special Connect Cards issued to Golden 1 Center employees as valid Fare Equivalent when presented in conjunction with a Golden 1 Center employee ID and Sacramento Kings LLC makes payment to SacRT at a rate of \$1.25 per ride for each ride taken by such employees, for a two-year period, beginning March 1, 2019 and ending February 28, 2021, is hereby approved.

THAT, the Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition by and between Sacramento Regional Transit District, therein "SacRT," and the Sacramento Kings LP, therein "Kings," whereby the Kings will make a retroactive payment of \$184,925 for SacRT's acceptance of the Golden 1 Center ID badge as valid fare media from October 2016 to February 2019, is hereby approved.

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

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	07/22/19	Open	Action	07/11/19

Subject: 19th Street and T Street Surplus Property Sale

## ISSUE

Whether or not to authorize waiver of Invitation to Bid and Advertising requirement and sale of identified surplus property to adjacent landowner.

## RECOMMENDED ACTION

Adopt Resolution No. 19-07- \_\_\_\_, Waiving the Requirements in Title VII of the SacRT Administrative Code that Federally Acquired Real Property Be Sold to the “Highest Bidder” and Delegating Authority to the General Manager/CEO to Enter in a Purchase and Sale Agreement for a Portion of APN 010-0093-025 with DRI Enterprises, LLC.

## FISCAL IMPACT

The land located south of T Street between 19<sup>th</sup> and 20<sup>th</sup> Street was acquired as part of the 1999 South Sacramento Corridor Project with a mix of funding sources, including federal funds. The appraised value is \$2,500 and Sacramento Regional Transit District (SacRT) has incurred a cost of \$2,415 for the appraisal. The adjacent landowner, DRI Enterprises, Inc., is offering \$5,000 for purchase of the property.

Because of the federal interest in the property, use of the modest sales proceeds will be restricted to reinvestment of the proceeds of the sale into another Federal Transit Administration (FTA) eligible capital project.

## DISCUSSION

The subject property is located south of T Street between 19<sup>th</sup> and 20<sup>th</sup> Streets, is a portion of APN 010-0093-025, and is further identified in Attachment A.

APN 010-0093-0025 is an irregular shape parcel with a triangular “spur” on the southwest side of approximately 1600 square feet that is not needed for transit purposes. On December 12, 2018, the Board approved the property surplus to transit operations. On December 19, 2018, SacRT sent offers to sale to state and local governments in accordance with provisions of Government Code Section 54220; no interest was received.

SacRT received FTA concurrence with the disposition and application of sales proceeds on June 3, 2019. The FTA requires “that Sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return or at least payment of appraised fair market value.”

Approved:

Presented:

Final 07/15/19

General Manager/CEO

VP, Finance/CFO

# REGIONAL TRANSIT ISSUE PAPER

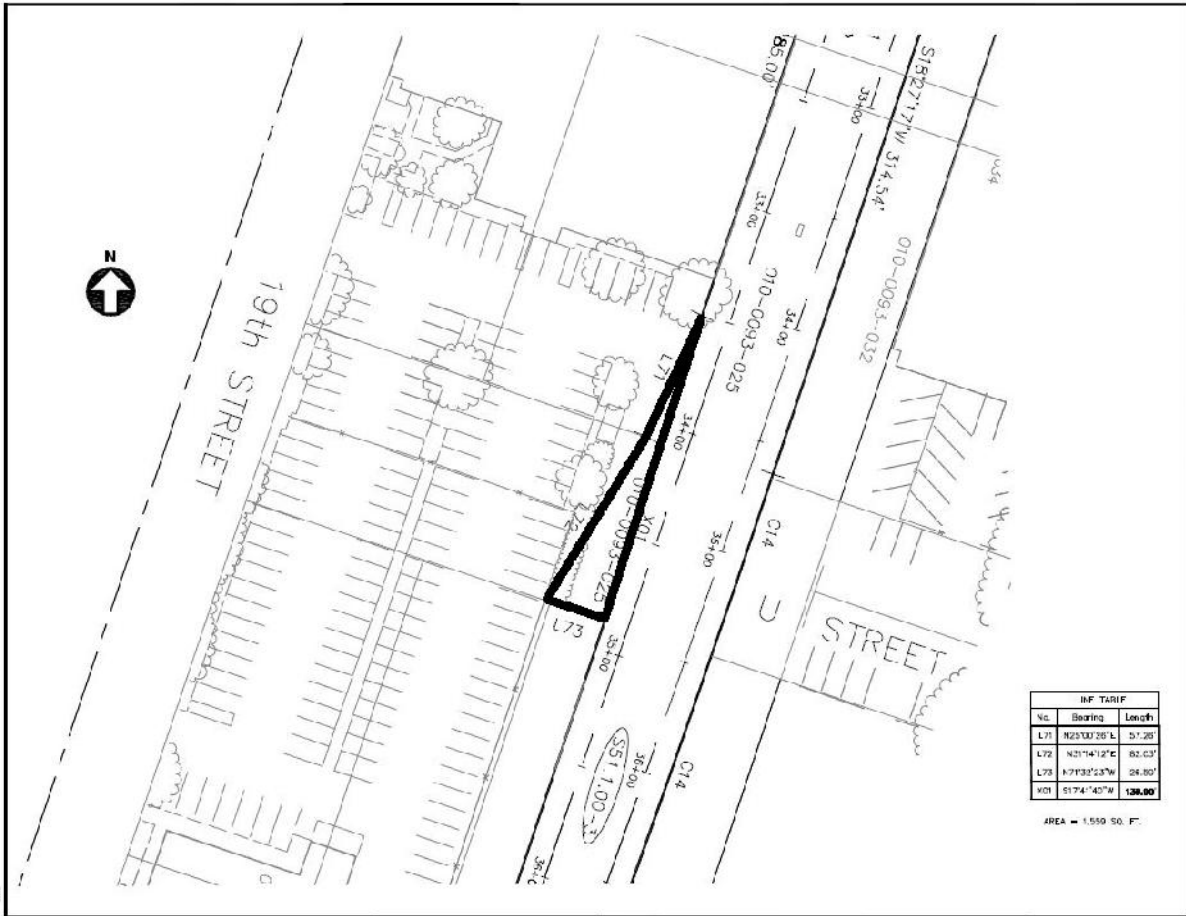
Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	07/22/19	Open	Action	07/11/19

Subject: 19th Street and T Street Surplus Property Sale

To implement those requirements, Title VII of the SacRT Administrative Code generally requires “advertising” the property and taking competitive bids for a period of at least 30 days for federally-acquired properties. In this instance, with respect to this particular property, the competitive procedures set out in Title VII are unlikely to result in any additional offers, due to its land-locked location between the rail right of way and adjacent landowner. Therefore, if SacRT can receive the appraised value, the costs incurred to obtain the appraisal, and concurrence from the FTA, it would be reasonable to sell this property to the adjacent landowner.

Staff recommends the Board adopt the Resolution waiving the requirements of Title VII and authorizing the General Manager/CEO to enter into a Purchase and Sale Agreement with DRI Enterprises, Inc.

# Attachment A



Survey prepared pursuant to order of the Board of Supervisors, dated 10/11/2011, for the purpose of the proposed subdivision of the land shown on the attached map. The survey was conducted by the Surveyor General of the State of California, on 10/11/2011. The survey was conducted in accordance with the provisions of the California Surveying Act, Chapter 1, Division 4, Title 27, of the California Code of Regulations. The survey was conducted in accordance with the provisions of the California Surveying Act, Chapter 1, Division 4, Title 27, of the California Code of Regulations. The survey was conducted in accordance with the provisions of the California Surveying Act, Chapter 1, Division 4, Title 27, of the California Code of Regulations.



RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**WAIVING THE REQUIREMENTS IN TITLE VII OF THE SACRT ADMINISTRATIVE CODE THAT FEDERALLY ACQUIRED REAL PROPERTY BE SOLD TO THE "HIGHEST BIDDER" AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO ENTER IN A PURCHASE AND SALE AGREEMENT FOR A PORTION OF APN 010-0093-025 WITH DRI ENTERPRISES, LLC**

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

THAT, the requirement of Title VII of the Sacramento Regional Transit District Administrative Code Regarding Real Property Section 7.6.04, requiring sale of federally-assisted surplus property to the "highest bidder by competitive bidding" is waived for disposal of a portion of APN 010-0093-025 due to its landlocked location; and

THAT, authority is hereby delegated to the General Manager/CEO to enter into a Purchase and Sale Agreement with DRI Enterprises, Inc. to sell the above-referenced property for an amount not less than \$5,000, and to execute any other documents necessary to complete the transfer of property described as a portion of Assessor Parcel Number 010-0093-025.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	07/22/19	Open	Action	07/15/19

Subject: Approving the Fifth Amendment to Bytemark Contract for Integration work with Scheidt & Bachmann for New Fare Vending Machines.

## ISSUE

Whether or not to approve the Fifth Amendment to the Contract for Mobile and Online Fare Application with Bytemark, Inc.: (1) for integration work with Scheidt & Bachmann (S&B) for new Fare Vending Machines (FVM) to provide a cash payment option for the Bytemark ZipPass App; and (2) extend the Contract term.

## RECOMMENDED ACTION

Adopt Resolution No. 19-07-\_\_\_\_, Approving the Fifth Amendment to the Contract for Mobile and Online Fare Application with Bytemark, Inc. to Include Integration Work with Scheidt & Bachmann for New Fare Vending Machines and Extend the Contract Term.

## FISCAL IMPACT

### **Capital:**

Project R354: Integration with the S&B FVMs is a capital project funded with State Traffic Congestion Relief Program (TCRP) Funds and has a total budgeted cost of \$45,160.

### **Operating:**

Exercising options for two additional years of service with Bytemark, funded by cost center 45 in fiscal years 2020\* and 2021:

Monthly Hosting Fees: \$68,400

In addition, SacRT will pay the transactional commission of 2%, \$0.76 per transaction for payment, and \$0.05 per paid cash voucher redemption.

### Total Fiscal Impact

Capital	\$45,160
Operating	\$68,400
Total Cost	\$113,560
Existing Contract Value	\$189,000
Amended Contract Value	<u>\$302,560</u>

\*Adopted FY20 Budget already included a full year's cost for Bytemark services and support

Approved:

Final 07/16/19  
General Manager/CEO

Presented:

Senior Systems Engineer

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	07/22/19	Open	Action	07/15/19

Subject: Approving the Fifth Amendment to Bytemark Contract for Integration work with Scheidt & Bachmann for New Fare Vending Machines.

## DISCUSSION

### **Capital:**

On December 31, 2016, SacRT executed a contract with Bytemark to implement a mobile fare solution for a three-year term.

On December 11, 2017, SacRT awarded a contract to S&B to provide and install 61 new fare vending machines (FVMs) on the Blue Line, with an additional option FVM added in November 2018. New features on the FVMs will include functionality that allows customers to use cash to make payments at an FVM for fares that can be loaded into the ZipPass mobile fare application for later use. The FVMs will provide a voucher code that the patron can then input into the ZipPass application to access the prepaid fares.

The ZipPass system used by SacRT for mobile fare payment is the proprietary product of Bytemark, Inc. Proprietary configuration and customization services are only available from Bytemark.

### **Operating:**

The current Contract with Bytemark expires on March 8, 2020. SacRT has options available to extend the contract for one or two additional years. Staff is satisfied with the services provided by Bytemark and has no interest, at this time, in finding a replacement vendor to host and manage ZipPass, particularly given the additional capital investment that will be made in implementing the cash voucher system. Therefore, Staff is recommending that the Board exercise its option to extend the contract for a two-year time period through March 2022.

The costs associated with this two-year extension include monthly service fees of \$2,850 and the transactional costs discussed in the fiscal impact section. The increased functionality being developed for integration in the new FVMs will increase SacRT's operating costs by \$350/month and add a new fee of \$0.05 per paid cash voucher redemption.

As an additional benefit, SacRT will soon have the ability to generate promotional vouchers to provide to customers with no voucher redemption fee. This will give SacRT the ability to provide promo codes to customers for free rides, daily passes, or monthly media.

### **Staff Recommendation:**

Staff is requesting that the Board approve the Fifth Amendment to Bytemark Contract to: provide for integration work with Scheidt & Bachmann for all new Fare Vending Machines; extend the contract with Bytemark for a two-year time period through March 2022; and increase the fixed Total Consideration to \$302,560.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**APPROVING THE FIFTH AMENDMENT TO THE CONTRACT FOR MOBILE AND ONLINE FARE APPLICATION WITH BYTEMARK, INC. TO INCLUDE INTEGRATION WORK WITH SCHEIDT & BACHMANN FOR NEW FARE VENDING MACHINES AND EXTEND THE CONTRACT TERM.**

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

THAT, the Fifth Amendment to the Contract between Sacramento Regional Transit District, therein referred to as "RT," and Bytemark, Inc., therein referred to as "Contractor," whereby the scope of work is amended to include work for integration with new Scheidt & Bachmann fare vending machines to provide a cash payment option for the mobile fare application, the term is extended for two years to expire March 8, 2022, a new fee of \$.05 per voucher redemption is added for cash transactions, and the fixed Total Consideration under the Contract is increased by \$113,560, from \$189,000 to \$302,560, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Fifth Amendment.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	07/22/19	Open	Action	07/15/19

Subject: Approving an Increase to the Number of Complimentary Tickets the General Manager/CEO is Authorized to Distribute Each Month

## ISSUE

Whether or not to approve an increase to the number of complimentary tickets the General Manager/CEO is authorized to distribute each month for marketing promotions and partnerships.

## RECOMMENDED ACTION

Adopt Resolution 19-07-\_\_\_\_, Repealing Resolution No. 08-01-0013 and Approving an Increase to the Number of Complimentary Tickets the General Manager/CEO is Authorized to Distribute Each Month for Marketing Promotions and Partnerships.

## FISCAL IMPACT

Budgeted:	No	This FY:	\$	73,800
Budget Source:	Operating	Next FY:	\$	73,800
Funding Source:	Operating	Annualized:	\$	73,800
Cost Cntr/GL Acct(s) or Capital Project #:	Revenue 410920	Total Amount:	\$	N/A
Total Budget:	\$ 73,800			

This action would result in an additional estimated annual loss of up to \$73,800 in fare revenue. The estimate is based on assumption that if 50,000 complimentary tickets were distributed each month, up to 10 percent would be redeemed. The annual fiscal impact is based on the average cash fare of \$1.23 multiplied by 10 percent of 50,000 (5,000) complimentary tickets, which equals \$6,150 per month and \$73,800 per year.

## DISCUSSION

In an aggressive effort to build ridership and public awareness of SacRT bus, light rail and microtransit services, Marketing staff proposes to increase the number of complimentary tickets the General Manager/CEO is authorized to distribute each month from 25,000 to 50,000. Complimentary tickets are a great way to incentivize the public to try transit and build future ridership through marketing promotions and regional events. It is anticipated that new riders gained through this program would exceed the cost of any lost fare revenue.

SacRT has had a program in place since 1989 for the distribution of complimentary fare media for promotional purposes. In its most recent iteration, adopted in 2008, the General Manager/CEO was given authority to distribute 25,000 single-ride tickets or daily passes per calendar month and

Approved:

Presented:

Final 07/16/19

General Manager/CEO

Chief Communications Officer

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	07/22/19	Open	Action	07/15/19

Subject: Approving an Increase to the Number of Complimentary Tickets the General Manager/CEO is Authorized to Distribute Each Month

25 monthly passes per calendar month. The monthly limit of 25,000 single ride tickets and daily passes has been in place since April 2002.

Since that time, the region has grown significantly and so has the interest in alternative transportation. As part of that growth, the number of large regional events, including large-scale concerts and festivals, has grown. These regional events, which typically have parking and traffic constraints, provide an excellent opportunity to demonstrate the benefits of transit for potential riders. To that end, in September 2016, by Resolution No. 16-09-0104, the SacRT Board allowed the General Manager/CEO to recognize event tickets as “fare equivalent,” allowing the event ticket to serve as a complimentary ticket/pass and avoiding the need for distribution of paper SacRT fare media. However, just one such event can exceed the current 25,000 ticket limit.

SacRT is not just a bus and light rail service provider; it’s now an integrated mobility provider. Approving the increase to the number of complimentary tickets that can be distributed each month will provide staff a greater opportunity to show the public all the great initiatives being implemented. SacRT staff proposes to maintain the allotment of 25 complimentary monthly passes per calendar month that was originally adopted by the Board on January 28, 2008.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 08-01-0013 AND APPROVING AN INCREASE TO THE NUMBER OF COMPLIMENTARY TICKETS THE GENERAL MANAGER/CEO IS AUTHORIZED TO DISTRIBUTE EACH MONTH FOR MARKETING PROMOTIONS AND PARTNERSHIPS**

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

THAT, Resolution No. 08-01-0013 is hereby repealed.

THAT, the General Manager/CEO or his designee is hereby authorized to distribute up to 50,000 complimentary tickets and daily passes per calendar month and up to 25 complimentary monthly passes per calendar month for special promotional campaigns and partnerships to increase SacRT ridership and community awareness of SacRT transport services.

THAT, the General Manager/CEO or his designee shall report periodically to the Board about the results of promotional campaigns supported with complimentary tickets and passes.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	07/22/19	Open	Action	07/15/19

Subject: Adoption of Fiscal Responsibility Policies

## ISSUE

Whether or not to approve the Revised Comprehensive Reserve, Fiscal Sustainability, Farebox Recovery, and Fare Change Policies.

## RECOMMENDED ACTION

- A. Adopt Resolution No. 19-07-\_\_\_\_\_, Repealing Resolution No.15-11-0126 and Approving a Revised Comprehensive Reserve Policy; and
- B. Adopt Resolution No. 19-07-\_\_\_\_\_, Repealing Resolution No. 15-11-0127 and Approving a Revised Fiscal Sustainability Policy; and
- C. Adopt Resolution No. 19-07-\_\_\_\_\_, Repealing Resolution No. 15-11-0128 and Approving a Revised Farebox Recovery Policy; and
- D. Adopt Resolution No. 19-07-\_\_\_\_\_, Repealing Resolution No. 15-11-0129 and Approving a Revised Fare Change Policy.

## FISCAL IMPACT

Approval of the policies does not have a fiscal impact. Future fiscal impacts will depend upon the level of funds committed or decisions made during the annual budget preparation, year-end financial close and audit, or quarterly financial status updates.

## DISCUSSION

On November 11, 2015, the Sacramento Regional Transit District (SacRT) Board of Directors approved four fiscal policies that helped lead SacRT into a time of improved financial stability, performance, and growth. The four policies, as discussed below in detail, focused on the following areas: Comprehensive Reserves, Fiscal Sustainability, Farebox Recovery, and Fare Changes.

Over the past four fiscal years, SacRT has seen the operating reserve and working capital account grow from \$3M to just over \$14M, as of June 30, 2018. Preliminary Fiscal Year (FY) 19 results are indicating an annual surplus of approximately \$7M, bringing total operating reserves and working capital to over \$20M. With the successful financial turnaround it is necessary to go back and reassess the policies to ensure they meet the needs of SacRT now and into the future.

Approved:

Presented:

Final 07/16/19

General Manager/CEO

VP, Finance/Chief Financial Officer

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	07/22/19	Open	Action	07/15/19

Subject: Adoption of Fiscal Responsibility Policies

## Update to Comprehensive Reserve Policy:

The purpose of the Comprehensive Reserve Policy (Exhibit A) is to formalize a fiscally responsible strategy for establishing, maintaining, and building reserves to address SacRT’s needs. The policy addresses four categories for which reserves are appropriate: operating reserves, self-insurance reserves, capital replacement reserves and grant/project reserves. The proposed amendment to the Comprehensive Reserve Policy is not making changes to the any of the previously established reserve categories; rather a new category has been added to enable SacRT to reduce its reliance on the Line of Credit (LOC) entitled working capital.

Working capital will be designated by the Board annually with the declaration of the final operating surplus. Working capital will be placed into the general checking account and used to cover day to day operating costs. By funding the working capital, SacRT will be able to gradually reduce the LOC balance, providing more financial flexibility and reducing interest expenses incurred on both the used and unused balances of the LOC. The \$4.0M infused into working capital at the end of FY18 enabled SacRT to reduce the LOC balance conservatively by \$2M to a \$27M annual facility. This is the first time SacRT has reduced the LOC since its inception in 2004.

Below is a history of the reserve balances over the past five years:

Reserve Category	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019*
Operating	\$3.1M	\$3.2M	\$5.3M	\$10.5M	\$14.5M
Working Capital	-	-	-	\$4.0M	\$3.0M
Self-Insurance	\$3.1M	\$3.2M	\$3.2M	\$3.2M	\$3.3M
Capital Replacement	-	-	-	-	-
Grant/Project	SacRT met the 10% required contingency				

\*FY19 is a projected balance; final results will be presented in December 2019

## Fiscal Sustainability Policy:

The purpose of the Fiscal Sustainability Policy (Exhibit B) is to establish sustainability and cost control as clear and strategic priorities for SacRT. SacRT will continue to be a responsible steward of public transportation resources for the Sacramento Region. SacRT is committed to exploring new ways of providing service that improve SacRT’s efficiency and effectiveness, while providing quality service at a reasonable cost.

The minor recommended amendments to the Fiscal Sustainability Policy incorporate the concept of working capital from the Comprehensive Reserve Policy to help reduce reliance on the LOC.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	07/22/19	Open	Action	07/15/19

Subject: Adoption of Fiscal Responsibility Policies

## **Farebox Recovery Policy:**

The purpose of the Farebox Recovery Policy (Exhibit C) is to establish guidelines for determining and realizing the role of fares in meeting SacRT’s financial obligations. Farebox recovery measures the percentage of operating costs covered by passenger generated fare revenue (i.e., passenger fares/operating costs less monies paid for by the American with Disabilities Act (ADA) Paratransit Services). It is important to note that SacRT has Measure A funding available to supplement fare revenue when fare revenues fall short of the 23% Transportation Development Act (TDA) requirement.

An important aspect of the policy is to convey SacRT’s commitment to provide transit services to the public at a fraction of the cost. The Farebox Recovery Policy prioritizes strategies to meet the target as: 1) increase ridership; 2) manage costs; and 3) consider fare increases.

The recommended amendments to the policy strive to provide balance between improving ridership and being price sensitive to riders. The main change to this policy is to annually allow staff to set a farebox recovery goal during the budget approval process and provide quarterly updates to the Board. This provides SacRT the ability to balance farebox recovery while still focusing on strategic initiatives such as ridership increases, improved security, and improved customer satisfaction.

## **Fare Change Policy:**

The purpose of the Fare Change Policy (Exhibit D) is to establish guidelines for planning and implementing fare changes. The intent of this policy is to require SacRT to consider fare changes every other year, allowing smaller overall changes and providing steady, predictable income streams to support sustainable operations.

The recommended amendments to the Fare Change Policy provide staff the opportunity to evaluate the need for fare changes by comparing fares to peer agencies, ridership impacts, and other environmental and economic factors.

Staff recommends adoption of the amended four policies: Comprehensive Reserve Policy, Fiscal Sustainability Policy, Farebox Recovery Policy, and the Fare Change Policy.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 15-11-0126 AND  
APPROVING A REVISED COMPREHENSIVE RESERVE POLICY**

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

THAT, Resolution No. 15-11-0126 is hereby repealed.

THAT, the Comprehensive Reserve Policy as set forth in Exhibit A is hereby  
approved.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**COMPREHENSIVE RESERVE POLICY**  
**Sacramento Regional Transit District**

**Original Policy Date: 09/27/10**  
**Revised Policy (1st): 11/09/15**  
**Revised Policy (2nd): 07/22/19**

# Sacramento Regional Transit District Comprehensive Reserve Policy

## I. Introduction

The purpose of the Comprehensive Reserve Policy is to formalize a fiscally responsible strategy for establishing, maintaining, and building fiscal reserves to address Sacramento Regional Transit District's (SacRT) needs. The policy addresses four categories of needs for which reserves are appropriate: operating reserve, self-insurance reserves, capital replacement reserves, and grant/project specific reserves. Two of the categories are comprised of estimated costs or liabilities (i.e., self-insurance reserves, and capital reserves), and two categories represent contingent funds for emergencies or unanticipated needs (i.e., operating reserve, and grant/project specific reserves). In addition, to the four reserve categories the Board will have the ability to designate all or a portion of the annual operating surplus to working capital account. SacRT will comply with State and Federal laws, funding regulations and generally accepted accounting principles (GAAP) in establishing, maintaining, building, and using fiscal reserves.

## II. Comprehensive Reserve Policy Objectives

SacRT will establish, maintain, and build fiscal reserves to accomplish the following objectives:

- Maintain adequate funds to meet cash flow needs in the event of emergency or unexpected operating contingences, to prevent an interruption of services.
- Maintain adequate reserves to meet SacRT's self-insurance retention obligations for Workers' Compensation and general liability claims.
- Build reserves to provide the local share of capital costs for replacement and refurbishment of assets at the end of the useful life, allowing timely refurbishment and replacement.
- Maintain reserves required by grant agreements, and/or for large capital projects, to provide contingent coverage for cost overruns.
- Maintain sufficient liquidity to reduce reliance on external short term borrowing sources.

## III. Scope and Authority

Staff will determine the need for reserves in each of the four categories and working capital account, and include those needs in budgets, planning documents, grant applications, and the long-term financial plan, as appropriate. Staff will establish, build, and maintain fiscal reserves consistent with this policy. Staff may manage the reserve balance as its component parts or as a single, consolidated reserve. In either case, staff must account for all sources and uses of funds to demonstrate compliance with grant provisions and use restrictions.

SacRT will contribute to the reserves and or the working capital account annually, and communicate that intent in budgets, plans, and grant applications. The amount of contributions will be that required to maintain balances described in the approach section, below.

Staff may draw down reserves for self-insurance retention claims, and the local share of capital replacement and refurbishment costs, to the extent the costs are planned and funded in the reserve. Should staff require access to contingency funds, specifically the operating reserve, and/or the grant/project specific reserve, staff will prepare an estimated need request and justification for review by the Board of Directors (Board) prior to accessing the funds and within a reasonable time of learning of the need. An estimate of needs is appropriate to ensure timely engagement of the Board; final numbers may not be known until books are closed and the fiscal audit complete. If the difference between the estimated and final need is greater than 10%, staff will prepare an update to the Board explaining the change in need. The Board retains control over the surplus funds, with the exception of working capital cash account, and a 2/3rds majority vote is required to authorize the use of these funds.

Working capital will be identified by the Board annually with the declaration of the final operating surplus. Working capital funds will be placed into the general checking account and available for use on day to day operating costs. Infusion into working capital assists SacRT with liquidity needs and reduces reliance on the Line of Credit (LOC); as such this will not require board approval to utilize these funds.

Moving forward, should reserves fall below the levels described in the policy, staff will prepare an affordable catch-up plan describing the time period over which reserves will be established to meet at least the minimum in each category. It is the intent that reserves will be established in a timely manner, and staff will report gaps and progress to establish the reserves to the Board routinely.

#### **IV. Approach to Establishing Reserves**

SacRT will establish, maintain, and build reserves consistent with the following criteria by reserve category:

- Operating Reserve: SacRT will strive to establish and maintain 12.3% of the annual operating budget, which is the equivalent of 1.5 months of operating expense (less the current year Self-Insurance expense), in reserve for operations to be used if necessary to meet emergencies or unexpected operating contingencies. SacRT shall maintain at least a minimum operating reserve of 8%, or 30 days of operating expense (less the current year Self-Insurance expense).
- Self-Insurance Reserves: SacRT will strive to establish and maintain a reserve equal to the actuarially determined liability for SacRT's self-insurance retention, focusing on current liabilities to be paid in future years (i.e., total liability less funds paid out in the current year). The actuarial study will be performed at least annually. The study will address expenses related to Workers' Compensation claims incurred

and incurred, but not reported, as well as general liability claims incurred and incurred, but not reported. At minimum, SacRT will develop and maintain a reserve equal to the current year actuarially determined claim expense.

- Capital Reserves: SacRT will contribute annually to this fund recognizing that capital assets are depreciating at a known pace, and will require refurbishment or replacement at a future date. The amount of the annual contribution will be the local share of the replacement cost, pro-rated by years of useful life by asset class. At minimum, capital reserves will match the cash flow needs of local contributions to capital programs each and every year. At maximum, the reserve will fully fund the local share of capital costs on a pro-rata basis considering useful life of each asset class. Depending upon the expected fund balance, this amount might be discounted by expected investment earnings.
- Grant/Project Specific Reserves: The initial purpose of this category is to build and maintain a level of reserves equal to 10% of the total project cost for the Blue Line to Cosumnes River College (BLCRC) project by 2015, or the year the project is completed, to provide additional contingent coverage for cost overruns as required by the Federal Transit Administration (FTA). In subsequent years, additional contingent reserves might be required for large projects or as part of a grant agreement. Once the specific project or grant is closed out, funds remaining in this reserve may be allocated for other reserves or budgeted purposes of SacRT consistent with source and use of fund restrictions.
- Working Capital Account: The purpose of working capital account is to increase SacRT's liquidity to levels that reduce reliance on the LOC. There is no established minimum or maximum for this category. The funds will be utilized at the direction of management for purposes of maintaining adequate cash balances as a result of cyclical changes in receipts, disbursements, and economic changes.

## **V. Compliance with Regulations**

SacRT will comply with all relevant laws and regulations governing fiscal responsibilities, reserves and sources and uses of funds. Among these are:

- The California Transportation Development Act and its amendments
- Federal funding guidelines and agreements
- Generally Accepted Accounting Principles (GAAP).

## **VI. Establishment of Reserves**

SacRT received Board approval to use operating reserves to cover budget shortfalls during FY 2014 and FY 2015. During FY 2016, this trend stopped and since then, the annual operating surplus has been used to increase the reserve balances and working capital account. Staff will prepare an analysis of minimum and full reserve requirements for each of the four categories and the total. The reserve needs shall be presented to the Board no later than as part of the annual budget process each and every year. If reserves fall below the minimum in one or more categories, staff will prepare an affordable catch-up plan to cover the shortfall. The annual contribution to reserves, working capital and the catch-up

plan where needed, will become part of the budget, and be reflected in the Financial Forecasting Model, short range transit plans, grant applications (as appropriate), and general communications. Staff will report on reserve needs (minimum and full funding), planned contributions, shortfalls and the catch up plan (as appropriate) at least at mid-year and annual budget discussions.



RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 15-11-0127 AND  
APPROVING A REVISED FISCAL SUSTAINABILITY POLICY**

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

THAT, Resolution No. 15-11-0127 is hereby repealed.

THAT, the Fiscal Sustainability Policy as set forth in Exhibit B is hereby approved.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**FISCAL SUSTAINABILITY POLICY**  
**Sacramento Regional Transit District**

**Original Policy Date: 11/09/15**  
**Revised Policy: 07/22/19**

# **Sacramento Regional Transit District Fiscal Sustainability Policy**

## **I. Introduction**

The purpose of the Fiscal Sustainability Policy (Policy) of the Sacramento Regional Transit District (SacRT) is to establish sustainability and cost control as clear strategic priorities for SacRT. SacRT is, and will continue to be, a responsible steward of public transportation resources for the Sacramento region. SacRT is committed to exploring new ways of doing business that improve both efficiency and effectiveness, with the impact of delivering quality service at a reasonable cost. SacRT is also committed to a sustainability analysis and plan for all projects, initiatives, and innovations, where said improvements have ongoing operations, support and resource requirements.

## **II. Cost Control Policy Objectives**

The primary objectives of the SacRT's fiscal sustainability policy are to:

- Demonstrate a sustained commitment to prudent financial management and cost control in all aspects of SacRT's business and customer service.
- Promote the exploration of new ways of doing business, technology, processes, and tools that help reduce cost while maintaining quality, or increasing quality at the same or reasonable cost.
- Sustain a culture of efficiency and effectiveness, reflecting SacRT's commitment to deliver high quality, safe and secure services at a reasonable cost.
- Embed sustainable operations and financial planning as a part of all projects and initiatives, large and small, with ongoing operations, support, and resource requirements.
- Help SacRT operate a quality transit service by providing only those services it can sustainably afford, using current revenues to pay current operating expenses, and delivering a safe, secure, clean and reliable service.
- Comply with applicable laws and regulations, sound management practices, and SacRT's waste, fraud and abuse policy.
- Reduce reliance on the Line of Credit (LOC) by increasing and maintaining working capital levels which will improve SacRT's financial position and keep costs down.

## **III. Scope and Authority**

This Policy governs planning, budgeting, and delivering quality services efficiently and effectively. Staff will actively pursue new ways of doing business to generate savings and efficiencies, which are to be used to fund quality and effectiveness initiatives. Staff will report appropriate cost efficiency measures in plans, budgets, and performance reports to the Board of Directors (Board) on a routine and ongoing basis. Staff will routinely develop sustainability plans for all small and large projects, initiatives, and improvements addressing operations and maintenance responsibilities, cost and

resource requirements, and affordability. The Board will consider the impact of plans, budgets, and initiatives on cost efficiency, long-term affordability, and sustainability prior to approval. SacRT will publically report both unit cost efficiency and consumer price index for urban wage earners (CPI-W), at least for annual budget review cycles.

#### **IV. Context for the Cost Control Policy**

Like any other consumer, SacRT is subject to general economic inflationary pressures when purchasing goods and services. It is a priority of SacRT to proactively manage cost growth and strive for efficiency in delivering quality transit services for the Sacramento region. This policy formalizes that intent, and should be considered in all cost decisions of SacRT (e.g., procurement, business processes, technology, staffing, compensation, labor negotiations). It is the goal of SacRT to manage cost growth within inflation, and deliver quality and effectiveness improvements while doing so. It is also the explicit policy of SacRT to both expand and reduce transit services in response to consumer demand and resource availability. Strategies may include discontinuing or reallocating lower-productivity service to higher and greater uses, either in alternative areas or in the form of enhanced service quality.

Often different organizational units are involved in different stages of the project development lifecycle (e.g., planning, development, operations, and maintenance) for both small and large projects, initiatives, and improvements. SacRT will consider and plan for life cycle sustainability in every project, large and small, with ongoing operations and maintenance requirements. This includes planning for both organizational responsibilities across the project life cycle, as well as resource requirements. Communications among and between organizational units is critical to fiscal and operational sustainability of improvements.

#### **V. Approach to Cost Control Measurement**

SacRT will manage costs within inflation rates; and management is expected to explore new ways of doing business that increase efficiency and effectiveness while delivering quality services. Performance monitoring, reporting, and response are critical components of success.

Inflation will be measured as the CPI-W, as reported by the Bureau of Labor Statistics (BLS). Given that inflation rates change monthly and many of SacRT's costs are embedded in multi-year agreements, SacRT will use a three year moving average for comparing unit costs to CPI-W, as well as the most recent year.

Unit costs will focus on the cost for each revenue service hour, as most costs are driven in large part by the number of revenue service hours delivered. Cost per revenue service hour is calculated as total operating cost less purchased transportation (i.e., monies paid to Paratransit, Inc. for mobility services) divided by the total number of revenue service hours operated. There is a significant difference by mode, and unit costs will at least be measured separately for rail and bus (i.e., rail car hours and bus hours). Similar to CPI-W, unit costs should be measured for the current year, as well as the moving average cost per hour for the prior three years.

Major plans, budget documents, and significant new initiatives will estimate the impact on cost efficiency prior to approval. Staff will monitor actual results versus the plan, and adjust implementation tactics as needed to achieve desired results.

It is anticipated that some improvement programs will require resources beyond those practical within inflationary bounds. Projects, programs, and initiatives that deliver significant improvements to service quality, safety, security, and quantity should also be considered and discussed with the Board prior to authorization, even if they increase costs beyond inflation. Any such decision should be made cognizant of the expected benefits for the public, the cost of those benefits, and our ability to pay for them.

Staff will plan for sustainable operations and resources for all projects, initiatives, and improvements that have an ongoing operations and resource requirement. At minimum, staff will plan for the total cost of ownership (e.g., capital and operating costs), organizational responsibilities by project life cycle phase, and clear and open communications among and between organizational units. Where actual requirements differ significantly from plans, staff will examine tactics for improvements, and update plans accordingly.

Should SacRT find current operating costs exceed current revenues (e.g., necessitating use of reserves to balance budgets), staff must conduct a sustainability analysis of administrative costs, operating costs and service levels. The analysis will identify strategies to reduce costs within a sustainable level (i.e., affordable within current revenue streams), and may include a review of service standards, and services operating below standards. Any proposed service changes will follow SacRT's service change policy. SacRT is expected to provide a safe, secure, clean, and reliable transit service. It is the intent of this policy to provide quality transit services in an affordable, sustainable manner.

## **VI. Compliance with Regulations**

SacRT's financial management policies and procedures are subject to and limited by the applicable State and Federal laws, generally accepted accounting principles (GAAP), as well as SacRT's waste, fraud and abuse policy. SacRT will comply with all relevant laws, regulations, and funding requirements governing cost control and sustainability. It will also adhere to California Transportation Development Act, as amended, and the National Transit Database definitions of unit costs for consistency.

## **VII. Outcome Reporting**

Actual unit cost results sometimes vary from plans and projections, and staff will report unit cost versus inflation to the Board at least at the annual budget review cycle. At minimum, such performance results will include CPI-W, cost per bus revenue service hour, and cost per rail revenue service hour for the current year, and the average over the prior three years. When appropriate, staff will recommend changes for Board consideration at mid-year and annual budget review cycles.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 15-11-0128 AND  
APPROVING A REVISED FAREBOX RECOVERY POLICY**

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

THAT, Resolution No. 15-11-0128 is hereby repealed.

THAT, the Farebox Recovery Policy as set forth in Exhibit C is hereby approved.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**FAREBOX RECOVERY POLICY**  
**Sacramento Regional Transit**

**Original Policy Date: 11/09/15**  
**Revised Policy: 07/11/19**

# Sacramento Regional Transit District Farebox Recovery Policy

## I. Introduction

The purpose of the Farebox Recovery Policy (Policy) of the Sacramento Regional Transit District (SacRT) is to establish guidelines for determining and realizing the role of fares in meeting SacRT's financial obligations. Farebox recovery measures the percentage of operating costs covered by passenger generated fare revenue (i.e., passenger fares/operating costs less monies paid for mobility services). This Farebox Recovery Policy confirms SacRT's Board of Directors' (Board) commitment to adhere to sound financial management practices, including prudent planning and management of cost, fares and associated revenues, financial capacity and customer interests. SacRT's fare policies and procedures are subject to and limited by the applicable provisions of State and Federal law, as well as funding regulations.

The Farebox Recovery Policy is intended to work in tandem with other SacRT fiscal responsibility policies, including but not limited to the Fare Change Policy, the Fiscal Sustainability Policy, and the Comprehensive Reserve Policy.

## II. Farebox Recovery Policy Objectives

The primary objectives of SacRT's Farebox Recovery Policy are to:

- Protect and maximize available public funding by striking a balance between improving ridership while being price-sensitive to the customers but making sure at minimum meeting the farebox recovery ratio required by the California Transportation Development Act (TDA) as amended with available supplemental revenues, and other funding and grant provisions each and every year
- Help SacRT consistently pay ordinary operating costs with current revenues, without accessing multi-year reserves to balance the budget
- Help SacRT maintain a favorable bond rating, and reasonable interest rates, recognizing that rating services and lenders rely heavily on SacRT's fare revenue trends to determine financial health and credit risk
- Determine the appropriate target for the farebox recovery ratio in creating a sustainable customer service, considering contributions to operating costs, capital, debt capacity and repayment, grant applications and conditions, and other obligations
- Determine the time period over which the target farebox recovery ratio will be met considering financial capacity needs, ridership growth, cost control measures, average fare changes required, and impact to fare paying riders
- Comply with applicable laws and funding regulations, some of which set minimum farebox recovery ratio standards



### **III. Scope and Authority**

This Policy governs the planning, adoption and achievement of SacRT's farebox recovery ratio targets. The Board retains control over the farebox recovery target and the time established to reach the target.

Staff must consistently plan to achieve the appropriate farebox recovery ratio, considering both the target and the year for target realization. Where the target is consistent with current performance, staff will plan strategies to maintain that level of performance. Strategies will be prioritized, first considering ridership growth, second cost control, and third fare change actions. Where the target requires a change from current performance, staff will plan for a smooth ramping of the farebox recovery ratio between the current level and the target, over the Board approved timeline. Again, the priority order of actions is 1) passenger growth, 2) cost control and 3) fare revenue. Staff will use the planned farebox recovery ratio in the budget, long-term financial model, short- and long-term plans, and communications with riders, stakeholders, partners, and the public. Fare changes to achieve the target will be planned in accordance with the Fare Change Policy.

### **IV. Context for the Farebox Recovery Policy**

The Transportation Development Act sets SacRT's farebox recovery ratio requirement at 23% and permits SacRT to supplement fares with other locally generated revenues in meeting the requirement. In FY2011, SacRT recovered 26.1% of operating costs from fare revenue. That percentage has eroded annually due to SacRT's initiatives to increase efforts to improve the customer experience by hiring additional front line support, staff to clean, maintain, and repair vehicles with the effort of stabilizing ridership declines, making the system safer, and improving operational standards. Due to these efforts, paired with a fare decrease in October 2018, introduction of electronic fare options, service improvements, and other ridership initiatives, SacRT has experienced lower farebox recovery percentages.

SacRT strives to meet the farebox recovery requirement, with supplement, while finding a balance between providing service at a price that meets riders' needs and provides sufficient farebox revenues.

### **V. Approach to Farebox Recovery Planning**

Annually, Staff will develop a Farebox recovery ratio goal based on the July 1st adopted budget and the fiscal year's respective strategic initiatives identified by the General Manager/CEO and Board of Directors. Having an annually reassessed goal will allow SacRT to increase or decrease the recovery ratio based on outside conditions or events with the understanding that at no point will SacRT not meet the minimum threshold (TDA) with supplemental revenues. New funding opportunities will also provide SacRT with additional supplemental revenue sources to ensure compliance with the TDA requirements and will be incorporated into annual goal setting and financial forecasting.

Staff will provide the SacRT Board an analysis of alternative farebox recovery ratios using the Financial Forecasting Model to include meeting the minimum farebox recovery ratio requirements, fulfilling all fiscal responsibility policies (including establishing the capital reserve fund), and meeting all plans for quality improvements and expansion. Strategies will be prioritized by staff first considering ridership productivity improvements, second cost control, and third fare changes. Plans will incorporate a smooth ramping for any major changes implemented over the Board approved timeline. Staff will recommend a preferred course of action to the Board. The Board will have responsibility for approving a farebox recovery ratio goal, timeline, and plan for achievement.

Consistent with other fiscal responsibility policies, staff will update the long-term financial plan to reflect the adopted goal, timeline, and strategies. Staff will review progress against the plan with the Board at least annually thereafter during the budgeting cycle. Reports will include the compounding impact of differences between planned and actual farebox recovery.

The farebox recovery goal and timeline will be reviewed periodically as part of SacRT's Short Range Transit Plan (SRTP) update process. Staff will examine progress, future fiscal needs supporting planned services and improvements, and make recommendations regarding the farebox recovery ratio goal and timeline forward. The Board retains the final decision on any potential changes.

## **VI. Compliance with Regulations**

SacRT will comply with all relevant laws and regulations governing fiscal responsibility and farebox recovery ratios. Among these are:

- The California Transportation Development Act, as amended (specifically those provisions addressing farebox recovery)
- Public Utilities Code Section 102121 addressing rates and charges
- SACOG funding requirements addressing farebox recovery.

## **VII. Farebox Recovery Communications**

Given the goals of this policy, stakeholder communications is important as SacRT is changing historical patterns of financial capacity and performance. Staff will share the policy and plans with lenders and credit rating agencies, and then share results annually to demonstrate SacRT's ability to establish a prudent fiscal policy and implement the plan. This is expected to lay the foundation for favorable ratings when they are most needed. Staff will also share the policy and plans with SACOG, to demonstrate commitment to meet both farebox recovery ratio requirements and financial capacity needs now and in the future. Finally, staff will communicate the intent to the public and passengers, along with the benefits they will see over time (e.g., timely replacement of capital assets; improved safety, security and passenger service; expanded service). An important part of the message is that, due to public funding,

SacRT is able to provide transit services to the public at a fraction of the cost of those services.

### **VIII. Outcome Reporting**

Actual farebox recovery ratio results sometimes vary from plans and projections, and SacRT staff will routinely report results versus the plan to the Board. At minimum, such performance results will include average fare per passenger, farebox recovery ratio, total ridership, cost control results, and total fare revenue, all versus the current year budget and long-term plan supported by the Financial Forecasting Model. When appropriate, staff will recommend changes in strategies to achieve the goal for Board consideration at the mid-year and annual budget reviews.

The pure recovery ratio goal will be assessed quarterly and provided to the Board through the financial update. Should SacRT's quarterly ratio be below its goal, SacRT will provide an explanation and a plan to recover or reassess its goals based on current environmental/market conditions.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 15-11-0129 AND  
APPROVING A REVISED FARE CHANGE POLICY**

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

THAT, Resolution No. 15-11-0129 is hereby repealed.

THAT, the Fare Change Policy as set forth in Exhibit D is hereby approved.

\_\_\_\_\_  
PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**FARE CHANGE POLICY**  
**Sacramento Regional Transit District**

**Original Policy Date: 11/09/15**  
**Revised Policy: 07/22/19**

# Sacramento Regional Transit District Fare Change Policy

## I. Introduction

The purpose of the Fare Change Policy (Policy) of the Sacramento Regional Transit District (SacRT) is to establish guidelines for planning and implementing fare changes. This Fare Change Policy confirms the commitment of the SacRT Board of Directors (Board) to adhere to sound financial management practices, including prudent planning and management of fares and associated revenues, financial capacity and customer interests. SacRT's fare policies and procedures are subject to and limited by the applicable provisions of State and Federal law, and funding regulations.

This Fare Change Policy is intended to work in concert with other SacRT fiscal responsibility policies, including farebox recovery, comprehensive reserves, and fiscal sustainability.

## II. Fare Change Policy Objectives

The primary objectives of SacRT's fare change activities are to:

- Support long term financial planning, by providing a predictable and consistent fare change practice, resulting in sustainable transit services to the public.
- Provide sufficient fare revenues to meet, in conjunction with other available operating and capital funds: customer service needs; local match for capital; fiscal obligations (including debt); and grant requirements each and every year.
- Consider changes in customer income and ability to pay, approximating general pay and benefit increases, providing customers greater predictability of modest fare changes to ease personal budgeting.
- Consider the costs of competing modes of transportation (e.g., mileage and parking costs of automobiles), and other factors valued by potential customers of transit.
- Maximize ridership while meeting financial requirements and other SacRT goals.
- Support attainment of farebox recovery targets in a consistent and predictable manner; while providing transit services below cost to the public.
- Consider equity and affordability for disadvantaged populations, discounting strategy for target populations and the ability to attract new riders.
- Comply with applicable laws and funding regulations, including Federal Title VI and California funding regulations which set minimum farebox recovery standards.

## III. Scope and Authority

This Policy governs the planning, adoption and execution of all fare changes. The Board retains control over all final fare change decisions. Staff will consistently plan for fare changes, analyze fare change options that meet revenue needs and other goals, gain public input, make recommendations to the Board, and implement the decisions of the Board. Staff will also include planned changes to the average fare in the long-term financial plan supported by SacRT's Financial Forecasting Model every other year.

#### **IV. Context for the Fare Change Policy**

Generally speaking, SacRT's costs increase as a result of inflationary pressures each year. SacRT will continue to practice sound fiscal stewardship and pursue cost savings initiatives to slow the rate of cost growth, as indicated in the fiscal sustainability policy. Most of SacRT's revenues do not increase automatically with inflation, and require adjustment to maintain purchasing power and support SacRT's operations.

Transit rider income also tends to grow over time through wage and salary growth, as well as through indexed government benefit levels (e.g., social security, welfare, unemployment, disability). The Average Wage Index (AWI) tracks wage and salary growth and the consumer price index for wage earners (CPI-W) drive government benefit levels. The two numbers are generally quite close, each ranging between -1 percent and 4.5 percent annually over the prior decade.

The overall intent of this policy is to evaluate the need for routine, modest fare increases every other year. Small, regular fare increases offer many benefits. Riders will become aware that transit prices, like other costs, increase routinely and they can plan for those changes. The smaller increases made possible by more frequent fare changes are easier to absorb in consumer budgets, whose income also generally increases modestly. Lending institutions and credit rating agencies base SacRT's credit risk in part on fare revenue trends, and executing a policy of routine, modest increases provides the steady, predictable revenue stream that financial analysts' value. Grant making organizations require local match and sometimes local reserves, and farebox revenues are a significant revenue source for such purposes. A series of modest, predictable fare increases provides the opportunity to fund local match to maximize grant revenue. SacRT needs a steady, predictable income stream to plan, provide, and sustain quality services; fares represent SacRT's largest source of controllable income.

However, this must be balanced with market conditions, ridership trends, peer agency comparisons and the potential dedicated funding opportunities to keep fares low.

#### **V. Approach to Fare Change Planning**

Staff will evaluate the need for a fare change every two years, based on the criteria set out below, and will consider an increase in the long-term financial plan, budget documents, grant applications (as appropriate), short-range service plans, and public communications and marketing materials.

Determining whether and by how much to increase the average fare every two years will have three components. First, the average fare will be adjusted for inflation, considering federal indices like CPI-W for urban areas and AWI, as well as changes to SacRT's cost per passenger boarding, over the period between fare changes. Second, SacRT will make appropriate adjustments to the average fare to at least meet legal and regulatory requirements for farebox recovery considerations. Third, if SacRT's Board has adopted a goal to change the farebox recovery ratio within an associated timeframe (as specified in the Farebox Recovery Policy), SacRT will consider additional adjustments to the average fare to achieve that goal. Note that if no average fare increase is needed to meet all three components, SacRT's Board may decide to forgo a fare change during that period, or change the structure while holding the average fare constant.

Long-term financial planning uses a percentage change to the average fare and system-wide average elasticity to estimate ridership and revenue. Planning and implementing a fare change requires looking at the fare structure and how individual fare elements might or might not change to achieve the new average fare. Fare elasticity (which measures how different rider groups expand and contract as a result of fare changes) varies by rider group and fare payment method used. For example, longer trips are less elastic than shorter trips, peak period trips are less elastic than off-peak trips, and work trips are less elastic than non-work trips. Staff will use changes to the fare structure to maximize ridership while meeting the fare revenue goal. Staff will seek to develop a mix of fare structure adjustments based on, but not limited to, the following considerations:

- Price of transit services relative to other modes and peer agencies
- Differential pricing (e.g., distance based, type of service, zone, time based)
- Discount strategy (e.g., how many and how deep discounts should be by market sector; compliance with federal regulations; potential discount support from other agencies, civic organizations and foundations)
- Ratio of the average fare per passenger to the nominal base fare (as an indication of the overall level of discounting, including fare evasion)
- Bulk/loyalty pricing (e.g., monthly, weekly, daily passes; high cash loads on the Connect Card<sup>®</sup> or other reloadable payment device)
- Convenience pricing (e.g., round-trip and one-way fares; transfers; day passes)
- Transfer and joint fare agreements with other operators
- Partner support (e.g., employee transit benefits, embedded fares in venue tickets, social service ticket subsidies)
- Ease of understanding (e.g., passenger comprehension of fare options and privileges)
- Ease of payment (e.g., coinage multiples, credit/debit, currency and coins)
- Ease of enforcement (e.g., ability to determine and enforce appropriate fare payment, and minimize fraud and theft of service)
- Administrative and implementation considerations (e.g., media stock and delivery costs and lead times, ticket expiration dates, machine reprogramming costs and



constraints, costs for printing and signage, cash handling and credit card processing fees)

- Equity among demographic groups (e.g., determination based on review relative to Title VI of the Civil Rights Act of 1964)
- Other environmental and economic conditions such as gas prices and road congestion

## **VI. Public Involvement**

Prior to request for Board adoption, staff will schedule, conduct outreach, and solicit public input in accordance with SacRT's Public Participation Plan. SacRT's outreach effort will include a 30-day comment period on the proposed changes and the accompanying federally required Title VI fare equity analysis. Prior to holding the public meetings, SacRT will prepare and distribute a notice to riders and members of the public.

The public notice must include:

- A title and brief description of the proposed changes and a statement that SacRT is seeking public comments
- Notice of documents available for review (e.g., draft fare structure proposal(s), Title VI equity analysis, and/or environmental documents)
- The date, time, and location of the public meeting(s) and transit routes serving the location
- Contact information and where to find additional information
- The final date and time to submit comments

SacRT will post the notice on SacRT's web site and will accept comments on the proposed fare changes for at least 30 calendar days. The notice will be posted in English as well as any non-English languages determined by SacRT policy on language assistance. SacRT will also provide information on the hearing in SacRT vehicles, at major stops and stations, to applicable mailing list subscribers, and in SacRT's monthly newsletter, Next Stop News, if time permits. SacRT may also notify riders through press releases or through social media.

Upon request, and given advanced notice of at least 3 business days, SacRT will provide an interpreter (including sign language) at the public meeting. SacRT's Language Line service also provides interpretation services over the phone for patrons calling for additional information, to make comments, or to arrange interpretation services at the public hearing.

Comments received through the public meeting(s) and comment period will be analyzed, evaluated, and reported to the Board. Changes may be made to the recommended fare structure and pricing, and/or additional options considered as a result of public input.

## **VII. Compliance with Regulations**

In adopting fare changes, SacRT will comply with all relevant laws and regulations governing fares, discounts, and farebox recovery. Among these are:

- Federal Title VI of the Civil Rights Act of 1964 and Executive Order 12898, addressing equity
- The California Transportation Development Act, as amended (primarily those provisions addressing farebox recovery)
- Federal funding guidelines addressing fare discounts
- Sacramento Area Council of Governments (SACOG) funding requirements addressing fare discounts.

SacRT's process for conducting a fare equity analysis to comply with Title VI and Executive Order 12898 with respect to fare changes is set out in Appendix A, Fare Equity Analysis.

## **VIII. Implementation of Fare Changes**

Given the intended frequency of fare changes, staff must examine how and where fare levels are posted and communicated. The intent is to clearly convey current fare levels and plans for routine, modest changes, efficiently. In addition to posting fares on ticket vending machines, staff will post current fares on-line and guide customers to that site in marketing and communications materials. Staff will likewise strive to minimize the administrative burden and cost of changing fare media, by leveraging technology solutions like mobile phone and smart card payment mechanisms.

## **IX. Outcome Reporting**

Actual revenue results sometimes vary from plans and projections, and staff will routinely report fare revenue results versus the plan to the Board of Directors. At minimum, such performance results will include average fare per passenger, farebox recovery, total ridership, and total fare revenue, all versus the long-term financial plan (shows compounding impact of differences between planned and actual fare revenues) and the current year budget. When appropriate, staff will recommend changes for Board consideration at mid-year and annual budget reviews.

## APPENDIX A

### FARE EQUITY ANALYSIS

#### Requirements

Under Title VI and Executive Order 12898, SacRT is required to conduct an equity analysis prior to the adoption of fare changes (including fare reductions), with the exception of Spare the Air days, temporary fare reductions that are mitigating measures for other actions, and promotional fare reductions lasting no more than six months. Paratransit and dial-a-ride fares are also outside the scope of FTA's Title VI fare equity analysis program. Title VI and the Executive Order require SacRT to establish a locally-developed definition for determining disparate impacts/disproportionate burdens (DI/DB) on minority/low-income populations, including a threshold for statistical significance.

#### Disparate Impacts

If a statistically significant adverse effect on minority populations is found to be likely, under Title VI SacRT must provide a substantial legitimate justification, including a finding that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish SacRT's legitimate program goals, before adopting the changes.

FTA defines a minority person as anyone who is an American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or other Pacific Islander.

#### Disproportionate Burdens

Executive Order 12898 on Environmental Justice requires SacRT to analyze proposed changes to the fare structure to determine if they are likely to result in a disproportionate burden on low-income populations. A finding of disproportionate burden requires SacRT to take steps to avoid, minimize, or mitigate impacts where practicable and to describe alternatives available to low-income passengers affected by the changes.

FTA defines a low-income person as a person whose household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines. The HHS definition varies by year and household size. For 2012, poverty guidelines ranged from \$11,170 for a single-person household to \$38,890 for a household of eight. The poverty guidelines for a household of four were \$23,050.

FTA encourages transit agencies to use a locally-developed threshold for low-income status, provided that the threshold is at least as inclusive as the HHS poverty guidelines. Since survey data does not always include household size or exact household income, SacRT shall, when necessary, define low-income status according

to the poverty guideline for a household of four, rounded up to the nearest bracket boundary. For example, if household income data is available in \$15,000 brackets, SacRT will consider household income less than \$30,000 to be low-income.

## **Definitions and Methodology**

SacRT uses two different surveys to capture information on fare payment. First, an annual fare survey provides an estimate of ridership by mode and fare type, both in absolute and percent terms. Second, at least once every five years, SacRT conducts an on-board passenger survey that includes fare type, ethnicity, and household income.

When a fare change is proposed, SacRT uses data from the annual fare survey to determine ridership by fare type, media type, and mode (bus or light rail). Using data from the on-board survey, this data is further split into subsets for minority and low-income riders. SacRT then prepares a table comparing all fare categories to one another, including percent use by minority and low-income populations, and the proposed percent increase in fare.

Disparate impacts from fare changes are determined by comparing the average fare for all minority riders (aggregated over all fare types) to that for non-minority riders. SacRT's Title VI goal is for the percent increase in average fare for minority populations to be less than or equal to that for non-minority populations in the case of a net fare increase. In the case of a net fare decrease, the goal is for the percentage decrease in average fare for minority populations to be equal to or greater than that for non-minority populations. A disparate impact may exist if there is a statistically significant deficiency from this goal. SacRT defines a deficiency as statistically significant if the rates of change differ by more than 20 percent.

As an example, assume an increase is proposed to SacRT's single, daily, and monthly fares. SacRT's analysis finds that the rate of increase to the overall average fare for non-minority populations is likely to be 10 percent. Differences exceeding 2 percent (20 percent of 10 percent) are considered statistically significant. Therefore, if the rate of increase in overall average fare for minority populations exceeds 12 percent, there may be a potential disparate impact.

If a potential disparate impact on minority populations exists, then the fare change may be implemented only if (1) a legitimate justification has been prepared in written form, and (2) there are no alternatives that would have a less disparate impact on minority riders but would still accomplish SacRT's legitimate program goals.

Disproportionate burdens on low-income populations are determined in like fashion. If a potential disproportionate burden on low-income riders exists then SacRT must take steps to avoid, minimize, or mitigate impacts where practicable and must also describe alternatives to low-income passengers affected by the fare change.

## **Review and Approval**

The Title VI fare equity analysis must be approved by the SacRT Board prior to adoption of any fare change, except as exempted above. Upon adoption of the equity analysis and the fare change, SacRT will retain records documenting the SacRT Board's consideration, awareness, and approval of the Title VI equity analysis.



# SacRT Board Retreat

## Monday, July 22, 2019



## SacRT Board Chair Patrick Kennedy Riding Light Rail in Dublin, Ireland



## SacRT Board Chair Patrick Kennedy Riding the Metro in Paris, France





# SacRT Board Chair Patrick Kennedy Riding Light Rail in Dallas, Texas

# Program Agenda



**Section 1: FY19 Historic Year in Review**

**Section 2: FY20 Major Initiatives & Goals**

**Section 3: Strategic Plan Update**

**Section 4: Measure A**

**Throughout, we seek your input and direction.**

# Section 1: Historic Year in Review



# Section 1: Historic Year in Review



- 1.1** Strategic Planning & System Development
- 1.2** Financial Stability, Accountability & Business Process Optimization
- 1.3** Strategic Vision, Innovations & Best Practices
- 1.4** System Security, Operational & Occupational Safety
- 1.5** Strategic Communications & Partnerships
- 1.6** Organizational Excellence & Performance Management
- 1.7** Long-Term Aspirational Goals – Set by Board
- 1.8** Other Notable Accomplishments

# Historic Year in Review



## **1.1 Strategic Planning & System Development:**

1. SacRT Forward design completed and adopted by Board in February 2019 with launch date on Sunday, September 8
2. Expanded SmarT Ride to the Franklin/South Sacramento zone. Combined with Citrus Heights, ridership is at approximately 150,000 trips to date
3. Light Rail Modernization Project in environmental and design phase, with total funding (\$200 million) secured for 20 new low-floor light rail vehicles, double tracking in Folsom, infrastructure and station upgrades

# Historic Year in Review



*Continued*

## **1.1 Strategic Planning & System Development:**

4. Successfully worked with the City of Sacramento to develop and pass Transit Oriented Development (TOD) ordinance. Several other major TODs are in progress
5. Updated SECAT program guidelines to receive funding (\$2 million) to purchase 20 small electric zero emission buses

# Historic Year in Review



## 1.2 Financial Stability, Accountability & Business Process Optimization:

1. Worked with state delegation to move AB 709 forward to clean up SacRT's enabling legislation
2. SacRT has successfully sold Arden Way (\$800,000) and Calvine Road/Auberry Way (\$1.6 million) properties, and completed due diligence requirements to ready University/65th Street for close of escrow
3. Secured \$17.5 million from the Transformative Climate Communities and another \$16 million from the Affordable Housing & Sustainable Communities grant program to construct Dos Rios and Railyards light rail stations

# Historic Year in Review



## 1.3 Strategic Vision, Innovations & Best Practices:

1. Implemented real-time consist manager application for light rail vehicle tracking, operational control and reliability
2. SacRT was part of a team that recruited the Local Motors autonomous vehicle, Olli, to Sacramento State as a pilot project
3. Partnered with JUMP Bike to install charging hubs at key light rail stations for first-mile/last-mile mobility solutions
4. Featured SacRT's innovative, best in class initiatives in APTA's Mobility Conference. In the progress of developing Mobility as a Service (MaaS) playbook for the transit industry



# Historic Year in Review



*Continued*

## **1.3 Strategic Vision, Innovations & Best Practices:**

5. Partnered with technology startup “Miles” to offer app based travel incentives to encourage more transit usage
6. Joined with the City of Rancho Cordova on the “Free \$5 to Ride” pilot program that can be used toward a Lyft ride that begins or ends at one of four SacRT light rail stations in Rancho Cordova
7. Signed the American Public Transportation Association’s Sustainability Pledge. SacRT is serving on and helping staff on the Mayor’s Commission on Climate Change

# Historic Year in Review



## **1.4 System Security, Operational & Occupational Safety:**

1. Received the federal Transportation Security Administration's Gold Standard Award for System Security
2. Additional Transit Agents and security personnel were added throughout the year and strategically placed to ride trains based on a mix of data such as ridership, special events, and specific crime issues
3. Successfully implemented a Transit Ambassador program that is focused on customer service and fare inspection

# Historic Year in Review



*Continued*

## **1.4 System Security, Operational & Occupational Safety:**

4. Launched an Adopt-A-Station program where SacRT Police officers and senior staff become station ambassadors and visit their assigned stations once a week to make security and facility recommendations or repair requests
5. Made substantial progress on the installation of an early warning alarm technology on all light rail vehicles to provide secondary track worker protection

# Strategic Communications & Partnerships



# Historic Year in Review



## 1.5 Strategic Communications & Partnerships:

1. Developed a transit academy designed to educate and engage residents, business and community leaders about SacRT's planning process and how transit shapes our communities. Over 60 people enrolled in inaugural class
2. Attended all three Technical Advisory Committees (TAC) of the Mayor's Climate Commission, including serving as the facilitator for the Mobility TAC
3. Continued to bolster partnerships in the community and received approximately 97% positive media coverage with over 800 SacRT feature stories on TV

# Historic Year in Review



*Continued*

## **1.5 Strategic Communications & Partnerships:**

4. Partnered with Wide Open Walls and CADA for mural installation to improve the R Street Customer Service and Sales Center building
5. Strengthened partnership with federal, state, local and regulatory agencies to advocate for more transit funding and better coordinate planning and project development
6. Partnered on over 75 regional community events, including the MLK March, Folsom Pro Rodeo, Pride, Elk Grove Graduations and Women's March

# 1225 R Street Mural



# Historic Year in Review



## **1.6 Organizational Excellence & Performance Management:**

1. Presented audit plan to the Board and staff, focusing on areas of risk management effectiveness, internal controls and regulatory compliance
2. Successfully negotiated new labor agreements with the AFSCME-Supervisor unit and ATU
3. Implemented operator attendance control program
4. Promoted and hired industry best talents to optimize business process and foster a collaborative work environment



# Historic Year in Review



*Continued*

## **1.6 Organizational Excellence & Performance Management:**

5. Significantly strengthened performance management and accountability by optimizing organizational structure and incentivizing high performance while proactively addressing underperformance
6. Reinstated employee events to boost communications and morale, including quarterly town halls for all employees and employee appreciation events
7. Successfully completed TDA and FTA triennial audits with no significant findings

# Historic Year in Review



## 1.7 Long-Term Aspirational Goals – Set by Board:

1. Successfully negotiated annexation agreements with the City of Citrus Heights and the City of Folsom (25% increase in Folsom Stage Line ridership since annexation)
2. SacRT and Elk Grove have agreed to a five-year service contract to operate e-tran bus service (possible 2020 annexation)
3. Green Line to the Airport DEIR/DEIS is scheduled for submission to FTA for review this summer. Staff is currently collecting stakeholder comments
4. Delivered six Green Power electric buses, and in the process to procure an additional 50 electric vehicles of various makes and models

# Historic Year in Review



*Continued*

## **1.7 Long-Term Aspirational Goals – Set by Board:**

5. SacRT Forward added frequency and extended coverage to the North Natomas community (Routes 11 and 13)
6. Comprehensively reviewed Paratransit, Inc.'s (PI) four party agreement, including the funding structure for TDA (SacRT is the only party out of the four to provide direct funding to PI for CTSA service through SacRT's TDA funding, while PI receives enough Measure A funding for ADA, non-ADA service and CTSA) and evaluated service delivery options for SacRT ADA paratransit service
7. Offered a fair and reasonable proposal for the FY 20 option with PI and are continuing negotiations

# Historic Year in Review



## 1.8 Other Notable Accomplishments:

Ridership Initiatives = Increased Ridership (first time in 5 years that ridership has increased)

1. Lowered basic fare from \$2.75 to \$2.50
2. Implemented \$0.25 transfer ticket
3. Lowered K-12 student monthly pass from \$55 to \$20, with free fares district-wide beginning October 1st
4. Increased weekend light rail service frequency from 30 to 15 minutes
5. Discontinued parking fees at Park-and-Ride lots
6. Expanded Los Rios student eligibility for all students

# Historic Year in Review



*Continued*

## **1.8 Other Notable Accomplishments:**

### **Major Awards Received**

1. APTA's 2019 Outstanding Public Transportation Manager Award
2. Sacramento Taxpayers Association 2019 Good Governance Award
3. Federal Transportation Security Administration Gold Standard Award for System Security
4. Clean Cities Coalition Clean Air Champion Award
5. 50 Corridor TMA Big Wheels on the Corridor Award

# Historic Year in Review



## What are the Additional Ways for the Board to Recognize SacRT's Accomplishments?

Our Accomplishments Reflect the Work of Many Hands – Our Board, Our Leadership Team, Our Employees, Our Partners and Our Customers. Opportunities to Engage Include:

1. WalkABOUTs Thanking Staff
2. Internal Newsletter
3. Speakers' Bureau
4. Media Engagement (e.g., editorials)
5. Ride-Alongs
6. Social Media
7. Other Ideas?

# Section 2: Major Initiatives & Goals FY 2019 – FY 2020



## Section 2: FY20 Major Initiatives & Goals



**Our major initiatives and goals for FY 20 maintain a steadfast focus on:**

- Customer's first in all things – safety, security, convenience and attractiveness
- Fiscal responsibility and sustainability
- Effective partnering for the interests of our community
- Business excellence and efficiency
- Learning and growth for individual employees and collectively as an organization



## Section 2: FY20 Major Initiatives & Goals



- 2.1** Strategic Planning & System Development
- 2.2** Financial Stability, Accountability & Business Process Optimization
- 2.3** Strategic Vision, Innovations & Best Practices
- 2.4** System Security, Operational & Occupational Safety
- 2.5** Strategic Communications & Partnerships
- 2.6** Organizational Excellence & Performance Management
- 2.7** Long-Term Aspirational Goals – Set by Board

# Major Initiatives & Goals



## 2.1 Strategic Planning and System Development:

1. Flawlessly launch SacRT Forward on September 8th, seek public input, quickly address issues
2. Launch new SmaRT Ride zones
3. Complete project approval and environmental document for Gold Line to Folsom 15-minute service
4. Work with all partners to transition Downtown/Riverfront Streetcar Project to a SacRT light rail project
5. Progress final design of Dos Rios Station and potential Railyards Station to serve MLS Stadium
6. Form a Florin Station Joint Development Public Advisory Group to execute vision laid out by Urban Land Institute panel

# Major Initiatives & Goals



*Continued*

## **2.1 Strategic Planning and System Development:**

7. Procure four new low-floor light rail vehicles to be delivered in 2020, and progress modernization efforts
8. Launch Zero Emission shuttle bus service between UC Davis – Downtown – UCD Med Center, launch service from Downtown to the Sacramento International Airport
9. Complete a Comprehensive Bus Rapid Transit Corridor Study
10. Complete a Comprehensive Zero Emission Vehicle (ZEV) Transition Plan
11. Begin SacRT's Five Year Strategic Plan

# Major Initiatives & Goals



## 2.2 Financial Stability, Accountability, and Business Process Optimization:

1. Support the passage of AB 631, amending annexation detachment stipulation
2. Continue to aggressively pursue all grant opportunities
3. Complete installation of automatic passenger counters on all light rail vehicles
4. Complete the remodel of SacRT's customer service center to create a more welcoming and comfortable environment

# Major Initiatives & Goals



*Continued*

## **2.2 Financial Stability, Accountability, and Business Process Optimization:**

5. Participate in the California Transit Association (CTA) task force regarding the Transportation Development Act (TDA)
6. Make substantial progress in transit oriented development to attract new riders and increase revenue
7. Relentlessly pursue business optimization

# Major Initiatives & Goals



## 2.3 Strategic Vision, Innovations, and Best Practices:

1. Complete an audit of SacRT's Information Technology efforts to ensure better integration and improve technology needs, identify priorities and plan for future innovation
2. Continue to embrace and integrate micro-mobility services such as JUMP and Gotcha bikes, scooters and GIG cars
3. Roll-out real-time passenger information for light rail vehicle arrivals
4. Support IT modernization with updating fare vending machines and installing new fare vending machines that include faster payment options to improve customer experience

# Major Initiatives & Goals



## 2.4 System Security, Operational & Occupational Safety:

1. Continue progress on the new Transit Ambassador program with a renewed focus on customer service
2. Work with the Rancho Cordova PBID to ensure additional security patrols of light rail stations in Rancho Cordova
3. Ensure 100% compliance with the California Public Utilities Commission's speed limit requirements at light rail stations
4. Provide mandatory Transit Safety Institute certification training to supervisors and training personnel
5. Continue implementation of the FTA Safety Management System requirements
6. Maintain the historically low district-wide crime rate

# Major Initiatives & Goals



## 2.5 Strategic Communications and Partnerships:

1. Work with all jurisdictions to successfully implement the Fare-Free student pilot program, and identify ways to make the program permanent
2. Collaborate with the Sacramento Transportation Authority (STA) to craft a transit friendly expenditure plan that will be placed on the November 2020 ballot
3. Better align regional priorities and coordination, such as fleet electrification, by meeting with staff of the Four Agencies (SacRT, SMUD, SACOG, and Air Quality) on a quarterly basis



# Major Initiatives & Goals



*Continued*

## **2.5 Strategic Communications and Partnerships:**

4. Continue to expand regional partnerships to promote SacRT and build ridership
5. Actively pursue station naming sponsorships
6. Launch a Transit Academy program – next generation advocates
7. Partner with the Metro Chamber to continue Transit Means Business programming
8. Leverage APTA's Transit Manager of the Year Award and other awards to strengthen SacRT's image in the community
9. Significantly strengthen social media management and engagement and promote SacRT at broader events throughout the community

# Major Initiatives & Goals



## **2.6 Organizational Excellence and Performance Management:**

1. Continue to bolster relationship with various labor unions
2. Relentlessly pursue excellence on all fronts
3. Continue emphasis on accountability and performance management
4. Implement various programs, activities and training to boost employee morale
5. Successfully recruit a new internal auditor, continue to memorialize and formalize procedures in the SacRT audit plan in order to create greater transparency
6. Provide regular and timely reports to the Board on internal auditing and EEO related activities

# Major Initiatives & Goals



## 2.7 Long-Term Aspirational Goals as set by the Board of Directors:

1. Annexations
2. Green Line Extension
3. BRT's
4. Future Paratransit Collaboration
5. ZEV Conversions

**Board Discussion**

# Section 3: Strategic Plan Update 2020 – 2025



# Strategic Plan Update



## Components of a Strong Strategic Plan:

- Define Mission (what we do)
- Define Vision (what we want to become)
- Set 5 Year Goals (what we need to achieve)
- Set 10, 20 Year-Long Term Goals
- Articulate Values (how we behave)
- Measure Performance (how we are doing)

# Strategic Plan Update



## Comparison of Goals

Board Transition FY17	Current Strategic Plan	GM FY19
1. Clean, Safe, Secure	1. Ensure Financial Stability	1. Bold service plan to increase riders and grow service
2. Build effective partnerships	2. Safe, Quality, Efficient Services	2. Financial stability, accountability, process optimization
3. Fiscal sustainability	3. Ethical Operations	3. Strategic vision, innovation and industry best practices
4. Organizational excellence	4. Invest in Employees	4 – 5. System Safety & Security
5. Build capability, learn, grow	5. Growth Goals: Improve transit access and increase market share	6. Strategic Communications
		7. Organizational excellence and performance management

# Strategic Plan Update



## Strategic Plan Process and Time Line

- Provide initial input today
- Define external and internal communication and feedback goals
- Plan adoption in summer 2020
- Leverage to create alignment and adaptability late summer 2020 and beyond

## Breakout Session

- Board members to split into groups
- Select a spokesperson
- Discuss three questions:
  - Who are our important stakeholder groups?
  - If we are successful, what should stakeholders say about us in 3-5 years?
  - What goal areas should we focus on to win over stakeholders?
- Report back to group in 20 minutes





Stockton Blvd 1/2  
Jct 80 EAST 1  
Jct 99 SOUTH 1/4

## Section 4: Measure A

### SacRT Unmet Local Funding Needs 2020 and Beyond

# Measure A

## SacRT Unmet Local Funding Needs 2020 and Beyond

- SacRT has had extensive stakeholder outreach to listen to the feedback from community and riding public
- SacRT has met with all the local jurisdictions to understand their vision and see how we can help to implement
- SacRT has reviewed all of the STA Unmet need presentations and understands the crucial role the agency will play to help all the jurisdictions achieve their goals

# SacRT's Citizens Transit Academy: Session 1



# Measure A 2020 – Public Transit Needs



## SacRT Unmet Needs 2020 (in millions)

### 1. Basic State Of Good Repairs

LRV Fleet Replacement (zero emission, low-floor vehicles)	\$	300.00
Low-Floor LRV station modifications & Updgrades	\$	150.00
Bus Replacement (zero emission, low-floor vehicles)	\$	250.00
Safety and Security	\$	100.00
	<b>Total \$</b>	<b>800.00</b>

### 2. Major Capital Projects

Blue Line Extension: City of Elk Grove	\$	120.00
Green Line Extension: Township 9 - Natomas - Airport	\$	300.00
BRTs - Citrus Heights, Sunrise, Stockton, Elk Grove, Folsom	\$	45.00
	<b>Total \$</b>	<b>375.00</b>

# Measure A 2020 – Public Transit Needs



*Continued*

SacRT Unmet Needs 2020 (in millions), continued

<b>3. Operations and Maintenance for Capital Projects</b>	<b>\$ 150.00</b>
<b>4. New Innovative Mobility and Service Improvements</b>	
On-Demand Microtransit Program (O&M)	\$ 250.00
Lower Fare (10% Discount for senior/low income, free students)	\$ 270.00
ZEV Express shuttles (i.e. Airport)	\$ 35.00
Increase Bus Routes Frequency & Coverage by 30% (O&M)	\$ 350.00
Increase Light Rail Frequencies (O&M)	\$ 200.00
Complete Streets and Mobility Integration	\$ 30.00
TOD/P3 Partnership	\$ 30.00
	<b>\$ 1,165.00</b>
<b>5. ADA Paratransit/Senior/Disabled Transportation</b>	<b>\$ 120.00</b>
<b>Total Unmet Needs, Categories 1 thru 5</b>	<b>\$ 2,580.00</b>

## Sacramento Regional Transit District 2020 Measure A Worksheet

	<u>Unmet Needs 2020</u>	<u>Measure B 2016</u>	<u>2020 Measure A (based on 2016 Allocation)</u>	<u>SacRT Minimal Basic Needs</u>
<b>1. Basic State Of Good Repairs</b>	<b>\$ 800.00</b>	<b>\$ 392.82</b>	<b>\$ 375.00</b>	<b>\$ 430.00</b>
LRV Fleet Replacement (zero emission, low floor vehicles)	\$ 300.00	\$ 200.00	\$ 200.00	\$ 200.00
Low Floor LRV station modifications & Upgrades	\$ 150.00	\$ 45.00	\$ 45.00	\$ 75.00
Bus Replacement (zero emission, low floor vehicles)	\$ 250.00	\$ 120.82	\$ 100.00	\$ 125.00
Safety and Security	\$ 100.00	\$ 27.00	\$ 30.00	\$ 30.00
<b>2. Major Capital Projects</b>	<b>\$ 375.00</b>	<b>\$ 379.47</b>	<b>\$ 262.00</b>	<b>\$ 452.00</b>
Blue Line Extension: City of Elk Grove	\$ 120.00	\$ 125.70	\$ 30.00	\$ 120.00
Green Line Extension: Township 9 - Natomas - Airport	\$ 300.00	\$ 233.77	\$ 177.00	\$ 277.00
Light Rail Gold Line Express Service	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
BRTs - Citrus Heights, Sunrise, Stockton, Elk Grove, Folsom	\$ 45.00	-	\$ 35.00	\$ 35.00
<b>3. Operations and Maintenance for Capital Projects</b>	<b>\$ 150.00</b>	<b>\$ 180.00</b>	<b>\$ 80.29</b>	<b>\$ 180.29</b>
<b>4. New Innovative Mobility and Service Improvements</b>	<b>\$ 1,165.00</b>	<b>-</b>	<b>\$ 235.00</b>	<b>\$ 537.00</b>
On-Demand Microtransit Program (O&M)	\$ 250.00	\$ -	\$ 150.00	\$ 155.00
Lower Fare (10% Discount for senior/low income, free students)	\$ 270.00	\$ -	\$ 47.00	\$ 147.00
ZEV Express shuttles (e.g. Airport)	\$ 35.00	\$ -	\$ 35.00	\$ 135.00
Increase Bus Routes Frequency & Coverage by 30% (O&M)	\$ 350.00	\$ -	\$ -	\$ 100.00
Increase Light Rail Frequencies (O&M)	\$ 200.00	\$ -	\$ -	\$ -
Complete Streets and Mobility Integration	\$ 30.00	\$ -	\$ -	\$ -
TOD/P3 Partnership	\$ 30.00	\$ -	\$ -	\$ -
Local Assistance Grants/Community Partnerships	\$ -	\$ -	\$ -	\$ -
<b>5. ADA Paratransit/Senior/Disabled Transportation *</b>	<b>\$ 120.00</b>			
<b>Total **</b>	<b>\$ 2,580.00</b>	<b>\$ 952.29</b>	<b>\$ 952.29</b>	<b>\$1,600.00</b>

Note 1\*: Additional \$126.49 separately allocated to senior and disabled transportation in 2016, not included in SacRT Total). This is currently unfunded.

Note 2\*\*: These \$2.58 billion (\$85M annually) will be used as a local match to secure \$5 - 6 billion in federal & state funds in next 30 years.

## SacRT Measure A Funding Unmet Needs (For 30 Years)

### 1. Basic State of Good Repair

Project	Total Project Cost (Includes federal, state and local)	Unmet Needs 2020 (Annual / Total)	Project Benefits
Light Rail Vehicles (LRVs: zero emission, low-floor)	\$800 million	\$26.6 million / \$800 million	New low-floor light rail vehicles will be more accessible, easier to board and can better accommodate bicycles. The new fleet will be more reliable, leading to less service interruptions. Additional vehicles will allow SacRT to operate better special event service and with more service frequency. Low-Floor, reliable vehicles will lead to ridership increase of 5 million passengers and reduce vehicle emissions by 20%.
Low-floor Light Rail Station Modifications	\$150 million	\$5 million / \$150 million	Station upgrades to increase security and access to platforms. Additional vital improvements (track, signals, maintenance facilities, etc.) and low floor car accommodations.
Bus Replacement (Zero-emission, accessible vehicles)	\$250 million	\$8.3 million / \$250 million	Conversion of bus fleet to zero-emission will improve the rider experience and help reach our ambitious air quality and climate goals. Replacement community bus service vehicles to be utilized for increased SmarT Ride, Neighborhood Ride, circulator buses and ADA paratransit vehicles
Safety and Security Improvements	\$100 million	\$3.3 million / \$100 million	SacRT was recently awarded the Transportation Security Administration Gold Standard for Security for implementing best practices, including live-feed cameras, station public address and increased fare inspectors. Funding would build upon those successes and lead to a better riding experience.
<b>TOTAL:</b>	<b>\$1,300 million</b>	<b>\$43.3 million / \$1,300 million</b>	

### 2. Major Capital Projects)

Project	Total Project Cost (Includes federal, state and local)	Unmet Needs 2020 (Annual/Total)	Project Benefits
Light Rail extension to Elk Grove	\$120 million	\$4 million / \$120 million	Extending light rail 2 plus miles into the heart of Elk Grove, a city with a population that exceeds 200,000. This extension will elevate traffic adjacent highways. This is expected to add 2 million riders annually and take 800,000 cars off the road a year.
Green Line to Natomas (Township9 to Arena Blvd)	\$600 million	\$10 million/ \$300 million	This project would connect the growing Natomas neighborhoods and the Sacramento Airport with the rest of the transit network. This is expected to add 5.5 million rides annually and displace 2.2 million cars a year.
Green Line to Airport (Arena Blvd to Airport)	\$600 million	N/a	To connect from Arena Boulevard to the growing Sacramento International Airport. This would support future build out of North Natomas. This would leverage developer fees.
Light Rail Gold Line Express Service	\$50 million	\$.66 million / \$20 million	Would allow for improved travel times on the Gold Line service by upgrading signaling and track to enable limited stop service.
Bus Rapid Transit to – Citrus Heights – Stockton Blvd – Folsom – Elk Grove – Watt Ave	\$120 million	\$1.16 million / \$35 million	Launch a comprehensive network of bus rapid transit lines that will improve mobility throughout the region. This would alleviate congestion on the local roads and back-up along major highways. A robust bus rapid transit network would improve travel time and transit connections. Expected ridership from a new bus rapid transit network would exceed 1 million annually and displace 500,000 cars a year. SacRT is partnering with all the local jurisdictions to identify key corridors and coordinate infrastructure improvements.
<b>TOTAL:</b>	<b>\$1,490 million</b>	<b>\$15.83 million / \$475 million</b>	

### 3. Operations and Maintenance for Capital Projects

Project	Total Project Cost (Includes federal, state and local)	Unmet Needs 2020 (Annual/Total)	Project Benefits
Operations & Maintenance	\$300 million	\$5 million / \$150 million	To support expanded bus and light rail service that will better connect the region, improve air quality and reduce congestion.
<b>TOTAL:</b>	<b>\$300 million</b>	<b>\$5 million / \$150 million</b>	

### 4. New Innovative Mobility and Service Improvements

Project	Total Project Cost (Includes federal, state and local)	Unmet Needs 2020 (Annual/Total)	Project Benefits
On-demand microtransit	\$250 million	\$8.3 million / \$250 million	As mobility continues to evolve residents are looking for on-demand, real-time, convenient solutions. Funding would support the continued operations and expansion of SacRT's microtransit service called SmaRT Ride in 12 different communities/zones. Once all 12 zones are implemented expected ridership is 600,000 annually and take 200,000 cars off the road.
Lower fare	\$270 million	\$9 million / \$270 million	Allows SacRT to lower its fare to \$1/ride for regular riders, \$0.5/ride for all seniors and low incomes. Continue the free K-12 student program. Ridership will increase by 10 million a year and will displace more than 4 million cars annually.
Zero Emission Shuttle Service between UC Davis & Downtown; & Airport to Downtown	\$80 million	\$1.16 million / \$35 million	To better link our region through frequent zero-emission shuttle bus service. The first route would connect UC Davis with downtown Sacramento and the UC Davis Medical Center. An additional route would provide frequent service from downtown to the growing Sacramento International Airport. Expected ridership is 400,000 annually and take 150,000 cars off the road a year.
Increased bus frequency and coverage by 30%	\$870 million	N/a	Funding would allow for more increased frequencies but also more routes and coverage. With an additional 30% more bus service, SacRT is expected to add 3.5 million riders annually and take more than 1 million cars off the year a year.
Increase light rail service frequency	\$180 million	N/a	More frequent light rail headways will make the service more attractive and travel time more competitive with driving. Project would increase light rail frequency to 15 minutes in Folsom and 10 minutes for peak times systemwide. More frequent light rail service would add 3 million riders annually and take 1.2 million cars off the road a year.
Complete Streets and Mobility Integration	\$100 million	N/a	To support better integration with all mobility modes to improve safety and access. Ridership will increase by 2 million a year.
TOD/P3 partnership	\$30 million	N/a	SacRT has recently executed on new Transit Oriented Development deals on surplus property leading to smart growth that reduces congestion, increases ridership and revitalizes neighborhoods.
<b>TOTAL:</b>	<b>\$1,780 million</b>	<b>\$18.5 million / \$555 million</b>	

### 5. ADA Paratransit & Senior Services Request (\$126.49 million separately allocated to senior and disabled transportation in 2016, not included in SacRT Total). This is currently unfunded.

Project	Total Project Cost (Includes federal, state and local)	Unmet Needs 2020 (Annual/Total)	Project Benefits
ADA paratransit, senior & disabled	\$240 million	\$4 million / \$120 million	SacRT carries over 95% of seniors, disabled and low income citizens countywide and this will allow SacRT to provide more services to more citizens in these categories, which will increase ridership.
<b>TOTAL:</b>	<b>\$240 million</b>	<b>\$4 million / \$120 million</b>	



# Measure A



## Discussion of SacRT's Unmet Needs in STA:

- Seven SacRT Board members are also on the STA governing body
- How do you feel about discussing SacRT needs at the STA board meetings?
- How do you balance bringing your transit needs and benefits insights with your regional role to STA discussions?
- How might we best articulate transit needs and build support in a multi-modal tax vote?

# Measure A



## Best Practices in Governance:

- STA governing body is comprised of policy makers from constituent agencies, providing insight into needs and control over expenditures and outcomes
- Board members wear multiple hats – home jurisdiction, other board roles, STA regional governance perspectives
- During discussions it is good form to offer insights on your constituent agency needs and benefits
- Support and vote from your regional STA perspective
- It is often helpful to communicate which perspective you are providing during different parts of the meeting

# Wrap Up



# Wrap-Up



## The Path Forward

- Volunteers for recognition, celebration and getting the word out
- Update the FY 20 Strategic Initiatives
- Develop the Strategic Plan, and leverage it to achieve alignment and adaptability
- Continue dialogue on Measure A and transit's role
- Thank you for your input and guidance!

**SUMMARY**  
**Paratransit Board Meeting**  
**June 17, 2019**

The following Directors were present: Alice Kimble, Anna Fontus, Jill Faust, Molly Nugent, Pat Hume, Scott Leventon, along with CEO, Tiffani Fink.

The meeting was called to order and Director Hume recited the Mission Statement of Paratransit, Inc.

Ms. Fink introduced the newest Board Member, Molly Nugent. Director Nugent is involved with various groups such as WEAVE and the Society for the Blind and her passion is disability justice.

**The following Item was approved on the Consent Calendar:**

- The minutes of the May 20, 2019 Board of Directors Meeting

**Public Comment:**

Reverend Jocelyn Hicks addressed the Board stating that Paratransit, Inc. was the “best in the west”, with the exception of there being no unlimited monthly pass.

Mike Barnbaum addressed the Board concerning there being no scheduled Paratransit, Inc. Board of Directors meeting until September 16<sup>th</sup>, 2019. Mr. Barnbaum also provided an update on SacRT Forward.

Jeffrey Tardaguila expressed concern with Paratransit, Inc. getting information out to their riders about Public Hearings, stating signs on the buses were not prominent. Mr. Tardaguila also brought up construction in the vicinity of 420 I Street creating access problems and information on an upcoming County DAC meeting.

**Closed Session:**

The closed session was canceled.

**Presentation of the FY20 Budget and Consideration for Adoption**

CEO Fink presented the Fiscal Year (FY) 20 budget; this was in follow up to the May 2019 meeting where the budget was left open for public review. No comments were received. The proposed budget is \$28,146,545.

Paratransit has increased their rate with an agency they contract with and will be putting this unexpected revenue into Capital. The budget includes TDA claims which were expected to start in July, which are now delayed. Ms. Fink mentioned there has been an increase in Measure A, which is Paratransit’s 2<sup>nd</sup> largest revenue source.

She stated that Paratransit, Inc. was still in discussions with Elk Grove for the provision of Regional Service, and there is currently no update. Ms. Fink shared that Destination Mobility Rentals is going well, the Rangers in the vehicles need to be upgraded to 4G, and shared a revised organization chart with the position of Administrative Officer position frozen.

Director Hume asked about the TDA money and its' support of ADA service. Ms. Fink answered that Paratransit, Inc.'s support of ADA service has been eating away at the TDA money.

CEO Fink also shared that the building needed to be sand blasted due to it never being properly treated. After years of living with significant water damage due to previous litigation from the original construction, the Auditorium was recently remodeled and restored to full functionality, but the next critical step is to protect the investment by improving the exterior of the building which is crucial before the rainy season comes. There is \$313,512 included in the FY20 budget for painting, landscaping and miscellaneous facility improvements, but authorization is needed to the Executive Director to execute all necessary documents to make improvements on the exterior of the building not to exceed \$250,000.

#### **Action Items:**

**Approval of Resolution No. 05-19** Adopting the Paratransit, Inc. Fiscal Year 2019-20 Operating Budget

**Approval of Resolution 06-19** Adopting the Paratransit, Inc. Fiscal Year 2019-20 Capital Budget

**Approval of Resolution 07-19** Authorizing the Chief Executive Officer to release an Invitation for Bids for Exterior Facility Repair Project and award to the lowest responsive and responsible bidder and execute all necessary documents

#### **Public Hearing**

In consideration of Adopting Resolution 08-19, Proposed Revision of the Non-ADA Late Cancel/No Show policy.

CEO Fink stated the Late Cancel Policy had been put out for public comment, and no comments were received. She indicated that this policy mirrored SacRT's late cancel policy for ADA service.

#### **Public Comment**

Helen O'Connell expressed her concern with SacRT Forward and how non-ADA rides would be affected in areas that lost coverage.

Mr. Tardaguila addressed the Board about better ways of disseminating information to ADA clients and expressed his concern about riders not being informed. Director Hume inquired on how that could be better accomplished.

Elder Guice addressed the board, stating his agreement with the previous speaker.

Janice Labrado, from SacRT told the Board that SacRT provided letters to the 77 clients that were in violation of the proposed ADA policy to advise of the proposed new policy, provided a copy of the policy as well as invited them to the MAC meeting where this item was on the Agenda.

Ms. Labrado also provided information on Grandfathering trips to current clients where their trips would become non-ADA, stating that SacRT is working on this and there may be some constraints, an example being in the area of Delta Shores where SacRT service was recently added and now was going away, trips to/from this area are primarily for the new Delta Shores shopping center. Ms. Labrado shared that there is also some expanded ADA service as part of this initiative, both in areas where routes have expanded and where the hours/days of service have been expanded.

Reverend Hicks expressed concern about the reduction of non-ADA late night service and why this happened.

Director Hume provided a very in depth response to Reverend Hicks question, describing both the costly late night non-ADA service and a thorough explanation of the difference in ADA versus non-ADA service.

**Action Item:**

Approval of Resolution 08-19 Adopting the Revisions to the Non-ADA Late Cancel/No Show Policy

**The Executive Director's report highlighted the following:**

Ms. Fink shared a Power Point presentation outlining Paratransit, Inc. activities. The Power Point included information about upcoming building maintenance, migrating to the newest version of Trapeze, Asset Management, Pass Web, transitioning the Rangers on the vehicles to 4G, looking into a mobile fare payment option for paratransit and growing the Partnership with Youth program. The Partnership with Youth involves 550 youth. The need was for a vehicle and some training.

Ms. Fink ended her report by wishing everyone a wonderful summer.

**The Financial Report highlighted the following:**

Lisa Cappellari, CFO, started her report by relaying that overall trips provided were down from 845,000 to 807,000, CTSA trips are down by 5% and Demand Respond trips

are down 3%. The cost per trip increased by 10%. The main drivers of the increase in cost are insurance and taxi expense. Ms. Fink added an increase in minimum wage is also a factor. Ms. Cappellari shared that the demand response cost per trip provided increased by 9%.

Ms. Cappellari also shared that she checked into the previous question on why the cost per trip for February 2018 was more than the noted cost per trip in February 2019. Ms. Cappellari stated the extra cost in February 2018 was directly attributed to the medical benefit annuity purchased for the previous CEO. Fare recovery ratio went from about 12% to 11%, productivity for DR service year-to-date is 1.7, with Alta service being over 2 trips per hour.

### **Board Comments/Reports/Future Agenda Items**

Director Fontus stated that she has a workforce development background and congratulated Paratransit, Inc. on their success with the Youth-To-Jobs program, stating that it was extremely rare to see outcomes so soon.



**CAPITOL CORRIDOR JOINT POWERS AUTHORITY MEETING**  
**June 19, 2019**  
**MEETING SUMMARY**

Board Member Steve Miller was in attendance.

- I. Call to Order
- II. Roll Call and Pledge of Allegiance
- III. Report of the Chair
- IV. Consent Calendar - Motion to Approve. Motion Passed.
- V. Action and Discussion Items
  1. CCJPA Investment Policy. – A joint agreement with Caltrans for the investment/utilization of reserve funds for service. Investment funds will be used in a conservative matter to support transit goals, and/or objectives. – Motion to receive/adopt policy – motion approved.
  2. Legislative Matters/Governor’s May Revise State FY 19-20 Budget. – 131m slated for rail system funding; increase current Capitol Transit budget an additional 50m to a total of 460m. Additional support recommendation for AB752 and SB742<confirmation of support> Motion to Approve – Motion passed.
  3. FY 19-20 Marketing and Communications Plan and Advertising Services Budget. – 2m budgeted for continued support of Amtrak and Capitol Corridor Service. FY20 Federal budget potential increase of 95 Million from Crissy Grant. **Marketing Overview:** focusing on maintaining off peak ridership. Using creative asset development concepts on “Media Buy” Ads, geared towards families, college students, millennials, and seniors. Overall 19% increase in website traffic; 39% increase for Sacramento area. September meeting will discuss authorization on past agreement for extra funds. Motion to Approve – Motion Passed.
  4. Procurement of Door Panels for Northern California Intercity Passenger Rail Cars; 531k for Caltrans and Amtrak. Moderate discussion. Motion to Approve – Motion passed.
  5. New Transbay Rail Crossing – Contract 2: Program Management; - partnership with Bart and Capitol Corridor Joint Powers Authority. Standard gauge rail project to improve overall rail network in SF/OAK bay Area. Project includes building a second tube, with greater capacity for ridership, more reliable transit lines, 24-hour service, and easy recovery from disruptions in service. Motion to Approve – Motion passed.

6. Overview of Draft FY 19-20 CCJPA Budget: seeking less money for fiscal year (1%). Revenue is tracking (8%) above actual; third party costs for fuel at a (2%) increase; overall supplemental allocations currently at 400k. <INFO ONLY>
  7. Programmed Capitol Projects and New Rail vehicles. – taking a holistic approach with regard to transportation, land use, and vehicle procurement. Emphasis on standard gauge rail and investing in rail partnerships for the year 2020 and beyond; Sacramento – San Francisco – Oakland becoming a Mega-Transit Region. <INFO ONLY>
  8. Managing Directors Report. – Currently investing in State of California-Multi Year Projects. 2 Million set aside toward projects; looking at travel time saving along Capitol Corridor routes/cities.
  9. Work Completed - Information only.
  10. Work in Progress - Sacramento – Roseville 3<sup>rd</sup> Track Project 25% for July submitted to UP. <Information only.>
- VI. Board Members Report – Commendation for CCJPA Managing Director David Kutrosky – Director Kutrosky has submitted his retirement from service.
- VII. Public Comment - No public comment cards submitted.
- VIII. Adjournment, Next Meeting Date: 10 am, September 18, 2019 at Sacramento City Hall, Council Chambers, 915 I Street, Sacramento, CA 95814