

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS**

**SCHEDULING A SPECIAL BOARD MEETING FOR
MARCH 23, 2020 AT 12:00 P.M.**

NOTICE IS HEREBY GIVEN that the Sacramento Regional Transit District Board's regularly scheduled meeting of March 23, 2020 at 5:30 p.m. is **rescheduled to commence at 12:00 P.M. on March 23, 2020**, at the Sacramento Regional Transit District Board Room, 1400 29th Street, 1st Floor, Sacramento, CA.

The purpose of this Board Meeting is to discuss the items listed on the attached agenda.


Steve Hansen, Chair



Sacramento Regional Transit District Agenda

SPECIAL BOARD MEETING
12:00 P.M., MONDAY, MARCH 23, 2020
REGIONAL TRANSIT AUDITORIUM
1400 29TH STREET, SACRAMENTO, CALIFORNIA
Website Address: www.sacrt.com
(29th St. Light Rail Station/Bus 38, 67, 68)

NOTICE TO THE PUBLIC

In response to Governor's Executive Order N-25-20, the Sacramento Regional Transit District (SacRT) Board of Directors and other public meetings are closed to the public to follow state and federal guidelines on social distancing until further notice.

SacRT Board Meetings are being streamed live on SacRT's Website (www.sacrt.com) and will be re-broadcast on Metrocable, Channel 14 (www.sacmetroable.tv) on March 25th @ 2:00 p.m. and replayed on March 29th @ 9:00 a.m.

Members of the public are encouraged to submit written public comments relating to the attached Agenda prior to the SacRT Board meeting at Boardcomments@sacrt.com

AGENDA

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

Alternates: Directors Detrick, Kozlowski, Sander and Slowey

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

2.1 Motion: Approval of the Action Summary of March 9, 2020

2.2 Fare Policy and Transfer Agreements (B. Bernegger)

A. Resolution: Conditionally Recognizing All Forms of University of California, Davis Identification Cards, Including Graduate Student Identifications and UC Davis Employee Identifications; and

B. Resolution: Amending the Fare Structure (Resolution No. 09-10-0174) to Modify the Definition of “Fare Equivalent” and Recognizing SacRT Issued Event Fliers with a QR Code as Fare Equivalent; and

C. Resolution: Delegating Authority to the General Manager/CEO to Negotiated and Enter into an Amended and Restated Transfer Agreement with Yolo County Transportation District; and

D. Resolution: Eliminating the 44-Ride SacRT Go Paratransit Monthly Pass Established in Resolution No. 16-03-0025 and Replacing It with a Free Monthly Senior or Disabled Pass for All Eligible Customers that Purchase a 60 Ride SacRT Go Paratransit Monthly Pass

2.3 Resolution: Authorizing the General Manager/CEO to Release the Sacramento Regional Transit District Preliminary Fiscal Year 2021 Operating and Capital Budgets No Later than April 8, 2020, and Set a Notice of a Public Hearing for May 11, 2020 (J. Johnson/B. Bernegger)

2.4 Resolution: Repealing Resolution No. 19-12-0133 and Conditionally Awarding a Contract for Low-Floor Light Rail Vehicles with Siemens Mobility, Inc., and Delegate Authority to the General Manager/CEO to Execute Contract Change Orders or Amendments to the Contract (D. Cook)

2.5 Resolution: Temporarily Suspending the Title III of the Sacramento Regional Transit District’s Administrative Code Relating to Rules of Procedure (O. Sanchez-Ochoa)

2.6 Resolution: Advancing Sick Leave for Employees Afflicted with COVID-19 (S. Valenton)

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA*

7. NEW BUSINESS

- 7.1 Resolution: Declaring an Emergency and Suspending Competitive Bidding for Supply Acquisitions to Combat COVID-19, and Delegating Authority to the General Manager/CEO to Approve and Execute Procurement Contracts in Excess of \$150,000 to Address COVID-19 (B. Bernegger) – Requires a 4/5th Vote (80 Votes)
- 7.2 Resolution: Approving the Sacramento Regional Transit District Contagious Virus Emergency Service Reduction and Shutdown Plan (L. Ham)
- 7.3 Resolution: Repealing Resolution No. 12-08-0136 and Adopting a Revised Debt Management Policy (B. Bernegger)

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. SacRT Meeting Calendar

9. REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS

10. CONTINUATION OF PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA (If Necessary)

11. ANNOUNCEMENT OF CLOSED SESSION ITEMS

12. RECESS TO CLOSED SESSION

13. CLOSED SESSION

- 13.1. Conference with Real Estate Negotiator
Pursuant to Gov. Code Section 54956.8

- a) Property: 2220 Cemo Circle, Gold River, CA.
Description: APN 069-0101-032
Agency Negotiator: Brent Bernegger, VP, Finance/CFO
Negotiating Parties: USA Properties Fund
Under Negotiation: Price and Terms of Payment

14. RECONVENE IN OPEN SESSION

15. CLOSED SESSION REPORT

16. ADJOURN

***NOTICE TO THE PUBLIC**

This agenda may be amended up to 24 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 29th 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 29th 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.



STAFF REPORT

DATE: March 23, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Cindy Brooks, Clerk to the Board
SUBJ: APPROVAL OF THE ACTION SUMMARY OF MARCH 9, 2020

RECOMMENDATION

Motion to Approve.

**SACRAMENTO REGIONAL TRANSIT DISTRICT
BOARD OF DIRECTORS
BOARD MEETING
March 9, 2020**

ROLL CALL: Roll Call was taken at 5:30 p.m. PRESENT: Directors Budge, Harris, Howell, Miller, Nottoli, Schenirer, Serna and Chair Hansen. Absent: Directors Hume, Jennings and Kennedy.

1. PLEDGE OF ALLEGIANCE

2. CONSENT CALENDAR

- 2.1 Motion: Approval of the Action Summary of February 10, 2020
- 2.2 Motion: Approval of the Action Summary of February 24, 2020
- 2.3 Resolution: Approving the Fourth Amendment to the Fiscal Year 2020 Capital Budget (J. Johnson/B. Bernegger)
- 2.4 Resolution: Approving the Third Amendment to the Contract to Provide and Install Fare Vending Machines with Scheidt & Bachmann USA, Inc. (L. Ham)
- 2.5 Resolution: Delegating Authority to the General Manager/CEO to Authorize Up to 10 System-Wide Free Ride Days During Calendar Year 2020 (D. Selenis)

Speaker – Item 2.4 – Jeffery Tardaguila

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

3. INTRODUCTION OF SPECIAL GUESTS

4. UNFINISHED BUSINESS

5. PUBLIC HEARING

6. PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

Speakers:

Robert Coplin – Mr. Coplin wants to know why the Board has canceled two meetings already this year, and why he was only able to speak for 2 minutes at the last meeting. Mr. Coplin indicated that he will not support Measure A unless there is an audit of every agency that is independent. Mr. Coplin believes that SacRT did not fix the system with SacRT Forward.

Jeffery Tardaguila – Mr. Tardaguila encouraged Chair Hansen to check with City Public Works about the timing on the construction on L Street. Mr. Tardaguila indicated that pdf reports on the website are not “accessible/compatible,” and there are a number of documents that need to be changed. Mr. Tardaguila indicated that the electronic bulletin board at Archives Plaza did not provide accurate information when the Gold Line was late; however, Operations Staff made an announcement at the platform that there was a 15+ minute delay. Mr. Tardaguila commended a Route 38 bus operator, at 29th Street, who assisted a blind individual so they were able to get to the bus stop.

7. NEW BUSINESS

- 7.1 Resolution: Amending and Restating Title III of the Sacramento Regional Transit District Administrative Code Relating to Rules of Procedure (S. Valenton)

Director Budge noted her opposition to the proposed changes. Director Budge noted that the Chair has the ability to limit the amount of time a speaker is given when there are a large number of speakers on a single item, or bundle like comments together for a group of people who might be extra time.

Director Serna agreed with Directors Budge’s comments and noted that SacRT proceedings typically have fewer speakers as compared to the Sacramento City Council and the County Board of Supervisors. Director Serna also noted that any Board Member can make a request to hear further from speakers.

Director Nottoli agreed with Directors Budge and Serna as it related to the 2 minute provision, noting the Chair’s option to limit the time when there are a large number of requests to speak on one item. Director Nottoli also indicated that requiring speakers to turn in their cards before the item is called prohibits some from speaking.

Director Howell agreed with Director Nottoli’s comments about the two minutes and the speaker cards being turned in before the item is called. Director Howell indicated that sometimes there are people in the audience that can provide the answer to the question being asked.

Speakers: Robert Coplin Jeffery Tardaguila Tamie Dramer
 Helen O’Connell

ACTION - Director Serna moved to withdraw the item; Director Budge seconded the
March 9, 2020 Action Summary Page 2 of 5

motion. Motion was carried by voice vote. Absent: Directors Hume, Jennings and Kennedy.

8. GENERAL MANAGER'S REPORT

- 8.1 General Manager's Report
 - a. Elk Grove Performance Update
 - b. Semi-Annual Report: General Counsel
 - c. Semi-Annual Report: Internal Auditor
 - d. Semi-Annual Report: EEO Officer
 - e. Capitol Corridor JPA Board Meeting (February 12) Report – Howell/Miller
 - f. SacRT Meeting Calendar

Mr. Li provided an update on the proactive actions SacRT is taking in light of the Corona Virus outbreak.

Director Serna indicated that the public can visit saccounty.net to find out what is happening with the public health system, how they are addressing containment and mitigation, and how the public health system is engaged with other local agencies. Chair Hansen indicated that Director Nottoli had exited the SacRT Board meeting to meet with the County Health Department.

Mr. Li indicated that on Thursday, March 12 the Sacramento Transportation Authority will vote to place a transportation measure on the November ballot in which the plan calls for a ½ cent sales tax that would generate \$8.4 billion (in the next 40 years) of which \$3 billion would be for SacRT. The funding is critical to the future of SacRT. Mr. Li indicated that if SacRT were not able to get additional local funding, SacRT will be faced with some difficult choices.

Mr. Li thanked SacRT's team for the success of SacRT Forward. SacRT's Marketing and Communication's team took first place nationwide for SacRT's Comprehensive Outreach Campaign for SacRT Forward.

Jamie Adelman provided a history of the evolution of the Elk Grove Service Contract noting that the SacRT Board approved the Contract with Elk Grove approximately 1 year ago. Ms. Adelman indicated that the transition process started around April 1, 2019 and within 3 months SacRT staff has hired 95 employees. SacRT staff also supported Elk Grove's TDA Triennial Audit. In January 2020, Elk Grove staff held a customer survey outreach event with support from SacRT's Street Team. The survey asked questions on three categories: local service, commuter service and paratransit e-van service. Ms. Adelman provided the overall satisfaction, highest and lowest scores of each category.

Carmen Alba provided key performance indicators for the first 6 months of the Elk Grove service. Ridership is up over the 6 month period; revenue hours are also up.

SacRT is providing more service because there are less missed trips and cancellations. Passengers per hour increased 4%; ridership on e-van paratransit service is flat; and revenue hours are down, which means a savings to Elk Grove. On time performance is 96%. Denials were 0 and SacRT is most proud of this statistic. Ms. Alba provided SacRT's goals for this service are: reducing late trips (described as 5 minutes or more late to the first time point); to eliminate excessively long trips; and keeping staff at 100%.

Olga Sanchez-Ochoa, General Counsel, provided a brief description of her department (2 staff members -herself and the department's Sr. Paralegal) who support all SacRT's departments. The function of the Legal Department is to help ensure that SacRT is compliant with applicable statues, regulations, ordinances and guidance from oversight agencies, and to help SacRT develop legally compliant business practices and process improvements to achieve business efficiencies agency-wide. Ms. Sanchez-Ochoa's presentation focused on 4 areas: paratransit (ADA and non-ADA) transition, a litigation advisory committee that advises the General Manager on how to best manage personal injury tort claims, review of all contracts to ensure legal compliance, and advising all departments regarding employee discipline and employee related claims.

Jack Hutchinson, Internal Auditor, noted that his position is responsible for conducting risk assessments and audits to ensure the integrity of SacRT's operations in compliance with the federal, state and local rules and regulations.

Chair Hansen noted that one of the earlier public comments was that SacRT does not have an external independent auditing firm. Chair Hansen asked Mr. Hutchinson to confirm that SacRT does have an external independent auditing firm. Mr. Hutchinson confirmed Chair Hansen's statement. Mr. Hutchinson indicated that SacRT also gets visits from independent auditors for the review of SacRT's federal assistance referred to as the single audit. Director Howell also indicated that each one of the member agencies also has the same audit annually.

Mr. Hutchinson provided a list of projects he has been working on during his employment at SacRT along with future projects.

Kim Holman, EEO Officer, introduced Greg Walters as the Sr. EEO Specialist in her department, and provided a list of activities Mr. Walters has been working on. Ms. Holman noted that the EEO program is a results oriented program that is designed to pursue compliance with Title VII of the Civil Rights Act of 1964 as well as the FTA Circular 4704.A to protect individuals from discrimination based on their protected categories. Ms. Holman summarized the 7 program components of the EEO program and the activities associated with them.

Mr. Li acknowledged Sheila Lawton, IBEW Business Representative along with some IBEW employees in attendance.

Speaker: Jeffery Tardaguila
March 9, 2020 Action Summary

9. **REPORTS, IDEAS AND QUESTIONS FROM DIRECTORS, AND COMMUNICATIONS**

Director Miller noted that the City of Citrus Heights is receiving an update on SmarT Ride on March 12th at the City Council meeting.

Chair Hansen noted that the Yolo County Transportation District has asked SacRT to form a 2 x 2 with them, and he asked Vice Chair Miller to serve on that committee with him.

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

11. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**

12. **RECESS TO CLOSED SESSION**

13. **CLOSED SESSION**

14. **RECONVENE IN OPEN SESSION**

15. **CLOSED SESSION REPORT**

16. **ADJOURN**

As there was no further business to be conducted, the meeting was adjourned at 6: 33 p.m.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: FARE POLICY AND TRANSFER AGREEMENT UPDATES

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

If approved, the attached Resolutions will help to improve access to SacRT services and simplify fare payment for the affected passengers.

FISCAL IMPACT

There are 4 attached Resolutions, each of which has a potential respective fiscal impact:

- Temporary and conditional acceptance of all UC Davis Aggie cards as a form of valid fare payment on the Causeway Connection service – It is anticipated that there will be no fiscal impact related to this item.
- Acceptance of free ride fliers with a SacRT issued QR code printed on them as a valid form of fare payment for services described on the flier – It is anticipated that there will be no additional fiscal impact related to this item. The new fliers simply streamline the process for the SacRT Marketing team to distribute their previously approved allotment of complimentary tickets and passes.
- Authorizing the General Manager/CEO to enter into an amendment to the transfer agreements with Yolo County Transportation District and the City of Elk Grove (E-Tran) - It is anticipated that there will be no fiscal impact related to this item.
- Eliminating the 44 ride SacRT Go Paratransit monthly pass and allowing passengers who purchase the 60 ride SacRT Go Paratransit monthly pass to receive a SacRT Senior or Disabled monthly pass for free. Staff anticipates that there could be a net negative fiscal impact of approximately \$18,496 annually beginning in Fiscal Year 2021 if approved.

DISCUSSION

ACCEPTANCE OF AGGIE ID CARDS

SacRT, Yolo County Transportation District (YCTD) and the University of California, Davis (UC Davis) are partnering to provide a new public transportation service, the Causeway Connection, which will allow passengers to travel between the UC Davis Medical Center and the UC Davis main campus with multiple additional stops in between. The Memorandum of Understanding (MOU) originally called for SacRT (and YCTD) to accept only the undergraduate UC Davis Aggie card as fare payment on the Causeway Connection in addition to all other forms of fare media accepted on SacRT services. The Causeway Connection service is expected to be 100% funded by the parties involved with a portion of the funding being anticipated fare revenues (\$200,000 per year). As originally written, UC Davis was planning to have graduate students and employees purchase passes and tickets for SacRT and YCTD services. If there had been a fare revenue shortfall, UC Davis would have been required to make up that difference.

More recently UC Davis approached SacRT and YCTD offering to provide additional funding that would guarantee that SacRT and YCTD meet the fare revenue goal associated with the Causeway Connection Service. In exchange, UC Davis is asking that SacRT and YCTD honor all forms of UC Davis Aggie ID cards as fare equivalent on the Causeway Connection service only. Staff fully supports this arrangement as it will guarantee budgeted fare revenues and support increased ridership on the Causeway Connection.

Prior to permanently adopting the UC Davis Aggie ID card as valid fare on the Causeway Connection the Board must adopt a Title VI analysis relative to the new fare type. Staff will present this to the Board at a later date.

FREE RIDE FLIERS WITH PRINTED QR CODES

SacRT has historically used major events within our service area as an opportunity to promote ridership by offering free rides to and from the event. The Board has authorized the General Manager/CEO to distribute up to 50,000 complimentary single rides and daily passes per month. One effective use of this authority is leveraging major events in our service area. However, currently Staff must distribute tickets in our existing forms of fare media (paper tickets, ZipPass, Connect Card, etc.).

While this works for some individuals, it is not effective for reaching large populations. To ease the burden of distribution and increase awareness of free ride opportunities, SacRT staff would like to allow passengers to either download or print free ride fliers posted on the SacRT website and use the flier as a valid form of fare payment. To mitigate the risk of fraud, marketing staff will customize the fliers to the particular event and include the date on which the flier is valid. Additionally the QR code when scanned by a Transit Ambassador will be linked to a SacRT web page.

Based on historic patterns of utilization by the community, Staff estimates that utilization of the free ride fliers will represent no more than 10% of event attendees. Staff will monitor the issuance of free ride fliers through fare inspection and ridership analysis to ensure that the General Manager/CEO authority is not exceeded in any month.

FARE CHANGES RELATED TO SACRT GO PARATRANSIT SERVICES

In 2016, the Board adopted fare changes that included the creation of two distinct Paratransit monthly passes (priced equally) as described below:

- 44 ride monthly pass – The 44 ride monthly pass limited pass holders to 44 Paratransit trips per month. In addition to the 44 Paratransit trips per month, pass holders were given a complimentary SacRT monthly pass valid for unlimited trips on SacRT fixed route services.
- 60 ride monthly pass – The 60 ride monthly pass limited pass holders to 60 Paratransit trips per month with no allotment of complimentary fixed route fares.

The 44 ride pass was created in an effort to encourage Paratransit eligible passengers to use fixed route services when possible. In practice, the 44 ride pass has not been very popular with fewer than 20 patrons per month opting to purchase the 44 ride pass.

To determine the estimated fiscal impact of the fare offering, Staff assumed that the existing passengers who opted for the 44 ride pass option may increase their paratransit use by as much as 20% given the opportunity for additional trips. The estimated increase in use resulted in cost increases of \$49,458 annually. The increased cost is partially offset by an assumption that there will be a small reduction (1%) in Paratransit trips taken by current 60 ride pass holders given that they will now have access to an unlimited ride monthly pass for SacRT fixed route and SmarT ride services. The 1% reduction in trips amounts to a savings of \$30,962 annually. Therefore, the estimated net impact of eliminating the 44 ride paratransit monthly pass and offering 60 ride pass holders a free fixed route monthly pass is \$18,496 annually.

To better serve the community, Staff feels that eliminating the 44 ride pass and offering complimentary fixed route (and SmarT ride) monthly passes to all Paratransit monthly pass holders (60 ride pass) will provide improved access to all SacRT services for all paratransit eligible passengers. If approved, Staff plans to implement these changes in conjunction with the launch of SacRT GO Paratransit service on June 28, 2020.

TRANSFER AGREEMENT UPDATES

The current transfer agreements among SacRT, Yolo County Transportation District (YCTD) and the City of Elk Grove (E-Tran) were entered into in 2009. Since that time there have been numerous changes to each agencies fare policies. The transfer agreements allow for acceptance of certain SacRT fare media on both YCTD and E-Tran. This simplifies the purchase process for the rider and in some cases (unlimited ride passes) can limit costs as well.

The recommended action will delegate authority to the General Manager/CEO to amend the transfer agreement allowing for overdue updates including the acceptance of electronic fares (smart card and mobile application) under the transfer agreement. Staff does not anticipate that the amendment will have a fiscal impact to the agencies involved. The amendment as proposed focuses solely on updating outdated language related to available fares. Staff expects that the parties will continue to share revenues under the previously agreed to model.

RESOLUTION NO. 20-03-0012

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

March 23, 2020

CONDITIONALLY RECOGNIZING ALL FORMS OF UNIVERSITY OF CALIFORNIA, DAVIS IDENTIFICATION CARDS, INCLUDING GRADUATE STUDENT IDENTIFICATIONS AND UC DAVIS EMPLOYEE IDENTIFICATIONS

WHEREAS, pursuant to Resolution No. 16-09-0104, the Board of Directors may authorize the recognition of an Identification (“ID”) badge to serve as valid Fare, subject to terms and conditions; and

WHEREAS, pursuant to Resolution No. 19-12-0140 the Board authorized the acceptance of UC Davis Undergraduate Student ID cards as fare equivalent to access the Causeway Connection fixed-route bus service because UC Davis agreed to subsidize the service; and

WHEREAS, the University of California, Davis intends to provide an additional operating subsidy for the Causeway Connection fixed-route public transit service through a Memorandum of Understanding; and

WHEREAS, the additional operating assistance is intended to subsidize undergraduate student, graduate student and UD Davis employee fares that would otherwise be paid to access the services and compensate SacRT and TCTD for lost fare revenue for allowing UC Davis students and employees to access the service.

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

THAT, a current University of California, Davis graduate student identification card or a current University of California, Davis employee ID bearing the name and likeness of the individual presenting it will serve as a valid Fare Equivalent on the Causeway Connection fixed-route bus service conditioned upon execution, and only during the duration, of a Memorandum of Understanding between the Sacramento Regional Transit District, Yolo County Transportation District and the University of California, Davis providing an operating subsidy for the Causeway Connection.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-03-0013

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

March 23, 2020

AMENDING THE FARE STRUCTURE (RESOLUTION NO. 09-10-0174) TO MODIFY THE DEFINITION OF “FARE EQUIVALENT” AND RECOGNIZING SACRT ISSUED EVENT FLIERS WITH A QR CODE AS FARE EQUIVALENT

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

THAT, the definition of “Fare Equivalent” in the SacRT Fare Structure is hereby amended to read in its entirety as follows:

“**Fare Equivalent**” means an RT-approved substitute for U.S. currency that may be applied toward the Applicable Fare or purchase of a Daily Pass. Any one of the following constitutes a Fare Equivalent:

- (1) A Token deposited in the farebox upon Board a bus;
- (2) Value stored on a Connect Card or Mobile Fare application that is validated in the manner required for Connect Card (tapping) or the current Mobile Fare application;
- (3) An ID badge or Event Ticket approved by the Board to serve as valid Fare, subject to the terms and conditions noted in the Board approval; or
- (4) An Event Ticket approved by the General Manager/CEO to serve as “fare equivalent” that is counted toward the General Manager/CEO’s complimentary ticket allocation, subject to the terms and conditions set out by the General Manager/CEO;
- (5) An Event Flier with a QR Code issued by SacRT approved by the General Manager/CEO to serve as “fare equivalent” that is counted toward the General Manger/CEO’s complimentary ticket allocation, subject to the terms and conditions set out by the General Manger/CEO.”

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By:

Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-03-0014

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

March 23, 2020

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO NEGOTIATE AND ENTER INTO AN AMENDED AND RESTATED TRANSFER AGREEMENT WITH YOLO COUNTY TRANSPORTATION DISTRICT (YCTD)

WHEREAS, SacRT and YCTD entered into a transfer agreement on July 1, 2009 (Transfer Agreement), as authorized by Resolution No. 09-06-0102;

WHEREAS, the Transfer Agreement contains outdated language related available fares; and

WHEREAS, SacRT and YCTD desire to amend and restate the Transfer Agreement.

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

THAT, the General Manager/CEO is hereby authorized to negotiate an amended and restated Transfer Agreement with Yolo County Transportation District to update outdated language related to available fares; and

THAT, the General Manager/CEO is hereby authorized to execute the Amended and Restated Transfer Agreement with YCTD, upon reaching agreement with YCTD and review and approval as to Legal Form by the General Counsel.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 20-03-0015

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

March 23, 2020

**ELIMINATING THE 44-RIDE SACRT GO PARATRANSIT MONTHLY PASS
ESTABLISHED IN RESOLUTION NO. 16-03-0025 AND REPLACING IT WITH A
FREE MONTHLY SENIOR OR DISABLED PASS FOR ALL ELIGIBLE CUSTOMERS
THAT PURCHASE A 60 RIDE SACRT GO PARATRANSIT MONTHLY PASS**

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

THAT, Section 4 of Resolution No. 16-03-0025 is hereby modified as follows:

“Section 4: The priced charged for a monthly pass for Complementary Paratransit Service is the price set forth under Item B. of Exhibit A attached to Resolution 16-03-0025. A person certified by SacRT as an ADA-eligible rider who displays a valid monthly pass for Complementary Paratransit Service is entitled to ride such service for up to 60 one-way trips per month, without further charge during the month of the year printed on the pass. An ADA-eligible rider who purchases a 60 ride Pass to be used on Complementary Paratransit Service will also receive a fixed-route monthly pass for unlimited rides on fixed-route during the month the pass is valid. Additional trips on Paratransit Service beyond 60 per month must be paid for at the per-trip basic fare established by the Board.”

THAT, the General Manager/CEO is hereby authorized and directed to take all steps necessary to effectuate this change.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Jason Johnson, Director, Office of Management and Budget

SUBJ: SUBMITTING THE DRAFT BUDGET ON APRIL 8, 2020 TO MEET THE 60 DAY PUBLIC COMMENT PERIOD AS REQUIRED BY CALIFORNIA CODE, PUBLIC UTILITIES CODE – PUC SECTION 102205

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Fulfill the California Code, Public Utilities Code – PUC Section 102205 requirement that SacRT's tentative or proposed budget shall be submitted to the legislative body of each voting entity not less than 60 days prior to its adoption by the Board.

FISCAL IMPACT

No fiscal impact.

DISCUSSION

Historically, the SacRT draft budget is submitted to the Board of Directors, the public, and the legislative body of each voting entity for review at the first meeting in April of each year. This would normally fulfill the California Code, Public Utilities Code – PUC section 102205 requirement that SacRT's tentative or proposed budget shall be submitted to the legislative body of each voting entity not less than 60 days prior to its adoption by the board. Due to the timing of scheduled SacRT Board meetings in April and June of 2020, there is not a 60 day period between meetings.

Therefore, staff will submit the draft budget to the Board of Directors, the public, and the legislative body of each voting entity on April 8th, five days prior to the April 13th Board meeting, allowing greater than 60 days for public review prior to the June 8th Board meeting, when the final budget will be presented for approval. Staff will return April 13, 2020 and provide the Board with a full briefing of the proposed budget for Board consideration. Staff also requests that the Board set a hearing on May 11, 2020 to receive public comment on the proposed budgets.

RESOLUTION NO. 20-03-0016

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

March 23, 2020

AUTHORIZING THE GENERAL MANAGER/CEO TO RELEASE THE SACRAMENTO REGIONAL TRANSIT DISTRICT PRELIMINARY FY 2021 OPERATING AND CAPITAL BUDGETS NO LATER THAN APRIL 8, 2020 AND SET A NOTICE OF A PUBLIC HEARING FOR MAY 11, 2020

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

THAT, the General Manager/CEO or his designee is hereby authorized to release the proposed Operating and Capital Budgets for FY 2021, pursuant to California Public Utilities Code Section 102205(b) and a draft apportionment of votes, no later than April 8, 2020 for public review and comment for a 60 day period, as required under applicable statute; and

THAT, the Board hereby provides notice that a public hearing to receive public comment will take place for said budgets on May 11, 2020.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Doug Cook, VP, Operations

SUBJ: REPEAL RESOLUTION NO. 19-12-0133, CONDITIONALLY AWARD A CONTRACT FOR LOW-FLOOR LIGHT RAIL VEHICLES WITH SIEMENS MOBILITY INC.; AND DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE CONTRACT CHANGE ORDERS OR AMENDMENTS TO THE CONTRACT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

In December 2019, the Board approved a contract award to Siemens for an order of 20 light rail vehicles (LRVs), with four to be delivered in 2020 and the remainder to be delivered in 2023. Due to vehicle compatibility issues where the first 4 LRVs would be different in configuration, the Board is now being asked to approve an order of 20 LRVs of the same configuration to be delivered beginning in 2023. In addition, there have been changes in the per vehicle pricing and progress payment milestones since the Board's prior approval.

FISCAL IMPACT

The initial order for 20 LRVs and associated costs will be funded with a combination of Transit and Intercity Rail Capital Program (TIRCP), Proposition 1A, and Federal and local funding. The costing will be described in the discussion section below.

DISCUSSION

The August 26, 2019 Board Issue Paper and Resolution summarized this procurement in detail. In December, after issues arose regarding: (a) funding availability for the originally-proposed order of 23 vehicles; and (b) future compatibility issues between the four planned early delivery vehicles and the future fleet, the Board was asked to re-approve the procurement action with a reduced order of 20 vehicles and additional contract funding to ensure interoperability between the initial four vehicles and the later 16 vehicles.

The December 2019 action approved 4 early LRVs at a higher cost. After further operational discussions, Staff determined the best approach would be to have 20 new LRVs in the same configuration and forgo the early delivery LRVs. In addition, the price

per LRV for the 20 LRVs has been increased. This increased price, plus applicable escalation, will be the basis for future option orders. However, the overall Contract price for the initial order of 20 vehicles has decreased since the December Board action due to elimination of additional management, engineering, manufacturing, tooling, testing and mock ups that were associated with the early delivery vehicles.

August 2019 Vehicle Cost

	Unit Cost	Extended Total excluding tax
Early Delivery LRVs 4	\$4,246,392	\$16,985,568
Base Order LRVs 19	\$4,046,524	\$76,883,956
Total 23 LRVs		\$93,869,524

December 2019 Vehicle Cost

	Unit Cost	Extended Total excluding tax
Early Delivery LRVs 4	\$4,246,392	\$16,985,568
Base Order LRVs 16	\$4,046,524	\$64,744,384
Total 20 LRVs		\$81,729,952

March 2020 Vehicle Cost

	Unit Cost	Extended Total excluding tax
Base Order 20 LRVs	\$4,156,667	\$83,133,340

The Contract would include an additional \$6,376,702 (prior amount including 4 early LRVs was \$8,284,552) for engineering and project support, \$1,364,441 for manuals and training, \$6,600,000 for spare parts and \$2,500,000 for special tools, plus applicable sales tax.

Other changes through additional negotiations with Siemens include modification to the progress payment milestones to place more of the payments in the early stages of production and to eliminate the parent company guarantee that was to secure Siemens' performance on the Contract.

At the time of the Board award in December, the California Transportation Commission (CTC) had programmed and allocated funding for the 4 early delivery vehicles, but had not yet taken funding action for the remaining 16 vehicles, which were anticipated to have a July Notice to Proceed. With the change to a single Notice to Proceed for 20 vehicles, it is necessary to have additional funds programmed to proceed with the Contract. The CTC will consider, at its March 25-26th meeting, the following actions: (1) reprogramming the previously-programmed \$30 million in TIRCP funding to a 20-vehicle order; (2) programming an additional \$10 million in TIRCP funding; (3) programming \$25 million in Proposition 1A funding for the vehicle order; and (4) programming approximately \$4 million Proposition 1A funding for station platform conversion.

Staff recommends the Board conditionally approve the Contract for Low Floor Light Rail Vehicle Procurement with Siemens Mobility Inc. for the purchase of a base order of 20 light rail vehicles, training, manuals, associated spare parts, and special tooling for an amount not to exceed \$99,974,483. plus applicable state and local sales tax, subject to CTC approval of the Proposition 1A and TIRCP programming, with an option to order an additional 56 vehicles through future amendments and to provide a limited delegation of authority for the General Manager/CEO to approve amendments or contract change orders up to \$400,000 to account for configuration changes during production.

RESOLUTION NO. 20-03-0017

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

March 23, 2020

REPEAL RESOLUTION NO. 19-12-0133, CONDITIONALLY AWARD A CONTRACT FOR LOW-FLOOR LIGHT RAIL VEHICLES WITH SIEMENS MOBILITY INC.; AND DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE CONTRACT CHANGE ORDERS OR AMENDMENTS TO THE CONTRACT

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

THAT, due to a change in the proposed procurement action, Resolution No. 19-12-0133 is hereby repealed.

THAT, the Contract for Low Floor Light Rail Vehicle (LRV) Procurement by and between the Sacramento Regional Transit District (therein "SacRT") and Siemens Mobility, Inc. (therein "Contractor") whereby Siemens agrees to furnish a base order of 20 LRVs, associated manuals, training, spare parts and special tooling, with a SacRT option to purchase an additional 56 LRVs, on the terms and conditions set forth therein, for an amount not to exceed \$99,974,483 plus applicable sales tax, is hereby approved subject to the California Transportation Commission approving allocations of TIRCP and Proposition 1A funding for the procurement.

THAT, the General Manager/CEO is hereby authorized and directed to execute the Contract upon satisfaction of the foregoing contingency.

THAT, the General Manger/CEO is hereby authorized to execute contract change orders or amendments to the Contract for LRV configuration changes, not to exceed \$400,000 in aggregate.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Olga Sanchez-Ochoa, General Counsel
SUBJ: TEMPORARILY SUSPENDING TITLE III OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT ADMINISTRATIVE CODE RELATING TO RULES OF PROCEDURE

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Temporarily suspending Title III of the Sacramento Regional Transit (SacRT) Administrative Code will further protect the safety and security of SacRT's employees and the public.

FISCAL IMPACT

None as a result of this action.

DISCUSSION

On March 12, 2020, Governor Newsom issued Executive Order N-25-20, which enhances State and Local Government's Ability to respond to the COVID-19 pandemic.

As part of the Executive Order N-25-20, Item #11 states:

"Notwithstanding any other provision of state or local law, including the Bagley-Keene Act or the Brown Act, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meeting accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body or state body, during the period in which state or local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events. All requirements in both the Bagley-Keene Act or the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting:

- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended, on the conditions that:

- (i) each state or local body must give advance notice of each public meeting, according to the timeframe otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) consistent with the notice requirement in paragraph (i), each state or local body must notice at least one publicly accessible location from which members of the public shall have the right to observe and offer public comment at the public meeting, consistent with the public's rights of access and public comment otherwise provided for by the Bagley-Keene Act or the Brown Act, as applicable (including, but not limited to, the requirement that such rights of access and public comment be made available in a manner consistent with the Americans with Disabilities Act).

In addition to the mandatory conditions set forth above, all state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act or the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximum transparency and provide the public access to their meetings.”

Governor Newsome has asked the public not to gather in one place, and requested the cancellation or postponing of gatherings to slow the spread of the disease. Governor Newsome made clear during a news conference that he considers the directive to be mandatory.

Title III of SacRT's Administrative Code incorporates the requirements set forth in the Brown Act, into the process the Board follows to conduct Board meetings. Because of the Governor's Executive Order, staff recommends that the Board temporarily suspend Title III so that SacRT can avail itself of the flexibility provided to public agencies by the Governor's Executive Order in conducting their public meetings during the COVID-19 public health emergency. The flexibility offered in the Governor's Executive Order will protect the right of the public to meaningfully participate in the Board's legislative decisions, while ensuring that we encourage social distancing. To give the public an opportunity to provide comments, an e-mail box (BoardComments@sacrt.com) has been created to allow the public to make comments regarding any item relative to the agenda.

Staff recommends that the Board suspend Title III of the Sacramento Regional Transit District Boards Rules of Procedure as long as Executive Order N-25-20 is in place and

that Board meetings be conducted consistent with Executive Order N-25-20, effective immediately.

RESOLUTION NO. 20-03-0019

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

March 23, 2020

**TEMPORARILY SUSPENDING TITLE III OF THE SACRAMENTO REGIONAL
TRANSIT DISTRICT ADMINISTRATIVE CODE RELATING TO RULES OF
PROCEDURE**

WHEREAS, On March 12, 2020, Governor Newsom executed Executive Order N-25-20, proclaiming a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS, the State of California and local governments, in collaboration with the Federal government, continue sustained efforts to minimize the spread and mitigate the effects of COVID-19; and

WHEREAS, the Sacramento Regional Transit Board of Directors desires to temporarily suspend Title III of the District's Administrative Code.

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

THAT, Title III of the Sacramento Regional Transit District's Administrative Code Title III is hereby temporarily suspended for so long as Governor Gavin Newsom's Executive Order N-25-20 is in effect and all Board meetings will be conducted consistent with the provisions of Executive Order N-25-20.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives

SUBJ: ADVANCING SICK LEAVE FOR EMPLOYEES AFFLICTED WITH COVID-19

RECOMMENDATION

Adopt Attached Resolution

RESULT OF RECOMMENDED ACTION

Employees afflicted or affected by COVID-19 who do not have sufficient accrued sick leave to cover time off due to illness may be advanced up to 7 days of sick leave, which they will “pay back” with future sick leave accruals, as the time is accrued or upon termination from SacRT. Additionally, the Board is being asked to authorize the use of sick leave accruals for reasons other than illness. If the Board approves this action, employees will be eligible to take sick leave to cover absences due to child care issues or because the employee is in self-isolation related to COVID-19.

FISCAL IMPACT

Minimal, since employees will be required to refund SacRT for the advance with future sick leave accruals. And with regard to liberal use of sick leave accruals, the employees will be using accruals which are already accounted for as a financial liability.

DISCUSSION

The spread of COVID-19 has become a world pandemic. The Centers for Disease Control have advised that social distancing is key to mitigating the spread of the virus. Social distancing includes requiring those who are afflicted with COVID-19 to quarantine themselves in their homes to help minimize the spread. While SacRT has a very generous sick-leave accrual policy, allowing employees to accrue up to 96 hours a year, SacRT is aware that there are employees who, due to their or a dependent’s serious health condition, may have low sick leave balances. In addition, SacRT employs a limited number of contract employees in its Security Operations Center who only receive 24 hours of sick leave on an annual basis. To ensure that employees who do not have sufficient sick leave, including the SOC employees, in their sick leave bank to cover a multi-day absence due to their being afflicted with COVID-19, staff is recommending that the Board authorize the General Manager/CEO to provide such employees an advance on their future sick leave accruals of up to 56 hours, which is the equivalent of 7 eight hour days, and establish a policy for administering the program. The employees will be required to “pay back” the advance through future accruals. If

the employee leaves SacRT's employ and the employee has not repaid the hours that were advanced, the employee will be required to repay any of the advanced amounts that remain outstanding.

On March 12, 2020, Governor Gavin Newsom issued Executive Order No. N-25-20 which, among other things, authorized the Employment Development Department to waive the waiting period for the receipt of State Disability Insurance (SDI) benefits for individuals who have applied for SDI benefits due to COVID-19. In order to avail themselves of this sick leave advance program, Staff recommends that the policy require that employees apply for SDI benefits to help cover the time off work. If the employee files for Paid Family Medical Leave (PFL), SDI, or Unemployment Insurance (UI) and receives full PFL, SDI, or UI, plus 8 hours in each day missed of an accrual, the employee must repay SacRT for the overage. SacRT staff will work with affected employees to integrate sick leave with SDI benefits.

SacRT has Collective Bargaining Agreements (CBA) with the Amalgamated Transit Union, Local 256, the International Brotherhood of Electrical Workers, Local 1245 and the American Federation of State, County, and Municipal Employees (AFSCME) and it has a Personnel Policy Manual that applies to all employees. The CBAs and the PPM all address the accrual and use of sick leave. Based on all documents, sick leave accruals may generally only be used if the employee or a qualified dependent are sick. Staff recommends that the Board authorize employees to use sick leave accruals for reasons other than illness if the reason is related to the COVID-19 outbreak. Thus, employees would be able to code time off taken as sick if they are taking the time off due to child care needs related to school closures or because they are in a high risk group that has been advised to self-isolate.

As the crises grows, the situation is changing minute by minute. By the time the Board considers the action requested, the landscape may have changed. However, on March 16, 2020 the United States House of Representatives approved H.R. 6201 (the Act) which, if approved by the Senate and signed by the President, will among other things, require public agencies to provide their employees with 14 days of paid sick leave. As approved by the House, public sector employers would be required to provide employees with 14 days of sick leave after an employee has been off for 14 days due to COVID-19. The Act allows employees to receive the 14 days of leave for their own illness or the illness of a qualified dependent, due to child care issues or if they are required to shelter in place due to exposure to COVID-19. The statute allows employers to require that employees use their sick leave and vacation accruals on the books to cover the 14 day waiting period, which staff recommends be incorporated into the program. Employees who do not have sufficient accruals on the books may avail themselves of the sick leave advance program to cover at least a portion of the 14 day waiting period.

RESOLUTION NO. 20-03-0020

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

March 23, 2020

ADVANCING SICK LEAVE FOR EMPLOYEES AFFLICTED WITH COVID-19

WHEREAS, on March 4, 2020, the Governor of California declared a State of Emergency in California due to the threat of COVID-19; and

WHEREAS, on March 12, 2020, the Governor of California issued Executive Order N-25-20 authorizing a number of measures aimed at mitigating the spread of COVID-19, through Social Distancing; and

WHEREAS, quarantining oneself at home when diagnosed with COVID-19 is recommended by both the Centers for Disease Control and the Department of Health Services for Sacramento County to help mitigate the spread of the virus; and

WHEREAS, Sacramento Regional Transit District wants to ensure that its employees stay home if they are diagnosed with COVID-19 and understands that if employees are not being compensated during that time, they may be reluctant to stay home; and

WHEREAS, while SacRT provides a generous sick leave on an annual basis, it understands that some employees may not have sufficient accrued sick leave to cover an extended leave that may be needed to fully recover from COVID-19; and

WHEREAS, SacRT also has a group of contract employees who work in SacRT's Security Operations Center (SOC) who only accrue 24 hours of sick leave on an annual basis.; and

WHEREAS, on March 16, 2020, the United States House of Representatives approved H.R. 6201 Families First Coronavirus Response Act, which requires public agency employers to provide employees with 14 days of paid sick leave for time taken off related to COVID-19, after an initial 14 day waiting period.

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

THAT, the Board hereby authorizes and directs the General Manager/CEO to establish a policy that allows employees, including Security Operations Center contract employees, afflicted with or otherwise affected by COVID-19 to be provided an advance of up to 56 hours of sick leave, if the employee has insufficient sick leave accruals to cover any time taken off due to being afflicted with COVID-19, conditioned upon the employee repaying the advance with future sick leave accruals, and if the employee leaves SacRT's employ before repaying the accruals they repay SacRT at termination, and the employee applying for State Disability Insurance.

THAT, notwithstanding the provisions of the Collective Bargaining Agreements between SacRT and the Amalgamated Transit Union, Local 256, the International Brotherhood of Electrical Workers, Local 1245, and the American Federation of State, County, and Municipal Employees, AFL-CIO, or the Personnel Policy Manual, that employees who need to take time off work because they are afflicted or otherwise affected by COVID-19, even if they or an eligible dependent are not ill, may use sick leave accruals to cover that time off.

THAT, subject to approval of the Families First Coronavirus Response Act (the Act) by the United States Senate and execution by the President of the United States, the Board hereby authorizes the General Manager/CEO to implement the provisions of the Act and require that employees take any available sick leave, vacation leave or floating holiday accruals during the 14 day waiting period before the provisions of the Act take effect.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: DECLARING AN EMERGENCY AND SUPENDING COMPETITIVE BIDDING FOR SUPPLY ACQUISITIONS TO COMBAT COVID-19 AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE PROCUREMENT CONTRACTS IN EXCESS OF \$150,000 TO ADDRESS COVID-19

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adopting the declaration of emergency and delegating contracting authority to the General Manager/CEO will temporarily allow for the expeditious acquisition of goods and services necessary to effectively combat the spread of COVID-19 and protect SacRT's systems, equipment and facilities.

FISCAL IMPACT

The fiscal impact is unknown at this time, because it is unclear what supplies and services might be needed and how the pricing will be affected by the suspension of competitive bidding. Where possible, Staff will continue to obtain multiple quotes to compare pricing before entering into a contract.

DISCUSSION

As a result of the rapidly-evolving pandemic of novel coronavirus (COVID-19), SacRT Staff may need to obtain goods and services without delay to prevent the spread of the outbreak and to protect SacRT's systems, equipment and facilities in the event of a COVID-19-related partial or complete shutdown of operations.

To that end, SacRT Staff is requesting that the Board suspend otherwise applicable competitive solicitation requirements to enable Staff to quickly obtain any needed goods and services. For the same reason, Staff is requesting that the Board delegate authority to General Manager/CEO to approve and execute contracts with a value above \$150,000 as needed to expeditiously address COVID-19 needs.

These may include, but not limited to, such goods as cleaning supplies or equipment and software licenses to enable employees to work from home.

RESOLUTION NO. 20-03-0022

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

March 23, 2020

DECLARING AN EMERGENCY AND SUPENDING COMPETITIVE BIDDING FOR SUPPLY ACQUISITIONS TO COMBAT COVID-19 AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE PROCUREMENT CONTRACTS IN EXCESS OF \$150,000 TO ADDRESS COVID-19

WHEREAS, under Public Utilities Code Section 102222, contracts for the purchase of supplies, equipment, and materials in excess of one hundred thousand dollars (\$100,000) shall be by contract let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submitted a proposal that provides the best value, except in the event of an emergency declared by a four-fifths vote of the Board of Directors; and

WHEREAS, under Public Contract Code Section 20321, contracts for the construction of transit works or transit facilities in excess of five thousand dollars (\$5,000) shall be awarded to the lowest responsible bidder after competitive bidding, except in emergency declared by four-fifths vote of the Board of Directors.

WHEREAS, the SacRT Procurement Ordinance (18-08-01) requires competitive solicitation of goods and services in most circumstances and generally requires Board approval of all procurement contracts over \$150,000; and

WHEREAS, on March 4, 2020, California Governor Gavin Newsom declared a state of emergency to help the state prepare for and contain the spread of novel coronavirus (COVID-19); and

WHEREAS, on March 13, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the "Stafford Act"). State, Territorial, Tribal, local government entities and certain private non-profit (PNP) organizations are eligible to apply for Public Assistance; and

WHEREAS, as of March 15, 2020, California state health officials are reporting a total of 335 positive cases of COVID-19 and six deaths, with an increase in confirmed cases occurring daily; and

WHEREAS, as a public transit provider, the Sacramento Regional Transit District may need to continue providing essential public services during the outbreak; and

WHEREAS, to provide services while protecting the public health and safety to the extent possible, it may be necessary for SacRT to acquire supplies and associated services designed to limit the spread of the outbreak, including cleaning supplies, janitorial services, and supplies and services to enable employees to work remotely; and

WHEREAS, in the event of a partial or complete system shutdown due to COVID-19, it may be necessary for SacRT acquire supplies and associated services to protect its light rail system and bus facilities and to construct or repair facilities to protect its equipment.

WHEREAS, due to the rapidly-evolving circumstances, compliance with the competitive bidding requirements set out in state law and SacRT Ordinance 18-08-01 will preclude SacRT from timely responding to the emergency conditions to (1) prevent the spread of COVID-19 as a threat to public health; and (2) protect its systems and facilities.

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

THAT, the Board of Directors hereby declares an emergency due to the rapid spread of COVID-19 and authorizes the suspension of competitive bidding, as set out in Public Utilities Code Section 102222, Public Contract Code Section 20321, and SacRT Ordinance 18-08-01 to the extent necessary to obtain supplies and services to respond to COVID-19, including measures to limit the spread of COVID-19 and to protect SacRT's systems and equipment in the event of a partial or total system shutdown.

THAT, the Board hereby delegates authority to the General Manager/CEO to approve and execute procurement contracts in excess of \$150,000 to the extent necessary to mitigate the impact of COVID-19 on the public health and SacRT's operations, equipment, facilities and systems.

Passed and adopted by a 4/5 vote of the Board Members of the Sacramento Regional Transit District Board of Directors at a Special Meeting on this 23 day of March, 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



STAFF REPORT

DATE: March 23, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: APPROVING THE SACRAMENTO REGIONAL TRANSIT DISTRICT
CONTAGIOUS VIRUS EMERGENCY SERVICE REDUCTION AND
SHUTDOWN PLAN

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

This Policy will provide a uniform direction when service disruptions or system shut downs occur. This policy also provides direction when regulators order a system be shut down or services are reduced.

FISCAL IMPACT

There is no fiscal impact

DISCUSSION

SacRT is responding to the spread of a respiratory illness caused by a novel coronavirus (COVID-19). In anticipation of significant ridership reductions and reduced staff availability due to school and business closures, increased teleworking, and statewide recommendations regarding social distancing and sheltering in place, it is anticipated that short term service reductions may be required. Current policy does not provide specific procedures under these circumstances. Uniformity is important in times where service is disrupted. This will ease the fears of employees and passengers if there is a shortage of staff availability or a disruption of service. These policies will also lay the ground work for the Transportation Safety Action Plan (TSAP), Continuity of Operations, and Operations Central Control standard operating procedures.

Staff recommends approval of the Contagious Virus Emergency Service Reduction and Shutdown Procedure included as Exhibit A.

RESOLUTION NO. 20-03-0021

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

March 23, 2020

APPROVING THE SACRAMENTO REGIONAL TRANSIT DISTRICT CONTAGIOUS VIRUS EMERGENCY SERVICE REDUCTION AND SHUTDOWN PLAN

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

THAT, the Contagious Virus Emergency Service Reduction and Shutdown Plan attached as Exhibit A, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to implement the Contagious Virus Emergency Service Reduction and Shutdown Plan.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

SACRAMENTO REGIONAL TRANSIT DISTRICT POLICY STATEMENT CONTAGIOUS VIRUS EMERGENCY SERVICE REDUCTION AND SHUTDOWN PROCEDURE

At the Sacramento Regional Transit District (SacRT), the safety, health and welfare of our employees, customers, and the public is our number one concern. Throughout the life cycle of a large scale virus response, SacRT may need to reduce service due to employee availability to maintain and operate transit vehicles or comply with public health department, and state and federal administration recommendations and directives. This policy has been developed as a means to identify a safe and efficient way to reduce or completely shut down the service in the event of a contagious virus event or emergency and will support SacRT's contagious virus response plans and continuity of operations plans.

The policy establishes mechanisms for identifying the chain of command, factors considered in the reduction and restart of service, and employee notification and directions needed for both.

In the event of a contagious virus emergency requiring a system service reduction or shutdown, every department will have responsibilities under this plan and must support its implementation. Departments must also provide ongoing support necessary for achievement of plan objectives. Individual employees have responsibilities under the plan. The executive management team (EMT), directors, managers and supervisors must enforce the safety requirements pertaining to their employees. A key to the success of this policy is for employees to be aware that they are accountable for meeting the requirements of their positions.

The General Manager/CEO has the authority to establish and implement this policy. The General Manager/CEO has delegated authority to the Vice President of Operations and the Vice President of Safety, Security, and Customer Satisfaction to monitor implementation and maintenance of the policy.

Henry Li
General Manager/CEO
Sacramento Regional Transit (SacRT)

1. Purpose, Goals, and Objectives

1.1 Purpose

This document establishes the policy and high level procedures for implementing an emergency service reduction or shutdown in the event of a contagious virus emergency.

1.2 Goals

The goals of this policy are the following:

- Manage the dissemination of information communicated to employees and the public through a single source
- Eliminate, manage and communicate hazards to ensure the highest level of safety in the execution of an emergency service reduction or shutdown
- Comply with orders of regulatory agencies (state, county, and federal)

1.3 Objectives

- Establish policy, procedures and requirements, which integrate SacRT decision making and operations
 - Assign responsibilities related to policies, procedures and requirements
 - Verify adherence to this policy
 - Identify, analyze and resolve all hazards caused by implementation of an emergency service reduction/shutdown
 - Thoroughly evaluate the safety implications of all proposed system modifications prior to implementation
-

2. Management Structure of SacRT

2.1 Overview

SacRT is governed by a Board of 11 members appointed by the Sacramento City Council (four appointees), the Sacramento County Board of Supervisors (three appointees), the City of Rancho Cordova (one appointee), the City of Citrus Heights (one appointee), the City of Folsom (one appointee), and the City of Elk Grove (one appointee).

2.2 Chain of Command

State and Federal Regulators: By order, have the authority to require a shutdown of any service or system for emergency reasons.

SacRT Board of Directors: Have the authority to order the General Manager/CEO to reduce or shut down service for emergency reasons.

General Manager/CEO: Has the overall authority over system operations to:

- Set, reduce or shut down service during an emergency
- Require special service or change of service levels
- Require the system to be shut down for the safety of the employees and the public
- Make decisions based upon risks that could arise on a case-by-case basis

Vice President of Operations: The General Manager/CEO can delegate service reduction requirements to this position. This position will be the lead operational contact for either a service reduction or shutdown, and has the responsibility to develop work orders and procedures in order to implement this plan. This position will also be the primary contact for the Unions and the Marketing Department to inform them of the plan for service. (*Partners with the VP of Security, Safety & Customer Satisfaction*).

Vice President of Safety, Security and Customer Satisfaction:

Has overall responsibility for the safety and security of SacRT employees, customers and assets. Ensure that any reduction or shutdown is done within safety protocols and without risk to the public. (*Partners with the VP of Operations*)

Chief Communications Officer: Will serve as the single point of contact for internal and external stakeholders and the media. Has responsibility to ensure that all information sent to the public is timely and accurate. The Marketing Department will produce all communication for internal and external distribution (web content, flyers, posters, bulletins, etc.).

Vice President of Integrated Services and Strategic Initiatives:

Will provide support to all employees with IT solutions for teleworking (if needed) and ensure availability of information sources such as email, text, alerts, and other technology-driven solutions. The Labor Relations Department will be responsible for contacting Unions on protocols and instructions to employees, and providing guidance regarding implementing plans in accordance with labor contract language.

Vice President of Planning and Engineering: Responsible for the planning of routes to be discontinued, suspended or reduced during a planned service reduction or shutdown by working with the Vice President of Operations. Also assists in the planning of any detours or bus bridge routes required for light rail service disruptions.

Vice President of Finance/CFO: Has responsibility to ensure that there are funds available for any possible emergency procurement and assist in the gathering of all data to inform an efficient decision making process within the goals and objectives of the plan. If there is a need to use contingency funds to meet payroll or vendor obligations during the emergency, the VP of Finance/CFO, with the approval of the General Manager/CEO is hereby authorized to suspend the requirements of the Comprehensive Reserve Policy and is authorized to use contingency funds to cover payroll and vendor obligations during the emergency situation.

3. Operational Plan

3.1. Goals, Objectives, and General Guidelines

3.1.1 If elected officials or other authorities instruct transit agencies to shut down, SacRT will comply. Otherwise, SacRT will make every effort to maintain lifeline service and capacity for people who need public transportation.

3.1.2 In response to a contagious virus event, SacRT will encourage people to NOT ride unless necessary to reach lifeline services. SacRT will attempt to maintain service and maximize capacity, so riders can maximize social distancing.

3.1.3 In response to a contagious virus event, SacRT will maximize cleaning and other measures to minimize risk of viral infection customers who must use the system and employees.

3.1.4 In the event of a significant decrease in operator attendance due to a contagious virus event and in anticipation of potentially more severe and long-lasting operator shortages, SacRT will prioritize what services to maintain (as described below).

3.1.5 SacRT will also consider how to best achieve an orderly reduction in service to levels that can be consistently operated with a reduced workforce, taking into consideration how such changes can be made (1) in a way that can be communicated clearly to the public, (2) in a way that can be managed efficiently by dispatchers, and (3) in a way that will be acceptable, fair, safe, and orderly for operators and supervisors.

3.1.6 SacRT will ensure that public information is routinely updated and will disseminate information to the public through various available channels (e.g., web, print, social media).

3.2 Temporary Service Reduction Due To Ridership Decline

Because SacRT's goal is to maintain critical public transportation services, ridership loss is NOT, in itself, a reason SacRT will reduce service; however, if ridership loss is severe and protracted SacRT may take steps to reduce service. See Section 3.6.

3.3 Service Reduction Due To Operator Shortage

3.3.1 General:

Due to illness, directives from public health authorities, and other reasons, operator shortage is anticipated to be the most likely reason to need to reduce service levels on an emergency and temporary basis. Service reductions of an emergency nature may be approved by the General Manager/CEO without public review, under SacRT's Service Change Policy. Decisions will be made on a case by case basis depending on risks that may arise during the emergency.

3.3.2 Light Rail:

On light rail, the goal is to maximize capacity and match it to ridership, so as to maximize social distancing, as is practicable under available resources. The bus system also depends on light rail for connections, so adherence to the normal schedule is a high priority. Weekend schedules have 15-minute headways only during the midday (i.e., headways are 30 minutes until 10:00 am), so SacRT will not go to a Saturday or Sunday/Holiday schedule on light rail except as a last resort (or if commute hour ridership declines to the point that it is less than midday ridership).

3.3.3 Full-Size Bus

This section discusses three levels of emergency response for the full-size bus system (1) Existing Procedure, (2) Partial Suspension, (3) Reduce Service Levels (i.e., to weekend schedules).

3.3.3.1 Existing Procedure – Under existing procedure, operator absences are filled by dispatchers using their professional judgment, informed by their training and experience. This is the most orderly way to maintain operations as long as attendance remains near historical levels. Dispatchers will continue to fill absences using professional judgment, informed by updated ridership trends.

3.3.3.2 What to Suspend – During a contagious viral event, routes significantly affected by declines in ridership would be suspended, or headways would be reduced on frequent routes, in most cases (e.g., routes significantly affected by school or business closures). Dispatchers have discretion to look at overall service provided and will make the best determination of service to suspend in an evolving contagious virus event.

3.3.3.5 Weekend Schedule – In the case of severe operator shortages, SacRT could operate a Saturday or Sunday/Holiday schedule on weekdays.

Community Bus / Contract Services:

In the event of a reduction in service, or implementation of a Saturday/Sunday schedule seven days per week, SmarT Ride and community bus services (CBS) may require service day and hour adjustments, but will be maintained to the extent practicable. SmarT Ride zones may be expanded or contracted to meet community needs and provide lifeline services.

Rancho Cordovan and North Natomas JIBE services are primarily geared towards commuters and operate during peak hours only; however, these are contracted services, so suspension or reduction would be evaluated with the client and should be avoided if possible. Both contracts allow suspension of service in case of emergency.

Folsom service is controlled by SacRT, so there are no contractual barriers to reducing service; lifeline services will be prioritized during any service reduction scenario.

Elk Grove:

Elk Grove service is operated under contract, so suspension or reduction should be avoided if possible and evaluated with the client (City of Elk Grove). Elk Grove service may be reduced in the event of emergency.

Paratransit:

Paratransit service is scheduled on-demand, so in the event of a ridership reduction, the service will contract naturally. SacRT's goal is to continue to provide lifeline paratransit services and keep the service operating as normally as possible.

3.4 Service Reduction Due To Executive Order

Follow directives from the elected official or other authorities. Consider operation of Saturday or Sunday schedules during the week as a means to provide lifeline services. Implement a complete service shutdown if required. Ensure a safe shutdown of the system in a systematic order and ensure passengers are not left stranded to the extent possible. Decisions will be made on a case by case basis depending on risks that may arise during the emergency.

3.5 System shutdown

Given the need to shut down service, the primary objective will be to execute an orderly, safe conclusion of service, which preserves district assets in a condition that will facilitate later service restoration.

Overall procedures:

Major tasks involved in the shutdown of the system consist of the following (described in further detail in operating procedure documents):

- Complete operations (complete final service runs and store all vehicles)
-

- Close stations/bus terminals
- Secure shop/yard buildings
- Recover all types of maintenance equipment
- Complete revenue pickup and processing
- Deploy property protection
- Establish communications and logistics plan for administrative work
- Provide instructions to all employees on how to get updates including return to work information.

3.6 Ridership declines beyond 45% for a long period of time

In the instance of a long-term event, ridership, employee attendance and asset availability will be considered, and standard service change protocols in accordance with the SacRT Service Change Policy will be implemented.

Contagious Virus Service Plan

Contagious Virus Emergency Service Reduction and Shutdown Plan:

- Provides response plan and defines responsibilities in the event of a large scale virus event
- Considers orders from authorities, operator availability, ridership and other risks
- Prioritizes lifeline service, capacity, sanitization efforts
- Identifies what services to maintain and how to go about an orderly reduction in service

Sunday Plus Schedule

SacRT Responds to COVID-19:

- Ridership has fallen dramatically
- As of Friday March 20, 2020, ridership was down 65% of both rail and bus
- Operator availability decreasing (overtime increasing)
- Create a reliable service, instead of daily changes
- SacRT Forward created a bus network that operates 7 days week. Our bus route coverage does not change
- Biggest change is frequency and span of service
- Critical lifeline service is available

Sunday Plus Schedule

Sunday Plus Schedule Includes:

Light Rail

- Gold Line
 - Operate Sunday schedule seven days a week
 - Additional earlier trips have been added from Folsom
- Blue Line
 - Operate Sunday schedule seven days a week
- Green Line
 - Continue to operate on its regular schedule Monday - Friday

Fixed Route Bus Routes

- All routes to operate on Sunday schedule (seven days a week)
 - Note: Route 33 only operates M – F – no changes
 - Elk Grove, CordoVan, North Natomas Jibe – no changes
 - ADA paratransit – no changes

Sunday Plus Schedule

Sunday Plus Schedule Includes:

Express Bus Routes – Continue to Operate on Monday through Friday Schedule:

- 102 (Monday- Friday only)
- 103 (Monday- Friday only)
- 106 (Monday- Friday only)
- 107 (Monday- Friday only)
- 109 (Monday- Friday only)
- 113 (Monday- Friday only)
- 129 (Monday- Friday only)
- 161 (Monday- Friday only)
- 193 (Monday- Friday only)

Note: SacRT will temporarily suspend bus routes 105 (Elsie), 134 (McKinley), 142 (Airport Express) and Folsom Stage Line bus route 20.

Sunday Plus Schedule

Sunday Plus Schedule Includes:

Folsom Stage Line Bus Service

- Continue Regular Service: On routes 10 and 30 Monday – Friday only

SmaRT Ride On-Demand Microtransit Service

- Continue Regular Service: All nine service zones Monday – Friday only

Supplemental Bus Routes

- All 200 series routes were suspended on March 16, 2020 with the closure of schools

April Service Changes Postponed

- Except Causeway Connection

SacRT will closely monitor ridership to ensure no overcrowding on bus or rail cars. Additional vehicles and service will be added if needed.

Sunday Plus Schedule

Customer Communication:

- News Releases
- Website Updates
- Social Media
- NextDoor Post
- Rider Email Blast (multiple notifications)
- Flyers for drivers to hand out
- Alert SacRT App Push Notification
- Mini Posters (on all buses and light rail vehicles)
- Digital Toolkit for Stakeholders
- A-frame Posters at Key Transit Centers
- EMS and PA Messages at Light Rail Stations
- Information Translated in Six Languages

Sunday Plus Schedule

SACRT TO TEMPORARILY REDUCE SERVICE

SACRT SUNDAY PLUS SCHEDULE
BEGINS MONDAY, MARCH 23

As our region continues to respond to the novel coronavirus (**COVID-19**), SacRT plans to temporarily reduce service to a Sunday Plus schedule seven days a week.

Visit [SacRT.com/covid19](https://www.sacrt.com/covid19) or call 916-321-2877 for more information.



STAFF REPORT

DATE: March 23, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: REPEALING RESOLUTION NO. 12-08-0136 AND ADOPTING A REVISED DEBT MANAGEMENT POLICY

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Repeals the Debt Management Policy adopted by the Boards in 2012 and Amends the SacRT Debt Management Policy to be in compliance with California SB 1029 and SEC Amendments to Rule 15c2-12.

FISCAL IMPACT

None.

DISCUSSION

Debt Management Policy

Before the issuance of the 2012 Farebox Revenue Bonds the Board approved the Sacramento Regional Transit District (SacRT) Debt Management Policy (Policy). The Policy is required under SEC Rule 15c2-12, to ensure that SacRT has guidelines in place for the issuance and management of SacRT's debt. There were minor modifications that were needed to bring the Policy up to date with recent changes to SEC Rule 15c2-12 including discussion of notices of material events under continuing disclosure agreements, as well as updates for industry best practices. Attached as Exhibit A is the amended Sacramento Regional Transit District Debt Management Policy.

Refunding of Series 2012 Farebox Revenue Bonds

The Series 2012 Farebox Revenue Bonds ("Series 2012 Bonds") were sold November 1, 2012 to: i) finance a portion of the costs of the South Line Phase II light rail expansion project, acquisition of certain buses and other vehicles, and other capital projects; and ii) to refund all of the outstanding Farebox Revenue Certificates of Participation, 2003 Series-C. The Series 2012 Bonds were sold with an optional redemption date of September 1, 2020, allowing the bonds to be refunded on or after that date.

Given current market conditions, SacRT has the opportunity to refund the Series 2012 Bonds for cash flow savings. At present, a refunding of the Series 2012 Bonds produces present value (PV) savings of \$10.6M, or 23% of refund par. Final savings from the refunding will be dependent on market conditions at the time of pricing, which is tentatively targeted for July 2020.

SacRT has two primary options for capturing the savings from the refunding. The savings can be spread evenly over the remaining life of the bonds, 22 years, or the savings can be front loaded over the first five years to provide more immediate budget relief. The current annual Debt Service (DS) is approximately \$3.2M.

	Annual Debt Service Payments	
	Front Loaded Savings	Even Savings
First 5 Years	\$1.6M	\$2.7M
Remaining 17 Years	\$3.2M	\$2.7M

Of the two options presented, staff recommends front loading the savings over the first five years. The primary factors for recognizing the savings early is the ever increasing urgent need to fund SacRT's state of good repair. With staff seeking grants and other funding options for its operational state of good repair needs, we have been unsuccessful finding revenue or grant opportunities to repair or replace SacRT's Admin campus, because granting agencies are focusing on expansion and air pollution reduction measures. The current Administrative campus was not designed to handle the existing staffing needs and all of buildings are in need of a significant update and repair. Staff analysis shows that spreading the staff over the 4 buildings decreases efficiencies, increases costs, doesn't allow for good working conditions, or adequate space needs to those with and without disabilities. Many of these buildings are in such poor condition that any updates required will be very costly. Any major updates or repairs to the buildings are not anticipated to add to the building value. Therefore, the plan is to utilize the net savings from this transaction to lease/purchase an alternative administrative office space that would provide improved accommodations, efficiencies, and lower maintenance costs for the staff and our riders.

In order to effectuate the refunding, SacRT needs to procure bond counsel, disclosure counsel and an underwriting syndicate. SacRT staff and SacRT's Financial Advisor (PFM Financial Advisors) developed Requests for Proposals for each of these services. It is expected that SacRT will select bond counsel, disclosure counsel and its underwriting syndicate by the end of March.

Staff is seeking direction from the Board on which DS savings model should be used in the refunding. This decision will direct the work performed by the bond counsel, disclosure counsel and the underwriter.

Finally, Staff recommends that the Board repeal the previously adopted Debt Management Policy and approve the amended and restated Debt Management Policy.

RESOLUTION NO. 20-03-0018

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

March 23, 2020

**REPEALING RESOLUTION NO. 12-08-0136 AND ADOPTING A REVISED DEBT
MANAGEMENT POLICY**

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

THAT, Resolution No. 12-08-0136 is hereby repealed; and

THAT, the Debt Management Policy set forth in attached Exhibit A is hereby adopted.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

**Sacramento Regional Transit District
Debt Management Policy
March 23, 2020**

I. Introduction

The purpose of the Debt Management Policy (Policy) of the Sacramento Regional Transit District (RT or District) is to establish guidelines for the issuance and management of RT's debt. This Debt Management Policy confirms the commitment of the RT Board of Directors (Board) to adhere to sound financial management practices, including prudent issuance of debt, full and timely repayment of all borrowings, and achieving the lowest possible cost of capital within prudent risk parameters. The debt policies and procedures of the District are subject to and limited by the applicable provisions of State and Federal law.

II. Debt Management Policy Objectives

The primary objectives of the District's debt and financing related activities are to:

- Assure the timely delivery of and finance capital for projects in accordance with the priorities identified within the RT Capital Improvement Plan (CIP) annually approved by the Board
- Achieve the lowest cost of borrowing while identifying mitigation factors for any additional risk to the District
- Preserve future financial flexibility
- Maintain strong credit ratings and good investor relations

III. Scope and Authority

This Policy governs the issuance and management of all debt financings including ancillary transactions and investment of bond proceeds.

While adherence to this Policy is required in applicable circumstances, RT recognizes that changes in the capital markets, revenue receipts, program changes, and other unforeseen circumstances may produce situations that are not covered by the Policy or require modifications or exceptions to achieve Policy goals. In these cases, management flexibility is appropriate provided specific authorization from the Board is obtained.

The Chief Financial Officer (CFO) shall review the Policy annually, and recommend amendments, if any, to the General Manager and CEO (GM) to be considered for Board approval. The GM and CFO shall administer the Policy. The CFO shall have the day-to-day responsibility and authority for recommending, structuring, implementing, and managing RT debt and financing programs. The Policy requires that the Board specifically authorize financial transactions, other than Line of Credit (LOC) transactions that may be authorized by the GM within the maximum LOC amount parameters authorized by the Board.

IV. General Financial Practices and Context for Debt Management Policy

This Policy must be viewed as an integral component of its overall financial practices and in the context of its capital-intensive expenditure plans. This Policy and its overall approach to RT's finances must recognize that RT is an organization dependent on federal, state, and local revenue. These revenues, including Measure A, a sales tax revenue, and any future revenues that flow to RT, must be available to repay RT's debt and to fund its entire operations, including those subsidies associated with its light rail and bus lines. This Policy also recognizes that RT does not have control over external subsidies or sales tax revenues, which are dependent to some degree on the overall economy in Sacramento County, the State, and the Nation. RT's financial practices, including the issuance of debt, must be designed to assure sufficient resources to fund all of its operating and capital requirements in all circumstances and be able to accommodate potential declines in external subsidies or sales tax revenues.

V. Debt Issuance Principles and Policies

- A. **Board Authorization.** The Board shall specifically authorize any debt issuance. The Board's adoption of the Annual Budget or Capital Improvement Plan (CIP) does not constitute authorization for debt issuance.

- B. **Appropriate Purposes for Debt Issuance.** Each debt issuance must accomplish a specific, appropriate purpose. Debt may be issued to accomplish the following objectives:
 - 1. **Accelerate the delivery of projects.** Debt financing allows the delivery of projects on an accelerated basis. Accelerating projects may provide a programmatic or financial benefit to RT.
 - 2. **Spread cost over the useful life of an asset.** Debt financing allows RT to spread the cost of a project over its useful life rather than paying for it at one time. In addition, financing effectively spreads the cost of a project among all users that benefit from it.
 - 3. **Smooth out annual cash flow.** Debt financing spreads the cost of a project over a period of years, thereby smoothing out RT's cash flow.
 - 4. **Optimize overall financial resources.** Debt financing enables existing cash to be invested at a rate higher than the cost of borrowing. Bond proceeds received from the issuance of debt must be invested within the guidelines of federal tax law and in accordance with the associated bond documents for said bond issuance.
 - 5. **Finance Unfunded Actuarial Liabilities.** Debt financing would allow RT to fund all or a portion of any unfunded actuarial liabilities relating to pension and other post-employment benefits.
 - 6. **Refundings.** Debt financing allows RT to issue bonds or other securities to refinance outstanding obligations, if desirable. The reasons for refinancing include:
 - a) **Debt Service Savings.** In general, the present value savings generated by the

refunding bonds must be at least 3% of the refunded bond amount to justify refunding.

b) Programmatic Reasons. Such as: restructuring outstanding debt, changing the type of debt instruments originally used, retiring a bond issue, removing covenants/pledges that have become restrictive, or retiring debt prior to maturity.

C. Debt Affordability. Debt affordability shall be determined by the requirements of RT's bond indentures (e.g. additional bonds test/debt service coverage) and RT's ability to meet all of its on-going operating, capital, and reserve requirements.

D. Financing Goals. RT shall issue debt so as to achieve the optimal balance of lowest borrowing cost, financing flexibility, and market acceptance.

VI. Approach to Financing

A. Types of Financing Transactions

1. Revenue Bonds. Revenue bonds shall be the preferred method of debt financing. Such bonds may be issued as either a senior or junior lien and may be issued on a fixed or variable rate basis. There is no present intention to issue synthetic fixed-rate bonds.
2. Debt Secured by Federal, State or Local Grants. RT may issue debt secured by federal formula assistance, full funding grant agreements, or comparable federal, state or local approved grants or funding assistance and may participate in loans, credit enhancement, or credit support provided under the Transportation Infrastructure Finance and Innovation Act (TIFIA).
3. Other Kinds of Debt and Financing Transactions. RT may issue debt secured by other revenues (e.g., tax revenues) or by its general credit, or engage in financial lease transactions, if appropriate for the funding need being addressed.

B. Use of Long-Term and Short-Term Debt

1. Long-Term Debt. RT may issue long-term debt, on a fixed or variable rate basis to finance the construction, acquisition, installation, or rehabilitation of long-lived capital assets, and to finance actuarial unfunded liabilities with respect to pension and other post-employment benefits.
 - a) Fixed Rate Debt. Fixed rate debt is a form of long-term financing in which the interest rate is set at the time of bond issuance and does not change unless subsequently refinanced. It is expected that most of RT's debt obligations will be fixed rate.
 - b) Variable Rate Debt. Variable rate debt is a form of long-term financing in which the interest rates are reset periodically, typically on a weekly or daily

basis. Forms of variable rate debt include variable rate demand bonds, index notes, and commercial paper. Typically, the interest rates for variable rate debt are lower than for fixed rate debt, although they will fluctuate throughout the term of a financing. Variable rate debt offers the benefits of diversifying the debt portfolio, reducing interest costs, providing interim funding for capital projects, and improving the match of assets to liabilities. The amount of unhedged long-term variable rate debt will generally not exceed 30% of the principal amount of all outstanding debt. Prior to the issuance of variable rate debt, RT will evaluate through financial analysis that sufficient liquid funds exist to address any associated risks, such as rising interest rates, the non-renewal of credit facilities securing such variable obligations, and market access risks. If variable rate debt is used, the CFO or other appropriate RT staff shall periodically evaluate the appropriateness of converting the debt to fixed interest rates and at least annually report to the Board on the results of such evaluation.

- c) Lease or Installment Purchase Financing Structures. Lease or installment purchase obligations are a routine and appropriate means of financing capital equipment. These types of obligations should be considered where such financing will be more beneficial, either economically or from a policy perspective. A tax-exempt lease or installment purchase may be used to finance any property that the District has the statutory authorization to lease or purchase. As a general matter, only land and depreciable property may be leased or purchased. Generally, the leased or purchased property is a capital asset to be used by RT in its own operations.

Payments made by RT pursuant to a long-term lease or installment purchase agreement may be made from any lawfully available funds of RT. The useful life of the capital equipment, the terms and conditions of the lease, the direct impact on debt capacity and budget flexibility will be evaluated prior to the implementation of a lease program.

This Policy covers the following Lease Financing structures commonly used by transit agencies:

Certificates of Participation (COPs): If RT wishes to utilize a tax-exempt lease or installment purchase in connection with the sale of municipal securities, certificates of participation, representing undivided interests in the rental or installment payments, may be sold to the public.

Revenue Bonds: Bonds issued by another public entity on behalf of RT to finance capital improvements to be leased or sold to the RT. The bonds are payable solely from lease or installment payments paid by RT to the bond issuing entity.

Capital/Equipment Lease: The District may also use long-term lease obligations to directly finance or refinance specific capital equipment.

2. Short-Term Debt. RT may finance operating and capital needs on an interim basis, with short-term debt, pending the receipt of expected funding sources using:
 - a) Tax and Revenue Anticipation Notes. Tax and Revenue Anticipation Notes (“TRANS” or “RANS”) are borrowings used to bridge temporary cash flow deficits within a fiscal year.
 - b) Grant Anticipation Notes. Grant Anticipation Notes (“GANs”) are issued to fund capital projects in advance of the receipt of grants, typically federal grants. Such notes may also include a back-up pledge of farebox, sales tax, or other revenues, as appropriate, to enhance the creditworthiness of the GANs and to provide a source of repayment if the timing of the grant receipts is delayed due to the appropriation process.
 - c) Bond Anticipation Notes. Bond anticipation notes (“BANs”) are issued to fund projects in advance of a revenue stream that has not yet been received. At maturity, BANs are repaid from that revenue stream or by refunding bonds secured by that revenue stream.
 - d) Direct Line of Credit. A Line of Credit (“Line”) may be used as an alternative to other short-term borrowing options. Lines are typically structured as short-term (up to five (5) year) agreements with a financial institution providing the Line.
 - e) Commercial Paper. Commercial Paper (“CP”) may be used as an alternative to other short-term borrowing options. CP is similar to a Line with the exception that CP is a publicly offered security sold to investors. CP is secured by a bank Letter of Credit and can be sold with a term up to 270 days.
- C. Structural Features of Financing. The CFO, with the advice of RT’s financial advisor, shall determine the structural features to be included as part of each debt financing. The structural features shall be appropriate to the transaction and the markets at the time of the financing, and shall be consistent with this Policy.
 1. Coupon Payment Structure. Coupon payment structures may consist of either current coupon bonds or capital appreciation bonds (or zero coupon bonds). Current coupon bonds pay interest periodically (generally, semi-annually), pay principal at maturity, and generally produce the lowest interest rate. Capital appreciation bonds pay interest and principal at maturity and generally will increase the borrowing cost. Current coupon payment structures shall be used whenever possible. Capital appreciation bonds may be used to accomplish a structuring or programmatic objective that cannot be achieved with a current coupon payment structure (e.g., creating an overall level debt service) or to

EXHIBIT A

produce an overall lower interest rate under certain market conditions.

2. Maturity of Debt. Generally, the final maturity of the debt shall not exceed the useful life of the assets being financed or the remaining term of the revenue stream pledged to repayment. The average life of the financing shall not exceed the average life of the assets being financed.
3. Debt Service Structure. RT's debt service structure will be developed and maintained to achieve strong credit ratings while addressing its overall revenue constraints and financing capacity. The principal and interest on debt obligations shall be structured taking into account: a) the market conditions, b) indenture requirements, c) other outstanding debt, d) cash flow needs, and e) financing objectives. Absent unusual circumstances, debt service on RT's obligations shall be structured to achieve approximately equal annual debt service payments over the life of the issue. RT shall maintain the flexibility to consider deferred repayment structures if appropriate.
4. Lien Levels. RT may create senior and junior lien pledges for each revenue source that secure bond repayment to optimize RT's financing capacity and allow for the most beneficial use of the revenue source securing the bond.
5. Discount and Premium Bonds. Discount and Premium Bonds are those that are issued at a sale price below (Discount) or above (Premium) the principal amount or par value. RT shall evaluate the use of Discount and Premium bonds in the context of general market conditions at the time of sale and the manner in which it offers its bonds for sale.
6. Redemption Features. RT's securities shall contain appropriate redemption provisions relating to the ability to call or retire bonds prior to maturity. Redemption provisions shall reflect the kind of securities being issued, the market conditions at the time of issuance and the likelihood that it will receive future grants or revenues with which to retire debt early.
7. Debt Service Reserve Funds. The District may be required to issue bonds that are secured, in part, by amounts on deposit in or credited to a debt service reserve fund or account to maximize the bond rating, minimize the net cost of borrowing and/or to provide additional reserves for debt service or other purposes. Debt service reserve funds may secure one or more series of bonds, and may be funded by proceeds of bonds, other available moneys of the District, and/or by suitable surety policies, letters or lines of credit or other similar instruments, if available at a cost effective price.
8. Credit Enhancement.
 - a) Bond Insurance. Bond insurance provides improved credit quality for the bonds as a result of the insurance provider's guaranty of the payment of principal and interest on the bonds. Bond insurance may be used if, in the

EXHIBIT A

judgment of the CFO with the advice of RT's financial advisor, it will clearly result in a lower borrowing cost to RT or improve the marketability of its bonds.

b) Letters of Credit. A letter of credit (LOC) is an arrangement with a bank or other financial institution that provides additional security that moneys will be available to pay debt service on an issue. LOCs are typically issued by domestic and foreign banks or other financial institutions in connection with commercial paper and certain variable rate transactions. Such banks and financial institutions improve the credit quality of variable rate financings by guaranteeing the repayment of bond principal and interest, and/or providing needed liquidity to investors. LOCs may be used where they provide an economic advantage to the transaction over other variable rate structures.

9. Financial Derivative Products. RT will only consider the use of derivative products only in instances where it has been demonstrated that the derivative product will either provide a hedge that reduces risk of fluctuations in expense or revenue or, alternatively, where it will reduce the total project cost. Derivative products entail certain inherent risks to RT which must be carefully weighed against the desired financing objectives. At this time RT does not anticipate using any derivative products in any future financing plans and therefore has not addressed them in this Policy. If at some point in the future RT wishes to reconsider the use of derivative products in connection with future debt issuances in order to create a qualified hedge it will first draft and submit a separate policy to address the use of derivative products to the Board. Derivative products will only be utilized with prior approval from the Board.

D. Method of Bond Sale. RT's debt may be sold on either a competitive or negotiated basis or as a direct placement with a bank or other financial institution.

1. Competitive Sale. In a competitive sale, RT's debt will be offered for sale on a set date and time, and investment banks and other financial institutions ("Underwriters") will have an equal opportunity to purchase the debt. The award of the debt will be made to the bidder that offers the lowest true interest cost. Conditions under which a competitive sale would be preferred are as follows:

- a) Bond prices are stable and/or demand is strong
- b) Market timing and interest rate sensitivity are not critical to the pricing
- c) The bond type and structure are conventional
- d) The transaction size is manageable
- e) Proposed security and repayment source have strong credit rating
- f) Proposed security and repayment source are well known to investors

2. Negotiated Sale. In a negotiated sale, RT's debt will be offered to an Underwriter or syndicate of Underwriters that are pre-selected by RT to market its debt. Conditions under which a negotiated sale would be preferred are as follows:

EXHIBIT A

- a) Bond prices are volatile or demand is weak or supply of competing bonds is high
 - b) Market timing is important, such as for refundings
 - c) The credit involves the need for greater pre-marketing by the Underwriter
 - c) Coordination of multiple components of the financing is required
 - d) Variable rate bonds or notes are issued
 - e) Early structuring and market participation by Underwriters is desired
 - f) The orderly placement of RT's bonds will benefit future transactions under that program.
3. Direct Placement with Banks or Other Financial Institutions. In this structure, RT would place its bonds directly with a bank or other financial institution at a private sale. The bank or other financial institution would be selected through a competitive process. Direct placements typically involve lower transaction costs than competitive or negotiated sales. Conditions under which a direct placement would be preferred are as follows:
- a) The financing is relatively small and the higher transaction costs associated with a competitive or negotiated sale would result in a higher all-in borrowing cost.
 - b) The bonds are issued as variable rate bonds with terms that involve lesser risk to RT.

VII. Documentation of Transactions

The major aspects of each financing, including the decision processes, shall be fully documented. The documentation shall include at least:

- A. Threshold Decisions Memorandum. A memorandum addressing the selection of the financing team, type of financial instrument, structuring features, manner of sale, selection of vendors providing ancillary services, and selection of investment securities or products.
- B. Financial and Risk Analysis. An analysis, which may be included as part of the Threshold Decisions Memorandum, of basic financial structuring options considered for the transaction, including an assessment of risks, credit impacts, and impacts on future financing flexibility.
- C. Closing Transcript. At least two transcripts containing the full set of legal documents, certificates, and legal opinions associated with each financing. There shall be at least one physical set of signed original documents, and one set in electronic form.

- D. **Post-Pricing Book.** A post-pricing book containing information about the bond sale, a list of bids received (if a competitive sale was used), a list of comparable pricings at the time of sale, a final debt service schedule, Committee on Uniform Security Identification Procedures (CUSIP) numbers, and other relevant information pertaining to the transaction.

VIII. Investment of Bond Proceeds

Proceeds raised in a debt financing shall be invested in a manner that is consistent with RT’s investment policy, the applicable financing documents, and Federal and State law.

IX. Refinancing Outstanding Debt

RT shall have the responsibility to analyze outstanding bond issues for refunding opportunities that may be presented by underwriting and/or financial advisory firms. The District will consider the following issues when analyzing possible refunding opportunities:

- A. **Debt Service Savings.** The District has established a minimum net present value (NPV) debt service savings threshold goal of three percent (3%) of the refunded bond principal amount unless there are other compelling reasons for the refunding. The present value savings will be net of all costs related to the refunding.
- B. **Restructuring.** The District may restructure outstanding debt to meet unanticipated revenue expectations, mitigate irregular debt service payments, release reserve funds or amend restrictive bond covenants.
- C. **Term of Refunding Issues.** The District may refund bonds within the term of the originally issued debt. However, the District may consider maturity extension, when necessary to achieve a desired outcome, if such extension is legally permissible and potential credit impacts are adequately evaluated.
- D. **Escrow Structuring.** RT’s policy shall be to utilize State and Local Government Series Obligations (SLGS) as its escrow securities. It may utilize open-market securities only upon the advice and recommendation of RT’s financial advisor and bond counsel.
- E. **Arbitrage.** The District shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

X. Market Relationships

- A. **Rating Agencies and Investors.** Rating Agencies - Moody’s Investors Service, Standard & Poor’s, and Fitch - evaluate the credit of public and corporate transactions. The CFO or his/her appropriate designees, shall: 1) meet with the assigned Rating Agency analysts prior to each competitive or negotiated sale of RT’s bonds and 2) periodically update the Rating Agencies as to developments at RT.
- B. **RT Board of Directors Communication.** The GM and CFO shall inform the Board of feedback from the Rating Agencies and investors regarding RT’s financial strengths

and weaknesses.

- C. **Continuing Disclosure.** RT shall remain in compliance with each continuing disclosure undertaking entered into by RT under Securities and Exchange Commission (S.E.C.) Rule 15c2-12 (the “Rule”) by filing its annual financial statements, notices of material events under its Continuing Disclosure Agreements and other financial and operating data for the benefit of its bondholders within the period required by each continuing disclosure Undertaking entered into by RT under the Rule.

RT has designated the Chief Financial Officer as having primary responsibility for ensuring compliance with its Continuing Disclosure requirements.

- D. **Rebate Reporting.** The use of bond proceeds and their investments must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate annual rebates related to any bond issues, with rebate paid every five years. The CFO shall ensure that proceeds and investments are tracked in a manner that facilitates accurate, complete calculation, and timely rebates, if necessary.

XI. Financing Team Members

The implementation of RT debt financings shall involve the following financing team members where appropriate:

- A. **Financial Advisor.** RT’s financial advisor shall work with the CFO in developing the most appropriate approach to a particular debt financing transaction, including the type of financing transaction, structural features, manner of sale, and other relevant matters. In a competitive sale, the financial advisor shall work with RT and RT’s bond counsel to develop an appropriate set of documents, coordinating rating District presentations, managing the sale process, and overseeing the closing. In a negotiated transaction, the financial advisor shall also assist the CFO in the selection of underwriters. In a direct bank placement, the financial advisor shall assist the CFO in the selection of the purchaser. The financial advisor shall be selected by the Board through a Request for Proposal process.
- B. **Bond Counsel.** Bond counsel provides the legal opinion delivered with the bonds confirming, among other things, that the bonds are valid and binding obligations of the issuer. RT’s bond counsel shall work with the CFO, RT Chief Counsel, and RT’s financial advisor in providing legal advice on proposed financing structures, drafting the relevant legal documentation, providing the necessary legal opinions, and preparing the closing documentation. Bond counsel shall be selected by the Board through a Request for Proposal process.
- C. **Disclosure Counsel.** Disclosure counsel coordinates the preparation of the Official Statement. Disclosure counsel shall be a firm with extensive experience in public finance and may also serve as Bond counsel. Disclosure counsel shall be selected by the Board through a Request for Proposal process.

- D. **Trustee.** A nationally recognized trust company, with assets of at least \$100,000,000 shall serve as trustee on RT’s bond issues. If desired by the CFO, the trustee may also serve as RT’s dissemination agent for purposes of complying with applicable continuing disclosure requirements. If not appointed under an existing trust indenture, the trustee shall be selected by a Request for Proposal process.
- E. **Underwriters.** If RT sells its debt securities at competitive sale, the underwriter shall be that firm or syndicate of firms that provides RT with the lowest true interest cost in accordance with the terms and conditions in the notice of sale. If RT sells its debt securities in a negotiated sale, the underwriter or underwriters shall be selected on the basis of a Request for Proposal process.
- F. **Disclosure by Financing Team Members.** RT expects that all financing team members shall at all times provide RT with objective advice and analysis, maintain the confidentiality of RT financial plans, and be free from any conflicts of interest. All financing team members shall be required to provide full and complete disclosure, under penalty of perjury, relative to any agreements with other financing team members and outside parties that could compromise any firm’s ability to provide independent advice that is solely in the best interests of RT or that could be perceived as a conflict of interest. The extent of disclosure may vary depending on the nature of the transaction.

XII. Post-Issuance Tax Compliance Procedures

The purpose of the following post-issuance tax compliance procedures is to establish policies and procedures in connection with tax-exempt bonds and direct pay subsidy bonds (e.g. “Build America Bonds” or similar programs) (“Bonds”) issued by or on behalf of RT so as to ensure that the District complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt or direct pay subsidy status of the Bonds.

A. External Advisors / Documentation

The CFO and other appropriate RT personnel shall consult with Bond Counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in an RT resolution(s), Tax Certificate(s) and/or other documents finalized at or before issuance of the Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

The CFO and other appropriate RT personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the

use of Bond-financed assets and future contracts with respect to the use of output or throughput of Bond-financed assets.

Whenever necessary or appropriate, RT shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds.

B. Role of RT as Bond Issuer

Unless otherwise provided by RT resolutions, unexpended Bond proceeds shall be held by the District, and the investment of Bond proceeds shall be managed by the CFO in accordance with the adopted investment policy of the District. The CFO shall maintain records and shall prepare regular, periodic statements to the Board regarding the investments and transactions involving Bond proceeds.

If an RT resolution provides for Bond proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Bond proceeds.

C. Arbitrage Rebate and Yield

Unless a Tax Certificate documents that Bond Counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- The District shall engage the services of a Rebate Service Provider, and RT or the Bond trustee shall deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider on a prompt basis;
- Upon request, the CFO and other appropriate RT personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- The CFO and other appropriate RT personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- During the construction period of each capital project financed in whole or in part by Bonds, the CFO and other appropriate RT personnel shall monitor the investment and expenditure of Bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.
- The District shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements”.

D. Use of Bond Proceeds. The CFO and other appropriate RT personnel shall:

- Monitor the use of Bond proceeds, the use of Bond-financed assets (e.g., facilities, furnishings or equipment) and the use of output or throughput of Bond-financed assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable RT resolutions and Tax Certificates;
- Maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- Consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable RT resolutions and Tax Certificates;
- Maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable RT resolutions and Tax Certificates; and
- Meet at least annually with personnel responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets or output or throughput of Bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable RT resolutions and Tax Certificates.

E. Record Keeping Requirements. Unless otherwise specified in applicable RT resolutions or Tax Certificates, the District shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least three years:

- A copy of the Bond closing transcript(s) and other relevant documentation delivered to the RT at or in connection with closing of the issue of Bonds;
- A copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;
- A copy of all contracts and arrangements involving private use of Bond-financed assets or for the private use of output or throughput of Bond-financed assets; and
- Copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.



Sacramento Regional Transit District

Summary of Series 2012 Bonds Refunding Opportunity

March 17, 2020

PFM Financial
Advisors LLC

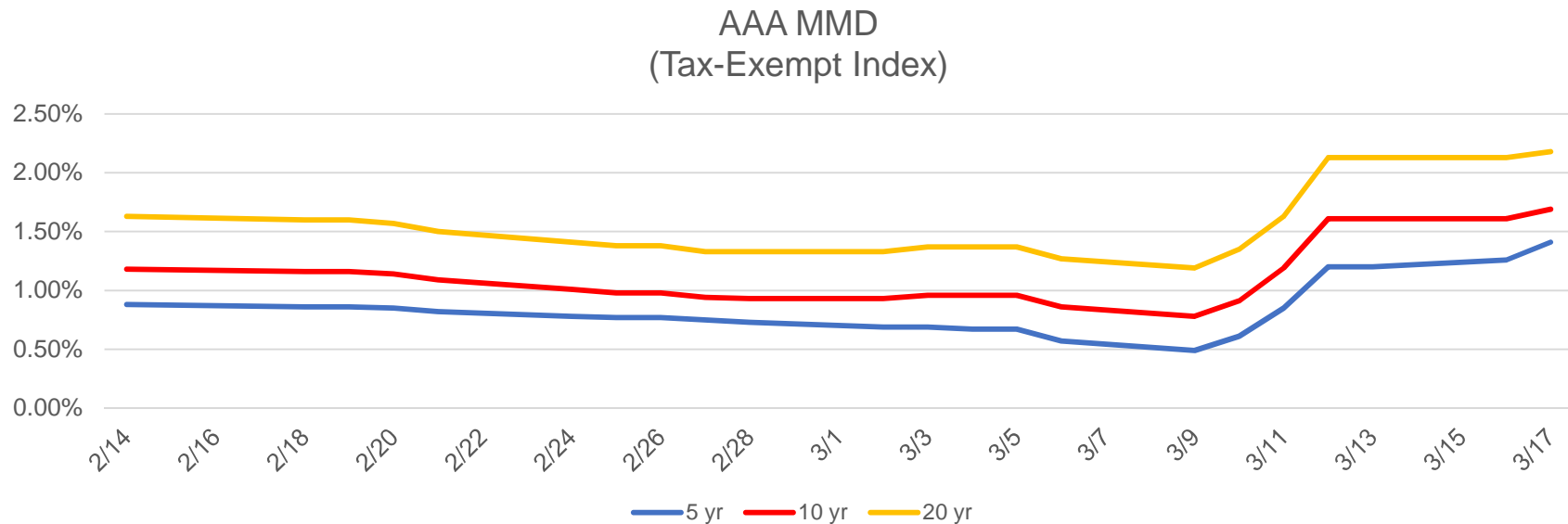
601 S. Figueroa
Suite 4500
Los Angeles, CA
90041

213.489.4075
pfm.com



Market Update (As of March 17, 2020)

- Current market conditions are extremely volatile as a result of concerns regarding COVID-19 as well as oil price tensions between Saudi Arabia and Russia
- The municipal tax-exempt market decoupled from the broader Treasury market on Wednesday, March 11th. Over the course of last week, AAA MMD experienced tremendous intraday volatility, increasing by as much as 50 bps on Thursday, March 12th
- As a result of this volatility, rising interest rates and an overall decline in investor demand, many bond sales have been voluntarily pulled from the market and are on day-to-day status, awaiting a return to more favorable conditions
 - Transactions which did price during this time did so at higher credit spreads



Source: Thomson Reuters



Overview of the Outstanding Farebox Revenue Bonds, Series 2012

- In November 2012, SacRT issued \$86,865,000 of Farebox Revenue Bonds, Series 2012 (“Series 2012 Bonds”)
- On February 14, 2017, SacRT used cash and other funds to defease a portion of the Series 2012 Bonds
 - Lowered overall future debt service payments
 - Eliminated debt service payments through June 30, 2019 allowing SacRT to increase reserve contributions
- Currently, \$45,825,000 of the Series 2012 Bonds are outstanding and callable at par beginning September 1, 2020
 - Depending on market conditions at pricing, RT could have the ability to refinance these bonds on a tax-exempt basis as soon as June 2020

Issuer Series Par Amount Call Date Due Date	Sacramento Regional Transit Series 2012 Farebox Revenue Bonds \$86,865,000 9/1/2020 @ 100.0 March 1			
	Par	Coupon	Par	Coupon
2021	\$1,210,000	5.00%		
2022	\$1,270,000	5.00%		
2023	\$1,330,000	5.00%		
2024	\$1,400,000	5.00%		
2025	\$1,465,000	5.00%		
2026	\$1,540,000	5.00%		
2027	\$1,620,000	5.00%		
2028	\$1,700,000	5.00%		
2029	\$1,785,000	5.00%		
2030	\$1,875,000	5.00%		
2031	\$1,970,000	5.00%		
2032	\$2,065,000	4.00%		
2033	\$995,000 *		\$1,150,000 *	
2034	\$1,095,000 *		\$1,150,000 *	
2035	\$1,190,000 *		\$1,150,000 *	
2036	\$1,300,000 T	5.00%	\$1,150,000 T	4.00%
2037	\$2,560,000 *			
2038	\$2,690,000 *			
2039	\$2,820,000 *			
2040	\$2,960,000 *			
2041	\$3,115,000 *			
2042	\$3,270,000 T	5.00%		

T = Term Bond Final Maturity
 * = Sinking Fund Redemption

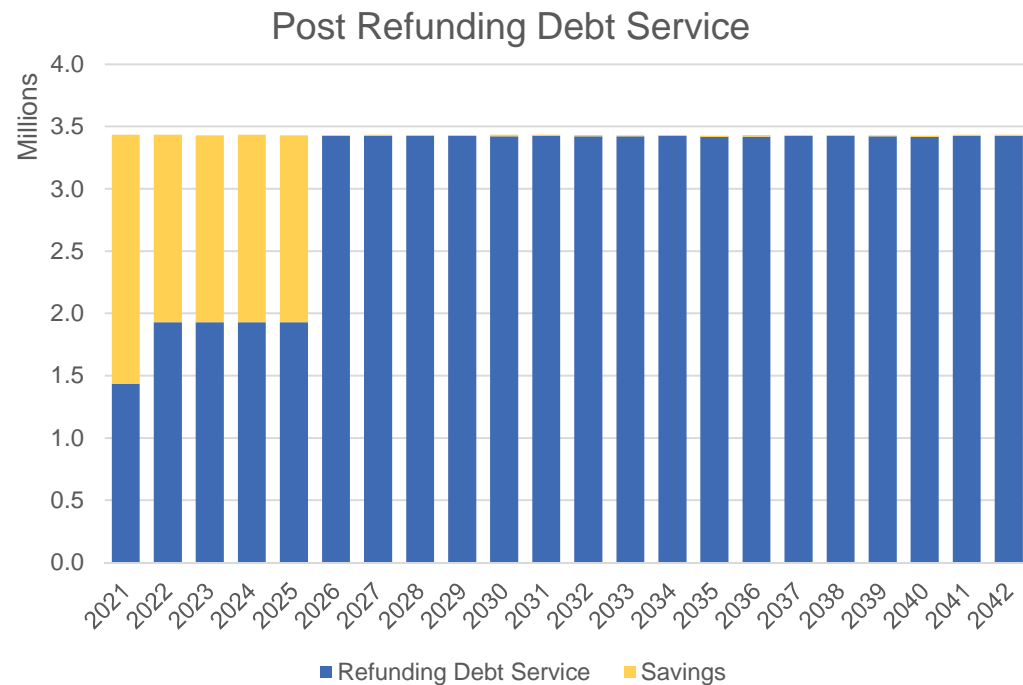


Current Refunding of the 2012 Farebox Revenue Bonds

- While at present the municipal market is severely dislocated with very little new issuance being sold, for illustrative purposes, based on today's interest rate levels and *assuming the market returned to "normal" operating conditions*, a current refunding of the Series 2012 Bonds would produce PV Savings of \$6.7 million, or 14.75% of refunded par
 - Actual savings would be dependent on market conditions and interest rates at time of pricing
- Under these assumptions, in connection with this refunding, RT would have the ability to realize it's savings on an accelerated basis or as equal amounts over time – the below graphic illustrates savings on an accelerated basis

Sources	
Par Amount	\$38,590,000
Premium	\$7,879,577
2012 Bonds DSRF Release	\$3,434,850
2012 Bonds DSA Transfer	\$858,650
Total	\$50,763,077

Uses	
Escrow Deposit	\$46,859,885
Debt Service Reserve Fund	\$3,426,500
Cost of Issuance	\$339,500
Underwriter's Discount	\$135,065
Additional Proceeds	\$2,127
Total	\$50,763,077



Assumptions: Dated Date 6/3/2020, First Interest Payment 9/1/2020, Call Date 3/1/2030, UD at \$3.50/bond and COI of \$339,500, Debt Service Account Transfer of 3/6 interest and 3/12 principal of prior bonds included as additional source, DSRF Release of \$3.4M invested at 1% to final maturity, Yields as of 03/17/2020 at assumed functioning market spreads, 5% coupons and are for illustrative purposes only. Actual results may vary and would be dependent on market conditions and interest rate at time of pricing.



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STAFF REPORT

DATE: March 23, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Henry Li, General Manager/CEO
SUBJ: GENERAL MANAGER'S REPORT

RECOMMENDATION

No Recommendation — For Information Only.

SacRT Meeting Calendar

Regional Transit Board Meeting

April 13, 2020
SacRT Auditorium
5:30 P.M

Quarterly Retirement Board Meeting

April 22, 2020
SacRT Auditorium
9:00 A.M.

Mobility Advisory Council Meeting

April 2, 2020
SacRT Auditorium
2:30 P.M