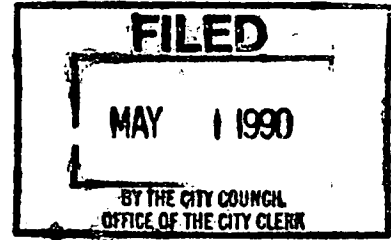


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May 1, 1990



CITY OF SACRAMENTO  
COUNTY OF SACRAMENTO  
SACRAMENTO REGIONAL TRANSIT DISTRICT

City Council, City of Sacramento  
Board of Supervisors, County of Sacramento  
Board of Directors, Sacramento Regional Transit District

SUBJECT: PROGRESS REPORT ON INTERAGENCY STUDY OF FUNDING MECHANISMS  
FOR REGIONAL TRANSIT MAINTENANCE AND OPERATIONS

Members in Session:

RECOMMENDATION:

It is recommended that this report be received and filed.

DISCUSSION:

On June 25, 1989, the Board of Directors of the Sacramento Regional Transit District adopted Resolution No. 89-1091 which included among other things that the County Executive meet with the Regional Transit General Manager to consider the concept of conducting an interagency study of potential transit operating funding mechanisms as a complement to the adopted Transit Development Fee Program. The County Executive and the Regional Transit General Manager met and determined that there may be funding mechanisms available to provide operating funds for Regional Transit provided that such mechanisms be considered on a service areawide basis and that the City of Sacramento be invited to participate in the interagency study of such mechanisms. On September 20, 1989, the Board of Supervisors adopted Resolution No. 89-1521 requesting that the City Council approve an interagency study regarding potential service areawide funding mechanisms for Regional Transit operations and to designate City participation in such a study. On January 16, 1990, the City Council adopted Resolution No. 90-058 which approved the concept of an interagency study for the above purposes and authorized the City Manager to appoint City staff to the study.

Page 2

May 1, 1990

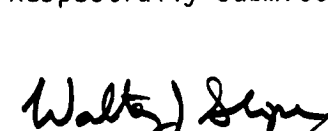
Progress Report on Inter-agency Study of Funding Mechanisms  
for Regional Transit Maintenance and Operations


An interagency task force has been formed consisting of representatives from the County Executive's office, County Public Works, City Manager's office, City Public Works, and Regional Transit. Based upon preliminary discussions among members of the task force, the next step with respect to the interagency study is for Regional Transit to identify its operating and maintenance financing needs over the next five years beginning with Fiscal Year 1991-92, i.e. the first year that a service areawide funding mechanism could be implemented. Details regarding maintenance and operations financing needs are contained in the attached letter which summarizes the most recent interagency task force meeting on this subject.


Once Regional Transit operating and maintenance financing needs have been identified, various alternatives will be analyzed by the task force including but not limited to current taxing authority, possible legislative initiatives, broad-based financing strategies such as County Service Areas, availability of additional funds from statewide sources for capital purposes, etc. Upon completion of the analysis of various financing alternatives, a financing strategy will be adopted by Regional Transit which may include the selection of a financing mechanism for operations and maintenance for implementation as early as Fiscal Year 1991-92.

This represents the first of the periodic progress reports to be made to the governing bodies participating in the interagency study. The next progress report should be available July, 1990. Therefore, it is recommended that this report be received and filed as our initial progress report on the interagency study of potential funding mechanisms for Regional Transit operations and maintenance.

Respectfully submitted,

  
Walter J. Slipe  
City Manager

  
Brian H. Richter  
County Executive

  
Thomas G. Matoff  
Regional Transit General Manager

WHH:svb

Attachments

May 1, 1990  
All Districts

ProgressReport svb

Contact Person

Robert L. Lee, Deputy Director of Public Works  
City of Sacramento, 449-5283



# COUNTY OF SACRAMENTO

## DEPARTMENT OF PUBLIC WORKS

COUNTY ADMINISTRATION BUILDING • ROOM 304 • 827 SEVENTH STREET  
SACRAMENTO, CALIFORNIA 95814 TELEPHONE: (916) 440-6581  
FAX (916) 447-8121

April 3, 1990

Mr. Thomas G. Matoff, General Manager  
Sacramento Regional Transit District  
Post Office Box 2110  
Sacramento, CA 95812

Dear Tom:

This is to summarize our recent interagency task force meeting of March 28, 1990 regarding the study of potential Regional Transit operations and maintenance funding mechanism. The meeting was productive and, hopefully, Regional Transit's assessment of its operations and maintenance financing needs coupled with our experience in implementing various financing mechanisms such as benefit assessments, user fees, and special assessments will result in the adoption of an effective financing strategy for Regional Transit purposes.

The next step with respect to the study is the identification of operations and maintenance financing needs over the next five years by Regional Transit assuming implementation of a financing mechanism for placement of charges on property tax bills beginning in Fiscal Year 1991-92. The following information should be provided by Regional Transit no later than June, 1990 in order to meet the above implementation date:

1. An operations and maintenance shortfall or deficit needs to be identified for the next five years beginning with Fiscal Year 1991-92 based upon anticipated levels of service and offset by revenues used for that purpose; i. e. operations and maintenance expenses with funding provided through TDA, fare box, Measure "A", etc. This shortfall or deficit amount becomes the amount to be raised by a new financing mechanism.
2. The shifting of funding sources currently used for operations and maintenance to capital purposes may be included in determining the amount of funds to be raised from other sources; e.g. using Measure "A" funds exclusively for capital purposes and using funds from a separate financing mechanism for operations and maintenance. Such shifts of funding sources should be explained and justified.

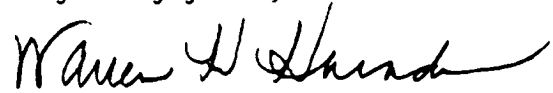
Page 2  
April 3, 1990  
Mr. Thomas G. Matoff

3. There will be a number of policy considerations regarding the above information including service level threshold decisions, decisions regarding uses of funds which may have been previously restricted, and the availability of additional funds from statewide sources for capital purposes. These considerations might preface the identification of operations and maintenance needs.

The format of the above information may be adapted from Regional Transit's five-year plan which reflects financing for not only capital but also operating purposes. I have enclosed a rough schedule to implement an operations and maintenance financing mechanism for placement of charges on property tax bills in Fiscal Year 1991-92. Once needs have been identified, analysis of various alternatives including the feasibility and acceptance of various financing strategies as well as changes in strategy may be pursued. If a financing mechanism is selected along the lines of a County Service Area as contemplated by the enclosed schedule, the extensive analysis including service areas/zones, benefits and so forth may be conducted over the next several months.

The above information should be provided by June, 1990. I am available to assist you between now and then regarding the format and development of the requested information. If you have any questions regarding this, please let me know.

Very truly yours,



Warren H. Harada  
Deputy Director for Administration

WHH:svb

Enclosure

cc: Brian H. Richter  
Walter Slipe  
Douglas M. Fraleigh  
Mel Johnson  
Bob Lee  
David Melko  
Darcy Coles

**IMPLEMENTATION OF**  
**REGIONAL TRANSIT OPERATIONS & MAINTENANCE**  
**FINANCING MECHANISM**  
**PROPOSED SCHEDULE**

<u>EVENT</u>	<u>RESPONSIBILITY</u>	<u>ESTIMATED COMPLETION DATE</u>
1. Identification of Maintenance and Operations Financing Needs	Regional Transit	June, 1990
2. Analysis of Alternatives	All	July, 1990
3. Request City to Initiate a County Service Area	Regional Transit	July 23, 1990
4. Request County to Conduct Proceedings and Consent to Include City in County Service Area	City	August 7, 1990
5. File Application with Local Agency Formation Commission	County	August 14, 1990
6. Approve Application	Local Agency Formation Commission	November 7, 1990
7. Resolution of Intention and Notice of Hearing	County	November 20, 1990
8. Resolution of Formation	County	December 18, 1990
9. Filing with State Board of Equalization	Local Agency Formation Commission	December 31, 1990
10. Presentation of Engineer's Report & Notice of Hearing	Regional Transit County	May, 1991
11. Adopt Service Charges for Fiscal Year 1991-92	County	July, 1991

RT-O&MSchedule svb