



SacRT Board Retreat

Monday, April 23, 2018

Journey to Excellence

SacRT has made a solid, rapid and comprehensive transformation



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Section I: Historic Two Years in Review

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I. Customers First/Clean, Safe & Convenient



Customers First/Clean, Safe & Convenient

- 1.1 Successful Golden 1 Center service implementation - 10% of event attendees take SacRT.
- 1.2 Extended customer service and sales center hours for special events and increased train frequency during events.
- 1.3 Created a comprehensive service disruption plan to minimize customer inconveniences.
- 1.4 Instituted a 24-hour customer response policy and addressed most customer concerns within two hours.

Customers First/Clean, Safe & Convenient

- 1.5** Developed and implemented an aggressive station and vehicle cleaning policy, cleaning 52 stations, 228 buses, and 97 light rails cars, seven days a week. Increased cleaning staff by 120 percent.
- 1.6** Implemented a free 90-minute transfer to all riders who use electronic fare media.
- 1.7** Worked with community and stakeholders to re-imagine the Watt/I-80 light rail station and transit center to foster a sense of community.
- 1.8** Improved the student fare policy to make purchasing and using student monthly passes more convenient.

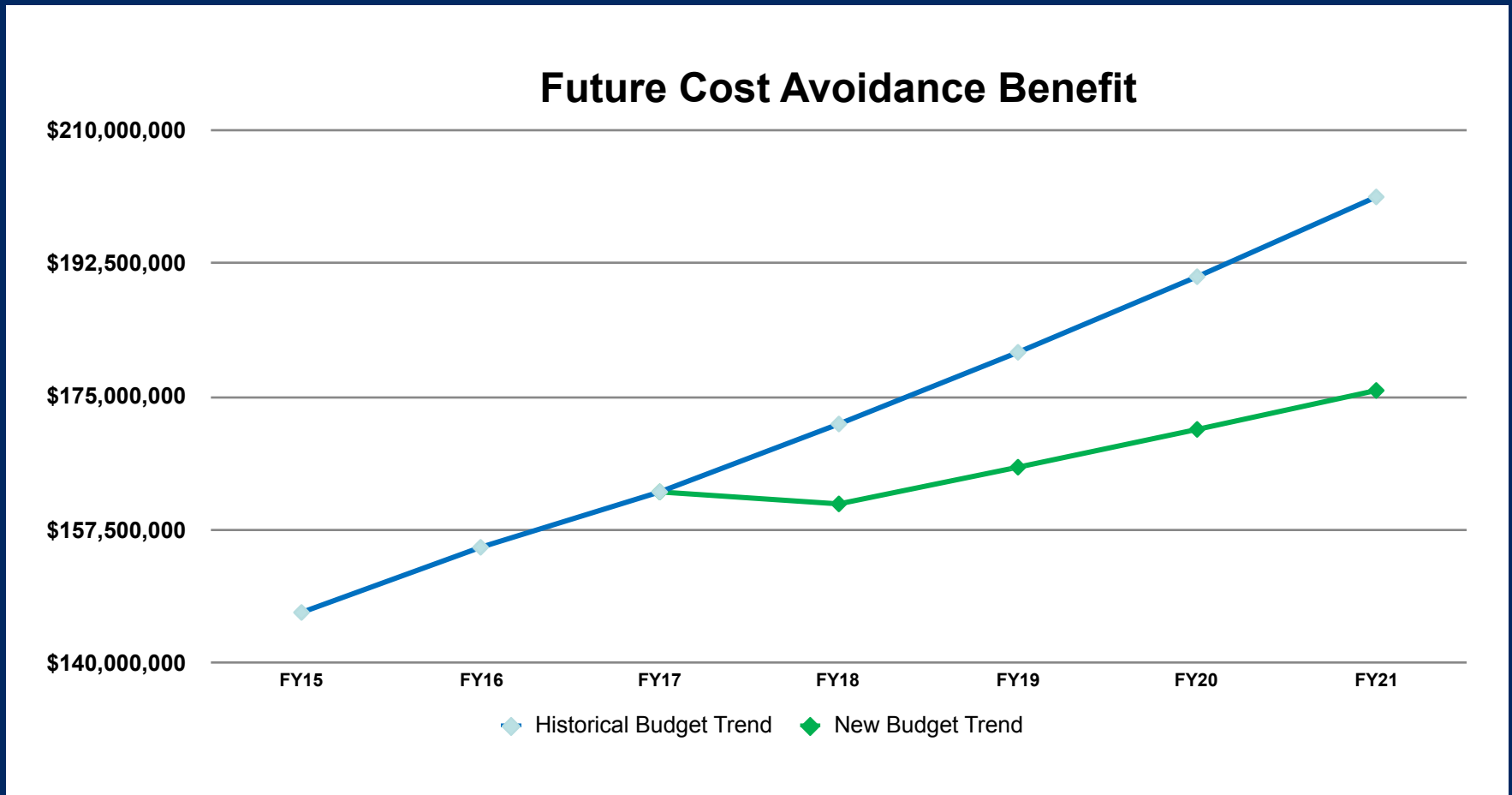
Customers First/Clean, Safe & Convenient



Customers First/Clean, Safe & Convenient

- 1.9** Designated Paid Fare Zones within all 52 light rail stations to allow fare inspection on station platforms to improve safety, security and fare collection.
- 1.10** Developed, integrated and expanded our safety and security workforce from 50 to over 100 team members.
- 1.11** Hired new Transit Agents to prevent fare evasion, and to provide additional customer service and security. The effort resulted in fare evasion rates dropping from 20% to 5%.
- 1.12** Installed over 800 live feed security cameras on our light rail vehicles, stations, buildings, and parking lots; remote communications using a public address system; and lighting improvements at our light rail stations

2. Financial Stability



\$70 million cost avoidance/savings in five years.

Financial Stability

- 2.1** Saved \$1.75 million through a combination of staff restructuring and a reduction in administrative staff salary increases.
- 2.2** Successfully implemented a fare increase with few complaints that generated \$2 million additional fare revenue.
- 2.3** First reduction in debt service and upgraded bond rating from “negative watch” to “stable.”
- 2.4** Submitted a FY18 budget that is less than the FY17.

Financial Stability

- 2.5** Renegotiated contracts with service providers that resulted in \$3.5 million savings.
- 2.6** Implemented TODs for the first time in 30 years. Potential \$20 million in revenue and over 1,000 housing units resulting in millions of new transit trips.
- 2.7** Realized budget savings over \$2 million each in the last two years.

3. Business Optimization/ Performance & Accountability



Business Optimization/ Performance & Accountability

- 3.1** Developed a top-notch leadership team.
- 3.2** Executed a sweeping business transformation.
- 3.3** Developed a comprehensive performance management program.
- 3.4** Continuing to pursue fair and equitable union contracts: 1) Have negotiated fair and responsible wage structure in recently extended contracts; 2) Will soon implement a revised and robust Operator attendance program; 3) Have successfully introduced and implemented defined contribution retirement alternatives to the traditional defined benefit pension plans.

Business Optimization/ Performance & Accountability

- 3.5** Ongoing process improvements to the Procurement system.
- 3.6** Accelerated hiring process.
- 3.7** Expanded bus service for the first time since 2015 to reach Delta Shores.
- 3.8** Focused on building leadership capability and talent bench-strength and established the framework for how employees choose and act, producing enduring performance results.

Business Optimization/ Performance & Accountability

- 3.9** Developed a bold vision, which was used as an accelerant to inspire all stakeholders internally and externally to continue to change the culture, eliminate silos, align staff to common goals, increase collaboration, and build a bridge from actions to results.
- 3.10** Successfully settled over a dozen internal lawsuits looming for the last six years, with the least cost impact and with morale boost.
- 3.11** Timely added over 50 front line customer service positions and smoothly reduced over a dozen management and administrative positions to streamline business process and maximize efficiency without any legal challenges.



4. Communications & Partnerships

Communications & Partnerships

- 4.1 Worked diligently with the news media to tell our story, to provide transparency.
- 4.2 Implemented train wrap programs (ad sales, SacRT branding and rolling art) to improve the look of aging light rail trains.
- 4.3 Partnered with local Property and Business Improvement Districts for station cleaning.
- 4.4 Built great partnerships with NGOs, civic organizations, and other stakeholders who used to be very critical of SacRT into our strong supporters.
- 4.5 Partnered with the Sacramento Metro Chamber on the first “Transit Means Business” event that successfully raised awareness of the nexus between public transit and economic vitality.

Communications & Partnerships

- 4.6** Executed historic public private partnerships focused on station improvements and cleaning (29th Street and 16th Street).
- 4.7** Partnered with cities and communities to improve transit service.
- 4.8** Effectively worked with funding agencies such as FTA and Caltrans to generate substantial grant funding.
- 4.9** Cultivated a highly trustworthy CEO and Board partnership with timely two-way communication, effective collaboration, respect and the highest level of integrity.



Sampling of Partnerships

Sampling – SacRT Partners – Organizations

- **350 Sacramento**
- **50 Corridor TMA & Point West TMA**
- **Alliance Chambers**
- **Caltrans**
- **Del Paso Boulevard Partnership**
- **Downtown Sacramento Partnership**
- **Environmental Council of Sacramento (ECOS)**
- **Eye on Sacramento**
- **Florin Road Partnership**
- **Federal Transit Administration**
- **Greater Broadway Partnership**
- **Greater Folsom Partnership**
- **Los Rios Community College District**
- **Mack Road Partnership**
- **Midtown Association**
- **North Franklin District Business Association**
- **North Natomas TMA**
- **Organize Sacramento**

Sampling – SacRT Partners – Organizations

(continued)

- Power Inn Alliance
- River District
- Ridership for the Masses
- Sacramento Area Bicycling Advocates
- Sacramento Area Council of Governments
- Sacramento Housing and Redevelopment Agency
- Sacramento Metro Chamber
- Sacramento Metropolitan Air Quality Management District
- Sacramento Regional Transit Mobility Advisory Council
- Sacramento State
- Sacramento TMA
- Sacramento Transit Advocates and Riders (STAR)
- SacTRU
- South Natomas TMA
- Stockton Boulevard Partnership
- Valley Vision
- WALK Sacramento

Sampling – SacRT Partners – Individuals

- **Congresswoman Doris Matsui**
- **Mayor Darrell Steinberg (Sacramento)**
- **Supervisor Sue Frost (Sacramento)**
- **Supervisor Susan Peters (Sacramento)**
- **Norm Hom**
- **Councilmember Eric Guerra (Sacramento)**
- **Councilmember Albert Fox (Citrus Heights)**
- **Councilmember Kerri Howell (Folsom)**
- **Councilmember Darren Suen (Elk Grove)**
- **Alberto Ayala**
- **Tony Lucas**
- **Will Kempton**
- **Mike Barnbaum**
- **Pam Flohr**
- **Becky Heieck**
- **Craig Powell**
- **Rebecca Garrison**
- **Seann Rooney**
- **David Taylor**
- **Michael Ault**
- **Emily Baime Michaels**
- **Pat Fong Kushida**
- **Azizza Davis Goines**
- **Cathy Rodriguez**
- **Tina Thomas**
- **Warren Smith**
- **Russell Rawlings**
- **Tamie Dramer**
- **Barbara Stanton**
- **Glenda Marsh**
- **JoAnn Fuller**
- **Nancy Kitz**
- **Steven Bourasa**

5. Innovations & Best Practices



Innovations & Best Practices

- 5.1** Successfully launched Connect Card, the region's smart card fare payment system.
- 5.2** Launched Station Link program in partnership with Uber, Lyft and Yellow Cab to address first-mile/last-mile solutions.
- 5.3** Successfully launched the Alert SacRT mobile app that enables customers to send pictures, text messages and six-second videos to police.
- 5.4** Successfully launched new ZipPass mobile fare app.
- 5.5** Implemented a new public address (P.A.) system.

Innovations & Best Practices

- 5.6** Among the first few transit agencies in the nation to implement microtransit.
- 5.7** Launched a new SacRT website that's easier for customers to navigate, offers information in any language via Google Translate, and is smartphone responsive.
- 5.8** Developed future transportation framework, including shared mobility, electric buses, and autonomous vehicles.
- 5.9** Developed an innovative and sustainable new funding source for future mobility service for a 30,000 unit new residential housing development with a national renowned firm.

12 Strategic Initiatives & Performance Measurements in FY 18

1. Operator Attendance Control: **Complete**
2. Route Optimization Study - Phase 1: **On-Time**
3. Paratransit Business Model: **Exceed**
4. IT Modernization - Phase 1: **Exceed**
5. Security Program - Phase 1: **Exceed**
6. Safety Program - Phase 1: **Exceed**

12 Strategic Initiatives & Performance Measurements in FY 18

7. Strategic Communications: **Exceed**
8. Employee & Labor Relations: **Complete**
9. Organizational Excellence & Culture Change: **Exceed**
10. Campus Master Plan: **In Progress**
11. Transit Oriented Development & Joint Development: **Exceed**
12. Sustainability & Business Process Optimization: **Well on the Way**

Section II: Peer Comparison

A. California Peer Group

1. Los Angeles County Metropolitan Transportation Authority (LACMTA)
2. Santa Clara Valley Transportation Authority (VTA)
3. San Francisco Municipal Railway (MUNI)
4. San Diego Metropolitan Transit System (MTS)

B. State Capital Peer Group Comparison

1. Massachusetts Bay Transportation Authority (MBTA)
2. Denver Regional Transportation District (RTD)
3. Utah Transit Authority (UTA)
4. MetroTransit, Minneapolis (METRO)

Key Performance Indicators

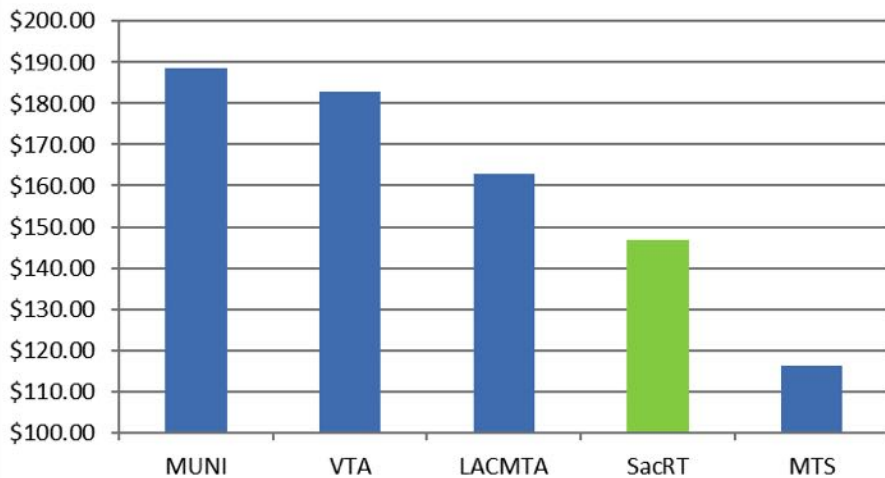
1. Cost per Hour
2. Farebox Recovery
3. Cost per Mile
4. Miles per Hour
5. Miles Between Breakdowns
6. On-Time Performance

AI. Cost per Hour FY 17 (CA)

We manage unit costs well below most California peers for both bus and light rail.

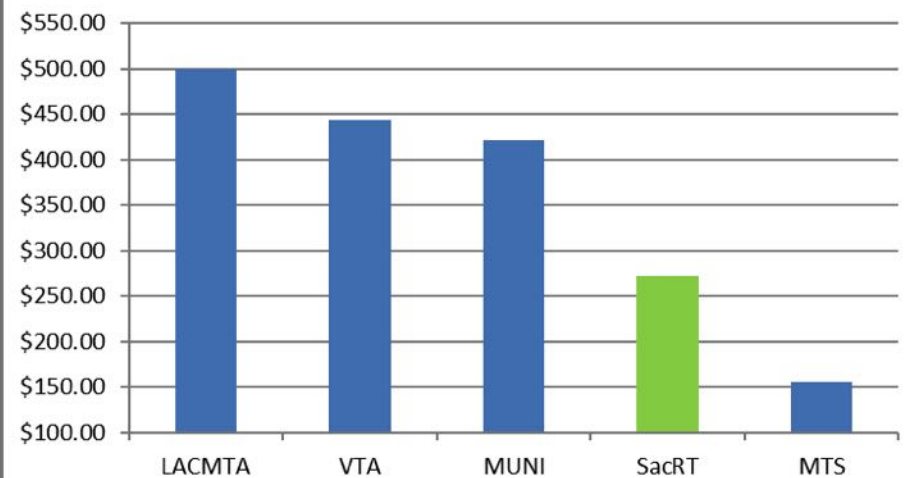
Bus

Cost per Hour - Bus



Light Rail

Cost per Hour - Light Rail

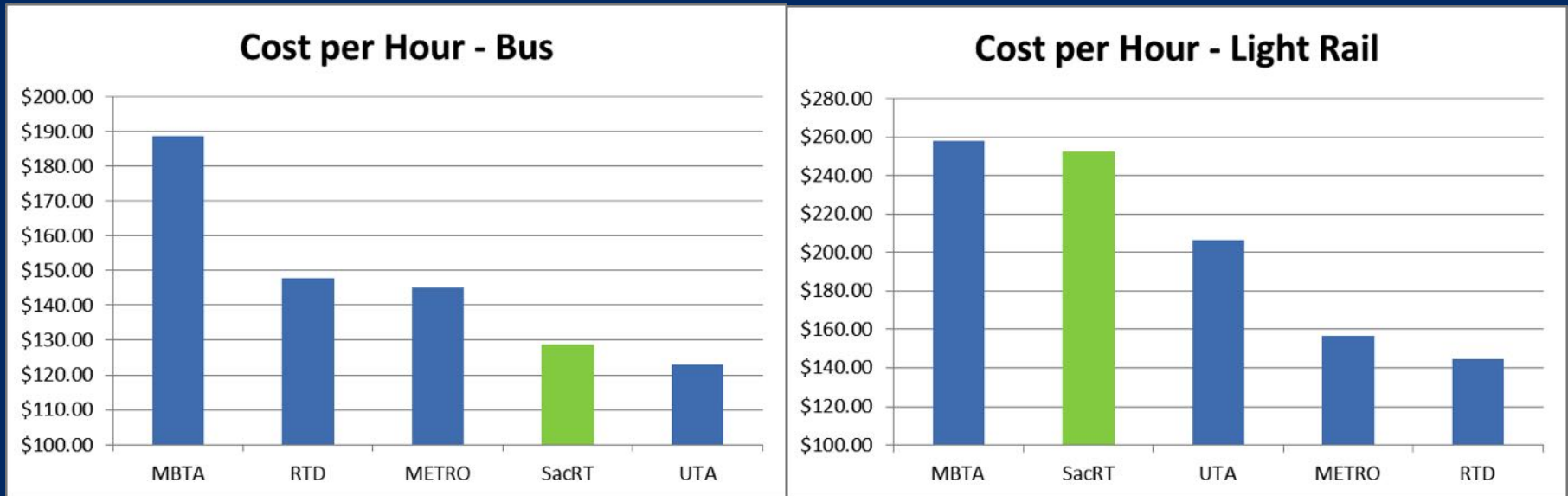


BI. Cost per Hour FY 17 (Nation)

Our cost efficiency remains intact compared to national peers, in spite of a higher California cost of living.

Bus

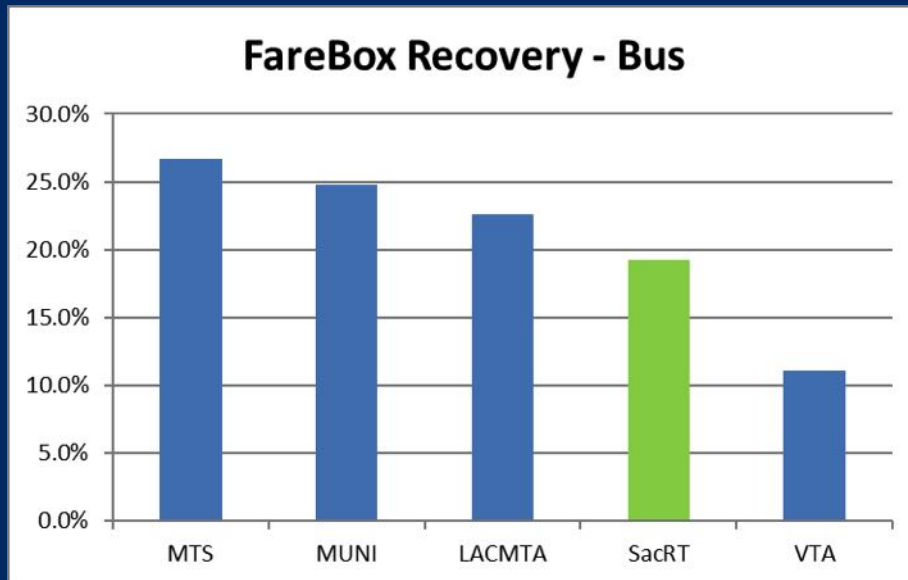
Light Rail



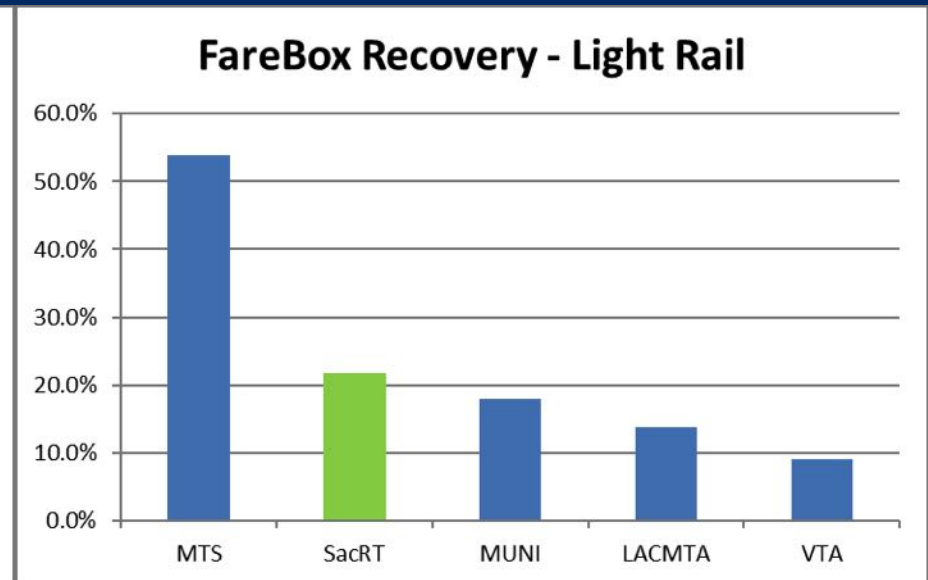
A2. Farebox Recovery FY 17 (CA)

Our customers pay for about 20% of the operating cost of their service, comparable to California peers.

Bus



Light Rail

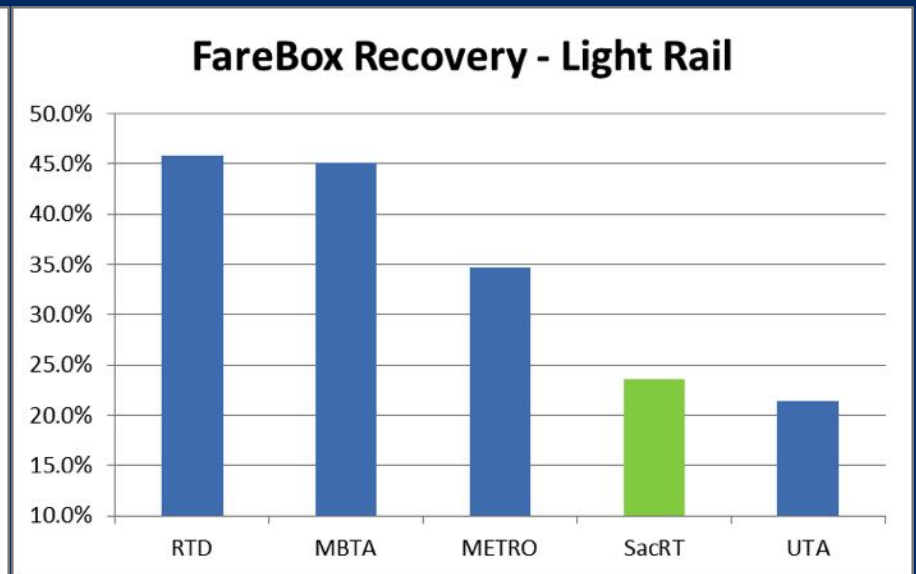
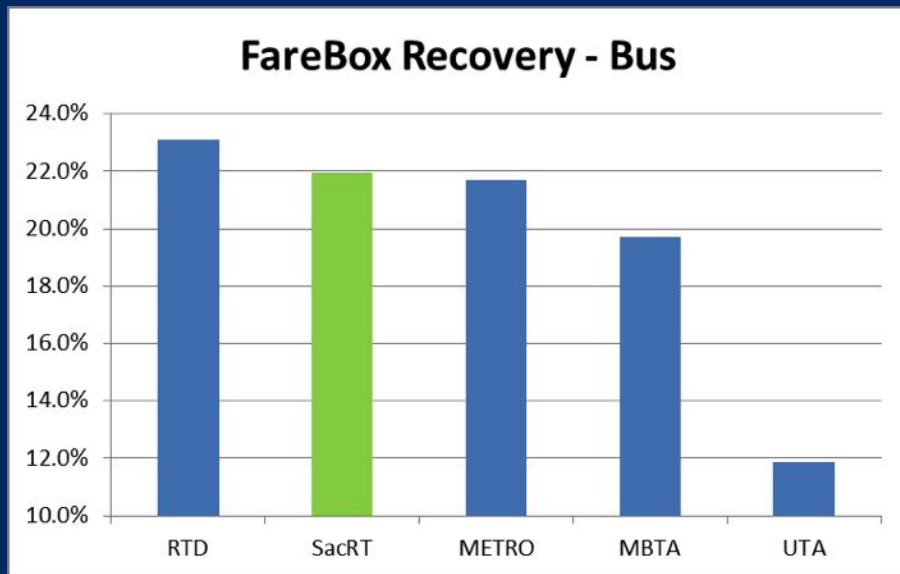


B2. Farebox Recovery FY17 (Nation)

Our bus and light rail positions flip when compared to national peers, still performing well within the norm.

Bus

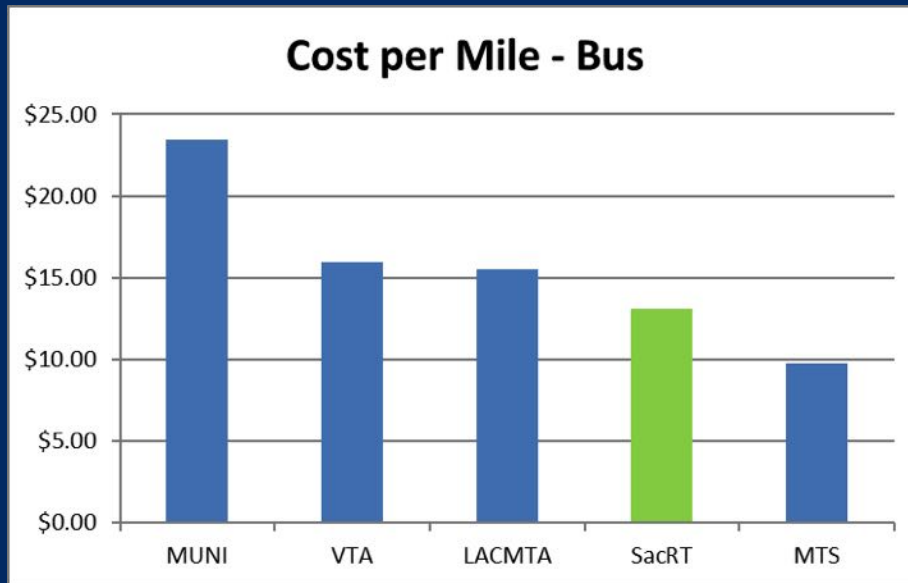
Light Rail



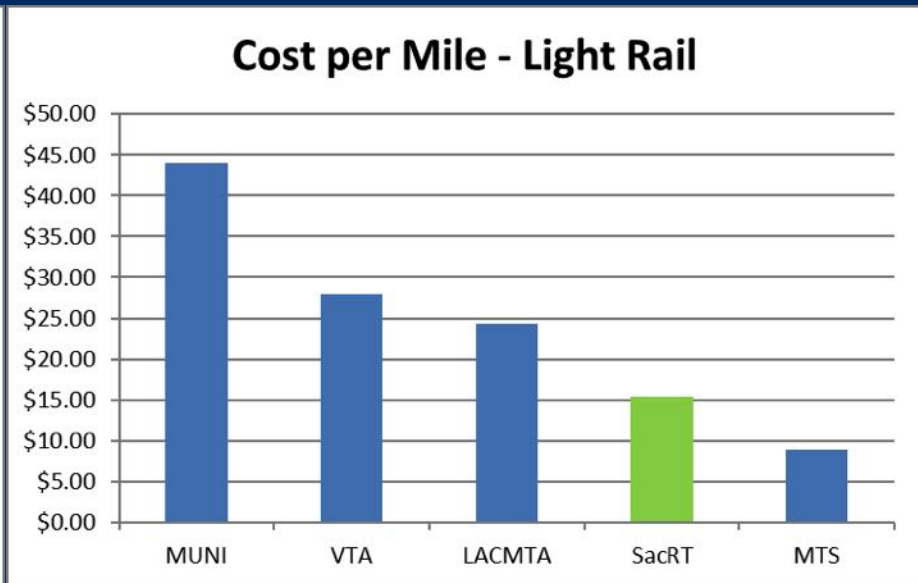
A3. Cost per Mile FY 17 (CA)

We deliver each mile of service at a cost below most California peers.

Bus



Light Rail

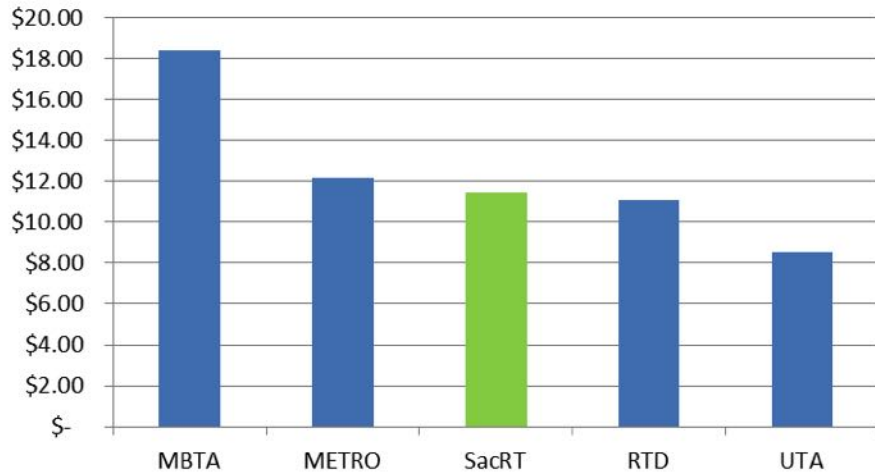


B3. Cost per Mile FY 17 (Nation)

Compared to national peers we are about average, but note that the cost of living in California is higher.

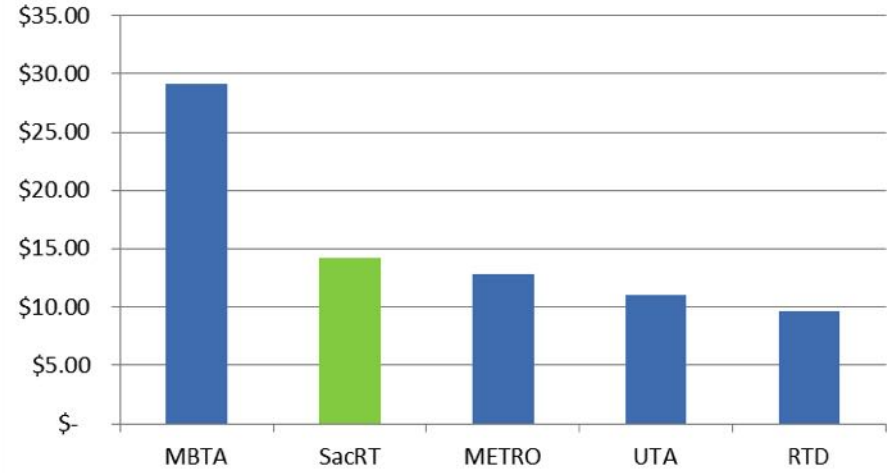
Bus

Cost per Mile - Bus



Light Rail

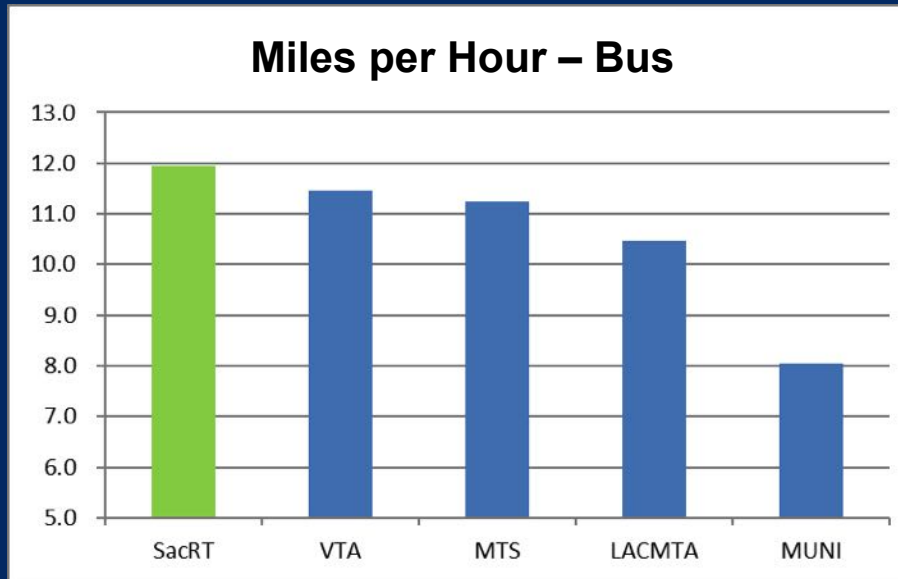
Cost per Mile - Light Rail



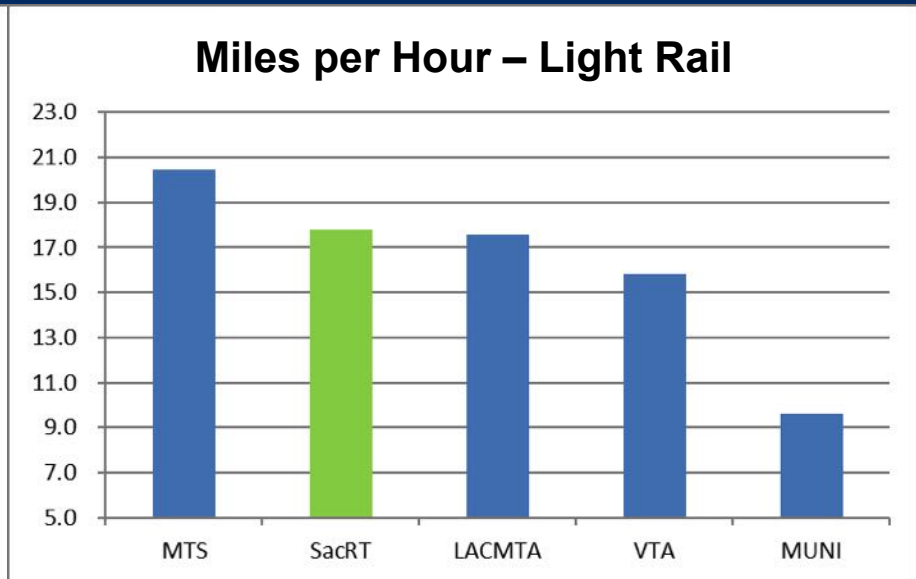
A4. Miles per Hour FY 17 (CA)

Our customers enjoy faster travel times than those provided by California peers.

Bus



Light Rail

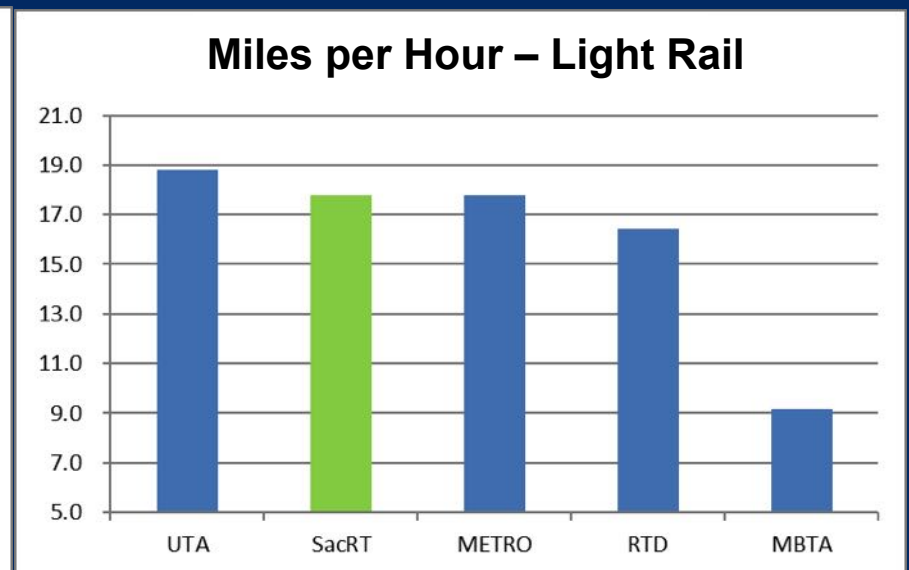
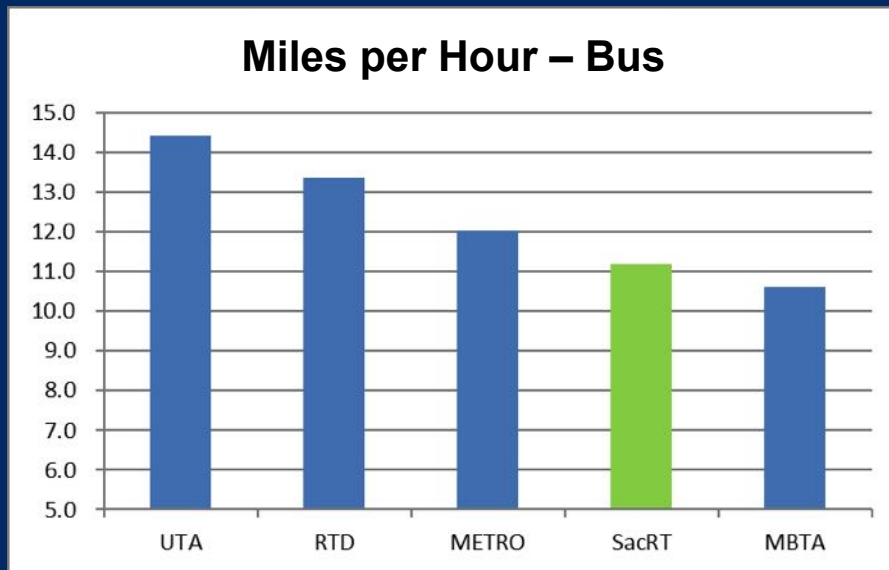


B4. Miles per Hour FY 17 (Nation)

Our speeds are about average nationally. Other cities have enjoyed more success in gaining transit priority on streets.

Bus

Light Rail

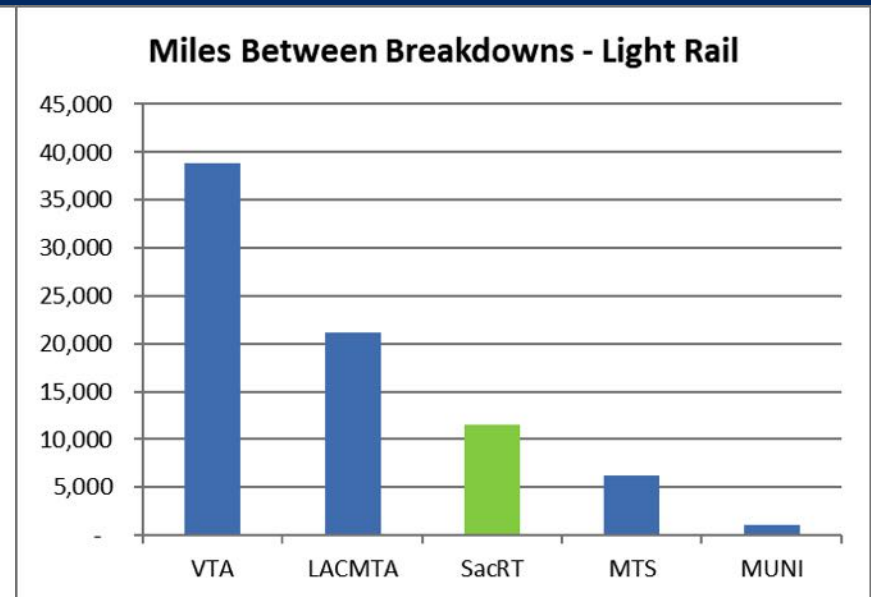
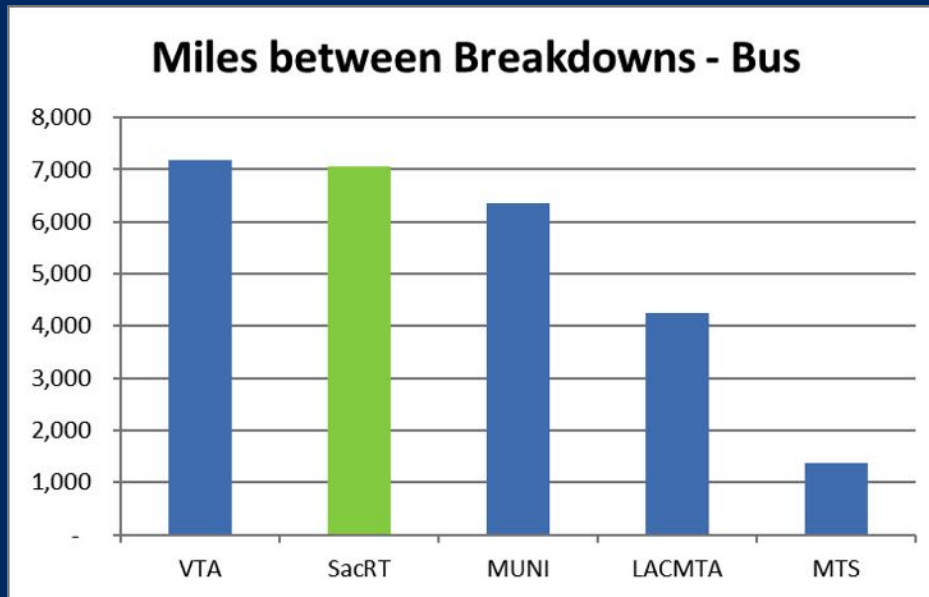


A5. Miles Between Breakdowns FY 17 (CA)

Our preventive maintenance program results in fewer service interruptions for our passengers than many California peers. Note that 1/3rd of our rail fleet is past its useful life decreasing service reliability.

Bus

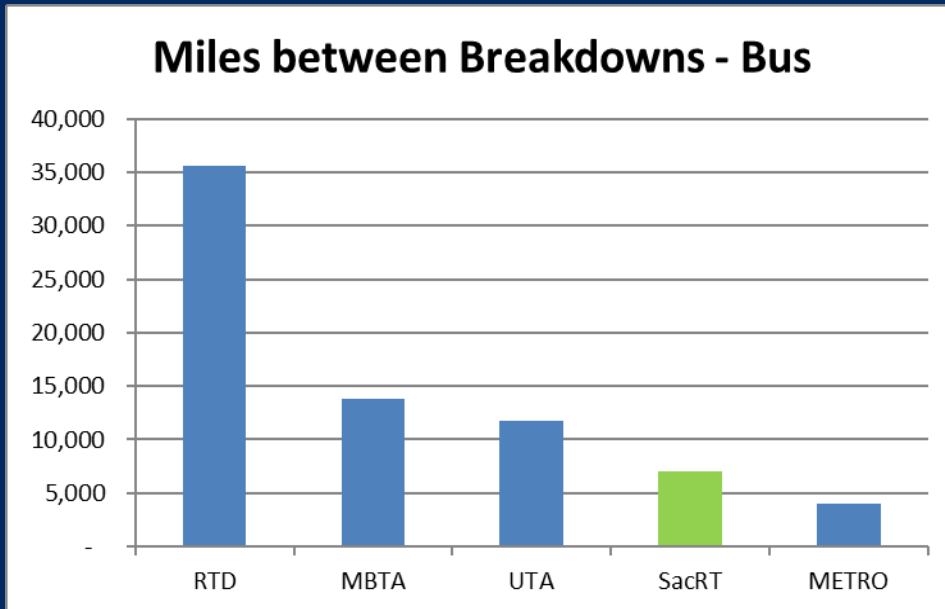
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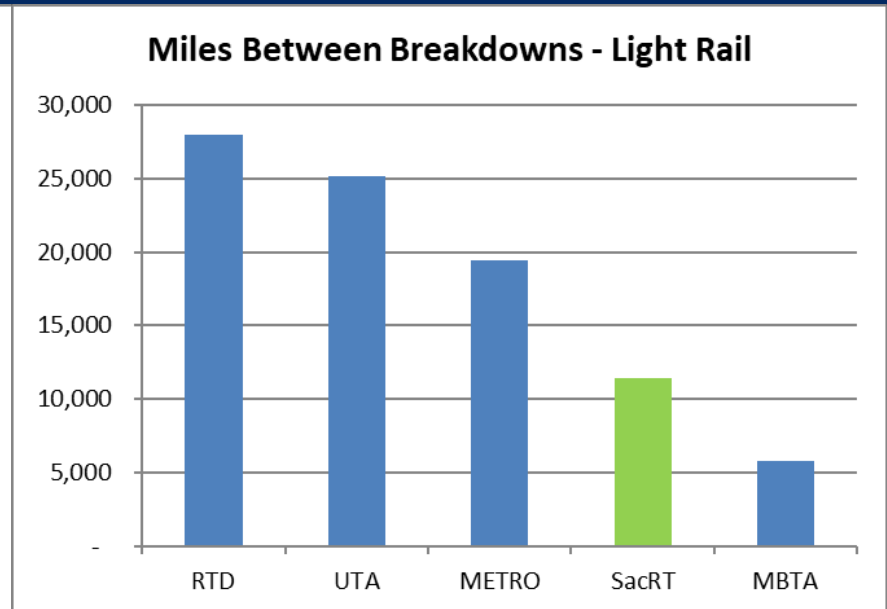
B5. Miles Between Breakdowns FY17 (Nation)

Compared to national peers our passengers experience breakdowns more often. Again, fleet age matters and our vehicles are older and many are beyond their useful life.

Bus



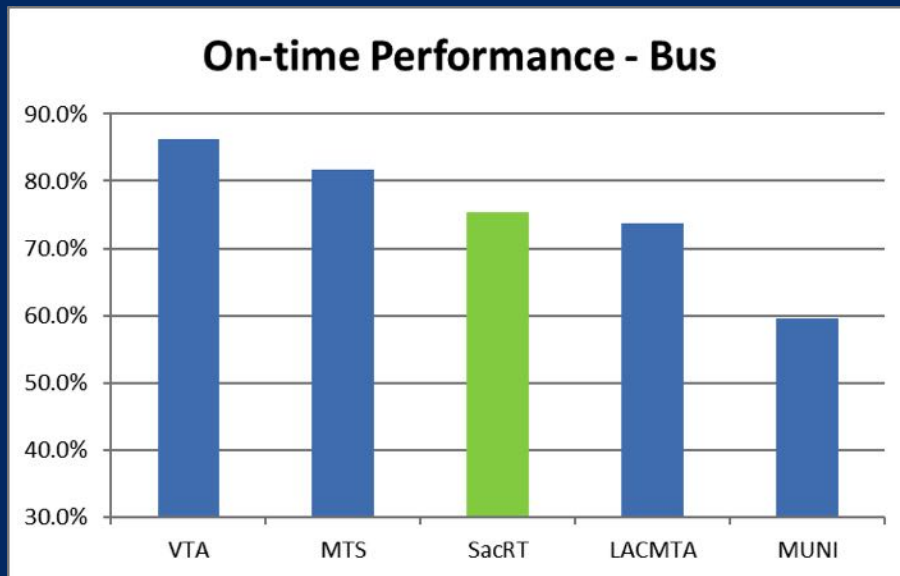
Light Rail



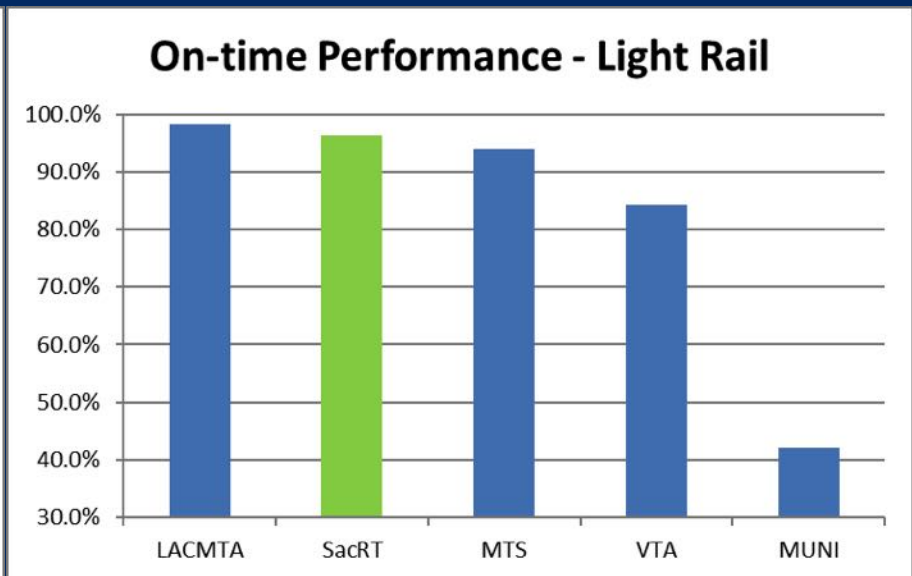
A6. On-Time Performance FY 17 (CA)

Our focus on on-time performance has paid dividends to our passengers, particularly on light rail. Addition of bus rapid transit routes with separation and traffic priority will help bus riders.

Bus



Light Rail



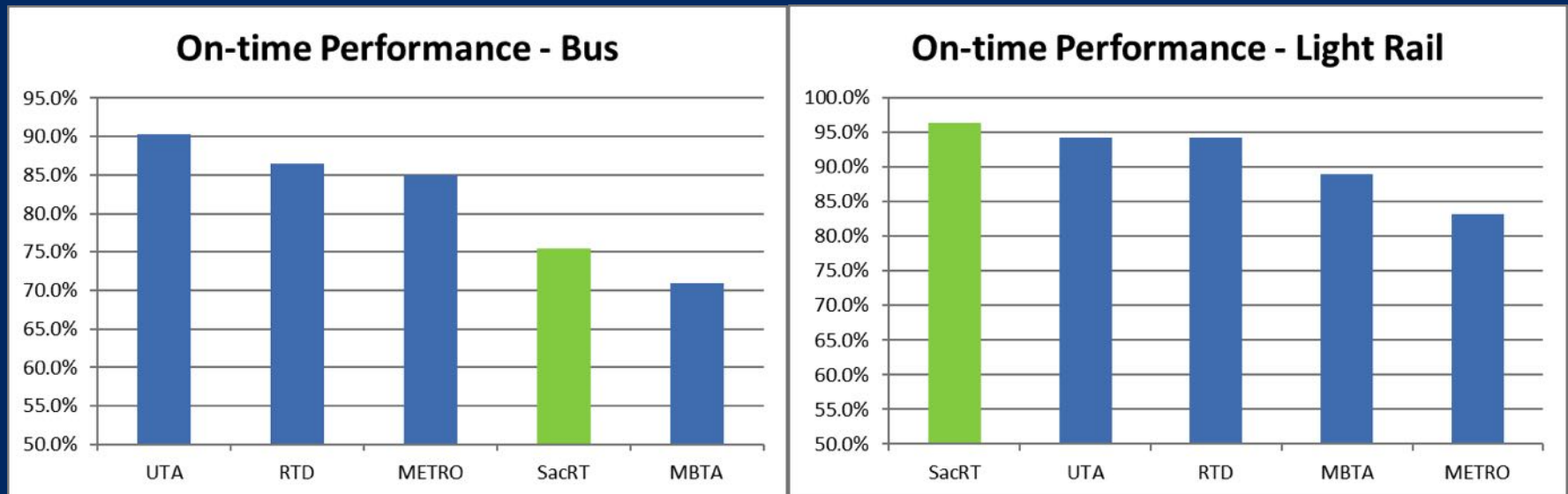
Data is not reported to NTD and methodology is not standardized across operators.

B6. On-Time Performance FY 17 (Nation)

Our passengers enjoy better on-time performance than national peers on light rail, and less predictable trip times on bus. Many of our peers enjoy bus preferential treatment on roads (including bus rapid transit or BRT).

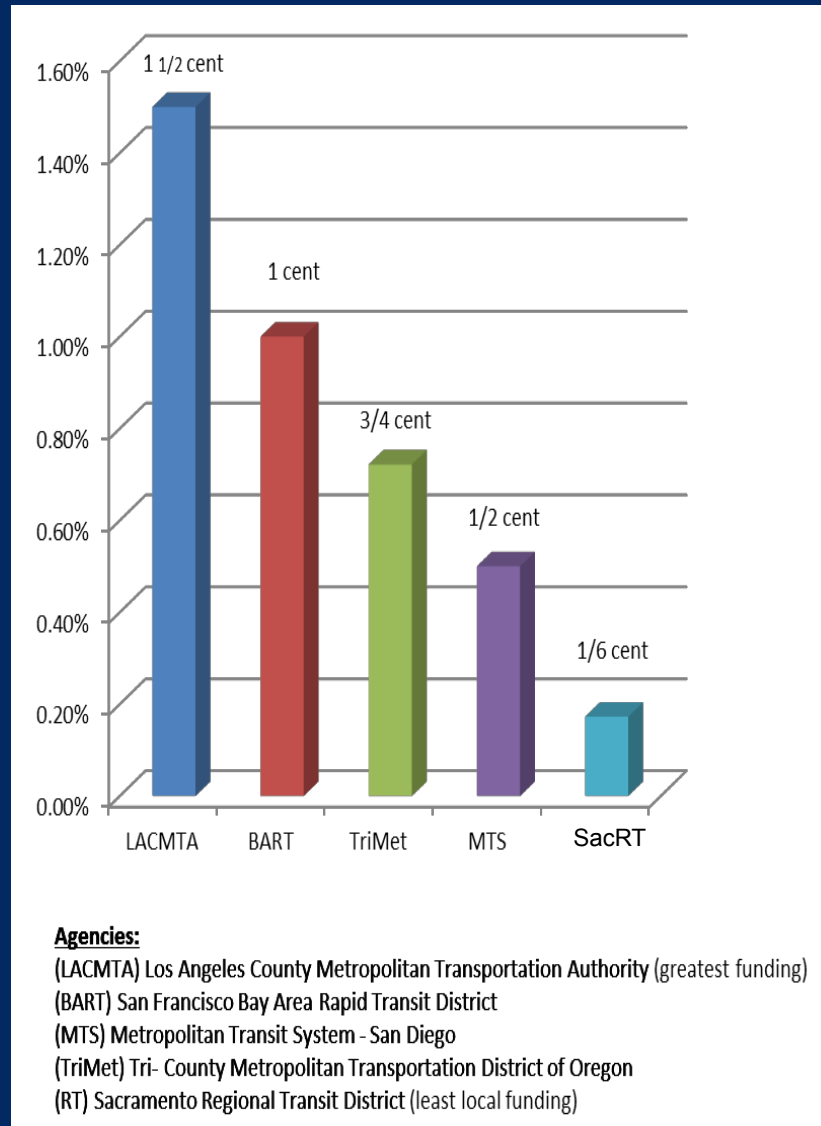
Bus

Light Rail



Data is not reported to NTD and methodology is not standardized across operators.

Peer Comparison – Local Funding



Section III: Major Initiatives Moving Forward



Major Initiatives Moving Forward

1. Pursuing Grant Opportunities – TICRP, Congested Corridor, Electrify America and others
2. Technology Advancements – Microtransit, Autonomous and Electric Vehicles, Customer Convenience
3. SmaRT Ride Microtransit/Neighborhood Shuttle Expansion
4. Downtown/Riverfront Streetcar
5. 2030 Electric Conversion

Major Initiatives Moving Forward

6. State of Good Repair
7. SacRT Forward – We are committed to re-imagining our routes to better align with current travel patterns
8. Future Major Capital Projects
9. Sales Tax and Citizen-Led Initiative – Additional funding will enable SacRT to build a reliable, safe and integrated world-class mobility network
10. Regionalism and Annexation



I. Grant Opportunities

- Transit Intercity Rail Capital Program
- Solutions for Congested Corridors
- Federal Resources
- Others

2. Technology Advancements



3. SmaRT Ride Microtransit – Neighborhood Shuttle Expansion

DOWNLOAD THE MICROTRANSIT APP



SmaRT Ride
ON-DEMAND TRANSIT



sacrt.com/smartride

4. Downtown/Riverfront Streetcar

- \$208 million Project
- 4.4 mile circulator
- 15 minute headways



5. 2030 Electric Conversion



2030 Electric Conversion



Develop a comprehensive plan to deliver a complete transition to zero emission buses by 2030.

- Help reduce the emissions of green house gases (GHG) in the Sacramento region

The transition plan is contingent on two primary factors:

1. Continuous advancements in electric bus battery technology (range)
2. The availability of funding to maintain and sustain technology & infrastructure

2030 Electric Conversion



CNG 40' Fleet - State of Good Repair

In order to maintain SacRT's bus fleet in a state of good repair and to replace aging vehicles with Zero Emission Buses (ZEB):

- 2020-2023 replace 22 to 23 buses per year (91 total buses)
- 2027-2029 replace 30 to 33 buses per year (96 total buses)

“Electric buses have shorter ranges and longer fueling times than CNG, diesel and hybrid buses, ZEB adoption may require a larger fleet.”
- Institute of Transportation Studies, UC Davis



Sustainability Commitment

Develop a formal organizational policy to identify and establish sustainability goals at SacRT.



Public Private Partnerships

- UC Davis to UC Davis Medical Center
- Sacramento International Airport to Downtown Sacramento
- Microtransit Service

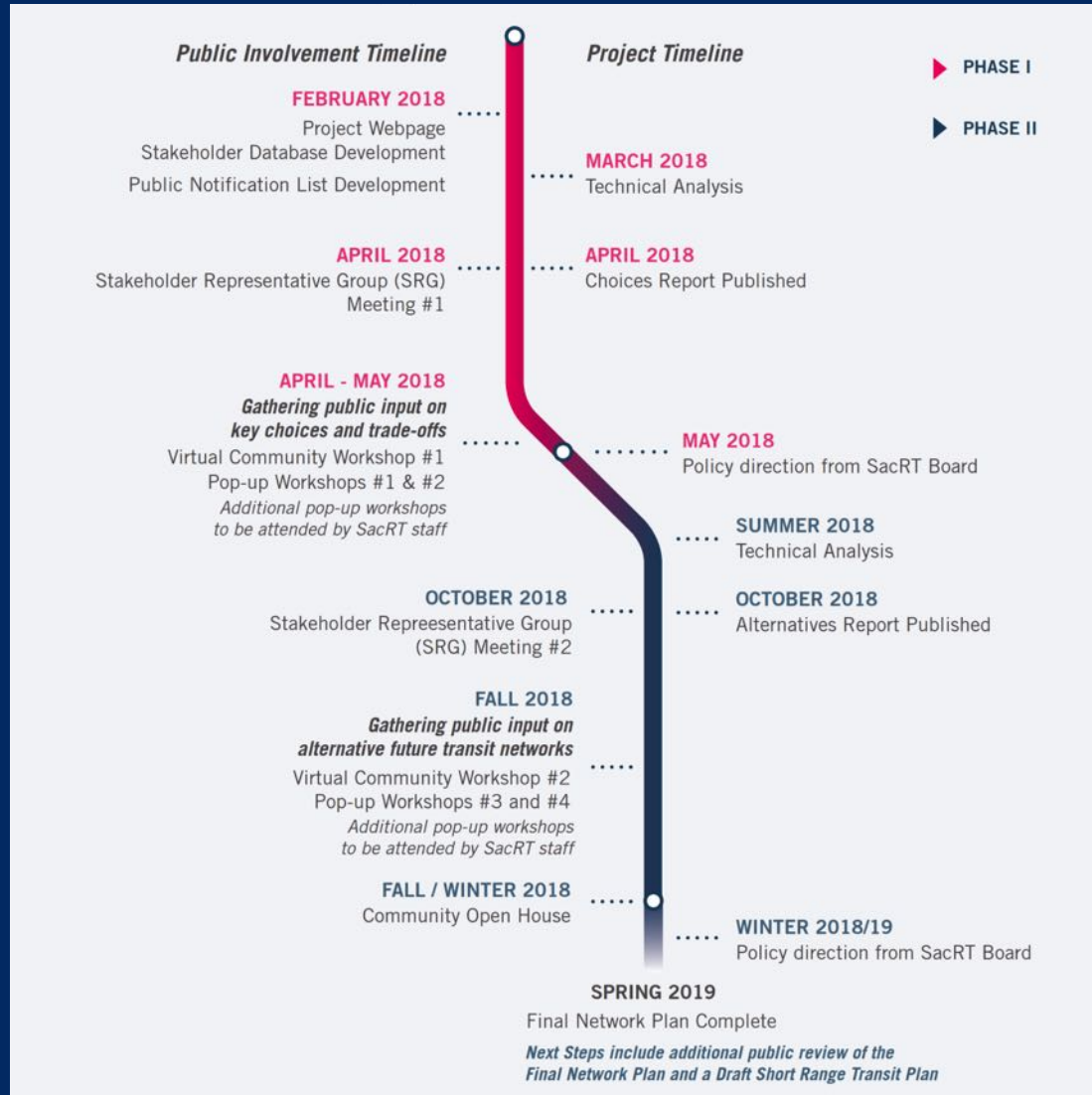
6. State of Good Repair



State of Good Repair

Name	Years	Cost
Station Modifications	2018	\$50,000,000
48 Siemens LR Vehicles	2018	\$240,000,000
91 Replacement Buses	2020	\$80,000,000
Gold Line Tracks and Rail Infrastructure	2018 - 2028	\$53,000,000
CAF Mid-Life	2018	\$40,000,000
Facilities Rehab	2017	\$13,000,000
Fare Vending Equipment	2018	\$6,000,000
IT Systems Maintenance	2017 - 2027	\$10,500,000
CBS Buses	2019-2022	\$8,000,000
Total (over next 10 years)		\$506.5M

7. SacRT Forward





8. Future Major Capital Projects

- A. Light Rail Expansion (Natomas/Airport, Elk Grove & Citrus Heights)
- B. Bus Rapid Transit
- C. Gold Line - Folsom Double Tracking and Signalization Upgrade

Future Major Capital Projects

Name	Estimated Start	Estimated Cost
SVS Loop	TBD	\$60,000,000
Green Line Extension	TBD	\$1,000,000,000
Elk Grove Extension	TBD	\$250,000,000
Folsom Double-Tracking	2020	\$50,000,000
Horn Road Station	2020	\$8,000,000
Dos Rios Station	2020	\$19,500,000
Autonomous Vehicles	TBD	TBD
Streetcar	2022	\$200,000,000

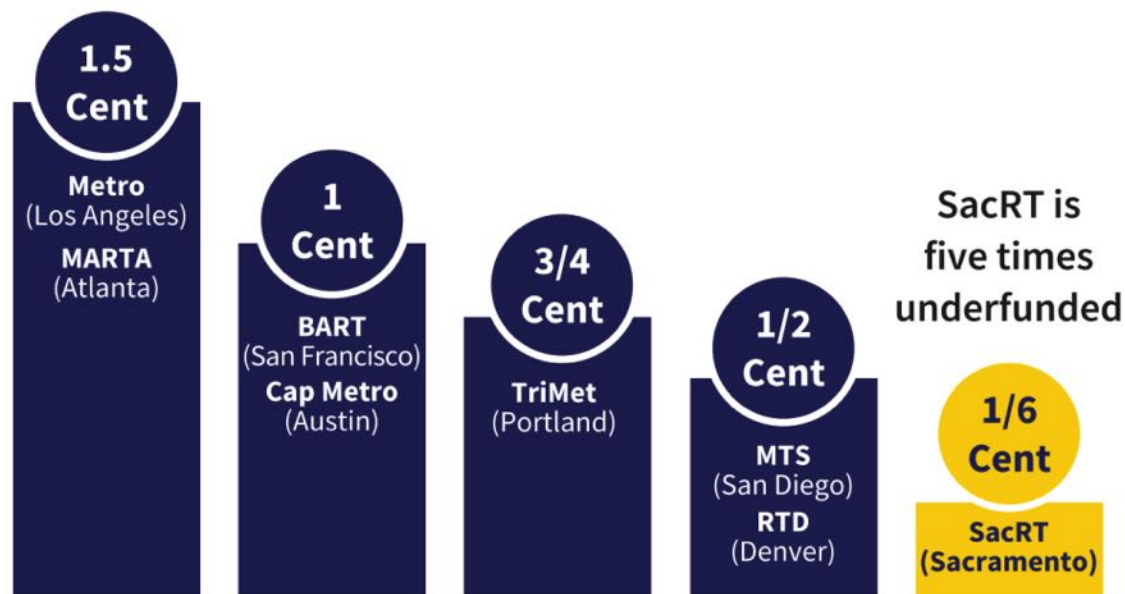
8B. Bus Rapid Transit (BRT)

1. Watt Ave (between Watt/Manlove Station and Fair Oaks Blvd-- existing)
2. North Watt Ave (between Antelope and I-80) (to connect to Placer County BRT north of county line)
3. Sunrise Blvd (between Sunrise Station and the river)
4. Jackson Rd (between Watt and Excelsior; possibly on a parallel corridor rather than Jackson Rd itself, including a Watt/Jackson interchange with BRT ramps)
5. Cap City freeway (bus on shoulder lane between E St ramp and Expo)

9. Future Sales Tax/Citizen Initiative

Local Funding Makes a Difference

Let's look at why public transit service is so great in Los Angeles, Portland, San Diego and San Francisco. Here's what our peer agencies receive in local funding compared to SacRT.



10. Regionalism and Annexation



Regionalism and Annexation

1. Allows specific terms and conditions so cities will still have a high level of control (flexibility).
2. Annexation will improve efficiency and effectiveness (scale of economy).
3. Easier to apply for federal and state discretionary funds for major capital projects and innovative funds.
4. Overall improved customer experience through integrated and coordinated services (timed transfers, fare structure, payment methods, scheduling and reporting apps, etc.).

Section IV: Challenges & Opportunities



Challenges & Opportunities

Keep the Momentum Going:

1. Financial Challenges
2. Ridership Building
3. Aging Infrastructure
4. Technology Disruptions

I. Financial Challenges



**Without Public Transportation, America
Does Not Move Forward!**

-American Public Transportation Association

Financial Challenges

1. Fix It First
2. Capital Costs
3. Cost for Expanded Service

Financial Challenges

- **Public transportation is a foundation for mobility solutions and economic growth. Without a robust public transportation system in the greater Sacramento region, Sacramento will not prosper and become a world-class city.**
- **Prioritizing transit is about prioritizing our economic success, our quality of life, our competitiveness, and our sustainability as a region.**

Financial Challenges

- **SacRT is doing exceptionally well given our limited funding based on industry standards. However, without proper levels of dedicated transportation funding, we will not be able to develop a world-class transit system and compete for business and attract young professionals to the region.**
- **Currently, peer transit agencies in regions similar to Sacramento receive five times more local funding on average than SacRT.**

Financial Challenges

1. Federal funds are vulnerable and are supposed to be used for capital needs; however, we use all federal funding for operating activities.
2. Reserve is at dangerously low levels.
3. In 2020, \$3.5 million debt service increase.
4. Higher costs for liability claims due to California's tough legal environment.

Financial Solutions

- **Additional funding will enable SacRT to build a robust transportation system, and better connect the Sacramento region through a reliable, safe and integrated mobility network.**
- **It's also important to note that local investment in transportation dictates the Sacramento region's ability to leverage state support. A higher level of match will bring a greater amount of state funds.**

Financial Solutions

To make SacRT's service comparable to peers, we need to optimize our network, double our service frequency and expand bus and light rail service, which means:

1. 100 more light rail vehicles - \$500 million
2. 200 more buses (electric, and/or autonomous) - \$160 million
3. 600 more drivers and associated staff- \$60 million (annual operating cost)

A half cent sales tax or sales tax equivalent, would enable SacRT to sustainably provide world-class transit services our region deserves, which in return will drive smart growth, job and business opportunities.

2. Ridership Challenges

Nationally, transit ridership is down largely as a result of low gas prices, increased car ownership, and competitive ride-share options.

Similar to other transit agencies across the nation, SacRT has been affected by this trend, as well as other major factors which include:

1. 25% service reduction in the last 10 years
2. Fares increased by 10% on July 1, 2016
3. Increased fare inspection: Non-paying riders off the system
4. Aging infrastructure

Ridership Solutions

We have an internal committee working on ridership solutions to retain and attract riders – initiatives include:

1. Reduced Student Fares 65% from \$55 a month to \$20
2. Implemented SmaRT Ride on-demand microtransit service
3. Launched SacRT Forward (route optimization study)
4. Extending Late Night Service to Folsom (June 17, 2018)
5. Continue to grow partnerships and seek innovative ways to encourage ridership

3. Aging Infrastructure Challenges

1. Replace aging infrastructure - 1/3 of our light rail vehicles are past their useful 30-year life.
 - Finding replacement parts is costly and
 - Outdated technology is unsupported
2. Local Funding Shortfall forces SacRT to use federal capital funding for operating activities.

3. Aging Infrastructure Solutions

Solutions

1. TIRCP
2. FTA Section 5337 (state of good repair grants program)
3. SB I
4. Local Funding Measure

4. Technology Disruption Challenges

SacRT must expand our views, think big, and take action early to address future challenges that arise from the advancement of vehicle technologies.

1. Transportation Network Companies (TNCs)

SacRT is one of only 8 transit agencies in the nation that have partnered with TNCs (Station Link program).

SacRT is one of the first agencies in the nation to launch on-demand microtransit service (SmaRT Ride).

Technology Disruption Solutions

2. Autonomous Vehicles

Partnering with Sac State and the City of Sacramento to explore early testing of first-mile/last-mile solutions.

3. Zero Emission Vehicles

Working with Electrify America and the Sacramento Metropolitan Air Quality Management District to explore electric vehicle options.

4. Car-Sharing

This disruption does not address congestion relief associated with single-occupancy vehicles

Future Outlook

1. Clear and Bold Vision
2. Aggressive and Well-Planned Actions
3. Regional Collaboration
4. Keep the Momentum Going