

**Committees:**

Planning Committee	<input type="checkbox"/>	Finance and Audit Committee	<input type="checkbox"/>
External Affairs Committee	<input type="checkbox"/>	Operations Committee	<input type="checkbox"/>
Rider Complaint Committee	<input type="checkbox"/>	Paratransit Committee	<input type="checkbox"/>
<b>Board of Directors</b>	<input checked="" type="checkbox"/>	<b>Financing Corporation</b>	<input type="checkbox"/>

**SUBJECT:** Consider Receiving Report Concerning Postponing the Implementation of the 2009 Service Adjustments Plan (SAP)

**RECOMMENDED ACTION:**

- Information Only       Briefing Item       Recommended Motion

**Consider receiving report.**

**Fiscal Impact:**

Implementation of the Draft 2009 Services Adjustments Plan (SAP) will result in an estimated annualized District-wide savings of \$18 Million, net of fare revenue. Postponing implementation of the SAP will result in additional costs of up to \$4 Million.

**Background/Discussion:**

Following a series of community workshops, the AC Transit Board of Directors recently convened two public hearings (September 23 and September 30), to receive comment regarding the 2009 Draft Service Adjustments Plan. At both the workshops and the public hearings, staff provided a proposed timeline for implementation, which included Board adoption of the SAP on October 14, and implementation scheduled for January 10, 2010.

However, recent events would indicate that more information will be needed before the Board should make such a decision. These events include a staff proposal to divert funds from the BRT project into the District's operating budget, thus averting approximately half of the planned service reductions that are proposed in the SAP. Additionally, a recent California Supreme Court action relative to the California Transit Association (CTA) lawsuit could result in the restoration of transportation funds that had been diverted by the state.

At a future meeting, staff will recommend some version of the SAP for Board approval. This memo provides a SAP status report, discussion of the funding uncertainty that led to the recommendation to postpone Board action on the SAP, and potential implementation scenarios.

*SAP Status Report*

Throughout the process involving Community Workshops and Public Hearings, the District has received thousands of comments, suggestions and reactions to the service changes proposed in the SAP. This information has been reviewed extensively and has led to the re-design of certain proposals to accommodate concerns expressed by the public. A synthesis

of these comments by line is being compiled and will be presented when the Board considers adoption of the SAP.

#### *Funding Uncertainty*

On September 25, 2009 the Board received a report (GM Memo 09-228), which contained a staff proposal to shift funds from the Bus Rapid Transit (BRT) project to support local services. The funds would be used to pay the operating costs of approximately 50% of the planned service hour reductions proposed in the SAP. At the September 25 meeting, the Board directed staff to schedule a meeting with the Metropolitan Transportation Commission (MTC) to discuss the potential fund shift. Meeting attendees would include the AC Transit General Manager, MTC Executive Director, AC Transit Board representatives, and other appropriate staff. Again, the goal behind the proposed fund shift would be to avert approximately 140,000 annual platform hours of planned service reductions. An initial meeting with MTC has been scheduled for October 13, 2009. Feedback from this meeting will be provided verbally to the Board at the October 14 meeting.

Another factor that relates to the issue of funding uncertainty is an action by the California Supreme Court, which recently declined to accept the Petition for Review filed by state officials. In rejecting the state's Petition, the California Supreme Court upheld the ruling of the Third District Court of Appeals, which found that recent funding diversions violated a series of statutory and constitutional amendments enacted by voters via four statewide initiatives dating back to 1990. This ruling could result in additional funding to the District, yet when and how these funds might begin flowing is unknown.

Given the uncertainty of funding, and the major impact that the SAP would have on AC Transit patrons, staff recommends that the Board postpone consideration of approval of the final SAP until more information can be obtained, and the Board is better positioned to provide direction to staff. The District has taken the following actions to inform the public that the Board will not take action on the SAP at the October 14 meeting:

- prepared and issued a media advisory/press release
- posted press release to District website
- prepared and issued an AC Transit e-News advisory
- sent email notification to all persons who provided comments on the SAP, and who also provided an email address
- sent a "hard copy" of the press release to all persons who submitted comments on the SAP, and who supplied a mailing address but no electronic contact information
- Posted story to RideACT blog at <http://rideact.blogspot.com/2009/10/ac-transit-may-postpone-vote-on-service.html>
- Distributed story to local bloggers as part of weekly AC Transit News Brief

#### *Implementation Scenarios*

Given the current uncertainty of future funding potential, staff has developed implementation scenarios for consideration. At this point there are two options for consideration:

1. Implementation of the 2009 SAP – This scenario is required in the event that the proposed funding shift does not occur. As stated previously, staff will be meeting with regional partners in mid-October. Should the proposed funding shift prove impossible, the District would be compelled to implement the SAP. In order for there to be sufficient time to complete tasks related to implementation, the final proposal would be presented to the Board, for consideration, at its October 28, 2009 meeting.

Fiscal Impact – Annual district-wide savings of \$18 Million, net of fare revenues

2. Implementation of the 2009 SAP Plus 140,000 Annual Platform Hours – If additional funds are secured, staff would propose restoration of service of up to 140,000 annual platform hours based on the following priorities:

- a. **Coverage** – restoration of lines that are shown to have disparate impacts under Title VI, and under the concept of “completing the grid”
- b. **Frequency, Transbay Trips and Span** – restoration or expansion of frequency, trips and/or span to areas based on patron demand

Translation of these priorities into service concepts would occur relatively quickly as staff would use information obtained during the recent Community Workshops and Public Hearings processes in connection with the SAP. Immediately after development of a service strategy, the District would complete its analysis of Title VI impacts on the revised proposal. In order to allow for sufficient time for an implementation date in mid-March 2010, the Board would need to adopt a final service plan in mid-December 2009.

Fiscal Impact – There are two notable impacts associated with this scenario:

- Service additions totaling 140,000 annual platform hours would result in \$9 Million in additional annual cost.
- Delaying the implementation of the SAP would result in \$2.5 Million additional costs for FY 2009/10.

**Prior Relevant Board Actions/Policies:**

GM Memo 09-217a: Public Comment Regarding the Proposed 2009 Service Adjustments Plan

GM Memo 09-228: Consider Authorizing the General Manager or His Designee to Pursue Shifting Funds from the E.14<sup>th</sup> Street/International Boulevard/Telegraph Avenue Bus Rapid Transit (BRT) Project to the Operating Budget

**Approved by:** Rick Fernandez, General Manager  
Nancy Skowbo, DGM Service Development

**Prepared by:** Cory LaVigne, Service and Operations Planning Manager  
**Date Prepared:** October 6, 2009