



san Luis OBISPO transit

AGENDA

REGULAR MEETING

CITY OF SAN LUIS OBISPO MASS TRANSPORTATION COMMITTEE

990 Palm Street

Council Hearing Room

2:45 p.m.

Wednesday, January 13, 2010

CALL TO ORDER

Chair calls the meeting to order.

ROLL CALL OF COMMITTEE MEMBERS AND STAFF

Chair: Susan Rains

Vice-Chair: Denise Martinez

Committee Members:

Denise Martinez	(Disabled)	Margaret Crockett	(Member at Large)*
Susan Rains	(Cal Poly)	Art Apruzzese	(Technical)
Tracey Amundson	(Student)	Elizabeth Thyne	(Alternate)
Stanley Yucikas	(Business)	Vacant	(Alternate)
Robert Wolf	(Senior)		

Staff: John Webster, Sr., Transit Manager
Tim Bochum, Deputy Director of Public Works
Dee Lawson, Transportation Assistant

ANNOUNCEMENTS:

None

PUBLIC COMMENTS

10 min.

At this time, members of the public may address the Committee on items not on the agenda, **not to exceed three minutes per person**. Items raised are generally referred to the staff and, if action by the committee is necessary, may be scheduled for a future meeting.

The Chair will provide the opportunity for the public to address items on the agenda.

Service Complaints: Complaints regarding bus service or routes are to be directed to the Transportation Assistant at 781-7531. Reports of complaints/commendations are available to the public upon request.

A. CONSENT ITEMS

Consent Items can be approved by a single vote by the Committee. Any member of the Committee can pull and discuss any individual consent item.

A-1 Approval of November 18th, 2009 Regular Meeting Minutes 5 min

B. DISCUSSION ITEMS

NONE

C. ACTION ITEMS

C-1 Review Surf Cab Company application for Certificate of Convenience & Necessity 30 min

D. INFORMATION ITEMS

D-1 Transit Manager's Report (with attachments) 15 min

D-2 Operating - Performance Reports (Attachment "A") 15 min

MEMBER'S COMMENTS

15 min

NEXT MEETING DATE/LOCATION

March 10, 2010 Council Hearing Room

ADJOURNMENT



Item: A-1

TO: Mass Transportation Committee

FROM: John Webster, Transit Manager

SUBJECT: APPROVE DRAFT REGULAR MEETING MINUTES

RECOMMENDATION:

Approve November 18, 2009 MTC Regular meeting minutes



Item: C-1

TO: Mass Transportation Committee

FROM: John Webster, Transit Manager

SUBJECT: SURF CAB COMPANY APPLICATION FOR NEW TAXI SERVICE IN SAN LUIS OBISPO

RECOMMENDATION:

Approve the application and recommend to Council for a public Hearing on January 19, 2010



Item: C-1
 TO: Mass Transportation Committee
 FROM: John Webster
 SUBJECT: Request for Taxi Certificate (Surf Cab Company)

RECOMMENDATION

Approve application and recommend to Mayor and Council for Public Hearing.

DISCUSSION

Background

On November 4, 2009 the Transit Manager received an application letter via email from Paul McGill of Morro Bay and Peter Mourant of Los Osos, the owners of Surf Cab Company located at 1329 Santa Ynez Avenue, Los Osos, California (Attachment 1). The application letter requests a license to operate a new taxi service with five (5) vehicles within the City of San Luis Obispo.

The City has had mixed experiences with multiple taxi operations in recent years, as there have been some occasional problems with services provided by the operators. The current taxi services are well coordinated but with some minor conflicts between the three permitted operators. Staff has not received any complaints that there are too many taxis serving the City.

Table-1 Current City Taxi Operations

Operator	Certificate-Permits	Date	In Operation
BCCC	20	06-01-2001	17
234 Taxi	6	04-01-2008	6
234 Taxi expansion	10	07-21-2009	0
Green Go	1	03-17-2009	Suspended
Surf Cab	5 Proposed	N/A	N/A
Totals:	42		23

Surf Cab Certificates Request

It is difficult to determine with any quantifiable measures what level of taxi service (taxi density) may be appropriate for the City of San Luis Obispo. Staff has reviewed data available on-line and surveys of taxi services, but many are related to cities significantly larger with greater population density than that of San Luis Obispo and therefore the taxi services are likely not to fit the City’s needs.



Experience and financial responsibility of applicant

According to the November 2, 2009 application letter, Surf Cab Company has been operating in Morro Bay, Paso Robles, Atascadero, the San Luis Obispo Airport and unincorporated areas of San Luis Obispo for the last two years and have five (5) vehicles already in service. The applicants have experience being employed as drivers with several taxi operators including Central Coast Taxi, A-1 Taxi (Ketchum, Idaho), Napa Valley Cab, Grover Beach Taxi and Surf Cab Company.

Vehicle fleet mix and color scheme

The applicant is proposing to continue to use the existing Surf Cab Company color scheme, which is sky blue with a large distinctive dome light and surfboard. The vehicle fleet would consist of three 1993-1996 Ford Crown Victoria sedans and two 1991-1995 seven passenger (including the driver) Toyota Previa vans.

Table 2 - Existing Taxi Rates

Fee Type	Beach Cities Cab	Green Go¹	234 Taxi	<i>Proposed Surf Cab Company</i>
Pick Up	\$ 3.00	\$ 4.00	\$ 3.00	\$ 4.00
Per Mile	\$ 3.00	\$ 2.50	\$ 3.00	\$ 3.00
* Wait Time Per/Hr	\$25.00	\$15.00	\$25.00	\$35.00
Surcharge (2:30 am-6 am)	None	None	None	None
Credit Card Use	None	None	None	None
Minimum Charge	None	None	None	None

¹Taxi Permit was suspended on October 23, 2009 from failure to provide proof of insurance coverage

* Wait time is the rate that is programmed into the taxi meter and is charged when the taxi is not in motion and automatically changes from the per mile rate to a time mode rate on the meter. Examples of this would be the time a taxi is stopped in heavy traffic or at a traffic light. A \$15 per hour wait fee is approximately \$.25 per minute, a \$25 per hour wait fee \$.42 per minute and a \$35 per hour wait fee rate is \$.58 per minute. There is no minimum time increment of for this calculation to be applied and is charged and calculated from the first second when the taxi meter goes to a time mode charge.

It appears that the rates proposed by Surf Cab Company are consistent and in-line with rates currently approved for other taxi providers in the City.

Based upon the above review, staff recommends that the MTC Council approve the application and recommend to Council for a public hearing.



TO: Mass Transportation Committee

FROM: John Webster, Sr., Transit Manager

DATE: January 13, 2010

SUBJECT: Transit Manager's Report
AGENDA ITEM D1

The Transit Manager's Report will include highlights of the following activities and issues from November-December 2009 and Ridership data from October-November 2009.

- **Ridership report (Attachment "A")**
- **Contractor issues:** The Transit Manager and Transportation Assistant continue to work closely with First Transit (FT) Resident Manager (Steve Aanonson) especially towards improving reporting, data collection and accuracy. Our consultant is also working to transition from excel to access for collection and reporting of FY data that include reports generated by First Transit and we are hopeful this will be completed by March 2010. The final phase will be the ability to import GFI revenue and ridership data directly into our access reports. We also expect to receive a new offer by FT in January for option year operations to bring back to Council for approval.
- **Contractor Liquidated Damages:** There have been some recent issues with late report penalties being assigned and the transit manager and assistant have been working with FT staff to ensure that reports are submitted correctly and in a timely manner as required under the contract.
- **Capital projects:** Staff is working on FTA 5307, ARRA and Prop 1B capital related projects. The GFI Farebox equipment that was installed on SLO Transit and SLORTA vehicles is working properly and with only minor issues being reported. The last of the old punch style fare media was phased out on January 1, 2010 and will improve the data being reported as well as making system wide operations analysis much easier.
- The Automatic Vehicle Locator (AVL) system equipment project being installed by Digital Recorders Inc (DRI) project is about 90% complete and we are currently working on the various issues to resolve some GPS, cell modem and mobile data terminal



problems. All buses and routes are being tracked on AVL software in the recently completed transit facility dispatch center and are also available on City transit staff workstations. The new transit facility communications and dispatch area utilizes a new fiber connection and work is progressing on schedule for a late January or early February 2010 AVL system activation and introduction to the public. This project includes four (4) already installed live time bus signs at the Downtown Transit Center (DTC) and two (2) in the Kennedy Library shelters on Cal Poly. The signs at the Kennedy Library have been connected and are working properly in estimating arrival times for Routes 4, 5 and 6A & 6B. We are currently waiting for designs to be finished in order to get electricity connected to the four signs at the DTC.

- All final specification issues have been resolved and delivery of the Alexander Dennis Double Deck bus to SLO Transit is expected sometime before June 2010.
- **FTA 5317 New Freedom Grant:**
On April 21, 2009 the SLO Council approved a contract award to Fred Munroe with Ridership Development Concepts to administer a 24 month FTA 5317 Grant to expand transportation options in San Luis Obispo. The first meeting for this project will be held in the SLO Library Community room on Wednesday, January 27th from 1:00 pm to 3:00 pm. Staff has also submitted an application for an additional two years of funding to continue the program through FY 2014.
- **SOCIAL MEDIA:**
The Transit manager has created SLO Transit system pages on Face book and Twitter at the following links:

<http://www.facebook.com/home.php?#/pages/San-Luis-Obispo-CA/San-Luis-Obispo-Transit-SLO-Transit/234506730703?ref=nf>

<http://twitter.com/SloTransit>

Staff is still evaluating various website designs used by other transit agencies as funding was made available in this FY as part of the Program of Projects but we are waiting until we can confirm that there will be sufficient local match (TDA) before proceeding.



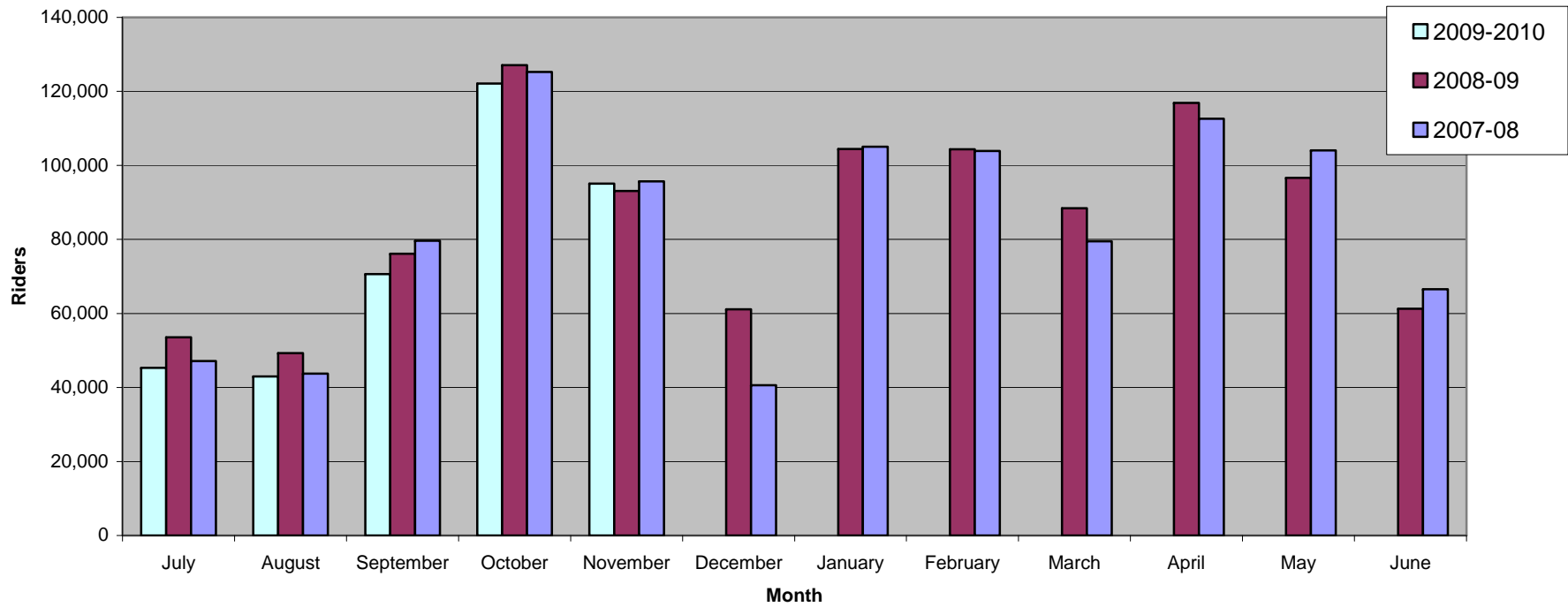
- **SLOCOG-TDA Funding:** The SLOCOG board action on October 7, 2009 was to reduce the FY09/10 LTF funding by 12.5% and continue to monitor sale tax levels in case additional reductions are needed. The affect on SLO Transit funding was much higher and was approximately a 17% reduction due to the nature of the “Off the Top” TDA funding of the City share for SLORTA operations. Should this reduction become permanent it might require a reduction in transit service this Fiscal Year.
- **FY 2008-09 Closeout:** Although the year end auditor report has been completed staff has not had a chance to review the results and we anticipate taking some recommendations to MTC in March 2010 or sooner if a review of service is required to meet any funding shortfalls.
- **State Funding issues and the California Transit Association:** The State budget remains in a crisis mode and transit funding is under attack from the legislature in their attempt to reduce the anticipated FY deficit. When coupled with the elimination of STA funding in FY 2010 and along with anticipated lower Sales Tax revenue for the Local Transportation Fund (LTF) the situation appears bleak. One bright spot was recently the California Supreme Court rejected the Schwarzenegger AG appeal of a lower court ruling regarding the California Transit Association lawsuit that annual raids on transit funding are illegal by declining to accept the Petition for Review filed by state officials, the ruling of the Third District Court of Appeal that recent funding diversion Public Transit Account violated a series of statutory and constitutional as enacted by voters via four statewide initiatives dating back to 1990. The CTA is currently pursuing a State-wide ballot initiative to protect transportation funding.
- **Unmet Transit needs Public Hearing:** On December 2nd, 2009 the San Luis Obispo Council of Governments held a public hearing on transit and bikeway needs at the County Board of Supervisors' Chamber in San Luis Obispo. (1055 Monterey Street.) The hearing process provides the public an opportunity to formally request new or expanded transit and bicycle-related services within SLO County. Attached is the first draft of the SLO Transit unmet needs comments.

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
 JANUARY 13-2010 REGULAR MEETING

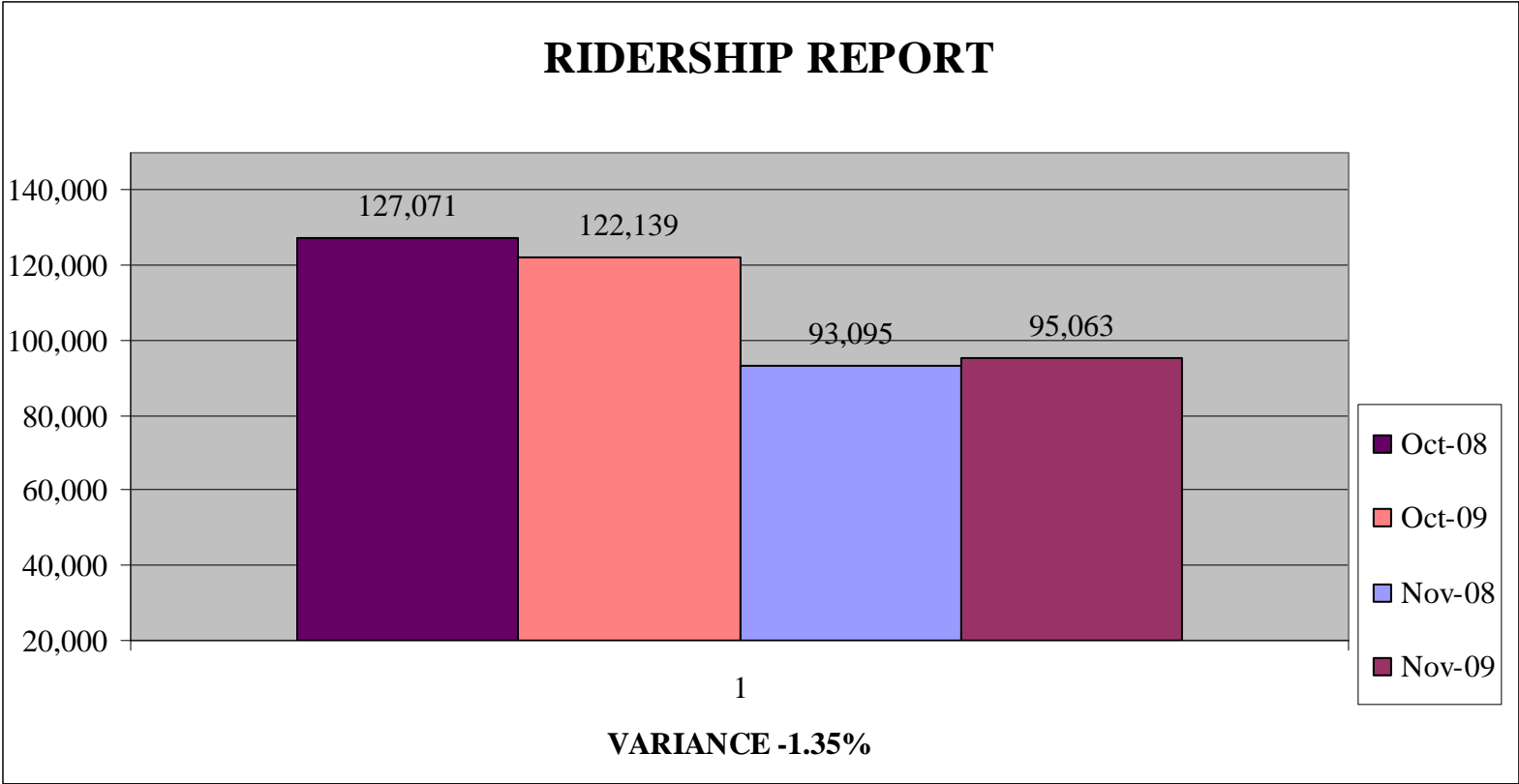
DATE	PASSENGERS	REV MILE	PASS/MI	REV HOURS	PASS/HR	WEEKDAYS	ACCIDENTS
Oct-08	127,071	34,959	3.63	3,387.79	37.51	23	0
Nov-08	93,095	29,808	3.12	2,699.25	34.49	17	1
TOTALS	220,166	64,767	3.40	6,087.04	36.17	40	1
Oct-09	122,139	36,540	3.34	3,174.82	38.47	22	0
Nov-09	95,063	32,338	2.94	2,818.32	33.73	19	1
TOTALS	217,202	68,878	3.15	5,993.14	36.24	41	1
PERIOD	WEEKDAYS						
Oct-Nov 2008	40						
Oct-Nov 2009	41	2.50%					

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
 JANUARY 13-2010 REGULAR MEETING

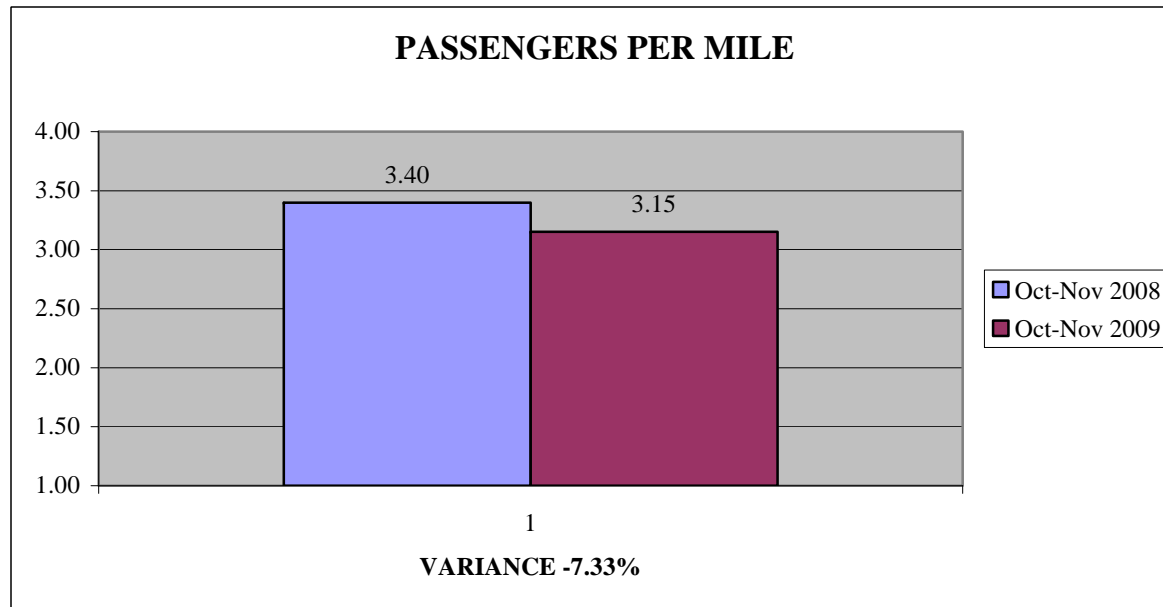
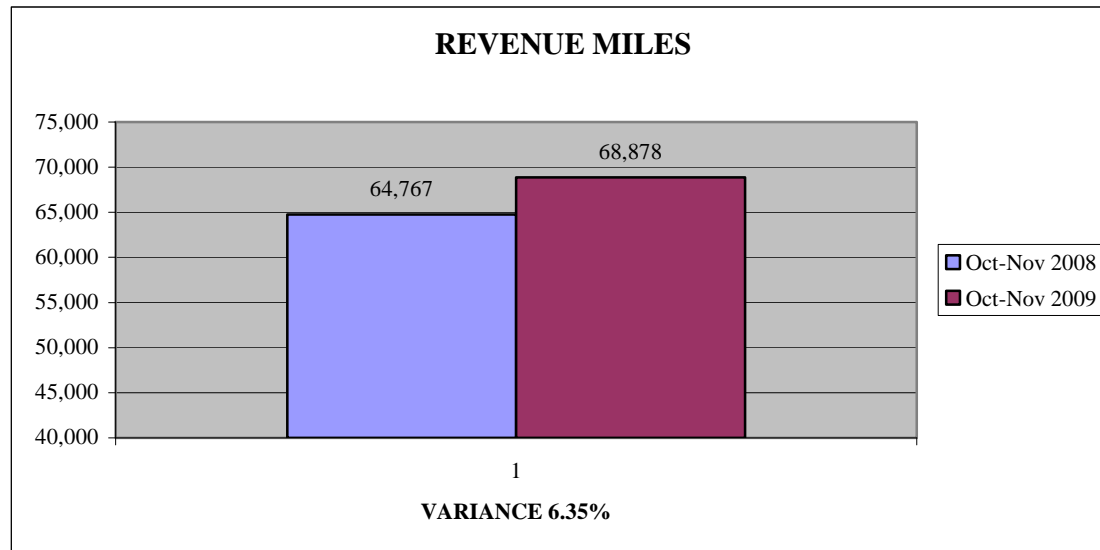
SLO Transit Ridership by Fiscal Year



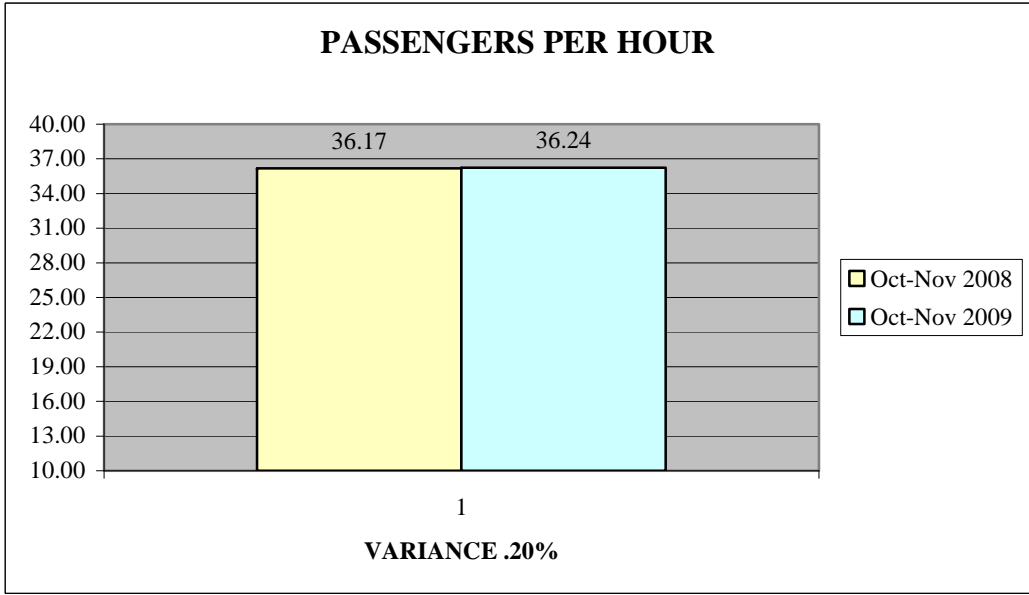
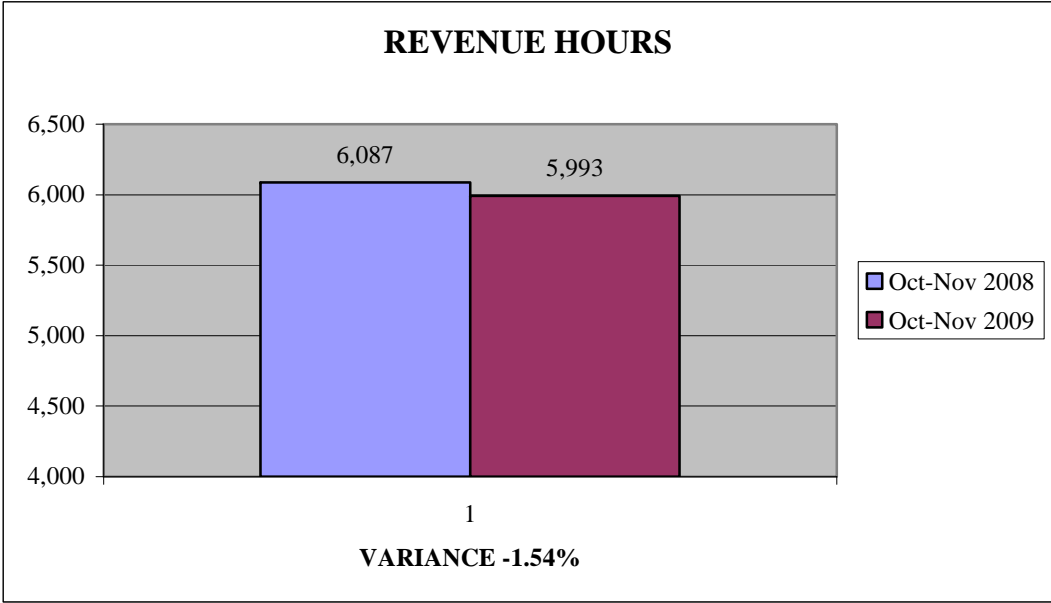
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JANUARY 13-2010 REGULAR MEETING



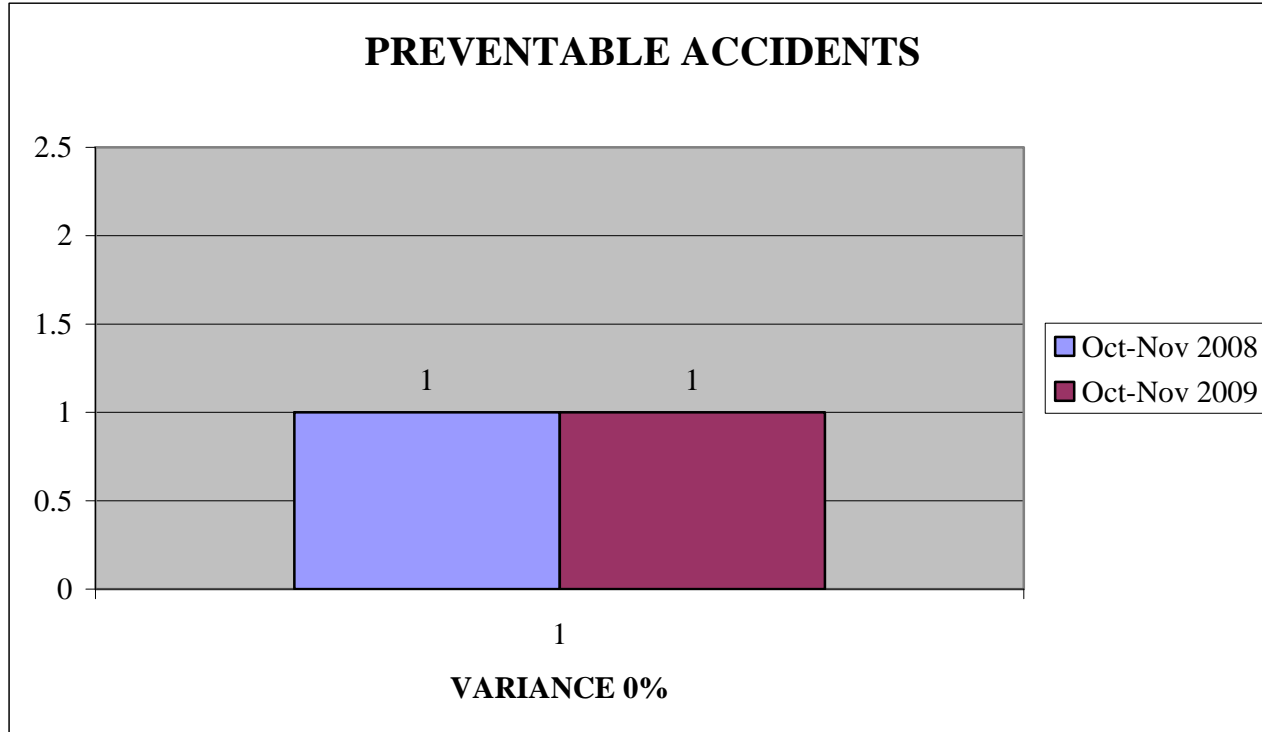
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MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
 JANUARY 13-2010 REGULAR MEETING

RIDERSHIP					
ROUTES	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
1	4,016	3,934	4,142	4,439	3,996
2	6,725	6,969	7,557	7,711	6,930
3	9,576	9,326	10,181	10,446	9,585
4	10,345	8,877	15,648	28,847	21,798
5	10,684	9,839	17,504	29,409	22,537
6	0	0	10,126	29,083	21,829
6A/B	1,490	1,251	434	1,096	647
TROLLEY	2,471	2,753	1,510	1,729	1,055
2-evening	0	0	226	337	270
3-evening	0	0	387	851	607
4-evening	0	0	1,573	3,852	2,647
6 A/B evening	0	0	1,393	4,339	3,162
OTHER	0	0	0	0	0
TOTAL	45,307	42,949	70,681	122,139	95,063

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
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REV MILES					
ROUTES	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
1	2,621.00	2,415.00	2,343.00	2,487.00	2,160.00
2	3,833.00	3,784.00	3,685.00	3,814.00	3,535.00
3	4,213.00	4,141.00	4,055.00	4,168.00	3,887.00
4	7,866.00	7,513.00	7,518.00	8,026.00	7,167.00
5	8,683.00	8,353.00	8,334.00	8,858.00	7,886.00
6	0.00	0.00	2,682.00	4,100.00	3,497.00
6A/B	2,018.00	2,031.00	784.00	394.00	236.00
TROLLEY	1,062.00	1,095.00	1,025.00	1,173.00	952.00
2-evening	0.00	0.00	459.00	594.00	513.00
3-evening	0.00	0.00	685.00	840.00	707.00
4-evening	0.00	0.00	980.00	1,308.00	1,130.00
6 A/B evening	0.00	0.00	579.00	778.00	668.00
OTHER	0.00	0.00	0.00	0.00	0.00
TOTAL	30,296.00	29,332.00	33,129.00	36,540.00	32,338.00
PASS/REV MI	1.50	1.46	2.13	3.34	2.94

PASSENGERS PER REVENUE MILE												
	1	2	3	4	5	6	6A/B	TROLLEY	2E	3E	4E	6A/BE
Jul-09	1.53	1.75	2.27	1.32	1.23	0.00	0.74	2.33	0.00	0.00	0.00	0.00
Aug-09	1.63	1.84	2.25	1.18	1.18	0.00	0.62	2.51	0.00	0.00	0.00	0.00
Sep-09	1.77	2.05	2.51	2.08	2.10	3.78	0.55	1.47	0.49	0.56	1.61	2.41
Oct-09	1.78	2.02	2.51	3.59	3.32	7.09	2.78	1.47	0.57	1.01	2.94	5.58
Nov-09	1.85	1.96	2.47	3.04	2.77	6.24	2.74	1.11	0.53	0.86	2.34	4.73

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
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REV HOURS					
ROUTES	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
1	259.00	237.00	248.00	248.00	214.00
2	362.00	358.00	350.00	360.00	333.00
3	357.00	352.00	345.00	355.00	328.00
4	599.00	587.00	588.00	599.00	539.00
5	670.00	638.00	644.00	654.00	587.00
6	0.00	0.00	368.00	476.00	411.00
6A/B	240.00	231.00	231.00	45.00	36.00
TROLLEY	139.86	131.00	73.00	140.00	109.00
2-evening	0.00	0.00	34.00	44.00	38.00
3-evening	0.00	0.00	39.00	50.00	43.00
4-evening	0.00	0.00	82.00	107.00	92.00
6 A/B evening	0.00	0.00	75.00	97.00	88.32
OTHER	0.00	0.00	0.00	0.00	0.00
TOTAL	2,626.86	2,534.00	3,077.00	3,175.00	2,818.32
PASS/REV HOUR	17.25	16.95	22.97	38.47	33.73

PASSENGERS PER REVENUE HOURS												
	1	2	3	4	5	6	6A/B	TROLLEY	2E	3E	4E	6A/BE
Jul-09	15.51	18.58	26.82	17.27	15.95	0.00	6.21	17.67	0.00	0.00	0.00	0.00
Aug-09	16.60	19.47	26.49	15.12	15.42	0.00	5.42	21.02	0.00	0.00	0.00	0.00
Sep-09	16.70	21.59	29.51	26.61	27.18	27.52	1.88	20.68	6.65	9.92	19.18	18.57
Oct-09	17.90	21.42	29.43	48.16	44.97	61.10	2.30	12.35	7.66	17.02	36.00	44.73
Nov-09	18.67	20.81	29.22	40.44	38.39	53.11	1.57	9.68	7.11	14.12	28.77	35.80

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
 JANUARY 13-2010 REGULAR MEETING

FUEL COSTS

FY 2010

GALLONS USED				
	Sep-09	Oct-09	Nov-09	TOTAL
DIESEL	9,036.00	9,798.20	8,784.00	27,618.20
CNG	0.00	0.00	0.00	0.00
GAS	470.10	492.50	510.90	1,473.50
TOTAL	9,506.10	10,290.70	9,294.90	29,091.70

COST				
	Sep-09	Oct-09	Nov-09	TOTAL
DIESEL	\$22,483.95	\$25,068.88	\$23,046.84	\$70,599.67
CNG	\$0.00	\$0.00	\$0.00	\$0.00
GAS	\$1,370.49	\$1,397.58	\$1,391.28	\$4,159.35
TOTAL	\$23,854.44	\$26,466.46	\$24,438.12	\$ 74,759.02

COST/GAL				
	Sep-09	Oct-09	Nov-09	Average
DIESEL	\$2.49	\$2.56	\$2.62	\$2.56
CNG	\$0.00	\$0.00	\$0.00	\$0.00
GAS	\$2.92	\$2.84	\$2.72	\$2.83
TOTAL	\$2.51	\$2.57	\$2.63	\$2.57

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
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 FY 2009

GALLONS USED				
	Sep-08	Oct-08	Nov-08	TOTAL
DIESEL	10,226.20	11,368.00	9,473.60	31,067.80
CNG	0.00	0.00	0.00	0.00
GAS	367.00	347.40	481.20	1,195.60
TOTAL	10,593.20	11,715.40	9,954.80	32,263.40

COST				
	Sep-08	Oct-08	Nov-08	TOTAL
DIESEL	\$36,282.19	\$34,447.40	\$21,549.67	\$92,279.26
CNG	\$0.00	\$0.00	\$0.00	\$0.00
GAS	\$1,154.19	\$936.32	\$976.89	\$3,067.40
TOTAL	\$37,436.38	\$35,383.72	\$22,526.56	\$95,346.66

COST/GAL				
	Sep-08	Oct-08	Nov-08	Average
DIESEL	\$3.55	\$3.03	\$2.27	\$2.95
CNG	\$0.00	\$0.00	\$0.00	\$0.00
GAS	\$3.14	\$2.70	\$2.03	\$2.62
TOTAL	\$3.53	\$3.02	\$2.26	\$2.94

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
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MTC JANUARY 2010 REPORT				
Diesel Comparisions				
DIESEL ONLY	GAL	AMT	COST/GAL	Cost/Variance
Sept-Nov 08	31,067.80	\$ 92,279.26	\$ 2.97	
Sept-Nov 09	27,618.20	\$ 70,599.67	\$ 2.56	-13.94%

MTC JANUARY 2010 REPORT				
ALL FUEL COMPARISION				
	GAL	AMT	COST/GAL	Cost/Variance
Sept-Nov 08	32,263.40	\$ 95,346.66	\$ 2.96	
Sept-Nov 09	29,091.70	\$ 74,759.02	\$ 2.57	-13.04%

MTC AGENDA ITEMS- D-1 & 2 ATTACHMENT "A"-
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October-November	FY 2010	FY 2009	VARIANCE	VARIANCE
1-Day Reg Pass	515	422	93	22.04%
3-Day Reg Pass	320	216	104	48.15%
5-Day Reg Pass	282	199	83	41.71%
7-Day Reg Pass	252	510	-258	-50.59%
31-Day Reg Pass	3,666	3,818	-152	-3.98%
31-Day Sr/Dis Pass	13,718	17,251	-3,533	-20.48%
31-Day Student Pass	2,248	2,348	-100	-4.26%
Amtrak	3	15	-12	-80.00%
Cal Poly + invalids	151,642	146,517	5,125	3.50%
Gold Pass/Downtown Access Pass	1,714	1,469	245	16.68%
Green Commuter (Home Depot Flash Pass)	0	168	-168	-100.00%
Promo Pass	236	416	-180	-43.27%
Regional Day Pass (New)	1,785	0	1,785	100.00%
Regional Pass	8,996	5,019	3,977	79.24%
Regional Transfer (ELIMINATED THIS FY)	0	737	-737	-100.00%
Regular Cash	19,126	26,800	-7,674	-28.63%
Regular Pass	951	811	140	17.26%
SR / DIS Cash	3,705	3,902	-197	-5.05%
SR / DIS Pass	103	428	-325	-75.93%
Token (OLD PRADO TOKEN)	0	1,084	-1,084	-100.00%
Prado Token (New)	1,171	0	1,171	100.00%
Universal Pass (ELIMINATED AUGUST-09)	0	1,492	-1,492	-100.00%
Non-Revenue Riders				
Dump the Pump Promo	0	0	0	0.00%
Free Riders	1,959	2,453	-494	-20.14%
Newcomer	33	11	22	200.00%
SLO Transfers	3,486	4,073	-587	-14.41%
VIP (new)	1,284	0	1,284	#DIV/0!
Youth	7	7	0	0.00%
Free Ride Token (new)	0	0	0	#DIV/0!
Ridership Summary			0	
Revenue	210,433	213,622	-3,189	-1.49%
Non-Revenue	6,769	6,544	225	3.44%
TOTAL	217,202	220,166	-2,964	-1.35%

Webster, John

From: Jeff Wagner [jeff@shawyoderantwih.com] on behalf of Jeff Wagner - CalTransit [jeff@caltransit.org]
Sent: Friday, January 08, 2010 3:01 PM
Subject: Governor's Budget Attacks Underlying Transit Revenue -- End-Run Around Court Decision
Attachments: Governor's Proposed Budget -- Summary -- 2010-11.pdf

In his 2010-11 State Budget unveiled today, the Governor proposes a complex scheme to eliminate the sales tax on gasoline and raise excise gas taxes. While couched as helping families while maintaining a level of transportation spending, as well as also providing some General Fund relief, **this proposal completely eliminates the core tax revenues historically funding the transit programs supported by the Public Transportation Account.**

Current law requires the proceeds of four core tax revenues streams related to the sales tax on gasoline and diesel fuel to flow into the Public Transportation Account. The Governor's proposal ELIMINATES these four transit revenue streams:

- Spillover – which is the difference between 1) a 5% state sales tax applied to all taxable goods except gasoline, and 2) a 4¼% state sales tax applied to all taxable goods including gasoline; essentially, spillover is generated when gasoline prices increase at a faster rate than all other taxable items. Since 2007-08, spillover has generated over \$2.5 billion (roughly \$800 million per year).
- Sales tax on diesel – which has produced an average of \$350 million per year since 2007-08.
- Sales tax on 9 cents of the excise tax on gasoline – which produces an average of \$65 million per year.
- Proposition 42 –the sales tax on gasoline remaining after the spillover calculation and above and beyond the sales tax on 9 cents of the gas tax. The PTA receives 20% of all such proceeds. This revenue source generates an annual average of \$1.4 billion, meaning that the PTA has received approximately \$280 million per year.

Thus, this proposal threatens approximately \$1.5 billion in transit funding! This proposal is clearly designed as an end-run around state law – established in our Association's litigation against the 2007-08 State Budget, and as upheld by the California Supreme Court -- requiring the spillover revenues to be deposited in the PTA, and for those revenues to be spent on mass transportation purposes. As much as the law requires those revenues to be spent on transit *IF* those revenues materialize, however, state law cannot force those tax revenues to be collected; the Governor proposes eliminating the tax source so he doesn't have to spend them on transit.

We will provide more details about this proposal as they become available.

Joshua W. Shaw
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Webster, John

From: Jeff Wagner [jeff@shawyoderantwih.com] on behalf of Jeff Wagner - CalTransit [jeff@caltransit.org]
Sent: Friday, January 08, 2010 2:28 PM
Subject: NEWS RELEASE - Governor's new scheme to raid transit funding
Attachments: image001.png; News Release 010810 - Reaction to Governor's Budget.pdf



FOR IMMEDIATE RELEASE

CONTACT: Jeff Wagner,
 January 8, 2010
 Communications Director

(916) 752-4150

Governor Proposes Yet Another Scheme To Raid State Transit Funding

***Latest Budget Plan Circumvents Recent Court
 Rulings
 That Funding Diversions Are Illegal; \$1.5 Billion in
 Jeopardy for 2010-11***

SACRAMENTO – As had been widely rumored for weeks, the 2010-11 State Budget proposal released today by Gov. Arnold Schwarzenegger includes an elaborate scheme designed to circumvent recent court rulings that outlawed ongoing diversions of state funding dedicated to public transit.

In a lawsuit originally filed by the California Transit Association over funding raids perpetrated in the 2007-08 budget agreement, the Third District Court of Appeals ruled last June that diversions from the Public Transportation Account (PTA) to fill non-transit holes in the General Fund violated a series of statutory and constitutional amendments enacted by voters via four statewide initiatives dating back to 1990. Administration officials appealed that ruling to the State Supreme Court, which subsequently rejected the appeal, allowing the appellate court ruling to stand.

Rather than comply with the courts, Schwarzenegger's plan would eliminate the sales tax on gasoline and diesel fuels and replace a portion of that revenue source with an increase in the excise tax on fuels, none of which would be allocated to transit. Instead of diverting money from the PTA, the proposal would remove the funding stream that is supposed to flow into the PTA in the first place, effectively eliminating state funding for transit.

The scheme supposedly maintains transportation funding at the same levels as the current year's budget, which zeroed out funding for public transit operations. Administration officials also claim the plan provides relief for California families through a net reduction of taxes paid at the gas pump.

"Once again, the Governor offers shell games instead of solutions, and transit riders in California again suffer the consequences," lamented Joshua Shaw, the transit association's Executive Director. "The Governor wants to disguise this as some sort of tax relief for families. What about the thousands of families who depend on public transit to get to work or to go out and buy food to put on their tables, the kids who need transit to get to school, or the elderly and disabled persons who rely on transit to access medical services? I guess they don't count."

"We knew that the court's ruling provided us with some reprieve, but we also knew it wasn't beneath this Administration to seek some way to ignore the ruling," he added. "Apparently, when you have the power to get laws changed, you don't have any obligation to follow the ones already on the books."

At stake in the 2010-11 budget is approximately \$1.5 billion that, under current law, would provide critical relief to transit providers seeking to meet burgeoning demand for services. More than \$3.5 billion in transit funding has been illegally diverted over the previous three years, and last year budget crafters eliminated the State Transit Assistance (STA) program, which, since its creation in the early 1970s, had been the only ongoing source of state funding for day-to-day transit operations.

As a result, transit operators throughout the state have had to resort to fare increases, service reductions and job eliminations to address the mounting shortfall.

"At the same time that state leaders – specifically the Governor – have been lauded for their moves to reduce greenhouse gas emissions and ease congestion, and to promote smart-growth planning, they have simultaneously orchestrated the eradication of support for the one service we already have in place that is best-equipped to help meet those goals," said Shaw. "The Governor doesn't seem to be able to make the connection between 21st century priorities on those fronts and a suitable 21st century approach to funding transportation needs."

It is not yet known how well-received the plan will be among lawmakers.

Recent progress in highlighting the plight of transit among legislative leaders – including informational hearings conducted last month by the Assembly Transportation Committee – suggest the scheme could face stiff opposition from at least a small but influential contingent.

“There are those in the Legislature who get it, and we look forward to working with them to give this proposal the rejection it deserves,” said Shaw. “We understand the tough task lawmakers face in dealing with the state’s budget crisis, but there are many in the Legislature who also understand that transit has already borne far more than its fair share of the burden. We think it’s possible to abide by the court’s decisions on transit funding and still contribute to General Fund relief without resorting to this kind of scheme.”

Foreseeing that even success in the courts might not halt the funding grabs, the Association has partnered with the League of California Cities and the California Alliance for Jobs on a statewide ballot initiative that would prevent further raids on state funding for a variety of local services, including public safety, libraries and parks, in addition to public transit. The campaign on behalf of the measure is currently collecting signatures with an eye toward qualifying for the November, 2010 ballot.

“Frankly, it’s disappointing that we would have to resort to another initiative, but that’s apparently what it’s going to take to prevent future governors from exploiting such loopholes and put an end to the annual budget shenanigans,” Shaw said. “Not only will this measure protect the vital funding for local services that voters have repeatedly and overwhelmingly demanded, but it will help to hasten the serious reform of the budget process that is long overdue.”

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January 8, 2010

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To: Association Members
Friends of Public Transit

Fm: Joshua W. Shaw, Executive Director
Gus Khouri, Legislative Advocate

RE: GOVERNOR'S PROPOSED 2010-11 STATE BUDGET

Overall Budget Picture

Today Governor Schwarzenegger unveiled his proposed 2010-11 State Budget. Describing a \$19.9 billion 18-month General Fund deficit, which includes a current year shortfall of \$6.9 billion, and a projected deficit in the budget year of \$13.3 billion, the governor cites reduced revenue estimates (\$3.4 billion), federal and state court decision costs (\$4.9 billion), erosions of previous solutions (\$2.3 billion), and population and caseload growth (\$1.4 billion) as the main elements comprising the deficit. As a result, the Governor declared a fiscal emergency and has called the Legislature into Special Session to address the problem. According to the Governor, the budget proposes solutions for action in the Special Session that will close \$8.9 billion of the budget gap. Delays in the adoption of these proposals until the enactment of the 2010-11 budget would result in the loss of up to \$2.4 billion in budgetary solutions and thereby necessitate even deeper cuts in 2010-11.

Proposed reductions include **complete elimination of the underlying public transit revenues protected in our Association's lawsuit and court decision**, program eliminations, further reductions to various health and human services programs, a reduction to the anticipated level of funding for Proposition 98, substantial changes to employee compensation, and reductions to the Department of Corrections and Rehabilitation.

The Governor also calls for structural changes in the federal and state relationship in order to provide additional resources to address California's cash flow problem, as well as enactment of the proposals submitted by the Commission on the 21st Century Economy.

Following is a summary of the major transit and transportation program proposals:

Transportation Funding "Swap" – Eliminate Sales Tax on Gas / Increase Gas Tax

Saying, "This budget reduces the cost of gas by 5 cents per gallon – something most California families will appreciate," the Governor proposes to eliminate the sales tax on gasoline and the sales tax on diesel fuel. At the same time he proposes to increase the excise tax on gas by 10.8 cents per gallon. This will result in a total reduction of an estimated \$2.844 billion in sales taxes in 2010-11, of which \$1.573 billion is categorized by the Governor as "General Fund revenue." An estimated \$1.868 billion of excise taxes on fuels will be raised by increasing the per-gallon rate from 18 cents to 28.8 cents to replace funding on highways and roads currently funded from the sales tax on gasoline and provide funding to offset highway bond debt service. This results in a net reduction of \$976 million, or nearly 6 cents per gallon at the pump.

The Governor says this measure provides benefit to the General Fund in two ways:

- \$603 million is used to offset General Fund debt service on the highway bonds.
- Reduced General Fund revenues result in a lower Proposition 98 guarantee

While couched as helping families while maintaining a level of transportation spending, as well as also providing some General Fund relief, **this proposal completely eliminates the core tax revenues historically funding the transit programs supported by the Public Transportation Account.**

Current law requires the proceeds of four core tax revenues streams related to the sales tax on gasoline and diesel fuel to flow into the Public Transportation Account. The Governor's proposal ELIMINATES these four transit revenue streams:

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- Proposition 42 –the sales tax on gasoline remaining after the spillover calculation and above and beyond the sales tax on 9 cents of the gas tax. The PTA receives 20% of all such proceeds. This revenue source generates an annual average of \$1.4 billion, meaning that the PTA has received approximately \$280 million per year.

Thus, this proposal threatens approximately \$1.5 billion in transit funding! This proposal is clearly designed as an end-run around state law – established in our Association's litigation against the 2007-08 State Budget, and as upheld by the California Supreme Court -- requiring the spillover revenues to be deposited in the PTA, and for those revenues to be spent on mass transportation purposes. As much as the law requires those revenues to be spent on transit *IF* those revenues materialize, however, state law cannot force those tax revenues to be collected; the Governor proposes eliminating the tax source so he doesn't have to spend them on transit.

The spillover and sales tax on diesel fuel revenues that have accumulated in the PTA in the *current* fiscal year – amounting to \$945 million blocked from illegal expenditure by our lawsuit – are proposed to be spent on state transit programs like intercity rail and Caltrans staff costs, as well as on transit bond debt service authorized under our court decision.

State Transit Assistance Program

Because the proposed sales tax / gas tax swap eliminates the underlying PTA revenues, the Governor proposes **NO** State Transit Assistance Program in 2010-11. And, this proposal is PERMANENT (as opposed to the 2009 Budget Act's elimination of the STA program through 2013).

Transit Capital Projects in the STIP or ITIP

Because the proposed sales tax / gas tax swap eliminates the underlying PTA revenues, the Governor proposes NO resources for programming transit capital projects through the State Transportation Improvement Program or the Interregional Transportation Program in 2010-11.

Proposition 42

The proposal eliminates not only the core PTA revenues, but also eliminates the underlying revenue dedicated by Proposition 42 – what would otherwise be approximately \$1.4 billion this year -- to transportation and transit programs. The revenues that historically would have gone to the State Transportation Improvement Program (STIP), county roads, and city streets, would be replaced by the increased gas tax revenues. The 20% of Proposition 42 revenues historically dedicated to the Public Transportation Account would be eliminated completely.

Proposition 1B

The Governor proposes a \$350 million appropriation to transit capital projects from the Public Transportation Modernization Improvement and Service Enhancement Account. It is not clear from the details provided so far what other Proposition 1B bond appropriations the Governor proposes, if any.

Sales Tax / Gas Tax Swap Details

Following is the Governor's description of why he's proposing to eliminate transit funding, including reference to our Association's litigation:

“Existing state revenues for transportation programs are raised primarily by an 18-cent excise tax on motor vehicle fuels and the state sales taxes on those fuels. In recent years, with the increase in gasoline and diesel prices outstripping the prices of other taxable goods, these sales tax revenues have dramatically increased, by almost a billion dollars since 2004-05... The increase in gas prices has in part shifted consumer spending on taxable goods to gasoline, and has contributed to relative decreases in General Fund sales tax revenues. In recent budgets, much of these increases have been used to fund the General Fund costs of transit bonds, school transportation, and transportation of the developmentally disabled. The use of these revenues to pay for costs otherwise borne by the General Fund has been done in part because the decision made in the early 1970s to dedicate these funds did not anticipate current high gas prices and the level of funding for local public transportation that statutory formulas would have otherwise provided. A recent court decision determined that most of the use of sales tax on gas to fund public transportation costs otherwise borne by the General Fund is invalid. Based on this decision, \$958 million of 2009-10 General Fund budget solutions cannot be obtained. Because these funds cannot be used as budgeted, they are being retained in the Public Transportation Account (PTA), which thus has a growing balance.

The Governor's Budget proposes to achieve \$1.8 billion in General Fund savings while continuing to fund transportation programs at the level anticipated in the 2009 Budget Act. To achieve this goal, the budget proposes to eliminate the sales tax on fuel and increase the excise tax on gasoline by 10.8 cents to partially replace these revenues, thereby maintaining funding for transportation programs while reducing net taxes paid by consumers by \$976 million.

Under current law, the sales tax on fuel provides the revenues that fund Proposition 42. Revenues from the excise tax on gasoline have substantial constitutional protections; however they are not subject to the same legal restrictions as the sales taxes on fuels are. Under Article XIX of the Constitution, excise tax revenues cannot be used for most transit purposes. Given the goal to provide the same level of funding for transportation as was anticipated in the 2009 Budget Act, the Governor's Budget

proposes the replacement revenues to be distributed as follows: \$629 million for local streets and roads and \$629 million for the State Transportation Improvement Program (STIP).

This distribution is the same as would have been provided under Proposition 42. The General Fund benefits from this proposal as follows:

- \$603 million in new excise tax revenue will be used to reimburse the General Fund for highway bond debt service costs in 2010-11. In future years, the excise taxes will be adjusted to allow the increasing amount of debt service cost associated with Proposition 1B bonds to be offset. However, the rate will never exceed the current effective per-gallon rate. Additionally, \$72 million in miscellaneous Caltrans revenues transferred to the PTA under prior law will instead be retained in the State Highway Account to offset a portion of Proposition 116 rail bond debt service.
- From the revenue received in the PTA in 2009-10, \$57 million in 2009-10 and \$254 million in 2010-11 will be used to fund transit programs' bond debt service costs, as allowed under the recent court decision.

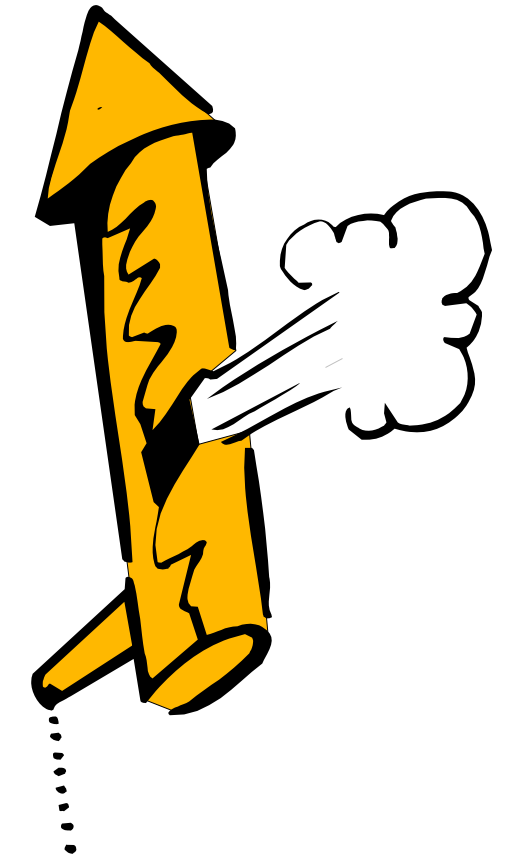
This results in an overall decrease in taxes on motorists of about five cents per gallon. In the future, state tax revenues will no longer increase from spikes in gasoline prices. Since the revenues that flowed to Proposition 42 were General Fund revenues, the elimination of these revenues reduces the Proposition 98 guarantee, which provides an \$836 million budget solution...

Intercity Rail and some transportation planning costs will continue to be funded from the PTA until those funds are exhausted in 2011-12. At that time, it will become necessary to fund these activities from the General Fund or other funding sources."

We will provide more details as they become available. Please contact us at (916) 446-4656 if you have questions, or email us at jshaw@caltransit.org or gkhoury@caltransit.org.

Volunteers Wanted!

Do you have an interest in serving your community, do you want to have a say about SLO Transit, if so, the City of San Luis Obispo wants you!!!



Call now to find out how YOU can make a difference on SLO TRANSIT. Applications are now being accepted for two (2) Alternate Representatives to serve on the Mass Transportation Committee. Don't miss this great opportunity. Application deadline is January 29, 2010. Call 781-7100 for more information.



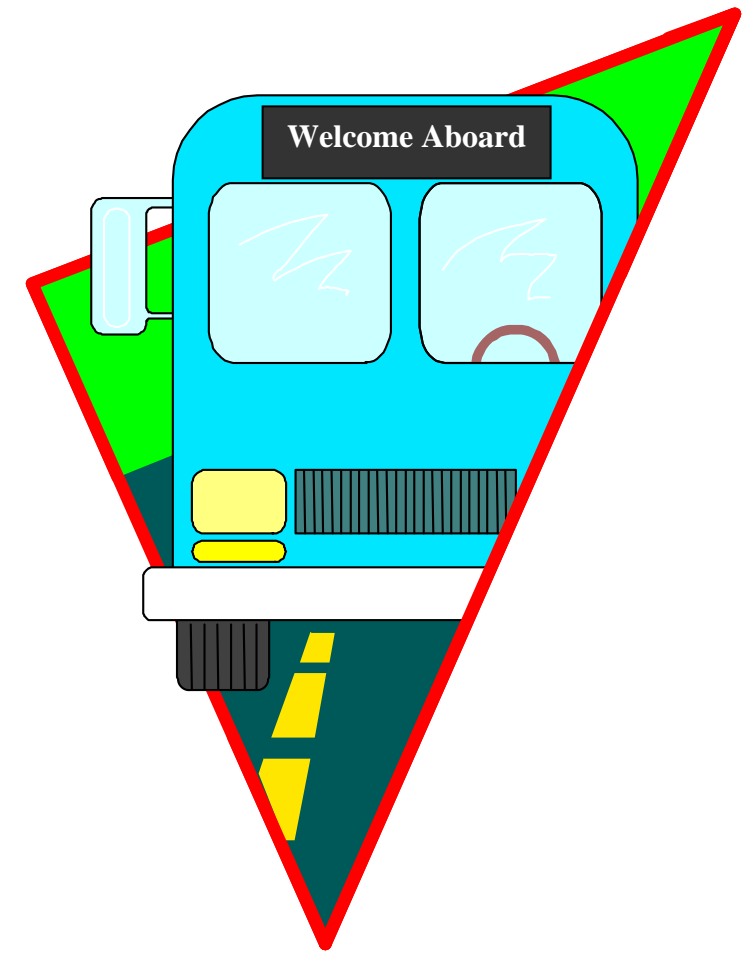
You Better Hurry! The Phone is Ringing off the Hook!



Call now to find out how YOU can make a difference on SLO TRANSIT. Applications are now being accepted for two (2) Alternate Business Representatives to serve on the Mass Transportation Committee. Don't miss this great opportunity. Application deadline is January 29, 2010. Call 781-7100 for more information.



- ✓ ***Want to Make a Difference to SLO TRANSIT?***
- ✓ ***Is SLO TRANSIT important to you?***
- ✓ ***Do You want a SAY about SLO TRANSIT?***



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**SLO TRANSIT UNMET NEEDS RESPONSE
DECEMBER 2009**

1. Request bus service out Hwy 227 (south of Aero Dr.) to Kendall Rd. and make a loop inside East Airport Commerce Park subdivision.
Response: SRTP recommendation but funding is not available to expand routes. Part of area is under County of SLO jurisdiction (Airport, Morbito/burke) and should be reviewed by SLO PW for service needs.

2. Request for a Madonna Rd. /Laguna Lake area shuttle/trolley.
Response: Area has two routes (4&5) currently operating and additional service expansion was not recommended in recent SRTP

3. Request "flag stops" be allowed, particularly during non-rush hours.
Response: Safety Issues using this method exist and are not recommended by staff.

4. Request a bench be installed at Johnson Ave. and Orcutt Rd. to accommodate Rte. 1 & 3 riders
Response: This stop and the adjacent property is actually in the County of San Luis Obispo (not the City) but is also part of the draft Orcutt Area Specific Plan that the City is processing to allow for annexation of the area into the City. As part of that plan the roadway is to be widened and transit stops including benches will be provided. Forward to County for consideration of bench installation.

5. Request to retain existing weekend and evening service levels.
Response: Service levels are currently being evaluated in light of the current State eliminated transit funding (STA) and reduction in TDA funding due to reduced sales tax revenue.

6. Request drivers call ahead for support/back-up vehicle when bus wheelchair tie-downs are full.
Response: SLO Transit fully complies with ADA regulations and are not required to add service if at capacity for wheel chair passengers. A support vehicle would be called if it was the last trip of the day and to prevent a passenger from being stranded at a stop. In other situations the passenger would have to wait for the next bus to arrive.

7. Request to allow beverages to be consumed on-board if they are in drip-less travel cups, etc.
Response: SLO Transit allows beverages to be consumed on-board if they are in drip-less travel cups.

8. Request bus passes be sold that allow a certain number of trips, rather than days.
Response: SLO Transit is evaluating new fare media that includes the use of specific trip purchases.
9. Request Wi Fi internet access be available on all public transit vehicles.
Response: Staff is willing to evaluate if funding becomes available.
11. Request regional and local transit services improve coordination of transfer connections
Response: City and Contractor staff meets on a regular basis with other area operators to improve service.
12. Request printed media (i.e. schedules) at transit centers be current and user-friendly.
Response: SLO Transit media is up to date and available at multiple outlets and on line.
13. Request transit drivers be compensated fairly.
Response: Issue is not under City of San Luis Obispo control and is subject to Contractor labor negotiations.
14. Request 100% of TDA funding be used for public transit.
Response: City of San Luis Obispo uses 100% of TDA allocations for public Transit.
15. Request all regional and local transit drivers be instructed to call-out bus stops by their street name and/or intersection. This includes automated voice call-out systems.
Response: 100% of SLO Transit vehicles are equipped with automatic bus stop announcement equipment and our system announces 100% of all bus stops which exceeds the ADA requirements. Call-outs are made by Street name and intersection if applicable and are made using English and Spanish.
16. Request additional bike racks on all public transit vehicles (including DAR).
Response: SLO Transit vehicles are equipped with 3-position bike racks mounted on the front of the bus.

**CITY OF SAN LUIS OBISPO
MASS TRANSPORTATION COMMITTEE
COUNCIL HEARING ROOM
995 PALM ST.
WEDNESDAY, NOVEMBER 18, 2009**

CALL TO ORDER:

Chairperson Susan Rains called the meeting to order at 2:50 p.m.

ROLL CALL

Present: Robert Wolf, Elizabeth Thyne, Art Apruzzese, Margaret Crockett,
and Stanley Yucikas

Absent: Susan Rains, Denise Martinez, and Tracy Amundson

Vacant: Alternate (open)

Staff: Tim Bochum, Dee Lawson

ANNOUNCEMENTS

There were no announcements.

PUBLIC COMMENTS

There were no public comments.

A. CONSENT ITEMS

A-1. Approval of September 9, 2009 Regular Meeting Minutes

Ms. Crockett moved to approve the minutes as submitted.

Ms. Thyne seconded the motion.

The motion passed unanimously.

B. DISCUSSION ITEMS

B-1. Transit Schedule Format

Mr. Bochum introduced Chris Judd, Public Works representative, who discussed the proposed transit schedule format improvements.

The MTC had general discussion and input agreed that the proposal was more streamlined and user-friendly than the cumbersome current schedule.

They asked for more staff discussion on the loop indications and time-point layouts, noon service suspensions, and on-time needs, especially in relation to Route 5. They also discussed weekday vs. 7-day/week designations re Route 2.

Staff agreed to bring back discussion on MTC comments and stated there could also be discussion on making display ad space available on the map graphic side to garner some revenue.

Staff also noted that implementation of these changes was approximately a year away and asked MTC to email any further input comments at their convenience.

C. ACTION ITEMS

There were no items.

D. INFORMATION ITEMS

D-1. Transit Manager's report

D-2. Operating-Performance reports

Mr. Webster presented highlight discussion (special notes included) on:

- **Ridership report**
- **Contractor Issues:** Steve Aanonson introduced Jennifer Weinberg, First Transit Safety Manager, who discussed dispatch issues, safety concerns, road supervision, and operations.
- **Contractor Liquidated Damages**
- **Long-Term Campus Circulation:** Staff noted stops had been re-assigned and were working fairly well; there was a concern with fumes and gridlock at the Kennedy Library stop that will be addressed.
- **Public Art:** Staff stated in efforts to reduce vandalism at the shelter, since the installation of artwork, there had been no incidents.
- **Capital Projects**
- **AVL:** Staff discussed AVL web page beta-testing for public viewing and stated the GPS was 100% accurate.
- **Double-Decker Bus**

- **Transit Facility Roof Replacement**
- **FTA 5317 New Freedom Grant**
- **Social Media**
- **Rideshare**
- **SLOCOG-TDA Funding**
- **FY 2008-09 Closeout**
- **Unmet Transit Needs Public Hearing:** Staff reported that the airport/Aerovista loop to the new signal had been discussed.
- **Various SLO Transit System reports-information**

The meeting adjourned at 4:30 p.m. to the next regularly scheduled meeting of January 13, 2010 at 2:45 p.m.

Respectfully submitted,
Lisa Woske, Recording Secretary