

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 3/12/2025

Staff Report No. 25-191

TO: AC Transit Board of Directors
FROM: Kathleen Kelly, Interim General Manager/Chief Executive Officer
SUBJECT: Polling Update

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving a report on the District's planned polling associated with a potential upcoming revenue measure.

Staff Contact:
Claudia Burgos, Interim Executive Director of External Affairs, Marketing & Communications

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

Conducting polling to gauge voter support for a potential future revenue measure is a key step in determining a path to securing additional resources to support the District's financial stability and resiliency.

BUDGETARY/FISCAL IMPACT:

Funding to conduct a voter poll is budgeted in the FY25 budget. Polling is estimated to cost \$73,000.

BACKGROUND/RATIONALE:

AC Transit faces significant budget shortfalls beginning next fiscal year. The District's most current deficit projections, based on 85% of pre-pandemic service levels are:

- FY 26: \$45M deficit
- FY 27: \$72M deficit
- FY 28: \$58M deficit
- FY 29: \$56M deficit

To prevent substantial service cuts, the District is exploring the possibility of placing a parcel tax revenue measure on the ballot in 2026.

Any future revenue measure, whether our own or through the regional revenue measure being led by the

Metropolitan Transportation Commission (MTC), needs to raise enough money to close the District's current deficit projections of approximately \$60 million per year. A tax that generates \$60 million per year would be sufficient to sustain current service levels of 85%. Staff does not recommend pursuing a revenue measure that would raise anything less than \$60 million per year. In addition to polling a revenue measure that generates \$60M a year to allow the District to sustain 85% of pre-pandemic service levels, staff will also poll a larger parcel tax amount that would generate enough funds to restore service levels to 100% of pre-pandemic service levels. Staff seeks to assess voter support for a measure that sustains service levels versus one that improves/increases service levels.

The last time that AC Transit placed a measure on the ballot was in 2016. Measure C1 was approved by 72% of voters in AC Transit Special District 1 (SD1). Measure C1 extended the parcel tax - originally approved as Measure VV in 2008 - by an additional 20 years (until 2039) and generates \$30 million per year in operating funds for the District.

In 2016, AC Transit conducted extensive community outreach and education, including polling, stakeholder engagement, telephone townhalls and a series of stakeholder presentations (Transit Talks) to inform the public of the District's needs, projects and the critical service the District provides to the communities it serves.

Planned Activities

Given AC Transit's current fiscal challenges, the District has engaged EMC Research to conduct a poll of likely voters in the AC Transit service area regarding options for a 2026 revenue measure. The poll will seek to assess voter favorability for the MTC-led regional revenue measure versus an AC Transit-specific revenue measure, evaluate support for an AC Transit parcel tax, test two different parcel amounts, and test messaging to guide future public education efforts.

Key milestones associated with a November 2026 ballot measure include:

- *March 2025:* Conduct a poll of likely voters to gauge support on two amounts for a parcel tax revenue measure.
- *April 2025:* Present the poll results at the Board Retreat.
- *May 2025:* Engage a consultant to develop an outreach and communications plan related to a future revenue measure
- *August 2025 - August 2026:* Conduct public outreach and education.
- *Spring 2026:* Conduct second poll
- *August 2026* (at least 88 days prior to the election): Hold a public hearing and adopt a resolution to place the measure on the ballot.

ADVANTAGES/DISADVANTAGES:

There are no advantages or disadvantages to receiving this report.

ALTERNATIVES ANALYSIS:

The District could forgo conducting polling to assess voter support for a future revenue measure to support District operations. Staff does not recommend this alternative as the District is facing significant budget

deficits in the upcoming years and additional funding sources are needed to ensure the financial stability and resiliency of the District.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 24-480a: FY 2025-26 Budget Guidelines

SR 24-486: Revenue Measure Update

SR 21-472: Taxing Authority

ATTACHMENTS:

None

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