



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

Master Minute Order

File Number: 20-134a

Report ID: 20-134a

Type: Regular - Finance & Audit

Status: Received

Agenda
Section:

Meeting Body: Board of Directors -
Regular Meeting

Report Created: 03/12/2021

Final Action: 04/28/2021

ded Action: Consider receiving an updated report on the possible effects of "free" fares on AC Transit and a review of how it is implemented at other agencies.

Sponsors:

Enactment Date:

Attachments: STAFF REPORT, Att.1. Fare Rev Scenario, Att.2.
Cost of Fare Collection

Enactment Number:

Hearing Date:

Effective Date:

History of Legislative File

Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
Board of Directors - Regular Meeting	04/28/2021	Received				Pass
Action Text:	MOTION: ORTIZ/WILLIAMS to receive an updated report on the possible effects of "free" fares on AC Transit and a review of how it is implemented at other agencies. The motion carried by the following vote:					
Notes:	Chief Financial Officer Chris Andrichak presented the staff report.					

Public Comment:

Joty Dhaliwal, PTA-EBDSA, noted that LA Metro created a program called "People Assisting the Houseless (PATH)" to address the problem of unhoused people on public transit. Dhaliwal added that 24 people were hired to help unhoused people find assistance at a comparable cost to three police officers and suggested that this type of servicing is an excellent reimagining of public safety.

Board Discussion:

Director Williams asked what the removal of fareboxes would mean to IBEW workers and whether it was possible to place a wealth tax on the ballot. General Manager Michael Hursh advised that his position was to not lay people off, but to retrain them for other jobs. He added that fare collection is very complex and any notion of eliminating fareboxes was well into the future and would require discussions with the union after assessing the impacts across the agency. General

Counsel Jill Sprague commented that staff was looking at the various legal frameworks to generate taxes and the District's authority, noting that Transit District Law did not provide for a wealth tax and the matter was under review.

Director Peeples believed that Transit District Law allowed the District to impose any tax it wanted, but Proposition 13 and other propositions imposed constitutional limitations. In addition, Director Peeples reported that during American Public Transportation Association meetings, Monterey-Salinas Transit conveyed a dramatic increase in operator assaults during the (Covid) free fare period and it was their ATU workers that insisted on resuming fares to solve the problem. He also shared that AC Transit ATU workers shared similar concerns with the Board.

Director Beckles felt it was possible to address both the homeless population on buses and have free fares. She asked what it would cost to address the issue of the homeless riding the buses as a form of shelter. Mr. Andrichak explained that staff had not considered the cost of a proposal to address homelessness. Director Beckles agreed that it was a big problem but felt there needed to be a regional approach to address it.

Vice President Young believed that all of the Board members supported free fares in some form or fashion, but there needed to be a common reality in what the District can do in terms of free fares and service, given that fares represent \$68 million in revenue to the District. He added that the proponents of free fares needed to find a funding source to pay for it long-term in order for it to come to fruition. Vice President Young further commented on the cost to mount a successful campaign for a tax measure of any kind, saying that it is incredibly difficult to raise money to fund a campaign.

Director Beckles clarified that it was not about pulling money out of the air inasmuch as it was about working on ways to make it happen, which included support at the federal level and taxing the wealthy.

Director Beckles also requested clarification of the amount of fare revenue the District receives, saying that when she came on the Board, she was told by several staff that fare revenue was only \$26 million pre-Covid, not the \$60 million presented in the report. Mr. Hursh advised that pre-Covid fares were \$68 million with EasyPass and contractual services factored in. He added that staff expects ridership to continue to grow in the future, so staff wanted to present the full number. He assured Director Beckles that fares were upwards of \$68 million, not \$26 million. President Ortiz shared that she thought the District was losing \$5 million a month in fares due to the pandemic.

Ayes: 7 President Ortiz, Vice President Young, Director Walsh, Director Beckles,
Director Williams, Director Shaw, Director Peeples
