DRAFT MINUTES
Special Meeting-Board Financial Workshop
and
Board of Directors Meeting
Alameda-Contra Costa Transit District
2nd Floor Board Room
1600 Franklin Street
Oakland, CA 94612

Wednesday, April 28, 2010

3:00 p.m. Board Workshop
4:30 p.m. Closed Session
(Or immediately following the Board Workshop)
6:00 p.m. Regular Board of Directors Meeting

<table>
<thead>
<tr>
<th>Board of Directors:</th>
<th>Ryan “Rocky” Fernandez, President (Ward IV)</th>
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<tbody>
<tr>
<td>Joel B. Young, Vice President (Director At Large)</td>
<td>Elsa Ortiz, Director Ward III</td>
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<td>Joe Wallace, Director Ward I</td>
<td>Jeff Davis, Director Ward V</td>
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<td>Greg Harper, Director Ward II</td>
<td>H. E. Christian Peeples (Director At Large)</td>
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3:00 P.M. SPECIAL MEETING-BOARD FINANCIAL WORKSHOP

The Alameda-Contra Costa Transit District Board of Directors held a special meeting on Wednesday, April 28, 2010.

The meeting was called to order at 3:09 p.m. with President Fernandez presiding.

Board Members Present: Directors Wallace, Harper, Ortiz, Davis, Peeples, Vice President Young, President Fernandez – 7

Board Members Absent: None

Public Comment
No public comment was offered.

1. Discussion and overview District operating costs and allocation (GM Memo No. 10-111).

   The item commenced with a summary of the two previous Board Workshops concerning fringe benefits and the Retirement Plan.

   Human Resources Manager Shelley Fogel recapped the savings that could be realized from the Opt-out Program, changes in co-pays, and employer/employee contributions to insurance premiums. She advised that health plan renewals would be brought to the Board at the end of May and that staff would recommend that coverage for the United Healthcare insurance plan be terminated.
Director Peeples inquired about health insurance coverage for retirees living in states where HealthNet and Kaiser were not available and the use of funds in the retiree medical trust. Ms. Fogel advised that a few early retirees (ages 55-65) would be affected if the United Healthcare plan was terminated because of their ability to find affordable alternative health insurance; however, health insurance premiums could be reimbursed through the retiree medical trust fund.

Chief Financial Officer Lewis Clinton summarized the second workshop regarding the funding of the District’s Retirement Plan, including the savings that would result if employees contributed to the plan. He added that the current plan was unsustainable if changes were not made going forward and indicated that the Board should consider amending the plan or have a two-tiered system.

Director Peeples requested a historical summary of the District’s Retirement Plan.

Director Harper commented on the District’s annual contribution to the plan, noting that he felt strongly about keeping the plan fully funded with regard to past obligations. He also said that he did not like the two-tiered system.

Budget Manager Hernan Vargas presented a review and analysis of operating costs per hour, including:
- FY 2008-09 Operating Costs Allocation;
- Costs Per Platform Hour by Major Functional Activity;
- Dollar Participation of Operating Expenses in Cost Per Platform Hour;
- Percent Participation of Operating Expenses in Cost Per Platform Hour;
- Expense Contribution to Fully Allocated Cost Per Platform Hour for FY 2008-09;
- Comparative Operating Cost Per Revenue Hour versus Bus Systems Nationwide, FY 2007-08;
- Average Cost of Medical Premiums Expenses Per Employee for FY 2008-09;
- Average Employee Contribution to Cost of Medical Premiums Expenses, FY 2008-09; and
- Average Annual Pension Cost to the Agency Per Employee.

Following the presentation, Director Harper commented that it was evident from the information provided that the District could not solve its financial issues by continually cutting service.

INFORMATION ONLY.

2. Consider recommending adoption of Resolution No. 10-022 approving a new classification specification for Director of Service Development and Planning (GM Memo No. 10-118).

There was no presentation from staff and no discussion of the item. President Fernandez commented after the vote that by taking this action, the District would save about $238,000.
MOTION: WALLACE/PEEPLES to adopt Resolution No. 10-022 as presented (7-0-0-0).

Ayes: Directors Wallace, Peeples, Harper, Ortiz, Davis Vice President Young, President Fernandez – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

Adjournment
The Workshop adjourned at 4:25 p.m.

6:00 P.M. REGULAR BOARD OF DIRECTORS MEETING

The Alameda-Contra Costa Transit District Board of Directors held a regular meeting on Wednesday, April 28, 2010.

The meeting was called to order at 4:25 p.m. with President Fernandez presiding. All Board members were present.

At 4:26 p.m., the Assistant General Counsel announced that the Board would convene in Closed Session to discuss the items listed on the Closed Session Agenda. Closed Session concluded at 6:05 p.m.

At 6:09 p.m., the Board convened the regular Board of Directors meeting. All Board members were present.

Items were taken out of sequential order. However, they are reported in sequential order in the minutes for ease in reading.

General Manager’s Report
Presented by Mary V. King

Interim General Manager Mary King reported on the following:

- Vote taken by the Oakland City Council to adopt a Locally Preferred Alternative for the BRT Project;
- Action to be taken by the Berkeley City Council on the Locally Preferred Alternative to take place on April 29, 2010;
- Action to be taken by the San Leandro City Council on the Locally Preferred Alternative to take place on May 17, 2010;
- Development of a plan to transport students in the event of an Oakland Unified School District teacher’s strike on Thursday, April 29, 2010;
- Reorganization of the Service Development Department;
- Work by Service and Operations Planning staff to resolve existing issues with the March 28th service changes as well as the development of proposals for the September 2010 service reductions;
- Work by the Operations Technology Group to refine a scope of work to upgrade the existing AVL system with funds allocated by the Alameda County Congestion Management Agency through the I-880 Integrated Corridor Mobility Project;
- Review, analysis and development of the biennial budget with revisions to address the FY 2010-11 projected deficit and the requirement of additional justification for projects in order to ascertain their cost effectiveness and/or their ability to reduce the long-term expenses of the District; and
- New 3-year EasyPass agreement with the Fourth & U apartment complex in Berkeley.

Public Comment
- Jane Kramer commented that the Board could no longer compromise rider needs in order to offset funding shortfalls, nor could it justify a BRT Project that excludes the elderly and the disabled and then use these riders as a ploy to pass another property tax. She further commented that the District needed to fund a District-wide in-depth household needs study and do more to advertise the availability of audio streaming of Board meetings.
- Mary Richter commented on a major safety problem at the corner of Miles Street and College—the bus stop as it approaches the 51B bus and the Rockridge BART station. She added that there was no signal to allow safe passage across the street and that she was nearly hit by a SUV last week. She requested that the Board do something about it before someone is killed at that corner.
- Bob Feinbaum commented that AC Transit should serve every other mass transit facility within its service area, including the ferry terminal in Alameda. He reported that his friend had been stranded at the ferry terminal because the Line 63 bus had been discontinued with the latest service changes. He requested that the Board consider providing continued service to the ferry terminal.
- Claudia Hudson, President of ATU Local 192, commented on the proposed service changes for Lines 70 and 74, noting that Line 70 would not serve any people by providing service to Valley View. She added that it didn’t make sense to create routes that were not going to pick up people and discontinue routes that do (Appian Way). She asked the Board to really consider the proposed changes with respect to Lines 70 and 74.

Consent Calendar
Items listed under the Consent Calendar are considered to be routine and may be enacted by one motion/one vote. If discussion is desired, an item may be removed from the Consent Calendar and will be considered individually.

MOTION: PEEPLES/DAVIS to approve the consent calendar as presented with the exception of Item No. 4a, which was pulled off the agenda and continued to the next meeting (7-0-0-0).
Ayes: Directors Peeples, Davis, Wallace, Harper, Ortiz, Vice President Young, President Fernandez – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

1. **External Affairs Committee (April 14, 2010 meeting) recommendations:**
   Receive
   a. External Affairs Committee minutes of March 10, 2010.
   b. Legislative report (GM Memo No. 10-090).

2. **Accessibility Advisory Committee (AAC)**
   Consider approving AAC minutes of March 9, 2010 (GM Memo No. 10-102).

3. **Request for Same-Day Board Action:**
   a. Consider approving request for same day action on **Resolution No. 10-017** (Item 4b on the agenda).
   b. Consider adoption of **Resolution No. 10-017** authorizing the Interim General Manager, or her designee, to submit an application to the Metropolitan Transportation Commission (MTC) for allocation of Regional Measure 2 funds to expand real time transit information system-wide (GM Memo No. 10-105). [Request to forward to the Board of Directors the same day for action pursuant to Board Policy 5.5.4.]

4. **Board Matters**
   a. Consider approving Board of Directors minutes of April 14, 2010 (regular meeting).
      
      **Item No. 4a was pulled off the agenda and continued to the next meeting.**
      
      b. Consider approving Board of Directors minutes of April 14, 2010 (public hearing).

**Regular Calendar**

5. Consider receiving report on the Draft August 2010 Service Reductions Plan and approve the setting of a public hearing on May 26, 2010, regarding proposed service cuts for Special Transit District One and Special Transit District Two (GM Memo No. 09-217f). [Request to forward to the Board of Directors the same day for action pursuant to Board Policy 5.5.4.]

Service and Operations Planning Manager Cory LaVigne presented the staff report and the service scenarios related to the operation of trunk and major corridor service only on weekends and service strategies related to All-Nighter Service. He then called upon Planning Department staff to provide specific information on the service reductions, including line eliminations, changes in span and frequency, and line restructuring options throughout the District.
Director Davis asked how staff would formulate their final recommendation and when the Board would be expected to act on that recommendation. Mr. LaVigne advised that staff would have a recommendation for consideration that would include various pieces of all the various scenarios and the Board would be expected to render a decision within a week of the public hearing on May 26th.

Director Ortiz inquired about All-Nighter service in Alameda. Mr. LaVigne advised that Line 51 would be the only Line operating after 10:00 p.m.

Public Comment

- Nick Perry requested that the Board not eliminate Line BA and asked questions concerning ridership and the number of transfers on various lines. He also commented that the 1R needed to run on the weekend or at least on Saturday and asked the Board not reduce service on Lines 26, 51, and 11.
- Claudia Hudson, President of ATU Local 192, commented that while there was not a lot of ridership on Line 86, the line was primarily used to get bus operators to and from relief points from Division 6. She further reported that she was disturbed to hear that some people at the District didn’t care how the operators got back to the relief point and asked the Board to reconsider doing something for the operators.
- Jane Kramer commented that the District could do more in terms of transparency and informing the public by putting some signs on buses and an announcement in the local paper.

Director Wallace commented on the headways in his Ward and asked staff to take a serious look at the service in that area.

Director Harper commented that while he would vote to set the hearing, he needed two things in order to vote on the service reductions, including 1) satisfaction that the allocation of revenue and expenses with regard to Special District One and Special District Two was proper; and 2) a resolution that there would be no more service cuts through the year 2012.

Director Ortiz commented that she was in agreement with what Director Harper with regard to his statement concerning Special Districts One and Two.

Director Peeples commented that he was looking forward to further reports from staff on ridership, etc. He further echoed the comments made by Director Harper, noting that it was very bad to keep making cuts.

Director Davis commented that he would like to make sure that funds were fairly distributed between Special Districts One and Two.

President Fernandez commented that he did not think we could reduce platform hours below the proposed level. Additionally, he requested to see numbers for weekend service only and what savings would result if Sunday hours had to be extended to Saturday. He further commented on the All-Nighter service noting that it could be reduced as opposed to eliminated.
Victoria Wake of Marketing and Community Relations reported that staff would be communicating with the public, elected officials and various groups by email, E-News, alerts on schedule pages and on 511. In addition, she reported that there would be car cards and fact sheets on buses as well as press releases and information on social networking sites. President Fernandez requested that staff prepare a letter for him to send to elected officials informing them of the public hearings on the proposed service reductions.

**MOTION: HARPER/PEEPLES** to receive the report on the Draft August 2010 Service Reductions Plan and approve the setting of a public hearing on May 26, 2010, at 2:00 p.m. and 6:00 p.m. regarding proposed service cuts for Special Transit District One and Special Transit District Two (7-0-0-0).

Ayes: Directors Harper, Peeples, Wallace, Ortiz, Davis, Vice President Young, President Peeples – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0


Manager of Long Range Planning Tina Spencer presented the staff report. She thanked Kate Miller and Hernan Vargas for their work on the Capital Plan and 10-Year Projections.

Discussion ensued regarding the accuracy of the 10-Year Projections in that they did not reflect current information. Chief Financial Officer Lewis Clinton advised that the document did not take into account the work staff would be concluding by the end of the fiscal year, which essentially would remove $25 million in operating costs. He further advised that once the 10-Year Projections were brought up to date with labor and cost reductions and adopted by the Board, a revised document would be provided to the Metropolitan Transportation Commission.

President Fernandez inquired about the bus replacement schedule and the requirement that 50% of the fleet be zero emission in the next three years. Director Peeples reported that the California Air Resources Board (CARB) had revised the Zero Emission Bus (ZEB) rules and now awaits the findings from the District's Advanced Demonstration Project in order to assign implementation dates to the new rules.

**MOTION: PEEPLES/YOUNG** to approve the Draft 2009-2019 Mini Short Range Transit Plan, including the Revised Capital Plan and 10-Year Projections (7-0-0-0).

Ayes: Director Peeples, Vice President Young, Directors Wallace, Harper, Ortiz Davis, President Fernandez – 7
Noes: None – 0
7. Consider approving the formation and structure of the AC Transit-City of Berkeley Interagency Liaison Committee and announcement by the Board President of appointments to the committee if approved (GM Memo No. 10-097).

There was no discussion of the item. President Fernandez announced that Vice President Young and Director Peeples would serve as the District’s representatives on the committee.

MOTION: YOUNG/PEEPLES to approve the formation and structure of the AC Transit-City of Berkeley Interagency Liaison Committee (7-0-0-0).

Ayes: Vice President Young, Directors Peeples, Wallace, Harper, Ortiz, Davis, President Fernandez – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

8. Consider approving the setting of a public hearing on May 26, 2010, regarding the District’s intention to declare a fiscal emergency under Public Resources Code Section 21080.32 and the California Environmental Quality Act Implementing Guidelines Section 15285 (GM Memo No. 10-110). [Request to forward to the Board of Directors the same day for action pursuant to Board Policy 5.5.4.]

There was no discussion of the item.

MOTION: WALLACE/PEEPLES to approve setting a public hearing on May 26, 2010, at 2:00 p.m. and 6:00 p.m. regarding the District’s intention to declare a fiscal emergency under Public Resources Code Section 21080.32 and the California Environmental Quality Act Implementing Guidelines Section 15285 (7-0-0-0).

Ayes: Directors Wallace, Peeples, Harper, Ortiz, Davis Vice President Young, President Fernandez – 7
Noes: None – 0
Abstain: None – 0
Absent: None – 0

9. Discussion regarding the meeting schedule for the month of May and June. (verbal)

Consensus to cancel the special Board of Directors meeting scheduled for May 5, 2010; to hold special Finance and Audit Committee meetings on May 19, 2010 at 2:00 p.m. and May 26, 2010 at 9:30 a.m.; to tentatively schedule a special Board of Directors
meeting for June 2, 2010 at 4:00 p.m. to render a decision on the service reductions in the event a decision is not made at the May 26th meeting (7-0-0-0).

10. Report on actions(s) taken during Closed Session [Will be reported after the conclusion of Closed Session.]

Assistant General Counsel Carol Babington reported out on actions taken during Closed Session.

MOTION: PEEPLES/WALLACE to approve settlement in the amount $165,000 in the matter of Cleunice Pereria v. AC Transit, ACSC Case No. RG0441742 (4-3-0-0).

Ayes: Directors Peeples, Wallace, Davis, Vice President Young – 4
Noes: Directors Harper, Ortiz, President Fernandez – 3
Abstain: None – 0
Absent: None – 0

Board/Staff Comments (Government Code Section 54954.2)
Members of the Board reported on meetings and events they had attended since the last meeting. Vice President Young reported that he had taken a position as a consultant for the Central Alameda County Labor Council through November.

Agenda Planning
There were no new items added to Agenda Planning.

CLOSED SESSION:

Conference with Legal Counsel – Potential Litigation
(Government Code Section 54956.9 Subdivision (b)) (two cases)

Conference with Legal Counsel – Existing Litigation
(Government Code Section 54956.9 Subdivision (a))

• Cleunice Pereria v. AC Transit, ACSC Case No. RG0441742

Conference with Real Property Negotiator:
(Government Code Section 54956.8)

Property: 901-1001 66th Avenue, Oakland, CA
Negotiator (City of Oakland): Frank Fanelli
Negotiator (Property Owner): Negotiator (AC Transit): Mary King, Interim General Manager
Kenneth C. Scheidig, General Counsel
Under Negotiation: Instructions to negotiator regarding pricing and terms of payment.
Conference with Labor: (Government Code Section 54957.6)
Agency Negotiator: General Manager
Employee Organization: Paratransit, Local 192, ATU Local 192,
AFSCME, Local 3916; IBEW, Local 1245
Unrepresented Employees

Labor Negotiations – Board Officers: (Government Code Section 54957.6)
Committee Negotiators: President Peeples, Chair
Director Wallace
Director Davis

Public Employee Performance Evaluation: (Government Code Section 54957)
Title: General Manager
Title: General Counsel
Title: District Secretary

Adjournment
There being no further business to come before the Board of Directors, the meeting was
adjourned at 7:56 p.m. The next meeting of the Board of Directors is scheduled for
Wednesday, May 12, 2010.

Respectfully submitted,

Linda A. Nemeroff
District Secretary