

INTRA-COUNTY PUBLIC BUS SERVICE–IS MARIN COUNTY IN THE DRIVER'S SEAT?

SUMMARY

Transportation and traffic congestion are hot-button issues for Marinites. Many Marin residents are automobile-dependent and are frustrated by highway and local street congestion. However, others are **dependent on local public bus service** to get to their jobs, schools and medical appointments, or to run their daily errands. Transit planners and government officials' primary transportation goals should be to both alleviate road congestion and provide a local public bus service to residents who are dependent on public transit.

The Grand Jury studied the contract between the Marin County Transit District (the Transit District) and the Golden Gate Bridge Highway and Transportation District (the Bridge District) for the intra-county portion of Golden Gate Transit (GGT) -- defined as those bus routes that originate and end within Marin County's borders. The 2002-03 contract is \$2.3 million. The Transit District contracts with the Bridge District to provide 11 bus lines. Four routes primarily serve residents who live in the San Rafael canal area, Mill Valley, Novato and Fairfax/San Anselmo. The remaining seven lines are designed to get students to school when in session, thereby alleviating congestion on local roads.

The Grand Jury also reviewed the relationship between the contracting parties. Only nominal changes have been made to the contract since 1985-86. The Grand Jury concluded that the county has been perfunctory in adopting the contract each year. As financial times become more difficult, both parties are trying to develop and manage the contract as a partnership.

Riders served by the intra-county bus contract are those who are most in need of, and dependent on, public bus service in Marin: 75% are transit dependent; 48% do not drive; 45% have incomes under \$20,000; almost 60% rely on public bus service to get to work; and 50% of local trips start in the San Rafael Canal area.

The Bridge District projects a \$202 million deficit over the next five years. Although bridge tolls increased from \$3.00 to \$5.00 (\$4.00 for FasTrak™ users) in September 2002, the Bridge District faces still growing deficits due to fewer riders, seismic retrofitting and anti-terrorist security costs. Unfortunately GGT bus service users face both higher fares and service cutbacks. Concerns deepen on how to alleviate a growing transit problem with fewer dollars to spend. Concerns are even deeper about **who will be affected**. At this writing, no intra-county bus routes covered under the contract will be eliminated. However, four routes (Routes 1, 21, 23, and 49) likely will have either

longer wait times between buses, changed route configurations or require more transfers.

The Grand Jury evaluated how the county spends its Transportation Development Act (TDA) sales tax funds. By long-term understanding, the county has allowed the Metropolitan Transportation Commission (MTC) to give 95% of its TDA allocation directly to the Bridge District for commuter-related services. The remaining 5% of TDA dollars funds the intra-county bus contract. It is time to review this arrangement.

Marin transit officials need to take a more active role in the contract negotiating process. Alternatives need to be identified and evaluated.¹ Marin may conclude that it in the best interests of its transit dependent riders and cost-effective to identify an alternative to the Bridge District contract. Recent press editorials and articles have gone so far as to suggest that the county run its own public transit agency for local bus service.²

While the debate and negotiations go forward, the Grand Jury urges local officials to protect those who must rely on public bus service. Marin County should become more independent from, and take the leadership role in, its long-term relationship with the Bridge District. The growing financial deficit faced by the Bridge District mandates closer scrutiny and analysis. After all, it’s the county’s TDA money that is being spent.

The Grand Jury concludes that Marin transit officials, who are responsible for the provision of local public bus service, need to be in the driver’s seat.

BACKGROUND

The Bridge District has operated GGT, the countywide bus service since Greyhound ceased local operations in 1971.

Marin voters created the Transit District in 1964, in anticipation that the county would be part of BART. This never happened.

In 1980, the California Legislature approved a bill that changed the focus of the Transit District’s mission. It required the Transit District to plan and provide for local fixed-route public and paratransit transportation services³ within Marin County’s borders. The Transit District currently provides these services through contracts issued to both the

¹ During the course of this investigation it became obvious to both the Grand Jury and the Transit District that a review of the current contract and relationship with the Bridge District needed to be reviewed. The Transit District recently has hired an independent transportation consultant, Nelson/Nygaard Financial, to work with the County and the Bridge District on the provision of local bus service.

² *Marin Scopes Newspapers’s* Editorial, April 15-21, 2003. “Time to start all over with a new agency to run public transit”; and May 13-19 column by Dick Spotswood, “Time for the county to take a hard look at mass transit.”

³ Paratransit service is an ADS federally funded program that helps to underwrite door-to-door transit services to qualifying people with disabilities and seniors.

Bridge District for intra-county bus service and the Marin Senior Coordinating Council (a.k.a. Whistlestop Wheels) for paratransit service.

METHODOLOGY

The Grand Jury interviewed representatives from the following boards and agencies:

- Marin County Auditor/Controller
- Marin County Board of Supervisors
- Marin County Congestion Management Agency (MCCMA)
- Marin County Transit District (the Transit District)
- Metropolitan Transportation Commission (MTC)

Grand Jury members attended meetings of the Transit District, the MCCMA and the Bridge District. It also reviewed many public reports and documents about county transit matters (see Sources).

The Grand Jury read many helpful recent articles in the *Marin Independent Journal*, the *San Francisco Chronicle* and *Marin Scopes Newspapers* about this topic.

The Grand Jury sincerely thanks those who provided the information about this very complicated and timely public policy issue.

The Grand Jury is impressed by the knowledge and dedication of Marin’s public officials and staff who, day to day, work to try to solve our complicated--and often controversial--transportation issues.

DISCUSSION

1. The Players

Marin County Transit District

The Transit District has a full-time transit manager, part-time clerical assistant and unfilled senior planning staff position. The staff works under the auspices of the County Public Works Department. The 2002-03 budget is \$254,351--almost all spent on salaries and benefits.

The Transit District Board is comprised of the five members of the Marin Board of Supervisors and two at-large members selected from the Marin cities and town councils. The Board usually meets monthly on the fourth Tuesday in conjunction with the Marin Board of Supervisors’ meeting.

Marin County Congestion Management Agency

The MCCMA is a Joint Powers Agency established among the county and its cities and towns to address Marin's unique transportation issues and to fulfill the legislative requirements of Propositions 111 and 116, approved in June 1990. This legislation requires California urban counties, including Marin, to create bi-annual transportation Congestion Management Programs that address planning and funding for local transit.

The MCCMA Board is comprised of 12 members: one selected from each of Marin's cities and town councils plus one representative from the Marin Board of Supervisors.

Joint meetings of the MCCMA Board, the Marin Board of Supervisors and the Transit District usually are held on the fourth Thursday of each month.

There is an overlap of officials on the Transit District and the MCCMA Boards. It might be a good time to eliminate the Transit District and merge it, and its responsibilities, into the MCCMA since the latter has wider representation of elected city and town officials.

Golden Gate Bridge Highway and Transportation District

The Bridge District's mission is "to provide a safe, efficient, reliable means of transportation for the movement of people, goods and services within the Highway 101 Golden Gate Corridor; to ensure reasonable mobility across the bridge by providing public transit services and encouraging ridesharing *insofar as resources permit*; and to contribute to the protection of the environment by working as a partner with other agencies in providing attractive, efficient regional public transit services as an alternative to the private automobile."⁴

The Bridge District is governed by a 19-member Board with representatives from San Francisco, Marin, Sonoma, Napa, Mendocino and Del Norte. Marin is represented by four members appointed by the Board of Supervisors: a member of the Board of Supervisors, an elected member of a city or town council, a member from the general public, and an at-large member, either a member of the general public or an additional member of the Board of Supervisors.

Very large deficits and budget cutbacks loom on federal, state and local levels. Concerns deepen on how to alleviate a growing transit problem with fewer dollars to spend. Public transportation agency providers also feel the budget squeeze – notably the Bridge District with its projected \$202 million deficit over the next five years. Even though bridge tolls increased to \$5.00 dollars (\$4.00 for FasTrak™ users) in 2002, the Bridge District still faces growing deficits due to seismic retrofitting, anti-terrorist security costs and fewer riders as a result of workers being unemployed. Unfortunately, Bridge District users are footing the bill, through both higher fares and service cutbacks.

The Bridge District provides GGT bus service under what it calls categories A, B and C bus service to Marin County (see Glossary and Exhibit A of the current contract –

⁴ Bridge District Handout, September 2002, "Potential Transit Service Reductions Workshop – GGT and Golden Gate Ferry."

attached as appendix A). Category A service is provided under the Transit District contract.

Metropolitan Transportation Commission

MTC is responsible for distributing most federal and state transportation funds to transit providers in the nine Bay Area counties. Marin County currently does not operate its own transportation agency. Therefore, MTC allocates the bulk (95%) of Marin's TDA funds directly to the Bridge District to provide for Marin's public and commuter transportation service.

The Marin representative to MTC will serve as its chair for the next two years. He is very knowledgeable about transportation issues on all levels – local, state and federal, and could make a major contribution on public transit issues in the county.

2. The Funding

State of California TDA funds are generated from state sales tax for the purpose of funding public transportation. Each county in California receives $\frac{1}{4}$ of one percent (0.0025) on taxable sales generated in its county. Revenue is collected by the state and reallocated to the counties, in Marin's case through the MTC.

TDA funds are the primary source of public funds for the contract between the Transit District and the Bridge District for GGT intra-county bus lines. Marin's TDA funds for fiscal year 2002-03 total \$8,405,372. Other revenue for local service derives from bus rider fares.

Under a long-term understanding, Marin, through MTC, relinquishes 95% of its TDA money, or about \$8 million, to the Bridge District to help underwrite commuter, inter-county and transbay transit. The remaining 5%, currently \$420,269, which when added to an estimated \$1,845,059 in fare box receipts, is the basis of the not-to-exceed \$2,265,328 contract for the GGT's four local intra-county bus lines and seven supplemental school routes.

Marin's Auditor / Controller annually provides MTC with estimated sales tax revenue. This estimate forms the basis for the next year's contract. The estimates are updated several times each year, and may project a surplus or a shortfall. For the past several recession years, estimates have not met expectations. The result is a squeeze between services purchased and funds available.

Under state legislation, California counties can impose an additional sales tax of up to one-half percent ($\frac{1}{2}$ %) to support local transit and transportation. Four of the nine greater Bay Area counties have not yet passed such a local sales tax – Marin, Napa, Sonoma and Solano. Current law requires a $\frac{2}{3}$ majority to pass a sales tax increase.

3. The Contract

The Transit District annually has contracted with the Bridge District since 1971 to provide intra-county bus service. The contract in its current form has remained virtually unchanged since 1985-1986, except for annual changes in the dollar amounts. The current contract in its entirety is appended to this Grand Jury report for historical background information and to pique the interest of future deliberative bodies (see appendix).

Currently, the Bridge District contract provides for 11 bus routes that originate and end within county borders. In the contract these are called "Category A Service" (see Glossary). Four of these routes serve the general population. The remainder are designed and scheduled around student riders.

In 1985 it was agreed to establish a "not to exceed" price contract based on anticipated costs for delivery of a specified level of service. It was further agreed to integrate intra-county service with the Bridge District's broader regional service, inter-county bus and ferry commuter service.

The Transit District Board approved the current contract for fiscal year (FY) 2002-03 at its October 2002 meeting. The contract covers the year from July 1, 2002-June 30, 2003. The amount of the contract is "not to exceed \$2,265,328 with the understanding that the combination of TDA subsidy funds and passenger fares are projected to more than fully offset estimated expense with a projected return of revenue of \$38,147 to the Transit District." In other words, the contract anticipated that revenues would exceed the contract amount by about 1.7% and that this amount would be put in the Transit District reserves for future contract variances.

Revenues are not meeting expectations again this year. Through the end of February 2003, the Bridge District reported a \$164,200 deficit caused by a combination of lower sales tax receipts and lower ridership fares. Although the contract anticipated a small surplus for the year, a deficit continues to mount. Under terms of the contract, the Bridge District can assess Marin County if sales tax revenues do not meet estimates that are provided by the county Auditor/Controller.

During the current fiscal year, sales tax projections are expected to continue in the red. The Transit District reported that it has about \$300,000 in reserves available to offset the projected and growing deficit. If the deficit trend continues, the surplus will be all but wiped out and service cuts will be inevitable under terms of the contract.

Under the contract, Marin pays for the marginal cost and allocated overhead to keep the buses running within the county during off-peak hours. The Bridge District has made the bulk of the capital investment in buses and driver labor. The formula was developed in 1985. It has not been reviewed or formally audited since then.

Those interviewed by the Grand Jury believe Marin is getting a good deal and receives a high level of service at a discounted price. Under the current arrangement, the Bridge District has the investment in its buses and drivers who otherwise would have downtime in off-commute hours. Therefore, the argument goes that Marin buys off-commute hours at less than it would cost if it owned the buses and had to hire its own drivers. Under the current arrangement, the Bridge District initiates the contract. The Transit District is involved in the negotiations but seems to take little initiative. The Transit District appears to rubber stamp the contract, which represents only 5% of Marin’s TDA funds. The remaining 95% is transferred directly from MTC to the Bridge District without county input. The contract does not have a provision for the Transit District to audit the Bridge District’s marginal or overhead cost calculations.

4. Routes and Proposed Service Cutbacks

The table below summarizes current GGT "Category A" routes provided under the current contract, type of service and proposed cutbacks under consideration.

	Primary Service Area	Primary Service Type	Proposed Cutbacks⁵
Route 1	Novato to College of Marin	General	Route segments eliminated and alternate and comparable service will be available
Route 7	Tiburon, Strawberry, Sausalito	School	No modification
Route 21	Mill Valley, Marin General Hospital	General	Longer wait between buses (60 minutes vs. current 30) and fewer runs
Route 23	Fairfax/San Anselmo, San Rafael	General	Route segments eliminated and alternate and comparable service will be available
Route 27	San Anselmo, San Rafael	School	No modification
Route 33	San Rafael	School	No modification
Route 35	San Rafael (Canal & San Rafael transit hub)	General	No modification
Route 39	Terra Linda	School	No modification
Route 43	Sausalito, Marin City, Mill Valley	School	No modification
Route 45	Tiburon, Larkspur	School	No modification
Route 49	Terra Linda, Fairfax	School	Route segments eliminated and alternate and comparable service will be available

The Bridge District currently is considering several cutback scenarios. At the time of this writing, no scenario has yet been adopted. The most likely scenario will try to maintain both commute service and local Marin intra-county mid-day and weekend service.

The Grand Jury fears that any intra-county bus service cutbacks will add to congestion on both our highway and local surface streets.

⁵ *Marin Independent Journal*, April 225, 2003, “Bus service cutbacks proposed.”

5. Who Rides the Intra-County Buses?

A survey conducted by Crain & Associates in 1999 for the Marin County Congestion Management Agency determined the following about local public bus riders:⁶

- 75% are transit dependent
- 48% do not drive
- Nearly half use transit service Route 35 that serves the Canal area of San Rafael daily. It is both the shortest route on the GGT system, and also the most heavily used. The majority of its riders (54%) need to get to work and have very low incomes (79% under \$20,000 and 46% under \$10,000). About 72% must transfer between routes to reach their destinations.
- 45% had annual incomes under \$20,000. Many are transit dependent.

Annual Income	
Under \$20,000	45%
\$20,000-\$60,000	40%
Over \$60,000	15%
Total	100%

- Most riders are working age. Few students and seniors use local bus service.

Riders by Age Group	
School Age	15%
19-64	79%
Over 65	6%
Total	100%

- Nearly 60% use local bus service to get to work. About one-half of all trips require at least one transfer, which riders find inconvenient.

Marin County Local Trips	
Work	59%
School	8%
College	2%
Medical/Dental	5%
Recreation	6%
Personal Business	13%
Other	7%
Total	100%

The Grand Jury acknowledges that the Bridge District held many public hearings and forums on the proposed cutback scenarios. Some public meetings had Spanish language translators. However, not many bus riders showed up at these meetings. Most bus dependent riders seem alienated and few participated in the public debate, perhaps because the transit field is rife with jargon and is unintelligible to all but a few.

⁶ “Marin Transit Future On-Board Survey Results,” conducted between November 30, 1999 and December 3, 1999, by Crain & Associates, Inc., San Carlos, California. The survey was printed both in English and Spanish. A total of 1,654 surveys were collected.

FINDINGS

1. Those most at risk from any local bus service cutbacks are residents who have no alternative modes of transportation to reach their destinations – be it to work, school, medical appointments, or to run daily errands.
2. Transit District directors implored Bridge District staff to make their many public meetings and forums more accessible, especially to those who are public transit dependent. The Grand Jury found that some meetings, especially those in the Canal area, had Spanish language translators and were well attended. However, there was little public participation at other meetings.
3. The contract between the Transit District and the Bridge District for local intra-county bus routes was written in 1985-86, and the provisions, apart from the contract amount that is based on estimated sales tax receipts, have remained unchanged since that time. The contract does not give the county the right to audit the marginal and overhead cost allocations delineated by the Bridge District.
4. Those interviewed by the Grand Jury were unanimous in their belief that GGT is the proverbial “goose that laid the golden egg.” It is held that the county’s relationship with the Bridge District for GGT intra-county bus service has enabled the county to provide better local intra-county service than if the county had its own fleet of buses. However, the advantages and disadvantages of the contract have not been analyzed for many years, nor have alternatives been explored aggressively.
5. Historically Marin has allowed the Bridge District to take the leadership role in developing the annual intra-county bus service contract. Marin does have leverage since it permits MTC to provide Marin’s claim to its share of federal and state transportation funds to the Bridge District. Marin could make an effort to redirect its TDA funds to another service provider, especially its 95% of share of state TDA funds. (This is said with the understanding that MTC has ultimate authority to allocate all TDA funds to legitimate transit providers.)
6. The difficult budgetary times for the Bridge District and attendant GGT service cutbacks will have serious consequences for county residents.
7. The responsibility for transit for the county is shared by several agencies: Marin County Transit District, the Marin County Congestion Management Agency and the Board of Supervisors. The boards of these agencies have overlapping members.
8. Marin has yet to pass a sales tax to support local transit. The current law requires a 2/3 majority of the voters to pass an increase in sales tax.

RECOMMENDATIONS

1. Marin County transit officials (i.e., Marin Board of Supervisors, the Transit District and MCCMA) should and must provide low-cost, accessible public transit options to those in Marin who have no other means of transportation.
2. Marin County transit officials should continue to reach out and inform transit-dependent riders about changes in local service. The information should be multi-lingual.
3. The county should engage an auditor to analyze the dollar value of the marginal cost benefit argument that is the foundation of the long-term contract with the Bridge District for intra-county bus service. The audit should include an analysis of the overhead cost allocation assessment.
4. Marin County transit officials should undertake a comprehensive study of alternatives to the current contract. That study needs to answer the following questions:
 - Is there an alternative to the Bridge District contracted services? What other third party vendors might be available?
 - Are there sound financial alternatives? What are they and how might they be funded?
 - Is the county capable of managing an intra-county public bus service on its own?
 - As the Bridge District comes under ever increasingly severe budgetary problems of its own, would it be better for Marin to be independent?
5. Marin County transit officials should be the leaders in future contract negotiations.
6. The county should review the automatic 95% distribution of TDA funds by MTC to the Bridge District for Marin County intra-county bus service. The county should articulate its role in the future allocation of these funds.
7. The Board of Supervisors should take the necessary steps to merge the Marin County Transit District into the Marin County Congestion Management Agency or into a newly created Marin transit authority to ensure a much wider representation of elected officials on its board of directors.
8. The Board of Supervisors should continue to pursue a ½ cent sales tax dedicated to local transportation, especially intra-county public bus service.

REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the Grand Jury respectfully requests responses as follows:

- Marin County Board of Supervisors to all Findings and Recommendations
- Marin County Transit District to all Findings and Recommendations
- Marin County Congestion Management Agency to all Findings and Recommendations

Although not legally required, the Grand Jury also invites responses from:

- The Marin County Director of Public Works to Findings and Recommendations
- Golden Gate Bridge Highway and Transportation District Board of Directors to Findings 2, 3, 4, 5, 6 and Recommendations 3, 5, 6.

SOURCES

Moving Forward: A Transportation Vision for Marin County, Public Review Draft. Jointly produced by the Marin County Congestion Management Agency, Marin County Board of Supervisors and Marin County Transit District, September 2002.

Marin Bus Transit Futures: Improving Local Transit Choices, Final Report. Marin County Congestion Management Agency, February 2001.

Marin Bus Transit Future On-Board Survey Results Technical Working Papers. Submitted by Crain & Associates, Inc., San Carlos, California to the Marin County Congestion Management Agency, March 2000.

GLOSSARY

GGT: Golden Gate Transit bus service as provided by the Golden Gate Bridge Highway and Transportation District

GGT Service definitions per contact (appendix A, exhibit A attached)

Category A Intra-county Bus Service: service consisting of those routes operating entirely within Marin County which primarily carry local passengers and are the routes covered under the contract between the Transit District and the Bridge District, and is the subject of this report.

Category B: service provided on the basic bus routes which run primarily throughout the day and which carry both local and transbay passengers.

Category C: service consisting of those routes which basically are commuter inter-county trips but which carry some local Main passengers.

Intra-County Public Bus Service– Is Marin County in the Driver’s Seat?

The Bridge District: Golden Gate Bridge Highway and Transportation District

The Transit District: Marin County Transit District

MCCMA: Marin County Congestion Management Agency

MTC: Metropolitan Transportation Commission

TDA: State of California Transportation Development Act Funds

Appendix

- Current contract (fiscal year 2002-03) between the Marin County Transit District and the Golden Gate Bridge Highway and Transportation District for Marin intra-county public intra-county bus service.