



LOCAL UNION NO. 952

GENERAL TRUCK DRIVERS, OFFICE, FOOD & WAREHOUSE UNION

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TO ALL COACH OPERATORS EMPLOYED AT THE ORANGE COUNTY TRANSPORTATION AUTHORITY

Patrick D. Kelly
Secretary-Treasurer and
Principal Officer

Re: Recent Events - UPDATE - November 9, 2009

At the OCTA Board of Director's meeting this morning, after much discussion, all but one Board member present voted to approve the Executive Committee recommendations that are as follows:

- A. Approve a service reduction plan that eliminates 150,000 annual revenue vehicle hours in March 2010.
- B. Approve a service reduction plan that eliminates at least an additional 150,000 annual revenue vehicle hours to be enacted as early as March 2010, or at the time of the enactment of the State 2010-11 Budget Act if appropriate funding is not provided under the State Transit Program.

The Committee acknowledges that enactment of these reductions may be delayed to a date certain prior to March 2012 by the Board, if funding in lieu of these reductions is found through other sources.

- C. Authorize the Chief Executive Officer to execute an internal transfer of up to \$68 million from the Commuter and Urban Rail Endowment Fund to the Bus Operations Fund.

The approved recommendations differ slightly from the recommendations of the Finance and Administration Committee Meeting of October 28, 2009 (please see the bulletin dated November 3, 2009 regarding this).

Numerous assumptions were made to get to this point. CEO Will Kempton declared a clear victory with respect to the appellate court decision (lawsuit filed by the California Transit Association). He asserted his belief that money from the state may start coming back in the next two years. He asked that the Board look at a two-year time frame and maintained that they would have more information about whether or not there would be State Transit Assistance Funding or other funding for transit once the State Budget is approved (as early as the summer of 2010). Staff is looking at efficiencies to decrease costs as well.

The recommendations approved above leave some wiggle room for the Board if the assumptions made do not come to fruition. At the Transit Committee Meeting on November 12, 2009, staff will present two options to the Board. One will delineate a reduction scenario of only 150,000 annual revenue vehicle hours. The other will delineate a reduction scenario of 300,000 annual revenue vehicle hours. The Board will vote on an approach to the service reductions on November 23, 2009.

Transferring money from the Commuter and Urban Rail Endowment Fund (for which there is now a backfill) presents a stable and recurring funding source. There is also other transit eligible money that is being used to fund other projects. We are continuing to work with CEO Kempton and his staff to acquire money that can be used to backfill these projects to free up money for the Bus Operations Fund.

What happened today appears to be good news. We'll continue to keep you posted. Please reach out for a Steward or contact me directly at (714) 740-6235 if you have any questions.

In Unity,

Donna A. Metcalfe
Recording Secretary & Business Representative

