



 Alameda-Contra Costa Transit District

TO: Parcel Tax Oversight Committee
FROM: Denise C. Standridge, General Counsel
DATE: June 20, 2017
SUBJECT: Scope of Parcel Tax Oversight Committee

Today's Parcel Tax Oversight Committee evolved over the years, originally starting as the Measure AA Oversight Committee. Resolution 2067 was adopted in August 2002 calling for an election on a special tax measure (AA) and created an independent fiscal oversight committee of community representatives to review the use of the special account funds from Measure AA and provide its own annual written report to the Board. The resolution set forth the purpose of the special tax "for the operation and maintenance of bus services provided by AC Transit in District 1 for transportation purposes. The terms 'operation' and 'maintenance' refer to all activities necessary to provide bus service, including, but not limited to, equipment, supplies, fuel and lubricants, personnel, compensation, and payment for and maintenance of facilities in District 1." The resolution further stated that the proceeds of the special tax were to be applied only to the operation and maintenance of bus services in District 1. The Oversight Committee was to provide its own annual report to the Board after reviewing the use of the funds.

Over the years, new resolutions were adopted and old resolutions were repealed as various parcel taxes were passed. The committee was originally the AA Oversight Committee and then became the AA/BB Oversight Committee. Once Parcel Tax Measure VV was introduced, the committee was renamed the "Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee" (Oversight Committee) and the committee expanded from 5 to 7 members pursuant to Resolution 08-064. The resolution also provided that the committee convene at least once a year to determine that the funds generated by the parcel tax measures were expended in accordance with the intentions of the voters. The resolution provided that the committee was to provide a written report and/or resolution to the Board at the same meeting the Chief Financial Officer provided the report on the annual fiscal year audit.

The most recent parcel tax measure was C1 in 2016. Resolution 16-024 was adopted on June 22, 2016. The resolution was consistent with the prior resolutions in that it stated the purpose of the tax was for the operation and maintenance of bus services provided by AC Transit in District 1 and that they were to be applied only for that purpose. The terms "operation" and "maintenance" were defined just as they were in the prior resolutions and stated that the Oversight Committee review the use of the special account funds, just as the prior resolutions required. Resolution 16-024 cannot be read in a vacuum and must be considered with Resolution 08-064, which renamed the committee and set forth the requirements with which the committee had to comply. One of these requirements is to determine the funds generated by the parcel tax measures have been expended in accordance with the intentions of the voters. In other words, to make sure the funds were expended solely for the operation and maintenance of bus services provided by AC Transit in District 1. These requirements are controlling and have not been altered by Resolution 16-024, which only reinforces the purpose of the tax measure and confirms there will be oversight.

The Oversight Committee is tasked with making sure that the special tax funds are being used solely for operation and maintenance of bus services provided by AC Transit in District 1. The Oversight Committee does not have to like or agree with the way the funds are spent, they only have to determine they are being spent for operation and maintenance as discussed above. Questions about salaries, retirement, pass agreements, service planning decisions and the financial health of the District are all outside the purview of the Oversight Committee and are solely within the purview of the AC Transit District's Board of Directors.