

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/22/2026

Staff Report No. 26-146

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Board Policy 316 - Debt Management

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider approving amendments to Board Policy 316 - Debt Management Policy.

Staff Contact:

Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Clear policies for management of District debt are essential to its financial health.

BUDGETARY/FISCAL IMPACT:

There is no current budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Board Policy 316 contains guidelines for the District in consideration of new debt and for managing existing debt. It was significantly updated in 2019. The proposed amendments are:

- Remove outdated reference to Senate Bill 1029. The comprehensive policy update in 2019 accomplished compliance with that law.
- Updates the Capital Equipment cost floor to \$10,000 to be in line with federal guidance and Board Policy 462 Fixed Assets.
- Adds United States Department of Transportation (USDOT) Infrastructure Finance and Innovation Act (TIFIA) Loans as an allowable debt type. TIFIA loans are low interest loans from USDOT for major capital project development.
- Changes the specific reference from the County of Alameda to counties in general as a possible source of a conduit issuer.

- Added explicit reference that debt issuance must be approved by the Board.

The amendments do not significantly alter the policy or what it requires of the District before it takes on debt.

ADVANTAGES/DISADVANTAGES:

Staff cannot identify any disadvantages to adopting the proposed changes to the policy.

ALTERNATIVES ANALYSIS:

The primary alternative is to keep the policy as is. This is not recommended as the update to the Capital Equipment definition is needed to align with Board Policy 462 and current federal guidance.

Staff is not proposing to amend the policy to incorporate the specifics of the proposed State operating bridge loan of \$55 million to support the FY 2026-27 Budget. It remains best practice to not use loans for operating support other than the short-term revenue anticipation or revolving loans listed in the policy that are based on cash-flow needs. The proposed State loan is an exception to the policy and staff believes it is more appropriate to address it as a one-time exception, reflecting the District's current financial circumstances.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 24-166 - Review of Board Policy 316

ATTACHMENTS:

1. Board Policy No. 316 Debt Management Policy redlines

Prepared by:

Chris Andrichak, Chief Financial Officer

Approved/Reviewed by:

Kenneth Myers, Controller

Sue Lee, Director of Revenue Management

Aimee L. Steele, General Counsel/Chief Legal Officer