



# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

## Master Minute Order

**File Number: 21-140b**

**Report ID:** 21-140b

**Type:** Regular - Finance & Audit

**Status:** Received

**Agenda  
Section:**

**Meeting Body:** Board of Directors -  
Regular Meeting

**Report Created:** 04/22/2021

**Final Action:** 05/26/2021

**ded Action:** Consider receiving a report on the Proposed FY 2021-22 Operating and Capital Budgets.

**Sponsors:**

**Enactment Date:**

**Attachments:** STAFF REPORT, Att 1 FY22 Operating Budget, Att 2  
FY22 Capital Budget, Att 3 FY22 Operating  
Projections, Att 4 ARP Spending List, Att 5 RED  
FOLDER New Position Requests, Att 5 New Position  
Requests, Att 6 FY22 Proposed Presentation, Att 7  
Proposed Budget Book 2021-2022

**Enactment Number:**

**Hearing Date:**

**Effective Date:**

### History of Legislative File

Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
Board of Directors - Regular Meeting	05/26/2021	Received				Pass
<b>Action Text:</b> MOTION: YOUNG/PEEPLES to receive a report on the Proposed FY 2021-22 Operating and Capital Budgets. The motion carried by the following vote:						
<b>Notes:</b> [Attachment 5 (position requests) was revised and provided at the meeting for the Board's consideration.]						

Chief Financial Officer Chris Andrichak presented the staff report and gave an overview of revenues and expenses associated with the budget. In addition, an overview of was given of the spending priorities associated with the receipt of American Rescue Plan Act funding and a set of financial projections for the coming fiscal years. General Manager Michael Hursh emphasized that a 100% return of the ridership was equivalent to \$67 million in the budget.

**Public Comment:**

**Katy Scott-Smith**, PTA-EBDSA, provided commentary on how staff arrived at its reported FY 2021-22 Operating and Capital Budget. Scott-Smith noted that the

District should not project five years into the future to go to 100% service levels when it has the money to do so inside of the next four or five years. Scott-Smith commented that permanently reducing service because of a pessimistic long-term financial outlook will likely harm ridership in the long run.

**Joty Dhaliwal**, PTA-EBDSA, commented that the budget report provides a pessimistic, long-term view of transit ridership. Dhaliwal noted that we have an opportunity to change this view by utilizing the ARP funds to reimagine service quality and improve ridership patterns.

**Nathan**, PTA - EBDSA, expressed surprise that staff's budget projections presume that ridership will not return at a significant rate. Nathan noted the need for a more optimistic position toward preparing a budget that provides riders with confidence in public transit and urged the Board to use federal ARP funds to run more bus service to increase ridership.

**Board Discussion:**

President Ortiz commented that some believe the funds from the federal government are a relief and not a stimulus and that it is hard to predict what the Metropolitan Transportation Commission will allocate. President Ortiz asked how staff would divide the money over the coming fiscal years. Mr. Andrichak advised that staff planned to use the money to fill future deficits. General Manager Hursh added that it was the District's highest priority to restore service.

Vice President Young asked how staff arrived at the 85% pre-pandemic service level. Mr. Andrichak advised that the big factor next August is adding school service and balancing the number of operators we think we can hire in time to add the service. Director Young also asked if the goal was maintain an 85% service level as long as possible and use the federal funding to help maintain it for next 3-4 years. Mr. Andrichak advised that the goal was to use the funding to get to a sustainable service level based on where revenues and expenses are projected to be.

Director Peebles commented that 90% of the problems (pass-ups) stem not from a lack of service, but social distance. He added that staff's crystal ball is informed by a number of reputable sources and that it is difficult to predict the future.

Director Beckles commented on staff projections, saying that estimating too conservatively will hurt the economy and riders and suggested that the District aim for 100% service levels. She also asked if it was possible to budget a hiring incentive to attract more operators. Mr. Andrichak advised that staff is exploring different types of incentives and looking at ways to reduce the amount of time required to certify new operators. He added that the District was looking at a structural deficit that would require substantial revenue growth to overcome.

Director Williams asked what other opportunities there might be to raise revenues in terms of ballot measures. Mr. Hursh advised that there is no appetite or tolerance for ballot measures at this time.

Director Shaw commented that she would like to see more funding put toward piloting different service types. She also believed the District needed to address the structural deficit.

Director Peebles commented that pre-pandemic polling on a sales tax measure indicates that it was unlikely to pass.

Ayes: 7 President Ortiz, Vice President Young, Director Walsh, Director Beckles,  
Director Williams, Director Shaw, Director Peebles

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