

# Parcel Tax Fiscal Oversight Committee Meeting

November 8, 2022



# Special Transit Service District 2 (SD2)

- The Agreed Upon Allocation Methodology was jointly developed by representatives from SD1 and SD2
- The Allocation Methodology was formally approved by the District's Board of Directors and the Cities of Fremont and Newark
- In FY 2014-15 the District's Board voted to permit the allocation of AB1107 funds to Special District 2
- The SD1/SD2 and Measure VV Reports are produced on an annual basis and continue to utilize the adopted methodology



# FY 2021-22 Highlights

- Parcel Tax receipts of \$29.8M were received in December 2021
- The receipts covered operation and maintenance expenses which were incurred to that date in SD1



# FY 2021-22 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Operating Revenues</b>	\$39,450	\$37,181	\$2,270
<ul style="list-style-type: none"><li>• Primarily Farebox</li><li>• Allocated on the basis for each route as recorded by GFI fare system</li></ul>			

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Subsidies</b>	\$498,267	\$426,295	\$71,973
<ul style="list-style-type: none"><li>• Property Taxes, Sales Taxes, State and some Federal assistance</li><li>• Property Taxes are allocated on the basis of actual revenue collected as reported to the District by Alameda and Contra Costa Counties</li></ul>			



# FY 2021-22 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Total Expenses</b>	\$511,364	\$449,402	\$61,962

- Consistent with the transit industry, approximately 71% of expenses (excl. depreciation) are related to wages and fringe benefits, including pensions
- These costs are allocated using factors such as pro-rata share of scheduled pay, and pro-rata share of service hours and miles in SD1/SD2 for other wages
- Pro-rata share of service hours and miles in SD1/SD2 are used to allocate general professional service contracts, fuel, bus parts, maintenance, insurance
- Purchased transportation (primarily Paratransit service) is allocated based on the pro-rata share of ridership for that service in SD1/SD2



# FY 2021-22 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Farebox</b>	\$24,591,260	\$22,998,434	\$1,592,826	A
<b>BART Transfers</b>	3,424,108	3,202,322	221,786	B
<b>Contract Services</b>	7,638,159	7,638,159	-	C

(A) Farebox revenues are allocated on the basis of estimated revenues for each route operated by a District as recorded by the fareboxes. Revenues consist of cash collected plus estimated revenues related to passes and tickets used on the same route

(B) BART Transfer revenue is allocated on the basis of each District's pro-rata share of farebox revenue

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. The pro-rata allocation percentage is calculated

using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$



# FY 2021-22 Highlights - Revenues

	Total	SD1	SD2	Methodology
Advertising	\$1,479,201	\$1,302,340	\$176,861	C
Interest Income	51,730	44,588	7,142	D
Other	2,265,725	1,994,824	270,902	C

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(D) Interest income is allocated to each District based on its pro-rata share of total revenue and subsidies, excluding interest income



# FY 2021-22 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Property tax</b>	\$136,155,339	\$109,479,213	\$26,676,126	E
<b>Parcel tax - Measure VV</b>	29,838,078	29,838,078	-	F

(E) Property taxes are allocated to each District on the basis of actual revenue as reported to the District by Alameda and Contra Costa Counties

(F) Line item is associated solely with a single District





# FY 2021-22 Highlights - Revenues

	Total	SD1	SD2	Methodology
Local sales tax – Measure B	\$28,754,826	\$26,594,526	\$2,160,300	G
Local sales tax – Measure BB	53,537,995	47,136,731	6,401,264	C
Local sales tax – Measure J	5,651,216	5,651,216	-	F

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(F) Line item is associated solely with a single District

(G) Measure B revenues are allocated based on the legislation which has a specific portion of the total revenues associated with each District.



# FY 2021-22 Highlights - Revenues

	Total	SD1	SD2	Methodology
State - AB1107	\$51,788,643	\$45,744,908	\$6,043,735	H
State - AB2972 Home-to-School	500,000	500,000	-	F
State - TDA	74,001,795	60,385,923	13,615,872	C
State - STA	26,667,974	22,995,506	3,672,468	I

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(F) Line item is associated solely with a single District

(H) Allocation is based upon an allocation percentage approved by the District's Board of Directors

(I) STA revenues are allocated to each District based on its pro-rata share of "qualifying revenues", which are defined by the District as: property taxes, Measure VV, Measure B, Measure BB, Measure J, farebox, contract service revenue, and Dumbarton Express reimbursement revenues



# FY 2021-22 Highlights - Revenues

	Total	SD1	SD2	Methodology
Local operating assistance	\$12,874,199	\$8,702,898	\$4,171,301	C
Federal operating assistance	78,497,315	69,265,854	9,231,461	C

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$



# FY 2021-22 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Operator wages</b>	\$83,527,174	\$74,063,545	\$9,463,629	J
<b>Other wages</b>	79,767,261	70,229,897	9,537,364	C
<b>Fringe benefits</b>	118,107,302	104,359,612	13,747,690	K
<b>Pension expenses</b>	43,542,188	38,473,877	5,068,311	K

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

(J) Actual operator pay is allocated to each District based on its pro-rata share of scheduled operator pay as recorded by the District's operator timekeeping system

(K) Fringe benefits and pension expenses are allocated using the sum of each District's pro-rata share of operator and other wages divided by the sum of total wages.



# FY 2021-22 Highlights - Expenses

	Total	SD1	SD2	Methodology
Services	\$38,314,886	\$33,733,771	\$4,581,115	C
Fuel & Lubricants	16,716,545	14,717,843	1,998,712	C
Office and printing supplies	842,441	741,715	100,726	C
Bus parts and maint. supplies	12,509,341	11,013,663	1,495,678	C
Utilities	4,437,416	3,906,857	530,559	C

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated

using the following formula: 
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$



# FY 2021-22 Highlights - Expenses

	Total	SD1	SD2	Methodology
Insurance	\$21,392,288	\$18,834,521	\$2,557,767	C
Other expenses	9,393,747	8,270,585	1,123,162	C
Purchased transportation	28,786,858	23,489,996	5,296,862	L

(C) This line item is allocated to the District in which such services are provided, and then on the basis of the District's pro-rata share of service hours and service miles. Each District's allocation percentage is calculated

using the following formula: 
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$

(L) ADA Paratransit subsidies are expenses that are allocated to each District based on its pro-rata share of ridership as reported to the District by its paratransit contractor



# FY 2021-22 Highlights - Expenses

	Total	SD1	SD2	Methodology
Interest expense	\$440,459	\$387,088	\$53,371	M
Depreciation	53,586,317	47,179,275	6,407,042	C
Capital contributions (all)	32,501,399	29,387,112	3,114,287	C

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using the following formula: 
$$\frac{((District\ svc.\ Hours / Total\ svc.\ Hours) + (District\ svc.\ Miles / Total\ svc.\ Miles))}{2}$$

(M) Interest expense is allocated to each District based on its pro-rata share of total expenses, excluding interest expense





# Questions?

