



# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

## Master Minute Order

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<b>Report ID:</b>	21-504	<b>Status:</b>	Approved
<b>Type:</b>	Discussion Item(s)		
<b>Meeting Body:</b>	AC Transit Parcel Tax Fiscal Oversight Committee 11/09/2021	<b>Final Action:</b>	11/09/2021

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### Sponsors:

**Attachments:** STAFF REPORT, Att.1. 21-001, Att. 2 FY21 Measure VV Agreed Upon Procedures, Att. 3 Schedules for Districts 1 and 2 - DRAFT, Att. 4 Audited Financial Statements YE June 30, 2021, Att. 5 Presentation, Master Minute Order

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### Agenda Title:

Review the Measure VV/C1 Financial Statement and consider the adoption of Resolution No. 21-001 determining that the Measure VV/C1 funds collected during the 2020-21 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities.

- History of the District 1 - District 2 Allocation Methodology;
- Measure VV/C1 Agreed Upon Procedure, including an Hours and Miles Comparison for District 1/District 2;
- AC Transit Audited Financial Statements (includes the D1/D2 Report and Supplemental Schedule).

### Legislative Action & Summary

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<b>Acting Body:</b>	<b>Date:</b>	<b>Action:</b>	<b>Result:</b>
AC Transit Parcel Tax Fiscal Oversight Committee	11/09/2021	Approved	Pass

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### Action Text:

MOTION: JOHNSON/GREGORY to adopt Resolution No. 21-001 determining that the Measure VV/C1 funds collected during the 2020-21 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities. The motion carried by the following vote:

Ayes: 7      Chair Abelson\*, Committee Member Johnson, Committee Member Gregory, Committee Member Williams, Committee Member Levy, Committee Member Chen, Committee Member Tregub

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### Notes:

Chief Financial Officer Chris Andrichak briefly presented the status of the District's finances and introduced the presenters. Ken Myers presented information on the allocation methodology and the allocation of revenue, subsidies, and expenses. Brad Schelle, an independent external auditor with

Crow LLC, reviewed the Measure VV/C1 agreed-upon procedures applicable to the audit. Mr. Schelle explained that Measure VV/C1 funds collected during the 2020-21 Fiscal Year had been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities as prescribed by the agreed-upon procedures.

Chair Abelson asked a about the allocation of funds between the two special districts. Staff explained the allocation methodology that applies to expenses, which are based on the service hours in each District and compared to the total number of hours, and also based on service miles in each District compared to total numbers of miles. Mr. Myers further referred to the established and agreed-upon formula and allocation methodology.

Chair Abelson asked about the paratransit division of expenses and whether it was based on the fact that all customer requests were fulfilled without a denial of service. Mr. Myers confirmed that to be true and that division of expenses for paratransit services was split between the two special districts based on the services reported by the paratransit contractor.

Member Chen asked a general question about the District's Budget that was addressed by staff. Chair Abelson commented that a portion of sales taxes collected from online commerce contributed positively to the District's revenues.

Member Tregub commented that total service hours, service miles, and hours decreased in the past fiscal year and asked if staff plans to address the issue. Though beyond the Committee's scope, General Manager Hursh addressed the question, explaining that the unavailability of bus operators and change in transportation needs have contributed to the change in service. He further clarified that staff is aggressively recruiting bus operators and gauging the transit needs to redesign the service network. Mr. Hursh referred the Committee to recent Board discussions about the established methodology for prioritizing lines in service restoration. Mr. Hursh also addressed a question about the American Rescue Plan Act (ARPA) funds.

Member Levy commented about the Committee's charge related to the expenditures in Special District 1 and asked whether it has any input on determining the methodology of how allocations are divided between the two Special Districts. Chief Financial Officer Andrichak explained that the Committee is charged with approving the expenditure statement of collected property taxes in Special District 1 based on the agreed-upon procedures and established methodology. He further clarified that the reasoning for methodology and service planning would be in the purview of the AC Transit Board of Directors.

Director of Service Development and Planning Robert del Rosario briefly clarified how service hours and service miles are determined and allocated in each of the two special districts.

Member Levy commented on a typographical error on page 36 of the meeting packet which should read "gain" instead of "loss".

Member Chen commented on a taxpayers' parcel tax obligation to AC Transit. Staff clarified the definition of parcel tax as it related to AC Transit's revenues and agreed to add the clarification to the future meetings' materials.

