



# Adopted Budget

Fiscal Year 2019 – 2020



June 12, 2019

## GENERAL MANAGER'S MESSAGE

I am pleased to present the Alameda-Contra Costa Transit District (AC Transit) Fiscal Year 2019-20 Adopted Budget. This budget sees the District beginning revenue service on the East Bay Bus Rapid Transit (BRT) line after several years of effort.

The FY 2019-20 Adopted Budget is comprised of \$474.0 million in revenues and \$471.0 in expenses, leaving \$3.0 million in revenue earmarked for contributions to our OPEB reserve and District Capital obligations. The Capital Budget begins the first year of the five-year Capital Improvement Program (CIP) that staff is working to finalize. The budget was developed on the basis of 2.0 million revenue service hours, 24.5 million operated miles, and 2,268 full time employees.



Major highlights of the FY 2019-20 Operating Budget include:

- Beginning revenue service on the East Bay Bus Rapid Transit line
- Resuming service at the Salesforce Transit Center (STC) after several months of closure
- New Positions – 17 new positions are funded in this budget with five for BRT and two for operations ramp up at the Bus Storage Facility at STC.

This budget cycle begins the initial year of the District's first five-year CIP for FY 2020-FY 2024. Development of the CIP has been tightly coupled with the District's Transit Asset Management Plan and is another step in the District's path towards a mature asset management practice. Through the CIP and its asset management practices, the District continues efforts to provide a better ride to passengers and to increase ridership through improvements to major corridors, support of AC Go, and keeping facilities, vehicles, and other assets in a state of good repair.

The BRT project is the District's largest capital project with a total current budget of \$231 million (including finance charges) and will bring better transit service to one of the East Bay's most diverse corridors. Construction completion has reached nearly 70% and staff has been working for several months on planning for revenue service starting in December 2019. Even with the project still in construction, the International Boulevard corridor is already seeing significant improvements in the streetscape and pedestrian safety from the BRT investments.



The District's 2014 Short Range Transit Plan identified over \$1.5 billion in capital needs over the next ten years, with a significant portion of that need to maintain the state of good repair of fleets and facilities. The FY 2019-20 Capital Budget proposes \$10.8 million in District Capital spending, \$15.0 million in BRT financing proceeds spending, and \$81.0 million in grant spending for a total of \$106.7 million.

While AC Transit is currently in stable financial condition, there are risks and challenges that can impact the District in the short and long term.

- Economic Cycles – The current economic expansion enters its unprecedented tenth year in June. The District's major source of revenue is from various sales tax based subsidies and makes it disproportionately impacted by changes in the economy.
- Industry Change – The continued growth of "micro-mobility" options such as electric scooters and shared ride services such as Uber and Lyft have negatively impacted public transit ridership around the country.
- Federal Funding – The Trump Administration continues to send conflicting signals on the future direction of Federal support for mass transit. The District's FY 2019-20 capital budget spending is 47% Federal funds, primarily the BRT project, and Federal funds also subsidize the District's ADA Paratransit service.

FY 2019-20 is the first full year for the District operating under its newly adopted Strategic Plan. The FY 2019-20 Adopted Operating and Capital Budgets support the District's updated Mission Statement of "*We deliver safe, reliable, sustainable transit service that responds to the needs of our customers and communities.*" The Adopted Budget also supports the core values of the District:

- Safety
- Service
- Environmental Sustainability
- Equity
- Innovation
- Integrity
- Trust

I am confident that the District has the ability to focus on its strengths and work through the many challenges. Continued success will only be achieved through collaboration, creativity, and commitment.

Sincerely,



Michael Hursh,  
General Manager

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT  
RESOLUTION NO. 19-021**

**A RESOLUTION ADOPTING THE GENERAL FUND OPERATING AND CAPITAL BUDGET FOR  
FISCAL YEAR 2019-20**

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**WHEREAS**, the Board of Directors reviewed and established the calendar and Strategic Plan which included the Goals and supporting Key Performance Indicators, and the Fiscal Priorities for the development of the General Fund Operating and Capital Budgets for FY 2019-20 during budget meetings held in November 2018, February 2019, April 2019 and May 2019; and

**WHEREAS**, the General Manager has developed the General Fund Operating and Capital Budget for FY 2019-20 based on prevailing economic conditions; and

**WHEREAS**, the Board of Directors has received and reviewed the General Manager's Proposed General Fund Operating and Capital Budgets for FY 2019-20 during the Board meeting held May 22, 2019.

**NOW THEREFORE**, the Board of Directors of the Alameda-Contra Costa Transit District does resolve as follows:

**Section 1.** Approves the Recommended General Fund Operating and Capital budget for Fiscal Year 2019-20 in the amount of \$474.0 million with the expenses and transfers identified below and incorporated by reference as Exhibit A of this Resolution:

**Option A**

a. Total Operating Revenues :	474.0M
b. Total Operating Expenses :	471.0M
c. Transfer to/(from) Unrestricted Net Assets	1.0M
e. District Funded Capital :	10.8M
f. Transfer to/(from) General Fund :	(8.8M)
g. Total Capital Program Contribution :	106.8M

**Section 2.** Approves the 17 new positions as presented in Attachment 4 of Staff Report 19-052c.

**Section 3.** Recognizes the 3.25 percent increase to base salary for AFSCME employee members as of July 1, 2019, and IBEW employee members as of January 3, 2020, as per their collective bargaining agreements.

**Section 5.** Directs the General Manager to return to the Board at a later date to obtain approval to implement any changes to District employees wages and benefits not already negotiated or approved.

**Section 6.** This resolution shall become effective immediately upon its passage by four affirmative votes of the Board of Directors.

**PASSED AND ADOPTED** this 12th day of June, 2019.

  
Joe Wallace, President

Attest:

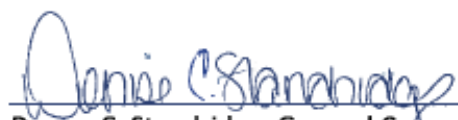
  
Linda A. Nemeroff, District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors held on the 12th day of June, 2019, by the following roll call vote:

AYES: VICE PRESIDENT ORTIZ, DIRECTORS WILLIAMS, SHAW, PEEPLES, PRESIDENT WALLACE  
NOES: HARPER  
ABSENT: YOUNG  
ABSTAIN: NONE

  
Linda A. Nemeroff, District Secretary

Approved as to Form and Content:

  
Denise C. Standridge, General Counsel

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT  
RESOLUTION NO. 19-024**

**A RESOLUTION SETTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20 PURSUANT  
TO ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA**

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**WHEREAS**, Article XIII B to the Constitution of the State of California places appropriations limitations on the fiscal powers of the State and each local government; and

**WHEREAS**, Government Code Section 7910 provides that each year the governing body of each jurisdiction shall establish its Appropriations Limit pursuant to Article XIII B at a regularly scheduled meeting or special meeting; and

**WHEREAS**, the Board of Directors on June 26, 2019, adopted Resolution 19-019 providing notice to the public, as required by Government Code Section 7910, that the Board of Directors would establish the Appropriations Limit for Fiscal Year 2019-20 at its regularly scheduled meeting on July 24, 2019; and

**WHEREAS**, no public comment was received regarding the District's appropriation limit for Fiscal Year 2019-20.

**NOW THEREFORE**, the Board of Directors of the Alameda-Contra Costa Transit District does resolve as follows:

**Section 1.** The Board of Directors hereby establishes the Appropriations Limit for Fiscal Year 2019-20 for the Alameda-Contra Costa Transit District at \$529,396,700 as documented in Exhibits A, B and C attached hereto and incorporated herein by reference as though fully set forth.

**Section 2.** This resolution shall become effective immediately upon its passage by four affirmative votes of the Board of Directors.

**PASSED AND ADOPTED** this 24th day of July, 2019.

  
\_\_\_\_\_  
Joe Wallace, President

Attest:

  
\_\_\_\_\_  
Linda A. Nemeroff, District Secretary

I, Linda A. Nemeroff, District Secretary for the Alameda-Contra Costa Transit District, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors held on the 24th day of July, 2019 by the following roll call vote:

AYES: VICE PRESIDENT ORTIZ, DIRECTORS WILLIAMS, HARPER, SHAW, PEEPLES, YOUNG,  
PRESIDENT WALLACE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



Linda A. Nemeroff, District Secretary

Approved as to Form and Content:



Denise C. Standridge, General Counsel



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Alameda-Contra Costa Transit District  
California**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morrill*

Executive Director



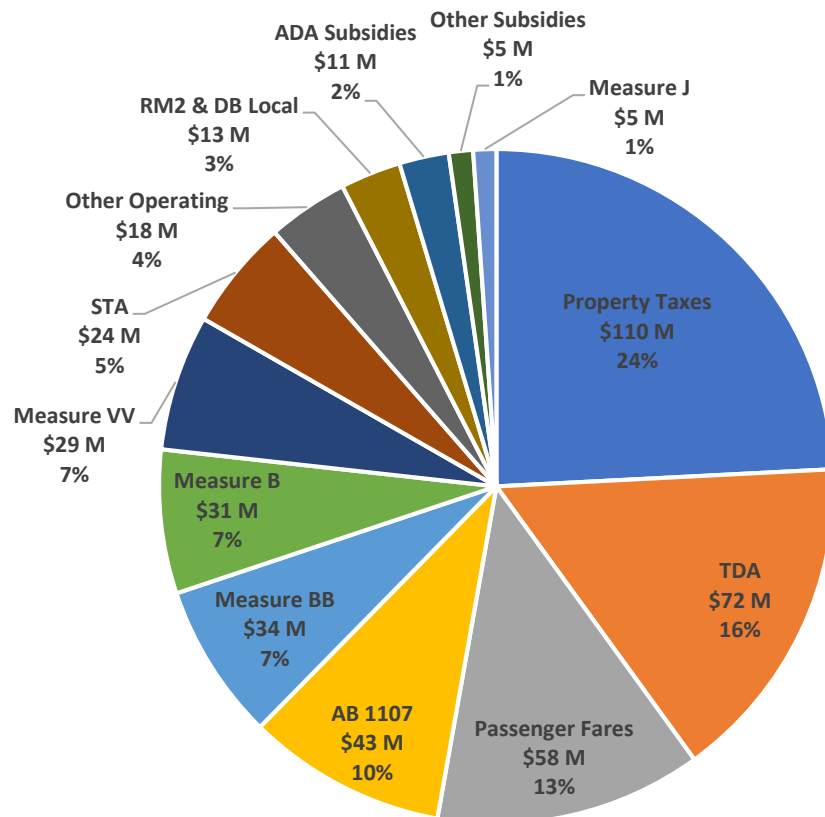
# **BUDGET OVERVIEW**

**ALAMEDA-CONTRA COSTA TRANSIT**  
**FY 2019-20 ADOPTED OPERATING REVENUE AND SUBSIDIES BUDGET**  
**(\$ IN THOUSANDS)**

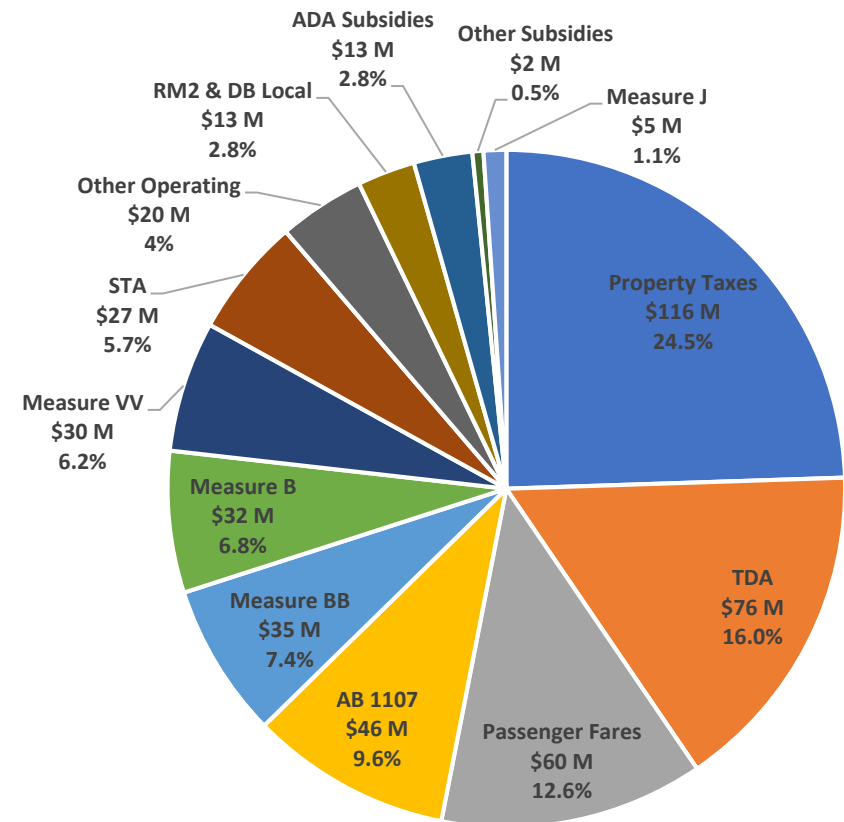
	FY 2017-18 ACTUALS	FY 2018-19 MID-YEAR BUDGET	FY 2019-20 ADOPTED BUDGET	VARIANCE TO MID-YEAR	
				\$	%
<b>REVENUE &amp; SUBSIDIES</b>					
<b>Line</b>	<b>Operating</b>				
1	Passenger Fares	54,722	57,889	1,812	3.1%
2	Contract Services	7,316	8,584	1,674	19.5%
3	BART Transfers	4,263	4,376	219	5.0%
4	Advertising	1,365	1,195	(48)	-4.0%
5	Other Revenue	1,536	1,326	27	2.0%
6	Real Estate	1,216	1,456	116	8.0%
7	Interest Income	575	600	30	5.0%
<b>8</b>	<b>Total Operating Revenues</b>	<b>70,993</b>	<b>75,426</b>	<b>3,830</b>	<b>5.1%</b>
<b>Unrestricted Subsidies</b>					
9	State - TDA	67,415	71,667	4,193	5.9%
10	State - AB1107, Sales Tax	43,009	43,268	2,233	5.2%
11	Local Sales Taxes - Measure B	30,827	31,200	839	2.7%
12	Local Sales Taxes - Measure BB	33,990	33,989	914	2.7%
13	Local Sales Taxes - Measure J	4,878	5,000	125	2.5%
14	Property Taxes	105,022	109,509	6,525	6.0%
15	Parcel Taxes - Measure VV	29,671	29,500	74	0.3%
16	State - STA	14,063	19,293	4,948	25.6%
17	State - AB2972, OUSD	(1,150)	500	0	0.0%
18	STA Lifeline and JARC	-	4,729	(2,063)	-43.6%
19	RM2 and DB Service	18,755	13,153	(75)	-0.6%
20	ADA Federal	5,025	5,597	-	0.0%
21	ADA State and Local	5,313	5,168	2,494	48.3%
22	Other Federal	-	3,260	(2,760)	-84.7%
23	Other Local	1,682	1,487	-	0.0%
<b>24</b>	<b>Total Unrestricted Subsidies</b>	<b>358,502</b>	<b>377,321</b>	<b>17,447</b>	<b>4.6%</b>
<b>25</b>	<b>TOTAL UNRESTRICTED</b>	<b>429,495</b>	<b>452,747</b>	<b>21,276</b>	<b>4.7%</b>
<b>26</b>	<b>Restricted Preventative Maintenance</b>	<b>-</b>	<b>2,742</b>	<b>(2,742)</b>	<b>-100.0%</b>
<b>27</b>	<b>TOTAL ALL REVENUE &amp; SUBSIDIES</b>	<b>429,495</b>	<b>455,489</b>	<b>18,534</b>	<b>4.1%</b>

# ALAMEDA-CONTRA COSTA TRANSIT REVENUE AND SUBSIDIES BUDGET

## FY 2018-19 Mid-Year Revenue Budget



## FY 2019-20 Revenue Budget



# ALAMEDA-CONTRA COSTA TRANSIT

## FY 2019-20 ADOPTED OPERATING EXPENSE BUDGET

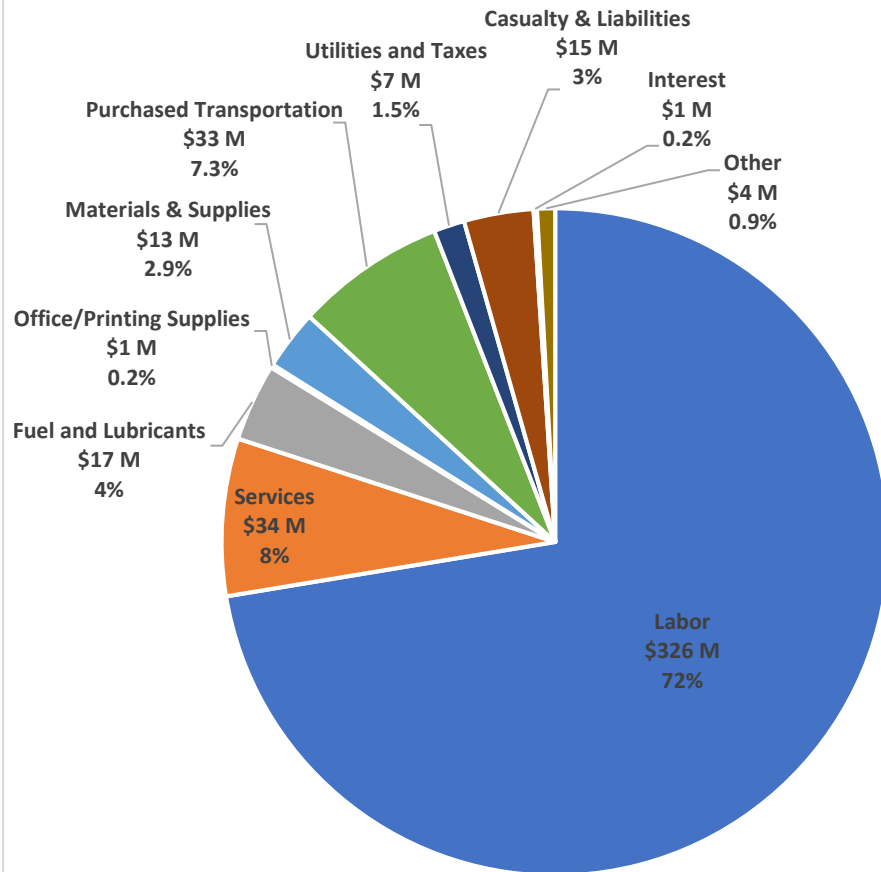
### (\$ IN THOUSANDS)

		FY 2017-18 ACTUALS	FY 2018-19 MID-YEAR BUDGET	FY 2019-20 ADOPTED BUDGET	VARIANCE TO MID-YEAR	
					\$	%
Line	REVENUES & SUBSIDIES					
1	Operating	70,993	75,426	79,256	3,830	5.1%
2	Unrestricted Subsidies	358,502	377,321	394,768	17,447	4.6%
3	TOTAL REVENUES & SUBSIDIES	429,495	452,747	474,024	21,276	4.7%
	OPERATING EXPENSES					
	Labor					
4	Operator Wages	85,694	88,360	91,662	3,302	3.7%
5	Other Wages	66,333	69,022	71,113	2,091	3.0%
6	Fringe Benefits	110,318	114,032	119,342	5,310	4.7%
7	Pension Expense	52,605	54,362	58,450	4,088	7.5%
8	TOTAL LABOR COSTS	314,950	325,775	340,566	14,791	4.5%
	Non-Labor					
9	Services	25,046	34,301	37,307	3,006	8.8%
10	Fuel and Lubricants	12,734	16,915	16,667	(249)	-1.5%
11	Office/Printing Supplies	743	689	911	222	32.2%
12	Materials & Supplies	14,726	12,996	13,708	712	5.5%
13	Purchased Transportation	30,177	32,790	34,845	2,055	6.3%
14	Utilities and Taxes	6,332	6,727	6,996	268	4.0%
15	Casualty and Liabilities	7,425	15,173	16,493	1,321	8.7%
16	Interest Expense	1,329	738	652	(86)	-11.7%
17	Other Operating Expenses	1,441	3,926	2,878	(1,048)	-26.7%
18	TOTAL NON-LABOR	99,954	124,256	130,457	6,201	5.0%
19	TOTAL OPERATING EXPENSES	414,904	450,031	471,024	20,992	4.7%
20	NET OPERATING SURPLUS/(DEFICIT)	14,591	2,716	3,000	284	10%
21	RESTRICTED PM	-	2,742	-	(2,742)	-100%
22	OPEB FUND CONTRIBUTION	1,000	1,500	1,000	(500)	-33%
23	STC CAPITAL CONTRIBUTION	-	-	1,000	1,000	
24	DISTRICT CAPITAL CONTRIBUTION	7,690	23,070	9,766	4,310	19%
25	NET GENERAL FUND INCREASE/(DECREASE)	5,901	(21,854)	(8,766)	(4,526)	21%

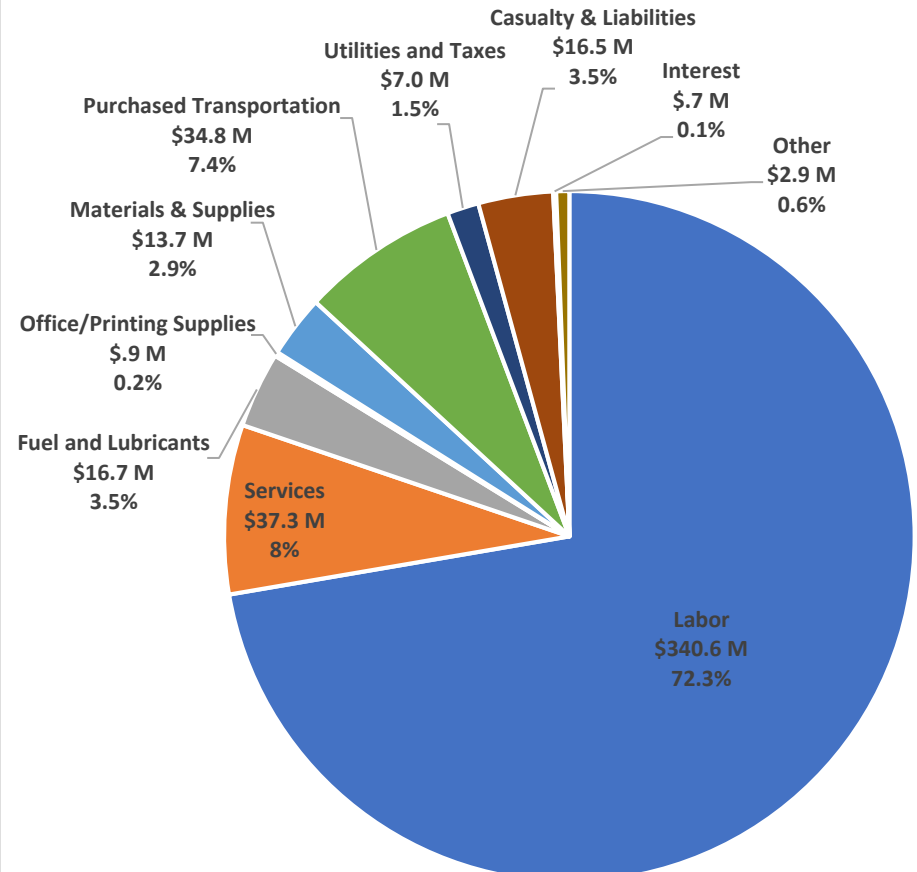


# ALAMEDA-CONTRA COSTA TRANSIT OPERATING EXPENSE BUDGET

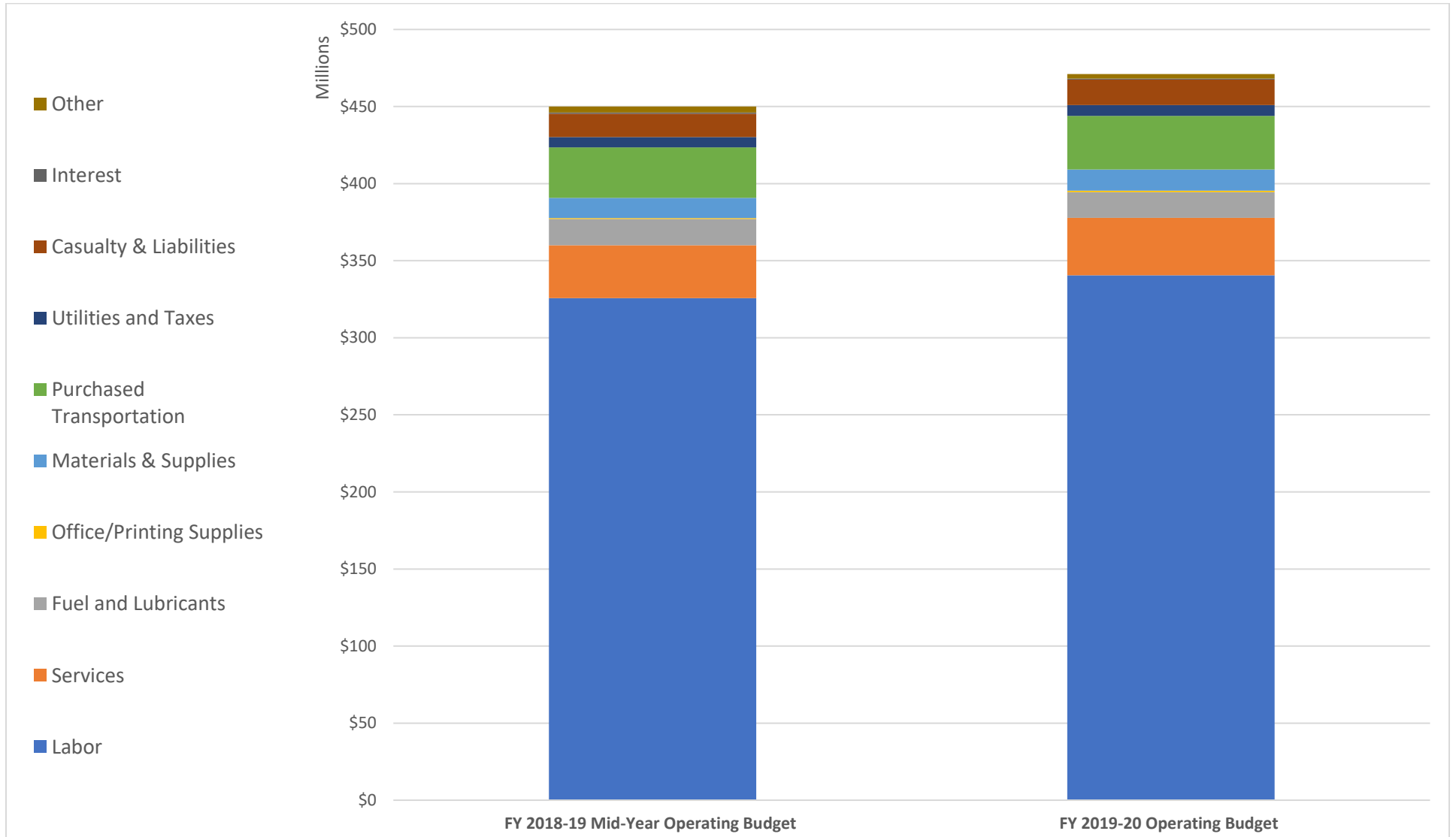
## FY 2018-19 Mid-Year Operating Budget



## FY 2019-20 Operating Budget

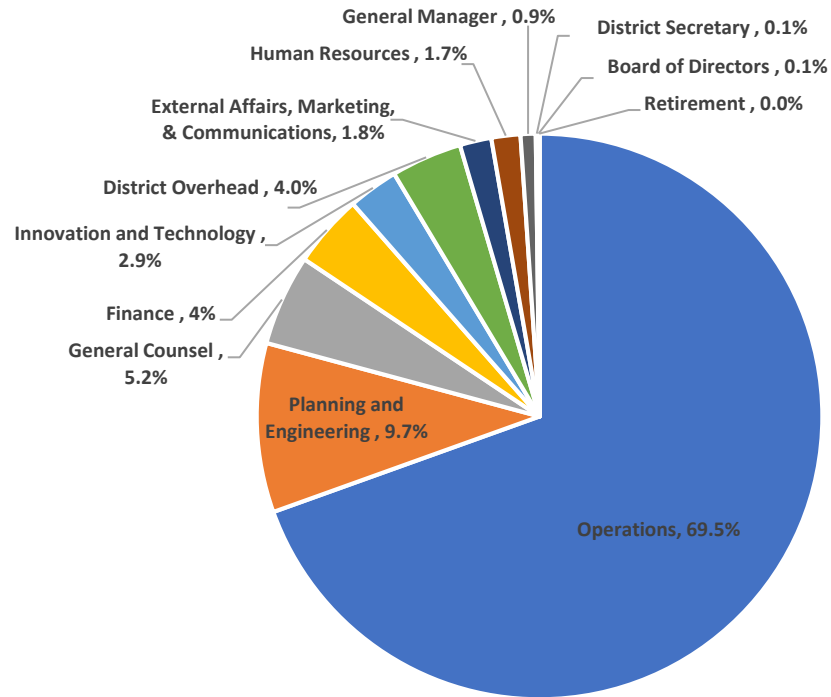


## ALAMEDA-CONTRA COSTA TRANSIT DOLLAR SHARE OF OPERATING EXPENSES BY USE OF FUNDS



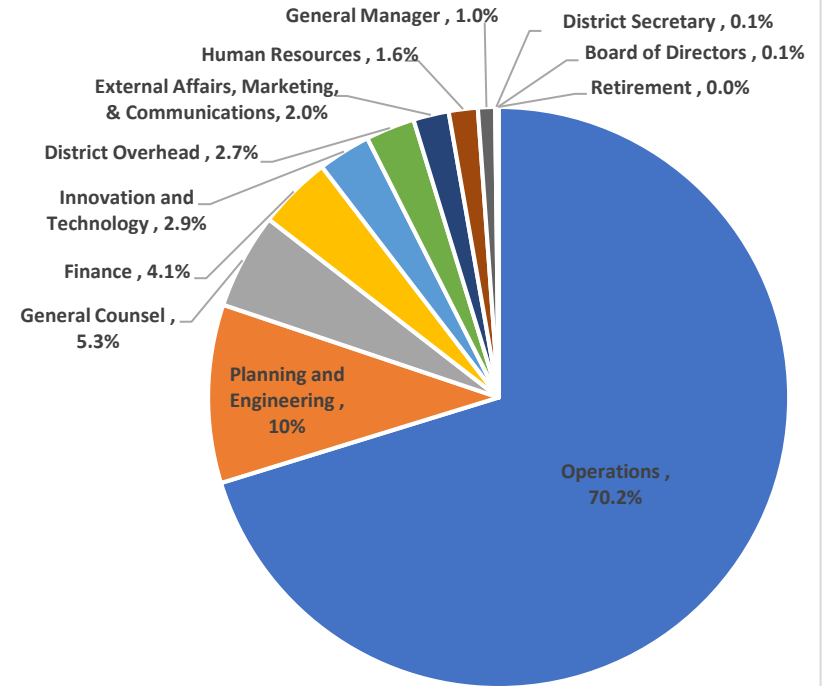
# ALAMEDA-CONTRA COSTA TRANSIT OPERATING EXPENSE BUDGET BY DEPARTMENT

## FY 18-19 Mid-Year Budget



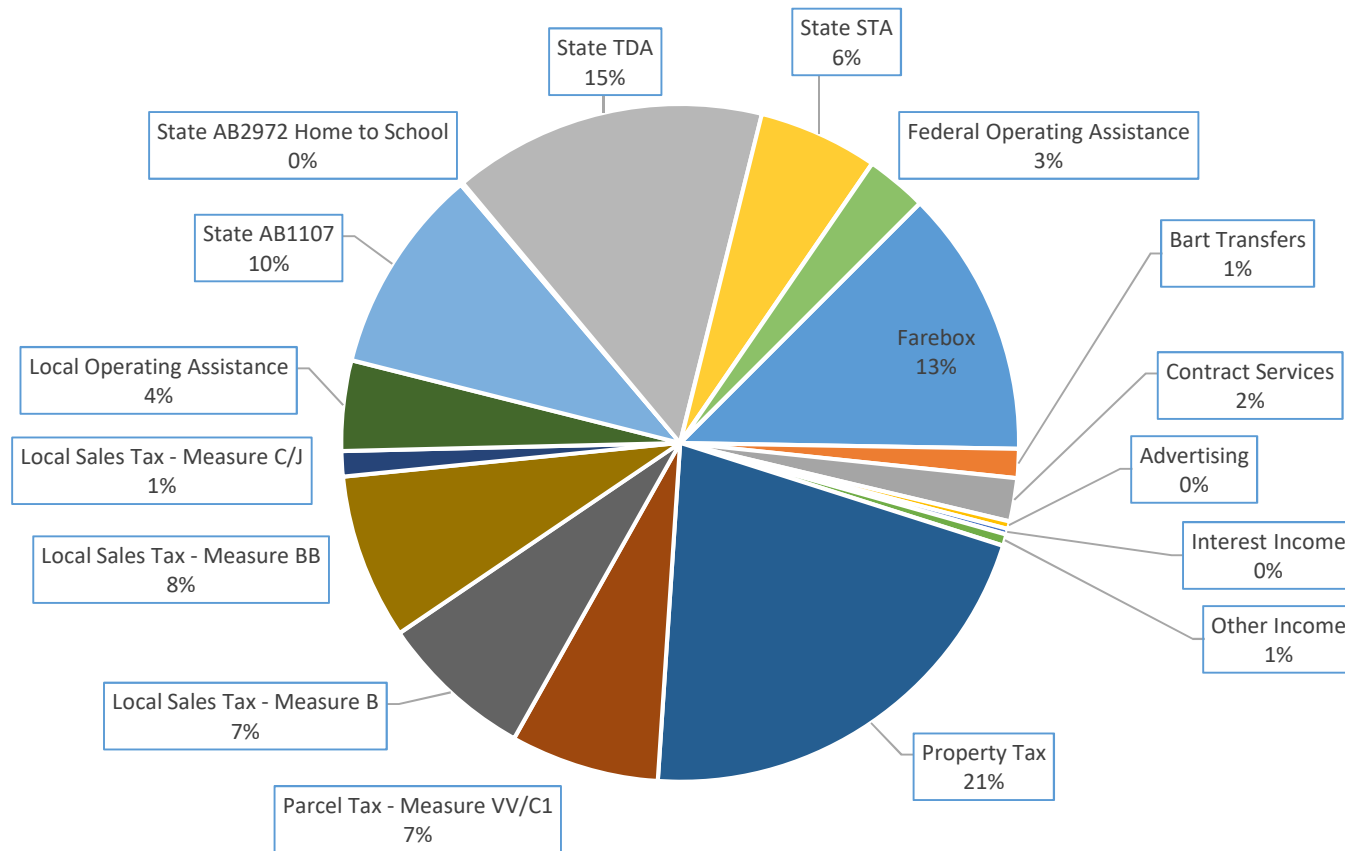
Department	FY 18-19 Mid-Year Budget	% of Total
Operations	\$ 312,959,008	69.5%
Planning and Engineering	\$ 43,528,967	9.7%
General Counsel	\$ 23,381,320	5.2%
Finance	\$ 18,709,368	4.2%
Innovation and Technology	\$ 12,946,364	2.9%
District Overhead	\$ 18,229,567	4.0%
External Affairs, Marketing, & Communications	\$ 8,129,583	1.8%
Human Resources	\$ 7,467,354	1.7%
General Manager	\$ 3,886,213	0.9%
District Secretary	\$ 542,382	0.1%
Board of Directors	\$ 331,232	0.1%
Retirement	\$ (80,000)	0.0%
<b>TOTAL</b>	<b>\$ 450,031,359</b>	<b>100.0%</b>

## FY 19-20 Adopted Budget



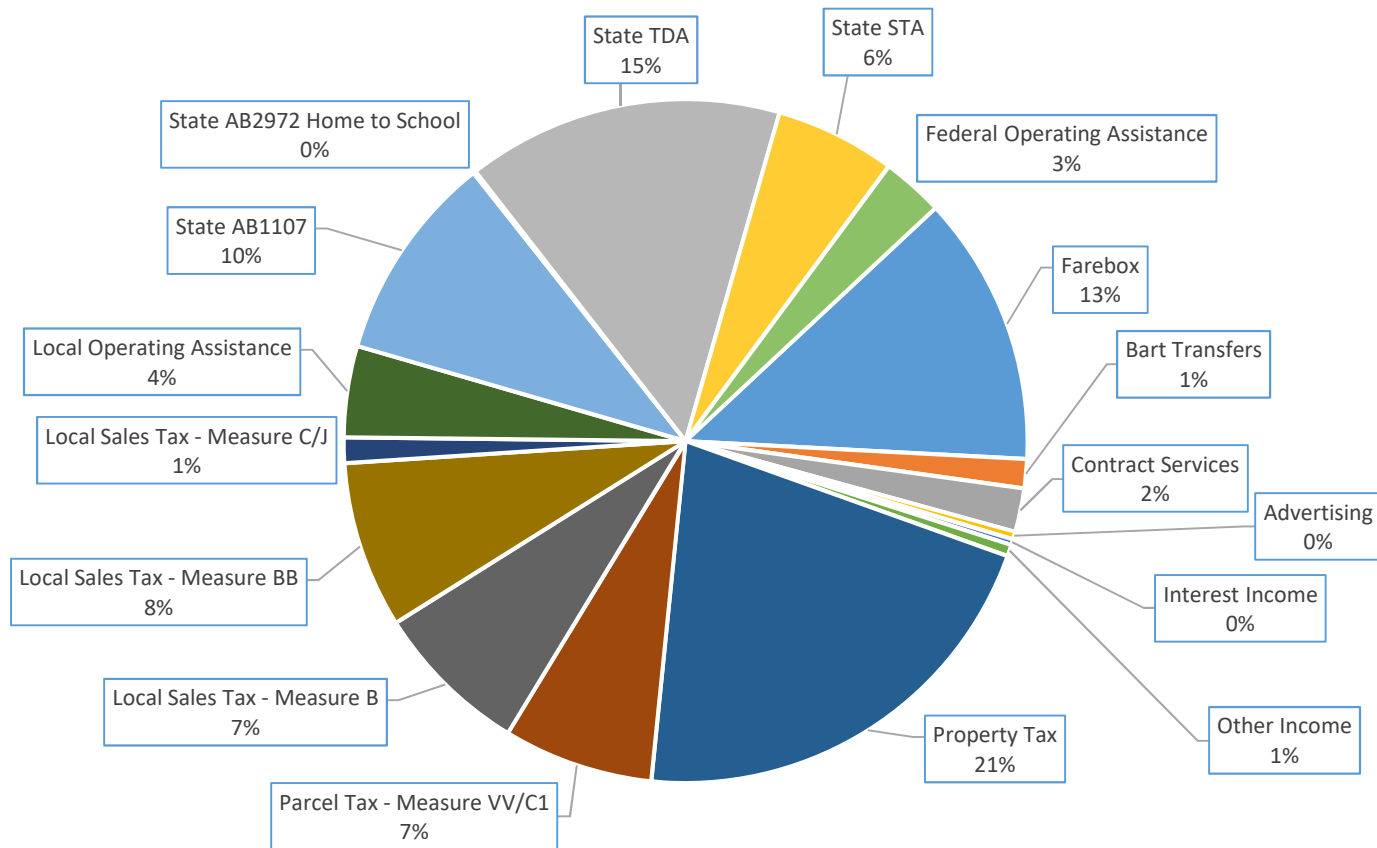
Department	FY 19-20 Adopted Budget	% of Total
Operations	\$ 330,860,674	70.2%
Planning and Engineering	\$ 46,743,931	10.0%
General Counsel	\$ 25,096,513	5.3%
Finance	\$ 19,323,282	4.1%
Innovation and Technology	\$ 13,852,197	2.9%
District Overhead	\$ 12,855,547	2.7%
External Affairs, Marketing, & Communications	\$ 9,304,704	2.0%
Human Resources	\$ 7,600,457	1.6%
General Manager	\$ 4,487,974	1.0%
District Secretary	\$ 591,366	0.1%
Board of Directors	\$ 306,912	0.1%
Retirement	\$ 1	0.0%
<b>TOTAL</b>	<b>\$ 471,023,557</b>	<b>100.0%</b>

STSD1  
Revenues and Subsidies (with Measure VV/C1)  
Fiscal Year 2018-19 (Preliminary and unaudited)

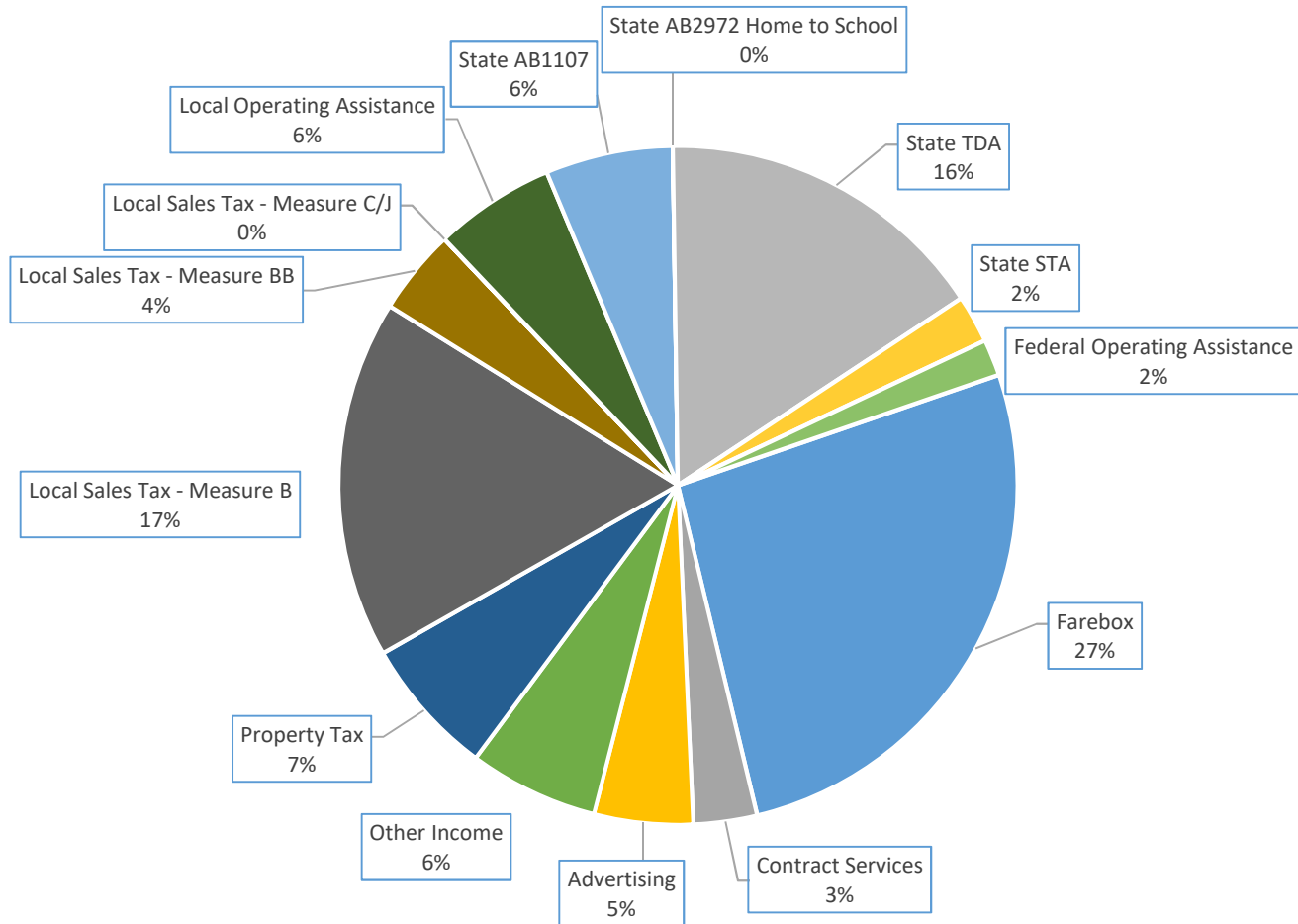




STSD1  
Revenues and Subsidies (without Measure VV/C1)  
Fiscal Year 2018-19 (Preliminary and unaudited)

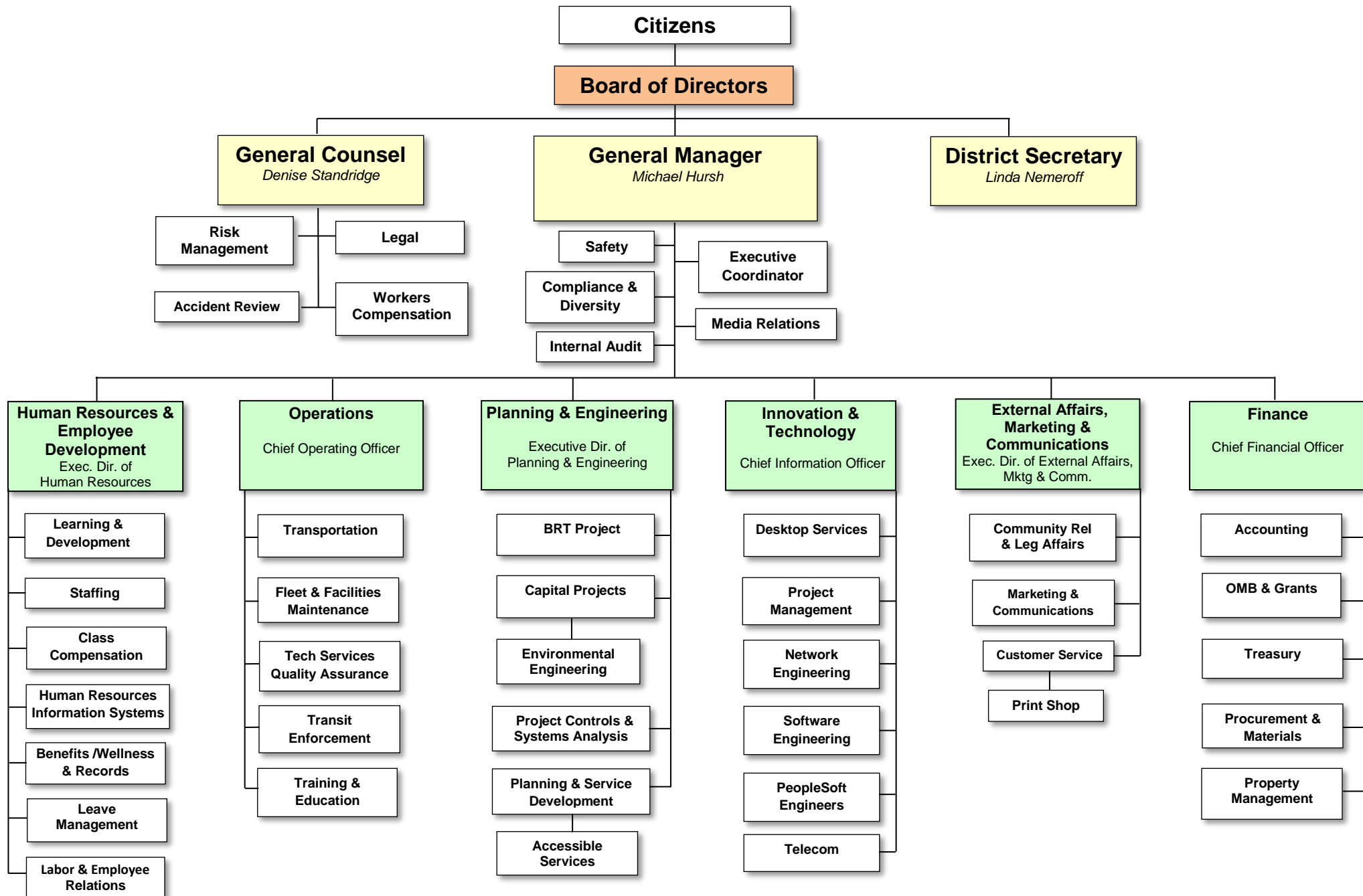


STSD2  
Revenues and Subsidies  
Fiscal Year 2018-19 (Preliminary and unaudited)





# AC Transit District Organizational Chart



## **POSITION COUNT BY DEPARTMENT**

Department & Position Title	FY17-18 Mid-Year	FY18-19 Mid-Year	FY19-20 Adopted
(District Secretary) District Secretary Departments	3	3	3
(EAMC) External Affairs, Marketing, & Communications	36	37	37
(Finance) Finance Departments	94	91	93
(GM) General Manager Departments	15	17	18
(HR) Human Resources Departments	33	33	34
(IT) Innovation and Technology Departments	38	39	41
(Legal) General Counsel Departments	23	24	24
(Operations) Operations Departments	1958	1954	1964
(Planning) Planning and Engineering Departments	48	49	50
(Retirement) Retirement Departments	4	4	4
<b>Grand Total</b>	<b>2252</b>	<b>2251</b>	<b>2268</b>



## **POSITIONS BY CLASSIFICATION GROUP**

<b>Department &amp; Position Title</b>	<b>FY17-18 Mid-Year</b>	<b>FY18-19 Mid-Year</b>	<b>FY19-20 Adopted</b>
Clerical	61	62	63
Maintenance	439	439	442
Operators	1359	1350	1350
Salaried	393	400	413
<b>Grand Total</b>	<b>2252</b>	<b>2251</b>	<b>2268</b>

## **FY 2019-20 NEW POSITIONS**

Department	Position Title	Union Code	Adopted FY19-20
(Finance) Finance Departments	Assistant Contracts Specialist	AFS	1
	Senior Project Manager	UR	1
(GM) General Manager Departments	Safety Representative	AFS	1
(HR) Human Resources Departments	Sr Human Resources Admin	UR	1
(IT) Innovation and Technology Departments	Limited Term - Database Administrator	AFS	1
	Senior Network/PC Analyst	AFS	1
(Operations) Operations Departments	BRT Amabassador/Fare Enforcement	UR	4
	Bus Stop Maintenance Worker	ATU	1
	Dispatcher	ATU	1
	Service Employee	ATU	2
	Training Instructor	AFS	2
	Environmental Compliance Specialist	AFS	1
(Planning) Planning and Engineering Departments			
<b>Grand Total</b>			<b>17</b>

## **FY 2019-20 ADOPTED OPERATING EXPENSE BUDGET BY DEPARTMENT**

<b>Department</b>	<b>FY 17-18 Actuals</b>	<b>FY 18-19 Mid-Year Budget</b>	<b>FY 19-20 Adopted Budget</b>
(Board) Board of Directors Departments	260,787	331,232	306,912
(DSecretary) District Secretary Departments	433,040	542,382	591,366
(EAMC) External Affairs, Marketing, & Communications	7,688,293	8,129,583	9,304,704
(Finance) Finance Departments	17,898,069	18,709,368	19,323,282
(GM) General Manager Departments	3,819,824	3,886,213	4,487,974
(HR) Human Resources Departments	10,050,557	7,467,354	7,600,457
(IT) Innovation and Technology Departments	10,818,327	12,946,364	13,852,197
(Legal) General Counsel Departments	17,345,228	23,381,320	25,096,513
(Operations) Operations Departments	297,962,142	312,959,008	330,860,674
(Overhead) District Overhead Departments	10,394,417	18,229,567	12,855,547
(Planning) Planning and Engineering Departments	38,232,989	43,528,967	46,743,931
(Retirement) Retirement Departments	(0)	(80,000)	1
<b>Grand Total</b>	<b>\$ 414,903,671</b>	<b>\$ 450,031,359</b>	<b>\$ 471,023,557</b>