

# AC Transit Parcel Tax Fiscal Oversight Committee Meeting

November 12, 2019  
10<sup>th</sup> Floor Conference Room  
1600 Franklin Street  
Oakland, CA 94612

# Special Transit Service District 2 (SD2)

- The Agreed Upon Allocation Methodology were 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 D1/D2 and Measure VV Reports are produced on an annual basis and continue to utilize the adopted methodology.



# FY 2018-19 Highlights

- Parcel Tax receipts of \$29.7M were received in November 2018
- The receipts covered operation and maintenance expenses which were incurred to that date in SD1



# FY 2018-19 Highlights

## REVENUES (In Thousands)

<u>Total Revenues</u>	<u>SD1</u>	<u>SD2</u>
\$77,759	\$72,901	\$4,857

- Primarily Farebox
- Allocated on the basis for each route as recorded by GFI fare system

<u>Total Subsidies</u>	<u>SD1</u>	<u>SD2</u>
\$403,633	\$345,910	\$57,754

- Consist of Property Taxes, Sales Taxes, State and some Federal assistance
- Property Taxes are allocated on the basis of actual revenue collected as reported to the District by Alameda and Contra Costa Counties



# FY 2018-19 Highlights

## Expenses

### Total Expenses

\$506,536

### SD1

\$451,181

### SD2

\$55,355

- Consistent with the transit industry, approximately 70 % of expenses are related to wages and fringe benefits including pensions
- These costs are allocated using factors such as prorata share of scheduled pay, and prorata share of service hours and miles for other wages
- Services which are comprised of professional services such as legal, auditing and IT maintenance contracts are allocated on the basis of service hours and service miles
- The same applies to Fuel, Bus Parts and Maintenance and Insurance
- Purchased transportation which primarily is Paratransit services is allocated based on the prorata share of ridership for each District



## REVENUES

	<u>SD#1</u>	<u>SD#2</u>	<u>Total</u>	<u>Allocation Methodology</u>
<b>Passenger fares</b>	\$ 53,520,787	\$ 3,824,902	\$ 57,345,689	(1)
<b>BART transfers</b>	5,772,837	412,560	6,185,397	(3)
<b>Contract services</b>	8,641,950	-	8,614,950	(14)
<b>Advertising</b>	1,535,938	180,716	1, 716,654	(2)
<b>Interest Income</b>	1,124,387	168,093	1, 292,480	(6)
<b>Other Income</b>	2,305,579	271,101	2,576,680	(14)

- (1) Fare box revenues are allocated on the basis of estimated revenues for each route operated by a District as recorded by the GFI system. Estimated revenues consist of cash collected on a route, plus the impact of estimated revenues related to passes and tickets used on the same route.
- (3) BART transfer revenue is allocated on the basis of each District's pro-rata share of fare box revenues as calculated under (1) above.
- (14) This revenue or expense line item is allocated to the District in which such services are provided, or if District-wide, using methodology (2) above.
- (2) This revenue/expense 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:
- $$\frac{(\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles})}{2}$$
- (6) Interest income is allocated to each District based on its pro-rata share of total revenue and subsidies, excluding interest income.



## SUBSIDIES

	<u>SD1</u>	<u>SD2</u>	<u>Total</u>	<u>Allocation Methodology</u>
<b>Property taxes</b>	\$ 80,994,979	\$ 21,901,411	\$ 110,467,273	(7)
<b>Property taxes- Measure VV</b>	29,727,022	-	29,717,022	(10)
<b>Local sales tax – Measure B</b>	30,860,641	2,506,843	33,367,484	(11)
<b>Local sales tax – Measure BB</b>	33,046,428	3,888,196	36,934,624	(2)
<b>Local sales tax – Measure J</b>	5,063,883	-	5,063,883	(10)
<b>Local operating assistance</b>	18,040,276	5,089,569	23,129,845	(14)

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

(10) Allocation of the revenue or expenses line items is not necessary as it is associated solely with a single District.

(11) Measure B revenues were allocated between the Districts using two different methodologies. For the former Measure B, revenues are allocated using the formula in (2) above. Subsequent to May 31, 2002, Measure B revenues are based on the revised legislation, which allocates a specific portion of the total revenues received from each District.

(2) This revenue/expense 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:

$$\frac{(\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles})}{2}$$

(14) This revenue or expense line item is allocated to the District in which such services are provided, or if District wide, using methodology (2) Above.



	<u>SD#1</u>	<u>SD#2</u>	<u>Total</u>	<u>Allocation Methodology</u>
<b>State – AB1107</b>	41,317,649	5,458,813	46,776,462	(15)
<b>State – AB2972 Home-to School</b>	500,000	-	500,000	(10)
<b>State – TDA</b>	62,683,713	14,111,040	76,794,753	(14)
<b>State – STA</b>	23,882,944	3,359,757	27,242,701	(5)
<b>Federal operating assistance</b>	12,221,243	1,437,934	13,659,177	(2)

(2) This revenue/expense 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:

$$\frac{(\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles})}{2}$$

(10) Allocation of the revenue or expenses line items is not necessary as it is associated solely with a single District.

(14) This revenue or expense line item is allocated to the District in which such services are provided, or if District wide, using methodology

(2) Above.

(5) State transit assistance revenues are allocated to each District based on its pro-rata share of "qualifying revenues", which are defined by the District to include the following: property taxes, Measure VV revenues, Measure B revenues, Measure BB revenues, Measure J revenues, fare box revenues, contract services, and Dumbarton reimbursement revenues.

(15) Allocation of this revenue line items is based upon the allocation percentage approved by the District's Board of Directors.





## EXPENSES

	<u>SD#1</u>	<u>SD#2</u>	<u>Total</u>	<u>Allocation Methodology</u>
<b>Operator wages</b>	80,994,979	9,079,508	90,074,487	(4)
<b>Other wages</b>	61,658,150	7,254,611	68,912,761	(2)
<b>Fringe benefits</b>	94,246,352	10,786,917	105,033,269	(13)
<b>Pension expenses</b>	62,904,650	7,199,719	70,104,369	(13)
<b>Services</b>	44, 706,323	5,260,083	49,966,406	(2)

(2) This revenue/expense 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:

$$\frac{(\text{District svc. Hours}/\text{Total svc. Hours}) + (\text{District svc. Miles}/\text{Total svc. Miles})}{2}$$

(4) Actual operator pay per the general ledger is allocated to each District based on its prorata share of scheduled operator pay as recorded by the OTS 370 report.

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



	<u>SD#1</u>	<u>SD#2</u>	<u>Total</u>	<u>Allocation Methodology</u>
<b>Fuel &amp; Lubricants</b>	12,973,070	1,526,393	14,499,463	(2)
<b>Office and printing supplies</b>	573,239	67,446	640,685	(2)
<b>Bus parts and maintenance supplies</b>	11,664,451	1,372,423	13,036,874	(2)
<b>Utilities</b>	3,134,557	368,807	3,503,364	(2)
<b>Insurance</b>	9,899,197	1,164,725	11,063,922	(2)
<b>Other expenses</b>	2,950,869	347,195	3,298,064	(2)
<b>Purchased transportation</b>	26,136,261	6,294,180	32,430,441	(8)
<b>Interest expense</b>	798,612	97,981	896,593	(9)
<b>Depreciation</b>	38,540,310	4,534,598	43,074,908	(2)
<b>Capital contributions – federal and local</b>	67,794,721	4,068,593	71,863,314	(14)

(2) This revenue/expense 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:

$$\frac{(\text{District svc. Hours}/\text{Total svc. Hours}) + (\text{District svc. Miles}/\text{Total svc. Miles})}{2}$$

(8) 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

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

(14) This revenue or expense line item is allocated to the District in which such services are provided, or if District wide, using methodology (2) above.



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