



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

MINUTES - DRAFT

AC Transit Parcel Tax Fiscal Oversight Committee

1600 Franklin Street, 10th Floor Conference Room
Oakland, CA 94612

Tuesday, November 12, 2019 at 8:00 AM

This meeting will not be streamed live over the internet.

MEMBERS OF THE OVERSIGHT COMMITTEE

JANET ABELSON

LIZ BRISSON

BEVERLY JOHNSON

MICHAEL GREGORY

PATRICIA PETERSEN

IGOR TREGUB

MATT WILLIAMS

DISTRICT OFFICERS

MICHAEL A. HURSH, GENERAL MANAGER

DENISE C. STANDRIDGE, GENERAL COUNSEL

LINDA A. NEMEROFF, DISTRICT SECRETARY

CLAUDIA ALLEN, CHIEF FINANCIAL OFFICER

1. CALL TO ORDER

The Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee held its annual meeting on Tuesday, November 12, 2019. The meeting was called to order at 8:00 a.m.

2. ROLL CALL

Member Tregub arrived at 8:05 a.m.

Present Janet Abelson, Beverly Johnson, Michael Gregory, Patricia Petersen, Igor Tregub

Absent Liz Brisson, Matt Williams

3. SELECTION OF CHAIR

Assistant District Secretary Jelena Harada called for nominations for Chair. Member Tregub nominated Member Abelson, which was seconded by Member Johnson. No other nominations were offered.

MOTION: JOHNSON/TREGUB to appoint Janet Abelson to serve as Chair of the Committee. The motion carried by the following vote.

Ayes: Abelson, Johnson, Gregory, Petersen, Tregub

Absent: Brisson, Williams

4. PUBLIC COMMENT

There was no public comment offered.

5. CONSENT CALENDAR

5.A. Consider approving the minutes of the Parcel Tax Fiscal Oversight Committee meeting of November 13, 2018. [19-327](#)

MOTION: JOHNSON/TREGUB to approve the minutes of the Parcel Tax Fiscal Oversight Committee meeting of November 13, 2018. The motion carried by the following vote:

Ayes: Abelson, Johnson, Gregory, Petersen, Tregub

Absent: Brisson, Williams

6. DISCUSSION ITEM(S)

6.A. Consider review and approval of the Measure VV/C1 Financial Statement and the adoption of Resolution No. 19-001 determining that the Measure VV/C1 funds collected during the 2018-19 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities. [19-329](#)

- 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).

Controller Ralph Martini reported the receipt of \$29.7 million in parcel tax revenue in FY 2018-19, which covered operations and maintenance expenses in Special District 1. He further provided an in-depth overview of the District 1/District 2 Allocation Methodology, FY 2018-19 revenue and expense highlights, the application of service miles and hours to each District, and the agreed-upon procedures applicable to the audit.

Chair Abelson commented on a Federal Transit Administration (FTA) regulation that requires public transit agencies that operate a fixed route system to provide paratransit service to individuals with disabilities on the existing fixed route system. Chair Abelson asked that this regulation be footnoted in future reports to the Committee. Staff advised that the District provides paratransit according to FTA regulations and will include the reference to the code in the future.

Member Tregub referred to the Schedule of Service Hours and Service Miles by County and Special Transit Service District asking what had led to a decrease in service hours in Districts 1 and 2, and what had led to an increase in service miles. Director of Service Development and Planning Robert del Rosario clarified that the increase in service miles occurred in Contra Costa County mainly on the express bus service. He clarified that when the express busses travel at faster speeds, service hours decrease, and service miles would increase. Mr. del Rosario added that the Transbay ridership has grown significantly in the past year as a result of the District's Transbay Tomorrow Initiative and is expected to grow more in the future.

Member Tregub inquired about the Schedule of Revenue and Expenses by Service Area (Page 8 of the Presentation), specifically the AB 2972 Home to School line item. Mr. Martini advised that AB 2972 was funding that was previously provided to support service to the Oakland Unified School District. General Manager Michael Hursh advised that the line item in the Schedule is the bailout provided by the state for the home-to-school service.

Member Tregub commented that the District's net pension liability increased 33% over Fiscal Year 2018, but also noted an increase in pension cost of \$19.2 million. Mr. Tregub asked for clarification of the pension increase. Scott Nickerson with Crowe, LLP advised that the change in pension liability was the result of the actuarial valuation and is attributable to investment and actuarial losses. He added that factors considered in the actuarial process such as changes in the economic environment, the retirement age of employees, retirement dates, and other factors indicated some degree of volatility which explains the increase in pension liability. General Manager Michael Hursh advised that even though the AC Transit Retirement Board voted to lower its assumptions for

investment earnings, the District is on track to recover from the 2008 economic downturn by 2026.

Chair Abelson and member Petersen thanked the staff for refining the structure of the report to include footnotes with an explanation of terms throughout the report.

MOTION: JOHNSON/TREGUB to adopt Resolution No. 19-001 determining that the Measure VV/C1 funds collected during the 2018-19 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: Abelson, Johnson, Gregory, Petersen, Tregub

Absent: Brisson, Williams

6.B. SUPPLEMENTAL INFORMATION PACKET

[19-328](#)

This information has been requested by the Committee for informational and/or reference only.

7. COMMITTEE/STAFF COMMENTS

There were no comments offered.

8. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 8:50 a.m.

Respectfully submitted,

/s/

Jelena V. Harada

Assistant District Secretary