

# AC Transit Parcel Tax Fiscal Oversight Committee Meeting

November 12, 2020

Zoom Virtual Meeting

Due to the “COVID19” Pandemic

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 2019-20 Highlights

- Parcel Tax receipts of \$29.6M were received in The Fiscal Year Ended June 30, 2020
- The receipts covered operation and maintenance expenses which were incurred to prior to the end of August 2019.



# FY 2019-20 Highlights

## REVENUES (In Thousands)

Total Operating Revenues  
\$62,917

SD1  
\$59,206

SD2  
\$3,711

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

Total Subsidies  
\$440,593

SD1  
\$377,861

SD2  
\$62,732

- 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 2019-20 Highlights

## Expenses

### Total Expenses

\$538,081

### SD1

\$480,261

### SD2

\$57,820

- 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>	\$ 41,603,179	2,887,185	\$ 44,490,364	(1)
<b>BART transfers</b>	5,172,699	358,976	5,531,675	(3)
<b>Contract services</b>	8,636,910	-	8,636,910	(14)
<b>Advertising</b>	1,210,517	138,742	1,349,259	(2)
<b>Interest Income</b>	809,629	123,250	932,879	(6)
<b>Other Income</b>	1,772,568	203,162	1,975,730	(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>	\$ 95,768,073	\$ 23,719,149	\$ 119,487,222	(7)
<b>Property taxes- Measure VV</b>	29,615,295	-	29,615,295	(10)
<b>Local sales tax – Measure B</b>	28,672,818	2,329,124	31,001,942	(11)
<b>Local sales tax – Measure BB</b>	30,776,427	3,527,410	34,303,837	(2)
<b>Local sales tax – Measure J</b>	4,783,603	-	4,783,603	(10)
<b>Local operating assistance</b>	16,650,324	4,660,846	21,311,170	(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>	39,294,085	5,191,463	44,485,548	(15)
<b>State – AB2972 Home-to School</b>	-	-	-	(10)
<b>State – TDA</b>	62,394,772	14,231,211	76,625,983	(14)
<b>State – STA</b>	32,966,945	4,840,149	37,807,104	(5)
<b>Federal operating assistance</b>	36,938,175	4,233,633	41,171,808	(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:

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

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>	80,967,474	8,836,734	89,804,208	(4)
<b>Other wages</b>	66,873,454	7,664,635	74,538,089	(2)
<b>Fringe benefits</b>	112,291,357	12,532,295	124,823,652	(13)
<b>Pension expenses</b>	57, 371,377	6,402,942	63,774,319	(13)
<b>Services</b>	55,134,944	6,319,237	61,454,181	(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>	10,673,489	1,223,332	11,896,821	(2)
<b>Office and printing supplies</b>	641,067	73,475	714,542	(2)
<b>Bus parts and maintenance supplies</b>	13,141,204	1,506,166	14,647,370	(2)
<b>Utilities</b>	3,466,156	397,270	3,863,426	(2)
<b>Insurance</b>	7,201,285	825,368	8,026,653	(2)
<b>Other expenses</b>	7,363,287	843,936	8,207,223	(2)
<b>Purchased transportation</b>	24,694,194	6,554,632	31,248,826	(8)
<b>Interest expense</b>	733,877	88,353	822,230	(9)
<b>Depreciation</b>	39,708,666	4,551,170	44,259,836	(2)
<b>Capital contributions – federal and local</b>	33,351,756	1,954,735	35,306,491	(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:

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

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.



# Contact

Michael Hursh, General Manager

[mhursh@actransit.org](mailto:mhursh@actransit.org)

Claudia Allen, Chief Financial Officer

[clallen@actransit.org](mailto:clallen@actransit.org)

Jill Sprague, General Counsel

[Jsprague@actransit.org](mailto:Jsprague@actransit.org)

Linda Nemeroff, District Secretary

[lnemeroff@actransit.org](mailto:lnemeroff@actransit.org)

Robert del Rosario, Director of Service Development & Planning

[rdelrosa@actransit.org](mailto:rdelrosa@actransit.org)

