



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

Master Minute Order

File Number: 21-140d

Report ID: 21-140d

Type: Regular - Finance & Audit

Status: Adopted

Agenda
Section:

Meeting Body: Board of Directors -
Regular Meeting

Report Created: 08/17/2021

Final Action: 09/08/2021

ded Action: Consider adoption of Resolution 21-035 amending the General Fund FY 2021-22 Operating Budget.

Sponsors:

Enactment Date:

Attachments: STAFF REPORT, Att. 1 Resolution 21-035, Att. 2
Adjusted Budget, Att. 3 Projection, Att. 4 Spending
List, Att. 5 Positions, Att. 6 UPDATED Presentation,
Att. 6 Presentation

Enactment Number:

Hearing Date:

Effective Date:

History of Legislative File

Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
Board of Directors - Regular Meeting	09/08/2021	Adopted				Pass
Action Text:	MOTION: PEEPLES/ORTIZ to adopt Resolution 21-035 amending the General Fund FY 2021-22 Operating Budget and direct staff to bring back some strategies to pay down debt. The motion carried by the following vote:					
Notes:	Chief Financial Officer Chris Andrichak presented the staff report.					

Public Comment:

John Minot, East Bay Transit Riders Union, commented on the amended General Fund operating budget recommendations. Minot expressed hope that the hiring and training of new bus operators would grow at a pace that helps the District return to 100% service capacity. Minot noted his view that the District faces a major deficit, which must be addressed.

Katy Scott-Smith, PTA-EBDSA, commented that restoring service is higher priority than paying down debt obligations. Scott-Smith added that the District should not focus on paying down debt but should improve service and spend money to market and expand service and solidify worker base.

Board Discussion:

President Ortiz commented on the chart in the report showing projected deficits in future years and asked what service level is contemplated in FY 22-23. Mr. Andrichak advised that the service level would be 90% in FY 21-22, 90% in FY 22-23, 95% in FY 23-24, and 100% in FY 24-25. In addition, President Ortiz asked how the remaining funds from the Metropolitan Transportation Commission (MTC) would be used. Mr. Andrichak advised that staff was proposing to use \$20 million of the \$66 million this fiscal year, with the remainder being applied to the next fiscal year. Any additional monies the District receives in the next round would be applied to deficits in future years.

President Ortiz asked about the cost to operate the Salesforce Transit Center. Mr. Andrichak advised that it was approximately \$4 million. General Manager Michael Hursh advised that there were actually two payments: the capital cost (long-term debt) and the annual operating cost. President Ortiz further pointed out that the funding received from MTC was one-time and it was unclear how future deficits would be resolved.

Director Peeples commented that service levels were actually planning levels and that operator unavailability was also a factor that impacted service. Mr. Andrichak advised that staff does take operator unavailability into account when planning service. Chief Operating Officer Salvador Llamas reported that the District is actually putting out more than 90% of service and that operators are being strategically hired in order to slowly ramp up service that is more reliable.

Director Peeples asked why human beings were needed to take temperatures at the divisions. Mr. Hursh advised that there was a lot more volume at the divisions than the General Office and checkers were needed to ensure everyone has their temperature taken for employee safety.

Director Peeples stated his preference that one-time monies be used to pay off debt sooner rather than later, citing the debt for Transbay terminal and Bus Rapid Transit Project.

Director Walsh felt that \$1 million was a lot of money to be set aside for temperature checkers, masks, and hygienic cleaning and suggested that staff look at ways to reduce these costs. She also asked if these costs would continue to be budgeted year after year. Mr. Llamas emphasized the health and safety of employees, adding that that these services pay for themselves. In addition, the law requires the District to provide Personal Protective Equipment for employees. In terms of cost, Mr. Hursh pointed out that the District has six locations that operate 24 hours a day, seven days a week, and temporary workers provide a great deal of flexibility. He added that the District has to be respectful of CalOSHA and the needs of employees and riders as the District is required to have masks and sanitizer on the bus for 80,000 riders a day.

Director Walsh commented that she was uneasy about adding new Ambassador

positions for Bus Rapid Transit and was disappointed with the lack of additional positions dedicated to the EasyPass Program and management of quick build projects. Mr. Hursh commented that service on street was a priority and, due to financial constraints, some of the longer-term items would need to wait. He added that it was difficult to improve service with ongoing Covid issues and associated mandated leaves for employees.

Vice President Young supported staff's recommendation and concurred with Director Peeples' idea to pay off some of the District's debt.

Director Williams echoed the comments offered by Vice President Young and the need to pay down debt and supported the hiring of more Ambassadors at the BRT stations.

President Ortiz also offered support for paying down debt.

Director Shaw commented that Covid is not over and asked if there were automated systems the District could invest in. She also felt the District should have more conversations about labor costs and long-term sustainability. She also supported infrastructure projects that help service reliability and increase rider satisfaction, such as bus shelters. She also agreed with the idea of paying down long-term debt.

After some discussion about whether to include the desire to pay off some long-term debt as part of the budget amendment, Mr. Andrichak advised that this issue was not a part of staff's proposed budget amendment.

Director Beckles pointed out that if the Board prioritizes paying down long-term debt, it would not be possible to prioritize an increase in bus service.

Ayes: 7 President Ortiz, Vice President Young, Director Walsh, Director Beckles,
Director Williams, Director Shaw, Director Peeples
