

# Parcel Tax Fiscal Oversight Committee Meeting

November 9, 2021



# Special Transit Service District 2 (SD2)

- The Agreed Upon Allocation Methodology was 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 SD1/SD2 and Measure VV Reports are produced on an annual basis and continue to utilize the adopted methodology



# FY 2020-21 Highlights

- Parcel Tax receipts of \$30.1M were received in December 2020
- The receipts covered operation and maintenance expenses which were incurred to that date in SD1



# FY 2020-21 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Operating Revenues</b>	\$28,151	\$26,908	\$1,243
<ul style="list-style-type: none"><li>• Primarily Farebox</li><li>• Allocated on the basis for each route as recorded by GFI fare system</li></ul>			

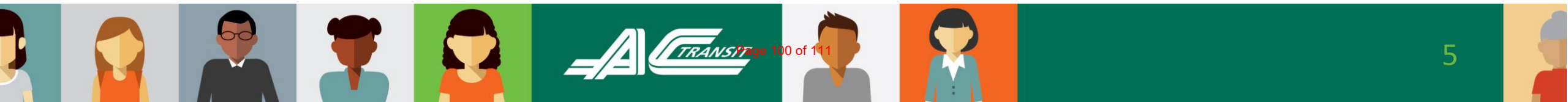
<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Subsidies</b>	\$490,614	\$422,533	\$68,081
<ul style="list-style-type: none"><li>• Property Taxes, Sales Taxes, State and some Federal assistance</li><li>• Property Taxes are allocated on the basis of actual revenue collected as reported to the District by Alameda and Contra Costa Counties</li></ul>			



# FY 2020-21 Highlights

<i>(amounts in \$1,000s)</i>	Total	SD1	SD2
<b>Expenses</b>	\$490,466	\$435,060	\$55,405

- 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 pro-rata share of scheduled pay, and pro-rata share of service hours and miles in SD1/SD2 for other wages
- Pro-rata share of service hours and miles in SD1/SD2 are used to allocate general professional service contracts, fuel, bus parts, maintenance, insurance
- Purchased transportation (primarily Paratransit service) is allocated based on the pro-rata share of ridership for that service in SD1/SD2



# FY 2020-21 Highlights - Revenues

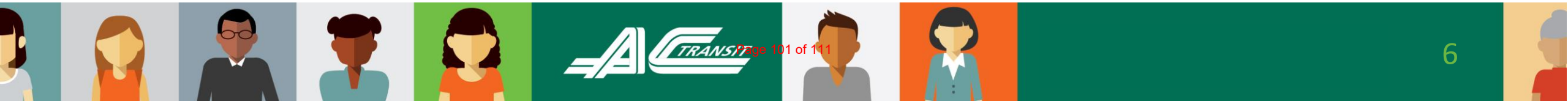
	Total	SD1	SD2	Methodology
<b>Farebox</b>	\$12,548,450	\$11,967,639	\$580,811	A
<b>BART Transfers</b>	3,666,252	3,496,558	169,694	B
<b>Contract Services</b>	8,155,652	8,155,652	-	C

(A) Farebox revenues are allocated on the basis of estimated revenues for each route operated by a District as recorded by the fareboxes. Revenues consist of cash collected plus estimated revenues related to passes and tickets used on the same route

(B) BART Transfer revenue is allocated on the basis of each District's pro-rata share of farebox revenue

(C) This 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. The pro-rata allocation percentage is calculated

using the following formula: 
$$\frac{((\text{District svc. Hours} / \text{Total svc. Hours}) + (\text{District svc. Miles} / \text{Total svc. Miles}))}{2}$$

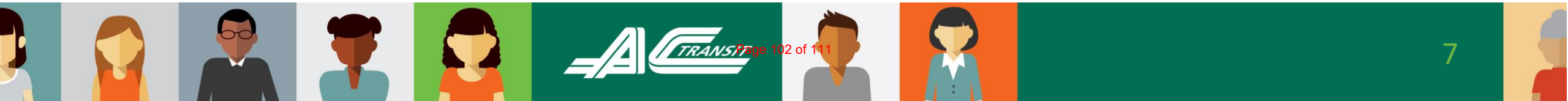


# FY 2020-21 Highlights - Revenues

	Total	SD1	SD2	Methodology
Advertising	\$1,262,031	\$1,120,541	\$141,491	C
Interest Income	39,642	34,344	5,298	D
Other	2,478,973	2,201,048	277,926	C

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

(D) Interest income is allocated to each District based on its pro-rata share of total revenue and subsidies, excluding interest income

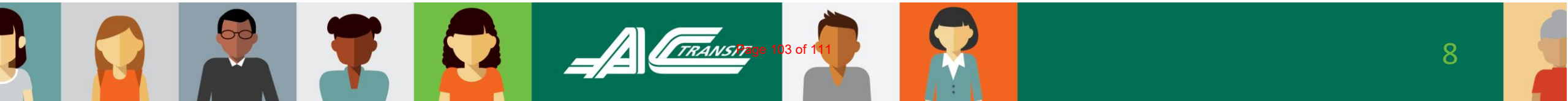


# FY 2020-21 Highlights - Revenues

	Total	SD1	SD2	Methodology
<b>Property tax</b>	\$129,229,452	\$103,949,299	\$25,280,153	E
<b>Parcel tax - Measure VV</b>	30,053,598	30,053,598	-	F

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

(F) Revenue or expense line item is associated solely with a single District





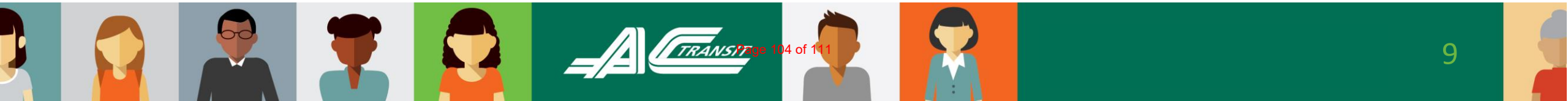
# FY 2020-21 Highlights - Revenues

	Total	SD1	SD2	Methodology
Local sales tax – Measure B	\$34,026,150	\$31,469,822	\$2,556,328	G
Local sales tax – Measure BB	37,802,397	33,564,234	4,238,163	C
Local sales tax – Measure J	5,592,588	5,592,588	-	F

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

(F) Line item is associated solely with a single District

(G) Measure B revenues are allocated based on the legislation which has a specific portion of the total revenues associated with each District.



# FY 2020-21 Highlights - Revenues

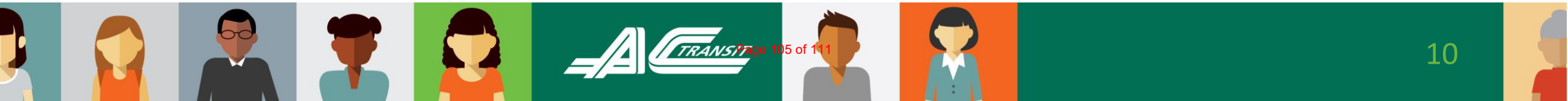
	Total	SD1	SD2	Methodology
State - AB1107	\$43,120,738	\$38,088,548	\$5,032,190	H
State - AB2972 Home-to-School	1,500,000	1,500,000	-	F
State - TDA	71,931,400	58,974,104	12,957,296	C
State - STA	28,285,343	24,494,595	3,790,748	I

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

(F) Line item is associated solely with a single District

(H) Allocation is based upon an allocation percentage approved by the District's Board of Directors

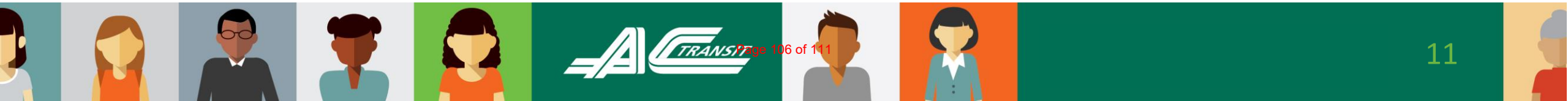
(I) STA revenues are allocated to each District based on its pro-rata share of "qualifying revenues", which are defined by the District as: property taxes, Measure VV, Measure B, Measure BB, Measure J, farebox, contract service revenue, and Dumbarton Express reimbursement revenues



# FY 2020-21 Highlights - Revenues

	Total	SD1	SD2	Methodology
Local operating assistance	\$12,644,575	\$9,338,440	\$3,306,135	C
Federal operating assistance	96,438,155	85,508,050	10,920,105	C

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



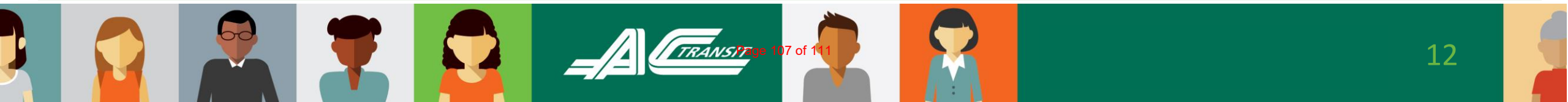
# FY 2020-21 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Operator wages</b>	\$75,776,169	\$68,228,862	\$7,547,306	J
<b>Other wages</b>	73,013,659	64,827,835	8,185,824	C
<b>Fringe benefits</b>	161,000,859	143,983,068	17,017,791	K
<b>Pension expenses</b>	33,190,331	29,682,113	3,508,218	K

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

(J) Actual operator pay is allocated to each District based on its pro-rata share of scheduled operator pay as recorded by the District's operator timekeeping system

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

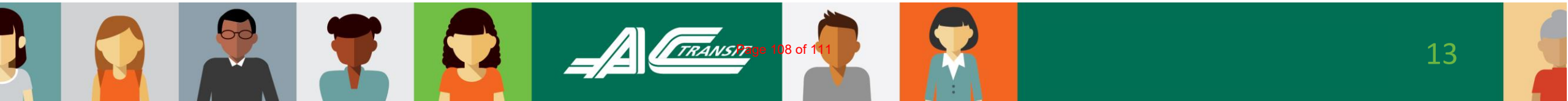


# FY 2020-21 Highlights - Expenses

	Total	SD1	SD2	Methodology
Services	\$36,687,603	\$32,574,424	\$4,113,179	C
Fuel & Lubricants	8,795,500	7,809,405	986,095	C
Office and printing supplies	604,533	536,757	67,776	C
Bus parts and maint. supplies	12,111,326	10,753,482	1,357,844	C
Utilities	4,105,800	3,645,484	460,316	C

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



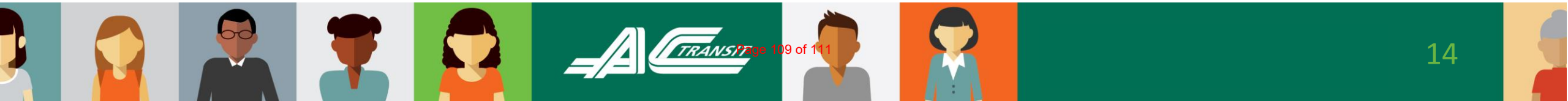
# FY 2020-21 Highlights - Expenses

	Total	SD1	SD2	Methodology
<b>Insurance</b>	\$11,496,265	\$10,207,377	\$1,288,888	C
<b>Other expenses</b>	9,523,665	8,455,933	1,067,732	C
<b>Purchased transportation</b>	20,584,634	15,665,705	4,918,929	L

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

(L) 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



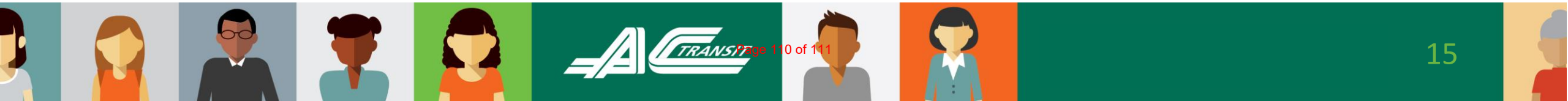
# FY 2020-21 Highlights - Expenses

	Total	SD1	SD2	Methodology
Interest expense	\$468,335	\$415,430	\$52,905	M
Depreciation	43,107,411	38,274,484	4,832,927	C
Capital contributions (all)	9,155,488	8,826,141	560,758	C

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

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





# Questions?

