



# **ALAMEDA-CONTRA COSTA TRANSIT DISTRICT PARCEL TAX FISCAL OVERSIGHT COMMITTEE**

## **MINUTES**

### **Special Meeting of the Parcel Tax Fiscal Oversight Committee**

AC Transit General Offices  
10<sup>th</sup> Floor Conference Room  
1600 Franklin Street  
Oakland, CA 94612

**Tuesday, December 3, 2013, at 2:00 p.m.**

#### **MEMBERS OF THE OVERSIGHT COMMITTEE**

JANET ABELSON  
ROBERT APODACA  
ELOISE BODINE  
MARK CHEKAL-BAIN  
BEVERLY JOHNSON  
MARIA VIRAMONTES  
MATT WILLIAMS

#### **DISTRICT OFFICERS**

DAVID J. ARMIJO, GENERAL MANAGER  
DAVID A. WOLF, GENERAL COUNSEL  
LINDA A. NEMEROFF, DISTRICT SECRETARY  
LEWIS CLINTON, CHIEF FINANCIAL OFFICER

The Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee held a special meeting on Wednesday, December 3, 2013. The meeting was called to order at 2:01 p.m. by District Secretary Linda Nemeroff.

**1. ROLL CALL**

Members Present: Janet Abelson, Robert Apodaca, Eloise Bodine, Mark Chekal-Bain, Matt Williams

Members Absent: Beverly Johnson, Maria Viramontes

District Officers and Staff Present:  
David Armijo, General Manager  
David Wolf, General Counsel  
Linda Nemeroff, District Secretary  
Lewis Clinton, Chief Financial Officer

**2. SELECTION OF CHAIRPERSON**

The Chair shall serve at the pleasure of the Committee and shall be selected from the majority of the Committee members present.

MOTION: BODINE/CHEKAL-BAIN to select Janet Abelson to serve as Chair of the Committee. The motion carried by the following vote:

AYES:5: Bodine, Chekal-Bain, Abelson, Apodaca, Williams

ABSENT:2: Johnson, Viramontes

Chair Abelson called for a round of introductions from the Committee members and staff present at the meeting.

**3. PUBLIC COMMENT**

There was no public comment offered.

**4. DISCUSSION/ACTION ITEMS:**

**4A. Consider approving the minutes of the District Parcel Tax Fiscal Oversight Committee meeting of December 5, 2012.**

MOTION: WILLIAMS/APODACA to approve the minutes as presented. The motion carried by the following vote:

AYES:5:Williams, Apodaca, Bodine, Chekal-Bain, Abelson

ABSENT:2:Johnson, Viramontes

**APPROVED THE  
SELECTION OF  
JANET ABELSON  
AS CHAIR**

**APPROVED**

- 4B. Consider review and approval of the Measure V V Financial Statement and the adoption of Resolution No. 13-1 determining that the Measure V V funds collected during the 2012-13 Fiscal Year have been appropriated and expended in Special Transit Service District One for operation and maintenance activities (CFO Memo No. 13-01).

Chief Financial Officer Lewis Clinton introduced the item and gave an overview of the District's financial condition, noting that FY 2012-13 was a turning a point in that some of the difficult decisions that had been made during the previous two fiscal years had begun to bear fruit. He also commented on ridership, farebox, and other revenues, noting that some subsidies had rebounded as a result of improvements in the economy and discussed internal initiatives undertaken such as performance management, revitalization of the District's mission, major projects, fleet investments, and performance indicators.

Mr. Clinton introduced Vicky Rodriguez of Maze and Associates (the District's auditing firm) who was present to address questions regarding the Measure VV Schedules and Independent Accountant's Report. Ms. Rodriguez advised that the document provided by Maze and Associates was not an audit, but the agreed upon procedures for the review of Measure VV funds. She advised that the agreed upon procedures entailed the following:

- Understanding the purpose of Measure V V;
- Understanding what the eligible costs are;
- Confirmation of the amount of funds received;
- A review and test of service hours and service miles by county and special transit service district; and
- A review and test of operations and maintenance expenses in total for the District against the methodology being used by the District to ensure it is calculated correctly and accurately applied to District No. 1 and District No. 2.

Ms. Rodriguez reported that in performing the agreed upon procedures no discrepancies, issues, deviations or exceptions were found. She further added that the Measure V V proceeds did not exceed eligible expenses, noting that \$29.4 million in Measure V V proceeds were received versus total operations and maintenance expenses of \$282 million for District No. 1.

In addition, Ms. Rodriguez also said that upon review, the Schedule of Maintenance Cost Funded by Measure V V was corroborated with the National Transit Database and that the allocation was calculated correctly and the percentages were correct. In summary, Ms. Rodriguez reported that no discrepancies were found in any of the calculations and that all of the service miles and hours matched as well.

Mr. Clinton added that the allocation methodology agreed to between District No. 1 and District No. 2, noting that this methodology determines how revenues and expenses are allocated between the two Districts.

Chair Abelson asked what funds the allocation methodology applied to. Mr. Clinton explained that the allocation methodology addresses various funding sources and how they are applied to each District, noting that some revenues such as property taxes were return to source while others, like Measure J, could not be allocated to District No. 2 because this was a Contra Costa Transportation Authority sales tax.

Member Williams asked for clarification of the Schedule of Maintenance Costs Funded by the Measure V V Tax, noting that it showed money being spent in District No. 2. Ms. Rodriguez explained that this schedule shows the two districts, but the second line from the bottom (Measure V V Taxes) shows that the \$29.4 million in revenue is 100% allocated to District No. 1.

Member Williams commented on his understanding that the cities of Fremont and Newark were dissatisfied with the level of service being provided and asked if there was a contract in place that said that District No. 2 would receive a certain percentage of the service in the District. General Counsel David Wolf clarified that there was a Memorandum of Understanding with the cities which had not been executed and that there had been numerous discussions about the allocation methodology and the accounting behind it. When asked if the cities were happy, Mr. Wolf responded that the cities had desires that were not being met, i.e. better headways, service.

From the documents provided, Member Williams gleaned that the revenue hours for District 2 were being subtracted from the revenue hours for the entire District to show that Measure V V funds were only being spent in District No. 1. He asked staff whether officials in Fremont would feel this was fair. Mr. Wolf advised that there would be no question at all with regard to Measure V V and that the focus was entirely on AB 1107 funds.

Member Williams asked what percentage of service hours belonged to District No. 2. Mr. Clinton advised that it was about 11% of the total service. Member Williams asked if the revenue vehicle miles and hours equated to 11% of the service. Mr. Clinton advised that it came out to 11.67% of the total service. Member Williams added that the report provided to the Committee was a lot more informative than last year.

Mr. Clinton stated that Fremont and Newark recognize that Measure VV revenue is for District No. 1 only.

In regard to providing more service in District No. 2, Chair Abelson asked if the cities recognized that in order to get more service, they would have to pay for it. Mr. Clinton advised that the District frequently receives requests for more service, but the question is how to pay for it.

General Manager David Armijo advised that there would be \$1 million in service enhancements in mid-December, which would be the largest enhancement in the last three years, much of it in south Alameda County, including District No. 2. In addition, there would be some other minor adjustments throughout the system. He also said that because revenues were growing more consistently and by controlling operating costs, there would be an opportunity to expand service in 2014 and 2015 notwithstanding Title VI and California Environmental Quality Act requirements which would add more time to the process.

Member Abelson inquired about Line 72. Mr. Armijo advised that the headway on the 72M could be reduced from an hour to 30 minutes on weekends and during peak hours.

Member Chekal-Bain asked about the financial impact associated with the elimination of local redevelopment agencies. Mr. Clinton advised that the District's budget was built around not having the funds, however, a small influx of funds was received in FY 12-13 that were not expected and no significant revenue is projected from this source in the future.

MOTION: WILLIAMS/CHEKAL-BAIN to approve of the Measure VV Financial Statement and the adoption of **Resolution No. 13-01** determining that the Measure VV funds collected during the 2012-13 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:5:Williams, Chekal-Bain, Apodaca, Bodine, Abelson

ABSENT:1:Johnson, Viramontes

## 5. COMMITTEE/STAFF COMMENTS

Chair Abelson commented that the documentation prepared for the meeting was outstanding, clear and thorough and a vast improvement over the prior year.

Mr. Clinton communicated the Committee's importance to the District and staff's desire that the Committee feel comfortable in their role and fully supported by the staff.

**6. ADJOURNMENT**

There being no further business to come before the Committee, the meeting adjourned at 2:40 p.m. The next meeting of the District Parcel Tax Fiscal Oversight Committee is scheduled for December 2014.

Respectfully submitted,



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Linda A. Nemeroff  
District Secretary