

# Alameda-Contra Costa Transit District

## Popular Annual Financial Report

Fiscal Year Ended June 30, 2020



*"To connect our communities with safe, reliable, sustainable service. We'll Get You There."*

*Oakland, California*



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# Letter to the Community

January 2021

To our riders and general public:

We are pleased to present this financial report of the Alameda-Contra Costa Transit District for the fiscal year ended June 30, 2020. The following pages provide a summary of AC Transit's organizational structure, major initiatives (including emergency response to the pandemic), statistical data and financial condition. The report aims to satisfy the requirements of a Popular Annual Financial Report (PAFR) as defined by the Government Finance Association (GFOA).

The financial information presented here is summarized and does not substitute for the District's Comprehensive Annual Financial Report (CAFR). The CAFR details the District's financial position and operating activities for each fiscal year, in conformity with Generally Accepted Accounting Principles (GAAP). This PAFR, by its summary nature, is not intended to conform to GAAP and associated reporting standards set forth by applicable governing bodies. The District has received numerous awards for outstanding financial reporting from the GFOA for previous budget presentations and the CAFR.

This PAFR was prepared by a team of individuals from the Budget, Capital & Grants, Marketing, and Planning Departments. The virus significantly disrupted ridership, service operations, farebox return, and tax-based revenues. However, with the help of \$114.2 million in emergency funds from the federal aid package (Coronavirus Aid, Relief, and Economic Security (CARES) Act), the District is proud to have balanced next year's budget with zero layoffs and plans to maintain essential service for our community. We hope this report will give you a better understanding of the District and its financial condition. We welcome your comments and suggestions.

You may find other information regarding Alameda Contra-Costa Transit, including this PAFR, annual budget, and CAFR on the District's website [actransit.org](http://actransit.org).

Sincerely,



Claudia L. Allen  
Chief Financial Officer

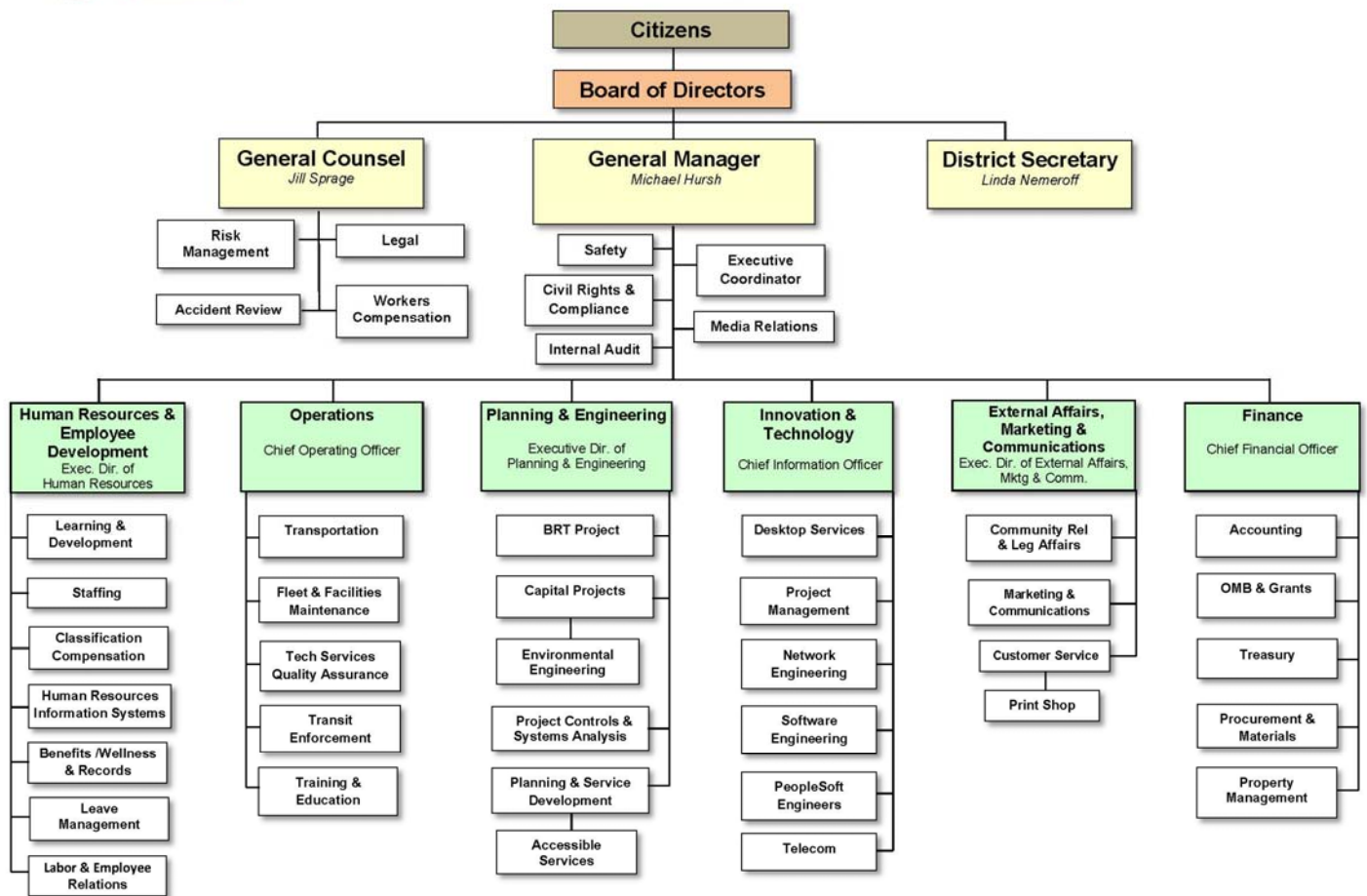
## Service Area



# Organizational Chart



## AC Transit District Organizational Chart



As of July 1, 2020

## Board of Directors



**Elsa Ortiz, Ward 3  
President**

Elsa Ortiz was first elected in November 2006 and is serving her fourth term on the AC Transit Board of Directors, representing the City of Alameda and portions of Oakland and San Leandro. Until her retirement in December 2014, Ms. Ortiz worked as an attorney and policy consultant to former Presidents of the State Senate Don Perata and Darrell Steinberg on issues affecting Indian Nations, and previously was Chief of Staff and Special Assistant to former California State Treasurer Bill Lockyer during his tenures as State Senator and Attorney General. She earned her Bachelor's degree with honors and teaching credentials from the University of California at Berkeley and her Juris Doctor from John F.

Kennedy College of Law. She has also served on the Transbay Joint Powers Authority Board of Directors and currently serves on the Alameda County Transportation Commission. During her tenure on the Board, Ms. Ortiz spearheaded the development and adoption of the District's Buy American Goods policy, advocated for fiscal reform and worked to make sure buses are a key element in the construction of a Bay Area transportation network for the 21<sup>st</sup> Century. She remains committed to providing the best services possible to riders.



**Joel B. Young, Director At-Large  
Vice President**

Joel Young, an East Bay attorney, was appointed by the AC Transit Board of Directors in February 2009 to fill one of the District's two At-Large positions. He was elected by the voters in 2010 and is now serving his third term. Prior to this leadership role, he worked on two local campaigns and practiced securities law. Director Young earned his Bachelors Degree from the University of California at Berkeley and his Juris Doctor from the U.C. Berkeley School of Law.





### **H.E. Christian Peeples, Director At-Large Director**

H. E. Christian Peeples was appointed by the AC Transit Board of Directors in November 1997 to fill one of the District's two At-Large positions. He was elected in 1998 and is serving his fifth term. Director Peeples, a longtime advocate for public transit, and AC Transit bus service in particular, has been actively involved in the AC Bus Riders Union, Alliance for AC Transit, Regional Alliance for Transit, Alliance for Sensible Transit, Coalition for A One Stop Terminal, and many other transit groups. He is also active in local community affairs, having served on the Oakland Ethics Commission and community and political bodies. In addition, he is active in the meetings of the Transportation Research Board (TRB), the branch of the National

Academies involved in transportation research, and the American Public Transportation Association ("APTA"), transit's national association. He is a strong supporter of AC Transit's zero emission fuel cell bus program. Director Peeples is a graduate of Crown College, University of California at Santa Cruz and Hastings College of the Law.



### **Joel B. Young, Ward 1 Director**

Jovanka Beckles was elected in November 2020 to serve on the AC Transit Board of Directors representing the Cities of Albany, El Cerrito, Richmond, San Pablo and a portion of Berkeley as well as the unincorporated areas of El Sobrante, Kensington and North Richmond. Ms. Beckles graduated cum laude in 1988 with a bachelor's degree in Psychology from Florida A&M University and earned a Master of Business Administration degree from the University of Phoenix.

Over the course of her career, Ms. Beckles has worked as a counselor, youth educator, team builder and strategist, client advocate, crime prevention specialist, housing case manager for the homeless, and mental health specialist for 32 years and has been a small business owner in the City of Richmond. She also served her community as a two-term member of the Richmond City Council, was President of the Richmond Heights Neighborhood Council and retains membership in numerous organizations, including Concilio Latino and the League of United Latin American Citizens, Delta Sigma Theta Sorority, Inc., Black Women Organized for Political Action (BWOPA-Richmond), Women in Politics, East Bay DSA and the Richmond Progressive Alliance. With a long record of public service, Ms. Beckles is committed to working with riders and workers to build a universally accessible, emission free transit system that the public deserves.

## **Jean Walsh, Ward 2**

### **Director**



Jean Walsh was elected in 2020 to serve Ward 2. Previously she directed community outreach and government relations for bike and scooter share, expanding mobility options in the Bay Area and signing up more than 500 low income residents to discounted pricing programs. Prior to that, Ms. Walsh led communications and public outreach for the City of San Francisco's Department of the Environment and Public Utilities Commission, promoting environmental initiatives and critical infrastructure programs. Ms. Walsh holds a master's degree in Urban Planning from Massachusetts Institute of Technology and a bachelor's degree from the University of Colorado at Boulder. She served in the Peace Corps in Nicaragua and is fluent in Spanish.

Ms. Walsh is active with the Transbay Coalition, East Bay Transit Riders Union, Bike East Bay, Walk Oakland Bike Oakland, and other grassroots advocacy groups working to improve Bay Area transportation. She is president of the Longfellow Community Association. Car-free since 2004, Ms. Walsh enjoys getting around on foot, bike, scooter, and public transit. She believes Bay Area residents deserve a seamless transportation network that is fast, frequent, affordable, pleasant, and easy to use.

## **Mark Williams, Ward 4**

### **Director**



Mark Williams was first elected in November 2010 and re-elected in 2014 and 2018 to represent Ward 4. Mr. Williams is a life-long user of public transit and is particularly interested in addressing global warming, reducing dependence on fossil fuels, supporting the local economy, and the AC Transit Board's "Buy America" policy. In his role as a Director, Mr. Williams formerly served on the Bus Rapid Transit Policy Steering Committee. He currently serves on the City of San Leandro Redevelopment Successor Agency Oversight Board, The American Public Transportation Association Transit Board Members Committee and the Transit Board Members Legislative Subcommittee.

Prior to his election to the AC Transit Board of Directors, Mark Williams was appointed to serve as a member of the AC Transit Accessibility Advisory Committee and served as Vice Chair of the Committee in 2010. Director Williams is the youngest official ever elected to the District's Board of Directors and is an active member of the National Young Elected Officials Network.





## **Diane Shaw, Ward 5 Director**

Diane Shaw, a retired Information Technology Manager for the San Mateo County Transit District, was elected to the AC Transit Board of Directors in November 2018 to represent Ward 5—Fremont, Newark and portions of Hayward. Director Shaw is a life-long user of public transit, regularly riding the Dumbarton Express bus from Fremont/Newark to San Carlos. She is a member of the American Public Transportation Association and the Fremont Mobility Task Force. In her spare time, Ms. Shaw volunteers her time, energy and expertise to many organizations serving her local community, including the Fremont Elks Lodge #2121 and the Fremont Family Resource Center Corporation Board of Directors and Citizens Advisory Group among others. She is also active in Life Elder Care's Friendly Visitor Program which provides companionship to seniors through weekly visits, phone calls and outings. Ms. Shaw received her Bachelor of Science Degree in Business and Computer Science from Minnesota State University, Mankato and brings to her new role on the Board a wealth of knowledge in the transportation field and public service.

# Facts and Figures

## Organization

The Alameda-Contra Costa Transit District (AC Transit) is a special transit district under state law based in Oakland, California. Voters created AC Transit in 1956 and subsequently approved a \$16,500,000 bond issue in 1959, enabling the District to buy out the failing, privately owned Key System Transit Lines. AC Transit's service began operating in October 1960. The new district built up its bus fleet with 250 new "transit liner" buses, extended service into new neighborhoods, created an intercity express bus network, and increased Bay Bridge bus operations.

In the 61 years that AC Transit has been in operation, the District has increased its service area, expanded the types of services it offers, and become a leader in the use of zero-emissions hydrogen fuel cell buses.

AC Transit has a seven-member elected Board of Directors that sets policy and hires the General Manager and General Counsel. Five of the directors represent specific wards within the service area and two are elected at-large. The General Manager leads the executive team that implements Board policy.

There are 2,268 approved staff positions at seven facilities, of which 86 percent are within the Operations Department. Most employees are represented by one of three bargaining units: Amalgamated Transit Union (ATU); American Federation of State, County, and Municipal Employees (AFSCME); and International Brotherhood of Electrical Workers (IBEW).



## Operations\*

The District is one of the largest bus-only systems in the nation, serving 13 cities and nine adjacent unincorporated areas in Alameda and Contra Costa counties. The local service area is 364 square miles and extends from San Pablo in the North to Fremont in the South, with Transbay services to San Francisco, San Mateo and Santa Clara counties. Approximately 1.5 million people live within the service area.

The District's fare policy goals are: simplicity, appropriateness, equity, transparency, policy supportiveness, affordability, and fiscal responsibility. Through strong fiscal management and efficient operations, the District has been able to keep fares affordable and competitive.

### Service

- 154 bus lines
- 5,500 bus stops
- 630 buses
- 20.6 Million revenue service miles
- Serving 23 BART stations

### Ridership

- 52.4 Million trips annually
- 171,000 passengers each weekday

### Rider Profile

- 40% do not own automobiles
- 43% of all trips are work-related
- 22% of all trips are school-related

*\*Information on this page is current as of March, 2020  
(before the pandemic began)*



# Major Initiatives

## East Bay Bus Rapid Transit – Grand Opening!

Branded as “Tempo,” the East Bay Bus Rapid Transit (BRT) service opened in August 2020 and features the frequency and operational efficiency qualities of light-rail without the high infrastructure costs of rail. The project required close coordination between internal departments and with multiple agency partners: Federal Transit Administration (FTA); City of Oakland; City of San Leandro; Caltrans; and BART.

Features of the \$232 million capital investment include:

- Exclusive, bus-only lanes for 80% of the 9.5-mile corridor
- 24-hour, 7-day service (10-minutes 6AM to 7PM, 15-minutes 7PM to 12AM, and 30-60 minutes overnight)
- 27 low-floor, 60-foot, five-door, hybrid electric, low-emission buses with interior bike racks
- 46 stations with attractive canopies, wheelchair accessible sloped sidewalks, lights, cameras, seating, Clipper card readers, ticket vending machines, trash cans, map cases, and wayfinding signs
- 11 platforms with unique, artistically enhanced windscreens and handrails designed by local artists
- 8 miles of new bike lanes, making it safer for cyclists to navigate the East Bay
- 35 new signals to slow traffic and save lives
- 515 new curb ramps that enhance mobility for people using wheelchairs and strollers
- 13 miles of fiber optic cabling that will power the system and bring free Wi-Fi to East Oakland
- 254 trees and new landscaping along the corridor
- 90-day fare-free “thank you” service after initial opening (note: proof of payment is now required)

The bus-only lanes and other BRT features are the means to address performance issues caused by traffic along this corridor. By attracting more riders who would otherwise drive, Tempo service is expected to reduce carbon emissions and traffic congestion.



## Zero-Emission Buses and Low Carbon Fuel Standard (LCFS) Revenue Generation

The District has made great strides in the past year to further the transition from diesel to a zero-emission bus (ZEB) fleet, from hosting the Federal Transit Administration (FTA) at a ZEB open house in September 2019 to adding a new revenue stream based on Low Carbon Fuel Standard (LCFS) credits.

The District also adopted an updated Clean Corridors Plan, which provides a vision that will prioritize the deployment of ZEBs. In keeping with the East Bay's role at the forefront of racial and social equity issues, the Clean Corridors Plan prioritizes zero-emissions deployment on lines serving historically disadvantaged communities first to mitigate many of the environmental externalities imposed upon those communities over the years.

With the help of the following grants awarded in 2020, the District is much closer to meeting the State's 100% zero-emission target by 2040:

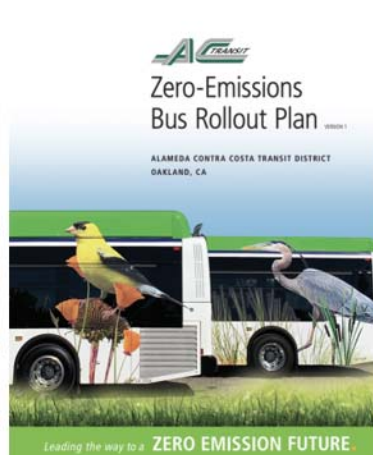
- \$13.1 million by the Bay Area Air Quality Management District (BAAQMD) Carl Moyer Program,
- \$15 million in SB1 funds, and
- \$7.5 million in Transit and Intercity Rail Capital Program (TIRCP) funds for 40 ZEBs and battery electric bus (BEB) charging infrastructure.

The latest funding is bolstered by a smaller, but growing new revenue stream, made possible through the LCFS program at the California Air Resource Board (CARB). The District started working with a broker in January 2020 to collect and sell LCFS credits, which are generated by the ZEB program and include offsets from the District's other alternative energy sources such as solar panel facilities and hydrogen fuel stations. In the first two quarters of 2020, the District has generated over \$75,000. This new revenue stream will only increase as the District plans to bring on the next 45 ZEBs.

As evident from the funding coming in, the District is establishing itself as a leader in the transition to clean fuels.



Hydrogen fuel station at D4.



Battery electric charger at D4.



## COVID-19: Initial Response and Recovery

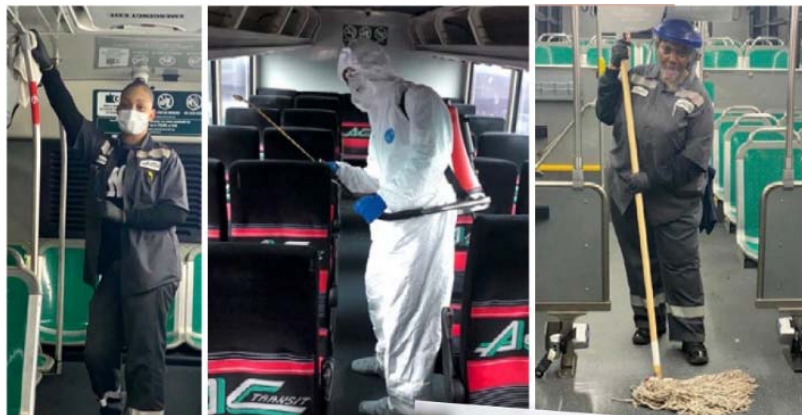
Like much of the nation and world, starting in March, the District grappled with how to handle the sudden need to avoid shared spaces, such as buses, while continuing to provide essential services, such as bus service.

District employees - whether bus drivers, janitors, payroll clerks, or mechanics - all rallied to maximize safety. The following measures were used to guard against the spread of the virus:

- Implemented comprehensive sanitation protocols for buses and all work areas, especially high-touch surfaces
- Stationed temperature checkers at entrances, 7-days a week, covering all work shifts
- Installed virus barriers and personal protective equipment for bus driver protection
- Operated fare-free bus service from late-March to mid-October to reduce risk of spreading the virus
- Optimized ventilation and filtration systems onboard buses
- Made masks freely available to all passengers
- Maintained and increased rider engagement while reducing bus service due to ridership decline
- Developed and launched the employee SMART Plan (Social distance, Mask up, Awareness of symptoms Regularly wash hands, and Temperature check daily)
- Provided regular employee updates of known COVID-19 cases and shelter-in-place mandates/advisories
- Secured internet cloud computing and deployed modern communication technologies to facilitate working from home when feasible

In addition to the above responses, in April 2020 the District Board granted continued appropriations and continued spending authority to the General Manager and delayed the adoption of the fiscal year 2020-2021 budget by three months. The additional time helped staff to forecast revenues despite the uncertainties that remained for receipts for sales tax, property tax, fare revenues, and other revenue streams for the whole fiscal year. The District was fortunate to receive federal emergency funding; \$30 million of the total \$114.2 million was used to backfill funding losses in fiscal year 2019-2020; the remaining \$84.2 million made up 18% of the final adopted budget and helped to avoid forced workforce reductions.

Throughout these challenging times, the District remains strong and nimble in the face of significant changes.





## Financial Performance

Most of the District's revenues are derived from various forms of sales and property taxes. The next largest revenue source comes from passenger fares. Smaller sources of revenue include bridge tolls, contract services with the regional rail service (BART), federal and state assistance for paratransit service, advertising, investments and leases. The District also receives grant funding from local, state, and federal agencies for both operating and capital budget needs. In April 2020, the federal government approved \$25 billion with the passing of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, of which the District received \$114.2 million. \$30 million was used to finish fiscal year 2019-2020 within budget, and the remaining \$84.2 is counterbalanced against next year's forecasted revenue losses.

The District's largest expense at approximately 73% is labor. Proportional to salaries and wages, labor expense includes fringe benefits, medical, and pension. Other major expenses include fuel, materials, parts for the fleet and various professional services.

The District's performance during fiscal year 2020 resulted in a \$732,000 increase in net position from operations. Total operating and non-operating revenues during the fiscal year ended June 30, 2020 were \$457.6 million and capital revenues of \$35.3 million totaling \$552.4 million, over total expenses of \$510.1 million.

### Change in Net Position Trend (in Millions)

	FY18	FY19	FY20
Total Revenues	\$418.4	\$450.8	\$475.6
Total Expenses	-448.7	-475.9	-510.1
Income (Loss) before Capital Contributions	-30.3	-25.1	-34.6
Capital Contributions	74.5	71.9	35.3
Change in Net Position	44.2	46.8	0.7

### Operating Revenues

Passenger fares	\$ 42,478
Contract service	14,169
Other	3,338

### Non-Operating Revenues

Property taxes	\$149,103
Local sales tax	101,743
Local funds 1	90,656
Federal	31,283
State	41,172
Gain on sale of capital assets	687
Interest income	933

### Total Revenues

\$475,562

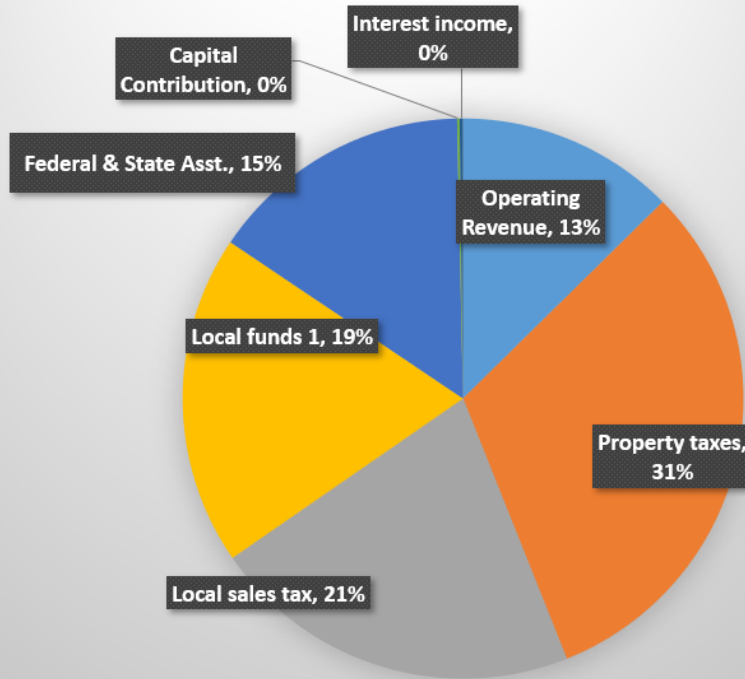
### Operating Expenses

Operator wages	\$ 89,804
Other wages	74,538
Fringe benefits	188,598
Depreciation and amortization	44,260
Fuel and oil	11,897
Other material and supplies	14,404
Services	61,427
Insurance	8,027
Net expenses of joint venture	2,599
Interest expense	822
Other	13,760

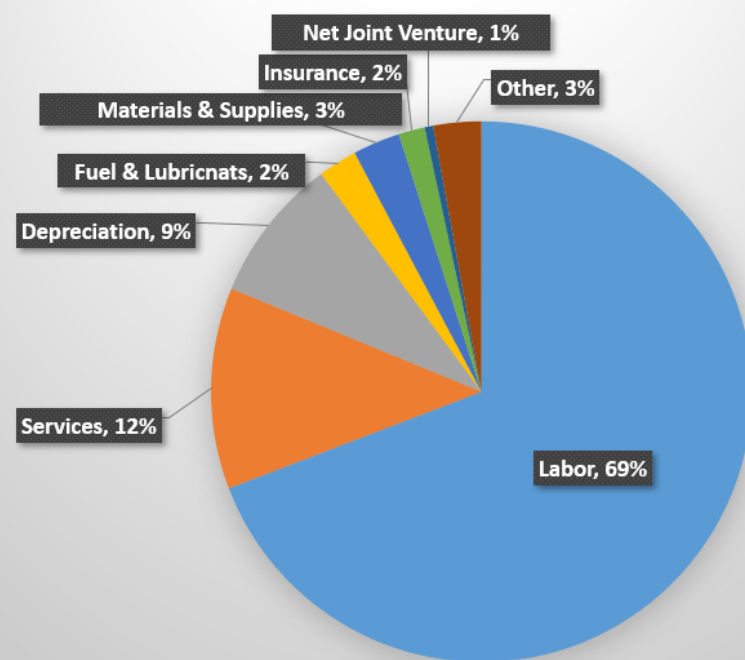
### Total Expenses

\$ 510,136

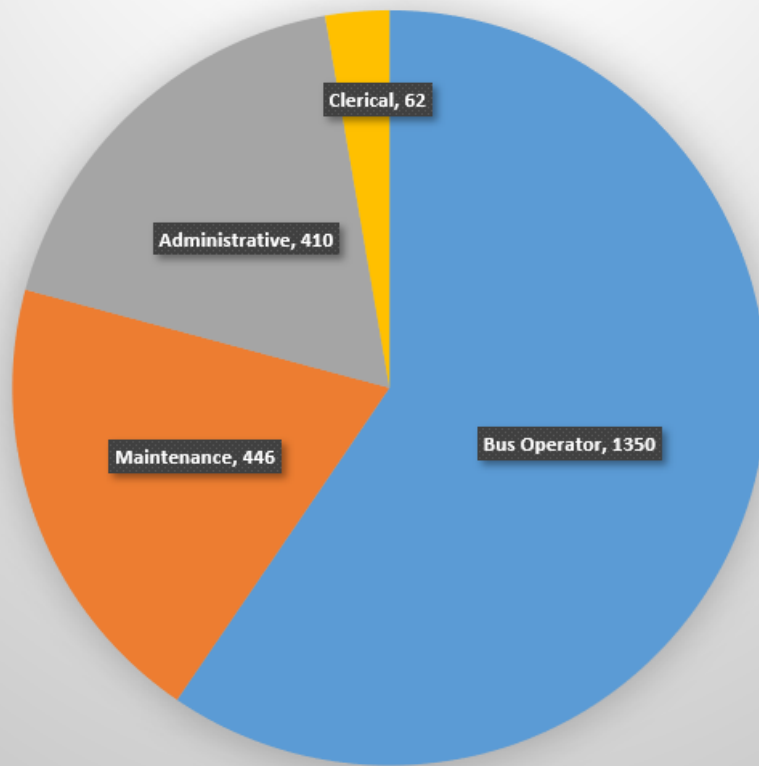
**Total Revenues (\$475.6 million in FY 2020)**



**Total Expenses (\$510.1 million in FY 2020)**



**Total Positions (2,268 budgeted employees in FY 2020)**

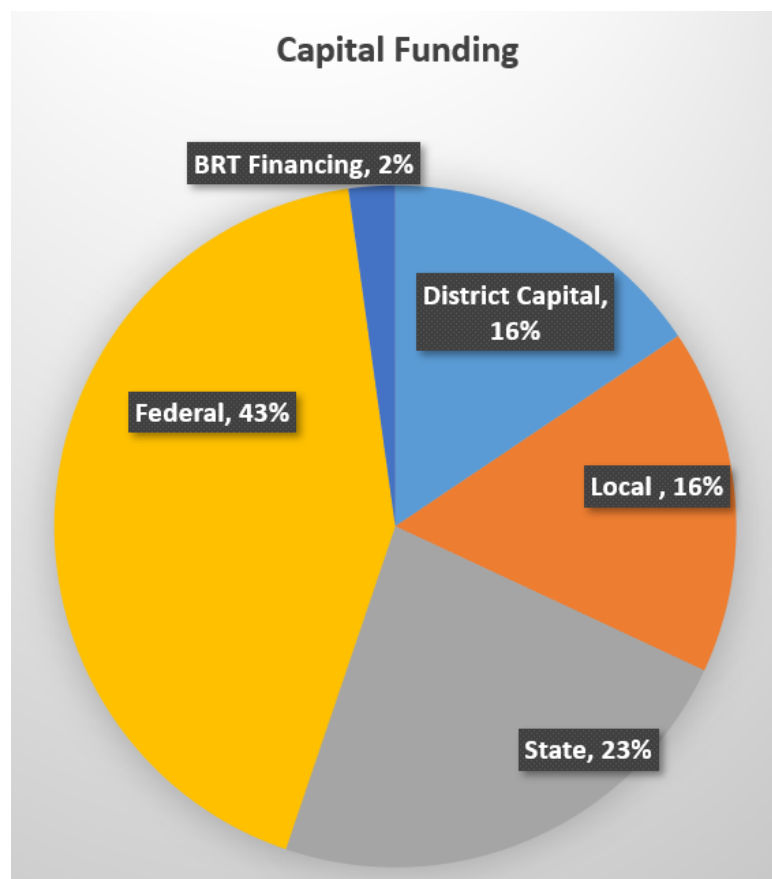


## Capital Investment

Public transportation is a capital-intensive business. The District's total multi-year capital budget is approximately \$681 million, with new projects approved each year in the range of \$40-\$60 million. The East Bay Bus Rapid Transit project is currently the largest part of the capital budget at \$232 million.

The four main categories of investment are: (1) Fleet Replacement and Expansion, (2) Facilities, (3) Technology and (4) Corridors. Fleet Replacement and Expansion are the District's top priority to ensure efficient and effective service to our riders. Facilities investments consist of rehabilitation and upgrades to the District's building and service infrastructure. Technology investments focus on the various computer and network systems used to manage all the District's operations. Corridor investments help to improve the efficiency and reliability of bus operations throughout the District's service area.



The chart below illustrates the funding sources of the capital budget at the end of fiscal year 2020.



## Contact Information

<b>AC Transit website</b>	<a href="http://actransit.org">actransit.org</a>
<b>Trip-Planning Assistance</b>	call 511 (and say, "AC Transit")
<b>Telephone Device for the Deaf</b>	Dial 711 (through the California Relay Service)
<b>Customer Feedback</b>	<a href="http://actransit.org/feedback">actransit.org/feedback</a> or Call 511 (and say, "AC Transit")
<b>Staff &amp; Department Directory</b>	(510) 891-4777
<b>General Offices Address</b>	1600 Franklin Street Oakland, CA 94612





Alameda-Contra Costa Transit District  
1600 Franklin Street  
Oakland, CA 94612  
[actransit.org](http://actransit.org)

Finance Department • January 2021