



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT PARCEL TAX FISCAL OVERSIGHT COMMITTEE

MINUTES

Special Meeting of the Parcel Tax Fiscal Oversight Committee

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

Thursday, November 19, 2015 at 5:30 p.m.

MEMBERS OF THE OVERSIGHT COMMITTEE

JANET ABELSON
ELOISE BODINE
MARK CHEKAL-BAIN
BEVERLY JOHNSON
IGOR TREGUB
MARIA VIRAMONTES
MATT WILLIAMS

DISTRICT OFFICERS

MICHAEL A. HURSH, GENERAL MANAGER
DENISE C. STANDRIDGE, GENERAL COUNSEL
LINDA A. NEMEROFF, DISTRICT SECRETARY
JAMES PACHAN, INTERIM CHIEF FINANCIAL OFFICER

The Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee held a special meeting on Thursday, November 19, 2015. Chair Abelson called the meeting to order at 5:39 p.m.

1. ROLL CALL

Members Present: Beverly Johnson, Igor Tregub (arrived at 5:52), Maria Viramontes, Matt Williams, Janet Abelson

Members Absent: Eloise Bodine, Mark Chekal-Bain

District Board Liaison Present:
H. E. Christian Peoples, Board President

District Officers and Staff Present:
Denise Standridge, General Counsel
Linda Nemeroff, District Secretary
James Pachan, Interim Chief Financial Officer
Ralph Martini, Controller
Donald Eckert, Director of Management and Budget
Robert del Rosario, Director of Planning and Service Development

2. PUBLIC COMMENT

There was no public comment offered.

3. DISCUSSION/ACTION ITEMS:

3A. Consider approving the minutes of the District Parcel Tax Fiscal Oversight Committee meeting of June 4, 2015.

APPROVED

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

AYES:4: Viramontes, Williams, Johnson, Abelson

ABSENT:3: Bodine, Chekal-Bain, Tregub

3B. Consider review and approval of the Measure V V Financial Statement and the adoption of Resolution No. 15-01 determining that the Measure VV funds collected during the 2014-15 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities (Report 15-01).

**ADOPTED
RESOLUTION
15-01**

Interim Chief Financial Officer James Pachan welcomed the members of the Committee to the meeting. An overview of the District's financial condition was given and it was reported that ridership, farebox revenues and overall subsidies and tax revenues were up by approximately 3%. Updates were given on the Service Expansion Plan,

major projects and initiatives (Bus Rapid Transit, rehabilitation of Division 3, the purchase of new buses for the Dumbarton Express Service and upcoming grant proposals for zero emission bus purchases).

Mr. Pachan introduced David Alvey and Vicki Rodriguez of Maze and Associates who provided an overview of the agreed-upon procedures used to perform the review of the Measure VV proceeds. He added that Maze & Associates had sent third party confirmation to each county of the Measure VV revenue collected. It was reported that no exceptions, deviations or miscalculations were found and it had been verified that the Measure VV proceeds received by the District did not exceed the operations and maintenance expenses allocated to Special Transit Service District No. 1 (District 1) and that District 1 operations and maintenance expenses exceeded Measure VV funding.

Member Viramontes inquired about the reduction in federal funding and asked if there was anything the committee could do to increase it. Mr. Pachan explained that the only federal operating money the District received was for ADA Paratransit—all other federal money is for capital (buses, facilities).

Controller Ralph Martini concurred, noting that in previous years the District had a strong preventative maintenance program that was subsidized by the federal government. However, that program for the region ended and the money has been directed to capital acquisitions rather than sustaining operations. At the same time, much of the state and local revenue sources had increased as federal subsidies had declined.

Ms. Rodriguez advised that Maze & Associates audits other transit agencies in the area and all have had similar experience with regard to federal money for capital programs.

Member Johnson suggested that there be advocacy efforts directed toward increasing federal funding for maintenance and operations.

Member Viramontes was appreciative of the very clear and thoughtful report.

MOTION: WILLIAMS/TREGUB to approve of the Measure VV Financial Statement and the adoption of Resolution No. 15-01 determining that the Measure V V funds collected during the 2014-15 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, Tregub, Johnson, Viramontes, Abelson
ABSENT:2: Bodine, Chekal-Bain Johnson

Later in the meeting, Member Tregub asked if the changes in the financial statements related to the reporting of pension liabilities was an ongoing change. He also thought it would be interesting to see a bar chart comparing the asset and liability numbers before and after the change over the previous five-year period.

Controller Ralph Martini advised that, starting this year, all government agencies had to implement GASB 68, which requires the reporting of the pension expense on the balance sheet versus the footnotes as it had been reported in the past. The impact of this change is reflected on net assets. He added that if this change had not occurred, the value of net assets would have increased by approximately \$6.2 million. He said that he would be happy to provide the committee with the requested chart.

- 3C. **Consider receiving report on the apportionment of unsecured property tax revenue to Special Transit Service District No. 1 and Special Transit Service District No. 2 (Report 15-02).**

RECEIVED
REPORT

Controller Ralph Martini presented the staff report.


MOTION: WILLIAMS/VIRAMONTES to receive the report. The motion carried by the following vote:

AYES:5: Viramontes, Williams, Johnson, Tregub, Abelson
ABSENT:2: Bodine, Chekal-Bain

4. **COMMITTEE/STAFF COMMENTS**
There were no comments offered.

5. **ADJOURNMENT**
There being no further business to come before the Committee, the meeting adjourned at 6:05 p.m. in memory of Mary King, former member of the Alameda County Board of Supervisors and Interim General Manager of AC Transit. Chair Abelson acknowledged Ms. King's many accomplishments and her tireless dedication to public service. The next meeting of the District Parcel Tax Fiscal Oversight Committee is anticipated in November/December 2016.

Respectfully submitted,


Linda A. Nemeroff, District Secretary