



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT PARCEL TAX FISCAL OVERSIGHT COMMITTEE

AGENDA

Special Meeting of the Parcel Tax Fiscal Oversight Committee

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

Tuesday, December 13, 2016 at 9:00 a.m.

MEMBERS OF THE OVERSIGHT COMMITTEE

JANET ABELSON, CHAIR
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
CLAUDIA ALLEN, CHIEF FINANCIAL OFFICER

MEETING PROCEDURES

Public Comment: Members of the public wishing to present comments should complete a Speaker's Form and submit it to the District Secretary. For subjects not listed on this agenda, the public will be invited to speak under the "PUBLIC COMMENTS" section of the agenda. For specific agenda item(s), speakers will be invited to address the Committee) at the time the item is being considered. All speakers are allowed two (2) minutes to present comments. Individuals wishing to present more detailed information are encouraged to submit comments in writing. Written comments are included in the record for meeting(s), and as such, are available for public inspection and may be posted to the District's website.

Electronic Devices: All electronic devices (cell phones, pagers and similar-sounding devices) shall be placed on mute, vibrate or silent mode during Board and Committee meetings pursuant to District Ordinance No. 12.

Order of Agenda Items: The Committee may discuss any item listed on this agenda and in any order.

AVAILABILITY OF AGENDA RELATED MATERIALS

Written agenda related materials for all open session regular meetings are available to the public 72 hours prior to the meeting or at the time the materials are distributed to a majority of the Committee. Written materials presented at a meeting by staff or a member of the Committee will be available to the public at that time, or after the meeting if supplied by an outside party. Agenda related materials are available on the District's website or by contacting the District Secretary's Office.

ACCESSIBLE PUBLIC MEETINGS

Meetings of the Parcel Tax Fiscal Oversight Committee are accessible to individuals in wheelchairs. Written materials in appropriate alternative formats, disability-related modification/accommodation as well as sign language and foreign language interpreters must be made 72 hours in advance of the meeting or hearing to help ensure availability. Please direct requests for disability related modification or accommodation and/or interpreter services to Linda A. Nemeroff, District Secretary, 1600 Franklin Street, Oakland, California, 94612 or call (510) 891-7201.

AC Transit's General Offices are generally served by bus lines 1, 11, 12, 51A, 72, 72M. The nearest accessible bus service is provided at the intersection of Broadway and 17th Street in Oakland. The nearest accessible BART station is the 19th Street Station in Oakland.

District Ordinance No. 13 prohibits bringing non-service animals to District facilities unless specifically authorized by federal or state law.

To accommodate individuals with severe allergies and environmental illnesses, meeting participants should refrain from wearing scented products to the meeting.

SPECIAL PARCEL TAX FISCAL OVERSIGHT COMMITTEE MEETING Janet Abelson, Chair Tuesday, December 13, 2016 at 9:00 a.m.		Staff Contact or Presenter
1.	ROLL CALL	
2.	PUBLIC COMMENT Any person may directly address the Committee at this time on any items of interest to the public that is within the subject matter and jurisdiction of the Committee. Speakers wishing to address a specific agenda item will be invited to address the Committee at the time the item is being considered. Two (2) minutes are allowed for each item.	
3.	DISCUSSION ITEMS:	
3A.	Consider approving the minutes of the District Parcel Tax Fiscal Oversight Committee meeting of November 15, 2016.	Linda Nemeroff 891-7284
3B.	Discussion regarding changes in the process, the development of questions and/or additional information to ask of staff. (verbal)	Chair Abelson
4.	COMMITTEE/STAFF COMMENTS	
5.	ADJOURNMENT	



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

Tuesday, November 15, 2016 at 9:00 a.m.

MEMBERS OF THE OVERSIGHT COMMITTEE

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SPECIAL PARCEL TAX FISCAL OVERSIGHT COMMITTEE MEETING Janet Abelson, Chair Tuesday, November 15, 2016 at 9:00 a.m.		Staff Contact or Presenter
	<p>The Alameda-Contra Costa Transit District Parcel Tax Fiscal Oversight Committee held a special meeting on Tuesday, November 15, 2016. Chair Abelson called the meeting to order at 9:05 a.m.</p> <p>1. ROLL CALL Members Present: Eloise Bodine, Mark Chekal-Bain, Beverly Johnson, Igor Tregub, Matt Williams, Janet Abelson</p> <p>Members Absent: Maria Viramontes</p> <p>District Board Liaison Present: Director Greg Harper</p> <p>District Officers and Staff Present: Michael A. Hursh, General Manager Denise C. Standridge, General Counsel Linda A. Nemeroff, District Secretary Claudia Allen, Chief Financial Officer Ralph Martini, Controller Robert del Rosario, Director of Service Development and Planning Beverly Greene, Director of Legislative Affairs and Community Relations</p> <p>2. PUBLIC COMMENT There was no public comment offered.</p> <p>3. DISCUSSION/ACTION ITEMS:</p> <p>3A. Consider approving the minutes of the District Parcel Tax Fiscal Oversight Committee meeting of November 19, 2015. (Page 1)</p> <p>MOTION: TREGUB/WILLIAMS to approve the minutes as presented. The motion carried by the following vote:</p> <p>AYES:4: Tregub, Williams, Johnson, Abelson ABSENT:1: Viramontes ABSTAIN:2: Bodine, Chekal-Bain</p> <p>3B. Consider review and approval of the Measure V V Financial Statement and the adoption of <u>Resolution No. 16-01</u> determining that the Measure VV funds collected during the 2015-16 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities (Report 16-01). (Page 5)</p> <p><i>[A Revised Resolution was presented at the meeting for the Committee's consideration.]</i></p>	<p>APPROVED</p> <p>ADOPTED RESOLUTION NO. 16-01</p>

Chief Financial Officer Claudia Allen welcomed the members of the Committee to the meeting. An overview of the District's financial condition was given and it was reported that operating revenues increased by 1%, with a slight decrease in farebox revenue which was offset by increases in contract services. Subsidies and tax revenues were up by approximately 21% and expenses had grown by 16% due to increases in healthcare and pension costs. Information was also provided on the District's Capital Program and Service Expansion Plan (AC Go). Ms. Allen concluded her comments by saying that the District was in stable financial condition and that the local economic outlook was positive, despite uncertainty at the federal level due to the outcome of the recent election.

Ms. Allen introduced Tyler Leen of Crowe Horwath who reported that the agreed-upon procedures used to perform the review of Measure VV proceeds had found no exceptions.

Member Chekal-Bain commented that service changes over the last few years had negatively impacted Berkeley, in particular the Line 51 split which affected service on College Avenue to Summit Hospital/Downtown Oakland, the elimination of the 1R, and the elimination of one Transbay bus on Line E. He also felt that Berkeley was somehow being punished for opposing Bus Rapid Transit (BRT) even though it was one of the most densely populated cities within the district with a significant student population that paid its fair share of property and other taxes. He asked if service was being curtailed to pay for BRT. Director Harper addressed the concerns, noting that the 1R was eliminated due to the construction of the BRT and Line 51 was split because the bus could not run on time due to congestion on College Avenue. Other lines were curtailed because the service was bad. He offered that if parking were eliminated on College Avenue, the bus could run efficiently through that area. Another option would be to turn Rockridge into a transit center. Member Chekal-Bain suggested that a Rapid Bus on Telegraph Avenue be revisited. Director of Service Development and Planning Robert del Rosario advised that he would research the elimination of a Line E bus and would provide a response. He encouraged the Committee to review the AC Go service expansion plans, noting that Berkeley received a significant benefit from the Measure BB funds allocated for the expansion. Member Chekal-Bain advocated for bringing Line 51B to Summit Hospital when Alta Bates Hospital closes.

Chair Abelson concurred with Member Chekal-Bain about service in Berkeley, noting that she experienced similar problems when traveling through that area.

Member Chekal-Bain wanted to know if Uber and Lyft were impacting farebox revenue. Mr. del Rosario reported that there is a greater decrease in ridership on Saturday and Sunday which could be attributed to Uber and Lyft because people have different travel patterns on the weekends. General Manager Michael Hursh offered that tech shuttles were also having an impact on ridership as jobs shift from San Francisco to Oakland.

Member Chekal-Bain pointed out that the cost of employee benefits, including pension, was at 139% of salaries. While not within the Committee's purview, concern was expressed that 41% of employee salaries went to pension benefits.

Lastly, Member Chekal-Bain observed that service was being provided to Union City even though it was not a part of the District and did not pay for the service it received. He requested ridership figures for this area and wanted to know how having service in this area benefited the District. Mr. Hursh responded that Union City presents a dilemma for the District in the sense that it is not a part of the District, yet provides a convenient connection to BART just as San Francisco is not a part of the District but benefits people in the East Bay who need to get to San Francisco. He added that the District is in the process of starting a strategic planning effort which will help frame discussions about service. Mr. del Rosario added that AC Transit is a regional service that operates across cities and it is unrealistic to stop at the border of a city when there are connections that can be made to other transit services. He added that some routes in the Union City area have significant ridership and that the Board of Directors would be reviewing service provided to this area in the new year. Staff would also conduct origin/destination surveys in this area to determine where people are going.

Director Harper noted that Measure BB sales tax monies that AC Transit receives pays for Union City unless the Alameda County Transportation Commission created a special carve out. Mr. Hursh cautioned that a decision not to serve Union City while continuing to serve Palo Alto and San Francisco could result in a Title VI issue.

Member Tregub asked what types of fund sources have a pass through component and how the timing of the federal award cycle affected the District's revenue stream. Controller Ralph Martini advised that no operating revenues are passed through; however, the District does pass through funds for projects done by other agencies that benefit District operations. He added that federal funds were awarded in October or April, but sometimes weren't eligible to be drawn down until a later date. He added that funds are typically spent during the period earned.

Member Tregub asked staff to explain the discrepancy between service miles and service hours in District 2. Mr. del Rosario speculated that there were more hours accounted for when drivers have a layover. He added that due to a shortage of buses, operators no longer pick up the bus at the division, but rather have a shift change on the route which has resulted in less deadhead time and fewer miles traveled. Member Chekal-Bain advised that the same issue had arisen three years ago, and the General Manager at the time advised that it was because the bus yard in South County was farther away from the start of the bus route.

Public Comment:

Director Greg Harper commented that Measure VV funds were finally being reviewed from a District Two perspective rather than on the assumption that operating expenses in District 1 exceeded the amount of funds collected. He also felt that the Committee did not have independence from AC Transit even though the measure called for it and suggested that the Committee review the methodology of what it is doing to see if it makes sense. He also pointed out the incongruity between service miles and service hours in District 2 - he felt it was an error that should be explained (refer to page 15 of the agenda packet).

Member Chekal-Bain explained that the Committee had grappled with many of Director Harper's concerns over the years, including the division of AB 1107 funds, property tax revenue, and now the issue with service in Union City. He further noted his feeling that the Committee had not received clear answers in the past, and while there had been a turnover in much of the staff, there needed to be greater accountability in helping the Committee make a fair assessment of the information being provided.

General Manager Michael Hursh spoke of his ethical and transparent business approach, the hiring of an experienced Chief Financial Officer, and the top-down understanding that the system was owned by the public and staff and employees are privileged to operate it. He invited Committee members to reach out to him directly with any problems in obtaining information from staff.

Chair Abelson suggested that additional meetings be held to delve deeper into particular topics of discussion, noting that she would like to see a change in the current system. Mr. Hursh recommended that the timing of the meeting be looked at, suggesting that the Committee have more time to review information and submit questions to staff for a response in advance of the meeting. Chair Abelson recommended that any changes occur prospective rather than hold up the item before the Committee.

Member Johnson left the meeting at 9:51 a.m.

Member Williams agreed with Chair Abelson and Member Chekal-Bain, noting that he had opposed the resolution two or three years prior, but acknowledged that progress had been made and perhaps another meeting was necessary to further refine the process.

The remainder of the Committee members agreed with the sentiments expressed and there was consensus to hold additional meetings to discuss practices to be instituted in the accounting as well as questions to be asked of staff.

MOTION: WILLIAMS/CHEKAL-BAIN to adopt revised **Resolution No. 16-01** determining that the Measure V V funds collected during the 2015-16 Fiscal Year have been appropriated and expended in Special Transit Service District No. 1 for operation and maintenance activities with an amendment to the header of the resolution to reflect that it is a resolution of the "Parcel Tax Fiscal Oversight Committee". The motion carried by the following vote:

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

ABSENT:2: Johnson, Viramontes

With regard to the follow-up meetings, Member Chekal-Bain suggested that the Committee review all the revenue sources sorted by District. Mr. Hursh advised that this information was available in the Committee's binder and the auditor could verify the numbers.

Member Chekal-Bain also asked about the revenue from the UC Berkeley Student Pass. Ms. Allen advised that all fare revenue was combined, but it could be broken out. Mr. Hursh advised that he would be happy to provide the information, but questioned whether it went beyond the scope of the Committee, to which General Counsel Denise Standridge advised that it did. Member Chekal-Bain argued that while the Committee was supposed to review the Measure VV proceeds, the real question was whether District 1 was getting what it paid for.

Discussion ensued regarding the scheduling of additional meetings. It was decided that the District Secretary would poll Committee members for a meeting in December whereby the Committee would discuss changes in the process, the development of questions and/or additional information to ask of staff. Upon review of the questions submitted, staff would prepare written responses and a follow-up meeting would be scheduled in the late January/early February timeframe.

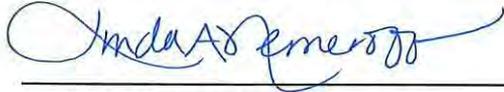
4. **COMMITTEE/STAFF COMMENTS**

There were no comments offered.

5. **ADJOURNMENT**

There being no further business to come before the Committee, the meeting adjourned at 10:27 a.m. The next meeting of the District Parcel Tax Fiscal Oversight Committee is anticipated in November/December 2017.

Respectfully submitted,



Linda A. Nemeroff
District Secretary