



## Finance and Administration Committee Meeting Agenda Monday, March 11, 2019, 9:00 a.m.

Committee Chair: Scott Haggerty, Alameda County, District 1      Executive Director: Arthur L. Dao  
Vice Chair: Luis Freitas, City of Newark      Staff Liaison: [Patricia Reavey](#)  
Members: Wilma Chan, David Haubert, Teddy King,      Clerk of the Commission: [Vanessa Lee](#)  
                 Jerry Thorne  
Ex-Officio: Richard Valle, Pauline Cutter

### 1. Call to Order/Pledge of Allegiance

### 2. Roll Call

### 3. Public Comment

### 4. Consent Calendar

Page/Action

4.1. [Approve the February 11, 2019 FAC Meeting Minutes](#)      1      A

### 5. Regular Matters

5.1. [Approve the FY2018-19 Mid-Year Budget Update](#)      5      A

### 6. Committee Member Reports

### 7. Staff Reports

### 8. Adjournment

Next Meeting: Monday, April 8, 2019

#### Notes:

- All items on the agenda are subject to action and/or change by the Commission.
- To comment on an item not on the agenda (3-minute limit), submit a speaker card to the clerk.
- Call 510.208.7450 (Voice) or 1.800.855.7100 (TTY) five days in advance to request a sign-language interpreter.
- If information is needed in another language, contact 510.208.7400. Hard copies available only by request.
- Call 510.208.7400 48 hours in advance to request accommodation or assistance at this meeting.
- Meeting agendas and staff reports are available on the [website calendar](#).
- Alameda CTC is located near 12th St. Oakland City Center BART station and AC Transit bus lines. [Directions and parking information](#) are available online.



### Alameda CTC Schedule of Upcoming Meetings:

**Commission Chair**  
Supervisor Richard Valle, District 2

**Commission Vice Chair**  
Mayor Pauline Cutter,  
City of San Leandro

**AC Transit**  
Board President Elsa Ortiz

**Alameda County**  
Supervisor Scott Haggerty, District 1  
Supervisor Wilma Chan, District 3  
Supervisor Nate Miley, District 4  
Supervisor Keith Carson, District 5

**BART**  
Vice President Rebecca Saltzman

**City of Alameda**  
Mayor Marilyn Ezzy Ashcraft

**City of Albany**  
Mayor Rochelle Nason

**City of Berkeley**  
Mayor Jesse Arreguin

**City of Dublin**  
Mayor David Haubert

**City of Emeryville**  
Councilmember John Bauters

**City of Fremont**  
Mayor Lily Mei

**City of Hayward**  
Mayor Barbara Halliday

**City of Livermore**  
Mayor John Marchand

**City of Newark**  
Councilmember Luis Freitas

**City of Oakland**  
Councilmember At-Large  
Rebecca Kaplan  
Councilmember Shang Thao

**City of Piedmont**  
Vacant

**City of Pleasanton**  
Mayor Jerry Thorne

**City of Union City**  
Mayor Carol Dutra-Vernaci

**Executive Director**  
Arthur L. Dao

Description	Date	Time
Paratransit Technical Advisory Committee (ParaTAC)	March 12, 2019	9:30 a.m.
Paratransit Advisory and Planning Committee (PAPCO)	March 25, 2019	1:30 p.m.
Alameda CTC Commission Meeting	March 28, 2019	2:00 p.m.
Alameda County Technical Advisory Committee (ACTAC)	April 4, 2019	1:30 p.m.
Finance and Administration Committee (FAC)	April 8, 2019	8:30 a.m.
I-680 Sunol Smart Carpool Lane Joint Powers Authority (I-680 JPA)		9:30 a.m.
I-580 Express Lane Policy Committee (I-580 PC)		10:00 a.m.
Planning, Policy and Legislation Committee (PPLC)		10:30 a.m.
Programs and Projects Committee (PPC)		12:00 p.m.
Bicycle and Pedestrian Community Advisory Committee (BPAC)	May 16, 2019	5:30 p.m.
Joint Paratransit Advisory and Planning Committee (PAPCO) and Paratransit Technical Advisory Committee (ParaTAC)	May 20, 2019	1:30 p.m.
Independent Watchdog Committee (IWC)	July 8, 2019	5:30 p.m.

All meetings are held at Alameda CTC offices located at 1111 Broadway, Suite 800, Oakland, CA 94607. Meeting materials, directions and parking information are all available on the [Alameda CTC website](http://www.AlamedaCTC.org).



Finance and Administration Committee  
Meeting Minutes  
Monday, February 11, 2019, 8:30 a.m.

4.1

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**1. Pledge of Allegiance**

**2. Roll Call**

A roll call was conducted. All members were present with the exception of Commissioner King.

**3. Public Comment**

There were no public comments.

**4. Consent Calendar**

**4.1. Approve the November 19, 2018 FAC Meeting Minutes**

**4.2. Approve Commissioners travel to Sacramento, Washington DC, and the California Association of Councils of Governments Regional Leadership Forum**

**4.3. FY2018-19 Second Quarter Report of Claims Acted Upon Under the Government Claims Act**

*Commissioner Haubert moved to approve the Consent Calendar. Commissioner Thorne seconded the motion. The motion passed with the following votes:*

Yes: Cox, Cutter, Freitas, Haggerty, Haubert, Thorne, Valle  
No: None  
Abstain: None  
Absent: King

**5. Regular Matters**

**5.1. Approve the FY2018-19 Second Quarter Investment Report**

Lily Balinton recommended that the Commission approve the FY2018-19 Second Quarter Investment Report. Ms. Balinton stated that as of December 31, 2018, Alameda CTC's investments are in compliance with the agency's investment policy, and the agency has sufficient cash flow to meet expenditure requirements over the next six months. She noted that as of July 1, 2018, Alameda CTC hired Public Trust Advisors (PTA) as investment advisors for the agency. Staff has worked with PTA to develop a new investment strategy for the portfolio based on updated cash flow requirements. Ms. Balinton said that along with the new strategy, new benchmarks have been established with the goal of the desired performance of the portfolios once the investment strategy is fully implemented. Until the strategy is fully phased in, the benchmarks will not align well with the portfolio as it currently exists. Ms. Balinton provided the Commission with key highlights of cash and investment activity as of December 31, 2018, and she compared the quarter-end balances with the prior year-end balances. She stated that the 5.9% increase in the total cash and investments balance is primarily due to the collection of Measure BB sales tax

revenues and the accumulation of funds needed for the March 1st debt service payments on the 2014 Sales Tax Revenue Bonds.

Commissioner Haggerty asked what the agency will do with the \$181 million Measure B balance. Patricia Reavey stated \$120 million was for a loan approved by the Commission to the Northbound I-680 project and approximately \$20 million has been set aside for debt service which doesn't leave a significant remaining balance.

*Commissioner Cutter moved to approve this item. Commissioner Thorne seconded the motion. The motion passed with the following votes:*

Yes: Cox, Cutter, Freitas, Haggerty, Haubert, Thorne, Valle  
No: None  
Abstain: None  
Absent: King

## **5.2. Approve the FY2018-19 Second Quarter Financial Report**

Patricia Reavey recommended that the Commission approve the Alameda CTC FY2018-19 Second Quarter Consolidated Financial Report. She stated that the Alameda CTC's expenditures through December 31, 2018 are within year-to-date budget authority, and that the agency remains in a strong financial position. Ms. Reavey noted that activity as of December 31, 2018 results in a net increase in fund balance in the amount of \$63.4 million due to the accumulation of sales tax revenues received, but not yet spent.. She also covered highlights of actual revenues and expenditures compared to budget as of December 31, 2018 by major category and stated that staff has completed the limitations calculations required for both 2000 Measure B and 2014 Measure BB related to salaries and benefits and administration costs, and Alameda CTC is in compliance with all limitation requirements.

Commissioner Haubert asked why costs in the I-580 operations is under budget. Ms. Reavey stated that there was a timing change for when the project accounting for in the Express Lanes budget is scheduled to begin. The timing has been pushed out to either late this fiscal year or even next fiscal year.

Commissioner Haubert also asked if we a forecast for toll for the year or is it expected to come back in line with the budget. Ms. Reavey stated that budget items, including revenues and expenditures, will be reviewed and updated at mid-year during the mid-year budget update process that will come before the Commission in March.

Commissioner Haggerty asked if there is a guarantee on the asphalt concrete on Route 84. Mr. Dao stated that the highway is a state highway, where Caltrans is responsible but there is no guarantee on the asphalt.

*Commissioner Freitas moved to approve this item. Commissioner Haubert seconded the motion. The motion passed with the following votes:*

Yes: Cox, Cutter, Freitas, Haggerty, Haubert, Thorne, Valle  
No: None  
Abstain: None  
Absent: King

**6. Committee Member Reports**

There were no committee reports.

**7. Staff Reports**

Patricia Reavey reported that staff intends to proceed with procurement using one proposal received for independent financial audit services. She stated that the procurement of audit services was approved by the Commission as part of the administrative contracts plan in December and the RFP was issued shortly thereafter. However, after extensive advertisement and outreach, only one proposal was received due to the limited number of agencies that would be interested and or qualified to perform audit services for Alameda CTC and the limitation of Alameda CTC's procurement policy which doesn't allow for the incumbent to submit a proposal.

Commissioner Haubert asked if there is an issue with Alameda CTC's procurement policy. Ms. Reavey said she's going to recommend that the procurement policy be updated to allow the incumbent independent auditor to submit a proposal and be part of the procurement process going forward to allow for more competition on independent auditor procurements.

**8. Adjournment/ Next Meeting**

The next meeting is:

Date/Time: Monday, March 11, 2019 at 8:30 a.m.

Location: Alameda CTC Offices, 1111 Broadway, Suite 800, Oakland, CA 94607

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# Memorandum

5.1

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**DATE:** March 4, 2019

**TO:** Alameda County Transportation Commission

**FROM:** Patricia Reavey, Deputy Executive Director of Finance  
and Administration  
Lily Balinton, Director of Finance

**SUBJECT:** FY2018-19 Mid-Year Budget Update

## Recommendation

It is recommended that the Commission approve the Proposed FY2018-19 Mid-Year Budget Update as presented.

## Summary

The proposed update to the FY2018-19 budget is a balanced, sustainable budget that was developed to reflect changes to actual fund balances and projected revenues and expenditures on projects and programs since the original budget was adopted in May 2018.

The proposed budget update includes an increase of \$169.9 million from FY2017-18 actual audited fund balances which are rolled forward into FY2018-19 for a total beginning fund balance of \$510.7 million. The proposed budget also contains revenues totaling \$371.9 million of which sales tax revenues comprise \$304.0 million. The total revenue amount proposed is an increase of \$17.7 million over the currently adopted budget mostly related to external and exchange program funding sources in the capital project and exchange funds which were adopted in the FY2017-18 budget, but have rolled forward to the FY2018-19 budget because they had not yet been utilized by the end of FY2017-18.

Revenues are offset in the proposed budget update by \$527.2 million in total expenditures of which \$275.1 million, or 52.2 percent, are allocated for capital project expenditures and \$6.3 million, or 1.2 percent, is allocated for salaries and benefits. The total salaries and benefits amount proposed in this budget update is a decrease of \$0.1 million from the currently adopted budget. Salaries and benefits expenditures are nominal as compared to total expenditures. The total expenditure amount is an increase of \$161.9 million over the currently adopted budget. This increase appears to be significant, however, it is due to the adjustment for the capital roll forward balance from FY2017-18, an estimate of which was included and approved in the originally adopted FY2018-19 budget on the capital spreadsheet but actual

amounts could not be pulled to the consolidated Alameda CTC budget spreadsheet until final fund balance roll forward amounts were updated based on the audited Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018. The CAFR was approved by the Commission in December 2018.

Capital projects fund revenues and expenditures that appeared on the consolidated Alameda CTC Budget sheet in the adopted budget for FY2018-19 when the budget was adopted in May 2018 did not include the roll forward revenue and expenditure balances because these amounts were still included in the approved budget and projected ending fund balance for FY2017-18. During the mid-year budget update process, the roll forward fund balances are updated to actual amounts based on the audited financial statements. Therefore, the capital budget revenues and expenditures amounts on the consolidated budget spreadsheet for the mid-year budget update include the full capital budget which consists of both the actual roll forward balances from FY2017-18 and any additional requested capital budget for FY2018-19. This methodology ensures accurate and reliable fund balance information in Alameda CTC's budget process.

The update of the audited fund balances from FY2017-18 and the projected revenue and expenditure totals constitute a net increase in the projected ending fund balance of \$25.7 million. This increase contributes to a projected consolidated ending fund balance of \$355.3 million for FY2018-19. In line with the adopted I-580 Express Lanes Expenditure Plan, a contribution was made in the originally adopted budget towards future maintenance needs on the I-580 Express Lanes of \$5.0 million; in addition the Fund Balance/Operational Reserve has increased in this mid-year budget update to \$19.8 million. The Agency's overall Fund Balance/Operational Reserve, inclusive of the I-580 Express Lanes reserve, has increased by a total of \$17.2 million to \$67.5 million based on the adopted fund balance reserve policy.

Consistent with the 2018 Comprehensive Investment Plan Update approved by the Commission in July 2018, this budget update includes revenues and expenditures necessary to develop and implement vital planning projects and programs in Alameda County, and it contains revenues and expenditures necessary to fund and deliver significant capital projects intended to expand access and improve mobility in Alameda County.

The 2000 Measure B and Measure BB Limitation ratios required by the Transportation Expenditure Plans and the Public Utilities Code were calculated based on the proposed updated budgeted revenues and expenditures and were found to be in compliance with all requirements.

## **Background**

Development of the FY2018-19 budget and this proposed budget update were centered on the vision and goals for transportation established in the Comprehensive Investment Plan. The objective was to develop a budget that would enable Alameda CTC to plan, fund and deliver transportation programs and projects that expand access and improve mobility in Alameda County. This was accomplished by devoting available resources to identify transportation needs and opportunities in the County and formulate strategies and solutions; by providing the



funding necessary to evaluate, prioritize, and fund programs and projects; and by funding the delivery of quality programs and projects so they could be completed on schedule and within budget.

**Fiscal Impact:** The fiscal impact of approving the proposed FY2018-19 mid-year budget update would be to allow the roll forward of audited fund balances from FY2017-18 of \$169.9 million, provide additional resources of \$17.7 million and authorize additional expenditures of \$161.9 million, reflecting an overall increase in fund balance of \$25.7 million for a projected ending fund balance of \$355.3 million.

**Attachments:**

- A. Alameda CTC FY2018-19 Proposed Mid-Year Budget Update
- B. Capital Projects FY2018-19 Proposed Mid-Year Budget Update

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**Alameda CTC FY2018-19  
Proposed Mid-Year Budget Update**

	General Funds	Express Lanes Fund	Special Revenue	Exchange Fund	Debt Service Fund	Capital Project Funds	Inter-Agency Eliminations	Total Proposed Budget	Proposed Adjustments	Currently Adopted Budget
	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed			
<b>Beginning Fund Balance</b>	\$ 58,986,694	\$ 22,314,181	\$ 109,414,347	\$ 5,482,881	\$ 9,290,141	\$ 305,164,784	\$ -	\$ 510,653,028	\$ 169,870,627	\$ 340,782,401
<b>Revenues:</b>										
Sales Tax Revenues	\$ 12,920,000	\$ -	\$ 188,292,117	\$ -	\$ -	\$ 102,787,883	\$ -	\$ 304,000,000	\$ -	\$ 304,000,000
Investment Income	865,000	400,000	1,320,000	400,000	-	4,900,000	-	7,885,000	-	7,885,000
Member Agency Fees	1,436,665	-	-	-	-	-	-	1,436,665	41,846	1,394,819
VRP Funds	-	-	12,000,000	-	-	367,602	(367,602)	12,000,000	-	12,000,000
Toll Revenues	-	13,000,000	-	-	-	-	-	13,000,000	1,200,000	11,800,000
Other Revenues	-	2,100,000	30,050	-	26,472,450	-	(26,502,500)	2,100,000	-	2,100,000
Regional/State/Federal Grants	2,729,627	-	4,226,696	-	-	8,154,221	(186,000)	14,924,543	5,107,667	9,816,876
Local and Other Grants	-	-	1,100,000	10,530,240	-	12,489,749	(7,608,046)	16,511,943	11,384,979	5,126,965
<b>Total Revenues</b>	<b>17,951,292</b>	<b>15,500,000</b>	<b>206,968,863</b>	<b>10,930,240</b>	<b>26,472,450</b>	<b>128,699,455</b>	<b>(34,664,148)</b>	<b>371,858,152</b>	<b>17,734,492</b>	<b>354,123,659</b>
<b>Expenditures:</b>										
<u>Administration</u>										
Salaries and Benefits	2,319,519	-	-	-	-	69,858	-	2,389,377	141,061	2,248,316
General Office Expenses	1,573,590	-	2,800	-	-	69,298	(1,800)	1,643,888	(73,485)	1,717,373
Travel Expense	62,128	-	-	-	-	2,172	-	64,300	19,300	45,000
Debt Service	-	-	-	-	26,472,450	26,472,450	(26,472,450)	26,472,450	-	26,472,450
Professional Services	3,124,724	-	-	-	-	220,789	-	3,345,513	(92,402)	3,437,915
Commission and Community Support	252,750	-	28,250	-	-	-	(28,250)	252,750	-	252,750
Contingency	194,000	-	-	-	-	6,000	-	200,000	-	200,000
<u>Freeway Operations</u>										
Salaries and Benefits	-	397,582	-	-	-	-	(14,018)	383,564	(4,649)	388,213
Operating Expenditures	-	5,537,800	-	-	-	-	-	5,537,800	(2,200)	5,540,000
Special Project Expenditures	-	7,050,000	-	-	-	-	-	7,050,000	1,750,000	5,300,000
<u>Planning</u>										
Salaries and Benefits	791,951	-	-	-	-	-	-	791,951	10,408	781,543
Planning Management and Support	118,038	-	-	-	-	-	-	118,038	118,038	-
Transportation Planning	1,145,031	-	-	-	-	-	-	1,145,031	200,419	944,612
Congestion Management Program	-	-	-	-	-	-	-	-	-	-
Other Planning Projects	132,795	-	-	-	-	-	-	132,795	-	132,795
<u>Programs</u>										
Salaries and Benefits	155,150	-	1,482,039	55,073	-	-	(196,720)	1,495,542	(141,612)	1,637,154
Programs Management and Support	125,000	-	2,150,504	16,512	-	-	-	2,292,016	(394,134)	2,686,150
Safe Routes to School Programs	-	-	2,401,751	-	-	-	-	2,401,751	150,348	2,251,403
VRP Programming	-	-	13,769,491	-	-	-	-	13,769,491	1,829,491	11,940,000
Measure B/BB Direct Local Distribution	-	-	157,083,170	-	-	-	-	157,083,170	-	157,083,170
Grant Awards	-	-	11,837,356	-	-	-	-	11,837,356	(1,037,689)	12,875,045
TFCA Programming	-	-	3,170,647	-	-	-	-	3,170,647	384,362	2,786,285
CMA TIP Programming	-	-	-	10,475,167	-	-	-	10,475,167	5,965,065	4,510,102
<u>Capital Projects</u>										
Salaries and Benefits	-	-	-	-	-	1,354,439	(141,005)	1,213,434	(95,617)	1,309,051
Project Management and Support	-	-	-	-	-	2,837,585	-	2,837,585	127,585	2,710,000
Capital Project Expenditures	-	-	25,604,000	-	-	253,641,080	(8,161,648)	271,083,431	153,028,092	118,055,340
<u>Indirect Cost Recovery/Allocation</u>										
Indirect Cost Recovery from Capital, Spec Re	(351,743)	-	-	-	-	-	351,743	-	-	-
<b>Total Expenditures</b>	<b>9,642,932</b>	<b>12,985,382</b>	<b>217,530,008</b>	<b>10,546,752</b>	<b>26,472,450</b>	<b>284,673,672</b>	<b>(34,664,148)</b>	<b>527,187,047</b>	<b>161,882,381</b>	<b>365,304,667</b>
<b>Net Change in Fund Balance</b>	<b>8,308,360</b>	<b>2,514,618</b>	<b>(10,561,145)</b>	<b>383,488</b>	<b>-</b>	<b>(155,974,217)</b>	<b>-</b>	<b>(155,328,896)</b>	<b>(144,147,888)</b>	<b>(11,181,007)</b>
<b>Projected Ending Fund Balance</b>	<b>67,295,054</b>	<b>24,828,799</b>	<b>98,853,202</b>	<b>5,866,369</b>	<b>9,290,141</b>	<b>149,190,567</b>	<b>-</b>	<b>355,324,132</b>	<b>25,722,739</b>	<b>329,601,394</b>
<b>Freeway Maintenance Contributions</b>		<b>5,000,000</b>						<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>
<b>Fund Balance/Operational Reserves</b>	<b>47,624,511</b>	<b>19,828,799</b>						<b>67,453,309</b>	<b>17,245,870</b>	<b>50,207,440</b>
<b>Projected Net Fund Balance</b>	<b>\$ 19,670,543</b>	<b>-</b>	<b>\$ 98,853,202</b>	<b>\$ 5,866,369</b>	<b>\$ 9,290,141</b>	<b>\$ 149,190,567</b>	<b>\$ -</b>	<b>\$ 282,870,823</b>	<b>\$ 8,476,869</b>	<b>\$ 274,393,954</b>

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**Alameda CTC Capital Projects  
FY2018-19 Proposed Mid-Year Budget Update**

Capital Programs	(A)	(B)	(A) - (B) = (C)	(D)	(E)	(C) + (D) + (E) = (F)	Funding			
	Adopted FY 2017-18 Capital Budget	Actual FY 2017-18 Expenditures	FY 2017-18 Rollover to FY 2018-19	Adopted FY 2018-19 Original Capital Budget Request	FY 2018-19 Capital Budget Adjustment	FY 2018-19 Capital Budget w/ Actual Rollover	Total Local	Total Regional	Total State	Total Federal
1986 Measure B Capital Program	\$ 22,397,898	\$ 362,872	\$ 22,035,026	\$ (17,500,000)	\$ -	\$ 4,535,026	\$ 4,535,026	\$ -	\$ -	\$ -
2000 Measure B Capital Program	84,931,398	36,242,037	48,689,362	58,872,203	779,783	108,341,348	108,341,348	-	-	-
2014 Measure BB Capital Program	100,027,913	32,554,281	67,473,631	56,418,947	5,265,437	129,158,015	126,077,544	-	3,000,000	80,472
2014 Measure BB SRF Discretionary Capital Program	-	-	-	25,504,000	100,000	25,604,000	25,604,000	-	-	-
Non-Sales Tax Capital Program	17,108,123	8,076,919	9,031,204	965,988	5,801,524	15,798,716	10,774,967	2,957,527	2,063,369	2,853
	<u>\$ 224,465,333</u>	<u>\$ 77,236,110</u>	<u>\$ 147,229,223</u>	<u>\$ 124,261,138</u>	<u>\$ 11,946,744</u>	<u>\$ 283,437,105</u>	<u>\$ 275,332,884</u>	<u>\$ 2,957,527</u>	<u>\$ 5,063,369</u>	<u>\$ 83,325</u>

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