



Quarterly Report of the Controller-Treasurer Period Ending 03/31/2020



BART Board of Directors
May 28, 2020

Quarterly Report of the Controller-Treasurer

Period Ended 03/31/2020

- The District currently provides benefits to employees which include, but are not limited to:
 - **Retirement Pension Plan** managed by the California Public Employee Retirement System (CALPERS), and funded by contributions from the District and its employees. CALPERS is the largest pension plan in the United States with assets of approximately \$300 billion.
 - **Retiree Medical Benefits** coverage funded by a Trust established by the District in 2005. The Trust as of March 31, 2020.
 - a. Invested in a combination of stocks, bonds, REIT & cash,
 - b. Benchmark 6.5%,
 - c. Total net assets \$339.7 million and inception to date return is 6.2%,
 - d. Quarterly Report to the Unions
 - **Survivor Benefits** of active and retired employees funded by the employees (\$15/month),
 - **Life Insurance** for retired employees.
 - The District also accrues liabilities through Property & Casualty insurance and workers compensation claims and maintains the required reserves related to its self-funded insurance programs for worker's compensation and general liability based on an annual actuarial study.

Quarterly Report of the Controller-Treasurer

Period Ended 03/31/2020

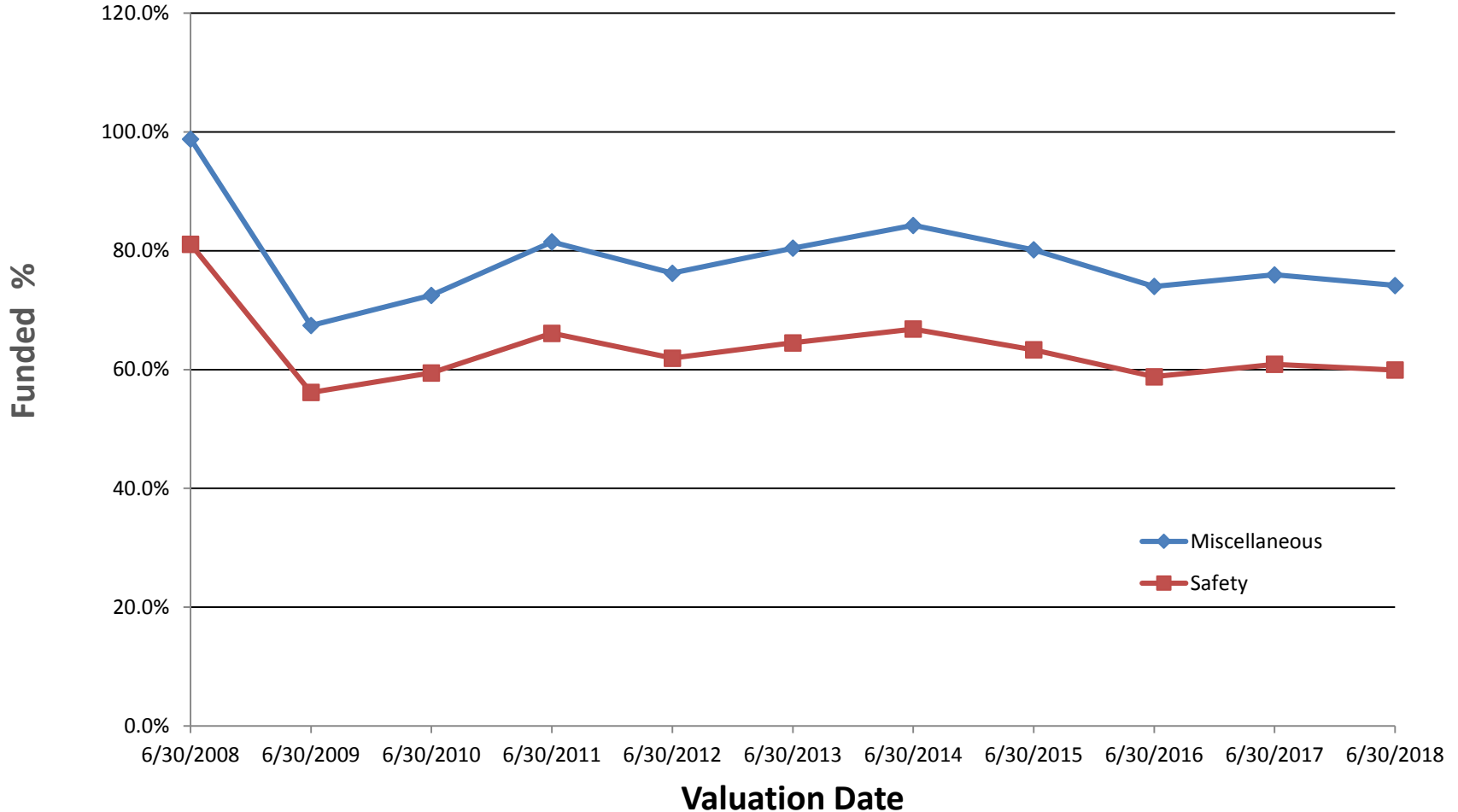
Funding Summary of Pension, Retiree Health & Other Post-Employment Benefits

	<u>Report Date</u>	<u>Market Value of Assets</u>	<u>Total Liability</u>	<u>Unfunded Liability</u>	<u>% Funded</u>
Retirement Pension with CALPERS					
Miscellaneous Employees	6/30/2018	\$ 1,855,353,186	\$ 2,501,596,748	\$ 646,243,562	74.2%
Safety Employees	6/30/2018	\$ 213,948,635	\$ 356,999,187	\$ 143,050,552	59.9%
Section 115 Pension Trust **	3/31/2020	\$ 10,000,000			
Retiree Health Benefits	6/30/2019	\$ 340,470,000	\$ 603,787,000	\$ 263,317,000	56.4%
Other Post Employment Benefits					
Life Insurance	6/30/2018	\$ -	\$ 34,628,000	\$ 34,628,000	0.0%
Survivors Benefits	6/30/2018	\$ 7,665,000	\$ 29,141,000	\$ 21,476,000	26.3%

** Amount deposited in Section 115 Pension Trust for prefunding of the District's pension obligation.

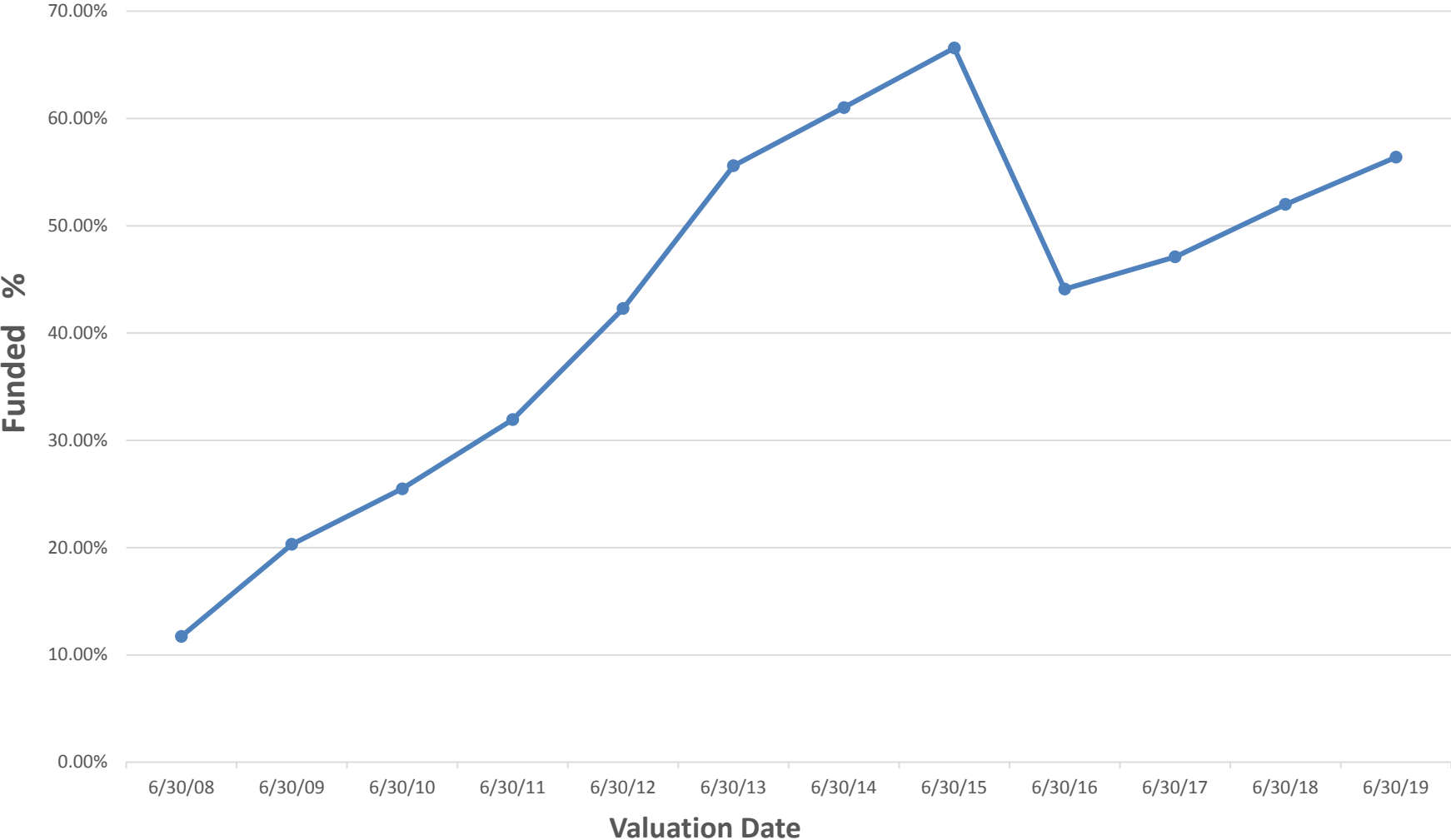
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CALPERS Pension Plan Funding Progress



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Retiree Health Benefits Plan



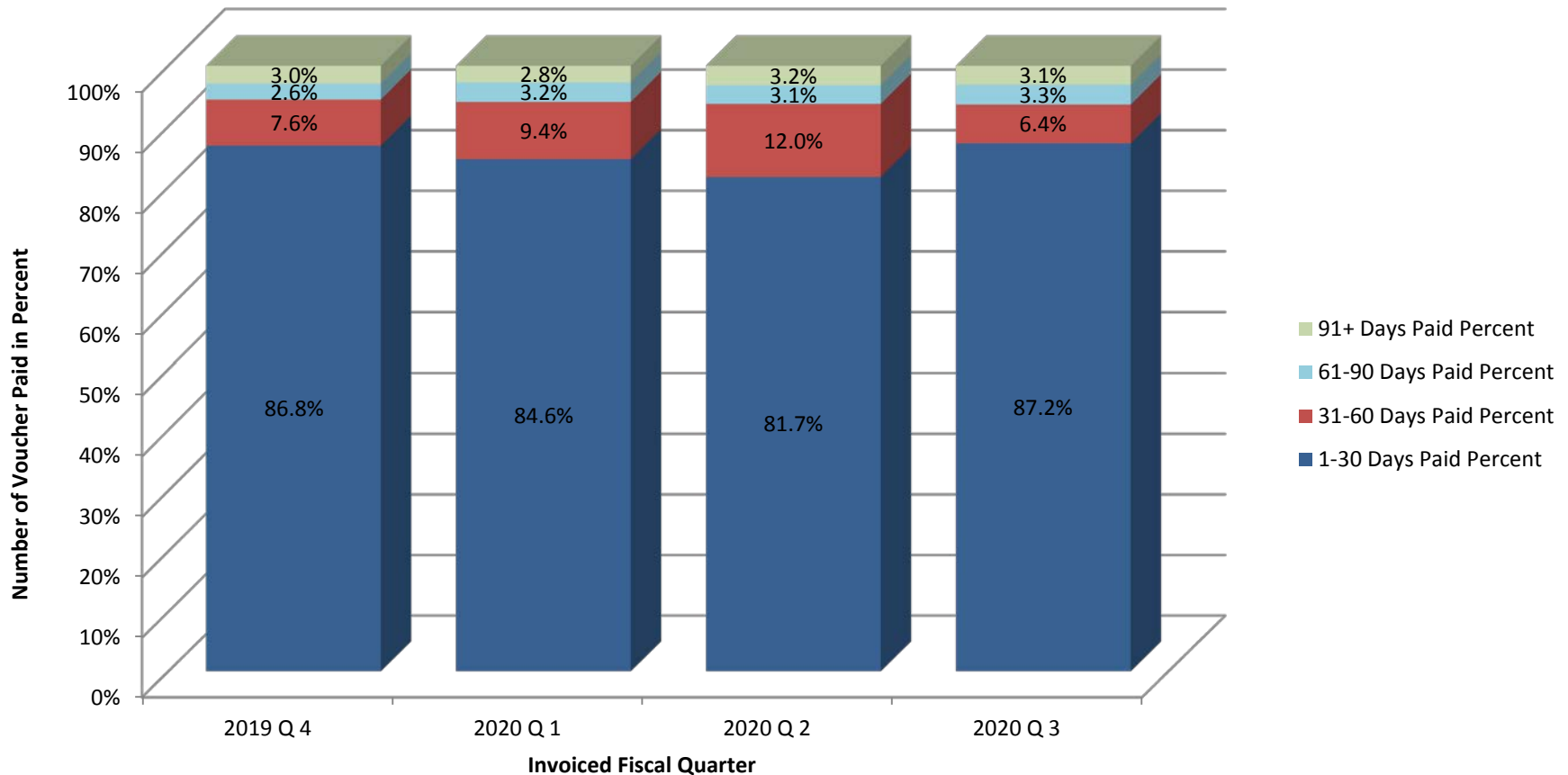
Quarterly Report of the Controller-Treasurer

Period Ended 03/31/2020

Accounts Payable

- Our goal is to pay 93% of our invoices within 30 days. During the most recent quarter, the District was able to process 87.2% of all paid invoices within 30 days. Of those that were not processed in 30 days, 6.4% were processed within 60 days, 3.3% were processed within 90 days, and 3.1% were processed over 90 days. The trend depicting the past year is shown here:

Quarterly Number of Voucher Payment Trend



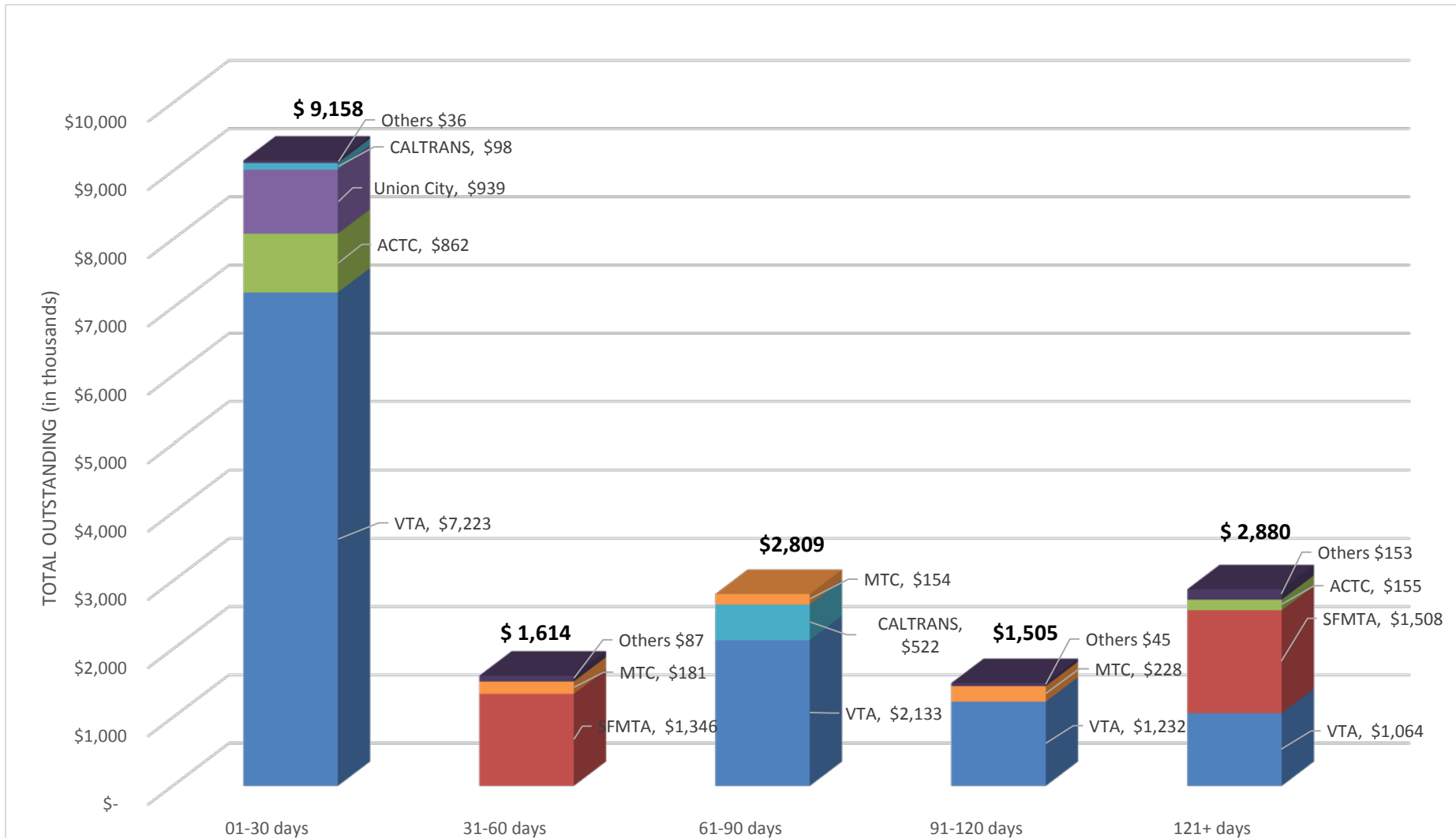
Quarterly Report of the Controller-Treasurer

Period Ended 03/31/2020

Accounts Receivable

- The time to receive reimbursement from our funding partners is shown in the chart below. The amount outstanding is \$17,966,000 as of March 31, 2020.

Amount Billed A/R Grants as of 03/31/2020



Quarterly Report of the Controller-Treasurer

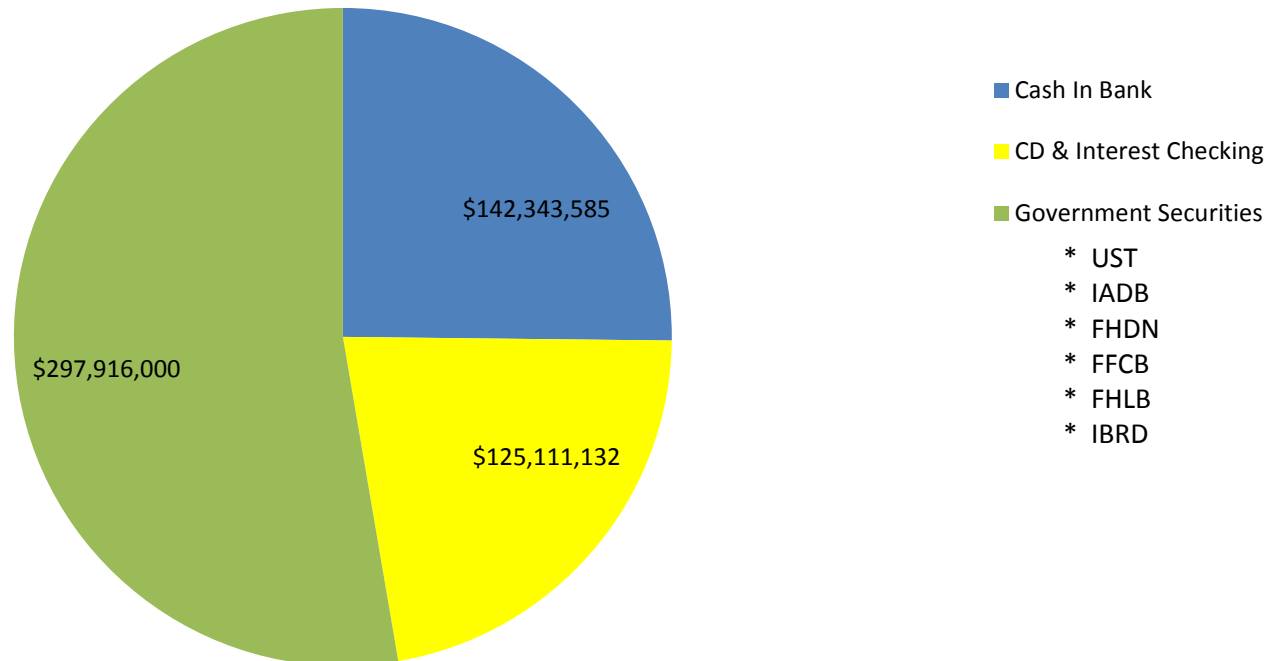
Period Ended 03/31/2020

3. DISTRICT FINANCES

Shown below are the composition of the District's cash and investments as of the end of the quarter.

Total Cash and Investments - \$565,370,717

- Total Cash in Banks: \$142,343,585
- Total CD: \$876,841 and High Interest Checking Account: \$124,234,291
- Total Government Securities: \$297,916,000
- Weighted average return on our Investments has been trending slightly lower. Current quarter's rate of return is 1.76% compared to 1.94% reported in previous quarter. The weighted average maturity (WAM) of our Investment portfolio is 109.5 days.



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Period Ended 03/31/2020

Debt

- The District currently has two types of debt outstanding:
 1. Sales Tax Revenue Debt
 2. General Obligation Debt

Sales Tax Revenue Debt

- Currently outstanding debt of \$712.46 million.
- Annual Debt Service \$45.9 million.
- Debt Service comes “off the top” of sales tax revenues remitted to the district by the State Department of Tax & Fee Administration.
- This directly impacts the operating budget.

General Obligation Bonds

❖ **Measure AA**

- Currently outstanding debt of \$707.3 million.
- Fully issued \$980 million authorized by voters.
- Most recent assessment for fiscal year 2019/2020 is \$7.40/\$100,000 (effect. Nov. 2019)

❖ **Measure RR**

- Currently outstanding debt of \$575.5 million.
- Issued \$660 million out of \$3.5 billion authorized by voters.
- Most recent assessment for fiscal year 2019/2020 is \$4.60/\$100,000 (effect. Nov. 2019)

Quarterly Report of the Controller-Treasurer

Period Ended 03/31/2020

Operating and Other Reserves

Operating Reserve	(1)	\$	50,208,182
Insurance Calamity Reserve	(2)		9,000,000
Operating Reserve - Economic Uncertainty	(3)		25,345,543
Operating Reserve - Safety & Security	(4)		1,122,138
Operating Reserve - Fiscal Stability - Pension	(5)		15,000,000
Operating Reserve - Low Carbon Fuel Standards Credits	(6)		18,498,668
Working Capital Reserve Fund	(7)		82,982,225
Operating Reserve - Quality of Life	(8)		1,500,000
Total			\$ 203,656,756

- (1) Cumulative balance of operating reserves per "Financial Stability Policy" approved by the Board.
- (2) This reserve was set aside in the 1960s to cover catastrophic losses associated with District property damage, public liability and workers' compensation claims.
- (3) Operating reserve for economic uncertainty set aside in FY 19 to offset budgeted STA revenue due to possible repeal of SB1 and to set aside one time lump sum payment received from the new advertising contract.
- (4) Amount set aside in FY18 for Safety and Security net of utilization through March 2020.
- (5) Amount set aside in FY18, FY19 and FY20 for pension contribution or for prefunding of the District's pension obligation. As of March 31, 2020, \$10,000,000 of this reserve was deposited into the newly created Section 115 Pension Trust.
- (6) Portion of proceeds from sale of Low Carbon Fuel Standards credits sold set aside to support operations per "Low Carbon Fuel Standard Policy" approved by the Board in July 2017.
- (7) Working capital fund.
- (8) Operating reserve set aside in FY 19 for quality of life initiatives.

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Breakdown of Cash and Investments

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Restricted	\$ 22,120,514	\$ 92,885,160	\$ 105,005,674
Unrestricted	\$ 133,753,018	\$ 316,612,025	\$ 460,365,043
Total	<u><u>\$ 155,873,532</u></u>	<u><u>\$ 409,497,185</u></u>	<u><u>\$ 565,370,717</u></u>

