

Administration and Finance Committee
Summary Minutes
January 8, 2019

The meeting was called to order at 9:30 a.m. at Supervisor Andersen's Office in Lafayette at 3338 Mt. Diablo Boulevard. Those in attendance were:

Committee Members: Director Al Dessayer
 Director Don Tatzin
 Director Kevin Wilk

Staff: General Manager Rick Ramacier
 Assistant General Manager Bill Churchill
 Chief Financial Officer Erick Cheung
 Director of Planning Ruby Horta
 Paratransit Coordinator Rashida Kamara
 Planning Manager Sean Hedgepeth

1. Approval of Agenda- Approved.
2. Public Communication- None
3. Approval of Minutes of December 4, 2018- Approved.
4. CCCTA Investment Policy – Quarterly Reporting Requirements – CFO Cheung reported that the portfolio as of September 30, 2018 complies with County Connection's Investment Policy. Approved for the Board consent calendar.
5. County Connection Income Statements for the Three Months Ended September 30, 2018- CFO Cheung reported that the actual expenses of \$8,705,683 are 7.3% under the year to date budget (\$686,262). Wages, fringe benefits, services, materials and supplies are under budget, and no contingency currently needed accounted for most of the variance. The A&F Committee accepted the report for consent.
6. Independent Accountant's reports on Federal Transit Administration National Transit Database Reports – CFO Cheung reported that annually our independent auditors, Brown Armstrong, CPA's, are required to review the data we report to FTA on Form FFA-10, which is included in the National Transit Database report (NTD). The form reports hours, miles, passengers, passenger miles and total operating expenses. Beginning in FY 2018, the FTA requires a separate report to review appropriate accounting consistent with the NTD Uniform System of Accounts (USOA). We filed the NTD report in October and Brown Armstrong completed their review in December. Brown Armstrong reviewed the data and financial information and issued both reports without exception except for a typing error in the FFA-10 Report Item G which was corrected and resubmitted. The A&F Committee approved the NTD reports to the Board for consent.
7. Proposal for Financial Audit Services – Mr. Cheung stated based on the high quality of audit services provided by Brown Armstrong, the A&F Committee directed staff to request for a proposal for an additional 3 years for FY 2019 to FY 2021 from them. Brown Armstrong has provided a 3 year proposal with an increase for FY 2019 is 2.2% for \$46,500, FY 2020 is 2.15% for \$47,500 and 2.11% for \$48,500. The A&F Committee recommended to the Board to approve the extension for audit services with Brown Armstrong for 3 years with a rotation of partner on the engagement.
8. Route 99X Promotion – Ms. Horta stated the Route 99X was a new route that began service in August 2018. The route connects the Martinez Amtrak station to North Concord BART via the Pacheco Transit Hub. During the first three months of operation, ridership on the route has averaged about 700 passengers per month. In an effort to increase ridership, staff is planning to partner with 511 Contra Costa to run a promotional campaign. As part of this promotion, rides on the route would be free for the month of February. 511 has agreed to reimburse County Connection for fares, and staff is working with legal counsel to develop a formal agreement. This is an informational item only.
9. Contra Costa Transportation Authority's Accessible Transportation Strategic (ATS) Plan – Mr. Churchill stated that Contra Costa Transit Authority (CCTA) was awarded a Caltrans Sustainable Communities Transportation Planning grant to study the potential for a coordinated transportation system for seniors and persons with disabilities. CCTA is calling the new study the Accessible Transportation Strategic (ATS) Plan. The CCTA board authorized their staff at the

September 19, 2018 board meeting to reach out to all county public transit operators, the four Regional Transportation Planning Committees (RTPC's) as well as a number of other stakeholders to participate in the study. Additionally, CCTA has requested that each participant in the study sign a Memorandum of Understanding (MOU) prior to the commencement of the study. CCTA has requested each participant review the draft MOU and provide feedback prior to the end of January 2019. County Connection has forwarded to legal for review and has conducted an initial evaluation of the document. Staff has some concerns 1) The MOU requires the Board to sign off on the final recommendations of the study prior to the study having been completed. Should the study recommend a new Authority be developed that provides ADA services for the whole County, then the MOU would require County Connection use the new entity to provide complimentary paratransit services relinquishing a role it has served since 1980. 2) Apparent combining of senior's (ambulatory or not) into the definition of Accessible Transportation, significantly broadening the scope of the population transportation services would be provided for. Currently County Connection provides transportation for persons with disabilities as defined by the Federal Transportation Administration (FTA). By adding ambulatory seniors to the group of eligible riders the potential growth in passengers could quickly wipe out existing funding streams. The MOU in its current form doesn't recognize that each of the groups to be studied each have a specific set federal regulations that govern how transportation services are to be provided.

County Connection staff supports CCTA and Contra Costa County's efforts in the development of a centralized and consolidated transportation program for seniors and persons with disabilities, staff also maintains that it is imperative the Authority maintain autonomy and control over decisions of how to provide paratransit services to our community. County Connection should remain in control of decisions regarding how, when and where required paratransit services are to be provided. Director Tatzin suggested a representative from Contra Costa Transportation Authority and the Contra Costa County be present to address questions and issues at the Board meeting in a collaborative nature. The A&F Committee is supportive of performing the study and discuss the MOU at the Board level. The MOU was forwarded to the Board with the recommendation of a CCTA and County staff person be present to address questions/concerns of the Board.

10. Final Fare Restructure Proposal & Title VI Analysis – Mr. Churchill stated in April 2018, staff presented a draft version of a proposal to modernize the County Connection fare structure, moving away from paper fare products in favor of promoting Clipper card use. Ms. Horta and Mr. Hedgepeth discussed that over the summer, staff conducted the required community outreach for the fare changes across our service area, which was presented to the Board in September 2018. In addition to the required outreach, staff has prepared a Title VI Fare Equity Analysis. If approved by the Board, staff anticipates making the fare changes in March of 2019, which coincides with the proposed implementation of the service restructure. This would allow for significant practical synergies as the fare changes will be represented on all new printed materials that would be updated simultaneously with new route and schedule information. In addition, staff could inform the public of both the new fare and service changes across our various mediums in advance of the restructure. Mitigation for known impacts, such as a proposal to retain free midday fares for Mt. Diablo School District's BRIDGE adult education program, is also included as part of this analysis. No other changes have occurred to the original April 2018 fare proposal.

The base cash fare is proposed to increase 50 cents to \$2.50 for adults and 25 cents for senior/disabled to \$1.25. This is viewed as a cash surcharge, as the Clipper fares have no proposed increase. All paper products, including punch cards, paper monthly passes, and paper transfers are proposed to be eliminated. These fare products are intended to be replaced by Clipper products. This is following suit from the transit industry as a whole, including our neighboring agencies such as AC Transit and SFMTA. In addition to moving away from paper products, staff proposes the elimination of the Midday 10am-2pm Free Fare program.

The initial proposal was presented to the Board in April 2018 and staff received authorization to conduct the public hearing process. Staff scheduled six (6) public hearings from June 25th to July 25th in the following cities: Martinez, Lafayette, Concord, Pleasant Hill, Walnut Creek and San Ramon. Additionally, comments were encouraged via mail, email, phone, and on our website. The comments received were presented at the September Board meeting. In addition to the public hearing process, the fare proposal requires a Title VI review to ensure low income and minority communities are not disproportionately impacted. Legal counsel has reviewed the public hearing process as well as the Title VI analysis.

Staff has completed the Title VI analysis based on the final fare proposal. According to circular 4702.1B, issued October 1, 2012 of Title VI of the 1964 Civic Rights act, fare changes are required to undergo a Fare Equity Analysis. As part of our board adopted Major Service Change Policy, fare or service changes must not have more than a 20% disparate impact to minorities or a disproportionate burden to minorities. The attached Title VI analysis did not find any disparate

impacts to minorities or any disproportionate burdens to low-income populations, with only a 6.1% burden and 6.3% impact.

Estimated revenue generated by this fare proposal will depend on the level of ridership loss. Staff estimates that ridership may drop between 5-10%, which would equate to an annual increase of revenue between \$500,000 (at a 10% drop) and \$700,000 (at a 5% drop).

The A&F Committee recommended the Fare restructure for approval to the Board

11. February Board Workshop Reminder – Board meeting in February will be a workshop which is estimated to last 2 hours.
12. Review of Vendor Bills, December 2018- Reviewed.
13. Legal Services Statement, October 2018, General & Labor- Approved.
14. Adjournment- Adjournment in memory of Ralph Hoffman. The meeting was adjourned. The next meeting is set for scheduled Wednesday, February 13th at 9:30 am at 3338 Mt. Diablo Blvd, Lafayette, CA 94549 and March 6th at 10am in Walnut Creek

Erick Cheung, Chief Financial Officer