

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee
From: Erick Cheung, Chief Finance Officer

Date: June 5, 2019

SUBJECT: Income Statements for the Six Months Ended March 31, 2019

The attached unaudited County Connection Income Statements for nine months of FY 2019 are presented for your review. The combined expenses of \$27,839,774 for Fixed Route and Paratransit, (Schedule 1), **are -4.6% under the budget or -\$1,347,418**. The expense categories with the most significant variances are:

Wages	\$(132,513)	(1.2)%	Operator wages are over budget as service is maintained but guarantees and overtime is higher due to vacancies and employees out on illness late 2018 and beginning this calendar year by \$145K. Other wages are lower by \$278K due to the Manager of Planning/Community Liaison and Customer Service & Outreach Coordinator positions were vacant during the first quarter and filled during second quarter of the fiscal year. The Director of Innovation and Mobility position is vacant with duties reassigned to planning staff.
Fringe Benefits	\$(280,839)	(3.5)%	Fringe Benefits are under budget due to vacancies but medical & cafeteria premiums rising in January 2019 based on MOUs.
Services	\$(327,087)	(19.3)%	Services are under budget due to lower promotions expense for \$82K, legal services of \$81K, and service vehicle repair for \$55K.
Materials & Supplies	\$(146,230)	(6.7)%	Materials and supplies are lower due to lower diesel fuel costs of \$184K, but offset by higher repair parts expenses of \$112K.
Special Trip Services	\$ 312,504	7.1%	Special Trip Services are over budget as Paratransit revenue hours are up 15.1%.
Contingency	\$(600,000)	(100.0)%	Not needed based on expenses being under budget.

Fixed route and Paratransit revenues and expenses are presented on **Schedules 2 and 3**. Actual expenses are compared to the year-to-date approved budget. Fixed route expenses are -6.8% under budget and Paratransit expenses are 7.5% over budget.

The combined revenues are also under budget. The most significant variances:

Passenger fares/special fares	\$ 170,386	5.0%	Fixed route passenger fares/special fares are \$169K higher than budget since staff assumed a decrease of 3.0% based on past trends. Also, fares were increased on March 10 th for both. Compared to the same period in the prior year, fixed route is 0.1% lower; paratransit is 0.7% lower than prior year.
TDA revenue earned	\$(2,259,911)	(16.6)%	TDA revenue is lower due to lower than expected expenses.
STA revenue	\$499,207	11.7%	STA is over budget because MTC allocated remaining one time population based funds for \$785K.
Other revenue	\$112,311	84.5%	LAIF interest rates have nearly doubled from previous year from 1.2% to 2.4% which has brought in an additional \$106K.

Fixed Route Operator Wages (Schedule 4)

Schedule 4 compares various components of operator wages with the budget.

- Platform (work time) is \$50,500 or 1.0% over budget.
- Guarantees and Overtime are \$62,566 or 12.6% over budget due to vacancies and sick time.
- Training is \$15,344 or 13.6% over budget.
- Overall wages for operators are \$145,034 or 2.3% over budget.

Statistics (Schedule 6)

Schedule 6 provides selected statistical information for the current year compared to the last two years:

Fixed route:

- Passenger fares/special fares are 1.0% more than FY 2018 and 2.3% more than FY 2017.
- The farebox recovery ratio is 4.2% less than FY 2018 and 6.0% lower than FY 2017. The ratio is 14.0% in FY 2019; 14.6% in FY 2018 and 14.9% in FY 2017.
- Operating expenses are 5.4% more than in FY 2018 and 8.8% more than in FY 2017.
- Fixed route revenue hours are 1.3% more than FY 2018 and 3.5% more than FY 2017.
- The cost per revenue hour has increased 4.1% compared to FY 2018 and 5.1% compared to FY 2017.
- Passengers have decreased 4.0% compared to FY 2018 and 6.8% compared to FY 2017.
- The cost per passenger has increased 9.8% compared to FY 2018 and 16.7% compared to FY 2017.
- Passengers per revenue hour has decreased -5.2% compared to FY 2018 and -10.0% compared to FY 2017.

Paratransit:

- Passenger fares have decreased 0.7% compared to FY 2018 and increased 0.6% compared to FY 2017.
- The farebox ratio is less than FY 2018 and FY 2017. The ratio is 8.1% in FY 2019; 9.4% in FY 2018; and 9.7% in FY 2017.
- Expenses have increased 15.6% compared to FY 2018 and 20.9% compared to FY 2017.
- Revenue hours are 15.1% more than FY 2018 and 14.5% in FY 2017.
- Passengers have increased 2.4% compared to FY 2018 and 1.2% compared to FY 2017.
- The cost per passenger has increased 12.9% since FY 2018 and 19.4% compared to FY 2017.
- Paratransit passengers per revenue hour have decreased 11.0% compared to FY 2018 and 11.6% compared to FY 2017.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of Actual vs Budget
Combined Fixed Route and Paratransit Income Statement
For the Nine Months Ended March 31, 2019

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 2,404,927	\$ 2,288,604	\$ 116,323	5.1%
Special fares	1,203,782	1,149,720	54,062	4.7%
	<u>3,608,709</u>	<u>3,438,323</u>	<u>170,386</u>	<u>5.0%</u>
Advertising	469,667	445,905	23,762	5.3%
Safe Harbor lease	26,468	13,238	13,230	99.9%
Other revenue	245,156	132,845	112,311	84.5%
Federal operating	1,040,635	1,044,600	(3,965)	-0.4%
TDA earned revenue	11,394,920	13,654,831	(2,259,911)	-16.6%
STA revenue	4,763,060	4,263,853	499,207	11.7%
Measure J	4,842,041	4,758,445	83,596	1.8%
Other operating assistance	1,460,718	1,446,752	13,967	1.0%
	<u>24,242,665</u>	<u>25,760,468</u>	<u>(1,517,803)</u>	<u>-5.9%</u>
Total Revenue	\$ 27,851,374	\$ 29,198,792	\$ (1,347,418)	-4.6%
Expenses				
Wages- Operators	\$ 6,375,266	\$ 6,230,232	\$ 145,034	2.3%
Wages-Other	4,479,138	4,756,685	(277,547)	-5.8%
	<u>10,854,404</u>	<u>10,986,917</u>	<u>(132,513)</u>	<u>-1.2%</u>
Fringe Benefits	7,672,362	7,953,201	(280,839)	-3.5%
Services	1,363,712	1,690,799	(327,087)	-19.3%
Materials & Supplies	2,031,044	2,177,274	(146,230)	-6.7%
Utilities	267,609	285,038	(17,429)	-6.1%
Insurance	655,897	714,413	(58,516)	-8.2%
Taxes	139,061	196,361	(57,300)	-29.2%
Leases and Rentals	41,529	39,581	1,948	4.9%
Miscellaneous	127,394	169,350	(41,956)	-24.8%
Special Trip Services	4,698,362	4,385,858	312,504	7.1%
Operations	27,851,374	28,598,792	(747,418)	-2.6%
Contingency Reserve	-	600,000	(600,000)	-100.0%
Total Expenses	\$ 27,851,374	\$ 29,198,792	\$ (1,347,418)	-4.6%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	232,628	222,498	10,130	4.6%
Cost per Rev Hr	\$ 119.55	\$ 131.05	\$ (11.51)	-8.8%
Passengers	2,544,811	2,644,473	(99,662)	-3.8%
Cost per Passenger	\$ 10.94	\$ 11.04	\$ (0.10)	-0.9%
Farebox ratio	13.0%	11.8%	1.2%	10.0%
<i>(fares,spec fares/Oper exp-w/o contingency-leases)</i>				

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of Actual vs Budget
Fixed Route Income Statement
For the Nine Months Ended March 31, 2019

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 2,022,909	\$ 1,907,979	\$ 114,930	6.0%
Special fares	1,203,782	1,149,720	54,062	4.7%
	3,226,691	3,057,698	168,993	5.5%
Advertising	469,667	445,905	23,762	5.3%
Safe Harbor lease	26,468	13,238	13,230	99.9%
Other revenue	245,156	132,770	112,386	84.6%
TDA earned revenue	10,066,284	12,450,015	(2,383,731)	-19.1%
STA revenue	4,291,500	3,792,293	499,207	13.2%
Measure J	3,447,426	3,551,330	(103,904)	-2.9%
Other operating assistance	1,333,801	1,343,252	(9,451)	-0.7%
	19,880,302	21,728,802	(1,848,500)	-8.5%
Total Revenue	\$ 23,106,993	\$ 24,786,501	\$ (1,679,508)	-6.8%
Expenses				
Wages- Operators	\$ 6,375,266	\$ 6,230,232	\$ 145,034	2.3%
Wages-Other	4,358,379	4,627,291	(268,912)	-5.8%
	10,733,645	10,857,523	(123,878)	-1.1%
Fringe Benefits	7,602,394	7,895,917	(293,523)	-3.7%
Services	1,327,053	1,661,849	(334,796)	-20.1%
Materials & Supplies	2,026,237	2,173,974	(147,737)	-6.8%
Utilities	252,760	264,413	(11,653)	-4.4%
Insurance	655,897	714,413	(58,516)	-8.2%
Taxes	139,061	196,136	(57,075)	-29.1%
Leases and Rentals	41,529	39,581	1,948	4.9%
Miscellaneous	127,394	168,712	(41,318)	-24.5%
Purchased Transportation	201,023	213,983	(12,960)	-6.1%
Operations	23,106,993	24,186,501	(1,079,508)	-4.5%
Contingency Reserve	-	600,000	(600,000)	
Total Expenses	\$ 23,106,993	\$ 24,786,501	\$ (1,679,508)	-6.8%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	172,326	170,156	2,170	1.3%
Cost per Rev Hr	\$ 133.85	\$ 145.44	\$ (11.59)	-8.0%
Passengers	2,440,990	2,543,090	(102,100)	-4.0%
Cost per Passenger	\$ 9.47	\$ 9.75	\$ (0.28)	-2.9%
Passengers per Rev Hr	14.16	14.95	(0.78)	-5.2%
Farebox recovery ratio	14.0%	12.7%	1.3%	10.5%
<i>(fares,spec fares/Oper exp-w/o contingency-leases)</i>				

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2019 Year to Date Comparison of Actual vs Budget
For the Nine Months Ended March 31, 2019

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 382,018	\$ 380,625	\$ 1,393	0.4%
	382,018	380,625	1,393	0.4%
Other revenue	-	75	(75)	-100.0%
Federal operating	1,040,635	1,044,600	(3,965)	-0.4%
TDA earned revenue	1,328,636	1,204,816	123,820	10.3%
STA revenue	471,560	471,560	-	0.0%
Measure J	1,394,615	1,207,115	187,500	15.5%
Other operating assistance	126,917	103,500	23,417	22.6%
	4,362,363	4,031,666	330,697	8.2%
Total Revenue	\$ 4,744,381	\$ 4,412,291	\$ 332,090	7.5%
Expenses				
Wages-Other	\$ 120,759	\$ 129,394	\$ (8,635)	-6.7%
	120,759	129,394	(8,635)	-6.7%
Fringe Benefits	69,968	57,284	12,684	22.1%
Services	36,659	28,950	7,709	26.6%
Materials & Supplies	4,807	3,300	1,507	45.7%
Utilities	14,849	20,625	(5,776)	-28.0%
Taxes	-	225	(225)	-100.0%
Miscellaneous	-	638	(638)	-100.0%
Special Trip Services	4,497,339	4,171,875	325,464	7.8%
Total Expenses	\$ 4,744,381	\$ 4,412,291	\$ 332,090	7.5%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	60,302	52,342	7,960	15.2%
Cost per Rev Hr	\$ 78.68	\$ 84.30	\$ (5.62)	-6.7%
Passengers	103,821	101,383	2,438	2.4%
Cost per Passenger	\$ 45.70	\$ 43.52	\$ 2.18	5.0%
Passengers per Rev Hr	1.72	1.94	(0.22)	-11.1%
Farebox ratio	8.1%	8.6%	-0.6%	-6.7%
<i>(fares, spec fares/Oper exp-leases)</i>				

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Nine Months Ended March 31, 2019

	Year to Date		Variance	% Variance
	Actual	Budget		
Platform/report/turn in	\$ 5,080,289	\$ 5,029,789	\$ 50,500	1.0%
Guarantees	229,042	187,719	41,323	22.0%
Overtime	330,776	309,533	21,244	6.9%
Spread	177,430	166,882	10,548	6.3%
Protection	248,119	220,120	27,999	12.7%
Travel	162,469	179,379	(16,910)	-9.4%
Training	127,945	112,601	15,344	13.6%
Other Misc	19,196	24,210	(5,014)	-20.7%
	\$ 6,375,266	\$ 6,230,232	\$ 145,034	2.3%

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Nine Months Ended March 31, 2019

Other Revenue

Investment income (interest)	\$ 142,287
ADA Database Management revenue	75,000
Paypal Shipping revenue	711
RTC card revenue	2,285
Various	24,873
	\$ 245,156

Other Operating Assistance

RM2	\$ 109,004
BART feeder revenue	619,593
LCTOP	270,912
Lifeline grant	225,000
Homeland Security ITS	89,372
Special Planning Grant Revenue	19,920
	\$ 1,333,801

Miscellaneous Expenses

Board Travel Expense	\$ 3,943
Staff Travel Expense	42,554
CTA Conference	15,396
APTA Dues	26,622
Employee functions	22,109
Business Expense, GM	1,145
Employee Awards/Pins	2,489
Paypal fees	2,053
Training	6,535
Various other	4,548
	\$ 127,394

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of FY 2018 Actual & FY 2017 Actual
Statistics
For the Nine Months Ended March 31, 2019

	Actual FY2019	Actual FY2018	Variance Actual 2019 to Actual 2018	Actual FY2017	Variance Actual 2019 to Actual 2017
Fixed Route					
Fares	\$ 2,022,909	\$ 2,025,831	-0.1%	\$ 2,130,717	-5.1%
Special Fares	1,203,782	1,169,629	2.9%	1,023,372	17.6%
Total Fares	\$ 3,226,691	\$ 3,195,460	1.0%	\$ 3,154,089	2.3%
<i>Fares box recovery ratio</i>	14.0%	14.6%	-4.2%	14.9%	-6.0%
Operating Exp (Less leases)	\$ 23,065,464	\$ 21,882,788	5.4%	\$ 21,200,301	8.8%
Revenue Hours	172,326	170,156	1.3%	166,443	3.5%
Cost per Rev Hour	\$ 133.85	\$ 128.60	4.1%	\$ 127.37	5.1%
Passengers	2,440,990	2,543,090	-4.0%	2,618,435	-6.8%
Cost per Passenger	\$ 9.45	\$ 8.60	9.8%	\$ 8.10	16.7%
Passengers per Rev Hr	14.16	14.95	-5.2%	15.73	-10.0%

Paratransit

Fares	\$ 382,018	\$ 384,776	-0.7%	\$ 379,893	0.6%
<i>Fares box recovery ratio</i>	8.1%	9.4%	-14.1%	9.7%	-16.8%
Operating Exp (Less leases)	\$ 4,744,381	\$ 4,104,075	15.6%	\$ 3,925,165	20.9%
Revenue Hours	60,302	52,406	15.1%	52,670	14.5%
Cost per Rev Hour	\$ 78.68	\$ 78.31	0.5%	\$ 74.52	5.6%
Passengers	103,821	101,383	2.4%	102,599	1.2%
Cost per Passenger	\$ 45.70	\$ 40.48	12.9%	\$ 38.26	19.4%
Passengers per Rev Hr	1.72	1.93	-11.0%	1.95	-11.6%