

County Connection

INTER OFFICE MEMO

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

Date: October 1, 2019

SUBJECT: Income Statements for the Fiscal Year Ended June 30, 2019

The attached unaudited County Connection Income Statements for Fiscal Year (FY) 2019 are presented for your review. The combined expenses of \$37,974,668 for Fixed Route and Paratransit, (Schedule 1), **are under budget by 3.8% or \$1,500,228**. The expense categories with the most significant variances are:

Wages	\$(167,545)	(1.1)%	Operator wages are over budget since there was minimal service change due to vacancies and illness in late 2018 and beginning this calendar year but meant higher guarantees and overtime 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	\$(175,871)	(1.6)%	Fringe Benefits are under budget due to vacancies but medical & cafeteria premiums rising in January 2019 based on MOUs.
Services	\$(331,496)	(14.7)%	Services are under budget due to lower promotions expense for \$95K, legal services of \$108K, and schedules/graphics printing for \$62K.
Materials & Supplies	\$(136,641)	(4.7)%	Materials and supplies are lower due to lower diesel fuel costs of \$205K and less electricity use for trolleys of \$47K. Offset by higher repair parts expenses of \$124K and obsolete parts write off for \$26K.
Insurance	\$(189,017)	(19.8)%	Liability losses were under budget by \$147K.
Special Trip Services	\$ 363,829	6.2%	Special Trip Services are over budget as Paratransit revenue hours are up 13.3%.
Contingency	\$(800,000)	(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 -5.8% 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	\$ 451,286	9.8%	Fixed route passenger fares/special fares are \$426K higher than budget. Staff assumed a decrease of 3.0% on passenger fares based on past trends, but only decreased 1.3% from previous year. Also, fares were increased on March 10 th for fixed route and paratransit since 2009. County Connection assisted BART with bus bridges for additional revenue of \$257K more than budget. Paratransit fares increased with more passengers. Compared to the same period in the prior year, fixed route is 3.8% higher; paratransit is 5.6% higher than prior year.
TDA revenue earned	\$(3,563,459)	(19.0)%	TDA revenue is lower due to lower than expected expenses and higher STA revenue as noted below.
STA revenue	\$955,957	16.8%	STA is over budget because MTC allocated remaining one time population based funds for \$785K for fixed route and \$171K for paratransit.
Other revenue	\$97,474	55.0%	LAIF interest rates have nearly doubled from previous year from 1.2% to 2.4% which has brought in an additional \$114K. Also, an increase of \$24K in to record LAIF at fair market value at June 30 th . This is offset by loss on sale/disposal of fixed assets of \$45K.

Fixed Route Operator Wages (Schedule 4)

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

- Platform (work time) is \$46,455 or 0.7% over budget.
- Guarantees and Overtime are \$75,149 or 11.0% over budget due to vacancies and sick time.
- Protection is \$73,493 or 24.2% over budget.
- Overall wages for operators are \$176,974 or 2.1% 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 3.8% more than FY 2018 and 6.5% more than FY 2017.
- The farebox recovery ratio is 1.7% less than FY 2018 and 1.8% lower than FY 2017. The ratio is 14.3% in FY 2019; 14.5% in FY 2018 and 14.6% in FY 2017.
- Operating expenses are 5.6% more than in FY 2018 and 8.5% more than in FY 2017.
- Fixed route revenue hours are 0.3% more than FY 2018 and 3.6% more than FY 2017.
- The cost per revenue hour has increased 5.3% compared to FY 2018 and 4.7% compared to FY 2017.
- Passengers have decreased 4.8% compared to FY 2018 and 6.2% compared to FY 2017.
- The cost per passenger has increased 10.9% compared to FY 2018 and 15.7% compared to FY 2017.

- Passengers per revenue hour has decreased -5.0% compared to FY 2018 and -9.5% compared to FY 2017.

Paratransit:

- Passenger fares have increased 5.6% compared to FY 2018 and increased 3.3% compared to FY 2017.
- The farebox ratio is less than FY 2018 and FY 2017. The ratio is 8.4% in FY 2019; 9.1% in FY 2018; and 9.9% in FY 2017.
- Expenses have increased 14.7% compared to FY 2018 and 21.2% compared to FY 2017.
- Revenue hours are 13.3% more than FY 2018 and 14.0% in FY 2017.
- Passengers have increased 2.0% compared to FY 2018 and 1.1% compared to FY 2017.
- The cost per passenger has increased 12.4% since FY 2018 and 19.9% compared to FY 2017.
- Paratransit passengers per revenue hour have decreased 9.9% compared to FY 2018 and 11.4% 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 Fiscal Year Ended June 30, 2019

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 3,216,044	\$ 3,066,959	\$ 149,085	4.9%
Special fares	1,833,494	1,531,293	302,201	19.7%
	<u>5,049,538</u>	<u>4,598,252</u>	<u>451,286</u>	<u>9.8%</u>
Advertising	592,496	594,540	(2,044)	-0.3%
Safe Harbor lease	36,112	17,650	18,462	104.6%
Other revenue	300,521	177,127	123,394	69.7%
Federal operating	1,703,403	1,392,800	310,603	22.3%
TDA earned revenue	15,172,335	18,735,794	(3,563,459)	-19.0%
STA revenue	6,641,095	5,685,138	955,957	16.8%
Measure J	6,535,589	6,344,593	190,996	3.0%
Other operating assistance	1,943,579	1,929,002	14,577	0.8%
	<u>32,925,130</u>	<u>34,876,644</u>	<u>(1,951,514)</u>	<u>-5.6%</u>
Total Revenue	\$ 37,974,668	\$ 39,474,896	\$ (1,500,228)	-3.8%
Expenses				
Wages- Operators	\$ 8,771,974	\$ 8,595,000	\$ 176,974	2.1%
Wages-Other	6,160,088	6,504,607	(344,519)	-5.3%
	<u>14,932,062</u>	<u>15,099,607</u>	<u>(167,545)</u>	<u>-1.1%</u>
Fringe Benefits	10,509,694	10,685,565	(175,871)	-1.6%
Services	1,922,903	2,254,399	(331,496)	-14.7%
Materials & Supplies	2,777,884	2,914,525	(136,641)	-4.7%
Utilities	366,642	380,050	(13,408)	-3.5%
Insurance	763,534	952,551	(189,017)	-19.8%
Taxes	217,950	261,815	(43,865)	-16.8%
Leases and Rentals	53,508	52,775	733	1.4%
Miscellaneous	218,852	225,799	(6,947)	-3.1%
Special Trip Services	6,211,639	5,847,810	363,829	6.2%
Operations	37,974,668	38,674,896	(700,228)	-1.8%
Contingency Reserve	-	800,000	(800,000)	-100.0%
Total Expenses	\$ 37,974,668	\$ 39,474,896	\$ (1,500,228)	-3.8%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	308,473	298,452	10,021	3.4%
Cost per Rev Hr.	\$ 122.93	\$ 132.09	\$ (9.16)	-6.9%
Passengers	3,390,882	3,550,559	(159,677)	-4.5%
Cost per Passenger	\$ 11.20	\$ 11.12	\$ 0.08	0.7%
Farebox ratio	13.3%	11.7%	1.7%	14.2%
<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 Fiscal Year Ended June 30, 2019

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 2,683,963	\$ 2,559,459	\$ 124,504	4.9%
Special fares	1,833,494	1,531,293	302,201	19.7%
	4,517,457	4,090,752	426,705	10.4%
Advertising	592,496	594,540	(2,044)	-0.3%
Safe Harbor lease	36,112	17,650	18,462	104.6%
Other revenue	300,521	177,027	123,494	69.8%
TDA earned revenue	13,988,994	17,129,375	(3,140,381)	-18.3%
STA revenue	5,841,355	5,056,391	784,964	15.5%
Measure J	4,596,565	4,735,106	(138,541)	-2.9%
Other operating assistance	1,775,197	1,791,002	(15,805)	-0.9%
	27,131,240	29,501,091	(2,369,851)	-8.0%
Total Revenue	\$ 31,648,697	\$ 33,591,843	\$ (1,943,146)	-5.8%
Expenses				
Wages- Operators	\$ 8,771,974	\$ 8,595,000	\$ 176,974	2.1%
Wages-Other	5,992,983	6,332,082	(339,099)	-5.4%
	14,764,957	14,927,082	(162,125)	-1.1%
Fringe Benefits	10,413,079	10,609,187	(196,108)	-1.8%
Services	1,865,865	2,215,799	(349,934)	-15.8%
Materials & Supplies	2,770,243	2,910,125	(139,882)	-4.8%
Utilities	344,682	352,550	(7,868)	-2.2%
Insurance	763,534	952,551	(189,017)	-19.8%
Taxes	217,950	261,515	(43,565)	-16.7%
Leases and Rentals	53,508	52,775	733	1.4%
Miscellaneous	189,045	224,949	(35,904)	-16.0%
Purchased Transportation	265,834	285,310	(19,476)	-6.8%
Operations	31,648,697	32,791,843	(1,143,146)	-3.5%
Contingency Reserve	-	800,000	(800,000)	
Total Expenses	\$ 31,648,697	\$ 33,591,843	\$ (1,943,146)	-5.8%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	228,907	228,293	614	0.3%
Cost per Rev Hr.	\$ 138.03	\$ 146.91	\$ (8.89)	-6.0%
Passengers	3,252,148	3,414,611	(162,463)	-4.8%
Cost per Passenger	\$ 9.73	\$ 9.84	\$ (0.11)	-1.1%
Passengers per Rev Hr.	14.21	14.96	(0.75)	-5.0%
Farebox recovery ratio	14.3%	12.5%	1.8%	14.4%

(fares, spec fares/Oper exp-w/o contingency-leases)

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2019 Year to Date Comparison of Actual vs Budget
For the Fiscal Year Ended June 30, 2019

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 532,081	\$ 507,500	\$ 24,581	4.8%
	532,081	507,500	24,581	4.8%
Other revenue	-	100	(100)	-100.0%
Federal operating	1,703,403	1,392,800	310,603	22.3%
TDA earned revenue	1,183,341	1,606,419	(423,078)	-26.3%
STA revenue	799,740	628,747	170,993	27.2%
Measure J	1,939,024	1,609,487	329,537	20.5%
Other operating assistance	168,382	138,000	30,382	22.0%
	5,793,890	5,375,553	418,337	7.8%
Total Revenue	\$ 6,325,971	\$ 5,883,053	\$ 442,918	7.5%
Expenses				
Wages-Other	\$ 167,105	\$ 172,525	\$ (5,420)	-3.1%
	167,105	172,525	(5,420)	-3.1%
Fringe Benefits	96,615	76,378	20,237	26.5%
Services	57,038	38,600	18,438	47.8%
Materials & Supplies	7,641	4,400	3,241	73.7%
Utilities	21,960	27,500	(5,540)	-20.1%
Taxes	-	300	(300)	-100.0%
Miscellaneous	29,807	850	28,957	3406.7%
Special Trip Services	5,945,805	5,562,500	383,305	6.9%
Total Expenses	\$ 6,325,971	\$ 5,883,053	\$ 442,918	7.5%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	79,566	70,159	9,407	13.4%
Cost per Rev Hr.	\$ 79.51	\$ 83.85	\$ (4.35)	-5.2%
Passengers	138,734	135,948	2,786	2.0%
Cost per Passenger	\$ 45.60	\$ 43.27	\$ 2.32	5.4%
Passengers per Rev Hr.	1.74	1.94	(0.19)	-10.0%
Farebox ratio	8.4%	8.6%	-0.2%	-2.5%
<i>(fares, spec fares/Oper exp-leases)</i>				

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Fiscal Year Ended June 30, 2019

	Year to Date		Variance	% Variance
	Actual	Budget		
Platform/report/turn in	\$ 6,985,367	\$ 6,938,912	\$ 46,455	0.7%
Guarantees	304,690	258,970	45,720	17.7%
Overtime	456,449	427,020	29,429	6.9%
Spread	245,702	230,224	15,478	6.7%
Protection	377,162	303,669	73,493	24.2%
Travel	217,552	247,465	(29,913)	-12.1%
Training	155,278	155,340	(62)	0.0%
Other Misc.	29,773	33,399	(3,625)	-10.9%
	\$ 8,771,974	\$ 8,595,000	\$ 176,974	2.1%

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Fiscal Year Ended June 30, 2019

Other Revenue	
Investment income (interest)	\$ 179,892
ADA Database Management revenue	75,000
Paypal Shipping revenue	711
RTC card revenue	2,972
Sale/Loss of capital assets	(45,208)
Various	61,234
	\$ 274,601
Other Operating Assistance	
RM2	\$ 145,339
BART feeder revenue	826,124
LCTOP	368,107
Lifeline grant	300,000
Special planning grant	19,919
	\$ 1,659,489
Miscellaneous Expenses	
Board Travel Expense	\$ 5,139
Staff Travel Expense	73,471
CTA Conference	15,396
APTA Dues	35,500
Employee functions	32,316
Business Expense, GM	1,681
Business Expense, Transportation	29
Business Expense, Finance	1,440
Employee Awards/Pins	4,058
Paypal fees	2,380
Training	14,465
Various other	3,170
	\$ 189,045

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of FY 2018 Actual & FY 2017 Actual
Statistics
For the Fiscal Year Ended June 30, 2019

	Actual FY2019	Actual FY2018	Variance Actual 2019 to Actual 2018	Actual FY2017	Variance Actual 2019 to Actual 2017
Fixed Route					
Fares	\$ 2,683,963	\$ 2,717,552	-1.2%	\$ 2,760,780	-2.8%
Special Fares	1,833,494	1,635,867	12.1%	1,480,747	23.8%
Total Fares	\$ 4,517,457	\$ 4,353,419	3.8%	\$ 4,241,527	6.5%
Fares box recovery ratio	14.3%	14.5%	-1.7%	14.6%	-1.8%
Operating Exp (Less leases & adjust for GASB 68)	\$ 31,595,189	\$ 29,926,280	5.6%	\$ 29,131,042	8.5%
Revenue Hours	228,907	228,293	0.3%	220,931	3.6%
Cost per Rev Hour	\$ 138.03	\$ 131.09	5.3%	\$ 131.86	4.7%
Passengers	3,252,148	3,414,611	-4.8%	3,468,172	-6.2%
Cost per Passenger	\$ 9.72	\$ 8.76	10.9%	\$ 8.40	15.7%
Passengers per Rev Hr.	14.21	14.96	-5.0%	15.70	-9.5%

Paratransit

Fares	\$ 532,081	\$ 504,028	5.6%	\$ 515,182	3.3%
Fares box recovery ratio	8.4%	9.1%	-7.9%	9.9%	-14.8%
Operating Exp (Less leases)	\$ 6,325,971	\$ 5,517,364	14.7%	\$ 5,219,373	21.2%
Revenue Hours	79,566	70,223	13.3%	69,796	14.0%
Cost per Rev Hour	\$ 79.51	\$ 78.57	1.2%	\$ 74.78	6.3%
Passengers	138,734	135,948	2.0%	137,290	1.1%
Cost per Passenger	\$ 45.60	\$ 40.58	12.4%	\$ 38.02	19.9%
Passengers per Rev Hr.	1.74	1.94	-9.9%	1.97	-11.4%