

To: Board of Directors

Date: 12/10/2019

From: Bill Churchill, Assistant General Manager of Adm.

Reviewed by: 

SUBJECT: Budget Amendment request for Paratransit Operating Budget

Background:

The previous contract with First Transit for purchased transportation services incorporated the cost for fuel in the hourly rate. In response to significant input from potential bidders and to encourage competition, staff removed the fuel expense from the hourly rate and structured it as a pass-through expense in the Request for Proposals released in December 2018.

When staff developed the FY2020 budget for purchased transportation services the old budget model was used which assumed the expense for fuel was buried in the hourly rate. As a result, the FY2020 budget does not reflect fuel in a separate line item as a passthrough expense which has resulted in a significant shortfall for the projected purchased transportation expenses. Staff estimates the FY2020 purchased transportation expense to be approximately \$1,000,000 higher due to fuel.

Staff projects a total budget shortfall of nearly \$1,000,000 and requests an amendment to the FY2020 Paratransit Operating Budget increasing the appropriations and TDA revenues to cover the additional expenses.

As requested from the A&F Committee, staff will expand on budget oversight procedures to mitigate the potential for similar situations in the future. Following the initial review by the CFO with the respective department heads and management staff, the CFO and General Manager will do a line item review with the department heads to verify that all key information has been incorporated into the budget.

Recommendation:

The A&F Committee recommends the Board approve an amendment to the FY2020 Paratransit Operating Budget for \$1,000,000 to appropriations and TDA revenues to the Board.

Financial Implications:

The FY2020 Paratransit Operating Budget would increase by \$1,000,000 offset by TDA revenues.

Action Requested:

The A&F Committee and staff respectfully requests the Board approve an amendment to the FY2020 Paratransit Operating Budget for \$1,000,000 to appropriations and TDA revenues to the Board.

Attachments:

Resolution No. 2020-012

RESOLUTION NO. 2020-012
BOARD OF DIRECTORS
CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA

**AMENDING FISCAL YEAR 2020 PARATRANSIT OPERATING BUDGET AND INCREASING
APPROPRIATIONS AND REVENUES
IN THE AMOUNT OF \$1,000,000**

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions;

WHEREAS, by Resolution No. 2019-028, the Board of Directors of the Central Contra Costa Transit Authority adopted the Fiscal Year 2020 Operating and Capital Budget in the amount of \$42,271,087;

WHEREAS, the General Manager and Chief Finance Officer have determined that an increase to the Fiscal Year 2020 Paratransit Operating Budget is necessary to take into account additional revenue over that projected in the original budget;

WHEREAS, the Administration and Finance Committee has so recommended.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Central Contra Costa Transit Authority adopts an amended Paratransit Operating Budget for Fiscal Year 2020 by increasing appropriations and TDA revenue in the amount of \$1,000,000 for a total FY 2020 Operating and Capital Budget in the amount of \$43,271,087; and

BE IT FURTHER RESOLVED that the General Manager is directed to submit this amended budget to the Metropolitan Transportation Commission, together with a copy of this Resolution at the earliest possible date.

Regularly passed and adopted this 19th day of December 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Candace Andersen, Chair, Board of Directors

ATTEST:

Lathina Hill, Clerk to the Board