

County Connection

INTER OFFICE MEMO

Administration and Finance Committee
Summary Minutes
March 3, 2020

The meeting was called to order at 8:30 a.m. at 100 Gregory Lane Small Conference Room in Pleasant Hill. Those in attendance were:

Committee Members:	Director Al Dessayer Director Sue Noack Director Don Tatzin
Staff:	General Manager Rick Ramacier Assistant General Manager Bill Churchill Chief Operation Officer Scott Mitchell Chief Financial Officer Erick Cheung Director of Human Resources Lisa Rettig

1. Approval of Agenda- Approved
2. Public Communication- None
3. Approval of Minutes of February 4, 2020- Approved.
4. Re-Classification and Grade Change for Transportation Assistant Position – Director Rettig reported that a reclassification for the Transportation Administrative staff should be amended from Admin III to Transportation Assistant. This is consistent with the current Maintenance Assistant due to the responsibilities and job assignment for the Transportation Assistant. This has also been a difficult position to recruit and retain an appropriate candidate and this change will assist in finding a good candidate. This item is information only.
5. CCCTA Investment Policy – Quarterly Reporting Requirement – CFO Cheung reported that the portfolio as of December 31, 2019 complies with County Connection’s Investment Policy. Approved for the Board consent calendar.
6. Income Statements for the Six Months Ended December 31, 2019 – CFO Cheung reported that the actual expenses of \$19,572,034 are 7.4% (\$1,547,506) under budget for the first six months of the fiscal year. Expenses are under budget due to vacancies, lower promotions services and schedules since the service changes have mainly been implemented, and diesel fuel costs. Some expense line items are higher such as PG&E costs for electric trolleys and coach repair parts. Finally, the contingency is not needed for the first six months. Mr. Cheung also noted that fare revenues are 18.5% or \$486,073 over budget due to the fare increase last March, grant funds being applied for free fares, and BART agreements for Early Bird Service and Bus Bridges. Also, noted that State Transit Assistance allocation was lowered by MTC hence the decrease of \$264,006 or 8.1%. Commissioner Tatzin asked if we knew which routes saw increases in fare revenue not including the grant funds. AGM Churchill noted that that Planning is currently analyzing that information. The committee accepted the report.
7. Fiscal Year 2021 Draft Budget and Ten Year Forecast – CFO Cheung reported that the FY 2021 Budget proposes \$45.3 million in operational and capital expenses with revenues to offset these costs. County Connection’s main revenue source is TDA 4.0 funds from MTC; the budget proposes using \$22.3 million which is \$2.9 million more than MTC estimates we will receive next fiscal year of \$19.4 million. Therefore, TDA reserves will be needed and bringing our balance to \$15.2 million by the end of the FY 2021. Assuming no additional revenues, the reserves will continue to decline to \$3.6 million in FY 2024 and will go negative the following year as expenses are growing at a faster rate than TDA revenue. The main reasons are the County and the State revised revenues estimates in FY 2020 by 10% which sets a new baseline for the following year and amounts to \$2.6 million. Also, increased costs in Paratransit purchased transportation includes a 6% increase based on our contract with Transdev and expand our Choice in Aging program for approximately \$0.7 million. Commissioner Dessayer noted that the deficit spending should be addressed at the Board meeting in March. Commissioners Dessayer and Tatzin requested that staff update the Forecast for the amount required to be adjusted for in expense reductions/revenue increase and maintain a reasonable TDA reserve. Also, inform the Board that the current forecast does not include reduction of fare revenues based on recent fare proposals by State legislators, nor a recession due to a slowdown in the economy or the Coronavirus. Staff will prepare an updated forecast based on the comments by the Committee to present to the Board.

8. Review of Vendor Bills, February 2020- Reviewed.
9. Legal Services Statement, December 2019 General and Labor - Approved.
10. Adjournment- The meeting was adjourned. The next meeting is set for scheduled for 8:30 am on Wednesday, April 8th and May 1st at 3:00 pm in the City of Pleasant Hill.

Erick Cheung, Chief Financial Officer