

INTER OFFICE MEMO

Administration and Finance Committee
Summary Minutes
October 7, 2020

The meeting was called to order at 8:30 a.m. via Teleconference pursuant to the provision of the Governor's Executive Orders N-25-20 and N-29-20. Those in attendance were:

Committee Members:	Director Al Dessayer Director Sue Noack
Staff:	General Manager Rick Ramacier Assistant General Manager Bill Churchill Chief Financial Officer Erick Cheung Director of Planning, Marketing & Innovation Ruby Horta

1. Approval of Agenda- Approved by each member of the A&F Committee
2. Public Communication- None
3. Approval of Minutes of September 9, 2020- Approved by each member of the A&F Committee.
4. Income Statements for the Fiscal Year Ended June 30, 2020 – CFO Cheung reported that the actual expenses of \$37,805,701 are -11.2% (\$4,776,386) under budget for the fiscal year. Expenses are under budget due to vacancies and associated benefits; lower promotions and schedules/graphics expense, liability costs, special trip services and diesel fuel costs. Finally, the contingency was not needed this fiscal year. Mr. Cheung also noted that fare revenues of \$4,695,828 are 9.1% under budget (\$467,838) due to COVID-19 as County Connection stopped collecting fare revenue in mid-March. Due to COVID-19, we received \$6,911,064 in FTA Cares Act funding. GM Ramacier noted that staff is planning on fare collection to begin on November 1st. Each member of the committee accepted the report and forwarded to the Board as informational item.
5. Bus Advertising Amendment – Director Horta stated COVID-19 pandemic has negatively impacted advertising sales. In communicating with the finance and planning staff, Vector Media has requested an adjustment to their minimum annual guarantees (MAG). Beginning on April 1, 2020 and continuing through the end of the year, Vector Media proposes to pay a revenue share of fifty-five (55%) percent of actual monthly billings rather than the previously agreed upon MAG. If Vector Media bills more than \$79,545 for two consecutive months prior to the end of 2020, the contract MAG will be reinstated. Vector has agreed to provide monthly sales report to ensure full transparency. The goal is to return to Year 2 MAG on January 1, 2021. However, if the economy does not recover it is possible that additional relief would be proposed in 2021. Each member of the committee approved the item for consent to the Board.
6. Conducting Scenario Planning in reaction to Challenges Presented by the COVID-19 Crisis – AGM Churchill stated that staff started reviewing scenarios with the uncertainty of revenue for Fiscal Year 2021 due to COVID-19. At a very high level, the scenarios ranged from status quo with revenue better than projected with assistance from outside agencies, to service reductions of various levels pending on revenue, to discussion of viability if no additional revenue assistance nor service reductions. The AGM stated that planning staff has begun the process for service reductions between 30,000 to 60,000 revenue hours that was already presented to the Operations and Scheduling Committee. This item will be brought to the Board at the October meeting to seek authorization to begin the required public hearing process. Each member of the committee accepted the report.
7. Review of Vendor Bills, September 2020- Reviewed by each member of the A&F Committee.

8. Legal Services Statement, July 2020 Labor and August 2020 General – Approved by each member of the A&F Committee.
9. Next Scheduled Meeting – The next meeting is set for scheduled for 8:30 am on Tuesday, November 10th via teleconference.
10. Adjournment- The meeting was adjourned

Erick Cheung, Chief Financial Officer