

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 02/24/2022

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Income Statements for the Three Months Ended September 30, 2021

Background:

The quarterly income statement report is an opportunity for the Committee to review the Authority's financial status and to provide fiscal and operational accountability.

Summary:

The unaudited County Connection Income Statements for the first three months of Fiscal Year (FY) 2022 are presented for review. Actual revenues and expenses are compared to the *total* approved budget. The combined expenses of Fixed Route and Paratransit for the period are \$8.8 million (*Schedule 1*), which is 19.4% of the annual budget of \$45.3 million.

Fixed Route:

Fixed Route overall revenues and expenses are presented on *Schedule 2*. Expenses for the period are \$7.1 million, representing 19.8% of the total budget. Since Transportation Development Act (TDA) revenue is utilized as needed, revenues are equivalent to expenses.

Expenses in most categories are tracking at 20% of the total budget, which is slightly lower than anticipated at the first quarter reporting milestone. The primary driver of the expense budget is Salaries and Wages, which are under budget due to staffing vacancies. *Schedule 4* provides additional detail of various components of operator wages within the budget. Overtime and Training are tracking a little higher than anticipated, but with overall Salaries and Wages under budget, these variances are not a cause for concern.

Purchased transportation is significantly under budget at 3.1% utilization. The budget anticipated certain extra COVID-related services for transporting passengers to COVID testing sites and for distributing food for the Meals on Wheels program. These services have not been as robust as anticipated this year to date, resulting in underspending in this category.

Schedule 5 provides additional detail of other revenues, other operating assistance, and miscellaneous expenses. In general, each of these categories are tracking well under budget. On the revenue side, grant revenues are tied to eligible expenses, which have not yet been spent. On the expense side, larger budgeted items such as travel and training have not seen any activity in the first quarter.

Paratransit:

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period are \$1.7 million, representing 18.1% of the total budget. TDA revenue is also utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Salaries and benefits for the period have utilized about 23% of the total budget, which is appropriate at this point in the year. Special Trip Services (purchased transportation) represent most of the Paratransit budget, and these services continue to track under budget due to COVID-related impacts on ridership.

Statistics:

Schedule 6 provides select statistical information through Q1 of FY 2022 as compared to this same period in FY 2021 and FY 2020.

Statistics shown for the first quarter of FY 2020 represent pre-pandemic activities (July 2019-September 2019). At this point in time, the fixed route farebox recovery ratio was 17.3%, and the cost of service per passenger was \$7.97. In the first quarter of FY 2021, the farebox recovery ratio dropped dramatically to 1.9%, and the cost per passenger increased to \$25.47, due to unprecedented COVID-related drops in ridership and service. In FY 2022, we see a significant rebound over FY 2021, with a farebox recovery ratio of 6.7% and cost per passenger of \$16.27.

The statistics for Paratransit services tell a similar story. The farebox recovery ratio of 5.7% in FY 2020 dropped to 0.1% in FY 2021 but has rebounded to 3.1% in the current year. Likewise, the cost of service per passenger of \$53.37 in FY 2020 nearly tripled to \$144.15 in FY 2021 and has decreased to \$110.89 in the current year.

Overall, the statistics reveal improvements to efficiencies in service delivery, as pandemic-related impacts to ridership begin to subside.

Financial Implications:

There are no financial implications associated with this report.

Action Requested:

Staff requests that the A&F Committee accept the report and provide the update to the Board.

Attachments:

Attachment 1: CCCTA Income Statements for FY 2022 Q1 (Schedules 1 through 6)

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Combined Fixed Route and Paratransit Income Statement
FY 2022 Year to Date - Comparison of Actual vs. Budget
For the Three Months Ended September 30, 2021

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Passenger fares	\$ 409,729	\$ 2,210,813	\$ (1,801,084)	18.5%
Special fares	121,223	641,820	(520,597)	18.9%
	<u>530,952</u>	<u>2,852,633</u>	<u>(2,321,681)</u>	<u>18.6%</u>
Advertising	15,950	212,195	(196,245)	7.5%
Safe Harbor lease	950	3,000	(2,050)	31.7%
Other revenue	8,112	108,700	(100,588)	7.5%
Federal operating	3,852,951	8,815,590	(4,962,639)	43.7%
TDA earned revenue	1,355,330	18,487,803	(17,132,473)	7.3%
STA revenue	-	4,533,634	(4,533,634)	0.0%
Measure J	2,592,316	6,711,000	(4,118,684)	38.6%
LAVTA Fees	316,395	1,900,766	(1,584,371)	16.6%
Other operating assistance	129,274	1,678,113	(1,548,839)	7.7%
	<u>8,271,278</u>	<u>42,450,801</u>	<u>(34,179,523)</u>	<u>19.5%</u>
Total Revenue	\$ 8,802,230	\$ 45,303,434	\$ (36,501,204)	19.4%
Expenses				
Wages- Operators	\$ 1,642,845	\$ 8,000,000	\$ (6,357,155)	20.5%
Wages-Other	1,346,382	6,896,271	(5,549,889)	19.5%
	<u>2,989,227</u>	<u>14,896,271</u>	<u>(11,907,044)</u>	<u>20.1%</u>
Fringe Benefits	2,574,229	12,181,667	(9,607,438)	21.1%
Services	552,613	2,573,650	(2,021,037)	21.5%
Materials & Supplies	642,295	2,599,800	(1,957,505)	24.7%
Utilities	64,285	395,000	(330,715)	16.3%
Insurance	244,868	1,113,600	(868,732)	22.0%
Taxes	69,311	255,015	(185,704)	27.2%
Leases and Rentals	12,952	58,000	(45,048)	22.3%
Miscellaneous	20,556	218,590	(198,034)	9.4%
Special Trip Services	1,631,894	10,111,841	(8,479,947)	16.1%
	<u>8,802,230</u>	<u>44,403,434</u>	<u>(35,601,204)</u>	<u>19.8%</u>
Operations	8,802,230	44,403,434	(35,601,204)	19.8%
Contingency Reserve	-	900,000	(900,000)	0.0%
Total Expenses	\$ 8,802,230	\$ 45,303,434	\$ (36,501,204)	19.4%
Net Income (Loss)	\$ -	\$ -	\$ -	

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Fixed Route Income Statement
FY 2022 Year to Date - Comparison of Actual vs. Budget
For the Three Months Ended September 30, 2021

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Passenger fares	\$ 357,301	\$ 1,611,500	\$ (1,254,199)	22.2%
Special fares	121,223	641,820	(520,597)	18.9%
	<u>478,524</u>	<u>2,253,320</u>	<u>(1,774,796)</u>	<u>21.2%</u>
Advertising	15,950	212,195	(196,245)	7.5%
Safe Harbor lease	950	3,000	(2,050)	31.7%
Other revenue ²	8,112	108,700	(100,588)	7.5%
Federal operating	3,542,952	7,575,590	(4,032,638)	46.8%
TDA earned revenue	434,736	15,469,409	(15,034,673)	2.8%
STA revenue	-	3,921,634	(3,921,634)	0.0%
Measure J	2,551,751	4,911,000	(2,359,249)	52.0%
Other operating assistance ²	77,253	1,478,113	(1,400,860)	5.2%
	<u>6,631,704</u>	<u>33,679,641</u>	<u>(27,047,937)</u>	<u>19.7%</u>
Total Revenue	\$ 7,110,228	\$ 35,932,961	\$ (28,822,733)	19.8%
Expenses				
Wages- Operators ¹	\$ 1,642,845	8,000,000	\$ (6,357,155)	20.5%
Wages-Other	1,295,150	6,671,029	(5,375,879)	19.4%
	<u>2,937,995</u>	<u>14,671,029</u>	<u>(11,733,034)</u>	<u>20.0%</u>
Fringe Benefits	2,544,213	12,048,415	(9,504,202)	21.1%
Services	542,492	2,480,350	(1,937,858)	21.9%
Materials & Supplies	642,205	2,596,800	(1,954,595)	24.7%
Utilities	57,002	354,000	(296,998)	16.1%
Insurance	244,868	1,097,500	(852,632)	22.3%
Taxes	69,311	255,015	(185,704)	27.2%
Interest	-	-	-	
Leases and Rentals	12,952	58,000	(45,048)	22.3%
Miscellaneous ²	20,556	207,590	(187,034)	9.9%
Purchased Transportation	38,634	1,264,262	(1,225,628)	3.1%
Operations	7,110,228	35,032,961	(27,922,733)	20.3%
Contingency Reserve	-	900,000	(900,000)	0.0%
Total Expenses	\$ 7,110,228	\$ 35,932,961	\$ (28,822,733)	19.8%
Net Income (Loss)	\$ -	\$ -	\$ -	

¹ See additional detail at Schedule 4.² See additional detail at Schedule 5.

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2022 Year to Date - Comparison of Actual vs. Budget
For the Three Months Ended September 30, 2021

	Actual	Total Budget	Variance	% Budget Used
Revenues				
Passenger fares	\$ 52,428	\$ 599,313	\$ (546,885)	8.7%
Federal operating	309,999	1,240,000	(930,001)	25.0%
TDA earned revenue	920,594	3,018,394	(2,097,800)	30.5%
STA revenue	-	612,000	(612,000)	0.0%
Measure J	40,565	1,800,000	(1,759,435)	2.3%
LAVTA Fees	316,395	1,900,766	(1,584,371)	16.6%
Other operating assistance	52,021	200,000	(147,979)	26.0%
	<u>1,639,574</u>	<u>8,771,160</u>	<u>(7,131,586)</u>	<u>18.7%</u>
Total Revenue	\$ 1,692,002	\$ 9,370,473	\$ (7,678,471)	18.1%
Expenses				
Wages-Other	51,232	225,242	(174,010)	22.7%
Fringe Benefits	30,016	133,252	(103,236)	22.5%
Services	10,121	93,300	(83,179)	10.8%
Materials & Supplies	90	3,000	(2,910)	3.0%
Utilities	7,283	41,000	(33,717)	17.8%
Insurance	-	16,100	(16,100)	0.0%
Miscellaneous	-	11,000	(11,000)	0.0%
Special Trip Services	1,593,260	8,847,579	(7,254,319)	18.0%
	<u>1,692,002</u>	<u>9,370,473</u>	<u>(7,678,471)</u>	<u>18.1%</u>
Total Expenses	\$ 1,692,002	\$ 9,370,473	\$ (7,678,471)	18.1%
Net Income (Loss)	\$ -	\$ -	\$ -	

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Three Months Ended September 30, 2021

	Actual	Total Budget	Variance	% Budget Used
Platform/report/turn in	\$ 1,398,801	\$ 6,569,600	\$ (5,170,799)	21.3%
Guarantees	50,879	\$ 323,200	(272,321)	15.7%
Overtime	97,246	\$ 270,400	(173,154)	36.0%
Spread	26,632	\$ 123,200	(96,568)	21.6%
Protection	47,257	\$ 575,200	(527,943)	8.2%
Travel	1,174	\$ 56,000	(54,826)	2.1%
Training	16,828	\$ 36,800	(19,972)	45.7%
Other Misc	4,028	\$ 45,600	(41,572)	8.8%
	\$ 1,642,845	\$ 8,000,000	\$ (6,357,155)	20.5%

Schedule 5- Other Revenues/Other Expenses

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses (Fixed Route)
For the Three Months Ended September 30, 2021

	Actual	Total Budget	Variance	% Budget Used
Other Revenue				
Investment income (interest)	\$ 7,239	\$ 30,600	(23,361)	23.7%
RTC card revenue	47	500	(453)	9.4%
Various	826	77,600	(76,774)	1.1%
	\$ 8,112	\$ 108,700	\$ (100,588)	7.5%
Other Operating Assistance				
RM2	-	102,464	(102,464)	0.0%
BART feeder revenue	-	891,994	(891,994)	0.0%
Dougherty Valley	-	150,000	(150,000)	0.0%
LCTOP	54,189	-	54,189	
Lifeline grant	-	-	-	
SB1 State of Good Repair Funds	21,511	130,800	(109,289)	16.4%
Go San Ramon On-Demand Pilot	1,553	-	1,553	
Other Grant Revenue	-	202,855	(202,855)	0.0%
	\$ 77,253	\$ 1,478,113	\$ (1,400,860)	5.2%
Miscellaneous Expenses				
Board Travel Expense	-	25,000	(25,000)	0.0%
Staff Travel Expense	-	75,000	(75,000)	0.0%
CTA Dues	869	1,000	(131)	86.9%
APTA Dues	8,874	35,500	(26,626)	25.0%
Employee functions	10,528	16,000	(5,472)	65.8%
Employee Christmas gift cards	-	16,500	(16,500)	0.0%
Employee Awards/pins	109	4,000	(3,891)	2.7%
Training	-	20,000	(20,000)	0.0%
Various other	177	14,590	(14,413)	1.2%
	\$ 20,556	\$ 207,590	\$ (187,033)	9.9%

Schedule 6- Statistics

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2022 Year to Date - Statistical Comparisons
For the Three Months Ended September 30, 2021

	Actual FY 2022 through Q1	Actual FY 2021 through Q1	Variance FY 2022 to FY 2021	Actual FY 2020 through Q1	Variance FY 2022 to FY 2020
Fixed Route					
Fares	\$ 357,301	\$ 76,151	369.2%	\$ 768,115	-53.5%
Special Fares	121,223	63,994	89.4%	527,798	-77.0%
Total Fares	\$ 478,524	\$ 140,145	241.4%	\$ 1,295,913	-63.1%
<i>Farebox recovery ratio</i>	<i>6.7%</i>	<i>1.9%</i>	<i>258.0%</i>	<i>17.3%</i>	<i>-61.1%</i>
Operating Exp (Less leases)	\$ 7,097,276	\$ 7,440,913	-4.6%	\$ 7,473,299	-5.0%
<i>Revenue Hours</i>	<i>46,633</i>	<i>47,141</i>	<i>-1.1%</i>	<i>56,484</i>	<i>-17.4%</i>
<i>Cost per Rev Hour</i>	<i>\$ 152.19</i>	<i>\$ 157.84</i>	<i>-3.6%</i>	<i>\$ 132.31</i>	<i>15.0%</i>
<i>Passengers</i>	<i>436,230</i>	<i>292,177</i>	<i>49.3%</i>	<i>937,253</i>	<i>-53.5%</i>
<i>Cost per Passenger</i>	<i>\$ 16.27</i>	<i>\$ 25.47</i>	<i>-36.1%</i>	<i>\$ 7.97</i>	<i>104.0%</i>
<i>Passengers per Rev Hr</i>	<i>9.35</i>	<i>6.20</i>	<i>50.9%</i>	<i>16.59</i>	<i>-43.6%</i>
Paratransit					
Fares	\$ 52,428	\$ 1,099	4670.5%	\$ 107,384	-51.2%
<i>Farebox recovery ratio</i>	<i>3.1%</i>	<i>0.1%</i>	<i>3077.5%</i>	<i>5.7%</i>	<i>-45.6%</i>
Operating Exp (Less leases)	\$ 1,692,002	\$ 1,126,999	50.1%	\$ 1,885,242	-10.3%
<i>Revenue Hours</i>	<i>12,406</i>	<i>6,047</i>	<i>105.2%</i>	<i>19,382</i>	<i>-36.0%</i>
<i>Cost per Rev Hour</i>	<i>\$ 136.39</i>	<i>\$ 186.37</i>	<i>-26.8%</i>	<i>\$ 97.27</i>	<i>40.2%</i>
<i>Passengers</i>	<i>15,259</i>	<i>7,818</i>	<i>95.2%</i>	<i>35,325</i>	<i>-56.8%</i>
<i>Cost per Passenger</i>	<i>\$ 110.89</i>	<i>\$ 144.15</i>	<i>-23.1%</i>	<i>\$ 53.37</i>	<i>107.8%</i>
<i>Passengers per Rev Hr</i>	<i>1.23</i>	<i>1.29</i>	<i>-5.1%</i>	<i>1.82</i>	<i>-32.5%</i>