

The County Connection

Inter Office Memo

To: A&F Committee

Date: September 29, 2010

From: Kathy Casenave
Director of Finance *KC*

Reviewed By: *Plitz*

SUBJECT: Revised 10 Year Forecasts - with and without STA revenue

Attached are two forecasts that show two very different financial positions- one with STA revenue and the other with no STA revenue.

There have been some positive developments since the preparation of the June 10 Year Forecast and the two attached forecasts incorporate those changes:

1. FY 2010 Expenses- The books are almost closed for the prior year and the expenses are coming in substantially lower- \$700k. This means that more TDA will be available for the out years. The expenses for FY 2011 and the out years have not been changed so there is a possibility that there will be future savings that are not reflected in these forecasts.
2. FY 2010 Measure J revenue is more than estimated in the June forecast. CCTA withheld 10% of the Measure J allocation because of the bleak sales tax environment. It was not until August 30 that we received notice that most, but not all of the withheld monies will be paid out. These forecasts show the actual revenue, a \$246K increase. (Lines 12 & 30)
3. FY 2011 Measure J revenue in the June forecast was also recorded at 90% of the allocation. These forecasts show the full 100% of the allocation. A CCTA staff report dated September 2, 2010 indicates that quarter to quarter sales comparisons have shown a 3% growth compared to the same quarters of the prior year. If this continues it seems very likely that the full allocation will be paid. The 10% equals \$432k for the current year and the out years, which are based on a 4% growth rate, have also increased.
4. Lifeline-CC County revenue has been increased. A July 2, 2010 CCTA staff report shows that the STA portion of the Lifeline funding is \$361,000 higher than anticipated when preparing the June budget and forecast. This has been included in the forecasts and with a 3% growth rate in the out years.
5. The TDA revenue dollar amounts for FYs 2016-2020 remain the same. The June forecast shows a flat FY 2011; this forecast shows an increase of 3% growth (\$361k), based on the recent trends (see #3 above). The overall increase in 2011-2015 years is small, \$47k.

It is difficult to predict the rate of growth in the economy but staff continues to believe that TDA revenue shown in this forecast is not unrealistic. The following table shows the actual TDA

revenue that CCCTA has received since 1998. The pre-recession revenue was in the \$14.9-\$15.1 range. The forecasts predict that this level of revenue will not occur until FY 2015.

2010	\$	12.0
2009	\$	14.9
2008	\$	14.9
2007	\$	15.1
2006	\$	15.1
2005	\$	14.3
2004	\$	13.8
2003	\$	13.4
2002	\$	13.9
2001	\$	14.5
2000	\$	12.9
1999	\$	12.1
1998	\$	11.0

These forecasts are predicated on a two year wage freeze and also have fairly substantial unfunded capital improvement projects.

RECOMMENDATION: Staff recommends that the Administration and Finance Committee forward this to the Board for information and discussion

ATTACHMENTS: Revised 10 Year Forecasts

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
REVISED TEN YEAR FORECAST In \$ Thousands
WITH STA

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue Hours	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240
Passenger Fares	\$ 3,311	\$ 3,400	3,467	3,953	4,032	4,113	4,688	4,782	4,878	4,975	5,075
Special Fares	865	750	768	788	807	827	848	869	891	913	936
Advertising	512	483	550	578	601	616	631	647	663	680	697
Investment & Other	198	149	149	149	149	149	149	149	149	149	149
FTA Sec 8 Planning	60	30	30	30	30	30	30	30	30	30	30
FTA Preventive Maintenance	-	1,935	4,635	382--	390	397	405	413	422	430	439
Federal Stimulus - Preventive Maintenance	3,862	1,107	-	-	-	-	-	-	-	-	-
MTC Preventive Maintenance Reserve	-	828	-	-	-	-	-	-	-	-	-
MTC STA Augmentation fund	-	770	-	-	-	-	-	-	-	-	-
STA Population	-	2,218	1,941	1,999	2,059	2,121	2,185	2,250	2,318	2,387	2,459
TDA 4.0	10,124	8,795	9,152	13,154	13,576	14,466	14,377	14,782	15,197	15,591	15,995
Measure J	3,277	3,334	3,467	3,606	3,750	3,900	4,056	4,218	4,387	4,562	4,745
BART Express Funds	514	616	532	545	559	573	587	602	617	632	648
Dougherty Valley dev fees/other	229	68	225	425	521	25	25	25	25	25	25
Other Local Grants	15	20	20	20	20	20	20	20	20	20	20
RM2/Meas J - Express	559	559	559	559	559	559	559	559	559	559	559
Lifeline-CC County	880	615	634	653	672	692	713	734	756	779	803
Total Fixed Route Operating Revenue	24,406	25,677	26,129	26,839	27,724	28,488	29,273	30,081	30,914	31,733	32,578
Operating Expenses w/o contingency	24,406	25,364	26,129	26,839	27,724	28,488	29,273	30,081	30,914	31,733	32,578
% increase in expenses	-	3.9%	3.0%	2.7%	3.3%	2.8%	2.8%	2.8%	2.8%	2.7%	2.7%
Operating expense contingency	\$ -	\$ 313	-	-	-	-	-	-	-	-	-
Total Fixed Route Operating Expenses	24,406	25,677	26,129	26,839	27,724	28,488	29,273	30,081	30,914	31,733	32,578
Revenue Hours	86,256	87,077	87,077	87,077	87,077	87,077	87,077	87,077	87,077	87,077	87,077
Passenger Fares	580	591	609	627	646	665	685	706	727	727	727
Advertising revenue	3	3	3	3	3	3	3	3	3	3	3
FTA Section 5307	997	733	762	781	800	820	841	862	883	906	928
TDA 4.5	616	464	494	526	559	587	616	644	673	704	735
TDA 4.0	1,829	1,923	2,046	2,082	2,120	2,165	2,211	2,259	2,309	2,387	2,466
Measure J	904	923	960	998	1,038	1,080	1,123	1,168	1,215	1,263	1,314
STA Paratransit & Rev based	-	882	772	795	818	843	868	894	921	949	977
Freedom Grant	-	-	-	-	-	-	-	-	-	-	-
Bart ADA service	201	170	175	180	186	191	197	203	209	209	209
Total Paratransit Operating Revenue	5,130	5,685	5,817	5,990	6,168	6,352	6,542	6,737	6,937	7,144	7,357
Total Paratransit Operating Expenses	5,130	5,592	5,817	5,990	6,168	6,352	6,542	6,737	6,937	7,144	7,357
% increase in expenses	-	9.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total CCCTA Operating Budget	\$ 29,536	\$ 31,270	\$ 31,946	\$ 32,829	\$ 33,892	\$ 34,840	\$ 35,815	\$ 36,818	\$ 37,848	\$ 38,877	\$ 39,935

WITH STA

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
 REVISED TEN YEAR FORECAST In \$ Thousands
 WITH STA

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
36 Capital Revenue											
37 Federal	3,002	-	6,175	4,585	37,504	4,571	-	-	650	-	-
38 Prop 1B STA rev based	200	-	-	917	2,635	-	-	-	-	-	-
39 Prop 1B STA pop based	268	-	1,003	2,817	704	-	-	-	-	-	-
40 Lifeline- 1B pop based bonds	-	-	-	-	-	-	-	-	-	-	-
41 Bridge Toll revenues	282	-	458	339	2,790	349	-	-	50	-	-
42 Other Local	-	-	-	-	-	-	-	-	-	-	-
43 TDA 4.0	293	187	-	-	-	-	-	-	-	-	-
44 To be Determined	-	-	596	875	3,413	1,391	691	650	1,061	507	420
45 Total Capital Revenue	4,045	187	8,233	9,533	47,045	6,311	691	650	1,761	507	420
46 Capital	4,045	187	8,233	9,533	47,045	6,311	691	650	1,761	507	420

*This forecast includes:
 Removal of FY 2011 fixed route bus purchase and convert the \$5,468,748 fed to preventive maint for 2011 and 2012
 \$140k reduction in Marketing budget for 2 yrs
 Unfunded capital projects from FY 2012-2020*

WITH STA

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
 REVISED TDA RESERVE
 WITH STA

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY 2018	FY 2019	FY 2020
TDA RESERVE											
47 Beginning Balance	\$ 3,171	\$ 2,950	\$ 4,431	\$ 6,114	\$ 4,403	\$ 3,043	\$ 1,609	\$ 1,018	\$ 694	\$ 657	\$ 935
48 Estimated TDA 4.0 Allocation	\$ 12,025	\$ 12,386	\$ 12,881	\$ 13,525	\$ 14,337	\$ 15,197	\$ 15,997	\$ 16,717	\$ 17,469	\$ 18,256	\$ 19,077
	-19.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.3%	4.5%	4.5%	4.5%	4.5%
TDA 4.0 Needed for Operations and Capital:											
49 Used for Fixed route operations	(10,124)	(8,795)	(9,152)	(13,154)	(13,576)	(14,466)	(14,377)	(14,782)	(15,197)	(15,591)	(15,994)
50 Used for Paratransit operations	(1,829)	(1,923)	(2,046)	(2,082)	(2,120)	(2,165)	(2,211)	(2,259)	(2,309)	(2,387)	(2,466)
51 TDA used for Operations	(11,952)	(10,718)	(11,198)	(15,236)	(15,697)	(16,632)	(16,588)	(17,041)	(17,505)	(17,978)	(18,460)
52 Used for capital program	(293)	(187)	-	-	-	-	-	-	-	-	-
Ending TDA Reserve	\$ 2,950	\$ 4,431	\$ 6,114	\$ 4,403	\$ 3,043	\$ 1,609	\$ 1,018	\$ 694	\$ 657	\$ 935	\$ 1,551

WITH STA

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
REVISED TEN YEAR FORECAST *In \$ Thousands*
NO STA

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY 2018	FY 2019	FY 2020
Revenue Hours	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240	219,240
1 Passenger Fares	\$ 3,311	\$ 3,400	3,467	3,953	4,032	4,113	4,688	4,782	4,878	4,975	5,075
2 Special Fares	865	750	768	788	807	827	848	869	891	913	936
3 Advertising	512	483	550	578	601	616	631	647	663	680	697
4 Investment & Other	198	149	149	149	149	149	149	149	149	149	149
5 FTA Sec 8 Planning	60	30	30	30	30	30	30	30	30	30	30
6 FTA Preventive Maintenance	-	1,935	4,635	382	390	397	405	413	422	430	439
7 Federal Stimulus- Preventive Maintenance	3,862	1,107	-	-	-	-	-	-	-	-	-
8 MTC Preventive Maintenance Reserve	-	828	-	-	-	-	-	-	-	-	-
9 MTC STA Augmentation fund	-	770	-	-	-	-	-	-	-	-	-
10 STA Population	-	2,218	-	-	-	-	-	-	-	-	-
11 TDA 4.0	10,124	8,795	11,600	15,675	16,173	17,141	17,132	17,620	18,120	18,601	19,095
12 Measure J	3,277	3,334	3,467	3,606	3,750	3,900	4,056	4,218	4,387	4,562	4,745
13 BART Express Funds	514	616	532	545	559	573	587	602	617	632	648
14 Dougherty Valley dev fees/other	229	68	225	425	521	25	25	25	25	25	25
15 Other Local Grants	15	20	20	20	20	20	20	20	20	20	20
16 RIM/Meas J- Express	559	559	559	559	559	559	559	559	559	559	559
17 Lifeline-CC County	880	615	127	131	135	139	143	147	152	156	161
Total Fixed Route Operating Revenue	24,406	25,677	26,129	26,839	27,724	28,488	29,273	30,081	30,911	31,733	32,578
18 Operating Expenses w/o contingency	24,406	25,364	26,129	26,839	27,724	28,488	29,273	30,081	30,911	31,733	32,578
19 % increase in expenses	-	3.9%	3.0%	2.7%	3.3%	2.8%	2.8%	2.8%	2.8%	2.7%	2.7%
20 Operating expense contingency	\$ -	\$ 313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Total Fixed Route Operating Expenses	24,406	25,677	26,129	26,839	27,724	28,488	29,273	30,081	30,911	31,733	32,578
22 Revenue Hours	86,256	87,077	87,077	87,077	87,077	87,077	87,077	87,077	87,077	87,077	87,077
23 Passenger Fares	580	591	609	627	646	665	685	706	727	727	727
24 Advertising revenue	3	3	3	3	3	3	3	3	3	3	3
25 FTA Section 5307	997	733	762	781	800	820	841	862	883	906	928
26 TDA 4.5	616	464	494	526	559	587	616	644	673	704	735
27 TDA 4.0	1,829	1,923	2,817	2,877	2,939	3,008	3,079	3,154	3,230	3,336	3,443
28 Measure J	904	923	960	998	1,038	1,080	1,123	1,168	1,215	1,263	1,314
29 STA Paratransit & Rev based	-	882	-	-	-	-	-	-	-	-	-
30 Freedom Grant	-	-	-	-	-	-	-	-	-	-	-
31 Bart ADA service	201	170	175	180	186	191	197	203	209	209	209
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33 Total Paratransit Operating Expenses	5,130	5,592	5,817	5,990	6,168	6,352	6,542	6,737	6,937	7,144	7,357
34 % Increase in expenses	-	9.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Total CCTA Operating Budget	\$ 29,536	\$ 31,270	\$ 31,946	\$ 32,829	\$ 33,892	\$ 34,840	\$ 35,815	\$ 36,818	\$ 37,848	\$ 38,877	\$ 39,935

NO STA

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
 REVISED TEN YEAR FORECAST In \$ Thousands
 NO STA

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37 Federal	\$ 3,002	\$ -	\$ 6,175	\$ 4,585	\$ 37,504	\$ 4,571	\$ -	\$ -	\$ 650	\$ -	\$ -
38 Prop 1B STA rev based	200	-	-	917	2,635	-	-	-	-	-	-
39 Prop 1B STA pop based	268	-	1,003	2,817	704	-	-	-	-	-	-
40 Lifeline- 1B pop based bonds	-	-	-	-	-	-	-	-	-	-	-
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43 TDA 4.0	293	187	-	-	-	-	-	-	-	-	-
44 To be Determined	-	-	596	875	3,413	1,391	691	650	1,061	507	-
45 Total Capital Revenue	4,045	187	8,233	9,533	47,045	6,311	691	650	1,761	507	420
46 Capital	\$ 4,045	\$ 187	\$ 8,233	\$ 9,533	\$ 47,045	\$ 6,311	\$ 691	\$ 650	\$ 1,761	\$ 507	\$ 420

*This forecast includes:
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CENTRAL CONTRA COSTA TRANSIT AUTHORITY
REVISED TDA RESERVE
NO STA

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
TDA RESERVE											
47 Beginning Balance	\$ 3,171	\$ 2,950	\$ 4,431	\$ 2,895	\$ (2,131)	\$ (6,906)	\$ (11,859)	\$ (16,073)	\$ (20,128)	\$ (24,009)	\$ (27,690)
48 Estimated TDA 4.0 Allocation	\$ 12,025	\$ 12,386	\$ 12,881	\$ 13,525	\$ 14,337	\$ 15,197	\$ 15,997	\$ 16,717	\$ 17,469	\$ 18,256	\$ 19,077
	-19.0%	3.0%	4.0%	5.0%	6.0%	6.0%	5.3%	4.5%	4.5%	4.5%	4.5%
TDA 4.0 Needed for Operations and Capital:											
49 Used for Fixed route operations	(10,124)	(8,795)	(11,600)	(15,675)	(16,173)	(17,141)	(17,132)	(17,619)	(18,119)	(18,601)	(19,095)
50 Used for Paratransit operations	(1,829)	(1,923)	(2,817)	(2,877)	(2,939)	(3,008)	(3,079)	(3,154)	(3,230)	(3,306)	(3,443)
51 TDA used for Operations	(11,952)	(10,718)	(14,417)	(18,552)	(19,112)	(20,149)	(20,211)	(20,773)	(21,349)	(21,937)	(22,538)
52 Used for capital program	(293)	(187)	-	-	-	-	-	-	-	-	-
Ending TDA Reserve	\$ 2,950	\$ 4,431	\$ 2,895	\$ (2,131)	\$ (6,906)	\$ (11,859)	\$ (16,073)	\$ (20,128)	\$ (24,009)	\$ (27,690)	\$ (31,151)