

The County Connection

2477 Arnold Industrial Way Concord, CA 94520-5326 (925) 676-7500 www.cccta.org

MEETING NOTICE & AGENDA ADMINISTRATION & FINANCE COMMITTEE

1676 N. California Blvd, Suite 620

Walnut Creek, CA 94596

Thursday, November 10, 2011

9:00 a.m.

REVISED NEW LOCATION

The Committee may take action on any item on the agenda.

1. Adoption of Agenda (Action)
2. Public Communication
3. Summary Minutes of September 29, 2011 A&F Committee Meetings* (Review/Action)
4. Closed Session:
 Consultation with Labor Counsel regarding Long Term Bargaining Strategies with
 Represented Employees
5. PERS Actuarial Valuation-Rate for FY2013* (Review/Action)
6. Revised Forecast* (Review/Action)
7. FY2011 Financial Statement* (Review/Action)
8. Inventory and Maintenance Software Upgrade and Replacement* (Review/Action)
9. Legal Services Statement, August/September 2011 General-August/September 2011 Labor (Review/Action)
10. Review of Vendor Bills, October 2011** (Review)
11. Adjournment

*Enclosure

**Enclosure for Committee Members

A&F Committee Members

Al Dessayer, Candace Andersen and Rob Schroder

General Information

Public Comment: Each person wishing to address the A&F Committee is requested to advise the Chair before the meeting convenes or the applicable agenda item is discussed. Persons who address the Committee are also asked to furnish a copy of any written statement to the Chair. A period of thirty (30) minutes has been allocated for public comments concerning items of interest within the subject matter jurisdiction of the Committee. Each individual will be allotted three minutes, which may be extended at the discretion of the Committee Chair.

Availability of Public Records: All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available for public inspection at 2477 Arnold Industrial Way, Concord, California, at the same time that the public records are distributed or made available to the legislative body. The agenda and enclosures for this meeting are posted also on our website at www.CCCTA.org.

Accessible Public Meetings: Upon request, CCCTA will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service so that it is received by CCCTA at least 48 hours before the meeting convenes. Requests should be sent to Lathina Hill, Assistant to the General Manager, at 2477 Arnold Industrial Way, Concord, CA 94520 or Hill@CCCTA.org.

The agenda is posted on CCCTA's Website (www.CCCTA.org) and at the following location:

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek


Administration and Finance Committee
Summary Minutes
September 29, 2011

The meeting was called to order at 3:00 p.m. at the City of Pleasant Hill offices.
Those in attendance were:

Board of Director Al Dessayer
Board of Director Rob Schroder
Board of Director Candace Andersen

Staff: General Manager Rick Ramacier
Director of Finance Kathy Casenave
Sr. Human Resource Manager Lisa Rettig

1. Adoption of the Agenda- The agenda was amended to add the election of the Chair. Approved.
2. Public Communication- None.
3. Election of the Chair- Al Dessayer was elected Chair of the Administration and Finance Committee.
4. Summary Minutes of September 1, 2011- Approved.
5. History & Comparison of CCCTA Work Groups-Wages/Benefits- The Committee was provided with information regarding the wages and benefits for the different work groups at the Authority. This matter was put over until the next meeting.
6. CalTIP JPA Revised Agreement- Director Casenave reported that CalTIP, CCCTA's liability insurance pool, has revised its JPA agreement to better reflect the changes in laws governing JPAs and the changes within CalTIP itself. Committee members were provided with copies of the current and proposed JPA agreements along with a comparison of the changes. Approved for Board consent calendar.
7. Revised Forecast- Director Casenave prepared two revised forecast for the Committee's review and discussion. She was given direction on preparing a forecast for review at the next meeting with the goal of bringing it forward to the full Board in November.
8. Legal Services statement, July 2011 General- Approved.
9. Review of Vendor Bills, September 2011- The committee reviewed the vendor bills.
10. Adjournment- The meeting was adjourned. The next meetings will be Thursday, November 10 at 9:00 a.m. and Friday at the Walnut Creek offices of Hanson Bridgett, 1676 N. California St, Walnut Creek.


Kathy Casenave, Director of Finance

The County Connection

To: A&F Committee

Date: October 25, 2011

From: Kathy Casenave *Kc*
Director of Finance

Reviewed By: *Stutz*

SUBJECT: PERS Actuarial Valuation for June 30, 2010; Rate for FY 2013

SUMMARY OF ISSUES:

The PERS Actuarial Valuation Report for the period ending June 30, 2010 was recently received. This valuation is used to set the rate for the next fiscal year. **The employer rate for FY 2012 will be 5.219%, up slightly from the current year's rate of 5.218%, but less than the previous projection of 5.9%.** This employer rate is low when compared to social security (6.2%) and the CCCTA rate before the dot com stock rally (7.289% in FY 1997). For six years (FY 1999-2004), the employer rate was zero.

CalPERS has estimated that our rate for FY 2014 will be 5.5%- considerably less than the prior year's projection of 8.3%. The main reason for the lower estimate is that the investment gain for FY 2011 was 20.7%, much higher than the 7.75% valuation assumption.

Estimates of future employer rates depend upon a variety of factors:

- Future investment returns of 7.75%
- Payroll growth of 3.25%
- Demographic assumptions including the percentage of employees that will terminate, die, or retire in each future year.

Several pages of the actuarial report are attached.

Funded Status Page 5

The funded status is 84% (the PERS long term goal is 100%), with unfunded liability totaling \$9.3 million. The prior year the funded status was 78.9%, with the unfunded liability at \$11.5 million.

Actuarial Value of Assets, Page 19

The *actuarial* value, not the *market* value, of assets, is used to determine the funded status of the retirement plan as part of the asset smoothing process. If the actuarial value is greater than the market value it means that past deferred losses have not been completely recognized. If the actuarial value is lower than market, not all gains have been recognized.

Page 19 of the report shows that the *actuarial* value of assets (\$62.3 million, line 19, 2nd section) is 127.5% of the market value of assets (\$48.8 million, line 13, 1st section). Not all losses have been recognized.

Benefits payments of \$1.3 million (Line 6, 1st section) are less than the \$1.5 million in contributions (Lines 4 & 5, 1st section)

Other Information- Page 25

- There are 122 retirees receiving benefits
- The average annual benefit is \$10,964
- The average age of retirees is 68.56

- There are 250 active members
- The average annual payroll of the active members is \$51,960
- The covered annual payroll is \$12,990,109
- The average age for active members is 51.11

Investment rate of return

It is CalPERS' policy to use a constant investment return rate (7.75%) for the actuarial report rather than the actual rate of return. This is called *asset smoothing*- the delayed recognition of part of the investment gains or losses dampens the effect of short-term market value fluctuations in setting employers' rates. The delayed recognition is smoothed over a period of 15 years, based on an actuarial value that is not less than 80% or more than 120% of market value. Because of the significant loss in FY 2009, CalPERS increased the corridor limits to 60%-140% for the FY 2012 rate and 70%-130% for the FY 2013 rate. For FY 2014, the corridor limits will return to 80%-120%.

The Authority's actuarial value of assets for FY 2013 rate is 127.5% of the market value. (Page 19, Line 17).

Investment Return Sensitivity Analysis (Page D-1)

The FY 2011 investment return will be used for the FY 2014 employer rate. At the time of the preparation on the new actuarial report, it was estimated to be 20.7%, before administrative expenses. CalPERS estimates that the Authority's FY 2014 rate will be 5.5%, using a net 20% return for FY 2011.

The actuary also estimates the Authority's FYs 2015, 2016 & 2017 rates based on 5 different scenarios of investment returns for FY 2012, 2013, & 2014. If the 7.75% return is achieved in all three years the employer rates would be 5.8%, 6.1% & 6.4%,

The 7.75% for FY 2012 may be difficult to achieve due to the adverse worldwide economic developments of the last several months. A more conservative investment rate of 2.93% in all three years would result in estimated employer rates of 5.9%, 6.8% and 8.3% in FYs 2015, 2016, & 2017. These rates are used in the revised five year forecast presented in a separate memo.

The projections assume that the demographic assumptions will be realized, including payroll growth. *The wage freeze for FY 2012 will have a positive impact* on the future contribution rate but it is unknown to what extent.

FINANCIAL IMPLICATIONS:

These rates are being used for the revised forecast.

ACTION REQUESTED: None; information only.

ATTACHMENTS:

Selected pages of the PERS valuation report
CalPERS Facts at a Glance: Investments, October 2011

Purpose of the Report

This report presents the results of the June 30, 2010 actuarial valuation of the MISCELLANEOUS PLAN OF THE CENTRAL CONTRA COSTA TRANSIT AUTHORITY of the California Public Employees' Retirement System (CalPERS). The valuation was prepared by the Plan Actuary in order to:

- set forth the actuarial assets and accrued liabilities of this plan as of June 30, 2010;
- certify that the actuarially required employer contribution rate of this plan for the fiscal year July 1, 2012 through June 30, 2013 is 5.219%;
- provide actuarial information as of June 30, 2010 to the CalPERS Board of Administration and other interested parties; and
- provide pension information as of June 30, 2010 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Single Employer Defined Benefit Pension Plan.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to termination or alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Required Contributions

	Fiscal Year 2011/2012	Fiscal Year 2012/2013
Required Employer Contributions		
Employer Contribution Required (in Projected Dollars)		
Payment for Normal Cost	\$ 1,002,786	\$ 997,446
Payment on the Amortization Bases	(262,098)	(251,265)
Total (not less than zero)	\$ 740,688	\$ 746,181
Annual Lump Sum Prepayment Option*	\$ 713,554	\$ 718,845
Employer Contribution Required (Percentage of Payroll)		
Payment for Normal Cost	7.064%	6.976%
Payment on the Amortization Bases	(1.846%)	(1.757%)
Total (not less than zero)	5.218%	5.219%

Funded Status

	June 30, 2009	June 30, 2010
Present Value of Projected Benefits	\$ 67,318,989	\$ 70,873,999
Entry Age Normal Accrued Liability	\$ 54,287,105	\$ 58,232,048
Actuarial Value of Assets (AVA)	58,609,008	62,352,007
Unfunded Liability (AVA)	\$ (4,321,903)	\$ (4,119,959)
Market Value of Assets (MVA)	\$ 42,809,180	\$ 48,899,647
Unfunded Liability (MVA)	11,477,925	9,332,401
Funded Status (MVA)	78.9%	84.0%
Superfunded Status	No	No

* Payment **must be** received by CalPERS before the first payroll of the new fiscal year and after June 30.

Reconciliation of the Market Value of Assets

1. Market Value of Assets as of 6/30/09 Including Receivables	\$	42,809,180
2. Receivables for Service Buybacks as of 6/30/09		18,018
3. Market Value of Assets as of 6/30/09		42,791,162
4. Employer Contributions		606,714
5. Employee Contributions		939,730
6. Benefit Payments to Retirees and Beneficiaries		(1,299,581)
7. Refunds		(87,740)
8. Lump Sum Payments		0
9. Transfers and Miscellaneous Adjustments		(1,042)
10. Investment Return		5,933,397
11. Market Value of Assets as of 6/30/10	\$	48,882,641
12. Receivables for Service Buybacks as of 6/30/10		17,006
13. Market Value of Assets as of 6/30/10 Including Receivables	\$	48,899,647

Development of the Actuarial Value of Assets

1. Actuarial Value of Assets as of 6/30/09 Used For Rate Setting Purposes	\$	58,609,008
2. Receivables for Service Buybacks as of 6/30/09		18,018
3. Actuarial Value of Assets as of 6/30/09		58,590,990
4. Employer Contributions		606,714
5. Employee Contributions		939,730
6. Benefit Payments to Retirees and Beneficiaries		(1,299,581)
7. Refunds		(87,740)
8. Lump Sum Payments		0
9. Transfers and Miscellaneous Adjustments		(1,042)
10. Expected Investment Income at 7.75%		4,546,813
11. Expected Actuarial Value of Assets	\$	63,295,884
12. Market Value of Assets as of 6/30/10	\$	48,882,641
13. Preliminary Actuarial Value of Assets $[(11) + ((12) - (11)) / 15]$		62,335,001
14. Maximum Actuarial Value of Assets (130% of (12))		63,547,433
15. Minimum Actuarial Value of Assets (70% of (12))		34,217,849
16. Actuarial Value of Assets {Lesser of [(14), Greater of ((13), (15))]}		62,335,001
17. Actuarial Value to Market Value Ratio		127.5%
18. Receivables for Service Buybacks as of 6/30/10		17,006
19. Actuarial Value of Assets as of 6/30/10 Used for Rate Setting Purposes	\$	62,352,007

Summary of Valuation Data

	June 30, 2009	June 30, 2010
1. Active Members		
a) Counts	258	250
b) Average Attained Age	50.17	51.11
c) Average Entry Age to Rate Plan	37.31	37.16
d) Average Years of Service	12.86	13.95
e) Average Annual Covered Pay	\$ 49,988	\$ 51,960
f) Annual Covered Payroll	12,896,961	12,990,109
g) Projected Annual Payroll for Contribution Year	14,195,725	14,298,253
h) Present Value of Future Payroll	98,253,238	96,181,527
2. Transferred Members		
a) Counts	35	32
b) Average Attained Age	50.06	51.00
c) Average Years of Service	2.78	2.82
d) Average Annual Covered Pay	\$ 65,822	\$ 67,319
3. Terminated Members		
a) Counts	119	107
b) Average Attained Age	47.75	48.63
c) Average Years of Service	2.94	3.11
d) Average Annual Covered Pay	\$ 37,399	\$ 37,564
4. Retired Members and Beneficiaries		
a) Counts	115	122
b) Average Attained Age	68.04	68.56
c) Average Annual Benefits	\$ 10,689	\$ 10,964
5. Active to Retired Ratio	2.24	2.05

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Investment Return Sensitivity Analysis

in October, this was increased to 20.9%

In July 2011, the investment return for fiscal year 2010-2011 was estimated to be 20.7%. Note that this return is before administrative expenses and also does not reflect final investment return information for real estate and private equities. The final return information for these two asset classes is expected to be available later in October. Our estimated preliminary 20.0% return for the 2010-2011 fiscal year is good news as it will help reduce the impact of the -24% return in 2008-2009 and the impact of the three year phase in adopted by the Board in June 2009. For purposes of projecting future employer rates, we are assuming a 20% investment return for fiscal year 2010-2011.

The investment return realized during a fiscal year first affects the contribution rate for the fiscal year 2 years later. Specifically, the investment return for 2010-2011 will first be reflected in the June 30, 2011 actuarial valuation that will be used to set the 2013-2014 employer contribution rates, the 2011-2012 investment return will first be reflected in the June 30, 2012 actuarial valuation that will be used to set the 2014-2015 employer contribution rates and so forth.

Based on a 20% investment return for fiscal year 2010-2011 and assuming that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur between now and the beginning of the fiscal year 2013-2014, the effect on the 2013-2014 Employer Rate is as follows:

Estimated 2013-2014 Employer Rate

5.5%

Estimated Increase in Employer Rate between 2012-2013 and 2013-2014

0.3%

As part of this report, a sensitivity analysis was performed to determine the effects of various investment returns during fiscal years 2011-2012, 2012-2013 and 2013-2014 on the 2014-2015, 2015-2016 and 2016-2017 employer rates. Once again, the projected rate increases assume that all other actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur.

Five different investment return scenarios were selected.

- The first scenario is what one would expect if the markets were to give us a 5th percentile return from July 1, 2011 through June 30, 2014. The 5th percentile return corresponds to a -3.64% return for each of the 2011-2012, 2012-2013 and 2013-2014 fiscal years.
- The second scenario is what one would expect if the markets were to give us a 25th percentile return from July 1, 2011 through June 30, 2014. The 25th percentile return corresponds to a 2.93% return for each of the 2011-2012, 2012-2013 and 2013-2014 fiscal years.
- The third scenario assumed the return for 2011-2012, 2012-2013, 2013-2014 would be our assumed 7.75% investment return which represents about a 49th percentile event.
- The fourth scenario is what one would expect if the markets were to give us a 75th percentile return from July 1, 2011 through June 30, 2014. The 75th percentile return corresponds to a 12.25% return for each of the 2011-2012, 2012-2013 and 2013-2014 fiscal years.
- Finally, the last scenario is what one would expect if the markets were to give us a 95th percentile return from July 1, 2011 through June 30, 2014. The 95th percentile return corresponds to a 19.02% return for each of the 2011-2012, 2012-2013 and 2013-2014 fiscal years.

The table below shows the estimated projected contribution rates and the estimated increases for your plan under the five different scenarios.

2011-2014 Investment Return Scenario	Estimated Employer Rate			Estimated Increase in Employer Rate between 2013-2014 and 2016-2017
	2014-2015	2015-2016	2016-2017	
-3.64% (5 th percentile)	7.3%	10.8%	14.0%	8.5%
2.93% (25 th percentile)	5.9%	6.8%	8.3%	2.8%
7.75%	5.8%	6.1%	6.4%	0.9%
12.25% (75 th percentile)	5.8%	5.9%	5.9%	0.4%
19.02% (95 th percentile)	5.6%	5.5%	5.1%	-0.4%

*



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FACTS AT A GLANCE: INVESTMENTS

OCTOBER 2011

Facts at a Glance is a monthly compilation of information of interest to Board Members, staff, and the general public. Information is current as of July 31, 2011, unless otherwise noted. Every effort has been made to verify the accuracy of the information, which is intended for general use only. Please direct any questions and comments to the Public Affairs Office at (916) 795-3991.

INVESTMENT PORTFOLIO MARKET VALUE

\$235.8 billion (as of July 31, 2011)

ASSET CLASS BY MARKET VALUE & ALLOCATION

ASSET CLASS	ACTUAL INVESTMENT (\$ BILLIONS)	ACTUAL ALLOCATION (%)	INTERIM STRATEGIC TARGET (%)	% PASSIVE VS. ACTIVE	
				PASSIVE	ACTIVE
Growth	\$149.0	63.0%	64.0%	55.0%	45.0%
Public Equity	\$115.8	49.0%	50.0%	71.0%	29.0%
Private Equity	\$33.2	14.0%	14.0%	0.0%	100.0%
Income	\$42.3	18.0%	19.0%	0.0%	100.0%
Liquidity	\$10.2	5.0%	4.0%	0.0%	100.0%
Real	\$21.6	9.0%	10.0%	6.0%	94.0%
Real Estate	\$18.7	8.0%	8.0%	7.0%	93.0%
Forestland/Infrastructure	\$2.9	1.0%	2.0%	0.0%	100.0%
Inflation	\$7.4	3.0%	3.0%	0.0%	100.0%
Absolute Return Strategy	\$5.3	2.0%	n/a%	0.0%	100.0%
TOTAL FUND	\$235.8	100.0%	100.0%	35.0%	65.0%

*Target allocation effective July 2011

FACTS AT A GLANCE: INVESTMENTS

October 2011

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GROWTH OF FUND

<u>YEAR</u>	<u>YEAR-END 6/30</u>	<u>YEAR-END 12/31</u>
1985	\$28.6 billion	\$32.7 billion
1990	\$58.2 billion	\$57.5 billion
1995	\$87.8 billion	\$96.9 billion
1996	\$100.7 billion	\$108.0 billion
1997	\$119.7 billion	\$128.2 billion
1998	\$143.3 billion	\$150.6 billion
1999	\$159.1 billion	\$171.9 billion
2000	\$172.2 billion	\$165.2 billion
2001	\$156.0 billion	\$151.8 billion
2002	\$143.4 billion	\$133.8 billion
2003	\$144.8 billion	\$161.4 billion
2004	\$166.3 billion	\$182.8 billion
2005	\$189.8 billion	\$200.9 billion
2006	\$208.2 billion	\$230.3 billion
2007	\$251.4 billion	\$253.0 billion
2008	\$237.9 billion	\$183.3 billion
2009	\$181.0 billion	\$203.3 billion
2010	\$200.0 billion	\$225.7 billion
2011	\$237.5 billion	

TOTAL RETURNS¹

Fiscal year to date ended 07/31/2011	0.2%
3 years for period ended 07/31/2011	1.3%
5 years for period ended 07/31/2011	3.3%
10 years for period ended 07/31/2011	5.4%

CALIFORNIA INVESTMENTS AND COMMITMENTS

Approximately \$22.9 billion—or 9.7 percent of total fund as of July 31, 2011.

Growth	\$13.6 billion
Income	\$4.3 billion
Real Assets	\$5.0 billion
Inflation	\$0.0 billion
Absolute Return Strategy	\$0.0 billion
Liquidity	\$0.0 billion

FACTS AT A GLANCE: INVESTMENTS

October 2011

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HISTORICAL RATES OF RETURNS¹

YEAR	YEAR END 6/30 (%)	YEAR END 12/31 (%)
1991	6.7	23.0
1992	13.9	6.5
1993	14.6	13.4
1994	2.0	-1.0
1995	16.4	25.3
1996	15.4	12.8
1997	20.2	19.0
1998	19.6	18.5
1999	12.6	16.0
2000	10.8	-1.4
2001	-7.1	-6.2
2002	-6.0 ¹	-9.5
2003	3.9	23.3
2004	16.7	13.4
2005	12.6	11.1
2006	12.3	15.7
2007	19.1	10.2
2008	-4.9	-27.8
2009	-23.4	12.1
2010	11.6	12.6
2011	20.9	

Dated: 09/27/2011

¹ Beginning 6/30/02 performance figures are reported as gross of fees.

The County Connection

October 26, 2011

TO: ADMINISTRATION AND FINANCE COMMITTEE

FROM: KATHY CASENAVE, DIRECTOR OF FINANCE

REVIEWED: *Pluto*

SUBJECT: REVISED 5 YEAR FORECAST-TWO SCENARIOS

The attached REVISED forecasts are submitted for your review. Because of the unpredictability of the revenues, staff is presenting a 5 year revised forecast rather than a 10 year revised forecast.

Both forecasts incorporate the following:

- Actual FY 2011 Revenue and Expenses.

Actual FY 2011 TDA revenue was \$447,000 more than projected and other revenues were about \$185,000 more than projected in the June forecast.

The expenses are \$1.2 million less than projected. The largest variances are workers compensation expense, which was \$568,000 under budget and Paratransit purchased transportation, which was \$416,000 under budget.

The TDA reserve increased by \$1.8 million at the start of FY 2012 because of the above two items.

- FY 2012 Changes.

STA and TDA 4.5 revenue estimates for FY 2012 have been increased by \$74,000 by MTC.

Preventive maintenance revenue available for FY 2012 increased by \$155,000.

The \$550,000 contingency fund for FY 2012 has been removed; it is staff's opinion that it will not be used. Without it, the FY 2012 budget is still \$2.7 million (9.7%) more than FY 2011 actual, ***so it is very possible that the expenses for the FY 2012 are overstated, as well as the out years.***

FTA operating revenue for Paratransit for FY 2012 has been reduced by \$90,000 by MTC. Using the new number as a base, the reduction in revenue for the 2012-2016 years totals \$468,000. The growth rate for this revenue source is 2.5% per year.

The closeout of an old federal grant allowed for additional preventive maintenance and a freeing up of TDA operating revenue in the amount of \$920,000. This TDA revenue will be used to match FY 2012 capital projects.

- The OPEB trust annual contribution has been increased by \$100,000 for each year. A new actuarial study is being prepared but is not complete.
- PERS employer rate has been decreased based on new actuarial report. A detailed discussion is provided in a separate memo.

- Fare increases have been delayed for one year; they are now slated for FYs 2014 and 2017. If this occurs, the loss of revenue for FY 2013 and FY 2016 is estimated to be \$444,000 and \$526,000 respectively.
- No additional service reductions.

The following is a discussion of the differences in the two revised forecasts:

SCENARIO 1-

The Contra Costa Transportation Authority revised its Measure J Strategic Plan in July 2011. The projections for sales tax growth for the next five years were reduced- 2.01% in FY 2012, 3.02% for FY 2013-FY 2015, and 4.03% in FY 2016. These growth rates are used for TDA revenue and Measure J revenue in the Scenario 1 forecast.

Modest increases in wages occur in the out years, but no change from the June forecast.

The TDA reserve goes negative at the end of FY 2016 by \$376,000.

SCENARIO 2-

No revenue growth in TDA, STA and Measure J.

No wages increases.

The TDA reserve goes negative at the end of FY 2015 by \$2.2 million and \$6.4 million by FY 2016.

ACTION REQUESTED:

Staff requests that the revised forecasts and staff memo be included in the Board of Directors packet and that the Committee make a recommendation to the Board regarding the fare increase scheduled for the Summer of 2012.

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FIVE YEAR FORECAST - FLAT TDA, STA, MEASURE J; NO SALARY INCREASES**

In \$Thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue Hours	216,000	216,000	216,000	216,000	216,000	216,000
1 Passenger Fares	3,346	3,367	3,434	3,915	3,993	4,073
2 Special Fares	825	791	811	831	852	873
3 Advertising	504	530	550	570	584	599
4 Investment & Other	146	149	153	153		
5 FTA Preventive Maintenance	2,460	4,441	382	390	397	405
6 Federal Stimulus- Preventive Maintenance	811	-				
7 MTC Preventive Maintenance Reserve		828				
8 MTC STA Augmentation fund	770	-				
9 STA Population	2,218	2,340	2,340	2,340	2,340	2,340
10 TDA 4.0	8,164	9,073	14,136	13,692	14,492	14,724
11 Measure J	3,245	3,385	3,385	3,385	3,385	3,385
12 BART Express Funds	616	556	556	556	556	556
13 Dougherty Valley dev fees/other	183	225	325	506	25	25
14 Other Local Grants	26	20	20	20	20	20
15 RM2/Meas J- Express	559	145	145	145	145	145
16 Lifeline/JARC-CC County	381	650	486	486	486	486
17 Total Fixed Route Operating Revenue	24,255	26,500	26,724	26,989	27,276	27,632
18 Operating Expenses w/o contingency	24,139	26,500	26,724	26,989	27,276	27,632
% increase in expenses	-0.1%	9.8%	0.8%	1.0%	1.1%	1.3%
19 Operating expense contingency		0				
20 Total Fixed Route Operating Expenses	24,139	26,500	26,724	26,989	27,276	27,632
Revenue Hours	84,000	84,000	84,000	84,000	84,000	84,000
21 Passenger Fares	546	574	591	650	670	690
22 Advertising revenue	1					
23 FTA Section 5307	733	673	690	707	724	743
24 TDA 4.5	464	677	677	677	677	677
25 TDA 4.0	1,367	1,604	1,951	2,045	2,183	2,325
26 Measure J	922	959	959	959	959	959
27 STA Paratransit & Rev based	955	938	938	938	938	938
28 Bart ADA service	189	170	175	180	186	191
29 Total Paratransit Operating Revenue	5,177	5,594	5,981	6,156	6,337	6,523
30 Total Paratransit Operating Expenses	5,177	5,594	5,981	6,156	6,337	6,523
% increase in expenses	0.5%	8.1%	6.9%	2.9%	2.9%	2.9%
31 Total CCCTA Operating Budget	\$ 29,315	\$ 32,094	\$ 32,705	\$ 33,145	\$ 33,613	\$ 34,155

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FIVE YEAR FORECAST - FLAT TDA, STA, MEASURE J; NO SALARY INCREASES
In \$Thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
32 Capital Revenue						
33 Federal	\$ -	\$ 6,173	\$ 4,585	\$ 37,504	\$ 305	\$ 3,139
34 Prop 1B STA rev based	-	1,212	-	1,619	-	-
35 Prop 1B STA pop based	-	2,723	799	1,331	-	-
36 Lifeline- 1B pop based bonds	-	-	-	900	-	-
37 State Transportation- 1B security	117	117	117	117	117	117
38 Bridge Toll revenues	-	300	344	2,790	23	245
39 Prior yr leftover funding	-	898	1,982	-	-	-
40 TDA 4.0	187	920	-	-	-	-
41 To be Determined	-	-	2,780	3,097	1,409	1,785
42 Total Capital Revenue	304	12,342	10,607	47,358	1,854	5,285
43 Capital	\$ 304	\$ 12,342	\$ 10,607	\$ 47,358	\$ 1,854	\$ 5,285

This forecast includes:
Removal of FY 2011 fixed route bus purchase and convert the \$5,468,748 fed to preventive maint for 2011 and 20
Unfunded capital projects from FY 2013-2021
\$920k TDA for FY 2012 capital projects is a swap with preventive maintenance fed operating grant

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
 REVISED TDA RESERVE- FLAT TDA, STA, MEASURE J; NO SALARY INCREASES

TDA RESERVE	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
44 Beginning Balance	\$ 3,267	\$ 6,615	\$ 7,845	\$ 4,584	\$ 1,673	\$ (2,174)
45 Estimated TDA 4.0 Allocation	\$ 12,618	\$ 12,827	\$ 12,827	\$ 12,827	\$ 12,827	\$ 12,827
FY 11 adj to actual	\$ 447					
	\$ 13,065					
	7.3%	-1.8%	0.0%	0.0%	0.0%	0.0%
TDA 4.0 Needed for Operations and Capital:						
46 Used for Fixed route operations	(8,164)	(9,073)	(14,136)	(13,692)	(14,492)	(14,724)
47 Used for Paratransit operations	(1,367)	(1,604)	(1,951)	(2,045)	(2,183)	(2,325)
48 TDA used for Operations	(9,531)	(10,677)	(16,088)	(15,737)	(16,675)	(17,050)
49 Used for capital program	(187)	(920)	-	-	-	-
50 Ending TDA Reserve -Revised	\$ 6,615	\$ 7,845	\$ 4,584	\$ 1,673	\$ (2,174)	\$ (6,396)
51 Ending TDA Reserve in June budget	\$ 4,810	\$ 5,481	\$ 3,588	\$ 2,119	\$ 473	\$ (329)

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FIVE YEAR FORECAST**

In \$Thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue Hours	216,000	216,000	216,000	216,000	216,000	216,000
1 Passenger Fares	3,346	3,367	3,434	3,915	3,993	4,073
2 Special Fares	825	791	811	831	852	873
3 Advertising	504	530	550	570	584	599
4 Investment & Other	146	149	153	153	153	153
5 FTA Preventive Maintenance	2,460	4,441	382	390	397	405
6 Federal Stimulus- Preventive Maintenance	811	-	-	-	-	-
7 MTC Preventive Maintenance Reserve	770	828	-	-	-	-
8 MTC STA Augmentation fund	2,218	2,340	2,366	2,425	2,486	2,548
9 STA Population	8,164	8,973	14,214	13,964	14,883	15,367
10 TDA 4.0	3,245	3,385	3,487	3,592	3,701	3,850
11 Measure J	616	556	573	590	608	626
12 BART Express Funds	183	225	325	506	25	25
13 Dougherty Valley dev fees/other	26	20	20	20	20	20
14 Other Local Grants	559	145	145	145	145	145
15 RM2/Meas J- Express	381	650	486	500	515	531
16 Lifeline-CC County						
17 Total Fixed Route Operating Revenue	24,255	26,400	26,946	27,601	28,363	29,216
18 Operating Expenses w/o contingency	24,139	26,500	26,946	27,601	28,363	29,216
% increase in expenses	-0.1%	9.8%	1.7%	2.4%	2.8%	3.0%
19 Operating expense contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Total Fixed Route Operating Expenses	24,139	26,500	26,946	27,601	28,363	29,216
Revenue Hours	84,000	84,000	84,000	84,000	84,000	84,000
21 Passenger Fares	546	574	591	650	670	690
22 Advertising revenue	1	-	-	-	-	-
23 FTA Section 5307	733	673	690	707	724	743
24 TDA 4.5	464	677	697	719	740	770
25 TDA 4.0	1,367	1,604	1,937	1,960	2,026	2,076
26 Measure J	922	959	988	1,018	1,049	1,091
27 STA Paratransit & Rev based	955	938	906	928	951	975
28 Bart ADA service	189	170	175	180	186	191
29 Total Paratransit Operating Revenue	5,177	5,594	5,984	6,163	6,347	6,536
30 Total Paratransit Operating Expenses	5,177	5,594	5,984	6,163	6,347	6,536
% increase in expenses	0.5%	8.1%	7.0%	3.0%	3.0%	3.0%
31 Total CCCTA Operating Budget	\$ 29,316	\$ 32,094	\$ 32,930	\$ 33,764	\$ 34,710	\$ 35,752

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FIVE YEAR FORECAST**

In \$Thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
32 Capital Revenue						
33 Federal	\$ -	\$ 6,173	\$ 4,585	\$ 37,504	\$ 305	\$ 3,139
34 Prop 1B STA rev based	-	1,212	-	1,619	-	-
35 Prop 1B STA pop based	-	2,723	799	1,331	-	-
36 Lifeline- 1B pop based bonds	-	-	-	900	-	-
37 State Transportation- 1B security	117	117	117	117	117	117
38 Bridge Toll revenues	-	300	344	2,790	23	245
39 Prior yr leftover funding	-	898	1,982	-	-	-
40 TDA 4.0	187	920	-	-	-	-
41 To be Determined	-	-	2,780	3,097	1,409	1,785
42 Total Capital Revenue	304	12,342	10,607	47,358	1,854	5,285
43 Capital	\$ 304	\$ 12,342	\$ 10,607	\$ 47,358	\$ 1,854	\$ 5,285

This forecast includes:

Removal of FY 2011 fixed route bus purchase and convert the \$5,468,748 fed to preventive maint for 2011 and Unfunded capital projects from FY 2013-2021

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
TDA RESERVE

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
TDA RESERVE						
44 Beginning Balance	\$ 3,267	\$ 6,615	\$ 8,446	\$ 6,025	\$ 4,245	\$ 1,908
45 Estimated TDA 4.0 Allocation	\$ 12,618	\$ 13,328	\$ 13,730	\$ 14,145	\$ 14,572	\$ 15,159
	\$ 447					
	\$ 13,065					
	7.3%	2.01%	3.02%	3.02%	3.02%	4.03%
TDA 4.0 Needed for Operations and Capital:						
46 Used for Fixed route operations	(8,164)	(8,973)	(14,214)	(13,964)	(14,883)	(15,367)
47 Used for Paratransit operations	(1,367)	(1,604)	(1,937)	(1,960)	(2,026)	(2,076)
48 TDA used for Operations	(9,531)	(10,577)	(16,151)	(15,924)	(16,910)	(17,443)
49 Used for capital program	(187)	(920)	-	-	-	-
50 Ending TDA Reserve	\$ 6,615	\$ 8,446	\$ 6,025	\$ 4,245	\$ 1,908	\$ (376)
51 Ending TDA Reserve in June budget	\$ 4,810	\$ 5,481	\$ 3,588	\$ 2,119	\$ 473	\$ (329)

The County Connection

Inter Office Memo

To: A&F Committee
 From: Kathy Casenave *KC*
 Director of Finance

Date: October 13, 2011

Reviewed by: *Ruth*

SUBJECT: CCCTA Income Statements for the Twelve Months Ended June 30, 2011

The attached unaudited CCCTA Income Statements for the twelve months of FY 2011 are presented for your review. The auditors have completed their fieldwork and staff does not expect any material adjustments to the financial statements. The combined actual expenses, Fixed Route and Paratransit, (Schedule 1), are **6.2% under** budget (\$1,922,849). The expense categories with the most significant variances are:

Wages	\$(260,752)	(2.1)%	Operator wages are under mainly for platform time (See Schedule 5). Other wages are mainly under due to unfilled positions in the Maintenance Dept, the layoff of one Admin employee and the resignation of a part time employee who will not be replaced.
Fringe Benefits	\$(466,091)	(6.5)%	Fringe benefits are lower because of an unexpected decrease in workers compensation expense due to the closing of old claims for less than originally estimated and a decrease in new claims during the year.
Services	\$(448,374)	(18.8)%	Expenses under budget include schedules and promotions, \$69k; Building maint services, \$59k; legal, \$148k; management & professional services, \$50k.
Materials & Supplies	\$(69,620)	(2.3)%	Diesel fuel is \$62k less than budgeted.
Special trip services	\$(433,472)	(7.9)%	Purchased transportation is lower than budgeted mainly due to lower service hours.

Fixed route and Paratransit revenues and expenses are presented on **Schedules 2 and 3**. Actual expenses are compared to the approved budget. Fixed route expenses are 5.9% under budget and Paratransit expenses are 7.4% under budget.

The revenue is under budget because TDA revenue is not considered earned until needed to match expenses and after other revenue is used. Other revenue categories that exceed the budget, Federal Operating, Measure J, and Other Operating assistance were more than originally projected. STA revenue shows as under budget because an MTC special reserve of \$828,000 was incorrectly recorded in the STA column on the approved budget; it is federal revenue and was not used in FY 2011; it will be carried over to FY 2012.

Schedule 4 provides selected statistical information for the current year compared to the last two years:

Fixed route:

- Passenger fares are 1.7% less than FY 2010 and 9.8% less compared to FY 2009.
- The farebox recovery ratio is the same as FY 2010 and up compared to FY 2009. The ratio is 17.3% in FY 2011; 17.3% in FY 2010 and 16.8% in FY 2009.
- Operating expenses are .3% less than in FY 2010 and 11.5% less than in FY 2009.
- Fixed route revenue hours are 3.4% less than FY 2010 and 21.3% less than FY 2009.
- The cost per revenue hour has increased 3.2% compared to FY 2010 and 12.4% compared to FY 2009.
- Passengers have increased 2.1% compared to FY2010 but decreased 19.8% compared to FY 2009.
- The cost per passenger has decreased 2.5% compared to FY 2010 and increased 10.2% compared to FY 2009.
- Passengers per revenue hour have increased 5.7% since FY 2010 and increased 1.8% since FY 2009.

Paratransit:

- Passenger fares have decreased 5.8% from FY 2010 but are 8% over FY 2009.
- The farebox ratio is less compared to FY 2010 and FY 2009. The ratio is 10.6% in FY 2011; 11.3% in FY 2010; and 10.9% in FY 2009.
- Expenses have increased .5% from the prior year and increased 4.9% compared to FY 2009.
- Revenue hours are 3.7% less than FY 2010 and 11% less than FY 2009.
- Passengers have decreased 2.2% compared to FY 2010 and 2.6% compared to FY 2009.

- The cost per passenger has increased 2.8% since FY 2010 and 7.7% compared to FY 2009.
- Paratransit passengers per revenue hour have increased 1.6% compared to FY 2010 and 9.4% compared to FY 2009.

Fixed Route Operator Wages (Schedule 5)

Schedule 5 compares various components of operator wages with the budget.

- Actual work time wages (Platform, turn in and report time) are 1.6% less than projected.
- Guarantees are 11.1% under budget.
- Overtime is 11.2% over budget.
- Training is 17.1% more than budget.
- Overall wages for operators are 1.5% under budget.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2011 Year to Date Comparison of Actual vs Budget

For the Twelve Months Ended June 30, 2011

Combined Fixed Route and Paratransit Income Statement -Unaudited

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 3,892,562	3,990,305	(97,743)	-2.4%
Special fares	\$ 824,631	749,620	75,011	10.0%
	<u>\$ 4,717,193</u>	<u>4,739,925</u>	<u>(22,732)</u>	<u>-0.5%</u>
Advertising	\$ 504,952	482,500	22,452	4.7%
Safe Harbor lease	\$ 6,942	25,000	(18,058)	-72.2%
Other revenue	\$ 139,726	123,800	15,926	12.9%
Federal operating	\$ 4,003,292	3,805,241	198,051	5.2%
TDA 4.0 earned revenue	\$ 9,530,534	11,183,077	(1,652,543)	-14.8%
TDA 4.5 earned revenue	\$ 464,173	699,446	(235,273)	-33.6%
STA revenue	\$ 3,942,786	4,698,233	(755,447)	-16.1%
Measure J	\$ 4,167,785	3,824,333	343,452	9.0%
Other operating assistance	\$ 1,954,794	1,687,990	266,804	15.8%
	<u>\$ 24,714,984</u>	<u>26,529,620</u>	<u>(1,814,636)</u>	<u>-6.8%</u>
Total Revenue	\$ 29,432,177	31,269,545	(1,837,368)	-5.9%
Expenses				
Wages- Operators	\$ 7,134,953	7,243,334	(108,381)	-1.5%
Wages-Other	\$ 4,769,201	4,921,572	(152,371)	-3.1%
	<u>\$ 11,904,154</u>	<u>12,164,906</u>	<u>(260,752)</u>	<u>-2.1%</u>
Fringe Benefits	\$ 6,710,896	7,176,987	(466,091)	-6.5%
Services	\$ 1,575,746	1,939,640	(363,894)	-18.8%
Materials & Supplies	\$ 2,973,979	3,043,599	(69,620)	-2.3%
Utilities	\$ 246,467	277,000	(30,533)	-11.0%
Insurance	\$ 385,277	423,523	(38,246)	-9.0%
Taxes	\$ 306,897	318,200	(11,303)	-3.6%
Leases and Rentals	\$ 37,396	38,000	(604)	-1.6%
Miscellaneous	\$ 135,999	102,300	33,699	32.9%
Special Trip Services	\$ 5,038,706	5,472,178	(433,472)	-7.9%
Operations	\$ 29,315,517	30,956,333	(1,640,816)	-5.3%
Contingency Reserve	\$ -	282,033	(282,033)	-100.0%
Total Expenses	\$ 29,315,517	31,238,366	(1,922,849)	-6.2%
Net Income (Loss)	\$ 116,660	31,179	85,481	
Revenue Hours	289,831	306,340	(16,509)	-5.4%
Cost per Rev Hr	\$ 101.02	101.85	(0.83)	-0.8%
Passengers	3,457,085	3,448,601	8,484	0.2%
Cost per Passenger	\$ 8.48	9.06	(0.58)	-6.4%
Farebox ratio	16.1%	15.2%	0.92%	6.1%

(fares,spec fares/Oper exp-w/o contingency-leases)

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2011 Year to Date Comparison of Actual vs Budget

For the Twelve Months Ended June 30, 2011

Fixed Route Income Statement- Unaudited

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 3,346,122	3,399,503	(53,381)	-1.6%
Special fares	\$ 824,631	749,620	75,011	10.0%
	<u>\$ 4,170,753</u>	<u>4,149,123</u>	<u>21,630</u>	<u>0.5%</u>
Advertising	\$ 504,238	482,500	21,738	4.5%
Safe Harbor lease	\$ 6,942	25,000	(18,058)	-72.2%
Other revenue	\$ 139,030	123,500	15,530	12.6%
Federal operating	\$ 3,270,766	3,072,715	198,051	6.4%
TDA earned revenue	\$ 8,163,880	9,495,765	(1,331,885)	-14.0%
STA revenue	\$ 2,987,971	3,816,505	(828,534)	-21.7%
Measure J	\$ 3,245,313	2,994,109	251,204	8.4%
Other operating assistance	\$ 1,766,270	1,517,989	248,281	16.4%
	<u>\$ 20,084,410</u>	<u>21,528,083</u>	<u>(1,443,673)</u>	<u>-6.7%</u>
Total Revenue	\$ 24,255,163	25,677,206	(1,422,043)	-5.5%
Expenses				
Wages- Operators	\$ 7,134,953	7,243,334	(108,381)	-1.5%
Wages-Other	\$ 4,671,288	4,836,709	(165,421)	-3.4%
	<u>\$ 11,806,241</u>	<u>12,080,043</u>	<u>(273,802)</u>	<u>-2.3%</u>
Fringe Benefits	\$ 6,666,016	7,134,289	(468,273)	-6.6%
Services	\$ 1,563,554	1,913,140	(349,586)	-18.3%
Materials & Supplies	\$ 2,967,675	3,041,099	(73,424)	-2.4%
Utilities	\$ 227,846	255,000	(27,154)	-10.6%
Insurance	\$ 385,277	423,523	(38,246)	-9.0%
Taxes	\$ 306,306	317,700	(11,394)	-3.6%
Leases and Rentals	\$ 37,396	38,000	(604)	-1.6%
Miscellaneous	\$ 135,905	101,200	34,705	34.3%
Purchased Transportation	\$ 42,287	60,000	(17,713)	-29.5%
Operations	\$ 24,138,503	25,363,994	(1,225,491)	-4.8%
Contingency Reserve		282,033	(282,033)	-100.0%
Total Expenses	\$ 24,138,503	25,646,027	(1,507,524)	-5.9%
Net Income (Loss)	\$ 116,660	31,179	85,481	
Revenue Hours	208,832	219,240	(10,408)	-4.7%
Cost per Rev Hr	\$ 115.41	116.80	(1.39)	-1.2%
Passengers	3,304,521	3,288,601	15,920	0.5%
Cost per Passenger	\$ 7.30	7.80	(0.49)	-6.3%
Passengers per Rev Hr	15.82	15.00	0.82	5.5%
Farebox recovery ratio	17.3%	16.2%	1.1%	6.8%

(fares,spec fares/Oper exp-w/o contingency-leases)

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2011 Year to Date Comparison of Actual vs Budget
For the Twelve Months Ended June 30, 2011
Paratransit Income Statement-Unaudited

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 546,440	590,802	(44,362)	-7.5%
Special fares		-	0	0.0%
	<u>\$ 546,440</u>	<u>590,802</u>	<u>(44,362)</u>	<u>-7.5%</u>
Advertising	\$ 714	-	714	100.0%
Other revenue	\$ 696	300	396	132.0%
Federal operating	\$ 732,526	732,526	0	0.0%
TDA 4.5 earned revenue	\$ 464,173	699,446	(235,273)	-33.6%
TDA 4.0 earned revenue	\$ 1,366,654	1,687,312	(320,658)	-19.0%
STA revenue	\$ 954,815	881,728	73,087	8.3%
Measure J	\$ 922,472	830,224	92,248	11.1%
Other operating assistance	\$ 188,524	170,000	18,524	10.9%
	<u>\$ 4,630,574</u>	<u>5,001,537</u>	<u>(370,963)</u>	<u>-7.4%</u>
Total Revenue	\$ 5,177,014	5,592,339	(415,325)	-7.4%
Expenses				
Wages- Operators		-	0	0.0%
Wages-Other	\$ 97,913	84,863	13,050	15.4%
	<u>\$ 97,913</u>	<u>84,863</u>	<u>13,050</u>	<u>15.4%</u>
Fringe Benefits	\$ 44,880	42,698	2,182	5.1%
Services	\$ 12,192	26,500	(14,308)	-54.0%
Materials & Supplies	\$ 6,304	2,500	3,804	152.2%
Utilities	\$ 18,621	22,000	(3,379)	-15.4%
Taxes	\$ 591	500	91	18.2%
Miscellaneous	\$ 94	1,100	(1,006)	-91.5%
Special Trip Services	\$ 4,996,419	5,412,178	(415,759)	-7.7%
	<u>\$ 4,996,419</u>	<u>5,412,178</u>	<u>(415,759)</u>	<u>-7.7%</u>
Total Expenses	\$ 5,177,014	5,592,339	(415,325)	-7.4%
Net Income (Loss)	\$ -	-	-	
<i>Revenue Hours</i>	<i>80,999</i>	<i>87,100</i>	<i>(6,101)</i>	<i>-7.0%</i>
<i>Cost per Rev Hr</i>	<i>\$ 63.91</i>	<i>64.21</i>	<i>(0.29)</i>	<i>-0.5%</i>
<i>Passengers</i>	<i>152,564</i>	<i>160,000</i>	<i>(7,436)</i>	<i>-4.6%</i>
<i>Cost per Passenger</i>	<i>\$ 33.93</i>	<i>34.95</i>	<i>(1.02)</i>	<i>-2.9%</i>
<i>Passengers per Rev Hr</i>	<i>1.88</i>	<i>1.84</i>	<i>0.05</i>	<i>2.5%</i>
<i>Farebox ratio</i>	<i>10.6%</i>	<i>10.6%</i>	<i>0.0%</i>	<i>-0.1%</i>
<i>(fares,spec fares/Oper exp-leases)</i>				

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

Statistics

**FY 2011 Year to Date Comparison of FY2010 Actual & FY 09 Actual
For the Twelve Months Ended June 30, 2011**

	Actual FY2011	Actual FY2010	Variance Act 2011 to Act 10	Actual FY 09	Variance Act 2011 to Act 09
Fixed Route					
Fares	\$ 3,346,122	3,404,291	-1.7%	3,709,917	-9.8%
Special Fares	\$ 824,631	771,541	6.9%	852,240	-3.2%
Total Fares	\$ 4,170,753	4,175,832	-0.1%	4,562,157	-8.6%
<i>Fares box recovery ratio</i>	<i>17.3%</i>	<i>17.3%</i>	<i>0.2%</i>	<i>16.8%</i>	<i>3.3%</i>
Operating Exp (Less leases)	\$ 24,101,107	24,171,534	-0.3%	27,232,781	-11.5%
<i>Revenue Hours</i>	<i>208,832</i>	<i>216,095</i>	<i>-3.4%</i>	<i>265,207</i>	<i>-21.3%</i>
<i>Cost per Rev Hour</i>	<i>\$ 115.41</i>	<i>111.86</i>	<i>3.2%</i>	<i>102.69</i>	<i>12.4%</i>
<i>Passengers</i>	<i>3,304,521</i>	<i>3,235,542</i>	<i>2.1%</i>	<i>4,121,324</i>	<i>-19.8%</i>
<i>Cost per Passenger</i>	<i>\$ 7.29</i>	<i>7.48</i>	<i>-2.5%</i>	<i>6.62</i>	<i>10.2%</i>
<i>Passengers per Rev Hr</i>	<i>15.82</i>	<i>14.97</i>	<i>5.7%</i>	<i>15.54</i>	<i>1.8%</i>

Paratransit

Fares	\$ 546,440	579,981	-5.8%	536,966	8.0%
<i>Fares box recovery ratio</i>	<i>10.6%</i>	<i>11.3%</i>	<i>-6.3%</i>	<i>10.9%</i>	<i>-3.0%</i>
Operating Exp (Less leases)	\$ 5,177,014	5,149,277	0.5%	4,936,065	4.9%
<i>Revenue Hours</i>	<i>80,999</i>	<i>84,107</i>	<i>-3.7%</i>	<i>91,025</i>	<i>-11.0%</i>
<i>Cost per Rev Hour</i>	<i>\$ 63.91</i>	<i>61.22</i>	<i>4.4%</i>	<i>54.23</i>	<i>17.9%</i>
<i>Passengers</i>	<i>152,564</i>	<i>155,932</i>	<i>-2.2%</i>	<i>156,668</i>	<i>-2.6%</i>
<i>Cost per Passenger</i>	<i>\$ 33.93</i>	<i>33.02</i>	<i>2.8%</i>	<i>31.51</i>	<i>7.7%</i>
<i>Passengers per Rev Hr</i>	<i>1.88</i>	<i>1.85</i>	<i>1.6%</i>	<i>1.72</i>	<i>9.4%</i>

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

Operator Wages

For the Twelve Months Ended June 30, 2011

		Year to Date			
	Actual	Budget	Variance	% Variance	
Platform/report/turn in	\$ 5,724,360	\$5,816,367	\$ (92,007)	-1.6%	
Guarantees	321,854	362,165	(40,311)	-11.1%	
Overtime	273,791	246,272	27,519	11.2%	
Spread	175,087	159,353	15,734	9.9%	
Protection	328,399	362,165	(33,766)	-9.3%	
Travel	214,767	195,569	19,198	9.8%	
Training	59,362	50,703	8,659	17.1%	
Other Misc	37,333	50,703	(13,370)	-26.4%	
	\$ 7,134,953	\$ 7,243,296	\$ (108,343)	-1.5%	

To: A & F Committee

Date: November 3, 2011

From: J. Scott Mitchell
Director of Maintenance

Reviewed By:

SUBJECT: Maintenance and Inventory Replacement Project

BACKGROUND:

As the Board of Directors is aware and has recognized many times in the past, the CCCTA Maintenance Department consistently exceeds National Maintenance Standards for Miles Between Road Calls, Maintenance Employees per 100,000 Miles, and Buses Per Mechanic. Having a reliable maintenance and inventory control management system is critical in helping achieve these standards.

The TMIS (Transportation Maintenance Information System) application has been used by CCCTA for over 20 years, and has been through several iterations and upgrades. It has an extensive array of functions and categories for tracking our most important information within the fixed-route unit of CCCTA. The following are its core functions:

- Scheduled Maintenance of fixed-route buses and support vehicles
- Work Orders and maintenance history for buses and support vehicles
- Work Orders for Facilities Maintenance
- Parts Inventory
- Fuel and Oil Inventory and usage
- Purchase Orders
- Vendor Tracking
- Accident and Incident Records

SUMMARY OF ISSUES: TMIS received a major upgrade six years ago to bring it into compliance with modern operating systems and to move the database to a more standardized format, should we ever need to move to another platform. Prior to this upgrade, CCCTA had explored other options to migrate to. These other software platforms were overly complex and expensive. The closest match in terms of functionality approached \$500,000 in initial costs with a doubled cost in yearly maintenance. This is why we proceeded with TMIS and performed the upgrade.

The sole TMIS programmer, Ken Leidy, passed away in 2010, and since, support has been provided by Transit Resource Center (TRC), which acquired rights to the software before Ken's demise. Two large problems arose at this point, 1) TRC didn't have the expertise to properly maintain and upgrade TMIS, and 2) CCCTA transitioned to Windows 7 on the desktop PC's which are not compatible with the current version of TMIS.

TRC began to consult with DragonPoint Systems, a software design company, to provide TMIS customers with support and the possibility of designing an upgrade. We have worked with DragonPoint to repair some issues with TMIS and have found them to be very competent. They understand TMIS, as well as our needs at CCCTA.

TMIS was programmed in Visual Basic 6, which is not upgradeable to current development environments; and programs created within VB6 cannot be manipulated to work with Windows 7 OS. All VB6 programs must be rewritten from scratch within Microsoft's new development environment, Visual Studio.NET. The cost of doing so is beyond what TRC is willing to pay and therefore, leaves CCCTA stuck with an outdated and unsupported application.

That leaves CCCTA with two options.

Option I: Hire a software consultant to write a technical specification for a maintenance and inventory management system. Release an Invitation for Bid or Request for Proposal. The last time CCCTA solicited bids for an inventory and maintenance management system, bids came in at the \$500,000 range. This option would require CCCTA to change or modify many of our internal policies and procedures, require retraining of CCCTA staff, and result in higher annual maintenance costs.

Option II: Enter into a professional services contract with DragonPoint Systems directly to re-write our inventory management program.

The latter option tends to make more sense, as we can keep the familiar look-and-feel of TMIS, avoiding re-training and loss of productivity, and can make the application fit our exact workflow. Along with this, the newly re-written application would allow for modern compatibility, longevity, and standardization, so that any Microsoft-based programming company or individual can support it.

DragonPoint Systems is already familiar with all aspects of our needs, and is willing to complete the project module-by-module at a total estimated cost not to exceed \$240,000. Also, yearly support costs will be less through DragonPoint and there will be no yearly licensing fees--CCCTA would own the updated application outright. Should DragonPoint ever fail to meet our support needs, we have endless options for support elsewhere, which would not be the case with other commercial products.

FINANCIAL IMPLICATIONS: Grant funds have been identified for this project. Project not to exceed \$240,000.

RECOMMENDATIONS: CCCTA enter into a professional services contract with DragonPoint Systems to update our maintenance and inventory management software to a modern iteration and migrate our end-users at the beginning of next year, when complete. This move should give CCCTA problem-free service until at least 2019.

ACTION REQUESTED: Staff recommends that the A&F Committee recommend that the full Board of Directors authorize the General Manager to enter into a professional services contract with DragonPoint Systems.