

# The County Connection

December 27, 2011

TO: ADMINISTRATION AND FINANCE COMMITTEE  
 FROM: KATHY CASENAVE, DIRECTOR OF FINANCE

REVIEWED: *PKC*

**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 changes from the June 2011 forecast:**

#### Actual FY 2011 Revenue and Expenses.

- +\$ 447,000 FY 2011 TDA revenue was more than projected in June forecast.
  - +\$ 159,000 Other FY 2011 revenue was more than projected.
  - +\$1,200,000 FY 2011 expenses were less than projected. The largest variances were workers compensation expense, which was \$568k under budget and Paratransit purchased transportation, which was \$416,000 under budget.
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- +\$1,806,000 Increase in TDA reserve due to FY 2011 actuals**

#### FY 2012 Changes.

- +\$1,011,000 Federal preventive maintenance revenue. The closeout of an old federal grant and additional federal revenue available from FY 2011 grant will be used for operations. This supplants TDA revenue that was earmarked for operations.
  - +\$ 238,000 FY 2012 TDA revenue is projected to be at least the same as FY 2011.
  - +\$ 903,000 Reduction in estimated expenses- \$550,000 for contingency and most of the balance is a lower estimate in Paratransit purchased transportation expense.
  - \$ 255,000 Reduction in other revenues, mainly Life Line grants.
  - \$ 920,000 TDA revenue to be used for FY 2012 capital projects. The additional federal preventive maintenance revenue freed up operational revenue.
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- + 977,000 Increase in TDA reserve due to revised FY 2012 estimates**

**\$2,783,000 Total Increase in TDA reserve due to changes in FY 2011 & FY 2012**

**Changes in the out years for both scenarios-**

- 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 due to projections in the October 2011 actuarial report. The rates for FY 2014-FY 2016 are estimated to be 5.5%, 5.9% & 6.8%, if the investment rate of return is 2.93%. The prior rates in the forecast were 8.3%, 8.6% & 8.9%.
- Fare increases have been delayed for one year; they are now slated for FYs 2014 and 2017. In a separate memo the Director of Planning and Marketing estimates that the loss of revenue for FY 2013 would be about \$200,000.

**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 is projected to be \$278,000 at the end of FY 2016.

**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 \$673,000 and \$5.6 million at the end of 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  
TEN YEAR FORECAST In \$ Thousands**

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Revenue Hours</b>	<b>209,000</b>	<b>209,000</b>	<b>209,000</b>	<b>209,000</b>	<b>209,000</b>	<b>209,000</b>
1 Passenger Fares	3,346	3,367	3,434	3,709	3,783	3,859
2 Special Fares	825	791	807	827	848	869
3 Advertising	504	530	550	570	584	599
4 Investment & Other	146	149	149	149	149	149
5 FTA Sec 8 Planning	-	30	30	30	30	30
6 FTA Preventive Maintenance	2,460	5,269	360	390	397	405
7 Federal Stimulus- Preventive Maintenance	811	-	-	-	-	-
8 MTC STA Augmentation fund	770	-	-	-	-	-
9 STA Population	2,218	2,308	2,308	2,425	2,486	2,548
10 TDA 4.0	8,164	9,266	13,725	13,927	14,871	15,380
11 Measure J	3,245	3,385	3,487	3,592	3,701	3,850
12 BART Express Funds	616	556	556	590	608	626
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-CC County	381	355	859	500	515	530
<b>17 Total Fixed Route Operating Revenue</b>	<b>24,255</b>	<b>26,395</b>	<b>26,755</b>	<b>27,380</b>	<b>28,162</b>	<b>29,035</b>
18 Operating Expenses w/o contingency	24,139	26,395	26,755	27,380	28,162	29,035
% increase in expenses		9.3%	1.4%	2.3%	2.9%	3.1%
19 Operating expense contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>20 Total Fixed Route Operating Expenses</b>	<b>24,139</b>	<b>26,395</b>	<b>26,755</b>	<b>27,380</b>	<b>28,162</b>	<b>29,035</b>
<b>Revenue Hours</b>	<b>81,000</b>	<b>81,000</b>	<b>81,000</b>	<b>81,000</b>	<b>81,000</b>	<b>81,000</b>
21 Passenger Fares	546	574	574	625	644	663
22 Advertising revenue	1	-	-	-	-	-
23 FTA Section 5307	733	762	777	796	816	837
24 TDA 4.5	464	656	676	696	717	746
25 TDA 4.0	1,367	1,231	1,298	1,464	1,515	1,551
26 Measure J	922	959	988	1,018	1,049	1,091
27 STA Paratransit & Rev based	955	884	884	928	951	975
28 Non Operating revenue	1	-	0	-	-	-
29 Bart ADA service	189	180	170	175	180	186
<b>30 Total Paratransit Operating Revenue</b>	<b>5,177</b>	<b>5,246</b>	<b>5,367</b>	<b>5,704</b>	<b>5,874</b>	<b>6,049</b>
<b>31 Total Paratransit Operating Expenses</b>	<b>5,177</b>	<b>5,246</b>	<b>5,367</b>	<b>5,704</b>	<b>5,874</b>	<b>6,049</b>
% increase in expenses		1.3%	2.3%	6.3%	3.0%	3.0%
<b>32 Total CCCTA Operating Budget</b>	<b>\$ 29,316</b>	<b>\$ 31,641</b>	<b>\$ 32,122</b>	<b>\$ 33,083</b>	<b>\$ 34,036</b>	<b>\$ 35,084</b>

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
**TEN YEAR FORECAST In \$ Thousands**  
*In \$Thousands*

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Capital Revenue</b>						
33 Federal	\$ -	6,473	4,585	37,504	305	3,139
34 Prop 1B STA rev based	-	2,132	-	1,619	-	-
35 Prop 1B STA pop based	-	1,803	1,185	1,500	365	-
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	-	-	-	-
40 TDA 4.0	187	920	-	-	-	-
41 To be Determined	-	-	876	2,928	1,044	1,785
<b>43 Total Capital Revenue</b>	<b>304</b>	<b>12,642</b>	<b>7,107</b>	<b>47,358</b>	<b>1,854</b>	<b>5,285</b>

<b>44 Capital</b>	<b>\$ 304</b>	<b>\$ 12,642</b>	<b>\$ 7,107</b>	<b>\$ 47,358</b>	<b>\$ 1,854</b>	<b>\$ 5,285</b>
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*This forecast includes:*

*Unfunded capital projects from FY 2013-2021*

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**  
TDA RESERVE

TDA RESERVE	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
45 Beginning Balance	\$ 3,268	\$ 6,616	\$ 8,264	\$ 6,569	\$ 4,908	\$ 2,666
46 Estimated TDA 4.0 Allocation	\$ 13,065	\$ 13,065	\$ 13,328	\$ 13,730	\$ 14,145	\$ 14,572
		0.0%	2.01%	3.02%	3.02%	3.02%
<b>TDA 4.0 Needed for Operations and Capital:</b>						
47 Used for Fixed route operations	(8,164)	(9,266)	(13,725)	(13,927)	(14,871)	(15,380)
48 Used for Paratransit operations	(1,367)	(1,231)	(1,298)	(1,464)	(1,515)	(1,551)
49 TDA used for Operations	(9,531)	(10,497)	(15,023)	(15,391)	(16,387)	(16,930)
50 Used for capital program	(187)	(920)	-	-	-	-
51 <b>Ending TDA Reserve</b>	<b>\$ 6,616</b>	<b>\$ 8,264</b>	<b>\$ 6,569</b>	<b>\$ 4,908</b>	<b>\$ 2,666</b>	<b>\$ 308</b>
52 <b>Ending TDA Reserve, June, 2011 Forecast</b>	<b>4,810</b>	<b>5,481</b>	<b>3,588</b>	<b>2,119</b>	<b>473</b>	<b>(329)</b>

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<b>20 Total Fixed Route Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
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46 Estimated TDA 4.0 Allocation	\$ 13,065	\$ 13,065	\$ 13,065	\$ 13,065	\$ 13,065	\$ 13,065
		0.0%	0.00%	0.00%	0.00%	0.00%
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48 Used for Paratransit operations	(1,367)	(1,231)	(1,347)	(1,608)	(1,734)	(1,864)
49 TDA used for Operations	<b>(9,531)</b>	<b>(10,497)</b>	<b>(15,174)</b>	<b>(15,859)</b>	<b>(17,099)</b>	<b>(17,949)</b>
50 Used for capital program	(187)	(920)	-	-	-	-
<b>51 Ending TDA Reserve</b>	<b>\$ 6,616</b>	<b>\$ 8,264</b>	<b>\$ 6,156</b>	<b>\$ 3,361</b>	<b>\$ (673)</b>	<b>\$ (5,556)</b>
<b>52 Ending TDA Reserve, June, 2011 Forecast</b>	<b>4,810</b>	<b>5,481</b>	<b>3,588</b>	<b>2,119</b>	<b>473</b>	<b>(329)</b>