

**To:** Board of Directors

**Date:** 01/21/2016

**From:** Rick Ramacier, Manager of Planning

**Reviewed by:**

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**SUBJECT: Setting Planning Priorities**

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### **Background**

It has been a number of years since the Board of Directors has conducted an in-depth discussion of County Connection planning priorities as they relate to service planning, capital planning, and revenue reserves. Moreover, quite bit has changed since the last time the Board had such a discussion. And, that time was at the beginning of the recession.

As we move further away from the previous recession and into a period of sustained economic growth, a number of things are going on where County Connection is either being asked to consider new service ideas or provide input into possible efforts to raise additional revenues for transportation improvements. Meanwhile, new potential capital improvement requirements are presenting themselves.

Finally, there is growing interest among individual board members in discussing the consideration of having a financial reserve policy(s), either holistically and/or for specific purposes.

Thus, staff strongly believes that a focused in-depth discussion by the Board on these items is very appropriate at this time.

### **Planning Workshop**

To facilitate an in-depth Board discussion, time has been set aside on the agenda for your meeting on February 18, 2016 for this. Staff will present items regarding what we see as the salient items to discuss. This presentation will follow along with the slides that have been attached for your review and reference. Staff anticipates that we will have an initial presentation that will last about 15 minutes. Afterward, we would like to answer questions regarding the information presented. We expect that a discussion by the Board will follow. Finally, we will ask the Board to provide general direction to staff that will likely lead to staff returning to the Board – through the appropriate Board sub-committees – with specific proposals resulting from the workshop.

### **Staff Request**

Staff respectfully requests that Board fully discuss the items to be presented during the workshop and then provide direction to develop possible further action items for later consideration.



# Board Planning Workshop

## February 2016

*County Connection*

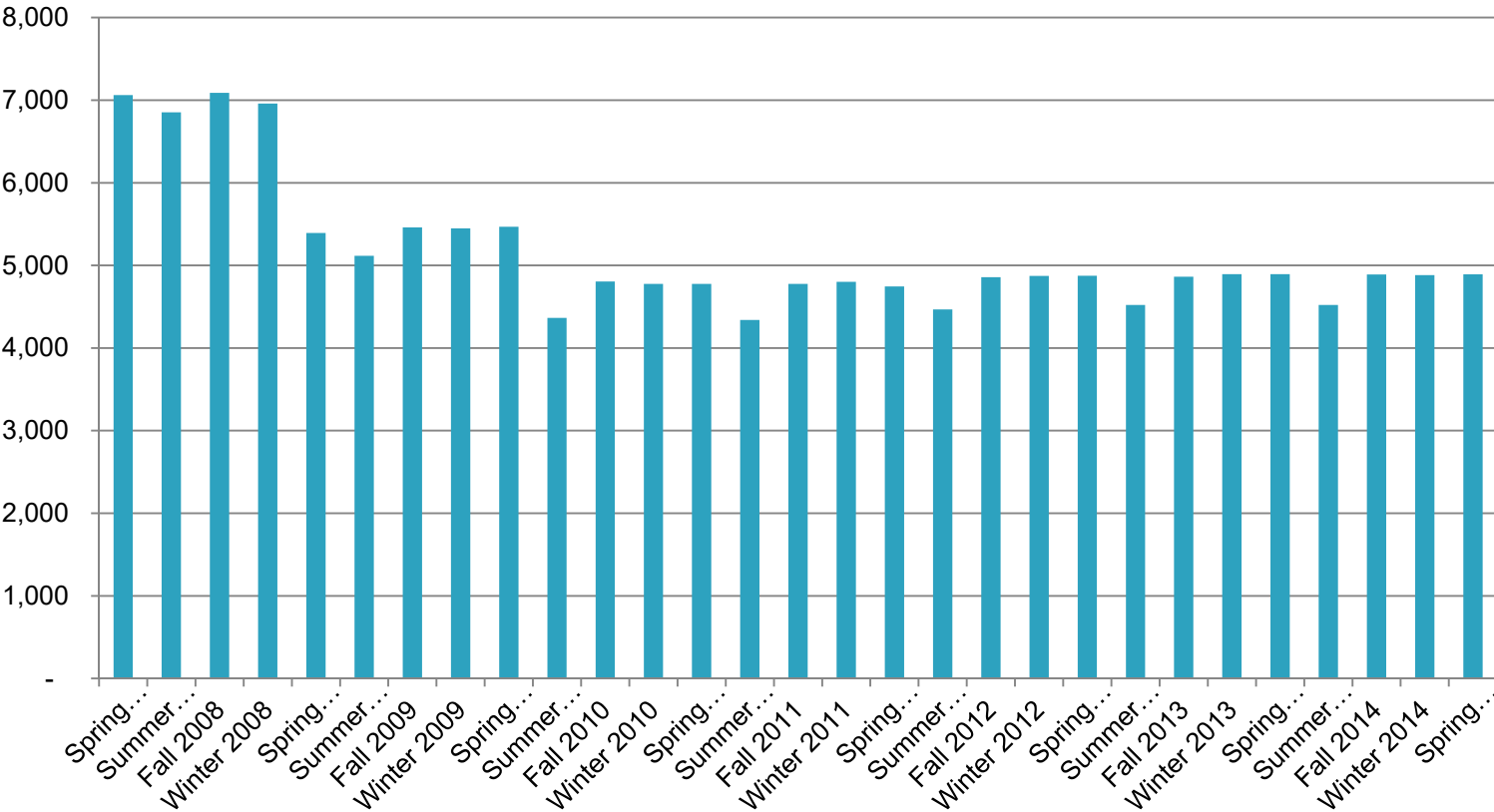


The logo features the text 'County Connection' in a red serif font. Below the text are two horizontal bars: a top yellow bar and a bottom orange bar. To the right of the text, a yellow silhouette of a mountain range is visible.

# Current State



Platform Hrs Per Week for Each Bid Period



# Operating Cost and Reserves Historical

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
<b>Operating Budget</b>	\$ 32,292	\$ 32,264	\$ 30,251	\$ 30,526	\$ 29,897	\$ 30,841	\$ 32,834	\$ 32,991	\$ 36,742
<b>Staffing</b>	305	268	266	259	258	261	264	265	266
<b>TDA Reserve</b>	\$ 4,233	\$ 3,171	\$ 3,267	\$ 7,151	\$ 8,695	\$ 12,421	\$ 9,522	\$ 10,170	\$ 6,740
<b>Safe Harbor Lease</b>	\$ 1,371	\$ 1,406	\$ 1,419	\$ 1,426	\$ 1,437	\$ 1,433	\$ 1,443	\$ 1,443	\$ 1,443
<b>Total Reserve</b>	\$ 5,604	\$ 4,577	\$ 4,686	\$ 8,577	\$ 10,132	\$ 13,854	\$ 10,965	\$ 11,613	\$ 8,183

## Reserve Percentage of:

<b>10%</b>	\$ 3,229	\$ 3,226	\$ 3,025	\$ 3,053	\$ 2,990	\$ 3,084	\$ 3,283	\$ 3,299	\$ 3,674
Difference between Reserve & Goal	\$ 2,375	\$ 1,351	\$ 1,661	\$ 5,524	\$ 7,142	\$ 10,770	\$ 7,682	\$ 8,314	\$ 4,509
<b>16%</b>	\$ 5,167	\$ 5,162	\$ 4,840	\$ 4,884	\$ 4,784	\$ 4,935	\$ 5,253	\$ 5,279	\$ 5,879
Difference	\$ 437	\$ (585)	\$ (154)	\$ 3,693	\$ 5,348	\$ 8,919	\$ 5,712	\$ 6,334	\$ 2,304
<b>25%</b>	\$ 8,073	\$ 8,066	\$ 7,563	\$ 7,632	\$ 7,474	\$ 7,710	\$ 8,208	\$ 8,248	\$ 9,186
Difference	\$ (2,469)	\$ (3,489)	\$ (2,877)	\$ 945	\$ 2,658	\$ 6,144	\$ 2,757	\$ 3,365	\$ (1,003)
<b>50%</b>	\$ 16,146	\$ 16,132	\$ 15,126	\$ 15,263	\$ 14,949	\$ 15,421	\$ 16,417	\$ 16,495	\$ 18,371
Difference	\$ (10,542)	\$ (11,555)	\$ (10,440)	\$ (6,686)	\$ (4,817)	\$ (1,567)	\$ (5,452)	\$ (4,882)	\$ (10,188)

# Operating Cost and Reserves Projection (Based on 2016 Adopted Budget)

	FY2016	FY2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Operating Budget</b>	\$ 36,742	\$ 37,206	\$ 38,228	\$ 39,204	\$ 40,206	\$ 41,234	\$ 42,322	\$ 43,438	\$ 44,588
<b>Staffing</b>	266	266	266	266	266	266	266	266	266
<b>TDA Reserve</b>	\$ 6,740	\$ 5,478	\$ 4,513	\$ 4,120	\$ 4,060	\$ 4,176	\$ 1,173	\$ 1,773	\$ 2,017
<b>Safe Harbor Lease</b>	\$ 1,443	\$ 1,443	\$ 1,443	\$ 1,443	\$ 1,443	\$ 1,443	\$ 1,443	\$ 1,443	\$ 1,443
<b>Total Reserve</b>	\$ 8,183	\$ 6,920	\$ 5,956	\$ 5,563	\$ 5,502	\$ 5,619	\$ 2,616	\$ 3,215	\$ 3,460

<b>Reserve Percentage of:</b>									
<b>10%</b>	\$ 3,674	\$ 3,721	\$ 3,823	\$ 3,920	\$ 4,021	\$ 4,123	\$ 4,232	\$ 4,344	\$ 4,459
Difference between Reserve & Goal	\$ 4,509	\$ 3,199	\$ 2,133	\$ 1,643	\$ 1,481	\$ 1,496	\$ (1,616)	\$ (1,129)	\$ (999)
<b>16%</b>	\$ 5,879	\$ 5,953	\$ 6,116	\$ 6,273	\$ 6,433	\$ 6,597	\$ 6,772	\$ 6,950	\$ 7,134
Difference	\$ 2,304	\$ 967	\$ (160)	\$ (710)	\$ (931)	\$ (978)	\$ (4,156)	\$ (3,735)	\$ (3,674)
<b>25%</b>	\$ 9,186	\$ 9,301	\$ 9,557	\$ 9,801	\$ 10,052	\$ 10,309	\$ 10,581	\$ 10,860	\$ 11,147
Difference	\$ (1,003)	\$ (2,381)	\$ (3,601)	\$ (4,238)	\$ (4,550)	\$ (4,690)	\$ (7,965)	\$ (7,645)	\$ (7,687)
<b>50%</b>	\$ 18,371	\$ 18,603	\$ 19,114	\$ 19,602	\$ 20,103	\$ 20,617	\$ 21,161	\$ 21,719	\$ 22,294
Difference	\$ (10,188)	\$ (11,683)	\$ (13,158)	\$ (14,039)	\$ (14,601)	\$ (14,998)	\$ (18,545)	\$ (18,504)	\$ (18,834)


# Operating Cost and Reserves Projection

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<b>Total Reserve</b>	\$ 8,183	\$ 6,920	\$ 5,956	\$ 5,563	\$ 5,502	\$ 5,619	\$ 2,616	\$ 3,215	\$ 3,460

## Factors Affecting Reserves:

- Underground Fuel Tanks Replacement – Estimated \$5 Million
- Parking Lot Expansion - \$1.8 Million
- Final Costs of Electric Buses
- Bus Replacements – Zero Emission

# Add Reserves? Add Service? Fund Capital Projects?



- Increase fares (now \$4.5M per year)
- Cut service
- Sales tax revenue growth
  - Economy
  - New Measure
- BART funding for feeder service
- Cap and Trade funds – with rule change
- Private funding – mitigation or parking fees

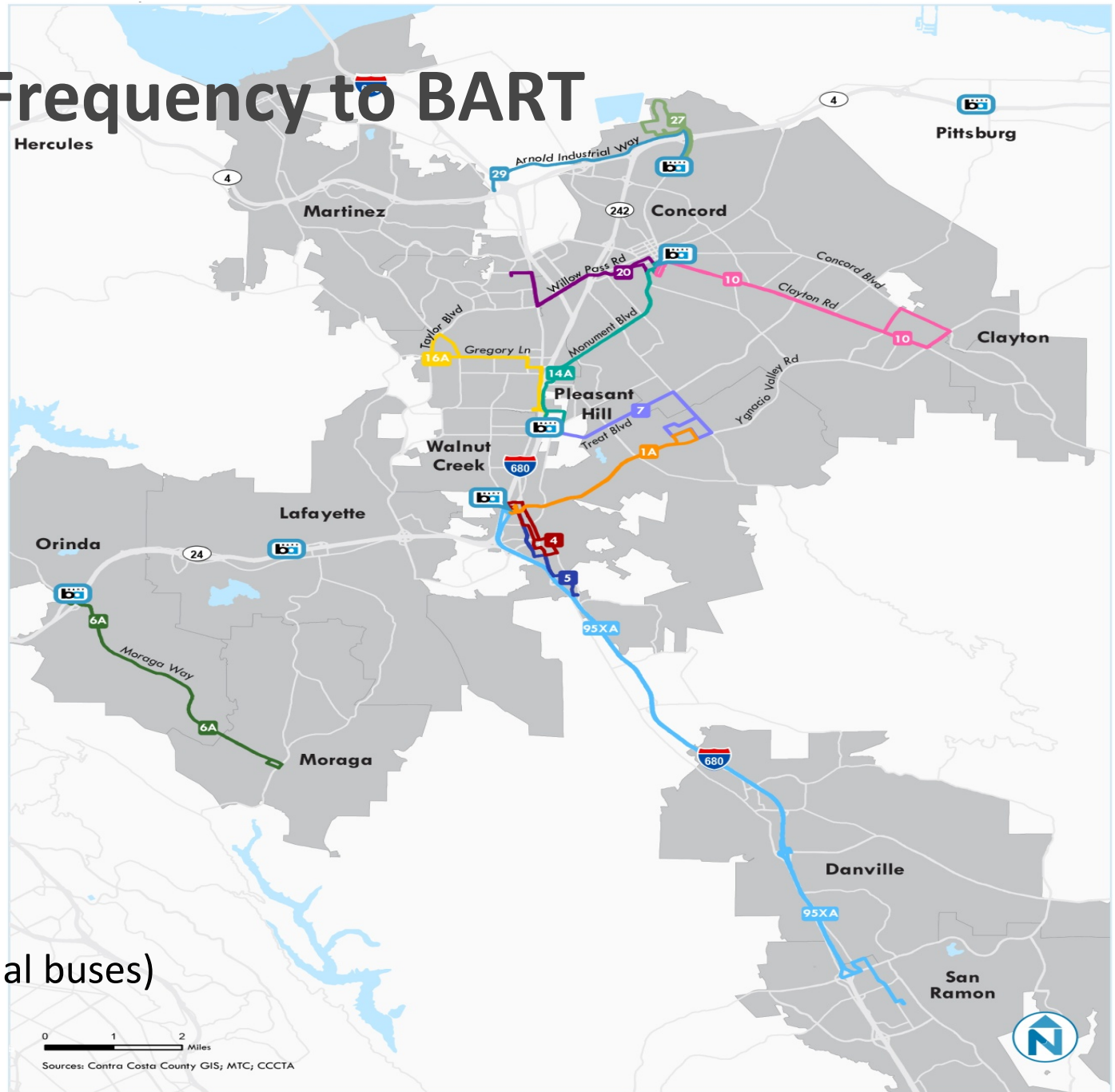
# County Connection Focus



- Increase frequency to BART
- Expand Weekend Service
- Reconstruct facility lot
- Build renewable energy project



# Increase Frequency to BART



## TEP Ask

Operating cost:  
\$7.8M per year

Capital cost:  
\$10.8M (21 additional buses)

# Expand Weekend Service

## Infrequent

Route	Frequency
304	20
306	84
306	120
306	83
301	90
<b>310</b>	<b>20</b>
310	40
311	30
<b>314</b>	<b>40</b>
315	90
<b>316</b>	<b>80</b>
320	45
321	60

## Productive

	Route	Passengers per RHR
600's	Select Service	51
<b>310</b>	<b>Concord Bart / Clayton Rd / Kirker Pass</b>	<b>31</b>
5	Creekside / Walnut Creek	28
10	Concord / Clayton Rd	26
20	DVC / Concord	26
4	Walnut Creek Downtown Shuttle	24
<b>314</b>	<b>Clayton Rd / Monument / P. Hill</b>	<b>22</b>
92X	Ace Shuttle Express	20
15	Treat Boulevard	20
95X	San Ramon / Danville Express	20
35	Dougherty Valley	19
11	Treat Blvd / Oak Grove	18
14	Monument Blvd	18
<b>316</b>	<b>Alhambra / Morello / Pleasant Hill</b>	<b>18</b>

### TEP ask

\$4.3M per year

Sat service = weekday

Sun service increase

# Saturday

PROPOSED		CURRENT	
Route	Revenue Hours/Day	Route	Revenue Hours/Day
1	26:21	301	08:54
10	47:58	310	17:06
11	18:22	311	15:29
14	39:35	314	27:56
15	30:51	315	06:20
16	51:51	316	19:56
17	18:31	320	12:49
18	31:14	321	20:14
19	13:48	4	18:22
1M	05:28	6	08:45
2	03:12	<b>Total</b>	<b>155:51</b>
20	46:27		
21	48:20		
25	09:26		
28	30:12		
3	14:30		
35	33:25		
36	26:50		
4	35:50		
5	18:40		
6	33:05		
7	21:18		
9	41:46		
<b>Total</b>	<b>647:00</b>		

# Sunday

PROPOSED		CURRENT	
Route	Revenue Hours/Day	Route	Revenue Hours/Day
3	14:30	n/a	
301	08:54	301	08:54
310	31:17	310	17:06
311	15:29	311	15:29
314	50:40	314	27:56
315	06:20	315	06:20
316	19:56	316	19:56
320	21:51	320	12:49
321	54:56	321	20:14
4	18:22	4	18:22
6	08:45	6	08:45
<b>Total</b>	<b>251:00</b>	<b>Total</b>	<b>155:51</b>

# Reconstruct Facility Lot



- Add public bus access
- Add spaces
- \$1.8M

## LEGEND:

- 196 EXISTING PARKING SPACES
- 216 PROPOSED PARKING SPACES



# Build Renewable Energy Project



- 975kW system
- Annual savings = \$151K
- Cost = \$6.7M

# Community Focus



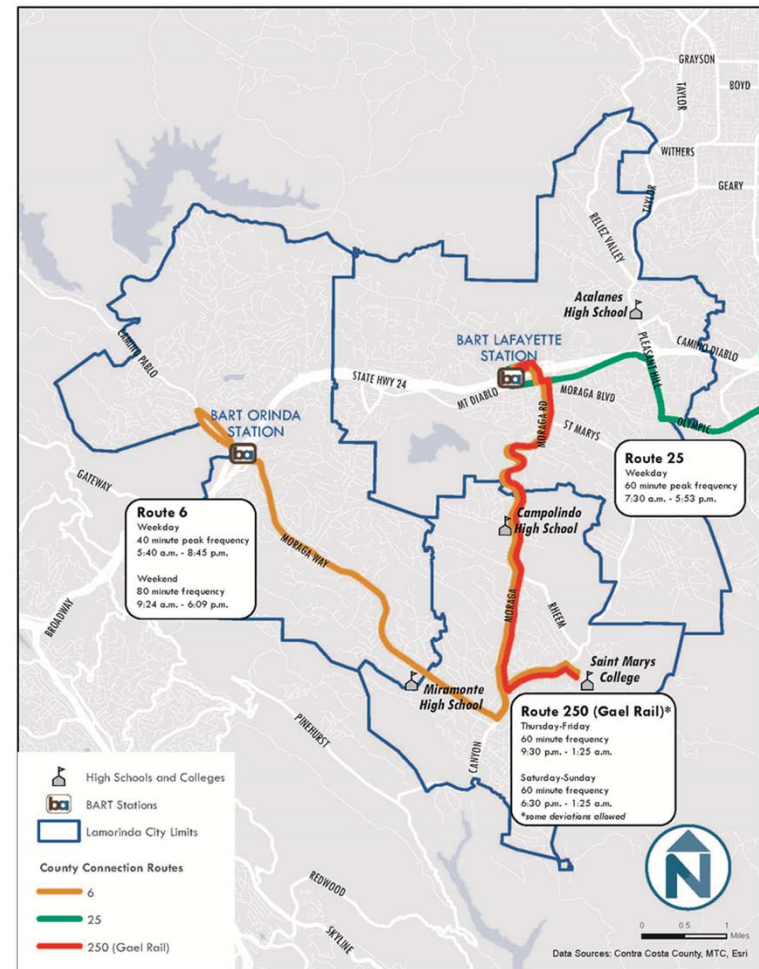
- Implement Lamorinda Service Plan
- Improve Service in I-680 Corridor
- Downtown Concord Circulator
- Bishop Ranch Circulator
- Naval Weapons Station Service

# Implement Lamorinda Service Plan

Expand Route #6: \$250 - \$400K per year

Service Involving Other Agencies:

- Taxi Subsidy Program - \$100K or more
- Expand School Bus Program - \$480K
- Increase School Program Coordination





# Improve Service in I-680 Corridor

- Park and ride lot purchase and construction
- Bus on shoulder improvements
- Additional buses and operating cost
- Operating cost: \$5.5M per year
- Capital cost: \$10.8M



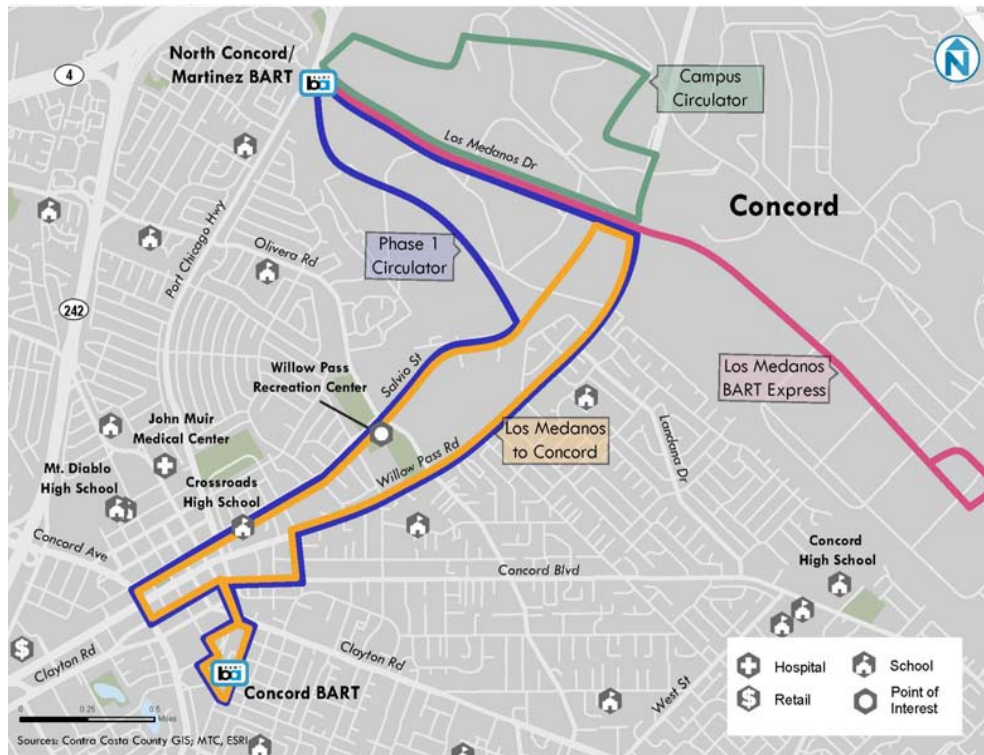
Prepared For  
Contra Costa  
Transportation Authority



I-680 Transit Investment/Congestion  
Relief Options Study  
Final Report  
Prepared by  
**DKS**  
In Association With  
Parsons Transportation Group  
Circlepoint  
December 9, 2015

# Downtown Concord Circulator

- 2 buses – 20 min frequency
- Operating cost: \$800K per year
- Capital cost: \$1M



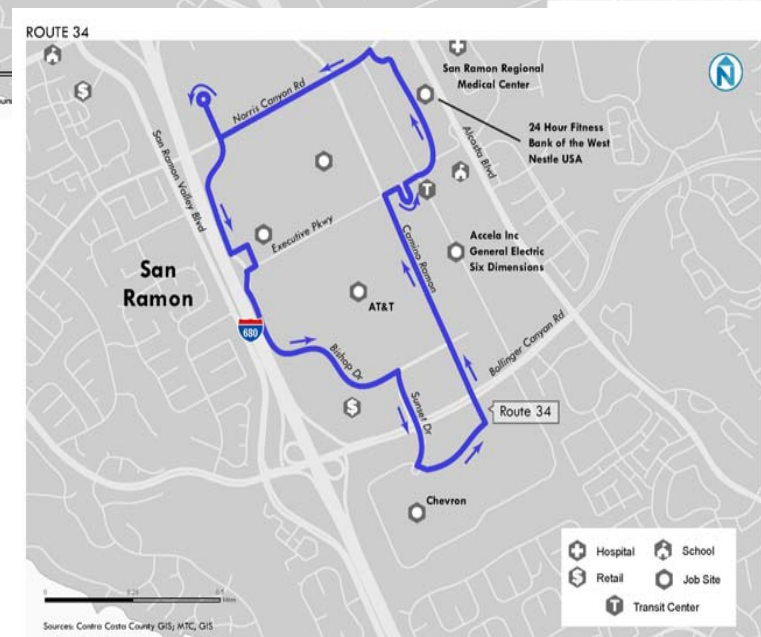
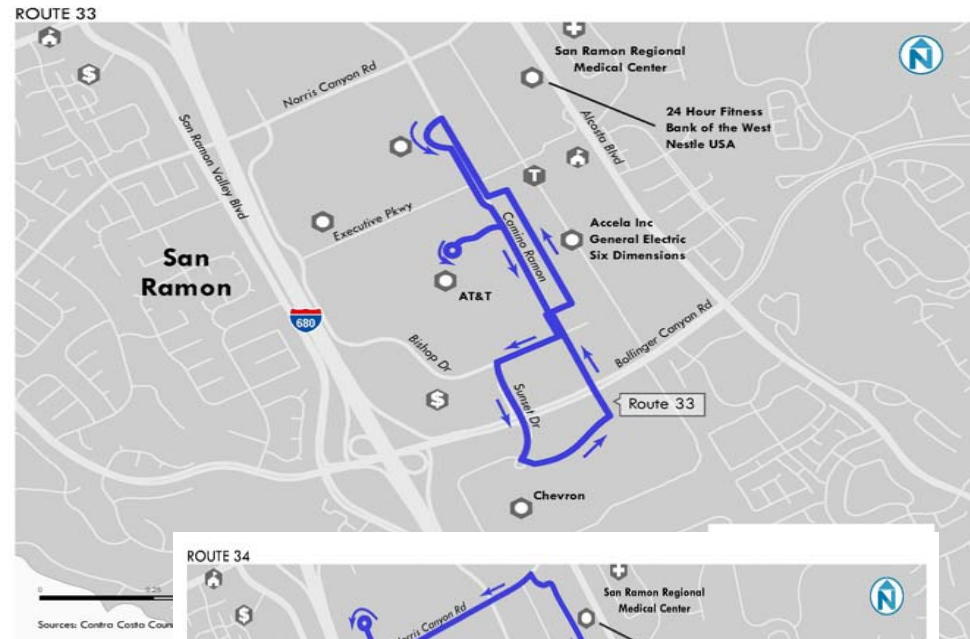
# Bishop Ranch Circulator

Shifts local circulation from the Express bus

15 Min frequency

Operating cost: \$1.6M per year

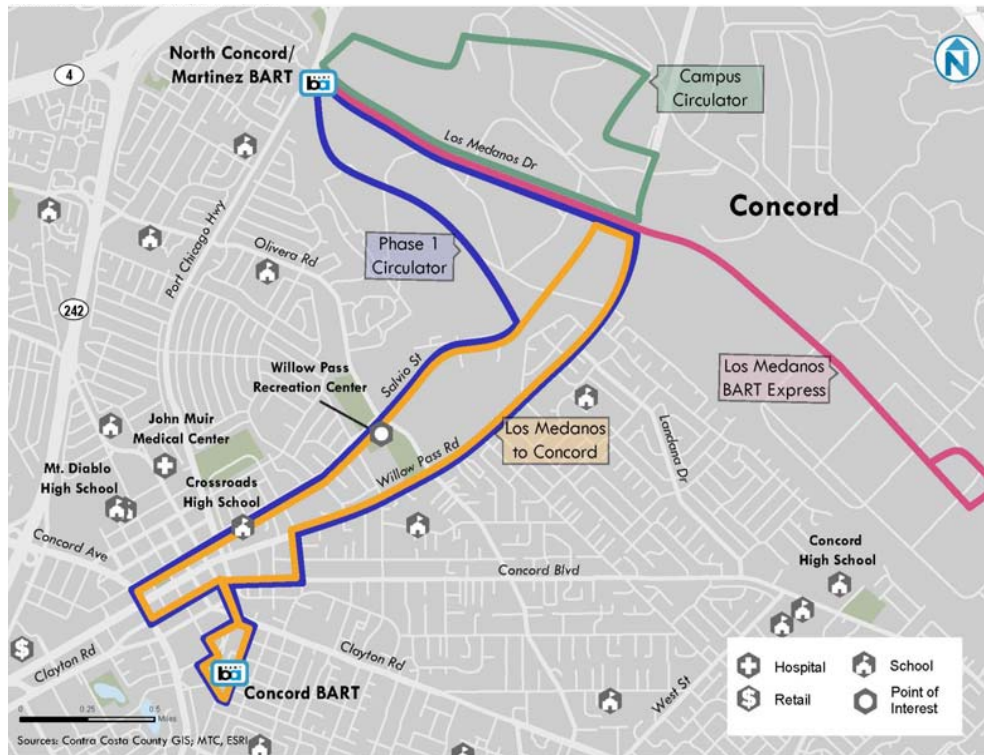
Capital cost: \$1.9M



# Naval Weapons Station Service

Assume phasing

- Operating cost – \$1.2 to \$9M full buildout
- Capital cost – \$2.4 to \$6.9M (21 buses)



# Funding Future



- New funding likely to be project specific
- New Cap and Trade funds
- Sales tax measure funds
- Discretionary capital funds
- Developer fees, private and public funding partners