

Administration and Finance Committee  
Summary Minutes  
April 11, 2016

The meeting was called to order at 9:00 a.m. at the Walnut Creek offices of Hanson Bridgett. Those in attendance were:

Committee Members:	Director Bob Simmons Director Al Dessayer Director Don Tatzin Director Sue Noack
Staff:	General Manager Rick Ramacier Director of Finance Erick Cheung Director of Maintenance Scott Mitchell Director of Planning Anne Muzzini Manager of Planning Ruby Horta Hanson Bridgett Attorney Patrick Glenn
Guest:	Catherine MacLeod, Director of Health and Benefit Actuarial Services of Bickmore
Public:	Ralph Hoffmann

1. Approval of Agenda- Approved.
2. Public Communication- Mr. Hoffmann spoke on the ease of access to the A&F Committee meeting and desired that other County Connection meetings had better access to public transit for the public to attend. He did acknowledge that County Connection provides transportation for Board meetings from the North Concord/Martinez BART Station to the agency. Mr. Hoffmann also commented that Mobility Matters produced new brochures to assist seniors with mobility management.
3. Approval of Minutes of March 2, 2016- Approved.
4. Closed Session – Conference with Legal Counsel-Anticipated Litigation Government Code Section 54956.69 (b)- No reportable action taken.
5. OPEB Actuarial Valuation- Director Cheung and Ms. MacLeod provided a summary of the OPEB Actuarial Valuation Report which is required every two years by Governmental Accounting Standards Board (GASB) Statement No. 45. County Connection's Unfunded Actuarial Accrued Liability (UAAL) as of July 1, 2015 is \$6.75 million. The net Annual Required Contribution (ARC) for FY 2016 is \$604,792 and FY 2017 is \$601,501. The committee members discussed the actuarial report with Ms. MacLeod to gain a better understanding of the actuarial changes. The committee accepted the report and concurred with staff's recommendation to contribute the ARC for FY 2016 and FY 2017 which was consistent with past practice. Finally, the committee agreed to forward the item to the Board of Directors as a consent item.
6. Fares, Passengers and Free Rides- Director Muzzini discussed the various reasons for ridership having increased over the last several years while revenue has fluctuated over that same period of time. Buses are equipped with automatic passenger counters (APC) and over time with technology improvement the counters are more accurate and the adjustment factor has increased which would result in higher passenger counts. The adjustment factor has gone from .8726 to .9654. County Connection also has several routes that are free to everyone who boards the bus; Route #4, #5, and #7. Routes #4 and #5 have the passenger fares paid by the City of Walnut Creek. Route #7 fares are paid for by the Shadelands Business Park owners. Bishop Ranch

pays a fixed amount so that everyone who is employed by a tenant of Sunset Development rides for free. The Bishop Ranch agreement is complicated and the invoice includes an amount for a share of the operating cost as well as an amount to cover fares. Ridership has grown significantly since the contract was established and the amount for fare reimbursement is \$134,000 less than the calculated amount due. However, the total invoice amounts to 33% of the operating cost which is far higher than our farebox recovery ratio of 18%. In August 2013, the Board adopted to restore a mid-day free policy (10am to 2pm) for seniors and people with disabilities that was effective in December 2013 and estimated at the time to reduce revenue by approximately \$70,000. Information only.

7. FY2015-16 MTC Transit Performance Initiative Grant- Manager Horta provided a summary of the Transit Performance Initiative (TPI) Program which is intended to focus on improving ridership and productivity. County Connection has been allocated \$236,897 for FY 2016 which staff has currently allocated to REMIX Software for \$17,600 and Implementation of Access Improvement Projects for \$219,297. The committee approved forwarding to the Board's consent calendar with a recommendation of approval.
8. Electric Bus Project- Director Mitchell provided an update on the Electric Trolleys and charging infrastructure for Route 4 in City of Walnut Creek. The current schedule has the four buses being delivered between July and October. County Connection has released the bid package for construction of the charging infrastructure and estimated to be completed in late summer of this year. The first electric trolley is planned for service in October and the project budget is currently estimated at \$5.4 million. Informational only.
9. Revised Fiscal Year 2017 Draft Budget and Financial Forecast- Director Cheung provided an updated summary of the FY 2017 Draft Budget with proposed operating expenses of \$37,152,187. The Fixed Route's proposed operating budget is \$30,715,813 and a contingency of \$800,000. The proposed operating budget is \$1,525,142 (5.2%) higher than the FY 2016 Estimated amount due mainly to agreed upon salary increases with bargaining groups and rising fuel costs. Paratransit's proposed operating budget is \$5,636,374 and is \$222,859 (4.1%) higher due to estimated contract increases for purchased transportation. The changes from the previous draft related to updating the OPEB expenses based on the updated actuarial reports and the PG&E expense for the electric trolley. The net impact was a reduction of expense for FY 2016 of \$133,431 and FY 2017 \$79,930. Director Cheung advised that this draft, if approved, will be used for the TDA claim. There will be an updated draft prepared for the May meeting before a final budget is adopted in June. Staff requested that this draft be put on the Board agenda for review and discussion. Approved.
10. Income Statements for the Six Months Ended December 31, 2015 - Director Cheung noted that actual expenses for the six months were 11% under the year to date budget. The expense categories with the most significant variances were wages, \$282K; services, \$323K, and materials and supplies, \$661K. Also, the contingency of \$1.3 million does not appear to be needed. Information only.
11. Review of Vendor Bills, March 2016- Reviewed.
12. Legal Services Statement, January 2016, General & Labor- Approved.
13. Adjournment- The meeting was adjourned. The next meetings will be tentatively scheduled for Wednesday, May 4<sup>th</sup> at 9:00 a.m.

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Erick Cheung, Director of Finance