

# County Connection

2477 Arnold Industrial Way    Concord, CA 94520-5326    (925) 676-7500    countyconnection.com

## **BOARD OF DIRECTORS MEETING AGENDA**

**Thursday, March 16, 2017  
9:00 a.m.**

**CCCTA Paratransit Facility  
Gayle B. Uilkema Memorial Board Room  
2477 Arnold Industrial Way  
Concord, California**

The County Connection Board of Directors may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

1. Call to Order/Pledge of Allegiance
2. Roll Call/Confirm Quorum
3. Public Communication
4. Consent Calendar
  - a. Approval of Minutes of Regular Meeting of February 16, 2017\*
  - b. CCCTA Investment Policy-Quarterly Reporting Requirement\*
5. Report of Chair
6. Report of General Manager
  - a. Report of APTA Annual Legislative Conference, Washington, DC
  - b. Update on the Implementation of the Battery Electric Buses
7. Report of Legal Counsel
  - a. City of San Jose v. Superior Court  
(California Public Records Act case)
  - b. AB 1661  
(Sexual harassment prevention training)
8. Report of Standing Committee
  - a. Administration and Finance Committee  
(Committee Chair: Director Al Dessayer)
    - 1) Federal Transit Administration (FTA) Formula Program\*  
Resolution No. 2017-013\*

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

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

(The A & F Committee recommends Board approval of Resolution No. 2017-013.)

- 2) Fiscal Year 2018 Draft Budget and Ten Year Forecast\*  
(Information Only.)

9. Board Communication

Under this item, Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report (on any matter) be made at another meeting.

10. Adjournment

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\*Enclosure

\*\*It will be available at the Board meeting.

General Information

Possible Action: The Board may act upon any item listed on the agenda.

Public Comment: Each person wishing to address the County Connection Board of Directors is requested to complete a Speakers Card for submittal to the Clerk of the Board before the meeting convenes or the applicable agenda item is discussed. Persons who address the Board are also asked to furnish a copy of any written statement to the Clerk.

Persons who wish to speak on matters set for Public Hearings will be heard when the Chair calls for comments from the public. After individuals have spoken, the Public Hearing is closed and the matter is subject to discussion and action by the Board.

A period of thirty (30) minutes has been allocated for public comments concerning items of interest within the subject matter jurisdiction of the Board. Each individual will be allotted three minutes, which may be extended at the discretion of the Board Chair.

Consent Items: All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member or a member of the public prior to when the Board votes on the motion to adopt.

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.countyconnection.com](http://www.countyconnection.com).

Accessible Public Meetings: Upon request, County Connection 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 County Connection at least 48 hours before the meeting convenes. Requests should be sent to the Board Clerk, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or [hill@countyconnection.com](mailto:hill@countyconnection.com)

Shuttle Service: With 24-hour notice, a County Connection LINK shuttle can be available at the North Concord BART station for individuals who want to attend the Board meetings. To arrange for the shuttle service, please call Robert Greenwood – 925/680 2072, no later than 24 hours prior to the start of the meeting.

**Currently Scheduled Board and Committee Meetings**

- Board of Directors: Thursday, April 20 , 9:00 a.m., County Connection Board Room
- Administration & Finance: Monday, April 10, 9:00 a.m. Candace Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA 94549
- Advisory Committee: TBA, County Connection Board Room
- Marketing, Planning & Legislative: Thursday, April 6, 10:00 a.m., 1676 N. California Blvd., Suite 620, Walnut Creek, CA,
- Operations & Scheduling: Friday, April 7, 8:00a.m., Supervisor Andersen's Office 309 Diablo Road, Danville, CA

**The above meeting schedules are subject to change. Please check the County Connection Website ([www.countyconnection.com](http://www.countyconnection.com)) or contact County Connection staff at 925/676-1976 to verify date, time and location prior to attending a meeting.**

**This agenda is posted on County Connection’s Website ([www.countyconnection.com](http://www.countyconnection.com)) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California**

# County Connection

2477 Arnold Industrial Way

Concord, CA 94520-5326

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Agenda Item No. 4.a.

## CCCTA BOARD OF DIRECTORS

### MINUTES OF THE REGULAR MEETING

February 16, 2017

#### CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Hoffmeister called the regular meeting of the Board of Directors to order at 9 a.m. Board Members present were Directors Dessayer, Diaz, Noack, Schroder, Storer, Tatzin and Wilk. Directors Andersen, Hudson and Worth were absent.

Staff: Ramacier, Chun, Barnes, Carroll, Cheung, Churchill, Clark, Gray, Hill, Horta, Johnson, Martinez, Mitchell, Moran, Muzzini and Rettig

**Public Comment:** None

#### CONSENT CALENDAR

**MOTION:** Director Storer moved approval of the Consent Calendar, consisting of the following items:  
(a) Approval of Minutes of Regular Meeting of January 19, 2017. Director Noack seconded the motion and it received the following vote of approval:

Aye: Directors Dessayer, Diaz, Hoffmeister, Noack, Schorder, Storer, Tatzin and Wilk  
No: None  
Abstain: None  
Absent: Directors Andersen, Hudson and Worth.

**REPORT OF CHAIR:** None

#### REPORT OF GENERAL MANAGER:

##### Recognition of Employees of the 4<sup>th</sup> Quarters, 2016

Administration: Aline Carroll

Maintenance: Mark Ramos

Transportation: Ordice Taylor and Kevin Pattrick

##### Recognition of Employees with 20 Years of Service

Transportation: Joyce Clark

##### Update on the Examination for the potential of the Bus on Shoulder Operations (BOS) in the 680 Corridor

General Manager, Rick Ramacier explained that the California Transit Association is working hard with proposed legislation to permit buses to operate on the shoulders of freeways. The concept of how this would operate, at what speed and under what conditions and the effect on Caltrans, the Highway Patrol and transit operators will be analyzed. As new information develops, Rick will keep the Board abreast as to any and all changes.

## **REPORT OF STANDING COMMITTEES**

### **Administration & Finance Committee**

#### **Cap and Trade Grant (LCTOP) FY2016-17**

Director Dessayer explained to the Board that although CCCTA will be receiving less Cap and Trade funds than in previous years, funds are still available for the Martinez free shuttle.

**MOTION:** Director Dessayer moved adoption of Resolution No. 2017-009 and Resolution No. 2017-010 so staff can apply for all funding available to County Connection under the LCTOP program to fund the operation of the Martinez Shuttle Route. Director Tatzin seconded the motion and it received the following vote of approval:

**Aye:** Directors Dessayer, Diaz, Hoffmeister, Noack, Schorder, Storer, Tatzin and Wilk  
**No:** None  
**Abstain:** None  
**Absent:** Directors Andersen, Hudson and Worth.

#### **Authorization for the General Manager to 'Direct WAVE Inc. to Proceed with Inductive Charging Infrastructure Engineering for Support of the Electric Bus Project**

Director Dessayer introduced the item and turned the meeting over to Scott Mitchell, Director of Maintenance. Mr. Mitchell stated that County Connection received a zero emission grant to fund the first bus. Staff is analyzing which routes can use the electric buses and where to locate the charging stations.

**MOTION:** Director Dessayer moved adoption of Resolution No. 2017-011 authorizing the General Manager to release a purchase order to WAVE Inc. for the purchase of the WAVE system. Director Tatzin seconded the motion and it received the following vote of approval:

**Aye:** Directors Dessayer, Diaz, Hoffmeister, Noack, Schorder, Storer, Tatzin and Wilk  
**No:** None  
**Abstain:** None  
**Absent:** Directors Andersen, Hudson and Worth.

### **Marketing, Planning & Legislative Committee**

#### **2017 Federal Legislative Program**

Director Diaz introduced the item and turned over the meeting to Kristina Martinez. She stated that this a brochure that she produces every year to have a snap shot of what County Connection is doing and where we see ourselves going. The General Manager and staff take copies with them to meet with Congressional representatives in Washington, DC during the APTA Legislative Conference. Chair Hoffmeister commented that these brochures have proven to be very helpful when meeting with the

Congressional staffs because it gives them a brief picture of what is up and coming in the transportation world.

**MOTION:** Director Diaz moved approval of the 2017 Federal Legislative Program. Director Noack seconded the motion and it received the following vote of approval:

**Aye:** Directors Dessayer, Diaz, Hoffmeister, Noack, Schorder, Storer, Tatzin and Wilk

**No:** None

**Abstain:** None

**Absent:** Directors Andersen, Hudson and Worth.

### **Operations & Scheduling Committee**

#### **Fixed Route Productivity**

Director of Planning & Scheduling, Anne Muzzini told the Board that staff is analyzing service as a whole, what routes are not fully being utilized, changes in possible frequencies to and from BART. Staff will come back to the Board with suggestions on possible increases and decreases in service. This is just an informational item.

#### **Fuel Bid and Contract**

Scott Mitchell informed the Board that County Connection sent out a request for proposals for an upcoming fuel contract. About seven companies responded and the lowest bidder was Pinnacle Petroleum. The contract with Pinnacle Petroleum would be for 3 years with two 1 year extension option.

**MOTION:** Director Storer moved approval of Resolution No. 2017-012 that awards the Ultra-Low Sulfur Diesel Fuel contract to Pinnacle Petroleum. Director Noack seconded the motion and it received the following vote of approval:

**Aye:** Directors Dessayer, Diaz, Hoffmeister, Noack, Schorder, Storer, Tatzin and Wilk

**No:** None

**Abstain:** None

**Absent:** Directors Andersen, Hudson and Worth.

### **BOARD COMMUNICATION:**

Chair Hoffmeister welcomed new Board member Kevin Wilk representing the City of Walnut Creek. Director Kevin Wilk is looking forward to working with County Connection.

**ADJOURNMENT:** Chair Hoffmeister adjourned the regular Board meeting at 9:51 a.m.

Minutes prepared by

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Lathina Hill  
Assistant to the General Manager

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Date

# County Connection

## INTER OFFICE MEMO

**TO:** Board of Directors

**DATE:** March 7, 2017

**FROM:** Rick Ramacier  
General Manager

**SUBJECT:** CCCTA Investment Policy – Quarterly Reporting Requirement

Attached please find CCCTA's Quarterly Investment Policy Reporting Statement for the quarter ending December 31, 2016.

This certifies that the portfolio complies with the CCCTA Investment Policy and that CCCTA has the ability to meet the pool's expenditure requirements (cash flow) for the next six (6) months.

**CCCTA**  
**BANK CASH AND INVESTMENT ACCOUNTS**  
 (ROUNDED OFF TO NEAREST \$)

FINANCIAL INST	ACCT #	TYPE	PURPOSE	PER BANK	PER BANK	PER BANK	PER GL*
				JUN 2016	SEP 2016	DEC 2016	DEC 2016
UNION BANK	274-00-26650	CHECKING	AP GENERAL	\$ 767,760	\$ 2,415,179	\$ 646,035	\$ 446,923
UNION BANK	274-00-26693	CHECKING	PAYROLL	\$ 57,854	\$ 42,319	\$ 48,037	\$ 49,175
UNION BANK	274-00-26723	CHECKING	CAPITAL PURCHASES	\$ 226,227	\$ 285,394	\$ 257,266	\$ 250,652
UNION BANK	274-00-26715	CHECKING	WORKERS' COMP - CORVEL	\$ 62,958	\$ 63,162	\$ 278,781	\$ 241,005
UNION BANK	274-00-26685	CHECKING	PASS SALES	\$ 67,082	\$ 10,944	\$ 18,820	\$ 18,820
UNION BANK	274-00-26707	Money Market	INFO TRANSIT SYS MAINT-CLEVER DEVICES	\$ 32,597	\$ 32,646	\$ 32,699	\$ 32,699
PAYPAL	27SAXUUF19732	CHECKING	PAYPAL-PASS SALES	\$ 1,079	\$ 1,001	\$ 608	\$ 608
<b>PARATRANSIT</b>			<b>TOTAL</b>	<b>\$ 1,215,557</b>	<b>\$ 2,850,645</b>	<b>\$ 1,282,246</b>	<b>\$ 1,039,882</b>
UNION BANK	274-00-26669	CHECKING	AP GENERAL	\$ 305,616	\$ 254,322	\$ 254,259	\$ 253,251
<b>LAIF FUND</b>			<b>TOTAL</b>	<b>\$ 305,616</b>	<b>\$ 254,322</b>	<b>\$ 254,259</b>	<b>\$ 253,251</b>
LAIF ACCOUNT	4007001	INT-INVEST	OPERATING FUNDS	\$ 3,526,311	\$ 7,569,804	\$ 6,751,075	\$ 6,751,075
LAIF ACCOUNT		INT-INVEST	2014-15 Rolling Stock	\$ 3,101,003	\$ 3,098,756	\$ 2,471,259	\$ 2,471,259
LAIF ACCOUNT		INT-INVEST	Lifeline Bus Stop Access	\$ 133,702	\$ 133,223	\$ 125,261	\$ 125,261
LAIF ACCOUNT		INT-INVEST	Facility Rehab	\$ 3,278,431	\$ 3,281,940	\$ 3,286,932	\$ 3,286,932
LAIF ACCOUNT		INT-INVEST	Martinez Shuttle	\$ 21,659	\$ -	\$ -	\$ -
LAIF ACCOUNT		INT-INVEST	LCTOP - Martinez Shuttle	\$ 308,009	\$ 254,940	\$ 179,298	\$ 179,298
LAIF ACCOUNT		INT-INVEST	LCTOP - Electric Trolley	\$ 305,593	\$ 273,456	\$ 213,373	\$ 213,373
LAIF ACCOUNT		INT-INVEST	Safe Harbor Lease Reserve	\$ 1,448,984	\$ 1,450,959	\$ 1,453,166	\$ 1,453,166
LAIF ACCOUNT		FMV ADJ.	Fair Market Value Adjustment for Year-End	\$ -	\$ -	\$ -	\$ -
<b>CCCTA EMPLOYEE</b>			<b>TOTAL</b>	<b>\$ 12,123,692</b>	<b>\$ 16,063,078</b>	<b>\$ 14,480,364</b>	<b>\$ 14,480,364</b>
UNION BANK	274-00-26677	CHECKING	EMPLOYEE FITNESS FUND	\$ 9,665	\$ 8,696	\$ 9,276	\$ 9,276
UNION BANK	274-00-26502	CHECKING	EMPLOYEE FUNCTION	\$ 508	\$ 508	\$ 508	\$ 508
<b>GRAND TOTAL</b>			<b>TOTAL</b>	<b>\$ 10,173</b>	<b>\$ 9,204</b>	<b>\$ 9,784</b>	<b>\$ 9,784</b>
<b>GRAND TOTAL</b>				<b>\$ 13,655,038</b>	<b>\$ 19,177,249</b>	<b>\$ 16,026,653</b>	<b>\$ 15,783,281</b>

\* GL balances reduced by outstanding checks and increased by deposits in transit, if any.

This is to certify that the portfolio above complies with the CCCTA Investment Policy and that CCCTA has the ability to meet its expenditures (cash flow) for the next six months.

  
 Rick Ramacier  
 General Manager



## Memorandum

**TO:** Board of Directors, Central Contra Costa Transit Authority

**FROM:** Madeline Chun, Legal Counsel

**DATE:** March 8, 2017

**RE:** **City of San Jose v. Superior Court of Santa Clara County: Public Records on Private Accounts**

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On March 2, 2017, the California Supreme Court determined that when a public employee uses a personal account to communicate about the conduct of public business, the communications are subject to disclosure under the California Public Records Act (CPRA), if those communications are not otherwise exempt from disclosure. In a unanimous opinion, the Court in *City of San Jose v. Superior Court of Santa Clara County* announced that to shield communications from disclosure simply because the communication was conducted on a personal account would impermissibly permit a public agency to evade the CPRA's reach.

In June 2009, an individual requested disclosure of 32 categories of public records from the City of San Jose, its redevelopment agency, the agency's executive director, other elected officials, and staff. The request included emails and text messages sent or received using personal accounts. The City refused to produce electronic communications to or from individuals' personal accounts arguing that such communications were not public records because they were not within the public entity's custody or control.

The Court applied a four-part test to determine whether communications could qualify as "public records" subject to the CPRA despite being sent to or from a private personal account: "It is (1) a writing, (2) with content relating to the conduct of the public's business, which is (3) prepared by, or (4) owned, used, or retained by any state or local agency." In applying this test, the Court rejected the argument that only materials in an agency's possession are public records. Rather, the Court held that disclosable public records could exist outside an agency's control because (i) records outside an agency's possession may be "used" by the agency and (ii) a communication "prepared by" an individual officer or employee is "prepared by" the agency itself, given that an agency can only act through individuals.

Transparency and public accountability, the Court concluded, outweigh individual employees' privacy rights. The public must have access to public records so it can verify that government officials are acting responsibly and are held accountable to the public they serve. Otherwise, government officials could hide their most sensitive discussions on private accounts.

Ultimately, the Court concluded that so long as the content of the record relates to the public's business, the Court found insignificant the location of the record – in particular whether it was stored on a public or private account. "[A] document's status as public or confidential does not turn on the arbitrary circumstance of where the document is located."

Public agencies will now need to focus even more sharply on the content of communications in order to determine whether a record is a "public record" subject to disclosure under the CPRA. Agencies may need to produce records stored on personal accounts and on private devices.

### **Practical Impacts for Public Agencies.**

This case will present significant burdens for a public agency seeking to comply with the CPRA. The Supreme Court did not require San Jose to follow any specific procedures. Rather it remanded the case to the lower court to determine what specifically would be required under the facts and circumstances of the situation in San Jose. As a result, while there are some practical next steps for agencies to consider, there are also numerous unknowns.

- The Court suggested new procedures that a public agency could undertake to comply with this new ruling. For example, the Court suggested that an agency could fulfill its responsibilities under CPRA by "reasonably rely[ing] on employees to search their own personal files, accounts, and devices for responsive material" so long as the agency obtained an affidavit from the employee that included facts sufficient to show that any withheld information was not a public record under the CPRA. Obtaining an affidavit from all employees or officials whose records are sought will no doubt be burdensome for a public agency and challenging for its officials and employees. Agencies should develop policies requiring assistance from employees and officials in responding to records requests, and should prepare in advance the form of an affidavit that will satisfy the Court's guidance.
- Of potentially more practical benefit, the Court also appeared to endorse a public agency's effort to minimize the impacts of this decision by adopting policies that would require officials and employees always to use agency accounts for agency business and keep non-agency personal communications segregated on personal accounts (and private devices). An immediate step in response to this landscape-altering decision, therefore, is for any public agency that does not already do so to create official public email accounts for its employees and officials. This has long been prudent advice but now may become a necessity in responding to requests under the CPRA.
- Searching for text messages in response to records requests is likely to become standard operating procedure. Public agencies should anticipate the need for more staff time to respond to records requests that now will involve examination of private accounts.
- Agencies that do not already do so should now consider the pros and cons of providing certain officials and employees with agency-owned devices – if only to make it easier to search for responsive records in response to a records request.
- Public agencies will have to wrestle with some unknown questions not addressed by the Court:
  - Under the Court's content-focused analysis, a continuing challenge, but made more difficult now by the need to examine previously private communications, will be to undergo the case-by-case determination of whether a particular communication in fact relates to the public's business. For example, the Court distinguished between a public employee's complaining to a spouse that "my coworker is an idiot" (likely not a public record) and the same email to a superior (likely a disclosable public record).

Depending on the circumstances, it may be difficult to determine whether a communication between public officials and members of the public on the public official's private email account has "content relating to the conduct of the public's business" rendering it disclosable under this opinion.

- Communications that may already be in the public sphere – for example tweets and social media posts – are likely disclosable records under the content-focused court's ruling. Public agencies may now need to consider how to locate such records in response to CPRA requests.
- How do records retention requirements for public agencies apply to communications from private accounts or on personal devices—in other words, what happens if an agency employee or official deletes emails or text messages that would otherwise have been "public records" under the Court's new standards?

There is no doubt that this case presents novel questions that will be difficult to answer in the abstract and that will depend on specific facts and circumstances. Even then, some questions may be difficult to answer with certainty until the law evolves. We will keep you posted on developments as they occur.

## Memorandum

**TO:** Board of Directors, Central Contra Costa Transit Authority

**FROM:** Madeline Chun, Legal Counsel

**DATE:** March 10, 2017

**RE:** **New Sexual Harassment Prevention Training Requirement For Public Agency Board Members: FAQ & Compliance Tips**

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On January 1, 2017, AB 1661 went into effect, requiring many local agency officials, including elected Board members, to receive sexual harassment prevention training and education. This training requirement is very similar to the sexual harassment and prevention training already required for supervisory employees every two years. Local agencies should begin now to expand their sexual harassment training requirements to local officials who are covered under the new law.

### ***What local agencies and officials are covered by AB 1661?***

The new law broadly applies to nearly all local agencies in California. The law defines "local agency" as "a city, county, city and county, charter city, charter county, charter city and county, or special district."

Technically, the law does not apply to Joint Powers Authorities. However, as a practical matter, even JPAs may want to consider offering this training to local officials as a best practice and because employment practice liability insurers typically require this information in applications for coverage.

The law applies to "any member of a local agency legislative body and any elected local agency official" who receives "any type of compensation, salary, or stipend." For example, the law applies even if a local official receives a nominal stipend for attendance at Board meetings.

The law does not apply to volunteer Board members, but as a best practice, an agency might consider offering this training even to volunteers.

### ***What training is required?***

The new law requires 2-hours of training and education that includes information and practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment. The training should include practical examples aimed at instructing the local agency official in the prevention of sexual harassment, discrimination, and retaliation. The training must be presented by trainers with knowledge and expertise in the prevention of sexual

harassment, discrimination, and retaliation. Local policies may also be included in the curricula, if applicable.

A local agency may offer self-study materials with tests to meet the requirements. These courses may be taken at home, in person or online.

Human Resources staff and Legal Counsel will coordinate to make available appropriate curricula to satisfy the training requirement.

***Can local officials satisfy the training requirement by receiving training provided by another local agency?***

Yes. The law only requires a local agency official to satisfy the training requirement once every two years without regard to the number of local agencies he or she serves.

If you receive training from another agency please submit a certificate of completion to Lathina.

***When is the deadline to comply?***

Each local agency official must receive the training within the first six (6) months of taking office or commencing employment, and every two years thereafter.

***What are the record-keeping requirements?***

Local agencies must maintain records for five (5) years indicating: the dates that local agency officials completed training; and the entity that provided the training.

The law explicitly provides that these training records are public records subjected to disclosure under the California Public Records Act.

**To:** Board of Directors

**Date:** 03/06/2017

**From:** Ruby Horta, Manager of Planning

**Reviewed by:**

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**SUBJECT: Federal Transit Administration (FTA) Formula Program**

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**Background:**

The Metropolitan Transportation Commission (MTC) is responsible for the allocation of the FTA Formula Program comprised of Section 5307 Urbanized Area, 5337 State of Good Repair, or Section 5339 Bus and Bus Facilities. The Transit Capital Priorities (TCP) process helps ensure that federal transit dollars are available for essential capital projects. County Connection uses this process to schedule vehicle replacement, as we did, most recently with the fixed route vehicles. The current call for project covers FY 2016-17 through FY2019-20 in which County Connection has submitted a request for FTA funds to replace forty-two (42) 22' paratransit vans and three (3) paratransit vans that will reach the end of their useful life.

The total amount of FTA funds being requested is \$4,025,380 with a local match of \$883,620, for a total project cost of \$4,909,000.

**Recommendation:**

The Administration and Finance Committee recommends Board approval of Resolution No. 2017-013.

**Financial Implications:**

Required local match: \$883,620.

**Resolution No. 2017-013**

**AUTHORIZING THE FILING OF AN APPLICATION FOR FTA FORMULA PROGRAM AND SURFACE TRANSPORTATION PROGRAMS FUNDING FOR PARATRANSIT VEHICLE REPLACEMENT AND COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECT(S) AND STATING THE ASSURANCE OF CENTRAL CONTRA COSTA TRANSITS AUTHORITY TO COMPLETE THE PROJECT**

**WHEREAS**, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions;

**WHEREAS**, Fixing America's Surface Transportation (FAST, Public Law 114-94) continues and establishes new Federal Transit Administration formula programs (23 U.S.C. §53) and continues the Surface Transportation Program (23 U.S.C. § 133); and

**WHEREAS**, pursuant to FAST, and the regulations promulgated there under, eligible project sponsors wishing to receive Federal Transit Administration (FTA) Section 5307 Urbanized Area, Section 5337 State of Good Repair, or Section 5339 Bus and Bus Facilities (collectively, FTA Formula Program) grants or Surface Transportation Program (STP) grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

**WHEREAS**, the Metropolitan Transportation Commission is the MPO for the San Francisco Bay region; and

**WHEREAS**, CCCTA is an eligible project sponsor for FTA Formula Program or STP funds; and

**WHEREAS**, CCCTA wishes to submit a grant application to MTC for funds from the FY2016-17 through FY2019-20 FTA Formula Program or STP funds, for the following project(s):

- Replace forty-two (42) 22' paratransit vans
- Replace three (3) paratransit minivans

**WHEREAS**, MTC requires, as part of the application, a resolution stating the following:

- 1) the commitment of necessary local matching funds (18-50% for FTA Formula Program funds, depending on project type, and 11.47% for STP funds); and
- 2) that the sponsor understands that the FTA Formula Program and STP funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded from FTA Formula Program or STP funds; and
- 3) the assurance of the sponsor to complete the project as described in the application, and if approved, as programmed in MTC's TIP; and
- 4) that the sponsor understands that FTA Formula Program funds must be obligated within three years of programming and STP funds must be obligated by January 31 of the year that the project is programmed for in the TIP, or the project may be removed from the program.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that CCCTA is authorized to execute and file an application for funding under the FTA Formula Program and/or Surface Transportation Program in the amount of \$4,025,380 for paratransit vehicle replacement and

**BE IT FURTHER RESOLVED** that the Board of Directors by adopting this resolution does hereby state that:

- 1) CCCTA will provide \$883,620 in local matching funds; and
- 2) CCCTA understands that the FTA Formula Program and STP funding for the project is fixed at \$4,025,380 , and that any cost increases must be funded by the CCCTA from local matching funds, and that CCCTA does not expect any cost increases to be funded with FTA Formula Program and Surface Transportation Program funds; and
- 3) The paratransit vehicle replacement will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and
- 4) The program funds are expected to be obligated by January 31 of the year the project is programmed for in the TIP; and
- 5) CCCTA will comply with FTA requirements and all other applicable Federal, State and Local laws and regulations with respect to the proposed project; and

**BE IT FURTHER RESOLVED\***, that CCCTA is an eligible sponsor of projects in the program for FTA Formula Program and STP funds; and

**BE IT FURTHER RESOLVED\***, that CCCTA is authorized to submit an application for FTA Formula Program and STP funds for the paratransit vehicle replacement; and

**BE IT FURTHER RESOLVED\***, that there is no legal impediment to CCCTA making applications for FTA Formula Program and STP funds; and



**BE IT FURTHER RESOLVED\***, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of CCCTA to deliver such project; and

**BE IT FURTHER RESOLVED**, that CCCTA agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866; and

**BE IT FURTHER RESOLVED** that a copy of this resolution will be transmitted to the MTC prior to MTC programming the FTA Formula Program or Surface Transportation Program funded projects in the Transportation Improvement Program (TIP); and

**BE IT FURTHER RESOLVED** that the MTC is requested to support the application for the project described in the resolution and to program the project, if approved, in MTC's TIP.

Regularly passed and adopted this 16<sup>th</sup> day of March 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Laura Hoffmeister, Chair, Board of Directors

ATTEST: \_\_\_\_\_

Lathina Hill, Clerk to the Board

To: Board of Directors

Date: March 16, 2017

From: Erick Cheung, Director of Finance

Reviewed by:

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**SUBJECT: Fiscal Year 2018 Draft Budget and Ten Year Forecast**

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**SUMMARY:**

The Administration and Finance Committee (Committee) was given the first draft of County Connection's Fiscal Year (FY) 2018 Budget and Forecast. Based on the information provided by staff, the Committee thought it was important to share some of the key issues in the budget and forecast. As a reminder, the FY 2018 Budget and Forecast will be provided to the Board in April. The Board of Directors will be asked to approve the draft budget at the April meeting so that a timely Transportation Development Act (TDA) claim can be filed with the Metropolitan Transportation Commission (MTC). TDA law requires that each county's auditor estimate TDA revenue; the claim will be based on that estimate.

The FY2018 Budget proposes \$39.1 million in expenses with proposed revenues to offset these costs. County Connection's main revenue source is TDA 4.0 funds from MTC. The proposed budget uses \$19.3 million of TDA 4.0 funds, which is \$3.3 million more than MTC estimates we will receive next fiscal year. Therefore, we would be reducing our TDA reserves and have a balance of \$6.8 million by the end of the fiscal year. *By FY 2020, the reserve balance will drop to \$212 thousand assuming there are no improvements in revenue or reduction in costs.* This is a very different picture than the forecast in FY 2017 Budget which showed reserves of \$923 thousand in FY 2025. There are several changes in the forecast from the prior year from decreasing revenues and increasing expenses which are summarized in this report.

The FY 2018 Proposed Budget and Forecast reflects the operations as it currently exists. This also adjusts for information received in mid-February in regards to recent updates on TDA and CalPERS. Staff has only preliminarily begun looking at options to enhance revenues and/or reduce costs. Any options will be brought back to the A&F Committee and the Board for final approval.

**Forecast**

As mentioned earlier, the FY 2018 Budget and Forecast currently shows that by FY 2020 our reserves will drop to \$212 thousand compared to the prior year forecast which showed reserves of \$923 thousand in FY 2025. The main causes are decreasing fare revenue, lower sales tax revenue, and LCTOP funds. At the same time, we have insurance and pension expense growing faster than expected. Below is a summary of the two forecasts and the main drivers that have changed since last fiscal year:

		(\$ in thousands)							
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>FY 2017 FORECAST</b>									
Estimated TDA 4.0 Allocation/Revenue (a)		\$ 18,112	\$ 18,656	\$ 19,216	\$ 19,792	\$ 20,386	\$ 20,997	\$ 21,627	\$ 22,276
TDA 4.0 Proposed/Forecast Expense		(18,899)	(19,433)	(20,003)	(19,918)	(21,042)	(22,081)	(24,862)	(22,630)
TDA Expense in Excess of Revenue		\$ (787)	\$ (777)	\$ (787)	\$ (126)	\$ (656)	\$ (1,084)	\$ (3,235)	\$ (354)
<b>FY 2018 FORECAST</b>									
Estimated TDA 4.0 Allocation/Revenue (a)		\$ 17,335	\$ 17,855	\$ 18,391	\$ 18,942	\$ 19,510	\$ 20,096	\$ 20,699	\$ 21,320
TDA 4.0 Proposed/Forecast Expense		(20,616)	(21,018)	(21,838)	(22,619)	(23,982)	(25,353)	(28,622)	(26,576)
TDA Expense in Excess of Revenue		\$ (3,281)	\$ (3,163)	\$ (3,447)	\$ (3,677)	\$ (4,472)	\$ (5,257)	\$ (7,923)	\$ (5,256)
<b>TDA DIFFERENCE BETWEEN FORECASTS</b>		<b>\$ (2,494)</b>	<b>\$ (2,386)</b>	<b>\$ (2,660)</b>	<b>\$ (3,551)</b>	<b>\$ (3,816)</b>	<b>\$ (4,174)</b>	<b>\$ (4,688)</b>	<b>\$ (4,902)</b>
<b>MAJOR DIFFERENCES BETWEEN FORECAST</b>									
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Revenues Lower than FY2017 Forecast:</b>									
Fare Revenue		\$ (689)	\$ (760)	\$ (833)	\$ (1,275)	\$ (1,357)	\$ (1,441)	\$ (1,957)	\$ (2,053)
TDA Revenue		(777)	(801)	(825)	(850)	(876)	(901)	(928)	(956)
LCTOP		(305)	(318)	(330)	(344)	(358)	(372)	(388)	(403)
<b>Total Revenues Lower than FY2017 Forecast</b>		<b>(1,771)</b>	<b>(1,879)</b>	<b>(1,988)</b>	<b>(2,469)</b>	<b>(2,591)</b>	<b>(2,714)</b>	<b>(3,273)</b>	<b>(3,412)</b>
<b>Expenses Higher than FY2017 Forecast:</b>									
PERS		79	(122)	(310)	(632)	(806)	(998)	(997)	(996)
Insurance		(294)	(301)	(309)	(318)	(328)	(338)	(348)	(358)
Contingency (only budgeted annually)		(500)	-	-	-	-	-	-	-
<b>Total Expenses Higher than FY2017 Forecast</b>		<b>(715)</b>	<b>(423)</b>	<b>(619)</b>	<b>(950)</b>	<b>(1,134)</b>	<b>(1,336)</b>	<b>(1,345)</b>	<b>(1,354)</b>
<b>TOTAL MAJOR DIFFERENCES BETWEEN FORECAST</b>		<b>\$ (2,486)</b>	<b>\$ (2,302)</b>	<b>\$ (2,607)</b>	<b>\$ (3,419)</b>	<b>\$ (3,725)</b>	<b>\$ (4,050)</b>	<b>\$ (4,618)</b>	<b>\$ (4,766)</b>
	<b>% Due to Revenue</b>	71%	82%	76%	72%	70%	67%	71%	72%
	<b>% Due to Expense</b>	29%	18%	24%	28%	30%	33%	29%	28%

(a) Both Forecasts have assumed 3% annual growth.

## Revenues

### Fare Revenues

Fare Revenues are coming in lower than the FY 2017 Budget and Forecast due to lower ridership and fare revenue being collected. In the past, we would assume a 2% increase in fare revenue due to ridership, but revenues peaked in FY 2013 at \$3.6 million. Fare revenue has steadily decline to an estimated \$2.8 million for FY 2017. Also, the prior Budget Forecasts assumed fixed route fare increases of 12% every three years (consistent with the Short Range Transit Plan), but County Connection has not raised fares since FY 2009. Based on these facts, the current budget and forecast assumes neither growth in fare revenue nor any fare increases at this time.

Fixed Route Fare Revenues	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Based upon 2017 Adopted Budget	actual	actual	actual	estimate	budget	forecast
	\$ 3,580	\$ 3,315	\$ 3,206	\$ 3,100	\$ 3,162	\$ 3,541
Based upon 2018 Proposed Budget	actual	actual	actual	actual	estimate	budget
	\$ 3,580	\$ 3,315	\$ 3,206	\$ 3,000	\$ 2,852	\$ 2,852
\$ Change between FY 2017 Budget and FY 2018 Budget				\$ (100)	\$ (310)	\$ (689)
\$ Change between FY 2017 Budget and FY 2018 Budget				-3.2%	-9.8%	-19.5%

### TDA Revenues

TDA revenues are based on estimates provided by the Contra Costa Auditors' Office (Auditors' Office) and must be submitted to MTC by February 1<sup>st</sup>. County Connection receives this information from MTC in mid-February, which provides a short turn around period in producing the first draft budget in March. TDA revenues from FY 2011 to FY 2016 have increased on average by 5.4% and have grown from \$13.1 million in FY 2011 to \$16.7 million in FY 2016. TDA revenues continue to grow, but lower than the original MTC estimates for the last 3 years

as shown in the table below. For FY 2017, the growth was originally estimated to grow by 3% but based on the Auditors' Office is now only expected to grow 1% which is a decrease of \$695 thousand from the original estimate. The revised growth rates are not consistent throughout the Bay Area. For example, four counties are expecting a reduction with Marin County and San Francisco City/County decreasing 3% and 1.8%, respectively. The other five counties saw increases averaging 3% which include Alameda County, Napa County, and San Mateo County.

TDA 4.0	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Original Estimate TDA 4.0 (Provided in Feb) (a)</b>	\$ 16,161	\$ 16,441	\$ 17,055	\$ 17,585	\$ 18,113
<b>% Change Original Estimate</b>	13%	2%	4%	3%	3%
<b>Actual TDA 4.0 Revenue Received by MTC (Provided after FY is over)</b>	\$ 15,568	\$ 16,144	\$ 16,702	\$ 16,890	\$ 17,335
<b>% Change in Actual Revenue</b>	4%	4%	3%	1%	3%
<b>Difference Between MTC Estimate and Actual</b>	\$ (593)	\$ (297)	\$ (353)	\$ (695)	\$ (778)
(a) For FY 2018, the \$18.113 million is the forecast amount in FY 2017 Budget based on 3% growth of FY 2017 original estimate.					

*Low Carbon Transit Operations Program (LCTOP)*

LCTOP funds have a high level of volatility. Originally, MTC estimated County Connection would receive \$20 million over 25 years. The funds appear to be coming in lower for as the State's auctions are performing poorly. In the most recent auction, the State received \$34.5 million in proceeds, which is less than half of the projected amount it was expecting. The projection has been revised downward since County Connection's allocation for FY 2018 is \$285 thousand which is a 53% reduction than the current year. The other issue is that the current rules (State requirement) to spend these funds in our service area are difficult to meet, since there are strict limitations on use.

**Expenses**

*PERS*

PERS costs in the current forecast reflect the changes approved by the PERS Board reducing the discount rate from 7.5% to 7.0% last December and will phase in over an eight year period. PERS provided a table in mid-February to help agencies estimate costs which has been incorporated in the budget and forecast. The decrease in the discount rate means that the employer contribution rate will increase from 7.5% to 9.5% by FY 2021, which is a 26% increase. The costs continue to grow as we phase in the lower discount rate and increase our pension costs by nearly \$1 million in FY 2023.

*Insurance*

County Connection is a member of CalTIP for General Liability which included Employment Practices Liability (EPL) coverage. County Connection's premiums could increase significantly due to multiple claims losses by various transit agencies that exceed \$1.25 million. The insurance provider that covers most this layer could exercise their option to not renew CalTIP, but has stated they will not cancel our coverage. CalTIP should be notified of the premium increase and changes later this month and will notify the Board in April. Also, CalTIP Board decided in December of 2015 to stop providing EPL coverage effective June 30, 2017. In December 2016, the Board approved to join Employment Risk Management Authority (ERMA), which is a joint powers authority for EPL Insurance but individual members are not required to join ERMA. Staff has submitted an application with ERMA and asked its own insurance broker for quotes to provide the coverage. The proposed budget assumes an increase from \$372 thousand in FY 2017 to \$675 thousand for FY 2018 for premium increase and EPL insurance.

## Other Revenues

### STA Revenue

STA revenue is finally expected to increase 12% or \$261 thousand in FY 2018 to \$2.4 million. This is still \$725 thousand or 23.5% less than what was received in FY 2015. The following is a summary table of STA revenue:

MTC - STA	2018 Budget (a)	2017 Estimate	2016 Actual	2015 Actual
STA Population	\$ 1,612,760	\$ 1,456,880	\$ 1,597,874	\$ 2,117,857
STA Regional Paratransit (b)	\$ 270,946	\$ 233,000	\$ 255,592	\$ 338,732
STA Revenue Based	\$ 482,118	\$ 415,000	\$ 484,822	\$ 634,239
<b>STA Total</b>	<b>\$ 2,365,824</b>	<b>\$ 2,104,880</b>	<b>\$ 2,338,288</b>	<b>\$ 3,090,828</b>
<b>\$ Difference compared to Prior Year</b>	<b>\$ 260,944</b>	<b>\$ (233,408)</b>	<b>\$ (752,540)</b>	<b>\$ (160,262)</b>
<b>% Difference compared to Prior Year</b>	<b>12%</b>	<b>-10%</b>	<b>-24%</b>	<b>-5%</b>
(a) Based upon preliminary amounts from MTC as of February 2017.				

### Federal Revenue

FTA 5307 revenue is estimated on a continuing basis for \$1.2 million annually based on the last grant received. County Connection still has grant funds remaining from the previous year and budgeted for \$1.37 million for FY 2018. Federal funds have doubled since FY 2013 when we received approximately \$670 thousand annually. The budget assumes that the federal government continues to fund transit at its current level.

### Lifeline Revenue

Lifeline Funds for FY 2018 is \$500 thousand, but this is the final year of a 3 year grant. MTC states that Lifeline funds will be available in the future, but no estimates of funding or timeline. Currently assumes \$500 thousand will continue in the future.