

Administration and Finance Committee
Summary Minutes
April 10, 2017

The meeting was called to order at 9:00 a.m. at Supervisor Andersen's Office in Lafayette at 3338 Mt. Diablo Boulevard. Those in attendance were:

Committee Members: Director Al Dessayer
 Director Don Tatzin
 Director Sue Noack
 Director Candace Anderson

Staff: General Manager Rick Ramacier
 Director of Finance Erick Cheung

1. Approval of Agenda- Approved.
2. Public Communication- None.
3. Approval of Minutes of March 1, 2017- Approved.
4. Consideration of a One Year extension with First Transit – General Manager Ramacier reported that the current contract with First Transit to provide ADA Paratransit services and maintenance will expire June 30, 2017. The contract allows for two one year extensions. This would be the first of two potential extensions allowed under the existing contract. First Transit has performed reasonably well in providing quality cost effective Paratransit and shuttle services for our customers. Additionally, First Transit hired a high quality experienced General Manager to improve service quality and implementation. For this reason, staff recommends the committee forward this item to the Board of Directors authorizing the General Manager to sign a one year contract extension with First Transit for the operation and maintenance of the County Connection LINK service with a 3% rate increase to the hourly and fixed contract rates. The committee approved the one year extension with First Transit and will forward to the Board.
5. Credit Card Policy Update - Director of Finance Cheung reported that the credit card policy has not been updated since May 15, 2003. The updated policy clarifies what the credit card can be used for and the appropriate approvals that are required. The committee approved the credit card policy and forward to the Board as a Consent Item.
6. Income Statements for the Six Months Ended December 31, 2016 - Director Cheung reported that the actual expenses are 8.9% under the year to date budget (\$1,650,498). Expenses are currently under budget due to lower repair costs, lower diesel fuel costs and no contingency currently needed. Mr. Cheung also noted that fare revenues are 6.8% below budget (\$172,697). Fixed Route fare revenue is (\$20,000) less than this same point in the prior year, which is different than the first quarter, which had fare revenues \$11,000 higher than the previous year. General Manager Ramacier noted that ridership could be down due to several factors from the heavy rain that we received during the winter period, losses due to third party services, and changes in state law on driver's license. Information only.
7. Fiscal Year (FY) 2018 Draft Budget and Ten Year Forecast – Director Cheung reported the FY 2018 Budget proposes \$39.1 million in expenses for fixed route and paratransit with proposed revenues to offset these costs. County Connection's main revenue source is TDA 4.0 funds from MTC; the proposed budget uses \$20.5 million which is \$3.2 million more than MTC estimates we will receive next fiscal year. County Connection's TDA reserves will have a balance of \$7.0 million by the end of the fiscal year, and by FY 2020, the reserve balance would drop to \$0.5 million which is not sustainable. Mr. Cheung noted that the changes from the first draft related to changes to an increase of \$156 thousand after staff completes the amendments with City of Walnut Creek for Routes 4 and 5. Also, Measure J revenue decreased, Contra Costa Transit

Authority staff notified us they are proposing a 2% increase in sales tax revenue which is a decrease of \$64 thousand. Finally, the State did pass State Assembly Bill 1 (SB1), but still too soon to know how much County Connection will receive. Mr. Cheung understands that there are still financial issues to resolve in the forecast, but recommended that the Committee approve the FY 2018 Draft Budget to the Board to file a timely TDA claim with MTC. The committee approved the recommendation to the Board.

8. Potential areas of adjustment to address future negative balances in the forecast – General Manager Ramacier reported on some preliminary options to increase revenue and/or reduce expenses since TDA reserves drop to an unsustainable level in the FY 2018 Budget Forecast. These are still very preliminary and each concept would require additional time to fully understand the implications before any changes were made. The concepts included were increases to fares, reduce services, defer capital expense, reduce ADA Service area, and revenues from SB1. Information only.
9. Review of Vendor Bills, March 2018- Reviewed.
10. Legal Services Statement, January 2017, General & Labor- Approved.
11. Adjournment- The meeting was adjourned. The next meetings will be tentatively scheduled for Monday, May 1st at 9:00 a.m., and Wednesday, May 31st at 8:30 a.m. at 3338 Mt. Diablo Blvd, Lafayette, CA 94549.

Erick Cheung, Director of Finance