

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee
From: Erick Cheung, Chief Finance Officer

Date: April 11, 2018

SUBJECT: Income Statements for the Six Months Ended December 31, 2017

The attached unaudited County Connection Income Statements for the first six months of FY 2018 are presented for your review. The combined expenses of \$17,332,054 for Fixed Route and Paratransit, (Schedule 1), are **-8.2% under the budget or -\$1,555,868**. The expense categories with the most significant variances are:

Wages	\$(296,402)	(4.1)%	Other wages are lower by -\$248K due to Manager of Marketing, Mechanic, and Assistant Trainer vacancies.
Fringe Benefits	\$(154,841)	(3.0)%	Fringe Benefits for pension and medical are -\$103K and -\$97K under due to vacancies.
Services	\$(252,560)	(24.0)%	Services are under mainly due to lower IT contracts for -\$110K and legal services of -\$95K.
Materials & Supplies	\$(341,841)	(23.5)%	Materials and supplies are lower due to lower diesel fuel costs of -\$198K and fewer repair parts expenses of -\$62K.
Special Trip Services	\$(173,265)	(5.9)%	Lower ridership results in fewer trips.
Contingency	\$(250,000)	(100.0)%	Not needed based on expenses being under budget.

Fixed route and Paratransit revenues and expenses are presented on **Schedules 2 and 3**. Actual expenses are compared to the year-to-date approved budget. Fixed route expenses are -8.6% under budget and Paratransit expenses are -6.4% under budget.

The combined revenues are also under budget. The most significant variances:

Passenger fares/special fares	\$(96,057)	(3.8)%	Fixed route passenger fares/special fares are -\$90K lower than budget and Paratransit fares are -\$6K under budget. Compared to the same period in the prior year, Fixed route is higher by \$55K or 2.6% due to new agreements with City of Walnut Creek for Routes 4 and 5. Paratransit is lower by \$12K or -4.7% from prior year due to ridership.
TDA revenue earned	\$(1,704,511)	(16.8)%	TDA revenue is lower due to lower than expected expenses.
Other revenue	\$207,734	410.4%	Sale of 27 fixed route buses that were replaced last fiscal year for \$134K. LAIF interest rates have risen and income of \$53K compared to \$21K in the prior year.

Fixed Route Operator Wages (Schedule 4)

Schedule 4 compares various components of operator wages with the budget.

- Platform (work time) is -1.7% under budget.
- Overtime is 17.2% over budget.
- Training is -25.1% under budget.
- Overall wages for operators are -1.2% under budget.

Statistics (Schedule 6)

Schedule 6 provides selected statistical information for the current year compared to the last two years:

Fixed route:

- Passenger fares/special fares are 2.6% more than FY 2017 and 1.7% more than FY 2016.
- The farebox recovery ratio is similar to FY 2017 but lower than FY 2016. The ratio is 14.9% in FY 2018; 14.9% in FY 2017 and 15.0% in FY 2016.
- Operating expenses are 3.1% more than in FY 2017 and 2.5% more than in FY 2016.
- Fixed route revenue hours are 0.5% more than FY 2017 and 0.3% more than FY 2016.
- The cost per revenue hour has increased 2.6% compared to FY 2017 and 2.2% compared to FY 2016.
- Passengers have decreased -2.6% compared to FY 2017 and -7.2% compared to FY 2016.
- The cost per passenger has increased 5.9% compared to FY 2017 and 10.4% compared to FY 2016.
- Passengers per revenue hour has decreased -3.2% compared to FY 2017 and -7.4% compared to FY 2016.

Paratransit:

- Passenger fares have decreased -4.7% compared to FY 2017 and -10.0% compared to FY 2016.
- The farebox ratio is less than FY 2017 and FY 2016. The ratio is 9.1% in FY 2018; 9.8% in FY 2017; and 10.1% in FY 2016.
- Expenses have increased 2.0% compared to FY 2017 and similar to FY 2016.
- Revenue hours are -1.7% less than FY 2017 and -8.5% in FY 2016.
- Passengers have decreased -1.4% compared to FY 2017 and -5.2% compared to FY 2016.
- The cost per passenger has increased 3.4% since FY 2017 and 5.5% compared to FY 2016.
- Paratransit passengers per revenue hour have increased 0.3% compared to FY 2017 and 3.6% compared to FY 2016.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2018 Year to Date Comparison of Actual vs Budget
Combined Fixed Route and Paratransit Income Statement
For the Six Months Ended December 31, 2017

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 1,631,935	\$ 1,734,965	\$ (103,030)	-5.9%
Special fares	784,988	778,015	6,974	0.9%
	<u>2,416,923</u>	<u>2,512,980</u>	<u>(96,057)</u>	<u>-3.8%</u>
Advertising	320,629	307,969	12,660	4.1%
Safe Harbor lease	8,410	4,435	3,975	89.6%
Other revenue	258,349	50,615	207,734	410.4%
Federal operating	701,562	687,500	14,062	2.0%
TDA earned revenue	8,438,171	10,142,682	(1,704,511)	-16.8%
STA revenue	1,182,912	1,182,912	-	0.0%
Measure J	3,034,908	3,034,908	-	0.0%
Other operating assistance	970,190	963,922	6,268	0.7%
	<u>14,915,131</u>	<u>16,374,943</u>	<u>(1,459,812)</u>	<u>-8.9%</u>
Total Revenue	\$ 17,332,054	\$ 18,887,922	\$ (1,555,868)	-8.2%
Expenses				
Wages- Operators	\$ 4,043,414	\$ 4,092,099	\$ (48,685)	-1.2%
Wages-Other	2,878,566	3,126,284	(247,718)	-7.9%
	<u>6,921,980</u>	<u>7,218,382</u>	<u>(296,402)</u>	<u>-4.1%</u>
Fringe Benefits	4,947,216	5,102,057	(154,841)	-3.0%
Services	797,606	1,050,166	(252,560)	-24.0%
Materials & Supplies	1,112,560	1,454,401	(341,841)	-23.5%
Utilities	173,675	208,725	(35,050)	-16.8%
Insurance	377,989	425,433	(47,444)	-11.2%
Taxes	101,376	114,158	(12,782)	-11.2%
Leases and Rentals	20,626	25,750	(5,124)	-19.9%
Miscellaneous	119,216	105,775	13,441	12.7%
Special Trip Services	2,759,810	2,933,075	(173,265)	-5.9%
Operations	17,332,054	18,637,922	(1,305,868)	-7.0%
Contingency Reserve	-	250,000	(250,000)	-100.0%
Total Expenses	\$ 17,332,054	\$ 18,887,922	\$ (1,555,868)	-8.2%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	147,754	147,739	15	0.0%
Cost per Rev Hr	\$ 117.16	\$ 127.67	\$ (10.51)	-8.2%
Passengers	1,772,667	1,820,013	(47,346)	-2.6%
Cost per Passenger	\$ 9.78	\$ 10.38	\$ (0.60)	-5.8%
Farebox ratio	14.0%	13.3%	0.6%	4.8%
<i>(fares,spec fares/Oper exp-w/o contingency-leases)</i>				

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2018 Year to Date Comparison of Actual vs Budget
Fixed Route Income Statement
For the Six Months Ended December 31, 2017

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 1,384,181	\$ 1,481,215	\$ (97,034)	-6.6%
Special fares	784,988	778,015	6,974	0.9%
	2,169,169	2,259,230	(90,061)	-4.0%
Advertising	320,629	307,969	12,660	4.1%
Safe Harbor lease	8,410	4,435	3,975	89.6%
Other revenue	258,349	50,565	207,784	410.9%
TDA earned revenue	7,991,712	9,392,245	(1,400,533)	-14.9%
STA revenue	806,380	806,380	-	0.0%
Measure J	2,159,256	2,271,756	(112,500)	-5.0%
Other operating assistance	902,418	893,922	8,496	1.0%
	12,447,154	13,727,272	(1,280,118)	-9.3%
Total Revenue	\$ 14,616,323	\$ 15,986,501	\$ (1,370,178)	-8.6%
Expenses				
Wages- Operators	\$ 4,043,414	\$ 4,092,099	\$ (48,685)	-1.2%
Wages-Other	\$ 2,849,210	3,076,141	(226,931)	-7.4%
	6,892,624	7,168,239	(275,615)	-3.8%
Fringe Benefits	\$ 4,928,212	5,073,529	(145,317)	-2.9%
Services	\$ 780,587	1,042,366	(261,779)	-25.1%
Materials & Supplies	\$ 1,111,748	1,452,701	(340,953)	-23.5%
Utilities	\$ 159,900	195,500	(35,600)	-18.2%
Insurance	\$ 377,989	425,433	(47,444)	-11.2%
Taxes	\$ 101,376	114,008	(12,632)	-11.1%
Leases and Rentals	\$ 20,626	25,750	(5,124)	-19.9%
Miscellaneous	\$ 119,216	105,425	13,791	13.1%
Purchased Transportation	\$ 124,045	133,550	(9,505)	-7.1%
Operations	14,616,323	15,736,501	(1,120,178)	-7.1%
Contingency Reserve	-	250,000	(250,000)	
Total Expenses	\$ 14,616,323	\$ 15,986,501	\$ (1,370,178)	-8.6%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	112,804	112,187	617	0.5%
Cost per Rev Hr	\$ 129.39	\$ 142.27	(12.88)	-9.1%
Passengers	1,704,772	1,751,146	(46,374)	-2.6%
Cost per Passenger	\$ 8.57	\$ 9.13	(0.56)	-6.1%
Passengers per Rev Hr	15.11	15.61	(0.50)	-3.2%
Farebox recovery ratio	14.9%	14.4%	0.5%	3.3%

(fares, spec fares/Oper exp-w/o contingency-leases)

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2018 Year to Date Comparison of Actual vs Budget
For the Six Months Ended December 31, 2017

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 247,754	\$ 253,750	\$ (5,996)	-2.4%
	247,754	253,750	(5,996)	-2.4%
Other revenue	-	\$ 50	(50)	-100.0%
Federal operating	\$ 701,562	687,500	14,062	2.0%
TDA earned revenue	\$ 446,459	750,437	(303,978)	-40.5%
STA revenue	\$ 376,532	376,532	-	0.0%
Measure J	\$ 875,652	763,152	112,500	14.7%
Other operating assistance	\$ 67,772	70,000	(2,228)	-3.2%
	2,467,977	2,647,671	(179,694)	-6.8%
Total Revenue	\$ 2,715,731	\$ 2,901,421	\$ (185,690)	-6.4%
Expenses				
Wages-Other	\$ 29,356	\$ 50,143	\$ (20,787)	-41.5%
	29,356	50,143	(20,787)	-41.5%
Fringe Benefits	\$ 19,004	28,528	(9,524)	-33.4%
Services	\$ 17,019	7,800	9,219	118.2%
Materials & Supplies	\$ 812	1,700	(888)	-52.2%
Utilities	\$ 13,775	13,225	550	4.2%
Taxes	\$ -	150	(150)	-100.0%
Miscellaneous	\$ -	350	(350)	-100.0%
Special Trip Services	\$ 2,635,765	2,799,525	(163,760)	-5.8%
Total Expenses	\$ 2,715,731	\$ 2,901,421	\$ (185,690)	-6.4%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	34,950	35,552	(602)	-1.7%
Cost per Rev Hr	\$ 77.70	\$ 81.61	(3.91)	-4.8%
Passengers	67,895	68,867	(972)	-1.4%
Cost per Passenger	\$ 40.00	\$ 42.13	(2.13)	-5.1%
Passengers per Rev Hr	1.94	1.94	0.01	0.3%
Farebox ratio	9.1%	8.7%	0.4%	4.3%
<i>(fares, spec fares/Oper exp-leases)</i>				

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages

For the Six Months Ended December 31, 2017

	Year to Date		Variance	% Variance
	Actual	Budget		
Platform/report/turn in	3,261,863 \$	3,317,750 \$	(55,888)	-1.7%
Guarantees	125,135 \$	133,969	(8,834)	-6.6%
Overtime	191,353 \$	163,220	28,133	17.2%
Spread	107,395 \$	89,314	18,081	20.2%
Protection	148,933 \$	167,366	(18,433)	-11.0%
Travel	126,673 \$	118,072	8,600	7.3%
Training	64,319 \$	85,850	(21,532)	-25.1%
Other Misc	17,744 \$	16,557	1,187	7.2%
	\$ 4,043,414 \$	\$ 4,092,099 \$	(48,685)	-1.2%

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Six Months Ended December 31, 2017

Other Revenue	
Investment income (interest)	\$ 45,528
ADA Database Management revenue	75,000
Gain on sale of assets	134,865
Paypal shipping revenue	477
RTC card revenue	1,417
Various	1,062
	\$ 258,349
Other Operating Assistance	
RM2	\$ 72,670
Homeland Security ITS	46,768
BART feeder revenue	388,880
LCTOP	144,100
Lifeline grant	250,000
	\$ 902,418
Miscellaneous Expenses	
Board Travel Expense	\$ 9,851
Staff Travel Expense	32,249
CTA Conference	14,948
APTA Dues	17,514
Employee functions	32,380
Business Expense, GM	1,579
Employee Awards/Pins	1,001
Paypal fees	1,350
Training	4,736
Various other	3,608
	\$ 119,216

Schedule 5- Other Revenues/Other Expenses

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2018 Year to Date Comparison of FY 2017 Actual & FY 2016 Actual
Statistics
For the Six Months Ended December 31, 2017

	Actual FY2018	Actual FY2017	Variance Actual 2018 to Actual 2017	Actual FY2016	Variance Actual 2018 to Actual 2016
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Fixed Route

Fares	\$ 1,384,181	\$ 1,433,789	-3.5%	\$ 1,467,000	-5.6%
Special Fares	784,988	679,903	15.5%	666,735	17.7%
Total Fares	\$ 2,169,169	\$ 2,113,692	2.6%	\$ 2,133,735	1.7%
Fares box recovery ratio	14.9%	14.9%	-0.5%	15.0%	-0.8%
Operating Exp (Less leases)	\$ 14,595,697	\$ 14,151,192	3.1%	\$ 14,245,189	2.5%
Revenue Hours	112,804	112,187	0.5%	112,518	0.3%
Cost per Rev Hour	\$ 129.39	\$ 126.14	2.6%	\$ 126.60	2.2%
Passengers	1,704,772	1,751,146	-2.6%	1,836,579	-7.2%
Cost per Passenger	\$ 8.56	\$ 8.08	5.9%	\$ 7.76	10.4%
Passengers per Rev Hr	15.11	15.61	-3.2%	16.32	-7.4%

Paratransit

Fares	\$ 247,754	\$ 260,012	-4.7%	\$ 275,421	-10.0%
Fares box recovery ratio	9.1%	9.8%	-6.5%	10.1%	-10.0%
Operating Exp (Less leases)	\$ 2,715,731	\$ 2,663,609	2.0%	\$ 2,717,019	0.0%
Revenue Hours	34,950	35,552	-1.7%	38,214	-8.5%
Cost per Rev Hour	\$ 77.70	\$ 74.92	3.7%	\$ 71.10	9.3%
Passengers	67,895	68,867	-1.4%	71,638	-5.2%
Cost per Passenger	\$ 40.00	\$ 38.68	3.4%	\$ 37.93	5.5%
Passengers per Rev Hr	1.94	1.94	0.3%	1.87	3.6%