

County Connection

INTER OFFICE MEMO

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

Date: October 10, 2018

SUBJECT: Income Statements for the Fiscal Year Ended June 30, 2018

The attached unaudited County Connection Income Statements for FY 2018 are presented for your review. The combined expenses of \$35,486,143 for Fixed Route and Paratransit, (Schedule 1), are **-6.9% under the budget or -\$2,626,115**. The expense categories with the most significant variances are:

Wages	\$(331,065)	(2.3)%	Other wages are lower by -\$327K due to Manager of Marketing, Mechanic, Transit Supervisor, and Assistant Trainer vacancies.
Fringe Benefits	\$(576,079)	(5.5)%	Fringe Benefits are under budget due to vacancies for pension for -\$204K and medical/cafeteria due to vacancies and no increases in medical in calendar 2018 for -\$451K. This was offset by workers compensation costs over budget by \$241K.
Services	\$(355,360)	(16.9)%	Services are under mainly due to lower IT contracts for -\$60K, service vehicle repair for -\$92K, and legal services of -\$165K.
Materials & Supplies	\$(348,821)	(12.1)%	Materials and supplies are lower due to lower diesel fuel costs of -\$285K and fewer repair parts expenses of -\$48K.
Special Trip Services	\$(304,894)	(5.2)%	Increase in amended contract with First Transit lower than budgeted.
Contingency	\$(500,000)	(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 -7.2% under budget and Paratransit expenses are -4.9% under budget.

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

Passenger fares/special fares	\$(47,182)	(1.0)%	Fixed route passenger fares/special fares are -\$44K lower than budget and Paratransit fares are -\$4K under budget. Compared to the same period in the prior year, Fixed route is higher by \$111K or 2.6% due to new agreements with City of Walnut Creek for Routes 4, 5 & 7. Paratransit fares are -\$11K or -2.2% due to lower prepaid billings compared to prior year.
TDA revenue earned	\$(2,894,067)	(14.0)%	TDA revenue is lower due to lower than expected expenses.

Other revenue	\$239,002	236.1%	Sale of 27 fixed route buses that were replaced last fiscal year for \$134K. LAIF interest income of \$105K with rates rising which is an increase of \$61K.
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Fixed Route Operator Wages (Schedule 4)

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

- Platform (work time) is -0.5% under budget.
- Overtime is 24.5% over budget.
- Training is -13.9% under budget.
- Overall wages for operators are slightly 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 have increased 2.6% more than FY 2017 and -2.1% less than FY 2016.
- The farebox recovery ratio is -0.1% less than FY 2017 and -7.3% lower than FY 2016. The ratio is 14.5% in FY 2018; 14.6% in FY 2017 and 15.7% in FY 2016.
- Operating expenses are 2.7% more than in FY 2017 and 5.5% more than in FY 2016.
- Fixed route revenue hours are 3.3% more than FY 2017 and 0.2% more than FY 2016.
- The cost per revenue hour has decreased -0.6% compared to FY 2017 and increased 5.4% compared to FY 2016.
- Passengers have decreased -1.5% compared to FY 2017 and -7.4% compared to FY 2016.
- The cost per passenger has increased 4.3% compared to FY 2017 and 14.0% compared to FY 2016.
- Passengers per revenue hour has decreased -4.7% compared to FY 2017 and -7.6% compared to FY 2016.

Paratransit:

- Passenger fares have decreased -2.2% compared to FY 2017 and -8.3% compared to FY 2016.
- The farebox ratio is less than FY 2017 and FY 2016. The ratio is 9.1% in FY 2018; 9.9% in FY 2017; and 10.1% in FY 2016.
- Expenses have increased 5.7% compared to FY 2017 and 2.0% compared to FY 2016.
- Revenue hours are 0.6% more than FY 2017 and -8.0% less than FY 2016.
- Passengers have decreased -1.0% compared to FY 2017 and -6.2% compared to FY 2016.
- The cost per passenger has increased 6.8% since FY 2017 and 8.7% compared to FY 2016.
- Paratransit passengers per revenue hour have decreased -1.6% compared to FY 2017 and increased 2.0% 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 Fiscal Year Ended June 30, 2018

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 3,221,580	\$ 3,359,600	\$ (138,020)	-4.1%
Special fares	1,635,867	1,545,029	90,838	5.9%
	<u>4,857,447</u>	<u>4,904,629</u>	<u>(47,182)</u>	<u>-1.0%</u>
Advertising	615,631	615,938	(307)	0.0%
Safe Harbor lease	20,871	8,870	12,001	135.3%
Other revenue	340,232	101,230	239,002	236.1%
Federal operating	1,279,712	1,375,000	(95,288)	-6.9%
TDA earned revenue	17,755,507	20,649,574	(2,894,067)	-14.0%
STA revenue	2,379,559	2,365,824	13,735	0.6%
Measure J	6,239,347	6,069,815	169,532	2.8%
Other operating assistance	1,997,837	2,021,378	(23,541)	-1.2%
	<u>30,628,696</u>	<u>33,207,629</u>	<u>(2,578,933)</u>	<u>-7.8%</u>
Total Revenue	\$ 35,486,143	\$ 38,112,258	\$ (2,626,115)	-6.9%
Expenses				
Wages- Operators	\$ 8,347,232	\$ 8,350,000	\$ (2,768)	0.0%
Wages-Other	5,924,270	6,252,567	(328,297)	-5.3%
	<u>14,271,502</u>	<u>14,602,567</u>	<u>(331,065)</u>	<u>-2.3%</u>
Fringe Benefits	9,829,586	10,405,665	(576,079)	-5.5%
Services	1,744,972	2,100,332	(355,360)	-16.9%
Materials & Supplies	2,529,043	2,877,864	(348,821)	-12.1%
Utilities	356,152	417,450	(61,298)	-14.7%
Insurance	722,557	850,865	(128,308)	-15.1%
Taxes	226,116	228,315	(2,199)	-1.0%
Leases and Rentals	42,499	51,500	(9,001)	-17.5%
Miscellaneous	202,460	211,550	(9,090)	-4.3%
Special Trip Services	5,561,256	5,866,150	(304,894)	-5.2%
Operations	35,486,143	37,612,258	(2,126,115)	-5.7%
Contingency Reserve	-	500,000	(500,000)	-100.0%
Total Expenses	\$ 35,486,143	\$ 38,112,258	\$ (2,626,115)	-6.9%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	298,516	290,727	7,789	2.7%
Cost per Rev Hr.	\$ 118.73	\$ 130.92	\$ (12.18)	-9.3%
Passengers	3,550,559	3,605,462	(54,903)	-1.5%
Cost per Passenger	\$ 9.99	\$ 10.57	\$ (0.58)	-5.5%
Farebox ratio	13.7%	12.9%	0.8%	6.4%
<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 Fiscal Year Ended June 30, 2018

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 2,717,552	\$ 2,852,100	\$ (134,548)	-4.7%
Special fares	1,635,867	1,545,029	90,838	5.9%
	4,353,419	4,397,129	(43,710)	-1.0%
Advertising	615,631	615,938	(307)	0.0%
Safe Harbor lease	20,871	8,870	12,001	135.3%
Other revenue	340,232	101,130	239,102	236.4%
TDA earned revenue	16,756,023	19,148,700	(2,392,677)	-12.5%
STA revenue	1,612,760	1,612,760	-	0.0%
Measure J	4,408,343	4,543,512	(135,169)	-3.0%
Other operating assistance	1,861,500	1,881,378	(19,878)	-1.1%
	25,615,360	27,912,288	(2,296,928)	-8.2%
Total Revenue	\$ 29,968,779	\$ 32,309,417	\$ (2,340,638)	-7.2%
Expenses				
Wages- Operators	\$ 8,347,232	\$ 8,350,000	\$ (2,768)	0.0%
Wages-Other	5,832,686	6,152,281	(319,595)	-5.2%
	14,179,918	14,502,281	(322,363)	-2.2%
Fringe Benefits	9,774,535	10,348,610	(574,075)	-5.5%
Services	1,706,343	2,084,732	(378,389)	-18.2%
Materials & Supplies	2,524,665	2,874,464	(349,799)	-12.2%
Utilities	333,025	391,000	(57,975)	-14.8%
Insurance	722,557	850,865	(128,308)	-15.1%
Taxes	226,116	228,015	(1,899)	-0.8%
Leases and Rentals	42,499	51,500	(9,001)	-17.5%
Miscellaneous	202,455	210,850	(8,395)	-4.0%
Purchased Transportation	256,666	267,100	(10,434)	-3.9%
Operations	29,968,779	31,809,417	(1,840,638)	-5.8%
Contingency Reserve	-	500,000	(500,000)	
Total Expenses	\$ 29,968,779	\$ 32,309,417	\$ (2,340,638)	-7.2%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	228,293	220,931	7,362	3.3%
Cost per Rev Hr.	\$ 131.09	\$ 146.01	\$ (14.92)	-10.2%
Passengers	3,414,611	3,468,172	(53,561)	-1.5%
Cost per Passenger	\$ 8.78	\$ 9.32	\$ (0.54)	-5.8%
Passengers per Rev Hr.	14.96	15.70	(0.74)	-4.7%
Farebox recovery ratio	14.5%	13.8%	0.7%	5.1%

(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 Fiscal Year Ended June 30, 2018

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 504,028	\$ 507,500	\$ (3,472)	-0.7%
	504,028	507,500	(3,472)	-0.7%
Other revenue	-	100	(100)	-100.0%
Federal operating	1,279,712	1,375,000	(95,288)	-6.9%
TDA earned revenue	999,484	1,500,874	(501,390)	-33.4%
STA revenue	766,799	753,064	13,735	1.8%
Measure J	1,831,004	1,526,303	304,701	20.0%
Other operating assistance	136,337	140,000	(3,663)	-2.6%
	5,013,336	5,295,341	(282,005)	-5.3%
Total Revenue	\$ 5,517,364	\$ 5,802,841	\$ (285,477)	-4.9%
Expenses				
Wages-Other	\$ 91,584	\$ 100,286	\$ (8,702)	-8.7%
	91,584	100,286	(8,702)	-8.7%
Fringe Benefits	55,051	57,055	(2,004)	-3.5%
Services	38,629	15,600	23,029	147.6%
Materials & Supplies	4,378	3,400	978	28.8%
Utilities	23,127	26,450	(3,323)	-12.6%
Taxes	-	300	(300)	-100.0%
Miscellaneous	5	700	(695)	-99.3%
Special Trip Services	5,304,590	5,599,050	(294,460)	-5.3%
Total Expenses	\$ 5,517,364	\$ 5,802,841	\$ (285,477)	-4.9%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	70,223	69,796	427	0.6%
Cost per Rev Hr.	\$ 78.57	\$ 83.14	\$ (4.57)	-5.5%
Passengers	135,948	137,290	(1,342)	-1.0%
Cost per Passenger	\$ 40.58	\$ 42.27	\$ (1.68)	-4.0%
Passengers per Rev Hr.	1.94	1.97	(0.03)	-1.6%
Farebox ratio	9.1%	8.7%	0.4%	4.5%
<i>(fares, spec fares/Oper exp-leases)</i>				

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Fiscal Year Ended June 30, 2018

	Year to Date		Variance	% Variance
	Actual	Budget		
Platform/report/turn in	\$ 6,738,884	\$ 6,769,929	\$ (31,045)	-0.5%
Guarantees	251,505	273,366	(21,861)	-8.0%
Overtime	414,711	333,054	81,657	24.5%
Spread	223,587	182,247	41,340	22.7%
Protection	294,916	341,512	(46,597)	-13.6%
Travel	240,331	240,929	(597)	-0.2%
Training	150,862	175,179	(24,317)	-13.9%
Other Misc.	32,436	33,785	(1,349)	-4.0%
	\$ 8,347,232	\$ 8,350,000	\$ (2,768)	0.0%

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Fiscal Year Ended June 30, 2018

Other Revenue	
Investment income (interest)	\$ 105,097
ADA Database Management revenue	75,000
Paypal Shipping revenue	947
RTC card revenue	2,490
Sale of capital assets	134,865
Various	21,833
	\$ 340,232
Other Operating Assistance	
RM2	\$ 145,339
BART feeder revenue	807,314
LCTOP	287,256
Lifeline grant	503,798
Homeland Security ITS	93,534
Special planning grant	24,259
	\$ 1,861,500
Miscellaneous Expenses	
Board Travel Expense	\$ 17,955
Staff Travel Expense	74,484
CTA Conference	14,948
APTA Dues	35,029
Employee functions	34,467
Business Expense, GM	2,659
Business Expense, Transportation	10
Business Expense, Finance	978
Employee Awards/Pins	2,011
Paypal fees	2,889
Training	13,659
Various other	3,366
	\$ 202,455

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2018 Year to Date Comparison of FY 2017 Actual & FY 2016 Actual
Statistics
For the Fiscal Year Ended June 30, 2018

	Actual FY2018	Actual FY2017	Variance Actual 2018 to Actual 2017	Actual FY2016	Variance Actual 2018 to Actual 2016
Fixed Route					
Fares	\$ 2,717,552	\$ 2,760,780	-1.6%	\$ 3,000,325	-9.4%
Special Fares	1,635,867	1,480,747	10.5%	1,447,303	13.0%
Total Fares	\$ 4,353,419	\$ 4,241,527	2.6%	\$ 4,447,628	-2.1%
Fares box recovery ratio	14.5%	14.6%	-0.1%	15.7%	-7.3%
Operating Exp (Less leases & adjust for GASB 68)	\$ 29,926,280	\$ 29,131,042	2.7%	\$ 28,354,932	5.5%
Revenue Hours	228,293	220,931	3.3%	227,916	0.2%
Cost per Rev Hour	\$ 131.09	\$ 131.86	-0.6%	\$ 124.41	5.4%
Passengers	3,414,611	3,468,172	-1.5%	3,689,110	-7.4%
Cost per Passenger	\$ 8.76	\$ 8.40	4.3%	\$ 7.69	14.0%
Passengers per Rev Hr.	14.96	15.70	-4.7%	16.19	-7.6%

Paratransit

Fares	\$ 504,028	\$ 515,182	-2.2%	\$ 549,620	-8.3%
Fares box recovery ratio	9.1%	9.9%	-7.4%	10.2%	-10.1%
Operating Exp (Less leases)	\$ 5,517,364	\$ 5,219,373	5.7%	\$ 5,408,836	2.0%
Revenue Hours	70,223	69,796	0.6%	76,309	-8.0%
Cost per Rev Hour	\$ 78.57	\$ 74.78	5.1%	\$ 70.88	10.8%
Passengers	135,948	137,290	-1.0%	144,873	-6.2%
Cost per Passenger	\$ 40.58	\$ 38.02	6.8%	\$ 37.34	8.7%
Passengers per Rev Hr.	1.94	1.97	-1.6%	1.90	2.0%