

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: January 8, 2019

From: Erick Cheung, Chief Finance Officer

SUBJECT: Income Statements for the Three Months Ended September 30, 2018

The attached unaudited County Connection Income Statements for the first three months of FY 2019 are presented for your review. The combined expenses of \$8,705,683 for Fixed Route and Paratransit, (Schedule 1), are **7.3% under the budget (\$686,262)**. The expense categories with the most significant variances are:

Wages	\$(187,630)	(5.5)%	Other wages are lower by \$165K due to the Manager of Planning/Community Liaison and Customer Service & Outreach Coordinator positions were vacant during the first quarter but are now filled. The Director of Innovation and Mobility position is vacant with duties reassigned to current planning staff.
Fringe Benefits	\$(133,146)	(5.2)%	Fringe Benefits are under budget due to vacancies and medical increases will occur on January 1, 2019.
Services	\$(57,978)	(10.3)%	Services are under mainly due to lower than budget for promotions expense (\$28K), schedules/graphics expense (\$27K), service repairs (\$51K), legal (\$48K) and various other accounts due to timing. This is offset by Clever Device annual maintenance service paid in September for \$239K.
Materials & Supplies	\$(36,536)	(5.1)%	Materials and supplies are lower due to lower diesel fuel costs (\$20K).
Contingency	\$(200,000)	(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 -8.8% under budget and Paratransit expenses are 1.0% over budget.

The combined revenues are also over/(under) budget. The most significant variances:

Passenger fares/special fares	\$ 40,681	3.6%	Fixed route passenger fares/special fares are \$46.0K higher than budget as staff assumed a decrease of 3.0% for fixed route based on past trends. Paratransit fares are (\$5.3K) lower than budget. Compared to the same period in the prior year, fixed route is \$10K or 1% higher due
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to special fares agreements but lower than FY 2017 by \$2K; Paratransit is \$16.7K higher due to increased ridership but only higher than FY 2017 by \$310.

TDA revenue earned	\$ (769,432)	(20.0)%	TDA revenue is lower due to lower than expected expenses.
Other revenue	\$ 100,721	227.5%	Received annual grant revenue for database tracking of \$75K in September, prior year received in December.
Other operating assistance	\$ (60,045)	(13.3)%	The difference is mainly due to timing, since State Transit Assistance Lifeline funds are normally received in December.

Fixed Route Operator Wages (Schedule 4)

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

- Platform (work time) is -2.1% under budget.
- Overtime is -4.3% under budget.
- Training is 35.3% over 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 1.0% more than FY 2018 and -0.2% less than FY 2017.
- The farebox recovery ratio is lower compared to FY 2017 and FY 2016. The ratio is 14.6% in FY 2019; 15.6% in FY 2018 and 16.1% in FY 2017.
- Operating expenses are 7.7% more than in FY 2018 and 10.1% more than FY 2017. As mentioned earlier, Clever Device invoice payment of \$239K paid in September and in past years was paid in October.
- Fixed route revenue hours are 1.1% more than FY 2018 and 0.1% more than FY 2017.
- The cost per revenue hour has increased 3.3% compared to FY 2017 and 1.4% compared to FY 2016.
- Passengers have decreased -2.2% compared to FY 2018 and -8.2% compared to FY 2017.
- The cost per passenger has increased 10.2% compared to FY 2018 and 19.9% compared to FY 2017.
- Passengers per revenue hour has decreased -3.3% compared to FY 2018 and -8.3% compared to FY 2017.

Paratransit:

- Passenger fares have increased 15.9% compared to FY 2018 and 0.3% compared to FY 2017.
- The farebox ratio is more than FY 2018 and less than FY 2017. The ratio is 8.2% in FY 2019; 7.6% in FY 2018; and 9.2% in FY 2017.
- Expenses have increased 7.3% compared to FY 2018 and 12.2% compared to FY 2017. Due to increase of 3% with First Transit for FY 2019 and revenue hours/passengers increasing as noted below.
- Revenue hours are 8.1% more than FY 2018 and 5.2% in FY 2017.
- Passengers have increased 1.4% compared to FY 2018 and -0.8% compared to FY 2017.
- The cost per passenger has increased 5.7% since FY 2018 and 13.1% compared to FY 2017.
- Paratransit passengers per revenue hour have decreased -6.6% compared to FY 2018 and -5.6% compared to FY 2017.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of Actual vs Budget
Combined Fixed Route and Paratransit Income Statement
For the Three Months Ended September 30, 2018

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 781,868	\$ 749,874	\$ 31,994	4.3%
Special fares	390,260	381,573	8,687	2.3%
	1,172,128	1,131,447	40,681	3.6%
Advertising	147,501	148,635	(1,134)	-0.8%
Safe Harbor lease	8,076	4,413	3,663	83.0%
Other revenue	145,003	44,282	100,721	227.5%
Federal operating	350,635	348,200	2,435	0.7%
TDA earned revenue	3,495,377	4,255,075	(759,698)	-17.9%
STA revenue	1,421,285	1,421,285	-	0.0%
Measure J	1,573,263	1,586,149	(12,886)	-0.8%
Other operating assistance	392,415	452,460	(60,045)	-13.3%
	7,533,555	8,260,499	(726,944)	-8.8%
Total Revenue	\$ 8,705,683	\$ 9,391,945	\$ (686,262)	-7.3%
Expenses				
Wages- Operators	\$ 1,891,197	\$ 1,913,427	\$ (22,230)	-1.2%
Wages-Other	1,338,981	1,504,381	(165,400)	-11.0%
	3,230,178	3,417,808	(187,630)	-5.5%
Fringe Benefits	2,429,452	2,562,598	(133,146)	-5.2%
Services	505,622	563,600	(57,978)	-10.3%
Materials & Supplies	681,202	717,738	(36,536)	-5.1%
Utilities	73,481	95,013	(21,532)	-22.7%
Insurance	222,797	238,138	(15,341)	-6.4%
Taxes	36,355	65,454	(29,099)	-44.5%
Leases and Rentals	13,395	13,194	201	1.5%
Miscellaneous	38,932	56,450	(17,518)	-31.0%
Special Trip Services	1,474,269	1,461,953	12,316	0.8%
Operations	8,705,683	9,191,945	(486,262)	-5.3%
Contingency Reserve	-	200,000	(200,000)	-100.0%
Total Expenses	\$ 8,705,683	\$ 9,391,945	\$ (686,262)	-7.3%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	75,032	73,054	1,978	2.7%
Cost per Rev Hr	\$ 115.85	\$ 128.38	\$ (12.53)	-9.8%
Passengers	859,472	877,707	(18,235)	-2.1%
Cost per Passenger	\$ 10.13	\$ 10.70	\$ (0.57)	-5.3%
Farebox ratio	13.5%	12.1%	1.4%	11.8%
<i>(fares, spec fares/Oper exp-w/o contingency-leases)</i>				

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of Actual vs Budget
Fixed Route Income Statement
For the Three Months Ended September 30, 2018

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	\$ 660,323	\$ 622,999	\$ 37,324	6.0%
Special fares	390,260	381,573	8,687	2.3%
	1,050,583	1,004,572	46,011	4.6%
Advertising	147,501	148,635	(1,134)	-0.8%
Safe Harbor lease	8,076	4,413	3,663	83.0%
Other revenue	145,003	44,257	100,746	227.6%
TDA earned revenue	3,084,038	3,853,470	(769,432)	-20.0%
STA revenue	1,264,098	1,264,098	-	0.0%
Measure J	1,170,891	1,183,777	(12,886)	-1.1%
Other operating assistance	350,484	417,960	(67,476)	-16.1%
	6,170,091	6,916,610	(746,519)	-10.8%
Total Revenue	\$ 7,220,674	\$ 7,921,181	\$ (700,507)	-8.8%
Expenses				
Wages- Operators	\$ 1,891,197	\$ 1,913,427	\$ (22,230)	-1.2%
Wages-Other	1,301,488	1,461,250	(159,762)	-10.9%
	3,192,685	3,374,677	(181,992)	-5.4%
Fringe Benefits	2,407,719	2,543,503	(135,784)	-5.3%
Services	486,812	553,950	(67,138)	-12.1%
Materials & Supplies	679,714	716,638	(36,924)	-5.2%
Utilities	68,420	88,138	(19,718)	-22.4%
Insurance	222,797	238,138	(15,341)	-6.4%
Taxes	36,355	65,379	(29,024)	-44.4%
Interest	-	-	-	0.0%
Leases and Rentals	13,395	13,194	201	1.5%
Miscellaneous	38,932	56,237	(17,305)	-30.8%
Purchased Transportation	73,845	71,328	2,517	3.5%
Operations	7,220,674	7,721,181	(500,507)	-6.5%
Contingency Reserve	-	200,000	(200,000)	
Total Expenses	\$ 7,220,674	\$ 7,921,181	\$ (700,507)	-8.8%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	56,358	54,760	1,598	2.9%
Cost per Rev Hr	\$ 127.88	\$ 144.41	\$ (16.53)	-11.4%
Passengers	824,423	843,155	(18,732)	-2.2%
Cost per Passenger	\$ 8.76	\$ 9.39	\$ (0.64)	-6.8%
Passengers per Rev Hr	14.63	15.40	(0.77)	-5.0%
Farebox recovery ratio	14.6%	13.0%	1.5%	11.8%

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

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2019 Year to Date Comparison of Actual vs Budget
For the Three Months Ended September 30, 2018

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares (a)	\$ 121,545	\$ 126,875	\$ (5,330)	-4.2%
	121,545	126,875	(5,330)	-4.2%
Other revenue		25	(25)	-100.0%
Federal operating	350,635	348,200	2,435	0.7%
TDA earned revenue	411,339	401,605	9,734	2.4%
STA revenue	157,187	157,187	-	0.0%
Measure J	402,372	402,372	-	0.0%
Other operating assistance	41,931	34,500	7,431	21.5%
	1,363,464	1,343,889	19,575	1.5%
Total Revenue	\$ 1,485,009	\$ 1,470,764	\$ 14,245	1.0%
Expenses				
Wages-Other	37,493	\$ 43,131	\$ (5,638)	-13.1%
	37,493	43,131	(5,638)	-13.1%
Fringe Benefits	21,733	19,095	2,638	13.8%
Services	18,810	9,650	9,160	94.9%
Materials & Supplies	1,488	1,100	388	35.3%
Utilities	5,061	6,875	(1,814)	-26.4%
Taxes	-	75	(75)	-100.0%
Miscellaneous	-	213	(213)	-100.0%
Special Trip Services	1,400,424	1,390,625	9,799	0.7%
Total Expenses	\$ 1,485,009	\$ 1,470,764	\$ 14,245	1.0%
Net Income (Loss)	\$ -	\$ -	\$ -	
Revenue Hours	18,674	18,294	380	2.1%
Cost per Rev Hr	\$ 79.52	\$ 80.40	\$ (0.87)	-1.1%
Passengers	35,049	34,552	497	1.4%
Cost per Passenger	\$ 42.37	\$ 42.57	\$ (0.20)	-0.5%
Passengers per Rev Hr	1.88	1.89	(0.01)	-0.6%
Farebox ratio	8.2%	8.6%	-0.4%	-5.1%
<i>(fares, spec fares/Oper exp-leases)</i>				

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Three Months Ended September 30, 2018

	Actual		Budget		Variance	% Variance
Platform/report/turn in	\$ 1,511,615	\$	1,544,747	\$	(33,133)	-2.1%
Guarantees	64,700		57,652		7,048	12.2%
Overtime	90,967		95,064		(4,096)	-4.3%
Spread	50,806		51,253		(447)	-0.9%
Protection	68,064		67,603		461	0.7%
Travel	52,544		55,091		(2,546)	-4.6%
Training	46,801		34,582		12,219	35.3%
Other Misc	5,699		7,435		(1,736)	-23.3%
	\$ 1,891,197	\$	1,913,427	\$	(22,230)	-1.2%

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Three Months Ended September 30, 2018

Other Revenue

Investment income (interest)	\$ 31,385
ADA Database Management revenue	75,000
Paypal Shipping revenue	281
RTC card revenue	752
Various	37,585
	\$ 145,003

Other Operating Assistance

RM2	\$ 36,335
BART feeder revenue	206,531
LCTOP	77,827
Homeland Security ITS	29,791
	\$ 350,484

Miscellaneous Expenses

Board Travel Expense	\$ -
Staff Travel Expense	13,763
APTA Dues	8,874
Employee functions	9,554
Employee Awards/pins	1,162
Paypal fees	695
Training	661
Various other	4,223
	\$ 38,932

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of FY 2018 Actual & FY 2017 Actual
Statistics
For the Three Months Ended September 30, 2018

Actual	Actual	Variance	Actual	Variance
FY2019	FY2018	Actual 2019 to Actual 2018	FY2017	Actual 2019 to Actual 2017

Fixed Route

Fares	\$ 660,323	\$ 661,480	-0.2%	\$ 707,168	-6.6%
Special Fares	390,260	379,137	2.9%	345,396	13.0%
Total Fares	\$ 1,050,583	\$ 1,040,617	1.0%	\$ 1,052,564	-0.2%
<i>Fares box recovery ratio</i>	14.6%	15.6%	-6.3%	16.1%	-9.3%
Operating Exp (Less leases)	\$ 7,207,279	\$ 6,690,663	7.7%	\$ 6,548,200	10.1%
<i>Revenue Hours</i>	56,358	55,729	1.1%	56,320	0.1%
<i>Cost per Rev Hour</i>	\$ 127.88	\$ 120.06	6.5%	\$ 116.27	10.0%
<i>Passengers</i>	824,423	843,155	-2.2%	898,009	-8.2%
<i>Cost per Passenger</i>	\$ 8.74	\$ 7.94	10.2%	\$ 7.29	19.9%
<i>Passengers per Rev Hr</i>	14.63	15.13	-3.3%	15.94	-8.3%

Paratransit

Fares	\$ 121,545	\$ 104,890	15.9%	\$ 121,235	0.3%
<i>Fares box recovery ratio</i>	8.2%	7.6%	8.0%	9.2%	-10.7%
Operating Exp (Less leases)	\$ 1,485,009	\$ 1,384,595	7.3%	\$ 1,323,043	12.2%
<i>Revenue Hours</i>	18,674	17,268	8.1%	17,759	5.2%
<i>Cost per Rev Hour</i>	\$ 79.52	\$ 80.18	-0.8%	\$ 74.50	6.7%
<i>Passengers</i>	35,049	34,552	1.4%	35,316	-0.8%
<i>Cost per Passenger</i>	\$ 42.37	\$ 40.07	5.7%	\$ 37.46	13.1%
<i>Passengers per Rev Hr</i>	1.88	2.00	-6.6%	1.99	-5.6%