

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee

From: Erick Cheung, Chief Finance Officer

Date: April 10, 2019

SUBJECT: Income Statements for the Six Months Ended December 31, 2018

The attached unaudited County Connection Income Statements for the first six months of FY 2019 are presented for your review. The combined expenses of \$18,554,321 for Fixed Route and Paratransit, (Schedule 1), **are under budget by 5.3% or \$1,031,023**. The expense categories with the most significant variances are:

| | | | |
|-----------------------|--------------|----------|--|
| Wages | \$(191,140) | (2.6)% | Operator wages are over budget as service is maintained but guarantees and overtime is higher due to vacancies and employees out on illness. Also, training costs are higher to fill vacant operator positions. Other wages are lower by \$269K due to the Manager of Planning/Community Liaison and Customer Service & Outreach Coordinator positions were vacant during the first quarter and filled during second quarter. The Director of Innovation and Mobility position is vacant with duties reassigned to current planning staff. |
| Fringe Benefits | \$(197,598) | (3.7)% | Fringe Benefits are under budget due to vacancies but will see medical increases beginning in on January 2019. |
| Services | \$(182,921) | (16.2)% | Services are under mainly due to lower than budget for promotions expense (\$51K), schedules/graphics expense (\$49K), service repairs (\$57K), legal (\$57K) and various other accounts due to timing. This is offset by Clever Device annual maintenance service paid in September for \$239K. |
| Materials & Supplies | \$(50,094) | (3.5)% | Materials and supplies are lower due to lower diesel fuel costs (\$34K). |
| Special Trip Services | \$ 136,342 | 4.7% | Special Trip Services are over budget as Paratransit revenue hours are up 12.1%. |
| Contingency | \$(400,000) | (100.0)% | Not needed currently 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 -7.1% under budget and Paratransit expenses are 5.4% over budget.

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

| | | | |
|-------------------------------|---------------|----------|--|
| Passenger fares/special fares | \$ 89,795 | 3.9% | Fixed route passenger fares/special fares are \$102.5K higher than budget but staff assumed a decrease of 3.0% for fixed route in the budget due to past trends. Paratransit fares are \$12.8K lower than budget. Compared to the same period in the prior year, Fixed route is \$5K or 0.2% higher due to special fares agreements; Paratransit is \$6.7K lower and appears to be timing of billings. |
| TDA revenue earned | \$(1,423,925) | (15.4)% | TDA revenue is lower due to lower than expected expenses. |
| Other revenue | \$ 86,120 | 97.2% | LAIF interest rates have nearly doubled from previous year from 1.2% to 2.4% which has brought in an additional \$52K and sale of Paratransit Vehicles \$21K. |
| Other operating assistance | \$ 198,754 | 22.0% | The difference is mainly due to timing since the full amount of Lifeline Funds for \$300K. |

Fixed Route Operator Wages (Schedule 4)

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

- Platform (work time) is 0.4% or \$14,996 over budget.
- Guarantees and Overtime is 8.0% or \$29,183 over budget.
- Training is 46.1% or \$34,943 over budget.
- Overall wages for operators are 1.9% over 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 0.2% more than FY 2018 and 2.9% more than FY 2017.
- The farebox recovery ratio is lower compared to FY 2018 and FY 2017. The ratio is 14.1% in FY 2019; 14.9% in FY 2018 and FY 2017.
- Operating expenses are 5.7% more than in FY 2018 and 9.0% more than FY 2017.
- Fixed route revenue hours are 1.1% more than FY 2018 and 1.6% more than FY 2017.
- The cost per revenue hour has increased 4.6% compared to FY 2018 and 7.3% compared to FY 2017.
- Passengers have decreased -2.8% compared to FY 2018 and -5.4% compared to FY 2017.
- The cost per passenger has increased 8.8% compared to FY 2018 and 15.2% compared to FY 2017.
- Passengers per revenue hour has decreased -3.8% compared to FY 2018 and -6.9% compared to FY 2017.

Paratransit:

- Passenger fares have decreased -2.7% compared to FY 2018 and -7.3% compared to FY 2017.
- The farebox ratio is more than FY 2018 and less than FY 2017. The ratio is 7.8% in FY 2019; 9.1% in FY 2018; and 9.8% in FY 2017.
- Expenses have increased 14.1% compared to FY 2018 and 16.3% compared to FY 2017. Due to increase of 3% with First Transit for FY 2019 and revenue hours increasing as noted below.
- Revenue hours are 12.1% more than FY 2018 and 10.2% in FY 2017.
- Passengers have increased 1.7% compared to FY 2018 and 0.3% compared to FY 2017.
- The cost per passenger has increased 12.2% since FY 2018 and 16.0% compared to FY 2017.
- Paratransit passengers per revenue hour have decreased -9.3% compared to FY 2018 and -9.0% 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 Six Months Ended December 31, 2018

| | Actual | Budget | Variance | % Variance |
|--|----------------------|----------------------|-----------------------|--------------|
| Revenues | | | | |
| Passenger fares | \$ 1,620,346 | \$ 1,557,407 | \$ 62,939 | 4.0% |
| Special fares | 795,002 | 768,147 | 26,856 | 3.5% |
| | 2,415,348 | 2,325,553 | 89,795 | 3.9% |
| Advertising | 320,918 | 297,270 | 23,648 | 8.0% |
| Safe Harbor lease | 17,061 | 8,825 | 8,236 | 93.3% |
| Other revenue | 174,684 | 88,564 | 86,120 | 97.2% |
| Federal operating | 695,635 | 696,400 | (765) | -0.1% |
| TDA earned revenue | 7,825,020 | 9,248,945 | (1,423,925) | -15.4% |
| STA revenue | 2,842,570 | 2,842,570 | - | 0.0% |
| Measure J | 3,159,411 | 3,172,297 | (12,886) | -0.4% |
| Other operating assistance | 1,103,674 | 904,920 | 198,754 | 22.0% |
| | 16,138,973 | 17,259,791 | (1,120,818) | -6.5% |
| Total Revenue | \$ 18,554,321 | \$ 19,585,344 | \$ (1,031,023) | -5.3% |
| Expenses | | | | |
| Wages- Operators | \$ 4,273,052 | \$ 4,195,093 | \$ 77,959 | 1.9% |
| Wages-Other | 2,983,205 | 3,252,304 | (269,099) | -8.3% |
| | 7,256,257 | 7,447,397 | (191,140) | -2.6% |
| Fringe Benefits | 5,106,364 | 5,303,962 | (197,598) | -3.7% |
| Services | 944,279 | 1,127,200 | (182,921) | -16.2% |
| Materials & Supplies | 1,396,289 | 1,446,383 | (50,094) | -3.5% |
| Utilities | 158,067 | 190,025 | (31,958) | -16.8% |
| Insurance | 425,388 | 476,276 | (50,888) | -10.7% |
| Taxes | 97,230 | 130,908 | (33,678) | -25.7% |
| Leases and Rentals | 27,857 | 26,388 | 1,469 | 5.6% |
| Miscellaneous | 82,343 | 112,900 | (30,557) | -27.1% |
| Special Trip Services | 3,060,247 | 2,923,905 | 136,342 | 4.7% |
| Operations | 18,554,321 | 19,185,344 | (631,023) | -3.3% |
| Contingency Reserve | - | 400,000 | (400,000) | -100.0% |
| Total Expenses | \$ 18,554,321 | \$ 19,585,344 | \$ (1,031,023) | -5.3% |
| Net Income (Loss) | \$ - | \$ - | \$ - | |
| Revenue Hours | 153,177 | 147,779 | 5,398 | 3.7% |
| Cost per Rev Hr | \$ 120.95 | \$ 132.35 | \$ (11.40) | -8.6% |
| Passengers | 1,725,646 | 1,772,667 | (47,021) | -2.7% |
| Cost per Passenger | \$ 10.75 | \$ 11.05 | \$ (0.30) | -2.7% |
| Farebox ratio | 13.0% | 11.9% | 1.1% | 9.6% |
| <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 Six Months Ended December 31, 2018

| | Actual | Budget | Variance | % Variance |
|--|----------------------|----------------------|-----------------------|--------------|
| Revenues | | | | |
| Passenger fares | \$ 1,379,382 | \$ 1,303,657 | \$ 75,725 | 5.8% |
| Special fares | 795,002 | 768,147 | 26,856 | 3.5% |
| | 2,174,384 | 2,071,803 | 102,581 | 5.0% |
| Advertising | 320,918 | 297,270 | 23,648 | 8.0% |
| Safe Harbor lease | 17,061 | 8,825 | 8,236 | 93.3% |
| Other revenue | 174,684 | 88,514 | 86,170 | 97.4% |
| TDA earned revenue | 6,865,083 | 8,445,736 | (1,580,653) | -18.7% |
| STA revenue | 2,528,196 | 2,528,196 | - | 0.0% |
| Measure J | 2,354,667 | 2,367,553 | (12,886) | -0.5% |
| Other operating assistance | 1,020,380 | 835,920 | 184,460 | 22.1% |
| | 13,280,989 | 14,572,014 | (1,291,025) | -8.9% |
| Total Revenue | \$ 15,455,373 | \$ 16,643,817 | \$ (1,188,444) | -7.1% |
| Expenses | | | | |
| Wages- Operators | \$ 4,273,052 | \$ 4,195,093 | \$ 77,959 | 1.9% |
| Wages-Other | \$ 2,901,337 | 3,166,041 | (264,704) | -8.4% |
| | 7,174,389 | 7,361,134 | (186,745) | -2.5% |
| Fringe Benefits | \$ 5,061,900 | 5,265,773 | (203,873) | -3.9% |
| Services | \$ 915,370 | 1,107,900 | (192,530) | -17.4% |
| Materials & Supplies | \$ 1,394,523 | 1,444,183 | (49,660) | -3.4% |
| Utilities | \$ 147,037 | 176,275 | (29,238) | -16.6% |
| Insurance | \$ 425,388 | 476,276 | (50,888) | -10.7% |
| Taxes | \$ 97,230 | 130,758 | (33,528) | -25.6% |
| Leases and Rentals | \$ 27,857 | 26,388 | 1,469 | 5.6% |
| Miscellaneous | \$ 82,343 | 112,475 | (30,132) | -26.8% |
| Purchased Transportation | \$ 129,336 | 142,655 | (13,319) | -9.3% |
| Operations | 15,455,373 | 16,243,817 | (788,444) | -4.9% |
| Contingency Reserve | - | 400,000 | (400,000) | |
| Total Expenses | \$ 15,455,373 | \$ 16,643,817 | \$ (1,188,444) | -7.1% |
| Net Income (Loss) | \$ - | \$ - | \$ - | |
| Revenue Hours | 113,992 | 112,804 | 1,188 | 1.1% |
| Cost per Rev Hr | \$ 135.34 | \$ 147.31 | \$ (11.97) | -8.1% |
| Passengers | 1,656,571 | 1,704,772 | (48,201) | -2.8% |
| Cost per Passenger | \$ 9.33 | \$ 9.76 | \$ (0.43) | -4.4% |
| Passengers per Rev Hr | 14.53 | 15.11 | (0.58) | -3.8% |
| Farebox recovery ratio | 14.1% | 12.8% | 1.3% | 10.3% |
| <i>(fares, spec fares/Oper exp-w/o contingency-leases)</i> | | | | |

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2019 Year to Date Comparison of Actual vs Budget
For the Six Months Ended December 31, 2018

| | Actual | Budget | Variance | % Variance |
|---|---------------------|---------------------|-------------------|--------------|
| Revenues | | | | |
| Passenger fares | \$ 240,964 | \$ 253,750 | \$ (12,786) | -5.0% |
| | 240,964 | 253,750 | (12,786) | -5.0% |
| Other revenue | - | \$ 50 | (50) | -100.0% |
| Federal operating | \$ 695,635 | 696,400 | (765) | -0.1% |
| TDA earned revenue | \$ 959,937 | 803,209 | 156,728 | 19.5% |
| STA revenue | \$ 314,374 | 314,374 | - | 0.0% |
| Measure J | \$ 804,744 | 804,744 | - | 0.0% |
| Other operating assistance | \$ 83,294 | 69,000 | 14,294 | 20.7% |
| | 2,857,984 | 2,687,777 | 170,207 | 6.3% |
| Total Revenue | \$ 3,098,948 | \$ 2,941,527 | \$ 157,421 | 5.4% |
| Expenses | | | | |
| Wages-Other | \$ 81,868 | \$ 86,263 | \$ (4,395) | -5.1% |
| | 81,868 | 86,263 | (4,395) | -5.1% |
| Fringe Benefits | \$ 44,464 | 38,189 | 6,275 | 16.4% |
| Services | \$ 28,909 | 19,300 | 9,609 | 49.8% |
| Materials & Supplies | \$ 1,766 | 2,200 | (434) | -19.7% |
| Utilities | \$ 11,030 | 13,750 | (2,720) | -19.8% |
| Taxes | \$ - | 150 | (150) | -100.0% |
| Miscellaneous | \$ - | 425 | (425) | -100.0% |
| Special Trip Services | \$ 2,930,911 | 2,781,250 | 149,661 | 5.4% |
| Total Expenses | \$ 3,098,948 | \$ 2,941,527 | \$ 157,421 | 5.4% |
| Net Income (Loss) | \$ - | \$ - | \$ - | |
| Revenue Hours | 39,185 | 34,975 | 4,210 | 12.0% |
| Cost per Rev Hr | \$ 79.09 | \$ 84.10 | \$ (5.02) | -6.0% |
| Passengers | 69,075 | 67,895 | 1,180 | 1.7% |
| Cost per Passenger | \$ 44.86 | \$ 43.32 | \$ 1.54 | 3.6% |
| Passengers per Rev Hr | 1.76 | 1.94 | (0.18) | -9.2% |
| Farebox ratio | 7.8% | 8.6% | -0.9% | -9.9% |
| <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, 2018

| | Year to Date | | | |
|-------------------------|---------------------|---------------------|------------------|-------------|
| | Actual | Budget | Variance | % Variance |
| Platform/report/turn in | 3,401,778 \$ | 3,386,781 \$ | 14,996 | 0.4% |
| Guarantees | 153,382 \$ | 126,400 | 26,982 | 21.3% |
| Overtime | 210,623 \$ | 208,422 | 2,201 | 1.1% |
| Spread | 117,925 \$ | 112,369 | 5,556 | 4.9% |
| Protection | 149,887 \$ | 148,217 | 1,671 | 1.1% |
| Travel | 115,994 \$ | 120,784 | (4,790) | -4.0% |
| Training | 110,762 \$ | 75,819 | 34,943 | 46.1% |
| Other Misc | 12,702 \$ | 16,301 | (3,600) | -22.1% |
| | \$ 4,273,052 | \$ 4,195,093 | \$ 77,959 | 1.9% |

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Other Revenue; Other Operating Assistance; Miscellaneous Expenses
For the Six Months Ended December 31, 2018

Other Revenue

| | | |
|---------------------------------|----|---------|
| Investment income (interest) | \$ | 76,193 |
| ADA Database Management revenue | | 75,000 |
| Paypal shipping revenue | | 549 |
| RTC card revenue | | 1,576 |
| Various | | 21,366 |
| | \$ | 174,684 |

Other Operating Assistance

| | | |
|-----------------------|----|-----------|
| RM2 | \$ | 72,670 |
| Homeland Security ITS | | 59,581 |
| BART feeder revenue | | 413,062 |
| LCTOP | | 175,067 |
| Lifeline grant | | 300,000 |
| | \$ | 1,020,380 |

Miscellaneous Expenses

| | | |
|----------------------|----|--------|
| Staff Travel Expense | \$ | 23,873 |
| CTA Conference | | 15,396 |
| APTA Dues | | 17,748 |
| Employee functions | | 15,736 |
| Business Expense, GM | | 632 |
| Employee Awards/Pins | | 2,318 |
| Paypal fees | | 1,423 |
| Training | | 1,845 |
| Various other | | 3,372 |
| | \$ | 82,343 |

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2019 Year to Date Comparison of FY 2018 Actual & FY 2017 Actual
Statistics
For the Six Months Ended December 31, 2018

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

Fixed Route

| | | | | | |
|---------------------------------|---------------------|---------------------|--------------|---------------------|--------------|
| Fares | \$ 1,379,382 | \$ 1,384,181 | -0.3% | \$ 1,433,789 | -3.8% |
| Special Fares | 795,002 | 784,988 | 1.3% | 679,903 | 16.9% |
| Total Fares | \$ 2,174,384 | \$ 2,169,169 | 0.2% | \$ 2,113,692 | 2.9% |
| Fares box recovery ratio | 14.1% | 14.9% | -5.2% | 14.9% | -5.6% |
| Operating Exp (Less leases) | \$ 15,427,516 | \$ 14,595,697 | 5.7% | \$ 14,151,192 | 9.0% |
| Revenue Hours | 113,992 | 112,804 | 1.1% | 112,187 | 1.6% |
| Cost per Rev Hour | \$ 135.34 | \$ 129.39 | 4.6% | \$ 126.14 | 7.3% |
| Passengers | 1,656,571 | 1,704,772 | -2.8% | 1,751,146 | -5.4% |
| Cost per Passenger | \$ 9.31 | \$ 8.56 | 8.8% | \$ 8.08 | 15.2% |
| Passengers per Rev Hr | 14.53 | 15.11 | -3.8% | 15.61 | -6.9% |

Paratransit

| | | | | | |
|---------------------------------|-----------------|-----------------|---------------|-----------------|---------------|
| Fares | \$ 240,964 | \$ 247,754 | -2.7% | \$ 260,012 | -7.3% |
| Fares box recovery ratio | 7.8% | 9.1% | -14.8% | 9.8% | -20.3% |
| Operating Exp (Less leases) | \$ 3,098,948 | \$ 2,715,731 | 14.1% | \$ 2,663,609 | 16.3% |
| Revenue Hours | 39,185 | 34,950 | 12.1% | 35,552 | 10.2% |
| Cost per Rev Hour | \$ 79.09 | \$ 77.70 | 1.8% | \$ 74.92 | 5.6% |
| Passengers | 69,075 | 67,895 | 1.7% | 68,867 | 0.3% |
| Cost per Passenger | \$ 44.86 | \$ 40.00 | 12.2% | \$ 38.68 | 16.0% |
| Passengers per Rev Hr | 1.76 | 1.94 | -9.3% | 1.94 | -9.0% |