ADMINISTRATION & FINANCE COMMITTEE
MEETING AGENDA

Wednesday, October 7, 2020
8:30 a.m.

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Committee Directors, staff and the public may participate remotely by calling:

Join Zoom Meeting

https://us02web.zoom.us/j/88994757535

Meeting ID: 889 9475 7535

Dial by your location
+1 669 900 6833 US (San Jose)
+1 408 638 0968 US (San Jose)

Public comment may be submitted via email to: hill@cccta.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the committee Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in correspondence that will be provided to the full Board.
The committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the committee.

1. Approval of Agenda
2. Public Communication
3. Approval of Minutes of September 9, 2020*

---

*Enclosure
**Enclosure for Committee Members
***To be mailed under separate cover
****To be available at the meeting.
FY2020/2021 A&F Committee
Don Tatzin – Lafayette, Al Dessayer-Moraga, Sue Noack-Pleasant Hill

4. Income Statements for the Fiscal Year Ended June 30, 2020*
(Staff will report on the close out of FY20 including the notation of expenses being $4,776,386 under budget.)
5. Bus Advertising Amendment*
(Staff requests that the A&F Committee forward a resolution authorizing the General Manager to sign a proposed amendment to the contract with Vector Media for bus advertising.)
6. Conducting Scenario Planning in reaction to Challenges Presented by the COVID-19 Crisis*
(Staff requests the committee discuss options for potential scenario planning and consider forwarding this to the Board of Directors.)
7. Review of Vendor Bills, September 2020**
8. Approval of Legal Services Statement, July 2020 Labor, August 2020 General**
9. Next Scheduled Meeting – TBD
10. Adjournment

General Information

Public Comment: If you wish to address the committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

Consent Items: All matters listed under the Consent Calendar are considered by the committee to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a committee member or a member of the public prior to when the committee votes on the motion to adopt.

Availability of Public Records: All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be made available for public inspection by posting them to County Connection's website at www.countyconnection.com. The agenda and enclosures for this meeting are posted also on our website at www.countyconnection.com.

Accessible Public Meetings: Upon request, County Connection will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be sent to the Assistant to the General Manager, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or hill@cccta.org. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Currently Scheduled Board and Committee Meetings

Board of Directors:	October 15, 9:00 a.m., County Connection Board Room
Administration & Finance:	TBD, City of Pleasant Hill Offices, 100 Gregory Lane, Large Community Room, Pleasant Hill, CA 94523
Advisory Committee:	TBA. County Connection Board Room
Marketing, Planning & Legislative:	Thursday, October 1, 8:30 a.m., Supervisor Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA 9454
Operations & Scheduling:	Friday, October 2, 8:15 a.m. Supervisor Andersen's Office, 3338 Mt. Diablo Blvd. Lafayette, CA 9454

The above meeting schedules are subject to change. Please check the County Connection Website (www.countyconnection.com) or contact County Connection staff at 925/676-1976 to verify date, time and location.

This agenda is posted on County Connection's Website (www.countyconnection.com) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California

County Connection

INTER OFFICE MEMO

Administration and Finance Committee
Summary Minutes
September 9, 2020

The meeting was called to order at 8:30 a.m. via Teleconference pursuant to the provision of the Governor's Executive Orders N-25-20 and N-29-20. Those in attendance were:

Committee Members:	Director Al Dessayer Director Sue Noack Director Don Tatzin
Staff:	General Manager Rick Ramacier Chief Operating Officer Scott Mitchell Assistant General Manager Bill Churchill Chief Financial Officer Erick Cheung Director of Planning, Marketing & Innovation Ruby Horta Director of Human Resources Lisa Rettig Manager of Planning Melody Reebs Hanson Bridgett Pat Glenn and Madeline Chun

1. Approval of Agenda- Approved by each member of the A&F Committee
2. Public Communication- None
3. Approval of Minutes of August 5, 2020- Approved by each member of the A&F Committee.
4. Closed Session –
   a. Conference with Labor Negotiator (pursuant to Government Code Section 54957.6) Employee Organizations: Teamsters Union, Local 856, Machinists 1173 and ATU 1605. No reportable action taken.
5. CCCTA Investment Policy – Quarterly Reporting Requirements – CFO Cheung reported that the portfolio as of June 30, 2020 complies with County Connection's Investment Policy. Each member of the committee approved the item for the Board consent calendar.
6. Increasing Cafeteria Amounts for Non Represented Employees – Director Rettig reported that County Connection contracts under the Public Employee's Medical and Hospital Care Act (PEMHCA) for Administrative employee benefits. The current MOUs with the ATU and Teamsters increase the Cafeteria Plan annually using a formula that averages the increases in the two (2) most popular health plans by coverage level and splitting that amount and adding it to the Cafeteria Plan. In recent history the Board has provided the same increases to the Administrative Employees Cafeteria Plan in the interest of equality. For 2021, the two most popular health plans are Kaiser and Anthem Traditional and the estimated costs to implement the cafeteria increases for administrative employee groups is $26,029 and budgeted for $18,817. Each member of the committee approved the monthly increase for the Administrative Employee Cafeteria Plan to the Board for consent.

7. Lifeline Transportation Program Cycle 6 Grant Funding – Director Horta Planning Manager Reebs stated that there are Lifeline Transportation Program (LTP) Cycle 6 funds available for improved mobility for low-income residents of Contra Costa. County Connection's portion of those funds are for $83,785. The LTP funds will support the Monument Corridor, which includes Routes 11,14,16,18,19,311,314, and 316. These routes provide basic transportation services to County Connection riders; 25% of whom are low income. All lines serve and/or are predominantly located in Communities of Concern. Public Transit is a primary means of transportation for both the adult and youth populations within the Communities of Concern. All lines presently provide service to employment, services, retail, schools, health care and coordination to BART stations. Funding this project would preserve existing headways and service span. Each member of the committee approved the item for Board approval for consent.

8. On-Call General Engineering Consulting Services Contract Award– COO Mitchell stated that County Connection has utilized on-call engineering services contract with Diablo Engineering. Staff issued a RFP earlier this year and received two qualified proposals. Based on the proposals, staff is recommending that the A&F Committee recommend to the Board of Directors to authorizer the GM to enter into a contract with Diablo Engineering. The agreement conforms with State and Federal requirements, no guaranteed minimum level of compensation but not to exceed $1.8 million. We have several potential engineering projects which include replacement of underground fuel tanks and expanding the electric bus charging stations. Each member of the A&F Committee approved the contract with Diablo Engineering for on call services to the Board for consent.

9. Update on Fiscal Year 2020 & Fiscal Year 2021 Budget – CFO Cheung provided an update to Fiscal Year (FY) 2020 & FY 2021. From the adoption in June through August, staff has been updating the FY 2020 & FY 2021 revenues and expenses. For FY 2020, the unaudited expenses are now $37.8 million, which is $2.4 million less than the assumption in June. The main reason for the reduction was related to COVID-19, since we have vacancies not currently being filled, declining diesel expense due to reduced service and dropping prices, and demand for paratransit services significantly decreased. The ending TDA reserve is $26.0 million which is an increase of $9.2 million from the previous fiscal year, but this is mainly due to receiving approximately $6.9 million in CARES Act Funding. We also did not lose as much revenue as originally estimated in TDA, STA and Measure J, which accounts for 75% of our funding. As we stated in the June staff report, we thought the financial impact would be felt more in FY 2021 based upon the downward revenue estimates. The CARES Act provides us cash flow and funding in FY 2021 as our regional partners (MTC, State of California and Contra Costa Transportation Authority) significantly reduced our allocations.

   For Fiscal Year 2021, staff reviewed and updated expenses to lower costs by $494 thousand for a total of $44.0 million in operations. The decrease represents not giving cost of living adjustments for administrative staff and freezing certain vacant positions and reducing supplies and services without affecting current service levels. Even with these changes and assuming no additional adjustments to expense or revenue, we will overspend our TDA revenue by $8.9 million in FY 2021. Our TDA reserves would drop to $17.1 million in FY 2021 and by FY 2023 we would be a negative $3.4 million.

   The forecasted estimated current level of revenue is not sustainable to meet the operating expenses of County Connection into the near future. Staff provided a summary of scenarios of the forecast based on the current assumptions and additional scenarios adjusting for TDA revenue for the A&F Committee's consideration. In general, the scenarios assume different levels of TDA revenue loss from 5% to 20% compared to FY 2020 actual and then incorporate different levels of expense reduction from status quo all the way up to $7 million. It also assumes the contingency for FY 2021 of $600 thousand is not needed. The specific expense reductions are to be determined and assumed to be spread over two years (i.e. $3 million reduction would be $1.5 million in FY 2021 and an additional $1.5 million in FY 2022). Most likely any reduction in expenses would have an impact to service levels. Staff has assumed a baseline of 16% of TDA reserves or two months for sufficient cash flow. Based on these assumptions, and if no changes to revenues or expenses are made, we will not have sufficient funds to operate sometime in FY 2023. It is also important to note that the revenue estimates are still very preliminary as the data for the first quarter (July to September) for TDA, STA, and Measure J will be available around November/December of this year and that represents approximately 75% of our revenues as shown.

   In the coming months, staff will bring back reductions in service and updates on our revenue for FY 2021. Staff requested this item be forwarded to the Board for their comments and questions. Commissioner Tatzin had to excuse himself and left the meeting at 9:20 am. Commissioner Dessayer and Noack approved moving the item to the Board.

10. Review of Vendor Bills, August 2020- Reviewed.

11. Legal Services Statement, June 2020 General & Labor and July 2020 General – Approved by Commissioner Dessayer and Noack of the A&F Committee.

12. Next Scheduled Meeting – The next meeting is set for scheduled for 8:30 am on Wednesday, October 7th via teleconference.

13. Adjournment- The meeting was adjourned

____

Erick Cheung, Chief Financial Officer

County Connection

INTER OFFICE MEMO

To: **Administration & Finance Committee** **Date: October 7, 2020**

From: **Erick Cheung, Chief Finance Officer**

SUBJECT: Income Statements for the Fiscal Year Ended June 30, 2020

The attached unaudited County Connection Income Statements for Fiscal Year (FY) 2020 are presented for your review. The combined expenses of $37,805,701 for Fixed Route and Paratransit, (Schedule 1), **are under budget by 11.2% or $4,776,386.** The expense categories with the most significant variances are:

Wages	$(943,396)	(6.1)%	Operator wages are under budget because of COVID-19 which reduced drivers and service. Other wages are lower by $515K due to vacancies in the planning and maintenance departments.
Fringe Benefits	$(735,634)	(6.4)%	Fringe Benefits are under budget due to vacancies and workers compensation expense.
Services	$(512,861)	(21.5)%	Services are under budget due to lower promotions expense for $92K, schedules/graphics expense for $96K, service development expense for $72K and service vehicle repair for $130K.
Materials & Supplies	$(441,482)	(15.2)%	Materials and supplies are lower due to lower diesel fuel costs of $452K, offset by COVID protective equipment for $43K and coach repair parts of $47K.
Insurance	$(190,562)	(19.4)%	Liability premium and losses are under budget.
Special Trip Services	$(911,847)	(12.2)%	Special Trip Services are under budget due to COVID-19 which decreased Paratransit Ridership over 80% but offset by COVID/food delivery trips for $386K.
Miscellaneous	$(92,407)	(38.5)%	Due to COVID-19, travel and training expense was under budget by $35K and $20K, respectively.
Contingency	$(900,000)	(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 10.1% under budget and Paratransit expenses are 16.5% under budget.

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

Passenger fares/special fares	$(467,838)	(9.1)%	Fixed route passenger fares/special fares are $572K under budget. Fixed route and Paratransit fares are lower due to COVID-19 as we stopped collecting for safety and health reasons in mid-March. Special fares are slightly higher as we assisted BART with bus bridges even during COVID-19.
Advertising	$(139,012)	(23.5)%	Advertising revenue decreased due to COVID-19 and reduced service.
Other revenue	$97,133	39.7%	Investment income from LAIF is higher than budget and includes an increase of $48K to record LAIF at fair market value at June 30th.
FTA CARES Act	$6,911,064	N/A	Due to COVID-19 the Federal Cares Act was allocated by MTC for $11.8 million to County Connection. As of June 30th, we have received $6.9 million.
STA revenue	$(597,386)	(9.1)%	STA revenue is lower due to State lowering estimate by 10% and MTC reduced our allocations accordingly. Afterwards, MTC again reduced our allocations due to COVID-19.
TDA revenue earned	$(10,536,948)	(53.1)%	TDA revenue is lower due to lower than expected expenses and FTA Cares Act revenue as noted above.

Fixed Route Operator Wages (Schedule 4)

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

- Platform (work time) is $372,915 or 5.4% under budget.
- Overtime and Spread are $3,130 or 0.05% over budget due to vacancies and special BART services but offset by reduced service due to COVID-19.
- Protection is $23,010 or 6.1% over budget due to COVID-19.
- Overall wages for operators are $428,655 or 4.9% under budget.

Statistics (Schedule 6)

Schedule 6 provides selected statistical information for the current year compared to the last two years but data will be skewed due to impact of COVID-19 with decreased ridership and collection of fares stopped in mid-March for health and safety of passengers and employees:

Fixed route:

- Passenger fares/special fares are 4.9% less than FY 2019 and 1.3% less than FY 2018.
- The farebox recovery ratio is 4.4% less than FY 2019 and 6.1% less than FY 2018. The ratio is 13.7% in FY 2020; 14.3% in FY 2019 and 14.5% in FY 2018.
- Operating expenses are 0.4% less than in FY 2019 and 5.1% more than in FY 2018.
- Fixed route revenue hours are 9.7% less than FY 2019 and 9.4% than FY 2018.
- The cost per revenue hour has increased 13.3% compared to FY 2019 and 25.6% compared to FY 2018.

- Passengers have decreased 12.1% compared to FY 2019 and 16.3% compared to FY 2018.
- The cost per passenger has increased 13.3% compared to FY 2019 and 25.6% compared to FY 2018.
- Passengers per revenue hour has decreased 2.7% compared to FY 2019 and 7.6% compared to FY 2018.

Paratransit (*):

- Passenger fares have decreased 25.3% compared to FY 2019 and 21.1% compared to FY 2018.
- The farebox ratio is less than FY 2019 and FY 2018. The ratio is 6.3% in FY 2020; 8.4% in FY 2019; and 9.1% in FY 2018.
- Expenses have decreased 0.6% compared to FY 2019 and increased 14.0% compared to FY 2018.
- Revenue hours are 27.4% less than FY 2019 and 17.7% than FY 2018.
- Passengers have decreased 24.9% compared to FY 2019 and 23.3% compared to FY 2018.
- The cost per passenger has increased 32.3% since FY 2019 and 48.7% compared to FY 2018.
- Paratransit passengers per revenue hour have increased 3.4% compared to FY 2019 and decreased 6.8% compared to FY 2018.

** Choice in Aging provides County Connection the ridership information monthly but did not include revenue hours which will skew some of the ratios.*

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2020 Year to Date Comparison of Actual vs Budget

Combined Fixed Route and Paratransit Income Statement

For the Fiscal Year Ended June 30, 2020

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	$ 3,043,711	$ 3,615,628	$ (571,917)	-15.8%
Special fares	1,652,117	1,548,038	104,079	6.7%
	4,695,828	5,163,666	(467,838)	-9.1%
Advertising	453,488	592,500	(139,012)	-23.5%
Safe Harbor lease	31,511	33,703	(2,192)	-6.5%
Other revenue	341,983	244,850	97,133	39.7%
Federal CARES Act	6,911,064	-	6,911,064	N/A
FEMA	33,478	-	33,478	N/A
Federal operating	1,395,000	1,380,000	15,000	1.1%
TDA earned revenue	9,308,720	19,845,668	(10,536,948)	-53.1%
STA revenue	5,939,249	6,536,635	(597,386)	-9.1%
Measure J	6,774,325	6,774,328	(3)	0.0%
Other operating assistance	1,921,055	2,010,737	(89,682)	-4.5%
	33,109,873	37,418,421	(4,308,548)	-11.5%
Total Revenue	**$ 37,805,701**	**$ 42,582,087**	**$ (4,776,386)**	**-11.2%**
Expenses				
Wages- Operators	$ 8,316,345	$ 8,745,000	$ (428,655)	-4.9%
Wages-Other	6,236,194	6,750,935	(514,741)	-7.6%
	14,552,539	15,495,935	(943,396)	-6.1%
Fringe Benefits	10,770,052	11,505,686	(735,634)	-6.4%
Services	1,869,379	2,382,240	(512,861)	-21.5%
Materials & Supplies	2,468,859	2,910,341	(441,482)	-15.2%
Utilities	365,132	405,650	(40,518)	-10.0%
Insurance	790,287	980,849	(190,562)	-19.4%
Taxes	237,192	251,815	(14,623)	-5.8%
Leases and Rentals	60,444	53,500	6,944	13.0%
Miscellaneous	147,593	240,000	(92,407)	-38.5%
Special Trip Services	6,544,224	7,456,071	(911,847)	-12.2%
Operations	**37,805,701**	**41,682,087**	**(3,876,386)**	**-9.3%**
Contingency Reserve	-	900,000	(900,000)	-100.0%
Total Expenses	**$ 37,805,701**	**$ 42,582,087**	**$ (4,776,386)**	**-11.2%**
Net Income (Loss)	**$ -**	**$ -**	**$ -**	
Revenue Hours	***264,545***	***308,541***	***(43,996)***	***-14.3%***
Cost per Rev Hr.	***$ 142.68***	***$ 137.84***	***$ 4.84***	***3.5%***
Passengers	***2,962,634***	***3,390,882***	***(428,248)***	***-12.6%***
Cost per Passenger	***$ 12.76***	***$ 12.56***	***$ 0.20***	***1.6%***
Farebox ratio	***12.4%***	***12.1%***	***0.3%***	***2.5%***

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

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2020 Year to Date Comparison of Actual vs Budget
Fixed Route Income Statement
For the Fiscal Year Ended June 30, 2020

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	$ 2,646,161	$ 3,065,628	$ (419,467)	-13.7%
Special fares	1,652,117	1,548,038	104,079	6.7%
	4,298,278	4,613,666	(315,388)	-6.8%
Advertising	453,488	592,500	(139,012)	-23.5%
Safe Harbor lease	31,511	33,703	(2,192)	-6.5%
Other revenue	341,983	244,850	97,133	39.7%
Federal CARES Act	5,540,656	-	5,540,656	N/A
FEMA	33,478	-	33,478	N/A
TDA earned revenue	8,986,474	17,091,812	(8,105,338)	-47.4%
STA revenue	5,155,965	5,688,148	(532,183)	-9.4%
Measure J	4,960,083	4,960,085	(2)	0.0%
Other operating assistance	1,716,541	1,830,817	(114,276)	-6.2%
	27,220,179	30,441,915	(3,221,736)	-10.6%
Total Revenue	**$ 31,518,457**	**$ 35,055,581**	**$ (3,537,124)**	**-10.1%**
Expenses				
Wages- Operators	$ 8,316,345	$ 8,745,000	$ (428,655)	-4.9%
Wages-Other	6,045,029	6,568,717	(523,688)	-8.0%
	14,361,374	15,313,717	(952,343)	-6.2%
Fringe Benefits	10,667,149	11,413,859	(746,710)	-6.5%
Services	1,839,924	2,339,640	(499,716)	-21.4%
Materials & Supplies	2,421,579	2,908,341	(486,762)	-16.7%
Utilities	333,315	358,150	(24,835)	-6.9%
Insurance	777,102	980,849	(203,747)	-20.8%
Taxes	237,192	251,515	(14,323)	-5.7%
Leases and Rentals	60,444	53,500	6,944	13.0%
Miscellaneous	147,182	236,500	(89,318)	-37.8%
Purchased Transportation	235,276	299,510	(64,234)	-21.4%
Services - COVID	9,732	-	9,732	N/A
Materials & Supplies - COVID	42,726	-	42,726	N/A
Purchased Transp. - COVID	385,462	-	385,462	N/A
Operations	**31,518,457**	**34,155,581**	**(2,637,124)**	**-7.7%**
Contingency Reserve	-	900,000	**(900,000)**	
Total Expenses	**$ 31,518,457**	**$ 35,055,581**	**$ (3,537,124)**	**-10.1%**
Net Income (Loss)	**$ -**	**$ -**	**$ -**	
Revenue Hours	***206,764***	***228,907***	***(22,143)***	***-9.7%***
Cost per Rev Hr.	***$ 152.14***	***$ 152.91***	***$ (0.77)***	***-0.5%***
Passengers	***2,858,422***	***3,252,148***	***(393,726)***	***-12.1%***
Cost per Passenger	***$ 11.03***	***$ 10.78***	***$ 0.25***	***2.3%***
Passengers per Rev Hr.	***13.82***	***14.21***	***(0.38)***	***-2.7%***
Farebox recovery ratio	***13.7%***	***13.5%***	***0.1%***	***1.0%***

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

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

Paratransit Income Statement

FY 2020 Year to Date Comparison of Actual vs Budget

For the Fiscal Year Ended June 30, 2020

	Actual	Budget	Variance	% Variance
Revenues				
Passenger fares	$ 397,550	$ 550,000	$ (152,450)	-27.7%
	397,550	550,000	(152,450)	-27.7%
Federal CARES Act	1,370,408	-	1,370,408	N/A
Federal operating	1,395,000	1,380,000	15,000	1.1%
TDA earned revenue	322,246	2,753,856	(2,431,610)	-88.3%
STA revenue	783,284	848,487	(65,203)	-7.7%
Measure J	1,814,242	1,814,243	(1)	0.0%
Other operating assistance	204,514	179,920	24,594	13.7%
	5,889,694	6,976,506	(1,086,812)	-15.6%
Total Revenue	**$ 6,287,244**	**$ 7,526,506**	**$ (1,239,262)**	**-16.5%**
Expenses				
Wages-Other	$ 191,165	$ 182,218	$ 8,947	4.9%
	191,165	182,218	8,947	4.9%
Fringe Benefits	102,903	91,827	11,076	12.1%
Services	19,723	42,600	(22,877)	-53.7%
Materials & Supplies	4,554	2,000	2,554	127.7%
Utilities	31,817	47,500	(15,683)	-33.0%
Insurance	13,185	-	13,185	0.0%
Taxes	-	300	(300)	-100.0%
Miscellaneous	411	3,500	(3,089)	-88.3%
Special Trip Services	5,923,486	7,156,561	(1,233,075)	-17.2%
Total Expenses	**$ 6,287,244**	**$ 7,526,506**	**$ (1,239,262)**	**-16.5%**
Net Income (Loss)	**$ -**	**$ -**	**$ -**	
Revenue Hours	***57,781***	***79,634***	***(21,853)***	***-27.4%***
Cost per Rev Hr.	***$ 108.81***	***$ 94.51***	***$ 14.30***	***15.1%***
Passengers	***104,212***	***138,734***	***(34,522)***	***-24.9%***
Cost per Passenger	***$ 60.33***	***$ 54.25***	***$ 6.08***	***11.2%***
Passengers per Rev Hr.	***1.80***	***1.74***	***0.06***	***3.5%***
Farebox ratio	***6.3%***	***7.3%***	***-1.0%***	***-13.5%***

(fares, spec fares/Oper exp-leases)

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Fiscal Year Ended June 30, 2020

	Year to Date			
	Actual	**Budget**	**Variance**	**% Variance**
Platform/report/turn in	$ 6,590,973	$ 6,963,888	$ (372,915)	-5.4%
Guarantees	268,168	303,753	(35,585)	-11.7%
Overtime	472,280	455,045	17,235	3.8%
Spread	230,841	244,946	(14,105)	-5.8%
Protection	399,012	376,002	23,010	6.1%
Travel	200,004	216,883	(16,879)	-7.8%
Training	131,446	154,801	(23,354)	-15.1%
Other Misc.	23,619	29,681	(6,062)	-20.4%
	$ 8,316,345	**$ 8,745,000**	**$ (428,655)**	**-4.9%**

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

Other Revenue; Other Operating Assistance; Miscellaneous Expenses

For the Fiscal Year Ended June 30, 2020

Other Revenue		
Investment income (interest)	$	237,096
ADA Database Management revenue		75,000
RTC card revenue		2,262
Sprint rental income		25,920
Various		1,705
	$	341,983
Other Operating Assistance		
RM2	$	84,153
BART feeder revenue		861,895
LCTOP		388,398
Lifeline grant		230,000
Dougherty Valley Fees		152,095
	$	1,716,541
Miscellaneous Expenses		
Board Travel Expense	$	5,533
Staff Travel Expense		45,489
CTA Dues		13,000
APTA Dues		35,500
Employee functions		27,099
Business Expense, GM		1,815
Business Expense, Finance		955
Employee Awards/Pins		2,881
Paypal fees		79
Training		11,643
Various other		3,188
	$	147,182

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

FY 2020 Year to Date Comparison of FY 2019 Actual & FY 2018 Actual
Statistics
For the Fiscal Year Ended June 30, 2020

	Actual FY2020	Actual FY2019	Variance Actual 2020 to Actual 2019	Actual FY2018	Variance Actual 2020 to Actual 2018
Fixed Route					
Fares	$ 2,646,161	$ 2,683,963	-1.4%	$ 2,717,552	-2.6%
Special Fares	1,652,117	1,833,494	-9.9%	1,635,867	1.0%
Total Fares	**$ 4,298,278**	**$ 4,517,457**	-4.9%	**$ 4,353,419**	-1.3%
Fares box recovery ratio	***13.7%***	***14.3%***	-4.4%	***14.5%***	-6.1%
Operating Exp (Less leases & adjust for GASB 68 & 75)	$ 31,458,013	$ 31,595,189	-0.4%	$ 29,926,280	5.1%
Revenue Hours	***206,764***	***228,907***	-9.7%	***228,293***	-9.4%
Cost per Rev Hour	***$ 152.14***	***$ 138.03***	10.2%	***$ 131.09***	16.1%
Passengers	***2,858,422***	***3,252,148***	-12.1%	***3,414,611***	-16.3%
Cost per Passenger	***$ 11.01***	***$ 9.72***	13.3%	***$ 8.76***	25.6%
Passengers per Rev Hr.	***13.82***	***14.21***	-2.7%	***14.96***	-7.6%

Paratransit

	Actual FY2020	Actual FY2019	Variance Actual 2020 to Actual 2019	Actual FY2018	Variance Actual 2020 to Actual 2018
Fares	$ 397,550	$ 532,081	-25.3%	$ 504,028	-21.1%
Fares box recovery ratio	***6.3%***	***8.4%***	-24.8%	***9.1%***	-30.8%
Operating Exp (Less leases)	$ 6,287,244	$ 6,325,971	-0.6%	$ 5,517,364	14.0%
Revenue Hours	***57,781***	***79,566***	-27.4%	***70,223***	-17.7%
Cost per Rev Hour	***$ 108.81***	***$ 79.51***	36.9%	***$ 78.57***	38.5%
Passengers	***104,212***	***138,734***	-24.9%	***135,948***	-23.3%
Cost per Passenger	***$ 60.33***	***$ 45.60***	32.3%	***$ 40.58***	48.7%
Passengers per Rev Hr.	***1.80***	***1.74***	3.4%	***1.94***	-6.8%

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee **Date:** 09/27/2020

From: Ruby Horta, Director of Planning & Marketing **Reviewed by**: W.C.

SUBJECT: Bus Advertising Amendment

Background:

County Connection entered into an agreement with Vector Media for the purpose of providing bus advertising services. The agreement established minimum annual guarantees (MAG) as follows: Year 1 - $525,000, Year 2 - $575,004, Year 3 - $625,008, plus two additional one-year terms. Prior to COVID-19, Vector Media was submitting monthly payments of $43,750, as agreed.

Decreased Advertising Sales:

The COVID-19 pandemic has negatively impacted ad sales. In communicating with the finance and planning staff, Vector Media has requested an adjustment to their MAG. Beginning on April 1, 2020 and continuing through the end of the year, Vector Media proposes to pay a revenue share of fifty-five (55%) percent of actual monthly billings rather than the previously agreed upon MAG. If Vector Media bills more than $79,545 for two consecutive months prior to the end of 2020, the contract MAG will be reinstated. Vector has agreed to provide monthly sales report to ensure full transparency.

The goal is to return to Year 2 MAG on January 1, 2021. However, if the economy does not recover it is possible that additional relief would be proposed in 2021.

Financial Implications:

Reduction in revenues generated through bus advertising in Year 1 of the agreement with Vector Media.

Action Requested:

Staff recommends that the A&F Committee forward the proposed amendment to the Board for approval.

Attachments:

Attachment 1: Vector Media Letter

VECTOR MEDIA
560 Lexington Avenue
New York, NY 10022
www.vectormedia.com

September 18, 2020

County Connection
Attn: Ruby Horta
2477 Arnold Industrial Way
Concord, CA 94520

Dear Ruby:

Thank you for speaking with us earlier regarding COVID-19 and its effects upon transit advertising sales. Along with describing our proposed revenue share based payments and providing a timeline for the reinstatement of MAG payments, we have included a plan for proactive communication as the situation surrounding this pandemic evolves.

Beginning on April 1, 2020 and continuing through the end of the year, Vector Media proposes to pay the contractually described revenue share of fifty-five (55%) percent on monthly billings. Vector would make the scheduled payment based on gross revenues that have been billed in the prior month by the 20th of each successive month. The MAG would be fully abated during this time period.

Like County Connection, Vector hopes that monthly sales will trend towards pre-Covid levels by the end of 2020. If Vector bills more than $79,545 ($43,750 divided by 55%) for two consecutive months prior to the end of 2020, we would reinstate the contract MAG of $43,750 per month, unless conditions in the market and related to the pandemic recur or deteriorate.

Additionally, in the interest of total transparency, Vector will provide County Connection with monthly reports from our sales tracking software that will display the pipeline of probable sales and estimated billings for future months. If County Connection desires more frequent updates regarding our sales pipeline, Oliver Berman will be happy to provide this to you.

It is our intention that as of January 1, 2021, the monthly MAG of $47,917 will be reinstated. However, given the uncertainties regarding the end of this pandemic, future shutdowns or the speed of an economic recovery following the Covid-19 crisis, it is possible that Vector will seek additional relief in 2021, as per the Changes clause of Section 8.

Sincerely,

Tom McNaught
Sr. Director of Strategic Partnerships

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee **Date:** September 24, 2020

From: William Churchill, Assistant General Manager of Administration **Reviewed by:**

SUBJECT: Conducting Scenario Planning in reaction to Challenges Presented by the COVID-19 Crisis

---

Background:

In September staff presented the board with an update to the FY21 budget demonstrating sales tax revenues for the final quarter of FY20 came in at forecasted levels. The FY21 budget was developed in part using MTC projections that assume TDA would be down 25% and STA would be down 40% as compared to FY20. Should these projections become reality the Authority would likely have to cut services provided at a volume similar to the cuts in response to the economic disaster of 2008. However, since fourth quarter FY20 revenues remained strong and there is little to no data informing staff regarding the first and second quarters of FY21 it is impossible to know exactly what the financial prognosis truly is. Additionally, LA Metro in working with their county has been actively evaluating sales tax data which suggest their shortfall will be closer to 11%.

Since it is impossible to know how long the pandemic will persist and our ability to effectively gauge its negative impact on our local and state economies combined with the uncertainties of potential financial relief provided by state or federal governments, the Authority is faced with an unknown future. It was suggested that staff examine the potential for scenario planning to help contend with such an obscure future.

Staff has prepared this document to examine the potential for scenario planning: developing a robust set of service plans to match multiple future outcomes. It must be noted that such an endeavor would require significant time and effort similar in scope to the development of the Short Range Transit Plan (SRTP).

Service Assumptions:

Staff has developed three primary scenarios for the Boards consideration for further examination with the goal of capturing the most likely future financial outcomes and how the Authority could deal with them. The categories are driven from a perspective of financial health and are broken into three categories:

1. The Authority is Financially Healthy
2. The Authority is financially strained requiring service reductions
3. The Authority is in profound financial trouble

In evaluating the approach in the first two scenarios staff has made a number of fundamental assumptions, a goal of financial health through FY 2026 while maintaining a TDA reserve and maintain a justifiably sufficient service to the community. In addition, these scenarios recognize there is a foundation of expenses that cannot be decreased such as the PERS retirement liability, Workers Compensation, General liability premiums, open claims, utility expenses and others. It should also be noted staff has determined it is not viable to seek a Bridge Loan since the Authorities primary revenues are generated from sales tax not property tax.

The third scenario assumes there is insufficient revenue to warrant the continuation of operations and examines the potential for the dissolution of the Authority. Staff assumes bankruptcy is not an option since PERS represents the only real creditor to the Authority, therefore there is no real financial advantage to seeking such an option.

Scenario I – Generally Everything is Fine:

This scenario assumes TDA and STA revenue shortfalls do not drop nearly as much as the budget forecast predicts. For example, if TDA and STA lose 5% and 10% respectively and if the Authority receives more state or federal funds, currently not authorized, combined these two situations could negate the need for any service reductions for the next four years. Staff anticipates we will know by December what the TDA and STA revenues will likely be.

Although additional federal revenue is not likely to come this year, if at all, it is important to know as of Monday September 28th the House has introduced another stimulus package containing $32 billion for transit. If this bill becomes law the Authority would receive a similar amount or greater than the $11.8 million received from the CARES Act. If not passed this year there is a chance it could pass by February making Scenario I a possibility.

Given the current FY21 budget forecast the Authority would require approximately $25 million to remain financially healthy through FY26 while maintaining our normal non-COVID service levels. This does not take into account the significant reduction in expense in FY20 nor the ongoing reduced service levels in FY21 resulting from COVID-19.

Scenario 2- Revenues are significantly Eroded and Significant Service Reductions are Inevitable

This scenario assumes that a state or federal bailout is not forthcoming and the two primary sources of revenue, TDA and STA, have been significantly reduced from pre-COVID projections. Staff has broken this scenario into three potential proposals:

1. Significant Reduction: close to 30,000 fewer revenue hours.
2. Large Reduction: over 40,000 revenue hours reduction.
3. Extreme Reduction: close to 60,000 revenue hours reduction.

The previously described options prioritize essential services based on current regional efforts as well as retains all pre-COVID school services.

Since the current budget forecast assumes the MTC projections for both TDA and STA, staff has already advanced Scenario 2 to O&S to begin the public process preparing the way for service reductions.

Scenario 3- Revenue Shortfall Assumptions are Correct or Worse with no Additional Financial Assistance: Required Service Reductions are so Extreme that County Connection may not be viable

This Scenario assumes the revenue assumptions are correct, a transit stimulus package is not approved and the Authority does not immediately implement service reductions leading to a situation where so little service could be provided as to question the viability of continuing to operate.

In this scenario, staff assumes there will be insufficient funds to make payroll by late summer or early fall 2022. To fully ferret out all the required steps and components of implementing such a scenario will require significant support and legal advice from the County Connection legal team. Staff is currently not in a position to advise the board on some of the legal nuances that would be required to resolve issues such as ongoing PERS retirement liability as well as FTA ramifications for the liquidation of assets purchased with federal dollars prior to being fully amortized. The following expenses would continue assuming no service is provided until dissolution is resolved:

1. PERS – will vary pending on remaining staff but a minimum of the Unfunded Actuarial Liability which is $538K in FY 2021 and is expected to grow $200K annually.
2. Insurance – will vary but will still have workers compensation and general liability premiums and open claims to resolve.
3. Utilities – will vary but currently around $365K for electric, gas, water and phones

Additionally, the board would have to contend with a number of greater policy decisions regarding disposition of the Facility, should the facility be sold, leased or given to another transit authority with the goal of restoring transit services sometime in the future.

It is important to recognize that a complete shutdown of the system will come with a number of significant expenses, a layoff is generally coupled with a severance package, significant attorney expenses as well as a robust public process and marketing effort to inform the public of the cessation of services to name a few. Staff would begin the process of working with the three bargaining unions to implement layoffs in January of 2022 and then identify a small team that will be responsible for the following efforts:

1. Implementation of a formal Public Process
2. Development of a Marketing effort
3. Vehicle Disposal
4. Disposal of maintenance Equipment, computer equipment and furniture
5. Disposition of facilities (i.e. would facilities be offered to another transit Authority with the goal of providing services in central county at a future date)
6. Legal efforts related to dissolution of JPA, ongoing PERS liability expenses

Leveraging the Scenarios:

Under each of the previously mentioned scenarios there are things the Authority can control and things that cannot be controlled. In addition to what the Authority can control staff has identified a number of tasks worthy of continued effort:

1. Lobby state and federal legislators to provide more funding to avert service reductions
2. Work with funding partners to help support their goals in order to receive some of their flexible funding to support Authority services
3. Leverage County and member jurisdiction social and economic goals by reorienting our services to meet those needs

To what extent these efforts will help our financial outlook will require further discussions with a number of organizations, legislators and partners likely taking many months if not years to completely develop.

Options:

1. Provide staff with feedback and forward to the full board for discussion
2. Provide staff with feedback and refer back to the committee for further discussion and staff direction
3. Receive staff report and take no further action

Financial Implications:

Financial implications depend upon which scenario's are developed and ultimately pursued as previously listed. In order to help determine which scenario would be chosen a dashboard of indicators will be created, maintained and provided to the committee on a regular basis.

Action Requested:

Staff requests the committee discuss this report and choose one of the prior mentioned options.

Attachments:

None