

County Connection

2477 Arnold Industrial Way Concord, CA 94520-5326 (925) 676-7500 countyconnection.com

ADMINISTRATION & FINANCE COMMITTEE MEETING AGENDA

Wednesday, May 3, 2023
2:00 p.m.

County Connection Administration Office
2477 Arnold Industrial Way
3rd Floor Conference Room
Concord, CA 94520

The committee may take action on each item on the agenda, even items that are listed as “information only”. 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 April 5, 2023*
4. Recommendation to engage Tranova LLC as a Non-Emergency Medical Transportation Management Services contractor to oversee Medical Reimbursement Program for ADA Eligible Trips*
5. Review of Updates to Fiscal Year 2024 Draft Budget and Forecast* (Information Only)
6. Review of Vendor Bills, April 2023**
7. Approval of Legal Services Statement, February 2023 General, February 2023 Labor**
8. Next Scheduled Meeting – June 7, 2023
9. Adjournment

*Enclosure

**Enclosure for Committee Members

***To be mailed under separate cover

****To be available at the meeting.

FY2022/2023 A&F Committee

Jim Diaz – Clayton, Laura Hoffmeister-Concord, Sue Noack-Pleasant Hill

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

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:	May 18, 9:00 a.m., County Connection Board Room 2477 Arnold Industrial Way, Concord, CA 94520
Administration & Finance:	Wednesday, June 7 County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, CA 94520
Advisory Committee:	TBA. Location TBD
Marketing, Planning & Legislative:	Thursday, May 4, 8:30 a.m., Supervisor Andersen Office 3338 Mt. Diablo Blvd, Lafayette, CA
Operations & Scheduling:	Wednesday, May 3, 8:00 a.m., Supervisor Andersen Office 3338 Mt. Diablo Blvd, Lafayette, CA

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

Summary Minutes Administration & Finance Committee

County Connection Administration Office
2477 Arnold Industrial Way
3rd Floor Conference Room
Concord, CA 94520

Wednesday, April 5, 2023, 2:00 p.m.

Directors: Laura Hoffmeister, Jim Diaz
Staff: Bill Churchill, Amber Johnson
Public: None

Call to Order: Meeting called to order at 2:04 p.m. by Director Hoffmeister.

1. Approval of Agenda

The Committee approved the agenda.

2. Public Communication

None.

3. Approval of Minutes of March 1, 2023

The Committee approved the minutes.

4. CCCTA Investment Policy-Quarterly Reporting Requirement

Ms. Johnson reported that the Authority's investment portfolio as of December 31, 2022 complies with the Investment Policy, and that the Authority has the ability to meet projected cash flow for the next six months.

5. Change in Financial Institutions

Ms. Johnson reported that the Authority's bank, Union Bank, has been acquired by US Bank. Since the administrative work required to facilitate a change of this nature is essentially the same as changing banks, staff decided to take this opportunity to explore options with alternate banking institutions. After discussions with peers, staff met with Bank of Montreal (formerly Bank of the West) and Wells Fargo bank, in addition to meeting with the Union Bank team. Ms. Johnson stated that all three banks were able to meet the needs of the Authority, and that Bank of Montreal stood out as having a large enough earnings credit to offset fees, an easy to use internet banking portal, and outstanding customer service. Since legal counsel has advised staff that this transition could be made under the General Manager's authority, this item was brought to the Committee as information only. The Committee was supportive of the planned change in financial institutions.

6. Award Contract to Brown Armstrong for Independent Year End Financial Audit

Ms. Johnson reported that the most recent contract for independent financial audits with Brown Armstrong expired with the fiscal year 2022 financial statements, and that staff underwent a full request for proposals (RFP) process to select an audit firm to perform the next three to five years' audit services. Six proposals were received and evaluated, and the top three proposers were invited to interview with a panel consisting of the CFO and Manager of Accounting, plus a senior accounting staff person from a neighboring transit agency. The panel concluded that Brown Armstrong remains best qualified and suited to meet the Authority's financial auditing needs at a reasonable cost. Staff recommend awarding a contract for independent year-end financial audits to Brown Armstrong for a three-year base term with two one-year options for an amount not-to-exceed \$299,453. The Committee recommended approval of the contract award to the full Board of Directors.

7. Review of Fiscal Year 2024 Proposed Draft Budget and Forecast

Ms. Johnson presented the proposed draft budget for FY 2024, stating that this version of the draft is presented at this time so that a timely claim can be made for Transportation Development Act (TDA) funds. Ms. Johnson stated that the FY 2024 Budget proposes \$49 million in operational and \$7 million in capital expenses with revenues to offset these costs.

On the revenue side, Ms. Johnson reported that ridership and associated fares are seeing continued modest growth post-pandemic. County Connection's main revenue source is TDA 4.0 funds from MTC, which are projected to increase 2.1% over the current fiscal year. STA came in strong in the current fiscal year and is projected to decrease slightly in the budget year, while Measure J is projected to remain flat. The budget year is also the last year in which County Connection will claim stimulus funds of about \$3.7 million. Ms. Johnson reported that TDA and STA estimates could be refined, and that more precise Measure J estimates will be incorporated before finalizing the budget in June.

On the expenditure side, Ms. Johnson reported that salaries and wages make up most County Connection expenses and that recruitment challenges continue to result in temporary budget savings, but that the budget reflects a full staff complement. Fuel prices have stabilized somewhat since this time last year, and the budget reflects a smaller fuel budget as compared to the current fiscal year budget. Ms. Johnson reported that staff continues to monitor fuel trends and insurance premium estimates in preparation for the final budget presentation in June. The capital needs in the budget year consist of facilities improvements and wayfinding amenities to be constructed over the next 3-5 years.

Ms. Johnson reported that the forecast assumptions on revenues and expenses are conservative, and that there will be sufficient TDA reserves until FY 2028 under the current scenarios, thanks to service reductions and injection of federal funds during the pandemic.

The Committee had a conversation with staff over the proposed budget. Director Hoffmeister asked if changes to the pay scale for operators has had an effect on recruiting efforts; Mr. Churchill responded that the vacancy rate has been reduced from 13% to 8%, and that on time performance of bus routes has also improved as a result.

Staff requested that the A&F Committee forward the draft to the Board of Directors for approval. The Committee approved the Draft FY 2024 Budget to forward to the Board so a claim can be filed with MTC for TDA funding.

8. Review of Vendor Bills, March 2023

The Committee reviewed the vendor bills for March 2023.

9. Approval of Legal Services Statement, January 2023 Labor, January 2023 General

The Committee approved the legal services statements for January 2023 Labor and General.

10. Next Scheduled Meeting – May 5, 2023

The next meeting was scheduled for May 5th at 2:00 p.m. at the County Connection Offices located at 2477 Arnold Industrial Way, Concord, CA.

11. Adjournment – The meeting was adjourned at 4:04 p.m.

Minutes prepared and submitted by: Amber Johnson, Chief Financial Officer

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 04/26/2023

From: Rashida Kamara, Director of ADA & Specialized Services

Reviewed by:

SUBJECT: Non-Emergency Medical Transportation (NEMT) Contract Recommendation

Background:

In January 2023, staff proposed participating in the Medi-Cal (Medicaid in California) Non-Emergency Medical Transportation (NEMT) program to the Operating & Scheduling (O&S) Committee. This program covers transportation to and from medical appointments, including wheelchair vans, gurney vans and ambulance services. Transit agencies are eligible to provide NEMT trips using FTA section 5310 eligible vehicles, which allocates funds to improve mobility for seniors and individuals with disabilities. Leveraging the existing fleet for eligible passengers would help both County Connection and its low-income passengers avoid significant costs. Participating in the program requires administrative work and cooperation with Medi-Cal. However, there is potential for substantial revenue collection to help offset these costs.

Process:

The process for a transit agency to become approved by Medi-Cal to provide NEMT trips can take about six months. Once approved, transit agencies can receive Medi-Cal reimbursement of approximately \$35-\$40 per one-way trip for NEMT services. Eligible passengers don't pay fares as the cost of the service is covered by Medi-Cal. NEMT trips can be co-mingled with the Americans with Disabilities Act (ADA) Paratransit Services to provide operational efficiencies, avoiding the need for a separate fleet.

Update:

In February 2023, County Connection staff released a Request for Proposals (RFP) for a NEMT management service to assist County Connection in qualifying as a provider and identify eligible trips. County Connection staff partnered with Deanna Perry, Manager of Accessible Services at Tri-Delta, to be part of the selection process since she has been managing an NEMT reimbursement program for over 8 years. Tranova, LLC (Tranova) a company that provides NEMT oversight and reimbursement programs for other transit agencies was the only qualified RFP response submitted. The panel concluded that Tranova possesses the experience and qualifications needed to administer this program.

Financial Implication:

Tranova proposed a one-time set-up fee of \$49,500 plus an hourly rate of \$150 per hour for ongoing support. Set-up activities include establishing state Medi-Cal approvals, managed care approvals, training, testing, policy development, outreach strategies/materials, and outreach activities. Ongoing

support consists of billing Medi-Cal for eligible trips and other miscellaneous support. Monthly costs are estimated at \$2,250, with a projected annual expense of \$27,000. Staff anticipates recouping this cost yearly due to the revenue generating potential of the program. Once the program is up and running, staff conservatively estimates it will generate approximately \$20,000 per month in Medi-Cal revenue. Tranova's proposed cost structure is included at Attachment A.

Recommendation:

Staff recommends awarding a contract for management of NEMT reimbursement services to Tranova LLC for a two-year base term with three one-year options commencing July 1, 2023, at the cost of \$49,500 for initial start-up and \$150 per hour for ongoing services.

Action Requested:

Staff respectfully requests the Administration & Finance Committee forward this item to the Board for approval to authorize the General Manager to enter into an agreement with Tranova LLC for management of NEMT services.

Attachments:

Attachment 1: Tranova's Cost Proposal Structure



**ALTERNATIVE COST STRUCTURE
FOR NEMT SERVICES PROPOSAL**

4. Cost Proposal

Tranova proposes pricing as an hourly rate for services provided.

4.1. Hourly Rate

- \$150.00

4.2. Estimate of Hours and Cost

Set-Up (One-Time, Year 1)	
Set-Up Activities	Estimated Hours
State Medi-Cal approval	50
Managed Care approvals	40
Managed Care training/testing	40
Policy Development	20
Outreach Strategy/Materials	40
Outreach Activities	100
Operations Policies and Training	40
Estimated Set-Up Hours (one-time)	330
Hourly Rate	\$150
Estimated Set-Up Cost (one time)	\$49,500

Ongoing (Post-Launch, Monthly)	
Ongoing Activities (per month)	Estimated Hours
Billing	10
Misc Support	5
Estimated Ongoing Hours (per month)	15
Hourly Rate	\$150
Estimated Ongoing Cost (per month)	\$2,250
Estimated Ongoing Cost (per year)	\$27,000

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 04/26/2023

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Updates to Fiscal Year 2024 Draft Budget and Forecast

Background:

County Connection's Fiscal Year (FY) 2024 Draft Operating and Capital Budget was approved by the Board of Directors in April so that a timely Transportation Development Act (TDA) claim could be filed with the Metropolitan Transportation Commission (MTC). Staff continue to monitor revenue and expenditure assumptions for the coming year, until the final FY24 budget is adopted by a public hearing in June.

Updates to the Draft Budget:

The majority of the assumptions made in the draft budget remain adequate, based on known information at this time, with the following exceptions:

Expenditures:

1. Diesel Fuel (10-50401001-031). Staff recommend increasing the expenditure budget for diesel fuel from \$2,000,000 to \$2,200,000 based on current trends for fuel prices in today's market.
2. Gasoline (10-50401003-081). Similarly, staff recommend increasing the expenditure budget for gasoline from \$24,000 to \$30,000 based on current trends for fuel prices in today's market.
3. Office Furniture and Equipment (Capital). Staff recommend shifting \$50,000 from the office furniture and equipment capital budget to the operating budget, due to an internal procedure change regarding the capitalization threshold of capital purchases.

Revenues:

4. Current Year TDA 4.0 Income (10-40901001-000). Increase TDA revenue utilization by \$230,000 based on items 1 and 2 above. Item 3 results in a net zero increase in expenditures, so no increase to revenue is required.

Financial Implications:

Implementing these changes to the final adopted budget would result in an increase of \$230,000 in expenditures and revenues, bringing the total expenditure authority from \$49,326,889 to \$49,556,889.

Recommendation:

Staff recommends the A&F Committee review and discuss the proposed updates to the FY 2024 Draft Budget.

Action Requested:

None, for discussion only.

Attachments:

None.