

County Connection

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 06/28/2023

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Income Statements for the Nine Months Ended March 31, 2023

Background:

The quarterly income statement report is an opportunity for the Committee to review the Authority's financial status and to provide fiscal and operational accountability.

Summary:

The County Connection Income Statements for the third quarter of Fiscal Year (FY) 2023 are presented for review. Unaudited revenues and expenditures are shown on a full accrual basis consistent with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. All known revenues and expenditures for the period are reported even if they have not been received or are awaiting payment. Revenues and expenses are presented as compared to the adopted budget. The combined expenses of Fixed Route and Paratransit for the period were \$31.6 million (*Schedule 1*), which represents 67% of the budget of \$47.3 million.

Fixed Route:

Overall Fixed Route revenues and expenses are presented on *Schedule 2*. Expenses for the period were \$25.5 million, representing 68% of the total budget. Since Transportation Development Act (TDA) revenue is utilized as needed, revenues are always equivalent to expenses.

Certain revenues are tracking higher than anticipated at this point in the year, namely: fares and special service revenue, non-operating revenue, Measure J, and Dougherty Valley development fees. Special service revenue are payments from our partners such as BART (for bus bridges), the City of Walnut Creek, Saint Mary's, Alamo Creek and 511.org subsidies. Regular fare revenue and special revenues were budgeted conservatively, and the actual usage is much higher than anticipated. Non-operating revenue is primarily interest income (\$308 thousand) and reversal of the FY 2022 negative fair market value adjustment (\$207 thousand). The majority of Measure J funds have been received at this point in the year, but it is not anticipated that these revenues will exceed the budget by a significant amount at year end. Dougherty Valley development fees are being claimed more quickly than budgeted, as Contra Costa County has encouraged County Connection to draw down the remaining development funds and close out the fund.

The primary driver of the expense budget is salaries and wages. Actual expenditures on salaries and wages utilized 67% of the annual budget. *Schedule 4* provides additional details of various components specific to *operator wages* only.

Certain other expenses are tracking higher than anticipated at this point of the year. The COVID reimbursement payments of \$2,500 that were issued to represented and administrative employees (totaling \$500 thousand) are captured in the category “miscellaneous”, causing this category to swing over the budgeted amount. However, the contingency budget is adequate to compensate for this overage. Actual expenditures for taxes are tracking at 85% of the budget, but since this category represents less than 1% of the fixed route budget, this slight overage is not cause for concern. All other categories in the fixed route budget are tracking as expected.

Paratransit:

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period were \$6.1 million, representing 64% of the total budget. TDA revenue is also utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Purchased transportation expenses for the Authority’s paratransit service has utilized 60% of the budgeted amount for the year under the new paratransit contract, which is less than the 75% utilization expected at this point in the year. All other paratransit expenditures are tracking as expected.

Statistics:

Schedule 5 provides select statistical information for FY 2023 as compared to this same period in FY 2022 and FY 2021.

Statistics shown for FY 2021 represent the heart of pandemic activities (July 2020-March 2021). At this point in time, the fixed route farebox recovery ratio was 4.3%, and the cost of service per passenger was \$27.61. In FY 2022, the farebox recovery ratio improved to 7.6%, and the cost per passenger decreased to \$16.98, due to improvements in ridership. In FY 2023, we see continued improvements as compared to FY 2022, with a farebox recovery ratio of 9.4% and cost per passenger of \$14.20. However, it should be noted that the cost per revenue hour has worsened this fiscal year (\$179/hour in FY23 to date as compared to \$162/hour in FY22 to date), due to a higher cost of service to operate a similar amount of revenue hours. The primary drivers for this increased cost of service are inflation, volatile fuel costs, and the one-time COVID reimbursement payments.

Paratransit has also experienced recovery at the farebox, and in the cost per passenger. The farebox recovery ratio of 1.8% in FY 2021 improved to 3.3% in FY 2022 and 4.4% in FY 2023. The cost of service per passenger of \$136.32 in FY 2021 decreased to \$124.19 in FY 2022 and has decreased to \$70.10 at this point of the current year.

Financial Implications:

There are no financial implications associated with this report.

Action Requested:

Staff requests that the A&F Committee accept the report and provide the update to the Board.

Attachments:

Attachment 1: CCCTA Income Statements for FY2023 Q3 (Schedules 1 through 5)

Schedule 1-Combined Fixed Route & Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Combined Fixed Route and Paratransit Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Nine Months Ended March 31, 2023

| | Actual | Total Budget | Variance | % Budget Used |
|---|-------------------|-------------------|---------------------|------------------|
| Revenues | | | | |
| Passenger fares | 1,989,887 | 1,833,181 | 156,706 | 108.5% |
| Special fares | 618,161 | 491,014 | 127,147 | 125.9% |
| Total Fare Revenue | 2,608,048 | 2,324,195 | 283,853 | 112.2% |
| Advertising | 113,257 | 300,000 | (186,743) | 37.8% |
| Other revenue | 621,308 | 100,100 | 521,208 | 620.7% |
| Federal operating | 3,943,321 | 7,675,630 | (3,732,309) | 51.4% |
| TDA earned revenue | 10,371,077 | 20,358,064 | (9,986,987) | 50.9% |
| STA revenue | 3,413,495 | 5,524,029 | (2,110,534) | 61.8% |
| Measure J | 7,622,881 | 7,009,369 | 613,512 | 108.8% |
| Fees from LAVTA and One Seat partners | 1,377,572 | 1,933,540 | (555,968) | 71.2% |
| Other operating assistance | 1,526,261 | 2,090,567 | (564,306) | 73.0% |
| Total Other Revenue | 28,989,170 | 44,991,299 | (16,002,128) | 64.4% |
| Total Revenue | 31,597,217 | 47,315,494 | (15,718,277) | 66.8% |
| Expenses | | | | |
| Wages | 10,943,717 | 15,874,426 | (4,930,709) | 68.9% |
| Fringe Benefits | 8,380,007 | 12,859,148 | (4,479,141) | 65.2% |
| Total Wages and benefits | 19,323,724 | 28,733,574 | (9,409,850) | 67.3% |
| Services | 1,803,351 | 2,765,800 | (962,449) | 65.2% |
| Materials & Supplies | 2,683,344 | 3,916,400 | (1,233,056) | 68.5% |
| Utilities | 280,394 | 383,500 | (103,106) | 73.1% |
| Insurance | 813,853 | 1,169,280 | (355,427) | 69.6% |
| Taxes | 254,298 | 300,015 | (45,717) | 84.8% |
| Leases and Rentals | 35,745 | 60,000 | (24,255) | 59.6% |
| Miscellaneous | 672,731 | 257,500 | 415,231 | 261.3% |
| Purchased Transportation | 4,369,417 | 7,277,906 | (2,908,489) | 60.0% |
| Purchased Transportation - for partners | 1,360,362 | 1,951,519 | (591,157) | 69.7% |
| Operations Expenses | 12,273,494 | 18,081,920 | (5,808,426) | 67.9% |
| Contingency | - | 500,000 | (500,000) | 0.0% |
| Total Expenses | 31,597,217 | 47,315,494 | (15,718,277) | 66.8% |
| Net Income (Loss) | - | - | | |

Schedule 2-Fixed Route

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Fixed Route Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Nine Months Ended March 31, 2023

| | Actual | Total Budget | Variance | % Budget Used |
|---|-------------------|-------------------|---------------------|------------------|
| Revenues | | | | |
| Fare revenue | 1,763,835 | 1,735,000 | 28,835 | 101.7% |
| Special service revenue | 618,161 | 491,014 | 127,147 | 125.9% |
| Total Fare Revenue | 2,381,996 | 2,226,014 | 155,982 | 107.0% |
| Advertising revenue | 113,257 | 300,000 | (186,743) | 37.8% |
| Non-Operating rev | 621,308 | 100,100 | 521,208 | 620.7% |
| STA Population and Revenue Measure J | 2,722,295 | 4,778,335 | (2,056,040) | 57.0% |
| TDA 4.0 | 5,387,082 | 5,237,111 | 149,971 | 102.9% |
| Federal Stimulus Funds | 10,300,613 | 17,333,307 | (7,032,694) | 59.4% |
| Low Carbon Transit Ops Prog | 2,593,321 | 5,875,630 | (3,282,309) | 44.1% |
| BART Express Funds | 419,876 | 600,000 | (180,124) | 70.0% |
| Other State Grants | 432,017 | 864,033 | (432,016) | 50.0% |
| Dougherty Valley Dev Fees | 42,346 | 134,731 | (92,385) | 31.4% |
| Other Local Grants/Contributions | 296,044 | 150,000 | 146,044 | 197.4% |
| RM 2/Other- Express | 90,802 | - | 90,802 | -- |
| Total Other Revenue | 90,263 | 117,538 | (27,275) | 76.8% |
| Total Revenue | 25,491,219 | 37,716,799 | (12,225,579) | 67.6% |
| Expenses | | | | |
| Wages | 10,700,752 | 15,587,804 | (4,887,052) | 68.6% |
| Fringe benefits | 8,235,065 | 12,727,405 | (4,492,340) | 64.7% |
| Total Wages and benefits | 18,935,816 | 28,315,209 | (9,379,393) | 66.9% |
| Services | 1,719,196 | 2,669,800 | (950,604) | 64.4% |
| Materials and supplies | 2,683,344 | 3,912,400 | (1,229,056) | 68.6% |
| Utilities | 252,821 | 344,500 | (91,679) | 73.4% |
| Casualty and liability | 806,349 | 1,152,375 | (346,026) | 70.0% |
| Taxes | 254,298 | 300,015 | (45,717) | 84.8% |
| Leases and rentals | 35,745 | 60,000 | (24,255) | 59.6% |
| Miscellaneous | 666,759 | 237,500 | 429,259 | 280.7% |
| Purchased transportation | 136,890 | 225,000 | (88,110) | 60.8% |
| Total Other Expenses (non-wages) | 6,555,403 | 8,901,590 | (2,346,187) | 73.6% |
| Contingency | - | 500,000 | (500,000) | 0.0% |
| Total Expenses | 25,491,219 | 37,716,799 | (12,225,580) | 67.6% |
| Net Income (Loss) | - | - | - | |

Schedule 3- Paratransit

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Paratransit Income Statement
FY 2023 Year to Date - Comparison of Actual vs. Budget
For the Nine Months Ended March 31, 2023

| | Actual | Total Budget | Variance | % Budget Used |
|---|------------------|------------------|--------------------|------------------|
| Revenues | | | | |
| Fare revenue | 207,105 | 98,181 | 108,924 | 210.9% |
| Fare revenue - LAVTA | 18,947 | - | 18,947 | -- |
| Total Fare Revenue | 226,052 | 98,181 | 127,871 | 230.2% |
| Special service - One Seat Ride | 287,910 | 162,906 | 125,004 | 176.7% |
| LAVTA Fees | 1,089,662 | 1,770,634 | (680,972) | 61.5% |
| FTA Section 5307 | 1,350,000 | 1,800,000 | (450,000) | 75.0% |
| TDA 4.5 | 675,789 | 1,332,243 | (656,454) | 50.7% |
| TDA 4.0 | (605,326) | 1,692,514 | (2,297,840) | -35.8% |
| Measure J | 2,235,799 | 1,772,258 | 463,541 | 126.2% |
| STA Paratransit & Rev based | 691,200 | 745,694 | (54,494) | 92.7% |
| BART ADA Service/Other | 154,913 | 224,265 | (69,352) | 69.1% |
| Total Other Revenue | 5,879,947 | 9,500,514 | (3,620,567) | 61.9% |
| Total Revenue | 6,105,999 | 9,598,695 | (3,492,696) | 63.6% |
| Expenses | | | | |
| Wages | 242,965 | 286,622 | (43,657) | 84.8% |
| Fringe benefits | 144,942 | 131,743 | 13,199 | 110.0% |
| Total Wages and benefits | 387,908 | 418,365 | (30,457) | 92.7% |
| Services | 84,154 | 96,000 | (11,846) | 87.7% |
| Materials and supplies | - | 4,000 | (4,000) | 0.0% |
| Utilities | 27,573 | 39,000 | (11,427) | 70.7% |
| Liability | 7,504 | 16,905 | (9,401) | 44.4% |
| Miscellaneous | 5,971 | 20,000 | (14,029) | 29.9% |
| Purchased transportation | 4,232,527 | 7,052,906 | (2,820,379) | 60.0% |
| Purchased transp - for partners | 1,360,362 | 1,951,519 | (591,157) | 69.7% |
| Total Other Expenses (non-wages) | 5,718,091 | 9,180,330 | (3,462,239) | 62.3% |
| Total Expenses | 6,105,999 | 9,598,695 | (3,492,696) | 63.6% |
| Net Income (Loss) | - | - | - | |

Schedule 4- Operator Wages

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
Operator Wages
For the Nine Months Ended March 31, 2023

| | Actual | Total Budget | Variance | % Budget Used |
|-------------------------|------------------|------------------|--------------------|------------------|
| Platform/report/turn in | 4,994,368 | 7,100,307 | (2,105,939) | 70.3% |
| Guarantees | 139,511 | 246,070 | (106,559) | 56.7% |
| Overtime | 291,262 | 405,139 | (113,877) | 71.9% |
| Spread | 93,856 | 127,540 | (33,683) | 73.6% |
| Protection | 229,091 | 281,874 | (52,783) | 81.3% |
| Travel | 6,955 | 6,128 | 828 | 113.5% |
| Training | 96,244 | 99,426 | (3,182) | 96.8% |
| Other Misc | 26,345 | 22,876 | 3,469 | 115.2% |
| | 5,877,632 | 8,289,360 | (2,411,728) | 70.9% |

Schedule 5 - Statistics

CENTRAL CONTRA COSTA TRANSIT AUTHORITY
FY 2023 Year to Date - Statistical Comparisons
For the Nine Months Ended March 31, 2023

| | Actual FY 2023 through Q3 | Actual FY 2022 through Q3 | Variance FY 2023 to FY 2022 | Actual FY 2021 through Q3 | Variance FY 2023 to FY 2021 |
|-------------------------------|---------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Fixed Route | | | | | |
| Fares | \$ 1,763,835 | \$ 1,383,177 | 27.5% | \$ 739,810 | 138.4% |
| Special Fares | 618,161 | 363,678 | 70.0% | 243,241 | 154.1% |
| Total Fares | \$ 2,381,996 | \$ 1,746,855 | 36.4% | \$ 983,051 | 142.3% |
| Farebox recovery ratio | 9.4% | 7.6% | 23.3% | 4.3% | 115.9% |
| Operating Exp (Less leases) | \$ 25,455,474 | \$ 23,019,223 | 10.6% | \$ 22,680,649 | 12.2% |
| Revenue Hours | 141,925 | 141,765 | 0.1% | 133,591 | 6.2% |
| Cost per Rev Hour | \$ 179.36 | \$ 162.38 | 10.5% | \$ 169.78 | 5.6% |
| Passengers | 1,792,909 | 1,355,377 | 32.3% | 821,570 | 118.2% |
| Cost per Passenger | \$ 14.20 | \$ 16.98 | -16.4% | \$ 27.61 | -48.6% |
| Passengers per Rev Hr | 12.63 | 9.56 | 32.1% | 6.15 | 105.4% |
| Paratransit | | | | | |
| Fares | \$ 207,105 | \$ 186,115 | 11.3% | \$ 60,649 | 241.5% |
| Farebox recovery ratio | 4.4% | 3.3% | 31.9% | 1.8% | 136.4% |
| Operating Exp (Less Partners) | \$ 4,745,637 | \$ 5,625,767 | -15.6% | \$ 3,285,809 | 44.4% |
| Revenue Hours | 35,281 | 35,162 | 0.3% | 19,255 | 83.2% |
| Cost per Rev Hour | \$ 134.51 | \$ 160.00 | -15.9% | \$ 170.65 | -21.2% |
| Passengers | 67,694 | 45,300 | 49.4% | 24,103 | 180.9% |
| Cost per Passenger | \$ 70.10 | \$ 124.19 | -43.6% | \$ 136.32 | -48.6% |
| Passengers per Rev Hr | 1.92 | 1.29 | 32.9% | 1.25 | 53.3% |