

County Connection

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

CCCTA BOARD OF DIRECTORS

MINUTES OF THE REGULAR MEETING

June 15, 2023

CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Amy Worth called the regular meeting of the Board of Directors to order at 9:00 a.m. Board Members present were Directors Andersen, Diaz, Hoffmeister, Hudson, Noack, Schroder, Sos, Tatzin, Wilk and Worth. Director Storer was absent.

Staff: Churchill, Louie, Dixit, Glenn, Hill, Horta, Johnson, Jones, Martinez, Mitchell, Noya and Reeb

PUBLIC COMMUNICATION: None

PUBLIC HEARING: CCCTA FY2024 Operating and Capital Budget

At 9:02 a.m. Chair Amy Worth opened the public hearing regarding CCCTA FY2024 Operating and Capital Budget. Amber Johnson, CFO, explained that the total fiscal year 2024 operating and capital budget is \$56,188,889. The operating budget of \$49,677,889 is funded 77% with local and state funds, 6% from farebox and special fare revenues, 12% federal funds, and 5% with other revenue. The operating budget will support approximately 188,000 revenue hours of fixed-route service and 66,000 revenue hours of County Connection LINK dial-a-ride services.

Chair Worth asked if there were any comments from the public regarding the CCCTA FY2024 Operating and Capital Budget. No comments were received, and the public hearing was closed at 9:05 a.m.

CONSENT CALENDAR

MOTION: Director Tatzin moved approval of the Consent Calendar, consisting of the following items: (a) Approval of Minutes of Regular Meeting of May 18, 2023; (b) Adoption of Amended FY 2022-23 Cap and Trade Grant (LCTOP) and Resolution No. 2023-038; (c) FY 2023-24 SB1 State of Good Repair Funds and Resolution No. 2023-039. Director Noack seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Hoffmeister, Hudson, Noack, Schroder, Sos, Tatzin, Wilk, and Worth
No: None
Abstain: None
Absent: Director Storer

REPORT OF CHAIR: None

REPORT OF GENERAL MANAGER:

Report on Gillig Facilities Visit

Bill Churchill informed the board that he and a few of the board directors went to the Gillig Facilities in Livermore, CA and went on a tour of the facility, inspected buses at different stages and had lunch. It was very interesting, and it was great to see the different phrases of the makings of the buses.

Brown Act Bills Update

Our Legal Representative, Dayna Louie, gave a brief update on the different Brown Act bills that are moving forward. She will keep an eye on the bills and will update the board when the time comes.

State Budget/Fiscal Cliff Update

Bill Churchill explained that a coalition of state lawmakers, labor leaders, environmental activists and transit officials stressed that public transportation would go over a fiscal cliff if it does not receive more state dollars. And if public transportation is not saved, it can cause lasting harm to the state's economy and people's quality of life.

A group of transit agencies and public transit proponents issued a \$5.15 billion budget proposal over the next five years for transit agencies to stay afloat. For the upcoming fiscal year, the budget calls for another \$213 million from the General Fund and to utilize excess federal highway funds and cap-and-trade profits.

The numbers come in response to many agencies' dwindling ridership numbers post COVID-19, federal pandemic relief funds drying up, and public outcry for safer rides on buses.

Though numerous proposals are in the works throughout the state legislature that could provide more funding for public transit operations, the coalition says it's nowhere near enough to make up for the proposed \$2 billion cut in transit infrastructure that Newsom is considering and would only use transit capital funds for non-capital purposes.

APTA Expo in Orlando, Florida October 8-11, 2023

General Manager Bill Churchill informed the board that the APTA Transform/Expo will be held in Orlando, Florida this year from October 8-11. If any board members are interested in attending, please contact Mr. Churchill or Lathina Hill directly.

REPORT OF STANDING COMMITTEES

Administrative & Finance Committee

Clipper START and Youth Fare Pilot Update and Extension and Resolution No. 2023-040

Melody Reeb, Director of Planning, Marketing, & Innovation, explained that MTC conducted an evaluation for the initial Clipper START pilot period to assess program delivery and impacts on advancing equity. Although Clipper START usage has been growing at a faster rate than overall transit ridership across the region, several strategies were identified to improve the effectiveness of the program and increase participation. MTC staff will be proposing to extend the pilot for another two (2) years until June 30, 2025 in order to implement and assess these strategies.

While the majority of the strategies are related to marketing, outreach, and enrollment, one is to provide a more consistent discount across operators. Currently, most operators—including County Connection—offer a 20% discount, half of which is reimbursed by MTC. However, several other operators elected to offer a 50% discount

and assumed responsibility for the additional lost fare revenue above the base 20% discount. In order to incentivize participation and consistency, MTC is proposing to increase its contribution and reimburse up to half of the 50% discount.

Given the interconnected fare structures of the East Bay operators, staff met with the other three small operators (WestCAT, TriDelta, and LAVTA) and agreed to move forward with a 50% discount. This would align the Clipper START and Youth fare discounts with those currently offered to seniors and persons with disabilities. BART has indicated that it plans to increase its discount to 50% as well. Since an increased discount would constitute a fare change, staff will need to conduct a Title VI fare equity analysis and public hearing prior to seeking Board approval. If approved by September 2023, the fare change would take effect in January 2024.

Assuming continuation of the current 20% discount, staff does not anticipate a significant growth in usage of either discount program. Based on ridership data from the past six months, total net revenue losses from a two-year extension would be about \$100,000, which is still much lower than the original estimate of over \$300,000. Staff will be developing revenue loss estimates for a potential 50% discount, which will be presented to the Committee and Board for consideration and approval later this summer.

MTC is also proposing a change to the Clipper START subsidy approach and will be providing a one-time upfront payment to transit operators based on anticipated fare revenue losses over the entire two-year extension as opposed to quarterly reimbursement payments. This will include a guaranteed minimum of \$15,000 per operator, an estimated percentage for anticipated increased usage, and a buffer to offset any underestimations. MTC and transit operator staff will be working to finalize the exact formulas and amounts in the coming months.

MOTION: Director Noack moved that the Board adopt Resolution No. 2023-040 approving a two-year extension of the Clipper START Program and Youth Fare Program through June 30, 2025. Director Hoffmeister seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Hoffmeister, Hudson, Noack, Schroder, Sos, Tatzin, Wilk, and Worth

No: None

Abstain: None

Absent: Director Storer

Adjustment to Non-Represented Administrative Employees Compensation and Resolution No. 2023-042

Amber Johnson, CFO, explained that the General Manager and the A&F Committee request a 5% cost of living adjustment for all satisfactorily performing administrative employees effective July 1, 2023. This is the same percentage increase included in all three of the recently negotiated MOUs for the represented employees.

The General Manager also requests a Merit Pool not to exceed \$50,000, to be allocated at the General Manager's discretion, to employees in Grade 10 and above who are not part of the step increase system and are meeting performance standards as assessed by their supervisors. The cost of the requested increases will not exceed \$308,000 and is included in the proposed FY 2024 budget.

MOTION: Director Noack moved that the Board adopt Resolution No. 2023-042 approving adjustments to the salary ranges for administrative staff and establishing a merit pool for management employees. Director Diaz seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Hoffmeister, Hudson, Noack, Schroder, Sos, Tatzin, Wilk, and Worth

No: None

Abstain: None

Absent: Director Storer

Revised Fiscal Year 2024 Draft Budget and Forecast and Resolution No. 2023-043

Amber Johnson, CFO, explained that the proposed FY 2024 budget is based on a continued projected recovery of fixed route and paratransit services post-pandemic. While federal stimulus funds provided much-needed relief from the worst of the financial impacts of the pandemic, changing travel patterns and work from home trends have made a lasting impact to the way transit is utilized in the community and the larger region. State and local revenues have recovered significantly; however, many are not expected to meet pre-pandemic projections. Even as reliable revenue streams return, it is important to remember that County Connection lost a couple years of revenue growth during the pandemic while contractual and inflationary factors that drive expense growth saw significant increases.

The operating expense budget of \$49.7 million is a 5 percent increase over the FY 2023 budget and allows for fixed route service to continue at existing levels, with an optimistic assumption that vacant operator positions will be filled during the fiscal year. The capital budget of \$6.5 million includes significant multi-year facility upgrade plans, funded by TDA capital. An increase of \$206,000 in expenditures and revenues brings the total expenditure authority from \$55,982,889 to \$56,188,889.

MOTION: Director Noack moved that the Board adopt Resolution No. 2023-043 approving the FY 2024 Operating and Capital Budget. Director Diaz seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Hoffmeister, Hudson, Noack, Schroder, Sos, Tatzin, Wilk, and Worth

No: None

Abstain: None

Absent: Director Storer

Operating & Scheduling Committee

Electric Bus Update

Marcel Longmire gave a brief background stating that County Connection has received two federal grants in the past, the 2012 Clean Fuel Grant and the 2016 Low/No Grant, to purchase eight battery electric buses (BEBs) and the necessary charging infrastructure. All eight BEBs operate in Walnut Creek on Routes 4 and 5. Two inductive chargers were installed at the Walnut Creek BART Station to support the continuous operations on these two routes. The BEBs have travelled close to 360,000 service miles since January 1, 2017.

As electricity rates continue to rise, the cost carries over to the cost of operating the BEBs. Between January 1, 2022, and December 31, 2022, the total electricity cost to operate the eight buses was about \$68,000 compared to \$62,000 in 2021. The average energy cost per mile for BEBs increased from \$0.86 in 2021 to \$1.22 in 2022. The cost of diesel fuel for the 1400-series diesel fleet also increased, from \$0.49 per mile in 2021 to \$0.77 per mile in 2022. This was due to the rising cost of diesel fuel. The total cost per mile inclusive of labor and parts was \$2.45 per mile for the BEBs and \$1.46 per mile for the 1400-series diesel fleet. One of the big reasons for the extreme jump in the price for the BEBs (\$1.30 per mile in 2021) is that the BEBs are now out of warranty. There were two major repairs concerning the BEBs. One being \$14,287.10 for a battery sub-pack. This sub-pack is just one of fourteen that are on each of the BEBs. The other major repair was replacing the main computer module for the battery management system at a cost of \$16,500. We expect the cost to maintain the BEB fleet will continue to rise now that the BEBs are out of warranty.

The extremely high cost of the major components on the BEB fleet will be a big issue moving forward. Although grants were used to purchase the BEB fleet, the high cost of repairs once the fleet is out of warranty is already being felt. The total cost per mile inclusive of labor and parts jumped \$1.15 in just one year. In addition, staff

expect that within the next few years all the battery packs will have to be replaced. This was an information item only.

Report from the Advisory Committee

Appointment of Robert Kaplan to the Advisory Committee Representing the City of Martinez

MOTION: Director Schroder moved the appointment of Robert Kaplan to the Advisory Committee Representing the City of Martinez. Director Wilk seconded the motion, and it received the following vote of approval:

Aye: Directors Andersen, Diaz, Hoffmeister, Hudson, Noack, Schroder, Sos, Tatzin, Wilk, and Worth

No: None

Abstain: None

Absent: Director Storer

BOARD COMMUNICATION:

Kevin Wilk of Walnut Creek discussed some disturbances that happened during the City of Walnut Creek's meeting that have caused concern with the city. People are starting to interrupt public meetings again with negative comments regarding races and religions. Please be on alert and be ready if this should happen to County Connection.

CLOSED SESSION:

Public Employee Performance Evaluation; Conference with Labor Negotiator (pursuant to Government Code Sections 54957, 54957.6) Agency Designated Representative: Board Chair

Position: General Manager Following the Closed Session, the Board may consider potential actions to amend the Employment Agreement of the General Manager

OPEN SESSION:

The Board came back into open session at 11:00 a.m. There was no reportable action.

ADJOURNMENT: Chair Worth adjourned the regular Board meeting at 11:01 am.

Minutes prepared by:

Lathina Hill

Assistant to the General Manager/Clerk to the Board of Directors

Date: June 21, 2023