

Summary Minutes Administration & Finance Committee

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

Wednesday, April 3, 2024, 1:30 p.m.

Directors: Renata Sos, Sue Noack, Laura Hoffmeister
Staff: Bill Churchill, Amber Johnson, Melody Reeb, Karol McCarty
Public: None

Call to Order: Meeting called to order at 1:35 p.m. by Director Sos.

1. Approval of Agenda

The Committee approved the agenda.

2. Public Communication

None.

3. Approval of Minutes of March 6, 2024

The Committee approved the minutes.

4. Proposed Updates to Board-Adopted Policy Regarding Reserves

Ms. Johnson reported that the existing Reserve policy dates back to 1987 and focuses on Transportation Development Act (“TDA”) funds held by Metropolitan Transportation Commission (“MTC”). The existing policy was crafted when CCCTA was reliant on federal operating grants for daily operations and the policy was lacking in parameters for reserve level targets and reserve types.

The Authority has historically treated TDA funds as the “revenue of last resort” meaning that other revenue sources were applied against expenditures before TDA funds from MTC. During the pandemic, COVID grants were used before TDA, so this resulted in a healthy amount of excess TDA funds.

The draft Reserve policy recommends discretionary revenue sources of advertising revenue and interest income not be applied to expenditures before claiming TDA funds from MTC. It further defines “Operating and Capital Reserve” as being both excess TDA revenue as well as discretionary

revenue with a target balance of three months' operating expenditures (25% of the operating budget). Use of the reserve is authorized during periods of declining revenue or slower-than-anticipated revenue growth to sustain the Authority's operations until service is reestablished. Also, one-time capital projects could be funded with these reserves.

The draft policy language also includes mention of the Safe Harbor Lease Reserve (from 1983) and amounts reserved in liability accounts for self-insured, Workers' Comp and General Liability claims.

Director Sos recommended several edits to the draft policy language which will be incorporated before forwarding the final version to the Board of Directors to adopt Reserve Policy #06.02.

5. Review of Fiscal Year 2025 Proposed Draft Budget and Forecast

Ms. Johnson's single-year forecast was presented for fiscal year 2025 (FY 2025) Operating and Capital Budget draft which correlates to a timely Transportation Development Act (TDA) claim filed with the Metropolitan Transportation Commission (MTC).

The FY 2025 Budget proposes \$54.7 million in operational expenses for fixed route and paratransit services which is a 10.1% increase over the current year and allows for existing levels of fixed route service to continue. An additional \$9.9 million is proposed in capital expenditures relating to vehicle replacements and significant, multi-year facility upgrades (funded by Federal Section 5307 and TDA capital funds).

In anticipation of adoption of the new Reserve policy, the proposed budget also incorporates the transfer of discretionary reserves (advertising revenue and interest income) to a reserve account. Hence, Operating Revenues are projected to exceed expenditures by the amount of discretionary revenues being held in reserves.

Operating Expenses assume that ridership will continue to improve and that recruitment efforts to fill vacant Operator positions will be successful, resulting in an overall increase in expenditures when compared to the current year.

Capital Expenditures include the replacement of ten big buses and three paratransit vehicles in addition to replacing six non-revenue vehicles and adding one non-revenue vehicle to the mobile lobby. These procurements will likely be 80% federal funding matched with TDA capital funds. The facility maintenance and modernization projects include fuel tank replacement, replacing five hydraulic lifts in the shop, concrete pad repairs, expansion of the upper parking lot and elevator improvements in both buildings.

The Committee recommends that this draft FY 2025 Budget be forwarded to the Board of Directors for review and approval.

6. 2024-26 BART Bus Bridges

Ms. Reeb reported that CCCTA has provided bus bridges to the Bay Area Rapid Transit (BART) agency for over 20 years. Recently, BART has been conducting infrastructure work that suspends service

between various stations and has been scheduling work between April 2024 and December 2026. Per the agreement, BART will cover all costs associated with any bus bridge, and staff are coordinating schedules to support the requested dates in 2024.

Staff requests that the Committee forward the 2024-26 BART Bus Bridge agreement to the Board of Directors for approval and to authorize the General Manager to execute an agreement with BART.

7. Review of Vendor Bills, March 2024

The Committee reviewed the vendor bills for March 2024.

8. Approval of Legal Services Statement, January 2024 General and January 2024 Labor

The Committee approved the legal services statement, January 2024 General plus January 2024 Labor.

9. Next Scheduled Meeting

The next meeting was scheduled for Wednesday, May 1st at 2:00p.m.

10. Adjournment

The meeting was adjourned at 2:07 p.m.

Minutes prepared and submitted by: Karol McCarty, Manager of Accounting