

County Connection

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CCCTA BOARD OF DIRECTORS

MINUTES OF THE REGULAR MEETING

June 20, 2024

CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Vice Chair Kevin Wilk called the regular meeting of the Board of Directors to order at 9:00 a.m. Board Members present were Directors Andersen, Diaz, Hudson, Noack, Sos, Storer, Wilk and Worth. Director Hoffmeister was absent, and Director Tatzin arrived after the meeting convened. The City of Martinez member position is vacant at this time.

Staff: Churchill, Sherman, Hill, Horta, Johnson, Jones, Longmire, Martinez, Mitchell, Noya and Sanderson

PUBLIC COMMUNICATION: None

PUBLIC HEARING: CCCTA FY2025 Operating and Capital Budget

At 9:02 a.m. Vice Chair Kevin Wilk opened the public hearing regarding CCCTA FY2025 Operating and Capital Budget. Amber Johnson, CFO, explained that the total fiscal year 2024 operating and capital budget is \$64,647,987. The operating budget of \$54,674,587 is funded 85% with local and state funds, 6% from farebox and special fare revenues, 4% federal funds, and 5% with other revenue. The operating budget will support approximately 191,000 revenue hours of fixed-route service and 75,900 revenue hours of County Connection LINK dial-a-ride services.

Vice Chair Wilk asked if there were any comments from the public regarding the CCCTA FY2025 Operating and Capital Budget. No comments were received, and the public hearing was closed at 9:05 a.m.

CONSENT CALENDAR

MOTION: Director Noack moved approval of the Consent Calendar, consisting of the following item: (a) Approval of Minutes of Regular Meeting May 16, 2024; (b) Approval of Special Board/Advisory Committee Workshop Meeting Minutes; (c) CCCTA Investment Policy-Quarterly Reporting Requirement for the period ending March 31, 2024; (d) Adoption of Gann Appropriations Spending Limitation for FY 2024-2025 and Resolution No. 2024-024. Director Storer seconded the motion, and it received the following vote of approval:

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

REPORT OF VICE CHAIR: NONE

REPORT OF GENERAL MANAGER:

State Legislation Update

Director Tatzin arrived at 9:08 a.m.

General Manager, Bill Churchill, informed the Board that last month the Governor announced a discretionary spending freeze for three months on the \$2.4 billion of the SB125 fiscal mitigation funds for three months. This is known as the section 74 spending freeze authorized by the AB 106, a bill that includes a suite of budget reduction strategies.

For the Bay Area this represents a loss \$530 million that was anticipated to support BART and the BART extension to San Jose. Part and parcel to MTC's fiscal cliff mitigation strategy was receiving these funds early and earning interest to help offset the regions shortfalls. The freeze will result in the additional loss of \$4.5 million in planed earned interest. We are now hearing that the SB 125 funds may not be released until the end of the legislative session in September resulting in even greater loss of interest income.

Senator Wiener pulled SB 1031 on Thursday May 30th due to an insurmountable amount of descension and stated that key parties are already working on the next version of a bill to authorize MTC to run a region wide bill to fund transit in the Bay Area.

Mr. Churchill invited Senator Wiener's staff, who are primarily responsible for writing the bill language to meet with the small general managers on Tuesday to give those agencies the opportunity to hear what the Senator's plans are for moving forward and to give feedback on what we believe would be non-starters in the next version of the bill.

BART Bridge Update

General Manager, Bill Churchill, informed the Board that BART will be implementing its largest rail replacement project in Downtown Oakland on its K-Line starting this weekend. There will be two main routes connecting 19th St. Station and MacArthur Station that AC Transit and SamTrans will service. BART requested assistance from County Connection to service the Rockridge to MacArthur stations running buses every twenty minutes.

County Connection will provide five buses in the morning and five in the afternoon, a total of ten per day. Saturday's from 4:30 a.m.-12 a.m. and Sunday from 6:30 a.m.-12 a.m. The project will take two years to complete.

Introduction of the New Human Resources Director

General Manager, Bill Churchill, introduced the new Human Resources Director, Kristina Martinez.

REPORT OF STANDING COMMITTEES

Administration & Finance Committee

Midday Free Policy Resolution No. 2024-026

Pranjal Dixit, Manager of Planning, informed the Board that in March 2019, County Connection implemented changes to its fare structure, including the elimination of the Midday Free Program (10am-2pm) for most riders. However, recognizing the specific needs of young adults with disabilities transitioning to adulthood, County Connection partnered with the Bridge Program in the Mt. Diablo Unified School District to continue the Midday Free Program.

The Bridge Program serves individuals aged 18-22 with disabilities who have finished high school. Their program equips participants with the knowledge and skills necessary for independent living. To ensure Bridge Program participants could continue utilizing public transportation during the midday fare period, County Connection worked with program staff to establish a proper identification system for boarding buses. The program's success is evident by the lack of reported complaints from Bridge Program staff.

County Connection later expanded the Midday Free Program access to participants at RES Success in Pleasant Hill and Martinez in April 2019. Similar to the Bridge Program, RES Success provides adults with developmental disabilities a comprehensive range of services, including academics, social skills development, and vocational training.

Currently, the Midday Free Program is funded through the Measure J Line 20a funds, which support transportation services and related capital expenditures for seniors and people with disabilities provided by TRANSPAC jurisdictions and public and private non-profit agencies operating in the TRANSPAC area. Given the competitive landscape for limited Measure J funding within the TRANSPAC region, along with potential requests for program inclusion in our Midday Free Program, establishing a clear policy for evaluating these proposals is essential. A policy would ensure the program's long-term sustainability.

MOTION: Director Noack moved adoption of Resolution No. 2024-026, approving the Midday Free Policy. Director Sos seconded the motion, and it received the following vote of approval:

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

Adjustment to Non-Represented Administrative Employees Compensation Resolution No. 2024-027

Kristina Martinez, Director of Human Resources, explained that for FY25, the Authority can afford an increase for the non-represented employees. The General Manager requests a 4% cost of living adjustment (“COLA”) for all satisfactorily performing administrative employees effective July 1, 2024. 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.

MOTION: Director Noack moved adoption of Resolution No. 2024-027, approving a 4% COLA and \$50,000 merit pool allocation, for a not to exceed total cost of \$264,000, effective July 1, 2024. Director Hudson seconded the motion, and it received the following vote of approval:

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

Fiscal Year 2025 Budget and Forecast Resolution No. 2024-025

Amber Johnson, CFO, explained that County Connection’s draft budget for July 1, 2024, to June 30, 2025 (FY 2025) proposes \$54.7 million in operational expenses for fixed route and paratransit services with revenues to offset these costs. An additional \$10 million is proposed in capital expenditures and associated revenue in the

budget year. The budget includes the incorporation of a new discretionary reserve account that will help to strengthen the Authority's financial position.

The fixed route operating expense budget of \$43.4 million is an 8 percent increase over the FY 2024 budget and allows for increases in fixed route service, with an optimistic assumption that recruitment efforts will continue to successfully fill vacant operator and mechanic positions. The primary drivers of increased expenses are personnel costs, investments in software, fuel price volatility, and contributions to the Automated Driving System (ADS) project.

The paratransit operating expense budget of \$11.2 million is an 18.8 percent increase over the FY 2024 budget. The main cause for this large increase is due to paratransit ridership demand. County Connection's LINK service experienced faster growth in the paratransit program in FY 2024 than anticipated. In FY 2025, an additional growth factor of 5% over FY 2024 actuals has been applied, along with a 4% contractual rate increase.

The FY 2025 capital budget is \$10 million and includes scheduled replacements of ten fixed route buses and three paratransit vehicles that have reached the end of their useful life, plus replacement of six non-revenue vehicles and the addition of one non-revenue vehicle dedicated to the mobile lobby. In addition, several necessary facility maintenance and modernization projects are included in the budget. Major project additions include a fuel tank replacement, concrete pad repairs, and necessary elevator improvements in both buildings. The revenue vehicles will receive 80% federal funding with a 20% match of TDA capital funds. The other capital projects are funded by TDA capital funds.

MOTION: Director Noack moved adoption of Resolution No. 2024-025, approval of the proposed FY 2025 Operating and Capital Budget. Director Hudson seconded the motion, and it received the following vote of approval:

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

No: None

Abstain: None

Absent: Director Hoffmeister

Operations & Scheduling Committee

Battery Electric Bus Availability and Cost Update – Information Only

Marcel Longmire, Director of Maintenance, gave a brief historical background stating that County Connection received two federal grants, 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 Route 4 and 5. Two inductive chargers were installed at the Walnut Creek BART Station to support the continuous operations on these two routes. Two of the 50 kW Wave chargers were installed at the County Connection yard to provide overnight depot charging as both plug-in depot chargers failed and could not be repaired.

The BEBs have traveled 393,954 service miles since January 1, 2017. This update's focus is to compare the electric bus fleet to the 1400 series diesel bus fleet from January 1, 2023, through December 31, 2023. We have also included the data from January 1, 2021, through December 31, 2021, and January 1, 2022, through December 31, 2022, as reference points.

Since January 2023, the electric bus availability averaged 50%, down from 80% in 2022 (was 57% in 2021). The bus availability for the 1400-series diesel fleet was a remarkable 100% up from 98% in 2021. For the BEBs parts

availability and battery issues are still a major problem. Over the past couple of months, the BEBs ran into an issue dealing with a shortage of electronic components that has also been an industry wide problem.

Between January 1, 2023, and December 31, 2023, the total electricity cost to operate the eight buses was \$68,324.78 compared to \$67,470 in 2022 and \$62,088 in 2021. The average energy cost per mile for the BEBs in 2023 was \$2.01 per mile up from \$1.22 in 2022 and \$0.86 in 2021.

The 1400-series diesel fleet fuel cost fell from \$0.77 per mile in 2022 to \$0.67 per mile in 2023 (was \$0.49 in 2021). The total cost per mile inclusive of labor and parts was \$2.88 per mile for the BEBs up from \$2.45 in 2021 and \$1.16 per mile for the 1400-series diesel fleet. The cost to operate the BEBs still had a rise even though the BEB fleet was only at 50% availability this past year. We expect the cost to continue to rise as our first-generation technology becomes older and harder to replace.

Rising electricity costs and supply chain concerns continue to be a problem with the BEBs. Moving forward, our biggest challenge will be the lack of battery support from our vendor. We recently learned that the battery sub-packs (14 on each bus) are no longer being produced by the vendor. They indicated that the materials needed to make those batteries are no longer available and we would have to replace the entire battery system at a very high cost. The speed at which battery technology is developing is starting to surpass our first-generation BEB fleet.

BOARD COMMUNICATION: None

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

The Board of Directors went into Closed Session at 10:12 a.m.

OPEN SESSION:

Report of Action(s) taken during the Closed Session

The Board of Directors came back into open session at 10:17 a.m. with no reportable action.

ADJOURNMENT: Chair Tatzin adjourned the regular Board meeting at 10:18 a.m. am.

Minutes prepared by:

Lathina Hill

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

Date: July 9, 2024