

# County Connection

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

## ADMINISTRATION & FINANCE COMMITTEE

### MEETING AGENDA

Wednesday, June 4, 2025

9:00 a.m.

The A&F Meeting will be held in-person at and via teleconference location\*\*\*\*

County Connection Administration Office

2477 Arnold Industrial Way

3<sup>rd</sup> 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.

Staff and members of the public may attend in-person or participate remotely via Zoom at:

<https://us02web.zoom.us/j/85287050358>

Or One tap mobile :

US: +16699006833,,85399133311# or +14086380968,,85399133311#

Or Telephone:

Dial(for higher quality, dial a number based on your current location): +1 408 638 0968

Webinar ID: 852 8705 0358

Public comment may be submitted via email to: [hill@cccta.org](mailto:hill@cccta.org). Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Board of Directors before the meeting. Comments submitted after the meeting is called to order will be included in the correspondence that will be provided to the full Board.

Oral public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above.

Should Zoom not be operational, please check online at: [www.countyconnection.com](http://www.countyconnection.com) for any updates or further instruction.

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\*Enclosure

\*\*Enclosure for Committee Members

\*\*\*To be mailed under separate cover

\*\*\*\*To be available at the meeting.

FY2024/2025 A&F Committee

Jim Diaz-Clayton, Laura Hoffmeister-Concord, Don Tatzin-Lafayette, 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

1. Approval of Agenda
2. Public Communication
3. Approval of Minutes of May 7, 2025\*
4. Clipper Discounts Title VI Fare Equity Analysis\*  
(Staff will present the Title VI analysis for the proposed continuation of the Clipper START and Youth discounts. Staff will request the item be forwarded to the Board for approval.)
5. Adjustment to Non-Represented Administrative Employees Compensation\*  
(Staff requests that the Committee forward to the Board of Directors for approval a 3% increase adjustment in the compensation for Non-Represented Administrative Employees and a Merit Pool for select management employees not to exceed \$50,000 in total.)
6. Investment Report as of March 31, 2025\*
7. Income Statements for the Nine Months Ended March 31, 2025\*  
(Staff requests that the A&F Committee accept the report and provide the update to the Board.)
8. Proposed Fiscal Year 2026 Operating and Capital Budget and Forecast\*  
(Staff requests that the A&F Committee review the proposed amendment to the current year budget and forward to the Board of Directors with recommendation for approval.)
9. Adoption of Gann Appropriations Spending Limitation for FY 2025-2026\*  
(Staff requests that the Committee forward to the Board of Directors for approval the Gann appropriations spending limitation of \$106,034,564 for FY 2025-26.)
10. Review of Vendor Bills, April 2025\*\*
11. Approval of Legal Services Statement, March and April 2025 General and Labor\*\*
12. Next Scheduled Meeting – July 2, 2025
13. Closed Session:  
Conference with Labor Negotiator (pursuant to Government Code Section 54957.6)  
Agency designated representatives: Amber Johnson, Chief Financial Officer; Kristina Martinez,  
Director of Human Resources  
Employee Organization: Amalgamated Transit Union, Local 1605, AFL-CIO, Bus Operators Teamsters  
Union, Local 856, AFL-CIO, Transit Supervisors
14. Adjournment

\*Enclosure

\*\*\*\*Teleconference location: 1114 Orchard Road, Lafayette, California, 94549

## 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](http://www.countyconnection.com). The agenda and enclosures for this meeting are posted also on our website at [www.countyconnection.com](http://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](mailto: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:	June 19, 9:00 a.m., County Connection Board Room 2477 Arnold Industrial Way, Concord, CA 94520
Administration & Finance:	Wednesday, July 2, 9:00 a.m., County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, CA
Advisory Committee:	TBA. Location TBD
Marketing, Planning & Legislative:	Thursday, June 5, 8:30 a.m., Supervisor Andersen Office 3338 Mt. Diablo Blvd, Lafayette, CA
Operations & Scheduling:	Friday, June 6, 8:00 a.m., City of Pleasant Hill, 100 Gregory Lane, Pleasant Hill. CA

**The above meeting schedules are subject to change. Please check the County Connection Website ([www.countyconnection.com](http://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](http://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  
3<sup>rd</sup> Floor Conference Room  
Concord, CA 94520

Wednesday, May 7, 2025, 9:00 a.m.

**Directors:** Laura Hoffmeister, Jim Diaz, Don Tatzin (via Zoom)  
**Staff:** Ruby Horta, Amber Johnson, Kristina Martinez, John Sanderson, Karol McCarty, and Judy Barrientos, V.P of Amalgamated Transit Union (ATU)

**Call to Order:** Meeting called to order at 9:03 a.m. by Director Hoffmeister.

#### 1. Approval of Agenda

The Committee approved the agenda.

#### 2. Public Communication

None.

#### 3. Approval of Minutes of April 2, 2025

The Committee approved the minutes.

#### 4. Disadvantaged Business Enterprise (DBE) Overall Goal for Federal Fiscal Years (FFYs) 2026-2028

Ms. Martinez reported that the Authority has had a Disadvantage Business Enterprise (DBE) Program in place since October 1983. The most recent revision was adopted by the Board of Directors and submitted to the Federal Transit Administration (FTA) on February 27, 2025. For participation in FTA-assisted contracts, the Authority is required to establish a three-year overall goal for DBE participation. The current goal is 5.9% for FFYs 2023-2025. The proposed goal is 3.5% for FFYs 2026-2028 and is based on anticipated FTA-assisted contracting projections. This goal submission is due to FTA August 1, 2025, and enables the Authority to continue to be eligible for federal financial assistance. FTA rules require the Authority to post a 30-day notice on its official website announcing the goal for public inspection and comment.

The Committee recommends the posting of the DBE goal of 3.5% on the Authority's website and that this item be forwarded to the Board of Directors for review and approval.

## 5. Review of Proposed Amendment to Fiscal Year 2025 Operating Budget

Ms. Johnson reported that the Fiscal Year 2025 (FY 2025) was adopted on June 20, 2024, with Resolution 2025-025. The operating budget is divided into two, main categories: fixed route (big bus) and paratransit. Current trends indicate that there are insufficient resources budgeted to paratransit to cover the costs of the program.

Mr. Sanderson reported that paratransit (LINK) ridership has been on the rise and recovering since the COVID pandemic. The recent trend in ridership increased 30.4% in FY 2023 and 13.3% in FY 2024. Mid-year analysis indicates a further increase of 9.7% by the end of FY 2025. LINK productivity is measured by passengers per revenue hour (PPH) which has declined over the past two years based upon origins, destinations, requested times of specific trips, traffic conditions and other factors largely beyond the providers' control.

Ms. Johnson noted that FY 2025 actual ridership has been nearly double the estimated budget projections, and as a result, the actual costs are estimated to exceed the paratransit budget amount by about 10.7% or \$750,000. The fixed route budget includes a \$500,000 contingency line item plus \$250,000 of diesel fuel budgetary line item savings that staff recommends be applied to the paratransit contract costs.

The Committee discussed the net-zero budget changes and recommends this item be forwarded to the Board of Directors for review and approval.

## 6. Review of Updates to Fiscal Year 2026 Draft Budget and Forecast

Ms. Johnson reported that there are no updates to the FY 2026 Operating and Capital budget at the present time. The FY 2026-2031 Forecast includes the following projections:

### 5-Year Operating Forecast for FFYs 2026-2031:

- Growth in fixed route and paratransit fare revenues of approximately 3% per year.
- Sales tax revenue (Measure J, TDA) and advertising revenue to remain flat.
- Optimistic fuel tax revenue (STA) growth of 2% per year after sharp decline.
- Paratransit partner revenue increasing by 5% per year.
- Interest income increasing by 3% per year.
- Discontinuation of BART feeder funds.
- Fixed route operating expenses increase of 2% per year.
- Paratransit operating expenses increase of 4% per year.

The 5-year Capital forecast includes: (1) Zero Emission Bus (ZEB) roll-out plan in FY 2030; (2) second phase of solar array project in FYs 2027-2028 of \$15 million with 100% state funding; and (3) maintenance and fueling facilities improvements in FYs 2028-2031 of \$3.8 million.

The Authority is projected to have sufficient Operating and Capital Reserves through FY 2028. These reserves are considered sufficient when at least 25% of operating costs are reserved. In FY 2029, reserves begin to dip below the 25% threshold and are projected to go negative in FY 2030.

The Committee discussed these forecast items noting that the final version of both the FY 2026 Budget as well as the FY 2026-2031 Forecast will be forwarded to the Board of Directors for review and approval in June.

**7. Review of Vendor Bills, March 2025**

The Committee reviewed the vendor bills for March 2025.

**8. Approval of Legal Services Statement, February 2025 General and Labor**

The Committee approved the legal services statements for February 2025 General and Labor.

**9. Next Scheduled Meeting**

The next meeting is scheduled for Wednesday, June 4<sup>th</sup> at 9:00 a.m.

**10. Closed Session: Conference with Labor Negotiator (pursuit to Government Code Section 54957.6)**

There were no reportable actions taken.

**11. Adjournment**

The meeting was adjourned at 9:40 a.m.

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

**To:** Administration & Finance Committee

**Date:** 5/28/2025

**From:** Pranjal Dixit, Manager of Planning

**Reviewed by:** *Ref*

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**SUBJECT: Clipper Discounts Title VI Fare Equity Analysis**

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**Background:**

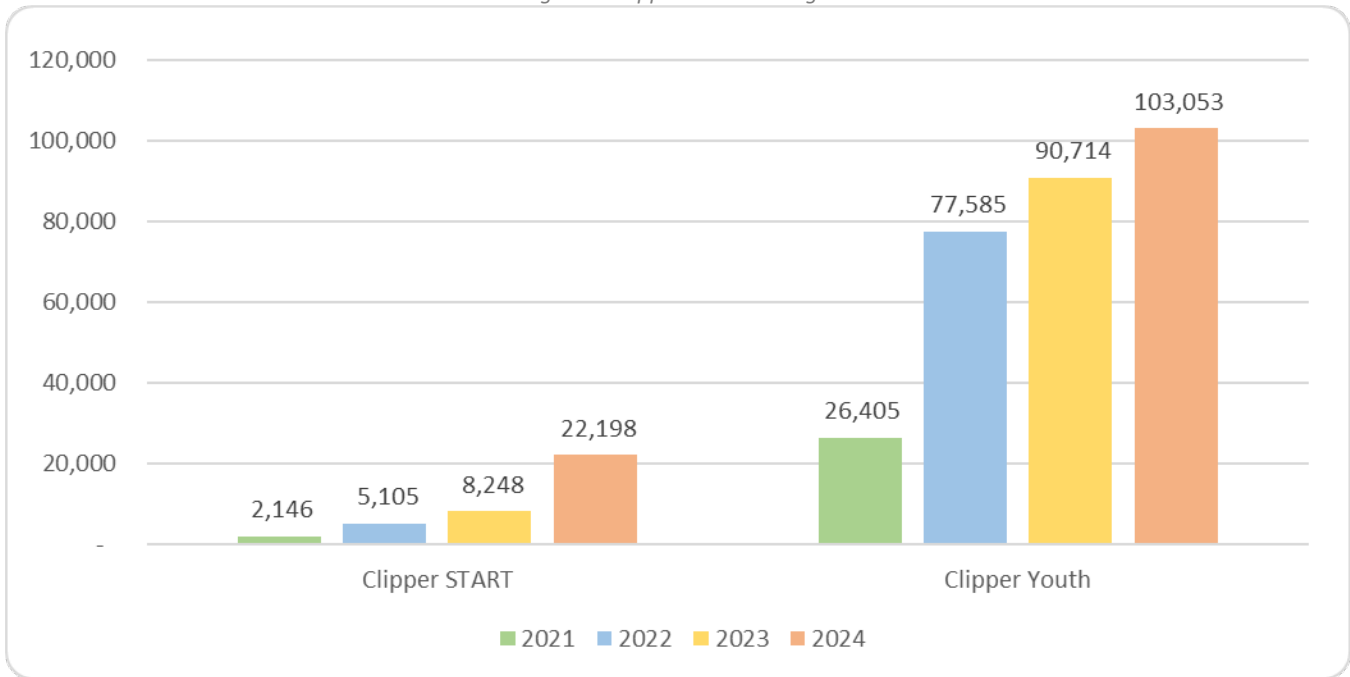
The Clipper START and Youth Clipper fare discounts on County Connection, initially launched as a pilot program in January 2021 with a 20% reduction off the single-ride Clipper fare. Clipper START, a regional initiative by the Metropolitan Transportation Commission (MTC), offers discounted fares to low-income adults (ages 19-64) with incomes at or below 200% of the federal poverty level through a specially encoded Clipper card. MTC provides funding to transit operators to partially offset the program's cost. Initially, transit operators offered varying discount levels (ranging from 20% to 50%) on Clipper START. Starting in January 2024 all operators participating in Clipper START offer a 50% discount. Recognizing that Clipper START is limited to adults, County Connection introduced a parallel 50% discount for youth riders (ages 6-18) using a Youth Clipper card, also starting in January 2024. Given the regional success and increased adoption of Clipper START, MTC has proposed making the program permanent after the pilot concludes on June 30, 2025, while continuing partial fare loss reimbursement to transit operators.

**Ridership Trend:**

In the 12 months since the regional 50% discount for Clipper START went into effect, County Connection routes have seen a significant surge in ridership. Clipper START usage increased by 169%, and the number of unique cards used grew by 161%, indicating a substantial influx of new users, as shown in Figure 1. The actual usage by Clipper START cardholders is likely even higher, as many County Connection routes are free. Meanwhile, Clipper Youth has also experienced steady growth, adding over 10,000 rides since its discount increased.

Given Clipper START's positive impact on low-income riders and continued MTC subsidies, staff recommends continuing the 50% discount for Clipper START. We also propose expanding this 50% discount to Clipper Youth to match Clipper START, which would further reduce transit costs and improve access to transit for youth.

Figure 1: Clipper Product Usage



**Title VI Requirement:**

As a federal grant recipient, County Connection is required to maintain and provide to the Federal Transit Administration (FTA) information on its compliance with Title VI of the Civil Rights Act of 1964 (Title VI), which prohibits discrimination by recipients of federal financial assistance. The FTA further requires that recipients of FTA financial assistance conduct an analysis on all non-exempt fare changes to assess the impacts of those changes on low-income and minority populations. Since the proposal constitutes a fare change, its implementation requires an equity analysis under the FTA's Title VI regulations.

A fare reduction is deemed to be a benefit, and the required disparate impact analysis examines the allocation of benefits from the fare reduction among minority riders on the affected routes relative to the proportion of minority riders among the system ridership as a whole. Similarly, the required disproportionate burden analysis examines the allocation of benefits from the fare reduction among low-income riders on the affected routes relative to proportion of low-income riders among the system ridership as a whole.

**Equity Analysis:**

The impact analyses were conducted using 2023 onboard passenger survey data for the Clipper START fare changes and Census data for the Youth Clipper fare change. The use of Census data for the Youth Clipper analysis was due to the lack of reliable onboard survey data among youth riders, who are less likely to complete these types of surveys and/or provide accurate information such as household income.

The attached Title VI Fare Equity Analysis did not find any disparate impact based on race or any disproportionate burden to low-income populations from any of the proposed fare changes. For the Clipper START discount, the analysis found that minority and low-income riders would be more likely to receive the discount by a margin of 7.1% and 40.4%, respectively. For the Youth Clipper fare discount, minority and low-income riders would also be more likely to receive the discount by a margin of 11.6% and 0.5%, respectively.

**Public Outreach:**

In May 2025, staff began outreach to receive public comment on the proposed continuation of Clipper discounts. A public hearing has been scheduled for June 19, 2025, preceding the Board of Directors meeting. The public may also submit written comments via mail, email, and online through County Connection’s website. Written comments are due June 11<sup>th</sup> and will be included in the item presented to the Board. All comments received, including those at the public hearing will be summarized in the final Title VI report, which will be presented to the FTA.

**Financial Implications:**

Staff estimates continuation of 50% discount for both Clipper START and Youth Clipper will result in an annual net revenue loss of \$132,000 as shown in *Table 1*. This includes partial reimbursement by MTC to offset fare loss faced by transit agencies. MTC will continue annual upfront payment to transit operators based on anticipated fare revenue losses.

*Table 1: Estimated Annual Fare Revenue Loss*

Fare Change	Current
Clipper START	\$12,000
Youth Clipper	\$120,000
<b>TOTAL</b>	<b>\$132,000</b>

**Recommendation:**

Staff recommends that the A&F Committee forward the attached Title VI Fare Equity Analysis to the Board for review and approval. The analysis has been reviewed by legal counsel, and the public outreach section will be updated upon completion of the scheduled public hearing.

**Action Requested:**

Staff requests that the A&F Committee forward this item to the Board for approval.

**Attachments:**

Attachment 1: Title VI Fare Equity Analysis

*County Connection*

**Title VI Fare Equity Analysis**  
**2025 Clipper Fare Changes**

CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
June 2025

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## **1 INTRODUCTION**

As a federal grant recipient, the Central Contra Costa Transit Authority (County Connection) is required to maintain and provide to the Federal Transit Administration (FTA) information on its compliance with Title VI of the Civil Rights Act of 1964 (Title VI), which prohibits discrimination by recipients of federal financial assistance. The FTA further requires that recipients of FTA financial assistance conduct an analysis on all fare changes to assess the impacts of those changes on low-income and minority populations.

County Connection is proposing the following changes to Clipper® fares:

- Continuation of 50% discount single-ride fare for Clipper START
- Continuation of 50% discount single-ride fare for Youth Clipper

The proposed changes will continue fare discounts for certain riders, which constitutes a fare change requiring an equity analysis under the FTA's Title VI regulations. The following equity analysis concludes that there is no disparate impact based on race, and no disproportionate burden on low-income riders, from continuation of either of the proposed fare programs.

## **2 TITLE VI POLICIES**

In October 2012, the FTA released Circular 4702.1B (Circular), which provides guidelines for compliance with Title VI. Under the Circular, transit operators are required to study proposed fare changes and “major service changes” before the changes are adopted to ensure that they do not have a discriminatory effect based on race, color, national origin or low-income status of affected populations. As a first step, public transit providers must adopt their own “Major Service Change,” “Disparate Impact,” and “Disproportionate Burden” policies. County Connection’s Board of Directors adopted these policies in June 2013. The adopted Disparate Impact and Disproportionate Burden policies, which apply to fare equity analyses, are described below.

## **2.1 Disparate Impact Policy**

The Disparate Impact Policy establishes a threshold for determining whether proposed fare or major service changes have a disproportionately adverse effect on minority populations relative to non-minority populations on the basis of race, ethnicity or national origin.

The threshold is the difference between the burdens borne by, or benefits experienced by, minority populations compared to non-minority populations. Exceeding the threshold means either that a fare or major service change negatively impacts minority populations more than non-minority populations, or that the change benefits non-minority populations more than minority populations. A change with disparate impacts that exceed the threshold can only be adopted (a) if there is substantial legitimate justification for the change, and (b) if no other alternatives exist that would serve the same legitimate objectives with less disproportionate effects on the basis of race, color or national origin.

County Connection establishes that a fare change, major service change or other policy has a disparate impact if minority populations will experience 20% more of the cumulative burden, or experience 20% less of the cumulative benefit, relative to non-minority populations, unless (a) there is substantial legitimate justification for the change, and (b) no other alternatives exist that would serve the same legitimate objectives with less disproportionate effects on the basis of race, color or national origin.

## **2.2 Disproportionate Burden Policy**

The Disproportionate Burden Policy establishes a threshold for determining whether proposed fare or major service changes have a disproportionately adverse effect on low-income populations relative to non-low-income populations.

The threshold is the difference between the burdens borne by, and benefits experienced by, low-income populations compared to non-low-income populations. Exceeding the threshold means either that a fare or service change negatively impacts low-income populations more than non-low-income populations, or that the change benefits non-low-income populations more than low-income populations. If the threshold is exceeded, County Connection must take steps to avoid, minimize or mitigate impacts where practicable.

County Connection establishes that a fare change, major service change or other policy has a disproportionate burden if low-income populations will experience 20% more of the cumulative burden, or experience 20% less of the cumulative benefit, relative to non-low-income populations, unless avoiding, minimizing, or mitigating the disproportionate effects is impracticable.

## **2.3 Public Outreach**

In developing the above policies, County Connection staff conducted public outreach (detailed below), including three public meetings with language services available, to provide information and get feedback on the draft policies. Staff incorporated public input gathered through this outreach into the policies proposed for Board approval.

March 28, 2013 – Monument Corridor Transportation Action Team

*Public Comments: Include an annual review to ensure that major service change threshold has not been crossed.*

April 15, 2013 – Public Meeting at the San Ramon Community Center

*Public Comments: Consistent with prior comment to include an annual review for major service changes.*

May 14, 2013 - Public Meeting at the Walnut Creek Library

*Public Comments: None*

April 1<sup>st</sup> – June 1<sup>st</sup>, 2013 – Draft policies made available for public comments on County Connection Website

June 20, 2013 – Public Hearing and Proposed Adoption at the County Connection Board of Directors Meeting

*Public Comments: None*

### 3 PROPOSAL DESCRIPTION

#### Continuation of Clipper START & Youth Clipper Discounts

The Clipper START and Youth Clipper fare discounts on County Connection initially launched as a pilot program in January 2021 with a 20% reduction off the single-ride Clipper fare. The discounts increased to 50% off the single-ride Clipper fare in January 2024. Clipper START, a regional initiative by the Metropolitan Transportation Commission (MTC), offers discounted fares to low-income adults (ages 19-64) with incomes at or below 200% of the federal poverty level through a specially encoded Clipper card. MTC provides funding to transit operators to partially offset the program's cost. Recognizing that Clipper START is limited to adults, County Connection introduced a parallel 50% discount for youth riders (ages 6-18), regardless of family income, also using a Youth Clipper card and starting in January 2024.

The enhanced 50% discount spurred greater Clipper adoption than the initial 20% discount. In 2024, Clipper START ridership surged by 169% compared to 2023, when the discount was lower. Similarly, Youth Clipper ridership increased by 14% in the same period. Given the regional success and increased adoption of Clipper START, MTC has proposed making the program permanent after the pilot concludes on June 30, 2025, while continuing partial fare loss reimbursement to transit operators. If approved, County Connection intends to permanently implement the 50% discounts offered through Clipper START, effective July 1, 2025. However, this continuation is contingent on sustained partial reimbursement from MTC.

Furthermore, County Connection will also continue the parallel discounts to youth riders using Youth Clipper cards.

### 4 EQUITY ANALYSIS

Pursuant to the Title VI Circular, a reduction in fare is a fare change and requires an equity analysis. Because a reduction in fare is a benefit, the disparate impact analysis examines the allocation of benefits from the fare reduction among minority riders who receive the discount relative to their share of the ridership as a whole. Similarly, the disproportionate burden analysis examines the allocation of benefits from the fare reduction among low-income riders relative to their share of the ridership as a whole.

## 4.1 Methodology and Data

### Methodology

The Circular requires County Connection to conduct a fare equity analysis for all fare changes, regardless of the amount of increase or decrease, to evaluate the effects of fare changes on minority and low-income populations. The following actions do not require a fare equity analysis:

- (i) “Spare the air days” or other instances when a local municipality or transit agency has declared that all passengers ride free.
- (ii) Temporary fare reductions that are mitigating measures for other actions.
- (iii) Promotional fare reductions. However, if a promotional or temporary fare reduction lasts longer than six months, then FTA considers the fare reduction permanent, and the transit provider must conduct a fare equity analysis.

For proposed changes that would increase or decrease fares on the entire system, or on certain transit modes, or by fare payment type or fare media, the fare equity analysis must analyze available information generated from ridership surveys indicating whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type, or payment media that would be subject to the fare change.

Both the Disparate Impact Policy and Disproportionate Burden Policy require an examination of the cumulative impacts of a fare change. As a result, this analysis determines potential impacts of the proposed changes by comparing the percentages of low-income and minority riders who would receive each discount based on relative ridership against the percentages of low-income and minority riders who use the system as a whole. These metrics will identify whether low-income and minority riders would experience a disproportionately lower benefit than non-low-income and non-minority riders due to the proposed fare changes.

### Definitions

**Minority** – FTA defines a minority person as anyone who is American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, or Native Hawaiian or other Pacific Islander.

**Low-Income** – FTA defines a low-income person as a person whose household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines. However, FTA encourages the use of any locally developed threshold provided that the threshold is at least as inclusive as the HHS poverty guidelines. This analysis defines low-income as 200% of the federal poverty level, which is the same threshold used to determine eligibility for the Clipper START program.

### Data Sources

#### *Onboard Passenger Survey*

An onboard passenger survey was conducted on County Connection buses in October and November 2023, and a total of 826 responses were collected. The survey was conducted on both weekdays and weekends using tablet computers on which the online survey was administered. A sampling plan was developed to ensure that the distribution of completed surveys mirrored the actual distribution of passengers using the system. The sampling plan included completion goals that were set by route and time period based on ridership.

The onboard passenger survey data provides demographic information on County Connection’s riders, including race and income. Survey respondents who declined to answer questions about income or ethnicity are excluded from the analysis. In order to protect privacy, survey respondents were asked to report their income bracket as opposed to their specific income. Because of this, the analysis uses the median of the selected income bracket to compare against the federal poverty level.

Table 1 below shows how low-income status—defined in this analysis as 200% of the 2023 federal poverty guidelines—is determined based on household size and income bracket. Using these thresholds, each individual survey response was categorized as either low-income or non-low income based on responses to the questions about household size and income.

**Table 1: Low-Income Thresholds by Household Size**

Household Size	Low-Income Threshold
1	Under \$25,000
2	Under \$35,000
3-4	Under \$50,000
5-6	Under \$75,000
7-10	Under \$100,000

*American Community Survey*

While County Connection’s Onboard Passenger Survey provides a representative sample of adult riders, these types of surveys generally underrepresent youth riders, as they are less likely to complete the survey and/or be able to provide accurate information such as household income. Due to this absence of reliable demographic data on County Connection’s youth riders, data from the American Community Survey (ACS) was used for analyzing the proposed continuation of the increased youth fare discount. More specifically, the analysis uses data from the 2023 ACS 5-year estimates for all Census tracts and 2020 Decennial Census for all Block Groups within County Connection’s service area. Staff considered but chose not to use school data from the California Department of Education, after determining that the available data is incomplete because it excludes private schools, which comprise a significant portion of youth within County Connection’s service area.

**4.2 Impact Assessment**

Clipper START

Based on the Onboard Passenger Survey data, 63.1% of all County Connection riders identify as minority and 59.6% are considered low-income. Of the riders who would qualify for the Clipper START Program, 70.2% identify as minority and all are low-income.

*Continuation of Clipper START Fare Discount*

There is no disparate impact on minority riders from the continuation of the Clipper START fare discount of 50% (Clipper START Discount). Of the low-income riders who would qualify for the program, 70.2% are minority, which is higher than the system as a whole at 63.1%, by a margin

of +7.1%. Thus, minority riders are more likely to receive the benefits of the Clipper START Discount than non-minority riders.

There is also no disproportionate burden on low-income riders from the continuation of the Clipper START Discount. All users (100%) of the Clipper START Discount would be low-income given that this is the eligibility criteria for the program. When compared to the proportion of low-income riders on the system as a whole which is at 59.6%, this is a differential of +40.4%. The continuation of the Clipper START Discount does not create a burden on low-income riders. In fact, the continuation benefits low-income riders more than non-low-income riders as demonstrated by 169% growth in ridership numbers since the increase in discount.

#### *Discontinuation of Clipper START Discount*

Discontinuation of the Clipper START Discount would not result in a disparate impact on minority riders. The discontinuation of the Clipper START Discount would result in a fare increase for 70.2% of low-income minority riders, which is slightly higher than impact on the system as a whole at 63.1%. The resulting 7.1% difference between the impact to low-income minority riders compared to the system as a whole is within the 20% threshold established by County Connection's Disparate Impact Policy.

Discontinuation of Clipper START Discount would result in a disproportionate burden on low-income eligible riders. Since all low-income eligible riders qualify for the Clipper START Discount, discontinuation would impact 100% of low-income eligible riders. Whereas, discontinuation would impact 59.6% of riders of the overall system. The resulting 40.4% difference between the impact on low-income eligible riders and the overall system riders surpasses the 20% threshold defined in County Connection's Disproportionate Burden Policy. Critically, discontinuation of the Clipper START Discount would double the Clipper fare for affected riders, increasing it by 100% from \$1.00 to \$2.00 per trip.

Table 2 below shows the results of the impact analysis for the Clipper START Discount.

**Table 2: Clipper START Discount Impact Analysis Results**

	<b>% Minority</b>	<b>% Low-Income</b>
<b>Eligible for Clipper START</b>	<b>70.2%</b>	<b>100.0%</b>
Systemwide	63.1%	59.6%
<b>Difference from Systemwide</b>	<b>+7.1%</b>	<b>+40.4%</b>
<i>Results for Continuation</i>	<i>No Disparate Impact</i>	<i>No Disproportionate Burden</i>
<i>Results for Discontinuation</i>	<i>No Disparate Impact</i>	<i>Disproportionate Burden</i>

Youth Clipper Fare Discount

Based on Decennial Census data, 51.8% of all residents within County Connection’s service area identify as minority, and based on ACS data, 13.6% are considered low-income. Of all residents in the service area that would qualify for a continued increased Youth Clipper Fare Discount (“Youth Discount”), 63.4% are minority, and 13.1% are considered low-income.

*Continuation of Youth Clipper Fare Discount*

There is no disparate impact on minority riders from continuing the Youth Discount. The percentage of minority youth in County Connection’s service area that qualify for the Youth Discount is higher than the overall minority population in the service area by a margin of +11.6%. Thus, youth minority riders are more likely to receive the benefits of the continued Youth Discount than non-minority riders.

There is also no disproportionate burden on low-income riders from continuing the Clipper Youth Fare Discount. The percentage of low-income youth in County Connection’s service area that qualify for the discount is 13.1% which is slightly lower than the overall low-income population in the service area which is 13.6%. The difference is a margin of -0.5%, which is within the 20% threshold established by County Connection’s Disproportionate Burden Policy.

*Discontinuation of Youth Clipper Fare Discount*

Discontinuation of the Clipper Youth Fare Discount would not result in a disparate impact on minority riders. The discontinuation would result in a fare increase for 63.4% of minority youth

riders, which is higher than the system as a whole at 51.8%. However, the resulting difference of 11.6% is within the 20% threshold established by County Connection’s Disparate Impact Policy.

The discontinuation of the Clipper Youth Fare Discount would also not have a disproportionate burden on low-income riders. The usage by low-income youth riders is 13.1%, which is slightly lower than the share of the ridership that are low-income on the system as a whole, which is 13.6%. The resulting 0.5% differential is within the 20% threshold established by County Connection's Disproportionate Burden Policy.

Table 3 below shows the results of the impact analysis for the Youth Clipper fare.

**Table 3: Youth Clipper Fare Impact Analysis Results**

	<b>% Minority</b>	<b>% Low-Income</b>
<b>Eligible for Youth Fare</b>	<b>63.4%</b>	<b>13.1%</b>
Service Area	51.8%	13.6%
<b>Difference from Service Area</b>	<b>+11.6%</b>	<b>-0.5%</b>
<i>Results for Continuation</i>	<i>No Disparate Impact</i>	<i>No Disproportionate Burden</i>
<i>Results for Discontinuation</i>	<i>No Disparate Impact</i>	<i>No Disproportionate Burden</i>

## **5 PUBLIC OUTREACH**

In May 2025, staff began conducting outreach to solicit feedback from the public on the proposed Clipper fare changes. County Connection invited public comment at a public hearing on June 19, 2025, as well as by mail, email, and online through County Connection’s website. Notices for the public hearing were placed on all fixed-route buses, and published in the East Bay Times. Information about the proposed changes was available on County Connection’s website and announced through several social media posts on X (formerly Twitter), Facebook, Instagram, Bluesky, and NextDoor. All materials were translated into Spanish per County Connection’s Limited English Proficiency (LEP) Plan. Copies of outreach materials and public hearing notices are attached in Appendix B.

## **5.0 Public Comment**

[Placeholder for public comment]

**APPENDIX A: RESOLUTION NO. 2013-019 AND  
COUNTY CONNECTION'S TITLE VI POLICIES**

## RESOLUTION NO. 2013-019

### Central Contra Costa Transit Authority

#### Board of Directors

\*\*\*

#### **Adoption of Major Service Change, Disparate Impact, and Disproportionate Burden policies required for compliance with Title VI of the Civil Rights Act of 1964**

**WHEREAS**, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 et seq., for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions; and

**WHEREAS**, Title VI of the Civil Rights Act of 1964 requires recipients of Federal grants and other federal financial assistance to operate their programs and services in a nondiscriminatory manner without regard to, race, color or national origin; and

**WHEREAS**, the Federal Transit Administration (FTA) issued Circular FTA C 4702.1B, effective October 1, 2012, setting forth requirements and guidelines for Title VI compliance; and

**WHEREAS**, as set forth in the above-referenced Circular, the Board of Directors is required to adopt policies to guide the equitable distribution of County Connection services; and

**WHEREAS**, the County Connection is also required to adopt policies to define when a service change is sufficiently broad or large to necessitate a review of its potential impacts on minority and low-income populations, and to define when a fare change or major service change will have a disparate impact on minority populations or impose a disproportionate burden on low-income populations, all of which policies and definitions are required to be subject to public input; and

**WHEREAS**, over the past three months, staff has presented draft policies to the Marketing, Planning, and Legislative Committee and the public through public meetings, and accepted public comment on the policies; and

**WHEREAS**, the General Manager recommends the Board approve the attached definition of "Major Service Change," and Disparate Impact and Disproportionate Burden policies, which comply with FTA requirements and which will guide future decisions regarding and monitoring of County Connection programs and services to ensure they are provided equitably, without discrimination based on race, color or national origin.

**NOW, THEREFORE, BE IT RESOLVED** the Board of Directors of the Central Contra Costa Transit Authority hereby approves the attached definition of "Major Service Change," and Disparate Impact and Disproportionate Burden policies.

Regularly passed and adopted this 20th day of June, 2013 by the following vote:

AYES: Directors Andersen, Haskew, Horn, Hoffmeister, Manning, Schroder and Worth

NOES: Directors Dessayer and Weir

ABSTENTIONS: None

ABSENT: Directors Hudson and Storer



Erling Horn, Chair, Board of Directors

ATTEST:



Lathina Hill, Clerk to the Board

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### **Title VI of the Civil Rights Act - Proposed Major Service Change Policy / Disparate Impact Policy / Disproportionate Burden Policy**

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#### **Summary of Issues:**

In October 2012, the Federal Transit Administration released new guidelines for compliance with Title VI of the Civil Rights Act of 1964 (Title VI Circular 4702.1B). Under the Circular, transit operators are required to study proposed fare changes and “major” service changes before the changes are adopted to ensure that they do not have a discriminatory effect based on race, ethnicity, national origin or socio-economic status of affected populations. As a first step, public transit providers must adopt their own “Major Service Change,” “Disparate Impact,” and “Disproportionate Burden,” policies. The three policies, and County Connection's proposals, are described below.

#### **Major Service Change Policy**

##### **Description:**

This policy establishes a threshold for when a proposed service increase or decrease is “major,” and thus must be subject to a Title VI Equity Analysis.

County Connection previously defined major service decreases in its adopted “Public Hearing Policy.” The new Policy will apply this threshold to both increases and decreases, and provide for changes to be measured not just individually, but on a cumulative basis over a 12-month period.

##### **Proposed Policy:**

County Connection defines a major service change as:

1. An increase or decrease of 25 percent or more to the number of transit route miles of a bus route; or
2. An increase or decrease of 25 percent or more to the number of daily transit revenue miles of a bus route for the day of the week for which the change is made; or
3. A change of service that affects 25 percent or more of daily passenger trips of a bus route for the day of the week for which the change is made.

Changes shall be counted cumulatively, with service changes being “major” if the 25 percent change occurs at one time or in stages, with changes totaling 25 percent over a 12-month period.

The following service changes are exempted from this policy:

1. Changes to service on a route with fewer than 10 total trips in a typical service day are not considered “major” unless service on that route is eliminated completely on any such day.

2. The introduction or discontinuation of short- or limited-term service (e.g., promotional, demonstration, seasonal or emergency service, or service provided as mitigation or diversions for construction or other similar activities), as long as the service will be/has been operated for no more than twelve months.
3. County Connection-operated transit service that is replaced by a different mode or operator providing a service with similar or better headways, fare, transfer options, span of service, and stops.

## **Disparate Impact Policy**

### **Description:**

The Disparate Impact Policy establishes a threshold for determining whether proposed fare or major service changes have a disproportionately adverse effect on minority populations relative to non-minority populations on the basis of race, ethnicity or national origin.

The threshold is the difference between the burdens borne by, or benefits experienced by, minority populations compared to non-minority populations. Exceeding the threshold means either that a fare or major service change negatively impacts minority populations more than non-minority populations, or that the change benefits non-minority populations more than minority populations. A change with disparate impacts that exceed the threshold can only be adopted (a) if there is substantial legitimate justification for the change, and (b) if no other alternatives exist that would serve the same legitimate objectives but with less disproportionate effects on the basis of race, color or national origin.

### **Proposed Policy:**

County Connection establishes that a fare change, major service change or other policy has a disparate impact if minority populations will experience 20% more of the cumulative burden, or experience 20% less of the cumulative benefit, relative to non-minority populations, unless (a) there is substantial legitimate justification for the change, and (b) no other alternatives exist that would serve the same legitimate objectives but with less disproportionate effects on the basis of race, color or national origin.

## **Disproportionate Burden Policy**

### **Description:**

The Disproportionate Burden Policy establishes a threshold for determining whether proposed fare or major service changes have a disproportionately adverse effect on low-income populations relative to non-low-income populations.

The threshold is the difference between the burdens borne by, and benefits experienced by, low-income populations compared to non-low income populations. Exceeding the threshold means either that a fare or service change negatively impacts low-income populations more than non-low-income populations, or that the change benefits non-low-income populations more than low-income populations.

If the threshold is exceeded, County Connection must avoid, minimize or mitigate impacts where practicable.

**Proposed Policy:**

County Connection establishes that a fare change, major service change or other policy has a disproportionate burden if low-income populations will experience 20% more of the cumulative burden, or experience 20% less of the cumulative benefit, relative to non-low-income populations unless the disproportionate effects are mitigated.

## APPENDIX B: PUBLIC OUTREACH MATERIALS & NOTICES OF PUBLIC HEARING

### Webpage

<https://countyconnection.com/clipper-discounts-2025/>

### Social Media Graphics

*County Connection*

# PUBLIC HEARING

**PROPOSED  
CLIPPER FARE  
DISCOUNTS**

THURS, JUNE 19, 2025 @ 9AM  
COMMENT IN PERSON  
JOIN US ON ZOOM  
COMMENT ONLINE  
SEE LINK FOR DETAILS

*County Connection*

# AUDIENCIA PÚBLICA

**CAMBIOS  
PROPUESTOS EN LAS  
TARIFAS DE CLIPPER**

19 DE JUNIO DEL 2025  
A LAS 9:00 AM  
GAYLE B. UILKEMA  
MEMORIAL BOARD ROOM  
2477 ARNOLD INDUSTRIAL WAY  
CONCORD, CA 94520  
Ver enlace para más detalles

County Connection

# PUBLIC HEARING

## PROPOSED CLIPPER FARE DISCOUNTS

We're seeking  
community input on:

*Continuation of  
50% discount  
for Clipper START  
and Youth Clipper*

SCAN QR CODE  
FOR ALL DETAILS ▶



### COMMENT IN PERSON

JUNE 19, 2025 @ 9AM

GAYLE B. UILKEMA  
MEMORIAL BOARD ROOM  
2477 ARNOLD INDUSTRIAL WAY  
CONCORD, CA 94520



**ZOOM:** Be a virtual guest!  
(Scan QR code below for link)



**CALL-IN:** 408-638-0968  
Meeting ID: 853 9913 3311

### WRITTEN COMMENTS \*



#### VIA MAIL

Director of Planning & Marketing  
2477 Arnold Industrial Way  
Concord, CA 94520



#### VIA EMAIL

planning@countyconnection.com

#### COMMENT ONLINE

[countyconnection.com/clipper-discounts-2025](https://countyconnection.com/clipper-discounts-2025)

\* Written comments must be  
received by June 11, 2025.

County Connection

# AUDIENCIA PÚBLICA

## CAMBIOS PROPUESTOS EN LAS TARIFAS DE CLIPPER

Estamos buscando  
la opinión de la  
comunidad sobre:

*Continuación  
del 50% de  
descuento para  
Clipper START y  
Youth Clipper*

ESCAÑEA EL CÓDIGO  
QR PARA TODOS  
LOS DETALLES ▶



### COMENTA EN PERSONA

19 DE JUNIO DEL 2025  
A LAS 9:00 AM

GAYLE B. UILKEMA  
MEMORIAL BOARD ROOM  
2477 ARNOLD INDUSTRIAL WAY



¡Sé un/a invitado/a virtual!  
Escanee el código QR a  
continuación para ver el enlace



LLAMAR: 408-638-0968  
Identificación de la reunión:  
853 9913 3311

### COMENTARIOS POR ESCRITO \*



#### POR CORREO

Director of Planning & Marketing  
2477 Arnold Industrial Way  
Concord, CA 94520



#### POR CORREO ELECTRÓNICO

planning@countyconnection.com

#### COMENTE POR INTERNET

[countyconnection.com/clipper-discounts-2025](http://countyconnection.com/clipper-discounts-2025)

\* Los comentarios escritos deben recibirse  
antes del 11 de junio del 2025

Legal Notice

To be published on June 3<sup>rd</sup>, 2025

## APPENDIX C: PUBLIC COMMENTS

*All comments are presented as submitted online or in written communication, no revisions (such as to correct misspellings) were made.*

#	Public Comment	Staff Response
1	[Placeholder]	[Placeholder]
2	[Placeholder]	[Placeholder]
3	[Placeholder]	[Placeholder]
4	[Placeholder]	[Placeholder]

## **APPENDIX D: RESOLUTION NO. 2025-XX**

[Placeholder]

## INTER OFFICE MEMO

**To:** Administration & Finance Committee

**Date:** 05/28/2025

**From:** Kristina Martinez, Director of Human Resources

**Reviewed by:** WC.

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**SUBJECT: Adjustment to Non-Represented Administrative Employees Compensation**

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### **Background:**

County Connection employees consist of the following groups: Transit Operators, Transit Supervisors, Maintenance, and Administrative staff. The Administrative employee group is the only non-represented group. The other three employee groups are all represented by a separate union with distinct Memorandums of Understanding (MOU).

### **Summary of Issues:**

It looks reasonably certain that for FY26 the Authority can prudently afford an increase for the non-represented employees.

The General Manager requests a 3% cost of living adjustment ("COLA") for all satisfactorily performing administrative employees effective July 1, 2025 (see Attachment 1). 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.

### **Financial Implications:**

The cost for the above requested increases will not exceed \$230,000 and is included in the proposed FY26 budget.

### **Recommendation:**

Staff recommends that the A&F Committee review and discuss the proposed 3% COLA and \$50,000 merit pool allocation, for a not to exceed total cost of \$230,000.

### **Action Requested:**

Staff requests the A&F Committee forward the COLA and merit pool proposal to the full Board of Directors with a recommendation for approval at the June meeting.

### **Attachments:**

Attachment 1: Proposed FY26 Pay Scale



**PROPOSED PAY SCALE FY 2026**  
**Annual Salary Amounts**

GRADE POSITION	STEPS								
	1 (MIN)	2	3	4	5	6	7	8	9 (MAX)
<b>GRADE 9</b>									
ASST. FACILITIES SUPER.	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
MAINTENANCE ASSISTANT	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
ASSOCIATE PLANNER/SCHEDULER	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
TRANSPORTATION ASSISTANT	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
MAINTENANCE DATA ANALYST	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
MARKETING ASSISTANT	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
ACCOUNTING ANALYST	\$ 78,991	\$ 82,177	\$ 85,398	\$ 88,856	\$ 92,348	\$ 96,111	\$ 99,908	\$ 103,976	
<b>GRADE 8</b>									
ACCOUNTING TECHNICIAN II	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
ASSISTANT PLANNER/SCHEDULER	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
DESKTOP SUPPORT SPECIALIST	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
HUMAN RESOURCES SPECIALIST	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
SR. ACCOUNTING ASSIST.	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
FACILITY SPECIALIST	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
SENIOR CUSTOMER SERVICE REP	\$ 71,736	\$ 74,583	\$ 77,601	\$ 80,618	\$ 83,906	\$ 87,263	\$ 90,788	\$ 94,348	
<b>GRADE 7</b>									
ACCOUNTING TECHNICIAN I	\$ 65,193	\$ 67,905	\$ 70,549	\$ 73,363	\$ 76,380	\$ 79,363	\$ 82,550	\$ 85,839	
HUMAN RESOURCES ASSISTANT	\$ 65,193	\$ 67,905	\$ 70,549	\$ 73,363	\$ 76,380	\$ 79,363	\$ 82,550	\$ 85,839	
ADMINISTRATIVE ASSISTANT III	\$ 65,193	\$ 67,905	\$ 70,549	\$ 73,363	\$ 76,380	\$ 79,363	\$ 82,550	\$ 85,839	
<b>GRADE 6</b>									
CUSTOMER SERVICE REPRESENTATIVE	\$ 59,260	\$ 61,701	\$ 64,176	\$ 66,684	\$ 69,396	\$ 72,176	\$ 75,024	\$ 78,007	
ADA SPECIALIST	\$ 59,260	\$ 61,701	\$ 64,176	\$ 66,684	\$ 69,396	\$ 72,176	\$ 75,024	\$ 78,007	
<b>GRADE 5</b>									
LEAD CUSTODIAN	\$ 48,886	\$ 50,818	\$ 52,886	\$ 54,988	\$ 57,192	\$ 59,531	\$ 61,836	\$ 64,345	
<b>GRADE 4</b>									
CUSTODIAN	\$ 44,479	\$ 46,242	\$ 48,072	\$ 50,073	\$ 52,039	\$ 54,141	\$ 56,277	\$ 58,548	

**To:** Administration and Finance Committee

**Date:** 05/30/2025

**From:** Bill Churchill, General Manager *WC.*

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**SUBJECT:** Investment Report as of March 31, 2025

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**Background:**

This report is provided as required by the Authority's investment policy. Current investments are consistent with the investment policy and are allowable under current California law. Investments are selected to meet the priority principles of the policy: safety, liquidity, and yield.

**Investment Report:**

The total cash and investments held by the Authority as of March 31, 2025, is \$38,302,523 as follows:

Type of Investment	Issuer	Date of Maturity	Par Amount	Market Value
Cash – Cash on hand	N/A	April 1, 2025	\$934,388	\$934,388
Cash – Held in LAIF	N/A	April 1, 2025	\$37,368,135	\$37,368,135
<b>Total</b>			<b>\$38,302,523</b>	<b>\$38,302,523</b>

A detailed report of all cash and investments held in each individual bank account as of this date is included as Attachment 1.

It is noted that the funds held in the Authority's 115 Trust for Pensions and OPEB are outside of this policy and thereby not included in this report. Greater flexibility of the investment of 115 funds is permitted by California law under the condition that these funds are irrevocably committed to provide pension or OPEB benefits.

It is hereby affirmed that the Authority has the ability to meet its pool's expenditure requirements (cash flow) for the next six months.

**Financial Implications:**

No direct financial implication results from this report. However, adherence to the Authority's investment policy helps to ensure the Authority remains in strong financial health.

**Recommendation:**

None, information only.

**Action Requested:**

None, information only.

**Attachments:**

Attachment 1: CCCTA Bank Cash and Investment Accounts as of March 31, 2025

**CCCTA**  
**BANK CASH AND INVESTMENT ACCOUNTS**  
**AS OF MARCH 31, 2025**  
**(ROUNDED OFF TO NEAREST \$)**

FINANCIAL INST	ACCT #	TYPE	PURPOSE	PER BANK	PER BANK	PER BANK	PER GL*
				SEP 2024	DEC 2024	MAR 2025	MAR 2025
<b>FIXED ROUTE</b>							
BMO HARRIS	2087682	<b>CHECKING</b>	AP GENERAL	\$ 882,325	\$ 1,479,181	\$ 836,000	\$ 621,766
BMO HARRIS	2088565	<b>CHECKING</b>	PAYROLL	\$ 62,389	\$ 59,865	\$ 34,642	\$ 28,049
BMO HARRIS	2087807	<b>CHECKING</b>	CAPITAL PURCHASES - <i>Closed Dec, 2024</i>	\$ 25,000	\$ -	\$ -	\$ -
BMO HARRIS	2088706	<b>CHECKING</b>	WORKERS' COMP - CORVEL	\$ 68,316	\$ 72,952	\$ 63,721	\$ 54,430
PAYPAL	27SAXUUFL9732	<b>CHECKING</b>	PAYPAL-PASS SALES	\$ 25	\$ 25	\$ 25	\$ 25
			<b>TOTAL</b>	<b>\$ 1,038,055</b>	<b>\$ 1,612,023</b>	<b>\$ 934,388</b>	<b>\$ 704,270</b>
<b>PARATRANSIT</b>							
BMO HARRIS	2088425	<b>CHECKING</b>	PARA AP GENERAL - <i>Closed Dec, 2024</i>	\$ 24,913	\$ -	\$ -	\$ -
			<b>TOTAL</b>	<b>\$ 24,913</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LAIF FUND</b>							
<i>Effective Yield:</i>				<b>4.71%</b>	<b>4.62%</b>	<b>4.48%</b>	
LAIF ACCOUNT	4007001	<b>INT-INVEST</b>	OPERATING FUNDS	\$ 36,768,989	\$ 32,417,208	\$ 34,088,510	\$ 34,088,510
LAIF ACCOUNT		<b>INT-INVEST</b>	LCTOP - Martinez Amtrak VII		\$ 358,339	\$ 214,843	\$ 214,843
LAIF ACCOUNT		<b>INT-INVEST</b>	LCTOP - FREE Monument VI (Routes 11/14/16)		\$ 789,611	\$ 509,574	\$ 509,574
LAIF ACCOUNT		<b>INT-INVEST</b>	Pass-Through CA	\$ 828,162	\$ 837,844	\$ 847,589	\$ 847,589
LAIF ACCOUNT		<b>INT-INVEST</b>	Safe Harbor Lease Reserve	\$ 1,668,480	\$ 1,687,987	\$ 1,707,619	\$ 1,707,619
LAIF ACCOUNT		<b>FMV ADJ.</b>	Fair Market Value Adjustment for Year-End				
			<b>TOTAL</b>	<b>\$ 39,265,631</b>	<b>\$ 36,090,989</b>	<b>\$ 37,368,135</b>	<b>\$ 37,368,135</b>
<b>5/28/2025</b>			<b>GRAND TOTAL</b>	<b>\$ 40,328,599</b>	<b>\$ 37,703,012</b>	<b>\$ 38,302,523</b>	<b>\$ 38,072,405</b>

KLM/AJ

\* GL balances reduced by outstanding checks and increased by deposits in transit, if any.

## INTER OFFICE MEMO

**To:** Administration & Finance Committee

**Date:** 5/30/2025

**From:** Amber Johnson, Chief Financial Officer

**Reviewed by:** WC.

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**SUBJECT: Income Statements for the Nine Months Ended March 31, 2025**

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### **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 unaudited County Connection Income Statements for the third quarter of Fiscal Year (FY) 2025 are presented for review. Actual revenues and expenses are presented as compared to the adopted budget. The combined revenues were \$38.1 million (*Schedule 1*), representing 69.2% of the budget of \$55.1 million, including an estimated \$1.4 million in revenue available to transfer to the Authority's discretionary reserve fund at year end. The combined expenses of fixed route and paratransit for the period were \$36.7 million, which represents 67.2% of the of the budget of \$54.7 million. A budget amendment was approved at the last board meeting to transfer \$750 thousand of expenditures from the fixed route category to the paratransit category. This report incorporates that transfer.

### **Fixed Route:**

Overall fixed route revenues and expenses are presented on *Schedule 2*. Revenues for the period were \$29.1 million or 67.5% of the total budget. Expenses for the period were \$27.7 million or 65.0% of the total budget.

Total fare revenue includes payments collected by passengers, payments from organizations who replace passenger fares, and payments from organizations who contribute general operating assistance for agreed upon amounts. Actual fare revenue collection this period is on track to exceed the budget estimate of \$3.5 million, with \$2.8 million or 81.0% of the budget collected so far. Discretionary revenue sources include advertising and investment income. Actual revenue collection in both categories have outpaced budgetary estimates, collecting 346% of anticipated revenues in these categories.

The primary driver of the expense budget is wages and benefits. Actual expenditures on wages and benefits utilized 67.3% of the annual budget, as vacancies continue to result in budget savings in this category. All other Fixed Route expenditures are tracking as expected at this point in the year, except for utilities, which is utilizing 84.8% of the annual budget.

**Paratransit:**

Paratransit revenues and expenses are presented on *Schedule 3*. Expenses for the period were \$9.0 million, representing 75.1% of the total budget. TDA revenue is utilized as needed for Paratransit expenses, resulting in revenues that are equivalent to expenses.

Paratransit fare revenue collection this period has already exceeded the budget estimate of \$445 thousand, with \$455 thousand or 102.2% of the budget collected so far.

Purchased transportation expenses are the primary driver of the paratransit budget. Actual expenditures on purchased transportation for the Authority's paratransit service has utilized 76.4% of the budget. Purchased transportation expenses related to paratransit services operated on behalf of our partners have been budgeted to a separate line, and these expenditures have utilized 74.8% of the budget. All other Paratransit expenditures are tracking as expected at this point in the year, except for utilities, which is utilizing 77.6% of the annual budget.

**Statistics:**

*Schedule 4* provides select statistical information for FY 2025 as compared to this same period in FY 2024 and FY 2023.

In the third quarter of FY 2023, the fixed route farebox recovery ratio was 9.4%, and the cost of service per passenger was \$14.20. The farebox recovery ratio improved to 9.6% in FY 2024, and the cost per passenger improved to \$13.88. In the most recent Q3 of FY 2025, the farebox recovery ratio improved to 10.2%, and the cost per passenger decreased slightly at \$13.52. When comparing year to date figures over the last two years from FY 2023 to FY 2025, we see that passengers have increased by 14.2%, while revenue hours have gone up only 1.2%. This demonstrates a growing demand in fixed route service.

The paratransit farebox recovery ratio of 4.4% in FY 2023 improved to 6.2% in FY 2024 and 6.6% in FY 2025. The cost of service per passenger of \$83.33 in FY 2023 increased to \$89.45 in FY 2024 and to \$91.84 in FY 2025. The increase in cost per passenger is due to increased demand, paired with decreased productivity (passengers per vehicle). Staff continues to closely monitor expenditures and work with the Contractor to improve efficiency wherever possible.

**Financial Implications:**

There are no financial implications associated with this report.

**Recommendation:**

Staff recommends that the A&F Committee review the report for approval.

**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 FY2025 Q3 (Schedules 1 through 4)

**County Connection**  
**COMBINED Income Statement - Actual vs Budget**  
**For Year to Date Through 3/31/2025**

	Y-T-D Actual	Annual Budget	Variance	% Budget
<b>REVENUES</b>				
Passenger Fares	1,946,477	2,891,500	(945,023)	67.32%
Special Service Revenue	1,339,888	1,049,978	289,910	127.61%
Total Fare Revenue	3,286,365	3,941,478	(655,113)	83.38%
Federal Operating	1,663,074	2,040,376	(377,302)	81.51%
State Transit Assistance	5,036,960	6,690,946	(1,653,986)	75.28%
BART Feeder Funds	820,003	820,003	0	100.00%
Other State Grants	986,741	1,336,880	(350,139)	73.81%
TDA Article 4.0	15,091,323	27,613,209	(12,521,886)	54.65%
TDA Article 4.5	809,469	1,079,293	(269,824)	75.00%
Measure J Sales Tax	6,782,263	8,500,000	(1,717,737)	79.79%
Other Local Grants and Charges	229,362	250,503	(21,141)	91.56%
Total Federal-State-Local Revenue	31,419,195	48,331,210	(16,912,015)	65.01%
Advertising Income	375,000	200,000	175,000	187.50%
Investment and Misc Income	1,255,839	271,000	984,839	463.41%
Total Other Revenue	1,630,839	471,000	1,159,839	346.25%
Fare Revenue - LAVTA	20,108	34,175	(14,067)	58.84%
LAVTA Fees	1,339,733	1,970,940	(631,207)	67.97%
Fare Revenue - One Seat Partners	27,153	0	27,153	0.00%
One Seat Ride Fees	415,025	375,785	39,240	110.44%
Total Paratransit Partners	1,802,019	2,380,900	(578,881)	75.69%
<b>TOTAL REVENUE</b>	<b>38,138,418</b>	<b>55,124,588</b>	<b>(16,986,170)</b>	<b>69.19%</b>
<b>EXPENSES</b>				
Wages	12,504,645	18,628,353	(6,123,708)	-67.13%
Fringe Benefits	9,438,230	13,982,486	(4,544,256)	-67.50%
Total Wages & Benefits	21,942,875	32,610,839	(10,667,964)	-67.29%
Services	1,945,207	4,033,150	(2,087,943)	-48.23%
Materials and Supplies	2,370,805	3,667,700	(1,296,895)	-64.64%
Utilities	381,596	455,000	(73,404)	-83.87%
Insurance	976,633	1,358,173	(381,540)	-71.91%
Taxes	283,681	434,400	(150,719)	-65.30%
Leases and Rentals	47,622	70,000	(22,378)	-68.03%
Miscellaneous	202,734	376,250	(173,516)	-53.88%
Purchased Transportation	6,804,460	9,283,176	(2,478,716)	-73.30%
Total Other Operating (non-wages)	13,012,738	19,677,849	(6,665,111)	-66.13%
Purchased Transp - Partners	1,785,713	2,385,900	(600,187)	-74.84%
<b>TOTAL EXPENSES</b>	<b>36,741,326</b>	<b>54,674,588</b>	<b>(17,933,262)</b>	<b>-67.20%</b>
Excess Revenue Over (Under) Expenditures	1,397,092	450,000	947,092	310.46%

**County Connection**  
**Fixed Route Income Statement - Actual vs Budget**  
**For Year to Date Through 3/31/2025**

	Y-T-D Actual	Annual Budget	Variance	% Budget
<b>REVENUES</b>				
Passenger Fares	1,491,351	2,446,200	(954,849)	60.97%
Special Service Revenue	1,339,888	1,049,978	289,910	127.61%
Total Fare Revenue	2,831,239	3,496,178	(664,939)	80.98%
Federal Operating	72,698	450,000	(377,302)	16.16%
State Transit Assistance	5,036,960	6,690,946	(1,653,986)	75.28%
BART Feeder Funds	820,003	820,003	0	100.00%
Other State Grants	144,056	300,000	(155,944)	48.02%
TDA Article 4.0	13,777,067	24,386,076	(10,609,009)	56.50%
Measure J Sales Tax	4,809,300	6,500,000	(1,690,700)	73.99%
Other Local Grants and Charges	1,270	10,000	(8,730)	12.70%
Total Federal-State-Local Revenue	24,661,354	39,157,025	(14,495,671)	62.98%
Advertising Income	375,000	200,000	175,000	187.50%
Investment and Misc Income	1,255,839	271,000	984,839	463.41%
Total Other Revenue	1,630,839	471,000	1,159,839	346.25%
<b>TOTAL REVENUE</b>	<b>29,123,432</b>	<b>43,124,203</b>	<b>(14,000,771)</b>	<b>67.53%</b>
<b>EXPENSES</b>				
Wages	12,276,498	18,288,470	(6,011,972)	-67.13%
Fringe Benefits	9,282,825	13,743,233	(4,460,408)	-67.54%
Total Wages & Benefits	21,559,323	32,031,703	(10,472,380)	-67.31%
Services	1,816,305	3,808,150	(1,991,845)	-47.70%
Materials and Supplies	2,370,004	3,663,700	(1,293,696)	-64.69%
Utilities	335,043	395,000	(59,957)	-84.82%
Insurance	964,197	1,340,000	(375,803)	-71.96%
Taxes	283,681	434,400	(150,719)	-65.30%
Leases and Rentals	47,622	70,000	(22,378)	-68.03%
Miscellaneous	202,734	366,250	(163,516)	-55.35%
Purchased Transportation	147,431	565,000	(417,569)	-26.09%
Total Other Operating (non-wages)	6,167,017	10,642,500	(4,475,483)	-57.95%
<b>TOTAL EXPENSES</b>	<b>27,726,340</b>	<b>42,674,203</b>	<b>(14,947,863)</b>	<b>-64.97%</b>
Excess Revenue Over (Under) Expenditures	1,397,092	450,000	947,092	310.46%

**County Connection**  
**Paratransit Income Statement - Actual vs Budget**  
**For Year to Date Through 3/31/2025**

	Y-T-D Actual	Annual Budget	Variance	% Budget
<b>REVENUES</b>				
Passenger Fares	455,126	445,300	9,826	102.21%
Total Fare Revenue	455,126	445,300	9,826	102.21%
Federal Operating	1,590,376	1,590,376	0	100.00%
Other State Grants	842,685	1,036,880	(194,195)	81.27%
TDA Article 4.0	1,314,256	3,227,133	(1,912,877)	40.73%
TDA Article 4.5	809,469	1,079,293	(269,824)	75.00%
Measure J Sales Tax	1,972,963	2,000,000	(27,037)	98.65%
Other Local Grants and Charges	228,092	240,503	(12,411)	94.84%
Total Federal-State-Local Revenue	6,757,841	9,174,185	(2,416,344)	73.66%
Fare Revenue - LAVTA	20,108	34,175	(14,067)	58.84%
LAVTA Fees	1,339,733	1,970,940	(631,207)	67.97%
Fare Revenue - One Seat Partners	27,153	0	27,153	0.00%
One Seat Ride Fees	415,025	375,785	39,240	110.44%
Total Paratransit Partners	1,802,019	2,380,900	(578,881)	75.69%
<b>TOTAL REVENUE</b>	<b>9,014,986</b>	<b>12,000,385</b>	<b>(2,985,399)</b>	<b>75.12%</b>
<b>EXPENSES</b>				
Wages	228,147	339,883	(111,736)	-67.13%
Fringe Benefits	155,405	239,253	(83,848)	-64.95%
Total Wages & Benefits	383,552	579,136	(195,584)	-66.23%
Services	128,902	225,000	(96,098)	-57.29%
Materials and Supplies	801	4,000	(3,199)	-20.03%
Utilities	46,553	60,000	(13,447)	-77.59%
Insurance	12,436	18,173	(5,737)	-68.43%
Miscellaneous	0	10,000	(10,000)	0.00%
Purchased Transportation	6,657,029	8,718,176	(2,061,147)	-76.36%
Total Other Operating (non-wages)	6,845,721	9,035,349	(2,189,628)	-75.77%
Purchased Transp - Partners	1,785,713	2,385,900	(600,187)	-74.84%
<b>TOTAL EXPENSES</b>	<b>9,014,986</b>	<b>12,000,385</b>	<b>(2,985,399)</b>	<b>-75.12%</b>
Excess Revenue Over (Under) Expenditures	0	0	0	0.00%

Schedule 4

## County Connection Statistical Comparisons

For Year to Date Through 03/31/2025

	Actual FY 2025 through Q3	Actual FY 2024 through Q3	Variance FY 2025 to FY 2024	Actual FY 2023 through Q3	Variance FY 2025 to FY 2023
<b>Fixed Route</b>					
Fares & Fare Replacements	\$ 2,831,239	\$ 2,590,816	9.3%	\$ 2,381,996	18.9%
Operating Exp (Less leases)	\$ 27,678,718	\$ 26,919,141	2.8%	\$ 25,455,474	8.7%
<b>Farebox recovery ratio</b>	<b>10.2%</b>	<b>9.6%</b>		<b>9.4%</b>	
Revenue Hours	143,648	142,012	1.2%	141,925	1.2%
<b>Cost per Rev Hour</b>	<b>\$ 192.68</b>	<b>\$ 189.56</b>		<b>\$ 179.36</b>	
Passengers	2,046,977	1,940,012	5.5%	1,792,909	14.2%
<b>Cost per Passenger</b>	<b>\$ 13.52</b>	<b>\$ 13.88</b>		<b>\$ 14.20</b>	
<b>Passengers per Rev Hr</b>	<b>14.25</b>	<b>13.66</b>		<b>12.63</b>	
<b>Paratransit</b>					
Fares	\$ 455,126	\$ 372,096	22.3%	\$ 207,105	119.8%
Operating Exp (Less Partners)	\$ 6,845,721	\$ 6,027,790	13.6%	\$ 4,745,637	44.3%
<b>Farebox recovery ratio</b>	<b>6.6%</b>	<b>6.2%</b>		<b>4.4%</b>	
Revenue Hours	49,888	43,761	14.0%	34,289	45.5%
<b>Cost per Rev Hour</b>	<b>\$ 137.22</b>	<b>\$ 137.74</b>		<b>\$ 138.40</b>	
Passengers	74,536	67,386	10.6%	56,951	30.9%
<b>Cost per Passenger</b>	<b>\$ 91.84</b>	<b>\$ 89.45</b>		<b>\$ 83.33</b>	
<b>Passengers per Rev Hr</b>	<b>1.49</b>	<b>1.54</b>		<b>1.66</b>	

**To:** Board of Directors

**Date:** 5/28/2025

**From:** Amber Johnson, Chief Financial Officer

**Reviewed by:** WC.

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**SUBJECT: Fiscal Year 2026 Proposed Budget and Forecast Update**

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### **Background:**

County Connection's Fiscal Year (FY) 2026 Operating and Capital Budget is presented to the Board of Directors for review, discussion and approval. The draft budget was originally presented to the Administration & Finance Committee and approved by the Board in April so that staff could submit a Transportation Development Act (TDA) claim to the Metropolitan Transportation Commission (MTC). A revised version of the budget that included a five-year forecast was discussed by the Committee and Board in May. The final proposed budget document is attached to this staff report. There have been a few changes since the last version, which are discussed in detail below.

The budget includes an Operating Budget, a Capital Budget, and a multiyear forecast of revenues and expenditures. In general, Staff have taken a conservative approach to forecasting while still presenting a budget that provides services to meet the needs of Central Contra Costa County transit riders.

### **Revisions from Draft Budget:**

A few updates have been made to the budget since the most recent version was presented to the Committee. The updates are as follows:

- FTA Section 5307 revenue has been corrected from \$1,644,495 to \$1,664,495.
- Measure J revenue utilized for Paratransit operations has been corrected from \$2,520,000 to \$2,570,400.
- Wages and benefits calculations have been updated based on the latest expenditure data through March 31, 2025. More information about this change is discussed below.
- The TIRCP-funded hydrogen facility project has been moved from the budget year to fiscal year 2029

### **Wages and Benefits:**

When calculating the FY 2025 (current year) estimated actual wages and benefits expenditures in the draft budget, an error was made, resulting in under-reporting \$974 thousand in benefit costs. This error has been corrected in this version of the budget for FY 2025 estimated actuals, which also rolls a larger amount forward to FY 2026 benefit costs. Additionally, staff performed additional analysis on wage costs and vacancy rates in the FY 2026 budget calculations to ensure there are sufficient budgetary resources to accommodate vacant operator positions. As a result of these revisions, the FY 2026 budget proposes \$1.5 million more in wages and benefit expenditures than the prior budget version.

**AB 2561:**

Assembly Bill (AB) 2561 was signed into law by Governor Newsom to address staffing levels in public agencies. The bill requires agencies to report on the status of vacancies as well as recruitment and retention efforts at a public hearing once per fiscal year before adoption of a final budget.

In compliance with AB 2561 and using the FY 2025 budget, staff is conducting a comprehensive review of staffing levels across all bargaining units which includes Amalgamated Transit Union (ATU), Local 1605, Teamsters Local 856, and Machinists Automotive Trades District Lodge No. 1173. Additional reporting requirements may be included if the number of vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time employees (FTEs). The final report will be presented as part of the budget hearing and prior to final adoption of the FY 2026 budget.

County Connection remains committed to its employees and the communities it serves. Staff continues to monitor staffing levels to maintain efficiency, protect current service levels, and respond to new service demands. Open positions are posted to County Connection's website, published in various recruitment sources online, and may also be published in local newspapers. The Human Resources department also participates in job fair events and works with agencies such as the California Employment Development Department (EDD) and the Workforce Development Board of Contra Costa County in its recruitment and outreach efforts.

**Budget Summary:**

County Connection's draft budget for July 1, 2025, to June 30, 2026 (FY 2026) proposes \$56.7 million in operational expenses for fixed route and paratransit services with revenues to offset these costs. An additional \$13.6 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 \$43.5 million is a 0.5 percent increase over the FY 2025 budget and allows for sustained levels of fixed route service, with assumptions that recruitment efforts will continue to successfully fill vacant operator and mechanic positions. A smaller vacancy rate has been utilized in the FY 2026 budget, resulting in budgetary savings. Fuel prices are also down as compared to last year. Savings in these areas are partially offset by rising utility costs and increases in insurance premiums.

The paratransit operating expense budget of \$13.2 million is a 15.7 percent increase over the FY 2025 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 2025 than anticipated. In FY 2026, an additional growth factor of 5% over FY 2024 actuals has been applied, along with a 4% contractual rate increase.

The FY 2026 capital budget is \$13.6 million and includes scheduled replacements of seven fixed route buses and forty-five paratransit vehicles that have reached the end of their useful life. In addition, several necessary facility maintenance and modernization projects are included in the budget. Major project additions include the first phase of a grant-funded solar array project, above-ground fuel tank replacements, 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 solar array project is funded by State funds, and the remaining capital projects are funded by TDA capital.

Table 1: Budget Summary

<b>County Connection</b>					
<b>FY 2026</b>					
<b>BUDGET SUMMARY</b>					
<b>Category</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Budget</b>	<b>FY 2025 Estimated Actual</b>	<b>FY 2026 Proposed Budget</b>	<b>% Change from FY 2025 Budget</b>
<b>Revenue:</b>					
Fixed Route Operations	\$ 38,043,607	\$ 43,719,203	\$ 40,396,141	\$ 43,929,291	0.5%
Paratransit Operations	10,602,520	11,405,385	12,097,373	13,193,477	15.7%
Capital	6,511,000	9,941,400	9,941,400	13,591,400	36.7%
<b>Total Revenue</b>	<b>55,157,128</b>	<b>65,065,988</b>	<b>62,434,914</b>	<b>70,714,169</b>	<b>8.7%</b>
<b>Expenditures:</b>					
Fixed Route Operations	36,658,453	43,269,203	39,391,404	43,479,291	0.5%
Paratransit Operations	10,602,520	11,405,385	12,097,373	13,193,477	15.7%
Capital	6,511,000	9,941,400	9,941,400	13,591,400	36.7%
<b>Total Expenditures</b>	<b>53,771,973</b>	<b>64,615,988</b>	<b>61,430,177</b>	<b>70,264,169</b>	<b>8.7%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,385,154</b>	<b>\$ 450,000</b>	<b>\$ 1,004,737</b>	<b>\$ 450,000</b>	
<b>Operating and Capital Reserve</b>					
TDA Reserve Balance	51,196,388	44,057,984	47,243,795	39,113,785	
Discretionary Reserve Balance	1,384,154	1,834,154	2,388,891	2,838,891	
<b>Total Operating and Capital Reserve</b>	<b>\$ 52,580,542</b>	<b>\$ 45,892,138</b>	<b>\$ 49,632,686</b>	<b>\$ 41,952,676</b>	

The budget document attached to this report provides additional information and trends for the fixed route and paratransit operations budget and associated revenue.

**Financial Implications:**

Adoption of the proposed FY 2026 Operating and Capital Budget as presented will result in total expenditure authority of \$70,264,169.

**Recommendation:**

Staff recommends the Committee review and provide comment on the proposed FY 2026 Operating and Capital Budget.

**Action Requested:**

Staff requests that the Committee provide comments and forward a recommendation to the Board of Directors to adopt the FY 2026 Operating and Capital Budget following a public hearing.

**Attachments:**

Attachment 1: Proposed FY 2026 Operating and Capital Budget

*County Connection*  
**Operating  
& Capital  
Budget  
FY 25/26**



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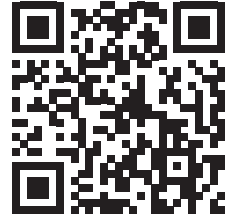
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# COUNTY CONNECTION OVERVIEW

The Central Contra Costa Transit Authority (the “Authority” or “County Connection”) is a public transit agency operating fixed-route bus and ADA paratransit (County Connection LINK) service in and around Central Contra Costa County in the San Francisco Bay Area. County Connection is a Joint Powers Authority (JPA) formed in 1980, with one member of each jurisdiction comprising its 11-member Board of Directors. The jurisdictions that make up County Connection are the cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, Walnut Creek; the towns of Danville and Moraga; and certain unincorporated areas of Central Contra Costa County.

County Connection serves a dynamic and diverse modern suburban area that is spread out over a wide geographic area. County Connection patrons are economically diverse, and often transit dependent. Without County Connection services, many central Contra Costa County residents would have no transportation available for work, school, medical appointments or to take advantage of recreational opportunities. More information about County Connection can be found at [www.countyconnection.com](http://www.countyconnection.com).



## County Connection Service Profile

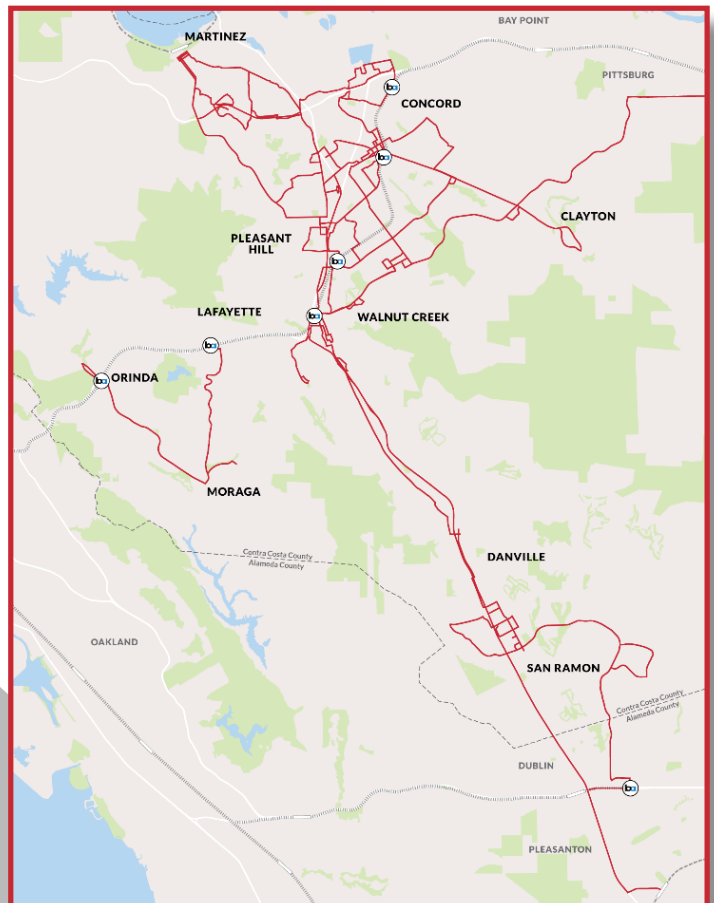
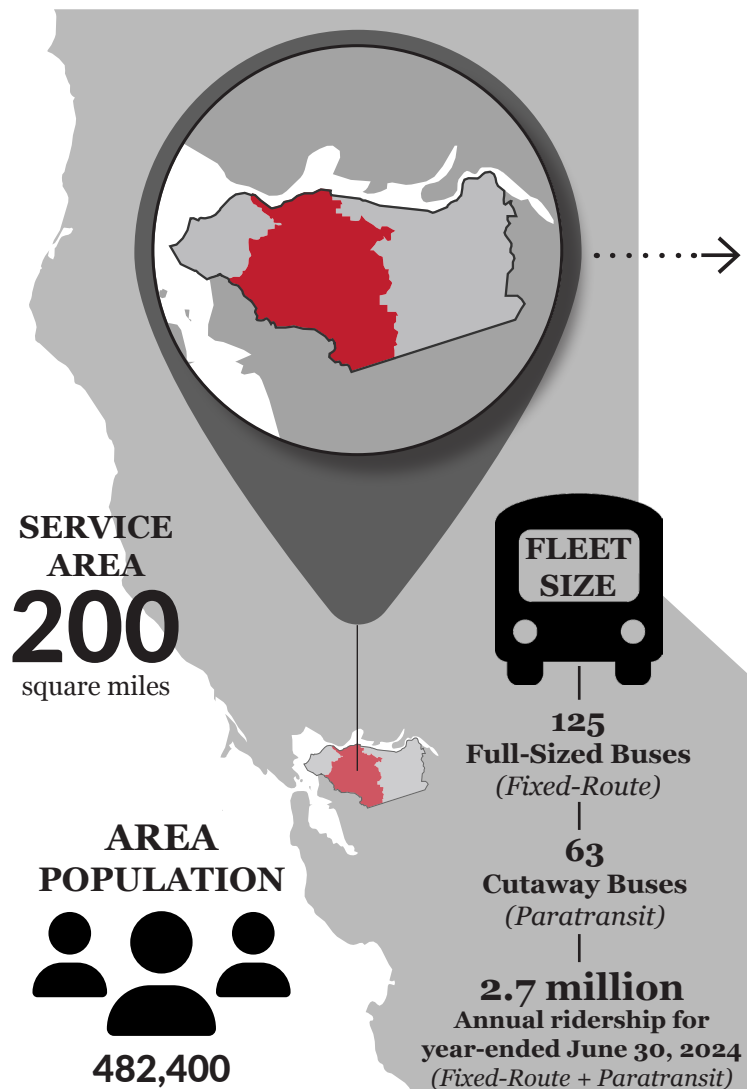


Figure 1: Service Area Map

# BUDGET SUMMARY

The FY 2026 Budget proposes \$56.7 million in operating expenses for fixed route and paratransit services with revenues to offset these costs. An additional \$13.6 million is proposed in capital expenditures and associated revenue in the budget year. County Connection’s main revenue source is Transportation Development Act (TDA) 4.0 funds from the Metropolitan Transportation Commission (MTC). The budget proposes using \$31.1 million in TDA funds, which is \$8.1 million more than the \$23 million that MTC estimates will be allocated. The excess \$8.1 million will be drawn from the Authority’s TDA reserves and includes \$1.7 million being utilized in the capital program. At the end of FY 2026, the Authority’s Operating and Capital reserve is projected to be \$42 million.

**Table 1: Budget Summary**

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget	% Change from FY 2025 Budget
<b>Revenue:</b>					
Fixed Route Operations	\$ 38,043,607	\$ 43,719,203	\$ 40,396,141	\$ 43,929,291	0.5%
Paratransit Operations	10,602,520	11,405,385	12,097,373	13,193,477	15.7%
Capital	6,511,000	9,941,400	9,941,400	13,591,400	36.7%
<b>Total Revenue</b>	<b>55,157,128</b>	<b>65,065,988</b>	<b>62,434,914</b>	<b>70,714,169</b>	<b>8.7%</b>
<b>Expenditures:</b>					
Fixed Route Operations	36,658,453	43,269,203	39,391,404	43,479,291	0.5%
Paratransit Operations	10,602,520	11,405,385	12,097,373	13,193,477	15.7%
Capital	6,511,000	9,941,400	9,941,400	13,591,400	36.7%
<b>Total Expenditures</b>	<b>53,771,973</b>	<b>64,615,988</b>	<b>61,430,177</b>	<b>70,264,169</b>	<b>8.7%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,385,154</b>	<b>\$ 450,000</b>	<b>\$ 1,004,737</b>	<b>\$ 450,000</b>	
Operating and Capital Reserve					
TDA Reserve Balance	51,196,388	44,057,984	47,243,795	39,113,785	
Discretionary Reserve Balance	1,384,154	1,834,154	2,388,891	2,838,891	
<b>Total Operating and Capital Reserve</b>	<b>\$ 52,580,542</b>	<b>\$ 45,892,138</b>	<b>\$ 49,632,686</b>	<b>\$ 41,952,676</b>	

## OPERATING & CAPITAL RESERVE BALANCE

In April of 2024, the Board revised its policy on Operating & Capital Reserves. This revision brought about significant changes to the policy which had not been modified since its original adoption in 1987. The policy now allows for the transfer of discretionary revenues to a reserve account that is held by County Connection, separately from the TDA reserve balance held on County Connection’s behalf by the MTC. Revenue sources that are considered discretionary include advertising revenue and interest income. The new fund transfer process took effect in FY 2024 with a transfer of \$1.4 million of discretionary revenues to the Operating and

Capital Reserves. It is estimated that an additional \$1 million in discretionary revenues will be transferred at the end of FY 2025. In FY 2026, a transfer of \$450 thousand is anticipated, bringing the estimated total discretionary reserve to \$2.8 million by the end of the budget year. Expanding the definition of the Operating & Capital Reserves to include discretionary revenues helps to diversify County Connection’s portfolio and strengthen its financial position against future uncertainties.

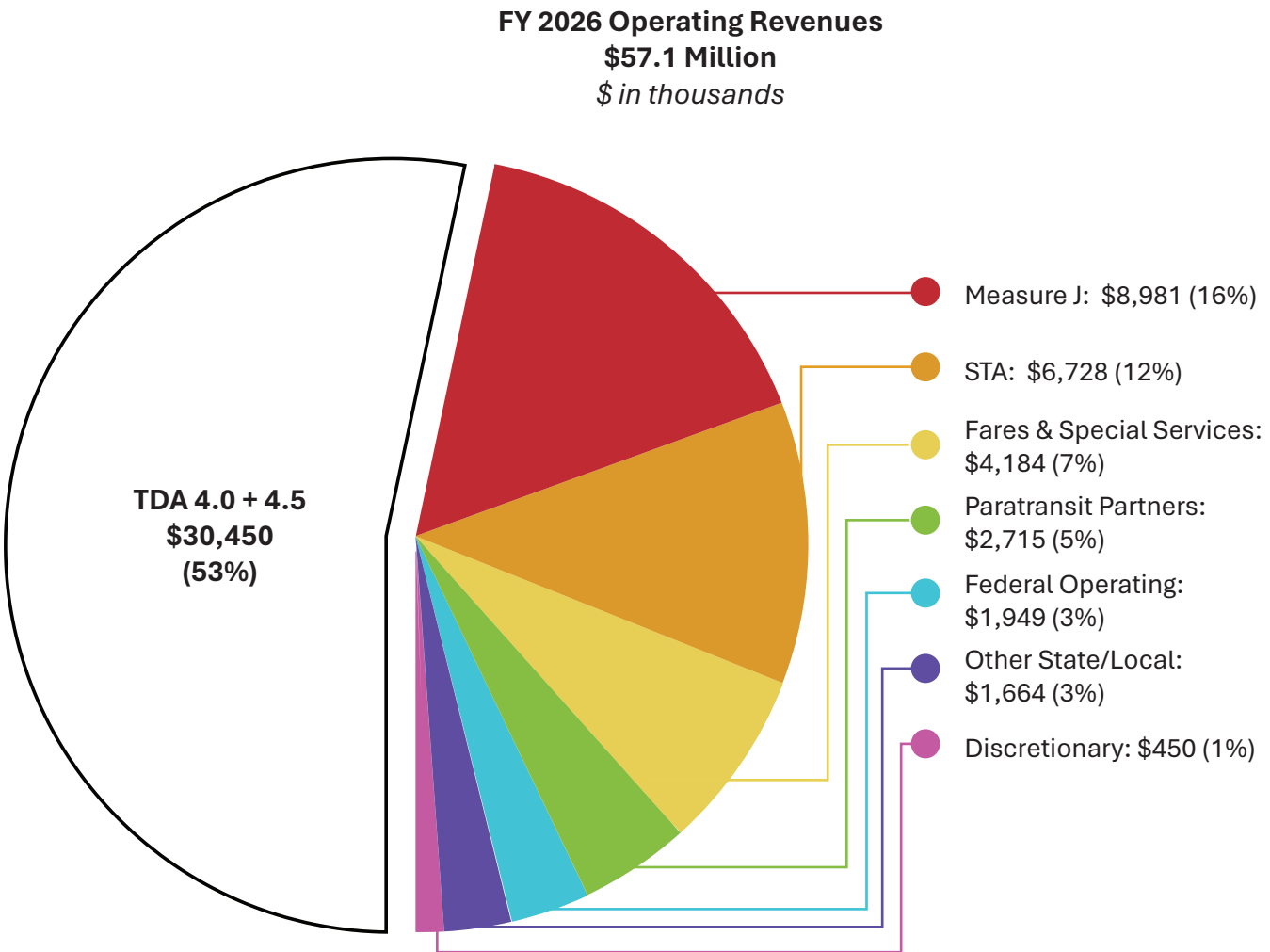
## OPERATING REVENUES

County Connection relies on a mixed portfolio of revenue sources. TDA provides the majority of the Authority’s operating funds. The primary revenue sources for County Connection operations are:

- Transportation Development Act (TDA)
- Measure J
- State Transit Assistance (STA)
- Federal operating funds
- Passenger fares

To develop revenue projections for the FY 2026 budget, staff referred to the Metropolitan Transportation Commission (MTC) revenue projections for STA, TDA and federal operating funds, used Contra Costa Transportation Authority (CCTA) estimates for Measure J, and applied conservative projections to passenger fares.

Chart 1: Operating Revenues



## Fare Revenues

Fare revenues are presented in two main categories – Fares and Special Services revenue. Low Carbon Transit Operations Program (LCTOP) funding also contributes to fare revenues, as discussed below.

### Fares

Fare revenues include payment collected from passengers and other organizations who provide funding to replace passenger fares. After a dramatic drop in fare collection during the pandemic, ridership and fares collected have rebounded, with an estimated \$2.9 million to be collected in FY 2025. The budget anticipates continued growth in ridership and fare collection in the budget year and 5-year forecast.

### Special Services

Special services revenue represents agreements with various agencies such as BART (bus bridges), the City of Walnut Creek, St. Mary’s, and others to provide transit services for agreed upon amounts. Revenues from agreements that were not renewed during the pandemic have been replaced by youth pass subsidies and increased bus bridge revenues, bringing increased stability to this revenue source.

## Low Carbon Transit Operations Program (LCTOP)

The Low Carbon Transit Operations Program (LCTOP) provides cap-and-trade funding for transit to reduce greenhouse gas (GHG) emissions and improve mobility, with a priority on serving disadvantaged communities (DACs). The Board of Directors has approved the utilization of these funds on fare subsidies on routes serving the Monument Corridor. In FY 2026, \$1.1 million in LCTOP fare subsidies will be recorded as Fares. The Board has also approved the utilization of these funds on service within DACs in the County Connection service area. In FY 2026, \$500 thousand in LCTOP operating assistance will be recorded as Special Services revenue. Altogether, County Connection has been allocated \$1.6 million in LCTOP funds in FY 2026, about \$90 thousand less than FY 2025.

## Advertising Revenue

Advertising revenue is generated by advertisements on the interior and exterior of the Authority’s fixed route buses. After conducting a request for proposals, a new advertising contract was implemented in FY 2025. The new contract includes a Minimum Annual Guarantee (MAG) of \$200 thousand per year.

## State Transit Assistance (STA)

State Transit Assistance Funds (STA) funds are collected from the sales tax on diesel fuel. In FY 2018, Senate Bill 1 (SB1) increased the state gas tax to restore state transit funds back to historic levels. The State Controller follows a statutory allocation method to distribute funds to transit operators. In accordance with the statute, STA funding is split 50% based on (a) locally generated revenue expended on transit operations (revenue based) and 50% based on (b) the population of the County (population based).

In FY 2019, MTC converted the STA population-based funds from a formula-based allocation to a County Block Grant that is administered by the local County Transportation Agency (CTA), Contra Costa Transportation Authority (CCTA). Under the County Block Grant, 60% of block funds are guaranteed to small operators, including County Connection. The remaining 40% is subject to CCTA’s process for allocation and is commonly referred to as “non-guaranteed”. The non-guaranteed amount for FY 2024 is approximately \$2.6 million. Changes to the allocation of these non-guaranteed funds could have a lasting impact on the ability of County Connection to provide services in the future.

A stronger than expected economy led to robust diesel consumption growth through the pandemic, and STA revenues reached an all-time high in FY 2023 with high diesel consumption and diesel prices. However, STA revenue collection has steadily decreased since that time. The current fund estimate from MTC projects that County Connection will receive \$6.7 million in total STA funds in FY 2026, which is approximately \$1 million less than was received in FY 2025.

## Measure J - Contra Costa Transportation Authority (CCTA)

Measure J is a ½ cent sales tax in Contra Costa County administered by CCTA for transportation planning, projects, and programs. Measure J provides funding for fixed route and paratransit services to County Connection. CCTA projects that sales tax will remain flat in FY 2026 as compared to FY 2025, at roughly \$120 million in Measure J revenue for the county. County Connection’s share of this revenue is estimated to be \$8.5 million, with \$6.5 million in fixed route program revenue and \$2 million in paratransit program revenue.

## Transportation Development Act (TDA) Articles 4.0 and 4.5

Similar to Measure J local sales tax revenue, Transportation Development Act (TDA) funding is also generated from sales tax. TDA revenue is a ¼ cent state sales tax to finance transportation programs and projects. TDA revenue is not accrual based – it is based on actual cash receipts in the fiscal year.

TDA Article 4.0 funding is utilized on both fixed-route and paratransit expenses, while TDA Article 4.5 funding is limited to usage on specialized transportation services only, such as paratransit.

Sales taxes in the region are projected to remain flat or slightly decrease in the budget year. The current MTC projections estimate that County Connection will be allocated \$23 million in TDA 4.0 funding in FY 2026. Unused TDA revenue allocation is held by MTC and is available in future years. The budget proposes the use of \$29.4 million in TDA operating and \$1.7 million in TDA capital funds, which is \$8.1 million more than the MTC estimate of \$23 million, with the difference drawing upon past reserves.

MTC estimates that County Connection will receive \$1.1 million in TDA 4.5 revenue, which will be utilized solely on paratransit services.



## **Federal Operating Funds**

COVID-related federal operating funds were exhausted in FY 2024. County Connection was awarded a grant from the Federal Highway Administration (FHWA) in the amount of \$450 thousand for a transit corridors study. Approximately \$165 thousand of these funds are being utilized in FY 2025, and the remaining \$285 thousand is budgeted to FY 2026 federal operating funds.

## **BART Express Funds**

A 1997 agreement between BART and four East Bay bus operators (County Connection, LAVTA, Tri-Delta, and WestCAT) established a funding mechanism for BART to support feeder bus operators using BART's STA Revenue-Based and TDA sales tax funds. Initial payment amounts were established by transition agreements, and subsequent payments over the last 25 years have been calculated based on changes to AB 1107 ½-cent sales tax revenues. Due to the critical budgetary issues faced by BART, discussions between BART, MTC, county transportation agencies, and the four East Bay bus operators regarding these funding arrangements took place over the past two years to partner with BART on temporary fiscal relief. These discussions resulted in temporary decreases to this revenue source in FY 2023, FY 2024 and FY 2025. A continued reduction of 25% has been applied to FY 2026, resulting in an allocation of \$802 thousand for this fiscal year. BART has indicated that it will no longer provide this funding in FY 2027 and beyond.

## **FTA 5307 ADA Paratransit Operating Funds**

Federal funds are made available to transit operators for ADA Paratransit operations under the Section 5307 Urbanized Area Formula Program. MTC is the designated recipient of FTA Section 5307 formula funds in the Concord urbanized area and determines the allocation of these funds among area operators. The most recent allocation of these funds from MTC indicated that County Connection will receive \$1.7 million in FTA 5307 paratransit funds in the budget year.

## **Fees From Partner Agencies – LAVTA and One Seat**

Fees from partner agencies are collected to offset the cost of managing shared paratransit and One Seat program expenses. Additional details about these programs is provided in the expenses section of the budget document.

Table 2: Operating Revenues

**County Connection  
FY 2026 Draft Budget  
OPERATING REVENUES**

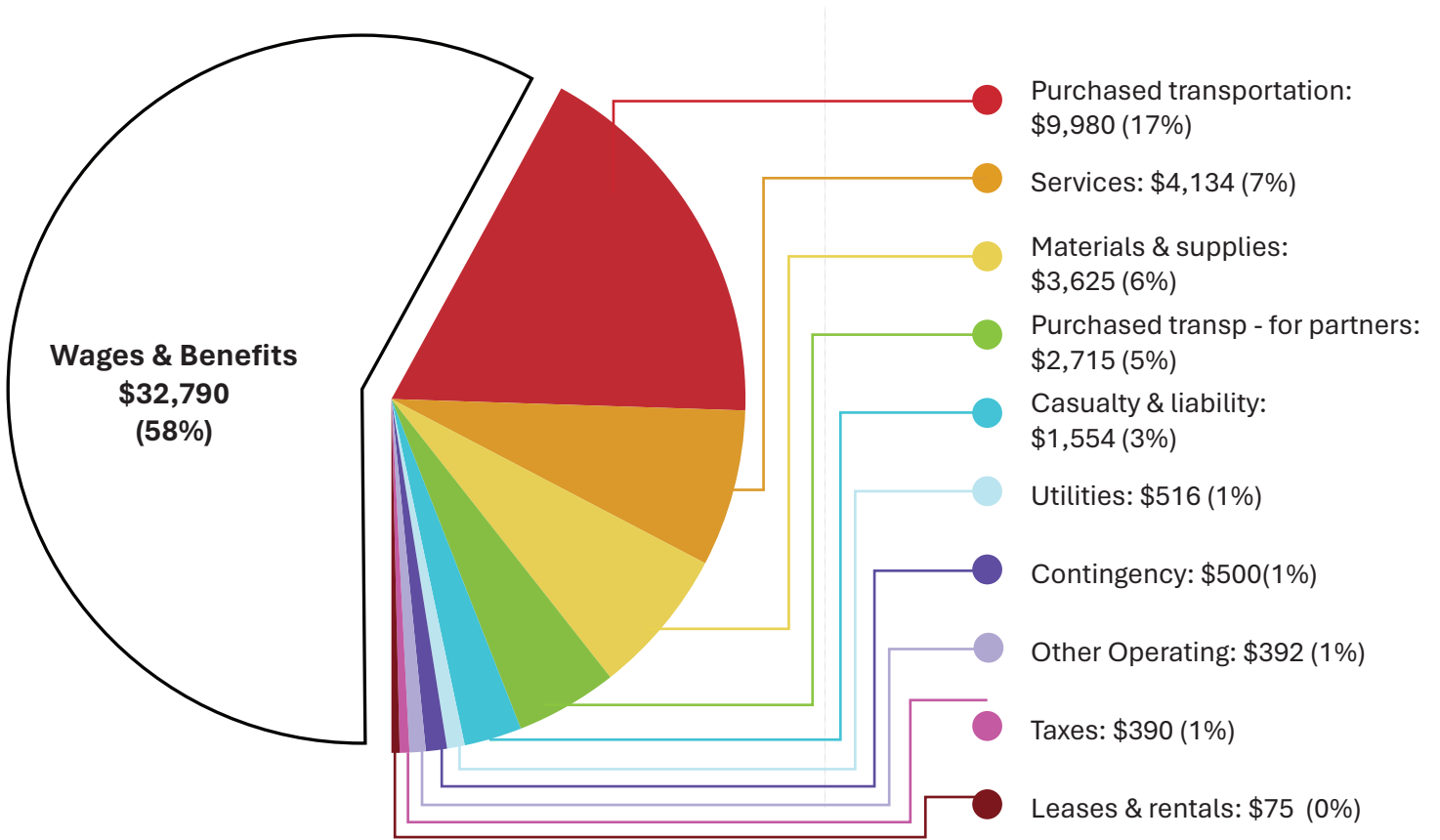
Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget	% Change from FY 2025 Budget
<b>FIXED ROUTE</b>					
Fare Revenue	\$ 2,572,287	\$ 2,241,200	\$ 2,388,874	\$ 2,493,163	11.2%
Special Service Revenue	1,323,838	1,042,072	1,125,657	1,158,921	11.2%
<b>Total Fare Revenue</b>	<b>3,896,124</b>	<b>3,283,272</b>	<b>3,514,530</b>	<b>3,652,084</b>	<b>11.2%</b>
Advertising Revenue	343,750	200,000	375,000	200,000	0.0%
Non-Operating Revenue	1,307,787	271,000	819,932	275,000	1.5%
Measure J Sales Tax	7,156,017	6,500,000	6,353,000	6,353,000	-2.3%
BART Feeder Funds	640,531	820,003	820,003	802,469	-2.1%
Dougherty Valley	96,156	-	-	-	-
State Transit Assistance	6,733,319	6,690,946	6,690,946	5,728,438	-14.4%
TDA Article 4.0	13,856,775	25,203,982	21,292,210	26,271,231	4.2%
RM2/RM3 Express Funding	129,993	170,000	221,767	221,767	30.5%
State of Good Repair/SB1	139,859	130,000	144,056	140,000	7.7%
Federal Operating Funds	3,743,296	450,000	164,697	285,303	-36.6%
<b>Total Other Revenue</b>	<b>34,147,483</b>	<b>40,435,931</b>	<b>36,881,611</b>	<b>40,277,208</b>	<b>-0.4%</b>
<b>TOTAL FIXED ROUTE REVENUE</b>	<b>38,043,607</b>	<b>43,719,203</b>	<b>40,396,141</b>	<b>43,929,291</b>	<b>0.5%</b>
<b>PARATRANSIT</b>					
Fare Revenue	490,658	445,300	588,458	532,000	19.5%
<b>Total Fare Revenue</b>	<b>490,658</b>	<b>445,300</b>	<b>588,458</b>	<b>532,000</b>	<b>19.5%</b>
Measure J Sales Tax	2,900,024	2,000,000	2,591,662	2,627,938	31.4%
BART ADA Service	223,469	235,503	227,485	248,503	5.5%
Alamo Creek & Go San Ramon	216,414	227,906	226,302	226,302	-0.7%
TDA Article 4.5	1,099,830	1,079,293	1,079,293	1,077,864	-0.1%
TDA Article 4.0	611,585	2,409,227	2,327,613	3,101,335	28.7%
State Transit Assistance	1,041,145	1,036,880	1,036,880	1,000,000	-3.6%
FTA Section 5307	1,839,033	1,590,376	1,590,376	1,664,495	4.7%
<b>Total Other Revenue</b>	<b>7,931,500</b>	<b>8,579,185</b>	<b>9,079,611</b>	<b>9,946,437</b>	<b>15.9%</b>
<b>Subtotal Paratransit Revenue</b>	<b>8,422,158</b>	<b>9,024,485</b>	<b>9,668,069</b>	<b>10,478,437</b>	<b>16.1%</b>
<b>Paratransit Partners</b>					
Fare revenue - LAVTA ADA	31,410	34,175	32,130	30,000	-12.2%
Operating revenue - LAVTA ADA	1,753,862	1,970,940	1,812,164	1,982,151	0.6%
Fare revenue - One Seat	-	-	42,296	39,000	-
Operating revenue - One Seat	395,091	375,785	542,714	663,890	76.7%
<b>Subtotal Partner Revenue</b>	<b>2,180,363</b>	<b>2,380,900</b>	<b>2,429,304</b>	<b>2,715,040</b>	<b>14.0%</b>
<b>TOTAL PARATRANSIT REVENUE</b>	<b>10,602,520</b>	<b>11,405,385</b>	<b>12,097,373</b>	<b>13,193,477</b>	<b>15.7%</b>
<b>TOTAL REVENUE</b>	<b>\$ 48,646,128</b>	<b>\$ 55,124,588</b>	<b>\$ 52,493,514</b>	<b>\$ 57,122,769</b>	<b>3.6%</b>

# OPERATING EXPENSES

The budget assumes that ridership will continue to improve, and that recruitment efforts to fill vacant operator positions will continue to be successful, resulting in an overall modest increase in operating expenses as compared to the current year.

Chart 2: Operating Expenses

## FY 2026 Operating Expenses \$56.7 Million \$ in thousands



Major expenditure categories are discussed in greater detail below, and pages 19 to 27 of this report provide operating expense detail by general ledger account.

## Wages and Benefits

Wages and benefits are the Authority's largest expense. Even before the pandemic, the tight labor market was putting stress on transit operators, making it difficult to attract and retain qualified bus operators and mechanics. These challenges were only exacerbated by the pandemic. While both the Transportation and Maintenance departments have made considerable progress in filling vacancies over the last year, the Transit Operator position continues to be the most challenging to fill in response to the constant state of attrition. The Authority has made changes to its pay scale for operators in response to these challenges, resulting in a more competitive compensation package. In addition, County Connection implemented a referral program that incentivizes current employees to refer new employee candidates.

Memorandums of Understanding (MOUs) were successfully negotiated with all three of the represented bargaining groups in FY 2023 for three-year terms. The financial impacts to the terms of these agreements are represented in the budget and forecast. All three employee MOUs will expire in 2026. Negotiations of the new MOUs will begin in the fall of 2025.

The budget and forecast assume many vacancies will be filled during the fiscal year, however, overall budgeted positions are not increasing over the prior year. Refer to Table 5 (page 15) of this report for a detailed breakdown of positions by department.

## Pensions

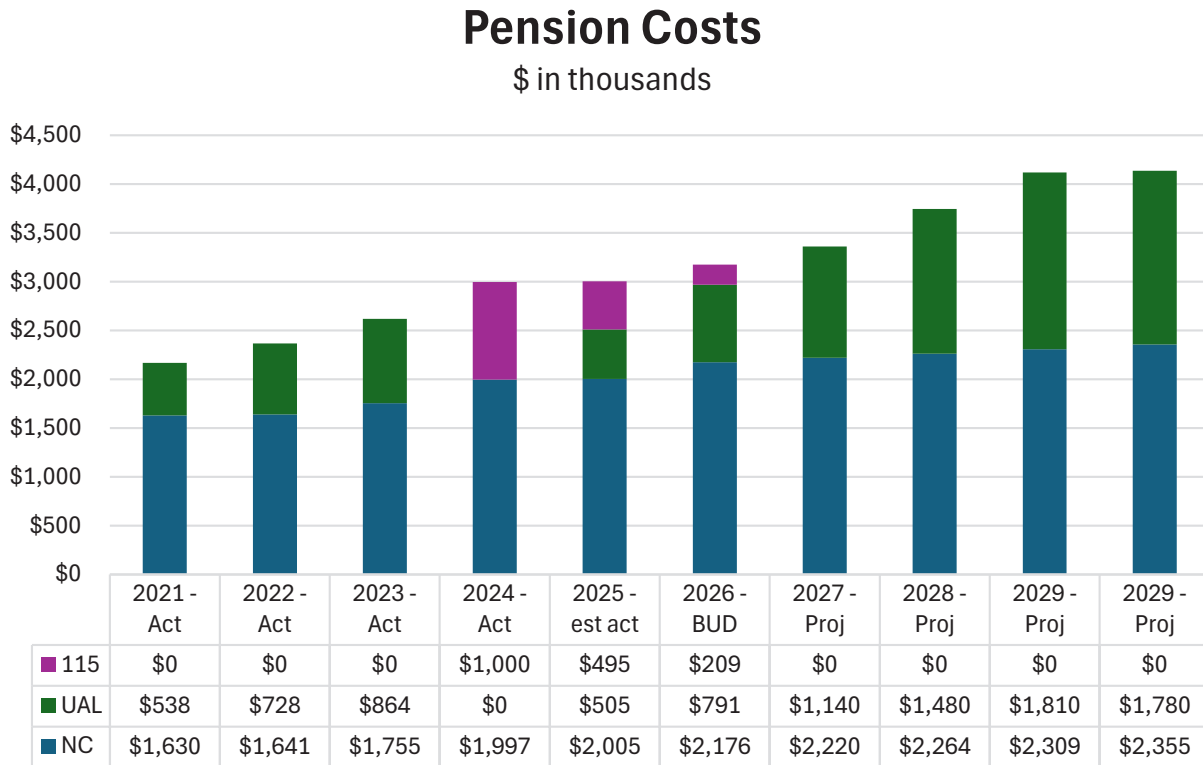
County Connection contracts with the California Public Employees' Retirement System (CalPERS) for its employee defined-benefit pension plans. The Authority is statutorily required to pay the Annual Required Contribution (ARC) to CalPERS. The ARC comprises two elements; the Normal Cost (NC), which is the annual cost of service accrual, and the Unfunded Accrued Liability (UAL) payment, which represents the catch-up portion of costs. CalPERS calculates the NC and the UAL based on a 6.8% discount rate, which mirrors its 6.8% expected return on plan assets. In FY 2023, the Authority also opened a 115 trust for pensions to begin setting aside additional pension funds.

After a one-year break in UAL payments due to an unusually high return on investment in 2021, CalPERS reported a loss on investment in the year ended June 30, 2022, which resulted in a return to UAL payments. The required UAL payment in FY 2025 was \$522 thousand, however, the option to prepay this amount at a discount was utilized, resulting in a payment of \$505 thousand.

CalPERS reported a net return of 5.8% on its investments for the year ended June 30, 2023. Since this return falls short of the expected 6.8% return on investments, the required UAL payment for FY 2026 is \$818 thousand, or \$791 thousand after utilizing the annual prepay discount option. The budget includes a contribution of \$209 thousand to the 115 trust for pensions, bringing the total investment in pensions to \$1 million for FY 2026.

CalPERS reported a net return of 9.3% on its investments for the year ended June 30, 2024. Since this return outpaced the expected 6.8% return on investments, the resulting UAL amount required in FY 2027 will likely decrease as compared to FY 2026. This information will be made available in July 2025 when the plan valuation reports are released. The budget forecast assumes continued 115 trust contributions and UAL payments in alignment with the prior year forecasts and will continue to be adjusted to maximize diversification of pension assets and continued stability in pensions promised to both retired and current Authority employees.

**Chart 3: Pension Costs**



## Services

Expenses in the services category include legal fees, service repair, promotions, software, and on-call planning contracts. The bulk of the increase in this category is due to inflationary increases in outsourced service repair, increased software costs for Swiftly and other software subscriptions, travel training costs, lobbyist costs, and other grant-funded planning studies.

## Materials and Supplies

The largest expense in the materials and supplies category is diesel fuel. The cost of diesel fuel has decreased over the past year. The budget includes a 19% decrease in fuel costs as compared to the prior budget year. This category also contains expenditures for furniture and equipment that was historically budgeted to capital expenditures. Beginning in FY 2024, these purchases are being expensed in the year of purchase due to the low dollar value of these acquisitions.

## Casualty and Liability

General liability premiums and workers compensation are projected to increase significantly due to the impact of natural disasters and large settlements on the insurance market.

## Purchased Transportation

Purchased transportation for paratransit services is the Authority’s second largest expense. Paratransit services are operated and managed by Transdev under a competitively bid contract. Paratransit demand has returned at a rapid pace in FY 2024 and FY 2025, resulting in sharp growth in contracted payments. The demand growth experienced in FY 2025 led to a budget amendment request to accommodate the rising costs of the program. The FY 2026 paratransit purchased transportation budget is based on a 4% contract escalation, plus a 5% increase in ridership over the FY 2025 demand.

In the fixed route budget, County Connection is continuing to support the Automated Driving System (ADS) demonstration project by funding three full-time Transdev staff persons to man the vehicles. These costs are budgeted to the purchased transportation category.

## Purchased Transportation – Partner Agencies

In 2022 the Authority partnered with Livermore Amador Valley Transit Authority (LAVTA) on a pilot shared services contract to serve riders in the regions of both agencies with collaborative and efficient service delivery. In addition, the “One Seat” ride paratransit program with adjacent operators proved to be a successful service delivery model, resulting in cost savings and an enhanced rider experience. Therefore, each of these shared services will continue under the new contract for paratransit services in the coming year. These costs are budgeted, but do not impact County Connection’s bottom line since they are reimbursed in full by the partner agencies.



Table 3: Operating Expenditures

**County Connection  
FY 2026 Draft Budget  
OPERATING EXPENDITURES**

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget	% Change from FY 2025 Budget
<b>FIXED ROUTE</b>					
Wages	\$ 15,881,332	\$ 18,288,470	\$ 16,876,921	\$ 17,956,420	-1.8%
Fringe Benefits	12,307,136	13,743,233	12,416,646	14,255,070	3.7%
<b>Total Wages &amp; Benefits</b>	<b>28,188,468</b>	<b>32,031,703</b>	<b>29,293,567</b>	<b>32,211,490</b>	<b>0.6%</b>
Services	2,809,664	3,808,150	3,310,185	3,916,434	2.8%
Materials & Supplies	3,413,548	3,913,700	3,814,570	3,621,150	-7.5%
Utilities	410,233	395,000	467,109	450,150	14.0%
Casualty and Liability	1,138,413	1,340,000	1,283,381	1,533,195	14.4%
Taxes and Fees	379,051	434,400	378,351	390,372	-10.1%
Other Operating	246,810	366,250	379,070	381,500	4.2%
Leases and Rentals	72,266	70,000	65,171	75,000	7.1%
Purchased Transportation	-	410,000	400,000	400,000	-2.4%
<b>Total Other Exp (non-wages)</b>	<b>8,469,985</b>	<b>10,737,500</b>	<b>10,097,837</b>	<b>10,767,801</b>	<b>0.3%</b>
Contingency	-	500,000	-	500,000	
<b>TOTAL FIXED ROUTE EXPENSES</b>	<b>36,658,453</b>	<b>43,269,203</b>	<b>39,391,404</b>	<b>43,479,291</b>	<b>0.5%</b>
<b>PARATRANSIT</b>					
Wages	\$ 331,137	\$ 339,883	\$ 295,077	\$ 319,126	-6.1%
Fringe Benefits	159,893	239,253	226,685	259,595	8.5%
<b>Total Wages &amp; Benefits</b>	<b>491,030</b>	<b>579,136</b>	<b>521,763</b>	<b>578,721</b>	<b>-0.1%</b>
Services	126,643	225,000	190,475	218,000	-3.1%
Materials & Supplies	1,249	4,000	4,000	4,000	0.0%
Utilities	55,858	60,000	66,625	66,000	10.0%
Casualty and Liability	15,978	18,173	16,581	20,998	15.5%
Other Operating	897	10,000	10,000	10,000	0.0%
Purchased Transportation	7,730,502	8,128,176	8,858,626	9,580,718	17.9%
<b>Total Other Exp (non-wages)</b>	<b>7,931,127</b>	<b>8,445,349</b>	<b>9,146,307</b>	<b>9,899,716</b>	<b>17.2%</b>
<b>Subtotal Paratransit Expenses</b>	<b>8,422,158</b>	<b>9,024,485</b>	<b>9,668,069</b>	<b>10,478,437</b>	<b>16.1%</b>
			15%	8%	
<b>Paratransit Partners</b>					
Purchased Transp - for partners	2,180,363	2,380,900	2,429,304	2,715,040	14.0%
<b>Subtotal Partner Expense</b>	<b>2,180,363</b>	<b>2,380,900</b>	<b>2,429,304</b>	<b>2,715,040</b>	<b>14.0%</b>
<b>TOTAL PARATRANSIT EXPENSES</b>	<b>10,602,520</b>	<b>11,405,385</b>	<b>12,097,373</b>	<b>13,193,477</b>	<b>15.7%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 47,260,973</b>	<b>\$ 54,674,588</b>	<b>\$ 51,488,777</b>	<b>\$ 56,672,769</b>	<b>3.7%</b>

## Capital Expenditures

The FY 2026 capital budget includes scheduled replacements of seven big bus and forty-five paratransit vehicles that have reached the end of their useful life. It is anticipated that the Authority will utilize 80% federal funding for the bus procurements, matched with TDA capital funds. A grant-funded solar array project is also scheduled for the budget year, which is funded in whole by State TIRCP funds.

In addition, facility maintenance and modernization projects are included in the budget. Major project additions include fuel tank replacements, concrete pad repairs, potential expansion of the upper parking lot, and necessary elevator improvements in both buildings. These projects are expected to take place during the next few years and will be funded with TDA capital funds.

**Table 4: Capital Program – Budget Year**

**County Connection  
FY 2026 Draft Budget  
CAPITAL PROGRAM**

Capital Category	Funding Source						
	Federal	Federal	State	State	State	MTC	Total
	5307	FHWA	Bridge Tolls	RM3	TIRCP	TDA	
Revenue Fleet	\$ 9,045,120	\$ -	\$ 286,655	\$ 1,600,000	\$ -	\$ 374,625	\$ 11,306,400
Facility Maintenance and Modernization	-	-	-	-	950,000	1,005,000	\$ 1,955,000
Street Amenities	-	-	-	-	-	100,000	\$ 100,000
Information Technology	-	-	-	-	-	100,000	\$ 100,000
Maintenance Equipment & Tools	-	-	-	-	-	50,000	\$ 50,000
Office Furniture and Equipment	-	-	-	-	-	80,000	\$ 80,000
<b>Total</b>	<b>\$ 9,045,120</b>	<b>\$ -</b>	<b>\$ 286,655</b>	<b>\$ 1,600,000</b>	<b>\$ 950,000</b>	<b>\$ 1,709,625</b>	<b>\$ 13,591,400</b>

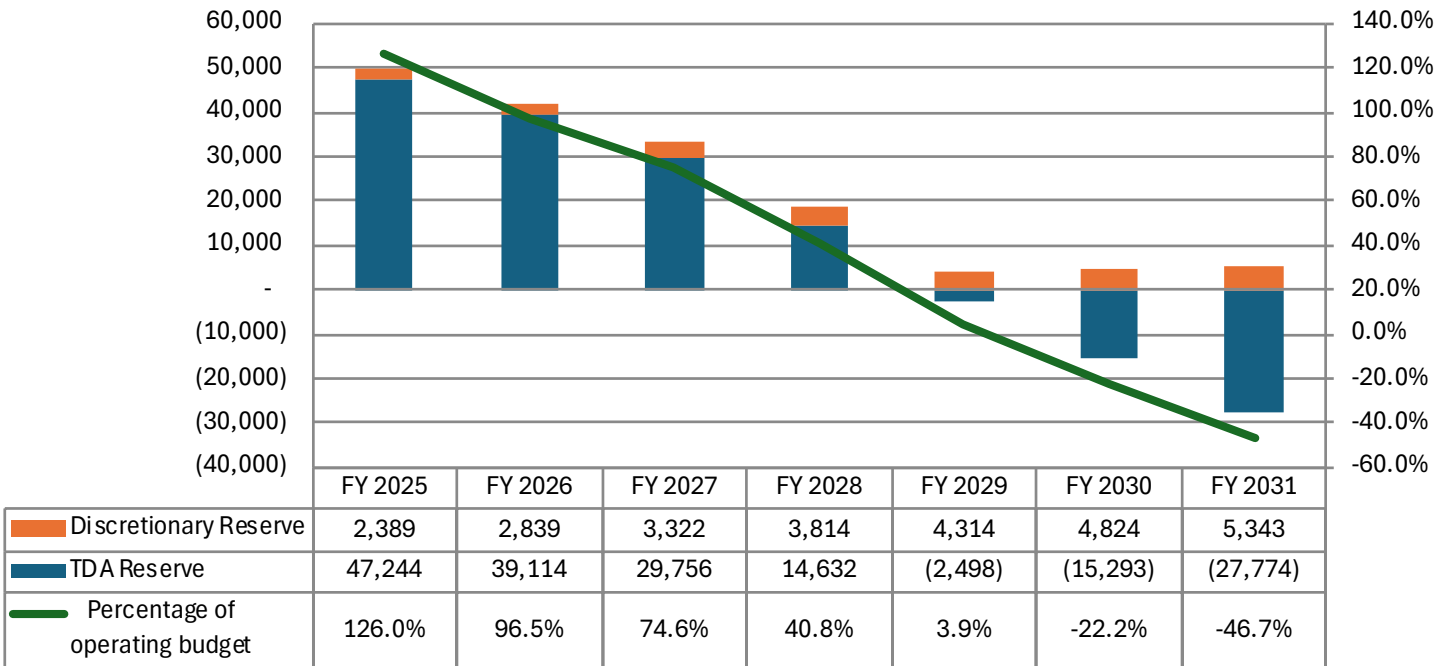
The multi-year capital program can be found at page 16 of this report.

# FORECAST

Using the current assumptions for fixed route and paratransit services, County Connection is projected to have sufficient Operating and Capital Reserves through FY 2028. These reserves are considered sufficient when at least 25% of operating costs are reserved. In FY 2029, reserves begin to dip below the 25% threshold, and are projected to go negative in FY 2030. As costs continue to outpace revenues, and zero emission vehicles and infrastructure demand a higher portion of TDA capital, additional revenue sources will need to be secured to keep the Authority in a financially stable position

**Chart 4: Operating and Capital Reserve Projections**

## Operating and Capital Reserves \$ in thousands



A financial forecast of capital and operating expenditures can be found at pages 16 to 17 of this document. A breakdown of TDA reserve utilization and projected fund balance can be found at page 18.

# ADDITIONAL SCHEDULES

Table 5: Positions by Department

**County Connection  
FY 2026 Proposed Budget  
POSITIONS BY DEPARTMENT**

	FY24 Positions	FY25 Positions	FY26 Proposed Positions
<b>TRANSPORTATION</b>			
Bus Operators	155	155	150
Safety/Training	1	2	2
Transit Admin	4	4	4
Transit Supervisors	12	11	11
<b>TRANSPORTATION TOTAL</b>	<b>172</b>	<b>172</b>	<b>167</b>
<b>MAINTENANCE</b>			
Building Maintenance	7	7	7
Maintenance Admin	4	4	4
Mechanics	18	18	18
Service Workers	11	11	11
<b>MAINTENANCE TOTAL</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>PARATRANSIT</b>			
Accessible Services/Paratransit	4	4	4
<b>PARATRANSIT TOTAL</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>ADMINISTRATION</b>			
Customer Service	6	6	6
Finance	5	5	5
General Admin	5	5	5
Human Resources	3	3	3
Information Technology	3	3	3
Planning and Marketing	6	6	6
Procurement and Inventory	4	4	4
Scheduling	1	1	1
<b>ADMINISTRATION TOTAL</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>TOTAL POSITIONS</b>	<b>249</b>	<b>249</b>	<b>244</b>

**Table 6: Capital Program**

**County Connection  
FY 2026 Draft Budget  
CAPITAL PROGRAM**

Fiscal Years 2027 - 2031  
\$ In Thousands

	actuals		estimated		5-year projection					
	FY 2024	FY 2025	FY 2025	FY 2026	BUDGET	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Capital Program (a):										
Non Revenue Fleet	\$ 126	\$ 400	\$ -	\$ -	\$ 70	\$ 70	\$ 100	\$ 75	\$ -	\$ -
Revenue Fleet	\$ -	\$ 7,298	\$ 11,306	\$ -	\$ -	\$ 26,000	\$ 37,685	\$ 5,000	\$ -	\$ -
ZEB Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 10,000	\$ 500	\$ 500	\$ 500
Facility Maintenance & Modernization	\$ 4,480	\$ 1,505	\$ 1,955	\$ -	\$ 8,125	\$ 7,600	\$ 250	\$ 250	\$ 250	\$ 150
Street Amenities	\$ 1,550	\$ 370	\$ 100	\$ -	\$ 50	\$ -	\$ 50	\$ 50	\$ 50	\$ 50
Information Technology	\$ 55	\$ 100	\$ 100	\$ -	\$ 150	\$ 100	\$ 350	\$ 150	\$ 150	\$ 150
Maintenance Equipment & Tools	\$ 250	\$ 250	\$ 50	\$ -	\$ -	\$ 50	\$ 150	\$ 50	\$ 50	\$ 125
Office Furniture and Equipment	\$ 50	\$ 50	\$ 80	\$ -	\$ 25	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
<b>Total Capital Program</b>	<b>\$ 6,511</b>	<b>\$ 9,973</b>	<b>\$ 13,591</b>	<b>\$ -</b>	<b>\$ 8,420</b>	<b>\$ 34,070</b>	<b>\$ 48,635</b>	<b>\$ 6,125</b>	<b>\$ 6,125</b>	<b>\$ 1,025</b>
Capital Program by Service:										
Fixed-Route	\$ 6,511	\$ 9,707	\$ 7,014	\$ -	\$ 8,420	\$ 34,070	\$ 46,627	\$ 6,125	\$ 6,125	\$ 1,025
Paratransit	\$ -	\$ 266	\$ 6,577	\$ -	\$ -	\$ -	\$ 2,008	\$ -	\$ -	\$ -
<b>Total Capital Program by Service</b>	<b>\$ 6,511</b>	<b>\$ 9,973</b>	<b>\$ 13,591</b>	<b>\$ -</b>	<b>\$ 8,420</b>	<b>\$ 34,070</b>	<b>\$ 48,635</b>	<b>\$ 6,125</b>	<b>\$ 6,125</b>	<b>\$ 1,025</b>
Capital Funding by Source										
Federal 5307	\$ -	\$ 5,839	\$ 9,045	\$ -	\$ -	\$ 20,800	\$ 30,148	\$ 4,000	\$ -	\$ -
FHWA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Prop 1B PTMISEA - Rolling Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bridge Toll Revenue	\$ -	\$ -	\$ 287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIRCP	\$ -	\$ -	\$ 950	\$ -	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ -	\$ -
Transportation Development Act	\$ 6,511	\$ 4,135	\$ 1,710	\$ -	\$ 920	\$ 5,770	\$ 6,919	\$ 1,725	\$ 625	\$ -
Transportation Development Act Rollover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Measure 3	\$ -	\$ -	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD - ZEB Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,568	\$ 400	\$ 400	\$ 400
<b>Total Capital Funding by Source</b>	<b>\$ 6,511</b>	<b>\$ 9,973</b>	<b>\$ 13,591</b>	<b>\$ -</b>	<b>\$ 8,420</b>	<b>\$ 34,070</b>	<b>\$ 48,635</b>	<b>\$ 6,125</b>	<b>\$ 6,125</b>	<b>\$ 1,025</b>
Revenue Fleet Replacements										
# Fixed Route Vehicles	-	10	7	-	-	37	27	4	-	-
# Paratransit Vehicles	-	3	45	-	-	-	18	-	-	-
<b>Total Revenue Fleet Replacement</b>	<b>-</b>	<b>13</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>45</b>	<b>4</b>	<b>-</b>	<b>-</b>

The Capital Program includes projected costs to convert the Authority's fleet to a zero-emission bus (ZEB) mixed fleet of electric and fuel cell buses, including infrastructure costs, per the adopted ZEB Rollout Plan. Funding for future ZEB infrastructure projects is still being identified.

Table 7: Operating Forecast

**County Connection  
FY 2026 Draft Budget  
OPERATING FORECAST**

Fiscal Years 2027 - 2031

\$ In Thousands

	actuals		estimated		5-year projection				
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
<b>FIXED ROUTE OPERATING REVENUE</b>			<b>BUDGET</b>						
<i>Revenue Hours</i>	<b>188,000</b>	<b>191,000</b>	<b>196,730</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
Fare revenue	2,572	2,389	2,493	2,568	2,645	2,724	2,806	2,890	
Special service revenue	1,324	1,126	1,159	1,194	1,229	1,266	1,304	1,344	
Advertising revenue	344	375	200	200	200	200	200	200	
Non-Operating revenue	1,308	820	275	283	292	300	310	319	
Measure J Sales Tax	7,156	6,353	6,353	6,417	6,481	6,546	6,611	6,677	
BART Feeder Funds	641	820	802	-	-	-	-	-	
Dougherty Valley Dev Fees	96	-	-	-	-	-	-	-	
State Transit Assistance (STA)	6,733	6,691	5,728	5,872	6,018	6,169	6,323	6,481	
TDA Article 4.0	13,857	21,292	26,271	27,931	28,487	29,054	29,630	30,217	
RM2/RM3/Express	130	222	222	226	231	235	240	245	
State of Good Repair/SB1	140	144	140	142	144	146	149	151	
Federal Operating Funds	3,743	165	285	-	-	-	-	-	
<b>TOTAL FIXED ROUTE OPERATING REVENUE</b>	<b>38,043</b>	<b>40,396</b>	<b>43,929</b>	<b>44,832</b>	<b>45,728</b>	<b>46,641</b>	<b>47,573</b>	<b>48,523</b>	
<b>TOTAL FIXED ROUTE OPERATING EXPENSES</b>	<b>36,658</b>	<b>39,391</b>	<b>43,479</b>	<b>44,349</b>	<b>45,236</b>	<b>46,141</b>	<b>47,063</b>	<b>48,005</b>	
% change over prior year	7.61%	7.46%	10.38%	2.00%	2.00%	2.00%	2.00%	2.00%	
<b>PARATRANSIT OPERATING REVENUE</b>									
<i>Revenue Hours</i>	<b>66,000</b>	<b>75,900</b>	<b>91,080</b>	<b>109,296</b>	<b>112,575</b>	<b>112,575</b>	<b>112,575</b>	<b>115,952</b>	
Fare revenue	491	588	532	548	564	581	599	617	
Measure J Sales Tax	2,900	2,592	2,628	2,654	2,681	2,708	2,735	2,762	
BART ADA Service	223	227	249	256	264	272	280	288	
Go San Ramon & Alamo Creek	216	226	226	233	240	247	255	262	
TDA Article 4.5	1,100	1,079	1,078	1,089	1,100	1,111	1,122	1,133	
TDA Article 4.0	612	2,328	3,101	3,344	3,590	3,766	3,937	4,023	
State Transit Assistance (STA)	1,041	1,037	1,000	1,025	1,051	1,077	1,104	1,131	
FTA Section 5307	1,839	1,590	1,664	1,681	1,698	1,715	1,732	1,749	
Fare revenue - LAVTA ADA	31	32	30	31	32	33	34	35	
Operating revenue - LAVTA ADA	1,754	1,812	1,982	2,162	2,358	2,571	2,804	3,058	
Fare revenue - One Seat	-	42	39	40	41	43	44	45	
Operating revenue - One Seat	395	543	664	724	790	861	939	1,024	
<b>TOTAL PARATRANSIT OPERATING REVENUE</b>	<b>10,603</b>	<b>12,097</b>	<b>13,193</b>	<b>13,787</b>	<b>14,408</b>	<b>14,984</b>	<b>15,583</b>	<b>16,129</b>	
<b>TOTAL PARATRANSIT OPERATING EXPENSES</b>	<b>10,603</b>	<b>12,097</b>	<b>13,193</b>	<b>13,787</b>	<b>14,408</b>	<b>14,984</b>	<b>15,583</b>	<b>16,129</b>	
% change over prior year	25.4%	14.1%	9.1%	4.5%	4.5%	4.0%	4.0%	3.5%	
<b>TOTAL OPERATING EXPENSES*</b>	<b>47,261</b>	<b>51,489</b>	<b>56,673</b>	<b>58,136</b>	<b>59,643</b>	<b>61,124</b>	<b>62,647</b>	<b>64,133</b>	

\* Total expenses will not equal audited financial statement expenses due to certain GASB adjustments required for financial statement presentation.

Table 8: Reserve Projections

**County Connection  
FY 2026 Draft Budget  
RESERVES PROJECTIONS**

Fiscal Years 2027 - 2031  
\$ In Thousands

	actuals	estimated	5-year projection					
			BUDGET FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
TDA Beginning Balance	47,782	51,196	47,244	39,114	29,756	14,632	(2,498)	(15,293)
Interest & other MTC adjustments	1,221	1,902						
TDA 4.0 Allocation	23,318	21,900	22,952	22,837	22,723	22,610	22,497	22,384
% change over prior year	-1.2%	-6.1%	4.8%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
TDA 4.0 Utilized:								
Fixed Route Operations	(13,857)	(21,292)	(26,271)	(27,931)	(28,487)	(29,054)	(29,630)	(30,217)
Paratransit Operations	(612)	(2,328)	(3,101)	(3,344)	(3,590)	(3,766)	(3,937)	(4,023)
Capital Program	(6,656)	(4,135)	(1,710)	(920)	(5,770)	(6,919)	(1,725)	(625)
<b>Total TDA Utilized</b>	<b>(21,125)</b>	<b>(27,755)</b>	<b>(31,082)</b>	<b>(32,195)</b>	<b>(37,847)</b>	<b>(39,739)</b>	<b>(35,292)</b>	<b>(34,865)</b>
<b>Additions to/(subtractions from) TDA Reserve</b>	<b>2,193</b>	<b>(5,855)</b>	<b>(8,130)</b>	<b>(9,358)</b>	<b>(15,124)</b>	<b>(17,129)</b>	<b>(12,796)</b>	<b>(12,481)</b>
<b>TDA Reserve Balance</b>	<b>51,196</b>	<b>47,244</b>	<b>39,114</b>	<b>29,756</b>	<b>14,632</b>	<b>(2,498)</b>	<b>(15,293)</b>	<b>(27,774)</b>
Discretionary Reserve Balance	1,384	2,389	2,839	3,322	3,814	4,314	4,824	5,343
<b>Total Operating &amp; Capital Reserve</b>	<b>52,581</b>	<b>49,633</b>	<b>41,953</b>	<b>33,078</b>	<b>18,446</b>	<b>1,817</b>	<b>(10,469)</b>	<b>(22,432)</b>
% of operating budget	143.4%	126.0%	96.5%	74.6%	40.8%	3.9%	-22.2%	-46.7%

Table 9: Operating Expense Detail

**County Connection  
FY 2026 Proposed Budget  
OPERATING EXPENSE DETAIL**

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
<b>FIXED ROUTE</b>				
<b>Wages</b>				
Wages - Regular _Admin	840,342	890,604	805,116	829,269
Wages - Regular _Bldg Maint	468,154	460,626	515,693	531,164
Wages - Regular _Board	17,130	26,400	18,131	18,674
Wages - Regular _Cust Svc	397,803	427,118	428,831	441,696
Wages - Regular _Finance	504,534	611,770	571,913	589,070
Wages - Regular _Hum Res	274,858	402,733	248,938	256,406
Wages - Regular _Info Tech	317,873	366,957	350,512	361,027
Wages - Regular _Mech	1,143,206	1,448,544	1,216,793	1,253,297
Wages - Regular _Plan/Mktg	519,530	580,231	591,372	609,113
Wages - Regular _Proc/Inv	138,926	354,893	251,447	258,990
Wages - Regular _Sched	89,409	101,359	105,402	108,564
Wages - Regular _Sfty & Train	80,439	100,577	40,736	41,958
Wages - Regular _Svc Work	535,388	637,194	597,743	615,676
Wages - Regular _Transp	1,353,642	1,579,178	1,284,424	1,322,957
Wages - Regular _Veh Maint Adm	371,991	429,359	341,231	351,468
Separation Pay _Admin	-	5,000	-	-
<b>Wages Total</b>	<b>15,881,332</b>	<b>18,288,470</b>	<b>16,876,921</b>	<b>17,956,420</b>
<b>Fringe Benefits</b>				
Vacation _Admin	67,528	59,419	65,074	67,026
Vacation _Bldg Maint	35,510	32,560	31,799	32,753
Vacation _Cust Svc	35,497	30,191	34,595	35,633
Vacation _Finance	32,729	40,504	36,764	37,867
Vacation _Hum Res	19,140	28,468	17,218	17,734
Vacation _Info Tech	28,336	25,939	25,383	26,144
Vacation _Mech	83,846	116,588	72,853	75,038
Vacation _OP-FT	572,872	640,507	550,642	567,161
Vacation _Plan/Mktg	33,933	41,106	35,570	36,637
Vacation _Proc/Inv	11,469	11,135	18,406	18,958
Vacation _Sched	9,898	7,165	8,464	8,718
Vacation _Sfty & Train	14,880	7,109	3,519	3,625
Vacation _Svc Work	30,757	44,899	26,613	27,412
Vacation _Transp	204,035	104,650	1,476	1,520
Vacation _Veh Maint Adm	29,323	30,350	28,224	29,071
Sick _Admin	22,217	38,198	19,570	20,157
Sick _Bldg Maint	10,678	20,931	13,956	14,375
Sick _Cust Svc	13,137	19,409	30,818	31,742
Sick _Finance	25,393	26,038	21,806	22,460
Sick _Hum Res	1,354	18,301	14,812	15,256

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Sick_Info Tech	3,615	16,675	2,417	2,489
Sick_Mech	34,436	42,647	48,513	49,968
Sick_OP-FT	295,170	303,287	272,231	280,398
Sick_Plan/Mktg	19,266	26,426	22,356	23,027
Sick_Proc/Inv	18,022	7,158	8,227	8,474
Sick_Sched	402	4,606	3,620	3,728
Sick_Sfty & Train	798	4,570	885	912
Sick_Svc Work	12,040	28,864	16,782	17,286
Sick_Transp	60,212	67,275	32,682	33,662
Sick_Veh Maint Adm	7,504	19,511	10,464	10,778
Holiday_Admin	41,986	42,442	26,460	27,254
Holiday_Bldg Maint	25,222	23,257	15,061	15,513
Holiday_Cust Svc	21,179	21,565	12,408	12,780
Holiday_Finance	21,863	28,931	15,844	16,319
Holiday_Hum Res	11,506	20,334	5,571	5,739
Holiday_Info Tech	17,846	18,528	7,756	7,988
Holiday_Mech	55,265	73,674	31,402	32,344
Holiday_OP-FT	408,624	511,139	235,323	242,383
Holiday_Plan/Mktg	33,275	30,282	13,118	13,511
Holiday_Proc/Inv	8,535	7,954	4,859	5,005
Holiday_Sched	5,070	5,118	2,197	2,263
Holiday_Sfty & Train	5,190	5,078	885	912
Holiday_Svc Work	23,841	32,071	15,618	16,086
Holiday_Transp	68,501	74,750	35,468	36,532
Holiday_Veh Maint Adm	22,427	21,678	10,603	10,921
Floating Holiday_Admin	-	2,547	685	705
Floating Holiday_Bldg Maint	1,139	1,395	8,308	8,557
Floating Holiday_Cust Svc	1,120	1,294	7,419	7,641
Floating Holiday_Finance	2,710	1,736	4,671	4,811
Floating Holiday_Hum Res	-	1,220	2,084	2,146
Floating Holiday_Info Tech	1,386	1,112	11,955	12,314
Floating Holiday_Mech	-	11,550	32,123	33,087
Floating Holiday_OP-FT	24,685	109,761	164,058	168,979
Floating Holiday_Plan/Mktg	-	1,762	3,737	3,849
Floating Holiday_Proc/Inv	-	477	5,678	5,848
Floating Holiday_Sched	-	307	1,809	1,863
Floating Holiday_Sfty & Train	-	305	-	-
Floating Holiday_Svc Work	479	1,924	13,033	13,424
Floating Holiday_Transp	3,876	4,485	31,954	32,913
Floating Holiday_Veh Maint Adm	1,120	1,301	2,722	2,803
Other Paid Absence_OP-FT	-	-	9,599	9,887
Other Paid Absence_Transp	-	-	82,236	84,703
Medicare Expense_Admin	11,305	12,189	10,038	10,339
Medicare Expense_Bldg Maint	7,373	6,679	8,302	8,551
Medicare Expense_Board	1,308	383	1,386	1,428

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Medicare Expense _Cust Svc	6,407	6,193	7,180	7,395
Medicare Expense _Finance	8,480	8,871	9,682	9,972
Medicare Expense _Hum Res	5,354	5,840	4,368	4,499
Medicare Expense _Info Tech	4,794	5,321	5,704	5,875
Medicare Expense _Mech	17,425	20,830	18,915	19,483
Medicare Expense _OP-FT	142,268	143,056	147,279	151,697
Medicare Expense _Plan/Mktg	8,908	8,413	9,360	9,640
Medicare Expense _Proc/Inv	2,594	5,146	4,025	4,146
Medicare Expense _Sched	1,479	1,470	1,578	1,626
Medicare Expense _Sfty & Train	1,531	1,458	616	635
Medicare Expense _Svc Work	8,590	9,210	9,643	9,933
Medicare Expense _Transp	21,558	22,898	21,057	21,689
Medicare Expense _Veh Maint Adm	5,837	6,226	5,606	5,774
SUI Expense _Admin	581	1,256	851	877
SUI Expense _Bldg Maint	873	1,888	672	692
SUI Expense _Board	-	-	51	53
SUI Expense _Cust Svc	672	1,454	619	637
SUI Expense _Finance	784	1,454	764	787
SUI Expense _Hum Res	389	841	429	442
SUI Expense _Info Tech	336	727	503	518
SUI Expense _Mech	2,028	4,028	1,999	2,059
SUI Expense _OP-FT	19,864	37,065	15,158	15,613
SUI Expense _Plan/Mktg	784	1,696	1,124	1,158
SUI Expense _Proc/Inv	336	727	382	393
SUI Expense _Sched	112	242	139	143
SUI Expense _Sfty & Train	112	242	134	138
SUI Expense _Svc Work	1,633	2,990	668	688
SUI Expense _Transp	1,680	3,634	2,329	2,399
SUI Expense _Veh Maint Adm	448	969	565	582
PERS _Admin	151,285	160,120	179,947	185,345
PERS _Bldg Maint	101,988	114,691	100,399	103,411
PERS _Cust Svc	81,999	89,816	75,241	77,498
PERS _Finance	85,099	88,142	101,976	105,035
PERS _Hum Res	28,929	37,632	46,945	48,353
PERS _Info Tech	28,293	17,107	53,385	54,987
PERS _Mech	220,319	228,403	218,805	225,369
PERS _OP-FT	1,516,895	1,606,279	1,474,984	1,597,184
PERS _Plan/Mktg	168,153	228,855	142,739	147,021
PERS _Proc/Inv	18,010	2,770	39,392	40,574
PERS _Sched	21,299	23,571	26,589	27,387
PERS _Sfty & Train	11,219	19,997	10,823	11,148
PERS _Svc Work	102,238	102,018	105,844	109,019
PERS _Transp	278,416	323,620	280,604	289,022
PERS _Veh Maint Adm	112,402	145,734	86,883	89,489
GM Retirement _Gen Admin	18,000	19,000	19,000	19,570

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Medical Insurance _Admin	328,167	367,357	479,176	536,677
Medical Insurance _Bldg Maint	48,356	55,295	55,251	61,881
Medical Insurance _Cust Svc	39,277	44,878	42,460	47,555
Medical Insurance _Finance	25,492	47,757	22,785	25,519
Medical Insurance _Hum Res	7,857	17,489	23,436	26,248
Medical Insurance _Info Tech	-	-	23,436	26,248
Medical Insurance _Mech	310,048	449,507	374,718	419,684
Medical Insurance _OP-FT	572,300	776,455	603,971	880,757
Medical Insurance _Plan/Mktg	78,321	94,570	38,052	42,618
Medical Insurance _Proc/Inv	-	-	26,030	29,153
Medical Insurance _Sched	6,756	8,014	7,587	8,498
Medical Insurance _Sfty & Train	9,540	10,418	19,616	21,970
Medical Insurance _Svc Work	302,484	348,739	374,123	419,018
Medical Insurance _Transp	83,433	94,599	107,421	120,312
Medical Insurance _Veh Maint Adm	51,189	67,758	31,439	35,212
Cafeteria Plan _Admin	645,282	733,595	63,397	79,246
Cafeteria Plan _Bldg Maint	-	-	77,492	96,865
Cafeteria Plan _Cust Svc	-	-	75,426	94,282
Cafeteria Plan _Finance	-	-	45,755	57,194
Cafeteria Plan _Info Tech	-	-	33,044	41,304
Cafeteria Plan _OP-FT	1,451,535	1,598,279	1,500,125	1,875,156
Cafeteria Plan _Plan/Mktg	-	-	64,451	80,564
Cafeteria Plan _Proc/Inv	-	-	35,349	44,187
Cafeteria Plan _Sched	-	-	12,489	15,611
Cafeteria Plan _Sfty & Train	-	-	8,138	10,172
Cafeteria Plan _Transp	-	-	174,554	218,193
Cafeteria Plan _Veh Maint Adm	-	-	39,887	49,859
OPEB _Gen Admin	295,816	300,000	300,000	375,000
Dental _Admin	8,519	10,620	6,075	7,594
Dental _Bldg Maint	13,267	12,442	17,441	21,801
Dental _Cust Svc	9,501	11,221	9,240	11,550
Dental _Disp & Sup	-	-	26,410	33,012
Dental _Finance	8,581	9,668	7,667	9,584
Dental _Hum Res	2,201	870	3,635	4,544
Dental _Info Tech	-	-	4,620	5,775
Dental _OP-FT	196,701	235,340	155,091	193,864
Dental _OP-PT	-	-	508	635
Dental _Plan/Mktg	15,522	18,450	7,159	8,949
Dental _Proc/Inv	-	-	4,843	6,053
Dental _Sched	1,399	1,553	45,278	56,598
Dental _Sfty & Train	2,292	2,505	2,421	3,027
Dental _Transp	32,014	35,093	7,041	8,802
Dental _Veh Maint Adm	9,968	10,725	5,363	6,704
Life _Admin	4,151	4,566	5,544	6,930
Life _Bldg Maint	4,502	4,572	5,191	6,489

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Life _Cust Svc	3,700	4,070	3,885	4,856
Life _Finance	4,598	5,174	5,040	6,300
Life _Hum Res	1,478	2,734	2,570	3,213
Life _Info Tech	-	-	3,068	3,835
Life _OP-FT	66,104	81,471	64,672	80,840
Life _Plan/Mktg	13,099	15,194	5,378	6,723
Life _Proc/Inv	-	-	1,741	2,176
Life _Sched	835	918	876	1,095
Life _Sfty & Train	840	924	882	1,103
Life _Svc Work	-	2,000	1,607	2,008
Life _Transp	9,786	10,764	11,416	14,270
Life _Veh Maint Adm	5,813	4,899	2,182	2,727
Workers Compensation _Admin	68,196	63,360	63,360	79,200
Workers Compensation _Bldg Maint	40,874	37,976	37,976	47,470
Workers Compensation _Cust Svc	35,125	32,630	32,630	40,788
Workers Compensation _Finance	46,872	43,547	43,547	54,434
Workers Compensation _Hum Res	31,227	29,014	29,014	36,268
Workers Compensation _Info Tech	27,826	25,846	25,846	32,308
Workers Compensation _Mech	119,084	110,629	110,629	138,286
Workers Compensation _OP-FT	1,065,028	989,406	989,406	1,236,758
Workers Compensation _Plan/Mktg	49,249	45,751	45,751	57,189
Workers Compensation _Proc/Inv	25,605	23,786	23,786	29,733
Workers Compensation _Sched	7,935	7,366	7,366	9,208
Workers Compensation _Sfty & Train	7,989	7,418	7,418	9,273
Workers Compensation _Svc Work	51,554	47,890	47,890	59,863
Workers Compensation _Transp	119,567	111,078	111,078	138,848
Workers Compensation _Veh Maint Adm	32,760	30,439	30,439	38,049
Uniforms _OP-FT	40,177	55,000	55,000	55,000
Uniforms _Veh Maint	29,747	32,000	42,000	42,000
DOT Exams _OP-FT	11,858	15,000	15,000	15,000
EAP _Gen Admin	5,080	15,000	15,000	15,000
Mechanics Tool Allowance _Veh Maint	10,498	15,000	20,000	20,000
Employee Wellness Program _Admin	731	968	968	968
Employee Wellness Program _Bldg Maint	1,322	1,751	1,751	1,751
Employee Wellness Program _Cust Svc	1,360	1,802	1,802	1,802
Employee Wellness Program _Finance	545	722	722	722
Employee Wellness Program _Hum Res	224	297	297	297
Employee Wellness Program _Mech	2,045	2,708	2,708	2,708
Employee Wellness Program _OP-FT	13,759	18,223	18,223	18,223
Employee Wellness Program _Svc Work	1,639	2,171	2,171	2,171
Employee Wellness Program _Transp	1,580	2,093	2,093	2,093
Employee Wellness Program _Veh Maint Adm	955	1,265	1,265	1,265
Substance Abuse Program _Gen Admin	14,770	19,000	10,000	19,000
<b>Fringe Benefits Total</b>	<b>12,307,136</b>	<b>13,743,233</b>	<b>12,416,646</b>	<b>14,255,070</b>
<b>Services</b>				

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Agency Fees/Public Info _Gen Admin	50	50	50	50
Auditor Fees _Gen Admin	66,441	61,000	61,000	63,000
Bank Service Charge _Gen Admin	1,017	3,000	3,000	3,000
Bid/Hearing Notices _Gen Admin	536	900	6,490	5,000
Clipper Fees _Gen Admin	109,432	115,000	105,536	120,000
Commuter Ck Processing Fee _Gen Admin	298	500	100	100
Financial Services _Gen Admin	21,655	12,500	37,998	38,000
Legal Fees _Gen Admin	580,563	450,000	384,348	500,000
Lobbyist _Gen Admin	10,000	36,000	44,000	72,000
Management Services _Gen Admin	45,233	100,000	100,000	100,000
Payroll Services _Gen Admin	113,184	95,000	115,142	110,000
PERS File Upload Expense _Gen Admin	7,956	8,000	11,018	12,000
HR Background Checks _Gen Admin	16,286	10,000	10,000	10,000
Recruitment _Gen Admin	10,106	20,000	10,000	10,000
Temporary Help _Gen Admin	-	25,000	20,000	25,000
UI Cost Control Services _Gen Admin	-	-	5,000	5,000
IT Contracts _Gen Admin	292,627	485,000	479,609	500,000
IT Supplies/Replacement _Gen Admin	116,279	40,000	22,025	30,000
Radio Maintenance Service _Veh Ops	-	12,000	12,000	12,000
Bldg Maint Services _Fac Maint	92,023	120,000	120,000	120,000
CleverDevice-MaintenanceService _Veh Ops	277,429	299,000	286,252	313,950
Contract Service Cleaning _Gen Admin	-	3,600	3,600	3,600
Emission Control Expense _Veh Maint	65,410	85,000	85,000	85,000
Fire Monitoring _Gen Admin	8,457	8,000	10,000	10,000
Freight In/Out _Veh Maint	12,715	11,000	12,650	12,650
Hazardous Waste Handling _Veh Maint	74,050	115,000	115,000	115,000
Landscape Services _Fac Maint	74,200	95,000	95,000	95,000
Office Equip Maint Service _Fac Maint	24,126	25,000	25,000	25,000
Security Services _Gen Admin	129,468	125,000	131,823	135,000
Support Veh Maintenance Exp _Veh Maint	8,647	18,000	18,000	18,000
SVR, Body _Veh Maint	92,871	125,000	125,000	140,000
SVR, Diffs/Radiators _Veh Maint	-	25,500	25,500	27,000
SVR, Engine _Veh Maint	111,374	217,500	217,500	150,000
SVR, Mach/Hydr/Tow _Veh Maint	11,585	15,000	15,000	15,000
SVR, Trans _Veh Maint	13,832	50,600	50,600	50,600
SVR, Upholstry/Glass _Veh Maint	3,022	14,000	14,000	14,000
SVR-Electric Bus Repair _Veh Maint	14,969	75,000	75,000	90,000
Waste Removal _Fac Maint	27,757	26,000	26,000	26,000
Other Services _Gen Admin	-	30,000	30,000	30,000
Telematics Expense _Veh Maint	-	-	65,000	65,000
Mobility Services _Gen Admin	6,391	25,000	25,000	25,000
Planning Studies _Gen Admin	-	450,000	90,516	359,484
Promotions _Bus	183,433	155,000	75,429	155,000
Schedules/Graphics _Marketing	80,931	60,000	60,000	60,000
Schedules/Graphics _Transportation	-	6,000	6,000	6,000

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Service Development _Gen Admin	87,546	150,000	75,000	150,000
In-Service Monitoring _Gen Admin	-	5,000	5,000	5,000
Other _Gen Admin	17,767	-	-	-
<b>Services Total</b>	<b>2,809,664</b>	<b>3,808,150</b>	<b>3,310,185</b>	<b>3,916,434</b>
<b>Materials and Supplies</b>				
Diesel Fuel _Veh Ops	2,002,281	2,400,000	2,117,842	1,950,000
Gasoline _Veh Maint	23,101	30,000	22,706	30,000
Oil & Lubricants _Veh Ops	107,577	96,000	116,000	116,000
Electric Trolley PG&E Utility _Veh Ops	81,226	90,000	62,508	90,000
Tires - Revenue Vehicles _Veh Ops	218,287	220,000	244,976	231,000
Office Supplies _Disp & Sup	-	-	3,000	3,000
Office Supplies _Fac Maint	7,054	3,200	9,538	4,500
Office Supplies _Veh Maint	-	25,000	25,000	25,000
Office Supplies_General Admin	38,499	35,000	35,000	35,000
Postage _Gen Admin	7,951	9,000	10,000	10,000
Safety Supply _Veh Ops	963	5,000	5,000	5,000
Tix, Pass, Transfers	6,171	1,500	1,000	1,500
Training Supplies _Veh Ops	2,272	5,000	5,000	5,000
Transport Supplies _Veh Ops	22,194	14,000	14,000	6,000
Office & IT Equipment _Gen Admin	9,169	30,000	16,398	50,000
Clipper Relief Cards _Veh Ops	264	-	-	-
Bldg Repair Supply _Fac Maint	119,457	95,000	95,000	95,000
Coach Repair Parts _Veh Maint	580,256	625,000	769,845	718,750
CSS Antifreeze _Veh Maint	10,753	8,500	8,500	8,500
CSS Cleaning supplies _Veh Maint	17,492	16,000	24,620	16,000
CSS Gases _Veh Maint	14,790	8,500	18,098	10,000
CSS Safety supplies _Veh Maint	12,106	48,000	35,000	48,000
CSS Soaps _Veh Maint	5,041	6,000	7,794	8,000
Equipment/Garage Supply _Veh Maint	74,417	35,000	54,999	39,000
Janitorial Supplies _Fac Maint	42,230	38,500	41,847	45,000
Landscape Supply _Fac Maint	-	3,000	3,000	3,000
Obsolete Parts Write-Off _Veh Maint	-	50,000	50,000	50,000
Oil Analysis _Veh Maint	8,250	8,500	9,900	9,900
Shelter/Stop Supply _Fac Maint	1,748	8,000	8,000	8,000
<b>Materials and Supplies Total</b>	<b>3,413,548</b>	<b>3,913,700</b>	<b>3,814,570</b>	<b>3,621,150</b>
<b>Utilities</b>				
Cellular Phone _Gen Admin	65,149	80,000	75,000	72,000
Gas and Electric _Gen Admin	267,591	235,000	310,709	293,750
Phone _Gen Adm	46,504	43,000	37,985	40,000
Water _Gen Adm	30,989	37,000	43,416	44,400
<b>Utilities Total</b>	<b>410,233</b>	<b>395,000</b>	<b>467,109</b>	<b>450,150</b>
<b>Casualty and Liability</b>				
Liability Premiums _Gen Admin	767,688	870,000	850,312	1,047,831
Liability Premiums _Veh Maint	100,145	150,000	138,444	129,364
Property Premiums _Gen Admin	40,837	60,000	38,973	51,000

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Other Premiums _Gen Admin	39,881	50,000	45,652	55,000
Liability Losses _Veh Maint	189,862	210,000	210,000	250,000
<b>Casualty and Liability Total</b>	<b>1,138,413</b>	<b>1,340,000</b>	<b>1,283,381</b>	<b>1,533,195</b>
<b>Taxes and Fees</b>				
Fuel Storage Tank Fee _Veh Ops	11,320	13,000	13,000	15,600
License/Registration _Veh Ops	2,703	3,400	3,400	3,400
Property Tax _Gen Admin	10,538	11,000	11,977	14,372
Sales Tax _Veh Maint	348,755	400,000	344,064	350,000
Use and Other Taxes _Veh Ops	5,735	7,000	5,910	7,000
<b>Taxes and Fees Total</b>	<b>379,051</b>	<b>434,400</b>	<b>378,351</b>	<b>390,372</b>
<b>Other Operating</b>				
Business Expense _Plan/Mktg	-	-	132	500
Business Expense _Transportation	-	-	8,000	8,000
Business Expense _Veh Maint	-	2,000	2,000	2,000
Business Expense _Admin	6,472	8,000	14,076	10,000
Business Expense _Finance	-	-	264	500
Employee Functions	38,696	60,000	60,000	45,000
Employee Recognition _Gen Admin	1,960	3,000	7,000	3,000
Employee Recognition _Plan/Mktg	-	-	838	1,000
Membership Dues-APTA _Gen Admin	35,500	36,750	35,500	40,000
Membership Dues-CTA _Gen Admin	16,000	16,500	16,000	17,000
Membership Dues-Other _Gen Admin	4,949	7,500	7,500	8,000
Training & Subscriptions _Gen Admin	27,748	46,000	25,000	25,000
Training & Subscriptions _TRANSP	-	-	25,000	25,000
Training & Subscriptions _Veh Maint	70	50,000	30,000	50,000
Travel Expenses - Board _Gen Admin	10,683	25,000	25,000	25,000
Travel Expenses - Staff _Gen Admin	104,639	110,000	121,260	120,000
Other Miscellaneous Expenses _Gen Admin	93	1,500	1,500	1,500
<b>Other Operating Total</b>	<b>246,810</b>	<b>366,250</b>	<b>379,070</b>	<b>381,500</b>
<b>Leases and Rentals</b>				
Capital Leases - Equipment Leases	13,670	15,000	10,000	15,000
<b>Leases and Rentals Total</b>	<b>72,266</b>	<b>70,000</b>	<b>65,171</b>	<b>75,000</b>
<b>Purchased Transportation</b>				
PT Contract _Veh Ops _Other Arrang_COVID	-	10,000	-	-
<b>Contingency Expense</b>				
Contingency Expense	-	500,000	-	500,000
Contingency Total	-	500,000	-	500,000
<b>FIXED ROUTE TOTAL</b>	<b>36,658,453</b>	<b>43,269,203</b>	<b>39,391,404</b>	<b>43,479,291</b>

**PARATRANSIT**

<b>Wages</b>	<b>331,137</b>	<b>339,883</b>	<b>295,077</b>	<b>319,126</b>
<b>Fringe Benefits</b>	<b>159,893</b>	<b>239,253</b>	<b>226,685</b>	<b>259,595</b>
<b>Services</b>				
Agency Fees/Public Info _Gen Admin	-	-	730	1,000
Legal Fees _Paratransit	36,554	25,000	56,566	40,000

Account Description	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated Actual	FY 2026 Proposed Budget
Radio Maintenance Service _Veh Maint	13,950	10,000	15,000	16,000
Software Maint Services _Gen Admin	49,786	100,000	72,832	71,000
Software Maint Services _LAVTA ADA	-	-	19,980	20,000
Bldg Maint Services_Fac Maint	720	5,000	5,000	5,000
Waste Removal_Fac Maint	-	-	100	1,000
Promotions_Partransit	-	15,000	5,247	15,000
Travel Training Services _Gen Admin _Meas J	19,164	60,000	30,000	59,000
Paratransit Services Other _Gen Admin	6,469	10,000	5,000	10,000
<b>Services Total</b>	<b>126,643</b>	<b>225,000</b>	<b>210,455</b>	<b>238,000</b>
<b>Materials and Supplies</b>				
Office Supplies _Gen Admin	1,249	4,000	2,000	2,000
Tix, Pass, Transfers _Veh Ops	-	-	2,000	2,000
<b>Materials and Supplies Total</b>	<b>1,249</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Utilities</b>				
Cellular Phone _Gen Admin	27,429	30,000	32,000	30,000
Gas and Electric _Gen Admin	28,429	30,000	34,625	36,000
<b>Utilities Total</b>	<b>55,858</b>	<b>60,000</b>	<b>66,625</b>	<b>66,000</b>
<b>Casualty and Liability</b>				
Liability Premiums _Gen Admin	8,771	10,245	9,703	11,998
Property Premiums _Gen Admin	7,207	7,928	6,878	9,000
<b>Casualty and Liability Total</b>	<b>15,978</b>	<b>18,173</b>	<b>16,581</b>	<b>20,998</b>
<b>Other Operating</b>				
Training & Subscriptions _Gen Admin	897	10,000	10,000	10,000
<b>Other Operating Total</b>	<b>897</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Purchased Transportation</b>				
PT Contract _Alamo Creek	139,319	155,000	145,790	155,000
PT Contract _BART ADA	7,913	9,024	229,018	250,088
PT Contract _Choice in Aging	311,443	315,000	315,000	315,000
PT Contract _Go San Ramon	-	5,000	5,000	5,000
PT Contract _LAVTA ADA	1,785,272	2,005,115	1,824,314	1,992,151
PT Contract _LINK ADA	6,364,523	6,670,907	7,132,355	7,724,633
PT Contract _One Seat-LAVTA	44,200	41,089	50,820	61,346
PT Contract _One Seat-LINK	339,513	339,133	451,488	493,025
PT Contract _One Seat-Tri Delta	294,607	271,926	478,358	576,264
PT Contract _One Seat-West Cat	37,683	42,420	35,901	43,354
PT Fuel _BART ADA	1,407	2,135	377	415
PT Fuel _LINK ADA	545,608	609,068	555,855	611,440
PT Fuel _One Seat-LAVTA	2,853	2,439	2,736	3,010
PT Fuel _One Seat-LINK	20,776	22,909	23,743	26,117
PT Fuel _One Seat-Tri Delta	13,579	15,473	15,101	16,611
PT Fuel _One Seat-West Cat	2,169	2,438	2,095	2,304
<b>Purchased Transportation Total</b>	<b>9,910,865</b>	<b>10,509,076</b>	<b>11,267,950</b>	<b>12,275,758</b>
<b>PARATRANSIT TOTAL</b>	<b>10,602,520</b>	<b>11,405,385</b>	<b>12,097,373</b>	<b>13,193,477</b>

**To:** Administration & Finance Committee

**Date:** 05/28/2025

**From:** Amber Johnson, Chief Financial Officer

**Reviewed by:** *W.C.*

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**SUBJECT: Adoption of Gann Appropriations Spending Limitation for FY 2025-2026**

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### Background:

Pursuant to California Constitution Article XIII (B) (Proposition 4), public entities are required to conform to budgetary guidelines set forth in the Gann Initiative. The purpose of Article XIII (B) is to constrain fiscal growth in government by limiting the proceeds of taxes that may be appropriated each year. Each year's limit may be adjusted for increase in cost of living (*California per capita income*) and population. For special districts, if the district is located entirely within one county, the *county's population* change factor is to be used. That is the case with County Connection. The limit may also be changed in the event of a transfer of fiscal responsibility.

The California Revenue and Taxation Code, section 2227, mandates that the Department of Finance transmit an estimate of the percentage change in population to local governments. The Department of Finance also transmits the change in the cost of living, or price factor.

### Gann Limit Calculation:

The formula for calculating the appropriations spending limit is:

1. Population percentage change x price increase/decrease factor = ratio of change
2. Ratio of change x 2024-25 spending limit = 2025-26 spending limit.

Based on the above formula, the spending limit for County Connection is:

1. Population percentage change x price increase/decrease factor=ratio of change  
 $1.0000 \times 1.0644 = 1.0644$
2. Ratio of change x 2024-2025 spending limit = 2025-2026 spending limit:  
 $1.0644 \times \$99,619,094 = \$106,034,564$

Based on the above calculations, **the Gann appropriations spending limit for FY 2025-2026 is \$106,034,564** (Attachment 1). The actual County Connection non-federal appropriations budget for FY 2025-2026 is \$59,269,250, which is \$46,765,314 below the spending limitation.

### Financial Implications:

There is no direct financial implication as a result of the calculation of the Gann limit, since the limit far exceeds the appropriations budget.

**Recommendation:**

Staff recommends the A&F Committee review and approve the calculation of the Gann appropriations spending limitation of \$106,034,564 for FY 2025-2026.

**Action Requested:**

By State law, the County Connection Board of Directors must adopt an appropriations limitation. The staff requests the A&F Committee approve and forward the calculation of the Gann appropriations spending limitation of \$106,034,564 for FY 2025-2026 to the Board.

**Attachments:**

Attachment 1: Computation of Gann Appropriations Spending Limit for FY 2026

Attachment 1

**COMPUTATION OF GANN APPROPRIATIONS SPENDING LIMIT FOR FY 2026**

Contra Costa County change in population*	0.00		
Converted to a ratio		1.0000	(1)
Percentage change in per capita personal income*	6.44		
Converted to a ratio		1.0644	(2)
Ratio of change:		1.0644	(1)*(2) = (3)
FY 2025 appropriations limit		\$99,619,094	(4)
FY 2026 appropriations limit		\$106,034,564	(3)*(4) = (5)
FY 2026 operating budget	\$56,672,769		
Less expenses paid by federal funds	<u>(\$1,949,798)</u>		
	\$54,722,970		
FY 2026 capital budget	\$ 13,591,400		
Less expenses paid by federal funds	<u>(\$9,045,120)</u>		
	\$4,546,280		
Operating and capital appropriation		<u>\$59,269,250</u>	
Under limit		<u><u>\$46,765,314</u></u>	

\* Source: California Department of Finance