Summary Minutes
Administration & Finance Committee
Wednesday, June 3, 2026, 9:00 a.m.

Directors: Sue Noack, Don Tatzin
Staff: Bill Churchill, Ruby Horta, Andrew Smith, John Sanderson, Pranjal Dixit
Public: None

Call to Order: Meeting called to order at 9:01 a.m. by Director Noack.

1. **Approval of Agenda**
   The Committee approved the agenda.

2. **Public Communication**
   None.

3. **Approval of Minutes of May 8, 2026**
   The Committee approved the minutes.

4. **Investment Report as of March 31, 2026**
   Ms. Johnson presented the quarterly investment report which includes the type of investment, issuer, date of maturity, par, and dollar amount of investments. The detailed quarterly report was also presented which includes balances by bank account and with recent historical data. Ms. Johnson affirmed that the Authority has the ability to meet projected cash flow of expenditures for the next six months.

   This was an information only item.

5. **Income Statements for the Nine Months Ended March 31, 2026**
   Ms. Johnson presented the quarterly financial statements noting that combined revenues of $41.0 million were 71.8% of the $57.1 million budget, including an estimated $1.1 million in revenue available to transfer to the Authority's discretionary reserve fund at year-end. The combined expenses of $39.9 million are at 70.4% of the annual $56.7 million budget. Ms. Johnson noted that the cost per passenger for this nine-month period was $15.11 as compared to $13.52 over the same nine-month period last year. The increase in cost per passenger is due to a 10.8% increase in expenses while passenger counts declined by 0.9%. Ms. Johnson noted that several one-time costs contributed to this increase in expenses, however, overall expenses remain within the approved budget authority.

   The Committee reviewed the financial statements and approved them. The information will be forwarded to the Board as an information item.

6. **AHSC Implementation and Cooperation Agreement for Route 4**
   Mr. Smith reported that the Authority had partnered with the City of Walnut Creek and Resources for Community Development (RCD) on an Affordable Housing and Sustainable Communities (AHSC) Grant relating to a new affordable housing development at 699 Ygnacio Valley Road. The grant was awarded April 2024 and provides funding for expanded, weekday service of Route 4 (the fare-free "Downtown Trolley"). The grant provides the Authority with $4.15 million over five years. The draft agreement outlines the specific operational parameters along with annual cost reimbursement guidelines. Mr. Churchill noted that AHSC funds are at risk of being pulled back due to the recent decision by the California Air Resources Board (CARB) to amend the Cap and Invest program.

   The Committee recommends that the General Manager be authorized to enter into contract with RCD on behalf of the Authority to accept grant funding paying for the increased service on Route 4. This item will be forwarded to the Board for approval.

7. **Amending of the Conflict of Interest Code**
   Ms. Martinez reported that the Authority's legal counsel had reviewed revisions to the Authority's Conflict of Interest Code and Appendices to include changes in titles and an expanded list of positions.

   The Committee recommends that this be forwarded to the Board for approval.

8. **Adjustment to Non-Represented Administrative Employees Compensation**
   Ms. Martinez reported that the Authority consists of four groups of employees. Three groups are represented by separate unions and Memorandums of Understanding (MOU) and include Transit Operators, Transit Supervisors, and Maintenance. The Administrative employee group is the only non-represented group. General Manager Churchill requests a 4% cost of living adjustment ("COLA") for all satisfactorily performing administrative employees effective July 1, 2026. This is the same increase included in all three of the recently negotiated MOUs. The cost of this COLA totals approximately $243 thousand and is included in the Fiscal Year (FY) 2027 budget.

   Due to the economic uncertainty surrounding Senate Bill (SB) 63, and the anticipated $6.0 million operating deficit next year, General Manager Churchill has been evaluating austerity measures that balance the Authority's financial stability alongside operational needs. These austerity measures include a temporary freeze on merit and step increases, reducing travel expenses by 50%, and departmental budget tightening of expenditures.

   The Committee discussed the 4% COLA of administrative staff as well as the austerity measures proposed for FY 2027. This item will be forwarded to the Board for discussion with a recommendation for approval at the June meeting.

9. **Proposed Fiscal Year 2027 Operating and Capital Budget and Forecast**
   Ms. Johnson presented the updated FY 2027 Operating and Capital Budgets and a multiyear forecast of revenues and expenditures. Revisions from the draft budget include targeted, cost-control measures and a freeze on merit and step increases as well as reductions in staff and Board travel expenditures.

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 vacancy rates, recruitment, and retention efforts at a public hearing prior to adoption of the final budget each fiscal year. Staff used the FY 2026 budget as a baseline to conduct a comprehensive review of staffing levels across all bargaining units. Staff continue to monitor staffing levels to maintain efficiency, protect current service levels, and respond to evolving service demands.

The proposed FY 2027 includes $59.3 million in operating expenses with revenue to offset these costs. The fixed route budget of $45.4 million increased 4.5% over the prior year with fuel costs being a primary driver and uncertainty when these historically high costs will go back down. The paratransit budget of $10 million increased 1.3% over the prior year with demand stabilizing to a modest growth rate in ridership following two years of rapid growth. An additional $3.2 million is proposed for capital expenditures including facility and vehicle maintenance, in-ground hydraulic left replacements, a bus was overhaul, roof replacements, an automated fuel system upgrade, and on-board technology improvements.

The Committee reviewed the budget updates. This item will be forwarded to the Board for discussion with a recommendation for approval at the June meeting.

10. Adoption of Gann Appropriations Spending Limitation for FY 2026-2027

Ms. Johnson reported that the FY 2027 Gann Limit, which limits the proceeds of taxes that can be appropriated per population formulas, is $110,938,391. The budgeted amount for operating and capital that is paid for by nonfederal monies is $60,896,625 which is $50,041,766 below this spending.

The Committee approved and forwarded the calculation of the Gann appropriations spending limitation of $110,938,391 for FY 2026-27 to the Board.

11. Review of Vendor Bills, April 2026

The Committee reviewed the vendor bills for April 2026.

12. Approval of Legal Services Statement, April 2026 General and Labor

The Committee approved the legal services statements for April 2026 General and Labor.

13. Next Scheduled Meeting

The next meeting is scheduled for Wednesday, August 5th, 2026, at 9:00 a.m in the 3rd floor conference room at the County Connection Administration Office located at 2477 Arnold Industrial Way, Concord, CA.

14. Closed Session: Conference with Legal Counsel – Existing Litigation
Pursuant to Government Code Section 54956.9(a)
Camille Thompson v. CCCTA

There were no reportable actions taken.

15. Adjournment

The meeting was adjourned at 9:37 a.m.

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