### Subject
Approval of FY 2015-16 Measure J Allocation for the Countywide Bus Services Program (Program 14)

### Summary of Issues
The Measure J Expenditure Plan establishes the Bus Service Program (Program 14) funding at 5 percent of sales tax revenues. The annual allocation for the Countywide Bus Services Program is developed collaboratively with representatives of the affected bus transit operators in Contra Costa: AC Transit, County Connection, Tri Delta Transit, and WestCAT. Program funds are intended to continue to support services funded under Measure C.

### Recommendations
Approve Resolution No. 15-27-G, the allocation of Measure J Bus Service Program (Program 14) funds for FY 2015-16.

### Financial Implications
The FY 2015-16 allocation includes: $3,999,605 to operators; $35,000 for program management/legal costs; and $123,600 into reserve as required by the Measure J Expenditure Plan.

### Options
1. Not approve the allocation at this time;
2. Direct staff to investigate other allocation options.

### Attachments (See PC Packet dated 6/3/15)
A. Resolution No. 15-27-G

### Changes from Committee
None

### Background
Consistent with the Measure J Expenditure Plan, the proposed allocation is calculated at 5 percent of sales tax revenues to the Bus Services Program and further allocated to individual operators at the following percentages:
As called for in Measure J, Authority staff worked together with the Bus Transit Coordinating Committee (BTCC), comprised of representatives of each of Contra Costa’s bus transit operators – AC Transit, County Connection, Tri Delta Transit, and WestCAT – in developing the annual allocation. The relative share of the Bus Service Program funds to each operator was established to be consistent with percentages specified in the Measure J Expenditure Plan. Operator representatives review the productivity of existing services, and with Authority staff, work cooperatively to determine the routes and service levels to be supported with Measure J funding. At its meeting on May 14, 2015, the BTCC voted to forward the attached allocation resolution to the Authority for approval.

Allocation of Bus Transit Program Investment Funds to Specific Routes and Programs

The Measure J Bus Service Program states that:

This program provides funding for bus service provided by Contra Costa transit operators to alleviate traffic congestion and improve regional or local mobility for Contra Costa. Funds can be used to purchase transit vehicles, service operations, maintenance, and capital programs to assist operators in the implementation of adopted plans.

The percentage of program funding currently allocated to the bus transit operators will continue. Reflecting the current distribution among the four parts of the county, the percentage of annual sales tax revenues will be distributed as follows, provided that the bus transit operators jointly consult and collectively report to the Authority each year on any proposed changes to the services that are currently funded from Measure C revenues, and the Authority concurs with the change.
The FY 2015-16 allocation would largely continue the allocation to specific services of prior years. These services are identified in Exhibit 1 of the attached Resolution 15-27-G.

Operators will make every effort to continue funding the services identified in the Exhibit; however, due to the uncertainty of transit funding most operators continue to face, possible reductions in service and some of the identified services could be subject to alteration. To ensure ongoing support of bus operations, the Resolution recognizes these unusual circumstances and provides some flexibility to operators to redirect this funding to appropriate eligible services should changes occur in the identified list of services in Exhibit 1 to the Resolution. Any such changes will be reported to the Authority.

In addition to the revenues projected for the fiscal year, the allocation includes an additional $38,204 from FY 2013-14. Actual revenues in that year were higher than projected at the time so the additional program revenue is being allocated in this fiscal year in accordance with Authority policy.

The Bus Services Program allocation includes a reduction of $33,384 to support Authority staff time associated with administration of the Bus Services Program. This amount is budgeted and adjustments may be made in future allocations based on actual staff costs for managing this program.

**Reserve**

The Measure J Expenditure Plan specifies a reserve requirement as follows:

“For the transit operating programs (Bus Services, Transportation for Seniors & People with Disabilities, and Express Bus) for years in which sales tax revenues increase at or above the change in the Consumer Price Index, the Authority will require that each recipient/operator retain up to 3 percent of its annual allocation to accumulate in a reserve”.

To determine if it was necessary to retain a reserve in the program, Authority staff compared sales tax revenue from calendar years 2013 and 2014 with CPI numbers from the same periods. While the CPI increased from 2013 to 2014 by 2.84 percent, sales tax receipts increased 5.87 percent during the same period; this represents a difference of 3.03 percent; therefore a reserve at the maximum of 3.00 percent has been withheld.
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