

STAFF REPORT

SUBJECT: LAVTA's Operating & Capital Budget for FY 2023

FROM: Tamara Edwards, Director of Finance

DATE: April 26, 2022

Discussion

Attached for your approval is the draft LAVTA Operating Budget for FY 2023 (July 1, 2022 through June 30, 2023). The operating budget includes revenues and expenses required to operate Fixed Route, Dial-a-Ride, and other projects such as Go Tri-Valley and the Shared Autonomous Vehicle. The total operating budget of \$24,243,016 reflects an overall increase of 14.35% from the FY 2022 budget, a breakdown of this increase is below. A large portion of these projects are covered by dedicated grants and allocations. Even with the increase in expenses this year LAVTA was able to balance the Operating budget without taking funds from reserves, this was due in part to the additional Federal Funds received for FY 2023. Additionally, LAVTA has ample funds in reserve, and even with this drawdown the authority maintains more than the board approved goal of 3-6 months of operating funds. The FY 2023 Capital Budget has also been enclosed for your review.

Fund	\$ Increase over prior year	% Increase over prior year	% Share of the overall budget increase
Fixed Route	1,618,252	8.9%	53.2%
Paratransit	1,244,249	53.3%	40.9%
Go Tri-Valley	13,262	22.1%	5.4%
SAV	165,751	30.6%	.4%

Planning for the FY 2023 budget again utilized a system wide approach to clearly align the budget with the mission, vision and goals established in the Strategic Plan.

Operating Budget Provisions

The largest budget line items for LAVTA are purchased transportation and fuel. This year's budget reflects the contracted increase for Fixed Route purchased transportation, including the additional amount to cover the wage increases and the anticipated amount for the new Paratransit contract. For FY 2022 LAVTA budgeted \$2.80 per gallon for fuel, however the average price per gallon that LAVTA paid in FY 2022 (through the end of March) is \$3.10. With the current volatility of fuel prices and the current economic uncertainty the amount per gallon for FY 2023 was budgeted at \$4.50 per gallon.

The budget does not reflect any grant awards not currently in hand. The reason behind this involves the timing of grant applications and awards. Many awards will be announced after the beginning of the fiscal year, rather than budget based on an assumption of receiving the awards and then backfilling if awards are not received, LAVTA budgets based on what is in hand and then adds additional funds to our reserve account at the end of the year from the

grants received. Once grants have been applied for and received staff will update the Board in regard to the additional revenues.

At the meeting, staff will review with the committee the line item budgets for revenues and expenses, highlighting changes from the prior year budget and areas of particular importance.

Recommendation

Staff recommends that the Finance and Administration Committee forward the Operating and Capital Budget for FY 2023 to the Board for approval.

Attachments:

1. Operating and Capital Budget FY 2023
2. Resolution 16-2022 Operating and Capital Budget FY 2023

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Livermore, CA 94551

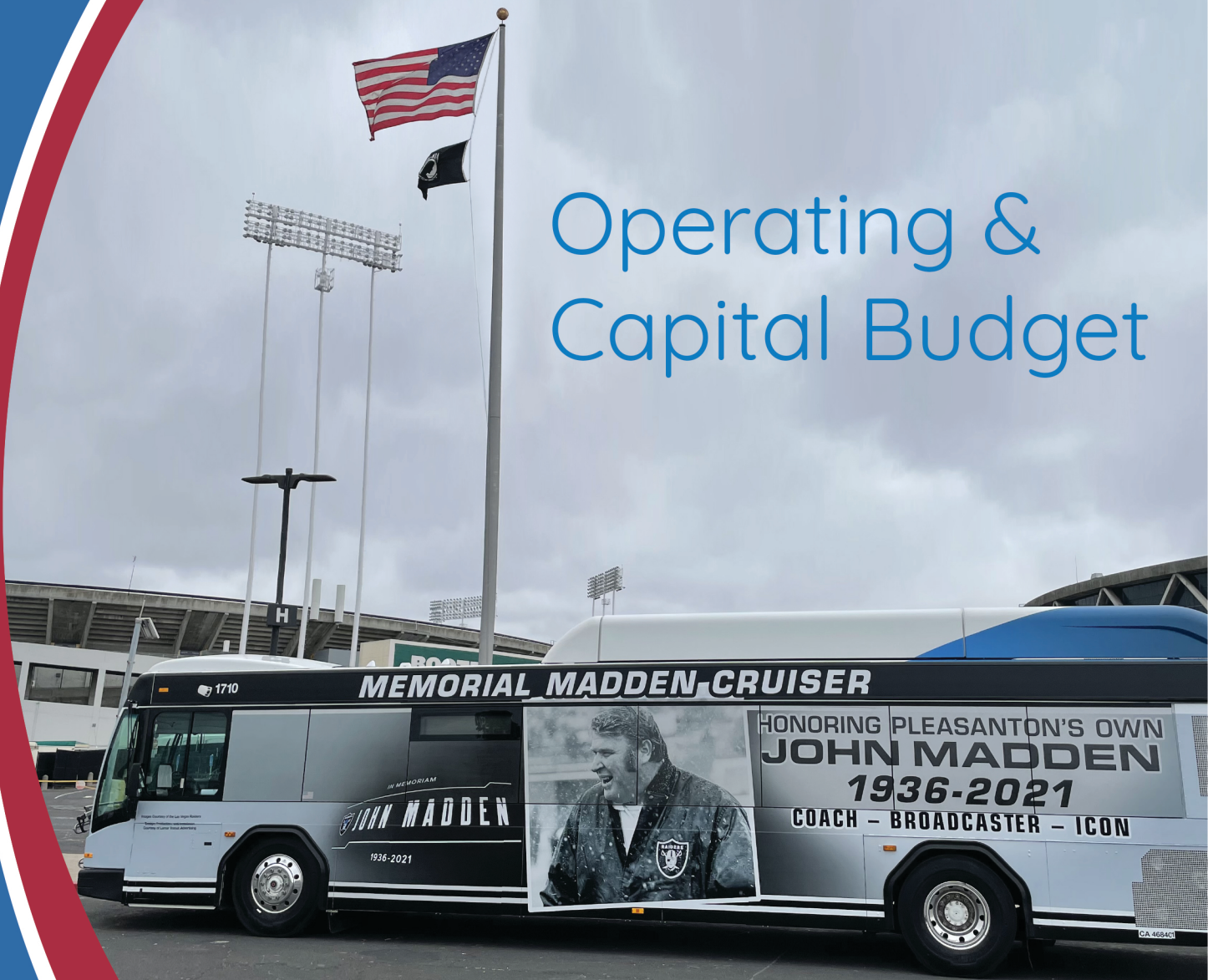
Attachment 2
FY 2023

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Livermore Amador Valley TRANSIT AUTHORITY



Operating & Capital Budget



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WHEELS
Livermore Amador Valley Transit Authority
Fiscal Year 2023
Budget Message

Summary Outlook for FY2023

LAVTA's FY2023 Budget is \$24,243,016 which is 14.35% higher than the adopted FY2022 budget. The draft budget assumes LAVTA will provide 116,886 fixed route service hours and 27,833 service hours for paratransit. The Budget for FY2023 continues to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

FY2023's major highlight will be the continuing recovery from COVID-19, with ridership expected to climb slowly as compared to the previous year as commuters begin to return to work. The focus will be on resuming service in a responsive and responsible manner to ensure both equity and convenience with the Wheels bus system. Staff has planned for increasing frequency on the Rapid bus routes, which provide access to shopping, medical, and many of the service industry jobs, in addition to convenient service to the BART stations. Staff also anticipates adding back service to commuters on the I-680 as demand warrants for access from the north to Hacienda Business Park and the Lawrence Livermore Labs.

All operators in FY2023 will continue to improve their safety and customer skills with monthly safety meetings. Additionally, the agency will continue to monitor safety performance with the agency's new Safety Plan and Safety Management System. Moreover, staff will continue to work with contractors to hire additional operators as the agency will begin FY2023 with a shortage. Key to hiring operators will be continued awareness on operator wages and benefits, improved operator schedules, improvements to the operator lounge and resting areas, and marketing.

In FY2023 the Marketing Department will unveil the agency's new website with improved commuter information, and will continue promotion of the Wheels and Rapid routes and the Go Tri-Valley program with TNCs. Continued focus will be on Las Positas College and the middle and high school students to promote the pass programs and safety.

The Planning Department will continue several studies, including the agency's short- and long-range plans, as well as continued planning for the envisioned I-680 express bus service. Finally, LAVTA staff will continue to manage partnerships participating in the shared autonomous vehicle project.

Going into FY2023 a new contract will be awarded for paratransit service, building upon the improvements that were introduced to the service through the innovative partnership with County Connection. Ridership is expected to continue growing in FY2023 as the COVID-19 pandemic recovery continues. Staff will continue to introduce improvements to

the paratransit program and will work towards controlling escalating operating costs due to wages increases and fuel price increases being seen in the industry.

LAVTA's capital program in FY2023 will focus on several high priority projects, including upgrades at the Livermore Transit Center, continued improvements to Rapid bus stops, delivery of 16 new hybrid replacement buses, the procurement of the first 12 hydrogen buses to replace hybrid buses, the full funding and procurement of a design builder for the agency's new maintenance building that will include a hydrogen fueling station, the construction of the Dublin Parking Garage, the design of new transit centers/hubs at Las Positas College and the Lawrence Livermore Labs, and the design and construction of two shared autonomous vehicle hubs at the Zeiss/Ross Headquarters business park and the Dublin Pleasanton BART station.

As the transit agency enters into FY2023, its activities will occur against the backdrop of an economy recovering from the COVID-19 pandemic. LAVTA's largest revenues are in line with pre-COVID levels however, the budget does continue to reflect a decrease in Farebox revenues and revenues associated with Bridge Tolls. Additionally, LAVTA has received an influx of American Rescue Plan Act of 2021 (ARPA) funds of \$10,085,445 of which \$5,730,074 are included in the budget for FY23, the remaining \$4,335,371 will be budgeted in FY24. These funds are specifically to cover costs from Fixed Route Operations, and they help offset the revenues lost both in Farebox revenues and Bridge Tolls. Additionally, these funds will offset the amount of TDA revenues needed to balance the budget.

The budget reflects the turbulence of both the fuel and labor markets. While LAVTA benefits from purchasing fuel in bulk and "on the spot market" so that the cost per gallon is much lower than what is seen "at the pumps" the FY23 fuel budget is 56% higher than it was for FY22. The labor market situation that is affecting all industries has also impacted LAVTA's contractors in terms of the ability to hire and maintain employees. That coupled with the cost of living increases has led to an increase in labor costs, and thus the costs associated with purchased transportation.

FY22 Perspective and Accomplishments

Before discussing FY2023, it is useful to briefly recap this past year. LAVTA's FY2022 Adopted Budget was \$21,241,502, which was 2.02% higher than FY21. Due to the pandemic scheduled fare increases were delayed. LAVTA was again able to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

For FY2022, the major highlight was ridership growth rebounding on the fixed route system and paratransit system to approximately 50% of pre-pandemic levels. Additionally, the Go Tri-Valley program began to experience ridership growth. To assist passengers coming back to ride the bus system, the agency continued to stress safety by sanitizing buses regularly, maintaining the new air purification system installed on buses, maintaining hand sanitizers on buses and at the transit centers, and enforcing the federal mandate that masks be worn by both operators and passengers.

Of note, the shared autonomous vehicle project in Dublin concluded Phase I testing with project partners. Moreover, the project received funding from MTC for Phase II to procure faster vehicles and construct two hubs, one at a popular business park and the other at Dublin/Pleasanton BART station. Negotiations continue between the agency and business partners for funding operations. Phase II will feature passenger service.

The capital program had several areas of focus in regard to major capital projects, including the completion of the Santa Rita Rapid Bus Stop Project, the completion of the North Canyons Rapid Bus Stop Project, the Completion of the Rapid Transit Signal Priority Project at 66 intersections throughout the Rapid routes, the 60% of design of the Atlantis Operations and Maintenance campus, the completion of the Zero Emissions Bus Master Plan and Roll Out Plan, the preliminary engineering of the Dublin Parking Garage and Request for Proposals Process to procure the design builder for the project, and the renovation of the flooring in the LAVTA Maintenance Facility. Finally, the agency provided the administrative support for the Valley Link project, which finished CEQA work on the project and continued preliminary design and work on the project's funding plan.

Other work during FY2022 from the agency included:

Policy Related Matters

Adopted FY2022 Legislative Program and monitored key legislation. Included in the program was the successful passage of SB 548 for the Valley Link project.

Fixed Route Service

Began short- and long-range planning process.

Paratransit Service

Completed the annual survey to assess customer satisfaction of paratransit services
Completed the pilot project with County Connection to bring paratransit service together for improved customer service and lower cost.

Marketing

Provided marketing and administrative assistance to ACTC with the Measure BB Student Pass Pilot.
Assisted school districts and Las Positas College with return of students to Wheels.
Renegotiated the Las Positas College student pass program with the college.

Audits/Reviews

Completed the annual Financial Audit (ACFR)
Complete an FTA Triennial Review with only two minor "findings".

Financial Management

Continued to aggressively seek state and federal grants to fund the agency's Zero Emissions Bus program, the future construction of Atlantis and the shared autonomous vehicle program.

Advocated for continued special state and federal funding for the agency to offset financial losses caused by the pandemic.
Received GFOA's Award of Excellence for Financial Reporting for FY21 ACFR
Leased portion of Atlantis to Google for bus storage

Personnel

Hired interns in marketing, planning, and finance.
Managed a work from home program for employees during the pandemic.

Major Features of FY2023's Operating Revenues

Looking forward to next year's budget, this section outlines what staff sees forthcoming on the revenue side. LAVTA's primary revenue source is TDA, which is projected by Alameda County's forecasters to increase slightly over FY22 actuals. Another critical revenue source is STA funding, which is also estimated to increase slightly.

Major Features of FY23's Operating Expenditures

The expenditure budget for FY2023 is \$24,243,016 which is \$3,041,513 more (14.35%) than the budget for FY22. The Fixed Route contract had an increase this year, based on the escalators in the contract, and the wage increase for fixed route operations employees. A new Paratransit contract is set to begin in July, with the Agency once again partnering with CCCTA. The costs associated with the new paratransit contract are higher than the previous one. Similar to the revenue side, LAVTA's expenditure side is also driven by a handful of sources. For example, the O&M contracts, diesel fuel, taxes, utilities, and insurance make up about 75% of LAVTA's expenditures. Major matters regarding expenditures are described below.

O&M Services: FY2023 marks the fifth year of the multi-year contract for fixed route O&M services to MV Transportation, and the first year of a new contract for paratransit services with CCCTA.

Fuel Prices: For FY2023, fuel is assumed to be \$4.50 per gallon, which is higher than the average that LAVTA has seen in the current fiscal year, but reflects the recent quotes received from our various suppliers. Although fuel prices tend to be extremely volatile, this year has been even more volatile than usual. Total fuel costs and taxes on fuel are approximately \$2.4 million, a 56% increase.

Personnel Costs: The FY2023 budget assumes no additional FTE's over what was budgeted for FY22. As in prior years, LAVTA will continue to implement merit-based increases based on staff's performance evaluations. Additionally, LAVTA currently has a wage study being conducted to determine the affects of the labor market on wages for positions similar to the ones at LAVTA.

Administrative Costs: Staff is proposing a FY2023 Budget that keeps most budgeted line items, which staff has some control over, similar to the amounts in the FY2022 Budget but with higher escalators than what have been used in past years to reflect the increase in costs.

Major Features of the Capital Budget

The Capital Budget is expected to increase by \$52,796,446 over last year, primarily due to the addition of a bus purchase to replace 12 fixed route buses with hydrogen buses, and the increase in budget for our Hydrogen Fueling Station and Maintenance Building from the design phase to completion. Last year, themes that dominated the Capital Budget will continue through FY23. They are (1) a continued emphasis on a State of Good Repair (SGR), (2) continued development and procurement of a zero emissions fleet, (3) continued improvements that improve speed and reliability to the Rapid corridors, as well as upgraded and attractive Rapid stops, (4) continued design and near future construction of the Atlantis Operations and Maintenance campus, and (5) the continued design and near future construction of the Dublin Parking Garage.

Strategic Plan Guidance and Projects for FY2023

The Wheels Strategic Plan establishes an overall vision and mission for Wheels and contains a series of goals and strategies to guide the future development of services and projects. Although the goals and strategies will be updated through the short- and long-range planning in 2023, the following are the current goals of the agency:

Goal: Service Development

Strategies:

- (1) Provide routes and services to meet current and future demand for timely/reliable transit service.
- (2) Increase accessibility to community, services, senior centers, medical facilities and jobs.
- (3) Optimize existing routes/services to increase productivity and response to MTC projects and studies.
- (4) Improve connectivity with regional transit systems Explore innovative fare policies and pricing options
- (5) Provide routes and services to promote mode shift from personal car to public transit.

Projects:

- (1) Conduct analysis of bus system and engage in strategic planning
- (2) Implement recommendations of the Comprehensive Paratransit Study
- (3) Monitor impacts of fare increase
- (4) Conduct testing through partners with shared autonomous vehicle

Goal: Marketing and Public Awareness

Strategies:

- (1) Continue to build the Wheels brand image identity and value for customers
- (2) Improve the public image and awareness of Wheels
- (3) Increase communication between Wheels and its customers

- (4) Increase ridership, particularly on the Rapid to fully attain benefits achieved through optimum utilization of our transit system
- (5) Promote Wheels to new businesses and residents

Projects:

- (1) Resume individualized marketing on Rapid corridors, if conditions permit
- (2) Continue ridership development at Las Positas College
- (3) Continue ridership development at schools participating in the ACTC Measure BB Student Pass Pilot
- (4) Continue targeted social media and mass promotion tools

Goal: Community and Economic Development

Strategies:

- (1) Integrate transit into local economic development plans
- (2) Advocate for increased TOD from member agencies and MTC
- (3) Partner with employers in the use of transit to meet TDM goals and requirements

Projects:

- (1) Continue to support TOD Development in the Tri-Valley

Goal: Regional Leadership

Strategies:

- (1) Advocate for local regional, state, and federal policies that support the mission of Wheels
- (2) Support staff involvement in leadership roles representing regional, state and federal forums
- (3) Promote transit priority initiatives with member agencies
- (4) Support regional initiatives that support mobility convenience

Projects:

- (1) Advocate for positions taken by LAVTA on FY2020 and 2021 Legislative Plan
- (2) Manage partners and regional interests in Go Tri-Valley pilot and the shared autonomous vehicle project

Goal: Organizational Effectiveness

Strategies:

- (1) Promote system wide continuous quality improvement
- (2) Continue to expand the partnership with contract staff
- (3) HR development with focus on employee quality of life and strengthening of technical resources
- (4) Enhance and improve organizational structures, processes and procedures

- (5) Develop policies that hold Board and staff accountable, providing clear direction through sound policy making decisions.

Projects:

- (1) Create improved contract management process for fixed route operator, paratransit operator and other agency contractors.
- (2) Continue to emphasize and support training of employees to improve their technical expertise.
- (3) Continue to perform annual salary study to ensure competitive wages and benefits.
- (4) Continue to look at staff job descriptions and staffing levels compared to agency projects and requirements to ensure success.

Goal: Financial Management

Strategies:

- (1) Develop budget in accordance with strategic plan
- (2) Explore and develop revenue generating opportunities
- (3) Maintain fiscally responsible long-range capital and operating plans

Projects:

- (1) Approve FY2024 budget with emphasis on growing ridership and providing support for innovative transit projects
- (2) Achieve continuing recognition for financial management excellence
- (3) Continue to explore potential revenue sources for supporting agency activities, such as cell tower rents, and facilities leasing opportunities.

Summary

To summarize, this FY2023 Budget supports 116,886 hours of fixed route service and 27,833 service hours for paratransit for next year. The Budget assumes that fares are not raised.

At the end of FY23, the forecast is to have \$26.83 million in reserves of which \$7 million is committed to the Atlantis Facility project, other future projects have an additional almost \$9 million committed to them. In January 2009, the Board adopted a policy to gradually build up reserves, targeting a range of 3 to 6 months of operating expenses, and attaining this goal by the end of FY2012. The FY2012 Budget achieved that goal and the Budgets since then continue to maintain it.

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WHEELS
Livermore Amador Valley Transit Authority
Fiscal Year 2023
Budget Narrative

OPERATING REVENUES

LAVTA services are supported by two primary types of operating revenues:

- Revenues generated by the agency either through the provision of transit service (farebox and contract fares) or through supplementary activities such as advertising and ticket concessions.
- Federal, State and Local transportation funding assistance programs including Transportation Development Act (TDA), State Transit Assistance (STA), Federal Transit Administration grants, Bridge Toll Revenues (RM2), Motor Vehicle Registration Surcharge (TFCA), and Measure BB sales tax revenue.

A brief description of each budget line item follows:

Passenger Fares

Revenues derived from the farebox are forecast to be slightly higher for fixed route based on an increase in ridership. While the farebox is not anticipated to recovery to Pre-COVID levels for some time we are seeing an increase.

Revenue is also generated from an agreement with Hacienda Business Park. This revenue is expected to increase based on the parameters of the agreement.

Contract Services

LAVTA receives revenues from the San Joaquin Regional Rail Commission (SJRRRC) to subsidize the ACE shuttle service (ACE passengers then ride free). Revenue from an agreement with BART to supply paratransit services to the BART station for connections with East Bay Paratransit are also included. Additionally, there are contracted Fare Revenues from Las Positas college student body based on the student pass, and fares from the Alameda County Transportation Commission (ACTC) for their student pass pilot program. These are budgeted based on school being “in person” for the entire year but with a slight decrease in ridership over the pre-pandemic numbers.

Concessions, Advertising, Interest, T-Mobile, AT&T and Google Agreements

LAVTA currently contracts with Lamar Outdoor Advertising for use of exterior bus advertising space. LAVTA went out to bid on this contract in FY22 and the revenues for FY23 reflect an increase in the contract amount. LAVTA also receives revenues from an agreement with ACE to sell train tickets at the transit center. Interest is generated on unspent revenue in our LAIF account. The agreement with T-Mobile, and AT&T for the lease of space for a cell tower and the agreement with Google to park at the Atlantis Facility are

included.

Transportation Development Act Funds (TDA)

These funds are derived from a ¼ cent sales tax and distributed by the Metropolitan Transportation Commission (MTC) to Alameda County and all of its incorporated cities. LAVTA is eligible for two different programs within this funding source: TDA 4.0 which provides general transit assistance and can be used for capital and operating expenses for both fixed route and paratransit and TDA 4.5 which is exclusively for paratransit services.

The total amount requested in TDA 4.0 funds for operations for FY23 is \$10,715,921 additionally the amount requested in TDA 4.5 funds is \$191,227.

LAVTA also receives a portion of BART's TDA 4.0 and STA apportionments to help support feeder service to the Dublin/Pleasanton station. This is based on an agreement with BART from 1997. BART has stated that they intend to cancel these agreements this year. While LAVTA staff along with staff from the other agencies with similar agreements are trying to find a way to continue these agreements MTC has only allocated 50% of what would be the normal amount until a new agreement is reached. These funds help subsidize routes that run between Livermore and the BART stations. This year LAVTA will receive at least \$57,517 from this source.

State Transit Assistance Funds (STA)

STA is distributed to jurisdictions for fixed route service in two ways – as a revenue-based and a population-based subsidy for transit capital and operating needs.

The amount of population-based STA requested by LAVTA for 2023 is \$1,377,503 and LAVTA has requested revenue-based STA funding of \$468,141.

Additional STA comes to LAVTA as part of the feeder bus agreement with BART. These funds are also affected by the agreements from 1997 that BART is trying to cancel and therefore MTC is only allowing LAVTA to claim 50%, or \$300,792.

Regional Measure and 2 (RM2)

Regional Measure 2 increased the toll on Bay Area bridges by \$1. Funds from these increases were designated to fund projects to improve transit in the Bay Area. LAVTA has received \$409,489 in RM2 funding for the Rapid service, these funds are still below pre-pandemic levels.

Federal Transit Administration (FTA) Section 5307

FTA Section 5307 funds are distributed by MTC to transit operators in the region. These funds are available to LAVTA to fund bus replacement projects, and ADA paratransit. A provision of FTA legislation allows regional capital funds to be used for ADA paratransit operating purposes. This year's allocation for LAVTA's paratransit service is estimated at \$422,316. The amount LAVTA expects to receive for bus purchases for the FY23 purchase is \$11,575,437.

Additionally, funding through the American Rescue Plan Act of 2021 (ARPA) provides for some additional funds for Operating. MTC has programmed \$10,085,445 in two separate allocations. LAVTA has budgeted the first of \$5,730,074 for FY23 and will budget the other of \$4,355,371 for FY24.

Measure BB

Voters in Alameda County re-authorized a one-half cent sales tax (Measure B) dedicated to funding transportation projects. This measure was originally passed in 1986 and passed again in 2000 with a twenty-year sunset clause. LAVTA has benefited greatly from Measure B funds over the years however these funds are no longer available.

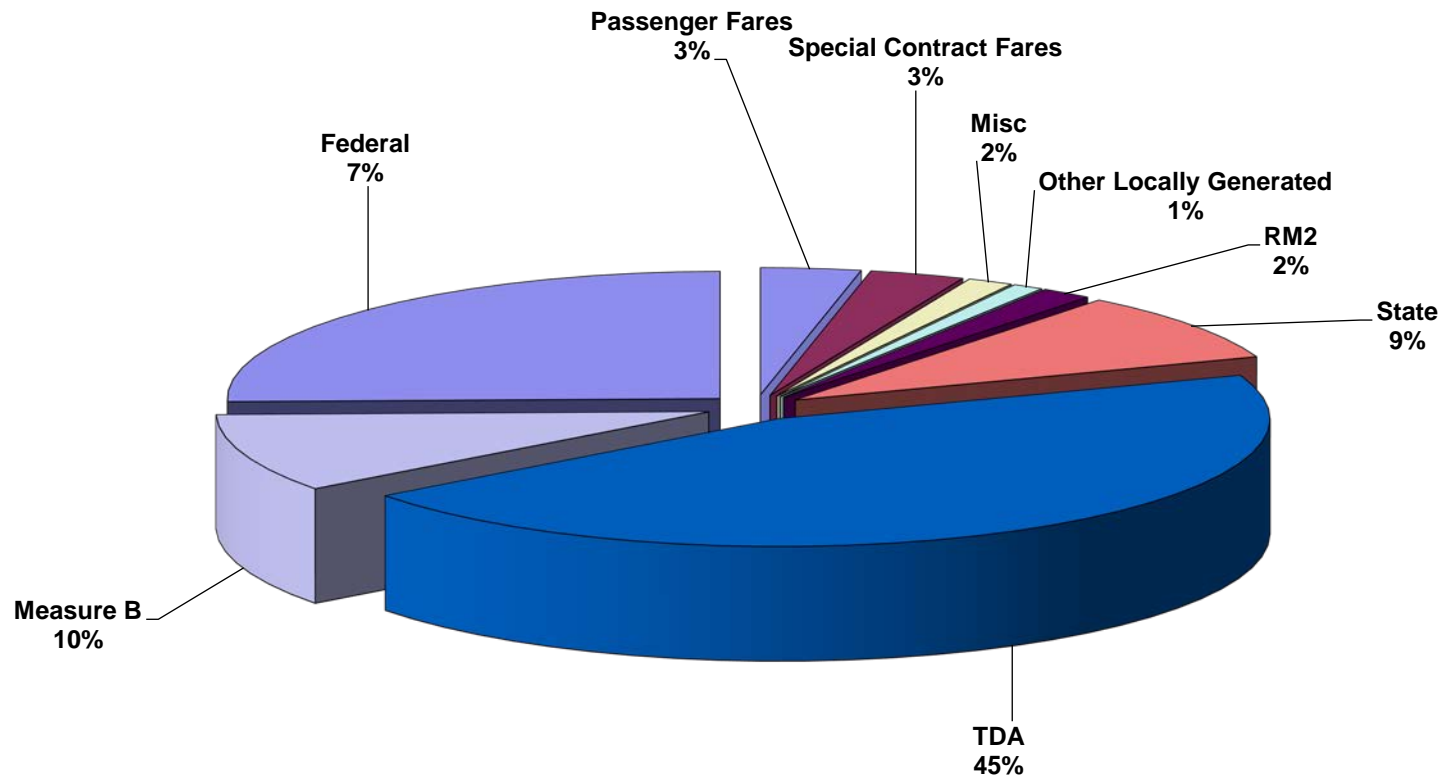
However, in 2014 voters in Alameda County voted for an addition sales tax increase for transit projects, with the stipulation that when Measure B expired it would increase to a full cent tax. This year measure BB is anticipated to provide an additional \$1,603,800 in funds for Fixed Route service and \$803,168 for Paratransit service.

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**LAVTA
FY2023 BUDGET
OPERATING REVENUES**

		FIXED ROUTE FUND	PARATRANS. FUND	WOD	TOTAL FY2023	BUDGET FY2022	% CHANGE
401	Passenger Fares:	\$740,940	\$56,255		\$797,195	\$973,928	-18%
402	Business Park Revenue	\$233,568			\$233,568	\$200,376	17%
402	05 Special Contract Fares:	\$487,116	\$36,000		\$523,116	\$492,065	6%
406	01 Concessions	\$110,136		\$0	\$110,136	\$105,967	4%
406	03 Advertising	\$180,000	\$	-	\$180,000	\$42,000	329%
407	04 Interest	\$26,054			\$26,054	\$25,000	4%
407	03 Google Lease	\$48,000		\$0	\$48,000	\$48,000	0%
409	Transit Development Act (TDA)						
	91 Article 4.0	\$7,866,260	\$2,068,866	\$780,794	\$10,715,921	\$11,282,018	-5%
	92 Article 4.5		\$191,227		\$191,227	\$159,119	20%
	95 BART 4.0	\$57,517			\$57,517	\$104,953	-45%
	96 RM2	\$409,489			\$409,489	\$409,489	0%
	01 TFCA BRT	\$245,000			\$245,000	\$245,000	0%
411	State Transit Assistance (STA)						
	01 Operating-Population Based	\$1,377,503			\$1,377,503	\$0	100%
	01 Block Small Operator	\$0			\$0	\$1,177,548	-100%
	01 Operating-Revenue Based	\$468,141			\$468,141	\$715,023	-35%
	01 Regional Paratransit	\$0	\$0		\$0	\$87,852	-100%
	01 STA Lifeline	\$0			\$0	\$33,815	-100%
	05 Regional BART	\$300,792			\$300,792	\$661,131	-55%
413	Federal Transit Administration Section 5307 and ARPPA	\$5,730,074	\$422,316		\$6,152,390	\$2,147,013	187%
464	01 Measure BB	\$1,603,800	\$803,168	\$0	\$2,406,968	\$2,291,207	5%
TOTAL REVENUE		\$19,884,390	\$3,577,832	\$780,794	\$24,243,016	\$21,201,503	14.35%

OPERATING REVENUE FY 2023



OPERATING EXPENDITURES

Salaries and Wages

This category includes salaries for all staff members, including 14% towards PERS 457 Retirement Plan (for Executive Director only). Although the Executive Director position is currently open the amount in the budget is based on the previous Executive Directors salary and benefits. In addition, employee salary increases are included in this line item however increases for employees are based on performance/merit only. LAVTA has one additional open position that was added last year but has not yet been filled. Staff hopes to get this position filled soon as it will help with completing our Capital Projects.

Personnel Benefits

This category includes contributions to California Public Employees Retirement System (CalPERS), premiums for Medical, Dental, Vision, Disability and Life Insurance programs, Workers Compensation Insurance, Unemployment expense and Automobile Allowance (for the Executive Director only). Also included is the health annuity for retirees, pre-funding of the retirement “unfunded liability” and the amount necessary to prefund LAVTA’s annual OPEB obligation.

Professional Services

Compensation for Board Members per Bylaws of LAVTA for attendance at meetings of the Board of Directors, Committees of the Board of Directors and other LAVTA business is included here. Additionally, on an on-going basis LAVTA contracts out for a variety of professional services including: legal counsel, financial services (for the annual audit), and graphic design. This category also includes the expenses associated with planning for the SAV.

Non-Vehicle Maintenance

This line item includes the expenses to cover the cost of hiring professional maintenance vendors to assist in the cleaning of the Maintenance, Operations and Administration building (MOA), Transit Center facility and grounds, and cleaning of bus stops. In addition, this line item includes the cost of preventative maintenance for the facilities, office equipment such as the accounting system, copy machines, and phones. Costs also include computer support, including the annual contracts for the AVL system and a map platform update, and the cost of the bus shelter maintenance program.

Communications

Postage, Federal Express, and courier charges are in this category of expenses.

Fuel and Lubricants

Costs for all diesel and unleaded gas for buses and non-revenue vehicles are budgeted here. This line item is budgeted for FY 2023 at \$4.50 per gallon; fuel for non-revenue vehicles is budgeted at \$6 per gallon. This line item also contains a \$100,000 contingency to account for unstable and volatile gas prices.

Office/Operating Supplies

This category includes copy machine paper, consumable office supplies, letterhead, envelopes and any other miscellaneous office supplies needed.

Printing

The line item for printing covers the cost for printing public information materials, i.e. Wheels map and schedules, fare media, brochures and the production of exterior route and schedule displays.

Utilities

Utilities include expenses to cover electricity, gas, water, sewer, garbage, and telephone bills.

Insurance

This line item includes insurance on facility contents, employee dishonesty bonds, and property insurance on the MOA, Transit Center and Atlantis facilities. It also includes premiums for casualty, general liability and physical damage insurance. LAVTA has a \$25,000 self-insured retention on our liability program which has been assumed by our fixed route contractor. Due to LAVTA's "experience modification factor" LAVTA is seeing an increase in insurance expenses for FY 23.

Taxes and Fees

Fees for fuel taxes and underground storage tank fees are budgeted here.

Purchased Transportation Service

Purchased transportation service is the largest of the budgeted line items. This line item includes the total operating costs and fixed monthly management fee based on the agreements between LAVTA and MV, and LAVTA and CCCTA, which includes all materials, supplies, lubricants, vehicle parts and labor for provision of operation and maintenance services. This line item is increased from last year's budget due to the increase in contract costs for the fixed route contract with MV Transportation and an increase in contract costs for the new Paratransit services contract with CCCTA.

Additionally, expenses have been budgeted for the "Go Tri-Valley" services and SAV operations.

Miscellaneous

This line item includes membership dues for the American Public Transit Association, California Transit Association, CalAct, and the Dublin, Pleasanton, and Livermore Chambers of Commerce. Also included are promotional items related to special events, and any miscellaneous items not included elsewhere are budgeted here.

Professional Development

Professional development covers the expenses for transportation, meals, conference registration fees and lodging for attendance at transit conferences, training seminars, workshops and other required business meetings. This category also includes expenses associated with job specific development classes.

Advertising

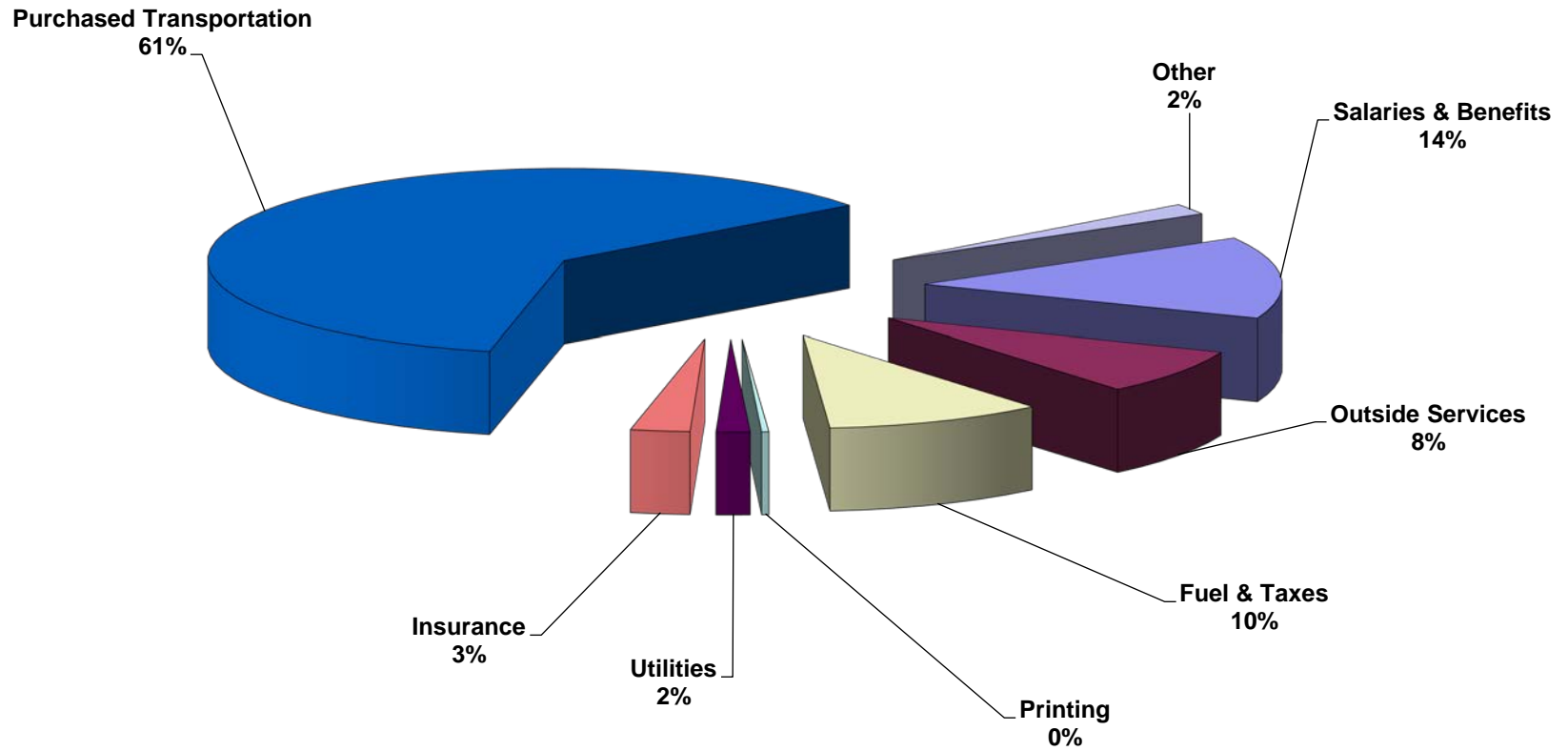
The advertising budget includes any advertising done for LAVTA including radio, newspaper, flyers etc.

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**LAVTA
FY2023 BUDGET
OPERATING EXPENDITURES**

		GENERAL FUND	PARATRANSIT FUND	Wheels On Demand	TOTAL FY 23	BUDGET FY22	% CHANGE
501 02	Salaries and Wages	\$1,726,698	\$185,930	\$79,295	\$1,991,923	\$1,844,031	8%
502 00	Personnel Benefits	\$1,413,343	\$58,095	\$8,235	\$1,479,673	\$1,049,871	41%
503 00	Professional Services	\$885,708	\$44,109	\$138,000	\$1,067,817	\$817,550	31%
503 05	Non-Vehicle Maintenance	\$835,909	\$16,038	\$0	\$851,947	\$912,131	-7%
503 99	Communications	\$5,000	\$2,000	\$0	\$7,000	\$9,500	-26%
504 01	Parts, Fuel and Lubricants	\$2,164,000	\$0	\$0	\$2,164,000	\$1,386,600	56%
504 03	Non Contracted Vehicle Maintenance	\$34,055	\$0	\$0	\$34,055	\$3,000	1035%
504 99	Office/Operating Supplies	\$56,094	(\$816)	\$0	\$55,278	\$68,280	-19%
504 99	Printing	\$60,816	\$17,000	\$0	\$77,816	\$132,320	-41%
505 00	Utilities	\$365,442	\$4,957	\$0	\$370,399	\$263,086	41%
506 00	Insurance	\$643,654	\$6,502	\$0	\$650,156	\$666,095	-2%
507 99	Taxes and Fees	\$229,663	\$0	\$0	\$229,663	\$91,440	151%
508 01	Purchased Transportation	\$11,107,549	\$3,231,200	\$553,262	\$14,892,011	\$13,558,095	10%
509 00	Miscellaneous	\$151,711	\$10,317	\$0	\$162,028	\$192,502	-16%
509 02	Professional Development	\$66,750	\$2,500	\$0	\$69,250	\$87,000	-20%
509 08	Advertising	\$138,000	\$0	\$2,000	\$140,000	\$120,000	17%
TOTAL TRANSIT OPERATIONS AND MAINTENANCE		\$19,884,392	\$3,577,832	\$780,791	\$24,243,016	\$21,201,502	14.3%

OPERATING EXPENDITURES FY 2023



CAPITAL IMPROVEMENT PROGRAM – FY 2023

Facilities Rehab and Repair

Office and Facility Equipment

This budget item will be used to upgrade and replace existing office and/or facility equipment as needed at all three facilities.

Rutan Upgrades

This line item reflects an overhaul of the Rutan Facilities landscaping. The current landscaping is the original that was planted in 1991. This project also includes replacing the hydration system to decrease water usage.

Shop Repairs and Replacements

The current MOA facility was built in 1991 and on-going repairs have been required in the past. Some of the equipment is now in need of total replacement, this line item reflects some replacements, and larger repairs for FY23.

Transit Center Upgrades and Improvements

Now that the Historic Railroad Depot has been moved and is being refurbished LAVTA needs to do some upgrades and repairs to the rest of the facility.

Bus Shelter and Stops

Funds for this project will be used to rehabilitate or improve selected bus stop locations, and move bus stops to new locations. Additionally, bus stop branding will need to be updated as the rebranding project continues. This year LAVTA is receiving funds to improve the BRT stops.

Doolan Tower Upgrade

The Doolan Tower houses LAVTA's radio equipment and is a key component of LAVTA's AVL system. Many upgrades were completed in FY21, however, LAVTA has discovered a need to add a generator to the location to assist during power outages.

Atlantis

In FY 2021, with new funding opportunities for the project finally on the horizon, LAVTA engaged Kimley-Horn & Associates to update the site planning and concept design documents and complete schematic designs for the Atlantis Operations & Maintenance Facility, including sufficient detail of site improvements to provide information on the recommended location and sizes of offices, hallways, shops, employee facilities, storage rooms, vehicle bays, vehicle parking structure, wash facility, building risers, and utility areas (including communications). Final schematic designs were delivered in March 2021. The project included in FY 2023 would deliver 100% bridging documents for the Atlantis facility, ready to advertise and award for a design-build construction contract should funding become available to construct the facility, and/or to facilitate securing such funding via future funding

opportunities. The budget reflects the agency receiving funding for the Hydrogen fueling station and the Maintenance Facility, if the funds are not received the project will be delayed, if only partial funding is received then the portion of the project funded will be completed and the rest delayed.

Vehicle Rehab and Repair and Replacement

Vehicle Repairs

Funds associated with this project will be used for the replacement of engines and transmissions, battery packs on the Hybrid buses and other major components that have reached the end of their useful lives.

Bus Purchases

With LAVTA's 2007, and 2009 buses reaching the end of their useful lives LAVTA will be replacing 16 buses in FY23. The budget also reflects the 12 Hydrogen Bus purchase on the horizon.

Miscellaneous

Transit Capital

The funds associated with this line item will be used to cover miscellaneous projects that come up throughout the year.

Bus Shelters, Signs, and Stops

This project involves the design and construction of numerous Rapid bus stop facilities for routes 10R and 30R throughout LAVTA's service area. Federal funds will support improvements at high-profile stops including the East Dublin/Pleasanton BART station, Las Positas College, and Lawrence Livermore/Sandia National Labs.

Shared Autonomous Vehicle (SAV) and Infrastructure

LAVTA, the City of Dublin, and the Metropolitan Transportation Commission have been partnering on deploying an SAV in the City of Dublin, with testing beginning July 2020. For the next phase of the project, the goal is to expand the current route and serve more passengers traveling between East Dublin/Pleasanton BART and the businesses near the Ross Headquarters/Zeiss Innovation Center business park. The next phase also includes:

- Acquisition of three (3) upgraded SAVs with more passenger and speed capacity.
- Design and construction of a passenger mobility hub at the business park.
- Implementing key stops along the route.
- Upgrades to local infrastructure, such as advanced traffic-signal technologies and additional streetside signage.

Dublin Parking Garage

LAVTA is the project sponsor for the Dublin/Pleasanton Capacity Improvement and Congestion Reduction Program, which includes \$20,000,000 in state funding toward final

design and construction of a 500+-space parking garage in Dublin near the Dublin/Pleasanton BART station on land owned by Alameda County. State funds are being provided by the Transit and Intercity Rail Capital Program (TIRCP) and passed through LAVTA to the Alameda County General Services Agency, who serves as lead agency on implementation of the project.

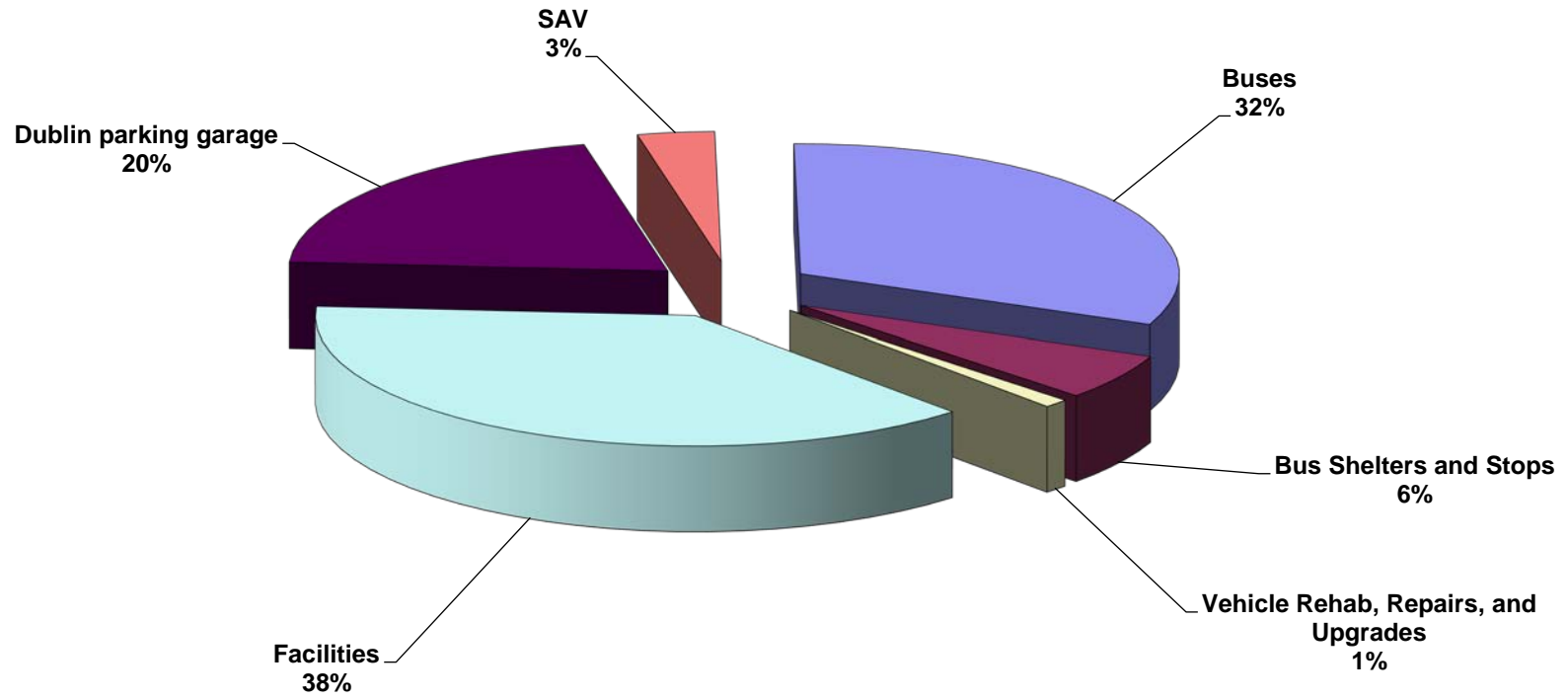
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**LAVTA
FY2023 BUDGET
PROJECT DETAIL**

Capital Improvement Program

Project	Federal FUNDS	BAAQMD	State	CTC CIP	TVTC	Bridge Tolls	TDA 4.0	Prop 1B	BUDGET FY23
Transit Center Upgrades and Improvements	\$440,000		62,746				\$123,602		\$626,348
Bus Shelters, signs, and Stops	\$2,000,000		50,000			\$2,300,000	\$1,157,143		\$5,507,143
Buses (16)	11,574,837						2,893,860		\$14,468,697
Buses (12)	12,712,147		944,976				2,233,061		\$15,890,184
Office and Facility Equipment							\$393,914		\$393,914
Transit Capital							\$100,000		\$100,000
Shop Repairs and Replacements							\$235,500		\$235,500
Rutan Upgrades							\$155,808	\$94,192	\$250,000
Doolan tower upgrade including generator							\$124,000		\$124,000
Atlantis			\$30,522,000				\$4,136,000		\$34,658,000
Non-Revenue Vehicles							\$50,000		\$50,000
Dublin Parking Garage			\$19,500,000						\$19,500,000
SAV Project and Infrastructure	\$385,000					\$2,695,000	\$67,941		\$3,147,941
Vehicle Repairs	\$212,180		\$61,126				\$686,979		\$960,285
TOTAL	\$27,324,164	\$0	\$51,140,848	\$0	\$0	\$4,995,000	\$12,357,808	\$94,192	\$95,912,012

Capital Projects FY 2023



LAVTA
RESERVES ANALYSIS

OVERVIEW OF THE ALLOCATION PROCESS

TDA

Under the State Transportation Development Act (TDA), the Metropolitan Transportation Commission (MTC) is designated as the body that distributes funds from the County Local Transportation Fund (LTF) to each transit operator in the county. Each year this distribution process begins in February when MTC passes a resolution approving each transit operator's apportionment of TDA funds for the upcoming fiscal year. This resolution defines LAVTA's share of the funds available in Alameda County. The funds are apportioned based on population. LAVTA's service area contains approximately 14% of the total population in the county.

Through its planning process LAVTA determines how much of this apportionment to request for the year and submits a claim for these funds. MTC then passes a resolution allocating the requested funds.

The difference between the apportioned amount and the allocated amount is reserved for LAVTA's future use. This amount, called "prior year funds", "carryover" or "reserves", is also shown in the apportionment resolution. These funds are retained in accordance with the California Administrative Code, in the LTF at the County of Alameda based on terms and conditions determined by MTC.

TDA RESERVES

The following analysis calculates LAVTA's expected reserves at the end of FY2023 based on currently available information about FY 2022

Projected Reserves at June 30, 2022	\$12,975,729 (Projected Carryover 2/23/22)
FY 2023 Apportionment (estimated)	\$12,938,264 (FY22 revenue estimate 2/23/22)
FY 2023 TDA Funds Available for Allocation	\$25,913,993

FY 2023 Operating Request	\$10,715,920
FY 2023 Capital Request	\$5,988,747
FY 2023 TDA Request for Allocation	\$16,704,667

Projected Reserves at June 30, 2023	
Reserves at June 30, 2022	\$9,209,326
Expiring Capital Allocations @June 30, 2022	\$0
FY 2022 Unexpended Funds (Due to LTF)	\$1,196,120 (estimate)
Prior year Due to LTF	\$16,277,964

<u>TOTAL TDA RESERVES</u>	<u>\$26,683,410</u>
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STA

A second revenue source administered by MTC is State Transportation Assistance Funds, or STA. LAVTA receives apportionments of STA funds each year: Revenue based (calculated on LAVTA's locally generated revenue as a portion of the region's locally generated revenue) and Population based (based on LAVTA's share of population compared to other small and north county operators). The population-based apportionment is administered by ACTC. As with TDA, LAVTA receives an estimated apportionment in February, requests an allocation, and the difference is maintained in the County Treasury, as reserves.

STA RESERVES

The following analysis calculates LAVTA's expected STA reserves at the end of FY 2023 based on currently available information about FY 2022.

Revenue Based

Reserves at June 30, 2022	\$75,763 (Projected Carryover 2/23/2022)
FY 2022 Apportionment	\$393,378 (FY21 revenue estimate 2/23/2022)
FY 2022 Available STA Funds	\$357,375

FY 2022 STA Request for Allocation **\$468,141**

Reserves at June 30, 2022 **\$0**

TOTAL TDA and STA RESERVES **\$26,683,410**

Committed Reserves

Atlantis Project (includes Hydrogen Station)	\$7,000,000
12 Bus purchase	\$2,233,061
Rutan Rehab	\$5,014,400
Non-Revenue Vehicles	\$1,247,283
SAV Vehicles	\$500,000

TOTAL Uncommitted Reserves **\$15,994,744**

3-6-month target **\$6,060,754 - \$12,121,508**

RESOLUTION NO. 16-2023

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE
AMADOR VALLEY TRANSIT AUTHORITY ADOPTING THE OPERATING
AND CAPITAL BUDGET FOR FISCAL YEAR 2023**

WHEREAS the Board of Directors of the Livermore Amador Valley Transit Authority at their meeting of May 2, 2022 reviewed the Operating and Capital Budget for Fiscal Year 2023 for this Authority.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors that the Operating and Capital Budget for the Livermore Amador Valley Transit Authority for Fiscal Year 2023, attached hereto and incorporated herein as Attachment 1, is hereby adopted.

BE IT FURTHER RESOLVED that the Executive Director is authorized to transfer funds within and between costs centers.

APPROVED AND PASSED this 2nd day of May 2022.

Karla Brown, Chair

ATTEST:

Tamara Edwards, Interim Executive Director