

**S T A F F   R E P O R T**

SUBJECT: LAVTA’s Operating & Capital Budget for FY 2024

FROM: Tamara Edwards, Director of Finance

DATE: May 1, 2023

**Action Requested**

Review and approve the LAVTA Operating and Capital Budget for FY 2024.

**Discussion**

Attached for your consideration are the draft LAVTA Operating and Capital Budgets for FY 2024 (July 1, 2023 through June 30, 2024). The operating budget includes revenues and expenses required to operate Fixed Route, Dial-a-Ride, and other projects such as Go Tri-Valley. The total operating budget of \$24,619,185 reflects an overall increase of 1.55% from the FY 2023 budget; a breakdown of this increase is included in the chart below. A large portion of these projects are covered by dedicated grants and allocations. Cost increases are largely due to contractual increases in the fixed route operations and maintenance contract.

Fund	\$ Increase over prior year	% Increase over prior year	% Share of the overall budget increase
Fixed Route	1,273,063	6.4%	338%
Paratransit	-540,731	-15.11	-144%
Go Tri-Valley/SAV	-356,162	-45.62	-95%

Even with a slight increase in expenses, LAVTA was able to balance the FY24 Operating budget without taking funds from reserves, largely because of additional one time Federal Funds received for FY 2024. LAVTA has ample funds in reserve and the authority maintains more than the board approved goal of 3-6 months of operating funds.

Planning for the FY 2024 budget again utilized a system wide approach to clearly align the budget with the mission, vision and goals established by the Agency’s Strategic Plan, as well as aligning with the goals set for the Executive Director in February 2023.

**Operating Budget Provisions**

The largest budget line items in the draft Operating budget for FY 2024 are purchased transportation and fuel. This year’s budget reflects the contracted increase for Fixed Route purchased transportation. For FY 2023 LAVTA budgeted \$4.50/gal for fuel; however the average price per gallon that LAVTA paid in FY 2023 (through the end of March) was \$3.93/gal. Conservatively, LAVTA staff are projecting \$4.25/gal for the FY 2024 our budget. The operating budget also assumes a full resumption of pre-pandemic levels of service to be restored in FY24. This will largely depend on our Contractor’s ability to staff up the operator workforce.

**Capital Budget Provisions**

The draft Capital budget for FY 2024 includes funding for the capital projects currently underway as well as those planned to occur throughout the upcoming fiscal year. The draft Capital budget does not reflect any grant awards not currently in-hand due to the timing of grant award announcements. Staff are waiting to hear on the status of several potential grant awards, including TIRCP, FTA Bus and Bus Facilities, as well as the FY23 Community Project Funding requests. It is likely that the awards for the aforementioned grant programs will be announced after the beginning of the next 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**

The Finance and Administration Committee recommends that the Board of Directors approve the Operating and Capital Budget for FY 2024 and Resolution 13-2023.

Attachments:

- 1. Operating and Capital Budget FY 2024
- 2. Resolution 13-2023

*Approved:* \_\_\_\_\_

Livermore Amador Valley  
**TRANSIT AUTHORITY**



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**OPERATING  
AND  
CAPITAL BUDGET**



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**WHEELS**  
**Livermore Amador Valley Transit Authority**  
**Fiscal Year 2024**  
**Budget Message**

**Summary Outlook for FY2024**

LAVTA's draft Operating budget for FY2024 is \$24,619,185 which is 1.55% higher than the adopted FY2023 budget. The draft budget assumes LAVTA will fully restore pre-COVID levels of fixed route service for a total of 137,616 fixed route service hours. The draft budget continues to meet the growing demand for paratransit ridership, including 30,000 service hours for paratransit. The Budget for FY2024 continues to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

In FY2024, the organization's primary focus will be reliably maintaining the level of service currently operating while resuming additional fixed route service in a responsive and responsible manner in-line with staffing levels and ridership demand. The two Rapid routes (10R and 30R) have been fully restored to pre-COVID levels with 15-minute frequency all day; staff also included in the budget the funding necessary to fully restore the rest of Wheels service to pre-COVID levels and staff anticipates restoring service on some coverage routes that are currently suspended or at reduced service levels, or deploying additional resources to support school-focused transportation services. It is important to note that service operated in FY2024 will not exceed pre-COVID levels of service.

Furthermore, in line with the agency's commitment to safety, in FY2024 bus operators will continue to improve their safety and customer skills by attending monthly safety meetings, with an added focus on addressing customer service and industry trends including but not limited to dealing with disruptive student rider behavior, de-escalation techniques, and proper wheelchair securements. Additionally, the agency will continue to monitor safety performance through the agency's Safety Plan and Safety Management System. Moreover, staff will continue to work with the agency's contractors to hire additional operators as the agency will begin FY2024 with fewer operators than are needed to restore pre-COVID service levels.

The agency will also finalize its Long-Range Transit Plan which will provide a framework for the provision of mobility services in the Tri-Valley region over the next two decades. Additionally, in FY2024 the agency will kick off a Strategic Plan that will be used to goal-set, prioritize projects and activities, and to develop staff workplans and agency budgets over the next five years. With the new Executive Director at the helm, executive coaching services for executive staff are being programmed into the budget to assist with teambuilding, communication and development of leadership skills.

In FY2024, LAVTA will continue to seek innovative mobility services that complement its fixed-route services that serve the area. Go Tri-Valley, which provides a 50% discount up to \$5 off on shared Uber/Lyft rides taken within the Tri-Valley, experienced growing

ridership in FY2023 and staff are preparing for additional trips in the FY2024 budget. The agency will also continue to advance the Shared Autonomous Vehicle (SAV) project, completing all grant-funded activities currently underway. Staff will be actively seeking to identify and secure funds for the SAV operation in FY 2024.

Ridership on paratransit is expected to continue growing in FY2024 as the COVID-19 pandemic recovery continues. Staff will continue to monitor paratransit service with a focus on the contractor's performance, timeliness of reports/invoices, monitoring operating costs, and customer service trends. The successful One Seat Ride paratransit pilot will continue its third year of service, and both the ridership and cost of the pilot will be evaluated by the cooperative project management team to assess the pilot's success and next steps.

LAVTA's capital program in FY2024 will focus on several high priority projects, including landscape upgrades at the Livermore Transit Center, enhancing security at the Rutan building and bus yard, the full design of the Atlantis Maintenance building, the full design of the Atlantis hydrogen fueling station, design and construction of the Rutan Maintenance Bay Hydrogen Retrofit, and the design of new transit centers/hubs at Las Positas College and the Lawrence Livermore Labs.

As LAVTA enters FY2024, its activities will take place against the backdrop of an economy recovering from the COVID-19 pandemic that includes both normalizing travel and commute patterns. 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 from pre-COVID funding levels. Additionally, LAVTA programmed the second tranche of American Rescue Plan Act of 2021 (ARPA) funds for FY2024 in the amount of \$4,335,371. These funds are specifically to cover costs from Fixed Route Operations, and 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.

While last year's budget reflected the turbulence of both the fuel and labor markets, this year's budget benefits from a renegotiated contract with our Fixed Route contractor that increased wages and incentives. The fuel market, which tends to be unstable especially during the months that surround budget development, is much more stable than it was a year ago, allowing for what we hope is a more realistic fuel budget. 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", however, the amount of fuel purchased each year means even small fluctuations in the market can have a significant impact on LAVTA's budget.

### **FY23 Perspective and Accomplishments**

Before discussing FY2024, it is useful to briefly recap the agency's accomplishments from the past year. LAVTA's FY2023 Adopted Budget was \$24,243,016, which was 14.35% higher than FY2022, primarily due to increased costs in our purchased transportation and fuel. Due to the pandemic, scheduled fare increases were cancelled. LAVTA was again

able to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

For FY2023, the major highlight was ridership growth rebounding on the fixed route system with our school focused routes seeing a 100% ridership recovery. Additionally, the Go Tri-Valley and paratransit programs both experienced ridership growth as well.

The capital program had several areas of focus in regard to major capital projects, including the completion of the 65% design of the Atlantis Operations and Maintenance campus, the landscaping at the Rutan location, delivery of 16 diesel electric hybrid buses, and the installation of information kiosks at the Transit Center.

Other work during FY2023 from the agency included:

#### Policy Related Matters

Adopted FY2023 Legislative Program and monitored key legislation.

#### Fixed Route Service

Completed the Short-Range plan and continued long-range planning process.

#### Paratransit Service

Completed the annual survey to assess customer satisfaction of paratransit services.

Completed the first year of the paratransit contract with County Connection.

Extended the One Seat Ride pilot into its third year.

#### 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.

Marketed the restoration of the Rapid 15-minute all day service.

#### Audits/Reviews

Completed the annual Financial Audit (ACFR)

Completed the RM2 audit for funding for the Route 30.

#### Financial Management

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

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 FY22 ACFR

Leased portion of Atlantis to Google for bus storage

#### Personnel

Hired a new Executive Director and Director of Operations.

Hired a Capital Projects Manager. This is a new position which will allow LAVTA to begin some of our delayed capital projects.

### **Major Features of FY2024's Operating Revenues**

Looking forward to next year's budget, this section outlines changes to LAVTA's revenues. LAVTA's primary revenue source is TDA funding, which is projected by Alameda County's forecasters to increase slightly over FY2023 actuals. Another critical revenue source is STA funding, which is also estimated to increase significantly with special one-time funding provided by MTC.

### **Major Features of FY24's Operating Expenditures**

The expenditure budget for FY2024 is \$24,619,185 which is \$376,169 more (1.55%) than the budget for FY23. The Fixed Route and paratransit contracts will both increase this year due to the escalators included in these agreements. 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: FY2024 marks the sixth year of the multi-year contract for fixed route O&M services to MV Transportation, and the second year of a contract for paratransit services with CCCTA.

Fuel Prices: For FY2024, fuel is assumed to be \$4.25 per gallon, which is higher than the average that LAVTA has seen in the current fiscal year, but reflects the instability of the market.

Personnel Costs: The FY2024 budget assumes no additional FTEs over what was budgeted for FY2023. 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 FY2024 Budget that keeps most budgeted line items, which staff has some control over, similar to the amounts in the FY2023 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 decrease by \$22,807,253 over last year, primarily due to the completion of the replacement of 16 fixed route buses with hydrogen buses. This year, several capital projects will be advanced including (1) Transit Center Landscaping upgrade, (2) full design of the Atlantis Maintenance Facility and hydrogen fueling station, (3) design and construction of the Rutan Maintenance Bay Hydrogen Retrofit and (4) design of several Tri-Valley Transit/Mobility hubs.



## **Strategic Plan Guidance and Projects for FY2024**

The Wheels Strategic Plan (originally drafted in 2006 and last updated in 2011) 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. While the agency's Strategic Plan will be updated in 2024, 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) Continue ridership development at Las Positas College
- (2) Continue ridership development at schools participating in the ACTC Measure BB Student Pass Pilot
- (3) 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 FY2022 and 2023 Legislative Plan
- (2) Manage partners and regional interests in Go Tri-Valley pilot.

***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 FY2025 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**

In summary, this FY2024 Budget supports 137,616 hours of fixed route service and 30,000 service hours for paratransit for next year, while assuming that passenger fares are not raised.

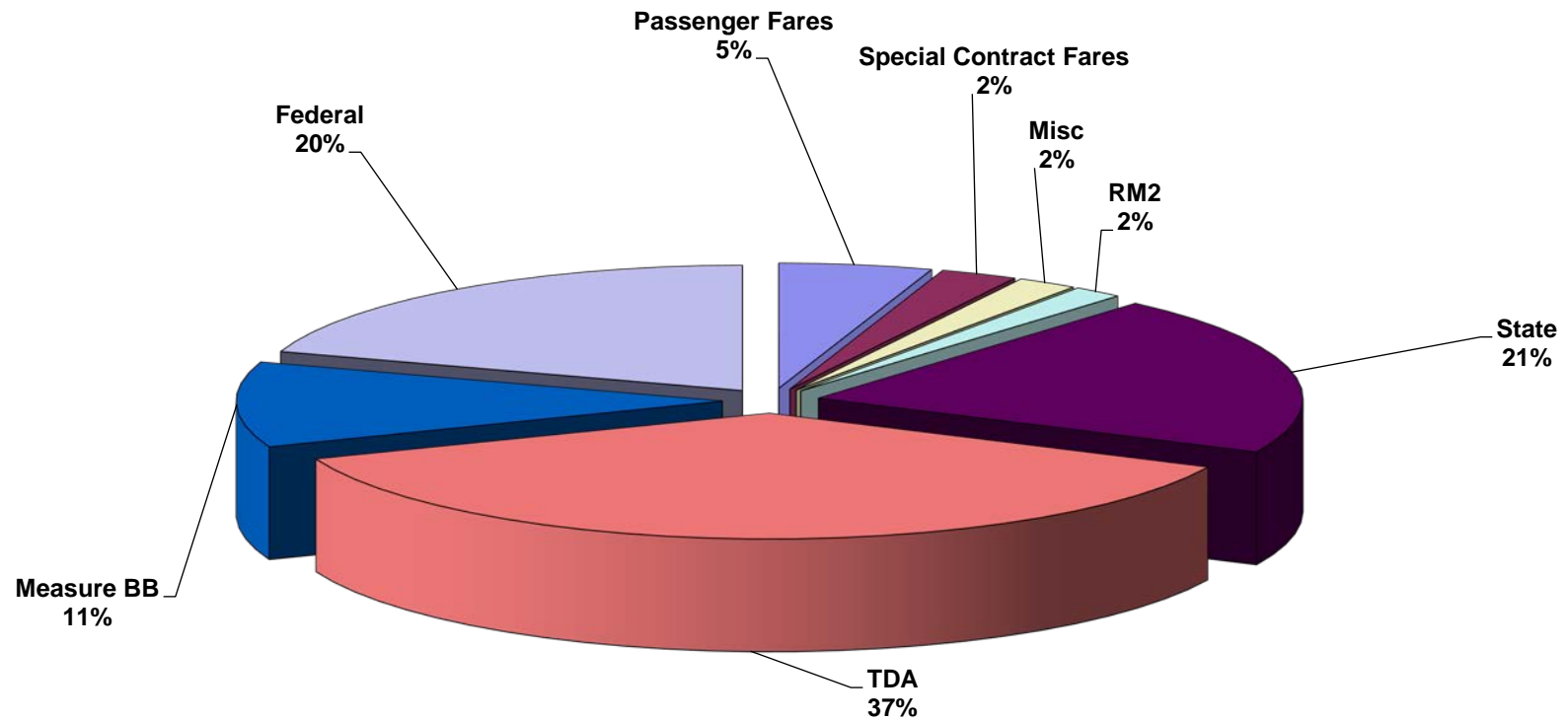
At the end of FY2024, the forecast is to have \$30.22 million in reserves, of which \$12.5 million is committed to the Atlantis Facility project, and an additional almost \$9 million committed to other future projects. In January 2009, the Board adopted a policy to gradually build up reserves, targeting 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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**LAVTA  
FY2024 BUDGET  
OPERATING REVENUES**

		FIXED ROUTE FUND	PARATRANS. FUND	WOD	TOTAL FY2024	BUDGET FY2023	% CHANGE
401	Passenger Fares:	\$1,083,270	\$172,500		\$1,255,770	\$797,195	58%
402	Business Park Revenue	\$226,476			\$226,476	\$233,568	-3%
402	05 Special Contract Fares:	\$369,618	\$36,000		\$405,618	\$523,116	-22%
406	01 Concessions	\$111,559		\$0	\$111,559	\$110,136	1%
406	03 Advertising	\$185,000		\$ -	\$185,000	\$180,000	3%
407	04 Interest	\$150,000			\$150,000	\$26,054	476%
407	03 Google Lease	\$48,000		\$0	\$48,000	\$48,000	0%
409	Transit Development Act (TDA)						
	91 Article 4.0	\$7,448,752	\$659,623	\$424,632	\$8,533,008	\$10,715,921	-20%
	92 Article 4.5		\$361,994		\$361,994	\$191,227	89%
	95 BART 4.0	\$212,390			\$212,390	\$57,517	269%
	96 RM2	\$409,489			\$409,489	\$409,489	0%
	01 TFCA BRT	\$0			\$0	\$245,000	-100%
411	State Transit Assistance (STA)						
	01 Operating-Population Based	\$1,949,640			\$1,949,640	\$1,377,503	100%
	01 Block Small Operator	\$1,996,483			\$1,996,483	\$0	100%
	01 Operating-Revenue Based	\$499,413			\$499,413	\$468,141	7%
	01 Regional Paratransit	\$0	\$148,949		\$148,949	\$0	100%
	01 STA Lifeline	\$57,331			\$57,331	\$0	100%
	05 Regional BART	\$450,860			\$450,860	\$300,792	50%
413	Federal Transit Administration Section 5307 and ARRA	\$4,355,371	\$558,463		\$4,913,834	\$6,152,390	-20%
464	01 Measure BB	\$1,603,800	\$1,099,572	\$0	\$2,703,372	\$2,406,968	12%
	<b>TOTAL REVENUE</b>	<b>\$21,157,452</b>	<b>\$3,037,101</b>	<b>\$424,632</b>	<b>\$24,619,185</b>	<b>\$24,243,017</b>	<b>1.55%</b>

# OPERATING REVENUE FY2024



## **OPERATING EXPENDITURES**

### **Salaries and Wages**

This category includes salaries for all staff members, including 5% towards PERS 457 Retirement Plan (for Executive Director only). In addition, employee salary increases are included in this line item however increases for employees are based on performance/merit only.

### **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), executive coaching, consulting services, and graphic design. This category also includes the expenses associated with engineering consulting for the SAV project.

### **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 2024 at \$4.25 per gallon; fuel for non-revenue vehicles is budgeted at \$5.50 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 a decrease in insurance expenses for FY 24.

### **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 escalators in both contracts and an expected increase in hours. Additionally, expenses have been budgeted for the "Go Tri-Valley" services.

### **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**

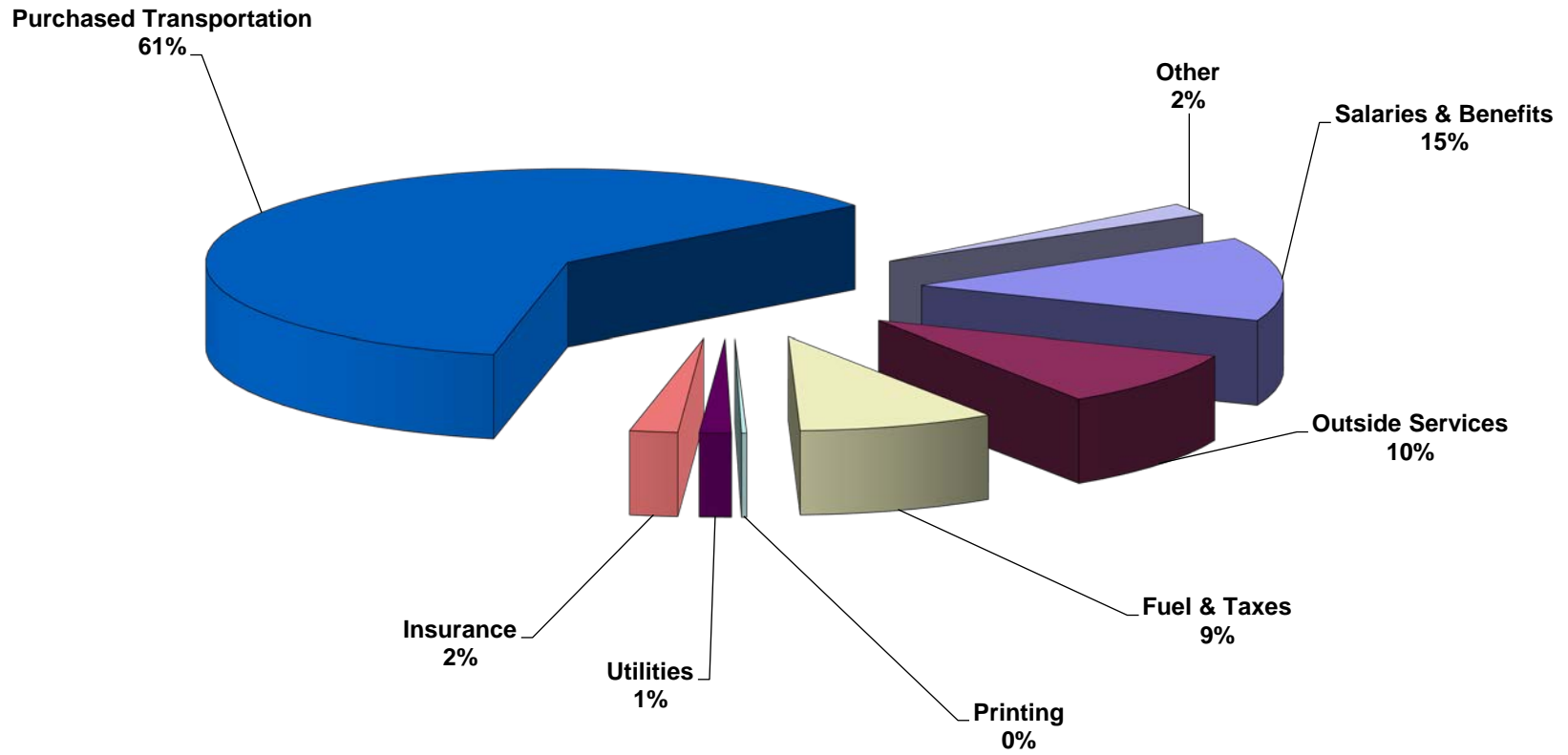
The advertising budget includes any advertising done for LAVTA including radio, newspaper, flyers etc.



**LAVTA  
FY2024 BUDGET  
OPERATING EXPENDITURES**

		GENERAL FUND	PARATRANSIT FUND	Wheels On Demand	TOTAL FY 24	BUDGET FY23	% CHANGE
501 02	Salaries and Wages	\$1,836,275	\$187,335	\$67,450	\$2,091,059	\$1,991,923	5%
502 00	Personnel Benefits	\$1,372,548	\$87,652	\$7,804	\$1,468,005	\$1,479,673	-1%
503 00	Professional Services	\$981,143	\$55,242	\$232,677	\$1,269,062	\$1,067,817	19%
503 05	Non-Vehicle Maintenance	\$948,477	\$134,723	\$0	\$1,083,200	\$851,947	27%
503 99	Communications	\$5,000	\$2,000	\$0	\$7,000	\$7,000	0%
504 01	Parts, Fuel and Lubricants	\$2,048,500	\$0	\$0	\$2,048,500	\$2,164,000	-5%
504 03	Non Contracted Vehicle Maintenance	\$14,500	\$0	\$0	\$14,500	\$34,055	-57%
504 99	Office/Operating Supplies	\$90,657	\$3,383	\$0	\$94,040	\$55,278	70%
504 99	Printing	\$39,617	\$17,000	\$0	\$56,617	\$77,816	-27%
505 00	Utilities	\$329,039	\$20,429	\$0	\$349,469	\$370,399	-6%
506 00	Insurance	\$526,038	\$0	\$0	\$526,038	\$650,156	-19%
507 99	Taxes and Fees	\$111,868	\$0	\$0	\$111,868	\$229,663	-51%
508 01	Purchased Transportation	\$12,466,373	\$2,518,594	\$115,300	\$15,100,267	\$14,892,011	1%
509 00	Miscellaneous	\$164,318	\$5,743	\$0	\$170,060	\$162,028	5%
509 02	Professional Development	\$84,500	\$5,000	\$0	\$89,500	\$69,250	29%
509 08	Advertising	\$138,600	\$0	\$1,400	\$140,000	\$140,000	0%
<b>TOTAL TRANSIT OPERATIONS AND MAINTENANCE</b>		<b>\$21,157,452</b>	<b>\$3,037,101</b>	<b>\$424,632</b>	<b>\$24,619,185</b>	<b>\$24,243,016</b>	<b>1.6%</b>

# OPERATING EXPENDITURES FY 2024



## **CAPITAL IMPROVEMENT PROGRAM – FY 2024**

### **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 Maintenance Bay Hydrogen Retrofit/Upgrades**

This line item includes retrofitting our maintenance facility in order to be able to service hydrogen buses.

#### **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. This fiscal year will kick off with an upgrade to the landscaping.

#### **Bus Shelter and Stops**

Funds for this project will be used to design transit improvements at selected bus stop locations. 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.

#### **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. Final (65%) schematic designs were delivered in March 2023. The project included in FY 24 budget reflects the agency receiving funding for the construction of the Hydrogen fueling station and the Atlantis Maintenance Facility. However, LAVTA has only secured the funds for the Hydrogen fueling station. If the funds are not received for the maintenance facility, 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.

**Non-Revenue Vehicle Replacement**

LAVTA has a number of non-revenue vehicles that are used by our shelter maintenance crew, the shop to respond to issues on the road, road supervisors, and for relief vehicles. Two of the vehicles in the shop are due for replacement this year.

**Miscellaneous**

**Transit Capital**

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

**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.

- (2) Explore and develop revenue generating opportunities
- (3) Maintain fiscally responsible long-range capital and operating plans

**Projects:**

- (1) Approve FY2025 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**

In summary, this FY2024 Budget supports 137,616 hours of fixed route service and 30,000 service hours for paratransit for next year, while assuming that passenger fares are not raised.

At the end of FY2024, the forecast is to have \$30.22 million in reserves, of which \$12.5 million is committed to the Atlantis Facility project, and an additional almost \$9 million committed to other future projects. 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.

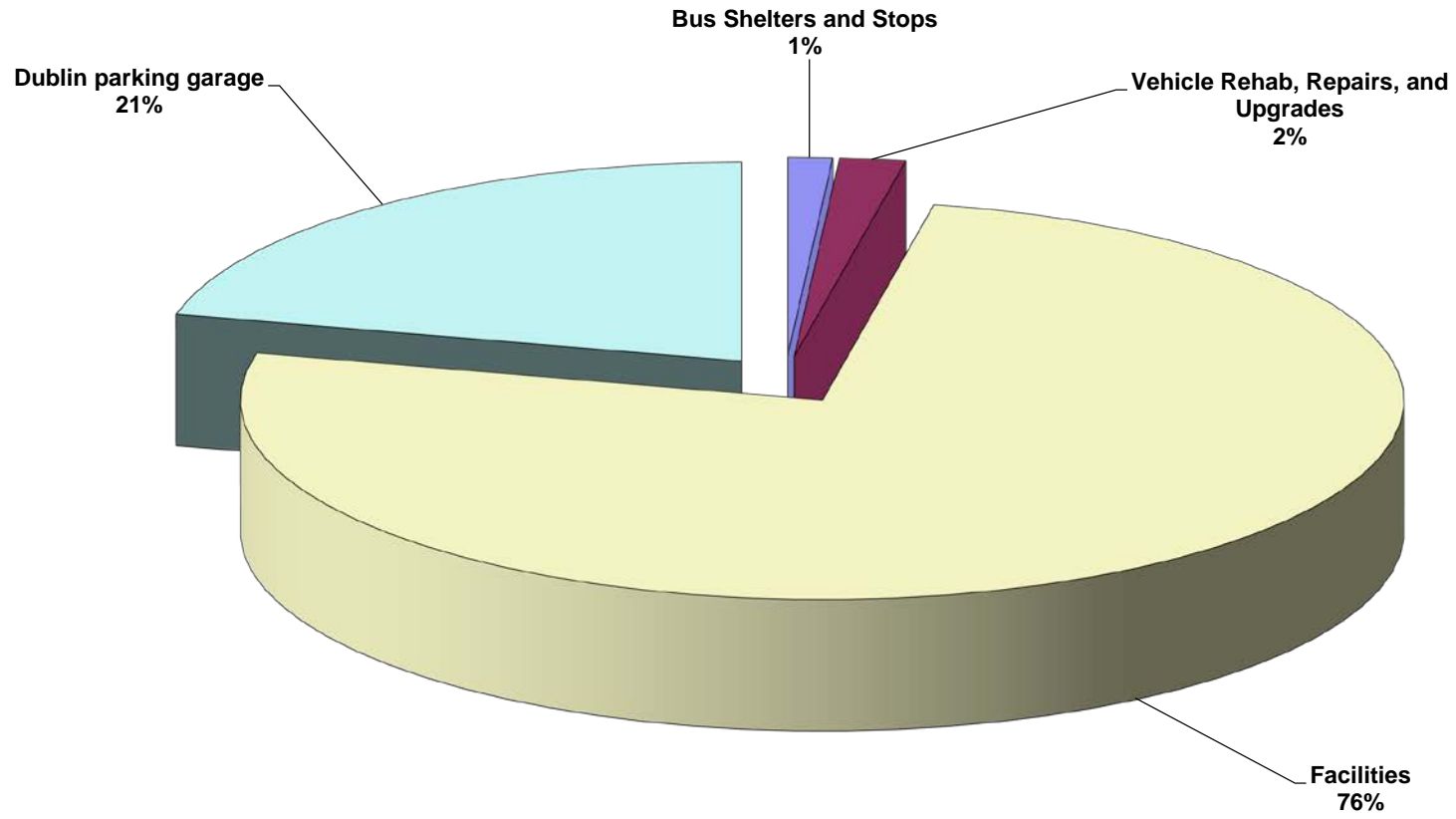
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**LAVTA  
FY2024 BUDGET  
PROJECT DETAIL**

**Capital Improvement Program**

<b>Project</b>	<b>Federal FUNDS</b>	<b>BAAQMD</b>	<b>State</b>	<b>LCTOP</b>	<b>TVTC</b>	<b>Bridge Tolls</b>	<b>TDA 4.0</b>	<b>Prop 1B</b>	<b>BUDGET FY24</b>
Transit Center Upgrades and Improvements	\$420,000						\$200,000		\$620,000
Bus Shelters, signs, and Stops							\$908,909		\$908,909
Office and Facility Equipment							\$237,000		\$237,000
Transit Capital							\$100,000		\$100,000
Shop Repairs and Replacements							\$294,900		\$294,900
Rutan Upgrades	\$500,000			\$900,000			\$250,000		\$1,650,000
Atlantis	\$40,063,750			\$625,776			\$11,766,366		\$52,455,892
Non-Revenue Vehicles							\$100,000		\$100,000
Dublin Parking Garage			\$15,500,000						\$15,500,000
Vehicle Repairs	\$212,180		\$61,126				\$964,752		\$1,238,058
<b>TOTAL</b>	<b>\$41,195,930</b>	<b>\$0</b>	<b>\$15,561,126</b>	<b>\$1,525,776</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,821,927</b>	<b>\$0</b>	<b>\$73,104,759</b>

# CAPITAL BUDGET FY 24





**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

<b>Projected Reserves at June 30, 2023</b>	<b>\$11,050,576</b> (Projected Carryover 2/22/23)
FY2024 Apportionment (estimated)	14,669,457 (FY22 revenue estimate 2/22/23)
<b>FY2024 TDA Funds Available for Allocation</b>	<b>\$25,720,033</b>

FY2024 Operating Request	\$8,533,008
FY2024 Capital Request	11,727,027
<b>FY2024 TDA Request for Allocation</b>	<b>\$20,260,035</b>

<b>Projected Reserves at June 30, 2024</b>	
Reserves at June 30, 2023	5,459,998
Expiring Capital Allocations @June 30, 2023	0
FY 2023 Unexpended Funds (Due to LTF)	2,424,302 (estimate)
Prior year Due to LTF	\$22,189,472

<b><u>TOTAL TDA RESERVES</u></b>	<b><u>\$30,073,772</u></b>
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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 FY2024 based on currently available information about FY 2023.

*Revenue Based*

<b>Reserves at June 30, 2023</b>	<b>\$143,422</b> (Projected Carryover 2/22/2023)
FY2024 Apportionment	499,413 (FY21 revenue estimate 2/22/2023)
<b>FY2024 Available STA Funds</b>	<b>\$642,835</b>

**FY2024 STA Request for Allocation**                      **\$499,413**

**Reserves at June 30, 2024**                                      **\$143,422**

**TOTAL TDA and STA RESERVES**                      **\$30,217,214**

**Committed Reserves**

Atlantis Project	\$12,751,716
12 Bus purchase	\$2,203,824
Rutan Rehab	\$5,014,400
Non-Revenue Vehicles	\$1,247,283

**TOTAL Uncommitted Reserves**                      **\$8,999,991**

**3-6-month target**                                      **\$6,154,796 - \$12,309,593**

**RESOLUTION NO. 13-2023**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE  
AMADOR VALLEY TRANSIT AUTHORITY ADOPTING THE OPERATING  
AND CAPITAL BUDGET FOR FISCAL YEAR 2024**

**WHEREAS** the Board of Directors of the Livermore Amador Valley Transit Authority at their meeting of May 1, 2023 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 2024, 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 1st day of May 2023.

\_\_\_\_\_  
David Haubert, Chair

**ATTEST:**

\_\_\_\_\_  
Christy Wegener, Executive Director