

STAFF REPORT

SUBJECT: LAVTA's Operating & Capital Budget for FY 2019

FROM: Tamara Edwards, Director of Finance

DATE: May 29, 2018

Discussion

Attached for your review is the draft LAVTA Operating Budget for FY 2019 (July 1, 2018 through June 30, 2019). The operating budget includes revenues and expenses required to operate fixed route, Dial-a-Ride, and other projects such as Go Dublin, the shared autonomous vehicles and the Rail Authority. The total operating budget of \$20,573,995 reflects an overall increase of 12.02% from the FY 2018 budget. This is broken down as an increase of 8.6% in the fixed route budget, an increase in the paratransit budget of 4.4%, a decrease in the SAV/Go Dublin budget of 2.5%, and an increase in the Rail Authority budget of 39%. A large portion of these projects are covered by dedicated grants and allocations. The operating budget was balanced without the need to drawdown from the LAVTA reserve funds. Additionally the FY2019 Capital Budget has been enclosed for your review.

Planning for the FY 2019 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 in Paratransit. Additionally, in FY 18 LAVTA entered into a three year contract for Fixed Route that begins in FY 19. Being a new contract with additional provisions the contract amount increased more than it would have had it been a continuing contract. For FY18 LAVTA budgeted \$2.35 per gallon for fuel, however the average price per gallon that LAVTA paid in FY 18 (to date) is \$2.17. However, with anticipated fuel price increases the amount per gallon for FY 19 was budgeted at \$2.70 per gallon. Additionally, the amount budgeted for fuel taxes increased to reflect new legislation.

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

Review the final Operating and Capital Budget for FY 2019 and recommend to the Board for approval.

Attachments:

1. Operating and Capital Budget FY 2019
2. Resolution 15-2018 Operating and Capital Budget FY2019

WHEELS
Livermore Amador Valley Transit Authority
Fiscal Year 2019
Budget Message

Summary Outlook for FY2019

LAVTA's FY2019 Budget is \$20,573,995 which is 12.02% higher than FY2018. The draft budget assumes LAVTA will provide 137,616 fixed route service hours and 58,000 paratransit trips. The Budget for FY2019 continues to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

FY2019's major highlight will be a continuing focus on increasing ridership through improved customer service and skilled marketing. All operators in FY2019 will complete the new MV Platinum Customer Connection course and will participate in monthly safety meetings where the concepts will be reinforced. In FY2019 the LAVTA Marketing Department will continue individualized marketing on Rapid routes, will finish the rebranding of Wheels buses and replace bus signs with the new Wheels logo. Finally, the LAVTA website will be refreshed for ease of use. With planning the agency will finish the Comprehensive Paratransit Study and the agency's Fare Study with recommendations to be considered by the Board of Directors. Additionally, the agency has plans to conduct a review of the bus system redesign and perform strategic planning. Also under consideration will be the second year of the Go Dublin pilot. Finally, LAVTA staff will continue to provide administrative support for the Tri-Valley – San Joaquin Valley Regional Rail Authority and manage partners participating in the shared autonomous vehicle project.

Medical Transportation Management continues to improve the agency's brokerage paratransit services and continues to deliver a high level of on-time performance and overall service.

After multiple years of bus procurement and farebox upgrades, LAVTA's capital program in FY2019 will focus on several high priority projects, including the relocation and renovation of the Historic Depot in Livermore at the LAVTA Transit Center, to include additional renovations to the LAVTA Transit Center thanks to a FTA 5339 grant award. Other capital projects include a Rapid bus stop upgrade on the 30R on North Canyons Blvd in Livermore, the Rapid bus stop upgrade on the 10R in Pleasanton on Santa Rita, the completion of a transit signal priority project on the Rapid system and the general upgrade of several Wheels bus shelters within the LAVTA system.

As the transit agency enters into FY2019, its activities will occur against the backdrop of an economy continuing to gain momentum. FAST ACT, the approved federal transportation bill, provides relatively flat, but stable funding for the next several years. State funding has been improved through recently approved SB1 funding. At the local level the region's Metropolitan Planning Organization is continuing to fund Regional Measure 2 funding for Route 30R, derived from bridge toll fees. Staff will continue to watch the performance of

the route for future compliance with performance requirements. This is a sign of the times in which public transit must focus on improved performance or anticipate a reduction in funding.

FY18 Perspective

Before discussing FY2019, it is useful to briefly recap this last year. LAVTA's FY2018 Budget was \$18,365,924 million, which was 6.02% higher than FY17. For the seventh consecutive year, no fare increases were implemented. LAVTA was also able to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

FY2018's major service highlight continued to be the development of ridership from the August 2016 bus system redesign, with the ridership goal being a 5% - 10% increase by February 2018. Notably in February of 2018 the ridership was 5% higher than in February of 2016, with average weekday ridership up 7.37%. Additionally, the Go Dublin pilot carried approximately 1,000 rides per month. During FY2018 a significant labor shortage emerged that had minor effects on the fixed route system and some fairly major effects on the paratransit system, which experienced significant degradation of on-time performance. However, by the close of FY2018 contractors for both the fixed route system and the paratransit system had hired sufficient numbers of operators to return to normal.

The capital program had several areas of focus in regard to major capital projects, including the move and beginning of the restoration process of the Historic Depot to the LAVTA Transit Center in Livermore, the beginning of the Rapid bus stop project on North Canyons Blvd in Livermore, the beginning of the Rapid bus stop project on Santa Rita Rd in Pleasanton, the installation of three queue jumps on Dublin Blvd in Dublin and the planning work for the near future transit signal priority project on the Rapid system.

Accomplishments in FY18

In addition to the on-going workload of the agency, staff was busy this year on the following issues and projects.

Policy Related Matters

- Adopted 2018 Legislative Program and sponsored key legislation, including AB1444 (Baker), which authorized the testing of the agency's shared autonomous vehicle on public streets in Dublin.

- AB758 (Eggman/Baker), which created the Tri-Valley – San Joaquin Valley Regional Rail Authority.

- Provided administrative support for the Altamont Regional Rail Working Group and the first six meetings of the Tri-Valley – San Joaquin Valley Regional Rail Authority.

Fixed Route Service

- Monitored the continuing ridership increases on fixed route system

- Completed the annual survey to assess customer satisfaction of fixed route services

- Rebid the Operations and Maintenance Contract, a major effort that resulted in a new contract with MV Transportation, Inc.

- Continued service to the Livermore July 4 fireworks event

Continued service to Pleasanton and Dublin summer school
Extended service during the Alameda County Fair

Paratransit Service

Completed the annual survey to assess customer satisfaction of paratransit services
Completed third full year with new contractor, MTM
Continued efforts to negotiate trips, optimize trips, and conduct eligibility interviews.

Capital Projects

Initiated Rapid bus stop project on North Canyons Blvd in Livermore
Coordinated with Livermore staff to relocate the historic train depot
Initiated the Rapid bus stop project on Santa Rita Rd in Pleasanton
Initiated the transit signal priority project on Rapid routes

Marketing

Conducted individualized marketing on Santa Rita in Pleasanton resulting in a 16% ridership increase in the project area.

Rebranded the Wheels bus graphic design and installed the design on majority of

Wheels buses

Installed art shelter in Livermore

Participated in the approval process of the Transit Pass at Las Positas College

Provided marketing assistance to ACTC with the Measure BB Student Pass Pilot

Completed the Try Transit campaign for middle and high school riders

Provided marketing for Go Dublin pilot

Continued marketing efforts, including social media marketing for the Rapid and Wheels bus system

Created brochure for consideration of AB 1444 by Governor Brown

Created logo, brochure, and website for Tri-Valley – San Joaquin Valley Regional Rail Authority

Audits/Reviews

Completed the annual Financial Audit (CAFR)

Financial Management

Continued grants status reports to the Board

Received GFOA's Award of Excellence for Financial Reporting for FY17 CAFR

Leased portion of Atlantis to Google for bus storage

Procurement

Bid bus stop improvement project

Bid on-call creative, design and media strategy services

Bid transit signal priority equipment and installation

Personnel

Recruited for Director of Planning and Operations position

Recruited for Manager Customer Service and Contract Oversight
Hired multiple interns in marketing and planning
Continued to improve agency management practices

Major Features of FY2019'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.

Another critical revenue source is STA funding. The volatile nature of diesel fuel sales and prices underscore that LAVTA has been wise in how we budget our STA revenues. In the past few years, our strategy was to place all STA expected upcoming year's revenues into reserves and base the budget on the previous year's actuals. This strategy has proven to be successful, removing significant risk from our Budget. In FY2019, staff recommends that we continue this strategy by placing expected FY2019 STA revenues in reserves and spending the FY2018 revenues which were distributed to us. LAVTA is expecting an increase in FY2019 STA revenues thanks in part to the passage of SB1.

Major Features of FY19's Operating Expenditures

The expenditure budget for FY2019 is \$20,573,995, which is \$1,645,510 more (12.02) than the budget for FY18. The rebid in the MV Transportation contract for operations and maintenance of the fixed route system resulted in an increase of 8.44% over FY 2018. The increase in paratransit trip costs from \$32.35 to \$33.00 also account for increases to the FY2019 budget. 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 80% of LAVTA's expenditures. Major issues regarding expenditures are described below.

O&M Services: FY2019 marks the first year of the multi-year contract for fixed route O&M services to MV Transportation, and the second optional year for paratransit services to MTM. Per the contract bids submitted, the MV costs will escalate 8.44% next year over FY2018 and MTM per trip costs will escalate 2%.

Fuel Prices: For FY2019, fuel is assumed to be \$2.70 per gallon, which is 13% more than what was assumed last year. Total fuel costs and taxes on fuel are approximately \$1.64 million, or about 8% of total spending.

Personnel Costs: The FY2019 budget assumes one additional FTE to the 14 FTEs currently at the agency, with staff currently evaluating job descriptions and positions to make a recommendation to the LAVTA Board. As in prior years, LAVTA's directors will continue to implement merit-based increases based on staff's performance evaluations.

Administrative Costs: Staff is proposing a FY2019 Budget that keeps most budgeted line items, which staff has some control over, similar to the amounts in the FY2018 Budget.

Major Features of the Capital Budget

The Capital Budget is expected to decrease by \$14.6 million over last year. Last year, themes that dominated the Capital Budget will continue through FY2019. They are (1) a continued emphasis on a State of Good Repair (SGR), and (2) continued improvements that decrease trip time and increase reliability on the Rapid corridors, as well as upgraded and attractive Rapid stops.

Strategic Plan Guidance and Projects for FY2019

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. Here's the goals and strategies and projects for FY2019:

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 and participate in BART to Livermore project.
- (5) Explore innovative fare policies and pricing options
- (6) 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) Finish Comprehensive Paratransit Study
- (3) Finish and implement recommendations of Fare Study
- (4) Continued participation with Tri-Valley – San Joaquin Valley Regional Rail Authority
- (5) Explore explore continued partnership with transit network companies
- (6) 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 individualized marketing on Rapid corridors
- (2) Finish rebranding of Wheels buses
- (3) Install new bus stop signs with rebranded Wheels logo/design
- (4) Continue ridership development at Las Positas College
- (5) Continue ridership development at schools participating in the ACTC Measure BB Student Pass Pilot
- (6) Redesign Wheels website
- (7) Continued development of Transit app as it relates to Wheels functionality
- (8) 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 support with the Livermore Transit Center Historic Train Depot and future TOD Development
- (2) Assist City of Dublin in developing transit management association with new TOD develop on Dublin Blvd

Goal: Regional Leadership

Strategies:

- (1) Advocate for local regional, state, and federal policies that support 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 FY2019 Legislative Plan
- (2) Continue to support with the Tri-Valley – San Joaquin Valley Regional Rail Authority
- (3) Manage partners and regional interests in Go Dublin 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 FY19 budget with emphasis on growing ridership and providing support for innovative 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 FY2019 Budget supports 137,616 hours of fixed route service and 58,000 paratransit trips for next year. The Budget assumes that fares are not raised.

At the end of FY19, the forecast is to have \$14.6 million in reserves. 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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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 B/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 lower for fixed route based on the running rate for FY18. Paratransit fares are budgeted to be the same as FY 18 based on a flat ridership.

Revenue is also generated from an agreement with Hacienda Business Park This revenue is expected to increase based on 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, this year 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. Special contract fares are expected to increase this year.

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

LAVTA currently contracts with Lamar Outdoor Advertising for use of exterior bus advertising space. 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 for the lease of space for a cell tower is for an annual fee of \$34,346, while the agreement with Google to park at the Atlantis Facility is expected to generate \$48,000.

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 FY2019 is \$10,475,963 additionally the amount requested in TDA 4.5 funds is \$141,539.

LAVTA also receives a portion of BART's TDA 4.0 apportionment to help support feeder service to the Dublin/Pleasanton station. These funds help subsidize routes that run between Livermore and the BART stations. This year LAVTA will receive \$101,489 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. While this is changing in FY 2019 LAVTA budgets their STA revenues on a “year lag” so the STA funding for LAVTA will remain the same for one more year.

The amount of population based STA requested by LAVTA for 2019 is \$1,077,176, and LAVTA has requested revenue based STA funding of \$250,118.

Additional STA comes to LAVTA in the form of a paratransit allocation and as part of the feeder bus agreement with BART. LAVTA's apportionment of STA paratransit for FY 19 is \$88,104, and through BART LAVTA will receive \$593,690.

LAVTA will also receive some STA increases this year from SB1, these include additional “lifeline funds” for the route 14, and additional funds for the Student Pass program (budgeted under special contract fares).

Regional Measure 1 and 2 (RM1) (RM2)

Both Regional Measure 1 and 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 \$580,836 in RM2 funding for the Rapid service, and is receiving reimbursement for consultant expenses for the Rail group from RM1.

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 is estimated at \$348,687.

Additionally, the Transit Capital Priorities (TCP) policy of MTC allows bus operators who defer bus purchases to use a portion of the funds from the deferral for other FTA eligible projects. As LAVTA is decreasing the size of the fleet, FTA funds have been made available for preventative maintenance, and LAVTA will receive \$444,777 in FY19.

Measure B

Voters in Alameda County re-authorized a one-half cent sales tax dedicated to funding transportation projects. This measure was originally passed in 1992. A portion of the revenues from this measure are dedicated to supporting paratransit services throughout the

County. Funds are distributed to eligible recipients based on a population formula that includes the number of elderly and disabled persons in the jurisdiction, as well as the number of low income persons. This year LAVTA's Measure B allocation for paratransit is \$172,373. Another portion of these revenues helps support fixed route service; LAVTA is expected to receive \$928,539 in fixed route revenues for FY 2019.

Measure BB

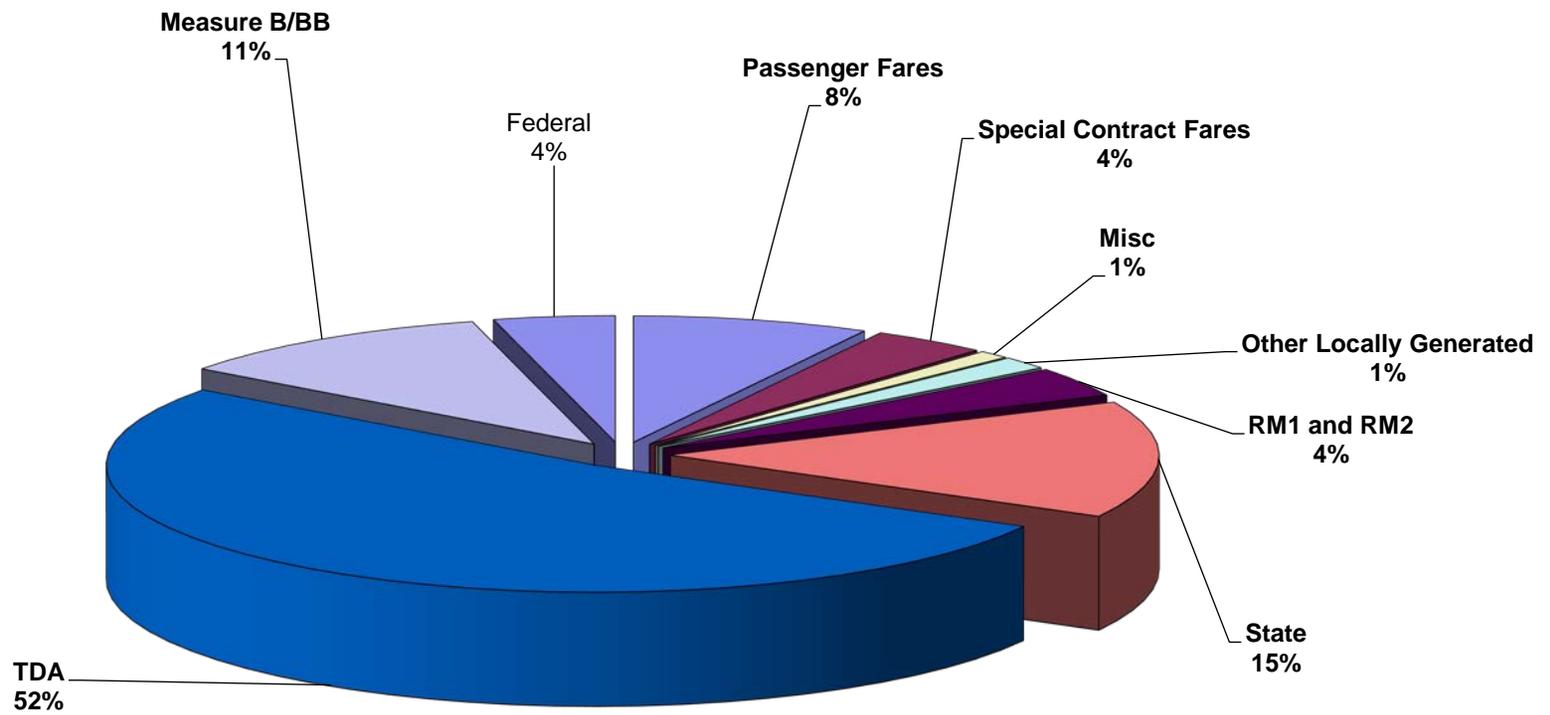
Additionally, voters in Alameda County voted for an addition sales tax increase for transit projects. This measure BB is anticipated to provide an additional \$686,783 in funds for Fixed Route service and \$312,572 for Paratransit service.

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**LAVTA
FY2019 BUDGET
OPERATING REVENUES**

	FIXED ROUTE FUND	PARATRANS. FUND	WOD	Rail	TOTAL FY2019	BUDGET FY2018	% CHANGE
401 Passenger Fares:	\$1,411,344	\$203,000			\$1,614,344	\$1,676,687	-4%
402 Business Park Revenue	\$208,249				\$208,249	\$203,170	2%
402 05 Special Contract Fares:	\$529,223	\$54,000			\$583,223	\$441,028	32%
406 01 Concessions	\$10,283		\$0	\$43,827	\$54,110	\$50,972	6%
406 03 Advertising	\$14,199		\$ 20,107	\$ 60,694	\$95,000	\$90,000	6%
407 04 Interest	\$0			\$7,000	\$7,000	\$6,000	17%
407 03 Google Lease	\$0		\$48,000		\$48,000	\$48,000	0%
407 99 Clipper Fees and cards	\$8,400				\$8,400	\$8,400	0%
409 Transit Development Act (TDA)							
91 Article 4.0	\$9,361,694	\$1,034,609	\$85,283	\$0	\$10,481,587	\$9,778,571	7%
92 Article 4.5		\$141,539			\$141,539	\$133,864	6%
95 BART 4.0	\$101,489				\$101,489	\$98,995	3%
96 RM1				\$197,600	\$197,600	\$333,000	-41%
96 RM2	\$580,836				\$580,836	\$580,836	0%
01 TFCA BRT	\$0				\$0	\$159,000	-100%
01 BAAQMD SAV			\$333,000		\$333,000	\$320,000	4%
411 State Transit Assistance (STA)							
01 Operating-Population Based	\$1,077,176				\$1,077,176	\$592,225	82%
01 Operating-Revenue Based	\$250,382				\$250,382	\$173,758	44%
01 Regional Paratransit	\$0	\$88,104			\$88,104	\$56,773	55%
01 STA Route 14	\$205,118				\$205,118	\$0	100%
05 Regional BART	\$593,690				\$593,690	\$591,679	0%
01 STA San Joaquin				\$100,000	\$100,000	\$0	100%
99 Caltrans				\$750,000	\$750,000	\$0	100%
413 Federal Transit Administration							
Section 5303	\$0				\$0	\$0	0%
Section 5307	\$444,777	\$348,687			\$793,464	\$786,946	1%
TPI	\$0				\$0	\$104,000	-100%
JARC Grant (Route 14)	\$0				\$0	\$0	0%
FTA 5310		\$33,000			\$33,000	\$0	100%
					\$0	\$0	0%
464 01 Measure B and BB	\$1,698,868	\$529,818	\$0		\$2,228,686	\$2,132,022	5%
TOTAL REVENUE	\$16,495,728	\$2,432,757	\$486,390	\$1,159,121	\$20,573,996	\$18,365,925	12.02%

OPERATING REVENUE FY2019



OPERATING EXPENDITURES

Salaries and Wages

This category includes salaries for all staff members, including 7.5% 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, 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), Alameda San Joaquin Rail consultant and graphic design.

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 vans are budgeted here. This line item is budgeted for FY 2019 at \$2.70 per gallon; fuel for non-revenue vehicles is budgeted at \$3.70 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 are in this line item.

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 which has been assumed by our fixed route contractor.

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 MTM, 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 new fixed route contract with MV Transportation and an increase in contract costs for Paratransit services with MTM.

Additionally, expenses have been budgeted for the "WHEELS on Demand" service.

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 are included here. This category also includes expenses associated with job specific development classes.

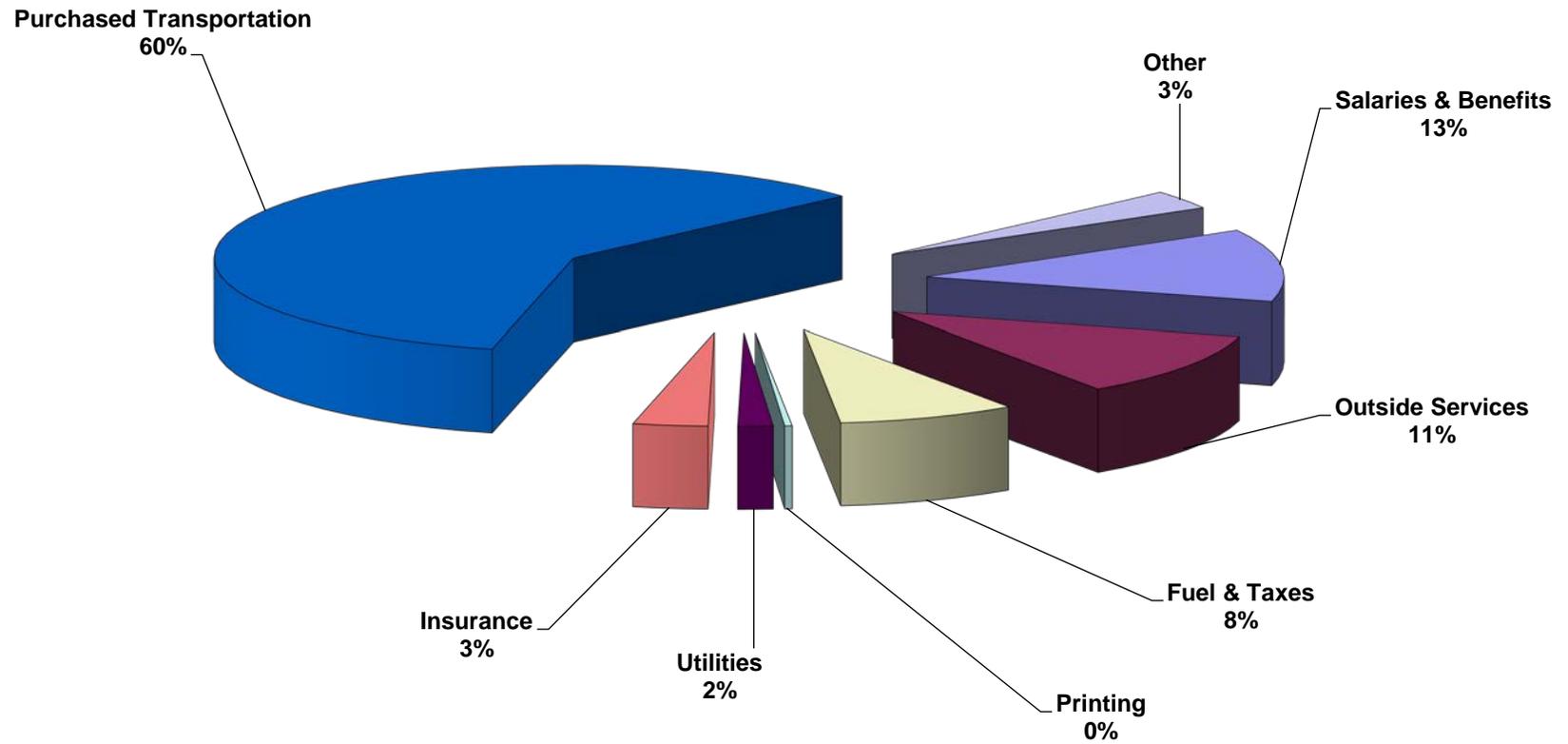
Advertising

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

**LAVTA
FY2019 BUDGET
OPERATING EXPENDITURES**

		GENERAL FUND	PARATRANSIT FUND	Wheels On Demand	Alameda San Joaquin Rail	TOTAL FY 19	BUDGET FY 18	
501	02	Salaries and Wages	\$1,243,329	\$209,503	\$43,498	\$147,183	\$1,643,512	\$1,362,846
502	00	Personnel Benefits	\$861,613	\$50,679	\$6,059	\$29,338	\$947,689	\$942,989
503	00	Professional Services	\$522,996	\$97,450	\$25,000	\$968,100	\$1,613,546	\$986,046
503	05	Non-Vehicle Maintenance	\$660,573	\$6,610	\$0	\$0	\$667,183	\$586,214
503	99	Communications	\$5,500	\$4,000	\$0	\$0	\$9,500	\$9,500
504	01	Parts, Fuel and Lubricants	\$1,338,900	\$0	\$0	\$0	\$1,338,900	\$1,174,700
504	03	Non Contracted Vehicle Maintenance	\$7,300	\$0	\$0	\$0	\$7,300	\$10,550
504	99	Office/Operating Supplies	\$37,329	\$10,806	\$500	\$6,500	\$55,135	\$28,700
504	99	Printing	\$68,500	\$0	\$0	\$0	\$68,500	\$63,500
505	00	Utilities	\$320,201	\$3,713	\$0	\$0	\$323,914	\$276,000
506	00	Insurance	\$677,966	\$11,725	\$0	\$0	\$689,690	\$637,238
507	99	Taxes and Fees	\$302,000	\$0	\$0	\$0	\$302,000	\$302,000
508	01	Purchased Transportation	\$10,199,209	\$2,024,000	\$75,000	\$0	\$12,298,209	\$11,408,219
509	00	Miscellaneous	\$111,662	\$9,272	\$335,333	\$5,000	\$461,268	\$442,323
509	02	Professional Development	\$64,650	\$5,000	\$0	\$3,000	\$72,650	\$40,100
509	08	Advertising	\$74,000	\$0	\$1,000	\$0	\$75,000	\$95,000
		TOTAL TRANSIT OPERATIONS AND MAINTENANCE	\$16,495,728	\$2,432,757	\$486,390	\$1,159,121	\$20,573,995	\$18,365,924

OPERATING EXPENDITURES FY 2019



CAPITAL IMPROVEMENT PROGRAM – FY 2019

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.

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 minor replacements, and larger repairs for FY19.

IT Upgrades and replacement

Some of LAVTA's computers and other IT equipment need to be replaced.

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.

Security Upgrades

The Livermore Police Department has suggested that the lighting at the Transit Center be increased. LAVTA is able to do this in FY19 thanks to a security grant from the California Office of Emergency Services. An additional security grant will be used to place lighting in some bus shelters.

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 commences. This year LAVTA is receiving 1.4 Million from the Alameda CTC to improve the shelters on the Santa Rita corridor.

Doolan Tower Upgrade

The Doolan Tower houses LAVTA's radio equipment and is a key component of LAVTA's AVL system. The majority of the equipment has been in place for over a decade and some of it needs an upgrade to prevent future failure.

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 Wrap Refresh

Over the last two years LAVTA has purchased 40 new buses, with nice new bus wraps.

Unfortunately, the 20 older buses have fading, peeling paint and thus the agency will be wrapping those buses with fresh wraps on an as needed basis.

Farebox Upgrade

With the new bus purchase LAVTA was forced to purchase a different, upgraded, farebox that is different than what is on the rest of the LAVTA fleet (the one on the current fleet is no longer available). Therefore, LAVTA will need to purchase matching farebox for the buses that are not being replaced with in the next two fiscal years. LAVTA staff was able to obtain an FTA grant to cover the majority of these costs.

Non-Revenue Vehicles

The non-revenue vehicles in the LAVTA fleet include road supervisor vehicles, shift change vehicles, shop and shelter trucks, and a few vehicles used by LAVTA staff. All of the vehicles within LAVTA's non-revenue fleet are past their useful lives. However, some are in good working order and do not need to be replaced in FY19. For FY 19 LAVTA will replace, three road supervisor vehicles, four shift trade vehicles, and two shop trucks. LAVTA will also purchase a trailer to be used with one of the trucks for transporting larger shelter parts. LAVTA was able to receive some federal (FTA) funding. The Transit Capital Priorities (TCP) policy of MTC allows bus operators who defer bus purchases to use a portion of the funds from the deferral for other FTA eligible projects. As LAVTA is has decreased the size of the fleet, FTA funds have been made available for these replacements.

Miscellaneous

Transit Capital

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

TSP Upgrade

LAVTA is working to upgrade the TSP (transit signal priority) system so that it will be GPS based. This will provide for better accuracy and efficiency which will decrease LAVTA's running time and increase on-time performance. This is being made possible primarily through a grant from the TVTC.

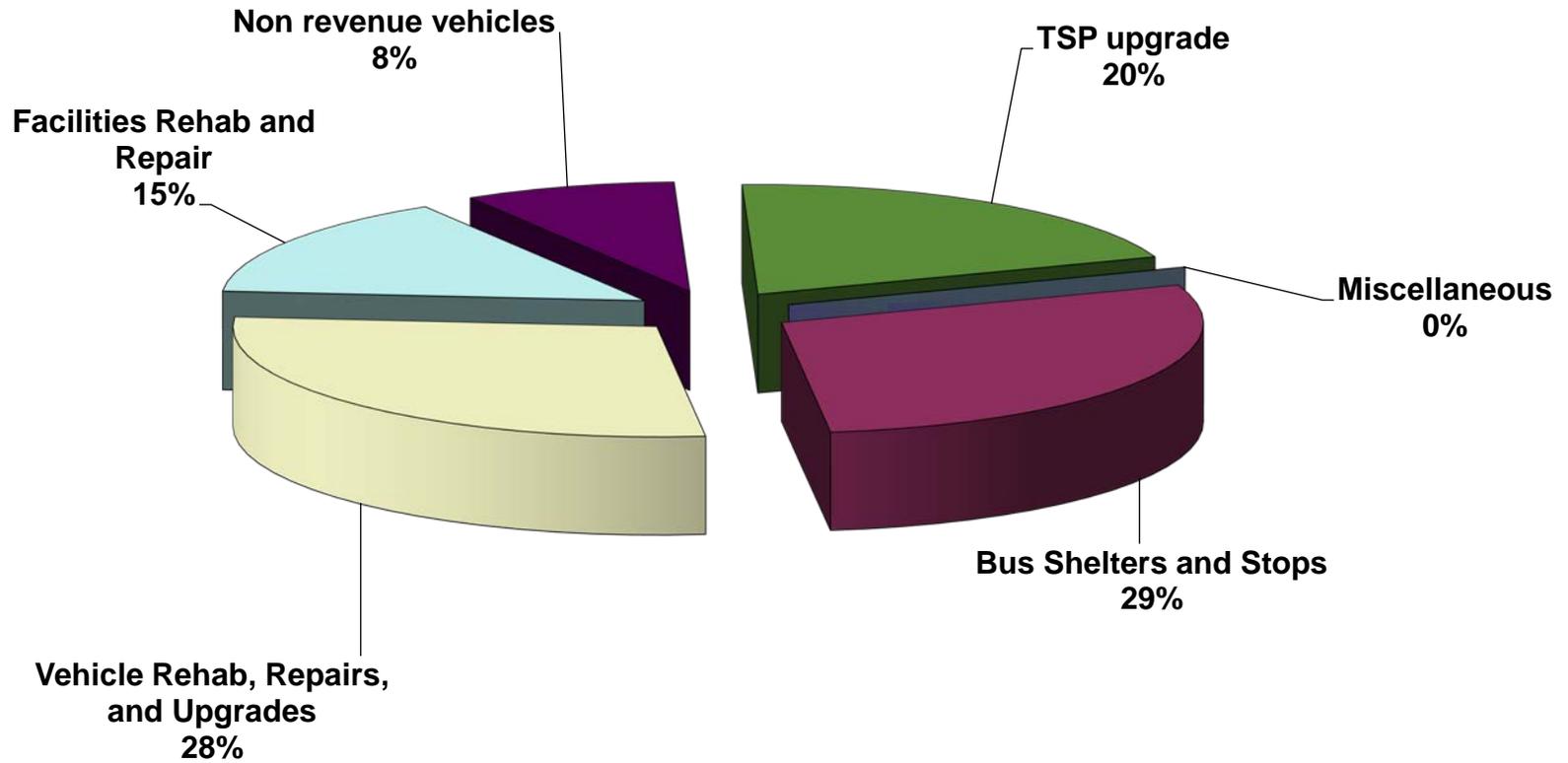
**LAVTA
FY2019 BUDGET
PROJECT DETAIL**

Capital Improvement Program

	Project	FTA FUNDS	SGR	CTC CIP	TVTC	TDA 4.0	Prop 1B	BUDGET FY18
	Bus camera replacements (FR) Para cameras					\$230,000		\$230,000
06	Transit Center Upgrades and Improvements	\$440,000					\$127,520	\$567,520
11	Bus Shelters, signs, and Stops		55,640	\$1,414,000		\$464,415	\$80,585	\$2,014,640
09	IT upgrades and replacement					\$35,000		\$35,000
05	Office and Facility Equipment					\$100,000	\$195,000	\$295,000
	Transit Capital					\$100,000		\$100,000
01	Shop Repairs and Replacements					\$85,000		\$85,000
	TSP upgrade	\$200,000			\$1,140,000	\$66,000		\$1,406,000
	Doolan tower upgrade					\$10,000		\$10,000
	Bus wrap refresh					\$100,000		\$100,000
20	Vehicle Repairs	\$800,000				\$350,000		\$1,150,000
	WiFi						\$36,696	\$36,696
	Farebox Upgrade	\$398,242				\$101,758		\$500,000
	Non Revenue Vehicle replacement	\$367,200				\$200,000		\$567,200
	Security upgrades						\$44,259	\$44,259
	TOTAL	\$2,205,442	\$55,640	\$1,414,000	\$1,140,000	\$1,842,173	\$484,060	\$7,141,315

15,492,648

CAPITAL PROGRAM FY 2019



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 11% 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 FY2019 based on currently available information about FY 2018

Projected Reserves at June 30, 2018	\$7,226,477 (Projected Carryover 2/28/18)
FY2019 Apportionment (estimated)	10,544,788 (FY19 revenue estimate 2/28/18)
FY2019 TDA Funds Available for Allocation	\$17,771,265

FY2019 Operating Request	10,481,586
FY2019 Capital Request	850,000
FY2019 TDA Request for Allocation	\$11,331,586

Projected Reserves at June 30, 2019	
Reserves at June 30, 2018	\$6,439,679
Expiring Capital Allocations @June 30, 2018	0
FY 2018 Unexpended Funds (Due to LTF)	918,296 (estimate)
Prior year Due to LTF	\$7,909,098

<u>TOTAL TDA RESERVES</u>	<u>\$13,163,354</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). As with TDA, LAVTA receives an estimated apportionment in February, requests an allocation, and the difference is maintained in the County Treasury, but administered by MTC, as reserves. Population based funds will be administered by ACTC beginning in FY19.

STA RESERVES

The following analysis calculates LAVTA's expected STA reserves at the end of FY2019 based on currently available information about FY 2018.

Population Based

Reserves at June 30, 2018	\$1,077,176 (Projected Carryover 2/28/18)
FY2019 Apportionment	\$1,182,046 (FY19 revenue estimate 4/02/18)
FY2019 Available STA Funds	\$2,259,222
FY2019 STA Request for Allocation	\$1,077,176
Reserves at June 30, 2018	\$1,182,046

Revenue Based

Reserves at June 30, 2018	\$250,382 (Projected Carryover 2/28/2018)
FY2019 Apportionment	293,580 (FY18 revenue estimate 2/28/2018)
FY2019 Available STA Funds	\$543,962
FY2019 STA Request for Allocation	\$250,382
Reserves at June 30, 2019	\$293,580
<u>TOTAL STA RESERVES</u>	<u>\$1,475,626</u>

TOTAL TDA and STA RESERVES **\$14,638,980**

RESOLUTION NO. 15-2018

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE
AMADOR VALLEY TRANSIT AUTHORITY ADOPTING THE OPERATING
AND CAPITAL BUDGET FOR FISCAL YEAR 2019**

WHEREAS the Board of Directors of the Livermore Amador Valley Transit Authority at their meeting of June 4, 2018 reviewed the Operating and Capital Budget for Fiscal Year 2019 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 2019, 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 4th day of June, 2018.

Karla Brown, Chair

ATTEST:

Michael Tree, Executive Director