

STAFF REPORT

SUBJECT: LAVTA's Operating & Capital Budget for FY 2021

FROM: Tamara Edwards, Director of Finance

DATE: May 4, 2020

Discussion

Attached for your approval is the draft LAVTA Operating Budget for FY 2021 (July 1, 2020 through June 30, 2021). The operating budget includes revenues and expenses required to operate fixed route, Dial-a-Ride, and other projects such as Go Dublin, Go Tri-Valley and the shared autonomous vehicle. The total operating budget of \$20,820,727 reflects an overall increase of 1.09% from the FY 2020 budget, a breakdown of this increase is below. 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 FY2021 Capital Budget has been enclosed for your review.

Fund	\$ Increase over prior year	% Increase over prior year	% Share of the overall budget increase
Fixed Route	4,99,859	2.8%	223%
Paratransit	19,256	.84%	9%
WHEELS on Demand/SAV	-294679	-53.9%	-131%

Planning for the FY 2021 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 and Fixed Route purchased transportation. For FY20 LAVTA budgeted \$2.80 per gallon for fuel, however the average price per gallon that LAVTA paid in FY 20 (to date) is \$2.33. With the current volatility of fuel prices and the current economic uncertainty the amount per gallon for FY 21 was budgeted at \$2.80 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

The Finance and Administration Committee recommends that the Board of Directors approve the Operating and Capital Budget for FY 2021.

Attachments:

1. Operating and Capital Budget FY 2021
2. Resolution 08-2020 Operating and Capital Budget FY2021

Approved: _____

FY 2021



OPERATING & CAPITAL BUDGET

Livermore Amador Valley
TRANSIT AUTHORITY

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WHEELS
Livermore Amador Valley Transit Authority
Fiscal Year 2021
Budget Message

Summary Outlook for FY2021

LAVTA's FY2021 Budget is \$20,820,728 which is 1.09% higher than FY2020. The draft budget assumes LAVTA will provide 140,445 fixed route service hours and 50,000 paratransit trips. The Budget for FY2021 continues to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

FY2021's major highlight will be recovery from COVID-19, with ridership expected to be significantly lower than the previous year as communities and the economy recover from the devastating pandemic. The focus will be on growing ridership in a safe manner as social distancing and other factors continue to be explored and debated. Staff has maintained a consistent number of revenue hours in the budget to both be conservative and to recognize that while some service may be reduced due to demand, other service may increase to accommodate social distancing.

All operators in FY2021 will continue to improve their customer skills with the MV Platinum Customer Connection course and will participate in monthly safety meetings where the concepts will be reinforced. Additionally, the agency will adopt a new Safety Plan and Safety Management System to ensure that safety continues as the agency's top priority.

In FY2021 the Marketing Department will continue the SmartTrips individualized marketing on the Rapid routes, will upgrade the agency's website with improved commuter information, and will promote the new Go Tri-Valley program with TNCs. Continued focus will be on Las Positas College and the middle and high schools students to promote the pass programs and safety.

The Planning Department will continue several studies, including a network integration study that will look at the strategy for Tri-Valley Hub as identified in the State Rail Plan, a zero emissions plan for buses, and the agency's short- and long-range plans. Finally, LAVTA staff will continue to provide administrative support for the Tri-Valley – San Joaquin Valley Regional Rail Authority and manage partnerships participating in the shared autonomous vehicle project.

Medical Transportation Management continues to improve the agency's brokerage paratransit services and continues to deliver a great and overall service.

LAVTA's capital program in FY2021 will focus on several high priority projects, including upgrades at the Livermore Transit Center, completion of the new Rapid bus stops in Pleasanton, the upgrade of 66 intersections throughout the Tri-Valley on the Rapid system to include improved transit signal priority, the replacement of battery packs past their life

cycle in select hybrid buses, and the rehabilitation of Rapid route bus shelters and amenities. Finally, staff has budgeted funding to procure several used transit buses in the event ridership and/or social distancing standards require.

As the transit agency enters into FY2021, its activities will occur against the backdrop of an economy substantially impaired by the COVID-19 pandemic. LAVTA has budgeted a reduction of 15% in transportation sales tax funding sources, including TDA and Measure B & BB. Time will tell if losses in transportation sales taxes will exceed 15% and how quickly the economy rebounds from the financial impact of the pandemic.

FY20 Perspective

Before discussing FY2021, it is useful to briefly recap this last year. LAVTA's FY2020 Budget was \$20,568,538 million, which was 6.09% higher than FY19. Staff continues to monitor the results from the fare increase implemented in FY19, although results have been skewed by the COVID-19 Pandemic. LAVTA was also able to comply with the Board's policy to maintain reserves equivalent to 3-6 months of operating costs.

For the first nine months of FY2020, the major highlight was a double digit ridership growth within the fixed route system. Additionally, the Go Dublin pilot and parataxi program were experiencing moderate growth. However, in the current COVID-19 environment that began in mid-March ridership has dropped approximately 90% and the focus has been on basic service levels and maintaining social distancing.

Additionally, the shared autonomous vehicle project in Dublin continued to experience challenges in FY2020, but is expected to be into testing before the close of the fiscal year.

The capital program had several areas of focus in regard to major capital projects, including the advancement of the Rapid bus stop project on Santa Rita in Pleasanton, the continued work to upgrade the transit signal priority system at 66 intersections, the planning of the Dublin Parking Garage, and the planning work for Valley Link.

Accomplishments in FY20

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 2019/2020 Legislative Program and monitored key legislation
- Provide administrative support for the Tri-Valley – San Joaquin Valley Regional Rail Authority, including the completion of the Feasibility Report, 15% design of Valley Link, and the continued work on the draft environmental impact report.

Fixed Route Service

- Monitored the continuing ridership increases on fixed route system
- Completed the annual survey to assess customer satisfaction of fixed route services
- Continued service to the Livermore July 4 fireworks event
- Continued service to Dublin summer school
- Extended service during the Alameda County Fair

Managed the service reductions and activities related to COVID-19

Paratransit Service

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

Capital Projects

- Continued planning of the Rapid bus stop project on Santa Rita Rd in Pleasanton
- Continued the transit signal priority project on Rapid routes

Marketing

- Completed rebranding and upgrade of Wheels bus stop signs
- Provided marketing assistance to ACTC with the Measure BB Student Pass Pilot
- Continued the Try Transit campaign for middle and high school riders and marketing on the Las Positas College Pass Program

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 FY19 CAFR
- Leased portion of Atlantis to Google for bus storage

Personnel

- Hired multiple interns in marketing and planning
- Hired a new Director of Operations and Innovation
- Continued to improve agency management practices

Major Features of FY2021'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, which is also estimated to increase slightly. However, the estimates were released in February 2020, and did not take into account the COVID-19 Pandemic and the affects on the economy. MTC staff has stated that they now expect the actual revenues to be 10-15% below what was estimated. Therefore, staff budgeted based on only receiving 85% of the revenues. If actuals are less than this 85% level, LAVTA has enough in reserves to make up the difference.

Major Features of FY21's Operating Expenditures

The expenditure budget for FY2021 is \$20,820,728 which is \$252,190 more (1.09%) than the budget for FY20. Both the Fixed Route and Paratransit contracts had a slight increase

this year. 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 matters regarding expenditures are described below.

O&M Services: FY2021 marks the third year of the multi-year contract for fixed route O&M services to MV Transportation, and the third optional year for paratransit services to MTM. Per the contract bids submitted, the MV costs will escalate 2.72% next year over FY2020.

Fuel Prices: For FY2021, fuel is assumed to be \$2.80 per gallon, which is higher than the average that LAVTA has seen in the current fiscal year. However, fuel prices can be extremely volatile so the budget reflects the trends from the last three years. Total fuel costs and taxes on fuel are approximately \$1.69 million, or about 8% of total spending.

Personnel Costs: The FY2021 budget assumes one additional FTE (a capital projects specialist to help expedite LAVTA's many capital projects) added to the 14 FTEs currently at the agency. As in prior years, LAVTA will continue to implement merit-based increases based on staff's performance evaluations.

Administrative Costs: Staff is proposing a FY2021 Budget that keeps most budgeted line items, which staff has some control over, similar to the amounts in the FY2020 Budget.

Major Features of the Capital Budget

The Capital Budget is expected to increase by \$19,984,601 million over last year, primarily due to the addition of the \$20,000,000 parking garage project. Last year, themes that dominated the Capital Budget will continue through FY21. They are (1) a continued emphasis on a State of Good Repair (SGR), and (2) continued improvements that improve speed and reliability to the Rapid corridors, as well as upgraded and attractive Rapid stops.

Strategic Plan Guidance and Projects for FY2021

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 2021, 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 and provide administration for Valley Link 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) Implement recommendations of the Comprehensive Paratransit Study
- (3) Monitor impacts of fare increase
- (4) Continue support for Tri-Valley – San Joaquin Valley Regional Rail Authority
- (5) Explore expansion of with 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 installation of new bus stop signs with rebranded Wheels logo/design
- (3) Continue ridership development at Las Positas College
- (4) Continue ridership development at schools participating in the ACTC Measure BB Student Pass Pilot
- (5) 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 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) Continue to support with the Tri-Valley – San Joaquin Valley Regional Rail Authority
- (3) 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 FY2021 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 FY2021 Budget supports 140,445 hours of fixed route service and 50,000 paratransit trips for next year. The Budget assumes that fares are not raised.

At the end of FY21, the forecast is to have \$18.78 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.

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 anticipated fallout from the COVID-19 Pandemic.

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. 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 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 FY21 is \$9,941,237 additionally the amount requested in TDA 4.5 funds is \$123,996. The most recent TDA fund estimates are from February. MTC staff has indicated that agencies should expect a 15% decrease over that estimate and staff has budgeted accordingly.

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 \$82,398 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 2021 is \$1,124,122, and LAVTA has requested revenue based STA funding of \$295,448.

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 21 is \$93,932, and through BART LAVTA will receive \$93,932.

LAVTA will also receive some STA this year from SB1, these include additional "lifeline funds" of \$1,313,267, and additional funds for the Student Pass program (budgeted under special contract fares) of 170,140.

The most recent STA fund estimates are from February. MTC staff has indicated that agencies should expect a 15% decrease over that estimate and staff has budgeted accordingly.

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 \$580,836 in RM2 funding for the Rapid service.

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 \$317,543.

Additionally, funding through the CARES Act is available to LAVTA. The majority of this will be received for FY20. However, a second allocation will be made available in FY21 these funds are expected to be between \$1 Million and \$1.5 Million for FY21, staff has budgeted on the conservative side at \$1 Million.

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 \$171,800. Another portion of these revenues helps support fixed route service; LAVTA is expected to receive \$925,166 in fixed route revenues for FY 2021.

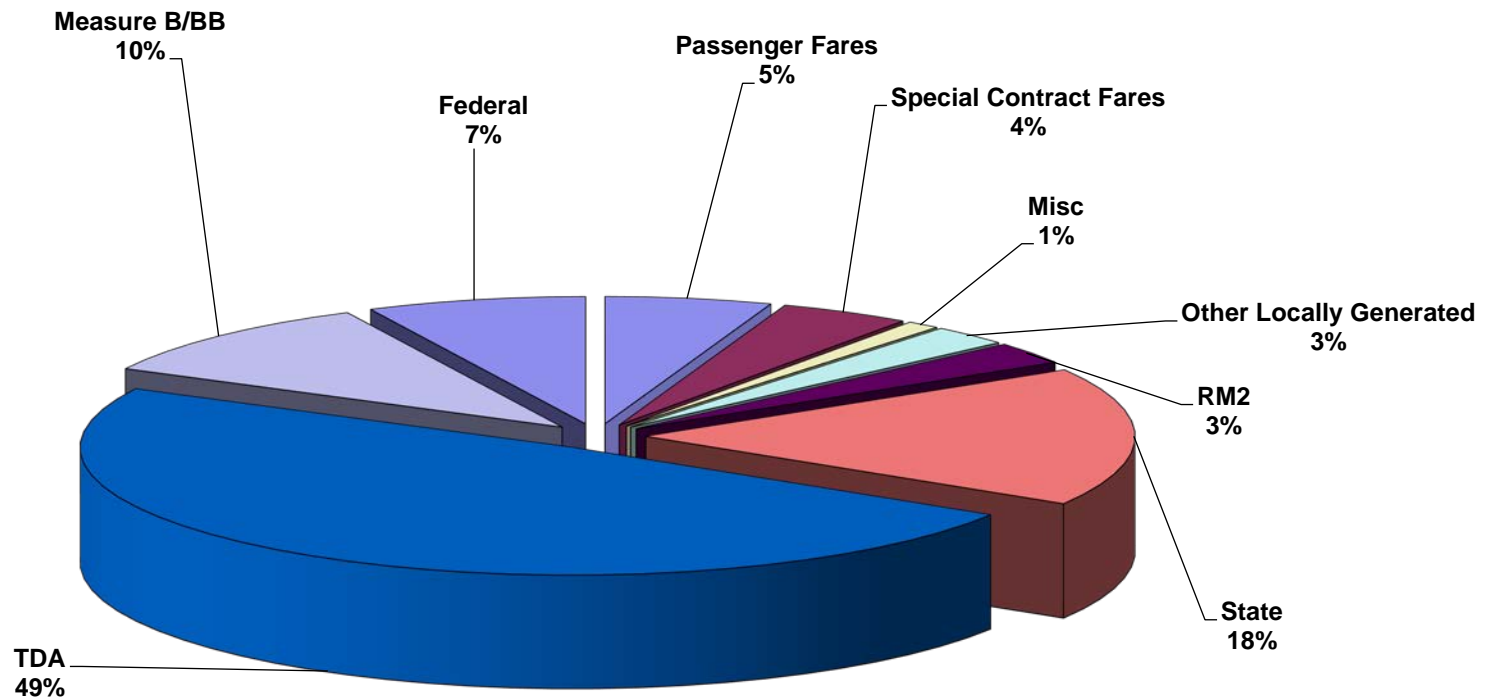
Measure BB

Additionally, voters in Alameda County voted for an addition sales tax increase for transit projects. This measure BB is anticipated to provide an additional \$684,288 in funds for Fixed Route service and \$317,543 for Paratransit service.

**LAVTA
FY2021 BUDGET
OPERATING REVENUES**

		FIXED ROUTE FUND	PARATRANS. FUND	WOD	TOTAL FY2021	BUDGET FY2020	% CHANGE
401	Passenger Fares:	\$953,273	\$187,500		\$1,140,773	\$1,517,344	-25%
402	Business Park Revenue	\$246,067			\$246,067	\$239,911	3%
402 05	Special Contract Fares:	\$622,548	\$30,000		\$652,548	\$640,799	2%
406 01	Concessions	\$57,984		\$0	\$57,984	\$56,875	2%
406 03	Advertising	\$95,000	\$	-	\$95,000	\$95,000	0%
407 04	Interest	\$25,000			\$25,000	\$12,000	108%
407 03	Google Lease	\$48,000		\$0	\$48,000	\$48,000	0%
407 99	Clipper Fees and cards	\$0			\$0	\$2,400	-100%
409	Transit Development Act (TDA)						
91	Article 4.0	\$9,009,065	\$932,171	\$0	\$9,941,237	\$10,396,515	-4%
92	Article 4.5		\$123,996		\$123,996	\$160,937	-23%
95	BART 4.0	\$82,398			\$82,398	\$107,178	-23%
96	RM2	\$580,836			\$580,836	\$580,836	0%
01	TFCA BRT	\$238,500			\$238,500	\$238,500	0%
01	BAAQMD	\$47,816		\$252,190	\$300,006	\$436,000	-31%
411	State Transit Assistance (STA)						
01	Operating-Population Based	\$1,124,122			\$1,124,122	\$1,723,755	-35%
01	Block Small Operator	\$1,259,035			\$1,259,035	\$0	100%
01	Operating-Revenue Based	\$295,448			\$295,448	\$346,898	-15%
01	Regional Paratransit	\$0	\$93,932		\$93,932	\$128,602	-27%
01	STA Lifeline	\$54,232			\$54,232	\$234,250	100%
05	Regional BART	\$588,554			\$588,554	\$618,101	-5%
01	CalTrans	\$250,000			\$250,000	\$250,000	100%
413	Federal Transit Administration Section 5307	\$1,088,000	\$412,325		\$1,500,325	\$406,835	269%
464 01	Measure B and BB	\$1,609,454	\$513,283	\$0	\$2,122,736	\$2,355,556	-10%
TOTAL REVENUE		\$18,275,331	\$2,293,207	\$252,190	\$20,820,727	\$20,596,292	1.09%

OPERATING REVENUE FY2021



OPERATING EXPENDITURES

Salaries and Wages

This category includes salaries for all staff members, including 11.5% 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. One new position was added to the budget. This position is to 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, 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 the testing of 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 vans are budgeted here. This line item is budgeted for FY 2021 at \$2.80 per gallon; fuel for non-revenue vehicles is budgeted at \$4.20 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 fixed route contract with MV Transportation and an increase in contract costs for Paratransit services with MTM. Additionally, expenses have been budgeted for the "GO Dublin and 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 are included here. This category also includes expenses associated with job specific development classes.

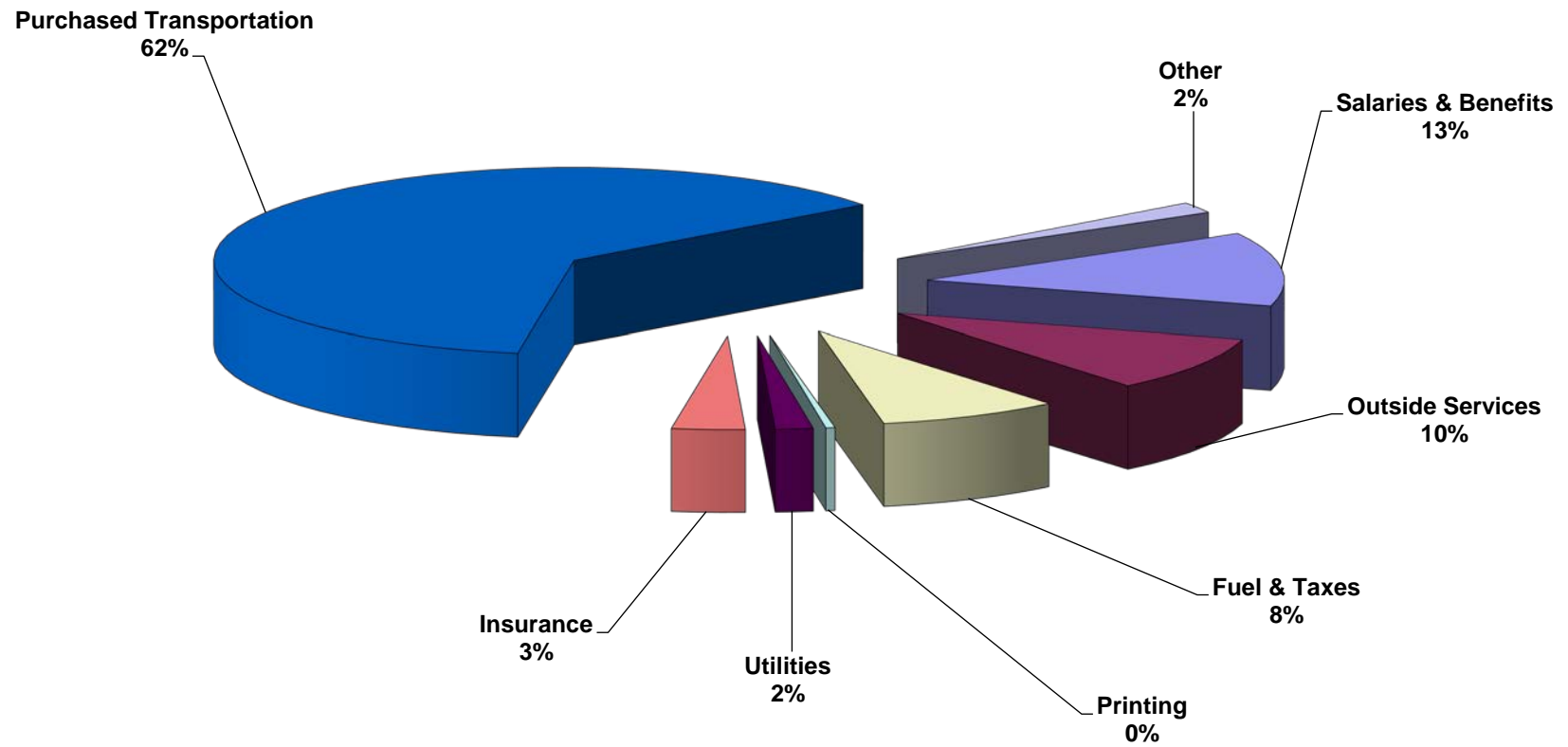
Advertising

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

**LAVTA
FY2021 BUDGET
OPERATING EXPENDITURES**

		GENERAL FUND	PARATRANSIT FUND	Wheels On Demand	TOTAL FY 21	BUDGET FY20	% CHANGE
501 02	Salaries and Wages	\$1,493,409	\$156,612	\$74,045	\$1,724,066	\$1,566,285	10%
502 00	Personnel Benefits	\$882,465	\$54,127	\$7,619	\$944,210	\$848,625	11%
503 00	Professional Services	\$985,430	\$30,450	\$92,500	\$1,108,380	\$1,334,102	-17%
503 05	Non-Vehicle Maintenance	\$852,490	\$11,825	\$0	\$864,315	\$912,830	-5%
503 99	Communications	\$7,500	\$2,000	\$0	\$9,500	\$11,500	-17%
504 01	Parts, Fuel and Lubricants	\$1,386,600	\$0	\$0	\$1,386,600	\$1,386,600	0%
504 03	Non Contracted Vehicle Maintenance	\$3,000	\$0	\$0	\$3,000	\$6,000	-50%
504 99	Office/Operating Supplies	\$58,530	\$6,387	\$0	\$64,917	\$70,339	-8%
504 99	Printing	\$68,614	\$17,000	\$0	\$85,614	\$91,744	-7%
505 00	Utilities	\$346,513	\$4,723	\$0	\$351,235	\$324,879	8%
506 00	Insurance	\$675,876	\$6,827	\$0	\$682,703	\$712,210	-4%
507 99	Taxes and Fees	\$302,000	\$0	\$0	\$302,000	\$302,000	0%
508 01	Purchased Transportation	\$10,903,184	\$1,992,000	\$76,026	\$12,971,210	\$12,698,358	2%
509 00	Miscellaneous	\$124,722	\$8,757	\$0	\$133,479	\$136,419	-2%
509 02	Professional Development	\$67,000	\$2,500	\$0	\$69,500	\$74,400	-7%
509 08	Advertising	\$118,000	\$0	\$2,000	\$120,000	\$120,000	0%
TOTAL TRANSIT OPERATIONS AND MAINTENANCE		\$18,275,331	\$2,293,207	\$252,190	\$20,820,728	\$20,596,292	1.1%

OPERATING EXPENDITURES FY 2021



CAPITAL IMPROVEMENT PROGRAM – FY 2021

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 FY21.

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 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.

Radio Upgrade

The radios on the buses need to be upgraded in order to continue to work with our network. This project will only have a few tasks left to be done in FY21.

Used Buses

With ridership increasing, particularly on our supplementary school focused routes LAVTA is in need of a few more buses. However, LAVTA is not in line for Federal funding for these buses until 2022, with a delivery in probably 2023. Therefore, staff would like to purchase a few used buses for use until our new buses can be delivered.

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 Tri Valley Transportation Council.

Shared Autonomous Vehicle (SAV)

LAVTA, the City of Dublin, and the Metropolitan Transportation Commission are partnering on testing an SAV in the City of Dublin. The goals of the projects are:

- Test the capabilities of the SAV in multimodal mixed traffic environment.
- Demonstrate the feasibility of using SAVs in first mile/last mile transportation in the Tri-Valley.
- Test Vehicle to Infrastructure (V2I) communication between traffic signal equipment and the SAV.

Dublin Parking Garage

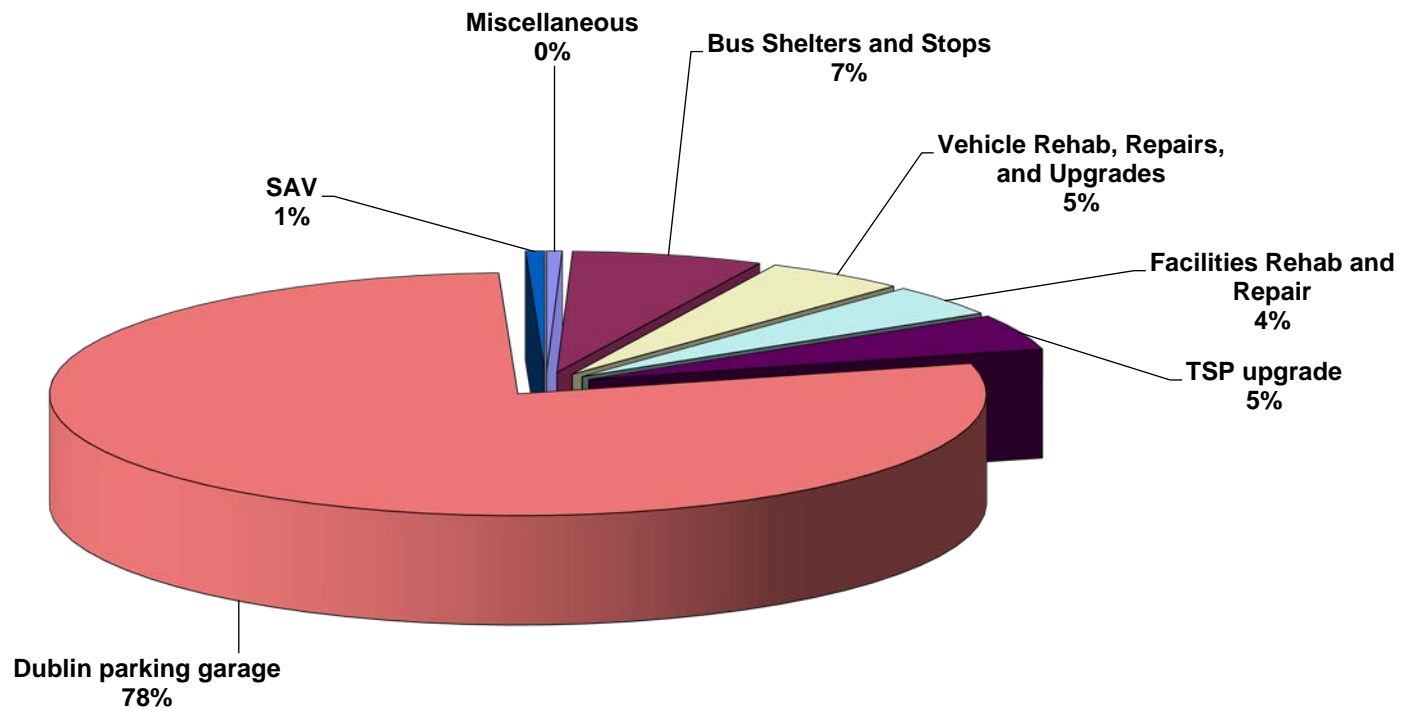
LAVTA is the project sponsor for the Dublin/Pleasanton Capacity Improvement and Congestion Reduction Program, which includes \$20,000,000 in state funding toward final design and construction of a 500+-space parking garage in Dublin near the Dublin/Pleasanton BART station on land owned by Alameda County. 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.

**LAVTA
FY2020 BUDGET
PROJECT DETAIL**

Capital Improvement Program

Project	FTA FUNDS	BAAQMD	State	CTC CIP	TVTC	TDA 4.0	Prop 1B	BUDGET FY21
Transit Center Upgrades and Improvements	\$440,000					\$110,000	\$20,000	\$570,000
Bus Shelters, signs, and Stops			80,640	\$1,277,410		\$326,000		\$1,684,050
Radio upgrade						\$6,700		\$6,700
Office and Facility Equipment						\$199,000		\$199,000
Transit Capital						\$100,000		\$100,000
Shop Repairs and Replacements						\$100,000	\$200,962	\$300,962
TSP upgrade					\$1,140,000	\$66,000		\$1,206,000
Doolan tower upgrade						\$30,000		\$30,000
Used buses						\$45,000		\$45,000
SAV		\$168,194						\$168,194
Dublin Parking Garage			\$20,000,000					\$20,000,000
Vehicle Repairs	\$800,000					\$410,000		\$1,210,000
TOTAL	\$1,240,000	\$168,194	\$20,080,640	\$1,277,410	\$1,140,000	\$1,392,700	\$220,962	\$25,519,906

CAPITAL PROGRAMS FY2021



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 FY2021 based on currently available information about FY 2020

Projected Reserves at June 30, 2020	\$8,376,737 (Projected Carryover 2/26/20)
Estimated Decrease	-1,732,454
FY2021 Apportionment (estimated)	11,847,775 (FY21 revenue estimate 2/26/20)
Estimated Decrease	-1,777,166
FY2021 TDA Funds Available for Allocation	\$16,714,892

FY2021 Operating Request	9,941,236
FY2021 Capital Request	1,392,700
FY2021 TDA Request for Allocation	\$11,333,936

Projected Reserves at June 30, 2021	
Reserves at June 30, 2021	\$5,380,956
Expiring Capital Allocations @June 30, 2020	0
FY 2020 Unexpended Funds (Due to LTF)	0 (estimate)
Prior year Due to LTF	\$13,093,436

<u>TOTAL TDA RESERVES</u>	<u>\$18,474,392</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 FY2020 based on currently available information about FY 2020.

Revenue Based

Reserves at June 30, 2020	\$353,830 (Projected Carryover 2/26/2020)
Estimated Decrease	-\$53,074
FY2021 Apportionment	347,586 (FY20 revenue estimate 2/26/2020)
Estimated Decrease	-52,138
FY2021 Available STA Funds	\$596,204
 FY2021 STA Request for Allocation	 \$295,448
 Reserves at June 30, 2021	 \$300,756

<u>TOTAL TDA and STA RESERVES</u>	<u>\$18,775,148</u>
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RESOLUTION NO. 08-2020

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE LIVERMORE
AMADOR VALLEY TRANSIT AUTHORITY ADOPTING THE OPERATING
AND CAPITAL BUDGET FOR FISCAL YEAR 2021**

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WHEREAS the Board of Directors of the Livermore Amador Valley Transit Authority at their meeting of May 4, 2020 reviewed the Operating and Capital Budget for Fiscal Year 2021 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 2021, 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 May 2020.

David Haubert, Chair

ATTEST:

Michael Tree, Executive Director