

AVTA Business Plan

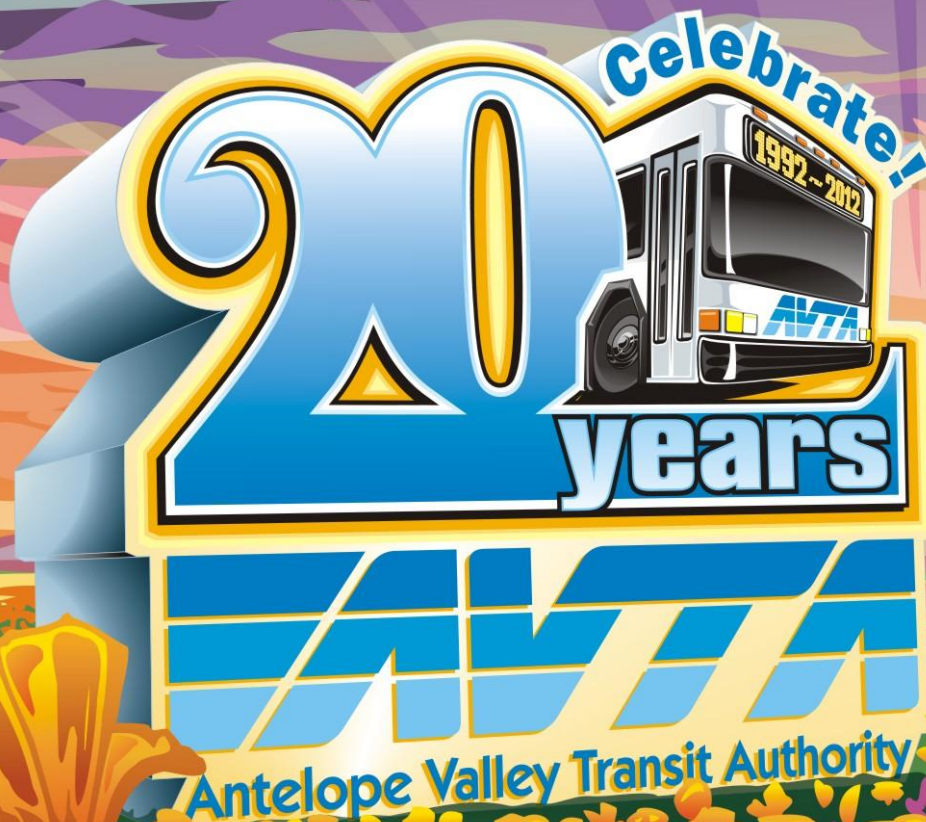


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Board of Directors

Chairman
Norm Hickling
County of Los Angeles

Vice-Chairman
Mike Dispenza
City of Palmdale

Director
James C. Ledford, Jr.
City of Palmdale

Director
Ken Mann
City of Lancaster

Director
Michael Cano
County of Los Angeles

Director
Marvin Crist
City of Lancaster

Executive Director
Julie M. Austin

July 1, 2012

AVTA Friends and Stakeholders,

We are pleased to present the adopted Fiscal Year 2013 Business Plan for the Antelope Valley Transit Authority. Total FY 2013 operating expenses are 7% LESS than budgeted FY 2012 operating expenses. The FY 2013 operating budget estimates expenses of \$21.03 million, funded with \$4.62 million in fare revenues and \$16.87 million from operating subsidies and contributions from our jurisdictions. During the past year we have seen a consistent growth in our ridership and fare revenues. These facts have created some exciting challenges that all of us are working proactively to address.

AVTA's ambitious capital program of \$29 million includes the purchase of 15 new hybrid buses and bus refurbishments. We're also planning to implement a new Intelligent Transit System (ITS) to assist us in obtaining more accurate and timely information for route and system management.

Over the past year, we successfully navigated some turbulent waters and have emerged better for the experience. With this success we began our look toward a positive future by celebrating our 20th Anniversary in June 2012. We recognized we have much to be proud of!

This past year alone, the Board of Directors, Transit Advisory Committee and AVTA staff worked together to:

- Execute two new operations and maintenance contracts with maintenance being performed by the contractor
- Contract for a new coordinated paratransit model, reducing fleet, fuel and maintenance requirements, customer complaints and hold time
- Procure 15 new hybrid electric coaches after cancelling non-responsive equipment provider contract
- Refurbish 13 local transit coaches
- Close out vast majority of audit findings
- Adopt new policies and procedures
- Initiate development of revamped website
- Reorganize functional responsibilities and fill key positions
- Re-energize media relations and increase community involvement

The Board of Directors, TAC and management staff established the following goals for the upcoming year FY 2013:

Staffing and Organization:

- Reengineer organizational structure and ensure a full complement of staff is available to perform necessary functions (grants, contractor oversight, internal controls, planning and jurisdictional liaison)

- Update legislative platform and coordinate development of a regional transit agenda
- Redefine TAC responsibilities

Financial Health and Economic Stimulus:

- Initiate internal review of fare structure to identify potential opportunities for improvement
- Increase AVTA involvement in City and County General Plan development and implementation. Invite Planning Directors from Palmdale, Lancaster, and County to Board meeting to discuss General Plan. Identify funding to help align these goals and objectives
- Monitor available grant funding and provide quarterly updates to Board as new opportunities become available
- Analyze economic data and AVTA's impact on the local economy
- Track data on cost savings and other efficiencies from new paratransit model and contracted maintenance. Communicate results and celebrate success

Communication and Teamwork:

- Develop and execute a joint Board/staff event at AVTA or on the bus
- Develop outreach program
- Revamp orientation materials for new Board members

Other major initiatives for the upcoming fiscal year include:

- Complete Phase II facility construction and host a dedication ceremony
- Take delivery of 15 new diesel hybrid coaches and put into service
- Develop and monitor performance standards related to safety, customer service, efficiency and effectiveness
- Continue implementation of bus stop improvement program and develop guidelines for other regional partnership projects in accordance with FTA requirements

On behalf of all of us associated with AVTA, we thank you for your contributions and interest in the success of building a better public transportation system for the Antelope Valley.

Best wishes,



Norman L. Hickling
Chairman



Julie M. Austin
Executive Director

EXECUTIVE SUMMARY

About AVTA

The Antelope Valley Transit Authority (AVTA) is located in Southern California, approximately 70 miles north of Los Angeles. Its principal office and bus facility for its active fleet of 68 buses is situated in the city of Lancaster, California. AVTA was formed to provide and administer public transportation services primarily for the citizens of Lancaster, Palmdale and certain unincorporated sections of the County of Los Angeles in the Antelope Valley area. The Greater Antelope Valley area encompasses over 3,000 square miles and includes both Northern Los Angeles County and Eastern Kern County and is home to approximately 500,000 residents. The Antelope Valley provides a thriving environment for economic growth and offers a wide range of benefits to businesses seeking to relocate or expand their operation.

AVTA began operations with three services: Transit, Commuter and Dial-A-Ride. AVTA's total service area covers 1,200 square miles and is bounded by the Kern County line to the north, the San Bernardino County line to the east, the Angeles National Forest to the south, and Interstate 5 to the West. AVTA's customer base continues to grow; ridership nearly tripled during its first decade of operation, and commuter ridership has increased by 25% over the past two years. While ridership has increased recently due to the high cost of gas, overall downward trends in ridership over the past three years mean that it's time for AVTA to reexamine its service.

Organization

The Antelope Valley Transit Authority (AVTA) is a public entity organized on July 1, 1992, pursuant to Section 6506 of the Government Code of the State of California. AVTA was formed under a Joint Exercise of Powers Agreement (JPA) whose members consist of the County of Los Angeles (a political subdivision of the State of California), the City of Lancaster and the City of Palmdale (each a municipal corporation of the State of California). The JPA members jointly fund their jurisdictional shares of transportation services to the Antelope Valley area.

Board of Directors

AVTA is governed by a six-member Board of Directors which has governance responsibilities over all activities related to the AVTA. The Board is comprised of two directors from each participating jurisdiction. An Executive Director manages AVTA and acts in accordance with the directions, goals and policies approved by the Board in accordance with the duties specified in the applicable sections of the Government Code of the State of California and the JPA. The Board of Directors is currently comprised of the following members:

Member	Jurisdiction
Marvin Crist	City of Lancaster
Ken Mann	City of Lancaster
Norm Hickling	Los Angeles County
Michael Cano	Los Angeles County
Jim Ledford	City of Palmdale
Michael Dispenza	City of Palmdale



Chairman
Norm Hickling
County of Los Angeles



Vice-Chair
Mike Dispenza
City of Palmdale



Director
James C. Ledford, Jr.
City of Palmdale



Director
Ken Mann
City of Lancaster



Director
Michael Cano
County of Los Angeles



Director
Marvin Crist
City of Lancaster



Executive Director
Julie Austin
Antelope Valley Transit Authority

Transit Advisory Committee (TAC)

The TAC was established in 1992 pursuant to the JPA. Its purpose is to provide advisory input to the Executive Director and the Board of Directors. TAC membership is composed of two representatives from each member jurisdiction. The TAC typically meets on the second Tuesday of each month, two weeks prior to the Board meeting. TAC Membership currently includes the following:

Member	Jurisdiction
Brenda Gamlowski	City of Lancaster
Cathy Petrosky	City of Lancaster
Ann Meiners	Los Angeles County
Jordan Catanese	Los Angeles County
Brian Kuhn	City of Palmdale
Karen Johnson	City of Palmdale

TDA Article 8 Unmet Needs Process – 2012 Findings

Each year, AVTA appears before a hearing board and meets with an MTA-established Social Services Transit Advisory Committee (SSTAC) to evaluate whether any unmet transit needs exist in the AVTA service area that may be reasonable to meet using TDA Article 8 funds. The hearings and SSTAC meetings are scheduled by Los Angeles Metro staff. The hearing board consists of three representatives from Palmdale, Lancaster, Los Angeles County and/or Santa Clarita. This year the process was concluded at a Hearing Board meeting held on April 30, 2012. The Board found that there were no unmet transit needs that were reasonable to meet using Article 8 funds, and recommended that AVTA continue to monitor and evaluate all available funding sources.

SUMMARY OF THE FISCAL YEAR 2013 BUDGET

On April 24, 2012, the AVTA Board of Directors approved an FY 2013 operating budget of \$21 million, and a capital budget of \$29 million. The table below compares Fiscal Year (FY) 2011 actual revenues and expenses to FY 2012 estimated and FY 2013 proposed. Operating funds applied to capital projects are not included in Operating Subsidies for purposes of comparing revenues to expenditures. We expect to spend \$21.03 million on operations, funded with \$4.62 million in fare revenues and \$16.87 million from operating subsidies and contributions from our jurisdictions. Total expenses are expected to increase by 3.77% over our estimated year-end expenses for FY 2012.

Exhibit A – Operating Budget Summary and Comparison

	FY 11 Actual	FY 12 Estimated	FY 13 Proposed	% Change FY 12 Est v FY 13 Proposed
Fare Revenues	\$4.28	\$4.62	\$4.62	n/a
Operating Subsidies & Jurisdiction Contributions	\$14.78	\$16.92	\$16.87	(0.4%)
Total Revenues	\$19.06	\$21.55	\$21.49	(0.3%)
Purchased Transportation	\$10.39	\$11.24	\$12.89	14.6%
General & Admin Expense (includes Fuel)	\$9.16	\$9.02	\$8.14	(1.0%)
Total Expenses	\$19.55	\$20.26	\$21.03	3.77%
Income/(Loss)	(\$0.49)	\$1.3	\$0.47	---

Planned capital expenditures are detailed in the Capital Program section of this Plan. The capital budget of \$29 million includes grant funds carried over from prior years to fund multi-year projects such as bus procurements, ITS projects, and major facilities. We plan to put 15 new hybrid diesel buses into service in FY 2013. These buses should reduce our fuel use and reduce harmful emissions. The facility project will be completed by November 2012, and an RFP should be developed and issued for ITS improvements to vastly improve AVTA's ability to evaluate the efficiency and effectiveness of current services provided.

System Statistics – Local and Commuter Fixed Route Service

The Antelope Valley Transit Authority (AVTA) is proposing performance targets based on the five key agency goals. It will monitor and track each of nine performance indicators on a monthly basis to determine if the established performance targets are being met. The targets for FY 2012 were based on projected estimates of performance through FY 2011 and anticipated changes during the year for fixed-route transit service only.

In FY 2013, fixed route local and commuter service combined will provide 169,000 vehicle revenue hours with total operating expenses estimated at \$19,894,488. Fare revenues and passenger boardings are estimated conservatively at \$4.6 million and 3.2 million, respectively, although our actual performance data is slightly higher on a year-to-date basis.

Exhibit B – Systemwide Statistics (Excluding DAR)

Fixed-Route System Performance	FY 2011 Actual	FY 2012 Estimates	FY 2013 Estimates	% Change
Passenger Boardings	2,965,711	3,200,000	3,200,000	0%
Fare Revenues	\$4,283,321	\$4,622,237	\$4,622,237	0%
Vehicle Service Hours	166,243	169,000	169,000	0%
Operating Expense	\$18,661,474	\$19,436,657	\$19,894,488	2%

Passenger Boardings and Fare Revenues

This year's Business Plan projects flat overall boardings for fixed route service in FY 2013, however an increase of seven percent is projected at the end of FY2012 when compared to FY 2011 actual. Within the previous year the economic recession started to stabilize and improve as the unemployment rate also slightly decreased, the authority noticed ridership growth in FY 2012 and average weekday boardings trended upward.

Vehicle Service Hours and Operating Expenses

With the new implementation of the new proposed service connecting Newhall to the Antelope Valley and Metrolink, total annual service hours will slightly increase in the upcoming fiscal year, by two percent. With the exception of the new connector service, current service levels are anticipated to remain flat in FY 2013.

Goals and Performance Standards

The Antelope Valley Transit Authority will focus on five key goals and their specified measurable performance indicators, which are established annually based on projections of total vehicle service hours, ridership, revenues, and expenses. The estimated boardings per vehicle service hour, farebox recovery ratio and cost per vehicle service hour are derived directly from overall system statistics. The other indicators are estimated based on historical data and current events. Each indicator is discussed below.

Using these statistics as a baseline, we can calculate a targeted cost per vehicle revenue hour and farebox recovery ratios. The direct cost of Dial-a-Ride service is not included in this discussion due to the different service characteristics and because our service provider is

reimbursed per trip as opposed to vehicle service hour. It is our intention to work with TAC to develop mode-specific targets for each of the indicators below, and to establish a separate set of indicators for Dial-a-Ride consistent with the AVTA/ALC contract requirements. The table below summarizes preliminary performance goals for FY 2013:

Exhibit C – Preliminary Performance Standards (Excluding DAR)

Goal	Indicator	FY2011 Actual	FY 2012 Estimate	FY 2013 Proposed Target
Operate a Safe Transit System	Preventable Accidents per 100,000 miles	1.00	0.97	1.00
Provide Outstanding Customer Service	Complaints Per 100,000 Boardings	26.55	27.00	27.00
	Schedule Adherence	97%	96%	95%
	Average Hold Time	2:00	2:25	2:00
	Miles Between Service Interruptions	4,884	3,600	5,000
Operate an Effective Transit System	Boardings Per Service Hour	16.80	18.00	18.00
	Average Weekday Boardings	9,888	10,000	10,000
Operate an Efficient Transit System	Average Cost per Vehicle Service Hour	\$112.25	\$115.01	\$117.00
	Farebox Recovery Ratio	22.95%	23.78%	23.23%

Each of the proposed performance standards is discussed below.

Preventable Accidents per 100,000 Miles

The number of preventable accidents incurred for every 100,000 miles of fixed-route operation measures system safety. Through the continued focus on safety in FY 2013, AVTA is proposing a target of one preventable accident per 100,000 miles. FY 2012 estimates are currently in pace to meet the new proposed indicator target, at 0.97 preventable accidents per 100,000 miles.

Complaints per 100,000 Boardings

In FY2013 a proposed target is set at 27 complaints per 100,000 boardings. For FY 2012 AVTA estimates it will conclude the fiscal year at 27 complaints per 100,000 boardings. The slight increase in complaints over FY2011 can be attributed to the adjustments and cancelations of service made through the second and third quarter of the fiscal year.

Schedule Adherence

Schedule adherence or on-time performance is estimated to complete the fiscal year at 96 percent. This is a slight decrease when compared to FY 2011 actual. Road improvement projects and long term detours have been some of the major contributors on the fixed route on-

time performance. In the upcoming fiscal year, running times will be analyzed system-wide in order to identify service corridors that have very low on-time performance, which will help achieve the proposed initiative 95 percent on time performance goal.

Average Hold Time

Average Hold Time for FY 2012 is projected to be slightly above the newly proposed target of two minutes, at two minutes and at 25 seconds. As the usage and management of telephone system technology continues to be adopted, the handling of customer calls will continued to be refined.

Average Miles between Service Interruptions

In FY 2013, AVTA will include miles between service interruptions as an indicator for the goal of Providing Outstanding Customer Service. This indicator not only measures the overall performance of AVTA's maintenance function, but also reflects customer delays resulting from mechanical service interruptions. FY 2012 projections currently reflect 3,600 miles between service interruptions. In FY 2013, AVTA will add three replacement and three expansion commuter buses, along with 15 hybrid local buses to its fleet. The removal of 18 older buses from the fleet will assist in helping us achieve our goal of 5,000 miles between service interruptions.

Boardings per Service Hour

The projected 18 boardings per vehicle service hour in FY 2012 reflects an increase of six percent over the previous fiscal year. The new proposed target is also set at 18 boardings per vehicle service hour. The higher boardings per service hour value indicates that the recent service changes and improvements in FY 2012 did not impact the popularity of our service.

Average Weekday Boardings

In FY 2012, average weekday boardings are projected to be 10,000 per weekday. This is a slight improvement (1%) over FY 2011. We anticipate maintaining that level of ridership at a minimum in FY 2013.

Average Cost per Vehicle Service Hour

Fluctuations in fuel costs and increases in operating costs are the primary influences that impact AVTA's cost per vehicle service hour. The projected year-end cost per vehicle service hour for commuter and local service in FY 2012 is \$115.01, an increase of two percent over FY 2011. The FY 2013 proposed cost per VSH is \$117.00. It is important to note that this figure excludes the direct cost of Dial-a-Ride service, and it assumes a \$5 per gallon cost of fuel.

Farebox Recovery Ratio

The ratio of passenger fares to total operating costs measures cost efficiency of the service provided. In FY 2012, the farebox recovery ratio is projected to be 23.78 percent for commuter and local service. Based on the adopted FY 2013 budget, the farebox recovery ratio for these services is estimated at 23.23 percent. The Transportation Development Act requires a minimum farebox recovery ratio of 20 percent, net of depreciation and other specified costs.

Budget Assumptions - Business Plan Overview

The following assumptions have been developed for the development of the Authority's Fiscal Year 2013 Business Plan:

- The amount of transit service to be provided by AVTA is expected to meet public demands. Adjustments will be made based on route planning and financial review.
- Maintenance and parts outsourced to Veolia and ALC, respectively, in accordance with their contract requirements.
- Insurance costs are estimated to decrease due to the outsourcing of maintenance.
- Costs for local and commuter transit services are projected to increase by 3% on January 1, 2013.
- Costs for Dial-a-Ride are projected to increase by 1.5% on January 1, 2013.
- Fuel costs will remain high; this plan assumes \$5 per gallon.
- The contributions of AVTA member jurisdictions (the "jurisdictional shares") will be maintained, subject to review in the fall with possible adjustments at mid-year.
- No fare increases are assumed for the budget but review of the fare structure will be conducted during the year.
- For federally funded projects, staff will maximize special terms of available grants, including FTA operating subsidies and the use of toll credits as local match to federal grants.
- Minimal change in the number of personnel.
- Vacant positions will be filled.
- Merit increases will be awarded at a rate of up to five percent (5%) salary adjustment in accordance with Board approved compensation plan and based on employee performance.
- Maintain current employee benefit structure
- Pre-pay Employer share of CalPERS. Annual lump sum pension contribution of \$190,643 for FY 2013 will be remitted by July 15, 2011, resulting in a savings of \$129,470.
- Operating subsidies will increase by 5% overall, per MTA funding marks.
- FTA 5307 Preventive Maintenance anticipated to be reimbursed through federal grants at 40% of the cost of contract with Veolia.

FLEET AND FACILITIES

AVTA Fleet

Local Fixed Route buses use a low-floor design that makes it easier to get on and off the bus. Local Transit vehicles seat 38 to 40 passengers and have two wheelchair positions. The front steps can be lowered for passengers who have difficulty boarding. These buses use "clean diesel" fuel and are environmentally friendly. AVTA maintains 43 local transit buses - 31 are in

use daily. Commuter Service to Los Angeles and the San Fernando Valley uses a mix of vehicles which seat 53 to 68 passengers. All of our commuter coaches are lift-equipped and feature high-back reclining seats with individual lights and venting. On-board restrooms add an extra convenience. AVTA maintains 25 commuter coaches – 20 of these are in use daily to meet peak requirements. Due to significant ridership increases in the commuter service and the proposed addition of a new service connecting Metrolink trains to Palmdale, this Plan contemplates the addition of three expansion coaches for commuter service, in addition to three replacement coaches. Support vehicles play an important part in the operations of AVTA. A variety of trucks and vans are used by our road supervisors, management, and maintenance staff. AVTA maintains ten support vehicles.

Dial-A-Ride Service vehicles are provided by subcontractors with American Logistics Company. Until December 31, 2011, AVTA maintained a fleet of 14 DAR vehicles which accommodated up to 18 passengers and four wheelchairs each. Eleven of these Ford and Chevrolet vans were used daily. ALC currently employs the same number of vehicles but they are not owned by AVTA. The remaining federal interest in 13 of the vehicles – along with the vehicles themselves – was transferred to Santa Clarita Transit and Victor Valley Transit Authority in the spring of 2012. One DAR vehicle was retained for late evening service on the Route 10 to the University of Antelope Valley, and Proposition 1B grant funds are being provided to AVTA by CalEMA to modify that vehicle into a Mobile Command Response unit.

Exhibit D – Revenue Vehicle Fleet Inventory as of April 2012

Service Type	Vehicles	Year and Model	Seats	Scheduled Replacement
Local Transit	15	2001 40' Gillig Low Floor	38	CY 2012
Local Transit	3	2008 Chevy Passport C5500	32	CY 2013
Local Transit	5	1992 40' Gillig Phantom – High Floor	43	CY 2015
Local Transit	1	2001 40' Gillig Low Floor	38	CY 2015
Local Transit	6	2003 40' North American Bus Industries (NABI)	40	CY 2015
Local Transit	13	2004 40' Gillig Low Floor	39	CY 2016
Total Local Transit	43			
Commuter	3	1999 45' MCI Highway Coach	53	CY 2012
Commuter	3	2002 45' MCI Highway Coach	53	CY 2014
Commuter	13	2004 45' MCI Highway Coach	53	CY 2016
Commuter	6	2008 45' MCI Highway Coach	53	CY 2020
Total Commuter	25			
Total Active Fleet	68			
INACTIVE: Dial-a-Ride	1	2008 Ford E450 Paratransit Cutaway	16	n/a*

*Disposition pending.

AVTA Facilities

The FY 2013 capital plan includes approximately \$15 million for major facility projects, as follows:

Facility Project - Phase II – \$10 million. This is a fully funded capital project that was approved in previous years. This project will remodel the interiors and make minor additions to the existing facility, which would further facilitate the operation of AVTA. This project also includes adding solar panel systems supported by shade structures in the facility's employee and visitor parking lots. Construction is more than 50% complete at budget time, and is expected to be fully completed in November 2012. Improvements to the administration building will include a new Board/Community Room, additional restrooms, and a new anteroom. A new vestibule is being built to accommodate a separate employee entrance and the lobby is being expanded. Additional space for graphics equipment is being added to the Maintenance building, in addition to additional maintenance bays and a remodeled office and break room. We are adding an additional bus wash bay and solar photovoltaic panels throughout the bus parking area, including a 200kw solar PV covered parking structure.

Regional Partnership Projects – Bus Stop Improvement Program - \$4 million. In partnership with the cities and the county of Los Angeles, AVTA has dedicated a portion of its federal funding for mutually beneficial public works projects such as additional bus stop improvements or transit centers.

Data and Communications - \$1 million. Intelligent Transportation System (ITS) is a project that will allow AVTA to collect a wide variety of information about the fleet operations. Once fully implemented, AVTA customers will be able to use the system through the web or phone applications to obtain up-to-date information on the bus schedules.

SERVICE SUMMARY

Service Hours, Routes and Fares for Fiscal Year 2013

The FY 2013 Business Plan includes operations of 12 local fixed routes with five supplemental routes that coordinate with school schedules, and three commuter express lines connecting residents to the Downtown Los Angeles, Century City and Northridge. Annual vehicle service hours for each mode are shown in the table below.

Exhibit E - FY 2013 Vehicle Service Hours

Service Category	Routes	FY 2013 Vehicle Service Hours
Local Transit	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, Lake L.A. Express, 94, 96, 97, 98, 99	142,970
Commuter Express	785, 786, 787	23,273
Totals		166,243

Local Service

AVTA local service operates weekdays from 5:15 a.m. to 12:05 a.m., and Saturdays and Sundays from 6:39 a.m. to 7:45 p.m. No service is provided on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. AVTA's local routes are described below.

Route 1: This line travels from Palmdale to Lancaster via the 10th Street West, Rancho Vista Boulevard, and 47th / Avenue S corridors on 30 minute headway. Route 1 makes daily connections to all major transfer locations within the AVTA route network which include, Lancaster City Park, Palmdale Transit Center and at the intersection of 47th St. East and Avenue S.

Route 2: This line provides service throughout the City of Palmdale, connecting the west and east portions of the city. Route 2 provides service on 30-minute frequency to the Palmdale Boulevard and 47th / S retail and service corridor. In addition, The Palmdale Regional Medical Center, Palmdale City Hall, and the Palmdale Transportation Center are all accessed along this route.

Route 3: Similar to Route 2, this line provides service throughout the City of Palmdale, also connecting the west and east sections of the city. Route 3 provides service on a 30 minute frequency to Avenue R corridor; comprised of single/multifamily residences, including Palmdale High School, the 47th / S retail hub, The Palmdale City Hall and the Palmdale Transportation Center.

Route 4: This line provides service within the city of Lancaster, operating at a 60 minute frequency. Single transfer connections can be made with most AVTA local and commuter lines. Major stops include the Los Angeles County Services offices, Lancaster Metrolink Station, Lancaster City Park Transit Center, AVTA offices and the Michael D. Antonovich Antelope Valley Courthouse.

Route 5: Connecting Quartz Hill to the City of Lancaster, Route 5 runs on a 60 minute frequency, providing connections along Ave L to shopping centers and businesses along that corridor and terminating at the Lancaster City Park Transit Center. The main passenger generators are the Mayflower Gardens senior housing complex, shopping centers along 20th St West, the Auto Mall and Kaiser Permanente Hospital.

Route 6: This line provides service to the communities of Little Rock and Sun Village, commencing service at Avenue S and 47th Street East. It then continues east on SR-138, then heads north to the Sun Village community. It makes a loop serving Jackie Robinson Park and Littlerock High School. This line operates on a 90-minute frequency and provides a single point of transfer to the Lake Los Angeles community on the Lake LA express service.

Route 7: Operating on a 60-minute frequency, this line connects passengers to the Westside portions of both Lancaster and Palmdale. Route 7 originates at the Lancaster Senior Center, and then heads north on 10th St. West and west on Avenue H. After serving High Desert Hospital, it continues south on 60th Street West and then the route cuts to 50th St West, via Ave L-8 and then turns southeast on Rancho Vista Blvd. to serve the residential areas of Rancho Vista. The route terminates at the Palmdale Transfer Center. Main passenger generators are the AV Mall, retail centers along 10th St. West and Rancho Vista Blvd., High Desert Hospital, and the Lancaster Senior Center.

FORMER Route 8: Discontinued in April 2012, this route was originally implemented to serve the University of Antelope Valley (UAV) located on Sierra Highway in the city of Lancaster. Effective April 2012, Route 10 provides the UAV service.

Route 9: This line was modified in November 2011 to serve East Palmdale and Pete Knight High School on a 50-minute frequency. The route starts at the Palmdale Transit Center heading east along Avenue Q, then heads south on 40th Street East with service to the Antelope Valley Medical Center. Route 9 then heads east on Palmdale Blvd. and then south to shopping outlets at 47th Street East and Avenue S. From this point the route continues east to 60th Street East, north to Palmdale Blvd and south on 70th Street East serving new development and the new high school.

Route 10: Operating on 40-minute headways, Route 10 began service on April 2, 2012 as an alternative to the busy Route 1. This route replaces the unsuccessful Route 1 Express, which was implemented in November 2011 as a limited stop service mirroring Route 1. Due to transfer issues and general customer confusion, it was determined that a separate limited stop service should be developed which efficiently transports customers between Palmdale and Lancaster, with seven stops in total. To date this route appears to be well received.

Route 11: This line provides service throughout the City of Lancaster, connecting the west and east portions of the city. Route 11 serves Avenue I from 30th St East to Valley Central Way on 30-minute headways. The route travels along Valley Central Way to Lancaster Blvd., proceeding west on Lancaster Blvd to 15th Street West. The route continues south on 15th Street West to Avenue K-8 to the Lancaster Transit Center. Main passenger generators are Power Center Mall, Antelope Valley Hospital, Lancaster Senior Center, Employment Development Department offices and the Department of Motor Vehicles.

Route 12: Similar to route 11, Route 12 provides passenger connectivity between the west and east portions of The City of Lancaster. Route 12 serves Ave J from 30th St East to 30th St.

West on 30-minute frequency. The route continues south on 30th Street West, via the Power Center. The route proceeds east on Ave K turning south on 17 St. West, continuing east on Avenue K-8 to the Lancaster Transit Center. Main passenger generators are Antelope Valley College, Power Center Mall, and the Lancaster Senior Center. Connections to the Lancaster Metrolink Station can also be made utilizing this line.

Lake Los Angeles Express: This line connects both Palmdale and Lancaster to the Lake Los Angeles community, approximately 17 miles from the Palmdale Civic Center. The Lake L.A. express service begins at the Lancaster City Park Transit Center heading east to 20th Street East, then north to Avenue J. The route continues east on Avenue J, with a stop at 30th Street East, before turning south at 170th Street East. The route works its way south, through Lake Los Angeles before continuing westward with stops in Sun Village and at the Antelope Valley Medical Center. The route then proceeds northbound to Avenue P and then heads to the Palmdale Transit Center. This route operates on a 60-minute frequency during peak periods.

Supplemental Local Service

The following supplemental routes operate during the peak morning and afternoon hours, alleviating passenger overcrowding due to an increase of student riders, however service is open to all patrons' not just students.

Route 94: This line provides tripper service to Antelope Valley and Eastside High Schools, supporting Route 1 on the 10th Street West corridor and terminating at the Lancaster City Park Transit Center.

Route 96: This line provides support service to the Route 6 during the afternoon service. The line connects Littlerock High School and Almondale Middle School to the 47th and S retail hub.

Route 97: This line provides tripper service to Highland High School, providing support to Route 7 during the afternoon peak period, through Rancho Vista Boulevard, terminating at the Palmdale Transit Center.

Route 98: This line provides tripper service to Pete Knight High School and Shadow Hills middle School, terminating at the Palmdale Transit Center.

Route 99: Like Route 96, Route 99 provides service to Little Rock High School, and duplicates the Lake LA Express heading eastbound to Town Center Plaza and terminating at 170th St. E. & Ave K-8.....

Local Fare Structure

AVTA's fare structure is different for each service mode: Local, Commuter and Dial-A-Ride. This section outlines the fares for each type of service. AVTA's fares for local services are summarized in the table below.

Exhibit F - Local Service Fares

Regular Fare with TAP	\$1.25
Regular Cash Fare	\$1.50
4-Hour Ticket	\$2.00
One Day Pass	\$3.75
Weekly Pass	\$15.00
31-Day Pass	\$50.00
Senior/Disabled/Medicare	FREE
Active and Retired Military	FREE

Local Service Fare Policy

The AVTA Board of Directors adopted a free fare policy for Senior, Disabled, and Active Military and Veteran customers in March of 2010. Up to four children may ride the fixed route system at no charge when traveling with a paying adult. During Fiscal Year 2012/13, AVTA will conduct a fare study to evaluate the impact of the various free fare policies, as the expansion of these programs has had a negative impact on farebox recovery. This fare study will review all aspects of AVTA's fare policies and options and make recommendations on maximizing farebox revenue.

The most significant changes to the local fare structure since AVTA completed its last Short Range Transit Plan (SRTP) include: a) the complete transition to the TAP program for all fixed route fare media, and b) allowing free rides to all Senior/Disabled/Veteran and Active Military customers.

Commuter Service

AVTA provides Commuter Service from the Antelope Valley to downtown Los Angeles, Century City, and the San Fernando Valley. Lancaster City Park and the Palmdale Transportation Center are the designated morning pick-up and evening drop-off locations. All commuter fares are discounted 50% for our senior and disabled passengers.

Route 785 to Los Angeles: This line operates a total of 14 trips, taking passengers to the business district of Los Angeles between First St. and 8th St. from Figueroa St. to Main St. There are seven morning departures from the Antelope Valley between 3:45 a.m. and 6:20 a.m. and seven afternoon departures from Los Angeles between 3:00 p.m. and 5:30 p.m. Trip times average two hours each way. Fares for Route 785 are outlined in the table below.

Route 785 Fares	
One-Way TAP	\$7.60
One-Way Cash Fare	\$14.00
Ten-Trip Ticket	\$76.00
Monthly Pass	\$266.00
EZ Transit Pass	\$304.00

Route 786 to West LA and Century City: This line operates eight commuter trips, traveling from the Antelope Valley to West Los Angeles completing stops in Century City and along Wilshire Blvd., Santa Monica Blvd. and The University of California, Los Angeles with. There are four morning departures from 4:00 a.m. to 5:40 a.m. The four afternoon departures from Century City are from 2:52 p.m. to 4:57 p.m. Fares for Route 786 are outlined in the table below.

Route 786 Fares	
One-Way TAP	\$8.85
One-Way Cash Fare	\$16.00
Ten-Trip Ticket	\$88.50
Monthly Pass	\$310.00
EZ Pass	\$326.00

Route 787 to San Fernando Valley: This line operates 18 commuter trips, carrying passengers to the business districts of the west San Fernando Valley along Plummer St., Desoto Ave, Victory Blvd., Canoga Avenue, and Ventura Blvd. There are nine morning departures from 4:00 a.m. to 6:20 a.m. The nine afternoon departures from San Fernando Valley are from 2:30 p.m. to 5:35 p.m. The fares for Route 787 are outlined in the table below.

Route 787 Fares	
One-Way TAP	\$7.10
One-Way Cash Fare	\$14.00
Ten-Trip Ticket	\$71.00
Monthly Pass	\$249.00
EZ Pass	\$282.00

Dial-a-Ride Service (DAR)

AVTA provides complementary demand response service to residents of Lancaster, Palmdale, and unincorporated portions of Los Angeles County. The Los Angeles County boundaries for the Antelope Valley DAR service area are the Kern County Line to the North, the San Bernardino County Line to the East, the National Forest boundary to the west and south.

Dial-A-Ride, provided through a contract arrangement contract with American Logistics Company (ALC), provides curb-to-curb service in designated Urban and Rural areas of the Antelope Valley that lie within Los Angeles County. In the Rural areas, DAR operates Monday through Sunday and serves the general public. In the Urban area, AVTA DAR is available to seniors (65+) and Persons with Disabilities Monday through Sunday. The urban boundaries of DAR service are Avenue G to the north, 70th St. West to the west, Ave V-8 to the south, and 177th St. East to the east.

Antelope Valley DAR clients may reserve a ride up to three days in advance. Standing (subscription) orders may be scheduled and currently make up approximately 40% of our trips. This is currently under review. AVTA's contract with ALC limits the number of trips to 33,000 annually; the remainder of the paratransit service for qualified customers is provided by Access Services Inc.

DAR service operates from 6:00 a.m. to 7:30 p.m. Monday through Friday and 8:00 a.m. to 6:00 p.m. on Saturday and Sunday. The fare structure is detailed in the table below.

Dial-A-Ride Fares	
Urban Zone:	
One Way	\$3.00
Group Rate (3+)	\$1.25/person
Rural Zone One:	
One-Way	\$3.50
Group Rate (3+)	\$1.75/person
Rural Zone Two:	
One-Way	\$6.00
Group Rate (3+)	\$3.00/person

Potential Service Changes in Fiscal Year 2013

In the coming years, changes will be made to enhance AVTA's service to customers in the areas of on-time performance, frequency, and addressing any long term detours that are in effect throughout the service area. Staff will continue to analyze lines to address passenger loads, adjusting frequencies and routes and in some cases cancelling unproductive service. A new standardize service change schedule will be developed to coincide with the operations bid process, the proposed service change months are August and January.

Route 1: Staff will continue to monitor weekday service loads during the peak and off peak times. Adjustments to the overall running times will also be considered based on passenger loads. With an average weekday boarding of 2,520 passengers and a overall yearly boardings of 762,000, Route 1 carries the most passengers within the service area.

Cal State University Northridge - Transit Center: On June 17, 2012 the Cal State University Northridge Transit Center will open its doors and allow CSUN Staff and students to Board and disembark on campus grounds. Line 785 currently services the CSUN Campus, with a stop approximately a quarter block from the campus. Line 787 will be rerouted to provide service to the transit center in the August 2012 service Change.

Metrolink-AVTA Connection: In a continued effort to improve connectivity throughout the county, AVTA, Santa Clarita Transit and Metrolink Trains have come together to develop a service that will bridge the gaps between the Santa Clarita and Antelope Valleys. The AV-SCV connector will be implemented on July 16, 2012 as a two year demonstration project, allowing patrons to make their connections between both Valleys and continue to the greater Los Angeles area. The new service would travel a distance of approximately 38 miles between Palmdale Transit Center (PTC) and The Newhall Metrolink Station with a single stop in the Acton Metrolink Station. Eight to ten northbound and southbound trips will be implemented to connect passengers to the Metrolink trains that end in Newhall/Acton to Palmdale Transit Center. At this writing, the fare structure for this service has not been finalized.

CAPITAL PROGRAM FOR FY 2013

The capital plan for Fiscal Year 2013 has been developed in a manner that consolidates all anticipated project funding sources and associated grant numbers. The total capital plan for the upcoming fiscal year is \$29,735,951. The following table lists total funding by project and indicates the percentage of federal funding.

Exhibit G – Fiscal Year 2013 Capital Program

AVTA Capital Program and Associated Grants

Revenue and Non-Revenue Vehicles		
Replacements and Expansion		
	4 Hybrid Replacement Coaches	\$2,519,336
	FY 13 - MTA 5307 CAP Allocation	\$302,357
	Jurisdiction Capital Contribution	\$9,448
9906004	Grant 596-11.13.03 - 80% federal share	\$2,207,531
	11 Hybrid Replacement Coaches	\$6,928,174
9909011	Grant X038-ARRA-11.12.01 - 100% federal funding Refurbish Local Buses (13 units FY 12/13)	\$2,900,000
9909047	Grant 875-11.14.01 - 84.3% federal share	
	Commuter Replacement Coaches (3 units FY12/13)	\$1,845,000
9909050	Grant 875- 11.12.01 - 80% federal share	\$1,700,000
	Grant 968 - 100% federal funding	\$145,000
	Refurbish and Repaint 13 Commuter Buses	\$344,000
9902015	Grant 799-11.14.07 - 80% federal share 3 Commuter Expansion Coaches	\$1,833,000
9902012	Grant 799-11.13.01 - 80% federal share	
	2 Replacement Service and Support Vehicles	\$60,000
9909010	1 Support Vehicle Grant X038-11.42.11- ARRA 100% federal funding	\$30,000
9902013	1 Support Vehicle Grant 799-11.14.01 - 80% federal share	\$30,000
	Subtotal	\$16,429,510

AVTA Capital Program and Associated Grants

Major Bus Components

	Major Bus Components (engines, transmissions, differentials & Particulate Traps)	\$150,000
9902022	Grant 875 (PM)-11.7A.00 - 96.7%	
	Total - Revenue and Non-Revenue Vehicles	\$16,579,510

Facilities
New Facility Project - Phase II

	Phase II - Design and Construction	\$4,050,648
9909031	Grant 616-11.43.03 - 80% federal share	500,000
	Prop 1B Transit Security Bridge FY08/09	50,648
9902016	Grant 635-11.43.03 - 80% federal share	3,500,000

Regional Partnership Projects

	Regional Partnership Projects/Bus Stop Improvements, Transit Oriented Development & Satellite Facilities	4,365,044
9909048	Grant 875-11.92.02- 95.03% federal share	1,065,044
	Grant 968- 100% federal	3,300,000
	Bus Stop Lighting and Signage	343,000
9901002	Signage Grant 342-11.92.08 - 80% federal share	175,000
9909024	Lighting Grant 342-11.92.08 - 80% federal share	123,000
9909046	Signage Grant 11.92.08- 372 - 80% federal share	45,000
	Total Facilities	\$8,758,692

Other Projects
Major Equipment – Facilities

	Major Shop Equipment - Facilities Maintenance & Support	269,000
9909049	Grant 875 -11.42.06 - 100% federal funds	119,000
	Grant 968 - 100% federal share	150,000

AVTA Capital Program and Associated Grants		
	Major Facility Equipment	115,000
9902010	Grant 799 -11.71.03 - 80% federal share	
	Subtotal	\$384,000
Data & Communication		
	ITS Implementation Upgrade/Replacement (ITS/Pass Counter/AVL)	\$940,333
9909007	Grant 799 -11.71.03 - 80% federal share	257,988
9909045	Grant 372 -11.79.00 - 80% federal share	87,556
9909038	Grant 616 -11.42.20 - 80% federal share	594,789
9909053	Software Modifications	200,000
	Grant 875 - 11.71.03 - 92.9% federal share	
9909041	Mobile Fare Collection Equipment - DAR Verification Equipment	124,457
	Grant 734 -11.42.10 - 80% federal share	
9909044	IT Equipment purchases	84,238
	Grant 734 -11.71.03 - 80% federal share	
	Maintenance/Admin Equipment (Video & printing)	875,000
9909036	Grant 616 -11.71.03 - 80% federal share	250,000
9909044	Grant 734 -11.71.03 - 80% federal share	85,000
9902008	Grant 799 -11.71.03 - 80% federal share	540,000
	Finance System	17,000
9909038	Grant 616 -11.42.20 - 80% federal share	
	Subtotal – Data & Communication:	\$2,241,028
Major Equipment - Administrative Support		
	Records Management - Document Management System	\$137,199
9909035	Grant 616 -11.71.03 - 80% federal share	
Security - Bus & Facility		
	Safety & Security Emergency Preparedness Planning	\$339,768

AVTA Capital Program and Associated Grants		
9902005	Grant 799 - 44.26.16 - 80% federal share	75,638
	Prop 1B Transit Security 09/10 allocation	95,786
	Prop 1B Transit Security Bridge 09/10 allocation	48,058
	Prop 1B Transit Security 11/12 allocation	95,786
9909052	Grant 875 -11.79.00 - 97.96% federal share	24,500
Planning Projects		
9902002	Short Range Transit Planning	190,000
	Grant 799-44.24.00 - 80%	
9909051	Transit Planning	100,000
	Grant 875-11.79.00- 100%	
9901001	Mobility Management	221,000
	JARC Grant 37-X100-11.7L.00 - 80%	
Fuel		
	5307 Fuel as Capital Maintenance Provision	\$784,754
	Grant 968 - 100%	
	Total Other Projects	\$4,397,749
	FY13 Capital Project Total	\$29,735,951

FISCAL YEAR 2012 ACCOMPLISHMENTS

Major Accomplishments for FY 2012

AVTA has made significant progress since July 1, 2011. The theme for last year's business plan was Customer Service and Accountability, and goals were established for each departmental function. Functional accomplishments and goals are included in detail in the Departmental sections of this Plan. System-wide accomplishments for fiscal year ending June 30, 2012 include the following:

- Executed two new operations and maintenance contracts with total Operating Budget impact of less than 5% compared to prior year operating model
- Contracted for a new coordinated paratransit model, reducing customer complaints and hold time
- Procured 15 new hybrid electric coaches after cancelling DesignLine contract and successfully obtaining refund of investment plus carrying costs
- Refurbished 13 local transit coaches
- Transferred 13 DAR vehicles to Santa Clarita and VVTA
- Obtained approval to modify one DAR into Mobile Command Vehicle
- Closed out vast majority of audit findings (Financial Management Oversight Review, ARRA Audit, Triennial Review, Procurement System Review)
- Adopted new policies and procedures (Accounting Manual, Personnel Policies & Procedures, Maintenance SOPs, Internal Controls)
- Initiated development of revamped website
- Reorganized functional responsibilities and filled key positions
- Re-energized media relations and increased community involvement
- Developed a marketing plan and scheduled 20-Year Anniversary Dinner (June 21, 2012)

FISCAL YEAR 2013 INITIATIVES

Initiatives for FY 2013

The following goals were established by the Board, TAC and management at a strategic planning workshop in February 2012:

Staffing and Organization:

- Reengineer organizational structure and ensure a full complement of staff is available to perform necessary functions (grants, contractor oversight, internal controls, planning and jurisdictional liaison).
- Update legislative platform and work with LA Metro and other local operators to develop a regional agenda
- Redefine TAC responsibilities.
- Investigate Brown Act applicability and focus on policy issues.
- Meetings will be more policy-oriented, with major items such discussed in a workshop format.
- Workshop topics anticipated will include: Budget Assumptions, Operating and Capital Reserve Policy, and Performance Standards by Mode.

Financial Health and Economic Stimulus:

- Initiate internal review of fare structure to identify potential opportunities for improvement
- Increase AVTA involvement in City and County General Plan development and implementation. Invite Planning Directors from Palmdale, Lancaster, and County to Board meeting to discuss General Plan. Identify funding to help align these goals and objectives.
- Monitor available grant funding and provide quarterly updates to Board as new opportunities become available.
- Obtain and analyze local economic data and AVTA's impact on the local economy.
- Track data on cost savings and other efficiencies from new paratransit model and contracted maintenance. Communicate results and celebrate success.

Communication and Teamwork:

- Develop and execute a joint Board/staff event at AVTA or on the bus.
- Develop outreach program, i.e. Chair to present state of AVTA and partnership opportunities.
- Revamp Board Briefing materials for Board rotation to include history, goals, past issues.

Other major initiatives for the upcoming fiscal year include:

- Complete Phase II facility construction and host a dedication ceremony
- Take delivery of 15 new diesel hybrid coaches and put into service

- Develop and monitor performance standards related to safety, customer service, efficiency and effectiveness
- Continue implementation of bus stop improvement program and develop guidelines for other regional partnership projects in accordance with FTA requirements.

SOURCES OF FUNDING

Funding Source Summary

External funding for AVTA operations and maintenance (other than member jurisdiction contribution) comes primarily from federal and regional/local sources, including FTA Section 5307 formula funds and MTA operating subsidies.

Federal Funding Programs

Section 5307 Formula Funds: The FTA Urbanized Area Formula Grants Program (Section 5307) allocates federal grants based on an urbanized area formula to fund transit capital (including preventative maintenance) and operating purposes. Depending on the size of the urbanized area, eligible uses for Section 5307 funds may include the engineering design, evaluation and planning of transit projects and other technical studies related to transportation; capital investments for bus and bus-related activities; the construction and maintenance of transit facilities; and capital investments in fixed guideway systems.

For large urbanized areas with populations greater than 200,000, funding is allocated by the FTA regional office and can typically only be used for transit capital projects. For small urbanized areas (those with populations between 50,000 and 200,000), FTA apportions funds to the state governor. Small urbanized area funds can be used for both transit capital and operations purposes. The federal share of any project may not exceed 80 percent of the net cost of the project, with the exception of funds applied to vehicle related equipment purchased to be in compliance with the Americans with Disabilities Act (ADA) and the Clean Air Act (CAA), which may not exceed 90 percent of the net project cost.

AVTA falls into the Large Urbanized Area (UZA) category. The majority of AVTA's 5307 funds are restricted to capital and preventive maintenance expenditures, however, AVTA was "grandfathered in" when SAFETEA-LU was adopted and allowed to use up to 50% of its FY 2003 federal 5307 funds for operating purposes (\$1.103 million). AVTA has included this amount in recent budgets for operating purposes. In coordination with the 100 Bus Coalition, AVTA staff continues to seek relief through the next transportation bill to permit large UZAs to use a portion of their annual allocation for operating expenses beyond preventive maintenance.

Urbanized versus Rural Programs: AVTA currently provides four distinct services to Antelope Valley residents: (1) fixed-route service within the Palmdale/Lancaster urban core; (2) inter-community fixed route service linking the urban core with the rural communities of Lake Los Angeles, Sun Village, and Littlerock; (3) demand-responsive (dial-a-ride) service both inside and outside of the urban service boundary; and (4) commuter service from the urban core to Los Angeles via SR-14. AVTA's urban and rural transit services are presently consolidated under one program. Based on the current structure, the agency receives allocation dollars from the

FTA Section 5307 (Urbanized Area Formula) program, which is intended for use in urbanized zones.

FTA Section 5311 (Non-Urbanized Area Formula): Funds are distributed to the regions on FTA's non-urbanized area formula for rural and small urban public transportation systems. These funds are used for transit capital and operating purposes in non-urbanized areas. Eighty percent (80%) of the 5311 funds are distributed based on the non-urbanized population and 20% is through a tier-based land area formula. The federal share is typically 80% for capital costs and 50% for operating costs. Capital, operating and project administration costs in areas with a population of less than 50,000. For Los Angeles County, this includes the unincorporated areas of the Antelope Valley.

Section 5316 Job Access and Reverse Commute Program (JARC): The FTA Federal Access to Job and Reverse Commute (JARC) Program provides funds for projects and services intended to transport welfare recipients and eligible low-income persons to work and projects that move persons to suburban job centers. The JARC Program is fully funded by the Mass Transit Account of the Highway Trust Fund. Revenue sources come from excise taxes on highway motor fuel and truck-related taxes on tires, sale of trucks and trailers, and heavy vehicle use. Distributions are allocated based on a formula program and dependent on the number of low income persons (60/20/20 distributed to designated recipients in areas with populations over 200,000, to States for areas under 200,000 and to states with non-urbanized areas, respectively). Funding is subject to annual Congressional appropriation. Eligible sub-recipients include state and local governments, nonprofit organizations and public transportation operators. Federal share is generally 80% for capital costs and 50% for operating costs.

Federal Stimulus - American Reinvestment and Recovery Act (ARRA): ARRA was approved by Congress to stimulate the economy by funding a wide variety of capital improvements. These funds were directed to various government agencies, including transit providers. LA Metro allocates these funds in Los Angeles County via the Capital Allocation Procedure (CAP) already in place. AVTA received \$10.2 million in ARRA funding, dedicated to vehicle replacement and acquisition, modifications to the AVTA transfer center at Lancaster City Park, and construction of photovoltaic-equipped parking structures.

State Funding Programs – Proposition 1B and State Transit Assistance

Proposition 1B State Infrastructure Bonds: Approved by voters in November 2006, the Proposition 1B Infrastructure Bond Program authorized the State to sell \$19.9 billion of general obligation bonds to fund transportation projects and to fund ridership growth on smaller transit systems. Two relevant accounts that apply to AVTA include the **Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA)** and the **Transit System Safety, Security and Disaster Response Account**.

State Transit Assistance (STA): In 1978, the Transportation Development Act was amended to create a second major statewide funding source, the State Transit Assistance (STA) Program, which is now derived from the statewide sales tax on gasoline and diesel from the Transportation Planning and Development Account in the State Transportation Fund. STA provides funding for public transportation, transportation planning, and community transit that is restricted to transit purposes (operating and capital).

Before LA Metro receives the funds, STA funds are allocated by formula by the State Controller and are divided into two subcategories: Population-Based and Revenue-Based programs. Under the Population-based share, 50 percent of the funds are allocated by formula based on the region's population in comparison to the State's population. For the Revenue-Based share, funds are returned by formula according to the prior year proportion of regional transit operator revenues in contrast to the statewide transit operator revenues. AVTA is an eligible recipient of STA programs but is typically allocated a formula-share equivalent of these funds through the LA Metro's Formula Allocation Procedure (FAP).

In March 2010, a package of three bills was signed into law that replaced the sales tax on gas with an ongoing excise tax increase on gas of 17.3 cents per gallon. On July 1, 2011, the rate of the excise tax on diesel fuel was reduced from 18 cents per gallon to 13.6 cents per gallon, and an additional 1.75% sales tax on the sale of diesel fuel was imposed. The Board of Equalization, beginning in 2012-13 and each fiscal year thereafter, is required to annually adjust the excise diesel fuel tax rate reduction to result in a revenue loss equal to the amount of revenue gain attributable to the increased sales tax on diesel fuel. Thus, the bill raises an additional \$118 million annually for the Public Transportation Account statewide.

The legislation also requires the new gas tax revenues to be used first to reimburse the General Fund for the amount needed for debt service on specified general obligation transportation bonds (including Proposition 192 and three-quarters of the debt service on Proposition 1B). Remaining new gas tax revenues are then required to be spent on highways and streets and roads. The legislative package also dedicated 75% of the sales tax on diesel fuel to the State Transit Assistance program and 25% to the Intercity Passenger Rail Program.

Diesel fuel purchased for public transit buses is exempt from the sales tax increase on diesel.

Local Sales Tax Revenues

AVTA currently receives its regional/local funds from MTA in the form of funding from Propositions A and C, and from member jurisdiction contributions (Los Angeles County, City of Palmdale, and City of Lancaster).

Proposition A 40% Discretionary - These funds are derived from a local sales tax approved by Los Angeles County voters in 1980, and are available for operating or capital projects throughout Los Angeles County. Twenty-five percent of the tax is returned to local entities based on population for use in local transit projects. Thirty-five percent is for rail development and operations, and forty percent is for bus operations projects at the discretion of the LACMTA Board. Historically these funds have been allocated to all operators via the MTA's Formula Allocation Procedure, which allocates bus operations funds among 18 transit agencies based on revenue, base fare and service miles. As an "eligible" operator versus an "included" operator, AVTA receives a formula-equivalent amount of Proposition A funding in lieu of Local Transportation Funds (TDA Article 4).

Proposition C 40% Discretionary - Local sales tax (since 1990) available for operating or capital projects throughout Los Angeles County. Forty percent of the revenues collected are eligible for use on rail or bus projects at the discretion of the LACMTA Board. Typically, these funds are allocated via the Formula Allocation Procedure (FAP) to all eligible and municipal operators. Programs developed under the Prop C 40% portion dedicated to bus transit include the Bus System Improvement Plan (BSIP), which was originally created to relieve bus overcrowding; the Base Restructuring program, developed to offset changes in the cost of transit operators' "base" service established many years ago; and the Transit Service Expansion (TSE) program. These funds are intended for operating purposes only.

Measure R 20% Bus Operations - These funds are derived from a local sales tax ordinance approved by Los Angeles County voters in 2008. The funds are allocated via the Formula Allocation Procedure (FAP) by LA Metro to fixed-route transit operators. Designed primarily as a funding source for rail operations, 20 percent of the Measure R funds are dedicated to bus operations and may be used for either operating or capital.

Los Angeles County Metropolitan Transit Authority (Metro) Allocation Procedures - AVTA's operating funds received through LA Metro are subject to a process called the Formula Allocation Procedure (FAP). Its capital funds, although they are federal section 5307, are subject to allocation through a Capital Allocation Procedure (CAP).

The Propositions A and C, STA and Measure R funds are all allocated via the FAP. All of these funds can be used to subsidize operating expenses, and some may be used for capital purposes if not needed for operations. The FAP is based on fare revenue and vehicle service mile data from the most recent audited Transit Performance Measurement (TPM) reports available for each of the 18 included and eligible transit operators. Metro, in its role as the regional planning agency, collects performance data from its own operation and from 17 other operators in Los Angeles County, including AVTA. Metro then distributes the available funds to itself and other operators based on the FAP:

Formula = 50% "fare units" (fare revenues divided by base fare), and 50% vehicle service miles

Thus, a major change in fare revenues or service miles by one operator (especially by Metro) can have a significant impact on the funding allocation of another operator. In FY 2006/07, Metro modified the FAP to stabilize the FAP and protect operators from being adversely impacted by fare and service changes made by other operators. The main issue was that some operators, particularly those who sell monthly passes, were reducing their base fare and increasing their pass prices, which resulted in an increased “fare unit” value. The fare unit concept was originally designed to encourage operators to keep their base fares low. Once operators caught on to the mathematical implications of “gaming” the formula by increasing their fare revenues and their share of the FAP concurrently, it became a problem that needed to be addressed. Thus, the Metro Board modified the allocation process to “freeze” fare units in a way that allows transit operators to raise their base fare and operate more like a business, without risking a penalty in the form of a reduced FAP share of subsidies.

Funding Review and Update

Federal Transportation Reauthorization Bill

Under the current federal transportation funding program (SAFETEA-LU) for federal fiscal years 2005-2009, AVTA receives a small portion of its 5307 funds through the Los Angeles-Long Beach Urbanized Area (UZA), and approximately \$9 million per year through the Antelope Valley Lancaster-Palmdale UZA. The current reauthorization bill has been extended through a number of short-term extensions by Congress. The current bill allows AVTA to utilize up to \$1.103 million per year of its 5307 allocation for operating purposes. A new bill may or may not include a similar provision. AVTA will continue to focus on the ability to use Federal grant funding for operating purposes in the new Federal transportation bill.

LA Metro Subsidies

Overall, Metro subsidies allocated to AVTA increased by approximately 5% between FY 2012 and FY 2013. Measure R decreased slightly as prior year allocations had included carryover funds collected prior to the allocation of funds to operators. LA Metro is currently crafting legislation that would extend Measure R beyond its 30-year lifespan. It is unclear at this time whether such legislation will continue to include operating and capital funding for municipal and eligible operators such as AVTA. Another local issue is the determination of formula shares for operators who cut service and raise their fares. The current “frozen fare” policy allows operators to maintain their fare units at 2007 levels, even with major service cuts and associated ridership reductions. For the FY 2013 funding year, it was decided that the frozen fare unit issue would be left intact. However, if Metro continues to retain fare unit levels of more than 10 million higher than its actual fare units, as is currently the case, this will have an ongoing negative impact on allocations to municipal operators.

OPERATIONS BUDGET

AVTA’s funding is classified as either Operating or Capital. Operating Revenues are utilized primarily to finance AVTA’s general transit activities. Capital Revenues are earmarked for specific expenditures, typically capital projects.

Operating Revenues

AVTA’s operating revenues are comprised primarily of fare revenues, operating subsidies and contributions from its member agencies. A small portion of the operating funding consists of

Auxiliary Revenues such as interest earnings from investments and solar panel rebates. The chart below depicts the budgeted operating revenues for FY 2013, including the portion of funds used as capital match for AVTA's capital projects.

Exhibit H - Funding Sources Eligible for Operations

Funding Source	Subtotals	Total Eligible for Operations
Federal and Local Subsidies	\$14,059,098	
MTA: Prop A - 40% Discretionary		4,294,243
MTA: Prop A - Discretionary - DAR		304,163
MTA: Prop C - 40% Foothill Mitigation		23,469
MTA: Prop C - 40% Transit Service Expansion		342,237
MTA: Prop C - 40% Bus Service Improvement		43,437
MTA: Prop C - 40% MOSIP		971,034
MTA: Prop C - 5% Transit Security Enhancements		145,107
Measure R 20% Bus Operations		1,780,011
FTA 5307 - Operating Subsidy		1,103,272
FTA 5307 - Preventive Maintenance Program		5,052,125
Auxiliary Revenues	\$229,733	
Interest		19,733
Other Non-Transportation Revenues		210,000
Farebox Revenues		4,622,237
Jurisdiction Contributions - Operating	\$3,763,176	
Los Angeles County		553,125
Santa Clarita Connector (LA County)		475,000
Palmdale		1,287,802
Bus Stop Maintenance		73,544
Lancaster		1,373,705
TOTAL FUNDS APPLIED TO OPERATIONS		\$22,674,244

Fare revenues are unrestricted revenues collected directly by AVTA from passengers. AVTA realized a significant decrease in fare revenues over the last two years as the economic crisis resulted in job losses and lower ridership, and as more and more people take advantage of AVTA's free ride program for seniors, disabled, veterans and military. Fare revenues include the EZ Transit Pass program, introduced in 2003 as Los Angeles County's first countywide regional transit pass program. It was intended to simplify transit fare payment for transit passengers. AVTA has employed the use of the LA Metro-approved "Single Average Fare" methodology to

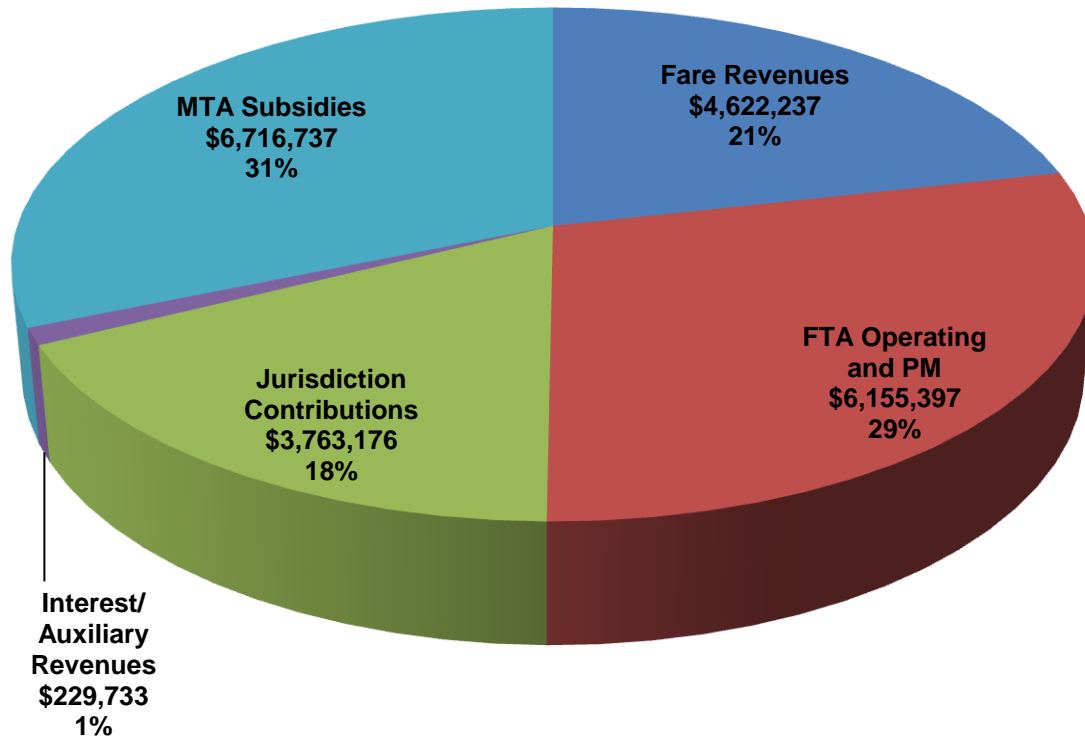
determine the amount of reimbursement for EZ Transit Pass passenger boardings. This methodology considers actual fare revenues received and actual passenger boardings.

Local Sales Taxes include three Los Angeles County voter-approved sales tax measures. Each of these three half-cent sales tax measures have a portion dedicated to bus transit operations (Proposition A, Proposition C, and Measure R). Proposition A includes a 40% discretionary component that is allocated to the region's transit operators. AVTA, as an eligible municipal transit operator in the County of Los Angeles, receives a formula allocation share of the portion of Proposition A dedicated to bus transit. To a lesser degree, AVTA receives allocations of the Proposition C and Measure R sales taxes.

Over the years, a variety of individual programs have been established by LA Metro and funded with different earmarked amounts of Proposition A or C. One example is the Municipal Operators Service Improvement Program (MOSIP), which was created to provide additional funding to the smaller county operators at a time when Metro needed to increase its own subsidies to meet the needs of the Consent Decree. Each program may have slightly different methods of allocation, but all have a designated funding source. It is important to note that the specifics of each program are no longer as restrictive as they once were; rather, many have been carried over year after year simply because any modification to the existing funding programs requires months or years of negotiation among the transit operators in Los Angeles County.

Primary revenue sources are categorized as MTA subsidies (primarily local sales taxes derived from Propositions A and C and Measure R), FTA operating subsidies, including annual operating authority and preventive maintenance, Jurisdictional Contributions, Fare Revenues and Auxiliary Revenues. Jurisdictional contributions are projected at \$3.76 million for FY 2013. This includes an assumed increase of \$475,000 from Los Angeles County to fund the proposed Newhall/Acton Metrolink Connector service currently under development.

Exhibit I – Fare Revenues and Operating Subsidies



Operating subsidies allocated through the Los Angeles County Metropolitan Transportation Authority’s annual funding marks are approximately 5% higher than last year, as shown in the following Exhibit:

Exhibit J – MTA Funding – FY 2012 v FY 2013

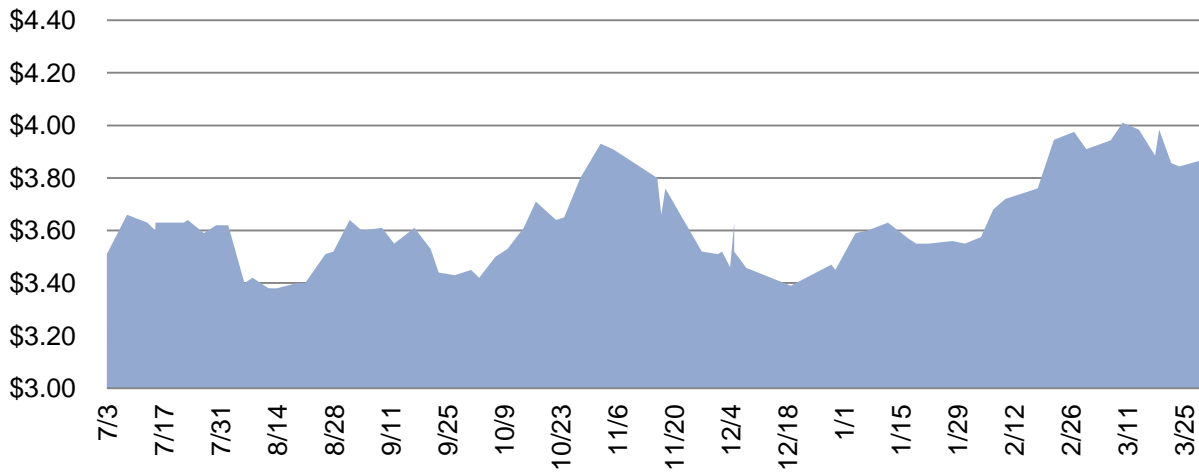
FUNDING SOURCE	FY 2011/12	FY 2012/13	Delta	% Change
Prop A 40% Discretionary	\$3,948,363	\$4,294,243	\$345,880	8.76%
Prop C 40% Foothill Mitigation	\$20,385	\$23,469	\$3,084	15.13%
Prop C 40% Transit Service Expansion	\$335,066	\$342,237	\$7,171	2.14%
Prop C 40% Bus Service Improvement	\$42,527	\$43,437	\$910	2.14%
Prop C 5% Transit Security	\$121,000	\$145,107	\$24,107	19.92%
Prop C 40% Municipal Operators Service Improvement Program (MOSIP)	\$921,868	\$971,034	\$49,166	5.33%
Measure R 20% Bus Operations	\$1,866,866	\$1,780,011	(\$86,855)	-4.65%
Prop A 5% Incentive – DAR	\$303,105	\$344,454	\$41,349	13.64%
TOTAL	\$7,559,180	\$7,943,992	\$384,812	5.09%

Operating Expenses

Fuel Costs: One area that has a major impact on AVTA’s operating budget is the cost of fuel. In preparing the current year fuel estimate, staff considered the average price of diesel fuel over the first three quarters (nine months) of Fiscal Year 2012, reviewed the actual and projected fuel usage given the revised fleet composition and potential new services, and included this amount in our five year projections. Fuel usage for the first nine months of FY 2012 is illustrated below.

Exhibit K – Diesel Fuel Price Per Gallon – FY 2012 Q1-Q3

Price Per Gallon - Diesel Fuel July 1, 2011 to March 30, 2012



FIVE-YEAR FUNDING PROJECTIONS

Staff has developed three five-year plan scenarios with similar assumptions. All scenarios assume the following:

- Most tax-based revenues will increase by approximately 3.5% per year.
- No jurisdiction contribution for the Metrolink-AVTA connector service is assumed after FY 2014.
- Southern California Edison Rebates for solar panels and \$250,000 revenue per year in bus advertising revenue beginning in FY 2014.
- Facilities programs are scaled back to \$500,000 each year.
- No continuation of fuel capitalization program (+\$785,000 operating) after FY 2013.
- A new Surface Transportation Bill may not allow AVTA to use up to \$1.103 million of its FY 5307 funds for operating – all scenarios exclude this amount beginning in FY 2015.
- In FY 2015 and thereafter, 75% of Local Match requirements will be covered by Toll Credits.
- Fuel is assumed to cost \$5 per gallon every year of the projections, with modifications made to account for fuel efficiencies with 15 new hybrids.
- Fuel is adjusted for estimated usage on Newhall/Acton service (\$85,680 per year @ \$5 per gallon).
- Scenarios 1 and 3 assume no increase in jurisdiction contributions
- Scenario 2 assumes a 3% increase in jurisdiction contributions each year for operating and capital.
- In Scenarios 1 and 2, fare revenues are adjusted beginning in FY 2015 to include estimated revenues and expenses of the Metrolink-AVTA Service.
- Beginning in FY 2015, Scenarios 1 and 2 assume the Metrolink-AVTA Service will provide 300 rides per weekday, excluding no-service days, with an average fare of \$2 per passenger.
- Scenario 3 assumes Metrolink-AVTA Service is discontinued after FY 2014.

None of the scenarios would allow AVTA to maintain a three-month operating reserve, prompting the need to revisit this policy. Even with a 3% increase in jurisdiction reserves, AVTA would only be able to set aside 68% of the required 3-month reserve amount by FY 2018.

The three-month operating reserve policy is an issue that will be with the TAC and Board in FY 2013, in order to either: a) reaffirm the policy and identify steps to achieve the reserve goal, or b) modify the policy in some way. The same process will be used to assess the capital reserve policy.

Exhibit L – Scenario 1 – No Increase in Jurisdiction Contributions

Scenario 1 - No Increase in Jurisdictional Contributions/Continue Metrolink-AV Connector	Budget	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Prior Year Carry over	\$ 1,281,961	\$ 1,740,573	\$ 2,830,998	\$ 2,622,241	\$ 2,439,922	\$ 2,336,486
Operating Revenue	\$ 22,714,535	\$ 23,377,822	\$ 22,642,139	\$ 23,232,805	\$ 23,842,132	\$ 24,470,720
Operating Expenditures	\$ (22,255,923)	\$ (22,287,397)	\$ (22,850,895)	\$ (23,415,125)	\$ (23,945,568)	\$ (24,517,722)
Change in Net Assets- Excluding Carryover	\$ 458,612	\$ 1,090,425	\$ (208,757)	\$ (182,320)	\$ (103,436)	\$ (47,002)
Estimated Available for Operating Reserves - With Carryover	\$ 1,740,573	\$ 2,830,998	\$ 2,622,241	\$ 2,439,922	\$ 2,336,486	\$ 2,289,483
Percentage of Operating Reserves Funded @ 3 months of Expenditures	31.28%	50.81%	45.90%	41.68%	39.03%	37.35%

Exhibit M – Scenario 2 – 3% Increase in Jurisdiction Contributions

Scenario 2 - 3% Increase in Jurisdictional Contributions/Continue Metrolink-AV Connector	Budget	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Prior Year Carryover	\$ 1,281,961	\$ 1,740,573	\$ 2,988,745	\$ 3,041,113	\$ 3,226,397	\$ 3,600,238
Operating Revenue	\$ 22,714,535	\$ 23,535,569	\$ 22,903,263	\$ 23,600,409	\$ 24,319,409	\$ 25,060,961
Operating Expenditures	\$ (22,255,923)	\$ (22,287,397)	\$ (22,850,895)	\$ (23,415,125)	\$ (23,945,568)	\$ (24,517,722)
Change in Net Assets- Excluding Carryover	\$ 458,612	\$ 1,248,172	\$ 52,368	\$ 185,284	\$ 373,841	\$ 543,238
Estimated Available for Operating Reserves - With Carryover	\$ 1,740,573	\$ 2,988,745	\$ 3,041,113	\$ 3,226,397	\$ 3,600,238	\$ 4,143,476
Percentage of Operating Reserves Funded @ 3 months of Expenditures	31.28%	53.64%	53.23%	55.12%	60.14%	67.60%

Exhibit N – Scenario 3 – No Increase in Jurisdiction Contribution, Discontinue Connector

Scenario 3 - No Increase in Jurisdictional Contributions/Discontinue Metrolink-AV Connector	Budget	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Prior Year Carryover	\$ 1,281,961	\$ 1,740,573	\$ 2,830,998	\$ 2,557,331	\$ 2,310,101	\$ 2,141,755
Operating Revenue	\$ 22,714,535	\$ 23,377,822	\$ 22,489,139	\$ 23,079,805	\$ 23,689,132	\$ 24,317,720
Operating Expenditures	\$ (22,255,923)	\$ (22,287,397)	\$ (22,762,806)	\$ (23,327,035)	\$ (23,857,478)	\$ (24,429,632)
Change in Net Assets- Excluding Carryover	\$ 458,612	\$ 1,090,425	\$ (273,667)	\$ (247,230)	\$ (168,346)	\$ (111,913)
Estimated Available for Operating Reserves - With Carryover	\$ 1,740,573	\$ 2,830,998	\$ 2,557,331	\$ 2,310,101	\$ 2,141,755	\$ 2,029,842
Percentage of Operating Reserves Funded @ 3 months of Expenditures	31.28%	50.81%	44.94%	39.61%	35.91%	33.24%

CAPITAL FUNDING

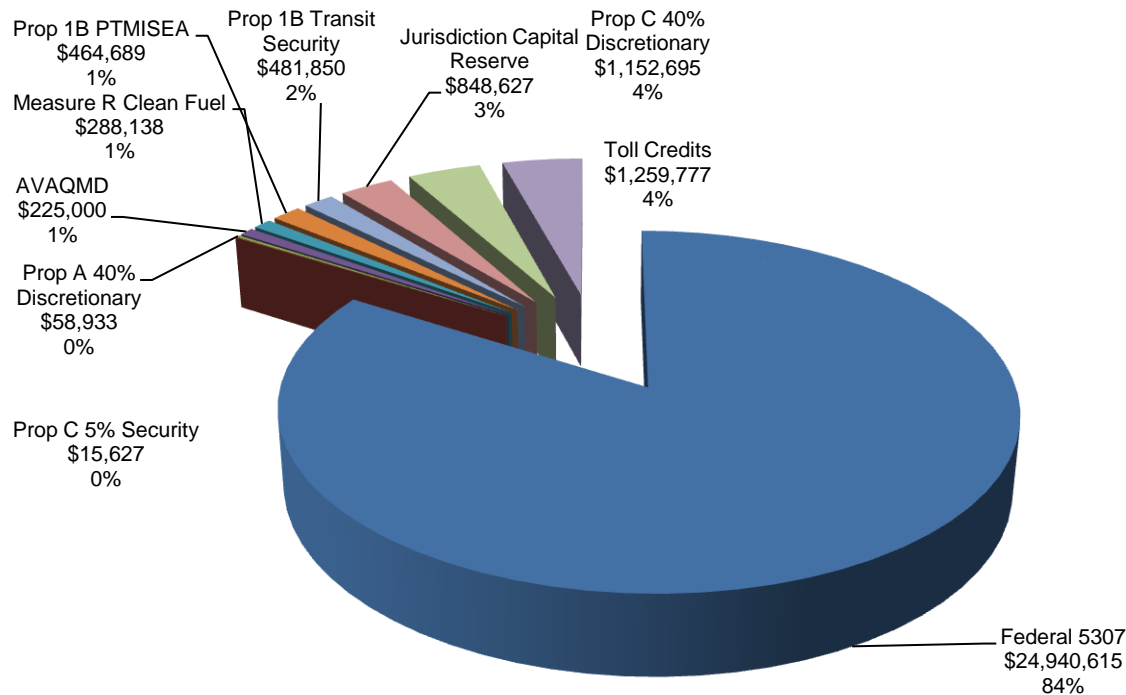
Capital Revenue

The budgeted Capital Revenues are primarily composed of federal capital funds, with no increase in capital contributions expected from AVTA's member jurisdictions except from the County of Los Angeles for the Newhall – Antelope Valley Metrolink connector service. Capital expenditures are discussed further under Capital Expenditures.

The Federal Transit Administration (FTA) provides funding to urbanized areas for transit capital and operating assistance as part of the Urbanized Area Formula Program (Section 5307). An urbanized area (UZA) is an incorporated area with a population of 50,000 or more. AVTA is part of Lancaster/Palmdale UZA and also receives partial funding from the Los Angeles UZA as a result of commuter service. AVTA is allocated Los Angeles County UZA funding directly from the MTA. The allocation is made to AVTA based on revenue vehicle miles, population and density. In addition to the formula allocation, a portion of the annual Section 5307 funding is allocated on a discretionary basis. The FY 2013 budget includes \$337,689 of Section 5307 from MTA that was allocated in FY 2012.

As shown below, funding for AVTA capital expenditures in FY 2013 is primarily from FTA Section 5307 and American Recovery and Reinvestment Act (ARRA) grants. The majority of the budgeted capital expenditures in FY 2013 to be funded by FTA Section 5307 require a 20 percent local match while ARRA grants provide 100% of the funding for specific capital projects.

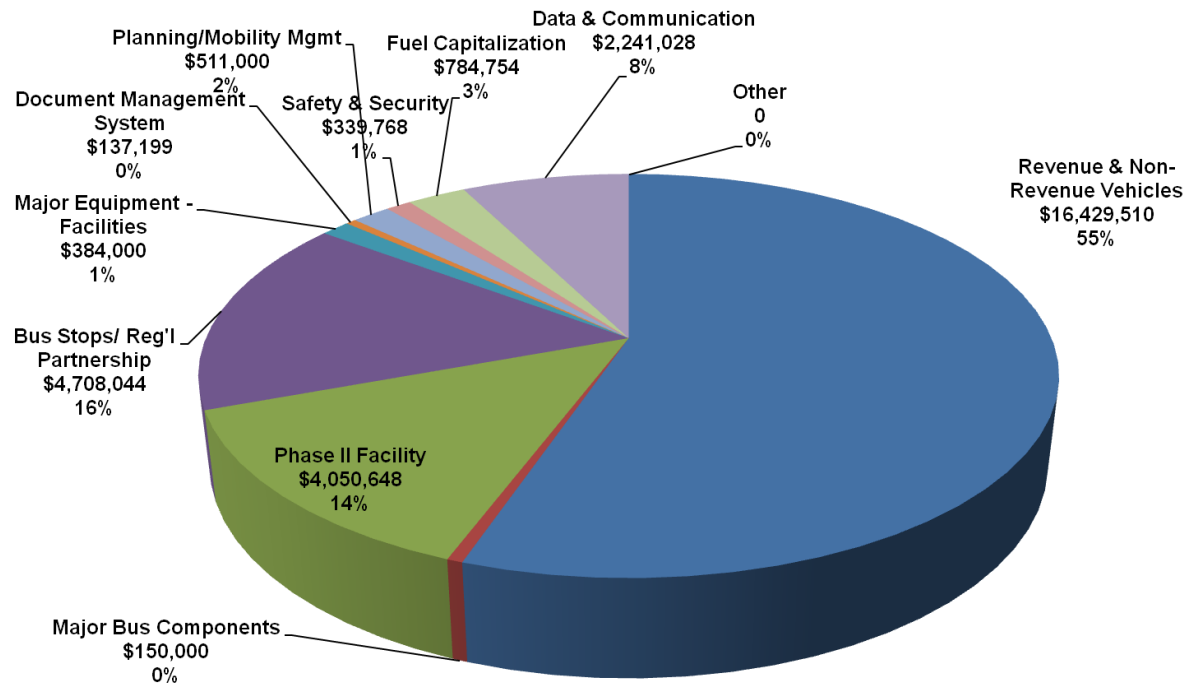
Exhibit O – Sources of Funds for Capital



Capital Expenditures

Exhibit P below breaks out capital projects planned for FY 2013. Approximately \$16.4 million will be spent on revenue and non-revenue vehicles, including refurbishment programs. The second largest expenditure will be completion of the Phase II facility construction, estimated to cost just over \$4 million.

Exhibit P – Capital Projects FY 2013



FY 2012 Capital Carryover

The FY 2013 Capital Budget includes projects approved in prior fiscal years that have not been completed and are carried over to the current fiscal year. Funds remaining at the conclusion of the projects are reallocated through the budget process and programmed in the Transportation Improvement Program (TIP) for inclusion in future grants. The following Exhibit summarizes AVTA's estimated carryover funds, and these balances have been included in our proposed FY 2013 Capital Plan. In addition to the carryover funds detailed below, we are programming a total of \$8,963,459 from current year FTA allocations in the FY 2013 Business Plan (\$8,661,102 in FTA 5307 formula funds allocated via the Lancaster/Palmdale UZA and \$302,357 via the LA/Long Beach UZA).

Exhibit Q – Estimated Federal Grant Funding Carryover

Project Description	Balance on July 1, 2011	Cumulative Estimated Expenditures Through June 30, 2012	Estimated Carryover Funds Available
Vehicle Purchase and Maintenance	\$ 19,137,773	\$ (2,794,778)	\$ 16,342,995
Facility Phase II Construction	\$ 10,291,180	\$ (3,233,340)	\$ 7,057,840
Regional Partnership Projects	\$ 2,074,701	\$ (574,688)	\$ 1,500,013
Major Equipment-Facilities	\$ 300,000	\$ (2,918)	\$ 297,082
Data & Communications	\$ 7,875,000	\$ (5,280,782)	\$ 2,594,218
Major Equipment-Admin Support	\$ 200,000	\$ (62,801)	\$ 137,199
Security-Bus & Facility Planning	\$ 1,424,500	\$ (24,362)	\$ 1,400,138
Preventive Maintenance	\$ 1,617,749	\$ (551,345)	\$ 1,066,404
Operating Assistance	\$ 9,240,000	\$ (4,973,097)	\$ 4,266,903
Operating Assistance	\$ 2,206,000	\$ (2,206,000)	\$ 0
Total Carryover Funds	\$ 54,366,903	\$ (19,704,112)	\$ 34,662,791

Five-Year Capital Improvement Program

AVTA has an ambitious five-year capital plan, with primary focus on bus replacements. By Fiscal Year 2017, we will have replaced our entire local transit fleet and the majority of our commuter coaches. This initiative requires a large capital investment over the next few years. Major project categories and projected annual expenditures are shown in the following table.

Exhibit R – Five-Year Capital Improvement Program

Category	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Total Five-Year Plan
Bus Purchases and Refurbishments	\$16,429,510	\$3,540,873	\$5,549,460	\$7,221,337	\$10,004,205	\$42,745,385
Major Bus Components	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Phase II Facility Construction	\$4,050,648	-	-	-	-	\$4,050,648
Regional Partnership Projects	\$4,708,044	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$10,708,044
Major Shop Equipment	\$384,000	\$150,000	\$150,000	\$150,000	\$150,000	\$984,000
Data & Communications	\$2,241,028	\$1,400,000	\$150,000	\$150,000	\$150,000	\$4,091,028
Records Management System	\$137,199	-	-	-	-	\$137,199
Bus & Facility Security	\$339,768	\$146,000	\$146,000	\$146,000	\$146,000	\$923,678
Planning Projects	\$511,000	-	-	-	-	\$511,000
Fuel – Capitalized Portion	\$784,754	-	-	-	-	\$784,754
TOTALS BY YEAR	\$29,735,951	\$6,886,873	\$7,645,460	\$9,317,337	\$12,100,205	\$65,685,826

Capital Reserves

In FY 2012, AVTA set up a separate, interest bearing account for capital reserve contributions received from each member jurisdiction. New contributions are posted to that account. Older contributions are in a separate Local Agency Investment Fund (LAIF) account, in accordance with the AVTA's Investment Policy.

The capital and operating reserve contribution amounts have not changed in six years, except for minor adjustments for service additions. An audit of the reserve funds in 2008 recommended that use of the reserves be limited to providing capital matching funds for new buses. As shown in Exhibit S below, the current reserve balance and contribution levels are sufficient to cover all matching requirements for the next five years.

Exhibit S – Adequacy of Capital Reserve for Local Match on Bus Replacements

	FY2013	FY2014	FY2015	FY2016	FY2017
Total Bus Purchases	21	6	12	13	13
Beginning Balance	\$4,351,892	\$3,964,161	\$4,167,680	\$3,569,084	\$2,849,713
Jurisdiction Capital Contributions	\$460,896	\$460,896	\$460,896	\$460,896	\$460,896
Local Match Required	\$848,627	\$257,377	\$1,059,492	\$1,180,267	\$2,000,841
Capital Reserve Balance	\$3,964,161	\$4,167,680	\$3,569,084	\$2,849,713	\$1,309,768

In spite of the sufficient funding levels, the capital reserve policy requires that contributions be calculated based on a depreciation schedule, so that adequate reserves will be maintained at all times to be able to replace buses as they reach the end of their useful life. In recent years, the 20% local match requirement (capital reserve portion) has fluctuated due to a variety of special programs such as the ARRA program, which provided 100% funding for 11 new Gillig Hybrid buses scheduled for delivery in the Summer of 2012.

Toll Credits: AVTA is also eligible to use “toll credits” instead of local matching funds, as long as appropriate applications are made and approved prior to the purchase. These toll credits mean that a \$400,000 bus can be purchased with \$400,000 in federal funds instead of 80% federal (\$320,000) and 20% local (\$80,000). This benefits AVTA because we have more federal capital funds than available matching funds. Local match requirements for projects other than buses must be provided by AVTA from what might otherwise be used for operating, unless toll credits or other special programs are available.

DEPARTMENTAL SUMMARIES

FY 2013 Organizational Structure

Beginning in the third quarter of Fiscal Year 2011/2012 the AVTA outsourced the maintenance function, which resulted in 30 full time positions being transferred to the fixed route contractor. The FY 2013 Business Plan assumes total budgeted positions of 37.225 FTES as follows:

- 6 Management Positions
- 25 Full-Time Non-Management Positions
- 8 Part-Time Positions (six at 32 hrs/week and two at 27 hrs per week)

This represents the addition of two part-time customer service representatives and one full-time Contracts Administrator.

As AVTA evolves and responsibilities increase, it is necessary to consider organizational changes to meet functional needs. During FY 2012, Finance and Administration was combined into one department in an effort to increase communication. However, it became evident during this time that an increased technical staff in the Finance function was necessary, and the vacant Contracts Administrator position was changed to a Controller position. In addition, the increased regulatory requirements and audit demands illustrated the need for more focus on administrative functions such as records management, human resources, policies and procedures and internal controls. The Finance and Administration was reclassified as the Director of Administrative Services, and the Finance and Grants functions now report to the Controller.

These changes and others are reflected in Exhibit S, the proposed organizational chart for FY 2013.

Exhibit T – Proposed Organization Chart – Fiscal Year 2012/13
 37.225 FTEs



Executive Services

The Executive Director provides leadership and direction to ensure the Antelope Valley Transit Authority meets its mission, goals and objectives. A key area of focus is to provide direction and coordination on the various Authority initiatives to ensure quality standards for the organization, and to identify initiatives for ongoing improvement of customer service and community involvement. Additionally, the Executive Director ensure sound ethics and fiscal management for the agency consistent with federal, state and local laws and sound public practices which emphasize the most effective use of taxpayer funds through continuous improvements of the agency's efficiency.

The Executive Director's office ensures activities requiring involvement across the organization are properly coordinated, and oversees the content of information to ensure follow through and timely communications with concerned stakeholders. This includes public outreach to community and business stakeholders, and local, state and federal elected officials. Executive Services serves as a liaison with the Board of Directors and the Technical Advisory Committee on policy issues affecting the Authority.

The FY 2013 Business Plan includes a budget of \$521,330 for Executive Services, a reduction of 33% over the FY 2012 budget due primarily to decreased consulting needs.

Exhibit U - Executive Services Budget

EXECUTIVE SERVICES		Actual FY 10/11	Original Budget FY 11/12	Year-End Estimates FY 11/12	Proposed Budget FY 12/13	% Change over Prior Year Budget
1EX	OTHER OPERATING COSTS					
9401031	Other Operating Costs	174	-	6,412	-	0%
9401026	Emergency Preparedness and Disaster Recovery	-	50,000	-	-	-100%
	Subtotal Other Operating Costs	\$174	\$50,000	\$6,412	\$0	-100%
1EX	GENERAL AND ADMINISTRATION					
9501001	Publications	509	3,000	807	1,200	-60%
9501005	Legal Services	249,582	120,000	212,980	200,000	67%
9501006	Memberships	33,070	40,000	17,606	32,130	-20%
9501011	Other Gov't Agencies Fees	199	1,000	-	-	-100%
9501012	Planning Studies & Surveys	46,752	70,000	-	-	-100%
9501013	Consulting Fees	253,724	480,000	274,064	230,000	-52%
9501019	Travel, Training and Meetings	37,219	50,000	30,990	50,000	0%
9501028	Temporary Staffing	31,924	10,000	33,448	7,500	-25%
9501034	Other General & Administration Expenses	2,335	1,000	414	500	-50%
	Subtotal G&A	\$655,314	\$775,000	\$570,308	\$521,330	-33%
	TOTAL EXECUTIVE SERVICES	\$655,488	\$825,000	\$576,720	\$521,330	-37%

FY 2012 Accomplishments – Executive Services

The 2011/12 Business Plan was developed around the theme Customer Service and Accountability. This section categories Executive Services accomplishments accordingly.

Customer Service:

- Implemented reorganization of staff to establish new functional area heads in finance/administration and operations/maintenance.
- Executed two strategic planning workshops to establish Board goals and priorities (i.e. safety, customer service, efficiency, effectiveness)
- Completed procurement process for new operations and maintenance contract, and redefined contract provisions in accordance with AVTA goals
- Established a new service model for provision of paratransit contracts, reducing average hold time to under 30 seconds (previously 30 minutes)
- Initiated development of a program to monitor realistic Key Performance Indicators and developed regular reporting mechanisms. Plan to incorporate key performance goals and objectives into annual Business Plan.
- Provided weekly reports to the Board, the Transit Advisory Committee, contract management and staff
- Provided timely responses to inquiries and requests for assistance
- Increased accessibility to customers

Accountability:

- Empowered staff to assume additional responsibility for projects from start to finish, including board reporting and presentations
- Established measureable goals and objectives as part of performance review process
- Increased program for operator oversight, including field supervisor time checks
- Developed new personnel policies and procedures
- Consolidated major budgetary areas for better oversight of travel, consulting and legal

FY 2013 Initiatives – Executive Services

Staffing and Organization:

- Reengineer organizational structure and ensure a full complement of staff is available to perform necessary functions (grants, contractor oversight, internal controls, planning and jurisdictional liaison).
- Update legislative platform and work with LA Metro and other local operators to develop a regional agenda
- Redefine TAC responsibilities.

Financial Health and Economic Stimulus:

- Initiate internal review of fare structure to identify potential opportunities for improvement
- Increase AVTA involvement in City and County General Plan development and implementation. Invite Planning Directors from Palmdale, Lancaster, and County

to Board meeting to discuss General Plan. Identify funding to help align these goals and objectives.

- Monitor available grant funding and provide quarterly updates to Board as new opportunities become available.
- Obtain and analyze local economic data and AVTA's impact on the local economy.
- Track data on cost savings and other efficiencies from new paratransit model and contracted maintenance. Communicate results and celebrate success.

Communication and Teamwork:

- Develop and execute a joint Board/staff event at AVTA or on the bus.
- Develop outreach program, i.e. Chair to present state of AVTA and partnership opportunities.
- Revamp Board Briefing materials for Board rotation to include history, goals, past issues.

Administrative Services

In FY 2012, Finance and Administration were separated into two distinct functional areas in order to focus resources more effectively. The Director of Administrative Services will oversee liability, fire and other insurance, along with office supplies and postage. Functional responsibilities of this department include procurement and contract compliance, regulatory compliance, non-financial audits, record and document management, and implementation of the Safety and Security Emergency Management Plan. The Director of Administrative Services also serves as the primary liaison to the TAC.

Exhibit V - Administrative Services Budget

ADMINISTRATIVE SERVICES		Actual FY 10/11	Original Budget FY 11/12	Year-End Estimates FY 11/12	Proposed Budget FY 12/13	% Change over Prior Year Budget
4AS	GENERAL AND ADMINISTRATION					
	9401019 Liability, Fire & Other Insurance	223,775	325,000	246,455	269,000	-17%
	9501009 Office Supplies	19,019	25,000	17,838	25,000	0%
	9501010 Postage and Delivery Expenses	4,219	12,000	8,390	12,000	0%
	9501014 Administrative Costs	-	1,000	-	1,000	0%
TOTAL ADMINISTRATIVE SERVICES		\$247,013	\$363,000	\$272,684	\$307,000	-15%

Contract Administration

Contract Administration is responsible for the acquisition of all goods, services, and construction needed by the AVTA at fair and reasonable prices, on time, and in compliance with local, state and federal purchasing policies and procedures.

FY 2012 Accomplishments – Contract Administration

Programmed \$23 million in federal funds, of which \$7.5 million (32.4%) was awarded to local businesses in the Antelope Valley

Awarded new purchased transportation contracts for fixed route and paratransit services

New Procurement Policy and Procedures Manual

Hosted Training Session on the Authority's New Procurement Policy and Procedures Manual

Hosted AVTA's first Vendor Fair

FY 2013 Initiatives – Contract Administration

Hire a new Procurement Officer

Strengthen financial stability of the Authority/Improve Micro/Small procurements for savings

Strengthen Financial stability of the Authority/Strategic sourcing initiatives to increase the number of cost effective blanket orders

Partner with Jurisdictional Partners – Host a Joint Vendor Fair

Improve Business Practices for Local Businesses – Vendor Training

Financial Services and Human Resources

Finance

Finance staff is responsible for providing financial guidance to the Board of Directors and management through the performance of daily financial operations, and maintaining the financial integrity of the Authority. Key functions include but are not limited to: revenue administration, development of the annual operating and capital budget, mid-year budget review and adjustments, budget control, payroll services, and purchasing. Finance also manages insurance programs and employee benefit programs.

This was a year during which a large number of audits were conducted at the Authority. We are pleased to share that staff was able to persevere under the scrutiny. In particular, Finance and Administration was able address the numerous audit findings and implement corrective internal controls as requested. These efforts were made possible by the support and vote of confidence from the Board of Directors.

The Authority continues to seek ways to reduce cost. This year, as one of its cost savings measures, the Finance Department assumed the lead in the development of the Authority's new Cost Allocation Plan. The cost allocation plan will allow the Authority to allocate "indirect costs from supporting service units" to federally funded programs and projects, and reduce the burden on the operating budget.

Exhibit W – Financial Services and Human Resources Budget

FINANCIAL SERVICES AND HUMAN RESOURCES		Actual FY 10/11	Original Budget FY 11/12	Year-End Estimates FY 11/12	Proposed Budget FY 12/13	% Change over Prior Year Budget
3FS	GENERAL AND ADMINISTRATION					
	9501002 Classified Advertising	6,161	8,000	1,450	7,000	-13%
	9501018 Printing Services	317	5,000	897	2,000	-60%
	9501019 Travel, Training and Meetings	-648	-	-	-	0%
	9501020 Audit Fees	39,200	60,000	72,000	75,000	25%
	9501022 Bad Debts Expense	300	2,000	0	2,000	0%
	9501024 Bank Fees	1,466	3,500	13,614	17,200	391%
	9501025 Credit Card & Debit Card Fees	10,689	20,000	5,934	-	-100%
	9501026 Employee Recruitment	3,630	15,000	8,679	9,000	-40%
	9501027 Employment Screening	24,197	25,000	25,000	15,000	-40%
	9501037 Sales Expense for CPOS	1,145	2,000	4,200	7,500	275%
	9501036 MTA EZ Pass Expenditures	5,319	-	-	-	0%
	TOTAL FINANCE & HR	\$91,775	\$140,500	\$131,774	\$134,700	-4%

FY 2012 Accomplishments - Finance

- Developed and implemented the Authority's new Cost Allocation Plan
- Responded to five (5) oversight audits: three (3) by the Federal Transit Administration, State of California and the MTA.
- Implemented a new Remote Pay System.
- Developed a new Financial Budget, Accounting & Reporting Manual.
- Successfully addressed audit findings which resulted in the lifting of the federal draw down restriction in ECHO.
- Hired a new Sr. Financial Analyst.

FY 2013 Initiatives - Finance

- Finance will continue to monitor economic conditions that will affect the Authority's ability to implement its mission of transit services for the Antelope Valley.
- Finance will continue to aggressively seeking additional funding resources.
- Finance will continue to integrate new or existing modules of the finance financial system software.
- Finance will continue to strive to improve its bar scan capabilities to ensure proper recording of fixed asset inventory.

Grants Administration

Grants Administration is responsible for taking the lead in securing funding and ongoing grant management for the Authority. In FY 2013 this function will be in the Finance Department.

FY 2012 Accomplishments – Grants Administration

- Developed new Grants Policy and Procedures Manual
- Submitted 21 grant applications for a total amount of \$29,952,294
- Improved communication between functional units regarding revenues and funding sources

FY 2013 Initiatives – Grants Administration

- Partner with the Authority's Technical Advisory Committee - joint sponsorship of grants.
- Improve Financial Stability of the Authority - Identify and submit applications for a minimum of three new funding sources for the Authority.
- Improve Business Practices - Provide training for AVTA personnel and TAC members – grants administration

Human Resources

The Human Resources function is responsible for administration of employee benefits, recruitment, retention and regulatory compliance.

FY 2012 Accomplishments – Human Resources

- New Employee Handbook
- Launched a web based Sexual Harassment Training
- First Annual Health Fair and Blood Drive
- Employee Brown Bag Lunch series
- Provided all mandated training and legal requirements

FY 2013 Initiatives – Human Resources

- Development a new wellness program with focus on creating a healthy workplace
- Ensure compliance with all mandated annual training and legal requirements
- Host two brown bag lunch time sessions
- 2nd Annual Health Fair and Blood Drive

Personnel – Salaries, Wages and Benefits

The budget for all AVTA employee wages, benefits, payroll taxes and workers compensation is detailed in the following table. Benefits are administered within the Finance Department. Other functions of Human Resources are handled by Administrative Services.

Exhibit X – Personnel Budget

PERSONNEL BUDGET		Actual FY 10/11	Original Budget FY 11/12	Year-End Estimates FY 11/12	Proposed Budget FY 12/13	% Change over Prior Year Budget
ZZ	Allocated Expenditures - Personnel Costs					
	9701001 Salaries & Wages - FT	3,127,668	3,628,180	3,086,328	1,961,712	-46%
	9702001 Salaries & Wages - PT	43,595	91,953	103,934	142,331	55%
	9701002 Overtime Wages	49,715	55,000	78,858	55,000	0%
	9701004 Sick Leave	44,789	68,276	-	112,608	65%
	9701005 Vacation Leave	102,469	65,230	-	126,787	94%
	9701007 Holidays	22,758	-	-	118,128	0%
	9701008 Floater Holidays	3,485	-	-	11,612	0%
	9701006 Administrative Leave/Float	-	6,206	-	-	-100%
	Subtotal Salaries & Wages	\$3,394,480	\$3,914,845	\$3,269,120	\$2,528,178	-35%
ZZ	Payroll Taxes					
	9701212 Medicare	48,287	-	41,748	36,019	0%
	9701215 Social Security ER	10,091	56,142	-1,358	-	-100%
	9701217 State Unemployment	46,818	30,380	33,323	16,926	-44%
	Subtotal Payroll Taxes	\$105,196	\$86,522	\$73,713	\$52,945	-39%
ZZ	Retirement Benefits					
	9701412 CALPERS	550,142	438,798	341,478	364,528	-17%
	9701415 457 Plan	8,830	12,002	9,840	10,890	-9%
	Subtotal Retirement Benefits	\$558,973	\$450,800	\$351,318	\$375,418	-17%
ZZ	Health Benefits					
	9701612 Medical	480,754	645,695	359,521	307,968	-52%
	9701614 Dental	42,045	51,649	25,106	24,335	-53%
	9701616 Vision	8,436	10,176	5,312	4,887	-52%
	9701814 AD & D	1,435	-	1,620	1,246	0%
	9702618 Long-term Care and AD&D	11,267	15,014	6,824	8,453	-44%
	Subtotal Health Benefits	\$543,938	\$722,534	\$398,383	\$346,889	-52%
ZZ	Insurance					
	9701811 Life Insurance	9,093	6,611	4,197	3,236	-51%
	9701812 Short-term Disability	16,700	24,472	17,673	12,500	-49%
	9701813 Long-term Disability	11,144	16,386	12,003	8,524	-48%
	Subtotal Insurance	\$36,938	\$47,469	\$33,873	\$24,260	-49%
ZZ	Other ZZ Items					
	9701915 Workers' Compensation	228,691	213,500	166,210	125,942	-41%
	9701916 Tuition Reimbursement	1,224	10,000	798	5,000	-50%
	9501027 Employment Screening	5,042	-	-	-	0%
	Subtotal Other ZZ Items	\$234,957	\$223,500	\$167,008	\$130,942	-41%
	TOTAL PERSONNEL COSTS	\$4,874,481	\$5,445,670	\$4,293,415	\$3,458,632	-36%

Information Technology

The Information Technology (IT) division is responsible for the management and implementation of information technology to make processes and information gathering in the Authority more efficient. IT supports a number of core systems for AVTA operations including Finance, Maintenance, Transit Operations, and Business Intelligence. The division is also responsible for workstation and server hardware, software updates, computer security, and the networks they utilize.

FY 2012 Accomplishments - IT

- Assisted with development of Disaster Recovery Plan.
- Off-site Storage for critical files.
- Virtualization of Maintenance and Transit systems
- Implementation of Fault Tolerant Storage Array Network (SAN)
- Upgrade of Assetworks and Trapeze systems

FY 2013 Initiatives - IT

- Implement Intelligent Transportation System (ITS) for our fixed-route buses
- Complete server virtualization project
- Implement Document Management System
- Complete server room refurbishment
- Upgrade Internet connection to facility

The majority of IT expenses are grantable and are included in the Capital program, including the Intelligent Transportation System (ITS) project. The IT operating budget is detailed in the following table.

Exhibit Y – Information Technology Budget

INFORMATION TECHNOLOGY (IT)		Actual	Original	Year-End	Proposed	% Change
		FY 10/11	Budget FY 11/12	Estimates FY 11/12	Budget FY 12/13	over Prior Year Budget
2FF	OTHER OPERATING COSTS					
	9401006 IT Maintenance - Computer Equipment	8,956	25,000	-	10,000	-60%
	9401008 IT Maintenance - Labor	-	-	-	-	0%
	9401009 IT Maintenance - Parts & Supplies	2,486	14,000	14,037	14,420	3%
	9401012 IT Software Agreement & Licenses	96,283	199,551	126,756	208,686	5%
	TOTAL IT	\$107,724	\$238,551	\$140,793	\$233,106	-2%

Operations and Maintenance

The Operations and Maintenance Department provides oversight and guidance for all AVTA operations, including the authority's bus, paratransit, maintenance, safety, security and facilities functions. The focus of operations in FY 2013 is to continue to identify opportunities to improve service delivery. Operations will implement many new policies, creating the need for revised processes, procedures and systems to measure our success.

FY 2012 Accomplishments – Operations and Maintenance

- Improve Service Delivery – Implemented new purchased transportation contract with Veolia Transportation for maintenance operations and fixed route and commuter
- Improve Service Delivery – Implemented new transportation contract with American Logistic Company for Dial-A-Ride operations.
- Cost containment - Reduced the Authority's potential liability and insurance cost with the outsourcing of maintenance.
- Developed and implemented the Authority's new Security and Emergency Preparedness Management Plan
- Hosted staff training on the Authority's new Security and Emergency Preparedness Management Plan and conducted desk top drills.

FY 2013 Initiatives – Operations and Maintenance

- Improve Business Practices – Regularly monitor and measure contractor performance on a monthly basis
- Establish the Authority's new Incident Command Center
- Implement Memorandums of Understanding with Jurisdictional Partners and other transit agencies - Emergency Preparedness

The detailed departmental budget below reflects the new status of maintenance being included in the Veolia contract (Fixed Route Purchased Transportation) for the last six months of FY 2012 and the entire 2013 fiscal year. This results in an increase in purchased transportation costs of 13% in FY 2013 vs. FY 2012, but the overall increase in operations and maintenance is only five percent.

Exhibit Z - Operations and Maintenance Budget

OPERATIONS AND MAINTENANCE		Actual	Original	Year-End	Proposed	% Change
		FY 10/11	Budget	Estimates	Budget	over Prior
			FY 11/12	FY 11/12	FY 12/13	Year Budget
2FF	PURCHASED TRANSPORTATION					
	New Veolia Contract 2012/2013	-	-	5,649,610	11,607,280	0%
9001001	Fixed Route - Fixed Cost	2,236,824	2,202,000	531,925	-	-100%
9001002	Fixed Route - Variable Cost	4,602,984	4,749,000	3,391,280	-	-100%
9001003	Commuter - Fixed Cost	352,081	346,000	83,757	-	-100%
9001004	Commuter - Variable Cost	724,463	887,000	180,951	-	-100%
TBD	New ALC Contract 2012					
9001005	DAR (Urb & Rur) - Fixed Cost	231,847	215,000	116,789	-	-100%
9001006	DAR (Urb & Rur) - Variable Cost	477,256	457,000	251,550	-	-100%
9001007	Contract Services Incentives	174,950	180,000	84,000	12,000	-93%
9001008	Contract Services Assessments	(2,950)	-	(16,550)	-	0%
9001009	Contract Services - Other Pass Through	3,480	-	-	-	0%
9001010	Contract Services - Pass Through	1,937	50,000	-	-	-100%
1ZZ	Preventive Maint/Refurbishment					
9902021	Preventive Maint/Refurbishment	1,586,070	2,303,007	410,000	144,000	-94%
	Subtotal Purchased Transportation	\$10,388,943	\$11,389,007	\$11,240,225	\$12,885,460	13%
2FF	FUEL					
9201003	Fuel & Lubricants	2,781,744	3,500,000	3,051,463	2,892,246	-17%
9201006	Fuel & Lubricant Taxes	1,810	10,000	-	-	-100%
9201005	Fuel Use Tax	9,026	10,000	6,654	10,000	0%
9201007	Fuel Use Tax Penalties & Interest	-	-	-	-	0%
	Subtotal Fuel	\$2,792,580	\$3,520,000	\$3,058,117	\$2,902,246	-18%
2FF	OTHER OPERATING COSTS					
9401001	Fleet Inspection	-	100,000	-	10,000	-90%
9401002	Fleet Maintenance & Supplies/PM	4,847	30,000	14,895	10,000	-67%
9401003	Fleet Core Charges	(60,178)	5,000	(2,542)	-	-100%
9401004	Facility Maintenance - Supplies (non-grantable)	22,123	20,000	194	3,500	-83%
9401005	Facility Maintenance - Outside Services	30,432	25,000	31,419	20,000	-20%
9401007	Facility Maintenance - Other Equipment	418	10,000	3,222	5,000	-50%
9401010	Operating Permits	4,053	10,000	6,552	7,000	-30%
9401013	Rental/Lease Expense	35,105	20,000	75,066	56,730	184%
9401032	Security Services - Sheriff's Deputy	115,330	100,000	95,872	100,000	0%
9401020	Uniforms	2,159	20,000	2,970	2,000	-90%
9401021	Utilities - Electric	63,194	80,000	70,268	85,000	6%
9401022	Utilities - Gas	26,275	30,000	29,597	30,000	0%
9401023	Utilities - Waste	6,873	8,000	6,189	9,000	13%
9401024	Utilities - Water	9,599	10,500	11,595	15,000	43%
9401025	Vehicle Registration - Non-revenue vehicles	(1,112)	-	-	-	0%
	Subtotal Other Operating Costs	\$259,119	\$468,500	\$345,298	\$353,230	-25%
2FF	GENERAL AND ADMINISTRATION					
9501007	Office Equipment under \$5000	3,035	15,000	-	-	-100%
9501008	Office Equipment Maintenance & Repairs	218	10,000	-	-	-100%
9501010	Postage & Delivery Expenses	3,889	-	3,914	-	0%
9501017	Telephone & Fax	38,531	45,000	37,258	50,000	11%
	Subtotal G&A	\$45,673	\$70,000	\$41,172	\$50,000	-29%
TOTAL OPERATIONS AND MAINTENANCE		\$13,486,315	\$15,447,507	\$14,684,812	\$16,190,936	5%

Marketing and Customer Service

Marketing and Customer Service work together to assist residents by providing accurate and helpful information to inform them of current and changing route information. Marketing also works to develop partnerships in the community through participation. We are dedicated to outreach efforts that demonstrate we are a strong partner and support the local community in all endeavors.

Exhibit AA - Marketing and Customer Service Budget

MARKETING AND CUSTOMER SERVICE		Actual FY 10/11	Original Budget FY 11/12	Year-End Estimates FY 11/12	Proposed Budget FY 12/13	% Change over Prior Year Budget
SCS	GENERAL AND ADMINISTRATION					
9501002	Classified Advertising	-	-	-	-	0%
9501003	Marketing	58,275	60,000	68,843	80,000	33%
9501032	Public Outreach	537	-	-	-	0%
9501018	Printing Services	22,758	35,000	27,480	35,000	0%
9401020	Uniforms	-	3,000	303	3,000	0%
9501028	Temporary Staffing	-	-	-	-	0%
9501029	Miscellaneous Special Events	1,001	50,000	50,000	25,000	-50%
9501031	Website Maintenance	160	35,000	17,630	30,000	-14%
TBD	Sponsorships (New Item)	-	-	-	10,000	0%
TOTAL MARKETING AND CUSTOMER SERVICE		\$82,731	\$183,000	\$164,256	\$183,000	0%

Marketing: Marketing efforts target the development of AVTA's image as a quality community partner. We endeavor to participate with the business sector as well as sponsor various seasonal events as a method to build confidence in AVTA's commitment to the community. Marketing also manages the AVTA brand ensuring a consistent message using graphic design, multi-media advertising, customer literature and signage that is professionally produced and distributed to the public. Marketing is also responsible for special events planning and implementation. Press releases are also produced and disseminated through Marketing and all media interviews are managed through the office. Other major responsibilities include increasing ridership through the promotion of routes and services, working with the Authority's Operations function to inform the public of planned initiatives and improvements. Communicating with regards to routes and services with customers at point of sale is another top priority along with increasing awareness of AVTA services through advertising, collateral development, website, and promotions.

Customer Service: The mission of the Customer Service division is to provide quality customer service by delivering accurate route and scheduling information, providing timely responses and resolution to customer comments, and educating the public on AVTA products and services. Customer service representatives provide the most efficient transit route information (schedules, transfers, delays, special events, etc), ensure customer issues are addressed in a timely manner, and route customer comments to the appropriate department for response and resolution.

FY 2012 Accomplishments – Marketing and Customer Service

- Began image rehabilitation in community through Stuff-a-Bus marketing campaign and through participation in several community events.

- Effectively communicated two service changes through media press releases, signage and advertising.
- Redesigned AVTA's website.
- Implemented a texting service for rider alert feature.
- Developed a marketing campaign around the 20 Year Anniversary
- Initiated several partnerships and sponsorships with business sector.
- Organized a 20-Year Anniversary VIP dinner.

FY 2013 Initiatives – Marketing and Customer Service

- Monitor hold time and target an average of 1 minute 30 seconds
- Develop travel training videos for new website.
- Develop Google Transit Trip Planner
- Develop and implement the Authority's new bus advertising program.
- Market a fare increase for local transit and commuter services.
- Market and Implement grant programs affecting Dial-a-Ride service.
- Continue to develop the community image of AVTA.
- Continue to participate in community events.
- Increase AVTA's presence in the valley's business sector.
- Provide improved customer service.

Appendix A – FY 2013 Capital Budget Detail

GL No.	PROJECT	FY 2013	Prior FTA Approval	FY 2012 Grant Cycle	Toll Credits	Local Funds	Prop 1B PTMISEA	Prop C 5% Security	Prop C 40%	Measure R Clean Fuel	Prop 1B Transit Security	AVAQMD AB 2766	Jurisdiction Capital Reserve	Prop A 40% Disc
Vehicle Purchase and Maintenance Replacements and Expansion														
	4 Local Transit Hybrid Replacement Coaches	\$ 2,519,336	2,007,910	-		511,426				144,399		225,000	142,027	
	FY 2013 - MTA 5307 Allocation	302,357												
	Cap Contributions to cover lack of 5307 funds	9,448												
9909004	Grant 596-11.13.03 - 80%	2,207,531												
	11 ARRA Local Transit Hybrid Replacement Coaches	\$ 6,928,174	6,928,174	-										
9909011	Grant X038-ARRA-11.12.01 - 100%													
	Refurbish 13 Local Buses	\$ 2,900,000	2,320,000		124,700	455,300			455,300					
9909047	Grant 875-11.14.01 - 84.3%													
	3 Commuter Replacement Coaches	\$ 1,845,000	1,360,000	116,000	29,000	340,000							340,000	
9909050	Grant 875-11.12.01 - 80%	1,700,000												
	Grant 968 - 100%	145,000												
	Refurbish 13 Commuter Buses	\$ 344,000	275,200			68,800			68,800					
9902015	Grant 799-11.14.07 - 80%													
	3 Commuter Expansion Coaches	\$ 1,833,000	1,466,400			366,600							366,600	
9902012	Grant 799-11.13.01 - 80%													
	2 Replacement Service and Support Vehicles	\$ 60,000	54,000	-		6,000								6,000
9909010	1 vehicle Grant X038-11.42.11-ARRA 100%	30,000												
9902013	1 vehicle Grant 799-11.14.01 - 80%	30,000												
	Subtotal	\$ 16,429,510	14,411,684	116,000	153,700	1,748,126	\$ -	\$ -	\$ 524,100	\$ 144,399	\$ -	\$ 225,000	\$ 848,627	\$ 6,000
Major Bus Components														
	Major Bus Components (engines, transmissions, differentials, particulate traps)													
9902022	Grant 875 (PM)-11.7A.00 - 96.7%	150,000	120,000		25,050	4,950			4,950					
	Subtotal	150,000	120,000	-	25,050	4,950	\$ -	\$ -	\$ 4,950	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Vehicles	\$ 16,579,510	14,531,684	116,000	178,750	1,753,076	\$ -	\$ -	\$ 529,050	\$ 144,399	\$ -	\$ 225,000	\$ 848,627	\$ 6,000

GL No.	PROJECT	FY 2013	Prior FTA Approval	FY 2012 Grant Cycle	Toll Credits	Local Funds	Prop 1B PTMISEA	Prop C 5% Security	Prop C 40%	Measure R Clean Fuel	Prop 1B Transit Security	AVAQMD AB 2766	Jurisdiction Capital Reserve	Prop A 40% Disc
Facilities														
New Facility Project - Phase II														
	Phase II - Design and Construction		3,200,000			850,648	464,689			143,739	242,220			
9909031	Grant 616-11.43.03-80%	4,050,648												
	Prop 1B Transit Security Bridge FY09	50,648												
9902016	Grant 635-11.43.03-80%	3,500,000												
	Subtotal	\$ 4,050,648	3,200,000	-	-	850,648	\$ 464,689	\$ -	\$ -	\$ 143,739	\$ 242,220	\$ -	\$ -	\$ -
Regional Partnership Projects														
	Regional Partnership Projects/TOD & Satellite Facilities		852,035	2,640,000	820,076	52,933								52,933
9909048	Grant 875-11.92.02-95.03%	4,365,044												
	Grant 968-100%	1,065,044												
	Bus Stop Lighting and Signage		274,400			66,600			66,600					
9901002	Signage Grant 342-11.92.08-80%	343,000												
9909024	Lighting-Grant 342-11.92.08-80%	175,000												
9909046	Signage-Grant-11.92.08-372 80%	123,000												
	Subtotal Regional Partnership	Projects	\$ 4,708,044	1,126,435	2,640,000	820,076	\$ -	\$ -	\$ 66,600	\$ -	\$ -	\$ -	\$ -	\$ 52,933
	Total Facilities	\$ 8,758,692	\$ 4,326,435	\$ 2,640,000	\$ 820,076	\$ 972,181	\$ 464,689	\$ -	\$ 68,600	\$ 143,739	\$ 242,220	\$ -	\$ -	\$ 52,933
Other Projects														
Major Equipment - Facilities														
	Major Shop Equipment - Facilities Maintenance & Support		95,200	120,000	53,800									
9909049	Grant 875-11.42.06-100%	269,000												
	Grant 968-100%	119,000												
	Major Facility Equipment		92,000			23,000			23,000					
9902010	Grant 799-11.71.03-80%	115,000												
	Subtotal	\$ 384,000	187,200	120,000	53,800	23,000	\$ -	\$ -	\$ 23,000	\$ -	\$ -	\$ -	\$ -	\$ -
Data & Communication														
	ITS Implementation Upgrade/Replacement (ITS/Pass Counter/AVL)		752,266			186,067			186,067					
9909007	Grant 799-11.71.03-80%	940,333												
9909045	Grant 372-11.79.00-80%	257,968												
9909038	Grant 616-11.42.20-80%	87,556												
9909053	Software Modifications		160,000		25,800	14,200			14,200					
	Grant 875-11.71.03-92.9%	200,000												

Appendix A – FY 2013 Capital Budget Detail, Continued

GL No.	PROJECT	FY 2013	Prior FTA Approval	FY 2012 Grant Cycle	Toll Credits	Local Funds	Prop 1B PTMISEA	Prop C 5% Security	Prop C 40%	Measure R Clean Fuel	Prop 1B Transit Security	AVAQMD AB 2766	Jurisdiction Capital Reserve	Prop A 40% Disc
Data & Communication														
9909041	Acquire Mobile Fare Collection Equip - DAR Verification Equipment	124,457		99,566		24,891				24,891				
	Grant 734-11.42.10-80%													
9909044	IT Equipment purchases	84,238		67,390		16,848				16,848				
	Grant 734-11.71.03-80%													
	Maintenance/Admin Equipment (Video & printing)	875,000		700,000		175,000				175,000				
9909036	Grant 616-11.71.03-80%	250,000												
9909044	Grant 734-11.71.03-80%	85,000												
9902008	Grant 799-11.71.03-80%	540,000												
	Finance System	17,000		13,800		3,400				3,400				
9909038	Grant 616-11.42.20-80%													
	Subtotal	\$ 2,241,028		1,792,822		25,800	\$ -	\$ -	\$ 422,406	\$ -	\$ -	\$ -	\$ -	\$ -
Major Equipment - Administrative Support														
	Records Management - Document Management System	137,199		109,759		27,440				27,440				
9909035	Grant 616-11.71.03-80%													
	Subtotal	\$ 137,199		109,759		27,440	\$ -	\$ -	\$ 27,440	\$ -	\$ -	\$ -	\$ -	\$ -
Security - Bus & Facility														
	Safety & Security Emergency Preparedness Planning	\$ 339,768		80,110		4,400		255,257		15,627		239,630		
9902005	Grant 799-44.26.16-80%	75,638												
	Prop 1B Transit Security 09/10	95,786												
	Prop 1B Transit Security Bridge 09/10	48,058												
	Prop 1B Transit Security 11/12	95,786												
9909052	Grant 875-11.79.00-97.96%	24,500												
	Subtotal	\$ 339,768		80,110		4,400	\$ -	\$ 15,627	\$ -	\$ -	\$ 239,630	\$ -	\$ -	\$ -

GL No.	PROJECT	FY 2013	Prior FTA Approval	FY 2012 Grant Cycle	Toll Credits	Local Funds	Prop 1B PTMISEA	Prop C 5% Security	Prop C 40%	Measure R Clean Fuel	Prop 1B Transit Security	AVAQMD AB 2766	Jurisdiction Capital Reserve	Prop A 40% Disc
Planning Projects														
9902002	Short Range Transit Planning	190,000		152,000		38,000				38,000				
	Grant 799-44.24.00-80%													
9909051	Transit Planning	100,000		80,000		20,000								
	Grant 875-11.79.00-100%													
9901001	Mobility Management	221,000		178,800		44,200				44,200				
	JARC Grant 37-X100-11.7L.00-80%													
	Subtotal	\$ 511,000		408,800		20,000	\$ -	\$ -	\$ 82,200	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel														
	5307 Capitalized Portion of Fuel Costs	784,754		627,803		156,951								
	Grant 968-100%													
	Subtotal	\$ 784,754		627,803		156,951	\$ -	\$ -	\$ 82,200	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Other Projects	4,397,749		2,578,692		260,951	\$ -	\$ 15,627	\$ 555,045	\$ -	\$ 239,630	\$ -	\$ -	\$ -
	FY13 Capital Project Total	\$ 29,735,951		21,436,812		3,503,803	\$ 1,259,777	\$ 3,535,559	\$ 464,688	\$ 15,627	\$ 1,152,695	\$ 288,138	\$ 481,850	\$ 225,000
														\$ 848,627
														\$ 50,933

Appendix B – Five-Year Capital Improvement Plan

ANTELOPE VALLEY TRANSIT AUTHORITY						
Five Year Capital Improvement Program						
Project Summary Fiscal Years 2013 through 2017						
Project	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Five Year Totals
Vehicle Purchase and Maintenance						
4 Local Transit Replacement Coaches - Hybrid	2,519,336					2,519,336
11 Local Transit Replacement Coaches - Hybrid - ARRA	6,928,174	-	-			6,928,174
Local Transit Replacement Coaches - Clean Diesel (3 in FY14; 12 in FY15; 13 in FY16)		1,286,883	5,297,460	5,901,337		12,485,681
Refurb Local Buses (13 units FY13)	2,900,000		-		-	2,900,000
Commuter Replacement Coaches (3 units FY13, 3 units in FY14; 13 UNITS IN FY17)	1,845,000	1,887,990		-	10,004,205	13,737,195
Refurbish Commuter Buses (13 units FY13; 6 units in FY16)	344,000			1,200,000		1,544,000
Commuter Expansion Coaches (3 units FY13)	1,833,000		-		-	1,833,000
Replacement Service and Support Vehicles (2 units FY13; 9 units in FY14; 7 units in FY15; 3 units in FY16)	60,000	366,000	252,000	120,000	-	798,000
Subtotal	\$ 16,429,510	\$ 3,540,873	\$ 5,549,460	\$ 7,221,337	\$ 10,004,205	\$ 42,745,386
Major Bus Components						
Major Bus Components	150,000	150,000	150,000	150,000	150,000	750,000
Subtotal	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
Total Vehicles						
	\$ 16,579,510	\$ 3,690,873	\$ 5,699,460	\$ 7,371,337	\$ 10,154,205	\$ 43,495,386
New Facility Project - Phase II						
Phase II - Design and Construction	4,050,648				-	4,050,648
Subtotal	\$ 4,050,648	\$ -	\$ -	\$ -	\$ -	\$ 4,050,648
Regional Partnership Projects						
Regional Partnership/TOD & Satellite Facilities	4,365,044	1,500,000	1,500,000	1,500,000	1,500,000	10,365,044
Bus Stop Lighting and Signage	343,000					343,000
Subtotal	\$ 4,708,044	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 10,708,044
Total Facilities						
	\$ 8,758,692	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 14,758,692

Appendix B – Five-Year Capital Improvement Program, Continued

ANTELOPE VALLEY TRANSIT AUTHORITY						
Five Year Capital Improvement Program						
Project Summary Fiscal Years 2013 through 2017						
Project	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Five Year Totals
Major Shop Equipment - Facilities Maintenance & Support	269,000	150,000	150,000	150,000	150,000	869,000
Major Facility Equipment	115,000					115,000
Subtotal	\$ 384,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 984,000
Data & Communication						
Major Equipment - Communication System Upgrade	208,695		50,000	50,000	50,000	358,695
ITS Implementation Upgrade/Replacement (ITS/Pass Counter/AVL)	940,333	1,300,000	-			2,240,333
Software Modifications	200,000	100,000	100,000	100,000	100,000	600,000
Maintenance/Admin Equipment (Video & printing)	875,000	-	-			875,000
Finance System	17,000	-	-			17,000
Subtotal	\$ 2,241,028	\$ 1,400,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 4,091,028
Major Equipment - Administrative Support						
Records Management - Document Management System	137,199	-	-			137,199
Subtotal	\$ 137,199	\$ -	\$ -	\$ -	\$ -	\$ 137,199
Security - Bus & Facility						
Mobile Security/Surveillance		-	-			
Safety & Security Emergency Preparedness Planning	339,768	146,000	146,000	146,000	146,000	923,768
Subtotal	\$ 339,768	\$ 146,000	\$ 146,000	\$ 146,000	\$ 146,000	\$ 923,768
Planning Projects						
Short Range Transit Planning	190,000					190,000
Transit Planning	100,000	-	-			100,000
Mobility Management	221,000					221,000
Subtotal	\$ 511,000	\$ -	\$ -	\$ -	\$ -	\$ 511,000
Fuel						
5307 Fuel as Capital Maintenance Provision	784,754					784,754
Subtotal	\$ 784,754	\$ -	\$ -	\$ -	\$ -	\$ 784,754
Total Other Projects	\$ 4,397,749	\$ 1,696,000	\$ 446,000	\$ 446,000	\$ 446,000	\$ 7,431,749
Grand Total	\$29,735,951	\$ 6,886,873	\$ 7,645,460	\$ 9,317,337	\$12,100,205	\$65,685,827