

FY 2014



Antelope Valley Transit Authority

Business Plan and Short Range Transit Plan



Antelope Valley Transit Authority

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Julie M. Austin

June 26, 2013

Dear Friends and Stakeholders,

As we near the end of another successful year of serving the Antelope Valley, we are proud to share our accomplishments and plans for the future. This year AVTA finished its \$11 million sustainable facility expansion project on time and on budget, providing a beautiful new board room, new bus bays, and expanded solar covers for the buses. AVTA also won a Transit Excellence Award from the California Transit Association Small Operators and a First Place AdWheel Award from the American Public Transportation Association for our print advertising. We updated our logo and executed a successful image campaign. We modified our service to increase convenience and timeliness, including adding service to Pearblossom. The TRANSPORTER, a popular new service conceived and sponsored by County Supervisor Michael Antonovich, was implemented to connect to Metrolink trains during off-peak hours. So popular, in fact, that we added another trip in March 2013. We took delivery of 21 buses, including 15 hybrid electric vehicles, which have resulted in greater than expected fuel savings. AVTA and Veolia staff executed our first annual Bus Rodeo where coach operators got to strut their stuff, navigating buses through a regulation driving skills course. We stayed on top of our grants and closely monitored cash flow, and notably had NO audit findings!

Our adopted Business Plan and Short Range Transit Plan for Fiscal Year 2013/14 sets the stage for continued success, with a balanced operating budget of \$23.2 million and a capital budget of \$8.3 million. Of the total operating budget, \$21.4 million is for fixed route operations. AVTA will provide 2.85 million fixed route vehicle service miles, carrying an estimated 3.7 million passengers. We will purchase three new commuter buses and three new local transit buses, hire a firm to provide added security to our customers and staff in the lobby area, add two new customer service representatives to improve customer access, and implement a new Intelligent Transportation System (ITS) on our buses which will provide real time bus arrival information, automatic stop announcements, passengers by stop, and many more customer service improvements.

Our work plan for FY14 was developed around priorities suggested by the AVTA Board of Directors, including increasing public confidence regarding safety on buses; improving communications; restructuring service in a way that is responsive to customer concerns while living within our means; proudly telling the AVTA story; and developing a long-term plan that ensures a sustainable organization.

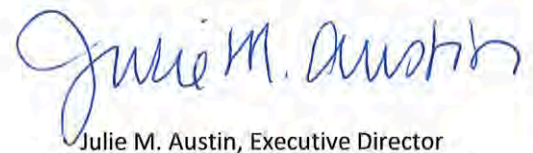
We're always working toward increased transparency and accountability. This business plan incorporates new, refined Key Performance Indicators that measure our overarching goals of safety, outstanding customer service, effectiveness and efficiency. In addition, AVTA has adopted a new Vision and Values Statement that reflects the forward movement of our organization.

We sincerely hope you find these pages interesting and informative. On behalf of AVTA Board, TAC and staff members, we thank you for your continued interest in building a better public transportation system for the Antelope Valley.

Best wishes,



Norman L. Hickling, AVTA Chairman



Julie M. Austin, Executive Director

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Antelope Valley Transit Authority

TABLE OF CONTENTS

EXECUTIVE SUMMARY - 1 -

About AVTA - 1 -

Organization - 1 -

Board of Directors..... - 1 -

Transit Advisory Committee (TAC) - 3 -

TDA Article 8 Unmet Needs Process – 2013 Findings - 3 -

AVTA VISION AND VALUES..... - 4 -

FISCAL YEAR 2014 BUDGET SUMMARY - 5 -

Fiscal Year 2013 Accomplishments..... - 5 -

Fiscal Year 2014 Goals..... - 6 -

Summary of the Fiscal Year 2014 Budget - 7 -

Operating Reserve - 7 -

SYSTEM STATISTICS..... - 9 -

Local and Commuter Fixed Route Service..... - 9 -

Fleet Size..... - 9 -

Passenger Boardings and Fare Revenues..... - 10 -

Vehicle Service Hours, Miles and Operating Expenses..... - 10 -

Goals and Performance Standards - 10 -

Exhibit C – FY14 Performance Standards (Excluding Dial-A-Ride Service) - 11 -



Average Weekday Boardings - 12 -

Average Cost per Vehicle Service Hour..... - 12 -

Farebox Recovery Ratio - 13 -

SERVICE SUMMARY - 15 -

Service Hours, Routes and Fares for Fiscal Year 2014 - 15 -

Local Service Routes - 15 -

Supplemental Local Service..... - 18 -

Fares - 19 -

Dial-a-Ride Service (DAR) - 21 -

Potential Service Changes in Fiscal Year 2014 - 21 -

FLEET AND FACILITIES - 23 -

AVTA Fleet - 23 -

AVTA Facilities - 25 -

CAPITAL SPENDING PLAN & ASSOCIATED GRANTS FOR FY 2014..... - 27 -

SOURCES OF FUNDING..... - 31 -

Funding Source Summary - 31 -

Federal Funding Program Update: Map-21..... - 31 -

Under MAP-21: Section 5307 Formula Funds - 31 -

Under MAP-21: FTA Section 5337 State of Good Repair - 32 -

Under MAP-21: Section 5339 Bus & Bus Facilities - 32 -



State Funding Programs – Proposition 1B and State Transit Assistance.....	33 -
Local Sales Tax Revenues	34 -
LA Metro Subsidies	36 -
CAPITAL PROGRAM.....	37 -
Capital Revenues	37 -
Capital Expenditures	38 -
FY 2013 Capital Funds Carryover	39 -
Five-Year Capital Improvement Program	40 -
Capital Reserves.....	41 -
Toll Credits.....	42 -
FY14 OPERATING BUDGET REVIEW	43 -
Operating Revenues.....	43 -
Fare Revenues	44 -
Local Sales Taxes.....	44 -
FTA Funding.....	45 -
State Funding.....	45 -
OPERATING EXPENSES	47 -
FY13 vs. FY14: FTA Fuel Allowance & GAAP Presentation of FTA Funded Projects.....	48 -
Diesel Fuel Price Trend.....	48 -



FIVE-YEAR FINANCIAL PLAN PROJECTIONS & SCENARIOS.....	- 49 -
DEPARTMENTAL EXPENSES.....	- 53 -
FY14 Organizational Summary and Chart	- 53 -
Exhibit W - Proposed Organizational Chart for Fiscal Year 2014	- 55 -
Executive Services.....	- 57 -
Operations & Maintenance.....	- 61 -
Information Technology.....	- 64 -
Finance	- 65 -
Marketing and Customer Service	- 71 -
APPENDIX A – FISCAL YEAR 2014 CAPITAL BUDGET DETAIL.....	- 75 -
APPENDIX B – FIVE-YEAR CAPITAL IMPROVEMENT PLAN DETAIL	- 79 -
APPENDIX C – SHORT RANGE TRANSIT PLAN “L” TABLES	- 81 -

EXHIBITS

Exhibit A - Operating Budget Summary and Prior Year Comparisons.....	17 -
Exhibit B - Systemwide Statistics (Excluding DAR).....	19 -
Exhibit C – FY14 Performance Standards (Excluding DAR).....	21 -
Exhibit D – FY14 Vehicle Service Hours	25 -
Fare Tables -	
Exhibit E.1 - Local Service Fare Table.....	29 -
Exhibit E.2 - Route 785 Fare Table.....	30 -
Exhibit E.3 - Route 786 Fare Table.....	30 -
Exhibit E.4 - Route 787 Fare Table.....	30 -
Exhibit E.5 - Dial-A-Ride Fair Table.....	31 -
Exhibit F - Revenue Vehicle Fleet Inventory as of April 2013.....	34 -
Exhibit G - Fiscal Year 2014 Capital Program and Associated Grants.....	37 -
Exhibit H - Fiscal Year 2014 Capital Funding Sources.....	47 -
Exhibit I - Fiscal Year 2014 Capital Projects.....	48 -
Exhibit J - Estimated Federal Grant Funding Carryover.....	49 -
Exhibit K - FY 14 Federal Funding under MAP 21.....	50 -
Exhibit L - Five-Year Capital Improvement Plan.....	50 -
Exhibit M - Adequacy of Capital Reserve for Local Match Requirements.....	51 -
Exhibit N - FY14 Toll Credits available under MAP-21.....	52 -
Exhibit O - Funding Sources Eligible for Operations.....	53 -
Exhibit P - FY14 Operating Revenue Sources.....	55 -
Exhibit Q - MTA Funding - FY13 vs. FY14.....	56 -
Exhibit R - Fare Revenue vs. MTA Subsidies, FY11 - FY14.....	56 -
Exhibit S - FY14 Operating Expenses.....	57 -
Exhibit T - Diesel Fuel Price per Gallon, July 1, 2011 to March 30, 2013.....	58 -
FIVE YEAR FINANCIAL PLANS -	
Exhibit U - Scenario 1: Continue TRANSporter Operations.....	61 -
Exhibit V – Scenario 2: Discontinue TRANSporter Operations.....	63 -
Exhibit W – Proposed Organizational Chart, Fiscal Year 2014.....	65 -
Budget Tables	
○ Executive Services.....	67 -
○ Operations & Maintenance.....	71 -
○ Finance, Fringe Benefits and Fringe Offset.....	75, 79, 80 -
○ Marketing & Customer Service.....	82 -

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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 71 buses is situated in the city of Lancaster, California. AVTA was formed to provide and administer public transportation services 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; commuter ridership alone has increased by 25% over the past two years.

Organization

The Antelope Valley Transit Authority (AVTA) is a public entity created 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). Its members consist of the County of Los Angeles and the Cities of Lancaster and Palmdale. The JPA members jointly contribute capital and operating funds to AVTA each year to assist in the provision of transit services to the Antelope Valley area.

Board of Directors

AVTA is governed by a six-member Board of Directors with governance responsibilities over all activities related to the AVTA. The Board is comprised of two directors from each participating jurisdiction. An Executive Director manages day to day operations and implements Board policy 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
Sandra Johnson	City of Lancaster
Norm Hickling	Los Angeles County
Dianne Knippel	Los Angeles County
Tom Lackey	City of Palmdale
Steven D. Hofbauer	City of Palmdale

Board of Directors



Chair

Norman L. Hickling
County of Los Angeles



Director

Dianne Knippel
County of Los Angeles



Vice Chair

Marvin Crist
City of Lancaster



Director

Sandra Johnson
City of Lancaster



Director

Tom Lackey
City of Palmdale



Director

Steven Hoffbauer
City of Palmdale



Executive Director

Julie M. 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 Board of Directors. TAC membership is composed of two representatives from each member jurisdiction. The TAC meets in accordance with a schedule directed by the Board, typically 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 DeFalco	City of Lancaster
Ann Meiners	Los Angeles County
Jordan Catanese	Los Angeles County
Brian Kuhn	City of Palmdale
Karen Johnston	City of Palmdale

TDA Article 8 Unmet Needs Process – 2013 Findings

Each year, AVTA appears before a hearing board and meets with a Social Services Transit Advisory Committee (SSTAC) to solicit input and 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, and are held only in areas not served by LA Metro (Avalon, Santa Clarita and the Antelope Valley). The hearing board consists of three representatives from Palmdale, Lancaster, and Los Angeles County and/or Santa Clarita. This year the process was concluded at a Hearing Board meeting held on May 13, 2013. The Hearing 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.

AVTA VISION AND VALUES

VISION

We are the recognized leader – regionally and nationally – in providing public transportation that improves mobility and serves as a catalyst for economic opportunity for those who live, visit, or work in the communities we serve.

We exceed customer expectations by providing service that is:

Safe and reliable

Valued by the community

Responsive and innovative

Caring and courteous

Cost effective

VALUES

Communication: We value communication that is timely, direct, open and honest.

Respect: We demonstrate respect for our customers, team members, and stakeholders.

Transparency: We demonstrate accountability and transparency in all activities.

Empowerment: We empower our team members with resources to achieve our vision.

Stewardship: We make decisions that protect the public trust.

FISCAL YEAR 2014 BUDGET SUMMARY

Fiscal Year 2013 Accomplishments

Each year the Board of Directors conducts strategic planning sessions which provide policy direction to staff for areas of focus during the upcoming year. Based on this direction, the Fiscal Year 2013 Business Plan focused on three major areas: Staffing and Organization; Financial Health and Economic Stimulus; and Communication and Teamwork. Goals were established by each department. Functional accomplishments for FY13 and goals for FY14 are included in the detailed department sections of this Plan. Systemwide accomplishments for the fiscal year ending June 30, 2013 include the following:

Staffing and Organization:

- Adopted new Vision and Values Statement
- Reengineered organizational structure and ensured a full complement of staff is available to perform necessary functions.
- Updated legislative principles and worked to increase AVTA's legislative profile.
- Redefined TAC responsibilities, making the meetings more policy-oriented with major items discussed in a workshop format

Financial Health and Economic Stimulus:

- Addressed all audit findings from FY11 and prior; no findings in FY12 audits.
- Increased AVTA involvement in city planning development
- Monitored available grant funding and provided quarterly updates to the Board
- Communicated results of cost savings efforts and celebrated success
- Implemented consistent reporting of Key Performance Indicators and tied targets to FY 2013 Business Plan financials; commenced consistent reporting to the Board.

Communication and Teamwork:

- Recipient of the California Transit Association's 2012 Small Operators' Transit Excellence Award.
- Honored with an Ad Wheel Award for the "Bringing You Home" advertising campaign.
- Executed joint staff/Board/TAC events, including Holiday Party and Bus Rodeo
- Presented the AVTA Story to industry CEOs at national APTA event and prepared presentation for other venues
- Overhauled Board briefing materials for new members

Other Accomplishments:

- Completed Phase II facility construction and hosted a dedication ceremony
- Implemented new TRANSporter service in collaboration with the County of Los Angeles, Metrolink and the city of Santa Clarita.
- Took delivery and placed into service 15 Gillig diesel hybrid local transit buses and 6 MCI commuter coaches.

Fiscal Year 2014 Goals

Goals established by the Board during the January 2013 Strategic Planning Meeting were categorized into the following six areas:

- Safety - Increase the public confidence regarding safety on buses
- Effectiveness - Improve communication
- Outstanding Customer Service - Restructure service in a way that is responsive to customer concerns while living within our means
- Organizational Leadership - Be proud to tell the AVTA story – create talking points to take out to the community
- Efficiency - Develop a long-term plan that ensures a sustainable organization
- Decision-making - Utilize data from new Intelligent Transportation System to improve decision-making

Summary of the Fiscal Year 2014 Budget

On May 28, 2013, the AVTA Board of Directors approved a Fiscal Year 2014 operating budget of \$23.16 million and a capital budget of \$8.3 million. The table below compares revenues and expenses for Fiscal Year 2012 (actuals), Fiscal Year 2013 (Budget and Projected YE) and the proposed Fiscal Year 2014 Budget. The Authority is planning to spend \$23.16 million on operations, utilizing \$4.9 million from fare revenues and \$18.3 million from operating subsidies and jurisdictional operating contributions. Total expenses are expected to increase by 12.7% over the estimated year-end expenses for FY 2013. It is important to note that this increase is due in large part to the classification of certain expenses that were previously included in the capital budget. Specifically, in FY13 nearly \$800,000 in fuel costs were capitalized under a one-time FTA allowance, and most planning studies funded with federal grants were included in the capital budget. In FY14, capitalization of fuel expenses is not permitted, and all consulting and planning studies are included in the operating budget.

Exhibit A – Operating Budget Summary and Comparisons (\$ millions)

Description	FY 12 Actual	FY 13 Budget	FY 13 Projected	FY 14 Budget	% Change FY13 Projected vs. FY14 Budget
Fare Revenues	\$4.67	\$4.62	\$4.88	\$4.88	0.0%
Operating Subsidies & Jurisdiction Contributions	19.67	16.87	18.03	18.28	1.4%
Total Revenues	24.34	21.49	22.91	23.16	1.1%
Purchased Transportation	10.46	12.89	12.45	12.91	(3.7%)
General & Admin Expense (including Fuel)	9.66	8.14	8.10	10.25	(21.0%)
Total Expenses	20.12	21.03	20.55	23.16	(12.7%)
Income/(Loss)	\$4.22	\$0.46	\$2.37	\$0.00	-

Operating Reserve

Beginning in FY13, a separate operating reserve was established with a beginning balance of \$250,000. In FY14, the Authority intends to provide an additional \$250,000 from unspecified revenues, depending on cash flow needs. Additional funds will be set aside annually with a goal of creating an operating reserve equivalent to three months' operating expenses for the fiscal year.

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SYSTEM STATISTICS

Local and Commuter Fixed Route Service

The Antelope Valley Transit Authority (AVTA) is proposing to monitor performance targets against five key agency goals. Nine performance indicators will be evaluated on a monthly basis to determine if the established performance targets are being met. The targets for FY14 are based on projected estimates of performance through FY13 and anticipated changes during the year for fixed-route transit service only.

In FY14, fixed route local and commuter service combined will provide 168,896 vehicle revenue hours with total operating expenses estimated at \$21.4 million. Fare revenues and passenger boardings are estimated conservatively at \$4.8 million and 3.7 million, respectively, although our actual performance data is slightly higher as of March 2013.

Exhibit B – Systemwide Statistics (Excluding Dial-A-Ride Service)

Fixed-Route System Performance	FY 2012 Actual	FY2013 Target	FY 2013 Estimated	FY 2014 Target	% Change (FY13 est. vs. FY14 Target)
Fleet Size	68	74	74	71	-4%
Vehicle Service Miles	2,713,161	n/a	2,810,759	2,852,919	1%
Passenger Boardings	3,139,326	3,200,000	3,655,822	3,728,938	2%
Fare Revenues	\$4,584,839	\$4,622,237	\$4,792,309	\$4,792,309	0%
Vehicle Service Hours	162,557	169,000	166,400	168,896	1%
Operating Expense	\$18,806,795	\$19,894,488	\$19,368,466	\$21,392,052	9%

Fleet Size

AVTA's total fleet size was increased from 68 to 71 in FY13, with the addition of three expansion commuter buses manufactured by Motor Coach Industries (MCI). The fleet size during in FY13 is 74 rather than 71 because we are delaying retirement of three MCI commuter buses to ensure service demands are met while the commuter coach refurbishment program is completed. At this writing the program is 50% complete and by FY14 we will be back down to 71 buses.

Passenger Boardings and Fare Revenues

This year's Business Plan projects a conservative 2.0% increase in fixed route boardings in FY14. This is conservative given that FY13 year-end projections indicate an increase of 16.5% compared to FY12. The Authority continues to experience an increase in passenger boardings, particularly on our commuter express and North County *TRANSPORTER* services.

Vehicle Service Hours, Miles and Operating Expenses

Total vehicle service hours are projected to increase by 3% by FY13 year-end. The increase is attributable to implementation of the North County *TRANSPORTER* service in August 2012 and the slight increase in service hours in March 2013. The FY14 Business Plan assumes that hours will increase by 2% due to potential service improvements in FY14 and 211 service hours added for one additional northbound *TRANSPORTER* trip. Vehicle service miles (VSM) for FY13 are projected to be 2,810,759; the FY14 Business Plan assumes a 1% increase bringing the total to 2,852,919 VSM. This increase, again, is due to planned service improvements and the addition of the *TRANSPORTER* trip. The difference in the percentage increase between VSH and VSM is attributable to differences in operating speeds of different routes and services. In FY14, a Comprehensive Operational Analysis will be conducted to review AVTA's transit services and may result in recommendations for additional service hours.

No changes are assumed in the FY14 Business Plan for the level of Dial-a-Ride vehicle service hours. It is also important to point out that DAR services are reimbursed on a per trip basis rather than by the number of vehicle service hours. It is estimated that DAR will make approximately 33,000 passenger trips in FY14. AVTA caps the number of DAR trips per contract.

Goals and Performance Standards

The Antelope Valley Transit Authority will continue to focus on five key goals and measure associated performance indicators. The goal targets 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 system statistics. Other indicators are estimated based on historical data and current events. We are being more aggressive with our FY14 targets for schedule adherence, average hold time, miles between service interruptions, and boardings per vehicle service hours. The goals and targets for are discussed below.

Targets for cost per vehicle service hour and farebox recovery ratio are calculated based on actual budget projections. The direct cost of Dial-a-Ride service is not included in this discussion due to the inherent differences in service characteristics and because our contract service provider is reimbursed on a per trip basis as opposed to vehicle service hour.

Exhibit C – FY14 Performance Standards - summarizes the performance goals for FY14.

Exhibit C – FY14 Performance Standards (Excluding Dial-A-Ride Service)

Goal	Indicator	FY 2012 Actual	FY 2013 Target	FY 2013 Estimated	FY 2014 Target
Operate a Safe Transit System	Preventable Accidents per 100,000 miles	1.16	1.00	1.00	0.90
	Complaints Per 100,000 Boardings	24.54	27.00	20.0	10.00
Provide Outstanding Customer Service	Schedule Adherence	96%	95%	95%	96%
	Average Hold Time	2:04	2:00	1:40	1:10
	Miles Between Service Interruptions	14,218	5,000	10,000	12,000
Operate an Effective Transit System	Boardings Per Service Hour	19.3	18.0	22.0	22.1
	Average Weekday Boardings	10,703	10,000	12,000	12,600
Operate an Efficient Transit System	Average Cost per Vehicle Service Hour	\$115.69	\$117.00	\$116.40	\$126.66
	Farebox Recovery Ratio	24.38%	23.23%	24.74%	22.40%

Each of the proposed performance standards is discussed below.

Preventable Accidents per 100,000 Miles (Lower is Better)

The number of preventable accidents incurred for every 100,000 miles of fixed route operation gives a measure of system safety. AVTA is projected to meet the current target of 1.00 preventable accidents per 100,000 miles in FY13. Through its continued focus on safety in FY14, AVTA is proposing to decrease the target 0.90 preventable accidents per 100,000 miles.

Complaints per 100,000 Boardings (Lower is Better)

In FY13 AVTA is projecting a total of 20 total complaints per 100,000 boardings. The proposed target for FY14 is set at 10 VALID complaints per 100,000 boardings. There has been an 18.5% decrease in complaints over FY12 which can be attributed to the continued communications and coordination with the public on service changes. Beginning in FY14, complaints reported

for purposes of this indicator will exclude duplicates and other complaints that are determined to be invalid. This is a departure from past practice, where all complaints were included, hence the large decrease in the target.

Schedule Adherence (Higher is Better)

Schedule adherence (on-time performance) is projected at 95% through FY13, consistent with the current year target. On-time performance is rarely 100% due to road construction, long-term detours, and heavy ridership. In FY14, running times are expected to improve on several of the Authority's most heavily utilized routes due to the implementation of service enhancements on routes that have traditionally experienced low on-time performance. We are therefore raising the bar and targeting 96% on-time performance in FY14.

Average Hold Time (Lower is Better)

Average Hold Time for FY13 is projected to be one minute 40 seconds (1:49), well below the previous fiscal year average of two minutes four seconds (2:04) and reflects an improvement of 19% compared to FY12. The targeted hold time for FY14 has been reduced to one minute ten seconds (1:10), assuming approval of the proposed addition of two new customer service representatives to decrease average hold time and lost calls.

Average Miles Between Service Interruptions (Higher is Better)

AVTA includes miles between service interruptions as an indicator for the goal of providing outstanding customer service. This indicator measures the overall performance of AVTA's maintenance function and reflects customer delays resulting from mechanical service interruptions. Please note that the definition of a service interruption was changed, thus FY12 actuals may not provide an apples-to-apples comparison to FY13 and FY14. The FY13 projections reflect 10,000 miles between service interruptions. In November 2012, AVTA replaced three commuter buses, and replaced 15 local diesel buses with 15 diesel hybrid buses. The 18 new buses will help the Authority achieve the FY14 target of 12,600 miles between service interruptions.

Boardings per Vehicle Service Hour (Higher is Better)

In FY13 the estimated 22.0 boardings per vehicle service hour reflects an increase of 14% over the previous fiscal year. The proposed target for FY14 will be 22.1 boardings per vehicle service hour.

Average Weekday Boardings

In FY13, average weekday boardings are projected at 12,000 per weekday, reflecting a 12% improvement over FY 2012 actual total. The FY14 target is 12,600 boardings per weekday.

Average Cost per Vehicle Service Hour

Service levels, contractual increases in operating costs, and fluctuations in fuel costs and increases in operating costs are the primary influences that impact AVTA's cost per vehicle service hour (VHS). The projected FY13 year-end cost per VSH systemwide is \$116.40, an

increase of 2.6% over FY12. The FY14 proposed cost per VSH is \$126.40, an increase of 8.5% over the FY13 projection. The increase is due in part of to the fact that AVTA was able to capitalize some fuel costs and consultant studies in previous years. This year all planning and consulting studies, as well as all fuel costs, are included in the operating budget. The total increase in the operating budget attributable to these accounting changes is approximately \$1.2 million.

Farebox Recovery Ratio

Passenger fares as a percentage of total operating costs (Farebox Recovery Ratio) measures the cost efficiency of transit services provided. In FY13, the farebox recovery ratio is projected to be 24.74%. The figure is heavily weighted by local farebox performance, as commuter farebox recovery ratios exceed 70%. In FY14, the farebox recovery ratio target is 22.40%, which assumes higher operating costs and flat fare revenues in FY14 compared to FY13. An RFP for a fare study is scheduled to be issued in May 2014 to identify weaknesses in our current fare structure and develop strategies for increasing revenues. Staff is implementing fare enforcement strategies to help mitigate a decreasing trend in fare revenues collected on local transit service. We began to see significant increases in March and April of 2013, which we hope will result in a higher farebox ratio than established in the KPI table. The Transportation Development Act (SB325) requires a minimum farebox recovery ratio of 20 percent of operating expense net of depreciation and other specified costs.

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SERVICE SUMMARY

Service Hours, Routes and Fares for Fiscal Year 2014

The FY 2014 Business Plan includes:

- Operations for 13 local fixed routes;
- Five supplemental routes that coordinate with school schedules;
- Three commuter express lines connecting Antelope Valley residents to Downtown Los Angeles, Century City, and the San Fernando Valley; and
- The North County TRANSporter, providing supplemental Metrolink service between the Antelope and Santa Clarita Valleys.

Annual vehicle service hours for each mode are shown in the table below.

Exhibit D - FY14 Vehicle Service Hours (excluding Dial-A-Ride Service)

Service Category	Routes	Vehicle Service Hours
Local Transit	1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 15, Lake L.A. Express, 94, 96, 97, 98, 99	143,706
Commuter Express	North County TRANSporter, 785, 786, 787	25,190
Totals		168,896
<i>*Planned FY 2014 Service Hour.</i>		

Local Service Routes

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 Lancaster to Palmdale via 10th Street West and Rancho Vista Boulevard (Avenue P), and 47th St. East and Avenue S. Route 1 makes daily connections to all major transfer locations within the AVTA route network which includes Lancaster City Park, Palmdale Transit Center and the intersection of 47th St. East and Avenue S. During FY13, the route was improved to provide 30-minute headways and all 50-minute frequencies were discontinued.

Route 2: This line provides service throughout the City of Palmdale, connecting the west and east areas of the city. Route 2 provides service on a 30-minute frequency to the Palmdale Boulevard/47th St. East/Avenue S retail corridor. 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, connecting the west and east areas of the city. Route 3 provides service every 30 minutes through the Avenue R corridor. The service area includes single and multifamily residences, Palmdale High School, the 47th St. East and Avenue S retail corridors, Palmdale City Hall and the Palmdale Transportation Center.

Route 4: This line provides service within the City of Lancaster, operating every 60 minutes (hourly). Single transfer connections can be made with most AVTA local and commuter lines. Major stops include the Los Angeles County Services offices, the Lancaster Metrolink Station, the Lancaster City Park Transit Center, the AVTA offices, operations and maintenance facility and the Michael D. Antonovich Courthouse. Staff is currently analyzing the possibility of expanding service on this route, possibly with new Zero Emission Buses, if funding can be identified.

Route 5: Connecting Quartz Hill to the City of Lancaster, Route 5 runs hourly and provides connections along Avenue L to the shopping centers and businesses along that corridor, terminating at the Lancaster City Park Transit Center. The main passenger generators are the Mayflower Gardens senior housing complex, the shopping centers along 20th St West, the Auto Mall and the Kaiser Permanente Facility.

Route 6: This line provides service to the communities of Little Rock and Sun Village, with the route beginning at 47th East/Avenue S. It proceeds east on SR-138 to 82nd St. East, and then turns north toward Sun Village. Continuing north, the route makes a loop to serve Jackie Robinson Park and Littlerock High School. Due to low ridership, service was reduced in March 2013 to peak hour-only service. At the same time, operating hours were extended in the evening to allow Littlerock patrons to connect back to the 47th St. East/Avenue S bus stop in the evening. This line operates on a 90-minute frequency and provides a single point of transfer to the cities of Palmdale and Lancaster on the Route 1, Lake Los Angeles on the Lake LA Express and to Pearblossom on the all new route 15.

Route 7: Operating on a 60-minute frequency, this line connects passengers to the west side of both Lancaster and Palmdale. Route 7 originates at the Lancaster Senior Center, travels north on 10th Street West, turns west on Avenue H and then south on 50th Street West. After serving High Desert Hospital, the route continues south on 60th Street West, cuts over to 50th Street West via Avenue L-8 and then turns southeast onto Rancho Vista Blvd. to serve the residential areas of Rancho Vista and Quartz Hill. The route terminates at the Palmdale Transfer Center. The main passenger generators are the Antelope Valley Mall, the retail centers along 10th

Street West and Rancho Vista Blvd., Quartz Hill High School, High Desert Hospital, and the Lancaster Senior Center.

Route 10: In March 2013, the service on Route 10 was modified to improve service. New connections and stops were added to allow passengers to transfer at major points within the service area, such as Rancho Vista Blvd. and 10th Street West. New stops were added along Palmdale Blvd. and at Avenue J and Fig Street, in order to serve the University of Antelope Valley campus at that location.

Route 11: This line provides service throughout the City of Lancaster, connecting the west and east sides of the city. Route 11 serves Avenue I from 30th St East westbound to Valley Central Way on 30-minute frequencies. The route travels along Valley Central Way to Lancaster Blvd., turning east to 15th Street West. The route continues south on 15th Street West to Avenue K-8, continuing eastbound to the Lancaster City Park Transit Center. Main passenger generators are businesses along Valley Central Way, Antelope Valley Hospital, the Lancaster Senior Center, the Employment Development Department offices and the Department of Motor Vehicles. This route is another candidate staff is considering for a ZEB demonstration project.

Route 12: Similar to Route 11, Route 12 also provides passenger connectivity between the west and east side areas of the City of Lancaster. Route 12 serves Avenue J from 30th St East to 30th St. West on 30-minute frequencies. After stops along Valley Central Way, the route continues south on 30th Street West turning eastbound on Avenue K, south on 17 St. West, and finally turning east on Avenue K-8 to the Lancaster City Park Transit Center. Main passenger generators are Antelope Valley College, the businesses along Valley Central Way, and the Lancaster Senior Center. Connections to the Lancaster Metrolink Station can also be made from this line.

Route 15: For several years, requests were made from residents in the community of Pearblossom for transit services. In response to these requests and after soliciting community input a new Route 15 began service in March 2013. The route operates on a 60-minute frequency on six trips throughout a day, utilizing Pearblossom Highway. Transfer connections can be made to Routes 1, 2, 3 and 10, connecting Pearblossom residents with the rest of the Antelope Valley.

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 and then turning north to Avenue J. The route continues eastbound on Avenue J with a stop at 30th Street East before turning south at 170th Street East. The route works its way through Lake Los Angeles before turning westbound, with stops in Sun Village and the Antelope Valley Medical Center. The route then proceeds to Avenue P and then northbound to the Palmdale Transit Center. This route operates on a variable 60 to 120 minute frequency.

Supplemental Local Service

The following supplemental routes operate during peak morning and afternoon hours, alleviating passenger overcrowding caused by increases in student ridership. Service is open to all patrons.

Route 94: This line provides tripper service that includes Eastside and Antelope Valley 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 Route 6 during the afternoon peak periods only. The route includes connections at Littlerock High School, Almondale Middle School and the 47th and S retail hub.

Route 97: This line provides tripper service to and from Highland High School and along Rancho Vista Boulevard in support of Route 7, terminating at the Palmdale Transit Center.

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

Route 99: Similar to Route 96, Route 99 provides additional service to alleviate crowding at Little Rock High School, but duplicates the Lake LA Express route heading eastbound to Town Center Plaza and terminating at 170th Street East & Ave K-8.

Fares

Local Fare Structure

AVTA's three service modes, Local, Commuter and Dial-A-Ride, each have their own fare structure. This section outlines the fares for each type of service.

AVTA's fares for local services are summarized in the following table:

Exhibit E.1 - Local Service Fare Table

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

In March 2010, the AVTA Board of Directors adopted a free fare policy for Senior Citizens, Disabled, and Active and Veteran Military customers. Up to four children may ride the fixed route system at no charge when traveling with a paying adult. Plans are underway to issue an RFP for a comprehensive fare study in May 2014. The study will review all aspects of AVTA's fare policies and make recommendations on strategies to maximize farebox revenue.

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 for commuter services. All commuter fares are discounted 50% for senior and disabled passengers.

Route 785 to Los Angeles: This line operates a total of 16 trips, carrying passengers to the Downtown business district of Los Angeles, between First and 8th Streets on the north and south, and from Main to Figueroa Streets on the east and west. There are eight morning departures from the Antelope Valley between 3:45 a.m. and 6:20 a.m. and eight afternoon departures from Los Angeles between 3:00 p.m. and 5:30 p.m. Trip times average two hours each way. An additional trip was added to the a.m. and p.m. service with the March 2013 service changes in response to ongoing crush loads.

Fares for Route 785 are outlined in the following table:

Exhibit E.2 – Route 785 Fare Table

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 at the University of California, Los Angeles. There are four morning departures from 4:00 a.m. to 5:40 a.m. There are 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 following table:

Exhibit E.3 – Route 786 Fare Table

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 16 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 eight morning departures from 4:00 a.m. to 6:20 a.m. There are eight afternoon departures from San Fernando Valley from 2:30 p.m. to 5:35 p.m. Due to lower than average ridership, one a.m. trip and one p.m. trip were removed; frequencies were also changed from 20-35 minutes to 20 minutes.

The fares for Route 787 are outlined in the following table:

Exhibit E.4 – Route 787 Fare Table

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 supplemental demand response service to residents of Lancaster, Palmdale, and the unincorporated portions of Los Angeles County within the Antelope Valley. The 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 south, and Interstate 5 on the west. AVTA Dial-a-Ride is supplemental to the service provided by Access Services, the agency responsible for providing complementary ADA paratransit services throughout Los Angeles County.

Dial-A-Ride service is provided by American Logistics Company (ALC) as a contractor to AVTA. ALC provides curb-to-curb service in designated urban and rural areas that lie within the AVTA service area. In rural areas, DAR operates Monday through Sunday and serves the general public. In urban areas, 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, 177th St. East, 70th street West and Avenue V-8 to the south.

DAR clients may reserve a ride up to two days in advance. Standing (subscription) orders may be scheduled and currently make up approximately 22% of total trips. AVTA's contract with ALC limits the number of trips to 33,000 annually.

The fare structure is detailed in the following table:

Exhibit E.5 – Dial-A-Ride Fare Table

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 2014

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

Route 4/7: Both Routes 4 and 7 provide service on a 60-minute frequency. In the morning, service begins in the middle of the route and not at the first time point. Staff will analyze operating results and make adjustments so that service commences at Lancaster City Park (first time point eastbound) and at the bus stop at Sierra Highway and Lancaster Blvd.

Route 11/12: Routes 11/12 provide 30 minute frequencies between the hours of 5:15 am and 12:05 a.m. Staff will analyze running times, operator recovery times and service levels during the late evening hours. The routes deviate on westbound trips, missing four time points between 7:43 pm and 12:05 am.

Supplemental Service: The routes listed above are prime candidates for a zero emission bus demonstration project serving low-income employment seekers. The Authority is working to identify funding for such a project, which would increase AVTA's levels of service and add two buses to the fleet. Staff will be analyzing actual service loads on supplemental services and comparing them to loads on service already provided for local schools, in order to determine the true need for supplemental service along certain corridors. Staff will also be coordinating with local school districts to coordinate and improve service through their respective areas.

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 43 passengers and have two wheelchair positions. The front of the bus can be lowered to accommodate passengers who have difficulty boarding. Fifteen of these buses are new diesel hybrids that were put into service in November 2012, and the rest are conventional diesel units. Future replacements will be 2013 CARB approved “clean diesel” powered buses that are environmentally friendly. AVTA maintains 43 local buses and 28 commuter coaches, for a total of 71 units in the fleet.

The Commuter Services to Downtown Los Angeles, West Los Angeles and the San Fernando Valley use a mix of vehicles which seat 53 passengers. The commuter coaches are lift-equipped, feature high-back reclining seats, individual reading lights and air conditioning vents for passenger comfort. On-board restrooms add an extra convenience.

Support vehicles play an important part in the operations of AVTA. A variety of trucks and vans are used by road supervisors, management, and the maintenance staff. AVTA maintains 23 support vehicles.

Dial-A-Ride Service is provided by American Logistics Company, acting as a broker and using local subcontractors to deliver the service. ALC currently contracts for 14 vehicles, depending on the demand. The fleet includes wheelchair accessible vehicles.

Exhibit F – Revenue Vehicle Fleet Inventory as of April 2013

Service Type	Number in Class	Year and Model	Seats	Scheduled Replacement
Local Transit	1	2001 40' Gillig Low Floor	38	CY 2015
Local Transit	3	2008 Chevy Passport C5500	32	CY 2013
Local Transit	5	1992 40' Gillig Phantom – High Floor	43	CY 2015
Local Transit	6	2003 40' North American Bus Indus.	40	CY 2015
Local Transit	13	2004 40' Gillig Low Floor	39	CY 2016
Local Transit	15	2013 40' Gillig Low Floor Hybrid	39	CY 2025
Total Local Transit	43			
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
Commuter	6	2013 45' MCI Highway Coach	53	CY 2020
Total Commuter	28			
Total Active Fleet	71			
Commuter*	3	1999 45' MCI Highway Coach	53	CY 2012
Total Fleet	74			

* These three vehicles were retained to maintain appropriate spare ratios during the scheduled refurbishments of other MCI Coaches. These will be removed from service in the beginning of FY 14.

AVTA Facilities

The FY14 capital plan includes approximately \$8.4 million for major facility projects. Highlights include:

Fleet Replacement and Refurbishments - \$3.4 million

Three Local Transit buses and 3 Commuter coaches will be replaced during FY14. No expansion units are planned unless funding can be identified for the purchase of two (2) electric buses for a proposed demonstration project.

Data and Communications - \$2.5 million

Intelligent Transportation System (ITS) 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.

Regional Partnership Projects – \$1.4 million

In partnership with the Cities Lancaster and Palmdale 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.

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CAPITAL SPENDING PLAN & ASSOCIATED GRANTS FOR FY 2014

The capital plan for Fiscal Year 2014 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 \$8,433,356. The following table lists total funding by project and indicates the percentage of federal funding.

Exhibit G – Fiscal Year 2014 Capital Program and Associated Grants

Vehicle Purchase and Maintenance

Replacements and Expansion

	3 Local Transit Replacement Coaches	\$1,299,000
9909056	Grant 968-11.12.01 - 100% federal share	
	3 Commuter Replacement Coaches	1,890,000
9909056	Grant 968-11.12.01 - 100% federal share	
	4 Supervisor Vehicles	180,000
9902011	Grant 799-11.13.04 - 80% federal share	
	1 Shop Truck	60,000
9902013	Grant 799-11.42.11 - 80% federal share	
	Vehicle Purchase and Maintenance Total	3,429,000

Major Bus Components

	Major Bus Components (engines, transmissions, differentials, particulate traps)	\$150,000
9909057	Grant 968-11.14.01 - 100% federal share	
	Major Bus Components Total	150,000
	Total Vehicles and Maintenance and Major Bus Components	\$3,579,000

Facilities and Regional Partnerships

Facility Maintenance

	General Maintenance	\$125,000
9902016	Grant 635-11.43.03 - 80% federal share	
	Wrought Iron Perimeter Fence Repaint	20,000
9902032	Grant 968-11.7A.00 - 100% federal share	
	Fencing Mezzanine	5,000
9902032	Grant 968-11.7A.00 - 100% federal share	
	Facilities Total	150,000

Regional Partnership Projects

	Regional Partnership Projects	
9909059	Grant 968- 11.92.02 - 100% federal share	\$1,300,000
	Engineering	
9909058	Grant 968- 11.91.02 - 100% federal share	100,000
	Regional Partnership Projects Total	1,500,000

AVTA Capital Program and Associated Grants

Other Projects

Major Equipment - Facilities

	Wheel Cleaner Machine	\$20,000
9909061	Grant 968-11.42.06 - 100% federal share	
	Tire Balancer	3,800
9909036	Grant 616-11.71.03 - 80% federal share	
	Fork Lift	30,000
9909061	Grant 968-11.42.06 - 100% federal share	
	Porta-Power Cylinder	3,500
9909036	Grant 616-11.71.03 - 80% federal share	
	Major Facilities Total	57,300

Data & Communications

	Records Management - TCM Document Management	\$100,000
9909035	Grant 616-11.71.03 - 80% federal share	
	ITS Implementation Upgrade (\$2.5 million)	
9909045	Grant 372-11.xx.xx - 80% federal share	100,000
9909038	Grant 616-11.42.20 - 80% federal share	560,000
9909007	Grant 799-11.42.08 - 80% federal share	673,000
9909054	Grant 875-11.41.09 - 92% federal share	500,000
9909055	Grant 875-11.42.09 - 96% federal share	667,000
	Tyler Incode Implementation	20,000
9909038	Grant 616-11.71.03 - 80% federal share	
	Tableau Desktop Software	4,800
9902002	Grant 799-44.24.00 - 80% federal share	
	Telephone System	86,250
9909053	Grant 875-11.71.03 - 92.90% federal share	
	Google Earth Pro	800
9909038	Grant 616 -11.42.20 - 80% federal share	
	ARC GIS Basic Concurrent	4,200
9909038		
	Data and Communications Total	2,716,050

Money Room Update

	Coin Conveyor System	\$17,800
9909036	Grant 616-11.71.03 - 80% federal share	
	Heavy Duty Coin Counter	24,000
9909036	Grant 616-11.71.03 - 80% federal share	
	Mixed Bill Counting Machine	21,120
9909036	Grant 616-11.71.03 - 80% federal share	
	Vault	43,800
9909036	Grant 616-11.71.03 - 80% federal share	
	Money Room Equipment Total	106,720

AVTA Capital Program and Associated Grants
Computer Equipment

41 Workstations		
9909045	Grant 372-11.XX.X-80% federal share	\$16,000
9909036	Grant 616-11.71.03- 80% federal share	25,000
6 Maintenance Kiosks		
9909036	Grant 616-11.71.03 - 80% federal share	12,000
6 Board Laptops		
9909036	Grant 616-11.71.03 - 80% federal share	12,000
Server Room Upgrade		
9902016	Grant 635-11.43.03- 80% federal share	60,000
9 Network Switches		
9909036	Grant 616-11.71.03 - 80% federal share	31,500
Computer Equipment Total		156,500

Procurement Support

Procurement Tracking Software		
9909038	Grant 616-11.42.20 - 80% federal share	\$50,000
Procurement Support Total		50,000

Security - Bus and Facility

Safety & Security Emergency Preparedness Planning		
9909052	Grant 875 -11.79.00 - 97.96% federal share	\$22,000
Hazard Mitigation		
Prop 1B TS	Prop 1B DOH Security	95,786
Safety - Bus & Facility Total		117,786

Total Other Projects	\$3,204,356
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FY14 Capital Program	\$8,333,356
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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 Program Update: Map-21

Moving Ahead for Progress in the 21st Century (“MAP-21”) is a new federal program that authorizes funding for federal transit and highway programs for the two years ending Fiscal Year 2014. Along with considerable influence from APTA, the bill was signed into law by President Obama on July 6, 2012, completing a legislative process that spanned almost three years and 10 extensions of the old funding program, Safe, Accountable, Flexible, Efficient Transportation Act – A Legacy for Users (“SAFETEA-LU”).

Simplification and consolidation of programs are common themes throughout MAP-21, while discretionary programs are greatly reduced; most funds are delivered to public transportation agencies through core formula programs. Under the new law, much of the federal transit program structure remains in place, retaining formula programs that distribute mostly capital assistance based on need. The new law eliminates the bus and bus facilities program where funds were distributed through earmarks or competitive grants and replaced it with a program that distributes bus and bus facility funds by a formula. The law also allows small transit systems in large urban areas to use a portion of their formula funds for operating costs, such as preventive maintenance and regular overhead expenses.

Under MAP-21: 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. The federal share of any transit capital project typically 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. MAP-21, the new reauthorization bill, allows large UZAs with fewer than 100 buses to use up to 75% of their annual allocation for operating expenses, as long as the expense is matched 50% with local or state funds. While AVTA intends to make use of this provision in FY14, MAP-21 also resulted in lower overall federal funds for AVTA, limiting our ability to maximize operating funds during periods when buses are being replaced.

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, San Fernando and West 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.

Under MAP-21: FTA Section 5337 State of Good Repair - Section 5337 is a new formula-based program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit systems with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT). These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development.

Under MAP-21: Section 5339 Bus & Bus Facilities – Section 5339 provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities.

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. AVTA occasionally receives these funds via the County of Los Angeles as part of their operating or capital contribution.

Section 5316 Job Access and Reverse Commute Program (JARC): (FOLDED INTO MAP-21) 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. In past years, 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) and variations thereof 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) Formula Allocation Procedure (FAP) - AVTA's operating funds received through LA Metro are subject to a process called the Formula Allocation Procedure ("FAP"). It's share of federal capital funds as allocated to the Los Angeles Long Beach UZA 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.



LA Metro Subsidies

Overall, Metro subsidies allocated to AVTA increased by approximately 6% between FY 2013 and FY 2014.

CAPITAL PROGRAM

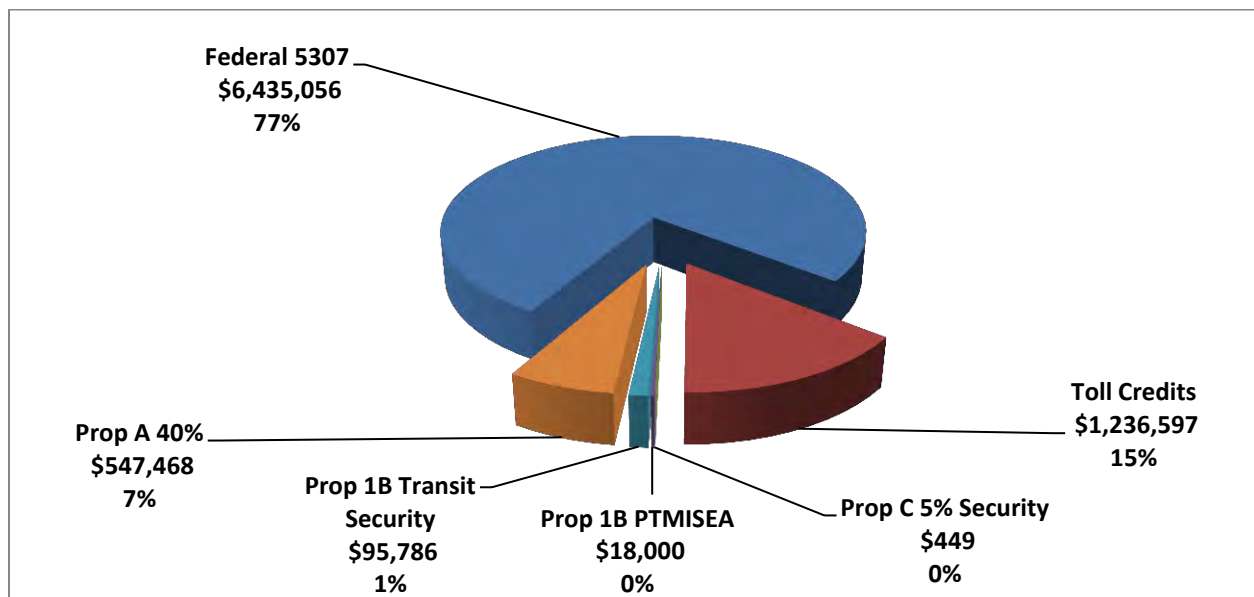
Capital Revenues

AVTA has identified capital needs in FY14 totaling \$8.4 million. The budgeted capital revenues are composed primarily of federal capital funds, with no increase in capital contributions expected from AVTA’s members. Capital expenditures are discussed in more detail in the next section.

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 the Lancaster/Palmdale UZA and also receives partial funding from the Los Angeles UZA via Los Angeles Metro as a result of commuter service. The FY14 Business Plan includes \$28,000 in the LA UZA share of Sec. 5307 funds that were originally allocated in FY13. AVTA’s share has been over \$300,000 in the past but the decrease is offset entirely by the additional federal funding AVTA now receives directly from FTA. 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.

As shown below, funding for capital expenditures in FY14 is primarily from the prior year carryover of FTA Section 5307 funds and associated toll credits (totaling \$7.7 million in 5307 funds of the \$8.3 million total). Additional funds will be provided by Proposition A 40% Discretionary sales tax revenues, Proposition C 5% Security sales tax revenues, and Proposition 1B PTMISEA funds and Proposition 1B Transit Security bond revenues.

Fiscal Year 2014 Capital Funding Sources - \$8.33 million

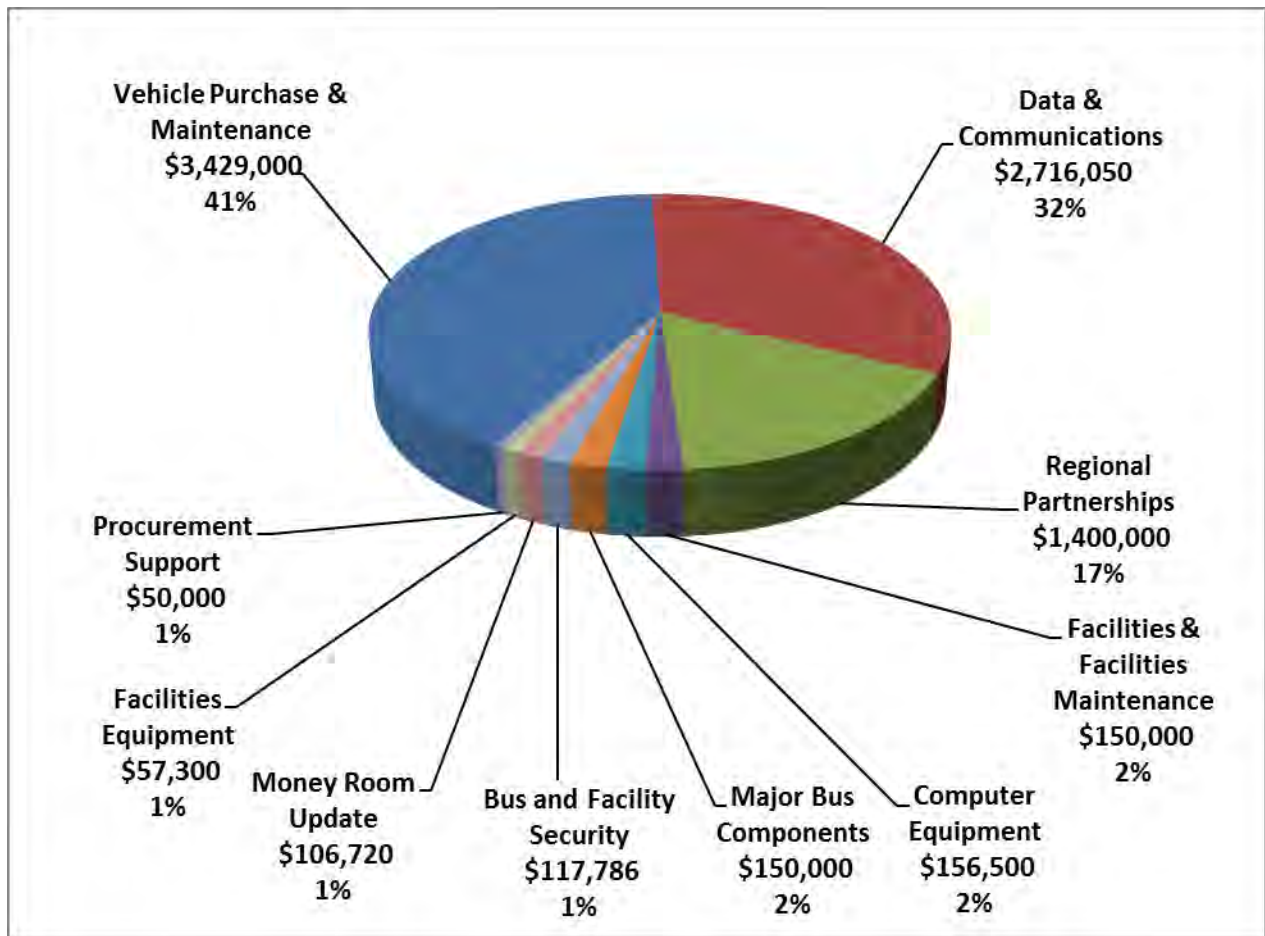


Capital Expenditures

Exhibit I below breaks out the capital projects planned for FY 2014, totaling \$8.3 million.

A total of \$3.4 million will be spent on revenue- and non-revenue vehicles, and refurbishment programs. \$2.5 million is included for the Intelligent Transit System implementation (part of Data & Communications), and \$1.4 million is included for Regional Partnership projects such as bus stop improvements and transit-oriented developments. A consultant is being hired to develop formal guidelines for this program.

Exhibit I – Fiscal Year 2014 Capital Projects - \$8.33 million



FY 2013 Capital Funds Carryover

The FY 2014 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 \$8 million in federal carryover funds, which have been included in the proposed FY14 Capital Plan.

Exhibit J – Estimated Federal Grant Funding Carryover

Project Description	Balance on July 1, 2012	Cumulative Estimated Expenditures through June 30, 2013	Estimated Carryover Funds Available
Vehicle Purchase and Maintenance	16,342,995	(13,479,795)	2,863,200
Facility Phase II Construction/Facilities	7,057,840	(6,412,583)	645,257
Regional Partnership Projects	1,500,013	(634,896)	865,117
Major Equipment- Facilities	297,082	(251,242)	45,840
Data & Communications	2,594,218	(319,618)	2,274,600
Major Equipment- Admin Support	137,199	(25,199)	112,000
Security - Bus & Facility	1,400,138	(1,382,538)	17,600
Planning	1,066,404	(802,404)	264,000
Preventive Maintenance	4,266,903	(3,275,278)	991,625
Operating Assistance	0	0	0
Total Carryover Funds	34,662,792	(26,583,553)	8,079,239

In addition to the carryover funds detailed above, the Authority is programming \$8,684,635 of Federal Fiscal Year (FFY) 2013 FTA allocations under the provisions of MAP-21 in the FY14 Business Plan.

The following table details these existing and new funding programs under MAP-21, split between the Lancaster-Palmdale UZA and the LA Metro UZA.

Exhibit K – FY 14 Federal Funding under MAP 21

Description	Lancaster-Palmdale UZA	LA/LB UZA	Total
5307 - Formula Funds	\$7,651,957	\$28,312	\$7,680,269
5337 – State of Good Repair	0	506,648	506,648
5339 – Bus & Bus Facilities	494,071	3,647	497,718
Total	\$8,146,028	\$538,607	\$8,684,635

Five-Year Capital Improvement Program

FY14 brought changes to AVTA’s capital funding amounts. In previous years, the Authority received about \$9.2 million in 5307 Formula Funds under SAFETEA-LU; even with the addition of the 5339 State of Good Repair program, MAP-21 reduced overall federal funding for AVTA to \$8.7 million.

The FY14 Five-Year Capital Improvement Program, AVTA is continuing the emphasis on bus replacement, while coping with the \$.5 million funding shortfall by reducing other categories. By Fiscal Year 2019, the Authority will have replaced the entire local transit fleet and the majority of its commuter coaches with a capital investment of \$24.2 million. Of note is the \$2.8 million commitment to Regional Partnership projects over the five-year period. Projected annual expenditures for more routine capital expenditures are shown in the following table.

Exhibit L – Five-Year Capital Improvement Plan

Category	FY14	FY15	FY16	FY17	FY18	Total Five-Year Plan
Vehicle Purchases and Refurbishments	\$3,429,000	\$5,739,880	\$3,335,588	\$2,937,905	\$5,591,494	\$21,033,866
Major Bus Components	150,000	75,000	75,000	75,000	75,000	450,000
Facilities & Shop Equipment	314,020	100,000	100,000	100,000	100,000	714,020
Regional Partnership Projects	1,400,000	450,000	350,000	350,000	350,000	2,900,000
Data, Computers, Software & Communications	2,922,550	100,000	100,000	100,000	100,000	3,322,550
Bus & Facility Security	117,786	96,000	96,000	96,000	96,000	501,786
TOTALS BY YEAR	\$8,333,356	\$6,560,880	\$4,056,588	\$3,658,905	\$6,312,494	\$28,922,222

Capital Reserves

In FY 2012, AVTA set up a separate, interest bearing account for capital reserve contributions received from each member jurisdiction, where funds are deposited in accordance with the AVTA’s Investment Policy.

The capital and operating reserve contribution amounts have not changed in seven years except for minor adjustments for service additions. The use of capital reserve funds in recent years has been limited to providing capital matching funds for new buses. As shown in Exhibit M below, the current reserve balance and contribution levels are sufficient to cover all matching requirements for the next five years.

As part of the development of the FY14 Business Plan, staff received board direction to review the results of the FY13 Financial Audit in December 2013 and come up with an annual analysis to evaluate AVTA’s financial position and determine if a retroactive credit could be given to the jurisdictions based on the actual results of revenues, expenditures, grants and needs.

Exhibit M – Adequacy of Capital Reserve for Local Match Requirements

Description	FY14	FY15	FY16	FY17	FY18
Total Bus Purchases					
Local	3	12	7	6	0
Commuter	3	0	0	0	7
Beginning Capital Reserve Balance	\$4,668,161	\$3,629,836	\$3,103,550	\$2,935,907	\$2,828,918
Jurisdictional Capital Contributions	460,896	460,896	460,896	460,896	460,896
Estimated Interest	16,000	18,000	16,000	17,000	18,000
Capital Reserve Required for local Match	(1,515,221)	(1,005,182)	(644,538)	(584,886)	(982,924)
Ending Capital Reserve Balance	\$3,629,836	\$3,103,550	\$2,935,907	\$2,828,918	\$2,324,890

The figures confirm that the reserve balances are adequate to fund bus replacements as they reach the end of their useful lives. Costs for replacement buses have been inflated by 3% annually to account for inevitable price increases. However, without an increase in capital reserve contributions at some point in the near future, AVTA will exhaust the capital reserve balance in the middle of the next planned bus replacement cycle (by FY25). This issue needs to be reviewed and a policy developed to ensure sustained funding for capital needs.

Toll Credits

AVTA is also eligible to use part of its federal funding allocation in the form of toll credits instead of local matching funds, as long as appropriate applications are made and approved prior to the purchase. The use of Toll credits mean that a \$450,000 bus can be purchased with \$450,000 in federal funds instead of 80% federal funds (\$360,000) and 20% local match (\$90,000). This allows AVTA to use more federal capital funds, and less matching funds, but doing so results in less federal funds available for other capital projects. Local match requirements for projects other than buses must be provided from operating funds unless toll credits or other special programs are available, such as MAP-21.

New guidelines under the provisions of FTA/MAP-21 funding permit the broader use of toll credits to fund operations as well; again, to do so will result in less federal funding available for capital spending.

The following table shows the amounts of available toll credits in FY14.

Exhibit N – FY14 Toll Credits Available

Description	FY14 Available Toll Credits
Capital Toll Credits	\$1,236,597
Preventive Maintenance Toll Credits	820,000
Operating Toll Credits	2,830,236
Total	\$4,886,833

FY14 OPERATING BUDGET REVIEW

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

Operating Revenues

AVTA's operating revenues are comprised primarily of fare revenues, LA Metro operating subsidies and contributions from member jurisdictions. A small portion of the operating funding consists of auxiliary revenues such as the SCE Rebate Program, advertising revenues and interest from investments. The chart below depicts the budgeted operating revenues for FY14.

Funding Sources Eligible for Operations

Prop A 40% Discretionary (net of Local Match)	\$3,769,572		
Measure R 20% Bus Operations	2,095,731		
Prop C 40% Municipal Operators Service Improvement Program (MOSIP)	993,130		
Prop A 5% of 40% Incentive - DAR	419,711		
Prop C 40% Transit Service Expansion	348,739		
Prop C 5% Transit Security	179,080		
Prop C 40% Bus Service Improvement	44,262		
Prop C 40% Foothill Mitigation	27,998		
Total Local Subsidies		7,878,223	
FTA 5307 Operating Subsidy	2,830,236		
FTA 5307 Preventive Maintenance Program	3,280,000		
Total Federal Subsidies		6,110,236	
Total Local and Federal Operating Subsidies			\$13,988,459
Mobility Management		165,000	
Voucher Program		184,000	
JARC Funds made available for Operations			349,000
Farebox Revenue			4,884,923
Total Auxiliary Revenues			460,000
Los Angeles County		741,060	
City of Palmdale		1,363,120	
City of Lancaster		1,373,704	
Total Jurisdictional Contributions			3,477,884
Total Funds Applied to Operations			\$23,160,266

Fare Revenues

Fare revenues are unrestricted revenues collected directly by AVTA from passengers. Even though statistics show an increase in boardings, AVTA realized a decrease in farebox recovery ratios for local service over the past several years as more and more people take advantage of AVTA's free ride program for seniors, disabled, veterans and military. The commuter program continues to show a strong farebox recovery ratio, in excess of 70% over the past 12 months.

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, measured against actual passenger boardings.

Local Sales Taxes

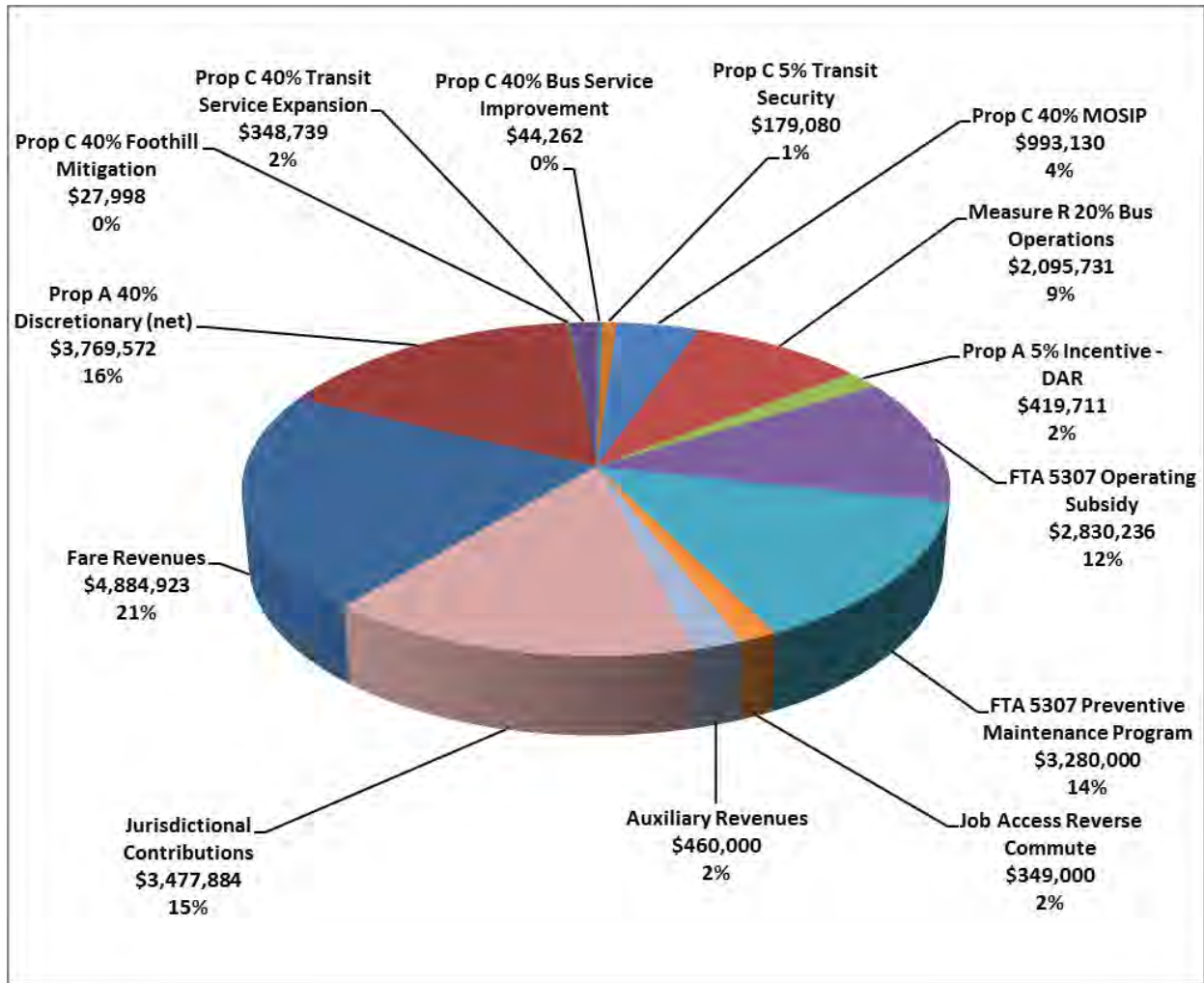
Local sales tax revenues include three Los Angeles County voter-approved sales tax measures. Each of these three half-cent sales tax measures have a portion dedicated to bus transit operations (Proposition A, Proposition C, and Measure R). Proposition A includes a 40% discretionary component that is allocated to the region's transit operators. As an eligible municipal transit operator in Los Angeles County, AVTA receives a formula allocation share of the 40% 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 their Consent Decree, ruled necessary by the 9th Circuit Court of Appeals in response to a lawsuit filed by the Bus Riders' Union. 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 even years of negotiation among the transit operators in Los Angeles County receiving funding from LA Metro.

Primary revenue sources are categorized as Fare Revenues; MTA subsidies (primarily local sales taxes derived from Propositions A and C and Measure R as discussed above); FTA operating subsidies, including annual operating authority and preventive maintenance; Jurisdictional Contributions; and Auxiliary Revenues. Jurisdictional contributions are projected at \$3.44 million for FY 2014. This includes \$147,000 subsidy from Los Angeles County to fund TRANSPORTER operations through the end of the FY14 budget year.

The following graph shows the major components of the primary revenue sources for FY14.

Exhibit P – FY14 Operating Revenue Sources - \$23.16 Million



FTA Funding

Operating subsidies allocated through the Los Angeles County Metropolitan Transportation Authority’s annual funding marks for FY14 are 6.3% higher than last year, as shown in Exhibit R, Fare Revenue vs. MTA Subsidies.

State Funding

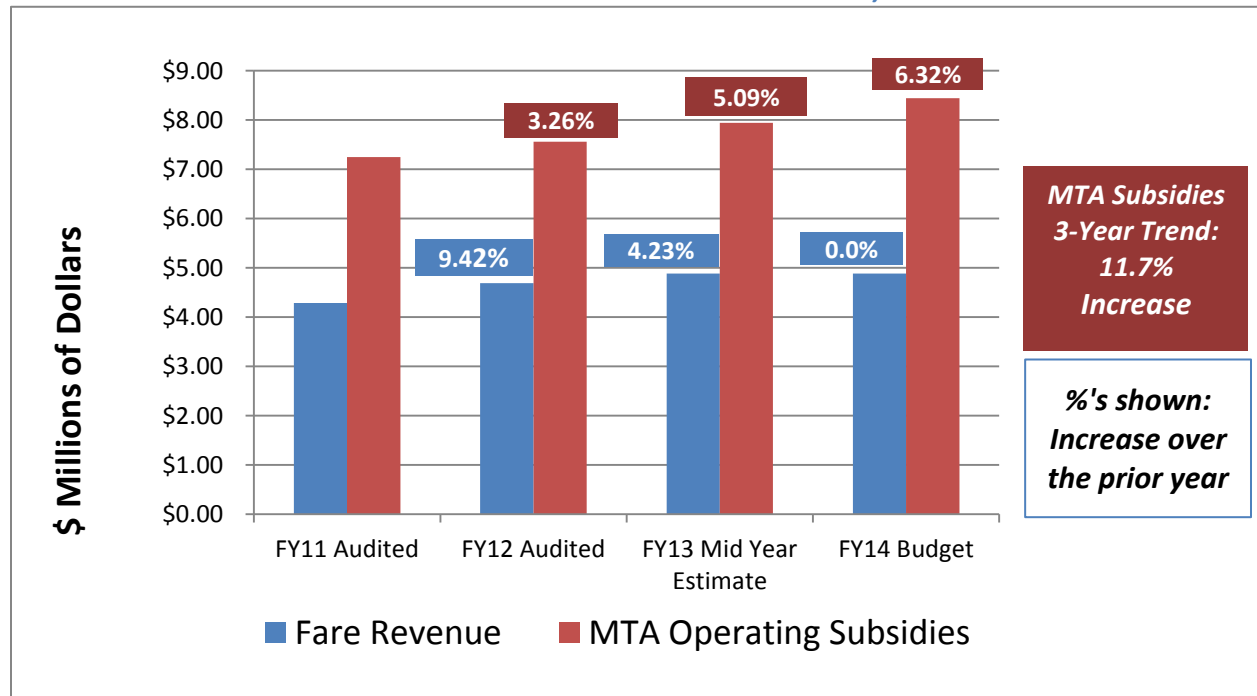
Proposition 1B funds are the only state funds that the Authority receives. Typically, the funds are provided in advance of their use; under GAAP rules, these funds are classified as deferred revenues until earned.

EXHIBIT Q – MTA Funding – FY13 vs. FY14

FUNDING SOURCE	FY13	FY14	\$ Change	% Change
Prop A 40% Discretionary	\$4,294,243	\$4,337,039	\$42,796	1.0%
Measure R 20% Bus Operations	1,780,011	2,095,731	315,720	17.7%
Prop C 40% Municipal Operators Service Improvement Program (MOSIP)	\$971,034	\$993,130	\$22,096	2.3%
Prop A 5% of 40% Incentive - DAR	\$344,454	\$419,711	\$75,257	21.8%
Prop C 40% Transit Service Expansion	\$342,237	\$348,739	\$6,502	1.9%
Prop C 5% Transit Security	\$145,107	\$179,080	\$33,973	23.4%
Prop C 40% Bus Service Improvement	\$43,437	\$44,262	\$825	1.9%
Prop C 40% Foothill Mitigation	\$23,469	\$27,998	\$4,529	19.3%
TOTAL	\$7,943,992	\$8,445,690	\$501,698	6.3%

It is also interesting to note that even though fare revenues have shown a slowing growth trend in recent few years, MTA subsidies have shown steady increases during the same period, as shown in the following illustration.

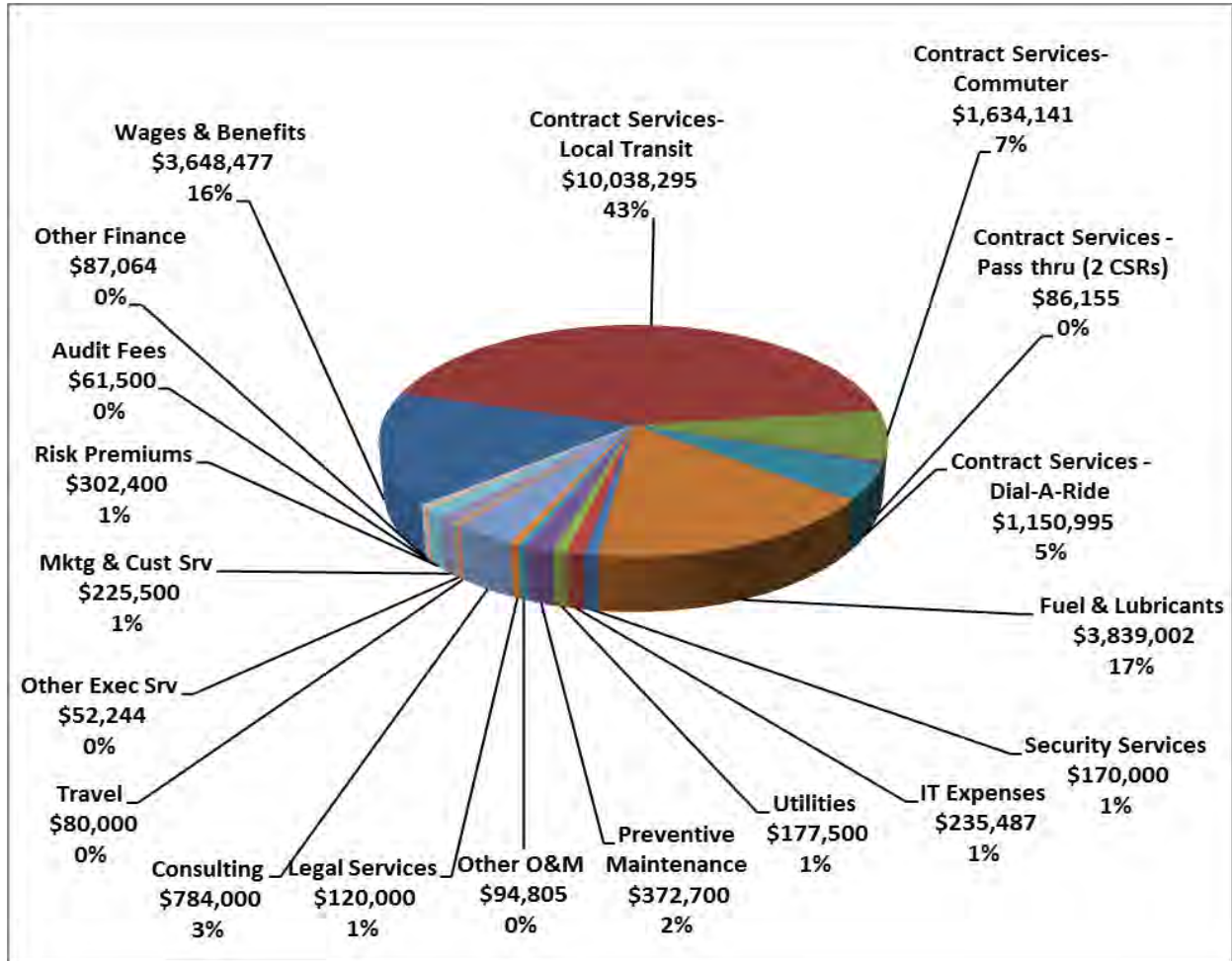
Exhibit R – Fare Revenue vs. MTA Subsidies, FY11 - FY14



OPERATING EXPENSES

The following chart illustrates the major expense components for the FY14 Budget.

Exhibit S – FY14 Operating Expenses - \$23.16 million



Key assumptions include a 5% maximum merit increase pool for wages and a 10% increase in premium costs for benefits. Budgeted increases are included in Local, Commuter and Dial-A-Ride service, effective January 1, 2014. Fuel costs are budgeted at \$5.00/gallon (See Exhibit T). Security services assume the continued presence of the Los Angeles County Sheriff's Department, two part-time fare validators, and a contracted security guard for the AVTA lobby, all in keeping with the principle strategic goals of increased safety and the reduction of fare evasion in AVTA Operations. Consulting for FY14 includes planning projects for a Fare Study, the Comprehensive Operational Analysis, the Voucher Program and Mobility Management Project under JARC, and outsourced work on the Authority's Short Range Transit Planning. The travel and training budget provide more training opportunities for management and staff, legislative trips to identify threats and opportunities occurring in the current dynamic political

climate, and more Board member participation in industry activities. Risk premiums assume a 10% increase for coverage costs.

FY13 vs. FY14: FTA Fuel Allowance & GAAP Presentation of FTA Funded Projects

In comparing FY13 Projections to FY14 Budget, two major changes in funding policy and accounting rules have had the effect of artificially increasing expenses for FY14.

First, \$784,000 in fuel was capitalized under a one-time exemption provided under FTA 5307 Formula Funds in FY13; this exemption was not made available for FY14.

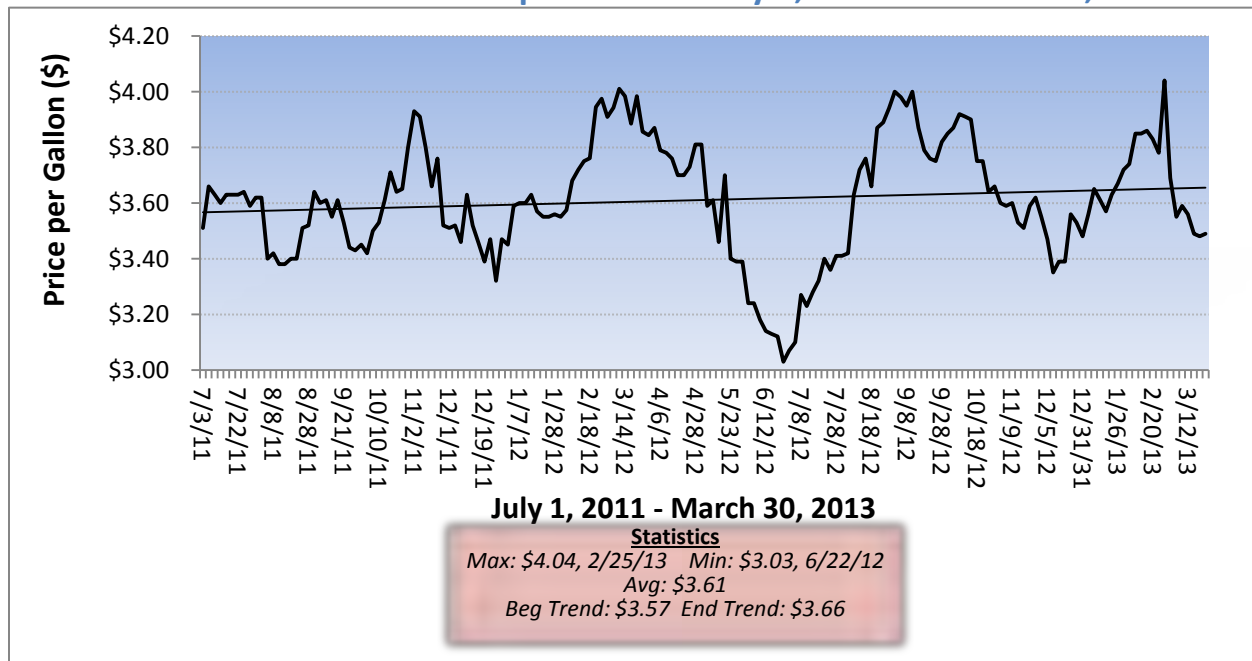
Secondly, in past years, projects that were “grantable” under federal funding guidelines were budgeted as capital expenses, but were reported as overhead in the Authority’s financial statements under GAAP rules. The FY14 budget is aligned with GAAP Principles; \$410,000 in consulting and planning projects funded with federal grants are categorized as Consulting expenses.

Diesel Fuel Price Trend

The cost of fuel continues to have a major impact on AVTA’s operating budget. As in prior years, fuel prices are assumed at \$5 per gallon for the FY14 Business Plan and the Five-Year Operating Scenarios.

Fuel cost trends for the period from July 2011 through March 2013 are shown below.

Exhibit T – Diesel Fuel Price per Gallon - July 1, 2011 to March 30, 2013



FIVE-YEAR FINANCIAL PLAN PROJECTIONS & SCENARIOS

Staff has developed two five-year plan scenarios for the FY14 Budget, which have been revised from the original presentations. The two scenarios revolve around TRANSporter operations. Scenario 1 continues TRANSporter operations without Los Angeles County support after FY14, while Scenario 2 discontinues them altogether after FY14.

These scenarios have been revised from those originally presented, as final funding marks were received from the Federal Register late in the month of May. On a net basis, FTA funding decreased by \$.5 million; Staff followed suit by adjusting the Capital Spending Plan downwards accordingly, spreading out the originally planned bus replacement schedule out one year, and reducing other capital spending where prudent.

For the out-years, the spending plan reductions combined with the more flexible guidelines for the use of 5307 Formula Funds that allow their use in an operating expense support role, ensured that the needs for both the Capital Spending and Operating Plans were met during the five year analysis period.

Both scenarios assume the following:

- Fare revenues: Local/fixed route assume a 2% ridership increase per year with no change in average fare. Commuter assumes a 2% ridership increase per year and a 1% increase in average fare per year. Dial-A-Ride is capped at 33,000 trips per year with no change in fares.
- Contributions: No change in jurisdictional operating contributions over FY12 levels assumed except for Palmdale's Bus Stop Maintenance Program, increased by 3% per year.
- Tax-based revenues increase by 3.5% per year.
- 5307 Operating Assistance inflows held constant with no change; 5307 Preventive Maintenance increased by 3.0%.
- Auxiliary Revenue increased 1.5% per year.
- Fuel is assumed to cost \$5 per gallon every year of the projections.
- Wages & Salaries increased 3% per year; operating expenses increased an average of 1% per Year.
- Federal Funding: For FY15 and thereafter, federal FTA funds are assumed to cover 80% of capital purchases; 75% of local match will be covered by toll credits. FTA support for Preventive Maintenance is still assumed. No FTA Operating Support is assumed, which is a change from the original scenarios.
- Subsidies: FY14 is the final year for TRANSporter subsidies from Los Angeles County.

The revised Scenarios 1 and 2 both produce positive net cash flows of \$1.386 million and \$2.289 million, respectively, over the five year analysis period.

In comparing the two scenarios, Scenario 2, discontinuing the TRANSporter service presents better results. While fare revenue and the Los Angeles County operating subsidies are no longer received, the drop is more than offset by the cost savings. FY13 Cost data shows that TRANSporter runs at a small annual deficit that averages \$14,000 per year over the analysis period for a total of \$84,000. Issues regarding appropriate fares for TRANSporter services will be addressed in the Comprehensive Operational Analysis planned in FY14.

In determining a figure for an operating reserve, three months of operational expenses averages to \$6.5 million. While both scenarios present an opportunity to add to operating reserves over the analysis periods, Scenario 2 gives the best result, adding a potential maximum of \$2,500,000 to the Operating Reserve balance after consideration of cash flow requirements at each fiscal year-end.

FY14 reflects a balanced budget, while the out-years for both scenarios represent modest favorable changes to net assets. Guidelines for MAP-21 and its funding components are still in development, and staff will continue to explore other funding opportunities and prudent expenditure control to improve results for the FY15-FY19 analysis period.

Exhibit U - Five Year Financial Plan, Scenario 1

5-YEAR FINANCIAL PLAN - Scenario 1

AVTA assumes cost of continuing the TRANSPORTER service in FY 14-15

OPERATING BUDGET	BUDGET	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 17-19	Totals
Operating Revenue							
Total Fare Revenue	\$4,884,923	\$5,003,659	\$5,125,502	\$5,250,538	\$5,378,851	\$5,510,532	\$31,154,005
Jurisdictional Operations Contributions	3,477,884	3,289,952	3,289,952	3,289,952	3,289,952	3,289,952	19,927,644
MTA Funding	8,227,222	9,047,054	9,379,042	9,709,830	10,024,659	10,409,283	56,797,090
5307 Funds for Operations & Preventative Maint	6,110,236	6,152,031	6,197,911	6,247,940	6,302,188	6,360,728	37,371,035
Auxiliary Revenue	460,000	466,900	473,904	481,012	488,227	495,551	2,865,593
Total Operating Revenue	\$23,160,266	\$23,959,596	\$24,466,310	\$24,979,272	\$25,483,878	\$26,066,046	\$148,115,367
Operating Expenditures							
Contractor Costs	12,909,586	13,279,428	13,660,110	14,051,952	14,455,285	14,870,450	83,226,810
Other Operating Expenditures	6,602,203	6,612,010	6,663,618	6,717,095	6,772,514	6,829,950	40,197,390
Wages and Benefits	3,648,477	3,739,689	3,833,182	3,929,011	4,027,236	4,127,917	23,305,513
Total Operating Expenses	\$23,160,266	\$23,631,128	\$24,156,909	\$24,698,058	\$25,255,035	\$25,828,318	\$146,729,714
Change in Net Position	\$0	\$328,469	\$309,401	\$281,214	\$228,842	\$237,728	\$1,385,653
Prior Year Carry over	460,000	460,000	788,469	1,097,870	1,379,084	1,607,926	5,793,349
Operating Revenue	23,160,266	23,959,596	24,466,310	24,979,272	25,483,878	26,066,046	148,115,368
Operating Expenditures	23,160,266	23,631,128	24,156,909	24,698,058	25,255,035	25,828,318	146,729,714
Change in Net Position- Excluding Carry-over	\$0	\$328,469	\$309,401	\$281,214	\$228,842	\$237,728	\$1,385,654
Estimated Available for Operating Reserves - With Carry over	460,000	788,469	1,097,870	1,379,084	1,607,926	1,845,654	1,845,654
Percentage of Operating Reserves Funded @ 3 months of Expenditures	7.94%	13.35%	18.18%	22.34%	25.47%	28.58%	

Exhibit V - Five Year Financial Plan, Scenario 2

5-YEAR FINANCIAL PLAN - Scenario 2

AVTA discontinues the TRANSPORTER service in FY 14-15

OPERATING BUDGET	BUDGET	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 17-19	Totals
Operating Revenue							
Total Fare Revenue	\$4,884,923	\$4,927,081	\$5,048,924	\$5,173,959	\$5,302,273	\$5,433,954	\$30,771,114
Jurisdictional Operations Contributions	3,477,884	3,291,835	3,293,765	3,295,743	3,297,771	3,299,849	19,956,848
MTA Funding	8,227,222	9,009,354	9,324,682	9,651,045	9,988,832	10,338,441	56,539,576
5307 Funds for Operations & Preventative Maint	6,110,236	6,152,031	6,197,911	6,247,940	6,302,188	6,360,728	37,371,035
Auxiliary Revenue	460,000	466,900	473,904	481,012	488,227	495,551	2,865,593
TOTAL OPERATING REVENUE	\$23,160,266	\$23,847,201	\$24,339,185	\$24,849,700	\$25,379,292	\$25,928,523	\$147,504,166
Operating Expenditures							
Contractor Costs	12,909,586	13,136,791	13,513,194	13,900,628	14,299,422	14,709,911	82,469,533
Other Operating Expenditures	6,602,203	6,469,374	6,516,702	6,565,772	6,616,651	6,669,411	39,440,113
Wages and Benefits	3,648,477	3,739,689	3,833,182	3,929,011	4,027,236	4,127,917	23,305,513
TOTAL OPERATING EXPENDITURES	\$23,160,266	\$23,345,854	\$23,863,078	\$24,395,411	\$24,943,310	\$25,507,240	\$145,215,158
Change in Net Position	\$0	\$501,347	\$476,107	\$454,289	\$435,982	\$421,283	\$2,289,008
Prior Year Carry over	460,000	460,000	961,347	1,437,455	1,891,743	2,327,725	7,538,271
Operating Revenue	23,160,266	23,847,201	24,339,185	24,849,700	25,379,292	25,928,523	147,504,167
Operating Expenditures	23,160,266	23,345,854	23,863,078	24,395,411	24,943,310	25,507,240	145,215,158
Change in Net Position- Excluding Carry-over	\$0	\$501,347	\$476,107	\$454,289	\$435,982	\$421,283	\$2,289,009
Estimated Available for Operating Reserves - With Carry over	460,000	961,347	1,437,455	1,891,743	2,327,725	2,749,009	2,749,009
Percentage of Operating Reserves Funded @ 3 months of Expenditures	7.94%	16.47%	24.10%	31.02%	37.33%	43.11%	

DEPARTMENTAL EXPENSES

FY14 Organizational Summary and Chart

Fiscal Year 2013 assumed 36.975 full time equivalents. The Fiscal Year 2014 Business Plan increases slightly to a total of 37.4125 full time equivalents, as follows:

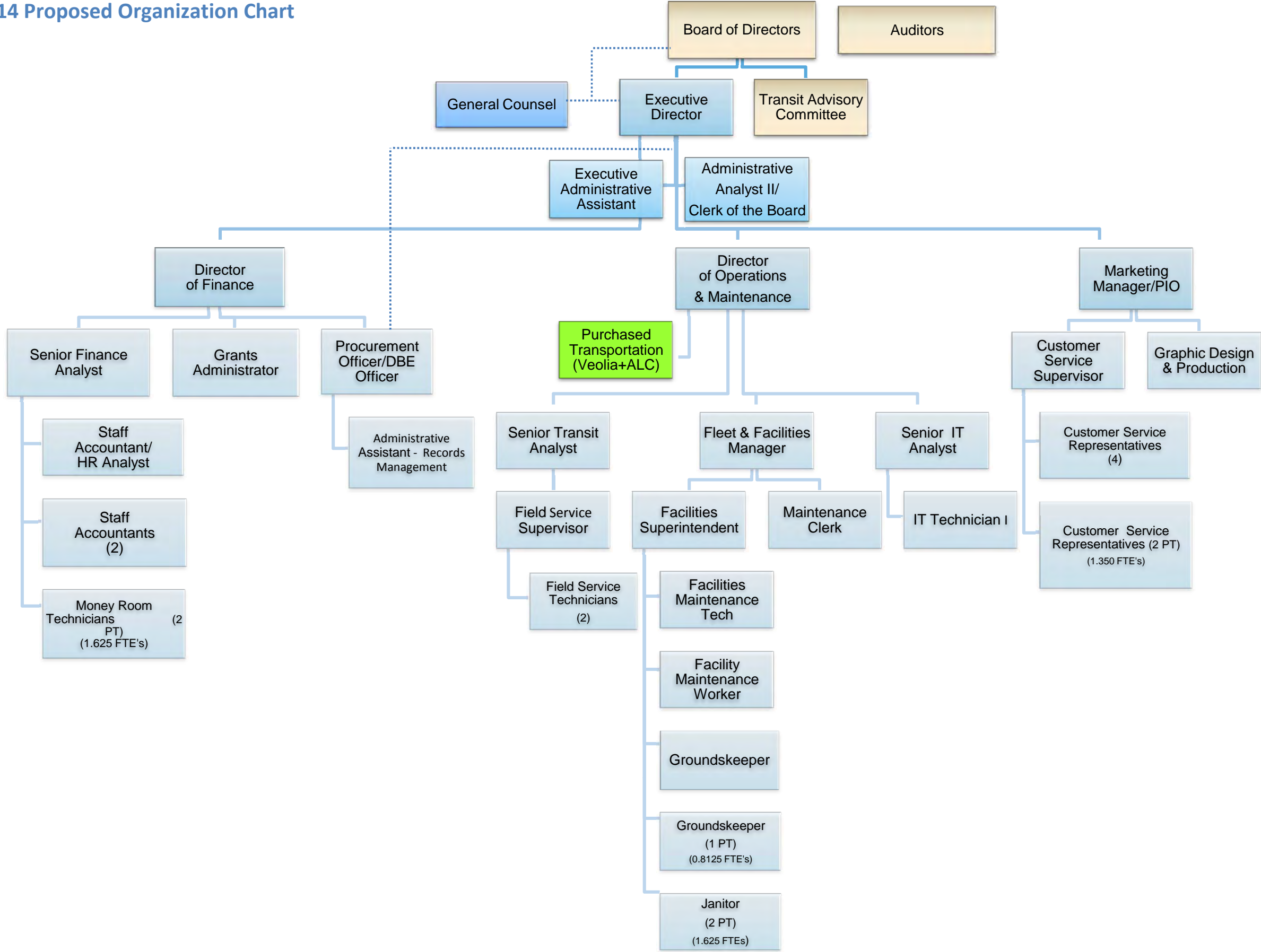
- 6 Management Positions
- 26 Full-Time Non-Management Positions
- 7 Part-Time Positions
(5 positions at 32 hours/week and 2 positions at 27 hours per week)

There are two primary assumptions for the budget. The first includes the conversion of the external general counsel position to a staff position, using the compensation of the vacant administrative services director and part of the traditional legal services overhead expense to result in a net zero cost to the Authority. The second assumption is changing one groundskeeper position from part-time to full time to handle a larger facility, a result of the completion of the Phase II Construction Project.

See Exhibit W, Proposed Organizational Chart for Fiscal Year 2014.

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Exhibit W - FY14 Proposed Organization Chart



Executive Services

The Executive Director provides leadership and direction to ensure the Antelope Valley Transit Authority implements its mission, goals and objectives in accordance with Board policy. 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 ensures sound ethics and fiscal management for the agency consistent with federal, state and local laws and sound accounting practices, emphasizing the most effective use of taxpayer funds through continuous improvement.

The Executive Director's office ensures activities throughout the agency are properly coordinated, and ensures follow through and timely communications with concerned stakeholders. This includes public outreach to community and business stakeholders, as well as 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.

ANTELOPE VALLEY TRANSIT AUTHORITY DEPARTMENT SUMMARY

FISCAL YEAR 2014

PREPARED BY: JULIE M. AUSTIN						
EXECUTIVE SERVICES		FY12	FY13		FY14	
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YEAR END PROJECTIONS	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
9701001	Salaries & Wages - Full Time				558,982	
9702001	Salaries & Wages - Part Time				-	
9701002	Overtime Wages				10,000	
9701990	Fringe Charge				237,419	
9701415	457 Plan				10,915	
9701916	Tuition Reimbursement				5,000	
	Total Wages & Benefits				822,315	
9501001	Publications	721	1,200	-	1,200	0.0%
9501005	Legal Services	288,204	200,000	78,163	120,000	-40.0%
9501006	Memberships	11,787	32,130	50,095	35,024	9.0%
9501013	Consulting Fees	182,167	230,000	140,000	784,000	240.9%
9501019	Travel, Trainings & Meetings	32,221	50,000	39,089	80,000	60.0%
9501000	Temporary Staffing	25,639	7,500	-	7,500	0.0%
9501034	Other General & Admin Expense	2,719	500	5,618	8,520	1604.0%
	Total Operating Expense	543,458	521,330	312,965	1,036,244	98.8%
	Total Expenses, Executive Services				1,858,560	

FY13 Accomplishments – Executive Services

Staffing and Organization:

- Reengineered organizational structure and ensured a full complement of staff is available to perform necessary functions (grants, contractor oversight, internal controls, federal compliance, planning and jurisdictional liaison).
- Updated legislative platform and began reporting on pertinent legislative items.
- Redefined TAC format to include study items for discussion rather than reviewing every draft Board agenda item in detail.

Financial Health and Economic Stimulus:

- Implemented consistent reporting of Key Performance Indicators and tied targets to FY 2012/13 Business Plan financials.
- Closed out all findings from prior year audits.
- Completed financial and Single audits early and with no findings.
- Hired a Sr. Transit Analyst to work with customers and jurisdictions to ensure transit is incorporated appropriately into new projects.
- Monitored available grant funding and provided quarterly updates to Board as new opportunities become available.
- Established closer monitoring processes for both paratransit and fixed route services and communicated results to the Board via performance indicators and policy changes.
- Completed Phase II construction project – new board/community room, bus bays and additional maintenance, graphics and administrative offices.
- In collaboration with the County of Los Angeles, Metrolink, and Santa Clarita, Implemented new TRANSPORTER service to bridge the midday gap in transportation to LA and environs.

Communication and Teamwork:

- Significantly increased Board involvement in marketing activities and invited TAC and Board to AVTA activities such as 2012 Holiday Celebration and AV Chamber Mixer hosted at AVTA.
- Involved TAC members at a more meaningful level in reviewing and discussing significant policy issues.
- Developed outreach program, creating opportunities for Chairman to speak at various events regarding AVTA and its contributions to the economy.
- Revised and streamlined Board briefing materials for new members, including history, goals, past issues, funding summaries, JPA/Bylaws and policies.

- Coordinated development and adoption of revised Vision and Values through collaborative efforts of senior staff, TAC and the Board. The vision and values serve to provide unity and a common purpose, and includes input from key stakeholders.

FY14 Objectives – Executive Services

The following objectives are based on discussion from the AVTA Strategic Planning Workshop on January 23, 2013. The group, which included Board Members, TAC members and management staff, identified and rated key areas of focus as outlined below.

Safety

- Increase the public confidence regarding safety on buses
 - Ride the bus – board, staff – observe and recommend improvements
 - 2013 long range goal – develop a presentation on AVTA’s safety culture – include Veolia, Sheriffs and AVTA staff
 - Develop system so that customers have ability to call AVTA when something suspicious/threatening occurs (“If you see something, say something campaign materials”)
- Collaborate with jurisdictions to gain Sheriffs support of undercover and uniformed support. Meet with key law enforcement representatives and city safety officers.
- Implement test program with hand-held fare validators to establish presence and decrease fare evasion.
- Publicize safety efforts.

Effectiveness

- Improve communication
- Reach out to jurisdictions or agencies for help or support
- Even better communication to Councils and County
- Improve feedback on how implementation of Board requests/directives is occurring
- Improve relations with non-vendor partners or stakeholders
- Clarify our vision and long range plan
- Even more strategic planning involving Metrolink and MTA

Outstanding Customer Service

- Restructure service in a way that is responsive to customer concerns while living within our means.
- Improve routes – monitor and evaluate route changes implemented March 25, 2013
- Continue community outreach about improved bus routes
- Improve service integration with Metrolink, MTA, and other regional services
- Evaluate effectiveness of customer service staffing levels and supplement as needed to achieve better response times
- Do a gap analysis – How many more buses? How should we grow? Provide data to substantiate any increase in service. Look at other transit options (shuttles, trolleys, light rail). What is AVTA's role? Identify funding.
- Continue communications with coach operators, passengers and communities to improve service
- Improve technology

Organizational Leadership

- Be proud to tell the AVTA story – create talking points to take out to the community
- Increase Board involvement or engagement in industry activity
- Continue to work on regional issues and take a leadership role
- Ensure active involvement in development of reauthorization legislation

Efficiency

- Develop a long-term plan that ensures a sustainable organization
- Evaluate fare structure using a consultant, include fare evasion information and transfer policy review
- Identify additional funding sources
- Effectively address increasing ridership
- Maximize advertising program revenues

Decision Making

- Utilize data from new Intelligent Transportation System to improve decision-making
- Continue to improve Key Performance Indicator reporting
- Include industry standards when appropriate in KPI analysis

Operations & 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 2014 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.

ANTELOPE VALLEY TRANSIT AUTHORITY OPERATING BUDGET REQUEST FORM - DEPARTMENT SUMMARY

FISCAL YEAR 2014

PREPARED BY: LEN ENGEL						
OPERATIONS & MAINTENANCE		FY12	FY13		FY14	
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YEAR END PROJECTIONS	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
9701001	Salaries & Wages - Full Time				823,763	
9702001	Salaries & Wages - Part Time				45,884	
9701990	Fringe Charge				353,003	
	Total Wages & Benefits				1,222,650	
9001007	Contract Services- Incentives	84,000	12,000	-	12,000	0.0%
9001009	Contract Services- Other Pass Throughs				86,155	100.0%
9001011	Contract Services- Dar- Wheelchair	164,205	327,711	352,719	398,648	21.6%
9001012	Contract Services- Dar- Ambulatory	424,919	794,469	622,249	740,347	-6.8%
9001013	Contract Services- Local & Commuter	5,541,245	11,607,280	11,140,490	11,672,436	0.6%
9201003	Fuel & Lubricants	3,073,119	2,892,246	153,618	3,831,366	32.5%
9201005	Fuel- Use Tax	8,548	10,000	9,528	7,637	-23.6%
9401001	Fleet Inspection	-	10,000	-	10,000	0.0%
9401002	Tow Services	9,930	10,000	-	10,000	0.0%
9401004	Total Marketing & Customer Service	564	3,500	32	3,500	0.0%
9401005	Facility Maint. - Outside Services	31,698	20,000	17,899	20,000	0.0%
9401006	I.T. Maint.- Computer Equipment	-	10,000	-	10,000	0.0%
9401007	Maint Supplies- Bus Stops (Non- Grantable)	2,201	5,000	-	5,000	0.0%
9401009	I.T. Maint- Parts & Supplies	12,455	14,420	15,266	20,000	38.7%
9401010	Operating Permits	6,852	7,000	6,744	4,105	-41.4%
9401012	I.T.- Software Agreements & Licenses	172,181	208,286	153,716	205,487	-1.3%
9401013	Rental/ Lease Expense	50,801	56,730	1,186	37,200	-34.4%
9401020	Uniform Upkeep- (Non Grantable)	299	2,000	-	5,000	150.0%
9401021	Utilities- Electricity	60,690	85,000	78,736	85,000	0.0%
9401022	Utilities- Gas	26,797	30,000	16,385	20,000	-33.3%
9401023	Utilities- Waste	7,067	9,000	5,882	7,500	-16.7%
9401024	Utilities- Water	10,845	15,000	11,889	15,000	0.0%
9401032	Security Services- Sheriff Deputy	95,263	100,000	92,974	170,000	70.0%
9501017	Telephone & Fax	37,827	50,000	39,233	50,000	0.0%
9902032 + TBD	Preventative Maint Expenditures	834,330	144,000	372,700	372,700	158.8%
	Total Operating Expense	10,655,837	16,423,642	13,091,245	17,799,080	8.4%
	Total Expenses, Operations & Maintenance				19,021,730	
<i>MEMO:</i>	<i>Sub-Total I.T. Expense Line Items</i>	<i>184,637</i>	<i>232,706</i>	<i>168,982</i>	<i>235,487</i>	<i>1.2%</i>

FY13 Accomplishments

Fleet & Facilities

- Finished the Phase 2 construction project
- Took delivery and placed into service 14 Gillig diesel hybrid local transit buses
- Took delivery and placed into service 6 MCI commuter coaches
- Completed the mid-life refurbishment of 13 2005 MCI commuter coaches
- Conducted training for new equipment and technology associated with the Phase 2 construction project
- Developed daily and monthly reporting spread sheets to monitor preventative maintenance and daily break down and repairs of the AVTA bus fleet by contracted maintenance operations
- Developed specifications, assisted in the development of the RFQ, and took delivery of AVTA's new emergency mobile command center

Planning

- Developed reporting system for Key Performance Indicators (KPIs) to keep Board and Staff appraised of service operations
 - Participated in the development of the scope of work for the Fare Analysis project and selection process for the consultant.
 - Developed the recommended package of service enhancements for the March service changes, sought public comments in a series of 7 public meeting and the official public hearing. Presented final recommendation to Board for approval and worked with Veolia staff on implementation.
 - Participated in the Bus Stop Improvement Project as staff lead. Worked with member agencies on bus stop locations and amenities
 - Developed scope of work for Comprehensive Operational Analysis (COA)
 - Supervised the Field Services Team (Bus Stop maintenance)
 - Represented AVTA in regional transit planning and operations functions.
 - Participated in the City of Lancaster long range Transit Village Planning process
-
- Transit and Paratransit Operations
 - Improved communications and working relationships with both service contractors.
 - Better monitoring of operations through regular meeting with contractors and daily and weekly reports.

- Managed the Emergency Preparedness Program for AVTA.
- Participated in desktop and emergency preparedness drills and exercises
- Sponsored a regional preparedness exercise in cooperation with Los Angeles County Fire Department

FY14 Goals

Fleet & Facilities

- To utilize newly completed facility and equipment from the Phase 2 construction project to its full potential
- Construct secured storage space for AVTA functions such as facility maintenance, bus stop maintenance, IT, Customer service and the graphics' departments
- Secure the bus replacement schedule to include the next 5 years of bus replacement in order to take advantage of pricing and to standardize the bus fleet
- Replace 3 local transit buses
- Replace 3 commuter buses
- Replace 2 support vehicles

Planning

- Maintain and improve Key Performance Indicators (KPIs) reporting system
- Project Manager for the Fare Analysis project, work with and support consultant.
- Part of AVTA team implementing Intelligent Transit System.
- Project Manager for the Comprehensive Operational Analysis (COA) project, work with and support consultant.
- Using report from COA continue to work on service enhancements that will improve the efficiency and effectiveness of the AVTA transit services.
- Project Manager for Bus Stop Improvement Project as staff lead. Work with member agencies on bus stop locations and amenities
- Supervise the Field Services Team (Bus Stop maintenance)

Transit & Paratransit Operations

- Work closely with service contractors to maintain the highest quality of service possible.
- Monitor transit operations through regular meetings with contractors and daily and weekly reports.

- Manage the Emergency Preparedness Program for AVTA.
- Participate in desktop and emergency preparedness drills and exercises with member agencies and the Fire and Sheriff's departments

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.

FY13 Accomplishments

- Participated as IT support in finishing the Phase 2 construction project
- Finalized Scope of Work, assisted in the development of the RFP, assisted in the selection process and began working with vendor for the Intelligent Transit System (ITS) project.
- Worked with Procurement on development of the RFQ for Information Technology Assessment project. Assisted in selection process and began working with consultant.
- Upgraded customer comment and operations software to latest version (Trapeze v12)
- Supported Finance Department in use and refinement of the Tyler VX Financial Management System
- Supported Planning, Customer Service and Finance Departments in the use of TransTrak.
- Regular, daily "Help Desk" support for the AVTA and Veolia staff.

FY13 Goals

- Project Manager implementing the Intelligent Transit System (ITS) project in conjunction with selected vendor.
- Support consultant conducting the Information Technology Assessment project. Upgraded customer comment and operations software to latest version (Trapeze v12)
- Support AVTA staff in the use of software systems in place
- Regular, daily "Help Desk" support for the AVTA and Veolia staff.

Finance

The Finance Department is responsible for providing financial guidance to the Board of Directors, the Executive Director, management and staff; managing the Authority's daily financial operations; and maintaining the financial integrity of the Authority.

ANTELOPE VALLEY TRANSIT AUTHORITY OPERATING BUDGET REQUEST FORM - DEPARTMENT SUMMARY

FISCAL YEAR 2014

PREPARED BY:		COLBY KONISEK					
FINANCE		FY12	FY13		FY14		
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YEAR END PROJECTIONS	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET	
9701001	Salaries & Wages - Full Time				639,163		
9702001	Salaries & Wages - Part Time				55,331		
9701990	Fringe Charge				281,906		
	Total Wages & Benefits				976,400		
9401019	Liability, Fire & Other Insurance	246,520	269,000	279,099	302,400	12.4%	
9501002	Classified Advertising	2,255	7,000	1,411	1,500	-78.6%	
9401018	Printing Services	934	-	672	720	100.0%	
9501020	Audit Fees	64,000	75,000	58,200	61,500	-18.0%	
9501002	Bad Debt Expense	-	2,000	-	2,000	0.0%	
9501024	Bank Fees	15,864	17,200	24,607	25,000	45.3%	
9501025	Credit & Debit Card Fees	3,956	-	-	600	100.0%	
9501026	Employee Advertising & Recruitment	10,063	9,000	2,765	1,200	-86.7%	
9501027	Employment Screenings & Audits	30,611	15,000	22,483	30,000	100.0%	
9501037	Total Marketing & Customer Service	3,850	7,500	3,100	3,944	-47.4%	
9501009	Office Supplies	17,889	25,000	16,974	20,100	-19.6%	
9501010	Postage And Delivery Services	7,305	12,000	2,686	1,000	-91.7%	
9501014	Administrative Costs	-	1,000	-	1,000	0.0%	
9701915	Workers Compensation	166,775	125,942	100,994	-	-100.0%	
	Total Operating Expense	570,021	565,642	512,992	450,964	-20.3%	
	Total Expenses, Finance				1,427,364		

Key functions include:

- Financial reporting, both internally and externally
- Financial audits and examinations
- Revenue administration
- Expense classification and control
- Development of annual operating and capital budgets
- Mid-year budget review and adjustments

- Budget vs. actual and analysis
- Payroll services
- Grants Administration
- Procurement
- Records management
- Risk management
- Employee benefits administration

FY13 Accomplishments:

Finance Activities

- Addressed all prior year audit findings (FY2011 and prior).
- Timely FY12 Financial Statements and Single Audit Reports completed with no findings.
- Timely filing of State Controller's Report and NTD Report.
- Timely MTA Triennial Audit with no reported findings.
- Re-edited the Financial Budget, Accounting & Reporting Manual.
- Successfully replaced the Staff Accountant Accounts Receivable position.
- Integrated the Procurement, Records Retention and Risk Management Functions.

Grants Activities

- Developed the Grants Policy and Procedures Manual.
- Awarded \$1,787,767 in FY13 for grants that were submitted for approval in FY12.
- Awarded \$14,435,524 in FY13 grants, of which \$184,000 was from new sources.

Procurement

- Hosted Training on new templates and updated Procurement Policy and Procedures Manual
- Developed Micro/Small Procurements checklists for non-federal purchases.
- Developed new web pages for "Doing Business With The AVTA," and Vendor Registration
- Developed Procurement and Contracting templates – Invitation for Bid, Request for Proposal, Request for Quote, Purchase Order Standard Terms & Conditions, and Services Contract.

Records Management

- Implementation of the Records & Information Management Program
- Training provided to Staff regarding new Records & Information Management Program
- Determined the Retention for all Records and obtained Board approval for Retention Policy & Schedule
- Reviewed documents/files and labeled all hardcopy records with retention years
- Determined documents to be destroyed in accordance with the Retention Schedule.
- Reviewed and closed-out Contract documents

Risk Management

- Insurance renewals resulted in cost savings for the Authority.
- Monitored Veolia's compliance with insurance requirements.
- Issued notices to various contractors and consultants for updated insurance certificates for compliance with the contract requirements.
- Revised, revised and updated insurance requirements.
- Updated the schedule of the Authority's assets to ensure adequate coverage.
- Put the Authority's risk package out to bid to maintain coverage and minimize cost.
-

Benefits Administration

- Revised the Authority's Personnel Rules and Regulations Manual
- Oversight of Authority's COSI Drug & Alcohol Compliance Auditor
- Coordination of the Authority's CalPERS retirement accounts.

FY14 Goals

Finance

- Complete FY2013 Audit with an unqualified opinion.
- Complete FY2013 Single Audit of Federal Awards with no significant findings.
- Expand reporting to include dedicated reports in support of external reporting requirements (Financial Audit, Single Audit, SRTP, NTD, Grants, etc.)
- Conduct a business process review with Tyler to ensure that the Authority is using its ERP software in the most productive way.
- Provide more cross-training and training opportunities to the staff.
- Grants Administration

- Reallocate funds from existing and completed projects to increase efficiency and to expedite the closure of older grants.
- Continue migration of all grant activity to Tyler, to become the source for all financial and information and reporting.
- Continue to identify and apply for available funding from local, state federal and other sources.

Procurement

- Continue to improve staff understanding of purchasing policy revision.
- Complete FTA Biennial DBE Report with no significant findings.
- Partner with Jurisdictional Members and host a Joint Vendor Fair.
- Improve local vendor outreach; create and maintain a vendor mailing list.
- Ensure consistent procurement results through use of standardized templates.
- Implement Procurement/Contract Management Software.

Records Management

- Implement a Document Management System (DMS).
- Partner with IT to train staff on use of DMS.
- Categorize, image and register all records with the DMS.
- Establish a Vital Records Disaster Plan.

Risk Management

- Ensure staff and vendor compliance with Authority's insurance requirements.
- Monitor Veolia Transportation's litigation report to ensure timely administration of claims and proper indemnification of the Authority.

Benefits Administration

- Implement results of Compensation and Classification Study.
- Manage the Authority's performance evaluation process.
- Identify, plan and host all mandated staff training and legal requirements.
- Notify executive staff of any change in benefits law or cost.
- Develop and conduct AVTA's annual health fair.
- Support Record Retention activities.



Fringe Benefits

Commencing with the FY14 Budget, Fringe Benefits are allocated as a percentage of Total Salaries, providing department managers with more visibility, control and accountability as their expenses occur during the year.

The following exhibit shows a summary of all Wages & Benefits for AVTA for FY14.

**ANTELOPE VALLEY TRANSIT AUTHORITY
OPERATING BUDGET REQUEST FORM - DEPARTMENT SUMMARY**

FISCAL YEAR 2014

PREPARED BY: COLBY KONISEK

MASTER PAYROLL SHEET		FY12	FY13		FY14	
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YEAR END PROJECTIONS	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
TOTAL WAGES & BENEFIT EXPENSE						
97010xx	Salaries & Wages	2,869,666	2,528,178	2,366,436	2,579,175	9.0%
97012xx	Medicare & SUI	70,546	52,945	51,769	54,053	4.4%
97014xx	Calpers & 457 Plan	347,381	375,418	364,131	442,647	21.6%
97026xx	Health Benefits	396,323	346,889	371,632	422,926	13.8%
97018xx	Insurance & Disability	30,701	24,260	28,696	31,677	10.4%
97019xx	Workers' Compensation & Tuition	167,573	130,942	105,994	118,000	-9.9%
Total Wages & Benefits		3,882,190	3,458,632	3,288,659	3,648,477	4.0%
Recapitulation						
Salaries & Wages					2,579,175	
Fringe Benefit Expenses					1,053,387	
Other Costs (457 Plan & Tuition Reimbursement)					15,915	
Total					3,648,477	

Marketing and Customer Service

Marketing and Customer Service endeavors to provide excellent customer service with the goal of exceeding expectations. We work together to assist residents by providing accurate and helpful information regarding current and changing route information. We seek to promote AVTA's products and services through outreach and advertising as well as through vendor partnerships. Developing community partnerships through participation and sponsorship of local events is another goal of Marketing and Customer Service. We are dedicated to outreach efforts that demonstrate AVTA is a strong partner and supports the local community in all endeavors.

About Marketing and Customer Service:

Marketing efforts target the development of AVTA's image as a quality community partner. We participate in the business sector as well as sponsor various seasonal events as a method to build confidence in 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. Data analysis and customer satisfaction surveys are the tools by which AVTA's marketing staff measures its success.

Press releases and press conferences are also produced and disseminated through Marketing and all media interviews are managed through the office. Other major responsibilities include efforts to increase ridership through the promotion of routes and services, working with AVTA's Operations Department to coordinate communication regarding planned service improvements, and communicating with customers to increase awareness of AVTA services through advertising, collateral development, website, and promotions.

The mission of the Customer Service division is to exceed customer expectations by delivering accurate route and scheduling information, providing timely responses and resolutions to customer comments, and educating the public on AVTA products and services. We seek to assist all customers in a timely manner with courtesy and respect. We are also dedicated to partnerships with outside vendors who sell our products and we are committed to providing ongoing vendor training to maintain quality and convenient service. Finally, our customer service representatives are committed to keeping informed of the latest service information through the use of technology to ensure they are providing the most up to date information to our customers.



**ANTELOPE VALLEY TRANSIT AUTHORITY
OPERATING BUDGET REQUEST FORM - DEPARTMENT SUMMARY**

FISCAL YEAR 2014

PREPARED BY: WENDY WILLIAMS

MARKETING & CUSTOMER SERVICE		FY12	FY13		FY14	
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YEAR END PROJECTIONS	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET
9701001	Salaries & Wages - Full Time				399,755	
9702001	Salaries & Wages - Part Time				46,298	
9701990	Fringe Charge				181,060	
	Total Wages & Benefits				627,113	
9401020	Uniform Upkeep (Non-Grantable)	-	3,000	3,000	3,500	0.0%
9501003	Marketing	-	80,000	80,000	80,000	0.0%
9501018	Printing Services	-	37,000	37,000	37,000	0.0%
9501029	Misc. Special Events	-	25,000	25,000	25,000	0.0%
9501031	Website Maintenance	-	30,000	30,000	30,000	0.0%
9501039	Sponsorships	-	10,000	10,000	10,000	0.0%
9501011	Transporter	-	80,000	80,000	40,000	-50.0%
	Total Operating Expense	-	265,000	265,000	225,500	-14.9%
	Total Marketing & Customer Service				852,613	

FY13 Accomplishments

- Increased AVTA’s customer service hours to include weekends and evenings.
- Monitored telephone on-hold times and targeted an average of one minute and 45 seconds.
- Developed 14 travel training videos for new website and for the travel training program.
- Developed and implemented the Authority’s new bus advertising program.
- Implemented Mobility Management Program.
- Continued to develop the community image of AVTA.
- Honored with an Ad Wheel Award for the “Binging You Home” advertising campaign.
- Purchased additional equipment for new sign shop to upgrade production in the Computer Graphics Department.
- Changed the AVTA logo and implemented the artwork agency wide.
- Continued to participate in community events.
- Increased AVTA’s presence in the valley’s business sector.
- Provided improved customer service through additional training.
- Effectively communicated three service changes through press releases, signage, advertising, and interaction with customer service representatives.

- Unveiled the new website and began updating content on a regular basis.
- Improved communication with contractor to help establish a better support system for drivers.
- Successfully marketed AVTA's newest service, the North County TRANSporter.
- Orchestrated a series of press conferences to promote AVTA accomplishments.
- Spearheaded a toy drive that raised approximately \$20,000 in toys while simultaneously marketing AVTA and promoting partnerships with local business.
- Implemented texting and e-blasts to communicate with commuters.

FY14 Goals

- Monitor telephone hold times and target an average of less than one minute.
- Provide support to Around AV in order to generate additional revenue through the bus advertising program.
- Continue to implement the Mobility Management Program and meet federal grant requirements associated with the program's funding.
- Develop an award winning advertising campaign that improves the image of AVTA.
- Improve participation in community events so that AVTA's presence is perceived as exceptional.
- Continue to increase AVTA's presence in the valley's business sector.
- Improved customer service by training representatives on a new Audio Visual Locator system set for installation in FY13/14
- Secure and train additional vendors to sale all of AVTA's products.
- Effectively communicate two service changes through press releases, signage, advertising, public meeting, and interaction with customer service representatives.
- Improve security in AVTA's lobby as well as increase law enforcement presence on AVTA buses.
- Improve website usage as a more effective tool to communicate service changes, rider alerts, outreach campaigns and meeting information.
- Establish a social media presence.
- Implement a program to reduce fare evasion on AVTA buses.
- Improve the marketing presence inside AVTA's buses.
- Maintain presence in training sessions to improve two way communications between customer service representatives and Veolia drivers.
- Spearhead a toy drive that raises approximately \$20,000 in toys while simultaneously marketing AVTA in the community and promoting partnerships with local business.

- Implement ridership satisfaction surveys to gauge AVTA's service reputation among customers.
- Institute weekly ride along on AVTA buses to conduct service performance reviews of bus operators.

GL No.	PROJECT	FY 2014	Prior FTA Approval	FY 2013 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														
9909056	Local Transit Replacement Coaches (3) Grant 968-11.12.01 - 100%	\$ 1,299,000	1,039,200		259,800									
9909056	Commuter Replacement Coaches (3) Grant 968-11.12.01 - 100%	\$ 1,890,000	1,512,000		378,000									
9902011	Replacement Driver Relief Vans - (4) Grant 799-11.13.04 - 80%	\$ 180,000	144,000			36,000								36,000
9902013	Shop Truck Grant 799-11.42.11 - 80%	\$ 60,000	48,000			12,000								12,000
Vehicle Purchase and Maintenance Total		\$ 3,429,000	\$ 2,743,200	\$ -	\$ 637,800	\$ 48,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,000
Major Bus Components														
9909057	Major Bus Components (engines, transmissions, differentials, particulate traps) Grant 968-11.14.01 - 100%	\$ 150,000	120,000		30,000									
Major Bus Components Total		\$ 150,000	\$ 120,000	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Vehicles and Maintenance and Major Bus Components		\$ 3,579,000	\$ 2,863,200	\$ -	\$ 667,800	\$ 48,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,000

GL No.	PROJECT	FY 2014	Prior FTA Approval	FY 2013 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
Facility Maintenance														
9902016	Carpeting & General Maintenance Grant 635-11.43.03 - 80%	\$ 125,000	100,000			25,000								25,000
9902032	Wrought Iron Perimeter Fence Repaint Grant 968-11.7A.00 - 100%	\$ 20,000	16,000		4,000									
9902032	Fencing Mezzanine Grant 968-11.7A.00 - 100%	\$ 5,000	4,000		1,000									
Facilities Total		\$ 150,000	\$ 120,000	\$ -	\$ 5,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Regional Partnership Projects														
9909059	Regional Partnership Projects Grant 968- 11.92.02 - 100%	\$ 1,300,000	1,040,000		260,000									
9909058	Engineering Grant 968- 11.91.02 - 100%	\$ 100,000	80,000		20,000									
Regional Partnership Projects Total		\$ 1,400,000	\$ 1,120,000	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities, Regional Partnerships and Digital Signage		\$ 1,550,000	\$ 1,240,000	\$ -	\$ 285,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Major Equipment - Facilities														
9909061	Wheel Cleaner Machine Grant 968-11.42.06 - 100%	\$ 20,000	16,000		4,000									
9909036	Tire Balancer Grant 616-11.71.03 - 80%	\$ 3,800	3,040			760								760
9909061	Fork Lift Grant 968-11.42.06 - 100%	\$ 30,000	24,000		6,000									
9909036	Porta Power Cylinder Grant 616-11.71.03 - 80%	\$ 3,500	2,800			700								700
Major Facilities Total		\$ 57,300	\$ 45,840	\$ -	\$ 10,000	\$ 1,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,460

GL No.	PROJECT	FY 2014	Prior FTA Approval	FY 2013 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														
9909035	Records Management - TCM Document Management Grant 616-11.71.03 - 80%	\$ 100,000	80,000			20,000								20,000
9909045	ITS Implementation Upgrade Grant 372-11.XX.XX - 80%	\$ 100,000	80,000			20,000								20,000
9909038	Grant 616-11.42.20 - 80%	\$ 560,000	448,000			112,000								112,000
9909007	Grant 799-11.42.08 - 80%	\$ 673,000	538,400			134,600								134,600
9909054	Grant 875-11.41.09 - 92%	\$ 500,000	400,000		60,000	40,000								40,000
9909055	Grant 875-11.42.09 - 96%	\$ 667,000	533,600		106,720	26,680								26,680
9909038	Tyler Incode Implementation Grant 616-11.71.03 - 80%	\$ 20,000	16,000			4,000								4,000
9902002	Tableau Desktop Software Grant 799-44.24.00 - 80%	\$ 4,800	3,840			960								960
9909053	Telephone System Grant 875-11.71.03 - 92.90%	\$ 86,250	69,000		11,126	6,124								6,124
9909038	Google Earth Pro Grant 616 -11.42.20 - 80%	\$ 800	640			160								160
9909038	Arc GIS Basic Concurrent Grant 616 -11.42.20 - 80%	\$ 4,200	3,360			840								840
Data and Communications Total		\$ 2,716,050	\$ 2,172,840	\$ -	\$ 177,846	\$ 365,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,364
Money Room Update														
9909036	Coin Conveyor System Grant 616-11.71.03 - 80%	\$ 17,800	14,240			3,560								3,560
9909036	Heavy Duty Coin Counter Grant 616-11.71.03 - 80%	\$ 24,000	19,200			4,800								4,800
9909036	Mixed Bill Counting Machine Grant 616-11.71.03 - 80%	\$ 21,120	16,896			4,224								4,224
9909036	Vault Grant 616-11.71.03 - 80%	\$ 43,800	35,040			8,760								8,760
Money Room Equipment Total		\$ 106,720	\$ 85,376	\$ -	\$ -	\$ 21,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,344
Computer Equipment														
9909045	Workstations (41) Grant 372-11.XX.X-80%	\$ 16,000	12,800			3,200								3,200
9909036	Grant 616-11.71.03- 80%	\$ 25,000	20,000			5,000								5,000
9909036	Maintenance Kiosks (6) Grant 616-11.71.03 - 80%	\$ 12,000	9,600			2,400								2,400
9909036	Board Laptops (6) Grant 616-11.71.03 - 80%	\$ 12,000	9,600			2,400								2,400
9902016	Server Room Upgrade Grant 635-11.43.03- 80%	\$ 60,000	48,000			12,000								12,000
9909036	Network Switches (9) Grant 616-11.71.03 - 80%	\$ 31,500	25,200			6,300								6,300
Computer Equipment Total		\$ 156,500	\$ 125,200	\$ -	\$ -	\$ 31,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,300
Procurement Support														
9909038	Procurement Tracking Software Grant 616-11.42.20 - 80%	\$ 50,000	40,000			10,000								10,000
Procurement Total		\$ 50,000	40,000	-	-	10,000	-	-	-	-	-	-	-	10,000
Security - Bus and Facility														
9909052	Safety & Security Emergency Preparedness Planning Grant 875 -11.79.00 - 97.96%	\$ 22,000	17,600		3,951	449		449						
Prop 1B TS	Hazard Mitigation Prop 1B DOH Security	\$ 95,786				95,786					95,786			
Safety - Bus & Facility Total		\$ 117,786	\$ 17,600	\$ -	\$ 3,951	\$ 96,235	\$ -	\$ 449	\$ -	\$ -	\$ 95,786	\$ -	\$ -	\$ -

GL No.	PROJECT	FY 2014	Prior FTA Approval	FY 2013 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														
9901001	Mobility Management Grant X100 - 11.7L.00 - 80%	\$ 165,000	132,000			33,000								15,000
9902002	Short Range Transit Planning Grant 799- 44.24.04 - 80%	\$ 30,000	24,000			6,000								6,000
9902002	Comprehensive Operational Analysis Grant 799- 44.24.04 - 80%	\$ 120,000	96,000			24,000								24,000
9902034	JARC Voucher program Grant 37-171 - 30.09.01 - 100%	\$ 184,000	92,000		92,000									
Planning Projects Total		\$ 499,000	\$ 344,000	\$ -	\$ 92,000	\$ 63,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Total Other Projects		\$ 3,703,356	\$ 2,830,856	\$ -	\$ 283,797	\$ 588,703	\$ 18,000	\$ 449	\$ -	\$ -	\$ 95,786	\$ -	\$ -	\$ 474,468
FY14 Capital Project Total		\$ 8,832,356	\$ 6,934,056	\$ -	\$ 1,236,597	\$ 661,703	\$ 18,000	\$ 449	\$ -	\$ -	\$ 95,786	\$ -	\$ -	\$ 547,468
Less Planning Projects		\$ (499,000)												
		\$ 8,333,356												

APPENDIX B – FIVE-YEAR CAPITAL IMPROVEMENT PLAN DETAIL

Category	FY14	FY15	FY16	FY17	FY18	Total Five-Year Plan
Vehicle Purchases and Refurbishments	\$3,429,000	\$5,739,880	\$3,335,588	\$2,937,905	\$5,591,494	\$21,033,866
Local Transit Replacement Coaches (3 in FY14; 12 in FY15; 7 in FY16; 6 in FY17)	1,299,000	5,351,880	3,215,588	2,842,905		12,709,373
Commuter Replacement Coaches (3 in FY14; 7 in FY18)	1,890,000				4,963,494	6,853,494
Driver Relief / Support Vehicles (4 in FY14; 11 in FY15; 3 in FY16; 3 in FY17; 13 in FY18)	180,000	388,000	120,000	95,000	628,000	1,411,000
Shop Truck	60,000					60,000
Major Bus Components	150,000	75,000	75,000	75,000	75,000	450,000
Major Bus Components	150,000	75,000	75,000	75,000	75,000	450,000
Facilities & Shop Equipment	314,020	100,000	100,000	100,000	100,000	714,020
Facilities & Shop Equipment	314,020	100,000	100,000	100,000	100,000	714,020
Regional Partnership Projects	1,400,000	450,000	350,000	350,000	350,000	2,900,000
Regional Partnership Projects	1,300,000	350,000	350,000	350,000	350,000	2,800,000
Engineering	100,000					
Digital Signage		100,000				100,000
Data, Computers, Software & Communications	2,922,550	100,000	100,000	100,000	100,000	3,322,550
Bus & Facility Security	117,786	96,000	96,000	96,000	96,000	501,786
Bus & Facility Security	117,786	96,000	96,000	96,000	96,000	501,786
TOTALS BY YEAR	\$8,333,356	\$6,560,880	\$4,056,588	\$3,658,905	\$6,312,494	\$28,922,222

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**Table L - 1
Current Fare Structure: FY 2013**

<u>Fare Categories</u>	<u>Type of Service</u>	
	<u>Fixed Route</u>	<u>Demand Responsive</u>
<i>Cash/TAP</i>		
Regular	\$1.50	\$3 urban / \$6 rural
TAP Regular	\$1.25	N/A
Token	N/A	N/A
Elderly, Active Military, Veterans	Free	\$3.00
Disabled/Medicare	Free	\$3.00
Student	N/A	N/A
College	N/A	N/A
Express - Specify Zone Structure	N/A	2 rural, 1 urban
<i>Cash Transfers</i>		
Regular within System	N/A	N/A
Regular to other System	\$0.25	N/A
Elderly	N/A	N/A
Disabled/Medicare	N/A	N/A
<i>Local Passes</i>		
Regular (31-Day Pass)	\$50.00	N/A
Weekly Pass	\$15.00	N/A
Day Pass	\$3.75	N/A
Four Hour Pass	\$2.00	N/A
Elderly, Active Military, Veterans	N/A	N/A
Disabled	N/A	N/A
<i>North County Transporter</i>		
	<i>Regular</i>	<i>Senior /Disabled</i>
Regular	\$4.00	\$2.00
TAP Regular	\$4.00	\$2.00
EZ Transit Pass (Zone 8)	\$150.00	\$75.00
Monthly Pass	\$260.00	\$111.00
<i>Commuter Service</i>		
	<i>Regular</i>	<i>Senior /Disabled</i>
Commuter Express - 785		
Regular	\$14.00	\$7.00
TAP Regular	\$7.60	\$3.80
10 Ride Pass	\$76.00	\$38.00
31 Day Pass	\$266.00	\$133.00
Commuter Express - 786		
Regular	\$16.00	\$8.00
TAP Regular	\$8.85	\$4.40
10-Ride Pass	\$88.50	\$44.00
31-Day Pass	\$310.00	\$155.00
Commuter Express - 787		
Regular	\$14.00	\$7.00
TAP Regular	\$7.10	\$3.55
10-Ride Pass	\$71.00	\$35.50
31-Day Pass	\$249.00	\$124.50
<i>EZ Pass Regional</i>		
Zone - 8	\$260.00	\$111.00
Zone - 9	\$282.00	\$120.50
Zone -10	\$304.00	\$130.00
Zone - 11	\$326.00	\$139.50

**Table L - 3
HISTORICAL & PROJECTED FLEET CHARACTERISTICS**

	FIXED ROUTE		
	FY2012 Actual	FY2013 Estimated	FY2014 Planned
Peak-Hour Fleet	57	59	59
Spares For Maint.	11	12	12
Spare Ratio	19%	20%	20%
Contingency Reserve	3	3	0
Inactive Fleet	0	0	0
Total Vehicles	71	74	71
Total Vehicles (excluding contingency)	68	71	71
New Expansion Vehicles			
New Replacement Vehicles		15	

	DEMAND RESPONSIVE SERVICE		
	FY2012 Actual	FY2013 Estimated	FY2014 Planned
Peak-Hour Fleet	N/A	N/A	N/A
Spares For Maint.	N/A	N/A	N/A
Spare Ratio	N/A	N/A	N/A
Contingency Reserve	N/A	N/A	N/A
Inactive Fleet	N/A	N/A	N/A
Total Vehicles	N/A	N/A	N/A
New Expansion Vehicles			
New Replacement Vehicles			

	SYSTEM TOTAL		
	FY 2012 Actual	FY 2013 Estimated	FY 2014 Planned
Peak-Hour Fleet	57	59	59
Spares For Maint.	11	12	12
Spare Ratio	19%	20%	20%
Contingency Reserve	3	3	0
Inactive Fleet	0	0	0
Total Vehicles	71	74	71
Total Vehicles (excluding contingency)	68	71	71
New Expansion Vehicles			
New Replacement Vehicles		15	

Table L - 4 (A)
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE AND APPLICATION OF CAPITAL FUNDS
BY YEAR OF EXPENDITURE (\$ 000)

SOURCE OF CAPITAL FUNDS:	2012 Audited	2013 Projected	2014 Planned
FEDERAL CAPITAL GRANTS			
FTA Sec. 5307	\$ 7,558	\$ 24,616	\$ 8,842
FTA Sec. 5339 (formerly 5309)	\$ -	\$ -	\$ 497
FTA Sec. 5337 (Map-21)	\$ -	\$ -	\$ 506
Other Federal (Assume 80/20 match)	\$ -	\$ -	\$ -
STATE CAPITAL GRANTS AND SUBVENTIONS			
TDA (ART 4) current from unallocated	\$ -	\$ -	\$ -
TDA from prior years reserves	\$ -	\$ -	\$ -
TDA (ART 8)	\$ -	\$ -	\$ -
STA current from unallocated - N/A	\$ -	\$ -	\$ -
STA from prior years reserve	\$ -	\$ -	\$ -
State Prop 1B PTMISEA	\$ 798	\$ 798	\$ -
State Prop 1B PTMISEA Bridge Funds			\$ 326
State Prop 1B Homeland Security	\$ 96	\$ 96	\$ 96
State Prop 1B Homeland Security Bridge Funds	\$ -	\$ -	\$ 52
LOCAL CAPITAL GRANTS			
System Generated	\$ 151	\$ -	\$ -
General Fund	\$ -	\$ -	\$ -
Prop. A Local Return	\$ -	\$ -	\$ -
Prop. A Discretionary	\$ -	\$ 59	\$ 567
Prop. C Discretionary	\$ -	\$ 1,168	\$ 1,793
Prop. C Local Return	\$ -	\$ -	\$ -
Prop. C 5% Security	\$ -	\$ -	\$ -
Prop. C Other			
Measure R (capital)	\$ -	\$ -	\$ 162
Other Local (AVAQMD)		\$ 225	\$ -
Other Local (<i>Lancaster, LA County, Palmdale</i>)	\$ 461	\$ -	\$ 461
TOTAL CAPITAL REVENUE	\$ 9,064	\$ 26,962	\$ 13,302
TOTAL CAPITAL EXPENSES	\$ 3,130	\$ 24,250	\$ 8,333

Table L - 4 (B)
HISTORICAL AND PROJECTED FINANCIAL STATUS
SOURCE AND APPLICATION OF OPERATING FUNDS
BY YEAR OF EXPENDITURE (\$ 000)

SOURCE OF OPERATING FUNDS:	2012 Audited	2013 Projected	2014 Planned
FEDERAL CASH GRANTS AND REIMBURSEMENTS			
FTA Sec. 5307 Operating and PM	\$ 7,182	\$ 7,259	\$ 6,110
CMAQ (Operating)	\$ -	\$ -	\$ -
STATE CASH GRANTS AND REIMBURSEMENTS			
TDA Current from unallocated	\$ -	\$ -	\$ -
STA Current from unallocated	\$ 1,257	\$ -	\$ -
LOCAL CASH GRANTS AND REIMBURSEMENTS			
Passenger Fares	\$ 4,687	\$ 4,885	\$ 4,885
Special Transit Service	\$ -	\$ -	\$ -
Charter Service Revenues	\$ -	\$ -	\$ -
Auxiliary Transportation Revenues	\$ -	\$ -	\$ -
Non-transportation Revenues	\$ 373	\$ 303	\$ 460
Prop. A 40% Discretionary	\$ 3,948	\$ 4,235	\$ 3,770
Prop. A 25% Local Return	\$ -	\$ -	\$ -
Prop. A Discretionary Incentive (for DAR)	\$ 303	\$ 333	\$ 420
Prop. A Interest	\$ -	\$ -	\$ -
BSIP	\$ 43	\$ 43	\$ 44
TSE	\$ 335	\$ 161	\$ 349
Base	\$ -	\$ -	\$ -
Prop. C 40% MOSIP	\$ 922	\$ -	\$ 993
Prop. C 40% Discretionary	\$ -	\$ -	\$ -
Prop. C 20% Local Return	\$ -	\$ -	\$ -
Prop. C 5% Security	\$ 121	\$ 129	\$ 179
Prop. C 40% Foothill Mitigation	\$ 20	\$ 23	\$ 28
Prop. C Interest	\$ -	\$ -	\$ -
JARC			\$ 184
Mobility Management			\$ 165
Other Local (<i>Lancaster, LA County, Palmdale</i>)	\$ 3,286	\$ 3,763	\$ 3,478
Other Local (Measure R)	\$ 1,867	\$ 1,780	\$ 2,096
TOTAL OPERATING REVENUES	\$ 24,344	\$ 22,914	\$ 23,160
TOTAL OPERATING EXPENSES	\$ 20,118	\$ 20,547	\$ 23,160

Table L - 5A
TPM / TDA REPORT FORM
2012 AUDITED

Annual Totals	FAP Funded					Proposition C 40% Discretionary				Total MTA Funded	Other Code (DAR) *	System Total	
	TDA, STA & Proposition A Discretionary				Measure R	FAP Total	TSE	Base Restructuring	BSIP				MOSIP
	Local	Express	Dial-A-Ride	Sub-total									
Total Vehicle Miles	1,929,775	737,083		2,666,858		2,666,858	84,317		10,689	235,656	2,997,520	327,613	3,325,133
Vehicle Service Miles	1,764,920	648,946		2,413,867		2,413,867	76,319		9,675	213,301	2,713,161	296,869	3,010,030
Total Vehicle Hours	138,536	24,021		162,557		162,557	5,140		652	14,364	182,712	14,699	197,411
Vehicle Service Hours	131,309	18,033		149,341		149,341	4,722		599	13,196	167,858	13,640	181,498
Unlinked Passengers	2,633,619	159,402		2,793,021		2,793,021	88,306		11,195	246,804	3,139,326	36,215	3,175,541
Linked Passengers				-		-					-		-
Passenger Revenue	1,731,968	2,347,109		4,079,076		4,079,076	128,967		16,350	360,446	4,584,839	101,826	4,686,665
Aux. Rev/Local Subs.				-		-					-		-
Op. Cost Less Depr.	13,791,878	3,254,565		17,046,443		17,046,443	538,952		68,328	1,506,304	19,160,027	957,462	20,117,489
Full Time Equiv Employees	161	62		223		223					223	47	270
Active Vehicles	48	20		68		68					68	33	101
Peak Vehicles	40	17		57		57					57	12	69
DAR Seat Capacity*											-		
Base Fare	\$1.50	\$15.00										\$3.00	
Effective Date	03/01/10	01/01/10										2006	

*DAR --- 20 regular and 3 wheelchair, total 23 seats.

Table L - 5B
TPM / TDA REPORT FORM
FY 2013 Projected

Annual Totals	FAP Funded					Proposition C 40% Discretionary					Total MTA Funded	Other Code DAR	System Total
	TDA, STA & Proposition A Discretionary				Measure R	FAP Total	TSE	Base Restructuring	BSIP	MOSIP			
	Local	Express	Dial-A-Ride ¹	Sub-total									
Total Vehicle Miles	2,021,865	968,032		2,989,897		2,989,897	86,477		10,963	241,692	3,329,029	210,206	3,539,235
Vehicle Service Miles	1,802,242	700,107		2,502,350		2,502,350	78,643		9,970	219,797	2,810,759	210,206	3,020,965
Total Vehicle Hours	136,638	26,016		162,654		162,654	5,153		653	14,401	182,861	7,442	190,303
Vehicle Service Hours	128,386	19,498		147,884		147,884	4,722		599	13,196	166,400	7,442	173,842
Unlinked Passengers	3,098,052	180,078		3,278,130		3,278,130	96,309		12,209	269,173	3,655,822	26,998	3,682,820
Linked Passengers				-		-					-		-
Passenger Revenue	1,797,527	2,457,782		4,255,309		4,255,309	134,539		17,056	376,019	4,782,923	102,000	4,884,923
Aux. Rev/Local Subs.				-		-					-		-
Op. Cost Less Depr.	14,579,172	2,833,830		17,413,002		17,413,002	550,542		69,794	1,538,695	19,572,033	974,967	20,547,000
Full Time Equiv Employees*	151	58		210		210	0		0	0	210	9	219
Active Vehicles**	48	23		71		71					71	17	88
Peak Vehicles**	40	19		59		59					59	15	74
DAR Seat Capacity***											-		
Base Fare	\$1.50	\$15.00										\$3.00	
Effective Date	03/01/10	01/01/10										2006	

* Full Time Employee includes Veolia and ALC

** DAR vehicles are contracted and not part of AVTA fleet

*** DAR --- 20 regular and 3 wheelchair, total 23 seats.

**** Measure R did not fund specific lines.

Table L - 5C
TPM / TDA REPORT FORM

FY2014 Planned

Annual Totals	FAP Funded					Proposition C 40% Discretionary				Total MTA Funded	Other Code DAR	System Total	
	TDA, STA & Proposition A Discretionary				Measure R	FAP Total	TSE	Base Restruct	BSIP				MOSIP
	Local	Express	Dial-A-	Sub-total									
Total Vehicle Miles	2,057,429	984,663		3,042,093		3,042,093	85,901		10,890	240,082	3,378,965	210,716	3,589,681
Vehicle Service Miles	1,834,168	712,581		2,546,748		2,546,748	78,072		9,897	218,201	2,852,919	210,716	3,063,635
Total Vehicle Hours	138,995	26,591		165,586		165,586	5,120		649	14,310	185,665	7,296	192,961
Vehicle Service	130,600	19,906		150,507		150,507	4,689		594	13,106	168,896	7,296	176,192
Unlinked Passengers	3,168,510	187,105		3,355,615		3,355,615	95,195		12,068	266,059	3,728,938	27,088	3,756,026
Linked Passengers				-		-					-		-
Passenger Revenue	1,797,527	2,457,783		4,255,310		4,255,310	134,539		17,056	376,019	4,782,924	102,000	4,884,924
Aux. Rev/Local Subs.						-					-		-
Op. Cost Less Depr.	15,851,475	3,740,586		19,592,061		19,592,061	619,436		78,528	1,731,246	22,021,271	1,138,995	23,160,266
Full Time Equiv	151	58		210		210					210	17	227
Active Vehicles	43	28		71		71					71	N/A	71
Peak Vehicles	40	19		59		59					59	N/A	59
DAR Seat Capacity											-		
Base Fare	\$1.50	\$15.00										\$3.00	
Effective Date	03/01/10	01/01/10										2006	

* Full Time Employee includes Veolia and ALC

** DAR vehicles are contracted and not part of AVTA fleet

*** DAR --- 20 regular and 3 wheelchair, total 23 seats.

**** Measure R did not fund specific lines.

Table L - 6
PERFORMANCE AUDIT FOLLOW-UP
OF RECOMMENDATIONS FROM THE LAST
COMPLETED PERFORMANCE AUDIT
FY 2010, 2011 and 2012

PERFORMANCE AUDIT RECOMMENDED ACTIONS	OPERATOR PROGRESS TO DATE
Inconsistencies between data reported in AVTA's filings to the State Controller, the LACMTA, and the FTA	Progress has been discussed with Moore and Associates and will be fully outlined in their upcoming report. There will be data inconsistencies in FY 2010 and 2011, these have largely been corrected.
AVTA submitted its fiscal audit after the stipulated deadline for FY2007/09.	FY 2010 and 2011 were submitted late due to management and financial system transitions. The FY 2012 fiscal audit was submitted and filed early.
AVTA did not accurately report FTEs to the State Controller according to PUC guidelines during the period covered by this review.	AVTA does not receive STA funds. As the majority of our funding is Federal 5307, we use federal definitions on most reporting. We will make sure we use the state definition on future state controller reports.
Maintenance - Preventative Maintenance Plan	A Preventative Maintenance plan was developed and implemented. The Plan was submitted to FTA on 9/20/2011. We also monitor PMs on a monthly basis and a report is reviewed and signed by the Executive Director for the record.
Procurement - Revise Policies and Procedures for DBE, Buy America and ARRA.	A revised procurement manual was submitted for board approval, which also included DBE and ARRA requirements along with ICE form submitted to FTA on 9/20/2011.
Title VI - Public Notification, Develop new LEP plan, Develop Methodology to analyze impact of future fare and service changes	A Title VI Program was adopted on 6/28/2011 and an updated LEP plan was revised and submitted to FTA on 9/20/2011. The next Title VI update is due by June 30, 2014.
Develop a new Safety and Security Plan	A Safety Policy was instituted on 9/28/2011, which included numerous safety measures, involving facility, vehicle and work procedures. AVTA has also been actively involved in working with consultant (Ray Inge), On November 2012 AVTA instituted a series of tabletop drills including a regional security exercise involving our jurisdictional members and the fire and sheriffs departments.

**Table L - 7
CAPITAL PROJECT SUMMARY**

FY2012

Project Name	Funding Source Federal	State Local	Total Project Cost
Strategic Planning	5307		\$ 52,500
Bus Stop Improvements - Palmdale	5307		\$ 349,407
Security and Emergency Preparedness Mgmt. Plan	5307		\$ 90,000
Planning Studies	5307		\$ 17,287
Bus Radio Upgrade	5307		\$ 136,621
Strategic Planning	5307		\$ 11,000
A&E Services Phase II Bus Stop Improvement Program	5307		\$ 350,000
Turnover Inspection	5307		\$ 23,200
Commuter Coaches Refurbishment	5307		\$ 2,100,000

FY 2013

Project Name	Funding Source Federal	State Local	Total Project Cost
Bus Stop Renovation	5307		\$ 89,920
Furniture Fixtures & Equipment	5307		\$ 168,920
Bus & Facility Security Upgrade	5307		\$ 374,968
Bus Purchases and Refurbishment	5307		\$ 16,429,500
Phase II Facility Construction	5307		\$ 4,050,648
Major Shop Equipment	5307		\$ 384,000
Data and Communications	5307		\$ 2,241,028
Planning Projects	5307		\$ 511,000

ESTIMATED - FY 2014

Project Name	Funding Source Federal	State Local	Total Project Cost
Vehicle Purchases and Refurbishment	5307		\$ 3,429,000
Major Bus Components	5307		\$ 150,000
Facilities	5307		\$ 164,020
Major Shop Equipment	5307		\$ 150,000
Regional Partnership Projects	5307		\$ 1,400,000
ITS Upgrade	5307		\$ 2,397,720
Data and Communications	5307		\$ 524,830
Bus & Facility Security Upgrade	5307		\$ 117,786