

Fiscal Year 2015

Business Plan



Operating Plan
Capital Plan
Short Range Transit Plan



May 27, 2014

Board of Directors

Chairman

Norm Hickling
County of Los Angeles

Vice-Chairman

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City of Lancaster

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Tom Lackey
City of Palmdale

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Steven D. Hofbauer
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County of Los Angeles

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Sandra Johnson
City of Lancaster

Executive Director

Julie M. Austin

Dear AVTA Friends and Stakeholders:

As we prepare for a new budget year, we also celebrate our accomplishments during the past fiscal year (2013-2014). Moving toward a more sustainable future, we have reduced water consumption by 40%, and our solar panels are supporting AVTA's electricity needs. We are aggressively implementing our commitment to increase AVTA's profile in both Washington DC and California, which will help AVTA achieve its goals and be a strong contender for competitive funding opportunities.

AVTA's new website and social media applications are also something we're proud of. We've increased our customer communications substantially. An increased focus on safety and security has resulted in reduced fare evasion and an increased sense of safety on AVTA's buses.

In fiscal year 2014/15, we will complete a comprehensive analysis of AVTA's operations. This study, dubbed the Road to Success, will provide a framework for service adjustments over the next ten years. We will also complete the roll-out of our Intelligent Transportation System (ITS), which will allow customers to access real-time bus arrival information via their smart phones or at bus stops. The ITS will also give AVTA more data regarding on-time performance and boardings by stop.

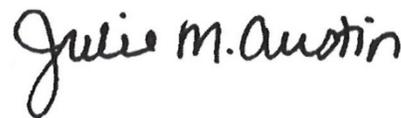
We have budgeted additional hours of service for both local and commuter while continuing to contain costs. We plan to deliver improved service with an operating budget of \$23.9 million and a capital budget of \$14.1 million. We will continue operating the TRANSporter, linking Antelope Valley residents to Metrolink and Santa Clarita Transit.

We are very excited about AVTA's purchase of two battery electric buses, made possible by a generous funding allocation of local funds from Supervisor Michael Antonovich. AVTA will be the first public transit operator to deploy BYD long-range electric buses in service. We are also working to install in-ground wireless inductive charging stations at our major transfer centers, Lancaster City Park and Palmdale Transit Center. These and other innovative projects are moving AVTA forward. This Business Plan is an important step toward achieving our vision. Thank you for being a part of our success!

Sincerely,



Norm Hickling
Chairman



Julie Austin
Executive Director



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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 is situated in the City of Lancaster, California. AVTA’s active fleet of buses will grow from 71 to 75 in FY15 with the addition of two commuter coaches and two battery-electric local transit buses.

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, 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 operations.

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 over 25% over the past three 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.

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



Vice Chair

Marvin Crist
City of Lancaster



Director

Dianne Knippel
County of Los Angeles



Director

Sandra Johnson
City of Lancaster



Director

Tom Lackey
City of Palmdale



Director

Steven Hofbauer
City of Palmdale



Executive Director

Julie M. Austin
Antelope Valley Transit Authority



Transit Advisory Committee (TAC)

A Transit Advisory Committee was established in 1992 to provide 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
Allen Thompson	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 – 2014 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, one each from Palmdale, Lancaster, and Los Angeles County and/or Santa Clarita.

This year the process was concluded at a Hearing Board meeting held on April 30, 2014. 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.



FY15 BUDGET SUMMARY

FY14 Accomplishments

Based on the policy and operating direction that the Board of Directors provided to staff in the July 2013 Strategic Planning Meeting, the Fiscal Year 2014 Business Plan focused on five major areas: Safety, Effectiveness, Outstanding Customer Service, Organizational Leadership and Efficiency. Goals were established by each department. Functional accomplishments for FY14 and goals for FY15 are included in the detailed department sections of this Plan. Systemwide accomplishments for the fiscal year ending June 30, 2014 include the following:

- SAFETY – Increase public confidence regarding bus safety
 - Conducted 2nd Annual Bus Roadeo with winner attending International Bus Roadeo in Kansas City
 - Improved the safety in the AVTA lobby
 - Increased law enforcement presence
 - Reduced fare evasion on AVTA buses
- EFFECTIVENESS – Economic catalyst
 - Secured local funding and ordered two electric buses
 - Initiated monthly comprehensive financial reporting to the Board
 - Clean Comprehensive Annual Financial Report (CAFR) and Single Audit Report on Federal Awards for Fiscal Year 2013
- OUTSTANDING CUSTOMER SERVICE - Restructure service to be responsive to customers while living within our means
 - Issued Fare Restructuring RFP and developed fare restructuring scenarios
 - Intelligent Transportation System implementation substantially underway
 - Caller hold times averaging below target of 1:10
 - Increased social media presence
 - Improved the website to be a more effective communications tool for the riding public
 - Conducted ridership satisfaction surveys
- ORGANIZATIONAL LEADERSHIP – Proudly tell the AVTA story
 - Hired government relations firm to represent federal interests in Washington DC
 - Two First Place AdWheel Awards from APTA, including Grand Prize for commercial video
- EFFICIENCY – Long term planning to ensure a sustainable organization
 - Launched comprehensive operational analysis, “Road to Success”
 - Facilities reduced water consumption by 38%
 - Reduced AVTA’s carbon emissions by 400 metric tons by using hybrid buses
 - Recalculated jurisdictional contributions
 - Completed Classification and Compensation Study



FY15 Goals

Goals approved by the Board of Directors for FY15 are organized into the following areas:

- **OPERATE A SAFE TRANSIT SYSTEM**
 - Increase Sheriff patrol by one day each week
 - Continue Volunteers on Patrol program

- **PROVIDE OUTSTANDING CUSTOMER SERVICE**
 - Increase AVTA profile nationwide
 - Implement JARC Employment Voucher program
 - Improve graphics production with new equipment

- **OPERATE AN EFFECTIVE TRANSIT SYSTEM**
 - Integrate electric bus technology into local fleet
 - Expand commuter service by 3,500 service hours
 - Add two commuter expansion coaches
 - Conduct preliminary BRT studies
 - Develop and implement marketing campaign supporting electric bus demonstration

- **OPERATE AN EFFICIENT TRANSIT SYSTEM**
 - Implement Board-approved recommendations from Route to Success Study
 - Implement ITS recommendations and use data collected to improve decision-making
 - Implement Document Management System
 - Implement Procurement Management System
 - Improve financial reporting and increase investment income
 - Implement new fare structure per Board-approved study
 - Implement classification and compensation study recommendations as approved by the Board



FY15 Assumptions

- **Vehicle Service Hours 180,649**
 - Increased local transit VSH of 8,300 VSH
 - Increased commuter services of 3,500 VSH
 - Increased frequencies in existing routes
 - Battery electric buses become operational

- **Balanced Operating Budget: \$23.9 million**

- **Capital Spending Plan of \$16.1 million**

- **Major Consulting Projects**
 - Classification and Compensation study results implemented
 - Route to Success approved results implemented
 - Fare Study results implemented
 - Federal Advocacy services available for the entire fiscal year

- **Major Capital Projects**
 - 2 WAVE Charging Locations to be installed
 - 12 Replacement Local Transit Buses that may include additional battery electric buses
 - 5 commuter coaches, 3 replacement and 2 expansion units
 - Intelligent Transportation System placed in service
 - Apollo System Video upgrade installed and placed in service
 - Documentation and Procurement Software chosen, implementation planned

Fiscal Year 2015 Performance Standards

- **Operate a Safe Transit System**
 - Preventable Accidents per 100,000 miles: 0.50

- **Provide Outstanding Customer Service**
 - Complaints per 100,000 Boardings: 7.00
 - Schedule Adherence: 96%
 - Average Hold Time: 1.00
 - Miles Between Service Interruptions: 15,000

- **Operate an Effective Transit System**
 - Boardings per Service Hour 21.5
 - Average Weekday Boardings 12,700

- **Vehicle Service Miles: 2,947,004**
 - Average Cost per Vehicle Service Hour \$125.69
 - Farebox Recovery Ratio 22.51%



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FY15 OPERATING BUDGET

Operating Summary

On May 27, 2015, the AVTA Board of Directors approved a Fiscal Year 2015 operating budget of \$23.9 million and a capital budget of \$14.1 million. The table below compares revenues and expenses for Fiscal Year 2013 (Actuals), Fiscal Year 2014 (Budget and Projected Year-End) and the proposed Fiscal Year 2015 Budget.

In FY15, the Authority is planning to spend \$23.91 million on operations, utilizing \$5.21 million from fare revenues and \$18.70 million from operating subsidies and jurisdictional operating contributions. Total revenues increased 3.1%. The sources of this increase were additional fare revenues, the net increase in MTA funding sources (net after deducting local match requirements), and an additional JARC funds available for operating uses. Total expenses are budgeted to increase commensurately by 3.1% over the estimated year-end expenses for FY 2014. The increase is due in large part to additional contract costs for service enhancements in both local transit and commuter services and the addition of consulting projects that are funded with JARC and other federal sources. The fuel required for the additional 11,800 vehicle service hours for FY15 is accommodated in the fuel budget. Partial offsets are achieved by decreases in budget assumptions for the per gallon cost of diesel fuel and information technology expenses.

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

Description	FY 13 Actual	FY 14 Budget	FY 14 Projected	FY 15 Budget	% Change FY14 Projected vs. FY15 Budget
Fare Revenues	\$4.83	\$4.88	\$5.05	\$5.21	3.0%
Operating Subsidies & Jurisdiction Contributions	21.47	18.28	18.13	18.70	3.1%
Total Revenues	26.30	23.16	23.19	23.91	3.1%
Purchased Transportation	12.32	12.91	12.91	13.64	5.7%
General & Admin Expense (including Fuel)	7.70	10.25	10.28	10.26	(0.2%)
Total Expenses	20.02	23.16	23.19	23.91	3.1%
Income/(Loss)	\$6.28	\$0.00	\$0.00	\$0.00	0.0%

Operating Reserve

Beginning in FY13, a separate operating reserve was established with a beginning balance of \$250,000. In FY14, the Authority added \$250,000 to the reserve. Moving forward, additional funds will be set aside annually with the goal of creating a reserve equivalent to three months of operating expenses.



Capital vs. Operating

AVTA's funding is classified as 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 FY15.

Exhibit B – Funding Sources for Operations

Prop A 95% of 40% Discretionary	\$3,950,032		
Measure R 20% Bus Operations	2,234,115		
Prop C 40% Municipal Operators Service Improvement Program (MOSIP)	1,029,489		
Prop C 40% Transit Service Expansion	356,760		
Prop A 5% of 40% Incentive - DAR	277,968		
Prop C 5% Transit Security	211,122		
Prop C 40% BSIP Overcrowding Relief	45,280		
Prop C 40% Foothill Mitigation	16,110		
Total Local Subsidies		8,120,876	
FTA 5307 Operating Subsidy	1,760,317		
FTA 5307 Preventive Maintenance Program	4,039,683		
Total Federal Subsidies		5,800,000	
Total Local and Federal Operating Subsidies			13,920,876
JARC Funds made available for Operations			677,264
Grantable Projects			486,500
Farebox Revenue			5,206,553
Auxiliary Revenues			326,053
Los Angeles County			553,128
City of Palmdale			1,363,120
City of Lancaster			1,373,704
Total Jurisdictional Contributions			3,289,952
Total Funds Applied to Operations			\$23,907,198



Fare Revenues

Fare revenues are unrestricted revenues collected directly by AVTA from passengers. Even though statistics show an increase in boardings, farebox recovery ratios for local service over the past several years have not kept pace with the increased boardings as more and more people have taken advantage of AVTA's free ride program for seniors, disabled, veterans and the military. The commuter program continues to show a strong farebox recovery ratio, which has remained in excess of 70% over the past two years.

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.

Revenue from 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.

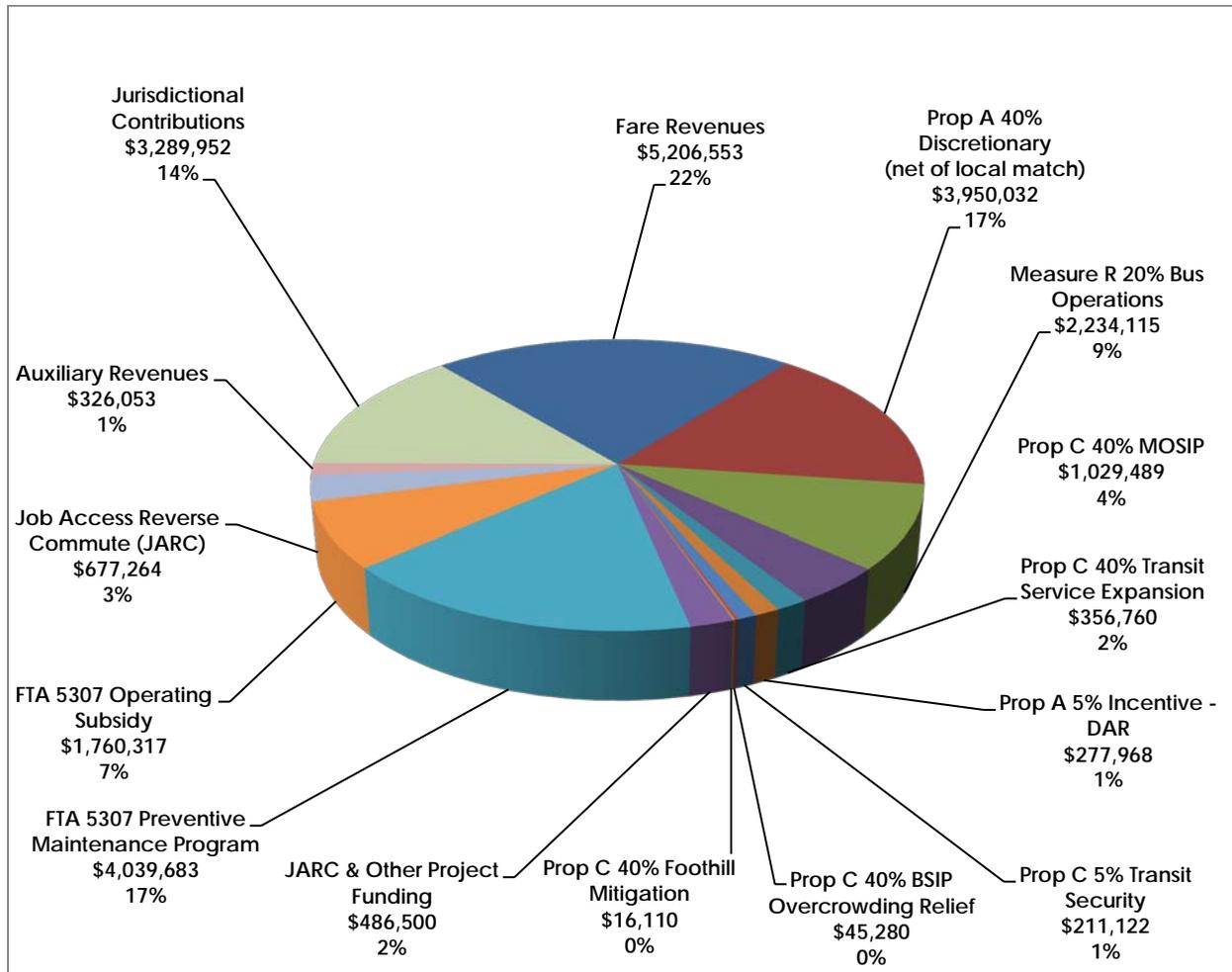
Over the years, a variety of individual programs have been established by LA Metro and funded with different earmarked amounts of Proposition A or C. One example is the Municipal Operators Service Improvement Program (MOSIP), which was created to provide additional funding to the smaller county operators 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 for operating support (which has a 50% match requirement and preventive maintenance (which has a 20% match requirements); Jurisdictional Contributions and Auxiliary Revenues. Jurisdictional contributions are projected at \$3.3 million for FY15. This is a decrease from FY14 as the Los Angeles County subsidy to fund TRANSporter operations sunsets at the through the end of the FY14 budget year.

The following graph shows the major components of the primary revenue sources for FY15:



Exhibit C – FY15 Operating Revenue Sources - \$23.9 Million



MTA Funding

Operating subsidies allocated through the Los Angeles County Metropolitan Transportation Authority’s annual funding marks for FY15 are 1.3% lower than last year, as shown in Exhibit R, Fare Revenue vs. MTA Subsidies. This is due to a decrease of State Transit Assistance Funds allocated to the Proposition A 40% Program, a decrease in Proposition A 5% of 40% Incentive for Dial-A-Ride as AVTA’s service levels were less than prior years, and a decrease in in Proposition C 40% Foothill Mitigation based on operating decisions made by Foothill Transit.

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 Generally Accepted Accounting Principles (GAAP) the funds are classified as deferred revenues until earned. Revenue recognition occurs when a qualifying expense paid by the Authority can be reimbursed by the deferred funds.

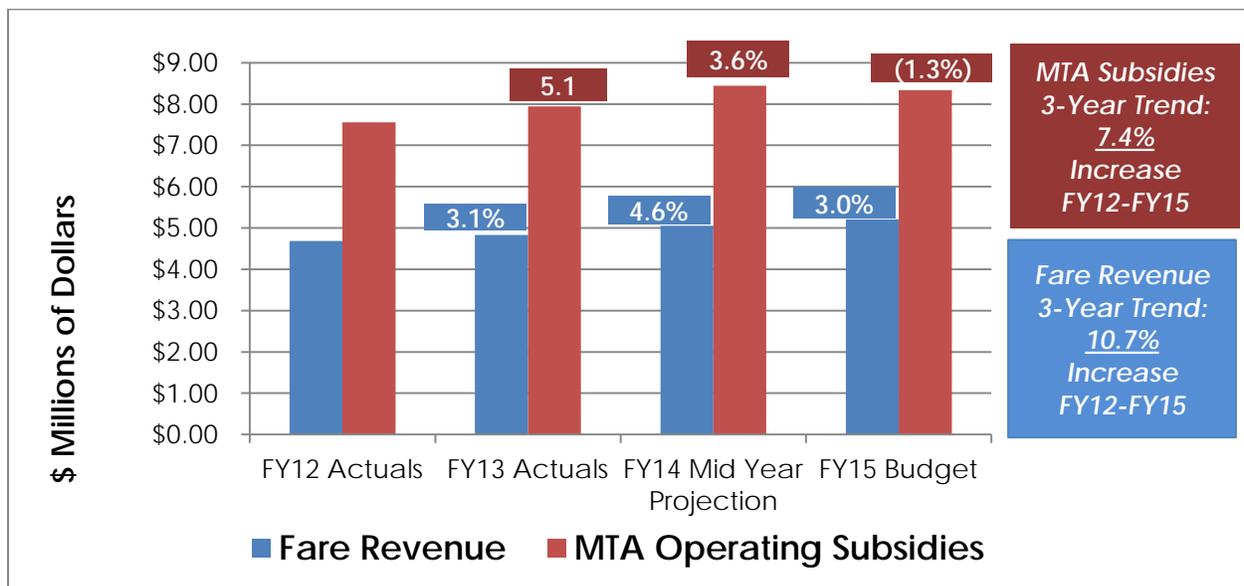


Exhibit D – MTA Funding – FY14 vs. FY15

FUNDING SOURCE	FY14	FY15	\$ Change	% Change
Proposition A 40% Discretionary	4,337,039	4,165,129	(171,910)	(4.0%)
Measure R 20% Bus Operations	2,095,731	2,234,115	138,384	6.6%
Proposition C 40% Municipal Operators Service Improvement Program (MOSIP)	993,130	1,029,489	36,359	3.7%
Proposition C 40% Transit Service Expansion	348,739	356,760	8,021	2.3%
Proposition A 5% of 40% Incentive - DAR	419,711	277,968	(141,743)	(33.8%)
Proposition C 5% Transit Security	179,080	211,122	32,042	17.9%
Proposition C 40% Bus Service Improvement	44,262	45,280	1,018	2.3%
Proposition C 40% Foothill Mitigation	27,998	16,110	(11,888)	(42.5%)
Total MTA Subsidies	8,445,690	8,335,973	(109,717)	(1.3%)
Local Match (from Prop A 40% Discretionary)	(567,467)	(215,097)	352,370	62.1%
<u>Net</u> MTA Subsidies available for Operations	\$7,878,223	\$8,120,876	\$242,653	3.1%

Through FY14, MTA Subsidies had increased almost 12%; with this year’s decrease in funding, the running trend drops to 7.4%. Comparing the changes in MTA Subsidies with fare revenues over the past three years shows that fares have increased 10.7%, but the increase has not kept pace with the increase in ridership.

Exhibit E – Fare Revenues vs. MTA Subsidies, FY12 - FY15

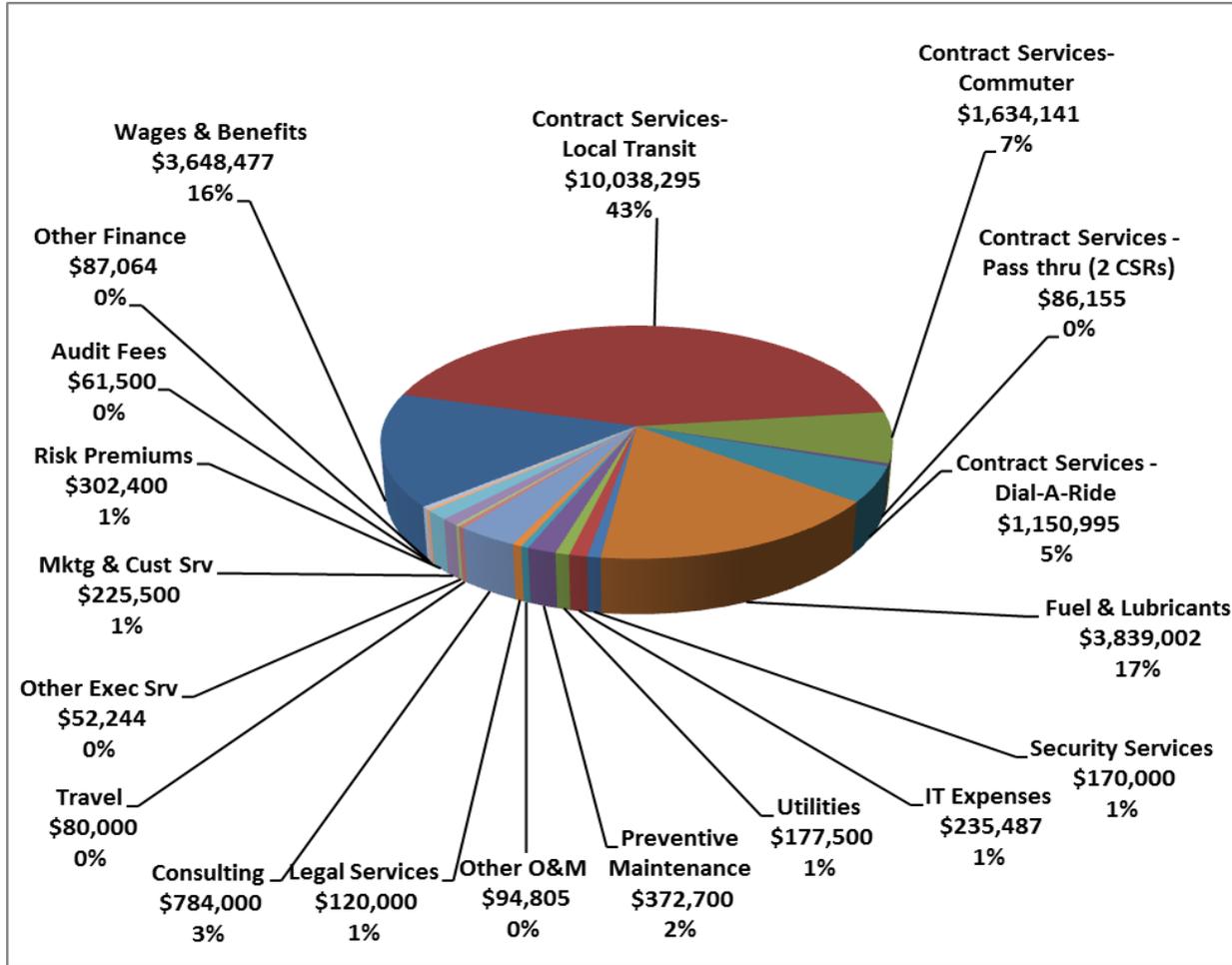




OPERATING EXPENSES

The following chart illustrates the major expense components for the FY15 Budget.

Exhibit F – FY15 Operating Expenses - \$23.16 million



Key assumptions include a flat headcount, with the Director of Administration being replaced by a project engineer, with savings of salary and benefits realized. A lack of candidates for the project engineer position may result in AVTA seeking assistance from outside consulting firms to fill this need. A 5% maximum merit increase pool for wages and a 10% increase in benefits premiums is assumed.

Service levels have been increased by 8,300 and 3,500 hours for local transit and commuter services, respectively. The increased commuter hours are funded by a pending JARC grant for two years; the funds are also paying for two expansion commuter coaches to be delivered in FY15. The increased local transit hours will be used to assimilate the new electric buses into revenue service. Budgeted increases per operating contracts are included in Local, Commuter and Dial-A-Ride services effective January 1, 2015.

Security services assume an additional patrol day for AVTA's Los Angeles County Sheriff transit deputy and the increased use of Sheriff's volunteers to extend law enforcement presence to increase safety in AVTA operations.



Consulting for FY15 includes planning projects for the completion of the Route to Success, Bus Rapid Transit Alternatives Analysis, Electric Bus Technical Consulting and Short Range Transit Planning. The Voucher Program, Mobility Management Project and Commuter Expansion Operating Support funded by JARC are included as well.

The travel and training budget has been increased by \$14,000 to provide more opportunities for Board participation in industry conferences and legislative advocacy. Risk premiums assume a 10% increase for coverage costs.

GAAP Presentation of Federally Funded Consulting Projects

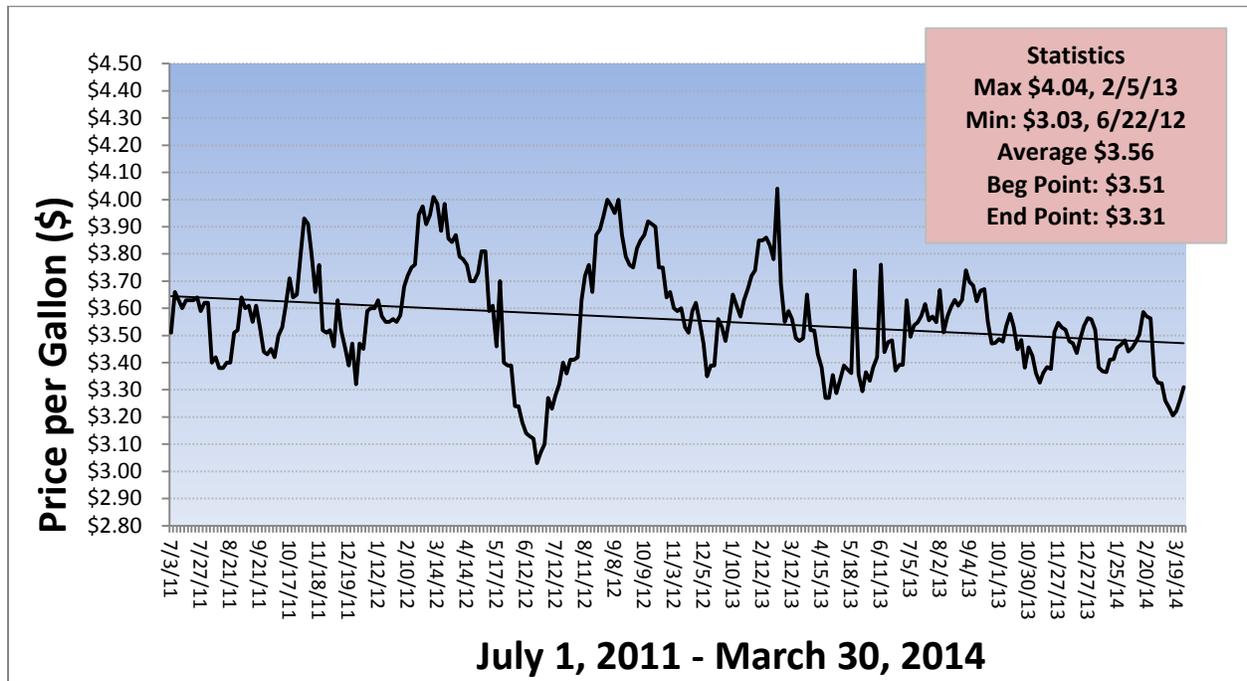
The consulting operating projects listed above that are "grantable" under federal funding guidelines are reported as overhead in the Authority's financial statements under GAAP rules. A total of \$486K in consulting and planning projects and \$677K in JARC projects are federally funded and included in consulting expense.

Diesel Fuel Price Trend

Fuel costs are budgeted at \$4.25/gallon, a reduction of 75¢/gallon from prior years to help balance the FY15 Budget. Fuel price trends show a 33-month trailing average price of \$3.56 per gallon (see Exhibit T). The reserve of 69¢/gallon (19%) included in the fuel use assumptions should provide a cushion against potential upward price pressure from the effects of Cap & Trade activities in California. The fuel required for the additional 11,800 vehicle service hours FY15 is accommodated in the fuel budget.

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

Exhibit G – Diesel Fuel Price per Gallon - July 1, 2011 to March 30, 2014





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FIVE-YEAR FINANCIAL PLAN PROJECTIONS & SCENARIOS

Four Five-year plan scenarios have been developed for the FY15 Budget, and offer different operating results based on changes in Fare Revenue assumptions over the over the analysis period.

Scenario #1, the Operating Base Case, reflects fare inflows on a 3% increase added to the FY14 Mid-Year Projection, and then increasing it by 3% every year thereafter. The 3% inflator is slightly under the average 3.3% annual increase shown by the trailing three year revenue trend discussed previously. Jurisdictional operating contributions are increased 3% per year beginning in FY16.

Scenario #2 increases commuter fares by 20% from the discounted fares in force and shown on the website. Commuter fares are discounted for the elderly and disabled by 50%. TRANSpporter fares are set at \$5.00, local fares are set at \$1.50, and TAP Card discounts for all Pass Sales are discontinued. No jurisdictional operating contributions are assumed for the analysis period.

Scenario #3 sets all commuter fares at a flat \$10. All other inputs are the same as Scenario #2.

Scenario #4 sets the fare for commuter route 785 equal to the current price of a Palmdale-Union Station Metrolink ticket at \$14.00; other commuter fares were increased ratably to the 785 increase. All other inputs are the same as Scenario #2.

All scenarios share the following assumptions:

- Dial-A-Ride is capped at 33,000 trips per year with no change in fares.
- Tax-based revenues increased by 7.5% per year following the current trend.
- 5307 Preventive Maintenance assistance is increased in relation to annual contract increases. 5307 Operating Assistance inflows are increased by 3% annually.
- Fuel is assumed at \$4.25 per gallon through the analysis period.
- Other operating expenses increased by 1.5% per year.
- Wages and benefits are increased 3.5% and 7.5% per year respectively.
- Other general and administrative expenses are increased 1.5% per year.
- FY14 is the final year for TRANSpporter subsidies from Los Angeles County; out-years assume that TRANSpporter costs are absorbed into normal operations.



Exhibit H – Five Year Financial Plan, Scenario #1

Scenario #1, Original Budget*						
Description	Fiscal Years					Total
	Budget 2015	2016	2017	2018	2019	
Operating Revenue						
Fare Revenue	\$5,206,553	\$5,362,749	\$5,523,632	\$5,689,341	\$5,860,021	\$27,642,296
Jurisdictional Operations Contributions	3,289,952	3,388,651	3,490,310	3,595,019	3,702,870	17,466,802
MTA Funding (net of Local Match Funds)	8,120,876	8,729,942	9,384,688	10,088,539	10,845,180	47,169,225
5307 Funds for Operations & Preventive Maintenance	5,800,000	6,083,667	6,120,850	6,426,893	6,748,237	31,179,647
Other Federal Funding for Operations	1,163,764	1,221,952	1,283,050	1,347,202	1,414,562	6,430,531
Auxiliary Revenue	326,053	315,000	315,000	315,000	315,000	1,586,053
Total Operating Revenue	23,907,198	25,101,961	26,117,530	27,461,994	28,885,870	131,474,554
Operating Expenditures						
Contractor Costs	13,642,277	14,536,271	14,956,856	15,389,826	15,835,549	74,360,779
Other Operating Expenditures	4,100,463	4,161,969	4,224,399	4,287,765	4,352,081	21,126,677
Wages & Benefits	3,675,861	3,847,190	4,027,717	4,218,003	4,418,647	20,187,418
Other General & Administrative Costs	2,488,598	2,525,927	2,563,816	2,602,273	2,641,307	12,821,920
Total Operating Expenditures	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	0	30,603	344,742	964,128	1,638,286	2,977,760
Fare Box Recovery Ratio	21.8%	21.4%	21.4%	21.5%	21.5%	21.5%
Carryover Analysis						
Prior Year Carryover	0	0	30,603	375,346	1,339,474	0
Operating Revenues	23,907,198	25,101,961	26,117,530	27,461,994	28,885,870	131,474,554
Operating Expenses	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	0	30,603	344,742	964,128	1,638,286	2,977,760
End of Year Carryover/(Deficit)	\$0	\$30,603	\$375,346	\$1,339,474	\$2,977,760	\$2,977,760

* Note: Fare Revenue as originally budgeted; jurisdictional contributions increased 3% per year starting FY16.

For Scenario #1 (Base Case), fare revenues are based on a 3% increase added to the FY14 Mid-Year Projection (December 2013 YTD) to arrive at a \$5.2 million starting point, inflated by 3% every year thereafter.

Jurisdictional Operating Contributions are increased annually by 3%.

Changes in net position for the Base Case increased steadily each year and total \$3.0 million for the analysis period.

The Farebox Recovery Ratio averages 21.5% over the five-year analysis period.



Exhibit I – Five Year Financial Plan, Scenario #2

Scenario #2: 20% Commuter Fare Increase*						
Description	Fiscal Years					Total
	Budget 2015	2016	2017	2018	2019	
Operating Revenue						
Fare Revenue	\$5,568,586	\$6,429,114	\$6,621,987	\$6,820,647	\$7,025,266	\$32,465,600
Jurisdictional Operations Contributions	3,289,952	3,289,952	3,289,952	3,289,952	3,289,952	16,449,760
MTA Funding (net of Local Match Funds)	8,120,876	8,729,942	9,384,688	10,088,539	10,845,180	47,169,225
5307 Funds for Operations & Preventive Maintenance	5,800,000	6,083,667	6,120,850	6,426,893	6,748,237	31,179,647
Other Federal Funding for Operations	1,163,764	1,221,952	1,283,050	1,347,202	1,414,562	6,430,531
Auxiliary Revenue	326,053	315,000	315,000	315,000	315,000	1,586,053
Total Operating Revenue	24,269,231	26,069,627	27,015,527	28,288,233	29,638,198	135,280,815
Operating Expenditures						
Contractor Costs	13,642,277	14,536,271	14,956,856	15,389,826	15,835,549	74,360,779
Other Operating Expenditures	4,100,463	4,161,969	4,224,399	4,287,765	4,352,081	21,126,677
Wages & Benefits	3,675,861	3,847,190	4,027,717	4,218,003	4,418,647	20,187,418
Other General & Administrative Costs	2,488,598	2,525,927	2,563,816	2,602,273	2,641,307	12,821,920
Total Operating Expenditures	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	362,033	998,269	1,242,739	1,790,367	2,390,613	6,784,021
Fare Box Recovery Ratio	23.3%	25.6%	25.7%	25.7%	25.8%	25.3%
Carryover Analysis						
Prior Year Carryover	0	362,033	1,360,302	2,603,041	4,393,408	0
Operating Revenues	24,269,231	26,069,627	27,015,527	28,288,233	29,638,198	135,280,815
Operating Expenses	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	362,033	998,269	1,242,739	1,790,367	2,390,613	6,784,021
End of Year Carryover/(Deficit)	\$362,033	\$1,360,302	\$2,603,041	\$4,393,408	\$6,784,021	\$6,784,021

* Note: Commuter Fares increased 20%, Transporter \$5, Local Fare at \$1.50; no increase in juris contributions.

For Scenario #2, FY15 fare revenues were calculated by projected ridership multiplied by commuter fares that were increased by 20%. Out-year figures were inflated by 3%.

No increase in jurisdictional operating support was assumed.

Changes in net position for Scenario #2 increased steadily each year and total \$7.4 million for the analysis period.

The Farebox Recovery Ratio shows a significant increase over the base case from 21.5% to 25.3%.



Exhibit J – Five Year Financial Plan, Scenario #3

Scenario #3: \$10 Flat Fee for Commuter*						
Description	Fiscal Years					Total
	Budget 2015	2016	2017	2018	2019	
Operating Revenue						
Fare Revenue	\$5,643,598	\$6,583,638	\$6,781,148	\$6,984,582	\$7,194,120	\$33,187,086
Jurisdictional Operations Contributions	3,289,952	3,289,952	3,289,952	3,289,952	3,289,952	16,449,760
MTA Funding (net of Local Match Funds)	8,120,876	8,729,942	9,384,688	10,088,539	10,845,180	47,169,225
5307 Funds for Operations & Preventive Maintenance	5,800,000	6,083,667	6,120,850	6,426,893	6,748,237	31,179,647
Other Federal Funding for Operations	1,163,764	1,221,952	1,283,050	1,347,202	1,414,562	6,430,531
Auxiliary Revenue	326,053	315,000	315,000	315,000	315,000	1,586,053
Total Operating Revenue	24,344,243	26,224,151	27,174,687	28,452,168	29,807,051	136,002,301
Operating Expenditures						
Contractor Costs	13,642,277	14,536,271	14,956,856	15,389,826	15,835,549	74,360,779
Other Operating Expenditures	4,100,463	4,161,969	4,224,399	4,287,765	4,352,081	21,126,677
Wages & Benefits	3,675,861	3,847,190	4,027,717	4,218,003	4,418,647	20,187,418
Other General & Administrative Costs	2,488,598	2,525,927	2,563,816	2,602,273	2,641,307	12,821,920
Total Operating Expenditures	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	437,045	1,152,794	1,401,900	1,954,302	2,559,467	7,505,507
Fare Box Recovery Ratio	23.6%	26.3%	26.3%	26.4%	26.4%	25.8%
Carryover Analysis						
Prior Year Carryover	0	437,045	1,589,839	2,991,739	4,946,041	0
Operating Revenues	24,344,243	26,224,151	27,174,687	28,452,168	29,807,051	136,002,301
Operating Expenses	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	437,045	1,152,794	1,401,900	1,954,302	2,559,467	7,505,507
End of Year Carryover/(Deficit)	\$437,045	\$1,589,839	\$2,991,739	\$4,946,041	\$7,505,507	\$7,505,507

* Note: Commuter Fares set at a flat fee of \$10, Transporter \$5, Local Fare at \$1.50; no increase in juris contributions.

For Scenario #3, FY15 fare revenues were calculated by projected ridership multiplied by commuter fares that were set to a flat rate of \$10. Out-year figures were inflated by 3%.

No increase in jurisdictional operating support was assumed.

Changes in net position for Scenario #2 increased steadily each year and total \$8.2 million for the analysis period.

The Farebox Recovery Ratio shows an even more significant increase over the base case from 21.5% to 25.8%.



Exhibit L – Operating Scenario Summary Results Table

Variables between Scenarios	Scenario 5-Year Totals		
	#1	#2	#3
	Base Case	Fare Increase by 20%	\$10 Flat Fee Commuter
Total Fare Revenue	\$27,642,296	\$32,465,600	\$33,187,086
Total Jurisdictional Operations Contributions	\$ 17,466,802	\$ 16,449,760	\$ 16,449,760
Total Changes in Net Position	\$ 2,977,760	\$ 6,784,021	\$ 7,505,507
Total Average Farebox Recovery Ratio	21.5%	25.3%	25.8%

While all the scenarios improve the change in net position figure, Scenario #3 increases the total change in net position figure to \$7,506 million. Concurrently, the farebox recovery ratio also improved by nearly 10%.

Scenario #3, the \$10 commuter flat fee is still considerably below the Metrolink Palmdale to Union Station fare of \$14. This gives AVTA room to raise rates in a fair way that still competes with Metrolink but still provides a good increase in fare revenue telling representation of the pricing gap that exists between the fares of AVTA and Metrolink.



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CAPITAL PROGRAM

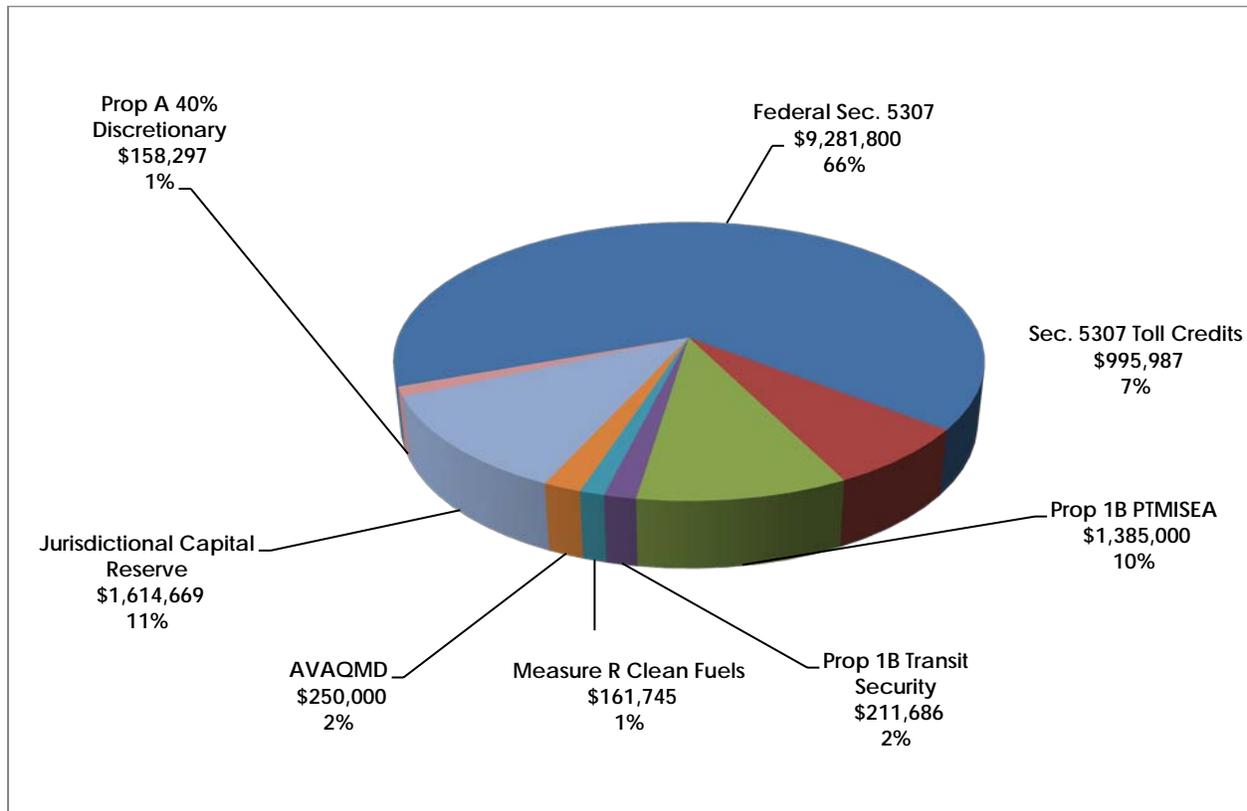
Capital Revenues

AVTA has identified capital needs in FY14 totaling \$14.1 million. The budgeted capital revenues are composed primarily of federal capital funds, with no increase in capital contributions expected from AVTA's members.

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 the Los Angeles Metropolitan Transportation Authority as a result of commuter service. The FY15 Business Plan includes \$34,000 in the LA UZA share of Sec. 5307 funds that were originally allocated in FY14. 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.

Funding for capital expenditures in FY15 is primarily from the prior year carryover of FTA Section 5307 funds and associated toll credits (totaling \$9.3 million in 5307 funds of the \$14.1 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, Proposition 1B Transit Security bond revenues, Measure R Clean Fuels (received bi-annually), Local AVAQMD Funds, Jurisdictional Capital payments, and Proposition A 40% funds used as local match.

Exhibit M - FY15 Capital Funding Sources - \$14.1 million



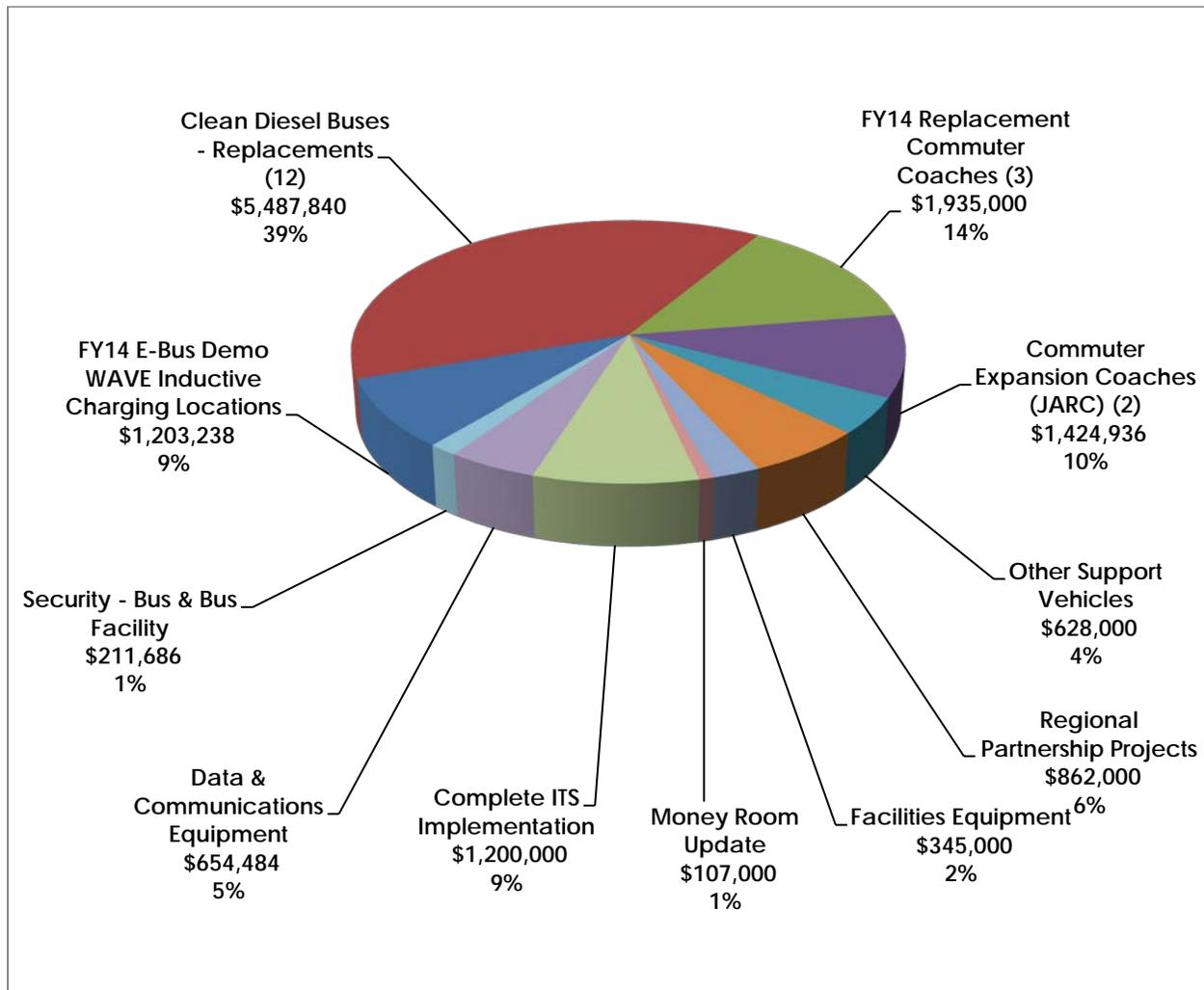


Capital Expenditures

Exhibit I below breaks out the capital projects planned for FY 2015, totaling \$14.1 million.

A total of \$10.6 million will be spent on revenue and non-revenue vehicles and WAVE charging equipment in support of electric bus operations. Carryover funds of \$1.2 million are included to complete the Intelligent Transit System implementation, \$0.7 million for other Data & Communications projects, \$0.9 million for Regional Partnership projects such as bus stop improvements, and \$0.7 million for other facilities projects.

Exhibit N – Fiscal Year 2015 Capital Projects - \$14.1 million





FY 2014 Capital Funds Carryover

The FY 2015 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. Details of the \$16.2 million in carryover funds from FY14 are shown by project in the table below. The carryover will be used for the FY15 Capital Spending Plan, FY15 preventive maintenance and operating support, and future bus purchases.

Exhibit O – Estimated Federal Grant Funding Carryover

Project Description	Estimated Carryover Funds
Vehicle Purchases and Maintenance	\$8,652,940
Regional Partnership	2,996,068
Major Equipment Facilities	758,566
Data & Communications	1,228,778
Major Equipment - Admin	181,810
Security - Bus & Facility	34,146
Planning	37,297
Preventive Maintenance	2,340,902
Totals	\$16,230,507

The following table details FTA funding split between the Lancaster-Palmdale UZA and the Los Angeles/Long Beach UZA. The Lancaster-Palmdale UZA funds come directly from FTA, while the LA/Long Beach UZA funds are received through LA Metro.

Exhibit P – FY 15 Federal Funding by Urbanized Area

Description	Lancaster-Palmdale UZA	LA/LB UZA	Total
5307 - Formula Funds	\$8,393,600	\$544,935	\$8,938,535
5337 – State of Good Repair	0	0	0
5339 – Bus & Bus Facilities	566,453	0	566,453
Total	\$8,960,053	\$544,935	\$9,504,988



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CAPITAL SPENDING PLAN FOR FY 2015

The capital plan for Fiscal Year 2015 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 \$14,059,184. The following table lists total funding by project and indicates the federal funding source.

Exhibit Q – FY15 Capital Program by Project

GL No.	PROJECT		FY 2015
Vehicle Purchases and Maintenance			
	Electric Bus Wave Charging Location Expenses paid in FY15	\$	1,203,238
		AVAQMD	
9909067	Clean Diesel Replacement Buses (12)	\$	5,487,840
		Grant CA-90-Z059	
9909056	FY14 Commuter Replacement Coaches (3)	\$	1,935,000
		Grant CA-90-Y968	
	Commuter Expansion Coaches (2)	\$	1,424,936
		JARC grant	
9909065	Replacement Driver Relief (7) + Support Vehicles (7)	\$	568,000
9902013		Grant CA-90-Z059	
		Grant CA-90-Y799	
	Shop Truck (1)	\$	60,000
9902013		Grant CA-90-Y799	
	Replacement and Expansion Total	\$	10,679,014
	Total Vehicles and Maintenance	\$	10,679,014
Facilities Equipment & Upgrades			
Regional Partnership Projects			
9909059	Regional Partnership Projects	\$	762,000
	(includes FY14 rollover of \$412k)		
	Digital Signage		
TBD		Grant CA-90-Z129	\$ 100,000
	Regional Partnership Projects Total	\$	862,000
Facilities Equipment			
TBD	Major Shop Equipment	\$	100,000
		Grant CA-90-Z129	
9909036	Wheel Cleaner Machine		20,000
		Grant CA-90-Y616	
9909068	Facility Carpeting	\$	125,000
		Prop 1B PTMISEA Bridge	
	Maintenance & Admin Equipment		100,000
TBD		Grant CA-90-Z129	
	Facilities Equipment Total	\$	345,000



Fiscal Year 2015 Capital Program, Continued

GL No.	PROJECT	FY 2015
Money Room Equipment Upgrade		
9902008	Coin Conveyor System Grant CA-90-Y799	\$ 17,800
9902008	Heavy Duty Coin Counter Grant CA-90-Y799	\$ 24,000
9902008	Mixed Bill Counting Machine Grant CA-90-Y799	\$ 21,200
9902008	Vault Relocation Grant CA-90-Y799	\$ 44,000
Money Room Equipment Total		\$ 107,000
Total Facilities, Money Room and Regional Partnerships		\$ 1,314,000
Data & Communication		
9909035	Records Management - TCM Document Management Grant CA-90-Y616	\$ 100,000
	ITS Implementation Upgrade Prop 1B PTMISEA	\$ 1,200,000
	Server Room Upgrade Prop 1B PTMISEA Bridge	\$ 60,000
TBD	Server Hardware Refresh Grant CA-90-Z129	\$ 80,000
9909062	Procurement Software Grant CA-90-Y968	\$ 50,000
9902007	Phone Upgrade Grant CA-90-Y799	\$ 86,250
9902008	Maintenance Kiosks (6) Grant CA-90-Y799	\$ 12,000
9902008	Board Laptops (6) Grant CA-90-Y799	\$ 12,000
9902008	Network Switches (9) Grant CA-90-Y799	\$ 31,500
TBD	Network Management (Patching/Remote/Alerts) Grant CA-90-Z129	\$ 20,000
TBD	Technology Repair & Additions	\$ 20,000
TBD	Apollo System Video Upgrade	\$ 182,734
Data and Communications Total		\$ 1,854,484



Fiscal Year 2015 Capital Program, Continued

GL No.	PROJECT	FY 2015
Security - Bus and Facility		
	Bus & Facility Security	
Prop 1B TS	Prop 1B Transit Security Bridge	\$ 95,786
	Hazard Mitigation	
Prop 1B TS	Prop 1B DOH Security	\$ 95,786
	Mobile Command Center - Communication	
Prop 1B TS	Prop 1B DOH Bridge	\$ 20,114
	Safety - Bus & Facility Total	\$ 211,686
	Total Other Projects	\$ 2,066,170
	FY15 Capital Project Total	\$ 14,059,184

Five-Year Capital Improvement Program

Federal Funding increased by \$800,000 from FY14 to FY15. The two-year MAP-21 program ends at the end of FFY14, on September 31, 2014, but current thought is that the new budget will continue funding requirements, especially with the potential insolvency of the National Highway Trust Transportation Fund anticipated in FY15. This could take place in President Obama's GROW AMERICA Act which has just been recently introduced.

In the proposed FY15 Five-Year Capital Improvement Program, AVTA is continuing the emphasis on bus replacement. The Base Case below is a conservative one that assumes the continuation of capital plans from previous years. It assumes that the replacement and expansion of the fleet is accomplished with diesel buses. The single amount shown as WAVE Charging and Infrastructure is a carryover cost from FY14 for the WAVE Charging equipment for the original Electric Bus Demonstration Project. Adequate funds are available for the five-year period under this scenario.



Exhibit R – Five-Year Capital Improvement Plan Scenario #1

5-Year Capital Plan

Budget FY15: 12 Diesel, 0 Electric						
Description	2015	2016	2017	2018	2019	Total
Funding						
Rollover from prior years	\$ 16,230,507	\$ 9,388,364	\$ 8,889,719	\$ 10,659,408	\$ 9,514,803	\$ 16,230,507
Federal funds available for Capital Spending	19,666,151	13,737,588	14,606,579	14,795,616	13,464,513	37,818,154
Local Match Funds	3,781,397	976,448	804,854	1,011,849	863,958	7,438,505
Total funds available for Capital Spending	23,447,548	14,714,035	15,411,433	15,807,465	14,328,471	45,256,659
Capital Spending						
Bus Acquisition Plan						
Clean Diesel Buses	12	8	6			26
Electric Buses						0
Commuter Buses	5			7	6	18
WAVE Chargers	2					2
Clean Diesel Bus Purchases	5,487,840	3,768,317	2,911,025	-	-	12,167,182
Electric Bus Purchases	-	-	-	-	-	-
Commuter Bus Purchases	3,359,936	-	-	4,933,662	4,355,719	12,649,317
WAVE Charging & Infrastructure	1,203,238	-	-	-	-	1,203,238
Other Capital Expenditures	4,008,170	2,056,000	1,841,000	1,359,000	1,053,000	10,317,170
Capital Spending by Year	14,059,184	5,824,317	4,752,025	6,292,662	5,408,719	36,336,907
Rollover/Deficit	\$ 9,388,364	\$ 8,889,719	\$ 10,659,408	\$ 9,514,803	\$ 8,919,752	\$ 8,919,752

* FY15 Base Case and represents the continuation of previous capital plans; they assumed that the replacement and incremental cost difference between clean diesel pricing and e-bus pricing has not been specified but is assumed to come from discretionary funding sources.

This Scenario is a continuation of capital spending plans from previous years, and assumes that the fleet replacement is accomplished with clean diesel buses. The rollover figure for capital funds at the end of the five year period is as expected.



Exhibit S – Five-Year Capital Improvement Plan Scenario #2

5-Year Capital Plan Scenario

Scenario #2, FY15: 8 Diesel, 4 Electric						
Description	2015	2016	2017	2018	2019	Total
Funding						
Rollover from prior years	\$ 16,230,507	\$ 7,533,644	\$ 3,334,468	\$ 2,566,828	\$ 1,422,223	\$ 16,230,507
Federal funds available for Capital Spending	19,666,151	11,882,868	9,051,328	6,703,036	5,371,933	37,818,154
Local Match Funds	3,781,397	1,705,600	1,297,500	1,011,849	863,958	8,660,304
Total funds available for Capital Spending	23,447,548	13,588,468	10,348,828	7,714,885	6,235,891	46,478,458
Capital Spending						
Bus Acquisition Plan						
Clean Diesel Buses	8					8
Electric Buses	4	8	6			18
Commuter Buses	5			7	6	18
WAVE Chargers	2	2	1	-	-	5
Clean Diesel Bus Purchases	3,658,560	-	-	-	-	3,658,560
Electric Bus Purchases	3,452,000	6,904,000	5,178,000	-	-	15,534,000
Commuter Bus Purchases	3,359,936	-	-	4,933,662	4,355,719	12,649,317
WAVE Charging & Infrastructure	1,435,238	1,294,000	763,000	-	-	3,492,238
Other Capital Expenditures	4,008,170	2,056,000	1,841,000	1,359,000	1,053,000	10,317,170
Capital Spending by Year	15,913,904	10,254,000	7,782,000	6,292,662	5,408,719	45,651,285
Rollover/Deficit	\$ 7,533,644	\$ 3,334,468	\$ 2,566,828	\$ 1,422,223	\$ 827,172	\$ 827,172

* 5307 formula funds originally scheduled for Clean-Diesel purchases will be used to partially fund electric buses. Funding of the incremental cost difference between clean diesel pricing and e-bus pricing has not been specified but is assumed to come from discretionary funding sources.

Scenarios #2 and #3 assume successful Altoona Testing and acceptance by the FTA, and that the use of 5307 formula funds for the purchase of electric buses will be permitted. Due to the additional incremental cost of electric buses, any scenario involving the acquisition of electric buses will require additional sustained funding over and above the current levels that AVTA is receiving.

Both Scenarios #1 and #2 show favorable rollover balances at the end of the five year analysis period, the favorable balance for Scenario #2 is at a much reduced level. The draw on capital funding in Scenario #3 shows a deficit at the end of FY16, the second year of the analysis period.



Exhibit T – Five-Year Capital Improvement Plan Scenario #3

5-Year Capital Plan Scenario

Scenario #3, FY15: 0 Diesel, 12 Electric						
Description	2015	2016	2017	2018	2019	Total
Funding						
Rollover from prior years	\$ 16,230,507	\$ 2,994,204	\$ (1,330,038)	\$ (2,142,976)	\$ (3,303,131)	\$ 16,230,507
Federal funds available for Capital Spending	19,666,151	7,343,428	4,386,823	1,993,232	646,580	37,818,154
Local Match Funds	3,781,397	1,580,535	1,252,201	996,300	850,500	8,460,933
Total funds available for Capital Spending	23,447,548	8,923,962	5,639,024	2,989,532	1,497,080	46,279,086
Capital Spending						
<i>Bus Acquisition Plan</i>						
Clean Diesel Buses	0					0
Electric Buses	12	8	6			26
Commuter Buses	5			7	6	18
WAVE Chargers	4	2	1			7
Clean Diesel Bus Purchases	-	-	-	-	-	-
Electric Bus Purchases	10,356,000	6,904,000	5,178,000	-	-	22,438,000
Commuter Bus Purchases	3,359,936	-	-	4,933,662	4,355,719	12,649,317
WAVE Charging & Infrastructure	2,729,238	1,294,000	763,000	-	-	4,786,238
Other Capital Expenditures	4,008,170	2,056,000	1,841,000	1,359,000	1,053,000	10,317,170
Capital Spending by Year	20,453,344	10,254,000	7,782,000	6,292,662	5,408,719	50,190,725
Rollover/Deficit	\$ 2,994,204	\$ (1,330,038)	\$ (2,142,976)	\$ (3,303,131)	\$ (3,911,639)	\$ (3,911,639)

* 5307 formula funds originally scheduled for Clean-Diesel purchases will be used to partially fund electric buses. Funding of the incremental cost difference between clean diesel pricing and e-bus pricing has not been specified but is assumed to come from discretionary funding sources.

Scenarios #2 and #3 assume successful Altoona Testing and acceptance by the FTA, and that the use of 5307 formula funds for the purchase of electric buses will be permitted. Due to the additional incremental cost of electric buses, any scenario involving the acquisition of electric buses will require additional sustained funding over and above the current levels that AVTA is receiving.

Scenarios #2 and #3 show that additional sustained funding, from federal and other sources, will be required to continue the movement towards battery-electric buses for AVTA's local transit fleet.

All three Five-Year Capital Plan scenarios are included in Appendix B. Scenario #2 assumes that eight diesel buses and four electric buses are acquired in in FY15, and Scenario #3 assumes that all 12 buses acquired in FY15 are electric buses.



Capital Reserves

In FY12, 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 eight years except for minor adjustments for service changes. The use of capital reserve funds in recent years has been limited to providing capital matching funds for new buses. Although no funds have been drawn to cover local match through FY14, FY15 could potentially see the use of capital reserve funds to cover local match requirements in the absence of other sources. Further, the likelihood of using the capital reserve for local match increases when procuring higher cost electric 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.

Exhibit U – Adequacy of Capital Reserve for Local Match Requirements

Scenario #1 Bus Acquisitions, 12 Diesels, 0 Electric					
Description	2015	2016	2017	2018	2019
Bus Acquisitions					
Diesel	12	8	6	0	0
Electric	0	1	2	3	4
Commuter	5	0	0	7	6
Beginning Reserve Balance	\$ 4,903,429	\$ 4,066,146	\$ 3,984,690	\$ 4,031,100	\$ 3,775,105
Jurisdictional Contributions	460,896	460,896	460,896	460,896	460,896
Estimated Interest Income	28,987	22,896	22,167	23,158	21,661
Capital Match Required	(1,327,166)	(565,248)	(436,654)	(740,049)	(653,358)
Ending Reserve Balance	\$ 4,066,146	\$ 3,984,690	\$ 4,031,100	\$ 3,775,105	\$ 3,604,304

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 price increases. While no increase in jurisdictional contributions is shown, without an increase in capital reserve contributions at some point in the near future, the capital reserve balance will be exhausted in the middle of the next planned bus replacement cycle (by FY25). The purchase of electric buses will accelerate the depletion. A policy needs to be 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 means 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.

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

Exhibit V – FY15 Available Toll Credits

Description	\$
Capital Toll Credits	\$995,987
Preventive Maintenance Toll Credits	860,000
Operating Toll Credits	75,000
Total	\$1,930,987



APPENDICES

APPENDIX A: OPERATING BUDGET DETAILS

FY14 Organizational Summary and Chart

Both the Fiscal Year 2014 and FY15 Business Plans feature a total of 37.4125 full time equivalents, as follows:

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

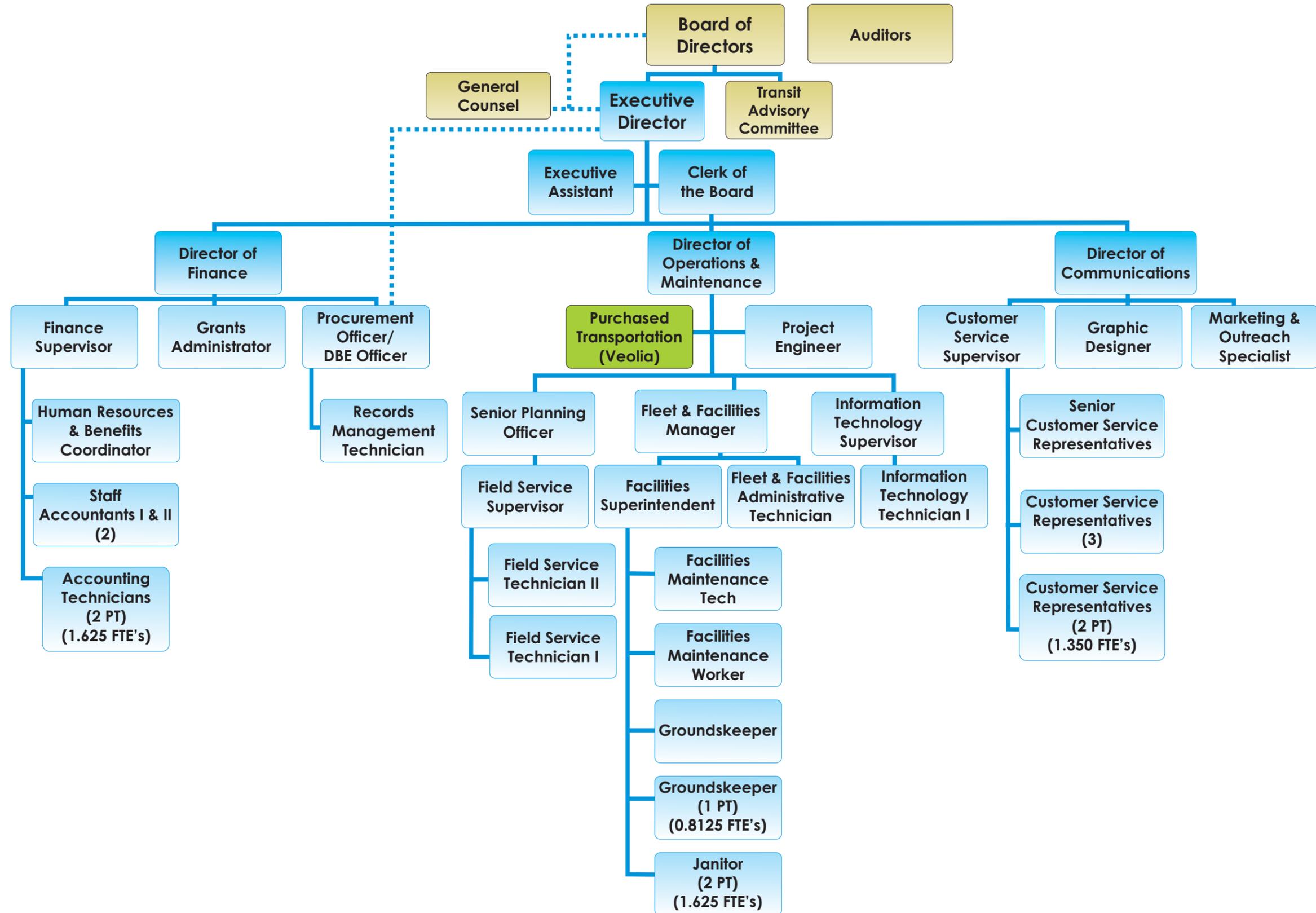
The only change is the substitution of the vacant Director of Administration position for the Project Engineer.

See Proposed Organizational Chart for Fiscal Year 2015 on the following page.



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Exhibit A-1: FY15 Organizational Chart



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Departmental Budgets

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							FISCAL YEAR 2015	
DEPARTMENT SUMMARY								
FUND:	GENERAL FUND							
DEPT:	EXECUTIVE SERVICES							
PREPARED BY:	JULIE M. AUSTIN							
			FY13	FY14		FY15		
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YTD ACTUALS	REVISED BUDGET	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET	
FY 2013-14000								
9501001	PUBLICATIONS	40	1,200	257	257	1,200	0.0%	
9501005	LEGAL SERVICES	39,578	120,000	111,695	150,000	120,000	0.0%	
9501006	MEMBERSHIPS	34,219	35,024	39,960	67,727	50,500	42.8%	
9501013	CONSULTING FEES	19,424	435,000	61,419	470,833	1,011,500	149.8%	
9501019	STAFF TRAVEL, TRAINING & MEETINGS	46,904	80,000	32,488	80,000	94,000	17.5%	
9501020	BOARD TRAVEL, TRAINING & MEETINGS	-	-	-	-	-	0.0%	
9501000	TEMPORARY STAFFING	-	7,500	2,827	7,500	7,500	0.0%	
9501034	OTHER GENERAL & ADMIN EXPENSE	2,503	8,520	2,059	8,520	6,400	-24.9%	
9701916	TUITION REIMBURSEMENT	-	5,000	-	7,200	10,800	116.0%	
		142,668	692,244	250,705	792,037	1,301,900	3	



FY14 Accomplishments

Based on the policy and operating direction that the Board of Directors provided to staff in the July 2013 Strategic Planning Meeting, the Fiscal Year 2014 Business Plan focused on five major areas: Safety, Effectiveness, Outstanding Customer Service, Organizational Leadership and Efficiency. Goals were established by each department. Functional accomplishments for FY14 and goals for FY15 are included in the detailed department sections of this Plan. Systemwide accomplishments for the fiscal year ending June 30, 2014 include the following:

- SAFETY – Increase public confidence regarding bus safety
 - Conducted 2nd Annual Bus Roadeo with winner attending International Bus Roadeo in Kansas City
 - Improved the safety in the AVTA lobby
 - Increased law enforcement presence
 - Reduced fare evasion on AVTA buses
- EFFECTIVENESS – Economic catalyst
 - Secured local funding and ordered two electric buses
 - Initiated monthly comprehensive financial reporting to the Board
 - Clean Comprehensive Annual Financial Report (CAFR) and Single Audit Report on Federal Awards for Fiscal Year 2013
- OUTSTANDING CUSTOMER SERVICE - Restructure service to be responsive to customers while living within our means
 - Issued Fare Restructuring RFP and developed fare restructuring scenarios
 - Intelligent Transportation System implementation substantially underway
 - Caller hold times averaging below target of 1:10
 - Increased social media presence
 - Improved the website to be a more effective communications tool for the riding public
 - Conducted ridership satisfaction surveys
- ORGANIZATIONAL LEADERSHIP – Proudly tell the AVTA story
 - Hired government relations firm to represent federal interests in Washington DC
 - Two First Place AdWheel Awards from APTA, including Grand Prize for commercial video
- EFFICIENCY – Long term planning to ensure a sustainable organization
 - Launched comprehensive operational analysis, “Road to Success”
 - Facilities reduced water consumption by 38%
 - Reduced AVTA’s carbon emissions by 400 metric tons by using hybrid buses
 - Recalculated jurisdictional contributions
 - Completed Classification and Compensation Study



FY15 Goals

Goals approved by the Board of Directors for FY15 are organized into the following areas:

- **OPERATE A SAFE TRANSIT SYSTEM**
 - Increase Sheriff patrol by one day each week
 - Continue Volunteers on Patrol program

- **PROVIDE OUTSTANDING CUSTOMER SERVICE**
 - Increase AVTA profile nationwide
 - Implement JARC Employment Voucher program
 - Improve graphics production with new equipment

- **OPERATE AN EFFECTIVE TRANSIT SYSTEM**
 - Integrate electric bus technology into local fleet
 - Expand commuter service by 3,500 service hours
 - Add two commuter expansion coaches
 - Conduct preliminary BRT studies
 - Develop and implement marketing campaign supporting electric bus demonstration

- **OPERATE AN EFFICIENT TRANSIT SYSTEM**
 - Implement Board-approved recommendations from Route to Success Study
 - Implement ITS recommendations and use data collected to improve decision-making
 - Implement Document Management System
 - Implement Procurement Management System
 - Improve financial reporting and increase investment income
 - Implement new fare structure per Board-approved study
 - Implement classification and compensation study recommendations as approved by the Board



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Operations and Maintenance

The Operations and Maintenance Department provides oversight and guidance for all AVTA operations, including the authority's bus, paratransit, maintenance, safety, security and facilities functions. The focus of operations in FY 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							FISCAL YEAR 2015	
DEPARTMENT SUMMARY								
FUND: GENERAL FUND								
DEPT: OPERATIONS & MAINTENANCE								
PREPARED BY: LEN ENGEL								
			FY 2012-13	FY 2013-14		FY 2014-2015		
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YTD ACTUALS	REVISED BUDGET	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET	
FY 2013-14000								
9001007	CONTRACT SERVICES- INCENTIVES	9,000	12,000		12,000	12,000	0.0%	
9001009	CONTRACT SERVICES- OTHER PASS THROU	436	86,155	37,929	86,155	80,645	-6.4%	
9001013	CONTRACT SERVICES- LOCAL & COMMUT	11,335,739	11,672,436	5,761,982	11,672,436	12,624,008	15.6%	
9001014	CONTRACT SERVICES- DAR		1,138,994	501,610	1,138,994	1,018,268	1.5%	
9201003	FUEL & LUBRICANTS	2,023,008	3,831,366	1,388,161	3,293,887	3,259,333	0.0%	
9201005	FUEL- USE TAX	11,751	7,367	4,489	10,773	7,637	3.7%	
9401001	FLEET INSPECTION		10,000		10,000	10,000	0.0%	
9401002	TOW SERVICES	125	10,000		10,000	10,000	0.0%	
9401004	FACILITY MAINT. - SUPPLIES (NON- GRANTA	91	3,500	455	3,500	3,500	0.0%	
9401005	FACILITY MAINT. - OUTSIDE SERVICES	19,540	20,000	11,667	30,854	20,000	0.0%	
9401006	I.T. MAINT.- COMPUTER EQUIPMENT		10,000		10,000	10,000	0.0%	
9401007	MAINT SUPPLIES- BUS STOPS (NON- GRANT/		5,000	248	5,000	5,000	0.0%	
9401009	I.T. MAINT- PARTS & SUPPLIES	15,065	20,000	8,305	20,000	20,000	0.0%	
9401010	OPERATING PERMITS	3,683	4,105	2,579	4,105	7,000	70.5%	
9401012	I.T.- SOFTWARE AGREEMENTS & LICENSES	226,870	205,487	106,716	210,000	81,688	-38.1%	
9401013	RENTAL/ LEASE EXPENSE	1,504	37,200	552	37,200	37,200	0.0%	
9401020	UNIFORM UPKEEP- (NON GRANTABLE)	287	5,000		5,000	5,000	0.0%	
9401021	UTILITIES- ELECTRICITY	74,558	85,000	41,607	85,000	85,000	0.0%	
9401022	UTILITIES- GAS	28,299	20,000	12,910	20,000	20,000	0.0%	
9401023	UTILITIES- WASTE	7,200	7,500	3,078	7,500	7,500	0.0%	
9401024	UTILITIES- WATER	10,379	15,000	5,811	15,000	15,000	0.0%	
9501017	TELEPHONE & FAX	45,893	50,000	23,079	50,000	58,760	17.5%	
9401035	PREVENTIVE MAINTENANCE	153,720	332,642	60,849	121,698	340,000	12.0%	
9501029	SPECIAL EVENTS					5,200	100.0%	
9001011	CONTRACT SERVICES- DAR- WHEELCHAIR	310,017					-	
9001012	CONTRACT SERVICES- DAR- AMBULATORY	670,397					-	
9001011 & 9001012 are inactive after June 2013								
		9,821,507	16,279,642	6,359,272	-	17,742,739	6%	



FY14 Accomplishments

- Continued service enhancements:
 - School tripper service loads were analyzed and compared to loads on service already provided through the same corridor. Routes 96/97/99 were rolled into existing service.
 - Major Service improvements to route 11/12, the Authorities second and third most utilized service. Interlining was eliminated and additional recovery time was added in order to ensure reverse trips were at least 99% on time.
 - All commuter express service travel times and service frequencies have also been evaluated and adjusted on a trip-by-trip basis to better match peak ridership demands in the morning and afternoon.
 - Due to the tremendous success of the NCT service, a new northbound trip was introduced at 3:15 p.m. in order to accommodate the overflow of riders during that time, and extended three trips to the McBean Transit Center.
 - Work closely with local municipal operators such Santa Clarita Transit, Los Angeles Metro and Metrolink. In an effort to provide improved connectivity, focus on providing improved transfer connections at major transfer hubs with minimal wait times, specifically at Lancaster City Park, Palmdale Transportation Center and 47th Street and Avenue S.
- Improved on established system-wide key performance indicators which measure performance on the following goals; Operating a Safe Transit System, Provide Outstanding Customer Service, Operate an Effective Transit System and Operate an Efficient Transit system. In line to complete the fiscal year with 7 of 9 key performance targets.
- Increased the attractiveness of bus stops with road improvements and modernization of amenities for our passengers. Over 27 bus stop improvements were made within the fiscal year.
- ITS: Awarded a contract to Avail Technologies for the implementation of a fully functional, expandable, reliable, and technologically advanced ITS system.
 - A full bus stop inventory was conducted, with updated bus stop id's.
 - Implementations of the Master Scheduler software with integrations for transit service scheduling, customer service comments and daily operations integrations.
- Route to Success Ten-Year Plan: Awarded contract to Nelson Nygaard for the development of a Comprehensive Operational Analysis (COA and ten-year plan, dubbed the "Route to Success." The study will include a line-by-line analysis, providing service recommendations on AVTA's 18 lines.
- Took delivery of two BYD battery electric buses. Following FTA certification of the Altoona testing, operator training and break-in period buses will be placed into service.
- Signed contract for installation of two WAVE inductive charging units.
- Conducted Second Annual Bus
- Completed installation of video conferencing system.



- For the first time AVTA participated in the Southern California Regional and APTA International Bus Rodeo in Hesperia and Kansas City.
- Through a variety of conservation techniques reduced AVTA water consumption by 38%.
- Installed reclaim system on the bus wash system.
- During the year we updated or installed 27 Bus Stops throughout or service area.
- Installed "AVTA TV" system to display system information for customers in the AVTA Customer Service lobby.
- Finalized the upgrade of the AVTA video surveillance system.
- Launched comprehensive operational analysis, "Road to Success." The study will be completed in early FY 2015.
- Launched Intelligent Transportation System implementation with Avail Technologies. The project will go live during the third quarter of 2015.

FY15 Goals

- Full operational implementation of the Intelligent Transportation System.
- Upgrade of the on-board video security system to allow real-time viewing of incidents on a bus.
- Begin implementing the recommendations of the Road to Success.
- Begin integration of battery electric buses into the AVTA local transit fleet.
- Full system-wide disaster preparedness exercise.
- Participation in Regional and International Bus Rodeo for operator and 3-member maintenance team.
- Install WAVE inductive chargers to support battery electric bus operations at Palmdale Transportation Center and Lancaster City Park.



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FY14 Accomplishments:

- Timely FY13 Financial Statements (published as a Comprehensive Annual Financial Report (CAFR), and Single Audit Reports, both completed with no findings.
- Applied for Government Financial Officer's Association Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program).
- Established Financial Information page on AVTA's Website, making the Annual Budgets and Financial Statements for the previous 3 years available for public review.
- Timely filing of State Controller's Report, Short Range Transit Plan and NTD Report.
- Inaugurated monthly financial management and Board reporting of interim financial statements, including Statement of Net Position, Statement of Changes in Net Position, Cash Flow, Capital Spending against Plan, and budget vs actual for Statement of Changes in Net Position.
- Successfully cross-trained payroll, accounts payable and accounts receivable functions among staff.
- Participated in the financial and grant aspects of the Electric Bus Demonstration Project.
- Recalculated the cost sharing percentage splits for the Jurisdictional Members.
- Conducted the LA Metro Triennial Audit with no exceptions.
- Established a more aggressive treasury investment program.
- Coordinated activities for the 2014 FTA Triennial Audit.
- Successfully oversaw the Audit Services RFO

FY15 Goals

- Complete the FY14 Comprehensive Annual Financial Report (CAFR) with an unqualified opinion.
- Receive the Government Financial Officer's Association Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program).
- Complete FY14 Single Audit of Federal Awards with no findings or questioned costs.
- Complete the FY16 Business Plan and Short Range Transit Plan for review and approval by the Board of Director for the May 2015 Board Meeting.
- Continue improving the monthly financial reporting function.
- Investigate the feasibility of using Jet Reports to streamline monthly financial reporting.
- Enhance Management involvement and value of monthly budget to actual reporting.
- Expand reporting to include dedicated reports in support of external reporting requirements (Financial Audit, Single Audit, SRTP, NTD, Grants, etc.)
- Oversee the Banking Relationship RFO
- Reallocate funds from existing and completed projects to increase efficiency and to expedite the closure of older grants.
- Continue to identify and apply for available funding from local, state federal and other sources.
- Host the 2nd Joint Vendor Fair in partnership with Jurisdictional Members.
- Improve local vendor outreach; create and maintain a vendor mailing list.
- Ensure consistent procurement results through use of standardized templates.
- 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.
- 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.
- Complete the Money Room Equipment Upgrade.
- Conduct AVTA's 3rd Annual Health Fair.
- Implement the Document Management and Procurement Tracking Systems.



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 image along with its products and services through community outreach and marketing. We actively work to maintain vendor partnerships for the added convenience of our customers. 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 representatives are committed to keeping our customers informed of the latest service information through the use of social media, texting alerts, website updates, service change signage, and public meetings. We are committed to excellent and timely communication.



ANTELOPE VALLEY TRANSIT AUTHORITY							FISCAL YEAR 2015	
DEPARTMENT SUMMARY								
FUND: GENERAL FUND								
DEPT: MARKETING & CUST. SERVICE								
PREPARED BY: WENDY WILLIAMS								
			FY 2012-13	FY 2013-14			FY 2014-2015	
ACCOUNT	DESCRIPTION	ACTUALS	ORIGINAL BUDGET	YTD ACTUALS	REVISED BUDGET	PROPOSED BUDGET	% CHANGE OVER PRIOR YEAR BUDGET	
FY 2014-15								
9401020	UNIFORM UPKEEP (NON-GRANTABLE)	2,596	3,500	408	979	3,500	0.0%	
9401032	SECURITY SERVICES	100,000	170,000	99,167	170,000	190,000	11.8%	
9501001	MARKETING	76,815	80,000	47,112	120,000	120,000	50.0%	
9501018	PRINTING SERVICES	23,311	37,000	23,528	52,000	58,400	57.8%	
9501029	MISC. SPECIAL EVENTS	23,036	25,000	13,114	19,000	28,250	13.0%	
9501030	TAP CARD FEES					5,000	100.0%	
9501031	WEBSITE MAINTENANCE	23,165	30,000	16,630	40,000	16,600	-44.7%	
9501038	CHARITABLE DONATIONS					15,000	100.0%	
9501039	SPONSORSHIPS	8,050	10,000	3,400	10,000	13,750	37.5%	
G - CHARGED TO OPERATING EXPENSES								
9201034	JARC_DAR VOUCHER PROGRAM		184,000		184,000	181,000	-1.6%	
9902035	JARC - MOBILITY MANAGEMENT		165,000		165,000	76,200	-53.8%	
9501011	TRANSPORTER DISCONTINUED FOR FY15	99,475	40,000	16,789	40,000			
		-	265,000	132,695	265,000	707,700	50%	

FY14 Accomplishments

- o Monitor telephone hold times and target an average of less than one minute.
- o Provide support to Around AV in order to generate additional revenue through the bus advertising program.
- o Continue to implement the Mobility Management Program and meet federal grant requirements associated with the program's funding.
- o Develop an award winning advertising campaign that improves the image of AVTA.
- o Improve participation in community events so that AVTA's presence is perceived as exceptional.
- o Continue to increase AVTA's presence in the valley's business sector.
- o Effectively communicate two service changes through press releases, signage, advertising, public meeting, and interaction with customer service representatives.
- o Improve security in AVTA's lobby as well as increase law enforcement presence on AVTA buses.
- o Improve website usage as a more effective tool to communicate service changes, rider alerts, outreach campaigns and meeting information.
- o Establish a social media presence.
- o Implement a program to reduce fare evasion on AVTA buses.



- o Maintain presence in training sessions to improve two way communications between customer service representatives and Veolia drivers.
- o Spearhead a toy drive that raises approximately \$30,000 in toys while simultaneously marketing AVTA in the community and promoting partnerships with local business.
- o Implement ridership satisfaction surveys to gauge AVTA's service reputation among customers.
- o Institute weekly ride along on AVTA buses to conduct service performance reviews of bus operators.

FY15 Goals

- o Improve customer service processes by training representatives on a the new Intelligent Transportation System set for installation in FY14/15
- o Secure and train additional vendors to sale all AVTA's products.
- o Improve the marketing presence inside AVTA's buses.
- o Implement the JARC funded Employment Voucher Program
- o Purchased additional equipment for the sign shop to upgrade production in the Computer Graphics Department.
- o Increase AVTA's presence in the valley's business sector.
- o Increase social media presence and improve utilization for communication purposes.
- o Develop AVTAtv within the AVTA lobby
- o Increase AVTA's presence within industry publications
- o Develop a marketing campaign that supports the electric bus demonstration project and encourages community support for a future conversion of the fleet.
- o Implement recommendations associated with a Fare Study to be completed in FY 14/15



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APPENDIX B: OPERATING SCENARIOS

Exhibit B-1 – Five Year Financial Plan, Scenario #1

Scenario #1, Original Budget*						
Description	Fiscal Years					Total
	Budget 2015	2016	2017	2018	2019	
Operating Revenue						
Fare Revenue	\$5,206,553	\$5,362,749	\$5,523,632	\$5,689,341	\$5,860,021	\$27,642,296
Jurisdictional Operations Contributions	3,289,952	3,388,651	3,490,310	3,595,019	3,702,870	17,466,802
MTA Funding (net of Local Match Funds)	8,120,876	8,729,942	9,384,688	10,088,539	10,845,180	47,169,225
5307 Funds for Operations & Preventive Maintenance	5,800,000	6,083,667	6,120,850	6,426,893	6,748,237	31,179,647
Other Federal Funding for Operations	1,163,764	1,221,952	1,283,050	1,347,202	1,414,562	6,430,531
Auxiliary Revenue	326,053	315,000	315,000	315,000	315,000	1,586,053
Total Operating Revenue	23,907,198	25,101,961	26,117,530	27,461,994	28,885,870	131,474,554
Operating Expenditures						
Contractor Costs	13,642,277	14,536,271	14,956,856	15,389,826	15,835,549	74,360,779
Other Operating Expenditures	4,100,463	4,161,969	4,224,399	4,287,765	4,352,081	21,126,677
Wages & Benefits	3,675,861	3,847,190	4,027,717	4,218,003	4,418,647	20,187,418
Other General & Administrative Costs	2,488,598	2,525,927	2,563,816	2,602,273	2,641,307	12,821,920
Total Operating Expenditures	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	0	30,603	344,742	964,128	1,638,286	2,977,760
Fare Box Recovery Ratio	21.8%	21.4%	21.4%	21.5%	21.5%	21.5%
Carryover Analysis						
Prior Year Carryover	0	0	30,603	375,346	1,339,474	0
Operating Revenues	23,907,198	25,101,961	26,117,530	27,461,994	28,885,870	131,474,554
Operating Expenses	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	0	30,603	344,742	964,128	1,638,286	2,977,760
End of Year Carryover/(Deficit)	\$0	\$30,603	\$375,346	\$1,339,474	\$2,977,760	\$2,977,760

* Note: Fare Revenue as originally budgeted; jurisdictional contributions increased 3% per year starting FY16.

For Scenario #1 (Base Case), fare revenues are based on a 3% increase added to the FY14 Mid-Year Projection (December 2013 YTD) to arrive at a \$5.2 million starting point, inflated by 3% every year thereafter.

Jurisdictional Operating Contributions are increased annually by 3%.

Changes in net position for the Base Case increased steadily each year and total \$3.0 million for the analysis period.

The Farebox Recovery Ratio averages 21.5% over the five-year analysis period.



Exhibit B-2 – Five Year Financial Plan, Scenario #2

Scenario #2: 20% Commuter Fare Increase*						
Description	Fiscal Years					Total
	Budget 2015	2016	2017	2018	2019	
Operating Revenue						
Fare Revenue	\$5,568,586	\$6,429,114	\$6,621,987	\$6,820,647	\$7,025,266	\$32,465,600
Jurisdictional Operations Contributions	3,289,952	3,289,952	3,289,952	3,289,952	3,289,952	16,449,760
MTA Funding (net of Local Match Funds)	8,120,876	8,729,942	9,384,688	10,088,539	10,845,180	47,169,225
5307 Funds for Operations & Preventive Maintenance	5,800,000	6,083,667	6,120,850	6,426,893	6,748,237	31,179,647
Other Federal Funding for Operations	1,163,764	1,221,952	1,283,050	1,347,202	1,414,562	6,430,531
Auxiliary Revenue	326,053	315,000	315,000	315,000	315,000	1,586,053
Total Operating Revenue	24,269,231	26,069,627	27,015,527	28,288,233	29,638,198	135,280,815
Operating Expenditures						
Contractor Costs	13,642,277	14,536,271	14,956,856	15,389,826	15,835,549	74,360,779
Other Operating Expenditures	4,100,463	4,161,969	4,224,399	4,287,765	4,352,081	21,126,677
Wages & Benefits	3,675,861	3,847,190	4,027,717	4,218,003	4,418,647	20,187,418
Other General & Administrative Costs	2,488,598	2,525,927	2,563,816	2,602,273	2,641,307	12,821,920
Total Operating Expenditures	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	362,033	998,269	1,242,739	1,790,367	2,390,613	6,784,021
Fare Box Recovery Ratio	23.3%	25.6%	25.7%	25.7%	25.8%	25.3%
Carryover Analysis						
Prior Year Carryover	0	362,033	1,360,302	2,603,041	4,393,408	0
Operating Revenues	24,269,231	26,069,627	27,015,527	28,288,233	29,638,198	135,280,815
Operating Expenses	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	362,033	998,269	1,242,739	1,790,367	2,390,613	6,784,021
End of Year Carryover/(Deficit)	\$362,033	\$1,360,302	\$2,603,041	\$4,393,408	\$6,784,021	\$6,784,021

* Note: Commuter Fares increased 20%, Transporter \$5, Local Fare at \$1.50; no increase in juris contributions.

For Scenario #2, FY15 fare revenues were calculated by projected ridership multiplied by commuter fares that were increased by 20%. Out-year figures were inflated by 3%.

No increase in jurisdictional operating support was assumed.

Changes in net position for Scenario #2 increased steadily each year and total \$7.4 million for the analysis period.

The Farebox Recovery Ratio shows a significant increase over the base case from 21.5% to 25.3%.



Exhibit B-3 – Five Year Financial Plan, Scenario #3

Scenario #3: \$10 Flat Fee for Commuter*						
Description	Fiscal Years					Total
	Budget 2015	2016	2017	2018	2019	
Operating Revenue						
Fare Revenue	\$5,643,598	\$6,583,638	\$6,781,148	\$6,984,582	\$7,194,120	\$33,187,086
Jurisdictional Operations Contributions	3,289,952	3,289,952	3,289,952	3,289,952	3,289,952	16,449,760
MTA Funding (net of Local Match Funds)	8,120,876	8,729,942	9,384,688	10,088,539	10,845,180	47,169,225
5307 Funds for Operations & Preventive Maintenance	5,800,000	6,083,667	6,120,850	6,426,893	6,748,237	31,179,647
Other Federal Funding for Operations	1,163,764	1,221,952	1,283,050	1,347,202	1,414,562	6,430,531
Auxiliary Revenue	326,053	315,000	315,000	315,000	315,000	1,586,053
Total Operating Revenue	24,344,243	26,224,151	27,174,687	28,452,168	29,807,051	136,002,301
Operating Expenditures						
Contractor Costs	13,642,277	14,536,271	14,956,856	15,389,826	15,835,549	74,360,779
Other Operating Expenditures	4,100,463	4,161,969	4,224,399	4,287,765	4,352,081	21,126,677
Wages & Benefits	3,675,861	3,847,190	4,027,717	4,218,003	4,418,647	20,187,418
Other General & Administrative Costs	2,488,598	2,525,927	2,563,816	2,602,273	2,641,307	12,821,920
Total Operating Expenditures	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	437,045	1,152,794	1,401,900	1,954,302	2,559,467	7,505,507
Fare Box Recovery Ratio	23.6%	26.3%	26.3%	26.4%	26.4%	25.8%
Carryover Analysis						
Prior Year Carryover	0	437,045	1,589,839	2,991,739	4,946,041	0
Operating Revenues	24,344,243	26,224,151	27,174,687	28,452,168	29,807,051	136,002,301
Operating Expenses	23,907,198	25,071,358	25,772,788	26,497,866	27,247,584	128,496,794
Change in Net Position	437,045	1,152,794	1,401,900	1,954,302	2,559,467	7,505,507
End of Year Carryover/(Deficit)	\$437,045	\$1,589,839	\$2,991,739	\$4,946,041	\$7,505,507	\$7,505,507

* Note: Commuter Fares set at a flat fee of \$10, Transporter \$5, Local Fare at \$1.50; no increase in juris contributions.

For Scenario #3, FY15 fare revenues were calculated by projected ridership multiplied by commuter fares that were set to a flat rate of \$10. Out-year figures were inflated by 3%.

No increase in jurisdictional operating support was assumed.

Changes in net position for Scenario #2 increased steadily each year and total \$8.2 million for the analysis period.

The Farebox Recovery Ratio shows an even more significant increase over the base case from 21.5% to 25.8%.



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APPENDIX C: SOURCES OF FUNDING

Funding Source Summary

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

Federal Funding Program Update: Map-21 and the GROW AMERICA Act

The Moving Ahead for Progress in the 21st Century ("MAP-21") is a federal program that authorizes funding for federal transit and highway programs for the two years that concludes at the end of Federal Fiscal Year 2014 on September 30th. 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 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.

In February 2014, U.S. Transportation Secretary Anthony Foxx joined President Obama in announcing a plan to address the nation's infrastructure deficit with a \$302 billion, four-year surface transportation reauthorization proposal.

The GROW AMERICA Act is an extension of this plan and contains a number of features that have been drawn bipartisan support in the past. Among many goals, the following items have increased relevance to public transit, including:

- Providing \$87 billion to address the pending 2015 insolvency of the Highway Trust Fund, which is the primary source of federal transportation funding;
- Increasing safety across all modes of surface transportation;
- Providing certainty to state and local governments that must engage in long-term planning;
- Reducing project approval and permitting timelines while delivering better outcomes for communities and the environment;
- Creating incentives to better align planning and investment decisions to comprehensively address regional economic needs while strengthening local decision-making.

As the Act and related funding issues make their way through Congress, the Board of Directors will be kept apprised by the federal and state legislative updates presented at the monthly board meetings.

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.

FTA Section 5337 State of Good Repair - Section 5337, a 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 and 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.

During FY14, Section 5337 were "swapped" (traded) dollar for dollar for additional Section 5307 Formula Funds, as sponsored by the Los Angeles Metropolitan Transportation Authority. The swap permits the more limited-use Section 5337 funds to be traded for more flexible Section 5307 Formula funds.

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.

During FY14, Section 5339 funds were swapped for additional Section 5307 Formula Funds, as described above.

FTA Section 5310 – Transportation for Elderly Persons and Persons with Disabilities

This program provides formula funding to states for the purpose of assisting private nonprofit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation is unavailable, insufficient, or inappropriate for meeting these needs. Funds are apportioned based on each state's share of population for these groups so identified.



While AVTA has not received 5310 funds before, it has participated in discussions with its peer transit organizations in Southern California to determine which organization (CalTrans or LA METRO, among others) will serve as the Metropolitan Planning Organization (MPO). The MPO will have the responsibility of program administration and distribution of funds to grantees. On May 4, 2014, LA Metro was named as the MPO Organization for 5310 Funds.

AVTA may receive funds in the future to serve the elderly and those with disabilities in the unincorporated areas of the Antelope Valley service area.

FTA Section 5311 (Non-Urbanized Area Formula): Funds are distributed to the regions under 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; the funds will cover costs of 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.

Job Access and Reverse Commute Program (JARC) - The FTA Federal program Job Access 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. The 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*. Scheduled to be a 10-year program, these funds end in 2017.

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, derived from the statewide sales tax on gasoline and diesel fuel 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. Beginning in 2012-13 and each fiscal year thereafter, the Board of Equalization 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 of debt service required 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 funds from Propositions A and C, the Measure R funds, and the State Transit Assistance 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 its effects and protect some operators from being adversely impacted by fare and service changes made by other operators. The main issue was that some operators, particularly those selling 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 decreased slightly by 1% between FY 2014 and FY 2015, due to decreases in Proposition A 40% funds, Proposition A 5% funds and Foothill Mitigation funds. Proposition A 40% funds are provided through State Transit Assistance Funds which declined in total from FY14 to FY15 and was passed through to all recipients. The Proposition A 5% is awarded in steps based on individual recipient's performance; the decrease resulted as a result of a decline in service levels in FY14. Foothill Mitigation funding is based solely on operating decisions made by Foothill Transit, which can produce both increases and decreases to funding year to year.



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APPENDIX D: FY15 CAPITAL SPENDING PLAN DETAIL

GL No.	PROJECT	FY 2015	Prior FTA Approval	Current Grant Cycle	Toll Credits	Local Funds	Prop 1B PTMISEA	Prop 1B Transit Security	Measure R Clean Fuels	AVAQMD AB2766	Discretionary Grant Awards	Jurisdiction Capital Reserve	Prop A 40% Disc
Vehicle Purchase and Maintenance													
	FY14 Electric Bus Demonstration Project Infrastructure costs to be paid in FY15	\$ 1,203,238											
	AVAQMD					1,203,238			161,745	250,000		791,493	
Replacements and Expansion													
	Clean Diesel Replacement Buses (12)	\$ 5,487,840	4,664,664			823,176						823,176	
9909067	Grant CA-90-Z059												
	FY14 Commuter Replacement Coaches (3)	\$ 1,935,000	1,548,000		387,000								
9909056	Grant CA-90-Y968												
	Commuter Expansion Coaches (2)	\$ 1,424,936	1,139,949		284,987								
	JARC grant												
	Replacement Driver Relief (7) + Support Vehicles (7)	\$ 568,000											
9909065	Grant CA-90-Z059			310,400	77,600								
9902013	Grant CA-90-Y799		144,000			36,000							36,000
	Shop Truck (1)	\$ 60,000											
9902013	Grant CA-90-Y799		48,000			12,000							12,000
	Total Vehicles and Maintenance	\$ 10,679,014	\$ 7,544,613	\$ 310,400	\$ 749,587	\$ 2,074,414	\$ -	\$ -	\$ 161,745	\$ 250,000	\$ -	\$ 1,614,669	\$ 48,000
Facilities Equipment & Upgrades													
Regional Partnership Projects													
	Regional Partnership Projects	\$ 762,000											
9909059	(includes FY14 rollover of \$412k)		609,600		152,400								
	Digital Signage												
TBD	Grant CA-90-Z129	100,000		80,000	20,000								
	Regional Partnership Projects Total	\$ 862,000	\$ 609,600	\$ 80,000	\$ 172,400	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Facilities Equipment													
	Major Shop Equipment	\$ 100,000											
TBD	Grant CA-90-Z129			80,000	20,000								
	Wheel Cleaner Machine	20,000											
9909036	Grant CA-90-Y616		16,000		4,000								
	Facility Carpeting	\$ 125,000				125,000	125,000						
9909068	Prop 1B PTMISEA Bridge												
	Maintenance & Admin Equipment	100,000		80,000	20,000								
TBD	Grant CA-90-Z129												
	Facilities Equipment Total	\$ 345,000	\$ 16,000	\$ 160,000	\$ 44,000	\$ 125,000	\$ 125,000	\$ -			\$ -	\$ -	\$ -

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APPENDIX E: CAPITAL SCENARIOS

Exhibit E1 – Five Year Capital Plan, Scenario #1

5-Year Capital Plan

Budget FY15: 12 Diesel, 0 Electric						
Description	2015	2016	2017	2018	2019	Total
Funding						
Rollover from prior years	\$ 16,230,507	\$ 9,388,364	\$ 8,889,719	\$ 10,659,408	\$ 9,514,803	\$ 16,230,507
Federal funds available for Capital Spending	19,666,151	13,737,588	14,606,579	14,795,616	13,464,513	37,818,154
Local Match Funds	3,781,397	976,448	804,854	1,011,849	863,958	7,438,505
Total funds available for Capital Spending	23,447,548	14,714,035	15,411,433	15,807,465	14,328,471	45,256,659
Capital Spending						
<i>Bus Acquisition Plan</i>						
Clean Diesel Buses	12	8	6			26
Electric Buses						0
Commuter Buses	5			7	6	18
WAVE Chargers	2					2
Clean Diesel Bus Purchases	5,487,840	3,768,317	2,911,025	-	-	12,167,182
Electric Bus Purchases	-	-	-	-	-	-
Commuter Bus Purchases	3,359,936	-	-	4,933,662	4,355,719	12,649,317
WAVE Charging & Infrastructure	1,203,238	-	-	-	-	1,203,238
Other Capital Expenditures	4,008,170	2,056,000	1,841,000	1,359,000	1,053,000	10,317,170
Capital Spending by Year	14,059,184	5,824,317	4,752,025	6,292,662	5,408,719	36,336,907
Rollover/Deficit	\$ 9,388,364	\$ 8,889,719	\$ 10,659,408	\$ 9,514,803	\$ 8,919,752	\$ 8,919,752

* FY15 Base Case and represents the continuation of previous capital plans; they assumed that the replacement and incremental cost difference between clean diesel pricing and e-bus pricing has not been specified but is assumed to come from discretionary funding sources.



Exhibit E-2 – Five Year Capital Plan, Scenario #2

5-Year Capital Plan Scenario

Scenario #2, FY15: 8 Diesel, 4 Electric						
Description	2015	2016	2017	2018	2019	Total
Funding						
Rollover from prior years	\$ 16,230,507	\$ 7,533,644	\$ 3,334,468	\$ 2,566,828	\$ 1,422,223	\$ 16,230,507
Federal funds available for Capital Spending	19,666,151	11,882,868	9,051,328	6,703,036	5,371,933	37,818,154
Local Match Funds	3,781,397	1,705,600	1,297,500	1,011,849	863,958	8,660,304
Total funds available for Capital Spending	23,447,548	13,588,468	10,348,828	7,714,885	6,235,891	46,478,458
Capital Spending						
<i>Bus Acquisition Plan</i>						
Clean Diesel Buses	8					8
Electric Buses	4	8	6			18
Commuter Buses	5			7	6	18
WAVE Chargers	2	2	1	-	-	5
Clean Diesel Bus Purchases	3,658,560	-	-	-	-	3,658,560
Electric Bus Purchases	3,452,000	6,904,000	5,178,000	-	-	15,534,000
Commuter Bus Purchases	3,359,936	-	-	4,933,662	4,355,719	12,649,317
WAVE Charging & Infrastructure	1,435,238	1,294,000	763,000	-	-	3,492,238
Other Capital Expenditures	4,008,170	2,056,000	1,841,000	1,359,000	1,053,000	10,317,170
Capital Spending by Year	15,913,904	10,254,000	7,782,000	6,292,662	5,408,719	45,651,285
Rollover/Deficit	\$ 7,533,644	\$ 3,334,468	\$ 2,566,828	\$ 1,422,223	\$ 827,172	\$ 827,172

* 5307 formula funds originally scheduled for Clean-Diesel purchases will be used to partially fund electric buses. Funding of the incremental cost difference between clean diesel pricing and e-bus pricing has not been specified but is assumed to come from discretionary funding sources.

Scenarios #2 and #3 assume successful Altoona Testing and acceptance by the FTA, and that the use of 5307 formula funds for the purchase of electric buses will be permitted. Due to the additional incremental cost of electric buses, any scenario involving the acquisition of electric buses will require additional sustained funding over and above the current levels that AVTA is receiving.



Exhibit E-3 – Five Year Capital Plan, Scenario #3

5-Year Capital Plan Scenario

Scenario #3, FY15: 0 Diesel, 12 Electric						
Description	2015	2016	2017	2018	2019	Total
Funding						
Rollover from prior years	\$ 16,230,507	\$ 2,994,204	\$ (1,330,038)	\$ (2,142,976)	\$ (3,303,131)	\$ 16,230,507
Federal funds available for Capital Spending	19,666,151	7,343,428	4,386,823	1,993,232	646,580	37,818,154
Local Match Funds	3,781,397	1,580,535	1,252,201	996,300	850,500	8,460,933
Total funds available for Capital Spending	23,447,548	8,923,962	5,639,024	2,989,532	1,497,080	46,279,086
Capital Spending						
<i>Bus Acquisition Plan</i>						
Clean Diesel Buses	0					0
Electric Buses	12	8	6			26
Commuter Buses	5			7	6	18
WAVE Chargers	4	2	1			7
Clean Diesel Bus Purchases	-	-	-	-	-	-
Electric Bus Purchases	10,356,000	6,904,000	5,178,000	-	-	22,438,000
Commuter Bus Purchases	3,359,936	-	-	4,933,662	4,355,719	12,649,317
WAVE Charging & Infrastructure	2,729,238	1,294,000	763,000	-	-	4,786,238
Other Capital Expenditures	4,008,170	2,056,000	1,841,000	1,359,000	1,053,000	10,317,170
Capital Spending by Year	20,453,344	10,254,000	7,782,000	6,292,662	5,408,719	50,190,725
Rollover/Deficit	\$ 2,994,204	\$ (1,330,038)	\$ (2,142,976)	\$ (3,303,131)	\$ (3,911,639)	\$ (3,911,639)

* 5307 formula funds originally scheduled for Clean-Diesel purchases will be used to partially fund electric buses. Funding of the incremental cost difference between clean diesel pricing and e-bus pricing has not been specified but is assumed to come from discretionary funding sources.

Scenarios #2 and #3 assume successful Altoona Testing and acceptance by the FTA, and that the use of 5307 formula funds for the purchase of electric buses will be permitted. Due to the additional incremental cost of electric buses, any scenario involving the acquisition of electric buses will require additional sustained funding over and above the current levels that AVTA is receiving.



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APPENDIX F: SHORT RANGE TRANSIT PLAN

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 FY 2015 are based on projected estimates of performance through FY 2014 and anticipated changes during the year for all fixed-route transit service only.

In FY15, fixed route local and commuter service combined will provide 180,649 vehicle service hours with total operating expenses estimated at \$22.7 million. Fare revenues and passenger boardings are estimated conservatively at \$5.1 million and 3.7 million, respectively.

Exhibit F-1: Systemwide Statistics (Excluding Dial-A-Ride Service)

Fixed-Route System Performance	FY 2013 Actual	FY2014 Target	FY 2014 Estimated	FY 2015 Target	% Change (FY14 est. vs. FY15 Target)
Fleet Size	71	71	71	75	5%
Vehicle Service Miles	2,782,067	2,852,919	2,866,872	2,947,004	3%
Passenger Boardings	3,493,239	3,728,938	3,609,505	3,717,790	3%
Fare Revenues	\$4,743,057	\$4,792,309	\$4,960,807	\$5,111,478	3%
Vehicle Service Hours	166,989	168,896	168,838	180,649	7%
Operating Expense	\$18,670,839	\$21,392,052	\$21,783,734	\$22,706,347	4%

Fleet Size

During the first quarter of FY15, AVTA will begin an electric bus demonstration project. Two Build Your Dreams (BYD) battery electric buses will be placed in revenue service in late summer of 2014. In addition, a Job Access Reverse Commute (JARC) grant is expected to be approved which will allow us to add two commuter buses to the current fleet, increasing the fleet size from 71 to 75.

Passenger Boardings and Fare Revenues

In FY14 passenger boardings are projected to increase by 3% over FY13, while fare revenues will surpass the FY13 actual by 4%. This year's Business Plan projects a conservative 3% increase in fixed route boardings and passenger fare revenues.

Vehicle Service Hours, Miles and Operating Expenses

In FY14, total vehicle service hours are projected to increase slightly by 1% when compared to FY13 actuals. Costs per hour increased from FY13 to FY14 due to increases in fuel, other operating costs, employee benefits, insurance, sheriff security services, legal and consulting



expenses. Service refinements in March and October of 2013 allowed the Authority to maintain service hours while improving frequencies on heavily utilized routes. The FY15 Business Plan assumes that service hours will increase by 7% due to service expansion on our local and commuter services, with the addition of 3,500 commuter service hours and 8,300 local service hours. Some upcoming service improvements are highlighted in the “FY15 Potential Service Improvements” section of this business plan, which are derived from the Route to Success and Ten-Year Service Plan.

No changes are assumed in the FY15 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 FY15, consistent with the maximum trips allowed in the 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. The goals and targets 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 summarizes the performance goals for FY 2015.

Exhibit F-2 – FY15 Performance Standards (Excluding Dial-A-Ride Service)

Goal	Indicator	FY 2013 Actual	FY 2014 Target	FY 2014 Estimated	FY 2015 Target
Operate a Safe Transit System	Preventable Accidents per 100,000 miles	0.44	0.90	0.50	0.50
Provide Outstanding Customer Service	Complaints Per 100,000 Boardings	20.7	10.00	8.0	7.00
	Schedule Adherence	95%	96%	96%	96%
	Average Hold Time	1:36	1:10	1:03	:60
	Miles Between Service Interruptions	13,291	12,000	14,000	14,500
Operate an Effective Transit System	Boardings Per Service Hour	20.9	22.1	21.4	21.5
	Average Weekday Boardings	12,657	12,600	12,700	12,700
Operate an Efficient Transit System	Average Cost per Vehicle Service Hour	\$111.81	\$126.66	\$129.02	\$125.69
	Farebox Recovery Ratio	25.40%	22.40%	22.77%	22.51%



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 be well below the current target of .90 preventable accidents per 100,000 miles in FY 2014. Through its continued focus on safety in FY 2015, AVTA is proposing to decrease the target to 0.50 preventable accidents per 100,000 miles.

Complaints per 100,000 Boardings (Lower is Better)

In FY14 AVTA is projecting an average of 8 valid complaints per 100,000 boardings. This is well below the current proposed target of 10 valid complaints per 100,000 boardings. The new performance target in FY15 of 7 Complaints per 100,000 boardings will continue to place focus on the overall customer experience.

Schedule Adherence (Higher is Better)

Schedule adherence (on-time performance) is projected at 96% through FY14, just above the FY13 actuals and meeting the current performance target of 96%. On-time performance is rarely 100% due to road construction, long-term detours, and heavy ridership. In FY14, running times were improved on several of the Authority's most heavily utilized routes. With the implementation of Avail Technology's Intelligent Transportation System (ITS), we are expecting schedule checks to be conducted on ALL service, increasing the number of time checks from the current 2,000 manually conducted checks to over 100,000+ automatically checked by the onboard ITS, which could result in lower on-time performance. For this reason we recommend maintaining a 96% on-time performance target in FY15.

Average Hold Time (Lower is Better)

Average Hold Time for FY14 is projected to be one minute and three seconds (1:03), less than the FY14 performance target of one minute and 10 seconds (1:10). The targeted hold time for FY15 has been reduced to one minute (1:00).

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. The FY14 projections reflect 14,000 miles between service interruptions, surpassing the FY14 performance target of 12,000 miles between service interruptions. The FY15 target has been increased to an average of 14,500 miles between service interruptions.

Boardings per Vehicle Service Hour (Higher is Better)

In FY14 the estimated 21.4 boardings per vehicle service hour is just below the performance target of 22.1. The projected actuals are, however, an increase of 2% over the FY13 actuals. In FY15, service hours are estimated to increase by 7% while boardings are conservatively estimated to increase by 3%. This will result in fewer boardings per vehicle service hour, and a more conservative performance target of 20.6 boardings per service hour in FY15.

Average Weekday Boardings

In FY14, average weekday boardings are projected at 12,700 per weekday, just above the performance target of 12,600. The FY15 performance target is also set at 12,700 boardings per weekday.



Average Cost per Vehicle Service Hour

Costs per hour increased from FY13 to FY14 due to increases in fuel, other operating costs, employee benefits, insurance, sheriff security services, legal and consulting expenses were the primary influences that impacted AVTA's cost per vehicle service hour (VSH). The projected FY14 year-end cost per VSH system-wide is \$129.02.

The FY15 proposed cost per VSH is \$125.69 is, a decrease of 3% over the FY14 projection. The decrease is due in part to the increased service hours of 7% with a corresponding operating cost of only 4%. The fuel required for the additional 11,800 vehicle service hours for FY15 is accommodated in the fuel budget.

Farebox Recovery Ratio

Passenger fares as a percentage of total operating costs (Farebox Recovery Ratio) measures the cost efficiency of transit services provided. In FY14, the farebox recovery ratio is projected to be 22.77%. The figure is heavily weighted by local farebox performance, as commuter farebox recovery ratios exceed 70%. In FY15, the farebox recovery ratio target is 22.51%, which assumes slightly higher operating costs of 4% and a 3% increase in revenues for FY15 when compared to FY14 estimates. During the first quarter of FY15 a fare study will be conducted in order to identify weaknesses in our current fare structure and develop strategies for increasing revenues, while increasing farebox recovery system-wide. Staff is also initiating public outreach on immediate fare adjustments prior to the close of FY14 in an attempt to sustain ever-increasing demand for commuter routes and declining farebox recovery on local routes. The proposed Business Plan and Short Range Transit Plan assumes no fare increase, only a modest increase in fare revenues based on current trends. Additional scenarios have been developed that assume elimination of the TAP discount fares, a 20% increase in commuter fares, and a \$10 flat rate for commuter fares. See Exhibits V and W for more detail.



SERVICE SUMMARY

Service Hours, Routes and Fares for Fiscal Year 2015

The FY 2015 Business Plan includes:

- Operations for 13 local fixed routes;
- Two 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 F-3 - FY14 Vehicle Service Hours (excluding Dial-A-Ride Service)

Service Category	Routes	Vehicle Service Hours
Local Transit	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 15, Lake L.A. Express, 94, 98	140,493
Commuter Express	North County TRANSporter, 785, 786, 787	28,345
Totals		168,838

Local Service Routes

AVTA local service operates weekdays from 5:35 a.m. to 12:07 a.m., and Saturdays and Sundays from 6:45 a.m. to 7:37 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 connects Lancaster and Palmdale via 10th Street West and Avenue S. Major destinations served include Walmart on 47th Street East. Northbound, the route begins at Avenue S & 47th Street East (Walmart), travels west along Avenue S, turns north to serve the Palmdale Transportation Center via 10th Street East, Palmdale Boulevard, and 6th Street East, and then travels on Technology Drive to 10th Street West. On 10th Street West the route serves the Antelope Valley Mall, Lancaster City Park, and central Lancaster, terminating at the Lancaster Metrolink Station via Avenue I. Running times have been improved along the route’s major corridors in order to decrease potential delays. In addition, connections at PTC and LCP have been enhanced so that customers are able to transfer to other routes, including connections to MetroLink trains during morning and afternoon peak times.

Route 2: This line operates within Palmdale, connecting the Antelope Valley Mall to 47th Street East & Avenue S (Walmart). Major destinations served by this route include the Antelope Valley Mall, Palmdale Regional Medical Center, Palmdale Boulevard, Antelope Valley Medical Center, and the 47th & Avenue S retail corridor. The Route 2 provides service on a 30-minute frequency and is interlined with Route 3.

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 the 47th St. East and Avenue S retail corridors, Palmdale City Hall, the Palmdale Transportation Center and the Antelope Valley Mall.

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 at Lancaster City Park (LCP). Other major stops include: the Los Angeles County Services offices, the Lancaster Metrolink Station, the AVTA operations and maintenance facility and the Michael D. Antonovich Courthouse.

Route 5: Connects 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, 50th St. West and Avenue M (Columbia Way) retail corridor and the Kaiser Permanente Facility.

Route 6: This line provides service to the communities of Littlerock and Sun Village, with the route beginning at 47th Street East and 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 new route 15. Service schedules were adjusted in October 2013 in order improve afternoon connections between 47th St. and Avenue S to the Route 1. In addition, schedules on the Route 6 now meet with the Littlerock High School bell schedules effectively, eliminating the need for the Route 96 supplemental service.

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 onto 10th 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 Transportation Center. The main passenger generators are the Antelope Valley Mall, the retail centers along 10th Street West and Rancho Vista Blvd., Highland and Quartz Hill High Schools, High Desert Hospital, and the Lancaster Senior Center. In October 2013 the Route 7 schedules and running times were refined to include a slight service deviation to Highland High School on four trips throughout the day (AM & PM), eliminating the need for the Route 97 supplemental service.

Route 10: In March 2013, the service on Route 10 was modified to improve connections and speeds. New stops were added to allow additional transfer points at major intersections within the service area, such as Rancho Vista Blvd. and 10th Street West and Avenue K 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. Service was also concentrated throughout the morning peak periods between 7:30 and 11:20 a.m., and in the afternoon between 1:30 and 6:30 p.m.

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 Street East westbound to 30th Street West on 30-minute frequencies. The route travels along 30th Street West to Lancaster Blvd., turning east to 15th Street West. The route continues south on 15th Street West to Avenue K, continuing eastbound to 10th Street West then south to the Lancaster City Park Transit Center. Main passenger generators are businesses along Avenue I, Antelope Valley Hospital, the



Lancaster Senior Center, the Employment Development Department offices and the Department of Motor Vehicles. In October 2013, running times between scheduled time-points were refined based on current traffic patterns. Interlining between the Route 12 was eliminated, providing optimal recovery time for the coach operators in order for the reverse trips to pull on time, reducing the service delays.

Route 12: Similar to Route 11, Route 12 also provides passenger connectivity between the west and east 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. Like the Route 11, in October 2013, running times between scheduled time-points were refined based on current traffic patterns. Interlining between the Route 11 was eliminated, providing optimal recovery time for the coach operators in order for the reverse trips to pull on time, reducing the service delays.

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 only six trips throughout a day with no weekend service, 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 and beyond. With one year on the books the service continues to average approximately 4 passengers per hour. Options for more efficient provision of this service are being examined in a current service and operational analysis (Route to Success).

Lake Los Angeles Express: This line connects both Palmdale and Lancaster to the Lake Los Angeles community, approximately 20 miles from the Palmdale Transportation 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 98: This line provides tripper service for Pete Knight High School and Shadow Hills Middle School, terminating at the Palmdale Transit Center.



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 F-D.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 Veteran and Active Military customers. Up to four children may ride the fixed route system at no charge when traveling with a paying adult. An RFP for a comprehensive fare study was issued 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. Travel times on the commuter express service were refined in order to accurately match the travel times between time points based on the time of day and trip.

Route 785 to Los Angeles: This line operates a total of 16 trips, carrying passengers to the Downtown Los Angeles business district, 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 3:50 and 6:10 a.m. and eight afternoon departures from Los Angeles between 3:00 and 5:40 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. Departure times were also adjusted during on January 2014 in order to continue to balance increasing loads. An additional trip will be added to the service in during the June service change to extend late morning trips and continue to improve passenger loads in the AM and PM services.

Fares for Route 785 are outlined in the following table:



Exhibit F-D.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 to 5:40 a.m. There are four afternoon departures from Century City are from 2:52 to 4:57 p.m. Over the past several years this route has been plagued with the continued 405 freeway expansion, causing service delays. Alternative routing has been developed in order to help mitigate possible service delays due to closures and construction.

Fares for Route 786 are outlined in the following table:

Exhibit F-D.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 Ave., and the Cal State University Northridge (CSUN) Transit Center. There are eight morning departures from 4:00 to 6:10 a.m. There are eight afternoon departures from San Fernando Valley from 2:50 to 5:30 p.m. Due to the unexpected increase in student riders, frequencies were also changed from 20-35 minutes to 20 minutes. Departure times were also adjusted in January 2014 in order to continue to balance increasing loads. An additional trip will be added to the service in the June 2014 service change to extend late morning trips and continue to improve passenger loads in the AM and PM services.

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

Exhibit F-D.4 – Route 787 Fare Table

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



Route 790 – North County TRANSporter: The North County TRANSporter is designed to connect transportation services between Santa Clarita Valley and the Antelope Valley during off-peak hours, Monday through Friday. The North County TRANSporter provides 10 trips each weekday between the Newhall Metrolink Station and the Palmdale Transportation Center with three trips now extended to the McBean Transit Center in Santa Clarita. The service is intended to connect passengers with Metrolink trains and the schedules coincide to make travel convenient. The North County TRANSporter also connects to the 757 NoHo Express provided by Santa Clarita Transit.

The fares for the 790 are outlined in the following table:

Exhibit F-D.5 – Route 790 Fare Table

One way Cash	\$4.00
One way TAP	\$4.00
Senior/Disabled/Medicare	\$2.00
Valid Metrolink Ticket	FREE
Monthly Pass	\$150.00
Senior/Disabled/Medicare	\$75.00
EZ Pass	\$260.00
Senior/Disabled/Medicare	\$111.00

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. The contract was assigned to Veolia Intelliride effective June 1, 2014. AVTA provides curb-to-curb service in designated urban and rural areas that lie within the 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 St. 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 F-D.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

Fiscal Year 2015 - Potential Service Changes

Toward the end of FY 2014, AVTA began a comprehensive operational analysis (COA) and Ten Year Service Plan, dubbed the "Route to Success." As of April 2014, the Existing Conditions Report was completed. The report highlights AVTA service in its current state, providing an in-depth analysis of system performance, route level summaries, service area demographics/densities and the results of the public outreach and online survey. The next report will provide a short range service plan with potential service modifications that could be implemented as soon as December 2014 and June 2015.

In the coming years, changes will be made to enhance AVTA's service to customers. These changes will address on-time performance and frequency, as well as increased passenger loads on our most heavily utilized routes. Routes continue to be analyzed throughout the year and service improvements are instituted twice a year, coinciding with the coach operator bid schedules during the months June and December.

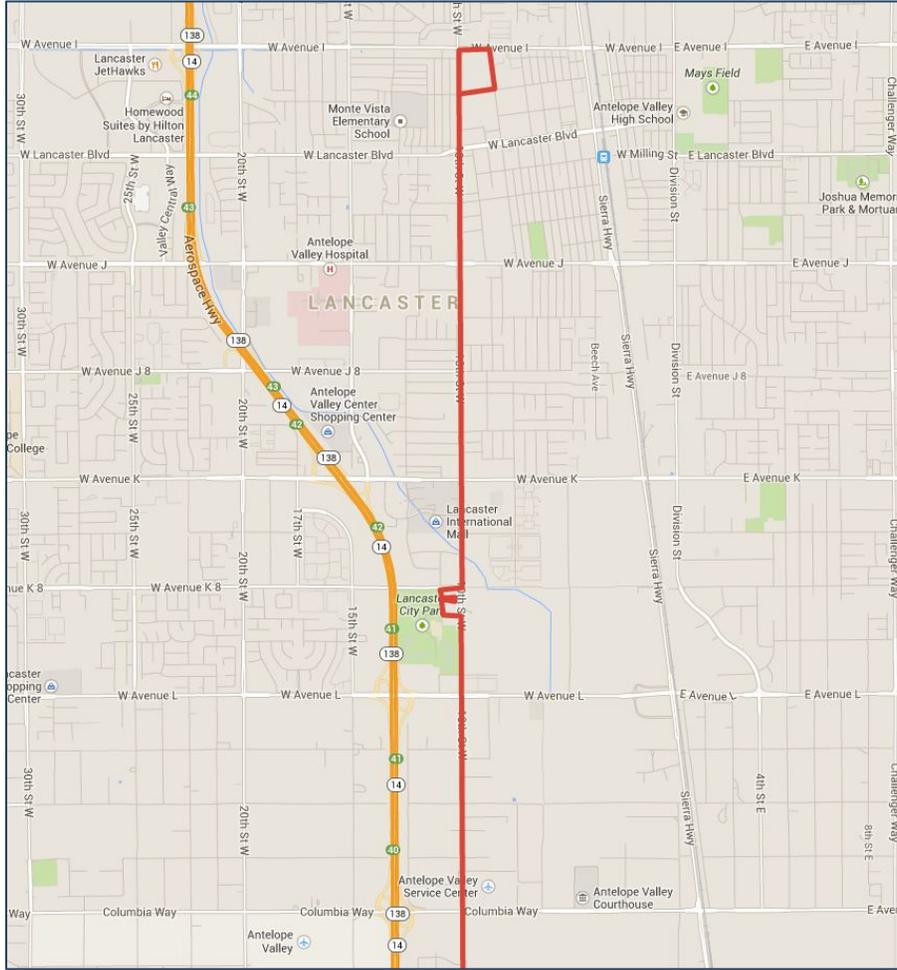
Toward the end of the previous fiscal year (FY13) and during the current fiscal year (FY14) there have been two service changes, with an upcoming service change in June 2014. These service changes included schedule alignments and adjustments in travel times between time points to improve on time performance on some of more heavily used routes. These adjustments result in a reduction of total vehicle service hours. Staff will continue to review and analyze routes to address passenger loads, adjusting frequencies and routes and in some cases, cancelling unproductive service. Approximately 11,800 additional service hours were included in FY15 to help realign and improve service delivery on both local and commuter routes.

Listed below are potential service changes for the 2015 fiscal year:

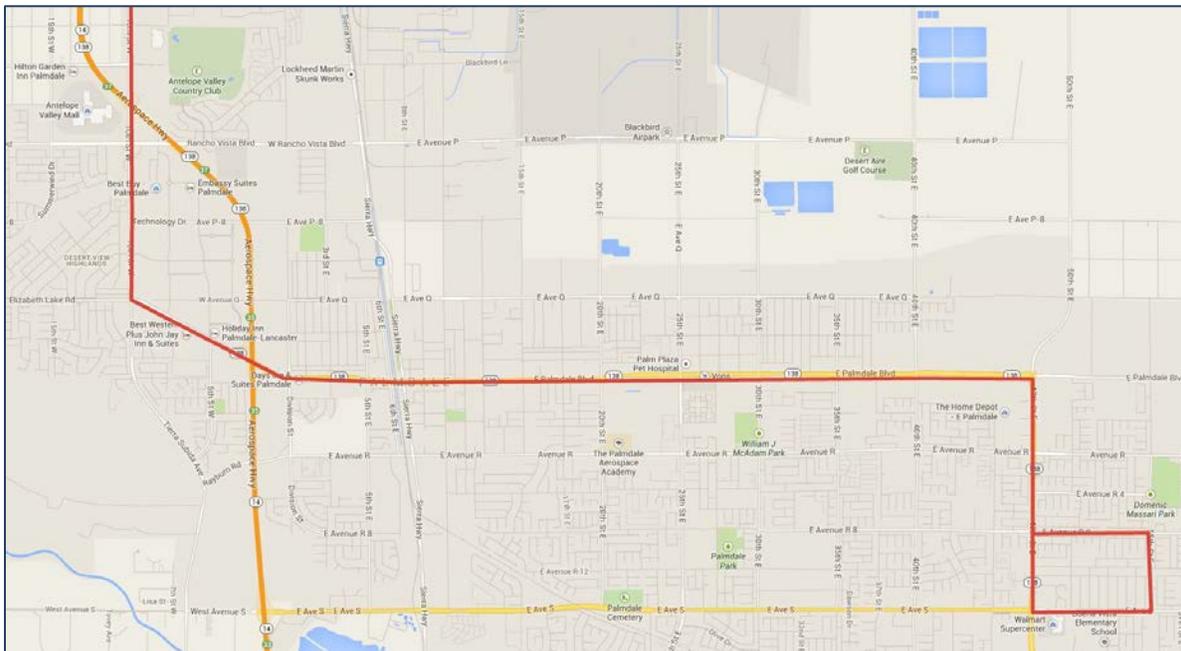
Route 1: The Route 1 has the highest number of total boardings and the second-highest number of boardings per service hour of any AVTA route. During March 2013 service schedules were aligned from 30/50/60 minute frequencies to 30/60 minute frequencies. Stops along the route were also restructured in order help speed up service by standardizing the minimum distance between stops to one quarter mile. In FY15 the service will undergo some more enhancements. Frequencies will be increased by up to 20 minutes, reducing the service loads and improving service connections. Routing will also be improved by utilizing Palmdale Blvd. instead of Avenue S as the main east and west corridor connecting to 10th St. West, by passing Palmdale Transportation Center in order to speed up service while still maintaining passenger connections, and terminating at Jackman St. and Fern Ave. (Lancaster Senior Center).



Antelope Valley Transit Authority



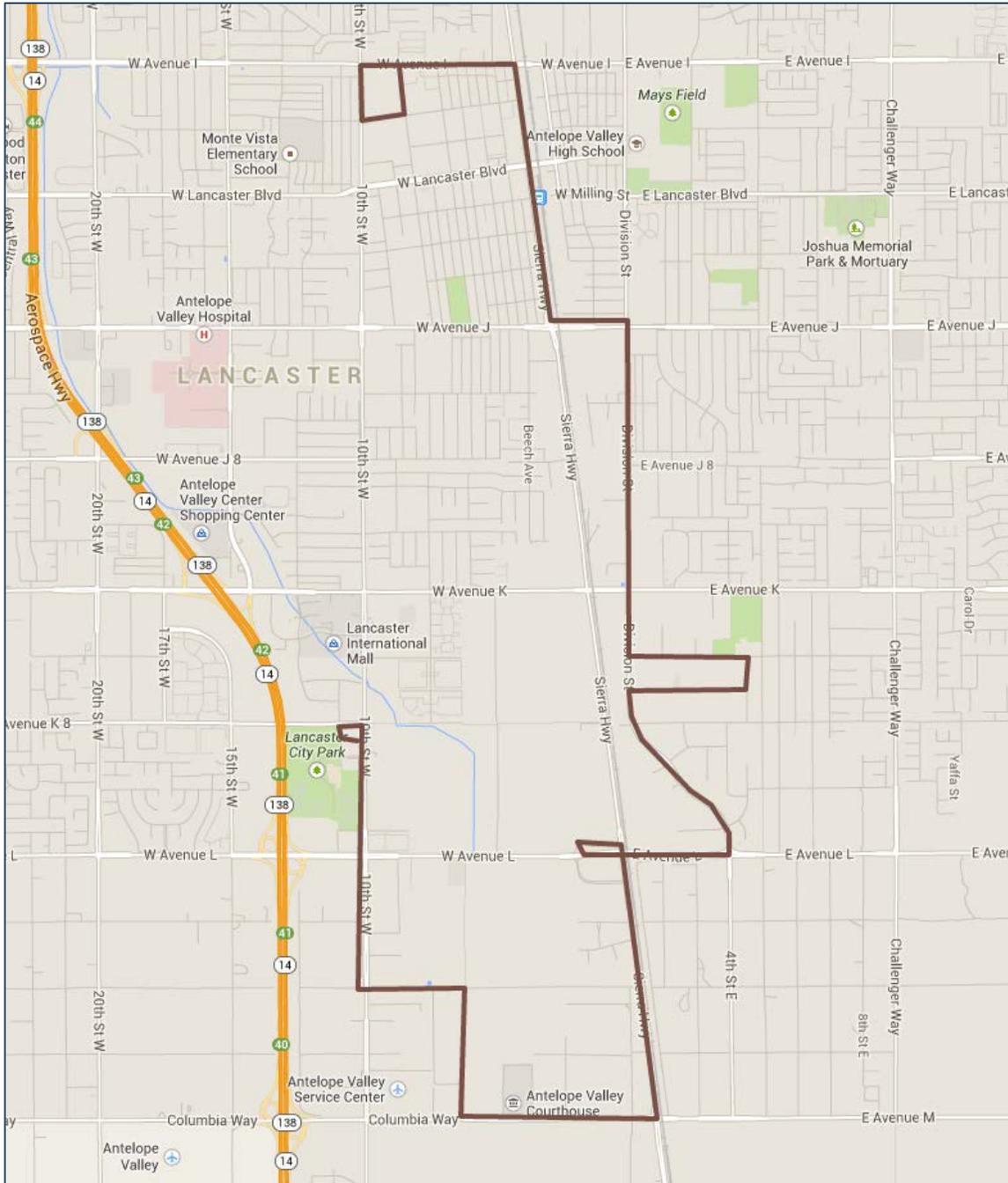
Route 1: Proposed Northern Corridor, terminating at Jackman St. and Fern Ave. (Lancaster Senior Center).



Route 1: Proposed Southern Corridor, Utilizing Palmdale Blvd. from 10th St. West to 47th St. & Avenue S.



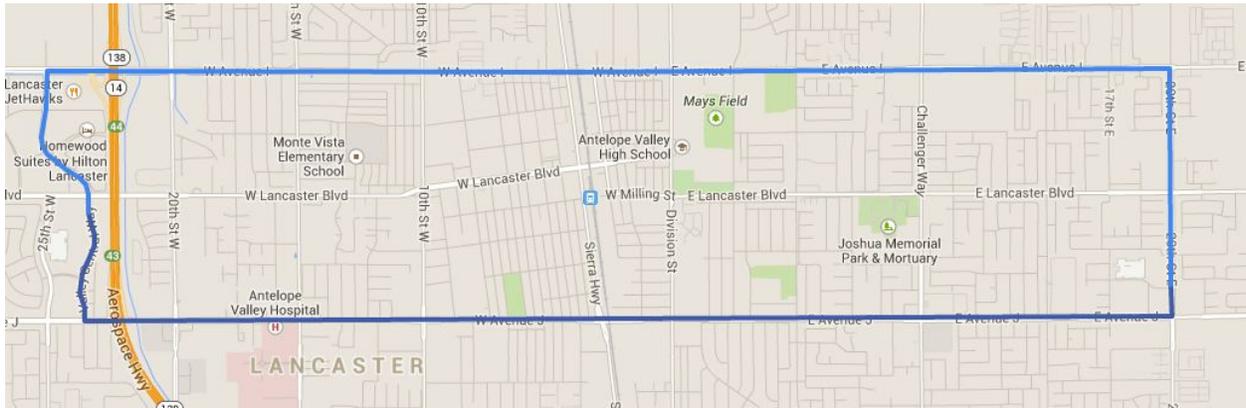
Route 4: Route 4 is the most productive AVTA route, as measured by boardings per service hour, but has less than half the daily boardings of Route 1, with 1,122 daily boardings. The proposed changes to Route 4 will increase service frequencies from 60 minutes to 45 minutes and operate on weekdays only. The Route to Success is recommending a realignment of Route 4 from 20th Street East to Division St., eliminating some service duplications on Avenue J with the Route 11 and on Avenue K and 20th St. East with Route 12 and the proposed Route 14 (see below).



Route 4 proposed service alignment along Division St.

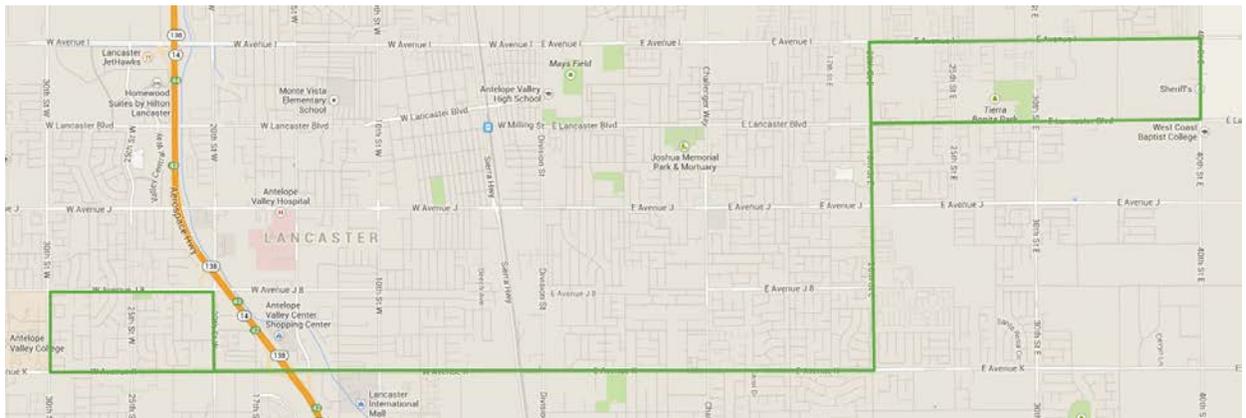


Route 11/12: Ridership on Route 11 is slightly above average with 1,442 average daily boardings and 27.7 boardings per service hour with higher number of boardings at Fern Ave. & Jackman St., likely driven by senior housing in the area, and Lancaster Boulevard. Ridership on Route 12 is very strong, with the third-highest boardings per hour (39.5) and the second-highest average daily boardings (1,916). The most boarding activity takes places at Lancaster City Park, Antelope Valley Community College, Avenue J & 10th St W (connections to Route 1. Routes 11 and 12 are one of the Authority’s highly utilized routes. Travel times were recently improved on both routes to match current traffic patterns and support increased boardings. The proposed service improvements include increased frequencies during the weekday, from 30/60 minutes to 30/40 minutes, along with extended service to 12:00 aa.m. and to 10:00 a.m. on the weekend. The route will maintain service along Avenue J and Avenue K between Valley Central Way and 20th St. East. Options also include bypassing Lancaster City Park in order to maintain service speeds and service directness.



Routes 11(dark blue)/Route 12(light blue) proposed realignment.

Route 14: The Route 14 will be a new route proposed for implementation in FY15. The service will focus on connecting the east and west portions of Lancaster along the Avenue K corridor between 30th St. West and 20th St. East, where it will head north on 20th St. East, then continue further eastbound on Lancaster Blvd. to 40th St East. (Lancaster Baptist Church). The service will carry a frequency similar to the proposed frequencies on the Routes 11 and 12, 30/40 minutes during weekdays and 40 minutes on Saturday and Sunday. The service will provide passengers with a direct connection to the retail corridor along Avenue K and the Antelope Valley College, which was one of the findings from the riders surveys conducted at the college during the public outreach, as part of the Route to Success. The actual route number may change prior to implementation to avoid confusion with the Interstate Route 14.



Route 14: Proposed new service along the Avenue K corridor.



Commuter Express: Ridership growth continues to increase on the commuter service (785/786/787). Within the 2014 fiscal year we made several modifications to the service schedule in order to help mitigate the increase in passenger loads along with the service delays due to major construction. Travel times and service frequencies were adjusted on a trip-by-trip basis to match peak ridership demands in the morning and afternoon. A total of 3,500 service hours have been allocated for commuter service expansion, which will include six additional trips to be evenly added among the three commuter lines. A conditionally approved Job Access Reverse Commute (JARC) grant is currently in process which will provide funding for both capital and operating expenses related to the commuter service expansion.

E-Bus Demonstration Project: With the funding support from LA County Supervisor Michael D. Antonovich, two Build Your Dream (BYD), battery electric buses were purchased as part of an E-Bus demonstration project. The Route to Success Service Plan will also provide a study on potential routes that could accommodate a fully electric bus service along with WAVE inductive charging stations. There are several considerations that need to be evaluated when selecting the appropriate route(s) for a fully electric bus service, including, and most importantly the vehicle range under the worst case conditions, i.e., service range (miles), air conditioning, fully loaded bus and bus accessories. The schedules will require accommodation of in route charging to allow a bus to complete some of AVTA’s longer routes. AVTA is providing in route and overnight charging options.

Saturday, Sunday and Holiday Service: In the upcoming fiscal year we will propose a new span of service that will be specific to the days of the week, specifically during the weekends. Ridership on Sundays usually is the lowest and does not require the same span of service as Saturdays. Below is an example of what the service span would look like for Weekdays, Saturday and Sunday service days. A proposed “Holiday” schedule would run similar to a Sunday service span.

Route	Weekday		Saturday		Sunday	
	Span	Headway	Span	Headway	Span	Headway
Route 1	5:00 am -12:00 am	20 30 min.	6:40 am -10:00pm	40 40 min.	8:00 am - 8:00 pm	40 40 min.
Route 2	5:00 am -12:00 am	30 60 min.	6:40 am -10:00pm	30 60 min.	8:00 am - 8:00 pm	60 60 min.



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 (called “kneeling”) 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 a combination of 2013 CARB approved “clean diesel” powered buses or electric buses, both of which are environmentally friendly. With the addition of two electric buses late in FY14, and two additional commuter buses in FY15, AVTA will maintain 45 local buses and 30 commuter coaches, for a total of 73 units in the fleet for FY15.

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.

Beginning June 1, 2014, Dial-A-Ride Service will be provided by IntelliRide, a division of Veolia Transportation. IntelliRide will provide sufficient vehicles on demand. The fleet includes wheelchair accessible vehicles.

Exhibit F-4-Revenue Vehicle Fleet Inventory as of April 2014

Service Type	Number in Class	Year and Model	Seats	Scheduled Replacement
Local Transit	1	2001 40' Gillig Low Floor	38	CY2015
Local Transit	3	2008 Chevy Passport C5500	32	CY2013
Local Transit	5	1992 40' Gillig Phantom – High Floor	43	CY2015
Local Transit	6	2003 40' North American Bus Industries	40	CY2015
Local Transit	13	2004 40' Gillig Low Floor	39	CY2016
Local Transit	15	2013 40' Gillig Low Floor Hybrid	39	CY2025
Total Local Transit	43			
Commuter	3	2002 45' MCI Highway Coach	53	CY2014
Commuter	13	2004 45' MCI Highway Coach	53	CY2016
Commuter	6	2008 45' MCI Highway Coach	53	CY2020
Commuter	6	2013 45' MCI Highway Coach	53	CY2020
Total Commuter	28			
Total Active Fleet	71			

Note: Two BYD Electric Buses are scheduled for delivery in April and May, 2014. They will not be placed in revenue service until Altoona Testing is completed and FTA Certification is received, assumed to occur during FY15.



AVTA Facilities

The FY15 capital plan includes approximately \$14.1 million for major facility projects. Highlights include:

Fleet Replacement and Refurbishments - \$10.7 million

Twelve local transit buses and three commuter coaches will be replaced during FY14; two additional commuter coaches will be added as expansion units. The funding account includes \$1.2 million for WAVE inductive charging equipment in two locations for the two electric expansion buses added in FY14. The amount also includes support vehicle replacements.

Regional Partnership Projects – \$0.8 million

In partnership with the cities of Lancaster and Palmdale and the County of Los Angeles, AVTA has dedicated a portion of its federal funding toward mutually beneficial public works projects such as additional bus stop and transit center improvements.

Intelligent Transportation System/Avail/Apollo System Upgrade (ITS) - \$1.4 million

These rollover funds will complete the implementation of the ITS System, which will provide better data to management for information and decision making. The Apollo System Upgrade will provide important security features allowing us to more accurately record incidents on the bus and respond accordingly.

The balance of the capital spending plan includes projects for facilities improvement, bus and bus security and other IT-related upgrade projects.



FY13, FY14 and FY 15 “L” Tables

- Table L-1: Current Fare Structure
- Table L-2: Fleet Inventory as of April 2014 (FY14)
- Table L-3: Historical & Projected Fleet Characteristics
- Table L-4(A): Historical and Projected Financial Status -
Source and Application of Capital Funds
- Table L- 4(B): Historical and Projected Financial Status -
Source and Application of Operating Funds
- Table L-5A: TPM/TDA Report Form – 2013 Audited Figures
- Table L-5B: TPM/TDA Report Form – 2014 Projected Figures
- Table L-5B: TPM/TDA Report Form – 2015 Planned Figures
- Table L-6: Performance Audit Follow-Up of Recommendations
from the Last Completed Performance Audit of FY10, 11 and 12
- Table L-7: Capital Project Summary – Audited FY13, Projected FY14, Planned FY15



Table L - 1
Current Fare Structure: FY 2014

Fare Categories	Type of Service	
	Fixed Route	Demand Responsive
Cash/TAP		
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
Cash Transfers		
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
Local Passes		
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
North County Transporter		
	Regular	Senior /Disabled
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
Commuter Service		
	Regular	Senior /Disabled
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
EZ Pass Regional		
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 - 2
FLEET INVENTORY as of April 2014 (FY2014)**

Year Built	Manuf.	Model	Seats	Length	Type of Fuel	Vehicles used for:			Non-ADA	ADA	Vehicles w/ major Rehab	
						Total	Fixed	Demand*	Vehicles	Vehicles		
						Vehicles	Route Service	Responsive Service	in Active Service	in Active Service		
2002	MCI	D4500	53	45	Diesel	3	3			3		
2004	MCI	D4500	53	45	Diesel	13	13			13		
2007	MCI	D4500	53	45	Diesel	6	6			6		
2012	MCI	D4500	53	45	Diesel	6	6			6		
2008	Chevy	Kodiak	32	30	Diesel	3	3			3		
2001	Gillig	Low Floor	38	40	Diesel	1	1			1		
1992	Gillig	High Floor Phantom	43	40	Diesel	5	5			5		
2004	Gillig	Low Floor	43	40	Diesel	13	13			13		
2012	Gillig	Low Floor Hybrid	38	40	Diesel	15	15			15		
2003	Nabi	D4500	40	40	Diesel	6	6			6		
Total Number of Vehicles:								71	0	0	71	

Major rehab as defined by Federal Circular on Section 5307 funding program.
 *Demand response service is subcontracted, no demand response vehicles included in fleet.



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

	FIXED ROUTE		
	FY2013 Actual	FY2014 Estimated	FY2015 Planned
Peak-Hour Fleet	59	59	63
Spares For Maint.	12	12	12
Spare Ratio	20%	20%	19%
Contingency Reserve	3	0	0
Inactive Fleet	0	0	0
Total Vehicles	74	71	75
Total Vehicles (excluding contingency)	71	71	75
New Expansion Vehicles			
New Replacement Vehicles	15		4

	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 2013 Actual	FY 2014 Estimated	FY 2015 Planned
Peak-Hour Fleet	59	59	63
Spares For Maint.	12	12	12
Spare Ratio	20%	20%	19%
Contingency Reserve	3	0	0
Inactive Fleet	0	0	0
Total Vehicles	74	71	75
Total Vehicles (exluding contingency)	71	71	75
New Expansion Vehicles			
New Replacement Vehicles	15		4

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

SOURCE OF CAPITAL FUNDS:	2013 Audited	2014 Projected	2015 Planned
FEDERAL CAPITAL GRANTS			
FTA Sec. 5307	\$ 15,965	\$ 7,672	\$ 8,938
FTA Sec. 5339 (formerly 5309)	\$ 480	\$ 566	\$ 566
FTA Sec. 5337 (Map-21)	\$ -	\$ -	\$ -
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	\$ 1,294	\$ -	\$ -
State Prop 1B PTMISEA	\$ -	\$ -	\$ -
State Prop 1B PTMISEA Bridge Funds	\$ -	\$ 326	\$ 326
State Prop 1B Homeland Security	\$ -	\$ 96	\$ 96
State Prop 1B Homeland Security Bridge Funds	\$ -	\$ 52	\$ 52
LOCAL CAPITAL GRANTS			
System Generated	\$ -	\$ -	\$ -
General Fund	\$ -	\$ -	\$ -
Prop. A Local Return	\$ -	\$ -	\$ -
Prop. A Discretionary	\$ -	\$ -	\$ -
Prop. C Discretionary	\$ -	\$ -	\$ -
Prop. C Local Return	\$ -	\$ -	\$ -
Prop. C 5% Security	\$ -	\$ -	\$ -
Prop. C Other	\$ -	\$ -	\$ -
Measure R (capital)	\$ -	\$ 162	\$ -
Other Local (AVAQMD)	\$ 225	\$ -	\$ 250
Other Local (Lancaster, LA County, Palmdale)	\$ -	\$ 461	\$ 461
TOTAL CAPITAL REVENUE	\$ 17,964	\$ 9,335	\$ 10,689
TOTAL CAPITAL EXPENSES	\$ 12,756	\$ 9,335	\$ 14,059



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

SOURCE OF OPERATING FUNDS:	2013 Audited	2014 Projected	2015 Planned
FEDERAL CASH GRANTS AND REIMBURSEMENTS			
FTA Sec. 5307 Operating and PM	\$ 8,358	\$ 6,110	\$ 5,800
JARC (charged as operating expense)	\$ -	\$ -	\$ 1,165
STATE CASH GRANTS AND REIMBURSEMENTS			
TDA Current from unallocated	\$ -	\$ -	\$ -
STA Current from unallocated	\$ -	\$ -	\$ -
LOCAL CASH GRANTS AND REIMBURSEMENTS			
Passenger Fares	\$ 4,833	\$ 5,054	\$ 5,206
Special Transit Service	\$ -	\$ -	\$ -
Charter Service Revenues	\$ -	\$ -	\$ -
Auxiliary Transportation Revenues	\$ -	\$ -	\$ -
Non-transportation Revenues	\$ 454	\$ 323	\$ 326
Prop. A 40% Discretionary	\$ 4,490	\$ 4,337	\$ 3,950
Prop. A 25% Local Return	\$ -	\$ -	\$ -
Prop. A Discretionary Incentive (for DAR)	\$ 338	\$ 419	\$ 278
Prop. A Interest	\$ -	\$ -	\$ -
BSIP	\$ 43	\$ 44	\$ 45
TSE	\$ 342	\$ 348	\$ 357
Base	\$ -	\$ -	\$ -
Prop. C 40% MOSIP	\$ 971	\$ 993	\$ 1,029
Prop. C 20% Local Return	\$ -	\$ -	\$ -
Prop. C 5% Security	\$ 145	\$ 179	\$ 211
Prop. C 40% Foothill Mitigation	\$ 23	\$ 28	\$ 16
Prop. C Interest	\$ -	\$ -	\$ -
Other Local (<i>Lancaster, LA County, Palmdale</i>)	\$ 3,524	\$ 3,524	\$ 3,290
Other Local (Measure R)	\$ 1,780	\$ 2,095	\$ 2,234
TOTAL OPERATING REVENUES	25,302	23,454	23,907
TOTAL OPERATING EXPENSES W/O DEPRECIATION	20,024	22,812	23,907

Table L - 5A
TPM / TDA REPORT FORM
FY 2013 ENDED JUNE 30, 2013 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	1,909,745	778,462		2,688,207		2,688,207	96,470		12,265	267,585	3,064,527	213,327	3,277,854
Vehicle Service Miles	1,750,276	690,108		2,440,384		2,440,384	87,584		11,135	242,964	2,782,067	213,327	2,995,394
Total Vehicle Hours	135,154	25,216		160,370		160,370	5,755		732	15,961	182,818	7,334	190,152
Vehicle Service Hours	127,715	18,765		146,480		146,480	5,257		668	14,584	166,989	7,334	174,323
Unlinked Passengers	2,900,378	164,689		3,065,067		3,065,067	109,874		13,977	304,321	3,493,239	26,979	3,520,218
Linked Passengers				-		-					-		-
Passenger Revenue	1,835,346	2,325,540		4,160,886		4,160,886	149,278		18,982	413,911	4,743,057	89,743	4,832,800
Aux. Rev/Local Subs.				-		-					-		-
Op. Cost Less Depr.	14,000,320	3,413,066		17,413,386		17,413,386	320,643		40,652	896,158	18,670,839	1,353,234	20,024,073
Full Time Equiv Employees	136	52		188		188	6		1	17	212	9	221
Active Vehicles	43	28		71		71					71	15	86
Peak Vehicles	39	28		67		67					67	15	82
DAR Seat Capacity*											-		
Base Fare	\$1.50	\$15.00										\$3.00	
Effective Date	03/01/10	01/01/10										2006	

* Full Time Employees includes Veolia and ALC

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

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

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



Table L - 5B
TPM / TDA REPORT FORM
FY 2014 ENDED JUNE 2014 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	1,736,866	812,754		2,549,620		2,549,620	79,555		10,086	226,705	2,865,966	190,500	3,056,466
Vehicle Service Miles	1,583,307	723,172		2,306,479		2,306,479	71,961		9,123	205,064	2,592,626	190,500	2,783,126
Total Vehicle Hours	123,729	26,777		150,505		150,505	4,647		589	12,987	168,729	6,686	175,415
Vehicle Service Hours	115,586	20,295		135,881		135,881	4,192		532	12,060	152,664	6,686	159,350
Unlinked Passengers	3,001,695	209,639		3,211,334		3,211,334	101,532		12,871	283,768	3,609,505	26,143	3,635,648
Linked Passengers				-		-					-		-
Passenger Revenue	1,814,162	2,621,280		4,435,442		4,435,442	133,965		16,983	374,417	4,960,807	94,099	5,054,906
Aux. Rev/Local Subs.				-		-					-		-
Op. Cost Less Depr.	16,913,490	2,709,182		19,622,672		19,622,672	551,060		69,860	1,540,142	21,783,734	1,018,000	22,801,734
Full Time Equiv Employees*	136	52		188		188	6		1	17	212	9	221
Active Vehicles**	43	28		71		71					71	15	86
Peak Vehicles**	37	22		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 Employees includes Veolia and ALC

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

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

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



Antelope Valley Transit Authority

Table L - 5C
 TPM / TDA REPORT FORM
FY2015 ENDED JUNE 30, 2015 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 Restructuring	BSIP	MOSIP			
	Local	Express	Dial-A-Ride ¹	Sub-total									
Total Vehicle Miles	1,814,035	906,724		2,720,758		2,720,758	88,753		11,251	236,777	3,057,539	192,405	3,249,944
Vehicle Service Miles	1,653,653	806,784		2,460,437		2,460,437	80,281		10,177	214,175	2,765,071	192,405	2,957,476
Total Vehicle Hours	132,040	30,273		162,314		162,314	4,636		588	13,328	180,865	6,753	187,618
Vehicle Service Hours	123,922	23,806		147,728		147,728	4,182		530	12,024	164,464	6,753	171,217
Unlinked Passengers	3,091,746	215,928		3,307,673		3,307,673	104,578		13,258	292,281	3,717,790	26,405	3,744,195
Linked Passengers				-		-					-		-
Passenger Revenue	1,869,402	2,700,950		4,570,352		4,570,352	137,984		17,493	385,649	5,111,478	95,075	5,206,553
Aux. Rev/Local Subs.				-		-	0		0	0	-		-
Op. Cost Less Depr.	17,018,520	2,780,750		19,799,270		19,799,270	567,592		71,955	1,586,347	22,025,164	1,164,826	23,189,990
Full Time Equiv Employees***	136	52		188		188	6		1	17	212	9	221
Active Vehicles	45	30		75		75					75	15	90
Peak Vehicles	38	25		63		63					63	15	78
DAR Seat Capacity --- See * below											-		
Base Fare	\$1.50	\$15.00										\$3.00	
Effective Date	03/01/10	01/01/10										2006	

* Full Time Employee includes Veolia and Intelliride

** DAR vehicles are contracted out and not part of the 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	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, however, 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.
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**

Audited - FY2013

Project Name	Funding Source Federal	State Local	Federal	Total Project Cost
Bus Stop Renovation	5307 + ARRA	\$ 26,798	\$ 338,570	\$ 365,368
Furniture Fixtures & Equipment	5307	\$ 43,810	\$ 175,243	\$ 219,053
Bus & Facility Security Upgrade	5307	\$ 8,143	\$ 32,574	\$ 40,717
Bus Purchases and Refurbishment	5307 + ARRA	\$ 1,132,400	\$ 12,375,286	\$ 13,507,686
Phase II Facility Construction	5307	\$ 727,069	\$ 2,908,236	\$ 3,635,305
Major Shop Equipment	5307	\$ -	\$ 15,615	\$ 15,615
Data and Communications	5307	\$ 42,392	\$ 315,976	\$ 358,368
Records Management System	5307	\$ 528	\$ 2,117	\$ 2,645
Planning Projects	5307	\$ 6,542	\$ 26,165	\$ 32,707
Support Vehicles	ARRA	\$ 1	\$ 110,143	\$ 110,144

Projected - FY 2014

Project Name	Funding Source Federal	State Local	Federal	Total Project Cost
Bus Purchases and Refurbishment	5307	\$ -	\$ 3,189,000	\$ 3,189,000
Support Vehicles	5307	\$ 48,000	\$ 192,000	\$ 240,000
Major Bus Components	5307	\$ -	\$ 150,000	\$ 150,000
Facility Upgrade & Equipment	5307	\$ 51,344	\$ 205,376	\$ 256,720
Regional Partnership Projects	5307	\$ -	\$ 1,400,000	\$ 1,400,000
Major Facility Equipment	5307	\$ 1,460	\$ 55,850	\$ 57,300
Records Management System	5307	\$ 20,000	\$ 80,000	\$ 100,000
ITS Upgrade	5307	\$ 1,992,413	\$ 507,587	\$ 2,500,000
Data and Communications	5307	\$ 43,384	\$ 229,166	\$ 272,550
Procurement Software	5307	\$ 10,000	\$ 40,000	\$ 50,000
Security - Bus and Facility	5307	\$ 96,235	\$ 21,551	\$ 117,786
Planning Projects	5307	\$ 63,000	\$ 436,000	\$ 499,000

Planned - FY 2015

Project Name	Funding Source Federal	State Local	Federal	Total Project Cost
Bus Purchases and Refurbishment	5307	\$ 802,782	\$ 4,549,098	\$ 8,847,776
Bus Charging Equipment	5307	\$ -	\$ -	\$ 1,203,238
Support Vehicles	5307	\$ -	\$ 388,000	\$ 628,000
Major Bus Components	5307	\$ -	\$ 75,000	\$ -
Facility Upgrade & Equipment	5307	\$ -	\$ 100,000	\$ 452,000
Regional Partnership Projects	5307	\$ -	\$ -	\$ 862,000
Data and Communications	5307	\$ -	\$ 100,000	\$ 1,854,484
Bus & Facility Security Upgrade	5307	\$ 96,000	\$ -	\$ 211,686
Planning Projects	5307	\$ -	\$ -	\$ -

