**LONG BEACH TRANSIT**
**BOARD OF DIRECTORS MEETING**
**AGENDA**

**THURSDAY, MAY 23, 2024**
**4801 AIRPORT PLAZA DRIVE**
**ROSA PARKS BOARD CHAMBER**
**3:30 P.M.**

David Sutton, Chair
Abigail Mejia, Vice Chair
Raul Añorve, Secretary/Treasurer
Eduardo Angeles, Director
Randy Rawlings, Director
Tunua Thrash-Ntuk, Director

Joshua Hickman, City Representative
Christopher Koontz, City Representative

Kenneth A. McDonald
President and Chief Executive Officer

**LONG BEACH TRANSIT BOARD OF DIRECTORS IN-PERSON MEETING**

**MEMBERS OF THE PUBLIC CAN ATTEND MONTHLY BOARD MEETINGS AT LONG BEACH TRANSIT CORPORATE OFFICEROSA PARK BOARD CHAMBER, BY RIDING ROUTES 102, 104, 111 AND 112.**

**THE CLOSEST BUS STOPS TO LBTCO ARE LOCATED:**
**LAKEWOOD BLVD. AND SPRING ST.**
**CLARK AVE. AND 29TH ST.**
**SPRING ST. AND AIRPORT PLAZA DR.**

**TO CONNECT TO ROUTES 102 AND 104, TAKE ROUTES 21, 22, 23, 61, 71, 91, 92, 93, 101, 111, 112, 172, 173, 181 AND 182.**

**TO CONNECT TO ROUTES 111 AND 112, TAKE ROUTES 21, 22, 23, 91, 121, 131, 151, 171, 173, 175 AND 192.**

**MEMBERS OF THE PUBLIC MAY LISTEN TO THE MEETING BY DIALING (669) 444-9171 AND ENTERING THE FOLLOWING MEETING ID: 892 4992 2679 (PASSWORD: 1963)**

**MEMBERS OF THE PUBLIC MAY ALSO JOIN THE VIDEO CONFERENCE VIA THE FOLLOWING ZOOM MEETING LINK:**
**https://us06web.zoom.us/j/89249922679?pwd=C6H1K4aKWbnpU9QTVsN6ynNnxYqX0Y.1**

**PLEASE NOTE THE ZOOM MEETING MAY ENCOUNTER TECHNICAL DISRUPTIONS, BUT IN-PERSON ACCESS AND PUBLIC COMMENT WILL CONTINUE TO BE AVAILABLE IN ACCORDANCE WITH THE BROWN ACT**

**PERSONS WISHING TO ADDRESS THE BOARD MAY SUBMIT PUBLIC COMMENT VIA EMAIL OR TELEPHONE. MEMBERS OF THE PUBLIC ALSO HAVE THE OPTION TO PROVIDE PUBLIC COMMENT IN THE ZOOM MEETING BY USING THE RAISE HAND FUNCTION OR PRESSING *9 ON YOUR PHONE**

Public comments on agenda items may be submitted by email to board@lbtransit.com or by telephone at 562.599.8599.

If calling, please leave a voicemail with your name (please state it clearly), your telephone number for a return call, and the item number on which you would like to comment (or specify “public comment”).

If emailing, please include your name, your telephone number for a return call, and the item number on which you would like to comment (or specify “public comment”).

More information on this process may be found at ridelbt.com/about-us

**REGULAR MEETING – 3:30 P.M.**

1. Call to Order. (David Sutton)

2. Roll Call. (Jen Flores)

3. Employee Recognition. (Jen Flores)

   Employees of the Month for May 2024:

   Roy Norwood, Transit Service Delivery and Planning
   Ismael Lopez, Maintenance and Infrastructure
   Bobby Warren, Administrative Staff

   INFORMATION ITEM

4. Public Comment.

   Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

**NOTICE TO THE PUBLIC**

All matters included on the Consent Calendar are considered routine by the Long Beach Transit (LBT) Board of Directors and will all be enacted by one motion. There will be no separate discussion of these items unless a member of the Board of Directors or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

**CONSENT CALENDAR (5)**

5. Recommendation to approve the minutes of the regular session meeting held on April 25, 2024.

   **Suggested Action:** Approve recommendation.

**REGULAR CALENDAR**

6. Monthly Financial Report. (Lisa Patton)

   INFORMATION ITEM

7. Recommendation to approve the updated Investment Policy Statement for the financial assets of Long Beach Transit. (Ashley Liang)

   **Suggested Action:** Approve recommendation.

8. Recommendation to adopt the Fiscal Year 2025 Operating Budget of $132,189,921 and the Fiscal Year 2025 Capital Budget of $45,843,574. (Kenneth McDonald)

   **Suggested Action:** Approve recommendation.

9. Public Comment.

   Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

10. Board Requests.

11. Adjourn. The next regular meeting will be held on June 27, 2024. (David Sutton)

    **Suggested Action:** Approve recommendation.

Note:

Long Beach Transit intends to provide reasonable accommodations in accordance with the Americans with Disabilities Act of 1990. If special accommodation is desired please call the Office of the Board Secretary 48 hours prior to the meeting at 562.599.8599.

Long Beach Transit is an entity which is separate and distinct from the City of Long Beach.

**LONG BEACH TRANSIT**
**BOARD OF DIRECTORS MEETING**
**MINUTES**

**THURSDAY, APRIL 25, 2024**
**4801 AIRPORT PLAZA DRIVE**
**ROSA PARKS BOARD CHAMBER**
**3:30 P.M.**

David Sutton, Chair
Abigail Mejia, Vice Chair
Raul Añorve, Secretary/Treasurer
Eduardo Angeles, Director
Randy Rawlings, Director
Tunua Thrash-Ntuk, Director

Joshua Hickman, City Representative
Christopher Koontz, City Representative

Kenneth A. McDonald
President and Chief Executive Officer

**REGULAR MEETING – 3:30 P.M.**

1. Call to Order. (David Sutton)

   Vice Chair Mejia called the meeting to order at 3:31 p.m.

2. Roll Call. (Jen Flores)

   **Directors Present:** Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings

   **Directors Excused:** David Sutton and Tunua Thrash-Ntuk

3. Employee Recognition. (Jen Flores)

   Employees of the Month for April 2024:

   Jose Roman, Transit Service Delivery and Planning
   Martin Espaeza, Maintenance and Infrastructure
   Jonathan Serranoblanco, Administrative Staff

   INFORMATION ITEM

   Jen Flores, Board Secretary, presented the Employees of the Month for April 2024.

   Chair Sutton joined the Board of Directors meeting at 3:37 p.m.

   **Directors Present:** Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia, Randy Rawlings and David Sutton

4. Public Comment.

   Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to

three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

The Board received a copy of a public comment emailed in by Wayne Wright regarding service changes from the STAR Program.

5. President and CEO Report. (Kenneth McDonald)

INFORMATION ITEM

Kenneth McDonald, President and CEO, presented his monthly report.

CEO McDonald informed the Board of the receipt of LEED Certification for the LBTCO Construction Remodel project.

CEO McDonald gave a summary of the APTA Legislative Conference attended by staff.

CEO McDonald informed the Board of the Board Retreat and the Budget Presentation scheduled for May.

CEO McDonald highlighted various community events LBT staff participated in for the month of April.

**NOTICE TO THE PUBLIC**

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**CONSENT CALENDAR (6)**

**A motion was made by Director Angeles, seconded by Secretary/Treasurer Añorve, to pass the consent calendar. The motion carried by the following vote:**

**Yes:** 5 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia and Randy Rawlings
**Abstain:** 1 – David Sutton
**Excused:** 1 – Tunua Thrash-Ntuk

6. Recommendation to approve the minutes of the regular session meeting held on March 28, 2024.

**Suggested Action:** Approve recommendation.

**REGULAR CALENDAR**

7. Monthly Financial Report. (Lisa Patton)

   INFORMATION ITEM

   Lisa Patton, Executive Director/VP, Finance and Budget, presented the staff report.

   Secretary/Treasurer Añorve inquired about what the Other category under Services consists of.

   Ms. Patton responded that it included the building lease commissions.

8. Recommendation to adopt Long Beach Transit's 2024 Public Transportation Agency Safety Plan with newly set targets to comply with FTA final rule in accordance with 49 Code of Federal Regulations (CFR) Part 673. (Elizabeth Brown)

   **Suggested Action:** Approve recommendation.

   Catherine Benecke, Manager, Environmental, Health and Safety, presented the staff report.

   Director Angeles asked for clarification on assaults on LBT Operators

   CEO McDonald responded that he could not recall an incident in the past year.

   Director Angeles inquired what FTA does with this information.

   CEO McDonald responded that this is a required report for LBT to obtain funding. LBT is working to use the data to improve security.

   Secretary/Treasurer Añorve questioned the inconsistencies between the report and presentation.

   Discussion ensued clarifying the reason why Secretary/Treasurer Añorve had a different report from the report included in the public packet.

   No vote was taken on the motion. Staff will return to the Board with an updated report and presentation.

   **A motion was made by Vice Chair Mejia, seconded by Director Angeles, to approve the recommendation. No action was taken on the motion.**

9. Recommendation to approve an update to LBT's Procurement Policy to delegate to the President and CEO the authority to approve all renewals of software and hardware license and maintenance agreements. (Joanna Bould)

**Suggested Action:** Approve recommendation.

Joanna Bould, Manager, Procurement, presented the staff report.

Director Rawlings asked for clarification regarding if this item covered items over $50,000 and under $200,000 or do they included all software agreements.

Ms. Bould responded the item would cover current and future items that may eventually reach the CEO's authorization threshold.

**A motion was made by Vice Chair Mejia, seconded by Director Rawlings, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 6 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia, Randy Rawlings and David Sutton
**Excused:** 1 – Tunua Thrash-Ntuk

10. Public Comment.

Any member of the public may approach the lectern and, upon recognition by the Chair, state his or her name and proceed to address the Board on any item within the subject matter jurisdiction of the Long Beach Transit Board of Directors, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three minutes, unless different time limits are set by the Chair, subject to the approval of the Board.

There were no public comments.

14. Board Requests.

Secretary/Treasurer Añorve requested an organization chart and department overview presentations.

CEO McDonald responded that an organization chart will be presented in May with the Budget and department overview presentations are scheduled for the Board Retreat being held in May.

Chair Sutton requested reports on LBT's plans for the GoPass extension, Government Relations updates and impacts on LBT, and Grant activities within LBT.

Chair Sutton additionally requested staff include instructions to the Public on how to use LBT services to attend a Board meeting on the next agenda.

15. Adjourn. The next regular meeting will be held on May 23, 2024. (David Sutton)

**Suggested Action:** Approve recommendation.

Meeting adjourned at 4:31 p.m.

**A motion was made by Director Angeles, seconded by Secretary/Treasurer Añorve, to approve the recommendation. The motion carried by the following vote:**

**Yes:** 6 - Eduardo Angeles, Raul Añorve, Carl Kemp, Abigail Mejia, Randy Rawlings and David Sutton
**Excused:** 1 – Tunua Thrash-Ntuk

Note:

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# LONG BEACH TRANSIT
# STATEMENT OF REVENUES AND EXPENSES
# FOR PERIOD JULY 1, 2023 TO April 30, 2024



| | April 2023 | April 2024 | April Budget | % | Year to Date FY 2023 | Year to Date FY 2024 | Year to Date Budget | % |
|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUE** | | | | | | | | |
| Passenger Fares | $696,266 | $730,052 | $714,717 | 102 | $6,516,339 | $7,673,586 | $7,316,962 | 105 |
| Dial A Lift Fares | 2,780 | 3,728 | 3,940 | 95 | 29,822 | 32,344 | 36,610 | 88 |
| Aqua Service Fares | 30,081 | 4,781 | 5,537 | 86 | 209,618 | 160,093 | 126,352 | 127 |
| Special Event Service Revenue | 26,500 | 31,454 | 20,000 | 157 | 13,938 | 58,716 | 26,000 | 226 |
| Advertising Revenue | 56,250 | 56,250 | 56,250 | 100 | 548,706 | 628,183 | 562,500 | 112 |
| Interest & Miscellaneous | 304,548 | 439,718 | 227,437 | 193 | 2,312,652 | 3,847,442 | 2,275,370 | 169 |
| **TOTAL OPERATING REVENUE** | **$1,116,425** | **$1,265,983** | **$1,027,881** | **123** | **$9,631,074** | **$12,400,364** | **$10,343,794** | **120** |
| **SUBSIDY REVENUE** | | | | | | | | |
| Federal | $0 | $4,503,000 | $1,800,000 | 250 | $6,550,002 | $11,067,123 | $17,550,000 | 63 |
| State | 2,683,283 | 2,838,136 | 2,838,136 | 100 | 24,387,994 | 28,470,033 | 28,381,360 | 100 |
| County | 4,171,388 | 4,051,300 | 4,051,300 | 100 | 37,447,428 | 40,550,105 | 40,563,252 | 100 |
| Local | 698,365 | 745,019 | 743,101 | 100 | 6,622,961 | 8,149,964 | 8,112,445 | 100 |
| **TOTAL SUBSIDY REVENUE** | **$7,553,036** | **$12,137,455** | **$9,432,537** | **129** | **$75,008,385** | **$88,237,225** | **$94,607,057** | **93** |
| **TOTAL REVENUE** | **$8,669,461** | **$13,403,438** | **$10,460,418** | **128** | **$84,639,459** | **$100,637,588** | **$104,950,851** | **96** |
| **OPERATING EXPENSES** | | | | | | | | |
| Operations | $4,770,695 | $5,017,083 | $5,059,697 | 99 | $41,255,693 | $50,970,707 | $51,041,244 | 100 |
| Maintenance | 2,237,402 | 2,489,669 | 2,495,506 | 100 | 20,182,556 | 25,288,646 | 24,817,899 | 102 |
| Administration | 1,937,265 | 2,188,814 | 2,296,606 | 95 | 16,928,825 | 20,735,612 | 23,299,505 | 89 |
| Fuel & Lubricants | 410,345 | 389,892 | 560,345 | 70 | 5,265,589 | 4,826,682 | 5,649,623 | 85 |
| **TOTAL OPERATING EXPENSES** | **$9,355,708** | **$10,085,457** | **$10,412,154** | **97** | **$83,632,663** | **$101,821,646** | **$104,808,271** | **97** |
| **NET INCOME (LOSS) BEFORE DEPR.** | **($686,246)** | **$3,317,981** | **$48,264** | | **$1,006,796** | **($1,184,058)** | **$142,580** | |
| **DEPRECIATION** | $1,435,458 | $1,468,666 | $1,565,535 | 94 | $12,360,812 | $14,640,231 | $10,958,745 | 134 |

# LONG BEACH TRANSIT
# SCHEDULE OF EXPENSES
# FOR PERIOD JULY 1, 2023 TO April 30, 2024



| | Operations | Maintenance | Admin | Total Curr. Month | Current Month Budget | % | Year to Date | Year to Date Budget | % |
|---|---|---|---|---|---|---|---|---|---|
| **LABOR** | | | | | | | | | |
| Operators | $2,664,407 | $0 | $0 | $2,664,407 | $2,558,247 | 104 | $27,092,532 | $26,516,489 | 102 |
| Maintenance | 0 | 610,172 | 0 | 610,172 | 596,305 | 102 | 6,430,882 | 6,032,292 | 107 |
| Salaried | 373,555 | 487,392 | 823,195 | 1,684,142 | 1,626,545 | 104 | 15,286,366 | 16,637,950 | 92 |
| **FRINGE BENEFITS** | | | | | | | | | |
| FICA | 207,456 | 77,763 | 61,118 | 346,337 | 347,879 | 100 | 3,391,631 | 3,545,078 | 96 |
| Pension | 381,517 | 137,081 | 100,325 | 618,923 | 581,926 | 106 | 6,331,090 | 6,001,833 | 105 |
| Health | 582,023 | 172,385 | 106,415 | 860,822 | 952,757 | 90 | 8,603,864 | 9,303,932 | 92 |
| Workers' Compensation | 374,093 | 26,764 | 2,257 | 403,115 | 403,531 | 100 | 4,031,147 | 4,035,310 | 100 |
| Uniform & Tool Allowance | 10,546 | 6,927 | 0 | 17,473 | 28,876 | 61 | 246,706 | 312,764 | 79 |
| Unemployment & Other Fringes | 2,808 | 2,100 | 9,046 | 13,954 | 31,335 | 45 | 355,279 | 500,900 | 71 |
| **SERVICES** | | | | | | | | | |
| Advertising | 0 | 0 | 32,794 | 32,794 | 68,496 | 48 | 625,292 | 717,960 | 87 |
| Professional & Technical | 30,805 | 20,550 | 336,501 | 387,856 | 437,464 | 89 | 3,002,515 | 3,789,421 | 79 |
| Contract Maintenance | 0 | 178,577 | 207,177 | 385,753 | 420,176 | 92 | 4,052,694 | 4,165,664 | 97 |
| Security | 249,994 | 37,346 | 0 | 287,340 | 407,295 | 71 | 3,139,732 | 3,390,931 | 93 |
| Employment Physicals | 0 | 0 | 28,000 | 28,000 | 18,416 | 152 | 180,581 | 184,160 | 98 |
| Other | 0 | 8,602 | 5,739 | 14,341 | 10,421 | 138 | 139,273 | 106,210 | 131 |

# LONG BEACH TRANSIT
# SCHEDULE OF EXPENSES
# FOR PERIOD JULY 1, 2023 TO April 30, 2024



| | Operations | Maintenance | Admin | Total Curr. Month | Current Month Budget | % | Year to Date | Year to Date Budget | % |
|---|---|---|---|---|---|---|---|---|---|
| **MATERIALS & SUPPLIES** | | | | | | | | | |
| Fuel & Lubricants | $0 | $389,892 | $0 | $389,892 | $560,345 | 70 | $4,826,682 | $5,649,623 | 85 |
| Fleet Parts & Supplies | 0 | 496,143 | 0 | 496,143 | 430,844 | 115 | 4,902,149 | 4,279,433 | 115 |
| Other Materials & Supplies | 0 | 55,879 | 6,435 | 62,314 | 82,417 | 76 | 817,445 | 842,646 | 97 |
| **UTILITIES** | 0 | 103,851 | 38,936 | 142,787 | 188,858 | 76 | 1,664,150 | 2,070,791 | 80 |
| **CASUALTY/LIABILITY COSTS** | 0 | 6,917 | 384,585 | 391,501 | 345,969 | 113 | 3,658,573 | 3,459,690 | 106 |
| **PURCHASED TRANS. SERVICE** | | | | | | | | | |
| Dial A Lift | 103,124 | 0 | 0 | 103,124 | 106,646 | 97 | 970,979 | 1,034,496 | 94 |
| Aqua Service | 36,754 | 0 | 0 | 36,754 | 69,708 | 53 | 642,864 | 785,278 | 82 |
| **MISC. EXPENSES** | | | | | | | | | |
| Dues & Subscriptions | 0 | 0 | 16,407 | 16,407 | 15,833 | 104 | 148,197 | 158,330 | 94 |
| Taxes, Fees | 0 | 30,078 | 0 | 30,078 | 27,091 | 111 | 661,492 | 274,900 | 241 |
| Training, Travel & Meetings | 0 | 0 | 12,540 | 12,540 | 27,084 | 46 | 102,171 | 270,840 | 38 |
| Schedules & Tickets | 0 | 0 | 3,817 | 3,817 | 6,250 | 61 | 31,865 | 122,500 | 26 |
| Safety & Misc. Items | 0 | 5,437 | 5,776 | 11,212 | 15,709 | 71 | 92,745 | 157,090 | 59 |
| Recruitment Advertising | 0 | 0 | 5,165 | 5,165 | 16,000 | 32 | 59,899 | 164,000 | 37 |
| Other | 0 | 25,707 | 2,586 | 28,294 | 29,731 | 95 | 320,163 | 297,760 | 108 |
| **TOTAL OPERATING EXPENSES:** | **$5,017,083** | **$2,879,561** | **$2,188,814** | **$10,085,457** | **$10,412,154** | **97** | **$101,808,956** | **$104,808,271** | **97** |

# LONG BEACH TRANSIT
# BALANCE SHEET



| | Balance at 04/30/24 | Balance at 03/31/24 | Balance at 04/30/23 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Investments | 72,363,520 | 71,751,400 | 66,194,328 |
| Receivables | | | |
| Federal | 4,522,578 | 16 | 0 |
| State | 3,161,774 | 2,219,923 | 3,476,912 |
| County | 123,000 | 381,249 | 3,165,068 |
| Local | 1,258,752 | 2,270,364 | 2,816,605 |
| Miscellaneous | 3,967,656 | 4,125,017 | 2,060,335 |
| Materials & Supplies Inv. | 4,163,495 | 4,073,389 | 3,641,867 |
| Net Capital Assets | 121,485,407 | 122,647,051 | 112,088,771 |
| Other Assets | 13,831,781 | 14,782,848 | 24,100,199 |
| **TOTAL ASSETS** | **224,877,962** | **222,251,256** | **217,544,084** |
| **LIABILITIES AND CAPITAL** | | | |
| Trade Payables | 4,542,028 | 4,049,393 | 3,861,040 |
| Accrued Payroll Liabilities | 7,856,145 | 8,245,907 | 5,742,501 |
| Net Pension Liability (GASB 68) | 34,055,081 | 34,055,081 | 32,192,337 |
| Compensated Absence Liabilities | 3,877,486 | 3,851,191 | 3,497,167 |
| Estimated Liabilities | 67,526,732 | 67,938,010 | 64,892,364 |
| Deferred Credits | 16,065,695 | 15,313,304 | 11,619,623 |
| Long-Term Notes Payable | 0 | 0 | 0 |
| **TOTAL LIABILITIES** | **133,923,166** | **133,452,887** | **121,805,031** |
| Federal Capital Contributions | 339,316,432 | 339,296,870 | 329,248,020 |
| State Capital Contributions | 115,718,517 | 115,495,252 | 114,341,848 |
| Local Capital Contributions | 130,860,915 | 130,796,630 | 125,797,422 |
| Accumulated Earnings (Losses) | (494,941,069) | (496,790,384) | (473,648,237) |
| **TOTAL CAPITAL** | **90,954,795** | **88,798,369** | **95,739,053** |
| **TOTAL LIABILITIES AND CAPITAL** | **224,877,962** | **222,251,256** | **217,544,084** |

## RECOMMENDED ACTION

To approve the updated Investment Policy Statement for the financial assets of Long Beach Transit.

## STAFF REPRESENTATIVE

Ashley Liang, Treasurer, Finance and Budget

## BACKGROUND

Long Beach Transit's (LBT) Investment Policy Statement (IPS) establishes policies and procedures for the agency's financial assets and investment activities. California Government Code, Section 53600, requires an annual review of the IPS and recommends its approval by the governing body to provide transparency and disclosure.

Each year, staff evaluates the policy to ensure it meets the IPS objectives of safety, liquidity, return on investment, ethics, conflicts of interest, as well as compliance with current laws and Governmental Accounting Standards Board (GASB).

The recommended change to the IPS is to update the table referenced under California Government Code, Section 53600, which is shown on the attached IPS in Appendix A (Allowable Investment Instruments Per State Government Code).

There were no additional changes to the California Government Code, GASB or the State of California's Local Agency Investment Fund (LAIF) Policy that required further amendments to the policy.

As detailed in LBT's Quarterly Investment Reports, LBT's assets continue to be held at the State's LAIF and Corporate Investment Account with Fidelity Investments which contains investment vehicles similarly structured to LAIF.

## ALTERNATIVES CONSIDERED

There are no alternative options as the IPS must follow state guidelines for allowable investment instruments per California Government Code, Section 53600.

## STAFF RECOMMENDATION

Staff is recommending LBT's Board of Directors to approve the updated Investment Policy Statement for the financial assets of Long Beach Transit.

Kenneth A. McDonald
President and Chief Executive Officer

Attachment

# LONG BEACH TRANSIT
# STATEMENT OF INVESTMENT POLICY

## I. INTRODUCTION

Long Beach Transit (LBT) shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment.

## II. SCOPE

This Investment Policy applies to the financial assets of LBT under the direct authority of the Board of Directors, excluding pension plan assets which are covered under a separate Investment Policy. These assets are invested in accordance with the California Government Code, Sections 53600 et seq., and all other applicable federal, state and local laws, as well as using prudent money management. They are accounted for under enterprise funds and in accordance with the principles of Governmental Accounting Auditing and Financial Reporting (GAAFR).

Activities which comprise prudent cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations and a short-term borrowing program, if necessary, which includes coordinating working capital requirements and investment opportunity. Connected with the scope of these requirements are the many facets of an appropriate and secure short-term investment program.

## III. OBJECTIVES

### A. Safety

Safety of principal is the primary objective of LBT. Each investment transaction shall seek to ensure capital losses are avoided, whether from securities default, broker/dealer default or erosion of the market value. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall investment return. LBT shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

1. Credit Risk. It is hereby defined as the risk of loss due to failure of an issuer of a security. Credit risk shall be mitigated by investing in only very safe institutions and by diversifying the fund so that the failure of any one institution would not unduly harm LBT's cash flow.

2. Market Risk. In money matters, it is defined as the risk of market value fluctuations due to overall changes in the economy and level of interest rates. The market risk shall be mitigated by limiting the weighted average maturity of the securities to two (2) years. Further, no investment shall be made which at the time of investment has a term remaining to maturity in excess of five (5) years. This excludes those securities underlying a repurchase or reverse repurchase agreement.

B. Liquidity

The investment portfolio will remain sufficiently liquid to enable LBT to meet all operating requirements which might be reasonably anticipated. Liquid short-term accounts represent vital objectives by which an adequate percentage of the portfolio should be maintained. They can be easily converted to cash, if necessary, to meet disbursement requirements. LBT may experience unexpected or unusual circumstances that result in some investments needing to be sold to meet a contingency. Emphasis should be on marketable securities with low sensitivity to market risk.

C. Return on Investment

LBT's investment portfolio shall be designed to attain a market-average rate of return through economic cycles. The market-average rate of return is defined as the average return on three (3)-month U.S. Treasury Bills. Whenever possible, and consistent with risk limitations, as defined herein, and prudent investment principals, LBT shall seek to augment returns above the market average rate of return. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Securities shall not be sold prior to maturity with the following exceptions: (1) a security with declining credit may be sold early to minimize loss of principal; (2) a security swap would improve the quality, yield or target duration in the portfolio; or (3) liquidity needs of the portfolio require the security be sold.

D. Prudence

The standard of prudence to be used by the designated representative shall be the "prudent investor" standard and shall be applied in the context of managing the overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

E. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

## IV. INVESTMENT LIMITATIONS

LBT adheres to the California Government Code, Sections 53600 et seq. (See Appendix A). Investments in any security or fund other than Local Agency Investment Fund requires concurrence from the President and Chief Executive Officer or his/her designee.

## V. QUALIFIED INSTITUTIONS AND DEALERS

LBT shall transact business only with banks, savings and loans and registered investment securities dealers. The purchase of any investment other than those purchased directly from the issuer shall be purchased either from an institution licensed by the state as a broker/dealer or a brokerage firm designated as a primary Government Dealer by the Federal Reserve Bank. Prior to any investment with the broker/dealer LBT shall request a letter from the institution stating their interests, references, status and fee structures. In addition, LBT shall provide a current edition of the Statement of Investment Policy to all brokers/dealers which have been previously approved to handle investment transactions.

All financial institutions and broker/dealers who desire to conduct investment transactions with LBT must supply the Executive Director and Vice President of Finance and Budget with proof of SEC investment adviser registration and proof of State of California registration.

## VI. SAFEKEEPING OF SECURITIES

To protect against potential losses caused by collapse of individual securities dealers, all securities owned by LBT including collateral on repurchase agreements, but necessarily excluding securities used as collateral for reverse repurchase agreements, shall be placed with an independent third party for custodial safekeeping, acting as agent for LBT under the terms of a custody agreement executed by the custodial agent and LBT. All securities will remain in the name of LBT and be received and delivered pursuing standard delivery versus payment procedures.

## VII. CONFIRMATION

The confirmations or receipts should include the following information: trade date, par value, maturity, rate, yield, settlement date, description, agency's name, net amount due, and third-party custodial information. Confirmations of all investment transactions are to be received within three (3) business days.

## VIII. REPORTING

Under the provisions of Section 53646 of the California Government Code, LBT shall annually provide to the LBT Board of Directors a Statement of Investment Policy which the Board of Directors shall consider at a public meeting. Any changes in the Investment Policy shall also be considered by the Board of Directors at a public meeting.

The Executive Director and Vice President of Finance and Budget shall provide a quarterly report to the President and Chief Executive Officer, the City Auditor and the Board of Directors within 45 days following the end of the quarter covered by the report. This report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by LBT, and shall additionally include a description of any of LBT's funds, investments, or programs, that are under the management of contracted parties, including the lending programs. With respect to all securities held by LBT, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

The report shall state compliance of the portfolio to the Statement of Investment Policy and a statement of the ability of the local agency to meet its pool's expenditure requirements for the next six months.

## IX. INTERNAL CONTROLS

LBT has developed a system of internal control, established and documented in writing. The controls are designed to minimize and prevent losses arising from fraud, employee error, misrepresentations of third parties and unanticipated change in financial markets or imprudent actions. Controls deemed most important are: control of collusion, including segregation of duties and separation of transaction authority from accounting and recordkeeping; written confirmation of telephone transactions and wire transfers; and conflict of interest.

## X. DELEGATION OF AUTHORITY

The President and Chief Executive Officer shall assign the responsibility to the Executive Director and Vice President of Finance and Budget, who shall invest the agency's funds in accordance with the California Government code 53600 et seq., while meeting the criteria for safety and liquidity. The Executive Director and Vice President of Finance and Budget shall be responsible for all transactions undertaken and shall establish written procedures which include explicit delegation of authority and a system of control to regulate the activities of subordinate officials.

In the absence of the Executive Director and Vice President of Finance and Budget, the authority to execute investment transactions affecting the fund will be restricted and assigned jointly to the designated officers acting temporarily under the direction of the President and Chief Executive Officer.

## XI. DIVERSIFICATIONS

LBT will diversify its investments by economic regions designated by the LBT Board of Directors considering the security type and institution involved. LBT's cash investment fund is prohibited against excessive concentration in a specific maturity sector.

## XII. POLICY REVIEW

This Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield, safety measures, its compliance with current law, financial and economic trends, Governmental Accounting Standards Board (GASB), and to meet the needs of LBT.

## XIII. GLOSSARY

**AGENCIES:** Federal agency securities and/or government-sponsored enterprises.

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BID:** The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

**BROKER:** A broker brings buyers and sellers together for a commission.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report of LBT. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value *(e.g., U.S. Treasury Bills.)*

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**DURATION:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to $250,000 per entity.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB):** Government-sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing- related assets of its members who must purchase stock in their district Bank.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**REPURCHASE AGREEMENT (REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him/her for this.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES AND EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15(C)3-1:** See Uniform Net Capital Rule.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

_____

Raul Añorve
Secretary/Treasurer, Board of Directors

_____

Date

# APPENDIX A

ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE (AS OF JANUARY 1, 2024)[A] APPLICABLE TO ALL LOCAL AGENCIES[B]

See "Table of Notes for Figure 1" on the next page for footnotes related to this figure.

| INVESTMENT TYPE | MAXIMUM MATURITY[C] | MAXIMUM SPECIFIED % OF PORTFOLIO[D] | MINIMUM QUALITY REQUIREMENTS | GOV'T CODE SECTIONS |
|---|---|---|---|---|
| Local Agency Bonds | 5 years | None | None | 53601(a) |
| U.S. Treasury Obligations | 5 years | None | None | 53601(b) |
| State Obligations–CA And Others | 5 years | None | None | 53601(c) 53601(d) |
| CA Local Agency Obligations | 5 years | None | None | 53601(e) |
| U.S Agency Obligations | 5 years | None | None | 53601(f) |
| Bankers' Acceptances | 180 days | 40%[E] | None | 53601(g) |
| Commercial Paper–Non-Pooled Funds[F] (under $100,000,000 of investments) | 270 days or less | 25% of the agency's money[G] | Highest letter and number rating by an NRSRO[H] | 53601(h)(2)(c) |
| Commercial Paper–Non-Pooled Funds[F] (min. $100,000,000 of investments) | 270 days or less | 40% of the agency's money[G] | Highest letter and number rating by an NRSRO[H] | 53601(h)(2)(c) |
| Commercial Paper–Pooled Funds[J] | 270 days or less | 40% of the agency's money[G] | Highest letter and number rating by an NRSRO[H] | 53635(a)(1) |
| Negotiable Certificates of Deposit | 5 years | 30%[K] | None | 53601(i) |
| Non-negotiable Certificates of Deposit | 5 years | None | None | 53630 et seq. |
| Placement Service Deposits | 5 years | 50%[L] | None | 53601.8 and 53635.8 |
| Placement Service Certificates of Deposit | 5 years | 50%[L] | None | 53601.8 and 53635.8 |
| Repurchase Agreements | 1 year | None | None | 53601(j) |
| Reverse Repurchase Agreements and Securities Lending Agreements | 92 days[M] | 20% of the base value of the portfolio | None[N] | 53601(j) |
| Medium-Term Notes[O] | 5 years or less | 30% | "A" rating category or its equivalent or better | 53601(k) |
| Mutual Funds And Money Market Mutual Funds | N/A | 20%[P] | Multiple[Q, R] | 53601(l) and 53601.6(b) |
| Collateralized Bank Deposits[S] | 5 years | None | None | 53630 et seq. and 53601(n) |
| Mortgage Pass-Through and Asset-Backed Securities[T] | 5 years or less[T] | 20% | "AA" rating category or its equivalent or better[T] | 53601(o) |
| County Pooled Investment Funds | N/A | None | None | 27133 |
| Joint Powers Authority Pool | N/A | None | Multiple[U] | 53601(p) |
| Local Agency Investment Fund (LAIF) | N/A | None | None | 16429.1 |
| Voluntary Investment Program Fund[V] | N/A | None | None | 16340 |
| Supranational Obligations[W] | 5 years or less | 30% | "AA" rating category or its equivalent or better | 53601(q) |
| Public Bank Obligations | 5 years | None | None | 53601(r), 53635(c) and 57603 |

## TABLE OF NOTES FOR FIGURE 1

[A] *Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.*

[B] *Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.*

[C] *Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years from the settlement date. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.*

[D] *Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.*

[E] *No more than 30% of the agency's money may be in bankers' acceptances of any one commercial bank.*

[F] *Applies to local agencies, other than counties or a city and county, with less than $100 million of investment assets under management. Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.*

[G] *Local agencies, other than counties or a city and county, may purchase no more than 10% of the outstanding commercial paper and medium-term notes of any single issuer.*

[H] *Issuing corporation must be organized and operating within the U.S., have assets in excess of $500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating organization.*

[I] *Applies to counties or a city and county, and the City of Los Angeles that have $100 million or more of investment assets under management.*

[J] *Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).*

[K] *No more than 30% of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).*

[L] *Effective January 1, 2020, no more than 50% of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30%. Investments made pursuant to 53635.8 remain subject to a maximum of 30% of the portfolio.*

[M] *Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.*

[N] *Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.*

[O] *"Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."*

[P] *No more than 10% invested in any one mutual fund. This limitation does not apply to money market mutual funds.*

[Q] *A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.*

[R] *A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of $500 million.*

[S] *Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.*

[T] *Security types authorized under Section 53601(o) that are issued or guaranteed by an issuer identified in subdivisions (b) or (f), are not subject to the limitations placed on privately issued securities authorized in Section 53601(o)(2)(A)(B).*

[U] *A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).*

[V] *Local entities can deposit between $200 million and $10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.*

[W] *Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.*

## RECOMMENDED ACTION

To adopt the Fiscal Year 2025 Operating Budget of $132,189,921 and the Fiscal Year 2025 Capital Budget of $45,843,574.

## STAFF REPRESENTATIVE

Kenneth A. McDonald, President and CEO

## BACKGROUND

Each fiscal year (FY), Long Beach Transit (LBT) is required to present a balanced budget to its Board of Directors for adoption consideration. An operating budget is needed in order to manage the day-to-day operation of the agency. Moreover, a capital program is developed for long-term state of good repair to ensure the continuation of high-quality service delivery to LBT's customers.

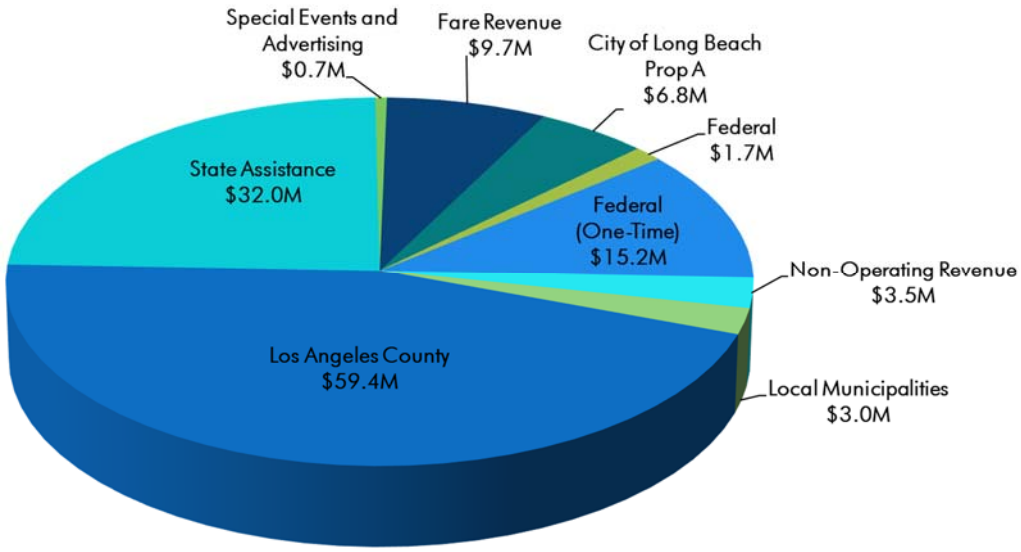
LBT's fiscal year operating budget is a combination of known and projected expenses as well as forecasted revenue. LBT's fiscal year begins on July 1 and ends on June 30. The annual budget enables the agency to meet its strategic priorities through staff's commitment to exercise stewardship, make informed decisions, as well as be fiscally responsible. The Operating and Capital budgets must be in place prior to the beginning of the fiscal year.

It is LBT's policy to maintain the fiscal integrity of its operating and capital budgets. The agency accomplishes this by ensuring a balanced budget, that supports financial sustainability for multiple years in the future.

LBT annually submits the Operating and Capital budgets to the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award. This program recognizes budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on state and local budgeting and the GFOA's best practices on budgeting.

Attached are LBT's proposed FY2025 operating and capital budgets.

Captured below in the pie chart are LBT's projected revenue sources by dollar amount for FY 2025.

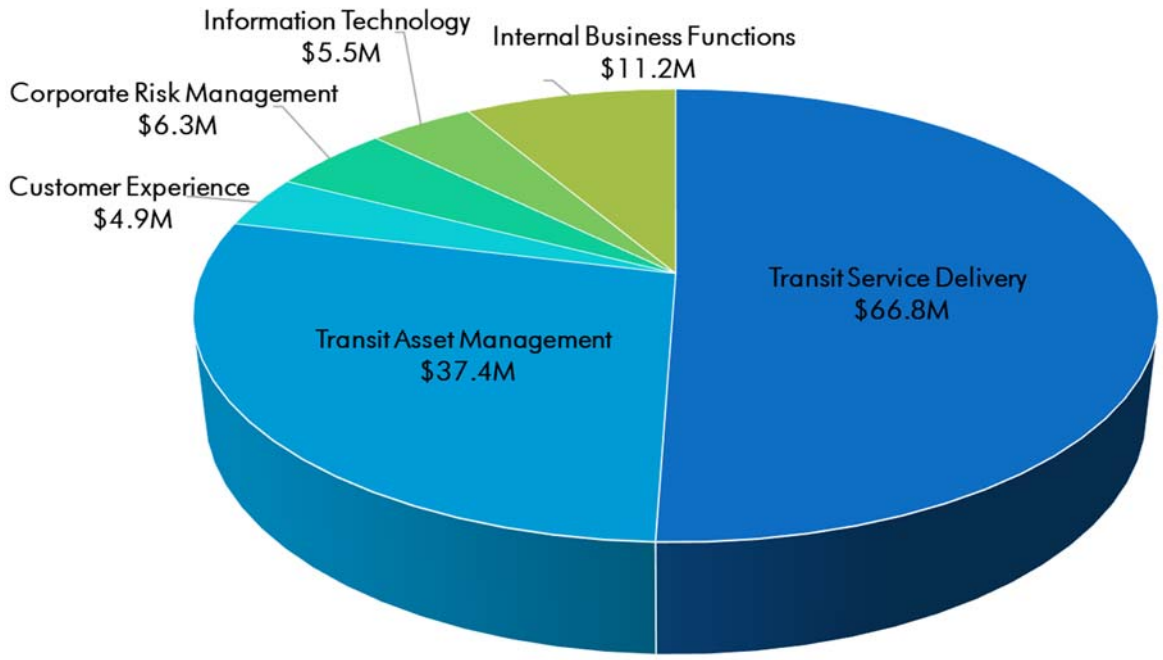



Totals may not add due to rounding

## $132.2 Million

| Revenue Source | Amount | % of Total |
|---|---|---|
| Los Angeles County | $59,419,630 | 45.0% |
| State Assistance | $32,022,888 | 24.2% |
| Federal (One-Time) | $15,214,508 | 11.5% |
| Fare Revenue | $9,735,097 | 7.4% |
| City of Long Beach Prop A | $6,830,769 | 5.2% |
| Non-Operating Revenue | $3,506,957 | 2.6% |
| Local Municipalities | $3,018,734 | 2.3% |
| Federal Preventative Maintenance | $1,700,000 | 1.3% |
| Special Events and Advertising | $741,338 | 0.5% |
| Total: | $132,189,921 | 100.0% |

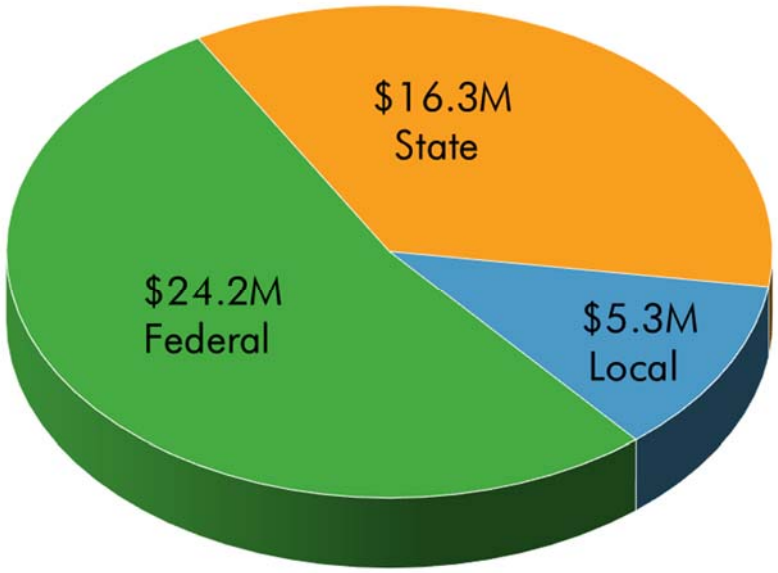
LBT's core business categories are the organization's essential functions. Each department within the agency must coordinate and collaboratively perform its work in order for LBT to achieve its organizational objectives. The following chart depicts FY 2025 proposed expenditures relative to each core business category.




**$132.2 Million**

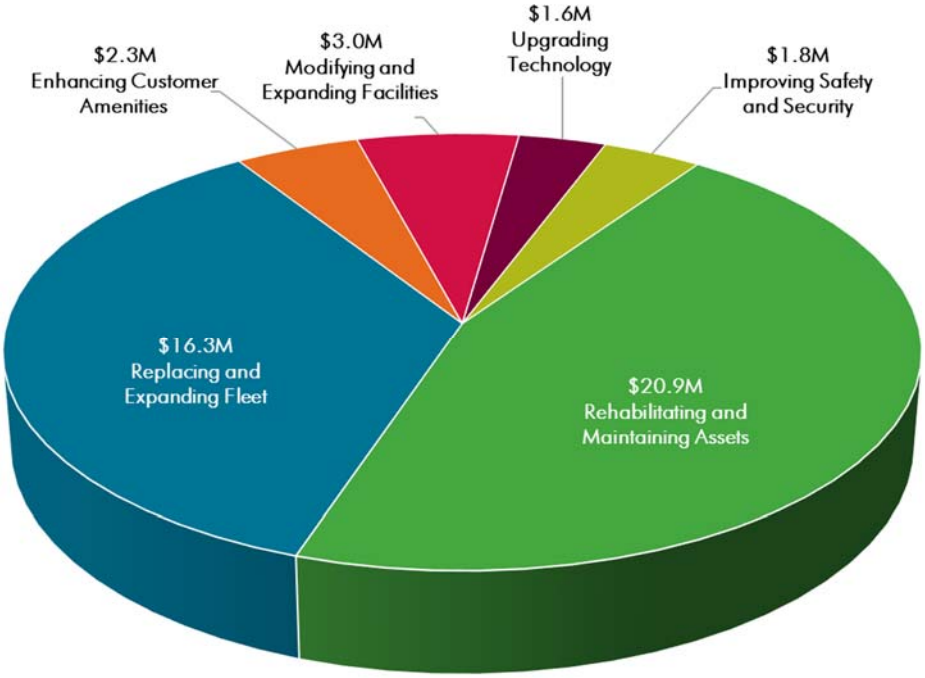
Totals may not add due to rounding.

The proposed capital budget funding sources for FY2025 are shown below.




**$45.8 Million**

The corresponding capital expenditures for FY2025 are shown in the graph below.




**$45.8 Million**

Totals may not add due to rounding.

## ALTERNATIVES CONSIDERED

No alternatives were considered due to the fact that an approved budget is needed in order for LBT to conduct its day-to-day business and operate in a fiscally responsible manner.

## BUDGETARY/FISCAL IMPACT

Not Applicable

## STAFF RECOMMENDATION

Staff recommends the Board of Directors to adopt the Fiscal Year 2025 Operating Budget of $132,189,921 and the Fiscal Year 2025 Capital Budget of $45,843,574.

_____

Kenneth A. McDonald
President and Chief Executive Officer

Attachment

LONG BEACH
TRANSIT

# FY 2025 Budget Book

## LONG BEACH TRANSIT
















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# STATEMENT FROM THE CEO

# Statement from the CEO
# May 2024



Long Beach Transit is steadily rebounding from the challenges posed by the pandemic, striving to regain its former delivery standards and ridership levels. During Fiscal Year 2024, LBT's leadership team exerted a vast amount of energies on moving the organization forward which brings us to where we are today. The Federal government coronavirus aid packages are expiring and LBT, like most transit agencies and other businesses, must find ways to enhance its revenues and control its rising operational costs. Managing these two pillars is the foundation upon which the agency will survive the upcoming years.

As we confront these perilous times of slow growth, stagnant revenues and rising day-to-day operational costs, LBT continues to challenge the often unrealistic expectations that the transit agency can simply dip into the proverbial "pot of gold" and address every economic and societal woe facing the organization. Striding into Fiscal Year 2025, LBT will rise to the monumental task of maintaining the same level of day-to-day operations and providing an increased level of high-quality services to its customers. Accordingly, the theme for Fiscal Year 2025 is "Efficiency through Organizational Optimization."

A recent business journal explains organizational optimization as "the practice of aligning and making the most of an organization's resources to assist it in achieving its goals and objectives." LBT's emphasis on organizational optimization is to align its initiatives with organizational strategies while ensuring that the initiatives are properly implemented to position the agency for growth and success.

LBT's Fiscal Year 2025 budget examines the following six business categories of the agency: Transit Service Delivery; Transit Asset Management; Customer Experience; Corporate Risk Management; Information Technology and Internal Business Functions

*Why is organizational optimization important to LBT's budget planning activities?*

Organizational optimization is vital for LBT's budget planning activities because it provides the agency with new perspectives to evaluate its functions, gauge its health and identify strategies to maximize future potential. In these ever-changing business environments, which are characterized by high levels of uncertainty and fast-changing global situations like increasing product demands and material shortages, the agency must be flexible and adaptable to survive

another 60 years. Subsequently, LBT must identify ways to keep up in this shifting business world by preparing the organization for leaner times where changes are occurring to the traditional workplace and focusing on the organizational priorities to address corporate challenges and attain strategic advantages.

LBT's organizational optimization will use a four-prong approach that was created by the Academy to Innovative HR (AIHR):

1. *Review the business goals and current situation*
   Evaluate LBT's organizational initiatives through a lens that not only acknowledges but actively addresses the short- and long-term objectives of each business category. Each leader will assess their current standing and craft tactics essential to propelling their department beyond its envisioned future benchmarks. Executive leaders must conduct a comprehensive review, pinpointing operational strengths and discerning the strategic imperative necessary to surpass current plans. What have we done in the past that may not serve LBT as-well going forward? What can each of us do to be more efficient in the future?

2. *Learn what the team wants to achieve*
   Thoroughly understand LBT's priorities and consider the company's culture, processes and services and how LBT works with customers, both internally and externally. This is an initial step to optimizing the organizational focus and service delivery practices. What is the structure that will improve teamwork? What do the teams have to achieve to meet LBT's objectives? What does each team want to achieve?

3. *Ensure the business has the necessary skills*
   Optimizing agency resources hinges on strategic personnel management, emphasizing the acquisition and cultivation of talent tailored to organizational needs. While recruiting individuals with the ideal skillsets may incur higher costs, the dividends are evident in enhanced agility and the infusion of fresh perspectives. Conversely, investing in the development of current personnel, while initially appearing cost effective, demands more time as employees adapt to new competencies. LBT's guiding principle of "hiring for heart, training for excellence" underscores the paramount importance of aligning intellectual capital with agency objectives, thereby fostering optimization across all facets of the agency.

4. *Monitor and improve the performance*
   The CEO must establish an across-the-board accountability matrix that monitors and enables all employees to see where we need to make improvements at the team, departmental and organizational performance levels using "Design Thinking" as the basis for improvement.

The effectiveness of any optimization strategy will vary greatly depending on the specific context and state of the organization. Optimizing an organization is a multifaceted endeavor with no one-size-fits-all solution. Optimization involves a continuous process of evaluation, adaptation, measurement and improvement across functions. Recognizing the diversity and complexity within our organization is key to developing tailored approaches that can lead to sustained improvements and competitive advantage. Consequently, LBT's Fiscal Year 2025 budget endeavors to elevate each department's operations to their pinnacle and instigate continuous improvement initiatives across the agency by synchronizing departmental initiatives with the organizational priorities.

I am confident that this budget and our optimization focus will positively serve LBT in Fiscal Year 2025 and into the future.

Thanks to the Executive leadership team and managers who were instrumental in creating this budget. Special thanks and acknowledgement to Lisa Patton, Executive Director/VP, Finance and Budget; Ashley Liang, Treasurer; Terry Coon, Manager Finance; Jenifer Maxwel, Manager Capital Programs; Jeff Fortune, Capital and Grants Planner; Samantha Ihlenfeldt, Budget Analyst; Irma Pamplona, Finance Analyst; Melissa Kalie, Senior Accountant; Laura Orozco, Administrative Assistant Finance; as well as the entire Finance and Budget department for their efforts coordinating the FY 2025 budget process.

A great appreciation to Jen Flores, Board Secretary; for her solid efforts on the compilation and presentation of this Budget Book.



Kenneth A. McDonald
President and Chief Executive Officer

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# AGENCY OVERVIEW

# About LBT

Long Beach Transit (LBT or Agency) provides public transportation services in southeastern Los Angeles County and northwestern Orange County. With a service area covering over 107 square miles across 14 cities, LBT ran 6.4 million service miles and 640,000 service hours in Fiscal Year (FY) 2023. Through its 38 fixed routes utilizing 250 buses, LBT carried 17 million annual boarding customers in FY 2023. LBT also operates two water taxi routes and demand-responsive paratransit services.

LBT's service attracts a variety of customers, including those who utilize public transit as their primary means of transportation. LBT's core customers rely on the system to get to work, school, medical appointments and to other recreational destinations.

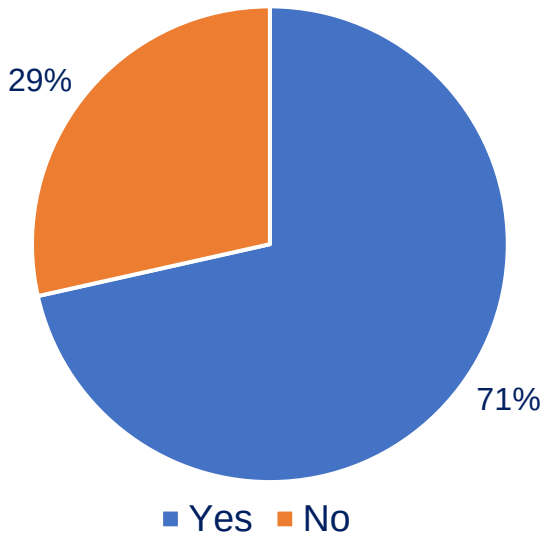
Each year, the agency conducts Customer and Community Evaluation Surveys within its service area. The surveys allow LBT to collect ridership data and assess current customer and potential customer awareness of, and attitudes toward, LBT. The following charts are representative of the information collected from the Spring FY 2023 survey.



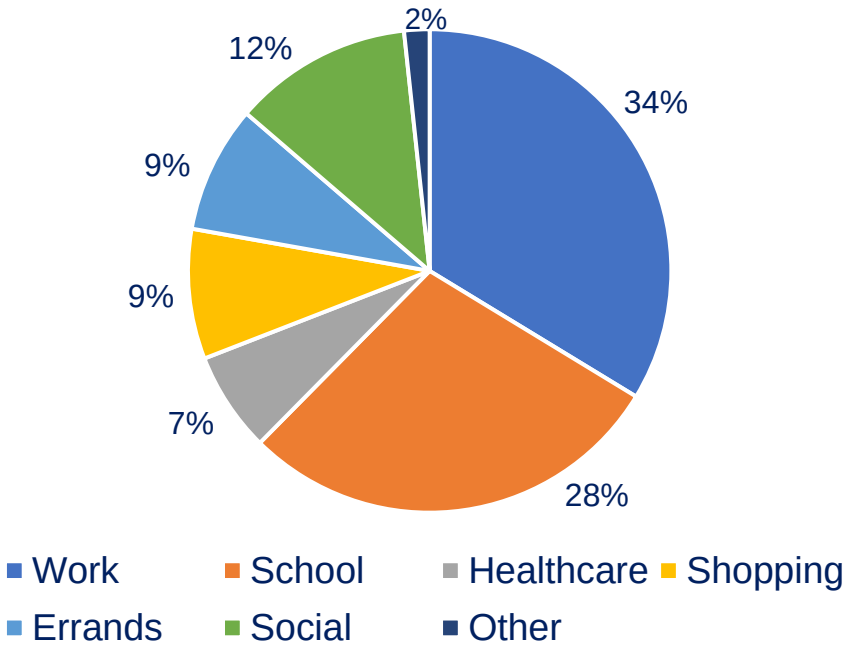




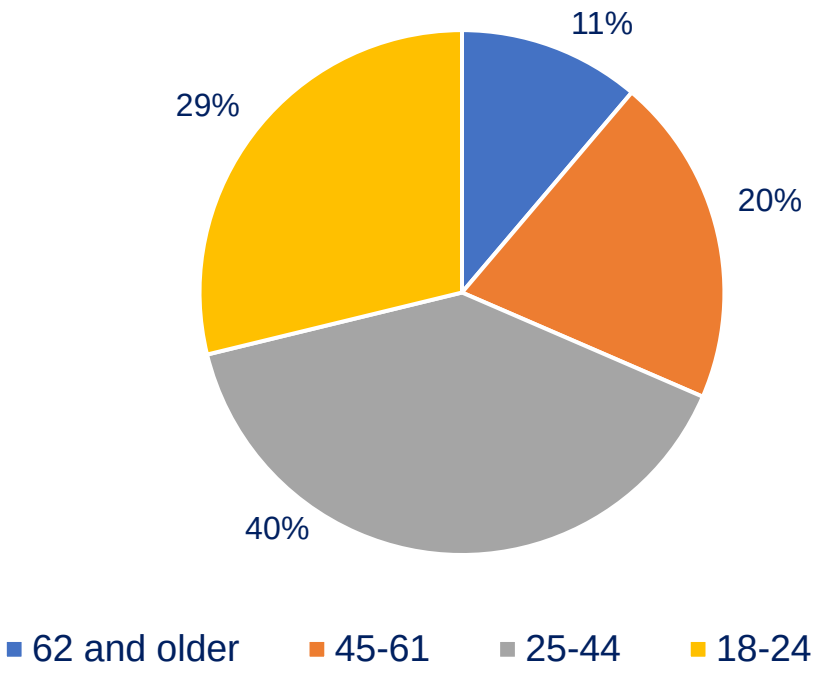

## LBT CUSTOMER – IS LBT YOUR PRIMARY MEANS OF TRANSPORTATION?




## LBT CUSTOMER – TRIP PURPOSE



## LBT CUSTOMER – AGE




**69% OF LBT CUSTOMERS ARE UNDER 45 YEARS OF AGE.**

# History

## 1963




Articles of Incorporation for Long Beach Public Transportation Company are approved.

## 1974




- New administration building at Anaheim street and Cherry Avenue is built. Presently referred to as LBT1.
- First electric-battery powered bus goes into service.

## 1975

Dial-A-Lift begins services for customers with disabilities, fifteen years before the adoption of the Americans with Disabilities Act.

## 1978

LONG BEACH TRANSIT

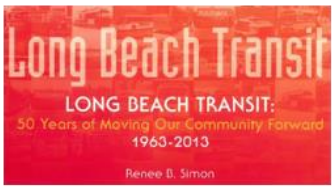
The company is rebranded to Long Beach Transit (LBT).

## 2014




LBT begins partnership with Transit Access Pass (TAP) to provide paperless payment methods to customers.

## 2013




LBT celebrates 50 years of moving the community forward.

## 2012

- First Gillig compressed natural gas buses go into service.
- The fleet grows to 250 buses.

## 2016



- LBT updates its mission to "Dedicated to connecting communities and moving people…making everyday life better."
- Battery-electric buses go into service for the downtown Passport route.

## 2018



- LBT partners with POW!WOW! to support local art and artists and creates the first mural bus.
- LBT expands services into the City of Paramount.

## 2020




LBT pledges to become a zero-emission bus transit system ahead of California's 2040 zero-emission goal.

# History (cont'd)

**1982**




The Transit Mall in downtown Long Beach is completed and the Transit Information Center opens the following year.

**1998**

The Jackson Transit Center, a second operations facility also known as LBT2, opens in North Long Beach.

**2001**



- AquaLink water taxi begins service, connecting five miles of shoreline between Alamitos Bay and downtown.
- Passport buses begin service, replacing what was initially called the Runabout.

**2009**




The Transit & Visitor Information Center opens at the Transit Mall at 1st Street and Pine Avenue.

**2008**



LBT and California State University, Long Beach partner to launch the "U-Pass program," the organization's first student program.

**2004**

MUSEUM EXPRESS

LBT launches Museum Express, the organization's first special service, that provides rides to Los Angeles-area arts and culture venues.

**2021**

LBT expands service with four new routes in the City of Carson.

CARSON California FUTURE UNLIMITED
POWERED BY LONG BEACH TRANSIT

**2022**



- The operating fleet consists entirely of alternatively fueled buses.
- LBT adds Route 141, its longest east-west corridor, to replace a former LA Metro bus route.

**2023**




- LBT embarks on modification program to expand its facilities and Zero-emission fleet.
- LBT moves administrative staff to new corporate offices on Airport Plaza Drive.
- LBT celebrates 60 years of connecting communities.

# Products and Services

LBT operates a public transit system with its 800+ employees delivering a wide range of services, including:




- Fixed-route bus service
    - 250 buses
- Demand-responsive paratransit service (Dial-A-Lift) meeting American Disability Act of 1990 requirements:
    - 10 accessible compressed natural gas (CNG) vehicles
    - 1 accessible battery electric vehicle
- Water taxi service (AquaBus and AquaLink)
    - 2 boats
    - 2 catamarans
- Special services (LA Galaxy Express and Museum Express)
- Commuter service (UCLA/Westwood Commuter Express)

## SERVICE AREA STATISTICS

- 107 plus square miles, covering the cities of Long Beach, Lakewood, Signal Hill, Artesia, Bellflower, Carson, Cerritos, Compton, Downey, Hawaiian Gardens, Los Alamitos, Norwalk, Paramount and Seal Beach
- 800,000 residents live within one-quarter mile of LBT bus stops
- 17 million annual boarding customers
- LBT routes connect to Los Angeles Metro, Orange County Transportation Authority (OCTA) and other regional operators
- Dial-A-Lift service is available to residents of Long Beach, Lakewood, Paramount and Signal Hill

## ACCESSIBILITY

All LBT fixed-route buses, water taxi vessels, and Dial-A-Lift vehicles are 100% mobility-device accessible

## WATER TAXIS

- LBT's two 40-passenger AquaBus vessels travel within the Long Beach Harbor between waterfront attractions like the Queen Mary, the Aquarium of the Pacific, Pine Avenue Circle and Shoreline Village
- LBT's AquaLink I and II are 75-passenger, high-speed catamarans that operate along the Long Beach coastline, between Rainbow Harbor and Alamitos Bay Landing

# Community Partnerships

LBT's commitment to connecting communities and moving people is emphasized through its strategic priority of promoting community and industry focus. Following are highlights of the agency's community outreach efforts.

## COMMUNITY SPECIAL SERVICES

- Community Event Support – LBT participates in and supports community events throughout our service area through a variety of channels, including sponsorships, in-kind donations of promotional items and by hosting resource booths.
- Community Charters – the agency provides charter services, aboard both our buses and water taxis, to support accessible transportation options for community programming and city events.
- Museum Express – accessible and convenient public transportation service to explore the arts at cultural institutions in the region, particularly for those without viable alternative transportation. The service began in July 2017, was temporarily paused due to the pandemic in FY 2020 and is planned to resume service in FY 2025.
- First Street Transit Gallery – throughout the year, the First Street Transit Gallery is activated with public art produced by and for the community, local educational and cultural institutions; enriching the experience for LBT customers and the community.

## DIRECT OUTREACH, RESOURCES AND PROGRAMS

- Connecting with Older Adults – LBT's Community Relations team connects with older adults throughout the year, conducting presentations on LBT services and resources, "Bus 101" trips, coordinating TAP Card drives at senior housing, senior centers, and senior-focused events.
- Connecting with Students – LBT's Community Relations team connects with students ranging from elementary school age to university level, on campus and at student-focused events. Students are engaged and informed on LBT's services and student pass programs, including the GoPass, Go Beach! pass and more.
    - GoPass – Regional GoPass pilot program, launched in FY 2022, provides a complimentary transit pass to students in participating school districts that helps lower students' overall educational costs and improve school attendance while providing a reliable means of transportation. On April 20, 2024, Metro Board of Directors voted for a permanent program. All Long Beach Unified School District, Long Beach City College, and other participating school districts in LBT's service area receive this benefit.
    - Go Beach! Pass – LBT partnered with California State University Long Beach (CSULB) to create special, discounted period passes for students, faculty and staff to ride any LBT bus throughout the academic year.

- Multilingual Outreach – With 30% of LBT customers speaking Spanish, 1% speaking Khmer and 2% Tagalog, Vietnamese, Chinese and other languages, LBT serves a vibrant and diverse population.

  To promote its services to the customers it serves, LBT utilizes different tactics. For customers calling the customer care center, LBT offers translation services in multiple languages to assist customers with service-related questions. In addition, LBT partners with community groups, such as the Cambodian Community, to reach customers where they are – at events and through community presentations.

  Through its advertising and social media, LBT promotes services in different languages and the LBT website offers content in Spanish, Khmer and Tagalog.

  LBT continually seeks ways with the communities to enhance its multilingual outreach.

## REGIONAL TRANSIT ACCESS PASS (TAP)

- LBT transitioned to TAP in February 2015, a regional fare instrument that is a durable, eco-friendly "smart card" that contains smart-chip technology designed to improve the transit experience
- The TAP card and its mobile app enables public transit customers to electronically purchase and load bus and rail passes on one convenient card, and customers can seamlessly travel among all TAP-enabled systems within Los Angeles County

## CALIFORNIA TRANSIT TRAINING CONSORTIUM (CTTC or the CONSORTIUM)

- CTTC is a non-profit organization composed of California community colleges, transit agencies and universities working together to deliver training courses to transit workers across the region
- The Consortium offers training programs which help transit agencies, such as LBT, meet present and future technical/mechanical labor workforce needs

# Environmental Sustainability

## 100% ZERO-EMISSION BUS FLEET WITHIN A DECADE

LBT is firmly committed to "making everyday life better," as evidenced by major initiatives taken to become a sustainable transit agency.

The American Lung Association, in its 2021 *State of the Air* annual report, ranked the region as the No. 1 region in the country for ozone pollution, and No.4 for annual particulate matter.

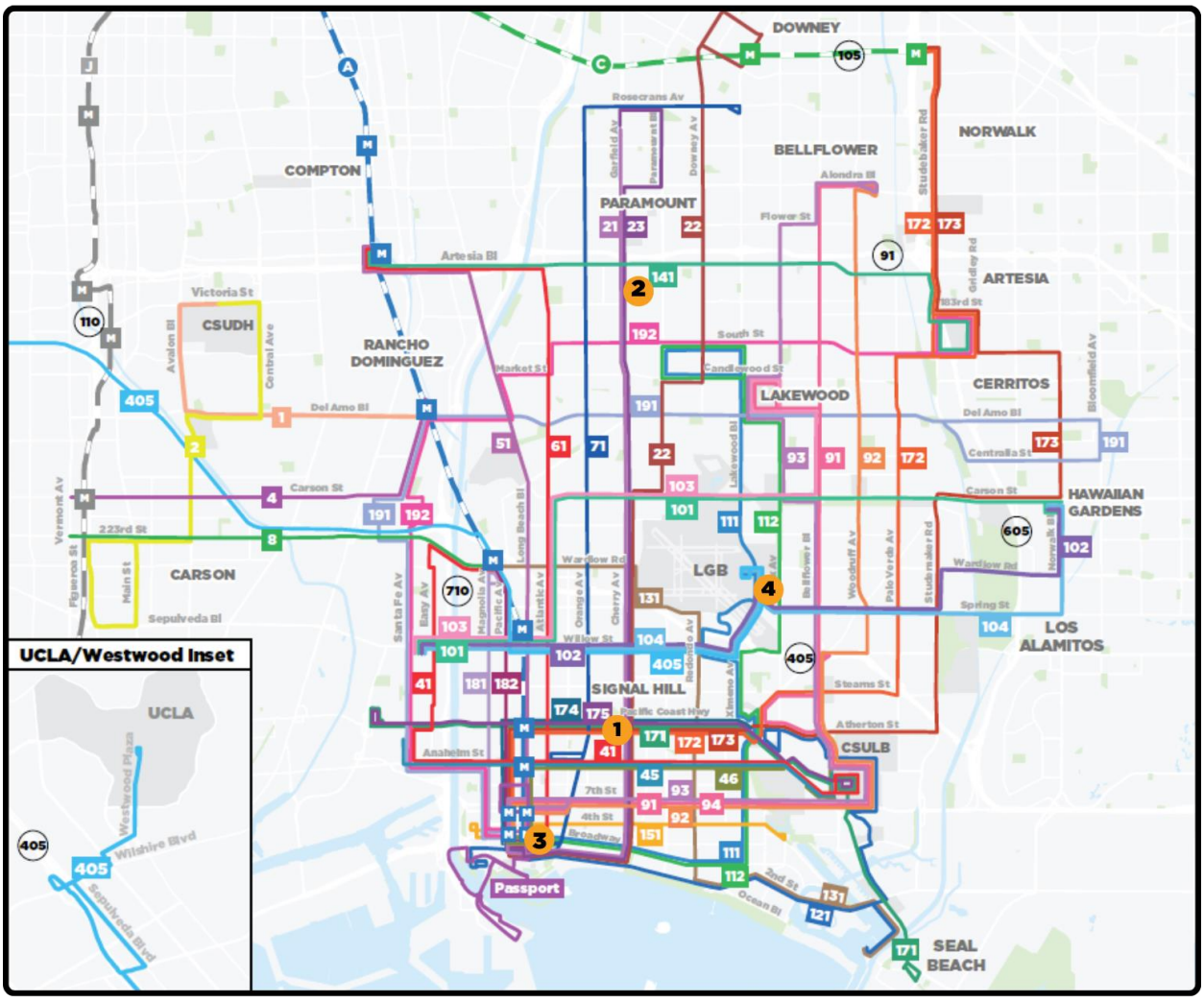
As the Los Angeles-Long Beach metropolitan region continues to have severe air pollution problems, the LBT Board of Directors (BOD) adopted the agency's Zero-Emission Bus (ZEB) Rollout Plan on June 25, 2020. LBT staff subsequently submitted it to the California Air Resources Board.

In an effort to reduce its carbon footprint, LBT has committed to purchasing only ZEB from 2020 onward. All bus procurements are planned in corresponding end-of-life years for its historical fleets of gasoline hybrid and CNG buses.

Currently, LBT's fixed-route fleet is 100% alternatively fueled with 44 battery-electric buses (BEBs), 125 CNGs and 81 Hybrids. In FY 2023, LBT also began the procurement of Battery-electric Dial-a-Lift vehicles. An additional five BEB coaches are expected to join LBT's fleet in FY 2025 to be used on commuter and special services.



# System Map




## Facilities:

1. **LBT1**
   1963 E. Anaheim Street
   Administrative, Operating and Maintenance Headquarters
2. **LBT2**
   6860 Cherry Avenue
   Operating and Maintenance Facility
3. **Transit & Visitor Information Center (TVIC)**
   130 E. First Street
4. **LBT Corporate Offices (LBTCO)**
   4801 Airport Plaza Drive
   New Administrative Headquarters

## BOARD OF DIRECTORS



**David Sutton**
Chair



**Abigail Mejia**
Vice Chair



**Raul Añorve**
Secretary/Treasurer



**Eduardo Angeles**
Director



**Carl Kemp**
Director



**Randy Rawlings**
Director



**Tunua Thrash-Ntuk**
Director



**Joshua Hickman**
City Representative



**Christopher Koontz**
City Representative

# Executive Leadership Team

## EXECUTIVE LEADERSHIP TEAM (ELT)



**Kenneth McDonald**
President and CEO



**Lilia Montoya**
Deputy CEO



**Vincent C. Ewing**
General Counsel



**Elizabeth Brown**
Executive Director/VP,
Organizational Development
and Administration



**Lee Burner**
Executive Director/VP,
Transit Service Delivery
and Planning



**Pretty George**
Executive Director/VP,
Information Technology



**Mike Gold**
Executive Director/VP,
Customer Relations
and Communications



**Lisa Patton**
Executive Director/VP,
Finance and Budget



**James Scott**
Executive Director/VP,
Maintenance and
Infrastructure

# Organizational Focus

As the Executive Leadership Team continues to transform the agency, it is vital that every employee understands and utilizes the structural guideposts set in place to fulfill the agency's mission. Working collectively, employees will continue to make LBT a world-class transportation organization.

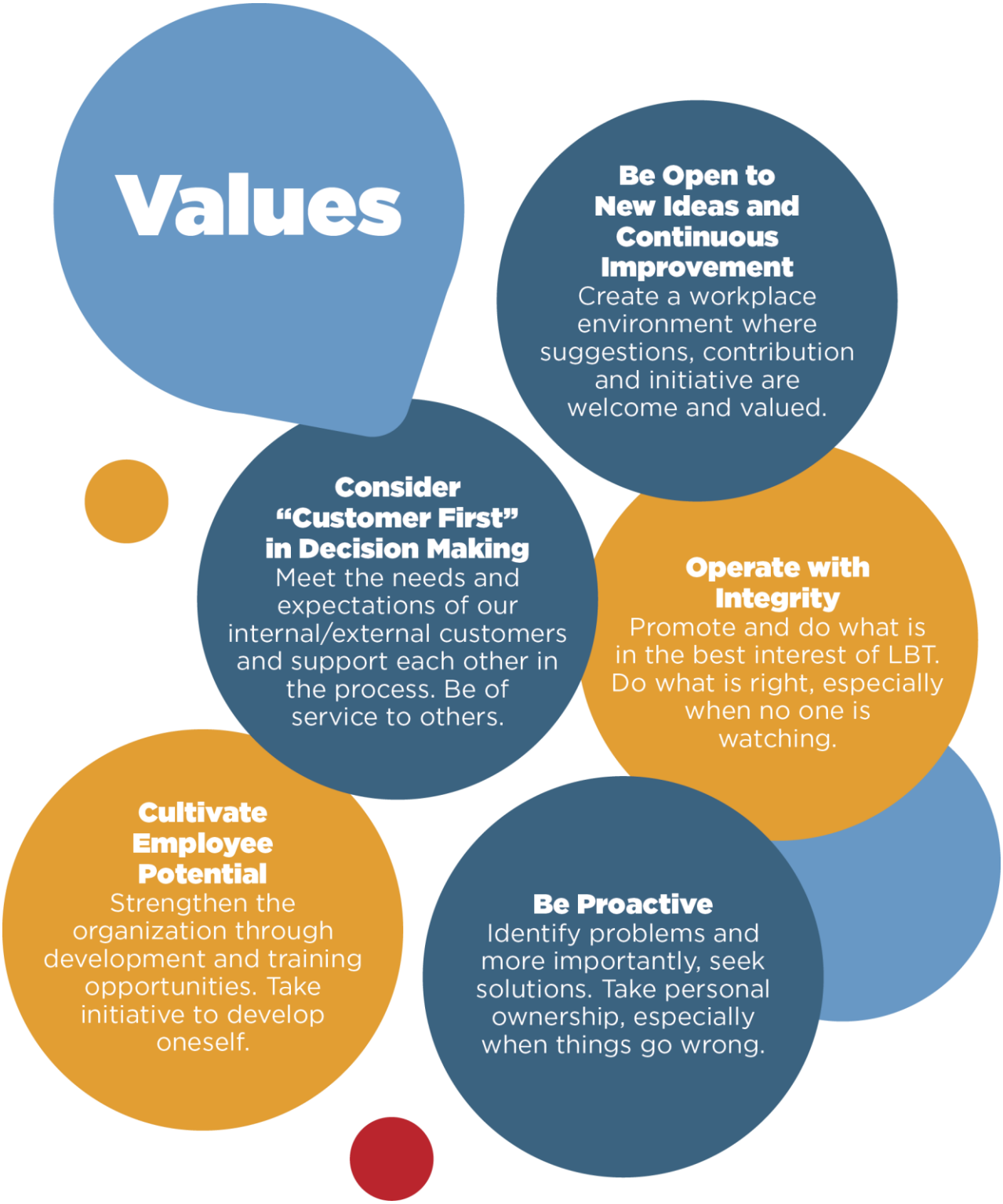



*The Vision is an aspirational description of what LBT endeavors to achieve in the long term.*




*The Mission is a succinct declaration of LBT's core purpose and what the agency sets out to accomplish.*

# Organizational Focus (cont'd)




*The Values are LBT's important and lasting beliefs and ideals.*

## STRATEGIC PRIORITIES

The functional pillars used to plan, develop, evaluate and measure the agency's annual objectives are the five strategic priorities:



# LEADERSHIP COMPETENCIES

The Leadership Competencies below are skill sets required of the CEO to effectively lead the agency.

## CHIEF EXECUTIVE OFFICER

- Visionary and Drives Innovation
- Builds and Leads High-Performance Teams
- Organizational Communication, Strategic Narrative
- Organizational Stewardship
- Decision-Making Quality and Analysis
- Stakeholder Management, Politically Astute, Ability to Negotiate through Competing Agendas
- Flexibility and Agility

The Leadership Competencies below are skill sets needed to effectively lead a team within LBT.

The first five competencies are required of the Executive Leadership Team (ELT); however, the ELT is expected to exhibit and focus on all 10 Leadership Competencies. The second set of competencies are expected of LBT managers and frontline supervisors.

## EXECUTIVE LEADERSHIP TEAM (ELT)

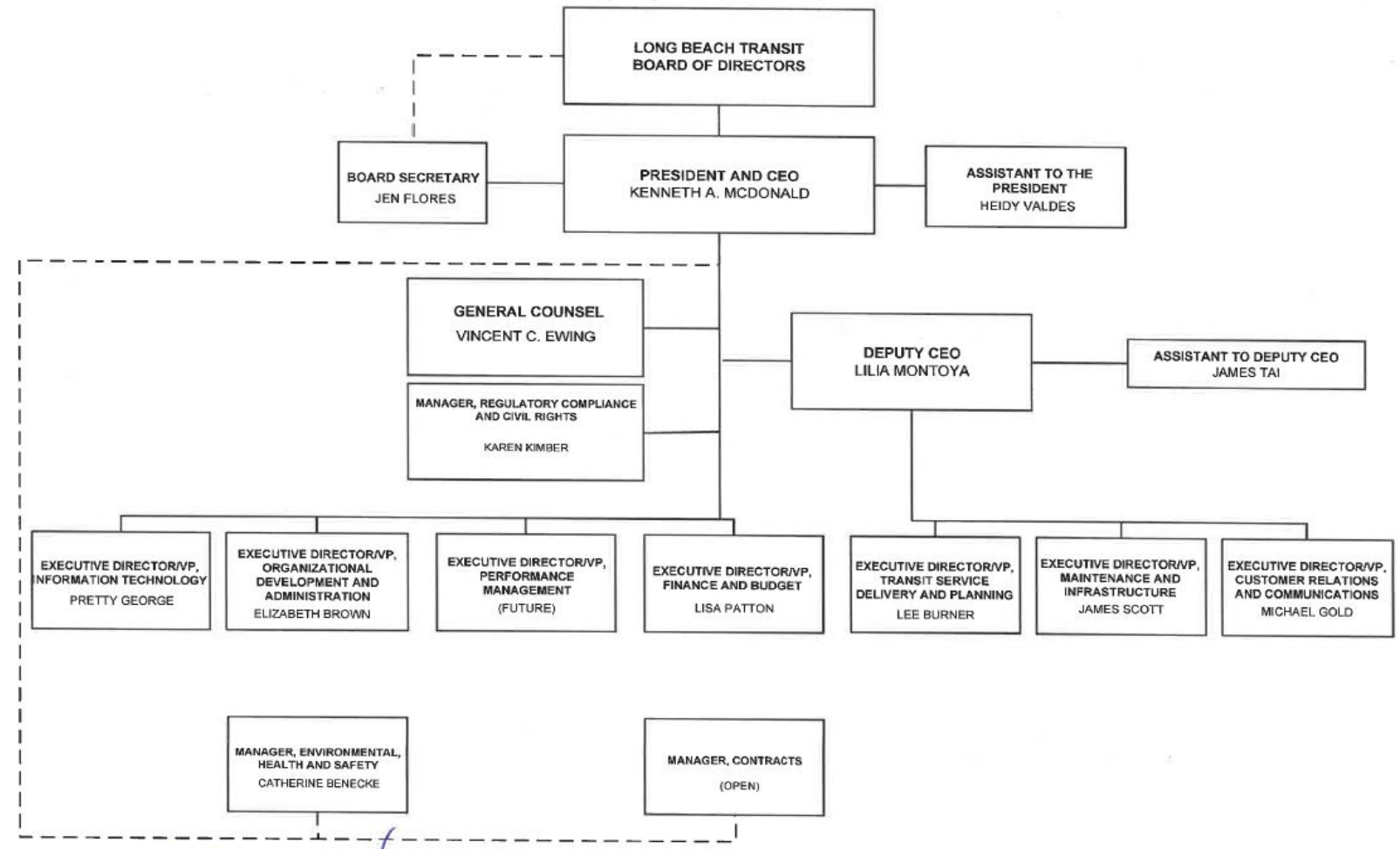
- Organizational Stewardship
- Building and Leading a High-Performing Team
- Stakeholder Management
- Emotional Intelligence
- Flexibility and Agility

## ELT AND MANAGEMENT TEAMS

- Operational Excellence
- Coach, Motivate and Develop Employees
- Manage Employee Performance
- Communicate and Inform
- Problem Solving

LONG BEACH TRANSIT

# Organizational Chart




Approved: _____

APRIL 2024

# Position Summary

Based on the functional areas in which the budget is organized, below is a summary of the budgeted positions over three fiscal years.

| | FY 2023 | FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| **Transit Service Delivery** | | | |
| Daily Transit Service Delivery | 531 | 531 | 531 |
| Transit Service Planning * | 16 | 16 | 16 |
| Dial-A-Lift Services | 1 | 1 | 1 |
| Aqua Services | -- | -- | -- |
| Security | 1 | 1 | 1 |
| Administration | 4 | 4 | 3 |
| | 553 | 553 | 552 |
| **Maintenance and Infrastructure** | | | |
| Vehicle Maintenance | 113 | 113 | 113 |
| Infrastructure | 22 | 22 | 22 |
| Transit Customer Amenities | 14 | 14 | 14 |
| Warehouse | 12 | 12 | 12 |
| Administration | 5 | 5 | 5 |
| | 166 | 166 | 166 |
| **Customer Relations and Communications** | | | |
| Customer Relations and Communications | 23 | 23 | 23 |
| | 23 | 23 | 23 |
| **Risk Management** | | | |
| Risk Management | 7 | 7 | 7 |
| | 7 | 7 | 7 |
| **Information Technology** | | | |
| Information Technology | 11 | 11 | 15 |
| | 11 | 11 | 15 |
| **Administration** | | | |
| Office of the CEO | 4 | 4 | 4 |
| Office of the Deputy CEO | 3 | 3 | 3 |
| Finance and Budget * | 25 | 25 | 25 |
| Government Relations | 2 | 2 | 2 |
| Organizational Development and Administration | 12 | 12 | 13 |
| Programs and Performance Management | 1 | 1 | 1 |
| Contracts and Procurement | 6 | 6 | 6 |
| Training and Development | 10 | 10 | 10 |
| | 63 | 63 | 64 |
| **Internship Program *** | 26 | 26 | 26 |
| **Total Positions** | 849 | 849 | 853 |

** Includes part-time positions*

Staffing changes in FY 2025:

- Administrative Analyst position moved from Transit Service Delivery Administration to Organizational Development and Administration
- Project Coordinator position, two (2) Application Coordinator positions, and Desktop Support Analyst position added in Information Technology

## OFFICE OF THE CEO

The Office of the CEO is responsible for all facets of LBT. The CEO leads the planning, developing and establishing of LBT's policies, goals and objectives. The CEO works collaboratively with the Board of Directors to define and implement policy decisions and provides for the financial management of all LBT activities. The CEO coordinates with external stakeholders on all matters related to LBT.

## OFFICE OF THE DEPUTY CEO

The Office of the Deputy CEO is responsible for organizing, directing and administering the frontline operating functions of LBT. The Office has responsibility for transit service delivery, maintenance and infrastructure, project development, customer relations and communications, transit customer amenities, as well as government relations.

## CUSTOMER RELATIONS AND COMMUNICATIONS

The Customer Relations and Communications department is responsible for fostering relationships between LBT and its customers, both internal and external. This involves customer service, communications, sales support, public information and media relations. The department is also responsible for customer engagement including surveys and intercepts, as well as developing LBT's marketing strategy through community outreach events and social media.

## ORGANIZATIONAL DEVELOPMENT AND ADMINISTRATION

The Organizational Development and Administration department is responsible for leading the agency's recruitment, hiring, training, development and advancement of an empowered, value-driven workplace. The department's responsibilities also include recruitment, employee benefits, labor relations, risk management, safety, environmental compliance and training.

## FINANCE AND BUDGET

The Finance and Budget department is responsible for administering and reporting LBT's financial resources and is committed to providing the highest level of financial services. The department is responsible for the agency's budget, financial plans and strategies, grants and the capital program, pension and retirement investments, farebox revenue, employee payroll, agency procurements, warehousing, as well as reporting on the agency's financial status and external audits. The department also oversees agency-wide performance metrics such as Key Performance Indicators (KPIs), risk assessment and internal control functions and working with other agencies and the industry to strengthen LBT's operational efficiency.

## INFORMATION TECHNOLOGY

The Information Technology department is responsible for the information system architecture, data storage, cybersecurity, hardware and software, as well as networking of agency computers. The department maintains the integrity of corporate data through information security and access management and ensures information systems' compliance with regulatory requirements.

## MAINTENANCE AND INFRASTRUCTURE

The Maintenance and Infrastructure department is responsible for the agency's assets within four functional areas: fleet maintenance, infrastructure, quality assurance and vehicle acquisition. The department ensures each revenue and non-revenue vehicles comply with state and federal regulatory requirements and safety requirements. The department ensures the upkeep of LBT facilities and vehicles to a like-new condition with a strong focus on environmental sustainability. Maintenance and Infrastructure reports and tracks vehicle mileage, utility usage, quality validation of parts and department performance.

## TRANSIT SERVICE DELIVERY AND PLANNING

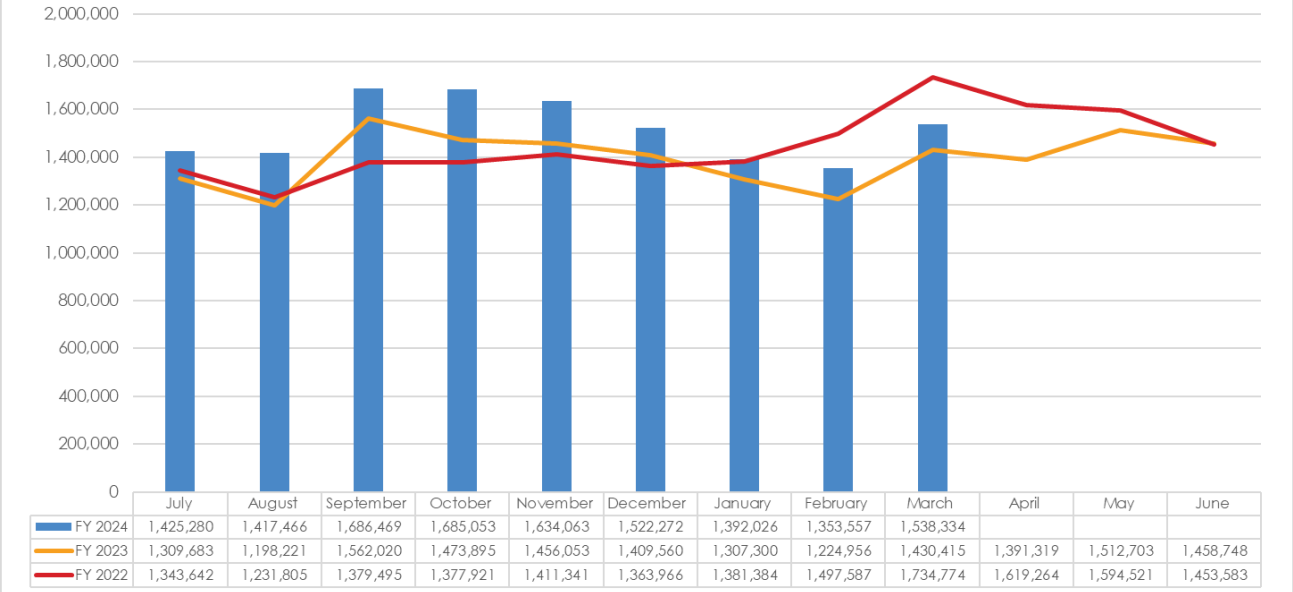
The Transit Service Delivery and Planning department is responsible for planning, measuring and managing the delivery of transportation services, as well as managing transit system security. The department ensures the day-to-day operations of LBT's services, which encompass bus service delivery, route planning, paratransit, water taxi service and transit security oversight.

# Organizational Key Performance Indicators

## KEY PERFORMANCE INDICATORS

LBT's Key Performance Indicators (KPIs) bring together cross-departmental analysts who track, measure and analyze the agency's performance. The KPIs support the strategic priorities, and each indicator has a specific goal set annually, with progress measured against that goal. Quarterly, the team communicates the results, evaluates trends and identifies potential improvement actions to be taken. The following are examples of the agency's KPIs.

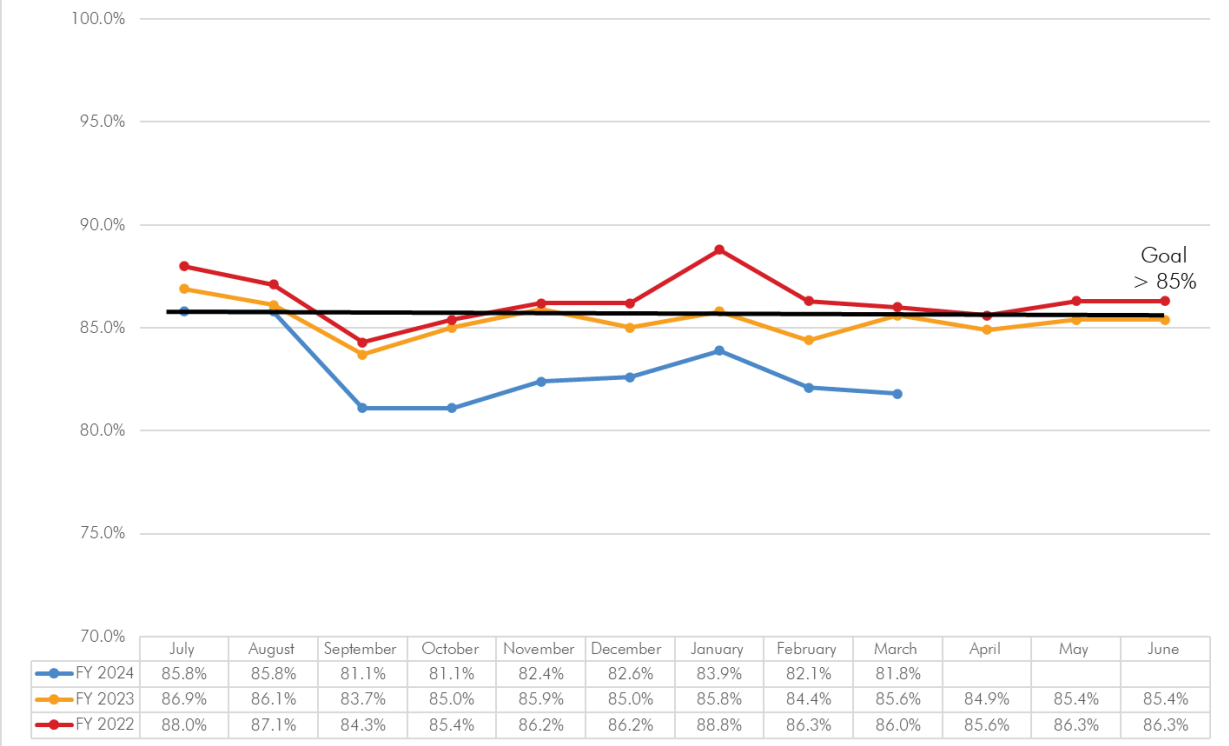
| STRATEGIC PRIORITY: IMPROVE SAFETY AND SERVICE QUALITY | | | | |
|---|---|---|---|---|
| RIDERSHIP | | | | |
| The number of boarding customers on fixed-route service | | | | |
| Performance Measure | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
| Passenger ridership year over year | Service Planning | 17,389,283 | 16,734,873 | 13,654,520 |




| | July | August | September | October | November | December | January | February | March | April | May | June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2024 | 1,425,280 | 1,417,466 | 1,686,469 | 1,685,053 | 1,634,063 | 1,522,272 | 1,392,026 | 1,353,557 | 1,538,334 | | | |
| FY 2023 | 1,309,683 | 1,198,221 | 1,562,020 | 1,473,895 | 1,456,053 | 1,409,560 | 1,307,300 | 1,224,956 | 1,430,415 | 1,391,319 | 1,512,703 | 1,458,748 |
| FY 2022 | 1,343,642 | 1,231,805 | 1,379,495 | 1,377,921 | 1,411,341 | 1,363,966 | 1,381,384 | 1,497,587 | 1,734,774 | 1,619,264 | 1,594,521 | 1,453,583 |

# Organizational Key Performance Indicators (cont'd)

| STRATEGIC PRIORITY: IMPROVE SAFETY AND SERVICE QUALITY | | | | | |
|---|---|---|---|---|---|
| ON-TIME PERFORMANCE | | | | | |
| The percent of buses departing between one minute before and five minutes after the scheduled time | | | | | |
| Performance Measure | Goal | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
| Maintain On-Time Performance above 85% | >85% | Transit Service Delivery and Planning | 86.4% | 85.3% | 82.9% |




| | July | August | September | October | November | December | January | February | March | April | May | June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2024 | 85.8% | 85.8% | 81.1% | 81.1% | 82.4% | 82.6% | 83.9% | 82.1% | 81.8% | | | |
| FY 2023 | 86.9% | 86.1% | 83.7% | 85.0% | 85.9% | 85.0% | 85.8% | 84.4% | 85.6% | 84.9% | 85.4% | 85.4% |
| FY 2022 | 88.0% | 87.1% | 84.3% | 85.4% | 86.2% | 86.2% | 88.8% | 86.3% | 86.0% | 85.6% | 86.3% | 86.3% |

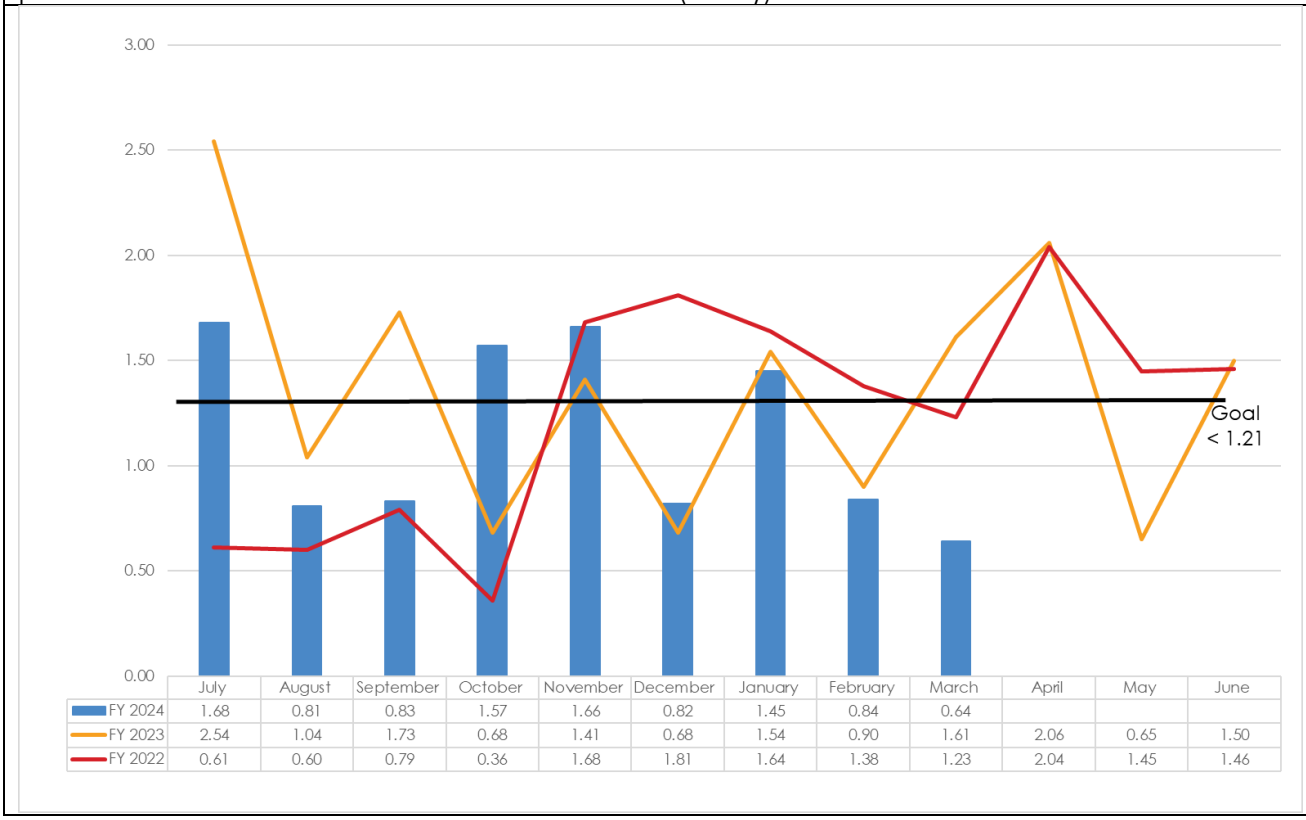
# Organizational Key Performance Indicators (cont'd)

## STRATEGIC PRIORITY: IMPROVE SAFETY AND SERVICE QUALITY

### PREVENTABLE ACCIDENTS PER 100K PLATFORM MILES

The number of preventable accidents occurring for every 100,000 miles driven

| Performance Measure | Goal | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
|---|---|---|---|---|---|
| Decrease preventable accidents per 100,000 platform miles to 1.21 or less | <1.21 | Risk Management (Safety) | 1.27 | 1.38 | 1.14 |




| | July | August | September | October | November | December | January | February | March | April | May | June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY 2024 | 1.68 | 0.81 | 0.83 | 1.57 | 1.66 | 0.82 | 1.45 | 0.84 | 0.64 | | | |
| FY 2023 | 2.54 | 1.04 | 1.73 | 0.68 | 1.41 | 0.68 | 1.54 | 0.90 | 1.61 | 2.06 | 0.65 | 1.50 |
| FY 2022 | 0.61 | 0.60 | 0.79 | 0.36 | 1.68 | 1.81 | 1.64 | 1.38 | 1.23 | 2.04 | 1.45 | 1.46 |

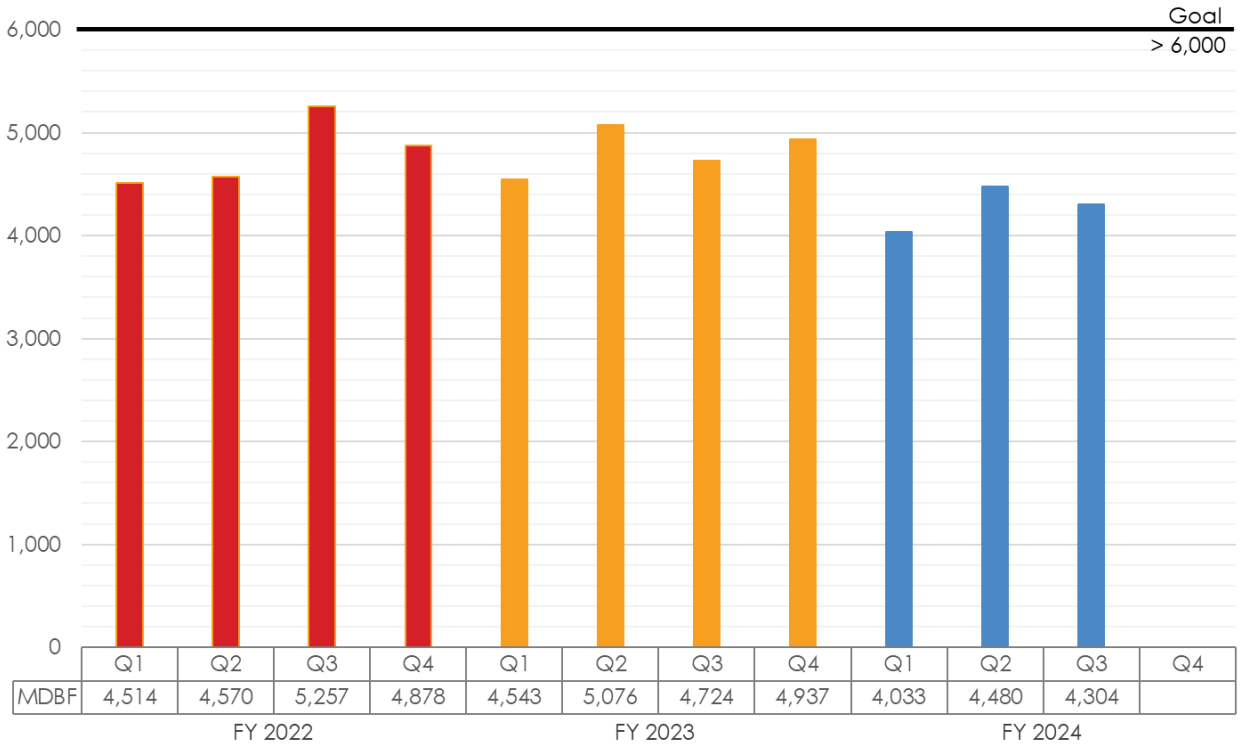
# Organizational Key Performance Indicators (cont'd)

## STRATEGIC PRIORITY: IMPROVE SAFETY AND SERVICE QUALITY

### MEAN DISTANCE BETWEEN FAILURES (MDBF)

The average distance a bus travels before a system failure occurs causing the bus to be removed from service

| Performance Measure | Goal | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
|---|---|---|---|---|---|
| Improve fleet MDBF to 6,000 miles or greater | >6,000 | Vehicle Maintenance | 4,794 | 4,813 | 4,265 |



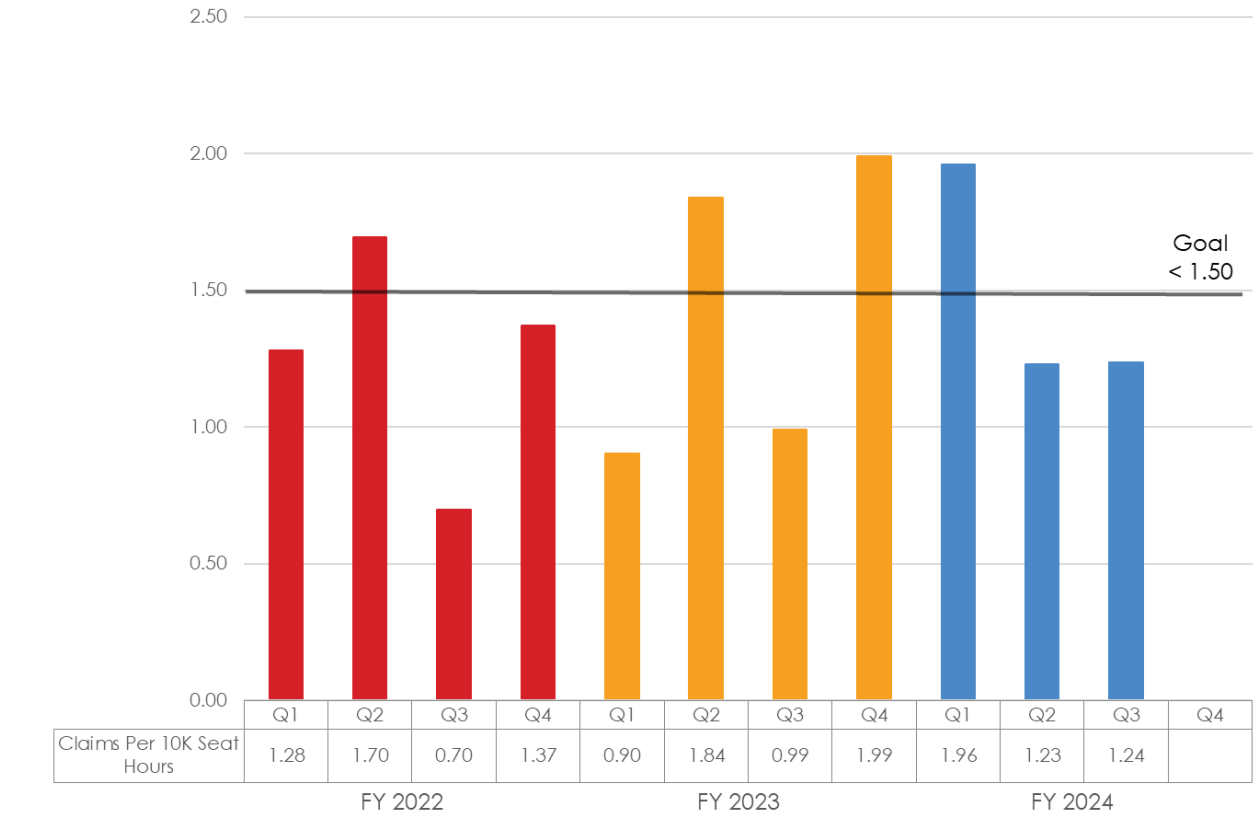
# Organizational Key Performance Indicators (cont'd)

## STRATEGIC PRIORITY: EXERCISE FINANCIAL ACCOUNTABILITY

### CLAIMS PER 10,000 OPERATOR PAID SEAT HOURS

The number of workers' compensation claims filed by operators for every 10,000 hours driven

| Performance Measure | Goal | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
|---|---|---|---|---|---|
| Decrease the number of claims per 10,000 paid operator seat hours to 1.50 or less | <1.50 | Risk Management | 1.26 | 1.44 | 1.48 |



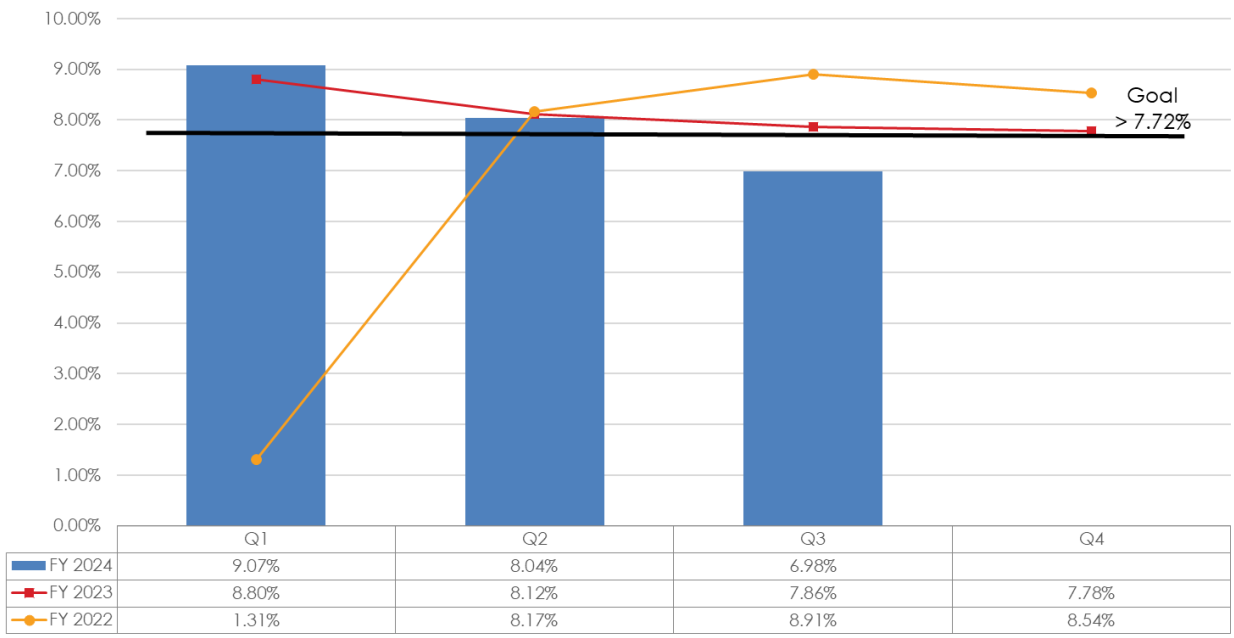
# Organizational Key Performance Indicators (cont'd)

## STRATEGIC PRIORITY: EXERCISE FINANCIAL ACCOUNTABILITY

### FARE RECOVERY RATIO

The ratio of fare revenues LBT generates through its services versus the total amount spent by LBT

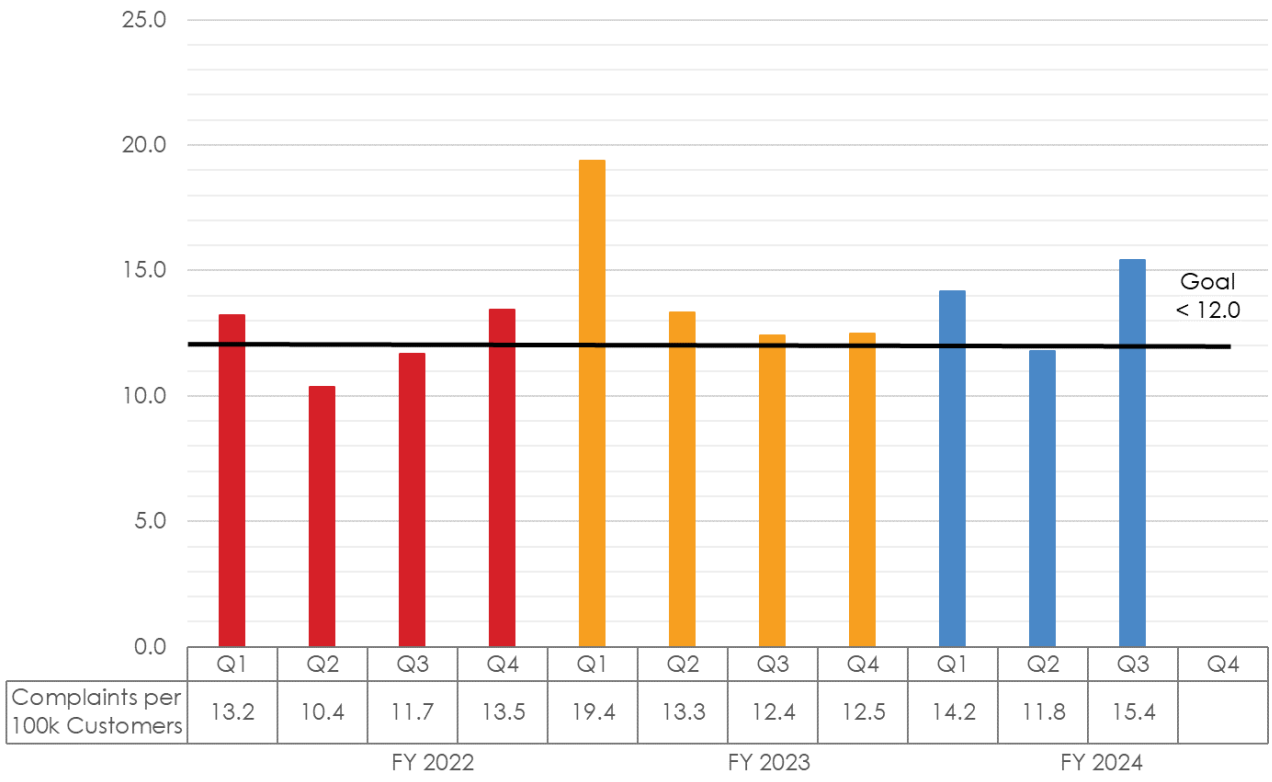
| Performance Measure | Goal | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
|---|---|---|---|---|---|
| Increase fare recovery ratio to 7.72% or greater | >7.72% | Finance | 6.82% | 8.13% | 7.98% |




| | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| FY 2024 | 9.07% | 8.04% | 6.98% | |
| FY 2023 | 8.80% | 8.12% | 7.86% | 7.78% |
| FY 2022 | 1.31% | 8.17% | 8.91% | 8.54% |

# Organizational Key Performance Indicators (cont'd)

| STRATEGIC PRIORITY: ENHANCE CUSTOMER EXPERIENCE | | | | | |
|---|---|---|---|---|---|
| CUSTOMER COMPLAINTS PER 100,000 CUSTOMERS | | | | | |
| The number of complaints filed by customers for every 100,000 customer boardings | | | | | |
| Performance Measure | Goal | Department | FY 2022 | FY 2023 | FY 2024 Q3 YTD |
| Decrease total complaints per 100,000 customers to 12.0 or less | <12.0 | Customer Relations and Communications | 12.2 | 14.4 | 13.7 |



# BUDGET OVERVIEW

## OPERATING BUDGET DEVELOPMENT PROCESS

LBT's fiscal year operating budget, which spans from July 1 until June 30, is a combination of known and projected expenses and forecasted revenue. The annual budget enables the agency to meet its strategic priorities through staff's commitment to exercise stewardship, make informed decisions, and be fiscally responsible.

The operating budget development process is a cross-departmental collaborative process led by LBT's Finance and Budget team. This process includes identifying objectives, culminating in a financial and operations plan designed to achieve LBT's mission.

The Executive Leadership Team begins the budget process with the establishment of objectives for the upcoming year in support of LBT's strategic priorities. Initiatives are developed with the management team in a collaborative process to achieve the established objectives. This is the basis for the development of the operations plan.

The operations plan is developed by the Transit Service Delivery and Planning team and approved by the ELT. The operations plan includes service delivery levels and cost drivers that provide a guide for the development of department level budgets. The operations plan is presented at the budget kick-off meeting.

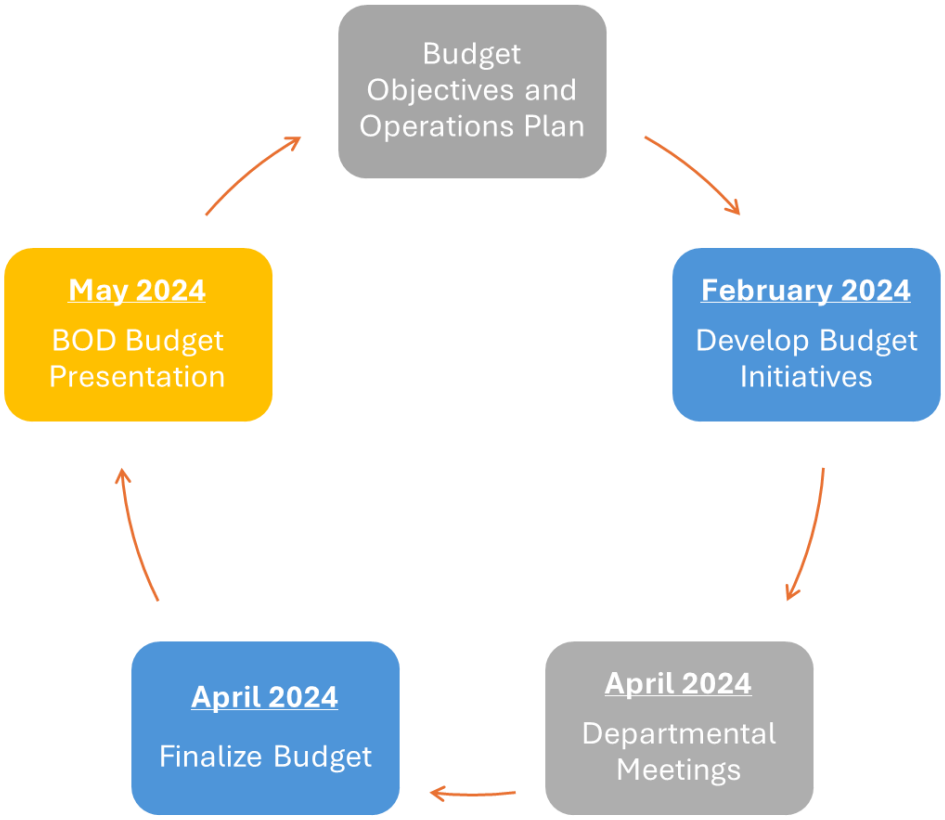
LBT's Finance and Budget team leads interdepartmental meetings during the month of April to develop a comprehensive financial plan that meets the established objectives. A draft is presented to the Board of Directors' Executive Committee for review and feedback.

During the May Board of Directors meeting, the CEO presents the budget to the full Board of Directors for approval and adoption. LBT's Board of Directors meetings are open to the public and members of the public are welcome to provide comments on the budget as well as on the monthly financial statements throughout the year.

The Board-approved budget is effective July 1, and the CEO directs and manages the budget throughout the fiscal year. Staff reviews the agency's financial health on a monthly basis.

The Executive Director/VP, Finance and Budget presents a monthly financial report at the monthly Board of Directors meetings. During the fiscal year, if financial conditions change and a mid-year budget amendment is deemed necessary, the CEO will present recommended budget revisions to the Board of Directors for their approval.

# Operating Budget Development Process (cont'd)



## FINANCIAL POLICIES

The financial structure of LBT consists of a single enterprise fund in which the agency provides public transportation for a fee. LBT's budget consists of two components: operating and capital. The operating budget is the Agency's financial plan and anticipated expenditures needed to fulfill its objectives in the upcoming year. The capital budget identifies projects and required funding for the Agency's fixed assets and long-term investments. This budget has been prepared under the accrual basis of accounting, where revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The budget uses the same basis of accounting as LBT's financial statements.

It is LBT's policy to maintain fiscally sound operating and capital budgets by ensuring a balanced budget, which sustains operating costs that do not exceed incoming revenue. Agency operations are financed by fare revenue and annual sales tax subsidies received from state and county programs, miscellaneous revenue, such as income from advertising on agency buses, alternative fuel credits and investment returns. The amount of operating sales tax subsidies received each year is based on a regional formula comprised primarily of fares and revenue miles.

Government grants are received for operating assistance and capital asset acquisitions. The grants are formally recognized in the financial records as valid receivables when LBT complies with appropriate grant requirements. Operating assistance grants are included in subsidy revenues in the year in which the grant is applicable, and the related reimbursable expenditure is incurred. It is LBT's policy to record capital grants as net assets when the related expenditures are incurred.

Each year, Congress passes legislation which, when signed by the President, appropriates funds for the Department of Transportation and related agencies. After legislation is enacted, the Federal Transit Administration (FTA) publishes a Notice in the Federal Register that provides an overview of the apportionments and allocations based on these funds for the various FTA programs, as well as statements of policy and guidance on public transit administration.

FTA's public transportation assistance program authorization is provided by federal transit law and Chapter 53 of Title 49, U.S. Code. The most recent authorization, the Bipartisan Infrastructure Law, was signed on November 15, 2021. The legislation reauthorizes surface transportation programs for FY 2022 through FY 2026. The agency is eligible to receive funds based on a formula allocation and discretionary grants for transit projects.

### INVESTMENT POLICY

LBT's investment policy, which complies with state and federal laws, provides general investment and money management guidelines. To ensure prudent money management, emphasis is placed in priority order on safety of principal, liquidity and return on investment.

Moreover, the investment portfolio requires sufficient liquidity to enable LBT to meet daily operating obligations.

### PROCUREMENT POLICY

LBT's procurement policy is established to ensure full and open competition that is accessible to all qualified vendors and suppliers. Through its solicitation policies and procedures, the agency ensures public funds are used responsibly and efficiently to meet LBT's operational needs.

LBT's staff has the authority to procure goods and services up to $250,000. Procurements exceeding that threshold are authorized by LBT's Board of Directors.

### RESERVE POLICY

LBT maintains a three-month operating reserve, which equates to approximately 25% of the agency's annual operating budget. The operating reserve allows the agency to provide continuity of operations in the event of any significant challenges such economic downturns, pandemics, acts of God or any other catastrophic event.

## LONG-TERM FINANCIAL PLANNING

LBT's long-term financial planning aligns the agency's financial capacity with its strategic priorities and ensures its ability to provide essential public transportation services. Long-term strategies have been developed to reduce costs, optimize efficiency, and increase revenue to achieve long-term sustainability.

Financial forecasts project revenues and expenditures, using assumptions about economic conditions and future spending, including such factors as:

- Service levels
- Operating revenue
- Subsidy revenue
- Wages and collective bargaining agreements
- Benefit costs and trends
- Fuel types and price trends
- Capital investment expenses
- Vendor contracts
- Risk management and mitigation
- Economic growth rates, including sales tax and Consumer Price Index

## LONG-TERM DEBT

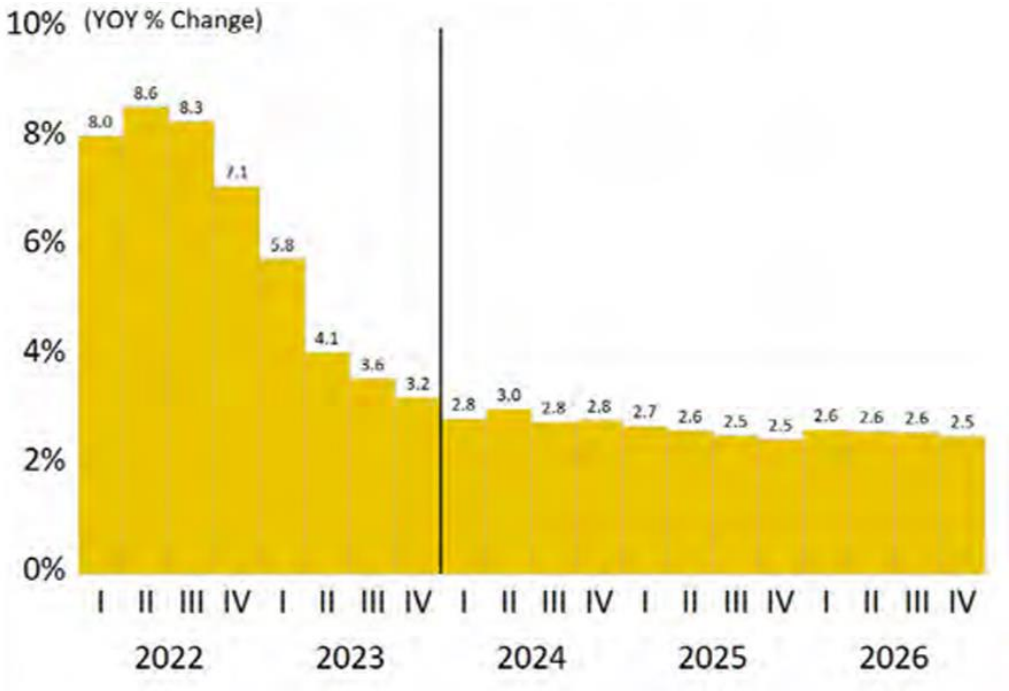
LBT has no debt and only uses available funds for operations and capital acquisitions. The agency has no plans to issue debt and its policy is to continue to fund future needs on a pay-as-you-go basis through formula and discretionary grants.

## GENERAL ECONOMIC CONDITIONS

Despite various challenges, the U.S. economy is showing signs of resiliency. High inflation has decreased to moderate inflation and interest rate increases have dampened the economy some, but not to the point of recession. The University of California, Los Angeles (UCLA) Anderson Forecast projects a weak economy in 2024 followed by a return to trend growth rates in 2025. The weaker 2024 reflects the impact of higher interest rates on consumption, housing, and business investment.

Two economic factors of note affecting the Agency are inflation and consumer spending. Inflation has caused substantial price increases over the last three years. This has had a significant negative impact on LBT's expenses, especially on the cost of fleet parts and other materials and supplies. The change in Consumer Price Index (CPI) has come down from its peak, and the UCLA Anderson Forecast is projecting that it will remain around 2.5% over the next two years. The effects of these cost increases can be seen in the FY 2025 budget.

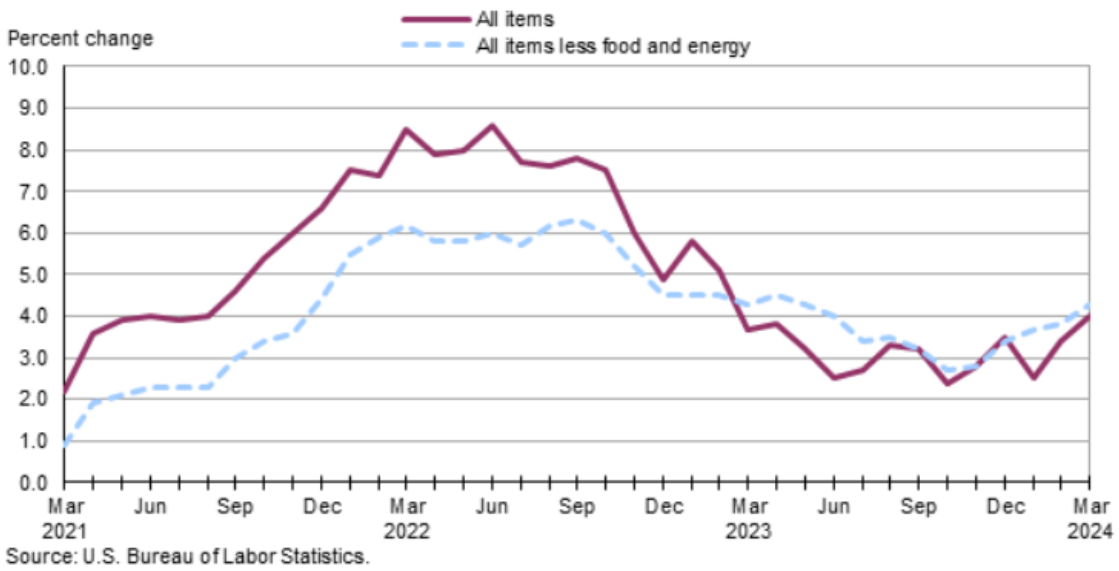
CPI Inflation, US, All-Urban




Source: UCLA Anderson Forecast – March 2024 Economic Forecast

Locally, in Los Angeles County the CPI has followed a similar trend, fluctuating around 3% in recent months.

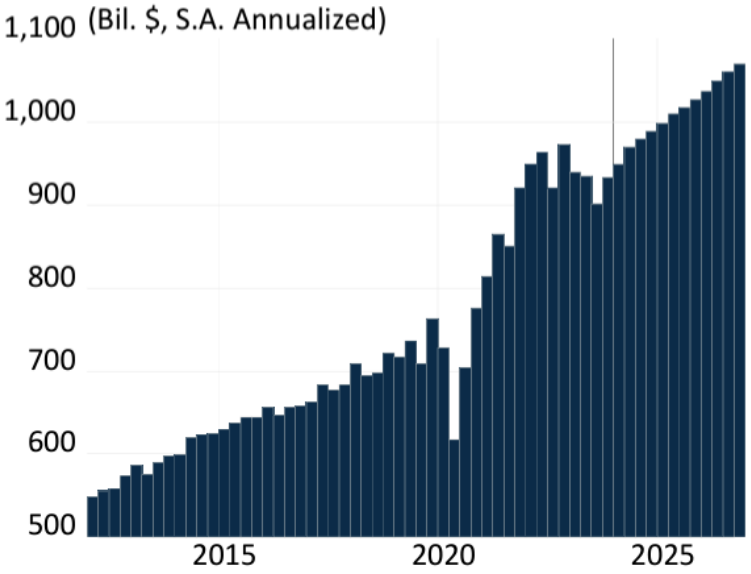
Los Angeles County Inflation Rate




Source: U.S. Bureau of Labor Statistics.

The second factor affecting the Agency is consumer spending. LBT receives subsidies from the County based on a formula allocation of sales tax revenues collected. High interest rates have worked to dampen spending. While consumer spending is not expected to contract, it has stalled in recent quarters and the rate of growth is projected to be lower in the near term. A slow-down in consumer spending and therefore sales taxes will have a negative impact on the Agency's revenue. The combination of rising costs and slowing revenues places a further emphasis on the Agency's need for efficiency and organizational optimization, the theme of the FY 2025 budget.

California Taxable Sales




Source: UCLA Anderson Forecast – March 2024 Economic Forecast

## BUDGET ENVIRONMENT

LBT is presenting a balanced budget. In building it, staff have maintained service improvements from last year and included spending increases. This budget delivers great value and outstanding service to the customers of LBT and recognizes and rewards the tremendous work of the LBT employees, who deliver the services, day in and day out.

Simultaneously, staff are mindful of macro-economic warning signs and suggest a cautious approach to this year's budget, with fiscal restraint and a conservative approach to expenditures.

Staff is committed to this work—it's the work of moving forward and building a better future. It's the work of optimizing while delivering services and providing solutions to LBT customers. It's the work of using LBT resources to make life better for our customers, every day—and it's the work of making investments that will make life better for future customers.

LBT is Moving Forward and Building Efficiency through Organizational Optimization.

As people in the people business, LBT is actively fostering employee engagement by investing in employee development and enhancing the employee experience. In the upcoming fiscal year, LBT will continue to focus on "hiring for heart and training for excellence."




LBT's FY 2025 budget will implement a new approach to organizational problem-solving: "Design Thinking." Design Thinking emphasizes empathy, creativity, and iterative prototyping to effectively address complex challenges. By incorporating design thinking into the budget process, LBT will take a fresh approach on how to optimize internal resources to ensure the delivery of high-quality services while effectively managing costs in FY 2025.

This Design Thinking initiative will include an extensive, six-month developmental program for staff. The program will invite each staff member to think differently about the organization and better understand, improve and enhance the services which LBT provides to its internal and external customers. "Design Thinking" will be used as a tool to rethink processes related to the delivery of transit services and how those services can be improved.

## LBT COLLEGE INTERNSHIP PROGRAM

In the upcoming fiscal year, LBT will continue collaborating with CSULB to support its highly successful College Internship Program. Interns will gain real-world work experience on meaningful projects under the guidance of transportation professionals and will have the opportunity to develop their problem-solving, communication and decision-making skills. Through this initiative, LBT is able to develop and grow a talent pipeline in the transportation industry.

## LABOR UNION AGREEMENTS

Long Beach Transit reached agreements with both organized labor unions, Amalgamated Transit Union (ATU) and American Federation of State, County and Municipal Employees (AFSCME). The effective bargaining agreements included wage increases and other enhanced benefits. As a result of these contracts, the agency has budgeted for higher costs associated with labor and other personnel related expenses in FY 2025. With rising salaries, LBT expects to be more competitive with other public agencies and employers in the area.

## DECREASE IN COUNTY SUBSIDY FUNDING

Long Beach Transit receives funding from Los Angeles County based on a regional formula allocation of sales tax revenues. The allocation of subsidies is determined based on sales tax projections which are provided by Los Angeles County Metropolitan Transportation Authority (LA Metro) for the coming fiscal year. Currently, sales tax revenues are lower than projected, and Metro has reforecast that for FY 2024 sales taxes will be 6% lower than originally projected.

Similarly, for FY 2025, Metro's sales tax projections are 3.7% lower than the original projections for FY 2024. The accelerated growth in consumer spending and sales taxes during the recovery from the pandemic has slowed, causing sales tax revenues to fall below expectations in FY 2025.

LBT proactively deferred a portion of the FY 2024 subsidy revenues for use in FY 2025 to prepare for this potential decline. LBT is utilizing these deferred subsidies along with one-time Federal funds to balance the FY 2025 operating budget.

## INCREASE IN PARTS COST

The financial stability of bus parts manufacturers was negatively impacted by the Covid-19 pandemic. This negative impact, combined with the rising inflation on materials and parts continues to pose a challenge to LBT's long-term sustainability. According to the Bureau of Labor Statistics, the cost of motor vehicle parts and equipment in urban areas of the U.S. rose

14% from September 2021 to their peak in May 2023, and stabilizing through January 2024. In FY 2023, the average cost per part for LBT was $117, while in FY 2024 it rose to $134, marking a 14.5% increase.

## ENTERPRISE RESOURCE PLANNING (ERP) and ENTERPRISE ASSET MANAGEMENT (EAM)

In FY 2024, LBT successfully released a Request for Proposal (RFP) for a new, enterprise-wide ERP/EAM system. Following a thorough evaluation, a select group of proposers were invited to present their products and services.

In FY 2025, LBT will transition to the next phase of the ERP/EAM system procurement process, and aim to achieve the following objectives:

- Modernize the current LBT business processes to incorporate best practices and improve the efficiency of business process automation at all levels of the organization
- Implement a world-class software as a service (SaaS) deployed application platform that is sound, flexible, secure, and expandable to host both ERP and EAM software(s) with full integration to LBT's other operational software
- Deliver an enterprise-wide approach to improve process workflow, business efficiency, accessibility for a mobile workforce, and utilization of enterprise-wide business intelligence and information reporting tools
- Implement a comprehensive organizational change management program that successfully transitions employees to the new ERP/EAM solutions(s) and associated business changes
- Provide staff with all necessary skills and knowledge to increase acceptance and adoption of new systems

## GOPASS/FARELESS SYSTEM INITIATIVE (FSI)

In October 2021, LBT's Board of Directors approved the agency's participation in the Los Angeles Metro's (LA Metro) regional GoPass pilot initiative, also referred to as the Fareless System Initiative (FSI). Under the pilot, eligible K-12 and Community College students attending participating school districts will have access to unlimited rides on all transit agencies that have also signed on to the program. Students can ride with the use of a TAP card that is distributed only through the schools and must be registered online.

School districts and transit agencies participating in the pilot program will share in its cost. K-12 and Community College school districts will contribute $7 per enrolled student per academic year.

Contributions collected, minus a $2 per card fee, will be allocated amongst participating transit agencies across the county based on rides taken with each agency. These contributions are expected to be minimal, and the remaining loss of passenger revenue will be subsidized through LBT's operating budget and thereby increasing operational costs.

The initial pilot period was established from October 2021 to June 2023. As of April 2023, LBT has surpassed 1 million rides under the GoPass program.

As of April 2024, the Metro Board of Directors approved a motion to make the pilot program permanent. It is expected that LBT will similarly continue offering the program through the next fiscal year, with further evaluation of how to fund the costs of permanent adoption of the program.

## BUDGET FOUNDATIONS

The FY 2025 budget is built upon the following foundational pillars:

- No Fare Increase
  LBT will not consider any fare increases as a source of revenue for this fiscal year's budget

- Deliver Planned Services
  LBT's goal is to provide 100% of planned service

- Mitigate Rising Costs
  LBT faces the rising inflationary prices for supplies and services as seen across the nation

- Sustain Long-Term Viability
  LBT based the budget on being good stewards, who are fiscally responsible in order to address the impact of the fiscal challenges

- Acquire No Debt
  LBT has maintained a long-standing practice of not running our agency by acquiring debt

LBT is building this year's budget with a focus on organizational optimization, fiscal accountability and long-term sustainability.

## BUDGET OBJECTIVES

Through a series of workshops with managers and the budget team, the ELT determined the agency's focus for the coming year and the key factors driving the FY 2025 budget. Those areas identified form the budget objectives for the year and set the direction for departments as they plan their fiscal year budgets.

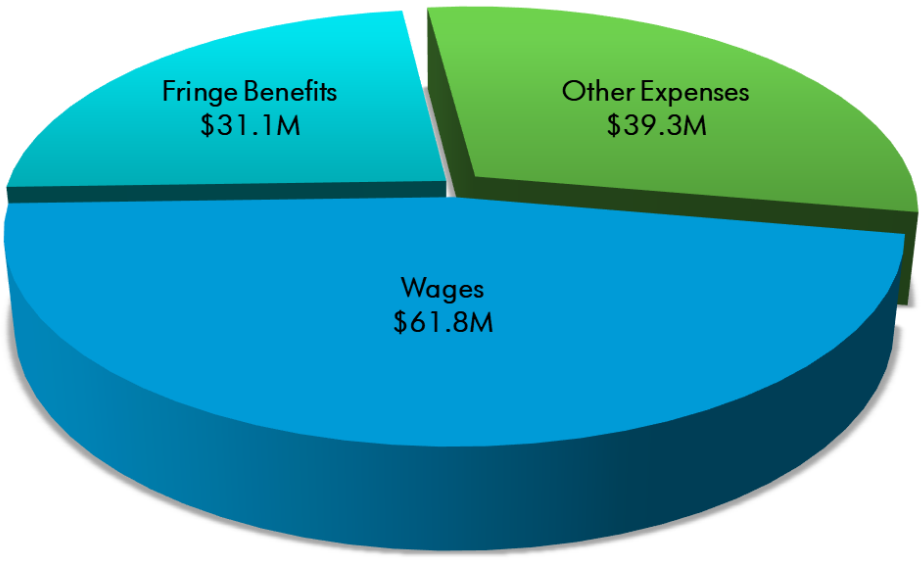
Aligned with the budget foundations and LBT's five strategic priorities, LBT developed the following objectives in planning the FY 2025 budget:

| Strategic Priorities | Budget Objectives |
|---|---|
| Safety and Service Quality | • Enhance Safety and Security<br>• Deliver 100% of Planned Service<br>• Increase Fleet Availability and Reliability |
| Financial Accountability | • Generate Revenue<br>• Leverage Data and Optimize Resources |
| Employee Engagement | • Invest in and Retain Current Employees While Attracting Top Talent<br>• Enhance the Employee Experience |
| Customer Experience | • Act on Our Customer's Expectations<br>• Create Overall Exceptional Experiences |
| Community and Industry Focus | • Strengthen Connections Between LBT, the Community, and the Transportation Industry<br>• Build and Capitalize on Brand Awareness |

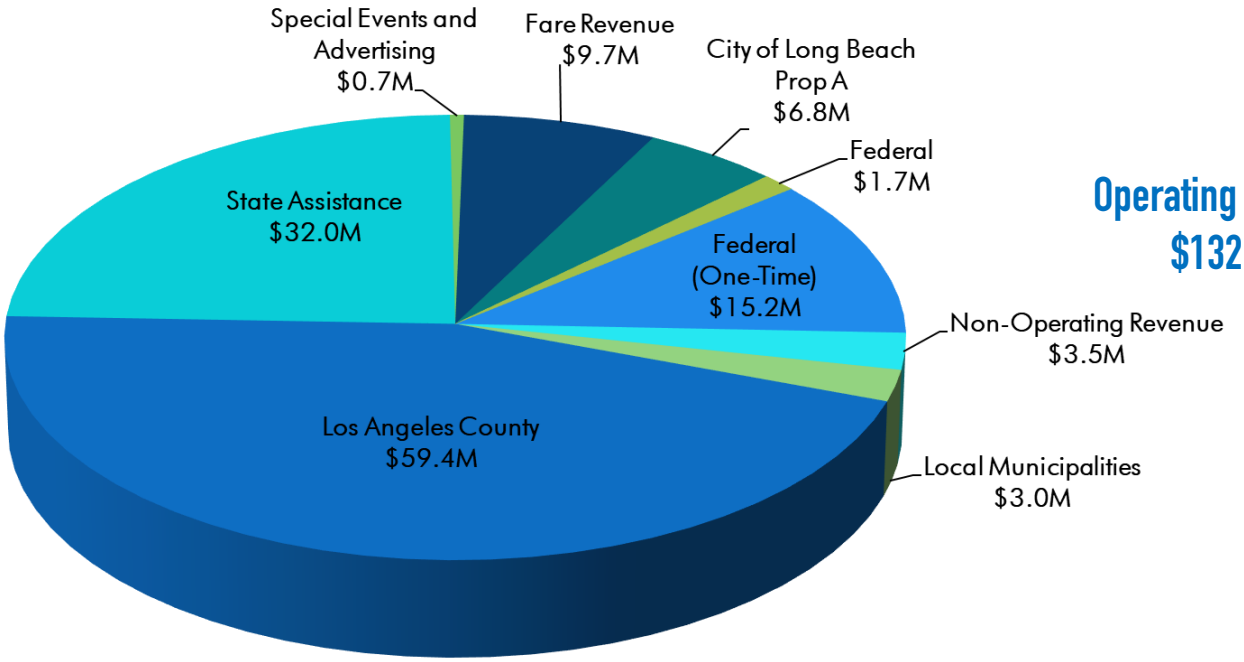
## OPERATING BUDGET OVERVIEW

The Agency is presenting a balanced budget, with operating expenses equal to operating revenues.

### Operating Expenses
### $132.2M




### Operating Revenue
### $132.2M




Totals may not add due to rounding.

## CHANGE IN NET POSITION

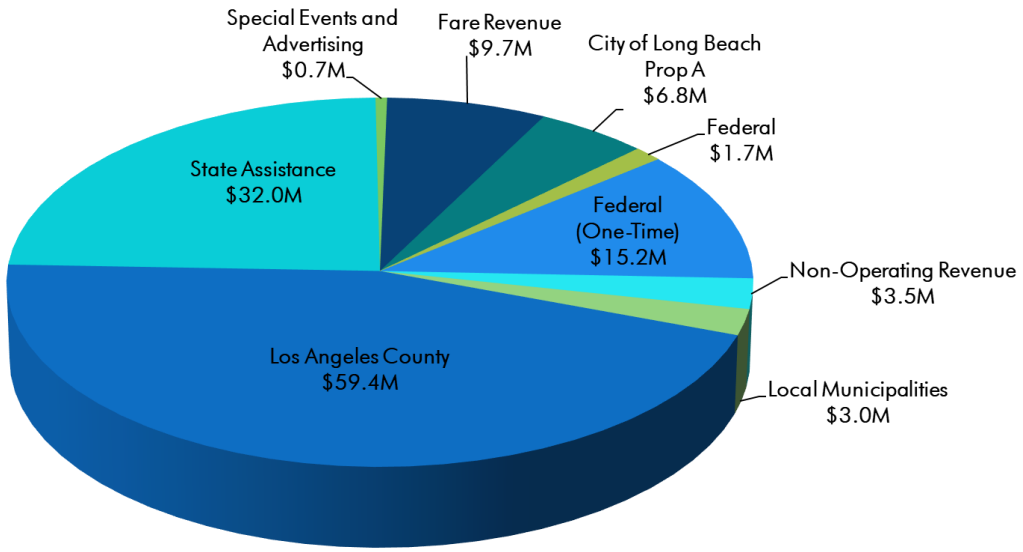
The table below shows how the financial plan for FY 2025 will affect the agency's net position. Net position is the difference between the Agency's assets and liabilities. Note that the estimated and proposed values do not include year-end entries for Governmental Accounting Standards Board (GASB) compliance.

| | Actual FY 2023 | Estimated FY 2024 | Proposed FY 2025 |
|---|---|---|---|
| Operating Revenue | 12,252,500 | 10,320,887 | 10,476,435 |
| Non Operating Revenue | 101,553,988 | 113,346,377 | 121,713,486 |
| Total Revenues | 113,806,488 | 123,667,264 | 132,189,921 |
| | | | |
| Operating Expenses | 116,063,121 | 123,667,264 | 132,189,921 |
| Depreciation | 16,794,369 | 17,562,088 | 17,754,017 |
| Total Operating Expenses | 132,857,490 | 141,229,352 | 149,943,938 |
| | | | |
| Change Before Capital Grants | (19,051,002) | (17,562,088) | (17,754,017) |
| | | | |
| Capital Grants | 28,767,615 | 37,905,959 | 45,843,574 |
| Change in Net Position | 9,716,613 | 20,343,871 | 28,089,557 |
| | | | |
| Total Net Position, July 1 | 85,746,199 | 95,569,550 | 115,913,421 |
| Restatement* | 106,738 | | |
| Total Net Position, June 30 | 95,569,550 | 115,913,421 | 144,002,978 |

*The restatement was due to the implementation of GASB 96, Subscription-Based Information Technology Arrangements.

## OPERATING REVENUE

Captured below in the pie chart and table are LBT's projected revenue sources for FY 2025.




**$132.2M**

Totals may not add due to rounding.

| Revenue Source | Amount | % of Total |
|---|---|---|
| Los Angeles County | $59,419,630 | 45.0% |
| State Assistance | $32,022,888 | 24.2% |
| Federal (One-Time) | $15,214,508 | 11.5% |
| Fare Revenue | $9,735,097 | 7.4% |
| City of Long Beach Prop A | $6,830,769 | 5.2% |
| Non-Operating Revenue | $3,506,957 | 2.6% |
| Local Municipalities | $3,018,734 | 2.3% |
| Federal Preventative Maintenance | $1,700,000 | 1.3% |
| Special Events and Advertising | $741,338 | 0.5% |
| Total: | $132,189,921 | 100.0% |

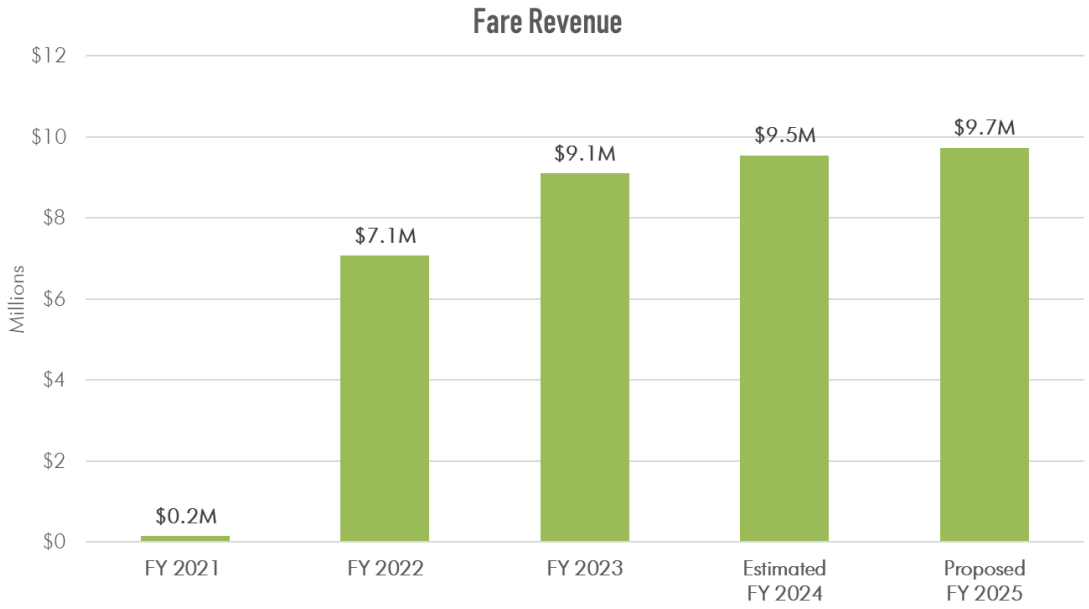
# Operating Revenue Highlights (cont'd)

## FARE REVENUE

In FY 2024, the agency experienced a small uptick in passenger fare revenue primarily from one-way regular and reduced cash fares. The increase coincides with a 3% increase in ridership in those categories for the fiscal year as well.

Passenger fares derived from LBT's participation in the GoPass program also saw an increase due to an increase in cost per student for K-12 Districts from $5 to $7 for Year 3 of the program.

The bar graph below illustrates a five-year trend in LBT's fare revenue.




As can be seen, fare revenue was heavily impacted by the COVID-19 pandemic in FY 2021 and has seen small incremental changes since the return to fare collection and enforcement in FY 2022. With steady service level planned in FY 2025, fare revenue is budgeted to remain relatively flat.

## SUBSIDY REVENUE

The majority of LBT's daily operations are funded by state and county tax revenues. These revenues are received by LA Metro, the regional transportation planning entity and distributed through a Formula Allocation Procedure (FAP). The FAP is based on a formula of 50% vehicle service miles and 50% fare units (passenger revenues divided by base cash fare). The funds are estimated and allocated for the upcoming fiscal year. Variances between the adopted estimates and actual revenues are reconciled in future distributions.

# Operating Revenue Highlights (cont'd)

Starting in FY 2021, LBT received federal funding from the following sources in response to the COVID-19 pandemic:

Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 27, 2020, the CARES Act was signed into law. The CARES Act provided relief funding to prevent, prepare for, and respond to the COVID-19 pandemic. LBT was allocated $29.2 million in CARES Act funds, which were utilized in FY 2021 primarily for payroll expenses.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)

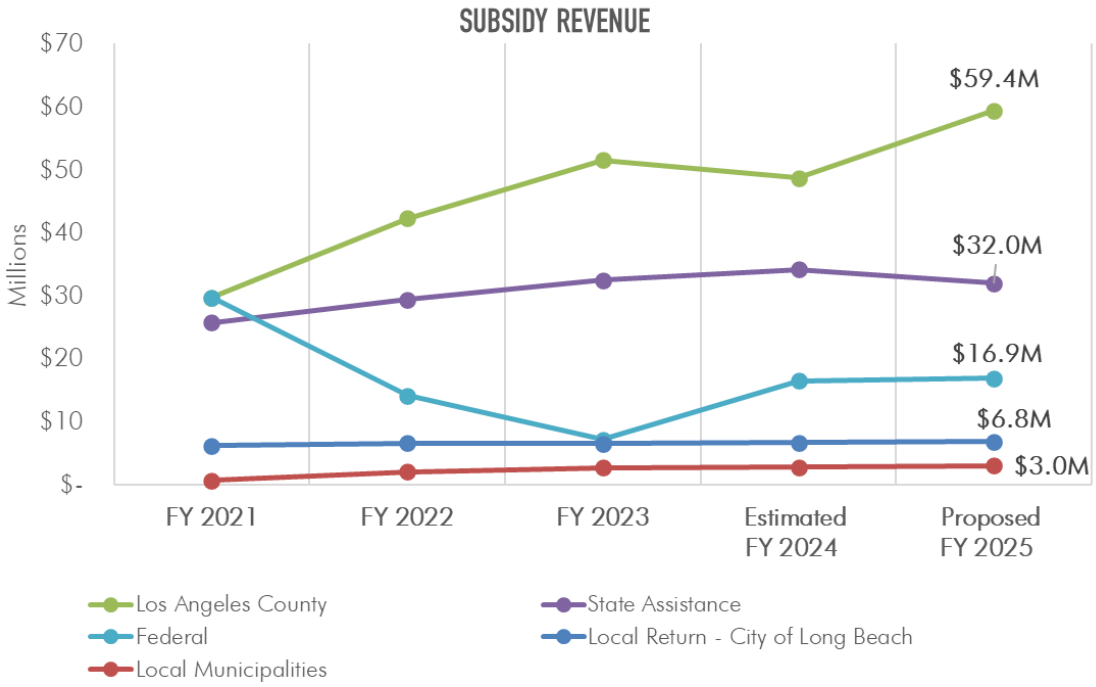
On December 27, 2020, CRRSAA was signed into law, providing supplemental appropriations for COVID-19 relief, $14 billion of which were allocated to support the transit industry during the COVID-19 public health emergency. LBT was allocated $26.7 million of CRRSAA funds. LBT utilized $14.7 million and $7.1 million of CRRSAA funds in FY 2022 and FY 2023, respectively. And LBT plans to utilize the remaining $4.9 million in FY 2024 to support operating expenses.

American Rescue Plan Act (ARPA)

On March 11, 2021, ARPA was signed into law, providing about $30 billion for transit operators nationwide to prevent, prepare for, and respond to the COVID-19 pandemic. LBT was allocated $42.9 million in ARPA funds and plans to utilize $11.1 million in FY 2024 and $15.2 million in FY 2025 to support operating expenses.

# Operating Revenue Highlights (cont'd)

The line graph below illustrates a five-year trend in LBT's subsidy revenue.



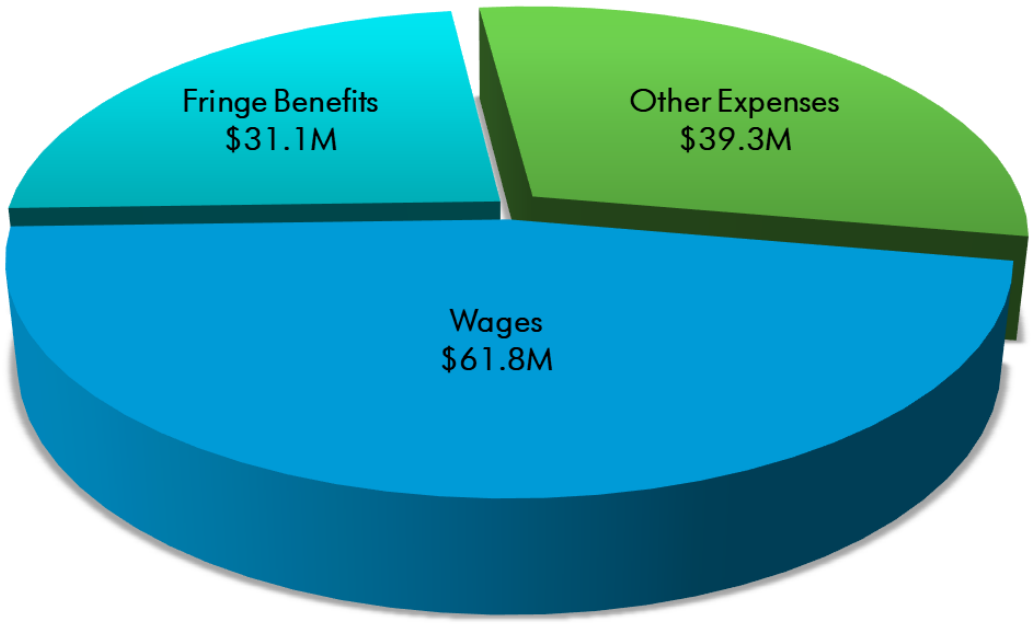

## INVESTMENT REVENUE

The steep increase in inflation that was seen in recent years has stabilized as the Federal Reserve increased interest rates to temper the economy. With the recent stabilization, the Federal Reserve has steadied the rate increase and may consider rate decreases in the coming quarters. Since LBT holds depository accounts with the State of California, the potential decrease in rates may contribute to a scaled-down interest earnings in FY 2025. However, LBT's bonds and government bonds in its corporate investment account, which has an inverse relationship to the market interest rate, may positively impact the agency's interest earnings as a component of operating revenue.

With consideration of these market conditions, investment revenue for FY 2025 was budgeted conservatively and less than previous year.

## OPERATING EXPENSES

The following pie chart depicts the budgeted amounts for wages, fringe benefits and other expenses, which includes fuel, lubricants, utilities, parts and materials.




**$132.2M**

### SERVICE DELIVERY

LBT plans to deliver 100% of planned service at a comparable service level to the previous year.

### RETIREMENT BENEFITS

Retirement benefit expenses continue to be a significant cost driver for LBT and are managed to ensure long-term program sustainability.

LBT sponsors three retirement plans: a defined benefit pension plan for contract employees; a defined benefit pension plan for salaried and AFSCME employees hired before April 1, 2011; and a defined contribution plan for salaried and AFSCME employees hired on or after April 1, 2011.

# Operating Expense Highlights (cont'd)

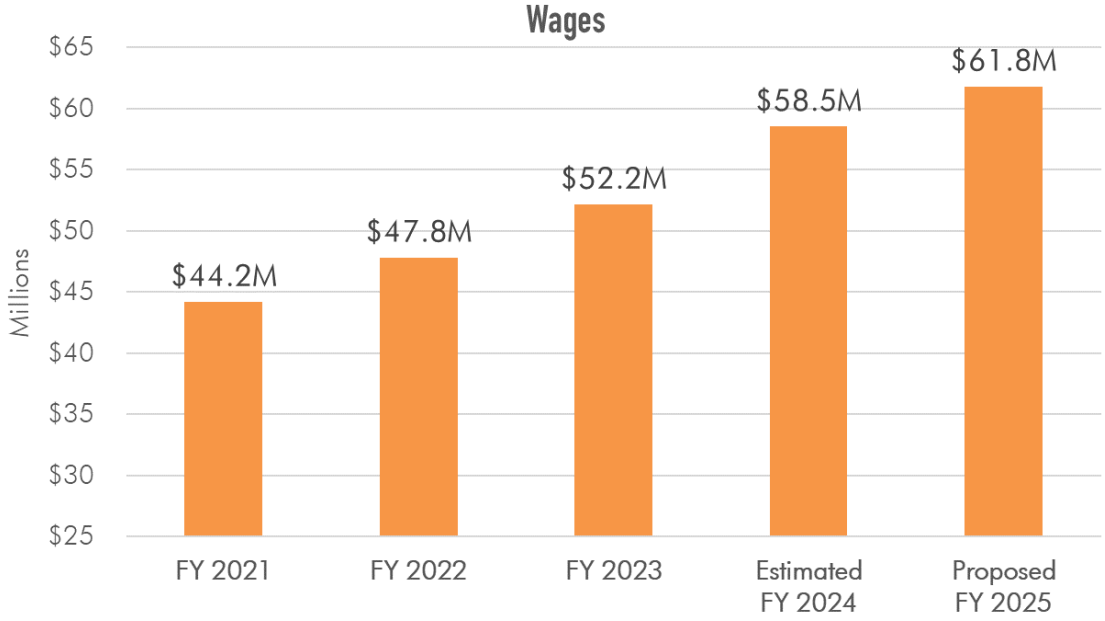
A significant factor affecting the contribution rates of the upcoming year for defined benefit plans is the investment rate of return during the previous fiscal year. Although FY 2024 has experienced positive market returns, the market remains unpredictable and volatile, and LBT continues to anticipate further uncertainty. The FY 2025 budget incorporates some factors of volatility in its retirement plan contribution rates.

The agency adjusted the defined benefit pension plans' expected rates of return in the previous fiscal years to be more in line with market performance.

## WAGES

LBT continues to focus on recruitment efforts to support service levels and staffing requirements. In a low unemployment market, LBT strives to remain competitive in the region.

The bar graph below depicts the rise in employee wages over the past five fiscal years and incorporates the newly ratified collective bargaining agreements. Wages are the largest expense incurred by LBT.

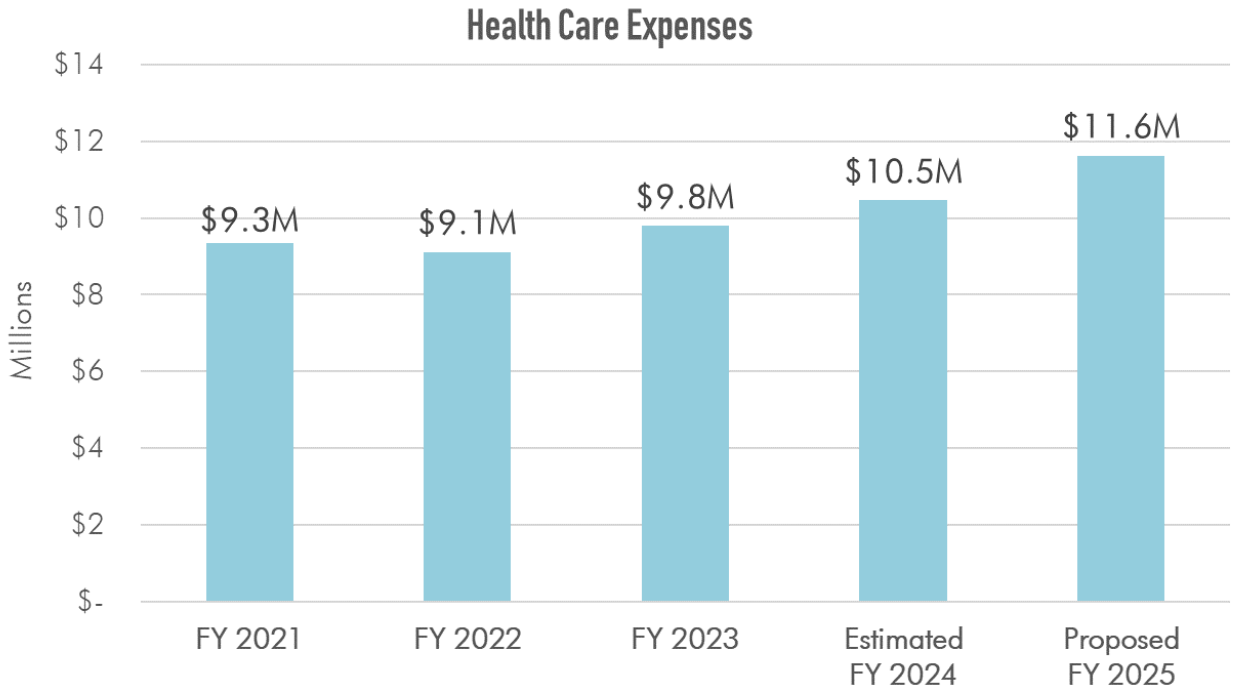



## HEALTH CARE

Healthcare costs continue to be a focal point as they remain a large expense for LBT. In FY 2025, LBT's health care costs are projected to increase by an average of 4.0%. LBT partners with its insurance carrier to implement programs that assist in managing expenses in order to mitigate future increases.

# Operating Expense Highlights (cont'd)

The bar graph below illustrates the trend in employee health care costs over the past five fiscal years. Since FY 2021, LBT's health care costs have increased by 25%.




## WORKERS' COMPENSATION

The FY 2025 workers' compensation costs are projected to increase due to increases in labor expense and medical expenses. LBT continues to proactively implement mitigating measures to minimize claims and contain cost, such as return-to-work programs.

## PERSONAL LIABILITY AND PROPERTY DAMAGE (PLPD)

With comparable service levels in FY 2025, the reserve level will remain constant with FY 2024. The general insurance market conditions continue to be a challenge in FY 2025 as the insurers exit the State of California. Specifically for public transit, there are few insurance carriers writing excess liability coverage in California and insureds continue to see significant premium increases. LBT continues its effort to settle cases in order to reduce actuarial reserves.

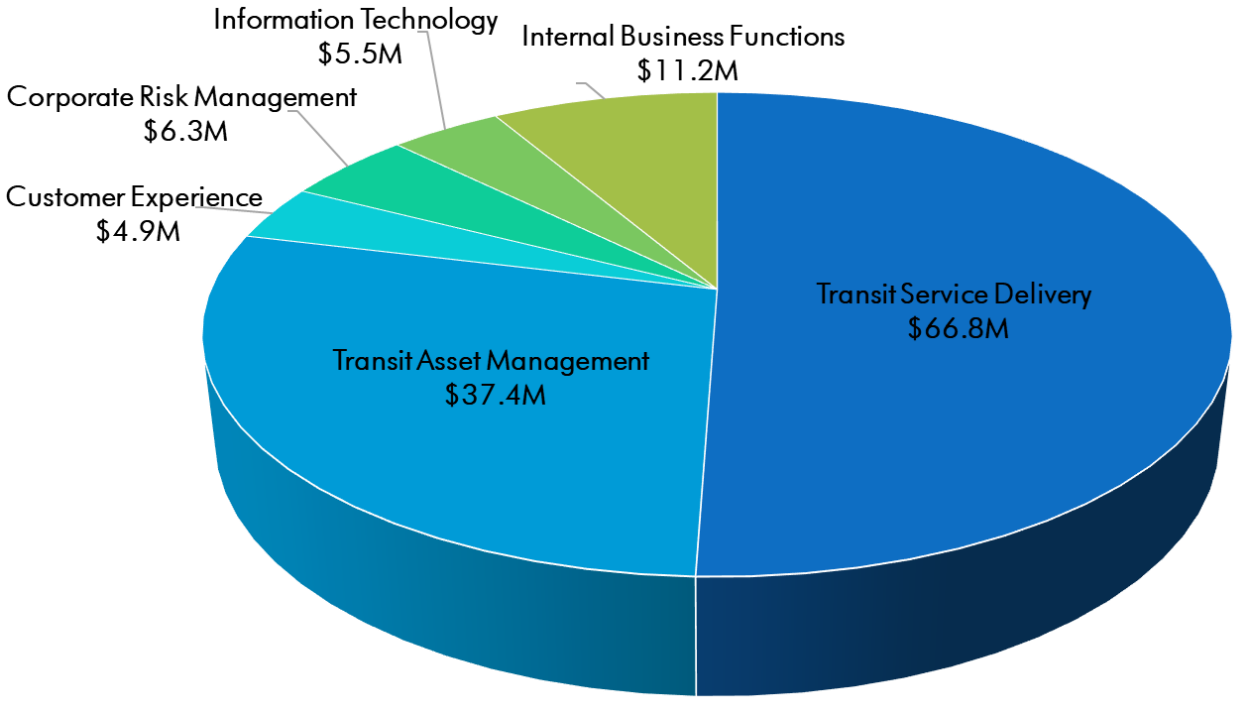
# Operating Expense Highlights (cont'd)

## CORE BUSINESS CATEGORIES

The core business categories are the essential functions that drive LBT's value creation. The agency focuses on these core categories to coordinate and collectively perform the work that allows LBT to execute its strategic priorities and achieve its organizational objectives each fiscal year.

For the agency to run optimally and provide excellent services to its customers, all business functions must be well executed for LBT to remain a top-rated transit agency.

The following chart depicts budgeted expenditures relative to each core business category.




**$132.2M**

Totals may not add due to rounding.

# Operating Expense Highlights (cont'd)

The core business categories are as follows:

### Transit Asset Management

LBT's focus is to keep its assets in a state of good repair or "like new" condition, to ensure the agency has revenue vehicle availability for service delivery. All of the functions related to Transit Asset Management are included in this category.

### Transit Service Delivery

The next major focus is to execute the activities related to delivering service to LBT's customers in the community, including fixed route, paratransit and water taxi services. It includes training of operators, planning of routes and providing security for the system. The functions related to Transit Service Delivery are captured in this category.

### Customer Experience

This category is about the Customer Experience and encompasses the agency's Transit Customer Amenities and Customer Relations and Communications departments. LBT's customers' experience begins at the agency's bus stops or before, when one calls or accesses the agency's website to gain information about LBT's services.

### Corporate Risk Management

LBT's next business category is about managing the agency's risk. This captures the agency's Risk Management department, including insurance, management of workers' compensation and personal liability and property damage (PLPD) claims, as well as risk mitigation.

### Information Technology

This category includes the network of critical information and data management systems that enable LBT to effectively perform its day-to-day functions.

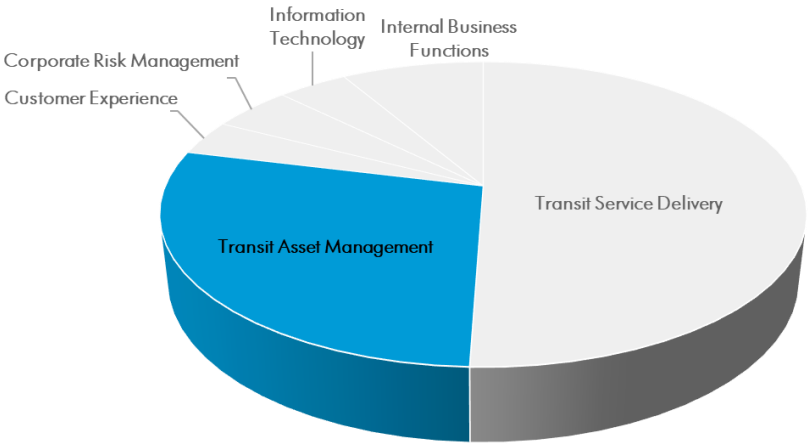
### Internal Business Functions

The Internal Business Function category incorporates the personnel, plans and strategic focus to ensure that LBT can effectively lead and focus on its mission and strategic priorities.

# Operating Expense Highlights (cont'd)

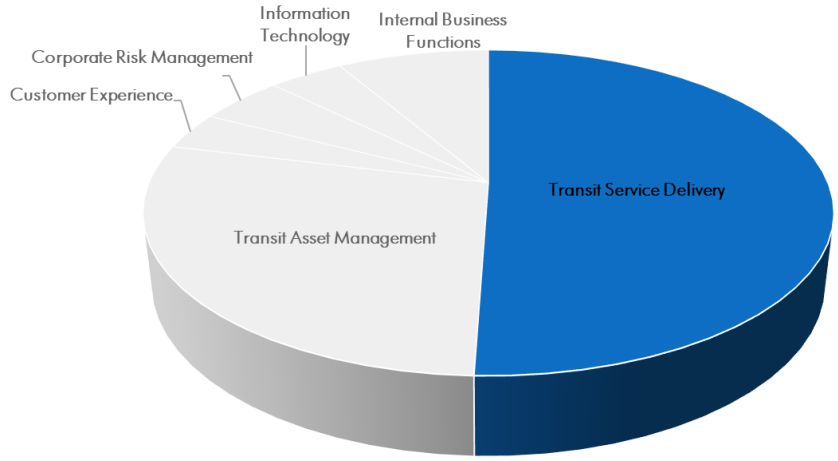
The following pie charts depict budgeted expenditures relative to each core business category.

## TRANSIT ASSET MANAGEMENT




| Transit Asset Management ($) | |
|---|---|
| Vehicle Maintenance | 20,863,561 |
| Infrastructure and Utilities | 7,644,508 |
| Fuel and Lubricants | 6,466,916 |
| Warehouse | 1,312,604 |
| Procurement | 840,535 |
| Training | 251,024 |
| Total | 37,379,148 |

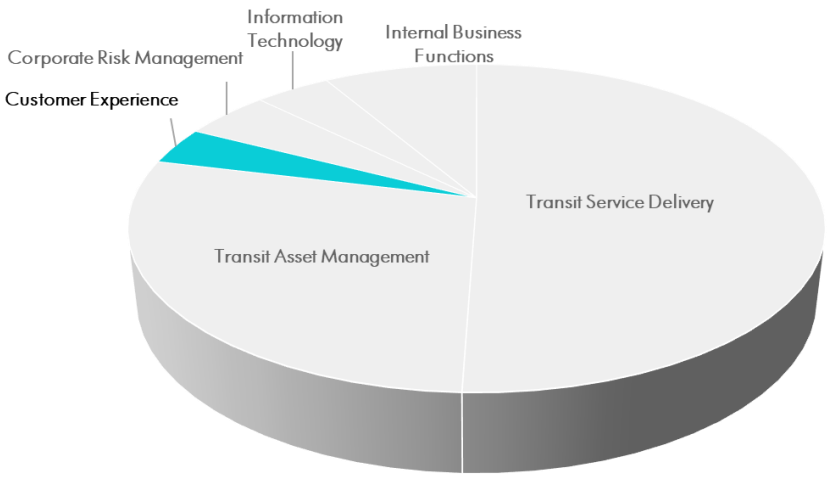
## TRANSIT SERVICE DELIVERY




| Transit Service Delivery ($) | |
|---|---|
| Daily Operations | 57,294,615 |
| Security | 3,776,041 |
| Planning | 1,720,356 |
| Dial-A-Lift | 1,497,944 |
| Training | 1,422,470 |
| Aqua Services | 1,115,818 |
| Total | 66,827,244 |

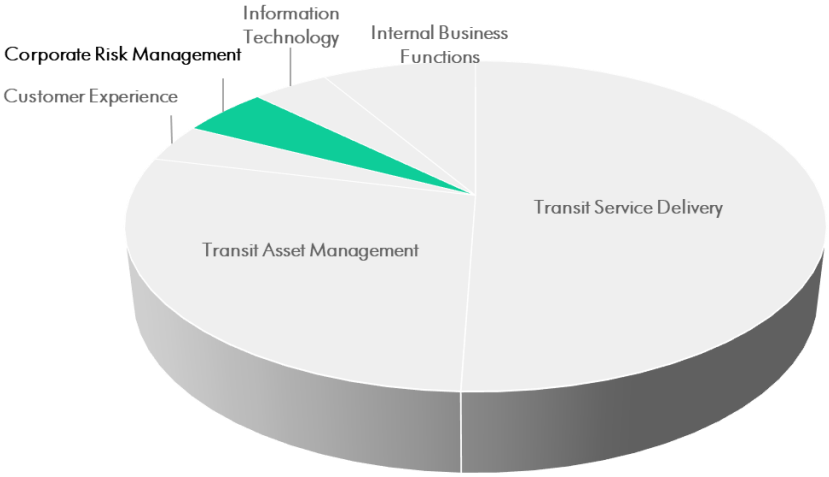
# Operating Expense Highlights (cont'd)

## CUSTOMER EXPERIENCE




| Customer Experience ($) | |
|---|---|
| Customer Relations and Communications | 3,418,853 |
| Transit Customer Amenities | 1,500,660 |
| Total | 4,919,513 |

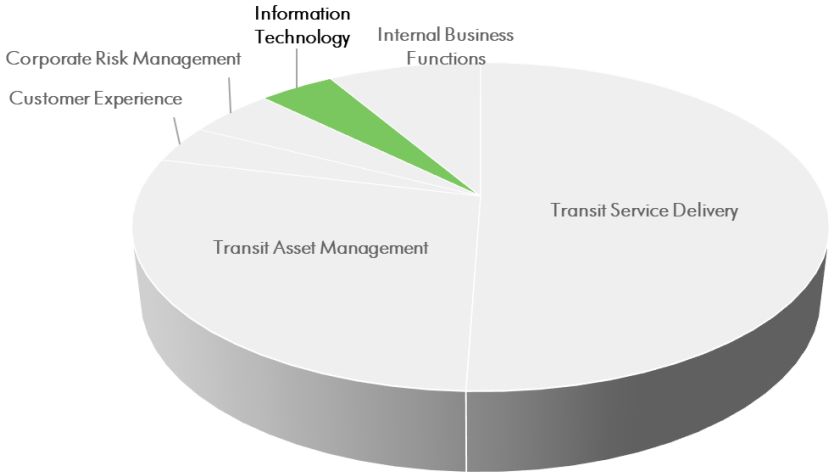
## CORPORATE RISK MANAGEMENT




| Corporate Risk Management ($) | |
|---|---|
| Risk Management | 6,316,457 |
| Total | 6,316,457 |

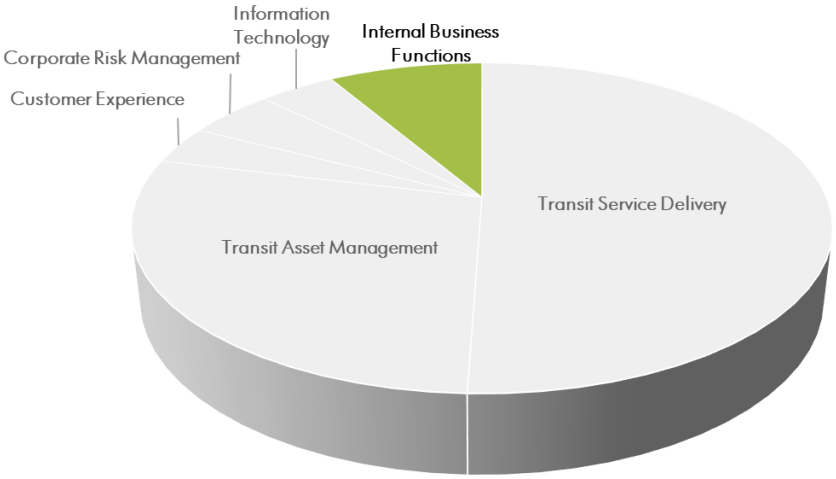
# Operating Expense Highlights (cont'd)

## INFORMATION TECHNOLOGY




| Information Technology ($) | |
|---|---|
| Information Technology | 5,533,037 |
| Total | 5,533,037 |

## INTERNAL BUSINESS FUNCTIONS



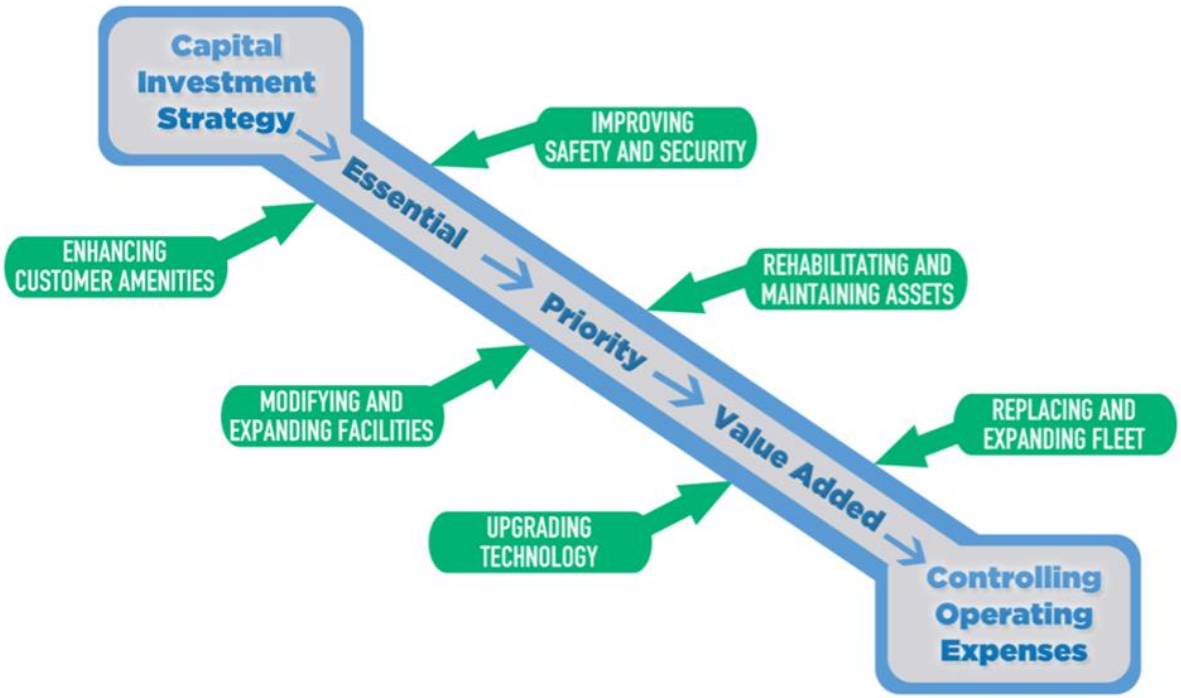

| Internal Business Functions ($) | |
|---|---|
| Finance and Budget | 3,762,701 |
| Organizational Development and Administration | 3,462,519 |
| Office of the CEO | 2,260,436 |
| Office of the Deputy CEO | 827,760 |
| Government Relations | 512,576 |
| Performance Management | 388,530 |
| Total | 11,214,522 |

## CAPITAL STRATEGIC PRIORITIES

The FY 2025 capital projects have been developed and aligned with LBT's capital strategic focus. The capital projects were proposed by department managers and evaluated by an internal Key Performance Indicators (KPI) team. The KPI team is a cross-departmental matrix team that evaluates the proposed capital projects based on the capital project priority ranking system (Essential, Priority, and Value Added). Within these categories, essential projects were funded first, followed by priority projects. Value-added projects are funded last—if they cannot be funded in the capital budget, the projects are reevaluated the following fiscal year.

The ELT reviewed the KPI team's recommendations to ensure that the FY 2025 capital budget best reflects LBT's Strategic Priorities and capital strategic focus.

## CAPITAL STRATEGIC FOCUS AND RANKING




## CAPITAL ANALYSIS PROCESS

## CAPITAL FUND BALANCE

To meet the agency's long-term capital needs, LBT applies sound government financial practices that require the accumulation and maintenance of funds. The funds are also set aside to help provide for current outstanding commitments or critical needs that may arise in the future. These practices align with LBT's strategic priority to "Exercise Financial Accountability."

LBT's fund balances are derived from various federal, state, and local sources and contain balances that LBT currently holds in programmed and unprogrammed project accounts. The funds are held for various capital projects, including future project assignments.

| Funding Source | FY2024 Through Q3 | Estimated Addition | Estimated Expenditures | Estimated FY2025 |
|---|---|---|---|---|
| Federal | $ 226,204 | $ - | $ (153,576) | $ 72,628 |
| State | $ 1,444,715 | $ 3,724 | $ (2,550) | $ 1,445,889 |
| County | $ 184,403 | $ - | $ (1,251) | $ 183,152 |
| Total Fund Balance | $ 1,855,322 | $ 3,724 | $ (157,377) | $ 1,701,669 |

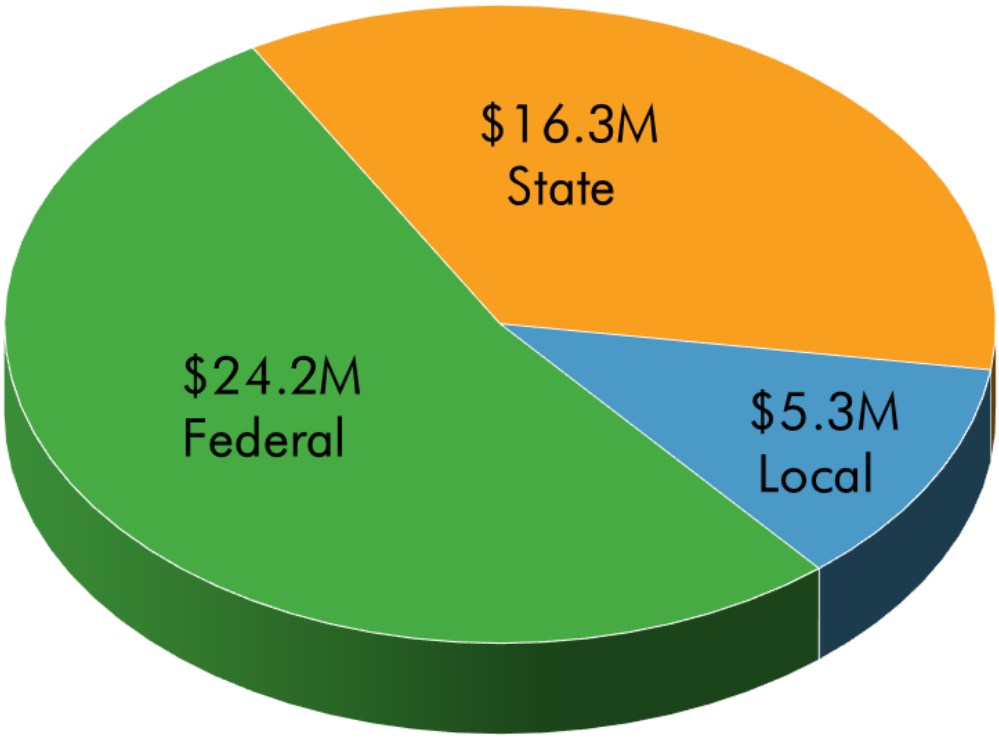
LBT finances the majority of its capital assets through annual grants awarded by the FTA. These federal grants are allocated by region under Section 5307 of the Bipartisan Infrastructure Law. The agency is eligible to receive funds based on a formula allocation and discretionary money for specific projects such as bus procurements.

The Bipartisan Infrastructure Law, enacted on November 15, 2021, established funding levels and federal policy for the nation's highways and public transit systems for fiscal years 2022 through 2026.

## CAPITAL FUNDING SOURCES

### FY 2025 CAPITAL PROGRAM FUNDING SOURCES

### $45.8M



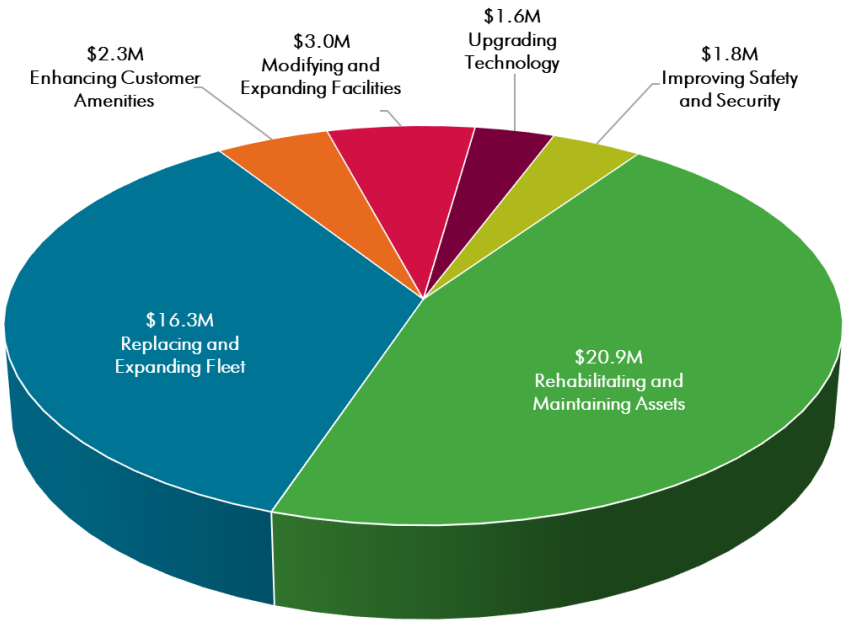
## CAPITAL PROGRAM

The FY 2025 capital projects have been evaluated in relation to one another in terms of need, scope, and cost to ensure the most efficient resource allocation. This analysis allows LBT to further its long-term planning goals by evaluating options and then prioritizing organizational decisions.

The proposed capital budget for FY 2025 is approximately $45.8 million, which includes the following types of projects:

- Electrification Infrastructure
- Bus Replacement
- ERP EAM Replacement
- Bus Stop Improvements
- Safety and Security Upgrades
- Bus Components to Maintain Assets in a "Like-New Condition"

### FY 2025 CAPITAL PROJECTS ALLOCATION




**$45.8M**

Totals may not add due to rounding.

# FY 2024 Distinguished Budget Presentation Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget Presentation Award*

PRESENTED TO

**Long Beach Public Transportation Company**
**California**

For the Fiscal Year Beginning

**July 01, 2023**

Christopher P. Morrill

**Executive Director**

The Government Finance Officers Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to LBT for its Annual Budget for the fiscal year beginning July 1, 2023. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide and as a communications device.

This award is valid for a period of one year only. LBT believes its FY 2025 budget contained within this document continues to conform to program requirements and is submitting it to the GFOA to determine its eligibility for another award.

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# OPERATING REVENUE

# FY 2025
# Sources of Operating Revenue

| REVENUE DESCRIPTION | | ACTUAL FY 2023 | | ESTIMATED FY 2024 | | PROPOSED FY 2025 |
|---|---|---|---|---|---|---|
| **Fare Revenue:** | | | | | | |
| Regular Cash Fares | $ | 5,207,071 | $ | 5,642,559 | $ | 5,642,559 |
| Regular Pass Sales | | 542,574 | | 589,303 | | 589,303 |
| Regular Day and 5-Day Pass | | 359,119 | | 345,032 | | 345,032 |
| Interagency Transfers | | 3,026 | | 3,136 | | 3,136 |
| Special/Senior Cash Fares | | 1,125,205 | | 1,276,247 | | 1,276,247 |
| Special/Senior Pass Fares | | 220,805 | | 230,712 | | 230,712 |
| Senior Day and 5-Day Pass | | 230,018 | | 242,926 | | 242,926 |
| Student Pass Fares | | 554,533 | | 491,282 | | 483,895 |
| Student GoPass (FSI) | | 523,773 | | 410,500 | | 578,325 |
| Dial-A-Lift Fares | | 39,388 | | 37,911 | | 40,321 |
| Water Taxi Fares | | 300,859 | | 278,815 | | 302,641 |
| **Total Fare Revenue** | $ | 9,106,371 | $ | 9,548,423 | $ | 9,735,097 |
| **Special Events** | $ | 47,625 | $ | 31,781 | $ | 41,338 |
| **Advertising** | | 717,456 | | 740,683 | | 700,000 |
| **Special Events and Advertising Revenue** | $ | 765,081 | $ | 772,464 | $ | 741,338 |
| **Non-Operating Revenue:** | | | | | | |
| Investment Revenue | $ | 1,228,625 | $ | 2,598,090 | $ | 1,700,000 |
| Alternative Fuel Credits | | 1,624,307 | | 1,168,911 | | 500,000 |
| Lease Revenue | | 709,667 | | 753,652 | | 1,131,743 |
| Miscellaneous | | 47,074 | | 23,355 | | 175,214 |
| **Total Non-Operating Revenue** | $ | 3,609,673 | $ | 4,544,008 | $ | 3,506,957 |
| **Subsidy Revenue:** | | | | | | |
| Prop A Local Return | | | | | | |
| - City of Long Beach | $ | 6,515,894 | $ | 6,696,529 | $ | 6,830,769 |
| Local Municipalities | | 2,670,665 | | 2,801,662 | | 3,018,734 |
| Los Angeles County | | 51,536,422 | | 48,665,845 | | 59,419,630 |
| State Assistance | | 32,452,380 | | 34,146,305 | | 32,022,888 |
| Federal | | 7,150,002 | | 16,492,028 | | 16,914,508 |
| **Total Subsidy Revenue** | $ | 100,325,363 | $ | 108,802,369 | $ | 118,206,529 |
| **Total Revenues** | **$** | **113,806,488** | **$** | **123,667,264** | **$** | **132,189,921** |

NOTE: The allocation of operating subsidies is based on the most recent annual funding marks supplied by Los Angeles County Metropolitan Transportation Authority (Metro). These funding marks are actual and anticipated. However, the Metro Board of Directors has not yet adopted final funding marks. LBT's Board of Directors will be advised should the funding marks be materially changed during the fiscal year.

# FY 2025 Operating Revenue by Mode

**ACTUAL FY 2023**

| Source | Total | Fixed Route | Dial-A-Lift | Water Taxi | Special Events |
|---|---|---|---|---|---|
| Fares | $ 9,106,371 | $ 8,766,124 | $ 39,388 | $ 300,859 | $ - |
| Special Events | 47,625 | - | - | - | 47,625 |
| Advertising | 717,456 | 717,456 | - | - | - |
| Non-Operating | 3,609,673 | 3,583,508 | - | 26,165 | - |
| City of Long Beach-Prop A Local Return | 6,515,894 | 6,515,894 | - | - | - |
| Local Municipalities | 2,670,665 | 2,581,527 | 89,138 | - | - |
| Los Angeles County | | | | | |
| Bus System Improvement Program (BSIP) | 892,094 | 892,094 | - | - | - |
| Foothill Mitigation | 1,094,897 | 1,094,897 | - | - | - |
| Measure M | 14,504,022 | 14,504,022 | - | - | - |
| Measure R | 12,935,117 | 12,935,117 | - | - | - |
| Prop A Discretionary | 16,493,649 | 16,130,194 | 363,455 | - | - |
| Prop C-Security Program | 3,057,135 | 3,057,135 | - | - | - |
| Service Expansion Program | 2,471,477 | 2,471,477 | - | - | - |
| Express Toll Revenue | 88,031 | 88,031 | - | - | - |
| State Assistance | | | | | |
| TDA | 23,048,928 | 21,594,050 | 802,707 | 652,171 | - |
| STA | 4,713,462 | 4,713,462 | - | - | - |
| SB1 | 4,436,981 | 4,436,981 | - | - | - |
| LCTOP | 238,475 | 238,475 | - | - | - |
| TIRCP | 14,534 | 14,534 | - | - | - |
| Federal | | | | | |
| Preventative Maintenance | 100,000 | 100,000 | - | - | - |
| CRRSAA | 7,050,002 | 7,050,002 | - | - | - |
| **Total Revenues** | $ 113,806,488 | $ 111,484,980 | $ 1,294,688 | $ 979,195 | $ 47,625 |
| **Vehicle Service Hours (VSH)** | | 641,980 | | | |
| **Cost per VSH** | | $ 173.66 | | | |

**ESTIMATED FY 2024**

| Source | Total | Fixed Route | Dial-A-Lift | Water Taxi | Special Events |
|---|---|---|---|---|---|
| Fares | $ 9,548,423 | $ 9,231,697 | $ 37,911 | $ 278,815 | $ - |
| Special Events | 31,781 | - | - | 2,250 | 29,531 |
| Advertising | 740,683 | 740,683 | - | - | - |
| Non-Operating | 4,544,008 | 4,522,288 | - | 21,720 | - |
| City of Long Beach-Prop A Local Return | 6,696,529 | 6,696,529 | - | - | - |
| Local Municipalities | 2,801,662 | 2,717,130 | 84,532 | - | - |
| Los Angeles County | | | | | |
| Bus System Improvement Program (BSIP) | 925,191 | 925,191 | - | - | - |
| Foothill Mitigation | 1,249,915 | 1,249,915 | - | - | - |
| Measure M | 6,893,864 | 6,893,864 | - | - | - |
| Measure R | 15,882,204 | 15,882,204 | - | - | - |
| Prop A Discretionary | 17,547,201 | 17,162,400 | 384,801 | - | - |
| Prop C-Security Program | 3,554,049 | 3,554,049 | - | - | - |
| Service Expansion Program | 2,563,169 | 2,563,169 | - | - | - |
| Express Toll Revenue | 50,252 | 50,252 | - | - | - |
| State Assistance | | | | | |
| TDA | 25,332,117 | 23,757,135 | 827,608 | 747,374 | - |
| STA | 4,940,880 | 4,940,880 | - | - | - |
| SB1 | 3,784,634 | 3,784,634 | - | - | - |
| TIRCP | 88,674 | 88,674 | - | - | - |
| Federal | | | | | |
| Preventative Maintenance | 500,000 | 500,000 | - | - | - |
| CRRSAA | 4,916,227 | 4,916,227 | - | - | - |
| ARPA | 11,075,801 | 11,075,801 | - | - | - |
| **Total Revenues** | $ 123,667,264 | $ 121,252,722 | $ 1,334,852 | $ 1,050,159 | $ 29,531 |
| **Vehicle Service Hours (VSH)** | | 671,534 | | | |
| **Cost per VSH** | | $ 180.56 | | | |

# FY 2025 Operating Revenue by Mode (cont'd)

**PROPOSED FY 2025**

| Source | Total | Fixed Route | Dial-A-Lift | Water Taxi | Special Events |
|---|---|---|---|---|---|
| Fares | $ 9,735,097 | $ 9,392,135 | $ 40,321 | $ 302,641 | $ - |
| Special Events | 41,338 | - | - | 7,438 | 33,900 |
| Advertising | 700,000 | 700,000 | - | - | - |
| Non-Operating | 3,506,957 | 3,484,191 | - | 22,766 | - |
| City of Long Beach-Prop A Local Return | 6,830,769 | 6,830,769 | - | - | - |
| Local Municipalities | 3,018,734 | 2,929,352 | 89,382 | - | - |
| Los Angeles County | | | | | |
| Bus System Improvement Program (BSIP) | 952,947 | 952,947 | - | - | - |
| Foothill Mitigation | 1,123,000 | 1,123,000 | - | - | - |
| Measure M | 19,257,479 | 19,257,479 | - | - | - |
| Measure R | 14,612,930 | 14,612,930 | - | - | - |
| Prop A Discretionary | 18,036,133 | 17,596,617 | 439,516 | - | - |
| Prop C-Security Program | 2,797,077 | 2,797,077 | - | - | - |
| Service Expansion Program | 2,640,064 | 2,640,064 | - | - | - |
| Express Toll Revenue | - | - | - | - | - |
| State Assistance | | | | | |
| TDA | 19,688,684 | 17,976,986 | 928,725 | 782,973 | - |
| STA | 7,014,131 | 7,014,131 | - | - | - |
| SB1 | 5,320,073 | 5,320,073 | - | - | - |
| Federal | | | | | |
| Preventative Maintenance | 1,700,000 | 1,700,000 | - | - | - |
| ARPA | 15,214,508 | 15,214,508 | - | - | - |
| **Total Revenues** | $ 132,189,921 | $ 129,542,259 | $ 1,497,944 | $ 1,115,818 | $ 33,900 |
| **Vehicle Service Hours (VSH)** | | 664,127 | | | |
| **Cost per VSH** | | $ 195.06 | | | |

## Advertising

LBT receives revenues generated from advertising on the exterior of LBT buses.

## Alternative Fuel Credits

Fuel credits received for the use of alternative fuel in buses, particularly CNG.

## City of Long Beach – Prop A Local Return

The City of Long Beach allocates a portion of its Proposition A funds to LBT for operating or capital purposes. Proposition A, approved by voters in November 1980, was the first local sales tax of its kind to bolster Los Angeles County's ability to respond to gridlock and mobility challenges.

Twenty-five percent (25%) of Proposition A funds are dedicated to the Local Return Program. The Proposition A ordinance requires that Local Return Program funds be used exclusively to benefit public transit. Eligible uses include expenditures related to fixed-route and paratransit services, transportation demand management, transportation systems management and fare subsidy programs.

## Fare Revenue

Monies collected from the farebox and TAP, transfers, tokens, daily/five-day/monthly passes, 25-ride coupons, Dial-A-Lift, AquaBus/AquaLink (Water Taxi) rides, and transportation program partnerships with community partners.

## Federal

Annually, LBT receives an apportionment of Section 5307 Urbanized Area Formula funds for its capital activities. The FTA allows such funds to be used for preventive maintenance.

- Preventive Maintenance
  Preventive Maintenance is defined as all the activities, supplies, materials, labor, services and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost-effective manner, up to and including satisfactory maintenance of the assets. The costs and revenue associated with such funds are reflected in the operating budget.

## Other Federal Sources

- The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA)
  CRRSAA funds are disbursed through FTA apportionments to its Urbanized Area (Section 5307) eligible recipients. These funds are allocated to support the transit industry during the COVID-19 pandemic. CRRSAA funds are eligible and prioritized at 100% federal funding for operating expenses but may be used for capital expenses.

- The American Rescue Plan Act of 2021 (ARPA)
  ARPA funds are disbursed through FTA apportionments to its Urbanized Area (Section 5307) eligible recipients. ARPA supports the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. ARPA funds are eligible and prioritized at 100% federal funding for operating expenses but may be used for capital expenses.

## Lease Revenue

Revenue generated from leasing agreements of corporate administrative office building.

## Low Carbon Transit Operations Program (LCTOP)

LCTOP is part of the State of California's Transit, Affordable Housing, and Sustainable Communities Program. LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities

## Local Municipalities

LBT receives funds from eight municipal jurisdictions served by LBT — Bellflower, Carson, Cerritos, Hawaiian Gardens, Lakewood, Paramount, Seal Beach and Signal Hill.

## Los Angeles County

Los Angeles County Metro allocates the revenues listed below to the Agency using the Formula Allocation Process (FAP). These revenues — Proposition A, Proposition C, Measure R and Measure M funds — are derived from half-cent local sales tax initiatives.

### FAP Funds

- Bus System Improvement Program (BSIP)
  Proposition C fund allocated to relieve overcrowding on transit-dependent service routes

- Foothill Mitigation
  Proposition C fund allocated to minimize funding impacts of adding Foothill Transit as a municipal operator

- Measure M
  Provides an additional half-cent sales tax for transportation and the indefinite extension of an existing half-cent sales tax also dedicated to transportation originally set to expire in 2039 for expansion or introduction of fixed-route bus service in congested corridors

- Measure R
  Allocated to fund traffic relief and rail expansion according to an expenditure plan contained in the ordinance

- Proposition A Discretionary
  Allocated to fund bus services provided by Los Angeles Metro and 16 other municipal bus organizations within Los Angeles County, which includes LBT

- Proposition C Security
  Allocated for security projects such as the transit police program

- Proposition C Municipal Operator Service Improvement Program (MOSIP)
  Allocated for service enhancements and used as a match for our federal capital grants, which include preventive maintenance funds

- Service Expansion
  Proposition C fund allocated for expansion or introduction of fixed-route bus service in congested corridors

## Non-FAP Funds

- Express Toll Revenue
  Through a competitive discretionary grant process, LBT received monies to operate the LA Galaxy Express shuttle service between Dignity Health Sports Park in Carson and two major intermodal transportation hubs – the Harbor Gateway Transit Center and Metro A Line Del Amo Station. These grant funds were generated from net toll revenues generated from the ExpressLanes on the I-10 and I-110 freeways

# Descriptions of Operating Revenue (cont'd)

## Non-Operating Revenue

This miscellaneous revenue is mainly comprised of investment income, lease revenue and alternative fuel credits.

## Special Events

LBT collects revenue for providing reserved service to community groups and events for public-private partnerships.

## State Assistance

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act (TDA) of 1971, this law provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans. The TDA funds are eligible to support a wide variety of transportation programs, including planning and program activities, pedestrian and bicycle facilities, community transit services, public transportation, as well as bus and rail projects.

TDA established two funding sources: the Local Transportation Fund (LTF) and the State Transit Assistance (STA) fund, with Senate Bill 1 (SB1) added as an additional funding source in 2017.

- TDA
  LTF funds, commonly known as TDA, are derived from a quarter cent of general sales tax collected statewide. This funding may also be used for local streets and roads, construction and maintenance

- STA
  Appropriated by the legislature to the State Controller's Office (SCO) and allocated by formula, STA funds are derived from the statewide sales taxes on diesel fuel. The amount of money available for transit agencies varies from year to year based on the fluctuation of diesel sales and prices. STA funding may only be used for transportation planning and mass transportation purposes

- Senate Bill (SB1)
  SB1, also known as the Road Repair and Accountability Act of 2017, funds are generated through a 12-cent excise tax added to each gallon of gasoline, 20-cent excise tax added to each gallon of diesel fuel, and an increased vehicle registration fee

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# OPERATING EXPENDITURES

# FY 2025 Operating Budget Summary – All Departments

| | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| **Wages** | | | |
| Transit Service Delivery and Planning | $ 32,907,512 | $ 36,583,792 | $ 37,936,024 |
| Maintenance and Infrastructure | 11,106,056 | 12,588,944 | 12,847,812 |
| Customer Relations and Communications | 1,396,718 | 1,518,886 | 1,664,885 |
| Risk Management | 422,957 | 652,982 | 754,672 |
| Information Technology | 998,039 | 1,176,014 | 1,393,013 |
| Internal Business Functions | 5,318,363 | 5,997,744 | 7,202,024 |
| | $ 52,149,645 | $ 58,518,362 | $ 61,798,430 |
| **Fringe Benefits** | | | |
| Transit Service Delivery and Planning | $ 17,149,716 | $ 19,056,088 | $ 21,060,290 |
| Maintenance and Infrastructure | 4,688,245 | 5,161,499 | 5,746,706 |
| Customer Relations and Communications | 466,673 | 493,955 | 564,183 |
| Risk Management | 168,603 | 250,511 | 302,348 |
| Information Technology | 452,892 | 518,436 | 567,604 |
| Internal Business Functions | 2,099,619 | 2,345,441 | 2,875,287 |
| | $ 25,025,748 | $ 27,825,930 | $ 31,116,418 |
| **Other Expenses** | | | |
| Transit Service Delivery and Planning | $ 5,655,597 | $ 5,920,582 | $ 6,408,460 |
| Maintenance and Infrastructure | 11,971,528 | 12,976,968 | 12,726,815 |
| Fuel & Lubricants | 6,509,193 | 5,894,185 | 6,466,916 |
| Customer Relations and Communications | 1,078,213 | 1,135,115 | 1,189,785 |
| Risk Management | 4,814,191 | 4,804,736 | 5,259,437 |
| Information Technology | 3,626,196 | 3,538,272 | 3,572,420 |
| Internal Business Functions | 2,976,177 | 3,053,114 | 3,651,240 |
| | $ 36,631,095 | $ 37,322,972 | $ 39,275,073 |
| **Total Operating Budget** | $ 113,806,488 | $ 123,667,264 | $ 132,189,921 |

# Descriptions of Operating Expenses

The following sections present the operating expense budgets by department. Below are the definitions of the operating expense categories presented in the departmental budgets.

## Advertising

Cost of services for an outside advertising agency to develop advertising and marketing programs to generate public awareness and grow ridership

## Auto Allowance

Fixed monthly payments to specified employees using their personal automobiles for LBT business

## Banking Services

Fees charged for routine banking services such as direct deposit, check processing, armored car pick-up and vault deposits

## Banking Supplies

Materials and supplies used in processing coin and currency deposits, as well as check stock

## Casualty and Liability

Payments made to external parties for claim settlements, legal fees, medical expenses and depositions, and includes the adjustment to reserves to reflect new, closed and outstanding claims as submitted and determined by the agency's third-party claims administrator

## Debt Financing

Interest expenses associated with promissory note payments

## Defined Contribution

Employer 401(a) match for deferred compensation contributions made by staff employees hired on or after April 1, 2011

## Dental and Vision

Employer premium payments to insurance carriers for employees' dental and vision insurance

## Dues and Subscriptions

Memberships and subscriptions for industry-based associations, professional organizations, and periodicals

# Descriptions of Operating Expenses (cont'd)

### Employment Physicals

Medical costs associated with pre-employment physical examinations as a condition for LBT employment, as well as physical examinations for employees returning from a 30+ day leave of absence

### Federal Insurance Contributions Act (FICA)

Employer contributions to the Social Security Fund pursuant to FICA

### Fringe Benefits

Expenses incurred for employees' health insurance, workers' compensation, retirement plans and family and medical leave

### Fuel

Cost of fuel and electricity used to operate buses and non-revenue service vehicles

### Fuel Use Tax and Storage Fee

State and federal taxes assessed based on fuel usage

### Health Benefits

Employer premium payments to insurance carriers for employees' health insurance, and also includes accumulated sick leave and health care reimbursements to eligible retirees

### Life Insurance

Employer premium payments to insurance carriers for employees' life insurance

### Lubricants

Costs of lubricants used for buses and non-revenue service vehicles

### Materials and Supplies

All parts and materials for bus repair and fleet maintenance, facility infrastructure and bus stop maintenance, as well as general materials and supplies used for daily administrative operations and training programs

### Other Fringe Benefits

Expenses incurred for employee assistance programs, attendance and safety awards, tuition reimbursement, etc.

# Descriptions of Operating Expenses (cont'd)

### Other Insurance
Premiums for miscellaneous insurance coverage such as excess workers' compensation, forgery, theft and computers

### Other Miscellaneous Expenses
Minor miscellaneous expense

### Other Miscellaneous Services
Minor miscellaneous service expenses

### Pension
Employer contributions to the employees' pension funds

### Pre-Employment Processing
Expenses generated from the pre-employment screening process

### Premium Auto and General Liability Insurance
Insurance premiums for excess liability coverage paid to the carrier

### Premium Property Insurance
Insurance premiums for physical damage insurance paid to the carrier

### Prescription Reimbursement
Reimbursement for the difference between employees' medical prescription co-payments dictated in the Amalgamated Transit Union (ATU) Local 1277 collective bargaining agreement and allowable amounts per the agency's health insurance policy

### Professional Services
Fees paid to professionals for services rendered such as management consultants, auditors, claim administrators and attorneys

### Property Lease
Payment for use of leased property

### Property Taxes and Fees
Payment of taxes for property and fees levied by local or state governments

# Descriptions of Operating Expenses (cont'd)

## Purchased Transportation

Contracted services to operate the Dial-A-Lift and Water Taxi programs

## Recovery–Property Claims

Money received in settlement of physical damage claims from outside parties

## Recruitment Expenses

Advertising expenses associated with the recruitment of new employees

## Schedules Production and Printing

Costs associated with printing, formatting, layout, art and graphics of schedule and marketing materials

## Security Services

Costs associated with patrol and alarm services, security guards for facilities and the transit enforcement detail

## Small Tools

Miscellaneous small-tool purchases not covered under the capital program, which are retained for use by all maintenance employees

## Technical Services

Payment to outside vendors for maintenance of agency assets such as computers, farebox equipment, office equipment, facility and fleet repairs, as well as public restroom oversight

## Ticket/Pass Printing

Printing costs for one-ride coupons, as well as daily, five-day and monthly passes

## Tool Allowance

Fixed amount given to mechanics towards purchase of their tools

## Travel and Meetings

Costs of conferences, seminars, meetings, lodging, travel and transportation to conduct LBT business

# Descriptions of Operating Expenses (cont'd)

## Unemployment

Employer payments to the State of California for employees' unemployment insurance benefits

## Uniform Allowance

The uniform cleaning costs for mechanics, warehouse, and revenue personnel, and a fixed amount towards purchase of uniforms for operators, Transit Service Delivery supervisors, Customer Service clerks, ride checkers, and warehouse and revenue personnel

## Utilities

Cost of electricity, gas, water, sewer, internet and telephone

## Wages

Payment for work performed which may include overtime, vacation and sick leave benefits

## Workers' Compensation

Expenses incurred for disability payments, medical treatment, attorneys' fees, court depositions, travel, etc., and includes the adjustment of reserves to reflect new, closed and outstanding claims as submitted and determined by the agency's third-party claims administrator

# TRANSIT SERVICE DELIVERY AND PLANNING

# FY 2025 Transit Service Delivery and Planning Budget Summary

| | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| **Wages** | | | |
| Transit Service Delivery | $ 31,555,649 | $ 35,205,068 | $ 36,177,466 |
| Transit Service Planning | 775,468 | 722,130 | 1,101,178 |
| Dial-A-Lift Services | 91,060 | 100,466 | 99,399 |
| Aqua Services | - | - | - |
| Security | 114,684 | 126,244 | 129,443 |
| Administration | 370,651 | 429,884 | 428,538 |
| | $ 32,907,512 | $ 36,583,792 | $ 37,936,024 |
| **Fringe Benefits** | | | |
| Transit Service Delivery | $ 16,684,345 | $ 18,608,527 | $ 20,474,702 |
| Transit Service Planning | 257,972 | 206,248 | 317,132 |
| Dial-A-Lift Services | 46,054 | 51,486 | 49,179 |
| Aqua Services | - | - | - |
| Security | 26,935 | 28,129 | 29,368 |
| Administration | 134,410 | 161,698 | 189,909 |
| | $ 17,149,716 | $ 19,056,088 | $ 21,060,290 |
| **Other Expenses** | | | |
| Transit Service Delivery | $ - | $ - | $ - |
| Transit Service Planning | 268,825 | 334,506 | 302,046 |
| Dial-A-Lift Services | 1,157,574 | 1,182,900 | 1,349,366 |
| Aqua Services | 979,195 | 1,050,159 | 1,115,818 |
| Security | 3,227,097 | 3,341,071 | 3,617,230 |
| Administration | 22,906 | 11,946 | 24,000 |
| | $ 5,655,597 | $ 5,920,582 | $ 6,408,460 |
| **Total Transit Service Budget** | $ 55,712,825 | $ 61,560,462 | $ 65,404,774 |

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Superintendents | | | |
| Full-Time | $ 229,823 | $ 271,661 | $ 265,241 |
| Operators | | | |
| Full-Time | 25,602,319 | 28,514,083 | 29,168,900 |
| Student | 341,960 | 298,770 | 351,100 |
| Overtime | 836,891 | 1,268,470 | 1,000,000 |
| Vacation | 2,302,602 | 2,454,074 | 2,731,100 |
| Supervisors | | | |
| Full-Time | 2,122,581 | 2,307,274 | 2,545,835 |
| Additional Pay | 119,473 | 90,736 | 115,290 |
| TOTAL WAGES | $ 31,555,649 | $ 35,205,068 | $ 36,177,466 |
| FICA | $ 2,177,996 | $ 2,452,300 | $ 2,526,528 |
| PENSION | 3,673,294 | 4,469,804 | 4,844,689 |
| DEFINED CONTRIBUTION | 99,791 | 108,280 | 170,635 |
| HEALTH BENEFITS | 6,200,441 | 6,569,242 | 7,034,389 |
| DENTAL & VISION | 342,016 | 336,410 | 331,814 |
| LIFE INSURANCE | 52,269 | 51,519 | 58,400 |
| WORKERS' COMPENSATION | 4,008,641 | 4,489,119 | 5,349,047 |
| UNIFORM ALLOWANCE | 127,097 | 126,153 | 152,000 |
| AUTO ALLOWANCE | 2,800 | 5,700 | 7,200 |
| TOTAL FRINGE BENEFITS | $ 16,684,345 | $ 18,608,527 | $ 20,474,702 |
| TOTAL DIVISION EXPENSES | $ 48,239,994 | $ 53,813,595 | $ 56,652,168 |

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 587,440 | $ 550,884 | $ 788,586 |
| Part-Time | 168,616 | 151,929 | 254,592 |
| Intern | 19,412 | 19,317 | 58,000 |
| TOTAL WAGES | $ 775,468 | $ 722,130 | $ 1,101,178 |
| FICA | $ 59,467 | $ 53,257 | $ 84,516 |
| PENSION | 97,444 | 61,396 | 31,902 |
| DEFINED CONTRIBUTION | 16,465 | 15,551 | 63,268 |
| HEALTH BENEFITS | 74,809 | 65,987 | 120,493 |
| DENTAL & VISION | 3,544 | 3,379 | 5,529 |
| LIFE INSURANCE | 3,846 | 3,561 | 5,824 |
| UNIFORM ALLOWANCE | 597 | 1,017 | 2,000 |
| AUTO ALLOWANCE | 1,800 | 2,100 | 3,600 |
| TOTAL FRINGE BENEFITS | $ 257,972 | $ 206,248 | $ 317,132 |
| PROFESSIONAL SERVICES | $ 268,825 | $ 333,706 | $ 302,046 |
| OTHER MISC. EXPENSES | - | 800 | - |
| TOTAL OTHER EXPENSES | $ 268,825 | $ 334,506 | $ 302,046 |
| TOTAL DIVISION EXPENSES | $ 1,302,265 | $ 1,262,884 | $ 1,720,356 |

# FY 2025
# Dial-A-Lift Services

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full Time | $ 91,060 | $ 100,466 | $ 99,399 |
| TOTAL WAGES | $ 91,060 | $ 100,466 | $ 99,399 |
| FICA | $ 5,979 | $ 6,642 | $ 7,604 |
| PENSION | 20,850 | 24,175 | 19,880 |
| HEALTH BENEFITS | 17,343 | 18,754 | 19,677 |
| DENTAL & VISION | 1,303 | 1,316 | 1,315 |
| LIFE INSURANCE | 579 | 599 | 703 |
| TOTAL FRINGE BENEFITS | $ 46,054 | $ 51,486 | $ 49,179 |
| PROFESSIONAL SERVICES | $ - | $ - | $ 2,000 |
| PURCHASED TRANSPORTATION | | | |
| Dial-A-Lift | 1,157,574 | 1,182,900 | 1,347,366 |
| TOTAL OTHER EXPENSES | $ 1,157,574 | $ 1,182,900 | $ 1,349,366 |
| TOTAL DIVISION EXPENSES | $ 1,294,688 | $ 1,334,852 | $ 1,497,944 |

# FY 2025
# Water Taxi Services

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| PROFESSIONAL SERVICES | $ 1,304 | $ 61,581 | $ 33,682 |
| TECHNICAL SERVICES | 147,466 | 146,135 | 151,250 |
| PURCHASED TRANSPORTATION WATER TAXIS | | | |
| AquaBus | 101,255 | 175,918 | 216,099 |
| AquaLink | 678,040 | 636,156 | 683,161 |
| Aqua Special Events | - | 1,240 | 2,497 |
| Aqua Services Advertising | 51,130 | 29,129 | 29,129 |
| TOTAL OTHER EXPENSES | $ 979,195 | $ 1,050,159 | $ 1,115,818 |
| TOTAL DIVISION EXPENSES | $ 979,195 | $ 1,050,159 | $ 1,115,818 |

# FY 2025 Security

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full Time | $ 114,684 | $ 126,244 | $ 129,443 |
| TOTAL WAGES | $ 114,684 | $ 126,244 | $ 129,443 |
| FICA | $ 8,774 | $ 9,707 | $ 10,178 |
| DEFINED CONTRIBUTION | 13,050 | 12,684 | 13,304 |
| HEALTH BENEFITS | - | - | - |
| DENTAL & VISION | 1,344 | 1,316 | 1,315 |
| LIFE INSURANCE | 767 | 822 | 971 |
| AUTO ALLOWANCE | 3,000 | 3,600 | 3,600 |
| TOTAL FRINGE BENEFITS | $ 26,935 | $ 28,129 | $ 29,368 |
| SECURITY SERVICES | $ 3,227,097 | $ 3,341,071 | $ 3,617,230 |
| TOTAL OTHER EXPENSES | $ 3,227,097 | $ 3,341,071 | $ 3,617,230 |
| TOTAL DIVISION EXPENSES | $ 3,368,716 | $ 3,495,444 | $ 3,776,041 |

# FY 2025 Transit Service Delivery and Planning Administration

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full Time | $ 370,651 | $ 429,884 | $ 414,088 |
| Intern | - | - | 14,450 |
| TOTAL WAGES | $ 370,651 | $ 429,884 | $ 428,538 |
| FICA | $ 24,474 | $ 28,432 | $ 29,203 |
| DEFINED CONTRIBUTION | 32,213 | 37,041 | 42,129 |
| HEALTH BENEFITS | 39,126 | 48,501 | 65,166 |
| DENTAL & VISION | 2,312 | 2,510 | 3,481 |
| LIFE INSURANCE | 2,225 | 2,467 | 2,545 |
| UNEMPLOYMENT | 10,115 | 22,079 | 20,400 |
| AUTO ALLOWANCE | 6,600 | 7,200 | 7,200 |
| OTHER FRINGES | 17,345 | 13,468 | 19,785 |
| TOTAL FRINGE BENEFITS | $ 134,410 | $ 161,698 | $ 189,909 |
| PROFESSIONAL SERVICES | $ 14,534 | $ - | $ - |
| OTHER MISC. EXPENSES | 8,372 | 11,946 | 24,000 |
| TOTAL OTHER EXPENSES | $ 22,906 | $ 11,946 | $ 24,000 |
| TOTAL DIVISION EXPENSES | $ 527,967 | $ 603,528 | $ 642,447 |

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# MAINTENANCE AND INFRASTRUCTURE

# FY 2025 Maintenance and Infrastructure Budget Summary

| | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| **Wages** | | | |
| Vehicle Maintenance | $ 8,155,492 | $ 9,089,377 | $ 8,975,325 |
| Infrastructure | 1,118,273 | 1,331,396 | 1,441,080 |
| Transit Customer Amenities | 707,341 | 883,139 | 951,754 |
| Warehouse | 714,404 | 833,538 | 880,811 |
| Administration | 410,546 | 451,494 | 598,842 |
| | $ 11,106,056 | $ 12,588,944 | $ 12,847,812 |
| **Fringe Benefits** | | | |
| Vehicle Maintenance | $ 3,360,248 | $ 3,659,422 | $ 4,034,624 |
| Infrastructure | 513,982 | 533,351 | 640,153 |
| Transit Customer Amenities | 333,022 | 423,447 | 420,606 |
| Warehouse | 314,913 | 368,598 | 405,293 |
| Administration | 166,080 | 176,681 | 246,030 |
| | $ 4,688,245 | $ 5,161,499 | $ 5,746,706 |
| **Other Expenses** | | | |
| Vehicle Maintenance | $ 6,595,360 | $ 7,345,671 | $ 7,001,240 |
| Infrastructure | 5,245,104 | 5,458,316 | 5,563,275 |
| Transit Customer Amenities | 95,689 | 129,940 | 128,300 |
| Warehouse | 28,576 | 34,929 | 26,500 |
| Administration | 6,799 | 8,112 | 7,500 |
| | $ 11,971,528 | $ 12,976,968 | $ 12,726,815 |
| **Total Maintenance and Infrastructure Budget** | $ 27,765,829 | $ 30,727,411 | $ 31,321,333 |
| **Fuel & Lubricants Budget** | $ 6,509,193 | $ 5,894,185 | $ 6,466,916 |

# FY 2025
# Vehicle Maintenance

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Fleet Managers | | | |
| Full-Time | $ 289,249 | $ 286,954 | $ 273,978 |
| Mechanics and Utilities | | | |
| Full-Time | 5,035,679 | 5,895,064 | 6,103,981 |
| Overtime | 959,902 | 960,283 | 560,356 |
| Vacation | 370,152 | 316,174 | 352,799 |
| Supervisors | | | |
| Full-Time | 1,452,043 | 1,564,743 | 1,644,211 |
| Additional Pay | 48,467 | 66,159 | 40,000 |
| TOTAL WAGES | $ 8,155,492 | $ 9,089,377 | $ 8,975,325 |
| FICA | $ 572,908 | $ 701,409 | $ 688,848 |
| PENSION | 880,133 | 1,091,707 | 1,089,919 |
| DEFINED CONTRIBUTION | 94,588 | 96,708 | 134,429 |
| HEALTH BENEFITS | 1,247,208 | 1,293,677 | 1,463,197 |
| DENTAL & VISION | 70,097 | 70,662 | 73,217 |
| LIFE INSURANCE | 18,001 | 18,886 | 21,358 |
| WORKERS' COMPENSATION | 289,654 | 247,649 | 386,509 |
| TOOL ALLOWANCE | 182,559 | 131,524 | 169,947 |
| AUTO ALLOWANCE | 5,100 | 7,200 | 7,200 |
| TOTAL FRINGE BENEFITS | $ 3,360,248 | $ 3,659,422 | $ 4,034,624 |

# FY 2025
# Vehicle Maintenance (cont'd)

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| TECHNICAL SERVICES | | | |
| Buses | $ 953,324 | $ 972,296 | $ 873,500 |
| Service Vehicles | 195,700 | 172,799 | 130,500 |
| MATERIALS & SUPPLIES | 5,355,732 | 6,111,238 | 5,914,240 |
| SMALL TOOLS | 83,274 | 81,338 | 75,000 |
| OTHER MISC. EXPENSES | 7,330 | 8,000 | 8,000 |
| TOTAL OTHER EXPENSES | $ 6,595,360 | $ 7,345,671 | $ 7,001,240 |
| TOTAL DIVISION EXPENSES | $ 18,111,100 | $ 20,094,470 | $ 20,011,189 |

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Facilities | | | |
| Full-Time | $ 129,032 | $ 235,682 | $ 242,523 |
| Intern | - | - | 14,450 |
| Supervisors and Technicians | | | |
| Full-Time | 403,912 | 482,640 | 543,377 |
| Additional Pay | 17,096 | 6,393 | 19,000 |
| Overtime | 16,236 | 10,839 | 12,100 |
| Custodians | | | |
| Full-Time | 498,148 | 549,494 | 565,305 |
| Overtime | 18,270 | 14,560 | 12,370 |
| Vacation | 35,579 | 31,788 | 31,955 |
| TOTAL WAGES | $ 1,118,273 | $ 1,331,396 | $ 1,441,080 |
| FICA | $ 82,018 | $ 93,238 | $ 110,518 |
| PENSION | 91,769 | 101,102 | 106,091 |
| DEFINED CONTRIBUTION | 43,802 | 72,471 | 71,688 |
| HEALTH BENEFITS | 199,375 | 195,760 | 223,897 |
| DENTAL & VISION | 10,552 | 11,339 | 12,140 |
| LIFE INSURANCE | 4,469 | 4,570 | 6,808 |
| WORKERS' COMPENSATION | 78,997 | 51,271 | 105,411 |
| AUTO ALLOWANCE | 3,000 | 3,600 | 3,600 |
| TOTAL FRINGE BENEFITS | $ 513,982 | $ 533,351 | $ 640,153 |

# FY 2025
# Infrastructure (cont'd)

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| PROFESSIONAL SERVICES | $ 294,487 | $ 341,206 | $ 435,204 |
| TECHNICAL SERVICES | | | |
| Farebox Revenue Equipment | 6,513 | 5,000 | 10,000 |
| Facility | 993,869 | 886,576 | 1,109,903 |
| Hazardous Material Removal | 188,606 | 200,401 | 130,000 |
| CNG Services | 273,776 | 273,018 | 265,577 |
| SECURITY SERVICES | 413,337 | 454,698 | 534,452 |
| MATERIALS & SUPPLIES | 473,906 | 420,556 | 448,210 |
| UTILITIES | 1,533,717 | 1,536,871 | 1,622,753 |
| PREM. PROPERTY INSURANCE | 74,056 | 79,102 | 87,014 |
| PROPERTY TAXES AND FEES | 605,906 | 916,214 | 593,444 |
| DEBT FINANCING | 7,141 | - | - |
| PROPERTY LEASE | 379,790 | 344,674 | 326,718 |
| TOTAL OTHER EXPENSES | $ 5,245,104 | $ 5,458,316 | $ 5,563,275 |
| TOTAL DIVISION EXPENSES | $ 6,877,359 | $ 7,323,063 | $ 7,644,508 |

# FY 2025
# Transit Customer Amenities

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 114,814 | $ 125,272 | $ 133,136 |
| Intern | 2,205 | 5,441 | 14,450 |
| Supervisors and Assistants | | | |
| Full-Time | 554,324 | 729,233 | 758,032 |
| Additional Pay | 2,268 | 1,712 | 2,692 |
| Overtime | 33,730 | 21,481 | 43,444 |
| TOTAL WAGES | $ 707,341 | $ 883,139 | $ 951,754 |
| FICA | $ 54,353 | $ 67,561 | $ 73,085 |
| PENSION | 84,815 | 99,410 | 84,581 |
| DEFINED CONTRIBUTION | 27,675 | 38,934 | 51,800 |
| HEALTH BENEFITS | 143,440 | 177,489 | 183,100 |
| DENTAL & VISION | 7,700 | 9,195 | 9,100 |
| LIFE INSURANCE | 4,719 | 5,008 | 6,556 |
| WORKERS' COMPENSATION | 6,583 | 22,250 | 8,784 |
| TOOL ALLOWANCE | 1,237 | - | - |
| AUTO ALLOWANCE | 2,500 | 3,600 | 3,600 |
| TOTAL FRINGE BENEFITS | $ 333,022 | $ 423,447 | $ 420,606 |
| TECHNICAL SERVICES | $ 15,532 | $ 22,236 | $ 25,000 |
| MATERIALS & SUPPLIES | 80,078 | 106,109 | 100,800 |
| OTHER MISC. EXPENSES | 79 | 1,595 | 2,500 |
| TOTAL OTHER EXPENSES | $ 95,689 | $ 129,940 | $ 128,300 |
| TOTAL DIVISION EXPENSES | $ 1,136,052 | $ 1,436,526 | $ 1,500,660 |

# FY 2025 Warehouse

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 101,361 | $ 125,259 | $ 127,466 |
| Intern | - | - | 14,025 |
| Parts Storekeepers | | | |
| Full-Time | 593,311 | 679,887 | 711,320 |
| Overtime | 19,732 | 28,392 | 28,000 |
| TOTAL WAGES | $ 714,404 | $ 833,538 | $ 880,811 |
| FICA | $ 52,681 | $ 66,859 | $ 68,002 |
| PENSION | 63,077 | 76,056 | 60,442 |
| DEFINED CONTRIBUTION | 35,545 | 45,447 | 57,269 |
| HEALTH BENEFITS | 143,485 | 160,657 | 198,117 |
| DENTAL & VISION | 8,632 | 8,407 | 9,195 |
| LIFE INSURANCE | 4,647 | 5,769 | 6,168 |
| UNIFORM ALLOWANCE | 3,846 | 1,803 | 2,500 |
| AUTO ALLOWANCE | 3,000 | 3,600 | 3,600 |
| TOTAL FRINGE BENEFITS | $ 314,913 | $ 368,598 | $ 405,293 |
| PROFESSIONAL SERVICES | $ - | $ 10,000 | $ 10,000 |
| MATERIALS & SUPPLIES | 28,570 | 24,779 | 16,000 |
| OTHER MISC. EXPENSES | 6 | 150 | 500 |
| TOTAL OTHER EXPENSES | $ 28,576 | $ 34,929 | $ 26,500 |
| TOTAL DIVISION EXPENSES | $ 1,057,893 | $ 1,237,065 | $ 1,312,604 |

# FY 2025
# Maintenance Administration

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 410,546 | $ 451,494 | $ 584,392 |
| Intern | - | - | 14,450 |
| TOTAL WAGES | $ 410,546 | $ 451,494 | $ 598,842 |
| FICA | $ 29,008 | $ 34,539 | $ 43,580 |
| PENSION | 13,931 | 15,279 | 12,444 |
| DEFINED CONTRIBUTION | 32,902 | 35,345 | 53,297 |
| HEALTH BENEFITS | 63,670 | 67,325 | 106,726 |
| DENTAL & VISION | 3,795 | 3,788 | 5,257 |
| LIFE INSURANCE | 2,632 | 2,717 | 3,926 |
| UNEMPLOYMENT | 13,542 | 10,488 | 10,000 |
| AUTO ALLOWANCE | 6,600 | 7,200 | 10,800 |
| TOTAL FRINGE BENEFITS | $ 166,080 | $ 176,681 | $ 246,030 |
| PROFESSIONAL SERVICES | $ 2,797 | $ 6,057 | $ - |
| OTHER MISC. EXPENSES | 4,002 | 2,055 | 7,500 |
| TOTAL OTHER EXPENSES | $ 6,799 | $ 8,112 | $ 7,500 |
| TOTAL DIVISION EXPENSES | $ 583,425 | $ 636,287 | $ 852,372 |

# FY 2025
# Fuel and Lubricants

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 | |
|---|---|---|---|---|
| FUEL | | | | |
| Diesel | $ 14,126 | $ 15,234 | $ 16,261 | (1) |
| Unleaded Gas | 3,187,490 | 3,144,086 | 3,366,924 | (2) |
| Compressed Natural Gas | 2,699,957 | 1,801,496 | 1,970,592 | (3) |
| Electricity | 285,894 | 601,988 | 733,139 | (4) |
| LUBRICANTS | 292,019 | 292,544 | 340,000 | |
| FUEL USE TAX & STORAGE FEE | 29,707 | 38,837 | 40,000 | |
| TOTAL OTHER EXPENSES | $ 6,509,193 | $ 5,894,185 | $ 6,466,916 | |
| TOTAL DIVISION EXPENSES | $ 6,509,193 | $ 5,894,185 | $ 6,466,916 | |

(1) Assumes $3.00 per gallon for diesel
(2) Assumes $4.50 per gallon for unleaded
(3) Assumes $1.60 per diesel gallon equivalent for CNG
(4) Assumes $0.28 per kWh for electric fuel

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# CUSTOMER RELATIONS AND COMMUNICATIONS

# FY 2025 Customer Relations and Communications

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 1,380,126 | $ 1,505,390 | $ 1,636,835 |
| Intern | 16,592 | 13,496 | 28,050 |
| TOTAL WAGES | $ 1,396,718 | $ 1,518,886 | $ 1,664,885 |
| FICA | $ 103,075 | $ 116,195 | $ 123,721 |
| PENSION | 51,695 | 50,346 | 39,354 |
| DEFINED CONTRIBUTION | 105,021 | 114,878 | 145,446 |
| HEALTH BENEFITS | 157,701 | 161,541 | 203,420 |
| DENTAL & VISION | 11,743 | 11,490 | 12,773 |
| LIFE INSURANCE | 8,638 | 8,906 | 11,527 |
| UNEMPLOYMENT | 339 | 509 | - |
| WORKERS' COMPENSATION | 4,828 | 9,190 | 6,442 |
| UNIFORM ALLOWANCE | 6,283 | 6,500 | 7,500 |
| AUTO ALLOWANCE | 17,350 | 14,400 | 14,000 |
| TOTAL FRINGE BENEFITS | $ 466,673 | $ 493,955 | $ 564,183 |
| ADVERTISING | | | |
| Promotions and Sponsorships | $ 130,370 | $ 130,000 | $ 172,500 |
| Media | 727,699 | 672,952 | 672,952 |
| PROFESSIONAL SERVICES | 91,989 | 115,000 | 151,890 |
| SCHEDULES PROD. & PRINTING | 117,203 | 205,000 | 185,000 |
| OTHER MISC. EXPENSES | 10,952 | 12,163 | 7,443 |
| TOTAL OTHER EXPENSES | $ 1,078,213 | $ 1,135,115 | $ 1,189,785 |
| TOTAL DIVISION EXPENSES | $ 2,941,604 | $ 3,147,956 | $ 3,418,853 |

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# RISK MANAGEMENT

# FY 2025
# Risk Management

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 422,957 | $ 652,982 | $ 740,647 |
| Intern | - | - | 14,025 |
| TOTAL WAGES | $ 422,957 | $ 652,982 | $ 754,672 |
| FICA | $ 31,166 | $ 49,953 | $ 59,107 |
| PENSION | 21,584 | 23,468 | 19,305 |
| DEFINED CONTRIBUTION | 26,450 | 44,156 | 65,132 |
| HEALTH BENEFITS | 69,038 | 93,628 | 118,394 |
| DENTAL & VISION | 2,294 | 3,471 | 4,268 |
| LIFE INSURANCE | 2,712 | 4,085 | 5,442 |
| WORKERS' COMPENSATION | - | - | 5,000 |
| AUTO ALLOWANCE | - | 6,750 | 7,200 |
| OTHER FRINGES | 15,359 | 25,000 | 18,500 |
| TOTAL FRINGE BENEFITS | $ 168,603 | $ 250,511 | $ 302,348 |
| PROFESSIONAL SERVICES | | | |
| Workers' Comp Admin. Svcs. | $ 392,650 | $ 414,810 | $ 482,000 |
| Temporary Help | 22,681 | 20,212 | 20,212 |
| PREM. PROPERTY INSURANCE | 58,785 | 59,673 | 156,468 |
| RECOVERY - PROPERTY CLAIMS | (156,652) | (241,024) | (160,000) |
| PREM. AUTO & GEN. LIAB. INS. | 1,412,099 | 1,636,746 | 1,895,000 |

# FY 2025
# Risk Management (cont'd)

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| CASUALTY & LIABILITY | $ 2,374,628 | $ 2,124,138 | $ 2,142,757 |
| OTHER INSURANCE | 612,407 | 675,181 | 598,000 |
| OTHER MISC. EXPENSES | 97,593 | 115,000 | 125,000 |
| TOTAL OTHER EXPENSES | $ 4,814,191 | $ 4,804,736 | $ 5,259,437 |
| TOTAL DIVISION EXPENSES | $ 5,405,751 | $ 5,708,229 | $ 6,316,457 |

# INFORMATION TECHNOLOGY

# FY 2025
# Information Technology

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 998,039 | $ 1,176,014 | $ 1,364,963 |
| Intern | - | - | 28,050 |
| TOTAL WAGES | $ 998,039 | $ 1,176,014 | $ 1,393,013 |
| FICA | $ 71,853 | $ 85,683 | $ 103,597 |
| PENSION | 174,940 | 180,984 | 88,373 |
| DEFINED CONTRIBUTION | 26,141 | 50,136 | 93,390 |
| HEALTH BENEFITS | 152,641 | 173,630 | 249,404 |
| DENTAL & VISION | 7,602 | 9,575 | 12,528 |
| LIFE INSURANCE | 6,365 | 7,928 | 9,512 |
| AUTO ALLOWANCE | 13,350 | 10,500 | 10,800 |
| TOTAL FRINGE BENEFITS | $ 452,892 | $ 518,436 | $ 567,604 |
| PROFESSIONAL SERVICES | $ 268,565 | $ 401,648 | $ 373,251 |
| TECHNICAL SERVICES | | | |
| Hardware Maintenance Contracts | 340,987 | 385,939 | 298,484 |
| Software Licenses | 2,151,419 | 2,005,624 | 2,125,624 |
| UTILITIES - Telephone | 648,918 | 495,061 | 495,061 |
| COMPUTER SUPPLIES | 215,642 | 250,000 | 275,000 |
| OTHER MISC. EXPENSES | 665 | - | 5,000 |
| TOTAL OTHER EXPENSES | $ 3,626,196 | $ 3,538,272 | $ 3,572,420 |
| TOTAL DIVISION EXPENSES | $ 5,077,127 | $ 5,232,722 | $ 5,533,037 |

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# INTERNAL BUSINESS FUNCTIONS

# FY 2025 Internal Business Functions Budget Summary

| | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| **Wages** | | | |
| Office of the CEO | $ 560,048 | $ 685,747 | $ 783,579 |
| Office of the DCEO | 294,335 | 495,169 | 516,350 |
| Finance and Budget | 1,642,643 | 2,073,501 | 2,493,505 |
| Government Relations | 567,626 | 177,955 | 235,889 |
| Organizational Development & Administration | 923,612 | 975,690 | 1,293,620 |
| Programs and Performance Management | - | - | 180,000 |
| Contracts and Procurement | 427,354 | 494,760 | 628,182 |
| Training and Development | 902,745 | 1,094,922 | 1,070,899 |
| | $ 5,318,363 | $ 5,997,744 | $ 7,202,024 |
| **Fringe Benefits** | | | |
| Office of the CEO | $ 157,656 | $ 250,017 | $ 311,857 |
| Office of the DCEO | 60,342 | 97,276 | 108,410 |
| Finance and Budget | 560,676 | 795,770 | 862,596 |
| Government Relations | 210,921 | 53,017 | 77,687 |
| Organizational Development & Administration | 553,929 | 516,821 | 777,874 |
| Programs and Performance Management | - | - | 58,530 |
| Contracts and Procurement | 119,671 | 133,753 | 199,353 |
| Training and Development | 436,424 | 498,787 | 478,980 |
| | $ 2,099,619 | $ 2,345,441 | $ 2,875,287 |
| **Other Expenses** | | | |
| Office of the CEO | $ 1,098,922 | $ 756,144 | $ 1,165,000 |
| Office of the DCEO | 318,153 | 39,081 | 203,000 |
| Finance and Budget | 440,174 | 629,367 | 406,600 |
| Government Relations | 154,023 | 133,075 | 199,000 |
| Organizational Development & Administration | 850,126 | 1,322,128 | 1,391,025 |
| Programs and Performance Management | 55,667 | 55,667 | 150,000 |
| Contracts and Procurement | 22,192 | 10,030 | 13,000 |
| Training and Development | 36,920 | 107,622 | 123,615 |
| | $ 2,976,177 | $ 3,053,114 | $ 3,651,240 |
| **Total Internal Business Functions Budget** | $ 10,394,159 | $ 11,396,299 | $ 13,728,551 |

# FY 2025
# Office of the CEO

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 560,048 | $ 685,747 | $ 769,554 |
| Intern | - | - | 14,025 |
| TOTAL WAGES | $ 560,048 | $ 685,747 | $ 783,579 |
| FICA | $ 26,496 | $ 31,585 | $ 45,205 |
| DEFINED CONTRIBUTION | 49,370 | 57,970 | 78,275 |
| HEALTH BENEFITS | 62,032 | 65,555 | 89,095 |
| DENTAL & VISION | 1,220 | 1,584 | 2,318 |
| LIFE INSURANCE | 2,065 | 2,501 | 3,764 |
| AUTO ALLOWANCE | 10,200 | 13,200 | 13,200 |
| OTHER FRINGES | 6,273 | 77,622 | 80,000 |
| TOTAL FRINGE BENEFITS | $ 157,656 | $ 250,017 | $ 311,857 |
| PROFESSIONAL SERVICES | | | |
| Consulting Services | $ 412,870 | $ 177,668 | $ 300,000 |
| General Legal Services | 210,643 | 192,000 | 220,000 |
| OTHER MISC. SERVICES | - | 3,837 | 5,000 |
| MATERIALS & SUPPLIES | 135,485 | 72,007 | 85,000 |
| DUES & SUBSCRIPTIONS | 170,111 | 174,191 | 205,000 |
| TRAVEL & MEETINGS | | | |
| Travel & Conferences | 67,536 | 108,483 | 150,000 |
| Seminars & Training | 85,954 | 5,709 | 170,000 |
| NTI Training | - | 7,500 | 5,000 |
| OTHER MISC. EXPENSES | 16,323 | 14,749 | 25,000 |
| TOTAL OTHER EXPENSES | $ 1,098,922 | $ 756,144 | $ 1,165,000 |
| TOTAL DIVISION EXPENSES | $ 1,816,626 | $ 1,691,908 | $ 2,260,436 |

# FY 2025
# Office of the Deputy CEO

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 294,335 | $ 495,169 | $ 516,350 |
| TOTAL WAGES | $ 294,335 | $ 495,169 | $ 516,350 |
| FICA | $ 22,036 | $ 27,707 | $ 32,647 |
| DEFINED CONTRIBUTION | 25,704 | 46,993 | 52,475 |
| HEALTH BENEFITS | 4,542 | 9,067 | 10,032 |
| DENTAL & VISION | 1,374 | 1,932 | 2,018 |
| LIFE INSURANCE | 1,786 | 3,177 | 2,838 |
| AUTO ALLOWANCE | 4,900 | 8,400 | 8,400 |
| TOTAL FRINGE BENEFITS | $ 60,342 | $ 97,276 | $ 108,410 |
| PROFESSIONAL SERVICES | $ 279,023 | $ 38,424 | $ 200,000 |
| OTHER MISC. SERVICES | 4,274 | - | - |
| TRAVEL & MEETINGS | 31,921 | - | - |
| OTHER MISC. EXPENSES | 2,935 | 657 | 3,000 |
| TOTAL OTHER EXPENSES | $ 318,153 | $ 39,081 | $ 203,000 |
| TOTAL DIVISION EXPENSES | $ 672,830 | $ 631,526 | $ 827,760 |

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 1,585,935 | $ 2,013,953 | $ 2,350,109 |
| Part-Time | 56,708 | 59,548 | 45,221 |
| Intern | - | - | 98,175 |
| TOTAL WAGES | $ 1,642,643 | $ 2,073,501 | $ 2,493,505 |
| FICA | $ 119,519 | $ 158,623 | $ 191,674 |
| PENSION | 115,366 | 157,676 | 132,275 |
| DEFINED CONTRIBUTION | 91,324 | 104,596 | 171,393 |
| HEALTH BENEFITS | 198,470 | 305,275 | 310,244 |
| DENTAL & VISION | 10,141 | 14,382 | 14,143 |
| LIFE INSURANCE | 10,106 | 14,521 | 16,667 |
| WORKERS' COMPENSATION | - | 17,897 | - |
| AUTO ALLOWANCE | 15,450 | 22,050 | 25,200 |
| UNIFORM ALLOWANCE | 300 | 750 | 1,000 |
| TOTAL FRINGE BENEFITS | $ 560,676 | $ 795,770 | $ 862,596 |
| PROFESSIONAL SERVICES | $ 300,025 | $ 497,369 | $ 269,100 |
| TECHNICAL SERVICES | 23,557 | 22,018 | 24,000 |
| OTHER MISC. SERVICES | 7,221 | 12,385 | 13,000 |
| BANKING SERVICES | 75,760 | 72,940 | 73,000 |
| BANKING SUPPLIES | 10,954 | 6,334 | 10,000 |
| OTHER MISC. EXPENSES | 4,296 | 2,500 | 2,500 |
| TICKET/PASS PRINTING | 18,361 | 15,821 | 15,000 |
| TOTAL OTHER EXPENSES | $ 440,174 | $ 629,367 | $ 406,600 |
| TOTAL DIVISION EXPENSES | $ 2,643,493 | $ 3,498,638 | $ 3,762,701 |

# FY 2025
# Government Relations

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 564,549 | $ 177,955 | $ 221,864 |
| Intern | 3,077 | - | 14,025 |
| TOTAL WAGES | $ 567,626 | $ 177,955 | $ 235,889 |
| FICA | $ 43,436 | $ 13,900 | $ 18,596 |
| PENSION | 36,618 | 2,203 | - |
| DEFINED CONTRIBUTION | 38,241 | 17,258 | 22,906 |
| HEALTH BENEFITS | 78,216 | 12,605 | 26,095 |
| DENTAL & VISION | 4,391 | 761 | 1,226 |
| LIFE INSURANCE | 3,719 | 1,190 | 1,664 |
| AUTO ALLOWANCE | 6,300 | 5,100 | 7,200 |
| TOTAL FRINGE BENEFITS | $ 210,921 | $ 53,017 | $ 77,687 |
| PROFESSIONAL SERVICES | $ 152,943 | $ 132,875 | $ 194,000 |
| OTHER MISC. SERVICES | 1,080 | 200 | 5,000 |
| TOTAL OTHER EXPENSES | $ 154,023 | $ 133,075 | $ 199,000 |
| TOTAL DIVISION EXPENSES | $ 932,570 | $ 364,047 | $ 512,576 |

# FY 2025 Organizational Development and Administration

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 837,090 | $ 894,646 | $ 1,216,725 |
| Part-Time | 86,522 | 81,044 | 48,845 |
| Intern | - | - | 28,050 |
| TOTAL WAGES | $ 923,612 | $ 975,690 | $ 1,293,620 |
| FICA | $ 66,774 | $ 67,142 | $ 104,056 |
| PENSION | 46,579 | 54,982 | 44,433 |
| DEFINED CONTRIBUTION | 54,105 | 58,039 | 100,896 |
| HEALTH BENEFITS | 105,329 | 165,862 | 238,772 |
| PRESCRIPTION REIMBURSEMENT | - | 300 | 1,000 |
| DENTAL & VISION | 6,296 | 8,435 | 10,948 |
| LIFE INSURANCE | 5,487 | 5,934 | 8,719 |
| AUTO ALLOWANCE | 11,800 | 11,550 | 14,400 |
| OTHER FRINGES | 257,559 | 144,577 | 254,650 |
| TOTAL FRINGE BENEFITS | $ 553,929 | $ 516,821 | $ 777,874 |
| PROFESSIONAL SERVICES | $ 522,736 | $ 1,014,954 | $ 1,054,050 |
| EMPLOYMENT PHYSICALS | 126,476 | 106,084 | 110,000 |
| PRE-EMPLOYMENT PROCESSING | 76,640 | 98,000 | 106,000 |
| RECRUITMENT EXPENSES | 124,093 | 101,348 | 101,475 |
| OTHER MISC. EXPENSES | 181 | 1,742 | 19,500 |
| TOTAL OTHER EXPENSES | $ 850,126 | $ 1,322,128 | $ 1,391,025 |
| TOTAL DIVISION EXPENSES | $ 2,327,667 | $ 2,814,639 | $ 3,462,519 |

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ - | $ - | $ 180,000 |
| TOTAL WAGES | $ - | $ - | $ 180,000 |
| FICA | $ - | $ - | $ 13,168 |
| DEFINED CONTRIBUTION | - | - | 18,720 |
| HEALTH BENEFITS | - | - | 17,508 |
| DENTAL & VISION | - | - | 734 |
| LIFE INSURANCE | - | - | 1,200 |
| AUTO ALLOWANCE | - | - | 7,200 |
| TOTAL FRINGE BENEFITS | $ - | $ - | $ 58,530 |
| PROFESSIONAL SERVICES | $ 55,667 | $ 55,667 | $ 150,000 |
| TOTAL OTHER EXPENSES | $ 55,667 | $ 55,667 | $ 150,000 |
| TOTAL DIVISION EXPENSES | $ 55,667 | $ 55,667 | $ 388,530 |

# FY 2025
# Contracts and Procurement

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 427,354 | $ 494,760 | $ 614,157 |
| Intern | - | - | 14,025 |
| TOTAL WAGES | $ 427,354 | $ 494,760 | $ 628,182 |
| FICA | $ 33,135 | $ 34,247 | $ 48,331 |
| DEFINED CONTRIBUTION | 43,386 | 45,232 | 61,776 |
| HEALTH BENEFITS | 34,112 | 44,381 | 77,146 |
| DENTAL & VISION | 3,214 | 3,243 | 3,978 |
| LIFE INSURANCE | 2,974 | 3,050 | 4,522 |
| AUTO ALLOWANCE | 2,850 | 3,600 | 3,600 |
| TOTAL FRINGE BENEFITS | $ 119,671 | $ 133,753 | $ 199,353 |
| PROFESSIONAL SERVICES | $ 21,928 | $ 8,640 | $ 10,000 |
| OTHER MISC. SERVICES | 264 | 1,390 | 3,000 |
| TOTAL OTHER EXPENSES | $ 22,192 | $ 10,030 | $ 13,000 |
| TOTAL DIVISION EXPENSES | $ 569,217 | $ 638,543 | $ 840,535 |

# FY 2025
# Training and Development

| EXPENDITURE DESCRIPTION | ACTUAL FY 2023 | ESTIMATED FY 2024 | PROPOSED FY 2025 |
|---|---|---|---|
| WAGES | | | |
| Full-Time | $ 205,726 | $ 217,398 | $ 221,752 |
| Supervisors | | | |
| Full-Time | 695,925 | 877,524 | 849,147 |
| Additional Pay | 1,094 | - | - |
| TOTAL WAGES | $ 902,745 | $ 1,094,922 | $ 1,070,899 |
| FICA | $ 62,850 | $ 83,762 | $ 82,199 |
| PENSION | 204,957 | 224,504 | 194,445 |
| DEFINED CONTRIBUTION | 4,315 | 10,156 | 10,227 |
| HEALTH BENEFITS | 149,768 | 164,927 | 171,941 |
| DENTAL & VISION | 8,665 | 9,122 | 9,006 |
| LIFE INSURANCE | 5,869 | 6,316 | 7,562 |
| AUTO ALLOWANCE | - | - | 3,600 |
| TOTAL FRINGE BENEFITS | $ 436,424 | $ 498,787 | $ 478,980 |
| PROFESSIONAL SERVICES | $ 25,833 | $ 95,710 | $ 108,475 |
| MATERIALS & SUPPLIES | 11,042 | 11,680 | 14,645 |
| OTHER MISC. EXPENSES | 45 | 232 | 495 |
| TOTAL OTHER EXPENSES | $ 36,920 | $ 107,622 | $ 123,615 |
| TOTAL DIVISION EXPENSES | $ 1,376,089 | $ 1,701,331 | $ 1,673,494 |

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# CAPITAL PROGRAM

# FY 2025 Capital Budget Overview

## CAPITAL PROGRAM

The purpose of the Capital Program is to provide a long-term planning and budgeting process that enables LBT to ensure capital funding needs are identified in advance of the purchase or replacement of its assets. Capital funding supports the maintenance, improvement, and enhancement of LBT's fleet, equipment, customer amenities, and infrastructure. Capital projects are defined as expenditures or projects with an estimated useful life of one year or more and a total cost of at least $10,000.

## CAPITAL PROJECT IMPACTS ON OPERATING BUDGET



The long-term Capital Program helps LBT to operate more effectively in the future. The impact on the operating budget is an area that is carefully considered when evaluating projects. The individual projects include an estimated future operating budget impact to identify the cost of the project's life cycle. LBT considers the future operating, maintenance and replacement costs when deciding which projects to recommend for inclusion in the capital budget. Any new operating expenses associated with the approved new capital projects are addressed in the operating budget.

### Significant Capital Projects and Operating Impacts for FY 2025 – FY 2027

| Description | Capital Investment (in millions) | Annual Impact Fiscal Year(s) |
|---|---|---|
| ERP/EAM Software Replacement | $17.01 | 2025-2027 |
| Bus Rehabilitation | $17.04 | 2025-2027 |
| Bus Replacement | $44.10 | 2025-2027 |
| Bus Charging Infrastructure Expansion | $32.80 | 2025-2027 |

## STATE OF GOOD REPAIR/TRANSIT ASSET MANAGEMENT

The Bipartisan Infrastructure Law continues FTA's Transit Asset Management (TAM) program. The TAM program asks transit agencies to implement strategic approaches to monitoring, maintaining, and replacing transit assets. FTA's TAM rule (49 CFR Part 625) requires transit agencies to develop a compliant TAM Plan, set performance targets for capital assets, create data and narrative reports on performance measures, as well as coordinate with their planning partners. TAM is a business model that uses the condition of assets to guide the optimal prioritization of funding at transit properties in order to keep the nation's transit networks in a State of Good Repair (SGR).

SGR is the condition in which a capital asset is able to operate at a full level of performance.

This means the asset:

- Is able to perform its designed function
- Does not pose a known unacceptable safety risk
- Met and recovered its life cycle investment

Each transit provider must designate an Accountable Executive. Tier I providers must also develop their own TAM Plan. LBT is considered a Tier I provider, by definition, as it has more than 101 vehicles across all fixed-routes modes.

LBT is committed to keeping its assets in a state of good repair during their lifecycle, which allows LBT to fulfill its mission of: ***Dedicated to connecting communities and moving people…making everyday life better.*** LBT regularly reviews the condition of its assets, evaluates performance targets and uses its decision support tools to make cost effective decisions in the development of its capital plan.

## CAPITAL BUDGETING PROCESS



Annually, a Capital Call is conducted to solicit internal capital project requests from LBT project managers. The capital budget is a three-year rolling plan that includes capital projects that are developed in alignment with LBT's Capital Strategic Focus and are in support of the agency's state of good repair initiative, TAM Plan and future needs of the agency.

After receiving the projects, the Capital Budgeting Team conducts meetings with the project managers. This allows for a deeper understanding of the projects that will be evaluated for recommendation into the upcoming capital budget.

LBT's KPI team, consisting of cross-departmental staff members, evaluates and scores all of the projects. The evaluation criteria look at how the project aligns with the Capital Strategic Focus and the three levels of the Capital Strategic Priorities (Essential, Priority and Value Added). Within these categories, essential projects are funded first, followed by priority projects. Value- added projects are funded last, and if they cannot be funded in the capital budget, LBT's Government Relations staff can then seek other funding sources through a discretionary grant application.




Upon review of all projects, the capital budgeting team and the KPI team recommends funding levels for each of the projects. These recommendations are brought before the ELT.

The ELT reviews the projects and recommendations of the KPI team to ensure that the capital budget best reflects LBT's Strategic Priorities and Capital Strategic Focus. For customers, it means the agency is prioritizing spending on projects that positively impact customers.

The agency considers all projects requested in the three-year capital call when selecting the projects for inclusion in the annual capital budget. The purpose of the capital budget is to provide for the maintenance and timely replacement of capital, plant and equipment.

Capital project proposals will include complete, reliable and attainable cost estimates. Inflationary allowances are incorporated for projects undertaken in subsequent fiscal years. Project contingencies are included in the project budget to account for the uncertainty of the current economic environment and unforeseen circumstances requiring additional funds to complete the project within the original project scope.

## CAPITAL STRATEGIC FOCUS

All capital projects are developed using the following Capital Strategic Focus elements:

| | |
|---|---|
| **Focus I:** | Improving Safety and Security |
| **Focus II:** | Enhancing Customer Amenities |
| **Focus III:** | Rehabilitating and Maintaining Assets |
| **Focus IV:** | Modifying and Expanding Facilities |
| **Focus V:** | Replacing and Expanding Fleet |
| **Focus VI:** | Upgrading Technology |

These categories refine the selection of the most vitally important projects that promote reliable and high-quality service to LBT customers at the lowest cost possible. The cost savings achieved by the increased efficiencies are reinvested for future improvement and growth of LBT.

## CAPITAL STRATEGIC PRIORITIES

All proposed projects are prioritized and ranked based on the following categories:

- 

I: **ESSENTIAL** – Projects that cannot reasonably be postponed in order to avoid harmful or otherwise undesirable consequences.

- Required for operation to provide core services to customers
- Corrects a condition dangerous to health or safety
- Alleviates an emergency service disruption or deficiency
- Prevents irreparable damage to a valuable customer facility
- Satisfies a legal obligation

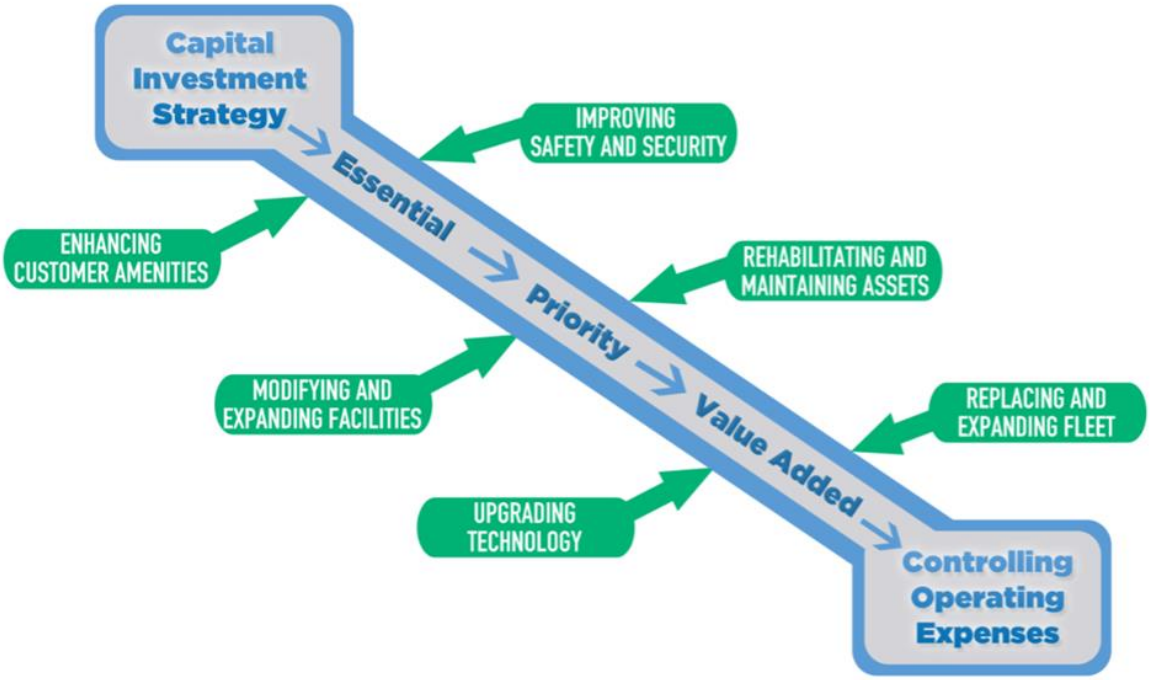
II: **PRIORITY** – Projects that address clearly demonstrated needs or objectives.

- Rehabilitates or replaces an obsolete customer facility
- Reduces future operating and maintenance costs
- Increases efficiency of operation
- Maintains assets in a like-new condition

III: **VALUE ADDED** – Projects that are beneficial but may be delayed without detrimental effects to basic services.

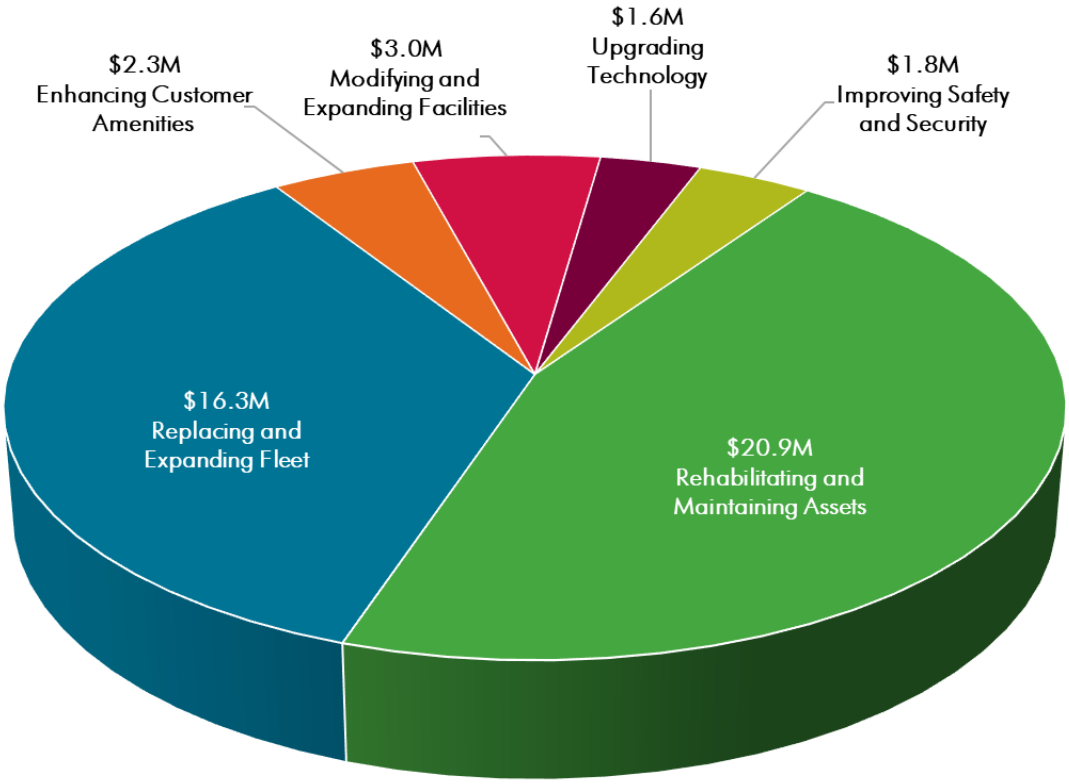
- Provides a new or expanded level of service
- Promotes intergovernmental cooperation
- Reduces energy consumption
- Enhances cultural or natural resources

The graphic below depicts LBT's Capital Strategic Focus:




## CAPITAL ANALYSIS PROCESS

## FY 2025 PROPOSED BUDGET BY CAPITAL STRATEGIC FOCUS




**$45.8M**

# FY 2025 Capital Program Funding Sources

## FY 2025–FY 2027 CAPITAL PROGRAM FUNDING SOURCES

| FY 2025 – FY 2027 CAPITAL REVENUE BY FUNDING SOURCE | | | | | | |
|---|---|---|---|---|---|---|
| Funding Source | Approved FY 2024 | Estimated FY 2025 | Estimated FY 2026 | Estimated FY 2027 | Estimated FY25 – FY27 | |
| FEDERAL | $ 29,062,458 | $ 24,199,932 | $ 20,638,344 | $ 21,236,856 | $ 66,075,132 | (1) |
| STATE | $ 768,086 | $ 16,335,180 | $ 14,396,865 | $ 1,461,400 | $ 32,193,445 | (2) |
| LOCAL | $ 5,669,622 | $ 5,308,462 | $ 6,155,189 | $ 5,591,359 | $ 17,055,010 | (3) |
| PRIOR YEAR REALLOCATIONS | $ 2,405,793 | $ - | $ - | $ - | $ - | (4) |
| TOTAL CAPITAL BUDGET | $37,905,959 | $45,843,574 | $41,190,398 | $28,289,615 | $115,323,587 | |

(1) Federal dollars for FY2024 include annual 5307 programmed funding and discretionary 15% & 1% Bus Operator Subcommittee funding.

(2) State dollars include funding for a SB1 State of Good Repair funding and Transit Development Act (TDA) Capital funding.

(3) Local funding includes Prop C 40% Discretionary funds (MOSIP) and Measure R funding (Even years only).

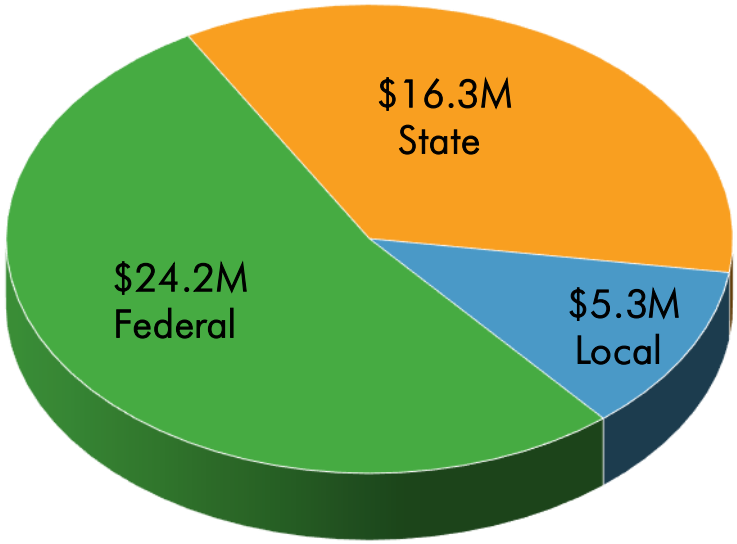
(4) Capital grant funds designated for reallocation in FY 2025 are carryover funds from a variety of projects including facility, information technology and security projects. LBT is not recognizing and reallocated funds from previous years as these funds have been reallocated throughout FY2024.

## COMPARISON TO FY 2024

- The FY 2025 Capital Program funding sources consist of $24.20 million in federal, $16.34 million in state, $5.31 million in local
- State funds increased for FY 2025 because the agency claimed $15.00 million of the Transit Development Act (TDA) allocation for capital expenditures in FY 2025
- Local funds decreased for FY 2025 because the Measure R Clean Fuel Bus Capital Facilities and Rolling Stock Fund is allocated in even years. Next allocation will be received in FY 2026
- In FY 2025, LBT is not recognizing any funds to be reallocated from FY 2024. The funds that became available were reallocated to projects throughout FY 2024

# FY 2025 Capital Program Funding Sources (cont'd)

## FY 2025 Capital Program Funding Sources $45,843,574




**FEDERAL (FTA 5307/5339, FHWA FBP)** $ 24,199,932

Federal Section 5307 Formula Funds (Urbanized Formula) - These funds are allocated by the Federal Transit Administration (FTA) to Los Angeles County transit operators on a formula basis. Eighty-five (85) percent is distributed by Formula Allocation Process (FAP). LBT receives a majority of these funds for bus replacement, bus expansion, facility modernization and bus stop rehabilitation/improvements. The federal dollars include additional funding for specific capital projects - Bus Operator Subcommitee (BOS) competitive discretionary awards.

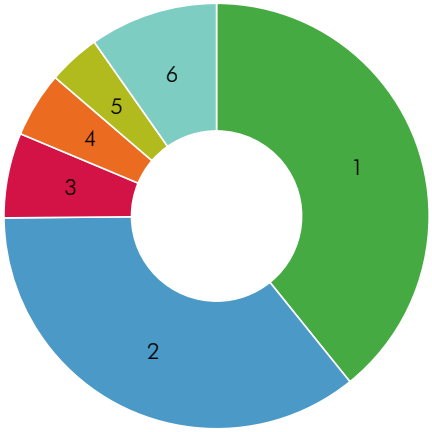
**STATE (SB1-SGR)** $ 16,335,180

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 includes a program that will provide additional revenues for transit infrastructure repair and service improvements. This investment in public transit is referred to as the State of Good Repair program. These funds are made available for eligible transit maintenance, rehabilitation and capital projects.

**COUNTY (MOSIP, MEASURE-R CAPITAL)** $ 5,308,462

Proposition C 40% Discretionary – These funds are comprised of several funding sources such as Municipal Operator Service Improvement Program (MOSIP) and Measure R. These funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) rehabilitation or replacement.

# FY 2025 Capital Projects Allocation




$45,843,574

## 1. BUS REHABILITATION

Mid-life rehabilitation of buses.

| | | |
|---|---|---|
| TOTAL | $ | 17,974,272 |

## 2. BUS REPLACEMENT

Replacement of aging buses. The proposed funds will be used to replace gasoline electric hybrid buses, replacement buses purchased will be zero emission buses

| | | |
|---|---|---|
| TOTAL | $ | 16,344,871 |

## 3. FACILITIES

Projects related to the improvements of the new LBT Corporate Office , modernization of LBT's Administrative, Operations and Maintenance Facility (LBT1) on Cherry Ave. and Anaheim St. and various other facility related projects at LBT1, LBT2.

| | | |
|---|---|---|
| TOTAL | $ | 2,959,503 |

## 4. CUSTOMER AMENITIES

Replacement of bus stop amenities such as shelters, solar lighting, benches and real-time information signage.

| | | |
|---|---|---|
| TOTAL | $ | 2,275,690 |

## 5. SAFETY AND SECURITY

This category consists of Safety and Security Equipment.

| | | |
|---|---|---|
| TOTAL | $ | 1,815,484 |

## 6. OTHER

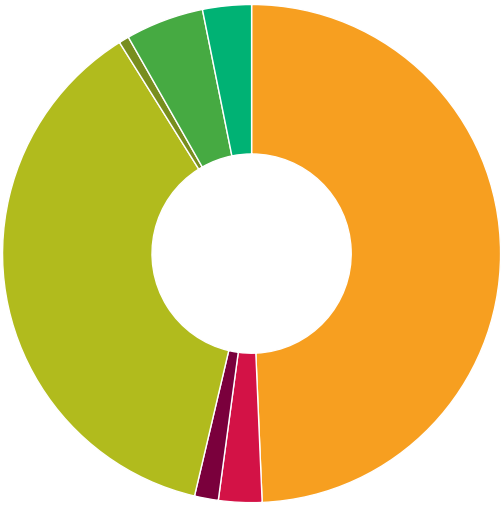
Upgrading Technology and Rehabilitating and Maintaining Ferries

| | | |
|---|---|---|
| TOTAL | $ | 4,473,754 |

# FY 2025 Capital Projects Allocation (cont'd)

## BUDGET COMPARISON

APPROVED FY 2024 BUDGET

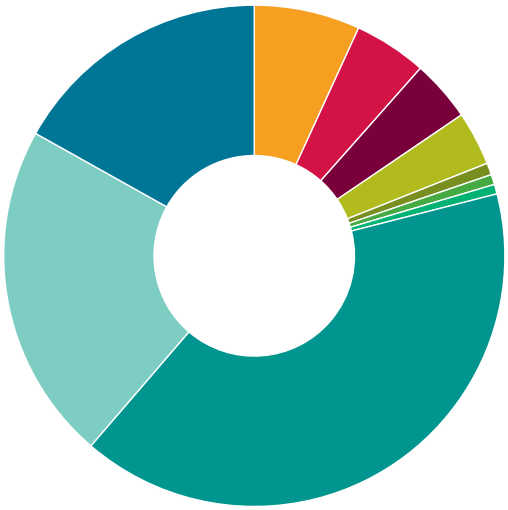


**$37,905,959**

- FACILITY IMPROVEMENTS, $ 18.70M
- BUS STOP AMENITIES, $ 1.07M
- SAFETY & SECURITY, $ 0.59M
- INFORMATION TECHNOLOGY, $ 14.18M
- SHOP EQUIPMENT, $ 0.25M
- BUS COMPONENTS, $ 1.92M
- NON-REVENUE/DAL VEHICLES, $ 1.20M

## FY2025 Capital Budget

TOTAL FY 2025 PROPOSED BUDGET

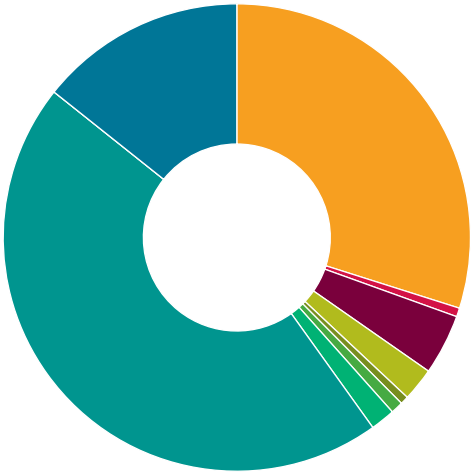


**$45,843,574**

- FACILITY IMPROVEMENTS, $ 3.13M
- BUS STOP AMENITIES, $ 2.15M
- SAFETY & SECURITY, $ 1.82M
- INFORMATION TECHNOLOGY, $ 1.60M
- SHOP EQUIPMENT, $ 0.35M
- BUS COMPONENTS, $ 0.30M
- NON-REVENUE/DAL VEHICLES, $ 0.28M
- REVENUE VEHICLES, $ 18.47M
- PREVENTIVE MAINTENANCE, $ 10.00M
- BUS REHABILITATION, $ 7.74M

# FY 2025 Capital Projects Allocation (cont'd)

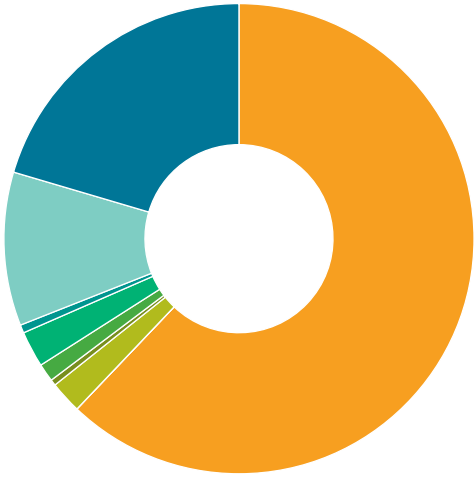
## FY 2026 Estimated Capital Projects



$41,190,398

- FACILITY IMPROVEMENTS, $ 12.31M
- BUS STOP AMENITIES, $ 0.25M
- SAFETY & SECURITY, $ 1.73M
- INFORMATION TECHNOLOGY, $0.95M
- SHOP EQUIPMENT, $ 0.23M
- BUS COMPONENTS, $ 0.35M
- NON-REVENUE/DAL VEHICLES, $ 0.70M
- REVENUE VEHICLES, $ 18.78M
- BUS REHABILITATION, $ 5.89M

## FY 2027 Estimated Capital Projects



$28,289,615

- FACILITY IMPROVEMENTS, $ 17.57M
- INFORMATION TECHNOLOGY, $ 0.62M
- SHOP EQUIPMENT, $ 0.12M
- BUS COMPONENTS, $ 0.35M
- NON-REVENUE/DAL VEHICLES, $ 0.70M
- REVENUE VEHICLES, $ 0.16M
- PREVENTIVE MAINTENANCE, $ 2.99M
- BUS REHABILITATION, $ 5.78M

## CAPITAL PROJECT UPDATE – Bus Replacement Program

### Overview/Status:

LBT is progressively working to replace its older model, less energy efficient buses to meet the needs of its customers throughout its over 107 square mile service area. LBT currently has a fleet of 250 buses. The fleet (both revenue and contingency) is made up of 81 Hybrid Gas-Electric, 125 CNG and 44 Battery-electric buses. LBT is committed to a Zero-Emission Bus Fleet by replacing older model, less efficient buses with its Bus Replacement Program.

### FY2025 Planned Deliverables:

In March 2022, the LBT Board of Directors authorized LBT to enter into a contract with BYD of America for the purchase of five Over the Road Coaches. Buses are currently in final production and LBT is expecting delivery in spring/summer of 2024.

LBT is working from a State Bus Procurement Contract in order to expedite the procurement and delivery of the next 20 Battery-Electric Buses. LBT expects to receive a proposal from the bus manufacturer under this contract in spring 2024 and will start working on contract terms.




### Estimated Expenditures

| Fund Type | FY2025 | FY2026 | FY2027 |
|---|---|---|---|
| Federal 5307 | $ 8,977,228 | $ 13,465,841 | $ 7,474,503 |
| Other Federal | $ 830,987 | $ 1,246,480 | $ 1,332,037 |
| State Bonds | | | |
| State TIRCP | $ 6,451,000 | | |
| Other State | $ 102,650 | $ 153,975 | $ 989,689 |
| Local Funds | $ 89,134 | $ 133,700 | $ 546,466 |
| | $ 16,450,998 | $ 14,999,997 | $ 10,342,695 |

| | |
|---|---|
| **Impact on Operating Budget** | The impact on the operating budget will decrease as new zero-emission buses replace older less efficient buses in fleet. |

## CAPITAL PROJECT UPDATE – Mid-life Bus Rehabilitation

**Overview/Status:**

LBT must maintain a bus for 12 years and/or for 500,000 miles pursuant to Federal Transit Administration funding recipient requirements. The agency is anticipating starting the rehabilitation process of the next series of buses, 13 60' Articulated CNG buses, in summer 2024.

To ensure LBT's buses are in a like-new condition, the midlife rehabilitation includes refurbishments of interior/exterior paint, exterior decals, interior/exterior lighting and vehicle fire suppression recertification. In addition to the refurbishment, these buses will receive a modern eco-friendly replacement engine.

**FY2025 Planned Deliverables:**

LBT is preparing to award a contract for the 13 60' Articulated CNG buses to go through the Mid-life Rehabilitation. LBT anticipates starting this process in summer 2024.

LBT is also working on a scope of work for the next series of buses that will go through a Mid-life Rehabilitation. The forty (40) 40' CNG, 1800 series buses are expected to start this process in summer of 2025.

Additional bus series' will be incorporated in to the Mid-life Rehabilitation as they reach the mid-point of ther useful service life.




**Estimated Expenditures**

| Fund Type | FY2025 | FY2026 | FY2027 |
|---|---|---|---|
| Federal 5307 | | | |
| Other Federal | | | |
| State Funds | $ 5,148,380 | | |
| Local Funds | $ 330,754 | $ 5,779,584 | $ 5,779,584 |
| | | | |
| | | | |
| | $ 5,479,134 | $ 5,779,584 | $ 5,779,584 |
| **Impact on Operating Budget** | Operating costs will decrease as the refurbished buses will have newer parts and engines which will lower their failure rates and unscheduled maintenance. | | |

## CAPITAL PROJECT UPDATE – Customer Amenities

**Overview/Status:**

Long Beach Transit provides public transportation services to more than 17 million onboarding customers in southeastern Los Angeles County and northwestern Orange County. With a service area covering more than 107 square miles across 14 cities, LBT has nearly 1900 active bus stop locations. Less than a quarter of those locations have bus stop shelters and 81 percent (or 367) are in the City of Long Beach. Bus stops are the gateway to the LBT public transit system. They are part of the built environment that help customers travel from one point to another and enable connectivity to other transit systems in the region. Providing bus stops that are safe, inviting, and equitably accessible for existing and new customers can help improve the transit experience and encourage ridership.

**FY2025 Planned Deliverables:**

The LBT Customer Amenities team is working to combine a scope of work for the Cherry Avenue, Long Beach Blvd. and Atlantic Avenue corridors. This one large project should attract a number of vendors for a competitive solicitation.

LBT is evaluating proposals for the Transit Gallery Improvements Design project. The purpose of the Transit Gallery Improvement is to upgrade technology, lighting and wayfinding to improve safety, service quality and the customer experience at Long Beach Transit's mobility hub.




**Estimated Expenditures**

| Fund Type | FY2025 | FY2026 | FY2027 |
|---|---|---|---|
| Federal 5307 | $ 1,098,037 | $ 1,777,500 | $ 2,058,358 |
| Other Federal | | | |
| State LCTOP | $ 434,975 | | |
| Local Funds | $ 274,509 | $ 444,375 | $ 289,609 |
| | $ 1,807,521 | $ 2,221,875 | $ 2,347,967 |
| **Impact on Operating Budget** | By updating to newer equipment and lighting at the bus stops, LBT will be able to avoid repairs which will have a positive impact on operating budget. | | |

## CAPITAL PROJECT UPDATE – LBTCO

### Overview/Status:

LBT's administrative staff moved into the new corporate offices in January and February 2024. LBT continues to pursue additional tenants to occupy spaces throughout the building. LBT has partnered with a professional leasing company to help in these efforts.

Upgrades to the LBT occupied spaces on three floors of the building have been completed, although more upgrade will continue throughout the next fiscal year. Upgrades to LBT occupied spaces include construction of offices, meeting rooms, copy rooms, elevators and elevator lobbies. The Rosa Parks Board Chambers were officially dedicated in December 2023.

### FY2025 Planned Deliverables:

In FY 2025, a major focus for the agency will be furnishing a state-of-the-art building for LBT staff and future tenants. In the coming year, LBT plans to renovate the building lobby and breakroom and enhance the landscaping with outdoor seating areas for tenants and LBT staff.

Renovations to amenities will further align LBT facilities to industry standards and will serve as an investment in attracting future tenants. In FY 2025, the agency aims to achieve a balanced budget between leasing revenue and increasing operating costs.




### Estimated Expenditures

| Fund Type | FY2025 | FY2026 | FY2027 |
|---|---|---|---|
| Federal 5307 | | | |
| Other Federal | | | |
| State MSRC | | | |
| Local Funds | $ 2,857,306 | $ 1,643,184 | $ 234,489 |
| | | | |
| | $ 2,857,306 | $ 1,643,184 | $ 234,489 |
| **Impact on Operating Budget** | LBT is actively seeking tenants to occupy the vacant floors of the building. Lease revenue generated will contribute toward offsetting operating expense for the upkeep of the building. | | |

## CAPITAL PROJECT UPDATE – ERP/EAM Replacement

**Overview/Status:**

During FY 2024, LBT successfully released a Request for Proposal (RFP) for a new, enterprise-wide ERP/EAM system. Following a thorough evaluation, a select group of software companies were invited to present how their products and services would meet LBT's ERP and EAM system modernization needs.

**FY2025 Planned Deliverables:**

In FY 2025, LBT will transition to the next phase of the ERP/EAM system procurement process. This fiscal year, the project will achieve the following objectives:

* Award of the enterprise-wide ERP/EAM system anticipated for Fall 2024, followed by a project kick-off

* Agency Alignment of internal and consultant resources to manage the implementation process

* Collaboration with selected implementation team to review business workflows, enhance efficiency, improve data collection and reporting, and integrate new and existing software systems.




**Estimated Expenditures**

| Fund Type | FY2025 | FY2026 | FY2027 |
|---|---|---|---|
| Federal 5307 | $ 8,017,854 | $ 9,874,616 | |
| Other Federal | | | |
| State Bonds | | | |
| State TIRCP | | | |
| Other State | | | |
| Local Funds | | | |
| | $ 8,017,854 | $ 9,874,616 | |
| **Impact on Operating Budget** | Operating expenses will increase as more software licenses will be required in the future. | | |

## CAPITAL PROJECT UPDATE – Charging Station Expansion

**Overview/Status:**

LBT's goal is to have an all Zero-Emission Fleet by 2030. In order for this Zero-Emission Fleet to be incorporated, LBT must have the appropriate infrastructure in place. The Battery Charging Station Expansion Project will enable LBT to increase the capacity of the Anaheim Street facility to 125 charging stations.

**FY2025 Planned Deliverables:**

LBT is currently working to release a new procurement for A&E design services. This will provide LBT with conceptual drawings that will enable LBT to hire a construction manager to work with LBT Staff throughout the process of construction.

Further in FY25, LBT will be looking to put a solicitation out for construction services that will provide the installation of the charging infrastructure.



**Estimated Expenditures**

| Fund Type | FY2025 | FY2026 | FY2027 |
|---|---|---|---|
| Federal 5307 | | $ 487,500 | $ 18,468,933 |
| Other Federal | | | |
| State – TDA | $ 362,500 | $ 350,000 | $ 13,131,067 |
| Local Funds | | | |
| | | | |
| | | | |
| | $ 362,500 | $ 837,500 | $ 31,600,000 |

| | |
|---|---|
| **Impact on Operating Budget** | The Charging Station Expansion will have a positive impact on the operating budget as the cost for charging Battery-Electric buses is lower than for gasoline or Compressed Natural Gas. |

# GLOSSARY

### Accrual Accounting

A method of accounting where revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

### Balanced Budget

A budget in which operating expenses are equal to operating revenues.

### Capital Expenditure

Expenditures or projects with an estimated useful life of one year or more and a total cost of at least $10,000.

### Core Business Category

The essential functions that drive LBT. Departments are grouped together within these categories.

### Department

Unit of organization structure, responsible for specific functions or duties.

### Enterprise Fund

A fund type used to account for "business- type activities"— activities similar to those found in the private sector. The fund structure utilized by LBT to report financial activities.

### Fiscal Year

Period of any 12 consecutive months used as an accounting period. LBT's fiscal year is July 1 through June 30.

### Net Position

Generally defined as the difference between assets and liabilities. An adequate net position is necessary for various reasons, such as to have funds available in case of an emergency or unexpected events, to provide cash for operations prior to receipt of revenues, and to maximize investment earnings.

### Preventive Maintenance

All the activities, supplies, materials, labor, services and associated costs required to preserve or extend the functionality and serviceability of the assets in a cost-effective manner.

# Acronyms

**ADA**
Americans with Disabilities Act

**AFSCME**
American Federation of State, County and Municipal Employees

**ARPA**
American Rescue Plan Act

**ATU**
Amalgamated Transit Union

**BEB**
Battery-Electric Bus

**BSIP**
Bus System Improvement Program

**CARES**
Coronavirus Aid, Relief and Economic Security Act

**CNG**
Compressed Natural Gas

**CPI**
Consumer Price Index

**CRRSAA**
Coronavirus Response and Relief Supplemental Appropriations Act

**CSULB**
California State University, Long Beach

**CTTC**
California Transit Training Consortium

**EAM**
Enterprise Asset Management

**ELT**
Executive Leadership Team

**ERP**
Enterprise Resource Planning

**FAP**
Formula Allocation Procedure

**FICA**
Federal Insurance Contributions Act

**FTA**
Federal Transit Administration

**FTE**
Full Time Equivalent

**FSI**
Fareless System Initiative (also known as GoPass)

**FY**
Fiscal Year

**GASB**
Governmental Accounting Standards Board

**GFOA**
Government Finance Officers Association

**KPI**
Key Performance Indicator

**LBCC**
Long Beach City College

**LBT**
Long Beach Transit

# Acronyms (cont'd)

**LBUSD**
Long Beach Unified School District

**LCTOP**
Low Carbon Transit Operations Program

**LEED**
Leadership in Energy and Environmental Design

**LTF**
Local Transportation Fund

**MDBF**
Mean Distance Between Failures

**MOSIP**
Municipal Operator Service Improvement Program

**NTD**
National Transit Database

**OCTA**
Orange County Transportation Authority

**PLPD**
Personal Liability and Property Damage

**SaaS**
Software-as-a-Service

**SB**
Senate Bill

**SGR**
State of Good Repair

**STA**
State Transit Assistance

**TAM**
Transit Asset Management

**TAP**
Transit Access Pass

**TDA**
Transportation Development Act

**UCLA**
University of California, Los Angeles

**ZEB**
Zero-Emission Bus

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