LONG BEACH TRANSIT
BOARD OF DIRECTORS MEETING
AGENDA

TUESDAY, JUNE 18, 2024
4801 AIRPORT PLAZA DRIVE
ROSA PARKS BOARD CHAMBER
1:00 P.M.

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

Kenneth A. McDonald
President and Chief Executive Officer

LONG BEACH TRANSIT BOARD OF DIRECTORS SPECIAL SESSION

MEMBERS OF THE PUBLIC CAN ATTEND MONTHLY BOARD MEETINGS AT LONG BEACH TRANSIT CORPORATE OFFICE ROSA 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

SPECIAL SESSION – 1:00 P.M.

1. Call to Order. (David Sutton)

2. Roll Call. (Jen Flores)

3. 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.

4. 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.

5. 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.

6. Board Requests.

7. 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.

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.

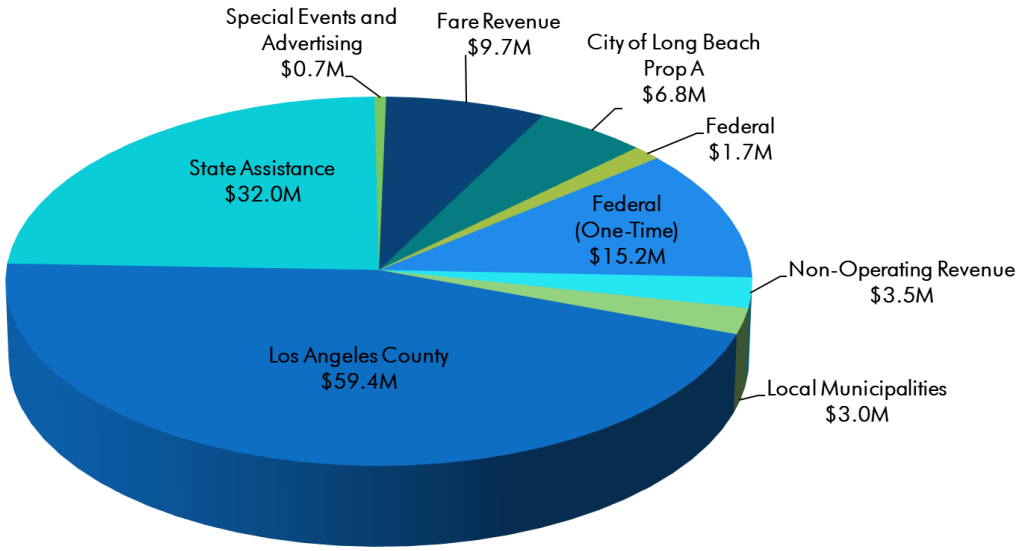
LBT's fiscal year operating budget is a combination of known and projected expenses as well as forecasted revenue. LBT's fiscal year begins on July 1 and ends on June 30. The annual budget enables the agency to meet its strategic priorities through staff's commitment to exercise stewardship, make informed 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.

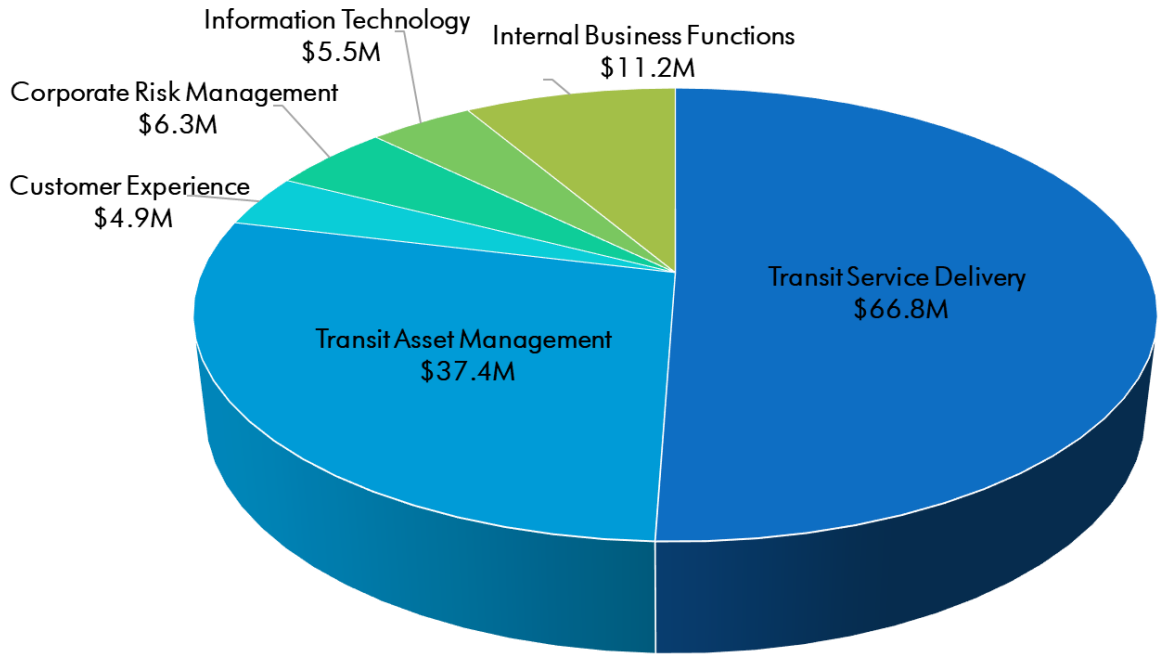


Totals may not add due to rounding

$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%

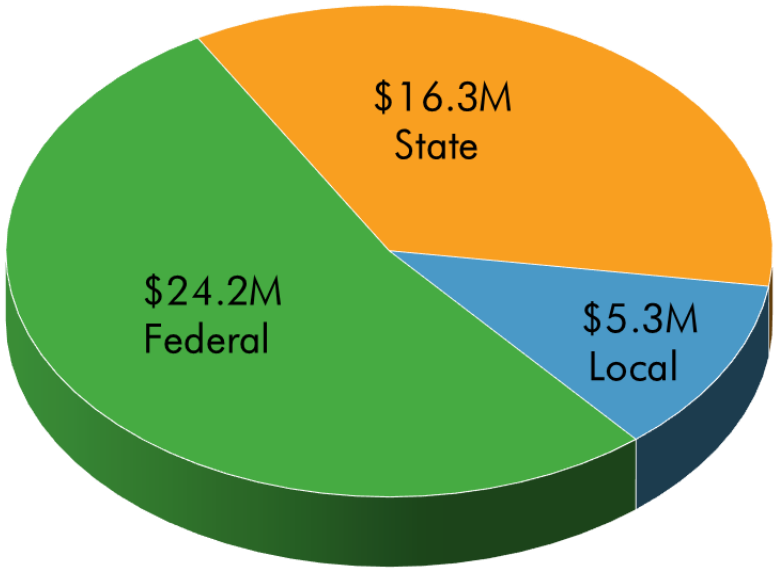
LBT's core business categories are the organization's essential functions. Each department within the agency must coordinate and collaboratively perform its work in order for LBT to achieve its organizational objectives. The following chart depicts FY 2025 proposed expenditures relative to each core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



$132.2 Million

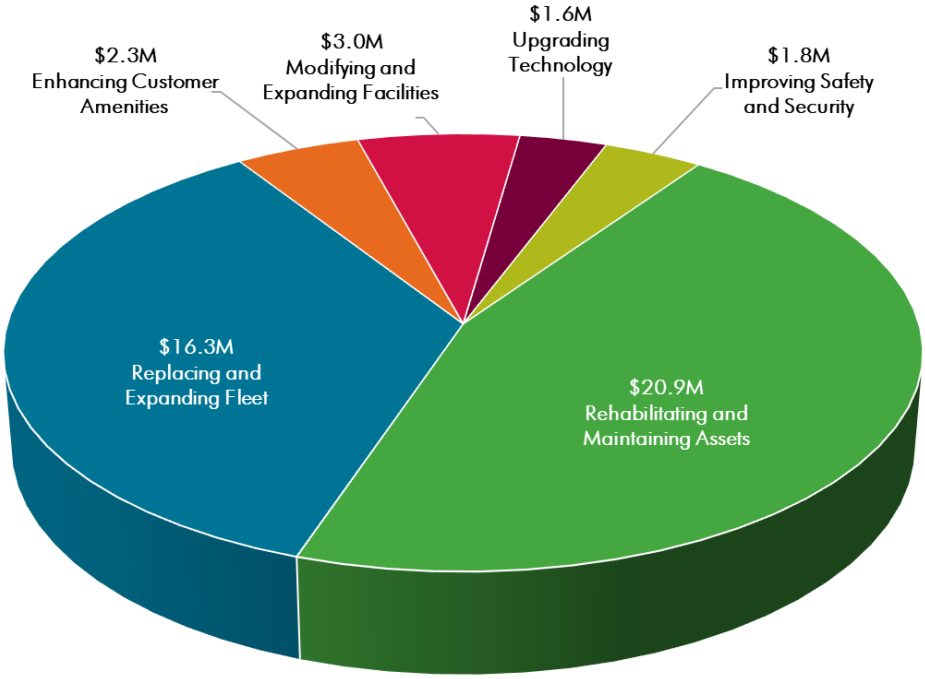
Totals may not add due to rounding.

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.

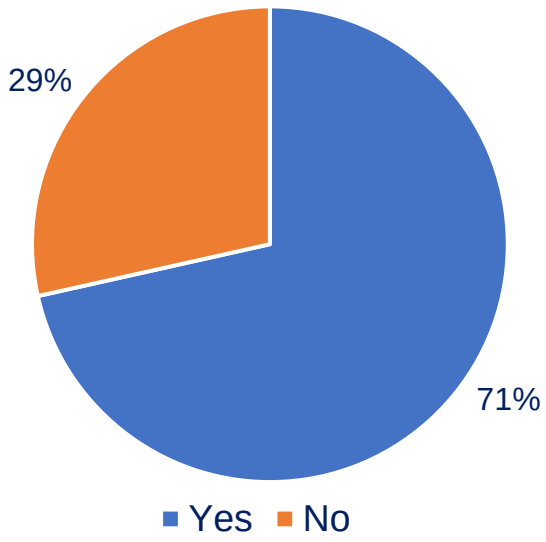
Each year, the agency conducts Customer and Community Evaluation Surveys within its service area. The surveys allow LBT to collect ridership data and assess current customer and potential customer awareness of, and attitudes toward, LBT. The following charts are representative of the information collected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



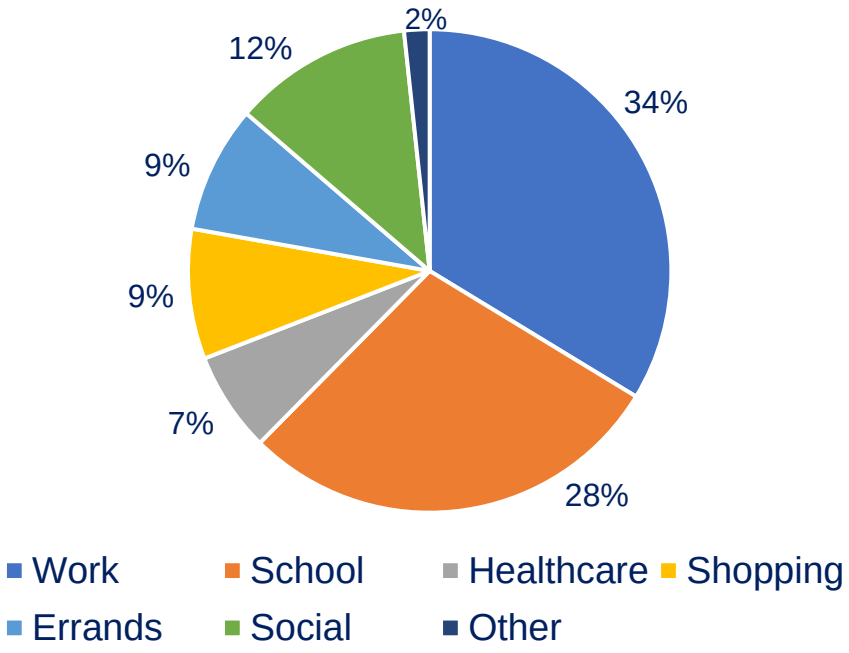




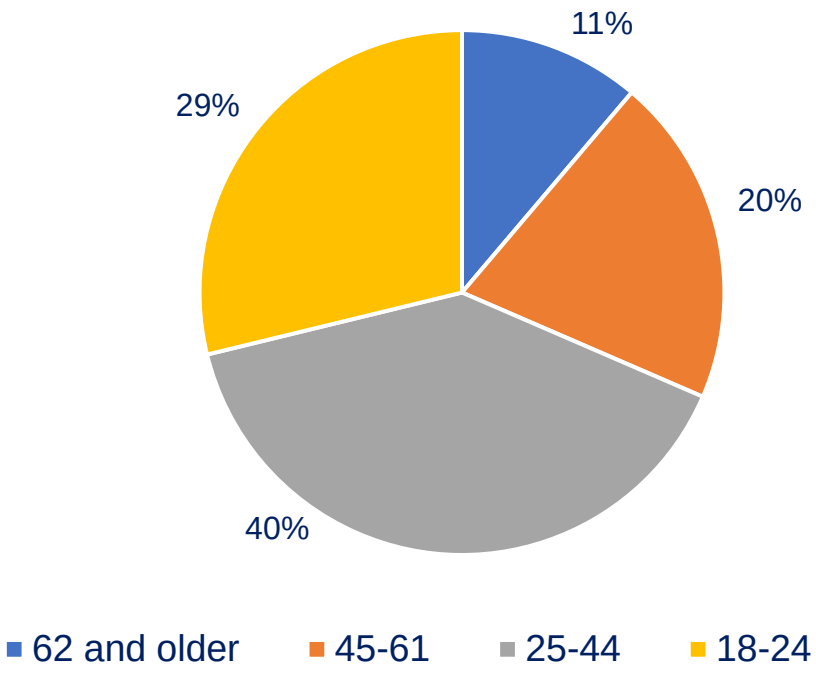
LBT CUSTOMER – IS LBT YOUR PRIMARY MEANS OF TRANSPORTATION?



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

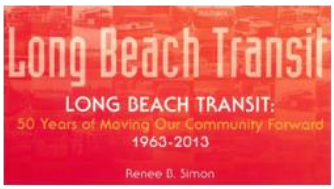
The company is rebranded to Long Beach Transit (LBT).

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.

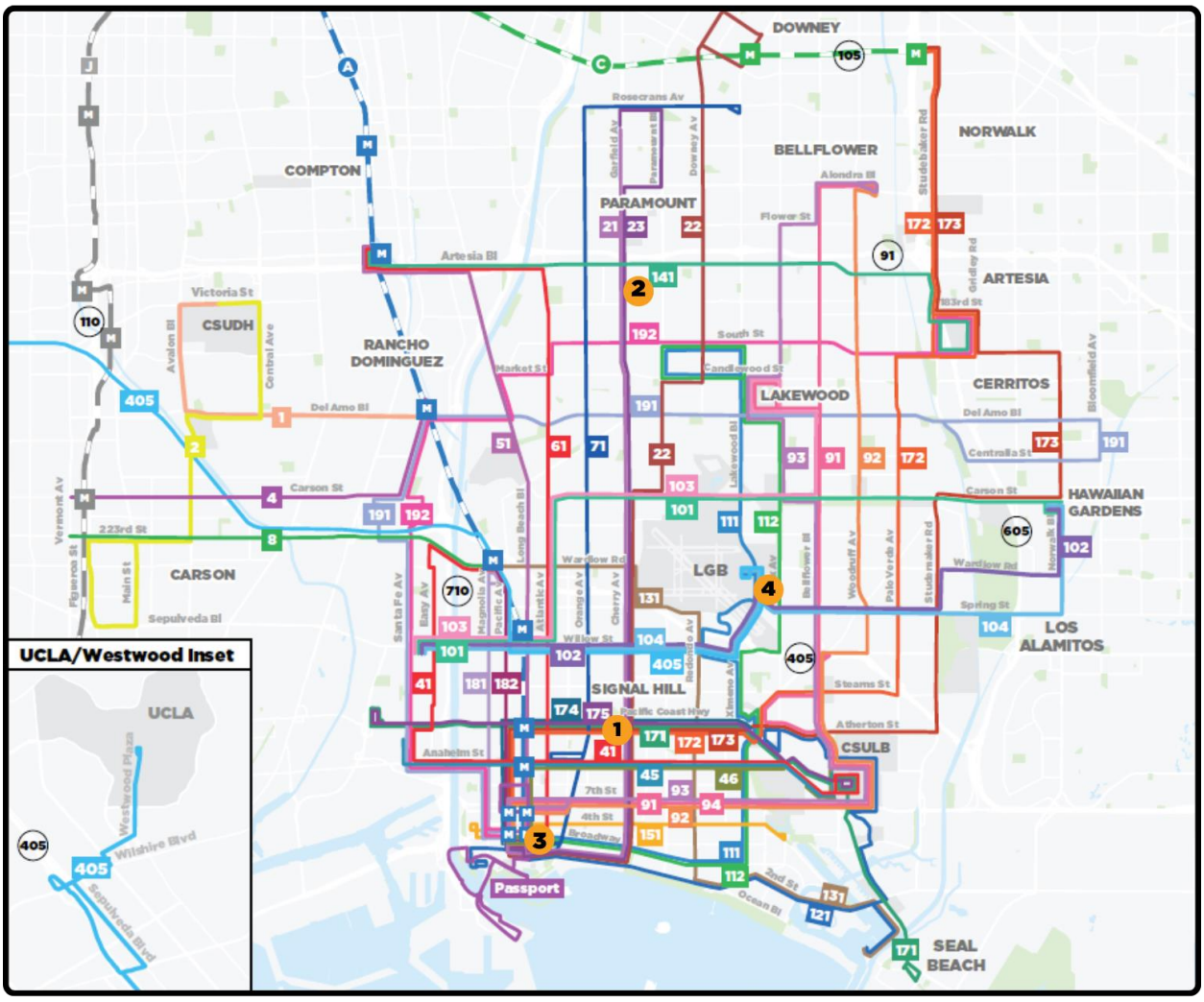
As the Los Angeles-Long Beach metropolitan region continues to have severe air pollution problems, the LBT Board of Directors (BOD) adopted the agency's Zero-Emission Bus (ZEB) Rollout Plan on June 25, 2020. LBT staff subsequently submitted it to the California Air Resources Board.

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.

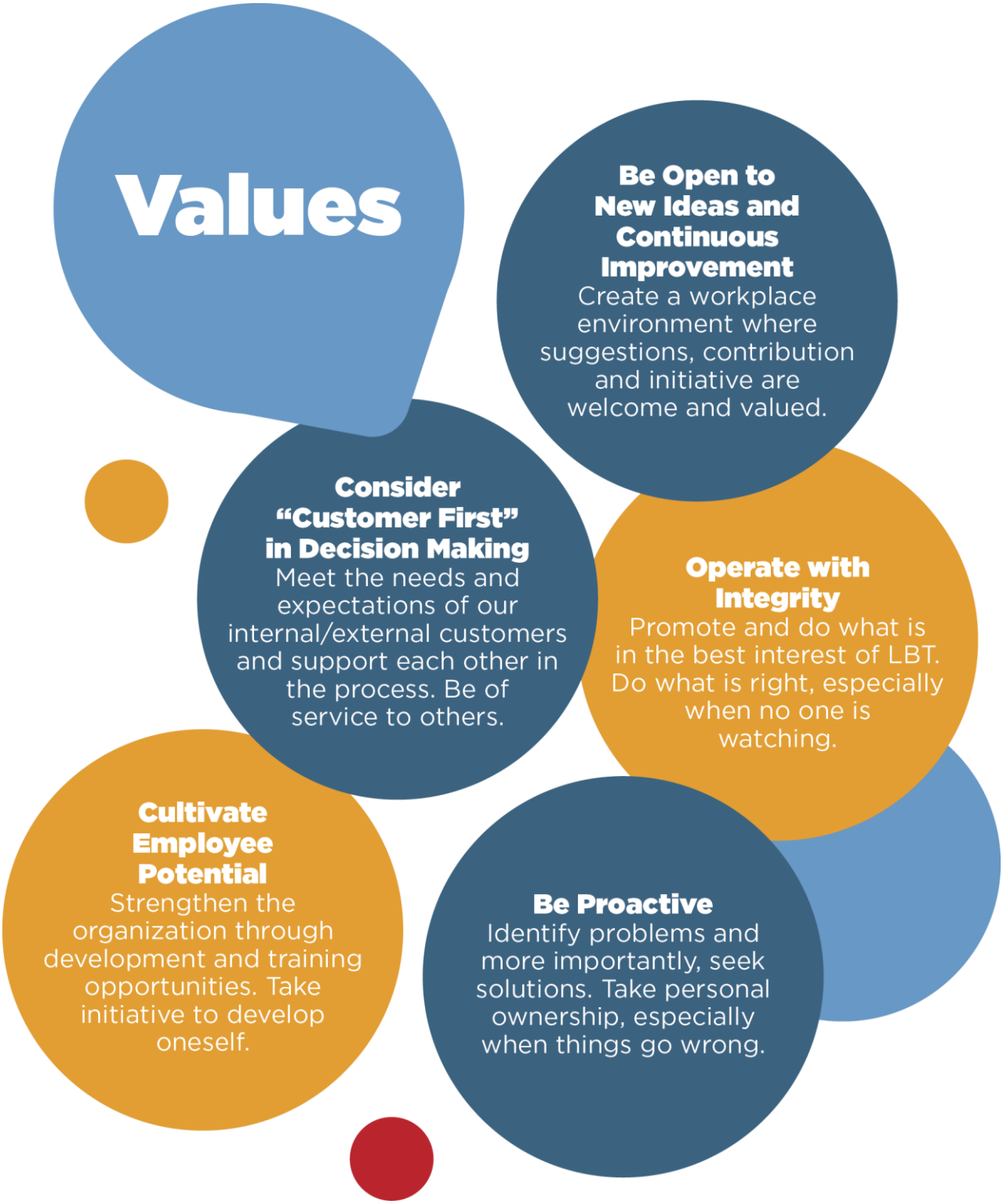


The Vision is an aspirational description of what LBT endeavors to achieve in the long term.



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)

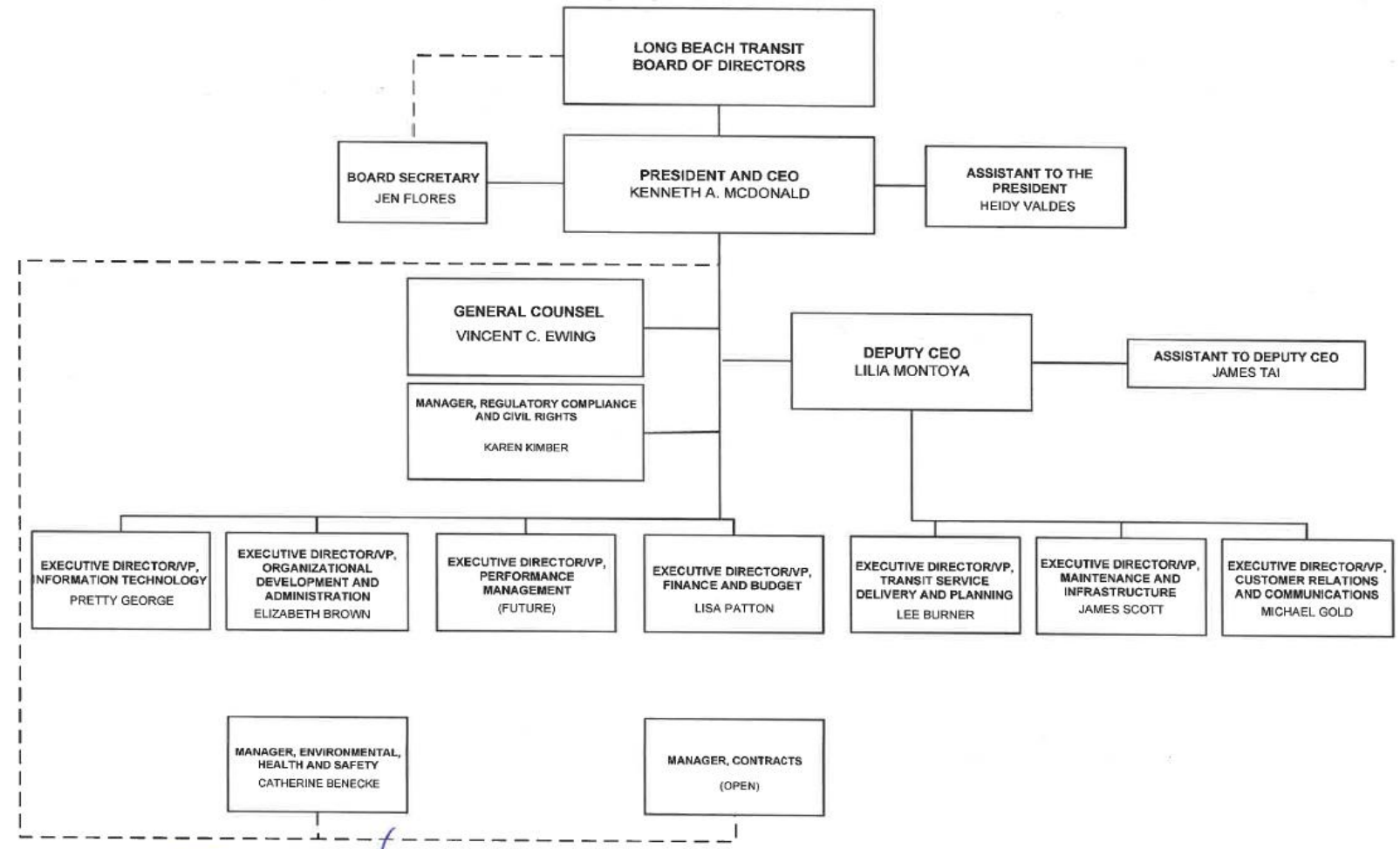
- Organizational Stewardship
- Building and Leading a High-Performing Team
- Stakeholder Management
- Emotional Intelligence
- Flexibility and Agility

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

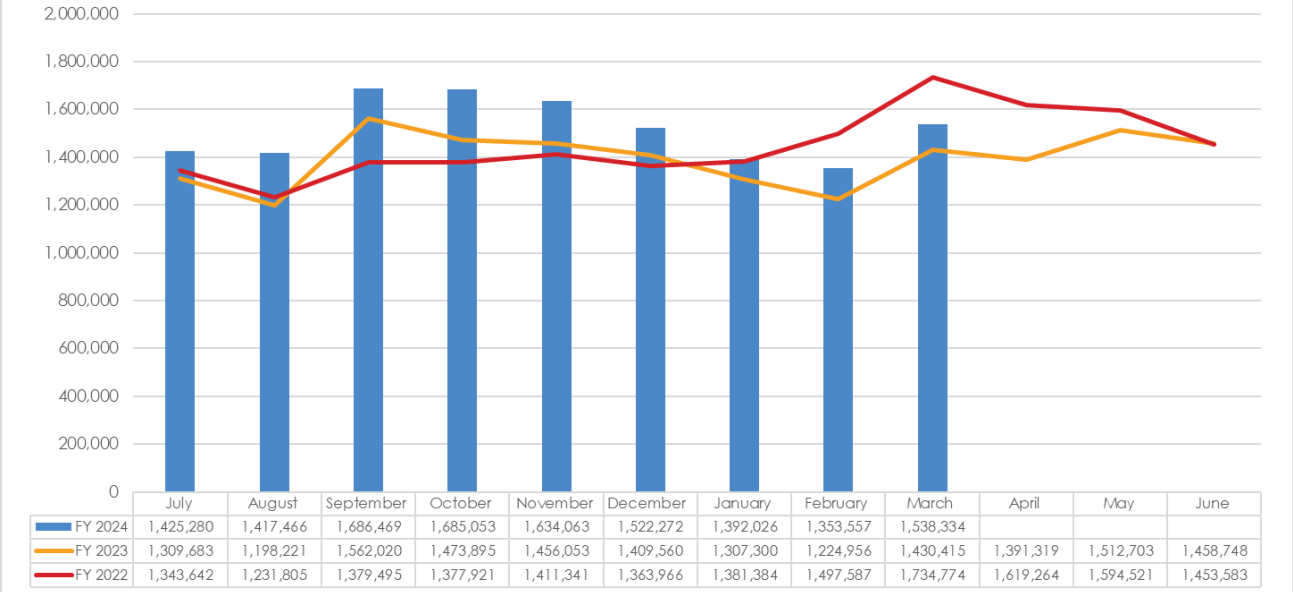
The Transit Service Delivery and Planning department is responsible for planning, measuring and managing the delivery of transportation services, as well as managing transit system security. The department ensures the day-to-day operations of LBT's services, which encompass bus service delivery, route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

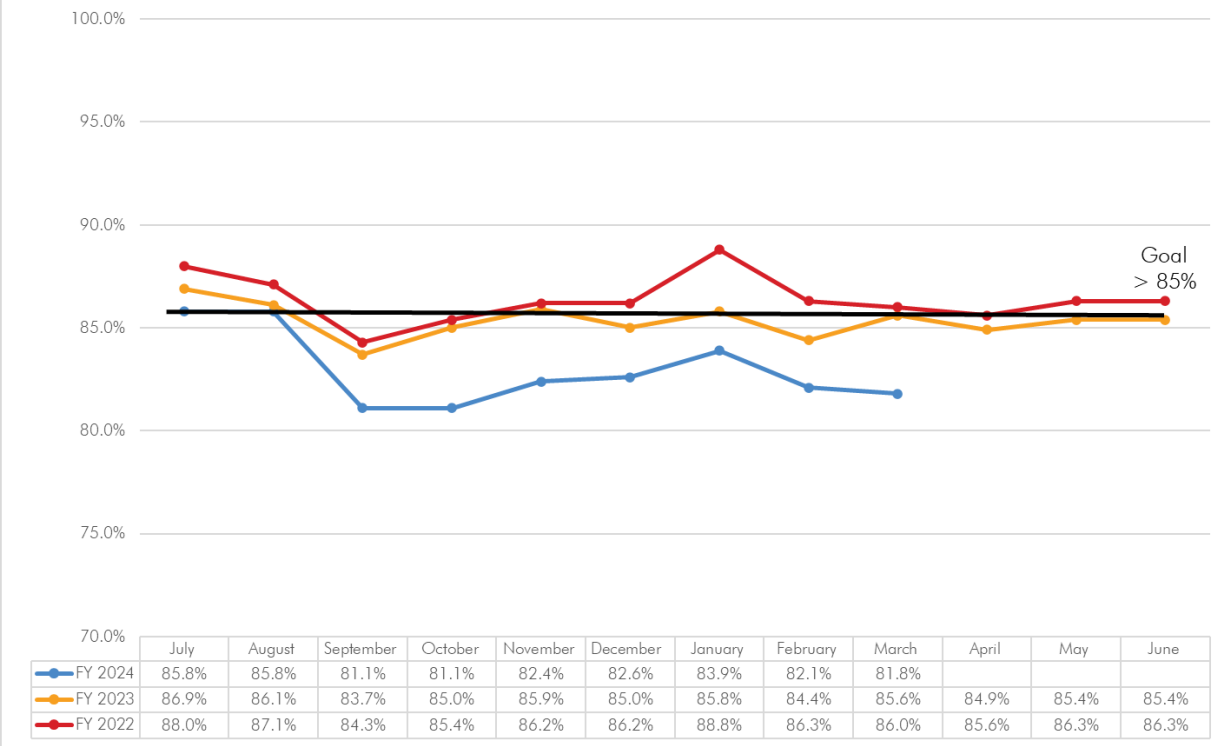
STRATEGIC PRIORITY: IMPROVE SAFETY AND SERVICE QUALITY				
RIDERSHIP				
The number of boarding customers on fixed-route service				
Performance Measure	Department	FY 2022	FY 2023	FY 2024 Q3 YTD
Passenger ridership year over year	Service Planning	17,389,283	16,734,873	13,654,520



	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%

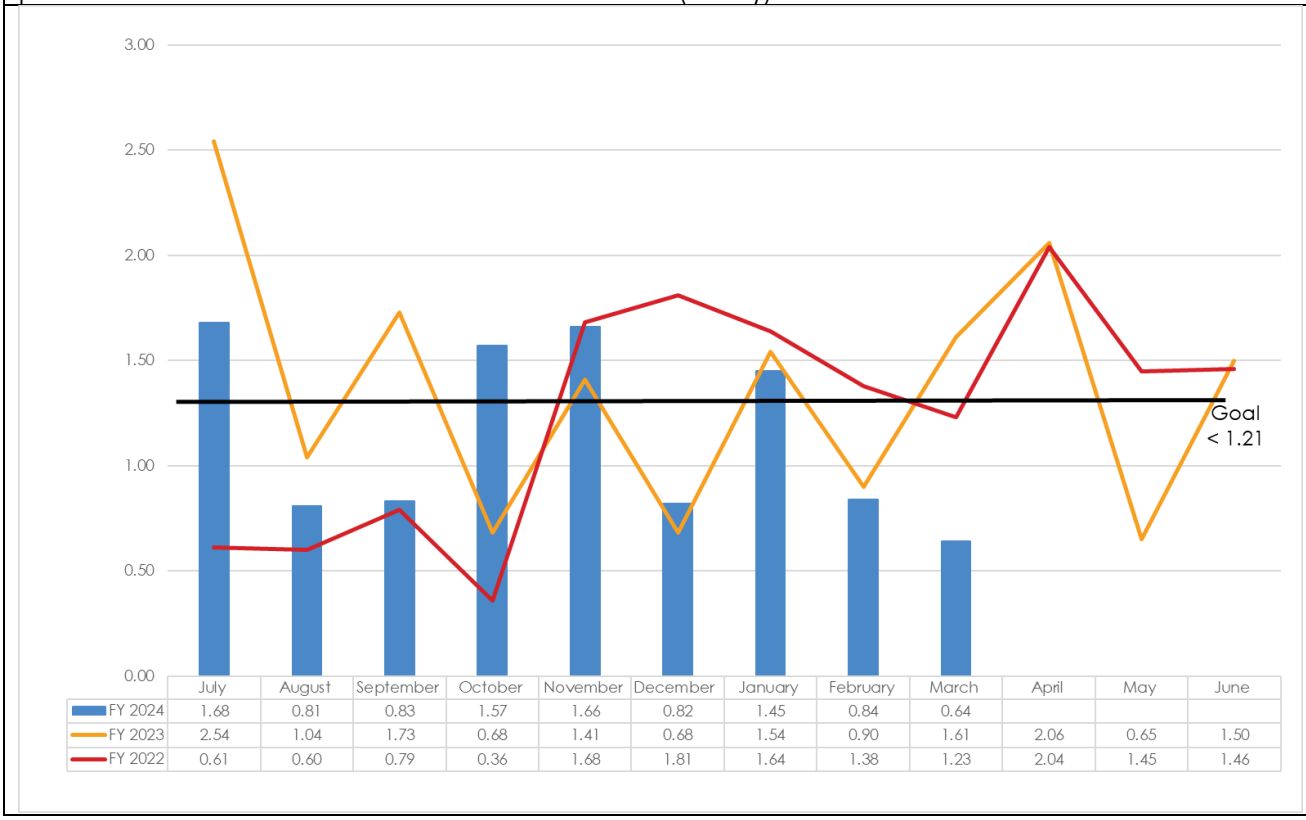
Organizational Key Performance Indicators (cont'd)

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

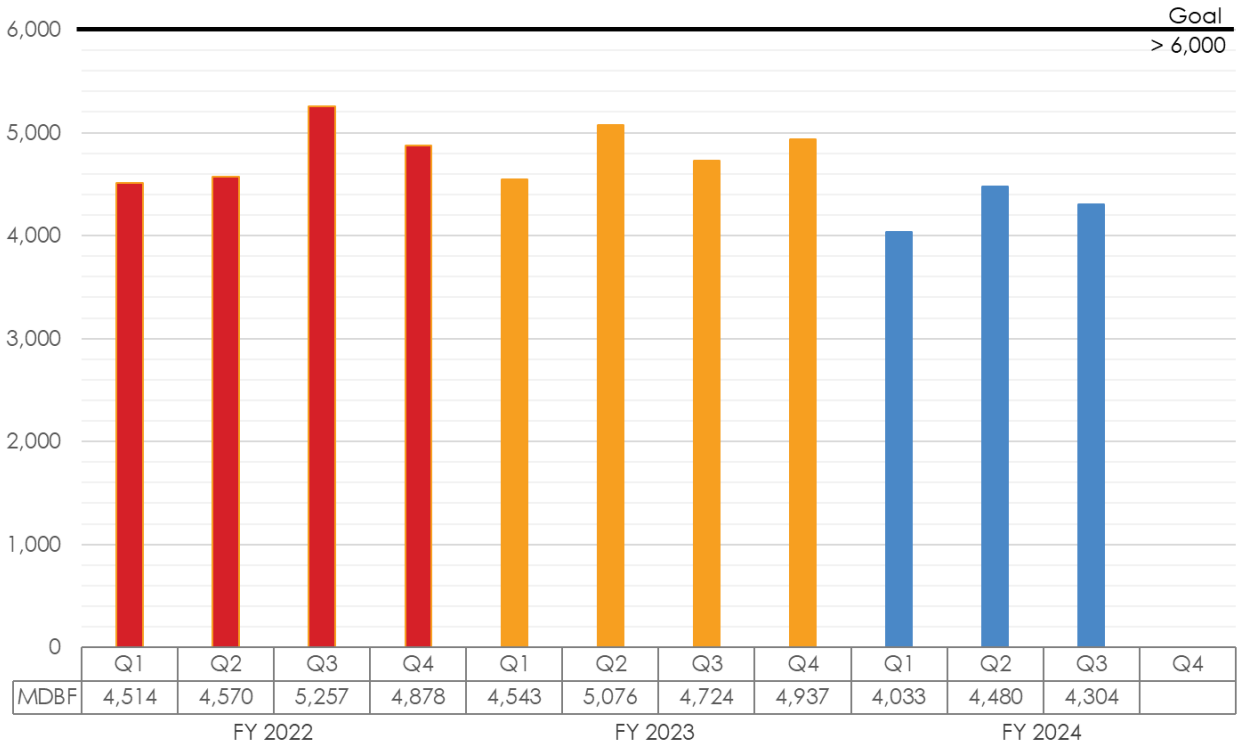
Organizational Key Performance Indicators (cont'd)

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



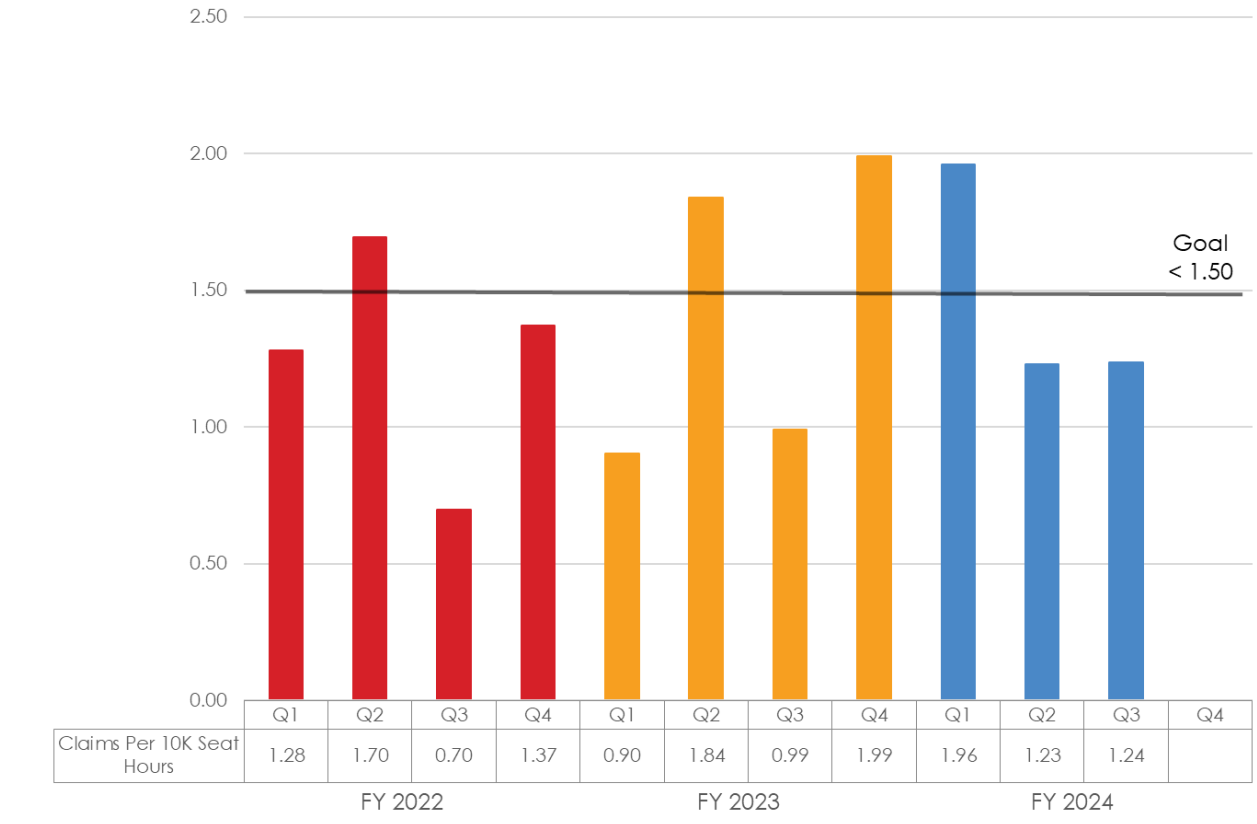
Organizational Key Performance Indicators (cont'd)

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



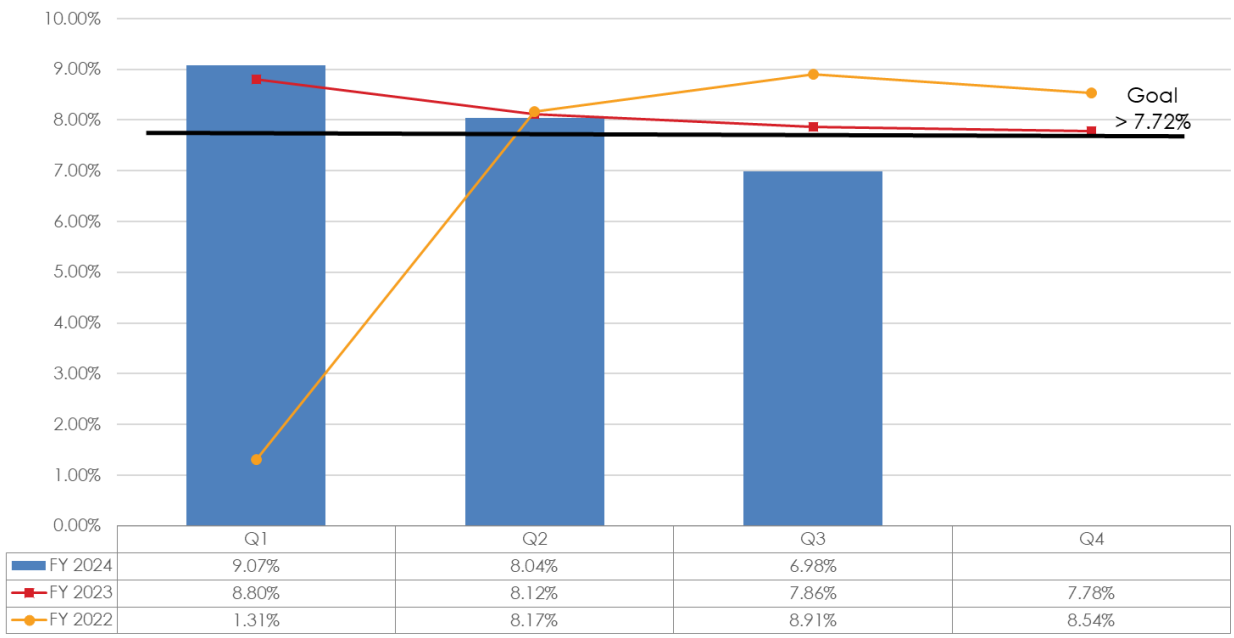
Organizational Key Performance Indicators (cont'd)

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

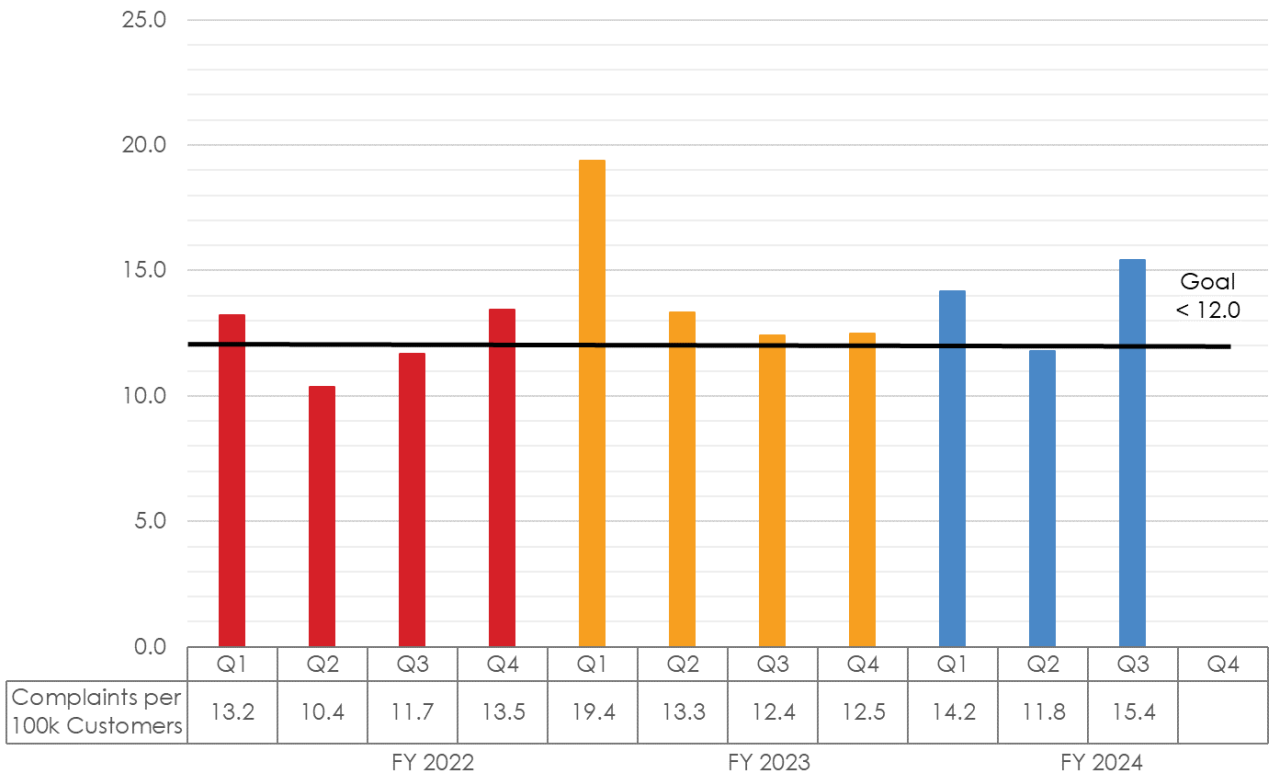
Performance Measure	Goal	Department	FY 2022	FY 2023	FY 2024 Q3 YTD
Increase fare recovery ratio to 7.72% or greater	>7.72%	Finance	6.82%	8.13%	7.98%



	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.

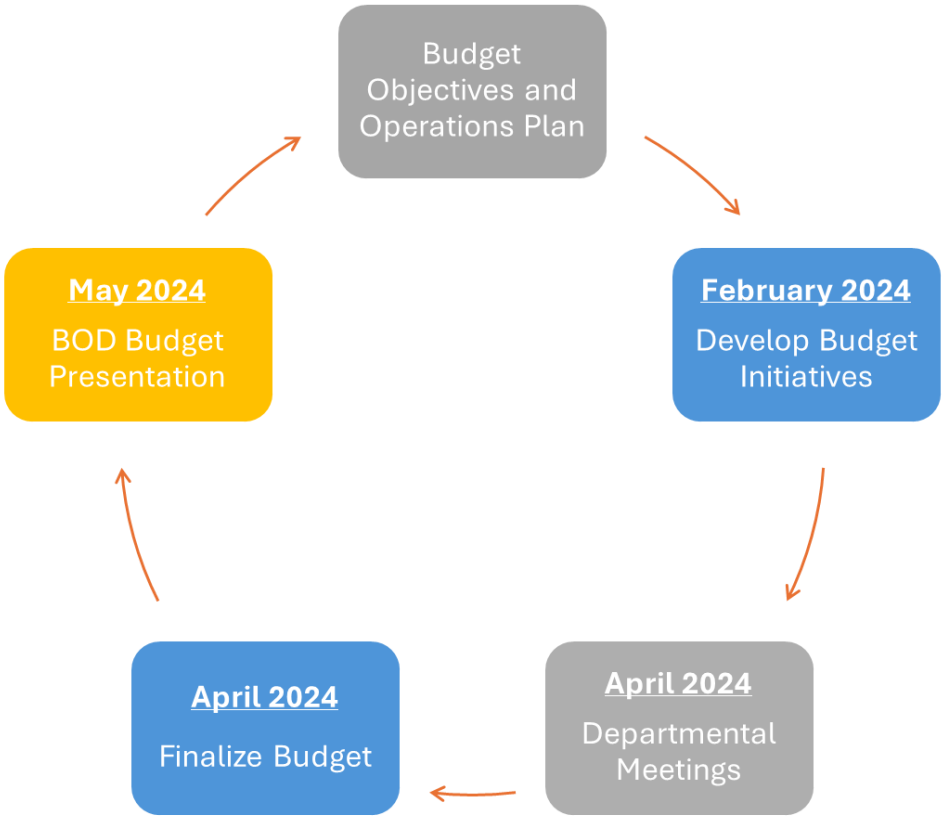
LBT's Finance and Budget team leads interdepartmental meetings during the month of April to develop a comprehensive financial plan that meets the established objectives. A draft is presented to the Board of Directors' Executive Committee for review and feedback.

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

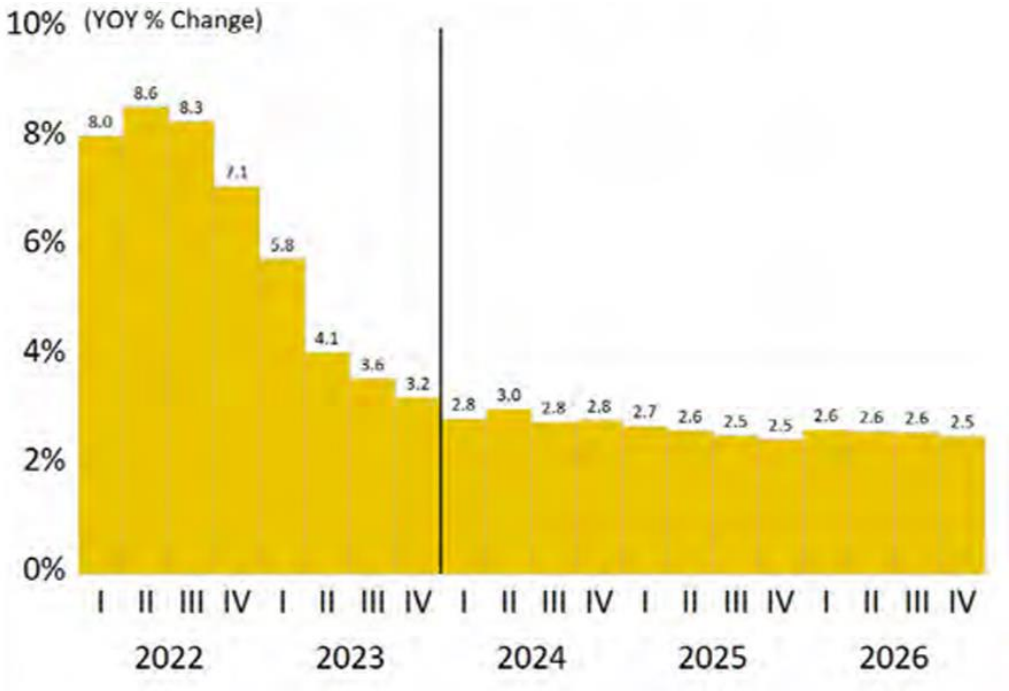
LBT has no debt and only uses available funds for operations and capital acquisitions. The agency has no plans to issue debt and its policy is to continue to fund future needs on a pay-as-you-go basis through formula and discretionary grants.

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.

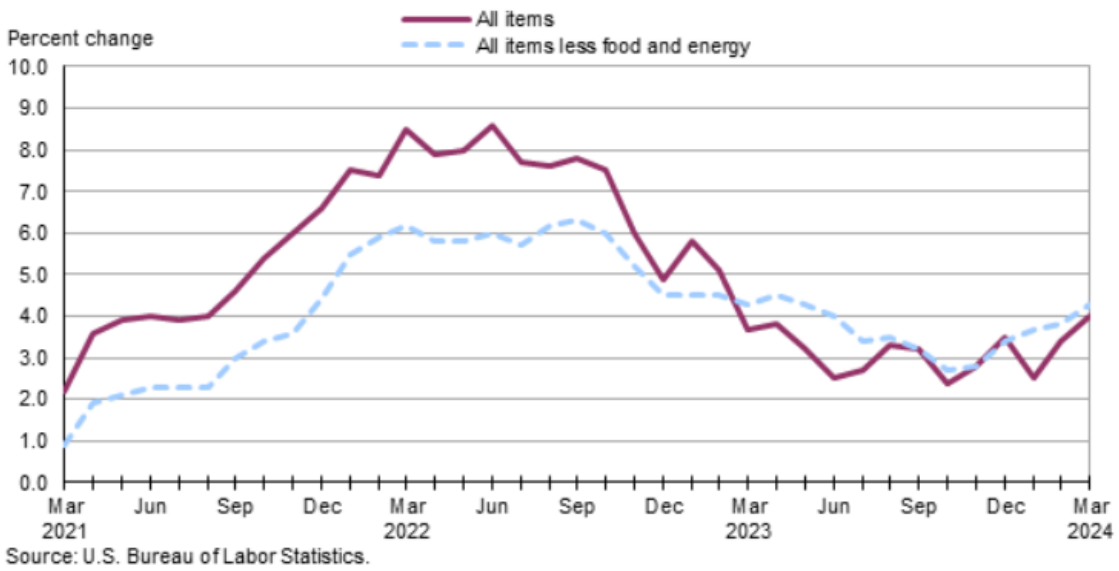
CPI Inflation, US, All-Urban



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.

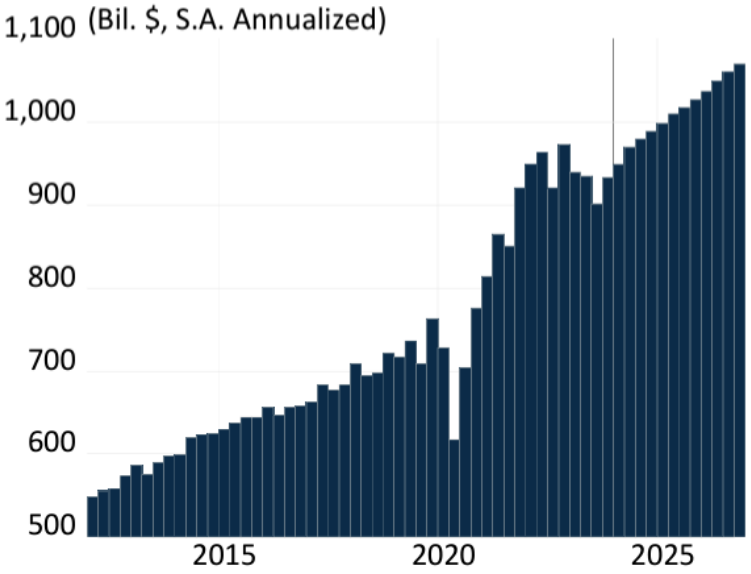
Los Angeles County Inflation Rate



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.

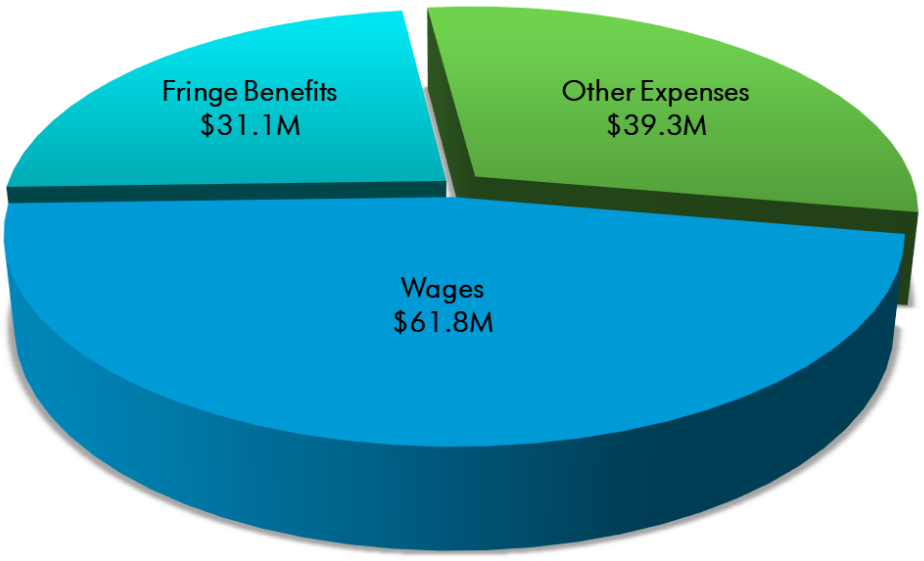
Aligned with the budget foundations and LBT's five strategic priorities, LBT developed the following objectives in planning the FY 2025 budget:

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

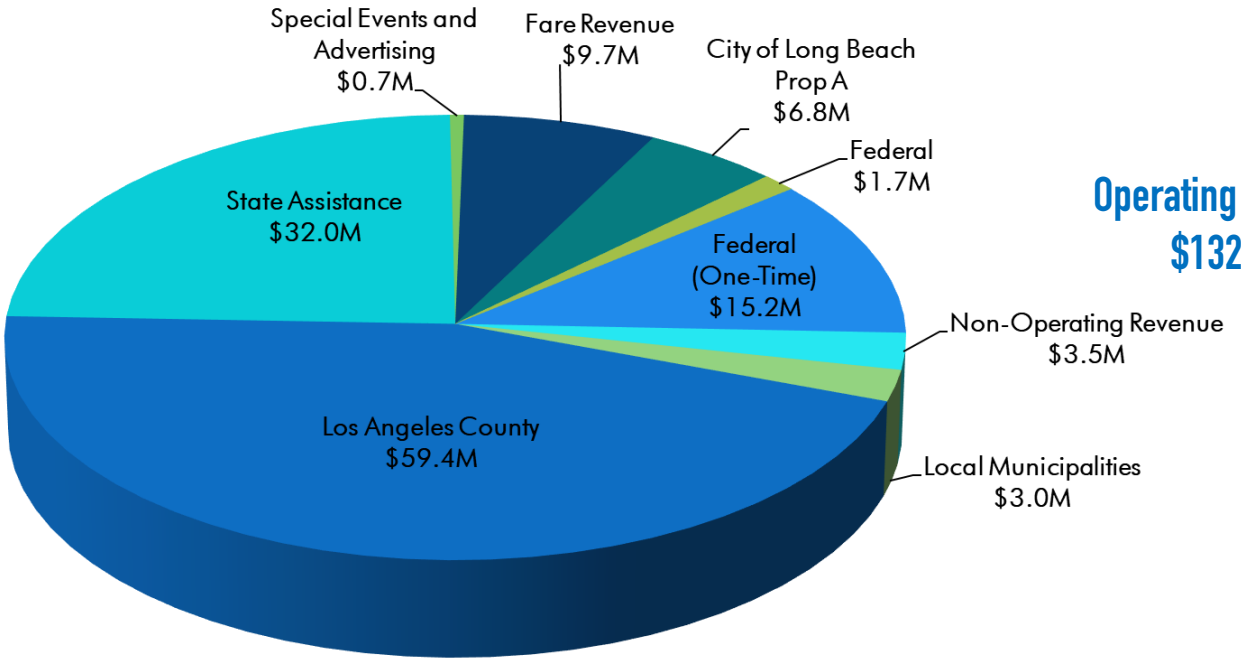
OPERATING BUDGET OVERVIEW

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

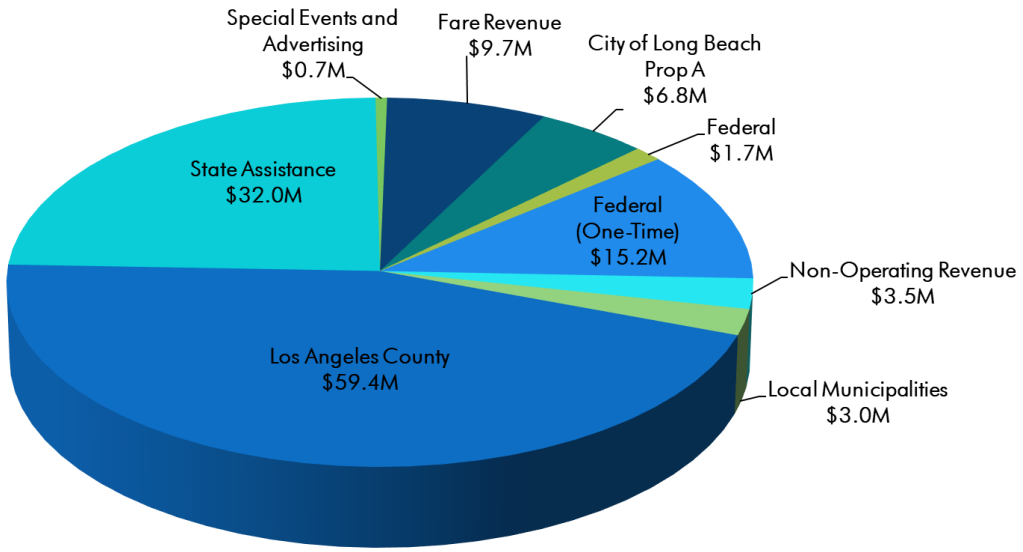
The table below shows how the financial plan for FY 2025 will affect the agency's net position. Net position is the difference between the Agency's assets and liabilities. Note that the estimated and proposed values do not include year-end entries for Governmental Accounting Standards Board (GASB) compliance.

	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%

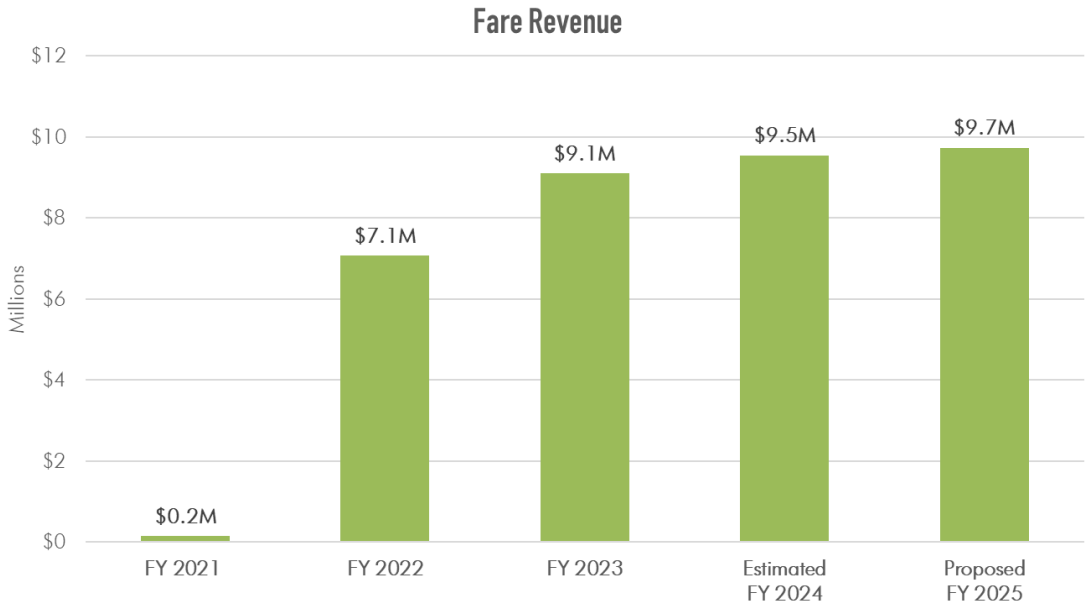
Operating Revenue Highlights (cont'd)

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)

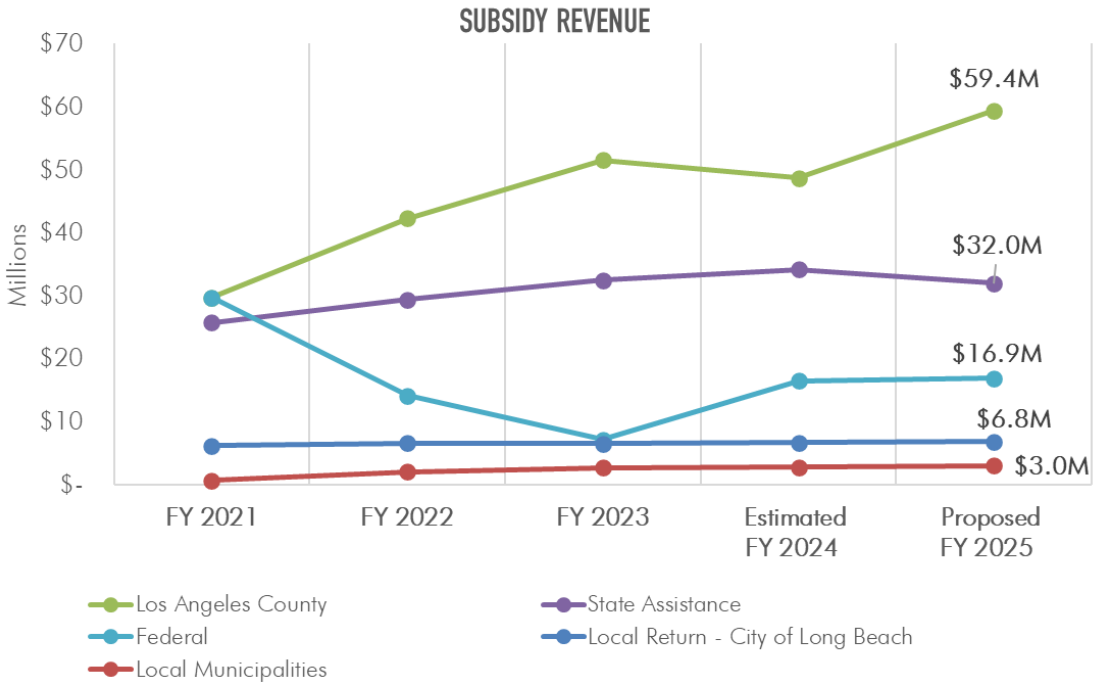
On December 27, 2020, CRRSAA was signed into law, providing supplemental appropriations for COVID-19 relief, $14 billion of which were allocated to support the transit industry during the COVID-19 public health emergency. LBT was allocated $26.7 million of CRRSAA funds. LBT utilized $14.7 million and $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.



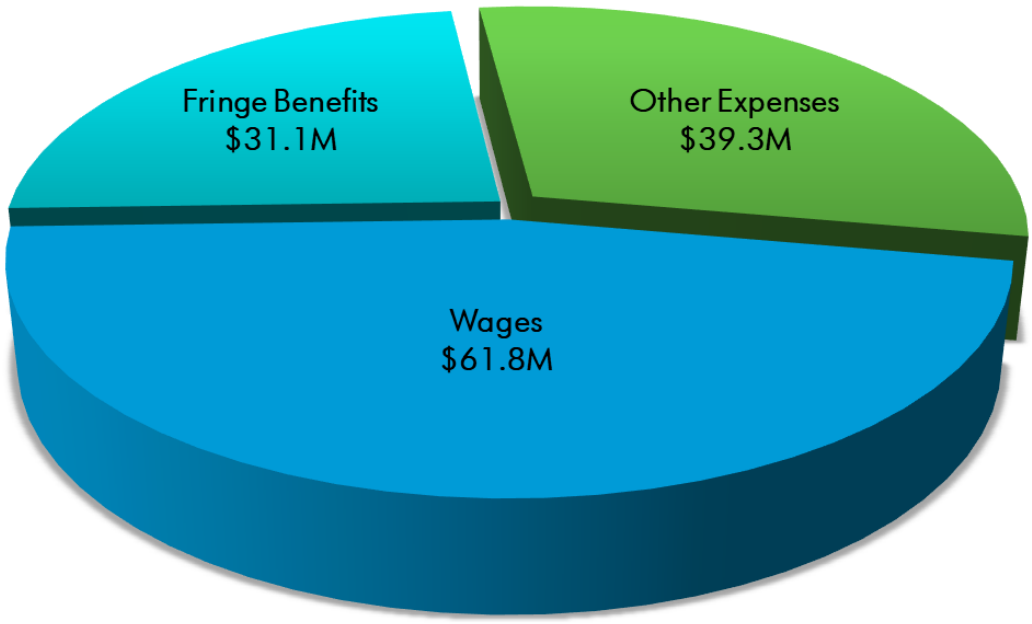
INVESTMENT REVENUE

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)

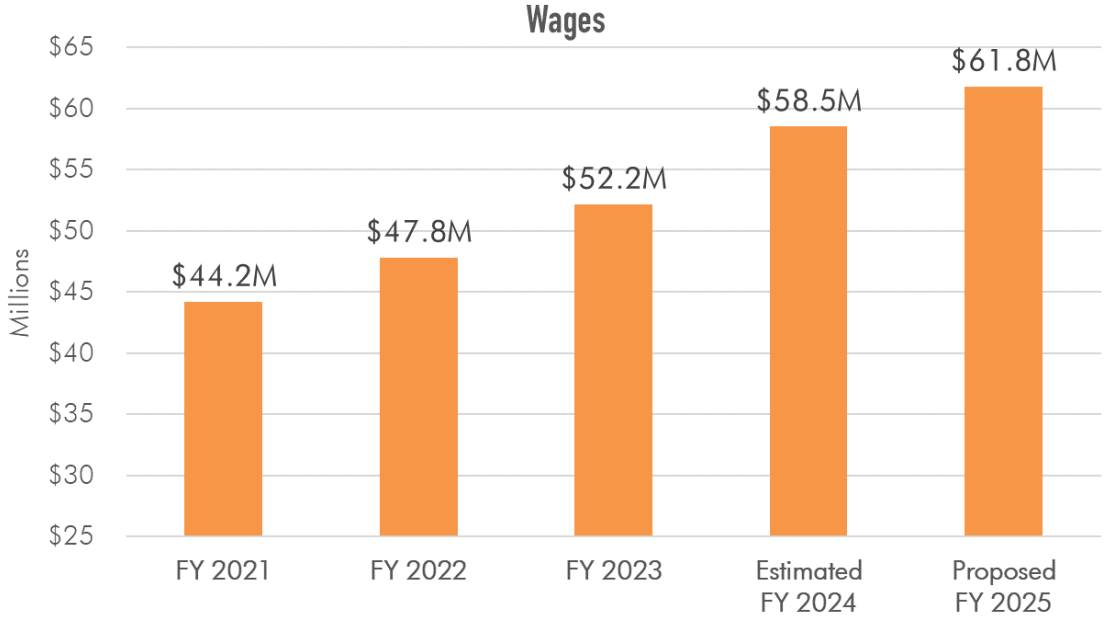
A significant factor affecting the contribution rates of the upcoming year for defined benefit plans is the investment rate of return during the previous fiscal year. Although FY 2024 has experienced positive market returns, the market remains unpredictable and volatile, and LBT continues to anticipate 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.

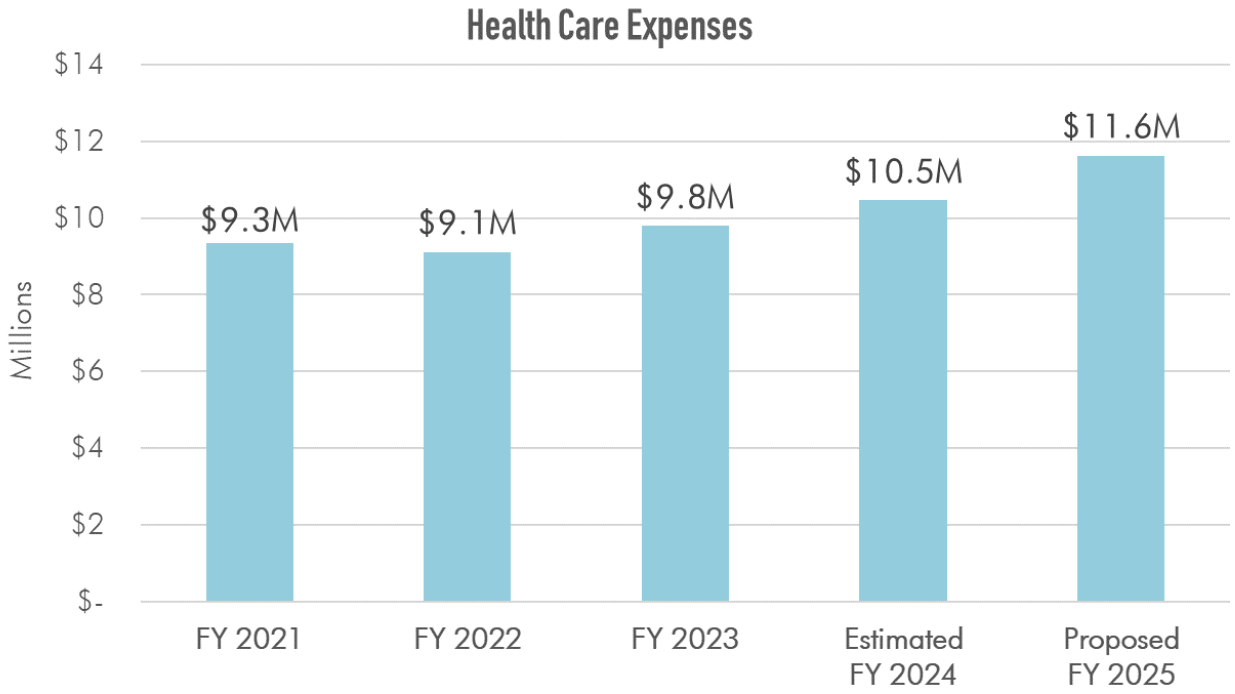


HEALTH CARE

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.

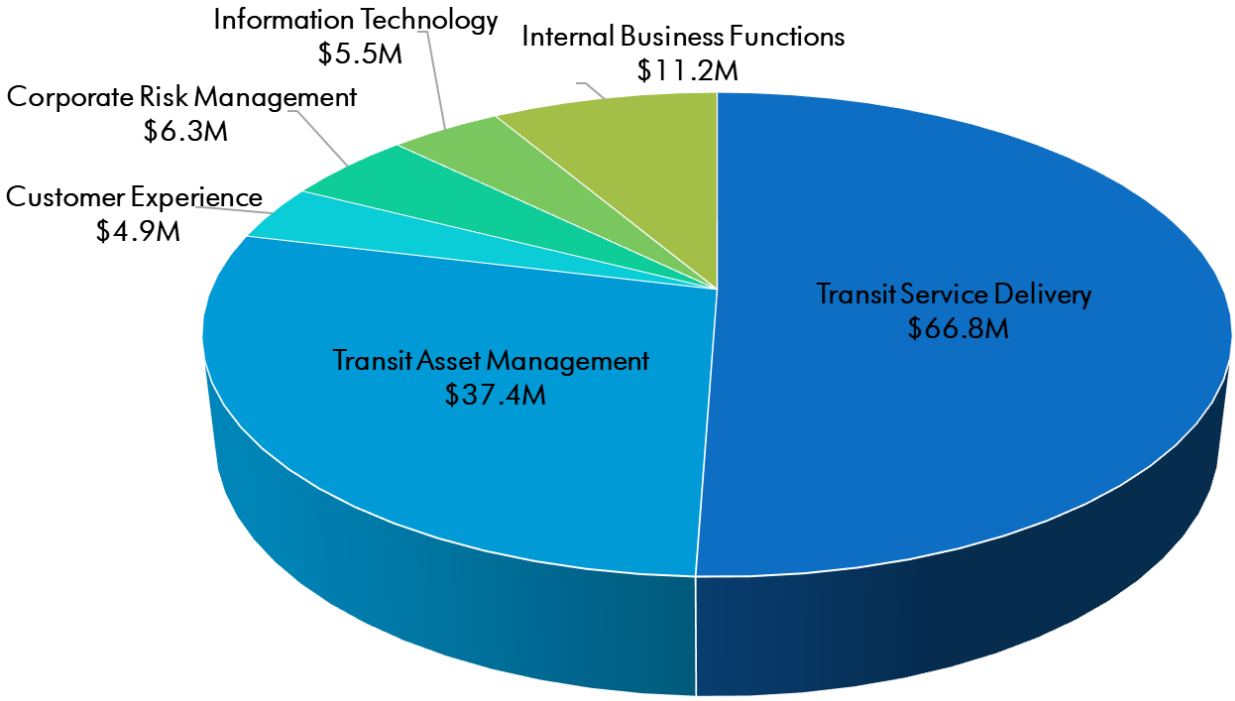
Operating Expense Highlights (cont'd)

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.

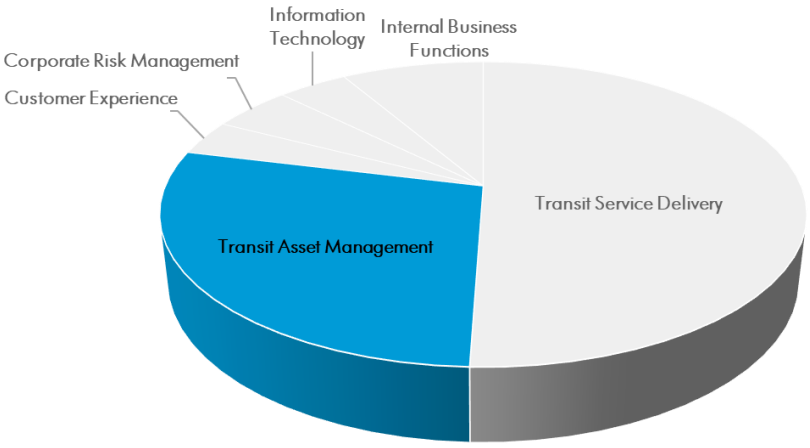
Internal Business Functions

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)

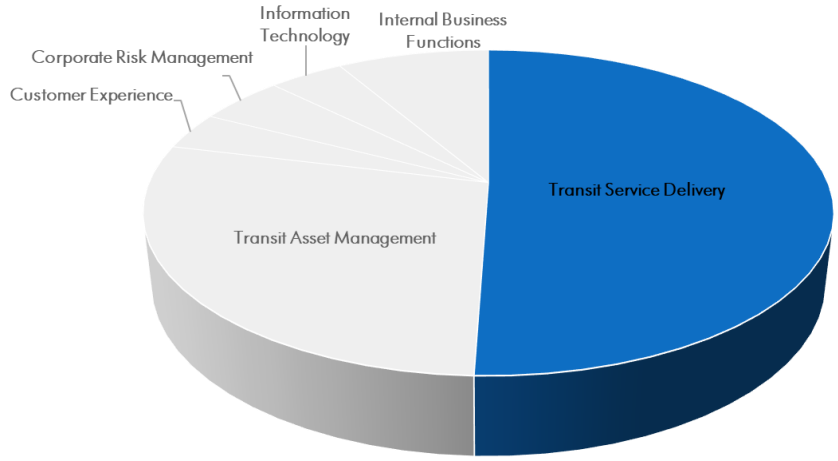
The following pie charts depict budgeted expenditures relative to each core business category.

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

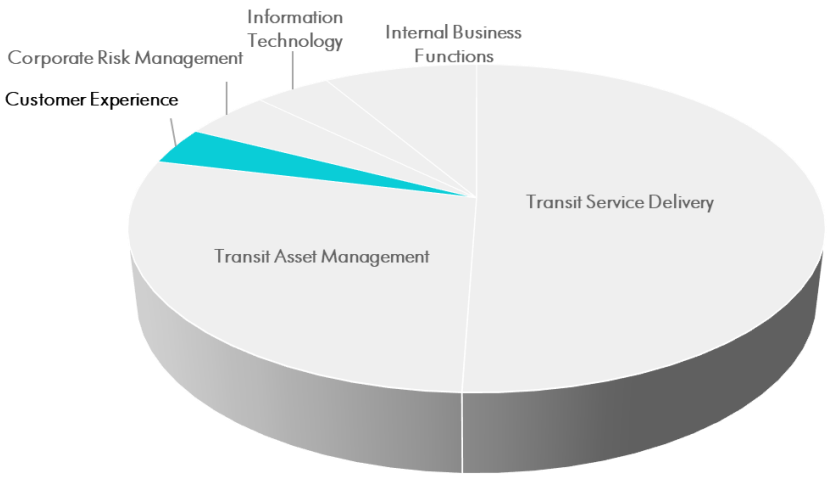
TRANSIT SERVICE DELIVERY



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

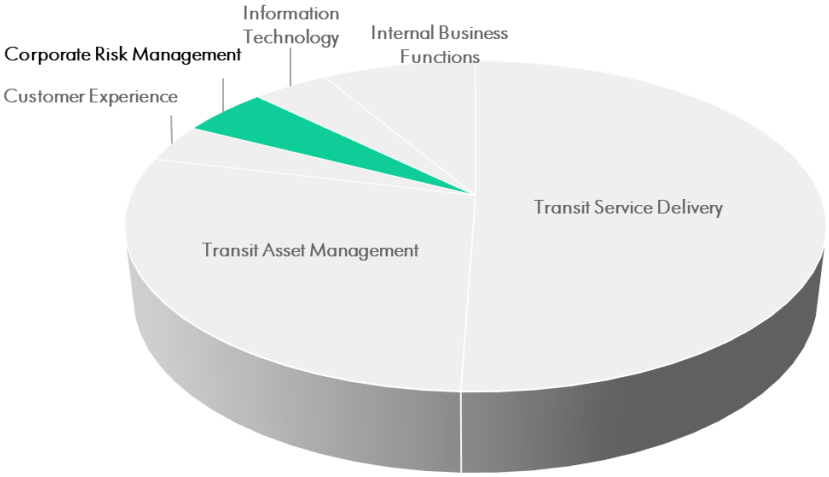
Operating Expense Highlights (cont'd)

CUSTOMER EXPERIENCE



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

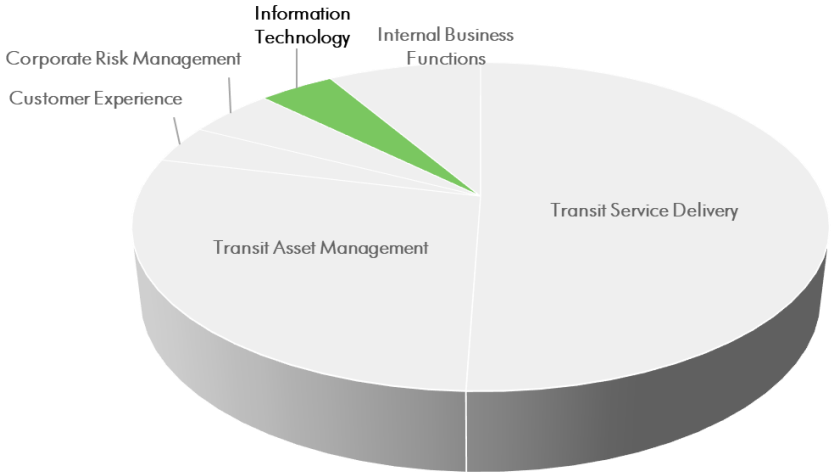
CORPORATE RISK MANAGEMENT



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

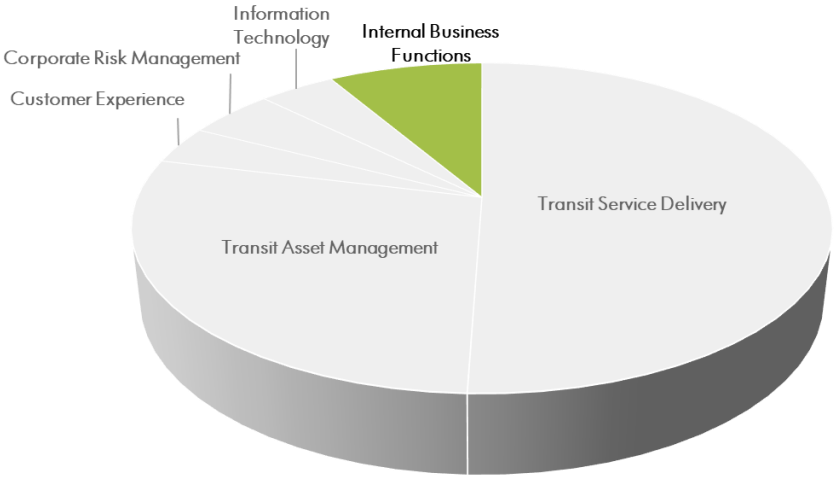
Operating Expense Highlights (cont'd)

INFORMATION TECHNOLOGY



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

INTERNAL BUSINESS FUNCTIONS



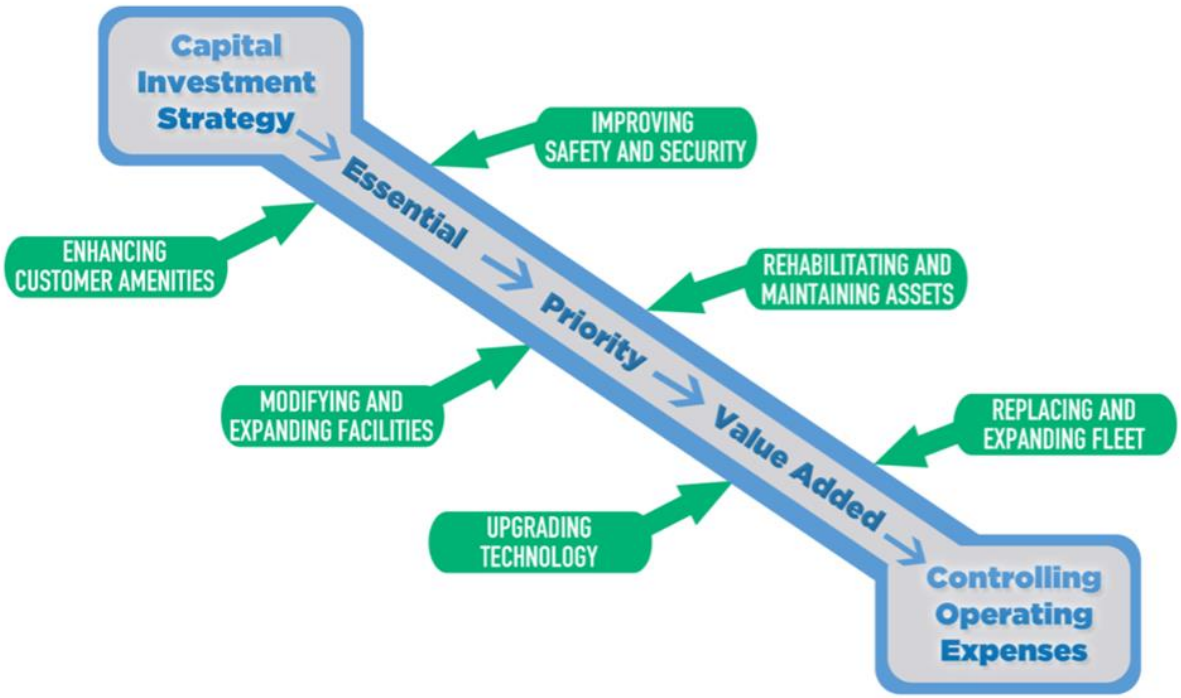
Internal Business Functions ($)	
Finance and Budget	3,762,701
Organizational Development and Administration	3,462,519
Office of the CEO	2,260,436
Office of the Deputy CEO	827,760
Government Relations	512,576
Performance Management	388,530
Total	11,214,522

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

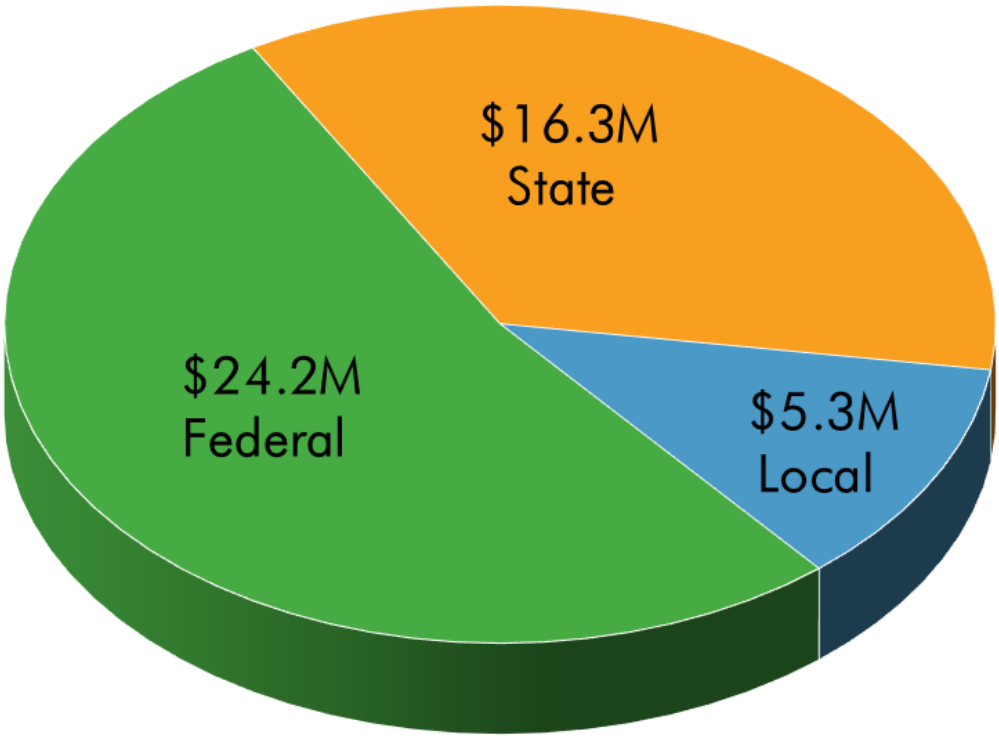
LBT finances the majority of its capital assets through annual grants awarded by the FTA. These federal grants are allocated by region under Section 5307 of the Bipartisan Infrastructure Law. The agency is eligible to receive funds based on a formula allocation and discretionary money for specific projects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



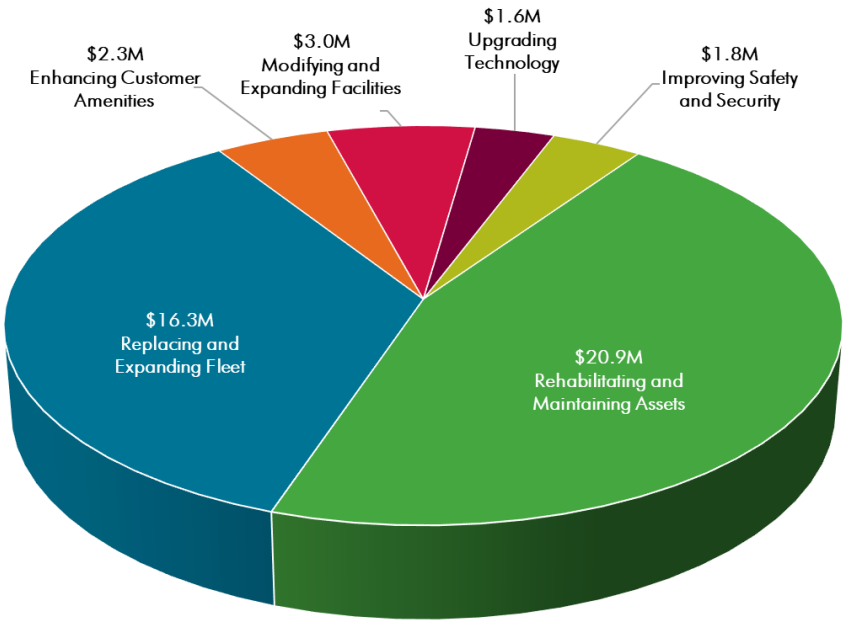
CAPITAL PROGRAM

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

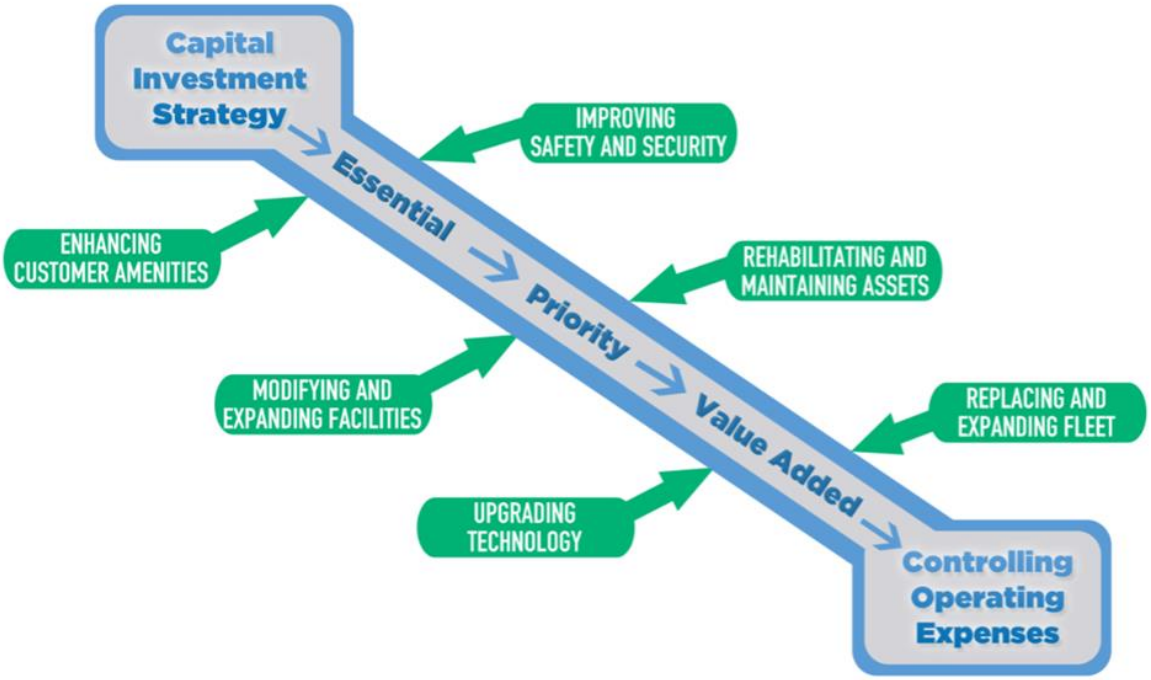
II: **PRIORITY** – Projects that address clearly demonstrated needs or objectives.

- 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.

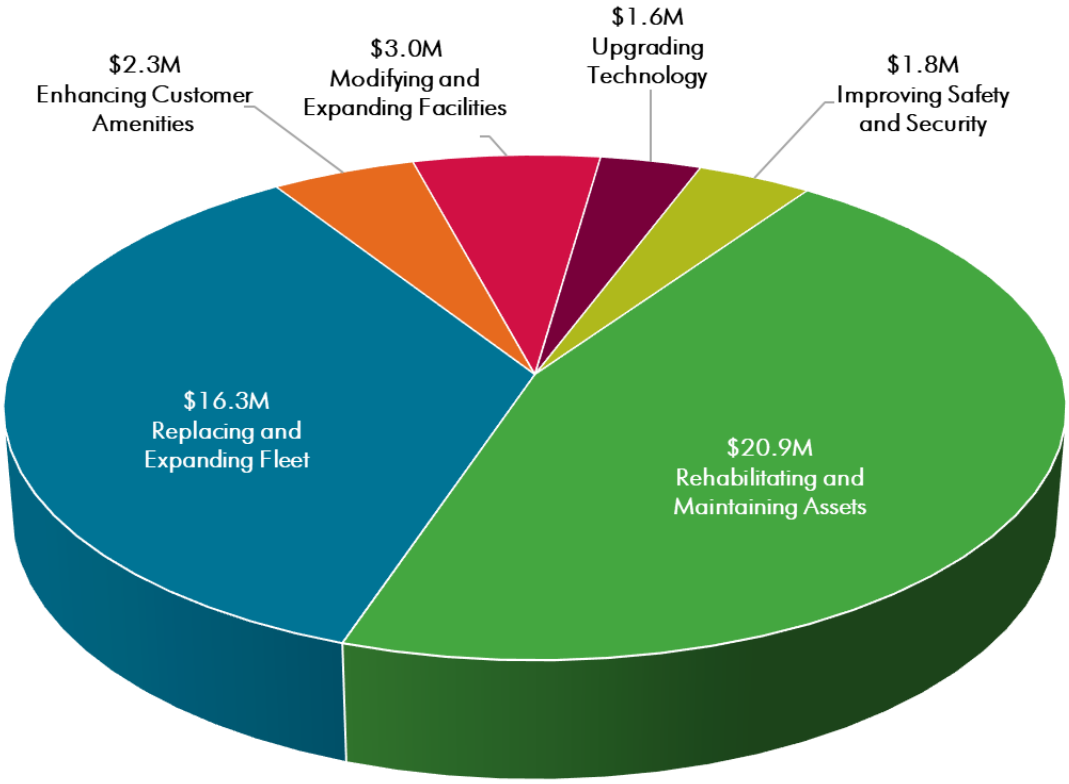
- Provides a new or expanded level of service
- Promotes intergovernmental cooperation
- Reduces energy consumption
- Enhances cultural or natural resources

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).

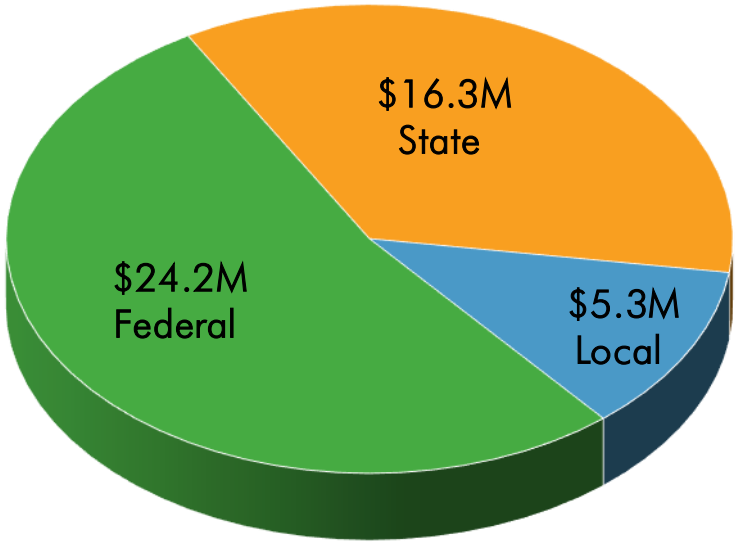
(4) Capital grant funds designated for reallocation in FY 2025 are carryover funds from a variety of projects including facility, information technology and security projects. LBT is not recognizing and reallocated funds from previous years as these funds have been reallocated throughout FY2024.

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.

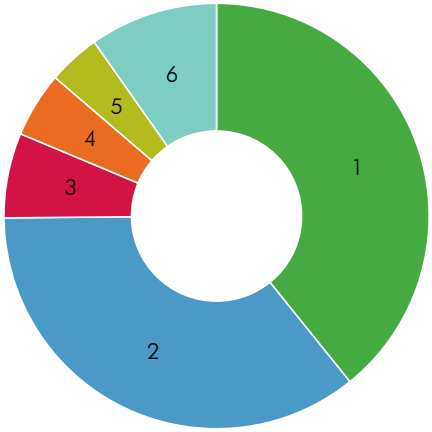
STATE (SB1-SGR) $ 16,335,180

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

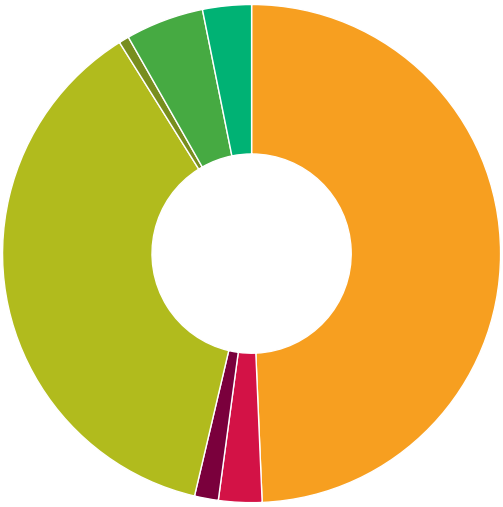
Upgrading Technology and Rehabilitating and Maintaining Ferries

TOTAL	$	4,473,754

FY 2025 Capital Projects Allocation (cont'd)

BUDGET COMPARISON

APPROVED FY 2024 BUDGET

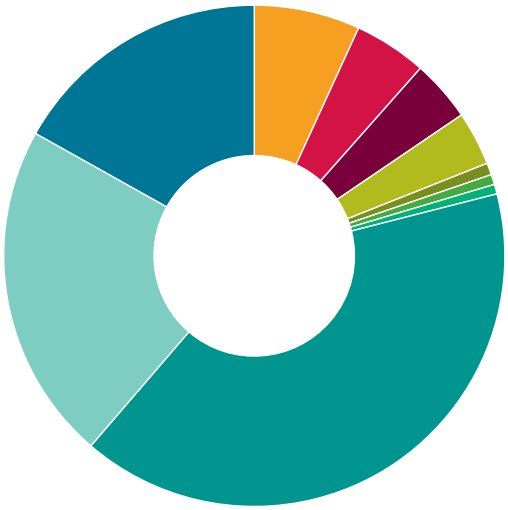


$37,905,959

- 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

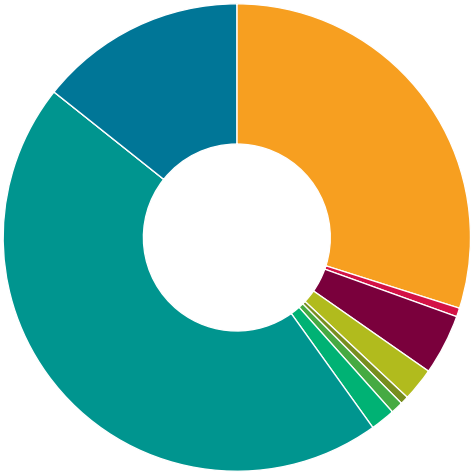


$45,843,574

- 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)

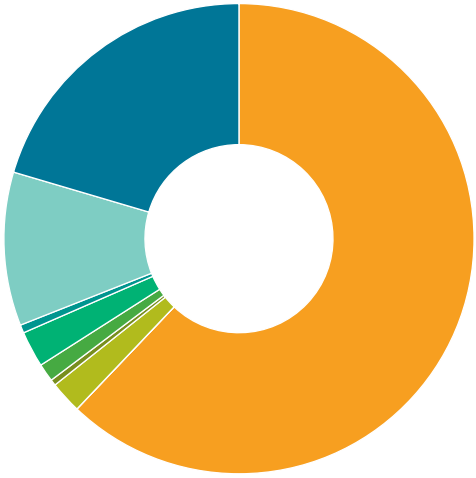
FY 2026 Estimated Capital Projects



$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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