



Regular Meeting of the Board of Directors

Tuesday, May 28, 2024

10:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

AGENDA

For record-keeping purposes, and if staff may need to contact you, we request that a speaker card located at the Community Room entrance be completed and deposited with the AVTA Clerk of the Board. This will then become public information. Please note that you do not have to complete this form or state your name. A three-minute time limit will be imposed on all speakers besides staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Clerk of the Board at (661) 729-2206 at least 72 hours prior to the scheduled Board of Directors meeting. All accommodation requests will be handled swiftly and resolving all doubts in favor of access.

Translation services for Limited English Proficiency (LEP) persons are also available by contacting the Clerk of the Board at least 72 hours prior to the meeting.

Please turn off, or set to vibrate, cell phones, pagers, and other electronic devices for the duration of this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL:

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Richard Loa, Director Eric Ohlsen, Director Raj Malhi, Director Michelle Flanagan

APPROVAL OF AGENDA

PUBLIC BUSINESS– AGENDIZED AND NON-AGENDIZED ITEMS:

If you would like to address the Board on any agendized or non-agendized items, you may present your comments at this time. For record-keeping purposes and so that staff may contact you if needed, we request that a speaker card, located in the Community Room lobby, be completed and provided to the Clerk of the Board. This

will then become public information. Please note that you do not have to complete this form or state your name to speak.

State law generally prohibits the Board of Directors from taking action on or discussing non-agenda items; therefore, your matter will be referred to the authority's Executive Director/CEO for follow-up. A three-minute time limit will be imposed on all speakers other than staff members.

SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP): During this portion of the meeting, staff will present information not normally covered under regular meeting items. This information may include, but is not limited to budget presentations, staff conference presentations, or information from outside sources that relates to the transit industry. **Staff will seek direction as is necessary from the Board with regard to the following item(s).**

- SRP 1 LEGISLATIVE REPORT FROM SENATOR SCOTT WILK'S OFFICE – THOMAS MORENO
- SRP 2 LEGISLATIVE REPORT FROM ASSEMBLYMEMBER TOM LACKEY'S OFFICE – PAMELA BALCH
- SRP 3 PRESENTATION TO AVTA EMPLOYEE OF THE MONTH FOR APRIL 2024 – CECIL FOUST
- SRP 4 PRESENTATION TO AV TRANSPORTATION SERVICES (AVTS) EMPLOYEE OF THE MONTH FOR APRIL 2024 – ART MINASYAN
- SRP 5 AVTS MICROTRANSIT AND DIAL-A-RIDE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR APRIL 2024 – ART MINASYAN
- SRP 6 LEGISLATIVE REPORT AND FINANCE UPDATE FOR MAY 2024 – JUDY VACCARO-FRY
- SRP 7 MAINTENANCE KPI REPORT FOR APRIL 2024 – JOSEPH SANCHEZ
- SRP 8 PRESENTATION TO MV TRANSPORTATION EMPLOYEE AND OPERATOR OF THE MONTH FOR MARCH AND APRIL 2024 – GENIE MAXIE
- SRP 9 OPERATIONS KPI REPORT FOR APRIL 2024 – GENIE MAXIE

CONSENT CALENDAR (CC): Consent items may be received and filed and/or approved by the Board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF APRIL 23, 2024 – KAREN DARR

Recommendation: Approve the Board of Directors Regular Meeting Minutes of April 23, 2024.

CC 2 FINANCIAL REPORT FOR APRIL 2024 AND FISCAL YEAR (FY) 2023/2024 THIRD QUARTER TREASURER’S REPORT – JUDY VACCARO-FRY

Recommendation: Receive and file the Financial Report for April 2024 and FY 2024 Third-Quarter Treasurer’s Report, including Capital Reserve and Farebox Recovery information.

CC 3 RESOLUTION NO. 2024-001, LOCAL AGENCY INVESTMENT FUND (LAIF) INVESTMENTS FOR FISCAL YEAR 2024/2025 (FY 2025) – JUDY VACCARO-FRY

Recommendation: Adopt Resolution 2024-001, a Resolution appointing the Executive Director/CEO as Treasurer and the Chief Financial Officer as Controller; authorizing investment of monies in the LAIF for FY 2025 (July 1, 2024 through June 30, 2025) to the Treasurer; adopting a policy for the investment of surplus transit funds for FY 2025; and rescinding Resolution No. 2023-004.

CC 4 RESOLUTION NOS. 2024-002 AND 2024-003, AUTHORIZING FUNDS FROM THE CALIFORNIA STATE TRANSIT ASSISTANCE PROGRAM TOWARD THE PHASE 3 – FACILITY MAINTENANCE UPGRADE PROJECT FOR FISCAL YEARS 2021/2022 AND 2022/2023 – JUDY VACCARO-FRY

Recommendation:

1. Adopt Resolution No. 2024-002, authorizing funds from the California State Transit Assistance Program toward the Phase 3 – Facility Maintenance Upgrade Project for FY 2022 in the amount of \$43,823

2. Adopt Resolution No. 2024-003, authorizing funds from the California State Transit Assistance Program toward the Phase 3 – Facility Maintenance Upgrade Project for FY 2023 in the amount of \$780,432.

- CC 5 RESOLUTION NO. 2024-004, AUTHORIZING FUNDS FROM THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM TOWARD THE PHASE 3 – FACILITY MAINTENANCE UPGRADE PROJECT FOR FISCAL YEAR 2022/2023 – JUDY VACCARO-FRY

Recommendation: Adopt Resolution No. 2024-004, authorizing funds from the California State of Good Repair Program toward the Phase 3 – Facility Maintenance Upgrade Project for FY 2023 in the amount of \$350,597.

NEW BUSINESS (NB):

- NB 1 FISCAL YEAR (FY) 2024/2025 PRELIMINARY BUDGET ASSUMPTIONS – JUDY VACCARO-FRY

Recommendation: Approve the FY 2025 Preliminary Budget Assumptions and provide direction to staff regarding fiscal priorities for the final FY 2025 Budget.

CLOSED SESSION (CS):

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

- CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)
Significant exposure to litigation (two potential cases)
- CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)
Consideration of whether to initiate litigation (one potential case)
- CS 3 Conference with Legal Counsel – Anticipated Litigation: Consideration of Initiation of Litigation Pursuant to Government Code Section 54956.9(D)(4)
(one potential case)

RECESS TO CLOSED SESSION

RECONVENE TO PUBLIC SESSION

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

REPORTS AND ANNOUNCEMENTS (RA):

- RA 1 REPORT BY THE EXECUTIVE DIRECTOR/CEO

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

During this portion of the meeting, Board Members may address non-agenda items by briefly responding to statements made or questions posed by the public, asking a question for clarification, making a brief announcement, or making a brief report on their own activities. **State law generally prohibits the AVTA Board of Directors from taking action on or discussing items not on the agenda.** Matters will be referred to the Executive Director/CEO for follow-up.

ADJOURNMENT:

Adjourn to the Regular Meeting of the Board of Directors on June 25, 2024, at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

The agenda was posted by 6:00 p.m. on May 24, 2024, at the entrance to the Antelope Valley Transit Authority, 42210 6th Street West, Lancaster, CA 93534.

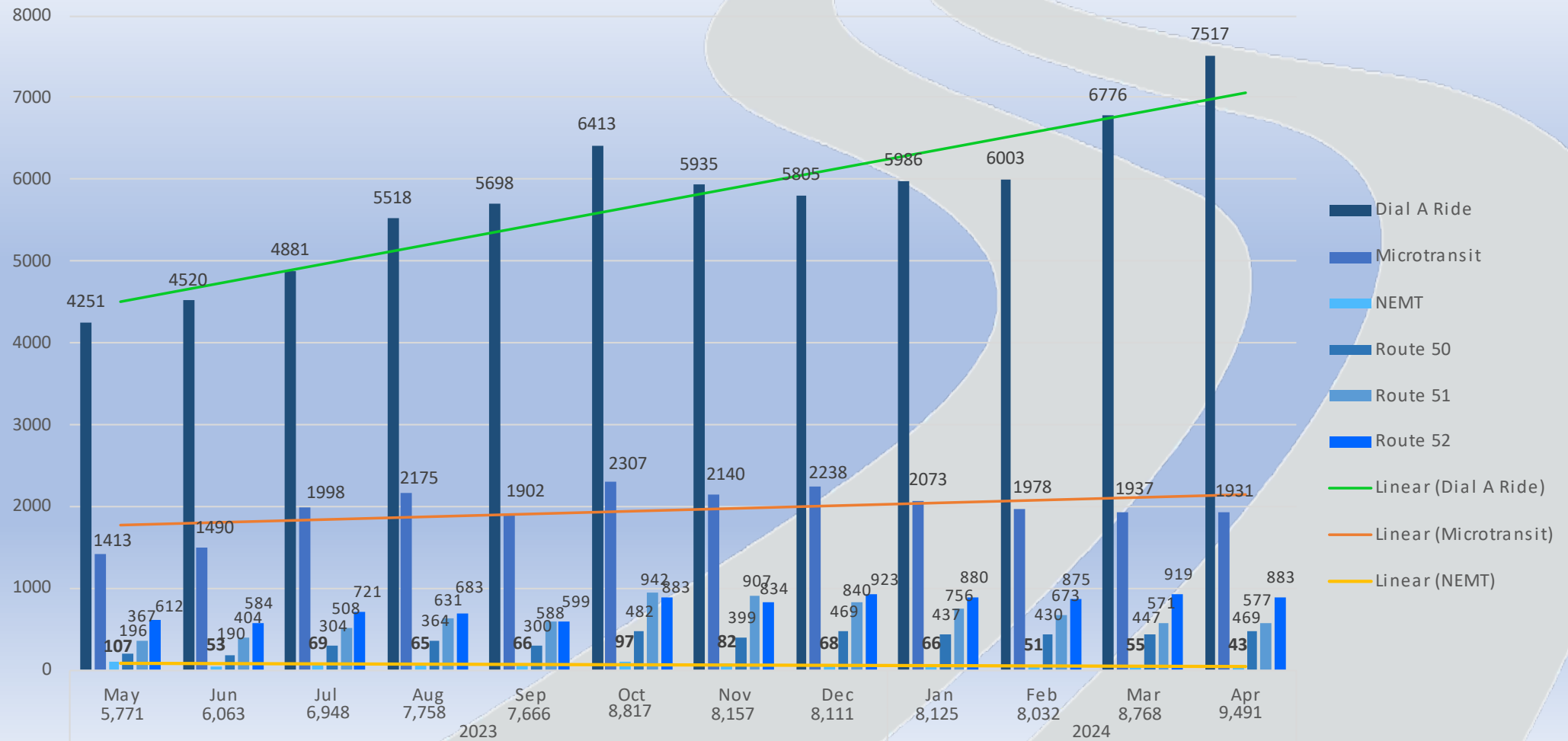
Copies of the staff reports and attachments or other written documentation relating to each proposed item of business on the agenda presented for discussion by the Board of Directors are on file in the Office of the Executive Director/CEO. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the AVTA to the Board of Directors less than 72 hours prior to that meeting are on file in the Office of the Executive Director/CEO. These documents are available for public inspection during regular business hours at the Customer Service window of the AVTA at 42210 6th Street West, Lancaster or by contacting the Clerk of the Board at (661) 729-2206.

April

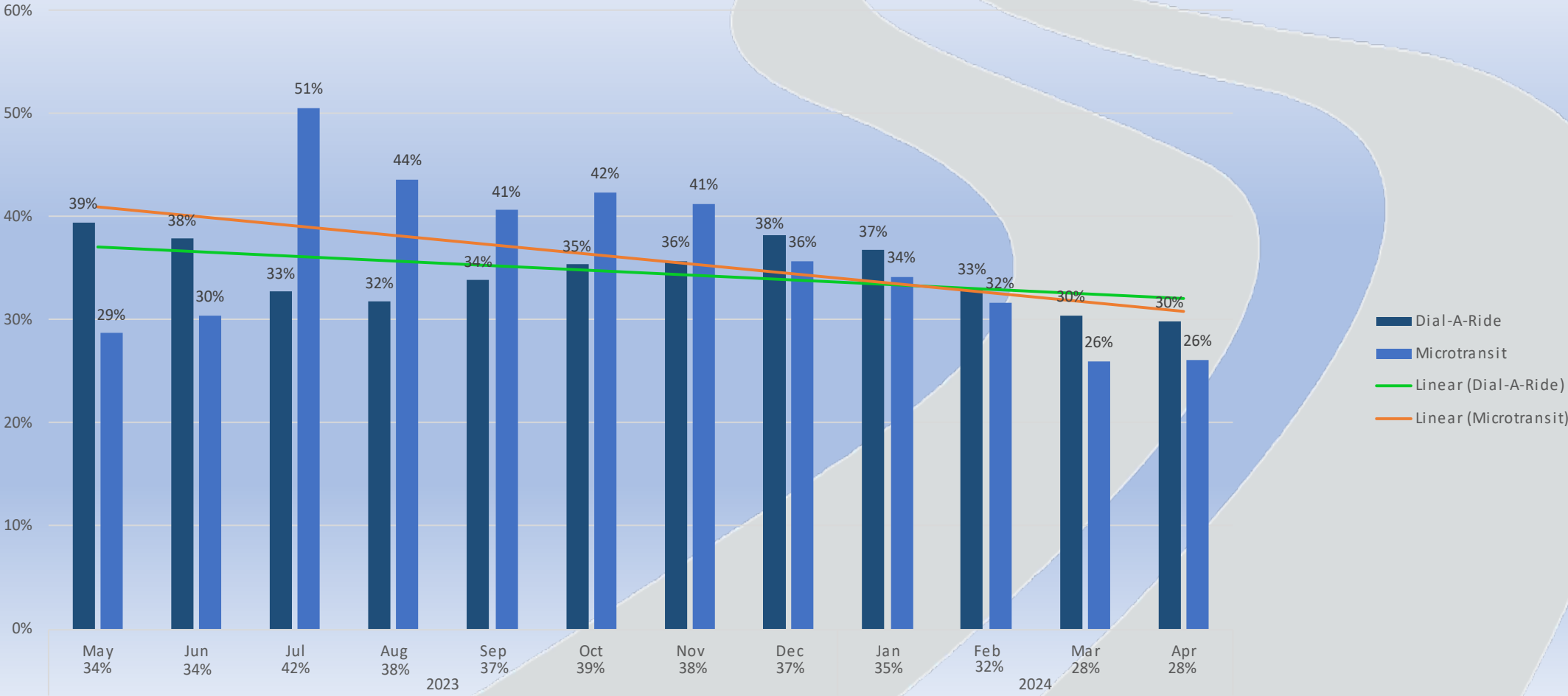
FY 2024 MONTHLY OPERATIONS KEY PERFORMANCE INDICATORS

Presentation to the
Board of Directors
May 28, 2024

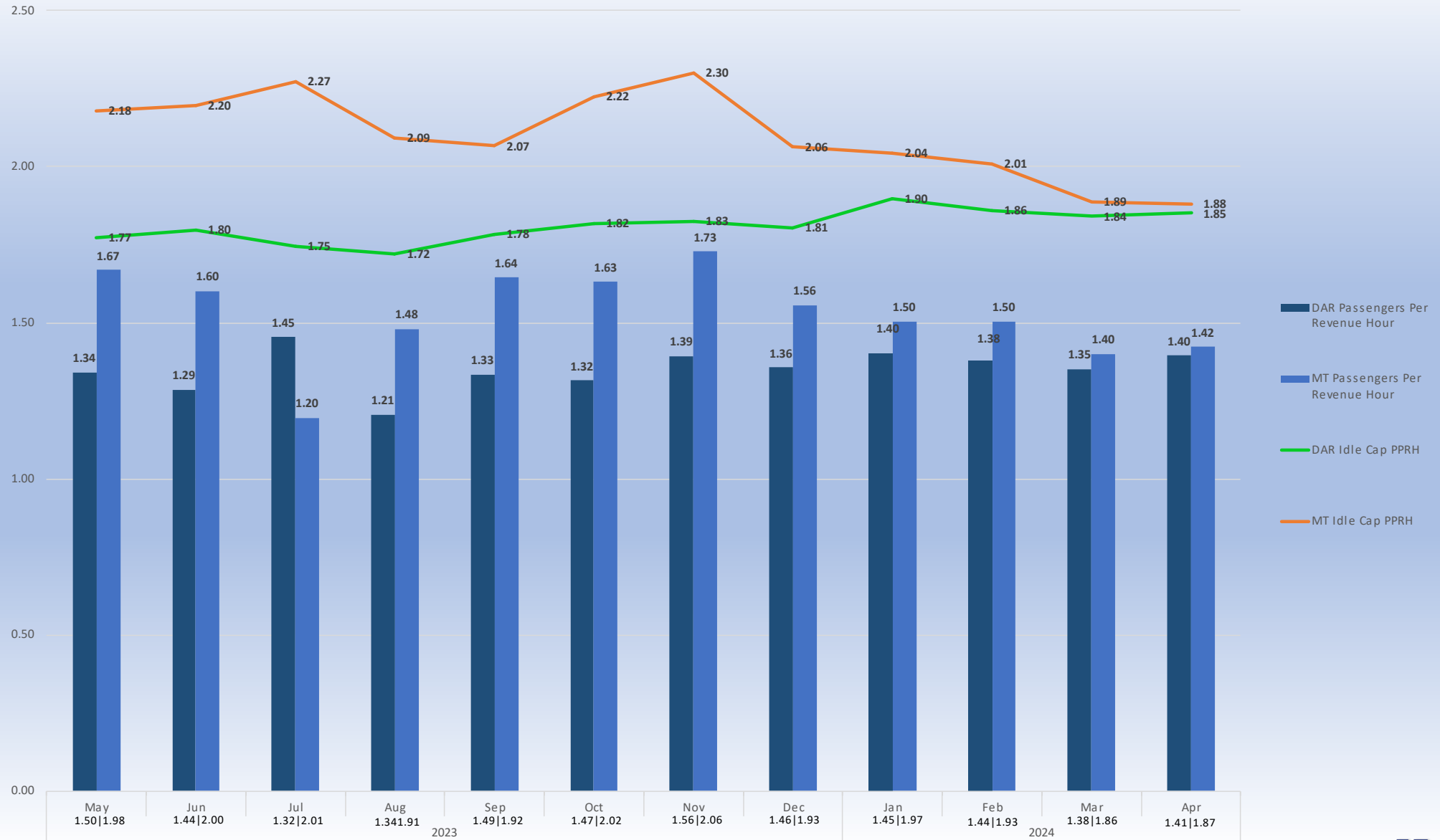
PASSENGER RIDERSHIP DATA



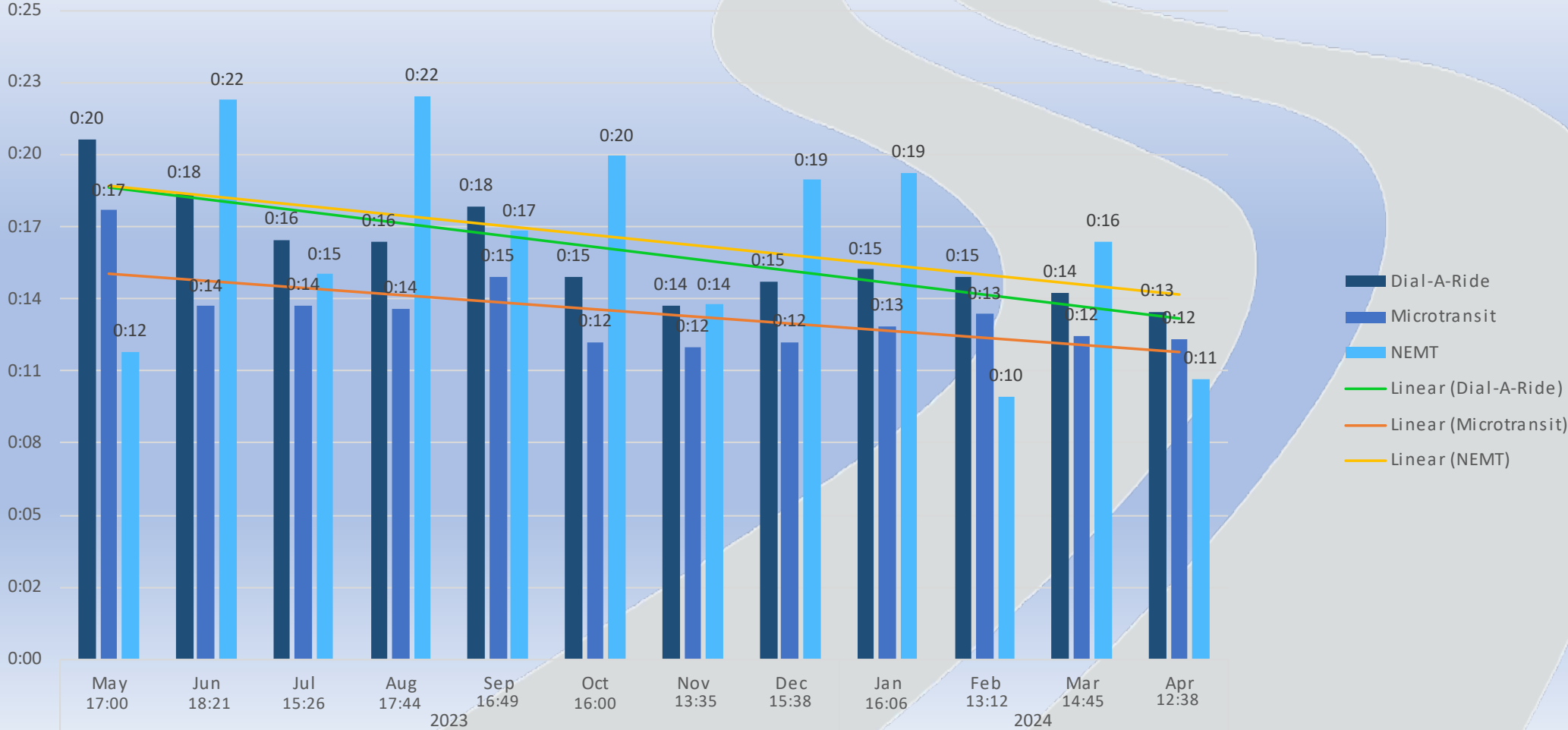
AVERAGE SHARED RIDE PERCENTAGE



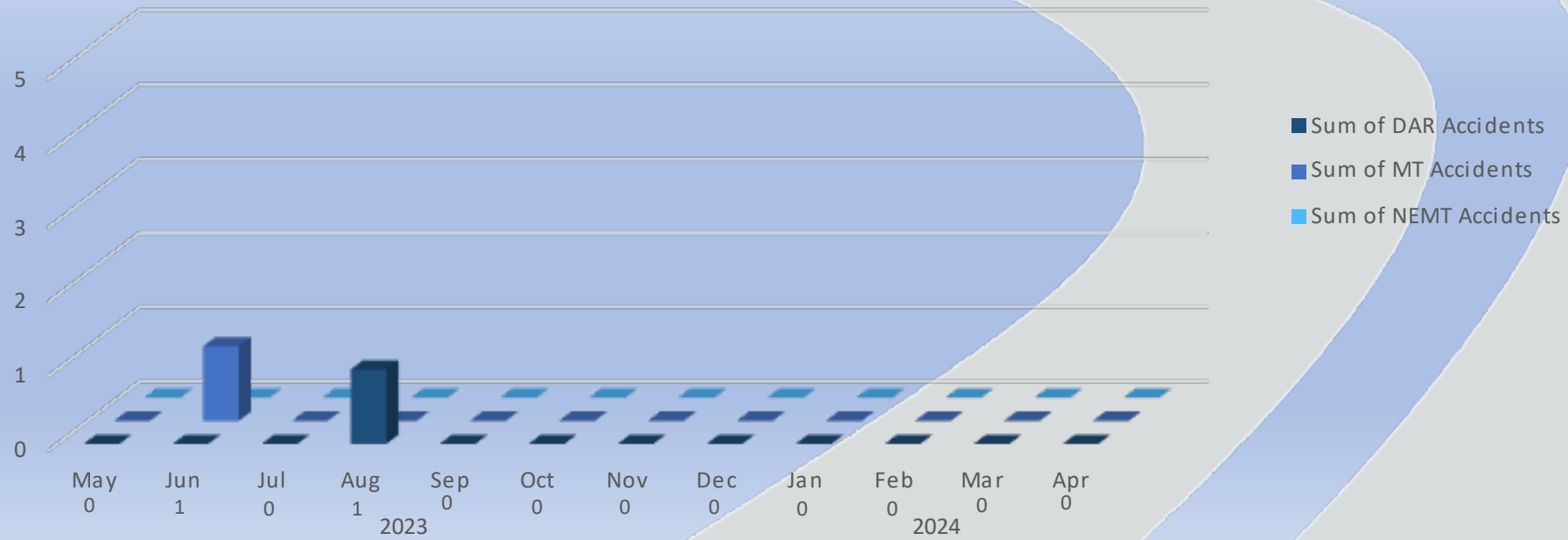
PASSENGERS PER REVENUE HOUR



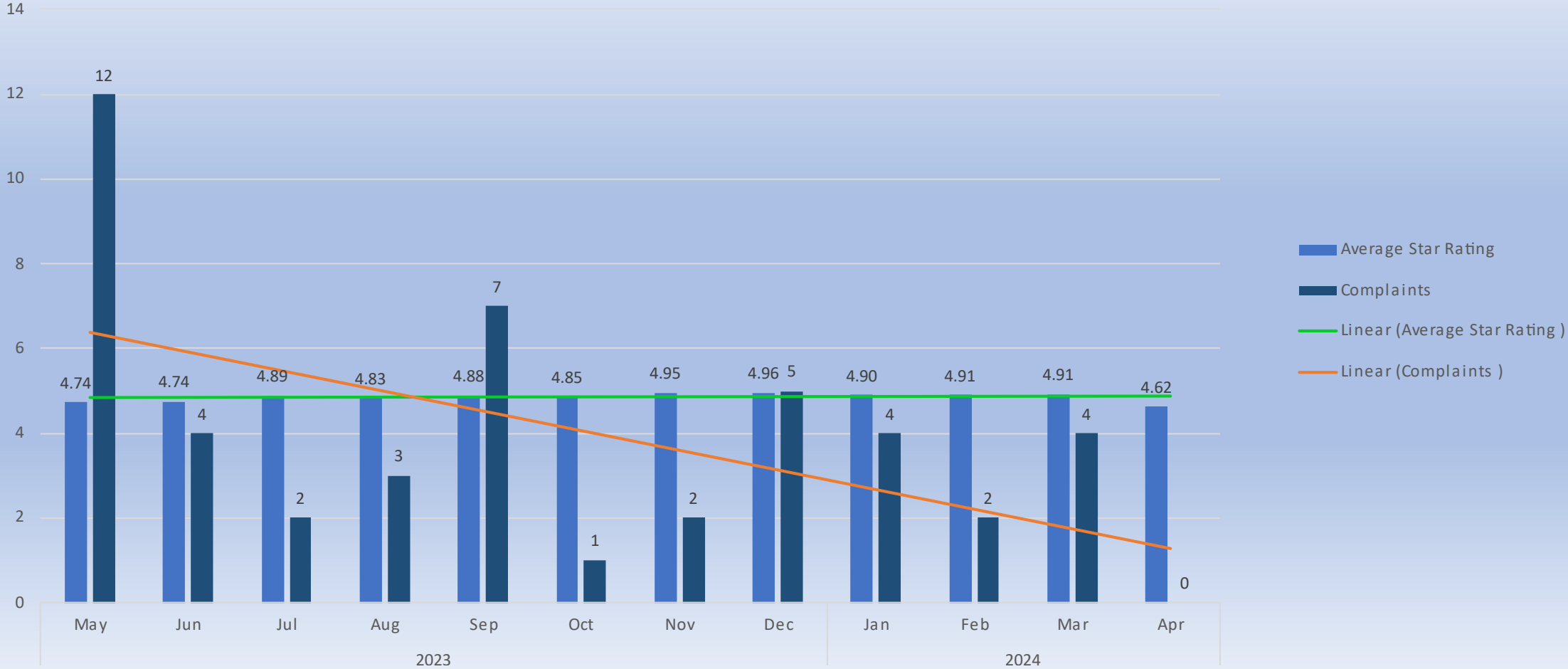
PASSENGER WAIT TIME



ACCIDENTS



PASSENGER FEEDBACK



April

FY 2024 MONTHLY OPERATIONS KEY PERFORMANCE INDICATORS

Thank You!

Questions?

LEGISLATIVE UPDATE

Presentation to the Board of Directors
May 28, 2024



STATE



GAS TAX



On July 1, the state's excise gas tax will increase by 1.9 cents to 59.6 cents a gallon to keep up with inflation.

The tax on diesel fuel will rise by 1.3 cents to 45.4 cents a gallon.



CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION
450 N Street
Sacramento, CA 95814

GAVIN NEWSOM
Governor

AMY TONG
Secretary
Government Operations Agency

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

TTY
711

SPECIAL NOTICE

Tax Rates for Motor Vehicle and Diesel Fuels

Rates in Effect from July 1, 2024, through June 30, 2025

Sales and Use Tax Rates		
Type of Fuel	Prepayment per Gallon	Sales and Use Tax Rates*
Gasoline (motor vehicle fuel)	8 cents (\$0.080)	2.25%
Aircraft jet fuel	15 cents (\$0.150)	7.25%
Diesel fuel	44.5 cents (\$0.445)	13.00%

* You must add district taxes where applicable. District tax rates for your area are available on our website at www.cdtfa.ca.gov/formspubs/cdtfa105.pdf.

Excise Tax Rates per Gallon		
Type of Fuel	Through June 30, 2024	Effective July 1, 2024
Gasoline (motor vehicle fuel)	57.9 cents (\$0.579)	59.6 cents (\$0.596)
Aircraft jet fuel**	2 cents (\$0.02)	2 cents (\$0.02)
Diesel fuel	44.1 cents (\$0.441)	45.4 cents (\$0.454)

** The excise tax on aircraft jet fuel is not subject to an annual adjustment.

ASSEMBLY BILLS

BILL #	TITLE	STATUS	
AB 1904	Yield Signs on Transit Buses.	5/1/2024	Referred to Committee on Transportation
AB 1953	Vehicles: weight limits.	5/15/2024	re-referred to Committee on Transportation
AB 2037	Weights and measures: electric vehicle chargers.	5/8/2024	Referred to Coms. on B., P. & E. D. and Judiciary
AB 2043	NMT and NEMT	5/21/2024	Read third time. Passed. Ordered to the Senate.
AB 2553	Major Transit Stops.	5/15/2024	Referred to Committees on Local Government and Housing
AB 2626	Advanced Clean Fleets Regulations: local governments.	3/4/2024	Referred to Committee on Transportation and Natural Resources
AB 2697	<i>Transportation electrification: electric vehicle charging infrastructure.*</i>	5/21/2024	In Senate. Read first time. To Committee on Rules for assignment.
AB 2719	Commercial Vehicle Inspections	5/16/2024	In committee: Held under submission.
AB 2824	Enhanced Penalties for Transit Employee Assaults.	4/23/2024	In committee: Hearing postponed by committee
AB 3177	Mitigation Fee Act: land dedications: mitigating vehicular traffic impacts.	5/21/2024	Read third time. Passed. Ordered to the Senate.
AB 3219	Advanced Clean Fleets Regulation: local governments.	3/12/2024	Re-referred to Committee on Transportation
AB 3238	Electrical infrastructure projects: endangered species: natural community conservation plans.	5/20/2024	Read second time. Ordered to third reading.

*Assemblyman Carrillo

SENATE BILLS

BILL #	TITLE	STATUS	
SB 768	State Air Resources Board: vehicle miles traveled: study	4/29/2024	Referred to Committee on Natural Resources
SB 960	Transit Priority Projects	5/17/2024	Read second time and amended. Ordered to second reading.
SB 961	Vehicles: safety equipment	5/21/2024	Read third time. Passed. (Ayes 22. Noes 13.) Ordered to the Assembly.
SB 898	SB-898 Vehicle equipment: windows	5/21/2024	Read third time. Passed. (Ayes 26. Noes 9.) Ordered to the Assembly.
SB 1204	Planning and Zoning Law: electric vehicle charging stations	2/29/2024	Referred to Committee on rules
SB 1325	Public contracts: best value procurement: goods	5/22/2024	3rd reading
SB 1387	Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: vehicle eligibility	5/20/2024	Ordered to special consent calendar.

CANCELED - FAILED - HELD UNDER SUBMISSION

BILL #	TITLE	STATUS	
AB 2781	Public contracting: state grants: prohibition.	5/21/2024	In committee: Held under submission
AB 2266	California HVIP: vehicle eligibility.	4/4/2024	Hearing canceled at the request of author.
AB 2480	Zero-emission school bus replacement grants: private contractors.	4/22/2024	Hearing canceled at the request of author.
AB 2204	Green Hydrogen.	4/17/2024	Hearing canceled at the request of author.
AB 2029	Electric vehicle charging stations study.	5/16/2024	In committee: Held under submission.
SB 1279	State financed projects: state competitive grant programs	4/11/2024	first hearing canceled at the request of author.
SB 1011	Encampment Penalties	4/16/2024	April 16 set for first hearing. Failed passage in committee.

MAY REVISE

The Governor's updated budget continues to project a dire fiscal outlook for the state, estimating a \$55 billion deficit over the next two fiscal years.

The Administration continues to propose a combination of funding delays, shifts, and cuts to close the projected deficit.

Specifically, relative to previous commitments made to public transit, the Governor's May Revise proposes the following:

- Maintains the state's commitment to provide \$5.1 billion in SB 125 funding by shifting an additional \$839 million of formula-based TIRCP funding from the General Fund to the Greenhouse Gas Reduction Fund across FY 23-24 through FY 25-26; and shifting \$460 million for the Zero-Emission Transit Capital Program from FY 24-25 and FY 25-26 to FY 27-28.
- Reduces \$148 million in TIRCP Cycle 6 funding from funds that have not been allocated or have been set aside for a specific earmark.



MAY REVISE

The May Revise maintains the change implemented in the Early Action Budget Agreement that extends the appropriation timeline for this funding from two years (FY 23-24 and FY 24-25) to three years (FY 23-24 through FY 25-26).

Maintains the \$1.1 billion for the formula-based Zero-Emission Transit Capital Program by delaying the appropriation of \$680 million of this funding to out years, as follows:

- \$220 million scheduled in FY 23-24 is delayed to FY 24-25
- \$230 million scheduled in FY 25-26 is delayed to FY 27-28
- \$230 million scheduled in FY 26-27 is delayed to FY 27-28



TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM (TIRCP)

The California State Transportation Agency (CalSTA) released the final program guidelines and a call for projects for Award Cycle 7 of the program.

This cycle will program projects starting with the FY 24-25 fiscal year and ending with the FY 28-29 fiscal year.

Applicants can assume a total fund estimate of at least \$900 million available for award in Cycle 7.



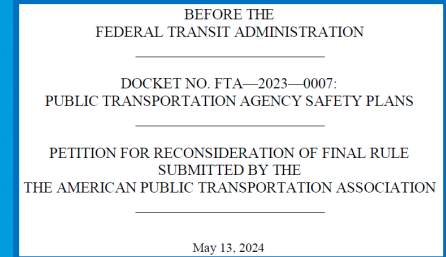
FEDERAL



Public Transportation Agency Safety Plan (PTASP)



On April 11, FTA issued a final rule establishing new PTASP requirements.



(1) the prohibition in 49 C.F.R. § 673.19(c)(8) preventing the Accountable Executive of a transit agency from serving in a tiebreaking role as part of Safety Committee dispute resolution procedures under any circumstance; and (2) the removal of an Accountable Executive's decision-making authority regarding safety risk mitigations in the safety risk reduction program in 49 C.F.R. § 673.23 (d)(1).

AVTA is concerned that FTA failed to adequately account for the additional cost burdens on transit agencies to implement these new PTASP requirements.

Last, AVTA has filed a Petition for Reconsideration requesting that FTA reconsider the implementation timeframe for the final rule's provisions and extend it by one year to May 13, 2025.

REGIONAL



LACMTA GO PASS



LACMTA's May Board Meeting contains a motion to Make the GoPass Fareless Pilot Program permanent.

Annual Reporting Requirements:

- An analysis reflecting the prior 12 months of data;
- Identifying additional funding sources to help offset the programs cost to the agency.
- Identify barriers to cost sharing that educational institutions face in implementing the Program;
- The Program's impact on Metro ridership and other outcomes for students; and
- Report the feasibility of enhancements to the Program.



Questions?



SRP 7

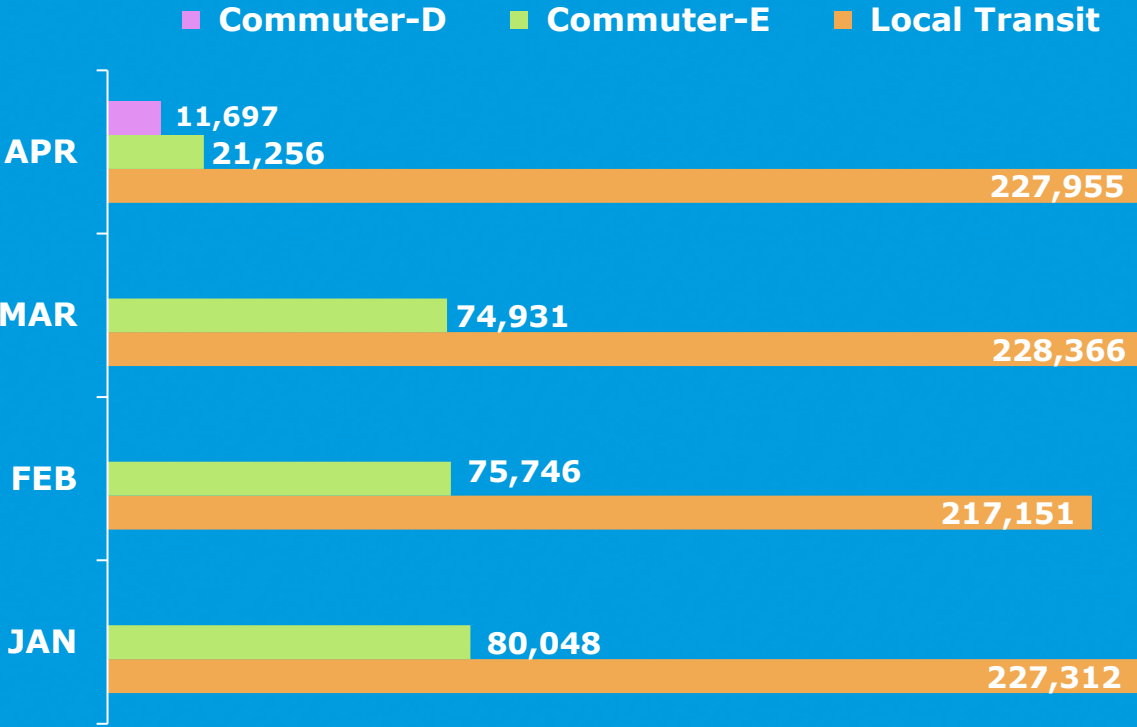
FY 2024 Monthly Fleet Maintenance Key Performance Indicators

Presentation to the Board of Directors

May 28th, 2024

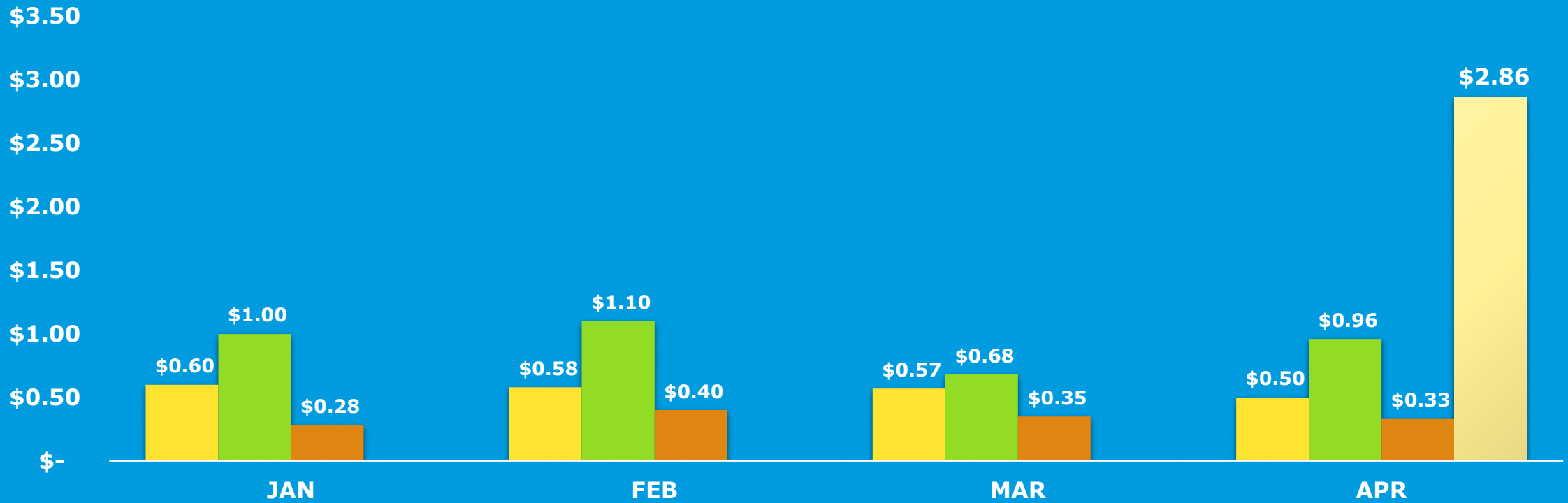


MILESTONES



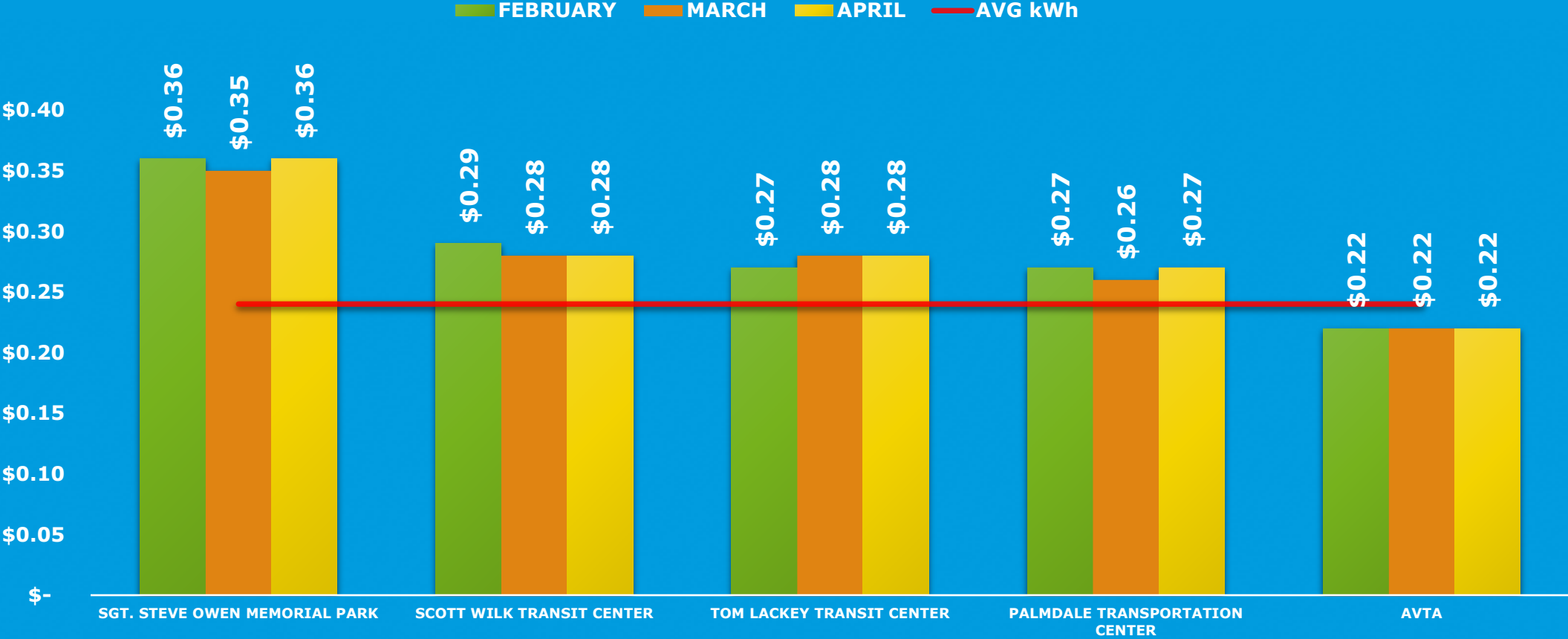
MAINTENANCE COST PER MILE BY FLEET

■ 40'BYD ■ 60'BYD ■ 45'MCI ■ 45'MCI-D

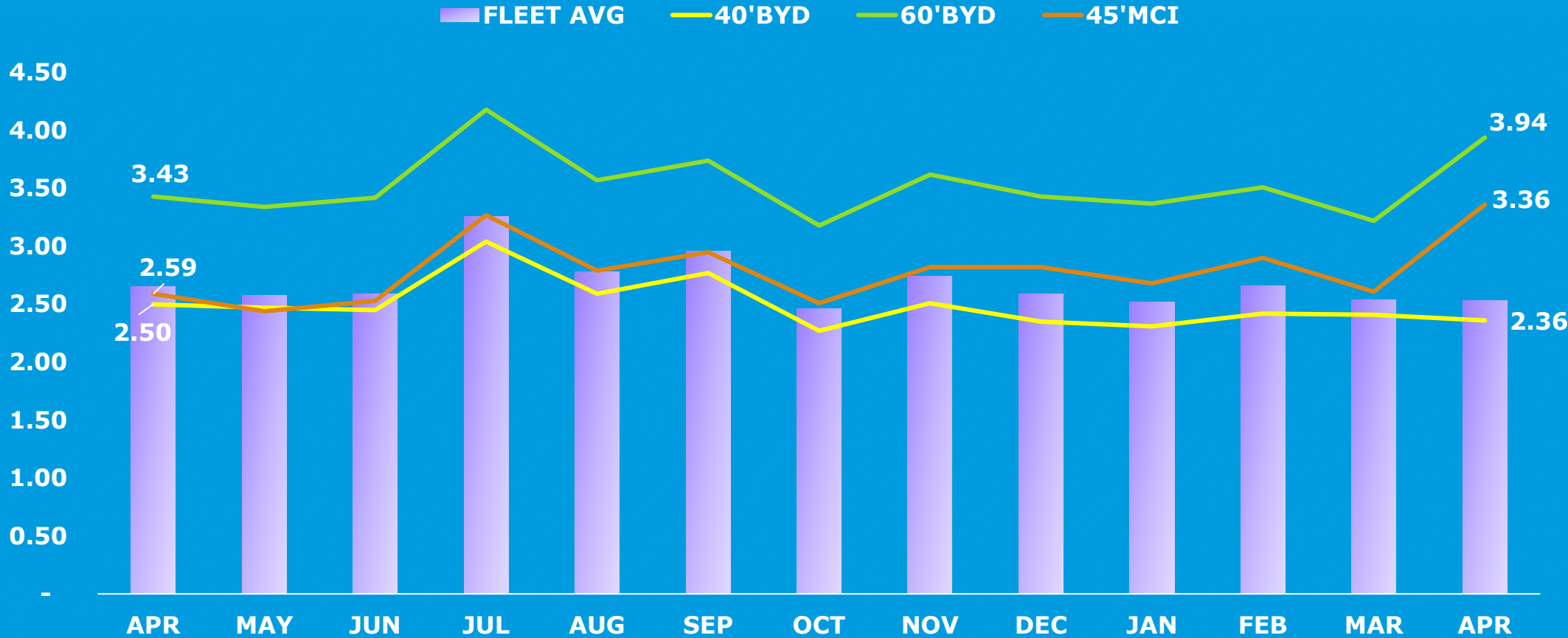


ENERGY DEPOTS

COST PER KWH



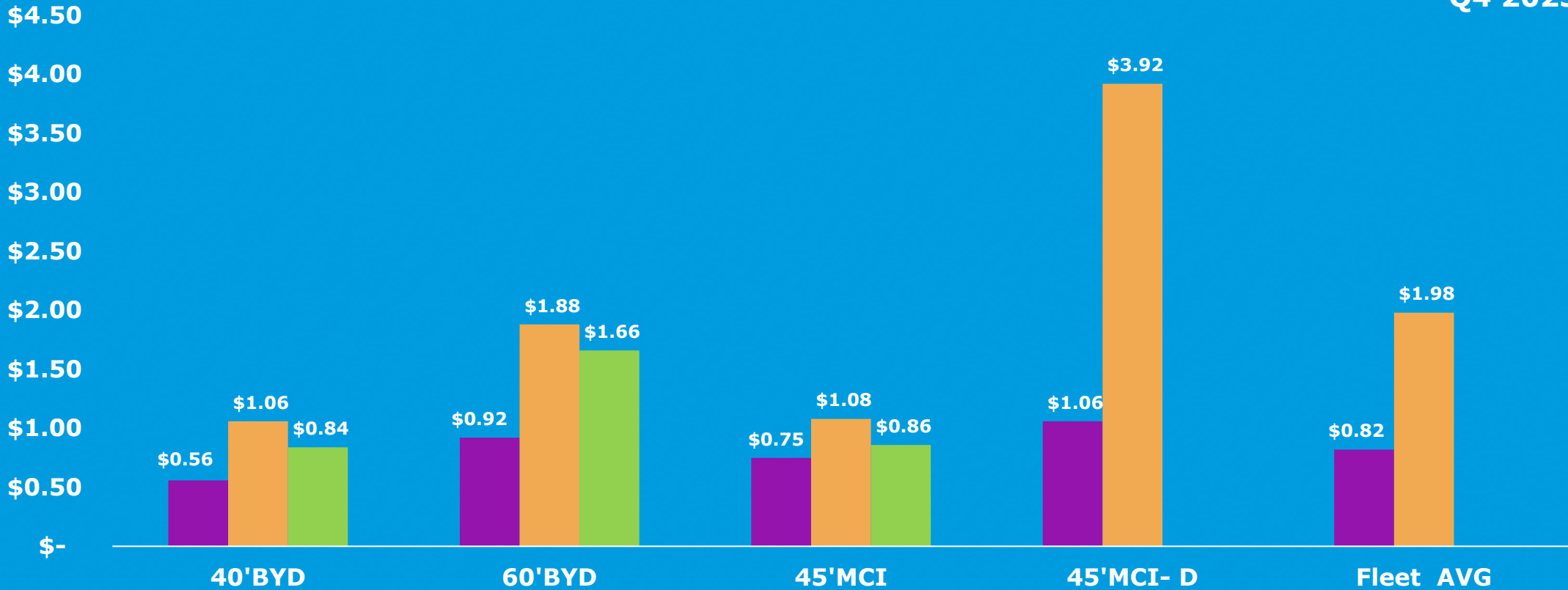
AVERAGE kWh CONSUMPTION PER MILE



FLEET COSTS PER MILE APRIL

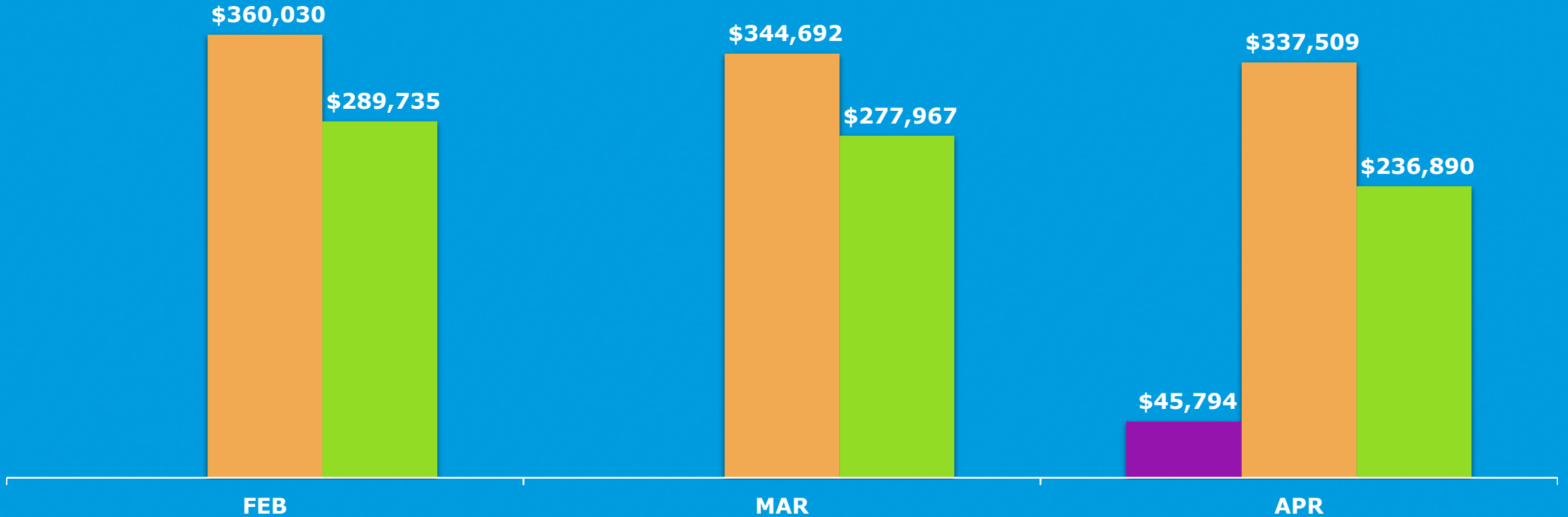
■ ENERGY/FUEL ■ MAINTENANCE COMBINED ■ CREDITS APPLIED

LCFS EARNINGS
Q4 2023: \$.22



COMBINED FLEET OPERATING COSTS ENERGY AND MAINTENANCE

■ DIESEL ■ COMBINED COSTS ■ CREDITS APPLIED



Thank you!

Questions?





SRP 9

FY 2024 Monthly Operations Key Performance Indicators

Presentation to the Board of Directors

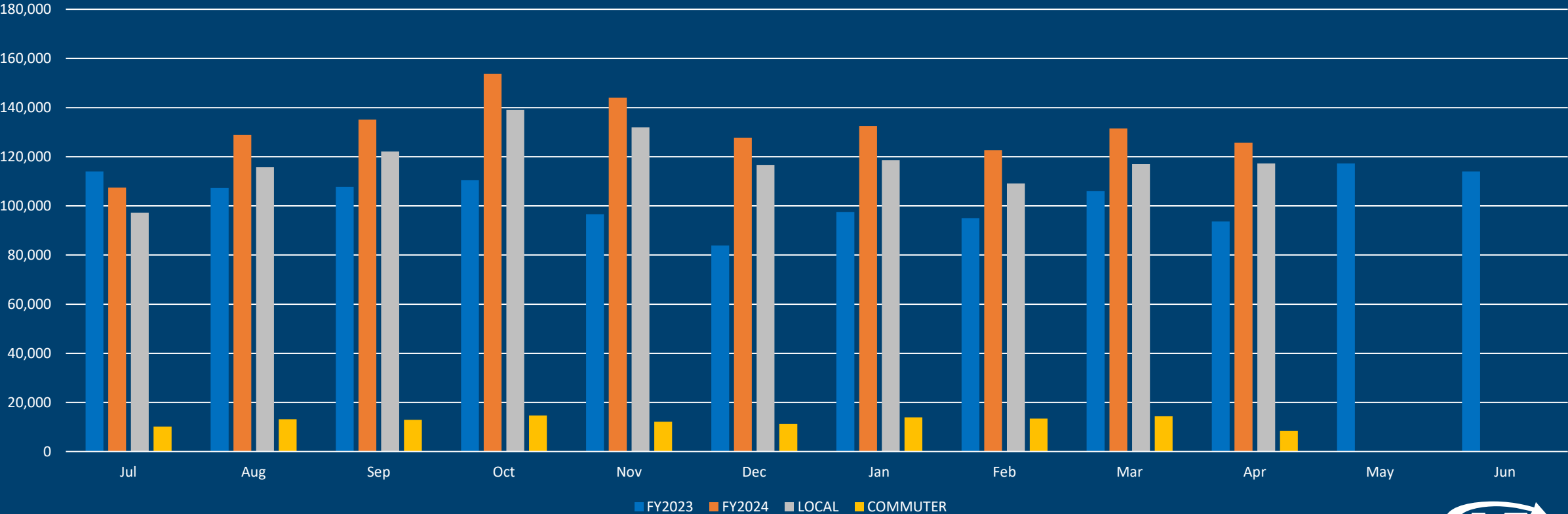
April 2024

Genie Maxie

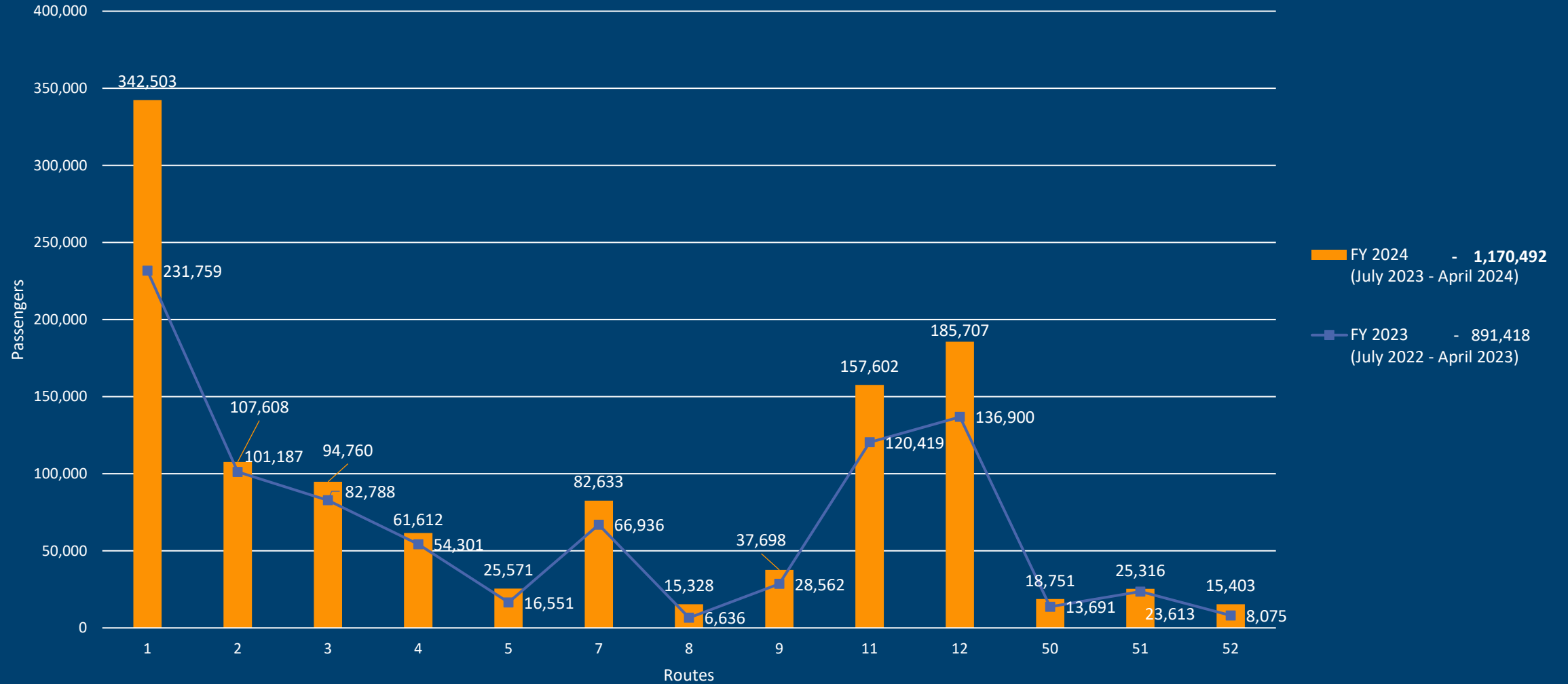
MONTHLY BOARDING ACTIVITY

	April 2024 FY 2024	March 2024 FY 2024
System	125,735	131,496
Local	117,233	117,094
Commuter	8,502	14,402

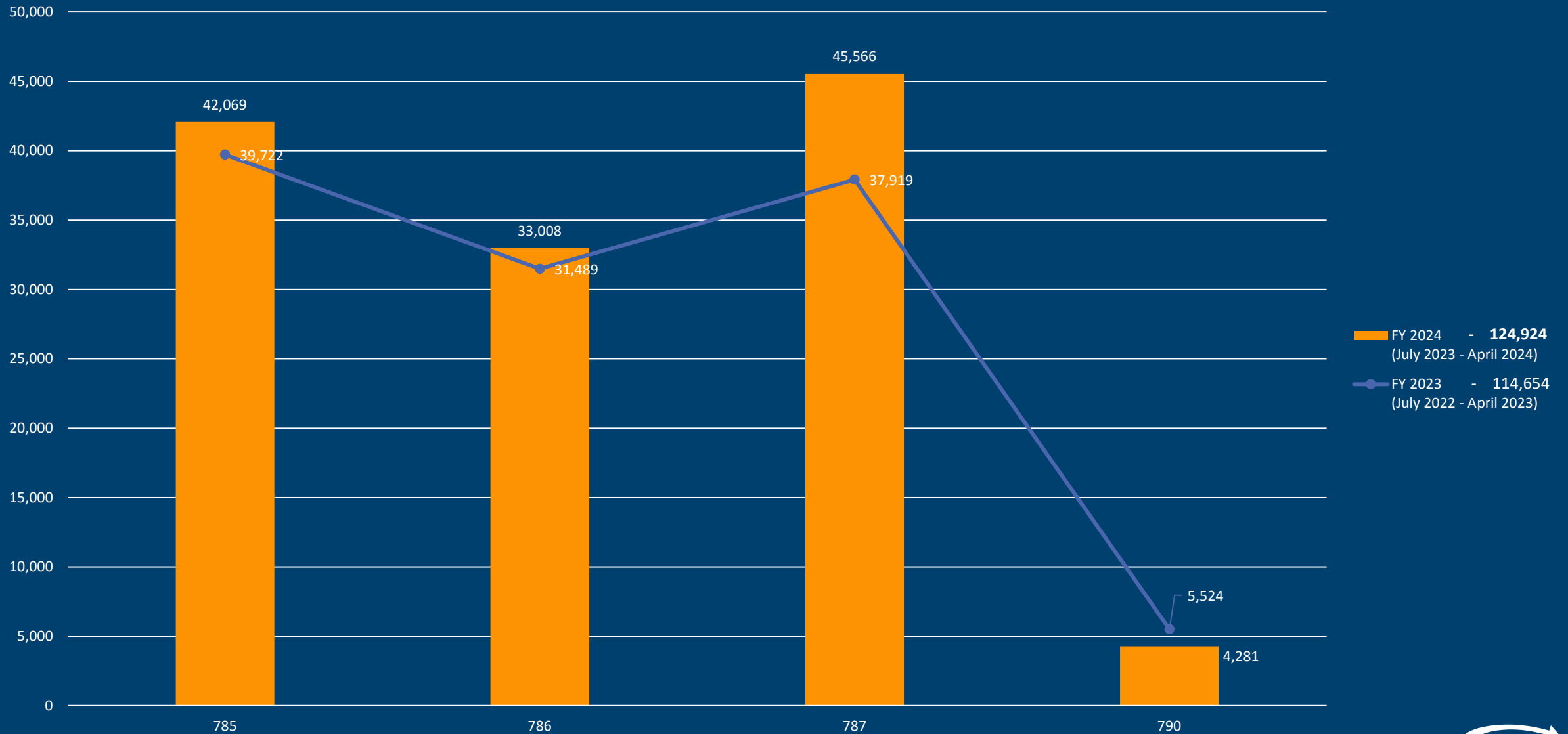
MONTHLY BOARDING ACTIVITY



ANNUAL RIDERSHIP – LOCAL ROUTES

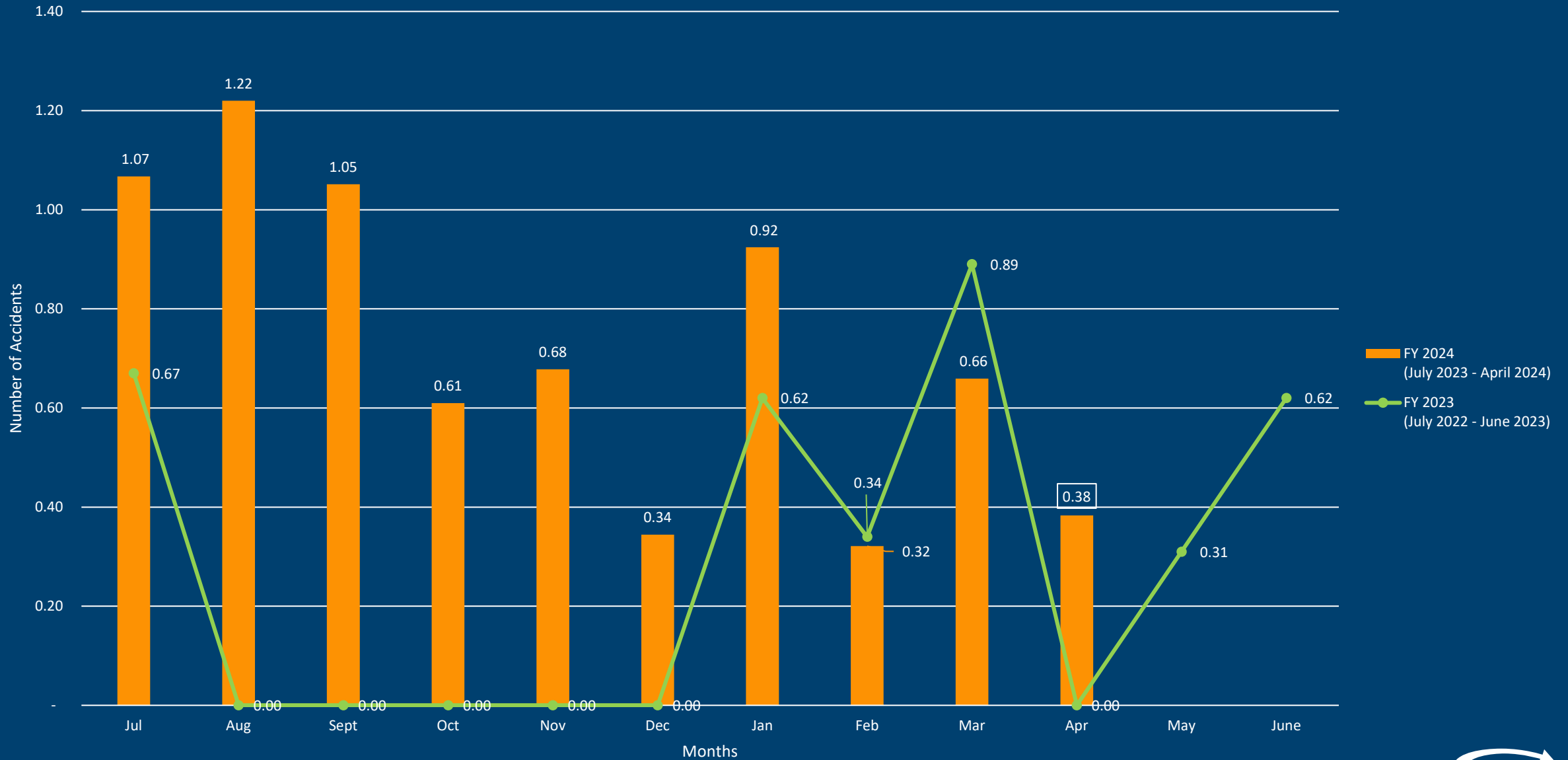


ANNUAL RIDERSHIP - COMMUTER ROUTES



PREVENTABLE ACCIDENTS /100,000 MILES

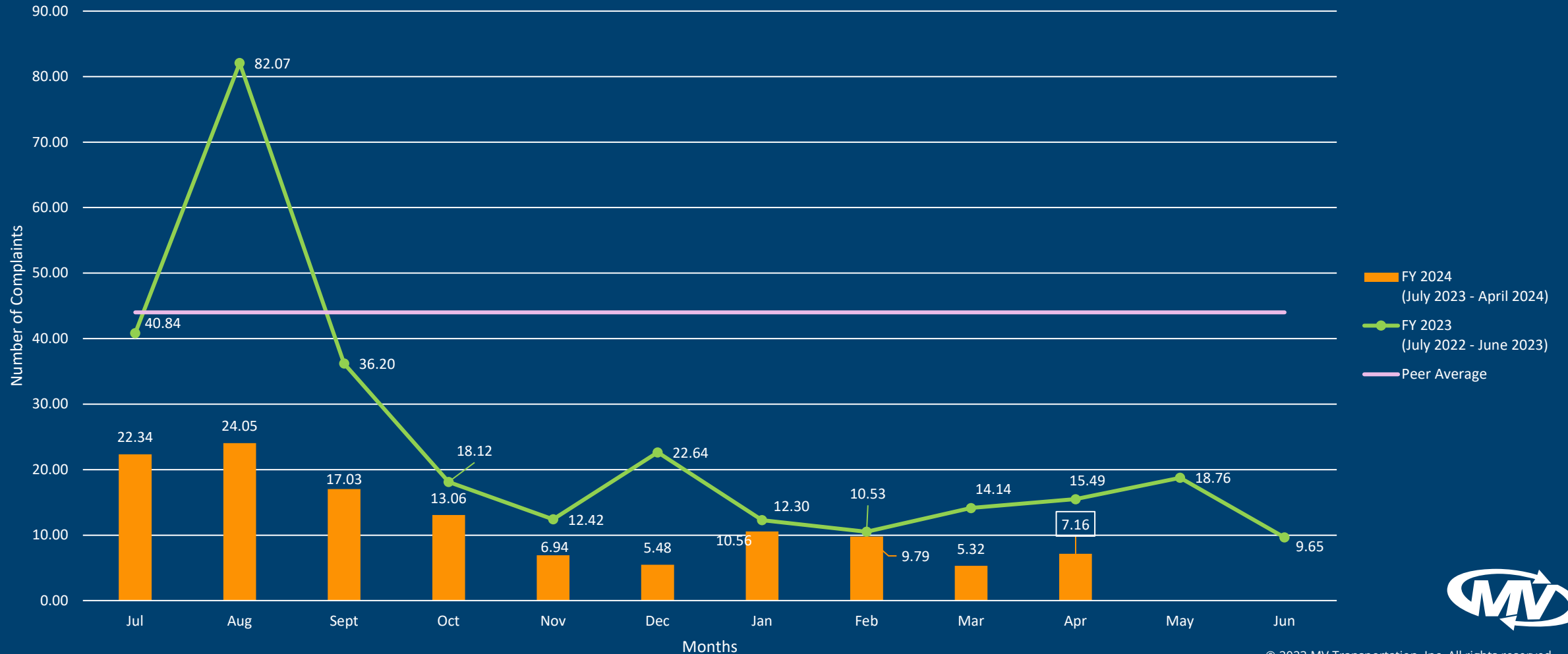
APRIL – SYSTEM-WIDE AVERAGE: .38



COMPLAINTS / 100,000 BOARDINGS

APRIL –SYSTEM WIDE AVERAGE: 7.16

PEER AVERAGE: 44.00

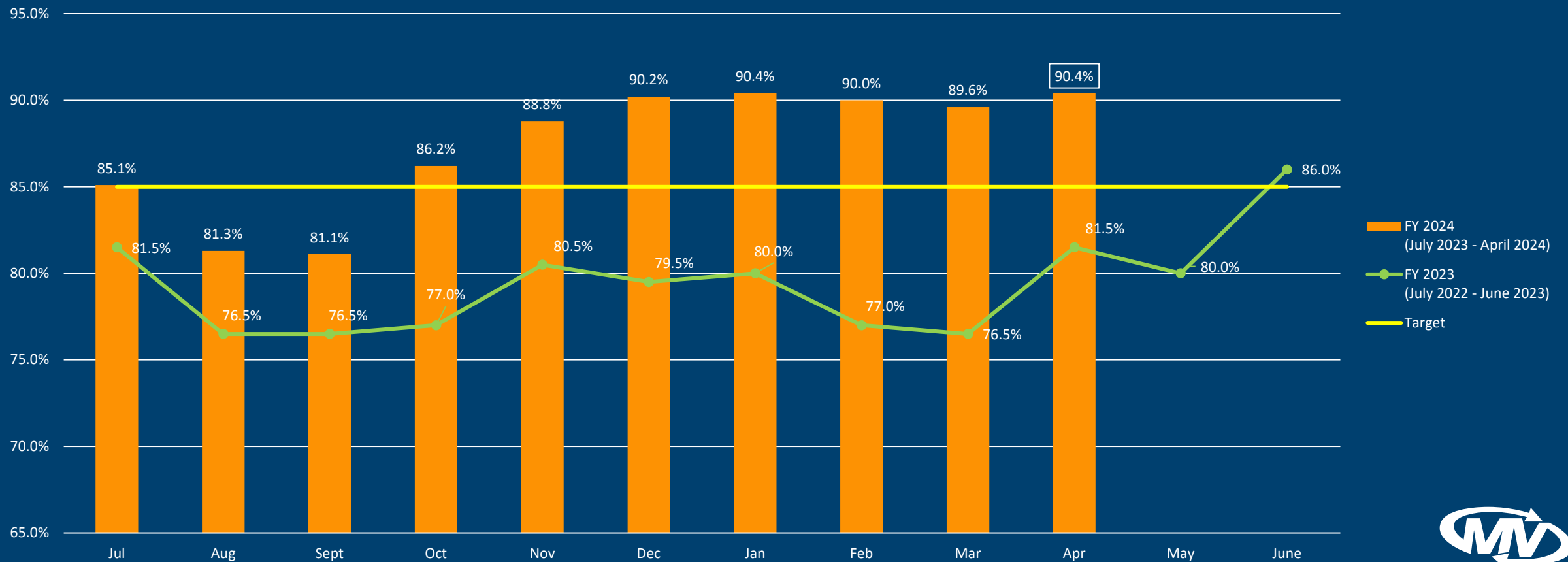


ON-TIME PERFORMANCE

APRIL – LOCAL: 86% COMMUTER: 94.8%

SYSTEM WIDE AVERAGE: 90.4%

TARGET: 85%



AVERAGE MILES BETWEEN ROADCALLS

APRIL – SYSTEM WIDE AVERAGE: 12,424

TARGET: 15,500



KEY PERFORMANCE INDICATORS

	April 2024 FY 2024	March 2024 FY 2024	April 2023 FY 2023
Boarding Activity	125,735	131,496	8,984
Complaints / 100,000 Boardings	7.16	5.32	15.49
Preventable Accidents / 100,000 Miles	.38	.66	.00
On Time Performance	90.4%	89.6%	76.5%
Average Miles Between Roadcalls	12,424	17,841	8,087





WE ARE MVMNT

**THANK
YOU**

Questions?



Regular Meeting of the Board of Directors

Tuesday, April 23, 2024

10:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

UNOFFICIAL MINUTES

CALL TO ORDER

Chairman Crist called the meeting to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE

Director Ohlsen led the Pledge of Allegiance.

ROLL CALL:

Present

Chairman Marvin Crist, Director Richard Loa, Director Eric Ohlsen, Director Raj Malhi, Director Michelle Flanagan

Absent

Vice Chair Dianne Knippel

APPROVAL OF AGENDA

On a motion by Director Loa and seconded by Director Malhi, the Board of Directors approved the agenda, pulling items SRP 8 and 9.

Vote: Motion carried (5-0-0-1)
Yeas: Chairman Crist, Directors Loa, Ohlsen, Malhi, Flanagan
Nays: None
Abstain: None
Absent: Vice Chair Knippel

PUBLIC BUSINESS– AGENDIZED AND NON-AGENDIZED ITEMS:

Milcah White thanked the Board, staff, Dial-A-Ride (DAR) administrators, and operators for listening to her concerns. She shared a situation when a rider was rude to an operator and asked if she could be a transit liaison.

Charlotte Baxter spoke about the DAR brochure's lack of rules and regulations and the exceptional DAR service she received on April 13 and 15, 2024. She also

expressed her concerns about how some clients in wheelchairs are treated and an event that occurred on April 19, 2024, with an MV Transportation operator.

Fran Sereseres congratulated the incumbents on their re-election to the Lancaster City Council. She also noted the need for additional amenities at the Lancaster bus shelters to protect riders from the weather.

SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP):

SRP 1 LEGISLATIVE REPORT FROM SENATOR SCOTT WILK’S OFFICE

Thomas Moreno, District Representative for State Senator Scott Wilk’s office, reported on SB-1004 Income taxes: exclusions: wildfires, SB-1023 California State University: Antelope Valley or Victor Valley campus, SB-898 Vehicle equipment: windows, SB-961 Vehicles: safety equipment, and SB-1387 California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: vehicle eligibility.

SRP 2 LEGISLATIVE REPORT FROM ASSEMBLYMEMBER TOM LACKEY’S OFFICE

Anna Zarley, Senior Field Director for Assemblymember Tom Lackey’s office, provided information regarding AB-2200 Guaranteed Health Care for All, AB-2263 The California Guaranteed Income Study and Funding Act, SB-961 Vehicles: safety equipment, AB-2456 Criminal law: civil compromise, SB-1160 Firearms, AB-1811 Jury duty: eligibility, and SB-1494 Local agencies: Sales and Use Tax: retailers.

SRP 3 PRESENTATION TO AVTA EMPLOYEE OF THE MONTH FOR MARCH 2024

Safety and Facilities Manager Sean Elmore presented Facilities Maintenance Worker Aura Estrada with the Employee of the Month award for March 2024.

SRP 4 PRESENTATION TO AV TRANSPORTATION SERVICES (AVTS) EMPLOYEE OF THE MONTH FOR FEBRUARY AND MARCH 2024

AV Transportation Services President Art Minasyan presented awards to Joshua McTaggart, Employee of the Month for February 2024, and Craig Simpkins, Employee of the Month for March 2024.

SRP 5 AVTS MICROTRANSIT AND DIAL-A-RIDE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR MARCH 2024

Mr. Minasyan presented the report.

SRP 6 LEGISLATIVE REPORT AND FINANCE UPDATE FOR APRIL 2024

Chief Financial Officer Judy Vaccaro-Fry presented an update on Fiscal Year (FY) 2025 state and federal budgets, various assembly and senate bills, FY 2024 Federal Appropriations, the Public Employees’ Pension Reform Act – CalPERS, newly elected chairman of the Appropriations Committee Tom Cole, zero-emission trains, MTA FY 2025 Apportionments, and SCAG – Connect SoCal 2024. The Chairman instructed the Executive Director to have Ms. Vaccaro-Fry present the budget information to the Local 848 Teamsters Union.

SRP 7 MAINTENANCE KPI REPORT FOR MARCH 2024

Maintenance Compliance Analyst Joseph Sanchez presented the report.

SRP 10 INDUSTRYWIDE RIDERSHIP ON ALL TRANSPORTATION MODES

Planning Manager Geraldina Romo presented the report. The Board discussed whether AVTA passengers are using the Metrolink instead of AVTA’s commuter service, what the City of Santa Clarita has done to increase ridership, and which school districts have not enrolled in the GoPass program.

Ms. Romo will research whether AVTA commuter riders use the Metrolink instead of AVTA’s commuter service. Executive Director/CEO Martin Tompkins added that staff will review the routes in FY 2025 and develop a plan to improve efficiency.

Marketing Manager James Royal responded that he had contacted all the school districts, including Westside, Eastside, and Palmdale. District staff members are currently reviewing the information. Directors Ohlsen and Loa will contact Palmdale District to see if they can assist.

CONSENT CALENDAR (CC):

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF MARCH 26, 2024

Approve the Board of Directors Regular Meeting Minutes of March 26, 2024.

CC 2 FINANCIAL REPORT FOR MARCH 2024

Receive and file the Financial Report for March 2024.

CC 3 FY 2024 THIRD QUARTER LOS ANGELES COUNTY SHERIFF’S DEPARTMENT REPORT (JANUARY 1 – MARCH 31, 2024)

Receive and file the FY 2024 Third Quarter LASD report for the period covering January 1 through March 31, 2024.

CC 4 SERVICE CHANGE GUIDELINES

Approve the updated Service Change Guidelines.

CC 5 AMEND AUTHORITY’S CLASSIFICATION AND SALARY SCHEDULE

Approve amending the Authority’s Classification and Salary Schedule to reclassify the IT Technician II position to Network Administrator.

On a motion by Director Flanagan and seconded by Director Malhi, the Board of Directors approved the Consent Calendar as comprised.

Vote: Motion carried (5-0-0-1)

Yeas: Chairman Crist, Directors Loa, Ohlsen, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Vice Chair Knippel

NEW BUSINESS (NB):

NB 1 ELECTION OF BOARD OFFICERS FOR FISCAL YEAR 2024/2025 (FY 2025)

On a motion by Director Flanagan and seconded by Director Malhi, the Board of Directors nominated and elected Marvin Crist as Chair and Dianne Knippel as Vice Chair for FY 2025.

Vote: Motion carried (5-0-0-1)

Yeas: Chairman Crist, Directors Loa, Ohlsen, Malhi, Flanagan

Nays: None

Abstain: None

Absent: Vice Chair Knippel

CLOSED SESSION (CS):

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)
Significant exposure to litigation (two potential cases)

CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)
Consideration of whether to initiate litigation (one potential case)

CS 3 Conference with Legal Counsel – Anticipated Litigation: Consideration of Initiation of Litigation Pursuant to Government Code Section 54956.9(D)(4) (one potential case)

RECESS TO CLOSED SESSION

The Board of Directors recessed to Closed Session at 11:00 a.m.

RECONVENE TO PUBLIC SESSION

The Board of Directors reconvened to Public Session at 11:33 a.m.

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

General Counsel Allison Burns stated that the Board had discussed CS 2 and gave direction to staff and legal counsel. There was no reportable action.

Chairman Crist informed Julie Drake, staff writer at the AV Press, that she would receive information when it becomes available.

ADJOURNMENT:

Chairman Crist adjourned the meeting at 11:34 a.m. to the Regular Meeting of the Board of Directors on May 28, 2024, at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

PASSED, APPROVED, and ADOPTED this 28th day of MAY 2024.

Marvin Crist, Chairman of the Board

ATTEST:

Karen S. Darr, Clerk of the Board

Audio recordings of the Board of Directors Meetings are maintained in accordance with state law and AVTA’s Records Retention Policy. Please contact Karen Darr, Clerk of the Board at (661) 729-2206 to arrange to review a recording.



DATE: May 28, 2024

TO: BOARD OF DIRECTORS

SUBJECT: FINANCIAL REPORT FOR APRIL 2024 AND FISCAL YEAR (FY) 2023/2024 THIRD QUARTER TREASURER’S REPORT

RECOMMENDATION

Receive and file the Financial Report for April 2024 and FY 2024 Third-Quarter Treasurer’s Report, including Capital Reserve and Farebox Recovery information.

FISCAL IMPACT

	April 2024
PAYROLL	\$378,286.15
CASH DISBURSEMENTS	\$1,642,927.48

FY 2024 Farebox Recovery Ratio

	Q1	Q2	Q3
Directly Generated Revenue	\$1,199,205.69	\$1,251,683.95	\$1,427,735.54
Operating Expenses	\$8,062,660.77	\$8,949,397.04	\$9,237,792.32
Farebox Recovery Ratio	14.87%	14%	15%

Notes: Revenue includes Farebox, Advertisements and Gain on Sale, LCFS Credits and Investment Income.

BACKGROUND

To comply with the provisions required by Sections 37202, 37208, and 6505.5 of the Government Code, the Chief Financial Officer, in conjunction with the Senior Finance Manager, provides a monthly payroll total and cash disbursements. The Executive Director/CEO appointed as the Authority's Treasurer certifies the availability of funds.

I, Martin Tompkins, Executive Director/CEO of AVTA, declare that the above information is accurate.

Prepared by:

Submitted by:

Vianney Mclaughlin
Sr. Finance Manager

Martin J. Tompkins
Executive Director/CEO

Attachment: A – Third Quarter Treasurer's Report

ANTELOPE VALLEY TRANSIT AUTHORITY
Treasurer's Report
For the quarter ended March 31, 2024

Investment Type	Description	Beginning Balance 12/31/2023	Deposits & Transfers	Disbursements & Transfers	Interest	Ending Balance 03/31/2024
Cash and Investments Under the Direction of the Treasurer						
	Local Agency Investment Fund (LAIF) - Cap & Op Reserve	\$ 16,077,268.92	\$ (10,000,000.00)		\$ 124,759.30	\$ 6,202,028.22
	Mission Bank- Reserve Investments	\$ 4,027,022.70	\$ 19,000,000.00	\$ (3,000,000.00)	\$ 139,709.22	\$ 20,166,731.92
	Mission Bank- Benefit Investments	\$ 2,057,150.62			\$ 23,635.85	\$ 2,080,786.47
	Mission Bank-Capital Reserve	\$ 122,010.02	\$ 122,336.04		\$ 107.61	\$ 244,453.67
	Total Capital & Op. Reserves and Restricted Funds	\$ 22,283,452.26	\$ 9,000,000.00	\$ (3,000,000.00)	\$ 288,104.37	\$ 28,449,546.61
	General Account- Mission Bank	\$ 7,971,669.32	\$ 37,263,832.88	\$ (42,956,649.98)	\$ 21,169.61	\$ 2,300,021.83
	Stuff-a-Bus *	\$ 2,161.39				\$ 2,161.39
	Petty Cash Balance	\$ 750.00				\$ 750.00
	Operating Accounts Total	\$ 7,974,580.71	\$ 37,263,832.88	\$ (42,956,649.98)	\$ 21,169.61	\$ 2,302,933.22
	TOTAL CASH AND INVESTMENTS	\$ 30,258,032.97	\$ 46,263,832.88	\$ (45,956,649.98)	\$ 309,273.98	\$ 30,752,479.83

I hereby certify that the investment portfolio of AVTA complies with its investment policy and the California Government Code Sections pertaining to the investment of local agency funds, Mission Bank. Pending any future actions by the AVTA Board or any and unforeseen occurrences, AVTA has cash flow adequate to meet its expenditure requirements for the next three months.

Prepared by:

Submitted by:

Vianney McLaughlin
Sr. Finance Manager

Judy Vaccaro-Fry
Chief Finance Officer



DATE: May 28, 2024

TO: BOARD OF DIRECTORS

SUBJECT: Local Agency Investment Fund (LAIF) Investments for Fiscal Year 2024/2025 (FY 2025)

RECOMMENDATION:

Adopt Resolution 2024-001 (Attachment A), a Resolution appointing the Executive Director/CEO as Treasurer and the Chief Financial Officer as Controller; authorizing investment of monies in the LAIF for FY 2025 (July 1, 2024 through June 30, 2025) to the Treasurer; adopting a policy for the investment of surplus transit funds for FY 2025; and rescinding Resolution No. 2023-004.

FISCAL IMPACT:

The proposed changes are administrative in nature and therefore have no financial impact.

BACKGROUND:

Prior to the commencement of each fiscal year, the Board of Directors authorizes the deposit and withdrawal of the Authority's Local Agency Investment Fund (LAIF) investments in the State Treasury in accordance with the provisions of Government Code Section 16429. The Investment Policy Statement for FY 2025 (Attachment A.1) fulfills the California Government Code Section 53646 requirement that each legislative body review and adopt an Investment Policy Statement on an annual basis.

The bulk of general banking is done with Mission Bank, in addition to one investment money market account; limited by law to an overall percentage of Authority's cash balances. All other available cash funds, including the operating and capital reserves are invested in the Authority's LAIF investment account, in accordance with the Investment Policy Statement.

The Procedure (Attachment B) establishes the steps necessary to use the LAIF for investment purposes, to reconcile monthly activity to the general ledger, and to reconcile cash on the books with the cash in LAIF.

On an annual basis, the LAIF administration requests each member agency update their deposit/withdrawal authorization list. The purpose of the update is to ensure only duly authorized persons have access to the Authority's LAIF investments.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Chief Financial Officer

Martin J. Tompkins
Executive Director/CEO

Attachments: A – Resolution No. 2024-001
 A.1 – Investment Policy Statement
 (Exhibit A to Resolution No. 2024-001)
 B – LAIF Procedures

RESOLUTION NO. 2024-001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY APPOINTING THE EXECUTIVE DIRECTOR/CEO AS TREASURER AND THE CHIEF FINANCIAL OFFICER AS CONTROLLER, AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) FOR FISCAL YEAR 2024/2025 (FY 2025) TO THE TREASURER, ADOPTING A POLICY FOR THE INVESTMENT OF SURPLUS TRANSIT FUNDS FOR FY 2025, AND RESCINDING RESOLUTION NO. 2023-004

WHEREAS, pursuant to the Joint Exercise of Powers Agreement between the County of Los Angeles, the City of Palmdale and the City of Lancaster, the Antelope Valley Transit Authority (AVTA) is authorized under Section 6(i) to invest money that is not needed for immediate use, as the Board determines advisable, in the same manner and upon the same conditions as other local agencies in accordance with Section 53601 of the Government Code; and

WHEREAS, pursuant to Government Code Section 6505.6, AVTA may appoint one of its officers or employees to either or both of the positions of Treasurer or of Controller, and such person or persons shall comply with the duties and responsibilities of the office or offices as set forth in subdivisions (a) to (d), inclusive, of Government Code Section 6505.5; and

WHEREAS, pursuant to Government Code Section 53607, the Board of Directors of AVTA may delegate its investment authority to the Treasurer for a one-year period; and

WHEREAS, pursuant to Government Code Section 53646, the Board of Directors of AVTA have publicly considered a proposed annual statement of investment policy and desires to adopt that policy to guide the investments of the Treasurer; and

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Antelope Valley Transit Authority.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes the deposit and withdrawal of Antelope Valley Transit Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, DECLARED, DETERMINED AND ORDERED as follows:

Section 1. As authorized by Government Code Section 6505.6, the Board of Directors appoints the Executive Director/CEO as Treasurer and appoints the Chief Financial Officer as the Controller.

Section 2. As authorized by Government Code Section 53607, the Board of Directors delegates its investment authority to the Treasurer for FY 2024, who shall thereafter assume full responsibility for those investment transactions until the delegation of authority is revoked or expires, and shall make a quarterly report of those transactions, in accordance with Government Code Section 53646, to the Board of Directors.

Section 3. The following Antelope Valley Transit Authority officers holding the title(s) specified herein below **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

1. Martin J. Tompkins, Executive Director/CEO (Treasurer)
2. Judy Vaccaro-Fry, Chief Financial Officer (Controller)

Section 4. As required by Government Code Section 53646, the Board of Directors has considered at a public meeting a statement of investment policy, and the Board of Directors hereby adopts that policy, in the form attached as Exhibit "A" to this resolution, to guide the investments of the Treasurer for FY 2025.

Section 5. Resolution No. 2023-004 is rescinded in its entirety.

Section 6. This resolution shall remain in full force and effect until rescinded by Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

Section 7. The Secretary of the Board shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED, by the Board of Directors of the Antelope Valley Transit Authority; County of Los Angeles of the State of California on May 28, 2024, by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____ ABSENT: _____

Marvin Crist, Chairman

ATTEST:

APPROVED AS TO FORM:

Karen S. Darr
Clerk of the Board

Allison E. Burns
General Counsel


CERTIFICATION OF RESOLUTION
BOARD OF DIRECTORS

I, Karen S. Darr, Clerk of the Board of the Antelope Valley Transit Authority, do hereby certify that this is a true and correct copy of the original Resolution No. 2024-001, for which the original is on file in my office.

WITNESS MY HAND on this 28th day of May 2024.

Karen S. Darr, Clerk of the Board

Exhibit A

	Local Agency Investment Fund (LAIF) Policy Statement	
	Policy Effective Date: 7/1/2024 – 6/30/2025	Revised on: 5/28/2024
	Approved by: Board of Directors	
	Date Approved: 5/28/2024	Page 1 of 14

1. POLICY

It is the policy of AVTA to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of AVTA and conforming to all state and local statutes governing the investment of public funds.

2. SCOPE

This investment policy applies to the cash funds of AVTA, except for its employees retirement system fund, which is administered separately by the California Public Employees’ Retirement System (“CalPERS”) and financial assets governed by bond indentures or bond resolutions.

These funds include Operating and Capital Funds.

3. OBJECTIVE

Investable funds shall be invested to the maximum extent feasible. The primary goal of the investment program is to maintain safety and liquidity of principal and interest while maximizing returns, minimizing risks and ensuring that funds are available to meet anticipated cash flow requirements.

In the investment of its funds, AVTA will be guided by the following principles in order of importance:

3(A) the primary objective is to safeguard investment principal.

- Safety

Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. The first level of risk control is found in state law which restricts the particular type of investments permissible for governmental entities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most credit worthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with planned dates of disbursement, thereby eliminating risk of loss from a forced sale.

3(B) the secondary objective is to maintain sufficient liquidity to ensure that funds are available to meet daily cash flow requirements.

- Liquidity

Liquidity refers to the ability to easily sell at any time with a minimal risk of losing some portion of principal or interest. Liquidity is an important quality for an investment to have, for at any time AVTA may have unexpected or unusual circumstances that result in larger disbursements than expected, and some investments may need to be sold to meet the contingency. The AVTA's investment portfolio shall remain sufficiently liquid to enable the AVTA to meet all operating requirements, which might be reasonably anticipated. Most investments of AVTA are highly liquid.

3(C) the third and last consideration is to achieve a reasonable rate of return or yield consistent with these objectives.

- Yield

Yield is the potential dollar earnings an investment can provide, and also is sometimes described as the rate of return. AVTA attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in the Investment Policy for safety and liquidity are met. The AVTA's investment portfolio shall be designed with the objective of achieving a return on the funds under its control throughout budgetary and economic cycles, taking into account the AVTA's investment risk constraints and the cash flow characteristics of the portfolio.

4. DELEGATION OF AUTHORITY

The Board of Directors of the AVTA holds the authority to invest or reinvest funds of the AVTA or to sell or exchange securities so purchased. Pursuant to the California Government Code Section 53607, the Board of Directors may delegate this authority on a yearly basis to the Executive Director/CEO, as the Treasurer of AVTA, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

The Chief Financial Officer shall serve as the designated Investment Officer of the Authority and is responsible for investment decisions and activities, under the direction of the Executive Director/CEO. In the absence of the Chief Financial Officer, the Executive Director/CEO will designate a temporary Investment Officer.

5. RESPONSIBILITY OF INVESTMENT OFFICERS

Cash management and investment transactions are the responsibility of the Investment Officer. The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes,

provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6. INDIVIDUALS AUTHORIZED TO UNDERTAKE INVESTMENT TRANSACTIONS

The following officials are authorized to implement the cash management and investment transactions decisions of the Investment Officer by undertaking investment transactions on behalf of AVTA:

- Executive Director/CEO
- Chief Financial Officer

7. PRUDENCE

AVTA operates its cash investments subject to the “Prudent Investor Standard” which obligates a fiduciary to ensure that:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in the like capacity and familiarity with those matters would use in the conduct of funds of the like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

Within the limitations of this standard and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

8. SAFEKEEPING

The investment securities purchased by the Authority shall be held in safekeeping by designated financial institutions. Accounts are currently housed at the following recognized financial institutions:

- Mission Bank
- California State Investment Pool (Local Agency Investment Fund or “LAIF”).

These institutions shall issue safekeeping receipts to the Agency listing the specific instrument, rate, maturity and other pertinent information.

Safekeeping procedures shall be reviewed annually by the independent auditor. The independent auditor shall conduct random audits of safekeeping and custodial systems.

9. ETHICS AND CONFLICTS

Officers and employees who are directly involved in the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions.

10. MONITORING AND ADJUSTING THE PORTFOLIO

The Investment Officer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

11. INTERNAL CONTROLS

Internal controls shall be reviewed annually by the independent auditor. The Investment Officer shall establish an annual process of independent review by the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.

12. INVESTMENT PROCEDURES

The Finance Department is responsible for establishing separate investment procedures which adhere to and implement this Statement of Investment Policy.

13. REPORTING REQUIREMENTS

Under the direction of the Executive Director/CEO, the Investment Officer shall where applicable, generate a monthly report for management purposes which will include, but not be limited to:

- Type of investment
- Institution
- Date of maturity
- Amount of deposit or cost of security
- Rate of interest
- Statement relating the report to the Statement of Investment Policy
- Statement that there are sufficient funds to meet the next 30 days' obligations

14. SHORT-TERM VERSUS LONG-TERM PORTFOLIO

All funds invested for one day to six months shall be considered short-term. Funds invested for a period in excess of six months shall be considered long-term.

15. SHORT-TERM PORTFOLIO DIVERSIFICATION

The Agency will diversify use of investment instruments to avoid incurring unreasonable risk inherent in overinvesting in specific instruments, individual financial institutions or maturities.

Diversification by Instrument:

- U.S. Government Securities, or affiliates
- Small Business Administration Loans
- Bankers' Acceptance
- Commercial Paper
- Negotiable Certificates of Deposits
- Medium Term Notes
- Repurchase Agreements
- Local Agency Investment Fund (LAIF)
- California Asset Management Program (CAMP)
- California Local Agency Securities System (CLASS)

16. MATURITY SCHEDULING:

Investment maturities of operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (e.g. payroll, contractor's payments, lease payments, etc.) and considering sizeable blocks of anticipated revenue (e.g. LTF and Federal operating funds).

17. LONG-TERM PORTFOLIO DIVERSIFICATION

Instruments and diversification for the long-term portfolio shall be the same type as for the short-term portfolio, but with longer investment periods (over six months).

Maturity scheduling shall be timed according to anticipated needs.

18. AUTHORIZED INVESTMENTS (G.C. 53601)

The average maturity of AVTA's investments should not exceed two-and-one-half years, with no single investment being made for over five years, except with legislative approval as authorized under Section 53601 of the California Government Code. At no time should current cash flow requirements be jeopardized.

AVTA may invest in the following legal investments as defined in Section 53601 of the California Government Code: 53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local

agency having money in a sinking fund or money in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- (d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (e) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- (f) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the Authority's money that may be invested pursuant to this section. However, no more than 30 percent of the Authority's money may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

- (g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

- (A) Is organized and operating in the United States as a general corporation.
- (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:

- (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- (B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
- (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

- (h) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision-making authority in the budget office, Chief Financial Officer's office, or Treasurer's office of the local agency also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- (i) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.
- (2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
- (3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:
- (A) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.
- (B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.
- (C) The agreement does not exceed a term of 92 days, unless the

agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

- (D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.
- (4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.
 - (B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:
 - (i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.
 - (ii) Financing of a local agency's activities.
 - (iii) Acceptance of a local agency's securities or funds as deposits.
- (5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

- (B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.
- (C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.
- (D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.
- (E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.
- (F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.
- (j) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's money that may be invested pursuant to this section.
- (k) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of

default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

- (2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).
- (3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:
 - (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
 - (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000).
- (4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:
 - (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
 - (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).
- (5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).
- (I) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory

provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- (m) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- (n) Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

53601.1. The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

53601.5. The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

- 53601.6. (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.
- (b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security

that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

19. DESIGNATED AUTHORIZED INVESTMENTS

The listing shall be formally designated by AVTA and only investments from this designated list will be authorized.

California State Investment Pool (Local Agency Investment Fund or LAIF {Government Code Section 16429.1 – 16429.3}).

California Asset Management Program (CAMP {Government Code Section 6502; Section 53630; Section 53601 and/or 53635}).

California Local Agency Securities System (CLASS {Government Code Section 6502; Section 53630; Section 53601 and/or 53635}).

Whenever possible, bids and offers for any investment security shall be taken from a minimum of two security dealers/brokers, banks, and/or savings and loans. Awards shall be made to the highest responsible bidder or best offer.

All securities purchased must be held in safekeeping by AVTA's safekeeping agent, currently Mission Bank. The securities shall not be held by the dealer or broker from whom they are purchased. Confirmations for all investments will be reviewed for conformity with the actual transactions. All financial institutions, whether investment banks, dealers, commercial banks or savings and loan institutions must be licensed by the National Association of Security Dealers (NASD) and be approved by the Treasurer before they receive AVTA funds or are able to conduct business with AVTA. Prior to approval, each financial institution will be physically visited by the Treasurer and/or his/her designee to meet with the principals of the firm and to inspect their offices for stability and financial capabilities. Further, these visitations will continue periodically, preferably annually, on an ongoing basis to ensure eligibility (due diligence). All firms with whom AVTA does business will have a strong capital base and be deemed creditworthy before conducting business with such firms. The Treasurer or his/her designee will prescribe minimum standards by which these firms can be judged creditworthy.


Generally, losses are acceptable on a sale of securities prior to maturity and should be taken if (a) the sale proceeds will enhance the overall yield over the life of the new security, or (b) there is a potential imminent risk of principal due to a change in the creditworthiness of the issuer or other factors jeopardizing the propriety or safety and liquidity of public funds.

Where possible, AVTA investments shall be placed, confirmed, held, accounted for, and/or audited by different people.

The Chief Financial Officer/Investment Officer shall be individually responsible for a monthly review of the investment function. This review will consist of:

- Comparison of the investment records to the independent statements and confirmation notices received from brokers, dealers, banks and other financial institutions.
- Review of the contents of the investment portfolio to assure that it conforms to the provisions of this Statement of Investment Policy and the laws of the State of California.
- Review of the financial institutions with whom investments have been made to assure that they have been approved by the Treasurer.

DRAFT

	Local Agency Investment Fund (LAIF) Procedures	
	Policy Effective Date: 7/1/2024	Revised on: 5/28/2024
	Approved by: Board of Directors	
	Date Approved: 5/28/2024	Page 1 of 3

PURPOSE

This procedure establishes the steps to use the Local Agency Investment Fund for investment purposes, to reconcile monthly activity to the General Ledger and to verify cash on the books with the cash invested with California State Investment Pool (Local Agency Investment Fund or "LAIF").

BACKGROUND

The Finance Department is responsible for maintaining proper accounting records in regards to all AVTA accounts.

AVTA deposits funds with LAIF as an investment instrument.

This procedure provides appropriate documentation relating to the investment of funds in LAIF.

EXECUTIVE DIRECTOR/CEO AND CHIEF FINANCIAL OFFICER

The Executive Director/CEO, Chief Financial Officer, Board Chair, and Board Vice-Chair may approve the investment, withdrawal, or transfer of funds to/from LAIF. Financial institutions will be notified by phone and in writing immediately regarding the separation of employees formerly authorized.

In the absence of the Executive Director/CEO, the Chief Financial Officer will approve the investment or withdrawal of funds from LAIF and can make transfers to or from the LAIF account.

Accounting staff prepares a Funds Transfer Memo and provides it to the Chief Financial Officer for completion.

PROCEDURE

The institutions involved in inter-bank transfers are to be notified the day prior to the date of a request of a transfer of funds. The following procedures guarantee same day credit to LAIF or the appropriate AVTA account at Mission Bank.

Funds Transfer from LAIF to Mission Bank

1. The accounting staff prepares a Funds Transfer Memo and gives to the Chief Financial Officer by 9:30 am.
2. For a LAIF withdrawal, LAIF is notified and the information is recorded. **THE DEADLINE TO CALL LAIF IS 10:00 AM.**

Funds Transfer from Mission Bank to LAIF

1. The accounting staff prepares a Funds Transfer Memo and gives it to the Chief Financial Officer by 9:30 am.
2. LAIF is contacted at (916) 653-3001 advising them of the deposit and the source account it is coming from. Provide the PIN #. AVTA will receive a confirmation number and the daily percentage yield. **THE DEADLINE TO CALL LAIF IS 10:00 AM.**
3. Contact Mission Bank to arrange the transfer to LAIF. The AVTA bank account number, LAIF confirmation number and date of deposit are provided to Mission Bank as part of the transfer process. **THE DEADLINE TO CALL MISSION BANK TO INITIATE A WIRE IS 1:30 PM.**
4. Mission Bank will give a verbal verification of transaction; written notes regarding the verbal verification should be included with the transfer documents to complete the transaction audit process.

Reconciliation

The accounting staff posts deposits and withdrawals to the LAIF Account (10161) and verifies that the LAIF statement and the General Ledger account reconcile properly.

ATTACHMENT: A – Sample LAIF Statement

ATTACHMENT A



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

ANTELOPE VALLEY TRANS AUTH

Account Number



As of 04/15/2021, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2021.

Earnings Ratio		.00001214175683392
Interest Rate		0.44%
Dollar Day Total	\$	1,192,514,879.44
Quarter End Principal Balance	\$	16,325,731.05
Quarterly Interest Earned	\$	14,479.23



DATE: May 28, 2024

TO: BOARD OF DIRECTORS

SUBJECT: Resolution Nos. 2024-002 and 2024-003, Authorizing Fiscal Years 2021/2022 and 2022/2023 Funds from the California State Transit Assistance Program Toward the Phase 3 – Facility Maintenance Upgrade Project

RECOMMENDATION

1. Adopt Resolution No. 2024-002, authorizing FY 2022 funds from the California State Transit Assistance Program, in the amount of \$43,823, toward the Phase 3 – Facility Maintenance Upgrade Project.
2. Adopt Resolution No. 2024-003, authorizing FY 2023 funds from the California State Transit Assistance Program, in the amount of \$780,432, toward the Phase 3 – Facility Maintenance Upgrade Project.

FISCAL IMPACT

Adopting Resolution Nos. 2024-002 and 2024-003 would authorize FY 2022 and FY 2023 funds respectively from the California State Transit Assistance Program toward the Phase 3 – Facility Maintenance Upgrade Project.

BACKGROUND

AVTA receives annual apportionments from the California Department of Transportation. The AVTA Board is required to adopt Resolution No. 2024-002 in order to receive the Authority's FY 2022 allocation of \$43,823 and Resolution No. 2024-003 to receive the Authority's FY 2023 allocation of \$780,432 toward the Phase 3 – Facility Maintenance Upgrade Project.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Chief Financial Officer

Martin J. Tompkins
Executive Director/CEO

Attachment: A – Resolution No. 2024-002
B – Resolution No. 2024-003

RESOLUTION #2024-002

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY AUTHORIZING FISCAL YEAR 2021/2022 FUNDS FROM THE CALIFORNIA STATE TRANSIT ASSISTANCE PROGRAM TOWARD THE PHASE 3 – FACILITY MAINTENANCE UPGRADE PROJECT

WHEREAS, the **ANTELOPE VALLEY TRANSIT AUTHORITY** is an eligible project sponsor and will receive State Transit Assistance (STA) funding from the State of California;

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2018) named the Department of Transportation (Department) as the administrative agency for the STA; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing STA funds to eligible project sponsors (local agencies);

WHEREAS, the **ANTELOPE VALLEY TRANSIT AUTHORITY** wishes to delegate authorization to execute these documents and any amendments thereto to the Executive Director/Chief Executive Officer, or Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Antelope Valley Transit Authority that the fund recipient agrees to comply with all conditions and requirements set forth in applicable statutes, regulations and guidelines for all STA funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Executive Director/Chief Executive Officer and/or the Chief Financial Officer be authorized to execute all required documents of the STA program and any Amendments thereto with the California Department of Transportation for Fiscal Year 2021/2022 funds in the amount of \$43,823.

PASSED, APPROVED AND ADOPTED this 28th day of May 2024.

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

Marvin Crist, Chairman

ATTEST:

APPROVED AS TO FORM:

Karen S. Darr, Clerk of the Board

Allison E. Burns, General Counsel

RESOLUTION #2024-003

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY AUTHORIZING FISCAL YEAR 2022/2023 FUNDS FROM THE CALIFORNIA STATE TRANSIT ASSISTANCE PROGRAM TOWARD THE PHASE 3 – FACILITY MAINTENANCE UPGRADE PROJECT

WHEREAS, the **ANTELOPE VALLEY TRANSIT AUTHORITY** is an eligible project sponsor and will receive State Transit Assistance (STA) funding from the State of California;

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2018) named the Department of Transportation (Department) as the administrative agency for the STA; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing STA funds to eligible project sponsors (local agencies);

WHEREAS, the **ANTELOPE VALLEY TRANSIT AUTHORITY** wishes to delegate authorization to execute these documents and any amendments thereto to the Executive Director/Chief Executive Officer, or Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Antelope Valley Transit Authority that the fund recipient agrees to comply with all conditions and requirements set forth in applicable statutes, regulations and guidelines for all STA funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Executive Director/Chief Executive Officer and/or Chief Financial Officer be authorized to execute all required documents of the STA program and any Amendments thereto with the California Department of Transportation for Fiscal Year 2022/2023 funds in the amount of \$780,432.

PASSED, APPROVED AND ADOPTED this 28th day of May 2024.

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

Marvin Crist, Chairman

ATTEST:

APPROVED AS TO FORM:

Karen S. Darr, Clerk of the Board

Allison E. Burns, General Counsel



DATE: May 28, 2024

TO: BOARD OF DIRECTORS

SUBJECT: Resolution No. 2024-004, Authorizing Fiscal Year 2022/2023 Funds from the California State of Good Repair Program Toward the Phase 3 – Facility Maintenance Upgrade Project

RECOMMENDATION

Adopt Resolution No. 2024-004, authorizing FY 2023 funds, in the amount of \$350,597, from the California State of Good Repair Program toward the Phase 3 – Facility Maintenance Upgrade Project.

FISCAL IMPACT

Adopting Resolution No. 2024-004 would authorize FY 2023 funds from the California State of Good Repair Program toward the Phase 3 – Facility Maintenance Upgrade Project.

BACKGROUND

AVTA receives annual apportionments from the California Department of Transportation. The AVTA Board is required to adopt Resolution No. 2024-004 in order to receive the Authority's FY 2023 allocation of \$350,597.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Chief Financial Officer

Martin J. Tompkins
Executive Director/CEO

Attachment: A – Resolution No. 2024-004

RESOLUTION #2024-004

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY AUTHORIZING FISCAL YEAR 2022/2023 FUNDS FROM THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM TOWARD THE PHASE 3 – FACILITY MAINTENANCE UPGRADE PROJECT

WHEREAS, the **ANTELOPE VALLEY TRANSIT AUTHORITY** is an eligible project sponsor and may receive State Transit Assistance funding from the State of Good Repair Account (SGR) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 1 (2018) named the Department of Transportation (Department) as the administrative agency for the SGR; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing SGR funds to eligible project sponsors (local agencies); and

WHEREAS, the **ANTELOPE VALLEY TRANSIT AUTHORITY** wishes to delegate authorization to execute these documents and any amendments thereto to the Executive Director/Chief Executive Officer and/or the Chief Financial Officer.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Antelope Valley Transit Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all SGR funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Executive Director/Chief Executive Officer and/or the Chief Financial Officer be authorized to execute agreements necessary for Phase 3 – Facility Maintenance Upgrade Project with funds from the California State of Good Repair Program for Fiscal Year 2022/2023 funds in the amount of \$350,597.

PASSED, APPROVED AND ADOPTED this 28th day of May 2024.

AYES: _____

NAYS: _____ ABSTAIN: _____ ABSENT: _____

Marvin Crist, Chairman of the Board

ATTEST:

APPROVED AS TO FORM:

Karen S. Darr, Clerk of the Board

Allison E. Burns, General Counsel



DATE: May 28, 2024

TO: BOARD OF DIRECTORS

SUBJECT: Fiscal Year 2025 Preliminary Budget Assumptions

RECOMMENDATION:

Approve the Fiscal Year 2025 Preliminary Budget Assumptions and provide direction to staff regarding fiscal priorities for the Final Fiscal Year 2025 Budget.

FISCAL IMPACT:

The FY 2025 operating revenue total is \$39,818,959, while the operating expenditure total is \$44,025,545, producing a deficit of \$4,269,586. Agency funds will cover this deficit. The proposed capital budget of \$14,145,950 reflects large projects carried over from the prior year, such as the Solar Farm and Shared Charging Lot, along with several new smaller-scale projects.

BACKGROUND:

The Authority has exhausted all Coronavirus stimulus relief funds and will utilize FTA Section 5307 formula funds to allow continuous operations and to serve our communities. Attachments A and B detail the Operating and Capital Budget Assumptions.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Chief Financial Officer

Martin J. Tompkins
Executive Director/CEO

Attachments: A – FY 2025 Preliminary Capital Budget Details
B – FY 2025 Preliminary Operating Budget Assumptions



APPENDIX B - PAGE 1

FY25 CAPITAL PROJECTS	EXPENSE
FACILITIES	
AVTA FACILITY IMPROVEMENTS	
Solar Farm	
Land	\$ 4,000,000
Shared Charging Infrastructure - North Lot	
Architectural & Engineering	\$ 50,000
Construction	\$ 2,500,000
Generator - 2 units	\$ 1,300,000
DC Chargers + Installation - 5 units	\$ 651,125
Land	\$ 500,000
Level III Chargers - 11 units	\$ 363,825
Project Management	\$ 24,000
Security Lighting	\$ 100,000
Security Perimeter Fencing	\$ 25,000
Security Perimeter Block Wall	\$ 50,000
Switch Gear	\$ 170,000
Transformers	
2 units	\$ 200,000
PHASE III Update - Facility Headquarters	
Breakroom/Office Renovations	\$ 175,000
Communication & Server Room Upgrade	\$ 100,000
Concrete Replacement - Maintenance Yard	\$ 250,000
Courtyard Patio Cover	\$ 150,000
Facility Access Upgrade	\$ 50,000
Gate Motors & Controls	\$ 175,000
Maintenance Hillside Renovation	\$ 55,000
Pressure Wash Bay Renovation	\$ 500,000
Restroom (Admin) Renovation	\$ 75,000
Resurface/Restripe Asphalt - Parking Areas	\$ 300,000
TRANSIT CENTER IMPROVEMENTS	
South Valley Transit Center	
Conduit Installation for Message Board & Lighting	\$ 300,000
FACILITIES TOTAL	
\$ 12,063,950	

APPENDIX B - PAGE 2

FY25 DETAILED CAPITAL PROJECTS		EXPENSE
EQUIPMENT		
INFORMATION TECHNOLOGY		
Data and Communications		
Annual Communications Replacement Program - 41 units		\$ 71,000
Communications Equipment		\$ 25,000
Firewall Software Upgrade		\$ 25,000
Server Upgrade		\$ 195,000
Web Help Desk Upgrade		\$ 5,000
Website Redesign		\$ 50,000
Wi-Fi in Bus Yard - 8 units		\$ 50,000
FLEET & FACILITIES EQUIPMENT		
Maintenance Equipment		
3D Printer		\$ 10,000
Body Shop Shelving		\$ 30,000
DVIR Tablets + Software		\$ 31,000
Floor Scrubber		\$ 120,000
Key Café - 2 units		\$ 10,000
Radio Equipment		\$ 15,000
Shop Tools & Equipment		\$ 20,000
Tire Balancer		\$ 20,000
Tire Machine Replacement		\$ 30,000
Vehicle Equipment		
Local Transit & Commuter		
Charging Equipment (WAVE, Heliox, ABB, BYD)		\$ 400,000
Major Bus Components - OOW		\$ 750,000
Mobile Validators		\$ 95,000
Wraps & Logos		\$ 100,000
Support Fleet		
Shop Truck Equipment		\$ 30,000
EQUIPMENT TOTAL		\$ 2,082,000
FY25 PROPOSED CAPITAL BUDGET TOTAL		\$ 14,145,950

FISCAL YEAR 2025 (FY 2025)

PRELIMINARY OPERATING BUDGET ASSUMPTIONS

OPERATING REVENUE

- **FTA Formula Grants:** AVTA will use 5307 and 5337 FTA Formula Funds in FY 2025. AVTA will use \$7,311,543 of 5307 funding for Preventative Maintenance Costs and \$4,081,247 for Operations. AVTA will use an additional \$945,514 of 5337 FTA Formula Funds for Preventative Maintenance Costs.
- **Fare Revenue:** Ridership levels, although increasing, are not yet at pre-COVID levels. Additionally, due to unforeseen mechanical failure, AVTA temporarily transitioned to leased buses that do not have a fare box for the commuter routes. The anticipated loss in revenue due to this issue for FY 2025 is approximately \$236K. Therefore the projected revenue for FY 2025 is \$2,264,000 which is a 9.4% decrease from FY 2024 budgeted revenue.
- **Tax Revenue:** According to the most recent Transit Fund Allocations draft from the Los Angeles County Metropolitan Transportation Authority (LACMTA), the agency will receive a total of over \$18.2 million in operating funds. This represents an increase of 2.8% over FY 2024.
- **Jurisdictional Operating Contributions:** Contributions for FY 2025 will remain at the same rates as FY 2024 for the City of Lancaster, the City of Palmdale and LA County.
- **Other Operating Revenues:** Advertising revenue is budgeted at \$165K. Low-Carbon Fuel Standard (LCFS) credits are sold at market value and are estimated at \$700K. Interest rates have risen significantly and so AVTA anticipates a raise in earnings. Interest/investment income is conservatively budgeted at \$700K. AVTA is also anticipating almost \$66k in property lease revenue.
- **Expense Reimbursement:** In the spring of calendar year 2024, AVTA experienced significant mechanical failure of several buses purchased from MCI. In the interest of customer safety, AVTA took all MCI commuter buses out of service and replaced them with leased diesel buses. AVTA anticipates receiving significant cost reimbursement from MCI during FY 2025.

OPERATING EXPENDITURES

- **Purchased Transportation:**

- **Fixed-Route:** FY 2025 is the third year MV will be AVTA's fixed-route purchased transportation provider. The new contract states a revenue hour rate increase from \$106.77 to \$112.01 in FY 2025. Additionally AVTA will add \$4 per revenue hour to offset MV's higher staffing costs. AVTA is budgeting as close to actual revenue hours as possible in FY 2025 and therefore anticipates just over 187K revenue hours during the fiscal year resulting in a cost increase of 9.2%.
- **Micro-transit, DAR, and NEMT:** AVTS provides service for these on-demand services. These services continue to gain popularity and ridership is increasing. The total budget for all these services in FY 2025 is just over \$5.5 million representing an increase of 39%.

- **Bus Propulsion:** The majority of AVTA's fleet is electric, however, due to the aforementioned mechanical failures of MCI electric buses, AVTA will need to temporarily purchase diesel fuel at an estimated cost of over \$1.1 million for one year. Additionally, AVTA anticipates \$2.6 million in electric propulsion costs. AVTA is in the process of procuring a direct source for electricity, which would yield significant savings, however this budget does not assume that decrease at this time. Mid-year budget review will be used to make any needed adjustments.

- **Personnel:** AVTA plans to maintain the 54 person staff during FY 2025. The FY 2025 personnel budget assumes a 3.2% COLA enacted on July 1, and a maximum merit raise of 3%. AVTA anticipates a 1.6% increase in total personnel costs in FY 2025

- **Benefits:** The employee benefit structure has recently been modified for new hires with the Authority contributing 75% toward the employee, and 25% toward spouse and family. Employee benefit costs are expected to slightly decrease by 3%.
- **Pension:** The employer share of CalPERS has risen for FY 2025 to 11.88% from 11.44 % for CalPERS Classic. CalPERS Public Employee Pension Reform Act (PEPRA) employer contribution has risen to 7.87% from 7.68% the year prior. CalPERS calculates pension contributions based on payroll figures one year in arrears. The employee contribution share for CalPERS Classic employees is paid by AVTA.

- **Insurance:** Insurance coverage costs are estimated to increase 3% above prior year costs. Actual rates will likely be complete in June 2025 after the budget is completed and will be included in the mid-year review.

FY 2025 Preliminary Operating Budget Assumptions

May 28, 2024

Page 3

- **Capital Outlay:** FTA has discontinued the availability of Transportation Development Credits for the use of local match requirements on capital projects. Therefore AVTA has a significant increase in local match requirement of over \$1.7 million.
- **General and Administrative Costs:** AVTA anticipates an overall increase in costs of 11.7% with significant increases in legal fees.
- **Other Operating Costs:** AVTA anticipates an overall decrease in costs primarily due to the discontinued use of leased buses for fixed-route local services.
- **Leased Bus Expense:** AVTA anticipates significant costs to lease replacement buses totaling over \$2.8 million for one year. Fuel, Lease expense and parts are included in the total Leased Bus Expense amount.

	FY 2022-2023 Actual	FY 2023-2024 Budget	FY 2024-2025 Proposed Budget	-Amount over (under) FY 2024 Budget
Revenue				
Fare Revenue	\$ 2,320,679	\$ 2,500,000	\$ 2,264,000	\$ (236,000)
Jurisdictional Contributions (Ops)	\$ 3,514,477	\$ 3,514,638	\$ 3,523,549	\$ 8,911
Metro FAP	\$ 15,666,427	\$ 17,718,624	\$ 18,221,518	\$ 502,894
Other Revenue	\$ 1,775,867	\$ 1,263,500	\$ 1,673,654	\$ 410,154
Federal Formula Grants	\$ 16,965,572	\$ 9,877,239	\$ 12,416,238	\$ 2,538,999
Expense Reimb.			\$ 1,720,000	\$ 1,720,000
Revenue Total	\$ 40,243,021	\$ 34,874,001	\$ 39,818,959	\$ 4,944,958
Expense				
Fuel/Electricity	\$ 2,297,353	\$ 2,211,409	\$ 2,611,003	\$ 399,594
Gen & Admin Costs	\$ 1,427,027	\$ 1,441,661	\$ 1,618,542	\$ 176,881
Leased Buses (MCI)			\$ 2,865,000	\$ 2,865,000
Other Operating Costs	\$ 1,640,643	\$ 2,104,761	\$ 1,970,987	\$ (133,774)
Purchased Transportation	\$ 20,994,881	\$ 23,306,511	\$ 27,325,687	\$ 4,019,176
Wages & Benefits	\$ 6,137,822	\$ 5,654,213	\$ 5,746,881	\$ 92,668
Capital Outlay	\$ -	\$ 155,446	\$ 1,887,446	\$ 1,732,000
Expense Total	\$ 32,497,726	\$ 34,874,001	\$ 44,025,545	\$ 9,151,544
Surplus/(Deficit)	\$ 7,745,296	\$ -	\$ (4,269,586)	\$ (4,269,586)
Asset Outlay			\$ 4,269,586	\$ 4,269,586

Surplus shown for FY 2023 is due to a change in draw down methodology for that fiscal year.

FY 2025 *Proposed* Capital & Operating Budget

**Presentation to the Board of Directors
May 28, 2024**



2025 BUDGET SUMMARY

CAPITAL: **\$14,145,950**

OPERATING: **\$44,025,545**

FY25 TOTAL: **\$58,171,495**



2025 BUDGET SUMMARY

OPERATING

❖ Revenues	\$39,818,959
❖ Expenditures	\$44,025,545

DEFICIT: (\$4,269,586)



FY COMPARISON

FY 2024

TOTAL

\$72,766,394

OPERATING:

\$34,874,001

CAPITAL:

\$37,892,393

FY 2025

TOTAL

\$58,171,495

OPERATING:

\$44,025,545

CAPITAL:

\$14,145,590



FY 2025 OPERATING DETAIL



REVENUES v. EXPENSES

	FY 2022-2023 Actual	FY 2023-2024 Budget	FY 2024-2025 Proposed Budget	-Amount over (under) FY 2024 Budget
Revenue				
Fare Revenue	\$ 2,320,679	\$ 2,500,000	\$ 2,264,000	\$ (236,000)
Jurisdictional Contributions (Ops)	\$ 3,514,477	\$ 3,514,638	\$ 3,523,549	\$ 8,911
Metro FAP	\$ 15,666,427	\$ 17,718,624	\$ 18,221,518	\$ 502,894
Other Revenue	\$ 1,775,867	\$ 1,263,500	\$ 1,673,654	\$ 410,154
Federal Formula Grants	\$ 16,965,572	\$ 9,877,239	\$ 12,416,238	\$ 2,538,999
Expense Reimb.			\$ 1,720,000	\$ 1,720,000
Revenue Total	\$ 40,243,021	\$ 34,874,001	\$ 39,818,959	\$ 4,944,958
Expense				
Fuel/Electricity	\$ 2,297,353	\$ 2,211,409	\$ 2,611,003	\$ 399,594
Gen & Admin Costs	\$ 1,427,027	\$ 1,441,661	\$ 1,618,542	\$ 176,881
Leased Buses (MCI)			\$ 2,865,000	\$ 2,865,000
Other Operating Costs	\$ 1,640,643	\$ 2,104,761	\$ 1,970,987	\$ (133,774)
Purchased Transportation	\$ 20,994,881	\$ 23,306,511	\$ 27,325,687	\$ 4,019,176
Wages & Benefits	\$ 6,137,822	\$ 5,654,213	\$ 5,746,881	\$ 92,668
Capital Outlay	\$ -	\$ 155,446	\$ 1,887,446	\$ 1,732,000
Expense Total	\$ 32,497,726	\$ 34,874,001	\$ 44,025,545	\$ 9,151,544
Surplus/(Deficit)	\$ 7,745,296	\$ -	\$ (4,269,586)	\$ (4,269,586)
Asset Outlay			\$ 4,269,586	\$ 4,269,586

Surplus shown for FY 2023 is due to a change in draw down methodology for that fiscal year.



FY 2025 CAPITAL DETAIL





APPENDIX B - PAGE 1

FY25 CAPITAL PROJECTS	EXPENSE
FACILITIES	
AVTA FACILITY IMPROVEMENTS	
Solar Farm	
Land	\$ 4,000,000
Shared Charging Infrastructure - North Lot	
Architectural & Engineering	\$ 50,000
Construction	\$ 2,500,000
Generator - 2 units	\$ 1,300,000
DC Chargers + Installation - 5 units	\$ 651,125
Land	\$ 500,000
Level III Chargers - 11 units	\$ 363,825
Project Management	\$ 24,000
Security Lighting	\$ 100,000
Security Perimeter Fencing	\$ 25,000
Security Perimeter Block Wall	\$ 50,000
Switch Gear	\$ 170,000
Transformers	
2 units	\$ 200,000
PHASE III Update - Facility Headquarters	
Breakroom/Office Renovations	\$ 175,000
Communication & Server Room Upgrade	\$ 100,000
Concrete Replacement - Maintenance Yard	\$ 250,000
Courtyard Patio Cover	\$ 150,000
Facility Access Upgrade	\$ 50,000
Gate Motors & Controls	\$ 175,000
Maintenance Hillside Renovation	\$ 55,000
Pressure Wash Bay Renovation	\$ 500,000
Restroom (Admin) Renovation	\$ 75,000
Resurface/Restripe Asphalt - Parking Areas	\$ 300,000
TRANSIT CENTER IMPROVEMENTS	
South Valley Transit Center	
Conduit Installation for Message Board & Lighting	\$ 300,000
FACILITIES TOTAL	\$ 12,063,950

APPENDIX B - PAGE 2

FY25 DETAILED CAPITAL PROJECTS	EXPENSE
EQUIPMENT	
INFORMATION TECHNOLOGY	
Data and Communications	
Annual Communications Replacement Program - 41 units	\$ 71,000
Communications Equipment	\$ 25,000
Firewall Software Upgrade	\$ 25,000
Server Upgrade	\$ 195,000
Web Help Desk Upgrade	\$ 5,000
Website Redesign	\$ 50,000
Wi-Fi in Bus Yard - 8 units	\$ 50,000
FLEET & FACILITIES EQUIPMENT	
Maintenance Equipment	
3D Printer	\$ 10,000
Body Shop Shelving	\$ 30,000
DVIR Tablets + Software	\$ 31,000
Floor Scrubber	\$ 120,000
Key Café - 2 units	\$ 10,000
Radio Equipment	\$ 15,000
Shop Tools & Equipment	\$ 20,000
Tire Balancer	\$ 20,000
Tire Machine Replacement	\$ 30,000
Vehicle Equipment	
Local Transit & Commuter	
Charging Equipment (WAVE, Heliiox, ABB, BYD)	\$ 400,000
Major Bus Components - OOW	\$ 750,000
Mobile Validators	\$ 95,000
Wraps & Logos	\$ 100,000
Support Fleet	
Shop Truck Equipment	\$ 30,000
EQUIPMENT TOTAL	\$ 2,082,000
FY25 PROPOSED CAPITAL BUDGET TOTAL	\$ 14,145,950



Questions?

RECOMMENDATION

Approve the FY 2025 *Proposed*
Capital & Operating Budget

