

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: City Council Members

FROM: Vice Mayor Marvin Crist
Council Member Sandra Johnson

DATE: September 24, 2013

SUBJECT: **Report on the Activities of the Board of Directors for the Antelope Valley Transit Authority**

Recommendation:

Receive a report of the proceedings and issues discussed at the August 2013 regular Board of Directors meetings of the Antelope Valley Transit Authority (AVTA).

Background:

The Antelope Valley Transit Authority is a distinct government entity created under a joint powers authority agreement between the City of Lancaster, the City of Palmdale, and Los Angeles County that provides public transit services. Vice Mayor Marvin Crist serves as the Vice Chair and Council Member Sandra Johnson serves as a Director on the AVTA Board for the City of Lancaster.

The following significant events took place at the August Board meeting:

- **Attendance.** All members were present.
- **Special Report.**
 - The Board received the following legislative update from staff:
 - The Assembly returned on August 5, from its annual summer recess, and the Senate returned on August 12. Both houses have until September 13 to pass legislation in the current session.

The California State Excise Tax increased by 3.5 cents on July 1, bringing the total excise tax on every gallon of gas to 39.5 cents. The state excise tax on a gallon of diesel fuel rose to 13.5 cents, a figure based on data from the American Petroleum Institute. Money generated from the fuel excise tax goes toward mass transit projects and public roads in the state. Revenue from the excise tax on diesel is dedicated to public transit.
 - **Assembly Bill 160 (Alejo)** remains on the legislative calendar and is currently in the Assembly Committee on Appropriations. An urgency amendment was added to the bill in May allowing it to be exempt from normal legislative deadlines. AB 160 seeks to exempt public transit employees from pension reform law which went into effect in January, 2013. The United States Department of Labor (USDOL) recently announced that it will delay a ruling on whether the Public Employees' Pension Reform Act (PEPRA) violates section 13(c) of the Federal Transit Act protecting transit worker collective bargaining rights, pending further discussions with Gov. Jerry Brown's office. The dispute has resulted in the delay of some \$4 billion in federal grants for transit agencies in California.

- **Senate Bill 556 (Corbett)** is scheduled for a third and final vote on the Assembly floor. If passed after third reading, the bill will return to the Senate for a vote of concurrence. SB 556 would require all public agencies operating transit through contract services to add wording on the exterior of their vehicles which reads *“THE OPERATOR OF THIS VEHICLE IS NOT A GOVERNMENT EMPLOYEE.”* The bill would also require the uniform of the transit operator to include wording that reads *“NOT A GOVERNMENT EMPLOYEE.”* According to the legislation, the font size for this lettering must be the at least the same size as the largest font displayed on the vehicle or uniform.

- **VISTA Bus Passes.** The Board received and filed information on AVTA’s partnership regarding the VISTA volunteer program. In August, the City of Lancaster began hosting up to four (4) VISTA members in City owned houses near City Hall. For the next year, these VISTA representatives will assist the City with the research, development and implementation of a region-wide volunteer program. These volunteers will reach out to all non-profit organizations throughout Palmdale, Lancaster, and the unincorporated areas of Los Angeles County. AVTA has agreed to provide four limited access badges which will enable Vista volunteers to ride free on all AVTA transit services, excluding Dial-a-Ride, for one year. If the VISTAs were to purchase badges, the cost would be approximately \$2,400 for one year for the four volunteers. The Board discussed other non-profits that might be interested in a similar transportation program. If any out of the area non-profit volunteers inquire, they should be referred to the AVTA Executive Director for a case-by-case evaluation.

- **Fourth Quarter Capital Reserves Report.** The Board received and filed the FY13 fourth quarter Capital Reserves Report for the period covering June 30, 2008 through June 30, 2013. Total Capital Reserve contributions for FY14 are budgeted at \$460,896, with contributions expected to be received quarterly as invoiced. As of the report date, the Capital Reserve account has an accumulated cash balance of \$4,434,485, held in accounts with the Local Agency Investment Fund (LAIF) and Bank of America. Three transit buses and three commuter buses are scheduled for purchase in FY14. The reserve match funds required for these six units (\$637,800) will again be supplanted in total by FTA 5307 funds in the form of toll credits and other funding sources. The current Five-Year Fleet Replacement Program plans the purchase of an additional 32 buses in FY15 -18. Due to reduced federal funding under MAP-21, we anticipate using the capital reserve for local match on all of these units.

- **FY13 KPI Report for the year ending June 30, 2013.** The KPI report provides an analysis of Antelope Valley Transit Authority’s (AVTA) primary system-wide goals on a monthly basis. Data is collected from a variety of sources such as the fare box, contractor reports, and financial performance reports. Highlights include:
 - Total fiscal year revenues were \$4,924,992, an increase of 5% over the previous fiscal year. Unlike last year’s results, the biggest percentage increase in revenue (5%) was reflected in our local revenues (\$112,000), with commuter service showing an improvement of 2% (\$35,200) for the fiscal year.
 - For three years in a row, AVTA has kept operating costs at almost identical levels; at the same time, they have increased both ridership and revenue. FY13 year-end operating costs were \$20.0 million, almost equal to FY12 year-end operating costs (0.17% decrease). Ongoing service modifications and refinements along with a FY13 decrease in legal and consulting fees have contributed to the flat operating expenses for the fiscal year. During the month of June,

operating expenses were \$1.7 million. This is a decrease of 12.5% over the same month last year.

- For the fiscal year, AVTA received 20.7 complaints per 100,000 boardings. When compared to the complaints recorded in FY12, staff noticed a 15.6% improvement (24.5/100K) for the fiscal year. Ongoing service improvements, successful implementation of new service, and constant public outreach have all contributed to the decrease in customer complaints.

- **Contracts.** The Board approved a sole source contract to Pinnacle Petroleum, Inc. of Huntington Beach in an amount not to exceed \$1,740,000 over the next six months for the supply and delivery of bulk fuel. During the next six months, AVTA will complete a procurement solicitation process and award a new long-term contract.

- **Closed Session.**
 - Conference with Legal Counsel- Existing Litigation
G.C. section 54956.9(d)(1) and (4)
People v. Jorge: Case no. BA405021