

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: City Council Members

FROM: Vice Mayor Marvin Crist
Council Member Sandra Johnson

DATE: January 14, 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 November 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 October Board meeting:

- **Attendance.** All members were present.
- **Special Report.**
 - The Board received a report on AVTA's key indicators. In August, there was an increase in ridership on the commuter lines and an increase in complaints of overcrowding on the 787 line which serves CSUN. This is consistent with CSUN's report of a record number in attendance this school year. There was an increase of 16% year to date over last year on the commuter lines and 11% for local transit when compared to the previous first quarter results. This resulted in approximately a 6% increase (\$65,859) in revenues as compared to the first quarter of FY13. Expenses increased approximately 3% over the first quarter of FY13; however, indirect (overhead) costs have decreased by approximately 4%.
 - The Board received a report on the TAP card. The TAP cards that were issued to AVTA in 2009 all expired on December 31, 2013. There is a cost of \$2 for the replacement cards, so AVTA will recoup this cost as they sell the TAP cards to their customers. Although there was no charge for the original TAP cards, this charge is consistent with practices at other transit agencies and matches the cost when purchased online or at a vendor location.

- **Contracts.**

- The Board authorized the Executive Director to execute an MOU with 211 LA County to help administer the new Employment Voucher Program (EVP). This program will provide economic stimulus to the local taxi industry and to local paratransit service providers contracted with American Logistics Company (ALC). There is also an expectation that this program will have a positive impact on the Valley's high unemployment rate. This program is funded over the next three years through a Job Access Reverse Commute (JARC) grant totaling \$540,173 to provide curb-to-curb transportation services to residents seeking employment in the Antelope Valley. 211 LA County has also received JARC funding to work with human service agencies and organizations to develop mobility management programs which serve various areas of Los Angeles County with a special focus on Lancaster and Palmdale. The target population is primarily low income and welfare recipients seeking access to jobs and employment-related activities. Outsourcing provisions of the new EVP to 211 LA County will expedite the start-up of the voucher program and will minimize the amount of staff resources dedicated to the program's development and oversight.
- The Board of Directors a contract with Nelson/Nygaard Consulting Associates, Inc., in the amount of \$171,155 for the Comprehensive Operational Analysis and Ten-Year Plan. AVTA is undertaking a variety of new and exciting projects such as an electric bus demonstration project and evaluation of the feasibility of a bus rapid transit project. These projects, along with the increased ridership demands, underscore the need for a new comprehensive operational analysis and long-range plan. Elements for inclusion in this study were discussed at a July 2013 strategic planning meeting of the AVTA Board.
- Authorize the Executive Director to negotiate final terms and conditions with American Logistics Company, amending contract 2011-033 to compensate for providing transportation for the Employment Voucher Program (EVP). The funding will be provided through the JARC grant. ALC will be responsible for managing the reservation process, providing curb to curb transportation to voucher recipients, and reporting trip information to support EVP invoicing.
- The Board authorized the Executive Director to negotiate final terms and conditions and execute a contract with BYD Company, Ltd. (BYD), Lancaster, CA and a sole source contract with WAVE, Inc., for the purchase of two battery electric buses and two inductive charging stations, respectively. The BYD contract award is subject to authorization of assignment rights for two electric buses from contract #OP33202790 between the Los Angeles County Metropolitan Transportation Authority (LA Metro) and BYD Company, Ltd. Such authorization is anticipated by the LA Metro Board in January 2014. The WAVE Inc. contract is subject to AVTA's ability to identify and secure sufficient funding for the project. Staff will return to the Board with final negotiated terms and conditions for both contracts.

The cost of two electric buses and two inductive charging pads will not exceed \$2,400,000. LA Metro's contracted cost per bus is approximately \$830,000. This pricing may increase as LA Metro is requesting that 100% of the buses be manufactured in Lancaster rather than China. AVTA's negotiated price will depend on the final configuration and options chosen. WAVE has quoted a total cost of \$500,000 for two inductive charging stations (excluding engineering costs). Funds in the amount of \$1,900,000 in Proposition A Local Return Funds were provided by a generous grant from Los Angeles County, through the Fifth District Supervisor Michael Antonovich's Office. A portion of these funds may be applied toward the inductive charging stations. Additional funds to provide in-ground inductive charging stations will be requested from the Antelope Valley Air Quality Management District. Total funds requested are not expected to exceed \$500,000, subject to AVAQMD grant approval.

- **Budget.**

- The Board received a report on Capital Reserve contributions for FY14. Total Capital Reserve contributions for FY14 are budgeted at \$460,896. The Capital Reserve account was established to set aside a capital contribution from each jurisdiction in an amount sufficient to provide local match funds of 20% of the replacement cost of heavy-duty transit and commuter coaches. Current practice is to spend reserve account funds only for the matching requirements of transit and commuter buses.

The Capital Reserve account segregates the assets reserved for bus purchases and is used only when approved by the AVTA Board of Directors. As of the report date, the Capital Reserve account has an accumulated cash balance of \$4,897,702, held in accounts with the Local Agency Investment Fund (LAIF) and Bank of America. On an accrual basis, the total fund balance is \$5,015,611 in corpus plus \$81,593 in interest earned. The difference between cash and accrual balances, if any, is reflected in commitment receivables outstanding as of the report date. For the first quarter ending September 30, 2013, all contributions have been received as of the report date.

During the five-year reporting period to date, AVTA purchased six commuter coaches and fifteen hybrid transit buses; all units were delivered by September 30, 2012. The reserve match funds required for these 21 units (\$1,436,501) were supplanted in total by AVTA's Federal Transit Administration (FTA) 5307 funds in the form of Toll Credits and other funding sources as follows: toll credits - \$99,724; AVAQMD - \$225,110; and Prop 1B PTMISEA - \$1,111,667.

The three local transit buses originally scheduled for FY14 will not be delivered until FY15. These will be purchased using toll credits for the local match. AVTA's Five-Year Capital FY14 First Quarter Capital Reserves Report (June 30, 2008 through September 30, 2013) Improvement Plan assumes the purchase of an additional 25 local transit and 7 commuter buses between FY15 and FY18 (32 total). Due to reduced federal funding under MAP-21 and the increasing prices of buses, it is anticipated the capital reserve will be used for local match on all of these units.