



LEHIGH AND NORTHAMPTON TRANSPORTATION AUTHORITY

Draft Operating Budget by Division
Fiscal Year 2024

The Lehigh and Northampton Transportation Authority (LANTA) is pleased to submit for your information and consideration the Authority's balanced FY2024 proposed Financial Plan. The proposed plan is also intended as a summary and overview of the information provided in greater detail within the Budget Document. The Authority requires \$49,244,488 in local, state and federal funding to carry out its fixed route and paratransit operations throughout Carbon, Lehigh and Northampton counties.

The total amount of Federal subsidy, \$21,714,859, represents 44% of the amount of funds relative to FY2024 to subsidize the Authority's ADA, Preventative Maintenance, Tire Lease, Safety and Security, Vehicle Overhaul programs as well as labor and fringe benefits. There have been increases in the aforementioned categories due in part to terms of the Collective Bargaining Agreement, increases in staffing of bus operators, salary recommendations, inflationary cost increases that have greatly impacted materials, supplies and healthcare costs.

The total amount of State subsidy, \$26,196,798, represents 53% of the amount of funds relative to FY2024, which is the state's match to the federally subsidized programs and the projected operating deficits for the paratransit division of Carbon Transit and LANTaVan.

The total amount of Local subsidy, \$1,332,831, represents 3% of the amount of funds relative to FY2024, which is the local match requirement determined by the FY2024 State Operating Assistance allocation.

Introduction to Budget Narrative

Revenues for FY2024 have been conservatively budgeted to take into account the lingering impacts of the pandemic. LANTA is diligently working to provide the best utilization of current stimulus funding and Act 44 reserves. While current and past stimulus funds have helped offset the sharp declines in revenue, LANTA is working towards long-term strategies that will lessen the gaps between revenues and expenditures through limiting discretionary spending and possible modifications in service levels.

LANTA's FY2024 Operating Expenditure budget is balanced with its revenues and subsidy at \$65 million, which is approximately 32% greater than the previous budget year. This increase is supportive of wage adjustments, increased healthcare costs, fuel costs, as well as negotiated increases in contractual service agreements.

In addition, LANTA has established and maintains its financial record-keeping in accordance with the National Transit Database (NTD) requirements of the Federal Transportation laws. NTD defines specific accounts which cross-classify all revenues and expenses by functional category and object class in order to present a consistent accounting system for all transit authorities nationwide. The Authority's internal accounting system includes many individual accounts that are compiled into major functional categories in the line-item budget.

For ease of reporting required by federal, state and local funding agencies, LANTA maintains separate divisions for the LANtaBus, LANtaVan and Carbon Transit services. The general information below describes the functional revenue and expenditure categories that apply to all divisions. Specific divisional information is throughout the narrative.

Introduction to Budget Narrative



LANTaBus Division

REVENUE, SUBSIDY &
EXPENDITURE DETAIL
FISCAL YEAR 2024

FY2024 PROJECTED REVENUES

Auxiliary Trans. Revenue - \$487.5K

- FY2024 projection represents the annual guarantee to LANTA for advertising services on revenue vehicles and bus shelters.

14%

Special Transit Fares - \$221K

- Revenues generated by various route service agreements.
- Current RSAs, Amazon, FedEx and various local colleges.

6%

Passenger Fares - \$2.89M

- FY2024 Ridership projection of 3,864,198 trips, at an average fare of \$0.75.
- The Authority anticipates a return to pre-COVID pricing of LANTA's 31 Day Pass effective January 1, 2024.

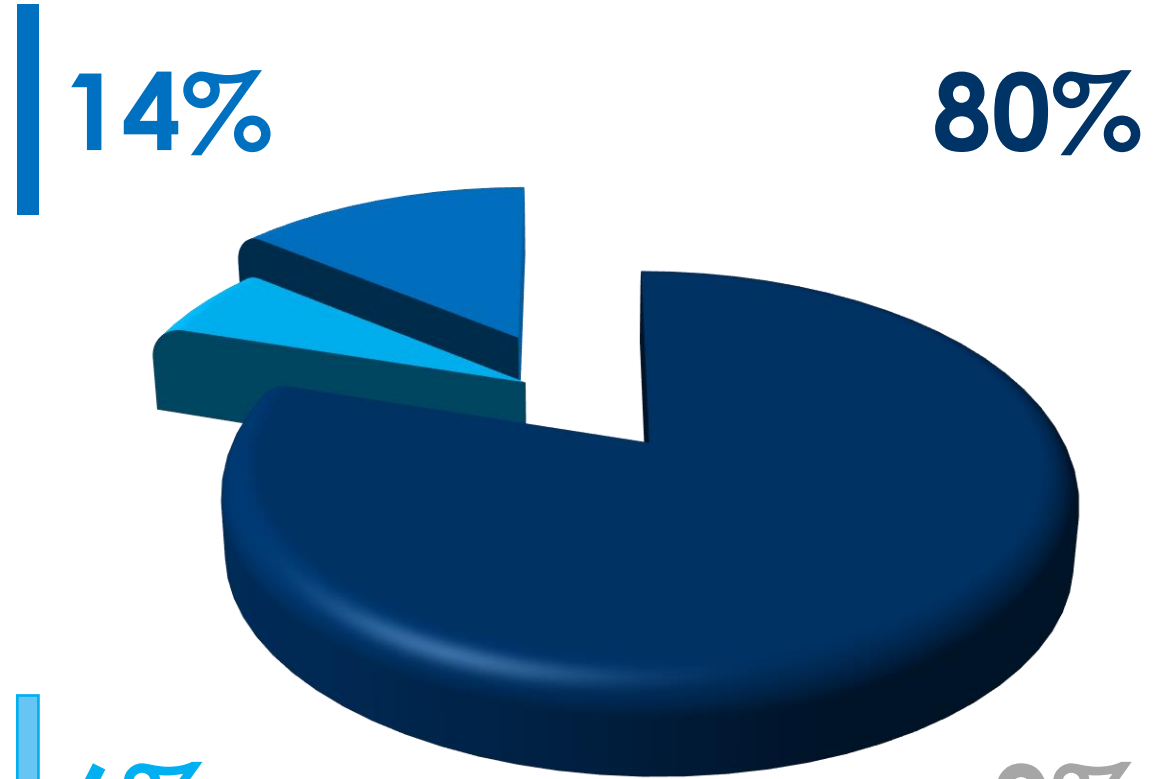
80%

Non-Transportation Revenue - \$0

- No revenue projection for rental income due to Dunkin' Donuts vacating the retail space at ATC.
- Any other non-transportation revenue is not guaranteed therefore no budget projection is made.

0%

\$3,606,632



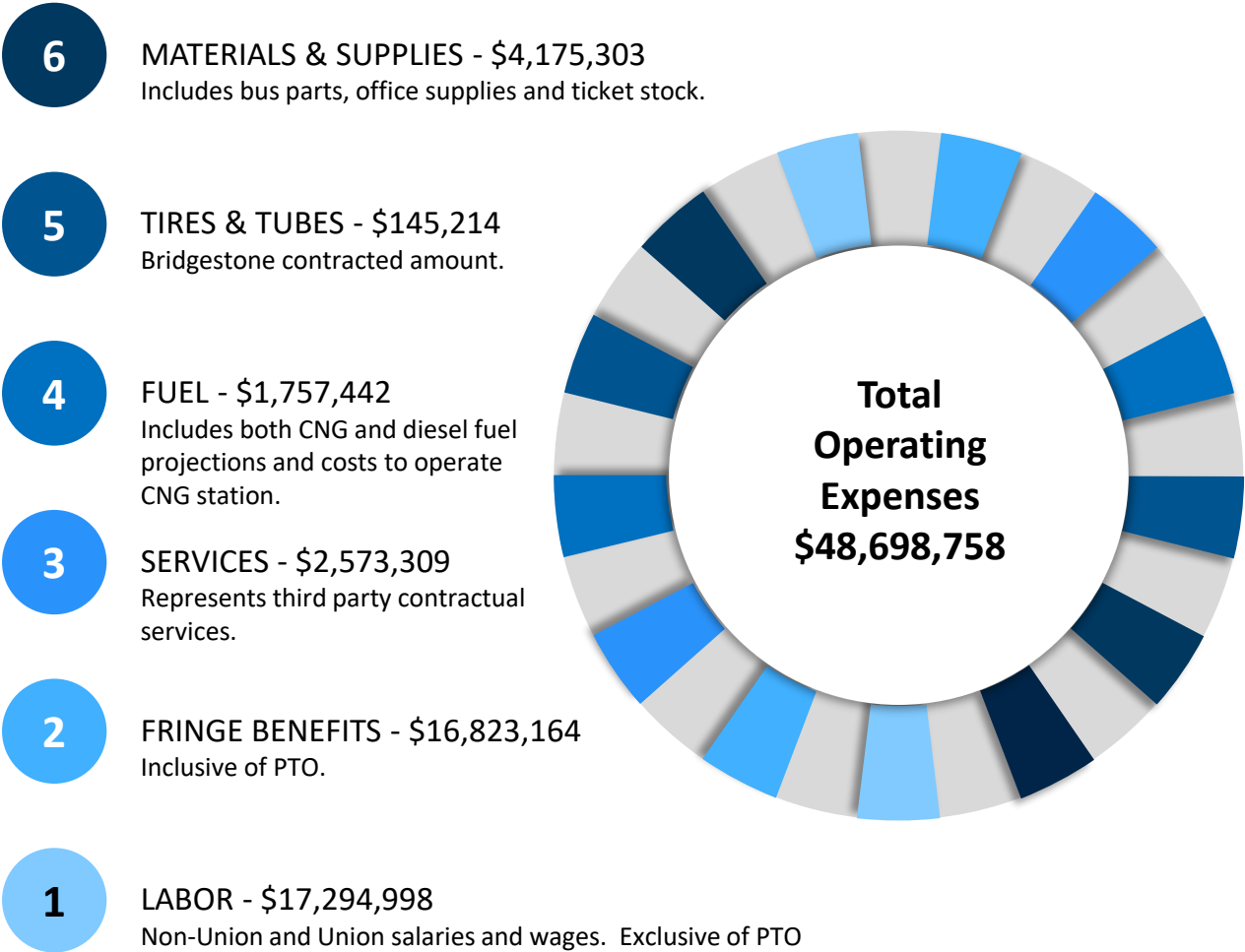


Operating Expenditure Assumptions

- ▶ Salaries are projected with the increases determined by the salary study and 4% merit increases, allocated by DOH.
- ▶ Healthcare costs are budgeted at “worst-case” scenario
- ▶ 4% increase to all Purchased Transportation Rates.
- ▶ Expenditures incurred applicable to all divisions are allocated by call volume percentages. Percentages used for FY2024 are 47% LB, 46% LV and 7% CT.
- ▶ Fuel projections include costs for both CNG and Diesel Fuel

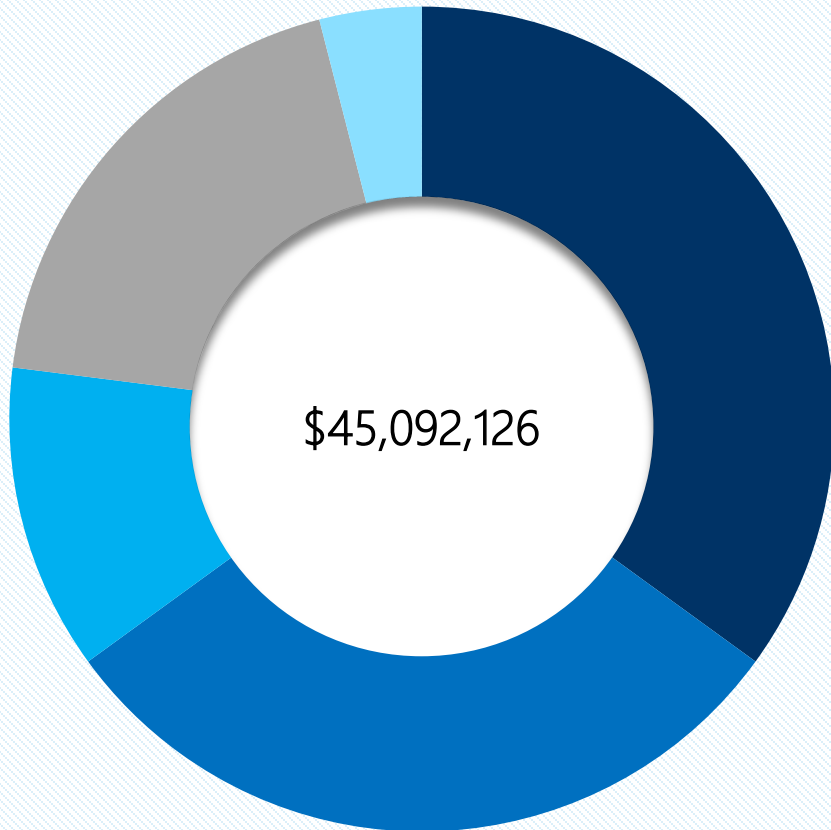
LEHIGH & NORTHAMPTON TRANSPORTION AUTHORITY						
LANtaBUS DIVISION						
BUDGETED EXPENSES						
			FISCAL YEAR			
		FISCAL YEAR	2022/23	INCREASE/	FISCAL YEAR	INCREASE/
		2021/22	ACTUAL (8)	(DECREASE)	2023/24	(DECREASE)
	<u>ACCOUNT</u>	<u>AUDITED</u>	<u>ESTIMATED (4)</u>	<u>PERCENTAGE</u>	<u>BUDGET</u>	<u>PERCENTAGE</u>
	<u>EXPENSES</u>					
	LABOR	14,486,729	16,899,410	16.65%	17,294,999	2.34%
	FRINGE BENEFITS	11,746,692	12,499,962	6.41%	16,823,164	34.59%
	SERVICES	2,512,735	2,138,535	-14.89%	2,573,309	20.33%
	FUEL	1,507,404	1,712,543	13.61%	1,757,442	2.62%
	TIRES & TUBES	116,488	135,076	15.96%	145,214	7.51%
	MATERIALS & SUPPLIES	1,366,456	3,073,069	124.89%	4,175,303	35.87%
	UTILITIES	798,629	965,722	20.92%	1,009,393	4.52%
	CASUALTY & LIABILITY COSTS	316,647	1,100,149	247.44%	1,390,360	26.38%
	TAXES	3,693	3,791	2.66%	32,551	758.54%
	PURCHASED TRANSPORTATION	2,209,112	3,456,330	56.46%	3,222,835	-6.76%
	MISCELLANEOUS EXPENSES	318,625	259,239	-18.64%	244,279	-5.77%
	INTEREST EXPENSES	3,466	7,681	121.61%	1,200	-84.38%
	LEASES & RENTALS	289,677	90,877	-68.63%	28,709	-68.41%
	TOTAL EXPENSES	35,676,353	42,342,384	18.68%	48,698,758	15.01%

FY2024 PROJECTED EXPENDITURES



- 7 UTILITIES - \$1,009,393
Utility costs for Allentown & Easton facilities and transit centers.
- 8 CASUALTY & LIABILITY COSTS - \$1,390,360
Property and Liability insurance for all locations.
- 9 TAXES - \$32,551
Real estate taxes and fuel ser charges on diesel fuel deliveries.
- 10 PURCHASED TRANSPORTATION- \$3,222,835
Total operating expenses for ADA program.
- 11 MISCELLANEOUS EXPENSE - \$244,279
Travel, training and any dues and subscriptions.
- 12 INTEREST EXPENSE \$1,200
Line of credit interest.
- 13 LEASES & RENTALS -\$28,709
LV Mall transit lease & office equipment

FY2024 PROJECTED SUBSIDY



STATE SUBSIDY \$22,094,195

- FY2024 allocation is \$24,152,137
- Act 44 Reserve to decrease by \$1,712,931

FEDERAL SUBSIDY ARP COMPETITIVE \$12,544,967

- Grant funds to offset labor and fringes

FEDERAL SUBSIDY VOH \$1,339,113

- For CNG buses, in order to maintain a state of good repair, an ongoing vehicle overhaul program began in FY2023 and will continue until all model years reach their mid-life point of 6 years.

FEDERAL SUBSIDY ADA/PM/TL/SS \$7,830,779

- FY2024 formula funding will be used to support LANTA's operating activities

LOCAL SUBSIDY \$1,283,072

- Lehigh and Northampton counties operating assistance.
- FY2024 funding represents a 5% increase over FY2023.

ACT 44 RESERVE ANALYSIS

FY22

\$16,987,652

› +5.5% from 6/30/2021

FY21 \$16,096,697

FY23

\$ 19,585,384

› +15.3 % from 6/30/2022

As of 2/28/2023

FY24

Projected Ending Balance \$19,731,810

FY24 Allocation \$24,152,137

FY24 Expenditures \$25,865,068

FY24 Interest Income \$86,000

Projected FYE 23

\$ 21,358,741

› +25.7 % from 6/30/2022

Federal ARPA and CRRSAA funds received in FY23 assisted in stabilizing operating funds for future fiscal years.

FY22 Act 44 reserves represented 10 months of state subsidy.

Act 44 reserve is equivalent to 9 months of state subsidy.

\$12.5M of operating expenses to be funded at 100% by Federal ARP Competitive grant subsidy.

\$2,940,323 in state subsidy to be used to offset the projected FY2024 deficit of LANtaVan.

LANTA - LANTaBUS DIVISION
OPERATING BUDGET
FISCAL YEAR ENDED JUNE 30, 2024

REVENUES

	PASSENGER FARES	2,898,148
	SPECIAL TRANSIT FARES	220,984
	AUXILIARY TRANSPORTATION REVENUE	487,500
	TOTAL REVENUES	3,606,632

EXPENSES

	LABOR	17,294,998
	FRINGE BENEFITS	16,823,164
	SERVICES	2,573,309
	FUEL	1,757,442
	TIRES & TUBES	145,214
	MATERIALS & SUPPLIES	4,175,303
	UTILITIES	1,009,393
	CASUALTY & LIABILITY COSTS	1,390,360
	TAXES	32,551
	PURCHASED TRANSPORTATION	3,222,835
	MISCELLANEOUS EXPENSES	244,279
	INTEREST EXPENSES	1,200
	LEASES & RENTALS	28,709
	TOTAL OPERATING EXPENSES	48,698,758

NET OPERATING DEFICIT	(45,092,126)
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SUBSIDY

	LOCAL SUBSIDY	1,283,072
	STATE SUBSIDY - CY	22,094,195
	FEDERAL SUBSIDY - ARP Competitive	12,544,967
	FEDERAL SUBSIDY - ADA	1,000,000
	FEDERAL SUBSIDY - Safety & Security	550,779
	FEDERAL SUBSIDY - VOH	1,339,113
	FEDERAL SUBSIDY - Preventative Maintenance	6,160,000
	FEDERAL SUBSIDY - Tire Lease	120,000

		TOTAL SUBSIDY	45,092,126
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NET OPERATING DEFICIT	-
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LANTaVan Division

REVENUE, SUBSIDY AND
EXPENDITURE DETAIL

FISCAL YEAR 2024

FY24 PROJECTED REVENUES

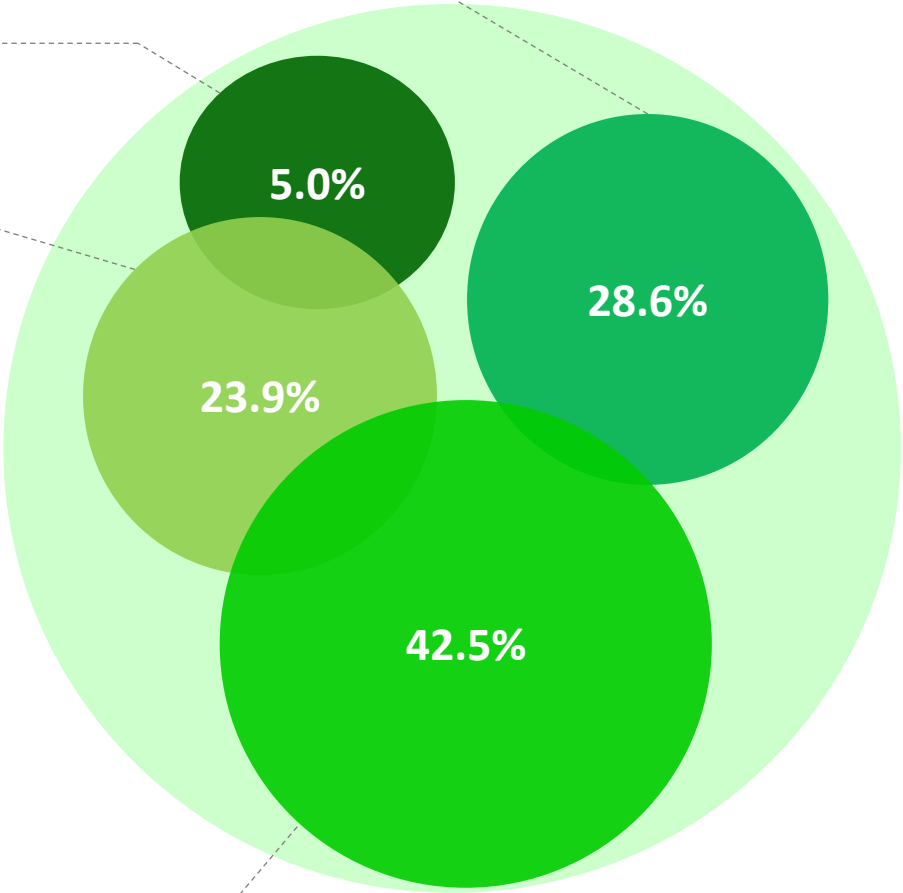
TOTAL REVENUES \$10,567,904

\$3,021,752 Local Fare Assistance

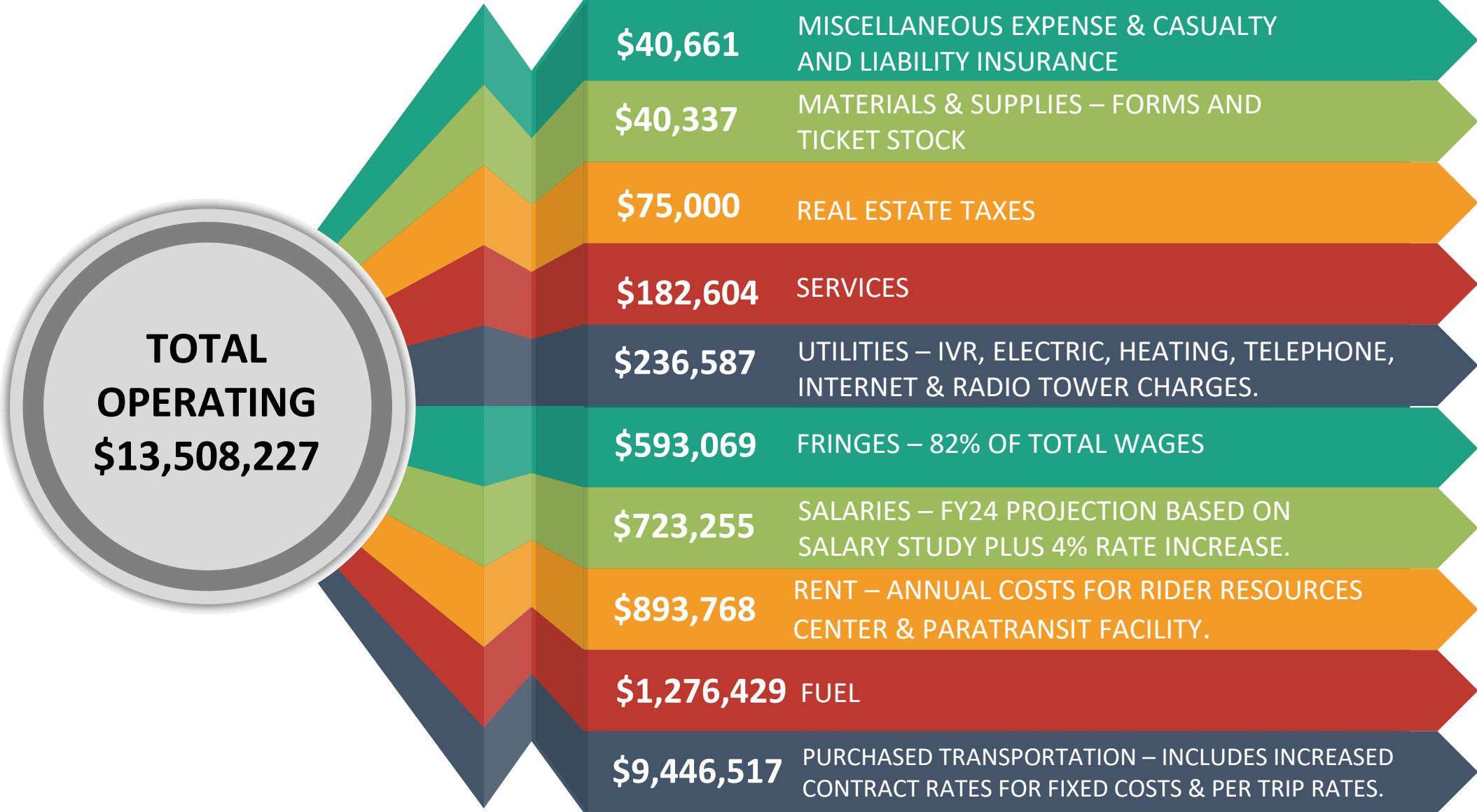
\$530,267 Passenger Fares

\$2,522,996 State Reimbursements

\$4,492,889 State Special
Fare Assistance



FY24 PROJECTED EXPENDITURES



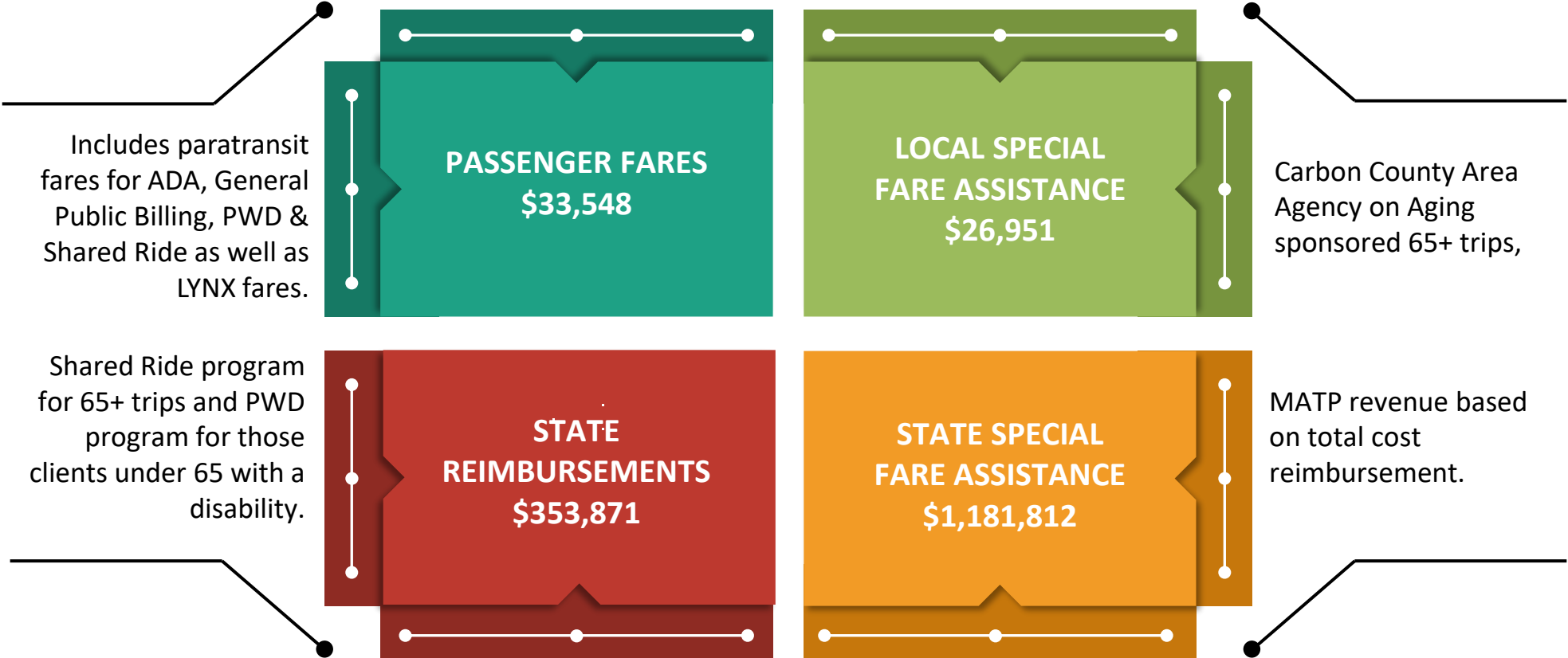
CARBON TRANSIT

- DRAFT OPERATING BUDGET
FISCAL YEAR 2024



FY24 PROJECTED REVENUES

TOTAL REVENUES \$ 1,596,183



FY24 PROJECTED EXPENDITURES



FY24 PROJECTED SUBSIDY

