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**LANTA Finance & Administration Committee  
Agenda  
January 9, 2024**

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1. Call to Order
  2. Roll Call
  3. Public Comment
  4. Review and Recommendation – Financial Statements November 2023, subject to audit
  5. Report on Initiatives
    - A. Presentation of FY 2022-2023 Audit
  6. Procurements
    - A. Award Recommendation – On-Board Fare Collection Equipment & Services
  7. Other Items
  8. Adjournment
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# Lehigh and Northampton Transportation Authority

**TO:** Owen O'Neil, Executive Director and Authority Members  
**FROM:** Nicole L. Ozoa, Sr. Director of Finance  
**DATE:** January 9, 2024  
**SUBJECT:** Unaudited November 2022 Financial Statement

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Attached for your review are the unaudited financial statements for the period ended November 30, 2023, for LANTaBus, LANTaVan and Carbon Transit.

**Items of Interest:**

- The LANTA's Line of Credit Balance as of January 9th stands at \$0 of an available \$6,000,000. The balance in the combined LANTA general checking account stands at \$508K. State ACT 89 funds due to LANTA for FY 23/24 are current. The balance in the ACT 44 checking account stands at \$13,272,029. The account is currently underfunded by approximately \$13.5M. In addition, approximately \$14.1M are either currently owed to LANTA from State Funds or can now be drawn down from Federal Grants:
  - State Shared Ride/PWD - \$1,521,711 (THRU 12/31/2023)
  - Lehigh County MATP - \$1,757,364 (THRU 11/30/2023)
  - Northampton County MATP - \$111,011 (THRU 11/30/2023)
  - Federal Capital Funding - \$9,447,263 (THRU 11/30/2023)
  - State Capital Funding - \$1,222,747 (THRU 11/30/2023)
- The balance in the CT general checking account stands at approximately \$111K. The balance in the CT's Act 44 checking account stands at \$0. The account is neither over nor underfunded. State ACT 89 funds due to CT for FY 23/24 are current. In addition, approximately \$906K are currently owed to CT from the following sources:
  - State Shared Ride/PWD - \$179,020 (THRU 12/31/2023)
  - Carbon County MATP - \$701,901 (THRU 11/30/2023)
  - Local Operating Assistance - \$24,879 (Local Match through 12/31/2023)
- Fulton Financial ACT 72 Letter for period ended 11/30/2023 was received and all bank accounts are in compliance.

LANTA's Health Insurance expense is currently the single largest expense outside of salary and wages. MTD & YTD Health Insurance expense:

	MTD Actual	Fiscal YTD Actual	Fiscal YTD Budget
Net Health Insurance	\$445,854	\$2,755,284	\$4,622,164

The current health insurance participation census stands at 121 Employee Only; 84 Employee Plus 1; 38 Employee Plus 2; 34 Employee Plus 3 and 29 Employee Plus 4 or more.

### **LANtaVan Accounts Receivable Aged Invoice Report - November 30, 2023**

	Total	Current	30 Days	60 Days	90 Days	120 Days +
Lehigh County MATP	\$ 1,757,364	\$ 324,578	\$ (71,968)	\$ -	\$ 306,097	\$ 1,198,657
Northampton County MATP	\$ 111,011	\$ 203,757	\$ (99,525)	\$ -	\$ -	\$ 6,779
Other(PaDOT Shared Ride;PWD)	\$ 1,363,985	\$ 231,397	\$ 243,022	\$ -	\$ 220,344	\$ 669,222
Total AR October 31, 2023	\$ 3,232,359	\$ 759,732	\$ 71,528	\$ -	\$ 526,441	\$ 1,874,658
	100%	23.50%	2.21%	0.00%	16.29%	58.00%
Total AR October 31, 2023	\$ 2,998,273	\$ 64,399	\$ 220,999	\$ 535,927	\$ 595,626	\$ 1,581,322
	100%	2.15%	7.37%	17.87%	19.87%	52.74%
AR Change	\$ 234,086	\$ 695,333	\$ (149,471)	\$ (535,927)	\$ (69,185)	\$ 293,336
	7.81%	1079.73%	-67.63%	-100.00%	-11.62%	18.55%

### **Accounts Payable Aged Invoice Report - November 30, 2023**

	Total	Current	30 Days	60 Days	90 Days	120 Days +
LANtaBus	\$ 861,921	\$ 444,507	\$ 487,393	\$ (10,290)	\$ (54,181)	\$ (5,507)
LANtaVan	\$ 842,942	\$ 91,220	\$ 745,906	\$ 3,756	\$ 74	\$ 1,986
Carbon	\$ 182,289	\$ 16,941	\$ 165,348	\$ -	\$ -	\$ -



### **LANTA Bus**

Year-to-date revenues for the fixed route division total \$917,667. This represents a 41.1 percent decrease from the current year budget projection of \$1,557,964. Fare collection revenue is currently running below budget projections by approximately \$562K. The Other Revenue section, which includes Advertising Revenue is in line with current year budget projections as the budget was based on the guaranteed monthly amount. The Authority anticipates recognizing additional advertising revenue in January 2024, once the calendar year reconciliation is complete.

Year-to-date expenses for the fixed route division total \$16,959,525. This represents a 0.34 percent increase from the current year budget projection of \$17,017,821. For the current fiscal year period, Labor and Fringe Benefits, Services, Purchased Transportation, Miscellaneous and Casualty and Liability Insurance are key expenditures with the largest budget variances. These categories, as well as all variables, will be continually monitored with further investigation occurring as required. Labor and Fringe Benefits is the first combined expense line item to be mentioned in detail and is running below budget by approximately \$103K. The Services expense area is continuing to operate below current year budget projections of approximately \$127K. Purchased Transportation continues to operate above budget projections by approximately \$79K, a 6.98 percent increase above current budget projections. The increase can be attributed to the increase in operating costs and less copay revenue for the ADA program. The Miscellaneous expense line item, which includes dues and subscriptions and items related to employee relations is running approximately \$70K above current budget projections.

Lastly, the area of Casualty and Liability is the last area to be reviewed. Current year expenses for both Physical Damage and Liability and Property Damage insurance is currently under budget by \$198K, which represents a 51.0 percent budget variance. Current year budget projections were provided by our insurance carrier SAFTL.

Health insurance is self-funded and LANTA budgets based on actuarial analysis from our outside health insurance broker, BSI. YTD, the actual usage is below the anticipated scenario by approximately \$738K.

The year-to-date deficit recorded on the fixed route division totals \$16,041,859. This represents a 3.76 percent increase from the current budget projection of \$15,459,857. Current total subsidies equal the deficit and include the following sources:

- Federal Subsidy- ARPA - \$9,912,284
- Federal Subsidy – All Other - \$2,160,803
- State Subsidy - \$3,583,128
- Local Subsidy - \$385,644

**LANtaVan**

Year-to-date revenues for LANtaVan total \$3,995,005. This represents a 3.54 percent decrease from the current year budget projection of \$4,141,680. Overall, revenue ridership has increased approximately 24.8 percent when compared to the prior year period. The ADA program is currently running an 11.8 percent increase; Lottery a 31.5 percent increase and PWD a 2.8 percent increase. Local Special Fare Assistance, which represents revenue for the Area Agency on Aging, for both Lehigh and Northampton counties, and the ADA program, is below current year budget projections by 16.9 percent. ADA revenue represents the total operating costs of the ADA program less ADA co-pay fares collected. State Reimbursements, which represents the revenue for the State Shared Ride Lottery and PWD Programs. Collectively, the state reimbursements are above current year budget projections by 14.0 percent. Special Fare Assistance, which represents the revenue of the Medical Assistance Transportation Program (MATP), is 3.48 percent below current year budget projections. MATP YTD revenue has been recorded based on actual costs of the program.

Year-to-date expenses for LANtaVan total \$5,014,225. This represents an 8.77 percent decrease from the current budget projection of \$5,496,544. The main deviation of approximately \$176K pertains to the Labor and Fringe Benefits area. Labor and Fringes continue below budget projections due to the result of the reorganization of tasks to appropriate personnel and efficient procedures. Fuel costs are below budget projections by approximately \$124K, resulting in a 21.54 percent budget variance. The Purchased Transportation expense line item is below current year budget projections by approximately \$142K, a 3.78 percent budget variance. This is a direct result of LANTA's continued involvement in scheduling. The Authority anticipates that these trends are to continue for the foreseeable future. All other variances are smaller in individual value but continue to be monitored and analyzed to ensure correct coding and valid expense.

The year-to-date deficit recorded on LANtaVan totals \$1,019,224. This represents a 24.77 percent decrease from the current year budget projection of \$1,354,864. Current total subsidies equal the deficit and include the following sources:

State Subsidy - \$1,354,864



### **Carbon Transit**

Year-to-date revenues for Carbon Transit total \$626,894. This represents a 1.68 percent decrease from the current budget projection of \$637,628. Carbon Transit records and adjusts MATP revenue to reflect the cost of the program to maintain a conservative approach to revenue recognition. Currently, MATP revenue is approximately \$17K above budget. MATP ridership consists of three modes, Paratransit, Mileage Reimbursement and Out of County. Overall MA revenue ridership has increased 21.8 percent when compared to the prior year fiscal period. MA Out of County and MA Mileage Reimbursements are experiencing increases in revenue ridership, 21.3 and 51.1 percent respectively, while MA Paratransit revenue ridership has increased 7.4 percent.

Year-to-date expenses for Carbon Transit total \$1,075,792. This amount is 20.27 percent below the current budget projection of \$1,200,618. The main deviation of approximately \$83K pertains to the Labor and Fringe Benefits area. Labor and Fringes continue below budget projections due to the result of the reorganization of tasks to appropriate personnel and efficient procedures. Fuel costs are above budget projections by approximately \$5K, resulting in a 5.46 percent negative budget variance. The Purchased Transportation expense line item is below current year budget projections by approximately \$31K, a 3.74 percent budget variance. This is a direct result of LANTA's continued involvement in scheduling. The Authority anticipates that these trends are to continue for the foreseeable future. All other variances are smaller in individual value but continue to be monitored and analyzed to ensure correct coding and valid expense.

The year-to-date deficit recorded on Carbon Transit totals \$448,898. This represents a 20.27 percent decrease from the current year budget projection of \$562,989. Current total subsidies equal the deficit and include the following sources:

State Subsidy – \$428,718

Local Subsidy - \$20,180

**LANTA**  
**Income Statement Summary**  
For the Period Ending November 30, 2023

	Fiscal Year 2024				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	Percent
	Actual	Budget	Actual	Budget	Amount	
<b>Revenue</b>						
Passenger Fares	214,078	222,843	742,558	1,304,803	(562,245)	-43.09%
Special Transit Fares	-	-	-	55,246	(55,246)	-100.00%
Auxiliary Transportation Revenue	39,583	39,583	158,333	197,915	(39,582)	-20.00%
NonTransportation Revenue	3,694	-	16,775	-	16,775	#DIV/0!
<b>Total Revenue</b>	<b>257,356</b>	<b>262,426</b>	<b>917,667</b>	<b>1,557,964</b>	<b>(640,297)</b>	<b>-41.10%</b>
<b>Expenses</b>						
Labor	1,539,173	1,381,126	7,340,057	6,664,317	(675,740)	-10.14%
Fringe Benefits	970,213	1,270,636	4,985,485	5,764,489	779,004	13.51%
<b>Total Labor and Fringe Benefits</b>	<b>2,509,386</b>	<b>2,651,762</b>	<b>12,325,542</b>	<b>12,428,806</b>	<b>103,264</b>	<b>0.83%</b>
Services	122,458	112,930	545,832	673,220	127,388	18.92%
Fuel	101,895	168,546	765,822	690,815	(75,007)	-10.86%
Tires & Tubes	11,235	11,201	56,023	56,250	227	0.40%
Materials & Supplies	228,759	218,544	1,124,076	1,040,814	(83,262)	-8.00%
Utilities	126,233	108,788	584,147	526,170	(57,977)	-11.02%
Casualty & Liability	40,205	72,886	190,246	388,258	198,012	51.00%
Taxes	2,140	4,657	10,702	20,481	9,779	47.75%
Purchase of Transportation Service	171,304	338,189	1,214,693	1,135,467	(79,226)	-6.98%
Miscellaneous	19,669	4,561	91,430	21,740	(69,690)	-320.56%
Interest	0	-	5,454	-	(5,454)	#DIV/0!
Leases & Rentals	8,920	-	45,560	35,800	(9,760)	-27.26%
<b>Total Expenses</b>	<b>3,342,204</b>	<b>3,692,064</b>	<b>16,959,525</b>	<b>17,017,821</b>	<b>58,295</b>	<b>0.34%</b>
<b>Gross Surplus (Deficit)</b>	<b>(3,084,848)</b>	<b>(3,429,638)</b>	<b>(16,041,858)</b>	<b>(15,459,857)</b>	<b>(582,002)</b>	<b>-3.76%</b>
<b>Subsidy</b>						
Local Subsidy	72,464	73,922	385,644	388,956	3,312	0.85%
State Subsidy	1,504,310	397,125	3,583,128	2,195,823	(1,387,305)	-63.18%
Federal Subsidy - ARPA	1,287,956	2,576,664	9,912,284	10,287,869	375,585	3.65%
Federal Subsidy - ADA	59,135	85,869	477,190	530,712	53,522	10.08%
Federal Subsidy - Safety & Security	61,997	45,898	205,503	229,492	23,989	10.45%
Federal Subsidy - VOH	-	88,879	240,467	385,088	144,621	37.56%
Federal Subsidy - Preventative Maint	89,998	152,879	1,192,825	1,398,140	205,315	14.68%
Federal Subsidy - Tire Lease	8,988	8,402	44,818	43,777	(1,041)	-2.38%
<b>Total Subsidy</b>	<b>3,084,848</b>	<b>3,429,638</b>	<b>16,041,859</b>	<b>15,459,857</b>	<b>(582,002)</b>	<b>-3.76%</b>
<b>Surplus (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0.00%</b>

**LANtaVan**  
**Income Statement Summary**  
For the Period Ending November 30, 2023

	Fiscal Year 2024				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	Percent
	Actual	Budget	Actual	Budget	Amount	
<b>Revenue</b>						
Passenger Fares	40,693	41,259	208,863	217,704	(8,842)	-4.06%
Non-Transportation Revenues	-	-	-	-	-	#DIV/0!
Local Special Fare Assistance	134,991	192,855	1,056,551	1,271,398	(214,848)	-16.90%
State Reimbursements	221,190	199,996	1,104,068	968,443	135,625	14.00%
State Special Fare Assistance	528,335	299,456	1,625,523	1,684,134	(58,611)	-3.48%
<b>Total Revenue</b>	<b>925,208</b>	<b>733,565</b>	<b>3,995,005</b>	<b>4,141,680</b>	<b>(146,675)</b>	<b>-3.54%</b>
<b>Expenses</b>						
Labor	32,526	66,902	214,727	311,326	96,599	31.03%
Fringe Benefits	26,672	54,976	176,077	255,830	79,753	31.17%
<b>Total Labor and Fringe Benefits</b>	<b>59,198</b>	<b>121,878</b>	<b>390,804</b>	<b>567,156</b>	<b>176,352</b>	<b>31.09%</b>
Services	13,787	8,846	66,226	85,730	19,505	22.75%
Fuel	78,155	105,276	450,144	573,713	123,569	21.54%
Tires & Tubes	-	-	-	-	-	#DIV/0!
Materials & Supplies	1,733	5,099	13,628	17,987	4,359	24.23%
Utilities	13,016	20,675	60,925	82,176	21,251	25.86%
Casualty & Liability	1,083	1,083	5,417	5,417	-	0.00%
Taxes	10,013	6,250	50,063	31,250	(18,813)	-60.20%
Purchase of Transportation Service	722,223	753,384	3,621,007	3,763,313	142,306	3.78%
Miscellaneous	8,306	182	9,156	9,994	838	8.39%
Interest	-	-	-	-	-	#DIV/0!
Rent	69,371	76,296	346,856	359,808	12,951	3.60%
<b>Total Expenses</b>	<b>976,884</b>	<b>1,098,969</b>	<b>5,014,225</b>	<b>5,496,544</b>	<b>482,319</b>	<b>8.77%</b>
<b>Gross Surplus (Deficit)</b>	<b>(51,677)</b>	<b>(365,404)</b>	<b>(1,019,220)</b>	<b>(1,354,864)</b>	<b>335,644</b>	<b>-24.77%</b>
<b>Subsidy</b>						
Local Subsidy	-	-	-	-	-	-
State Subsidy	51,677	365,404	1,019,220	1,354,864	335,644	24.77%
Federal Subsidy	-	-	-	-	-	-
<b>Total Subsidy</b>	<b>51,677</b>	<b>365,404</b>	<b>1,019,220</b>	<b>1,354,864</b>	<b>335,644</b>	<b>24.77%</b>
<b>Surplus (Deficit)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>



**Carbon Transit**  
**Income Statement Summary**  
For the Period Ending November 30, 2023

	Fiscal Year 2024				YTD Budget Variance	
	PTD		YTD		Favorable (Unfavorable)	
	Actual	Budget	Actual	Budget	Amount	Percent
<b>Revenue</b>						
Passenger Fares	5,180	2,675	13,644	14,181	(537)	-3.79%
Non-Transportation Revenues	-	-	-	-	-	0.00%
Local Special Fare Assistance	2,088	2,282	11,306	11,924	(618)	-5.19%
State Reimbursements	25,369	31,320	130,674	157,003	(26,329)	-16.77%
State Special Fare Assistance	89,227	100,342	471,270	454,520	16,750	3.69%
<b>Total Revenue</b>	<b>121,865</b>	<b>136,619</b>	<b>626,894</b>	<b>637,628</b>	<b>(10,735)</b>	<b>-1.68%</b>
<b>Expenses</b>						
Labor	11,389	25,159	72,879	118,529	45,650	38.51%
Fringe Benefits	9,339	20,630	59,761	97,194	37,434	38.51%
<b>Total Labor and Fringe Benefits</b>	<b>20,729</b>	<b>45,789</b>	<b>132,640</b>	<b>215,724</b>	<b>83,084</b>	<b>38.51%</b>
Services	1,978	1,827	9,716	9,386	(330)	-3.52%
Fuel	16,161	20,603	97,331	92,295	(5,036)	-5.46%
Tires & Tubes	-	-	-	-	-	0.00%
Materials & Supplies	635	560	3,541	9,675	6,134	63.40%
Utilities	2,227	3,477	7,436	17,027	9,591	56.33%
Casualty & Liability	-	-	-	-	-	0.00%
Taxes	-	-	-	-	-	0.00%
Purchase of Transportation Service	154,621	165,532	804,658	835,951	31,293	3.74%
Miscellaneous	-	23	-	68	68	0.00%
Interest	-	-	-	-	-	0.00%
Leases & Rentals	4,094	4,098	20,469	20,492	23	0.00%
<b>Total Expenses</b>	<b>200,445</b>	<b>241,908</b>	<b>1,075,792</b>	<b>1,200,618</b>	<b>124,826</b>	<b>10.40%</b>
<b>Gross Surplus (Deficit)</b>	<b>(78,581)</b>	<b>(105,289)</b>	<b>(448,898)</b>	<b>(562,989)</b>	<b>114,092</b>	<b>20.27%</b>
<b>Subsidy</b>						
Local Subsidy	4,036	4,146	20,180	20,728	548	2.65%
State Subsidy	74,545	101,143	428,718	542,261	113,543	20.94%
<b>Total Subsidy</b>	<b>78,581</b>	<b>105,289</b>	<b>448,898</b>	<b>562,989</b>	<b>114,092</b>	<b>20.27%</b>
<b>Surplus (Deficit)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>-55.00%</b>



## MEMORANDUM

To: LANTA Board of Directors, Finance & Administration Committee  
Fr: Owen O'Neil, Executive Director  
Re: Contract Award Recommendation – Fare Collection Equipment and Services  
Date: January 9, 2024

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On March 22, 2023, the Lehigh and Northampton Transportation Authority (LANTA) initiated a Request for Information (RFI) for Fare Collection Solutions, with bids due May 15, 2023. Following a thorough evaluation, LANTA issued a Request for Proposal (RFP) on July 31, 2023, with final bids due on August 31, 2023. Both announcements were publicized on Transit Talent, an industry website, and the RFP was additionally advertised in Morning Call on July 31, 2023. These efforts aim to secure a contract for a viable farebox replacement solution.

A total of 12 bids were received through Pennbid, prompting the formation of a selection committee comprising various LANTA staff members to ensure a comprehensive analysis. Scores were assigned based on the following criteria:

- Reliability
- Integration with existing systems
- Equitability for unbanked riders
- Report customization
- Partner programs
- Cost
- Support

Following the evaluation, four vendors were chosen for virtual demonstrations, ultimately leading to the shortlisting of two bidders:

- Cubic Transportation
- Masabi LLC

Both vendors presented proposals for consideration, and LANTA staff conducted site visits to multiple systems serviced by these bidders for an in-depth analysis. Based on qualifications, scoring, and quantitative data, Masabi emerged as the preferred choice. The analysis presentation is attached.

### Cost Information:

	Purchase	Lease
Equipment Kit Cost*	\$211,000.00	\$211,000.00
Annual Support**	\$54,000.00	\$54,000.00
Just Ride Validator	\$135,000.00	\$65,000.00
Initial Set up***	\$117,200.00	\$117,200.00

# Fees

	Dollar Amount	Percentage
Credit Card Fee	Passthrough from CC Company	
Load Fee	\$0.75	1%
Transaction Revenue Share*	Min -\$18,000 a month	5%
Incomm Fee	-	5%

\*This assumes rider adoption of 20%. When adoption rate is less than 15%, Both parties shall enter into discussion. The \$18,000 monthly fee is waived if the monthly revenue share exceeds that amount.

Total Annual Cost Year 1	Total Annual Cost Year 2	Implementation Cost	Total Upfront Cost	
\$119,000.00	\$119,000.00	\$328,200.00	\$447,200.00	<b>Lease</b>
\$189,000.00	\$54,000.00	\$328,200.00	\$517,200.00	<b>Purchase</b>

\*This assumes rider adoption of 20%. When adoption rate is less than 15%, Both parties shall enter into discussion. The 18,000 monthly fee is waived if the monthly revenue share exceeds.

The staff recommends that LANTA enter into a contract with Masabi for fare collection services, as the RFP outlines. Staff is requesting the Committee's recommendation for Board approval to proceed with this vendor selection and contract negotiation.

Your consideration and approval of this recommendation will ensure the implementation of an efficient and effective fare collection solution for LANTA.