



RECOMMENDED ACTION

To adopt the Fiscal Year 2023 Operating Budget of \$119,083,223 and the Fiscal Year 2023 Capital Budget of \$41,062,943.

STAFF REPRESENTATIVE

Kenneth A. McDonald, President and CEO

BACKGROUND

Each fiscal year (FY), Long Beach Transit (LBT) is required to present a balanced budget to its Board of Directors for adoption consideration. An operating budget is needed in order to manage the day-to-day operation of the agency. Moreover, a capital program is developed for long-term state of good repair and sustainability to ensure the continuation of high-quality service delivery to LBT's customers.

LBT's budget is a combination of known and projected expenses as well as forecasted revenue. The annual budget enables the agency to meet its strategic priorities through staff's commitment to exercise stewardship, make informed decisions and be fiscally responsible. LBT's fiscal year begins on July 1 and ends on June 30. The operating and capital budgets must be in place prior to the beginning of the fiscal year.

It is LBT's policy to maintain the fiscal integrity of its operating and capital budgets. The agency accomplishes this by ensuring a balanced budget, which is defined as having ongoing operating costs that do not exceed the amount of incoming revenue.

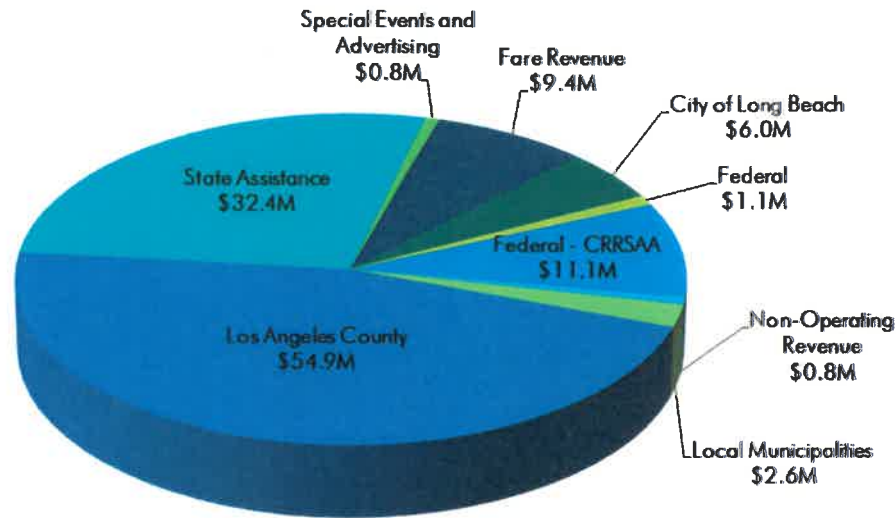
LBT annually submits the Operating and Capital budgets to the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award, which requires each government agency to submit their annual budget document to be reviewed by an impartial panel to meet certain criteria, as a policy document, financial plan, operations guide and as a communication device.

Attached is the proposed LBT FY 2023 budget book which is comprised of the operating and capital budgets.



Board Agenda Item No. 11 May 26, 2022

Captured below in the pie chart are LBT's projected revenue sources by dollar amount for FY 2023



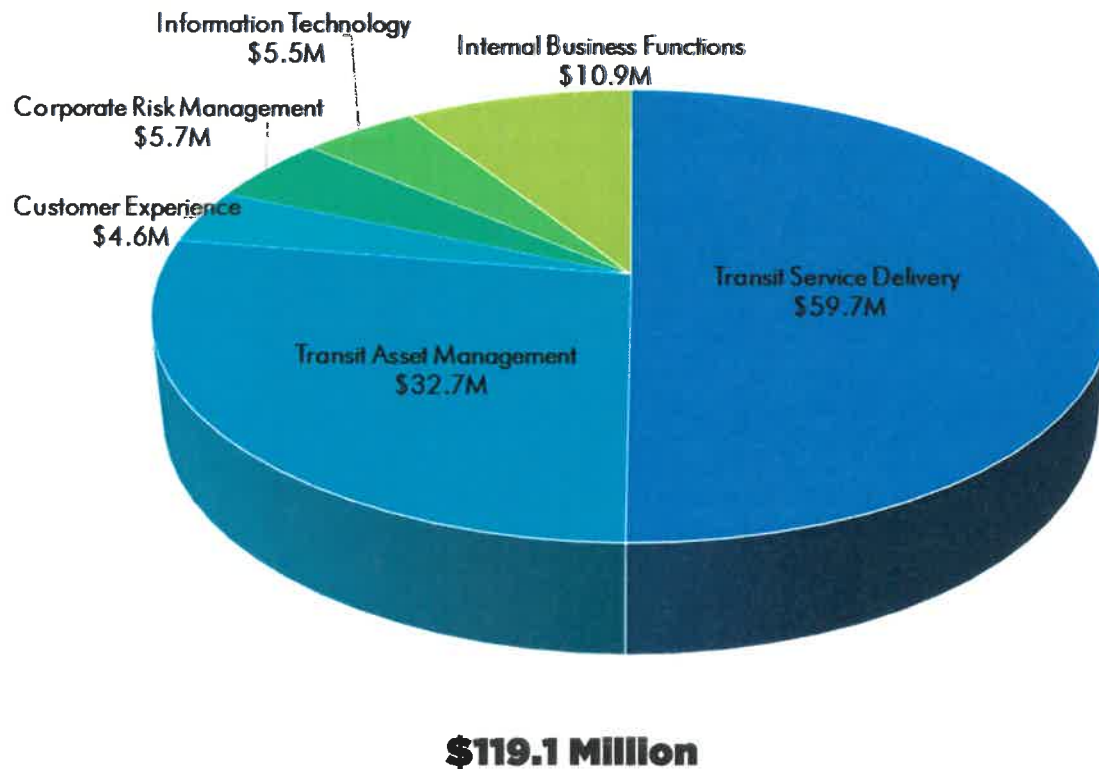
\$119.1 Million

Revenue Source	Amount	% of Total
Los Angeles County	\$54,846,230	46.1%
State Assistance	\$32,435,839	27.2%
Federal - CRRSAA	\$11,119,222	9.3%
Fare Revenue	\$9,350,095	7.9%
City of Long Beach	\$6,047,888	5.1%
Local Municipalities	\$2,565,836	2.2%
Federal	\$1,107,772	0.9%
Special Events and Advertising	\$835,550	0.7%
Non-Operating Revenue	\$774,791	0.6%
Total:	\$119,083,223	100.0%



Board Agenda Item No. 11 May 26, 2022

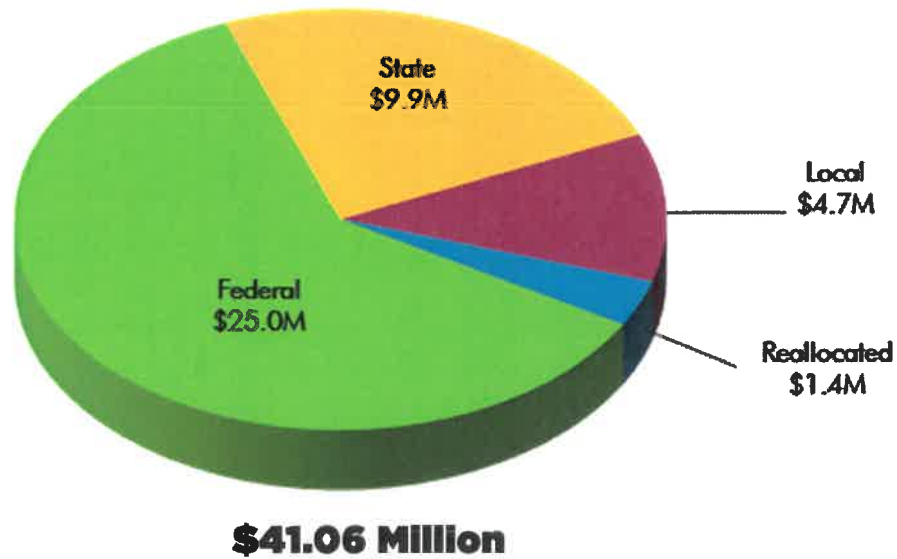
LBT's core business categories are the organization's essential functions. Each department within the agency must coordinate and collaboratively perform its work in order for LBT to achieve its organizational objectives. The following chart depicts FY 2023 proposed expenditures relative to each core business category.



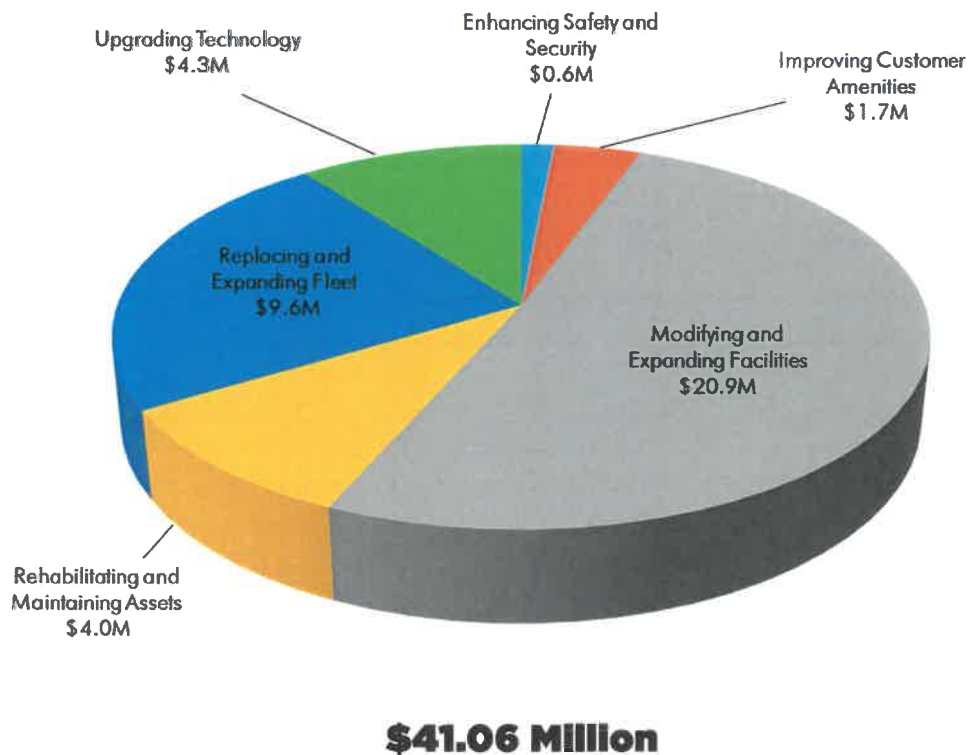


Board Agenda Item No. 11 May 26, 2022

The proposed capital budget funding sources for FY 2023 is shown below.



The corresponding capital expenditures for FY 2023 is listed below.





ALTERNATIVES CONSIDERED

No alternatives were considered due to the fact that an approved budget is needed in order for LBT to conduct its day-to-day business and operate in a fiscally responsible manner.

STAFF RECOMMENDATION

Staff is requesting LBT's Board of Directors to adopt the Fiscal Year 2023 Operating Budget of \$119,083,223 and the Fiscal Year 2023 Capital Budget of \$41,062,943.

A blue ink signature of Kenneth A. McDonald, written in a cursive style.

Kenneth A. McDonald
President and Chief Executive Officer

Attachment