

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 3/13/2024

Staff Report No. 23-513a

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: FY 2024-25 Budget Goals

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving an overview of staff's proposed FY 2024-25 Budget Goals and Objectives.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

Budget Goals and Objectives focus the budget creation.

BUDGETARY/FISCAL IMPACT:

There is no fiscal impact associated with this report.

BACKGROUND/RATIONALE:

The Board adopted a budget development calendar in November 2023 which included the development of goals and objectives for the FY 2024-25 Operating and Capital Budgets. The proposed Goals and Objectives are listed below.

Staff has reconsidered what should be included in the budget goals and how they should be used. Previous year's budget goals attempted to include all important District goals and initiatives and ended up with significant overlap to the District Strategic Plan. Staff believes the budget goals and objectives should identify goals specific to the budgeting process, not just mirror the Strategic Plan. This year, the budget goals and objectives continue to support the District's strategic plan, as stated in the first bullet, but are also higher level and are meant to guide the activities of the budget department.

Budget activities impact all levels of the District and, therefore, must tie directly to the District Strategic Plan (bullet 1). Preparation for the fiscal cliff is still vital to the financial health of the District (bullet 2), as is the management of capital funding required for all operational and capital needs (bullet 3). Support for Realign

will be necessary as that process continues into FY 2024-25 (bullet 4), and safety initiatives continue to be emphasized throughout the District (bullet 5).

A budget goals statement has been added with an operational emphasis that sets the tone for the new fiscal year.

Budget Goals

Statement

Establish a strong financial foundation that supports District goals and initiatives and provides a framework within which Operations can support planned service levels and operator availability.

Goals

- Ensure spending alignment with the strategic plan including District Goals, initiatives, and metrics
 - *Safe & Secure Operations*
 - *Convenient & Reliable Service*
 - *Financial Stability & Resiliency*
 - *High Performing Workforce*
 - *Strong Public & Policymaker Support*
 - *Environmental Improvement*
 - *Prioritize Diversity, Equity, Inclusion, & Accessibility*
- Continue to manage the fiscal cliff and take proactive steps to mitigate the financial impact
- Maximize external capital funding and effectively leverage constrained District Capital
- Prioritize funding to support Realign process and outcomes
- Prioritize financial support for safety initiatives

ADVANTAGES/DISADVANTAGES:

There are no disadvantages to receiving this report.

ALTERNATIVES ANALYSIS:

There are no alternatives to the report, as this report is being provided to the Board as part of the scheduled activities in the development of the FY 2024-25 Operating and Capital Budgets.

PRIOR RELEVANT BOARD ACTION/POLICIES:

23-513 FY 2024-25 Budget Calendar
Board Policy 311 - Budgets

ATTACHMENTS:

None

Prepared by:

Richard Oslund, Director of Management and Budget

Mary Archer, Budget Manager

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer