

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/26/2023

Staff Report No. 22-588b

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: FY 2023-24 Budget Goals

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving an overview of staff's proposed FY 2023-24 Budget Goals. [Continued from the March 22, 2023 Board of Directors meeting.]

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

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

Budget goals and focus on the budget creation process.

BUDGETARY/FISCAL IMPACT:

There is no fiscal impact associated with this report.

BACKGROUND/RATIONALE:

The proposed goals and descriptions align with the District's Strategic Plan, including District goals and initiatives:

- Safe and Secure Operations
- High-Quality Operations
- Financially Resilient
- High-Performing Workforce
- Strong Stakeholder, Policymaker and Public Communications
- Environmental Improvement

These goals are meant to be high-level themes for the purpose of assembling the budget, and they cannot comprehensively represent all the items and initiatives that are included in the budgets of the various

departments. The descriptions of these goals in Attachment 1 include some of the items and initiatives that will be included in the budget, and these descriptions were enhanced after Board comments from the prior meeting. As part of the budget process the departments will identify which of the six goals their entries will most directly support.

The most pressing item financially for the District is the looming “fiscal cliff”, but despite that reality District staff must still make sure that their individual functions have the budget needed to perform required tasks. Some examples of what staff must budget for are as follows:

- Ensure Human Resources, Training, and Operations have the resources to continue fast-paced recruiting, hiring, and retention.
- Ensure adequate resources to improve service reliability and deliver the network realignment project.
- Fund efforts to transition our fleet and operations to zero emissions.
- Support advocacy efforts for new sources of operating funds.

These functions, among others, must be accomplished while the District prepares for the “fiscal cliff” by reducing or deferring non-essential expenses and initiatives. The budget assembly process includes a review by department directors and executives of their department budgets, and by executive staff and the General Manager of the entirety of the budget. This year staff is including an early cross-departmental review of initiatives to ensure that there is visibility and proper support across department lines, but also so there is no unnecessary duplication of budgets. This also allows executive staff to jointly agree what initiatives are necessary and which must be deferred under a constrained budget.

ADVANTAGES/DISADVANTAGES:

There are no disadvantages to receiving this report.

ALTERNATIVES ANALYSIS:

There are no alternatives to report, as this report is being provided to the Board as part of the scheduled activities in the development of the FY 2023-24 Operating and Capital Budgets.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 22-588 FY 2023-24 Budget Calendar

SR 22-588a FY 2023-24 Budget Goals

ATTACHMENTS:

1. Revised Budget Goals

Prepared by:

Richard Oslund, Director of Management and Budget

Mary Archer, Budget Manager

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer