

PALOS VERDES PENINSULA TRANSIT AUTHORITY
AGENDA
Thursday – January 24, 2013
4:00 p.m.

CITY OF ROLLING HILLS ESTATES – Council Chambers
4045 Palos Verdes Drive North
Rolling Hills Estates, CA 90274

AGENDA DESCRIPTIONS

The Agenda descriptions are intended to give notice to members of the public of a general summary of items of business to be transacted or discussed. The list Action represents the Administrator's recommendation. The Board may take any action which it deems to be appropriate on the agenda and is not limited in any way by the notice of the recommended action.

This agenda, related staff reports, and any correspondence received as addenda are available at the Authority's office, 38 Crest Road West, Rolling Hills, CA 90274.

- I. ROLL CALL & WELCOME**
- II. PLEDGE OF ALLEGIANCE**
- III. CONFIRM POSTING OF THE AGENDA BY PALOS VERDES ESTATES CITY CLERK**
- IV. CONSENT CALENDAR ITEMS (1-4)**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no discussion of these items unless members of the Board request specific items to be removed from the Consent Calendar for separate action.

- 1. Minutes of the October 18, 2012 Board Meeting - Page 4
- 2. Register of Standing demands and Previously Authorized demands under Resolution 94/95-01 and per attached listing: - Page 8

	Checks	Amount
October	4779-4803	\$191,804.40
November	4804-4823	\$192,500.58
December	4824-4858	\$334,302.79
TOTAL		\$718,607.77

- 3. Administrative Services Co-Op Contract Extension - Page 10

If you need special assistance to participate in an Authority meeting under the Americans with Disabilities Act (ADA) or as a person with limited English proficiency (LEP) under Executive Order 13166, please contact the Secretary (310-544-7108) with request for reasonable accommodation at least forty-eight hours prior to the meeting.

4. Reaffirmation of Investment Policy - Page 12

5. Disposal of buses 1026, 1027, 1028, 1034, 1035 & 1036 - Page 16

RECOMMENDED ACTION: Approve Consent Calendar items

V. PUBLIC COMMENTS

At this time members of the public may address the Board regarding any items within the subject matter jurisdiction of the Board but no action may be taken on off-agenda items unless authorized by law.

VI. MONTHLY & REGULAR REPORTS

A. Operations Report

1. Review of ridership data for the period ending 12/31/12 - Page 17

RECOMMENDED ACTION: Receive and file report

B. Finance

1. Financial Statements as of December 31, 2012 - Page 21

RECOMMENDED ACTION: Receive and file statements.

2. Fiscal Year 2011-12 Audit Report - Page 26

RECOMMENDED ACTION: Approve Audit Report

VII. NEW BUSINESS

A. Vehicle Lease with the City of Bell - Page 49

RECOMMENDED ACTION: Approve Lease Agreement with the City of Bell

B. Request for Proposal- Real-Time Passenger Information System - Page 50

RECOMMENDED ACTION: Award contract to Next Bus
For a price not to exceed \$233,853

C. Shuttle Service to Terranea Resort - Presentation

VIII. OLD BUSINESS

- A. Bus Service to Ridgecrest Intermediate School - Page 57

IX. ADMINISTRATOR ITEMS

VIII. CHAIR ITEMS AND MEMBER ITEMS

1. METRO South Bay Governance Council Update -verbal
2. PVPUSD Update -verbal
3. Election of Officers - Page 58

X. ADJOURNMENT TO

Next Meetings: February or March – Annual Workshop
April 25, 2013
May 23, 2013 (if necessary for Budget hearing)
July 25, 2013

PALOS VERDES PENINSULA TRANSIT AUTHORITY

BOARD MINUTES

Thursday, October 18, 2012

CITY OF ROLLING HILLS ESTATES – Council Chambers
4045 Palos Verdes Drive North
Rolling Hills Estates, CA 90274

Present:

Palos Verdes Estates: Rosemary Humphrey, Jim Goodhart
Rancho Palos Verdes: Susan Brooks
Rolling Hills Estates: John Addleman, Frank Zerunyan

Member Agencies Staff

Martin Gombert, PVPTA
Koral Shishido, BCWS
Greg Grammer, RHE
Nicole Jules, RPV
Joe Mendoza, Palos Verdes Estates
Lydia Cano, PVPUSD

Other

I. ROLL CALL AND WELCOME

At 4:05 p.m. Chairperson Addleman welcomed those present and opened the meeting.

II. PLEDGE OF ALLEGIANCE

III. CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK

Mr. Greg Grammer, RHE Assistant City Administrator confirmed the posting of the Authority Agenda.

Chairperson Addleman requested that Items VII.1, VIII.1, and VII.3 be moved up in the Agenda order.

VII. NEW BUSINESS

1. Licensing Agreement with PVPUSD

Administrator Gombert presented the staff report on the PVPUSD Licensing Agreement. There were considerable comments from the Board on this item including the issue of replacing the HVAC unit at the Authority's office.

Chairperson Addleman moved approval of the staff recommendation, seconded by Member Brooks, and unanimously approved roll call vote.

VIII. OLD BUSINESS

1. Real-Time Passenger Information System (RFP)

Member Goodhart approved the staff recommendation to reject all bids and reissue the Request for Proposal (RFP), seconded by Chairperson Addleman and approved by unanimous vote.

VII. NEW BUSINESS

3. Bus Service to Ridgecrest School

Mr. Gombert reviewed the staff report and the history behind transit service to Ridgecrest School. Member Brooks commented that the proposed service changes were a needed improvement.

Member Brooks moved approval of the staff recommendation, seconded by Member Humphrey, and approved by unanimous roll call vote.

IV. CONSENT CALENDAR (A-C)

Member Goodhart moved for approval of the Consent Calendar-A seconded by Member Brooks and approved by unanimous vote.

Member Humphrey moved from approval of Consent Calendar-B, seconded by Chairperson Addleman and approved by unanimous vote.

Member Humphrey moved from approval of Consent Calendar-C, seconded by Member Brooks approved by unanimous vote.

V. PUBLIC COMMENTS

None

VI. MONTHLY AND REGULAR REPORTS

- A.1 Operations Report: Mr. Gombert presented the operations report for the period ending September 30, 2012. There was discussion about Google Maps, PV Transit signs posted in Rolling Hills Estates and dial-a-ride service.
- B.1 Financial Report: Mr. Martin Gombert, Administrator and Ms. Koral Shishido, BCWS reviewed the financial report for the period ending September 30, 2012. There were several comments by board members relating to the Proposition A Fund exchange as well as payments from member agencies. Ms. Shishido talked about the status of the FY 2011-12 audit.

Member Goodhart moved to receive and file the monthly reports, seconded by Member Humphrey, and approved by unanimous vote.

VII. NEW BUSINESS

1. Metro Call for Projects

Chairperson Gombert presented the staff report and noted that the PVPTA was proposing to submit an application for Transit Capital for the cost difference between propane (LPG) and compressed natural gas (CNG) fuel costs.

Member Goodhart moved approval the staff recommendation, seconded by Member Brooks and approved by unanimous roll call vote.

IX. ADMINISTRATOR ITEMS

Administrator Gombert commented that staff attended Metro's Call for Projects meeting in October.

X. CHAIR AND MEMBER ITEMS

1. Members Addleman and Goodhart reviewed Metro issues.
2. Chairperson Addleman talked about the potential of operating shuttle service to the Terrena Resort.

3. Lydia Cano, PVPUSD reviewed the District's enrollment trends.

XI. ADJOURNMENT

Chairperson Addleman moved to adjourn the Board Meeting until January 24, 2013, seconded by Member Humphrey and approved by unanimous vote.

The meeting was adjourned at 5:55 p.m.

Register of Standing Demands

3:18 PM
01/17/13
Cash Basis

Palos Verdes Peninsula Transit Authority Checks Written for Month October 2012

Date	Num	Name	Memo	Original Amount	Paid Amount
Oct 12					
10/1/2012	4779	PVPUSD-Rent	October 2012	-50.00	-50.00
10/11/2012	4783	Administrative Services Co-Op	September	-15,835.65	-15,835.65
10/11/2012	4784	Arrowhead Mountain Spring Water	Invoice 02IE0024293722	-11.95	-11.95
10/11/2012	4785	AT&T	Account No. 0206360576001	-135.35	-135.35
10/11/2012	4786	Clean Energy	CNG Fuel	-7,333.78	-7,333.78
10/11/2012	4787	County Sanitation Districts of LA County	Parking lot lease	-12,950.00	-12,950.00
10/11/2012	4788	Decals By Design	Invoice 6991	-393.60	-393.60
10/11/2012	4789	MFR Graphics	Invoice 22899	-226.20	-226.20
10/11/2012	4790	Mutual Liquid Gas & Equipment Co., Inc.	September 2012	-6,588.70	-6,588.70
10/11/2012	4791	Office Depot	Invoice 2992397	-142.79	-142.79
10/11/2012	4792	Palos Verdes On the Net	July-September 2012	-1,300.00	-1,300.00
10/11/2012	4793	PitneyBowes Global Financial Services	Invoice 8679947-SP12	-204.45	-204.45
10/11/2012	4794	Transit Information Products	Invoice 13347	-122.30	-122.30
10/11/2012	4795	Transportation Concepts Inc.	Invoice 496-09-12 September 2012	-115,656.46	-115,656.46
10/11/2012	4796	Verizon California 310 544-7108	310 544-7108	-157.13	-157.13
10/11/2012	4797	Verizon California 310 544-7109	310 544-7109	-46.39	-46.39
10/11/2012	4798	White Wings Cleaning Service	Invoice 5201	-75.00	-75.00
10/11/2012	4799	Xerox	Invoice No. 064285000 September 2012	-358.84	-358.84
10/18/2012	4800	PVPUSD	50% of A/C Replacement	-2,350.00	-2,350.00
10/18/2012	4801	County Sanitation Districts of LA County	November 2012 Lease	-6,475.00	-6,475.00
10/18/2012	4802	Decals By Design	Invoice 7047-New Blue Bird Buses	-3,911.74	-3,911.74
10/18/2012	4803	Mobility Advancement Group	October 2012 Administrative Services	-17,479.07	-17,479.07
Oct 12					-191,804.40

3:17 PM
01/17/13
Cash Basis

Palos Verdes Peninsula Transit Authority Checks Written for Month November 2012

Date	Num	Name	Memo	Original Amount	Paid Amount
Nov 12					
11/7/2012	4804	Helga Schindler	Dial-A-Ride Refund (19 rides @ \$5.00 each)	-95.00	-95.00
11/20/2012	4805	Administrative Services Co-Op	October 2012	-15,404.21	-15,404.21
11/20/2012	4806	Alma Watanabe	Refund of unused taxi rides	-20.00	-20.00
11/20/2012	4807	Arrowhead Mountain Spring Water	Invoice 02J0024293722	-11.95	-11.95
11/20/2012	4808	AT&T	Account No. 0206360576001	-228.20	-228.20
11/20/2012	4809	Clean Energy	CNG Fuel	-9,207.61	-9,207.61
11/20/2012	4810	Dan Selleck	Refund of unused rides - Barney Selleck	-160.00	-160.00
11/20/2012	4811	Decals By Design	Invoice 7058 - Bluebird bus installation	-1,100.00	-1,100.00
11/20/2012	4812	Farmers and Merchants Trust Co	Attn: Tammi Toy	-420.00	-420.00
11/20/2012	4813	Gayle Albin-Bailey	September/October 2012	-337.50	-337.50
11/20/2012	4814	Mutual Liquid Gas & Equipment Co., Inc.	October 2012	-8,774.63	-8,774.63
11/20/2012	4815	PVPUSD	Invoice for Gasoline - September 2012	-78.94	-78.94
11/20/2012	4816	PVPUSD-Rent	November 2012	-50.00	-50.00
11/20/2012	4817	Transportation Concepts Inc.	Invoice 496-10-12 October 2012	-138,095.45	-138,095.45
11/20/2012	4818	Verizon California	Internet	-299.98	-299.98
11/20/2012	4819	Verizon California 310 544-7108	310 544-7108	-152.85	-152.85
11/20/2012	4820	Verizon California 310 544-7109	310 544-7109	-41.33	-41.33
11/20/2012	4821	White Wings Cleaning Service	Invoice 5273	-75.00	-75.00
11/20/2012	4822	Xerox	Invoice No. 064771256 October 2012	-409.06	-409.06
11/30/2012	4823	Mobility Advancement Group	November 2012 Administrative Services	-17,538.87	-17,538.87
Nov 12					-192,500.58

3:16 PM
 01/17/13
 Cash Basis

Palos Verdes Peninsula Transit Authority
Checks Written for Month
 December 2012

Date	Num	Name	Memo	Original Amount	Paid Amount
Dec 12					
12/18/2012	4824	Beatrice Hayden	Office supplies	-54.68	-54.68
12/18/2012	4825	Marie Callendar's	Xmas Luncheon	-101.39	-101.39
12/27/2012	4826	Administrative Services Co-Op	November 2012	-15,583.96	-15,583.96
12/27/2012	4827	Arrowhead Mountain Spring Water	Water	-38.90	-38.90
12/27/2012	4828	AT&T	Account No. 0206360576001	-163.97	-163.97
12/27/2012	4829	Beatrice Hayden	Costco reimbursement	-54.68	-54.68
12/27/2012	4830	Clean Energy	Invoice CE11387201	-9,157.12	-9,157.12
12/27/2012	4831	County Sanitation Districts of LA County	December 2012	-6,475.00	-6,475.00
12/27/2012	4832	Craig Albritton	Refund - Merlie Albritton	-50.00	-50.00
12/27/2012	4833	Gayle Albin-Bailey	November 2012	-150.00	-150.00
12/27/2012	4834	Metro	Grant Management Fee	-54,350.00	-54,350.00
12/27/2012	4835	Mutual Liquid Gas & Equipment Co., Inc.	November 2012	-6,985.28	-6,985.28
12/27/2012	4836	Palos Verdes On the Net	Invoice 2012-75 Oct-Dec 2012	-1,300.00	-1,300.00
12/27/2012	4837	Pitney Bowes - Purchase Power	Acct. 8000-9090-0212-1536	-800.00	-800.00
12/27/2012	4838	PVPUSD-Rent	November 2012	-50.00	-50.00
12/27/2012	4839	Verizon California	118744825	-155.00	-155.00
12/27/2012	4840	Verizon California 310 544-7108	310 544-7108	-147.94	-147.94
12/27/2012	4841	Verizon California 310 544-7109	310 544-7109	-41.30	-41.30
12/27/2012	4842	White Wings Cleaning Service	Invoice 5277	-75.00	-75.00
12/27/2012	4843	Xerox	Invoice No. 065420691 November 2012	-356.48	-356.48
12/31/2012	4857	Transportation Concepts Inc.	Fixed Route Transportation Services	-224,171.52	-224,171.52
12/31/2012	4858	Administrative Services Co-Op	December 2012	-14,040.57	-14,040.57
Dec 12					-334,302.79

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 17, 2013
SUBJECT: Administrative Services Cooperative (ASC) Contract Extension

BACKGROUND

The current Agreement with our dial-a-ride provider Administrative Services Cooperative (ASC) expires on January 31, 2013. Amendment Number 8 would extend the existing Agreement through January 31, 2014 with no increase in fees.

FISCAL IMPACT

Funding for this contract is contained in the Fiscal Year 2012-13 budget.

RECOMMENDATION

Approve Amendment #8 with Administrative Services Cooperative.

**AMENDMENT NUMBER EIGHT (8)
TO
ADMINISTRATIVE SERVICES COOPERATIVE**

February 17, 2005 Agreement

This amendment to the February 17, 2005 Agreement is made and entered into by and between the PALOS VERDES PENINSULA TRANSIT AUTHORITY, hereinafter referred to as "Authority", and ADMINISTRATIVE SERVICES COOPERATIVE, hereinafter referred to as "ASC".

WITNESSETH

Whereas, on February 17, 2005, Authority and ASC entered into an Agreement to provide transportation to senior and disabled persons; and

WHEREAS, said Agreement can be extended on an annual basis each year, with periodic amendments to modify the amount to be expended; and

NOW, THEREFORE, in consideration of the mutual covenants in said Agreement and the welfare of the above mentioned persons, Authority and ASC agree to revise the Agreement, as amended, as follows:

Section 6-Term: The first sentence shall read as follows:

This Agreement shall commence on ~~January 31, 2012~~ **January 31, 2013** and end on ~~January 31, 2013~~ **January 31, 2014**, unless the Authority and ASC agree to extend it for an additional term not to exceed one (1) year after the initial termination date.

Section 4-Compensation: The first paragraph shall read as follows:

The Authority shall pay ASC the actual amount of the taxicab fare for each ride. The compensation paid by the Authority shall be the actual amount of the taxicab fare to the approved location, and eligible person will not be required to pay ASC. The standard cab rate shall be **\$2.85** at boarding, **\$2.70** per mile after boarding, (partial miles will be assessed at 10ths of a mile) and **\$29.19** per hour traffic delay/waiting time. The standard rate for dial-a-lift service shall be \$20.00 flag drop and be **\$2.70** per mile with traffic delay/waiting time established at **\$29.19** per hour traffic delay/waiting time.

The above rates will be adjusted when changes are made to the taxi rates by the City of Los Angeles Department of Transportation. The new rates will be effective the same date as the City of Los Angeles'. The dial-a-lift rates will be adjusted the same percentage as the change in taxi rates.

Except as herein and previously amended, the Agreement shall remain in full force and effect.

This Amendment shall become effective as of the date it is approved by the Authority.

IN WITNESSS THEREOFF, the parties hereto have caused this Amendment Number EIGHT to be executed by their respective Officers, duly authorized, by the Authority on **January 24, 2013** and by ASC on _____.

ADMINISTRATIVE SERVICES COOPERATIVE

Date _____ By _____

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Date _____ By _____

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 17, 2013
SUBJECT: Review and Reaffirmation of Investment Policy

BACKGROUND

The attached policy was initially adopted on January 23, 1997 and, due to changing legislative and market conditions, amended a few times. Per recommendation from the Authority's audit firm the policy is reviewed on an annual basis.

The policy was modified on April 21, 2011 by the Board of Directors to allow investment in Fixed-Rate Certificates of Deposit (Section 6.0).

FINDINGS

A close examination reveals that no apparent changes to the policy are in order at this time.

RECOMMENDATION

Following proper review, that the Board reaffirms the Investment Policy and instructs that same be filed in the usual manner.

Attachment

INVESTMENT POLICY

(Revised as of January 24, 2013)

Purpose: Section 53646 (a) of the California Government Code requires that, commencing on January 1, 1996, public entities adopt a statement of investment policy. The policy of the Palos Verdes Peninsula Transit Authority, as duly adopted on January 24, 2013, shall be as follows:

1.0 Policy:

It is the policy of the Palos Verdes Peninsula Transit Authority (Authority) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope:

This investment policy applies to all financial assets of the entity. These funds are accounted for in the Authority's annual financial audit report.

3.0 Prudence:

Investments shall be made by exercising the same judgment, which under the circumstances then prevailing, persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1: Prudence:

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in timely fashion and appropriate action is taken to control adverse developments.

4.0 Objective:

The primary objectives, in priority order, of the Authority's investment activities shall be:

4.1 Safety:

Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification may be required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.2 Liquidity:

The Authority's investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements which might be reasonably anticipated

4.3 Return on Investments:

The Authority's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Authority's investment risk constraints and the cash flow characteristic of the portfolio.

5.0 Delegation of Authority:

Authority to manage the Authority's investment program is derived from the following:

Joint Powers Agreement dated May 5, 1992 and as amended as of April 16, 1996. The agreement provides for oversight by the Officers with authority to delegate the management of the program. Management responsibility is hereby delegated to the Authority's Administrator. No person may engage in an investment transaction except as provided under the terms of this policy.

6.0 Authorized & Suitable Investments:

The Authority is empowered to invest in the following manner:

1. Operating bank accounts, as authorized by Board Resolution, not to exceed \$100,000 under normal operating conditions.
2. Investment Pools, as authorized by Board Resolution, limited to funds to be deposited with the Local Agency Investment Fund (LAIF).
3. Fixed-Rate Certificates of Deposit not to exceed FDIC limits.

Internal Control:

The Authority's Governing Board shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with this policy.

Reporting:

The Administrator shall provide the Governing Board (at least quarterly) investment reports which provide a clear picture of the status of the current investment portfolio *and pursuant with California Government Code Section 53646 (b) and to include the following:*

1. *The carrying amount of demand deposit accounts and the amount invested in the Local Agency Investment Fund (LAIF).*
2. *The market value of the Authority's amount investment in the LAIF. This may be addressed by providing a copy of the most recent statement from LAIF.*
3. *A statement of the portfolio's compliance with the Authority's statement of investment policy or manner in which the portfolio is not in compliance.*
4. *A statement denoting the ability of the Authority to meet its expenditure, requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.*

Investment Policy Adoption:

The Authority's investment policy shall be adopted by the Governing Board. The policy shall be reviewed periodically and any modifications made thereto must be approved by the Governing Board.

MEMORANDUM

TO: AUTHORITY MEMBERS
 FROM: Martin Gombert, Administrator
 DATE: January 18, 2013
 SUBJECT: Surplus Vehicles

Upon the delivery of new CNG-powered transit buses, the Authority will have 6 buses that are surplus. These vehicles are shown below.

Vehicle No.	Manuf. Date	Model	License	VIN Number
1026	2003	ENC Aerotech	E1119443	1FDXE45SX3HA93970
1027	2003	ENC Aerotech	E1119445	1FDXE45S13HA93971
1028	2003	ENC Aerotech	E1119444	1FDXE45S33HA93972
1034	2005	ENC Aerotech	E1219012	1FDXE45S15HB24302
1035	2005	ENC Aerotech	E1212797	1FDXE45S35HB24303
1036	2005	ENC Aerotech	E1212798	1FDXE45S55HB24303

RECOMMENDATION

Declare vehicles 1027, 1027, 1028, 1034, and 1035, 1036 surplus and direct staff to dispose of at auction. One of these vehicles will be retained as a lease vehicle for the City of Bell.

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 18, 2013
SUBJECT: Operations Reports Report for the period ending 12/31/12

PV TRANSIT

PV Transit ridership for the first half of FY 2013 totaled 76,320, a six percent increase from previous year's totals. This is the highest first half ridership total in the past three years.

PV transported over two hundred customers on New Year's Eve. The service was very well received and we experienced no operational problems. Ridership was down from the previous year due the absence of party-goers traveling between the Trump and Terranea Resorts.

No accidents or passenger injuries have occurred on PV Transit over the past six months.

Google Transit

Google Transit is now completely up and running! Customers can see bus stop icons on Google, click on the icon for scheduling information, and also request transit directions.

Staff will provide an additional update at the Board Meeting.

TAP

For the past several years staff has been working with Metro to initiate the Transit Access Pass (TAP) program at PV Transit. In October 2012, Metro's Board of Directors approved the purchase of mobile validators and the maintenance of this equipment for Municipal Operators that are not TAP-enabled. The cost of the equipment, installation of the equipment, and the maintenance of the equipment will be paid by Metro.

PV Transit staff will be working with Metro over the next 6-9 months to implement this exciting project. Regular updates will be provided to the Board.

Dial-A-Ride Service

Dial-A-Ride ridership totaled 4,528 for the first three months of FY 2013. This is a 12% increase compared to previous year's totals. This increase is significantly less than last year's 24% increase.

Copies of the ridership graphs for both fixed route and dial-a-ride service are attached.

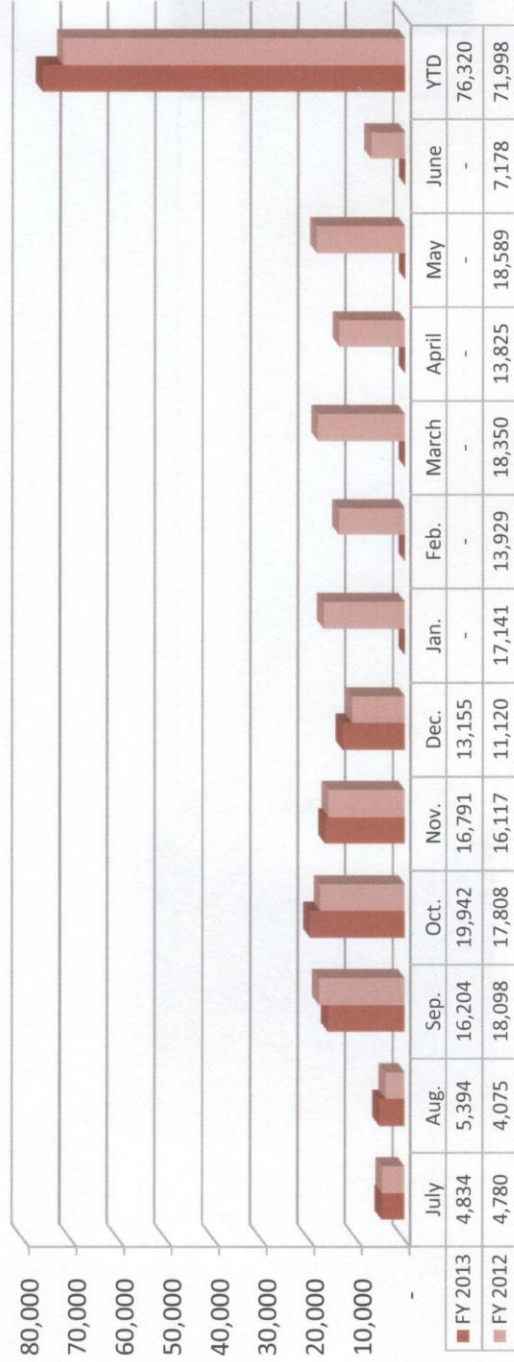
Governmental Relations

During the past three months staff has attended meetings of Metro's Local Transit Service Subcommittee (LTSS), Access Services' Board Meetings, and Metro's Bus Operations Subcommittee.

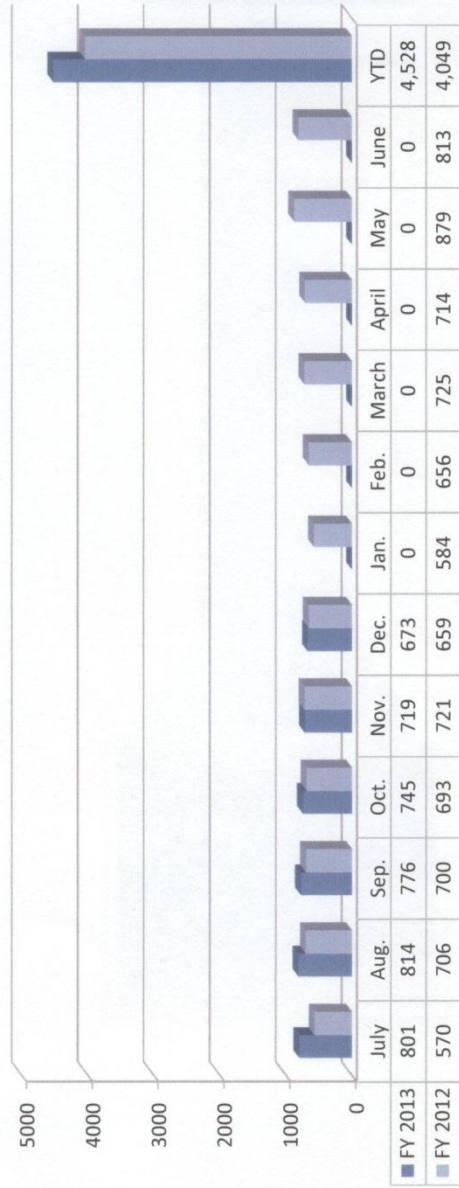
RECOMMENDATION

Receive and file report.

PV TRANSIT RIDERSHIP



Dial-A-Ride/Lift Ridership Palos Verdes Peninsula Transit Authority



MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 18, 2013
SUBJECT: Financial Statements for the period ending December 31, 2012

Attached are the Financial Statements for the period ending December 31, 2012

The first report presented is Management Analysis-Budget vs. Actual. The results of this report are analyzed below. The following two reports are Profit and Loss YTD Comparison and Balance Sheet generated by the Quick Books accounting software.

Budget vs. Actual

Total expenses for the first half of FY 2013 totaled \$1,145,067, 2.58% below budgeted amounts.

Fuel expenses totaled \$73,037, 38% below budget. This was caused by a significant drop in propane fuel costs.

Dial-A-Ride operating fees were 24% above budget due to a corresponding increase in ridership. Fixed route operating fees were \$10,674 above budget (1.7%).

Charges for Services

Passenger revenue totaled \$205,789 for the fiscal year to date. This was \$20,420 (9.03%) below budget. This was primarily due to a reduction in dial-a-ride revenue and no charter revenue for the year.

Government Revenue

A copy of the A/R Aging Summary is attached, which shows the status of accounts receivables. Staff will provide an update on this report at the Board Meeting.

Attachments
-Financial Statements

**Palos Verdes Peninsula Transit Authority
Management Analysis
Budget vs. Actual
YTD December 31, 2012**

	<u>YTD 12/31/12</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% Diff</u>
Operating Revenue				
Charges for Services				
Fixed Route	\$ 182,567	\$ 191,942	\$ (9,375)	-4.88%
Dial-A-Ride	\$ 23,222	\$ 31,167	\$ (7,945)	-25.49%
Charters	\$ -	\$ 3,100	\$ (3,100)	-100.0%
TOTAL OPERATING REVENUE	\$ 205,789	\$ 226,209	\$ (20,420)	-9.03%
Operating Expenses				
Operator Fees				
Fixed Route	\$ 639,545	\$ 628,871	\$ 10,674	1.7%
Dial-A-Ride	\$ 94,495	\$ 76,000	\$ 18,495	24.34%
Subtotal	\$ 734,040	\$ 704,871	\$ 29,169	4.14%
Contract Administration	\$ 103,706	\$ 117,100	\$ (13,394)	-11.44%
Fuel Purchases	\$ 73,037	\$ 118,750	\$ (45,713)	-38.5%
Marketing and Promotions	\$ 4,492	\$ 9,000	\$ (4,508)	-50.09%
Facility Leasing	\$ 38,850	\$ 38,850	\$ -	0.0%
Other operating Expenses	\$ 23,260	\$ 19,400	\$ 3,860	19.9%
Depreciation	\$ 167,682	\$ 167,362	\$ 320	0.19%
Subtotal	\$ 411,027	\$ 470,462	\$ (59,435)	-12.63%
TOTAL EXPENSE	\$ 1,145,067	\$ 1,175,333	\$ (30,266)	-2.58%
OPERATING LOSS	\$ (939,278)	\$ (949,124)	\$ 9,846	-1.04%

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Accrual Basis

Palos Verdes Peninsula Transit Authority
Profit & Loss
July through December 2012

	<u>Jul - Dec 12</u>
Ordinary Income/Expense	
Income	
504.04 · Route 225/226 Operating Support	111,872.00
500.00 · Charges for Services	<u>205,789.48</u>
Total Income	317,661.48
Expense	
751.00 · Interest Expense - Vehicles FR	240.17
621.03 · Facility Leasing	38,850.00
620.00 · Operator fees	734,040.46
660.00 · Marketing and promotions	4,492.35
650.00 · Fuel Purchases	73,037.75
640.00 · Depreciation	167,682.00
630.00 · Contract administration	103,706.22
680.00 · Other Operating Expense	22,996.53
6999 · Uncategorized Expenses	<u>22.23</u>
Total Expense	<u>1,145,067.71</u>
Net Ordinary Income	-827,406.23
Other Income/Expense	
Other Income	
551.01 · LA County Grant	376,000.00
556.00 · MTA Funding	0.00
750.00 · City Prop A exchange	-350,000.00
450.00 · Prop A Exchange	467,000.00
970.00 · Gain/Loss on Asset Disposal	5,160.00
900.00 · Interest Income	766.53
920.00 · Member contributions	<u>431,037.00</u>
Total Other Income	<u>929,963.53</u>
Net Income	<u><u>102,557.30</u></u>
Net Assets, Beginning of year	<u>2,496,797.89</u>
Net Assets, Ending of year	<u><u>2,599,355.19</u></u>

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01/18/13
Accrual Basis

Palos Verdes Peninsula Transit Authority
Balance Sheet
As of December 31, 2012

	<u>Dec 31, 12</u>
ASSETS	
Current Assets	
Checking/Savings	
101.00 · Cash and cash equivalents	1,572,315.07
Total Checking/Savings	<u>1,572,315.07</u>
Accounts Receivable	
120.00 · Due from other governments	47,940.20
130.00 · Accounts Receivable-Other	125.00
Total Accounts Receivable	<u>48,065.20</u>
Other Current Assets	
140.00 · Prepaid Expense	6,719.48
Total Other Current Assets	<u>6,719.48</u>
Total Current Assets	1,627,099.75
Fixed Assets	
212.00 · Accum. Depreciation - Vehicles	-2,339,109.15
212.10 · Accum Deprec Infrastructures	-2,252.17
15900 · Leasehold Improvements	12,449.00
16400 · Vehicles	3,350,749.06
Total Fixed Assets	<u>1,021,836.74</u>
TOTAL ASSETS	<u><u>2,648,936.49</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
310.00 · Vouchers Payable	49,581.30
Total Accounts Payable	<u>49,581.30</u>
Total Current Liabilities	<u>49,581.30</u>
Total Liabilities	49,581.30
Equity	
3900 · Retained Earnings	2,496,797.89
Net Income	102,557.30
Total Equity	<u>2,599,355.19</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,648,936.49</u></u>

Palos Verdes Peninsula Transit Authority
A/R Aging Summary
 As of December 31, 2012

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
City of Rancho Palos Verdes	0.00	1,665.00	0.00	0.00	125.00	1,790.00
LACMTA	46,275.20	0.00	0.00	0.00	0.00	46,275.20
TOTAL	46,275.20	1,665.00	0.00	0.00	125.00	48,065.20

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 18, 2013
SUBJECT: Fiscal Year 2011-12 Audit

BACKGROUND

The firm of Macias Gini & O'Connell will present the draft audit to the Audit Committee for review on January 24, 2013.

Macias Gini & O'Connell will present the audit at the January 24th Board Meeting. A copy of the draft audit report is attached.

RECOMMENDATION

Receive and file the audit report.

**PALOS VERDES PENINSULA
TRANSIT AUTHORITY**

Annual Financial Report

For the Years Ended June 30, 2012 and 2011

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Annual Financial Report
For the Years Ended June 30, 2012 and 2011

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To the Board of Directors of the
Palos Verdes Peninsula Transit Authority

Independent Auditor's Report

We have audited the accompanying financial statements of the Palos Verdes Peninsula Transit Authority (Authority) as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2012 and 2011, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Authority as a whole. The accompanying schedule of revenues and expenses by category (Schedule), listed as supplementary information in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and their records used to prepare the basic financial statements. The information has been subjected to the auditing procedures

applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

DRAFT

Los Angeles, California
January 24, 2013

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PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Net Assets
June 30, 2012 and 2011

Assets:	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and investments	\$ 796,839	\$ 1,095,685
Due from other governments	714,678	425,025
Accounts receivable	360	-
Prepaid expenses	19,914	15,393
Total current assets	<u>1,531,791</u>	<u>1,536,103</u>
Capital assets, net of accumulated depreciation	<u>1,161,819</u>	<u>734,819</u>
Total assets	<u>2,693,610</u>	<u>2,270,922</u>
 Liabilities:		
Accounts payable	165,101	-
Capital lease payable:		
Due within one year	31,710	123,308
Due in more than one year	-	31,711
Total liabilities	<u>196,811</u>	<u>155,019</u>
 Net Assets:		
Invested in capital assets, net of related debt	1,130,109	579,800
Unrestricted	<u>1,366,690</u>	<u>1,536,103</u>
Total net assets	<u>\$ 2,496,799</u>	<u>\$ 2,115,903</u>

See accompanying notes to the basic financial statements.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Revenues, Expenses and
Changes in Net Assets
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Charges for services	\$ 391,465	\$ 382,955
Governmental sources	32,200	30,007
Route 225/226 operating support	222,192	218,268
Total operating revenues	<u>645,857</u>	<u>631,230</u>
Operating expenses:		
Operator fees	1,533,487	1,479,270
Contract administration	207,412	207,412
Depreciation	294,910	277,067
Fuel purchases	216,540	206,853
Marketing and promotions	6,986	9,815
Other operating expenses	133,611	79,465
Total operating expenses	<u>2,392,946</u>	<u>2,259,882</u>
Operating loss	<u>(1,747,089)</u>	<u>(1,628,652)</u>
Nonoperating revenues (expenses):		
Interest income	3,778	4,358
Interest expense	(4,492)	(9,953)
Los Angeles County grants	376,000	376,000
Other County grants	382,485	342,655
Member contributions	862,074	862,074
Gain on sale of capital assets	2,900	-
Other expense - City of Cudahy Prop A Exchange	(187,500)	(225,000)
Other income - City of Cudahy Prop A Exchange	250,000	300,000
Other income - City of Rolling Hills	-	4,000
Total nonoperating revenues (expenses)	<u>1,685,245</u>	<u>1,654,134</u>
Change in net assets before capital contributions	(61,844)	25,482
Capital contributions	442,740	-
Change in net assets	380,896	25,482
Net assets, beginning of year	<u>2,115,903</u>	<u>2,090,421</u>
Net assets, end of year	<u>\$ 2,496,799</u>	<u>\$ 2,115,903</u>

See accompanying notes to the basic financial statements.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Statements of Cash Flows
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from customers	\$ 391,596	\$ 379,814
Cash received from government agencies	-	52,346
Cash received from Route 225/226 operating support	243,585	199,449
Cash paid to suppliers of goods or services	<u>(1,937,456)</u>	<u>(1,980,616)</u>
Net cash used by operating activities	<u>(1,302,275)</u>	<u>(1,349,007)</u>
Cash flows from noncapital financing activities:		
County grants received	567,342	622,209
Member contributions received	1,216,619	862,074
Cash paid to City of Cudahy for Prop A exchange	(187,500)	(225,000)
Cash received from City of Cudahy for Prop A exchange	250,000	300,000
Cash received from City of Rolling Hills	-	4,000
Net cash provided by noncapital financing activities	<u>1,846,461</u>	<u>1,563,283</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(721,910)	(1,975)
Gain on sale of capital assets	2,900	-
Repayment on capital lease obligations	<u>(127,800)</u>	<u>(127,800)</u>
Net cash used by capital and related financing activities	<u>(846,810)</u>	<u>(129,775)</u>
Cash flows from investing activities:		
Interest received	<u>3,778</u>	<u>4,358</u>
Net (decrease) increase in cash and cash equivalents	<u>(298,846)</u>	<u>88,859</u>
Cash and cash equivalents, beginning of year	<u>1,095,685</u>	<u>1,006,826</u>
Cash and cash equivalents, end of year	<u>\$ 796,839</u>	<u>\$ 1,095,685</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (1,747,089)	\$ (1,628,652)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	294,910	277,067
Changes in assets and liabilities:		
(Increase) in accounts receivable	(360)	-
(Increase) decrease in due from other governments	(10,316)	379
(Increase) decrease in prepaid expenses	(4,521)	2,199
Increase in accounts payable	<u>165,101</u>	<u>-</u>
Net cash used by operating activities	<u>\$ (1,302,275)</u>	<u>\$ (1,349,007)</u>
Non cash capital and related financing activities:		
Change in capital grant receivable	<u>\$ 442,740</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements
For the Years Ended June 30, 2012 and 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Palos Verdes Peninsula Transit Authority (Authority) was formed May 5, 1992 under a Joint Powers Agreement (JPA) with three local city governments, which are considered members, to provide public transportation on the Palos Verdes Peninsula. The local cities consist of Rancho Palos Verdes, Rolling Hills Estates and Palos Verdes Estates. Under the JPA, the members of the Board of the Authority are elected city council members who are appointed by their respective city council. The Board is responsible for setting policies and the review of operating decisions made by management. The Authority is considered a governmental entity. The Authority has no employees and all services are contracted, which are recorded as operating activities.

(b) Basic Financial Statements

The basic financial statements (i.e. Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets, and Statements of Cash Flows) report information on all of the enterprise activities of the Authority.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority operates as an enterprise fund. Enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority are charges for services and revenues received from the Los Angeles County Metropolitan Transportation Authority (Route 225/226 operating support) for services provided on their behalf. Operating expenses of the Authority include the cost of services, administrative expenses and depreciation on capital assets. Nonoperating revenues are comprised primarily of grants from Los Angeles County, member contributions, and Proposition A Local Return funds exchange with the City of Cudahy where it assigned its uncommitted Proposition A Local Return funds in exchange for Authority general funds.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then use unrestricted resources as needed.

(d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements and related disclosures. Accordingly, actual results could differ from those estimates.

(e) Assets, Liabilities, and Net Assets

1. Cash and Investments

Investments are stated at fair value (the amount at which financial instruments could be exchanged between willing parties other than in a forced or liquidation sale).

For purposes of the statement of cash flows, the Authority's cash and investments are considered to be cash and cash equivalents which consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

2. Due From Other Governments

Due From Other Governments balance consists primarily of grant receivables from Los Angeles County Metropolitan Transportation Authority and Los Angeles County Public Works. As of June 30, 2012, total Due From Other Governments balance is \$714,678.

3. Capital Assets

Capital assets are comprised of transportation equipment (vehicles) and leasehold improvements and are stated at cost. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000. Depreciation has been provided over the estimated useful lives ranging from 5 to 10 years using the straight-line method.

4. Net Assets

Net assets are reported in three categories: net assets invested in capital assets, net of related debt and unrestricted assets.

- Invested in capital assets, net of related debt - This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

- Restricted net assets – This component of net assets consists of constraints placed on net assets use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments and constraints imposed by law through constitutional provisions and enabling legislation. The Authority had no restricted net assets at June 30, 2012 and 2011.
- Unrestricted net assets - This component represents net assets of the Authority designated for tentative management plans that are subject to change.

(2) DETAILED NOTES ON ENTERPRISE FUND

(a) Cash and Investments

Deposits and investments at June 30, 2012 and 2011 are as follows:

	2012	2011
Bank Deposit:		
Deposits in Bank:	\$ 216,175	\$ 170,096
Add: Deposits in Transit	122,416	3,203
Add: Transfers in Transit	500,000	-
Less: Outstanding Checks	(757,799)	(140,038)
Book Balance	80,792	33,261
Investments:		
Local Agency Investment Fund (LAIF)	1,216,047	1,062,424
Less: Transfers in Transit	(500,000)	-
Adjusted Investment Balance	716,047	1,062,424
Total Cash and Investments	\$ 796,839	\$ 1,095,686

Investments Authorized by the Authority's Investment Policy:

Investment types authorized by the California Government Code include, local agency bonds, U.S Treasury obligations, U.S. Agency securities, banker's acceptances, commercial paper, negotiable certificates of deposit, repurchase agreements, reverse repurchase agreements, medium-term notes, mutual funds, money market mutual funds, mortgage pass-through securities, and Local Agency Investment Fund (LAIF) administered by the State of California. The Authority's investment policy only authorizes investment in the LAIF administered by the State of California. The Authority's investment policy does not contain any specific provisions intended to limit the Authority's exposure to interest rate risk, credit risk, and concentration of credit risk.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

Disclosure Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Disclosure Relating to Credit Risk:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk:

The investment policy of the Authority contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2012 and 2011, there were no investments in any one issuer (other than external investment pools) that represent 5% or more of the total Authority investments.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy do not contain any legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. None of the Authority's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool:

The Authority is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the value provided by LAIF from the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by LAIF, which are recorded on an amortized cost basis.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

The total amount invested in all public agencies in LAIF as of June 30, 2012 and 2011, was \$21.9 and \$24.0 billion, respectively. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2012 and 2011 had a balance of \$60.5 and \$66.3 billion, respectively. Of those amounts, 3.47% in 2012 and 5.01% in 2011 were invested in medium-term and short-term structured notes and asset backed securities. The average maturity of PMIA investments as of June 30, 2012 and 2011 was 270 and 237 days, respectively.

(b) Government Revenues and Due From Other Government

Under the Joint Powers Agreement, each of the three participating cities contributes revenue to the Authority. Participation is based on each City's proportionate share of the Palos Verdes Peninsula's total population. In addition, the County of Los Angeles and the Los Angeles County Metropolitan Transportation Authority provide revenue under contractual relationships with the Authority.

Revenues received from other governments during the fiscal year and the related receivables at June 30, 2012, are listed below:

	Revenue	Due From Other Governments
City participation:		
Rancho Palos Verdes	\$ 569,562	\$ -
Rolling Hills Estates	111,962	-
Palos Verdes Estates	180,550	-
	862,074	-
Los Angeles County - Public Works	408,200	32,200
Los Angeles County - Metropolitan Transportation Authority	825,225	682,478
City of Cudahy	250,000 (1)	-
	\$ 2,345,499	\$ 714,678

(1) On January 14, 2012, the Authority and City of Cudahy, California, entered into an Assignment Agreement to exchange Proposition A Local Return funds to assist in financing of the Authority's fixed route transit operations, and to provide funds for acquisition of new transit related equipment. Per the agreement, the City of Cudahy assigned \$250,000 of uncommitted Proposition A Local Return funds in exchange for \$187,500 Authority general funds. This transaction was recorded in the accompanying financial statements' nonoperating activities section as other revenue and other expense.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

Revenues received from other governments during the fiscal year and the related receivables at June 30, 2011, are listed below:

	Revenue	Due From Other Governments
City participation:		
Rancho Palos Verdes	\$ 569,562	\$ 72 (2)
Rolling Hills Estates	111,962	-
Palos Verdes Estates	180,550	-
	862,074	72
Los Angeles County - Public Works	406,007	30,007
Los Angeles County - Metropolitan Transportation Authority	560,923	394,946
City of Cudahy	300,000 (3)	-
City of Rolling Hills	4,000	-
	\$ 2,133,004	\$ 425,025

(2) This amount pertains to token and pass revenues collected by the City on behalf of the Authority due at June 30 of each fiscal year.

(3) On October 21, 2010, the Authority and City of Cudahy, California, entered into an Assignment Agreement to exchange Proposition A Local Return funds to assist in financing of the Authority's fixed route transit operations, and to provide funds for acquisition of new transit related equipment. Per the agreement, the City of Cudahy assigned \$300,000 of uncommitted Proposition A Local Return funds in exchange for \$225,000 Authority general funds. This transaction was recorded in the accompanying financial statements' nonoperating activities section as other revenue and other expense.

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

(c) Capital Assets

Following is a summary of activities for capital assets for the year ended June 30, 2012:

	Beginning of Year	Additions	Deletions	End of Year
Vehicles	\$ 2,724,111	\$ 711,436	\$ (112,498)	\$ 3,323,049
Leasehold improvements	1,975	10,474	-	12,449
Less:				
Accumulated depreciation	(1,991,267)	(294,910)	112,498	(2,173,679)
	<u>\$ 734,819</u>	<u>\$ 427,000</u>	<u>\$ -</u>	<u>\$ 1,161,819</u>

Depreciation expense for the fiscal year ended is \$294,910.

For the fiscal year ended June 30, 2012, the Los Angeles County Metropolitan Transportation Authority granted the Authority \$442,740 (capital contributions) in federal Congestion Mitigation/Air Quality (CMAQ) funds. The purpose of the funds is for the replacement of ten (10) compressed natural gas (CNG) fueled buses for the Authority.

Following is a summary of activities for capital assets for the year ended June 30, 2011:

	Beginning of Year	Additions	Deletions	End of Year
Vehicles	\$ 2,724,111	\$ -	\$ -	\$ 2,724,111
Leasehold improvements	-	1,975	-	1,975
Less:				
Accumulated depreciation	(1,714,200)	(277,067)	-	(1,991,267)
	<u>\$ 1,009,911</u>	<u>\$ (275,092)</u>	<u>\$ -</u>	<u>\$ 734,819</u>

Depreciation expense for year ended is \$277,067.

(d) Capital Lease Obligations

Following is a summary of activities for capital lease obligations for the year ended June 30, 2012:

	Beginning of Year	Additions	Deletions	End of Year	Due within One Year
Capital lease obligations	<u>\$ 155,018</u>	<u>\$ -</u>	<u>\$ (123,308)</u>	<u>\$ 31,710</u>	<u>\$ 31,710</u>

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

Following is a summary of activities for capital lease obligations for the year ended June 30, 2011:

	Begininning of Year	Additions	Deletions	End of Year	Due within One Year
Capital lease obligations	\$ 272,865	\$ -	\$ (117,846)	\$ 155,019	\$ 123,308

In July 2009, the Authority entered into a lease agreement for the financing of the acquisition of four vehicles. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The financing was obtained from Wells Fargo Equipment Finance Incorporation in July 2009 for \$357,812 with an interest rate of 4.54% and 36 monthly payments of \$10,650 through the end of the lease. The outstanding balance at June 30, 2012, is \$31,710.

Year Ending June 30,	Capital Lease Payment
2013	\$ 31,950
Less: Amount representing interest	(240)
Total	\$ 31,710

(e) Net Assets, Unrestricted

The Authority designated 10% of the next year's operating expenses budget for operating reserves. The remaining net assets unrestricted are designated for vehicle replacement.

Following is a summary of unrestricted net assets:

	June 30, 2012	June 30, 2011
Designated for operating reserves	\$ 163,507	\$ 174,633
Designated for vehicle replacement	1,203,183	1,361,470
	\$ 1,366,690	\$ 1,536,103

(f) Operating Leases

The Authority leases office and parking space from Palos Verdes Peninsula Unified School District (School District). The lease is renewable annually by mutual agreement. The School District agreed to abate all rents in lieu of payment of \$1 per year

The Authority also leases a bus parking area at the Joint Water Pollution Control Plant in Carson

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2012 and 2011

from Los Angeles County Sanitation District. The monthly rent is \$6,475 and subject to automatic annual adjustments of three percent (3%) effective September 1 of each year. The future minimum payments are as follows as of June 30, 2012:

Year Ending June 30,	Operating Lease Payment
2013	\$ 79,643
2014	82,032
2015	84,493
2016	87,028
2017	<u>37,094</u>
Total	<u>\$ 370,289</u>

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SUPPLEMENTARY INFORMATION

PALOS VERDES PENINSULA TRANSIT AUTHORITY
Schedule of Revenues and Expenses by Category
For the Years Ended June 30, 2012 and 2011

	2012				
	General and Administrative	Charter	Dial-a-Ride	Fixed Route	Total
Operating revenues:					
Charges for services	\$ -	\$ 17,703	\$ 50,051	\$ 323,711	\$ 391,465
Governmental sources	-	-	-	32,200	32,200
Route 225/226 operating support	-	-	-	222,192	222,192
Total operating revenues	-	17,703	50,051	578,103	645,857
Operating expenses:					
Operator fees	-	12,423	176,256	1,344,808	1,533,487
Contract administration	-	-	41,482	165,930	207,412
Depreciation	-	-	-	294,910	294,910
Fuel purchases	-	-	-	216,540	216,540
Marketing and promotions	-	-	884	6,102	6,986
Other operating expenses	6,354	-	11,424	115,833	133,611
Total operating expenses	6,354	12,423	230,046	2,144,123	2,392,946
Operating income (loss)	<u>\$ (6,354)</u>	<u>\$ 5,280</u>	<u>\$ (179,995)</u>	<u>\$ (1,566,020)</u>	<u>\$ (1,747,089)</u>

(A) Certain amount in fiscal year 2011 has been reclassified to confirm to fiscal year 2012 presentation.

2011 ^(A)				
General and Administrative	Charter	Dial-a-Ride	Fixed Route	Total
\$ -	\$ 5,671	\$ 43,483	\$ 333,801	\$ 382,955
-		-	30,007	30,007
-		-	218,268	218,268
-	5,671	43,483	582,076	631,230
-	5,671	141,664	1,331,935	1,479,270
-	-	41,482	165,930	207,412
-	-	-	277,067	277,067
-	-	-	206,853	206,853
8,552	-	1,263	-	9,815
14,699	-	11,022	53,744	79,465
23,251	5,671	- 195,431	- 2,035,529	- 2,259,882
<u>\$ (23,251)</u>	<u>\$ -</u>	<u>\$ (151,948)</u>	<u>\$ (1,453,453)</u>	<u>\$ (1,628,652)</u>

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 18, 2013
SUBJECT: Vehicle Lease with the City of Bell

INTRODUCTION

The City of Bell is planning on initiating a fixed route shuttle service in April and has inquired if the Authority could lease them a vehicle for up to one year.

Upon the delivery of new CNG-powered transit buses, the Authority will have 6 buses that are surplus. Staff is proposing to lease vehicle #1036 to the City of Bell at a rate of \$350 per month.

The California Joint Powers Insurance Authority (CalJPIA) is currently reviewing the liability language in the proposed lease Agreement and the Lease Agreement will be presented to the Board for review prior to the January 24, 2013 meeting.

FINANCIAL IMPACT

Vehicle #1036 is a surplus vehicle worth approximately \$3-\$5,000 at auction. Estimated revenue for the Authority over a twelve-month lease is \$4,200.

RECOMMENDATION

Approve a Vehicle Lease Agreement with the City of Bell.

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 18, 2013
SUBJECT: Award of Contract for Real-Time Passenger Information System

INTRODUCTION

At its meeting on October 18, 2012, the Board of Directors directed Staff to obtain proposals to install a Real-Time Passenger Information System on the PV Transit fleet of twenty-seven (27) vehicles. The Real-Time Passenger Information System will allow passengers to obtain real-time data on bus arrival times through mobile devices, display monitors and other devices with internet access. The scope of work requires qualified vendors to provide installation, operation and maintenance services for the system over a three year period. Management components include the ability to generate scheduled announcements and service reports using historical data. The vendor shall provide all hardware, software and support for the project, including training of all dispatchers, supervisors, administrators and maintenance technicians prior to the deployment.

PROPOSALS RECEIVED

Proposals from seven (7) firms were received by the deadline of January 11, 2013. Three proposals were disqualified for failing to meet the minimum qualifications and/or provide pricing for all of the Request For Proposals (RFP) requirements and system features established in the RFP issued on December 13, 2012. Four proposals that met the minimum qualifications were received from:

Connexionz

NextBus

Syncromatics

TransLoc

The proposals were ranked based on compliance with, and demonstrated ability to meet, the RFP requirements, as well as overall price to establish the overall rankings of the proposals. Each of these two categories was weighted 50%. The summary of the technical and price rankings is shown in Attachment A.

Connexionz was established in 1996. Their proposal indicated an ability to meet all RFP requirements with no significant limitations. Client references included the City of Santa Clarita, CA, Pasadena, and Tri Delta Transit, CA and other public transit agencies.

NextBus was incorporated in 2005. Their proposal indicated an ability to meet all RFP requirements with no significant limitations. Client references included the San Francisco Municipal Transportation Authority (Muni), the Alameda-Contra Costa Transit District (AC Transit), the Los Angeles County Metropolitan Transportation Authority (Metro), City of Glendale and other public transit agencies.

Syncromatics was founded in 2006. Their proposal indicated an ability to meet most RFP requirements with exceptions noted in the areas of: supporting geolocation of the rider; providing custom announcements to mobile devices; scheduled announcements; and management reports. Their proposal indicated that their limited staff of ten employees sometimes gets backed up in handling new installations. Their client references included the City of Los Angeles, Marin Transit, Merced County Transit and other public transit agencies.

TransLoc was founded in 2004. Their proposal indicated an ability to meet all RFP requirements with no significant limitations. Client references included Triangle Transit (North Carolina), Yale University, Duke University and other university systems.

Independent client references were based on staff communications with the following clients for each firm as shown below:

Connexionz – City of Santa Clarita, City of Pasadena

NextBus – LACMTA (Metro), City of Glendale

Syncromatics – City of Los Angeles (LADOT), City of Merced

TransLoc – Northern Arizona University

Three vendors submitted proposals that did not meet the minimum qualifications and/or provide pricing for all of the services in the RFP. Proposals received from DoubleMap and Castle Rock did not establish that the project manager or the firm met the minimum qualifications required in the RFP in the areas of industry experience and/or sufficient experience by the designated Project Managers. RouteMatch submitted a proposal that did not offer pricing for all the services in the “Scope of Services” section of the RFP requirements in the areas of Public Vehicle Location Displays.

THE RECOMMENDED VENDOR'S SYSTEM FEATURES

NextBus has proposed its system, which includes the following features:

For passengers:

- Bus arrival time information via internet on desktop computers, laptop computers, smart phones, tablets, SMS texting and by telephone.
- ADA and JAWS compliant for persons with disabilities
- Public maps showing bus location and arrival time predictions
- Mobile phones with GPS capabilities can instantly get bus arrival times for buses serving stops closest to their location

For staff:

- Web-based management tools
- Messaging functions
- Real-time display of vehicle locations in case of emergency or for routine service monitoring
- Vehicle location history replay to support complaint research
- Schedule adherence reporting

Other highlights of the NextBus proposal:

- NextBus indicates it has over 15 years' experience
- Over 110 installations
- Free enhancements and upgrades
- Project support personnel, many with over 10 years' experience
- 24/7 technical support by e-mail or toll-free number

FINANCIAL IMPACT

The cost for installation, operations and maintenance of the recommended system is as follows:

Installation/Implementation	\$150,000
Year 1 Operations/Maintenance	\$29,747
Year 2 Operations/Maintenance	\$29,747
Year 3 Operations/Maintenance	\$29,747
Total 3-Year Cost	\$233,853

There are adequate funds to meet the local share shown above. These funds would come from Net Assets-Unrestricted designated for vehicle replacement¹. A summary of these funds are shown below.

¹ FY 2012 Fiscal Audit, Page 14

Net Assets- Unrestricted	Amount
6/30/12 Balance	\$1,366,690
Add FY 2013 Dep.	\$ 311,830
Less Capital Expense FY 2013- Est	(\$639,007)
6/30/13 Balance-Est	\$1,039,512

RECOMMENDATION

Authorize staff to enter into a contract with NextBus for the installation, operation and maintenance of a Real-Time Passenger Information System in an amount not to exceed \$233,853.

ATTACHMENT A – Technical and Price Rankings

Prepared by: Shannon Anderson

ATTACHMENT A

Palos Verdes Peninsula Transportation Authority
Real-Time Passenger Bus Information System

Vendor	Proposed Costs					Price Rankings	
	Installation/ Startup	Year 1 M&O	Year 2 M&O	Year 3 M&O	3 Year Total Cost		3 Year Total Cost
Connexionz	\$ 119,732	\$ 56,706	\$ 59,541	\$ 63,709	\$ 299,688		4
Next Bus	\$ 150,000	\$ 24,360	\$ 29,747	\$ 29,747	\$ 233,854		2
Syncromatics	\$ 104,975	\$ 23,946	\$ 23,946	\$ 23,946	\$ 176,813		1
TransLoc	\$ 79,250	\$ 64,800	\$ 64,800	\$ 64,800	\$ 273,650		3

Technical Rankings

Vendor	Technical Rank	Technical Rank
Connexionz	3	3
Next Bus	1	1
Syncromatics	4	4
TransLoc	2	2

Overall Rankings

Price (50%) Technical (50%)

Vendor	Price Rank	Technical Rank	Overall Rank
Connexionz	4	3	3.5
Next Bus	2	1	1.5
Syncromatics	1	4	2.5
TransLoc	3	2	2.5

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 18, 2013
SUBJECT: Bus Service to Ridgecrest Intermediate School

INTRODUCTION

At the October 2012 Board Meeting, staff commented that they will return to the Board with a proposed operating plan at the January 2013 meeting. PV Transit was proposing to end all Green Route service at the library on Deep Valley Drive and institute a Ridgecrest Intermediate School shuttle route to better serve students living in the neighborhoods between Silver Spur Road and Palos Verdes Drive North.

Since the October 2012 Board Meeting Miraleste Intermediate School was placed on "Program Improvement". Parents of Miraleste students are allowed to transfer their children to either PVIS or Ridgecrest Intermediate School and the school district is required to pay for transportation. PV Transit is now transporting 4-5 students on the existing Green Route to Ridgecrest School every morning. The original plan was to start a "Ridgecrest Shuttle" route with one bus and cut back Green Route trips to the library on Deep Valley Drive. Because of the new Ridgecrest riders on the Green Route, the proposed route adjustments cannot be made at this time.

Staff is proposing to wait another month or two to see if the number of new Ridgecrest riders stabilizes. If ridership is still at 4-5 passengers, staff will revisit the earlier proposal to start a separate route to serve Ridgecrest students.

RECOMMENDATION

Receive and file report.

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: January 14, 2013
SUBJECT: Election of Officers

BACKGROUND

The Joint Powers Agreement provides for annual election of Officers.

Shown below is a list of the current Officers:

Mr. John Addleman, Chairperson

Mr. Frank Zerunyan, Vice Chairperson

Mr. James Goodhart, Secretary-Treasurer

The following offices need to be considered: Chair, Vice-Chair, and Secretary-Treasurer.

RECOMMENDATION

Elect officers for calendar year 2013.