

AGENDA
PALOS VERDES PENINSULA TRANSIT AUTHORITY
REGULAR MEETING
May 31, 2023
ROLLING HILLS ESTATES CITY HALL, 4045 Palos Verdes Drive North
Rolling Hills Estates, CA 90274

Time Estimates: The time noted next to an agenda item is only an estimate of the amount of time that will be spent during the meeting on that particular item. Accordingly, these estimates should not be relied on in determining when a matter will be heard, especially since agenda items are often re-ordered during a meeting and may be discussed at any time.

6:00 P.M. REGULAR SESSION

(5 mins) CALL TO ORDER:

ROLL CALL:

FLAG SALUTE:

CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK:

PUBLIC COMMENTS: (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.

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.

(5 mins) **APPROVAL OF CONSENT CALENDAR (1-7):**

1. Register of Standing demands and Previously Authorized demands under Resolution 94/95-01 and per attached listing:

Page 5

Month	Checks	Amount
Jan.	6583-6600	\$ 200,614.22
Feb.	6601-6622	\$ 215,339.36
Mar.	6623-6643	\$ 252,679.57
Apr.	6644-6663	\$ 262,108.15
TOTAL		\$ 930,741.30

2. Approval of February 16, 2023 Board Minutes Page 9
3. Operations Report as of April 30, 2023 Page 13
4. Financial Statements as of March 31, 2023 Page 19
5. Approval of Engagement Letter with Rogers, Anderson, Malody & Scott for the FY 22-23 Fiscal Audit Page 23
6. Reaffirmation of Investment Policy Page 33
7. Resolution Recinding Proclomation of Emergnecy Page 37

Recommendation: Approve Consent Calendar items

(10 mins) **ADMINISTRATOR REPORT:**

(45 mins) **REGULAR BUSINESS:**

I. NEW BUSINESS

1. 2023-24 Budget

Page 39

OPEN PUBLIC HEARING

Staff presentation on Fiscal Year 2023-24 Budget

CLOSE PUBLIC HEARING

Recommendation: Adopt Fiscal Year 2023-24 Budget, setting service levels and fares.

2. Amendment #7 with MV Transportation Page 44

Recommendation: Approve Amendment #7 with MV Transportation

3. Approve Rollout Plan and Submit to CARB Page 48

Recommendation: Approve Resolution 2023-02

4. Fund Exchange with the City of El Monte Page 67

Recommendation: Approve Prop. A Fund Exchange with the City of El Monte

(5 mins) **FUTURE AGENDA ITEMS:** (This section of the agenda is designated for individual Board Members to request that an item be placed on a future PVPTA meeting agenda.)

(10 mins) **CHAIR AND MEMBER ITEMS REPORT:**

A. PVPUSD Update

Verbal

B. Meeting Dates for Fiscal Year 2024

Verbal

ADJOURNMENT: Rolling Hills Estates City Hall, TBA

MEMORANDUM

TO: Board Members
 FROM: Martin Gombert, Administrator
 DATE: May 23, 2023
 SUBJECT: Check Listings

Attached are checking listing for January through April 2023.

Credit Card Summary

Checks issued to Wells Fargo are for the Agency's credit card. Shown below is a summary of credit card charges for the last four months.

Date	Amount	Vendor	Description
12/6/22	\$137.81	Mindonna	Award Plaque
12/7/22	\$23.88	Adobe	Software
12/12/22	\$413.00	Penn. People	Advertising
12/14/22	\$331.57	Flowers.com	Flowers for Funeral
12/20/22	\$1,494.67	Lucille's	Staff Holiday Lunch, 50% reimbursed by MV Trans.
TOTAL JAN. '23	\$2,401.03		

Date	Amount	Vendor	Description
01/17/23	\$14.26	The Mail Shop	Shipping
TOTAL FEB. '23	\$14.26		

Date	Amount	Vendor	Description
02/04/23	\$84.52	Harris America	Cleaning Supplies
TOTAL MAR. '23	\$84.52		

Date	Amount	Vendor	Description
03/27/23	\$14.32	The Mail Shop	Shipping
03/28/23	\$89.99	ESTS	Software
TOTAL APR. '23	\$104.31		

Palos Verdes Peninsula Transit Authority
Checks Written for Month
January 2023

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Jan 23					
	01/04/2023	6583	Office Depot	Invoice 260637913001	\$ 130.20
	01/19/2023	6584	Ingrid Sahni	Refund - DAR #8181	\$ 72.00
	01/19/2023	6585	AT&T	Account No. 171-804-2002 001	\$ 36.41
	01/19/2023	6586	Clean Energy	CNG Fuel December 2022	\$ 30,896.39
	01/19/2023	6587	Administrative Services Cooperative, Inc.	Dial-A-Ride Service for December 2022	\$ 7,644.48
	01/19/2023	6588	County Sanitation Districts of LA County	Parking Lot Lease	\$ 8,701.87
	01/19/2023	6589	Cox Business	Internet Service	\$ 385.00
	01/19/2023	6590	Frontier Communications7108	310 544-7108-062795-5	\$ 190.51
	01/19/2023	6591	MV Transportation SECURITY	Parking Lot Security	\$ 3,235.68
	01/19/2023	6592	MV Transportation, Inc.	Fixed Route Bus Service, December 2022	\$ 137,065.87
	01/19/2023	6593	MV Transportation, Inc. BENE	Supplemental Wage Payments	\$ 6,556.74
	01/19/2023	6594	Patch Media	Invoice SIN052699 January 2023	\$ 400.00
	01/19/2023	6595	PitneyBowes Global Financial Services	Account 0015571055 Invoice 3105878398	\$ 317.14
	01/19/2023	6596	PVPUSD	Utilities	\$ 648.22
	01/19/2023	6597	ReadyRefresh by Nestle	Account 0024293722	\$ 62.68
	01/19/2023	6598	Rogers, Anderson, Malody & Scott LLP	FY 2022 Audit	\$ 1,760.00
	01/19/2023	6599	Wells Fargo	Authority Credit Card	\$ 2,401.03
	01/19/2023	6600	White Wings Cleaning Service	Office Cleaning	\$ 110.00
Jan 23			TOTAL		\$ 200,614.22

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Feb 23					
	02/14/2023	6601	Mobility Advancement Group	Administrative Services for January 2023	\$ 17,852.90
	02/16/2023	6602	Harold Black	Dial-A-Ride Refund	\$ 24.00
	02/16/2023	6603	Administrative Services Co-Op	VOID: Invoice 230132 January 2023	\$ -
	02/16/2023	6604	AT&T	Account No. 171-804-2002 001	\$ 37.46
	02/16/2023	6605	California Transit Training Consortium	Maintenance Training	\$ 1,200.00
	02/16/2023	6606	Clean Energy	CNG Fuel January 2023	\$ 42,329.08
	02/16/2023	6607	County Sanitation Districts of LA County	Parking Lot Lease	\$ 8,701.87
	02/16/2023	6608	Cox Business	Internet Service	\$ 385.00
	02/16/2023	6609	Gayle Albin-Bailey	Bookkeeping Services	\$ 768.75
	02/16/2023	6610	MV Transportation SECURITY	Parking Lot Security	\$ 3,235.68
	02/16/2023	6611	MV Transportation, Inc.	Fixed Route Bus Service, January 2023	\$ 129,649.25
	02/16/2023	6612	MV Transportation, Inc. BENE	Supplemental Driver Wages	\$ 6,022.75
	02/16/2023	6613	Office Depot	Account 34585368	\$ 116.45
	02/16/2023	6614	Palos Verdes On the Net	Invoice 2Q 2022-2023	\$ 1,675.00
	02/16/2023	6615	Patch Media	Advertising, Invoice SIN055246 February 2023	\$ 425.00
	02/16/2023	6616	PitneyBowes Global Financial Services	Account 0015571055 Invoice 3105929452	\$ 32.00
	02/16/2023	6617	PVPUSD	Office Supplies and utilities	\$ 232.14
	02/16/2023	6618	Q Document Solutions Inc.	Invoice 49175, Copier Maintenance	\$ 129.08
	02/16/2023	6619	ReadyRefresh by Nestle	Account 0024293722	\$ 47.69
	02/16/2023	6620	Thales Consulting	State Controller Office (SCO) Annual Report	\$ 2,351.00
	02/16/2023	6621	Wells Fargo	Authority Credit Card	\$ 14.26
	02/16/2023	6622	White Wings Cleaning Service	Invoice 8334	\$ 110.00
Feb 23			TOTAL		\$ 215,339.36

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
Mar 23					
	03/30/2023	eft	California Department of Tax and Fee Adm.	Account Number 58-400137	\$ 750.38
	03/13/2023	6623	Mobility Advancement Group	Administrative Services for February 2023	\$ 17,852.90

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Palos Verdes Peninsula Transit Authority
Checks Written for Month
January 2023

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
03/13/2023	6624	Administrative Services Co-Op	January 2023 Service, Invoice 230132-REVISE	\$ 5,999.21
03/23/2023	6625	AT&T	Account No. 171-804-2002 001	\$ 7.70
03/23/2023	6626	AT&T New	0206360576001	\$ 41.31
03/23/2023	6627	CKG Communications	Marketing Services	\$ 1,923.00
03/23/2023	6628	Clean Energy	CE12569861 February 2023	\$ 39,641.74
03/23/2023	6629	Cooperative, Inc.	February 2023 Dial-A-Ride Service	\$ 7,352.97
03/23/2023	6630	County Sanitation Districts of LA County	Parking Lot Lease	\$ 8,701.87
03/23/2023	6631	Cox Business	Internet Service	\$ 385.00
03/23/2023	6632	Frontier Communications7108	310 544-7108-062795-5	\$ 388.96
03/23/2023	6633	MV Transportation SECURITY	Parking Lot Security	\$ 2,876.16
03/23/2023	6634	MV Transportation, Inc.	Invoice 122768 February 2023	\$ 141,893.16
03/23/2023	6635	MV Transportation, Inc. BENE	Supplemental Wage Payment	\$ 5,470.00
03/23/2023	6636	Patch Media	Invoice SIN055247 March 2023	\$ 425.00
03/23/2023	6637	PitneyBowes Global Financial Services	Account 0015571055 Invoice 3106009737	\$ 317.14
03/23/2023	6638	PVPUSD	Utilities	\$ 410.57
03/23/2023	6639	Q Document Solutions Inc.	Copier Maintenance, Invoice 49918	\$ 132.40
03/23/2023	6640	ReadyRefresh by Nestle	Account 0024293722	\$ 62.68
03/23/2023	6641	Wells Fargo	Authority Credit Card	\$ 84.52
03/23/2023	6642	White Wings Cleaning Service	Office Cleaning, Invoice 8343	\$ 110.00
03/29/2023	6643	Mobility Advancement Group	Administrative Services for March 2023	\$ 17,852.90
Mar 23			TOTAL	\$ 252,679.57

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
04/27/2023	6644	AT&T	Account No. 171-804-2002 001	\$ 83.82
04/27/2023	6645	Clean Energy	CNG Fuel March 2023	\$ 36,539.37
04/27/2023	6646	Administrative Services Co-Op	March 2023 Dial-A-Ride Service	\$ 7,256.01
04/27/2023	6647	County Sanitation Districts of LA County	Parking Lot Lease	\$ 26,105.61
04/27/2023	6648	Cox Business	Internet Service	\$ 385.00
04/27/2023	6649	Darold D. Pieper	Legal Services	\$ 77.00
04/27/2023	6650	Frontier Communications7108	310 544-7108-062795-5	\$ 189.06
04/27/2023	6651	MV Transportation SECURITY	Parking Lot Security	\$ 3,184.32
04/27/2023	6652	MV Transportation, Inc.	Fixed Route Service, March 2023	\$ 144,713.10
04/27/2023	6653	MV Transportation, Inc. BENE	Supplemental Wage Payment	\$ 5,598.29
04/27/2023	6654	Patch Media	Invoice SIN055248 April 2023	\$ 425.00
04/27/2023	6655	Pitney Bowes - Purchase Power	Acct. 8000-9090-0212-1536	\$ 201.00
04/27/2023	6656	PitneyBowes	Account 0015571055	\$ 265.51
04/27/2023	6657	PVPUSD-Rent	Utilities	\$ 724.17
04/27/2023	6658	Q Document Solutions Inc.	Copier Maintenance	\$ 211.00
04/27/2023	6659	ReadyRefresh by Nestle	Account 0024293722	\$ 62.68
04/27/2023	6660	Suburban Ford of Sterling Heights	Extended Warranty on three buses	\$ 17,910.00
04/27/2023	6661	Wells Fargo	Authority Credit Card	\$ 104.31
04/27/2023	6662	White Wings Cleaning Service	Office Cleaning	\$ 220.00
04/28/2023	6663	Mobility Advancement Group	Administrative Services for April 2023	\$ 17,852.90
Apr 23			TOTAL	\$ 262,108.15

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**MINUTES
PALOS VERDES PENINSULA TRANSIT AUTHORITY**

Thursday, February 16, 2023

The meeting was called to order at 6:05 p.m. by Chairperson Bradley.

REGULAR SESSION:

Board roll call was answered as follows:

PRESENT: Victoria Lozzi, PVE; David Bradley, RPV; Paul Seo, RPV; Michael Kemps, PVE; Debby Stegura, RHE, Pam Brown Schachter, RHE
ABSENT: None

Also present were Martin Gombert, PVPTA; Jessica Slawson, RHE; and Ron Drago, RPV; Linda Kurt, PVPUSD; Demi Hite, RAMS.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chairperson Bradley.

CONFIRM POSTING OF THE AGENDA BY ROLLING HILLS ESTATES CITY CLERK

City of Rolling Hills Estates confirmed the posting of the Authority Agenda.

APPROVAL OF CONSENT CALENDAR (1-7):

Member Lozzi moved approval of the Consent Calendar (excluding Item #3) as amended, seconded by Member Bradley.

The motion passed on the following roll call vote:

AYES: Bradley, Seo, Lozzi, Stegura, Kemps, Schachter

NOES: None

ABSENT: None

ABSTAINED: None

Member Bradley moved approval of Item #3, seconded by Member Lozi.

The motion did not pass because the JPA Agreement requires “majority of vote of those present but in no case no less than one affirmative vote from each member agency.”

AYES: Bradley, Lozzi

NOES: None

ABSENT: None

ABSTAINED: Seo, Kempes, Stegura, Schachter

PUBLIC COMMENTS: (Audience Comments regarding Items not on the Agenda)

None

ADMINISTRATOR REPORT

Administrator Gombert presented the Administrator Report and commented on driver staffing levels, plans for summer school, and outreach for the dial-a-ride service.

There was conversation on several items. Linda Kurt, PVPUSD ask about transit service to military housing on 25th Street in San Pedro.

NEW BUSINESS

1. Fiscal Year 2021-22 Audit

Demi Hite, RAMS presented the FY 21-22 Audit report. There were several questions by Board Members.

Member Stegura moved approval of the FY 21-22 Audit report, seconded by Member Seo.

The motion passed on the following roll call vote:

AYES: Bradley, Seo, Lozzi, Stegura, Kempes, Schachter

NOES: None

ABSENT: None

ABSTAINED: None

2. Approve Purchase of Four Replacement Buses

Administrator Gombert presented the staff report and answered several questions from Board Members.

Member Stegura moved approval of the staff recommendation to purchase four replacement buses, seconded by Member Kempes

The motion passed on the following roll call vote:

AYES: Bradley, Seo, Lozzi, Stegura, Kempes, Schachter

NOES: None

ABSENT: None

ABSTAINED: None

Member Stegura moved approval of the staff recommendation to amend the FY '23 Capital Budget from \$240,000 to \$855,506, seconded by Member Kempes.

The motion passed on the following roll call vote:

AYES: Bradley, Seo, Lozzi, Stegura, Kempes, Schachter

NOES: None

ABSENT: None

ABSTAINED: None

3. Zero Emission Vehicle (ZEV) Overview

Administrator Gombert noted that staff would be developing a Roll-Out Plan to submit to the California Air Resources Board (CARB) later in the year.

CHAIR AND MEMBER ITEMS

Election of Officers

Elections of Officers: Member Schachter moved the following slate of officers, seconded by Member Stegura:

Mr. David Bradley, Chairperson
Mr. Michael Kemps, Vice Chairperson
Ms. Debby Stegura, Secretary Treasurer

The motion passed on a unanimous voice vote.

There was discussion on the date of the next Board Meeting. Administrator Gombert said he would poll the Board for available dates.

ADJOURNMENT

At 7:28 p.m. Chairperson Bradley moved to adjourn the Board Meeting until April 20, 2023.

MEMORANDUM

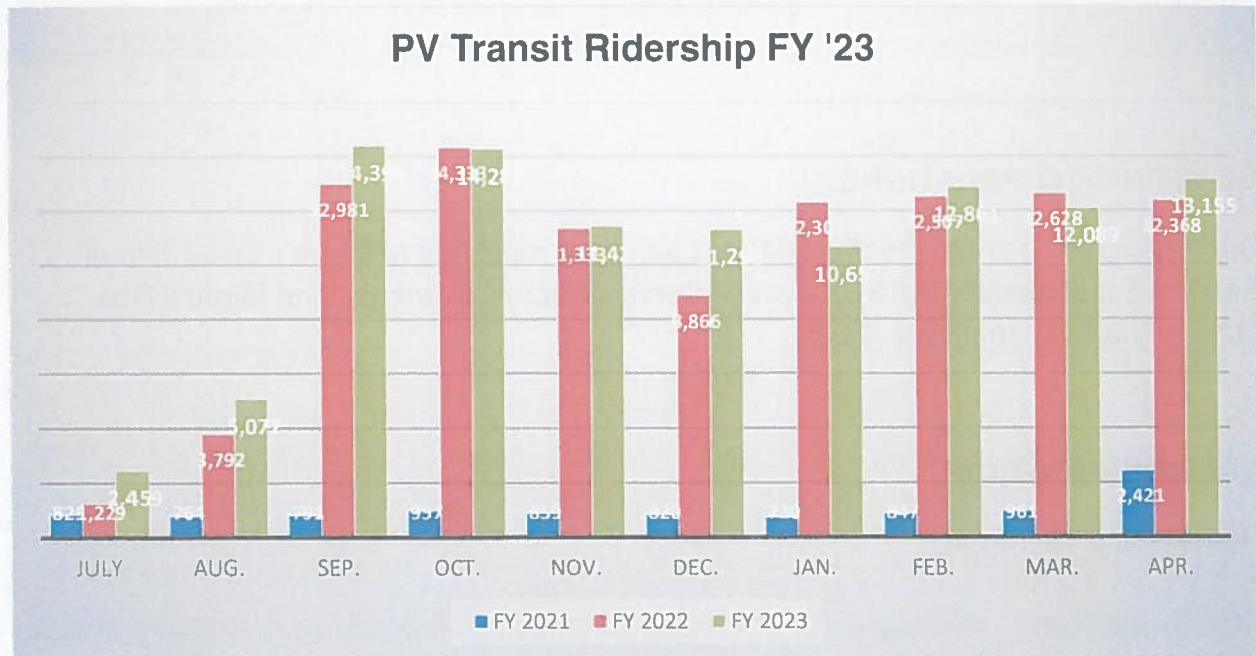
TO: AUTHORITY MEMBERS
 FROM: Martin Gombert, Administrator
 DATE: May 23, 2023
 SUBJECT: Operations Report for the period ending April 30, 2023

PV TRANSIT

PV Transit ridership totaled 107,693 through April 30, 2023. This is a 5% increase compared to previous year's totals.

During the past year PV Transit ridership has been steadily increasing. YTD ridership is currently at 85% of pre-pandemic levels.

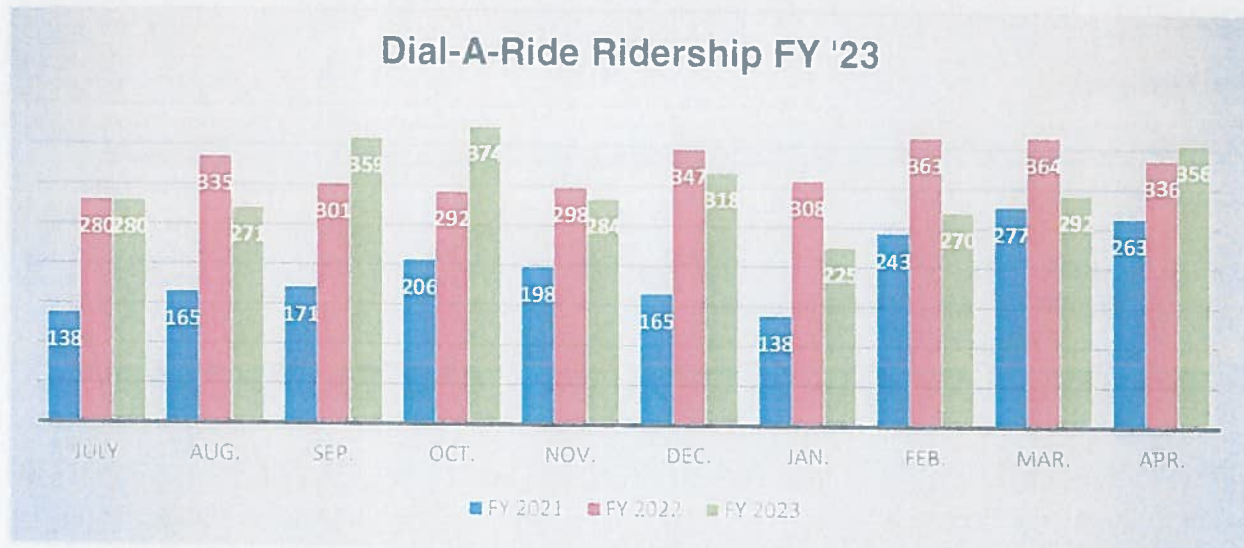
Copies of ridership graphs for all seven routes are included at the end of this report.



DIAL-A-RIDE

Dial-A-Ride ridership totaled 3,029 for the period ending April 30, 2023, an 6% decrease over previous year's totals. Ridership was negatively impacted by the heavy rains earlier in the year.

Ads publicizing the dial-a-ride service were included in City newsletters and on Patch. This effort has generated 52 new members this year. These additional program members should be seen in ridership numbers later in the year.



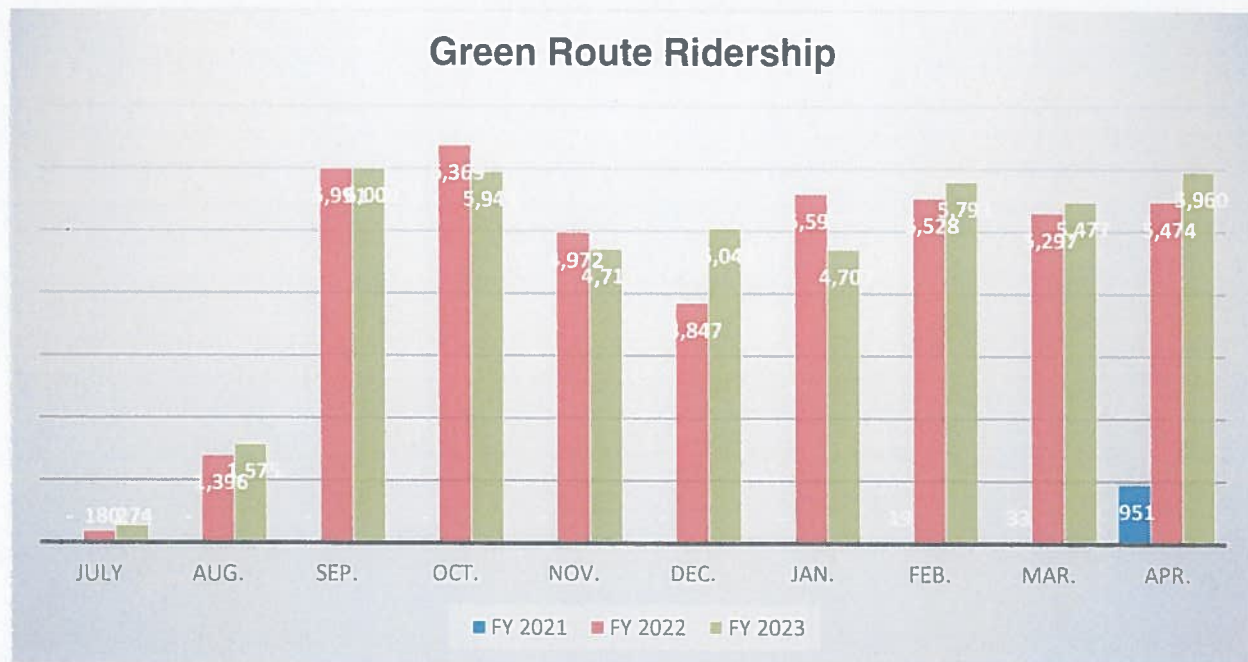
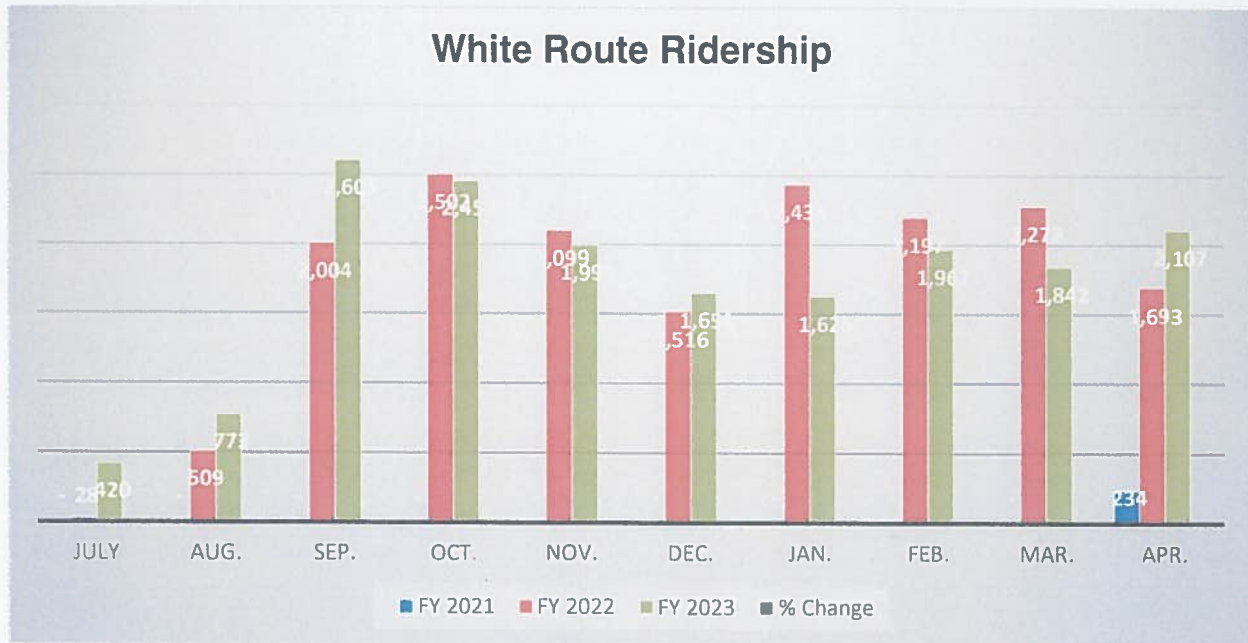
GOVERNMENT RELATIONS

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

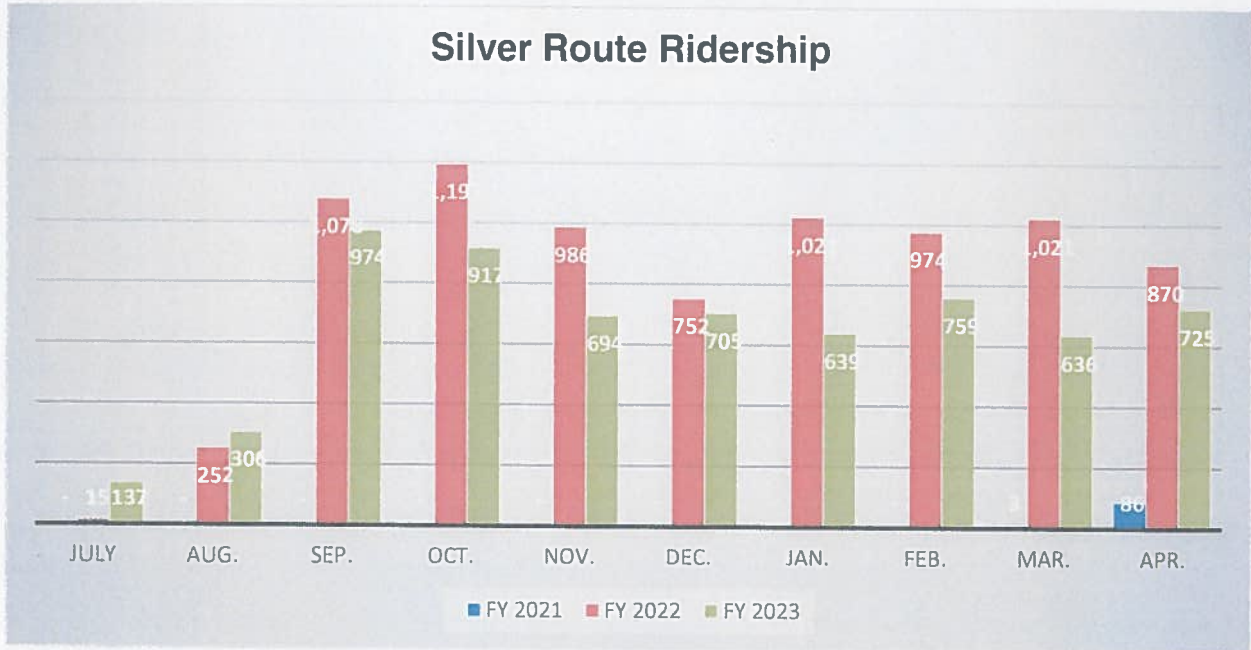
RECOMMENDATION

Receive and file report.

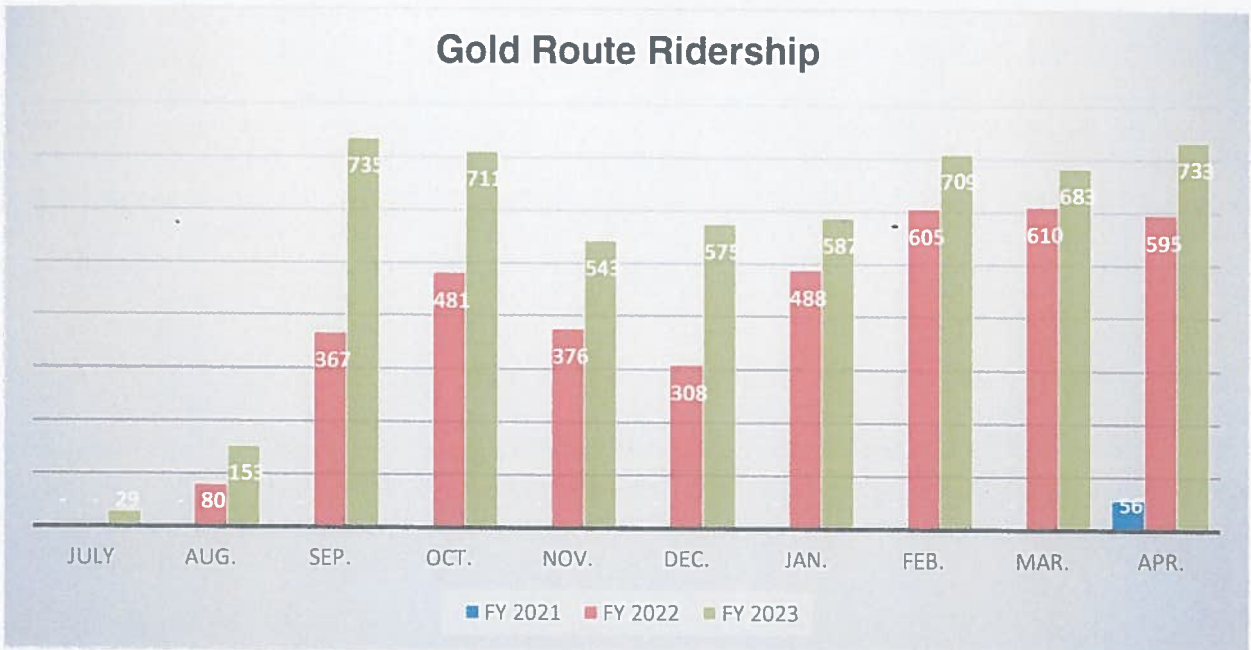
RIDERSHIP REPORTS



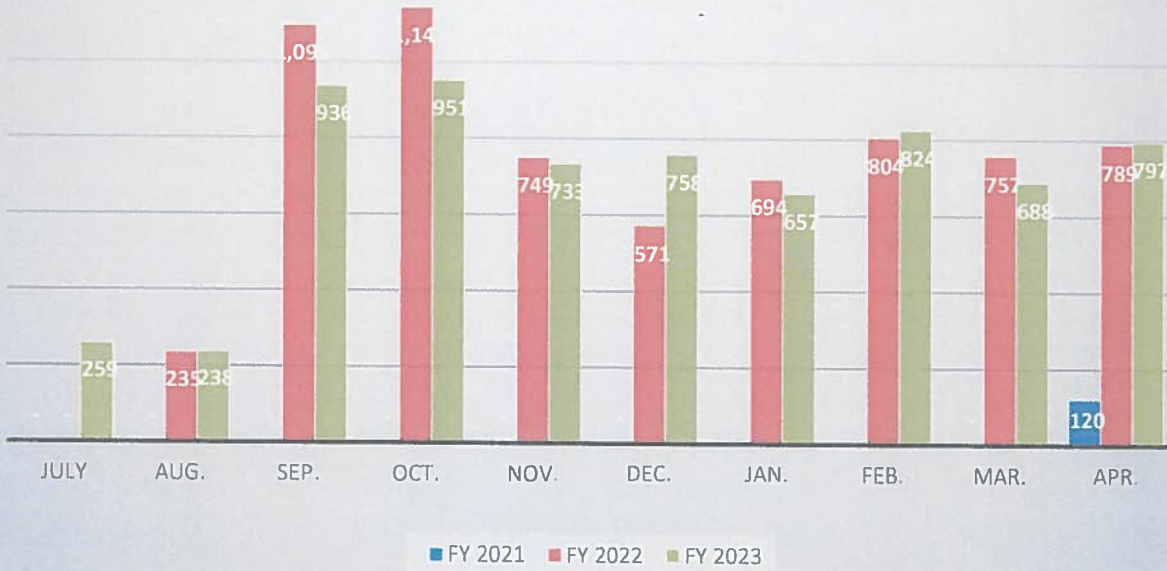
Silver Route Ridership



Gold Route Ridership



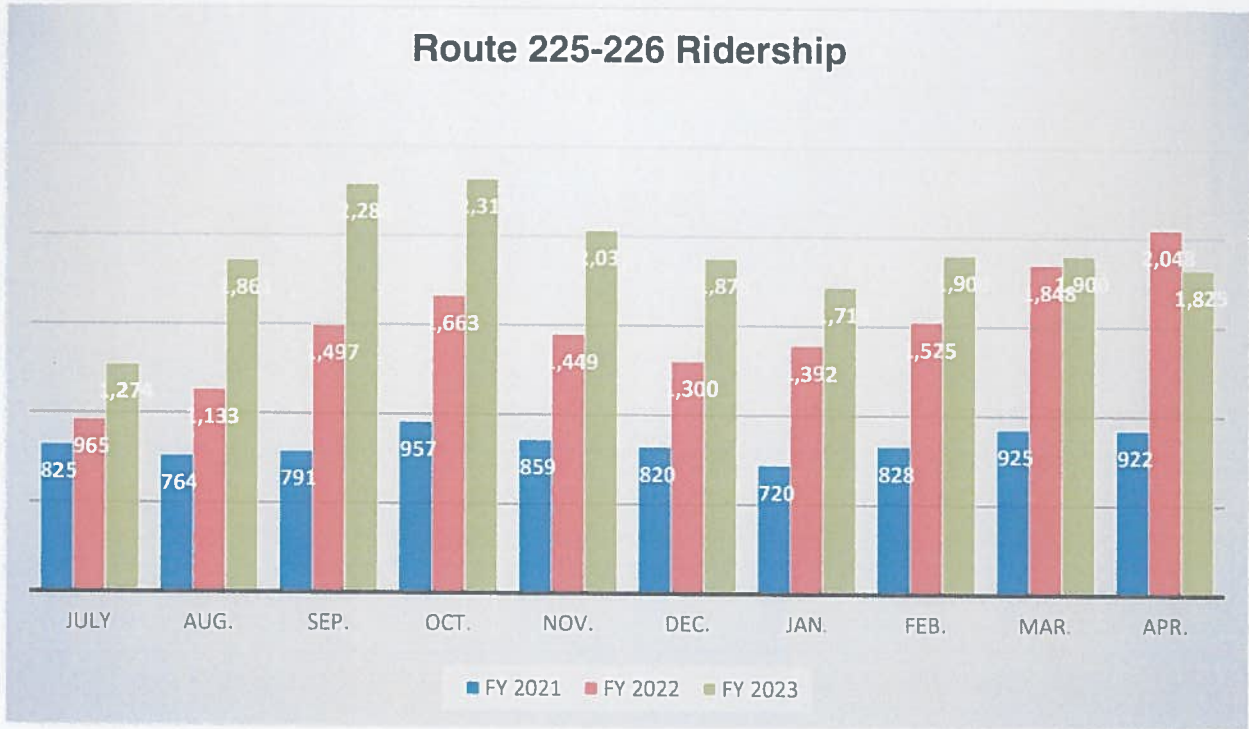
Orange Route Ridership



Blue Route Ridership



Route 225-226 Ridership



MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: May 24, 2023
SUBJECT: Financial Statements for the period ending March 31, 2023

Attached are the *draft* Financial Statements for the period ending March 31, 2023.

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. These reports have been modified to show previous year comparison as requested by Board Members.

Budget vs. Actual

Total expenses through March 31, 2023 totaled \$2,069,148, -0.31% below budgeted amounts.

Fixed Route and dial-a-ride operating fees were \$1,265,919, 4% below budget. This was primarily due to lower dial-a-ride expenses.

Fuel costs totaled \$294,198, 48% above budget due to the rapid rise in CNG costs. This cost has moderated in the last month. Other Operating Expenses were 45% above budget, primarily due to security costs at the Carson bus yard.

Charges for Services

Passenger revenue totaled \$202,453 through March 31, 2023. This 19% below budget.

Government Revenue

PV Transit is current with all grant payments from member agencies as of March 31, 2023.

Attachments
-Financial Statements

Palos Verdes Peninsula Transit Authority
Management Analysis
Budget vs. Actual
YTD March 31, 2023

	<u>YTD 03/01/2023</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% Diff</u>
Operating Revenue				
Charges for Services				
Fixed Route	\$ 168,522	\$ 191,490	\$ (22,968)	-11.99%
Dial-A-Ride	\$ 21,139	\$ 35,378	\$ (14,239)	-40.25%
Advertising	\$ 8,074	\$ 10,500	\$ (2,426)	-23.11%
Charters	\$ 4,719	\$ 15,000	\$ (10,281)	0.0%
TOTAL OPERATING REVENUE	\$ 202,453	\$ 252,367	\$ (49,915)	-19.78%
Operating Expenses				
Operator Fees				
Fixed Route	\$ 1,196,415	\$ 1,230,676	\$ (34,261)	-2.78%
Dial-A-Ride	\$ 69,504	\$ 88,630	\$ (19,126)	-21.58%
Subtotal	\$ 1,265,919	\$ 1,319,306	\$ (53,387)	-4.05%
Contract Administration	\$ 160,226	\$ 163,152	\$ (2,926)	-1.79%
Fuel Purchases	\$ 294,836	\$ 198,900	\$ 95,936	48.23%
Marketing and Promotions	\$ 14,629	\$ 30,236	\$ (15,607)	-51.62%
Facility Leasing	\$ 77,050	\$ 77,937	\$ (887)	-1.14%
Other operating Expenses	\$ 131,263	\$ 90,484	\$ 40,778	45.07%
Depreciation	\$ 125,226	\$ 195,557	\$ (70,331)	-35.96%
Subtotal	\$ 803,229	\$ 756,265	\$ 46,964	6.21%
TOTAL EXPENSE	\$ 2,069,148	\$ 2,075,571	\$ (6,423)	-0.31%
OPERATING LOSS	\$ (1,866,695)	\$ (1,823,204)	\$ (43,491)	2.39%

Palos Verdes Peninsula Transit Authority
Profit & Loss Prev Year Comparison
July 2022 through March 2023

	<u>Jul '22 - Mar 23</u>	<u>Jul '21 - Mar 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
46400 · Other Types of Income	8,073.68	4,000.00	4,073.68	101.84%
504.04 · Route 225/226 Operating Support	0.00	125,846.28	-125,846.28	-100.0%
500.00 · Charges for Services	194,379.09	196,337.30	-1,958.21	-1.0%
Total Income	<u>202,452.77</u>	<u>326,183.58</u>	<u>-123,730.81</u>	<u>-37.93%</u>
Expense				
621.03 · Facility Leasing	77,049.58	72,485.39	4,564.19	6.3%
620.00 · Operator fees	1,265,918.88	1,029,186.23	236,732.65	23.0%
660.00 · Marketing and promotions	14,628.50	7,507.30	7,121.20	94.86%
650.00 · Fuel Purchases	294,836.11	164,664.18	130,171.93	79.05%
640.00 · Depreciation	125,226.00	150,885.00	-25,659.00	-17.01%
630.00 · Contract administration	160,226.10	155,559.33	4,666.77	3.0%
680.00 · Other Operating Expense	131,262.52	150,035.16	-18,772.64	-12.51%
Total Expense	<u>2,069,147.69</u>	<u>1,730,322.59</u>	<u>338,825.10</u>	<u>19.58%</u>
Net Ordinary Income	<u>-1,866,694.92</u>	<u>-1,404,139.01</u>	<u>-462,555.91</u>	<u>-32.94%</u>
Other Income/Expense				
Other Income				
551.01 · LA County Grant	376,000.00	376,000.00	0.00	0.0%
556.00 · MTA Funding	110,061.00	0.00	110,061.00	100.0%
970.00 · Gain/Loss on Asset Disposal	0.00	2,840.00	-2,840.00	-100.0%
900.00 · Interest Income	37,493.88	5,813.04	31,680.84	545.0%
920.00 · Member contributions	1,172,362.00	1,172,362.00	0.00	0.0%
Total Other Income	<u>1,695,916.88</u>	<u>1,557,015.04</u>	<u>138,901.84</u>	<u>8.92%</u>
Net Other Income	<u>1,695,916.88</u>	<u>1,557,015.04</u>	<u>138,901.84</u>	<u>8.92%</u>
Net Income	<u><u>-170,778.04</u></u>	<u><u>152,876.03</u></u>	<u><u>-323,654.07</u></u>	<u><u>-211.71%</u></u>
 Net Assets, Beginning of Year	 <u>4,879,785.34</u>	 <u>4,499,376.86</u>		
 Net Assets, End of Year	 <u>4,709,007.30</u>	 <u>4,652,252.89</u>		

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**Palos Verdes Peninsula Transit Authority
Balance Sheet Prev Year Comparison
As of March 31, 2023**

	<u>Mar 31, 23</u>	<u>Mar 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
101.00 · Cash and cash equivalents				
102.00 · Cash in Bank - LAIF	3,486,283.11	3,138,977.97	347,305.14	11.06%
103.00 · Wells Fargo	138,939.45	674,371.55	-535,432.10	-79.4%
Total 101.00 · Cash and cash equivalents	<u>3,625,222.56</u>	<u>3,813,349.52</u>	<u>-188,126.96</u>	<u>-4.93%</u>
Total Checking/Savings	3,625,222.56	3,813,349.52	-188,126.96	-4.93%
Accounts Receivable				
120.00 · Due from other governments				
121.00 · Due from JPA Members,Cities/LAC	486,061.06	2,693.50	483,367.56	17,945.71%
Total 120.00 · Due from other governments	<u>486,061.06</u>	<u>2,693.50</u>	<u>483,367.56</u>	<u>17,945.71%</u>
Total Accounts Receivable	486,061.06	2,693.50	483,367.56	17,945.71%
Other Current Assets				
140.00 · Prepaid Expense	39,059.90	22,432.02	16,627.88	74.13%
1499 · Undeposited Funds	1,474.00	34.00	1,440.00	4,235.29%
Total Other Current Assets	<u>40,533.90</u>	<u>22,466.02</u>	<u>18,067.88</u>	<u>80.42%</u>
Total Current Assets	4,151,817.52	3,838,509.04	313,308.48	8.16%
Fixed Assets				
212.00 · Accum. Depreciation - Vehicles	-3,709,141.82	-3,533,860.82	-175,281.00	-4.96%
212.10 · Accum Deprec Infrastructures	-12,449.00	-12,191.17	-257.83	-2.12%
15900 · Leasehold Improvements	12,449.00	12,449.00	0.00	0.0%
16400 · Vehicles	4,483,681.05	4,483,681.05	0.00	0.0%
Total Fixed Assets	<u>774,539.23</u>	<u>950,078.06</u>	<u>-175,538.83</u>	<u>-18.48%</u>
TOTAL ASSETS	<u><u>4,926,356.75</u></u>	<u><u>4,788,587.10</u></u>	<u><u>137,769.65</u></u>	<u><u>2.88%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
310.00 · Vouchers Payable	217,733.77	136,800.38	80,933.39	59.16%
Total Accounts Payable	<u>217,733.77</u>	<u>136,800.38</u>	<u>80,933.39</u>	<u>59.16%</u>
Credit Cards				
315.00 · Wells Fargo Business Card	-384.32	-466.17	81.85	17.56%
Total Credit Cards	<u>-384.32</u>	<u>-466.17</u>	<u>81.85</u>	<u>17.56%</u>
Total Current Liabilities	<u>217,349.45</u>	<u>136,334.21</u>	<u>81,015.24</u>	<u>59.42%</u>
Total Liabilities	217,349.45	136,334.21	81,015.24	59.42%
Equity				
3900 · Retained Earnings	4,879,785.34	4,499,376.86	380,408.48	8.46%
Net Income	-170,778.04	152,876.03	-323,654.07	-211.71%
Total Equity	<u>4,709,007.30</u>	<u>4,652,252.89</u>	<u>56,754.41</u>	<u>1.22%</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,926,356.75</u></u>	<u><u>4,788,587.10</u></u>	<u><u>137,769.65</u></u>	<u><u>2.88%</u></u>

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MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: May 23, 2023
SUBJECT: Fiscal Year 2022-2023 Audit Engagement Letter

BACKGROUND

A copy of RAMS proposal to perform the FY 22-23 audit for the Authority is attached in a letter dated April 14, 2023.

FINANCIAL IMPACT

The proposed cost of \$21,310 and will be included in the FY 22-23 Budget. The proposed cost is a 2.6% increase over the previous audit cost.

RECOMMENDATION

Approve RAMS proposal to perform the FY 22-23 audit for the PVPTA.



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

April 14, 2023

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

To the Board of Directors
Palos Verdes Peninsula Transit Authority
Rolling Hills, California

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

The following represents our understanding of the services we will provide the Palos Verdes Peninsula Transit Authority.

You have requested that we audit the basic financial statements of the Palos Verdes Peninsula Transit Authority (the Authority), as of June 30, 2023, and for the year then ended and the related notes, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.



The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

Supplementary information other than RSI will accompany the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1. Schedules of Revenues and Expenses by Category

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. As part of an audit in accordance with these standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Authority's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- To propose adjusting or correcting journal entries to be reviewed and approved by management
- To assist management with drafting the financial statements based on the entity's trial balances

We will not assume management responsibilities on behalf of the Authority. However, we will provide advice and recommendations to assist management of the Authority in performing its responsibilities.

The Authority's management is responsible for: (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards and
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the Authority's basic financial statements. Our report will be addressed to the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinion on the basic financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

If it is determined a Single Audit is needed subsequent to this engagement letter, we will provide the Authority with another engagement letter covering the terms and conditions related to a Single Audit and the Uniform Guidance.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Provisions of Engagement Administration, Timing, and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

Scott Manno, CPA, CGMA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising our firm's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for the audit will be \$21,310. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Authority's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Board of Directors
Palos Verdes Peninsula Transit Authority

Our fee for this engagement assumes the following: the Authority will be adequately prepared for the audit and the Authority's financial operations and working trial balance will be consistent from year to year. If, after we receive the working trial balances, we notice there are excessive new accounts over the prior year; or if there are excessive subsequent journal entries; prepared by client workpapers that do not agree to the working trial balances, there are new funds/functions within the Authority, or other changes that necessitate a significant amount of time to address, we will need to come to an agreed-upon change order to address any possible additional costs incurred by the firm. If the need for additional work does come to our attention, we will immediately notify Authority staff. If you choose to have us perform the additional work, then such work will be performed at the same hourly rates applicable to the audit work and set forth in an addendum to the contract between the Authority and our firm.

Management is also responsible for the implementation of new standards issued by the Governmental Accounting Standards Board. We will provide reasonable assistance in the preparation of the items noted herein, but any significant time needed to complete the financial statements will be billed separately.

Our proposed fee is also dependent on all items requested being completed in the format requested or in a mutually agreed upon format and uploaded to the Engagement Organizer hosted by our firm in a timely manner in accordance with the agree-upon audit timeline.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report. Upon expiration of this period, we will be free to destroy our records related to the engagement. However, we do not keep original client documents, so we will return those as they are used during each engagement. It is management's responsibility to retain and protect the records for possible future use, including examination by regulators and federal agencies.

We require that a copy of the final trial balance (i.e., a trial balance ready to audit) be delivered to us at least 10 business days prior to the start of the audit, otherwise we may reschedule the start of the audit.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Board of Directors
Palos Verdes Peninsula Transit Authority

The audit documentation for this engagement is the property of our firm and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators, federal agencies, and to the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Rogers, Anderson, Malody & Scott, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulators. The regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Non-solicit Clause

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train and retain our employees. We respectfully request that you do not solicit our employees to work for you. If you do hire one of our employees within 2 years of when they last worked for our firm, we will be due a finder's fee equal to 50% of the annual salary they were earning as of their last day of employment. Payment will be due within 10 days of your receipt of our invoice.

To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

International Alliance Membership

Our firm is an independent member firm of Alliot Global Alliance, which is an international alliance of independent accounting, law, and specialist firms. Alliot Global Alliance and its member firms are legally distinct and separate entities. These entities are not and shall not be construed to be in the relationship of a parent firm, subsidiary, partner, joint venture, agent, or a network. No Alliot Global Alliance member firm has any authority (actual, apparent, implied, or otherwise) to obligate or bind Alliot Global Alliance or any other Alliot Global Alliance member firm in any manner whatsoever. Equally, neither Alliot Global Alliance nor any other member firm has any authority to obligate or bind us or any other member firm. All Alliot Global Alliance members are independent firms, and as such, they each render their services entirely on their own account (including benefit and risk). In connection with the engagement contemplated by this letter or any other services from time to time provided by us, we may seek advice from or may recommend the retention of an Alliot Global Alliance member firm. Alliot Global Alliance and its other member firms shall have no liability for advice rendered by us or such consulted or retained Alliot Global Alliance member firm. Nor shall we have liability for advice rendered by any of the other Alliot Global Alliance member firms, even if consulted or recommended to you by our firm.

Board of Directors
Palos Verdes Peninsula Transit Authority

Please sign and return this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities. Keep a copy for your records.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Rogers, Anderson, Malody & Scott, LLP.

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Palos Verdes Peninsula Transit Authority by:

Name: _____

Title: _____

Date: _____

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 4, 2021

To the Partners of Rogers, Anderson, Malody & Scott, LLP, and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.

Grant Bennett Associates

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants



www.gbacpa.com

10850 Gold Center Drive. Suite 260
Rancho Cordova, CA 95670
916/922-5109 FAX 916/641-5200

Princeville, HI 96722
888/769-7323

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MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: May 23, 2023
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.

FINDINGS

According to the Authority's auditor's, RAMS CPA, no changes to the Authority's Investment Policy are required 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 May 31, 2023)

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 May 31, 2023, 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: May 24, 2023

SUBJECT: **A RESOLUTION OF THE EXECUTIVE BOARD OF PALOS VERDES PENINSULA TRANSIT AUTHORITY RESCINDING ITS PROCLAMATION OF AN EMERGENCY**

BACKGROUND

On May 21, 2020, the Board of Directors issued a Resolution proclaiming an emergency due to the COVID-19 pandemic.

On February 28, 2023, Governor Newsom issued a proclamation terminating the state's COVID-19 State of emergency.

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution of the Executive Board of the Palos Verdes Peninsula Transit Authority rescinding its proclamation of an emergency.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALOS VERDES
PENINSULA TRANSIT AUTHORITY RESCINDING ITS PROCLAMATION OF
AN EMERGENCY**

The Board of Directors of the Palos Verdes Peninsula Transit Authority (“PVPTA”) does resolve as follows:

1. Findings. The Board of Directors hereby finds and declares the following:

A. On February 28, 2023, Governor Newsom issued a proclamation terminating the state’s COVID-19 State of Emergency.

B. As a result of the Governor’s proclamation, the Board of Directors has determined that the state of emergency determined by its Resolution of May 21, 2020, should also be terminated.

2. Action. The Board of Directors hereby:

A. Terminates the state of emergency established by its Resolution May 21, 2020.

3. Adoption. PASSED AND ADOPTED at a meeting of the Executive Board of the Palos Verdes Peninsula Transit Authority held on May 31, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DAVID BRADLEY, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
MARTIN GOMBERT, ADMINISTRATOR

By: _____

By: _____

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: May 26, 2023
SUBJECT: Proposed Budget for Fiscal Year 2023-24

BACKGROUND

The May 31, 2023, meeting for the consideration and adoption of the Fiscal Year 2023-24 budget has been duly advertised. It includes a static level of service and no proposed changes in fares.

FY 2023-2024 BUDGET REVIEW

The attached budget document shows the current year budget (Column A) and the proposed budget (Column B) on a line-item basis for expenditures and anticipated revenues.

Operating expenses are planned to increase 8% over FY 2023 budgeted totals.

- Contracted Services: The cost of our contract with MV Transportation is estimated to cost \$1,697,000, a 4% increase over FY 2023 budget amounts.

Dial-A-Ride contractor fees (line 2) are assumed to be 15% below FY 2023 budgeted amounts due to lower ridership.

- Facility Lease Cost: The lease cost of the parking lot at the L.A. County Sanitation District (line 4) facility has increased 4% per contract.
- Fuel Cost: The budget assumes 32% increase in fuel cost (line 5) for the fiscal year. The budget assumes a CNG cost of \$5.82 per gasoline-gallon-equivalent (GGE).
- Administrative Costs: Total administrative costs (line 7) are slightly increased (3%) from the FY 2023 budget.

- Depreciation Expense: This amount (line 13) is from accounting staff estimates. Actual depreciation amounts may be different depending on delivery of new vehicles during the year.

- Capital Program: The proposed FY 2024 capital program is described below.

Four new transit vehicles will replace vehicles purchased in 2012 that have reached the end of their useful life. The estimated cost per vehicle is \$200,000.

\$60,000 is budgeted for major component repairs of Authority vehicles that have exceeded their useful life. These repairs include replacement of engines, transmissions, and other major components.

SUPPORT FUNDING SOURCES

Support funding from Member Agencies has increased 10% from FY '23. This is the first increase requested in three years.

The budget includes \$251,123 in carry-over American Rescue Plan (ARP) funding.

ROUTE AND SCHEDULE CHANGES

Minor route and schedule changes will be made to improve schedule adherence and meet passenger demand.

PASSENGER FARES

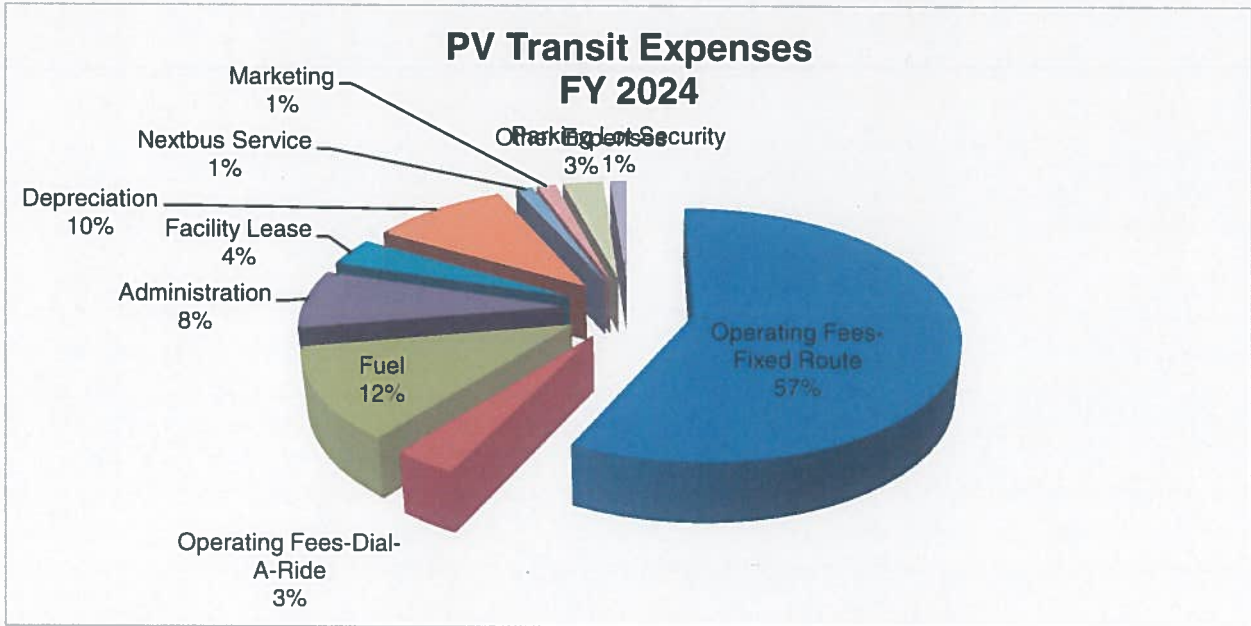
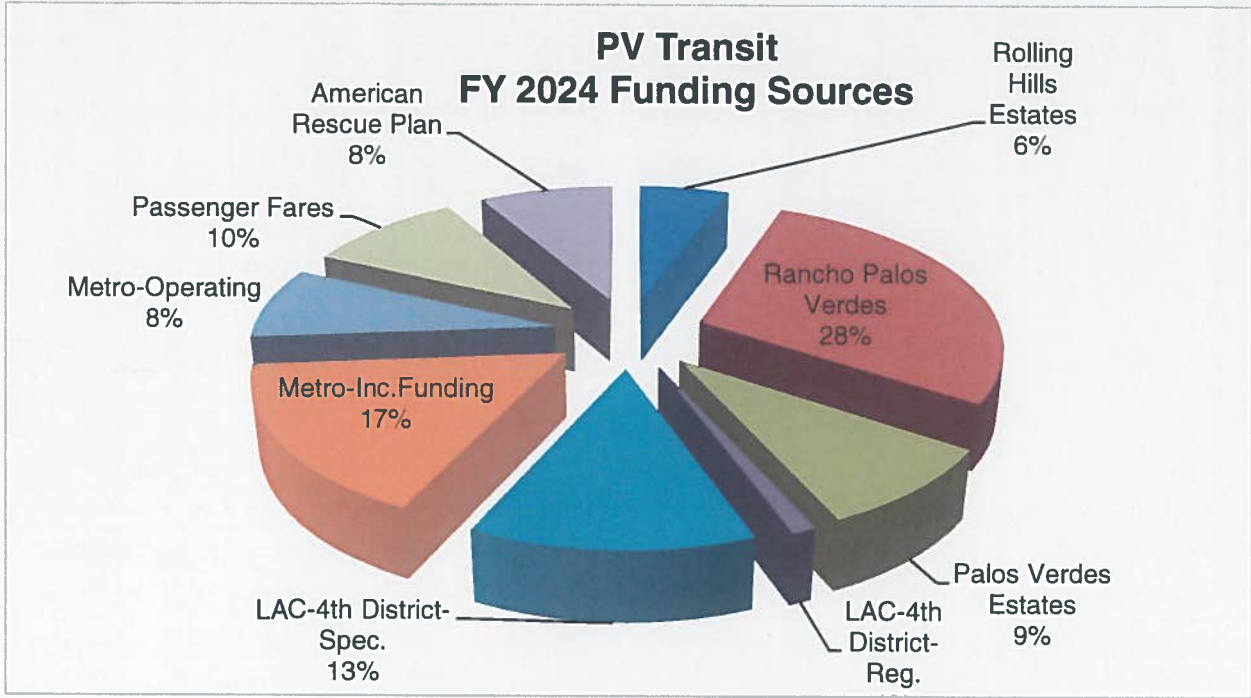
Passenger revenues are budgeted at \$292,930 for FY '24. This is a slight increase from estimated FY '23 passenger revenue numbers.

The proposed prices for fixed route and dial-a-ride fees are shown in the attachment. The following items are noted:

- No increases in fixed route or dial-a-ride fares are proposed.

RECOMMENDATION

Adopt the Fiscal Year 2023-24 budget in the amount of \$2989,937 for operations and \$860,000 for capital. Adopt the proposed PVPTA fare structure.



Attachments:

- Proposed FY 2023-24 Budget
- Proposed PVPTA Fare Structure

**PALOS VERDES PENINSULA TRANSIT AUTHORITY
PROPOSED BUDGET
FISCAL YEAR 2023-24**

	FY 2022-23 APPROVED Budget	FY 2023-24 DRAFT Budget	CHANGE	% Change
EXPENDITURES				
Operations Expense				
1 Oper. Fees-Fixed Rt	\$ 1,625,901	\$ 1,697,500	\$ 71,599	4%
2 " " -DAR/DAL	118,174	\$ 100,000	\$ (18,174)	-15%
3 " " - Charter	15,000	10,000	\$ (5,000)	-33%
4 Facility Lease	103,916	108,072	\$ 4,157	4%
5 Fuel	265,200	350,064	\$ 84,864	32%
6 Total Operations	\$ 2,128,190	\$ 2,265,636	\$ 137,446	6%
Administrative Exp.				
7 Admin. - General	\$ 217,536	\$ 224,062	\$ 6,526	
8 Marketing	40,314	41,524	\$ 1,209	
9 Nextbus Service	35,774	36,847	\$ 1,073	
10 Parking Lot Security	-	36,000	\$ 36,000	
11 Other Operating Expenses	84,872	88,018	\$ 3,146	
12 Total Administration	\$ 378,496	\$ 426,451	\$ 47,955	13%
13 Depreciation Expense	260,742	297,850	\$ 37,108	
TOTAL EXPENDITURES	\$ 2,767,428	\$ 2,989,937	\$ 222,509	8%
REVENUES				
14 Farebox	\$ 230,710	\$ 235,930		
15 Charter sales	20,000	20,000		
16 Dial-A-Ride Fares	47,170	37,000		
17 Total Sales	\$ 297,880	\$ 292,930		
18 Other Revenue	14,000	14,000		
TOTAL REVENUES	\$ 311,880	\$ 306,930	\$ (4,950)	-2%
SUPPORT FUNDING REQ.	\$ 2,455,548	\$ 2,683,007	\$ 227,459	9%
19 Operating Res.Reqmnt		7,946		
CAPITAL PROGRAM	240,000	\$ 860,000		
TOTAL FUNDING REQ.	\$ 2,695,548	\$ 3,550,953	\$ 855,405	32%
SUPPORT FUNDING SOURCES				
Source:	<u>FY 2023</u>	<u>FY 2024</u>		
Rolling Hills Estates	\$ 152,249	\$ 167,474		
Rancho Palos Verdes	774,570	852,027		
Palos Verdes Estates	245,543	270,097		
LAC-4th District-Reg.	32,200	32,200		
LAC-4th District-Spec.	376,000	376,000		
Metro-Inc.Funding	440,244	500,406		4/18/23 Funding Marks
Metro-Operating "	241,625	241,625		
American Rescue Plan	213,568	251,123		\$251,123 Carry-over to FY' 24
Prop. A Fund Exchange	-	-		
SUPPORT FUNDING	\$ 2,551,571	\$ 2,690,952	\$ 139,381	5%
From Capital Reserve	\$ 47,732	\$ 860,000		
TOTAL FUNDING	\$ 2,599,303	\$ 3,550,952		

PVPTA FARE STRUCTURE
Effective 7/1/23

<u>Cash Fares</u>	<u>Current</u>	<u>Proposed</u>
Cash/Token	\$ 2.50	N/C
Senior/Disabled	\$ 1.00	N/C

<u>Transfers</u>	<u>Current</u>	<u>Proposed</u>
PV bus to PV bus	\$ -	\$ -
Muni Transfer	\$ 0.25	N/C

<u>Transit Passes</u>	<u>Current</u>	<u>Proposed</u>
Monthly Pass	\$ 78	N/C
<u>Summer Pass</u>		
-Intermedidate School	\$ 78	N/C
-High School per session	\$ 47	N/C

<u>Semester Pass</u>	<u>Current</u>	<u>Proposed</u>
One	\$ 295	N/C
Two in Family	\$ 290	N/C
Three in Family	\$ 280	N/C

<u>Annual Pass</u>	<u>Current</u>	<u>Proposed</u>
One	\$ 590	N/C
Two in Family	\$ 580	N/C
Three in Family	\$ 560	N/C

<u>Other</u>	<u>Current</u>	<u>Proposed</u>
PV DAR Card	\$ -	\$ -
(for use on PV buses)		
Access Services Card	\$ -	\$ -
EZ Pass (225-226)	\$ -	\$ -
Lost Pass Fee	\$ 10.00	\$ 10.00

<u>Dial-A-Ride</u>	<u>Current</u>	<u>Proposed</u>
Registration Fee	\$ 10	N/C
(initial registration only)		
Voucher	\$ 6	N/C

<u>Charter Service</u>	<u>Current</u>	<u>Proposed</u>
Cost Per Hour	\$ 77.60	\$ 79.93
(5 Hour minimum)		

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: May 26, 2023
SUBJECT: Amendment Number Seven with MV Transportation

BACKGROUND

In 2015 the Authority awarded a contract for the operation of PV Transit to MV Transportation for the period of five years plus three one-year extensions. This contract will end on June 30, 2023.

Staff has been planning on issuing a Request for Proposal (RFP) that would start the new contract on July 1, 2023. This was delayed because MV Transportation had not completed their labor negotiations with the Teamsters. State Labor Code 1070 requires that wage and benefit information for current employees be available to potential contract bidders. MV completed negotiations and submitted Labor Code 1070 to the Authority last month.

Because of the delay in receiving state-required labor information, staff will be issuing the RFP in June with an anticipated start date of January 1, 2024. This will require a six-month extension with MV Transportation.

In the past three years the Board has approved the following Amendments to the MV Agreement:

- Amendment Two approved on June 25, 2020
- Amendment Three approved on September 24, 2020
- Amendment Four approved on May 27, 2021.
- Amendment Five, which increased operator wage rates, was approved by the Administrator on April 1, 2022 after review with the Chairperson.
- Amendment Six approved on June 25, 2022

Proposed Amendment Number Seven

The proposed contract amendment would run from July 1, 2023 through December 31, 203, 2023. Hourly and fixed cost would be increased 8.3 percent as shown below:

	Current	Proposed
Monthly Fixed Cost	\$23,586	\$25,341
Cost Per Revenue Hour	\$69.40	\$75.32
Charter Cost per hour	\$36.51	\$39.62

MV would not invoice for supplement wages after June 30, 2023. The new labor rates are including in their revised pricing.

During the Pandemic, replacement vehicles have been delayed due to manufacturer issues. Amendment Seven allows MV to invoice the Authority for major component repairs for vehicles that have exceeded their useful life (10 years of age or 200,000 miles). Any repairs would require pre-approval by the Authority.

FINANCIAL IMPACT

The estimated cost of the transit contract for FY 2023-24 is \$1,697,500. This is based on a full year of operations.

The original Agreement with MV Transportation had a total contract value (5 years) of \$9,394,405. The revised value of the Agreement would be \$11,919,067.

The FY 2023-24 budget contains sufficient funds for the proposed operating costs.

RECOMMENDATION

Approve Amendment Number Seven to the MV Transportation Contract Services Agreement.

**AMENDMENT NUMBER SEVEN (7)
TO
MV TRANSPORTATION CONTRACT SERVICES AGREEMENT**

August 1, 2015 Agreement

This amendment to the August 1, 2015 Agreement is made and entered into by and between the PALOS VERDES PENINSULA TRANSIT AUTHORITY, hereinafter referred to as "Authority", and MV Public Transportation, Inc., hereinafter referred to as "MV".

WITNESSETH

Whereas, on August 1, 2015, Authority and MV entered into an Agreement to provide transportation; and

WHEREAS, the Agreement expires June 30, 2023; and

WHEREAS, the Authority and MV have agreed on pricing for option for a six month extension.

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

Section 2-Term:

Term shall be from July 1, 2023 to December 31, 2023.

Section 3-Compensation: The cost shall be changed as shown below:

Hourly and Monthly Rates

- | | |
|--|--|
| • July 1, 2023 through December 31, 2023 | \$75.32 per revenue hour |
| • July 1, 2023 through December 31, 2023 | \$25,341 monthly fixed costs |
| • July 1, 2023 through December 31, 2023 | \$39.62 per revenue hour for charter service |

Major Component Repairs

- Effective July 1, 2023 through December 31, 2023 MV will adhere to the following process in order to be considered for reimbursement for major component repairs of Authority owned revenue vehicles (cutaway) that have reached or exceed 200,000 miles and/or ten years of age.
- MV informs Authority of vehicle needing major component repair.
- Authority confirms mileage/age and repair qualification.
- Authority pre-approves qualifying repair.
- MV repairs vehicle and invoices Authority with receipts and work orders to document repair.
- Authority reviews documentation and approves qualifying repairs.

The Agreement Sum shall be increased to \$11,919,067.

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 WITNESS THEREOF, the parties hereto have caused this Amendment Number Six to be executed by their respective Officers, duly authorized, by the Authority on May 31, 2023 and by MV on _____.

MV Public Transportation, Inc.

Date _____ By _____

PALOS VERDES PENINSULA TRANSIT AUTHORITY

Date _____ By _____

MEMORANDUM

TO: Board of Directors

FROM: Martin Gombert, Administrator

DATE: May 25, 2023

SUBJECT: **Zero-Emission Bus (ZEB) Rollout Plan**

Recommendation

Approve the Palos Verdes Peninsula Transit Authority's (ICT) Rollout Plan.

Analysis

The California Air Resources Board (CARB) issued the Innovative Clean Transit (ICT) regulation on October 1, 2019 requiring public transit agencies to gradually transition their fleets to zero-emission technology (ZEB). The ZEB purchase requirements begin in 2023 for large transit agencies and 2026 for small transit agencies. The ICT Regulation defines large agencies as having at least 100 buses in annual maximum service operated in an urbanized area with a population of at least 200,000. All other are small transit agencies.

Small Transit Agencies must begin transitioning to zero-emissions fleet based on the schedule laid out in the ICT regulation as described below:

January 1, 2026: 25% of all new bus purchases must be zero-emissions.

January 1, 2029: 100% of all new bus purchases must be zero-emissions.

January 2, 2040: 100 % of fleet must be zero-emissions.

The ICT Regulation requires each transit agency to submit a complete Zero-Emission Rollout Plan before ZEB purchase requirements take effect. The Plan should be a living document to help guide the implementation of zero-emissions bus fleets.

CARB issued guidance to support transit agencies in preparing their Rollout Plans. The guidance stipulates that agencies' plans provide responses in the following nine areas:

Section A: Transit Agency Information

Section B: Rollout Plan General Information
Section C: Technology Portfolio
Section D: Current Bus Fleet Composition and Future Bus Purchases
Section E: Facilities and Infrastructure Modifications
Section F: Providing Service in Disadvantaged Communities
Section G: Workforce Training Section
Section H: Potential Funding Sources
Section I: Start-up and Scale-up Challenges

Each Rollout Plan must include all of the required components and must be approved by the transit agency's governing body through the adoption of a resolution, prior to submitting it to CARB. Large transit agencies must submit their approved plans by July 1, 2020 and smaller agencies by July 1, 2023.

**A RESOLUTION OF THE EXECUTIVE BOARD OF
PALOS VERDES PENINSULA TRANSIT
AUTHORITY (PVPTA) ADOPTING THE ZERO-
EMISSION BUS (ZEB) ROLLOUT PLAN
Resolution #2023-02**

The Executive Board of the Palos Verdes Peninsula Transit Authority does resolve as follows:

1. **Findings.** The Executive Board hereby finds and declares the following:
 - a. On October 1, 2019, the California Air Resources Board (CARB) issued the Innovative Clean Transit (ICT) Regulation, which requires public transit agencies to transition to a 100 percent zero-emission bus (ZEB) fleet by 2040.
 - b. The ICT includes the following requirements for bus purchases for small transit such as PVPTA:
 - i. 25 percent of all new bus purchases must be zero-emission by January 1, 2026;
 - ii. 100 percent of all new bus purchases must be zero-emission by January 1, 2029;
 - iii. 100 percent of fleet must be zero-emission by January 1, 2040; and
 - iv. Annual compliance reports must be submitted to CARB by March of every year from 2022 to 2050.
 - c. The ICT Regulation requires each agency to submit a ZEB Rollout Plan (“Rollout Plan”) to CARB by July 1, 2023. The Rollout Plan is a living document intended to guide the agency’s conversion to a ZEB fleet.
 - d. CARB issued guidance to support transit agencies in preparing their Rollout Plans. The Rollout Plan includes the following components:
 - i. Transit agency information, including PVPTA’s operations and service area;
 - ii. Current bus fleet composition and bus procurement plan through 2040;

- iii. Facilities and Infrastructure Modifications, including a description of each operating and maintenance facility and potential facility modifications needed to support a ZEB fleet;
 - iv. Service provided in disadvantaged communities (DACs) that are affected by existing and future ZEB deployment.
 - v. Workforce training, which provides background on personnel training requirements for ZEB implementation;
 - vi. Costs and funding opportunities, which outlines estimated costs and potential funding sources for ZEB implementation.
- e. The Rollout Plan must be approved by the transit agency's governing body through the adoption of a resolution prior to submission to CARB.

2. **Action.** The Executive Board hereby:

- a. Adopts the CARB Zero-Emission Rollout Plan and approves it for submission to CARB.

3. **Adoption.** PASSED AND ADOPTED at a meeting of the Executive Board held on May 31, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

DAVID BRADLEY, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
Martin Gombert, Administrator

By: _____

By: _____

Zero-Emission Bus Rollout Plan



Prepared For:



Prepared By:



May 2023

Section A. Transit Agency Information

Palos Verdes
Peninsula Transit
Authority

Air District: South Coast Air Quality Management District

Total Number of Buses in Annual Maximum Service: 21

Contact Information :

Martin Gombert
Administrator
310-544-7108
transit@pvtransit.net

Joint Group: The PVPTA is not part of a Joint Group.

Section B. Rollout Plan General Information

The PVPTA has a goal to fully transition to zero-emission buses ahead of the 2040 deadline to begin purchasing only zero-emission technologies. The Authority plans to fully transition to 100% battery-electric buses (BEB) between 2026 and 2039. This transition will not entail early retirement of any Authority vehicles.

This plan was prepared by Authority staff. A copy of the board approved resolution was approved on May 31, 2023 and is attached in Appendix A.

For any additional information regarding the Rollout Plan, please contact:

Martin Gombert
Administrator
310-544-7108
transit@pvtransit.net

Section C. Technology Portfolio

Types of zero-emission bus technologies to be deployed through 2040

The Authority will be purchasing a total of twenty-seven BEB buses to replace 27 existing CNG and LPG small and medium size buses. The Authority's Fleet Management Plan focuses on replacing its existing cutaways between 2026 and 2039.

Section D. Current Bus Fleet Composition and Future Purchase

Existing Bus Fleet

The PVPTA operates seven routes throughout the Palos Verdes Peninsula and San Pedro. Service is only provided on weekdays. Route 225-226 operates throughout the day and all other routes operate on during peak periods.

A map of the Agency's routes is shown below:



The PVPTA currently has a total of twenty-one (21) vehicles and seven (7) on order for delivery in FY' 24. The model years for the vehicles range from 2008 to 2021 as seen in **Table 1: Individual Bus Information of Current Bus Fleet**.

Table 1: Individual Bus Information of Current Bus Fleet

Number of Buses	Engine Model Year	Bus Model Year	Fuel Type	Bus Type
5	2012	2012	CNG	Cutaway
2	2008	2008	CNG	Bus
5	2013	2013	CNG	Cutaway
1	2014	2014	CNG	Bus
1	2017	2017	CNG	Bus
3	2017	2017	CNG	Cutaway

Number of Buses	Engine Model Year	Bus Model Year	Fuel Type	Bus Type
1	2019	2019	CNG	Cutaway
1	2020	2020	CNG	Cutaway
2	2021	2021	CNG	Cutaway

Currently GreenPower EV250 buses are being considered as BEB replacements for existing cutaway buses as seen in **Table 2: Future Bus Purchases**. GreenPower EV250 Small Buses are approximately 30-32 feet long with a seating capacity of 26. The GreenPower EV250 bus has a battery capacity of 260 kWh and an advertised battery consumption rate of 1.6 kWh/mi. It has a 163-mile range per manufacturer claims and is estimated to cost \$460,192.00 (after a state HVIP Program voucher) as shown in **Table 3: Range and Estimated Costs of Future ZEB Purchases**. The PVPTA will not be converting any conventional buses to zero-emission buses as shown in **Table 4: Schedule of Converting Buses to Zero-Emission Buses**.



Table 2: Future Bus Purchases (by Delivery Date)

Timeline	Total Number of Buses to Purchase	Number of ZEB Purchases	Percentage of Annual ZEB Purchase	ZEB Bus Type	ZEB Fuel Type	Charging Technology	Number of Conventional Bus Purchase	Percentage of Annual Conventional Bus Purchases	Type(s) of Conventional Buses	Fuel Type(s) of Conventional Buses
2026	3	3	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2027	2	2	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2028	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2029	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2030	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2031	2	2	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2032	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2033	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2034	2	2	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2035	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2036	2	2	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A

Timeline	Total Number of Buses to Purchase	Number of ZEB Purchases	Percentage of Annual ZEB Purchase	ZEB Bus Type	ZEB Fuel Type	Charging Technology	Number of Conventional Bus Purchase	Percentage of Annual Conventional Bus Purchases	Type(s) of Conventional Buses	Fuel Type(s) of Conventional Buses
2037	1	1	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2038	7	7	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A
2039	5	5	100%	Small Bus	EV	Plug-in Garage Charging	N/A	N/A	N/A	N/A

Table 3: Range and Estimated Costs of Future ZEB Purchases (by Delivery Date)

Timeline	Number of ZEBs	Bus Type(s)	Advertised BEB Range (Miles)	Estimated Cost of Each Bus
2026	3	Small Bus	163	\$460,192
2027	2	Small Bus	163	\$460,192
2028	1	Small Bus	163	\$460,192
2029	1	Small Bus	163	\$460,192
2030	1	Small bus	163	\$460,192
2031	2	Small bus	163	\$460,192
2032	1	Small bus	163	\$460,192
2033	1	Small bus	163	\$460,192
2034	2	Small bus	163	\$460,192
2035	1	Small bus	163	\$460,192
2036	2	Small bus	163	\$460,192
2037	1	Small bus	163	\$460,192
2038	7	Small bus	163	\$460,192
2039	5	Small bus	163	\$460,192

Table 4a: Schedule of Converting Conventional Buses to Zero-Emission Buses

Timeline	Number of Buses	Bus Type	Removed Propulsion System	New Propulsion System
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

Performance Analysis

To determine whether the available battery size for the GreenPower EV250 would be sufficient to operate The Authority’s existing bus service, we estimated the vehicle’s range using its advertised battery consumption rate per mile as well as a battery consumption rate per mile was estimated to reflect real world conditions. The table below, **Table 5: Estimated Battery Consumption Rates**, summarizes expected battery consumption rates for a new vehicle without battery degradation compared to an older one with degradation. The battery consumption rates in this analysis were informed by operational data for other similar battery-electric models in relation to their advertised performance. Performance data specific to the GreenPower EV250 was not available.

Table 5: Estimated Battery Consumption Rates

	Estimated Range in Miles (advertised battery consumption 1.6 kWh/mi)	Estimated Range in Miles (adjusted battery consumption 1.79 kWh/mi)
Reduce capacity: 20% for usability	130 mi	116 mi
Reduce capacity: 20% for usability and 18% for degradation	107 mi	95 mi

Daily mileage for the Authority’s vehicle schedules were then calculated to assess whether battery sizes would be compatible with existing service using the estimated real world battery ranges in **Table 5**. This analysis is shown in **Table 6: Vehicle Schedule Analysis**.

Table 6: Vehicle Schedule Analysis

Route	Run	Vehicles	Total Distance (Miles)	Total Daily Energy Needed (kWh)	Total Required Daily Charging Time (Minutes)
Blue	A	1	87	139-248	133-238
Blue	B	1	69	110-197	106-190
Gold	A	1	103	165-294	159-283
Green	Western	1	51	82-146	79-141
Green	A	1	94	150-269	144-259
Green	B	1	86	138-246	133-237
Green	C	1	49	78-140	75-135
Green	BB	1	50	80-143	77-138
Silver	A	1	86	138-146	133-141
White	A	1	94	150-269	144-259
White	B	1	100	160-286	154-275
White	C	1	48	77-137	74-132
225	1	1	117	187-334	180-322
225	2	1	116	186-332	179-320
225	3	1	116	186-332	179-320
225	4	1	142	227-406	219-391
Orange	A	1	55	88-157	85-151
Orange	B	1	81	130-232	125-223
Orange	C	1	48	77-137	74-132

All of the above bus runs, except Route 225, operate split shifts and can be recharged during the midday.

The total mileage per day per vehicle exceeds the estimated mileage available on a full charge for a GreenPower EV250 bus in some cases, the addition of midday charging at the bus facility during layovers is expected to be sufficient to operate all schedules, even with battery degradation over time.

Section E. Facilities and Infrastructure Modifications

The Authority has two bus parking lots. The facility at 38 Crest Road West, Rolling Hills can store up to ten buses. The second facility is located at the Los Angeles County Sanitation District facility on Figueroa Avenue just south of Sepulveda in Carson. Up to sixteen vehicles are stored at this facility.

The Authority has begun discussions with the Los Angeles County Sanitation District (LACSD) to construct an EV charging facility on District property along Hawthorne Boulevard in Rolling Hills Estates. The initial plan would be to install four (4) ChargePoint Express 250 Stations (62.5 kW) at this location to charge between 5 and 7 vehicles.

The long-term plan is to install an EV charging facility at the Authority’s parking lot located at the Los Angeles County Sanitation Districts (LACSD) Joint Water Pollution Control Plant in Carson, CA. The LACSD

will begin design of an EV charging facility in mid-2024.

Shown below (Figure 1) is the proposed parking and charging location and the LACSD facility on Hawthorne Boulevard.

Figure 1: Potential Parking Lot and EV Charging Location



The PVPTA and LACSD have started preliminary discussions on this location. A facility drawing showing parking locations and charging stations is under development.

Table 7: Facilities Information and Construction Timeline

Facility Name	Address	Main Function	Types of Infrastructure	Service Capacity	Needs Upgrade (Y/N)	Estimated Construction Timeline	Electric Utility Company
Transit Facility	Hawthorne Boulevard, Rolling Hills Estates	Storage and charging for both vans and buses	4 plug-in depot chargers will be installed	4-6 buses after installation of charging stations	Yes	2026	Southern California Edison

Bus operations and maintenance is currently contracted out to MV Transportation, a passenger transportation services company, and is conducted off-site. It is anticipated that this will continue to be the case following transition to all BEBs. MV Transportation has experience with maintaining battery electric

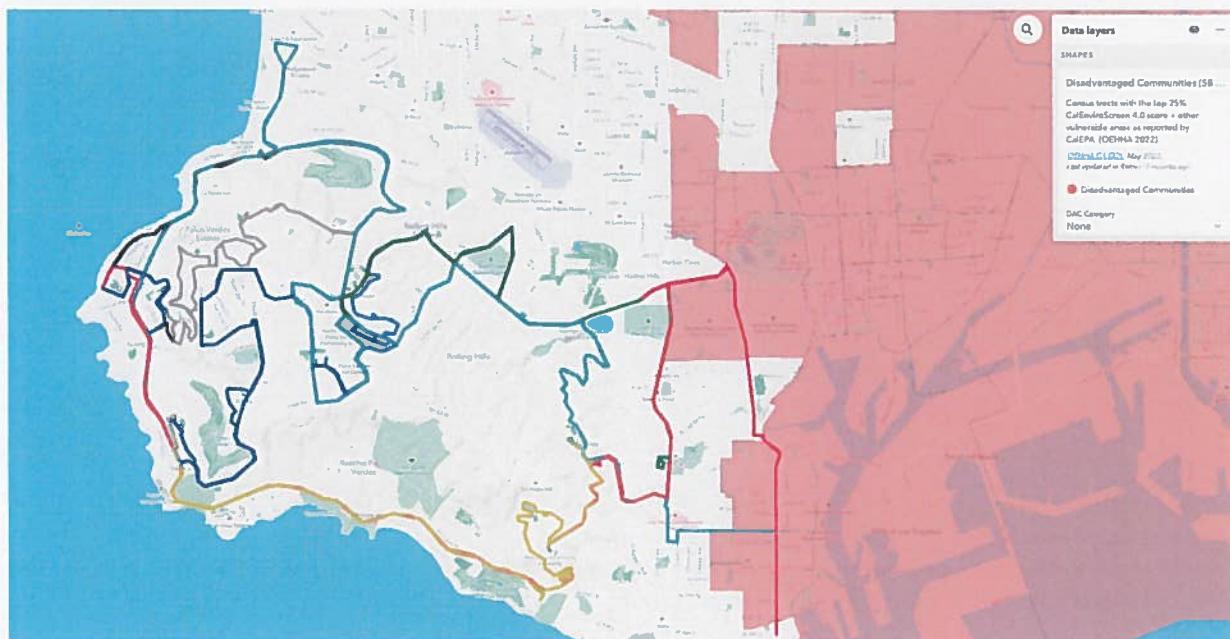
buses for agencies similar in scale and circumstance to the PVPTA. Therefore, the Authority does not anticipate changes to its current maintenance procedures

Section F. Service in Disadvantaged Communities

According to the California Office of Environmental Health Hazard Assessment (OEHHA), disadvantaged communities are defined as the top 25% in terms of scoring in the CalEnviroScreen. CalEnviroScreen is a tool that identifies communities that are most vulnerable to pollution by using environmental, health, and socioeconomic data to produce a score for every census tract within the state of California.

According to the OEHHA Disadvantage Communities map, there are no disadvantaged communities within the Palos Verdes Peninsula but there are in San Pedro, as shown in **Figure 2: PVPTA Disadvantaged Communities Map**. PV Transit's Orange Line and Route 225 serve ten census tracks in San Pedro that are Disadvantaged Communities.

Figure 2: PVPTA Disadvantaged Communities Map



Section G. Workforce Training

Workforce training will be the responsibility of MV Transportation, the contracted bus service provider, who has experience with maintaining battery electric buses for agencies similar in scale and circumstance to the PVPTA. Therefore, the Authority will not be directly responsible for conducting workforce trainings.

The PVPTA is a member of the California Transit Training Consortium (CTTC) They are non-profit corporation that provides technical training for the transit industry. The Consortium is comprised of 34 public transportation agencies and 18 educational institutions across California, and six private industry partners, all leaders in the advanced technology arena.

The majority of training classes are online. The courses focus on workforce development of transit technicians as well as the advancing technologies required to meet the State's Greenhouse Gas (GHG) reduction goals for zero emission heavy-duty fleets by 2045.

Training classes can be accessed by our contractor at no cost to the Authority.

Section H. Potential Funding Sources

Existing Funding

Carl Moyer Program

The Carl Moyer Program offers grant funding for cleaner engines, equipment, and other sources of air pollution reduction.¹

Southern California Edison Ready Charge Program

The Charge Ready program supports businesses or organizations for installation of EV charging equipment. Public Sector properties are eligible for two both the Charge Ready Program and the Charging Infrastructure and Rebate Program.²

California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)

The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) supports deployment of zero-emission and near-zero-emission technologies by facilitating point-of-purchase price reductions. The program is administered by CALSTART behalf of California Air Resources Board (CARB).

Low Carbon Fuel Standard (LCFS)

The LCFS program is administered by CARB to help mitigate greenhouse gas emissions. The program focuses on reducing GHG emissions and other toxic air pollutants by improving vehicle technology and supports reducing fuel consumptions while promoting transportation mobility options.

AB2766 Air Quality Improvement Funds

PVPTA Member Cities receives a per capita allocation of vehicle license fees collected by the South Coast Air Quality Management District (AQMD). These funds are reserved for transportation project and programs which reduce criteria air pollutants. These funds could be used for the purchase of ZEBs as well as charging infrastructure.

¹ California Air Resources Board. Source URL: <https://ww2.arb.ca.gov/our-work/programs/carl-moyer-program/air-quality-standards-attachment-program>

² Southern California Edison. Source URL: <https://www.sce.com/ev/business/chargeready/public>

Mobile Sources Reduction Committee (MSRC) Grants

The MSRC makes grant periodically available to local governments within the AQMD for the purpose of clean air projects. The Authority anticipates additional MSRC funds to purchase ZEBs in later years.

Los Angeles County Local Transportation Sales Taxes

Los Angeles County has four sales taxes devoted to transportation. Part of each sales tax has a “local return” portion which is distributed to each city based on statute and population. The City plans on using these funds for capital and operations of the transit fleet.

Table 8 details the costs associated with PVPTA’s Fleet Replacement Plan Funding for the plan may include Proposition A, HVIP, Air Quality Management District funds, MSRC, and FTA's Section 5310 program. Funding sources will be determined at a later date.

Table 8: PVPTA Transit Fleet Replacement

Project Expenditures	FY '26	FY '27	FY '28	FY '29	FY '30	FY '31	FY '33
ZEB Transit Bus	\$1,380,576	\$920,384	\$ 460,192	\$920,384	\$ 460,192	\$ 920,384	\$ 460,192
Total Project Cost	\$1,380,576	\$920,384	\$ 460,192	\$920,384	\$ 460,192	\$ 920,384	\$ 460,192
Project Revenues	FY '26	FY '27	FY '28	FY '29	FY '30	FY '31	FY '33
Funding TBD	\$1,380,576	\$920,384	\$ 460,192	\$920,384	\$ 460,192	\$ 920,384	\$ 460,192
Total Revenues	\$1,380,576	\$920,384	\$ 460,192	\$920,384	\$ 460,192	\$ 920,384	\$ 460,192
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Expenditures	FY '34	FY '35	FY '36	FY '37	FY '38	FY '39	Total
ZEB Transit Bus	\$ 920,384	\$460,192	\$ 920,384	\$460,192	\$3,221,344	\$2,300,960	\$13,805,760
Total Project Cost	\$ 920,384	\$460,192	\$ 920,384	\$460,192	\$3,221,344	\$2,300,960	\$13,805,760
Project Revenues	FY '34	FY '35	FY '36	FY '37	FY '38	FY '39	Total
Funding TBD	\$ 920,384	\$460,192	\$ 920,384	\$460,192	\$3,221,344	\$2,300,960	\$13,805,760
Total Revenues	\$ 920,384	\$460,192	\$ 920,384	\$460,192	\$3,221,344	\$2,300,960	\$13,805,760
Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Potential Additional Funding Sources

Federal Funding

Note: In LA County, small cities are generally not eligible to be direct recipients of federal funds but can receive funds as a sub-recipient through LA Metro.

- Low or No Emission (Low-No) Grant Program
- Grants for Buses and Bus Facilities Program
- Targeted Airshed Grants Program
- Clean Fuels Grant Program
- Energy Efficiency and Conservation Block Grant (EECBG)
- The Infrastructure Investment and Jobs Act – Carbon Reduction Program
- The Infrastructure Investment and Jobs Act – Grants for Charging and Fueling Infrastructure

State Funding

- California Energy Commission Clean Transportation Program
- Transit and Intercity Rail Capital Program (TIRCP)
- California Air Resources Board (CARB)
- California Climate Investments (CCI)
- Clean Mobility Options Voucher Pilot Program
- Low Carbon Transit Program (LCTOP)

Section I. Start-Up and Scale-Up Challenges

Resiliency Considerations

The PVPTA will also need to consider resiliency as it deploys BEBs. Because BEBs are reliant on electric charging, a power outage at the depot may mean that it would not be possible to provide scheduled service for those who depend on it. In addition, in recent years, there have also been an increasing number of power shut-offs due to wildfire risk from high winds during the dry season and excess energy usage during heat waves. If these trends continue into the future, as expected, this will only exacerbate the need for the Authority to have a strategy to charge buses during power outages.

Cost Considerations

While BEBs have a higher purchase price than CNG or gasoline-powered vehicles, maintenance and fuel costs tend to be lower. However, due to the nascent nature of the technology this, lower maintenance and fuel costs may not materialize as expected. Maintenance cost uncertainty may be somewhat mitigated because of the contract nature of the Authority's service. However, this remains an area of uncertainty that may present challenges during the transition period.

The Authority's most recent purchase of CNG-powered cutaway buses was for \$191,000 each. The estimated cost of a ZEB used in this Plan is \$460,192, a 240% increase. While cost may decline in the coming years as ZEB technology matures, the capital cost for a 100% ZEV fleet will be considerably higher than the existing fleet powered by legacy fuels.

Technological Maturity and Uncertainty

Cutaway BEBs are relatively newly available on the market, and their market may not be entirely mature in terms of product development. Given the small size of the transit market, manufacturers are targeting the commercial truck and van market for the development of ZEVs. It will be several years or longer before the technological advancements in the commercial truck and van market work their way into the transit market.

PV Transit's fleet consist primarily of cutaway buses built on Ford E550 chassis. These CNG-powered vehicles can carry up to twenty-four (24) seated passengers. Due to the heavy weight of battery packs, a similar size BEV can only accommodate 16 or fewer seated passengers. For the purposes of developing the Rollout Plan, we had to analyze the use of a larger (and more costly) vehicle that could carry the equivalent number of passengers as our existing fleet.

The BEV market will have to develop vehicles with higher capacity, lower weight, and lower costs than are currently available in the market to allow smaller transit agencies to transition to a 100% zero emission fleet as required by the CARB ITC regulations.

MEMORANDUM

TO: AUTHORITY MEMBERS
FROM: Martin Gombert, Administrator
DATE: May 26, 2023
SUBJECT: Proposition A Fund Exchange with the City of El Monte

BACKGROUND

Over the past fifteen years the Authority has approved sixteen Proposition A Fund Exchanges with cities in Los Angeles County

The City of El Monte recently contacted the Authority to see if they were interested in making a Proposition A Fund exchange. The City of El Monte proposed to exchange \$666,667 in Proposition A Local Return Funds for \$500,000 in general funds¹.

A copy of the Agreement is attached. The El Monte City Council will approve this Agreement at a meeting in June or July 2023.

FINANCIAL IMPACT

The exchange of funds will increase the Authority's revenue for FY 2023-24 by \$166,667.

The Authority has sufficient reserves to complete the fund transfer.

RECOMMENDATION

Staff recommends that the Board approve the Proposition A Assignment Agreement with the City of El Monte.

¹ The Authority will assume these funds came from the \$500,000 in fare revenue collected in FY 21 through FY 23.

PROPOSITION 'A' FUND EXCHANGE AGREEMENT

This Fund Exchange Agreement (Agreement) is made and entered into this 31st day of May 2023, by and between the Palos Verdes Peninsula Transit Authority (PVPTA) and the City of El Monte, with respect to the following facts:

- A. The PVPTA operates a municipal transit system and has a need for additional Proposition A Local Return funds to assist in the financing of its fixed route transit operations, and to provide funds for acquisition of a new transit related equipment.
- B. The City of El Monte has an accumulation of uncommitted Proposition A Local Return funds which could be made available to the PVPTA to assist in providing the project described in Paragraph A of this Agreement.
- C. In exchange for the transfer by the PVPTA of the amount of its general funds indicated in Section 1 below, the City of El Monte is willing to transfer uncommitted Proposition A Local Return funds to the PVPTA for the purpose identified in Paragraph A.
- D. The Los Angeles County Metropolitan Transportation Authority approved this Fund Exchange and the PVPTA's project description Form (Form A) covering the services discussed in Paragraph A above.

NOW THEREFORE, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Exchange. The City of El Monte shall transfer \$666,667 of its Fiscal Year 2022-2023 uncommitted Proposition A Local Return funds to the PVPTA. In return, the PVPTA shall transfer \$500,000 in general funds to the City of El Monte.
2. Consideration. The City of El Monte shall transfer the agreed upon Proposition A Local Return funds to the PVPTA in one (1) lump sum payment no later than December 31, 2023. The PVPTA shall transfer the agreed upon general funds to the City of El Monte in one (1) lump sum payment no later than December 31, 2023.
3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.
4. Termination. Termination of this Agreement may be made by either party prior to the transfer of funds pursuant to Section 2 of this Agreement, so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination.
5. Notices. Notices shall be given pursuant to this Agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

Mr. Bruce Foltz, Finance Director
11333 Valley Boulevard, El Monte, California 91731

Mr. Martin Gombert Administrator
PVPTA P.O. Box 2656 Palos Verdes Peninsula, California 90274

6. Assurances.

a. The PVPTA shall use the assigned Proposition A Local Return Funds only for the purpose of providing the project discussed in Paragraph A of this Agreement and within the time limits specified in Metropolitan Transportation Authority's Proposition A Local Return Program Guidelines.

b. Concurrently with the Execution of this Agreement, the PVPTA shall provide the Metropolitan Transportation Authority with the Standard Assurances and Understandings Regarding Receipt and Use of Proposition A Funds specified in the Guidelines regarding the use of the assigned Proposition A Local Return Funds.

7. Entire Agreement. This Agreement constitutes the entire understanding between the parties, with respect to the subject matter herein. This Agreement shall not be amended nor any provisions or breach hereof waived, except in writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Fund Exchange Agreement to be executed by their respective officers, duly authorized, on the day and year written above.

PALOS VERDES PENINSULA TRANSIT

CITY OF EL MONTE

By: _____
Chairperson

By: _____
Mayor

Attest:

Attest:

Martin Gombert, Administrator

Gabriel Ramirez, City Clerk
