

**AGENDA  
PALOS VERDES PENINSULA TRANSIT AUTHORITY  
REGULAR MEETING  
May 27, 2021**

**NOTE: PUBLIC PARTICIPATION INFORMATION**

*Pursuant to the Governor's Executive Order N-29-20, Board Members will be participating via teleconference.*

*Members of the public may listen to the meeting live by calling: (1-669-900-6833) from any phone, Meeting ID: 942 8112 8091, Meeting Password: 817923. (Please note you will not have the ability to speak using the call-in option from a phone line.)*

*Public correspondence may be emailed to transit@pvtransit.net. Emails received before 5:00 p.m. the night of the Board meeting will be forwarded to the Board of Directors for their consideration and included as part of the record.*

*- Members of the public who wish to speak during this meeting may join the Zoom meeting by accessing the Zoom app from a computer (downloaded at Zoom.com) or tablet or phone (downloaded in the App Store), by entering the following credentials: Meeting ID: 942 8112 8091, Meeting Password: 817923  
Members of the public who join the Zoom meeting will not have video, and may request to speak using the following process: After joining the Zoom meeting, if you wish to speak, please select the "raise hand" option at the lower portion of your screen. A staff member will send you a chat message to identify which item on the agenda you would like to speak on and will unmute your mic at the appropriate time.*

**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 (1-3):**

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

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	<b>Checks</b>	<b>Amount</b>
Apr. '21	7993-8015	\$131,233.01
May '21	8016-8030	\$142,973.82
<b>TOTAL</b>		<b>\$274,206.83</b>

2. Approval of April 22, 2021 Minutes
3. Operations Report as of April 30, 2021

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**Recommendation:** Approve Consent Calendar items

(10 mins) **ADMINISTRATOR REPORT:**

(45 mins) **REGULAR BUSINESS:**

**I. NEW BUSINESS**

1. 2021-22 Budget

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OPEN PUBLIC HEARING

Staff presentation on Fiscal Year 2021-22 Budget

CLOSE PUBLIC HEARING

**Recommendation:** Adopt Fiscal Year 2021-22 Budget setting service levels and fares.

2. Agreement with MV Transportation  
Recommendation: Amendment Number #4

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3. FY 20-21 Audit Engagement Letter from RAMS  
**Recommendation:** Approve Audit Engagement Letter

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**II. OLD BUSINESS**

None

(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
- B. Meeting Schedule

Verbal  
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**ADJOURNMENT: Rolling Hills Estates City Hall, July 22, 2021**

**Palos Verdes Peninsula Transit Authority**  
**Checks Written for Month**  
**April-May 2021**

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
<b>Apr 21</b>	04/13/2021	7993	Russell and Nancy Stamm	Dial-A-Ride Refund	\$ 24.00
	04/13/2021	7994	Cheryl Wiley Strahan	Dial-A-Ride Refund	\$ 96.00
	04/13/2021	7995	A-Z Bus Sales, Inc.	Invoice 01P703246	\$ 2,122.48
	04/13/2021	7996	Administrative Services Co-Op	Invoice 210302 March 2021	\$ 8,644.32
	04/13/2021	7997	AT&T	Account No. 0206360576001	\$ 88.65
	04/13/2021	7998	Clean Energy	CE12377852 March 2021	\$ 27.38
	04/13/2021	7999	County Sanitation Districts of LA County	Parking Lot Lease	\$ 8,202.35
	04/13/2021	8000	Creative Bus Sales	Reference 5214620 Spacing Seat Bands	\$ 392.96
	04/13/2021	8001	Cubic Transportation Systems	Update to Nextbus bus modems	\$ 10,923.03
	04/13/2021	8002	Frontier Communications7108	310 544-7108-062795-5	\$ 331.01
	04/13/2021	8003	MV Transportation, Inc.	Invoice 112911 March 2021	\$ 69,928.80
	04/13/2021	8004	MV Transportation, Inc. BENE	Exended Pandemic Benefit for Furloughed Employ	\$ 6,640.00
	04/13/2021	8005	Palos Verdes On the Net	Invoice 2021-1 1Q 2021	\$ 1,675.00
	04/13/2021	8006	PitneyBowes Global Financial Services	Account 0015571055 Invoice 3104640485	\$ 296.88
	04/13/2021	8007	PVPUSD	Office Supplies	\$ 650.52
04/13/2021	8008	Q Document Solutions Inc.	Copier Maintenance	\$ 100.07	
04/13/2021	8009	ReadyRefresh by Nestle	Account 0024293722	\$ 34.97	
04/13/2021	8010	Regional TAP Service Center	PV3152021 February 2021	\$ 68.08	
04/13/2021	8011	Temps Incorporated	Parking Lot Security	\$ 1,764.54	
04/13/2021	8012	Wells Fargo	Acct 4484610008047386	\$ 39.99	
04/13/2021	8013	White Wings Cleaning Service	Invoice 8121	\$ 110.00	
04/13/2021	8014	Decals By Design	Bus Decals #1066	\$ 1,737.61	
04/28/2021	8015	Mobility Advancement Group	Administrative Services for April 2021	\$ 17,334.37	
<b>Apr 21</b>					<b>\$ 131,233.01</b>

	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
<b>May 21</b>	05/13/2021	8016	Administrative Services Co-Op	Invoice 043021 April 2021	\$ 7,907.77
	05/13/2021	8017	AT&T	Account No. 0206360576001	\$ 141.41
	05/13/2021	8018	Clean Energy	CNG Fuel	\$ 22,732.19
	05/13/2021	8019	County Sanitation Districts of LA County	Parking Lot Lease	\$ 8,202.35
	05/13/2021	8020	Frontier Communications7108	310 544-7108-062795-5	\$ 338.82
	05/13/2021	8021	MV Transportation, Inc.	Invoice 113392 April 2021	\$ 92,780.79
	05/13/2021	8022	MV Transportation, Inc. BENE	Covid Benefits	\$ 7,795.25
	05/13/2021	8023	Office Depot	Account 34585368	\$ 116.99
	05/13/2021	8024	PVPUSD	Utilities	\$ 131.40
	05/13/2021	8025	Q Document Solutions Inc.	Copier Maintenance	\$ 89.17
	05/13/2021	8026	ReadyRefresh by Nestle	Account 0024293722	\$ 49.96
	05/13/2021	8027	Temps Incorporated	Parking Lot Security	\$ 764.01
	05/13/2021	8028	Transit Information Products	Transit Schedule Design	\$ 184.78
	05/13/2021	8029	Trillium Solutions	Google Transit updates	\$ 1,667.50
	05/13/2021	8030	Wells Fargo	Acct 4484610008047386	71.43
<b>May 21</b>					<b>\$ 142,973.82</b>

**MINUTES**  
**PALOS VERDES PENINSULA TRANSIT AUTHORITY**  
**Thursday April 22, 2021**

The meeting was called to order at 6:02 pm by Chairperson Lozzi.

**REGULAR SESSION**

Board roll call was answered as follows:

**PRESENT:** Victoria Lozzi, PVE; Ken Dyda, RPV; Steve Zuckerman, RHE; Debby Setgura, RHE

**ABSENT:** Jim Roos, PVE, David Bradley, RPV

Also present were Martin Gombert, PVPTA; Jessica Slawson, RHE; Ron Drago, RPV; Laura Guglielmo, PVE; Rich Phillips, PVPUSD.

**CONFIRM POSTING OF THE AGENDA BY ROLLING ESTATES CITY CLERK**

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

**APPROVAL OF CONSENT CALENDAR (1-6)**

Member Dyda commented about the listing of Board Members on the PV Transit webpage.

Member Setgura moved approval of the Consent Calendar, seconded by Member Zuckerman.

The motion passed on the following roll call vote:

**AYES:** Dyda, Lozzi, Zuckerman, Setgura

**NOES:** None

**ABSENT:** Bradley, Roos

**ABSTAINED:** None

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

None

**ADMINISTRATOR REPORT**

Administrator Gombert presented the Administrator Report and reviewed transit ridership, Palos Verdes Nature Preserve Shuttle service, Metro funding for FY '22, and Metro's Fareless System Initiative (FSI).

**NEW BUSINESS**

1. Fiscal Year 2020-21 Budget Revise

Chairperson Lozzi opened the Public Hearing. There were no comments from the public.

Administrator Gombert made a brief presentation on the staff report. He noted that the Metro Board had approved a revised FY 2020-21 budget that included CARES Act. Funding for local transit operators and that transit service had expanded significantly with the start of school service on April 12<sup>th</sup>. There were several questions from Board Members.

Chairperson Lozzi closed the Public Hearing.

Member Dyda moved approval of the Fiscal Year 2020-21 Budget Revise, seconded by Member Zuckerman.

The motion passed on the following roll call vote:

**AYES:** Dyda, Lozzi, Zuckerman, Setgura

**NOES:** None

**ABSENT:** Bradley, Roos

**ABSTAINED:** None

2. Capital Improvement Program

Administrator Gombert presented the staff and noted that the proposed vehicle purchase would help reduce the Agency's average fleet age to 6.3 years and that the new vehicles would have significantly lower emissions.

Member Dyda moved approval of the Capital Improvement Program, seconded by Member Zuckerman.

The motion passed on the following roll call vote:

**AYES:** Dyda, Lozzi, Zuckerman, Setgura

**NOES:** None

**ABSENT:** Bradley, Roos

**ABSTAINED:** None

## **OLD BUSINESS**

### PV Office Internet Service

Administrator Gombert provided an update on this project.

## **FUTURE AGENDA ITEMS**

None

## **CHAIR AND MEMBER ITEMS REPORT**

Elections of Officers: Member Lozzi moved the following slate of officers, seconded by Member Zuckerman:

Ms. Victoria Lozzi, Chairperson

Mr. Debby Setgura, Vice Chairperson

Mr. Steve Zuckerman, Secretary Treasurer

The motion passed on a unanimous voice vote.

## **ADJOURNMENT**

Chairperson Lozzi adjourned the meeting at 7:08 pm.

## MEMORANDUM

TO: AUTHORITY MEMBERS

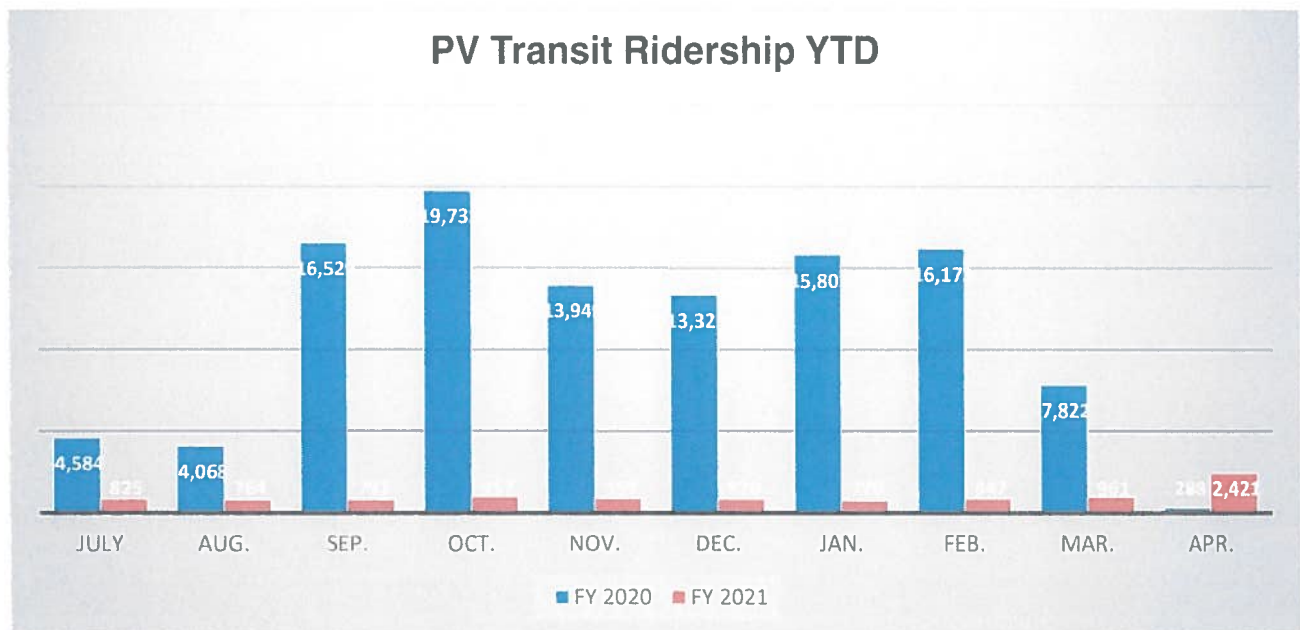
FROM: Martin Gombert, Administrator

DATE: May 23, 2021

SUBJECT: Operations Report for the period ending April 30, 2021.

### PV TRANSIT

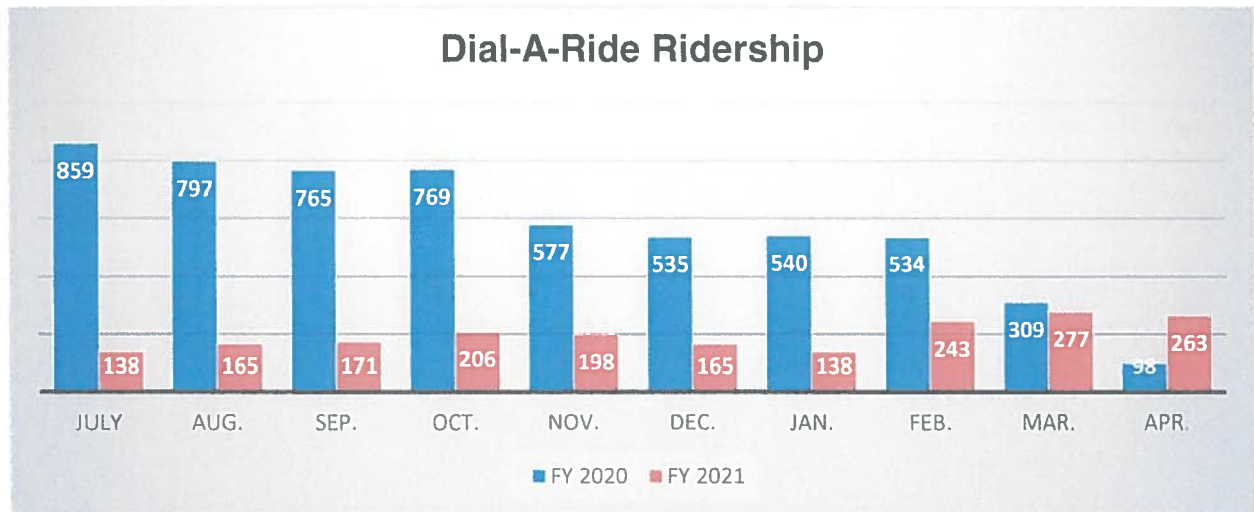
PV Transit ridership totaled 9,965 for Fiscal Year 2020-21, a 91% decrease over previous years totals. Ridership in April totaled 2,421, the first time since the pandemic started that ridership reached over 1,000 passengers in a month.





## DIAL-A-RIDE

Dial-A-Ride ridership totaled 1,964 for Fiscal Year 2020-21, an 66% decrease over previous year's totals. Dial-a-ride customers are slowly returning and March and April were the busiest ridership months of the year.



## GOVERNMENT RELATIONS

During the past month staff has attended virtual meetings of Metro's Local Transit Service Subcommittee (LTSS), Access Services Board Meetings, and Metro's Bus Operations Subcommittee (BOS). Staff has been meeting with local transit officials regarding CRRSAA (Coronavirus Response and Relief Supplemental Appropriations Act 2021) funding that is included in Metro's FY 2021-22 draft budget.

## SERVICE UPDATE

PV Transit began service on most remaining routes on April 12, 2021 as PVPUSD schools began operation on a modified schedule.

We are currently planning for the start of summer service on June 21<sup>st</sup>.

## RECOMMENDATION

Receive and file report.

## MEMORANDUM

TO: AUTHORITY MEMBERS  
FROM: Martin Gombert, Administrator  
DATE: May 23, 2021  
SUBJECT: Proposed Budget for Fiscal Year 2021-22

### BACKGROUND

The May 27, 2021 meeting for the consideration and adoption of the Fiscal Year 2021-22 budget has been duly advertised. The budget assumes service will return to historical levels for the entire fiscal year.

### FY 2021-22 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 58% over FY 2020-21 budgeted totals.

- Contracted Services: The cost of our contract with MV Transportation (line 1) is estimated to cost \$1,450,107, a 60% increase over FY 2020-21 budget amounts. We are planning on operating 18,658 revenue hours in FY 2021-22.

Dial-A-Ride contractor fees (line 2) are assumed to increase 88%

- Facility Lease Cost: The lease cost of the parking lot at the L.A. County Sanitation District (line 4) facility has increased 3% per contract.
- Fuel Cost: The budget assumes fuel costs (line 5) will return to the historical norm.
- Administrative Costs: Total administrative costs (line 11) are slightly increased (2%) from the FY 2020-21 budget.

- Depreciation Expense: This amount (line 12) is from accounting staff estimates. This number has increased significantly with the addition of three new vehicles effective July 2021 and three additional vehicles on January 2022.
- Capital Program: A new transit vehicle will replace a vehicle purchased in 2012 that has reached the end of its useful life. The estimated cost of this vehicle will be \$213,368. The actual vehicle cost will be available later in the year when the CalACT/MBTA vehicle contract has been awarded.

The procurement will be brought to the Board for review later this year.

## **SUPPORT FUNDING SOURCES**

Support funding from member agencies, Metro (Operating and Incentive), and Los Angeles County is unchanged from FY 2020-21 amounts. The budget includes \$289,140 in **CRRSAA** (Coronavirus Response and Relief Supplemental Appropriations Act 2021) funding that is included in Metro's draft FY 2021-22 budget.

## **ROUTE AND SCHEDULE CHANGES**

Minor route and schedule changes will be made to improve schedule adherence and meet passenger demand. We are assuming the PVPUSD will return to a traditional schedule.

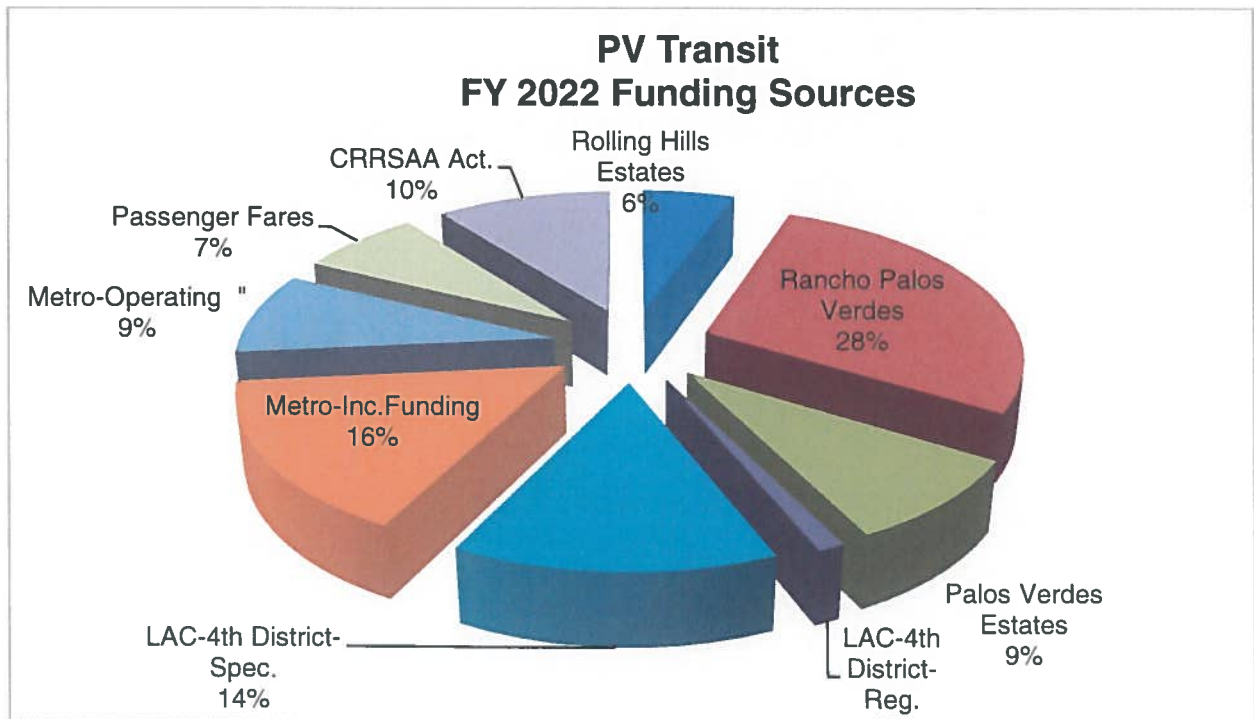
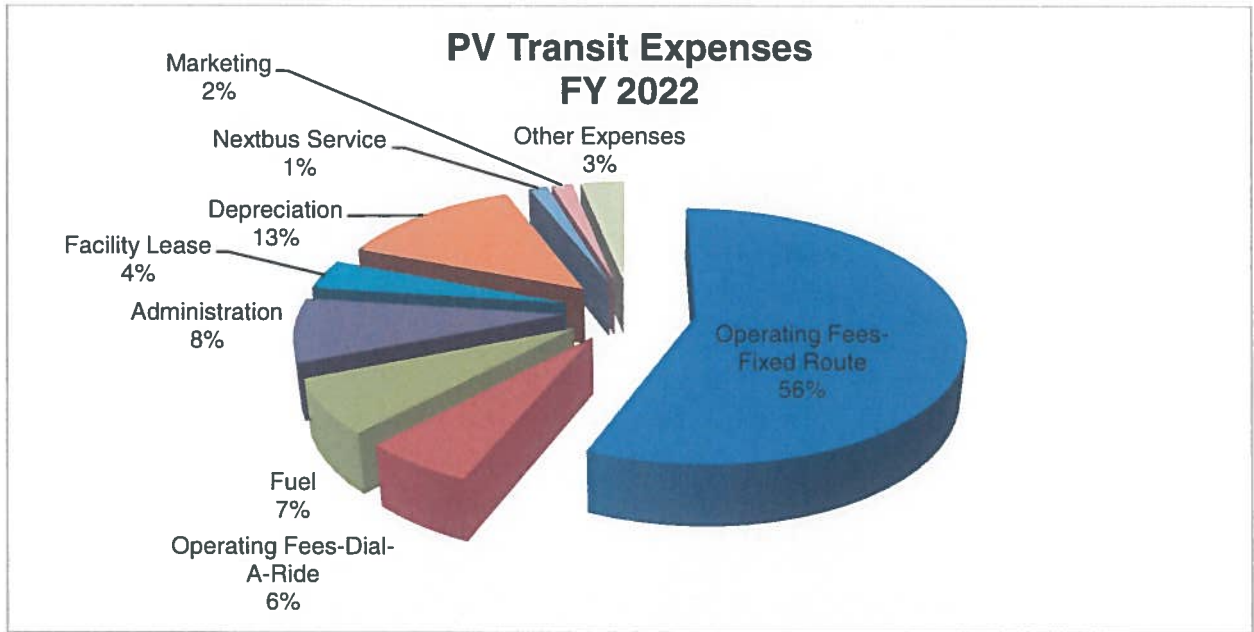
## **PASSENGER FARES**

The proposed prices for fixed route and dial-a-ride fees are shown in the attachment. No increases to dial-a-ride fares are proposed. The only change to fixed route fares is a slight adjustment for summer passes.

We are conservatively assuming 50% of fixed route passengers (with associated farebox revenue) will return in FY 2021-22.

## **RECOMMENDATION**

Adopt the Fiscal Year 2021-22 budget in the amount of \$2,603,412 for operations and \$213,368 for capital. Adopt the proposed PVPTA fare structure.



**Attachments:**

- Proposed FY 2021-22 Budget
- Proposed PVPTA Fare Structure

**PALOS VERDES PENINSULA TRANSIT AUTHORITY  
PROPOSED BUDGET  
FISCAL YEAR 2021-22**

	FY 2020-21 APPROVED Budget	FY 2022-22 DRAFT Budget	CHANGE	% Change
<b>EXPENDITURES</b>				
<b>Operations Expense</b>				
1 Oper. Fees-Fixed Rt	\$ 907,062	\$ 1,450,107	\$ 543,045	60%
2 " " -DAR/DAL	79,950	150,000	\$ 70,050	88%
3 " " - Charter	20,000	20,000	\$ -	0%
4 Facility Lease	96,995	99,905	\$ 2,910	3%
5 Fuel	95,465	180,000	\$ 84,535	89%
6 Total Operations	\$ 1,199,472	\$ 1,900,011	\$ 700,540	58%
<b>Administrative Exp.</b>				
7 Admin. - General	\$ 211,200	\$ 211,200	\$ -	
8 Marketing	38,000	39,140	\$ 1,140	
9 Nextbus Service	29,747	34,732	\$ 4,985	
10 Other Operating Expenses	80,000	82,400	\$ 2,400	
11 Total Administration	\$ 358,947	\$ 358,947	\$ 8,525	2%
12 Depreciation Expense	261,917	344,454	82,537	
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,820,336</b>	<b>\$ 2,603,412</b>	<b>\$ 783,076</b>	<b>43%</b>
<b>REVENUES</b>				
13 Farebox	\$ 10,000	\$ 140,000		
14 Charter sales	\$ 20,000	\$ 20,000		
15 Voucher Sales	\$ 12,000	\$ 40,000		
16 Total Sales	\$ 42,000	\$ 200,000		
17 Other Revenue	17,477	17,477		
<b>TOTAL REVENUES</b>	<b>\$ 59,477</b>	<b>\$ 217,477</b>	<b>\$ 158,000</b>	<b>266%</b>
<b>SUPPORT FUNDING REQ.</b>	<b>\$ 1,760,859</b>	<b>\$ 2,385,935</b>	<b>\$ 625,076</b>	<b>35%</b>
18 Operating Res.Reqmnt				
<b>CAPITAL PROGRAM</b>	<b>921,320</b>	<b>213,368</b>		
<b>TOTAL FUNDING REQ.</b>	<b>\$ 2,682,178</b>	<b>\$ 2,599,303</b>	<b>\$(82,875)</b>	<b>-3%</b>
<b>SUPPORT FUNDING SOURCES</b>				
Source:	FY 2021	FY 2022		
Rolling Hills Estates	\$ 152,249	\$ 152,249		
Rancho Palos Verdes	\$ 774,570	\$ 774,570		
Palos Verdes Estates	\$ 245,543	\$ 245,543		
LAC-4th District-Reg.	32,200	32,200		
LAC-4th District-Spec.	376,000	376,000		
Metro-Inc.Funding	\$ 440,244	\$ 440,244		
Metro-Operating "	241,625	241,625		
CARES Act	207,394	-		
CRRSAA Act	-	289,140		
Prop. A Fund Exchange	78,325	-		
<b>SUPPORT FUNDING</b>	<b>\$ 2,548,150</b>	<b>\$ 2,551,571</b>	<b>\$ 3,421</b>	<b>0%</b>
From Capital Reserve	\$ 134,028	\$ 47,732		
<b>TOTAL FUNDING</b>	<b>\$ 2,682,178</b>	<b>\$ 2,599,303</b>		

**PVPTA FARE STRUCTURE**  
**Effective 7/1/21**

Cash Fares                      Current Proposed

Cash/Token	\$ 2.50	N/C
Senior/Disabled	\$ 1.00	N/C

Transfers                      Current Proposed

PV bus to PV bus	\$ -	\$ -
Muni Transfer	\$ 0.25	N/C

Transit Passes                      Current Proposed

Monthly Pass	\$ 78	N/C
<u>Summer Pass</u>		
-Intermedidate School	\$ 38	\$ 78
-High School per session	\$ 57	\$ 47

Semester Pass                      Current Proposed

One	\$ 295	N/C
Two in Family	\$ 290	N/C
Three in Family	\$ 280	N/C

Annual Pass                      Current Proposed

One	\$ 590	N/C
Two in Family	\$ 580	N/C
Three in Family	\$ 560	N/C

Other                      Current Proposed

PV DAR Card	\$ -	\$ -
(for use on PV buses)		
Access Services Card	\$ -	\$ -
EZ Pass (225-226)	\$ -	\$ -
Lost Pass Fee	\$ 10.00	\$ 10.00

Dial-A-Ride                      Current Proposed

Registration Fee	\$ 10	N/C
(initial registration only)		
Voucher	\$ 6	N/C

Charter Service                      Current Proposed

Cost Per Hour	\$ 75.34	\$ 77.60
(5 Hour minimum)		

## MEMORANDUM

TO: AUTHORITY MEMBERS  
FROM: Martin Gombert, Administrator  
DATE: May 23, 2021  
SUBJECT: Amendment Number Four 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. This period ended on June 30, 2020.

The Agreement included an option for three one-year extensions at a rate not to exceed the Consumer Price Index (CPI) as shown in the following language.

2. **TERM**  
Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through June 30, 2020. Upon mutual agreement between the AUTHORITY and CONTRACTOR, the Agreement may be extended for three one-year periods at a rate not to exceed the increases in the BLS Consumer Price Index (CPI) for Los Angeles, Riverside, Orange County, All Items.

On March 16, 2020 PV Transit significantly reduced transit service due to the impacts of COVID 19. Daily revenue service hours were reduced from approximately 90 to 22, a reduction of 75%.

The 2015 Request for Proposal for Transit Service, which is incorporated into the Contract Services Agreement, allows the following adjustment to rates:

*The Vehicle Service Hourly Rate is subject to change should the estimated annual revenue hours increase or decrease by more than 15%<sup>1</sup>*

In the past twelve months the Board has approved the following Amendments to the MV Agreement:

- Amendment Two approved on June 25, 2020

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<sup>1</sup> Request for Proposal, 2015, Page 16

- Amendment three approved on September 24, 2020

Proposed Amendment Number Four

The proposed contract amendment would run from July 1, 2021 through June 30, 2022. Hourly and fixed cost would be increased three percent<sup>2</sup> as shown below:

	<b>Current</b>	<b>Proposed</b>
Monthly Fixed Cost	\$19,806	\$20,400
Cost Per Revenue Hour	\$62.72	\$64.60
Charter Cost per hour	\$32.59	\$33.57

**FINANCIAL IMPACT**

The estimated cost of the MV Transportation contract for FY 2021-22 is \$1,450,170. This is based on a full year of operations.

The original Agreement with MV Transportation had a total contract value (5 years) of \$6,773,067. The revised value of the Agreement would be \$9,394,405.

The FY 2021-22 budget contains sufficient funds for the proposed operating costs.

**RECOMMENDATION**

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

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<sup>2</sup> The April 2021 Consumer Price Index (CPI) for Los Angeles, Riverside, Orange County All Items increased 3.6% from a year ago.



**AMENDMENT NUMBER FOUR (4)  
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, said Agreement-Schedule of Payment can be modified should the estimated annual revenue hours increase or decrease by more than 15%.

WHEREAS, in March 16, 2020 daily revenue hours were reduced more than 15% due to service cutbacks necessitated by COVID 19;

WHEREAS, on June 25, 2020 the Board of Directors approved Amendment Number Two (2) to the MV Transportation Contract Services Agreement;

WHEREAS, on September 24, 2020 the Board of Directors approved Amendment Number Three (3) to the MV Transportation Contract Services Agreement and

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 extended to June 30, 2022.

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

July 1, 2021 through June 30, 2022	\$64.60 per revenue hour
July 1, 2021 through June 30, 2022	\$20,400 monthly fixed costs
July 1, 2021 through June 30, 2022	\$33.57 per revenue hour for charter service

The Agreement Sum shall be increased to \$9,394,405

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

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

IN WITNESSS THEREOFF, the parties hereto have caused this Amendment Number Four to be executed by their respective Officers, duly authorized, by the Authority on May 27, 2021 and by MV on \_\_\_\_\_.

**MV Public Transportation, Inc.**

Date\_\_\_\_\_ By\_\_\_\_\_

**PALOS VERDES PENINSULA TRANSIT AUTHORITY**

Date\_\_\_\_\_ By\_\_\_\_\_

## **MEMORANDUM**

**TO:** AUTHORITY MEMBERS  
**FROM:** Martin Gombert, Administrator  
**DATE:** May 16, 2020  
**SUBJECT:** Fiscal Year 2020-2021 Audit Engagement Letter

### **BACKGROUND**

A copy of RAMS proposal to perform the FY 20-21 audit for the Authority is attached in letters dated May 5, 2021.

### **FINANCIAL IMPACT**

The proposed cost of \$20,760 and will be included in the FY 21-22 Budget.

### **RECOMMENDATION**

Approve RAMS proposal to perform the FY 20-21 audit for the PVPTA.



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

May 5, 2021

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**

Brenda L. Odle, CPA, MST  
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

**MANAGERS / STAFF**

Charles De Simoni, CPA  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA  
Jingjie Wu, CPA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Tara R. Thorp, CPA, MSA  
Laura Arvizu, CPA  
Louis Fernandez, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Thao Le, CPA, MBA  
Julia Rodriguez Fuentes, CPA, MSA

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

*Employee Benefit Plan  
Audit Quality Center*

California Society of  
Certified Public Accountants



This letter is provided in connection with our engagement to audit the financial statements of the Palos Verdes Peninsula Transit Authority (the Authority) as of and for the year ended June 30, 2021. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit.

**Our Responsibilities**

As stated in our engagement letter dated May 5, 2021, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America, and in accordance with *Government Auditing Standards*, for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility as it relates to the supplementary information, is to evaluate its presentation for the purpose of forming and expressing an opinion as to whether the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Planned Scope of the Audit**

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures. However, we will communicate to you at the conclusion of our audit, significant matters that are relevant to your responsibilities in overseeing the financial reporting process, including any material weaknesses, significant deficiencies, and violation of laws or regulations that come to our attention.

Board of Directors  
Palos Verdes Peninsula Transit Authority

We expect to begin our audit on approximately October 18, 2021. Scott Manno, CPA, CGMA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

*Rogers, Anderson, Malody & Scott, LLP.*



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

May 5, 2021

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**

Brenda L. Odle, CPA, MST  
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

**MANAGERS / STAFF**

Charles De Simoni, CPA  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA  
Jingjie Wu, CPA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Tara R. Thorp, CPA, MSA  
Laura Arvizu, CPA  
Louis Fernandez, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Thao Le, CPA, MBA  
Julia Rodriguez Fuentes, CPA, MSA

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

*Employee Benefit Plan  
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 financial statements of the Palos Verdes Peninsula Transit Authority (the Authority), as of June 30, 2021, 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. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic 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 the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements 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 basic financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. 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.

### **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's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
2. 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
3. To provide us with:
  - a. 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;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
5. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
6. 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
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. 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
10. 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 written confirmation concerning representations made to us in connection with the audit.



## 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. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the 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 financial statements in a format other than that provided by us, 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.

We will assist management with drafting the financial statements based on the Authority'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.

*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.

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.

### **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 Rogers, Anderson, Malody & Scott, LLP'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 \$20,760. 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.

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.

To ensure that Rogers, Anderson, Malody & Scott, LLP's 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.

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

The audit documentation for this engagement is the property of Rogers, Anderson, Malody & Scott, LLP (RAMS) and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and 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.

#### **International Alliance Membership**

RAMS 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 RAMS 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 RAMS, RAMS 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 RAMS or such consulted or retained Alliot Global Alliance member firm. Nor shall RAMS have liability for advice rendered by any of the other Alliot Global Alliance member firms, even if consulted or recommended to you by RAMS.

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.

Board of Directors  
Palos Verdes Peninsula Transit Authority

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



\_\_\_\_\_  
Scott Manno, CPA, CGMA  
Partner

**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

May 15, 2018

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, 2017. 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](http://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, 2017, 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  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



[www.gbacpa.com](http://www.gbacpa.com)

1375 Exposition Boulevard, Suite 230  
Sacramento, CA 95815  
916/922-5109 FAX 916/641-5200

P.O. Box 223096  
Princeville, HI 96722  
888/769-7323

**MEMORANDUM**

TO: AUTHORITY MEMBERS  
FROM: Martin Gombert, Administrator  
DATE: May 23, 2021  
SUBJECT: Schedule of Meetings for Fiscal Year 2021-22

Shown below are the proposed Board Meeting dates for Fiscal Year 2021-22.

July 22, 2021  
October 28, 2021  
January 27, 2022  
February or March – Annual Workshop  
April 88, 2022  
May 26, 2022 (if necessary for Budget hearing)  
July 28, 2022