

Foothill Transit
Going Good Places

EXECUTIVE BOARD MEETING

West Covina, CA
Friday, October 28, 2016



Foothill Transit

Executive Board Meeting AGENDA

EXECUTIVE BOARD MEETING
8:00 AM, OCTOBER 28, 2016
Foothill Transit Administrative Office
2nd Floor Board Room
100 South Vincent Avenue
West Covina, CA 91790

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. FOCUS ON SAFETY
4. ROLL CALL: MEMBERS CALAYCAY, HERRERA, PEDROZA, STERNQUIST, WARSHAW
5. APPROVAL OF AGENDA
6. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 30, 2016
7. PRESENTATIONS:
 - 7.1. Contractors' Employee Recognition
8. PUBLIC COMMENT

Public Comment: Members of the public shall have the right to address the Board on any item of interest which is within the jurisdiction of the Board before or during the Board's consideration of the item. Presentation shall not exceed three minutes in length. Action may be taken on any item identified on the agenda. Persons wishing to comment should submit a "Request to Speak" form to the Secretary. Note: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA.

The public may view and obtain all written information supporting this agenda provided to the board both initially and supplementary prior to the meeting by calling (626) 931-7300 extension 7204 or at the agency's offices located at 100 S. Vincent Ave., Suite 200, West Covina, CA 91790. Documents, including PowerPoint handouts, distributed to Board Members by staff or Board Members at the meeting will simultaneously be made available to the public upon request.



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CONSENT CALENDAR: Items 9 through 14 are consent items which may be received and filed and/or approved by the board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

9. SEPTEMBER 2016 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY

Recommended Action: Receive and file the Financial Statements and Investment Summary year-to-date report through September 30, 2016. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of September 30, 2016 for the fiscal year ending June 30, 2017.

10. RESOLUTION ADOPTING EXECUTIVE AND GOVERNING BOARD MEETING SCHEDULE FOR 2017

Recommended Action: Adopt Resolution No. 2016-04 the Executive and Governing Board Meeting Schedule for 2017.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Executive Director's office at (626) 931-7300 extension 7204, at least 48 hours prior to the meeting.

If you require translation services, please contact the Executive Director's office at (626) 931-7300 extension 7204, at least 48 hours prior to the meeting.

Si necesita servicios de traducción, por favor póngase en contacto con la oficina del Director Ejecutivo en el (626) 931-7300, extensión 7204, al menos 48 horas antes de la reunión.

如果需要翻译服务, 请至少于会议前48小时致电高级主任办公室: (626) 931-7300 分机 7204。

Nếu Quý vị có yêu cầu dịch vụ dịch thuật, xin vui lòng liên hệ với văn phòng Giám đốc Điều hành tại (626) 931-7300 số lẻ 7204, ít nhất 48 giờ trước khi cuộc họp.

Kung nangangailangan ka ng mga serbisyo sa pagsasalín, pakisuyong makipag-ugnayan sa opisina ng Executive Director sa (626) 931-7300 extension 7204, ng hindi bababa sa 48 oras bago ang pulong.

번역 서비스가 필요하시면 미팅 최소 48시간 이전에 임원 사무실로 (626-931-7300, 내선 번호 7204) 전화주시기 바랍니다.

翻訳サービスが必要な方は、会議の48時間前までに(626) 931-7300 内線 7204のエグゼクティブディレクター事務所にご連絡ください。

إن كنت بحاجة إلى خدمات ترجمة، برجاء الاتصال بالمدير التنفيذي للمكتب على رقم (626) 931-7300 (الرقم الداخلي 7204) قبل الاجتماع بـ 48 ساعة على الأقل.

Եթե Ձեզ թարգմանչական ծառայությունների են հարկավոր, հանդիպումից առնվազն 48 ժամ առաջ խնդրում ենք զանգահարել Գործադիր տնօրենի գրասենյակ (626) 931-7300 լրացուցիչ 7204 հեռախոսահամարով:

ប្រសិនបើលោកអ្នកស្នើសុំសេវាកម្មបកប្រែភាសា សូមទាក់ទងមកកាវិយាល័យនាយកប្រតិបត្តិ តាមលេខទូរស័ព្ទ៖ (626) 931-7300 លេខបញ្ជូនបន្ត 7204 ដែលមានរយៈពេលយ៉ាងតិច 48 ម៉ោង មុនពេលកិច្ចប្រជុំ។

در صورت نیاز به خدمات ترجمه، لطفاً حداقل 48 ساعت قبل از جلسه ملاقات با مدیر اجرایی دفتر به شماره (626) 931-7300 داخلی 7204 تماس حاصل فرمایید.

หากคุณต้องการบริการการแปลภาษากรุณาติดต่อสำนักงานผู้ช่วยการบริหารที่ (626) 931-7300 ต่อ 7204, อย่างน้อย 48 ชั่วโมงก่อนที่จะมีการประชุม



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11. CONTRACT AWARD - EMERGENCY GENERATOR AT POMONA OPERATIONS AND MAINTENANCE FACILITY

Recommended Action: Authorize the Executive Director to execute Agreement No. 17-012 with AG Engineering in the amount of \$152,672.80 for replacement of the Emergency Diesel Generator equipment at Foothill Transit's Pomona Operations and Maintenance Facility.

12. COACH OPERATOR AUDIT RESULTS

Recommended Action: Receive and file the results of the Coach Operator Audits conducted in August 2016.

13. CONTRACT AMENDMENT - REAL-TIME PASSENGER INFORMATION SYSTEM

Recommended Action: Authorize the Executive Director to execute Amendment No. 3 to Agreement No. 12-004 with NextBus in the amount of \$182,592 to exercise option years four and five on Foothill Transit's real time passenger information system.

14. REQUEST TO ISSUE INVITATION FOR BIDS - VIDEO PROJECTION SYSTEM REPLACEMENT

Recommended Action: Authorize the Executive Director to issue an invitation for bids (IFB No. 17-041) for the purchase and installation of a replacement video projection system for the Boardroom at Foothill Transit's administrative offices.

REGULAR AGENDA:

15. FISCAL YEAR 2015-2016 COMPREHENSIVE ANNUAL FINANCIAL AUDIT REPORT RESULTS

Recommended Action: Receive and file the Fiscal Year 2015-2016 financial and compliance audit results. The Comprehensive Annual Financial Report (CAFR) including the auditor's opinions has been provided for you as Attachment A.

16. DOUBLE DECKER BUS DEMONSTRATION SURVEY RESULTS

Recommended Action: Receive and file the survey results of the double decker bus demonstration.



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17. FISCAL YEAR 2016/2017 FIRST QUARTER PERFORMANCE INDICATORS REPORT

Recommended Action: Receive and file the FY 2016-2017 First Quarter Performance Indicators Report.

18. WEST COAST MULTI-AGENCY EXCHANGE PROGRAM

Recommended Action: Receive and file the update on the inaugural West Coast Multi-Agency Exchange (MAX) Program.

19. DEPUTY EXECUTIVE DIRECTOR COMMENT

20. BOARD MEMBER COMMENT

21. ADJOURNMENT

**The next Regular Meeting of the Executive
Board is scheduled for
Friday, December 16, 2016 at 8:00 a.m.**



Foothill Transit

**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE
FOOTHILL TRANSIT EXECUTIVE BOARD**

**FOOTHILL TRANSIT ADMINISTRATIVE OFFICE
2ND FLOOR BOARD ROOM
100 S. VINCENT AVENUE
WEST COVINA, CALIFORNIA 91790**

**Friday, September 30, 2016
8:00 a.m.**

1. CALL TO ORDER

The meeting was called to order by Chair Herrera at 8:02 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Herrera.

3. FOCUS ON SAFETY

Ali Showkatian, Safety Compliance Coordinator, presented a message on fire safety awareness.

4. ROLL CALL

Roll call was taken by Christina Lopez, Board Secretary.

Present: Member Pedroza, Member Sternquist, Member Warshaw, Vice Chair Calaycay, Chair Herrera

5. APPROVAL OF AGENDA

Staff requested that Items 22 Fiscal Year 2015-2016 Performance Indicators Report and 23 Transit Store Quarterly Report be presented prior to Item 17 CAD/AVL System Replacement Update.

Chair Herrera approved the agenda as revised.

6. REVIEW & APPROVAL OF THE MINUTES

Approval of the minutes for the Regular Meeting of July 29, 2016.

Motion by Vice Chair Calaycay, second by Member Warshaw, the minutes for the Regular Meeting of July 29, 2016 were approved. Motion carried 5-0.

7. PRESENTATIONS

6.1 Contractors' Employee Recognition

Jim Marshall, General Manager, First Transit, introduced and recognized the following Pomona location First Transit operator and employee of the month:

Winston Kilkenny, Operator of the Month (September 2016)
Raul Rodriguez, Employee of the Month (September 2016)

Bill Jackson, General Manager, Transdev, introduced and recognized the following Arcadia location Transdev operator and employee of the month:

Kimberlyn Evans, Operator of the Month (September 2016)
Angela Velasco, Employee of the Month (September 2016)

After discussion, by Common Consent, and there being no objection, the Board recognized the operators and employees of the month.

6.2 New & Promoted Staff

Doran Barnes, Executive Director, Foothill Transit, recognized the following Foothill Transit promoted staff:

Promoted Staff:

Christopher Pieper, Procurement Manager
Yoko Igawa, Public Affairs Manager
Jarrett Stoltzfus, Director of Policy and Strategic Sourcing

After discussion, by Common Consent, and there being no objection, the Board recognized the promoted staff.

8. PUBLIC COMMENT

No members of the public addressed the Foothill Transit Executive Board.

CONSENT CALENDAR

9. **AUGUST 2016 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY**

Recommendation: Receive and file the Financial Statements and Investment Summary year-to-date report through August 31, 2016. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of August 31, 2016 for the fiscal year ending June 30, 2017.

Motion by Vice Chair Calaycay, second by Member Sternquist, to receive and file. Motion carried 5-0.

10. **AUGUST 2016 PERFORMANCE INDICATORS REPORT**

Recommendation: Receive and file the August 2016 Performance Indicators Report.

Motion by Vice Chair Calaycay, second by Member Sternquist, to receive and file. Motion carried 5-0.

11. **SEPTEMBER 2016 LEGISLATIVE SUMMARY**

Recommendation: Receive and file the September 2016 Legislative Summary. There are no recommended positions on bills this month.

Motion by Vice Chair Calaycay, second by Member Sternquist, to receive and file. Motion carried 5-0.

12. **TITLE VI ANALYSIS FOR ROUTE MODIFICATION OF LINE 690**

Recommendation: Receive and file the Title VI analysis for route modification of Line 690, which will be implemented in the October 2016 service change.

Motion by Vice Chair Calaycay, second by Member Sternquist, to receive and file. Motion carried 5-0.

13. **TITLE VI REPORT CLASS PASS PILOT PROGRAM AT CITRUS COLLEGE**

Recommendation: Receive and file the Title VI analysis report for the Class Pass Pilot Program at Citrus College.

Motion by Vice Chair Calaycay, second by Member Sternquist, to receive and file. Motion carried 5-0.

14. **PLANNING SOFTWARE UPGRADE - SOLE SOURCE CONTRACT AWARD**

Recommendation: Authorize the Executive Director to enter into a sole-source contract in the amount of \$339,963 with Giro, Inc. to upgrade Foothill Transit's existing Hastus scheduling software, and negotiate final contract terms and conditions.

Motion by Vice Chair Calaycay, second by Member Sternquist, to approve.
Motion carried 5-0.

15. **RESOLUTION FOR FILING OF FEDERAL TRANSIT ADMINISTRATION APPLICATIONS**

Recommendation: Adopt Resolution No. 2016-03: A resolution authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for federal transportation assistance authorized by Chapter 53 of Title 49 of the United States Code and any other federal statutes administered by the Federal Transit Administration.

Motion by Vice Chair Calaycay, second by Member Sternquist, to adopt.
Motion carried 5-0.

16. **HOLIDAY SERVICE SCHEDULE FOR FISCAL YEAR 2016-2017**

Recommendation: Approve the proposed FY 2016-2017 Holiday Service Schedule.

Motion by Vice Chair Calaycay, second by Member Sternquist, to approve.
Motion carried 5-0.

REGULAR AGENDA

17. **CAD/AVL SYSTEM REPLACEMENT UPDATE**

Recommendation: Receive and file an update of the replacement of Foothill Transit's computer aided dispatch and automatic vehicle location (CAD/AVL) system.

LaShawn King Gillespie, Director of Customer Service and Operations, introduced Dorsey Houtz, President and CEO, Avail Technologies, Inc.

Mr. Houtz presented an overview of the replacement of the CAD/AVL system. The new system includes replacement of the automatic passenger counters, automatic voice annunciation, vehicle health monitoring, integrated real time passenger information, and an integrated business intelligence tool. Avail's engineers are now working on the final design of the system. The project is scheduled to be completed in April 2018.

Mr. Houtz stated that he is tentatively scheduled to return to the December Executive Board Meeting, and at that time will share with the Board examples of the new CAD/AVL system.

Motion by Member Warshaw, second by Vice Chair Calaycay, to receive and file. Motion carried 5-0.

18. **ELECTRIC BUS PROGRAM UPDATE**

Recommendation: Receive and file the Electric Bus Program Update.

Andrew Papson, Electric Bus Program Manager, presented this item.

Mr. Papson announced that on September 9th Foothill Transit crossed the line for one million electric miles traveled. He stated that this major accomplishment in the transit industry has not been accomplished by any other agency. Proterra recognized this achievement at the APTA Annual Meeting during their reception. This year Foothill Transit is adding two more fast-charge buses to the existing routes. This will bring the full fleet size to 17 buses.

He reported that staff continues to work toward Foothill Transit's goal of being 100 percent electric by 2030. Next year Foothill Transit will receive 13 extended range electric buses, which will be deployed on Line 280. In 2018, Foothill Transit plans to deploy 20 extended range electric buses on Line 486. In 2019, two electric double decker buses will be deployed.

Motion by Member Warshaw, second by Vice Chair Calaycay, to receive and file. Motion carried 5-0.

19. **TRANSIT CENTER AND PARK & RIDE IN THE CITY OF COVINA**

Recommendation: Authorize the Executive Director to execute an amendment to the Deposit Agreement with the City of Covina in the amount of \$85,700 related to the development of a Transit Center and Park & Ride facility in the City of Covina.

Sharlane Bailey, Director of Facilities, presented this item.



Ms. Bailey reported on the progress that has been made on the Transit Center and Park & Ride in the City of Covina. The project location is in the City of Covina, at the northeast corner of Citrus Avenue and Covina Boulevard. The project is on a 10.66 acre site. The project consists of three primary components: residential homes, transit, and city event center. Construction is scheduled to begin November 2017 and construction is scheduled to be completed by December 2018.

The City of Covina has taken the lead on the project. The City has begun due diligence work. Foothill Transit agreed to pay one-third of the due diligence cost, which is approximately \$107,000. In addition to the City's due diligence work, an environmental review under the California Environmental Quality Act (CEQA) must be performed; the transit component will require separate review under the National Environmental Policy Act (NEPA). The cost to prepare the environmental impact report under the CEQA will be assumed by the City, developer, and Foothill Transit. The cost for the categorical exclusion on the NEPA portion will be assumed by Foothill Transit. In addition, there are some additional application fees and land use entitlement fees and Foothill Transit's portion of those costs will be approximately \$15,000. Foothill Transit's share of the total costs will be approximately \$86,000 for this amendment.

Motion by Member Pedroza, second by Vice Chair Calaycay, to approve. Motion carried 5-0.

20. **MT. SAN ANTONIO COLLEGE TRANSIT CENTER MEMORANDUM OF UNDERSTANDING (MOU)**

Recommendation: Authorize the Executive Director to negotiate final terms and conditions and execute a Memorandum of Understanding (MOU) with Mt. San Antonio Community College (Mt. SAC) related to the development of a transit center to be located on the college campus.

Vincent Saucedo, Construction Project Manager, presented this item.

Mr. Saucedo reported that in May 2015, the Executive Board authorized the Executive Director to begin negotiations on the development of a Memorandum of Understanding with Mt. San Antonio College for the development of a transit center. The MOU is under final review with the college. The MOU will go before the Mt. San Antonio College Board of Trustees for information purposes in November and final approval in December. Upon execution of the MOU, the next steps are to discuss a schedule, begin environmental documents, and issue a request for qualifications for architectural and engineering services. The Fiscal Year 2016-2017 Business Plan includes funding for the transit center. Last month,

Foothill Transit was awarded \$7.24 million through the FTA Bus and Facilities competitive grant process for this project.

Motion by Vice Chair Calaycay, second by Member Sternquist, to approve. Motion carried 5-0.

21. **FISCAL YEAR 2015-2016 FINANCIAL STATEMENT & INVESTMENT SUMMARY**

Recommendation: Receive and file the Financial Statements and Investment Summary for the fiscal year ending June 30, 2016. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition for the fiscal year ending June 30, 2016.

Ruben Cervantes, Finance Analyst, presented this item.

Mr. Cervantes presented a summary of the Fiscal Year 2015-2016 year-end budget results. Foothill Transit ended the fiscal year \$3.5 million or 4.3 percent under the approved budget. The capital program ended the year approximately \$20 million under budget, due to the electric bus procurement, and Covina Park and Ride project being deferred to Fiscal Year 2016-2017. Foothill Transit's investments are in accordance with provisions of the California Government Code, and Foothill Transit's board adopted procedures. Foothill Transit completed \$37.6 million worth of capital projects in Fiscal Year 2015-2016.

Motion by Vice Chair Calaycay, second by Board Member, to receive and file. Motion carried 5-0.

22. **FISCAL YEAR 2015-2016 PERFORMANCE INDICATORS REPORT**

Recommendation: Receive and file the Fiscal Year 2015-2016 Performance Indicators Report.

Mike Tobin, Quality Assurance Analyst, presented this item.

Mr. Tobin presented a summary of Foothill Transit's performance indicators for Fiscal Year 2015-2016. Foothill Transit achieved three of nine performance indicators, which include miles between service interruptions, average hold time, and the average cost per vehicle service hour.

Motion by Member Corey Warshaw, second by Vice Chair Calaycay, to receive and file. Motion carried 5-0.

23. TRANSIT STORE QUARTERLY REPORT

Recommendation: Receive and file the Transit Store Quarterly Report.

Mike Tobin, Quality Assurance Analyst, presented this item.

Mr. Tobin reported on transit stores sales and activity for the fourth quarter of Fiscal Year 2015-2016. Sales for the fourth quarter totaled \$1.17 million. Average hold time for the fourth quarter was 19 seconds. Customer service representatives handled 95 percent of the more than 64,115 calls received in the fourth quarter. Walk-in traffic recorded for the transit stores this quarter totaled 46,826.

Motion by Member Pedroza, second by Vice Chair Calaycay, to receive and file. Motion carried 5-0.

24. EXECUTIVE DIRECTOR COMMENT

Comments by Mr. Doran J. Barnes, Executive Director, Foothill Transit.

Mr. Barnes reported the following:

- Thanked Board Members for attending APTA Annual Meeting. Mr. Barnes stated it is an honor to serve as APTA Chair.
- Mr. Barnes received a tour of the Walt Disney Transportation Program and was given a behind the scenes tour of their transit program, including a tour of their monorail maintenance facility.
- He met with Jacksonville Transportation Authority (JTA) CEO and APTA Vice Chair Nathaniel Ford. Mr. Barnes received a tour of the JTA facility.
- Mr. Barnes participated in the National Summit on Transportation and Opportunity in Washington, D.C.
- UITP, which is the international transit association, will be holding their global summit in Montreal, Canada in spring 2017 and have asked Foothill Transit to present on Foothill Transit's Electric Bus Program.
- APTA reported that national ridership is down. The APTA marketing team will be releasing a press release. What Foothill Transit is experiencing is very consistent with what it happening nationally.
- A demonstration of a double decker bus will take place the week of October 3. A schedule will be provided to the Executive Board. The bus will operate the Silver Streak line.
- A Governing Board Meeting will take place on October 4. John Fasana will be present in his role as Metro Chair. Proterra CEO Ryan Popple

will give an update on activities related to their electric vehicle program.

- Mr. Barnes informed the Executive Board that he will not be attending the October Executive Board Meeting. He serves as Vice Chair of the Board that selects the research projects as part of the Transportation Research Board, Transit Research Initiative. The meeting to select the projects takes place the same day as the Executive Board Meeting. He thanked Chair Herrera for allowing him to attend.

25. **BOARD MEMBER COMMENT**

Comments by Members of the Foothill Transit Executive Board.

- Chair Herrera thanked the board members for attending the APTA Annual Meeting and congratulated Executive Director Doran Barnes on being elected APTA Chair.
- Member Warshaw reported that he spent some time with Foothill Transit vendors Avail and Proterra at the APTA Annual Meeting. He thanked them for spending time with him and getting him to understand what they do as a vendors for Foothill Transit.
- Member Pedroza thanked Kevin McDonald for meeting with Javier Hernandez from Supervisor Hilda Solis' office to discuss a bus rapid transit electric corridor. Mr. Pedroza asked if Foothill Transit has considered USB chargers on the buses. He also suggested that Foothill Transit consider a construction bus route.
- Member Sternquist recently boarded a Foothill Transit training bus. She was amazed at the professionalism of the trainer and the trainee.

26. **ADJOURNMENT**

Adjournment for the September 30, 2016 Foothill Transit Executive Board Meeting.

There being no further business, the Foothill Transit Executive Board meeting adjourned at 9:51 a.m.



October 28, 2016

To: Executive Board

Subject: **September 2016 Financial Statements and Investment Summary**

Recommendation

Receive and file the Financial Statements and Investment Summary year-to-date report through September 30, 2016.

The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of September 30, 2016 for the fiscal year ending June 30, 2017.

Balance Sheet Analysis (Attachment A):

Assets

The balance sheet, as of September 30, 2016, shows total assets at \$313 million. This total consists primarily of \$200 million in fixed assets, \$102 million in cash and investments and \$11 million in receivable and prepaid assets. Foothill Transit's cash position of \$75 million is \$0.5 million more than the previous month, and is \$4.8 million less than last year in September.

Liabilities

The accounts payable balance is \$8.5 million. Accounts Payables include operating and maintenance for \$5.94 million and \$1.03 million for fuel.

The deferred revenue of \$74.07 million represents capital grants that are reserved for planned capital expenditures such as upcoming bus procurements and park & ride construction activities.

Investments (Attachment B)

Our current investments are held in financial instruments pursuant to Foothill Transit's investment policy. Funds held with Bank of the West in non-interest earning accounts qualify for FDIC insurance, eliminating the risk of loss.

The cash and investments balance includes \$18.93 million in non-interest bearing accounts held with Bank of the West; \$31.5 million in interest bearing money market accounts with Bank of the West; \$9.6 million with Chase; and \$15.1 million invested in the Local Agency Investment Fund (LAIF). Longer term investments include \$24 million with Bank of the West Agency notes;



\$500,000 Bank of the West certificates of deposit; and \$2.74 million with Wells Fargo certificates of deposit.

The current interest rates on all accounts are included on **Attachment B**. The LAIF investment, the CD investments, and the deposits with Chase earn interest and are held for future capital and operating funding requirements.

Operating and Capital Revenues and Expense Analysis (Attachment C)

September 2016 year-to-date fare revenues were \$4.14 million which is \$732,285 less than the budgeted amount and \$301,641 less than September 2015. Through September 2016, ridership is one percent higher than last year at this time. The ridership increase is due to assumption of Lines 190 and 194 and a portion of Line 270 from L.A. Metro. We continue to honor the Metro fare media on these lines and this has resulted in fare revenues being lower than budget. Year to date ridership on other lines is lower than at this point last fiscal year, and as a result fare revenue is also lower than at this point last year.

Operating costs through September 2016 were \$21.92 million, which is \$2.39 million less than the budget and \$3.42 million more than September 2015. Of this \$21.92 million, \$17.14 million reflects operating costs for the Arcadia and Pomona operating contractors. The other large operating expense is fuel which was \$1.61 million through September 2016.

Capital expenditures through September were \$1.41 million compared with \$2.03 million last year at this time. The annual budget for capital expenditures includes the purchase of 30 CNG buses, replacement of the CAD/AVL system and initiation of construction for the Covina Transit Center and Park & Ride. The majority of these expenditures are expected to occur later in the fiscal year.

Farebox Recovery Ratio

The September year-to-date farebox recovery ratio was 18.9 percent; 2.10 percent lower than the performance target of 21 percent. The farebox recovery ratio is derived by dividing the total fare revenue of \$4,142,175 by the total bus operating expense of \$21,915,367. This ratio is less than the September 2015 ratio of 23.56 percent. The decline is due to increase of operating expenses and decrease in fare revenues as discussed above.



Total Disbursements (Attachment D)

Total disbursements reflect invoices paid for the month of September 2016; they do not reflect the total expense incurred for the month. If an expense has been incurred but not yet invoiced or paid, Finance accrues the expense to properly track the expenses during the month in which they actually occurred. Total disbursements for September 2016 were \$9.83 million. Capital disbursements totaled \$89,235, fuel was \$533,993 and other significant disbursements include \$3.21 million to First Transit and \$5.34 million to Transdev for bus operating services.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Lopes Caldwell".

Michelle Lopes Caldwell
Director of Finance and Treasurer

A handwritten signature in blue ink that reads "Kevin Parks McDonald".

Kevin Parks McDonald
Deputy Executive Director

Attachments

Foothill Transit
Balance Sheet
As of September 30, 2016

Assets

Current Assets:

Cash	75,148,013
Investments	\$27,239,000
Due from government agencies	7,174,777
Other receivables	2,558,990
Other assets	1,345,996
	<hr/>
Total Current Assets	113,466,777
Property & Equipment (net of depreciation)	199,717,852
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Total Assets	<u><u>313,184,629</u></u>

Liabilities and Equity

Current Liabilities:

Accounts payable and accrued liabilities	8,528,965
Deferred Revenue	74,067,393
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Total Liabilities	<u><u>82,596,358</u></u>

Equity

Fund Balance:	
Investment in Capital Assets	199,717,852
Current Year Change	(7,549,565)
Reserve	38,419,984
	<hr/>
Total Equity	230,588,271
	<hr/>
Total Liabilities and Equity	<u><u>\$ 313,184,629</u></u>

Summary of Cash and
Investment Account
For September 30, 2016

Cash:	Interest Rate	Term	Principal/ Book & Market Value
Bank of the West-Reg. Checking	N/A	Demand Deposit	\$14,064,795
Petty Cash	N/A	N/A	400
Revolving Fund - Transit Stores	N/A	N/A	1,200
Bank of the West-Excise Tax	N/A	Demand Deposit	4,868,537
Bank of the West-Money Market	0.180%	Demand Deposit	7,060,884
Bank of the West-Money Market	0.180%	Demand Deposit	14,581,833
Bank of the West-Money Market	0.180%	Demand Deposit	9,619,958
Bank of the West-CA Transit Assistance	0.080%	Demand Deposit	252,769
Chase Business Saving	0.080%	Demand Deposit	9,614,007
LAIF Investment	0.460%	Demand Deposit	15,083,629
Subtotal Cash on Hand			<u>\$75,148,013</u>
Investments:			
Bank of the West:			
Maturity - 10/29/20 - 5yrs.	1.125%	Callable Note	5,000,000
Maturity - 05/25/21 - 5yrs.	1.250%	Callable Note	5,000,000
Maturity - 01/27/21 - 5yrs.	1.000%	Callable Note	5,000,000
Maturity - 07/27/21 - 5yrs.	1.000%	Callable Note	8,000,000
Maturity - 02/26/21 - 5yrs.	1.250%	Callable Note	1,000,000
	1.25-1.50%	Cert. of Deposit	500,000
	0.45-1.60%	Cert. of Deposit	2,739,000
Subtotal Investments			<u>\$27,239,000</u>
Total Cash and Investments			<u><u>\$102,387,012.57</u></u>

(1) Consist of 2 Cds at \$250,000 each

(2) Consist 12 Cds at \$249,000 each

Foothill Transit
Statement of Revenue and Expense
For Month Ended September 30, 2016

	Actual YTD September-16	Budget YTD September -16	Variance	Actual YTD September - 15
Fare Revenue				
Farebox	\$2,173,742	\$2,475,000	(12.17%)	\$2,405,310
Pass Sales	854,897	1,140,000	(25.01%)	940,214
TAP Cash Purse	776,154	855,000	(9.22%)	742,698
MetroLink & Access Service	160,344	180,000	(10.92%)	150,362
EZ Transit Pass	177,578	225,000	(21.08%)	205,771
Total Operating Revenue	\$4,142,715	\$4,875,000	(15.02%)	\$4,444,356
Operating Subsidies and Other				
Transportation Development Act	\$5,735,202	5,735,203	(0.00%)	\$4,981,787
TDA-Reserve from prior years	\$2,701,225	3,240,806	(16.65%)	0
STA	\$460,452	460,451	0.00%	844,401
Prop A 40% Discretionary	\$4,020,310	4,020,310	(0.00%)	3,571,191
Prop A 40% BSCP	\$1,139,719	1,139,719	0.00%	1,121,330
Prop C BSIP	\$228,552	228,552	0.00%	224,400
Prop C Base Restructuring	\$490,905	490,905	0.00%	481,988
Prop C Transit Service Expansion	\$81,807	81,806	0.00%	80,319
Transit Security-Operating	\$229,506	229,506	0.00%	209,046
Measure R Operating	\$2,602,931	2,602,931	(0.00%)	2,443,923
Miscellaneous Transit Revenues	82,042	82,042	0.00%	58,454
Total Subsidies and Other	\$17,772,651	\$18,312,230	(2.95%)	\$14,016,840
Total Operating Revenue	\$21,915,367	\$23,187,230	(5.49%)	\$18,461,195
Other Revenues				
Gain on Sale of Fixed Assets	\$43,384	0	0.00%	\$3,644
Auxiliary Revenue	373,963	368,750	1.41%	\$340,533
Total Other Revenues	\$417,347	\$368,750	13.18%	\$344,177
Operating Expenses				
Operations	\$19,486,068	\$20,461,377	4.77%	\$16,255,817
Maintenance & Vehicle Technology	209,225	241,714	13.44%	151,992
Marketing and Communications	306,907	534,183	42.55%	361,290
Information Technology	506,289	926,201	45.34%	353,500
Administration	557,872	874,451	36.20%	561,240
Procurement	87,405	231,650	62.27%	137,454
Finance	295,015	331,940	11.12%	243,478
Planning	203,676	297,364	31.51%	204,838
Facilities	262,910	414,278	36.54%	226,430
Total Operating Expenses	\$21,915,367	\$24,313,158	9.86%	\$18,496,039
Other Expenses				
Property Management	\$122,306	\$100,000	(22.31%)	\$105,336
Dial-A-Ride	189,760	81,250	(133.55%)	169,843
Special Services	36,270	187,500	80.66%	34,154
Total Other Expenses	\$348,335.60	\$368,750	(52.89%)	\$309,333
Total Operating and Other Expenses	22,263,702	\$24,681,908	9.80%	\$18,805,372
Capital Revenues				
Capital Grants	\$1,413,554	\$14,031,778	(89.93%)	\$2,032,316
Capital Expenditures				
Capital Expenditures	\$ 1,413,554	\$14,031,778	89.93%	\$2,032,316

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Foothill Transit

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This report also includes bank accounts that only have balances.

Bank Account: Date Filter: 09/01/16..09/30/16

Check	Date	Check No.	Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry Status
B001			General Checking					
			Phone No. 800-488-2265					
	09/01/16	23867	Adt Security Services, Inc.	Security Services TS2	336.72	336.72	0.00	Posted
	09/01/16	23868	Bankcard Center-Bank of the West	8/16 Agency credit cards usage	40,639.91	40,639.91	0.00	Posted
	09/01/16	23869	City of Pomona - Passes	5/28 thru 8/17/16 - Get About Tickets	4,000.00	4,000.00	0.00	Posted
	09/01/16	23870	Ed Butts Ford	Tire Replacement	292.09	292.09	0.00	Posted
	09/01/16	23871	F-11 Production	8/03/2016 - Fire Safety Training	1,150.00	1,150.00	0.00	Posted
	09/01/16	23872	FEDEX Corp.	Express Mail	89.62	89.62	0.00	Posted
	09/01/16	23873	Hendy Satya	Reimbursable expense - Class Pass ambassador	46.98	46.98	0.00	Posted
	09/01/16	23874	Jarrett Stoltzfus	Reimbursable expense - NIGP 2016 Conference	1,807.64	1,807.64	0.00	Posted
	09/01/16	23875	Keystone Uniform Depot	Patches sewn on for Safety vests for new Q.A's	21.44	21.44	0.00	Posted
	09/01/16	23876	Los Angeles Times Communications, LLC	DBE Advertising	2,812.00	2,812.00	0.00	Posted
	09/01/16	23877	Omnitrans	Omnitrans passes	4,100.68	4,100.68	0.00	Posted
	09/01/16	23878	Proterra LLC	Side A and Side B August PMI	1,500.00	1,500.00	0.00	Posted
	09/01/16	23879	Sauder Manufacturing Co.	Arcadia Recliner Covers	2,528.04	2,528.04	0.00	Posted
	09/01/16	23880	Staples Business Adv.-Dept. LA	Office Supplies	77.09	77.09	0.00	Posted
	09/01/16	23881	State Compensation Insurance Fund	9/16 Workers Comp insurance premium	3,990.25	3,990.25	0.00	Posted
	09/01/16	23882	Steve Hirano	(3) RFP Public Notice	380.00	380.00	0.00	Posted
	09/01/16	23883	The Gas Co.	8/16 Admin Bldg Gas	16.34	16.34	0.00	Posted
	09/01/16	23884	The Type Gallery	Free Ride Coupons	5,470.88	5,470.88	0.00	Posted
	09/01/16	23885	Thomas J. Koontz	Business Cards	39.24	39.24	0.00	Posted
	09/01/16	23886	Toyo Landscaping Company	8/16 Industry P&R Landscape Maintenance	1,268.12	1,268.12	0.00	Posted
	09/01/16	23887	Tri - Signal Integration, Inc.	Elevator Recall Testing	592.00	592.00	0.00	Posted
	09/01/16	23888	United State Treasury	YR2014 1099 Form penalty	3,800.00	3,800.00	0.00	Posted
	09/01/16	E00389	International City Management Assoc. Retirement Co	Payroll ending 8/27/16 retirement funds	35,491.36	0.00	0.00	Posted
	09/01/16	E00390	Transdev Services, Inc.	7/16-31 - Arcadia Contractor Services	1,996,606.84	0.00	0.00	Posted
	09/06/16	E00391	First Transit Inc.	08/08/2016 - Pomona Special Service	241.23	0.00	0.00	Posted
	09/06/16	E00392	First Transit Inc.	08/09/2016-Pomona Special Service	196.96	0.00	0.00	Posted
	09/06/16	E00393	First Transit Inc.	8/09/2016 - Pomona Special Service	227.04	0.00	0.00	Posted
	09/06/16	E00394	First Transit Inc.	7/18-29 Pomona 499 Extra Trips	1,277.67	0.00	0.00	Posted
	09/06/16	E00395	First Transit Inc.	8/1-15 Pomona 499 Extra Trips	1,445.10	0.00	0.00	Posted
	09/06/16	E00396	First Transit Inc.	7/16-31 Pomona Contractor Services	1,160,065.88	0.00	0.00	Posted
	09/06/16	E00397	First Transit Inc.	8/1-15 - Pomona Contractor Services	760,728.58	0.00	0.00	Posted
	09/06/16	E00398	Transdev Services, Inc.	8/16 Arcadia Special Service Rose Bowl ColdPlay	10,868.76	0.00	0.00	Posted
	09/06/16	E00399	Transdev Services, Inc.	Fiscal Year 2016 Incentive Payment Transdev	35,000.00	0.00	0.00	Posted
	09/06/16	E00400	Transdev Services, Inc.	8/1-15 - Arcadia Contractor Services	883,496.54	0.00	0.00	Posted
	09/06/16	E00401	Transdev Services, Inc.	F-1717 Heavy maintenance - Repower	75,758.21	0.00	0.00	Posted
	09/07/16	23889	ACC Business	Internet	3,051.72	3,051.72	0.00	Posted
	09/07/16	23890	ACE Pelizon Plumbing	PHTS Plumbing Repair	575.67	575.67	0.00	Posted
	09/07/16	23891	Ace Construction Authority	Public Affairs	211.99	211.99	0.00	Posted

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09/07/16	23892 AT and T - 5025	El Monte Back line	37.04	37.04	0.00 Posted
09/07/16	23893 AT and T - 5025	800 Ride Info line	304.71	304.71	0.00 Posted
09/07/16	23894 AT and T - 5025	El Monte phone line (626)452-1579 & (626)452-1587	143.77	143.77	0.00 Posted
09/07/16	23895 AT and T - 5025	Phone Service	128.59	128.59	0.00 Posted
09/07/16	23896 AT and T - 5025	El Monte Phone line general	1,926.20	1,926.20	0.00 Posted
09/07/16	23897 AT and T - 5025	El Monte phone line router management	131.93	131.93	0.00 Posted
09/07/16	23898 AT and T Mobility II LLC	Avail Cellular	536.80	536.80	0.00 Posted
09/07/16	23899 Basic Backflow	(4) Test & Certify Backflow Device	200.00	200.00	0.00 Posted
09/07/16	23900 Charter Communications	Cable TV	162.68	162.68	0.00 Posted
09/07/16	23901 Crown Castle USA Inc.	Tower Rental	755.30	755.30	0.00 Posted
09/07/16	23902 David Reyno	Reimbursable Expenses - D.C Trip/APTA Exec. Mtgs	2,022.93	2,022.93	0.00 Posted
09/07/16	23903 Doran J. Barnes	Reimbursable Expenses	599.56	599.56	0.00 Posted
09/07/16	23904 FEDEX Corp.	Express Mail	192.21	192.21	0.00 Posted
09/07/16	23905 Felicia Friesema	Reimbursable Expense - New York	193.96	193.96	0.00 Posted
09/07/16	23906 Frontier California Inc.	Industry Park and Ride Phone Line	522.65	522.65	0.00 Posted
09/07/16	23907 Hendy Satya	Educational Assistance and Reimbursement	1,308.00	1,308.00	0.00 Posted
09/07/16	23908 Home Depot Credit Services	8/16 Facility Supplies	359.79	359.79	0.00 Posted
09/07/16	23909 Joseph Skilton	APTA Annual Meeting	3,750.00	3,750.00	0.00 Posted
09/07/16	23910 Mobile Relay Associates Inc.	Mobile Radio / Portable Radio Analog Service	20,365.03	20,365.03	0.00 Posted
09/07/16	23911 PC Connection Sales Corp.	Replacement hard drive for Donald's laptop	383.70	383.70	0.00 Posted
09/07/16	23912 Raycom	Portable Radio airtime	1,648.71	1,648.71	0.00 Posted
09/07/16	23913 ReadyRefresh	Drinking Water	71.92	71.92	0.00 Posted
09/07/16	23914 Signal Campus, LLC	Rio Hondo, Mt. SAC	2,975.00	2,975.00	0.00 Posted
09/07/16	23915 Skyline Pest Control	8/16 Monthly Pest & Rodent Control	95.00	95.00	0.00 Posted
09/07/16	23916 The Hartford	Commerical Auto & Business Owners	3,018.00	3,018.00	0.00 Posted
09/07/16	23917 Thomas J. Koontz	Reprint of Citrus College Class Pass Brochure	470.88	470.88	0.00 Posted
09/07/16	23918 Toyo Landscaping Company	8/16 Azusa P&R Landscape Maintenance	440.00	440.00	0.00 Posted
09/07/16	23919 Tri - Signal Integration, Inc.	8/16 Admin Bldg Monthly Fire Pump Test	230.00	230.00	0.00 Posted
09/07/16	23920 Verizon Wireless	Cell Phone	4,492.19	4,492.19	0.00 Posted
09/07/16	23921 Willie J. Brooks	9/16 Indoor Plant Care	662.75	662.75	0.00 Posted
09/15/16	23922 Allied Administrators for Delta Dental	10/16 Dental Insurance Premium	7,869.69	7,869.69	0.00 Posted
09/15/16	23923 California Choice	10/16 Medical Insurance Premium	46,312.02	46,312.02	0.00 Posted
09/15/16	23924 Citrix Online LLC	OpenVoice Audio Service	1,296.23	1,296.23	0.00 Posted
09/15/16	23925 Come Land Maintenance Service Company Inc.	8/16 Janitorial Service	3,574.78	3,574.78	0.00 Posted
09/15/16	23926 Darold D. Pieper Attorney at Law	Legal Fees	7,025.00	7,025.00	0.00 Posted
09/15/16	23927 Day - Lite Maintenance Co. Inc.	Admin Building Lighting Repair	212.87	212.87	0.00 Posted
09/15/16	23928 Diversified Transportation, LLC	07/16 Monrovia Dial a Ride	67,271.14	67,271.14	0.00 Posted
09/15/16	23929 ECS Imaging, Inc.	Scanning service on Laserfiche	3,012.64	3,012.64	0.00 Posted
09/15/16	23930 FEDEX Corp.	Express Mail	32.31	32.31	0.00 Posted
09/15/16	23931 G4S Secure Integration LLC	08/16 Security Maintenance	10,424.83	10,424.83	0.00 Posted
09/15/16	23932 GE Appliance	3rd Floor Refridgerator Repair Assesment	108.95	108.95	0.00 Posted
09/15/16	23933 Jarrett Stoltzfus	Employee Rideshare Program	100.00	100.00	0.00 Posted
09/15/16	23934 John Xie	Educational assistance and reimbursement	1,962.00	1,962.00	0.00 Posted
09/15/16	23935 Katherine E. Gagnon	Reimbursable Expenses	95.66	95.66	0.00 Posted
09/15/16	23936 Landmark Healthplan of California, Inc.	09/16 Chiropractic Insurance Premium	303.73	303.73	0.00 Posted

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09/15/16	23937 Neil Beightol	Oct. 2016 Decal Order	869.82	869.82	0.00 Posted
09/15/16	23938 Office Depot	Office Supplies	441.22	441.22	0.00 Posted
09/15/16	23939 OUTFRONT Media LLC	LA Rail Installation/Production	5,960.00	5,960.00	0.00 Posted
09/15/16	23940 Schindler Elevator Corporation	9/1/16 - 11/30/16 Elevator Maintenance	2,506.29	2,506.29	0.00 Posted
09/15/16	23941 Signal Campus, LLC	APU	1,296.00	1,296.00	0.00 Posted
09/15/16	23942 SouthComm Business Media, LLC	Web Ad - Procurement Specialist	295.00	295.00	0.00 Posted
09/15/16	23943 Staples Business Adv.-Dept. LA	Office Supplies	67.61	67.61	0.00 Posted
09/15/16	23944 Steve Hirano	8/18 Recruitment AD-Mgr Public Admin & Compliance	95.00	95.00	0.00 Posted
09/15/16	23945 Thomas J. Koontz	Business Cards	113.36	113.36	0.00 Posted
09/15/16	23946 Thomas Nass	Final payroll for period of 9/11/16 to 9/16/16	4,729.54	4,729.54	0.00 Posted
09/15/16	23947 Thompson Coburn LLP	Covina and West Covina Park & Ride	47,426.98	47,426.98	0.00 Posted
09/15/16	23948 ThyssenKrupp Elevator Corporation	Annual Safety Inspection	2,025.00	2,025.00	0.00 Posted
09/15/16	23949 Transit - Finance Learning Exchange	7/16 - 6/17 Membership Dues - Michelle Caldwell	900.00	900.00	0.00 Posted
09/15/16	23950 Tri - Signal Integration, Inc.	9/16 Admin Building Fire Pump Test & Insection	787.50	787.50	0.00 Posted
09/15/16	23951 Vision Service Plan - (CA)	9/16 Vision Insurance Premium	1,228.22	1,228.22	0.00 Posted
09/15/16	23952 Waste Management	9/16 Arcadia Warehouse Trash Service	218.05	218.05	0.00 Posted
09/15/16	E00402 International City Management Assoc. Retirement Co	Payroll ending 9/10/16 retirement funds	35,851.60	0.00	0.00 Posted
09/22/16	23953 A-1 Rentals	Blue Tablecloths for Governing Board Meeting	75.63	75.63	0.00 Posted
09/22/16	23954 ACCO Engineered Systems Inc.	Admin Bldg HVAC Repair	2,870.25	2,870.25	0.00 Posted
09/22/16	23955 Alandale Ins. Agency	Scottsdale Insurance-FY16 final audit	2,136.24	2,136.24	0.00 Posted
09/22/16	23956 Athens Services	9/16 Admin Trash Service & Parking Lot Sweeping	1,126.04	1,126.04	0.00 Posted
09/22/16	23957 Baker Donelson Bearman and Cal.	Public Affairs	9,000.00	9,000.00	0.00 Posted
09/22/16	23958 Capture Technologies, Inc.	9/16 Nice recorders channel expansion base rate	189.56	189.56	0.00 Posted
09/22/16	23959 Charter Communications	Cable TV	162.68	162.68	0.00 Posted
09/22/16	23960 Cintas Corporation #2	First Aid Kit Supplies	171.15	171.15	0.00 Posted
09/22/16	23961 Come Land Maintenance Service Company Inc.	9/16 Janitorial Service	2,800.00	2,800.00	0.00 Posted
09/22/16	23962 Crowe Horwath LLP	FY 16 Financial Audit	20,000.00	20,000.00	0.00 Posted
09/22/16	23963 Day - Lite Maintenance Co. Inc.	9/16 Monthly Lighting Contract	192.00	192.00	0.00 Posted
09/22/16	23964 Environmental Systems Research Inst	9/16-9/17 ArcGIS Annual Maintenance	1,300.00	1,300.00	0.00 Posted
09/22/16	23965 FEDEX Corp.	Express Mail	102.23	102.23	0.00 Posted
09/22/16	23966 Frontier Communications Corporation	Fax line	2,500.19	2,500.19	0.00 Posted
09/22/16	23967 Grand Car Wash	Vehicle washing September	856.23	856.23	0.00 Posted
09/22/16	23968 HD Supply Facilities Maintenance	Admin Bldg Facility Supplies	238.59	238.59	0.00 Posted
09/22/16	23969 Hendy Satya	Reimbursable expense - APTA Annual Meeting	110.18	110.18	0.00 Posted
09/22/16	23970 Iron Mountain Inc.	Shredding Services	113.52	113.52	0.00 Posted
09/22/16	23971 Jose Antonio Aguirre	Azusa Intermodal Transit Center Muralist	28,750.00	28,750.00	0.00 Posted
09/22/16	23972 Lazar and Associates	08/16 Interpreting Services	152.25	152.25	0.00 Posted
09/22/16	23973 Neofunds by Neopost	Postage	609.47	609.47	0.00 Posted
09/22/16	23974 Newage PHM, LLC	TS2 Electricity Usage	7,373.13	7,373.13	0.00 Posted
09/22/16	23975 Penske Toyota Scion of West Covina	Tire replacement	228.74	228.74	0.00 Posted
09/22/16	23976 Richards Watson and Gershon	Legal Fees	39.10	39.10	0.00 Posted
09/22/16	23977 Sharlane Bailey	Reimbursable expense - 2016 APTA Annual	63.00	63.00	0.00 Posted
09/22/16	23978 Signal Campus, LLC	Rio Hondo, Mt. SAC	2,475.00	2,475.00	0.00 Posted
09/22/16	23979 Socal Office Technologies	Xerox Copier	286.44	286.44	0.00 Posted
09/22/16	23980 Southern California Edison Co.	8/16 Admin Bldg Electricity	27,164.84	27,164.84	0.00 Posted
09/22/16	23981 Southern California Edison Co.	09/16 Pomona Transit Center electricity usage	16,140.65	16,140.65	0.00 Posted

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09/22/16	23982 Standard Parking Corporation	8/16 Parking Services	3,406.03	3,406.03	0.00 Posted
09/22/16	23983 Suburban Water Systems	8/16 Admin Bldg Fire Pump Water	855.91	855.91	0.00 Posted
09/22/16	23984 Tana Sue K. Bertaux	APTA Event - Magic entertainment decor	648.55	648.55	0.00 Posted
09/22/16	23985 Tanya Marie Pina	Reimbursable Expense - APTA LA parking	90.00	90.00	0.00 Posted
09/22/16	23986 Thomas J. Koontz	Route Map Poster	1,616.74	1,616.74	0.00 Posted
09/22/16	23987 Thompson Coburn LLP	Electric Bus Procurement	17,901.03	17,901.03	0.00 Posted
09/22/16	23988 Tupper W. Lienke	Covina P&R Preliminary Appraisal Report	4,500.00	4,500.00	0.00 Posted
09/22/16	23989 Verizon Business - 15043	Verizon PRI	4,130.97	4,130.97	0.00 Posted
09/22/16	23990 Walnut Valley Water District	8/16 Industry P&R Fire Sprinkler Water	110.94	110.94	0.00 Posted
09/22/16	23991 Wright Express	Vehicle fueling August	518.62	518.62	0.00 Posted
09/22/16	23992 Yoko Igawa	Reimbursable expense - APTA & various meetings	94.52	94.52	0.00 Posted
09/29/16	23993 Active Network LTD	Fare System Equipment	4,231.78	4,231.78	0.00 Posted
09/29/16	23994 Andrew John Papson	Employee rideshare program	25.00	25.00	0.00 Posted
09/29/16	23995 AT and T - 5019	800 Line service	306.06	306.06	0.00 Posted
09/29/16	23996 AT and T - 5025	TS 6 Computer line	123.15	123.15	0.00 Posted
09/29/16	23997 AT and T - 5025	El Monte Phone line general	1,908.53	1,908.53	0.00 Posted
09/29/16	23998 Caliber Collision Center	Vehicle repair/ Operation vehicle 1388993	2,713.54	2,713.54	0.00 Posted
09/29/16	23999 California Transit Association	Membership Directory 2016 Guide Edition	219.50	219.50	0.00 Posted
09/29/16	24000 Chamber of Commerce - Irwindale	Good Morning Irwindale Networking Breakfast	200.00	200.00	0.00 Posted
09/29/16	24001 Charter Communications	Cable TV	162.68	162.68	0.00 Posted
09/29/16	24002 CIGNA Group Insurance	09/16 Cigna Life Insurance Premium	3,834.69	3,834.69	0.00 Posted
09/29/16	24003 Cisco WebEx LLC	9/16 - 9/17 WebEx Renewal	708.00	708.00	0.00 Posted
09/29/16	24004 City of La Puente	Main Street Run	100.00	100.00	0.00 Posted
09/29/16	24005 Clean Energy	07/16 Pomona CNG Fuel	533,993.29	533,993.29	0.00 Posted
09/29/16	24006 Concerts in the Park	Concert Sponsor 2016	500.00	500.00	0.00 Posted
09/29/16	24007 Crown Castle USA Inc.	Tower rental	755.30	755.30	0.00 Posted
09/29/16	24008 E.C. Construction Inc.	Arcadia Fare Collection Canopy Installation	3,912.10	3,912.10	0.00 Posted
09/29/16	24009 E.S.G.Valley Japanese Community Ctr	2016 Family Health Fair	1,000.00	1,000.00	0.00 Posted
09/29/16	24010 Frontier California Inc.	Arc Computer	184.80	184.80	0.00 Posted
09/29/16	24011 Frontier Communications Corporation	Industry Park and Ride Phone Line	343.24	343.24	0.00 Posted
09/29/16	24012 Green's Lock and Safe	Facility keys & hardware	340.60	340.60	0.00 Posted
09/29/16	24013 Industry Public Utility Commission	8/16 Industry P&R Electricity	1,527.64	1,527.64	0.00 Posted
09/29/16	24014 Metrolink	7/16 Metrolink passes	50,036.00	50,036.00	0.00 Posted
09/29/16	24015 De T. Kha	Refund of student pass	18.00	18.00	0.00 Posted
09/29/16	24016 PCC Men's Basketball Program	Banner to hung in gym and ad in media guide	500.00	500.00	0.00 Posted
09/29/16	24017 Penske Toyota Scion of West Covina	vehicle maintenance	84.66	84.66	0.00 Posted
09/29/16	24018 Public Safety Appreciation Lun	20th Annual Public Safety Appreciation Luncheon	1,200.00	1,200.00	0.00 Posted
09/29/16	24019 Remix Software, Inc.	1st Year - Enterprise 4 year License	24,250.00	24,250.00	0.00 Posted
09/29/16	24020 RNL/Interplan	Arcadia Improvement- Canopy	3,863.50	3,863.50	0.00 Posted
09/29/16	24021 Rotary Club of Walnut Valley	Joe's Registration & Member dues - Oct/Dec	134.40	134.40	0.00 Posted
09/29/16	24022 Ruben Cervantes	Educational Assistance and Reimbursement	1,021.75	1,021.75	0.00 Posted
09/29/16	24023 S. Hills High School Band Booste	Showcase of Bands Field Show Tournament	300.00	300.00	0.00 Posted
09/29/16	24024 San Dimas Rodeo Inc.	22nd Annual San Dimas Western Days Rodeo	800.00	800.00	0.00 Posted
09/29/16	24025 South Coast AQMD	28th Annual Clean Air Awards	400.00	400.00	0.00 Posted
09/29/16	24026 SouthComm Business Media, LLC	40 under 40 article - Katie Gagnon	1,800.00	1,800.00	0.00 Posted

Bank Account - Check Details

Period: 09/01/16..09/30/16

Foothill Transit

Monday, October 03, 2016 08:28:56 AM

ATTACHMENT D
FOOTHILLTRANSIT\k

09/29/16	24027 Steve Hirano	9/16 Recruitment AD - Procurement Specialist	95.00	95.00	0.00 Posted
09/29/16	24028 Thomas J. Koontz	Signage and stands for APTA Annual Meeting	1,313.45	1,313.45	0.00 Posted
09/29/16	24029 Toyo Landscaping Company	9/16 Admin Bldg Landscape Maintenance	1,708.12	1,708.12	0.00 Posted
09/29/16	24030 Transit Information Products	Transit Tube Displays for 7/2016	546.02	546.02	0.00 Posted
09/29/16	24031 Verizon Business - 15043	800 Line	17,630.04	17,630.04	0.00 Posted
09/29/16	24032 YWCA Pasadena - Foothill Valley	14th Annual Women for Racial Justice Breakfast	600.00	600.00	0.00 Posted
09/29/16	E00403 First Transit Inc.	8/30/2016 Pomona Special Service	214.55	0.00	0.00 Posted
09/29/16	E00404 First Transit Inc.	8/16-31 Pomona 499 Extra Trips	1,552.37	0.00	0.00 Posted
09/29/16	E00405 First Transit Inc.	Pomona Rose Bowl Special Service 08/20/2016	12,886.04	0.00	0.00 Posted
09/29/16	E00406 First Transit Inc.	08/16-31 - Pomona Contractor Services	1,271,150.38	0.00	0.00 Posted
09/29/16	E00407 International City Management Assoc. Retirement Co	Payroll ending 9/24/16 retirement funds	42,048.12	0.00	0.00 Posted
09/29/16	E00408 Transdev Services, Inc.	Reimbursement Coach F1344	5,690.87	0.00	0.00 Posted
09/29/16	E00409 Transdev Services, Inc.	Reinbursement for Coach F1349	4,542.10	0.00	0.00 Posted
09/29/16	E00410 Transdev Services, Inc.	08/16-31 Arcadia Contractor Services	2,091,259.13	0.00	0.00 Posted
09/29/16	E00411 Transdev Services, Inc.	Reimbursement for 1716	77,635.46	0.00	0.00 Posted
09/29/16	E00412 Transdev Services, Inc.	09/16 Management services fee	160,558.61	0.00	0.00 Posted
	General Checking		9,834,773.82	1,169,980.42	0.00



October 28, 2016

To: Executive Board

Subject: **Resolution Adopting Executive and Governing Board Meeting Schedule for 2017**

Recommendation

Adopt Resolution No. 2016-04 the Executive and Governing Board Meeting Schedule for 2017.

Analysis

The schedule of Executive and Governing Board meetings and the annual meeting of the Governing Board are shown on the attached meeting schedule (**Attachment A**). Foothill Transit's Joint Powers Agreement (JPA) requires that meetings be fixed by resolution (**Attachment B**). Upon adoption, the resolution and meeting schedule will be filed with the JPA member cities and Los Angeles County.

At times it may be necessary to modify the meeting schedule due to business issues that arise. Notification will be provided in a timely manner of any possible date or time changes and proper notifications will be posted.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Christina Lopez'.

Christina Lopez
Board Secretary

A handwritten signature in blue ink, appearing to read 'Kevin Parks McDonald'.

Kevin Parks McDonald
Deputy Executive Director

Attachments



2017 Executive & Governing Board Meeting Calendar

January 2017

Friday, January 27 @ 8:00 a.m.	Executive Board Meeting
--------------------------------	-------------------------

February 2017

Friday, February 3 - 8:00 a.m. - 3:00 p.m.	Strategic Planning Workshop
Friday, February 17 @ 7:45 a.m.	Governing Board Meeting
Friday, February 24 @ 8:00 a.m.	Executive Board Meeting

March 2017

Friday, March 24 @ 7:45 p.m.	Governing Board Meeting
Friday, March 31 @ 8:00 a.m.	Executive Board Meeting

April 2017

Friday, April 28 @ 8:00 a.m.	Executive Board Meeting
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May 2017

Friday, May 26 @ 8:00 a.m.	Annual Governing Board Meeting & Executive Board Meeting
----------------------------	--

June 2017

Friday, June 30 @ 8:00 a.m.	Executive Board Meeting
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July 2017

Friday, July 28 @ 8:00 a.m.	Executive Board Meeting
-----------------------------	-------------------------

August 2017

Friday, August 25 @ 8:00 a.m.	Executive Board Meeting
-------------------------------	-------------------------

September 2017

Friday, September 29 @ 8:00 a.m.	Executive Board Meeting
----------------------------------	-------------------------

October 2017

Friday, October 27 @ 8:00 a.m.	Executive Board Meeting
--------------------------------	-------------------------

2017 Executive & Governing Board Meeting Calendar

Page 2

November 2017

Friday, November 3 @ 7:45 a.m.	Governing Board meeting
--------------------------------	-------------------------

December 2017

Friday, December 15 @ 8:00 a.m.	Executive Board Meeting
---------------------------------	-------------------------





RESOLUTION NO. 2016-04

**A RESOLUTION OF THE EXECUTIVE BOARD OF Foothill TRANSIT
ADOPTING THE 2017 MEETING SCHEDULE**

The Executive Board of Foothill Transit does resolve as follows:

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

A. The Joint Exercise of Powers Agreement governing Foothill Transit requires that the dates of the regular meetings of the Governing Board and Executive Board fixed by resolution.

B. It is most convenient and useful to the agency and its members to fix the dates of the regular meetings and of other significant meetings through the adoption of an annual schedule.

2. Action.

A. The Executive Board adopts the 2017 Executive and Governing Board Meeting Schedule attached as Attachment A.

3. Adoption. PASSED AND ADOPTED at a meeting of the Executive Board held on October 28, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

CAROL HERRERA, CHAIR

APPROVED AS TO FORM:
DAROLD PIEPER, GENERAL COUNSEL

ATTEST:
CHRISTINA LOPEZ, BOARD SECRETARY

By:_____

By:_____



October 28, 2016

To: Executive Board

Subject: **Contract Award - Emergency Generator at Pomona Operations and Maintenance Facility**

Recommendations

Authorize the Executive Director to execute Agreement No. 17-012 with AG Engineering in the amount of \$152,672.80 for replacement of the Emergency Diesel Generator equipment at Foothill Transit's Pomona Operations and Maintenance Facility.

Analysis

Construction of the Pomona Operations and Maintenance Facility was completed in January of 1997. The facility is equipped with an emergency diesel-fueled generator that provides electricity to maintain critical functions during a loss of electrical power to the facility. Subsequent to the facility opening in 1997, the Southern California Air Quality Management District (SCAQMD) introduced new air quality mitigation measures that regulate gas generator emissions, especially those in close proximity to schools. One of the Pomona Unified School District's campuses is within 250 feet of Foothill Transit's northern property line and as such, Foothill Transit must comply with these new regulations.

At the July 29, 2016 Executive Board meeting, the Board authorized the issuance of Invitation for Bids (IFB) No. 17-012 for replacement of the emergency diesel generator at Foothill Transit's Pomona Operations & Maintenance Facility with a generator that is equipped with a filtration system designed to reduce particulate matter emissions as required by SCQAMD.

On October 14, 2016 two bids were received. After review of the bids, AG Engineering was determined to be the lowest responsive and responsible bidder.

AG Engineering is located in Rancho Cucamonga, CA and has over 30 years of experience installing generators in Southern California. AG Engineering has performed similar work for various commercial and public sector clients, including Onward Engineering, Frontier Communications, and the City of Ontario.



Foothill Transit

Executive Board Meeting

Executive Board Meeting - 10/28/16

Contract Award - Emergency Generator at Pomona Operations
and Maintenance Facility

Page 2

The projected timeline for the replacement of the emergency generator has installation and commissioning of the new equipment completed by end of May 2017.

Budget Impact

Funding for this project is included in Foothill Transit's approved Fiscal Year 2016-2017 budget.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Vincent Saucedo'.

Vincent Saucedo
Construction Project Manager

A handwritten signature in blue ink, appearing to read 'Kevin Parks McDonald'.

Kevin Parks McDonald
Deputy Executive Director



October 28, 2016

To: Executive Board

Subject: **Coach Operator Audit Results**

Recommendation

Receive and file the results of the Coach Operator Audits conducted in August 2016.

Background

Coach operator performance audits were conducted during the period of August 24, 2016 through August 30, 2016 to monitor the performance of the on street service delivery provided by Foothill Transit's operations contractors. These performance checks evaluate fare collection, customer relations, and safety. The performance checks are conducted by Moore & Associates, Inc., the firm under contract to provide these services. Moore & Associates is a full-service professional public transit consulting firm.

In order to ensure maximum coverage of Foothill Transit's operational area the audits are conducted across the Foothill Transit service area and at random. Auditors from Moore & Associates utilize Foothill Transit service as anonymous riders. When the auditor first boards, they will challenge the driver by depositing the incorrect fare or by attempting to use an invalid transfer or pass. If the driver challenges the fare the auditor will then deposit the correct fare. If not, the occurrence is reported as a fare violation. Once onboard the bus, the auditor will then monitor the coach operator's performance in terms of customer relations and safety.

The chart below summarizes the results of the August 2016 audits for each operating facility.

Table 1 shows the trend of the Coach Operator Audits for Foothill Transit's Arcadia facility.

Table 2 shows the trend of the Coach Operator Audits for Foothill Transit's Pomona facility.



Table 1 - Arcadia (Transdev)

	MARCH 2016	AVERAGE VIOLATIONS PER TRIP	MAY 2016	AVERAGE VIOLATIONS PER TRIP	AUG 2016	AVERAGE VIOLATIONS PER TRIP
TOTAL AUDITS CONDUCTED	117	N/A	114	N/A	106	N/A
FARE VIOLATIONS	32	0.3	40	0.4	27	0.3
CUSTOMER RELATIONS VIOLATIONS	103	0.9	57	0.5	113	1.1
SAFETY VIOLATIONS	49	0.5	31	0.3	20	0.2
TOTAL VIOLATIONS	158	1.6	128	1.1	160	1.5
TOTAL PERFECT CHECKS	50	N/A	N/A	N/A	28	N/A

Table 2 - Pomona (First Transit)

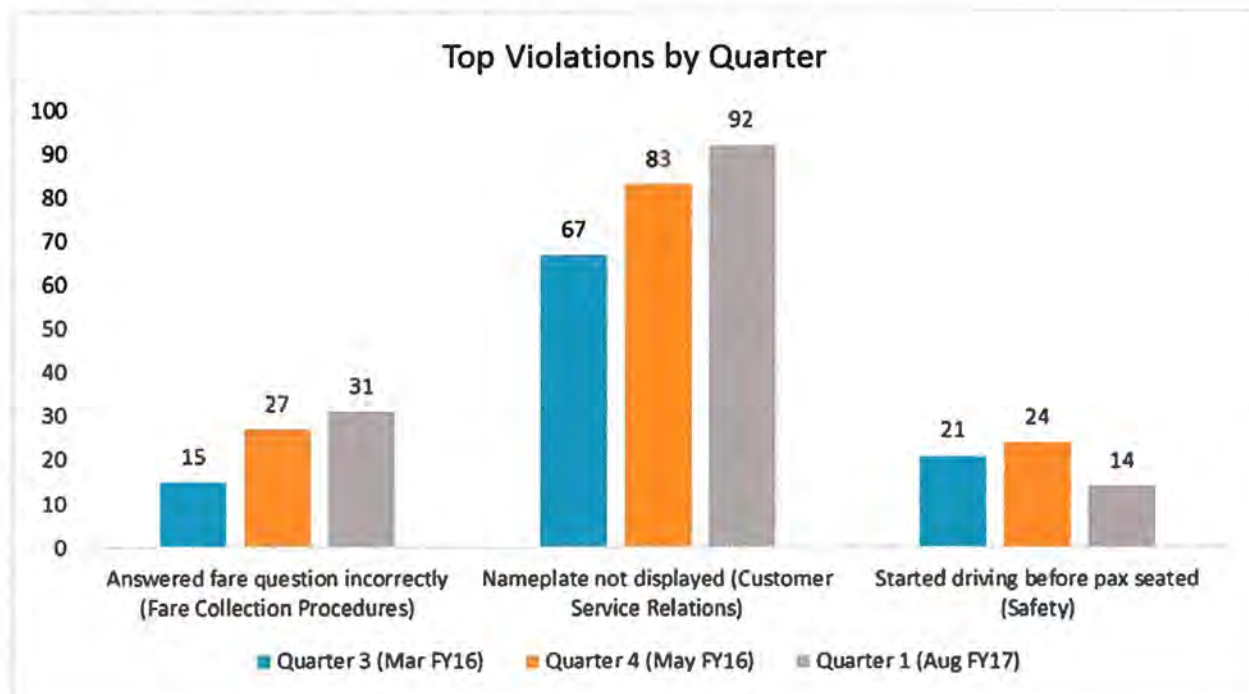
	MARCH 2016	AVERAGE VIOLATIONS PER TRIP	MAY 2016	AVERAGE VIOLATIONS PER TRIP	AUG 2016	AVERAGE VIOLATIONS PER TRIP
TOTAL AUDITS CONDUCTED	79	N/A	86	N/A	82	N/A
FARE VIOLATIONS	11	0.1	22	0.3	25	0.3
CUSTOMER RELATIONS VIOLATIONS	87	1.1	113	1.3	100	1.2
SAFETY VIOLATIONS	23	0.3	26	0.3	27	0.3
TOTAL VIOLATIONS	121	1.5	161	1.9	152	1.9
TOTAL PERFECT CHECKS	28	N/A	N/A	N/A	21	N/A



Operators with no noted violations are awarded a certificate and "Perfect Check" pin, which can be worn as part of their uniform. In the August 2016 audit, a total of 49 coach operators had perfect checks.

The August 2016 audit numbers show a 25 percent increase in total violations for the Arcadia facility while the Pomona facility had a decrease of 5.6 percent in total violations. The increase in total violations for Arcadia can be primarily attributed to the rise in operators failing to display their nameplate. Safety violations as a proportion of total violations decreased to 15.1 percent from 19.7 percent last quarter.

The majority of the August 2016 violations for the service characteristics observed fell within the following areas:



In addition, auditors collected on-time performance during each observed trip. Out of the 188 trips observed this audit period 132 were reported as being on-time. This 70 percent on-time departure rate is a slight increase since the previous quarter. Furthermore, no trips were missed.

While the primary focus is on Fare, Safety and Customer Service Relations we have modified the audit process to include an ADA challenge. The challenge for this audit period required the mystery riders to make a request for the



ramp to be lowered. Out of the 112 requests made, 98 percent of our operators complied.

Results of the Coach Operator Audit provide Foothill Transit with a tool to monitor and evaluate the performance of operators delivering service. In an effort to maintain quality, Foothill Transit's management team reviews the results regularly with the Assistant General Managers and Operations Managers of both operating facilities to receive insight as well as action plans for the areas that need attention.

The administrative team continues to work with both operations contractors to maintain and ensure Foothill Transit's high service standards for safety, courtesy, and on-time performance. The coach operator performance audits will continue to be conducted on a quarterly basis in order to measure and document progress in maintaining and improving performance.

Budget Impact

Funding for the coach operator audits is included in Foothill Transit's FY 2016-2017 Business Plan.

Sincerely,

A handwritten signature in blue ink that reads "Tanya M. Pina".

Tanya M. Pina
Operations Contract Manager

A handwritten signature in blue ink that reads "Kevin Parks McDonald".

Kevin Parks McDonald
Deputy Executive Director



October 28, 2016

To: Executive Board

Subject: **Contract Amendment - Real-Time Passenger Information System**

Recommendation

Authorize the Executive Director to execute Amendment No. 3 to Agreement No. 12-004 with NextBus in the amount of \$182,592 to exercise option years four and five on Foothill Transit's real time passenger information system.

Analysis

On April 27, 2012 Foothill Transit entered into Agreement No. 12-004 with NextBus Inc., now known as Cubic in the amount of \$433,881 for the implementation of a real time bus arrival system. The base term of the agreement was three years, and the agreement includes two option years that may be exercised at Foothill Transit's sole discretion.

The NextBus system allows customers to get bus arrival information using designated websites, smartphone applications, text message, and via voice response by phone. The system also gives third-party developers access to the information allowing for the development of additional applications and integration into websites. The NextBus system is also used by neighboring transit agencies L.A. Metro and OmniTrans.

The system collects data from the SMARTBus system, Zonar, and NextBus Trackers to predict the bus arrival at a selected stop or the closest stop when used with a GPS-enabled smartphone. By exercising the two option years at once, Foothill Transit will realize a savings of \$8,226 per year.

Customers in the L.A. region rely on NextBus to access bus arrival information on Foothill Transit as well as on many of our neighboring transit agencies, including LA Metro and OmniTrans. In September, Foothill Transit had a little over 2 million hits or about 67,000 hits a day.

Exercise of the fourth and fifth option years results in a cumulative total contract amount of \$660,545.



Executive Board Meeting - 10/28/16
Contract Amendment - Real-Time Passenger Information
System
Page 2

Budget Impact

Funding for the system is included in Foothill Transit's approved Fiscal Year 2016-2017 budget.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph Raquel" followed by a slash and "for".

Joseph Raquel
Director of Planning

A handwritten signature in blue ink, appearing to read "Kevin Parks McDonald".

Kevin Parks McDonald
Deputy Executive Director



October 28, 2016

To: Executive Board

Subject: **Request to Issue Invitation for Bids - Video Projection System Replacement**

Recommendation

Authorize the Executive Director to issue an invitation for bids (IFB No.17-041) for the purchase and installation of a replacement video projection system for the Boardroom at Foothill Transit's administrative offices.

Analysis

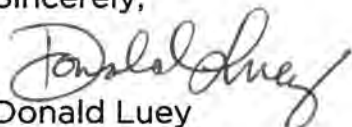
The video projection system in Foothill Transit's Boardroom was initially installed in 2007. The current equipment is at the end of its useful life and the aging projectors and audio system are obsolete and intermittently failing. Additionally, the projector bulbs are no longer available for purchase. To bring the video and audio system up to date, it is proposed that the video projector and screen first be replaced with new digital micro-tile screens which will provide brighter, more legible text and more readily viewable graphics to the audience. In addition, the upgrade will include replacement of the existing obsolete computer monitors with monitors capable of the new standard display ratio of 16x9.

The video system replacement will be ordered to fit into the existing framing and converted to the proper aspect ratio of 16x9. Once a new video solution has been acquired the audio system will be replaced through a procurement that will be undertaken in a separate project scope.

Budget Impact

The approved FY 2016-2017 Business Plan and Budget includes funding for the Boardroom video system replacement project.

Sincerely,


Donald Luey
Director of IT


Kevin Parks McDonald
Deputy Executive Director



October 28, 2016

To: Executive Board

Subject: **Fiscal Year 2015-2016 Comprehensive Annual Financial Audit Report Results**

Recommendation

Receive and file the Fiscal Year 2015-2016 financial and compliance audit results. The Comprehensive Annual Financial Report (CAFR) including the auditor's opinions has been provided for you as **Attachment A**.

Analysis

The accounting firm of Crowe Horwath LLP has completed their audit of Foothill Transit's balance sheet as of June 30, 2016 along with the related statements of revenues, expenses, and cash flow. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. This audit was performed for the purpose of forming an opinion regarding Foothill Transit's financial statements.

In addition to the financial audit, Crowe Horwath LLP completed an audit of Foothill Transit's compliance with the Single Audit (Office of Management and Budget Circular [OMB] A-133 guidelines mandated by our receipt of federal funds), the Transportation Development Act, and the rules and regulations for the Los Angeles County Metropolitan Transportation Authority. The purpose of these audits is to determine compliance with all laws, regulations, contracts, and grants, including the Transportation Development Act as summarized in the "Guidelines on Auditing for Conformance" which is published by the Southern California Association of Governments.

Crowe Horwath LLP found no deficiencies for any of the above audits. This includes no recommendations or adjustments to Foothill Transit's financial statements for the fiscal year ended June 30, 2016, to properly reflect the financial position and changes in its financial position. This is the 14th consecutive year that Foothill Transit has received a "clean" audit finding for its financial statements.

Crowe Horwath LLP will present a review of the audit results and present the final Independent Financial and Single Audit Reports to the Executive Board on Friday, October 28, 2016.




A summary of the financial activities are as follows:

Summary of Financial Activity for Fiscal Year Ended June 30, 2016

Total farebox revenue	\$	17,144,739
Other revenue		<u>1,386,645</u>
Total operating revenues		18,531,384
Operating expense before depreciation		76,296,638
Depreciation expense		<u>25,414,669</u>
Total operating expense		101,711,307
Operating Loss		<u>(83,179,923)</u>
Non-operating revenues		57,267,820
Other Income (expense) net		5,375,847
Loss before capital contributions		(20,536,256)
Capital contributions		27,386,888
Change in net assets		6,850,632
Net assets at beginning of year		<u>231,287,205</u>
Net assets at end of year	\$	<u>238,137,837</u>
Farebox recovery ratio		22.47%

Foothill Transit's working capital (current assets less current liabilities); a measure of Foothill Transit's liquidity, was \$107 million, representing an increase of approximately \$1.8 million since last year. This is an indicator of Foothill Transit's ability to respond to an unexpected situation requiring immediate cash. A copy of the audit report is attached for your review.

Sincerely,


Michelle Lopes Caldwell
Director of Finance & Treasurer


Kevin Parks McDonald
Deputy Executive Director

Attachment

FOOTHILL TRANSIT COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015
WEST COVINA, CALIFORNIA





Foothill Transit

Going Good Places

West Covina, California

Comprehensive Annual Financial Report

For the Fiscal Years Ended
June 30, 2016 and 2015

Prepared by:
Finance Department

Michelle Lopes Caldwell
Director of Finance and Treasurer

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

**Comprehensive Annual
Financial Report**

JUNE 30, 2016 AND 2015

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FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

**Comprehensive Annual
Financial Report**

JUNE 30, 2016 AND 2015

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The image features a white background with large, flowing, abstract shapes in shades of blue and green. A prominent dark blue shape curves across the middle, containing the word 'INTRODUCTION' in white, bold, uppercase letters. To the right, a lighter blue shape curves upwards. At the top, a green shape curves downwards. The overall design is clean and modern.

INTRODUCTION

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Foothill Transit
Going Good Places

Executive Board Memorandum

To: Executive Board

October 28, 2016

Subject: Fiscal Year 2015/2016 Comprehensive Annual Financial Report

Enclosed is the Comprehensive Annual Financial Report of Foothill Transit for the fiscal year ended June 30, 2016. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Foothill Transit. To the best of management's knowledge and belief, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of Foothill Transit's financial activities.

In addition to the financial audit, Foothill Transit is required to conduct an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control structure and compliance with applicable laws and regulations are included with this report.

Independent Audit. The accounting firm of Crowe Horwath LLP was selected to perform an annual independent audit of Foothill Transit's financial statements. The goal of the independent audit is to provide reasonable assurance that Foothill Transit's financial statements for the fiscal year ended June 30, 2016, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that Foothill Transit financial statements for fiscal year ended June 30, 2016, are fairly presented in conformity with generally accepted accounting principles (GAAP). The audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Guidance. The auditor's report on the basic financial statements and schedules, including reports specifically related to the single audit, are included in this document.

Management's Representations. This report consists of management representations concerning Foothill Transit's finances. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, Foothill Transit's management has established a comprehensive internal control framework designed to ensure that the assets of Foothill Transit are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management. As

management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management's Discussion and Analysis. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that begins on page 3, and should be read in conjunction with it.

Reporting Entity. Foothill Transit, a joint powers authority of 22 cities and the County of Los Angeles, is a public transit provider located in the San Gabriel and Pomona Valleys in Los Angeles County. Foothill Transit operates a fleet of 360 buses transporting 14 million passengers with 12.6 million vehicle service miles. The entire fleet is equipped with bicycle racks and is wheelchair accessible and 100 percent of the buses are powered by either compressed natural gas (CNG) or electricity.

Foothill Transit's investment transactions are conducted in conformance with internal investment policies and the State of California Government Code. The Executive Board has assigned the responsibility for investing to the Director of Finance and Treasurer.

The Governing Board approves the Business Plan and Budget by June 30th of each fiscal year. The approved budget establishes the legal level of appropriation. The budget includes operating and capital funding to implement the policy directions contained in the previously Board adopted plans such as the Short Range Transportation Plan (SRTP).

Local Economy. Foothill Transit provides service in the San Gabriel and Pomona Valleys located in Los Angeles County. LA County and its 88 cities represent a dynamic, multicultural economy with a diverse workforce and top universities and colleges throughout. According to the LA Economic Development Corporation (LAEDC) LA County is the entertainment, manufacturing, and international trade capital of the US. With nearly \$544 billion in annual output, LA County ranks among the world's largest economies.

The transportation and trade industry is very extensive and is one of the prominent industries in LA County. International trade continues to play an important role in the economy. The San Pedro Bay ports of Los Angeles and Long Beach and Los Angeles International Airport are the largest container ports and the busiest air cargo terminals in the nation, respectively. Transportation improvements are focused on alleviating congestion problems and improving air quality in these important corridors. Over 160,000 LA County workers support this international trade center.

One of the biggest economic changes seen during the FY2015/2016 budget year was the increase in new and used car sales and leases. The Wall Street Journal reported that U.S. car sales jumped 5.7% in 2015, while the LA Times reported that California's new car sales rose 11%. According to the California New Car Dealers Association, "The combination of very low fuel prices, high demand for light trucks and strong consumer affordability..." were the major reasons for the unprecedented increases. While indicators of strong economic growth, this change has led to decreased public transportation ridership. Transit agencies across the Southern California region are reporting decreased bus ridership from 3% to 8%. Rail ridership has remained steady or seen moderate growth, particularly in geographic corridors where new or improved rail service has been implemented.

The majority of Foothill Transit's funding is provided from Propositions A and C and Measure R local sales taxes. Although there was a modest increase in sales tax collections during FY2015/2016, the budget was prepared with revenues, service, and fares at current levels to

balance the budget. The prominent forecasters for LA County sales tax revenues (UCLA, Beacon Economics and Muni Services) are predicting 2-3% growth in sales tax revenues through 2026.

New capital acquisitions and/or construction projects and those carried forward from the previous year include park and ride parking structure(s), new replacement buses and the purchase of zero emission electric buses. The park and ride facilities will allow greater utilization of current bus service potentially increasing fare revenue. The purchases of replacement buses will reduce operational expenses eliminating major repairs. The zero emission electric buses will reduce maintenance costs and eliminate all emissions currently attributed to compressed natural gas buses. Sufficient funding (grants) have been dedicated for the completion of these projects.


Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Foothill Transit for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the twelfth consecutive year that Foothill Transit has received this prestigious award. This certificate of award is the highest form of recognition for excellence in state and local government financial reporting.

In order to receive this award, Foothill Transit must publish an easily readable and well organized comprehensive financial report whose content conforms to the program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a one year period only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to determine eligibility for continued recognition.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated service of the entire Finance Department. We wish to express our sincere appreciation for the hard work and long hours that contributed to the preparation of this report. Appreciation is also extended to the Executive Board and the various departments for their cooperation and dedicated service that made it possible to produce a report of the highest standards.

Sincerely,


Michelle Lopes Caldwell
Director of Finance and Treasurer


Doran Barnes
Executive Director

Executive Board

Carol Herrera

Chair

Corey Calaycay

Vice Chair

Cynthia Sternquist

Member

Corey Warshaw

Member

Sam Pedroza

Member

Member Agencies

Arcadia
Bradbury
Diamond Bar
Glendora
La Puente
Monrovia
San Dimas
Walnut

Azusa
Claremont
Duarte
Industry
La Verne
Pasadena
South El Monte
West Covina

Baldwin Park
Covina
El Monte
Irwindale
Los Angeles County
Pomona
Temple City

Senior Staff

Doran Barnes

Executive Director

Kevin McDonald

Deputy Executive Director

Felicia Friesema

Director of Marketing
and Communications

LaShawn Gillespie

Director of Customer Service
and Operations

Donald Luey

Director of Information
Technology

Sharlane Bailey

Director of Facilities

Joseph Raquel

Director of Planning

Michelle Lopes Caldwell

Director of Finance and
Treasurer

Roland Cordero

Director of
Maintenance and
Vehicle Technology

David Reyno

Director of Government
Relations

Jarrett Stolzfus

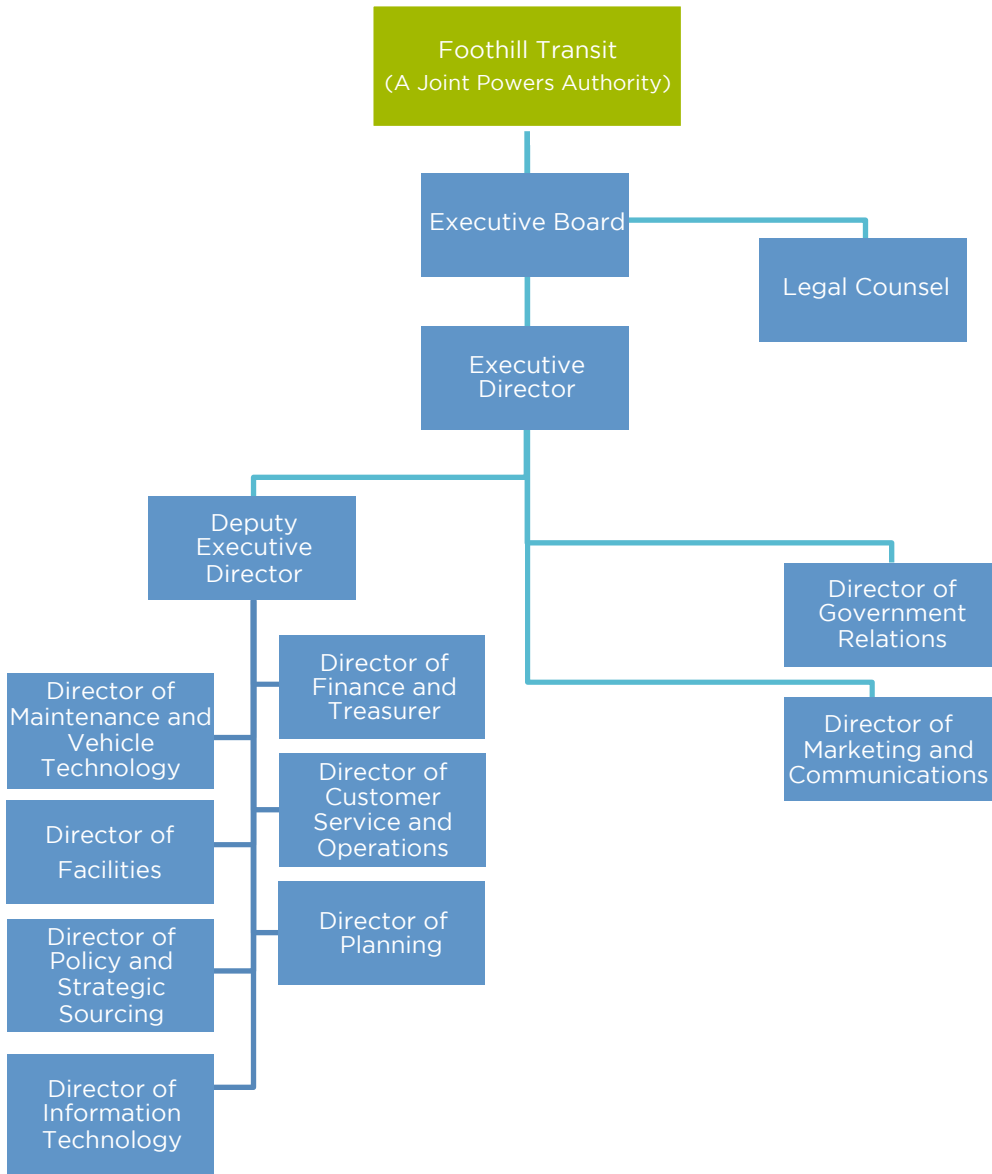
Director of
Policy and Strategic
Sourcing



Foothill Transit

Going Good Places

(A Joint Powers Authority)





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Foothill Transit
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



**FINANCIAL
SECTION**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Foothill Transit (A Joint Powers Authority) West
Covina, California

Report on the Financial Statements

We have audited the accompanying financial statements of Foothill Transit, A Joint Powers Authority (Foothill Transit), as of and for the years ended June 30, 2016 and June 30, 2015, and the related notes to the financial statements, which collectively comprise Foothill Transit's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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. Accordingly, we express no such opinion. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foothill Transit as of June 30, 2016 and June 30, 2015, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

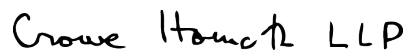
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Foothill Transit's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on page 40 and the introductory and statistical sections from pages i through vi and pages 24 through 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016 on our consideration of Foothill Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foothill Transit's internal control over financial reporting and compliance.


Crowe Horwath LLP

Sherman Oaks, California
October 7, 2016

Management's Discussion and Analysis June 30, 2016

The following section of the annual financial report of Foothill Transit includes an overview and analysis of Foothill Transit's financial position and activities for the year ended June 30, 2016. This discussion and analysis should be considered in conjunction with the basic financial statements which it accompanies. These statements are the responsibility of the management of Foothill Transit.

Introduction to the Basic Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Foothill Transit presents its basic financial statements using the economic resources measurement focus and accrual basis of accounting. As a special purpose government engaged in business-type activity, Foothill Transit's basic financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. The notes to financial statements, supplementary information, and required supplementary information, including this section, support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of Foothill Transit.

Statement of Net Position: The Statement of Net Position includes all assets and liabilities of Foothill Transit, with the difference between the two reported as net position. Assets and liabilities are reported on an accrual basis at cost or fair value, as applicable, as of June 30, 2016 and 2015. This statement also identifies major categories of restrictions on the net position of Foothill Transit.

Statement of Revenues, Expenses, and Changes in Net Position: The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred by Foothill Transit during the years ended June 30, 2016 and 2015, on an accrual basis.

Statement of Cash Flows: The Statement of Cash Flows presents the changes in Foothill Transit's cash and cash equivalents for the years ended June 30, 2016 and 2015, summarized by operating, capital and noncapital financing, and investing activities. The statement is prepared using the direct method of reporting cash flows and, therefore, presents gross rather than net amounts for the years' activities.

Foothill Transit's basic financial statements can be found on pages 8 through 10 of this report.

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found on pages 11 through 23 of this report.

FINANCIAL HIGHLIGHTS

- During fiscal year 2015–2016, Foothill Transit's net position increased \$6,850,632 (2.96%) from the previous year resulting primarily from the capital asset acquisitions of \$27,278,056 and disposals of \$65,027, exclusive of depreciation. The capital additions were funded by federal, state, and local grants.
- In fiscal year 2015–2016, operating expenses before depreciation increased \$4,972,196 (6.97%) over the previous year. This increase was attributed primarily to increases for purchased transportation, offset partially by decreases in fuel costs.
- Foothill Transit's assets exceeded its liabilities at June 30, 2016, by \$238,137,837 (net position). See discussion below.

Management's Discussion and Analysis June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Summary of Net Position

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Non-capital assets	\$ 118,195,387	\$ 114,508,312	\$ 93,790,649
Capital assets, net	205,180,858	203,317,470	184,713,815
Total assets	<u>323,376,245</u>	<u>317,825,782</u>	<u>278,504,464</u>
Current liabilities	11,274,134	9,326,669	6,315,020
Noncurrent liabilities	73,964,274	77,211,908	64,201,199
Total liabilities	<u>85,238,408</u>	<u>86,538,577</u>	<u>70,516,219</u>
Net position:			
Net investment in capital assets	200,276,321	201,831,874	184,208,626
Unrestricted:			
Board designated - capital projects	37,861,516	29,455,331	23,779,619
Total net position	<u>\$ 238,137,837</u>	<u>\$ 231,287,205</u>	<u>\$ 207,988,245</u>

Foothill Transit's assets exceeded liabilities by \$238,137,837 and \$231,287,205 as of June 30, 2016 and 2015, respectively. Most of this is attributable to Foothill Transit's \$200,276,321 and \$201,831,874 net investment in capital assets (property, plant, and equipment) as of June 30, 2016 and 2015. Foothill Transit uses capital assets to provide transportation services; consequently, these assets are not available for future spending. These capital assets were procured with federal, state, and local grant funds. The remaining unrestricted net position at June 30, 2016 and 2015 totaled \$37,861,516 and \$29,455,331 represents amounts that are designated for future capital projects.

Foothill Transit's net position increased by \$6,850,632 during fiscal year 2015-2016 and by \$23,298,960 during fiscal year 2014-2015. These increases are primarily due to the addition of capital assets funded with capital grant revenues.

Management's Discussion and Analysis June 30, 2016

Condensed Summary of Revenues, Expenses and Changes in Net Position

	2016	2015	2014
Operating revenues - farebox and bus pass	\$ 17,144,739	\$ 18,890,298	\$ 18,845,702
Operating revenues - other	1,386,645	1,180,006	1,061,438
Operating grants	57,267,820	50,816,890	45,821,966
Non-operating revenue	5,375,847	5,365,346	127,846
Total revenues	<u>81,175,051</u>	<u>76,252,540</u>	<u>65,856,952</u>
Operating expenses:			
Operating expenses before depreciation	76,296,638	71,324,442	65,856,952
Depreciation	25,414,669	24,696,294	22,180,982
Total operating expenses	<u>101,711,307</u>	<u>96,020,736</u>	<u>88,037,934</u>
Loss before capital grants	(20,536,256)	(19,768,196)	(22,180,982)
Capital grants	27,386,888	43,067,156	55,888,599
Change in net position	<u>6,850,632</u>	<u>23,298,960</u>	<u>33,707,617</u>
Net position at beginning of year	231,287,205	207,988,245	174,280,628
Net position at end of year	<u>\$ 238,137,837</u>	<u>\$ 231,287,205</u>	<u>\$ 207,988,245</u>

Revenues

Operating revenues in fiscal year 2016 decreased \$1,538,920 (7.67%) over 2015 and fiscal year 2015 operating revenues increased \$163,164 (0.82%) over 2014. The reduction in operating revenue is contributed by the loss in ridership. The ridership reduction has drastically affected transit operators across Southern California and is currently being studied by transportation scholars. Operating grant revenues increased \$6,450,930 and capital grant revenues decreased \$15,680,268 in fiscal year 2016. Operating grant revenues increased \$4,994,924 and capital grant revenues decreased \$12,821,443 in fiscal year 2015. These grant revenues subsidized Foothill Transit's operating and capital expenses. Since Foothill Transit requires subsidies to fund operating and capital expenses in excess of operating revenues, any increases or decreases in unfunded expenses will also require an increase or decrease in related grant funding. Capital grant contributions in fiscal year 2016 resulted in the acquisition of 30 CNG buses, 2 electric buses, completion of the Azusa Intermodal Transportation Center and bus repowering and repainting to reflect the Foothill Transit unique livery design. The capital grant contributions in fiscal year 2015 were related to the acquisition of 64 CNG buses, 12 electric buses, and completion of City of Industry park and ride lot.

Operating Expenses

Total operating expenses before depreciation increased \$4,972,195 (6.97%) in fiscal year 2016 and \$5,467,490 (8.30%) in fiscal year 2015. In fiscal year 2016, Purchased Transportation costs increased \$3,428,775 due to contract award of a new operating contract for operating services for the Arcadia Yard for two consecutive years (see Note 7.b) and an increase of 451,678 annual revenue miles. In addition, fuel costs increased \$162,133.

Management's Discussion and Analysis June 30, 2016

CAPITAL ASSETS

As of June 30, 2016 and 2015, Foothill Transit had \$205,180,858 and \$203,317,470 invested in capital assets (net of accumulated depreciation), respectively. This represents a 0.92% increase in fiscal year 2016 and a 10.07% increase in fiscal year 2015. These assets include land, facilities, transit buses, other operating equipment, vehicles, and furniture and fixtures identified below. Depreciation expense increased \$718,375 in fiscal year 2016 and \$2,515,312 in fiscal year 2015, which is attributable to the age of the bus fleet.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 10,132,713	\$ 10,132,713	\$ 10,132,713
Construction in progress	2,291,601	5,511,056	13,954,721
Facilities	64,049,612	61,649,693	51,896,918
Transit buses	122,044,022	116,054,463	95,082,253
Other operating equipment	6,290,451	9,573,167	13,081,656
Vehicles	295,006	341,462	491,684
Furniture and fixtures	77,453	54,916	73,870
Total capital assets, net	<u>\$ 205,180,858</u>	<u>\$ 203,317,470</u>	<u>\$ 184,713,815</u>

All assets have been purchased with federal, state, or local grants awarded to Foothill Transit. Significant capital projects with activity during fiscal years 2016 and 2015 include the following:

- Bus Fleet Replacement (CNG fueled and electric powered)
- City of Azusa Park and Ride Facilities
- Bus and Facility Surveillance/Safety Equipment
- Bus repowering and repainting

More detailed information about Foothill Transit's capital assets can be found in Note 6 in the accompanying notes to financial statements.

LONG TERM DEBT

As of June 30, 2016, 2015, and 2014, Foothill Transit had no long-term debt.

Management's Discussion and Analysis June 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors and Next Year's Budget

The budget for fiscal year 2016/2017 assumes economic conditions will remain unchanged, neither an improvement nor decline for Los Angeles County. The U.S. is expected to return to a 3% GDP growth rate by the third quarter, and that pace should hold through the end of 2017. The current California forecast calls for continued steady gains in employment through the middle of 2017.

The increase in U.S. growth rates from construction, automobiles, and business investment as well as higher consumer demand will continue to fuel the local economy. This will lead to a steady decrease in the unemployment rate in California through the end of 2017. California's unemployment rate is consistent with national unemployment, and is expected to decline to an average of 5.2% through 2016.

Foothill Transit's single largest revenue source, sales tax, representing more than 60 percent of the fiscal year revenue, is dependent upon consumer demand. The main economic factors affecting Foothill Transit's financial capacity to deliver transportation programs and projects include the following:

- Fuel and operation cost
- Economic conditions influencing local sales tax revenue
- Capital grant revenue availability

These factors were considered when preparing the Foothill Transit fiscal year 2016/2017 budget. Foothill Transit completed a Comprehensive Operational Analysis (COA) to evaluate service levels and coverage, passenger surveys, and fare analysis in fiscal year 2016. The results of the COA are being used to plan service and achieve a balanced budget for future years.

FURTHER INFORMATION

This report has been designed to provide a general overview of Foothill Transit's financial condition and related issues. For those with an interest in Foothill Transit's finances, inquiries should be directed to the Director of Finance and Treasurer, 100 South Vincent Avenue, Suite 200, West Covina, CA 91790.

FOOTHILL TRANSIT

Statements of Net Position
June 30, 2016 and 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 35,775,577	\$ 30,211,623
Due from other governmental agencies	15,597,909	5,287,811
Receivables	2,112,303	6,489,522
Interest receivable	20,493	10,610
Prepaid items	1,108,936	1,718,223
Total current assets	<u>54,615,218</u>	<u>43,717,789</u>
Noncurrent assets:		
Cash and cash equivalents	49,092,169	64,300,523
Investments	14,488,000	6,490,000
Capital assets - nondepreciable	12,424,314	15,643,769
Capital assets	379,411,909	348,979,425
Less accumulated depreciation and amortization	(186,655,365)	(161,305,724)
Total noncurrent assets	<u>268,761,027</u>	<u>274,107,993</u>
Total assets	<u><u>\$ 323,376,245</u></u>	<u><u>\$ 317,825,782</u></u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,274,134	\$ 9,326,669
Noncurrent liabilities:		
Unearned revenue	73,964,274	77,211,908
Total liabilities	<u>85,238,408</u>	<u>86,538,577</u>
Net position:		
Net investment in capital assets	200,276,321	201,831,874
Unrestricted	37,861,516	29,455,331
Net position at the end of the year	<u>238,137,837</u>	<u>231,287,205</u>
Total liabilities and net position	<u><u>\$ 323,376,245</u></u>	<u><u>\$ 317,825,782</u></u>

See notes to financial statements

**FOOTHILL TRANSIT**Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
Farebox and bus pass	\$ 17,144,739	\$ 18,890,298
Special services	391,381	337,229
Dial-A-Ride	701,303	693,605
Other revenue	293,961	149,172
Total operating revenues	<u>18,531,384</u>	<u>20,070,304</u>
Operating expenses:		
Operating expenses before depreciation and amortization:		
Purchased transportation	56,166,308	52,737,533
Fuel costs	5,385,427	5,223,294
Management	8,028,154	7,292,151
Special services	267,684	233,241
Dial-A-Ride	688,961	681,421
Professional services	1,827,493	1,888,679
Advertising	577,093	419,360
General and administrative	3,355,518	2,848,763
Operating expenses before depreciation	<u>76,296,638</u>	<u>71,324,442</u>
Depreciation expense	25,414,669	24,696,294
Total operating expenses	<u>101,711,307</u>	<u>96,020,736</u>
Operating loss	<u>(83,179,923)</u>	<u>(75,950,432)</u>
Operating grants:		
Operating grants	57,267,820	50,816,890
Non-operating revenues:		
Interest income	399,728	142,095
Property management income	78,977	80,681
Gain on disposal of assets	18,730	214,472
Excise tax refund	4,878,412	4,928,098
Total non-operating revenues	<u>5,375,847</u>	<u>5,365,346</u>
Total operating grants and non-operating revenues	<u>62,643,667</u>	<u>56,182,236</u>
Loss before capital contributions	<u>(20,536,256)</u>	<u>(19,768,196)</u>
Capital contributions		
Capital grants	<u>27,386,888</u>	<u>43,067,156</u>
Change in net position	<u>6,850,632</u>	<u>23,298,960</u>
Net position at beginning of year	231,287,205	207,988,245
Net position at end of year	<u>\$ 238,137,837</u>	<u>\$ 231,287,205</u>

See notes to financial statements

FOOTHILL TRANSIT
 Statements of Cash Flows
 Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 18,711,456	\$ 20,454,367
Payments for purchased transportation	(56,337,543)	(50,286,322)
Payments for fuel costs	(5,302,426)	(5,125,825)
Payments to management	(7,497,720)	(7,368,277)
Payments to other vendors	(8,021,136)	(7,086,187)
Net cash from operating activities	<u>(58,447,369)</u>	<u>(49,412,244)</u>
Cash flows from non-capital financing activities:		
Operating grants received	<u>56,617,316</u>	<u>49,741,582</u>
Cash flows from capital and related financing activities:		
Receipts from capital grants	16,079,828	55,672,035
Payments of capital assets	(23,859,116)	(42,352,702)
Receipts for excise tax credit	7,475,392	2,331,119
Proceeds from sale of capital assets	18,730	214,473
Proceeds from rental property	78,974	80,940
Net cash from capital and related financing activities	<u>(206,192)</u>	<u>15,945,865</u>
Cash flows from investing activities:		
Purchase of investments	(14,488,000)	(6,490,000)
Proceeds from maturing investments	6,490,000	7,242,776
Investment earnings	389,845	139,744
Net cash from investing activities	<u>(7,608,155)</u>	<u>892,520</u>
Net increase in cash and cash equivalents	(9,644,400)	17,167,723
Cash and cash equivalents at beginning of year	<u>94,512,146</u>	<u>77,344,423</u>
Cash and cash equivalents at end of year	<u>\$ 84,867,746</u>	<u>\$ 94,512,146</u>
Reconciliation of net operating expenses to net cash used in operating activities:		
Operating loss	<u>\$ (83,179,923)</u>	<u>\$ (75,950,432)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	25,414,669	24,696,294
Changes in operating assets and liabilities:		
Decrease (increase) in operating receivables	180,070	(87,089)
Decrease (increase) in prepaid items	609,288	(1,082,665)
(Decrease) increase in operating accounts payable and accrued liabilities	(1,471,473)	3,011,648
Total adjustments	<u>24,732,554</u>	<u>26,538,188</u>
Net cash from operating activities	<u>\$ (58,447,369)</u>	<u>\$ (49,412,244)</u>
Non-cash investing and financing activities:		
Capital asset purchases included in accounts payable	\$ 4,904,537	\$ 1,485,596

See notes to financial statements



FOOTHILL TRANSIT

Notes to Financial Statements
June 30, 2016 and 2015

Note 1: Organization

Foothill Transit was established in 1988 as a governmental entity under a joint exercise of powers agreement and currently includes 22 cities in the San Gabriel Valley and Pomona Valleys and the County of Los Angeles. Foothill Transit's governing board membership includes one city council member and one alternate from each of the 22 cities in Foothill Transit's service area as well as three appointed representatives for the County of Los Angeles. A five member Executive Board governs Foothill Transit. Four elected officials representing four clusters of cities, and a fifth member elected by the appointed Los Angeles County representatives, comprise Foothill Transit's Executive Board. Through its independent service contractors, Foothill Transit operates a fleet of 361 buses from its Arcadia and Pomona, California facilities. Foothill Transit has been authorized by the Regional Transportation Planning Agency, the Los Angeles County Metropolitan Transportation Authority (LACMTA), to plan, operate, and contract for cost-effective public transit services.

Foothill Transit is a joint powers authority managed by a staff of transportation professionals with purchased transportation services provided by independent contractors. Substantially all insurable risks associated with Foothill Transit's operations are covered through these contracts.

Note 2: Summary of Significant Accounting Policies

a. Basis of Presentation

The accounting policies of Foothill Transit conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. All of the activities are accounted for as an enterprise fund for financial reporting purposes. Enterprise funds are used to account for activities (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Foothill Transit accounts for its activities using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred.

b. New Accounting Pronouncements

The following GASB statement had an impact on Foothill Transit's financial statements and note disclosures during the current year:

- GASB Statement No. 72, *Fair Value Measurement and Application* was adopted during the year ended June 30, 2016. The adoption of this statements had no impact on the financial statements other than additional disclosures in Note 3.



FOOTHILL TRANSIT
Notes to Financial Statements
June 30, 2016 and 2015

Note 2: Summary of Significant Accounting Policies (Continued)

c. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

d. Classification of Current and Noncurrent Assets and Liabilities

Foothill Transit considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net position date. All other assets and liabilities are considered to be noncurrent.

e. Cash and Cash Equivalents

For the purpose of the statement of cash flows, Foothill Transit considers cash, demand deposits and investment pools to be cash and cash equivalents.

In addition, all cash invested in the state investment pool Local Agency Investment Fund (LAIF), is reported at amortized cost.

Cash may or may not be restricted as to use, depending upon the specific purposes for which such assets are held.

f. Investments

Foothill Transit reports investment securities and similar assets held for investment purposes at fair value.

g. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and are expensed as utilized or incurred.

h. Capital Assets

Capital assets which include property, buses, vehicles, furniture and fixtures, and equipment are defined by Foothill Transit as assets with an initial value exceeding \$500 and having an estimated useful life of more than one year. Capital assets are valued at historical cost. Donated assets are valued at acquisition value at the date of donation. Foothill Transit did not receive any donated capital assets during fiscal years 2016 and 2015.



FOOTHILL TRANSIT

Notes to Financial Statements

June 30, 2016 and 2015

Note 2: Summary of Significant Accounting Policies (Continued)

Capital assets are depreciated over their estimated useful lives using the straight-line method. The following estimated useful lives are used for Foothill's capital assets:

Facility years	20 to 31.5
Other improvements	3 to 7 years
Transit buses and rehabilitation costs	5 to 12 years
Other operating equipment	3 to 9 years
Vehicles	5 years
Furniture and fixtures	7 years

i. Compensated Absences

All eligible employees, full and part-time, accrue paid time off (PTO) in accordance with the California Paid Sick Leave requirements. Part-time employees earn one hour of PTO for each 30 hours worked. Full-time employees earn PTO each pay period; the number of hours accrued are according to each employee's years of service. Unused PTO is available to be carried forward or cashed out annually according to the guidelines, and is paid out upon separation.

j. Unearned Revenue

Unearned revenue is composed entirely of TDA, Proposition 1B and LCTOP grant funds which Foothill Transit has received in advance for operations, capital acquisition, or construction but which have not been expended and, therefore, not earned at June 30, 2016 and 2015.

k. Net Position

Foothill Transit's net position is classified into the following categories:

1. Net Investment in Capital Assets

Capital assets, net of accumulated depreciation and outstanding principal balances of debt, plus retainages and accounts payable attributable to the acquisition, construction, or improvement of those assets.

2. Restricted

Net position that has external constraints placed on it by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through contribution provision of enabling legislation.

3. Unrestricted

Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." Unlike the restricted net position, the board has discretion in determining the use and establishing minimum/maximum balance requirements for the unrestricted cash and investment portion of net position. The board may at any time change or eliminate amounts established for these purposes. Foothill Transit had unrestricted board designated net position of \$37,861,516 and \$29,455,331 as of June 30, 2016 and 2015.



FOOTHILL TRANSIT

Notes to Financial Statements
June 30, 2016 and 2015

Note 2: Summary of Significant Accounting Policies (Continued)

I. Net Position Flow Assumption

Sometimes Foothill Transit will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Foothill Transit's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

m. Operating and Non-operating Grant Revenues and Expenses

Foothill Transit distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with Foothill Transit's principal ongoing operations. The principal operating revenues are passenger fares charged for transportation services, which are recognized at the time services are performed and revenues pass through fare systems. Operating expenses include the cost of transportation services, maintenance of capital assets and facilities, administrative expenses, and depreciation reported on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Operating assistance grants are included as non-operating revenues in the year in which a related reimbursable expense is incurred or in unearned revenue for use in a subsequent fiscal year.

Foothill's policy is to report revenue from capital grants separately after non-operating revenues as the related expenses are incurred. Assets acquired with capital grant funds are included in capital assets. Capital grant monies received prior to an expense being incurred are recorded as unearned revenue.

n. Grants and Subsidies

Grant and subsidy revenues are recorded when earned. Grant sources currently include Los Angeles County Propositions A, C and Measure R, which are local sales tax initiatives passed by the voters of Los Angeles County and then granted out to Foothill Transit, State Local Transportation Funds (LTF) described below and Federal Transit Administration (FTA) capital assistance.

Foothill Transit receives grant funds from these various County, State, and Federal entities. Recently, Foothill Transit received Low-Carbon Transit Operations Program (LCTOP) funds from the State for operating assistance. Funds received from such entities are subject to certain required terms and conditions of the underlying grant agreements and are subject to audit by the grantor agencies. Amounts received under such grants and contractual agreements are subject to change based upon the results of such audits.

Transportation Development Act (TDA) and State Transit Assistance (STA) funds are received for both operating and capital expenses. These funds are derived from the State Local Transportation Funds (LTF) and are allocated to Foothill Transit using the regionally adopted Formula Allocation Procedures. These funds can be used for capital and operating purposes, however Foothill Transit's goal is to use them to the extent possible as a local match on federally funded capital projects.



FOOTHILL TRANSIT

Notes to Financial Statements
June 30, 2016 and 2015

Note 2: Summary of Significant Accounting Policies (Continued)

o. Non-Exchange Transactions

Foothill Transit recognizes all capital grants as capital contributions in the statements of revenues, expenses, and changes in net position.

p. Reclassifications

Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation. These reclassifications had no impact on net position or change in net position.

Note 3: Cash, Cash Equivalents and Investments

Cash and investments at June 30, 2016 and 2015 were reported in the accompanying financial statements as follows:

	2016	2015
Cash and cash equivalents, current	\$ 35,775,577	\$ 30,211,623
Cash and cash equivalents Investments	\$ 49,092,169 14,488,000	\$ 64,300,523 6,490,000
Cash and cash equivalents, noncurrent	\$ 63,580,169	\$ 70,790,523

Deposits:

At June 30, 2016, the carrying amount of Foothill Transit's deposits was \$84,867,746 and the bank balance was \$86,230,884. The difference of \$1,363,138 represents outstanding checks and other reconciling items. At June 30, 2015, the carrying amount of Foothill Transit's deposits was \$94,512,145 and the bank balance was \$96,592,485. The difference of \$2,080,340 represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an Entity's deposits by pledging government securities with a value of 110% of an Entity's deposits. California law also allows financial institutions to secure the Entity's deposits by pledging first trust deed mortgage notes having a value of 150% of the Entity's total deposits.

The Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking.

The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.



FOOTHILL TRANSIT

Notes to Financial Statements
June 30, 2016 and 2015

Note 3: Cash, Cash Equivalents and Investments (Continued)

Investments:

As a public agency, Foothill Transit's investment practices are prescribed by various provisions of the California Government Code and the Act, as well as by administrative policies. Foothill Transit's statement of investment policy is approved by the Board and describes the Treasurer's investment authority, practices, and limitations. The basic investment policy objectives, in order of importance, are safety of principal, liquidity, and return on investment.

Under provision of Foothill Transit's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- Checking Account Demand Deposits
- Passbook Savings Account Demand Deposits
- Money Market Mutual Funds
- Local Agency Investment Fund (LAIF) Demand Deposits
- Obligations of the U.S. Government, its agencies, and instrumentalities Federal Agency obligations
- Municipal Securities (California cities and local agencies) rated "A" or better by Moody's or S&P
- Certificates of deposit
- Negotiable Certificates of Deposits, federally insured with the issuer
- Banker's Acceptances, issued by domestic or foreign banks, which are eligible for purchases by the Federal Reserve System
- Repurchase Agreements used solely for short-term investments not to exceed 30 days
- Bonds issued by any city, county, or local agency in California or by the State of California

Investments Authorized by Debt Agreements:

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or Foothill Transit's investment policy.

Investments in State Investment Pool:

Foothill Transit is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The value of the position in the investment pool is the same as the value of the pool shares and is reported at amortized cost. LAIF is principally invested in obligations of federal government agencies, U.S. Treasury securities, certificates of deposit, and commercial paper. LAIF's fund manager considers the credit risk as minimal. LAIF is protected against fraudulent acts by the state's self-insurance program. At June 30, 2016 and 2015, Foothill Transit maintained \$15,063,136 and 15,009,153 of cash equivalents in LAIF, respectively.

Credit Risk:

Foothill Transit's investment policy limits investments in municipal securities, negotiable certificates of deposits, and banker's acceptances to those rated "A" or better and repurchase agreements and bonds to those rated in the highest category by Moody's or S&P. As of June 30, 2016 and 2015, Foothill Transit's investments did not include these types of investments. As of June 30, 2016 and 2015, Foothill Transit's investment in the

**FOOTHILL TRANSIT**Notes to Financial Statements
June 30, 2016 and 2015**Note 3: Cash, Cash Equivalents and Investments (Continued)**

State Investment Pool has not been rated by a nationally recognized statistical rating organization.

Custodial Credit Risk:

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2016, none of Foothill Transit's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk:

Concentration of credit risk is the risk associated with the magnitude of investment in any one issuer. Foothill Transit had no holdings that exceeded 5% of total deposits, with the exception of LAIF and investments issued by the U.S. government which are not exposed to concentration risk.

Interest Rate Risk:

As a means of limiting its exposure to fair value losses arising from rising interest rates, Foothill Transit's investment policy limits the authority's portfolio to maturities of less than five years. Foothill Transit has elected to use the segmented time distribution method of disclosure for its interest rate risk.

Foothill Transit categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of June 30, 2016 and 2015, Foothill Transit held certificates of deposit of \$3,488,000 and \$2,490,000, respectively, and government agency obligations of \$11,000,000 and \$4,000,000, respectively, all of which are based on quoted market prices of similar securities with similar due dates using the market approach (Level 2 inputs).

Foothill Transit has the following investments at fair value and remaining maturities as of June 30:

Investment Type:	2016			2015		
	Fair Value	Less Than 1 Year	1 to 5 Years	Fair Value	Less Than 1 Year	1 to 5 Years
Certificates of Deposit	\$ 3,488,000	\$ 1,245,000	\$ 2,243,000	\$ 2,490,000	\$ 2,490,000	\$...
Government Agency Obligations	11,000,000	..	11,000,000	4,000,000	..	4,000,000
Total	<u>\$14,488,000</u>	<u>\$ 1,245,000</u>	<u>\$ 13,243,000</u>	<u>\$ 6,490,000</u>	<u>\$ 2,490,000</u>	<u>\$ 4,000,000</u>

FOOTHILL TRANSIT
Notes to Financial Statements
June 30, 2016 and 2015

Note 4: Revenue and Receivables from Other Governmental Agencies

For the years ending June 30, 2016 and 2015, operating grants earned from other governmental agencies consisted of the following:

Operating grants:	2016	2015
State and local grants		
Transportation Development Act – Operating Grant Portion	\$ 21,361,427	\$ 13,928,182
Proposition A Formula Subsidy	14,284,762	13,834,444
Measure R	9,775,690	9,902,808
Proposition A Bus Service Continuation Program	4,485,319	4,367,352
STA operations	3,377,606	2,744,304
Proposition C Base Restructuring	1,927,953	1,890,708
Proposition C BSIP – Overcrowding Relief	897,602	880,260
Proposition C 5% Transit Security	836,183	849,685
Proposition C Transit Service Expansion – Line 690	321,278	315,072
CRD Subsidy	-	1,600,000
Total state and local operating grants	57,267,820	50,312,815
Federal grants		
Congestion Mitigation and Air Quality (CMAQ)	-	504,075
Total federal operating grants	-	504,075
Total operating grants	\$ 57,267,820	\$ 50,816,890

For the years ending June 30, 2016 and 2015, capital grants earned from other governmental agencies consisted of the following:

Capital grants:	2016	2015
State and local grants		
Proposition 1B	11,493,800	6,421,733
Proposition C MOSIP	2,652,026	1,921,510
Transportation Development Act – Capital Grant Portion	1,931,806	790,151
California Air Resource Board	105,000	-
Total state and local capital grants	16,182,632	9,133,394
Federal grants		
FTA Section 5307	11,204,256	30,330,071
FTA Section 5309	-	3,603,691
Total federal capital grants	11,204,256	33,933,762
Total capital grants	\$ 27,386,888	\$ 43,067,156



FOOTHILL TRANSIT

Notes to Financial Statements
June 30, 2016 and 2015

Note 4: Revenue and Receivables from Other Governmental Agencies (Continued)

At June 30, 2016 and 2015, amounts due from other governmental agencies consist of the following and are expected to be collected within one year:

	<u>2016</u>	<u>2015</u>
State and local agencies		
Proposition 1B - State	\$ 9,324,093	\$ 42,974
Transportation Development Act - State	1,795,664	2,122,888
State Transit Assistance - State	1,688,804	686,076
CRD Subsidy	1,600,000	-
Proposition C MOSIP - LA Metro	1,010,039	679,791
Proposition C Call For Projects - LA Metro	116,142	116,142
Pass Sales - LA Metro	56,310	52,081
Pass Sales - Metrolink	6,857	10,916
Proposition C - Transit Security - LA Metro	-	25,000
Federal agencies		
Section 5309 Capital Grant - FTA	-	1,551,943
	<u>\$ 15,597,909</u>	<u>\$ 5,287,811</u>

Amounts due are recorded when earned based on operating grant and capital grant revenue recognition. Management believes that no provision for an allowance was necessary at June 30, 2016 and 2015.

Note 5: Receivables

At June 30, 2016 and 2015, receivables consist of the following and are expected to be collected within one year:

	<u>2016</u>	<u>2015</u>
Trade Receivables (Pass Sales)	\$ 1,615,598	\$ 1,705,965
TAP Sales	402,413	375,400
Grant Subsidy	48,070	142,645
Merchant Services	46,222	68,532
Excise Tax Credit	-	2,596,980
CRD Subsidy	-	1,600,000
	<u>\$ 2,112,303</u>	<u>\$ 6,489,522</u>

Receivables are recorded when earned based on operating revenue recognition. Management believes that no provision for an allowance was necessary at June 30, 2016 and 2015.

FOOTHILL TRANSIT
Notes to Financial Statements
June 30, 2016 and 2015

Note 6: Capital Assets

Changes in the capital assets by category for the years ended June 30, 2016 and 2015 are as follows:

	<u>Balance June 30, 2015</u>	<u>Adjustments/ Transfers</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated					
Land	\$ 10,132,713		\$ -		\$ 10,132,713
Construction in progress	5,511,056	(5,511,056)	2,291,601		2,291,601
Total capital assets not being depreciated	<u>15,643,769</u>	<u>(5,511,056)</u>	<u>2,291,601</u>	<u>-</u>	<u>12,424,314</u>
Other capital assets					
Facility	99,910,299	5,511,056	981,883		106,403,238
Transit buses	203,769,502		23,544,116		227,313,618
Other operating equipment	43,483,690		309,186		43,792,876
Vehicles	1,035,854		113,654	(65,027)	1,084,481
Furniture and fixtures	780,080		37,616		817,696
Total other capital assets at historical cost	<u>348,979,425</u>	<u>5,511,056</u>	<u>24,986,455</u>	<u>(65,027)</u>	<u>379,411,909</u>
Accumulated depreciation					
Facility	(38,260,606)		(4,093,020)		(42,353,626)
Transit buses	(87,715,039)		(17,554,557)		(105,269,596)
Other operating equipment	(33,910,523)		(3,591,902)		(37,502,425)
Vehicles	(694,392)		(160,110)	65,027	(789,475)
Furniture and fixtures	(725,164)		(15,079)		(740,243)
Total accumulated depreciation and amortization	<u>(161,305,724)</u>	<u>0</u>	<u>(25,414,668)</u>	<u>65,027</u>	<u>(186,655,365)</u>
Other capital assets, net	<u>187,673,701</u>	<u>5,511,056</u>	<u>(428,213)</u>	<u>0</u>	<u>192,756,544</u>
Total capital asset, net	<u>\$203,317,470</u>	<u>\$ -</u>	<u>\$ 1,863,388</u>	<u>\$ -</u>	<u>\$ 205,180,858</u>

**FOOTHILL TRANSIT**Notes to Financial Statements
June 30, 2016 and 2015**Note 6: Capital Assets (Continued)**

	Balance June 30, 2014	Adjustments/ Transfers	Additions	Reductions	Balance June 30, 2015
Capital assets not being depreciated					
Land	\$ 10,132,713	\$ -	\$ -	\$ -	\$ 10,132,713
Construction in progress	13,954,721	(13,226,587)	4,782,922	-	5,511,056
Total capital assets not being depreciated	24,087,434	(13,226,587)	4,782,922	-	15,643,769
Other capital assets					
Facility	86,445,744	13,226,587	237,967	-	99,910,298
Transit buses	183,942,908	-	36,728,603	(16,902,008)	203,769,503
Other operating equipment	43,246,025	-	1,549,158	(1,311,492)	43,483,691
Vehicles	1,134,873	-	-	(99,019)	1,035,854
Furniture and fixtures	778,780	-	1,300	-	780,080
Total other capital assets at historical cost	315,548,330	13,226,587	38,517,028	(18,312,519)	348,979,426
Accumulated depreciation					
Facility	(34,548,826)	-	(3,711,781)	-	(38,260,607)
Transit buses	(88,860,655)	-	(15,756,394)	16,902,008	(87,715,041)
Other operating equipment	(30,164,369)	-	(5,057,647)	1,311,492	(33,910,524)
Vehicles	(643,189)	-	(150,220)	99,019	(694,390)
Furniture and fixtures	(704,910)	-	(20,253)	-	(725,163)
Total accumulated depreciation	(154,921,949)	-	(24,696,295)	18,312,519	(161,305,725)
Other capital assets, net	160,626,381	13,226,587	13,820,733	-	187,673,701
Total capital asset, net	\$ 184,713,815	\$ -	\$ 18,603,655	\$ -	\$ 203,317,470

Note 7: Management and Purchased Transportation**a. Management**

Beginning July 1, 2013, Foothill Transit became the official operating agency under the Joint Powers Authority. Management expense on the statements of revenues, expenses, and changes in net position consisted of salaries, benefits and other expenses related to the management of Foothill Transit. For the years ended June 30, 2016 and 2015, total salary and benefits expenses were \$6,133,544 and \$5,463,016, respectively, and Transit Stores and Facilities were \$1,894,610 and \$1,829,135 respectively.



FOOTHILL TRANSIT

Notes to Financial Statements
June 30, 2016 and 2015

Note 7: Management and Purchased Transportation (Continued)

b. Purchased Transportation

Effective January 1, 2012, First Transit Services, Inc. (First Transit) was awarded a three year contract with three two-year options for operating services at the Pomona Facility. In June 2016, Foothill Transit opted not to exercise the remaining two two-year options with First Transit. Thus, the current agreement will expire June 30, 2017. A request for proposal (RFP) was issued on July 29, 2016. In October 2014, TransDev was awarded a four-year contract with three two-year options for operating services at the Arcadia facility. During fiscal year 2015/2016, Foothill Transit and TransDev agreed it was not in the best interest for either party to continue the contract and the contract was terminated in June 2016. Such agreements are cancellable at Foothill Transit's option if determined to be in its best interest, with or without cause. A competitive procurement was conducted during FY2015/2016 and the contract was again awarded to TransDev for a four-year contract with one four-year option, effective July 2016.

The operating contract with First Transit at Pomona compensates the contractor based on contractually determined rates per bus revenue mile. First Transit also receives a fixed fee for indirect overhead, eliminating rate differentials for decreases or increases in bus revenue miles. The mileage rates are subject to adjustment in June of each year based on changes in the CPI for the year ending the previous May. The operating contract with TransDev at the Arcadia facility compensates the contractor on a fixed monthly fee and an agreed rate per revenue mile and rate per revenue hour based on actual miles operated. On a combined basis, the contractors have provided performance bonds totaling approximately \$10.5 million for the protection of Foothill Transit.

Foothill Transit's related expense for service at the Arcadia Facility was \$30,019,488 and \$27,676,367 for the years ended June 30, 2016 and 2015, respectively. The Pomona service expense was \$26,146,820 and \$25,061,166 for the years ended June 30, 2016 and 2015, respectively.

Note 8: Commitments and Contingencies

a. Operating Lease Commitments

Foothill Transit leases certain facilities under long-term lease agreements. Foothill Transit leases space for a Transit Store in the Puente Hills Mall. This lease was newly executed in July 5, 2013, and expires in August 31, 2023, with renewable options for ten years. Monthly rent includes a base amount of \$2,596 plus additional charges for marketing, taxes and insurance. Currently, the additional charges total \$4,329 for a total monthly rent of \$6,925. Rent expense for the years ended June 30, 2016 and 2015, was \$98,749 and \$95,383.

b. Capital Commitments

Foothill Transit has a commitment to purchase 30 new CNG buses for a total cost of \$19,575,000 including sales taxes.

c. Legal Matters

In the ordinary course of business, Foothill Transit is subject to certain lawsuits and other potential legal actions. In the opinion of management, such matters will not have a material effect on the financial statements of Foothill Transit.



FOOTHILL TRANSIT

Notes to Financial Statements

June 30, 2016 and 2015

Note 9: Operating Lease Income

Foothill Transit is the lessor in several non-cancellable operating leases for surplus office space in the administrative offices building. Two of the administrative offices building's six floors are leased. The first floor is leased to Chase Bank and the fourth floor is leased to three different entities. The leases expire at various dates between August 2018 and April 2027. The historical cost of the two leased floors approximates \$5,982,412, representing one third of the building cost. At June 30, 2016 and 2015, the carrying value of the leased space was \$3,918,250 and \$4,126,299 net of accumulated depreciation of \$2,064,162 and \$1,856,113, respectively.

The future minimum lease rentals in the aggregate for each of the five succeeding fiscal years are:

Year Ending June 30	Lease Revenue
2017	417,075
2018	419,908
2019	353,735
2020	356,077
2021	358,489
Total	\$ 1,905,284

Note 10: Risk Management

Foothill Transit carries commercial insurance to protect against potential losses, including coverage for the following: commercial general liability, excess liability, public officials and employee liability, computer equipment (including media and data protection), commercial property (including personal property and business income), and pollution liability (including loss remediation or legal expense coverage).

Foothill Transit also requires its contract transit operators to provide, as a contract requirement, insurance coverage naming Foothill Transit as an additional insured on their commercial general liability, automobile liability, excess liability, and workers compensation policies.

There were no reductions in coverage or claims in excess of coverage during the fiscal years ended June 30, 2016, 2015, and 2014, nor were there any claims payments made during the year or claims payable at the end of the year.

Note 11: Defined Contribution Retirement Plan

Effective July 1, 2014, Foothill Transit adopted a 401(a) Money Purchase Plan and a 457 Deferred Compensation Plan for all full-time employees of Foothill Transit. Benefit and contribution terms for the plans are established and may be amended by the Board of Directors; however the plan is administered by a third party, ICMA Retirement Corporation. Foothill Transit contributes 7% of the employee's salary to the 401(a) plan with no matching requirements, plus an additional dollar for dollar employer match of up to 4% more. Participants are 100% vested immediately. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. Contributions into the plans began in fiscal year 2015. As of June 30, 2016 and 2015, the balance invested in both plans totaled \$1,800,028 and \$963,435 respectively. Foothill Transit recognized approximately \$491,447 and \$333,936 in pension expense during fiscal year 2016 and 2015, respectively. There was no liability outstanding for either plan as of June 30, 2016 or 2015.

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**STATISTICAL
SECTION**

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Statistical Section

This part of Foothill Transit’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the agency’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the agency’s financial performance and well-being have changed over time.	25
Revenue Capacity These schedules contain information to help the reader assess the agency’s most significant local revenue sources and taxes.	31
Debt Capacity These schedules present information to help the reader assess the affordability of the agency’s current levels of outstanding debt and the agency’s ability to issue additional debt in the future.	34
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the agency’s financial activities take place.	35
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the agency’s financial report relates to the services the agency provides and the activities it performs.	37

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



Financial Trends - Net Position

Foothill Transit

Net Position

Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Unrestricted	Total Net Position
2007	166,066,308	23,361,221	189,427,529
2008	154,957,324	25,035,711	179,993,035
2009	166,570,890	24,794,654	191,365,544
2010	153,466,484	24,673,168	178,139,652
2011	152,768,075	24,550,008	177,318,083
2012	152,006,110	24,751,704	176,757,814
2013	148,897,686	25,382,942	174,280,628
2014	184,208,626	23,779,619	207,988,245
2015	201,831,874	29,455,331	231,287,205
2016	200,276,321	37,861,515	238,137,836



Financial Trends – Change in Net Position

Foothill Transit

Changes in Net Position
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expense	Operating Income (Loss)	Nonoperating Revenues/ Expenses	Income/(Loss) Before Contributions	Capital Contributions	Change in Net Position
2007	17,383,615	74,196,948	(56,813,333)	43,089,186	(13,724,147)	55,946,944	42,222,797
2008	18,170,179	84,949,972	(66,779,793)	50,739,546	(16,040,247)	6,605,753	(9,434,494)
2009	18,291,655	84,782,327	(66,490,672)	49,642,554	(16,848,118)	28,220,627	11,372,509
2010	18,186,656	85,141,072	(66,954,416)	45,444,021	(21,510,395)	8,284,503	(13,225,892)
2011	18,507,098	77,336,333	(58,829,235)	41,320,176	(17,509,059)	16,687,490	(821,569)
2012	19,585,484	80,246,868	(60,661,384)	42,831,809	(17,829,575)	17,269,306	(560,269)
2013	19,550,489	82,534,239	(62,983,750)	44,012,132	(18,971,618)	16,494,432	(2,477,186)
2014	19,907,140	88,037,934	(68,130,794)	45,949,812	(22,180,982)	55,888,599	33,707,617
2015	20,070,304	96,020,737	(75,950,433)	56,182,234	(19,768,196)	43,067,156	23,298,960
2016	18,531,384	101,711,307	(83,179,923)	62,643,665	(20,536,258)	27,386,888	6,850,631

Source: Foothill Transit Finance Department



Financial Trends - Operating Revenue by Source

Foothill Transit

Operating Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Farebox and Bus Pass Revenue	Special Services	Dial-A-Ride	Liquidated Damages	Other Revenue	Total
2007	15,837,063	910,826	470,664	89,250	75,812	17,383,615
2008	16,503,879	862,745	542,873	235,350	25,332	18,170,179
2009	16,811,793	612,964	583,902	204,050	78,946	18,291,655
2010	16,454,980	744,039	594,913	251,950	140,774	18,186,656
2011	17,238,311	386,031	667,633	124,200	90,923	18,507,098
2012	18,496,259	204,227	729,537	97,100	58,361	19,585,484
2013	18,441,434	254,517	714,543	33,000	106,995	19,550,489
2014	18,845,702	259,313	699,493	-	102,632	19,907,140
2015	18,890,298	337,229	693,605	26,550	122,622	20,070,304
2016	17,144,739	391,381	701,303	77,111	216,850	18,531,384

Source: Foothill Transit Finance Department



Financial Trends - Other Revenues and Expenditures

Foothill Transit

Other Revenues and Expenditures

Last Ten Fiscal Years

Fiscal Year	Operating Grants	Interest	Gain (Loss) on Disposal of Assets	Other Revenues (Expenses)	Property Management Revenue (Expense)	Total Other Revenue
2007	42,462,266	670,583	(20,767)	12,480	(35,376)	43,089,186
2008	49,553,761	939,589	(20,191)	(35,491)	301,878	50,739,546
2009	48,801,545	454,230	70,373	(41,694)	358,100	49,642,554
2010	45,830,120	54,695	(746,515)	(47,137)	352,858	45,444,021
2011	41,388,504	36,145	105,429	-	(209,902)	41,320,176
2012	43,206,876	75,137	3,154	(197,324)	(256,034)	42,831,809
2013	43,775,320	101,057	320,719	-	(184,964)	44,012,132
2014	45,821,966	113,695	155,520	-	(141,369)	45,949,812
2015	50,816,890	142,093	214,472	4,928,098 ¹	80,681	56,182,234
2016	57,267,820	399,728	18,730	4,878,412 ¹	78,975	62,643,665

¹ Excise Tax Refund

Source: Foothill Transit Finance Department



Financial Trends - Operating Expense

Foothill Transit

Operating Expense
Last Ten Fiscal Years

Fiscal Year	Purchased Transportation	Fuel Cost	Management	Special Services	Dial-A-Ride Expenditures	Professional Services	Advertising	General & Administrative	Depreciation Expense	Total
2007	40,536,232	9,336,406	6,148,767	650,391	460,015	990,646	355,110	2,160,881	13,558,500	74,196,948
2008	46,832,993	11,016,127	6,290,700	513,214	531,911	1,043,942	396,868	2,340,172	15,984,045	84,949,972
2009	47,926,526	9,042,246	6,617,100	412,170	572,315	1,098,836	337,098	1,969,613	16,806,423	84,782,327
2010	45,777,304	7,300,610	6,870,100	440,220	583,545	912,625	259,169	2,455,503	20,541,996	85,141,072
2011	42,546,290	6,369,946	6,450,062	224,755	656,265	1,113,036	216,422	2,250,497	17,509,060	77,336,333
2012	44,700,314	5,899,524	7,293,707	131,384	718,033	1,264,497	318,188	2,288,971	17,632,250	80,246,868
2013	44,936,529	5,834,816	7,927,140	168,930	702,729	1,187,901	397,940	2,406,636	18,971,618	82,534,239
2014	47,199,412	5,944,334	6,973,601 ¹	144,953	687,442	1,870,397	401,793	2,635,020	22,180,982	88,037,934
2015	52,737,534	5,223,294	7,292,151 ¹	233,241	681,421	1,888,679	419,360	2,848,762	24,696,294	96,020,736
2016	56,166,308	5,385,427	8,028,154 ¹	267,684	688,961	1,827,493	577,093	3,355,518	25,414,669	101,711,307

Source: Foothill Transit Finance Department

¹ Management Fee was paid as salaries and benefits to employees, transit store, and facilities management starting in FY 2014



Financial Trends - Capital Assets Grant Contributions

Foothill Transit

Capital Assets Grant Contributions

Last Ten Fiscal Years

Fiscal Year	Proposition "C"	Federal Transit Administration	State Transit Assistance ¹	Transportation Development Act	Prop 1B/Homeland Sec/CARB	Total
2007	10,488,287	32,512,710	1,095,851	11,850,096	-	55,946,944
2008	626,354	2,082,899	44,645	3,136,855	715,000	6,605,753
2009	5,666,928	18,957,172	-	3,440,035	156,492	28,220,627
2010	1,319,670	6,453,233	-	337,734	173,866	8,284,503
2011	2,734,459	12,998,934	-	637,113	316,984	16,687,490
2012	5,970,133	10,618,400	-	113,824	566,949	17,269,306
2013	2,578,725	8,678,882	-	412,909	4,823,916	16,494,432
2014	9,609,877	44,339,636	-	1,078,143	860,943	55,888,599
2015	1,921,510	33,933,762	-	790,151	6,421,733	43,067,156
2016	2,652,026	11,029,256	-	1,931,806	11,773,800	27,386,888

Source: Foothill Transit Finance Department

¹ Starting FY 2009, all State Transit Assistance (S T A) w ere used for operating expenses



Revenue Capacity – Tax Revenues – Foothill Transit and Los Angeles County

Foothill Transit

Tax Revenues - Foothill Transit and LA County
Last Ten Fiscal Years (In Thousands)

Fiscal Year	Foothill Transit ²							Los Angeles County ¹					
	TDA ³	STA ⁴	Prop "A" ⁵	Prop "C" ⁵	Measure ⁵ "R"	Total	% of LA County County	TDA ³	STA ⁴	Prop "A" ⁵	Prop "C" ⁵	Measure "R" ⁵	Total
2007	20,629	2,486	12,347	7,214	-	42,676	2.36%	350,835	73,293	692,044	692,233	-	1,808,405
2008	24,482	3,247	13,951	7,675	-	49,355	2.54%	377,268	80,204	743,829	743,986	-	1,945,287
2009	23,059	8,667	13,800	7,665	-	53,191	2.62%	366,790	225,465	719,109	719,309	-	2,030,673
2010	14,962	-	13,461	7,576	5,260	41,259	2.17%	280,300	-	605,884	606,135	411,953	1,904,272
2011	14,254	3,825	14,170	7,620	6,663	46,532	2.29%	297,280	62,806	557,825	525,786	589,852	2,033,549
2012	17,434	3,296	17,211	7,851	7,901	53,693	2.47%	323,557	64,853	584,632	564,068	638,260	2,175,370
2013	17,441	4,890	16,945	7,971	7,886	55,133	2.33%	323,625	123,231	634,154	639,043	644,738	2,364,791
2014	20,830	3,913	17,783	10,808	9,352	62,686	2.31%	380,801	115,609	725,902	743,472	749,228	2,715,012
2015	21,866	2,744	18,201	11,089	9,903	63,803	2.27%	398,212	93,259	757,434	780,796	782,800	2,812,501
2016	21,548	3,378	18,770	11,320	10,527	65,542	2.33%	387,834	107,481	766,981	770,535	776,551	2,809,382

Source: LA Metro funding allocations

- 1) Total LA County Transit Tax Revenues
- 2) Share of Tax Revenues Allocated to Foothill Transit through Formula Allocation Program
- 3) Transportation Development Act (TDA) 1/4% of statewide sales tax revenues allocated to Transportation
- 4) State Transit Assistance (STA) 50% of statewide gasoline taxes allocated to Public Transit
- 5) Los Angeles County sales tax measures, each 1/2% of all sales for a total of 1 1/2 % for all three



Revenue Capacity - Annual Farebox and Bus Pass Revenue

Foothill Transit

Annual Farebox and Bus Pass Revenue

Last Ten Fiscal Years

Fiscal Year	Cash	Passes	Stored Value	EZ Transit Passes	Other Revenue ¹	Total
2007	9,886,576	2,901,507	1,253,953	1,766,158	28,869	15,837,063
2008	10,643,410	3,232,105	1,306,149	1,296,241	25,974	16,503,879
2009	10,831,738	3,085,010	1,404,858	1,462,852	27,335	16,811,793
2010	10,179,166	2,777,711	1,951,048	1,518,315	28,740	16,454,980
2011	10,965,031	3,230,792	1,836,503	1,172,952	33,033	17,238,311
2012	11,328,797	3,172,065	2,325,421	1,581,058	88,918	18,496,259
2013	10,885,442	3,178,410	2,335,453	1,456,385	585,744 ²	18,441,434
2014	10,039,652	4,112,118	2,673,097	1,387,708	633,127 ²	18,845,702
2015	9,878,356	4,439,522	2,920,388	1,002,420	649,612 ²	18,890,298
2016	8,988,245	3,717,431	3,112,977	726,594	599,492 ²	17,144,739

Source: Foothill Transit Finance Department

¹ Other Revenue includes Access dues, Metrolink transfers, and city subsidies.

² Increase in Other Revenue starting FY 2013 was due to new agreement with Access Services



Revenue Capacity - Cash Fares

Foothill Transit

Cash Fares

Last Ten Fiscal Years

Fiscal Year	Local			SilverStreak (Local Plus)			Commuter Express ³		
	Adult	Senior/ Disabled ¹	Student ²	Adult	Senior/ Disabled ¹	Student ²	Adult	Senior/ Disabled ¹	Student ²
2007	1.00	0.50	1.00	2.00	1.00	2.00	3.65	1.80	3.35
2008	1.00	0.50	1.00	2.50	1.25	2.50	4.40	4.40	4.40
2009	1.00	0.50	1.00	2.50	1.25	2.50	4.40	4.40	4.40
2010 ⁴	1.25	0.50	1.25	2.75	1.35	2.75	4.90	4.90	4.90
2011	1.25	0.50	1.25	2.75	1.35	2.75	4.90	4.90	4.90
2012	1.25	0.50	1.25	2.75	1.35	2.75	4.90	4.90	4.90
2013	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2014	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2015	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2016	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90

Source: Foothill Transit Finance Department

1) Includes Medicare eligible customers

2) Includes K-12 and college eligible customers

3) Commuter Express Service is ONLY operated during peak service periods

4) Fare increase effective June 27, 2010

5) Silver2Silver Program fare adjustment October 2012



Debt Capacity - Outstanding Debt

Foothill Transit

Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	Capital Lease	Total Debt	Annual Passengers	Debt per Passenger
2007	1,900,000	1,900,000	14,392,111	0.13
2008	1,600,000	1,600,000	14,561,890	0.11
2009	1,300,000	1,300,000	14,203,429	0.09
2010	1,000,000	1,000,000	14,272,436	0.07
2011	1,000,000	1,000,000	13,750,232	0.07
2012	1,000,000	1,000,000	13,860,335	0.07
2013	-	-	14,079,592	-
2014	-	-	14,522,170	-
2015	-	-	14,596,534	-
2016	-	-	13,584,135	-

Source: Foothill Transit Finance Department



Demographic and Economic Information – Statistics for Los Angeles County

Foothill Transit

Demographics Statistics State
Last Ten Fiscal Years

Fiscal Year	Unemployment Rate ¹	Population ² (000)	School Enrollment ³ (000)	Personal Income 1		Consumer Price Index ⁵	
				Total (000)	Per Capita	Value	% Change
2007	4.70%	10,332	1,673	553,813	43,633	218.6	2.82%
2008	6.80%	10,364	1,649	567,707	44,462	229.0	5.40%
2009	10.80%	10,393	1,632	550,831	42,784	223.9	-2.60%
2010	11.60%	10,441	1,574	410,674	41,791	225.9	0.88%
2011	13.30%	9,858	1,590	420,913	42,564	232.3	2.90%
2012	11.10%	9,884	1,575	455,789	45,800	236.0	1.60%
2013	10.80%	9,958	1,785	466,099	46,530	238.9	1.23%
2014	8.70%	10,041	1,564	472,381 ⁴	47,157 ⁴	242.1	1.35%
2015	7.30%	10,136	1,539	474,683 ⁴	47,387 ⁴	243.3	0.49%
2016	5.50%	10,241	1,564	484,634 ⁴	48,380 ⁴	248.4	2.10%

Source: Foothill Transit Finance Department

- 1) Employment Development Department
- 2) State of California Department of Finance
- 3) California Department of Education
- 4) Data not available, amounts increased by CPI
- 5) US Department of Labor Statistics



Demographic and Economic Information – Ten Principal Employers Los Angeles County

Foothill Transit

Ten Principal Employers Los Angeles County
2014 and 2011

Employer	2014			2011		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
County of Los Angeles	96,500	2.09%	1	95,700	2.15%	1
Los Angeles Unified School District	59,600	1.29%	2	73,300	1.65%	2
City of Los Angeles	46,900	1.02%	3	47,700	1.07%	4
University of California, Los Angeles	44,000	0.95%	4	41,000	0.92%	5
Federal Government	43,400	0.94%	5	48,100	1.08%	3
Kaiser Permanente	36,000	0.78%	6	36,500	0.82%	6
State of California	29,200	0.63%	7	30,400	0.68%	7
Northrop Grumman Corp.	17,000	0.37%	8	18,000	0.40%	8
Target Corp	15,000	0.33%	9	14,200	0.32%	10
Providence Health & Services	15,000	0.33%	10		0.00%	
University of Southern California		0.00%		16,600	0.37%	9
All Other Employers	4,208,900	91.27%		4,030,100	90.53%	
Total	4,611,500	100.00%		4,451,600	100.00%	

Source: Los Angeles Almanac; California Employment Development Department

1) Most current information available



Operating Information - Operating and Capital Indicators

Foothill Transit

Operating and Capital Indicators
Last Ten Fiscal Years

Fiscal Year	Buses	Maintenance Facilities	Routes	Vehicle Service Hours (000)	Cost/Vehicle Service Hr.	Boarding/Vehicle Service Hr	Passengers (000)	Farebox Recovery Ratio
2007	314	2	36	741	85.93	20	14,560	24.95%
2008	314	2	36	768	87.53	20	14,974	24.55%
2009	314	2	36	767	87.20	19	14,848	25.10%
2010	316	2	35	746	85.19	19	14,437	25.95%
2011	300	2	35	671	88.63	21	13,985	29.00%
2012	314	2	39	672	83.40	21	13,909	32.39%
2013	314	2	35	687	91.97	21	14,080	29.20%
2014	330	2	35	705	92.62	21	14,522	28.91%
2015	330	2	36	760	93.07	19	14,596	26.71%
2016	361	2	37	790	95.30	17	13,584	22.76%

Source: Foothill Transit Finance Department



Operating Information – Full-Time Equivalent by Functions

Foothill Transit

Full-Time Equivalent (FTE) by Function

Last 3 Fiscal Years

Fiscal Year	Employees	Purchased Transportation			Total
	Administrative Office	Arcadia Facility	Pomona Facility	Transit Stores	FTE
2014	39	n/a	n/a	n/a	n/a
2015	43	n/a	n/a	n/a	n/a
2016	45	424	357	21	846

Note: Prior to FY 2014, Foothill Transit contracted third party contractor to perform management services, thus there were no FTE data available in prior years. Starting FY 2016, the agency will be reporting FTE to California State Controller's Office.

Operating Information - Miscellaneous Statistics

Date Formed:	December 1988
Type of Organization:	Joint Powers Authority
Membership:	22 Los Angeles County Cities and County of Los Angeles
Number of Executive Board Members:	5
Number of Employees:	48
Type of Tax Support:	Proposition A ½ of 1% Sales tax Proposition C ½ of 1% Sales tax Measure R ½ of 1% Sales tax
Service Area:	San Gabriel & Pomona Valleys, Los Angeles County, CA
Contract services provided by:	TransDev First Transit, USA
Number of Buses in Fleet:	
Compressed Natural Gas Powered	344
Electric Powered	17
Operational and Maintenance Facilities:	2
Sales Outlets (Transit Stores):	4
Bus Routes/Lines:	
Express	9
Local	28
Bus Stops	2,302
Annual Service Hours (1)	790,138
Annual Passengers (1)	13,584,135
Average Weekday Boardings (1)	45,310

Source: Foothill Transit Finance Department

1) Fiscal year 2015-16



**COMPLIANCE
REPORTS**

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation			
Direct Programs			
Federal Transit Administration:			
Federal Transit Cluster:			
Section 5307 - Formula Grants	20.507	CA-90-Z226	\$ 11,204,256
Total Federal Transit Cluster			<u>11,204,256</u>
Total U.S. Department of Transportation			<u>\$ 11,204,256</u>

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: Total amount provided to subrecipients during the year was \$0.



Notes to Schedule of Expenditures of Federal Awards

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Foothill Transit, for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Foothill Transit has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2: Federal Transit Cluster

These programs were established to assist public transportation corporations with planning, capital, and operating assistance. The programs are reimbursable grants based on an approved application and expenses incurred.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Foothill Transit as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Foothill Transit's basic financial statements, and have issued our report thereon dated October 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Foothill Transit's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foothill Transit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sherman Oaks, California

October 7, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance for Each Major Federal Program

We have audited Foothill Transit's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Foothill Transit's major federal programs for the year ended June 30, 2016. Foothill Transit's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Foothill Transit's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on Each Major Federal Program

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP
Crowe Horwath LLP

Sherman Oaks, California
October 7, 2016



SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified? reported

____ Yes X None

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards:

Internal Control over major federal programs:

Material weakness(es) identified?

____ Yes X No

Significant deficiency(ies) identified? reported

____ Yes X None

Type of auditor's report issued on compliance for Major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

____ Yes X No

Identification of major federal programs:

CFDA 20.500 / 20.507 - Federal Transit Cluster

Dollar threshold used to distinguish type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes _____ No



FOOTHILL TRANSIT

(A Joint Powers Authority)

Schedule of Findings and Questioned Costs

June 30, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None



FOOTHILL TRANSIT
(A Joint Powers Authority)

Schedule of Prior Year Findings and Questioned Costs
June 30, 2016

There were no findings or questioned costs in the prior year.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE STATE OF CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance with State of California Transportation Development Act

We have audited Foothill Transit's compliance with the types of compliance requirements described in the Transportation Development Act Conformance Auditing Guide (Guide) published by the Los Angeles County Metropolitan Transportation Authority (LACMTA), the Memorandum of Understanding for Proposition 1B Transit Security Bridge Funding, Public Transportation Modernization, Improvement, and Service Enhancement Account Guidelines (PTMISEA), Proposition 1B Transit Modernization Bridge Funding, and Low Carbon Transit Operations Program (LCTOP) by and between LACMTA (Collectively "Transportation Development Act"), that could have a direct and material effect on Foothill Transit's compliance with the State of California Transportation Development Act for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the State of California Transportation Development Act.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Foothill Transit's Transportation Development Act program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Transportation Development Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act program occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Transportation Development Act program. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on the Transportation Development Act Program

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Transportation Development Act. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sherman Oaks, California
October 7, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE PROPOSITION A AND
PROPOSITION C DISCRETIONARY PROGRAMS, AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance with Proposition A and Proposition C Discretionary Programs

We have audited Foothill Transit's compliance with the types of compliance requirements described in the Proposition A and Proposition C Local Return Guidelines and the Memorandums of Understanding for Proposition A 40% Discretionary Grant Funds and Proposition C 40% Discretionary Funds approved by Los Angeles County Metropolitan Transportation Authority (LACMTA) (Collectively "Proposition A and Proposition C Discretionary Programs"), that could have a direct and material effect on Foothill Transit's compliance with the Proposition A and Proposition C Discretionary Programs for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to Proposition A and Proposition C Discretionary Programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Foothill Transit's Proposition A and Proposition C Discretionary Programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Proposition A and Proposition C Discretionary Programs. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Proposition A and Proposition C Discretionary Programs occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Proposition A and Proposition C Discretionary Programs. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on the Proposition A and Proposition C Discretionary Programs

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Proposition A and Proposition C Discretionary Programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Proposition A and Proposition C Discretionary Programs, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Proposition A and Proposition C Discretionary Programs. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sherman Oaks, California
October 7, 2016

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE MEASURE R PROGRAM AND REPORT AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Board of Directors
Foothill Transit (A Joint Powers Authority)
West Covina, California

Report on Compliance with Measure R Program

We have audited Foothill Transit's compliance with the types of compliance requirements described in Measure R Local Return Guidelines issued by Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Memorandum of Understanding Article 4 – Audit and Reporting Requirements by and between LACMTA (Collectively "Measure R Program"), that could have a direct and material effect on Foothill Transit's compliance with the Measure R Program for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Measure R Program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Foothill Transit's Measure R Program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Measure R Program. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Measure R Program occurred. An audit includes examining, on a test basis, evidence about Foothill Transit's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Measure R Program. However, our audit does not provide a legal determination of Foothill Transit's compliance.

Opinion on the Measure R Program

In our opinion, Foothill Transit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Measure R Program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Foothill Transit is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foothill Transit's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Measure R Program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Measure R Program. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sherman Oaks, California
October 7, 2016



October 28, 2016

To: Executive Board

Subject: **Double Decker Bus Demonstration Survey Results**

Recommendation

Receive and file the survey results of the double decker bus demonstration.

Analysis

During the week of October 3-7, 2016, Foothill Transit demonstrated an Alexander Dennis double decker bus for a half day each day on the Silver Streak line. The objective of the demonstration was to: 1) assess bus performance on the Silver Streak route; 2) solicit feedback from customers, coach operators and mechanics; and 3) identify any issues that might impact dwell time.

The Silver Streak line was selected because it is among Foothill Transit's highest ridership lines and it is a limited stop route. The Alexander Dennis double decker bus that was used accommodates 80 seated passengers, making it a potentially feasible replacement for the 60-foot articulated buses used on the Silver Streak which each have a seating capacity of 58.

During the demonstration period the bus ride was free and Foothill Transit staff served as on board ambassadors to hand out surveys to customers and respond to their questions. The bus transported 726 passengers and logged approximately 450 miles. Although the bus used in the demonstration was powered by a clean diesel engine, Foothill Transit's plan is to procure an extended range, battery-electric powered double decker bus.

In October of 2015, Alexander Dennis, who has strong experience in the manufacturing of bus bodies, unveiled an all-electric bus equipped with BYD battery-electric propulsion system and electric chassis technology. The new bus can carry 81 seated passengers. It has an expected range of up to 190 miles in city traffic conditions on a single charge, allowing recharging in four hours.

In August 2016 Foothill Transit was awarded a \$1.458 million grant through the FY 2016 Metro ExpressLanes Net Toll Revenue Reinvestment Grant Program. These funds will be used to replace two 12-year old CNG commuter



express buses with two Alexander Dennis all-electric double decker buses on a line operating on the ExpressLanes corridor.

Driver and Mechanic Training

A week prior to the scheduled demonstration, Alexander Dennis trained four coach operators, supervisors, trainers, four mechanics, and one fueler, all of whom are employed by Transdev. Transdev is Foothill Transit's contractor who operates the Silver Streak route from the Arcadia Operations and Maintenance facility.

Demonstration Schedule

The bus provided service on the early 7:00 a.m. schedule which started at West Covina Parkway and California Avenue in West Covina on Monday, Wednesday and Friday and operated on the 3:15 p.m. schedule from Montclair Transit Center on Tuesday and Thursday.

Passenger Survey Results

As part of this demonstration, 431 surveys that queried riders on their opinion of the bus were collected. The survey asked customers to provide feedback on their overall impressions of the vehicle, and how they would rate specific characteristics from 1 (poor) to 5 (excellent).

The riders were overwhelmingly regular passengers, riding at least four days per week (63%). Another 20 percent rode often (2 or 3 days per week), and the remainder indicated that they ride occasionally or rarely. The double decker was a new experience to most, with 66 percent of respondents having never ridden on one before.

A big focus for this demonstration was on how the passengers reacted to the lower head clearance of the bus. Survey results show that this isn't much of a concern. Of the respondents, 44 percent were under 5'6", the height of the upper deck. In total, 90 percent were under 6'3", the height of the lower deck. In other words, 9 out of 10 passengers are able to stand on the bus with no head room problems.

Passengers rated both the lower deck and the upper deck on a set of various characteristics. These included ease of boarding the bus, ride quality, view of the outside, ventilation, and other issues. Each issue was rated from 1 (poor) to 5 (excellent). The goal of these questions was to highlight any specific items of concern.



On the lower deck, all issues scored between 4 (very good) and 5 (excellent). Passengers especially liked the ride quality and the ease of entering the bus (due to the double-wide doors). The items of greatest concern were the head room and standing room space.

On the upper deck, all items rated between 4 and 5. The best rated items were the view of the outside and the ride quality. The areas of greatest concern were head room and stair width. In general, the upper deck was very popular with 89 percent of respondents, who said they would ride the upper deck the next time they rode the bus.

The overall response to this double decker demo was overwhelmingly positive. Over 93 percent of respondents said they would like to see Foothill Transit use double deckers in the future.

Attachments A and B are a summary of the survey results and a copy of the survey instrument that was used.

Other Comments

Positive comments were also received from the coach operators who drove the bus. They found the bus fun to drive, easy to maneuver through traffic and congested streets around downtown L.A. Since the rear wheels of the three-axle, double decker bus turn 15 degrees they found it simpler and easier to maneuver compared to a single floor bus or an articulated bus.

The mechanics also found the bus easy to work on compared to the 60-foot articulated coaches. It is basically a regular 40-foot bus with a second floor. It also should be cheaper to maintain than a 60-foot articulated coach since it does not have an articulated joint.

Deploying two Alexander Dennis electric double-decker buses along the I-10 corridor will be transformative for Los Angeles and for the United States. No other transit agency in the country utilizes this technology on fixed-route, commuter or limited stop service. Additionally, this project fulfills the goals set forth by the State of California and regional planning bodies to improve transit and address sustainability. The utilization of electric buses and high-capacity buses will allow Foothill Transit to increase ridership capacity while reducing GHG emissions. As with our entire electric bus program, we continue to learn from each expansion, and we fully expect that the deployment of these vehicles will continue this experience as we will, once again, be first in the nation to deploy this particular type of electric transit coach.



Budget Impact

Alexander Dennis provided the demonstration bus to Foothill Transit free of charge. The cost of the bus wrap of \$1,300 was funded under the Maintenance and Vehicle Technology Department Budget section of the FY 2016-2017 Business Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Roland M. Cordero'.

Roland M. Cordero
Director of Maintenance & Vehicle Technology

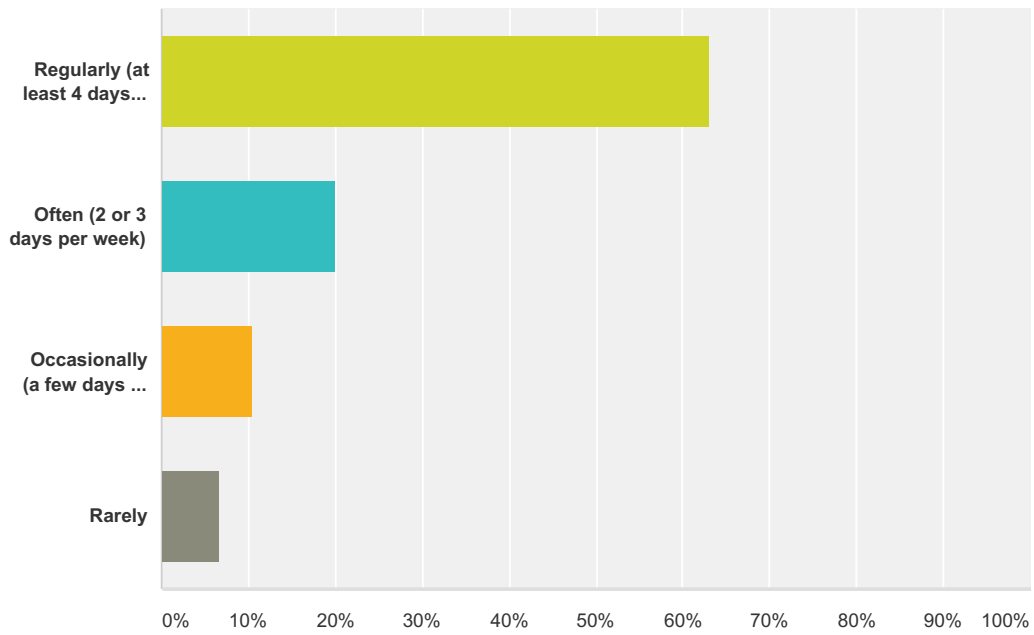
A handwritten signature in blue ink, appearing to read 'Kevin Parks McDonald'.

Kevin Parks McDonald
Deputy Executive Director

Attachments

Q1 How often do you ride Foothill Transit:

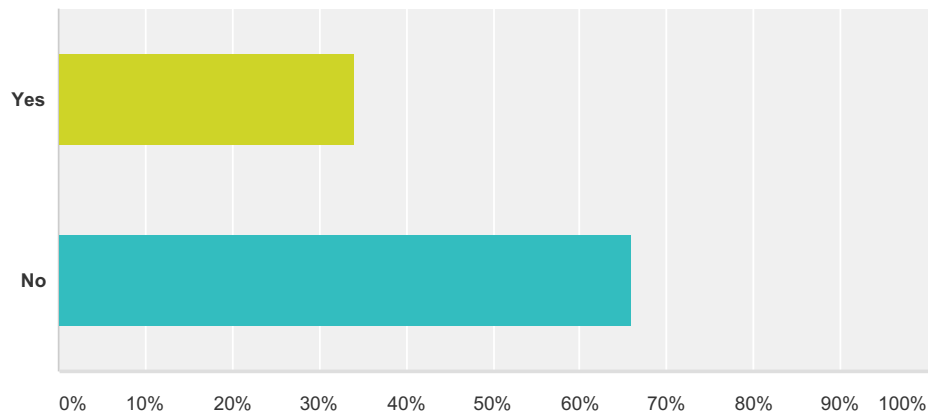
Answered: 425 Skipped: 6



Answer Choices	Responses
Regularly (at least 4 days per week)	63.06% 268
Often (2 or 3 days per week)	20.00% 85
Occasionally (a few days per month)	10.35% 44
Rarely	6.59% 28
Total	425

Q2 Have you ever ridden on a double deck before?

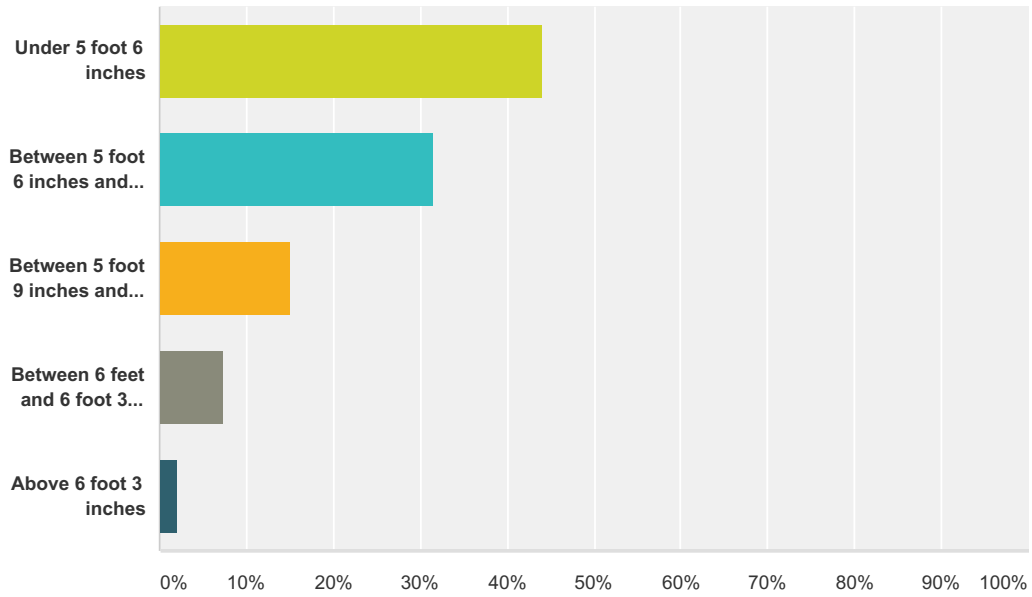
Answered: 423 Skipped: 8



Answer Choices	Responses	
Yes	34.04%	144
No	65.96%	279
Total		423

Q3 How tall are you?

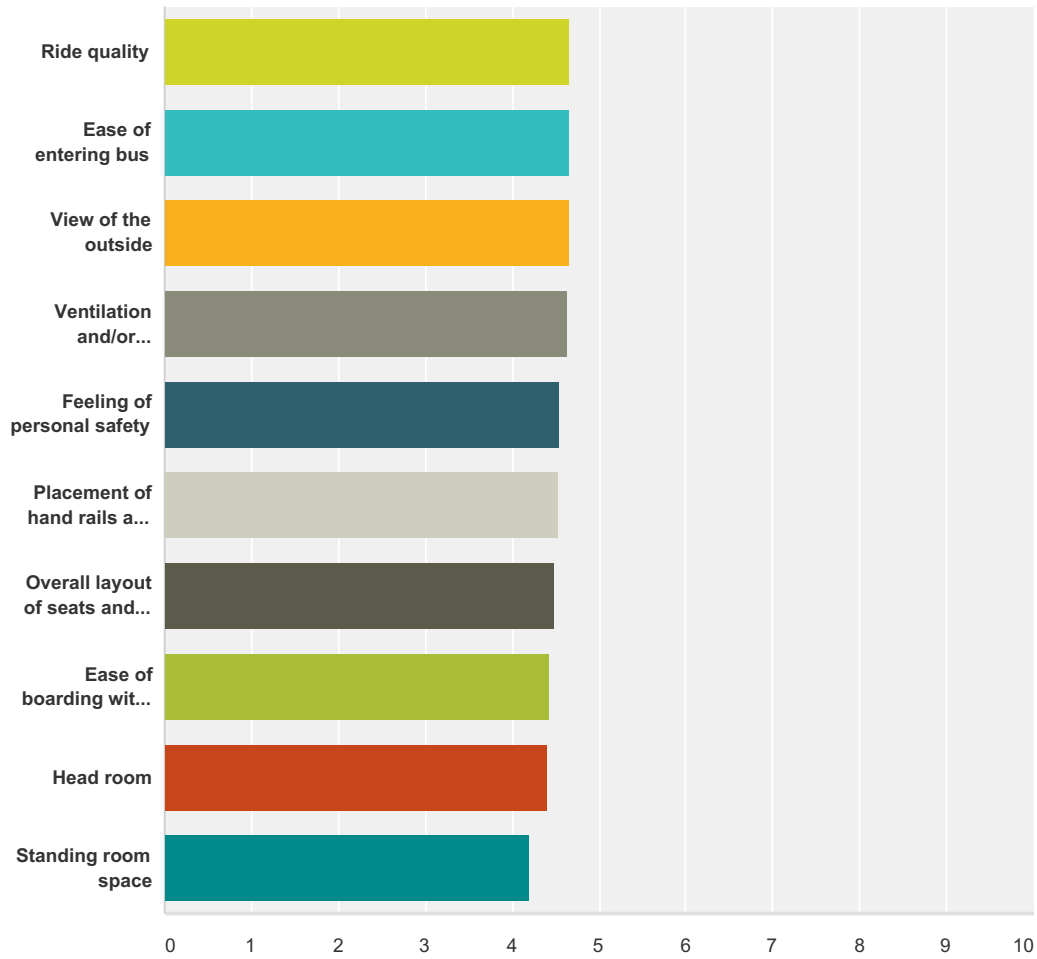
Answered: 420 Skipped: 11



Answer Choices	Responses
Under 5 foot 6 inches	44.05% 185
Between 5 foot 6 inches and 5 foot 9 inches	31.43% 132
Between 5 foot 9 inches and 6 feet	15.00% 63
Between 6 feet and 6 foot 3 inches	7.38% 31
Above 6 foot 3 inches	2.14% 9
Total	420

Q4 Please rate the Lower Deck on the following factors:

Answered: 395 Skipped: 36

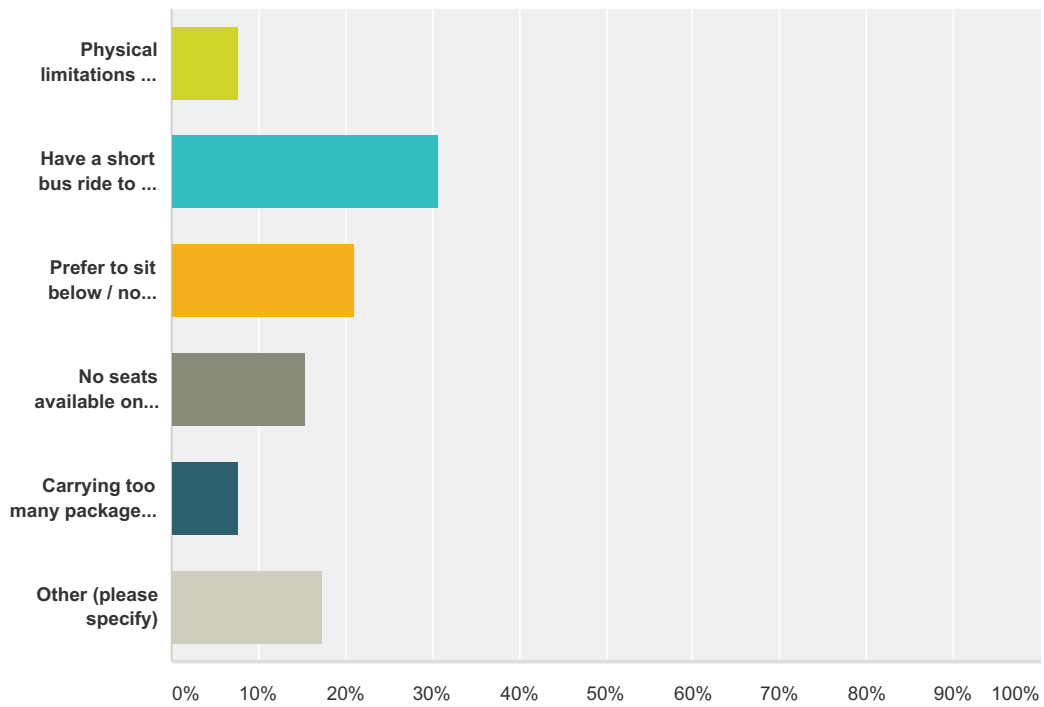


	5 (Excellent)	4 (Very Good)	3 (Good)	2 (Fair)	1 (Poor)	N/A	Total	Weighted Average
Ride quality	74.73% 281	14.10% 53	7.45% 28	1.06% 4	0.27% 1	2.39% 9	376	4.66
Ease of entering bus	74.23% 291	17.35% 68	7.40% 29	1.02% 4	0.00% 0	0.00% 0	392	4.65
View of the outside	75.33% 287	13.65% 52	7.61% 29	1.31% 5	0.52% 2	1.57% 6	381	4.65
Ventilation and/or temperature	73.89% 283	15.40% 59	7.05% 27	1.31% 5	0.52% 2	1.83% 7	383	4.64
Feeling of personal safety	68.34% 259	17.68% 67	9.23% 35	1.85% 7	0.26% 1	2.64% 10	379	4.56
Placement of hand rails and poles	64.18% 249	24.48% 95	9.54% 37	0.77% 3	0.00% 0	1.03% 4	388	4.54
Overall layout of seats and interior space	62.89% 244	21.65% 84	11.60% 45	1.55% 6	0.52% 2	1.80% 7	388	4.48

Ease of boarding with a wheelchair	40.00% 146	13.42% 49	7.40% 27	2.19% 8	0.27% 1	36.71% 134	365	4.43
Head room	62.27% 236	19.26% 73	13.19% 50	3.96% 15	0.53% 2	0.79% 3	379	4.40
Standing room space	51.30% 197	20.57% 79	16.41% 63	6.51% 25	1.04% 4	4.17% 16	384	4.20

Q5 If you only rode the Lower Deck, why didn't you use the upper deck? (check one)

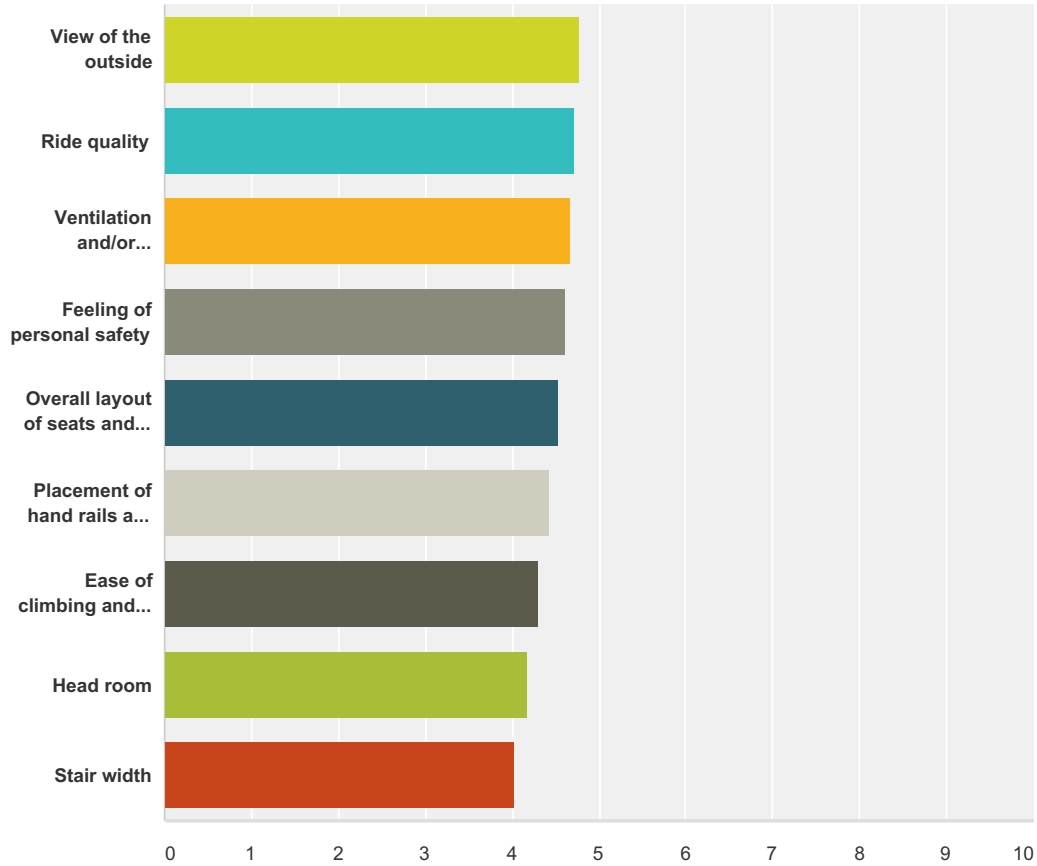
Answered: 208 Skipped: 223



Answer Choices	Responses
Physical limitations / unable to climb steps	7.69% 16
Have a short bus ride to my destination	30.77% 64
Prefer to sit below / no interest in sitting upstairs	21.15% 44
No seats available on the upper deck	15.38% 32
Carrying too many packages or bags	7.69% 16
Other (please specify)	17.31% 36
Total	208

Q6 Please rate the Upper Deck on the following factors: (skip this question if you did not use the upper deck)

Answered: 312 Skipped: 119

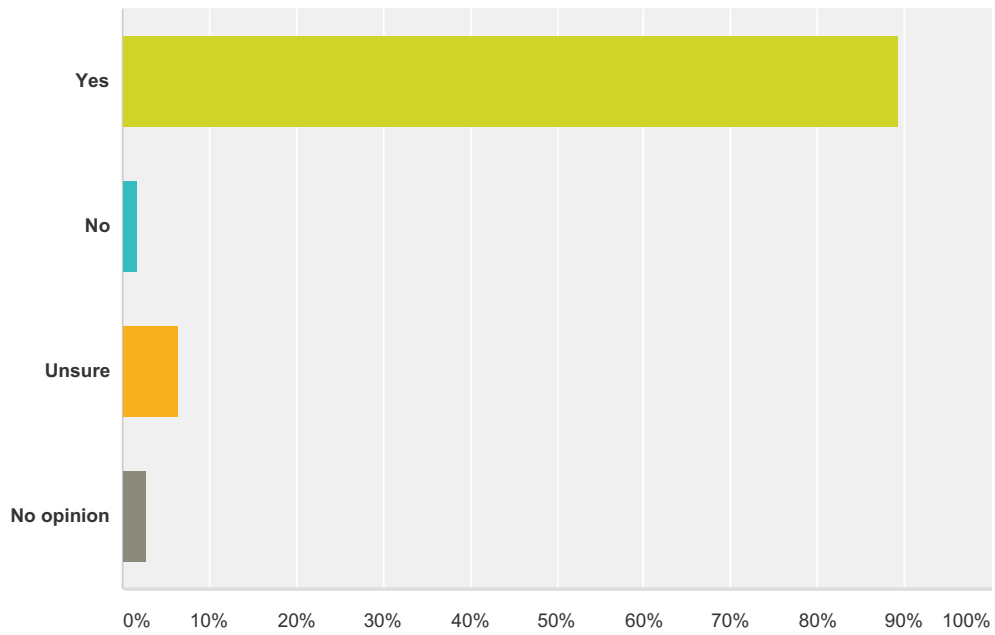


	5 (Excellent)	4 (Very Good)	3 (Good)	2 (Fair)	1 (Poor)	N/A	Total	Weighted Average
View of the outside	82.45% 249	11.59% 35	4.30% 13	0.00% 0	0.33% 1	1.32% 4	302	4.78
Ride quality	75.59% 226	17.39% 52	5.35% 16	0.33% 1	0.00% 0	1.34% 4	299	4.71
Ventilation and/or temperature	75.42% 227	14.62% 44	7.64% 23	1.00% 3	0.00% 0	1.33% 4	301	4.67
Feeling of personal safety	70.85% 209	18.64% 55	7.80% 23	1.02% 3	0.34% 1	1.36% 4	295	4.61
Overall layout of seats and interior space	64.45% 194	23.26% 70	9.63% 29	1.00% 3	0.33% 1	1.33% 4	301	4.53
Placement of hand rails and poles	58.96% 181	23.78% 73	13.03% 40	1.95% 6	0.33% 1	1.95% 6	307	4.42
Ease of climbing and descending stairs	52.44% 161	26.06% 80	16.29% 50	2.93% 9	0.33% 1	1.95% 6	307	4.30
Head room	52.32% 158	19.87% 60	18.87% 57	4.97% 15	2.32% 7	1.66% 5	302	4.17

Stair width	42.35% 130	26.38% 81	19.87% 61	9.12% 28	0.65% 2	1.63% 5	307	4.02
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Q7 Would you choose to ride the Upper Deck again the next time you ride the bus?

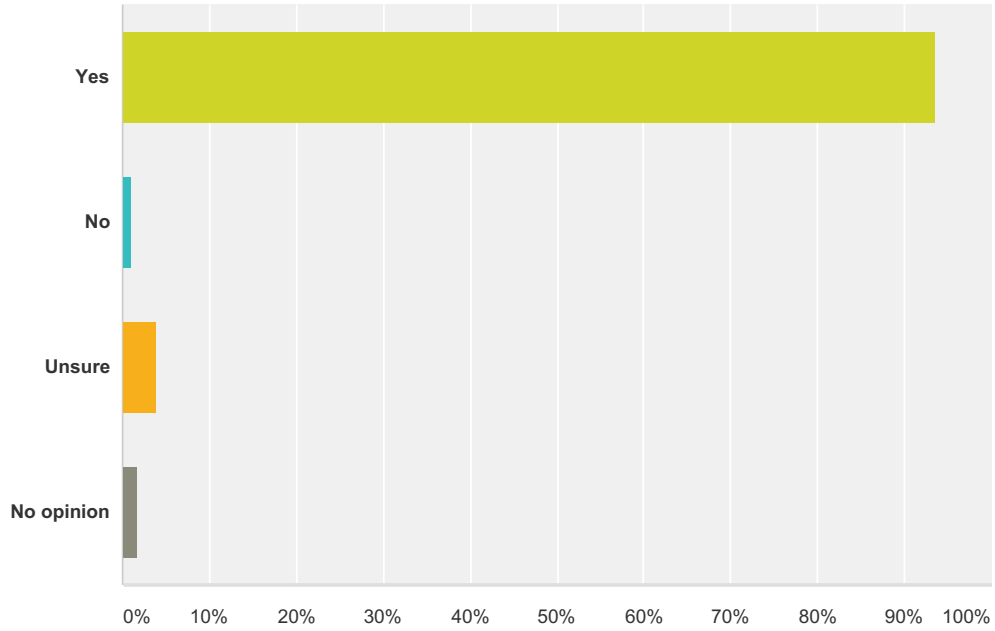
Answered: 382 Skipped: 49



Answer Choices	Responses
Yes	89.27% 341
No	1.57% 6
Unsure	6.54% 25
No opinion	2.62% 10
Total	382

Q8 Would you like to see Foothill Transit use double decker buses on this and other bus lines?

Answered: 413 Skipped: 18



Answer Choices	Responses
Yes	93.46% 386
No	0.97% 4
Unsure	3.87% 16
No opinion	1.69% 7
Total	413

PART 4

OVERALL EXPERIENCE

8. Would you like to see Foothill Transit use double decker buses on this and other bus lines?

- Yes
- No
- Unsure
- No opinion

9. Additional Comments:



That concludes the survey, we appreciate you feedback.

Attachment B



Foothill Transit



Foothill Transit

SILVERSTREAK

DOUBLE DECKER SURVEY





PART 2 LOWER DECK

PART 3 UPPER DECK

4. Please rate the **LOWER DECK** on the following factors:

	Excellent	Very Good	Good	Fair	Poor	N/A
	5	4	3	2	1	N/A
Ease of entering bus	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Placement of hand rails & poles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Head room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Standing room space	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall layout of seats and interior space	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ease of boarding with a wheelchair	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
View of the outside	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ride quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ventilation and/or temperature	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Feeling of personal safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. If you only rode on the **LOWER DECK**, why didn't you use the upper deck? (check one)

- Physical limitations / unable to climb steps
- Have a short bus ride to my destination
- Prefer to sit below / no interest in sitting upstairs
- No seats available on upper deck
- Carrying too many packages or bags
- Other (specify below)

If you chose Other, what is the reason why?

6. Please rate the **UPPER DECK** on the following factors: (skip this question if you did not use the upper deck)

	Excellent	Very Good	Good	Fair	Poor	N/A
	5	4	3	2	1	N/A
Ease of climbing and descending stairs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stair width	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Placement of hand rails & poles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Head room	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall layout of seats and interior space	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
View of the outside	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ride quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ventilation and/or temperature	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Feeling of personal safety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Would you choose to ride on the **UPPER DECK** again the next time you ride the bus?

- Yes
- No
- Unsure
- No opinion

SURVEY CONTINUES ON NEXT PAGE



PART 1 GENERAL INFO

1. How often do you ride Foothill Transit:

- Regularly (at least 4 days per week)
- Often (2 Or 3 days per week)
- Occasionally (a few days per month)
- Rarely

2. Have you ever ridden on a double deck before?

- Yes
- No

3. How tall are you?

- Under 5 foot 6 inches
- Between 5 foot 6 inches and 5 foot 9 inches
- Between 5 foot 6 inches and 6 feet
- Between 6 feet and 6 foot 3 inches
- Above 6 foot 3 inches



October 28, 2016

To: Executive Board

Subject: **Fiscal Year 2016-2017 First Quarter Performance Indicators Report**

Recommendation

Receive and file the FY 2016-2017 First Quarter Performance Indicators Report.

Analysis

This report provides an analysis of Foothill Transit's performance indicators for the first quarter of FY 2016-2017. Foothill Transit monitors a number of measures in evaluating the services provided to the public. There are key performance indicators that record the bus system safety, courtesy, and reliability standards, along with industry-standard measurements which are monitored to assess transit operations.

In the first quarter of FY 2016-2017, Foothill Transit achieved four out of nine key performance indicator goals. The performance indicator targets met for the quarter are: schedule adherence, miles between service interruptions, average hold time, and average cost per vehicle service hour.

Further detail on each performance measure including a description and analysis to account for the variances between reporting periods follows in the analysis section of this item. Foothill Transit's performance indicators are summarized below.

- **Boardings** – Total number of boardings recorded by the farebox in the first quarter was 3.52 million – a one percent increase from the same quarter last year.
- **Fare Revenue** – Total fare revenue for the quarter was \$4.14 million. The average fare was \$1.19 per boarding.
- **Operating Expenses** – Operating expenses incurred in the quarter totaled to \$22 million, resulting in an average cost per service hour of \$100.09.
- **Accidents** – The system averaged 0.95 preventable accidents per 100,000 miles.
- **Customer Complaints** – Foothill Transit received 21.5 complaints per 100,000 boardings in the first quarter. This is 17 percent higher than the first quarter of the previous year.
- **Schedule Adherence** – In the first quarter, Foothill Transit recorded 83.1 percent on-time performance. This is a one percent decrease from the first quarter of last year.



In order to accomplish its mission, Foothill Transit has the following goals:

- Goal 1: Operate a safe transit system.
- Goal 2: Provide outstanding customer service.
- Goal 3: Operate an effective transit system.
- Goal 4: Operate an efficient transit system.

These goals provide a framework for performance indicators to quantify and measure how well Foothill Transit is performing. Performance indicators are derived from data collected from a variety of sources including the fareboxes on buses, the *SMARTBus* CAD/AVL system, reports from the operations contractors, and financial performance data.

Overall System Performance

Foothill Transit's overall system performance is based on several key indicators. These include total ridership, fare revenues, vehicle service hours, and total operating expenses.

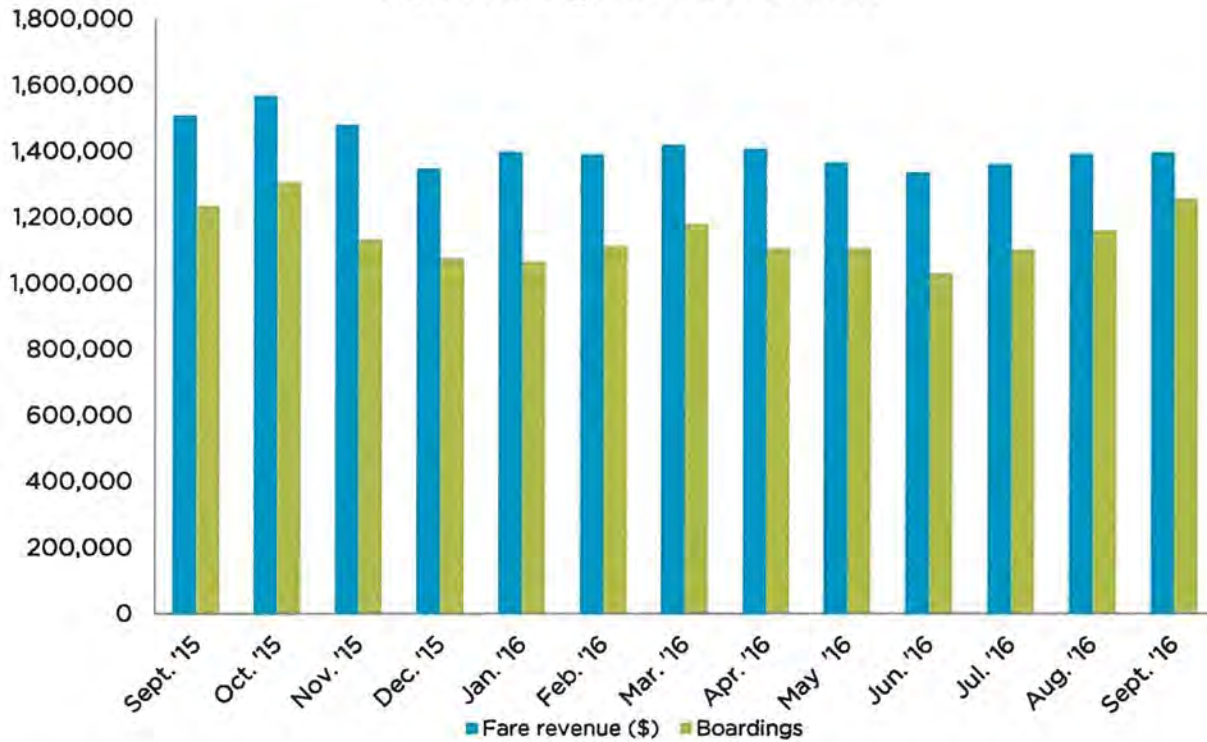
Total Boardings and Total Fare Revenues

In the first quarter of FY 2016-2017, Foothill Transit buses had 3.52 million boardings. Compared to the 3.48 million boardings during the same period last year, this is a one percent increase. This increased ridership is a result of the addition of Lines 190, 194 and 270 to Foothill Transit's service portfolio on June 26, 2016. Nationally and regionally, bus transit ridership has been on the decline, with the decrease in ridership attributed to continued economic recovery and an increase in car sales in the region. Foothill Transit staff continues to closely monitor transit ridership trends on the system and in the Southern California region.

Total fare revenue recorded in the quarter was \$4.14 million, a seven percent decline from the same period last year. The decline in fare revenue can be attributed to an increase in the proportion of ADA free fare boardings, as well as the acceptance of Metro fare media on Lines 190, 194 and 270 for the first year of operation of those three lines.



Total Boardings and Fare Revenues



Vehicle Service Hours and Operating Expenditure

In the first quarter, Foothill Transit operated 219,945 service hours which represents an 11 percent increase compared to the same period the previous fiscal year. This is primarily the result of the addition of Lines 190, 194, 270 and 496, as well as increased service on lines connecting to the Gold Line Extension.

During the first quarter of the fiscal year, Foothill Transit incurred \$22.0 million in operating expenses. This is 19.0 percent higher compared to the same period the previous year. After adjusting for inflation, this is 17.2 percent higher compared to the same period the previous year. Variance between years is related to increased service provided, as well as increased costs associated with the new Arcadia contract, which went into effect on June 26. The increase in service is due to the addition of the aforementioned routes, which in quarter one accounted for about five percent of the increase in operating expenses.



Goal 1: Operate a Safe Transit System

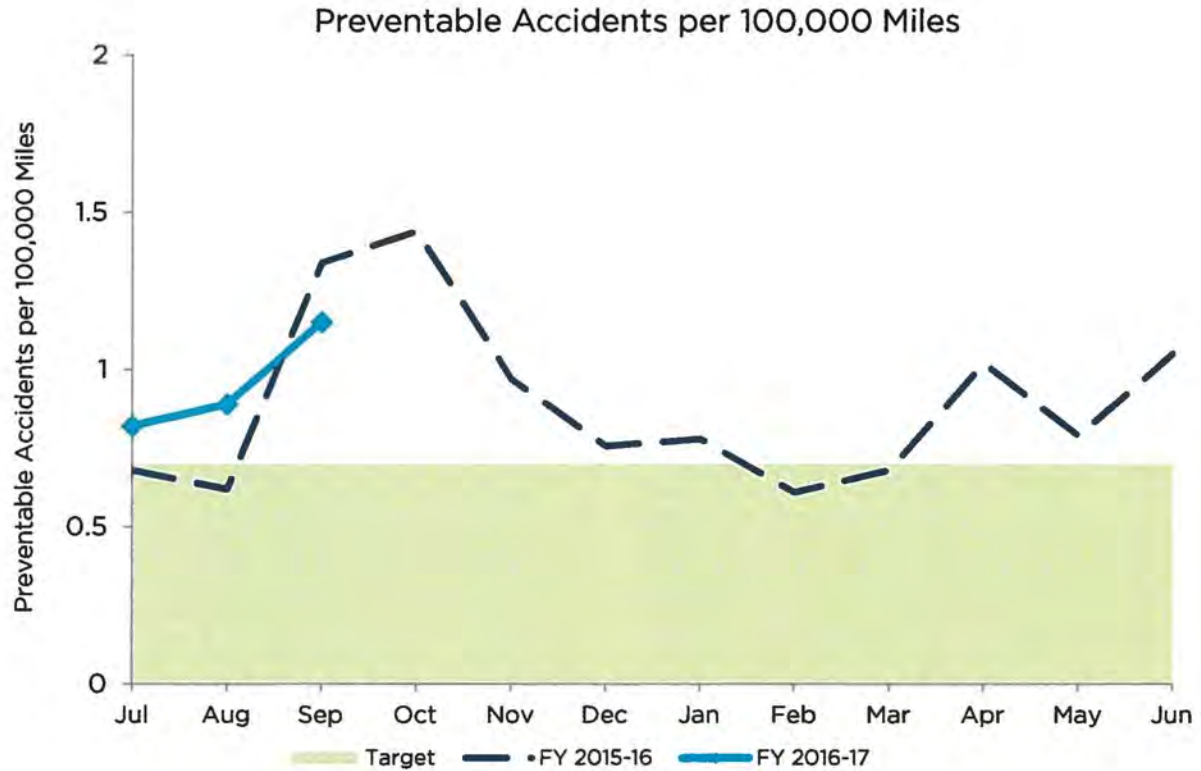
Foothill Transit's primary goal is to operate a safe transit system. Foothill Transit monitors system safety by tracking the number of preventable accidents incurred for every 100,000 miles of vehicle operation.

Preventable Accidents per 100,000 Miles

In the first quarter of FY 2016-2017, Foothill Transit did not meet the adopted standard of 0.70 or fewer preventable accidents per 100,000 miles with an average of 0.95. This is a three percent increase compared to the same period the previous year. The majority of the preventable accidents during the first quarter were vehicles making contact with fixed-object, with approximately one half of all preventable accidents involving collisions with fixed objects. One contributor to this variance is that lanes have narrowed in certain parts of the agency's service area to accommodate road repairs. As a result, coach operators are driving in traffic lanes that are narrower than before, having to merge more frequently, and driving along unfamiliar detour routes. As lanes narrow, there is a tendency for coaches to drive closer to the right if there is a vehicle to the left, which is likely accountable for some of the side swipe and mirror collisions that constitute fixed object collisions.

Foothill Transit's operations team continues to work closely with the contractors at the operations and maintenance facilities to improve safety performance, and both contractors are redoubling their efforts to continue to focus on safety on the very congested roadways. Throughout the quarter, particular emphasis was placed on reducing fixed object collisions, increasing pedestrian awareness, and identifying blind spots. Furthermore, staff have been utilizing additional analytic tools in helping to identify trends and trouble areas with the goal of further reducing preventable accidents.

Additionally, in preparation for the seasonal increase of vehicular and pedestrian traffic with the start of the school year beginning in late August, the contractors implemented campaigns to increase pedestrian safety and reinforce proper techniques when entering road intersections. Another safety initiative for the quarter was a passenger fall prevention review. The week of September 22nd was National Fall Prevention Week which provided a prime opportunity to share best practices for operators to avoid passenger falls onboard their vehicles. Staff continue to monitor trends and identify areas for improvement that are also addressed in the contractors' monthly safety meetings.



Goal 2: Provide Outstanding Customer Service

Foothill Transit measures this goal by monitoring the following categories: schedule adherence, average miles between service interruptions, complaints per 100,000 boardings, and average hold time for customers calling the customer service line.

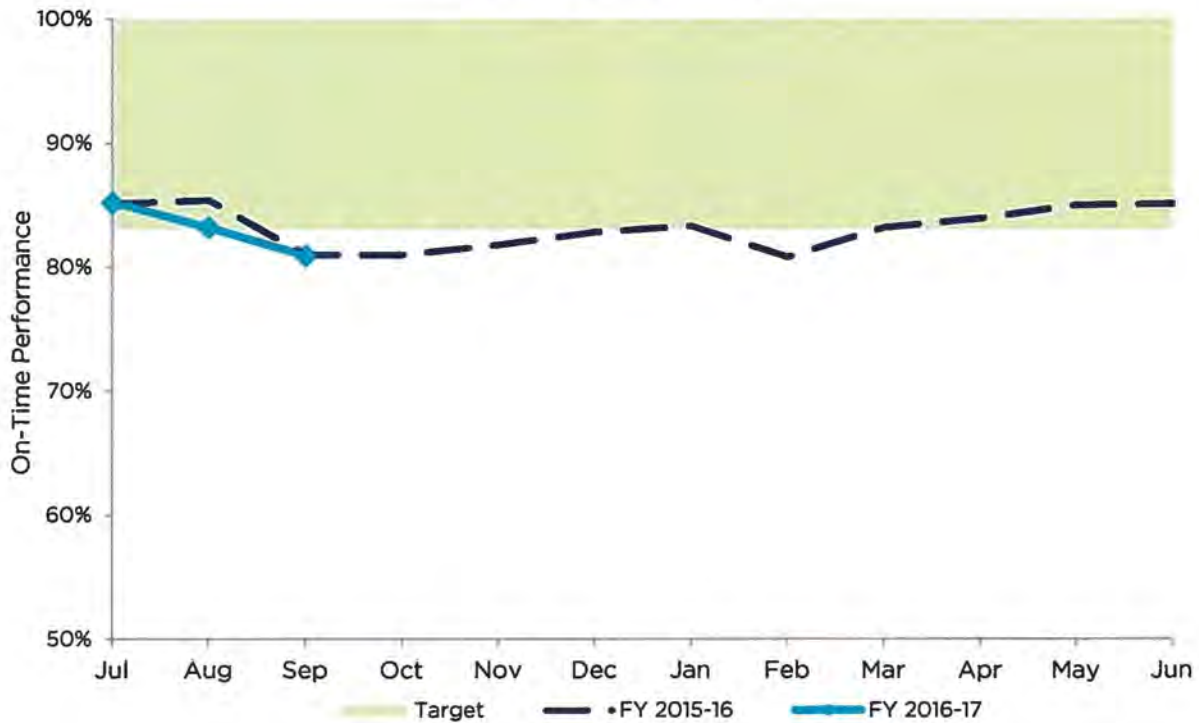


Schedule Adherence

Foothill Transit measures its schedule adherence using the industry standard metric of on-time performance (OTP). OTP is calculated by evaluating a vehicle's adherence to time points in the planned schedule. A trip is considered on-time if it departed the time point no more than five minutes late and not early. Foothill Transit has adopted a goal of 83 percent or higher OTP for this fiscal year. In the first quarter, Foothill Transit achieved 83.1 percent OTP for the entire system. This is a one percent decrease over last year. This variance is due to myriad construction projects in downtown Los Angeles that have primarily affected Commuter Express service, as well as service along the 10 freeway.

OTP for local routes for the first quarter was 84.4 percent which is the same as the previous fiscal year. Limited Stop routes averaged 76 percent OTP, while Commuter Express routes averaged 76.1 percent. Quality assurance staff monitor the SMARTBus system in real-time to ensure that the bus service runs in accordance to the schedule. Staff have worked closely with the contractors to identify areas for improvement, and these adjustments will be implemented in the upcoming service change on October 30.

On-time Performance



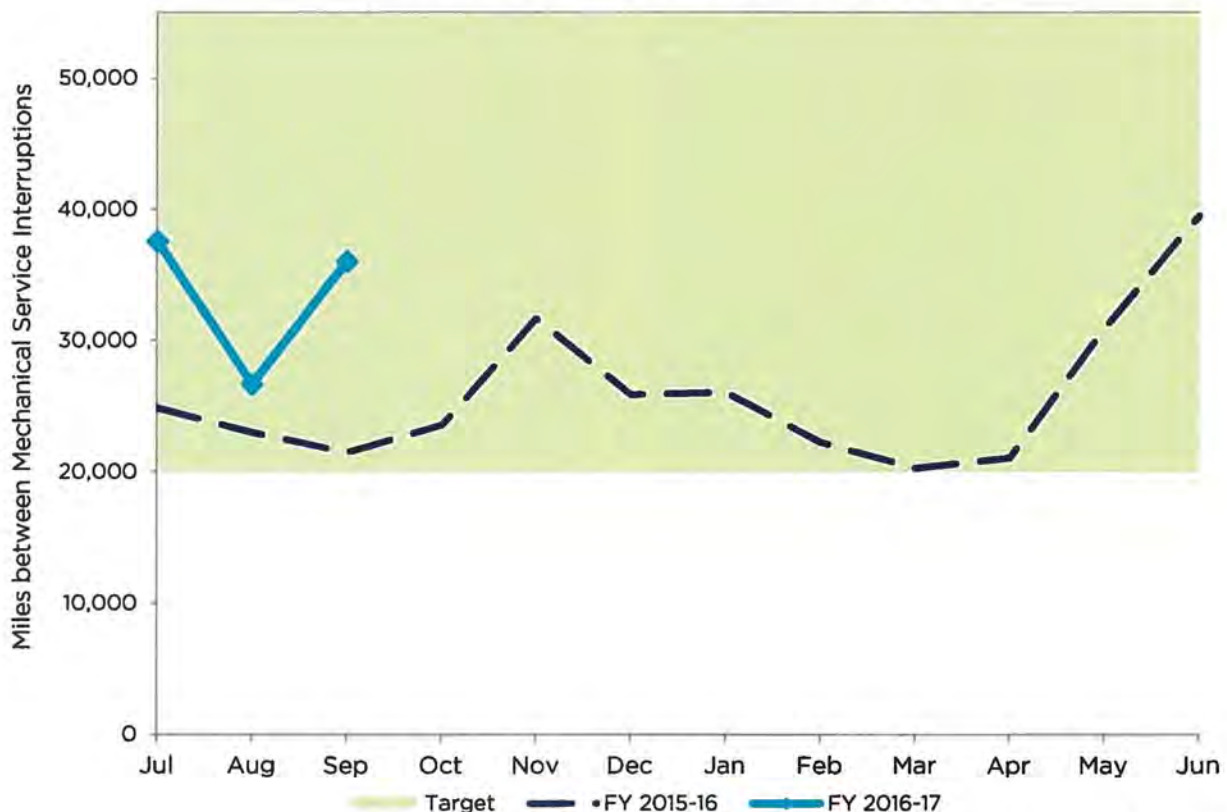


Average Miles between Service Interruptions

Average miles between service interruptions is a maintenance performance indicator that measures the miles between mechanical roadcalls of a vehicle used during revenue service resulting in a service delay of more than five minutes. In the first quarter, Foothill Transit averaged 33,417 miles between service interruptions as reported by the operations contractors. Foothill Transit exceeded the maintenance reliability goal of at least 20,000 miles between service interruptions and the metric is 45 percent higher compared to last year.

As older bus models have been phased out and newer buses added, the overall age of the fleet has decreased, resulting in an increase in mechanical reliability. Furthermore, there has been a campaign to repower the engines in the 1700 and 1800-series coaches that were procured in FY 2009 and 2010. These coaches have undergone a heavy maintenance campaign that included a refurbishing of the interior space, technology updates, a repainting with Foothill Transit's new livery, and an engine rebuild, thus further increasing reliability and decreasing mechanical breakdowns that would result in customer delays. Careful monitoring of roadcalls by Foothill Transit staff have helped to identify trends in types of mechanical failures and these are being used to advise targeted bus maintenance efforts.

Miles Between Service Interruptions





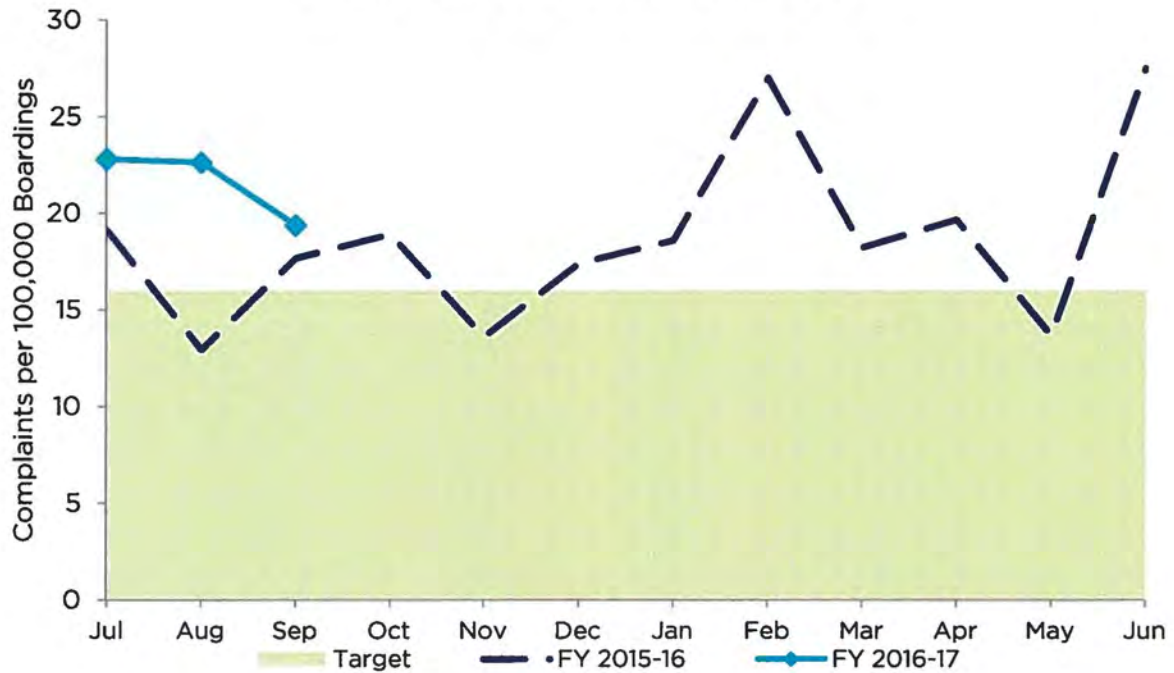
Complaints per 100,000 Boardings

Customer complaints are counts of incidents where a customer reports dissatisfaction with the service. All customer complaints received by Foothill Transit are subject to an investigation process which ensures all customers receive a response and allows Foothill Transit to determine if a complaint is valid. Investigations include contacting the customer and may include reviewing the SMARTBus system, dispatch logs, on-board videos, or verbal communication with the coach operator. In the first quarter of the fiscal year, Foothill Transit received 21.5 complaints per 100,000 boardings. This doesn't achieve the performance target of 16.00 or fewer complaints per 100,000 boardings and is a 17 percent increase compared to the same period during the previous year. The increase in complaints coincided with the June 26 service change that saw the transition of Lines 190, 194 and 270 from L.A. Metro. Complaints began to decline once again in September and we continue to focus our efforts on addressing those areas with the highest number of customer complaints.

Of the complaints received this quarter, 45 percent were related to schedule adherence and 20 percent were related to courtesy. In the first quarter of the fiscal year, following the addition of the new routes, Foothill Transit worked to improve service delivery by focusing on schedule adherence on these routes and to address customer concerns regarding the transition. In addition, Foothill Transit staff are working closely with the contractors addressing the communication of detour information between the agency and Transit Stores with the goal of informing customers in a timelier manner. In the first quarter, the Arcadia facility received 50 compliments, the Pomona facility received 37 compliments and the Transit Stores received 16 compliments.



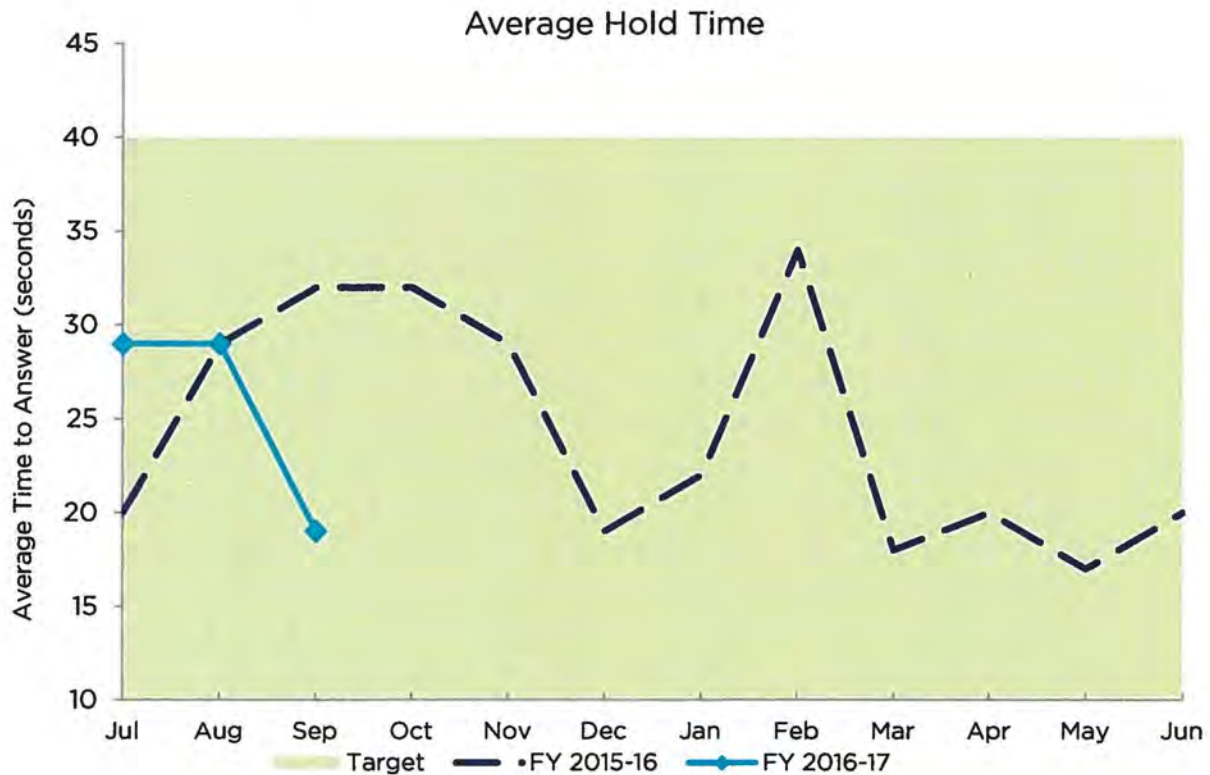
Complaints per 100,000 Boardings





Average Hold Time

Phone systems at Foothill Transit’s four Transit Stores provide data on call volumes and times so that facilities can be staffed accordingly. The recorded average hold time of 26 seconds during the first quarter is well below the performance target of less than 40 seconds and is a four percent improvement compared to the same period during the previous year. This quarter, Foothill Transit focused on improving average hold time by continuing to refine holiday and queue messages and hiring bilingual staff to meet performance targets for calls from both English and Spanish speakers.



Goal 3: Operate an Effective Transit System

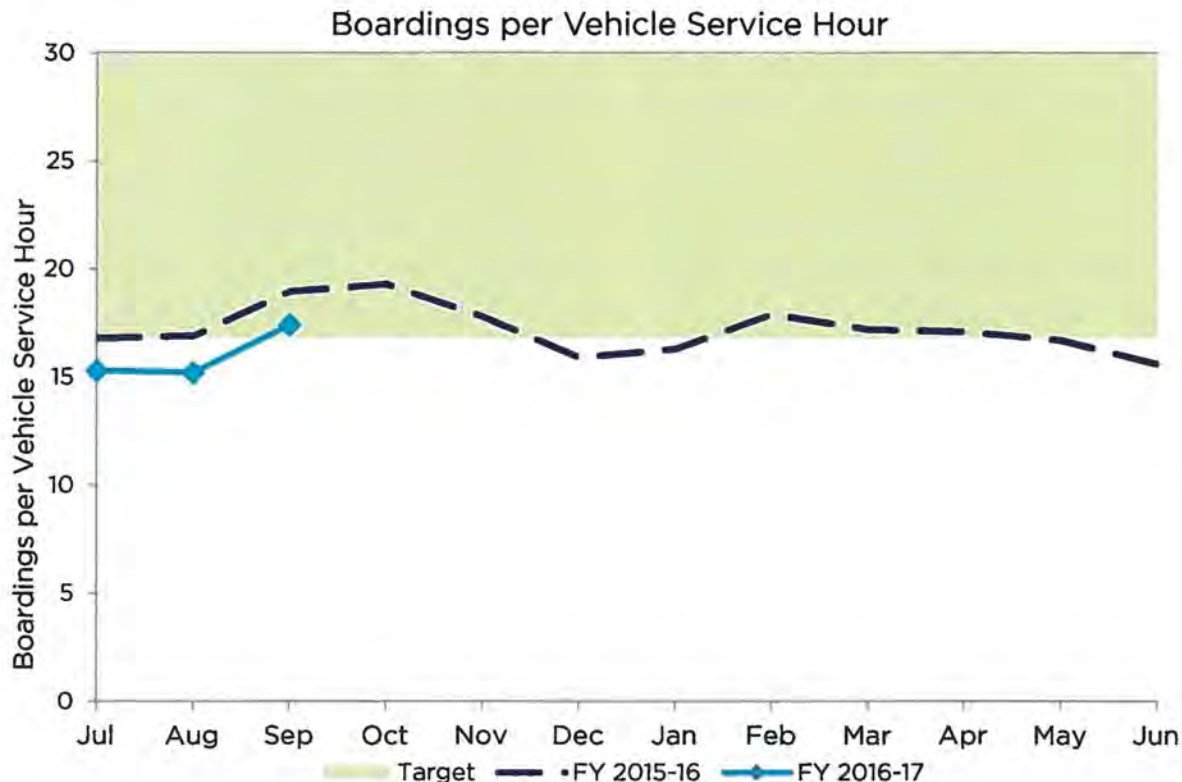
Foothill Transit measures service effectiveness by monitoring boardings per vehicle service hour and average weekday boardings.



Boardings per Vehicle Service Hour

Boardings per vehicle service hour is the total number of boardings divided by the total number of service hours in a given period. Foothill Transit buses averaged 16.0 boardings per vehicle service hour in the first quarter. This does not meet the performance target of 16.8 or more boardings per service hour and is a nine percent decline compared to the same period the previous year. The operation of 11 percent more service hours explains this variance in performance.

In the first quarter, Foothill Transit staff worked on various projects to increase boardings per vehicle service hour. Foothill Transit continues to encourage increased ridership by targeting specific demographics of customers through the Class Pass program and marketing towards schools, religious groups, and senior citizens. Beginning in August, Foothill Transit began working to improve system effectiveness by utilizing farebox boarding data and disaggregate vehicle service hour data to evaluate boardings per vehicle service hour by specific route, day-of-week, and time-of-day. Improved data analysis allows Foothill Transit Planning staff to better understand travel demand in the service area. Foothill Transit is using the information to target strategic service changes in order to balance ridership with overall service. These changes will be implemented in the upcoming service change slated for the end of October.

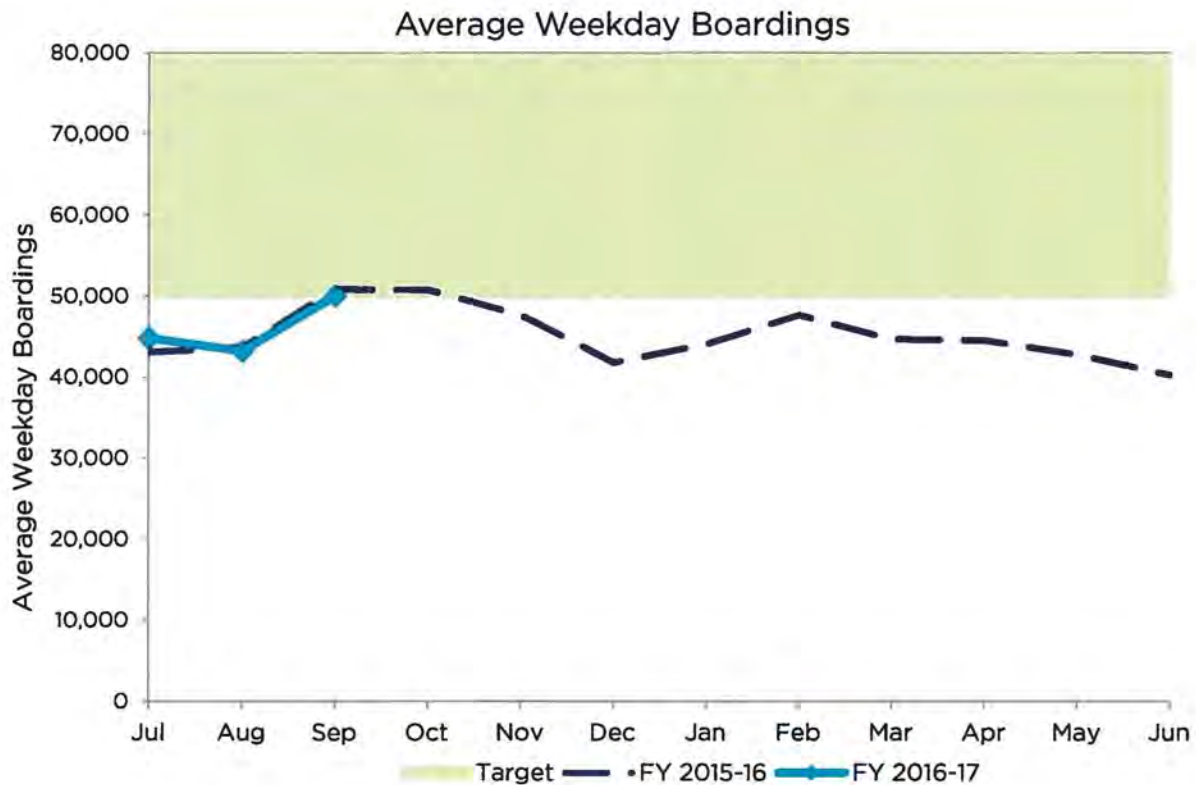




Average Weekday Boardings

The number of average weekday boardings is calculated by dividing the total number of weekday boardings by the number of days with weekday service in a given period. The fiscal year 2016-2017 performance target for average weekday boardings is to achieve at least 49,638 average weekday boardings. In the first quarter, there were 46,759 average weekday boardings which is a two percent increase from the same period the previous year, but did not meet the performance target. The overall trends in average weekday boardings closely matches the overall trends in total boardings.

In the first quarter, Foothill Transit analyzed average weekday boarding trends and developed targeted communication and marketing strategies to encourage weekday ridership. This includes the start of the Citrus College Class Pass Program, as well as the New Resident program which familiarizes new residents of the service area with the Foothill Transit bus system, and Route 196 which provided service from the Azusa Gold Line station to the Los Angeles County Fair on weekends throughout the month of September.





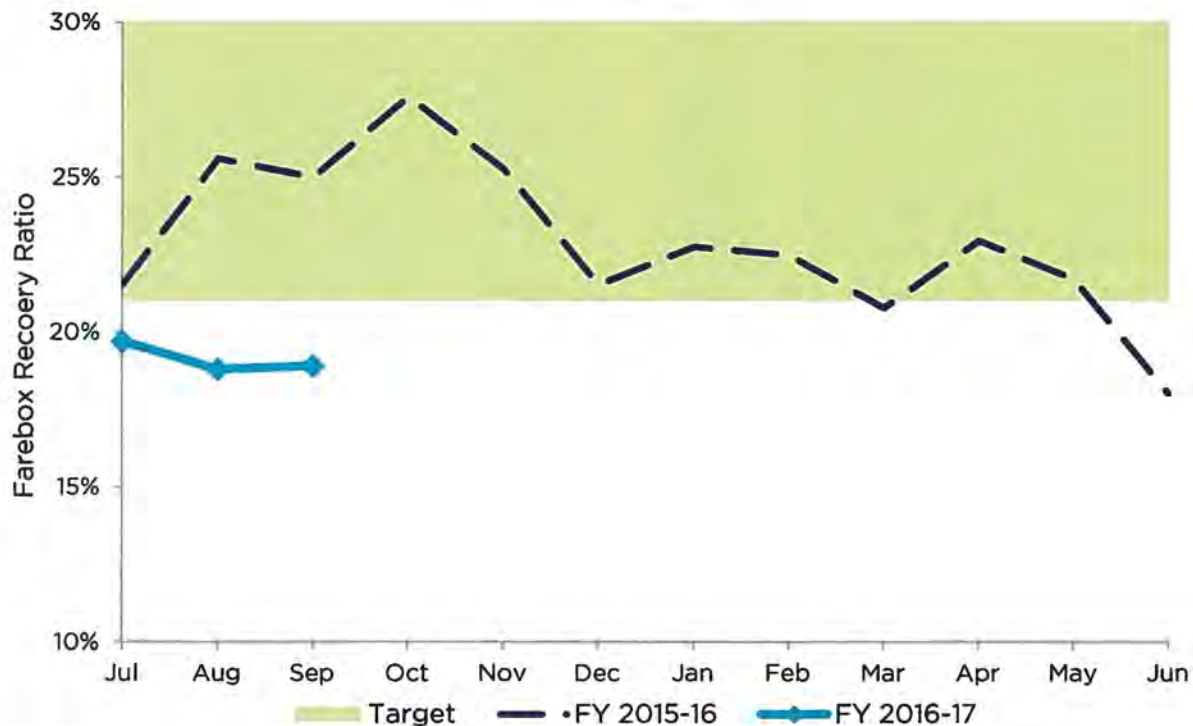
Goal 4: Operate an Efficient Transit System

Foothill Transit measures its overall efficient use of available resources by monitoring the average cost per vehicle service hour and farebox recovery ratio.

Farebox Recovery Ratio

Farebox recovery ratio is a measure of the proportion of operating cost recovered by passenger fares. The farebox recovery ratio is calculated by dividing total fare revenue by total operating expense. As part of the budget development process, a goal of 21 percent has been established for the fiscal year. The Transportation Development Act (TDA) stipulates that a minimum ratio of 20 percent of a transit agency's cost of providing service must be met using local funds in order for the transit agency to receive the state sales tax available for public transit purposes. To date, Foothill Transit has met that threshold through its farebox revenues. Foothill Transit's farebox recovery ratio for the first quarter was 18.9 percent, which is 21 percent lower than the previous fiscal year. The lower farebox recovery ratio as compared to the budget is a result of lower fare revenues than projected due to the acceptance of Metro fare media on Lines 190, 194 and 270, as well as an increase in ADA free fare boardings and an increase in operating expenses incurred this quarter. Although the agency is currently operating with a farebox recovery ratio of less than 20 percent, other local funding is being used to fill this gap, thereby meeting the 20 percent minimum threshold required for TDA funding.

Farebox Recovery Ratio

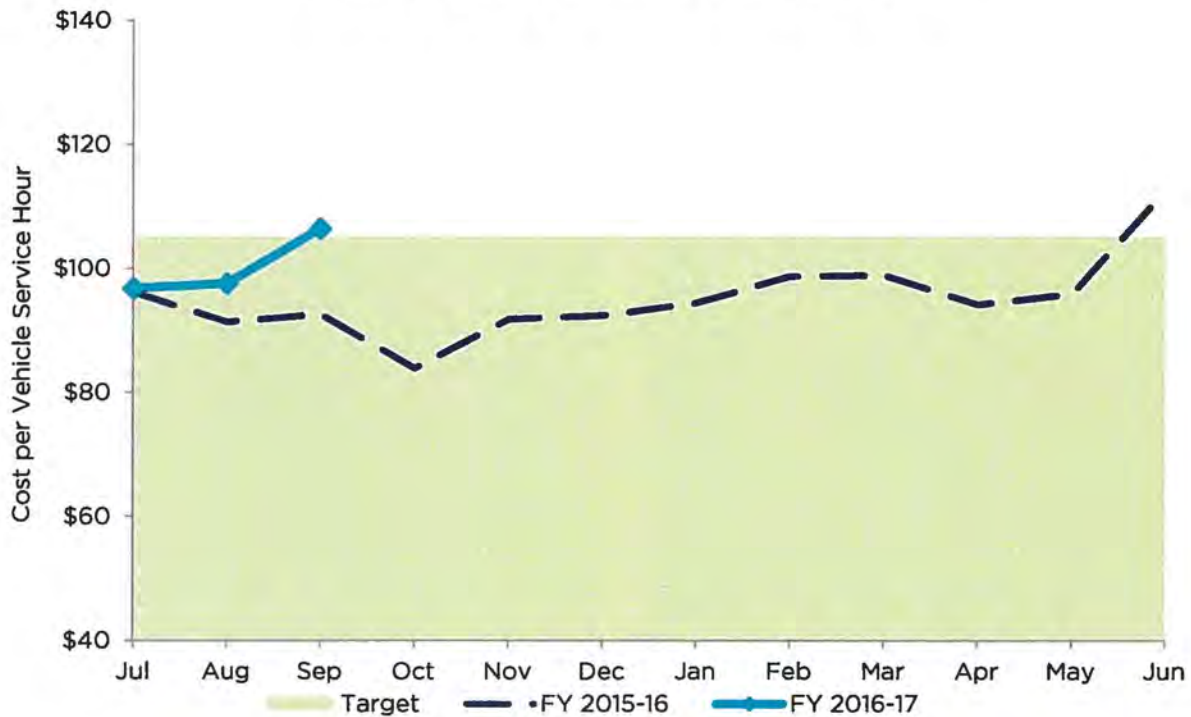




Average Cost per Vehicle Service Hour

Average cost per vehicle service hour is an industry standard utilized to measure the cost efficiency of transit service. It is derived by dividing operating expenses by vehicle service hours. Foothill Transit's average cost per vehicle service hour for the first quarter was \$100.09, which meets the fiscal year target of less than \$105.17, and is seven percent higher than the previous fiscal year. This increase is due to the increase in operating expenses associated with higher costs of newly procured operation and maintenance contract in Arcadia.

Average Cost per Vehicle Service Hour



Sincerely,

Mike Tobin
Operations Analyst

Kevin Parks McDonald
Deputy Executive Director

Foothill Transit
Key Performance Indicators
Fiscal Year 2017 Quarter 1

Goal	Performance Indicator	Quarter 1 FY2017	Met Target?	Quarter 1 FY2016	% Improvement Over Same Month Last Year	FY 2016-2017 YTD	Met Target?	FY 2015-2016 YTD	% Improvement YTD	Performance Target
Overall System Performance	Total Boardings	3,522,152	-	3,478,715	1%	3,512,375	-	3,478,715	1%	
	Vehicle Service Hours	219,945	-	198,361	11%	219,945	-	198,361	11%	
	Total Fare Revenue	\$4,142,715	-	\$4,444,356	(7%)	\$4,142,715	-	\$4,444,356	(7%)	
	Total Operating Expense	\$22,037,672	-	\$18,496,039	(19%)	\$22,004,341	-	\$18,496,039	(19%)	
Safety	Preventable Accidents per 100,000 Miles	0.95	No	0.93	3%	0.95	No	0.93	3%	≤ 0.70
Customer Service	Schedule Adherence	83.1%	Yes	83.9%	(1%)	83.1%	Yes	83.9%	(1%)	≥ 83%
	Miles Between Mechanical Service Interruptions	33,417	Yes	23,063	45%	33,417	Yes	23,063	45%	≥ 20,000
	Complaints per 100,000 Boardings	21.5	No	18.48	(17%)	21.5	No	18.48	(17%)	≤ 16.00
	Average Hold Time (Seconds)	26	Yes	27	4%	26	Yes	27	4%	≤ 40
Effectiveness	Boardings per Vehicle Service Hour	16.0	No	17.5	(9%)	16.0	No	17.5	(9%)	≥ 16.8
	Average Weekday Boardings	46,759	No	45,838	2%	46,759	No	45,838	2%	≥ 49,638
Efficiency	Farebox Recovery Ratio	18.9%	No	24.03%	(21%)	18.9%	No	24.03%	(21%)	≥ 21.0%
	Average Cost per Vehicle Service Hour	\$100.09	Yes	\$93.24	(7%)	\$100.09	Yes	\$93.24	(7%)	≤ \$105.17

Red = did not meet target

Foothill Transit
Operations Report
Fiscal Year 2017 Quarter 1

Goal	Performance Indicator	Quarter 1 FY2017	Met Target?	Quarter 1 FY2016	% Improvement Over Same Month Last Year	FY 2016-2017 YTD	Met Target?	FY 2015-2016 YTD	% Improvement YTD	Performance Target
Operations	Average fare per boarding	\$1.19	-	\$1.28	(7%)	\$1.19	-	\$1.28	(7%)	
	Average cost per boarding	\$6.22	-	\$5.32	(17%)	\$6.22	-	\$5.32	(17%)	
	Average subsidy per boarding	\$4.73	-	\$4.04	(17%)	\$4.73	-	\$4.04	(17%)	
	Total vehicle miles	4,515,385	-	3,874,613	17%	4,515,385	-	3,874,613	17%	
	Vehicle service miles	3,185,249	-	2,881,550	11%	3,185,249	-	2,881,550	11%	
	Total vehicle hours	291,072	-	262,182	11%	291,072	-	262,182	11%	
	In-service speed (mph)	14.5	-	14.5	(0%)	14.5	-	14.5	(0%)	
	Boardings per vehicle service mile	1.11	-	1.21	(8%)	1.11	-	1.21	(8%)	



October 28, 2016

To: Executive Board

Subject: **West Coast Multi-Agency Exchange Program**

Recommendation

Receive and file the update on the inaugural West Coast Multi-Agency Exchange (MAX) Program.

Analysis

The West Coast MAX Program is a locally-focused leadership development effort modeled after the MAX program in place at Dallas Area Rapid Transit (DART), L.A. Metro, Denver RTD, and the Metropolitan Area Rapid Transit Authority (MARTA) in Atlanta. The impetus for launching a local version of the MAX program was a discussion among the CEOs of Long Beach Transit, Santa Monica's Big Blue Bus and Foothill Transit who sought to create an effective local transit training forum and an opportunity to enhance collaboration among the many transit providers in Los Angeles County with the further potential to expand the program in future years to other nearby transit agencies on the West Coast.

This year's inaugural program was facilitated by Deputy Executive Director Kevin Parks McDonald, Long Beach Transit's Human Resources Recruiter Jeff Bryant and Santa Monica Big Blue Bus' Administrative Services Officer Bridget Cade. Foothill Transit's Construction Project Manager Vincent Saucedo, Manager of Public Affairs Yoko Igawa, Planning Manager Josh Landis, Operations Contract Manager Tanya Pina, and former Maintenance and Vehicle Technology Manager TJ Nass joined participants from Long Beach Transit (LBT) and Santa Monica Big Blue Bus (BBB) in the inaugural class of the West Coast MAX program.

The participants met in Santa Monica last December 9th and 10th, here at our Foothill Transit offices on March 1st and 2nd of this year, and wrapped up the program in Long Beach on June 1st and 2nd to share information and learn from each other's experiences related to transportation. In addition to presentations and working group discussions, the group toured operating facilities, visited Santa Monica's Transit Mall corridor and Expo light rail terminus, Long Beach Transit's water taxi, and Foothill Transit's electric bus charging station.



Among the highlights of the program was a breakout session titled "Meet your Match" and a closing panel discussion where the CEOs of each agency had an opportunity to discuss the importance of sharing industry knowledge. The success of this first class paved the way for the continuation of the West Coast MAX program in 2017.

Members of Foothill Transit's inaugural cohort of West Coast MAX participants will share with the Board some of the highlights of their experiences and key takeaways from the program at the October 28th Executive Board meeting.

Budget Impact

Funding in the amount of approximately \$8,300 for Foothill Transit's participation in the West Coast MAX Program is included under training and development in the approved budget and business plan.

Sincerely,

A handwritten signature in blue ink, appearing to read "Josh Landis for".

Joshua Landis
Planning Manager

A handwritten signature in blue ink, appearing to read "Kevin Parks McDonald".

Kevin Parks McDonald
Deputy Executive Director