



Foothill Transit
Going Good Places

EXECUTIVE BOARD MEETING

West Covina, CA
Friday, December 11, 2015



Foothill Transit

Executive Board Meeting **AGENDA**

EXECUTIVE BOARD MEETING
8:00 AM, December 11, 2015
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. SAFETY FIRST MESSAGE
4. ROLL CALL: MEMBERS CALAYCAY, DE LA TORRE, DELACH, HERRERA, SHEVLIN
5. APPROVAL OF MINUTES FOR THE SPECIAL MEETING OF OCTOBER 23, 2015
6. PRESENTATIONS:
 - 6.1. Contractors' Employee Recognition
 - 6.2. New & Promoted Employee Introduction
7. 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 8 through 11 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.

8. OCTOBER 2015 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY

Recommended Action: Receive and file the Financial Statements and Investment Summary year-to-date report through October 31, 2015. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of October 31, 2015 for the fiscal year ending June 30, 2016.

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 សូមទាក់ទងមកការិយាល័យនាយកប្រតិបត្តិ 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.

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



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9. OCTOBER 2015 PERFORMANCE INDICATORS REPORT

Recommended Action: Receive and file the October 2015 Performance Indicators Report.

10. ENVIRONMENTAL SUSTAINABILITY MANAGEMENT SYSTEM (ESMS) UPDATE

Recommended Action: Receive and file an update on Foothill Transit's ESMS program at the Arcadia and Pomona operations and maintenance facilities.

11. CONTRACT AMENDMENT- HOSTED PAYMENT CARD SERVICES

Recommended Action: Authorize the Executive Director to enter into a sole source contract amendment with ACTIVE Network, LLC (ACTIVE) to provide a hosted payment card service to assist Foothill Transit to meet Payment Card Industry Data Security Standard (PCI-DSS) and Europay, MasterCard, and Visa (EMV) compliance requirements for 2015.

REGULAR AGENDA:

12. CALIFORNIA TRANSIT ASSOCIATION'S 50th ANNUAL FALL CONFERENCE & EXPO RECAP

Recommended Action: Receive and file the California Transit Association's 50th Annual Fall Conference & Expo recap.

13. FISCAL YEAR 2014-2015 COMPREHENSIVE ANNUAL FINANCIAL AUDIT REPORT RESULTS

Recommended Action: Receive and file the Fiscal Year 2014-2015 financial and compliance audit results. The Comprehensive Annual Financial Report (CAFR) including the auditor's opinions has been provided for you as a separate attachment.

14. CONTRACT AWARD - FARE RESTRUCTURING STUDY

Recommended Action: Authorize the Executive Director to enter in Agreement No. 16-016 with Four Nines Technologies in the amount of \$150,000 for a comprehensive analysis of the Foothill Transit fare structure with recommendations for alternatives, development of a model to forecast ridership and revenue changes, and preparation of a Title VI analysis.



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15. POLICY AND PROCEDURES RELATED TO UNRULY PASSENGERS

Recommended Action: Receive and file a report on Foothill Transit's Policy and Procedures Related to Unruly Passengers.

16. FISCAL YEAR 2015-2016 FIRST QUARTER BUDGET UPDATE

Recommended Action: Receive and file the First Quarter Budget Update for the fiscal year ending on June 30, 2016.

17. TRANSIT STORE QUARTERLY REPORT

Recommended Action: Receive and file the Transit Store Quarterly Report.

18. EXECUTIVE DIRECTOR COMMENT

19. BOARD MEMBER COMMENT

20. CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code § 54956.8)

Property Address/Location: 1162 N. Citrus Avenue, Covina, CA 91722
Agency Negotiator(s): Doran J. Barnes, Sharlane Bailey, Darold D. Pieper, Kevin McDonald
Negotiating Parties: Charles McKeag, MLC Holdings, Inc.,
Under Negotiation: Price and Terms

21. CLOSED SESSION REPORT

22. ADJOURNMENT

**The next Regular Meeting of the Foothill Transit
Executive Board is scheduled for
Friday, January 15, 2016 at 8:00 a.m.**



Foothill Transit

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

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

**Friday, October 23, 2015
8:00 a.m.**

1. CALL TO ORDER

The meeting was called to order by Chair Herrera at 8:03 a.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Herrera.

3. ROLL CALL

Roll call was taken by Christina Lopez, Board Secretary.

Present: Member Calaycay, Member De La Torre, Member Delach,
Executive Board Alternate Sternquist, Chair Herrera

Absent: Vice Chair Shevlin

Chair Herrera welcomed Governing Board Member Corey Warshaw and
Governing Board Member Gary Boyer.

4. REVIEW & APPROVAL OF THE MINUTES

Approval of the minutes for the Special Meeting of September 25, 2015.

Motion by Member Peggy Delach, second by Member Corey Calaycay, the
minutes for the Regular Meeting of September 25, 2015 were approved.
Motion carried 4-0, Member Sternquist abstention.

5. PRESENTATIONS

5.1 Contractors' Employee Recognition

Jim Marshall, General Manager, First Transit, introduced and

recognized the following Pomona location First Transit operator of the month:

Marcus Worlds, Operator of the Month (October 2015)

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

Gloria Martinez, Operator of the Month (October 2015)

Anastasia Angelo-Encinas, Employee of the Month (October 2015)

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

Chair Herrera welcomed Executive Board Alternate Cynthia Sternquist, who is filling in for Vice Chair Shevlin.

6. **PUBLIC COMMENT**

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

CONSENT CALENDAR

7. **FISCAL YEAR 2015-2016 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY**

Recommendation: Receive and file the Financial Statements and Investment Summary year-to-date report through September 30, 2015. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of September 30, 2015 for the fiscal year ending June 30, 2016.

Motion by Member Delach, second by Member De La Torre, to receive and file. Motion carried 5-0.

8. **OCTOBER 2015 LEGISLATIVE SUMMARY**

Recommendation: Receive and file the October 2015 Legislative Summary. There are no recommended positions on bills this month.

Motion by Member Delach, second by Member De La Torre, to receive and file. Motion carried 5-0.

9. **RESOLUTION ADOPTING EXECUTIVE AND GOVERNING BOARD MEETING SCHEDULE FOR 2016**

Recommendation: Adopt Resolution 2015-07 Executive and Governing Board Meeting Schedule for 2016.

Motion by Member Delach, second by Member De La Torre, to adopt. Motion carried 5-0.

10. **PROPOSED PROCUREMENT POLICIES AND PROCEDURES MANUAL REVISIONS**

Recommendation: Approve and adopt the proposed Procurement Policies and Procedures Manual Revisions.

Motion by Member Delach, second by Member De La Torre, to approve and adopt. Motion carried 5-0.

11. **REQUEST TO ISSUE INVITATION FOR BIDS (IFB) NO. 16-023 - ARCADIA VAULT CANOPY**

Recommendation: Authorize the Executive Director to Issue IFB No. 16-023 for construction activities related to the Arcadia Vault Canopy Installation project.

Motion by Member Delach, second by Member De La Torre, to approve. Motion carried 5-0.

REGULAR AGENDA

12. **CONTRACT AWARD - ART COMPONENT AT THE AZUSA INTERMODAL TRANSPORTATION CENTER**

Recommendation: Authorize the Executive Director to execute a contract with Artist Jose Antonio Aguirre for an estimated contract amount of \$170,000 to include fabrication and installation of an art element for the Azusa Intermodal Transportation Center.

Sharlane Bailey, Director of Facilities, presented this item.

Motion by Member Delach, second by Member De La Torre, to approve. Motion carried 5-0.



13. **FISCAL YEAR 2014-2015 COMPREHENSIVE ANNUAL FINANCIAL AUDIT REPORT RESULTS**

This item was rescheduled and will be presented at the December 11, 2015 Executive Board Meeting.

Executive Director Barnes stated that a full report will be brought back to the December meeting. The content which includes the financial numbers and auditor's report will not change. Staff is working on formatting and text issues with the document.

14. **CALIFORNIA TRANSIT ASSOCIATION'S 50TH ANNUAL FALL CONFERENCE & EXPO UPDATE, NOVEMBER 18-20, PASADENA**

Recommendation: Receive and file the California Transit Association's 50th Annual Fall Conference & EXPO Update.

David Reyno, Director of Government Relations, presented this item.

Member Delach and Member Sternquist requested that they be registered for the conference.

Motion by Member Calaycay, second by Member Delach, to receive and file. Motion carried 5-0.

15. **WEST COVINA BUS STOP ENHANCEMENT PROJECT**

Recommendation: Authorize the Executive Director to develop designs for transit stop shelters adjacent to Foothill Transit's Administrative office and execute an agreement with the City of West Covina in an amount not to exceed \$200,000 to construct, own and maintain these shelters.

Vincent Saucedo, Construction Project Manager, presented this item.

In response to questions posed by Member Sternquist and Chair Herrera, Executive Director Barnes stated that Foothill Transit provides the funding to construct the shelter and as a requirement of providing the funding the city has to accept responsibility for maintaining the shelters. Mr. Barnes also stated that the \$200,000 does not include design. The design work is expected to fall within the Executive Director's contracting authority. Member Delach stated that the city of Covina would be interested in upgrading a couple of shelters in the downtown area.

Motion by Member Calaycay, second by Member De La Torre, to approve.
Motion carried 5-0.

16. **FISCAL YEAR 2015-2016 FIRST QUARTER PERFORMANCE INDICATORS REPORT**

Recommendation: Receive and file the FY 2015-2016 First Quarter Performance Indicators Report.

Stephanie Mak, Operations Analyst, presented this item.

Motion by Member De La Torre, second by Member Sternquist, to receive and file. Motion carried 5-0.

17. **EXECUTIVE DIRECTOR COMMENT**

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

Mr. Barnes reported the following:

- Manager of Community Engagement Linda Apodaca has received a \$1,000 scholarship from the Women's Transportation Seminar. She will be receiving the Director's Scholarship which is presented to a woman who exemplifies leadership in transportation.
- The Surface Transportation Act continues to be extended; this act provides funding for transportation. The House has released the Surface Transportation Reauthorization and Reform Act of 2015. It is a bipartisan program that has gone forward and staff is hopeful that it makes it through the House and Senate. It will ultimately become a six year authorization bill that will provide funding. The house released a summary report that talks about all the modes of transportation and in the public transportation section there is a picture of a Foothill Transit bus. This indicates the level of national presence Foothill Transit has as an organization. A manager's amendment has been approved by the committee, this would allow areas who have coordinated paratransit plans with 40 or more operators to continue to use the coordinated fare structure that they currently have in place, this applies to L.A. County. This addresses the paratransit issue that the county has been struggling with.

18. **BOARD MEMBER COMMENT**

There were no comments by Members of the Foothill Transit Executive Board.

CLOSED SESSION

19. **CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code § 54956.8)**

Property Address/Location: 1162 N. Citrus Avenue, Covina, CA 91722
Agency Negotiator(s): Doran J. Barnes, Sharlane Bailey, Darold D. Pieper, Kevin McDonald
Negotiating Parties: Charles McKeag, MLC Holdings, Inc.,
Under Negotiation: Price and Terms

Darold Pieper, General Counsel announced that Member Delach recused herself from Closed Session Item 19.

20. **CLOSED SESSION REPORT**

Darold Pieper, General Counsel, reported that no reportable actions were taken on Closed Session Item 19.

21. **ADJOURNMENT**

Adjournment for the October 23, 2015 Foothill Transit Executive Board Meeting.

There being no further business, the Foothill Transit Executive Board meeting adjourned at 9:07 a.m.



December 11, 2015

To: Executive Board

Subject: **October 2015 Financial Statements and Investment Summary**

Recommendation

Receive and file the Financial Statements and Investment Summary year-to-date report through October 31, 2015.

The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of October 31, 2015 for the fiscal year ending June 30, 2016.

Balance Sheet Analysis (Attachment A):

Assets

As of October 31, 2015 the balance sheet shows total assets at \$313 million. This total consists primarily of \$197 million in fixed assets, \$95 million in cash and investments and \$20.7 million in receivable and prepaid assets. Foothill Transit's cash position of \$73 million is \$6.9 million less than the previous month, and is \$8.2 million less than last year in October.

Liabilities

The accounts payable balance is \$8.6 million. Accounts Payables include operating and maintenance for \$5.82 million and \$1.47 million for fuel.

The deferred revenue of \$77 million represents capital grants and funds that are reserved for planned capital expenditures.

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 \$15.4 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; \$11 million with Chase; \$19.0 million with Bank of the West Agency notes; \$3.0 million with Wells Fargo certificates of deposit; \$500,000 with Bank of the West certificates of deposit; and \$15 million invested in the Local Agency Investment Fund (LAIF).



The current interest rates on all accounts are included on Attachment B. The LAIF investment, money market accounts, and the deposits with Chase earn interest but are immediately available as cash should they be required. An additional \$5.0 million of agency callable notes has been added since the last report. The investments are held for six months to five years and are planned for future capital and operating funding requirements.

Operating and Capital Revenues and Expense Analysis (Attachment C)

October 2015 year-to-date fare revenues were \$6,011,014 which is \$282,319 (4.49%) less than the year-to-date budgeted amount and \$562,426 less than October 2014. Through October 2015, ridership is 6.67 percent lower than last year at this time.

Year-to-date operating costs through October 2015 were \$24,173,696 which is \$1,993,627 less than the budget. Of this \$24,173,696, the year-to-date operating costs for the Arcadia and Pomona operating contractors total \$18.5 million. The other primary operating expense is fuel which was \$1.8 million through October 2015.

Capital expenditures through September were \$2.2 million, compared with \$19.3 million last year at this time. The annual budget for capital expenditures includes the purchase of 30 CNG buses, and completion of the Azusa Intermodal Transportation Center.

Farebox Recovery Ratio

The farebox recovery ratio through October was 24.9 percent; slightly higher the performance target of 24.1 percent. The farebox recovery ratio is derived by dividing the total fare revenue of \$6,011,014 by the total bus operating expense of \$24,173,696. This ratio is less than the October 2014 ratio of 27 percent.

Total Disbursements (Attachment D)

Total disbursements reflect invoices paid for the month of October 2015; they do not reflect the total expense incurred for the month. If an expense has been incurred but has not yet been invoiced or paid, Finance accrues the expense to properly track the expenses during the month in which they actually occurred. Total disbursements for October 2015 were \$5,767,659.



Capital disbursements totaled \$1.8 million, fuel was \$300,100 and other significant disbursements include \$790,000 to First Transit and \$2.1 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 "Doran J. Barnes".

Doran J. Barnes
Executive Director

Attachments



Attachment A

Foothill Transit
Balance Sheet
As of September 30, 2015

| | |
|--|------------------------------|
| Assets | |
| Current Assets: | |
| Cash | 79,844,760 |
| Investments | 17,239,000 |
| Due from government agencies | 12,327,983 |
| Other receivables | 5,217,735 |
| Other assets | 496,184 |
| Total Current Assets | <u>115,125,662</u> |
| Property & Equipment (net of depreciation) | 199,053,639 |
| Total Assets | <u><u>314,179,301</u></u> |
| Liabilities and Equity | |
| Current Liabilities: | |
| Accounts payable and accrued liabilities | 8,315,453 |
| Deferred Revenue | <u>77,189,346.51</u> |
| Total Liabilities | <u>85,504,799</u> |
| Equity | |
| Fund Balance: | |
| Investment in Capital Assets | 199,053,639 |
| Current Year Change | (3,862,479) |
| Reserve | <u>33,483,342</u> |
| Total Equity | <u>228,674,502</u> |
| Total Liabilities and Equity | <u><u>\$ 314,179,301</u></u> |



Attachment B

Summary of Cash and
Investment Account
For September 30, 2015

| | Interest Rate | Term | Principal/ Book & Market Value |
|--|------------------|------------------|--------------------------------------|
| Cash: | | | |
| Bank of the West-Reg. Checking | N/A | Demand Deposit | \$15,169,126 |
| Petty Cash | N/A | N/A | 400 |
| Revolving Fund - Transit Stores | N/A | N/A | 1,500 |
| Bank of the West-Excise Tax | N/A | Demand Deposit | 7,140,904 |
| Bank of the West-Money Market | 0.180% | Demand Deposit | 7,048,178 |
| Bank of the West-Money Market | 0.180% | Demand Deposit | 14,555,594 |
| Bank of the West-Money Market | 0.180% | Demand Deposit | 9,602,647 |
| Bank of the West-CA Transit Assistance | 0.080% | Demand Deposit | 252,568 |
| Chase Business Saving | 0.030% | Demand Deposit | 11,054,081 |
| LAIF Investment | 0.240% | Demand Deposit | 15,019,762 |
| Subtotal Cash on Hand | | | <u>\$79,844,760</u> |
| Investments: | | | |
| Bank of the West | 1.500% | Callable Note | \$3,000,000 |
| Bank of the West | 1.250% | Callable Note | 1,000,000 |
| Bank of the West | 1.250% | Callable Note | 10,000,000 |
| Bank of the West | Various | Cert. of Deposit | 500,000 |
| Wells Fargo | Various | Cert. of Deposit | 2,739,000 |
| Subtotal Investments | | | <u>\$17,239,000</u> |
| Total Cash and Investments | | | <u><u>\$97,083,760</u></u> |



Executive Board Meeting - 12/11/15
 October 2015 Financial Statements and Investment Summary
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Foothill Transit
 Statement of Revenue and Expense
 For Month Ended September 30, 2015

Attachment C

| | Actual YTD September-15 | Budget YTD September -15 | Variance | Actual YTD September - 14 | |
|----------------------------------|--|-----------------------------|---------------------|------------------------------|---------------------|
| Operating Revenue | | | | | |
| 1 | Farebox | \$2,405,310 | \$2,457,500 | (11.56%) | \$2,584,639 |
| 2 | Pass Sales | \$940,214 | 1,100,000 | (14.53%) | \$1,093,980 |
| 3 | TAP Cash Purse | \$742,698 | 750,000 | (0.97%) | \$728,868 |
| 4 | MetroLink & Access Service | \$150,382 | 182,500 | (7.47%) | \$152,945 |
| 5 | EZ Transit Pass | \$205,771 | 250,000 | (17.69%) | \$283,472 |
| 6 | Total Operating Revenue | \$4,444,356 | \$4,720,000 | (5.84%) | \$4,843,905 |
| Non-Operating Revenue | | | | | |
| 7 | Transportation Development Act | \$4,981,787 | 4,981,787 | 0.00% | \$5,466,432 |
| 8 | STA | \$844,401 | 844,402 | 0.00% | \$886,078 |
| 9 | Prop A 40% Discretionary | \$3,571,191 | 3,571,191 | 0.00% | \$3,458,610 |
| 10 | Prop A 40% BSCP | \$1,121,330 | 1,121,330 | 0.00% | \$1,091,838 |
| 11 | Prop C BSIP | \$224,400 | 224,401 | 0.00% | \$220,065 |
| 12 | Prop C Base Restructuring | \$481,988 | 481,988 | 0.00% | \$472,677 |
| 13 | Prop C Transit Service Expansion | \$80,319 | 80,320 | 0.00% | \$78,768 |
| 14 | Transit Security-Operating | \$209,046 | 209,046 | 0.00% | \$212,421 |
| 15 | Measure R Operating | \$2,443,923 | 2,443,923 | 0.00% | \$2,198,996 |
| 16 | CMAQ Operating | | 0 | | \$332,180 |
| 17 | Gain on Sale of Fixed Assets | \$3,644 | 0 | 0.00% | \$77,698 |
| 18 | Auxiliary Revenue | \$398,987 | 406,250 | -1.79% | \$358,812 |
| 19 | Total Non-Operating Revenue | \$14,361,016 | 14,364,635 | (0.03%) | 14,654,573 |
| 20 | Total Revenue | \$18,805,372 | \$19,084,635 | (1.46%) | \$19,498,478 |
| Available Capital Funding | | | | | |
| 21 | Capital Grants | \$2,032,316 | \$14,250,641 | (85.74%) | \$8,069,980 |
| 22 | Total Revenue and Capital Funding | \$20,837,688 | \$33,335,276 | (37.49%) | \$27,568,458 |
| Operating Expenses | | | | | |
| 23 | Operations | \$18,255,817 | \$18,601,673 | 2.08% | \$15,088,757 |
| 24 | Maintenance & Vehicle Technology | \$151,992 | 192,518 | 21.05% | \$117,600 |
| 25 | Marketing and Communications | \$361,290 | 477,723 | 24.37% | \$285,936 |
| 26 | Information Technology | \$353,500 | 567,115 | 37.67% | \$328,328 |
| 27 | Administration | \$561,240 | 795,988 | 29.49% | \$617,049 |
| 28 | Procurement | \$137,454 | 208,350 | 34.03% | \$171,368 |
| 29 | Finance | \$243,478 | 280,025 | 13.05% | \$224,997 |
| 30 | Planning | \$204,838 | 281,438 | 27.22% | \$235,963 |
| 31 | Facilities | \$226,430 | 220,665 | (2.61%) | \$289,727 |
| 32 | Total Operating Expenses | \$18,496,039 | \$19,625,493 | 5.76% | \$17,359,722 |
| Other Expenses | | | | | |
| 33 | Property Management | \$105,336 | \$137,500 | 23.39% | \$0 |
| 34 | Dial-A-Ride | \$169,843 | 187,500 | 9.42% | 169,112 |
| 35 | Special Services | \$34,154 | 81,250 | 57.96% | 42,509 |
| 36 | Total Other Expenses | \$309,333 | \$406,250 | 67.38% | \$211,621 |
| 37 | Total Operating and Other Expenses | \$18,805,372 | \$20,031,743 | 6.12% | \$17,571,343 |
| Capital Expenditures | | | | | |
| 38 | Capital Expenditures | \$2,032,316 | \$13,303,533 | 84.72% | \$8,069,980 |
| 39 | Total Expenses and Capital Expenditures | \$20,837,688 | \$33,335,276 | 37.49% | \$25,641,323 |



Executive Board Meeting - 12/11/15
October 2015 Financial Statements and Investment Summary
Page 7

Bank Account - Check Details

Period: 10/01/15..10/31/15

Foothill Transit

Tuesday, November 03, 2015 3:34 PM

Page 1

FOOTHILLTRANSIT\kuo

Attachment D

This report also includes bank accounts that only have balances.

Bank Account: No.: B001, Date Filter: 10/01/15..10/31/15

Table with columns: Check Date, Check No., Vendor Name, Description, Amount, Printed Amount, Voids Amount, Entry Status. Contains 48 rows of check details for account B001.



Executive Board Meeting - 12/11/15
October 2015 Financial Statements and Investment Summary
Page 8

Bank Account - Check Details

Period: 10/01/15..10/31/15

Foothill Transit

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FOOTHILLTRANSIT.kuo
Attachment D

Table with columns: Check Date, Check No., Vendor Name, Description, Amount, Printed Amount, Volded Amount, Entry Status. Contains multiple rows of financial data.



Executive Board Meeting - 12/11/15
October 2015 Financial Statements and Investment Summary
Page 9

Bank Account - Check Details

Period: 10/01/15..10/31/15

Foothill Transit

Tuesday, November 03, 2015 3:34 PM

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FOOTHILLTRANSIT.kuo
Attachment D

Table with columns: Check Date, Check No., Vendor Name, Description, Amount, Printed Amount, Voided Amount, Entry Status. Contains 40 rows of check details.



Executive Board Meeting - 12/11/15
October 2015 Financial Statements and Investment Summary
Page 10

Bank Account - Check Details

Period: 10/01/15..10/31/15

Foothill Transit

Tuesday, November 03, 2015 3:34 PM

Page 4

FOOTHILLTRANSIT.kuo

Attachment D

Table with columns: Check Date, Check No., Vendor Name, Description, Amount, Printed Amount, Voided Amount, Entry Status. Contains 33 rows of financial data.



Executive Board Meeting - 12/11/15
October 2015 Financial Statements and Investment Summary
Page 11

Bank Account - Check Details

Period: 10/01/15..10/31/15

Foothill Transit

Tuesday, November 03, 2015 3:34 PM

Page 5

FOOTHILLTRANSIT\kuo
Attachment D

Table with columns: Check Date, Check No., Vendor Name, Description, Amount, Printed Amount, Volded Amount, Entry Status. Contains multiple rows of financial data.



Executive Board Meeting - 12/11/15
 October 2015 Financial Statements and Investment Summary
 Page 12

Bank Account - Check Details

Period: 10/01/15..10/31/15

Foothill Transit

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FOOTHILLTRANSIT/kuo
 Attachment D

| Check Date | Check No. | Vendor Name | Description | Amount | Printed Amount | Voided Amount | Entry Status |
|-------------------------|-----------|--|--|---------------------|---------------------|---------------|--------------|
| 10/30/15 | 22071 | Complete Coach Works | F-1707 NABI bus paint with livery graphics | 86,973.10 | 86,973.10 | 0.00 | Posted |
| 10/30/15 | 22072 | Crown Castle USA Inc. | 11/15 Johnstone Peak Tower rental | 752.42 | 752.42 | 0.00 | Posted |
| 10/30/15 | 22073 | Cruz Baca Semebello | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22074 | David Rodriguez | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22075 | Emmett G. Badar | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22076 | Frank Kuo | Reimbursable expense - ADP User Conference | 36.80 | 36.80 | 0.00 | Posted |
| 10/30/15 | 22077 | Gary L. Boyer | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22078 | HD Supply Facilities Maintenance | Admin Bldg Maintenance Supplies | 353.82 | 353.82 | 0.00 | Posted |
| 10/30/15 | 22079 | Hector Delgado | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22080 | Hendy Satya | Reimbursable expenses - APTA Conference | 201.27 | 201.27 | 0.00 | Posted |
| 10/30/15 | 22081 | Industry Public Utility Commission | 9/15 Industry P&R Electricity | 1,353.33 | 1,353.33 | 0.00 | Posted |
| 10/30/15 | 22082 | Juventino M. Gomez | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22083 | Katherine E. Gagnon | Reimbursable Expenses - WTS Mid Career Program | 1,752.29 | 1,752.29 | 0.00 | Posted |
| 10/30/15 | 22084 | Margaret McAusth | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22085 | Metrolink | 9/15 Metrolink passes | 56,869.75 | 56,869.75 | 0.00 | Posted |
| 10/30/15 | 22086 | Newage PHM, LLC | 11/15 TS 2 Office lease & electricity usage | 7,084.37 | 7,084.37 | 0.00 | Posted |
| 10/30/15 | 22087 | PCM Sales Inc. | Adobe Creative Cloud for Marketing | 149.97 | 149.97 | 0.00 | Posted |
| 10/30/15 | 22088 | Richard Barakat | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22089 | Roger Chandler | 10/16 Governing Board Meeting | 150.00 | 150.00 | 0.00 | Posted |
| 10/30/15 | 22090 | Standard Parking Corporation | 9/15 Admin Bldg Parking Services | 3,263.85 | 3,263.85 | 0.00 | Posted |
| 10/30/15 | 22091 | Sunland Tire Co. of Covina | Tire repair | 26.04 | 26.04 | 0.00 | Posted |
| 10/30/15 | 22092 | The Gas Co. | 10/15 Admin Bldg Gas | 66.03 | 66.03 | 0.00 | Posted |
| 10/30/15 | 22093 | Toyo Landscaping Company | 10/15 Admin Bldg Landscape Maintenance | 1,219.39 | 1,219.39 | 0.00 | Posted |
| 10/30/15 | 22094 | TransitTalent.com LLC | RFP 16-021 Public Notice | 95.00 | 95.00 | 0.00 | Posted |
| 10/30/15 | 22095 | Tri - Signal Integration, Inc. | 10/15 Admin Bldg Fire Alarm Monitoring | 70.00 | 70.00 | 0.00 | Posted |
| 10/30/15 | 22096 | Wright Express | Vehicle fueling | 693.54 | 693.54 | 0.00 | Posted |
| 10/30/15 | 22097 | Yoko Igawa | Reimbursable expenses - NIGP Training | 129.39 | 129.39 | 0.00 | Posted |
| 10/30/15 | E00170 | International City Management Assoc. Retirement Co | Payroll ending 10/24 retirement funds | 37,448.63 | 0.00 | 0.00 | Posted |
| General Checking | | | | 5,767,659.26 | 2,779,570.13 | 0.00 | |



December 11, 2015

To: Executive Board

Subject: **October 2015 Performance Indicators Report**

Recommendation

Receive and file the October 2015 Performance Indicators Report.

Summary

This report provides an analysis of Foothill Transit's performance indicators for October 2015. 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 October 2015, Foothill Transit achieved six out of nine key performance indicator goals. The performance indicator targets met for the month are: miles between service interruptions; average hold time; boardings per vehicle service hour; average weekday boardings; farebox recovery ratio; 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 October 2015 was 1.31 million – a seven percent decrease from the same month last year.
- **Fare Revenue** – Total fare revenue for the month was \$1.57 million. The average fare was \$1.20 per boarding.
- **Operating Expenses** – Operating expenses incurred in the month totaled to \$5.68 million, resulting in an average cost per service hour of \$83.94.
- **Accidents** – The system averaged 1.44 preventable accidents per 100,000 miles.



- **Customer Complaints** - Foothill Transit received 18.92 complaints per 100,000 boardings in the month.
- **Schedule Adherence** - In October 2015, Foothill Transit recorded 81.0 percent on-time performance. This is a one percent decline from October of last year.

Analysis

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. *Attachment A* summarizes the performance indicators used to determine Foothill Transit's progress toward achieving these goals for FY 2015-2016. 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. *Attachment A* summarizes performance indicators and system goals for October 2015 and FY 2015-2016 year-to-date. *Attachment B* provides additional operations-related performance measures.

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.

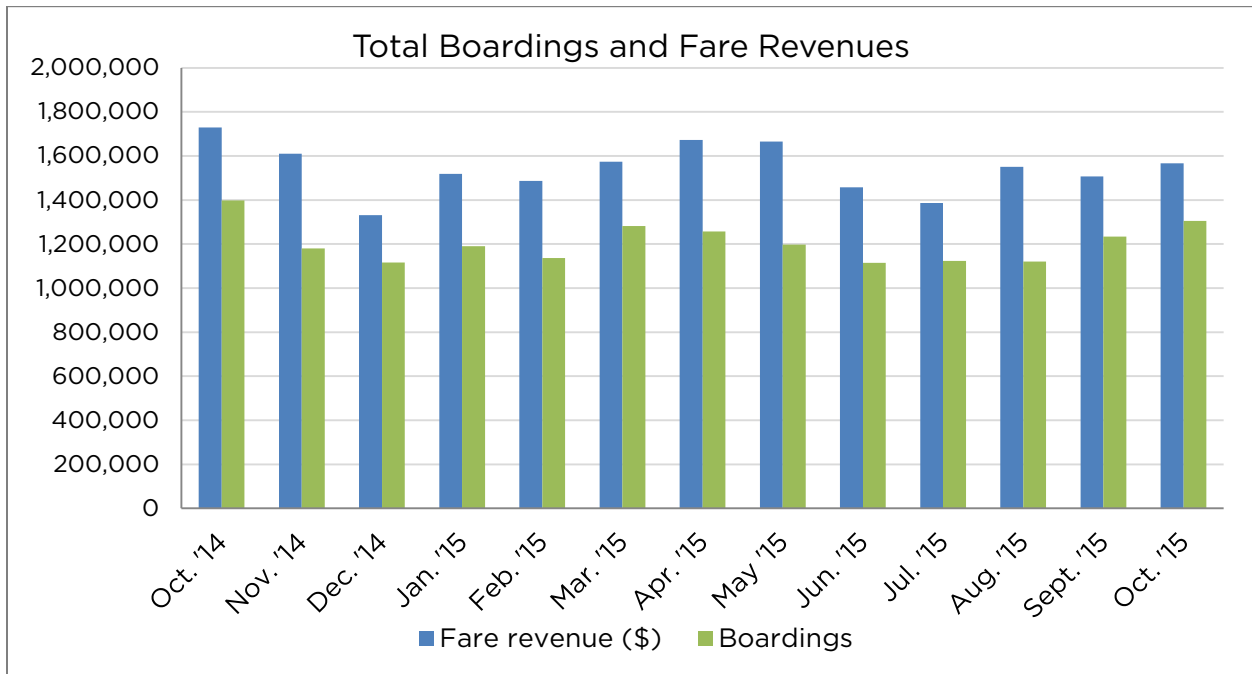
Total Boardings and Total Fare Revenues

In the October 2015, Foothill Transit buses had 1.31 million boardings. This is a seven percent decrease from the 1.40 million boardings recorded in October 2014. Fiscal year-to-date, there has been 4.78 million boardings compared with 5.12 million boardings in the same period last year.

Total fare revenue recorded in the month was \$1.57 million, a nine percent decline from October of last year. The decline in fare revenue can be attributed to the seven percent decline in ridership as well as a lower average fare per boarding. Average fare per boarding for this month was \$1.20



compared to \$1.24 for the same period last year. Fiscal year-to-date, Foothill Transit has recorded \$6.01 million in fare revenue.



Vehicle Service Hours and Operating Expenditure

In October 2015, Foothill Transit operated 67,642 service hours which represents a three percent increase compared to last year. This is mainly the result of increased commuter express service and expanded Silver Streak service. Fiscal year-to-date, Foothill Transit has operated 266,003 service hours.

Foothill Transit incurred \$5.68 million in operating expenses in October 2015. Fiscal year-to-date, Foothill Transit has incurred \$24.17 million in operating expenses which, despite an increase in service hours, is just slightly lower than the same period the previous year.

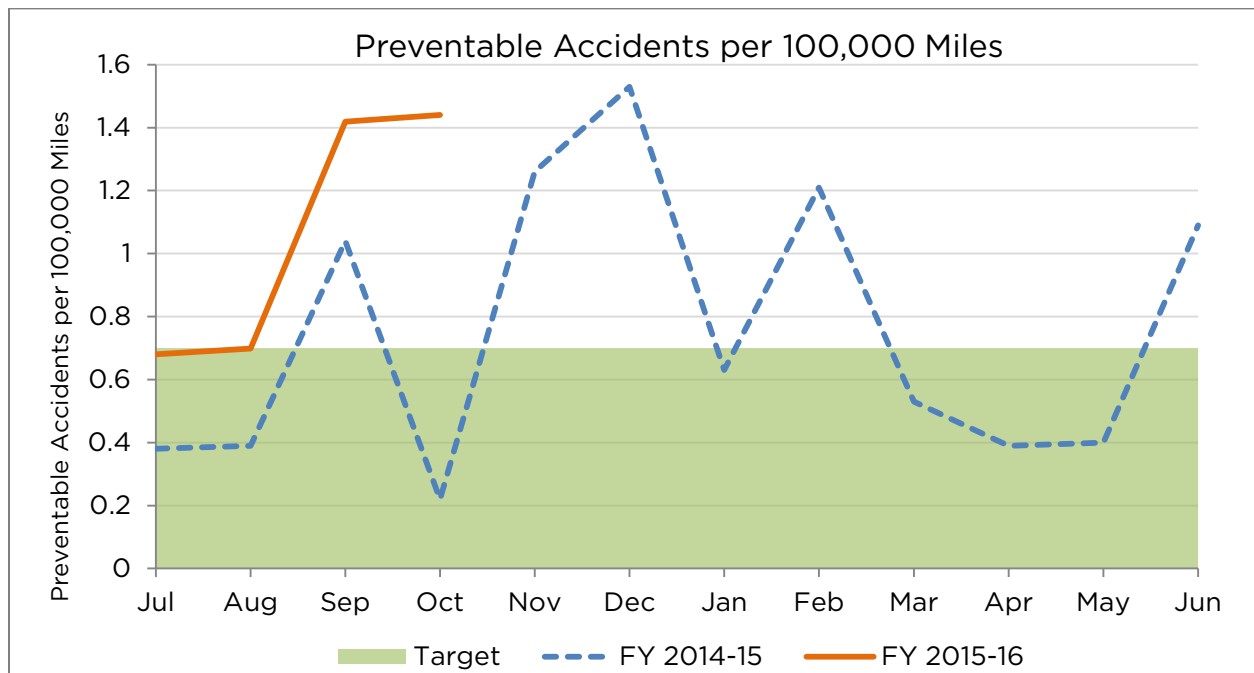


Goal 1: Operate a Safe Transit System

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 October 2015, Foothill Transit did not meet the adopted standard of 0.70 or fewer preventable accidents per 100,000 miles with an average of 1.44. This is a significant increase compared to the same period the previous year. The majority of the preventable accidents in October were vehicles making contact with fixed-objects. Fiscal year-to-date, there has been 1.02 preventable accidents per 100,000 miles which is a 103 percent increase compared to the same period the previous year. Staff is researching whether there is any inconsistency in reporting between current and prior operations and maintenance contractors and/or between Foothill Transit’s two current operations and maintenance contractors.



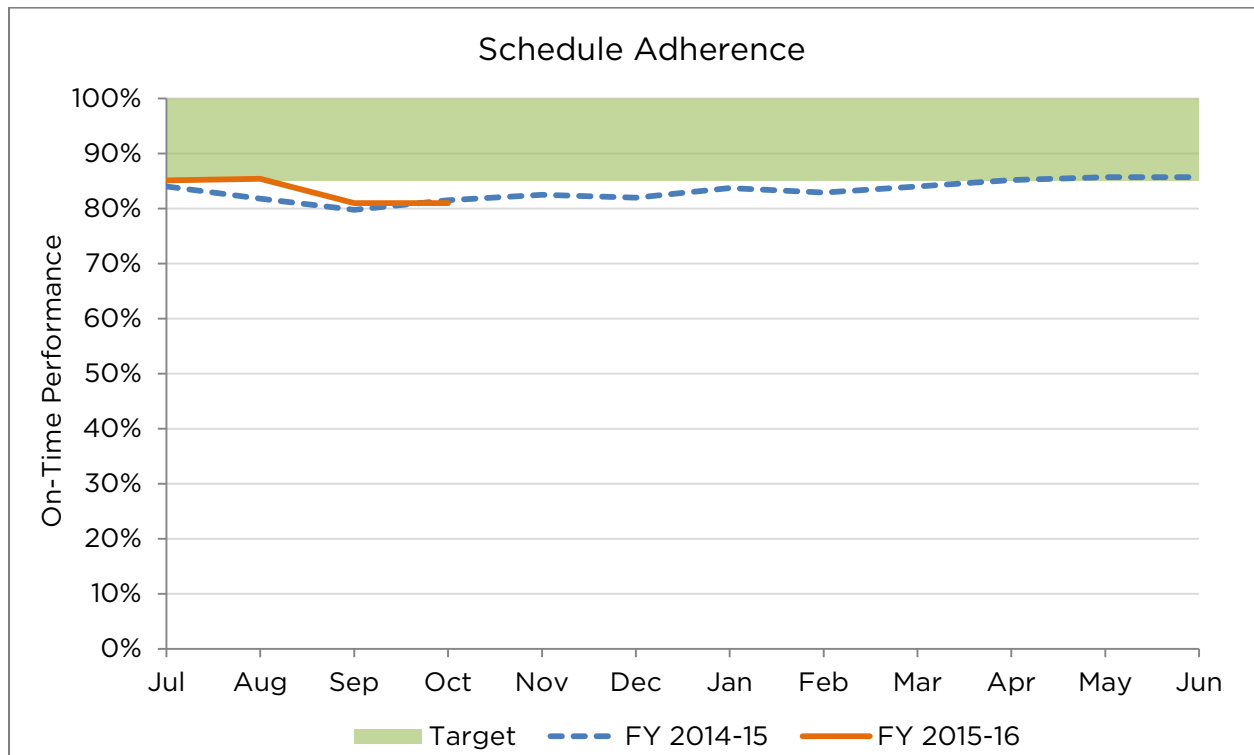


Goal 2: Provide Outstanding Customer Service

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

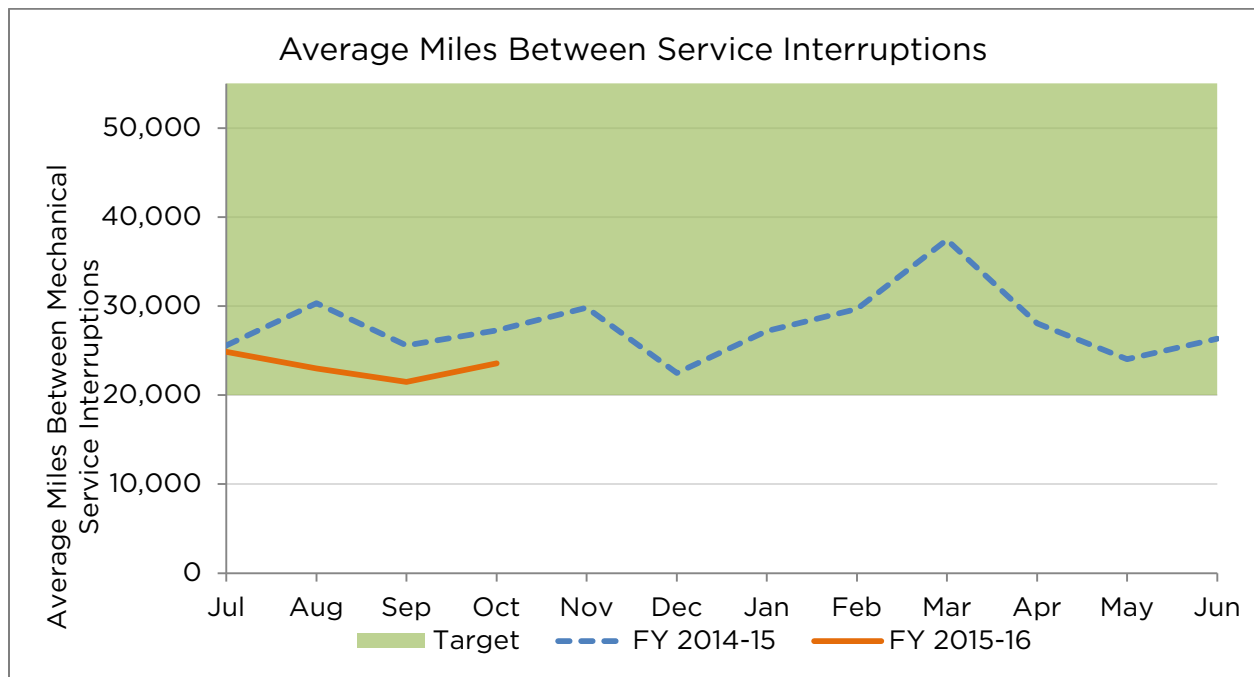
Foothill Transit measures its schedule adherence using the industry standard metric of on-time performance (OTP). OTP is calculated by evaluating a vehicle’s adherence to time points in the published schedule. A trip is considered on-time if it did not leave a time point early or it departed the time point no more than five minutes late. Foothill Transit has adopted a goal of 85 percent or higher OTP for this fiscal year. In October 2015, Foothill Transit achieved 81.0 percent OTP for the entire system. This is a one percent decline from last year. OTP was 81.6 percent for local routes, 75.7 percent for local express routes (Lines 481, 690 and Silver Streak), and 84.8 percent for express routes. Fiscal year-to-date, Foothill Transit has achieved 83.2 percent OTP which is a two percent improvement compared to the same period the previous year.





Average Miles Between Mechanical Service Interruptions

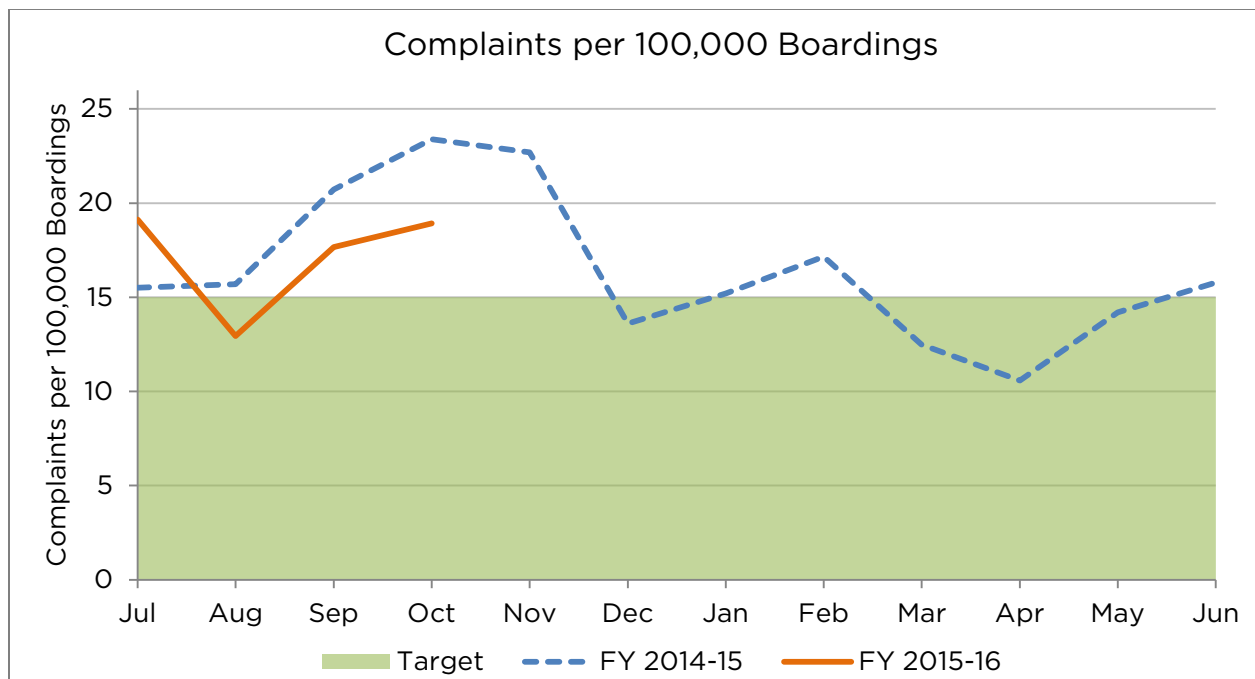
Average miles between mechanical service interruptions is a maintenance performance indicator that measures the miles between mechanical roadcalls of a vehicle used during revenue service resulting in a service delay of more than five minutes. In October 2015, Foothill Transit averaged 23,574 miles between 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 13 percent lower compared to last year. Fiscal year-to-date, Foothill Transit averaged 23,191 miles between service interruptions which is 14 percent lower compared to the same period the previous year.





Complaints per 100,000 Boardings

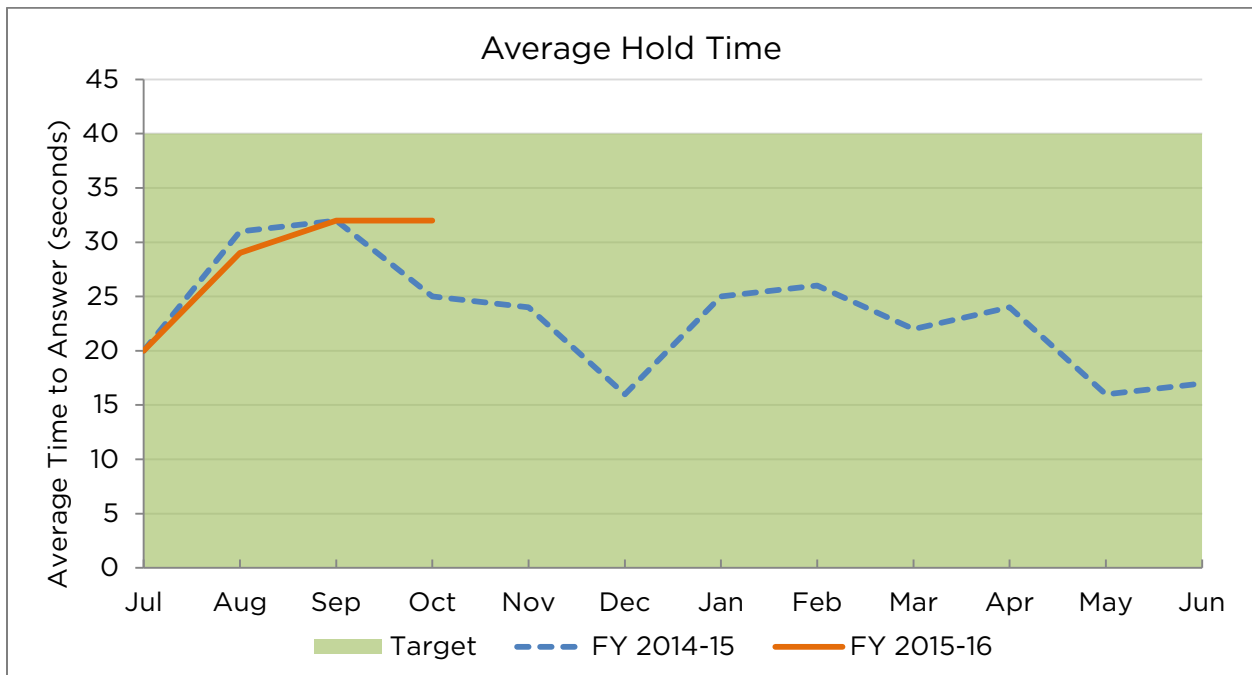
Customer complaints are counts of incidents where a customer reports dissatisfaction with the service. All customer complaints received by Foothill Transit are subject to an investigation process which ensures all customers receive a response and allows Foothill Transit to determine if a complaint is 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 October 2015, Foothill Transit received 18.92 valid complaints per 100,000 boardings. This does not achieve the performance target of 15.00 or fewer complaints per 100,000 boardings. Forty-four percent of the complaints received this month were related to schedule adherence. Fiscal year-to-date, Foothill Transit has received 17.2 valid complaints per 100,000 boardings which is a nine percent improvement compared to the same period the previous year.





Average Hold Time

Phone systems at Foothill Transit’s five Transit Stores provide data on call volumes and times so that facilities can be staffed accordingly. The recorded average hold time of 32 seconds during October 2015 achieves the performance target of less than 40 seconds. Fiscal year-to-date, Foothill Transit has an average hold time of 28 seconds.



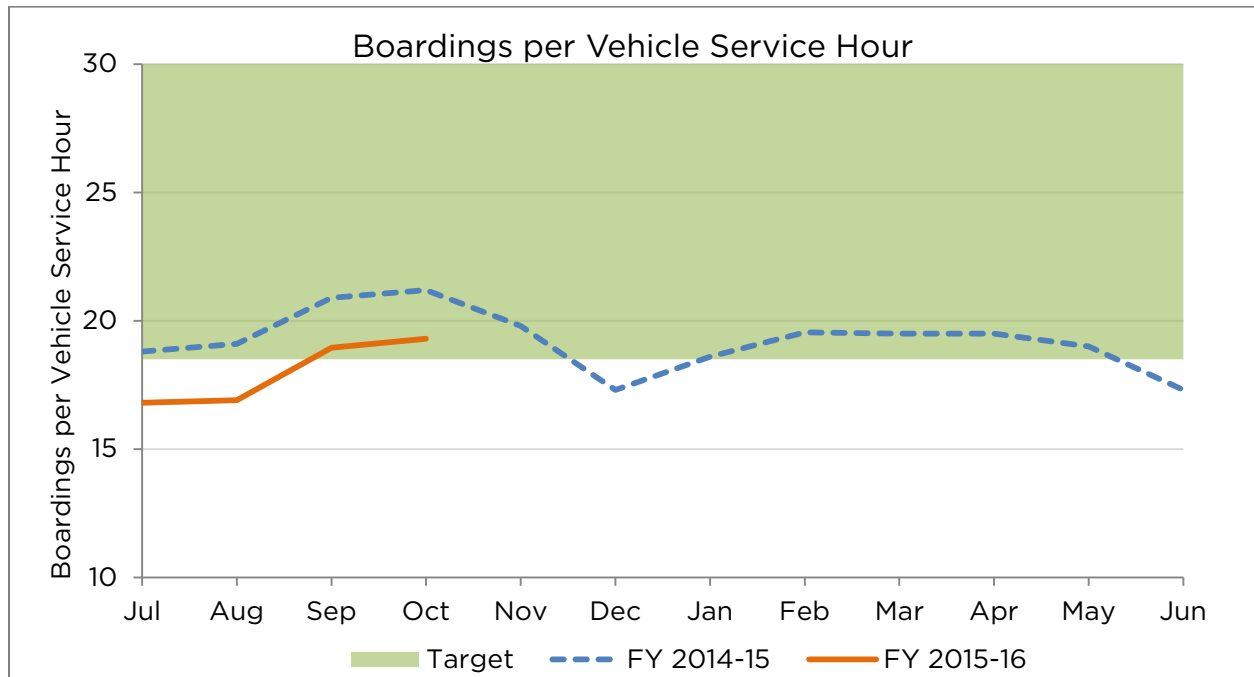


Goal 3: Operate an Effective Transit System

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

Boardings per Vehicle Service Hour

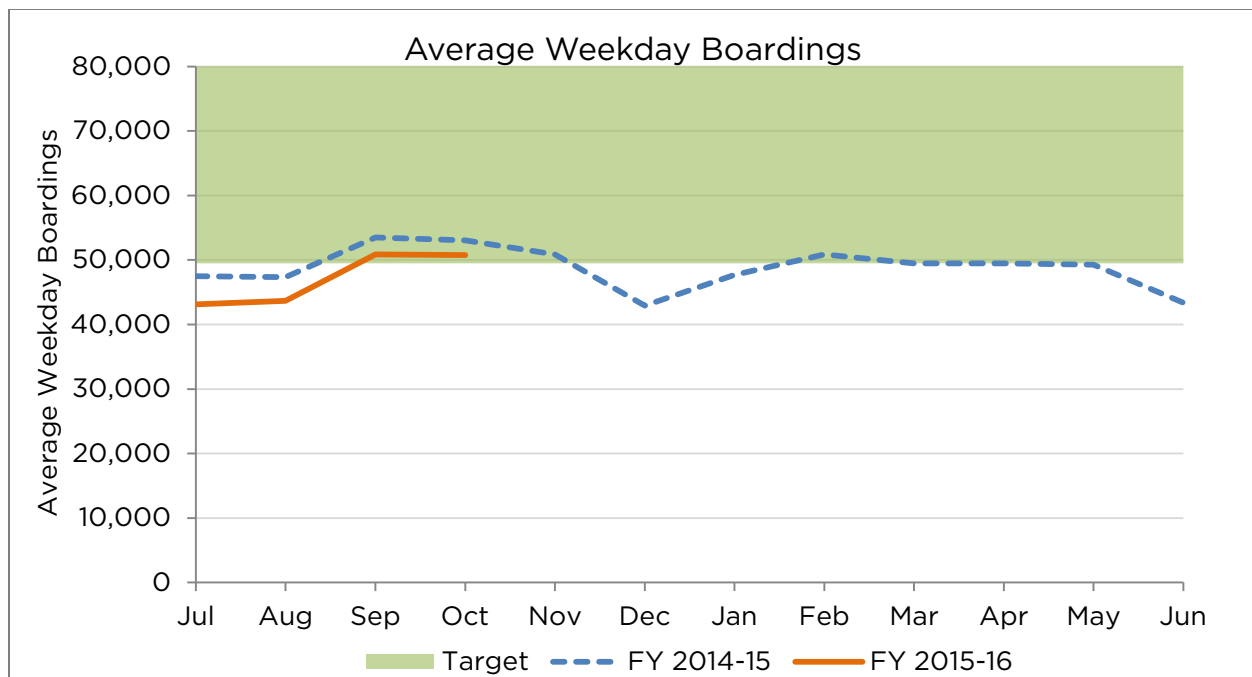
Boardings per vehicle service hour is the total number of boardings divided by the total number of service hours in a given period. Foothill Transit buses averaged 19.3 boardings per vehicle service hour in October 2015. This meets the performance target of 18.5 or more boardings per service hour and is a nine percent decline compared to October 2014. The operation of three percent more service hours along with a seven percent decline ridership explains this year-to-year variance in system performance. Fiscal year-to-date, Foothill Transit saw 18.0 boardings per vehicle service hour, which is a ten percent decline compared to the same period the previous year.





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 2015-2016 performance target for average weekday boardings is to achieve at least 49,490 average weekday boardings. In October 2015, there were 50,774 average weekday boardings which is a four percent decline from the same period the previous year. Foothill Transit did not meet the performance target. Analysis of the three service classes show that compared to the same period the previous year, there was a 5.4 percent decline in average weekday boardings on local lines, a 2.5 percent decline in average weekday boardings on local express lines, and a 4.1 percent increase in average weekday boardings on express lines. Fiscal year-to-date, Foothill Transit has recorded 47,101 average weekday boardings which is a six percent decline compared to the same period the previous year.



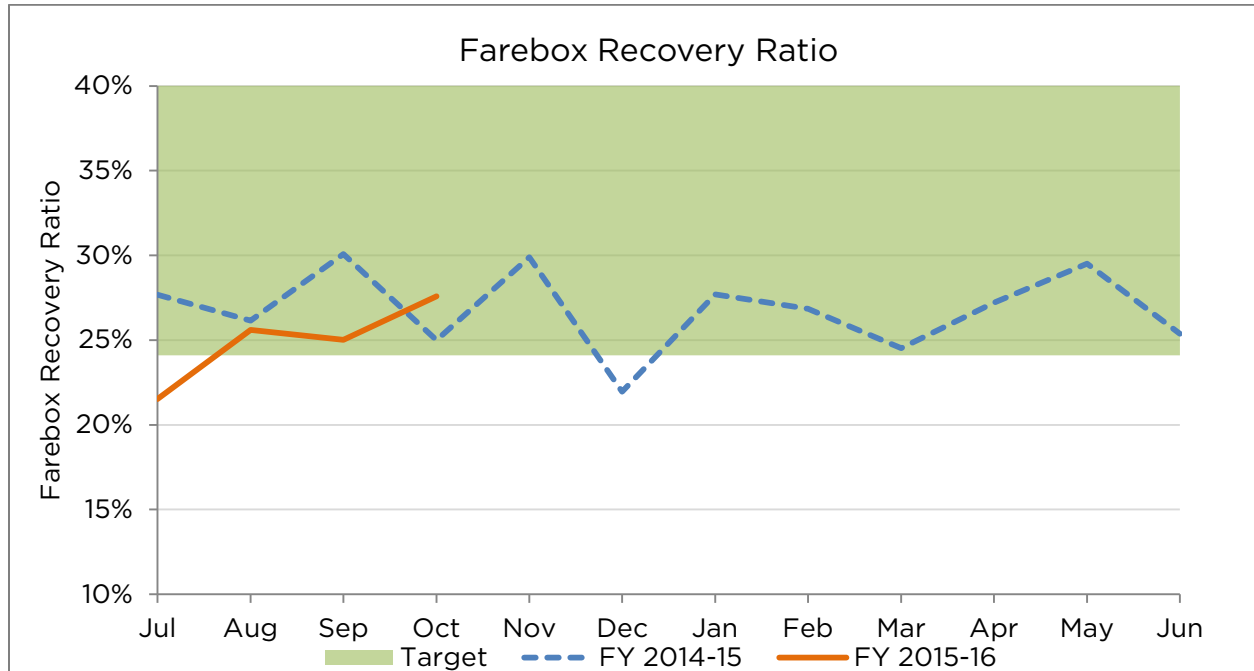


Goal 4: Operate an Efficient Transit System

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

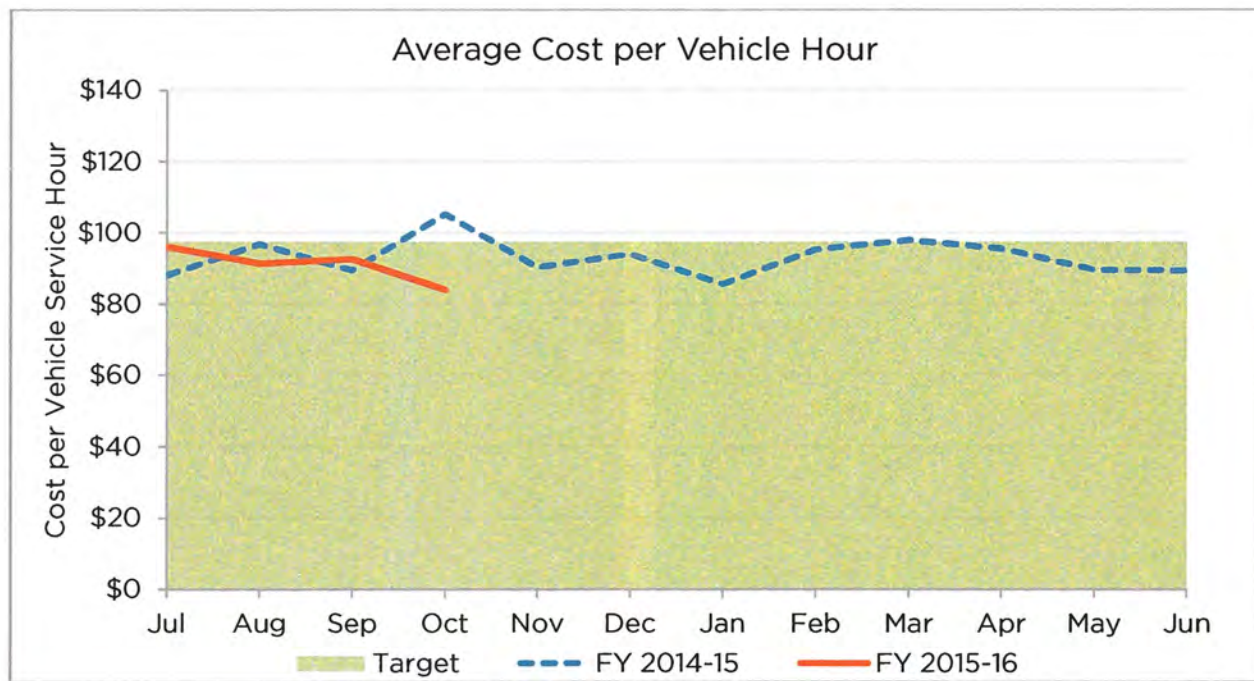
Farebox recovery ratio is a measure of the proportion of operating cost recovered by passenger fares. The farebox recovery ratio is calculated by dividing total fare revenue by total operating expense. As part of the budget development process, a goal of 24.10 percent has been established for the fiscal year. A minimum farebox recovery ratio of 20 percent for transit service is required by the Transportation Development Act (TDA) in order for transit agencies to receive the state sales tax available for public transit purposes. Foothill Transit's farebox recovery ratio for October 2015 was 27.59 percent. Fiscal year-to-date, the farebox recovery ratio is 24.87 percent which achieves the performance target of greater than 24.10 percent and exceeds the TDA requirement of 20 percent.





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 October 2015 was \$83.94. Fiscal year-to-date, Foothill Transit's average cost per vehicle service hour is \$90.88 which meets the fiscal year target of less than \$97.36.



Sincerely,

Stephanie B. Mak
Operations Analyst

Doran J. Barnes
Executive Director

Attachment A
Foothill Transit
Key Performance Indicators
October 2015

| Goal | Performance Indicator | October 2015 | Met Target? | October 2014 | % Improvement Over Same Month Last Year | FY 2015-2016 YTD | Met Target? | FY 2014-2015 YTD | % Improvement YTD | Performance Target |
|-----------------------------------|--|--------------------|-------------|--------------|---|------------------|-------------|------------------|-------------------|--------------------|
| Overall System Performance | Total Boardings | 1,305,319 | - | 1,397,845 | (7%) | 4,784,034 | - | 5,119,045 | (7%) | |
| | Vehicle Service Hours | 67,642 | - | 65,792 | 3% | 266,003 | - | 255,778 | 4% | |
| | Total Fare Revenue | \$1,566,659 | - | \$1,729,535 | (9%) | \$6,011,014 | - | \$6,573,440 | (9%) | |
| | Total Operating Expense | \$5,677,656 | - | \$6,920,396 | 18% | \$24,173,695 | - | \$24,280,118 | 0% | |
| Safety | Preventable Accidents per 100,000 Miles | 1.44 | No | 0.22 | (541%) | 1.02 | No | 0.50 | (103%) | ≤ 0.70 |
| Customer Service | Schedule Adherence | 81.0% | No | 81.5% | (1%) | 83.2% | No | 81.8% | 2% | ≥ 85% |
| | Miles Between Mechanical Service Interruptions | 23,574 | Yes | 27,253 | (13%) | 23,191 | Yes | 27,058 | (14%) | ≥ 20,000 |
| | Complaints per 100,000 Boardings | 18.92 | No | 23.39 | 19% | 17.24 | No | 19.03 | 9% | ≤ 15.00 |
| | Average Hold Time (Seconds) | 32 | Yes | 25 | (28%) | 28 | Yes | 27 | (5%) | ≤ 40 |
| Effectiveness | Boardings per Vehicle Service Hour | 19.3 | Yes | 21.2 | (9%) | 18.0 | No | 20.0 | (10%) | ≥ 18.5 |
| | Average Weekday Boardings | 50,774 | Yes | 53,034 | (4%) | 47,101 | No | 50,366 | (6%) | ≥ 49,490 |
| Efficiency | Farebox Recovery Ratio | 27.59% | Yes | 24.99% | 10% | 24.87% | Yes | 27.07% | (8%) | ≥ 24.10% |
| | Average Cost per Vehicle Service Hour | \$83.94 | Yes | \$105.19 | 20% | \$90.88 | Yes | \$94.93 | 4% | ≤ \$97.36 |

Red = did not meet target

Attachment B
Foothill Transit
Operations Report
October 2015

| Goal | Performance Indicator | October 2015 | October 2014 | % Improvement Over Same Month Last Year | FY 2015-2016 YTD | FY 2014-2015 YTD | % Improvement YTD |
|-------------------|------------------------------------|------------------|--------------|---|---------------------|---------------------|----------------------|
| Operations | Average fare per boarding | \$1.20 | \$1.24 | (3%) | \$1.26 | \$1.28 | (2%) |
| | Average cost per boarding | \$4.35 | \$4.95 | 12% | \$5.05 | \$4.74 | (7%) |
| | Average subsidy per boarding | \$3.15 | \$3.71 | 15% | \$3.80 | \$3.46 | (10%) |
| | Total vehicle miles | 1,320,153 | 1,335,375 | (1%) | 5,194,766 | 5,167,983 | 1% |
| | Vehicle service miles | 982,132 | 969,245 | 1% | 3,863,682 | 3,766,468 | 3% |
| | Total vehicle hours | 88,832 | 89,146 | (0%) | 351,014 | 346,447 | 1% |
| | In-service speed (mph) | 14.5 | 14.7 | (1%) | 14.5 | 14.7 | (1%) |
| | Boardings per vehicle service mile | 1.33 | 1.44 | (8%) | 1.24 | 1.36 | (9%) |



December 11, 2015

To: Executive Board

Subject: **Environmental Sustainability Management System (ESMS)
Update**

Recommendation

Receive and file an update on Foothill Transit's ESMS program at the Arcadia and Pomona operations and maintenance facilities.

Background

Foothill Transit's ESMS program at the Arcadia Operations and Maintenance Facility was ISO 14001 Certified in April 2013. The certification is valid for three years subject to favorable findings from annual surveillance audits. Last April, a surveillance audit of Arcadia's ESMS program was performed by NSF, a third-party audit firm hired by Foothill Transit. The audit results showed that Arcadia's ESMS program met ISO 14001 standards.

Since the ESMS program was implemented in 2014 in Pomona, NSF conducted a certification audit to verify that the program was in compliance with ISO 14001 standards. As a result of the audit, Pomona received ISO 14001 Certification in June of this year.

With the implementation of the ESMS program at Arcadia, Foothill Transit's environmental performance has improved as evidenced by our compliance with environmental requirements such as having properly trained and certified staff involved in clean-up operations, voluntary clean-up operations, emergency response operations, and storage, disposal, or treatment of hazardous substances. The Board was provided an update report summarizing those improvements at the December 2014 Executive Board meeting.

The ESMS Core Team is now working on a new set of objectives for the Arcadia and Pomona facilities. Those objectives are to:

- 1) Reduce water consumption - Staff will conduct a water audit to determine areas of high water consumption, identify new water saving systems, and develop water savings programs to reach our goal.



- 2) Reduce electricity consumption - Staff along with assistance from a professional engineer will conduct an audit of the facilities to determine areas where we can save energy and reach our established goal.
- 3) Assure an emergency plan is effective.
- 4) Ensure all products and chemicals have proper Material Safety Data Sheets (MSDS) documents in place.

Included in the development of the new objectives, the ESMS Core Team will set target goals and create programs by which to meet those goals. Attachment A and B to this agenda are Foothill Transit's Objectives, Targets and Programs for Arcadia and Pomona showing prior year sustainable programs that have been met. Also included are the objectives and goals for 2016.

Our current auditing service with NSF will expire soon and staff has begun the procurement process for an auditor. The re-certification audit for Arcadia and the surveillance audit for Pomona are scheduled for March 2016.

Budget Impact

The cost of the re-certification and surveillance audits are included in the adopted FY 2015-2016 Business Plan and Budget.

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 'Doran J. Barnes'.

Doran J. Barnes
Executive Director

Attachment

| Verification | Originator | Revised | Approved | Issued |
|--------------|------------|----------|----------|----------|
| Initials | LF | KG | DB | RC |
| Date | 06/09/11 | 10/24/14 | 08/11/11 | 12/16/13 |



Foothill Transit
GOING GOOD PLACES

ARCADIA

ESMS Document

4.3.3-2 Objectives and Targets Summary Table

| Aspect | Objective | Target | Performance Indicator | Frequency Measured | Projected Complete Date | Status/Comments |
|--|--|---|---|--------------------|-------------------------|--|
| 1. CNG Fuel Leaks and Spills | Reduce leaks and spills while fueling CNG buses. | Reduce by 50% by volume by 07/01/2012. | CNG station monitoring system | Monthly | July 2012 | Closed action. There were no reportable spills causing a 100% reduction in volume of spills. |
| 2. Contaminated Fluids and Absorbents | Reduce amount of hazardous waste generated. | Reduce by 20% by volume by 07/01/2012. | RTA reports on volume of contaminated fluids used | Monthly | July 2012 | Closed action. Products have been identified. |
| 3. GHG Emissions | Reduce GHG emissions and energy consumption. | Reduce by 20% by 07/01/2012. | Energy Consumption shown on utility bills | Monthly | July 2012 | Closed action. Solar panel installation and training completed. Will continue to monitor generation levels. |
| 4. Storm Water Runoff | Develop a training program for existing SWPPP. | 100% employees trained and tested on comprehension by 09/01/2012. | Number of employees trained and comprehension. | As needed | July 2012 | Closed action. All employees have been trained. SWPPP is a part of all new hire training |

| Aspect | Objective | Target | Performance Indicator | Frequency Measured | Projected Complete Date | Status/Comments |
|--|--|--|--|--------------------|-------------------------|---|
| 5. Fuel Consumption from Idling | Reduce fuel consumption from idling. | Reduce fuel consumption by 10% in time spent idling 07/01/2012. | SBS reports showing idling time, translated to fuel consumption. | Monthly | July 2012 | Closed action. All operators have been trained for the idling policy and improvement has been tracked in monitoring and measurement matrix. |
| 6. Diesel Usage | Remove above ground diesel storage tanks and retire remaining diesel buses | Have projects 100% complete to eliminate diesel fuel storage tanks by 10/1/14 | Diesel fuel consumed. | N/A | 9/24/14 | Closed Action: the last diesel bus was retired (12/31/14) and the fuel tanks removed (9/24/14) |
| 7. Miscellaneous repairs – Fluid Leaks | Reduce amount of leaking fluid through maintenance of buses | Repair 100% of fluid leaks in bus fleet within two week of diagnosis | Days it takes to fix fluid leaks | Monthly | 3/31/15 | Closed Action: First data gathered for January-March 2015 showed all fluid leaks that were reported were fixed within 2-3 days. |
| 8. Contaminated Fluids and Absorbents – OSHA | Comply with OSHA Requirement for HAZWOPER | Be in 100% compliance with OSHA HAZWOPER Certification by 5/1/15 | OSHA Compliance | Annually | 6/1/15 | Closed Action: Anthony Gonzalez & Tim Reed completed HAZWOPER training. |
| 9. Contaminated Fluids – Cleaning supplies | Identify products that can be replaced with green cleaning products. | Replace 100% of cleaning products with comparable green products where sufficient substitutions have been found. | Percent of those products that have identified replacements that have been replaced. | Semi-annually | 2/1/15 | Closed Action: Cleaning supplies have been replaced with green products where possible as of 2/1/15. Periodically checking that products are being used. |
| 10. Water Consumption | Reduce water consumption by conducting water usage audit | Complete water audit and address low hanging fruit issues to reduce water consumption by 5% | Water usage | Monthly | August 1, 2016 | |
| 11. Electricity Consumption | Reduce electricity consumption by conducting electricity usage audit | Complete electricity audit and address low hanging fruit issues to reduce electricity consumption by 5% | Electricity Usage | Monthly | August 1, 2016 | |

| Aspect | Objective | Target | Performance Indicator | Frequency Measured | Projected Complete Date | Status/Comments |
|-----------------------------------|---|---|--------------------------------------|--------------------|-------------------------|-----------------|
| 12. Emergency Preparedness | Assure Emergency Plan is effective | Consult with fire department for improvements to plan | Updated and complete evacuation plan | Semi annually | March 1, 2016 | |
| 13. MSDS | Assure that all products used are on the MSDS | 100% of products used will be on the MSDS | MSDS List | Quarterly | | |

| Verification | Originator | Revised | Approved | Issued |
|--------------|------------|---------|----------|--------|
| Initials | KG | | | |
| Date | 10/23/14 | | | |



Foothill Transit
GOING GOOD PLACES

POMONA

ESMS Document

4.3.3-2 Objectives and Targets Summary Table

| Aspect | Objective | Target | Performance Indicator | Frequency Measured | Projected Complete Date | Status/Comments |
|---------------------------------------|---|---|---|--------------------|-------------------------|---|
| 1. Contaminated Fluids and Absorbents | Comply with OSHA Requirement for HAZWOPER | Be in 100% compliance with OSHA HAZWOPER Certification by 5/1/15 | OSHA Compliance | Annually | 4/9/15 | Closed Action: Training completed the week of April 2, 2015. |
| 2. Electricity GHG Emissions | Reduce GHG emissions and energy consumption. | Reduce GHG emissions by 20% by January 1, 2014. | Energy Consumption shown on utility bills | Monthly | 6/1/14 | Closed Action: Solar Panels have been installed and solar generation levels are being tracked. 15% of electricity was created from the solar panels. |
| 3. Vehicle Emissions Reduction | Reduce bus emissions with electrification of Line 291 | Reduce CO2 Emissions by 5% through electrification of Line 291 by March 1, 2015 | CO2/mile reduction on Pomona routes | Monthly | 4/1/15 | Closed Action: Line 291 is currently running all electric buses as of July 13, 2014. Since the launch there has been a 5.9% reduction in CO2. |

| Aspect | Objective | Target | Performance Indicator | Frequency Measured | Projected Complete Date | Status/Comments |
|---------------------------------|--|---|---|--------------------|-------------------------|---|
| 4. Fuel Consumption from Idling | Reduce fuel consumption from idling | 5% reduction in fuel consumption while idling by June 1, 2015 | SBS reports showing idling time, translated to fuel consumption | Monthly | 3/31/15 | Closed Action: Baseline levels are being collected 1/2014-12/2014 – currently tracking idling time through Zonar since Jan 2015. |
| 5. Water Consumption | Reduce water consumption by conducting water usage audit | Complete water audit and address low hanging fruit issues to reduce water consumption by 5% | Water usage | Monthly | August 1, 2016 | |
| 6. Electricity Consumption | Reduce electricity consumption by conducting electricity usage audit | Complete electricity audit and address low hanging fruit issues to reduce electricity consumption by 5% | Electricity Usage | Monthly | August 1, 2016 | |
| 7. Emergency Preparedness | Assure Emergency Plan is effective | Consult with fire department for improvements to plan | Updated and complete evacuation plan | Semi annually | March 1, 2016 | |
| 8. MSDS | Assure that all products used are on the MSDS | 100% of products used will be on the MSDS | MSDS List | Quarterly | | |



December 11, 2015

To: Executive Board

Subject: **Contract Amendment - Hosted Payment Card Services**

Recommendation

Authorize the Executive Director to enter into a sole source contract amendment with ACTIVE Network, LLC (ACTIVE) to provide a hosted payment card service to assist Foothill Transit to meet Payment Card Industry Data Security Standard (PCI-DSS) and Europay, MasterCard, and Visa (EMV) compliance requirements for 2015.

Analysis

Payment Card Industry (PCI) compliance is adherence to a set of specific security standards that were developed to protect payment card information during and after a financial transaction. PCI DSS compliance is required by all credit card brands for all merchants who accept credit cards as a form of payment.

The EMV is the new chip technology adopted by the payment card industry to ensure more secure transactions (data is stored on the chip instead of the magnetic stripe). Effective October 1, 2015, the liability for counterfeit or fraudulent credit card transactions has shifted from the financial institution to the merchant, Foothill Transit. When the merchant has equipment specifically designed to accept payment cards with the embedded EMV chip, the liability remains with the financial institution.

Foothill Transit currently accepts credit cards in our five Transit Stores. The point-of-sale (POS) equipment is currently hosted by Foothill Transit and the processing software for collecting credit card payments is provided by ACTIVE. The ACTIVE contract covers ongoing services and support for the processing software and equipment.

The current contract with ACTIVE has been in place for more than five years. Therefore, the current proposal is to amend the current contract to provide for improved credit card security while preparing an RFP to conduct a competitive procurement. The new RFP will encompass the services currently being provided by ACTIVE as well as consideration for new point-of-sale equipment at the Transit Stores which are currently in need of replacement.



The proposed amendment to the ACTIVE contract would include the following changes to the current contract:

- Add seven (one spare) EMV compliant devices for credit card transactions to replace current magnetic stripe credit card readers
- Provide hosted payment service for all credit card transactions to replace locally hosted server
- Process credit card transactions

Purchasing the hosted payment service for Foothill Transit ensures that all credit card information stored will be in a secured PCI compliant environment. Foothill Transit will no longer store customers' credit card information on our computer servers, which assists us in meeting PCI compliance requirements.

Budget Impact

The price proposal for all of the above services is \$4,047.50 plus any applicable sales taxes for the equipment and set-up fees for the hosted payment service. The ongoing fees will be three percent of each credit card transaction. Based on Foothill Transit's current estimates of \$3 million of annual credit card sales, the annual processing fee for ACTIVE is estimated to be \$90,000 per year. This will be partially offset by elimination of the current credit card service fee of 1.5 percent per transaction.

Sincerely,

Handwritten signature of Michelle Lopes Caldwell in blue ink.

Michelle Lopes Caldwell
Director of Finance & Treasurer

Handwritten signature of Doran J. Barnes in blue ink.

Doran J. Barnes
Executive Director



December 11, 2015

To: Executive Board

Subject: **California Transit Association's 50th Annual Fall Conference & Expo Recap**

Recommendation

Receive and file the California Transit Association's 50th Annual Fall Conference & Expo Recap.

Analysis

Foothill Transit successfully hosted the California Transit Association's 50th Annual Fall Conference and Expo in partnership with Pasadena Transit. The California Transit Association has been representing transit agencies in our state for 50 years and the annual conference was the culmination of the anniversary celebration.

The conference was held from November 18-20 at the Pasadena Convention Center and was a resounding success. The conference brought over 750 transit professionals to the San Gabriel Valley to see our region and discuss issues and topics about transportation in California. During the conference there were sessions on topics such as zero emission bus technology challenges, stretching marketing dollars, how to manage data, and updates on cap & trade.

As a co-host of this conference Foothill Transit was able to display information about our service and projects at a table near the registration booth. This became the location where many attendees gathered and talked about the San Gabriel Valley, our service and their conference experiences. We were also joined by Board members Carol Herrera, Corey Warshaw, Becky Shevlin, Peggy Delach, Paula Lantz and Margaret McAustin.

The Thursday evening reception was held at the Rose Bowl and included a tour of the stadium and access onto the field where attendees were able to throw a football. Some attendees even attempted to kick a field goal.

The all-electric Ecoliner bus was also featured in a Tech Tour where attendees were briefed on the operation and charging of the Ecoliners and were able to ride the bus. A second Tech Tour was hosted by Pasadena Transit who



showed attendees their Data Management Technology System that transformed their operations and strategic planning.

We closed the three-day event with an incredible presentation by Gabe Klein, author of *Start Up City*. It's a great read about where the future of transit and urban planning is taking us, and as he says, there has never been a more exciting time to be in public transportation.

This conference was the culmination of over a year of work between Foothill Transit and the Association and was an enormous success from start to finish. Foothill Transit staff participated in the conference planning subgroups to ensure this conference was a success and a great representation of Foothill Transit.

We are very grateful to the many members of the Foothill Transit team for participating and volunteering through all phases of the conference. Many compliments were received regarding the Foothill Transit team and our commitment was evident throughout the entire conference.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Gagnon'.

Katie Gagnon
Special Projects Manager

A handwritten signature in blue ink, appearing to read 'D. Barnes'.

Doran J. Barnes
Executive Director



December 11, 2015

To: Executive Board

Subject: **Fiscal Year 2014-2015 Comprehensive Annual Financial Audit Report Results**

Recommendation

Receive and file the Fiscal Year 2014-2015 financial and compliance audit results. The Comprehensive Annual Financial Report (CAFR) including the auditor's opinions has been provided for you as a separate attachment.

Analysis

The accounting firm of Crowe Horwath LLP has completed their audit of Foothill Transit's balance sheet as of June 30, 2015 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, 2015, to properly reflect the financial position and changes in its financial position. This is the 13th 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, December 11, 2015.



A summary of the financial activities are as follows:

Summary of Financial Activity for Fiscal Year Ended June 30, 2015

| | | |
|---------------------------------------|----|---------------------|
| Total farebox revenue | \$ | 18,890,298 |
| Other revenue | | <u>1,180,006</u> |
| Total operating revenues | | 20,070,304 |
| Operating expense before depreciation | | 71,324,442 |
| Depreciation expense | | <u>24,696,294</u> |
| Total operating expense | | 96,020,736 |
| Operating Loss | | <u>(75,950,432)</u> |
| Non-operating revenues | | 50,816,890 |
| Other Income (expense) net | | 5,365,346 |
| Loss before capital contributions | | (19,768,196) |
| Capital contributions | | 43,067,156 |
| Change in net assets | | 23,298,960 |
| Net assets at beginning of year | | <u>207,988,245</u> |
| Net assets at end of year | \$ | <u>231,287,205</u> |
| Farebox recovery ratio | | 26.49% |

Foothill Transit's working capital (current assets less current liabilities); a measure of Foothill Transit's liquidity, was \$105.18 million, representing an increase of approximately \$17.7 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

Doran J. Barnes
Executive Director

Attachment



Foothill Transit

Going Good Places

West Covina, California

Comprehensive Annual Financial Report

For the Fiscal Years Ended
June 30, 2015 and 2014

Prepared by:
Finance Department

Michelle Lopes Caldwell
Director of Finance and Treasurer

FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

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FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

**Comprehensive Annual
Financial Report**

JUNE 30, 2015 AND 2014

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FOOTHILL TRANSIT
(A JOINT POWERS AUTHORITY)

**Comprehensive Annual
Financial Report**

JUNE 30, 2015 AND 2014

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INTRODUCTORY SECTION

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Foothill Transit

Executive Board Memorandum

To: Executive Board

December 11, 2015

Subject: Fiscal Year 2014-15 Comprehensive Annual Financial Report

Enclosed is the Comprehensive Annual Financial Report of Foothill Transit for the fiscal year ended June 30, 2015. 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 the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. 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 was to provide reasonable assurance that Foothill Transit's financial statements for the fiscal year ended June 30, 2015, 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's financial statements for fiscal year ended June 30, 2015, 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 OMB Circular A-133. 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 330 buses transporting 14.5 million passengers with 10.7 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 established 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. It has been six years since Los Angeles County experienced the upheaval of the sub-prime loans which led to a depressed housing market affecting the construction, financial and housing-related products sectors. Recently, home sales, especially non-distressed sales, are beginning to increase reducing the current housing inventory; however, new home construction has not experienced these same increases. Increases in home sales are the result of available mortgage money, low home mortgage interest rates and the easing in qualifying standards. Home construction is beginning to turn the corner with home sales trending upward. Other segments of the economy, especially high tech, entertainment and tourism sectors are experiencing improvement. Many households are eager to have the latest in computers, tablets, smart phones and other mobile devices, which has contributed to the increase in consumer spending for technology products especially for high-tech manufacturers (semiconductors). The entertainment industry continues to recover with more motion pictures and commercials filmed locally, while television pilots have declined slightly. Tourism in the Los Angeles area has turned up with the additions of new hotels and with many amusement parks in the area adding new attractions. These increases have added to increases in hospitality-related jobs.

The transportation and trade industry is very extensive and is one of the prominent industries in the County of Los Angeles. 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.

The economy continues with moderate overall growth, which is an indication the recession is over, however at its current rate it will require several years, likely as late as 2018 before the economy is at pre-recession levels. The LA County Board of Supervisors, together with the LA County Economic Development Corporation, has formulated a strategic plan to address this concern which will promote economic development while gaining competitive advantage

Executive Board Memorandum

and stimulating sustainable and stronger growth in an aggressively changing global environment.

The majority of Foothill Transit's funding is provided from Propositions A and C and Measure R, local sales taxes. While consumers still feel somewhat tentative about their economic situation, their outlook has improved prompting them to increase spending for discretionary goods. While increased spending will put upward pressure on the collection of sales taxes, the Fiscal year 2015 budget was prepared with revenues, service, and fares at current levels to balance the budget.

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, 2014. This was the eleventh 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.

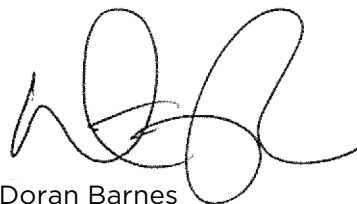
The Certificate of Achievement for Excellence in Financial Reporting is valid for a one year period only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to determine eligibility for continued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

Becky A. Shevlin
Vice Chair

Peggy Delach
Member

Corey Calaycay
Member

Michael De La Torre
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

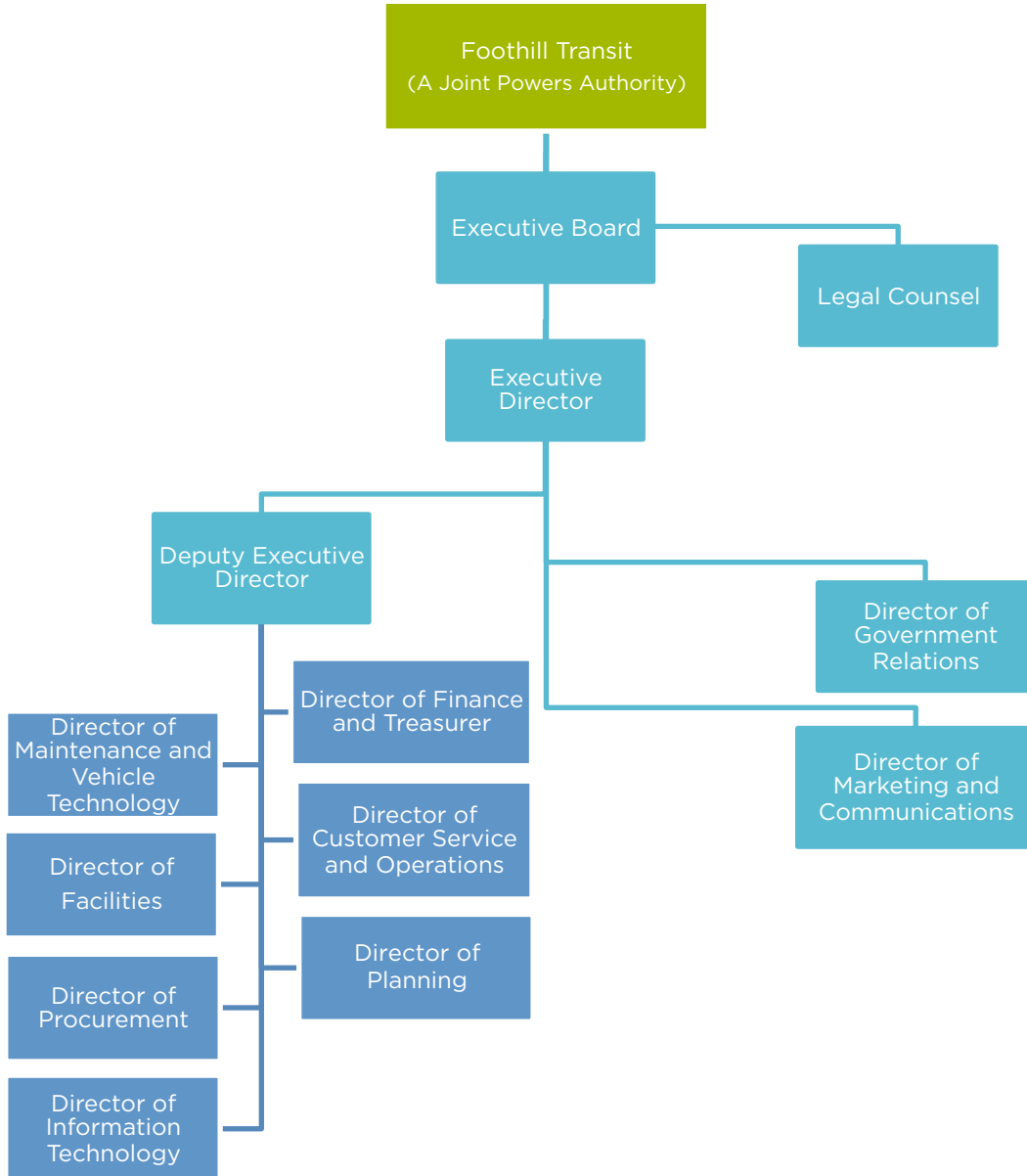
Jarrett Stoltzfus
Director of
Procurement



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, 2014

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 the Foothill Transit Authority, A Joint Powers Authority (Foothill Transit), as of and for the years ended June 30, 2015 and June 30, 2014, 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, 2015 and June 30, 2014, 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

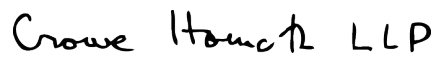
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Foothill Transit's basic financial statements. The Schedule of Expenditures of Federal Awards as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* on page 39 and the Introductory and Statistical Sections from pages i through vi and pages 24 through 38 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 14, 2015 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 the Foothill Transit's internal control over financial reporting and compliance.


Crowe Horwath LLP

Sherman Oaks, California
October 14, 2015

Management's Discussion and Analysis June 30, 2015

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, 2015. 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. Notes to the basic 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, 2015 and 2014. 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, 2015 and 2014, 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, 2015 and 2014, 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 basic 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 2014-2015, Foothill Transit's net position increased \$23,298,960 (11.2%) from the previous year resulting primarily from the capital asset acquisitions of \$43,299,949 and disposals of \$18,312,519, exclusive of depreciation. The capital additions were funded by federal, state, and local grants.
- In fiscal year 2014-2015, operating expenses before depreciation increased \$5,467,490 (8.3%) over the previous year. This increase was attributed primarily to increases for transit operations, offset partially by decreases in fuel costs.
- Foothill Transit's assets exceeded its liabilities at June 30, 2015, by \$231,287,205 (net position). See discussion below.

Management's Discussion and Analysis
June 30, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Summary of Net Position

| | 2015 | 2014 | 2013 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| Current assets | \$ 43,717,789 | \$ 16,731,676 | \$ 85,492,303 |
| Noncurrent assets, net | 274,107,993 | 261,772,788 | 148,897,686 |
| Total assets | \$ 317,825,782 | \$ 278,504,464 | \$ 234,389,989 |
| Current liabilities | 9,326,669 | 6,315,020 | 8,428,091 |
| Noncurrent liabilities | 77,211,908 | 64,201,199 | 51,681,270 |
| Total liabilities | \$ 86,538,577 | \$ 70,516,219 | \$ 60,109,361 |
| Net position: | | | |
| Net investment in capital assets | 201,831,874 | 184,208,626 | 148,897,686 |
| Unrestricted: | | | |
| Board designated - capital projects | 29,455,331 | 23,779,619 | 25,382,942 |
| Total net position | \$ 231,287,205 | \$ 207,988,245 | \$ 174,280,628 |

Foothill Transit's net position exceeded liabilities by \$231,287,205 and \$207,988,245 as of June 30, 2015 and 2014, respectively. Most of this is attributable to Foothill Transit's \$201,831,874 and \$184,208,626 net investment in capital assets (property, plant, and equipment) as of June 2015 and 2014. 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, 2015 and 2014 totaled \$27,969,735 and \$23,274,430 and represents amounts that are designated for future capital projects.

Foothill Transit's net position increased by \$23,298,960 during fiscal year 2014-2015 and by \$33,707,617 during fiscal year 2013-2014. These increases are primarily due to the addition of capital assets funded with capital grant revenues.



Management's Discussion and Analysis June 30, 2015

Condensed Summary of Revenues, Expenses and Changes in Net Position

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-----------------------|-----------------------|-----------------------|
| Operating revenues - farebox and bus pass | \$ 18,890,298 | \$ 18,845,702 | \$ 18,441,434 |
| Operating revenues - other | 1,180,006 | 1,061,438 | 1,109,055 |
| Operating grants | 50,816,890 | 45,821,966 | 43,775,320 |
| Other revenues (expenses) | 5,365,346 | 127,846 | 236,812 |
| Total revenues | <u>75,072,534</u> | <u>64,795,514</u> | <u>62,453,566</u> |
| Operating expenses: | | | |
| Operating expenses before depreciation | 71,324,442 | 65,856,952 | 63,562,621 |
| Depreciation | 24,696,294 | 22,180,982 | 18,971,618 |
| Total operating expenses | <u>96,020,736</u> | <u>88,037,934</u> | <u>82,534,239</u> |
| Loss before capital grants | (20,948,202) | (23,242,420) | (20,080,673) |
| Capital grants | <u>43,067,156</u> | <u>55,888,599</u> | <u>16,494,432</u> |
| Change in net position | <u>22,118,954</u> | <u>32,646,179</u> | <u>(3,586,241)</u> |
| Net position at beginning of year | <u>205,817,752</u> | <u>173,171,573</u> | <u>176,757,814</u> |
| Net position at end of year | <u>\$ 227,936,706</u> | <u>\$ 205,817,752</u> | <u>\$ 173,171,573</u> |

Revenues

Operating revenues in fiscal year 2015 increased \$163,164 (0.82%) over 2014 and fiscal year 2014 operating revenues increased \$356,651 (1.8%) over 2013. These increases are due to a slight increase in ridership each year. Operating grant revenues increased \$4,994,924 and capital grant revenues decreased \$12,821,443 in fiscal year 2015. Operating grant revenues increased \$2,046,646 and capital grant revenues increased \$39,394,167 in fiscal year 2014. 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 2015 resulted in the acquisition of 60 CNG buses, ongoing construction of the Azusa Intermodal Transportation Center and bus repainting to reflect the Foothill Transit unique livery design. The increase in capital grant contributions in fiscal year 2014 was 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 \$5,467,490 (8.3%) in fiscal year 2015 and \$2,294,331 (3.6%) in fiscal year 2014. In fiscal year 2015, Transit Operations costs increased \$5,538,122 due to contract award of a new operating contract for operating services for the Arcadia Yard and an increase of 474,069 annual revenue service miles. In addition, fuel costs decreased \$721,040.

In fiscal year 2014, Transit Operations costs increased \$2,262,883 due to increased service for a pilot bus line to the City of Industry and due to contractor's annual operating increases. In addition, fuel costs increased \$109,518. The \$682,496 increase in Professional Services is due to consulting fees for the Comprehensive Operational Analysis.

Management's Discussion and Analysis June 30, 2015

CAPITAL ASSETS

As of June 30, 2015 and 2014, Foothill Transit had \$203,317,470 and \$184,713,815 invested in capital assets (net of accumulated depreciation), respectively. This represents a 10.1% increase in fiscal year 2015 and a 24.0% increase in fiscal year 2014. These assets include land, facilities, transit buses, other operating equipment, vehicles, and furniture and fixtures identified below. Depreciation expense increased \$2,515,312 in fiscal year 2015 and \$3,209,695 in fiscal year 2014, which is attributable to the age of the bus fleet.

| | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Land | \$ 10,132,713 | \$ 10,132,713 | \$ 10,132,713 |
| Construction in progress | 5,511,056 | 13,954,721 | 12,142,848 |
| Facilities | 61,649,691 | 51,896,920 | 54,417,897 |
| Transit buses | 116,054,462 | 95,082,254 | 55,929,598 |
| Other operating equipment | 9,573,167 | 13,081,656 | 15,686,532 |
| Vehicles | 341,464 | 491,682 | 495,397 |
| Furniture and fixtures | 54,917 | 73,869 | 92,701 |
| Total capital assets, net | <u>\$ 203,317,470</u> | <u>\$ 184,713,815</u> | <u>\$ 148,897,686</u> |

All assets have been purchased with federal, state, or local grants awarded to Foothill Transit. Significant capital projects with activity during fiscal years 2015 and 2014 include the following:

- Bus Fleet Replacement
- City of Industry Park and Ride Facilities
- City of Azusa Park and Ride Facilities
- Bus and Facility Surveillance/Safety Equipment
- Bus repainting

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

LONG TERM DEBT

As of June 30, 2015, 2014, and 2013, Foothill Transit had no long-term debt.

Management's Discussion and Analysis June 30, 2015

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors and Next Year's Budget

The budget for fiscal year 2015/2016 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 2016. The current California forecast calls for continued steady gains in employment through the middle of 2016.

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 2016. California's unemployment rate is consistent with the 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:

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

These factors were considered when preparing the Foothill Transit fiscal year 2015/2016 budget. Foothill Transit completed a Comprehensive Operational Analysis (COA) to evaluate service levels and coverage, passenger surveys, and fare analysis. 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, 100 South Vincent Avenue, Suite 200, West Covina, CA 91790.

FOOTHILL TRANSIT

(A Joint Powers Authority)
Statements of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 30,211,623 | \$ 7,528,226 |
| Due from other governmental agencies | 5,287,811 | 5,976,959 |
| Receivables | 6,489,522 | 2,582,675 |
| Interest receivable | 10,610 | 8,258 |
| Prepaid items | 1,718,224 | 635,558 |
| Total current assets | <u>43,717,790</u> | <u>16,731,676</u> |
| Noncurrent assets: | | |
| Cash and cash equivalents | 64,300,523 | 69,816,197 |
| Investments | 6,489,999 | 7,242,776 |
| Capital assets - nondepreciable | 15,643,769 | 24,087,434 |
| Capital assets | 348,979,426 | 315,548,330 |
| Less accumulated depreciation | <u>(161,305,725)</u> | <u>(154,921,949)</u> |
| Total noncurrent assets | <u>274,107,992</u> | <u>261,772,788</u> |
| Total assets | <u>\$ 317,825,782</u> | <u>\$ 278,504,464</u> |
| Liabilities and Net Position | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 9,326,669 | \$ 6,315,020 |
| Total current liabilities | <u>9,326,669</u> | <u>6,315,020</u> |
| Noncurrent liabilities: | | |
| Unearned revenue | <u>77,211,908</u> | <u>64,201,199</u> |
| Total noncurrent liabilities | <u>77,211,908</u> | <u>64,201,199</u> |
| Total liabilities | <u>86,538,577</u> | <u>70,516,219</u> |
| Net position: | | |
| Net investment in capital assets | 272,622,396 | 261,267,599 |
| Unrestricted (Note 2) | <u>(41,335,191)</u> | <u>(53,279,354)</u> |
| Total net position | <u>231,287,205</u> | <u>207,988,245</u> |
| Total liabilities and net position | <u>\$ 317,825,782</u> | <u>\$ 278,504,464</u> |

See notes to financial statements

**FOOTHILL TRANSIT**

(A Joint Powers Authority)

Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-----------------------|-----------------------|
| Operating revenues: | | |
| Farebox and bus pass | \$ 18,890,298 | \$ 18,845,702 |
| Special services | 337,229 | 259,313 |
| Dial-A-Ride | 693,605 | 699,493 |
| Liquidated damages | 26,550 | - |
| Other revenue | 122,622 | 102,632 |
| Total operating revenues | <u>20,070,304</u> | <u>19,907,140</u> |
| Operating expenses: | | |
| Operating expenses before depreciation: | | |
| Transit operations | 52,737,533 | 47,199,412 |
| Fuel costs | 5,223,294 | 5,944,334 |
| Management | 7,292,151 | 6,973,601 |
| Special services | 233,241 | 144,953 |
| Dial-A-Ride | 681,421 | 687,442 |
| Professional services | 1,888,679 | 1,870,397 |
| Advertising | 419,360 | 401,793 |
| General and administrative | 2,848,762 | 2,635,020 |
| Total operating expenses before depreciation | <u>71,324,442</u> | <u>65,856,952</u> |
| Depreciation expense | 24,696,294 | 22,180,982 |
| Total operating expenses | <u>96,020,736</u> | <u>88,037,934</u> |
| Operating loss | <u>(75,950,432)</u> | <u>(68,130,794)</u> |
| Operating grants | <u>50,816,890</u> | <u>45,821,966</u> |
| Non-operating revenues (expenses): | | |
| Interest income | 142,095 | 113,695 |
| Rental income | 381,885 | 379,485 |
| Property management expense | (301,204) | (520,854) |
| Gain on disposal of assets | 214,472 | 155,520 |
| Excise tax refund | 4,928,098 | - |
| Total non-operating revenues (expenses) | <u>5,365,346</u> | <u>127,846</u> |
| Total operating grants and non-operating revenues (expenses) | <u>56,182,236</u> | <u>45,949,812</u> |
| Loss before capital grants | <u>(19,768,196)</u> | <u>(22,180,982)</u> |
| Capital grants | <u>43,067,156</u> | <u>55,888,599</u> |
| Change in net position | 23,298,960 | 33,707,617 |
| Net position at beginning of year | <u>207,988,245</u> | <u>174,280,628</u> |
| Net position at end of year | <u>\$ 231,287,205</u> | <u>\$ 207,988,245</u> |

See notes to financial statements

FOOTHILL TRANSIT
(A Joint Powers Authority)
Statements of Cash Flows
Years ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|------------------------|------------------------|
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 20,305,195 | \$ 18,795,772 |
| Cash received from liquidated damages | 26,550 | - |
| Cash received from other revenue | 122,622 | 102,632 |
| Cash paid for transit operations | (50,286,322) | (49,146,026) |
| Cash paid for fuel costs | (5,125,823) | (6,246,434) |
| Cash paid for management | (7,368,278) | (6,533,528) |
| Cash paid for special services | (233,241) | (259,313) |
| Cash paid for Dial-a-Ride | (733,786) | (696,629) |
| Cash paid for professional services | (1,964,824) | (1,921,535) |
| Cash paid for advertising | (375,951) | (422,268) |
| Cash paid for general and administrative services | (3,778,385) | (1,629,711) |
| Net cash used in operating activities | <u>(49,412,243)</u> | <u>(47,957,039)</u> |
| Cash flows from noncapital financing activities: | | |
| Operating grants | 49,741,582 | 57,682,081 |
| Net cash provided by noncapital financing activities | <u>49,741,582</u> | <u>57,682,081</u> |
| Cash flows from capital and related financing activities: | | |
| Cash received from capital grants | 55,672,035 | 55,176,586 |
| Purchase of capital assets | (42,352,702) | (56,623,124) |
| Cash received for excise tax refund | 2,331,119 | - |
| Proceeds from sale of capital assets | 214,473 | 155,520 |
| Proceeds from rental property | 382,145 | 379,485 |
| Rental property expense | (301,205) | (520,854) |
| Net cash provided by (used in) capital and related financing activities | <u>15,945,864</u> | <u>(1,432,386)</u> |
| Cash flows from investing activities: | | |
| Purchases of investments | (6,490,000) | (7,242,776) |
| Sales of investments | 7,242,776 | 8,736,978 |
| Interest received | 139,744 | 111,535 |
| Net cash provided by investing activities | <u>892,520</u> | <u>1,605,737</u> |
| Net increase in cash and cash equivalents | 17,167,723 | 9,898,392 |
| Cash and cash equivalents at beginning of year | <u>77,344,423</u> | <u>67,446,031</u> |
| Cash and cash equivalents at end of year (Note 3) | <u>\$ 94,512,146</u> | <u>\$ 77,344,423</u> |
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (75,950,432) | \$ (68,130,794) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 24,696,294 | 22,180,982 |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in receivables | (87,089) | (1,580,307) |
| Decrease (increase) in prepaid items | (1,082,665) | 1,686,151 |
| (Decrease) increase in accounts payable and accrued liabilities | 3,011,649 | (2,113,071) |
| Total adjustments | <u>26,538,189</u> | <u>20,173,754</u> |
| Net cash used in operating activities | <u>\$ (49,412,243)</u> | <u>\$ (47,957,039)</u> |
| Non-cash investing and financing activities: | | |
| Gain (Loss) on disposal of assets | \$ 214,473 | \$ 155,520 |
| Capital asset purchases included in accounts payable | 1,485,596 | 505,189 |

See notes to financial statements



FOOTHILL TRANSIT

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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's Executive Board. Through its independent service contractors, Foothill Transit operates a fleet of 330 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 transit operations 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

Foothill Transit adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operation*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68* during the year ended June 30, 2015. The adoption of these statements had no impact on the financial statements.



FOOTHILL TRANSIT
(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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), are stated at their fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than a forced liquidation sale).

Cash and investments 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. Except for cash and cash equivalents, such as negotiable certificates of deposit (which are carried at face value), the fair value of substantially all such investments is based upon the published market prices of publicly traded securities.

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 estimated fair value at the date of donation. Foothill Transit did not receive any donated capital assets during fiscal years 2015 and 2014.



FOOTHILL TRANSIT

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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 | 20 to 31.5 years |
| 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

Paid time off is available to employees for both vacation and sick leave. Vacation leave is earned according to each employee’s years of service for a maximum accrual of 7.69 hours per bi-weekly payroll. It may be carried forward and it may be cashed out annually. Sick leave is earned at 3.69 hours per bi-weekly payroll or 12 days per year. Unused sick leave may be carried forward but is not available to be cashed out and is not paid out upon separation.

j. Unearned Revenue

Unearned revenue is composed entirely of TDA and Proposition 1B 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, 2015 and 2014.

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 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 \$29,455,351 and \$23,779,619 as of June 30, 2015 and 2014.



FOOTHILL TRANSIT

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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'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. 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

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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 2014 financial statements have been reclassified to conform to the 2015 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, 2015 and 2014 were reported in the accompanying financial statements as follows:

| | <u>2015</u> | <u>2014</u> |
|------------------------------------|----------------------|----------------------|
| Cash and cash equivalents, current | \$ 30,211,622 | \$ 7,528,226 |
| Cash and cash equivalents | \$ 64,300,523 | \$ 69,816,197 |
| Investments | 6,490,000 | 7,242,776 |
| Cash and investments, noncurrent | <u>\$ 70,790,523</u> | <u>\$ 77,058,973</u> |


Deposits:

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. At June 30, 2014, the carrying amount of Foothill Transit's deposits was \$77,344,423 and the bank balance was \$81,158,751. The difference of \$3,814,328 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
(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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 fair value of the position in the investment pool is the same as the value of the pool shares. The Fund is principally invested in obligations of federal government agencies, U.S. Treasury securities, certificates of deposit, and commercial paper. The Fund's manager considers the credit risk as minimal. The Fund is protected against fraudulent acts by the state's self-insurance program. At June 30, 2015, Foothill Transit maintained \$15,009,153 of cash equivalents and investments in the LAIF.

FOOTHILL TRANSIT
 (A Joint Powers Authority)
 Notes to Financial Statements
 June 30, 2015 and 2014

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

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, 2015 and 2014, Foothill Transit's investments did not include these types of investments. As of June 30, 2015 and 2014, Foothill Transit's investment in the 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, 2015, none of Foothill Transit's deposits or investments were exposed to custodial credit risk.

Interest Rate Risk:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the authority'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.

As of June 30, Foothill Transit had the following investments and remaining maturities:

| | 2015 | | | 2014 | | |
|--------------------------------|--------------|---------------------|--------------|--------------|---------------------|-----------------|
| | Fair Value | Less Than 1 Year | 1 to 5 Years | Fair Value | Less Than 1 Year | 1 to 5 Years |
| <u>Investment Type:</u> | | | | | | |
| Certificates of Deposit | \$ 2,490,000 | \$ 2,490,000 | \$ - | \$ 5,245,000 | \$ 5,245,000 | \$ - |
| US Treasury Notes | - | - | - | 1,997,776 | 1,997,776 | - |
| Callable Agency Note | 4,000,000 | - | 4,000,000 | - | - | - |
| Total | \$ 6,490,000 | \$ 2,490,000 | \$ 4,000,000 | \$ 7,242,776 | \$ 7,242,776 | \$ - |

FOOTHILL TRANSIT

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

Note 4: Revenue and Receivables from Other Governmental Agencies

For the years ending June 30, 2015 and 2014, operating grants earned from other governmental agencies consisted of the following:

| Operating grants: | 2015 | 2014 |
|--|---------------|---------------|
| State and local grants | | |
| Proposition A Formula Subsidy | \$ 13,834,444 | \$ 13,483,956 |
| Proposition A Bus Service Continuation Program | 4,367,352 | 4,299,276 |
| Proposition C Transit Service Expansion – Line 690 | 315,072 | 307,992 |
| Proposition C Base Restructuring | 1,890,708 | 1,848,204 |
| Proposition C BSIP – Overcrowding Relief | 880,260 | 860,472 |
| Proposition C 5% Transit Security | 849,685 | 790,644 |
| Measure R | 9,902,808 | 8,360,312 |
| CRD Subsidy | 1,600,000 | - |
| Air Quality and Management District (AQMD) | - | 210,000 |
| STA operations | 2,744,304 | 3,913,272 |
| Transportation Development Act – Operating Grant Portion | 13,928,182 | 9,394,468 |
| Total state and local operating grants | 50,312,815 | 43,468,596 |
| Federal grants | | |
| Congestion Mitigation and Air Quality (CMAQ) | 504,075 | 2,189,437 |
| FTA Section 5307 Preventive Maintenance | - | 163,933 |
| Total federal operating grants | 504,075 | 2,353,370 |
| Total operating grants | \$ 50,816,890 | \$ 45,821,966 |

For the years ending June 30, 2015 and 2014, capital grants earned from other governmental agencies consisted of the following:

| Capital grants: | 2015 | 2014 |
|--|---------------|---------------|
| State and local grants | | |
| Proposition 1B | 6,421,733 | 775,551 |
| Proposition C MOSIP | 1,921,510 | 9,548,053 |
| Proposition C 5% Transit Security | - | 2,441 |
| Proposition C Call for Projects | - | 59,383 |
| AQMD – MSRC | - | 85,392 |
| Transportation Development Act – Capital Grant Portion | 790,151 | 1,078,143 |
| Total state and local capital grants | 9,133,394 | 11,548,963 |
| Federal grants | | |
| FTA Section 5307 | 30,330,071 | 32,517,076 |
| FTA Section 5309 | 3,603,691 | 1,108,988 |
| FTA Section 5307 ARRA | - | 543,572 |
| FTA Section 5309-Tigger II | - | 10,170,000 |
| Total federal capital grants | 33,933,762 | 44,339,636 |
| Total capital grants | \$ 43,067,156 | \$ 55,888,599 |



FOOTHILL TRANSIT

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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

At June 30, 2015 and 2014, amounts due from other governmental agencies consist of the following and are expected to be collected within one year:

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| State and local agencies | | |
| Transportation Development Act - State | \$ 2,122,888 | \$ 1,829,411 |
| State Transit Assistance - State | 686,076 | 978,318 |
| Proposition C MOSIP - LA Metro | 679,791 | 1,269,400 |
| Proposition C Call For Projects - LA Metro | 116,142 | 116,142 |
| Proposition C - Transit Security - LA Metro | 25,000 | 25,000 |
| Proposition 1B - State | 42,974 | - |
| Pass Sales - LA Metro | 52,081 | 387,023 |
| Pass Sales - Metrolink | 10,916 | 11,792 |
| Federal agencies | | |
| Section 5307-ARRA Capital Grant - FTA | - | 28,930 |
| Section 5309-Tigger II Capital Grant - FTA | - | 1,306,318 |
| Section 5309 Capital Grant - FTA | 1,551,943 | 24,625 |
| | <u>\$ 5,287,811</u> | <u>\$ 5,976,959</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, 2015 and 2014.

Note 5: Receivables

At June 30, 2015 and 2014, receivables consist of the following and are expected to be collected within one year:

| | <u>2015</u> | <u>2014</u> |
|--------------------------------|---------------------|---------------------|
| Excise Tax Credit | \$ 2,596,980 | \$ - |
| Trade Receivables (Pass Sales) | 1,705,965 | 2,145,129 |
| CRD Subsidy | 1,600,000 | - |
| TAP Sales | 375,400 | 366,000 |
| Merchant Services | 68,532 | 71,546 |
| Grant Subsidy | 142,645 | - |
| | <u>\$ 6,489,522</u> | <u>\$ 2,582,675</u> |

Receivables are recorded when earned based on operating revenue recognition. Management believes that no provision for an allowance was necessary at June 30, 2015 and 2014.

FOOTHILL TRANSIT
(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

Note 6: Capital Assets

Changes in the capital assets by category for the years ended June 30, 2015 and 2014 are as follows:

| | 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 | <u>24,087,434</u> | <u>(13,226,587)</u> | <u>4,782,922</u> | <u>-</u> | <u>15,643,769</u> |
| 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 | <u>315,548,330</u> | <u>13,226,587</u> | <u>38,517,028</u> | <u>(18,312,519)</u> | <u>348,979,426</u> |
| 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 | <u>(154,921,949)</u> | <u>-</u> | <u>(24,696,295)</u> | <u>18,312,519</u> | <u>(161,305,725)</u> |
| Other capital assets, net | <u>160,626,381</u> | <u>13,226,587</u> | <u>13,820,733</u> | <u>-</u> | <u>187,673,701</u> |
| Total capital asset, net | <u>\$ 184,713,815</u> | <u>\$ -</u> | <u>\$ 18,603,655</u> | <u>\$ -</u> | <u>\$ 203,317,470</u> |



FOOTHILL TRANSIT
(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

Note 6: Capital Assets (Continued)

| | Balance June 30, 2013 | Adjustments/ Transfers | Additions | Reductions | Balance June 30, 2014 |
|---|----------------------------------|-----------------------------------|----------------------|---------------------|----------------------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 10,132,713 | \$ - | \$ - | \$ - | \$ 10,132,713 |
| Construction in progress | 12,142,848 | - | 1,811,873 | - | 13,954,721 |
| Total capital assets not being depreciated | <u>22,275,561</u> | <u>-</u> | <u>1,811,873</u> | <u>-</u> | <u>24,087,434</u> |
| Other capital assets | | | | | |
| Facility | 85,078,361 | - | 1,367,383 | - | 86,445,744 |
| Transit buses | 142,668,236 | - | 52,448,701 | (11,174,029) | 183,942,908 |
| Other operating equipment | 41,027,835 | - | 2,218,190 | - | 43,246,025 |
| Vehicles | 993,833 | - | 141,040 | - | 1,134,873 |
| Furniture and fixtures | 768,857 | - | 9,923 | - | 778,780 |
| Total other capital assets at historical cost | <u>270,537,122</u> | <u>-</u> | <u>56,185,237</u> | <u>(11,174,029)</u> | <u>315,548,330</u> |
| Accumulated depreciation | | | | | |
| Facility | (30,660,465) | - | (3,888,361) | - | (34,548,826) |
| Transit buses | (86,738,638) | - | (13,296,046) | 11,174,029 | (88,860,655) |
| Other operating equipment | (25,341,303) | - | (4,823,066) | - | (30,164,369) |
| Vehicles | (498,435) | - | (144,754) | - | (643,189) |
| Furniture and fixtures | (676,156) | - | (28,754) | - | (704,910) |
| Total accumulated depreciation | <u>(143,914,997)</u> | <u>-</u> | <u>(22,180,981)</u> | <u>11,174,029</u> | <u>(154,921,949)</u> |
| Other capital assets, net | <u>126,622,125</u> | <u>-</u> | <u>34,004,256</u> | <u>-</u> | <u>160,626,381</u> |
| Total capital asset, net | <u>\$ 148,897,686</u> | <u>\$ -</u> | <u>\$ 35,816,129</u> | <u>\$ -</u> | <u>\$ 184,713,815</u> |

Note 7: Management and Transit Services Operating Agreements

a. Management

Beginning July 1, 2013, Foothill Transit became the official operating agency under the Joint Powers Authority. Management expense is classified as Management on the statement of revenues, expenses, and changes in net position and includes salaries, benefits and other expenses related to the management of Foothill Transit. For the years ended June 30, 2015 and 2014, total management expenses were \$7,292,151 and \$6,973,601, respectively.

FOOTHILL TRANSIT

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

Note 7: Management Contract and Transit Services Operating Agreements (Continued)

b. Transit Services Operating Agreements

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, and on May 1, 2012, First Transit was awarded a three year contract with three two-year options for operating services at the Arcadia facility.

Prior to completion of the first three years of the Arcadia facility contract with First Transit, Foothill Transit and First Transit agreed that it was not in the best interest of either party to continue the contract and the agreement was terminated in October 2014. Such agreements are cancelable at Foothill Transit's option if determined to be in its best interest, with or without cause. A competitive procurement was conducted during the spring and fall of 2014 and the contract was awarded to Veolia Transportation Services, Inc. for operating services at the Arcadia facility. Veolia Transportation (later renamed TransDev) was awarded a four-year contract commencing on October 5, 2014 with three one-year options.

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 agreed rate per revenue mile 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 \$27,676,367 and \$23,948,171 for the years ended June 30, 2015 and 2014, respectively. The Pomona service expense was \$25,061,166 and \$23,251,241 for the years ended June 30, 2015 and 2014, 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, 2015 and 2014, was \$95,383 and \$97,234.

b. Capital Commitments

Foothill Transit has on-going construction commitments of \$4,897,981 for construction of Park and Ride lots. Foothill Transit also has a commitment to purchase 2 new electric buses for a total cost of \$1,650,000 excluding 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

(A Joint Powers Authority)
Notes to Financial Statements
June 30, 2015 and 2014

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, 2015 and 2014, the carrying value of the leased space was \$4,126,299 and \$4,334,348 net of accumulated depreciation of \$1,856,113 and \$1,648,064, respectively.

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

| Year Ending June 30 | Lease Revenue |
|--------------------------------|--------------------------|
| 2016 | \$ 345,789 |
| 2017 | 336,261 |
| 2018 | 281,947 |
| 2019 | 275,677 |
| 2020 | 275,677 |
| Total | \$ 1,515,351 |

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, 2015, 2014, and 2013, 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 2% 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 with Foothill Transit contributing approximately \$357,000 and employee contributions of approximately \$273,000.

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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 |
|-------------|----------------------------------|---------------|--------------------|
| 2006 | \$ 122,717,282 | \$ 24,487,450 | \$ 147,204,732 |
| 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 |



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 |
|-------------|-------------------|-------------------|-------------------------|---------------------------------|------------------------------------|-----------------------|------------------------|
| 2006 | \$ 17,304,113 | \$ 69,985,981 | \$ (52,681,868) | \$ 40,663,899 | \$ (12,017,969) | \$ 16,414,288 | \$ 4,396,319 |
| 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 | 18,370,862 |

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 |
|-------------|------------------------------|------------------|-------------|--------------------|---------------|---------------|
| 2006 | \$ 15,816,183 | \$ 863,317 | \$ 458,507 | \$ 144,900 | \$ 21,206 | \$ 17,304,113 |
| 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 |

Source: Foothill Transit Finance Department



Financial Trends - Other Revenues and Expenditures

Foothill Transit

¹Other Revenues and Expenditures
Last Ten Fiscal Years

| Fiscal Year | Operating Grants | Interest | Gain (Loss) on Disposal of Assets | Other Revenues (Expenses) | Property Management Expense | Total Other Revenue |
|-------------|------------------|------------|-----------------------------------|---------------------------|-----------------------------|---------------------|
| 2006 | \$ 40,340,302 | \$ 564,360 | \$ (291,667) | \$ - | \$ 50,904 | \$ 40,663,899 |
| 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 | 80,681 | 56,182,234 |

¹ Non-fare Revenues

Source: Foothill Transit Finance Department



Financial Trends - Operating Expense

Foothill Transit

Operating Expense
Last Ten Fiscal Years

| Fiscal Year | Transit Operations | Fuel Cost | Management | Special Services | Dial-A-Ride Expenditures | Professional Services | Advertising | General & Administrative | Depreciation Expense | Total |
|-------------|--------------------|--------------|--------------|------------------|--------------------------|-----------------------|-------------|--------------------------|----------------------|---------------|
| 2006 | \$ 39,364,590 | \$ 9,764,546 | \$ 5,484,579 | \$ 576,080 | \$ 448,361 | \$ 796,178 | \$ 300,446 | \$ 1,611,099 | \$ 11,640,102 | \$ 69,985,981 |
| 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 | 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 | 233,241 | 681,421 | 1,888,679 | 419,360 | 2,848,762 | 24,696,294 | 96,020,736 |

Source: Foothill Transit Finance Department



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 | Transportation Development Act | Prop 1B/Homeland Sec/AQMD | Total |
|-------------|-----------------|--------------------------------|--------------------------|--------------------------------|---------------------------|---------------|
| 2006 | \$ 2,866,959 | \$ 9,127,554 | \$ 43,048 | \$ 3,035,718 | \$ 1,341,009 | \$ 16,414,288 |
| 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 |

Source: Foothill Transit Finance Department



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 "R" ⁵ | Total | % of LA County | TDA ³ | STA ⁴ | Prop "A" ⁵ | Prop "C" ⁵ | Measure "R" ⁵ | Total | |
| 2006 | \$ 18,486 | \$ 1,861 | \$ 13,413 | \$ 7,094 | \$ - | \$ 40,854 | 2.54% | \$ 317,824 | \$ 54,792 | \$ 619,348 | \$ 619,321 | \$ - | \$ 1,611,285 | |
| 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 | |

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 | Total |
|-------------|--------------|--------------|--------------|-------------------|---------------|---------------|
| 2006 | \$ 9,896,655 | \$ 3,478,192 | \$ 1,148,722 | \$ 1,263,697 | \$ 28,917 | \$ 15,816,183 |
| 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 | 18,441,434 |
| 2014 | 10,039,652 | 4,112,118 | 2,673,097 | 1,387,708 | 633,127 | 18,845,702 |
| 2015 | 9,878,356 | 4,439,522 | 2,920,388 | 1,002,420 | 649,612 | 18,890,298 |

Source: Foothill Transit Finance Department

1) Other Revenue includes Access dues, metrolink transfers, and city subsidies smartcard technology



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 |
| 2006 | 1.00 | 0.50 | 1.00 | 3.00 | 1.50 | 1.50 | 3.50 | 1.75 | 1.75 |
| 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 | 2.75 | 1.35 | 2.75 | 4.90 | 4.90 | 4.90 |
| 2014 | 1.25 | 0.50 | 1.25 | 2.75 | 1.35 | 2.75 | 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 |

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



Debt Capacity - Outstanding Debt

Foothill Transit

Outstanding Debt
Last Ten Fiscal Years

| Fiscal Year | Capital Lease | Total Debt | Annual Passengers | Debt per Passenger |
|-------------|---------------|--------------|-------------------|--------------------|
| 2006 | \$ 4,500,000 | \$ 4,500,000 | \$ 14,664,799 | \$ 0 |
| 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 | - |

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 |
| 2006 | 4.80% | 10,245 | 1,708 | \$ 536,323 | \$ 42,185 | 212.4 | 5.93% |
| 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% |

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

2011 and 2006

| Employer | 2011 | | | 2006 | | |
|---------------------------------------|---------------------|---------------------|------|---------------------|---------------------|------|
| | Number of Employees | Percentage of Total | Rank | Number of Employees | Percentage of Total | Rank |
| County of Los Angeles | 95,700 | 2.14% | 1 | 93,200 | 2.65% | 1 |
| Los Angeles Unified School District | 73,300 | 1.65% | 2 | 74,632 | 2.12% | 2 |
| Federal Government | 48,100 | 1.08% | 3 | 53,200 | 1.51% | 4 |
| City of Los Angeles | 47,700 | 1.07% | 4 | 53,171 | 1.51% | 3 |
| University of California, Los Angeles | 41,000 | 0.92% | 5 | 35,543 | 1.01% | 5 |
| Kaiser Permanente | 36,500 | 0.82% | 6 | 32,180 | 0.91% | 6 |
| State of California | 30,400 | 0.68% | 7 | 30,200 | 0.86% | 7 |
| Northrop Grumman Corp. | 18,000 | 0.40% | 8 | 21,000 | 0.60% | 8 |
| University of Southern California | 16,600 | 0.37% | 9 | | | |
| Target Corp | 14,200 | 0.32% | 10 | | | |
| Kroger Co. (Ralph's Grocery Co.) | | 0.01% | | 14,000 | 0.39% | 10 |
| Boeing | | 0.00% | | 15,825 | 0.45% | 9 |
| All Other Employers | 4,030,100 | 90.53% | | 3,100,484 | 87.99% | |
| Total | 4,451,600 | 100% | | 3,523,435 | 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 |
|-------------|-------|------------------------|--------|-----------------------------|--------------------------|-----------------------------|------------------|------------------------|
| 2006 | 306 | 2 | 37 | 736 | \$ 78 | 21 | 14,889 | 28.30% |
| 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% |

Source: Foothill Transit Finance Department


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: | 46 |
| 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 | 315 |
| Electric Powered | 15 |
| Operational and Maintenance Facilities: | 2 |
| Sales Outlets (Transit Stores): | 5 |
| Bus Routes/Lines: | |
| Express | 9 |
| Local | 27 |
| Bus Stops | 2,243 |
| Annual Service Hours (1) | 759,784 |
| Annual Passengers (1) | 14,596,534 |
| Average Weekday Boardings (1) | 48,731 |

Source: Foothill Transit Finance Department

1) Fiscal year 2014-15

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Compliance Reports

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FOOTHILL TRANSIT

(A Joint Powers Authority)

Schedule of Expenditures of Federal Awards Year ended June 30, 2015

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Grant Number</u> | <u>Expenditures</u> |
|---|------------------------------------|-------------------------|---------------------------------|
| <u>U.S. Department of Transportation</u> | | | |
| Direct Programs | | | |
| Federal Transit Administration: | | | |
| Federal Transit Cluster: | | | |
| Section 5309 - Capital Investment Grant | 20.500 | CA-04-0093 | \$ 3,603,691 |
| | | | <u>3,603,691</u> |
| Section 5307 - Formula Grant | 20.507 | CA-90-Z226 | 13,585,935 |
| | 20.507 | CA-95-X138 | 504,075 |
| | 20.507 | CA-90-Z070 | 16,744,136 |
| | | | <u>30,834,146</u> |
| Total Federal Transit Cluster | | | <u>34,437,837</u> |
| Total U.S. Department of Transportation | | | <u>\$ 34,437,837</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: There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

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



FOOTHILL TRANSIT

(A Joint Powers Authority)

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

a. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by Foothill Transit that are reimbursable under federal programs of the federal financial assistance. For the purpose of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly for a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the full accrual basis of accounting. Under the full accrual basis of accounting, expenditures are recognized when incurred. Expenditures are incurred when Foothill Transit becomes obligated for payment as a result of the receipt of related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program.

**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, 2015, 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 14, 2015.

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 14, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
AND 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 Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

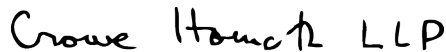
Report on Internal Control over Compliance

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Crowe Horwath LLP

Sherman Oaks, California
October 14, 2015

FOOTHILL TRANSIT
(A Joint Powers Authority)

Schedule of Findings and Questioned Costs
June 30, 2015

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? Yes No

Identification of major programs:

CFDA 20.500 / 20.507 - Federal Transit Cluster

Dollar threshold used to distinguish type A and B programs: \$ 1,033,135

Auditee qualified as low-risk auditee? Yes No



FOOTHILL TRANSIT
(A Joint Powers Authority)
Schedule of Findings and Questioned Costs
June 30, 2015

**SECTION 2 - FINDINGS RELATING TO THE FINANCIAL STATEMENTS, WHICH ARE
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

**SECTION 3 - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING
AUDIT FINDINGS AS DEFINED IN OMB CIRCULAR A-133 SECTION 510(A):**

None

SECTION 4 - PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None

**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), and Proposition 1B Transit Modernization Bridge Funding 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, 2015.

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, 2015.

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 the Transportation Development Act program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on the Transportation Development Act 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 Transportation Development Act 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 the Transportation Development Act 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 Transportation Development Act 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 14, 2015

**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, 2015.

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, 2015.

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 the Proposition A and Proposition C Discretionary Programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on the Proposition A and Proposition C Discretionary Programs 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 the Proposition A and Proposition C Discretionary Programs 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 the Proposition A and Proposition C Discretionary Programs 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 Proposition A and Proposition C Discretionary 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 14, 2015

**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, 2015.

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, 2015.

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 the Measure R Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on the Measure R 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 the Measure R 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 the Measure R 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 14, 2015



December 11, 2015

To: Executive Board

Subject: **Contract Award - Fare Restructuring Study**

Recommendation

Authorize the Executive Director to enter into Agreement No. 16-016 with Four Nines Technologies in the amount of \$150,000 for a comprehensive analysis of the Foothill Transit fare structure with recommendations for alternatives, development of a model to forecast ridership and revenue changes, and preparation of a Title VI analysis.

Analysis

On August 28, 2015, the Executive Board authorized the issuance of RFP No. 16-016, for Foothill Transit to seek Proposals from qualified firms or individuals to conduct a fare restructuring study that will evaluate Foothill Transit's current fare structure, provide recommendations, and that will function as a predictive tool to be applied in the future, as needed.

On September 24, 2015, a pre-proposal conference was conducted and five potential proposers attended. Proposals were received from five firms on November 5, 2015. The top four highest ranked firms were invited to an evaluation interview during the week of November 30, 2015. As shown on **Attachment A**, Four Nines Technologies was ranked highest by the evaluation team.

The scope of work for the fare restructuring study includes the following:

- Analysis of Foothill Transit current fare structure and review of other peer agency fares
- Ranking criteria and alternative concepts for consideration
- Development of technical model to test fare elasticity, ridership impacts, revenue and FAP changes
- Title VI analysis
- Recommendations for Board consideration



The scope also includes an option to conduct an on-line survey to gather data and feedback from current and potential riders. Four Nines Technologies has priced Option 1 at \$14,700. Foothill Transit is not exercising the option at this time.

Four Nines Technologies was formed in 2012 by a group of fare analysis and fare collection and technology experts. Together with their sub-consultants, Matsumoto Consulting and NWC Partners, they collectively have over 125 years of transit industry experience conducting fare studies, modeling impacts of fare changes on ridership, preparing alternatives and recommendations to maximize the agency's goals and minimize negative impacts to customers and communities. Other recent engagements include regional fare policy for Boise VRT, fare structure study for Denver RTD, regional means-based transit fare pricing study for MTC in the San Francisco Bay Area, and fare policy and ridership estimates for SCRRA (Metrolink).

Budget Impact

Funding for this study is included in Foothill Transit's approved Fiscal Year 2015/2016 budget.

Sincerely,

Handwritten signature of Michelle Lopes Caldwell in blue ink.

Michelle Lopes Caldwell
Director of Finance & Treasurer

Handwritten signature of Doran J. Barnes in blue ink.

Doran J. Barnes
Executive Director

Attachment

Attachment A

| | | Proposer | | | |
|--|-------------------|------------------------------|----------------------------|-----------------------------|--|
| Evaluation Factors | Max. Score | CH2M HILL Engineers, Inc. | Four Nines Technologies | LTK Engineering Services | Nelson\Nygaard Consulting Associates, Inc. |
| 1. Work Plan and Technical Approach | 40 | 36.30 | 37.05 | 34.10 | 28.05 |
| 2. Statement of Qualification, Experience and Organizational Relationships | 25 | 22.56 | 23.13 | 20.50 | 17.97 |
| 3. Price | 20 | 14.89 | 13.95 | 11.50 | 20.00 |
| 4. Project Understanding | 15 | 12.69 | 13.18 | 11.50 | 10.52 |
| Overall Score | 100 | 86.44 | 87.31 | 77.60 | 76.54 |
| Rank | | 2 | 1 | 3 | 4 |



December 11, 2015

To: Executive Board

Subject: **Policy and Procedures Related to Unruly Passengers**

Recommendation

Receive and file a report on Foothill Transit's Policy and Procedures Related to Unruly Passengers.

Analysis

As part of a statewide transit agency effort, Foothill Transit is leading an initiative to create Policy and Procedures related to Unruly Passengers. While Unruly Passenger incidents are infrequent on Foothill Transit service, it is still beneficial to have policy and procedures in place for the safety and security of our passengers. These may serve as a template for the California Transit Association to publish for reference by other transit agencies. **Attachment A** to this report is a draft of the Policy and Procedures related to Unruly Passengers.

Foothill Transit currently employs a passenger code of conduct, entitled Bus Guidelines and Etiquette, located in the bus book. The passenger code of conduct requires passengers to treat their bus operator, fellow passengers and Foothill Transit property respectfully. Additionally, it states that rowdy, disruptive, threatening or unlawful behavior will not be tolerated. In order to enforce the safety and security portion of the passenger code of conduct, Foothill Transit has developed the following Policy and Procedures related to Unruly Passengers.

A passenger may be suspended by Foothill Transit if the passenger engages in one of the following activities:

- Physically or verbally threatens another passenger or an employee or agent of Foothill Transit,
- Physically or verbally abuses another passenger or an employee or agent of Foothill Transit,
- Engages in any conduct or activity that is hazardous to him/herself or to any other person on a bus,
- Damages or destroys any property of Foothill Transit.

If the passenger engages in any of the activities described, the operator of any Foothill Transit vehicle may radio the dispatch office to report a passenger's unacceptable behavior. The dispatcher shall take appropriate action which could



include summoning law enforcement assistance and dispatching a road supervisor, or dispatching a road supervisor. The decision of the law enforcement officer regarding the law enforcement agency's disposition of the passenger is final. In the event that law enforcement personnel does not respond to the incident in a timely manner, a road supervisor may nonetheless determine that removing the passenger from the bus is appropriate. If this action is taken, the road supervisor will evaluate whether the passenger needs to be transported to a location where there is shelter available.

Upon review of the incident by the General Manager of the impacted operations and maintenance facility, it may be determined that the passenger's behavior warrants suspension from Foothill Transit service. The length of the suspension will be determined by the General Manager of the impacted Operations and Maintenance Contractor, upon the recommendation of the Safety Committee. The Safety Committee will be comprised of Foothill Transit's Director of Customer Service and Operations, Safety Compliance Coordinator, and the General Managers and Safety Managers of both contract operations and maintenance facilities. Any decision to exclude a passenger from Foothill Transit service will be communicated to the passenger in a written Notice of Exclusion which states the reasons for and the duration of the exclusion. The Notice of Exclusion will be sent via certified mail. The passenger will be provided the opportunity to appeal the decision, which can be communicated in writing, through email, or by telephone.

In anticipation of the Federal Transit Administration's system safety oversight requirement, Foothill Transit has designated its Deputy Executive Director as its Chief Safety Officer. Foothill Transit's Chief Safety Officer will conduct the review and respond within two business days.

The Policy and Procedures related to Unruly Passengers has been reviewed by Foothill Transit's General Counsel. Information on the Policy and Procedures will be included in the Bus Book and on Foothill Transit's website.

Budget Impact

The above recommendation has no impact on the budget.

Sincerely,

Handwritten signature of Ali Showkatian in blue ink.

Ali Showkatian
Safety Compliance Coordinator

Handwritten signature of Doran J. Barnes in blue ink.

Doran J. Barnes
Executive Director



Foothill Transit

Policy & Procedures related to Unruly Passengers



Foothill Transit

Policy and Procedures related to Unruly Passengers

All individuals using the transportation services furnished by Foothill Transit are expected to conduct themselves courteously and safely. Foothill Transit service may be suspended either temporarily or permanently if a passenger:

- physically or verbally threatens another passenger or an employee or agent of Foothill Transit; (ex: Male passenger boarded a bus in the evening, and showed some signs of intoxication. 3 female passengers boarded the bus several stops later. Intoxicated passenger harassed the 3 females, and when asked to stop, intoxicated passenger verbally threatened the females with physical violence. Bus operator contacted dispatch, and dispatch sent road supervisor and requested law enforcement assistance to the bus en route.)
- physically or verbally abuses another passenger or an employee or agent of Foothill Transit; (ex: Bus operator quoted fare to passenger upon boarding bus, passenger was upset as she did not have proper fare. Passenger slapped operator across the face.)
- engages in any conduct or activity that is hazardous to him/herself or to any other person on a bus; (ex: Passenger with signs of mental illness was having a bad day, and in turn continuously banged head on bus window.)
- damages or destroys any property of Foothill Transit. (ex: While bus travelling en route, passenger used a sharp object to create etching on rear of passenger seat.)

If an individual is involved in any activity of the type described above, that individual is subject to the following action:

The operator of any Foothill Transit vehicle may radio the dispatch office to report a passenger's unacceptable behavior or actions. The dispatcher will take the appropriate action which could include:

1. Summon law enforcement assistance and dispatch a road supervisor.

The decision of the law enforcement officer regarding the law enforcement agency's disposition of the passenger is final. If the passenger is not removed or arrested by the law enforcement officer, a road supervisor may nonetheless determine to remove the passenger from a bus. If this action is taken, the supervisor should evaluate whether the passenger needs to be transported to a location where there is shelter available.



Foothill Transit

Policy and Procedures related to Unruly Passengers

2. Dispatch a road supervisor.

A road supervisor may remove a passenger from a bus. If this action is taken, the supervisor should evaluate whether the passenger needs to be transported to a location where there is shelter available.

In all cases, an incident report must be filed prior to completion of shift with the Operations Manager and General Manager of the operating facility. The General Manager will then ensure that Foothill Transit's Director of Customer Service and Operations is informed. The General Manager of the operating facility or a designee can recommend banning the individual from using Foothill Transit's services. The length of the exclusion will be determined by the General Manager, upon recommendation by the Safety Committee on a case by case basis. The Safety Committee will be comprised of the Foothill Transit Customer Service & Operations Director, Safety Compliance Coordinator, and General Manager and Safety Managers of both contract facilities. If the General Manager determines that banning a passenger from using Foothill Transit's service is appropriate, that decision will be communicated to Foothill Transit staff and partner Foothill Transit operations and maintenance contract General Manager.

A decision to ban a passenger must be communicated to the passenger in a written Notice of Exclusion which states the reasons for and the duration of the ban. The Notice of Exclusion will be sent via certified mail. Foothill Transit will provide the banned passenger an opportunity to appeal the decision. Appeals must be made by contacting the Chief Safety Officer of Foothill Transit in writing, by email or by telephone within 21 days of commencement of exclusion order. Supporting documentation may be provided.

In appropriate cases a General Manager may determine that a Court-Ordered Restraining Order is necessary to protect the safety of the operators or service. There are several type of restraining orders that may be sought (workplace violence, civil harassment, and domestic violence) depending on the facts and circumstances. The General Manager should determine how to proceed in coordination with the Foothill Transit Chief Safety Officer.

Foothill Transit will provide the banned passenger an opportunity to appeal the decision. Appeal must be sent within 21 days of commencement of exclusion order. Supporting documentation may be provided, but limited to 10 pages. Appeals can be sent via certified mail, electronic mail (e-mail), phone call, or recorded voicemail.



Foothill Transit

Policy and Procedures related to Unruly Passengers

Written appeals will be sent to Foothill Transit, Attn: Exclusion Appeals, 100 S. Vincent Ave, Suite 200, West Covina, CA 91790. E-mail appeals should be sent to appeals@foothilltransit.org. If appeal is made by phone, number to dial is (626) 931 - 7300.

The review will be conducted by the Chief Safety Officer. The Chief Safety Officer will respond within 2 business days from the day the request is received.



December 11, 2015

To: Executive Board

Subject: **Fiscal Year 2015-2016 First Quarter Budget Update**

Recommendation

Receive and file the First Quarter Budget Update for the fiscal year ending on June 30, 2016.

The attached Departmental First Quarter Budget Result summarizes Foothill Transit's expenditures through the first quarter and provides a forecast to complete the fiscal year.

Budget Update

As of September 30, 2015, Foothill Transit is \$1.7 million under the approved year-to-date operating budget of \$19.7 million. This variance is primarily attributable to activities which are scheduled to proceed later in the fiscal year. Examples of such activities include the Bus Rodeo, procurement of bus operator uniforms, implementation of the West Coast Multi-Agency Exchange (MAX) program, procurement of an E-Bid system, and procurement of a new transit operations and maintenance contract in Arcadia.

After reviewing the first quarter budget and expenditures, Foothill Transit is forecasted to end the fiscal year approximately \$580,000 under the approved operating budget of \$79 million. The expected budget under run is primarily due to positions which were not filled during the first quarter or are not expected to be filled during the fiscal year.

Operating Accomplishments

A major accomplishment during the first quarter was the issuance of the RFP to award a contract to operate and maintain transit services out of the Foothill Transit Arcadia facility. Other accomplishments include mobilization activities for the replacement of Foothill Transit's current CAD/AVL bus equipment and the installation of digital radios to replace the agency's outdated analog radios. The Comprehensive Annual Financial Audit Report (CAFR) was completed and Foothill Transit received a clean audit.



Capital Project Accomplishments

Major achievements during the first quarter of FY2015/2016 in the capital programs include construction of the Azusa Intermodal Transit Center and repainting of 56 buses with new livery design and installation of seat barriers for safety.

FY2015/2016 Budgetary Variances

The first-quarter budget analysis did not identify any accounts with over runs that are not expected to be ameliorated by the end of the fiscal year.

Ridership continues to be under budget and as a result fare revenues are also under the planned budget.

Areas for Budgetary Improvement

Staff will continue to review and analyze the budget on a quarterly basis to avoid inadequate budgeting as well as to identify future improvements.

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 "Doran J. Barnes".

Doran J. Barnes
Executive Director

Attachment



Executive Board Meeting - 12/11/15
 Fiscal Year 2015-2016 First Quarter Budget Update
 Page 3

FY15/16 Quarterly Budget Variance Report
 TOTAL BUDGET BY DEPARTMENT
 QTR 1: From July 1, 2015, to
 September 30, 2015

| | Dept # | DEPARTMENTS | Actual Y-T-D | Budget Y-T-D | Variance Fav(unf) | Annual Budget | Annualized Expenses | Annual Variance | Adjustment | Forecast Variance | Forecast to Complete |
|----|--------|----------------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|----------------------|-------------------|----------------------|
| 1 | 10 | Customer Service & Operations | \$15,764,372 | \$16,601,676 | \$837,304 | \$66,406,690 | \$63,057,487 | \$3,349,203 | (\$3,145,103) | \$204,100 | \$66,202,590 |
| 2 | 11 | Maintenance & Vehicle Technology | 151,992 | 192,522 | 40,530 | 770,070 | 607,970 | 162,100 | (63,355) | 98,745 | \$671,325 |
| 3 | 20 | Marketing | 361,290 | 477,726 | 116,436 | 1,910,890 | 1,445,161 | 465,729 | (444,273) | 21,456 | \$1,889,434 |
| 4 | 30 | IT | 353,500 | 567,117 | 213,617 | 2,268,460 | 1,413,998 | 854,462 | (854,462) | 0 | \$2,268,460 |
| 5 | 40 | Administrative | 561,240 | 795,987 | 234,747 | 3,183,950 | 2,244,958 | 938,992 | (737,177) | 201,815 | \$2,982,135 |
| 6 | 41 | Procurement | 137,454 | 208,350 | 70,896 | 833,400 | 549,817 | 283,583 | (279,758) | 3,825 | \$829,575 |
| 7 | 60 | Finance | 243,478 | 298,279 | 54,801 | 1,120,100 | 958,913 | 161,187 | (161,187) | 0 | \$1,120,100 |
| 8 | 80 | Planning | 204,838 | 281,439 | 76,601 | 1,125,750 | 819,352 | 306,398 | (258,275) | 48,123 | \$1,077,627 |
| 9 | 90 | Facilities | 326,258 | 358,161 | 31,903 | 1,432,660 | 1,305,033 | 127,627 | (127,627) | 0 | \$1,432,660 |
| 10 | | TOTAL | \$18,104,422 | \$19,781,257 | \$1,676,835 | \$79,051,970 | \$72,402,689 | \$6,649,281 | (\$6,071,217) | \$578,064 | \$78,473,906 |



December 11, 2015

To: Executive Board

Subject: **Transit Store Quarterly Report**

Recommendation

Receive and file the Transit Store Quarterly Report.

Analysis

Pass Sales (Attachments A & B): Sales for July - September totaled \$1,293,248. The Pass Sales figure represents a decrease of 14 percent from the sales during the same period of FY 2014/15. The decrease is primarily attributable to decreases in sales of Student Local and Silver Streak as well as Senior and Disabled Local and Silver Streak passes.

Attachment A provides a graphic representation of the three-month sales figures by store. Attachment B provides a graphic representation of the three-month sales figures by product type. Sales by Transit Store are also summarized in the table below.

| Location | July 2015 | August 2015 | September 2015 | FY 2015/16 |
|--------------|------------------|------------------|------------------|--------------------|
| El Monte | \$107,824 | \$105,433 | \$112,348 | \$325,605 |
| Pomona | \$85,845 | \$89,384 | \$95,428 | \$270,657 |
| Puente Hills | \$87,951 | \$101,964 | \$95,790 | \$285,705 |
| West Covina | \$56,734 | \$65,303 | \$67,224 | \$189,261 |
| Claremont | \$43,638 | \$46,306 | \$45,324 | \$135,268 |
| Online Sales | \$28,696 | \$28,652 | \$29,405 | \$86,753 |
| Total | \$410,688 | \$437,042 | \$445,519 | \$1,293,249 |



Phone Activity (Attachments C & D): In July, August and September, a total of 85,262 phone calls were received through the toll-free customer service line. Customer Service Representatives (CSRs) answered 92 percent of incoming phone calls with an average time to answer of 27 seconds. The average handling time of a call was one minute and 45 seconds. Compared to last year, this was a less than one percent decrease in the total number of calls received and in the total number of calls answered. Transdev, the Transit Store contractor, continues to monitor and seek improvements in call center management and the overall service provided to Foothill Transit customers.

| Customer call handling | | | | | |
|------------------------|---------------------|----------------|----------------|------------------------|-----------------------|
| Month | % of calls answered | Calls received | Calls answered | Average time to answer | Average handling time |
| July 2015 | 94% | 28,215 | 26,607 | 0:20 | 1:43 |
| August 2015 | 92% | 28,324 | 25,980 | 0:29 | 1:44 |
| September 2015 | 91% | 28,723 | 26,083 | 0:32 | 1:47 |
| Total | 92.0% | 85,262 | 78,670 | 0:27 | 1:45 |

Walk-in Traffic (Attachment E): Walk-in traffic recorded for all stores during this time period totaled 85,848 entries. This figure likely underestimates the actual number of store visits as the people-counter system in use during this period was not functioning properly. A new people counter system has been installed and initial reports indicate that more accurate accounting of walk-in traffic is now available and will be reflected in future reports. This new system also provides enhanced reporting including traffic based on time of day and day of week at each location to better assist in scheduling of personnel.

Sincerely,


LaShawn King Gillespie

Director of Customer Service & Operations

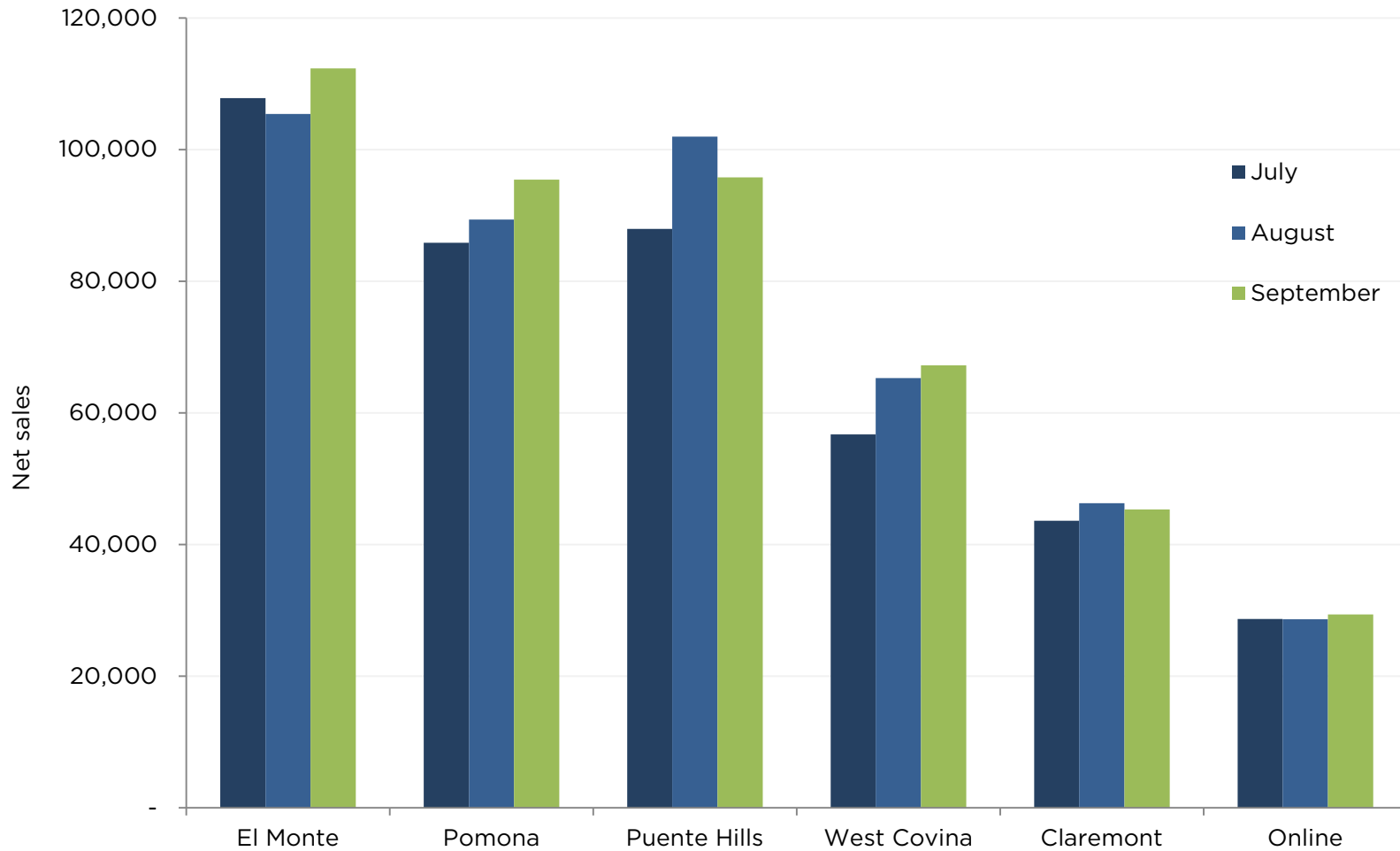


Doran J. Barnes
Executive Director

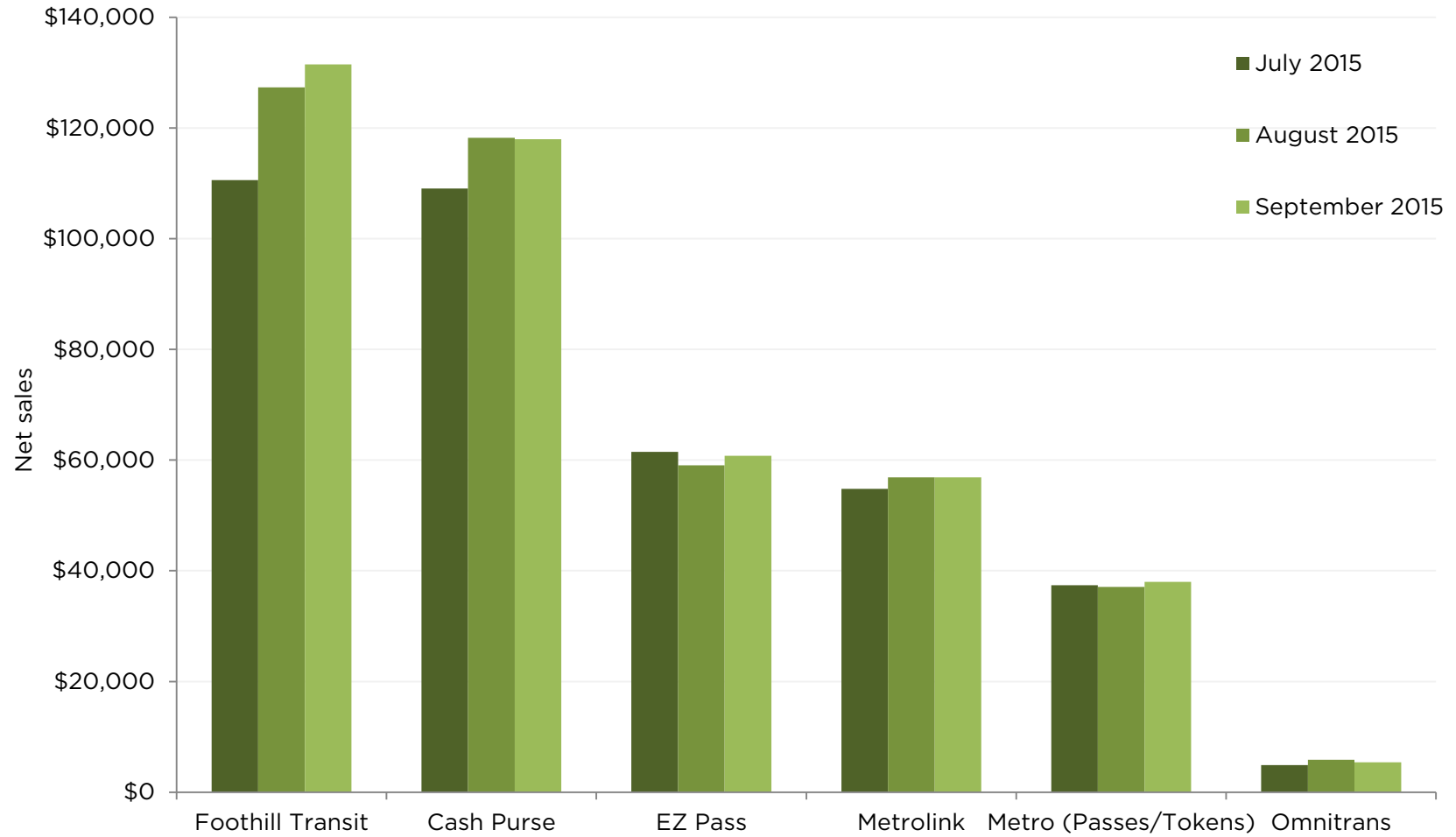
Attachments

Transit Store Quarterly Report

Sales Trend by Store (July – September 2015)

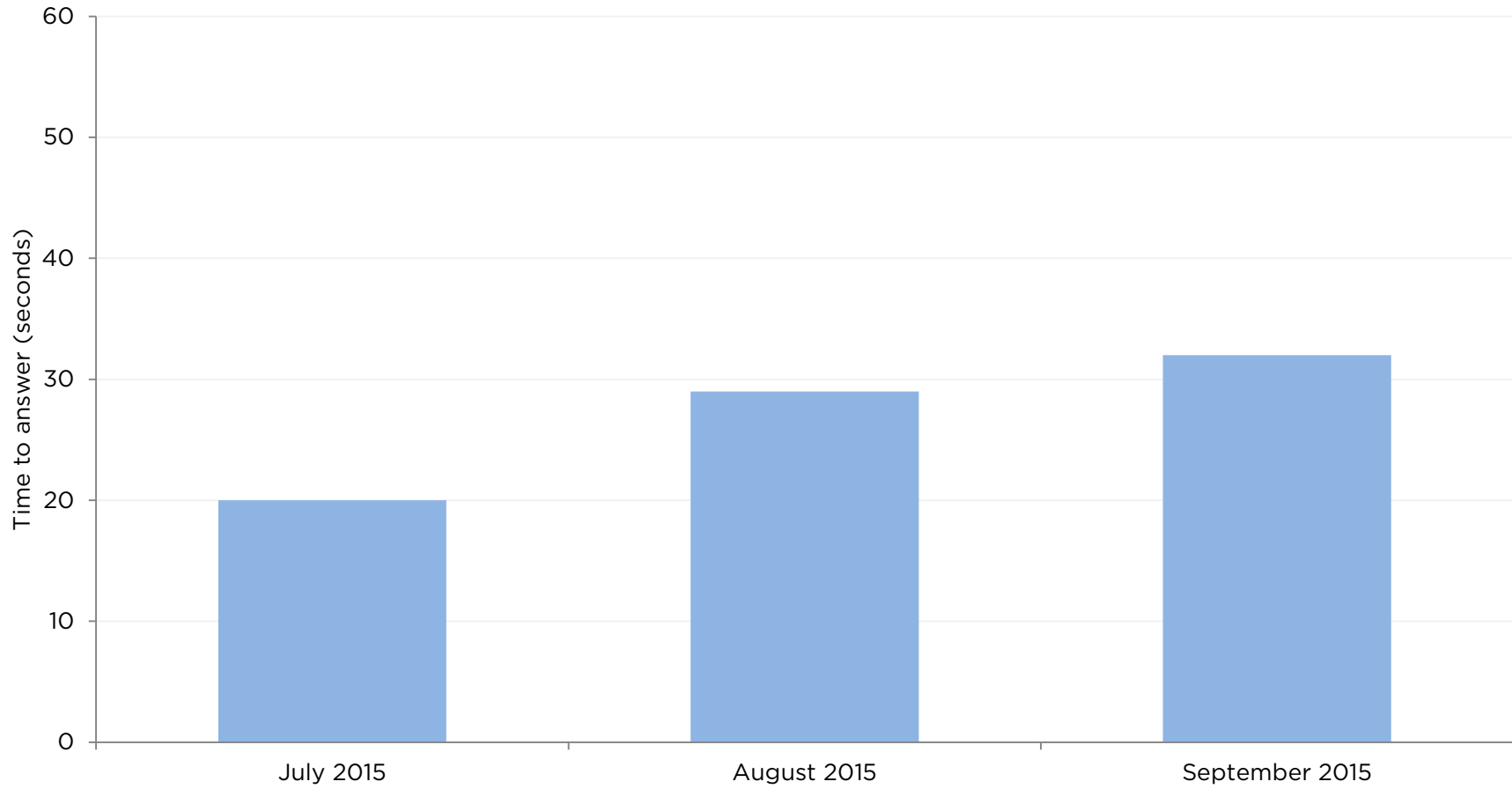


Transit Store Report Sales Trends by Product (July – September 2015)

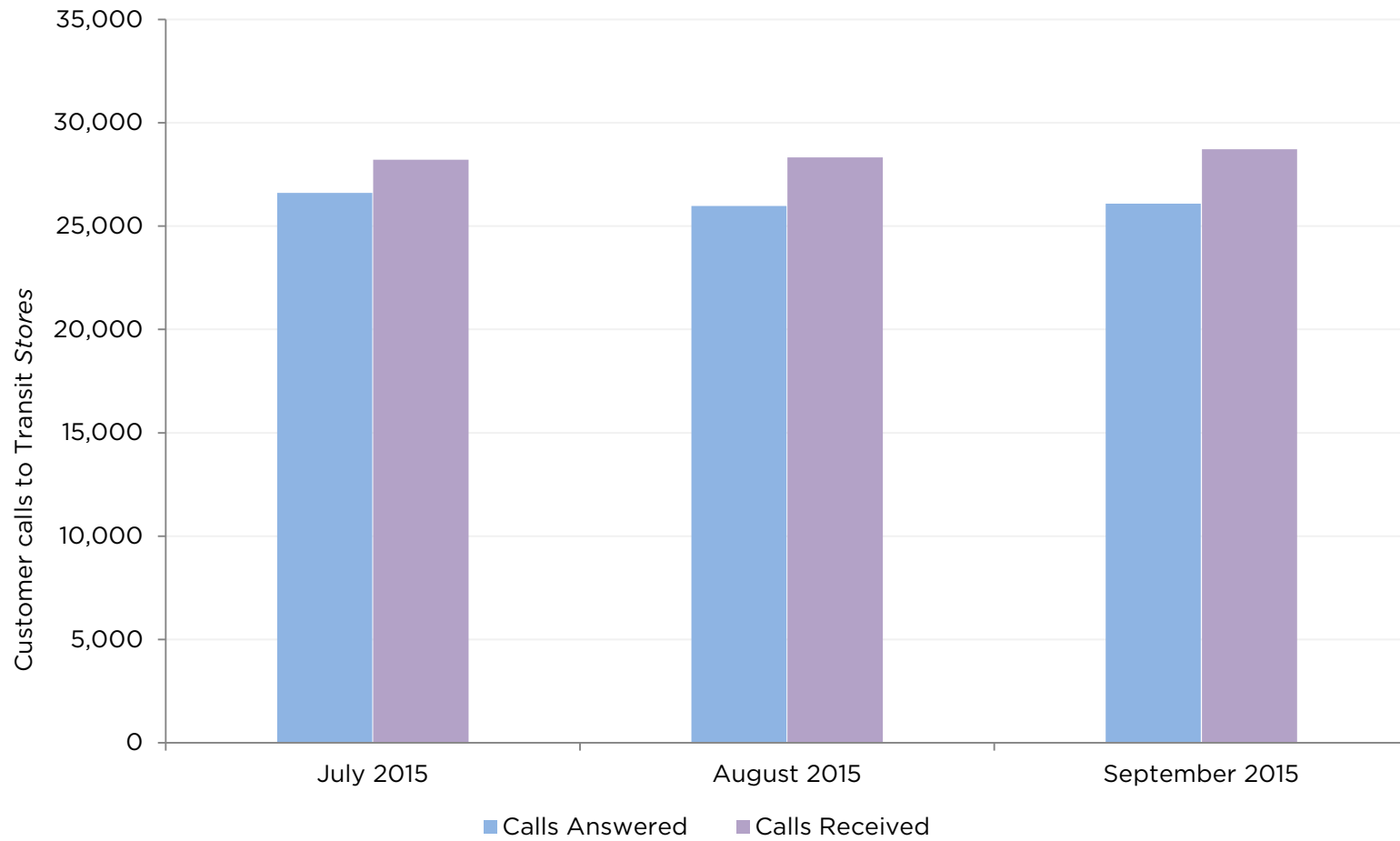


Transit Store Report

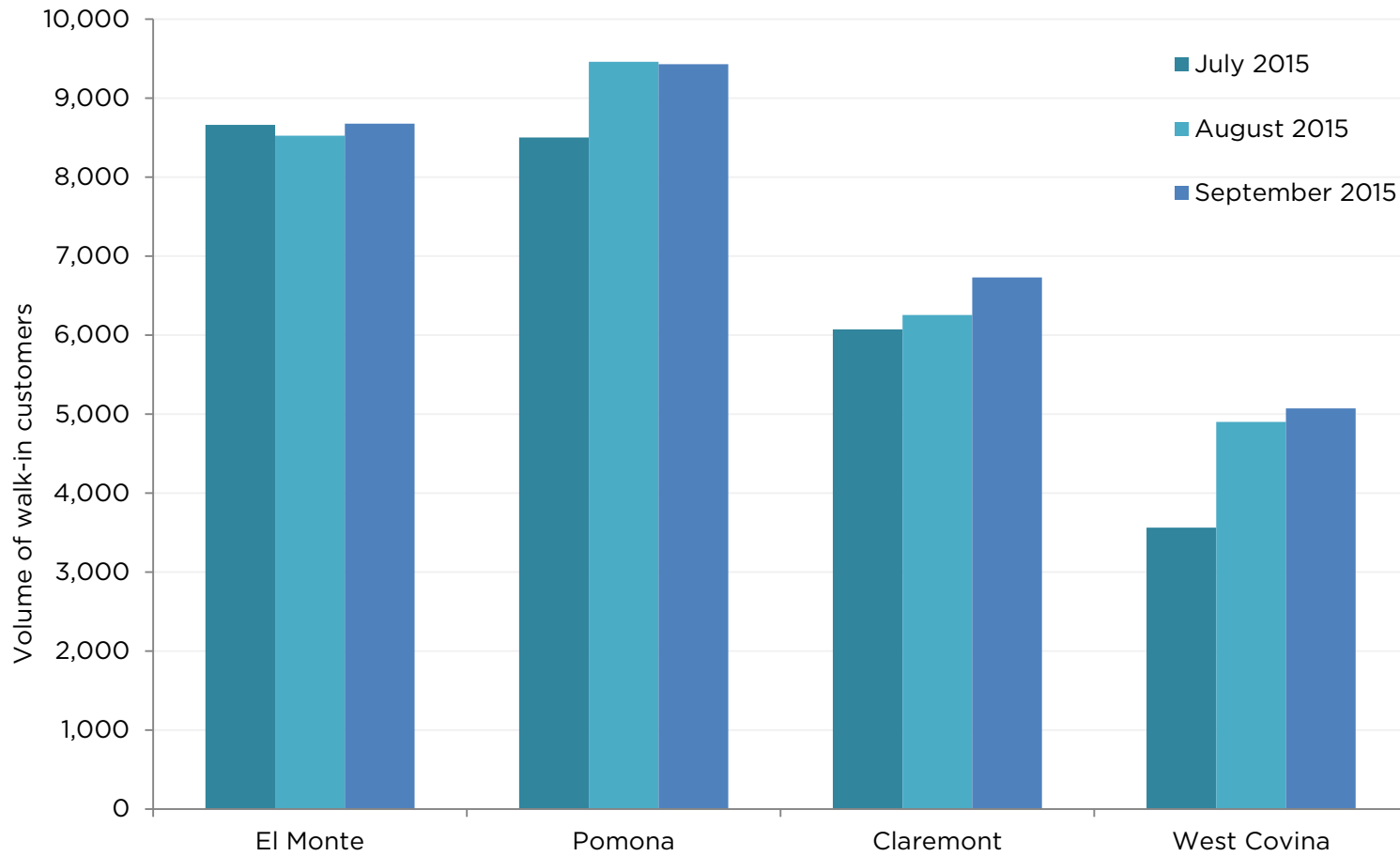
Average Time to Answer (July – September 2015)



Transit Store Report Total Calls Answered (July – September 2015)



Transit Store Report Total Walk-in Traffic (July – September 2015)¹



¹ Data for Puente Hills location not available due to equipment maintenance.