



**Foothill Transit**  
Going Good Places

## **SPECIAL EXECUTIVE BOARD MEETING**

West Covina, CA  
Friday, March 24, 2016



Foothill Transit

# Executive Board Meeting AGENDA

## SPECIAL EXECUTIVE BOARD MEETING

9:00 AM, March 24, 2017

Foothill Transit Administrative Office

2<sup>nd</sup> Floor Board Room

100 South Vincent Avenue

West Covina, CA 91790

1. CALL TO ORDER
2. ROLL CALL: MEMBERS CALAYCAY, HERRERA, PEDROZA, STERNQUIST, WARSHAW
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES FOR THE STRATEGIC PLANNING WORKSHOP OF FEBRUARY 3, 2017 AND EXECUTIVE BOARD MEETING OF FEBRUARY 24, 2017
5. PUBLIC COMMENT

CONSENT CALENDAR: Items 6 through 16 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.

## 6. FEBRUARY 2017 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY

*Recommended Action: Receive and file the Financial Statements and Investment Summary year-to-date report through February 28, 2017.*

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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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7. FEBRUARY 2017 PERFORMANCE INDICATORS REPORT

*Recommended Action: Receive and File the February 2017 Performance Indicators Report.*

8. MARCH 2017 LEGISLATIVE SUMMARY

*Recommended Action: Receive and file the March 2017 Legislative Summary. Adopt a support position on AB 113.*

9. TRANSIT STORE QUARTERLY REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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10. CONTRACT AWARD – BUS FLEET SURVEILLANCE EQUIPMENT UPDATE

*Recommended Action: Authorize the Executive Director to negotiate final terms and conditions and enter into Sole-Source Agreement No. 17-073 with Transit Solutions Inc. (TSI) in the amount of Seven Hundred Thirty-Three Thousand, Seven Hundred Forty-Three dollars (\$733,743) sales tax included, to update Foothill Transit's bus fleet surveillance equipment.*

11. RESOLUTION FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM

*Recommended Action: Adopt the following resolution: Resolution No. 2017-01: Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) Project "Foothill Transit Line 280 Expansion and Electrification" in the Amount of \$236,658 (Attachment A).*

12. RESOLUTION FOR THE CALIFORNIA TRANSIT SECURITY GRANT PROGRAM

*Recommended Action: Adopt the following resolution: Resolution No. 2017-02: Authorization for the Executive of the California Transit Security Grant Program (CTSGP-CTAF) Project "Facility Security Upgrades" in the Amount of \$654,386 (\$327,193 for FY2015-16 and \$327,193 for FY2016-17) (Attachment A).*

13. REQUEST TO ISSUE RFQ NO. 17-069 – ON-CALL ARCHITECTURAL & ENGINEERING SERVICES

*Recommended Action: Authorize the Executive Director to issue RFQ No. 17-069 for On-Call Architectural & Engineering Services.*

14. REQUEST TO ISSUE RFQ NO. 17-067 – MATERIALS TESTING AND SPECIAL INSPECTIONS SERVICES FOR COVINA TRANSIT CENTER

*Recommended Action: Authorize the Executive Director to issue RFQ No. 17-067 Materials Testing and Special Inspections Services for Covina Transit Center.*

15. FY2017/2018 FINANCIAL STRATEGIES

*Recommended Action: Approve the FY2017/FY2018 financial strategies for budget planning that are proposed in support of Foothill Transit's adopted Financial Stability Policy.*

16. HUMAN RESOURCE COMPENSATION AND BENEFITS

*Recommended Action: Approve the following recommendations regarding the Foothill Transit employee compensation and benefits programs: A. Modify the job titles to match the current and proposed employee job titles; B. Increase Foothill Transit's contribution to the retirement fund by one percent of the employee's gross salary, make the Foothill Transit contribution eight percent*



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*(plus an additional four percent match to employee contribution); C. Modify the internship program to allow student interns to work flexible schedules while adhering to laws for part-time employment; and Reimburse employees for annual out-of-pocket in excess of \$5,000 but not-to-exceed \$20,000, net of taxes, for medical costs for themselves or covered dependents due to a prolonged injury or illness.*

REGULAR AGENDA:

17. CONTRACT AWARD - OPERATIONS AND MAINTENANCE - POMONA FACILITY

*Recommended Action: Authorize the Executive Director to award a four-year contract to Keolis Transit Services, LLC for transit operations and maintenance services at Foothill Transit's Pomona facility. The contract will include one four-year option to be exercised at Foothill Transit's sole discretion. The projected four-year base contract cost is \$115.8 million, including startup costs, and the cumulative cost over the potential eight-year life of the contract is projected at \$237.2 million.*

18. CONTRACT AWARD - DESIGN BUILD SERVICES FOR COVINA TRANSIT CENTER AND PARK & RIDE PROJECT

*Recommended Action: Approve the recommendation of W.M. Klorman Construction Corporation as the highest rated proposer and authorize the Executive Director, upon receiving National Environmental Policy Act (NEPA) clearance from the Federal Transit Administration, to award a contract and enter into an Agreement with Klorman Construction in the amount of \$13,484,132 for Design-Build services for the Covina Transit Center and Park & Ride Project.*

19. EXECUTIVE DIRECTOR COMMENT

20. BOARD MEMBER COMMENT

21. ADJOURNMENT

**The Executive Board Meeting scheduled for  
Friday, April 28, 2017 is cancelled.**

**A Special Meeting of the Executive  
Board is scheduled for  
Tuesday May 2, 2017 at 8:00 a.m.**



**Foothill Transit**

**STATEMENT OF PROCEEDINGS FOR THE  
FOOTHILL TRANSIT EXECUTIVE BOARD  
STRATEGIC PLANNING WORKSHOP**

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

**Friday, February 3, 2017  
8:00 a.m.**

**1. CALL TO ORDER**

The meeting was called to order by Chair Herrera at 8:06 a.m.

**2. ROLL CALL**

Roll call was taken by Christina Lopez, Board Secretary.

Present: Member Corey Warshaw, Member Cynthia Sternquist, Member Sam Pedroza, Vice Chair Corey Calaycay, Chair Carol Herrera,

Chair Herrera welcomed Executive Board Alternate Cruz Baca.

**3. PUBLIC COMMENT**

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

**4. STRATEGIC PLANNING WORKSHOP**

Mr. Stark, representing Peter Barron Stark & Associates, Inc., retreat moderator, greeted attendees, provided opening statements covering the overall emphasis of the workshop, and distributed the workshop workbook for discussion and completion by attendees.

Review of Past Year/Pre-Retreat Interviews and Self-Assessment

Board Members and staff highlighted the accomplishments by Foothill Transit for the past year. In addition, Mr. Stark gave an overview of Executive Board and staff member interviews conducted on January 23, 2017.

- Overall financial condition
- National and international reputation



- The will to adjust routes due to ridership needs
- Success in writing grants and obtaining monies
- Training opportunities for staff
- Electric bus program
- Proterra facility in City of Industry
- CAD/AVL replacement
- Relationship with member cities
- First transit agency in the nation to be awarded a platinum sustainability award from APTA
- National leadership
- AdWheel Award for commitment to go all electric
- Board and staff relationship
- Azusa Intermodal Transit Center
- APTA involvement
- Staff involvement in resolving issues
- Innovation partnerships
- Proactive in transit industries
- Staff teamwork
- Class Pass

### **Discussion Topics**

#### Financial Forecast

Michelle Lopez Caldwell, Director of Finance and Treasurer, provided a verbal presentation on the Financial Forecast. Ms. Caldwell reported that every year an overall financial review that encompasses a 10 year period looking both backward at history and anticipates the future to ensure that Foothill Transit continues to maintain an operating and capital financial base that is sufficient to deliver safe, quality, and reliable transportation services. The forecast summarizes operating and capital revenues and expenses from 2013-2023.

#### Fare Restructuring

Michelle Lopez Caldwell, Director of Finance and Treasurer, provided a verbal presentation on the Fare Restructuring Study. Ms. Caldwell reviewed the goals and areas of importance identified by the Governing Board. She reported that the recommended alternative will be the result of the modeling process combined with the goals set by the board and staff. She discussed policy issues a board must consider when changing fares. An update will be provided at the February Governing Board Meeting and a request to go to public hearings with the preferred alternative will be presented in March 2017.

Service Enhancements

Joe Raquel, Director of Planning, provided a verbal presentation on fall 2017 Service Enhancements. Mr. Raquel reviewed with the Executive Board the proposed service enhancements, which include splitting Line 187, reroute of Line 480, combining Line 292 and 855, changing eastern terminus of Line 493, cancellation of Line 481 and Line 494, and adding reverse commute during AM peak on Line 493 and Line 498.

Class Pass Update

Katie Gagnon, Special Projects Manager, provided a verbal presentation on the Class Pass. She provided an update on the Class Pass at the University of La Verne, Mt. SAC, and Citrus College. Ms. Gagnon also reported on the current funding and fees for the Class Pass Program and a proposal to increase the boarding rate as part of the fare restructuring study.

Member City Transit Services

Kevin Parks McDonald, Deputy Executive Director, provided a verbal presentation on Member City Transit Services. Mr. McDonald reported that several member cities provide local transit service. Some of these services may be able to be operated at a lower cost by Foothill Transit. Mr. McDonald discussed Foothill Transit operating costs and capital costs, if Foothill Transit were to assume operation of these services.

Key Performance Indicator - Average Hold Time

LaShawn Gillespie, Director of Operations and Customer Service, provided a verbal presentation on changing the Average Hold Time Key Performance Indicator. Ms. Gillespie discussed with the Executive Board Members changing the Average Hold Time Key Performance Indicator to Percentage of Calls Answered.

On consensus, the Executive Board Members, accepted the verbal presentations by Staff.

5. **CLOSED SESSION**

CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
(Gov't Code § 54957)  
Title: Executive Director

Darold Pieper, General Council, reported that no reportable action was taken.





6. **ADJOURNMENT**

Adjournment for the February 3, 2017 Foothill Transit Executive Board Strategic Planning Workshop.

There being no further business, the Foothill Transit Executive Board Strategic Planning Workshop adjourned at 2:30 p.m.



**Foothill Transit**

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

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

**Friday, February 24, 2017  
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. FOCUS ON SAFETY**

Ali Showkatian, Safety Compliance Coordinator, presented a safety message on emergency evacuation preparation.

**4. ROLL CALL**

Roll call was taken by Christina Lopez, Board Secretary.

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

**5. APPROVAL OF AGENDA**

Staff requested that item number 23, Contract Award - Operations and Maintenance - Pomona Facility, be pulled from the agenda. Mr. Barnes stated that a protest has been received on that item that staff is currently processing. Once the protest review is completed the item will be brought to the Executive Board for action.

Chair Herrera approved the agenda as revised.

**6. REVIEW & APPROVAL OF THE MINUTES**

Approval of the minutes for the Regular Meeting of December 16, 2016.



Motion by Vice Chair Calaycay, second by Member Sternquist, the minutes for the Regular Meeting of December 16, 2016 were approved. Motion carried 5-0.

## 7. PRESENTATIONS

### 7.1 Contractors' Employee Recognition

Diane Williams, Assistant General Manager, First Transit, introduced and recognized the following Pomona location First Transit operator and employee of the month:

Robert Arras, Operator of the Month (February 2017)

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

Roman Wilkinson, Operator of the Month (February 2017)

Jose Garcia, Employee of the Month (February 2017)

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

### 7.2 New & Promoted Staff

New Staff:

Yamel Castro, Help Desk Administrator

Doran Barnes, Executive Director, introduced Bill Jackson, General Manager, Transdev who introduced new Transdev staff.

Denise Murphy Gonzalez, Assistant General Manager

Anthony Cunningham, Operations Manager

Bernard Brown, Training Manager

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

## 8. PUBLIC COMMENT

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



**CONSENT CALENDAR**

9. **JANUARY 2017 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY**

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

Motion by Member Warshaw, second by Member Sternquist, to receive and file. Motion carried 5-0.

10. **JANUARY 2017 PERFORMANCE INDICATORS REPORT**

Recommendation: Receive and file the January 2017 Performance Indicators Report.

Motion by Member Warshaw, second by Member Sternquist, to receive and file. Motion carried 5-0.

11. **FEBRUARY 2017 LEGISLATIVE SUMMARY**

Recommendation: Receive and file the February 2017 Legislative Summary. Adopt support positions on AB 1, SB 1, and AB 17.

Motion by Member Warshaw, second by Member Sternquist, to receive and file and adopt. Motion carried 5-0.

12. **COACH OPERATOR AUDIT RESULTS**

Recommendation: Receive and file the results of the Coach Operator Audits conducted in November of 2016.

Motion by Member Warshaw, second by Member Sternquist, to receive and file. Motion carried 5-0.

13. **REQUEST TO ISSUE INVITATION FOR BIDS (IFB) NO. 16-084 - POMONA FACILITY RENOVATIONS**

Recommendation: Authorize the Executive Director to Issue IFB No. 16-084 for construction renovation activities to the Pomona Operations and



Maintenance Facility.

Motion by Member Warshaw, second by Member Sternquist, to approve.  
Motion carried 5-0.

14. **REQUEST TO ISSUE REQUEST FOR PROPOSALS (RFP) NO. 17-065 -  
ARCADIA OVERFLOW PARKING LOT EXPANSION**

Recommendation: Authorize the Executive Director to issue RFP No. 17-065 for design and construction services for the expansion of the overflow parking at the Arcadia Operation and Maintenance Facility.

Motion by Member Warshaw, second by Member Sternquist, to approve.  
Motion carried 5-0.

15. **REQUEST TO ISSUE REQUEST FOR PROPOSALS (RFP) NO. 17-053 -  
GENERAL MARKETING SERVICES**

Recommendation: Authorize the Executive Director to issue Request for Proposals (RFP) No. 17-053 for General Marketing Services.

Motion by Member Warshaw, second by Member Sternquist, to approve.  
Motion carried 5-0.

16. **CONTRACT AWARD - NETWORK SECURITY MONITORING APPLIANCE**

Recommendation: Authorize the Executive Director to negotiate final terms and conditions and enter in Sole-Source Agreement No. 17-060 with Darktrace in the amount of one hundred eighty nine thousand, three hundred and thirty seven dollars and fifty one cents (\$189,337.51) to purchase a network security monitoring appliance.

Motion by Member Warshaw, second by Member Sternquist, to approve.  
Motion carried 5-0.

17. **CONTRACT AMENDMENT - 30 BUS PROCUREMENT**

Recommendation: Authorize the Executive Director to execute Amendment No. 17 to Contract No. 12-040 with New Flyer in the amount of One Hundred Sixty-Seven Thousand, Three Hundred and Four dollars (\$167,304) sales tax included, for design changes as requested by Foothill Transit.



Motion by Member Warshaw, second by Member Sternquist, to approve.  
Motion carried 5-0.

18. **PROPOSED FISCAL YEAR 2017-2018 BUSINESS PLAN INITIATIVES**

Recommendation: Approve the proposed FY 2017-2018 Business Plan Initiatives.

Motion by Member Warshaw, second by Member Sternquist, to approve.  
Motion carried 5-0.

19. **FISCAL YEAR 2016-2017 SECOND QUARTER BUDGET UPDATE**

Recommendation: Receive and file the second quarter budget update for the fiscal year ending June 30, 2017.

Motion by Member Warshaw, second by Member Sternquist, to receive and file. Motion carried 5-0.

**REGULAR AGENDA**

20. **2017 BUS ROADEO PREVIEW**

Recommendation: Receive and file the preview of the 2017 Bus Roadeo.

Tanya Pina, Operations Contract Manager, presented this item.

Ms. Pina provided a preview of the upcoming Foothill Transit Bus Roadeo. The 22<sup>nd</sup> Annual Foothill Transit Bus Roadeo is scheduled for Saturday, March 4, 2017. This year's theme is Hollywood Movie Night. The roadeo will take place at the Arcadia Operations and Maintenance Facility. Operators and maintenance teams will face-off to determine who will represent Foothill Transit in Reno, Nevada for the APTA International Bus Roadeo competition. Ms. Pina invited the Executive Board Members to attend.

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

21. **ROSE BOWL SERVICE UPDATE**

Recommendation: Receive and file the Rose Bowl Service Update.

Tanya Pina, Operations Contract Manager, presented this item.



Ms. Pina provided an update on Foothill Transit's Rose Bowl Shuttle Service. The shuttle season started-up on May 14, 2016 with Foothill Transit providing over 14,000 fans shuttle service to the Beyoncé concert. That was followed by the Copa America Soccer Match, Coldplay concert, UCLA home football games, and the Rose Bowl game January 2, 2017. The total number of customers transported for these events totaled 117,117. Feedback received from customers has been very positive. Ms. Pina thanked members of the First Transit, Transdev, and Foothill Transit team who helped make the operation a success.

Ms. Pina stated that the 2017 season will begin with the U2 concert on May 20, 2017, and that Foothill Transit looks forward to continuing its partnership with the Rose Bowl and providing outstanding service.

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

22. **PROPOSED 2017 FEDERAL, STATE, AND LOCAL LEGISLATIVE PROGRAMS**

Recommendation: Adopt the proposed 2017 Federal State, and Local Legislative Program as outlined in Attachments A, B, and C.

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

Mr. Reyno reported that every year Foothill Transit adopts federal, state, and local legislative programs, which serves as a guide for pursuing Foothill Transit's legislative proposals and strategies. The 2017 programs continue Foothill Transit's efforts to maintain strong relationships with elected and appointed representatives and their staff. Key Federal issues include implementation of H.R. 22 (FAST Act), finding long term funding source for the Highway Trust Fund, Infrastructure Investment, FTA/Devolution, Transit/Parking tax benefit, and continue to advocate for a permanent extension of Alternate fuels tax credit. At the state level Foothill Transit is represented by ten state legislators. Key issues at the state level include maintaining the current level of state transit funding, staff will work closely with the state delegation to make sure transit is adequately funded, support for AB 1 and SB 1, provide support on legislation that moves our electric bus program forward, and Foothill Transit will seek legislation or regulatory action to make the 10 Freeway HOV Lanes three person minimum during key travel periods. At the local level, Foothill Transit will work to continue to receive its fair share of funding under local sales tax measures.

Motion by Member Warshaw, second by Member Pedroza, to adopt. Motion



carried 5-0.

23. **CONTRACT AWARD - OPERATIONS AND MAINTENANCE -POMONA FACILITY**

Recommendation: Authorize the Executive Director to award a contract to Keolis Transit Services, LLC for transit operations and maintenance services at Foothill Transit's Pomona facility. The base contract term will be four years and the contract will include one four-year option to be exercised at Foothill Transit's sole discretion. The projected four-year base contract cost is \$115.8 million, including startup costs, and the cumulative cost over the potential life of the contract is projected at \$237.2 million.

This item was pulled from the agenda.

24. **PROPOSED FARE STRUCTURE - PUBLIC OUTREACH REQUEST**

Recommendation: Recommend that the Governing Board authorize the Executive Director to seek public input regarding fare restructuring.

Michelle Lopes Caldwell, Director of Finance and Treasurer, presented this item.

Ms. Caldwell presented the proposed fare structure to seek authorization to conduct public outreach and gather public comments before the final recommendation for adoption. The proposed fare structure will be implemented in two phases. The two phase implementation strategy minimizes the financial impact on customers as well as minimizing additional ridership losses.

A major change to the pass structure is the introduction of a day pass. Many operators in the industry offer a day passes to reduce onboard cash payments and eliminates the need for paper transfers. The first phase of the proposed fare structure is expected to be implemented in October 2017. Phase 1 of the fare model projects a 1 percent decline in ridership and 7 percent growth in fare revenue. Phase 2 will occur in September 2019, and the fare model expects a 3 percent decrease in ridership and a 10 percent growth in fare revenue.

Public meetings will be held across the service area to ensure customers are informed and provided the opportunity to submit their comments. Public Notices will be published and posted 2 weeks prior to the first scheduled public meeting. Staff will seek adoption of the proposed fare structure at the





May Annual Governing Board Meeting.

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

25. **PROPOSED FISCAL YEAR 2017-2018 SERVICE ENHANCEMENTS AND REQUEST TO CONDUCT PUBLIC HEARINGS**

Recommendation: Recommend that the Governing Board authorize the Executive Director to seek public input regarding proposed service enhancements for fiscal year 2017-2018.

Josh Landis, Planning Manager, presented this item.

Mr. Landis reported that in January 2016 Foothill Transit implemented the first phase of service enhancements that were recommended by the Comprehensive Operational Analysis (COA). Those changes strengthened the core network by adding frequency to certain lines and improved regional integration by rerouting other lines to interface with the Gold Line Extension. In light of the current ridership trend, Foothill Transit is now aiming to strategically add service where there is demand and focus on improving efficiencies.

Mr. Landis reviewed with the Executive Board the proposed service enhancements, which include splitting Line 187, extend Line 291, reroute of Line 480, combining Line 292 and 855, changing eastern terminus of Line 493, cancellation of Line 481, Line 494 and Line 851, adding reverse commute during AM peak on Line 493 and Line 498, and change western terminus for Line 690. The plan is to reinvest any cost savings into other services.

Foothill Transit will conduct a public hearing and a series of public workshops to ensure that people throughout the community are aware of the proposals. Final recommendations will be presented to the Governing Board in June 2017. Implementation of the proposed service enhancement is scheduled for October 2017.

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



**26. EXECUTIVE DIRECTOR COMMENT**

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

Mr. Barnes reported the following:

- Governing Board Meeting scheduled for Friday, March 24, 2017.
- There is a possibility for a Special Executive Meeting in March due to deferred action on the Pomona operations contract award.
- APTA Legislative Conference is coming up March 2017.
- Congratulated Special Projects Manager Katie Gagnon on being recognized as one of Mass Transit Magazine's top 40 transit professionals under the age 40.
- West Coast Multi-Agency Exchange (MAX) Program will be kicking off at Foothill Transit on March 7.
- Finance Analyst Reuben Cervantes will be leaving Foothill Transit. He will be joining L.A. Metro.

**27. BOARD MEMBER COMMENT**

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

**28. ADJOURNMENT**

Adjournment for the February 24, 2017 Foothill Transit Executive Board Meeting.

There being no further business, the Foothill Transit Executive Board meeting adjourned in the memory of Charles Raymond Barnes father of Foothill Transit Executive Director Doran J. Barnes at 9:10 a.m.



March 31, 2017

To: Executive Board

Subject: **February 2017 Financial Statements and Investment Summary**

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### **Recommendation**

Receive and file the Financial Statements and Investment Summary year-to-date report through February 28, 2017.

### **Analysis**

The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of February 28, 2017 for the fiscal year ending June 30, 2017.

### ***Balance Sheet Analysis*** (Attachment A):

#### Assets

The balance sheet, as of February 28, 2017, shows total assets at \$302 million. This total consists primarily of \$192 million in fixed assets, \$101 million in cash and investments and \$8.7 million in receivable and prepaid assets. Foothill Transit's cash position of \$73.9 million is \$1 million less than the previous month, and is \$10 million less than last year in February.

#### Liabilities

The accounts payable balance is \$8 million. Accounts Payables include operating and maintenance for \$5.04 million and \$1.04 million for fuel.

The deferred revenue of \$73.2 million represents capital grants that are reserved for planned capital expenditures such as upcoming bus procurements and park and ride construction activities.

#### Investments (Attachment B)

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

The cash and investments balance includes \$17.6 million in non-interest bearing accounts held with Bank of the West; \$31.5 million in interest bearing money market accounts with Bank of the West; \$9.61 million with Chase; and \$15.13 million invested in the Local Agency Investment Fund (LAIF). Longer



term investments include \$24 million with Bank of the West Agency notes; \$500,000 Bank of the West certificates of deposit; and \$2.74 million with Wells Fargo certificates of deposit.

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

***Operating and Capital Revenues and Expense Analysis*** (Attachment C)

February 2017 year-to-date fare revenues were \$10.77 million which is \$2.23 million less than the budgeted amount and \$0.85 million less than February 2016. Through February 2017, ridership is 1.54 percent less than last year at this time.

Operating costs through February 2017 were \$56.6 million, which is \$5.7 million less than the budget and \$8 million more than February 2016. Of this \$56.6 million, \$43.75 million reflects operating costs for the Arcadia and Pomona operating contractors. The other large operating expense is fuel which was \$4.21 million through February 2017.

Capital expenditures through February were \$5.49 million compared with \$3.94 million last year at this time. The annual budget for capital expenditures includes the purchase of 30 CNG buses, replacement of the CAD/AVL system and initiation of construction for the Covina Park and Ride lot.

Farebox Recovery Ratio

The February year-to-date farebox recovery ratio was 19.03 percent; 1.97 percent lower than the performance target of 21 percent. The farebox recovery ratio is derived by dividing the total fare revenue of \$10,772,631 by the total bus operating expense of \$56,606,286. This ratio is less than the February 2016 ratio of 24 percent. The decline is due to increase of operating expenses combined with a decline in ridership.

***Total Disbursements*** (Attachment D)

Total disbursements reflect invoices paid for the month of February 2017; they do not reflect the total expense incurred for the month. If an expense has been incurred but not yet invoiced or paid, Finance accrues the expense to properly track the expenses during the month in which they actually



occurred. Total disbursements for February 2017 were \$6.95 million. Capital disbursements totaled \$576,521, and other significant disbursements include \$1.90 million to First Transit and \$3.32 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

Foothill Transit  
Balance Sheet  
As of February 28, 2017

**Assets**

## Current Assets:

Cash	73,883,517
Investments	\$27,239,000
Due from government agencies	5,221,631
Other receivables	2,264,520
Other assets	1,217,069
Total Current Assets	<u>109,825,738</u>
Property & Equipment (net of depreciation)	192,363,030
Total Assets	<u><u>302,188,768</u></u>

**Liabilities and Equity**

## Current Liabilities:

Accounts payable and accrued liabilities	8,044,239
Deferred Revenue	73,201,716
Total Liabilities	<u>81,245,955</u>

**Equity**

Fund Balance:	
Investment in Capital Assets	192,363,030
Current Year Change	(17,195,023)
Reserve	45,774,806
Total Equity	<u>220,942,814</u>
Total Liabilities and Equity	<u><u>\$ 302,188,768</u></u>

Summary of Cash and  
Investment Account  
For February 28, 2017

Cash:	Interest Rate	Term	Principal/ Book & Market Value
Bank of the West-Reg. Checking	N/A	Demand Deposit	\$12,634,831
Petty Cash	N/A	N/A	400
Revolving Fund - Transit Stores	N/A	N/A	1,200
Bank of the West-Excise Tax	N/A	Demand Deposit	4,952,912
Bank of the West-Money Market	0.350%	Demand Deposit	7,067,477
Bank of the West-Money Market	0.350%	Demand Deposit	14,595,448
Bank of the West-Money Market	0.350%	Demand Deposit	9,628,942
Bank of the West-CA Transit Assistance	0.070%	Demand Deposit	252,842
Chase Business Saving	0.080%	Demand Deposit	9,617,187
LAIF Investment	0.680%	Demand Deposit	15,132,279
Subtotal Cash on Hand			<u>\$73,883,517.13</u>
<b>Investments:</b>			
Bank of the West:			
Maturity - 10/29/20 - 5yrs.	1.125%	Callable Note	5,000,000
Maturity - 05/25/21 - 5yrs.	1.250%	Callable Note	5,000,000
Maturity - 01/27/21 - 5yrs.	1.000%	Callable Note	5,000,000
Maturity - 07/27/21 - 5yrs.	1.000%	Callable Note	8,000,000
Maturity - 02/26/21 - 5yrs.	1.250%	Callable Note	1,000,000
	1.25-1.50%	Cert. of Deposit	500,000 (1)
	0.45-1.60%	Cert. of Deposit	2,739,000 (2)
Subtotal Investments			<u>\$27,239,000</u>
Total Cash and Investments			<u><u>\$101,122,517</u></u>

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

(2) Consist 11 Cds at \$249,000 each

**Foothill Transit**  
**Statement of Revenue and Expense**  
**For Month Ended February 28, 2017**

	Actual YTD February-17	Budget YTD February -17	Variance	Actual YTD February - 16
<b>Fare Revenue</b>				
Farebox	\$5,542,233	\$6,600,000	(16.03%)	\$6,163,977
Pass Sales	\$2,305,676	3,040,000	(24.16%)	2,512,599
TAP Cash Purse	\$2,043,160	2,280,000	(10.39%)	2,028,949
MetroLink & Access Service	\$423,909	480,000	(11.69%)	401,353
EZ Transit Pass	\$457,653	600,000	(23.72%)	514,902
<b>Total Operating Revenue</b>	<b>\$10,772,631</b>	<b>\$13,000,000</b>	<b>(17.13%)</b>	<b>\$11,621,780</b>
<b>Operating Subsidies and Other</b>				
Transportation Development Act	\$15,293,874	15,293,874	0.00%	\$12,631,139
TDA-Reserve from prior years	\$5,688,627	9,198,615	(38.16%)	0
STA	\$1,227,872	1,227,869	0.00%	2,251,736
Prop A 40% Discretionary	\$10,720,827	10,720,827	(0.00%)	9,523,175
Prop A 40% BSCP	\$3,039,250	3,039,250	0.00%	2,990,213
Prop C BSIP	\$609,471	609,471	(0.00%)	598,401
Prop C Base Restructuring	\$1,309,080	1,309,080	0.00%	1,285,302
Prop C Transit Service Expansion	\$218,148	218,148	0.00%	214,185
Transit Security-Operating	\$612,017	612,017	0.00%	557,455
Measure R Operating	\$6,941,149	6,941,149	(0.00%)	6,517,127
Miscellaneous Transit Revenues	\$173,340	173,340	0.00%	408,657
<b>Total Subsidies and Other</b>	<b>\$45,833,655</b>	<b>\$49,343,640</b>	<b>(7.11%)</b>	<b>\$36,977,390</b>
<b>Total Operating Revenue</b>	<b>\$56,606,286</b>	<b>\$62,343,640</b>	<b>(9.20%)</b>	<b>\$48,599,170</b>
<b>Other Revenues</b>				
Gain on Sale of Fixed Assets	\$58,196	0	0.00%	\$13,458
Auxiliary Revenue	\$1,405,135	983,333	42.90%	\$1,027,342
<b>Total Other Revenues</b>	<b>\$1,463,331</b>	<b>\$983,333</b>	<b>48.81%</b>	<b>\$1,040,799</b>
<b>Operating Expenses</b>				
Operations	\$49,993,399	\$53,231,349	6.08%	\$41,879,353
Maintenance & Vehicle Technology	\$483,998	560,444	13.64%	520,257
Marketing and Communications	\$988,432	1,433,757	31.06%	1,020,713
Information Technology	\$1,261,009	1,686,624	25.23%	1,326,589
Administration	\$1,658,402	2,277,097	27.17%	1,674,215
Procurement	\$372,977	586,900	36.45%	401,224
Finance	\$742,773	829,540	10.46%	664,325
Planning	\$476,630	680,304	29.94%	524,464
Facilities	\$628,667	1,057,625	40.56%	588,030
<b>Total Operating Expenses</b>	<b>\$56,606,286</b>	<b>\$62,343,640</b>	<b>9.20%</b>	<b>\$48,599,170</b>
<b>Other Expenses</b>				
Property Management	\$292,457	\$266,667	(9.67%)	\$273,553
Dial-A-Ride	\$568,530	500,000	(13.71%)	451,859
Special Services	\$205,339	216,667	5.23%	222,118
<b>Total Other Expenses</b>	<b>\$1,066,326</b>	<b>\$983,333</b>	<b>(8.48%)</b>	<b>\$947,529</b>
<b>Total Operating and Other Expenses</b>	<b>57,672,612</b>	<b>\$63,326,973</b>	<b>8.93%</b>	<b>\$49,546,699</b>
<b>Capital Revenues</b>				
Capital Grants	\$5,488,424	\$37,418,074	(85.33%)	\$3,937,382
<b>Capital Expenditures</b>				
Capital Expenditures	\$5,488,424	\$37,418,074	85.33%	\$3,937,382



**Bank Account - Check Details**

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**Attachment D**

This report also includes bank accounts that only have balances.

Bank Account: Bank Acc. Posting Group: B001, Date Filter: 02/01/17..02/28/17

Check Date	Check No.	Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry Status
<b>B001</b>	<b>General Checking</b>						
	Phone No.	800-488-2265					
02/02/17	E00486	First Transit Inc.	01-02-2017 Pomona Special Service	20,367.19	0.00	0.00	Posted
02/02/17	E00487	First Transit Inc.	01/05/2017 Pomona Special Service	99.33	0.00	0.00	Posted
02/02/17	E00488	International City Management Assoc. Retirement Co	Payroll ending 1/28/17 retirement funds	36,598.41	0.00	0.00	Posted
02/02/17	E00489	Transdev Services, Inc.	Transporting Mini Bus for Parades - Overtime	1,112.26	0.00	0.00	Posted
02/02/17	24673	ACC Business	Internet	3,051.72	3,051.72	0.00	Posted
02/02/17	24674	Andrew John Papson	Expense report	83.70	83.70	0.00	Posted
02/02/17	24675	AT and T - 105068	El Monte Back Line	35.54	35.54	0.00	Posted
02/02/17	24676	AT and T - 5019	El Monte phone line	304.13	304.13	0.00	Posted
02/02/17	24677	AT and T - 5025	Phone Service	122.49	122.49	0.00	Posted
02/02/17	24678	AT and T - 5025	El Monte phone line (626)452-1579 & (626)452-1587	166.77	166.77	0.00	Posted
02/02/17	24679	AT and T - 5025	El Monte phone line router management	121.83	121.83	0.00	Posted
02/02/17	24680	AT and T Mobility II LLC	Avail Cellular	535.80	535.80	0.00	Posted
02/02/17	24681	Bankcard Center-Bank of the West	1/17 Agency credit cards usages	33,832.96	33,832.96	0.00	Posted
02/02/17	24682	Chamber of Commerce - Claremont	Membership Renewal	225.00	225.00	0.00	Posted
02/02/17	24683	Chamber of Commerce - Glendora	2017 Glendora Mayor's Prayer Breakfast	500.00	500.00	0.00	Posted
02/02/17	24684	Chamber of Commerce - Pomona	Membership Dues	130.00	130.00	0.00	Posted
02/02/17	24685	Charter Communications Inc.	Cable TV	162.68	162.68	0.00	Posted
02/02/17	24686	Citrix Online LLC	OpenVoice Audio Service	153.20	153.20	0.00	Posted
02/02/17	24687	Crowe Horwath LLP	FY 16 Financial Audit - Final bill	3,660.00	3,660.00	0.00	Posted
02/02/17	24688	Crown Castle USA Inc.	Tower Rental	755.30	755.30	0.00	Posted
02/02/17	24689	E.S.G.Valley Japanese Community Ctr	Cherry Blossom Festival	1,000.00	1,000.00	0.00	Posted
02/02/17	24690	FEDEX Corp.	Express Mail	37.50	37.50	0.00	Posted
02/02/17	24691	Frontier California Inc.	Industry Park and Ride Phone Line	344.82	344.82	0.00	Posted
02/02/17	24692	HD Supply Facilities Maintenance	Light Bulbs / Gum Remover	128.86	128.86	0.00	Posted
02/02/17	24693	Home Depot Credit Services	1/17 Facilities Supplies	539.55	539.55	0.00	Posted
02/02/17	24694	Jon House	Reimbursable expense - Bus Inspection	136.03	136.03	0.00	Posted
02/02/17	24695	LACMTA - Accounts Payable	FY2016 Reconciliation - July 2015- June 2016	1,614.91	1,614.91	0.00	Posted
02/02/17	24696	Linda Apodaca	Reimbursable expense Governing Board Canvas print	70.64	70.64	0.00	Posted
02/02/17	24697	Neil Beightol	Bus Stop Decals	516.46	516.46	0.00	Posted
02/02/17	24698	Oscar Benavente	Reimbursable expense - Bus Inspections	200.33	200.33	0.00	Posted
02/02/17	24699	Panera, LLC	17-001 Evaluator Lunch	153.98	153.98	0.00	Posted
02/02/17	24700	Pasadena Police Activities League	Golden Badge Awards	700.00	700.00	0.00	Posted
02/02/17	24701	Regional Chamber of Commerce - SGV	Salute to Heroes Prayer Breakfast	350.00	350.00	0.00	Posted
02/02/17	24702	Staples Business Adv.-Dept. LA	Office Supplies	123.76	123.76	0.00	Posted
02/02/17	24703	State Compensation Insurance Fund	2/17 Workers Comp Insurance Premium	5,704.00	5,704.00	0.00	Posted
02/02/17	24704	The Gas Co.	1/17 Admin Building Gas	1,064.37	1,064.37	0.00	Posted
02/02/17	24705	Thomas J. Koontz	Print and laminate Service Interruption Posters	356.70	356.70	0.00	Posted

**Bank Account - Check Details**

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**Attachment D**

Check Date	Check No.	Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry Status
02/02/17	24706	Toyo Landscaping Company	1/17 Admin Bldg Landscape Maintenance	1,369.17	1,369.17	0.00	Posted
02/02/17	24707	University of La Verne	ULV Gala - Full page blk & wht ad and 1 ticket	1,550.00	1,550.00	0.00	Posted
02/02/17	24708	Verizon Business - 15043	SBS Tower MPLS	1,319.32	1,319.32	0.00	Posted
02/02/17	24709	Verizon Wireless	Cell Phone	4,196.95	4,196.95	0.00	Posted
02/02/17	24710	Walnut Pony Baseball	Team Sponsor 2017	200.00	200.00	0.00	Posted
02/02/17	24711	West Covina Beautiful	WC 94th Birthday - Bronze Sponsor + 1 ticket	289.00	289.00	0.00	Posted
02/02/17	24712	Western Graphix	Onsite repair	175.00	175.00	0.00	Posted
02/08/17	E00490	Transdev Services, Inc.	07-09 Transdev Incentive bonus	25,500.00	0.00	0.00	Posted
02/09/17	24713	Athens Services	2/17 Admin Trash Service & Parking Lot Sweeping	1,179.48	1,179.48	0.00	Posted
02/09/17	24714	C.A.T. Specialties	Shirts for Executive Board & Staff	2,028.20	2,028.20	0.00	Posted
02/09/17	24715	California Choice	3/17 Medical insurance premium	47,292.11	47,292.11	0.00	Posted
02/09/17	24716	Christopher Pieper	Reimbursable expense -2017 CAPPO Conference	522.07	522.07	0.00	Posted
02/09/17	24717	Darold D. Pieper Attorney at Law	Legal Fees	7,173.96	7,173.96	0.00	Posted
02/09/17	24718	Day - Lite Maintenance Co. Inc.	Admin Building Exterior Ltg Repair	1,759.59	1,759.59	0.00	Posted
02/09/17	24719	Del Rey Chemical	Graffiti Remover	559.28	559.28	0.00	Posted
02/09/17	24720	E.C. Construction Inc.	Arcadia Fare Collection Canopy Installation	11,381.00	11,381.00	0.00	Posted
02/09/17	24721	E.S.G.Valley Japanese Community Ctr	Cherry Blossom Festival	200.00	200.00	0.00	Posted
02/09/17	24722	FEDEX Corp.	Express Mail	22.84	22.84	0.00	Posted
02/09/17	24723	G4S Secure Integration LLC	01/17 Security Maintenance	10,400.92	10,400.92	0.00	Posted
02/09/17	24724	GIRO Inc.	HASTUS Maintenance, Support Fees-2/27/17-2/26/18	67,443.00	67,443.00	0.00	Posted
02/09/17	24725	Gotcha Media Holdings, LLC	Mt. SAC, Rio Hondo advertisement	2,190.00	2,190.00	0.00	Posted
02/09/17	24726	Grand Car Wash	Vehicle washing	297.86	297.86	0.00	Posted
02/09/17	24727	HD Supply Facilities Maintenance	Admin Bldg Lighting Supplies	42.14	42.14	0.00	Posted
02/09/17	24728	Jarrett Stoltzfus	Reimbursable exp - Eno Capital Convergence	539.32	539.32	0.00	Posted
02/09/17	24729	Landmark Healthplan of California, Inc.	02/17 Chiropractor insurance premium	334.45	334.45	0.00	Posted
02/09/17	24730	MailFinance Inc.	Postage Machine Leasing Charges	504.51	504.51	0.00	Posted
02/09/17	24731	Neofunds by Neopost	Postage	560.00	560.00	0.00	Posted
02/09/17	24732	PCM Sales Inc.	Thin Client	13,306.65	13,306.65	0.00	Posted
02/09/17	24733	ReadyRefresh	Drinking Water	143.67	143.67	0.00	Posted
02/09/17	24734	St. Denis Church	15th Annual Pastor's Leadership Awards	510.00	510.00	0.00	Posted
02/09/17	24735	Staples Business Adv.-Dept. LA	Office Supplies	136.33	136.33	0.00	Posted
02/09/17	24736	Suburban Water Systems	1/17 Admin Bldg Water	620.40	620.40	0.00	Posted
02/09/17	24737	Thomas J. Koontz	New Resident Follow Up Mailer	499.48	499.48	0.00	Posted
02/09/17	24738	Thompson Coburn LLP	12/16 Legal Services - General Legal	17,425.80	17,425.80	0.00	Posted
02/09/17	24739	Toyo Landscaping Company	8/16 Industry P&R Landscape Maintenance	1,653.24	1,653.24	0.00	Posted
02/09/17	24740	University of La Verne	Tuition down payment - Winter 2017	4,162.50	4,162.50	0.00	Posted
02/09/17	24741	Waste Management	2/17 Arcadia Warehouse Trash	249.62	249.62	0.00	Posted
02/09/17	24742	Willie J. Brooks	2/17 Indoor Plant Care	449.75	449.75	0.00	Posted
02/09/17	24743	Wright Express	Vehicle Fuel January 2017	421.54	421.54	0.00	Posted
02/15/17	E00491	International City Management Assoc. Retirement Co	Payroll ending 2/11 retirement funds	35,803.37	0.00	0.00	Posted

**Bank Account - Check Details**

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**Attachment D**

Check Date	Check No.	Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry Status
02/16/17	24744	AFLAC	02/17 Voluntary insurance premium	1,506.22	1,506.22	0.00	Posted
02/16/17	24745	Allied Administrators for Delta Dental	03/17 Dental insurance premium	7,089.92	7,089.92	0.00	Posted
02/16/17	24746	AR Electric, Inc.	Service call	115.00	115.00	0.00	Posted
02/16/17	24747	C.A.T. Specialties	Shirts/Blouses for Staff	118.10	118.10	0.00	Posted
02/16/17	24748	Capture Technologies, Inc.	0217 Nice recorders channel expansion base rate	189.56	189.56	0.00	Posted
02/16/17	24749	Carol A. Herrera	Reimbursable Expenses - APTA Legislative Conf.	600.40	600.40	0.00	Posted
02/16/17	24750	Chamber of Commerce - Pasadena	Annual Dues	265.00	265.00	0.00	Posted
02/16/17	24751	Chamber of Commerce - Pomona	Welcome Reception	20.00	20.00	0.00	Posted
02/16/17	24752	Civic Resource Group International Inc	Website Maintenance - 01/17	2,850.00	2,850.00	0.00	Posted
02/16/17	24753	Complete Coach Works	Repowering & Repainting Articulated Bus #1617	168,657.24	168,657.24	0.00	Posted
02/16/17	24754	E.C. Construction Inc.	Arcadia Fare Collection Canopy Installation	31,262.60	31,262.60	0.00	Posted
02/16/17	24755	ENO Transportation Foundation	Membership	7,000.00	7,000.00	0.00	Posted
02/16/17	24756	FEDEX Corp.	Express Mail	22.50	22.50	0.00	Posted
02/16/17	24757	Fred Pryor Seminars	Sales & Use Tax Seminar - Registration 3/20/17	477.00	477.00	0.00	Posted
02/16/17	24758	Iron Mountain Inc.	Shredding Services	113.92	113.92	0.00	Posted
02/16/17	24759	Jarrett Stoltzfus	Employee Rideshare Program	100.00	100.00	0.00	Posted
02/16/17	24760	John Xie		1,872.00	0.00	1,872.00	Financi
02/16/17	24761	KNX - AM	Advertising	9,000.00	9,000.00	0.00	Posted
02/16/17	24762	Mt. San Antonio College Found	Mt. San Antonio Journalism Program	1,500.00	1,500.00	0.00	Posted
02/16/17	24763	Office Depot	Office Supplies	1,882.34	1,882.34	0.00	Posted
02/16/17	24764	Pasadena City College	Overpayment on the I-Tap Program	9,492.60	9,492.60	0.00	Posted
02/16/17	24765	Peter Barron Stark and Associates	Strategic Planning Workshop	9,462.22	9,462.22	0.00	Posted
02/16/17	24766	Pulsar Advertising	01/17 Consulting services	14,030.75	14,030.75	0.00	Posted
02/16/17	24767	Rodger's Food Service	Governing Board Meeting Breakfast	451.31	451.31	0.00	Posted
02/16/17	24768	San Gabriel Valley Newspaper	Advertising	7,752.30	7,752.30	0.00	Posted
02/16/17	24769	Skyline Pest Control	1/17 Monthly Pest & Rodent Control	95.00	95.00	0.00	Posted
02/16/17	24770	Southern California Edison Co.	1/17 Admin Building Electricity	9,135.74	9,135.74	0.00	Posted
02/16/17	24771	Southern California Edison Co.	Pomona Transit electricity usage 01/17	10,937.74	10,937.74	0.00	Posted
02/16/17	24772	Suburban Water Systems	1/17 Admin Bldg Landscape Water	125.20	125.20	0.00	Posted
02/16/17	24773	Thomas J. Koontz	Business Cards	2,991.68	2,991.68	0.00	Posted
02/16/17	24774	Thompson Coburn LLP	12/16 Legal Services - CAD/AVL Procurement	42,383.07	42,383.07	0.00	Posted
02/16/17	24775	Tri - Signal Integration, Inc.	2/17 Industry P&R Fire Alarm Monitoring	557.50	557.50	0.00	Posted
02/16/17	24776	Walnut Valley Water District	1/17 Industry P&R Landscape Water	132.56	132.56	0.00	Posted
02/16/17	24777	Willie J. Brooks	02/17 Transit Store Plant Care	213.00	213.00	0.00	Posted
02/17/17	E00492	Avail Technologies, Inc.	CAD/AVL Replacement	150,968.70	0.00	0.00	Posted
02/17/17	E00496	Avail Technologies, Inc.	CAD/AVL Replacement	150,968.70	0.00	0.00	Posted
02/21/17	A000002	Payment of Invoice PI019614		1.00	0.00	1.00	Voided
02/21/17	A000003	Payment of Invoice PI019614		1.00	0.00	1.00	Voided
02/21/17	A000004	Payment of Invoice PI019614		1.00	0.00	1.00	Voided
02/23/17	24778	ACCO Engineered Systems Inc.	2/17 Admin Bldg HVAC Maintenance	4,422.62	4,422.62	0.00	Posted
02/23/17	24779	Alpha Decor & Painting, Inc.	Administrative Building Stairwell Painting	20,900.00	20,900.00	0.00	Posted
02/23/17	24780	Andrew John Papson	Reimbursable Expense - ZEBRA	165.55	165.55	0.00	Posted

**Bank Account - Check Details**

Monday, March 06, 2017 8:32 AM

Period: 02/01/17..02/28/17

Page 4

Foothill Transit

FOOTHILLTRANSIT\fkuo

**Attachment D**

Check Date	Check No.	Vendor Name	Description	Amount	Printed Amount	Voided Amount	Entry Status
02/23/17	24781	AT and T - 5025	EL MONTE PHONE LINE	2,161.81	2,161.81	0.00	Posted
02/23/17	24782	Caliber Collision Center	Vehicle repair	2,596.90	2,596.90	0.00	Posted
02/23/17	24783	Charter Communications Inc.	Cable TV	162.68	162.68	0.00	Posted
02/23/17	24784	Cintas Corporation #2	First Aid Kit Supplies	206.31	206.31	0.00	Posted
02/23/17	24785	Clean Energy	12/16 Pomona CNG Facility Maintenance	512,114.87	512,114.87	0.00	Posted
02/23/17	24786	Debra M. Schlotbom	03/17 Balloons for Roadeo	739.50	739.50	0.00	Posted
02/23/17	24787	Diversified Transportation, LLC	01/17 Monrovia Dial A Ride	68,944.27	68,944.27	0.00	Posted
02/23/17	24788	FEDEX Corp.	Express Mail	85.53	85.53	0.00	Posted
02/23/17	24789	Frontier California Inc.	Fax line	228.53	228.53	0.00	Posted
02/23/17	24790	Frontier Communications Corporation	Local	2,441.33	2,441.33	0.00	Posted
02/23/17	24791	Gotcha Media Holdings, LLC	Mt. SAC	1,395.00	1,395.00	0.00	Posted
02/23/17	24792	John Xie	Educational assistance and reimbursement	1,872.00	1,872.00	0.00	Posted
02/23/17	24793	Lazar and Associates	01/17 Interpreting Services	134.85	134.85	0.00	Posted
02/23/17	24794	Lewis Engraving	Vase for Paula Lantz	381.39	381.39	0.00	Posted
02/23/17	24795	Metrolink	01/17 Metrolink passes	47,671.75	47,671.75	0.00	Posted
02/23/17	24796	Mobile Relay Associates Inc.	Tower rental	20,365.03	20,365.03	0.00	Posted
02/23/17	24797	Newage PHM, LLC	03/17 TS 2 Office lease	7,323.75	7,323.75	0.00	Posted
02/23/17	24798	NWC Partners, Inc.	12/1/16 - 1/31/17 Financial Analysis of Operations	28,567.50	28,567.50	0.00	Posted
02/23/17	24799	Omnitrans	12/16 Omnitrans passes	8,318.40	8,318.40	0.00	Posted
02/23/17	24800	Pandora Media Inc.	Advertising	81.19	81.19	0.00	Posted
02/23/17	24801	Panera, LLC	Governing Board Meeting	61.20	61.20	0.00	Posted
02/23/17	24802	Partyline Events	03/17 Roadeo chairs, tables and canopies	1,526.80	1,526.80	0.00	Posted
02/23/17	24803	Platinum Security Inc.	12/16 El Monte security services	8,440.81	8,440.81	0.00	Posted
02/23/17	24804	Proforma	West Coast MAX Program - Nameplates	478.64	478.64	0.00	Posted
02/23/17	24805	Rodger's Food Service	03/17 Roadeo lunch	4,689.85	4,689.85	0.00	Posted
02/23/17	24806	Verizon Business - 15043	PRI	20,069.27	20,069.27	0.00	Posted
02/24/17	E00497	First Transit Inc.	01/16-31 Pomona Contractor Services	1,229,991.74	0.00	0.00	Posted
02/24/17	E00498	First Transit Inc.	01/1-15 Pomona Contractor Services	645,091.02	0.00	0.00	Posted
02/24/17	E00500	Transdev Services, Inc.	Arcadia Irwindale Speedway Practice Site 2017	1,000.00	0.00	0.00	Posted
02/24/17	E00501	Transdev Services, Inc.	Reimbursement for Coach 1806	78,642.04	0.00	0.00	Posted
02/24/17	E00502	Transdev Services, Inc.	Coach 1802 - Reimbursement	77,445.89	0.00	0.00	Posted
02/24/17	E00503	Transdev Services, Inc.	Coach 1709 Reimbursement	82,536.84	0.00	0.00	Posted
02/24/17	E00504	Transdev Services, Inc.	01/1-15 Arcadia Contractor Services	813,230.17	0.00	0.00	Posted
02/24/17	E00505	Transdev Services, Inc.	01/16-31 Arcadia Contractor Services	2,077,193.71	0.00	0.00	Posted
02/24/17	E00506	Transdev Services, Inc.	02/17 Management services fee	159,964.43	0.00	0.00	Posted
02/24/17	24807	Government Finance Officers Assoc.	Certificate of Achievement Review Fee 2016	75.00	75.00	0.00	Posted
<b>General Checking</b>				<b>6,955,533.78</b>	<b>1,367,144.98</b>	<b>1,875.00</b>	



March 24, 2017

To: Executive Board

Subject: **February 2017 Performance Indicators Report**

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### **Recommendation**

Receive and file the February 2017 Performance Indicators Report.

### **Analysis**

This report provides an analysis of Foothill Transit's performance indicators for February of FY 2016-2017. Foothill Transit monitors a number of factors 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 February, Foothill Transit achieved five out of nine key performance indicator goals. The performance indicator targets met for the quarter are: preventable accidents per 100,000 miles, average miles between service interruptions, complaints per 1000,000 boardings, average hold time, and average cost per vehicle service hour.

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

- **Boardings** – Total number of boardings recorded by the farebox in February was 1.01 million – a nine percent decrease from the same month last year.
- **Fare Revenue** – Total fare revenue for February was \$1.23 million. The average fare was \$1.22 per boarding.
- **Operating Expenses** – Operating expenses incurred in February totaled \$6.65 million, resulting in an average cost per service hour of \$100.59.
- **Accidents** – The system averaged 0.53 preventable accidents per 100,000 miles in February.
- **Customer Complaints** – Foothill Transit received 15.8 complaints per 100,000 boardings in February. This is 41 percent lower than the same month last fiscal year.



- **Schedule Adherence** - In February, Foothill Transit recorded 80.3 percent on-time performance. This is less than a one percent decrease from the same month 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. Performance indicators are derived from data collected from a variety of sources including the fareboxes on buses, the SMARTBus CAD/AVL system, reports from the operations contractors, and financial performance data.

### **Overall System Performance**

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

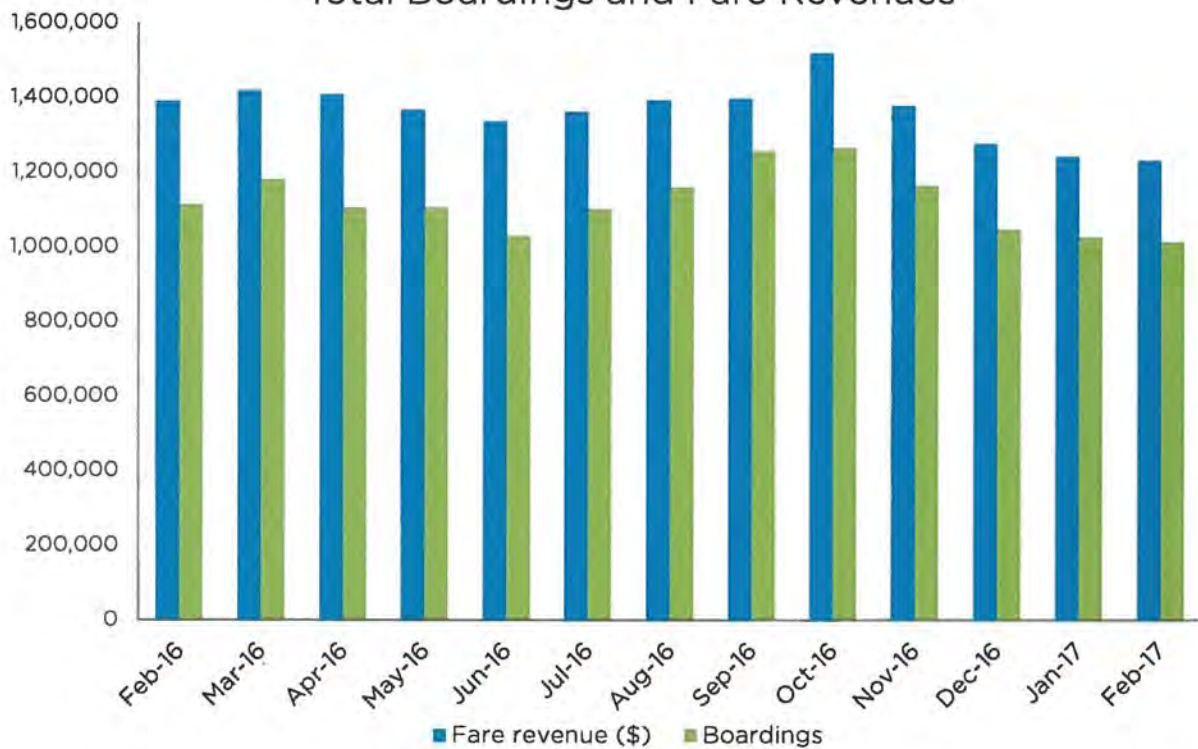


**Total Boardings and Total Fare Revenues**

In February 2017, Foothill Transit buses had 1.01 million boardings. Compared to the 1.11 million boardings during the same period last year, this is a nine percent decrease. Both nationally and regionally, bus transit ridership has been on the decline, and the decrease in ridership may be attributed to continued economic recovery and an increase in car sales in the region. Foothill Transit staff continues to closely monitor transit ridership trends on the system and in the Southern California region, as well as researching and implementing strategies to attract customers.

Total fare revenue recorded in February was \$1.22 million, a 12 percent decline from the same period last year. This decline in fare revenue can be attributed to an increase in the proportion of ADA free fare boardings, as well as the acceptance of Metro fare media on Lines 190, 194 and 270 through June 26, 2017 - during the first year of operation of those three lines.

Total Boardings and Fare Revenues



**Vehicle Service Hours and Operating Expenditure**

In February, Foothill Transit operated 66,161 service hours, which represents a four percent increase compared to the same period last fiscal year. This is primarily the result of the addition of Lines 190, 194, 270, as well as increased service on lines connecting to the Gold Line Foothill Extension.



During February, Foothill Transit incurred \$6.65 million in operating expenses. This is seven percent higher compared to the same period the previous fiscal year. Variance between years is related to increased service provided due to the aforementioned routes, as well as increased costs associated with the new Arcadia contract, which went into effect in June 2016.

**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.

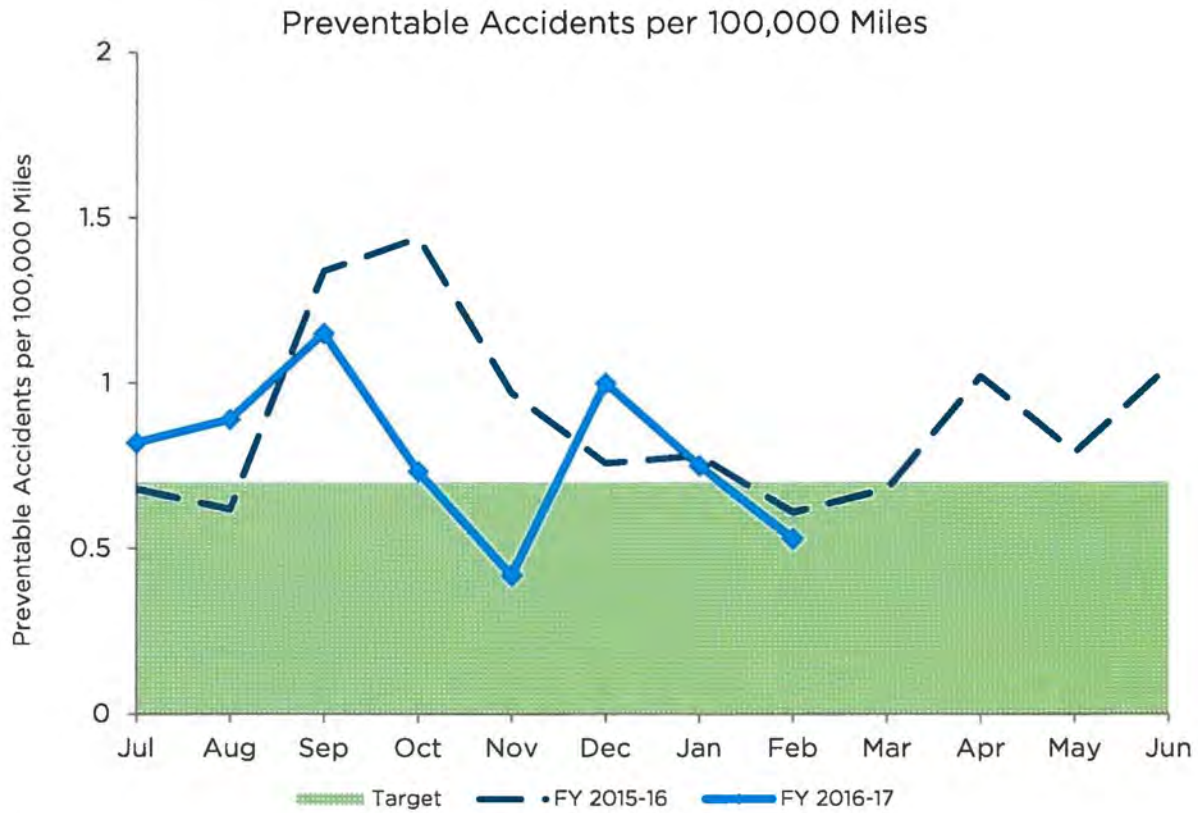
***Preventable Accidents per 100,000 Miles***

In February 2017, Foothill Transit met the adopted standard of 0.70 or fewer preventable accidents per 100,000 miles with 0.53, which is a 13 percent improvement compared to the same period last year. Year to date, the agency has averaged 0.78 preventable accidents per 100,000 miles, a 14 percent improvement. The majority of the preventable accidents in the month of February were vehicles making contact with fixed-objects.

Foothill Transit staff continue to work closely with the contractors at the yards to improve safety performance. Particular emphasis has been placed on reducing fixed object collisions, increasing pedestrian awareness, and identifying blind spots. Furthermore, staff have been utilizing additional analytic tools in helping to identify trends and trouble areas with the goal of further reducing preventable accidents. Specifically, staff have conducted an analysis on preventable accidents by route, in order to better help identify specific routes that require improvement.

The agency's operations and maintenance contractors have implemented various measures to improve safety, including the strategic placement of road supervisors at specific locations to ensure safe driving practices, as well as targeted training with the goal of instilling better driving habits among operators. One such example is a campaign conducted by Transdev in Arcadia focusing on pedestrian safety. As part of that focus, visual warning signals have been placed throughout the operations and maintenance yards to help emulate busy streets and remind operators to keep their eyes out for pedestrians.





**Goal 2: Provide Outstanding Customer Service**

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

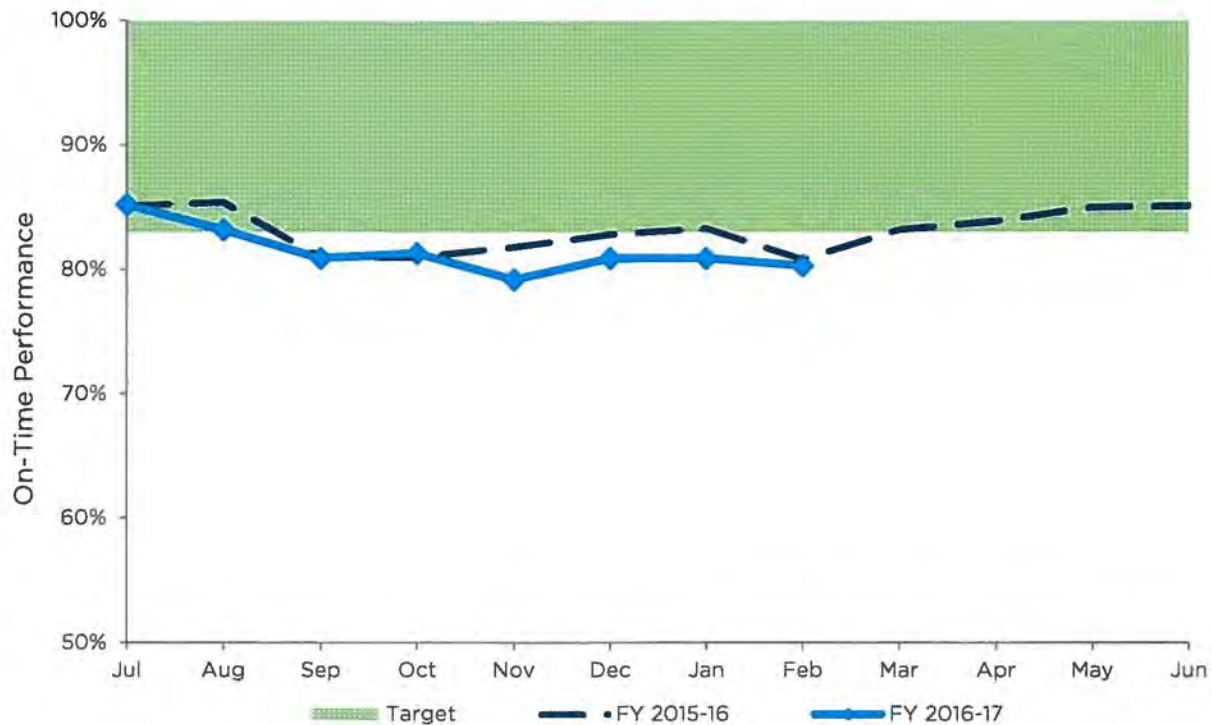


**Schedule Adherence**

Foothill Transit measures its schedule adherence using the industry standard metric of on-time performance (OTP). OTP is calculated by evaluating a vehicle's adherence to time points in the planned schedule. A trip is considered on-time if it departed the time point no more than five minutes late and not early. Foothill Transit has adopted a goal of 83 percent or higher OTP for this fiscal year. In February, Foothill Transit achieved 80.3 percent OTP for the entire system, which doesn't meet the target and is a 0.6 percent decrease from last year. This variance is due to myriad construction projects in downtown Los Angeles that have primarily affected Commuter Express service, as well as service along the 10 freeway that is impacted by the ongoing freeway construction.

Local routes achieved 81.2 percent OTP, while Limited Stop routes achieved 74.2 percent and Commuter Express routes achieved 78.3 percent. Quality Assurance staff continue to monitor the SMARTBus system in real-time to ensure that the bus service runs in accordance with the schedule. Staff have worked closely with the contractors to identify areas for improvement.

On-time Performance



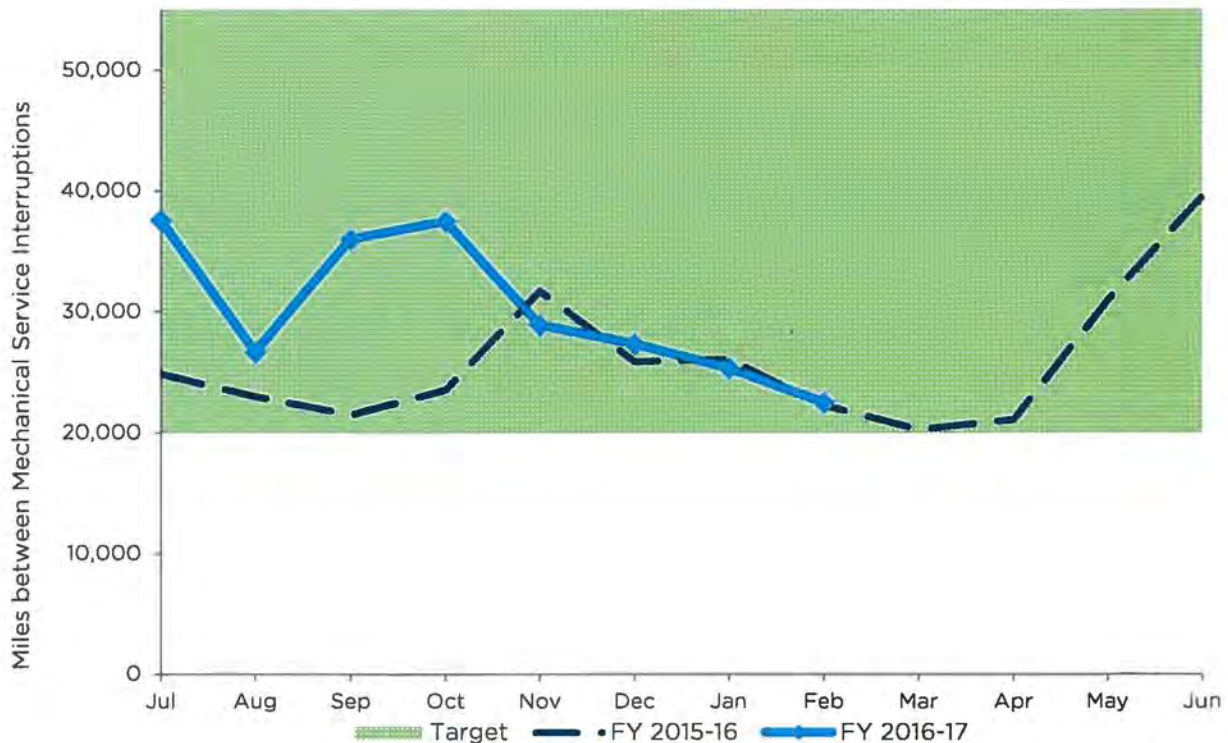


**Average Miles between Service Interruptions**

Average miles between service interruptions is a maintenance performance indicator that measures the miles between mechanical roadcalls of a vehicle used during revenue service resulting in a service delay of more than five minutes. In February, Foothill Transit averaged 22,519 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 one percent higher compared to last year.

As older bus models have been phased out and newer buses added, the overall age of the fleet has decreased, resulting in an increase in mechanical reliability. Furthermore, there has been a campaign to repower the 1600, 1700 and 1800-series coaches that were procured in FY 2007 through 2010. These coaches have undergone a heavy maintenance campaign that included a refurbishing of the interior space, technology updates, a repainting with Foothill Transit's new livery, and an engine rebuild, thus further increasing reliability and decreasing the frequency of mechanical breakdowns that would result in customer delays. Careful monitoring of roadcalls by Foothill Transit staff have helped to identify trends in types of mechanical failures and these are being used to advise targeted bus maintenance efforts.

Average Miles between Service Interruptions



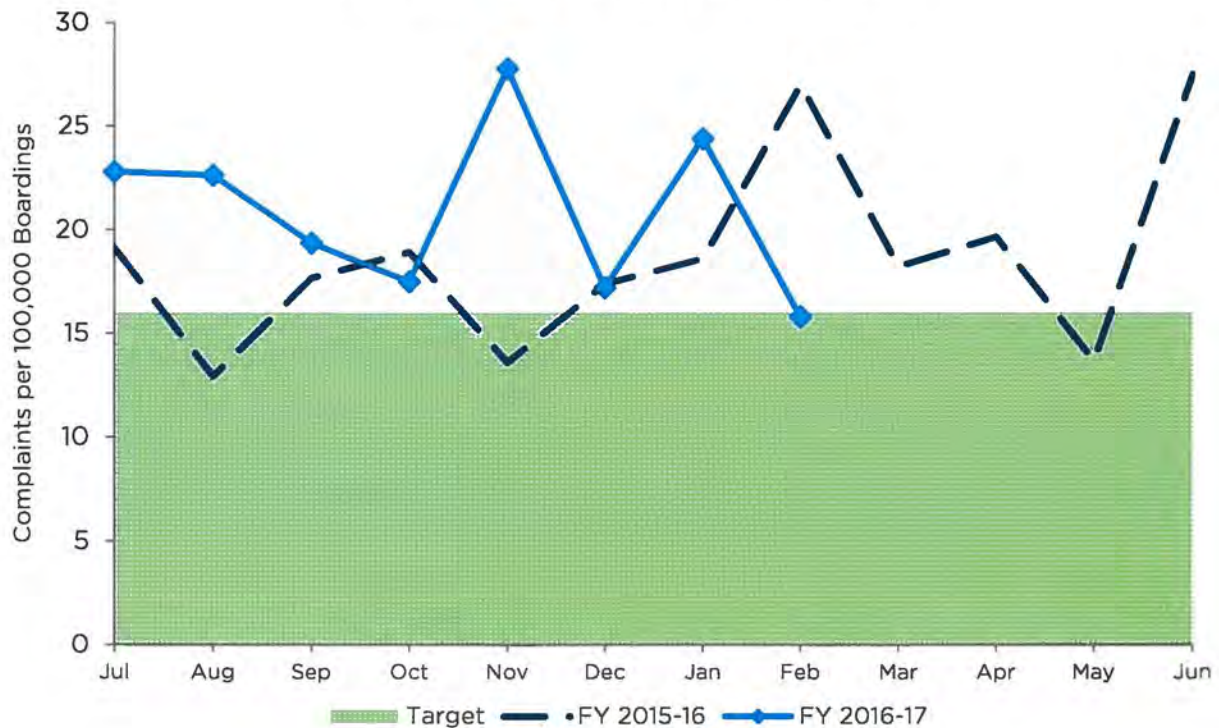


**Complaints per 100,000 Boardings**

Customer complaints are counts of incidents where a customer reports dissatisfaction with the service. All customer complaints received by Foothill Transit are subject to an investigation process which ensures all customers receive a response and allows Foothill Transit to determine if a complaint is valid. Investigations include contacting the customer and may include reviewing the SMARTBus system, dispatch logs, on-board videos, or verbal communication with the coach operator.

In February, Foothill Transit received 15.8 complaints per 100,000 boardings, which represented a 41 percent decrease from the previous fiscal year, and achieves the performance target of 16 or fewer complaints per 100,000 boardings. Of the complaints received this quarter, 51 percent were related to schedule adherence, 12 percent were for mechanical issues, and 14 percent were related to courtesy. In February, the Arcadia yard received 16 compliments, and the Pomona yard received 9 compliments.

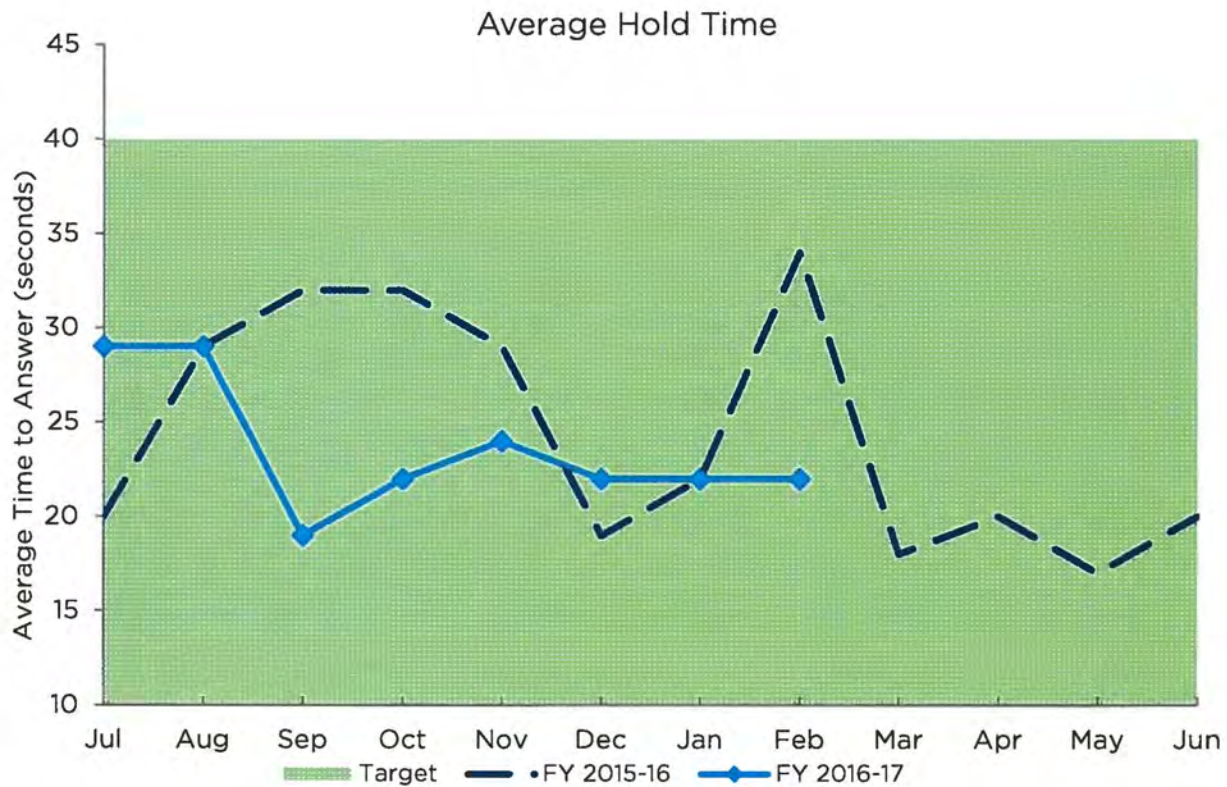
Complaints per 100,000 Boardings





**Average Hold Time**

Phone systems at Foothill Transit’s four Transit Stores provide data on call volumes and times so that facilities can be staffed accordingly. The recorded average hold time of 22 seconds during February is well below the performance target of less than 40 seconds. Recently, Foothill Transit staff have focused on improving average hold time by continuing to refine holiday and queue messages and hiring bilingual staff to meet performance targets for calls from both English and Spanish speakers.





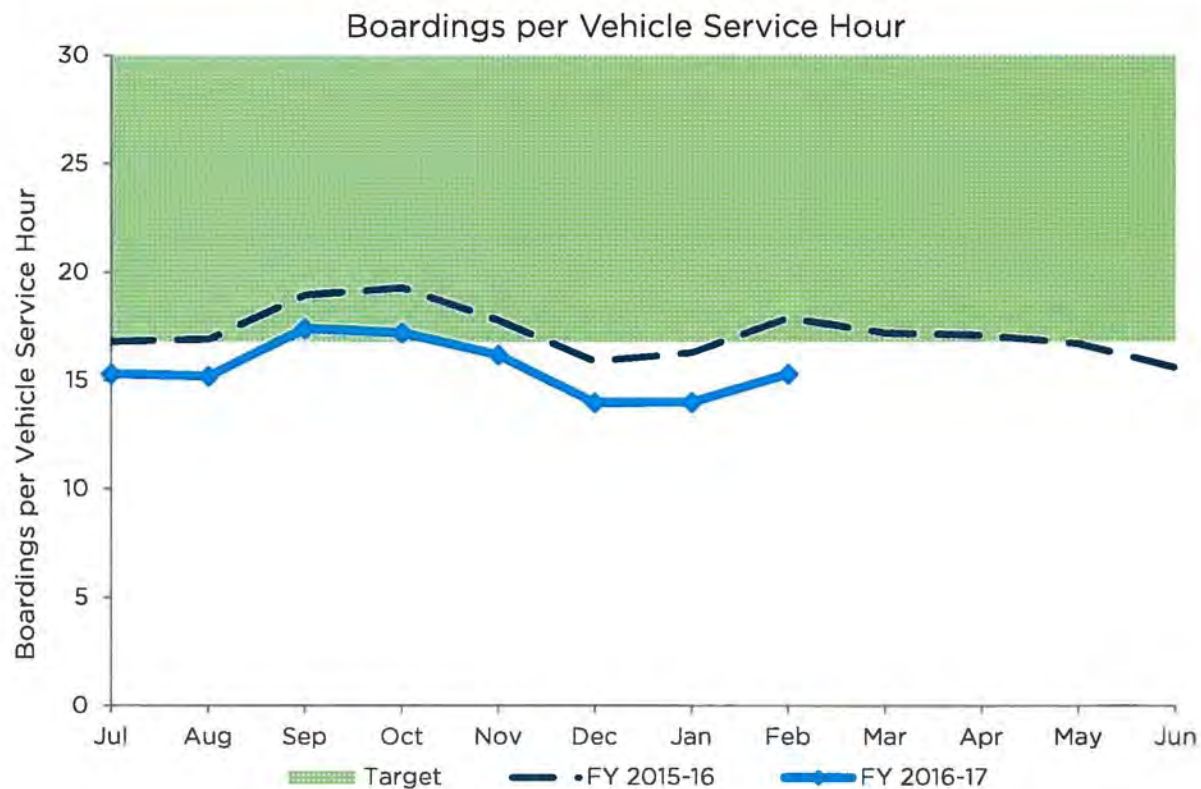
**Goal 3: Operate an Effective Transit System**

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

**Boardings per Vehicle Service Hour**

Boardings per vehicle service hour is the total number of boardings divided by the total number of service hours in a given period. In February, there were 15.3 boardings per vehicle service hour, which doesn't meet the performance target of 16.8 or more boardings per service hour. This is a 13 percent decline compared to the same period the previous year. Year to date, the agency is averaging 15.6 boardings per vehicle service hour, which doesn't meet the target of at least 16.8.

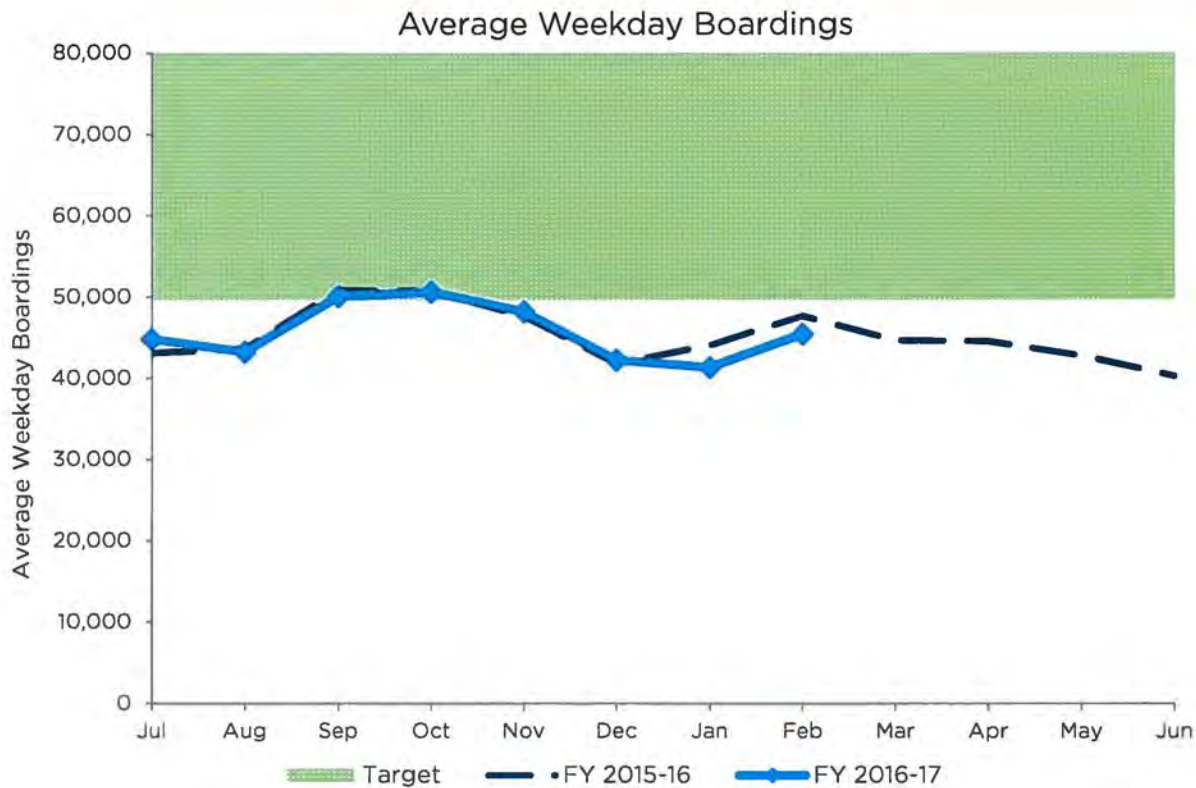
Foothill Transit continues to encourage increased ridership by targeting specific demographics of customers through the Class Pass program and marketing towards schools, religious groups, and senior citizens. Improved data analysis allows Foothill Transit Planning staff to better understand travel demand in the service area. Foothill Transit is using this information to target strategic service changes in order to balance ridership with overall service.





**Average Weekday Boardings**

The number of average weekday boardings is calculated by dividing the total number of weekday boardings by the number of days with weekday service in a given period. The Fiscal Year 2016-2017 performance target for average weekday boardings is to achieve at least 49,638 average weekday boardings. In February, there were 45,399 average weekday boardings, which is a five percent decrease from the same period the previous year and doesn't meet the target. The overall trend in average weekday boardings closely matches the overall trends in total boardings. Year to date the agency has averaged 46,018 average weekday boardings, which doesn't meet the performance target.





**Goal 4: Operate an Efficient Transit System**

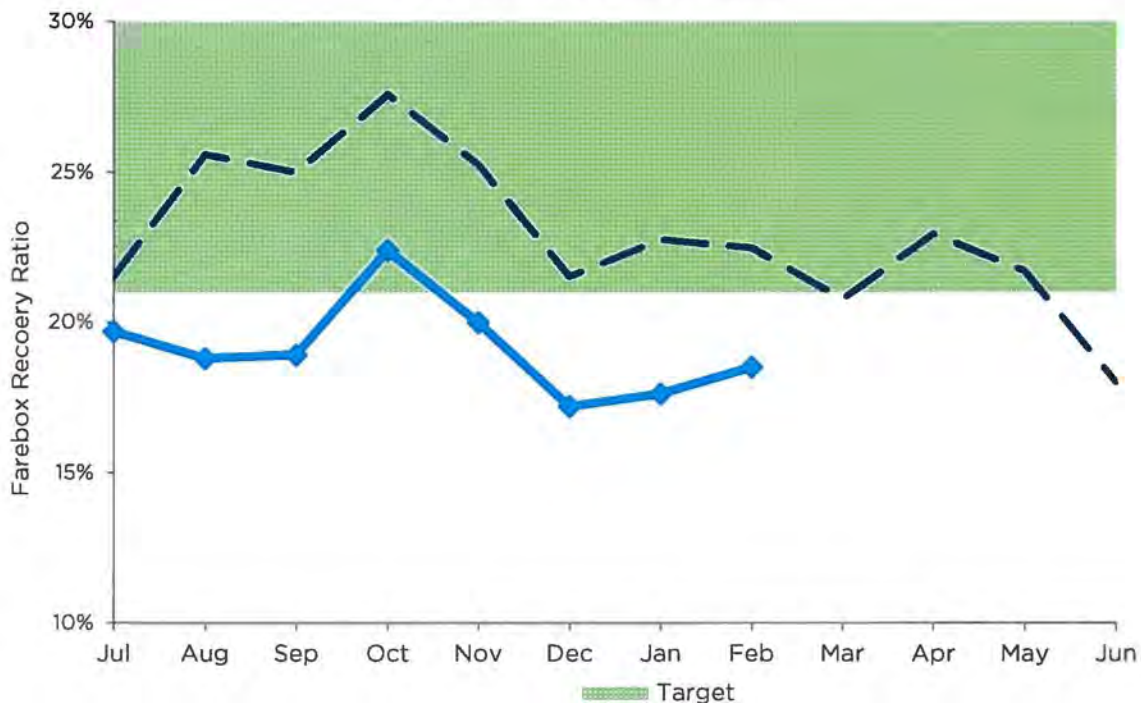
Foothill Transit measures its overall efficient use of available resources by monitoring the average cost per vehicle service hour and farebox recovery ratio.

**Farebox Recovery Ratio**

Farebox recovery ratio is a measure of the proportion of operating costs recovered by passenger fares. The farebox recovery ratio is calculated by dividing total fare revenue by total operating expense. As part of the budget development process, a goal of 21 percent has been established for the fiscal year. The Transportation Development Act (TDA) stipulates that a minimum ratio of 20 percent of a transit agency's cost of providing service must be met using local funds in order for the transit agency to receive the state sales tax available for public transit purposes. To date, Foothill Transit has met that threshold by applying its farebox revenues. Foothill Transit's farebox recovery ratio for February was 18.5 percent, which is 23 percent lower than the previous fiscal year.

The lower farebox recovery ratio as compared to the budget is a result of lower fare revenues than projected due to the acceptance of Metro fare media on Lines 190, 194 and 270, as well as an increase in ADA free fare boardings and an increase in operating expenses incurred this quarter. Year-to-date, the farebox recovery ratio is 19.0 percent.

Farebox Recovery Ratio



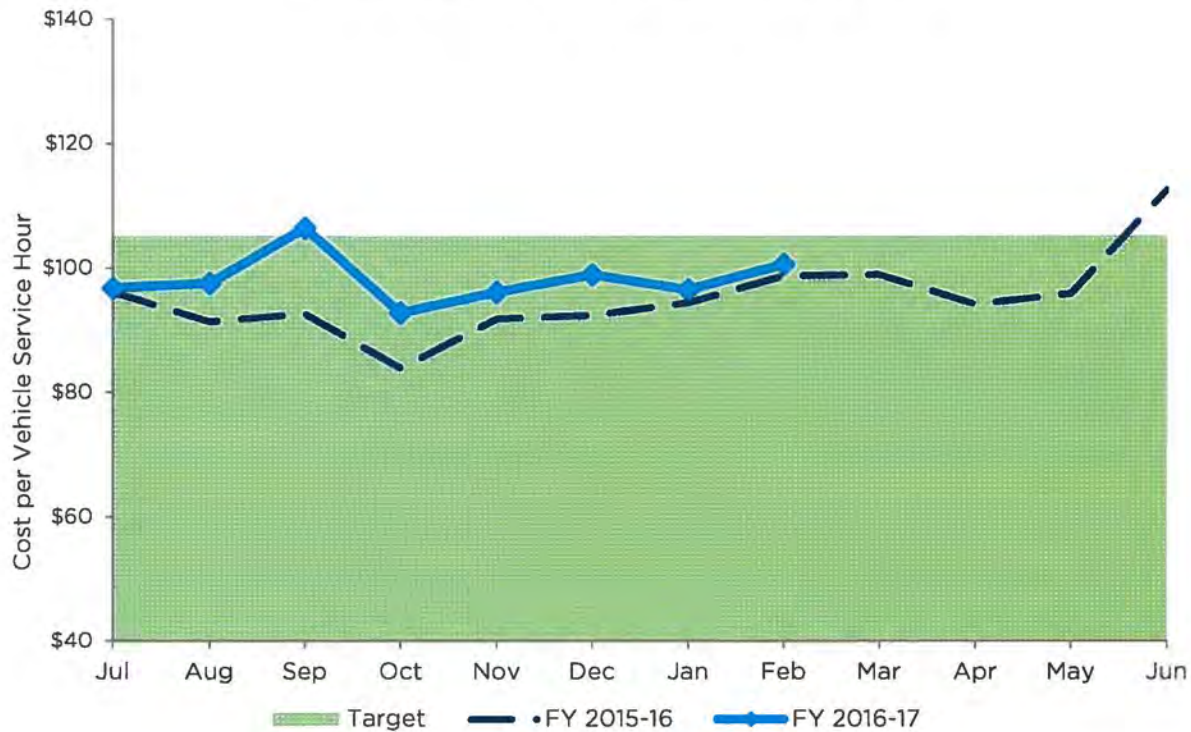




**Average Cost per Vehicle Service Hour**

Average cost per vehicle service hour is an industry standard utilized to measure the cost efficiency of transit service. It is derived by dividing operating expenses by vehicle service hours. Foothill Transit's average cost per vehicle service hour for February was \$100.59, which meets the fiscal year target of less than \$105.17, and is three percent higher than the previous fiscal year. This variance is due to the increase in operating expenses associated with higher costs of the newly procured operation and maintenance contract in Arcadia.

Average cost per Vehicle Service Hour



Sincerely,

Mike Tobin  
Quality Assurance Analyst

Doran J. Barnes  
Executive Director

**Foothill Transit  
Key Performance Indicators  
February 2017**

Goal	Performance Indicator	February 2017	Met Target?	February 2016	% Improvement Over Same Month Last Year	FY 2016-2017 YTD	Met Target?	FY 2015-2016 YTD	% Improvement YTD	Performance Target
Overall System Performance	Total Boardings	1,010,311	-	1,112,441	(9%)	9,026,515	-	9,168,078	(2%)	
	Vehicle Service Hours	66,161	-	63,673	4%	579,113	-	526,415	10%	
	Total Fare Revenue	\$1,227,865	-	\$1,388,913	(12%)	\$10,772,631	-	\$11,621,780	(7%)	
	Total Operating Expense	\$6,654,965	-	\$6,211,336	7%	\$56,635,996	-	\$48,666,476	16%	
Safety	Preventable Accidents per 100,000 Miles	0.53	Yes	0.61	(13%)	0.78	No	0.90	(14%)	≤ 0.70
Customer Service	Schedule Adherence	80.3%	No	80.8%	(1%)	81.5%	No	82.7%	(1%)	≥ 83%
	Miles Between Mechanical Service Interruptions	22,519	Yes	22,280	1%	30,233	Yes	24,558	23%	≥ 20,000
	Complaints per 100,000 Boardings	15.8	Yes	27.0	(41%)	20.9	No	18.21	15%	≤ 16.00
	Average Hold Time (Seconds)	22	Yes	34	(35%)	24	Yes	28	(17%)	≤ 40
Effectiveness	Boardings per Vehicle Service Hour	15.3	No	17.5	(13%)	15.6	No	17.4	(10%)	≥ 16.8
	Average Weekday Boardings	45,399	No	47,659	(5%)	46,018	No	46,177	(0%)	≥ 49,638
Efficiency	Farebox Recovery Ratio	18.5%	No	22.48%	(18%)	19.0%	No	23.9%	(20%)	≥ 21.0%
	Average Cost per Vehicle Service Hour	\$100.59	Yes	\$97.55	3%	\$98.17	Yes	\$92.48	6%	≤ \$105.17

Red = did not meet target

**Foothill Transit  
Operations Report  
February 2017**

Goal	Performance Indicator	February 2017	February 2016	% Improvement Over Same Month Last Year	FY 2016-2017 YTD	FY 2015-2016 YTD	% Improvement YTD
Operations	Average fare per boarding	\$1.22	\$1.31	(7.0%)	\$1.20	\$1.27	(5.4%)
	Average cost per boarding	\$6.59	\$4.87	35.3%	\$6.32	\$5.32	18.9%
	Average subsidy per boarding	\$5.37	\$3.56	50.8%	\$5.01	\$4.06	23.4%
	Total vehicle miles	1,328,643	1,157,288	14.8%	11,763,147	10,343,320	13.7%
	Vehicle service miles	944,987	849,419	11.3%	8,328,205	7,642,383	9.0%
	Total vehicle hours	87,908	76,960	14.2%	767,932	690,909	11.1%
	In-service speed (mph)	14.3	14.6	(2.2%)	14.38	14.5	(0.9%)
	Boardings per vehicle service mile	1.07	1.34	(20.1%)	1.09	\$1.20	(9.3%)



March 24, 2017

To: Executive Board

Subject: **March 2017 Legislative Summary**

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**Recommendation**

Receive and file the March 2017 Legislative Summary. Adopt a support position on AB 1113.

**Analysis**

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends a support position on AB 1113 (Bloom).

**State Legislative Issues:**

AB 1113 would amend the statutes governing the State Transit Assistance (STA) program to clarify several ambiguities that led to the State Controller's Office's (SCO) 2016 administrative changes. These changes implemented new calculation and allocation methodologies for the STA program, abruptly changing the way these vital funds are distributed. These STA grant funds are vital to the ongoing operations and capital projects of about 145 public transit systems statewide. This bill would help bring consistency and clarity to Foothill Transit's budgeting process related to state funding programs.

This month, the California Air Resources Board (CARB) released the results of its latest Cap and Trade auction, held on February 16. The state's share of the revenues came in at approximately \$8.2 million, well below the November auction, which generated \$364.3 million. So far, the three quarterly auctions for FY 2016-17 have generated roughly \$380.9 million, with one auction left in May. The Governor's recently released budget estimates that, in total, the auctions will generate \$1 billion in FY 2016-17. This would mean the final auction would need to bring in more than \$620 million to meet that target.

Of the revenues collected so far, here is what the formula programs would receive:

- Low-Carbon Transit Operations Program - \$19 million (5% of total)
- Transit and Intercity Rail Capital Program - \$38 million (10% of total)
- Affordable Housing and Sustainable Communities Program - \$76 million (20% of total)
- High-Speed Rail - \$95 million (25% of total)



The uncertainty of the recent auction will most certainly impact the transportation funding discussion, especially with regard to SB 1 (Beall) and AB 1 (Frazier). Both bills rely heavily on Cap and Trade, estimating that approximately \$300 million per year would materialize for investments in public transit. The auctions would need to collect \$2 billion annually to meet the estimates supporting SB 1 and AB 1, a target they have yet to achieve in a given fiscal year.

***Federal Legislative Issues:***

We are awaiting specifics of President Trump's Infrastructure Investment Plan. During his address to a joint session of Congress last month, Trump called for \$1 trillion in infrastructure spending. The president said he would address that plan after lawmakers tackle healthcare and tax reform.

The President said he is eyeing a plan that would require states to begin infrastructure projects within 90 days of receiving federal funding. Trump's plan would be aimed at pressuring states to streamline their local permitting process, emphasize renovation of roads and highways over the construction of new ones and prioritize projects that are ready to quickly begin construction. "We're not going to give the money to states unless they can prove that they can be ready, willing and able to start the project," Trump said during a private meeting with aides and business executives, according to a Wall Street Journal report. "We don't want to give them money if they're all tied up for seven years with state bureaucracy," he added.

**Budget Impact**

The impact of AB 1113 has not been determined at this time.

Sincerely,

David Reyno  
Director of Government Relations

Doran J. Barnes  
Executive Director

Attachment

## 2017 Legislation Summary

Current as of 3/9/2017

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 1	Frazier	<p>AB 1 and SB 1 are \$6 billion/year proposals, like the proposals that preceded them in the 2015-2016 Special Session on Transportation Infrastructure, include a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies &amp; streamlined project delivery, accountability measures, and constitutional protections.</p> <p>These proposals would continue to fund public transit by doubling the Cap and Trade allocation to the Transit and Intercity Rail Capital Program and Low Carbon Transit Operations Program; and, each triples the incremental diesel sales tax going to the State Transit Assistance program, from 1.75% to 5.25% (an effective increase of 3.5%).</p>	This bill could lead to increased state funding for Foothill Transit.	Assembly Committee on Transportation	CTA - Support	<b>Support Position Adopted 2/24/2017</b>
AB 17	Holden	This bill would create a Transit Pass Program to provide free or reduced-fare transit passes to public school, community college, California State University and University of California students. This program would join the Transit and Intercity Rail Capitol Program and Low Carbon Transit Operations Program as a transit related Cap and Trade expenditure once appropriated from the Greenhouse Gas Reduction Fund. Recent amendments (May 31, 2016) have removed a dedicated funding amount for this program.	This bill could help support Foothill Transit's Class Pass Program.	Senate Committee on Transportation		<b>Support Position Adopted 2/24/2017</b>
AB 1113	Bloom	<b>This bill would amend the statutes governing the State Transit Assistance (STA) program to clarify several ambiguities that led to the State Controller's Office's (SCO) 2016 administrative changes. These changes implemented new calculation and allocation methodologies for the STA program, suddenly changing the way</b>	<b>This bill would help bring consistency and clarity to Foothill Transit's budgeting process related to the STA Program.</b>	Assembly Committee on Rules	CTA - Support	Support

## 2017 Legislation Summary

Current as of 3/9/2017

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
		<b>these vital funds are distributed. These STA grant funds are vital to the ongoing operations and capital projects of about 145 public transit systems statewide.</b>				
SB 1	Beall	See AB 1. SB 1 adds another 0.50% sales tax on diesel fuel increment, for intercity and commuter rail purposes.	This bill could lead to increased state funding for Foothill Transit.	Committee on Transportation and Housing	CTA - Support	<b>Support Position Adopted 2/24/2017</b>



March 24, 2016

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 the second quarter of FY 2016/17 totaled \$1,022,150. Overall sales decreased by 17 percent decrease from the same period of FY 2015/16. Foothill Transit product sales also decreased by 17 percent, primarily as a result of a decrease in sales of Commuter Express passes.

Attachment A provides a graphic representation of the three-month sales figures by store location. As the chart indicates, all stores experienced declining sales over the three-month period, with the lowest sales observed in December. The December decline is customary, as customers tend to take time off during the holidays.

Attachment B provides a graphic representation of the three-month sales figures separated by product type. December sales of cash purse product loaded onto TAP cards exceeded other product types. This too is likely related to the fact that customers tend to rely less on pass products than they do on passes when the frequency of their travel to and from work and school declines.

Sales by Transit Store are also summarized in the table below.

Location	October 2016	November 2016	December 2016	Total
El Monte	\$102,504	\$98,453	\$88,328	\$289,285
Pomona	\$101,038	\$94,237	\$91,004	\$286,279
Puente Hills	\$91,693	\$78,478	\$73,569	\$243,739
West Covina	\$52,479	\$52,647	\$45,639	\$150,764
Online	\$28,899	\$23,184	N/A	\$52,083
<b>Total</b>	<b>\$376,612</b>	<b>\$346,999</b>	<b>\$298,539</b>	<b>\$1,022,150</b>





**Phone Activity** (Attachments C & D): In October, November, and December, a total of 69,721 phone calls were received through the toll-free customer service line. Customer Service Representatives (CSRs) answered 94 percent, or 65,561 incoming phone calls with an average time to answer of 26 seconds. The average handling time of a call was one minute and fifty-seven seconds. Compared to last year, this was a 10 percent decrease in the total number of calls received by the Transit Stores. Transdev, the Transit Store contractor, continues to monitor and seek improvements in call center management and the overall service provided to Foothill Transit customers.

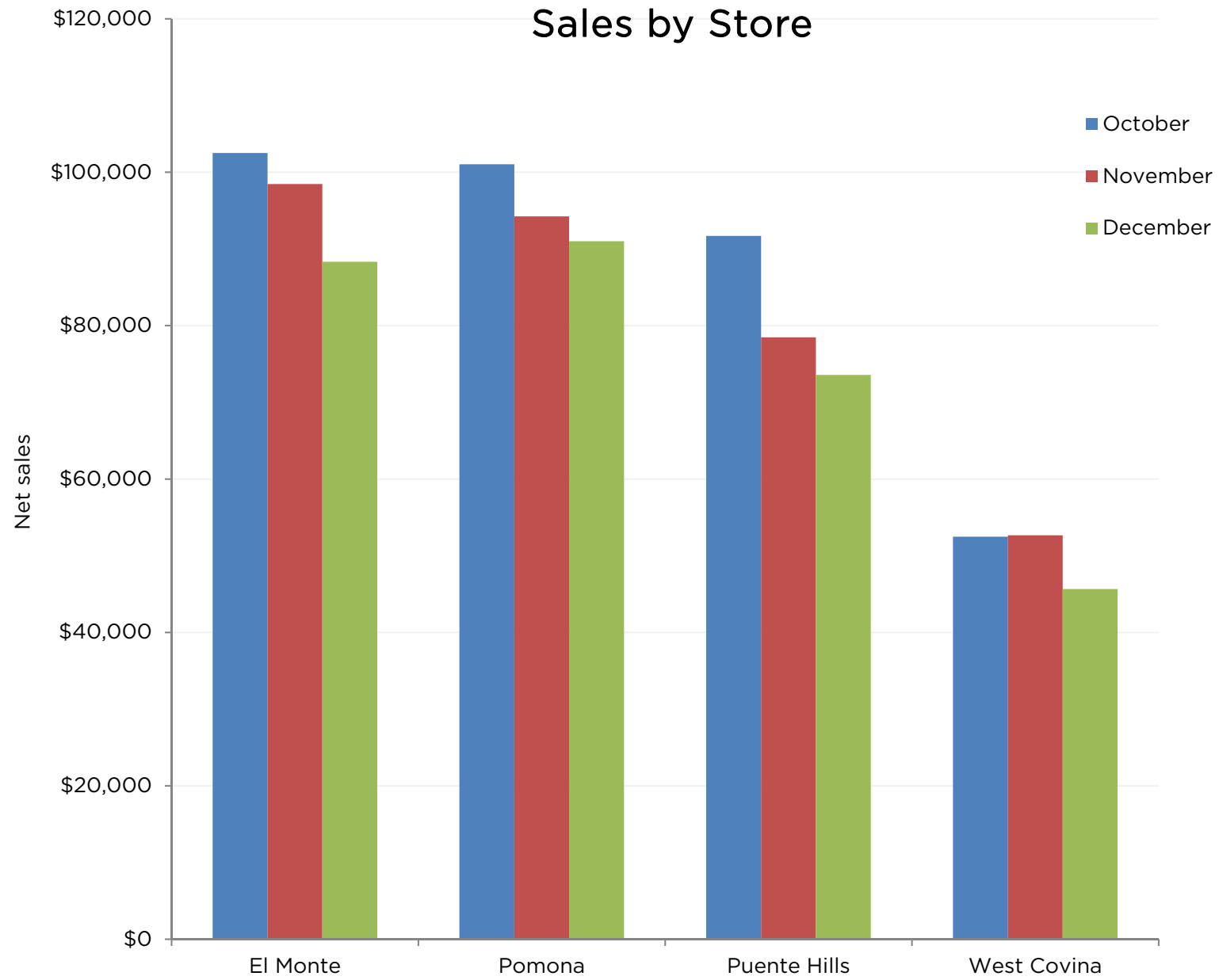
Customer call handling					
Month	% of calls answered	Calls received	Calls answered	Average time to answer	Average handling time
October 2016	94.1%	24,614	23,166	:22	01:56
November 2016	93.7%	23,211	21,744	:24	01:59
December 2016	94.3%	21,896	20,651	:22	01:57
Total	94%	69,721	65,561	:22	1:57

**Walk-in Traffic** (Attachment E): Walk-in traffic recorded for all stores during this time period totaled 43,338 entries, which amounts to a decrease of 18 percent from quarter two of last year. The El Monte Store experienced a slight increase in walk-in traffic in November, which is counter-intuitive as sales at the El Monte Store did not experience the same increase in November.

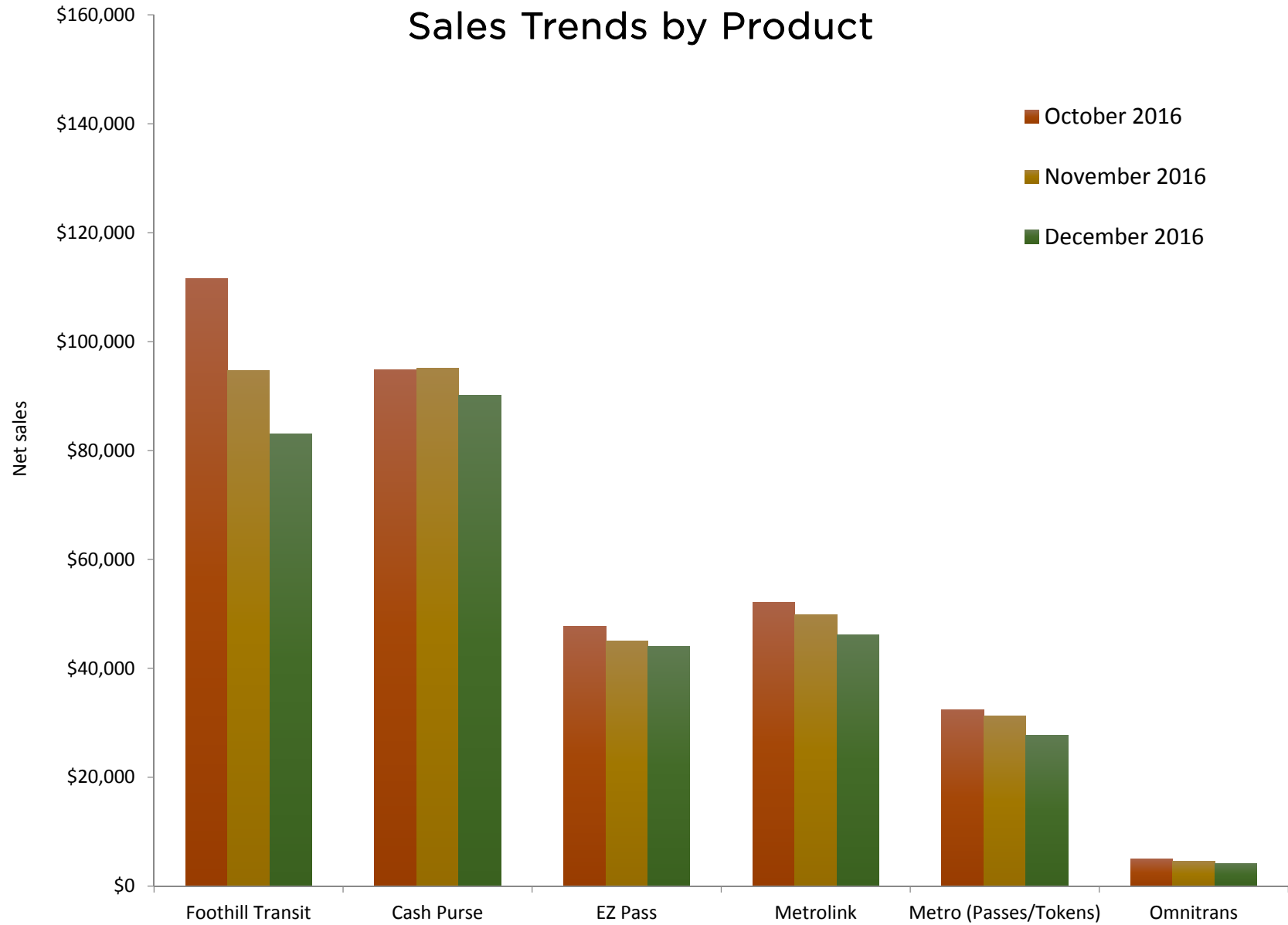
Sincerely,

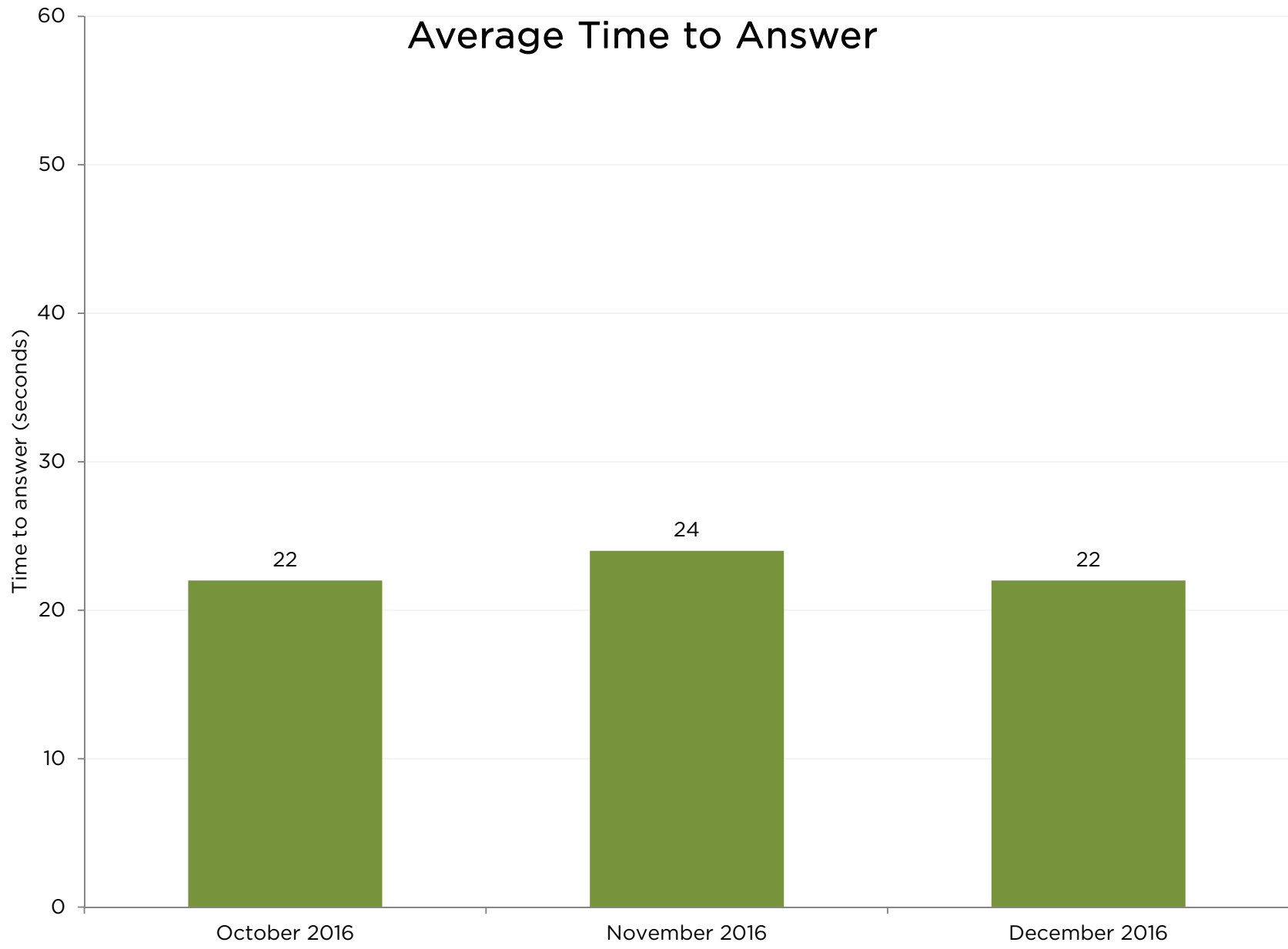
Mike Tobin  
Quality Assurance Analyst

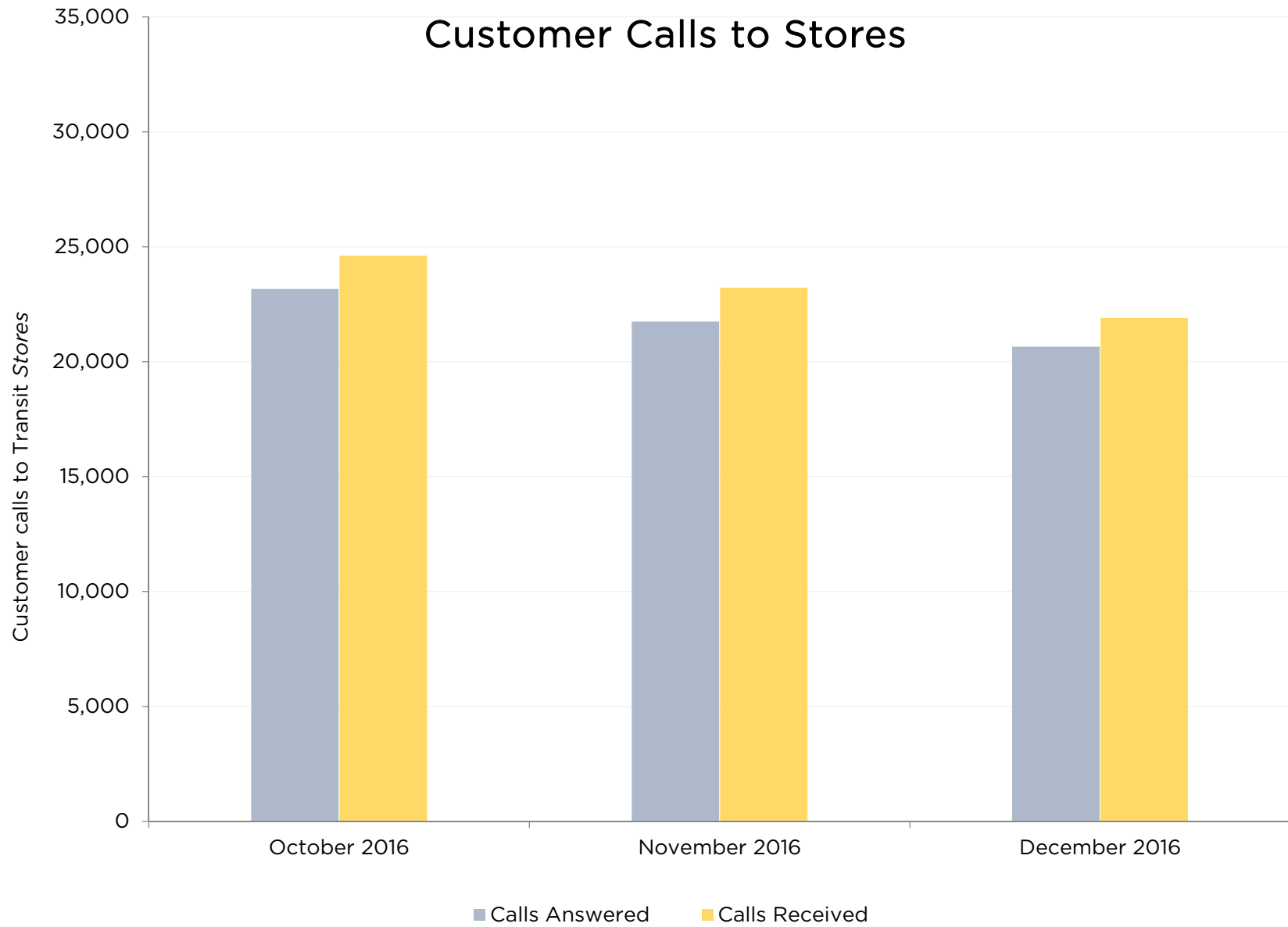
Doran J. Barnes  
Executive Director

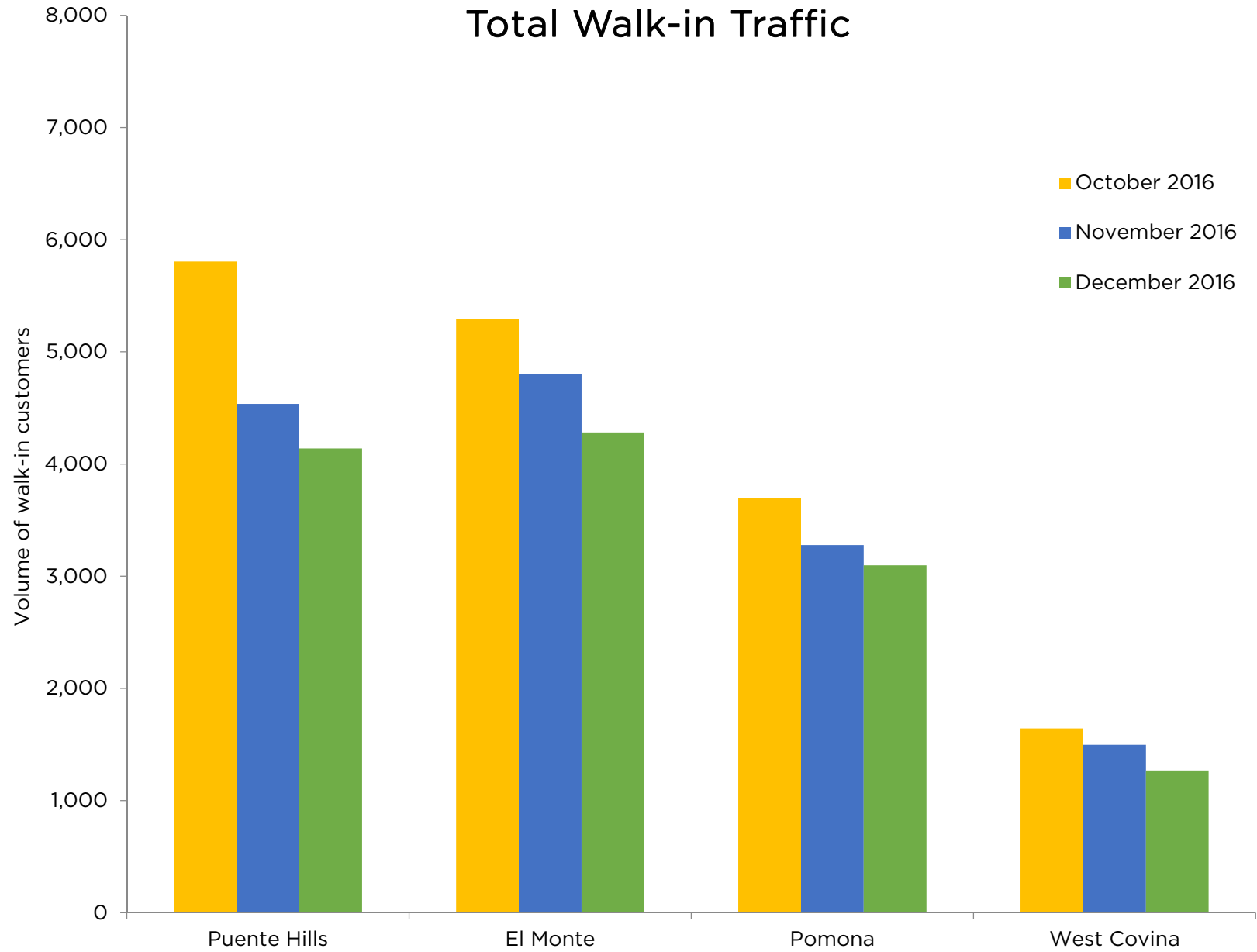


# Sales Trends by Product











March 24, 2017

To: Executive Board

Subject: **Contract Award – Bus Fleet Surveillance Equipment Update**

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**Recommendation**

Authorize the Executive Director to negotiate final terms and conditions and enter into Sole-Source Agreement No. 17-073 with Transit Solutions, Inc. (TSI) in the amount of Seven Hundred Thirty-Three Thousand Seven Hundred Forty-Three dollars (\$733,743) sales tax included, to update Foothill Transit’s bus fleet surveillance equipment.

**Analysis**

TSI provides the surveillance camera system installed in every Foothill Transit bus. The nine surveillance cameras on each coach provide safety and security to our passengers and coach operators by recording video when the buses are in service. The videos are also a driver training tool that facilitates corrective action and documentation for accident investigations. Of the nine cameras, three are installed in the exterior of the bus for views from the street-side, curb-side and rear of the bus while the six interior cameras yield views from every angle of the bus interior including a front view from a driver’s perspective.

The cameras currently installed are analog based and the existing Verint hard drive is no longer available and no longer supported by Verint. The system upgrade supplied by TSI is comprised of nine Internet Protocol (IP) digital cameras. In addition, TSI will replace the discontinued Verint hard drive with TSI’s own proprietary hard drive system.

Unlike an analog camera, the IP camera sends and receives data via a computer network and the Internet. The high resolution graphics recorded on a digital IP camera provide clear images for viewing and reviewing. The clearer the image, the easier it is to discern faces, objects, people, and other details filmed by the camera. Video data is easily accessed, reviewed, and scanned in a digital format. Because all of the data is recorded in a digital format, it is easily accessible for playback.



**Foothill Transit**

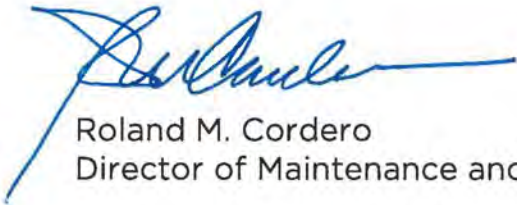
## **Executive Board Meeting**

Special Executive Board Meeting - 03/24/17  
Contract Award - Bus Fleet Surveillance Equipment Update  
Page 2

### **Budget Impact**

Funds for the update of Foothill Transit's bus fleet surveillance equipment are included in Foothill Transit's approved FY 2016-2017 capital budget.

Sincerely,



Roland M. Cordero  
Director of Maintenance and Vehicle Technology



Doran J. Barnes  
Executive Director





March 24, 2017

To: Executive Board

Subject: **Resolution for the Low Carbon Transit Operations Program**

---

### **Recommendation**

Adopt the following resolution:

Resolution No. 2017-01: Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) Project "*Foothill Transit Line 280 Expansion and Electrification*" in the Amount of \$236,658 (Attachment A).

### **Analysis**

The Low Carbon Transit Operations Program (LCTOP) was established by the California Legislature in 2014 to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. This program is designed to fund capital or operating projects that a) reduce greenhouse gases; b) increase transit ridership; and, c) benefit disadvantaged communities. Of all the State programs designed to reduce greenhouse gases from transportation, the LCTOP is unique because of its focus on transit agencies, its formulaic funding structure, and the eligibility of projects to fund transit operations. Through this program, Foothill Transit is eligible for funding in the amount of \$236,658.

With the Board's authorization, Foothill Transit will request operating funds to support the expansion and electrification of Line 280 serving the new Azusa Intermodal Transit Center and Azusa Gold Line Station. Starting this year, Foothill Transit will deploy 13 new Proterra electric buses along Line 280. Service frequency is being increased as well. The proposed project for LCTOP will fund the operation of these electric buses during fiscal year 2017/2018.

**Attachment A** is the proposed resolution for authorization for the execution of this LCTOP project.



**Budget Impact**

This resolution will enable Foothill Transit to submit an allocation request for the amount of \$236,658, which would fund operating costs associated with the expansion and electrification of Line 280.

Sincerely,

  
Michelle Lopes Caldwell  
Director of Finance & Treasurer

  
Doran J. Barnes  
Executive Director

**RESOLUTION No. 2017-01**

**Authorization for the Execution of the Low Carbon Transit Operation Program (LCTOP) Project “Foothill Transit Line 280 Expansion and Electrification” in the Amount of \$236,658**

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**WHEREAS**, Foothill Transit is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

**WHEREAS**, Foothill Transit wishes to implement the LCTOP project(s) listed above,

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Foothill Transit that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of Foothill Transit that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2016-17 LCTOP funds:

*Project Name:*

Foothill Transit Line 280 Expansion and Electrification

*LCTOP funds requested:*

\$236,658

*Description:*

The proposed project will support the expansion, maintenance and operation of Foothill Transit’s zero-emission electric buses servicing Line 280, which will connect disadvantaged communities in the San Gabriel Valley to the new Azusa Intermodal Transportation Center and Azusa Gold Line Station.

**Attachment A**

**Adoption.** PASSED AND ADOPTED at a meeting of the Executive Board held on March 24, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

\_\_\_\_\_  
Carol Herrera, Chair

ATTEST:  
Doran J. Barnes, Executive Director

APPROVED AS TO FORM:  
Darold D. Pieper, Attorney at Law

By: \_\_\_\_\_  
Darold Pieper, General Counsel

By: \_\_\_\_\_  
Executive Director



March 24, 2017

To: Executive Board

Subject: **Resolution for the California Transit Security Grant Program**

---

### **Recommendation**

Adopt the following resolution:

Resolution No. 2017-02: Authorization for the Execution of the California Transit Security Grant Program (CTSGP-CTAF) Project "*Facility Security Upgrades*" in the Amount of \$654,386 (\$327,193 for FY2015-16 and \$327,193 for FY2016-17) (Attachment A).

### **Analysis**

The California Transit Security Grant Program (CTSGP-CTAF) was established by the Highway Safety, Traffic Reduction, Air Quality and Port Security bond Act of 2006, approved by the voters as Proposition 1B at the November 7, 2006, general election, authorizes the issuance of \$19,925,000,000 in general obligation bonds for specified purposes, including grants for transit system safety, security and disaster response projects, for a period of ten years. Through this program, Foothill Transit is eligible for funding in the amount of \$327,193 for FY2015-16 and \$327,193 for FY2016-17 for a total amount of \$654,386.

With the Board's authorization, Foothill Transit will request the total amount of \$654,386 to fund the "Facility Security Upgrades" project that will enhance security at all Foothill Transit agency properties by adding and upgrading network security, surveillance cameras, digital video recorders, alarm systems, card readers, outdoor security lighting and fencing, and other access control systems.

The network security upgrades will allow Foothill Transit to better defend from cyber threats, and the surveillance systems upgrades along with the other security upgrades will enhance the security for staff and customers at all of Foothill Transit agency properties.

**Attachment A** is the proposed resolution for authorization for the execution of this CTSGP-CTAF project.



**Budget Impact**

This resolution will enable, Foothill Transit to submit an allocation request for the amount of \$654,386, which includes \$327,193 for FY2015-16 and \$327,193 for FY2016-17. These funds will pay for activities associated with the Facility Security Upgrades project.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance and Treasurer

Doran J. Barnes  
Executive Director

**RESOLUTION No. 2017-02**

**Authorization for the Execution of the California Transit Security Grant Program (CTSGP-CTAF) Project "Facility Security Upgrades" in the Amount of \$654,386**

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**WHEREAS**, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

**WHEREAS**, the California Governor's Office of Emergency Services (Cal OES) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGP); and

**WHEREAS**, Foothill Transit is eligible to receive CTSGP funds; and

**WHEREAS**, Foothill Transit will apply for FY2015-16 CTSGP funds in an amount up to \$327,193 and for FY2016-17 CTSGP funds in an amount up to \$327,193 for the Facility Security Upgrades project to increase protection against security and safety threats; and

**WHEREAS**, Foothill Transit recognizes that it is responsible for compliance with all Cal OES CTSGP grant assurances, and state and federal laws, including, but not limited to, laws governing the use of bond funds; and

**WHEREAS**, Cal OES requires Foothill Transit to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of Foothill Transit to execute actions necessary to obtain CTSGP funds from Cal OES and ensure continued compliance with Cal OES CTSGP assurances, and state and federal laws.

***THEREFORE, IT IS HEREBY RESOLVED BY THE EXECUTIVE BOARD OF Foothill Transit THAT DORAN BARNES, EXECUTIVE DIRECTOR, AND/OR MICHELLE CALDWELL, DIRECTOR OF FINANCE AND TREASURER, AND/OR GIL VICTORIO, CONTROLLER, is hereby authorized to execute for and on behalf of Foothill Transit, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Governor's Office of Emergency Services under the CTSGP.***

**Attachment A**

**Adoption.** PASSED AND ADOPTED at a meeting of the Executive Board held on March 24, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

\_\_\_\_\_  
Carol Herrera, Chair

ATTEST:  
Doran J. Barnes, Executive Director

APPROVED AS TO FORM:  
Darold D. Pieper, Attorney at Law

By: \_\_\_\_\_  
Darold Pieper, General Counsel

By: \_\_\_\_\_  
Executive Director





March 24, 2017

To: Executive Board

Subject: **Request to Issue RFQ NO. 17-069 - On-Call Architectural & Engineering Services**

---

### **Recommendation**

Authorize the Executive Director to issue RFQ No. 17-069 for On-Call Architectural & Engineering Services.

### **Analysis**

In October 2012, Foothill Transit's Executive Board approved and adopted a revision to Foothill Transit's Procurement Policies and Procedures to address task orders under "on-call" contracts. Under the task order concept, each task order is the equivalent of a separate contract whereby the Executive Director is authorized to approve and execute separate task order amendments to on-call contracts. Executive Board approval is required for any amendments to a single task order when the cumulative value of those amendments exceeds \$100,000.

Foothill Transit has since utilized on-call Architectural & Engineering services as needed for small-scale facility upgrade projects. For each of the services, a task order is issued to the consultant with a request that the consultant develop a defined scope of work, cost estimate and schedule. Task orders under the on-call Architectural & Engineering Services contract are specifically limited to projects where the services provided are less than \$75,000.

The basic contract that Foothill Transit develops with the Architectural & Engineering consultant contains general terms and conditions, and provides that scope of work, schedule and compensation will be negotiated on a case by case basis and that a separate amendment to the base contract will be executed for each task order.

Foothill Transit's current on-call Architectural & Engineering Services contract is set to expire June 30, 2017.



**Foothill Transit**

## **Executive Board Meeting**

Special Executive Board Meeting - 03/24/17  
Request to Issue RFQ NO. 17-069 - On-Call Architectural &  
Engineering Services  
Page 2

### **Budget Impact**

Funding for on-call Architectural & Engineering services will be included as part of Foothill Transit's FY2017-2018 Business Plan.

Sincerely,

Vincent Saucedo  
Construction Project Manager

Doran J. Barnes  
Executive Director



March 24, 2017

To: Executive Board

Subject: **Request to Issue RFQ NO. 17-067 – Materials Testing and Special Inspections Services for Covina Transit Center**

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**Recommendation**

Authorize the Executive Director to issue RFQ No. 17-067 Materials Testing and Special Inspections Services for Covina Transit Center.

**Analysis**

Section 17 of the California Building Code, requires that all new building materials, equipment, systems or methods, or any materials of questioned suitability proposed for use in the construction of a building or structure be subjected to tests to determine character, quality and limitations for use. While the construction contractor is responsible for inspecting and testing its work and is solely responsible for overall quality of materials and construction methods, materials testing and special inspections services performed by an independent third-party consultant provides additional oversight of material quality and inspection of construction processes. As an example, the scope of services includes, but is not limited to, concrete and masonry testing and inspection of structural steel, welding methods and concrete placement.

RFP No. 17-067 is being issued to seek proposals from qualified firms or individuals to provide the required materials testing and inspection services during the construction of the Covina Transit Center.

**Budget Impact**

The approved FY16-17 Business Plan includes funding for Materials Testing and Special Inspections Services related to the Covina Transit Center project.

Sincerely,

  
Sharlane Bailey  
Director of Facilities

  
Doran J. Barnes  
Executive Director



March 24, 2017

To: Executive Board

Subject: **FY2017/2018 Financial Strategies**

---

### **Recommendation**

Approve the FY2017/FY2018 financial strategies for budget planning that are proposed in support of Foothill Transit's adopted Financial Stability Policy.

### **Analysis**

Foothill Transit has an important responsibility to the taxpayers of Los Angeles County to prudently manage its long and short-term finances. In time of economic change and uncertainty, it is especially important for Foothill Transit to ensure its ability to deliver safe, quality and reliable transportation services that are based upon a strong and stable financial foundation.

The Financial Stability policy was adopted by the Foothill Transit Board in February 2016 to ensure that Foothill Transit financial policies are based upon Generally Accepted Accounting Principles and promulgated by the Government Accounting Standards Board. Every three years, the Federal Transit Administration and the LA Metro, on behalf of the State of California Transportation Development Act (TDA) requirements, perform audits to determine among other things, if we are following our published, Board adopted policies.

Strategies to support the adopted policy are updated annually to provide management with a framework for developing the upcoming year's budget and other longer range financial plans and establishing future business targets for management to achieve.

Each year, prior to budget development, staff will bring the annual financial strategies to the Executive Board for review and approval. Staff is recommending that the following financial strategies be adopted for FY2017/FY2018:

#### FY2017/FY2018 Financial Strategies

- S1. Adjust bus operating expenses as needed resulting from procurement of new operating and maintenance contract in Pomona and agreed upon contractual increases in existing operating contracts.



- S2. Implement service changes to improve service efficiency, maintain and increase ridership, and maintain revenues and Governing Board adopted Business Plan.
- S3. Adopt an annual budget which includes allocation to capital programs adequate to meet annual baseline funding for projects and programs which are essential to ensure system performance and safety such as full implementation of the CAD/AVL system.
- S4. Pursue grant funding for capital projects pursuant to the priorities adopted by the Governing Board in the annual Business Plan.
- S5. Implement strategies identified in the fare restructuring study and approved by the Governing Board.
- S6. Pursue favorable investment strategies for reserved funds to ensure Board adopted priorities of 1) safety, 2) liquidity, and 3) financial gain.

Staff recommends that the other elements of the policy remain unchanged. Those elements are noted in the attachment.

**Financial Impact**

These FY2017/2018 strategies will set the framework for the annual budget development. Specific service and fare changes, operating cost increases, and new capital projects will be brought to the Board as part of the proposed Business Plan in April 2017.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance & Treasurer

Doran J. Barnes  
Executive Director

Attachment (Adopted Financial Stability Policy)



**Finance Policy - FIN 01**

**Financial Stability Policy**

**Policy Statement**

Foothill Transit has an important responsibility to the taxpayers of Los Angeles County to prudently manage its long and short-term finances. In time of economic change and uncertainty, it is especially important for Foothill Transit to ensure its ability to deliver safe, quality and reliable transportation services that are based upon a strong and stable financial foundation.

The Financial Stability Policy is divided into two sections: Goals, and General Fiscal Policies. The purpose of the policy is to ensure that Foothill Transit prudently manages its financial affairs, establishes appropriate cash reserves, if debt is necessary, ensures that the debt assumptions are based on financial parameters similar to or more conservative than those that would be placed on Foothill Transit by the financial marketplace and to provide management with a framework for developing the upcoming year's budget and other longer range financial plans and establishing future business targets for management to achieve.

**Financial Goals**

- G1. Provide safe and secure transportation on Foothill Transit's bus system as the top priority.
- G2. Maintain an operating and capital financial base that is sufficient to deliver safe, quality transportation improvements and bus service efficiently and cost-effectively to meet the levels of demand.
- G3. Continuously strive to improve productivity.
- G4. Establish and maintain an operating fund balance sufficient to ensure that Foothill Transit can adjust to economic downturns, extraordinary cost increases and other financial emergencies.
- G5. Maintain the highest possible credit rating and reputation for prudent financial management.



**General Fiscal Policies**

- F1. Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board. The fiscal year-end for financial reporting purposes shall be June 30.
- F2. An independent certified public accounting firm shall perform an examination of Foothill Transit's consolidated financial statements on an annual basis. The goal is to receive an unqualified opinion on the financial statements and an opinion that Foothill Transit is in compliance with Federal Single Audit, State and Local reporting requirements in all material respects and to receive the Government Finance Officers Association (GFOA) award for excellence in financial reporting.
- F3. Funds shall be invested within the guidelines of the Executive Board's approved investment policy and in compliance with applicable state law.
- F4. Revenues received during a fiscal year that are in excess of the revenue budget for that year shall be reported as unrestricted, designated fund balances which may only be expended pursuant to Governing Board authorization. Such funds are generally available for appropriation in a subsequent budget cycle.
- F5. The annual budget establishes the legal level of appropriation. The budget shall include operating and capital components and full-time equivalent personnel necessary to implement the policy direction contained in the Annual Business Plan.



### **Budget Basis**

Foothill Transit is a single entity for budgeting and accounting purposes. Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all governmental and proprietary funds except that depreciation and amortization are not budgeted. The Governmental Accounting Standards Board (GASB) defines a fund as a “fiscal and accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.”

Foothill Transit operates with a single fund known as an Enterprise Fund. The Enterprise Fund is considered a proprietary fund. The fund is accounted for using the accrual basis of accounting, meaning revenue is recognized when it is earned and expenses are recorded when incurred.

### **Budget Process, Policies and Procedures**

The annual budget, as adopted by the Governing Board is the legal authority to obligate and spend funds and to hire employees. It includes all operating, capital and debt service (when applicable) requirements of Foothill Transit for the fiscal year, July 1 to June 30<sup>th</sup>. The annual budget is comprised of an operating budget and capital program and includes the total of full-time equivalent (FTEs) personnel required to deliver the budgeted activities.

Foothill Transit operates with an Enterprise Fund which includes all business-type activities such as bus operations and capital projects. The operating budget provides a summary of planned revenues and expenses for the fiscal year for Foothill Transit services and programs including the following:

- All revenue and expenditure/expense assumptions and projections
- Revenue service hours and miles of bus service
- Operation and maintenance of transit stores
- Total number of FTEs

The operating budget includes bus operations and special services, property management activities and agency administration.

### **Operating Budget**

The annual operating budget is developed on the basis of the combination of two budget methodologies. Continuation level budgeting is used to develop the funding and resources necessary to sustain critical operating, special programs and previously approved capital projects. Foothill Transit uses





zero-based budgeting methodology to determine resources of new programs and capital projects as well as general and administrative expenses. Foothill Transit's chart of accounts is reviewed and supplemented on an as-needed basis. The Finance Department monitors revenues and budget expenditures throughout the fiscal year.

Budget detail is a management plan for financial activity and is prepared at the fund, project, department, and account level. The legal level of control is at the fund level.

Total annual expenditures cannot exceed the final appropriation adopted by the Governing Board except for the capital budget, where appropriations are approved on a life-of-project basis. During the fiscal year, changes in law, economic conditions and emergencies can have an impact on budget authority. Spending authority may be increased or decreased throughout the fiscal year as unanticipated situations arise. Management may make revisions within operational and project budgets only when there is no net dollar impact to the total appropriations at the fund level. As such, the Executive Director can approve administrative revisions, including FTE changes, to the financial plan if changes are consistent with the fund appropriation.

Foothill Transit's source of authority to make changes is rooted in disclosure on financial policy as stated in Foothill Transit's Comprehensive Annual Financial Report (CAFR) where reference to the legal level of authority is at the fund level so that staff has the ability to make changes within that legal authority.

#### Capital Program Budget

The capital budget process is integrated into the annual budget process. The capital budget includes all capital program activities associated with bus acquisition, bus capital improvements, facility construction and other capital improvements such as information technology enhancements. The Governing Board approves a capital project as part of the annual budget adoption; it authorizes the schedule and total expenditures over the life of the project.

Appropriations for the capital budget are approved on a life-of-project basis and thus, do not lapse at the end of the fiscal year. Providing flexible funding over the life of a project authorizes staff to re-appropriate unexpended revenues and expenses from the prior year.

The capital program budget (CP) is adopted on a life-of-project basis. Thus, annual re-appropriations are not required. Changes to the life-of-project budget for any project whose life-of-project budget is over \$1 million must be



approved by the Governing Board. The CP budget process is completed as part of the annual budget process. Project managers analyze the status of their funded projects (reforecasting schedules, costs, etc.) They also submit new projects for consideration through the CP process in the second quarter of the current fiscal year.

The CP budget process includes the following:

- Determines which prior year projects will not be completed as scheduled in the current fiscal year;
- Identifies new requirements or projects since the adoption of the prior CP, including changes to the life-of-project budget;
- Authorizes capital projects and associated funding plans;
- Estimates the operating impact of the capital investment, including cost increases.

The CP budget is developed based on project rankings, project readiness, available agency resources, and funding. Project managers gather project information (current and new projects) and submit the information to Finance in the second quarter of the current fiscal year. Finance assembles the proposed projects and submits to Executive Management. Executive Management reviews the list of recommended capital projects and further prioritizes the projects to match available revenues.

Policy Effective Date: February 27, 2016



March 24, 2017

To: Executive Board

Subject: **Human Resource Compensation and Benefits**

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### **Recommendation**

Approve the following recommendations regarding the Foothill Transit employee compensation and benefits programs:

- A. Modify the job titles to match the current and proposed employee job titles;
- B. Increase Foothill Transit's contribution to the retirement fund by one percent of the employee's gross salary, making the Foothill Transit contribution eight percent (plus an additional four percent match to employee contribution);
- C. Modify the internship program to allow student interns to work flexible schedules while adhering to laws for part-time employment; and
- D. Reimburse employees for annual out-of-pocket expenses not reimbursed by health insurance, in excess of \$5,000 but not-to-exceed \$20,000, *net of taxes*, for medical costs for themselves or covered dependents due to a prolonged injury or illness.

### **Analysis**

#### Employee Classification Changes

The following changes are proposed to the employee classification job titles and salary grades;

- Reclassify the Facilities Administrative Assistant - Grade 3 to a Facilities Analyst - Grade 5
  - This position is currently filled. A compensation review has been conducted and a new job description prepared to more accurately reflect the current job responsibilities and additional responsibilities which are being added to the job.
- Reclassify the Finance Analyst - Grade 6 to Administrative Analyst - Grade 5, Finance Department.
  - The Finance Analyst position was recently vacated. A new job description was prepared to address the administrative and analytical responsibilities required to improve both the Human Resource and Finance programs and procedures. The employee



currently in the Accounting Clerk position has been performing these duties as time permitted, so she has been moved into the new position.

- Change the name of the Procurement Department to Policy and Strategic Sourcing; change the title from Director of Procurement to Director of Policy and Strategic Sourcing.
- Reclassify the Director of Customer Service and Risk Management - Grade 8, Administration Department to Administrative Analyst - Grade 5, Policy and Strategic Sourcing Department. This position is currently vacant and will be recruited after Board approval. This position will be responsible for the administrative and analytical responsibilities required to improve both Procurement and agency-wide policies.
- Re-title the Safety Compliance Coordinator - Grade 6 to Safety Compliance Manager - Grade 6.
- Re-title the Special Projects Manager- Grade 7 to Finance and Budget Manager - Grade 7, and transfer the position from Administration to Finance.
- Transfer the Human Resources Manager - Grade 6, from Administration to Finance.

#### Employee Defined Contribution Retirement Program

In 2013, Foothill Transit adopted a defined contribution retirement program for all employees. A 401(a) Plan and a 457 Savings Plan were set up for employer and employee contributions. One hundred percent of all Foothill Transit employees participate in the voluntary savings plan with Foothill Transit matching up to four percent of the employee contribution.

This proposal is to increase the Foothill Transit contribution from seven percent to eight percent. Many public agencies continue to offer a defined benefit program for employees, making it challenging for Foothill Transit to compete when employees are seeking solid retirement options. Increasing the Foothill Transit contribution to eight percent (plus four percent additional match) will place Foothill Transit among the leading employers in Defined Contribution retirement programs.



Internship Program

The Employee Compensation program currently states that Interns will work an average of 20 hours per week. Current State and Federal laws state that “part-time” employees are employees who work less than 120 days, or less than 900 hours per year. Removing the “20 hours per week” limitation will allow students who are on summer break to work 40 hours per week for the limited time of their school vacation. All work schedules will be agreed to by the Supervisor and will be monitored by the Finance Department.

Employee Reimbursement for Out-of-Pocket Expenses

In 2016, the Board approved a change to the health care benefits to pay employee out-of-pocket for costs that are not covered by the health insurance plan. In the event of a serious illness or injury, it is possible that an employee may have out-of-pocket expenses that could create extreme financial hardship. In these circumstances, the employee may submit their Explanation of Benefits from their insurer identifying the out-of-pocket expenses or declined payments in excess of \$5,000. Foothill Transit will reimburse the employee for those expenses, not to exceed \$20,000.

This modification to the adopted policy proposes to reimburse the employee for the eligible expenses, net of all taxes. Since the employee paid the fees to the health care providers with after-tax dollars, full reimbursement to the employee is also recommended to be net of taxes.

A marked up version of the Employee Compensation Plan is attached with the proposed changes noted. Please also note that the plan shows adjustments in pay ranges. These adjustments have been made per existing Executive Board policy that all pay ranges be increased by three percent annually. The pay ranges shown reflect the current ranges and are not being changed per the recommendation actions in this item.



**Budget Impact**

The employee job classification changes will be included in the FY2017-2018 budget. Since two higher level positions are being replaced with lower level positions, there is no anticipated salary increase as a result of the recommended changes.

The additional one percent added to the Employee retirement program will result in approximately \$47,000 additional contribution annually. The internship program will be included in the FY2017-2018 budget; no increase to the budget is anticipated. The modification to the health care reimbursement policy is anticipated to increase costs by \$25,000 in the FY2017-2018 budget. This amount is based on prior year experience, as well as the proposed after-tax reimbursement.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance & Treasurer

Doran J. Barnes  
Executive Director

Attachment



**Foothill Transit**  
Going Good Places

**Foothill Transit Employee Compensation Program**  
Adopted [March 24, 2017](#)

Foothill Transit's employee compensation plan is described below. The Foothill Transit Board reserves the right to modify or change this plan at its sole discretion at any time. The Executive Director is charged with administering this program.

*Please note that while Foothill Transit has been in existence for 25 years, it is just beginning as an employer. This program has been crafted with great care. Employees should fully understand that changes to this program are highly likely and should be fully expected as Foothill Transit gains experience as an employer. Further, the Affordable Health Care Act is expected to require changes to health plan coverages. Again, employees should expect changes in the future.*

**Pay Grades**

Foothill Transit shall utilize the following pay grades and ranges. Employees may be hired at any point within these pay ranges at the discretion of the Executive Director and subject to overall budget limitations (includes 3% increase for FY2016/2017 fiscal year):

	Bi-Weekly Min	Bi-Weekly Max	Annual Minimum	Annual Maximum	Position Type
Foothill Transit Grade 8	\$3,227	\$5,970	\$83,908	\$155,229	Department Director
Foothill Transit Grade 7	\$2,420	\$4,437	\$62,934	\$118,834	Department Manager
Foothill Transit Grade 6	\$1,977	\$3,268	\$51,394	\$87,505	Technical Staff
Foothill Transit Grade 5	\$1,735	\$2,622	\$45,104	\$68,221	Technical Support
Foothill Transit Grade 4	\$1,452	\$2,219	\$37,759	\$57,418	Administrative Support
Foothill Transit Grade 3	\$1,210	\$1,856	\$31,465	\$48,694	Clerical Support

Compensation for the Executive Director shall be set at the sole discretion of the Board. Compensation for the Deputy Executive Director shall not be less than 65 percent of the



compensation of the Executive Director and not more than 80 percent of the compensation of the Executive Director.

Positions by Pay Grade

Foothill Transit positions are assigned to the following pay grades:

	Department	Pay Grade
Receptionist	Administration	Grade 3
Marketing Assistant	Marketing	Grade 3
<del>Facilities Administrative Assistant</del>	<del>Facilities</del>	<del>Grade 3</del>
Operations and Customer Services Assistant	Operations	Grade 3
Accounting Clerk	Finance	Grade 4
Board Support Services Coordinator	Administration	Grade 4
Accountant	<del>Finance</del> Finance	Grade 5
<del>Administrative Analyst (2)</del>	<del>Various</del>	<del>Grade 5</del>
<del>Facilities Analyst</del>	<del>Facilities</del>	<del>Grade 5</del>
Maintenance Quality Assurance Inspector (2)	Maintenance	Grade 5
Quality Assurance Inspector (4)	Operations	Grade 5
Service Quality Coordinator	Operations	Grade 6
Human Resources Manager	<del>Administration</del> Finance	Grade 6
Facilities Manager	Facilities	Grade 6
Procurement Coordinator	Procurement	Grade 6
Fare Revenue Manager	Finance	Grade 6
<del>Finance Analyst</del>	<del>Finance</del>	<del>Grade 6</del>
<del>Project Accountant</del>	<del>Finance</del>	<del>Grade 6</del>
Senior Accountant (2 <del>positions</del> )	Finance	Grade 6
Creative Content Designer	Marketing	Grade 6
Digital Media and Customer Relations Coordinator	Marketing	Grade 6
Marketing and Communications Strategist	Marketing	Grade 6
Maintenance and Vehicle Technology Manager	Maintenance	Grade 6
Help Desk Administrator	I.T.	Grade 6
IT Application Specialist	I.T.	Grade 6
Safety Compliance Coordinator	Operations	Grade 6
Transit Planner (2)	Planning	Grade 6
Board Support Manager/Executive Assistant	Administration	Grade 7
Controller	Finance	Grade 7
<del>Government Relations Manager</del>	<del>Administration</del>	<del>Grade 7</del>
Construction Project Manager	Facilities	Grade 7
<del>Budget and Grants</del> Finance Manager	<del>Finance</del>	<del>Grade 7</del>
Electric Bus Program Manager	Maintenance	Grade 7
Manager of Community Engagement	Marketing	Grade 7
Manager of Public Affairs	Marketing	Grade 7
Network Manager	I.T.	Grade 7
Procurement Manager	Procurement	Grade 7

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Operations Contract Manager	Operations	Grade 7
<del>Special Projects Manager</del>	<del>Administration</del>	<del>Grade 7</del>
Transit Planning Manager	Planning	Grade 7
Director of <del>Procurement</del> <u>Policy and Strategic Sourcing</u>	Procurement	Grade 8
Director of Government Relations	Administration	Grade 8
Director of Facilities	Facilities	Grade 8
<del>Director of Human Resources &amp; Risk Management</del>	<del>Administration</del>	<del>Grade 8</del>
Director of Maintenance and Vehicle Technology	Maintenance	Grade 8
Director of Marketing and Communications	Marketing	Grade 8
Director of Information Technology	I.T.	Grade 8
Director of Planning	Planning	Grade 8
Director of Finance and Treasurer	Finance	Grade 8
Director of Customer Service and Operations	Operations	Grade 8

**Internship Program**

As part of Foothill Transit's commitment to workforce development, Foothill Transit has created an internship program. The internships allow students to gain valuable skills and knowledge. In addition, the interns support Foothill Transit in achieving its mission. Interns ~~work an average of 20 hours per week and would be paid \$15.00 per hour~~ work schedule will be agreed to in advance with the hiring supervisor, however, the intern's work hours will not exceed 120 days per year, as required by state law for part-time employment. Interns will be paid \$15.00 per hour.

**Paid Time Off**

Paid time off (PTO) combines vacation, sick time into a single bank of days for employees to use to take paid time off from work. PTO allows employees to take time off work at their discretion (with approval from their supervisor) which supports work-life balance and flexibility. The PTO accruals are based on years of service as shown in the table below:

Accrual Rates

Years of Service	Bi-Weekly Accrual (expressed in decimals)	Annual Accrual	Maximum Allowable Accrual (three times annual rate)
0-5 Years of Service	6.77 hours	176 hours	528 hours
5-10 Years of Service	8.30 hours	216 hours	648 hours



10-15 Years of Service	9.84 hours	256 hours	768 hours
15+ Years of Service	11.38 hours	296 hours	888 hours

Years of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit. Service does not need to be consecutive.

Employees may request to cash out their PTO hours once every calendar year, provided they 1) have used at least 80 hours of **scheduled** PTO hours during the 12 month period prior to requesting the cash out, and 2) they retain at least 160 hours in their PTO bank.

[Employees who separate from Foothill Transit after the age of 55 years will receive their final PTO check as a lump sum payment into the 401a retirement plan.](#)

**Holidays**

Holiday Hours

Foothill Transit shall observe the following seven paid holidays:

- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving

If an employee works on one of those seven holidays or if a holiday falls on a regularly scheduled flex day, the holiday hours are automatically added to the employee's PTO account.

Foothill Transit also observes a holiday period beginning on December 24<sup>th</sup> of each year and ending on January 1<sup>st</sup>. The administrative offices are closed during this time. The specific number of days and total hours of holiday time will vary from year to year. These holiday hours are not added to the PTO accrual bank.



Foothill Transit will grant paid holiday time off to all eligible employees immediately upon assignment to full-time status. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Part-time employees are not eligible for holiday pay.

**Paid Family Leave (PFL)**

Occasionally an employee may be required to take a prolonged leave of absence due to a serious illness or injury for either themselves or a family member or to bond with a new child (approved Family Medical Leave). Foothill Transit will pay PFL payments to eligible employees approximately 55% of weekly pay, not to exceed \$1,167 per week. PFL will be coordinated with the employee's PTO bank to provide full pay until the PTO bank is depleted.

**Work Hours and Schedules**

Management and administrative employees will work a 9/80 flex schedule with every other Monday off. Work hours will be as follows:

Tuesday through Friday	7:30 a.m. to 5:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.
First Monday:	Office closed	
Second Monday	7:30 a.m. to 4:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.

Certain positions in the Customer Service and Operations team may be assigned alternate schedules due to operational hours of the administrative office.

**Health Benefits**

Foothill Transit shall pay 90% of the cost of medical, dental, vision and chiropractic insurance for the employee and their eligible dependents. Employees who can demonstrate verification of health coverage may opt out of the Foothill Transit health benefits program. Employees who opt out will receive \$210 per month for medical insurance and \$60 per month for dental, vision, and chiropractic insurance.



In the event of a serious illness or injury, an employee may submit their Explanation of Benefits ~~from form~~ their health care provider, or other appropriate documentation, identifying the out-of-pocket expenses or declined payments in excess of \$5,000. Foothill Transit will reimburse the employee for those expenses, not to exceed \$20,000, net of taxes. The reimbursement will be included in the bi-weekly pay check and therefore, will be treated as taxable income.

In order to encourage good health, the cost of flu shots for employees and their dependents covered by the Foothill Transit group medical health plans are eligible to receive reimbursement annually for the administration of the flu shot.

#### **Life Insurance**

Foothill Transit shall provide life insurance at one times annual salary. Per United States Internal Revenue requirements, the premium for insurance in excess of \$50,000 per year is considered taxable income. Employees will be responsible for this tax liability. A payroll deduction will be made each pay period related to this tax liability.

#### **Retirement Benefits**

Foothill Transit shall contribute an amount equal to seven-eight percent of the employee's bi-weekly compensation to a defined contribution retirement plan. In addition, Foothill Transit will match 100 percent of employee contributions up to four percent of bi-weekly compensation to this retirement plan.

#### **Tuition Reimbursement**

Employees shall be eligible for tuition reimbursement for classes related to professional positions at Foothill Transit. A grade of "C" or better must be achieved to obtain reimbursement. The maximum annual reimbursement shall be \$5,250.

#### **Transit Bus Passes for Employees and Dependents**

Foothill Transit bus passes shall be provided to employees for their professional and personal use. Foothill Transit bus passes also shall be provided to all employees and their dependents.

Employees commuting via other transit providers at least eight times per month shall be provided transit passes for these other transit providers.

#### **Length of Service Recognition**



Employees shall receive a one-time length of service payment as follows:

5 years of service	\$500
10 years of service	\$750
15 years of service	\$1,000
Each subsequent five years of service	\$1,000

Length of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit.

Amounts noted are gross pay and shall be treated as ordinary income, which is subject to appropriate taxes.

#### Compensation Adjustments

Under the adopted management compensation plan, annual evaluations will take place in June of each year with any compensation adjustments effective July 1 of that year. Compensation adjustments consisting of raises or promotions will then be applied to employees by the first full payroll in July. The salary ranges will be adjusted by 3% each year.

- **Individual Performance Goals** – Achievement of individual performance goals are under the direct control of employees and superior performance should be recognized. In this category, an increase of up to three percent of salary will be granted based on the achievement of individual annual goals. These performance goals are determined between the employee and their supervisor prior to the beginning of the fiscal year and approved by the Executive Director every June.
- **Developmental Program** – It is anticipated that some employees will be hired at the lower end of their pay range. As they perform their jobs and enhance their skill set, they will become more valuable to the organization and their compensation should reflect this added value. Accordingly, developmental compensation increases will be granted as follows: An employee in the lowest quarter of the salary range will receive a three percent increase; an employee in the second lowest quarter of the salary range will receive a two percent increase; an employee in the second highest quarter of the salary range will receive a one percent increase; and an employee in the highest quarter of the salary range will receive no increase. To qualify for a developmental increase an employee must receive a satisfactory rating overall (3 or better out of 5) on their annual evaluation.



**Foothill Transit**

## **Executive Board Meeting**

Special Executive Board Meeting - 03/24/17  
Human Resources and Benefits Changes  
Page 12

- ***Educational Advancement*** – Foothill Transit places great emphasis on the achievement of advanced education. This commitment is reflected in the education reimbursement program. Employees who earn advanced degrees bring additional skills to the organization. In recognition of these additional skills, a one-time increase in base compensation of five percent shall be granted upon achievement of a bachelor's degree, master's degree or doctoral degree in a field of study that is relevant to the mission of Foothill Transit.



March 24, 2017

To: Executive Board

Subject: **Contract Award - Operations and Maintenance - Pomona Facility**

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### **Recommendation**

Authorize the Executive Director to award a four-year contract to Keolis Transit Services, LLC for transit operations and maintenance services at Foothill Transit's Pomona facility. The contract will include one four-year option to be exercised at Foothill Transit's sole discretion. The projected four-year base contract cost is \$115.8 million, including startup costs, and the cumulative cost over the potential eight-year life of the contract is projected at \$237.2 million.

### **Analysis**

Foothill Transit issued Request for Proposals (RFP) No. 17-001 on July 29, 2016 for the operation of transit services for the agency's Pomona facility. This RFP included a number of requirements, including: (1) invoicing based on a combination of a fixed monthly fee; a rate per revenue hour times the number of revenue miles operated; and a rate per revenue mile times the number of revenue hours operated; (2) performance measurement and invoicing based on systemwide data collected from Foothill Transit's SMARTBus system; and (3) clarifications to the performance requirements and vehicle and fleet condition and maintenance requirements.

On October 25, 2016 proposals were received in response to the RFP from First Transit, Keolis Transit Services, LLC, McDonald Transit, National Express and Transdev. Each firm's Prequalification submittals were evaluated by a Prequalification Evaluation team comprised of members of Foothill Transit's management team and Foothill Transit's Special Legal Counsel. The prequalification factors evaluated included:

- Submittal Letter;
- Evidence of Good Standing and Authorized Execution;
- Summary of Qualifications;
- Information Regarding Debarments, Findings of Non-Responsibility, Default, Claims, Disputes, and Related Events;
- Financial Information;
- Certifications;
- Plans and Policies;
- Proposal Bond;



- Performance Bond and Insurance; and
- Exceptions

All proposers satisfied the prequalification criteria and were recommended for passage into the evaluation phase.

Subsequently, the technical evaluation committee, consisting of six members of Foothill Transit's team and one outside representative from a peer agency, reviewed the technical proposals. Technical qualifications were weighted at 75 percent of the total score. Each technical proposal was evaluated based on the following criteria and weighting:

**Technical Qualifications**

- Local Project Team Management and Technical Competence (20 percent)
- Proposer Approach (20 percent)
- Corporate Experience and Past Performance (18 percent)
- Quality of Vehicle Maintenance Program and Plans (14 percent)
- Quality of Staffing and Training Plan (12 percent)
- Quality of Other Plans (8 percent)
- Financial Viability (8 percent)\*

\*Financial Viability was evaluated by an independent, third party firm with significant experience in this area.

Additionally, at this stage of the evaluation, evaluators considered the results of reference checks performed on each proposer.

Price was weighted at 25 percent of the total score and was scored as follows:

$$\text{Proposer's Price Score} = \frac{\text{Lowest Price}}{\text{Proposer's Price}} * 100 \text{ Points}$$

Overall pricing for each contractor was determined primarily by their stated fixed monthly fee, their stated rate per revenue mile by route, their stated rate per revenue hour by route, the number of revenue hours by route, and the number of revenue miles by route as indicated in the RFP. In addition, each firm proposed their startup costs and separate costs per hour for Extra Work such as equipment transfers from retired to new coaches, and for Special Services such as Rose Bowl service. Those costs were factored into their overall pricing using the projected number of annual hours in each category.

The evaluation committee determined that all five written technical proposals were within the competitive range. With the competitive range determined, the evaluation committee recommended, in consultation with the Contracting Officer, that interviews be conducted with each of the five proposing firms.





Interviews were subsequently conducted on December 13 and 14, 2016, allowing each firm to clarify and expand on their written proposal and respond to questions from the evaluation team. An official invitation to submit a Best and Final Offer (BAFO) was then sent to the proposers. After the evaluation committee received each proposer's BAFO, the proposals underwent a final evaluation by the team, taking into account information gleaned during the interview process, and each firm's BAFO submittal.

Keolis' proposal was ranked highest with an overall score of 86.53 out of a possible 100 points. Among the positive aspects of this proposal is Keolis' well thought out staffing plan, innovative approaches to service delivery, and their CAD/AVL system transition experience. Keolis was able to demonstrate significant improvement in on-time performance at other transit agencies through their use of CAD/AVL systems to monitor and control on-street service.

The Keolis team also highlighted their experience with the implementation of Transit Asset Management and State of Good Repair best practices. Keolis' approach and commitment to ensuring the highest levels of fleet maintenance and vehicle appearance was also highly ranked by the evaluation team, as was their customer service focus. In addition, the proposal committed to a goal of implementing a maintenance certification program with Proterra for our existing electric bus fleet. The agreement will also include incentives for performance that surpasses Foothill Transit's on-time performance, customer service and maintenance standards.

A summary of the final scores is provided as **Attachment A**.

In addition to the evaluation above, each proposer's price proposal underwent a cost reasonableness and cost realism analysis by an independent third-party firm with significant experience in this area. Proposer pricing over the potential eight-year life of the contract ranged from \$225,417,479 to \$272,479,059. At \$237,204,871, Keolis' price proposal was determined to be reasonable and realistic.

On February 9, a meeting was held with representatives of Keolis to finalize the terms of the Operations and Maintenance Agreement. In addition, Keolis' parent company, Keolis S.A., has agreed to provide a Parent Guaranty to support the performance of Keolis Transit Services, LLC.

On February 21, First Transit, Inc. filed a protest with Foothill Transit, challenging the proposed award to Keolis and alleging that Foothill Transit's evaluation committee improperly scored First Transit's proposal. On Friday March 17 First Transit withdrew said protest, making the issuance of a bid protest decision by



Foothill Transit unnecessary. Foothill Transit's review of the protest had determined that it was without legal merit.

Subject to the Executive Board's approval, the contract will be executed and activities to allow transition to operations under the terms of the new contract will be undertaken. The start-up date for services under the new contract will be July 1, 2017.

**Budget Impact**

Foothill Transit's proposed FY 2017-2018 Business Plan is currently being developed and will include the required funding for the operation of transit services. Funding for future year operations and maintenance will be programmed into subsequent Business Plans.

Sincerely,

Kevin Parks McDonald  
Deputy Executive Director

Doran J. Barnes  
Executive Director

**Attachment A**

Evaluation Factors	Maximum Score	Proposer				
		First Transit	Keolis	McDonald	National Express	Transdev
1. Local Project Team Management and Technical Competence	20	17.37	17.57	17.34	14.60	14.26
2. Proposer Approach	20	16.54	18.06	15.86	15.37	15.86
3. Corporate Experience and Past Performance	18	14.01	14.84	14.27	12.91	14.22
4. Quality of Vehicle Maintenance Program and Plans	14	11.06	12.18	11.44	11.32	11.08
5. Quality of Staffing and Training Plan	12	9.82	10.54	9.09	8.88	9.05
6. Quality of Other Plans	8	6.51	7.13	6.46	5.91	6.08
<b>Subtotal</b>	92	75.31	80.32	74.46	68.99	70.55
7. Financial Viability	8	3.79	3.37	6.32	8.00	4.21
<b>Technical Points (Total)</b>	100	79.12	83.69	80.77	76.99	74.76
<b>Technical Score (= 0.75 x Technical Points)</b>	<b>75</b>	<b>59.34</b>	<b>62.77</b>	<b>60.58</b>	<b>57.74</b>	<b>56.07</b>
<b>Price Score</b>	<b>25</b>	<b>25.00</b>	<b>23.76</b>	<b>22.66</b>	<b>20.68</b>	<b>22.26</b>
<b>Overall Score</b>	<b>100</b>	<b>84.34</b>	<b>86.53</b>	<b>83.24</b>	<b>78.42</b>	<b>78.33</b>
<b>Rank</b>		2	1	3	4	5



March 24, 2017

To: Executive Board

Subject: **Contract Award - Design Build Services for Covina Transit Center and Park & Ride Project**

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### **Recommendation**

Approve the recommendation of W. M. Klorman Construction Corporation as the highest rated proposer and authorize the Executive Director, upon receiving National Environmental Policy Act (NEPA) clearance from the Federal Transit Administration, to award a contract and enter into an Agreement with Klorman Construction in the amount of \$13,484,132 for Design-Build services for the Covina Transit Center and Park & Ride Project.

### **Analysis**

On August 2, 2016, Foothill Transit issued Request for Qualifications (RFQ) 17-007 seeking Statements of Qualifications (SOQ) from qualified firms or individuals to provide design-build services for the Covina Transit Center and Park & Ride Project. The Scope of Work for the Project includes the following design-build services: (1) preparation of final design documents, and (2) construction of the Project in accordance with the final design documents.

Part 1 of the procurement process requested SOQs from interested design-build entities in order to pre-qualify for Part 2. The mandatory site visit and pre-proposal conference took place on August 9, 2016 to familiarize prospective firms with the project site, general scope of work and important elements of the RFQ.

Part 2 involved the issuance of Request for Proposals (RFP) 17-007B seeking proposals from those entities determined to be pre-qualified as a result of RFQ 17-007. The RFP was the second step in the procurement of a design-build contractor in accordance with California Public Contract Code §§ 22160-22169.

All proposers satisfied the prequalification criteria and were recommended for passage into the RFP phase. The RFP was issued on November 29, 2016 to the pre-qualified firms to provide design-build services and work on the Covina Transit Center and Park & Ride Project. Two rounds of questions by the entities were performed with final responses by Foothill Transit issued on January 13, 2017. On February 1, 2017, technical qualifications and competitive sealed proposals were received from ARB, McCarthy and Klorman



Construction. Interviews of the entities were performed on February 15, 2017, allowing each firm to clarify and expand on their written proposal and respond to questions from the evaluation team. An official invitation to submit a Best and Final Offer (BAFO) was then sent to the proposers. After the evaluation committee received each proposer's BAFO, the proposals underwent a final evaluation by the team, taking into account information gleaned during the interview process, and each firm's BAFO submittal. BAFOs were submitted to Foothill Transit on March 1, 2017.

Each firm's technical proposal was evaluated by the technical Evaluation Committee, consisting of four members of Foothill Transit's management team and one outside representative from a peer agency. The Evaluation Committee evaluated proposals based on qualifications, demonstrated competence during the interviews, and technical response to the RFP and then made its determination as to which proposal offers the Best Value, on the basis of the Qualifications and Technical Qualification factors and the price proposal for the Project.

Initial proposals and BAFOs were evaluated and scored based on the Qualifications and Technical factors. To determine the overall score and the proposal offering the Best Value, the Qualifications and Technical score were weighed at 35 percent and the Price Proposal Score weighed at 65 percent.

Each technical proposal were evaluated based on the following criteria and weighting:

Technical Qualifications (35 points total):

1. Proposal Letter, Qualifications, and Certifications (Pass/Fail)
2. Key personnel, organization, and major subcontractors (8 points)
3. Project Management and approach to schedule (8 points)
4. Design approach (8 points)
5. Construction approach, Safety Plans, and Compliance with Mitigation Monitoring and Reporting Program (7 points)
6. Contracting Plan and selection of subcontractors (4 points)

Price Proposals (65 points total):

1. The Proposer's Lump Sum Price Proposal (LSPP) (both the initial Price Proposal and the BAFO Price Proposal) was compared to the lowest LSPP. The lowest responsive price received the total weighted value for this criteria (64 points). All other LSPPs were scored as follows:



$$\text{Proposer's Price Score} = \frac{\text{Lowest LSPP}}{\text{Proposer's LSPP}} * \text{Total Points Available for LSPP}$$

The Proposer's LSPP score weighted at 64 percent of the Proposer's total score.

- 2. The Proposer's Life Cycle Cost Proposal (LCP) constituted one percent of the Proposer's total score.

Klorman Construction's proposal was ranked highest with an overall score of 95.90 out of a possible 100 points. Klorman Construction provided the Best Value on the basis of qualifications, technical qualification factors and price proposal. Klorman Construction, teaming with Walker Parking Consultants (Architects) and Ficcadenti Waggoner and Castle (Structural Engineers) have successfully worked on other Foothill Transit parking structure projects. A summary of the final scores is provided as **Attachment A**.

Klorman Construction is well known in the industry as a major concrete contractor with a recognized specialty in parking structures. Klorman Construction is one of the leading contractors using a model-based virtual design with the use of Building Information Modeling (BIM) technology. Klorman Construction is efficient in building structures at the lowest unit cost, based on quality, schedule and price.

The recommended contract award is less than the estimated cost of the Design-Build portion of the work of \$13.7 million. In addition to the construction of the parking structure, transit center, retail store, and site work, the scope of work includes possible underground utility relocations. The demolition of existing structures and installation of the security surveillance cameras will be performed by others and will be provided in a separate board item in the coming months.

**Budget Impact**

The approved Fiscal Year 16/17 Business Plan and Budget includes funding for the Covina Transit Center and Park & Ride Project.

Sincerely,

  
 Sharlane R. Bailey  
 Director of Facilities

  
 Doran J. Barnes  
 Executive Director

**Attachment A**

<b>Evaluation Factors</b>	<b>Maximum Score</b>	<b>Proposer</b>		
		<b>ARB</b>	<b>McCarthy</b>	<b>W.M. Klorman</b>
1. Lump Sum Price Proposal (LSPP) Price Score	64	47.93	58.13	64.00
2. Life Cycle Cost Proposal (LCP) Price Score	1	1.00	1.00	1.00
3. Technical Qualifications Score	35	27.21	31.47	30.90
<b><i>Proposer's Total Overall Score</i></b>	<b>100</b>	<b>76.15</b>	<b>90.60</b>	<b>95.90</b>
<b><i>Rank</i></b>		3	2	1