



**Foothill Transit**

# **EXECUTIVE BOARD MEETING**

West Covina, CA  
Tuesday, April 25, 2023



Foothill Transit

# Foothill Transit MISSION

To be the premier public transit provider committed to:

**SAFETY**

**COURTESY**

**QUALITY**

**RESPONSIVENESS**

**EFFICIENCY**

**INNOVATION**



## Foothill Transit VALUES

### **SAFETY**

We educate, encourage, and endorse a strong culture of safety at all levels of the organization, valuing the responsibility entrusted in us by the communities that we serve.

### **RESULTS**

We value the achievement of organizational goals and initiatives as defined in our business plan and involving all levels of the organization.

### **INTEGRITY**

We are committed to high ethical standards based on accountability, honesty, respect, transparency, and a high level of fiscal responsibility.

### **GRATITUDE**

We are a team united in thankfulness for each other; we express gratitude for our many opportunities by investing our time and energy in our community and industry, and through the open expression of appreciation.

### **DIVERSITY**

We create an environment rich with talented people and differing viewpoints, valuing the unique perspectives that everyone brings.

### **TEAM MEMBERS**

Our team members are the key to Foothill Transit's success and we are committed to supporting them through education, development, and recognition.

### **COMMUNICATION**

We value and are committed to open honest respectful discussion which is responsive, informative, and constructive.

### **SUSTAINABILITY**

We embrace sustainability because it benefits all aspects of our business while helping our communities by protecting the environment through measured and responsible stewardship of resources.



**Foothill Transit**

# Executive Board Meeting **AGENDA**

EXECUTIVE BOARD MEETING  
8:30 AM, APRIL 25, 2023  
Foothill Transit Administrative Office  
2<sup>nd</sup> Floor Board Room  
100 South Vincent Avenue  
West Covina, CA 91790

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL: MEMBERS BOYER, CALAYCAY, MOSS, SHEVLIN, STERNQUIST
4. CONFIRMATIONS OF AGENDA BY CHAIR AND CHIEF EXECUTIVE OFFICER
5. PRESENTATIONS
  - 5.1. Introduction of Foothill Transit Business Partners
  - 5.2. Contractors' Employee Recognition
6. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Gov't Code § 54957)  
Title: Chief Executive Officer
7. CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code § 54956.8)

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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 one minute in length. 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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Property Address/Location: 1118 N. Citrus Avenue, Covina, CA 91722  
Agency Negotiator(s): Doran J. Barnes, Sharlane Bailey, Darold D. Pieper, Kevin Parks McDonald, Barry Foster  
Negotiating Parties: Van Don dba Raising Claw Restaurant  
Under Negotiation: Price and Terms

8. CLOSED SESSION REPORT

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 pagsasalin, 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連絡ください。

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

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

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

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

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



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CONSENT CALENDAR: Items 9 through 21 are consent items, which may be received and filed and/or approved by the board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

9. CHIEF EXECUTIVE OFFICER'S EMPLOYMENT AGREEMENT

*Recommended Action: Consider authorizing the Chair to execute a Seventh Amendment to the Chief Executive Officer's ("CEO") Employment Agreement extending the term of that agreement for an additional five years and adjusting the CEO's compensation.*

10. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MARCH 28, 2023

11. FEBRUARY 2023 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY

*Recommended Action: Receive and file the Financial Statements and Investment Summary year-to-date report through February 28, 2023. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of February 28, 2023, for the fiscal year ending June 30, 2023.*

12. APRIL 2023 PROCUREMENT MONTHLY REPORT

*Recommended Action: Receive and file the Procurement Monthly Report for April 2023.*

13. AUTHORIZATION TO AMEND CONTRACT FOR ARCHITECTURAL AND ENGINEERING DESIGN FOR THE MT. SAN ANTONIO COLLEGE TRANSIT CENTER

*Recommended Action: Authorize the Chief Executive Officer to execute Amendment No. 5 to Contract No. 18-017 with Psomas in the amount of \$89,906 for construction administration services and additional design services for the construction of the Mt. San Antonio College Transit Center.*

14. AUTHORIZATION TO AMEND CONTRACT FOR CONSTRUCTION OF THE MT. SAN ANTONIO COLLEGE TRANSIT CENTER

*Recommended Action: Authorize the Chief Executive Officer to approve up to an additional \$400,000 in change orders on Contract No. 20-062.*



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15. APRIL 2023 LEGISLATIVE SUMMARY

*Recommended Action: 1. Adopt a SUPPORT position on AB 463; 2. Adopt an OPPOSE position on AB 819; and 3. Receive and file the April 2023 Legislative Report.*

16. Foothill Transit Forward Service Change Recommendations

*Recommended Action: Recommend that the Governing Board authorize the Chief Executive Officer to implement the proposed service change recommendations.*

17. FISCAL YEAR 2022 ANNUAL COMPREHENSIVE FINANCIAL AUDIT REPORT RESULTS

*Recommended Action: Receive and file the Fiscal Year 2022 financial and compliance audit results. The Annual Comprehensive Financial Report (ACFR) including the auditor's opinions, has been provided for you as a separate attachment.*

18. EMPLOYEE COMPENSATION POLICY

*Recommended Action: Approve the annual update to the Employee Compensation Policy.*

19. DEPUTY CHIEF EXECUTIVE OFFICER EMPLOYMENT CONTRACT

*Recommended Action: Authorize the Chief Executive Officer to enter into an employment contract with the Deputy Chief Executive Officer.*

20. FINANCIAL STABILITY POLICY FISCAL YEAR 2024 FINANCIAL STRATEGIES

*Recommended Action: Approve the annual Financial Stability Policy update to include the FY2024 financial strategies for budget planning.*

21. PROPOSED FISCAL YEAR 2024 BUSINESS PLAN AND BUDGET

*Recommended Action: Recommend approval of Foothill Transit's proposed Business Plan, Budget, and Performance Targets for Fiscal Year 2024 to the Foothill Transit Governing Board.*

22. CHIEF EXECUTIVE OFFICER COMMENT

23. BOARD MEMBER COMMENT



**Foothill Transit**

**Executive Board Meeting  
AGENDA**

8:30 AM, April 25, 2023

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24. GENERAL PUBLIC COMMENT

25. ADJOURNMENT



April 25, 2023

To: Executive Board

Subject: **Chief Executive Officer's Employment Agreement**

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### **Recommendation**

Consider authorizing the Chair to execute a Seventh Amendment to the Chief Executive Officer's ("CEO") Employment Agreement extending the term of that agreement for an additional five years and adjusting the CEO's compensation.

### **Analysis**

The CEO's employment contract will terminate on December 31, 2024. Pursuant to the terms of that contract, the CEO is obligated to notify the Executive Board in advance of that termination date. This permits the Executive Board to timely consider an extension of the contract term, and avoid uncertainty for both the CEO and the Executive Board as to his future status. The contract remains "at will" and terminable by the Executive Board at any time without cause.

On April 2, 2017, the Executive Board adopted a Fifth Amendment extending the CEO's contract for an additional five years until December 31, 2024. Effective July 1, 2021, the Executive Board approved a Sixth Amendment increasing CEO compensation by six percent and a granting a one-time bonus of \$9,500.

### **Budget Impact**

There is no fiscal impact to Foothill Transit resulting from the contract extension. Funds will be programmed in the Fiscal Year 2023-2024 budget for any compensation adjustment the Board approves.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darold Pieper", with a long horizontal flourish extending to the right.

Darold Pieper  
General Counsel





**Foothill Transit**

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

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

**Tuesday, March 28, 2023  
8:30 a.m.**

**DRAFT**

**1. CALL TO ORDER**

The meeting was called to order by Chair Calaycay at 8:33 a.m.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Cory Moss.

**3. ROLL CALL**

Roll call was taken by Sabrina Muhne, Board Support Coordinator.

Present: Member Gary Boyer, Member Becky Shevlin, Vice Chair Cory Moss, Chair Corey Calaycay

Absent: Member Cynthia Sternquist

**4. CONFIRMATION OF AGENDA BY CHAIR AND CHIEF EXECUTIVE OFFICER**

After discussion, by Common Consent, the Chair and Chief Executive Officer confirmed the agenda as presented.

Mr. Barnes requested that Items 20 and 23 be pulled for discussion at a future meeting.

After discussion, by Common Consent, the Chair and Chief Executive Officer confirmed the agenda as revised.

## 5. **PRESENTATIONS**

### 5.1 Introduction of Foothill Transit Business Partners

Susan Sweat, Chief Operating Officer, Transdev, addressed the Executive Board

Steve Shaw, Chief Operating Officer, Keolis, addressed the Executive Board

### 5.2 Contractors' Employee Recognition

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

Joseph McLaughlin, Operator of the Month  
Shiloh Taylor, Employee of the Month

Doug Brockwell, General Manager, Keolis, introduced and recognized the following Pomona location Keolis operator and employee of the month:

Terreal Baber, Operator of the Month  
Alicia Marquez, Employee of the Month

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

## **CONSENT CALENDAR**

Member Moss requested that Item 11 be pulled for discussion. Member Boyer requested that Items 10 and 12 be pulled for discussion. The Executive Board took action on a single motion on the remaining Items 6-9, 13-17, of the Consent Calendar.

There was no Public Comment on the Consent Calendar.

## 6. **APPROVAL OF MINUTES FOR THE REGULAR MEETING OF FEBRUARY 28, 2023**

Approval of the minutes for the Regular Meeting of February 28, 2023.

Motion by Member Shevlin, second by Member Moss, to approve. Motion carried 4-0.

7. **JANUARY 2023 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY**

Recommended Action: Receive and file the Financial Statements and Investment Summary year-to-date report through January 31, 2023. The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of January 31, 2023, for the fiscal year ending June 30, 2023.

Motion by Member Shevlin, second by Member Moss, to receive and file. Motion carried 4-0.

8. **MARCH 2023 PROCUREMENT MONTHLY REPORT**

Recommended Action: Receive and file the Procurement Monthly Report for March 2023.

Motion by Member Shevlin, second by Member Moss, to receive and file. Motion carried 4-0.

9. **TRANSPORTATION FUND EXCHANGE**

Recommended Action: Authorize the Chief Executive Officer to execute an assignment agreement with the City of Pomona to exchange Foothill Transit general use funds for Proposition A Transportation Local Return funds.

Motion by Member Shevlin, second by Member Moss, to authorize. Motion carried 4-0.

10. **ELECTRIC BUSES AND FAST-CHARGE INFRASTRUCTURE RETIREMENT**

Recommended Action: Receive and file a report on the retirement of the final two fast-charge battery-electric buses and the decommissioning and retirement of obsolete electric bus fast-charge infrastructures at the Pomona Transit Center and Pomona Operations and Maintenance Facility.

Roland Cordero, Director of Maintenance and Vehicle Technology, responded to questions and comments by the Executive Board.

There was no Public Comment on Item 10.

Motion by Member Shevlin, second by Member Boyer, to receive and file.  
Motion carried 4-0.

11. **AUTHORIZATION TO AWARD CONTRACT FOR FUEL CELL BUSES**

Recommended Action: Authorize the Chief Executive Officer to negotiate final terms and conditions and enter into a Contract with Creative Bus Sales for \$24,911,269.90, sales tax included, for the purchase of 19 40-foot zero-emissions fuel cell buses.

Roland Cordero, Director of Maintenance and Vehicle Technology, presented this item.

There was no Public Comment on Item 11.

Motion by Member Shevlin, second by Member Moss, to authorize. Motion carried 4-0.

12. **AUTHORIZATION TO PROCEED WITH FORMAL APPLICATION PROCESS WITH THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA)**

Recommended Action: Authorize the Chief Executive Officer to begin the application process with the California Joint Powers Insurance Authority (CJPIA).

John Curley, Chief of Safety and Security, responded to questions and comments by the Executive Board.

There was no Public Comment on Item 12.

Motion by Member Moss, second by Member Boyer, to authorize. Motion carried 4-0.

13. **AUTHORIZATION TO INCREASE LIFE OF PROJECT BUDGET FOR THE MT. SAN ANTONIO COLLEGE TRANSIT CENTER PROJECT**

Recommended Action: Authorize the Chief Executive Officer to increase the Life of Project Budget for the Mt. San Antonio College (Mt. SAC) Transit Center project for an additional \$600,000 to the existing project #0115 and add to the proposed FY2024 Business Plan and Budget for the May

governing board meeting.

Motion by Member Shevlin, second by Member Moss, to authorize. Motion carried 4-0.

14. **LEASE AMENDMENT FOR SUITE 404 AT THE ADMINISTRATIVE OFFICE BUILDING**

Recommended Action: Authorize the Chief Executive Officer to execute Lease Amendment No. 4 with tenant in Suite 404 for a 10-year term with two additional 5-year option lease.

Motion by Member Shevlin, second by Member Moss, to authorize. Motion carried 4-0.

15. **PROPOSED FISCAL YEAR 2024 BUSINESS PLAN INITIATIVES**

Recommended Action: Approve the proposed FY 2024 Business Plan Initiatives.

Motion by Member Shevlin, second by Member Moss, to approve. Motion carried 4-0.

16. **2023 Foothill Transit Bus Roadeo Results**

Recommended Action: Receive and file the 2023 Foothill Transit Bus Roadeo Results.

Motion by Member Shevlin, second by Member Moss, to receive and file. Motion carried 4-0.

17. **SUMMER SALE**

Recommended Action: Authorize the Chief Executive Officer to implement a half-price pass program for a period of three months starting in July 2023.

Motion by Member Shevlin, second by Member Moss, to authorize. Motion carried 4-0.

18. **CHIEF EXECUTIVE OFFICER COMMENT**

Comments by Mr. Doran J. Barnes, Chief Executive Officer, Foothill Transit.

Mr. Barnes reported the following:

- Noted that the Chief Operating Officers from both operations contractors were in attendance and expressed appreciation of their support for the team.
- Expressed thanks to the ElDorado team for their ongoing work on the hydrogen fuel cell program.
- Thanked the board for participating in the Rodeo, allowing the opportunity to showcase safety, skills, and the great work done by the team.
- Spring events coming up include the Foothill Transit Annual Governing Board Meeting, the grand opening of the Mt. SAC Transit Center, and other community events and chamber events.
- Requested to adjourn this meeting in the memory of David Reyno, former Foothill Transit Director of Government Relations, and Bernard Tabary, Chief Executive Officer of Keolis International.

19. **BOARD MEMBER COMMENT**

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

There was no Public Comment on Closed Session.

The Executive Board recessed into Closed Session at 9:18 a.m.

20. **CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
(Gov't Code § 54957)

Title: Chief Executive Officer

This item was pulled from the agenda and will be presented at a future meeting.

21. **CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL—POTENTIAL LITIGATION** pursuant to Government Code Section 54956.9 (d): One Case

The Executive Board reconvened at 9:53 a.m.

22. **CLOSED SESSION REPORT**

Chair Calaycay reported that there were no reportable actions on Item 21.

23. **CHIEF EXECUTIVE OFFICER'S EMPLOYMENT AGREEMENT**

Recommended Action: Consider authorizing the Chair to execute a Seventh Amendment to the Chief Executive Officer's ("CEO") Employment Agreement extending the term of that agreement for an additional five years and adjusting the CEO's compensation.

This item was pulled from the agenda and will be presented at a future meeting.

24. **GENERAL PUBLIC COMMENT**

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

25. **ADJOURNMENT**

Adjournment for the March 28, 2023, Foothill Transit Executive Board Meeting.

There being no further business, the Foothill Transit Executive Board meeting adjourned in the memory of David Reyno and Bernard Tabary at 9:54 a.m.

Prepared by:

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Sabrina Muhne, Board Support Services Coordinator

Approved on: XX/XX/2023



April 25, 2023

To: Executive Board

Subject: **February 2023 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, 2023.

The attached Financial Statements and Investment Report summarize Foothill Transit's unaudited operations and financial condition as of February 28, 2023, for the fiscal year ending June 30, 2023.

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

#### Assets

The balance sheet, as of February 28, 2023, shows total assets at \$418.29 million. This total consists primarily of \$227.80 million in fixed assets, \$142.16 million in cash and investments and \$48.33 million in receivable and prepaid assets. Foothill Transit's cash position of \$127.44 million is \$13.49 million more than the previous month, and is \$9.72 million less than last year in February.

#### Liabilities

The accounts payable balance is \$11.04 million. Accounts Payables include operation and maintenance expenses for \$9.29 million and \$1.03 million for fuel.

The deferred revenue of \$124.92 million represents funds that are reserved for planned capital expenditures, such as, upcoming bus procurements and transit center construction activities. There are also sales tax based subsidies such as: Prop A and C, which have been set aside, temporarily, but will be recognized as revenues in the 2nd half of FY2023.

Our current investments are held in financial instruments pursuant to Foothill Transit's investment policy. The cash and investments balance includes \$51.45 million in liquid accounts held with Bank of the West; \$11.49 million in interest bearing money market accounts with Bank of the West; \$68,000 with Chase; and \$64.50 million invested in the Local Agency Investment Fund (LAIF).





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 2023 year-to-date fare revenues were \$5,106,010. Fare revenues are trending less than the planned budget. This is due to slowly increasing ridership and the fare sale during the first quarter of FY2023. Additionally, revenues reflect application of the American Rescue Plan Act (ARPA) federal funds.

Operating costs through February 2023 were \$76.90 million, which is \$5.34 million less than the budget and \$7.11 million more than February 2022. Of this \$76.90 million, \$54.73 million reflects operating costs for the Arcadia and Pomona operations contractors. Other operating expenses include fuel, which was \$9.40 million through February 2023.

Capital expenditures through February were \$35.12 million compared with \$5.59 million last year at this time. The annual budget for capital expenditures includes the procurement and construction of 33 hydrogen fuel cell buses and a hydrogen fueling station, construction of the Mt. San Antonio College Transit Center, security enhancements at the Arcadia-Irwindale and Pomona operations and maintenance facilities, and CNG equipment replacement at the Pomona operations and maintenance facility.

**Total Disbursements** (Attachment D)

Total disbursements reflect invoices paid for the month of February 2023; they do not reflect the total expense incurred for the month. If an expense has incurred but not yet invoiced or paid, Foothill Transit accrues the expense to track the expenses properly during the month in which they actually occurred. Total disbursements for February 2023 were \$15.24 million. Capital disbursements totaled \$2.46 million and other significant disbursements include \$3.54 million to Keolis and \$5.22 million to Transdev for bus operating services.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance and Treasurer

Doran J. Barnes  
Chief Executive Officer

Attachments

**Foothill Transit  
Balance Sheet  
As of February 28, 2023**

**Assets**

## Current Assets:

Cash	\$127,436,637
Investments	14,722,700
Due from government agencies	19,516,796
Other receivables	27,619,024
Other assets	724,990
Total Current Assets	\$190,020,147

## Non current Assets:

Notes receivable	\$471,041
Property & Equipment (net of depreciation)	227,800,983
Total Non Current Assets	\$228,272,024

Total Assets	\$418,292,171
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**Liabilities and Equity**

## Current Liabilities:

Accounts payable and accrued liabilities	\$11,085,397
Deferred Revenue	124,920,073
Total Liabilities	\$136,005,470

**Equity**

## Fund Balance:

Investment in Capital Assets	\$227,800,983
Current Year Change	23,159,475
Excise Tax Credit	-
Reserve	31,326,243
Total Equity	\$282,286,701

Total Liabilities and Equity	\$418,292,171
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**Summary of Cash and  
Investment Account  
For February 28, 2023**

Cash:	Interest Rate	Term	Principal/ Book & Market Value
Bank of the West-Reg. Checking	N/A	Demand Deposit	\$ 35,347,350
Petty Cash	N/A	N/A	1,200
Revolving Fund - Transit Stores	N/A	N/A	400
Bank of the West-Excise Tax/LCFS #1106	N/A	Demand Deposit	16,099,481
BOW-Prop 1B-Cal Grants #1105	1.97%	Demand Deposit	5,499
Bank of the West-Money Market #1110	1.97%	Demand Deposit	5,036,735
Bank of the West-Money Market #1111	1.97%	Demand Deposit	4,996,459
Bank of the West-LCTOP #1108	0.01%	Demand Deposit	1,385,354
Chase Business Saving #1109	0.05%	Demand Deposit	68,105
LAIF Investment #1141	2.07%	Demand Deposit	64,496,052
Subtotal Cash on Hand			<u>\$127,436,637</u>
 Investments:			
Bank of the West:			
Wells Fargo			
1 Maturity - 09/29/2022 - 6 months	3.76%	US Treasury Bill	\$ 14,722,700
			0
Subtotal Investments			<u>\$14,722,700</u>
Total Cash and Investments			<u><u>\$142,159,337</u></u>

**Foothill Transit**  
**Statement of Revenue and Expense**  
**For Month Ended February 2023**

	Actual YTD February 2023	Budget YTD February 2023	Variance	Actual YTD February 2022
<b>Fare Revenue</b>				
Farebox	\$2,294,655	\$2,675,667	(14.24%)	\$2,521,913
Pass Sales	1,050,390	1,381,933	(23.99%)	745,961
TAP Cash Purse	1,391,288	1,505,533	(7.59%)	1,216,849
MetroLink & Access Service	170,726	206,067	(17.15%)	176,777
EZ Transit Pass	198,951	261,600	(23.95%)	50,904
<b>Total Operating Revenue</b>	<b>\$5,106,010</b>	<b>\$6,030,800</b>	<b>(15.33%)</b>	<b>\$ 4,712,403</b>
<b>Operating Subsidies and Other</b>				
Transportation Development Act	\$12,969,243	\$18,702,267	(30.65%)	\$16,890,499
State Transit Assistance (STA)	350,097	350,097	0.00%	781,643
Senate Bill 1 - STA	272,324	272,324	0.00%	583,630
Senate Bill 1 - STA BSCP	30,089	30,089	0.00%	63,016
Prop A 40% Discretionary	1,568,074	1,568,074	0.00%	4,358,883
Prop A 40% BSCP	538,971	538,971	0.00%	1,677,670
Prop A Exchange	2,800,000	2,800,000	0.00%	0
Prop C BSIP	83,925	83,925	0.00%	324,975
Prop C Base Restructuring	180,262	180,262	0.00%	698,012
Prop C Transit Service Expansion	30,039	30,039	0.00%	116,318
Transit Security	110,111	110,111	0.00%	345,768
Measure R	1,386,118	1,386,118	0.00%	4,085,158
Measure M	1,383,945	1,383,945	0.00%	4,071,241
Federal ARPA 5307	48,462,033	48,462,033	0.00%	30,154,105
Miscellaneous Transit Revenues	1,320,848	0	0.00%	617,307
<b>Total Subsidies and Other</b>	<b>\$71,486,081</b>	<b>\$75,898,256</b>	<b>(5.81%)</b>	<b>\$ 64,768,225</b>
<b>Total Operating Revenue</b>	<b>\$76,592,090</b>	<b>\$81,929,056</b>	<b>(6.51%)</b>	<b>\$ 69,480,629</b>
<b>Other Revenues</b>				
Gain on Sale of Fixed Assets	\$44,719	\$0	0.00%	\$43,803
Auxiliary Revenue	857,233	523,000	0.00%	585,326
<b>Total Other Revenues</b>	<b>\$901,952</b>	<b>\$523,000</b>	<b>72.46%</b>	<b>\$ 629,129</b>
<b>Total Operating and Other Revenues</b>	<b>\$77,494,042</b>	<b>\$82,452,056</b>	<b>(6.01%)</b>	<b>\$ 70,109,758</b>
<b>Operating Expenses</b>				
Customer Service & Operations	\$66,526,432	\$69,652,045	(4.49%)	\$60,886,251
Maintenance & Vehicle Technology	655,864	886,322	(26.00%)	528,693
Marketing & Communications	1,248,746	1,597,468	(21.83%)	1,235,306
Information Technology	1,422,307	1,795,096	(20.77%)	1,276,626
Administration	1,333,375	1,390,080	(4.08%)	1,439,207
Procurement	589,593	589,650	(0.01%)	429,036
Government Relations	282,041	530,484	(46.83%)	275,510
Finance	1,241,741	1,392,854	(10.85%)	1,168,235
Safety & Security	1,250,069	1,278,124	(2.20%)	0
Planning	937,367	1,098,312	(14.65%)	1,116,885
Facilities	1,104,556	1,718,621	(35.73%)	1,124,881
<b>Total Operating Expenses</b>	<b>\$76,592,090</b>	<b>\$81,929,056</b>	<b>(6.51%)</b>	<b>\$ 69,480,629</b>
<b>Other Expenses</b>				
Property Management	\$309,667	\$309,667	0.00%	\$309,667
Special Services	339,399	213,333	0.00%	221,169
<b>Total Other Expenses</b>	<b>\$649,066</b>	<b>\$523,000</b>	<b>24.10%</b>	<b>\$ 530,836</b>
<b>Total Operating and Other Expenses</b>	<b>\$77,241,156</b>	<b>\$82,452,056</b>	<b>(6.32%)</b>	<b>\$ 70,011,465</b>
<b>Capital Revenues</b>				
Capital Grants	\$35,120,221	\$59,850,253	(41.32%)	\$ 5,586,050
<b>Capital Expenditures</b>				
Capital Expenditures	\$35,120,221	\$59,850,253	(41.32%)	\$ 5,586,050

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Foothill Transit

## Attachment D

This report also includes bank accounts that only have balances.

Bank Account: No.: B001, Date Filter: 02/01/23..02/28/23

Posting Date	Document Type	Document No.	Vendor Name	Amount	Entry No.
02/01/23	Payment	2184	ITsavvy LLC	6,896.68	837567
02/01/23	Payment	2185	ODP Business Solutions, LLC	618.89	837569
02/01/23	Payment	2186	Total Communication, Inc	12,707.50	837571
02/01/23	Payment	2187	FEDEX Corp.	11.96	837573
02/01/23	Payment	2188	United Site Services of California, Inc.	784.23	837575
02/01/23	Payment	2189	Thomas J. Koontz	853.34	837578
02/01/23	Payment	2190	Quadient Leasing USA, Inc.	466.82	837580
02/01/23	Payment	2191	Crown Castle USA Inc.	896.47	837582
02/01/23	Payment	2192	So Cal Sanitation, LLC	327.99	837584
02/01/23	Payment	2193	Jorge Anthony Quintana Jr.	10.00	837586
02/01/23	Payment	2194	Paulina Ruiz	741.78	837588
02/01/23	Payment	2195	AT and T - 5025	616.53	837590
02/01/23	Payment	W000604	California Dept. of Tax and Fee Administration -	8.00	839881
02/01/23	Payment	W000605	Southern California Edison Co. ZBA	88.00	839883
02/01/23	Payment	W000606	Walnut Valley Water District ZBA	101.08	839885
02/01/23	Payment	W000607	Walnut Valley Water District ZBA	126.08	839887
02/01/23	Payment	W000608	Azusa Light & Water ZBA	128.65	839889
02/01/23	Payment	W000609	Southern California Edison Co. ZBA	336.72	839891
02/03/23	Payment	2196	Avail Technologies, Inc.	235,010.00	837592
02/06/23	Payment	2197	Tri - Signal Integration, Inc.	230.00	837594
02/06/23	Payment	2198	Birdi Systems, Inc.	6,395.00	837596
02/06/23	Payment	2199	Thomas J. Koontz	5,160.00	837598
02/06/23	Payment	2200	Pulsar Advertising	6,401.50	837600
02/06/23	Payment	2201	Center for Transportation and the Environment, Inc	18,341.00	837602
02/06/23	Payment	W000610	Universal Waste Systems ZBA	4,267.18	839893
02/06/23	Payment	W000630	Verizon Business - 15043 ZBA	4,511.86	839895
02/07/23	Payment	E100601	Transdev Services, Inc.	27,506.02	837893
02/07/23	Payment	E100602	Transdev Services, Inc.	35,000.00	837895
02/07/23	Payment	E100603	Transdev Services, Inc.	21,691.03	837897
02/07/23	Payment	E100604	Transdev Services, Inc.	2,596,484.83	837899
02/07/23	Payment	E100605	Keolis Transit America, Inc.	1,344,462.68	837901
02/07/23	Payment	E100606	Nelson\Nygaard Consulting Associates, Inc.	24,689.03	837903
02/07/23	Payment	E100607	Powell Consulting DC, LLC	5,615.20	837905
02/07/23	Payment	E100608	Transdev Services, Inc.	5,343.51	837907
02/07/23	Payment	W000611	Verizon Business - 15043 ZBA	1,570.40	839897
02/07/23	Payment	W000612	Verizon Business - 15043 ZBA	4,832.91	839899
02/08/23	Payment	2202	Thompson Coburn LLP	15,874.60	837909
02/08/23	Payment	2203	Green Thumb Indoor Plant	449.75	837911
02/08/23	Payment	2204	International City Management Assoc. Retirement Co	15,150.29	837913
02/08/23	Payment	2205	Linda Garrison	675.00	837916
02/08/23	Payment	2206	CaliforniaChoice Benefit Administration	70,709.77	837918
02/08/23	Payment	2207	Allied Administrators for Delta Dental	6,931.47	837920
02/08/23	Payment	2208	Alliance Landcare Inc.	877.00	837922
02/08/23	Payment	2209	Tri - Signal Integration, Inc.	105.00	837924

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Posting Date	Document Type	Document No.	Vendor Name	Amount	Entry No.
02/08/23	Payment	W000613	Azusa Light & Water ZBA	51.10	839901
02/08/23	Payment	W000614	Azusa Light & Water ZBA	85.14	839903
02/08/23	Payment	W000615	Azusa Light & Water ZBA	89.53	839905
02/08/23	Payment	W000616	Azusa Light & Water ZBA	115.59	839907
02/08/23	Payment	W000617	Charter Communications Inc. ZBA	185.90	839909
02/08/23	Payment	W000618	Azusa Light & Water ZBA	352.84	839911
02/08/23	Payment	W000619	Southern California Edison Co. ZBA	385.41	839913
02/08/23	Payment	W000620	Southern California Edison Co. ZBA	434.55	839915
02/08/23	Payment	W000621	International City Management Assoc. Retirement Co	56,258.77	839917
02/08/23	Payment	W000622	New Flyer of America, Inc.	621,476.32	839919
02/09/23	Payment	2210	Alltech Industries, Inc.	6,600.00	837928
02/09/23	Payment	2211	Cintas Corporation 6	226.49	837930
02/09/23	Payment	2212	Azteca Landscape	3,079.09	837932
02/09/23	Payment	2213	ACE Pelizon Plumbing	1,038.50	837934
02/09/23	Payment	2214	Zonar Systems Inc.	3,604.00	837936
02/09/23	Payment	2215	Tri - Signal Integration, Inc.	70.00	837938
02/09/23	Payment	2216	Victor Preciado Salazar	138.53	837941
02/09/23	Payment	2217	SmartRise Elevator Service Inc	222.60	837943
02/09/23	Payment	2218	Birdi Systems, Inc.	2,102.02	837945
02/09/23	Payment	2219	Weatherite Corporation	732.50	837947
02/09/23	Payment	2220	Home Depot Credit Services	1,252.39	837950
02/09/23	Payment	E100609	Matsumoto Consulting LLC	9,225.00	837952
02/09/23	Payment	W000623	The Gas Co ZBA	5,762.35	839921
02/10/23	Payment	2221	Green Thumb Indoor Plant	213.00	837954
02/10/23	Payment	2222	Finley and Cook, PLLC	21,596.30	837956
02/10/23	Payment	2223	Lourdes L. Alvarez	61.00	837958
02/10/23	Payment	2224	D and D Golf Cars Inc.	886.95	837960
02/10/23	Payment	2225	Cameron J. Saylor	6,357.02	837962
02/10/23	Payment	W000624	Shih H Wang	93.58	839923
02/13/23	Payment	2150V	Henry Lopez	-543.78	837964
02/13/23	Payment	E100610	Life Insurance Company of North America	6,172.54	838270
02/13/23	Payment	2226	Henry Lopez	543.78	838409
02/13/23	Payment	2227	Assistance League of Covina Valley	75.00	838411
02/13/23	Payment	2228	Fleet Maintenance Specialists Inc.	9,060.00	838413
02/13/23	Payment	2229	Alltech Industries, Inc.	6,600.00	838415
02/13/23	Payment	2230	Dean Gazzo Roistacher LLP	3,772.00	838417
02/13/23	Payment	2231	MRC Smart Technology Solutions	413.32	838420
02/13/23	Payment	2232	California Party Rentals	4,650.45	838422
02/13/23	Payment	2233	City of Irwindale	100.00	838424
02/13/23	Payment	2234	Sabrina Ashley Muhne	2,955.29	838426
02/13/23	Payment	2235	Irene Martinez Velazquez	635.83	838428
02/13/23	Payment	2236	Omnitrans	7,171.20	838430
02/13/23	Payment	W000625	AT and T - 5025 ZBA	1,117.77	839925
02/13/23	Payment	W000626	Citrus Motors Ontario Inc.	65,621.30	839927
02/14/23	Payment	2237	Digium Cloud Services, LLC	2,791.02	838432
02/14/23	Payment	2238	ACC Business	1,080.53	838435
02/14/23	Payment	2239	Mitsubishi Electric US, Inc.	230.00	838437

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Foothill Transit

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<b>Posting Date</b>	<b>Document Type</b>	<b>Document No.</b>	<b>Vendor Name</b>	<b>Amount</b>	<b>Entry No.</b>
02/14/23	Payment	2240	FEDEX Corp.	36.38	838439
02/14/23	Payment	2241	Network Integration Company Pathers, Inc.	35,705.25	838441
02/14/23	Payment	2242	Thompson Coburn LLP	20,436.77	838443
02/14/23	Payment	E100611	Darold D. Pieper Attorney at Law	8,930.00	838445
02/14/23	Payment	W000627	Verizon Wireless ZBA	76.02	839929
02/14/23	Payment	W000628	Verizon Wireless ZBA	4,745.02	839931
02/14/23	Payment	W000629	Verizon Wireless ZBA	15,308.73	839933
02/15/23	Payment	E100612	Transdev Services, Inc.	20,000.00	838447
02/16/23	Payment	2243	Tri - Signal Integration, Inc.	1,700.12	838469
02/16/23	Payment	2244	Alta Planning + Design, Inc.	5,006.50	838471
02/16/23	Payment	2245	Instant Signs Inc.	134.49	838473
02/16/23	Payment	2246	Mitsubishi Electric US, Inc.	230.00	838475
02/16/23	Payment	E100613	Keolis Transit America, Inc.	18,500.00	838477
02/16/23	Payment	E100614	Transdev Services, Inc.	11,829.46	838479
02/16/23	Payment	E100615	Transdev Services, Inc.	21,246.41	838481
02/16/23	Payment	E100616	Keolis Transit America, Inc.	743,571.17	838483
02/16/23	Payment	W000631	New Flyer of America, Inc.	529,996.68	839935
02/16/23	Payment	W000632	AT and T - 5025 ZBA	1.85	839937
02/16/23	Payment	W000633	Athens Services ZBA	227.61	839939
02/16/23	Payment	W000634	Wright Express ZBA	329.77	839941
02/16/23	Payment	W000635	Athens Services ZBA	387.88	839943
02/16/23	Payment	W000636	Suburban Water Systems ZBA	429.51	839945
02/16/23	Payment	W000637	Athens Services ZBA	525.00	839947
02/16/23	Payment	W000638	Athens Services ZBA	1,261.24	839949
02/16/23	Payment	W000639	AT and T - 5025 ZBA	3,365.87	839951
02/17/23	Payment	2247	Yotta Techive LLC	11,099.83	838485
02/17/23	Payment	2248	United Site Services of California, Inc.	538.67	838487
02/17/23	Payment	2249	Hendy Satya	24.63	838489
02/17/23	Payment	2250	Linda Apodaca	736.20	838491
02/17/23	Payment	2251	Platinum Security Inc.	7,541.82	838493
02/17/23	Payment	2252	Industry Public Utility Commission	1,588.59	838495
02/17/23	Payment	2253	AFLAC	2,071.36	838497
02/17/23	Payment	2254	Society for Human Resource Management	458.00	838499
02/17/23	Payment	2255	Tri - Signal Integration, Inc.	5,100.36	838502
02/17/23	Payment	2256	State Compensation Insurance Fund	3,928.91	838504
02/17/23	Payment	2257	Petrolink Inc	359.29	838506
02/17/23	Payment	2258	Apollo Electric	19,425.00	838508
02/17/23	Payment	2259	Pulsar Advertising	16,077.50	838510
02/20/23	Payment	2260	Zoom Video Communications Inc.	12,194.50	838972
02/20/23	Payment	2261	Stantec Architecture	1,670.02	838974
02/20/23	Payment	2262	Tri - Signal Integration, Inc.	230.00	838977
02/20/23	Payment	2263	Zonar Systems Inc.	6,388.63	838979
02/20/23	Payment	2264	Corodata Records Management, Inc.	88.00	838981
02/20/23	Payment	2265	Concur Technologies, Inc.	2,463.32	838983
02/20/23	Payment	2266	James Productions, Inc.	5,380.00	838985
02/20/23	Payment	2267	Pasadena Weekly	400.00	838987
02/20/23	Payment	2268	AYSO Region 624	500.00	838989

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Foothill Transit

**ATTACHMENT D**

<b>Posting Date</b>	<b>Document Type</b>	<b>Document No.</b>	<b>Vendor Name</b>	<b>Amount</b>	<b>Entry No.</b>
02/20/23	Payment	2269	Yoko Igawa	161.13	838991
02/20/23	Payment	2270	Pulsar Advertising	35,583.25	838993
02/20/23	Payment	2271	Pre-Paid Legal Services, Inc	163.50	838999
02/20/23	Payment	2272	Gotcha Media Holdings, LLC	6,980.00	839001
02/20/23	Payment	2273	County of L.A. - Sheriff's Dept.	62,085.15	839003
02/21/23	Payment	2274	Metrolink	6,415.50	839560
02/21/23	Payment	2275	J.J. Keller and Associates, Inc.	573.33	839563
02/21/23	Payment	2276	AT and T - 5025	3,365.87	839565
02/21/23	Payment	W000640	Southern California Edison Co. ZBA	15,986.64	839953
02/22/23	Payment	W000641	New Flyer of America	353,331.12	839955
02/22/23	Payment	W000642	International City Management Assoc. Retirement Co	94,046.34	839957
02/22/23	Payment	2277	R2BUILD	220,020.00	840622
02/22/23	Payment	2278	E.S.G.Valley Japanese Community Ctr	200.00	840624
02/22/23	Payment	2279	Rodger's Food Service	997.76	840626
02/22/23	Payment	2280	Hendy Satya	44.15	840629
02/22/23	Payment	2281	West Covina Beautiful	500.00	840631
02/22/23	Payment	2282	Town Square Publication LLC	2,295.00	840633
02/22/23	Payment	W000643	Waste Management Collection & Recycling, Inc. ZBA	701.22	840636
02/22/23	Payment	W000644	Suburban Water Systems ZBA	175.52	840638
02/22/23	Payment	W000645	Suburban Water Systems ZBA	350.54	840640
02/23/23	Payment	E100617	Stantec Consulting Services Inc.	7,768.50	839623
02/23/23	Payment	E100618	Transdev Services, Inc.	5,343.51	839625
02/23/23	Payment	2283	ODP Business Solutions, LLC	632.62	840641
02/23/23	Payment	2284	FEDEX Corp.	125.57	840643
02/23/23	Payment	2285	Kolob Industries LLC	11,292.00	840645
02/23/23	Payment	W000646	Bankcard Center-Bank of the West	30,372.94	840648
02/24/23	Payment	2286	Weatherite Corporation	325.00	839958
02/24/23	Payment	2287	Zonar Systems Inc.	2,523.00	839961
02/24/23	Payment	2288	Newage PHM, LLC	164.25	839964
02/24/23	Payment	2289	Adt Security Services, Inc.	465.93	839966
02/24/23	Payment	2290	4imprint Inc.	9,240.78	839968
02/24/23	Payment	2291	Thomas J. Koontz	3,177.50	839970
02/24/23	Payment	2292	Rodger's Food Service	700.09	839972
02/24/23	Payment	2293	Chamber of Commerce - Glendora	750.00	839974
02/24/23	Payment	E100619	Clean Energy	79,999.74	839977
02/24/23	Payment	E100620	Clean Energy	1,648,894.78	839979
02/24/23	Payment	E100621	Clean Energy	52,716.07	839981
02/24/23	Payment	E100622	Clean Energy	1,087,893.77	839983
02/24/23	Payment	E100623	Translating Services, Inc.	137.75	839985
02/24/23	Payment	E100624	Transdev Services, Inc.	1,397,788.28	839987
02/24/23	Payment	E100625	Keolis Transit America, Inc.	1,428,871.23	839989
02/24/23	Payment	E100626	Transdev Services, Inc.	1,135,138.73	839991
02/24/23	Payment	W000647	ReadyRefresh ZBA	73.34	840650
02/27/23	Payment	2294	Conference of Minority Transport. Officials - DC	5,100.00	840651
02/27/23	Payment	2295	Apollo Electric	4,491.00	840653
02/27/23	Payment	2296	Frontier	4,102.06	840655



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Foothill Transit

**ATTACHMENT D**

<b>Posting Date</b>	<b>Document Type</b>	<b>Document No.</b>	<b>Vendor Name</b>	<b>Amount</b>	<b>Entry No.</b>
02/27/23	Payment	2297	Landmark Healthplan of California, Inc.	1,165.95	840658
02/27/23	Payment	2298	MSP Capital Partners LLC	23,200.00	840660
02/27/23	Payment	2299	ATKINSON ANDELSON LOYA RUUD AND ROMO	913.50	840663
02/27/23	Payment	2300	MRC Smart Technology Solutions	282.92	840665
02/27/23	Payment	2301	AT and T - 5075	40.41	840667
02/27/23	Payment	2302	Peter Barron Stark and Associates	10,123.98	840669
02/27/23	Payment	W000648	Southern California Edison Co. ZBA	7,689.14	840672
02/27/23	Payment	E100630	Translating Services, Inc.	170.00	840851
02/27/23	Payment	E100631	R.S. Means Company LLC	2,396.00	840853
02/28/23	Payment	2303	Pencilbox LLC	21,037.50	840673
02/28/23	Payment	2304	Amazon Web Services, Inc	1,011.32	840675
02/28/23	Payment	2305	Insight Public Sector, Inc.	226.45	840677
02/28/23	Payment	2306	ITsavvy LLC	2,364.58	840679
02/28/23	Payment	2307	Apollo Electric	19,425.00	840681
02/28/23	Payment	2308	IHeartMedia Entertainment Inc.	15,333.33	840683
02/28/23	Payment	2309	T-Mobile USA Inc.	571.40	840689
02/28/23	Payment	2310	Thomas J. Koontz	6,017.67	840691
02/28/23	Payment	2311	Frontier	2,210.73	840695
02/28/23	Payment	E100627	Access Pacific, Inc.	499,593.90	840699
02/28/23	Payment	W000649	Charter Communications Holdings, LLC ZBA	1,315.00	840702
02/28/23	Payment	E100632	vCloud Tech Inc.	21,886.29	840854
<b>General Checking</b>				<b>15,240,434.36</b>	



April 25, 2023

To: Executive Board

Subject: **April 2023 Procurement Monthly Report**

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**Recommendation**

Receive and file the Procurement Monthly Report for April 2023.

**Awarded Procurements:**

Since the previous month's Executive Board meeting on March 28, 2023, there has been one award of agreements over \$100,000.00 but below the Executive Board's approval threshold of \$250,000.00.

- Azteca Landscape was awarded Contract No. 23-045 was for landscape maintenance services at Foothill Transit's Administrative Office Building, Industry Park & Ride, Azusa Intermodal Transit Center and Covina Transit Center. The Independent Cost Estimate for this solicitation was \$184,227. The contract is in the amount of \$169,790 for two base years, and was the lowest price of the seven respondents to the solicitation.

**Upcoming Procurements:**

Since the previous month's Executive Board meeting, the Procurement Department has not initiated any procurements over \$100,000.00 but below the Executive Board's approval threshold of \$250,000.00.

Sincerely,

Christopher Pieper  
Director of Procurement

Doran J. Barnes  
Chief Executive Officer



April 25, 2023

To: Executive Board

Subject: **Authorization to Amend Contract for Architectural and Engineering Design for the Mt. San Antonio College Transit Center**

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### **Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 5 to Contract No. 18-017 with Psomas in the amount of \$89,906 for construction administration services and additional design services for the construction of the Mt. San Antonio College Transit Center.

### **Analysis**

At the August 2017 Executive Board Meeting, the Executive Board authorized the Chief Executive Officer to enter into a contract with Psomas to provide consulting services to Foothill Transit for the design of a transit center on the Mt. San Antonio College (Mt. SAC) campus. The scope of work included Architectural and Engineering (A&E) design services in preparation of conceptual designs to support the development of environmental clearance documents for the 10-bay transit center; preparation of detail design, construction documents, and technical specifications; and provision of construction administration services during construction of the project.

In December 2021, Foothill Transit requested additional service hours from the Psomas design team to meet additional design and construction administration needs related to the Mt SAC Transit Center project. As the Mt SAC Transit Center construction project continues to progress we are experiencing design impacts from various unforeseen underground conditions. These occurrences require analysis and design changes to accommodate new utilities or relocate existing utilities.

The Board previously approved Additional Services (Amendments 1, 2, 3, and 4) for additional hours required to attend steering committee meetings, design review meetings, design changes that came from the Division of State Architect (DSA) plan check review, design revisions for the bus canopy related to the pedestrian bridge foundation (designed by others). This amendment is for the additional hours required to advance the construction and support further design changes and additional construction support services until the end of May 2023.



Summary of additional services:

- Attendance at weekly project OAC meetings
- Ongoing construction administration support services (response to RFIs and submittals)
- On-site visits by Project Engineer
- DSA construction change documents, including added civil engineering, architectural, landscaping, mechanical and electrical design.
- Structural observation and review of steel canopies
- Punch walk field observations by the design team

Below is a summary of the contract amounts:

<b>Contract No. 18-017 - A&amp;E Design Services for Mt SAC Transit Center</b>	
Prime contract amount	\$852,336
Amendment 1 Design Development	\$176,709
Amendment 2 Permitting and additional coordination for pedestrian bridge	\$87,902
Amendment 3 Additional Design Revisions - Bus Canopy and Pedestrian Bridge Foundation	\$58,055
Amendment 4 Additional Construction Administration services	\$253,324
Amendment 5 Additional Construction Administration services through end of project May 31, 2023 (three additional months from Amendment 4)	89,906
<b>TOTAL CONTRACT AMOUNT</b>	<b>\$1,518,232</b>

Foothill Transit has reviewed the proposal submitted by Psomas for additional services. Based on staff review of the original request and discussions with Psomas, staff concludes that the additional design efforts and additional construction administrative services were outside of the base scope of work and are necessary to continue to advance the construction completion for the transit center. The proposed completion date for construction was initially October 2022 has been moved to June 2023 mainly due to the unforeseen underground utilities, sharing the transit center work with other contractors, and excessive rain delays, thereby, impacting the construction completion for the transit center.



**Budget Impact**

Funding for these activities is included as part of Foothill Transit's FY2022 Business Plan in the approved capital project #115, Mt. SAC Transit Center.

Sincerely,

Sharlane R. Bailey  
Director of Capital Projects and Facilities

Doran J. Barnes  
Chief Executive Officer

Christopher Pieper  
Director of Procurement

Michelle Lopes Caldwell  
Director of Finance and  
Treasurer



April 25, 2023

To: Executive Board

Subject: **Authorization to Amend Contract for Construction of Mt. San Antonio College Transit Center**

**Recommendations**

Authorize the Chief Executive Officer to approve up to an additional \$400,000 in change orders on Contract No. 20-062.

**Analysis**

At the March 2023 Executive Board Meeting, staff provided an update on the Mt. SAC Transit Center project progress and expenditures. Staff also requested a Life of Project (LOP) increase of \$600,000 due to anticipated project costs related to unforeseen utility relocations and extreme rain weather events resulting in schedule delays.

In an effort to keep construction progressing and not hold on change order approvals requiring Board action as required for contracts exceeding five-percent original contract value, in December 2022 the Board authorized increasing the CEO’s approval by \$500,000 for future change orders. Since December 2022, Foothill Transit has received additional change order requests related to design modifications due to existing underground utility conditions, and weather-related delays and rework. These change order requests were reviewed and approved and are to be included in Amendment 3. Staff is currently finalizing Amendment 3 to Contract 20-062 for \$280,029.65 leaving a balance of just over \$200,000 for future change order approvals. We anticipate additional change orders through completion for weather-related rework and delay costs, Staff is requesting for the Board to authorize the Chief Executive Officer to approve up to an additional \$400,000 in change orders for Contract No. 20-062. Below is a summary of Contract 20-062 base amounts and amendments through present.

Base Construction Contract 20-062	\$6,504,887.88
Amendment #1	\$353,410.27
Amendment #2	\$392,945.46
Amendment #3 (anticipated)	\$280,029.65
Current Contract Total	\$7,531,273.26



Construction progress is approximately 85 percent complete and slated for substantial completion at the end of May. The project completion has been delayed due to various factors related to unforeseen underground utilities, equipment delays, rain delays and coordination with a pedestrian bridge being built concurrently by the College.

Weekly construction meetings are being held with the College, Mt. SAC’s Construction Management team, and Foothill Transit’s construction contractor and design team. Current contract totals for Contract 20-062 are reflected in the overall project budget below. An LOP increase of \$600,000 was authorized at the March 2023 Executive Board meeting bringing the LOP budget to \$10,350,000. This will be reflected in the upcoming FY2024 budget.

Mt. SAC Transit Center	FY16-17 Budget (May 2016)	To Present (04/10/2023)
A/E and other consulting services	\$1,133,500	\$1,710,712
Construction	\$7,630,000	\$7,531,273
Permits/Fees	\$100,000	\$92,302
Subtotal	\$8,863,500	\$9,334,287
Contingency	\$886,500	\$415,713
<b>Total Life of Project Budget</b>	<b>\$9,750,000</b>	<b>\$9,750,000</b>

**Budget Impact**

Funding for these activities is included as part of Foothill Transit’s FY2022 Business Plan in the approved capital project #115, Mt. SAC Transit Center.

Sincerely,

Vincent Saucedo  
Capital Projects Manager

Doran J. Barnes  
Chief Executive Officer

Christopher Pieper  
Director of Procurement

Michelle Lopes Caldwell  
Director of Finance and  
Treasurer



April 25, 2023

To: Executive Board

Subject: **April 2023 Legislative Report**

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### **Recommendation**

1. Adopt a SUPPORT position on AB 463;
2. Adopt an OPPOSE position on AB 819; and
3. Receive and file the April 2023 Legislative Report.

### **Analysis**

A SUPPORT position on AB 463 (Electricity: prioritization of service: public transit vehicles) is recommended. This bill would provide transit agencies with priority access to electricity when facing grid disruptions caused by natural or man-made disasters, rolling blackouts, utility company "Public Safety Power Shutoffs" (PSPS), and increasing demand on California's electrical grid. It would require investor-owned utilities to add public transit operations to the list of priority customers during rotating blackouts, and the list of Critical Facilities and Critical Infrastructure during the public safety power shutoffs.

California transit agencies are under a mandate by the Innovative Clean Transit (ICT) Regulation adopted by the California Air Resources Board (CARB) in 2018 to operate fully zero-emission fleets by 2040. Foothill Transit has been working diligently to meet this mandate, deploying zero-emission buses and installing zero-emission infrastructure needed to operate and maintain them.

When flex alerts are in place or during PSPS events, transit agencies still need electricity to power their fleets. However, transit agencies currently suffer discontinuation of access to electricity during such disruptions, and as a result may be unable to deliver essential service to their communities, stranding transit riders, many of whom are transit-reliant. If transit agencies are not granted priority access to electricity in these situations, they will not be able to power the refueling and recharging systems that their growing zero-emission fleets rely upon, making basic transit and regional mobility inaccessible to the public. Furthermore, in such emergency situations, transit agencies like Foothill Transit will not be able to sustain vital emergency response, support, mutual aid, and recovery functions when the community would need it the most.





For these reasons, a SUPPORT position on AB 463 is recommended, so that as we transition to a totally zero-emission bus fleet, we may be able to sustain service reliability during rotating blackouts and PSPS.

AB 463 passed out of the Assembly Utilities and Energy Committee on March 22 with a 14-0 bipartisan vote, and has been referred to the Assembly Appropriations Committee, where it is set to be heard on April 19. The co-sponsor of this bill is the California Transit Association, of which Foothill Transit is a member.

An OPPOSE position on AB 819 (Crimes: public transportation: fare evasion) is recommended. This bill would reduce existing penalties from a misdemeanor and a fine to only a maximum of \$400 fine for fare evasion and unauthorized use of discount tickets by adults. Such reduction of penalties and deterrents for fare evasion would make it increasingly challenging for Foothill Transit to address farebox evasion.

Existing law makes it a crime, punishable as an infraction and subsequently as a misdemeanor, for an adult to evade payment of a public transportation system fare, the misuse of a transfer, pass, ticket, or token with the intent to evade fare payment, or unauthorized use of a discount ticket. Under existing law, a third or subsequent violation of fare evasion or other listed associated violations is a misdemeanor punishable by a fine of up to \$400 or by imprisonment in a county jail for not more than 90 days, or both.

Foothill Transit does not have its own law enforcement agency because of its uniqueness of operating in the unincorporated areas of Los Angeles County in addition to 22 separate municipal jurisdictions. Instead, Foothill Transit continues to utilize and contract services of the Los Angeles County Sheriff's Department (LASD) to address special problems and challenges beyond the capacity or authority of Foothill Transit personnel, including that of mitigating fare evasion. This contracted service is particularly important in considering the aspect of transit operator safety. The Foothill Transit team effectively uses LASD's supplemental law services to help operators focus on delivering transit services while LASD helps provide mitigation efforts to address fare evasion.

AB 819, however, would lessen the effectiveness of Foothill Transit's contracted services with the LASD by diminishing their ability to make it unattractive to those who repeatedly evade the farebox. Reducing penalties for the offense of evading transit fares would make it increasingly challenging



for Foothill Transit to enforce payment of fares. For these reasons, an OPPOSE position is recommended on AB 819.

This bill passed out of the Assembly Public Safety Committee on March 21 on a 7-1 vote, and was referred back to the Assembly Appropriations Committee.

***Federal Update:***

*Federal Budget*

On March 9, President Biden released his proposed \$6.9 trillion FY 2024 budget. In the coming months, the House and Senate Committees will be holding hearings on the President's Budget in order to adopt a concurrent Budget resolution. President Biden's FY 2024 Budget highlights priorities focused on childcare, affordable prescription drugs, housing, higher education, job training, health coverage expansion, and reduction of home energy bills. It further includes language to "temporarily allow larger transit systems to use existing formula funds for operating expenses" in light of transit systems nationwide that face uncertainty and operating deficits from the pandemic.

President Biden's Budget includes \$76.1 billion under the Department of Transportation authorized for year three of the Bipartisan Infrastructure Law for the implementation of investments in highway, highway safety, and transit formula programs. This includes:

- \$60.1 billion for the Federal-Aid Highway program to continue repairing and upgrading highways and bridges, reflecting an increase of \$1.3 billion compared to the 2023 enacted level. This funding would also support building out a national network of electric vehicle chargers to achieve the President's climate and Made in America goals.
- \$14 billion for the Transit Formula Grants to support core capital and planning programs for transit agencies across the Nation, as well as transit research, technical assistance, and data collection. This reflects a \$356 million increase above the 2023 enacted level.
- \$1.5 billion for the Consolidated Rail Infrastructure and Safety Improvements Program.
- \$850 million to fund projects that improve safety at critical railway crossings.

*FY 2024 Earmarks*

Congress continues to move through the earmark process to advance congressionally directing funding requests in the Senate and community



project funding requests in the House for consideration for funding within the FY 2024 Appropriations cycle. We met with congressional staff in March to apprise our delegation of Foothill Transit's zero emissions fleet and infrastructure advancements. We conveyed the importance of our earmark funding request to invest in the deployment of our next 10 zero-emissions buses and the installation of supporting infrastructure. The San Gabriel Valley Council of Governments, San Gabriel Valley Economic Partnership, Southern California Association of Governments, Cal Poly Pomona, various Foothill Transit cities, and State Assemblywoman Blanca Rubio all provided support letters urging our congressional delegation to advance our earmark request. Funding requests in support of this project were submitted in March to Senators Dianne Feinstein and Alex Padilla and to Representatives Judy Chu, Grace Napolitano, Linda Sánchez, and Norma Torres. Funding for this project is critical in addressing capital program needs to replace 10 compressed natural gas buses reaching the end of their 12-year life cycle, and to keep Foothill Transit on track to be in compliance with the CARB's ICT mandate for us to operate a 100 percent zero-emission fleet by 2040.

In the House, the deadline for members to submit transportation-related community project funding requests to the House Appropriations Committee was March 31. Members are then required to post those transportation-related funding requests that they advanced onto their websites by April 17. The House Appropriations Subcommittee on Transportation and Housing and Urban Development is then expected to publicly list and identify each community project that has been funded in the federal spending bill at the time of the Subcommittee's markup for FY 2024. In the Senate, members had until April 6 to submit transportation-related congressionally directed spending requests, and must then publish those requests on their websites. The Senate Appropriations Committee is then expected to review all submitted member requests for consideration to be funded within the FY 2023 spending bill.

#### Funding Opportunities

On January 27, the FTA announced the availability of nearly \$1.7 billion for the FY 2023 Low or No Emission and Buses and Bus Facilities competitive grant program. Made possible by competitive grant amounts authorized for the second year of the Bipartisan Infrastructure Law, this funding aims to support state and local efforts to buy or modernize buses, improve bus facilities, and support workforce development. Foothill Transit submitted its FY 2023 application focused on funding for the deployment of 10 zero-emissions buses and supporting zero-emissions fueling infrastructure. Supplemental support



letters from legislators and regional organizations were gathered to strengthen this grant application, including a delegation letter signed by Congresswomen Napolitano, Chu, Sánchez, and Torres.

*Briefings and Engagement with Federal Delegation*

We continue our engagement with our congressional delegation and community supporters to ensure the maximum benefit for Foothill Transit on these funding opportunities. In February, tours of our zero-emissions fleet, infrastructure, and operations yards were given for Senator Dianne Feinstein's staff, and for Congresswoman Sánchez in conjunction with a check ceremony for an earmark that she and Senator Padilla helped secure for Foothill Transit's zero-emission bus program within the FY 2023 Budget. Senator Feinstein's staff and Congresswomen Chu and Napolitano visited our Bus Rodeo at the Arcadia Yard, where they took advantage of getting a first-hand experience with our hydrogen fuel cell and electric double deck buses. We also met with key legislative staff in March at the offices of Congresswoman Chu, Napolitano, and Sánchez in Washington, DC.

***State and Local Update:***

The State Legislature reconvened from Spring recess on April 10, and the last day for policy committees to hear and report fiscal bills to fiscal committees introduced in their house is April 28.

*State Budget*

On January 10, Governor Newsome released his proposed \$297 billion FY 2024 Budget, which forecasts General Fund revenues to be \$29.5 billion lower than at the 2022 Budget Act projections. This results in an estimated budget gap of \$22.5 billion in the 2023-24 fiscal year. The California Legislative Analyst's Office attributed the shortfall to lower revenue estimates relative to expectations from June 2022. Proposed projections for the State Transit Assistance (STA) program include STA revenues of \$1.05 billion in FY 2024, reflecting a reduction of approximately \$102 million in revenues. Revenues projected for the Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and intercity and commuter rail are approximately \$503 million (a reduction of \$37 million from FY 2023), \$105 million (a reduction of \$25 million from FY 2023) and \$360 million (a reduction of \$40 million from FY 2023), respectively.

Proposed budget cuts to previous transportation funding commitments include TIRCP, Zero-Emission Vehicles and Infrastructure, Active Transportation Program, and Grade Separations. Governor Newsom proposes



to reduce the amount of new TIRCP funding to \$1 billion in each fiscal year, but indicated support for returning to the originally proposed \$2 billion if the state's fiscal outlook improves by January 2024. The proposed budget also included only \$8.9 billion of the \$10 billion originally committed over five years by the 2021 and 2022 Budget Acts for a Zero-Emission Vehicle (ZEV) Funding Package. This ZEV Funding Package supports the transition to zero-emission vehicles for light, medium-duty, and heavy-duty vehicles, including zero-emission transit buses. This cut contributes to a total of \$2.5 billion inclusive of programs that focus on equitable zero-emission vehicles and infrastructure in low-income neighborhoods; heavy-duty zero-emission vehicles and supporting infrastructure that support drayage, transit and school busses, and port ZEVs and infrastructure; zero-emission mobility for sustainable community-based transportation equity projects in low-income communities; and emerging opportunities and federal programs that invest in hydrogen infrastructure, vehicle grid integration at scale, and demonstration and pilot projects in high carbon-emitting sectors.

The California Transit Association, of which Foothill Transit is a member, has been working closely with the Newsom Administration and a bipartisan group of state legislators to call for the state to provide critically needed transit operations funding as part of the FY 2024. Efforts to raise awareness of the transit industry's dire funding needs have included leveraging earned media, participation in budget committee hearings in both houses of the Legislature, and providing testimonies at the Senate and Assembly Transportation Committees' joint hearing on Rebuilding Transit Ridership in California.

Governor Newsom is anticipated to release his May Budget Revision to the FY 2024 State Budget on May 11. This "May Revise" is expected to include changes to the Governor's Proposed Budget with an update on revenues, expenditures, and reserve estimates based upon the latest economic forecast. The Legislature will then have until midnight on June 15 to pass the FY 2024 Budget.

*Briefings and Engagement with State and Local Delegation*

Briefings and engagement have continued on a regular basis with state and local leaders in order to keep Foothill Transit's representatives apprised of all relevant updates on the status of key projects, including progress on our capital projects an zero-emission fleet and infrastructure expansion. In February, we hosted a tour for State Senator Bob Archuleta, alongside Executive and Governing Board members to highlight Foothill Transit's leadership in operating and deploying hydrogen fuel cell buses and new



fueling infrastructure at the Pomona Yard. Assemblywoman Blanca Rubio and many of our local elected officials also visited us at the Arcadia Yard last month during our Bus Roadeo, where they were all able to experience our hydrogen fuel cell bus fleet and observe our operators and mechanics display their skills. In addition to regular participation with the San Gabriel Valley Council of Governments and update meetings with County of Los Angeles Supervisorial staff, we have continued to meet regularly with government and external affairs staff at Mt. San Antonio College (SAC) and Cal Poly Pomona related to our progress on the Mt. SAC Transit Center and Bronco Mobility Hub projects, respectively.

Sincerely,

Yoko J. Igawa  
Director of Government Relations

Doran J. Barnes  
Chief Executive Officer



April 25, 2023

To: Executive Board

Subject: **Foothill Transit Forward Service Change Recommendations**

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### **Recommendation**

Recommend that the Governing Board authorize the Chief Executive Officer to implement the proposed service change recommendations.

### **Analysis**

#### What is Foothill Transit Forward?

As a reminder:

- Foothill Transit Forward is an evaluation of Foothill Transit service to determine how best to meet the needs of existing and potential customers.
- The Foothill Transit Forward study includes a detailed review of existing service and robust community outreach.
- The study aims to create a more effective, efficient, equitable, and sustainable transit system that will get people where they need to go in the shortest time possible.
- The outcome of Foothill Transit Forward will be an updated service plan, which will guide Foothill Transit service improvements over the next five years.

Following an analysis of travel patterns, ridership, and results from online and on-board surveys, a set of service change recommendations was created. The goal of the recommendations is to increase and/or provide uniform frequencies of key routes, reduce redundancies, and change or streamline routes to match travel demands while keeping an eye on equity. The proposed recommendations are included in the final report and summarized below.

The proposed recommendations were presented to the public over a one-month period to collect feedback, and changes to the proposed recommendations were made and reflected in the final recommendations listed below for implementation. If the proposed changes are approved by



Foothill Transit's Governing Board, then the changes will be implemented in the fall 2023 Service Change.

### **Public Meetings and Results of Public Comments**

The formal public comment period began on February 21, 2023, and concluded on April 23, 2023. To encourage public comments, Foothill Transit staff conducted virtual and in-person outreach. Staff held three virtual public workshops and eight in-person engagements held primarily at Los Angeles County libraries. A public hearing was also held on Saturday, April 15, 2023, at the Foothill Transit Administrative Office. The locations for in-person outreach were selected based on the proposed changes. In addition to workshops, customers can provide feedback through email, phone via Foothill Transit's 800-RIDE-INFO, and postal mail.

The proposed changes and various workshops were advertised on Foothill Transit's website and social media, and flyers were placed at all stops of the lines with proposed changes. The public hearing was also advertised in newspapers and Los Classificados.

The workshops, both virtual and in-person, were well attended. Approximately 80 citizens attended the in-person workshops with the highest number of attendees at the San Dimas Library with 25 people and the Duarte Senior Center with 40 people. The virtual workshops had 52 attendees; the highest meeting attended meeting was on Monday, April 10, 2023, with 22 people. The agency received 137 comments regarding the proposed service recommendations, with the proposed change for Line 499 receiving the most comments with 47.

### **Proposed Route Changes and Recommendations**

#### **Line 190**

The proposal for Line 190 is to extend the short trips that currently start and end at Eastland Center to run the full route from Cal Poly Pomona to El Monte Station.

#### **Recommendation**

The recommendation for Line 190 is to implement the proposed changes to extend the short trips.





**Line 194**

The proposal for Line 194 is to extend the short trips that currently start and end at Valley Boulevard and Lemon Boulevard to run the full route from Cal Poly Pomona to El Monte Station.

**Recommendation**

The recommendation for Line 194 is to implement the proposed changes to extend the short trips.

**Line 195**

The proposed change for Line 195 is to eliminate the Corporate Center Drive loop and continue along South Campus Drive due to low ridership. In conjunction with the proposed Line 291 reroute, Line 195 will be changed to serve South Garvey Avenue, East County Road, and South Towne Avenue to provide coverage for almost all stops currently served by Line 291.

**Recommendation**

The recommendation for Line 195 is to implement the proposed changes to the current routing.

**Line 272**

The proposal for Line 272 is to extend the route to serve Mountain Vista Plaza in the city of Duarte.

**Recommendation**

The recommendation for Line 272 is to implement the proposed changes to the current routing.

**Line 274**

The proposal for Line 274 is to change the northern terminus from the Baldwin Park Metrolink Station to Plaza West Covina. There is greater ridership potential and more Foothill Transit lines for transfer at West Covina. Customers in Baldwin Park can use Line 178 to travel to West Covina.

**Recommendation**

The recommendation for Line 274 is to implement the proposed changes to the current routing.



**Line 281**

The proposal for Line 281 is to keep the line on Citrus Avenue instead of going into the Covina Transit Center. This change will save 5 minutes on the southbound trip and 2 minutes on the northbound trip.

**Recommendation**

The recommendation for Line 281 is to implement the proposed changes to the current routing.

**Line 282**

The proposal for Line 282 is to cancel the line due to duplication; the only unique portion of this route is a segment on Haliburton Road, which has low ridership. Customers can currently use alternate lines to reach shared destinations and with the recommended changes to Line 194, would have more access to El Monte Transit Center. Customers along this segment are about a 5-minute walk to bus stops served by other Foothill Transit routes.

**Recommendation**

The recommendation for Line 282 is to cancel the line due to duplicative service with other Foothill Transit Lines.

**Line 286**

The proposal for Line 286 is to change the northern terminus from the Pomona Transit Center to the Mt. SAC Transit Center.

**Recommendation**

The recommendation for Line 286 is to keep the current routing and not make any changes due to better connections at the Pomona Transit Center. Foothill Transit will review this proposal in the future to determine if new travel demands warrant a routing change.

**Line 291**

The proposal for Line 291 is to change the southern terminus from an industrial area to Rancho Camino Drive, which is close to retail stores such as Target, Walmart, and Win Co.

**Recommendation**

The recommendation for Line 291 is to implement the proposed changes to the current routing.



**Line 292**

The propose change to Line 292 is to reroute the line to provide a direct connection between Pomona and Claremont. The data shows most of the ridership is between Pomona Transit Center and Arrow Highway. The modified route would also run until 7PM instead of ending service at 4:45PM.

**Recommendation**

The recommendation for Line 292 is to implement the proposed changes to the current routing.

**Line 482**

The propose change to Line 482 is to eliminate the segment connecting to the Industry Transit Center; the segment generates few riders and adds 10 minutes of travel. The Industry Transit Center will continue to be served by Line 495.

The other change to the line is the elimination of the Corporate Center Drive loop. The segment generates few riders and the location is short walk from South Campus Drive.

**Recommendation**

The recommendation for Line 482 is to implement the proposed changes to the current routing.

**Line 486**

The proposal for Line 486 is to extend the line to the Pomona Transit Center along Holt Avenue.

**Recommendation**

The recommendation for Line 486 is to implement the proposed changes to the current routing.



**Line 487**

This new line would combine Lines 197 and 289 and provide a one-seat ride from Puente Hills Mall to Montclair. The route would also eliminate the segment low ridership segments along Fairplex Drive. Service to the Pomona Fairplex will be provided along White Avenue and will link the future La Verne Gold Line Station to the Fairplex.

**Recommendation**

The recommendation is to implement the proposed routing changes and combining of Lines 289 and 197 into one line. Based on customer feedback and a similar route name to LA Metro, an additional recommendation is to change the proposed name from Line 487 to continue with the current Foothill Transit name of Line 289.

**Line 498**

The proposed change to Line 498 is to eliminate the Industry City Hall Park and Ride due to low ridership. Customers can go to either the West Covina City Hall Park and Ride or Puente Hills Mall.

**Recommendation**

The recommendation for Line 498 is to cancel the stop at Industry City Hall Park and Ride as well as discontinue the current stop located at Vincent Blvd. and Lakes Ave. The recommendation is to start and end the routing at West Covina City Hall Park and Ride.

**Line 499**

The proposal for Line 499 is to cancel the line due to the closing of the San Dimas Park and Ride as the result of the Gold Line (L-Line) extension project.

**Recommendation**

The recommendation for Line 499 is to start and end the route at Via Verde Park and Ride.

**Line 851**

The proposal for Line 851 is to cancel this line due to low ridership. Foothill Transit should explore the possibility of collaborating with the Glendora Shuttle to provide service.

**Recommendation**

The recommendation for Line 851 is to cancel the line.



**Line 853/854**

The proposal for Lines 853 and 854 is to combine the two lines to improve utilization and efficiency. The modified alignment will cover the highest ridership stops of both routes.

**Recommendation**

The recommendation for this proposal is to keep the current alignment of Line 853 and cancel Line 854. The segment of Line 854 where service would be cancelled is currently served by Line 482 and would continue to provide service along Diamond Bar Blvd.

**Line 860/861**

The proposal for Lines 860 and 861 is to combine both Duarte routes into one consolidated route. The route will provide service to the city's biggest destinations. The new route will provide faster and more direct service for existing customers while being easier to understand for new customers. Customers in residential areas north of Royal Oaks Drive may need to walk further to access service.

**Recommendation**

The recommendation is to implement the proposed routing changes to combine both lines into one line.

**Silver Streak**

The proposal for Silver Streak is to modify the current routing to serve a bus stop at Cal Poly Pomona. The Silver Streak will service the school during the weekdays between the hours of 7AM to 7PM.

**Recommendation**

The recommendation is to implement the proposed routing changes to Silver Streak.

**Gold Line (L-Line) Service**

This new route will provide service from the San Dimas Gold Line station to the schools of Mt. SAC and Cal Poly Pomona.

**Recommendation**

The recommendation is to continue to review travel demand patterns with the opening of the Gold Line (L-Line) in the future.



**Schedule for Implementation**

If approved, the proposed changes will be implemented at the fall 2023 Service Change.

Activities	Dates
Executive Board Meeting	<b>April 25, 2023</b>
Governing Board Meeting	<b>May 23, 2023</b>
Planned Implementation	<b>Fall 2023 Service Change</b>

**Budget Impact**

Preliminary analysis shows the implemented changes to be within the budgeted revenue hours for the fiscal year.

Sincerely,

Joseph Raquel  
Director of Planning

Doran J. Barnes  
Chief Executive Officer

Attachments



Attachment A

Outreach Summary

Outreach Schedule and Locations

Date	Time	Location
<b>Tuesday, February 21, 2023</b>		Public Outreach Kick-Off
Thursday, March 02, 2023	6:00 PM - 7:00 PM	Zoom
Tuesday, March 7, 2023	6:00 AM - 8:00 AM	Industry City Hall Park and Ride
Thursday, March 9, 2023	12:00 PM - 2:00 PM	Duarte Senior Center
Tuesday, March 14, 2023	5:00 PM - 6:00 PM	Rowland Heights Library (Meeting Room)
Wednesday, March 15, 2023	5:30 PM - 6:30 PM	Sunkist Library (Meeting Room)
Wednesday, March 22, 2023	5:30 PM - 6:30 PM	San Dimas Library (Meeting Room)
Thursday, March 23, 2023	5:30 PM - 6:30 PM	Hacienda Heights Library (Meeting Room)
Wednesday, March 29, 2023	6:00 PM - 7:00 PM	Zoom
Monday, April 10, 2023	6:00 PM - 7:00 PM	Zoom
Tuesday, April 11, 2023	5:00 PM - 6:00 PM	Hispanic Chamber of Commerce-Pomona
Saturday, April 15, 2023	9:00 AM	Foothill Transit Administrative Office (Board Room)
Thursday, April 20, 2023	7:00 PM	Duarte Unified School District
<b>Friday, April 21, 2023</b>		Public Outreach Ends



Attachment A

**Outreach Summary - Continued**

Event Type	Number of Attendees
Virtual Zoom Workshops	52
In-Person Events	80

Comments Received Via	Number Received
E-mail	58
Public Comment	5
Social Media	12
800-RIDE-INFO	1
<b>Grand Total</b>	<b>76</b>

Line	Number of Comments
190	2
194	2
195	2
197	3
272	2
274	4
281	4
282	20
285	3
286	6
289	2
291	5
292	3
482	5
486	4
487	3
493	2
498	6
499	47
861	3
853/854	2
860/861	5
College Connector	1
Silver Streak	1
<b>Grand Total</b>	<b>137</b>





April 25, 2023

To: Executive Board

Subject: **Fiscal Year 2022 Annual Comprehensive Financial Audit Report Results**

---

### **Recommendation**

Receive and file the Fiscal Year 2022 financial and compliance audit results. The Annual Comprehensive Financial Report (ACFR) including the auditor's opinions, has been provided for you as a separate attachment.

### **Analysis**

The accounting firm of Crowe LLP has completed their audit of Foothill Transit's balance sheet as of June 30, 2022, along with the related statements of revenues, expenses, and cash flows. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. This audit was performed for the purpose of forming an opinion regarding Foothill Transit's financial statements.

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

Crowe LLP found two misstatements that were corrected as an audit adjustment prior to completing the year-end closing. First, they noted an error in recording monthly fixed fees as fees for July 2022 were recorded in June 2022. In addition, they noted an error in our Net Investment in Capital Assets calculation as it did not include Capital Assets in Accounts Payable and Retainage payable. Foothill Transit corrected both errors and revised the financial data. Our Finance team implemented an additional review step in the data entry process to ensure that the error does not happen again in the future.



A summary of the financial activities are as follows:

Total farebox revenue	\$	7,480,849
Other revenue		<u>1,015,753</u>
Total operating revenues		8,496,602
Operating expense before depreciation		104,401,456
Depreciation expense		31,926,283
Amortization Expense		<u>31,525</u>
Total operating expense		<u>136,359,264</u>
Operating Loss		<u>(127,862,662)</u>
Non-operating revenues (expenses)		95,152,662
Other Income (expense) net		(79,820)
Loss before capital contributions		(32,789,820)
Capital contributions		10,928,210
Change in net assets		(21,861,610)
Net assets at beginning of year		<u>280,988,836</u>
Net assets at end of year	\$	<u>259,127,226</u>
Farebox recovery ratio		7.17%



During FY2022, Foothill Transit's net position decreased \$21,861,610 from the previous year resulting primarily from depreciation and the early retirement of the grid powered battery electric buses.

In FY2022, operating expenses before depreciation increased \$2,436,475 (2.39%) over the previous year. This increase was attributed primarily to increases for purchased transportation and fuel.

Foothill Transit's assets exceeded its liabilities at June 30, 2022, by \$259,127,226 (net position).

A copy of the audit report and Crowe LLP's Independent and Single Audit Reports is attached for your review.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance and Treasurer

Doran J. Barnes  
Chief Executive Officer

Attachment

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

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

### **AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA**

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with Foothill Transit for further information on the responsibilities of management and of Crowe LLP.

### **AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS**

As part of obtaining reasonable assurance about whether Foothill Transit's financial statements are free of material misstatement, we performed tests of Foothill Transit's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM Foothill TRANSIT**

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to Foothill Transit under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with Foothill Transit that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

**PLANNED SCOPE AND TIMING OF THE AUDIT**

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you on May 25, 2022.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
  - The allocation of responsibilities between you and management.
  - Foothill Transit's objectives and strategies, and the related business risks that may result in material misstatements.
  - Significant communications between Foothill Transit and regulators.
  - Other matters you believe are relevant to the audit of the financial statements.

**SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES**

Significant Accounting Policies: The Board of Directors should be informed of the initial selection of and changes in significant accounting policies or their application. Also, the Board of Directors should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform the Board of Directors about such matters. To assist the Board of Directors, we also provide the following.

Accounting Standard	Impact of Adoption
<p><b>GASB Statement No. 98, "The Annual Comprehensive Financial Report"</b></p> <p>This Statement was issued to rename the comprehensive annual financial report to "annual comprehensive financial report (ACFR)." The new term and acronym replace instances of "comprehensive annual financial report" and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the prior acronym for the report sounds like a racial slur. No changes were made to the structure or content of the report.</p>	<p>Adoption of this Statement did not have a material impact on Foothill Transit's financial position or results of operations.</p>

Accounting Standard	Impact of Adoption
<p><b>GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”</b></p> <p>This Statement was issued to increase consistency and comparability related to the reporting of fiduciary component units and IRC Section 457 deferred compensation plans. This Statement is designed to mitigate costs of financial reporting associated with certain defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans when an organization does not have a governing board and the primary government performs the duties that a governing board typically performs.</p>	<p>Adoption of this Statement did not have a material impact on Foothill’s financial position or results of operations.</p>
<p><b>GASB Statement No. 93, “Replacement of Interbank Offered Rates”</b></p> <p>This Statement was issued to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).</p>	<p>Adoption of this Statement did not have a material impact on Foothill’s financial position or results of operations.</p>
<p><b>GASB Statement No. 92, “Omnibus 2020”</b></p> <p>This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.</p>	<p>Adoption of this Statement did not have a material impact on Foothill’s financial position or results of operations.</p>
<p><b>GASB Statement No. 91, “Conduit Debt Obligations”</b></p> <p>This Statement was issued to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.</p>	<p>Adoption of this Statement did not have a material impact on Foothill’s financial position or results of operations.</p>

Accounting Standard	Impact of Adoption
<p><b>GASB Statement No. 87, “Leases”</b></p> <p>This Statement was issued to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources. Lessees and lessors should recognize short-term lease payments as outflows of resources and inflows of resources, respectively, based on the payment provisions of the lease contract.</p>	<p>The adoption resulted in recording lease receivable and deferred inflows of resources related to leases. The adoption also resulted in recording a right-to-use lease asset and lease payable. There was no impact to net position as of July 1, 2021 as a result of adoption. See note 11 of the financial statements for further information on the impact of the adoption of GASB Statement No. 87.</p>
<p><b>Significant Unusual Transactions.</b></p>	<p>No such matters noted.</p>
<p><b>Significant Accounting Policies in Controversial or Emerging Areas.</b></p>	<p>No such matters noted.</p>

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management’s current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management’s current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in Foothill Transit’s year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
<p>Allowance for Doubtful Accounts and Bad Debt Expense</p>	<p>The allowance for doubtful accounts was determined by management by a process involving consideration of past experiences, current aging information, information from credit reports, contacts with the customers, and other available data including environmental factors such as industry, geographical, economic and political factors.</p>	<p>We tested this accounting estimate by reviewing, on a test basis, the information listed.</p>

<b>Significant Accounting Estimate</b>	<b>Process Used by Management</b>	<b>Basis for Our Conclusions</b>
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Impairment of Investment Securities	The fair value of certain securities was less than amortized cost. Management is required to assess whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of these criteria is met, the entire difference between amortized cost and fair value is recognized in earnings. For securities that do not meet the aforementioned criteria, the amount of impairment recognized in earnings is limited to the amount related to credit losses, while impairment related to other factors is recognized in other comprehensive income.	We reviewed this judgment based on the evidence management provided as to the impact of market conditions on those securities. We also reviewed the evidence provided by management that it does not intend to sell these securities and that it will not be required to sell these securities before recovery of amortized cost basis.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to Foothill Transit.	We tested the propriety of information underlying management's estimates.
Loss Contingencies	Foothill Transit consults with legal counsel to evaluate outstanding litigation, claims and assessments. Factors that affect management's evaluation of litigation contingencies requiring disclosure include the nature of the contingencies and whether the outcome could have an effect on the consolidated financial statements.	Based on information obtained from Foothill Transit's legal counsel regarding this matter and discussions with management, we concur with management's determination that the loss contingency does not meet conditions for accrual of being both probable and estimable, and, thus, no accrual is recorded and no specific disclosures are required.



## **AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES**

We are to discuss with you our comments about the following matters related to Foothill Transit's accounting policies and financial statement disclosures.

- The appropriateness of the accounting policies to the particular circumstances of Foothill Transit, considering the need to balance the cost of providing information with the likely benefit to users of Foothill Transit's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including Foothill Transit's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

## **CORRECTED AND UNCORRECTED MISSTATEMENTS**

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

- During the testing of subsequent disbursements, we identified July 2022 Monthly Fixed Fees of \$371,215 and \$719,276 recorded in Accounts payable and Prepaid assets as of June 2022. Given these services were for fiscal year 2023 and were invoiced and paid after June 30, 2022, these amounts should not have been recorded. An audit adjustment was proposed and accepted by management. There was no effect on Net Position related to this audit adjustment.
- The calculation of Net Investment in Capital Assets did not include \$610,389 of Capital Assets in Accounts Payable and Retainage payable. An audit adjustment was proposed and accepted by management.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

## OTHER COMMUNICATIONS

Communication Item	Results
<p><b>Other Information Included in an Annual Report</b></p> <p>Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> <li>• Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or</li> <li>• A material misstatement of fact exists, or the other information is otherwise misleading.</li> </ul> <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.</p>
<p><b>Significant Difficulties Encountered During the Audit</b></p> <p>We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p><b>Disagreements with Management</b></p> <p>We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to Foothill Transit's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p><b>Difficulties or Contentious Matters</b></p> <p>We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p><b>Circumstances that Affect the Form and Content of the Auditor's Report</b></p> <p>We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>

Communication Item	Results
<p><b>Consultations with Other Accountants</b></p> <p>If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p><b>Representations the Auditor Is Requesting from Management</b></p> <p>We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p><b>Significant Issues Discussed, or Subject to Correspondence, With Management</b></p> <p>We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p><b>Significant Related Party Findings or Issues</b></p> <p>We are to communicate to you significant findings or issues arising during the audit in connection with Foothill Transit's related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p><b>Other Findings or Issues We Find Relevant or Significant</b></p> <p>We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such findings to communicate.</p>

We are pleased to serve Foothill Transit as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Directors and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.



Crowe LLP

Los Angeles, California  
February 22, 2023



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022



**Foothill Transit** Going Good Places



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## **Foothill Transit**

West Covina, California

### **Annual Comprehensive Financial Report**

For the Fiscal Year Ended June 30, 2022

Prepared by Foothill Transit Finance Department

### **FOOTHILL TRANSIT**

A JOINT POWERS AUTHORITY



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# INTRODUCTION

# Executive Board Memorandum

To: **Executive Board**

Date: **February 28, 2023**

Subject: **Fiscal Year 2022 Annual Comprehensive Financial Report**

---

Enclosed is the Annual Comprehensive Financial Report of Foothill Transit for the fiscal year ended June 30, 2022. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Foothill Transit. To the best of management's knowledge and belief, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of Foothill Transit's financial activities.

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

**Independent Audit.** The accounting firm of Crowe LLP was selected to perform an annual independent audit of Foothill Transit's financial statements. The goal of the independent audit is to provide reasonable assurance that Foothill Transit's financial statements for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that Foothill Transit's financial statements for fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Guidance. The auditor's report on the basic financial statements and schedules, including reports specifically related to the single audit, are included in this document.

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



(1) the cost of a control should not exceed the benefit likely to be derived; and (2) the valuation of the costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

**Management's Discussion and Analysis.** GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A that begins on page 5, and should be read in conjunction with it.

**Reporting Entity.** Foothill Transit, a joint powers authority of 22 cities and the County of Los Angeles, is a public transit provider located in the San Gabriel and Pomona Valleys in Los Angeles County. Foothill Transit operates a fleet of 359 buses transporting 9.8 million passengers with 12.3 million vehicle service miles. The entire fleet is equipped with bicycle racks and is wheelchair accessible and 100 percent of the buses are powered by either compressed natural gas (CNG) or electricity. Foothill Transit's investment transactions are conducted in conformance with internal investment policies and the State of California Government Code. The Executive Board has assigned the responsibility for investing to the Director of Finance and Treasurer.

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

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

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

The worldwide Covid-19 pandemic continued to have economic impacts on Foothill Transit during FY2021-2022. Fare revenues improved over the prior year but continued to trend lower than the pre-pandemic years. To encourage ridership, Foothill Transit conducted a very successful fare sale in the spring of 2022. The sale increased ridership and Foothill Transit ended the year at approximately 60% of pre-pandemic ridership levels.

The majority of Foothill Transit's funding is provided from local sales taxes. Although there was a modest increase in sales tax collections during FY2021/2022, the budget was prepared with

revenues, service, and fares at current levels to balance the budget. Additionally, Foothill Transit covered all fare revenue losses with Federal Cares Act and other emergency federal funding.

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

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Foothill Transit for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the sixteenth consecutive year that Foothill Transit has received this prestigious award. This certificate of award is the highest form of recognition for excellence in state and local government financial reporting.

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

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

**Acknowledgments.** The preparation of this report would not have been possible without the efficient and dedicated service of the entire Foothill Transit Team. We wish to express our sincere appreciation for the hard work and long hours that contributed to the preparation of this report.

Sincerely,



**Michelle Lopes Caldwell**  
Director of Finance and Treasurer



**Doran Barnes**  
Chief Executive Officer



# Foothill Transit Leadership

## Executive Board

**Chair**

Corey Calaycay  
Cluster 1 - Claremont

**Vice Chair**

Cory Moss  
Cluster 4 - Industry

**Board Member**

Gary Boyer  
Cluster 2 - Glendora

**Board Member**

Becky Shevlin  
Cluster 3 - Monrovia

**Board Member**

Cynthia Sternquist  
Cluster 5 - County of Los Angeles

## Executive Board Alternates

**Cluster 1 - San Dimas**

Emmett Badar

**Cluster 2 - West Covina**

Dario Castellanos

**Cluster 3 - Duarte**

Vacant

**Cluster 4 - La Puente**

Valerie Muñoz

**Cluster 5 - County of Los Angeles**

Sam Pedroza

## Governing Board

**CLUSTER 1**

**Claremont**

Councilmember Corey Calaycay  
Alternate: Mayor Pro Tem Ed Reece

**La Verne**

Mayor Pro Tem Rick Crosby  
Alternate: Mayor Tim Hepburn

**Pomona**

Councilmember Victor Preciado  
Alternate: Councilmember John Nolte

**San Dimas**

Mayor Emmett Badar  
Alternate: Councilmember John Ebner

**Walnut**

Councilmember Linda Freedman  
Alternate: Councilmember Eric Ching

**CLUSTER 2**

**Azusa**

Councilmember Edward J. Alvarez  
Alternate: Vacant

**Baldwin Park**

Mayor Pro Tem Daniel Damian  
Alternate: Mayor Emmanuel J. Estrada

**Covina**

Councilmember John C. King  
Alternate: Mayor Patricia Cortez

**Glendora**

Mayor Pro Tem Gary Boyer  
Alternate: Councilmember Michael Allawos

**Irwindale**

Councilmember H. Manuel Ortiz  
Alternate: Councilmember Manuel R. Garcia

**West Covina**

Mayor Pro Tem Rosario Diaz  
Alternate: Councilmember Letty Lopez-Viado

## CLUSTER 3

### Arcadia

Mayor Pro Tem Paul Cheng  
**Alternate:** Councilmember Sho Tay

### Bradbury

Councilmember Richard G. Barakat  
**Alternate:** Councilmember Elizabeth Bruny

### Duarte

VACANT  
**Alternate:** Councilmember Toney Lewis

### Monrovia

Mayor Becky Shevlin  
**Alternate:** Vacant

### Pasadena

Councilmember Felicia Williams  
**Alternate:** Vacant

### Temple City

Councilmember Fernando Vizcarra  
**Alternate:** Councilmember William Man

## CLUSTER 4

### El Monte

Mayor Jessica Ancona  
**Alternate:** Councilmember Maria Morales

### Diamond Bar

Mayor Steve Tye  
**Alternate:** Mayor Pro Tem Nancy A. Lyons

### Industry

Mayor Cory C. Moss  
**Alternate:** Mayor Pro Tem Catherine Marucci

### La Puente

Mayor Pro Tem Valerie Muñoz  
**Alternate:** Mayor Charlie Klinakis

### South El Monte

Councilmember Hector Delgado  
**Alternate:** Mayor Gloria Olmos

## CLUSTER 5

### County of Los Angeles

Cynthia Sternquist  
(Representing Supervisor Kathryn Barger)

Sam Pedroza  
(Representing Supervisor Hilda Solis)

## Senior Management

### Chief Executive Officer

Doran J. Barnes

### Deputy Chief Executive Officer

Kevin Parks McDonald

### Chief of Safety and Security

John Curley

### Director of Customer Service and Operations

LaShawn King Gillespie

### Director of Maintenance and Vehicle Technology

Roland Cordero

### Director of Marketing and Communications

Felicia Friesema

### Director of Information Technology

Donald Luey

### Director of Procurement

Christopher Pieper

### Director of Finance and Treasurer

Michelle Lopes Caldwell

### Director of Planning

Joseph Raquel

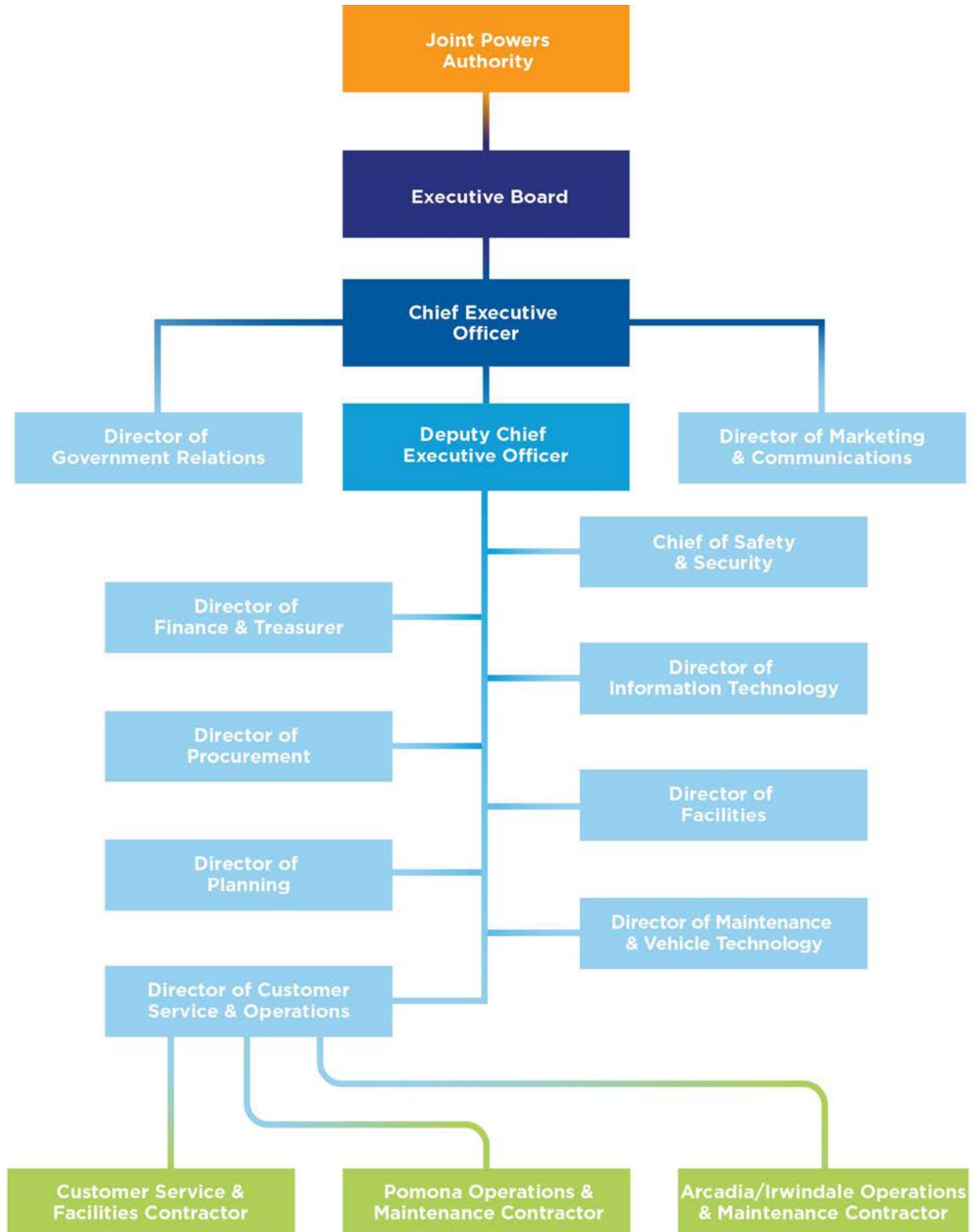
### Director of Facilities

Sharlane Bailey

### Director of Government Relations

Yoko Igawa







**Government Finance Officers Association**

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**Foothill Transit  
California**

**For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended**

**June 30, 2021**

*Christopher P. Morrell*

**Executive Director/CEO**



# FINANCIAL SECTION

Transit	CASH EFFECTIVO 現金	tap	FARES TARIFAS 票價
	\$1.75	\$1.50	
	0.75	\$0.50	

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Foothill Transit, A Joint Powers Authority (Foothill Transit), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Foothill Transit's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Foothill Transit, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foothill Transit, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foothill Transit's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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(Continued)

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foothill Transit's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

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(Continued)

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Foothill Transit's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introduction and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2023 on our consideration of Foothill Transit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Foothill Transit's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foothill Transit's internal control over financial reporting and compliance.

  
Crowe LLP

Los Angeles, California  
February 22, 2023



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# Management's Discussion And Analysis

## JUNE 30, 2022

The following section of the annual financial report of Foothill Transit includes an overview and analysis of Foothill Transit's financial position and activities for the year ended June 30, 2022. This discussion and analysis should be considered in conjunction with the basic financial statements which it accompanies. These statements are the responsibility of the management of Foothill Transit.

## INTRODUCTION TO THE BASIC FINANCIAL STATEMENTS

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

**Statement of Net Position:** The Statement of Net Position includes all assets and liabilities of Foothill Transit, with the difference between the two reported as net position. Assets and liabilities are reported on an accrual basis at cost or fair value, as applicable, as of June 30, 2022. This statement also identifies major categories of restrictions on the net position of Foothill Transit.

**Statement of Revenues, Expenses, and Changes in Net Position:** The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred by Foothill Transit during the year ended June 30, 2022, on an accrual basis.

**Statement of Cash Flows:** The Statement of Cash Flows presents the changes in Foothill Transit's cash and cash equivalents for the year ended June 30, 2022, summarized by operating, capital and related financing, non-capital financing, and investing activities. The statement is prepared using the direct method of reporting cash flows and, therefore, presents gross rather than net amounts for the year's activities.

Foothill Transit's basic financial statements can be found on pages 9 through 11 of this report. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found on pages 12 through 29 of this report.

## FINANCIAL HIGHLIGHTS

During fiscal year 2021-2022, Foothill Transit's net position decreased \$21,861,610 (7.78%) from the previous year resulting primarily from a decrease in capital asset investments.





In fiscal year 2021-2022, Foothill Transit received \$30,154,105 of Federal Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) revenues which were used to fund loss of farebox revenues and other operating expenses. In fiscal year 2021-2022, operating expenses before impairment loss and depreciation increased \$2,436,475 (2.4%) over the previous year. This increase was attributed primarily to increased Purchase Transportation fuel costs.

Foothill Transit’s assets exceeded its liabilities at June 30, 2022, by \$259,127,226 (net position).

**CONDENSED STATEMENT OF NET POSITION**

	2022	2021
<b>Assets:</b>		
Non-Capital Assets	\$ 145,723,363	\$ 139,839,773
Capital assets, net	213,666,929	237,403,502
<b>Total assets</b>	<b>\$ 359,390,292</b>	<b>\$ 377,243,275</b>
<b>Liabilities:</b>		
Current liabilities	37,070,676	48,113,378
Noncurrent liabilities	61,464,460	48,141,061
<b>Total liabilities</b>	<b>\$ 98,558,729</b>	<b>\$ 96,254,439</b>
<b>Net Position:</b>		
Net Investment in capital assets	212,823,851	228,270,186
<b>Unrestricted:</b>		
Board designated - capital projects	46,303,375	52,718,650
<b>Total net position</b>	<b>\$ 259,127,226</b>	<b>\$ 280,988,836</b>

See discussion below

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Foothill Transit’s assets exceeded liabilities by \$259,127,226 as of June 30, 2022. Most of this is attributable to Foothill Transit’s \$23,804,726 net investment in capital assets (property, plant, and equipment) as of June 30, 2022.

Foothill Transit uses capital assets to provide transportation services; consequently, these assets are not available for future spending. These capital assets were procured with federal, state, and local grant funds. The remaining unrestricted net position at June 30, 2022, totaled \$46,303,375, representing amounts that are designated by the Board for future capital projects.

Foothill Transit’s net position decreased by \$21,861,610 during fiscal year 2021-2022. This decrease is primarily due to the disposition of capital assets funded with capital grant revenues.

**CONDENSED SUMMARY OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

	<b>2022</b>	<b>2021</b>
Operating revenues - farebox and bus pass	\$ 7,480,849	\$ 4,002,178
Operating revenues - other	1,015,753	583,392
Operating grants	95,152,662	96,489,075
Other revenues (expenses)	2,209,284	3,707,418
<b>Total revenues</b>	<b>\$ 105,858,548</b>	<b>\$ 104,782,063</b>
Operating expenses before impairment loss and depreciation	104,401,456	101,964,981
Depreciation & amortization	31,957,808	32,032,002
<b>Total operating expenses</b>	<b>\$ 136,359,264</b>	<b>\$ 136,286,087</b>
Loss before capital grants	(30,500,716)	(31,504,024)
Capital grants	10,928,210	47,354,596
Impairment loss	(2,289,104)	(2,289,104)
Change in net position	(21,861,610)	15,850,572
Net position at the beginning of the year	280,988,836	265,138,264
<b>Net position at the end of the year</b>	<b>\$ 259,127,226</b>	<b>\$ 280,988,836</b>

See discussion below

**REVENUES**

Operating revenues in fiscal year 2022 increased \$3,478,671 (86.92%) over fiscal year 2021. The increase in operating revenue is a result of slight increase in ridership and the fare sale in FY2022. Operating grant revenues decreased \$1,336,413 and capital grant revenues decreased \$36,426,386 in fiscal year 2022. These grant revenues subsidized Foothill Transit's operating and capital expenses.

Because Foothill Transit requires subsidies to fund operating and capital expenses in excess of operating revenues, any increases or decreases in unfunded expenses will also require an increase or decrease in related grant funding. Capital grant contributions in fiscal year 2022 resulted in the acquisition of 4 CNG buses, construction of the Mt. San Antonio College Transit Center, installation of CAD/AVL equipment in buses and bus repair and rehabilitation.

Total operating expenses before impairment loss and depreciation increased \$2,436,475 (2.39%) in fiscal year 2022. In fiscal year 2022, Purchased Transportation costs decreased \$1,642,026 (2%) due to decrease in service provided by third party providers for both the Arcadia and Pomona Yards (see Note 7).



**CAPITAL ASSETS**

As of June 30, 2022, Foothill Transit had \$212,823,851 invested in capital assets (net of accumulated depreciation). This represents a 6.7% decrease in fiscal year 2022. These assets include land, facilities, transit buses, other operating equipment, vehicles, and furniture and fixtures identified below. Depreciation and amortization expense decreased \$74,194 in fiscal year 2022.

	2022	2021
Land	\$ 14,137,570	\$ 14,137,570
Construction in progress	5,709,336	2,180,762
Facilities	60,946,901	64,481,600
Right-to-use building	35,501	35,501
Transit buses	120,171,515	141,191,511
Other operating equipment	12,242,774	15,215,076
Right-to-use equipment	32,652	32,652
Vehicles	345,358	137,554
Furniture and fixtures	45,322	59,429
<b>Total</b>	<b>\$ 213,666,929</b>	<b>\$ 237,471,655</b>

All assets have been purchased with federal, state, or local grants awarded to Foothill Transit. GASB 87 was implemented on July 1, 2021. As a result, Right-to-use lease assets are included in the capital assets. Significant capital projects with activity during fiscal year 2022 include the following:

- **Bus Fleet Replacement**
- **Mt. San Antonio College Transit Center**
- **Bus Repair and Rehabilitation**
- **CAD/AVL**

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

**LONG TERM DEBT**

As of June 30, 2021, 2020, and 2019, Foothill Transit had no long-term debt.

**FURTHER INFORMATION**

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

**BASIC FINANCIAL STATEMENT**  
Statement of Net Position June 30, 2022

Assets	2022
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 25,807,997
Due from other governmental agencies	8,242,245
Receivables	1,241,864
Lease receivable	369,058
Interest receivable	138,751
Prepaid items	496,320
<b>Total current assets</b>	<b>\$ 36,296,235</b>
<b>Noncurrent assets:</b>	
Cash and cash equivalents	92,351,733
Restricted cash and cash equivalents	288,912
Investments	14,935,542
Note receivable	517,633
Lease receivable	1,333,308
Capital assets - nondepreciable	19,846,906
Capital assets - depreciable	468,325,169
Less accumulated depreciation and amortization	274,505,146
<b>Total noncurrent assets</b>	<b>\$ 323,094,057</b>
<b>Total assets</b>	<b>\$ 359,390,292</b>
<b>Total liabilities and net position</b>	
<b>2022</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	\$ 11,219,399
Lease payable	43,280
Unearned revenue	25,807,997
<b>Total current liabilities</b>	<b>\$ 37,070,676</b>
<b>Noncurrent liabilities:</b>	
Lease payable	23,593
Unearned revenue	61,464,460
<b>Total liabilities</b>	<b>\$ 98,558,729</b>
<b>Deferred inflow of resources - leases</b>	<b>\$ 1,704,337</b>
<b>Net Position:</b>	
Net investment in capital assets	212,823,851
Unrestricted	46,303,375
<b>Total net position</b>	<b>\$ 259,127,226</b>
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>\$ 359,390,292</b>

See notes to financial statements



**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
Years Ended June 30, 2022

	<b>2022</b>
<b>Operating revenues:</b>	
Farebox and bus pass	\$ 7,480,849
Special services	308,459
Other revenue	707,294
<b>Total operating revenue</b>	<b>\$ 8,496,602</b>
<b>Operating expenses:</b>	
Purchased transportation	78,087,327
Fuel costs	8,778,741
Salary and benefits	8,390,546
Special services	266,301
Professional services	3,877,795
Advertising	596,174
General and administrative	4,404,572
Operating expenses before impairment loss, depreciation, and amortization	104,401,456
Depreciation expense	31,926,283
Amortization expense	31,525
<b>Total operating expenses</b>	<b>\$ 136,359,264</b>
<b>Operating loss</b>	<b>(127,862,662)</b>
<b>Non-operating revenues (expenses):</b>	
Operating grants	95,152,662
Excise tax refund	1,154,855
LCFS credit revenue	1,052,236
Gain on disposal of assets	416,508
Interest income on investments	331,407
Interest income on leases	77,357
Interest expense on leases	(2,863)
Property management	(70,216)
General fund Prop A exchange	(750,000)
Impairment Loss	(2,289,104)
<b>Total operating grants and non-operating revenue (expenses)</b>	<b>\$ 95,072,842</b>
<b>Loss before capital contributions</b>	<b>(32,789,820)</b>
<b>Capital contributions</b>	<b>\$ 10,928,210</b>
<b>Change in net position</b>	<b>\$ (21,861,610)</b>
<b>Net position at beginning of year</b>	<b>\$ 280,988,836</b>
<b>Net position at end of year</b>	<b>\$ 259,127,226</b>

See notes to financial statements

**STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2022

	<b>2022</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 7,864,615
Payments for transit operations	(85,617,513)
Payments for fuel costs	(8,778,741)
Payments to employees	(8,390,546)
Payments to other vendors	(8,983,097)
<b>Net cash from operating activities</b>	<b>(103,905,282)</b>
<b>Cash flows from non-capital financing activities:</b>	
Operating grants received	109,288,239
Receipts for excise tax credit	1,154,855
Proceeds from Proposition A exchange	250,000
Proceeds from other nonoperating revenue	1,052,237
<b>Net cash from non-capital financing activities</b>	<b>111,745,331</b>
<b>Cash flows from capital and related financing activities:</b>	
Receipts from capital grants	18,473,508
Payments for capital assets	(14,532,408)
Proceeds from sale of capital assets	416,508
Proceeds from rental property	(88,801)
Principal paid on leases	(34,198)
<b>Net cash from capital and related financing activities</b>	<b>4,234,609</b>
<b>Cash flows from investing activities:</b>	
Purchase of investments	(14,935,542)
Proceeds from maturing investments	-
Investment earnings	423,795
<b>Net cash from investing activities</b>	<b>(14,511,747)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,437,089)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>120,885,731</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 118,448,642</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$(130,151,766)
<b>Adjustments to reconcile operating loss to net cash from operating activities:</b>	
Depreciation and amortization	31,957,808
Impairment Loss	2,289,104
<b>Changes in operating assets and liabilities:</b>	
Change in due from other governmental agencies	(488,736)
Change in receivables	159,392
Change in prepaid items	(137,843)
Change in operating accounts payable and accrued liabilities	(7,533,241)
<b>Total adjustments</b>	<b>26,246,484</b>
<b>Net cash from operating activities</b>	<b>\$(103,905,282)</b>
<b>Non-cash investing and financing activities:</b>	
Capital asset purchase in account payable	\$ 7,222,004
Capital grants included in due from other governmental agencies	\$ 3,329,068

See notes to financial statements

## NOTES TO FINANCIAL STATEMENTS

June 30, 2022

### NOTE 1: ORGANIZATION

Foothill Transit was established in 1988 as a governmental entity under a joint exercise of powers agreement and currently includes 22 cities in the San Gabriel Valley and Pomona Valleys and the County of Los Angeles. Foothill Transit's governing board membership includes one city council member and one alternate from each of the 22 cities in Foothill Transit's service area as well as three appointed representatives for the County of Los Angeles. A five member Executive Board provides guidance and direction regarding day-to-day policy issues. Four elected officials representing four clusters of cities, and a fifth member elected by the appointed Los Angeles County representatives, comprise Foothill Transit's Executive Board.

Through its independent service contractors, Foothill Transit operates a fleet of 359 buses from its Arcadia and Pomona, California facilities. Foothill Transit has been authorized by the Regional Transportation Planning Agency, the Los Angeles County Metropolitan Transportation Authority (LACMTA), to plan, operate, and contract for cost-effective public transit services.

Foothill Transit is a joint powers authority managed by a staff of transportation professionals with purchased transportation services provided by independent contractors. Substantially all insurable risks associated with Foothill Transit's operations are covered through these contracts. Foothill Transit is not considered to be a component unit of any other reporting entity.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Presentation

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

Foothill Transit accounts for its activities using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred. However, lease liabilities, expenditures related to compensated absences, and claims and judgements are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving Foothill Transit the right to use leased assets, are reported as expenditures. Issuance of long-term debt and financing through leases are reported as other financing sources.

**b. Use of Estimates**

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

**c. Classification of Current and Noncurrent Assets and Liabilities**

Foothill Transit considers assets to be current that can reasonably be expected to be realized in cash or sold or consumed within a year. Current liabilities are obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. All other assets and liabilities are classified as noncurrent.

**d. Cash and Cash Equivalents**

For the statement of cash flows, Foothill Transit considers cash, demand deposits, and investment pools to be cash and cash equivalents. All cash invested in the state investment pool Local Agency Investment Fund (LAIF), is reported at amortized cost. Cash may or may not be restricted as to use, depending upon the specific purposes for which such assets are held.

**e. Investments**

Foothill Transit reports investment securities and similar assets held for investment purposes at fair value. Changes in the fair value of investments are reported as net appreciation or decline in fair value of investments in the statements of revenues, expenses, and changes in net position.

**f. Prepaid Items**

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

**g. Capital Assets**

Capital assets which include property, buses, vehicles, furniture and fixtures, and equipment are defined by Foothill Transit as assets with an initial value exceeding \$500 and having an estimated useful life of more than one year. Capital assets are valued at historical cost except for intangible right-to-use lease assets, the measurement of which is discussed below. Donated assets are valued at acquisition value at the date of donation. Foothill Transit did not receive any donated capital assets during fiscal year 2022.

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

<b>Facility</b>	<b>20 to 31.5 years</b>
<b>Other improvements</b>	<b>3 to 7 years</b>
<b>Transit buses and rehabilitation costs</b>	<b>6 to 14 years</b>
<b>Right to use building</b>	<b>2 to 8 years</b>
<b>Other operating equipment</b>	<b>3 to 9 years</b>
<b>Right to use equipment</b>	<b>2 to 5 years</b>
<b>Vehicles</b>	<b>5 to 7 years</b>
<b>Furniture and fixtures</b>	<b>7 years</b>





**h. Compensated Absences**

All eligible employees, full and part-time, accrue paid time off (PTO) in accordance with the California Paid Sick Leave requirements. Part-time employees earn one hour of PTO for each 30 hours worked. Full-time employees earn PTO each pay period; the number of hours accrued are according to each employee’s years of service. Unused PTO is available to be carried forward or cashed out annually according to the guidelines, and is paid out upon separation. As of June 30, 2022, the accrual for compensated absences was \$1,324,411 and was included in accounts payable and accrued liabilities.

	2022
Beginning balance- June 1, 2021	\$ 1,338,952
Add: Current year accruals	866,906
Less: Used in the current year	881,447
<b>Ending balance- June 30,2022</b>	<b>\$ 1,324,411</b>

**i. Unearned Revenue**

Unearned revenue is composed entirely of TDA and LCTOP funds which Foothill Transit has received in advance for operations, capital acquisition, or construction but which have not been expended and, therefore, not earned at June 30, 2022. A portion of these balances are restricted by the grantor for capital projects.

**j. Net Position**

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

**Net Investment in Capital Assets**

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

**Restricted**

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

**Unrestricted**

Unrestricted net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Unlike the restricted net position, the Board has discretion in determining the use and establishing minimum/maximum balance requirements for the unrestricted cash and investment portion of net position. The Board may at any time change or eliminate amounts established for these purposes. Foothill Transit had unrestricted Board designated net position of \$46,303,375 as of June 30, 2022 representing amounts that are designated for future capital projects.

**k. Net Position Flow Assumption**

Sometimes Foothill Transit will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate

the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Foothill Transit's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **I. Operating and Non-operating Grant Revenues and Expenses**

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

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

During fiscal year 2022, Foothill Transit exchanged \$750,000 general funds for \$1,000,000 Proposition A Local Return funds from the City of San Gabriel. The Proposition A funds were allocated for transit operations.

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

### **m. Grants and Subsidies**

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

Foothill Transit receives grant funds from these various County, State, and Federal entities. Funds received from such entities are subject to certain required terms and conditions of the underlying grant agreements and are subject to audit by the grantor agencies. Amounts received under such grants and contractual agreements are subject to change based upon the results of such audits.

Transportation Development Act (TDA), including Low-Carbon Transit Operations Program (LCTOP), and State Transit Assistance (STA) funds are received for both operating and capital expenses. These funds are derived from the State Local Transportation Funds (LTF) and are allocated to Foothill Transit using the regionally adopted Formula Allocation Procedures. These funds can be used for capital and operating purposes.



#### n. Non-Exchange Transactions

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

#### o. Leases

**Lessee:** Foothill Transit recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statement. Foothill Transit recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, Foothill Transit initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Key estimates and judgments related to leases include how Foothill Transit determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

Foothill Transit uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, Foothill Transit generally uses the estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that Foothill Transit is reasonably certain to exercise.

Foothill Transit monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported on the statement of net position.

**Lessor:** Foothill Transit recognizes a lease receivable and a deferred inflow of resources in the financial statement.

At the commencement of a lease, Foothill Transit initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how Foothill Transit determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. Foothill Transit uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

Foothill Transit monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **p. Recent Event**

In December 2019, a novel strain of Coronavirus created a worldwide pandemic. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020 and continues to have a significant impact on the operations and business results of Foothill Transit. Foothill Transit was awarded \$48,462,033 in American Rescue Plan Act (ARPA) funding to help offset some of the additional costs incurred. This funding agreement was executed on 05/10/2022.

The extent to which the coronavirus may impact business activity, including ridership and operating grants, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

#### **q. Recent Accounting Pronouncements Implemented**

**GASB Statement No. 87, Leases**, - has an objective to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Foothill Transit adopted this standard for the fiscal year ended June 30, 2022. The adoption of this standard changed the accounting and reporting of Foothill Transit leases. Foothill Transit is now reporting the present value of future lease payments in the Lease receivables and Deferred inflows of resources on the statement of net position. See note 11 for further information on the impact of the adoption of GASB Statement 87.

**GASB Statement No. 89**, Accounting for Interest Cost incurred before the End of a Construction Period, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The requirements statements are effective for reporting periods beginning after December 15, 2020. Foothill Transit adopted this standard for the fiscal year ended June 30, 2022. The adoption of the standard has no impact on Foothill Transit's financial statements.

**GASB Statement No. 91**, Conduit Debt Obligations - This statement provides a single method of reporting conduit debt obligations. This statement achieves objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving



required note disclosures. The adoption of the paragraphs effective for the fiscal year ending June 30, 2022, did not have an impact on Foothill Transit's financial statements.

**GASB Statement No. 92 Omnibus 2020 I** - This guide establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements and derivative instruments. The initial requirements of this Statement are effective as follows: (a) The requirements in paragraphs 4, 5, 11, and 13 were effective upon issuance. (b) The requirements in paragraphs 6 and 7 are effective for fiscal years beginning after June 15, 2021. (c) The requirements in paragraphs 8, 9, and 12 are effective for reporting periods beginning after June 15, 2021. (d) The requirements in paragraphs 8, 9, and 12 are effective for reporting periods beginning after June 15, 2021. (d) The requirements in paragraph 10 are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. Foothill Transit adopted paragraphs 4, 5, 11 and 13 of this statement in fiscal year 2020. Foothill Transit adopted the remaining paragraphs of this standard for fiscal year ended June 30, 2022. The adoption of this standard has no impact on Foothill Transit's financial statements.

**GASB Statement No. 93**, Replacement Interbank Offered Rates (IBOR) - This statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for paragraphs 11b, 13, and 14 were effective for reporting periods beginning after June 15, 2020. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021, and reporting periods thereafter. The adoption of the remaining paragraphs 11b, 13, and 14 has no impact on Foothill Transit's financial statements.

**GASB Statement No. 94**, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The adoption of this standard has no impact on Foothill Transit's financial statements.

**GASB Statement No. 96**, Subscription-based Information Technology Arrangements (SBITAs) establishes standards of accounting and financial reporting for SBITAs by a government end user (a government). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Management is currently evaluating the effect of this statement on Foothill Transit's financial statements.

**GASB Statement No. 97**, Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). The requirements of this statement are effective as follows: (a) The requirement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans and

(2) paragraph 5 of this Statement are effective immediately. (b) The requirements in paragraphs 6-9 of this Statement are effective for fiscal years beginning after June 15, 2021. (c) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Foothill Transit adopted paragraphs 4 and 5 of this statement in fiscal year 2020 and the remaining paragraphs of this statement in fiscal year 2022. The adoption of the standard has no impact on Foothill Transit's financial statements.

**GASB Statement No. 98**, The Annual Comprehensive Financial Report, establishes the new term annual comprehensive financial report and its acronym ACFR and replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for reporting periods ending after December 15, 2021. Foothill Transit adopted this standard for the fiscal year ended June 30, 2022. The adoption of this standard changes the term of Foothill Transit's report to Annual Comprehensive Financial (ACFR).

**GASB Statement No. 99, Omnibus 2022**, enhances comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement are effective as follows: (a) The requirements in paragraph 26-32 related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of non-monetary transactions, pledges of future revenues by the pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance, (b) The requirements in paragraphs 11-25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. (c) The requirements in paragraphs 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Foothill Transit adopted paragraphs 26-32 in fiscal year 2022. The adoption of the above requirements has no impact on Foothill Transit's financial statements. Management is currently evaluating the effect of the remaining paragraphs of this statement on Foothill Transit's financial statements.

**GASB Statement No. 100**, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and errors corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this statement on Foothill Transit's financial statements.

**GASB Statement No. 101**, Compensated Absences, updates the recognition and measurement guidance for compensated absences and associated salary-related payments by aligning the recognitions and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management is currently evaluating the effect of this

statement on Foothill Transit’s financial statements.

**NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and investments at June 30, 2022, were reported in the accompanying financial statements as follows:

**Deposits**

At June 30, 2022, the carrying amount of Foothill Transit’s deposits was \$133,384,184

	<b>2022</b>
Cash and cash equivalents, current	\$ 25,807,997
Cash and cash equivalents, noncurrent	92,351,733
Restricted cash and cash equivalents, noncurrent	288,912
Investments	14,935,542
<b>Cash and cash equivalents and investments</b>	<b>\$ 133,384,184</b>

and the bank balance was \$133,384,096. The difference of \$88 represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity’s deposits by pledging government securities with a value of 110% of an entity’s deposits. California law also allows financial institutions to secure the entity’s deposits by pledging first trust deed mortgage notes having a value of 150% of the entity’s total deposits. The Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department Of Banking.

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

**Investments**

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

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

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

#### **Investments Authorized by Debt Agreements**

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

#### **Investments in State Investment Pool**

Foothill Transit is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer’s Office audits the fund annually. The value of the position in the investment pool is the same as the value of the pool shares and is reported at amortized cost. LAIF is principally invested in obligations of federal government agencies, U.S. Treasury securities, certificates of deposit, and commercial paper. LAIF’s fund manager considers the credit risk as minimal. LAIF is protected against fraudulent acts by the state’s self-insurance program. At June 30, 2022, Foothill Transit maintained \$74,110,578 of cash equivalents in LAIF.

#### **Credit Risk**

Foothill Transit’s investment policy limits investments in municipal securities, negotiable certificates of deposits, and banker’s acceptances to those rated “A” or better and repurchase agreements and bonds to those rated in the highest category by Moody’s or S&P. As of June 30, 2022, Foothill Transit’s investments did not include these types of investments. Foothill Transit’s investments in U.S. Treasury bills were rated as “AAA” by Moody’s as of June 30, 2022.

#### **Custodial Credit Risk**





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

As of June 30, 2022, none of Foothill Transit’s deposits or investments were exposed to custodial credit risk due to the requirement of the California Government Code to collateralize deposits of public funds by pledging government securities as collateral. Such collateralization of public funds is accomplished by pooling.

**Concentration of Credit Risk**

Concentration risk is the risk associated with the magnitude of investment in any one issuer. As of June 30, 2022, Foothill Transit invested solely in the LAIF fund with an investment pool. LAIF is principally invested in obligations of federal government agencies, U.S. Treasury securities, certificates of deposit and commercial paper. The LAIF fund manager considers the credit risk minimal. As of June 30, 2022, more than five percent of Foothill Transit’s investments were in U.S. Treasury bills totaling \$14,935,542.

**Interest Rate Risk:**

As a means of limiting its exposure to fair value losses arising from rising interest rates, Foothill Transit’s investment policy limits the authority’s portfolio to maturities of less than five years. Foothill Transit has elected to use the segmented time distribution method of disclosure for its interest rate risk. The maturity of Foothill Transit’s investment in LAIF is based on the average maturity of LAIF’s investments.

**Fair Value Measurement:**

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

As of June 30, 2022, Foothill Transit held \$14,935,542 U.S. Treasury securities. The investments are based on quoted market prices of similar securities with similar due dates using the market approach (Level 2 inputs).

Foothill Transit had the following investments at fair value and remaining maturities as of June 30, 2022:

Remaining Investment Maturities	2022		
	Fair Value	Less Than 1 Year	1 to 5 Years
US Treasury	\$14,935,542	\$14,935,542	-

**NOTE 4: REVENUE AND RECEIVABLES FROM OTHER GOVERNMENTAL AGENCIES**

For the year ending June 30, 2022, operating grants earned from other governmental agencies consisted of the following:

<b>Operating Grants</b>	<b>2021</b>
<b>State and local grants:</b>	
Proposition A Formula Subsidy	\$ 17,435,533
Measure R	12,255,473
Measure M	12,213,722
Transportation Development Act	8,114,830
Proposition A Bus Service Continuation Program	5,033,010
State Transit Assistance	2,344,930
Senate Bill 1 - STA	2,145,839
Proposition C Base Restructuring	2,094,037
Proposition C 5% Transit Security	1,037,303
Proposition A Local Return Exchange	1,000,000
Proposition C BSIP - Overcrowding Relief	974,926
Proposition C Transit Service Expansion - Line 690	348,954
<b>Total state and local operating grants</b>	<b>\$ 64,998,557</b>
<b>Federal grants:</b>	
FTA Section 5307	30,154,105
<b>Total federal operating grants</b>	<b>\$ 30,154,105</b>
<b>Total operating grants</b>	<b>\$ 95,152,662</b>

For the year ending June 30, 2022, capital grants earned from other governmental agencies consisted of the following:

<b>Capital Grants</b>	<b>2022</b>
<b>State and local grants:</b>	
Transportation Development Act	\$ 5,827,316
Proposition C - MOSIP	1,896,136
Senate Bill 1 - SGR	1,068,407
Measure M Capital	177,726
California State Transportation LCTOP Grant	57,690
<b>Total state and local capital grants</b>	<b>\$ 9,027,275</b>
<b>Federal grants:</b>	
FTA Section 5339	1,861,225
FTA Section 5312	39,710
<b>Total federal capital grants</b>	<b>1,900,935</b>
<b>Total capital grants</b>	<b>\$ 10,928,210</b>

Other governmental agencies amounts due are recorded when earned based on operating grant and capital grant revenue recognition. Management believes that no provision for an allowance was necessary on June 30, 2022.

<b>Governmental Agencies</b>	<b>2022</b>
<b>State and local agencies</b>	
Transportation Development Act	\$ 3,286,667
Proposition C MOSIP	1,150,346
State Transit Assistance	586,231
Senate Bill 1 - State Transit Assistance	484,982
Senate Bill 1 - State of Good Repair	455,912
Toll Revenue Grant	421,489
Proposition C Call For Projects	73,872
California State Transportation LCTOP Grant	57,690
Measure M Capital	55,995
City of Duarte	54,423
Antelope Valley Transportation Authority	32,062
Pass Sales	15,163
Other Receivables	6,943
Los Angeles Department of Transportation	5,739
<b>Total state and local agencies</b>	<b>\$ 6,687,514</b>
<b>Federal agencies</b>	
Section 5339 Capital Grant - FTA	845,534
Section 5307 Capital Grant - FTA	669,487
Section 5312 Capital Grant - FTA	39,710
<b>Total federal agencies</b>	<b>\$ 1,554,731</b>
<b>Total due from governmental agencies</b>	<b>\$ 8,242,245</b>

#### **NOTE 5: RECEIVABLES**

At June 30, 2022, receivables consist of the following and are expected to be collected within one year:

	<b>2022</b>
Keolis Transit Services	\$ 597,173
Trade Receivables (Pass Sales)	366,845
TAP Sales	141,099
City of Azusa	113,426
Miscellaneous	23,321
<b>Total receivables</b>	<b>\$ 1,241,864</b>

Receivables are recorded when earned based on operating revenue recognition. Management believes that no provision for an allowance was necessary at June 30, 2022.

## NOTE 6: CAPITAL ASSETS

Changes in the capital assets by category for the years ended June 30, 2021, are as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
<b>Capital assets not being depreciated</b>				
Land	\$ 14,137,570	\$ -	\$ -	\$ 14,137,570
Construction in progress	2,180,762	3,528,574	-	5,709,336
<b>Total capital assets not being depreciated</b>	<b>\$ 16,318,332</b>	<b>\$ 3,528,574</b>	<b>\$ -</b>	<b>\$ 19,846,906</b>
<b>Capital assets being depreciated</b>				
Facility	129,995,172	1,459,926	-	131,455,098
Right-to-use leased building	61,536	-	-	61,536
Transit Buses	276,060,102	2,442,978	(11,904,892)	266,598,188
Other operating equipment	65,511,853	2,696,511	(172,894)	68,035,470
Right-to-use leased equipment	38,143	-	-	38,143
Vehicles	951,861	279,029	-	1,230,890
Furniture and fixtures	902,203	3,641	-	905,844
<b>Total depreciable capital assets</b>	<b>\$ 473,520,870</b>	<b>\$ 6,882,085</b>	<b>\$ (12,077,786)</b>	<b>\$ 468,325,169</b>
<b>Accumulated depreciation and amortization</b>				
Facility	(65,513,571)	(4,994,626)	-	(70,508,197)
Right-to-use leased building	-	(26,035)	-	(26,035)
Transit buses	(134,868,591)	(21,173,871)	9,615,789	(146,426,673)
Other operating equipment	(50,296,778)	(5,668,812)	172,894	(55,792,696)
Right-to-use leased equipment	-	(5,491)	-	(5,491)
Vehicles	(814,308)	(71,224)	-	(885,532)
Furniture and fixtures	(842,773)	(17,749)	-	(860,522)
<b>Total accumulated depreciation and amortization</b>	<b>\$(252,336,021)</b>	<b>\$ (31,957,808)</b>	<b>\$ 9,788,683</b>	<b>\$(274,505,146)</b>
<b>Depreciable capital assets, net</b>	<b>\$ 221,184,849</b>	<b>\$ (25,075,723)</b>	<b>\$ (2,289,103)</b>	<b>193,820,023</b>
<b>Total capital assets, net</b>	<b>\$ 237,503,181</b>	<b>\$ (21,547,149)</b>	<b>\$ (2,289,103)</b>	<b>\$ 213,666,929</b>

In accordance with GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, management evaluates events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. For the year ended June 30, 2022, Foothill Transit recorded \$2,289,104 of impairment loss relating to electric transit buses that are not expected to meet their expected service utility due to ongoing performance and maintenance issues.

## NOTE 7: PURCHASED TRANSPORTATION

Foothill Transit provides bus service through third party providers for its facilities in Arcadia and Pomona. Keolis was awarded a four-year option commencing on July 1, 2021, for the operating services at the Pomona Facility. However, the contract with Keolis was amended subsequently to change the expiration to April 29, 2023. (see note 12). Transdev was awarded a four-year term contract commencing on July 31, 2022, for the operating services at the Arcadia/ Irwindale Facility.

The operating contracts with Keolis and Transdev compensate the contractors based on contractually determined rates per bus revenue miles and hours. They also receive a fixed fee for indirect overhead. The Pomona service expense was \$28,770,430 for the year ended June 30, 2022. Foothill Transit's related expense for service at the Arcadia Facility was \$49,316,897 for the year ended June 30, 2022. On a combined basis, the contractors provided performance bonds totaling approximately \$20 million for the protection of Foothill Transit.

## NOTE 8: COMMITMENTS AND CONTINGENCIES

### a. Operating Commitments

Foothill Transit has a commitment for the operation and maintenance of the Pomona facility for \$175,680,800 commencing on July 1, 2017, four base years and three option years until June 30, 2023. Foothill Transit also has a commitment for the operation and maintenance of the Arcadia/ Irwindale facility for four years for \$243,158,208 for the fiscal year ending June 30, 2026.

#### Pomona

Description	Related Year	Before June 30,2022	After June 30, 2022
<b>Start - up</b>	-	\$ 384,830	\$ -
<b>Base Year 1</b>	07/1/17 - 06/30/18	27,755,633	-
<b>Base Year 2</b>	07/1/18 - 06/30/19	28,688,112	-
<b>Base Year 3</b>	07/1/19 - 06/30/20	29,243,660	-
<b>Base Year 4</b>	07/1/20 - 06/30/21	29,715,706	-
<b>Option Year 1</b>	07/1/21 - 06/30/22	29,711,573	-
<b>Option Year 2</b>	07/1/22 - 06/30/23	-	30,181,286
<b>Total</b>		<b>\$ 145,499,514</b>	<b>\$ 30,181,286</b>

#### Arcadia/Irwindale

Description	Related Year	Before June 30,2022	After June 30, 2022
<b>Start - up</b>	-	-	\$ -
<b>Base Year 1</b>	07/1/22 - 06/30/23	-	52,536,385
<b>Base Year 2</b>	07/1/23 - 06/30/24	-	60,395,065
<b>Base Year 3</b>	07/1/24 - 06/30/25	-	63,449,217
<b>Base Year 4</b>	07/1/25 - 06/30/26	-	66,777,541
<b>Total</b>		<b>\$ -</b>	<b>\$ 243,158,208</b>

## **b. Legal Matters**

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

### **NOTE 9: RISK MANAGEMENT**

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

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

There were no reductions in coverage or claims in excess of coverage during the fiscal years ended June 30, 2022, nor were there any claims payments made during the year or claims payable at the end of the year.

### **NOTE 10: DEFINED CONTRIBUTION RETIREMENT PLAN**

Effective July 1, 2014, Foothill Transit adopted the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust (“the 401(a) Plan”) and the ICMA Retirement Corporation Governmental 457 Deferred Compensation Plan and Trust (“the 457 Plan”), for all full-time employees of Foothill Transit. Benefit and contribution terms for the plans are established and may be amended by the Board of Directors; however, the plan is administered by a third party, ICMA Retirement Corporation. Foothill Transit contributes 8% of the employee’s salary to the 401(a) Plan with no matching requirements, plus an additional dollar for dollar employer match of up to 4% more. Foothill Transit contributed \$1,423,704 to the 401(a) Plan during fiscal year 2022.

Participants are 100% vested immediately. Employees are permitted to make contributions to the 457 plan, up to applicable Internal Revenue Code limits. There are no employer contributions to the 457 Plan. As of June 30, 2022, the balance invested in both plans by both employees and Foothill Transit totaled \$1,972,016. There was no liability outstanding for either plan as of June 30, 2022.

### **NOTE 11: LEASES**

#### **a. Leases Receivable**

Foothill Transit leases excess office space in its headquarters building through five leases. The remaining lease terms range from two to 8 years. Foothill Transit will receive total monthly payments of \$39,692. Foothill Transit recognized \$386,544 in lease revenue and \$77,357 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, Foothill Transit’s receivable for lease payments was \$1,702,366. Also, Foothill Transit had deferred inflows of resources associated with these leases that will be recognized as revenue over their lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was \$1,704,337.



**Lease Income**

Foothill Transit is the lessor in several operating leases for surplus office space in the administrative offices building, included in the Facility Depreciable Assets (in Note 6). Two of the administrative offices building’s six floors are leased. The first floor is leased to Chase Bank and the fourth floor is leased to three different entities. The leases expire at various dates between August 2023 and April 2028. The historical cost of the two leased floors approximates \$5,982,412, representing one third of the building cost. At June 30, 2022, the carrying value of the leased space was \$3,106,710, net of accumulated depreciation of \$2,875,702.

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

Year Ending June 30	Lease Revenue
2023	\$ 442,817
2024	351,676
2025	324,769
2026	308,791
2027	308,791
2028	318,055
2029	318,055
<b>Total</b>	<b>\$ 2,372,954</b>

**b. Leases Payable**

Foothill Transit has four leases as a lessee for property and equipment with remaining lease terms ranging from 2-8 years. Foothill Transit has the right to use the leased assets and accumulated amortizations as of June 30, 2022. The total initial lease liability was \$61,536. As of June 30, 2022, the value of the lease liability was \$66,873. The properties have useful lives of 25 years, and the equipment useful lives are five years.

The future principal and interest lease payments as of June 30, 2022, were as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 43,280	\$ 2,292	\$ 45,572
2024	19,352	549	19,901
2025	1,577	176	1,753
2026	1,658	96	1,754
2027	1,006	17	1,023
	<b>\$ 66,873</b>	<b>\$ 3,130</b>	<b>\$ 70,003</b>

**Lease Commitments**

Foothill Transit leases certain facilities under long-term lease agreements. Foothill Transit leases space for a Transit Store in the Puente Hills Mall. This lease was executed on July 5, 2013, and expires on August 31, 2023, with renewable options for ten years. Monthly rent includes a base amount of \$2,491 plus additional charges for Common Area Maintenance (CAM), marketing, taxes, insurance and utilities. Currently, the additional charges total \$5,275 for a total monthly rent of \$7,766. Rent expense for the year ended June 30, 2022, was \$93,190.

**NOTE 12: SUBSEQUENT EVENTS**

The contract with Keolis Transit Services for the Pomona facility was amended to change the expiration date for the option term of the contract from June 30, 2025, to April 29, 2023, as Keolis and Foothill Transit determined and agreed as mutually beneficial for both parties.





**STATISTICAL SECTION**

# Financial Section

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

## FINANCIAL TRENDS

**34** These schedules contain trend information to help the reader understand how the agency's financial performance and well-being have changed over time.

## REVENUE CAPACITY

**36** These schedules contain information to help the reader assess the agency's most significant local revenue sources and taxes.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

**39** These schedules offer demographic and economic indicators to help the reader understand the environment within which the agency's financial activities take place.

## OPERATING INFORMATION

**40** These schedules contain service and infrastructure data to help the reader understand how the information in the agency's financial report relates to the services the agency provides and the activities it performs.



**FINANCIAL TRENDS - Net Position**  
Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Board Designated Capital Project	Total Net Position
2013	148,897,686	25,382,942	<b>174,280,628</b>
2014	184,208,626	23,779,619	<b>207,988,245</b>
2015	201,831,874	29,455,331	<b>231,287,205</b>
2016	200,276,321	37,861,516	<b>238,137,837</b>
2017	210,142,128	36,848,616	<b>246,990,744</b>
2018	210,364,476	36,845,704	<b>247,210,180</b>
2019	221,655,610	40,095,688	<b>261,751,298</b>
2020	223,606,295	41,531,969	<b>265,138,264</b>
2021	228,270,186	52,718,650	<b>280,988,836</b>
2022	212,823,851	46,303,375	<b>259,127,226</b>

Source: Foothill Transit Finance Department

**FINANCIAL TRENDS - Change in Net Position**  
Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expense	Operating Income (Loss)	Nonoperating Revenues/ Expenses	Income/ (Loss) Before Contributions	Capital Contributions	Change in Net Position
2013	19,550,489	82,534,239	(62,983,750)	44,012,132	(18,971,618)	16,494,432	(2,477,186)
2014	19,907,140	88,037,934	(68,130,794)	45,949,812	(22,180,982)	55,888,599	33,707,617
2015	20,070,304	96,020,737	(75,950,433)	56,182,234	(19,768,196)	43,067,156	23,298,960
2016	18,531,384	101,711,307	(83,179,923)	62,643,667	(20,536,256)	27,386,888	6,850,632
2017	17,571,558	112,415,920	(94,844,362)	72,848,673	(21,995,689)	30,848,596	8,852,907
2018	17,688,164	119,534,295	(101,846,131)	74,286,931	(27,559,200)	27,778,636	219,436
2019	17,321,438	121,655,515	(104,334,077)	82,829,094	(21,504,983)	36,046,101	14,541,118
2020	13,002,971	123,877,689	(110,874,718)	87,721,477	(23,153,241)	26,540,207	15,850,572
2021	4,585,570	136,286,087	(131,700,517)	100,196,493	(29,214,920)	47,354,596	15,850,572
2022	8,496,602	138,648,368	(130,151,946)	97,361,946	(32,789,820)	10,928,210	(21,861,610)

Source: Foothill Transit Finance Department

**FINANCIAL TRENDS - Operating Revenue by Source**  
**Last Ten Fiscal Years**

Fiscal Year	Farebox and Bus Pass Revenue	Special Services	Dial-A-Ride	Liquidated Damages	City of Duarte Service	Other Revenue	Total
2013	18,441,434	254,517	714,543	33,000	-	106,995	19,550,489
2014	18,845,702	259,313	699,493	-	-	102,632	19,907,140
2015	18,890,298	337,229	693,605	26,550	-	122,622	20,070,304
2016	17,144,739	391,381	701,303	77,111	-	216,850	18,531,384
2017	16,082,346	346,487	868,758	133,800	-	140,167	17,571,558
2018	16,343,392	301,318	737,582	107,950	-	197,922	17,688,164
2019	16,079,596	534,612	511,739 <sup>1</sup>	51,900	-	143,591	17,321,438
2020	11,926,026	418,110	-	68,650	489,872	100,313	12,513,099
2021	4,002,178 <sup>2</sup>	- <sup>2</sup>	-	36,150	519,174	28,068 <sup>2</sup>	4,585,570
2022	7,480,849 <sup>2</sup>	308,459 <sup>2</sup>	-	63,200	611,715	32,379 <sup>2</sup>	8,496,602

Source: Foothill Transit Finance Department

<sup>1</sup> Dial-A-Ride program ended 06/30/2019

<sup>2</sup> Revenues were affected due to COVID

**FINANCIAL TRENDS - Other Revenues and Expenditures**  
**Last Ten Fiscal Years**

Fiscal Year	Operating Grants	Interest	Gain (Loss) on Disposal of Assets	Net decline in Fair Value of Investments	Proposition A Exchange <sup>3</sup>	Other Revenues (Expenses)	Excise Tax Refund <sup>1</sup>	Property Management Revenue (Expense)	Interest income on lease	Interest expense on lease	Total Other Revenue
2013	43,775,320	101,057	320,719	-	-	-	-	(184,964)	-	-	44,012,132
2014	45,821,966	113,695	155,520	-	-	-	-	(141,369)	-	-	45,949,812
2015	50,816,890	142,093	214,472	-	-	-	4,928,098	80,681	-	-	56,182,234
2016	57,267,820	399,728	18,730	-	-	1,024,267 <sup>2</sup>	3,854,145	78,977	-	-	62,643,667
2017	68,777,964	466,489	121,056	-	(1,335,866)	1,918,382 <sup>2</sup>	2,852,756	47,892	-	-	72,848,673
2018	74,676,246	717,557	74,164	(547,040)	(1,500,000)	804,069 <sup>2</sup>	-	61,935	-	-	74,286,931
2019	78,325,689	1,094,748	71,329	513,032	(1,650,000)	1,651,326 <sup>2</sup>	2,815,887	7,083	-	-	82,829,094
2020	84,223,911	1,169,000	337,923	34,008	(2,400,000)	1,492,968 <sup>2</sup>	2,784,739	78,928	-	-	87,721,477
2021	96,489,075	457,482	115,726	-	(2,512,500)	1,211,579 <sup>2</sup>	4,118,003	317,129	-	-	100,196,493
2022	95,152,662	331,407	416,508	-	(750,000)	1,052,236 <sup>2</sup>	1,154,855	(70,216)	77,357 <sup>4</sup>	(2,863) <sup>4</sup>	42,831,809

Source: Foothill Transit Finance Department

<sup>1</sup> Compressed Natural Gas (CNG) fuel tax refund.

<sup>2</sup> Other Revenue includes Low Carbon Fuel Standard credits

<sup>3</sup> Proposition A fund exchange was made from general funds

<sup>4</sup> Income and Expense on Lease related to GASB 87 implementation



**FINANCIAL TRENDS - Operating Expenses**  
**Last Ten Fiscal Years**

Fiscal Year	Purchased Transportation	Fuel Cost	Salaries & Benefits	Special Services	Dial-A-Ride Expenditures	Professional Services	Advertising	General & Administrative	Depreciation Expense	Amortization Expense	Impairment Loss	Total
2013	44,936,529	5,834,816	7,927,140 <sup>1</sup>	168,930	702,729	1,187,901	397,940	2,406,636	18,971,618	-	-	82,534,239
2014	47,199,412	5,944,334	5,282,937	144,953	687,442	3,561,061 <sup>2</sup>	401,793	2,635,020	22,180,982	-	-	88,037,934
2015	52,737,534	5,223,294	5,463,016	233,241	681,421	3,717,814 <sup>2</sup>	419,360	2,848,762	24,696,294	-	-	96,020,736
2016	56,166,308	5,385,427	6,133,544	267,684	688,961	3,722,103 <sup>2</sup>	577,093	3,355,518	25,414,669	-	-	101,711,307
2017	66,266,768	6,185,549	6,386,062	266,925	856,305	3,464,219 <sup>2</sup>	418,213	3,140,918	25,430,961	-	-	112,415,920
2018	72,828,345	5,682,454	6,663,141	257,260	737,582	3,238,546 <sup>2</sup>	415,579	3,395,159	26,316,229	-	-	119,534,295
2019	74,828,377	7,100,807	6,898,462	393,277	498,697	3,477,230 <sup>2</sup>	445,698	3,177,739	24,835,228	-	-	121,655,515
2020	76,657,210	6,334,538	7,498,942	343,302	- <sup>3</sup>	3,320,881 <sup>2</sup>	511,026	3,656,962	25,064,956	-	-	123,387,817
2021	79,729,353	6,903,912	7,680,697	10,919	- <sup>3</sup>	3,219,092 <sup>2</sup>	383,219	4,037,789	32,032,002	-	2,289,104	136,286,087
2022	78,087,327	8,778,741	8,390,546	266,301	-	3,877,795	596,174	4,404,572	31,926,283	31,525 <sup>4</sup>	31,525	138,648,368

Source: Foothill Transit Finance Department

<sup>1</sup> Represents management expenses paid to private contractor for day-to-day administrative and operational functions

<sup>2</sup> Professional expenses including transit stores and facilities management

<sup>3</sup> Dial-A-Ride program ended 06/30/2019

<sup>4</sup> Amortization expense pertains to Right-to-use leased building and equipment

**FINANCIAL TRENDS - Capital Assets Grant Contributions**  
**Last Ten Fiscal Years**

Fiscal Year	Proposition C	Federal Transit Administration	Measure M	Measure R	Senate Bill 1 - State of Good Repair	Transportation Development Act	Proposition 1B/CARB/LCTOP	Other <sup>1</sup>	Total
2013	2,578,725	8,678,882	-	-	-	412,909	4,823,916	-	16,494,432
2014	9,609,877	44,339,636	-	-	-	1,078,143	860,943	-	55,888,599
2015	1,921,510	33,933,762	-	-	-	790,151	6,421,733	-	43,067,156
2016	2,652,026	11,029,256	-	-	-	1,931,806	-	-	27,386,888
2017	7,322,862	17,466,212	-	27,368	-	2,645,459	3,386,695	-	30,848,596
2018	7,993,408	10,251,734	-	3,570,412	420,158	2,391,199	3,151,725	-	27,778,636
2019	6,894,030	20,740,701	-	-	1,869,479	2,662,016	3,800,229	79,646	36,046,101
2020	5,776,324	6,918,837	-	-	1,351,601	6,804,937	1,799,074	3,889,434	26,540,207
2021	5,464,142	31,181,778	58,319	-	1,111,274	2,913,382	5,175,163	1,450,538	47,354,596
2022	1,896,136	1,900,935	177,726	-	1,068,407	5,827,316	57,690	-	10,928,210

1) LADOT & AVTA share of expenses for capital projects, MTA Farebox grant

Source: Foothill Transit Finance Department

**FINANCIAL TRENDS - Tax Revenues - Foothill Transit and Los Angeles County**  
**Last Ten Fiscal Years (In Thousands)**

**Foothill Transit<sup>1</sup>**

Fiscal Year	TDA <sup>3</sup>	STA <sup>4</sup>	Proposition A <sup>5</sup>	Proposition C <sup>5</sup>	Measure R <sup>5</sup>	Measure M <sup>5</sup>	Senate Bill 1 <sup>6</sup>	Total	% of LA County
2013	17,441	4,890	16,945	7,971	7,886	-	-	55,133	2.33%
2014	20,830	3,913	17,783	10,808	9,352	-	-	62,686	2.31%
2015	21,866	2,744	18,201	11,089	9,903	-	-	63,803	2.27%
2016	21,548	3,378	18,770	11,320	10,527	-	-	65,542	2.33%
2017	22,941	1,842	20,640	11,675	10,412	-	-	67,510	2.34%
2018	23,116	1,991	21,154	11,245	11,259	9,946	2,864	81,575	2.20%
2019	25,099	4,085	21,199	11,727	11,316	11,425	3,894	88,745	2.23%
2020	26,696	5,266	21,878	4,470	12,245	12,665	3,805	87,025	2.18%
2021 <sup>7</sup>	21,381	3,600	21,415	9,551	9,244	9,115	4,203	78,509	7.22%
2022 <sup>7</sup>	27,321	2,345	22,469	10,029	13,088	12,214	3,008	90,474	7.19%

**Los Angeles County<sup>2</sup>**

Fiscal Year	TDA <sup>3</sup>	STA <sup>4</sup>	Proposition A <sup>5</sup>	Proposition C <sup>5</sup>	Measure R <sup>5</sup>	Measure M <sup>5</sup>	Senate Bill 1 <sup>6</sup>	Total
2013	323,625	123,231	634,154	639,043	644,738	-	-	2,364,791
2014	380,801	115,609	725,902	743,472	749,228	-	-	2,715,012
2015	398,212	93,259	757,434	780,796	782,800	-	-	2,812,501
2016	387,834	107,481	766,981	770,535	776,551	-	-	2,809,382
2017	406,281	58,942	800,299	804,880	811,065	-	-	2,881,467
2018	403,419	52,981	802,055	802,115	809,563	761,900	76,071	3,708,104
2019	422,000	82,456	844,000	844,000	844,000	844,000	99,720	3,980,176
2020	420,334	103,771	841,447	838,836	840,670	844,000	99,719	3,988,777
2021 <sup>7</sup>	308,390	54,337	300,191	94,568	135,000	133,102	61,435	1,087,023
2022 <sup>7</sup>	401,289	35,068	306,041	107,520	187,536	176,932	43,645	1,258,031

Source: Foothill Transit Finance Department

<sup>1</sup> Share of Tax Revenues Allocated to Foothill Transit through Formula Allocation Program

<sup>2</sup> Total LA County Transit Tax Revenues

<sup>3</sup> Transportation Development Act (TDA) 1/4% of statewide sales tax revenues allocated to Transportation

<sup>4</sup> State Transit Assistance (STA) 50% of statewide gasoline taxes allocated to Public Transit

<sup>5</sup> Los Angeles County sales tax measures, each 1/2% of all sales for a total of 2% for all four

<sup>6</sup> State Bill 1 funds allocated to Foothill Transit

<sup>7</sup> Funding sources from sales tax revenues were decreased due to COVID



**FINANCIAL TRENDS - Annual Farebox and Bus Pass Revenue**  
**Last Ten Fiscal Years (In Thousands)**

Fiscal Year	Cash	Passes	Stored Value	EZ Transit Passes	Other Revenue <sup>1</sup>	Total
2013	10,885,442	3,178,410	2,335,453	1,456,385	585,744	18,441,434
2014	10,039,652	4,112,118	2,673,097	1,387,708	633,127	18,845,702
2015	9,878,356	4,439,522	2,920,388	1,002,420	649,612	18,890,298
2016	8,988,245	3,717,431	3,112,977	726,594	599,492	17,144,739
2017	8,330,050	3,435,100	3,067,576	651,677	597,943	16,082,346
2018	8,101,339	3,689,301	3,291,450	687,489	573,813	16,343,392
2019	7,112,560	3,868,131	3,945,266	601,786	551,852	16,079,596
2020 <sup>2</sup>	4,697,392	2,975,786	3,374,491	515,961	362,397	11,926,027
2021 <sup>2</sup>	2,204,095	439,323	1,155,350	72,632	130,778	4,002,178
2022	2,110,826	1,218,713	3,740,291	167,803	243,216	7,480,849

Source: Foothill Transit Finance Department

<sup>1</sup> Other Revenue includes Access reimbursements, Metrolink transfers, and city subsidies

<sup>2</sup> Funding sources were decreased due to COVID

**FINANCIAL TRENDS - Cash Fares**  
**Last Ten Fiscal Years**

Fiscal Year	Local			SilverStreak (Local Plus)			Commuter Express <sup>3</sup>		
	Adult	Senior/ Disabled <sup>1</sup>	Student <sup>2</sup>	Adult	Senior/ Disabled <sup>1</sup>	Student <sup>2</sup>	Adult	Senior/ Disabled <sup>1</sup>	Student <sup>2</sup>
2013	1.25	0.50	1.25	2.45 <sup>4</sup>	1.15 <sup>4</sup>	1.15 <sup>4</sup>	4.90	4.90	4.90
2014	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2015	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2016	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2017	1.25	0.50	1.25	2.45	1.15	1.15	4.90	4.90	4.90
2018 <sup>5</sup>	1.50	0.75	1.50	2.75	1.25	2.75	5.00	5.00	5.00
2019	1.50	0.75	1.50	2.75	1.25	2.75	5.00	5.00	5.00
2020 <sup>6</sup>	1.75	0.75	1.75	3.00	1.50	3.00	5.50	5.50	5.50
2021	1.75	0.75	1.75	3.00	1.50	3.00	5.50	5.50	5.50
2022	1.75	0.75	1.75	3.00	1.50	3.00	5.50	5.50	5.50

Source: Foothill Transit Finance Department

<sup>1</sup> Includes Medicare eligible costumers

<sup>2</sup> Includes K-12 and college eligible customers

<sup>3</sup> Commuter Express Service ONLY operated during peak service periods

<sup>4</sup> Silver2Silver Program fare adjustment October 2012

<sup>5</sup> Fare changes effective October 20, 2017

<sup>6</sup> Fare changes effective September 29, 2019

**DEMOGRAPHIC AND ECONOMIC INFORMATION - Statistics for Los Angeles County**  
**Last Ten Fiscal Years**

Fiscal Year	Unemployment Rate <sup>1</sup>	Population <sup>2</sup> (000)	School Enrollment <sup>3</sup> (000)	Personal Income <sup>1</sup>		Consumer Price Index <sup>5</sup>	
				Total (000)	Per Capita	Value	% Change
2013	9.80%	10,013	1,785	466,099	46,530	239.2	1.23%
2014	8.20%	10,069	1,564	472,387	28,337	242.4	1.35%
2015	6.60%	10,170	1,539	544,325	53,521	244.6	0.91%
2016	5.20%	10,138	1,523	554,592	54,530	249.2	1.89%
2017	5.20%	10,231	1,511	555,581	54,628	254.4	2.07%
2018	5.10%	10,284	1,493	558,537	54,918	256.2	0.71%
2019	4.60%	10,253	1,464	555,581	54,628	265.9	3.78%
2020	19.60%	10,173	1,437	584,206	57,442	278.1	4.60%
2021	10.20%	10,044	1,390	683,952 <sup>4</sup>	67,681 <sup>4</sup>	289.2	8.77%
2022	5.20%	9,861	1,337	659,784 <sup>4</sup>	64,873 <sup>4</sup>	314.1	12.94%

Source:

<sup>1</sup> Employment Development Department

<sup>2</sup> State of California Department of Finance, based on latest data available

<sup>3</sup> California Department of Education

<sup>4</sup> Data not available, amounts increased by CPI

<sup>5</sup> US Department of Labor Statistics, for Los Angeles County

**DEMOGRAPHIC AND ECONOMIC INFORMATION - Ten Principal Employers of Los Angeles County**

Employer	2019 <sup>1</sup>			2018		
	Number of Employees	Percentage of Total	Rank	Number of Employees	Percentage of Total	Rank
County of Los Angeles	95,210	1.87%	1	107,400	2.20%	1
Los Angeles Unified School District	75,670	1.48%	2	104,300	2.14%	2
University of California, Los Angeles	51,010	1.00%	3	65,600	1.34%	3
City of Los Angeles	72,600	1.42%	4	61,900	1.27%	4
Federal Government	30,600	0.60%	5	43,600	0.89%	5
Kaiser Permanente	41,340	0.81%	6	37,400	0.77%	6
State of California	27,990	0.55%	7	29,800	0.61%	7
University of Southern California	22,160	0.43%	8	21,000	0.43%	8
Northrop Grumman Corp.	18,000	0.35%	9	16,600	0.34%	9
Target Corp	20,000	0.39%	10	15,000	0.31%	11
All Other Employers	4,648,120	91.09%		4,378,000	89.70%	
<b>Total</b>	<b>5,102,700</b>	<b>100.00%</b>		<b>4,880,600</b>	<b>100.00%</b>	

Source: Los Angeles Almanac; California Employment Development Department

<sup>1</sup> Most current information available





**OPERATING INFORMATION - Operating and Capital Indicators**  
**Last Ten Fiscal Years**

Fiscal Year	Buses	Maintenance Facilities	Routes	Vehicle Service Hours(000)	Cost/Vehicle Service Hr.	Boarding/Vehicle Service Hr	Passengers (000)	Farebox Recovery Ratio
2013	314	2	35	687	91.97	20.50	14,080	29.20%
2014	330	2	35	705	92.62	20.60	14,522	28.91%
2015	330	2	36	760	93.07	19.00	14,596	26.71%
2016	361	2	37	790	95.30	17.00	13,584	22.76%
2017	380	2	39	872	98.47	15.60	13,561	18.73%
2018	373	2	37	863	106.87	14.50	12,544	17.72%
2019	384	2	39	860	111.61	14.00	12,053	16.76%
2020	375	2	39	851	115.19	11.60	9,863	12.17%
2021*	361	2	39	843	120.91	7.23	6,100	3.93%
2022	359	2	38	794	130.18	8.63	6,852	7.23%

Source: Foothill Transit Finance Department

\*Amounts were affected and reduced due to COVID

**OPERATING INFORMATION - Full-Time Equivalent by Functions**  
**Last Seven Fiscal Years**

Fiscal Year	Employees	Purchased Transportation			Total
	Administrative Office	Arcadia Facility	Pomona Facility	Transit Stores	FTE
2014	39	n/a	n/a	n/a	n/a
2015	43	n/a	n/a	n/a	n/a
2016	45	424	357	20	846
2017	52	490	360	23	926
2018	52	533	347	23	955
2019	52	533	328	21	934
2020	48	509	330	22	909
2021	54	518	308	21	895
2022	54	483	300	19	856

Source: Foothill Transit Finance Department

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

## OPERATING INFORMATION - Miscellaneous Statistics

### Last Ten Fiscal Years

<b>Date Formed:</b>	December 1988
<b>Type of Organization:</b>	Joint Powers Authority
<b>Membership:</b>	22 Los Angeles County Cities and County of Los Angeles
<b>Number of Executive Board Members:</b>	5
<b>Number of Employees:</b>	54
<b>Type of Tax Support:</b>	Proposition A ½ of 1% Sales tax Proposition C ½ of 1% Sales tax Measure R ½ of 1% Sales tax Measure M ½ of 1% Sales tax
<b>Service Area:</b>	San Gabriel & Pomona Valleys, Los Angeles County, CA
<b>Contract services provided by:</b>	Transdev Services, Inc. Keolis Transit America, Inc.
<b>Number of Buses in Fleet:</b>	
Compressed Natural Gas Powered	327
Electric Powered	32
<b>Operational and Maintenance Facilities:</b>	2
<b>Sales Outlets (Transit Stores):</b>	4
<b>Bus Routes/Lines:</b>	
Express	7
Local	31
<b>Bus Stops</b>	1,822
<b>Annual Service Hours <sup>1</sup></b>	794,370
<b>Annual Passengers <sup>1</sup></b>	6,852,419
<b>Average Weekday Boardings <sup>1</sup></b>	21,804

Source: Foothill Transit Finance Department

<sup>1</sup> Fiscal year 2021-2022



# COMPLIANCE REPORTS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
<b>U.S Department of Transportation</b>			
<b>Direct Programs</b>			
<b>Federal Transit Cluster</b>			
COVID-19 - Section 5307 - CRRSA Act	20.507	CA-2021-160	\$ 30,154,105
Section 5339 - Bus and Bus Facilities Formula Program	20.526	CA-2019-049	1,861,225
<b>Total Federal Transit Cluster</b>	<b>-</b>	<b>-</b>	<b>\$ 32,015,330</b>
Section 5312 - LONO	20.514	CA-2017-089	39,710
<b>Total Federal Expenditures (Total Federal Transit Cluster and U.S. Department of Transportation)</b>			<b>\$ 32,055,040</b>

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

**Note b:** There were no federal awards expended in the form of noncash assistance and insurance in effect during the year

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

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

#### NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Foothill Transit, for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Foothill Transit, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Foothill Transit.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Foothill Transit has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### NOTE 2: FEDERAL TRANSIT CLUSTER

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foothill Transit, A Joint Powers Authority (Foothill Transit) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Foothill Transit's basic financial statements, and have issued our report thereon dated February 22, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a significant deficiency.

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(Continued)

## **Report on Compliance and Other Matters**

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

## **Foothill Transit's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Foothill Transit's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Foothill Transit's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

  
Crowe LLP

Los Angeles, California  
February 22, 2023

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

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

**Report on Compliance for Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Foothill Transit's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on Foothill Transit's major federal program for the year ended June 30, 2022. Foothill Transit's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Foothill Transit complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Foothill Transit and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Foothill Transit's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Foothill Transit's federal programs.

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(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Foothill Transit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Foothill Transit's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Foothill Transit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Foothill Transit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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(Continued)



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Crowe LLP*  
Crowe LLP

Los Angeles, California  
February 22, 2023

FOOTHILL TRANSIT (A JOINT POWER AUTHORITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2022

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**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified not  
Considered to be material weaknesses      X   Yes    \_\_\_\_\_ None reported

Noncompliance material to financial  
statements noted?    \_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal Control over major program:

Material weakness(es) identified?    \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified not  
Considered to be material weaknesses?    \_\_\_\_\_ Yes      X   None Reported

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

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a)?    \_\_\_\_\_ Yes      X   No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.507 / 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between  
Type A and Type B programs: \$ 964,685

Auditee qualified as low-risk auditee?      X   Yes    \_\_\_\_\_ No

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(Continued)

## Section II - Financial Statement Findings

### Finding 2022-001 – Financial Accounting and Reporting for Net Investment in Capital Assets (Significant Deficiency)

#### Criteria:

GASB Statement 69 paragraph 9 defines Net Investment in Capital Assets as follows:

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

#### Condition:

Net Investments in Capital Asset calculation includes Capital Assets net of any related borrowing attributable to those Capital Assets including accounts payable and retainage. The balances related to Capital Assets in accounts payable and retainage were not included in the Net Investment in Capital Assets calculation.

#### Cause:

Foothill Transit did not have internal controls in place to ensure the proper calculation of Net Investment in Capital Assets.

#### Context:

Accounts payable in capital assets in the amount of \$155,737 and Retention payable in the amount of \$454,652 was not included in the Net Investment in Capital Assets calculation leading to an overstatement of Net investments in Capital Assets of \$610,389.

#### Effect or potential effect:

Net investments in Capital Assets was overstated.

#### Recommendation:

We recommend that Foothill Transit implement internal controls to ensure the calculation of Net Investment in Capital Assets is in line with requirements.

#### Views of responsible officials and planned corrective actions:

Management agrees with the recommendation and will implement controls to ensure calculations comply with relevant GASB requirements, including those established by GASB 69.

FOOTHILL TRANSIT (A JOINT POWER AUTHORITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2022

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**Section III - Federal Award Findings and Questioned Costs**

None noted.

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

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

**Report on Compliance with the Transportation Development Act**

***Opinion on the Transportation Development Act***

We have audited Foothill Transit's compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Conformance Auditing Guide, the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines, and the Low Carbon Transit Operations Program (LCTOP) Final Guidelines published by the State of California Department of Transportation (collectively, "Transportation Development Act"), that could have a direct and material effect on Foothill Transit's compliance with the Transportation Development Act for the year ended June 30, 2022.

In our opinion, Foothill Transit complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Transportation Development Act program for the year ended June 30, 2022.

***Basis for Opinion on the Transportation Development Act***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Transportation Development Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Foothill Transit and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Transportation Development Act program. Our audit does not provide a legal determination of Foothill Transit's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Transportation Development Act.

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(Continued)

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Foothill Transit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Foothill Transit's compliance with the requirements of the Transportation Development Act program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Transportation Development Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Foothill Transit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Foothill Transit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Transportation Development Act, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Crowe LLP*  
Crowe LLP

Los Angeles, California  
February 22, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
PROPOSITION A AND PROPOSITION C DISCRETIONARY PROGRAMS AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

**Report on Compliance with Proposition A and Proposition C Discretionary Programs**

***Opinion on Proposition A and Proposition C Discretionary Programs***

We have audited Foothill Transit's compliance with the types of compliance requirements described in the Proposition A and Proposition C Local Return Guidelines and the Memorandums of Understanding for Proposition A 40% Discretionary Grant Funds and Proposition C 40% Discretionary Funds approved by the Los Angeles County Metropolitan Authority (LACMTA) (collectively "Proposition A and Proposition C Discretionary Programs") that could have a direct and material effect on Foothill Transit's compliance with the Proposition A and Proposition C Discretionary Programs for the year ended June 30, 2022.

In our opinion, Foothill Transit complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Proposition A and Proposition C Discretionary Programs for the year ended June 30, 2022.

***Basis for Opinion on Proposition A and Proposition C Discretionary Programs***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Proposition A and Proposition C Discretionary Programs. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Foothill Transit and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for Proposition A and Proposition C Discretionary Programs. Our audit does not provide a legal determination of Foothill Transit's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Proposition A and Proposition C Discretionary Programs.

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(Continued)



## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Foothill Transit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Proposition A and Proposition C Discretionary Programs will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Foothill Transit's compliance with the requirements of Proposition A and Proposition C Discretionary Programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Proposition A and Proposition C Discretionary Programs, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Foothill Transit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Foothill Transit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Proposition A and Proposition C Discretionary Programs, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Crowe LLP*  
Crowe LLP

Los Angeles, California  
February 22, 2023

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

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

**Report on Compliance with Measure R Program**

***Opinion on Measure R Program***

We have audited Foothill Transit's compliance with the types of compliance requirements described in Measure R Local Return Guidelines issued by the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Memorandum of Understanding Article 4 – Audit and Reporting Requirements between LACMTA and Foothill Transit (collectively "Measure R Program"), that could have a direct and material effect on Foothill Transit's compliance with the Measure R Program for the year ended June 30, 2022.

In our opinion, Foothill Transit complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Measure R Program for the year ended June 30, 2022.

***Basis for Opinion on Measure R Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Measure R Program. Our responsibilities under those standards and the Measure R Program are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Foothill Transit and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance the Measure R Program. Our audit does not provide a legal determination of Foothill Transit's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Measure R Program.

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(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Foothill Transit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Measure R Program will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Foothill Transit's compliance with the requirements of the Measure R Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Measure R Program, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Foothill Transit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Foothill Transit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Measure R Program, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Crowe LLP*  
Crowe LLP

Los Angeles, California  
February 22, 2023



April 25, 2023

To: Executive Board

Subject: **Employee Compensation Policy**

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### **Recommendation**

Approve the annual update to the Employee Compensation Policy.

### **Analysis**

The Employee Compensation Policy is provided to the Board annually to update the Board on any changes that occurred during the year or are proposed to be changed for the upcoming year. The policy is attached for Board review. This year there is one change proposed to the previously adopted policy.

- *Provide a one-time merit-based compensation adjustment for staff who have successfully met their annual goals*

The current policy for staff compensation adjustments reads as follows:

- “Under the adopted management compensation plan, annual performance conversations will take place in June of each year with any compensation adjustments effective July 1 of that year. The salary ranges will be adjusted by 3% each year.”

The Bureau of Labor Statistics has reported that the consumer price index (CPI) inflation rate increased 6.4 percent from January 2022 to January 2023. A consumer price index is the price of a weighted average market basket of consumer goods and services purchased by households. The annual percentage change in CPI is used as a measure of inflation and can be used to adjust for the effect of inflation on the real value of wages, salaries, and pensions. Additionally, Foothill Transit has seen 15 percent increases for employees represented by Union contracts at our bus operating facilities.

As noted in the updated Foothill Transit financial forecast, the organization is projecting a balanced budget through fiscal year 2026. In light of this, it is proposed that the compensation adjustments and salary ranges which were scheduled to increase by three percent effective July 1, 2023, instead be increased by five percent.



**Budget Impact**

The financial impact of the updated Employee Compensation Policy has been included in long-range financial forecasting and the draft FY2024 Budget and Business Plan.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance & Treasurer

Doran J. Barnes  
Chief Executive Officer

Attachment



# Foothill Transit

Going Good Places

## Foothill Transit Employee Compensation Program

Adopted February 23, 2018 (updated April 2023)

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

### 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 Chief Executive Officer and subject to overall budget limitations:

		Proposed (FY2024)*	
Range	Position Type	Annual Min	Annual Max
9	Executive (Deputy CEO)	\$194,670 <del>\$185,000</del>	\$296,331 <del>\$282,220</del>
8	Director	\$122,682 <del>\$116,840</del>	\$211,624 <del>\$201,547</del>
7	Manager	\$94,543 <del>\$90,041</del>	\$160,020 <del>\$152,400</del>
6	Technical Staff	\$73,066 <del>\$69,587</del>	\$117,637 <del>\$112,035</del>
5	Technical Support	\$57,907 <del>\$55,149</del>	\$94,519 <del>\$90,018</del>
4	Administrative Support	\$48,453 <del>\$46,146</del>	\$80,361 <del>\$76,535</del>
3	Clerical Support	\$44,388 <del>\$42,274</del>	\$71,659 <del>\$68,246</del>

\* The ranges have been adjusted in April 2023 to reflect 5 percent range increases in FY2024.

Compensation for the Chief Executive Officer shall be set at the sole discretion of the Board.





**Positions**

Foothill Transit’s Chief Executive Officer is responsible for the organization of the staff subject to the limits of the budget and the total number of authorized full-time equivalent employees authorized in the budget. The Chief Executive Officer has the authority to make title and grade range changes within those parameters.

**Internship Program**

As part of Foothill Transit’s commitment to workforce development, Foothill Transit has created an internship program. The internships allow students **and recent graduates to gain valuable skills and knowledge**. In addition, the interns support Foothill Transit in achieving its mission. Interns’ work schedule will be agreed to in advance with the hiring supervisor, however, the intern’s work hours will not exceed the hours per week and days per year as required by state and federal laws for students and for part-time employment.

**Paid Time Off**

Paid time off (PTO) combines vacation and 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. Any deviation from this policy must be approved by the Chief Executive Officer.

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. The payment will be processed in the following pay cycle after the employment termination date.

## Holidays

### Holiday Hours

Foothill Transit shall observe the following eight paid holidays:

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

If an employee works on one of those eight 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 according to the regulations set forth in the California Employment Development Department. PFL will be coordinated with the employee's PTO bank to provide full pay until the PTO bank is depleted. PTO accrual is suspended while on continuous PFL leave. PFL may be taken intermittently, and if approved, PTO accrual will continue to be earned and adjusted based on work hours the employee indicates on their timesheet. Any compensation provided by Foothill Transit while an employee is on leave shall not exceed the regular compensation and benefits they would normally receive during their regular work schedule.

### **Work Hours and Schedules**

Management and administrative employees will work a 9/80 flex schedule with every other Monday off.

Employees will coordinate their work schedules with their Supervisor or Department Director. Departments which operate 7 days a week, 24 hours a day, may assign employees specific work hours and days. A detailed discussion of the work hours and schedules is included the Employee Handbook.

### **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 \$250 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 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.

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 time the employee's 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 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 or an equivalent passing grade 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' dependents.

Employees commuting via other transit providers shall be provided transit passes for any public transit provider.



**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 performance conversations 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 three percent each year (unless otherwise modified by the Board of Directors).

- **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 **five percent of salary will be granted during FY2024** 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 Chief Executive Officer 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 on their annual evaluation.



- ***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.



April 25, 2023

To: Executive Board

Subject: **Deputy CEO Employment Contract**

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**Recommendation**

Authorize the Chief Executive Officer to enter into an employment contract with the Deputy Chief Executive Officer.

**Analysis**

After 23 years of service, Deputy Chief Executive Officer Kevin Parks McDonald will be retiring on April 28, 2023. LaShawn King Gillespie will assume the position of Deputy Chief Executive Officer when Mr. McDonald retires.

Mr. McDonald currently has an employment agreement in place. It is recommended that a similar agreement be put in place for Ms. Gillespie. The agreement, based on Mr. McDonald’s agreement, includes the following benefits that are not provided to other employees:

- An automobile for business and personal use
- Additional retirement contributions such that Foothill Transit will make, in equal proportionate amounts each pay period, an annual contribution to Ms. Gillespie’s retirement of an amount equal to the maximum contribution that would be allowed by the Internal Revenue Code and its related regulations (including any age-related and “catch-up” provisions that are now or may in the future become applicable) for a qualified Section 457b Plan.
- Severance pay equivalent to six months compensation if termination occurs without cause.

**Budget Impact**

Funding for these activities is already included in the adopted Fiscal Year 2023 and proposed Fiscal Year 2024 budgets.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance and Treasurer

Doran J. Barnes  
Chief Executive Officer



April 25, 2023

To: Executive Board

Subject: **Financial Stability Policy Fiscal Year 2024 Financial Strategies**

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### **Recommendation**

Approve the annual Financial Stability Policy update to include the FY2024 financial strategies for budget planning.

### **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 subsidy revenue for FY2024 (local and state sales taxes) is forecasted to increase slightly from the FY2023 actuals. This increase is due to continuing low unemployment and slightly increasing sales tax revenues. However, fuel prices continue to negatively impact economic growth. Fare revenues are not predicted to increase due to the increasing popularity of the Go Pass (free fares for students) program. One-half of the federal American Rescue Plan Act Additional Assistance grant will be budgeted during FY2024 with the remaining one half budgeted in FY2025.

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 Los Angeles Metropolitan Transportation Authority, 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.

The adopted policy is 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.





The policy includes goals, annual financial strategies, and general fiscal policies. Each year staff will bring the annual financial strategies to the Executive Board for review and approval.

**FY2023/FY2024 Financial Strategies**

- S1. Adjust bus operating expenses as needed in accordance with agreed-upon contractual increases in existing operating contracts and to include changes in pricing resulting from contract award for Pomona operating and maintenance contract.
- S2. Increase fuel expenses to reflect FY2023 economic changes and rising fuel prices; transition bus operating expenses to reflect the operational change from traditional fueling methods to hydrogen fuel cell operations.
- S3. Closely monitor actual revenue receipts to ensure that deviations from current assumptions can be addressed promptly.
- S4. Implement service changes to improve service efficiency, maintain and increase ridership, and maintain revenues included in the Governing Board adopted Business Plan.
- S5. 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 and meet the requirements of the approved Transit Asset Management Plan.
- S6. Pursue grant funding for capital projects pursuant to the priorities adopted by the Governing Board in the annual Business Plan.
- S7. Pursue favorable investment strategies for reserved funds to ensure Board adopted priorities of 1) safety, 2) liquidity, and 3) financial gain.



**Financial Impact**

This FY2024 policy update 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.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance & Treasurer

Doran J. Barnes  
Chief Executive Officer

Attachment (Financial Stability Policy)



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
	Revised: <del>043/256/20231</del>
	Page: 1 of 9

### 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 times 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 three sections: Goals, Strategies, 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.



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
	Revised: 0 <del>43</del> /2 <del>56</del> /202 <del>31</del>
	Page: 2 of 9

### **FY202~~32~~-FY202~~43~~ Financial Strategies**

- S1. Adjust bus operating expenses as needed in accordance with agreed-upon contractual increases in existing operating contracts and to include changes in pricing resulting from contract award for Pomona operating and maintenance contract.
- S2. Increase fuel expenditures to reflect FY2023 economic changes and rising fuel prices; transition bus operating expenses to reflect the operational change from traditional fueling methods to hydrogen fuel cell operations.
- S3. Closely monitor actual revenue receipts to ensure that deviations from current assumptions can be addressed promptly.
- S4. Implement service changes to improve service efficiency, maintain and increase ridership, and maintain revenues and Governing Board adopted Business Plan.
- S5. 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 and meet the requirements of the approved Transit Asset Management Plan.
- S6. Pursue grant funding for capital projects pursuant to the priorities adopted by the Governing Board in the annual Business Plan.
- S7. Pursue favorable investment strategies for reserved funds to ensure Board adopted priorities of 1) safety, 2) liquidity, and 3) financial gain.

### **General Fiscal Policies**

- F1. Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
	Revised: <del>043/256/20231</del>
	Page: 3 of 9

- 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. Financial control procedures are set up to track actual expenditures and revenue comparing these with the budget for federally funded projects in the General Ledger and Project Status Reports monthly and quarterly for the Federal Financial Report (FFR). Project expenditures and revenues are tracked by distinct project code and funding code references comparing the actual numbers to the grant budget by activity line item (ALI) on a monthly basis. Analysis is performed on variances between actual and budget explaining the reasons for differences; adjustments are made, if necessary. For timely closeout of the grant, expenditures and revenues reports are reconciled with FTA grant fund activities by ALI on a monthly basis to monitor the grant remaining balances. The federal funding ratio for federal and local matching funds are reviewed monthly to ensure compliance with the grant application requirements.
- F6. 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

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
	Revised: 0 <del>43</del> /2 <del>56</del> /202 <del>31</del>
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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 Board approved FTEs

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



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No:	FIN2016-001R3
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### 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 Board approved 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 Chief Executive Officer 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 Annual Comprehensive Financial Report (ACFR) 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



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
	Revised: <del>043/256/20231</del>
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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 criteria established in the Transit Asset Management (TAM) Plan. The TAM plan is designed to ensure that all assets meet the State of Good Repair requirements. Projects are included 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





## Foothill Transit

<b>Financial Stability Policy</b>	Policy No:	FIN2016-001R3
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Management. Executive Management reviews the list of recommended capital projects and further prioritizes the projects to match available revenues.



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
	Revised: <del>043/256/20231</del>
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### Federal Funds:

Eligible expenditures and revenues are coded by distinct project codes and funding codes in the general ledger and project status reports and are reconciled with the corresponding activities in the FTA grant by Activity Line Item (ALI) on a monthly basis. All expenditures are reviewed and approved by 1) the Project Manager, 2) the Accountant who prepares the project status report, and 3) the Controller who approves the payment. The eligible expenditures are paid as they become due for payment and on a monthly basis they are claimed for reimbursement in ECHO. These FTA grant activities are reported in the Federal Financial Report (FFR) as cash receipts and cash disbursements quarterly.

### Grant Administration:

Financial records, such as the General Ledger and Project Status Reports, are coded by project number. Federal and local matching funds are prepared by finance staff and reviewed by the Controller every month and the numbers are used to enter the data on the FFR on a quarterly basis. The data in the FFRs are prepared on a quarterly basis by the finance staff then compared and validated with the progress report prepared by the project manager which is the basis of the quarterly MPRs.

Purchase orders/contracts are input into the financial information system as the total amount of obligation. Each invoice is deducted as it is paid; the monthly encumbrance report shows unliquidated obligations. Retention is recorded as "retention payable". All information is tracked and visible in the financial information system.

The status and progress of the project are obtained from the project manager and are compared to the previously scheduled deliverables. Unexpected delays and reasons for delays are included in the MPRs. Finance staff reviews the FFRs and MPR quarterly and ensures that grants are closed-out promptly within 90 days after all activities in the FTA grant are complete.

Finance staff ensures all eligible FTA revenues and expenditures are properly recorded and drawn down in ECHO and comply with 2 CFR 200, Subpart E,



## Foothill Transit

<b>Financial Stability Policy</b>	Policy No: FIN2016-001R3
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and all deliverables in the Milestone Progress Reports (MPR) are fully completed. Within 90 days after all activities are completed, the FTA grant is closed out in TrAMS.

In the event that Foothill Transit provides FTA financial assistance to a subrecipient, Finance staff will ensure that all cash payments comply with 2 CFR 200.305.

*Revision History:*

*Adopted February 27, 2016*

*Effective February 27, 2016*

*Revised February 23, 2018*

*Revised March 29, 2019*

*Revised January 31, 2020*

*Revised April 24, 2020*

*Revised December 18, 2020*

*Revised March 26, 2021*

*Revised March 25, 2022*

*Revised April 25, 2023*



April 25, 2023

To: Executive Board

Subject: **Proposed Fiscal Year 2024 Business Plan and Budget**

---

### **Recommendation**

Recommend approval of Foothill Transit's proposed Business Plan, Budget, and Performance Targets for Fiscal Year 2024 to the Foothill Transit Governing Board.

### **Analysis**

The Business Plan and Budget development process provides an opportunity to review Foothill Transit's current and planned financial status in relation to goals and objectives. To facilitate this process, a draft business plan and budget have been developed which incorporates overall goals and supporting action steps. Included in the document are Fiscal Year 2023 accomplishments, an overall budget summary, and departmental budget summaries.

Despite unprecedented increases in operating costs, Foothill Transit has sufficient funding to provide a balanced budget. The proposed budget will allow us to operate full service in Fiscal Year 2024. Foothill Transit is required to submit a balanced budget and a Short Range Transit Plan (SRTP) to the Los Angeles County Metropolitan Transportation Authority annually to be eligible to receive subsidy funds. Both documents have been incorporated into a single Business Plan and Budget document.

The Fiscal Year 2024 Business Plan and Budget document is provided as an Attachment. It was developed with the organization's mission as its central focus. The mission of Foothill Transit is to be the premier public transit provider committed to safety, courtesy, quality, responsiveness, efficiency and innovation. Supporting this mission, the primary goals of Foothill Transit are the following:

- Operate a safe transit system;
- Provide outstanding customer service;
- Operate an effective transit system; and
- Operate an efficient transit system.



Goals and performance measures tied to each of the four goals listed above have been incorporated into the plan to ensure that Foothill Transit's resources are focused on achieving its mission. To fulfill its mission and meet its goals, Foothill Transit's proposed Business Plan and Budget document includes detailed initiatives. Over the next year, the proposed business plan will allow Foothill Transit to advance the key agency-wide initiatives listed below:

***Fuel Cell Bus and Infrastructure Expansion***

Foothill Transit's first 33 hydrogen fuel-cell electric buses (FCEBs) built by New Flyer Industries are now in service. Some have been deployed on Line 291 to replace the first-generation 35-foot Proterra fast-charge buses on that line, while others have replaced end-of-life compressed natural gas buses. These buses are operated out of the Pomona operations and maintenance facility.

In FY2023, the Board approved a second order of 19 hydrogen FCEBs to be built by EIDorado National, along with fueling infrastructure to be built at the Arcadia Irwindale operations and maintenance facility. As the 33 New Flyer buses will be deployed at the Pomona facility while the next order of 19 buses will be operated out of the Arcadia Irwindale operations and maintenance facility, we will be able to perform a side-by-side comparison of the vehicles. This will inform future bus purchase decisions as older compressed natural gas buses are retired.

***Zero-Emissions Double Deck Fleet Expansion***

To further our organization's deployment of zero-emissions buses, an upcoming deployment of vehicles to replace aging CNG-powered vehicles will consist of an order of 24 double-deck coaches. The double-deck zero-emissions coaches offer far superior ride quality, are visually appealing, and will attract riders who may not otherwise consider taking public transit. This purchase will be supported by a \$7.9 million federal competitive grant.

***Facility Security Hardening***

The security surveillance and access control systems at Foothill Transit's administrative office building and at both operations and maintenance facilities were installed when each facility was constructed, and they were last updated in 2012. That effort involved the installation of certain access control and video surveillance equipment. The security cameras, software, and hardware were updated as needed over time, however, in light of newer and more robust technology on wireless secured security systems



now available, a more robust and better integrated system is currently being implemented. In the upcoming year, approved capital improvement and sought after grant funds will allow for a safer, more secure system that will be congruent with the recently awarded security guard services contract. New fencing, cameras, gated access control system for vehicles and pedestrian access control are being installed in the Arcadia Irwindale overflow parking facility to better secure that area.

***Foothill Transit Forward Implementation***

Foothill Transit Forward, the title for our comprehensive operational analysis (COA) examined and evaluated the Foothill Transit system to determine where improvements could be implemented to make transit operations more effective and efficient. The final report recommended changes to 23 lines that would reduce duplicative service, improve regional connections, connections to the L (Gold) Line, retail locations, and college campuses, and improve frequency and span of service on certain lines. Prior to implementation, Foothill Transit will conduct public workshops and a public hearing to collect feedback and make adjustments based on the feedback regarding the changes.

***Transit Store and Facilities Maintenance Contract Procurement and Implementation***

The existing agreement with Transdev for the operation of transit store and facility maintenance services expires on August 31, 2023. There are remaining contract options available, however, a new transit services agreement is currently under procurement to incorporate needed changes to the scope of services to be provided. A contract award recommendation is anticipated at the June 27, 2023, Executive Board meeting. Contract transition activities will commence immediately thereafter to facilitate an effective transition to a new operating agreement on September 1, 2023. Upon contract implementation, staff will work with the contractor to ensure service delivery complies with the terms of the new contract.

***Cal Poly Pomona Bronco Mobility Hub and Class Pass Project***

Foothill Transit and Cal Poly Pomona are working in partnership to improve mobility on campus with key transit projects including the development of a Mobility Hub and an accompanying Class Pass program. A feasibility study is underway for development of the Mobility Hub, and the Class Pass program is concluding the final year of the pilot program



and will soon become a permanent program at Cal Poly Pomona. The program has grown over the last two years and has become a vital resource for students on campus. The proposed Mobility Hub is currently in the feasibility study phase and is anticipated to be completed in fall 2023. The two projects will help provide a convenient transportation option for students, faculty, and staff and represent an exciting opportunity to further strengthen our close partnership with the university.

Additionally, individual department initiatives are included in each department's subsection of the Business Plan document.

### **Capital Program**

The Foothill Transit Financial Stability Policy adopted by the Board in 2016 and updated annually, requires that the capital program budget be 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 improvements. The 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. There are 15 newly proposed capital projects for FY2024. The newly proposed Life of Project budgets for capital projects in FY2024 total \$5.18 million.

In addition to the 15 newly proposed capital projects, we are also requesting the Board increase the life of project budget for Project #0182, Pomona Steam Bay Lift Replacement, from \$275k to \$730k. The original budget for this project was developed in 2018 and since then, we have advanced design by assessing existing conditions and equipment replacement options with the operations and maintenance facility management team. Through the design development process, it was determined that the equipment that was assumed for replacement in the original budget was discontinued and thus an alternate was identified which would require additional concrete foundation and electrical improvements. The life of project budget of \$730k accounts for alternate equipment, additional foundation and electrical improvements, and market escalations to reflect increases in labor and equipment costs.

### **Revenues**

The revenues proposed in this budget are sufficient to achieve the goals and objectives identified in the Business Plan and Budget. Revenue projections are based on the draft annual "funding marks" developed by Metro and include estimated funding allocations from Metro for Fiscal Year 2024. Included in the



budgeted revenues are approved federal American Rescue Plan Act (ARPA) Additional Assistance funds that amount to \$25 million.

Subsequent to the Governing Board's adoption of the Foothill Transit 2024 Business Plan and Budget, the Foothill Transit Financial Forecast will be updated using the Governor of California's Revised State Budget, final formula allocation procedure (FAP) funding marks received from Metro, and available local and statewide economic forecasts. Funding marks have been programmed higher than initially forecasted, however, Foothill Transit continues to forecast using a conservative approach due to the current economic conditions and uncertainty moving forward.

**Financial Impact**

Foothill Transit's proposed FY2024 budget is balanced between revenues and expenses with an estimated \$162.1 million operating budget and a \$67.5 million capital budget, for a total budget of \$229.6 million. The Fiscal Year 2024 Business Plan and Budget targets a farebox recovery ratio of 4.8 percent as ridership has been reshaped post-pandemic.

Sincerely,

Michelle Lopes Caldwell  
Director of Finance and Treasurer

Doran J. Barnes  
Chief Executive Officer

Attachment





Proposed  
**Business Plan  
 & Budget**



**Foothill Transit**

FY2024

# Foothill Transit Leadership

## Executive Board

### Chair

Corey Calaycay  
Cluster 1 - Claremont

### Vice Chair

Cory Moss  
Cluster 4 - Industry

### Board Member

Gary Boyer  
Cluster 2 - Glendora

### Board Member

Becky Shevlin  
Cluster 3 - Monrovia

### Board Member

Cynthia Sternquist  
Cluster 5 - Los Angeles County

## Executive Board Alternates

### Cluster 1 - San Dimas

Emmett Badar

### Cluster 2 -

VACANT

### Cluster 3 - Pasadena

Felicia Williams

### Cluster 4 - La Puente

Valerie Muñoz

### Cluster 5 - County of Los Angeles

VACANT

## Governing Board

### Cluster 1

#### Claremont

Councilmember Corey Calaycay  
Alternate: Mayor Ed Reece

#### La Verne

Mayor Pro Tem Rick Crosby  
Alternate: Mayor Tim Hepburn

#### Pomona

Councilmember Victor Preciado  
Alternate: Councilmember John Nolte

#### San Dimas

Mayor Emmett Badar  
Alternate: Councilmember Ryan Vienna

#### Walnut

Councilmember Linda Freedman  
Alternate: Councilmember Eric Ching

### Cluster 2

#### Azusa

Councilmember Edward J. Alvarez  
Alternate: Mayor Pro Tem Dennis Beckwith

#### Baldwin Park

Councilmember Daniel Damian  
Alternate: Mayor Emmanuel J. Estrada

#### Covina

Mayor Pro Tem Walt Allen  
Alternate: Mayor Patricia Cortez

#### Glendora

Mayor Gary Boyer  
Alternate: Councilmember Michael Allawos

#### Irwindale

Mayor H. Manuel Ortiz  
Alternate: Mayor Pro Tem Albert Ambriz

#### West Covina

Mayor Rosario Diaz  
Alternate: Councilmember Letty Lopez-Viado

## Cluster 3

### Arcadia

Councilmember Michael Cao  
 Alternate: Councilmember Sharon Kwan

### Bradbury

Mayor Pro Tem Richard G. Barakat  
 Alternate: Councilmember Elizabeth Bruny

### Duarte

Councilmember Cesar A. Garcia  
 Alternate: Councilmember Toney Lewis

### Monrovia

Mayor Becky Shevlin  
 Alternate: VACANT

### Pasadena

Vice Mayor Felicia Williams  
 Alternate: VACANT

### Temple City

Councilmember Fernando Vizcarra  
 Alternate: Mayor William Man

## Cluster 4

### El Monte

Mayor Jessica Ancona  
 Alternate: VACANT

### Diamond Bar

Councilmember Steve Tye  
 Alternate: Mayor Andrew Chou

### Industry

Mayor Cory C. Moss  
 Alternate: Mayor Pro Tem Catherine Marucci

### La Puente

Mayor Pro Tem Valerie Muñoz  
 Alternate: Mayor Charlie Klinakis

### South El Monte

Councilmember Hector Delgado  
 Alternate: Mayor Gloria Olmos

## Cluster 5

### County of Los Angeles

Cynthia Sternquist

John Lloyd

VACANT

## Senior Management

### Chief Executive Officer

Doran J. Barnes

### Deputy Chief Executive Officer

LaShawn King Gillespie

### Director of Customer Service and Operations

VACANT

### Director of Maintenance and Vehicle Technology

Roland Cordero

### Director of Marketing and Communications

Felicia Friesema

### Director of Information Technology

Donald Luey

### Director of Procurement

Christopher Pieper

### Director of Government Relations

Yoko J. Igawa

### Director of Finance and Treasurer

Michelle Lopes Caldwell

### Chief of Safety and Security

John Curley

### Director of Planning

Joseph Raquel

### Director of Capital Projects and Facilities

Sharlane Bailey

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# Executive Summary

The COVID-19 global pandemic left a lasting impact that gave us an opportunity to reevaluate and reimagine how we deliver service to the community. Completion of our Foothill Transit Forward Comprehensive Operational Analysis during FY2023 provides recommendations which allow us to implement changes that will bring improved and efficient service to the community. This FY2024 Business Plan and Budget is a product of that reshaping and accommodates within an ever shifting financial and cultural landscape what challenges we can reasonably predict and adds flexibility for the ones we cannot.

Foothill Transit continues to prioritize technology improvements which will meet and exceed all required air quality standards. In FY2024, Foothill Transit will operate the largest hydrogen fuel cell fleet in the nation. In addition to the 33 new fuel cell buses that were purchased in FY2023, the capital program proposes to purchase an additional 19 hydrogen fuel cell buses and to build an additional fueling facility at the Arcadia Irwindale operating facility during FY2024.

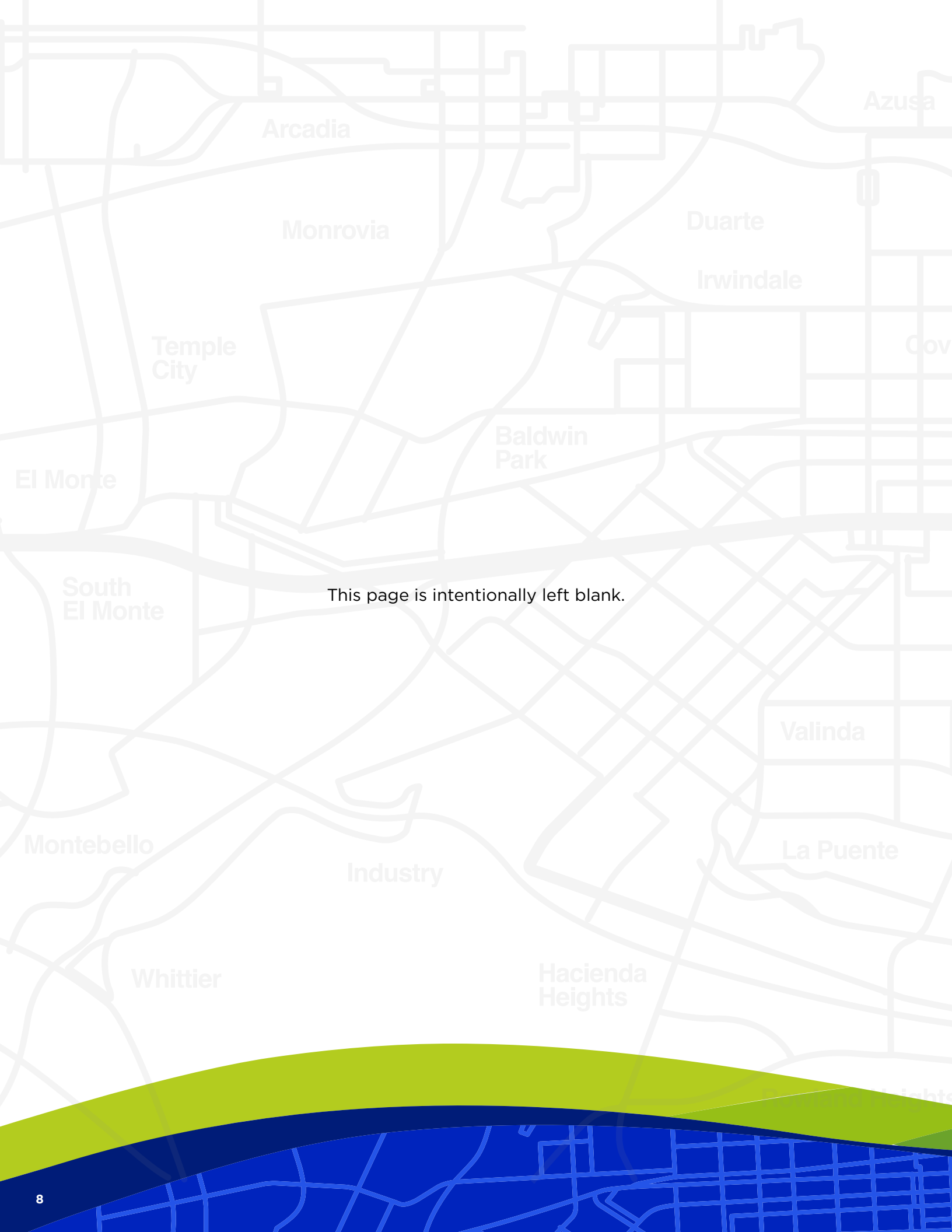
The American Rescue Plan (ARPA) Act of 2021 was passed by Congress and signed into law on March 11, 2021, and contained \$30.5 billion for public transit agencies throughout the United States. Foothill Transit received \$48 million of federal grant funds which were used to mitigate impacts from COVID-19. In addition, Foothill Transit received \$50 million of additional assistance ARPA funds to further support daily operating expenses for transit service. These funds are in addition to the CARES and CRRSA act funds which were spent in fiscal years 2021 and 2022. Examples of eligible uses include operating expenses and COVID-19 related procurements. Foothill Transit has programmed these revenues to pay for FY2024 and FY2025 operating expenses to replace fare revenues and mitigate other cost increases resulting from the current economic climate.





The total agency-wide budget of \$229.6 million includes operating costs of \$162.1 million and a current capital program of \$67.5 million. The major elements of the operating budget, purchased transportation and fuel and electricity, total \$137.4 million or 85 percent of the total operating budget. The capital program includes \$239.1 million of capital projects planned to be completed in the next five years. The majority of capital funding continues to be programmed for bus replacement and supporting infrastructure as we transition to a fully zero-emission bus fleet.

Foothill Transit's top priority is always safety, which now includes a higher level of attention to public health while maintaining safe access to our communities' work centers, hospitals, and other vital services.



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## Mission

To be the premier public transit provider committed to Safety, Courtesy, Quality, Responsiveness, Efficiency, and Innovation.

## Values

### ACCOUNTABILITY

We educate, encourage, and endorse a strong culture of accountability at all levels of the organization, valuing the responsibility entrusted in us by the communities that we serve.

### RESULTS

We value the achievement of organizational goals and initiatives as defined in our business plan and involving all levels of the organization.

### INTEGRITY

We are committed to high ethical standards based on accountability, honesty, respect, and transparency, and a high level of fiscal responsibility.

### GRATITUDE

We are a team united in thankfulness for each other; we express gratitude for our many opportunities by investing our time and energy in our community and industry, and through the open expression of appreciation.

### INCLUSION

We are committed to creating a culture that facilitates equal access to opportunity and promotes participation among our diverse and talented team members, valuing the unique perspectives that everyone brings.

### TEAM MEMBERS

Our care for each other magnifies the care we provide to our communities, so we endeavor to practice compassion, embodying the best of our humanity to one another. We are also committed to supporting the team through education, development, and recognition.

### COMMUNICATION

We value and are committed to open, honest, and respectful discussion which is responsive, informative, and constructive.

### SUSTAINABILITY

We embrace sustainability because it benefits all aspects of our business while helping our communities by protecting the environment through measured and responsible stewardship of resources.

# Overall System Performance

This chart shows a comparison of Foothill Transit's overall system performance for FY2022, the projected performance for FY2023, and the targeted performance goals for FY2024.

Overall System Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Passenger Boardings	6,852,419	7,959,435	7,832,315	8,302,254
Vehicle Service Hours	794,370	878,481	778,483	876,058
Vehicle Service Miles	10,196,687	12,533,977	10,732,388	12,376,490
Fare Revenue	\$ 7,480,849	\$ 9,046,200	\$ 7,800,000	\$ 7,667,065
<b>Transit Operating Expense</b>	<b>\$ 103,413,775</b>	<b>\$ 123,153,550</b>	<b>\$ 114,068,749</b>	<b>\$ 161,290,850</b>

Goal	Indicator	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Operate a Safe Transit System	Preventable Collisions per 100,000 miles	0.58	0.80	0.91	0.80
Provide Outstanding Customer Service	Schedule Adherence	76.2%	75.0%	78.2%	78.0%
	Average Miles Between Technical Roadcalls	12,784	14,000	10,880	12,500
	Complaints per 100,000 Boardings	44.4	38.0	49.6	38.0
Operate an Effective Transit System	Boardings per Vehicle Service Hour	8.63	9.06	10.06	9.48
	Average Weekday Boardings	21,804	25,396	25,402	26,875
Operate an Efficient Transit System	Farebox Recovery Ratio	7.2%	7.3%	6.8%	4.8%
	Average Cost per Vehicle Service Hour	\$130.18	\$140.19	\$146.53	\$184.11

# Initiatives for FY2023 and FY2024

## FY2023 Initiatives Underway or Completed

- Fuel Cell Bus and Infrastructure Implementation
- Zero-Emissions Double-Deck Fleet Expansion
- Mt. San Antonio College Transit Center
- Facility Security Hardening
- Comprehensive Operational Analysis (Foothill Transit Forward)
- Operations Contract Implementation
- Cal Poly Pomona Bronco Mobility Hub and Class Pass Project
- Legislative Advocacy

## FY2024 Initiatives

- Fuel Cell Bus and Infrastructure Expansion
- Zero-Emissions Double-Deck Fleet Expansion
- Facility Security Hardening
- Foothill Transit Forward Implementation
- Transit Store and Facilities Maintenance Contract Procurement and Implementation
- Cal Poly Pomona Bronco Mobility Hub and Class Pass Project

# Agency & Service Summary



RTD  
480 Eastlake Center  
490 Golden State City  
490 Olive Walk  
498 Downtown LA  
Shirley Pk

F210 498 DOWNTOWN

## Agency History

Foothill Transit was created in 1987 as a unique joint powers authority following the Southern California Rapid Transit District (SCRTD) announcement of service cuts and fare increases that would negatively impact the San Gabriel Valley. The Los Angeles County Transportation Commission (LACTC) approved Foothill Transit's application to assume operation of 14 lines previously operated by SCRTD. Foothill Transit was tasked by community leaders to provide quality public transportation, while reducing costs and improving local control.



Foothill Transit service began in December 1988 with the operation of two fixed-route bus lines formerly operated by SCRTD - Lines 495 and 498. The remaining 12 lines approved by the LACTC were transferred to Foothill Transit operation over a period of five years. The new agency also assumed administration of the Bus Service Continuation Project and began providing service on an additional six lines that were canceled by SCRTD. Foothill Transit performed an analysis of regional transit needs which resulted in changes to existing lines, increased weekday service, and introduced new weekend service and additional service to connect communities.

Foothill Transit now operates 39 fixed-route local and express lines, covering over 300 square miles in eastern Los Angeles County and provides approximately 13 million rides per year (pre-pandemic). This number is up from 9.5 million at the time of Foothill Transit's formation. Unfortunately, during the 2021 and 2022 fiscal years we experienced very low ridership. Ridership is currently approximately 60 percent of pre-pandemic ridership levels, with modest increases being observed each month.

At its inception, Foothill Transit relied on contractor-provided operations facilities to maintain its growing fleet. Then in 1997, Foothill Transit opened its first agency-owned operations facility in Pomona. Construction was completed on the second agency-owned operations facility in Arcadia in 2002. In 2007, the administrative offices moved from leased property to the current address at 100 S. Vincent Ave. in West Covina. The purchase of the administrative building enabled the investment of capital dollars to offset ongoing operating costs associated with the lease of the previous office space.

Agency growth continued in 2007 as Foothill Transit launched the region's first cross-valley, high occupancy bus service - the Silver Streak. Covering approximately 45 miles from Montclair to downtown Los Angeles, the Silver Streak route spends about five percent of its total trip time on surface streets by utilizing freeways and High Occupancy Toll (HOT) lanes for quick commuting between designated station stops, mimicking the efficiency and speed of light rail.



Foothill Transit began converting its diesel-fueled fleet to compressed natural gas in 2002. Fleet conversion was completed when the final diesel-fueled bus was retired in late 2013. Continuing its commitment to adopt low emissions technology, the agency took a bold step in 2010 with the implementation of the first-of-its-kind, zero emissions battery electric buses. Funded through the American Recovery and Reinvestment Act of 2009 (ARRA), these vehicles were the first heavy duty zero emissions, battery electric public transit buses that utilized in-route fast charging capability. This technology enabled them to remain in service throughout the day without having to leave the route to be

charged before returning to service. Foothill Transit received a \$10.2 million TIGGER II grant in early 2011 to expand the electric bus program. This funding enabled the purchase of 12 additional electric vehicles for use on Line 291 serving the Pomona Transit Center. In July 2014, Line 291 became the first all-electric, zero emissions bus line in operation in Los Angeles County. Today our grid-powered battery-electric fleet has grown to 34 coaches, including two double-deck battery-electric coaches. This year, 33 fuel-cell electric buses replaced older CNG coaches and our oldest grid-powered battery-electric buses. A hydrogen fueling station is also being constructed at the Pomona Operations and Maintenance Facility to support the fuel cell fleet.

To best serve the organization and stakeholders, Foothill Transit began the transition to in-house management on June 15, 2013, by hiring its first full-time employee, Executive Director/Chief Executive Officer Doran J. Barnes. Doran had previously served as Executive Director since 2003 under a management contract with Veolia Transportation (later renamed Transdev). At the direction of the Board, senior leadership and technical staff were hired and the management services contract with Transdev was amended, which resulted in management of Foothill Transit being brought in-house on July 1, 2013. Bus operations and maintenance, Transit Store operations, and bus stop installation, signage, and cleaning continue to be provided under contracts with private firms.

Foothill Transit began providing service to the first agency-owned parking structure, the Industry Park & Ride, on October 7, 2013, to provide more convenient and predictable commuting options for residents of the San Gabriel and Pomona Valleys. The structure houses 622 parking spaces and its construction



allowed for the introduction of Line 495 – Foothill Transit’s first and only commuter line to offer non-stop service into downtown Los Angeles.

Foothill Transit’s second Park & Ride facility – the Azusa Intermodal Transit Center – opened in January 2016 in the City of Azusa. The structure is shared by the City of Azusa, the Gold Line Foothill Extension, and Foothill Transit. The Azusa Intermodal Transit Center, immediately adjacent to the parking structure, includes infrastructure for electric bus charging to facilitate the electrification of Line 280, which is a north-south route traveling between Azusa and the Puente Hills Mall.

In June 2016, Foothill Transit assumed operation of Lines 190, 194, and 270 from LA Metro – the largest service expansion in 14 years. Lines 190 and 194 provide service from El Monte to Pomona along corridors that were not previously served by other Foothill Transit lines. Additionally, Line 270 serves the cities of Monrovia and El Monte, while connecting passengers to the newly constructed Gold Line Station.



In February 2017, Foothill Transit achieved an important milestone in the agency’s quest towards sustainability as it became the first bus-only public transit system in North America to attain the American Public Transportation Association’s (APTA) Sustainability Commitment Platinum Level. APTA’s recognition highlights the agency’s effort in being responsible stewards of the resources that are entrusted to us, and our ability to develop and implement sustainable processes.

In 2020, after years of planning and cooperative efforts, Foothill Transit opened its second agency-owned Park & Ride and transit center near downtown Covina. The Covina Transit Center serves as the primary regional anchor for the agency’s newest Commuter Express Line 490. In the coming years, Foothill Transit plans to complete a feasibility study regarding the construction of a state-of-the-art Mobility Hub on the Cal Poly Pomona campus. Cal Poly has also joined the group of college campuses participating in our Class Pass program. Additionally, an on-campus transit center at Mt. San Antonio College will bring unparalleled student access to transit to the school that started the Class Pass program. As our commuting and educational environment shifts in response to the global pandemic, Foothill Transit is heading into the new fiscal year with heightened awareness, focus, and flexibility.

# Organization Structure

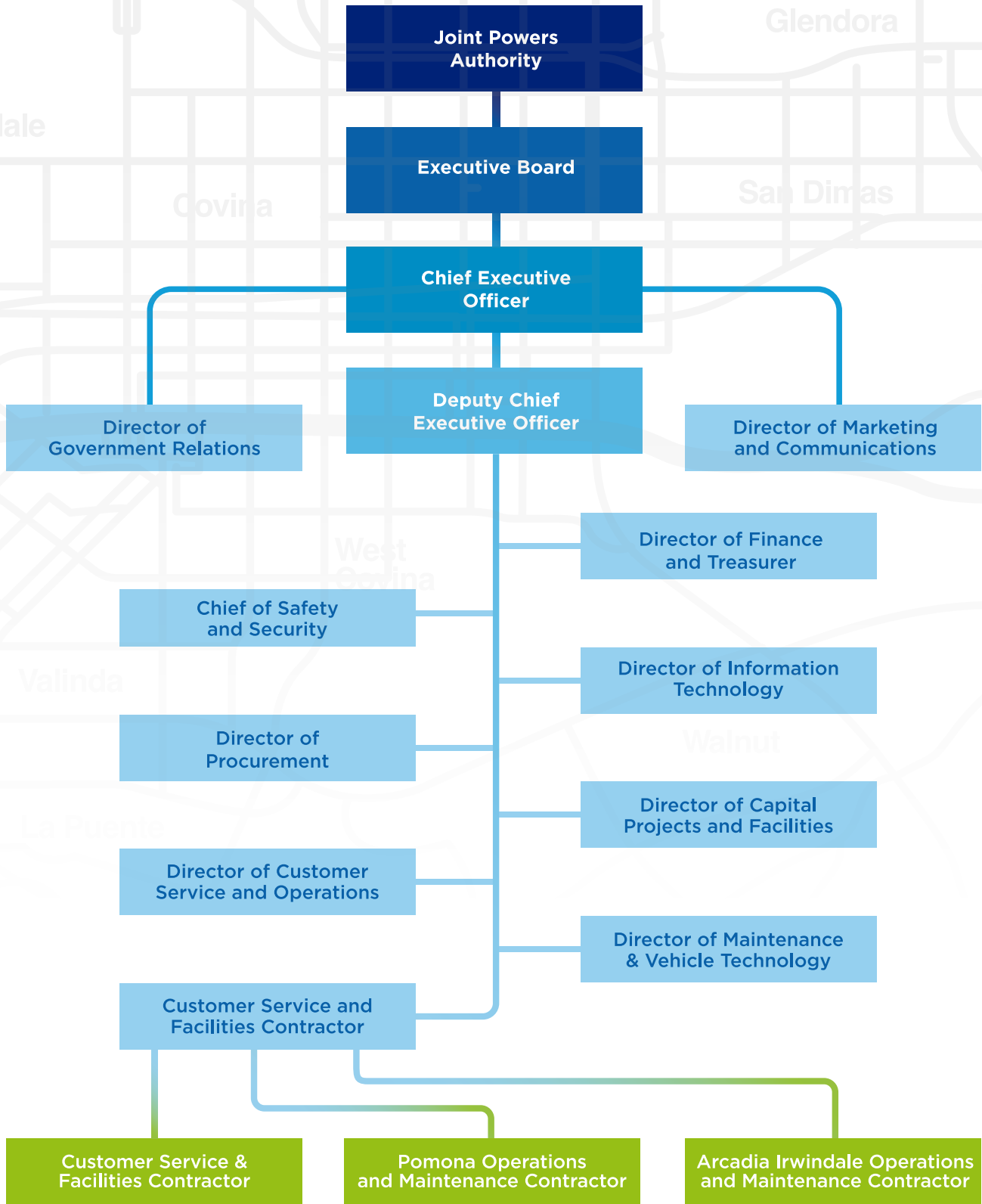
General membership in the Foothill Transit Joint Powers Authority includes one city council member and one alternate from each of the 22 cities in the Foothill Transit service area and three appointed representatives for the County of Los Angeles.

A five-member Executive Board governs Foothill Transit: four elected officials representing four clusters of cities, and the fifth member is elected by the Los Angeles County representatives (Cluster Five).

The Board directs policy that is implemented by a directly employed administrative staff. On-street operations and front-line customer service are provided through contracts currently with Keolis Transit Services and Transdev.








# Foothill Transit Fleet and Facilities

 **Arcadia Irwindale Operations and Maintenance Facility**  
5640 Peck Rd., Arcadia, CA

 **Pomona Operations and Maintenance Facility**  
200 S. East End Ave., Pomona, CA

 **West Covina Administrative Office**  
100 S. Vincent Ave. Suite 200, West Covina, CA

Fleet	Quantity	Seats	Fuel
1900s	14	34	CNG
2100s	64	37	CNG
2200s	29	38	CNG
2300s	30	38	CNG
2400s	30	35	CNG
2500s	30	35	CNG
2600s	14	40	Electric
2700s	63	36	CNG
2800s	3	35	Electric
2800s	2	35	CNG
2900s	24	54	CNG
3000s	2	35	Electric
3100s	33	35	Fuel Cell
NEW	19	35	Fuel Cell

<b>Total CNG</b>	<b>286</b>
<b>Total Electric</b>	<b>19</b>
<b>Total Fuel Cell</b>	<b>52</b>
<b>TOTAL FLEET</b>	<b>357</b>



Foothill Transit



# Short-Range Transit Plan

This section includes information on service changes planned for FY2024 through FY2026.

## Foothill Transit Forward (Comprehensive Operational Analysis (COA))

Foothill Transit Forward is a study that analyzed current ridership trends and recommended routing changes to best align with new travel patterns resulting from the COVID-19 pandemic. The study aimed to redistribute service to improve transit access, equity, and sustainability, as well as explore potential transit markets within the service area.

After completing the study, Foothill Transit held ten public workshops and one public hearing to discuss the recommended routing changes in detail. Three workshops were virtual, and eight were in-person.

The recommended routing changes would positively affect the agency's service by increasing service frequency, improving regional transit connections, and providing access to popular destinations such as retail and colleges. Foothill Transit plans to implement the recommended routing changes in the next two years.



## Line Productivity

The COVID-19 pandemic has significantly impacted ridership. As we enter the endemic phase, agencies must adjust service levels to meet the demand as customers return to work, school, and the travels of everyday life. In response, our team will look at all lines and schedules to ensure efficient and productive routes. We will apply the adopted Planning Service Standards and recommend changes to improve productivity and bring lines closer to the adopted service standards. Some examples of these changes include adjusting frequencies of non-productive lines to increase frequencies on other lines that exceed the capacity limit and possibly introducing separate Saturday and Sunday schedules to ensure appropriate service levels are provided to customers each day.

## Regional Service Improvements

The San Gabriel Valley Council of Governments (SGVCOG) is working on the San Gabriel Valley Feasibility study. The purpose of this study will be to identify feasible transit solutions that enhance communities and lives by providing a high-quality mobility project to the San Gabriel Valley—meeting the Metro Strategic Plan goals of developing and providing equitable and accessible transit services, reducing travel times, managing roadway congestion, and enhancing connections to the regional/local transit networks. Upon completion of the study, Foothill Transit will look at the recommendations in conjunction with Foothill Transit Forward to determine the best alternatives that are feasible to implement.



### **Gold Line Extension (Metro L Line) Phase 2B - Azusa to Pomona**

With the second extension of the Gold Line currently in construction, Foothill Transit will look at connections to the new Gold Line stations in Glendora, San Dimas, La Verne, and Pomona. Foothill Transit will work with the cities in station design to ensure a convenient bus-to-train interface. Similar to when the first Gold Line extension - Pasadena to Azusa - went into operation, Foothill Transit will make the necessary service adjustments to meet demand.

### **Creation of Frequent Transit Network**

Frequent Transit Network Routes will be those Foothill Transit routes with the highest frequency. Route frequency will be informed by ridership and productivity. Lines 187, 188, 190, 194, 280, 291, 486, 488, and Silver Streak are Foothill Transit's most frequent and productive lines. Each of these lines has market potential to support higher service levels due to an appropriate mix of population, employment density, and connections to other local and regional services. These routes create a grid of North/South and East/West connections that traverse the Foothill Transit service area along its most heavily traveled corridors. The frequent network is also vital in enhancing the overall customer experience.

Hacienda  
Heights

Rowland Heights

# Major Capital Projects Proposed for the Next Three Years

This section includes information on capital projects for FY2024 through FY2026.

## Buses, Infrastructure and Fleet Maintenance

### Bus Replacement

Foothill Transit will continue to replace the oldest coaches in its fleet. During FY2023, Foothill Transit received 33 hydrogen fuel cell buses. This acquisition is part of our zero-emissions program to meet the California Air Resources Board's Innovative Clean Transportation Regulation of 100% zero-emissions fleet by 2040. Additionally, Foothill Transit's Executive Board authorized the purchase of 19 more hydrogen fuel cell buses to replace 19 buses that have met the Federal Transportation Administration's useful life requirement of 12 years old and have accumulated more than 500,000 miles in service.

### Bus Fleet Heavy Maintenance

As the coaches accumulate 300,000 miles, they will undergo a heavy maintenance program that includes engine replacement and transmission overhaul to provide more efficient and cost effective service. The heavy maintenance program mitigates mechanical bus failures, improves on-time performance, and reduces customer complaints. Approximately 90 buses will undergo heavy maintenance over two fiscal years, FY2024 and FY2025.



### Hydrogen Fueling Station

In FY2023, Foothill Transit completed the construction of its first Hydrogen Fueling Infrastructure and fueling station to power its fleet of 33 hydrogen fuel cell buses. 20 of the 33 buses were deployed on line 486 to service Pomona and El Monte Station. The 13 other buses replaced early model battery-electric buses. Line 291 will be operated with hydrogen fuel cell buses instead of battery electric buses.

In order to operate an additional 19 fuel cell buses from the Arcadia/Irwindale facility, a hydrogen fueling facility will be constructed. A consultant will be hired to assist in the development, design, build and installation of two fueling stations.

The fueling station will be completed by 2025.

A temporary hydrogen fueling station will be installed at the Arcadia/Irwindale facility in anticipation of receiving 19 fuel cell buses prior to completion of a permanent hydrogen infrastructure and fueling station. Necessary hydrogen gas detection and ventilation upgrades to the Arcadia/Irwindale maintenance building will also be completed in order to repair fuel cell buses in the maintenance building.

## Facility Rehabilitation, Repair and Maintenance

### **Arcadia-Irwindale HVAC and Roof Replacement**

Replacement of the HVAC system including package air units and split system units original to the facility built in 2002 commenced in FY2022. In preparation of the HVAC replacement, the roof membrane material was completed in 2020. Contractors are currently working on roof curb structural support designs as they await delivery of rooftop mechanical equipment. Installation of the equipment and other roof modifications began in May 2023.



### **Pomona Steam Bay Lift Replacement**

Both operation and maintenance facilities are equipped with a steam bay for undercarriage washing that uses a bus lift. The existing bus lift at Pomona is no longer in working order and is in need of replacement. The scope includes removal and disposal of the existing lift and replacement with a new lift for undercarriage steam cleaning. Design is currently in progress.

### **Pomona Operations Facility CNG Fueling Equipment Replacement**

The project will replace existing CNG compressors, dispensers and associated CNG equipment at the Pomona O&M facility. While compressors are maintained and quarterly inspections are performed, the compressors are over 20 years old and will need replacement as they reach their useful life.

### **Mt. San Antonio College Transit Center**

Mt. San Antonio College is served by five Foothill Transit bus routes with a number of stops at the perimeter of the campus. Existing bus stops around the campus provide minimal amenities and student ridership to and from the campus is a significant segment of Foothill Transit's overall ridership. The project will consolidate existing bus stops around the campus into an on-campus 10-bay transit center with amenities to enhance the student transit experience. The project is currently under construction and is anticipated to be completed in June 2023.

Diamond Bar

# Key Performance Indicators





## Overall System Statistics

Overall System Performance	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Passenger Boardings	6,852,419	7,959,435	7,832,315	8,302,254
Vehicle Service Hours	794,370	878,481	778,483	876,058
Vehicle Service Miles	10,196,687	12,533,977	10,732,388	12,376,490
Fare Revenue	\$ 7,480,849	\$ 9,046,200	\$ 7,800,000	\$ 7,667,065
<b>Transit Operating Expense</b>	<b>\$ 103,413,775</b>	<b>\$ 123,153,550</b>	<b>\$ 114,068,749</b>	<b>\$ 161,290,850</b>

### Analysis

#### Passenger Boardings and Fare Revenue

Passenger boardings are projected to improve as customers return to public transit as a means of transportation. Fare revenue is projected to experience a slight decrease as customers are strategically expected to take advantage of our summer sale. In addition, Foothill Transit is also participating in the Regional GoPass program (formerly known as the Fareless Service Initiative (FSI)), which focuses on improving passenger boardings at a cost of reduction in fare revenue. With implementation of the Regional GoPass program, passengers are riding more but paying less. Foothill Transit continues to closely monitor the ridership trends and explore opportunities to restore ridership. Passenger boardings are projected to increase during FY2024 when compared to the estimate for FY2023 as a result of new service recommendations made by the Foothill Transit Forward Comprehensive Operational Analysis.

#### Vehicle Service Hours and Operating Expenses

The vehicle service hours estimate for FY2023 is projected to be below the targeted service hours due to the operation of reduced Express Service and reduced service on Lines 291, 486, and the Silver Streak. Lines 291 and 486 were restored to pre-pandemic levels at the start of May 2023 and the Silver Streak began serving the Cal Poly Pomona campus in January 2023 which helped bring the service hours closer to the target. In FY2024, Express Service will remain at current levels due to ridership demand but we are anticipating the extension of Line 486 to the Pomona Transit Center and additional service to Cal Poly Pomona during the Fall of 2023.

Operating expenses in FY2024 are projected to increase approximately 41.4 percent over the current year budget estimate to accommodate the contractually required escalations for the Pomona operations and maintenance contract, increasing CNG fuel prices, and the additional expenses needed to further support deployment of zero-emission buses.

## Goals and Performance Standards

Goal	Indicator	FY2022 Actual	FY2023 Target	FY2023 Estimate	FY2024 Target
Operate a Safe Transit System	Preventable Collisions per 100,000 miles	0.58	0.80	0.91	0.80
Provide Outstanding Customer Service	Schedule Adherence	76.2%	75.0%	78.2%	78.0%
	Average Miles Between Technical Roadcalls	12,784	14,000	10,880	12,500
	Complaints per 100,000 Boardings	44.4	38.0	49.6	38.0
Operate an Effective Transit System	Boardings per Vehicle Service Hour	8.63	9.06	10.06	9.48
	Average Weekday Boardings	21,804	25,396	25,402	26,875
Operate an Efficient Transit System	Farebox Recovery Ratio	7.2%	7.3%	6.8%	4.8%
	Average Cost per Vehicle Service Hour	\$130.18	\$140.19	\$146.53	\$184.11

Performance indicators are established annually based on projections of total vehicle service hours, total vehicle miles, ridership, revenues, and expenses. The estimated boardings per vehicle service hour, farebox recovery ratio and cost per vehicle service hour are derived directly from overall system statistics, while other indicators are estimated based on historical data and current events. Each indicator is discussed on the following pages.

### Analysis

#### Preventable Collisions per 100,000 Miles

Foothill Transit's first priority is safety. Foothill Transit is projected to end FY2023 at 0.91 preventable vehicle collisions per 100,000 miles, which is more than the annual target of 0.80. Preventable vehicle collisions include any preventable collision that has occurred on the road whether the bus is in or out of revenue service; preventable collisions that occur off-street at transit centers or bus stations are also included. While there was a significant increase in preventable vehicle collisions in September, performance has shown measurable improvement in recent months. In addition, the majority of the preventable collisions on the road in FY2023 resulted in coaches making contact with fixed objects. Safety teams meet on a monthly basis to discuss collision trends and are actively involved in the development of safety action plans which involve operator training, coaching, and other activities as appropriate to help mitigate these types of collisions.

The target for preventable vehicle collisions per 100,000 miles for FY2024 will remain the same at 0.80. This rigorous target is set to ensure a continued focus on safety while acknowledging the high level of traffic congestion, road construction, and reduced lane widths in the Los Angeles basin.

### **Schedule Adherence**

Through the first eight months of FY2023, Foothill Transit was able to achieve a monthly on-time performance of over 75 percent. Operations teams continue to monitor the SMARTBus system in real-time to ensure the bus service runs in accordance with the schedule. Projected on-time performance for FY2023 is 78.2 percent, which is above the annual target of 75 percent. In relation to schedule adherence, verifying the on-time performance (OTP) data continues to be a priority for Foothill Transit. This includes evaluating GPS positioning of each time point to accurately reflect the bus arrivals and departures.



The FY2024 target for schedule adherence will increase to 78 percent. With detailed OTP data readily available from the CAD/AVL system, we continue to effectively monitor low performing routes, analyze the impacts of construction and traffic flow, and work with both operations and maintenance contractors to identify areas of improvement.

### **Average Miles between Technical Roadcalls**

In FY2023, Foothill Transit is projected to average 10,880 miles between technical roadcalls, below the performance target of 14,000 miles. This particular measure tracks any mechanical breakdown that occurs, whether a bus is in revenue service or not.

The target for average miles between technical roadcalls for FY2024 will decrease to 12,500 miles.

### **Complaints per 100,000 Boardings**

The agency is projected to receive approximately 49.6 complaints per 100,000 boardings at the end of this current fiscal year, which is higher than the goal of 38 complaints per 100,000 boardings. So far in FY2023, Foothill Transit has received significantly more total number of complaints in comparison to the same period in FY2022. This is primarily attributed to the high number of schedule adherence related complaints received in FY2023, due to missed service. Our transit service contractors continue to experience operator staffing shortages and call-offs and as a result of this, there have been many efforts implemented that focus on recruitment and retention.

The target for FY2024 will remain the same at 38 complaints per 100,000 boardings.



### **Boardings per Vehicle Service Hour**

Boardings per service hour for FY2023 is estimated at 10.06, which is higher than the target of 9.06 boardings per vehicle service hour. This is a result of both an increase in ridership levels and a decrease in operated service hours due to operator shortages, which is currently known to be an industry challenge.

The FY2024 boardings per vehicle service hour target is proposed at 9.48. This new target of 9.48 anticipates an increase in operated service hours and a gradual increase in ridership, as we continue to explore opportunities to grow ridership.

### **Average Weekday Boardings**

In FY2023, Foothill Transit carried an estimated average of 25,402 boardings per weekday. This is slightly above the target of 25,396 average weekday boardings.

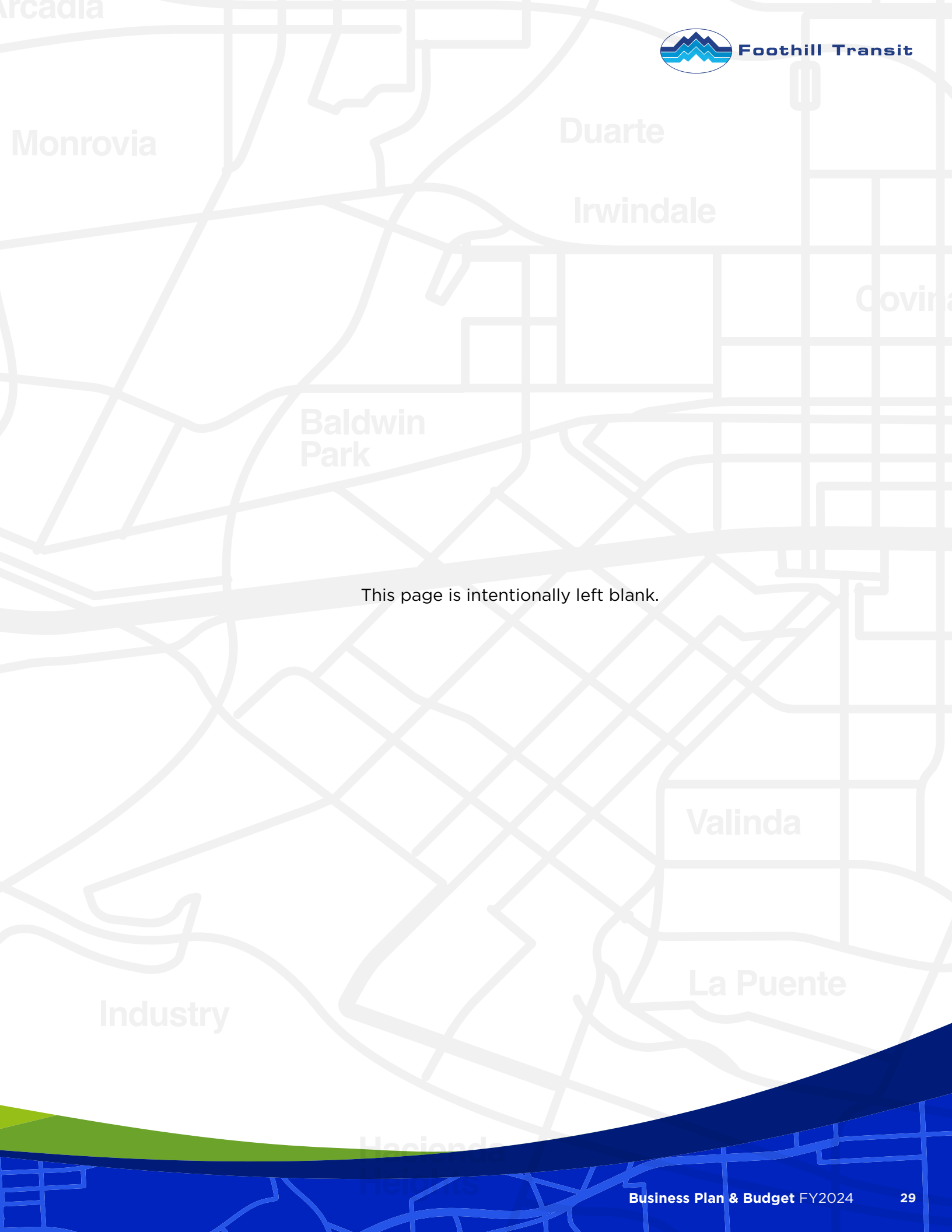
In FY2024, average weekday boardings are projected to increase as a result of evolving travel demands and customers returning to public transit, with a proposed target of 26,875 average weekday boardings.

### **Farebox Recovery Ratio**

Farebox recovery ratio has historically been one of the two indicators used to measure efficiency by evaluating total fare revenue as a percentage of total operating expenses. Since the dramatic ridership decrease and fare revenue loss subsequent to the pandemic, farebox recovery ratio is no longer a reliable key performance indicator. The FY2024 farebox recovery ratio target of 4.8% percent reflects a decrease in fare revenues and increasing contractual costs related to purchased transportation.

### **Average Cost per Vehicle Service Hour**

Average cost per vehicle service hour is the ratio between overall operating expenses and planned service hours during the year. The target for FY2024 is \$184.11. This represents a 25.6 percent increase compared to the current year estimate, resulting from a significant increase in total operating expenses driven by purchased transportation and fuel costs.



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# Foothill Transit Initiatives



# FY2023 Agency Initiatives Underway or Completed



## Fuel Cell Bus and Infrastructure Implementation

Battery electric buses have demonstrated range limitations and demanding charging requirements. In addition, charging infrastructure for a fully electrified bus fleet would be costly, involve complicated charging logistics, and require a larger fleet size. Data suggests that Fuel Cell buses have ranges that are comparable to conventional CNG buses allowing a one-to-one bus replacement with no adverse impacts on current operational activities. Foothill Transit applied for and received a \$5 million Transit and Intercity Rail Capital Program (TIRCP) grant specifically to fund the electrification of Line 486 with 20 zero-emission buses. Line 486 operates between Pomona and El Monte Station traveling mainly on busy local streets, the perfect conditions under which to demonstrate the capabilities of a fuel cell bus.

Foothill Transit received 33 brand new Hydrogen Fuel Cell buses built by New Flyer. Twenty of the 33 buses will be operated on line 486 that runs from Pomona Transit Center to El Monte Bus Station. The additional 13 fuel cell buses will replace the 13 retired Proterra early model fast-charge battery-electric buses that operated on Line 291 in the cities of Pomona and La Verne. While construction of the permanent fueling infrastructure was underway, an interim temporary fueling solution from Air Liquide was installed at the Pomona yard to fuel delivered fuel cell buses. Another temporary source of hydrogen fuel was at a Shell hydrogen filling station located at the Ontario Truck Stop just south of the 10 freeway. Construction of the permanent hydrogen fueling infrastructure was substantially completed on March 24, 2023, and commissioning of the fueling station occurred on April 7, 2023. Full deployment of the 33 fuel cell buses commenced after successful commissioning.

### **Mt. San Antonio College Transit Center**

Construction of the Transit Center on campus continues to move forward. Mt. SAC is one of the largest trip generators in Foothill Transit's system and a limited number of on-street bus stops currently serve the campus. Foothill Transit applied for and received a federal grant for the construction of this transit center, which will include ten transit bays with covered bus shelters for customers.

The Transit Center construction commenced in July 2021 and Mt. SAC is simultaneously constructing a pedestrian bridge over the Transit Center. The new parking structure built by Mt. SAC is complete and will be connected to the campus Miracle Mile by way of the new pedestrian bridge. New elevators and a stairway, both of which will be built by Mt. SAC, will provide access to the Transit Center. Coordination activities to ensure the successful completion of both projects is significant as the foundation of several of the supporting structures for the pedestrian bridge are within the transit center footprint. Completion is slated for June 2023.



### **Zero-Emissions Double Deck Fleet Expansion**

The double-deck zero-emissions coaches offer superior ride quality, are visually appealing, and include sustainability and physical distancing benefits that will attract riders who may not otherwise consider taking public transit. Alexander Dennis, the bus builder, redesigned the battery pack and axle drive system to extend the bus range to at least 300 miles and improve the drive system. To meet Buy America requirements, Alexander Dennis is looking for a manufacturing facility in the U.S. The plan is to have a pilot bus by fiscal year 2025.

### **Facility Security Hardening**

The security surveillance and access control systems at Foothill Transit's administrative office building and at both operations and maintenance facilities were installed when each facility was constructed, and they were last updated in 2012. That effort involved the installation of certain access control and video surveillance equipment. The security cameras, software, and hardware were updated as needed over time, however, in light of newer and more robust technology on wireless secured security systems now available, a more robust and better integrated system is currently being implemented. In the upcoming year, approved capital improvement and sought after grant funds will allow for a more secure and safer system that will be congruent with the recently awarded security guard services contract. New fencing, cameras, and a gated access control system are being installed in the Arcadia Irwindale overflow parking facility to better secure that area.

### **Comprehensive Operational Analysis (Foothill Transit Forward)**

Foothill Transit Forward is a comprehensive operational analysis (COA) study that evaluated Foothill Transit's service and provided recommendations aimed to improve transit service by making it more equitable and efficient. After two years of analysis and public outreach, the consultant team completed Foothill Transit Forward in January 2023. The recommendations that resulted from Foothill Transit Forward were presented at multiple in-person and virtual public workshops and a public hearing to gather input from customers and constituents. After collecting all the feedback received, the recommendations were evaluated once more to incorporate customer suggestions where possible. The revised recommendations will be implemented into service within the next two years.



### Operations Contract Implementation

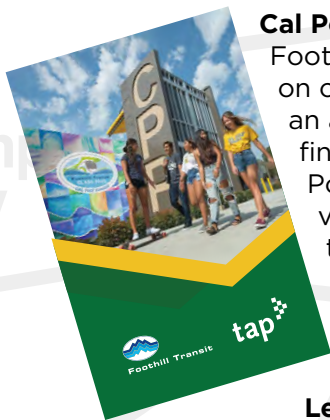
The agreement with Transdev for the operation of transit services at our Arcadia Irwindale operating facility was set to expire on June 30, 2022. With authorization by the Executive Board, this contract was extended through July 30, 2022 to facilitate the competitive procurement process. At the conclusion of the process, the Board authorized a new contract award to Transdev Service in May 2022. Contract transition activities commenced immediately and the transition to a new operating agreement went into effect on July 31, 2022.



The existing agreement with Keolis for the operation of transit services at our Pomona operating facility was mutually terminated by Foothill Transit and Keolis. With authorization by the Executive Board, Foothill Transit solicited a competitive request for proposals (RFP). At the conclusion of the process, the Board authorized a new contract award to Keolis at the February 28, 2023 Executive Board meeting. Contract transition activities commenced immediately and the new operating agreement went into effect on April 30, 2023.

### Cal Poly Pomona Bronco Mobility Hub and Class Pass Project

Foothill Transit and Cal Poly Pomona are working in partnership to improve mobility on campus with key transit projects including the development of a Mobility Hub and an accompanying Class Pass program. The Class Pass program is concluding the final year of the pilot program and will soon become a permanent program at Cal Poly Pomona. The program has grown over the last two years and has become a vital resource for students on campus. The proposed Mobility Hub is currently in the feasibility study phase and is anticipated to be complete Fall 2023. The two projects will help provide a convenient transportation option for students, faculty, and staff and represent an exciting opportunity to further strengthen our close partnership with the university.



### Legislative Advocacy

We will continue to maintain and nurture the relationships we have built with Foothill Transit's federal and state delegation, Los Angeles County Supervisors, and local city representatives. The relationships we have built with federal, state, county, regional, and local governmental organizations and agencies will continue to be cultivated, such as with the Department of Transportation, Federal Transit Administration, California State Transportation Agency, California Transportation Commission, California Air Resources Board, California Public Utilities Commission, San Gabriel Valley Council of Governments, and others. We will also continue to maximize our participation in transit associations and regional business associations to further advocate for legislation and policies that advance regional mobility, Foothill Transit's operations, and zero-emissions fleet expansion.



# FY2024 Initiatives

## Fuel Cell Bus and Infrastructure Expansion

Foothill Transit's first 33 hydrogen fuel-cell electric buses (FCEBs) built by New Flyer Industries are now in service. Some have been deployed on Line 291 to replace the first-generation 35-foot Proterra fast-charge buses on that line, while others have replaced end-of-life compressed natural gas buses. These buses are operated out of our Pomona operations and maintenance facility.



In FY2023, the Board approved a second order of 19 hydrogen FCEBs to be built by EIDorado National, along with fueling infrastructure to be built at the Arcadia Irwindale Operations and Maintenance Facility. As the 33 New Flyer buses will be deployed at our Pomona facility while the next order of 19 buses will be operated out of our Arcadia Irwindale operations and maintenance facility, we will be able to perform a side-by-side comparison of the vehicles. This will inform future bus purchase decisions as older compressed natural gas buses are retired.

## Zero-Emissions Double-Deck Fleet Expansion

To further our organization's deployment of zero-emissions buses, an upcoming deployment of vehicles to replace aging CNG-powered vehicles will consist of an order of 24 double-deck coaches. The double-deck zero-emissions coaches offer far superior ride quality, are visually appealing, and will attract riders who may not otherwise consider taking public transit. This purchase will be supported by a \$7.9 million federal competitive grant.

## Facility Security Hardening

The security surveillance and access control systems at Foothill Transit's administrative office building and at both operations and maintenance facilities were installed when each facility was constructed, and they were last updated in 2012. That effort involved the installation of certain access control and video surveillance equipment. The security cameras, software, and hardware were updated as needed over time, however, in light of newer and more robust technology on wireless secured security systems now available, a more robust and better integrated system is currently being implemented. In the upcoming year, approved capital improvement and sought after grant funds will allow for a safer, more secure system that will be congruent with the recently awarded security guard services contract. New fencing, cameras, gated access control system for vehicles and pedestrian access control are being installed in the Arcadia Irwindale overflow parking facility to better secure that area.



### **Foothill Transit Forward Implementation**

Foothill Transit Forward, the title for our comprehensive operational analysis (COA) examined and evaluated the Foothill Transit system to determine where improvements could be implemented to make transit operations more effective and efficient. The final report recommended changes to 23 lines that would reduce duplicative service, improve regional connections, connections to the L (Gold) Line, retail locations, and college campuses, and improve frequency and span of service on certain lines. Prior to implementation, Foothill Transit will conduct public workshops and a public hearing to collect feedback and make adjustments based on the feedback regarding the changes.

### **Transit Store and Facilities Maintenance Contract Procurement and Implementation**

The existing agreement with Transdev for the operation of transit store and facility maintenance services expires on August 31, 2023. There are remaining contract options available, however a new transit services agreement is currently under procurement to incorporate needed changes to the scope of services to be provided. A contract award recommendation is anticipated at the June 27, 2023 Executive Board meeting. Contract transition activities will commence immediately thereafter to facilitate an effective transition to a new operating agreement on September 1, 2023. Upon contract implementation, staff will work with the contractor to ensure service delivery complies with the terms of the new contract.

### **Cal Poly Pomona Bronco Mobility Hub and Class Pass Project**

Foothill Transit and Cal Poly Pomona are working in partnership to improve mobility on campus with key transit projects including the development of a Mobility Hub and an accompanying Class Pass program. A feasibility study is underway for development of the Mobility Hub, and the Class Pass program is concluding the final year of the pilot program and will soon become a permanent program at Cal Poly Pomona. The program has grown over the last two years and has become a vital resource for students on campus. The proposed Mobility Hub is currently in the feasibility study phase and is anticipated to be completed this Fall. The two projects will help provide a convenient transportation option for students, faculty, and staff and represent an exciting opportunity to further strengthen our close partnership with the university.



# Funding Sources



Foothill Transit is funded with state and local sales tax funds, federal transportation funds, and farebox revenues.

The majority of funds are transportation subsidies allocated by the Regional Transportation Planning entity (LA Metro) to Los Angeles County fixed-route transit operators through the Formula Allocation Procedure (FAP) and the Capital Allocation Procedure (CAP). The FAP uses vehicle service miles and passenger revenues to apportion the available revenues into percentage shares. The CAP uses total vehicle miles and active fleet size (National Transportation Database data) to apportion the shares. The sources of funds are discussed in the following sections.

## Los Angeles County Resources

### Proposition A 40% Sales Tax Funds

Proposition A is a Transit Operations voter approved one-half cent Los Angeles county local sales tax ordinance. These funds may be used for bus operations or capital. This source also funds the Prop A Bus Service Continuation Program (BSCP).

### Proposition C 40% Discretionary Sales Tax Funds

Proposition C is a 1990 voter approved one-half cent Los Angeles County sales tax ordinance. The funds are allocated to the regional transit operators through the following LA Metro Board adopted programs: 1) Municipal Operator Service Improvement Program (MOSIP); 2) Bus System Improvement Plan Overcrowding Relief on Lines 480, 481, and the Silver Streak; 3) Transit Service Expansion; 4) Base Restructuring on Lines 497 and 498, and local Saturday service on various lines; and, 5) Prop 1B Bridge funding eligible for public transportation modernization improvements, service enhancements, and security expenditures. The Prop C 40% funds are eligible for transit operations and transit capital.

### Proposition C 5% Transit Security

These funds are specifically intended to improve transit security. They are distributed to county transit operators based on total unlinked passenger trips.

### Measure R 20% Bus Operations

Measure R is a 2008 voter approved Los Angeles County sales tax ordinance. These funds are eligible for bus operating and capital expenses.

### Measure M 20% Bus Operations

Measure M is a 2016 voter approved Los Angeles County sales tax ordinance. These funds are eligible for bus operating and capital expenses.

### Metro ExpressLanes Net Toll Revenue Reinvestment Grant Program

Metro ExpressLanes Net Toll Revenue Reinvestment Grant Program is funded by toll revenues collected from the use of the ExpressLanes on the I-10 and I-110 corridors. Grant funds are invested in projects and programs that provide direct mobility benefits to the I-10 and I-110 ExpressLanes within a three-mile radius. The primary objective of the Net Toll Revenue Program is to increase mobility and person throughput via implementation of integrated strategies that enhance transit operations, transportation demand management, transportation systems management, active transportation, and capital investments in the I-10 and I-110 corridors.

## State Resources

### **Transportation Development Act (TDA) Article 4**

TDA is a statewide one-quarter cent sales tax that is deposited into the State Local Transportation Fund. TDA funds are eligible for capital and operating expenses.

### **State Transit Assistance Funds (STA)**

STA is a statewide excise tax on fuel, the funds are eligible for use on transit capital and operating expenses.

### **SB-1 (State of Good Repair Program)**

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that will provide additional revenues for transit infrastructure repair and service improvements. SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. This investment in public transit will be referred to as the State of Good Repair program. This program provides funding of approximately \$105 million annually to the State Transit Assistance (STA) Account. The funds are distributed to transit agencies throughout the State according to the STA formula. These funds are available for eligible transit maintenance, rehabilitation and capital projects.

### **Low Carbon Transit Operations Program (LCTOP)**

LCTOP is funded by auction proceeds from the California Air Resource Board's (ARB) Cap-and-Trade Program and deposited into the Greenhouse Gas Reduction Fund (GGRF). This program is a component of the State of California budget (by Senate Bill 852 and Senate Bill 862) with a goal of reducing greenhouse gas emissions. These funds are eligible for transit operating and capital projects that reduce greenhouse emissions.

### **Transit and Intercity Rail Capital Program (TIRCP)**

TIRCP was created by Senate Bill 862 (Chapter 36, Statutes of 2014) and modified by Senate Bill 9 (Chapter 710, Statutes of 2015) to provide grants from the Greenhouse Gas Reduction Fund to fund transformative capital improvements that will modernize California's intercity, commuter and urban rail systems, and bus and ferry transit systems to reduce emissions of greenhouse gasses by reducing congestion and vehicle miles traveled throughout California.

## Federal Resources

### **American Rescue Plan Act (ARPA)**

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021. The bill includes \$30.5 billion which will be used to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. The supplemental funding will be provided at 100-percent federal share, with no local match required.

### **American Rescue Plan (ARP) Additional Assistance**

The Federal Transit Administration made \$2.2 billion of discretionary grant funding available

for transit systems demonstrating additional pandemic-associated needs. The additional assistance was awarded to transit systems demonstrating the need to cover operating expenses related to maintaining day-to-day operations, cleaning and sanitization, combating the spread of pathogens on transit systems and maintaining critical staffing levels.

**Federal Urban Area Formula Program (Section 5307)**

These funds are allocated by the Federal Transit Administration to Los Angeles County transit operators based on a capital allocation formula consisting of total vehicle miles, number of vehicles, unlinked boardings, passenger revenue and base fare. They are used for capital procurements or preventive maintenance expenditures. These funds require a 20 percent local match.

**Federal Buses and Bus Facilities and Low-or No-Emission Program (Section 5339)**

The Grants for Buses and Bus Facilities program (49 U.S.C. 5339) makes federal resources available to States and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants. A sub-program, the Low- or No-Emission Vehicle Program, provides competitive grants for bus and bus facility projects that support low and zero emission vehicles.

**Non-Subsidy Resources**

**Auxiliary Revenue**

Foothill Transit operates a park and ride shuttle service for the Rose Bowl. These special services revenues are used for operating the special services.

Glendora

# Budget Summary

San Dimas

ira

Wynha

Walnut





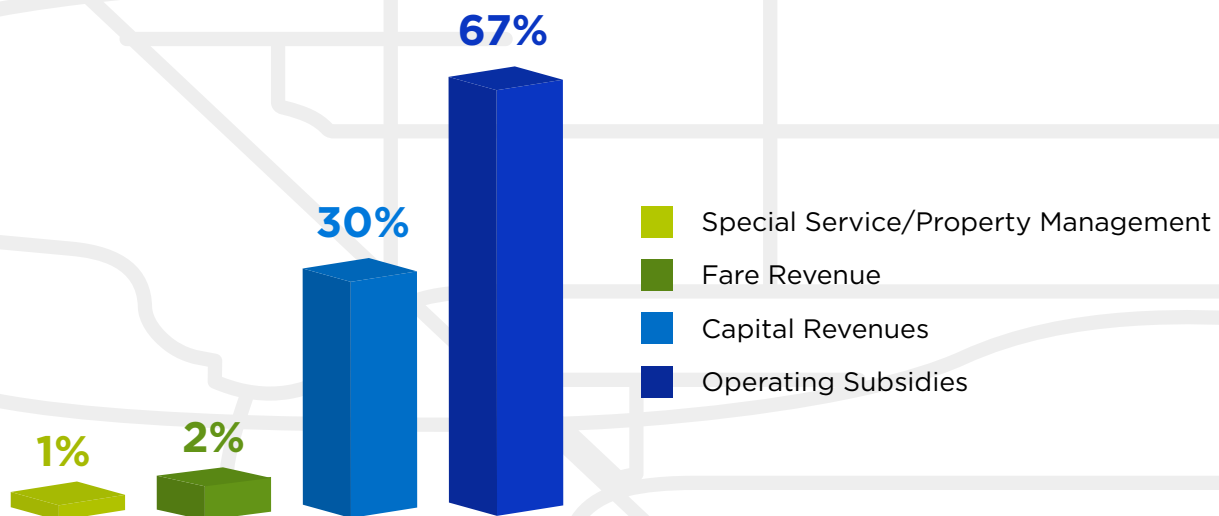
# Budget Summary

## Funding Assumptions

- Farebox revenues will decrease due to growing participation in reduced fare programs
- Capital Revenues include federal formula and successfully awarded competitive grants
- ARP Act additional assistance funds will assist to fund operating expenses

## FY2024 Budget Revenues

	FY2023 Budget	FY2024 Budget
<b>Operating and Other Revenues</b>		
Fare Revenue	\$ 9,046,200	\$ 7,667,065
Operating Subsidies	114,107,350	153,623,785
Property Management	464,500	464,500
Special Services	320,000	320,000
<b>Total Operating &amp; Other Revenues</b>	<b>\$ 123,938,050</b>	<b>\$ 162,075,350</b>
<b>Capital Revenues</b>		
<b>Total Capital Revenues</b>	<b>\$ 89,775,380</b>	<b>\$ 67,478,891</b>
<b>Total Budgeted Revenues</b>	<b>\$ 213,713,430</b>	<b>\$ 229,554,241</b>

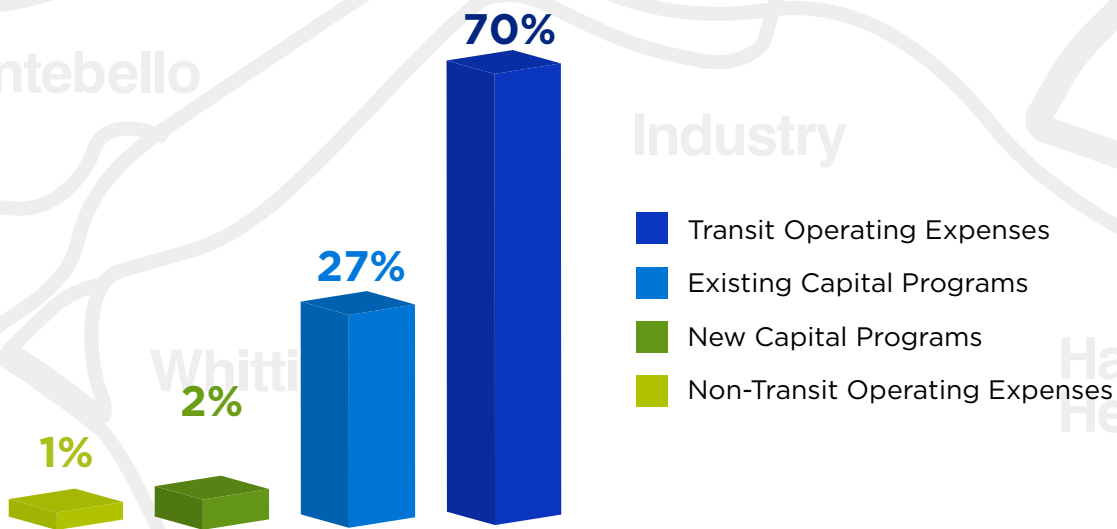


## Expenditure Assumptions

- Transit operating expenses increased by 31 percent over prior year budget
- Continue fleet replacements for 19 CNG buses
- Complete heavy maintenance on CNG buses; this includes heavy maintenance and transmission overhaul
- Continue facility improvements at both operations and maintenance facilities and the administration office building

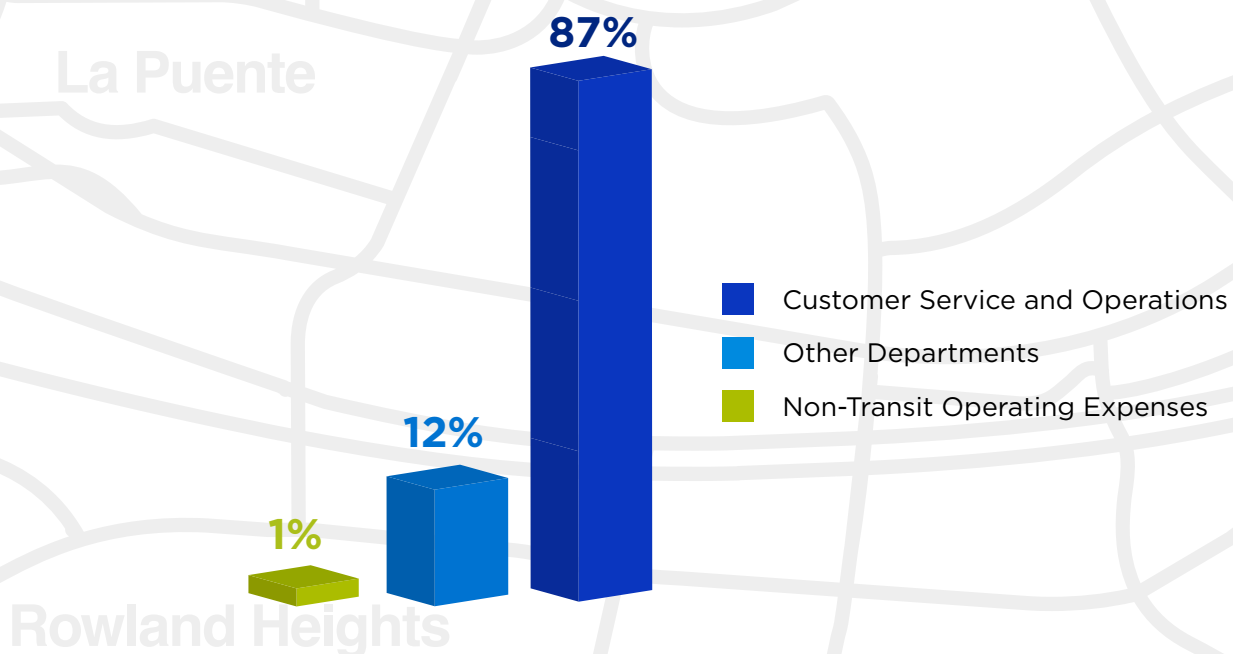
## FY2024 Budget Expenditures

	FY2023 Budget	FY2024 Budget
<b>Operating &amp; Other Expenses</b>		
Transit Operating Expenses	\$ 123,153,550	\$ 161,290,850
Non-Transit Operating Expenses	784,500	784,500
<b>Total Operating &amp; Other Expenses</b>	<b>\$ 123,938,050</b>	<b>\$ 162,075,350</b>
<b>Capital Expenditures</b>		
New Capital Programs	\$ 7,540,000	\$ 5,082,000
Existing Capital Programs	82,235,380	62,396,891
<b>Total Capital</b>	<b>\$ 89,775,380</b>	<b>\$ 67,478,891</b>
<b>Total Budgeted Expenditures</b>	<b>\$ 213,713,430</b>	<b>\$ 229,554,241</b>



## FY2024 Operating Expenses by Department

	FY2023 Budget	FY2024 Budget
<b>Transit Operating Expenses</b>		
Customer Service & Operations	\$ 105,343,720	\$ 140,707,520
Maintenance & Vehicle Technology	1,324,030	1,214,970
Marketing & Communications	2,396,200	2,483,620
Information Technology	2,509,030	2,831,490
Administration	2,085,120	2,279,410
Procurement	942,270	1,070,000
Government Relations	795,670	787,680
Finance	2,094,780	2,322,230
Safety and Security	1,917,190	3,681,700
Planning	1,647,470	1,578,470
Facilities	2,098,070	2,333,760
<b>Total Transit Operating Expenses</b>	<b>\$ 123,153,550</b>	<b>\$ 161,290,850</b>
<b>Non-Transit Operating Expenses</b>		
Property Management	\$ 464,500	\$ 464,500
Special Services	320,000	320,000
<b>Total Non-Transit Operating Expense</b>	<b>\$ 784,500</b>	<b>\$ 784,500</b>
<b>Total Operating Expenses</b>	<b>\$ 123,938,050</b>	<b>\$ 162,075,350</b>



## FY2024 Capital Summary

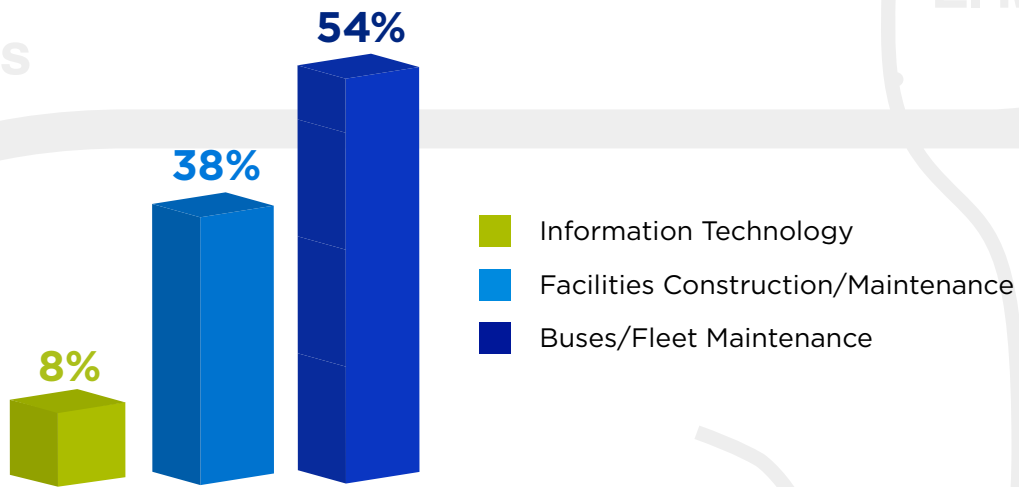
	FY2023 Budget	FY2024 Budget
<b>New Capital Programs</b>		
Buses/Fleet Maintenance	\$ 565,000	\$ 110,000
Facilities Construction/Maintenance	6,000,000	3,970,000
Information Technology	975,000	1,002,000
<b>Total New Capital Programs</b>	<b>\$ 7,540,000</b>	<b>\$ 5,082,000</b>
<b>Existing Capital Programs</b>		
Buses/Fleet Maintenance	\$ 55,446,500	\$ 36,435,000
Facilities Construction/Maintenance	22,502,380	21,291,641
Information Technology	4,286,500	4,670,250
<b>Total Existing Capital Programs</b>	<b>\$ 82,235,380</b>	<b>\$ 62,396,891</b>
<b>Total Capital</b>	<b>\$ 89,775,380</b>	<b>\$ 67,478,891</b>

Los Angeles

El Monte

South  
El Monte

Montebello





Arcadia

Monrovia

Duarte

Irwindale

Temple City

Baldwin Park

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Valinda

Industry

La Puente

Arcadia

Monrovia

Duarte

Covina

# Capital Budget



# Capital Program

The currently proposed capital projects, with total life-of-project budgets of \$239.1 million, include \$5.2 million of new projects. Each project includes the life-of-project budget, estimated expenditures through FY2023, and the balance of expenditures for future years.

## New Capital Projects for FY2024

### Buses/Fleet Maintenance:

**0259 - Non-Revenue Vehicle Replacement - FY2024** - This project is for the replacement of retiring non-revenue vehicles in our fleet.

**0258 - Bus Reporting Tablets** - This project will provide tablets to the contractors for entering repair orders into RTA systems via Connixt software systems. This will enable the Foothill Transit maintenance and vehicle technology department to issue reports on fleet maintenance using data recorded in RTA.

### Facilities Construction/Maintenance:

**0268 - Arcadia Gas Detection and Fire Alarm Upgrades** - This project will upgrade the existing gas detection system controllers for hydrogen fuel and CNG buses, gas detection devices, and exhaust fans for the maintenance building at Arcadia/Irwindale.

**0267 - Charging Equipment & Infrastructure at O&M Facilities** - This project consists of design, permitting, and installation of electrical infrastructure as required for the deployment of non-revenue fleet electric vehicle charger equipment at the Pomona and Arcadia/Irwindale yards.

**0266 - Emergency Operations Center - Phase II** - This project will remodel the Arcadia/Irwindale warehouse to support technology and office supplies for Foothill Transit's Emergency Operations Center.

**0265 - Facilities Capital Contingency FY2024** - This project is an emergency project for unplanned facility repairs throughout the year.

**0264 - Arcadia O&M Concrete Slab Replacement** - This project will remove and replace concrete slabs near the bush wash exit to repair subgrade and reinforce new concrete to prevent damage that currently exists.

**0263 - Administration Kitchenette Refresh** - This project is for design and replacement of kitchen counter surfaces, plumbing fixtures, and select cabinetry for Foothill Transit kitchenettes.

### Facilities Construction/Maintenance (Continued):

**0262 - Pomona O&M Asphalt Repairs** - This project will repair the asphalt in the employee parking lot to repair damaged asphalt, cracks, oil saturated patches, seal coating, and re-striping.

**0261 - Administration Guard Shed Replacement** - This project will replace the existing guard shack with a new shed, lighting, and camera technology.

**0260 - Operations Facilities Furniture** - This project will replace office furniture at both Foothill Transit operations and maintenance facilities.

### Information Technology:

**0272 - Scheduling Software Upgrade** - This project will upgrade the existing Giro Hastus software.

**0271 - IT Capital Contingency FY2024** - This project is an emergency project for unplanned IT repairs and replacements throughout the year.

**0270 - Yards Network Switches Upgrade** - This project will replace the switches that are reaching end of life and will provide additional capacity for the wireless upgrade project.

**0269 - Yards 5G Proof of Concept** - This project is for a proof of concept to install 5G access points and increase wireless throughput for the two operations and maintenance facilities.



# Capital Program

Project #	Project Name	LOP Budget	Estimated Expenditures through FY2023	FY2024 Budget	FY2025+
<b>Buses/Fleet Maintenance:</b>					
0259	Non-Revenue Vehicle Replacement - FY2024 (NEW)	\$ 200,000	\$ -	\$ 100,000	\$ 100,000
0258	Bus Reporting Tablets (NEW)	10,000	-	10,000	-
0243	Zero-Emission Double Deck Buses	36,000,000	-	-	36,000,000
0242	Zero-Emission Infrastructure	8,000,000	-	-	8,000,000
0241	Fuel Cell Bus Telematics	45,000	-	45,000	-
0229	1700s and 1800s Bus Replacement	32,000,000	-	32,000,000	-
0227	Fuel Monitoring System	340,000	-	340,000	-
0167	Fleet Heavy Maintenance - 2	22,010,000	4,800,000	2,400,000	14,810,000
0124	Fare Collection System	8,200,000	5,000,000	1,600,000	1,600,000
0094	Replacement Facility Trucks	250,000	200,000	50,000	-
<b>Buses/Fleet Maintenance Total</b>		<b>\$107,055,000</b>	<b>\$ 10,000,000</b>	<b>\$ 36,545,000</b>	<b>\$ 60,510,000</b>

## Facilities Construction/Maintenance:

0268	Arcadia Gas Detection and Fire Alarm Upgrades (NEW)	\$ 1,700,000	\$ -	\$1,700,000	\$ -
0267	Charging Equipment & Infrastructure at O&M Facilities (NEW)	870,000	-	870,000	-
0266	Emergency Operations Center - Phase II (NEW)	500,000	-	500,000	-
0265	Facilities Capital Contingency FY2024 (NEW)	250,000	-	250,000	-
0264	Arcadia O&M Concrete Slab Replacement (NEW)	215,000	-	215,000	-
0263	Administration Kitchenette Refresh (NEW)	130,000	-	130,000	-
0262	Pomona O&M Asphalt Repairs (NEW)	105,000	-	105,000	-
0261	Administration Guard Shed Replacement (NEW)	100,000	-	100,000	-
0260	Operations Facilities Furniture (NEW)	100,000	-	100,000	-
0257	Electric Vehicle Charging Equipment & Infrastructure	400,000	-	200,000	200,000
0250	Cal Poly Pomona Transit Mobility Hub	16,000,000	-	300,000	15,700,000
0248	21st Century Foothill Transit Security Project	3,000,000	-	2,000,000	1,000,000
0247	Arcadia-Pomona Restroom Remodel	2,750,000	-	200,000	2,550,000
0245	Emergency Operations Center	250,000	-	250,000	-
0244	Arcadia Irwindale O&M Facility Landscape/Irrigation Replacement	200,000	-	100,000	100,000

Project #	Project Name	LOP Budget	Estimated Expenditures through FY2023	FY2024 Budget	FY2025+
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**Facilities Construction/Maintenance (Continued)**

0240	Bus Stop Enhancement Program - FY2022	400,000	120,000	80,000	200,000
0237	Facilities Security Hardening Improvement Project	1,700,000	35,000	1,000,000	665,000
0236	Cal Poly Pomona Transit Mobility Hub Feasibility Study	200,000	150,000	50,000	-
0235	Pomona CNG Replacement	5,000,000	-	200,000	4,800,000
0234	O&M Facilities Equipment Replacement	460,000	-	100,000	360,000
0233	Arcadia O&M Overflow Parking Lot Enhanced Security	250,000	50,000	200,000	-
0232	3rd Floor Conference Room Conversion	200,000	-	100,000	100,000
0231	General Preliminary Engineering	400,000	500	200,000	199,500
0218	Arcadia Facility Improvements	220,000	50,000	170,000	-
0217	Pomona Facility Improvements	210,000	50,000	160,000	-
0216	Admin 4th Floor Carpet Replacement	20,000	10,000	10,000	-
0215	Admin Exterior Lighting Upgrades	60,000	30,000	30,000	-
0204	Operations Facilities Security Projects	250,000	150,000	100,000	-
0202	Arcadia HVAC Replacement	1,800,000	800,000	1,000,000	-
0200	Administration Office Furniture	60,000	40,000	20,000	-
0199	Arcadia Bus Wash Retrofit & Steam Bay Lift	1,000,000	700,000	300,000	-
0182	Pomona Steam Bay Lift Replacement	730,000	125,000	605,000	-
0181	DTLA Layover Parking Improvements	4,100,000	900,000	3,200,000	-
0178	Restroom Compliance and Modernization	2,400,000	1,260,000	1,140,000	-
0176	Administration HVAC Replacement	400,000	-	200,000	200,000
0173	Lighting Upgrades	160,000	100,000	60,000	-
0157	Arcadia/Pomona Facility Interior Resurface and Paint	210,000	150,000	60,000	-
0155	Administrative Building Solar Canopy	4,000,000	-	500,000	3,500,000
0139	West Covina Transit Store, Plaza, and Transitway	15,079,000	140,000	-	14,939,000
0138	Covina Park & Ride and Transit Center	28,495,511	22,508,000	5,987,511	-
0131	BSEP - West Covina Bus Shelters	260,000	30,870	229,130	-
0129	Pomona Transit Store Renovation	800,000	5,000	795,000	-
0116	Administration Building 2nd Floor Remodel	796,000	1,000	795,000	-
0115	Mt. SAC Transit Center	10,350,000	9,400,000	950,000	-
	<b>Facilities Construction/Maintenance Total</b>	<b>\$106,580,511</b>	<b>\$ 36,805,370</b>	<b>\$ 25,261,641</b>	<b>\$ 44,513,500</b>

Project #	Project Name	LOP Budget	Estimated Expenditures through FY2023	FY2024 Budget	FY2025+
<b>Information Technology:</b>					
0272	Scheduling Software Upgrade (NEW)	\$ 400,000	\$ -	\$ 400,000	\$ -
0271	IT Capital Contingency FY2024 (NEW)	250,000	-	250,000	-
0270	Yards Network Switches Upgrade (NEW)	182,000	-	182,000	-
0269	Yards 5G Proof of Concept (NEW)	170,000	-	170,000	-
0256	Data Center Update and Replacement	1,000,000	150,000	250,000	600,000
0255	Yards Server Room/Infrastructure Upgrade	400,000	150,000	150,000	100,000
0253	Desktop Computer Replacement	300,000	75,000	75,000	150,000
0252	CAD/AVL Long Term Retention Expansion	100,000	-	100,000	-
0239	Hybrid Conference Rooms	400,000	-	400,000	-
0225	Access Point Replacement	100,000	7,500	92,500	-
0223	Arcadia Yard Cabling Upgrade	200,000	-	200,000	-
0222	Replacement Monitors	75,000	25,000	25,000	25,000
0209	Transit Corridor Improvements	500,000	264,000	236,000	-
0208	Transit Asset Management Implementation	350,000	35,500	150,000	164,500
0207	SD-Wide Area Network	350,000	-	150,000	200,000
0206	Transit Store Phone Replacement	50,000	6,500	16,750	26,750
0194	Pomona Yard Network Cabling Upgrade	75,000	-	75,000	-
0192	Cabling and Core Switch Replacement	275,000	100,000	150,000	25,000
0097	CAD/AVL Replacement	20,300,000	14,000,000	2,600,000	3,700,000
<b>Information Technology Total</b>		<b>\$ 25,477,000</b>	<b>\$ 14,813,500</b>	<b>\$ 5,672,250</b>	<b>\$ 4,991,250</b>
<b>Grand Total</b>		<b>\$239,112,511</b>	<b>\$ 61,618,870</b>	<b>\$ 67,478,891</b>	<b>\$110,014,750</b>

El Monte

South El Monte

# Operating Budget





# Operating Budget

## Operating Budget and Department Summary

Foothill Transit's operating budget and departmental initiatives for FY2024 are presented in this section. A brief description of each department has been provided. A summary of all departments is shown below:

	FY2022 Actual	FY2023 Budget	FY2023 Estimate	FY2024 Budget
<b>Transit Operating Expenses:</b>				
Customer Service & Operations	\$89,995,333	\$105,343,720	\$98,208,784	\$140,707,520
Maintenance & Vehicle Technology	826,869	1,324,030	1,172,231	1,214,970
Marketing & Communication	1,936,000	2,396,200	2,040,700	2,483,620
Information Technology	1,927,756	2,509,030	2,320,398	2,831,490
Administration	2,345,601	2,085,120	1,724,970	2,279,410
Procurement	746,781	942,270	916,870	1,070,000
Government Relations	430,526	795,670	533,610	787,680
Finance	1,871,842	2,094,780	1,895,987	2,322,230
Safety and Security	-	1,917,190	2,153,224	3,681,700
Planning	1,504,588	1,647,470	1,346,547	1,578,470
Facilities	1,828,477	2,098,070	1,755,427	2,333,760
<b>Total Operating Expense</b>	<b>\$103,413,775</b>	<b>\$123,153,550</b>	<b>\$114,068,749</b>	<b>\$161,290,850</b>
<b>Non-Transit Operating Expenses:</b>				
Property Management	\$348,527	\$464,500	\$464,500	\$464,500
Special Services	343,302	320,000	320,000	320,000
<b>Total Non-Transit Operating Expense</b>	<b>\$691,829</b>	<b>\$784,500</b>	<b>\$784,500</b>	<b>\$784,500</b>
<b>Total Operating Expenses</b>	<b>\$104,105,604</b>	<b>\$123,938,050</b>	<b>\$114,853,249</b>	<b>\$162,075,350</b>

West  
Covina

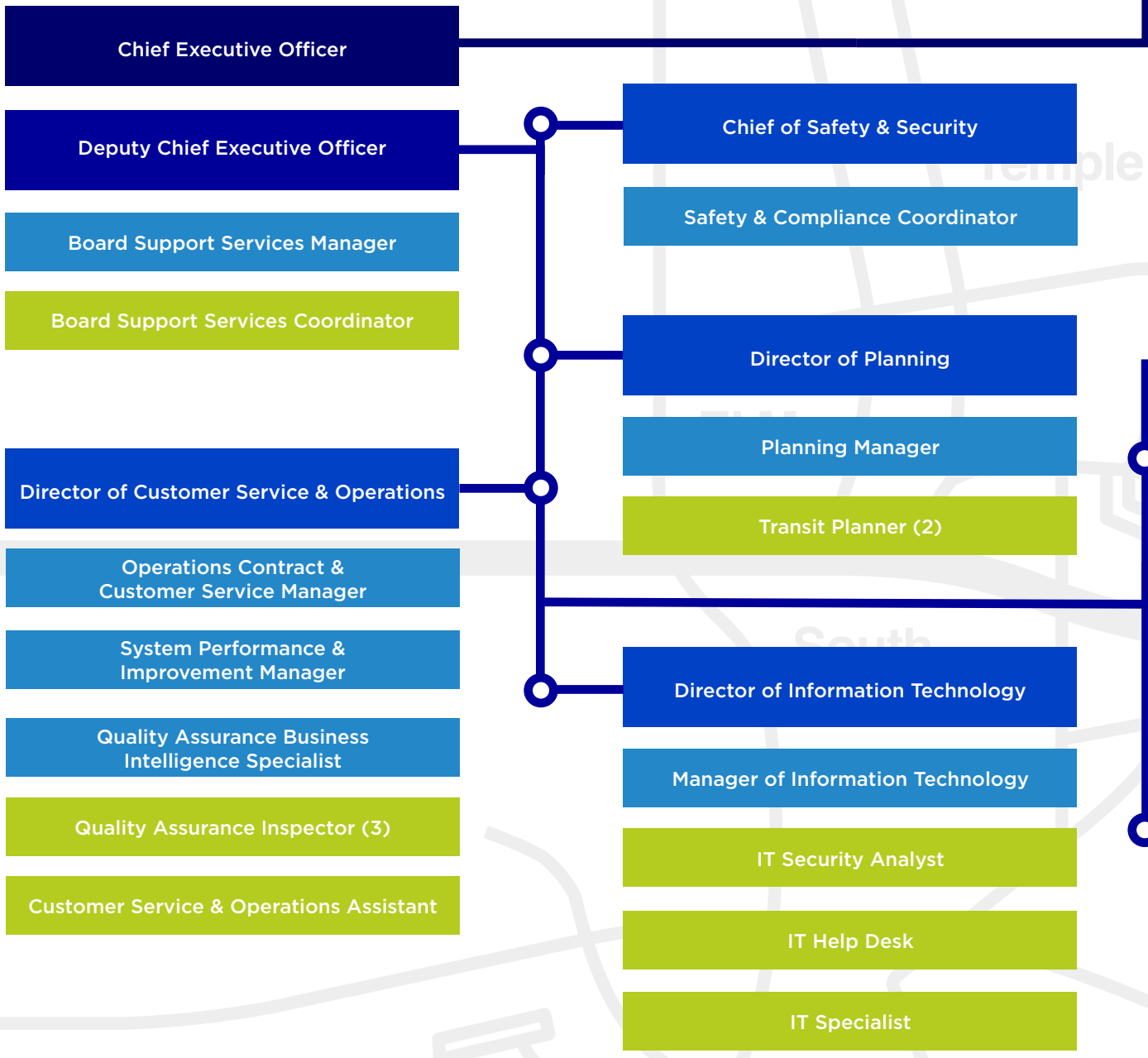
Valinda

Walnut

La Puente

# Department Summary

The FY2024 Budget includes 54 total Foothill Transit employees, consistent with last fiscal year. For reference, below is the current organization structure.





Director of Government Relations

Government Relations Coordinator

Director of Maintenance & Vehicle Technology

Fleet Maintenance Manager

Fleet Technology Coordinator

Mechanical Service Quality Inspector

Director of Marketing & Communications

Manager of Community Engagement

Marketing & Communications Manager

Digital Media & Customer Relations Coordinator

Creative Content Designer

Marketing & Communications Assistant

Director of Capital Projects and Facilities

Capital Projects Manager

Facilities Manager

Facilities Analyst

Director of Procurement

Procurement Manager

Procurement Specialist

Assistant Administrative Analyst

Director of Finance & Treasurer

Budget & Grants Manager

Controller

Revenue Manager

Human Resources Manager

Human Resources Assistant

Finance Analyst

Senior Accountant (2)

Accountant (2)

# Customer Service and Operations

The Customer Service and Operations department is responsible for ensuring the safe and efficient daily operation of Foothill Transit service, focusing specifically on applied enforcement of agency standards for operating performance.

The department also works closely with the four Foothill Transit Stores to improve the customer service experience; from when a customer calls for information about their proposed trip, to the actual completion of their bus ride, and through the customer feedback process. The safety of our customers, contractors, and staff is a primary focus of the Customer Service and Operations department and the team works directly with local, state, and national safety organizations in this effort.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5001	Purchased Transportation	\$77,330,278	\$92,259,330	\$117,078,460
5020	Fuel	8,299,664	8,356,760	15,195,620
5035	Electricity Fuel	479,077	260,180	235,010
5045	Hydrogen Fuel	-	1,370,390	4,878,530
5100	Salaries, Wages and Benefits	997,083	1,140,970	1,196,870
5150	Contracted Services	1,673,833	1,792,490	1,969,730
5260	Professional/Technical	-	50,000	40,500
5411	Bus Rodeo	618	75,000	75,000
5550	Training and Conferences	18,962	26,600	27,000
5555	Travel and Meeting	131	2,000	2,000
5560	Uniform/Clothing Supplies	2,097	7,000	5,200
5720	Other Contracted Services	4,028	3,000	3,600
	<b>Total</b>	<b>\$89,995,333</b>	<b>\$105,343,720</b>	<b>\$140,707,520</b>

## Budget Notes:

- 5001 Reprocured Purchased Transportation Contract for the Pomona Operations and Maintenance Services
- 5020 Anticipating higher CNG costs based off historical context
- 5035 Retired 13 battery-electric vehicles
- 5045 Introduction of Hydrogen fueled vehicles
- 5560 Quality Assurance Inspector Uniforms have been suspended



In FY2023, the department the Customer Service and Operations Department achieved several significant accomplishments that positively impacted their operations and customer experience. They helped secure the Pomona Irwindale Operations and Maintenance Contract and provided ongoing support for the Foothill Transit Forward initiative. They also improved Transtrack reporting capabilities and participated in the APTA Emerging Leaders Program to develop leadership skills. The team focused on CAD/AVL data to improve safety, on-time performance, and maintenance. They conducted weekly monitoring and analysis of ridership impacts and coordinated service for special events. Additionally, the department collaborated with operations teams to develop on-time performance improvement plans and recertified automatic passenger counters for National Transit Database Certification.

In FY2024, the Customer Service and Operations Department department will undertake several initiatives to enhance operations and services. They will support the implementation of a new Transit Store and Facility Maintenance Contract and coordinate the Foothill Transit Annual Bus Rodeo. The team will also enhance Transtrack reporting capabilities and reinstate the Front Line Customer Service Recognition Program. They will coordinate participation in the Conference of Minority Transportation Official (COMTO) annual meeting and support the agency in hosting the California Transportation Association Annual Meeting. The department will continue to focus on data reporting utilizing the CAD/AVL and provide special service for events. They will also update Foothill Transit's Continued Operations Plans and other safety plans to ensure preparedness for emergency situations.



# Maintenance and Vehicle Technology

The Maintenance and Vehicle Technology (MVT) Department ensures daily operation of Foothill Transit’s revenue and non-revenue vehicle fleet through the systematic enforcement of Foothill Transit standards for fleet maintenance and oversight of maintenance on CNG and Hydrogen fueling stations, including electric bus charging stations. The MVT Department ensures ongoing local, state and federal regulatory compliance of the fleet and environmental compliance of the operations. In addition, the MVT department is responsible for the development and implementation of Foothill Transit’s zero-emissions program including bus specifications, in-plant inspection, and acceptance of all new rolling stock and technologies to maximize efficiencies in both operations and maintenance. The MVT department participates and supports legislative efforts in the development of policies and regulations for transit fleet electrification.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5040	Gas and Lubricants	\$ 3,162	\$ 6,000	\$ 5,000
5100	Salaries, Wages and Benefits	655,326	627,270	683,350
5260	Professional/Technical	112,742	382,960	468,820
5430	Dues and Subscriptions	5,100	8,400	8,400
5550	Training and Conferences	10,356	18,500	18,500
5555	Travel and Meeting	1,661	3,000	3,000
5720	Other Contracted Services	10,588	263,500	13,500
5970	Repair and Maint. Vehicles	15,335	14,400	14,400
<b>Total</b>		<b>\$ 826,868.73</b>	<b>\$ 1,324,030</b>	<b>\$ 1,214,970</b>

## Budget Notes:

- 5260 New battery-electric bus charger maintenance contract
- 5720 Temporary H2 fueling at Pomona was removed

The Maintenance and Vehicle Technology Department at Foothill Transit achieved several notable accomplishments in the previous fiscal year. They received an \$8.9 million Hybrid and Zero-Emission Truck and Bus Vouchers Incentive Project Grant, which enabled them to purchase new, more sustainable vehicles. They also retired older battery electric buses, received FTA approval for their early retirement, and upgraded their Zonar Pre-Trip and Post-Trip bus inspection system. In addition, they purchased new non-revenue electric vehicles to support their sustainability goals.

Moving forward in FY2024, Foothill Transit has several initiatives planned to improve their fleet maintenance and operations. These include implementing bus heavy maintenance on Series 2300 and 2400 buses, performing in-plant inspection and acceptance testing on 19 fuel cell buses, retiring older buses, purchasing tablets for maintenance mechanics, replacing their fuel monitoring systems, performing weekly revenue fleet inspections, and procuring 24 zero-emissions double deck buses. These initiatives reflect Foothill Transit's continued commitment to sustainability and innovation in its operations.



# Marketing

The Marketing and Communications team supports, brands, and promotes Foothill Transit service with the goal of heightening public awareness of Foothill Transit and increasing ridership. This is accomplished through strategic planning, targeted advertising, community engagement, public affairs outreach, media exposure, and creative customer communications, both on board and off to both customers, stakeholders, and the community at large. myriad on-board communication.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 844,194	\$ 873,700	\$ 974,120
5260	Professional/Technical	427,560	631,000	685,000
5300	Advertising and Promotion	479,257	645,000	610,000
5330	Community Sponsorship	102,402	120,000	90,000
5380	Special Events	8,774	50,000	64,000
5430	Dues and Subscriptions	18,397	24,000	25,000
5550	Training and Conferences	1,711	10,000	10,000
5555	Business Travel and Meeting	1,503	8,000	8,000
6261	Class Pass Media	-	20,000	5,000
6280	Printing	11,285	12,500	12,500
<b>Total</b>		<b>\$ 1,936,000</b>	<b>\$ 2,396,200</b>	<b>\$ 2,483,620</b>

## Budget Notes:

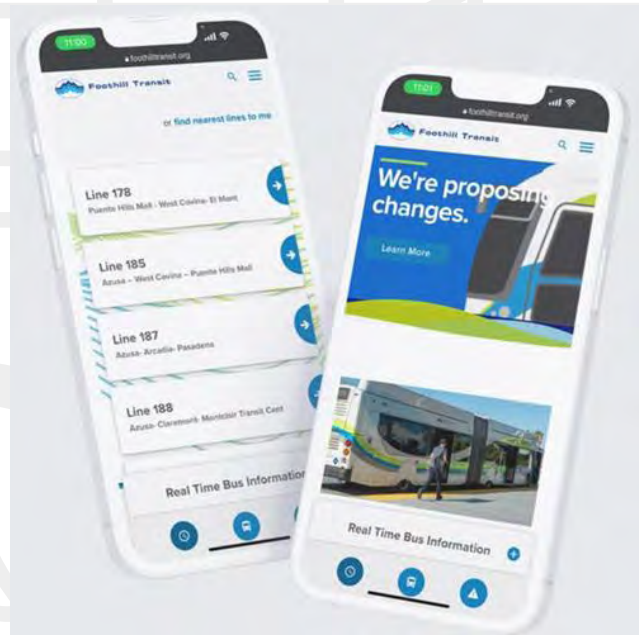
- 5260 Technical retainer amendment for new website scheduling updates and new photo archive software
- 5330 Reduced due to revamp of sponsorships and loss of local organizations
- 5380 Cohosting CTA 2023 in Pasadena and the agency's 35th anniversary promotions

The Marketing and Communications Department at Foothill Transit can take pride in their FY2023 accomplishments, which include developing multi-faceted campaigns aimed at increasing and regaining ridership post-pandemic. The strategies included simplifying fares and a temporary pass sale. They also developed strategic responses and campaigns to increase ridership as COVID-19 cases declined. The department launched an integrated campaign to engage the local community and potential riders, which included multilingual communications, community outreach and engagement, and updating all necessary materials. Customer satisfaction and demographic surveys were periodically conducted to engage customers and identify areas for improvement.

The team launched a newly re-designed website with improvements to customer usability on mobile and desktop platforms, streamlined information, and back-end improvements. They developed internal communications strategies related to COVID-19 phased re-opening of the workplace and continued to provide support for Foothill Transit Forward. The department refreshed Class Pass campaigns on all participating colleges and managed relationships and outreach with local colleges transitioning to the new Metro GoPass program. They also participated in the annual ABBG Customer Satisfaction Survey and launched events to engage local and national elected officials, celebrating the arrival of the first Hydrogen Fuel Cell buses and the grand opening of the Mt. SAC Transit Center.

For FY2024, the department will launch the agency's third annual Summer Sale program and develop new customer center campaigns to restore ridership. They will leverage the new website to formulate new customer

data analysis for demographic targeting and outreach. Targeted customer satisfaction surveys will be conducted, and the team will participate in the annual ABBG survey in the spring. Internal communications campaigns will be developed and revised to augment agency culture and team cohesion. A campaign and customer information outreach will be launched for upcoming Foothill Transit Forward service changes. Class Pass and Go Pass outreach will be reviewed and revised to leverage new on-campus facilities at both Mt. SAC and Cal Poly Pomona. A campaign will be launched to celebrate 35 years of Foothill Transit's service to the community, and the team will coordinate and execute the agency's co-hosting of the California Transit Association conference in Pasadena in October with Pasadena Transit and Access Services.



# Information Technology

The Information Technology (IT) Department is responsible for management, coordination, and implementation of information technology to ensure timely and cost-effective delivery of services to the public. The department provides data and communication solutions to Foothill Transit’s administrative staff, the transit stores, and the operations and maintenance contractors to achieve Foothill Transit’s goals and objectives.

The IT Department has expanded to cover the responsibilities of Cyber Security over infrastructure, data integrity, protection of personal identifiable information, securing data resources from outside attacks and constant system monitoring from vulnerabilities and malware.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 766,667	\$ 779,880	\$ 836,740
5260	Professional/Technical	-	125,000	125,000
5421	Copier	59	6,600	6,600
5430	Dues and Subscriptions	30	3,000	3,000
5550	Training and Conferences	13,709	46,500	46,500
5555	Travel and Meeting	-	4,000	4,000
5720	Other Contracted Services	493,971	657,390	914,690
5950	Repair & Maint. Other Equip.	9,148	8,000	8,000
6130	Telephone/Data	624,168	878,660	886,960
<b>Total</b>		<b>\$ 1,927,756</b>	<b>\$ 2,509,030</b>	<b>\$ 2,831,490</b>

**Budget Notes:**

5720 Increased due to additional Vmware licenses needed to upgrade the phone system  
 Cost of Nutanix hardware maintenance increased as additional hardware was purchased

The Information Technology (IT) department accomplished several important goals in **FY2023**. They replaced the aging virtual workstation servers that hosted the Transit store’s desktop computers, which improved the performance and reliability of the system. Additionally, the department replaced the outdated surveillance cameras at the Transit stores to ensure the security of the premises.

To mitigate new emerging cyber threats, the IT department also replaced the aging multi-factor authentication system. Moreover, they completed the replacement and configuration of the aging core switch for the administrative building, which improved network performance and stability. The department also replaced the aging Cisco Unified Computing System (UCS) that hosted the production servers, such as the computer-aided dispatch and automated vehicle locator.

Furthermore, the IT department pilot tested the new Software Defined Wide Area Network (SD-WAN) and procured the necessary hardware to replace network connectivity to administrative building and operating facilities in the next fiscal year.

In **FY2024**, the IT department plans to continue upgrading the aging network cabling at both operations and maintenance facilities. They will also continue to replace aging desktop computers for administrative building and contractors. Furthermore, the department will deploy new cybersecurity measures to mitigate new cyber threats and replace wireless access points at both yards to provide better coverage for CAD/AVL and surveillance video downloads.

The IT department will continue upgrading the servers to mitigate new cyber threats and pilot test new 5G technology for the operating and maintenance facilities to improve surveillance video downloads. Additionally, they plan to implement new Software Defined Wide Area Network (SD-WAN) to replace aging MPLS technology and improve network connectivity to operating facilities and transit stores.



# Administration

The Administration Department is responsible for providing management direction to all departments within the organization while executing the strategies and policies of the Board. Additionally, the Administration Department coordinates the organization's activities with the Federal Transit Administration (FTA) and provides Board support, office support, and coordination of the organization's records and central filing system.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 1,482,590	\$ 1,273,970	\$ 1,345,760
5250	Legal Fees	213,759	455,000	290,000
5260	Professional/Technical	44,755	63,000	363,000
5412	Board Stipend	62,434	66,000	67,000
5430	Dues and Subscriptions	51,420	25,000	27,500
5441	Postage/Express Mail	6,470	12,150	8,150
5550	Training and Conferences	31,549	86,000	84,000
5555	Business Travel and Meeting	12,500	81,000	81,000
5720	Other Contracted Services	3,699	3,000	3,000
5850	Office/General Supplies	22,078	20,000	10,000
<b>Total</b>		<b>\$ 2,345,601</b>	<b>\$ 2,085,120</b>	<b>\$ 2,279,410</b>

## Budget Notes:

- 5250 Conclusion of major legal case
- 5260 Includes additional consulting for Staff Development and Support
- 5991 Transferred to Safety and Security Department Budget



In the past fiscal year, the Administrative department at Foothill Transit provided essential support to the Executive Board and Governing Board. They ensured that communication between these boards was effective and productive. Additionally, they successfully advocated for federal funding to support the agency's capital projects.

The department also worked to enhance the agency's visibility and influence within the public transportation industry. This was achieved through strengthened involvement with organizations such as the American Public Transportation Association, California Transit Association, and Access Services. Furthermore, the department continued to actively engage in the Conference of Minority Transportation Officials (COMTO) and Women's Transportation Seminar (WTS), ensuring a diverse and inclusive approach.

In the upcoming fiscal year, the Administrative department has set out several initiatives to maintain their level of success. The department will continue to support the Executive and Governing Boards while maintaining effective communication between them. They will also advocate for federal funding to support Foothill Transit's capital projects.

The department will maintain strong involvement with the aforementioned organizations, including the American Public Transportation Association, California Transit Association, Access Services, COMTO, and WTS. By doing so, they will strengthen the agency's visibility and influence within the industry, as well as ensure a diverse and inclusive approach to public transportation.



# Procurement

The Procurement Department is responsible for supporting Foothill Transit’s mission through the timely completion of procurement and contract administration activities. It is also responsible for the disposition of capital assets and provides support for Foothill Transit’s Disadvantaged Business Enterprise program.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 499,878	\$ 538,170	\$ 650,200
5250	Legal Fees	184,968	270,000	285,000
5260	Professional/Technical	20,688	67,000	67,000
5300	Advertising and Promotion	3,048	6,500	7,200
5430	Dues and Subscriptions	260	2,600	2,600
5550	Training and Conferences	2,445	26,000	26,000
5555	Business Travel and Meeting	93	2,000	2,000
5720	Other Contracted Services	22,657	30,000	30,000
<b>Total</b>		<b>\$ 746,781</b>	<b>\$ 942,270</b>	<b>\$ 1,070,000</b>

Montebello

Industry

Whittier

The Procurement department at Foothill Transit achieved several milestones in FY2023. They earned their sixth consecutive National Procurement Institute's Achievement of Excellence in Procurement award. Additionally, the department coordinated agency administrative policies, procedures, and systems, ensuring that they were effective and compliant with Federal and State procurement guidelines. The department procured services to support capital activities at Foothill Transit's administrative building and maintenance and operating facilities. They also managed the procurement processes and successfully contracted or amended agreements for Operations and Maintenance services, fuel cell revenue vehicles, hydrogen fuel cell fueling stations, and other goods that are essential to the agency's mission.

The procurement department adapted to limitations on standard practices during the procurement process due to lingering supply chain issues resulting from the COVID-19 pandemic. They leveraged the utilization of the agency's electronic procurement platform, web-based meeting software, and electronic document workflows to increase department

efficiency and reduce operating costs.

For FY2024, the Procurement department aims to continue ensuring successful and timely procurement of goods and services to support Foothill Transit's mission. They plan to coordinate agency administrative policies, procedures, and systems and update the Procurement Policies and Procedures Manual to ensure compliance with Federal and State procurement guidelines.

Additionally, the department plans to procure any necessary emergency goods and services in response to any remaining supply chain or industry disruption resulting from the COVID-19 pandemic. They also aim to earn their seventh National Procurement Institute's Achievement of Excellence in Procurement award. The Procurement department will support Foothill Transit in the promotion of innovative concepts and methodologies, including opportunities with emerging technologies that will enhance service, security or efficiency. The department will manage the procurement process for major initiatives, including security hardening, fleet revenue vehicle replacement, and facilities equipment replacements.



# Government Relations

The Government Relations Department is responsible for overseeing federal, state and local legislative and regulatory activities including establishing and maintaining legislative contacts, tracking transit-related legislation and regulations, obtaining the maximum amount of federal, state and local funding, and informing stakeholders of pending government developments. Government Relations also supports legislative activities in the development of programs, policies and regulations for the agency's zero-emission bus program and public affairs outreach efforts.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 246,284	\$ 300,610	\$ 325,620
5265	Public Affairs	90,316	210,000	186,000
5430	Dues and Subscriptions	86,275	127,060	118,060
5550	Training and Conferences	532	100,500	100,500
5555	Business Travel and Meeting	429	57,500	57,500
	<b>Total</b>	<b>\$ 430,526</b>	<b>\$ 795,670</b>	<b>\$ 787,680</b>



The Government Relations department at Foothill Transit achieved several accomplishments in FY2023. They communicated and advocated for the agency's positions on legislative and regulatory proposals to key local, state, and federal governing bodies. Additionally, they successfully advocated for congressionally directed spending and community project funds to support Foothill Transit's zero-emission bus program. This resulted in the inclusion of \$4 million within the FY 2023 Federal Omnibus Budget Bill following the passage of the Consolidated Appropriations Act of 2023. The department also advocated for and obtained written support from lawmakers, local public agencies, and community organizations for Foothill Transit's federal and state grant applications to support the zero-emission bus program.

Furthermore, the Government Relations department strengthened industry involvement and enhanced Foothill Transit's visibility and influence with the American Public Transportation Association, California Transit Association, and Zero Emission Bus Resource Alliance. They also strengthened in-person and virtual agency visibility at various local legislative coalitions, including the Southern California Association of Governments, San Gabriel Valley Council of Governments, San Gabriel Valley Economic Partnership, San Gabriel Valley Public Affairs Network, and BizFed. Lastly, the department hosted tours of Foothill Transit's zero-emissions fleet and infrastructure for congressional and state legislative delegation and staff.

For FY2024, the Government Relations department plans to further cultivate existing relationships with federal, state, county, and local lawmakers and governing agencies.

They aim to maximize participation in public transportation associations and regional business associations to further advocate for legislation and policies that advance regional mobility and Foothill Transit's zero-emissions fleet and infrastructure expansion. Additionally, they plan to continue to communicate with local, state, and federal government legislative bodies on proposed policy changes and regulations that would impact Foothill Transit. The department also plans to develop and maintain regional and local participation to ensure effective partnerships, visibility, and influence with relevant transportation policies and projects.

The Government Relations department also plans to advocate for increased federal and state funding sources for transportation agencies, with an emphasis on capital investments for zero-emission technologies. They also plan to continue to enhance Foothill Transit's visibility, involvement, and influence with the American Public Transportation



# Finance

The Finance Department provides support services including accounting, payroll, financial planning, grant administration, budget development and long-range forecasting, accounts receivable billing and collections, and financial reporting for the organization. Finance also administers the required annual financial and compliance audits, oversees the investment portfolio, manages the defined contribution retirement program, and monitors cash flow. The department also manages the fare revenue collection system, fare rules and policies, and maintenance of related equipment, and manages human resources and benefits administration.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 1,647,223	\$ 1,633,490	\$ 1,756,120
5210	Audit Fees	47,290	70,000	80,000
5260	Professional/Technical	31,960	21,000	6,000
5410	Team Member Appreciation	466	21,000	17,080
5430	Dues and Subscriptions	11,004	17,200	18,980
5545	Tuition Reimbursement	30,185	32,000	36,750
5550	Training and Conferences	29,524	58,090	84,300
5555	Business Travel and Meeting	274	3,000	3,000
5720	Other Contracted Services	53,371	205,000	286,000
5741	Fare Collection Equip./Maint.	13,676	14,000	14,000
6210	Pass Sales Commission	190	5,000	5,000
6260	Fare Media	-	10,000	10,000
6261	Class Pass Media	-	5,000	5,000
<b>Total</b>		<b>\$ 1,871,842</b>	<b>\$ 2,094,780</b>	<b>\$ 2,322,230</b>

## Budget Notes:

- 5550 Additional training for Latinos in Transit and APTA Emerging Leaders
- 5720 Included budget for new HRIS Software which also includes one-time implementation fees
- 5720 Added additional Accounts Payable and GASB Reporting modules

In FY2023, the Finance department at Foothill Transit achieved several accomplishments. They updated the ten-year financial forecast and monitored budget progress to ensure financial stability. The department also completed numerous financial audits resulting in no material findings, showcasing their commitment to transparency and accountability. As a result of their efforts, Foothill Transit received the National Government Finance Officers Association award for excellence in financial reporting.

The department conducted a five-year capital improvement program call-for-projects, which aimed to improve the quality of service for Foothill Transit’s riders. They also successfully programmed and withdrew American Rescue Plan Act federal relief funds, which helped Foothill Transit navigate the challenges posed by the pandemic. The department prepared annual operating and capital budgets and an annual Business Plan that included annual cash flow for capital projects. They also prepared the Annual Comprehensive Financial Report and the annual revision to the Employee Handbook.

The Finance department represented Foothill Transit on several committees, including the Transportation Finance Learning Exchange (TFLEX), Bus Operator Subcommittee (BOS) of LA Metro, Neighborhood Homework House in Azusa, and the Women’s Transportation Seminar (WTS) Board of Directors. They continued to refine the automated Accounts Payable system and implemented a new financial accounting standard.

For FY2024, the Finance department plans to update the ten-year financial forecast and monitor the budget process. They aim to secure funding for the transition of Foothill Transit’s fleet to Zero-Emission Vehicles, which aligns with the agency’s commitment to sustainability. Additionally, the department plans to implement an automated human resources/payroll system and prepare an update to the Employee Handbook. They will also explore continued updates to Foothill Transit fare structure to better serve riders.



# Safety and Security

The Safety and Security Department represents the agency’s commitment to improving and maintaining safety, security and emergency management functions across all operations and services and is designed to incorporate safety, security, and emergency preparedness into every aspect of the organization. Safety and Security also administers both the Public Transportation Agency Safety Plan (PTASP) and the Security and Emergency Preparedness Plan (SEPP), oversees risk management, manages the safety and security training mandates, and monitors the law and supplemental security contractors. The department also manages security sensitive information (SSI) and maintenance of related equipment, and provides leadership promoting safety, security, and emergency preparedness throughout the organization and enforces related rules, policies, procedures, goals, and objectives.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ -	\$ 330,750	\$ 380,900
5260	Professional/Technical	-	35,000	145,000
5430	Dues and Subscriptions	-	21,500	26,500
5550	Training and Conferences	-	47,500	47,500
5555	Business Travel and Meeting	-	11,500	16,500
5600	Casualty & Liability Insurance	-	392,500	1,277,260
5720	Other Contracted Services	-	523,440	933,040
5721	Other Contracted Services - Facilities	-	555,000	855,000
<b>Total</b>		<b>\$ -</b>	<b>\$ 1,917,190</b>	<b>\$ 3,681,700</b>

**Budget Notes:**

- 5260 “Emergency Preparedness” added for increased readiness & training
- 5260 Threat Assessment Team and other specialized training
- 5600 Reflects an increase on current year premiums
- 5720 2 yr. professional assessment of needed law services
- 5720 Includes additional funding for approach to homelessness
- 5720 Specific Budget Item for Risk Management & Training
- 5721 Consistent with Board Approved Security Services contract
- 5721 Combining ADT Alarm with Transit Stores



# La Verne

In FY2023, the Safety and Security department at Foothill Transit achieved many objectives. They enhanced the Foothill Transit Watch application and increased its users. They partnered with the Joint Regional Intelligence Center (JRIC) to host regional critical infrastructure training at the Administrative offices. They started a new security services program which includes human guard services, mobile surveillance cameras with artificial intelligence, and remote monitoring.

The department implemented a protocol for conducting background investigations on newly hired staff and became a member of the FBI San Gabriel Valley Cyberhood Watch Program. They represented Foothill Transit on various boards, including the Peace Officers Association of Los Angeles County Board, Chiefs Special Agents, International Chiefs of Police Association, FBI InfraGard, and American Society for Industrial Security. The department also increased the Los Angeles County Sheriff's Department bus riding team schedule and strengthened relationships with regional law enforcement leaders.

They continued the Security and Emergency Preparedness Plan quarterly meetings with key stakeholders, an effective response to persons experiencing homelessness at no cost, and implemented a workplace violence prevention and intervention program. The department also deployed Flock Camera Automated License Plate Reader (ALPR) technology at key infrastructure locations and implemented some of the American Public Transportation Association (APTA) audit recommendations. They continued participation in FTA's Agency Safety Plan Peer Review program and implemented an Incident Command System compliant Event Action Planning process for key Foothill Transit events and operations.

In FY2024, the Safety and Security department plans to continue analyzing and implementing the TSA, CISA, FEMA, and APTA audits from FY2022 to improve safety and security. They will establish both a physical and virtual Emergency Operations Center and complete the security hardening project at the Irwindale/Arcadia Yard. The department plans to complete the procurement(s) for 21st Century technology systems, including access control, blue light security call stations, and surveillance cameras. They will build and train staff on the Everbridge platform to assist in both receiving and sending external and internal communications during critical events and emergency situations.

The department plans to conduct Table Top Exercises on Active Assailant, Cyber Attack, and Earthquake scenario based incidents, ensure TSA Training Rule requirements are completed, revise and update the Public Transportation Agency Safety Plan (3rd Revision), and implement training for Security and Emergency Preparedness and Business Continuity & Resiliency and conduct related table-top exercises. They will also explore the possibility of joining the California Joint Powers Insurance Agency (CJPIA).




# Planning


The Planning Department is responsible for service planning and Title VI reporting and compliance. This department consistently coordinates with member cities and local jurisdictions to ensure ADA compliance at all Foothill Transit bus stops. The department also budgets and monitors the purchased transportation costs of Foothill Transit's two operating contracts. In addition, the department participates in regional studies to improve regional mobility and provide better transit connections for transit-dependent populations. This department also manages and oversees the Bus Stop Enhancement Program.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salaries, Wages and Benefits	\$ 630,780	\$ 664,570	\$ 712,270
5260	Professional/Technical	576,143	450,000	310,000
5430	Dues and Subscriptions	2,735	4,200	4,200
5550	Training and Conferences	3,618	20,000	22,000
5710	Facilities Leases	-	12,000	12,000
5720	Other Contracted Services	269,933	316,700	348,000
6200	Bus Book Printing	6,838	180,000	170,000
<b>Total</b>		<b>\$ 1,504,588</b>	<b>\$ 1,647,470</b>	<b>\$ 1,578,470</b>


## Budget Notes:

- 5260 Removed costs related to the Comprehensive Operational Analysis
- 5720 Reflects increases to Remix and Avail MyStop Hosting


Introductions





**Doran Barnes**  
Chief Executive Officer




**Joe Raquel**  
Director of Planning




**Josh Landis**  
Planning Manager




**Lourdes Alvarez**  
Transit Planner




**Henry Lopez**  
Transit Planner



**James Gamez**  
Deputy Project Manager



**Melissa Holguin**  
Outreach Manager



**Celeste Miliam**  
Outreach Lead

In FY2023, the Planning department at Foothill Transit made significant progress in improving their transit services. They completed the Foothill Transit Forward Comprehensive Operational Analysis study and the public outreach period. They also connected the Silver Streak line to California State Polytechnic University, Pomona, and rerouted Line 188 to serve the Claremont Colleges.

To enhance customer experience, the Planning department added bus stop IDs to all Foothill Transit's bus stop blades, updated all Title VI signage for the Transit Stores and the Administrative Office's Board Room, and redesigned, reformatted, and modernized the Bus Book. They also modified Line 289's weekend service from 2-hour headways to 1-hour headways and restored pre-pandemic trips for Line 486. Furthermore, they modified Line 291's schedules to accommodate the

line's transition from battery electric buses to hydrogen fuel cell buses and integrated the new Mt. San Antonio Transit Center. They provided service to the Los Angeles County Fair.

For FY2024, the Planning department will implement the Foothill Transit Forward proposed routing changes into service, write and submit the 2023 Title VI Program, and implement the next generation transit signal priority along the Amar Rd. corridor. They will also print and distribute the updated Bus Book for all customers and constituents, update the system standards and policy guidelines for service planning and data reporting, and implement routing changes to serve the new Mt. San Antonio Transit Center. They will evaluate ridership and adjust service levels to meet ridership demands as more customers return to work and school.



Foothill Transit Service Area Map

# Facilities

The Facilities Department is responsible for all Foothill Transit's physical assets, including grounds, administrative offices, operations and maintenance facilities and parking structures. The department implements a comprehensive and strategic approach to developing, enhancing, and sustaining Foothill Transit's physical assets. In addition, the department plays a supporting role in the bus operations through the installation and upkeep of Foothill Transit's bus stop signage program.

Account Number	Account Name	FY2022 Actual	FY2023 Budget	FY2024 Budget
5100	Salary, Wages & Benefits	\$ 620,521	\$ 626,080	\$ 682,740
5151	Contracted Services-Facility	462,235	495,190	545,250
5260	Professional/Technical	2,282	2,000	2,000
5420	Contract Maintenance	154,682	277,360	312,130
5430	Dues & Subscriptions	12,211	14,150	14,150
5471	Janitorial	49,649	62,400	62,400
5550	Training and Conferences	4,489	19,500	21,850
5710	Transit Store Lease	284,807	297,600	324,150
5720	Other Contracted Services	51,403	92,700	96,200
5910	Tools and Materials	23,242	37,550	37,550
5950	Repair & Maint. Other Equip.	109,861	108,000	114,000
5991	Safety & Security	191,892	185,280	186,520
6100	Utilities	281,939	344,760	399,320
<b>Total</b>		<b>\$ 2,292,977</b>	<b>\$ 2,562,570</b>	<b>\$ 2,798,260</b>

## Budget Notes:

- 5151 New Transit Store and Facilities Techs contract effective Sept 2023
- 5420 New vendor for landscape services increased from IFB issuance in Feb 2023
- 6100 Increase in utilities for electricity and gas

In FY2023, the Facilities department at Foothill Transit accomplished several tasks. They completed the construction of the hydrogen fuel cell infrastructure and station at the Pomona O&M facility in May 2023, and also finished the construction of the electrical connections for the temporary hydrogen fuel cell station at the Pomona O&M Facility. Additionally, the department completed the construction of Arcadia-Irwindale facility security enhancement improvements at the employee overflow parking lot. The Facilities Transit Asset Management Plan for the Arcadia Irwindale and Pomona Operations & Maintenance Facilities was also updated.

For FY2024, the Facilities department at Foothill Transit has several initiatives planned. Construction of the Mt. SAC Transit Center is currently underway and is expected to be completed in June 2023. They plan to complete the construction of the gas detection modifications for the hydrogen fuel cell bus implementation at the Pomona O&M facility, and for the replacement of the HVAC system at Arcadia-Irwindale O&M facility. The

department will also begin the Pomona O&M facility steam bay lift replacement, remodel the conference room with audio/visual upgrades at Administrative Office Building, and renovate the 3rd floor office space.

Other initiatives include beginning the design replacement of parking lot lighting at Administrative Office building parking lot with energy efficient LED light fixtures, the design of the Pomona Parking Lot Repairs and Reseal, and the design replacement of CNG Compressors at Pomona O&M facility. The Facilities department will also begin the design of the Arcadia O&M Landscape and Irrigation Replacement, the conceptual design of 2nd floor renovation at the administrative office building, and tenant improvements of commercial space at Covina Transit Center. They will also complete the Feasibility Study for the proposed Cal Poly Pomona Bronco Mobility Hub and continue to partner with the SGVCOG Energy Wise Partnership to reach for Platinum level status for the 2022-2023 Energy Champions Award in December 2023.

