



Metro

*One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room*

Agenda - Final

Wednesday, March 6, 2024

10:00 AM

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5647249# (English) or 7292892# (Español)

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**Measure M Independent Taxpayer Oversight
Committee**

*Richard Stanger – Chair
Ryan Campbell – Vice Chair
Linda Briskman
Stephen Heaney
Paul Rajmaira
Virginia Tanzmann*

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Clerk and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at <https://www.metro.net> or on CD's and as MP3's for a nominal charge.

DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 working hours) in advance of the scheduled meeting date. Please telephone (213) 364-2837 or (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

Requests can also be sent to boardclerk@metro.net.

LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 364-2837 or (213) 922-4600. Live Public Comment Instructions can also be translated if requested 72 hours in advance.

Requests can also be sent to boardclerk@metro.net.



323.466.3876

x2 *Español (Spanish)*

x3 *中文 (Chinese)*

x4 *한국어 (Korean)*

x5 *Tiếng Việt (Vietnamese)*

x6 *日本語 (Japanese)*

x7 *русский (Russian)*

x8 *Հայերէն (Armenian)*

HELPFUL PHONE NUMBERS AND EMAIL

Copies of Agendas/Record of Board Action/Recordings of Meetings - (213) 922-4880 (Records Management Department) - <https://records.metro.net>

General Information/Rules of the Board - (213) 922-4600

Internet Access to Agendas - <https://www.metro.net>

TDD line (800) 252-9040

Board Clerk Email - boardclerk@metro.net

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

Live Public Comment Instructions:

Live public comment can be given by telephone and in-person.

The Committee Meeting begins at 10:00 AM Pacific Time on March 6, 2024; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 202-735-3323 and enter
English Access Code: 5647249#
Spanish Access Code: 7292892#

Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

Instrucciones para comentarios publicos en vivo:

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 10:00 AM, hora del Pacifico, el 6 de Marzo de 2024. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

Marque: 202-735-3323 y ingrese el codigo
Codigo de acceso en ingles: 5647249#
Codigo de acceso en espanol: 7292892#

Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.
Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."
Email: BoardClerk@metro.net
Post Office Mail:
Board Administration
One Gateway Plaza
MS: 99-3-1
Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

1. **SUBJECT: REMARKS BY THE CHAIR** [2024-0069](#)
RECOMMENDATION
RECEIVE remarks by the Chair.
2. **SUBJECT: MINUTES** [2024-0122](#)
RECOMMENDATION
APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 6, 2023.
Attachments: [MINUTES - Measure M December 6, 2023](#)
3. **SUBJECT: ORAL REPORT ON BUDGET AND SERVICE METRICS** [2024-0085](#)
RECOMMENDATION
RECEIVE oral report on review of the Measure M transit operations budget and countywide bus service metrics to support discussion on the effective and efficient use of funds.
Attachments: [Presentation](#)
4. **SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2023** [2024-0064](#)
RECOMMENDATION
RECEIVE AND FILE the Independent Auditor's Report on:
 - A. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund for the Fiscal Year ended June 30, 2023, completed by BCA Watson Rice, LLP (BCA);
 - B. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2023, completed by Vasquez & Company, LLP (Vasquez); and
 - C. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2023, completed by Simpson & Simpson, CPAs (Simpson).

SUBJECT: GENERAL PUBLIC COMMENT

[2024-0120](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S
SUBJECT MATTER JURISDICTION

Adjournment



Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Board Report

File #: 2024-0122, File Type: Minutes

Agenda Number: 2.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 6, 2024

SUBJECT: MINUTES

RECOMMENDATION

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 6, 2023.



MINUTES

Wednesday, December 6, 2023

10:00 AM

Measure M Independent Taxpayer Oversight Committee

DIRECTORS PRESENT:

**Richard Stanger – Chair
Ryan Campbell – Vice Chair
Linda Briskman
Stephen Heaney
Virginia Tanzmann***

***Attended Virtually
John Graham Library
9 Parsonage St
Newville, PA 17241**

CALLED TO ORDER: 10:00 A.M.

ROLL CALL

1. SUBJECT: REMARKS BY THE CHAIR

2023-0713

RECEIVED remarks by the Chair.

Chair Stanger welcomed all present and mentioned that the Committee is now back on track for regularly scheduled quarterly meetings.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | A | P |

2. SUBJECT: REMARKS BY THE DEPUTY CHIEF EXECUTIVE OFFICER **2023-0730**

RECEIVED remarks by the Deputy Chief Executive Officer.

Deputy Chief Executive Officer Gookin updated the Committee that the 5-year assessment was presented to the October Finance, Budget, and Audit Committee where Board Director Horvath added an amendment which directed the CEO to report back to the Board every 6-months with an update on the implementation of the recommendations. Following the Committee recommendation, it was approved with this amendment by the full Board at the October Board meeting.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

3. SUBJECT: MINUTES

2023-0718

APPROVED Minutes of the Measure M Independent Taxpayer Oversight Committee Meetings held September 13, 2023 and October 5, 2023.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| Y | Y | Y | A | Y | Y |

| | | | | | |
|------------------|------------------|----------------|------------------|-----------------|------------------|
| LB = L. Briskman | RC = R. Campbell | SH = S. Heaney | PR = P. Rajmaira | RS = R. Stanger | VT = V. Tanzmann |
|------------------|------------------|----------------|------------------|-----------------|------------------|

LEGEND: Y = YES, N = NO, C = CONFLICT, ABS = ABSTAIN, A = ABSENT, P = PRESENT

4. SUBJECT: ORAL REPORT ON THE BUDGET

2023-0724

RECEIVED oral report on the Measure M Subfund Budget and Expenses to support discussion on the effective and efficient use of funds.

Chair Stanger asked why the expenses of the capital program are half of what was budgeted. Staff responded it relates to invoice timing and cash flow being as capital projects span multiple years.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

5. SUBJECT: ORAL REPORT ON LOCAL RETURN

2023-0708

RECEIVED oral report on Local Return programmed revenues and uses for Los Angeles County jurisdictions to support discussion on the effective and efficient use of funds.

As it relates to bus stops, Chair Stanger asked what staff was doing. Staff responded that the Board approved a motion directing staff to look at new ones. The Chair followed up with a comment about how approximately 85% of local return is spent on streets and roads. Staff confirmed that Metro cannot control what that money is spent on and when asked, they can confirm what the money is eligible for. Additionally, staff tells community members to speak with their local leaders and at public meetings about what is important to them for their local dollars.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

6. SUBJECT: STATE OF GOOD REPAIR

2023-0561

RECEIVED oral report on State of Good Repair budget and expenses.

Chair Stanger asked how the targets are determined on the FTA TAM Performance Measures/Targets Table to which staff answered the asset owners determine the target. The Chair questioned why the track infrastructure target was 1% last year, why would it not be 1% again this year. Staff clarified that the FTA wants to verify that Metro is reporting on these numbers and at this time, Metro has a long slow zone on the Red Line which is causing us to break the 1% target. As Metro has more and more maintenance issues, the number will get closer to 2% which is still low across the country for heavy rail.

(Item 6 – continued on next page)

(continued from previous page)

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

7. SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY CAPITAL PROJECTS **2023-0695**

RECEIVED oral report on Transit and Highway Capital Projects to support discussion on the effective and efficient use of funds.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

8. SUBJECT: MEASURE M ACTIVE TRANSPORTATION UPDATES **2023-0686**

RECEIVED oral report on Measure M Active Transportation, programmed revenues and uses to support discussion on the effective and efficient use of funds.

Chair Stanger commented that the dashboard offers a lot of statistics for the projects but no descriptions. He asked that the descriptions and names be added to the projects.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

9. SUBJECT: ORAL REPORT ON VISIONARY SEED FUNDING **2023-0699**

RECEIVED oral report on Visionary Seed Fund Projects.

| RC | LB | SH | PR | VT | RS (Chair) |
|----|----|----|----|----|---------------|
| P | P | P | A | P | P |

Adjourned at 11:06 A.M.

Prepared by: Collette Langston
Board Clerk, Board Administration



 Collette Langston, Board Clerk



Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Board Report

File #: 2024-0085, **File Type:** Oral Report / Presentation

Agenda Number: 3.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 6, 2024**

SUBJECT: ORAL REPORT ON BUDGET AND SERVICE METRICS

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on review of the Measure M transit operations budget and countywide bus service metrics to support discussion on the effective and efficient use of funds.

ATTACHMENTS

Attachment A - Presentation

Prepared by: Cosette Stark, DEO, Local Programming, (213) 922-2822
Michelle Navarro, Senior Executive Officer, Finance, (213) 922-3056

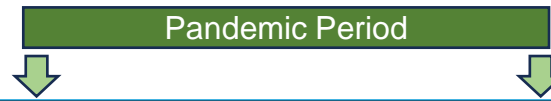
Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Countywide Bus Transit Efficiency & Effectiveness

Measure M Independent Taxpayer Oversight Committee
March 6, 2024 Meeting
Cosette Stark, DEO, Local Programming

County Vehicle Revenue Hours (VRH) Restoring from Pandemic



| Operators | FY19 | FY20 | FY21 | FY22 | Change in VRH ¹ | Change in % ¹ |
|----------------------------|-------------------|-------------------|------------------|------------------|----------------------------|--------------------------|
| Antelope Valley | 208,043 | 201,101 | 185,453 | 208,013 | (30) | 0% |
| Arcadia | 27,442 | 24,827 | 23,111 | 24,148 | (3,294) | -12% |
| Claremont | 3,131 | 2,267 | 1,103 | 2,380 | (751) | -24% |
| Commerce | 41,567 | 35,713 | 30,538 | 44,012 | 2,445 | 6% |
| Culver City | 171,837 | 159,167 | 125,667 | 132,216 | (39,621) | -23% |
| Foothill | 858,500 | 850,559 | 843,237 | 794,370 | (64,130) | -7% |
| Gardena | 145,601 | 124,004 | 80,798 | 95,890 | (49,711) | -34% |
| LADOT | 833,048 | 844,023 | 782,604 | 801,939 | (31,109) | -4% |
| La Mirada | 7,088 | 5,468 | 3,437 | 5,377 | (1,711) | -24% |
| Long Beach | 748,552 | 643,188 | 509,615 | 604,236 | (144,316) | -19% |
| Montebello | 240,943 | 197,125 | 168,223 | 172,673 | (68,270) | -28% |
| Norwalk | 102,003 | 101,632 | 99,229 | 95,912 | (6,091) | -6% |
| Redondo Beach | 40,812 | 38,636 | 35,888 | 40,725 | (87) | 0% |
| Santa Clarita | 219,413 | 200,301 | 145,241 | 166,623 | (52,790) | -24% |
| Santa Monica | 566,128 | 507,227 | 399,646 | 418,023 | (148,105) | -26% |
| Torrance | 174,464 | 159,338 | 143,774 | 120,425 | (54,039) | -31% |
| Metro Bus Ops ² | 6,837,259 | 6,251,582 | 5,300,914 | 6,200,410.00 | (636,849) | -9% |
| Total | 11,225,831 | 10,346,158 | 8,878,478 | 9,927,372 | (1,298,459) | -12% |

¹Change Columns compare FY19 vs. FY22 Data

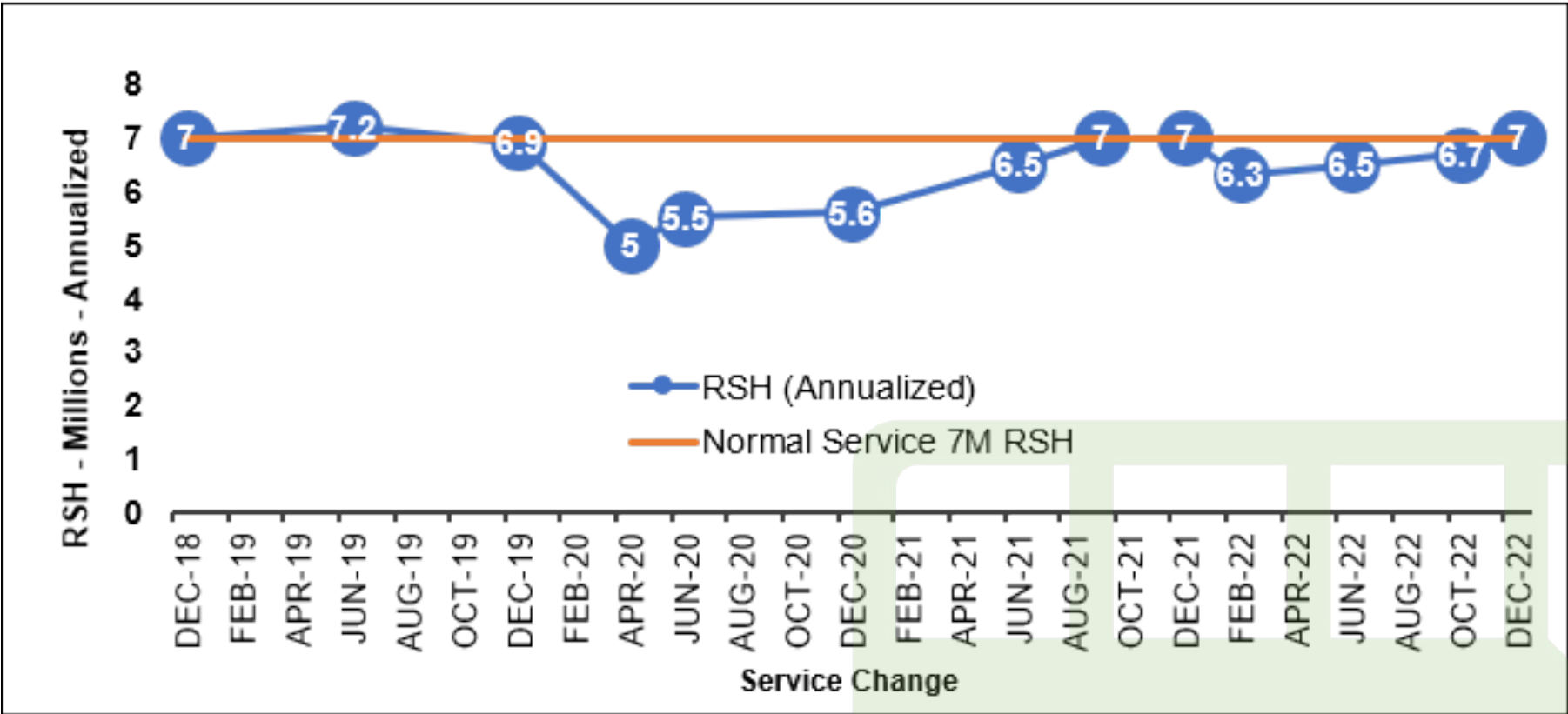
²Metro Bus Ops includes Bus & Demand Response for FY 21 & FY22 - G Line not included



- Bus service levels bottomed out in FY21
- Service restoration began FY21 & as of FY22 was 12% below pre-pandemic levels

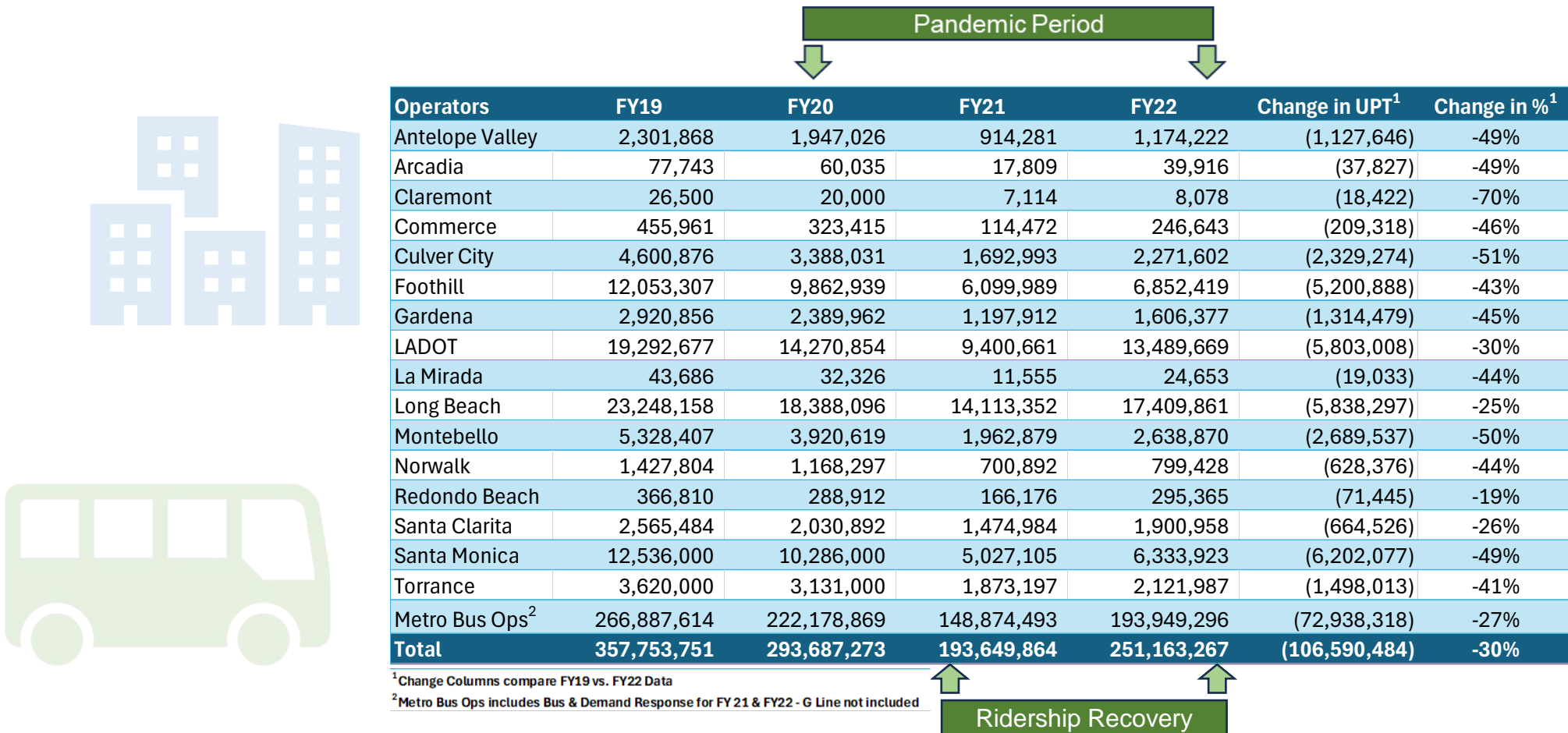


COVID-19 Impacts on Metro Bus Service Levels



■ Revenue Service Hours (RSH) = VRH

County Unlinked Passenger Trips (UPT) Rebound from Pandemic



- Ridership bottomed out in FY21
- Ridership recovery in FY22 representing 70% of pre-pandemic levels



National Transit Database (NTD) Efficiency & Effectiveness Metrics for FY22

Annual Countywide Service Statistics

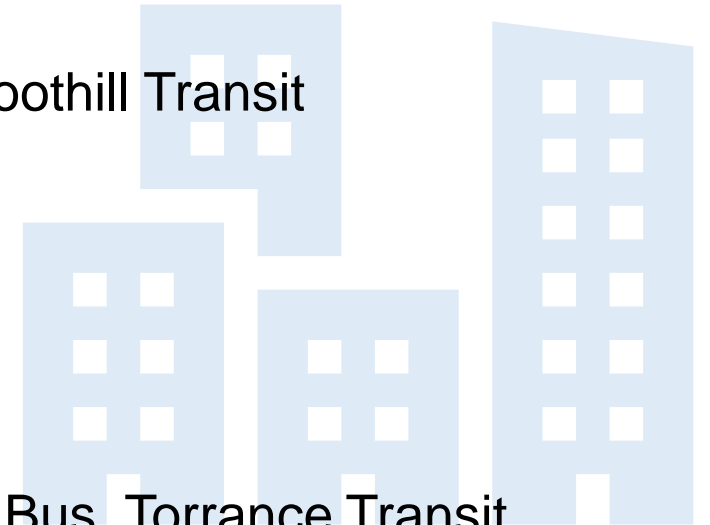
- Operating Expenses (Op\$): \$1.75 billion - (Metro Op\$ comprised 67%)
- Unlinked Passenger Trips (UPT): 251 million - (Metro served 77%)
- Vehicle Service Miles (VSM): 110 million - (Metro provided 59%)
- Measure M contributed \$176.9 million for countywide bus operations in FY22

Service Efficiency Metric Averages

- Op\$ per VSM: \$14.01
- Op\$ per VRH: \$157.06
- Top 4 in Combined Rank = Arcadia, Redondo Beach, Claremont, Foothill Transit

Service Effectiveness Metric Averages

- Op\$ per Passenger Miles Traveled (PMT): \$5.41
- Op\$ per UPT: \$18.70
- UPT/VSM: 1.1
- UPT/VRH: 31.1
- Top 4 in Combined Rank = Metro, Long Beach Transit, Culver City Bus, Torrance Transit



NTD Efficiency & Effectiveness Metrics for FY22

Efficiency Metrics

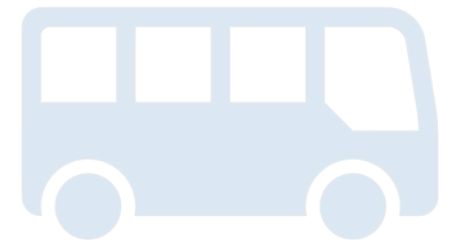
| Operator | Ops \$/VSM | Ops \$/VRH | Combined Rank |
|-----------------|------------|------------|---------------|
| Antelope Valley | \$ 9.58 | \$ 151.62 | 7 |
| Arcadia | 8.52 | 77.10 | 1 |
| Claremont | 12.19 | 126.11 | 3 |
| Commerce | 15.31 | 153.95 | 8 |
| Culver City | 17.64 | 179.10 | 12 |
| Foothill | 9.39 | 131.19 | 4 |
| Gardena | 19.47 | 240.10 | 17 |
| LADOT | 10.51 | 133.90 | 5 |
| La Mirada | 19.03 | 179.91 | 14 |
| Long Beach | 17.22 | 169.40 | 11 |
| Montebello | 14.84 | 154.59 | 9 |
| Norwalk | 14.33 | 155.88 | 10 |
| Redondo Beach | 10.39 | 111.15 | 2 |
| Santa Clarita | 8.86 | 150.08 | 6 |
| Santa Monica | 18.82 | 178.68 | 13 |
| Torrance | 14.00 | 187.79 | 15 |
| Metro Bus+DR | 18.11 | 189.45 | 16 |

+Metro Bus+DR does not include G Line

Effectiveness Metrics

| Operator | Ops \$/PMT | Ops \$/UPT | UPT/VSM | UPT/VRH | Combined Rank |
|-----------------|------------|------------|---------|---------|---------------|
| Antelope Valley | \$ 2.59 | \$ 26.86 | 0.4 | 5.6 | 13 |
| Arcadia | N/A | 46.65 | 0.2 | 1.7 | 17 |
| Claremont | 24.92 | 37.15 | 0.3 | 3.4 | 16 |
| Commerce | 7.43 | 27.47 | 0.6 | 5.6 | 14 |
| Culver City | 2.72 | 10.42 | 1.7 | 17.2 | 3 |
| Foothill | 2.84 | 15.21 | 0.6 | 8.6 | 10 |
| Gardena | 4.00 | 14.33 | 1.4 | 16.8 | 9 |
| LADOT | 3.46 | 7.96 | 1.3 | 16.8 | 5 |
| La Mirada | 15.07 | 39.24 | 0.5 | 4.6 | 15 |
| Long Beach | 1.97 | 5.93 | 2.9 | 28.8 | 2 |
| Montebello | 3.43 | 10.88 | 1.5 | 15.3 | 6 |
| Norwalk | 4.48 | 18.71 | 0.8 | 8.3 | 11* |
| Redondo Beach | 4.20 | 15.33 | 0.7 | 7.3 | 11* |
| Santa Clarita | 2.11 | 13.25 | 0.7 | 11.4 | 8 |
| Santa Monica | 3.34 | 11.79 | 1.6 | 15.2 | 7 |
| Torrance | 2.11 | 10.66 | 1.3 | 17.6 | 4 |
| Metro Bus+DR | 1.93 | 6.06 | 3.0 | 31.3 | 1 |

*Norwalk and Redondo Beach tied for 11



FY22 Countywide Bus Service Data

| Operator | Ops \$ | UPT | PMT | VSM | VRH |
|-----------------|-------------------------|--------------------|-----------------------|-----------------------|---------------------|
| Antelope Valley | \$ 33,047,734 | 1,174,222 | 12,175,905.00 | 3,290,764.00 | 208,013.00 |
| Arcadia | 1,912,894 | 39,916 | N/A | 218,476.00 | 24,148.00 |
| Claremont | 326,336 | 8,078 | 13,094.00 | 24,629.00 | 2,380.00 |
| Commerce | 6,775,505 | 246,643 | 912,458.00 | 442,589.00 | 44,012.00 |
| Culver City | 26,145,620 | 2,271,602 | 8,700,060.00 | 1,342,113.00 | 132,216.00 |
| Foothill | 104,211,857 | 6,852,419 | 36,731,081.00 | 11,098,644.00 | 794,370.00 |
| Gardena | 23,646,737 | 1,606,377 | 5,749,812.00 | 1,182,570.00 | 95,890.00 |
| LADOT | 108,978,905 | 13,489,669 | 30,996,054.00 | 10,219,817.00 | 801,939.00 |
| La Mirada | 967,935 | 24,653 | 64,189.00 | 50,841.00 | 5,376.00 |
| Long Beach | 103,201,656 | 17,409,861 | 52,291,054.00 | 5,942,465.00 | 604,236.00 |
| Montebello | 28,700,653 | 2,638,870 | 8,367,956.00 | 1,798,456.00 | 172,673.00 |
| Norwalk | 14,956,387 | 799,428 | 3,336,444.00 | 1,043,476.00 | 95,912.00 |
| Redondo Beach | 4,543,348 | 295,365 | 1,078,272.00 | 437,141.00 | 40,725.00 |
| Santa Clarita | 25,006,905 | 1,900,958 | 11,948,303.00 | 2,820,892.00 | 166,623.00 |
| Santa Monica | 74,691,603 | 6,333,923 | 22,368,015.00 | 3,969,681.00 | 418,023.00 |
| Torrance | 22,850,260 | 2,121,987 | 10,728,908.00 | 1,615,022.00 | 120,425.00 |
| Metro Bus+DR | 1,174,652,024 | 193,949,296 | 608,145,141.00 | 64,871,337.00 | 6,200,410.00 |
| Total | \$ 1,754,616,359 | 251,163,267 | 813,606,746.00 | 110,368,913.00 | 9,927,371.00 |

+Metro Bus+DR does not include G Line





Board Report

File #: 2024-0064, **File Type:** Informational Report

Agenda Number: 4.

**MEASURE M INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE
MARCH 6, 2024**

SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2023

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Independent Auditor’s Report on:

- A. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund for the Fiscal Year ended June 30, 2023, completed by BCA Watson Rice, LLP (BCA);
- B. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2023, completed by Vasquez & Company, LLP (Vasquez); and
- C. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2023, completed by Simpson & Simpson, CPAs (Simpson).

ISSUE

The oversight process stipulated in the Measure M Ordinance requires that an annual audit be completed within six months after the end of the fiscal year to determine compliance with the provisions of the Ordinance, and the Measure M Guidelines developed by Metro, related to the receipt and expenditure of sales tax revenues during the fiscal year. The audit must be provided to the Oversight Committee so that the Oversight Committee can review the results of the audit performed and make findings as to whether LACMTA and local subrecipients are in compliance with the terms of the Ordinance.

BACKGROUND

On November 9, 2016, Los Angeles County voters approved Measure M which imposed a half-cent transaction and use tax for transportation, and the indefinite extension of an existing half-cent sales

tax (Measure R) also dedicated to transportation and originally set to expire in 2039. Measure M, also known as the Los Angeles County Traffic Improvement Plan Ordinance (Ordinance) establishes an Independent Taxpayer Oversight Committee and an oversight process to ensure that the Los Angeles County Metropolitan Transportation Authority (LACMTA) complies with the terms of the Ordinance.

DISCUSSION

The following summarizes the independent auditor's report on the Schedule of Revenues and Expenditures for the Measure M Special Revenue Fund:

Management Audit Services contracted with BCA to perform the independent audit of the LACMTA, as required by the Ordinance. BCA conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that BCA plan and perform the audit to obtain reasonable assurance about whether the Schedule of Measure M Revenues and Expenditures (Schedule) is free of material misstatement.

The auditors found that the Schedule referred to above presents fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America. The auditors also found that LACMTA complied, in all material respects, with the requirements of the Ordinance for the fiscal year ended June 30, 2023.

The following summarizes the independent auditor's report on Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines:

Management Audit Services contracted with two firms, Vasquez and Simpson, to conduct the audits of Measure M sales tax revenues used by the County of Los Angeles (County) as well as the 88 cities (Cities). The firms conducted the audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the independent auditors plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements in the Ordinance which could have a direct and material effect on the Measure M Local Return program occurred.

Vasquez concluded that the County and the 39 Cities complied in all material respects, with the requirements in the Ordinance that are applicable to the Measure M Local Return program for the fiscal year ended June 30, 2023. Vasquez found two (2) instances of noncompliance, which are summarized in Schedule 2 of Attachment B.

Simpson concluded that the 49 Cities complied, in all material respects, with the requirements in the Ordinance that are applicable to the Measure M Local Return program for the fiscal year ended June 30, 2023. Simpson found nine (9) instances of noncompliance, which are summarized in Schedule 2 of Attachment C.

NEXT STEPS

A public hearing will be scheduled to report on the results of the audits and receive public input.

ATTACHMENT(S)

- A. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund (BCA)
- B. Report on Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines (Vasquez)
- C. Report on Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines (Simpson and Simpson)

Prepared by: Kimberly Houston, Deputy Chief Auditor, (213) 922-4720
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Reviewed by: Sharon Gookin, Deputy Chief Executive Officer, (213) 418-3101

Los Angeles County
Metropolitan Transportation Authority

**Independent Auditor's Report
On Schedule of Revenues and Expenditures
For
Measure M Special Revenue Fund**

**For the Fiscal Year Ended June 30, 2023
(With Comparative Totals For 2022)**



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Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
For the Year Ended June 30, 2023

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Independent Auditor's Report

Measure M Independent Taxpayer Oversight Committee
Los Angeles County Metropolitan Transportation Authority

Report on the Audit of the Schedule of Measure M Revenues and Expenditures

Opinion

We have audited the accompanying Schedule of Measure M Revenues and Expenditures (the Schedule) of the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the fiscal year ended June 30, 2023, and the related notes to the Schedule, which collectively comprise LACMTA's basic Schedule as listed in the table of contents.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2023, 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 and the standards applicable to financial audits contained in *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 Schedule section of our report. We are required to be independent of the LACMTA and to meet our 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.

Emphasis of Matter

As discussed in Note 3 to the Schedule, the accompanying Schedule of Revenues and Expenditures of the Measure M Fund is intended to present the revenues and expenditures attributable to the Measure M Fund. They do not purport to, and do not, present fairly the financial position of the LACMTA, as of June 30, 2023, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our report is not modified with respect to this matter.

Responsibilities of Management for the Schedule of Measure M Revenues and Expenditures

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule of Measure M Revenues and Expenditures

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is 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 generally accepted auditing standards 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 Schedule.

In performing an audit in accordance with generally accepted auditing standards 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 Schedule, 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 Schedule.
- 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 the LACMTA'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 Schedule.

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 budgetary comparison information be presented to supplement the basic Schedule. Such information is the responsibility of management and, although not a part of the basic Schedule, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic Schedule 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 Schedule, and other knowledge we obtained during our audit of the basic Schedule. 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of expenditures by subfund and programs - budget to actual and the schedule of fund balances by subfund and programs for the fiscal year ended and as of June 30, 2023, on pages 10 and 11 are presented for purposes of additional analyses and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the Schedule of Measure M Revenues and Expenditures of LACMTA, and we expressed an unmodified audit opinion in our report dated November 17, 2022. In our opinion, the summarized comparative information presented herein for the fiscal year ended June 30, 2023, is consistent, in all material respects, with the audited Schedule from which it has been derived.

BCA Watson Rice, LLP

Torrance, CA
November 28, 2023

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2023
(With Comparative Totals for 2022)
(Amounts expressed in thousands)

| | 2023 | 2022 |
|--|--------------|--------------|
| Revenues | | |
| Sales tax | \$ 1,106,177 | \$ 1,089,933 |
| Intergovernmental | 1,581 | - |
| Investment income | 29,304 | 5,900 |
| Net decline in fair value of investments | (1,647) | (15,666) |
| | 1,135,415 | 1,080,167 |
| Total revenues | | |
| Expenditures | | |
| Administration and other | 64,634 | 57,292 |
| Transportation subsidies | 346,936 | 327,855 |
| | 411,570 | 385,147 |
| Total expenditures | | |
| Excess of revenues over expenditures | 723,845 | 695,020 |
| Other financing sources (uses) | | |
| Transfers in | 837 | - |
| Transfers out | (685,159) | (256,030) |
| | (684,322) | (256,030) |
| Total other financing sources (uses) | | |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ 39,523 | \$ 438,990 |

The Notes to the Schedule of Revenues and Expenditures are an integral part of this Schedule.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2023

The Notes to the Schedule of Revenues and Expenditures are summaries of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying schedule of revenues and expenditures.

Unless otherwise stated, all dollar amounts are expressed in thousands.

1. Organization

General

The Los Angeles County Metropolitan Transportation Authority (LACMTA) is governed by a Board of Directors composed of five members of the County Board of Supervisors, the Mayor of the City of Los Angeles, three members appointed by the Mayor, and four members who are either mayors or members of a city council and have been appointed by the Los Angeles County City Selection Committee to represent the other cities in the County and a non-voting member appointed by the Governor of the State of California.

LACMTA is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder, and operator for one of the country's largest and most populous counties. More than 10 million people, about one-third of California's residents, live, work, and play within its 1,433-square-mile service area.

Measure M

Measure M, also known as Ordinance No. 16-01, the Los Angeles County Traffic Improvement Plan, is a special revenue fund used to account for the proceeds of the voter-approved one-half percent sales tax that became effective on November 8, 2016, and the rate of the tax shall increase to one percent on July 1, 2039, immediately upon expiration of the one-half percent sales tax imposed by Traffic Relief and Rail Expansion Ordinance (Measure M).

Revenues collected are required to be allocated in the following manner: 1) 5% for Metro rail operations; 2) 20% for transit operations (Metro and Municipal Providers); 3) 2% for ADA Paratransit for the disabled and Metro discounts for seniors and students; 4) 35% for transit construction; 5) 2% for Metro State of Good Repair projects; 6) 17% for highway construction; 7) 2% for Metro active transportation program; 8) 16% for local return - base for local projects and transit services; and 9) 1% for local return for regional rail.

2. Summary of Significant Accounting Policies

The Schedule of Revenues and Expenditures for the Measure M Special Revenue Fund was prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles for governments.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2023

2. Summary of Significant Accounting Policies (Continued)

The most significant of LACMTA's accounting policies with regard to the special revenue fund type are described below:

Fund Accounting

LACMTA utilizes fund accounting to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Governmental Funds are used to account for most of LACMTA's governmental activities. The measurement focus is a determination of changes in financial position, rather than a net income determination. LACMTA uses the governmental fund type Special Revenue Fund to account for Measure M sales tax revenues and expenditures. Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Basis of Accounting

The modified accrual basis of accounting is used for the special revenue fund type. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, which means measurable (amount can be determined) and available (collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period).

Budgetary Accounting

The established legislation and adopted policies and procedures provide that the LACMTA's Board approves an annual budget. Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles in the United States of America for all governmental funds.

Prior to the adoption of the budget, the Board conducts public hearings for discussion of the proposed annual budget and at the conclusion of the hearings, but no later than June 30, adopts the final budget. All appropriations lapse at fiscal year-end. The budget is prepared by fund, project, expense type, and department. The legal level of control is at the fund level and the Board must approve additional appropriations.

By policy, the Board has provided procedures for management to make revisions within operational or project budgets only when there is no net dollar impact on the total appropriations at the fund level. Budget amendments are made when needed.

Annual budgets are adopted by LACMTA on the modified accrual basis of accounting for the special revenue fund types, on a basis consistent with GAAP as reflected in the Schedule.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2023

2. Summary of Significant Accounting Policies (Continued)

Investment Income and Net Decline in Fair Value of Investments

Investment income and net decline in fair value of investments are shown on the Schedule of Revenues and Expenditures. LACMTA maintains a pooled cash and investments account that is available for use by all funds, except those restricted by State statutes. For the fiscal year ended June 30, 2023, the Measure M fund had an investment income of \$29,304 and a net decline in the fair value of investments of \$1,647. The net decline in investments was mainly due to a decrease in the fair market value of the investment portfolios mostly invested in bonds, which are sensitive to changes in interest rates.

Use of Estimates

The preparation of the Schedule in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Financial Data

The amounts shown for 2022 in the accompanying Schedule are included only to provide a basis for comparison with 2023 and are not intended to present all information necessary for a fair presentation in accordance with Generally Accepted Accounting Principles.

3. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund

The Schedule is intended to reflect the revenues and expenditures of the Measure M fund only. Accordingly, the Schedule does not purport to, and does not, present fairly the financial position of the LACMTA and changes in the financial position thereof for the year then ended in conformity with Generally Accepted Accounting Principles in the United States of America.

4. Intergovernmental Transactions

Any transaction conducted with a governmental agency outside the complete jurisdiction of LACMTA will be recorded in an account designated as Intergovernmental.

5. Operating Transfers

Amounts reflected as operating transfers represent permanent, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. All operating transfers in/out of the Measure M Special Revenue Fund have been made in accordance with all expenditure requirements of the Measure M Ordinance.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2023

6. Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses

The Measure M fund at June 30, 2023 had an excess of revenues over expenditures and other financing uses of \$39,523 primarily due to higher sales tax and investment income. The foregoing factors contributed to the increase in Measure M Fund balance from \$1,111,432 to \$1,150,955 at June 30, 2023.

8. Audited Financial Statements

The audited financial statements for the Measure M Special Revenue Fund for the fiscal year ended June 30, 2023, are included in LACMTA's Audited Annual Comprehensive Financial Report (ACFR).

9. Contingent Liabilities

LACMTA is aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of LACMTA.

10. Subsequent Events

In preparing the Schedule of Measure M Revenues and Expenditures, LACMTA has evaluated events and transactions for potential recognition or disclosure through November 28, 2023, the date the schedule was available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that required recognition or additional disclosure in the Schedule.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Revenues and Expenditures – Budget and Actual
For the Fiscal Year Ended June 30, 2023
(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|---------------------|------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Sales tax | \$ 1,031,800 | \$ 1,031,800 | \$ 1,106,177 | \$ 74,377 |
| Intergovernmental | 10,607 | 10,607 | 1,581 | (9,026) |
| Investment income | - | - | 29,304 | 29,304 |
| Net decline in fair value of investments | - | - | (1,647) | (1,647) |
| Total revenues | <u>1,042,407</u> | <u>1,042,407</u> | <u>1,135,415</u> | <u>93,008</u> |
| Expenditures | | | | |
| Administration and other | 99,977 | 97,070 | 64,634 | 32,436 |
| Transportation subsidies | 407,887 | 405,710 | 346,936 | 58,774 |
| Total expenditures | <u>507,864</u> | <u>502,780</u> | <u>411,570</u> | <u>91,210</u> |
| Excess of revenues over expenditures | <u>534,543</u> | <u>539,627</u> | <u>723,845</u> | <u>184,218</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 15,456 | 15,456 | 837 | (14,619) |
| Transfers out | (779,694) | (779,694) | (685,159) | 94,535 |
| Total other financing sources (uses) | <u>(764,238)</u> | <u>(764,238)</u> | <u>(684,322)</u> | <u>79,916</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | <u>\$ (229,695)</u> | <u>\$ (224,611)</u> | <u>\$ 39,523</u> | <u>\$ 264,134</u> |

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Expenditures by Subfund and Programs – Budget and Actual
For the Fiscal Year Ended June 30, 2023
(Amounts expressed in thousands)

| Subfund | Programs | Final Budget | Actual | Variance with Final Budget |
|---|-------------------------------------|---------------------|---------------------|-------------------------------|
| | Program: | | | |
| <i>Transit Operating and Maintenance</i> | Metro rail operations | \$ - | \$ 137,102 | \$ (137,102) |
| | Transit operations | 71,999 | 229,937 | (157,938) |
| | ADA Paratransit | 20,326 | 12,440 | 7,886 |
| <i>Transit/First/ Last Mile (Capital)</i> | Transit construction | 591,762 | 330,057 | 261,705 |
| | Metro State of Good Repair | 31,531 | 11,389 | 20,142 |
| <i>Highway, Active Transportation, Complete Streets (Capital)</i> | Highway construction | 335,262 | 166,189 | 169,073 |
| | Metro active transportation program | 25,608 | 8,747 | 16,861 |
| <i>Local Return/ Regional Rail</i> | Local return | 162,457 | 185,229 | (22,772) |
| | Regional rail | 11,745 | 10,788 | 957 |
| | Total Program | 1,250,690 | 1,091,878 | 158,812 |
| Administration | Administration | 16,328 | 4,014 | 12,314 |
| | Total | \$ 1,267,018 | \$ 1,095,892 | \$ 171,126 |

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Fund Balances by Subfund and Programs
For the Fiscal Year Ended June 30, 2023
(Amounts expressed in thousands)

| Subfund | Programs | Balance, July 1, 2023 | Revenues | | | Expenditures/Uses of Funds | | | | Fund Balance |
|---|-------------------------------|--------------------------|------------------------|-------------------|---------------------|----------------------------|---|------------------------------------|----------------------------|---------------------|
| | | | Revenue Allocations | Other Revenues | Total Revenues | Admin | Local Return / Transportation Subsidies | Transfers-out/ Capital Projects | Other Financing Sources | |
| <i>Transit Operating & Maintenance</i> | Program: | | | | | | | | | |
| | Metro Rail Operations | \$ 91,985 | \$ 54,095 | \$ 1,128 | \$ 55,223 | \$ - | \$ - | \$ (137,102) | \$ - | \$ 10,106 |
| | Transit Operations | 398,841 | 225,063 | (670) | 224,393 | - | (71,940) | (157,997) | - | 393,297 |
| | ADA Paratransit | (65) | 22,072 | (135) | 21,937 | - | - | (12,440) | - | 9,432 |
| <i>Sub-total</i> | | 490,761 | 301,230 | 323 | 301,553 | - | (71,940) | (307,539) | - | 412,835 |
| <i>Transit/First/ Last Mile (Capital)</i> | Transit Construction | (52,099) | 387,020 | (1,056) | 385,964 | (15,884) | (2,197) | (312,813) | 837 | 3,808 |
| | Metro State of Good Repair | 21,751 | 22,625 | (200) | 22,425 | - | - | (11,390) | - | 32,786 |
| | <i>Sub-total</i> | (30,348) | 409,645 | (1,256) | 408,389 | (15,884) | (2,197) | (324,203) | 837 | 36,594 |
| <i>Highway, Active Transportation, Complete Streets (Capital)</i> | Highway Construction | 582,635 | 202,606 | (2,316) | 200,290 | (37,795) | (85,520) | (42,873) | - | 616,737 |
| | Active Transportation Program | 53,403 | 23,328 | (323) | 23,005 | (6,165) | (813) | (1,769) | - | 67,661 |
| | <i>Sub-total</i> | 636,038 | 225,934 | (2,639) | 223,295 | (43,960) | (86,333) | (44,642) | - | 684,398 |
| <i>Local Return/ Regional Rail</i> | Local Return | - | 185,229 | - | 185,229 | - | (185,229) | - | - | - |
| | Regional Rail - Metrolink | 9,755 | 11,167 | (22) | 11,145 | (776) | (1,237) | (8,775) | - | 10,112 |
| | <i>Sub-total</i> | 9,755 | 196,396 | (22) | 196,374 | (776) | (186,466) | (8,775) | - | 10,112 |
| Total program | | \$ 1,106,206 | \$ 1,133,205 | \$ (3,594) | \$ 1,129,611 | \$ (60,620) | \$ (346,936) | \$ (685,159) | \$ 837 | \$ 1,143,939 |
| <i>Administration</i> | Administration | 5,226 | 5,846 | (42) | 5,804 | (4,014) | - | - | - | 7,016 |
| Grand Total | | <u>\$ 1,111,432</u> | <u>\$ 1,139,051</u> | <u>\$ (3,636)</u> | <u>\$ 1,135,415</u> | <u>\$ (64,634)</u> | <u>\$ (346,936)</u> | <u>\$ (685,159)</u> | <u>\$ 837</u> | <u>\$ 1,150,955</u> |



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**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***

Measure M Independent Taxpayer Oversight Committee
Los Angeles County Metropolitan Transportation Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Revenues and Expenditures (the Schedule) for Measure M Special Revenue Fund of the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the fiscal year ended June 30, 2023, and the related notes to the Schedule, which collectively comprised LACMTA's basic Schedule, and have issued our report thereon dated November 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the LACMTA'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 opinions on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the LACMTA's internal control. Accordingly, we do not express an opinion on the effectiveness of the LACMTA'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LACMTA's Schedule will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control 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.

BCA Watson Rice, LLP

Torrance, California
November 28, 2023



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**Independent Auditor's Report on Compliance with Requirements Applicable to
Measure M Revenues and Expenditures in Accordance with the
*Los Angeles County Traffic Improvement Plan Ordinance No. 16-01***

Measure M Independent Taxpayer Oversight Committee
Los Angeles County Metropolitan Transportation Authority

Report on Compliance

Opinion on Measure M Revenues and Expenditures

We have audited the Los Angeles County Metropolitan Transportation Authority (LACMTA) compliance with the *Los Angeles County Traffic Improvement Plan Ordinance No. 16-01* (the Ordinance) applicable to LACMTA's Measure M revenues and expenditures for the fiscal year ended June 30, 2023.

In our opinion, LACMTA complied, in all material respects, with the requirements referred to above that are applicable to the Measure M revenues and expenditures for the fiscal year ended June 30, 2023.

Basis for Opinion

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. 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 LACMTA 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. Our audit does not provide a legal determination of LACMTA'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 M revenues and expenditures.

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 LACMTA's compliance with Measure M revenues and expenditures 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 and *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 LACMTA's compliance with the requirements of the Measure M revenues and expenditures as a whole.

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 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 LACMTA's compliance with the compliance requirements referred to above and performing other procedures as necessary in the circumstances.
- Obtain an understanding of LACMTA'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 Measure M revenues and expenditures, but not for the purpose of expressing an opinion on the effectiveness of the LACMTA'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, 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 compliance requirement 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 have not been identified.

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 compliance requirements of the Measure M revenues and expenditures. Accordingly, this report is not suitable for any other purpose.

BCA Watson Rice, LLP

Torrance, California
November 28, 2023

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Summary of Current Year Audit Findings
For the Fiscal Year Ended June 30, 2023

None noted.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Status of Prior Year Audit Findings

None noted.



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE
WITH THE REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES**

**TO THE LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE
WITH THE REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES**

**TO THE LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Consolidated Audit Report
Fiscal Year Ended June 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE
WITH THE REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES**

**To the Board of Directors of the Los Angeles County Metropolitan Transportation Authority
and Measure M Independent Taxpayer Oversight Committee**

Report on Compliance

Opinion

We have audited the compliance of the County of Los Angeles (County) and the thirty-nine (39) Cities identified in the List of Package A Jurisdictions, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County voter-approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (Metro), approved by its Board of Directors on June 22, 2017 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by Metro, the County and the respective Cities for the year ended June 30, 2023 (collectively, the Requirements). Compliance with the aforementioned Guidelines and Requirements by the County and the Cities are identified in the accompanying Summary of Audit Results, Schedule 1 and Schedule 2.

In our opinion, the County and the Cities complied, in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2023.

Basis for Opinion

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 Guidelines. Our responsibilities under those standards and the Guidelines are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of the County and the Cities 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 with the Guidelines. Our audit does not provide a legal determination of the County's and the Cities' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for the County's and the Cities' compliance with the Guidelines 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 agreements applicable to the County and each City's Measure M Local Return program.

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 the County's and the Cities' 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 Guidelines 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 the County's and the Cities' compliance with the requirements of the Guidelines as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guidelines, 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 the County's and the Cities' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's and the Cities' 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 Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the County's and the Cities' 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.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Guidelines and which are described in the accompanying Summary of Compliance Findings (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2023-001 and #2023-002. Our opinion is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the Cities' responses to the noncompliance findings identified in our compliance audits described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified. However, as discussed below, we did identify certain deficiency in internal control over compliance that we consider to be a material weakness.

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 the Guidelines 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 the Guidelines 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 the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Finding #2023-001 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Cities' responses to the internal control over compliance findings identified in our audits described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.



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 Guidelines. Accordingly, this report is not suitable for any other purpose.

Vasquez & Company LLP

Glendale, California
December 29, 2023

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
List of Package A Jurisdictions
Fiscal Year Ended June 30, 2023**

1. COUNTY OF LOS ANGELES
2. CITY OF AGOURA HILLS
3. CITY OF AZUSA
4. CITY OF BALDWIN PARK
5. CITY OF BELL
6. CITY OF BELL GARDENS
7. CITY OF BEVERLY HILLS
8. CITY OF CALABASAS
9. CITY OF CARSON
10. CITY OF COMMERCE
11. CITY OF COMPTON
12. CITY OF CUDAHY
13. CITY OF CULVER CITY
14. CITY OF EL MONTE
15. CITY OF GARDENA
16. CITY OF HAWTHORNE
17. CITY OF HIDDEN HILLS
18. CITY OF HUNTINGTON PARK
19. CITY OF INDUSTRY
20. CITY OF INGLEWOOD
21. CITY OF IRWINDALE
22. CITY OF LA PUENTE
23. CITY OF LAWNSDALE
24. CITY OF LYNWOOD
25. CITY OF MALIBU
26. CITY OF MAYWOOD
27. CITY OF MONTEBELLO
28. CITY OF MONTEREY PARK
29. CITY OF PICO RIVERA
30. CITY OF POMONA
31. CITY OF ROSEMEAD
32. CITY OF SAN FERNANDO
33. CITY OF SANTA FE SPRINGS
34. CITY OF SANTA MONICA
35. CITY OF SOUTH EL MONTE
36. CITY OF SOUTH GATE
37. CITY OF VERNON
38. CITY OF WALNUT
39. CITY OF WEST HOLLYWOOD
40. CITY OF WESTLAKE VILLAGE

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Compliance Area Tested
Fiscal Year Ended June 30, 2023

1. Funds were expended for transportation purposes.
2. Separate Measure M Local Return Account was established.
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.
4. Funds were expended with Metro's approval.
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.
6. Timely use of funds.
7. Administrative expenses are within the 20% cap.
8. Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.
9. Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.
10. Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.
11. Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.
14. Recreational transit form was submitted on time.
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.
16. Accounting procedures, record keeping and documentation are adequate.

SUMMARY OF AUDIT RESULTS

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Compliance Findings
Fiscal Year Ended June 30, 2023**

The audits of the County of Los Angeles and 39 cities have resulted in 2 findings. The table below summarizes those findings:

| Finding | # of Findings | Responsible Cities/ Finding No. Reference | Questioned Costs | Resolved During the Audit |
|---|----------------------|--|-------------------------|----------------------------------|
| Annual Expenditure Report (Actuals Entry) or electronic equivalent was submitted on time. | 1 | Lynwood (See Finding #2023-002) | None | None |
| Accounting procedures, record keeping and documentation are adequate. | 1 | Huntington Park (See Finding #2023-001) | None | None |
| Total Findings and Questioned Costs | 2 | | None | None |

Details of the above findings are in Schedule 2.

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023**

| | |
|-----------------------------|--|
| Finding #2023-001 | City of Huntington Park |
| Compliance Reference | Measure M Local Return Guidelines Section XXV states that, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines". |
| Condition | <p>As of the date of audit fieldwork, the City's year-end closing process is still ongoing. We noted the following observations:</p> <ul style="list-style-type: none"> • Reconciliation of major balance sheet accounts including bank accounts was not yet completed. • Cut-off procedures relating to year-end accruals were inadequate to ensure the recording of transactions in the proper period. This resulted in the City's adjustments which affected the prior period's account balances. • Beginning fund balances were not reconciled with the prior year's audited reports. <p>Accordingly, the audits of the City's financial statements for fiscal years 2022 and 2023 have not yet started because of the clean-up and closing process currently being done.</p> |
| Cause | During the fiscal years 2021 through 2023, the City lost several key employees, particularly in the Finance and Accounting Department. As such, there were delays in the closing of the City's books for the fiscal year 2023 and prior years. Currently, the accounting personnel and support staff are working towards closing the books and providing the closing entries, trial balances, schedules, reconciliations, account analysis, and other financial reports needed by management and the auditors. |
| Effect | The City was not in compliance with the audit requirements of the Local Return Guidelines. |

**Los Angeles County Metropolitan Transportation Authority
 Measure M Local Return Fund
 Schedule of Findings and Questioned Costs
 Fiscal Year Ended June 30, 2023
 (Continued)**

| Finding #2023-001 (Continued) | City of Huntington Park |
|--------------------------------------|---|
| Recommendation | <p>We recommend the City implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing the procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The timing of specific procedures could be coordinated with the timing of management's or the auditor's need for the information. These reconciliations will provide assurance that financial statements are complete and accurate.</p> |
| Management's Response | <p>The City is in the process of catching up on all accounting processes that have not been completed due to staff turnover and various other reasons. The new management team in the Finance and Accounting Department is putting procedures in place to ensure monthly and annual year-end closing processes are well documented and occur on time.</p> |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| | |
|---|---|
| Finding #2023-002 | City of Lynwood |
| Compliance Reference | Section XXV Administrative, Reporting Requirements Annual Expenditure Report (Actuals Entry) of Measure M Local Return Guidelines states that "Jurisdiction shall submit on or before October 15 th of each fiscal year an Annual Expenditure Report (Actuals Entry) to provide an update on previous year LR fund receipts and expenditures." |
| Condition | The City submitted its Annual Expenditure Report (Actuals Entry) on October 23, 2023, 8 days after the due date of October 15, 2023. |
| Cause | The City inadvertently missed the filing deadline. |
| Effect | The City was not in compliance with the reporting requirements of the Local Return Guidelines. |
| Recommendation | We recommend the City establish procedures and internal controls to ensure that the Annual Expenditure Report (Actuals Entry) is submitted by October 15 th as required by the Guidelines. |
| Management's Response | The City will ensure the Measure M Actuals Entry is submitted in a timely manner by October 15 th of each fiscal year. |
| Finding Corrected During the Audit | The City subsequently submitted the Annual Expenditure Report (Actuals Entry). No follow-up is required. |



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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE
WITH THE REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES**

**TO THE LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Simpson & Simpson, LLP
Certified Public Accountants

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Consolidated Audit Report
Fiscal Year Ended June 30, 2023**

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SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS
FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

**INDEPENDENT AUDITOR’S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE
WITH THE REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES**

To: Board of Directors of the Los Angeles County Metropolitan Transportation Authority
and Measure M Independent Taxpayer Oversight Committee

Report on Compliance

Opinion

We have audited the compliance of the forty-nine (49) Cities (the Cities) identified in the List of Package B Jurisdictions, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County voter-approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (Metro), approved by its Board of Directors on June 22, 2017 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by Metro, the respective Cities for the year ended June 30, 2023 (collectively, the Requirements). Compliance with the above noted Guidelines and Requirements by the Cities are identified in the accompanying Summary of Audit Results, Schedule 1 and Schedule 2.

In our opinion, the Cities complied, in all material respects, with the Guidelines and the Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2023.

Basis for Opinion

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 Guidelines. Our responsibilities under those standards and the Guidelines are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Cities 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 with the Guidelines. Our audit does not provide a legal determination of the Cities’ compliance with the compliance requirements referred to above.





Responsibilities of Management for Compliance

Management is responsible for the Cities' compliance with the Guidelines 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 agreements applicable to each City's Measure M Local Return program.

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 the Cities' 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 Guidelines 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 the Cities' compliance with the requirements of the Guidelines as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guidelines, 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 the Cities' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Cities' 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 Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the Cities' 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.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and the Requirements and which are described in the accompanying Summary of Compliance Findings (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2023-001 through #2023-009. Our opinion is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Cities' responses to the noncompliance findings identified in our compliance audits described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

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 the Guidelines 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 the Guidelines will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Finding #2023-004, that we consider to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2023-002 and #2023-006, that we consider to be significant deficiencies.

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.



Government Auditing Standards requires the auditor to perform limited procedures on the Cities' responses to the internal control over compliance findings identified in our audits described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 Guidelines. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Simpson & Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California
December 29, 2023

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
List of Package B Jurisdictions
Fiscal Year Ended June 30, 2023**

- | | |
|----------------------------------|-----------------------------------|
| 1. CITY OF ALHAMBRA | 31. CITY OF PALMDALE |
| 2. CITY OF ARCADIA | 32. CITY OF PALOS VERDES ESTATES |
| 3. CITY OF ARTESIA | 33. CITY OF PARAMOUNT |
| 4. CITY OF AVALON | 34. CITY OF PASADENA |
| 5. CITY OF BELLFLOWER | 35. CITY OF RANCHO PALOS VERDES |
| 6. CITY OF BRADBURY | 36. CITY OF REDONDO BEACH |
| 7. CITY OF BURBANK | 37. CITY OF ROLLING HILLS |
| 8. CITY OF CERRITOS | 38. CITY OF ROLLING HILLS ESTATES |
| 9. CITY OF CLAREMONT | 39. CITY OF SAN DIMAS |
| 10. CITY OF COVINA | 40. CITY OF SAN GABRIEL |
| 11. CITY OF DIAMOND BAR | 41. CITY OF SAN MARINO |
| 12. CITY OF DOWNEY | 42. CITY OF SANTA CLARITA |
| 13. CITY OF DUARTE | 43. CITY OF SIERRA MADRE |
| 14. CITY OF EL SEGUNDO | 44. CITY OF SIGNAL HILL |
| 15. CITY OF GLENDALE | 45. CITY OF SOUTH PASADENA |
| 16. CITY OF GLENDORA | 46. CITY OF TEMPLE CITY |
| 17. CITY OF HAWAIIAN GARDENS | 47. CITY OF TORRANCE |
| 18. CITY OF HERMOSA BEACH | 48. CITY OF WEST COVINA |
| 19. CITY OF LA CANADA FLINTRIDGE | 49. CITY OF WHITTIER |
| 20. CITY OF LA HABRA HEIGHTS | |
| 21. CITY OF LA MIRADA | |
| 22. CITY OF LA VERNE | |
| 23. CITY OF LAKEWOOD | |
| 24. CITY OF LANCASTER | |
| 25. CITY OF LOMITA | |
| 26. CITY OF LONG BEACH | |
| 27. CITY OF LOS ANGELES | |
| 28. CITY OF MANHATTAN BEACH | |
| 29. CITY OF MONROVIA | |
| 30. CITY OF NORWALK | |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Compliance Area Tested
Fiscal Year Ended June 30, 2023

1. Funds were expended for transportation purposes.
2. Separate Measure M Local Return Account was established.
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.
4. Funds were expended with Metro's approval.
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.
6. Timely use of funds.
7. Administrative expenses are within the 20% cap.
8. Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.
9. Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.
10. Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.
11. Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.
14. Recreational transit form was submitted on time.
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.
16. Accounting procedures, record keeping and documentation are adequate.

SUMMARY OF AUDIT RESULTS

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Compliance Findings
Fiscal Year Ended June 30, 2023**

The audit of the 49 cities identified in the List of Package B Jurisdictions have resulted in 9 findings. The table below summarize those findings:

| Finding | # of Findings | Responsible Cities/ Finding Reference | Questioned Costs | Resolved During the Audit |
|---|----------------------|--|--------------------------------------|--------------------------------------|
| Funds were expended with Metro's approval. | 2 | Arcadia (#2023-001) South Pasadena (#2023-009) | \$ 1,961 15,187 | \$ 1,961 15,187 |
| Expenditure Plan (Form M-One or electronic equivalent) was submitted on time. | 1 | Bradbury (#2023-003) | None | None |
| Expenditure Report (Form M-Two or electronic equivalent) was submitted on time. | 5 | Artesia (#2023-002) Bradbury (#2023-004) La Habra Heights (#2023-006) Palos Verdes Estates (#2023-007) Rolling Hills (#2023-008) | None None None None None | None None None None None |
| Accounting procedures, record keeping and documentation are adequate. | 1 | Glendora (#2023-005) | None | None |
| | | | | |
| Total Findings and Questioned Costs | 9 | | \$ 17,148 | \$ 17,148 |

Details of the findings are in Schedule 2

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

| Finding #2023-001 | City of Arcadia |
|----------------------------|---|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:... Verification that funds were expended with Metro’s approval.” |
| Condition | The expenditures for MMLRF's Project Code 820, Baldwin Avenue Streetscape Improvement Street, in the amount of \$1,961 were incurred prior to Metro’s approval. However, the City subsequently received an approved budget amount of \$500,000 from Metro for the said MMLRF project on November 30, 2023. |
| Cause | The finding was due to staff turnover among those responsible for submitting the budgets to Metro. |
| Effect | The City did not comply with the Measure M Local Return Guidelines as expenditures for the MMLRF project were incurred prior to Metro’s approval. |
| Recommendation | We recommend that the City establish procedures to ensure that it obtains approval from Metro prior to implementing any Measure M Local Return projects, properly enters the budgeted amount for each project into the LRMS and submits it before the requested due date so that the City’s expenditures of Measure M Local Return Funds are in accordance with Metro’s approval and the Measure M Local Return Guidelines. |
| Management’s Response | The finding was due to staff turnover among those responsible for submitting the budgets. Staff have since then addressed this matter with Metro. Metro has retroactively accepted this project. |
| Corrected During the Audit | Metro granted retroactive budget approval for the project on November 30, 2023. No follow-up is required. |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-002 | City of Artesia |
|----------------------------|---|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV, Administrative, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually, by October 15th (following the conclusion of the fiscal year)." |
| Condition | The City did not meet the October 15, 2023 deadline for submitting Form M-Two in the LRMS. Instead, the City submitted the information in the LRMS on December 18, 2023. This is a repeat finding from fiscal year 2022. |
| Cause | This was an oversight on the part of the City due to understaffed. |
| Effect | The City did not comply with the Measure M Local Return Guidelines. |
| Recommendation | We recommend that the City take the necessary steps to ensure that new administrative staff and management are fully aware of compliance requirements. This includes ensuring that Form M-Two is entered in the LRMS before the due date so that the City is in compliance with Measure M Local Return Guidelines. |
| Management's Response | The City is understaffed due to employee turnover. In the future, management will ensure that Form M-Two is submitted before the deadline. |
| Corrected During the Audit | The City subsequently entered the required information in the LRMS on December 18, 2023. No follow-up is required. |

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)**

| Finding #2023-003 | City of Bradbury |
|----------------------------|--|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV, Administrative, "To maintain legal eligibility and meet Measure M LR Program compliance requirements, Jurisdictions shall submit to Metro an Expenditure Plan (Form M-One), annually by August 1st of each year." |
| Condition | The City did not meet the August 1, 2022 deadline for submitting Form M-One in the LRMS. Instead, the City submitted the information in the LRMS on November 14, 2023. |
| Cause | It was due to the change in personnel in the City's finance department. |
| Effect | The City did not comply with the Measure M Local Return Guidelines. |
| Recommendation | We recommend that the City establish procedures to ensure that Form M-One is submitted in the LRMS before the due date so that the City is in compliance with Measure M Local Return Guidelines including procedures to ensure that new personnel are properly trained in the Measure M Local Return Guidelines. |
| Management's Response | The City accepts the finding and has established calendar notifications to remind the finance department to submit Form M-One before the due date. |
| Corrected During the Audit | The City subsequently submitted the required information in the LRMS on November 14, 2023. No follow-up is required. |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-004 | City of Bradbury |
|----------------------------|---|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV, Administrative, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually, by October 15th (following the conclusion of the fiscal year)." |
| Condition | The City did not meet the October 15, 2023 deadline for submitting Form M-Two in the LRMS. Instead, the City submitted the information in the LRMS on November 14, 2023. This is a repeat finding from fiscal years 2021 and 2022. |
| Cause | It was due to the change in personnel in the City's finance department. |
| Effect | The City did not comply with the Measure M Local Return Guidelines. |
| Recommendation | We recommend that the City establish procedures to ensure that Form M-Two is submitted in the LRMS before the due date so that the City is in compliance with Measure M Local Return Guidelines including procedures to ensure that new personnel are properly trained in the Measure M Local Return Guidelines. |
| Management's Response | The City accepts the finding and has established calendar notifications to remind the finance department to submit Form M-Two before the due date. |
| Corrected During the Audit | The City subsequently submitted the required information in the LRMS on November 14, 2023. No follow-up is required. |

**Los Angeles County Metropolitan Transportation Authority
 Measure M Local Return Fund
 Schedule of Findings and Questioned Costs
 Fiscal Year Ended June 30, 2023
 (Continued)**

| Finding #2023-005 | City of Glendora |
|----------------------|--|
| Compliance Reference | The Measure M Local Return Guidelines, Section XXV: Program Objective, states, “The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to cities and County of Los Angeles (Jurisdictions) may be used for purposes other than transportation purposes.” and Audit Requirements, “It is each Jurisdiction’s responsibility to maintain proper accounting records and documentation...” |
| Condition | <p>During our payroll testing, the City provided both the timesheets and the Special Funding Time Certification (Certification), a supplemental form for the timesheet. The pay periods tested were as follows:</p> <ul style="list-style-type: none"> a) September 4, 2022 b) January 22, 2023 c) May 28, 2023 <p>We noted salary discrepancies amounting to \$299 in three (3) payroll transactions tested. These differences were noted between the amounts recorded on the general ledger and those calculated from the hours shown in the Certification, when multiplied by the employees’ hourly rates. However, since the net effect of the payroll discrepancies resulted in an under allocation to the local return funds, these discrepancies will not be questioned.</p> |
| Cause | In reviewing the Certification and timecards, it was discovered that the employees did not fill out their timecards properly by breaking out the number of hours reported on the Certification and the rest of the working hours to the General Fund. In this discovery, it was determined that the General Fund paid for hours that should have been charged to MMLRF, resulting in an under allocation of salaries to the local return funds. |
| Effect | Payroll discrepancies resulting from improper timecard management and limited HR data access can lead to misallocation of the local return funds. |
| Recommendation | We recommend that the City strengthen its controls to ensure accuracy of hours allocated to the local return fund’s projects. This includes verifying that all supporting documentation, such as the timesheets and Certifications, consistently reflects the hours worked. |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-005 (Continued) | City of Glendora |
|--|--|
| Management's Response | <p>The City is implementing a new finance system that will require electronic entry, thereby eliminating manual entry, in which the proper funds will be charged for the time worked on projects and will be better managed by the City. However, in order to resolve this issue at the present time, the employees will now be required to attach and submit the Certification with the timecard to the supervisor for validation that the hours are listed accurately and broken down according to the appropriate funds to be charged.</p> <p>Furthermore, the City plans to have a discussion meeting on providing access to HR files to the Finance department employees for any payroll-related documents that is requested so they can be provided to the Metro auditor during the audit.</p> |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-006 | City of La Habra Heights |
|----------------------------|---|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV, Administrative, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually, by October 15th (following the conclusion of the fiscal year)." |
| Condition | The City did not meet the October 15, 2023 deadline for submitting the Annual Expenditure Report in the LRMS. Instead, the City submitted the information in the LRMS on November 20, 2023. This is a repeat finding from fiscal year 2022. |
| Cause | This was an oversight by the City due to recent turnover among administrative staff and management. |
| Effect | The City did not comply with the Measure M Local Return Guidelines. |
| Recommendation | We recommend that the City take the necessary steps to ensure that new administrative staff and management are fully aware of compliance requirements. This includes ensuring the annual actual expenditures are entered in the LRMS before the due date so that the City is in compliance with the Measure M Local Return Guidelines. |
| Management's Response | In the future, management will ensure the Annual Expenditure Report is submitted before the deadline. |
| Corrected During the Audit | The City subsequently entered the required information in the LRMS on November 20, 2023. No follow-up is required. |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-007 | City of Palos Verdes Estates |
|----------------------------|---|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV, Administrative, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually, by October 15th (following the conclusion of the fiscal year)." |
| Condition | The City did not meet the October 15, 2023 deadline for submitting Form M-Two in the LRMS. Instead, the City submitted the information in the LRMS on December 1, 2023. |
| Cause | This was an oversight by the City due to administrative staff and management turnover for not submitting the Form M-Two Report by the due date. |
| Effect | The City did not comply with the Measure M Local Return Guidelines. |
| Recommendation | We recommend that the City take the necessary steps to ensure that new administrative staff and management are fully aware of compliance requirements. This includes ensuring that Form M-Two is entered in the LRMS before the due date so that the City is in compliance with Measure M Local Return Guidelines. |
| Management's Response | The City is understaffed due to employee turnover. In the future, management will ensure Form M-Two is submitted before the deadline. |
| Corrected During the Audit | The City subsequently entered Form M-Two in the LRMS on December 1, 2023. No follow-up is required. |

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)**

| Finding #2023-008 | City of Rolling Hills |
|----------------------------|--|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV, Administrative, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to Metro annually by October 15th (following the conclusion of the fiscal year)." |
| Condition | The City did not meet the October 15, 2023 deadline for submitting Form M-Two in the LRMS. Instead, the City submitted the information in the LRMS on October 31, 2023. |
| Cause | This was due to an oversight on the part of the City. |
| Effect | The City did not comply with the Measure M Local Return Guidelines. |
| Recommendation | We recommend that the City establish procedures to ensure that Form M-Two is entered in the LRMS before the due date so that the City is in compliance with the Measure M Local Return Guidelines. |
| Management's Response | The City acknowledges the oversight and will ensure to submit the Form M-Two on or before October 15th. |
| Corrected During the Audit | The City subsequently entered the required information in the LRMS on October 31, 2023. No follow-up is required. |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-009 | City of South Pasadena |
|--------------------------|---|
| Compliance Reference | According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:... Verification that funds were expended with Metro’s approval.” |
| Condition | <p>The expenditures for the following MMLRF projects were incurred prior to Metro’s approval:</p> <ul style="list-style-type: none"> a. Planning, Engineering for Transit Services Project Code 180, in the amount of \$380. b. Planning, Engineering for Traffic Control Project Code 380, in the amount of \$7,593. c. Planning, Engineering for Transportation Marketing Project Code 580 in the amount of \$569. d. Planning, Engineering for Streets and Roads Project Code 780 in the amount of \$2,848. e. Planning, Engineering for Active Transportation Project Code 880 in the amount of \$3,797. <p>However, the City subsequently received approved budgets in the total amount of \$15,187 from Metro on December 4, 2023 for the same amounts of the expenditures incurred on all of the projects listed above.</p> |
| Cause | This finding occurred due to a misunderstanding of the coding system. The team was under the impression that the newly hired staff’s time can only be used as administrative expenditures, leading to the misallocation of the expenses. |
| Effect | The City did not comply with the Guidelines as expenditures for the MMLRF projects were incurred prior to Metro’s approval. |
| Recommendation | We recommend that the City establish procedures to ensure that it obtains approval from Metro prior to implementing any Measure M Local Return projects, properly enters the budgeted amount for each project into the Local Return Management System (LRMS) and submits it before the requested due date so that the City’s expenditures of Measure M Local Return Funds are in accordance with Metro’s approval and the Guidelines. |

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023
(Continued)

| Finding #2023-009 (Continued) | City of South Pasadena |
|--|--|
| Management's Response | The City is taking immediate steps to rectify the situation, including re-training the City staff on the coding system and reviewing all recent transactions to ensure that they are properly coded. The City also is implementing additional checks and balances to prevent similar issues in the future. |
| Corrected During the Audit | Metro Program Manager granted retroactive budget approval of the said projects on December 4, 2023. No follow-up is required. |

**FISCAL YEAR 2023
MEASURE M
REVENUES AND EXPENDITURES AUDIT
WITH
INTERNAL CONTROLS AND COMPLIANCE REPORT**

P R E S E N T A T I O N T O

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

MARCH 6, 2024



*2355 Crenshaw Blvd., Suite 150
Torrance, CA 90501
PH 310.792.4640*

Contents

- Auditor and LACMTA Management Responsibilities
- Summary of Audit Results
- Financial Highlights
- Required Communications
- Management Letter Comments

Responsibilities

☐ LACMTA Management Responsibilities

- Preparation of the Schedule of Measure M Revenues and Expenditures.
- Design, implementation and maintenance of internal control – free from material misstatement, whether due to fraud or error.

☐ Auditor's Responsibilities

- To express an opinion on the fair presentation on the Schedule of Measure M Revenues and Expenditures based on our audit.
- To express an opinion on compliance with the *Los Angeles County Traffic Improvement Plan* (Measure M Ordinance).

Summary of Audit Results

- Schedule of Measure M Revenues and Expenditures Audit
 - Unmodified opinion or clean opinion.
- No internal control material weaknesses over financial reporting identified.
- No significant internal control deficiencies over compliance identified.
- LACMTA complied with the *Los Angeles County Traffic Improvement Plan (Measure M Ordinance)*

Financial Highlights

- Sales tax revenue increased by \$16.2 million compared to prior year (1.5% change from prior year).
- Actual expenditures increased by \$26.4 million compared to prior year (6.9% change from prior year) due primarily to an increase in administration expenditures and bus transportation subsidies.
- Total other financing uses increased by \$428.3 million compared to prior year (167.3% change from prior year). Increase was mainly attributed to higher operating subsidy transfers to Enterprise Fund for bus and rail operations and increase in expenditures related to transit and highway constructions projects. Additionally, in fiscal year 2023 the operating subsidy for bus and rail operations was no longer offset by Covid-related grants.
- Actual sales tax revenue was more than budgeted by \$74.4 million.
- Actual expenditures was less than budgeted by \$91.2 mainly due to administration and transportation subsidies coming in less than budgeted amounts.
- Actual transfers out was less than budgeted by \$94.5 million mainly due to capital project costs coming in less than budgeted amounts.
- During fiscal year 2022-2023, the Measure M fund reported a surplus, with revenues exceeding expenditures and other financial uses by \$39.5 million. This resulted in an increase in the Measure M fund balance, growing from \$1.11 billion to \$1.15 billion as of June 30, 2023.

Required Communications

Items to be Communicated

Auditor's Responsibilities Under Generally Accepted Auditing Standards

- To express an opinion on the Schedule of Measure M Revenues and Expenditures.
- To provide reasonable, not absolute, assurance of detecting material misstatements.
- To gain a basic understanding of the internal control policies and procedures to design an effective and efficient audit approach.
- To inform LACMTA of any illegal acts that we become aware of.
 - None

Required Communications (Continued)

- Adoption/Change in accounting
 - None
- Significant or unusual transactions
 - None
- Alternative treatments discussed with management
 - None
- Significant issues discussed with management
 - None
- Difficulties encountered in performing the audit
 - We encountered no difficulties in dealing with management in performing or conducting the audit.

Required Communications (Continued)

- Consultations with other accountants
 - To our knowledge, no such consultation has occurred.
- Discussions held prior to retention
 - No major issues were discussed as a condition to our retention.
- Disagreements with management
 - Professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Schedule of Measure M Revenues and Expenditures or the auditor's report.
 - No such disagreements occurred.
- Management representation
 - We requested certain representations from management which are included in the management representation letter.

2023 Management Letter Comments

- There are no management letter comments.

Audited Financial Statements for Measure M Special Revenue Fund

- Included in LACMTA's June 30, 2023 Annual Comprehensive Financial Report (ACFR)

BCA Watson Rice LLP

Audit Engagement Team

- Rustico Cabilin, Engagement Partner (rcabilin@bcawr.com)
- Helen Chu, Quality Control Partner (hcu@bcawr.com)
- Lisa Reason, Senior Auditor (lreason@bcawr.com)
- Kristen Reyes, Staff Auditor (kreyes@bcawr.com)

QUESTIONS AND ANSWERS

**Measure M Local Return Fund Audit Results
For the Fiscal Year Ended June 30, 2023
(Package B)**

Simpson & Simpson, LLP



Measure M Independent Taxpayer Oversight Committee Meeting
Date: March 6, 2024

Agenda

- ❖ Presenters: Etta Hur, CPA, Partner
Austine Cho, Senior Audit Manager
 - Background
 - Summary of Findings
 - Analysis of Measure M Audit Results
 - S&S Contact Information
 - Questions



Background



Simpson and Simpson, LLP

- We have audited the compliance of the 49 cities (49 Jurisdictions under Package B).

| | |
|----------------------------------|-----------------------------------|
| 1. CITY OF ALHAMBRA | 31. CITY OF PALMDALE |
| 2. CITY OF ARCADIA | 32. CITY OF PALOS VERDES ESTATES |
| 3. CITY OF ARTESIA | 33. CITY OF PARAMOUNT |
| 4. CITY OF AVALON | 34. CITY OF PASADENA |
| 5. CITY OF BELLFLOWER | 35. CITY OF RANCHO PALOS VERDES |
| 6. CITY OF BRADBURY | 36. CITY OF REDONDO BEACH |
| 7. CITY OF BURBANK | 37. CITY OF ROLLING HILLS |
| 8. CITY OF CERRITOS | 38. CITY OF ROLLING HILLS ESTATES |
| 9. CITY OF CLAREMONT | 39. CITY OF SAN DIMAS |
| 10. CITY OF COVINA | 40. CITY OF SAN GABRIEL |
| 11. CITY OF DIAMOND BAR | 41. CITY OF SAN MARINO |
| 12. CITY OF DOWNEY | 42. CITY OF SANTA CLARITA |
| 13. CITY OF DUARTE | 43. CITY OF SIERRA MADRE |
| 14. CITY OF EL SEGUNDO | 44. CITY OF SIGNAL HILL |
| 15. CITY OF GLENDALE | 45. CITY OF SOUTH PASADENA |
| 16. CITY OF GLENDORA | 46. CITY OF TEMPLE CITY |
| 17. CITY OF HAWAIIAN GARDENS | 47. CITY OF TORRANCE |
| 18. CITY OF HERMOSA BEACH | 48. CITY OF WEST COVINA |
| 19. CITY OF LA CANADA FLINTRIDGE | 49. CITY OF WHITTIER |
| 20. CITY OF LA HABRA HEIGHTS | |
| 21. CITY OF LA MIRADA | |
| 22. CITY OF LA VERNE | |
| 23. CITY OF LAKEWOOD | |
| 24. CITY OF LANCASTER | |
| 25. CITY OF LOMITA | |
| 26. CITY OF LONG BEACH | |
| 27. CITY OF LOS ANGELES | |
| 28. CITY OF MANHATTAN BEACH | |
| 29. CITY OF MONROVIA | |
| 30. CITY OF NORWALK | |



Simpson and Simpson, LLP

- We conducted our audits of compliance in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in government auditing standards, and the compliance requirements described in the Measure M Ordinance, the Measure M Local Return Guidelines and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds.



Summary of Findings



Summary of Findings

- ❖ Audits were performed in all 49 jurisdictions.
 - Total dollar amounts associated with the findings decreased significantly from \$889,466 in FY2022 to \$17,148 in the FY2023 compliance audit.
 - Total questioned costs of \$17,148 is about 0.01% of the FY2023 Measure M allocations, which amounted to \$131,857,855 for jurisdictions under Package B.
 - Of the \$17,148 in questioned cost, it was identified that this amount related to funds expended on Measure M eligible projects without prior approval from Metro but was resolved during the audit.
 - There were a total of 9 non-compliance findings, including:
 - 1 material weakness (City of Bradbury)
 - 2 significant deficiencies (City of Artesia and City of La Habra Heights)

Further details about the specific conditions for the material weakness and the significant deficiencies in internal control over Compliance will be explained as each finding is presented.



Summary of Findings (Cont.)

| Finding | # of Findings | Responsible Cities/ Finding Reference | Questioned Costs | Resolved During the Audit |
|---|---------------|---|--------------------|---------------------------|
| Funds were expended with Metro's approval. | 2 | Arcadia (#2023-001) South Pasadena (#2023-009) | \$ 1,961 15,187 | \$ 1,961 15,187 |
| Expenditure Plan (Form M-One or electronic equivalent) was submitted on time. | 1 | Bradbury (#2023-003) | None | None |



Summary of Findings (Cont.)

| Finding | # of Findings | Responsible Cities/ Finding Reference | Questioned Costs | Resolved During the Audit |
|--|---------------|--|--------------------------------------|--------------------------------------|
| Expenditure Report (Form M-Two or electronic equivalent) was submitted on time. | 5 | Artesia (#2023-002) Bradbury (#2023-004) La Habra Heights (#2023-006) Palos Verdes Estates (#2023-007) Rolling Hills (#2023-008) | None None None None None | None None None None None |
| Accounting procedures, record keeping and documentation are adequate. | 1 | Glendora (#2023-005) | None | None |
| Total Findings and Questioned Cost | 9 | | \$ 17,148 | \$ 17,148 |



Analysis of Measure M Audit Results



Material Weakness and Significant Deficiency In Internal Controls over Compliance

➤ **One (1) material weakness:**

City of Bradbury (Finding #2023-004):

- The City did not meet the October 15, 2023 deadline for submitting the Annual Expenditure Report in the Local Return Management System (LRMS).
- The finding was due to personnel change in the City's finance department.
- The finding is a repeat occurrence, as it had also occurred in fiscal years 2021 and 2022.
- To address this issues, the City plans to establish calendar notifications to remind the finance department to submit the Expenditure Report before the due date.
- Resolved during the audit: the City subsequently entered the required information in the LRMS on November 14, 2023.



Material Weakness and Significant Deficiency In Internal Controls over Compliance

➤ **Two (2) significant deficiencies:**

City of Artesia (Finding #2023-002):

- The City did not meet the October 15, 2023 deadline for submitting the Annual Expenditure Report in the Local Return Management System (LRMS).
- The City was understaffed due to employee turnover.
- The finding is a repeat occurrence, as it had also occurred in fiscal year 2022.
- Resolved during the audit: the City subsequently entered the required information in the LRMS on December 18, 2023.



Material Weakness and Significant Deficiency In Internal Controls over Compliance

➤ **Two (2) significant deficiencies (continued):**

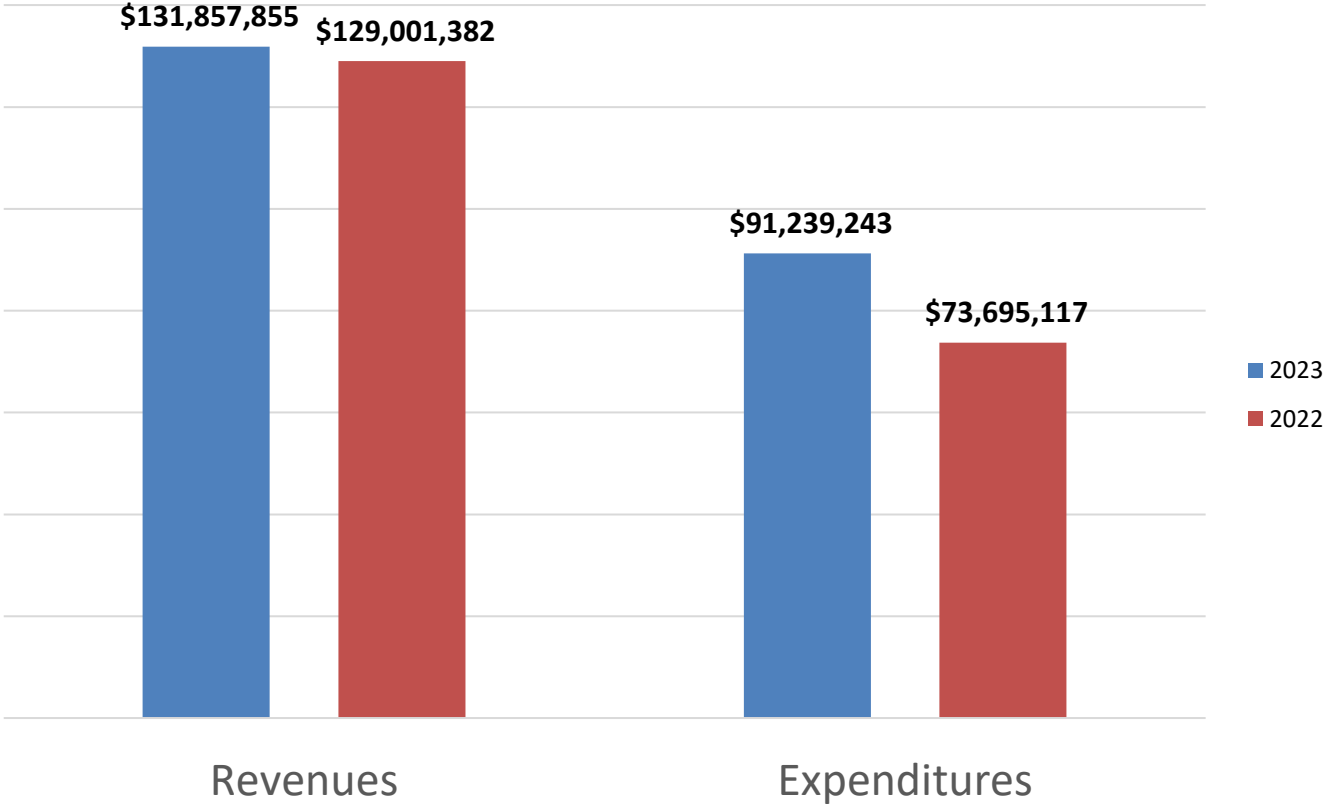
City of La Habra Heights (#2023-006):

- The City did not meet the October 15, 2023 deadline for submitting the Annual Expenditure Report in the Local Return Management System (LRMS).
- The City experienced turnover among administrative staff and management.
- The finding is a repeat occurrence, as it had also occurred in fiscal year 2022.
- Resolved during the audit: the City subsequently entered the required information in the LRMS on November 20, 2023.



Revenue and Expenditures of 49 Jurisdictions

FY 2023 & FY 2022 Revenues and Expenditures



Simpson & Simpson CPAs

Contact information

| Team member | Contact information |
|---|---|
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| Austine Cho Audit Senior Manager | Email: acho@simpsonllp.com |
| Samuel Qiu Managing Partner (SBE) | Email: samq@qiuaccountancy.com |
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Questions





Metro[®]

**PRESENTATION TO THE MEASURE M
INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE
MEASURE M LOCAL RETURN FUNDS
(Package A)**

March 6, 2024

/ AGENDA

- Scope of the Audits
- Levels of Assurance, Compliance Criteria and Auditing Standards Utilized
- Revenue and Expenditures of the County of Los Angeles and 39 Cities
- Overview of the Audit Results
- Details of Audit Results
- Material Weakness in Internal Control over Compliance
- Required Communications to the Measure M Independent Taxpayer Oversight Committee
- Q&A
- Contact Information

SCOPE OF THE AUDITS

/ SCOPE OF THE AUDITS

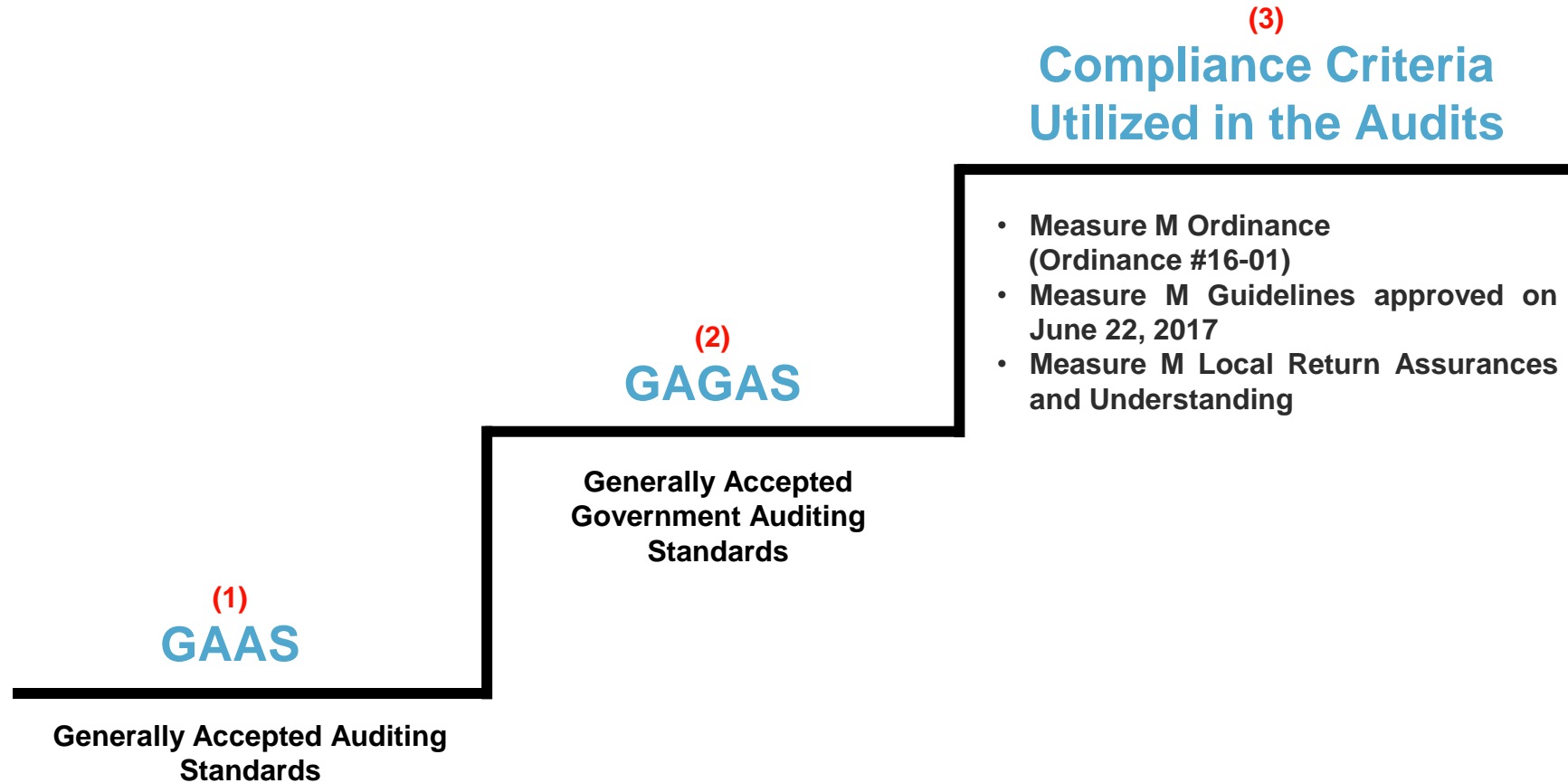
Financial and Compliance Audits of Measure M Local Return Funds held by the County of Los Angeles and 39 Cities under Package A

- | | | | |
|--------------------------|---------------------|-------------------|----------------------|
| 1. County of Los Angeles | 11. Compton | 21. Irwindale | 31. Rosemead |
| 2. Agoura Hills | 12. Cudahy | 22. La Puente | 32. San Fernando |
| 3. Azusa | 13. Culver City | 23. Lawndale | 33. Santa Fe Springs |
| 4. Baldwin Park | 14. El Monte | 24. Lynwood | 34. Santa Monica |
| 5. Bell | 15. Gardena | 25. Malibu | 35. South El Monte |
| 6. Bell Gardens | 16. Hawthorne | 26. Maywood | 36. South Gate |
| 7. Beverly Hills | 17. Hidden Hills | 27. Montebello | 37. Vernon |
| 8. Calabasas | 18. Huntington Park | 28. Monterey Park | 38. Walnut |
| 9. Carson | 19. Industry | 29. Pico Rivera | 39. West Hollywood |
| 10. Commerce | 20. Inglewood | 30. Pomona | 40. Westlake Village |



LEVELS OF ASSURANCE, COMPLIANCE CRITERIA AND AUDITING STANDARDS UTILIZED

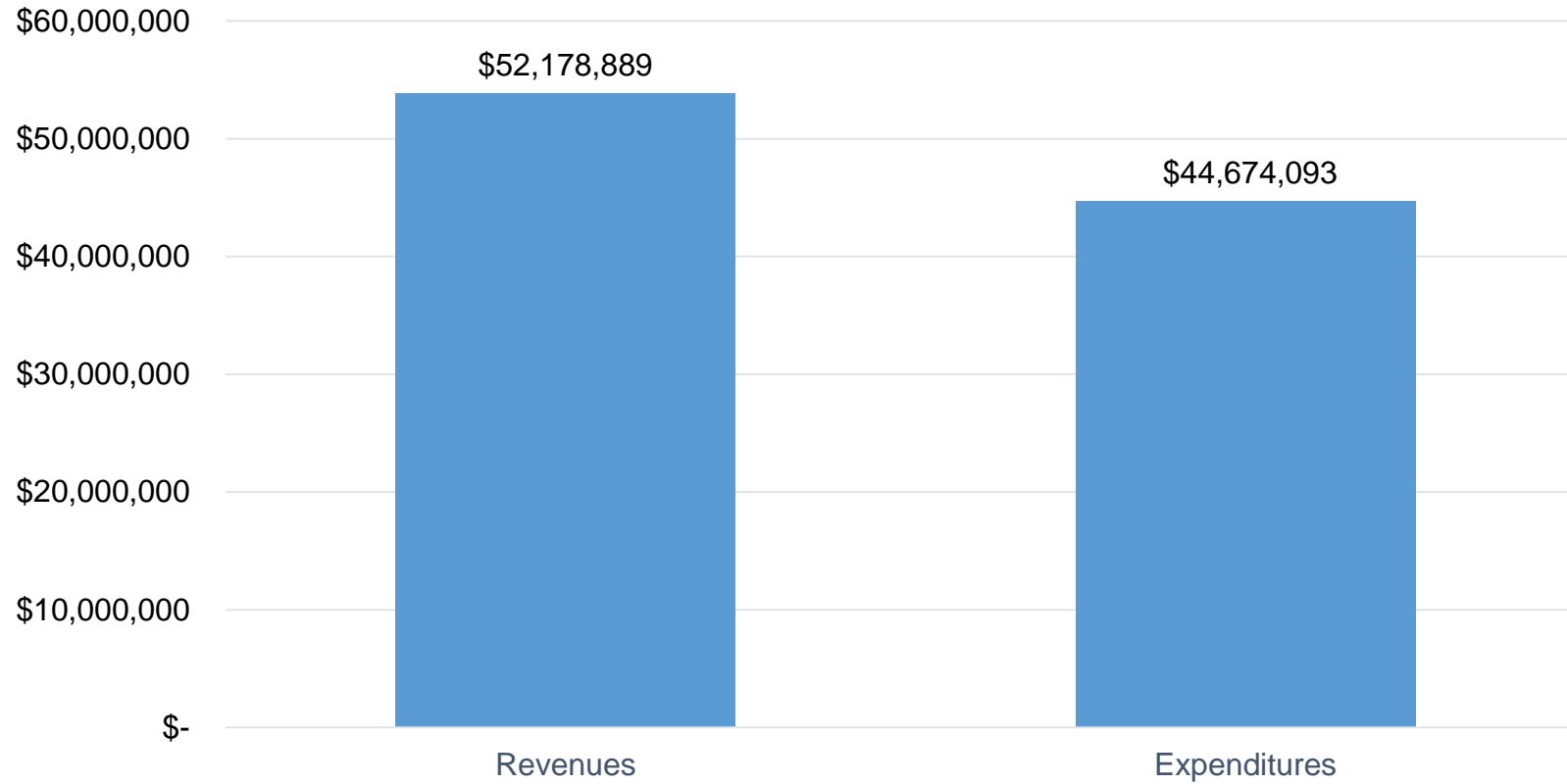
/ LEVELS OF ASSURANCE, COMPLIANCE CRITERIA AND AUDITING STANDARDS UTILIZED



REVENUE AND EXPENDITURES OF THE COUNTY OF LOS ANGELES AND 39 CITIES

REVENUE AND EXPENDITURES OF THE COUNTY OF LOS ANGELES AND 39 CITIES

FY 2023 Revenues and Expenditures



OVERVIEW OF THE AUDIT RESULTS

/ OVERVIEW OF THE AUDIT RESULTS

FY 2023 Summary of Audit Results

- Dollars associated with the findings have decreased from \$938,374 in FY2022 to \$0 in FY2023 audit.

Questioned Costs

- There were no questioned costs during FY2023.

DETAILS OF AUDIT RESULTS

/ DETAILS OF AUDIT RESULTS

Our findings are as follows:

A. Annual Expenditure Report (Actuals Entry) was not submitted timely.

- Compliance Reference: Section XXV, Administrative, Reporting Requirements Annual Expenditure Report (Actuals Entry) of Measure M Local Return Guidelines states that “Jurisdiction shall submit on or before October 15th of each fiscal year an Annual Expenditure Report (Actuals Entry) to provide an update on previous year LR fund receipts and expenditures.”
- Number of cities involved: 1 of 39 cities
 - **City of Lynwood (Finding #2023-002, Page 10 of the report)**
- Questioned costs for 2023: **None**

/ DETAILS OF AUDIT RESULTS, CONTINUED

B. Accounting procedures, record keeping and documentation are adequate.

- Compliance Reference: Section XXV of the Measure M Local Return Guidelines states that, “It is the jurisdictions’ responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines”.
- Number of cities involved: 1 of 39 cities
 - **City of Huntington Park (Finding #2023-001, Page 8)**
- Questioned costs for 2023: **None**

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

/ MATERIAL WEAKNESS IN INTERNAL CONTROL OVER COMPLIANCE

City of Huntington Park

Finding #2023-001

- During the fiscal years 2021 through 2023, the City lost several key employees, particularly in the Finance and Accounting Department. As such, there were delays in the closing of the City's books for the fiscal year 2023 and prior years. Currently, the accounting personnel and support staff are working towards closing the books and providing the closing entries, trial balances, schedules, reconciliations, account analysis, and other financial reports needed by management and the auditors.
- A disclaimer of opinion was issued on the City's MMLRF financial statements as of and for the year ended June 30, 2023.

REQUIRED COMMUNICATIONS TO THE MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

/ REQUIRED COMMUNICATIONS TO THE MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

Professional standards require independent accountants to discuss with those in charge of governance matters of importance which arise during the course of their audit as well as significant matters concerning the audited jurisdictions' internal controls and the preparation and composition of the financial statements. We therefore present the following information required to be communicated to the Measure M Independent Taxpayer Oversight Committee based upon the results of our audit of the Measure M Local Return Funds of the County of Los Angeles and the 39 cities.

REQUIRED COMMUNICATIONS TO THE MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE, CONTINUED

Management's Responsibility

Management of the jurisdictions has primary responsibility for the accounting principles used, their consistency, application and clarity.

Consultations with Other Accountants

We are not aware of any consultations by management of the jurisdictions with other accountants about accounting or auditing matters.

Difficulties with Management

We did not encounter any difficulties with management of the jurisdictions while performing our audit procedures.

REQUIRED COMMUNICATIONS TO THE MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE, CONTINUED

Disagreements with Management

We encountered no disagreements with management of the jurisdictions on financial accounting and reporting matters.

Significant Accounting Policies

The jurisdictions' significant accounting policies are appropriate and were consistently applied.

Controversial Issues

No significant or unusual transactions or accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus were identified.

/ REQUIRED COMMUNICATIONS TO THE MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE, CONTINUED

Irregularities, Fraud or Illegal Acts

No irregularities, fraud or illegal acts came to our attention as a result of our audit procedures.

Management Representations

The jurisdictions provided us with signed copies of the management representation letters prior to issuance of our auditor's opinions.

QUESTIONS

/ CONTACT INFORMATION

Vasquez + Company LLP has over 50 years of experience in performing audit, accounting, and consulting services for all types of private companies, nonprofit organizations, governmental entities, and publicly traded companies. Vasquez is a member of the RSM US Alliance.

RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms.

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Thank you for your time and attention.



Board Report

File #: 2024-0062, **File Type:** Oral Report / Presentation

Agenda Number: 5.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 6, 2024**

SUBJECT: ORAL REPORT ON LOCAL RETURN

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on Local Return programmed revenues and uses for Los Angeles County jurisdictions to support discussion on the effective and efficient use of funds.

ATTACHMENTS

Attachment A - Presentation

Prepared by: Chelsea Meister, Manager, Transp. Planning, Local Programming, (213) 922-5638
Susan Richan, Director, Local Programming, (213) 922-3017
Cosette Stark, DEO, Local Programming, (213) 922-2822
Michelle Navarro, Senior Executive Officer, Finance, (213) 922-3056

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088

Measure M Local Return

March 2024 update



Susan Richan and Chelsea Meister,
Local Programming

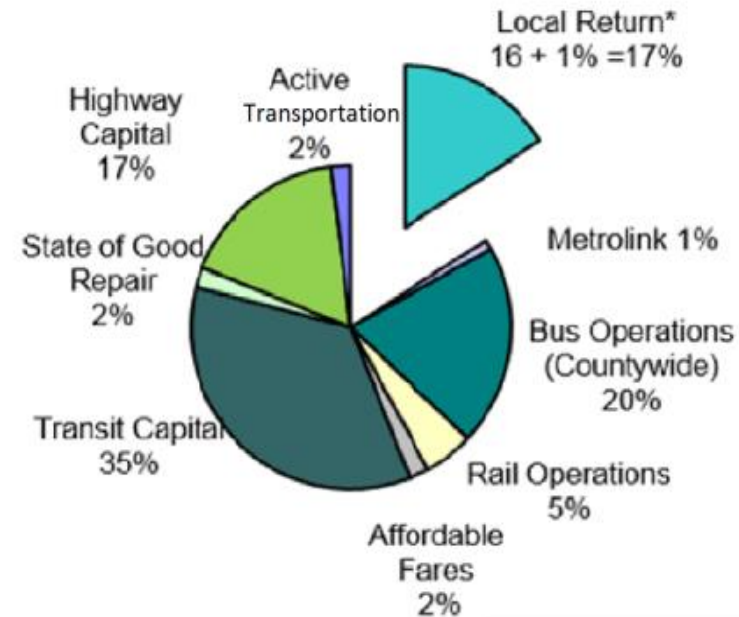


Local Return (LR) – Measure M

- Measure M (approved in 2016 – funding started FY18)
 - 17% LR share (16% share plus 1% of the 1.5% off the top)
- Requires Assurances and Understanding agreement
- Jurisdictions are audited annually for compliance to Measure M
Data from the LRMS
(Formerly on the Form M-One and Form M-Two)

Due dates are the same for all LR:
August 1 (budget) and
October 15th (expenditures)

MEASURE M



*Local Return receives 1% from the 1.5% of the "off the top" Administration

Local Return – Updates

Audit process

- Cities completed submitting their “actuals” audit data by October 15th 2023
- The majority of completed audits have no findings
- Audits were finished December 31st 2023

- The Measure M audit findings for FY23 total eleven (11)*
- This is a decrease in findings compared to the FY22 audit with eighteen (18).
- Most FY23 findings were for late form submittals or not having project approval before expending funds. These were resolved by retroactive approval.

Bus Shelters

In March 2023, Metro Board approved the Bus Shelters Motion directing staff to investigate Local Return investment into bus stops, among other efforts.

- To date 3 cities have used Meas M Local Return funds for bus stops
- Additionally, 3 cities used Meas R, 46 used Prop A and 23 used Prop C funds on bus stops
- This city report data will inform the planned Quality of Life Scorecard which will assess how pass-through funding supports local infrastructure including bus stops

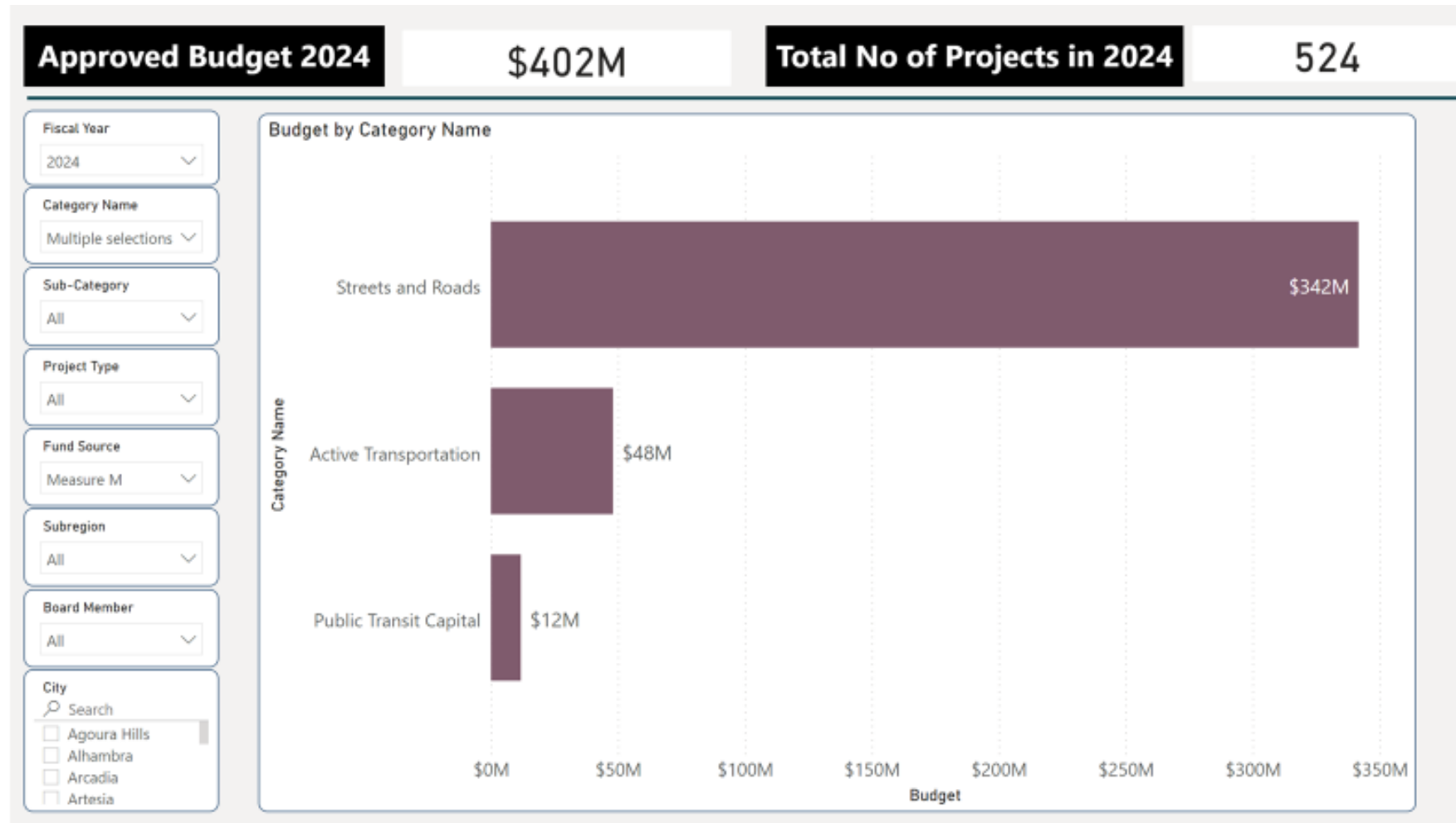


*9 cities with findings, 2 of which had 2 findings each for a total of eleven findings.

LRMS – Audit table summary

| City | Measure M Audit findings |
|----------------------|----------------------------------|
| Arcadia | Retroactive approval |
| Artesia | Actuals late |
| Bradbury | Expenditure plan late |
| Bradbury | Actuals late |
| Glendora | Accounting Process not adequate |
| Huntington Park | Accounting Process not completed |
| La Habra Heights | Actuals late |
| Lynwood | Actuals late |
| Palos Verdes Estates | Actuals late |
| Rolling Hills | Actuals late |
| South Pasadena | Retroactive approval |

FY24 Measure M Local Return Fund Usage



THANK YOU!

Questions?

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Chelsea Meister

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Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Board Report

File #: 2024-0011, File Type: Oral Report / Presentation

Agenda Number: 6.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 6, 2024

SUBJECT: STATE OF GOOD REPAIR

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE oral report on State of Good Repair budget and expenses.

ISSUE

To support the discussion for the effective and efficient use of funds, this quarterly presentation provides the committee with Metro's status in meeting State of Good Repair (SGR) requirements per the Federal Transit Administration's Transit Asset Management (TAM) Rulemaking. This includes progress made on condition assessments performed by Enterprise Transit Asset Management (ETAM) and in support of the new Enterprise Asset Management (EAM) system implementation.

ATTACHMENTS

Attachment A - Presentation

Prepared by: Denise Longley, Executive Officer, Administration, (213) 922-7294

Kenneth Hernandez, Deputy Chief Risk, Safety, and Asset Management Officer, (213) 922-2990

Reviewed by: Gina L. Osborn, Chief Safety Officer, (213) 922-3055



Measure M Independent Taxpayer Oversight Committee

Enterprise Transit Asset Management
State of Good Repair



Metro

TAM Inventory Database Overview - FY24 Q2

ETAM must remain in compliance with the FTA's TAM Rulemaking 49 CFR Part 625, so Metro can remain eligible for federal grants.

- Asset Inventory Database Statistics
 - Tracking approximately 33,200 asset records
 - \$24.6B Asset Replacement Value
 - \$31.7B SGR needs over 40 years
 - \$3.3B Current Backlog

- ETAM Reported data through 6/30/2023 into National Transit Database (NTD) by 10/31/2023 deadline
 - 17 reports regarding asset inventory
 - Annual TAM Narrative Report
 - Performance Measure Targets Report
 - Group TAM update

- FTA FY24 Triennial Audit “Recipient Information Request” (RIR) will commence in Q3.



Metro

Federal Transit Administration (FTA) Reporting 10/31/2023

Rolling Stock and Equipment

| FTA TAM Performance Measures / Targets | | | | | | Based on FY23 Census Date (6/30/2023) | | | | FY24 Forecast (6/30/24) | | | | |
|--|--|---|---|---|---|---------------------------------------|------------------------------|---|---------------------|------------------------------|---|--|---------------------|------|
| Asset Class | Performance Measure based on 49 CFR Part 625 | ① FY23 Target (reported to FTA) | ② = ⑥ / ⑤ FY23 Actual (Calc'd by FTA) | ② = ① FY23 Performance Meet/Exceed | ③ = ⑩ / ⑨ FY24 Target * (reported to FTA) | ④ Total Asset Count | ⑤ "Active" Asset Count | ⑥ Exceeded ULB (NTD Method [‡]) | ⑦ Average Age | ⑧ Total Asset Estimate | ⑨ "Active" Asset Estimate | ⑩ Exceeded ULB (NTD Method [‡]) | ⑪ Average Age | |
| Rolling Stock | Articulated Bus (AB) | 625.43(b): Rolling stock. The performance measure for rolling stock is the percentage of [active, dedicated] revenue vehicles [for which the agency has capital responsibility] within a particular asset class that have either met or exceeded their useful life benchmark. | 36.00% | 35.34% | Met | 35% | 274 | 266 | 94 | 7.7 | 275 | 271 | 94 | 8.5 |
| | Bus (BU) | | 1.00% | 1.74% | Exceeded | 1% | 1,798 | 1,722 | 30 | 7.3 | 1,807 | 1,739 | 8 | 7.5 |
| | Heavy Rail Vehicles (HR) | | 25.00% | 30.23% | Exceeded | 30% | 100 | 86 | 26 | 26.2 | 102 | 87 | 26 | 26.6 |
| | Light Rail Vehicles (LR) | | 0.00% | 0.00% | Met | 0% | 337 | 303 | 0 | 8.6 | 337 | 328 | 0 | 9.6 |
| Equipment | Asset Class | Performance Measure based on 49 CFR Part 625 | FY23 Target (reported to FTA) | FY23 Actual (Calc'd by FTA) | FY23 Performance Meet/Exceed | FY24 Target * (reported to FTA) | Total Asset Count | Exceeded ULB (NTD Method [‡]) | Average Age | Total Asset Estimate | Exceeded ULB (NTD Method [‡]) | Average Age | | |
| | Automobiles | 625.43(a): Equipment: (non-revenue) service vehicles. The performance measure for non-revenue, support-service and maintenance vehicles equipment is the percentage of those vehicles that have either met or exceeded their useful life benchmark. | 40.00% | 39.83% | Met | 52% | 467 | 186 | 9.3 | 488 | 252 | 9.8 | | |
| | Trucks and Other Rubber Tire Vehicles | | 46.00% | 42.02% | Met | 41% | 1,021 | 429 | 10.4 | 1,039 | 425 | 10.6 | | |
| | Steel Wheel Vehicles | | 20.00% | 20.00% | Met | 20% | 10 | 2 | 10.1 | 10 | 2 | 11.1 | | |

* FY24 Target is the forecast performance or condition rounded up to the next whole percentage.
 ‡ Uses the FTA/NTD method of calculating age: **Census Year - Year of Manufacture** for each asset.



Federal Transit Administration (FTA) Reporting 10/31/2023

Facilities and Infrastructure

| FTA TAM Performance Measures / Targets | | | | | | Based on FY23 Census Date (6/30/2023) | | | |
|--|--|--|---|---|---|--|--------------------------|---|--|
| Asset Class | Performance Measure based on 49 CFR Part 625 | ① FY23 Target (reported to FTA) | ② = ⑥ / ⑤ FY23 Actual (Calc'd by FTA) | ② = ① FY23 Performance Meet/Exceed | ③ = ⑩ / ⑨ FY24 Target * (reported to FTA) | ④ Total Facilities | ⑤ Facilities Assessed | ⑥ Facilities Below TERM Condition 3 | |
| Facilities | Passenger Facilities (Stations & Parking) | 625.43(d): Facilities. The performance measure for facilities is the percentage of facilities within an asset class, rated below condition 3 on the TERM scale. | 0.00% | 0.00% | Met | 0% | 285 | 233 | 0 |
| | Administration & Maintenance Facilities | | 0.00% | 0.00% | Met | 0% | 152 | 152 | 0 |
| Infrastructure | Asset Class | Performance Measure based on 49 CFR Part 625 | FY23 Target (reported to FTA) | FY23 Actual (Calc'd by FTA) | FY23 Performance Meet/Exceed | FY24 Target * (reported to FTA) | | Total Revenue Track | Average Performance Restriction |
| | Heavy Rail (HR) | 625.43(c): Infrastructure: rail fixed-guideway, track, signals, and systems. The performance measure for rail fixed-guideway, track, signals, and systems is the percentage of track segments with performance restrictions. | 1.00% | 1.10% | Exceeded | 2% | | 31.84 miles | 0.35 miles |
| | Light Rail (LR) | | 4.00% | 3.76% | Met | 4% | | 186.76 miles | 7.02 miles |

* FY24 Target is the forecast performance or condition rounded up to the next whole percentage.

‡ Uses the FTA/NTD method of calculating age: **Census Year - Year of Manufacture** for each asset.

Transit Asset Management – Accomplished and In Progress as of FY24 Q2

Support Implementation of new Enterprise Asset Management System (EAMS):

- ETAM staff participating as Sponsor and Subject Matter Expert (SME) to implement EAM System Integration (SI) – awarded October 2021.
- Support EAM project for duration of approximate 3-year contract to help ensure success. Currently in Phase I of IV.
- ETAM attending workshops to ensure NTD reporting data and other requirements are included in EAMS design and functionality.

Continued Condition Assessments:

- Structures Inspections Contract – 5-year contract with 2 option years beginning in July 2019 for FY 20-26 inspections. Received 19 of 63 final inspection reports by the end of FY24 Q2. Coordinating with Operations and Program Management to resolve issues found during inspections.
- Facility Condition Assessments required per TAM Rulemaking – 3-year contract beginning in May 2022 for FY23-25 required assessments. Received 27 of 68 final inspection reports in FY24 Q2.
- Train Control Condition Assessment Study – In procurement process.



Metro

Transit Asset Management – Accomplished and In Progress as of FY24 Q2

Asset On-boarding:

- Finalized collecting needed asset information from new projects, Crenshaw (K Line) and Regional Connector (A/E Line) projects for reporting into the NTD. Continue to gather asset information above what FTA requires for reporting.
- Coordinating with EAM team for “on-boarding” of new assets being acquired from new capital projects. Must report new assets “in service” to the FTA on annual basis.

FTA TAM Rulemaking compliance deadline:

- **October 31, 2023:**
- Group TAM Plan – Completed coordination with 33 sub-recipient transit agencies who are verified participants to report TAM data documenting changes from last year, including unified performance targets into the NTD.
- Finalized Metro TAM Data – Received executive approval and completed coordination with stakeholder departments to report 18 asset reports on TAM inventory, performance and targets into the NTD.
- November/December -- Shared data with MPO/SCAG. Resolved first round of NTD questions from FTA.



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Thank you!

Denise Longley
Enterprise Transit Asset Management
State of Good Repair



Metro®



Board Report

File #: 2024-0065, **File Type:** Oral Report / Presentation

Agenda Number: 7.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 6, 2024**

SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY CAPITAL PROJECTS

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE oral report on Transit and Highway Capital Projects to support discussion on the effective and efficient use of funds.

ATTACHMENTS

- Attachment A - Transit and Highways Capital Update
- Attachment B - Transit Planning Update
- Attachment C - Complete Streets and Highways Planning Update

Prepared by:

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Michelle Smith, Executive Officer, Countywide Planning & Development, (213) 922-3057
Avital Barnea, Senior Executive Officer, Countywide Planning & Development, (213) 922-4812
David Mieger, Senior Executive Officer, Countywide Planning & Development, (213) 922-3040

Reviewed by:

Ray Sosa, Chief Planning and Development Officer, (213) 922-2920
Darcy Buryniuk, Chief Program Management Officer, (213) 922-2250

Transit & Highway (Capital) Update

Measure M Oversight Committee

March 2024

Transit / Highway Engineering and Construction

Construction Projects

- Gold Line Foothill Extension Phase 2B – Pomona
- Airport Metro Connector
- Westside Purple Line – Section 3
- 15N County Enhancements

Alternative Delivery Projects



- 105 Express Lanes
- G Line BRT Improvements Project
- East San Fernando Valley Transit Corridor
- North Hollywood to Pasadena BRT Project

Operational Projects



- North San Fernando Transit Corridor Project



Gold Line Foothill Extension Phase 2B

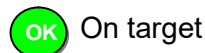
| BUDGET | | | | | |
|-------------------------------|-----------------------------|---------------|-----------------|---|---|
| | | Approved LOP* | Previous Period | Current Forecast | |
| | | \$1,533M | 1,533M | \$1,533M | |
| | Variance from Approved LOP: | | \$0M (0%) | \$0M (0%) |  |
| Variance from Revised Budget: | | | \$0 |  | |

* At time of the award of contract – Board Approval (June 2017)

| SCHEDULE | | | Revenue Operation | |
|---------------------------------|--------------|---------------------|-------------------|---|
| | Original * | Approved Rebaseline | Previous Period | Current Forecast** |
| | January 2025 | N/A | Summer 2025 | Summer 2025 |
| Variance from Original: | | 0d (0%) | 0d (0%) |  |
| Variance from Revised Schedule: | | n/a | n/a |  |

* The Original date reflects the Authority's Substantial Completion date

** Current Forecast is from the Authority's June 2023 Schedule Update. Authority forecasts Substantial Completion at January 2025, and assumes Revenue Operation will follow 6 months later.



On target



Possible problem
(5-10% variance)



Significant Impact
(over 10% variance)

Gold Line Foothill Extension Phase 2B

Safety

- Project Hours: 1,498,155
- Recordable Injury Rate: 0.27 vs. the National Average: 2.4.

Updates

- **Overall Project Progress is 79% complete**

Construction is planned and will continue as follows:

- Sound wall and fencing throughout the project
- 4 new stations: Glendora, San Dimas, La Verne, and Pomona
- LRT train control, OCS poles and wire installation
- Begin local field acceptance testing for TPSS's
- Begin systems integration testing

Equity

- 25% of the project is located within or adjacent to Equity-Focus Communities.



Pomona Station—East Ramp





Pomona Station— Layover Building Foundation



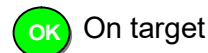
Airport Metro Connector (AMC) Project

| BUDGET | | | | |
|-------------------------------|-----------------------------|---------------|---|---|
| | | Approved LOP* | Previous Period | Current Forecast |
| | | \$898.6M | \$898.6M | \$898.6M |
| | Variance from Approved LOP: | | \$0M (0%) | \$0M (0%)  |
| Variance from Revised Budget: | | | \$0  | |

* Approved April 2021 Board

| SCHEDULE | | | Revenue Operation | |
|---------------------------------|-------------------------|---------------------|---|--|
| | Original | Approved Rebaseline | Previous Period | Current Forecast** |
| | Fall 2024 | N/A | Fall 2024 | Fall 2024 |
| | Variance from Original: | | +0d (0%) | +0d (0%)  |
| Variance from Revised Schedule: | | | N/A  | |

** Current Forecast is Metro's June 2023 Schedule Update



On target



Possible problem
(5-10% variance)



Significant Impact
(over 10% variance)

Airport Metro Connector (AMC) Project

Safety

Project Hours: 655,414; Recordable Injury Rate: 1.83 vs. The National Average: 2.4.

Updates



- Overall project progress is 71.1 % complete.
- Primary Station Construction at 60.7% completion
 - CMU block walls completed and roofing started at Ancillary Buildings, BusOperation Building, electrical rooms, and Metro Hub.
 - Various activities continues at the roof level including skylight glass, overhead utilities, framing, finishes, HVAC and fireproofing installations.
 - Trackwork completed at mainline tracks #3 and #4 including Direct Fixation tracks. OCS installation and wayside train control wiring on-going.
 - Continued work on all vertical circulation systems. All stair structural steel installed with concrete work to follow. Two sets of escalators installed.
 - Interior framing and utilities installations has begun.

Equity

- 100% of the project is located within or adjacent to Equity Focus Communities.





Westside Purple Line Extension – Section 3

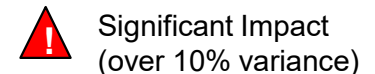
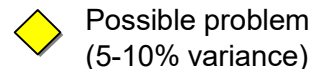
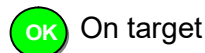
| BUDGET | FFGA | Approved LOP* | Previous Period** | Current Forecast** |
|--------|-------------------------------|---------------|-------------------|---|
| | \$3,599 M | \$3,224 M | \$3,277 M | \$3,277 M |
| | Variance from Approved LOP: | | +\$53M (1.6%) | +\$53M (1.6%)  |
| | Variance from Revised Budget: | | | \$0  |

* At time of the award of contract – Board Approval February 2019

** Excludes finance costs. In June 2023, the Board approved \$53M LOP increase for Concurrent Non-Full Funding Grant Agreement (Non-FFGA) activities.

| SCHEDULE | | | Revenue Operation | |
|---------------------------------|-------------------------|---------------------|--|---|
| | Original | Approved Rebaseline | Previous Period | Current Forecast* |
| | March 2027 | Summer 2027 | Fall 2027 | Summer 2027 |
| | Variance from Original: | | +223d (6.65%) | +131d (3.91%)  |
| Variance from Revised Schedule: | | | +0d (0%)  | |

* Based upon agreed acceleration modification.



Westside Purple Line Extension – Section 3

Safety

Project Hours: 2,927,611 Recordable Injury Rate: 1.37 vs. The National Average: 2.4.

- C1151: Project Hours: 1,568,484; Recordable Injury Rate: 2.55.
- C1152: Project Hours: 1,359,127; Recordable Injury Rate: 0.0.

Updates

- **Overall Project Progress is 50.8% complete.**
- **Final design progress is 97% complete.**
- **Tunnels**
 - Both Tunnel Boring Machines (TBMs) have completed breakthrough at the Century City/Constellation Station. TBM disassembly and extraction is ongoing.
- **Westwood/UCLA Station**
 - Excavation is about 61% complete. Walers and struts continue to be installed at level 3; 52% of walers and 52% of struts have been installed.
 - Utility support work is 100% complete.
- **Westwood/VA Hospital Station**
 - Excavation is about 63% complete. Walers and struts at level 3 are complete; 65% of walers and 63% of struts have been installed. Shotcrete and tieback installation is 78% complete.
 - Mechanical, Electrical, and Plumbing fit-out inside the VA steam tunnel is 91% complete.

Equity

- 1 of 2 stations (50%) are within or adjacent to Equity Focus Communities.





**Westwood/UCLA Station:
Placement of BL3 Strut**





**Westwood/VA Hospital Station:
Excavation for Level 4 Support**

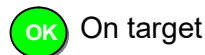


I-5 North County Enhancements

| BUDGET | | | |
|-------------------------------|---------------|-----------------|---|
| | Approved LOP* | Previous Period | Current Forecast |
| | \$679.3M | \$679.3M | \$679.3M |
| Variance from Approved LOP: | | \$0M (0%) | \$0M (0%)  |
| Variance from Revised Budget: | | | \$0  |

* At time of the award of contract - Board Approval (March 2021)

| SCHEDULE | Substantial Completion | | | |
|---------------------------------|------------------------|---------------------|-----------------|--|
| | Original | Approved Rebaseline | Previous Period | Current Forecast |
| | July 2016 | N/A | Summer 2026 | Summer 2026 |
| Variance from Original: | | | +0d (0%) | +0d (0%)  |
| Variance from Revised Schedule: | | | | N/A  |



On target



Possible problem
(5-10% variance)



Significant Impact
(over 10% variance)

I-5 North County Enhancements

Safety

Project Hours: 469,949; Recordable Injury Rate: 1.3 vs. The National Average: 2.4.

Updates

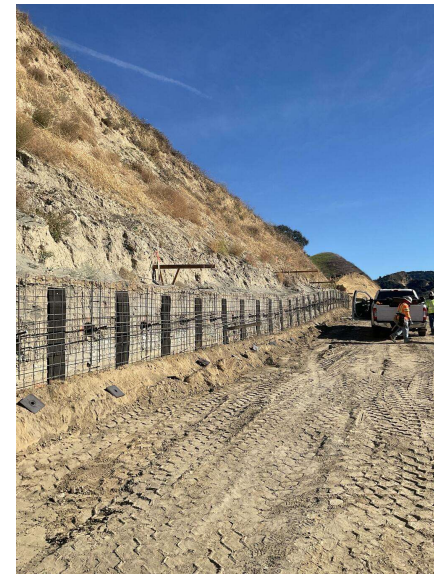
- **Overall Project progress is 31.81% complete.**
- Construction Stage 1, Phases 1 & 2 continues:
 - Partial Demo/Forming of Footings/Abutments/Bents/Soffit & Stem/Lost Deck on 5 bridges throughout the project.
 - Construction of approximately 11 Retaining Walls on-going throughout the project.
 - On-going Drainage, Barrier/Roadway Demo, Excavation, and Base Placement.
 - Jointed Plain Concrete Paving (JPCP) in the median.
- Milestone: The old Weldon Canyon Bridge was successfully demolished on November 5th after opening the new bridge to traffic.
- Project Team continues to coordinate with stakeholders: Caltrans, City of Santa Clarita, Los Angeles County, CHP, NPS, CDFW, SCVWA, and other local stakeholders.

Equity

- This project is not located within or adjacent to Equity Focus Communities.



Demolition of old Weldon Canyon Bridge



Soil nail installation at Retaining Wall 2524



Placement and grading of aggregate base in the median





Projects without Life of Project (LOP) Budget



Engineering Projects

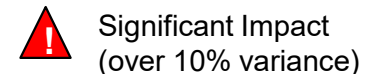
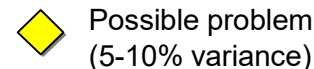
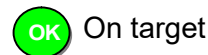
- **105 Express Lanes**
- **G Line BRT Improvements Project**
- **East San Fernando Valley Transit Corridor**
- **North Hollywood to Pasadena BRT Project**



105 Express Lanes

| BUDGET | Approved Budget to Date | | | Previous Period | Current Forecast |
|--------|---|-----------|---------------|-----------------|---|
| | Pre-Construction | \$119.4 M | \$119.4 M | \$119.4 M | \$119.4 M |
| | Project | N/A | \$780M - \$1B | \$780M - \$1B | \$780M - \$1B |
| | Variance from Approved Pre-Construction Budget: | | \$0M (0%) | \$0 M (0%) |  |
| | Variance from Approved LOP: | | N/A | N/A | |
| | Variance from Revised Budget: | | | N/A |  |

| SCHEDULE | | | Revenue Operation | | |
|----------|---------------------------------|---------------------|-------------------|------------------|---|
| | Original | Approved Rebaseline | Previous Period | Current Forecast | |
| | N/A | N/A | Spring 2028 | Spring 2028 | |
| | Variance from Original: | | +0d (0%) | +0d (0%) |  |
| | Variance from Revised Schedule: | | N/A | N/A |  |



105 Express Lanes

Safety

Project Construction Hours: 0; Recordable Injury Rate: N/A vs. The National Average: 2.4.

Updates

- **Design is 80% complete**
- **Program Management**
 - Traffic and Revenue Study Update is in progress
 - Value engineering effort underway to reduce cost.
 - Equity Assessment is in progress; two meetings held with CBOs
- **Design**
 - Segment 1 design is adopting value engineering strategies to reduce construction cost. It will require Caltrans review and approval. This is anticipated by September 2024.
 - 65% design for Seg 2/3 submitted and receiving comments from Caltrans. Project team is considering implementing value engineering items to Seg 2/3 to reduce construction cost.
- **Construction Manager/General Contractor (CMGC)**
 - Final OPCC negotiation completed with the CMGC for Seg 1. OPCC price does not reflect sub contractor package updates yet to be completed.
 - Interface meetings with WSAB and Metro MOW in progress
- **Roadside Toll Collection System (RTCS)**
 - Master Test Plan was finalized and formally accepted.
 - Software Development Plan was finalized and formally accepted.
 - First draft of System Detailed Design Document (SDDD) and revision to RTCS Infrastructure Design Document (IDD) in progress.

Equity

- 70% of the project is within or adjacent to Equity Focus Communities.



Traffic on 105 Freeway Westbound






The Project Map





January 2024 Construction Committee

G Line BRT Improvements Project

| BUDGET | Approved Budget to Date | | | Previous Period | Current Forecast |
|--------|---|-----------|--|-----------------|---|
| | Pre-Construction | \$149.7M* | | \$149.7M | \$149.7M |
| | Project | N/A | | \$843M | \$392-511M** |
| | Variance from Approved Pre-Construction Budget: | | | \$0M (0%) | \$0M (0%)  |
| | Variance from Approved LOP: | | | N/A | N/A  |
| | Variance from Revised Budget: | | | | \$0M  |

*Approved Budget only includes the Pre-Construction Budget. The project will request LOP budget prior to PDB Contract Phase 2 award. **Based implementing value engineering and cost reduction measures shared at the November Construction Committee Meeting.

| SCHEDULE | | | Revenue Operation | |
|----------|---------------------------------|---------------------|-------------------|--|
| | Original | Approved Rebaseline | Previous Period | Current Forecast |
| | N/A | N/A | December 2026*** | December 2026*** |
| | Variance from Original: | | +0d (0%) | +0d (0%)  |
| | Variance from Revised Schedule: | | | N/A  |

***Current Forecast is Phase 2 Substantial Completion milestone, Phase 2 baseline schedule is not yet approved.



G Line BRT Improvements Project

Safety

Project Construction Hours: 0; Recordable Injury Rate: N/A vs. National Average: 2.4.

Updates

Progressive Design Build Contract

- Continue to pursue scope refinements discussed at November Board to address affordability issues, including ongoing community outreach
- 85% design for Bike Path Improvements complete. 85% Van Nuys design under Metro review. Sepulveda Grade Separation VE design underway.
- Stormwater Capture design suspended pending scope modification approval from Safe Clean Water Program
- Advancing Gated Intersections Alternative including gates at 13 intersections and traffic signal reservicing at remaining crossings
- Pursuing EWP for 85-100% design and pilot gate

Utility Owner-Performed AURs

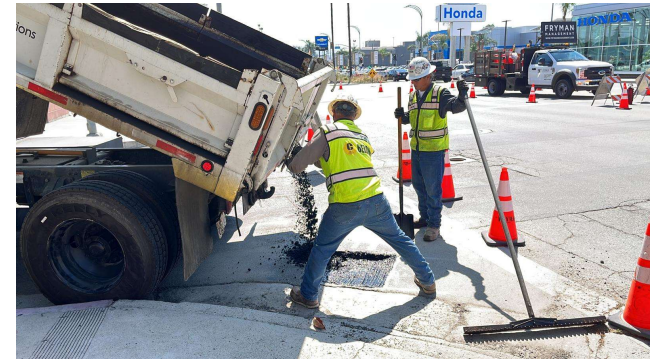
- Sepulveda – removal of poles and overhead wires pending PDB contractor installation of new power service
- Vesper – overhead to underground relocation complete
- Sylmar – DWP undergrounding complete. Charter planning to vacate line by end of January 2024

Property Acquisitions

- Eight acquisitions underway
- Offers presented to owners between 3/31/22, and 5/24/22
- Board adopted Resolution of Necessity for all properties in Aug '22

Equity

- 15 of 17 stations (88%) are within or adjacent to Equity Focus Communities.





Potholing Restoration on Aetna St





Sidewalk Panel Restoration on Bessemer St



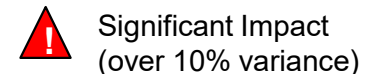
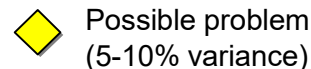
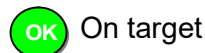
East San Fernando Valley Light Rail Transit Project

| BUDGET | Approved Budget to Date* | | | Previous Period | Current Forecast |
|--------|---|----------|--|-----------------|---|
| | Pre-Construction | \$496.9M | | \$496.9M | \$496.9M |
| | Project | N/A | | \$2.81 – 3.57B | \$2.81 - 3.57B |
| | Variance from Approved Pre-Construction Budget: | | | \$0M (0%) | \$0M (0%)  |
| | Variance from Approved LOP: | | | N/A | N/A |
| | Variance from Revised Budget: | | | | \$0M  |

*The Board has only approved a Pre-Construction Budget to date.

| SCHEDULE | | | Revenue Operation | |
|---------------------------------|-------------------------|---------------------|---|--|
| | Original | Approved Rebaseline | Previous Period | Current Forecast* |
| | N/A | N/A | July 2031 | September 2031 |
| | Variance from Original: | | +0d (0%) | +0d (0%)  |
| Variance from Revised Schedule: | | | N/A  | |

**Current schedule forecast reflects Metro's Internal Schedule. The actual Baseline schedule will be negotiated with Progressive Design Builder as part of the Phase 2 Supplement.



East San Fernando Valley Light Rail Transit Project

Safety

C1220 Hours Worked – 16,194; Recordable Injury Rate: 0 vs. National Average: 2.4.

Updates

- **Preliminary Engineering**
 - Advancing utility composite plans to 60%.
 - Continuing to develop Utility Adjustment (UA) Packages 2-8 to 100% design for issuance as construction Early Work Packages (EWP).
- **C1220 - Advance Utility Adjustment #1**
 - Contractor work will be completed in December
 - Remaining activities are for contractor to support LADWP during cable pulling & intercept work
- **Progressive Design-Build Contract**
 - FFGA application documents submitted on 12/1/23
 - SFTC submitted updated cost and schedule on 11/10/23
 - Ongoing negotiations for the EWP-04 – Final Design
- **Real Estate & Environmental**
 - Appraisals are nearly complete for MSF parcels. Packages being sent to FTA for concurrence.
 - Relocation Plan was approved by Metro Board on 11/30/23.
 - Real Estate Acquisition & Mgmt. Plan (RAMP) was submitted to FTA
- **Light Rail Vehicle (LRV) Acquisition**
 - RFP for LRV procurement consultant was issued on 11/16/23.
- **Environmental**
 - CEQA re-evaluation was approved by Metro Board on 10/26/23
 - NEPA Re-evaluation with technical memos completed and submitted on 10/13/23 to FTA.
- **Equity**
 - 100% of the project is within or adjacent to Equity Focus Communities.





C1220 AUA #1





C1220 AUA #1



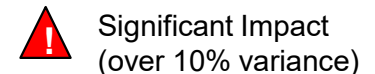
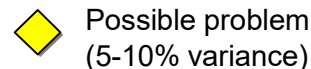
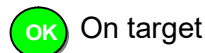
North Hollywood to Pasadena BRT Project

| BUDGET | Approved Budget to Date* | | | Previous Period | Current Forecast |
|--------|-------------------------------|--------|--|-----------------|--|
| | Project | \$317M | | \$263M 386M | \$263M-386M |
| | Variance from Approved LOP: | | | N/A | N/A  |
| | Variance from Revised Budget: | | | | \$0M  |

* Project will work within the annual budget constraints until LOP is established.

| SCHEDULE | | | Revenue Operation | |
|---------------------------------|-------------------------|---------------------|---|--|
| | Original | Approved Rebaseline | Previous Period | Current Forecast** |
| | N/A | N/A | Summer 2027 | Summer 2027 |
| | Variance from Original: | | +0d (0%) | +0d (0%)  |
| Variance from Revised Schedule: | | | N/A  | |

** Current Forecast is Metro's Internal Schedule, Baseline schedule is not yet approved at time of update.



North Hollywood to Pasadena BRT Project

Safety

- Project Construction Hours: 0; Recordable Injury Rate: N/A vs. National Average: 2.4.

Updates

- EIR Approved April 2022
- PMSS RFP, released July 2023 response received in September 2023
 - **Proposals received and currently under evaluation.**
- A&E RFP, released in August 2023 response received in November of 2023
 - **Proposals received and currently under evaluation.**
- CM/GC RFP, released in January 2024

Equity

- 60% of the project is within or adjacent to Equity Focus Communities



Project Map



View of Vineland Ave / Lankershim Blvd







Operational Projects

- **North San Fernando Transit Corridor Project**

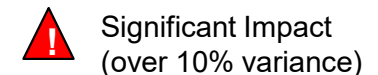
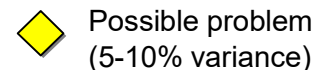
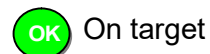


NSFV Transit Corridor Project

| BUDGET | | | | |
|-------------------------------|-----------------------------|--------------|---|---|
| | | Approved LOP | Previous Period | Current Forecast |
| | | \$180M | \$180M | \$180M |
| | Variance from Approved LOP: | | \$0M (0%) | \$0M (0%)  |
| Variance from Revised Budget: | | | \$0  | |

| SCHEDULE | | | Substantial Completion | |
|---------------------------------|-------------------------|---------------------|---|--|
| | Original | Approved Rebaseline | Previous Period | Current Forecast* |
| | Summer 2025 | N/A | N/A | Summer 2026 |
| | Variance from Original: | | +0d (0%) | +0d (0%)  |
| Variance from Revised Schedule: | | | N/A  | |

*Project elements delivered incrementally. Likely, last elements to be completed are expected to be ZEB and charging



NSFV Transit Corridor Project

Safety

Project Construction Hours: 0; Recordable Injury Rate: N/A vs. The National Average: 2.4.

Updates

- **Roscoe BI Bus Priority Lanes**
 - 30% design
 - Construction to begin in Q3 FY24
 - **All Door Boarding**
 - 200 pilot BMVs delivered for testing in Q3 FY24
 - 2,900 BMVs for delivery and install by end of FY25 (includes 330 for NSFV Project)
 - **Bus Bulbs (82 locations)**
 - Preparing scope for design contractor to be completed by end of Q2 FY24
 - Construction to begin FY25
 - **5 Key Transfer Locations**
 - Preparing scope for design contractor to be completed by end of Q2 FY24
 - Construction to begin FY25
 - **Bus Shelters**
 - Construction and installation agreement for 393 shelters executed 10/2023
 - Installations expected to begin Q1 FY25
 - **Transit Signal Priority (7 Corridors)**
 - 35% design
 - Installation to begin Q1 FY25
 - Completion by Q4 FY25
 - **75 Battery Electric Buses + Charging**
 - Included under current ZEB procurement to be issued by Q2 FY24
 - **Service Frequency Improvements on Lines 152 (Roscoe) and 166 (Nordhoff)**
 - To be implemented following completion of Roscoe BI Bus Priority Lanes
- Equity**
- Majority of the project improvements are located within or adjacent to Equity Focus Communities.



Rendering of an improved stop on Nordhoff/Lindley



March 2024 Measure M Committee

Measure M Independent Taxpayer Oversight Committee

Transit Projects Update

Allison Yoh, Executive Officer
March 6, 2024

Measure M Transit Projects



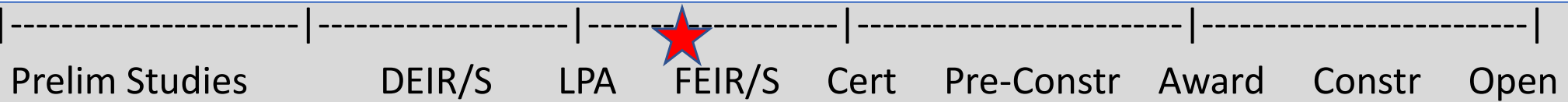
> Major Pillar Projects

- (1) Southeast Gateway Line
- (2) C Line Extension to Torrance
- (3) Sepulveda Transit Corridor
- (4) Eastside Transit Corridor Phase 2

> Other Projects in Planning

- Vermont Transit Corridor
- K Line Northern Extension

Southeast Gateway Line (formerly West Santa Ana Branch Transit Corridor)



| Current Phase | Most Recent Cost Estimate |
|---------------|--|
| Final EIR/EIS | IOS - \$7.1B (YOES, forecast completion 2035) |

Recent Activities

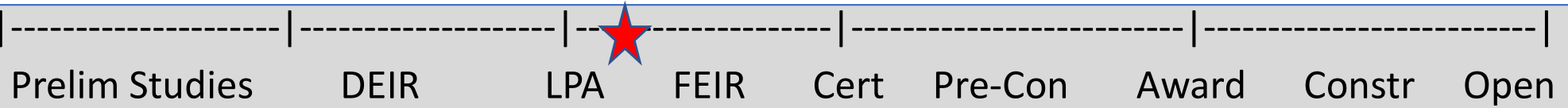
- Nov 2023: Board authorized contract for advanced engineering and final design
- Dec 2023: 2nd Admin Draft of Final EIS/EIR submitted
- Jan 2024: Ports of Los Angeles/Long Beach authorized execution of MOU, completion of public voting tally and ceremony marking the new name
- Program Management Support Services (PMSS) procurement underway (blackout)

Next Actions

- Working with FTA on submittal for entering next stage of project development
- Spring 2024 (tent.): Board certification of Final EIR (Project approved per CEQA), then FTA Record of Decision for EIS (Project approved per NEPA)



Eastside Transit Corridor Phase 2



Current Phase

EIR
(NEPA TBD)

Most Recent Cost Estimate

IOS - \$7.9B
(2031\$, midpoint of construction)

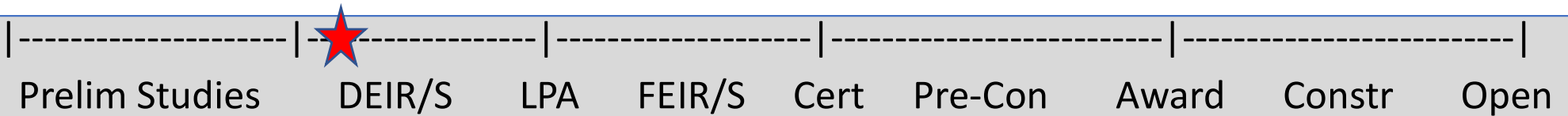
- Oct-Dec: Community Rail Tours
 - Elected officials/public agencies
 - CBO/youth/key stakeholders
 - 2 public tours
- Jan: First/Last Mile Partnership Briefing (corridor partners and elected officials), virtual tour showcasing FLM projects with City of Long Beach
- Engaging CBOs in Community Walk audits for first/last mile study
- Reviewing comments received from corridor cities on draft Master Cooperative Agreement
- Admin Final EIR circulated for internal review



Next Actions

- Complete CEQA document for release in early Spring 2024 followed by Board certification (Project approved per CEQA)
- Continue to coordinate with FTA on appropriate timing to initiate NEPA and entry into Project Development phase

Sepulveda Transit Corridor



| Current Phase | Most Recent Cost Estimate |
|---------------|---------------------------|
| EIR | \$5.7B (2015\$) |

Recent Activities

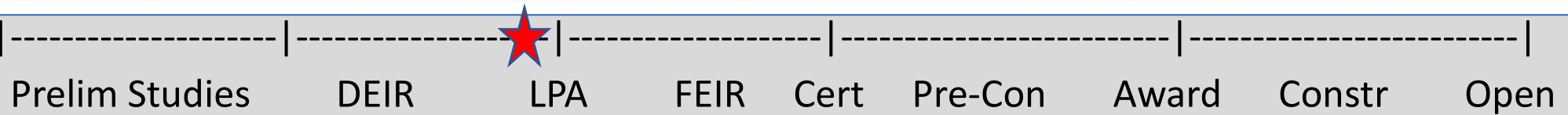
- Design refinements underway, reaching design freeze for environmental study
- Continued coordination w/ adjacent projects
- Ongoing geotechnical/seismic fieldwork
- Caltrans Project Report to be conducted following LPA selection

Next Actions

- Continue to develop designs, environmental technical studies
- Draft EIR release anticipated early 2025



C (Green) Line Extension to Torrance



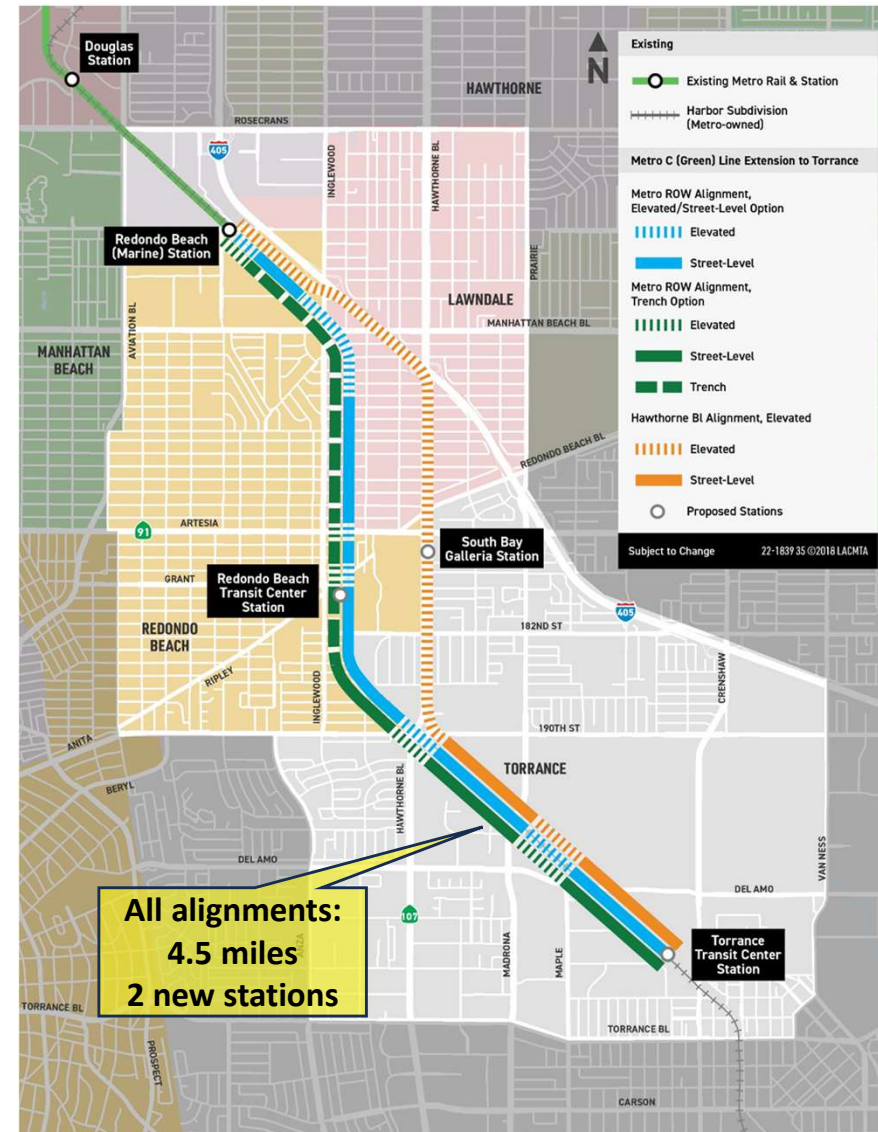
| Current Phase | Most Recent Cost Estimate |
|---------------|---------------------------|
| EIR | \$891M (2015\$) |

Recent Activities

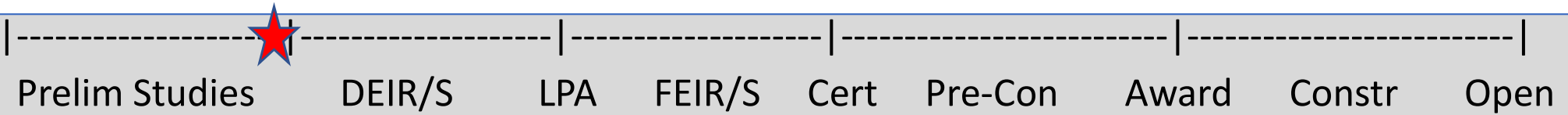
- Provided support for outreach events hosted by Supervisor Mitchell (SD-2)
 - Community walking tour (December 2023)
 - Outreach meeting at affordable housing community (January 2024)
- South Bay Cities Council of Governments (COG) voted support for the Project, neutral on alignment (January 2024)

Next Actions

- Prepare staff recommendation of Locally Preferred Alternative (LPA) based on project objectives, findings, community concerns
- Board selection of LPA



Vermont Transit Corridor



Current Phase

Preliminary Studies

Most Recent Cost Estimate

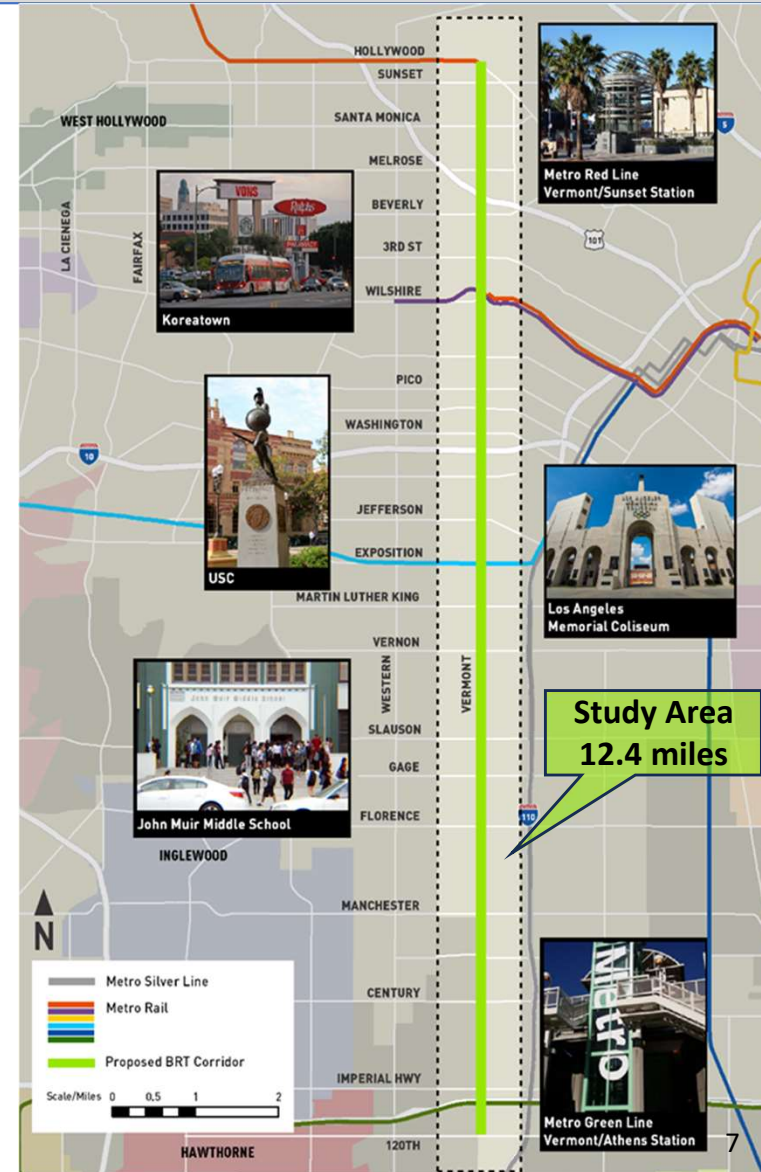
\$425M (2015\$)

Recent Activities

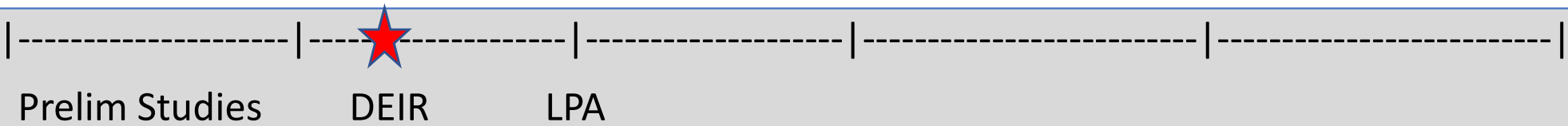
- Nov 2023: Initiated planning and environmental study for BRT; presentation to Early Intervention Team (EIT)
- Dec 2023: Issued Task Order for communications/ outreach services; community engagement for near, mid, and long-term improvements
- CBO Roundtable meetings are underway
- Formation of technical working group, work underway
- Meetings with neighborhood councils along the corridor

Next Actions

- Continue planning and design for BRT, informed by CBO/outreach efforts
- Identify schedule for Notice of Preparation, Scoping



K Line (Crenshaw) Northern Extension



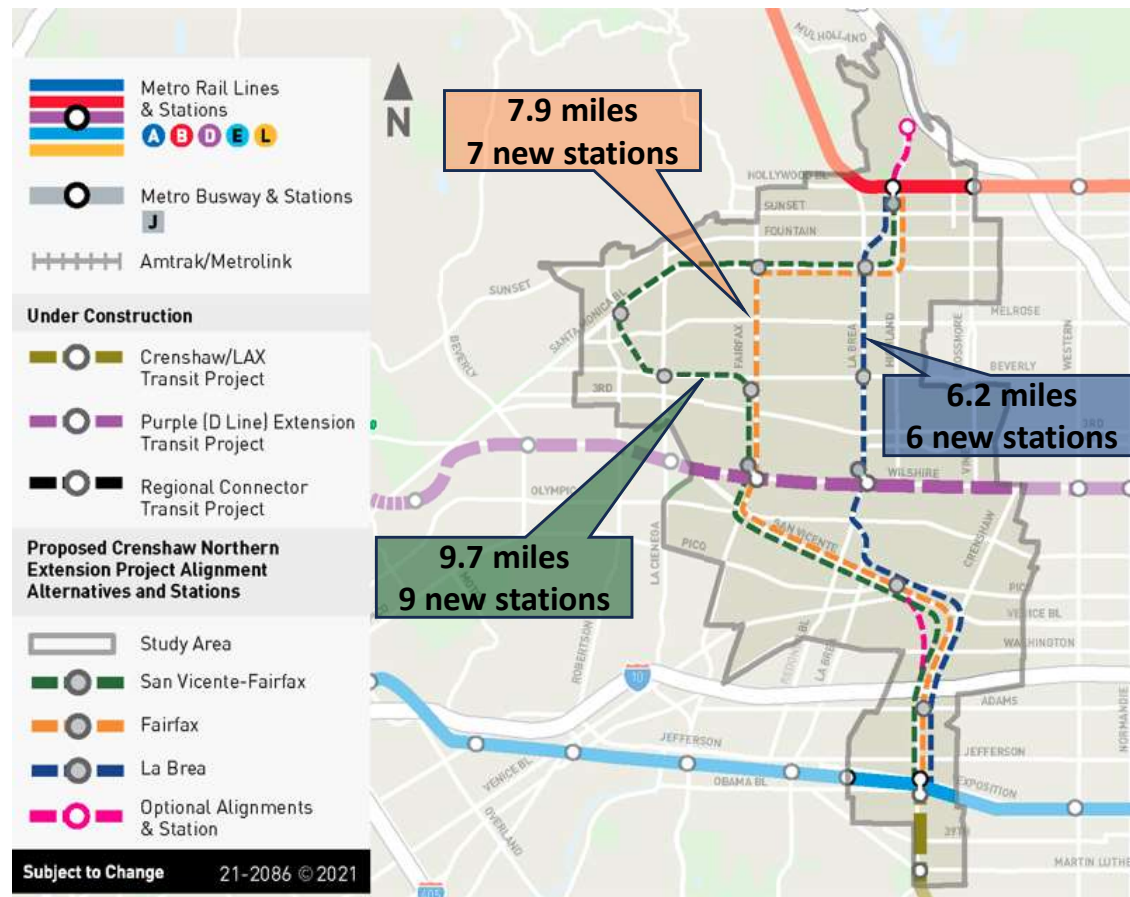
| Current Phase | Most Recent Cost Estimate |
|---------------|---------------------------|
| EIR | \$2.24B (2015\$) |

Recent Activities

- Finalizing tech reports for Draft EIR
- Advancing environmental analysis under CEQA
- Project newsletter recapping outreach activities in 2023
- Continue to identify cost and funding opportunities, phasing scenarios

Next Actions

- Prepare chapters for Draft EIR
- Continue stakeholder engagement



Measure M Independent Taxpayer Oversight Committee

Complete Streets & Highway Project Updates

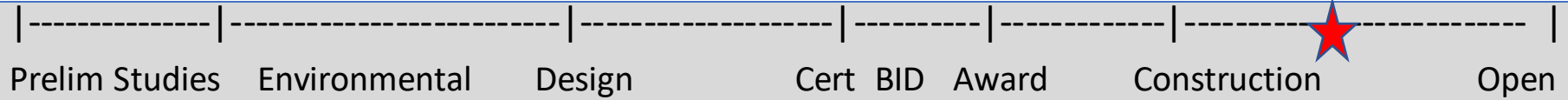
Michelle E. Smith

Executive Officer, Complete Streets & Highways

March 06, 2024

SR-71 South Improvements – Phase 1

(Mission Boulevard to San Bernardino County Line)



| Current Phase | Phase Budget | Phase Spent To Date |
|---------------|--------------|---------------------|
| Construction | \$148.10M | \$64.8M |

Expenditures as of 12/31/23

Purpose and Scope

- **Caltrans-managed** construction project that adds one HOV lane and one mixed-flow lane in each direction between Mission Boulevard and the San Bernardino County Line.

Multimodal Elements

- HOV lanes will encourage carpool, vanpool and transit (bus) usage.

Status

- Construction is 49% complete. Completion (open to traffic) anticipated by end of 2024.
- TCEP* 20-month time extension to be requested to cover construction schedule delays.

Challenges

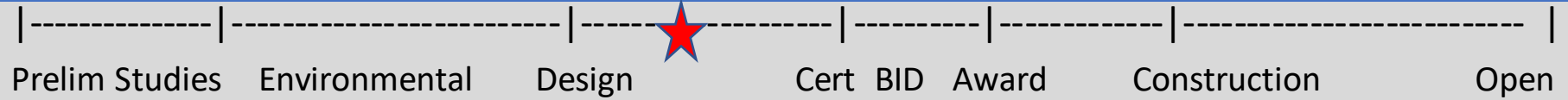
- Construction schedule delays related to soil cohesion testing needed for soil nail retaining wall construction.
- Resolving any outstanding claims.



* TCEP – Trade Corridor Enhancement Program State grant

SR-71 North Improvements – Phase 2

(I-10 to Mission Boulevard)



| Current Phase | Phase Budget | Phase Spent To Date |
|---------------|--------------|---------------------|
| Design | \$40.40M | \$23.0M |

Purpose and Scope

- **Caltrans-managed design project** upgrades expressway to a freeway by adding 1 HOV lane and an additional mixed flow lane in each direction to improve mobility, correct operational deficiencies and enhance safety.

Expenditures as of 12/31/23

Multimodal Elements

- Replace existing structurally deficient non-ADA compliant pedestrian overcrossing for pedestrians and cyclists.
- HOV lanes will encourage carpool, vanpool and transit (bus) usage.

Status

- Environmental Document approved and completed. Right of Way acquisition is complete except for railroad easements.
- Final design phase expected to be completed by Fall 2025.
- Target construction start date in Spring 2026.
- Expenditures to date are from State and Federal funds.



Challenges

- Utility and railroad coordination could delay schedule.
- Construction funding shortfall of approximately \$140 million expected.



SR-57/SR-60 Interchange Improvements



| Current Phase | Phase Budget | Phase Spent To Date |
|---------------|--------------|---------------------|
| Construction | \$296.4M | \$25.9M |

Expenditures as of 12/31/23

Purpose and Scope

- Major operational/safety improvements including grade-separation of Grand Ave eastbound off-ramp.
- Construction led by the San Gabriel Valley COG** with Metro and Caltrans oversight.

Multimodal Elements

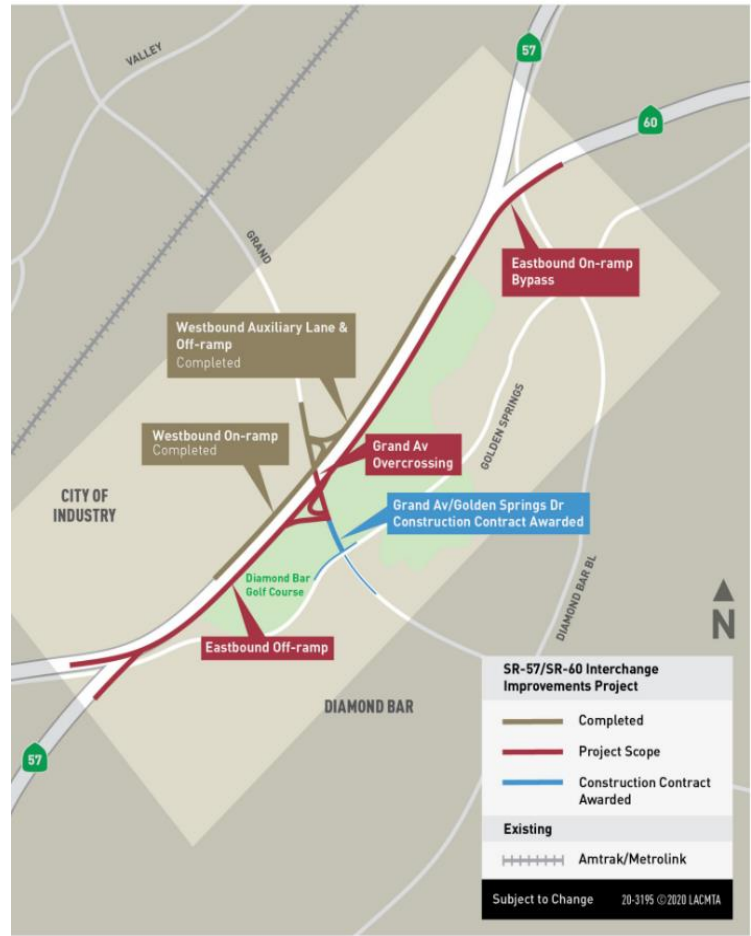
- Project includes improvements to local bridge, sidewalk and bicycle facilities.

Status

- Project consists of \$217M in TCEP* and \$27M in INFRA** construction funds.
- Initiated construction and mobilization activities.
- Construction completion projected in Summer 2028.

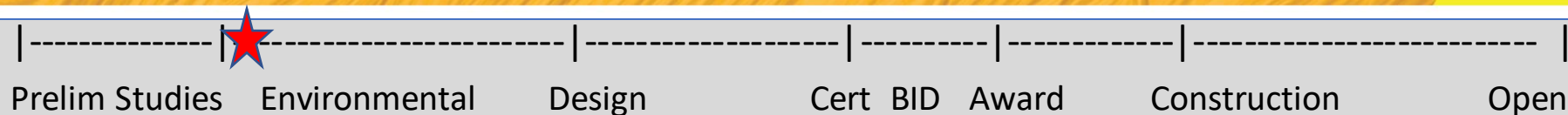
Challenges

- Closing final cost negotiations on required Right of Way.



* TCEP – Trade Corridor Enhancement Program State grant
 ** INFRA – Infrastructure for Rebuilding America Federal grant

I-405 South Bay Curve Improvements (I-110 to Wilmington Avenue – Auxiliary Lanes)



Purpose and Scope

- Improve safety and operations by reducing freeway conflicts at high congestion on and off ramp locations.
- Provide northbound and southbound auxiliary lane improvements between freeway on/off ramps within Caltrans Right of Way to reduce collisions (rear end, sideswipe, broadside) attributed to existing weaving/lane change conflicts.
- **Metro leading environmental phase.**

Multimodal Elements

- Pedestrian/bicycle facilities and transit stops to be studied.
- High visibility crosswalks, pedestrian flashing beacons, bike boxes and cyclist signage.

Status

- Environmental phase underway and expected to be completed in Fall 2026.

Challenges

- Construction phase is not fully funded.



I-405 South Bay Curve Improvements (I-105 to Artesia Boulevard- Auxiliary Lanes)



Purpose and Scope

- Improve safety and operations by reducing freeway conflicts at high congestion on/off ramp locations.
- Provide northbound and southbound auxiliary lane improvements between freeway on/off ramps within Caltrans Right of Way to reduce collisions (rear end, sideswipe, broadside) attributed to existing weaving/lane change conflicts.
- **Metro leading design phase.**

Multimodal Elements

- Pedestrian/bicycle facilities and transit stops to be studied.
- High visibility crosswalks, pedestrian flashing beacons, and cyclist signage.

Status

- Environmental Document completed and approved.
- 65% design plans under Caltrans review.
- 95% design submittal anticipated by Summer 2024.

Challenges

- Construction phase is not fully funded.



SR-14 Safety Improvements – North County (Newhall Avenue Undercrossing to Pearblossom Highway)



Purpose and Scope

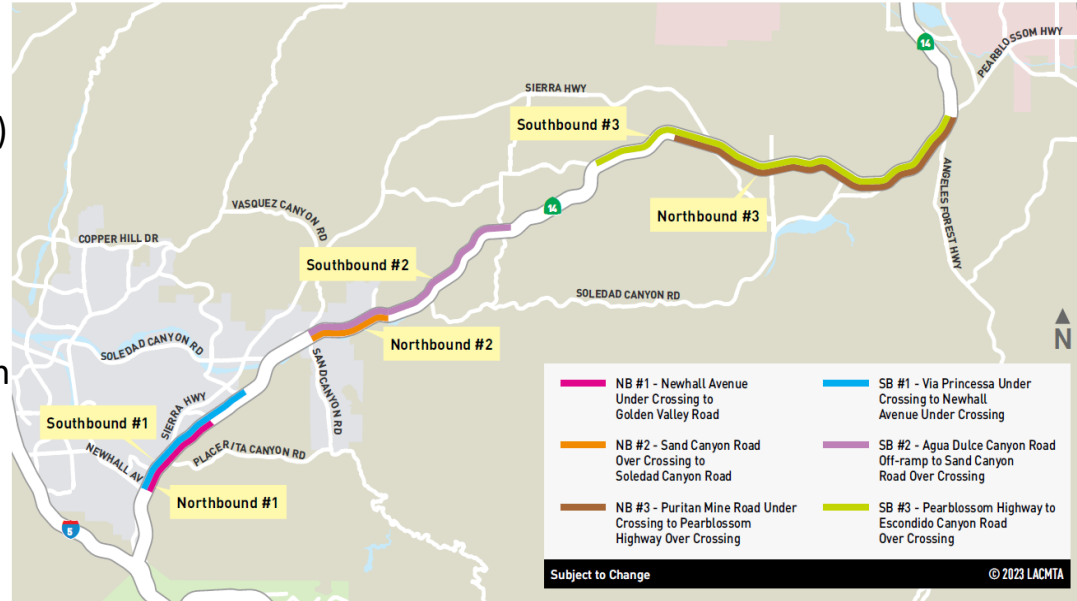
- Evaluate lane reconfigurations where there are gaps, ramp realignments and structural (bridge) widenings, retaining wall construction and drainage modifications.
- Address traffic safety concerns that exceed statewide average incident rates.
- Improve safety, address geometric deficiencies and VMT goals, and minimize impacts to human physical and biological environments.
- **Metro leading environmental phase.**

Multimodal Elements

- Environmental document to evaluate multimodal elements (commuter rail, bike, pedestrian improvements).

Status

- Environmental phase underway and expected to be completed in Fall 2026.



Challenges

- VMT analysis to be conducted.



Board Report

File #: 2024-0057, **File Type:** Oral Report / Presentation

Agenda Number: 8.

**MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
MARCH 6, 2024**

SUBJECT: ACTIVE TRANSPORTATION UPDATES

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE oral report on Measure M Active Transportation, programmed revenues, and uses to support discussion on the effective and efficient use of funds.

ATTACHMENTS

Attachment A - Presentation

Prepared by: James Andrew, Senior Manager, Countywide Planning & Development, (213) 547-4306
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Reviewed by: Ray Sosa, Deputy Chief Planning & Development Officer, (213) 547-4274



Metro is making it easier to walk, bike, and roll.

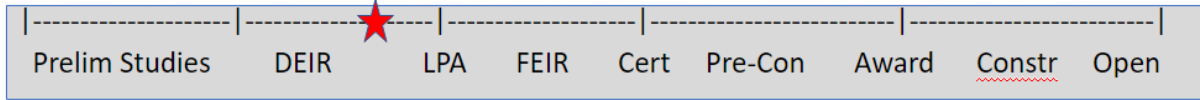
ACTIVE TRANSPORTATION UPDATES

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

MARCH 6, 2024



LA River Waterway & System Bike Path (Central Cities)



- > Project led by Metro
- > Environmental and Design Progress
 - Currently in Draft EIR phase
 - 30% design completed for all three alternatives
 - Selection of a single alternative and start of 60% design in Winter 2024/2025 (*subject to comments from both USACE and LADWP that may affect project definition and EIR alternatives*)
 - Advancement of 60% design is subject to determination of the Project's final owner/O&M entity (*since Metro will not be financially responsible for O&M of the completed project*)
- > Agreements with Third Parties
 - MCA with the City of Vernon is ready for execution
 - Agreements needed with the County and City of LA, LADWP, Railroads, and Caltrans
 - O&M lead, external to Metro, yet to be determined



Proposed Bike Path

Looking south: near Riverside Drive

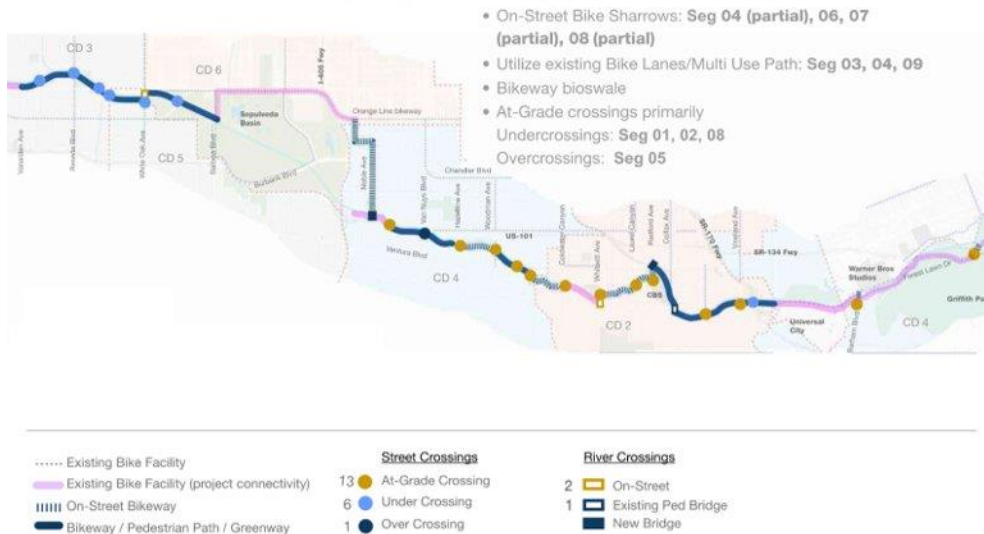


Project Area Map



Complete LA River Bike Path (San Fernando Valley)

- > LA Bureau of Engineering is Lead Agency
- > 13 miles of bikeway gap closures
 - 9 segments from Vanalden Ave to Forest Lawn Dr
 - Segments 1-2 in Design phase; Segments 3-9 Design initiation TBD
- > \$60M in Measure M funding; agreement pending
- > City of LA awarded \$34M in ATP Cycle 6 funding and seeking additional funding
- > City of LA anticipates construction between FY 2025 and FY 2029
- > Per Metro Board direction, partnering arrangements for O&M are TBD



Project Corridor Map



Segment of LA River Bike Path completed in 2014

Metro Active Transport Program



Measure M competitive grant program dedicated for active transportation (\$857M thru 2057)

Implementation of ATSP regional network

\$63.1M in Cycle 1 projects approved by Board in 2021

- 11 FLM Areas (7 in Planning, 3 in Design, 1 in Construction/Design)
- AT Projects (3 in Planning, 2 in Design)

Cycle 2 in development

- Develop and test new partnership models
- Adapt successful models from other modes
- Target award FY 2024-2025

First/Last Mile Program

> FLM improvements:

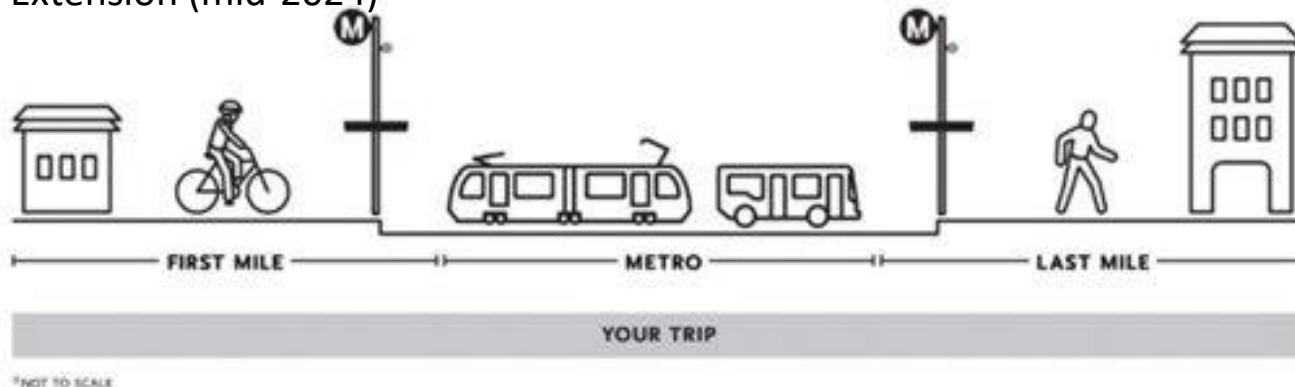
- Expand the reach of transit.
- Enhance safety.
- Enhance the customer experience for transit riders.
- Count toward the Measure M 3% contribution requirement for local jurisdictions with rail transit projects.

> FLM Plans Currently in Progress:

- Southeast Gateway Line (formerly known as WSAB) (complete spring 2024)
- Eastside Phase 2 (complete summer 2024)
- North Hollywood to Pasadena BRT (complete spring 2025)

> FLM Planning Commencing Soon:

- C Line Extension (mid-2024)



Thank you



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