



Metro

Agenda - Final

Wednesday, March 2, 2022

10:30 AM

Measure M Independent Taxpayer Oversight
Committee

Linda Briskman – Chair
Ryan Campbell – Vice Chair
Virginia Tanzmann
Richard Stanger
Gregory Amparano

METROPOLITAN TRANSPORTATION AUTHORITY BOARD 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 Secretary 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 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 hours) in advance of the scheduled meeting date. Please telephone (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040.

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) 922-4600 or (323) 466-3876. Live Public Comment Instructions can also be translated if requested 72 hours in advance.



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

Copies of Agendas/Record of Board Action/Recordings of Meetings - (213) 922-4880 (Records Management Department)

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

Internet Access to Agendas - www.metro.net

TDD line (800) 252-9040

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

CALL TO ORDER

ROLL CALL

1. **SUBJECT: REMARKS BY THE CHAIR** [2022-0073](#)

RECOMMENDATION

RECEIVE remarks by the Chair.

2. **SUBJECT: MINUTES** [2022-0074](#)

RECOMMENDATION

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 1, 2021.

Attachments: [MINUTES - Measure M December 1, 2021](#)

3. **SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2021** [2022-0086](#)

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, 2021, 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, 2021, 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, 2021, completed by Simpson & Simpson, CPAs (Simpson).

Attachments: [Attachment A - Report BCA](#)
[Attachment B - Compliance Report Vasquez](#)
[Attachment C - Compliance Report Simpson](#)

4. **SUBJECT: ORAL REPORT ON BUDGET** [2022-0079](#)

RECOMMENDATION

RECEIVE Oral Report on Budget

Attachments: [Attachment A - MM Sales Tax Revenues](#)

5. **SUBJECT: ORAL REPORT ON LOCAL RETURN** [2022-0080](#)

RECOMMENDATION

RECEIVE Oral Report on Local Return

Attachments: [Attachment A - Update MM LR March 2022](#)

6. **SUBJECT: ORAL REPORT ON STATE OF GOOD REPAIR** [2022-0081](#)

RECOMMENDATION

RECEIVE Oral Report on State of Good Repair

Attachments: [Attachment A - SOGR](#)

7. **SUBJECT: ORAL REPORT ON CONSTRUCTION MARKET ANALYSIS** [2022-0120](#)

RECOMMENDATION

RECEIVE Oral Report on Construction Market Analysis

Attachments: [Attachment A - Construction Market Analysis](#)

8. **SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY PROJECT** [2022-0082](#)

RECOMMENDATION

RECEIVE Oral Report on Transit and Highway Project

Attachments: [Attachment A - Measure M Transit Projects Updates](#)

[Attachment B - Measure M Updates Highway Projects.pdf](#)

9. **SUBJECT: ORAL REPORT ON ACTIVE TRANSPORTATION** [2022-0083](#)

RECOMMENDATION

RECEIVE Oral Report on Active Transportation

Attachments: [Attachment A - Active Transportation Updates](#)

SUBJECT: GENERAL PUBLIC COMMENT [2022-0075](#)

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 #: 2022-0074, File Type: Minutes

Agenda Number: 2.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 2, 2022

SUBJECT: MINUTES

RECOMMENDATION

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 1, 2021.



Virtual Online Meeting

MINUTES

Wednesday, December 1, 2021

10:30 AM

**Measure M Independent Taxpayer Oversight
Committee**

**Directors Present:
Ryan Campbell – Vice Chair
Gregory Amparano
Richard Stanger
Virginia Tanzmann**

CALLED TO ORDER: 10:31 A.M.

ROLL CALL

1. SUBJECT: REMARKS BY THE CHAIR 2021-0733

NO REPORT.

2. SUBJECT: MINUTES 2021-0734

APPROVED AS CORRECTED Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held September 1, 2021.

VT	RC	LB (Chair)	RS	GA
Y	Y	A	Y	Y

3. SUBJECT: ORAL REPORT ON BUDGET 2021-0648

RECEIVED Oral Report on Budget.

Director Amparano told staff that it was a good analysis and he appreciated Director Stanger’s input on the report.

VT	RC	LB (Chair)	RS	GA
P	P	A	P	P

4. SUBJECT: ORAL REPORT ON LOCAL RETURN 2021-0649

RECEIVED Oral Report on Local Return.

VT	RC	LB (Chair)	RS	GA
P	P	A	P	P

5. SUBJECT: ORAL REPORT ON STATE OF GOOD REPAIR 2021-0650

RECEIVED Oral Report on State of Good Repair.

VT	RC	LB (Chair)	RS	GA
P	P	A	P	P

VT = V. Tanzmann	RC = R. Campbell	LB = L. Briskman	RS = R. Stanger	GA = G. Amparano
------------------	------------------	------------------	-----------------	------------------

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

6. SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY PROJECT STATUS 2021-0651

RECEIVED Oral Report on Transit and Highway Project Status.

Regarding the Gold Line, Director Amparano commented that it appears the project is right between the middle of the late and early curves but continues to deplete the float quickly. He added that it seems like there is a limited amount of float to last until the end of the job which is why he had asked about whether the project would be rebaselined during September’s meeting. Staff responded that although the charts look odd, the project team is confident that it does not need to be rebaselined.

Regarding the Airport Metro Connector, Director Amparano asked if rescheduling that resulted in a 3-month delay will impact the critical path to which staff responded that it was a delay due to a procurement protest. Director Amparano followed up, asking if access will be granted in January and staff said that all eyes are on the contractor.

Director Stanger asked if staff has property access prior to the courts making their determination. Staff responded that a major piece of property being procured right now is being delayed due to both COVID and the courts, but it is not a major issue for the project team at this point.

Lastly, Director Amparano requested that a percent complete is included in the next update. Staff responded that for projects still in design or environmental, a progress curve is used but for projects that have begun, a percent complete will be included in the next report.

VT	RC	LB (Chair)	RS	GA
P	P	A	P	P

7. SUBJECT: ORAL REPORT ON ACTIVE TRANSPORTATION 2021-0652

RECEIVED Oral Report on Active Transportation.

VT	RC	LB (Chair)	RS	GA
P	P	A	P	P

ADJOURNED AT 11:25 A.M.

Prepared by: Jessica Vasquez Gamez
Administrative Analyst, Board Administration



Collette Langston, Board Clerk

**Board Report**

File #: 2022-0086, **File Type:** Informational Report**Agenda Number:** 3.

**MEASURE M INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE
MARCH 2, 2022****SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2021****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, 2021, 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, 2021, 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, 2021, completed by Simpson & Simpson, CPAs (Simpson).

ISSUE

On November 9, 2016, Los Angeles County voters approved Measure M that 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. The oversight process 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 related to the receipt and expenditure of sales tax revenues during the fiscal year. The audit must be provided to the Oversight Committee in order for the Oversight Committee to determine whether LACMTA and local subrecipients have complied with the Measure M requirements. In addition, the Ordinance requires that Metro hold a public hearing to obtain the public's input on the audit results.

DISCUSSION

The following summarizes the independent auditor's report on Schedule of Revenues and Expenditures for 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 whether the Schedule of Measure M Revenues and Expenditures (Schedule) is free of material misstatement.

The auditors found that the Schedule referred to above present fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2021, 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, 2021.

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 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, 2021. Vasquez found three (3) instances of noncompliance, which are summarized in Schedule 2 of Attachment B. Resolution of the instances of noncompliance is discussed in another item within this agenda titled Measure M Local Return Compliance Status.

In all material respects, Simpson concluded that the Cities complied with the requirements in the Ordinance applicable to the Measure M Local Return program for the fiscal year ended June 30, 2021. Simpson found six (6) instances of noncompliance, which are summarized in Schedule 2 of Attachment C. Resolution of the instances of noncompliance is discussed in another item within this agenda titled Measure M Local Return Compliance Status.

NEXT STEPS

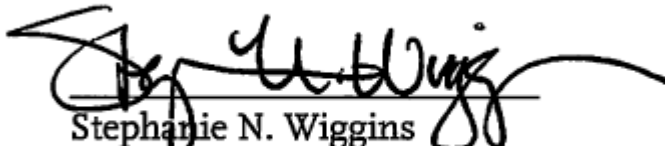
A public hearing will be scheduled.

ATTACHMENT(S)

- A. Independent Auditor's Report on Schedule of Revenues and Expenditures for Measure M Special Revenue Fund for the Fiscal Year Ended June 30, 2021 (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: Lauren Choi, Sr. Director, Audit, (213) 922-3926
Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Shalonda Baldwin, Executive Officer, Administration, (213) 418-3265



Stephanie N. Wiggins
Chief Executive Officer

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, 2021
(With Comparative Totals For 2020)**



2355 Crenshaw Blvd. Suite 150 Torrance, CA 90501
t: (310) 792-4640 f: (310) 792-4140

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, 2021
 (With Comparative Totals for 2020)

Table of Contents

	<u>Page</u>
Independent Auditor’s Report.....	1
Schedule of Revenues and Expenditures	
Schedule of Revenues and Expenditures	4
Notes to the Schedule of Revenues and Expenditures for Measure M Special Revenue Fund.....	5
Required Supplemental Information	
Schedule of Revenues and Expenditures - Budget and Actual For the fiscal year ended June 30, 2021	9
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 <i>Government Auditing Standards</i>	10
Compliance	
Independent Auditor’s Report on Compliance with Requirements Applicable to Measure M Revenues and Expenditures in Accordance with the <i>Los Angeles County Traffic Improvement Plan</i>	12
Summary of Current Year Audit Findings	14
Status of Prior Year Audit Findings	15

Independent Auditor's Report

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

Report on the Schedule of Measure M Revenues and Expenditures

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, 2021, and the related notes to the Schedule, which collectively comprise LACMTA's basic Schedule as listed in the table of contents.

Management's Responsibility for the Schedule of Measure M Revenues and Expenditures

LACMTA's 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; this includes 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 Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

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

Opinion

In our opinion, the Schedule referred to above present fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 9 be presented to supplement the Schedule. Such information, 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

As discussed in Note 3 to the Schedule, the accompanying Schedule of the Measure M Fund is intended to present the revenues and expenditures attributable to the Fund. They do not purport to, and do not, present fairly the financial position of the LACMTA, as of June 30, 2021, 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.

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 16, 2020. In our opinion, the summarized comparative information presented herein for the fiscal year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021, on our consideration of LACMTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LACMTA's internal control over financial reporting and compliance.

BCA Watson Rice, LLP

Torrance, CA
November 8, 2021

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2021
(With Comparative Totals for 2020)
(Amounts expressed in thousands)

	2021	2020
Revenues		
Sales tax	\$ 911,235	\$ 820,724
Intergovernmental	7,005	8,432
Investment income	6,004	15,968
Net appreciation (decline) in fair value of investments	(5,420)	5,450
Total revenues	918,824	850,574
Expenditures		
Administration and other	31,881	27,787
Transportation subsidies	223,876	213,149
Total expenditures	255,757	240,936
Excess of revenues over expenditures	663,067	609,638
Other financing sources (uses)		
Transfers out	(624,082)	(656,362)
Proceeds from long term debt	1,500	-
Total other financing sources (uses)	(622,582)	(656,362)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 40,485	\$ (46,724)

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
June 30, 2021

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 the 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 R).

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
June 30, 2021

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 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 to 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
June 30, 2021

2. Summary of Significant Accounting Policies (Continued)

Investment Income and Net Appreciation (Decline) in Fair Value of Investments

Investment income and net appreciation (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, 2021, the Measure M fund had investment income of \$6,004 and net decline in fair value of investments of \$5,420. The net decline in investments was mainly due to a decrease in 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 2020 in the accompanying Schedule are included only to provide a basis for comparison with 2021 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 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
June 30, 2021

6. Proceeds from Long Term Liabilities

The proceeds from long term liabilities represents funds received from County of Los Angeles for the High Desert Intercity Rail Corridor Service Development Planning Study (HDIRCSD) to assess a new intercity passenger high speed rail service from the future Virgin Train USA (VTUSA) Southern California Station in the Victor Valley to the Palmdale Transportation Center (PTC). The HDIRCSD planning study was approved by the Board on 08-04-20. Metro shall repay the amount to the County from the HDC Measure M allocation by December 2023 pending availability of funding.

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

The Measure M fund at June 30, 2021 had an excess of revenues over expenditures and other financing uses of \$40,485 due to higher sales tax revenues resulting from increase in consumer spending and decrease in transfers out for funding of capital projects mostly for the Expo/Blue Line Light Rail Vehicle, Westside Subway Extension Section 3 and Airport Metro Connector Construction resulting in an increase in Measure M Fund balance from \$631,957 to \$672,442 at June 30, 2021.

8. Audited Financial Statements

The audited financial statements for the Measure M Special Revenue Fund for the fiscal year ended June 30, 2021 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. COVID-19 Impact and Considerations

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. LACMTA expects this matter to negatively impact its operating environment; however, the related financial impact and duration cannot be reasonably estimated at this time.

11. 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 8, 2021, the date the schedule was issued. No subsequent events occurred that require 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, 2021
(Amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 778,101	\$ 778,101	\$ 911,235	\$ 133,134
Intergovernmental	5,146	5,146	7,005	1,859
Investment income	-	-	6,004	6,004
Net decline in fair value of investments	-	-	(5,420)	(5,420)
Total revenues	783,247	783,247	918,824	135,577
Expenditures				
Administration and other	42,543	48,788	31,881	16,907
Transportation subsidies	203,641	204,041	223,876	(19,835)
Total expenditures	246,184	252,829	255,757	(2,928)
Excess of revenues over expenditures	537,064	530,418	663,067	132,649
Other financing sources (uses)				
Transfers in	866	866	-	(866)
Transfers out	(658,077)	(658,077)	(624,082)	33,995
Net transfers	(657,211)	(657,211)	(624,082)	33,129
Proceeds from long term liabilities	-	-	1,500	1,500
Total other financing sources (uses)	(657,211)	(657,211)	(622,582)	34,629
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (120,147)	\$ (126,793)	\$ 40,485	\$ 167,278

**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, 2021, and the related notes to the Schedule, which collectively comprised LACMTA's basic Schedule, and have issued our report thereon dated November 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LACMTA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of the amounts 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 8, 2021

**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

We have audited the Los Angeles County Metropolitan Transportation Authority (LACMTA) compliance of the Measure M Revenues and Expenditures with the compliance requirements described in the *Los Angeles County Traffic Improvement Plan* (the Ordinance) for the fiscal year ended June 30, 2021.

Management's Responsibility

LACMTA's management is responsible for compliance with the requirements of laws and regulations applicable to the Measure M Revenues and Expenditures.

Auditor's Responsibility

Our responsibility is to express an opinion on LACMTA's compliance with the Measure M Revenues and Expenditures based on our audit of the compliance requirements referred to above. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Measure M Revenues and Expenditures occurred. An audit includes examining, on a test basis, evidence about the LACMTA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on the Measure M Revenues and Expenditures. However, our audit does not provide a legal determination of LACMTA's compliance.

Opinion on Measure M Revenues and Expenditures

In our opinion, LACMTA complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Measure M Revenues and Expenditures for the fiscal year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the LACMTA is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the LACMTA's internal control over compliance with the requirements that could have a direct and material effect on the Measure M Revenues and Expenditures as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the *Los Angeles County Traffic Improvement Plan*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the LACMTA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement 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 of the Measure M Revenues and Expenditures that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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.



Torrance, California
November 8, 2021

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Summary of Current Year Audit Findings
For the Fiscal Year Ended June 30, 2021

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 WITH 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, 2021

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH 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, 2021

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Consolidated Audit Report
Fiscal Year Ended June 30, 2021**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE AND MEASURE M LOCAL RETURN GUIDELINES	1
List of Package A Jurisdictions	4
Compliance Area Tested	5
Summary of Audit Results	
Schedule 1 – Summary of Compliance Findings	6
Schedule 2 – Schedule of Findings and Questioned Costs	7

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH 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

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, 2021 (collectively, the Requirements). Compliance with the above-noted Guidelines and Requirements by the County and the Cities are identified in the accompanying Summary of Audit Results, Schedule 1 and Schedule 2.

Management's Responsibility

Compliance with the Guidelines and Requirements is the responsibility of the respective management of the County and the Cities.

Auditor's Responsibility

Our responsibility is to express opinions on the County and each City's compliance with the Guidelines and Requirements referred to above based on our audits. We conducted our audits of compliance in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of requirements referred to above that could have a direct and material effect on the Measure M Local Return program occurred. An audit includes examining, on a test basis, evidence about the County and each City's compliance with the Guidelines and Requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance. However, our audits do not provide a legal determination of the County's and each City's compliance with the Guidelines and Requirements.



Opinion

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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and 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 #2021-001 through #2021-003. Our opinion is not modified with respect to these matters.

Responses by the Cities to the noncompliance findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

The management of the County and each City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines and Requirements referred to above. In planning and performing our audits of compliance, we considered the County and each City's internal control over compliance with the Guidelines and Requirements that could have a direct and material effect on the Measure M Local Return program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guidelines and Requirements, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County and each City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 with the requirements, such that there is a reasonable possibility that material noncompliance 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 requirements that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Finding #2021-001, that we consider to be a significant deficiency.



The City's response to the finding identified in our audits is described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

Vaqueria & Company LLP

**Glendale, California
December 30, 2021**

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
List of Package A Jurisdictions
Fiscal Year Ended June 30, 2021**

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, 2021

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, 2021**

The audits of the County of Los Angeles and 39 cities have resulted in 3 findings. The table below summarizes those findings:

Finding	# of Findings	Responsible Cities/ Finding No. Reference	Questioned Costs	Resolved During the Audit
Funds were expended with Metro's approval.	3	Calabasas (See Finding #2021-001)	\$ 39,196	\$ 39,196
		Lawndale (See Finding #2021-002)	354,334	354,334
		Montebello (See Finding #2021-003)	4,019	4,019
Total Findings and Questioned Costs	3		\$ 397,549	\$ 397,549

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, 2021**

Finding #2021-001	City of Calabasas
Compliance Reference	<p>Section XXV Administrative, Reporting Requirements, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (Form One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	<p>The City claimed expenditures under MMLRF Project Code 640, Direct Administration, totaling \$39,196 with no prior approval from Metro.</p> <p>Although we found the expenditures to be eligible for Local Return funding, the projects had no prior approval from Metro.</p> <p>This is a repeat finding from prior year's audit.</p>
Cause	The City was in transition staff wise. Information was not properly communicated.
Effect	The City claimed expenditures totaling \$39,196 prior to approval from Metro. Lack of prior approvals results in non-compliance with the Guidelines.
Recommendation	We recommend the City establish procedures to ensure that approval is obtained from Metro prior to spending on Measure M-funded projects.
Management's Response	The City agrees with the findings. The City will establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on any Measure M-funded projects.
Finding Corrected During the Audit	Metro Program Manager granted a retroactive approval of said project on November 23, 2021. No additional 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, 2021
(Continued)**

Finding #2021-002	City of Lawndale
Compliance Reference	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	<p>The City claimed expenditures for the following MMLRF projects with no prior approval from Metro:</p> <ul style="list-style-type: none"> a. Project 705, Street Improvements, totaling \$354,000; and b. Project 640, Administration, totaling \$334. <p>Although we found the expenditures to be eligible for Local Return funding, these projects had no prior approval from Metro.</p>
Cause	<p>The City was unfamiliar with the new process due to staff turnover and a new system for reporting to Metro.</p>
Effect	<p>The City claimed expenditures totaling \$354,334 prior to approval from Metro. Lack of prior approval results in noncompliance.</p>
Recommendation	<p>We recommend the City establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on Measure M-funded projects.</p>

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2021
(Continued)**

Finding #2021-002 (Continued)	City of Lawndale
Management's Response	The City agrees with the auditor's findings and recommended actions to establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on Measure M-funded projects. The City will establish internal controls to ensure that prior to the City budgeting a project or expenditure, that the project or expenditure be approved by Metro. This will prevent requisitions/purchase orders and expenditures to being incurred prior to Metro approval.
Finding Corrected During the Audit	Metro Program Manager granted a retroactive approval of the said projects on October 13, 2021. No additional 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, 2021
(Continued)**

Finding #2021-003	City of Montebello
Compliance Reference	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
Condition	<p>The City claimed expenditures for the following MMLRF projects with no prior approval from Metro:</p> <ul style="list-style-type: none"> a. Project Code 490, Sales Tax Revenue Bonds, totaling \$1,570; b. Project Code 640, Finance Overhead, totaling \$1,573; c. Project Code 705, Weimar Way (Avenida La Merced to Los Amigos), totaling \$91; d. Project Code 705, Beverly Terrace (Maple to Park), totaling \$224; e. Project Code 705, Holger Drive (Victoria to Forbes), totaling \$91; and f. Project Code 705, Oakwood Avenue (Montebello to Spruce), totaling \$470. <p>Although we found the expenditures to be eligible for Local Return funding, these projects had no prior approval from Metro.</p>
Cause	<p>The City was unfamiliar with the new process due to staff turnover and a new system for reporting to Metro.</p>
Effect	<p>The City claimed expenditures totaling \$4,019 prior to approval from Metro. Lack of prior approval results in noncompliance.</p>

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2021
(Continued)**

Finding #2021-003 (Continued)	City of Montebello
Recommendation	We recommend the City establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on Measure M-funded projects.
Management's Response	The City submitted a Budget Request to Metro Program Manager and obtained a retroactive approval of the said projects on September 20 and 23, 2021.
Finding Corrected During the Audit	Metro Program Manager granted a retroactive approval of the said projects on September 20 and 23, 2021. No additional follow up is required.



www.vasquezcpa.com

Vasquez & Company LLP has over 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, 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. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about-us for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.



**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH 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, 2021



Simpson & Simpson, LLP
Certified Public Accountants

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Consolidated Audit Report
Fiscal Year Ended June 30,2021**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE AND MEASURE M LOCAL RETURN GUIDELINES	1
List of Package B Jurisdictions	4
Compliance Area Tested	5
Summary of Audit Results	
Schedule 1 – Summary of Compliance Findings	6
Schedule 2 - Schedule of Findings and Questioned Costs	7



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH 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

We have audited the compliance of the forty-nine (49) 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 and the respective Cities for the year ended June 30, 2021 (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.

Management's Responsibility

Compliance with the Guidelines and Requirements is the responsibility of the respective Cities' management.

Auditor's Responsibility

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

We believe that our audits provide a reasonable basis for our opinions on compliance. However, our audits do not provide a legal determination of each City's compliance with the Guidelines and Requirements.





Opinion

In our opinion, 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, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and 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 #2021-001 through #2021-006. Our opinion is not modified with respect to these matters.

Responses by the Cities to the noncompliance findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

The management of each City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines and Requirements referred to above. In planning and performing our audits of compliance, we considered each City's internal control over compliance with the Guidelines and Requirements that could have a direct and material effect on the Measure M Local Return program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guidelines and Requirements, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of each City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 under 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Cost (Schedule 2) as Findings #2021-003 and 2021-004 to be significant deficiencies.



The responses by the Cities to the internal control over compliance findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The responses by the Cities were not subject to the 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 on internal control over compliance and the results of that testing based on the requirements of the Guidelines and Requirements. 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 30, 2021

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
List of Package B Jurisdictions
Fiscal Year Ended June 30, 2021**

- | | |
|----------------------------------|-----------------------------------|
| 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, 2021

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, 2021**

The audit of the 49 cities identified in the List of Package B Jurisdictions have resulted in 6 findings. The table below shows a summary of the findings:

Finding	# of Findings	Responsible Cities/ Finding Reference	Questioned Costs	Resolved During the Audit
Funds were expended with Metro's approval.	3	Downey (#2021-003) La Mirada (#2021-005) Temple (#2021-006)	\$ 454,680 215,823 5,000	\$ 454,680 215,823 5,000
Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	1	Claremont (#2021-002)	None	None
Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	1	Bradbury (#2021-001)	None	None
Accounting procedures, record keeping, and documentation are adequate.	1	Glendora (#2021-004)	None	None
Total Findings and Questioned Costs	6		\$ 675,503	\$ 675,503

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, 2021**

Finding #2021-001	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, 2021 deadline for submitting the Annual Expenditure Report in the Local Return Management System (LRMS). Instead, the City submitted the information in the LRMS on December 20, 2021.
Cause	It was due to an oversight by 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 the annual actual expenditures are entered in the LRMS before the due date so that the City is in compliance with Metro's Guidelines.
Management's Response	The City has a staff turnover during fiscal year 2021 and the new management team was unaware of compliance requirements of Local Return Funds.
Corrected During the Audit	The City subsequently entered the required information in the LRMS on December 20, 2021. 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, 2021
(Continued)

Finding #2021-002	City of Claremont
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV Administrative: Reporting Requirements - Expenditure Plan (Form M-One), "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 1 of each year."
Condition	The City did not meet the August 1, 2020 deadline for submitting the Expenditure Plan in the Local Return Management System (LRMS). In FY2021, Metro extended August 1, 2020 deadline to October 1, 2020, to facilitate a smooth LRMS transition. However, the City updated the information in the LRMS on October 16, 2020.
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 the Expenditure Plan is entered in the LRMS before the due date so that the City's expenditures of Measure M Local Return Funds will be in accordance with Metro's approval and the guidelines.
Management's Response	The City concurred with the finding.
Corrected During the Audit	The City subsequently entered the required information in the LRMS on October 16, 2020. 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, 2021
(Continued)

Finding #2021-003	City of Downey
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 MMLRF's Project Code 720, CIP 17-10: Stewart and Gray Signalization and Safety Improvements, in the amount of \$454,680 were incurred prior to Metro’s approval. However, the City subsequently received an approved budget amount of \$454,680 from Metro for the MMLRF project on November 16, 2021.</p> <p>This is a repeat finding from the prior fiscal year.</p>
Cause	The request for the budget approval from Metro for this project was overlooked in fiscal year 2020-21.
Effect	The City did not comply with the 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, and properly enter the budgeted amount for each project in the Local Return Management System (LRMS) and submit 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.
Management’s Response	The City’s management agrees with the finding. In the future, the City will review all MMLRF projects prior to the fiscal year end and ensure that each project has the appropriate Metro-approved budget.
Corrected During the Audit	Metro Program Manager granted retroactive budget approval of the said project on November 16, 2021. 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, 2021
(Continued)

Finding #2021-004	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 did not provide the timesheets but only provided the Special Funding Time Certification (Certification) which is a supplemental form for the timesheet that is signed by both the employee and the employee’s supervisor. The Certification is prepared annually and provides the hours worked by the employee on MMLRF project for all payroll periods during the fiscal year 2020-21.</p> <p>The pay periods tested were as follows:</p> <ul style="list-style-type: none"> a) December 27, 2020 b) January 10, 2021 c) January 24, 2021 d) June 27, 2021 <p>We noted that the Certifications sampled were signed and dated by the employees and supervisors after the year-end, October 2021, which were four to ten months after the fact.</p> <p>This is a repeat finding from prior fiscal year.</p>
Cause	During fiscal year 2020-21, the Finance division experienced staff turnovers and the City staff who was directly involved in the preparation of the annual Certifications was on leave for four months from June 2021 through September 2021. Due to the turnover and the absence of the City staff, the Certifications were not prepared and signed by both employees and supervisors in a timely manner.
Effect	Without employees and supervisors preparing the timecards/certifications in a timely manner, the City may be unable to substantiate the actual hours worked by the employees that were charged to the programs. Untimely support for salaries could result in disallowed costs.
Recommendation	We recommend the City strengthen controls over payroll so that all employees and supervisors prepare, review, sign, and date the Certifications at minimum, on a monthly basis, to ensure the accuracy of hours worked on the local return funds’ projects.
Management’s Response	The City will re-evaluate the preparation of the Certifications process to ensure that the forms are signed and dated by the employees and supervisors within a reasonable period of time, either monthly or quarterly.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2021
(Continued)

Finding #2021-005	City of La Mirada
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 City incurred expenditures prior to receiving approval from Metro for MMLRF’s Project Code 302, Rosecrans Avenue Corridor Traffic Signal Update, in the amount of \$215,823. However, the City subsequently received an approved budget amount of \$220,000 from Metro for the MMLRF project on August 27, 2021.
Cause	When the FY 2020-21 Capital Improvement Project (CIP) was adopted, the Rosecrans Avenue Corridor Traffic Signal Update project was estimated to be completed in fiscal year 2019-20. Therefore, the project was not carried over to the following year. During the close of fiscal year 2020-21, the expenditures for the project were identified and a project approval request form was immediately submitted to Metro.
Effect	The City did not comply with the Guidelines as expenditures for the MMLRF project were incurred before 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. Form M-One (Expenditure Plan) should be properly prepared and submitted before the due date of August 1st so that the City’s expenditures of Measure M Local Return Funds are in accordance with Metro’s approval and the Guidelines.
Management’s Response	The City staff will submit project approval requests to Metro prior to funding a project. The City staff will also review expenditure activity during the fiscal year to ensure that projects have been approved and sufficient budget amount was requested to Metro in the LRMS database.
Corrected During the Audit	Metro Program Manager granted retroactive approval of the said expenditures on August 27, 2021. 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, 2021
(Continued)

Finding #2021-006	City of Temple City
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 City incurred expenditures prior to receiving approval from Metro for MMLRF’s Project Code 705, San Gabriel Valley Council of Governments VMT Mitigation, in the amount of \$5,000. However, the City subsequently received an approved budget amount of \$5,000 from Metro for the MMLRF project on December 2, 2021.
Cause	Due to the mitigated coronavirus (COVID-19) protocols, the City staff were not able to coordinate their efforts to obtain approval prior to incurring expenditures on MMLRF projects.
Effect	The City did not comply with the Guidelines as expenditures for the MMLRF project were incurred before 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, and properly enter the budgeted amount for each project in the Local Return Management System (LRMS) and submit 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.
Management’s Response	The City instructed the employees who are involved in obtaining budget approvals to ensure that the proper approvals are received from Metro before expenditures are incurred on MMLRF projects.
Corrected During the Audit	Metro Program Manager granted retroactive approval of the said project on December 2, 2021. No follow-up is required.



Metro

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

Board Report

File #: 2022-0079, **File Type:** Oral Report / Presentation

Agenda Number: 4.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 2, 2022**

SUBJECT: ORAL REPORT ON BUDGET

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE Oral Report on Budget

Summary COVID Impacts on Measure M Sales Tax Revenues Through December 2021

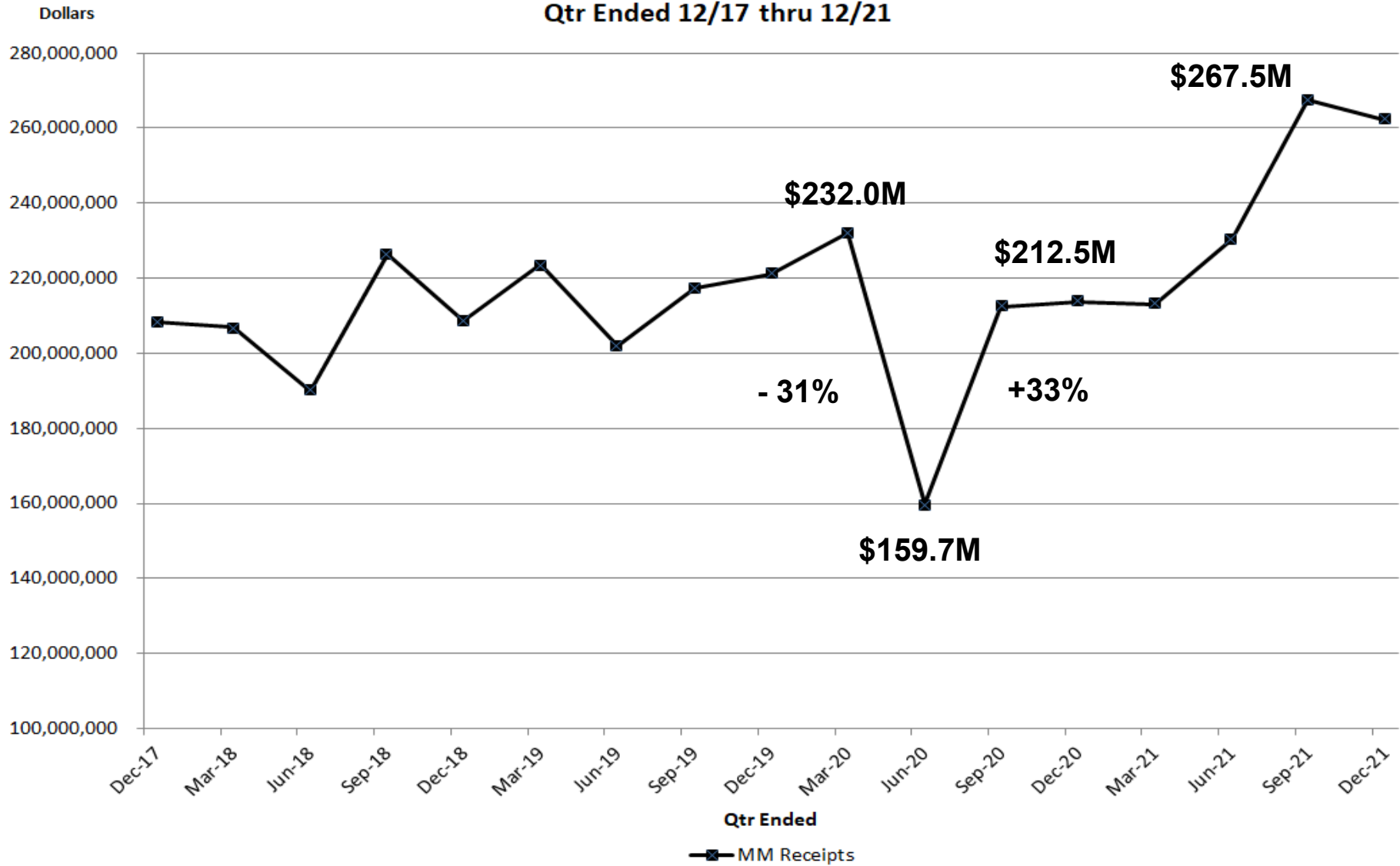
Measure M Independent Taxpayer Oversight Committee
March 2022

Resiliency of the Los Angeles County Economy

- **Sales Tax revenues reflect actual economic activity within a defined geographic area.**
- **Los Angeles County Employment was at a 22 year high in February 2020 reporting 4.955 M jobs.**
- **By April of 2020, due to various shut-down and other measures and impacts, Los Angeles County employment fell to 3.764 M jobs, a 24% decline leading to an unemployment rate of 21%**
- **As of December 21, Los Angeles County is back to 94% of the pre-pandemic peak at 4.641 M jobs and the unemployment rate has declined to 8.4%**

Resiliency of the Los Angeles County Economy

Measure M Sales Tax Receipts
Quarterly Collections
Qtr Ended 12/17 thru 12/21



Resiliency of the Los Angeles County Economy

Potential headwinds moving forward:

- Slowing decline in rate of employment increases
- Continued supply chain constraints

Inflationary pressures that may limit real growth:

- Energy Cost increases ranged from 44% for Gasoline, 20% for Electricity and 33% for Natural Gas
- California Construction Cost Index growth of 13% in 2021
- General Los Angeles Area inflation increase of 6.6% and core inflation (excl Food and Energy) increased 4.4%



Metro

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

Board Report

File #: 2022-0080, **File Type:** Oral Report / Presentation

Agenda Number: 5.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 2, 2022**

SUBJECT: ORAL REPORT ON LOCAL RETURN

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE Oral Report on Local Return

Measure M Local Return

March 2022 update

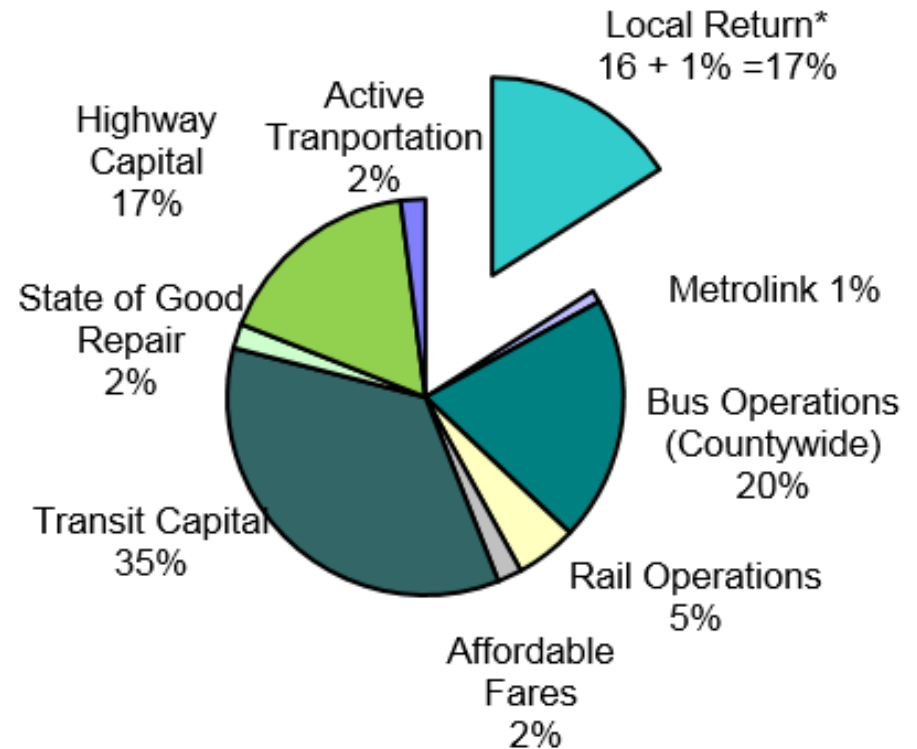


Susan Richan and Chelsea Meister,
Local Programming

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)

MEASURE M



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

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

LRMS – Updates

Meetings and due dates (former met deadlines are shaded)

- Audit Workshop was held July 27, 2021, via TEAMS meeting
 - 8/1/21 Project Updates Table - to carryover FY21 projects into new FY22 was due August 1st.
 - Cities have met their Oct 15, 2021 due date for Actuals
 - The audits were completed on December 31, 2021

The Measure M audit findings for the FY21 audit total nine (9). This is down from the FY20 audit findings of twenty-one (21). Most FY21 findings were for late form submittal or not having approval for a project before expending funds. These were resolved by retro-active approval.

The only city with a significant finding was Glendora. The finding was regarding payroll. The City of Glendora's response to the payroll finding was to re-evaluate and improve their payroll certification process. The FY22 will check on this process.

THANK YOU!

Questions?

Susan Richan

richans@metro.net

(213) 922-3017

Chelsea Meister

meisterc@metro.net

(213) 922-5638



Metro

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

Board Report

File #: 2022-0081, **File Type:** Oral Report / Presentation

Agenda Number: 6.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 2, 2022**

SUBJECT: ORAL REPORT ON STATE OF GOOD REPAIR

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE Oral Report on State of Good Repair

Measure M Independent Taxpayer Oversight Committee

Enterprise Transit Asset Management
State of Good Repair



Metro®

Transit Asset Management (TAM)

“TAM is a business model that uses condition of assets to guide optimal prioritization of funding at transit properties in order to keep our transit networks in a State of Good Repair” --- FTA

Per FTA’s TAM Rulemaking – A Capital Asset is in a State Of Good Repair if it meets the following Objective Standards:

- The capital asset is able to perform its designed function;
- The use of the asset in its current condition does not pose an identified unacceptable safety risk; and
- The life-cycle investment needs of the asset have been met or recovered, including all scheduled maintenance, rehabilitation, and replacements.

Metro’s TAM Policy Defines

SGR asset: one that is currently in use in operation and its rehabilitation or replacement needs shall be included in the asset inventory.

SGR capital project involves rehabilitating or replacing an existing asset. *Excluded from this definition are capital projects for capacity enhancements or expansions to existing projects or new services.*



Metro

TAM Inventory Database Overview

Asset Database Statistics – as of Nov. 2021 NTD update

28,000+ asset records tracking over 521,000 assets

\$20.1B Asset Replacement Value (FY21\$)

\$26.7 B SGR needs over 40 years (FY21\$)*

\$2.7B Current Backlog (FY20\$)*

*ETAM still validating updated numbers

- ETAM Reported updated data into National Transit Database (NTD) 10/27/2021 - on time
 - 16 reports regarding asset inventory
 - Annual TAM Narrative Report
 - NTD A90 report - Performance Measure Targets summarized on next page
- Next NTD update due is October 31, 2022



Performance Measures - Definitions

- **Infrastructure** *Performance*
% of guideway directional route miles with performance restrictions (slow zones) by Heavy Rail and Light Rail
- **Rolling Stock** *Age*
% of revenue vehicles within a particular asset class that have met or exceeded their Useful Life Benchmark (ULB)
- **Equipment** *Age*
% of non-revenue vehicles met or exceeded their Useful Life Benchmark (ULB)
- **Facilities** *Condition*
% of facilities with a condition rating below 3.0 on the FTA Transit Economic Requirements Model (TERM) scale
(1=Poor to 5=Excellent)



Metro

Federal Transit Administration (FTA) Reporting Requirements FY21

FTA TAM Performance Measures / Targets					Based on FY21 Census Date (6/30/2021)				FY22 Forecast				
Asset Class	Performance Measure based on 49 CFR Part 625	① FY21 Target (reported to FTA)	② = ⑥ / ⑤ FY21 Actual (Calc'd by FTA)	③ = ⑩ / ⑨ FY22 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.	46.59%	45.25%	34.07%	340	316	143	7.4	275	273	93	6.5
	Bus (BU)		15.12%	0.00%	2.63%	1,999	1,806	0	6.9	1,958	1,899	50	6.7
	Heavy Rail Vehicles (HR)		0.00%	0.00%	18.18%	102	88	0	24.3	102	88	16	25.3
	Light Rail Vehicles (LR)		0.00%	0.00%	0.00%	292	245	0	8.0	337	309	0	7.6
Equipment	Asset Class	Performance Measure based on 49 CFR Part 625	FY21 Target (reported to FTA)	FY21 Actual (Calc'd by FTA)	FY22 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.	25.47%	25.63%	37.83%	480	123	7.7	460	174	8.5		
	Trucks and Other Rubber Tire Vehicles		37.41%	39.64%	40.18%	999	396	10.2	978	393	10.1		
	Steel Wheel Vehicles		20.00%	20.00%	20.00%	10	2	8.1	10	2	9.1		
Facilities	Asset Class	Performance Measure based on 49 CFR Part 625	FY21 Target (reported to FTA)	FY21 Actual (Calc'd by FTA)	FY22 Target (reported to FTA)	Total Facilities	Facilities Assessed *	Facilities Below TERM Condition 3					
	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%	0.00%	255	213	0					
	Administration & Maintenance Facilities		0.00%	0.00%	0.00%	151	150	0					
Infrastructure	Asset Class	Performance Measure based on 49 CFR Part 625	FY21 Target (reported to FTA)	FY21 Actual (Calc'd by FTA)	FY22 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.	0.28%	0.38%	0.30%	31.84 miles	0.12 miles						
	Light Rail (LR)		2.36%	3.48%	2.78%	171.73 miles	5.97 miles						

* FY21 Facility Performance Measure includes the facilities assessed in FY18 - FY21.
 ** FY22 Infrastructure Performance Measure forecast is 80% of FY21 actual performance measure.
 ‡ Uses the FTA/NTD method of calculating age: **Census Year - Year of Manufacture** for each asset.



Metro

FTA TAM Requirements - Accomplished

Metro's Enterprise Transit Asset Management (ETAM) staff accomplished:

- All FTA FY21 TAM National Transit Database (NTD) reporting requirements were fulfilled on time including: the Group Plan with the uniform performance targets; and the TAM performance measures and targets

Support Implementation of new Enterprise Asset Management System (EAM)

- ETAM supported Phase I procurement.
- ETAM staff participating as Sponsor and Subject Matter Expert (SME) to procure and implement EAM System Integration (SI) Phase II – awarded October 2021.
- Support EAM project for duration of implementation to help ensure success.
- Coordinate with EAM team for a process to “on board” new assets acquired from new capital projects.

Continue Condition Assessments:

- Structures (Inspections) – continue coordination of track allocation to gain access to tunnels and bridges maintaining compliance with the CPUC-CA Public Utilities Commission regs
- Fire Life Safety Systems – continue to review contractor's deliverables and press contractor for quality recommendation reports to wrap up contract by end of FY22.



Metro

Transit Asset Management - Next Steps

Initiate next 4-year cycle of FTA required Facilities Condition Assessments

- Proposals being reviewed – Black out period
- Scheduled to be awarded in FY22

Provide input on development of SGR Capital Projects for FY23 Budget

- Provide current asset replacement needs to Operations for project proposals
- Provide SGR short and long term needs to Planning and OMB for funding levels
- Include identification of asset replacements in capital project proposals to OMB
- Update backlog and SGR need with funded FY22 data

October 31, 2021 - FTA TAM Rulemaking compliance deadline:

- ✓ July - Collected data from Operations' asset managers to update asset information
- ✓ August – Validated information with asset owners
- ✓ September – Formulated Performance Measures and Targets information, Written Narrative
- ✓ October – Received Executive Approval to upload Performance Target data
- ✓ Uploaded data into National Transit Database (NTD) for multiple (17) asset reports by ETAM
- ✓ Group TAM Plan - coordinated with 34 sub-recipient transit agencies who participate and ensured compliance by deadline
- Spring 2022 – Coordinate with Technical Working Groups to prepare for data collection RY22. Ongoing improvement process to improve data.
- Prepare 2022 TAM Plan update, due every four years per the TAM Rulemaking. In process.



Metro



Thank you!

Denise Longley
Enterprise Transit Asset Management
State of Good Repair



Metro®



Metro

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

Board Report

File #: 2022-0120, **File Type:** Oral Report / Presentation

Agenda Number: 7.

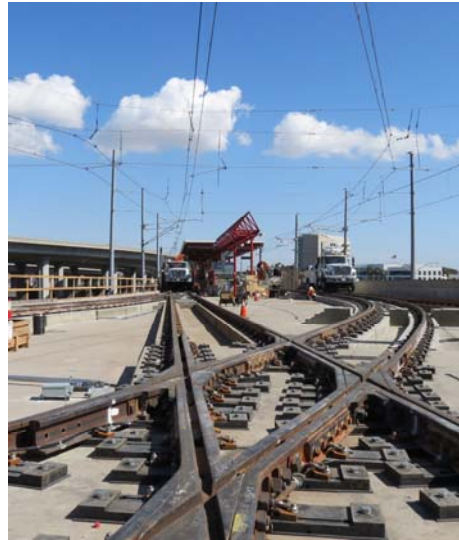
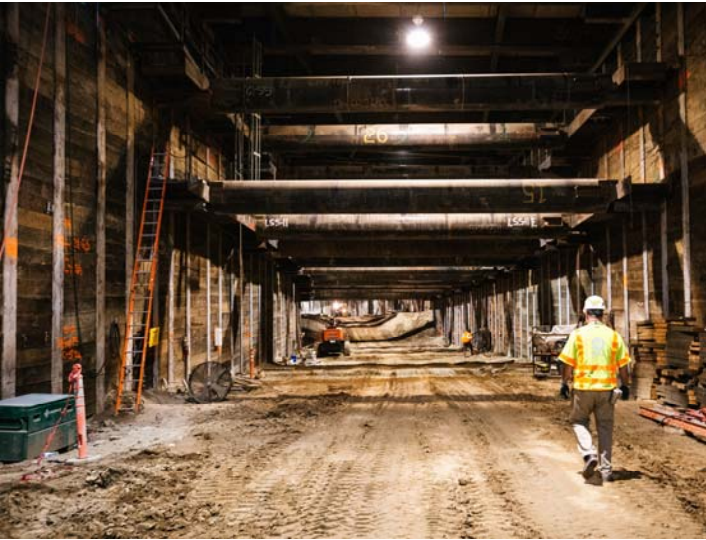
**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 2, 2022**

SUBJECT: ORAL REPORT ON CONSTRUCTION MARKET ANALYSIS

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE Oral Report on Construction Market Analysis



Attachment A

CONSTRUCTION
MARKET ANALYSIS
2021 - 2022



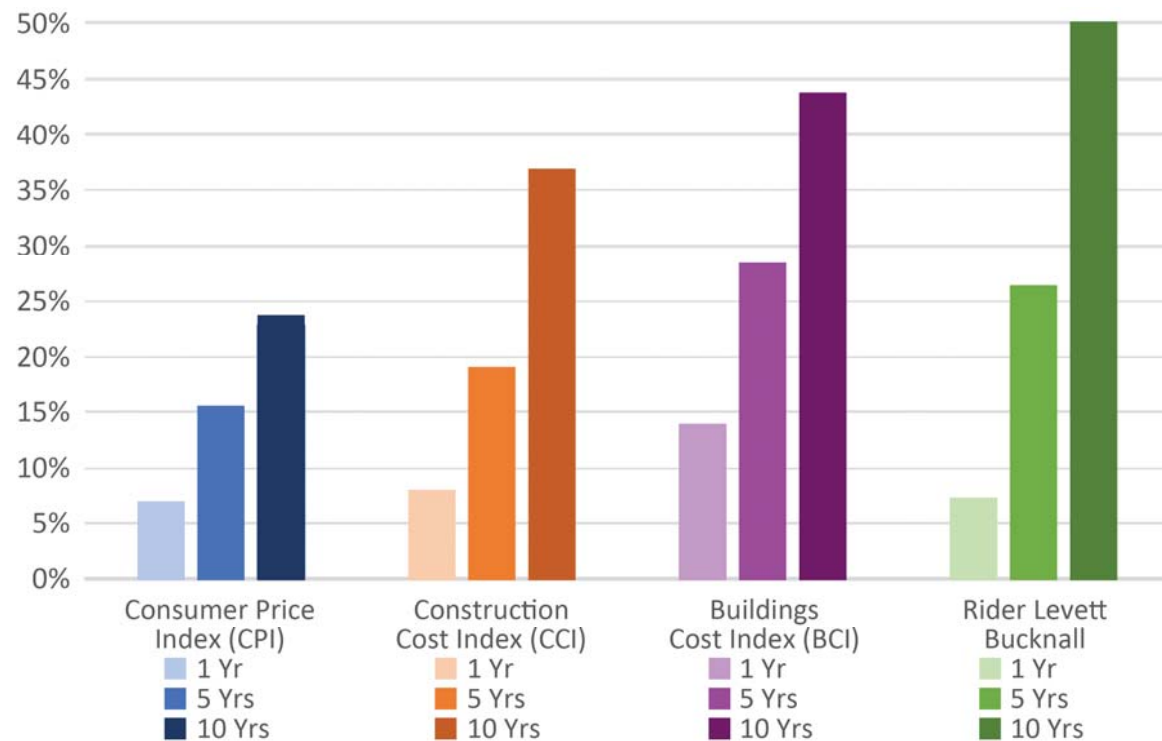
Metro™

2022

CONSTRUCTION COSTS OUTPACING MARKET

- January's consumer market inflation rate of 7% (the highest since 1982) is lower than the construction inflation rate of 8%
- Since the passage of Measure M, construction costs have outpaced consumer market inflation
- Over the past 10 years, increase in construction prices are near double the consumer market inflation rate

Percent Change in 1-Year, 5-Year, and 10-Years by Index

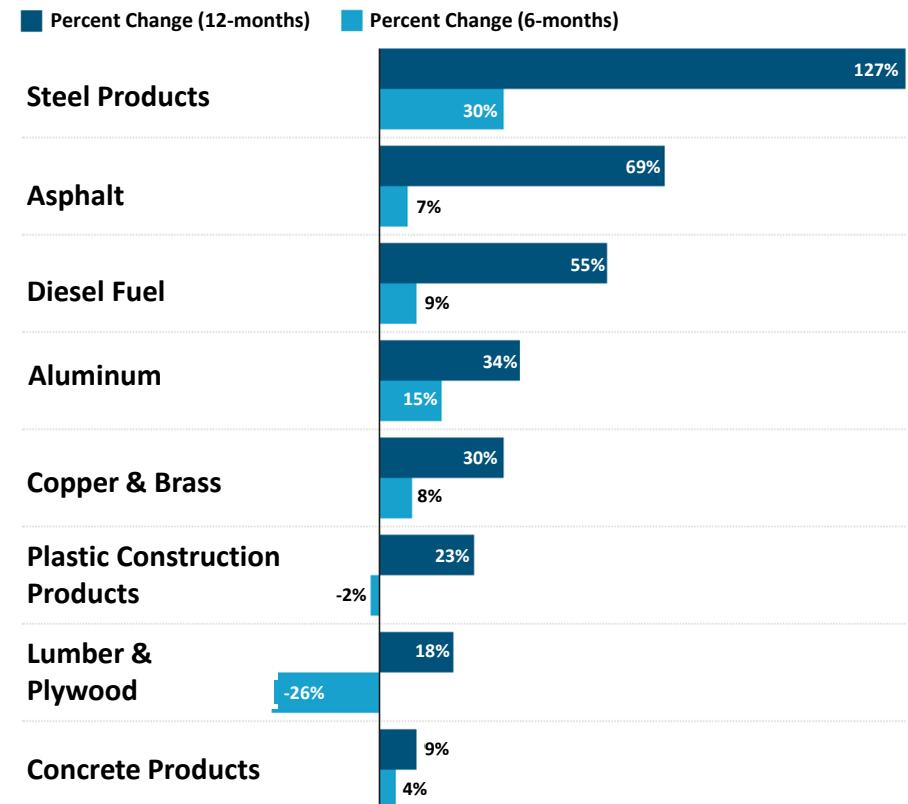


Sources: Bureau of Labor Statistics, Engineering News Record, Rider Levett Bucknall

CONTINUED INCREASE IN MATERIALS PRICES

- Majority of materials prices have jumped in the past year
- Lumber prices are normalizing
- Key drivers increasing the price of steel products:
 - High demand
 - Tariffs
 - Supply chain issues
 - Consolidation in the industry
 - Pandemic related shutdowns of steel mills

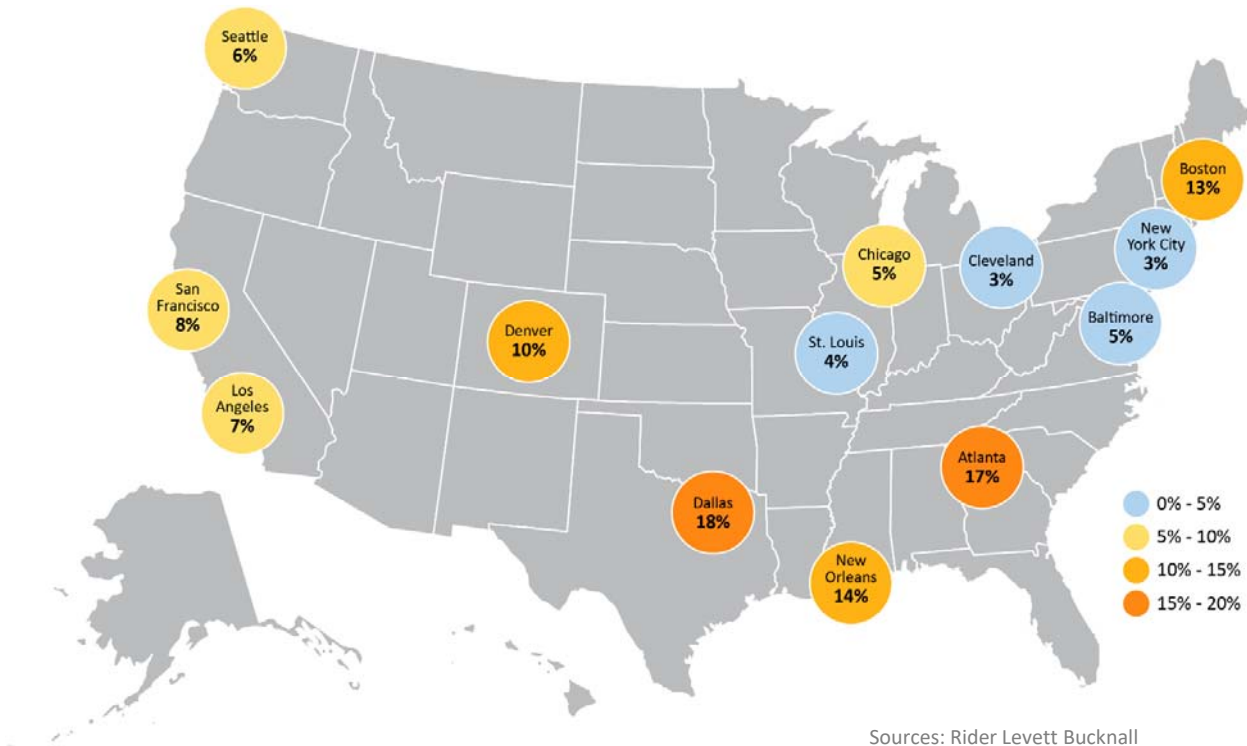
Construction Materials Cost: Percent Change



Source: Bureau of Labor Statistics

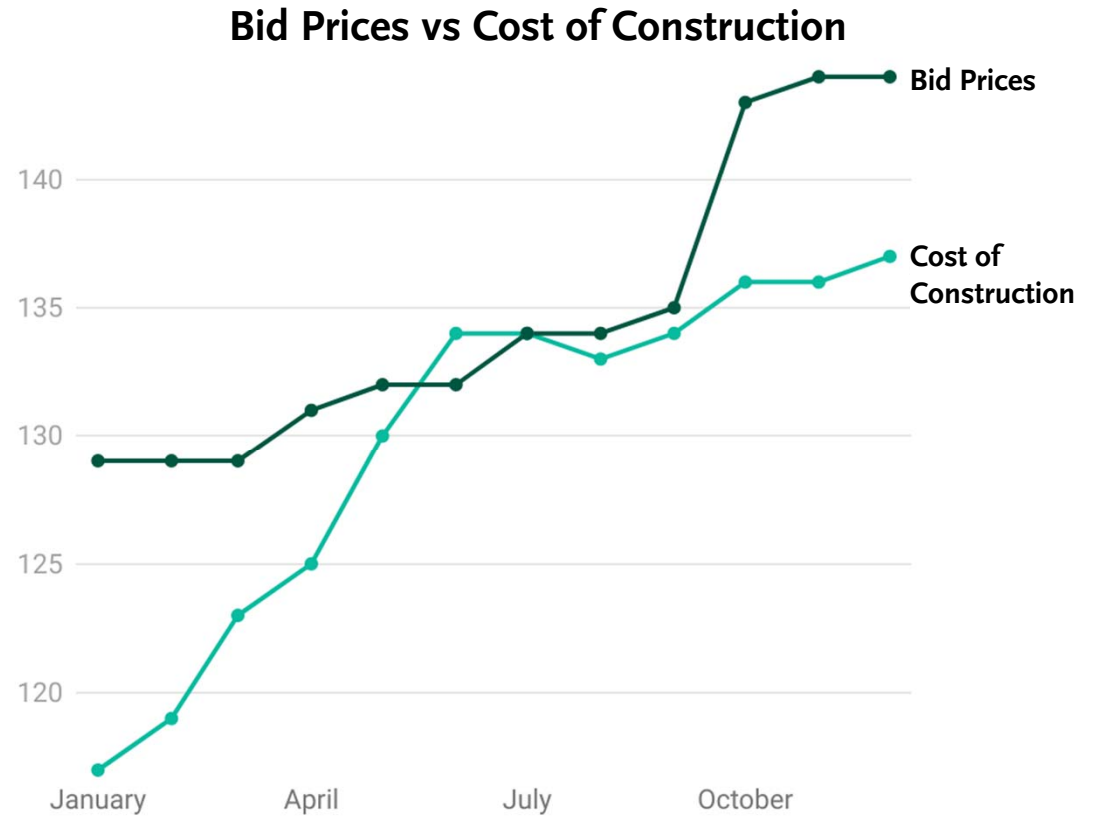
LOCAL & NATIONAL CONSTRUCTION INFLATION

- Los Angeles and national average peaked in the summer at 11% and 9% respectively
- Los Angeles experienced similar increases to the national average over the past year
- Current construction inflation rates for Los Angeles and national average are at 7%



COMPARING BID PRICES & CONSTRUCTION COSTS

- Cost of construction has increased by 20% this year
- Bid prices have increased by 13% this year
- Within the last 4 months, bid prices have jumped by 7%
- Contractors are passing along higher costs to owners
- High bid prices are anticipated to continue through the first half of 2022 shutdowns of steel mills



Source: Bureau of Labor Statistics

CONSTRUCTION MARKET OUTLOOK FOR 2022

- Transportation construction activity to increase by 5% compared to last year
- Inflation likely to remain high with a drop in the later half of the year
- Construction escalation is forecasted between 4% to 6% for 2022
- Challenges likely to continue in 2022:
 - Supply chain disruptions
 - High construction materials and services costs
 - Labor shortages
 - COVID-19 variants



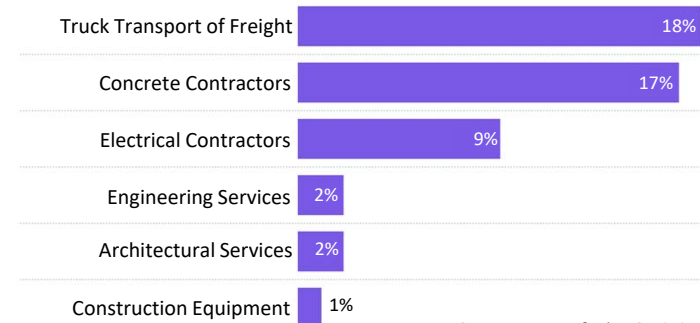
AGC Workforce Survey Results

86% of contractors are having a hard time filling positions

72% of contractors have difficulty finding quality workers

61% of contractors say shortage of workers resulting in delays

Labor-Related Construction Cost Increase in the Past Year



Source: Bureau of Labor Statistics



Metro

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

Board Report

File #: 2022-0082, **File Type:** Oral Report / Presentation

Agenda Number: 8.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 2, 2022**

SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY PROJECT

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE Oral Report on Transit and Highway Project

Project	Ground-breaking Date		Notes	Project Phase	Budget		Contingency Funds		Soft Costs Spent	Risk
	Exp. Plan (FY)	Anticip (FY)			Project Budget ¹	Phase Budget Spent	Budgeted	Spent		
PROGRAM MANAGEMENT - Transit Design/Constr.										
Westside Purple Line Extension Section 3	2020	2020	<p>Tunneling:</p> <ul style="list-style-type: none"> Tunnel Boring Machine (TBM) "Iris" (BR) – Mining continues east of the I-405; over 4006 feet mined to date. Completed mining beneath Sepulveda Blvd and the Metropolitan Water District 96" water main. Tunnel Boring Machine (TBM) "Aura" (BL) – Mining has resumed. TBM has mined over 2311 feet, completed mining through the Westwood/VA station. <p>Westwood/UCLA Station:</p> <ul style="list-style-type: none"> Utility sewer and storm drain relocation continues along Wilshire at Gayley. Pile installation for Support of Excavation and installation of cap beam and waler continues on north side of Wilshire Blvd. Dewatering well casing installations are ongoing. Northeast Station Entrance (10921 Wilshire Blvd) – Building reconfiguration underway. <p>Westwood/VA Station:</p> <ul style="list-style-type: none"> VA steam tunnel relocation started, including Support of Excavation, excavation, and demolition of existing vaults 	Final Design and Constr. 33% Complete	\$3.6B	\$1.003B	\$830.6M	\$303.8M	\$249.1M	<ul style="list-style-type: none"> COVID-19 pandemic impact ROW negotiations in the alignment between Constellation and UCLA. Tariffs potentially impact D/B contractors.

¹Project Budget is defined as the Life of Project Budget, escalated to mid-point of construction. For cases in which there is no Life of Project Budget (i.e., planning projects), figures provided represent the Project Budget in 2015 dollars, per the Los Angeles County Transportation Expenditure Plan.

Gold Line Foothill	2020	2020	Design Build Contract for Main Line, Stations, Systems - Awarded Oct. 2019 Heavy Construction Started July 2020 Base Contract to Pomona Complete by 2025	Final Design and Constr. 41.5% Complete	\$1,406.9 M	\$477.8M			\$352.96 M excluding Vehicles \$22,000	<ul style="list-style-type: none"> Lack of funding for the remaining portion of the initial scope and alignment from Glendora to Montclair.
Airport Metro Connector	2021	2024	<ul style="list-style-type: none"> Los Angeles World Airport (LAWA) Interface and coordination continues. Issued NTP for Early Rail Works in May 2021 Awarded the main construction contract in August 2021 and issued NTP in October 2021 Site demolition and grading was completed in October 2021. Mobilization of the main construction contractor is nearing completion. Hertz Real Estate acquisition is in the process of finalizing the sale through litigation with court hearings and will continue when their calendar resumes. Due to Covid-19 the courts schedules were dramatically impacted and are backlogged. Anticipated to be finalized by end of FY22. 	Bid/Award Construction Contracts 3.6% complete	\$898.6 M	\$216.3M	\$96.0 M	\$0.0	\$166.5M	<ul style="list-style-type: none"> Real Estate Real/eminent domain costs for acquisition and relocation. Schedule integration with LAWA's Automated People Mover project. Potential delayed access to CLAX Right of Way. Constructing project under full Metro operations of the Crenshaw and Green Lines. LAWA LAMP interface and contractors.
Metro G Line BRT Improvements	2019	2019	<ul style="list-style-type: none"> Railroad-type gates at up to 35 intersections Aerial Stations at Sepulveda & Van Nuys Provisions for connections to ESFV LRT Terminal Station on Van Nuys Designed with provisions for future conversion to LRT RFP Progressive Design-Build Contract –Winter 2022 Award Contract – Summer 2022 Complete – Winter 2026/2027 	Procurement Phase	\$393M/ \$476M (Total Project)	\$35.7M		N/A	\$23.3M	<ul style="list-style-type: none"> Gating a busway and platooning buses requires new technology not yet implemented at Metro or other transit agencies. LADOT buy-in of new gating system and its impacts to cross traffic.

East San Fernando Valley Transit Corridor	2022	2022	RFP Progressive Design Build Contract (PDB) – Winter 2022 Begin Advanced Utility Relocation (AUR) Construction – Summer 2022 Complete – 2028.	Preliminary Engineering (PE)	\$71.4M	\$50.5M			\$50.5M	<ul style="list-style-type: none"> • Current short funding will cause delay; means we may not reach Measure M opening day • Real estate acquisitions and advanced utility relocations need to start in early 2022 otherwise this will affect our PDB start date. • DWP and LA County have facilities located along Van Nuys Blvd that we have not reached an agreement. • The City of San Fernando and Metrolink expressed concerns about the 2.5-mile portion of shared right of way along the Antelope Valley Metrolink line between San Fernando Road and the Sylmar/San Fernando Metrolink station. In March 2022, Metro Board is anticipated to take action on a contract award to study traffic and safety issues on this portion of shared right of way.
--	------	------	---	------------------------------	---------	---------	--	--	---------	---

COUNTYWIDE PLANNING & DEVELOPMENT - Transit Planning										
North San Fernando Valley BRT Improvements	2019	2023	<ul style="list-style-type: none"> Intent to enhance transit capacity and connectivity to North SFV and CSUN, and increase ridership October 2019: Board direction to consider high-capacity east-west service including Roscoe Blvd, coordinated with NextGen Bus Plan. Evaluating options for proceeding with a NextGen-based solution, to achieve network benefits of added service(s), demographic reach, ridership, and timely delivery of a solution. Spring 2022 – Continue to conduct stakeholder and community engagement Summer 2022 (anticipated) – Board to consider recommended changes to project alternative 	Environ. Impact Report (EIR)	\$180.0M	\$6.5M			\$6.5M	<ul style="list-style-type: none"> Addressing stakeholder concerns on Proposed Project, including whether to invest in a network solution or a singular high-capacity BRT line
NoHo to Pasadena BRT	2020	2023	<ul style="list-style-type: none"> Staff has developed a refined Proposed Project based on DEIR comments and stakeholder feedback. May 2021: Board approved Proposed Project and directed further coordination on design options in Burbank and Eagle Rock. Illustrated proposed BRT options and effects on local traffic volumes and circulation in Eagle Rock Fall 2021 – Spring 2022: Met with Eagle Rock community and CD-14 on potential design refinements, and with Burbank community members March/April 2022 (anticipated): Board to certify Final EIR 	Environ. Impact Report (EIR)	\$267M	\$11.7M			\$11.7M	<ul style="list-style-type: none"> Refinements being made in multiple locations (i.e, Burbank, Eagle Rock) to address varying community concerns.
Countywide BRT Ph1	2020	2022	<p>March 2021: Board adopted BRT Visions and Principles Study that identified priority BRT corridors. Board further passed a motion directing the following: BRT Early Action Program that includes the following:</p> <ul style="list-style-type: none"> Advancing the Broadway corridor (as Phase 1). 	N/A	\$50M	\$5.8M			\$5.8M	<ul style="list-style-type: none"> Coordination with local municipalities on right of way improvements Investment in quick build improvements may draw down on funding needed to deliver full BRT projects.

			<ul style="list-style-type: none"> Identifying the essential elements of a “quick build”, based on the study and NextGen. Identify which of the Top 7 Corridors would be suitable for a quick build approach, (consider NextGen) & evaluate extending the Western Ave BRT corridor to San Pedro (Hahn amendment). Pursuing a near-term delivery strategy. Systemwide implementation of All Door Boarding, starting with NextGen Tier 1 lines. Estimated costs and staffing to accomplish the above work. 							
Vermont Transit Corridor	2024	2026	<ul style="list-style-type: none"> Included in Measure M Expenditure Plan as a BRT project. In April 2019: Metro Board directed the evaluation of higher-capacity service, including LRT, and HRT. Outreach Contract awarded March 2021 through Communications Bench October 2021: Metro Board directed staff to develop and conduct a CBO and community engagement strategy prior to conducting environmental review February-June 2022: Engagement and outreach to inform next phases of planning 	Environ. Impact Report (EIR)/ Optional NEPA (EA/EIS)	\$425M	\$3.0M			\$3.0M	
West Santa Ana Transit Corridor	2024	2024	<ul style="list-style-type: none"> Draft EIS/EIR Released on July 30, 2021 January 27, 202: Board approved the Project terminus as LAUS, and selected the LPA from Pioneer to Slauson. Also directed further study from Slauson to LAUS with interim bus connections until Project completion March 2022, contract modification for Final EIS/EIR and Downtown study Continue coordination for delivery of LPA initial operating segment ROD Anticipated (LPA): Spring 2023 Groundbreaking (LPA): 2023/2025 Opening (LPA): 2033/2035 	EIR/EIS (NEPA /CEQA) and Advanced Conceptual Engineering	\$4.0B	\$60.4M			\$60.4M	<ul style="list-style-type: none"> UPRR agreement Third party coordination (Caltrans, Cities, CPUC, etc.) SHPO consultation: I-105 and interface with Express Lanes Utilities Hazardous materials

C/Green Line Extension to Torrance	2026	2026	<ul style="list-style-type: none"> January 2020: Awarded Environmental and Advanced Conceptual Engineering contract with an option for Preliminary Engineering; awarded the outreach contract through Communication Bench EIR scoping period: January 29 - March 29, 2021 Identified new design options for Hawthorne alignment, coordinating review with BNSF, conducting utilities investigations Spring 2022: Neighborhood walks Mid-2022: Public workshops to present updated project designs Fall/Winter 2022 (anticipated): Release Draft EIR Groundbreaking: 2026 (per Measure M) Opening: 2030-2033 (per Measure M) 	Environ. Impact Report (EIR) and Advanced Conceptual Engineering (ACE)	\$891M	\$21.6M			\$21.6M	Interagency Agreements, Utility Relocation, BNSF and Caltrans Coordination, Stakeholders and Community
Sepulveda Transit Corridor Project	2024	TBD	<ul style="list-style-type: none"> Two Pre-Development (PDA) teams selected to develop project alternatives; NTPs executed August 2021. February 11, 2022: Close of Scoping Period Review and analyze 2,600+ comments received Spring/Summer 2022 (anticipated): Release scoping report and community update meetings 	EIR, EIS (CEQA, NEPA)	\$5.7B	\$39.5M			\$39.5M	Geotechnical, Third-Party Coordination, Stakeholders and Community
Eastside Transit Corridor Phase 2	2028	2028	<ul style="list-style-type: none"> Board withdrew SR 60 and Combined Alternatives from further study in February 2020 Community engagement/stakeholder outreach to develop design options, preliminary cost estimates, and initial operating segments Spring/Summer 2022 (anticipated): Release of DEIR Fall 2022 (anticipated): Select LPA based on environmental, equity and funding criteria Engineering – 2025 	Environ. Impact Report (EIR) and Advanced Conceptual Engineering (ACE)	\$3.0B	\$47.9M			\$47.9M	Potential budget shortfall, Utilities, Tunnel portals, easements, Third Party Permits and approvals

- | | | | | | | | | | | | |
|--|--|--|---|--|--|--|--|--|--|--|--|
| | | | <ul style="list-style-type: none">• Groundbreaking – 2029 (per Measure M Expenditure Plan and Schedule) | | | | | | | | |
|--|--|--|---|--|--|--|--|--|--|--|--|

Measure M Oversight Committee

Highway Projects Overview

Expenditures through December 30, 2021

Status Update: February, 2022

Project	Ground-breaking Date		Project Phase	Budget (\$mil.)		Contingency Funds (\$mil.)		Soft Costs Spent* (\$mil.)	Risk	PM	Notes
	Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 12/31/21)				
I-5 N County Enhancements Project (SR-14 to Parker Road)	2019	2022	Construction 7.23 % Complete	505.34	14.58	115.58	0.00	67.20	Encountering unexpected utilities and buried man-made objects, responding to special-status species in the project area, changes in design during construction, and differing site conditions.	Paul Sullivan	Metro is the Lead Agency in constructing the project. Life of Project Budget was approved by the Board in March. Project funding includes Measure M and R, and TCEP and INFRA Grant Funding. Current LOP: \$679.4M Construction activities began in November 2021. Anticipated substantial completion projected for Summer 2026.
SR-71 Gap from I-10 to Rio Rancho Road	2022	2021	Construction (Southern Segment - Mission Blvd. to SB County Line) 8 % Complete	148.10	11.42	0.00	0.00	29.90	The ROW encampment removal and coordination with Southern California Edison (SCE) for relocating SCE's transmission lines within 120 working days upon construction site readiness.	Victor Gau (Oversight)	Project by Caltrans. Broken down into two segments. Southern segment between Mission Blvd and San Bernardino County Line construction contract was awarded in February 2021 to Obrascón Huarte Lain (OHL USA Inc). Construction work started in May 2021 and is projected to finish in Summer 2024. Caltrans and the contractor started to dispose the arsenic soil in Jan 2022 and SCE started to relocate the conflicted lines in Jan 2022. Soft costs spent to date are from TCRF and other Federal Funds.
		TBD	Final Design (Northern Segment - Mission Blvd. to I-10)	40.40	20.61	0.00	0.00	20.61	Utility & Railroad (RR) coordination causing schedule delays. Funding shortfall of up to \$78 million. (\$5M in Design and \$73M in Construction).		Project by Caltrans. Northern Segment from I-10 to Mission Blvd. Caltrans has identified significant cost increases and potential schedule delays in the Northern Segment. Metro is coordinating with Caltrans and the San Gabriel Valley Council of Governments to identify potential solutions to complete the project. PS&E is anticipated to be delayed, and now projected to finish in Summer 2023. Soft costs spent to date are from TCRF and Other Federal Funds.

Measure M Oversight Committee

Highway Projects Overview

Expenditures through December 30, 2021

Status Update: February, 2022

Project	Ground-breaking Date		Project Phase	Budget (\$mil.)		Contingency Funds (\$mil.)		Soft Costs Spent* (\$mil.)	Risk	PM	Notes
	Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 12/31/21)				
SR-57/SR-60 Interchange Improvements	2025	2023	Final Design	121.01	25.19	0.00	0.00	26.19	As the project moves to construction, volatility of material cost are difficult to be accounted for and may result in higher construction costs.	Roberto Machuca	<p>Finalizing responses to Caltrans 100% Final Design review for approval.</p> <p>TCEP Grants have been secured for final design (\$17M) and Right of Way (\$5M).</p> <p>Project has secured the \$217.9M TCEP grant for the construction phase.</p> <p>Held Baseline Agreement kick off meeting with FHWA for \$30M INFRA Grant.</p> <p>Golf course mitigation work started in October 2021.</p> <p>Construction will be led by the San Gabriel Valley COG with Metro and Caltrans oversight. Construction projected to start in Summer 2022.</p>
I-405 South Bay Curve Improvements I-405 Southbound Auxiliary Lanes	2045	TBD	Environmental	3.25	2.63	0.00	0.00	3.51	<p>Diversion of \$400M in sales tax measure funds from highway projects to transit projects by South Bay COG was approved at the July 2021 Metro Board meeting.</p> <p>This diversion has impacted construction funding for the project.</p>	Isidro Panuco	<p>I-405 Northbound and Southbound Auxiliary Lanes project has completed the environmental process. Design phase projected to start in Spring 2022.</p> <p>Measure M funds not yet expended.</p> <p>Will need Measure M funds for construction phase.</p>
I-405 South Bay Curve Improvements I-405, I-110 to Wilmington	2045	TBD	PSR-PDS	0.93	0.91	0.00	0.00	0.96	<p>Diversion of \$400M in sales tax measure funds from highway projects to transit projects by South Bay COG was approved at the July 2021 Metro Board meeting.</p> <p>This diversion will impact construction funding for the project.</p>	Roberto Machuca	<p>I-405, I-110 to Wilmington: Project Study Report completed, Environmental phase projected to start in Fall/Winter 2022.</p> <p>Measure M funds not yet expended.</p> <p>Will need Measure M funds for construction phase.</p>

Measure M Oversight Committee

Highway Projects Overview

Expenditures through December 30, 2021

Status Update: February, 2022

Project	Ground-breaking Date		Project Phase	Budget (\$mil.)		Contingency Funds (\$mil.)		Soft Costs Spent* (\$mil.)	Risk	PM	Notes
	Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 12/31/21)				
I-710 South Corridor Project (Phases 1 and 2)	2026 and 2032	TBD	Environmental	99.67	98.10	0.00	0.00	97.49	Consensus building process may take a long time and overall delivery of the program will be delayed.	Ernesto Chaves/ Lucy Delgadillo	<p>The 710 Corridor Task Force, comprised of a wide of range of stakeholders, has met several times since September 2021, and has begun evaluating a comprehensive community engagement plan in support of the upcoming discussions regarding corridor needs and potential improvements.</p> <p>The environmental document for the I-710 Corridor Improvement will be closing out as a No-Build Option. Any future work on the I-710 will come from the recommendations set forth by the I-710 Task Force and the Metro Board.</p> <p>Measure M funds not yet expended. Will need Measure M funds for subsequent phases/effort.</p>
I-105 ExpressLanes from I-405 to I-605	2027	TBD	Environmental	10.56	10.46	0.00	0.00	10.46	None	Shahrzad Amiri/ Philbert Wong	<p>Environmental document certified by Caltrans on May 21, 2021. Phase budget/budget spent and soft cost for environmental phase included Measure M and local non-Measure M funds.</p> <p>2.08M in expenditures is from Measure M.</p>
	2027	TBD	PS&E	23.30	3.19	0.00	0.00	3.19	None	Shahrzad Amiri/ Philbert Wong	<p>PS&E contract issued to WSP in May 2021 to begin design work for I-405 to Central Avenue segment.</p> <p>\$95k task order issued to KKCS for program management support during PS&E, so PS&E budget increased accordingly. Design for Segment 1 (I-405 to Central Ave.) proceeding. Roadside Toll Collection System proposals due February 2022. Program Management Support RFP issued January 2022.</p> <p>Construction Manager/General Contractor (CM/GC) RFP was released in February 2022.</p> <p>All PS&E work to be funded by Measure M.</p>

Measure M Oversight Committee

Highway Projects Overview

Expenditures through December 30, 2021

Status Update: February, 2022

Project	Ground-breaking Date		Project Phase	Budget (\$mil.)		Contingency Funds (\$mil.)		Soft Costs Spent* (\$mil.)	Risk	PM	Notes
	Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 12/31/21)				
High Desert Multi-Purpose Corridor Rail Component	2019	TBD	Service Development Plan/Preliminary Engineering	4.63	1.10	0.00	0.00	0.00	None	Vincent Chio/ Jeanet Owens	<p>Proposed new high-speed intercity passenger rail service from the future Brightline West station in Apple Valley to the future Palmdale station along the 54-mile-long High Desert Corridor.</p> <p>DesertXpress/BrightLine is developing the Brightline West high-speed rail system between Las Vegas and Southern California that includes a future station in Apple Valley. Development of a Service Development Plan and Preliminary Engineering is underway and is scheduled to be completed by March 2022.</p> <p>At the request of the County of Los Angeles, Supervisorial District 5, Metro is contributing an additional \$0.4M to complete the joint CEQA/NEPA amendment to address changes to the rail corridor since the original Environmental Document.</p> <p>The current phase budget is \$4.625M, including \$3M in Measure M, \$1.375M in TIRCP and \$0.25M in DesertXpress funds.</p> <p>Completed three stakeholder meetings including CalSTA, Caltrans, CHSRA, FRA, HDCJPA, County Supervisor District 5 office, Brightline West, Metrolink, Cities of Palmdale, Lancaster, Adelanto, Apple Valley, etc. as of December 2021.</p>
High Desert Multi-Purpose Corridor - Highway component	2019	TBD	PSR-PDS	1.00	0.12	0.00	0.00	0.12	Funding for the next phases of the project is currently not yet identified.	Isidro Panuco	<p>Continuation of a more practical and feasible alternative alignment to the HDC highway component. This alternative is being considered on the SR-138 in LA County and SR-18 in San Bernardino County between Palmdale and Victorville. Joint efforts by Metro, SBCTA, and Caltrans to develop a Project Study Report started in July 2021 and is expected to be completed by Fall 2022.</p> <p>The PSR-PDS is funded by the remaining Measure R funds. SBCTA is sharing 50% of the project cost for development and completion of the PSR-PDS. Measure M funds will be needed for subsequent phases.</p>

Measure M Oversight Committee

Highway Projects Overview

Expenditures through December 30, 2021

Status Update: February, 2022

Project	Ground-breaking Date		Project Phase	Budget (\$mil.)		Contingency Funds (\$mil.)		Soft Costs Spent* (\$mil.)	Risk	PM	Notes
	Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 12/31/21)				
I-5 Corridor Improvements (I-605 to I-710)	2036	TBD	Not Started	0.00	0.00	0.00	0.00	0.00	Pursuit of this project depends on approval of the environmental document for the I-605 Corridor Improvements project currently in progress. If that project is not approved, a corridor level environmental process for the segment between the I-605 and I-710 will not be warranted.	Ernesto Chaves	Schedule unknown. Project development & delivery contingent upon completion of the I-5 / I-605 interchange improvements. This will be a Caltrans-led project. Metro contributing to the PAED phase. Start date to be determined.
I-405/I-110 HOV Connector Ramps and Interchange Improvements	2042	TBD	Not Started	0.00	0.00	0.00	0.00	0.00	TBD	Isidro Panuco	Project has not started. Work will commence as funds become available in the Measure M expenditure plan.
I-605/I-10 Interchange	2043	TBD	Not started	0.00	0.00	0.00	0.00	0.00	TBD	Isidro Panuco	Project has not started. Work will commence as funds become available in the Measure M expenditure plan.
SR-60/I-605 Interchange HOV Direct Connectors	2043	TBD	Not Started	0.00	0.00	0.00	0.00	0.00	TBD	Isidro Panuco	Project has not started. Work will commence as funds become available in the Measure M expenditure plan.
I-110 ExpressLanes Ext. South to I-405/I-110 Interchange	2044	TBD	Not Started	0.00	0.00	0.00	0.00	0.00	TBD	Shahzad Amiri/ Philbert Wong	No activities at this time. Future updates will be provided.
High Desert Multi-Purpose Corridor – LA County Segment	2063	TBD	Transit: in feasibility study Highway: Alternative alignment in PSR-PDS	0.00	0.00	0.00	0.00	0.00	Determination of viability of projects and availability of funds.	Isidro Panuco	See Items 7 and 8 above.

*Soft Costs include all Non-Construction Capital expenditures up to the current phase.



Metro

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

Board Report

File #: 2022-0083, **File Type:** Oral Report / Presentation

Agenda Number: 9.

**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
MARCH 2, 2022**

SUBJECT: ORAL REPORT ON ACTIVE TRANSPORTATION

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE Oral Report on Active Transportation

Active Transportation Updates

Attachment A

Measure M Independent Taxpayer Oversight Committee
March 2022



AT Strategic Plan Update



Active Transportation Strategic Plan

Volume I
April 2016



- Technical Working Group #1 meeting on 1/25
- Upcoming subregional and community meetings
- Key Milestones:
 - Goals & Objectives update
 - Regional Network development



Metro Active Transport Program



- Progress on 16 funding agreements
- Project initiation
- Metro-led projects RFP

Multi-Year Subregional Programs



Status

- Planning & Programming Committee approval:
 - Las Virgenes/Malibu \$3M in new programming for Lakeview Canyon Road Pedestrian Improvements project in City of Calabasas

What's Next

- Seek Spring/Summer Board approval of annual programming requests

LA River Path Gap Closures



Central Cities Segment

- Ongoing technical studies
- Project Development Team meetings in March 2022

San Fernando Valley Segment

- Measure M Funding Agreement under development