

# access

## PLANNING AND DEVELOPMENT COMMITTEE

Monday, May 22, 2023

12:30 p.m.

<b>Access Services Headquarters Council Conference Room, 3rd Floor 3449 Santa Anita Avenue El Monte CA 91731</b>	<b>Long Beach Transit 1963 E Anaheim St Long Beach, CA 90813</b>
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**See \*Note below for remote public link.**

**Committee Members:** L. Burner, Chair  
A. Aguilar  
M. Gombert

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	<u>DISPOSITION</u>
1. CALL TO ORDER	ACTION
2. GENERAL PUBLIC COMMENT	INFORMATION
3. CONSIDERATION TO AWARD FINANCIAL AUDIT SERVICES CONTRACT (AS-4164) (page 5)	ACTION
4. CONSIDERATION TO APPROVE SERVICE AREA MAP POLICY (page 9)	ACTION
5. CONSIDERATION TO APPROVE PROPOSED FY2023/24 BUDGET (page 15)	ACTION
6. ADJOURNMENT	ACTION

Access Services does not discriminate on the basis of disability. Accordingly, Access Services seeks to ensure that individuals with disabilities will have an equal opportunity to participate in the range of Access Services events and programs by providing appropriate auxiliary aids and services for communications. Primary consideration is

given to the request of individuals with disabilities. However, the final decision belongs to Access Services. To help ensure the availability of any auxiliary aids and services you require, please make every effort to notify Access Services of your request at least three (3) business days (72 hours) prior to the meeting in which you wish to utilize those aids or services. You may do so by contacting (213) 270-6000.

Note: Access Services Board committee meetings are held pursuant to the Ralph M. Brown Act [Cal. Gov. Code §54950] and are open to the public. The public may view and obtain all written information supporting this agenda provided to the Board committee both initially and supplementally prior to the meeting at the agency's offices located at 3449 Santa Anita Avenue, El Monte, California and on its website at <http://accessla.org>. Documents, including Power Point handouts distributed to the Board committee members by staff or Board committee members at the meeting, will simultaneously be made available to the public. Three opportunities are available for the public to address the Board committee during a Board committee meeting: (1) before closed session regarding matters to be discussed in closed session, (2) before a specific agenda item is debated and voted upon and (3) during the time allotted for general public comment. The exercise of the right to address the Board committee is subject to restriction as to time and appropriate decorum. All persons wishing to make public comment must fill out a goldenrod Public Comment Form and submit it to the Secretary of the Board. Public comment is generally limited to three (3) minutes per speaker and the total time available for public comment may be further limited at the discretion of the Chairperson. Persons whose speech is impaired such that they are unable to address the Board at a normal rate of speed may request an accommodation of a limited amount of additional time from the Chair but only by checking the appropriate box on the Public Comment Form. Granting such an accommodation is at the discretion of the Chair. The Board committee cannot and will not respond during the meeting to matters raised under general public comment. Pursuant to provisions of the Brown Act governing these proceedings, no discussion or action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. However, the Board committee may direct staff to investigate and/or schedule certain matters for consideration at a future Board committee meeting and staff may respond to all public comments in writing prior to the next Board committee meeting.

### **Commitment to Civility**

To assure civility in its public meetings, staff and the public are also encouraged to engage in respectful dialog that supports freedom of speech and values diversity of opinion. To achieve compliance with these Rules, Directors, staff, and the public are encouraged to:

- Create an atmosphere of respect and civility where Directors, staff, and the public are free to express their ideas;

- Establish and maintain a cordial and respectful atmosphere during discussions;
- Foster meaningful dialogue free of personal attacks;
- Listen with an open mind to all information, including dissenting points of view, regarding issues presented to the Board;
- Recognize that it is sometimes difficult to speak at Board meetings, and out of respect for each person's feelings, allow others to have their say without comment, including booing, whistling or clapping; and
- Adhere to speaking time limit.

Alternative accessible formats are available upon request.

### \*NOTE

The public may also participate via the Zoom webinar link, or by teleconference. Please review the procedures to do so as follows -

#### How to Provide Public Comment in a Board Meeting via Zoom

##### Online

1. Click the Zoom link for the meeting you wish to join. Meeting information can be found at: [https://accessla.org/news\\_and\\_events/agendas.html](https://accessla.org/news_and_events/agendas.html). Make sure to use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, or Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. You may also use this direct link - <https://us06web.zoom.us/j/81092380370>
2. Enter an email address and your name. Your name will be visible online while you are speaking.
3. When the Committee Chair calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak. Mute all other audio before speaking. Using multiple devices can cause audio feedback.
4. Please note that the "Chat" feature is an accessibility tool for comments on items by committee members and the general public attendees who need to use this tool. If you cannot use the "raise hand" feature, then please submit a written comment as outlined above.
5. When called, please limit your remarks to three minutes. An audio signal will sound at the three-minute mark and the Chair will have the discretion to mute you at any point after that. After the comment has been given, the microphone for the speaker's Zoom profile will be muted.

Note: Members of the public will not be shown on video.

##### By phone

1. Call the Zoom phone number and enter the webinar ID for the meeting you wish to join. Meeting information can be found at: [https://accessla.org/news\\_and\\_events/agendas.html](https://accessla.org/news_and_events/agendas.html)

2. You can also call in using the following information -  
Dial (for higher quality, dial a number based on your current location):  
US: +1 669 444 9171 or +1 669 900 6833 or +1 253 205 0468 or +1 253 215 8782  
or +1 346 248 7799 or +1 719 359 4580 or +1 386 347 5053 or +1 507 473 4847  
or +1 564 217 2000 or +1 646 931 3860 or +1 689 278 1000 or +1 929 205 6099  
or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799  
or +1 360 209 5623 or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free) or 877  
853 5247 (Toll Free) or 888 788 0099 (Toll Free)  
Webinar ID: 810 9238 0370
3. When the Committee Chair calls for the item on which you wish to speak, press \*9 to raise a hand. Speakers will be notified shortly before they are called to speak. Speakers will be called by the last four digits of their phone number. Please note that phone numbers in their entirety will be visible online while speakers are speaking.
4. If you cannot use the "raise hand" feature, the please submit a written comment as outlined above.
5. When called, please state your name and limit your remarks to three minutes. An audio signal will sound at the three-minute mark and the Chair will have the discretion to mute you at any point after that. After the comment has been given, the microphone for the speaker's Zoom profile will be muted.

MAY 15, 2023

TO: BOARD OF DIRECTORS

FROM: BRUCE FRINK, SENIOR MANAGER, FINANCIAL PLANNING AND ANALYSIS  
BRIAN SELWYN, MANAGER OF PROCUREMENT AND CONTRACT ADMINISTRATION

RE: CONSIDERATION TO AWARD FINANCIAL AUDIT SERVICES CONTRACT (AS-4164)

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**ISSUE:**

Board approval is required to award a contract for Financial Audit Services.

**RECOMMENDATION:**

Authorize staff to execute a contract for three years for mandated auditing, governmental reporting services, and miscellaneous consulting services as needed for the period July 1, 2023 through June 30, 2026 with BPM LLP (BPM) in an amount not to exceed \$291,585.

**IMPACT ON BUDGET:**

The costs associated with this contract will be incorporated into the budget for FY 2023-2024 and the subsequent out years. The funding for this service is allocated from local funds and the level of expenditure remains within the expected levels. This contract has the option to extend, upon Board approval, for a period of up to two (2) years in one-year increments.

**ALTERNATIVES CONSIDERED:**

To comply with federally mandated regulations, it is necessary to engage the services of an outside party to perform financial auditing services. Because the current contract (AS-4045) is expiring on June 30, 2023, with no option years remaining, it is necessary to award a new contract for these services, to take effect July 1, 2023.

## **EFFECT OF APPROVAL OF STAFF RECOMMENDATION:**

If the staff recommendation is approved by the Board, staff would be authorized, but not required, to negotiate and enter into a written contract upon terms and conditions no less favorable to Access than those proposed above. Access would not be legally bound to the contract herein proposed unless and until it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

## **BACKGROUND:**

### Solicitation

Access released RFP AS-4164 on February 16, 2023. To attract as wide and diverse a field of potential proposers as possible, staff solicited on both our vendor portal and via Public Purchase, an on-line service which, on an annual basis, informs a national audience about nearly 200,000 non-profit and government solicitations. To reach an even wider audience of vendors, staff also worked with our Disadvantaged Business Enterprise (DBE) consultant, GCAP, who performed their own outreach. Ultimately, no firm with DBE certification submitted a proposal.

Staff received two proposals on March 20th, one from BPM LLP and one from The Pun Group, both local firms. (Historically, the level of response to solicitations for our Financial Audit Services has been very limited. In 2018, for example, we received one proposal.) Both firms were deemed responsible and their proposals responsive. Following receipt and review of the proposals, Staff sent out a request for clarification to both firms on March 22<sup>nd</sup> and again on April 6<sup>th</sup>. Interviews were held on April 13<sup>th</sup>.

An evaluation panel, consisting of three Access staff members with a combined 50+ years of experience in the accounting field, reviewed the two proposals and, based on their scoring of the evaluation criteria listed below, selected BPM for contract award. The evaluation team felt that BPM was stronger than The Pun Group when considering each of the three subjective criteria. They were confident that BPM is equipped to successfully undertake the work outlined in the subject RFP. While The Pun Group proposed lower rates, and thus received a higher score for *Price*, the rates proposed by BPM were still considered reasonable (as discussed below).

<b>Evaluation Criteria</b>	<b>Score: BPM</b>	<b>Score: The Pun Group</b>	<b>Maximum Score</b>
Qualifications of the Firm	33.25	29.75	35.00
Quality of Technical Approach and Work Plan	23.08	20.00	25.00
Qualifications and Availability of Proposed Staff	19.00	12.07	20.00
Price	13.79	20.00	20.00
<b>TOTAL SCORE</b>	<b>89.12</b>	<b>81.82</b>	<b>100.00</b>

### Cost

The Independent Cost Estimate for the three-year base term was \$280,500. BPM's proposed cost for this period was slightly higher, at \$285,585, while The Pun Group's proposed cost for the term was \$196,875. Staff is proposing to add an additional \$6,000 to BPM's proposed three-year rate to cover the cost of small ad-hoc projects which the agency's financial audit service contractor is occasionally called upon to undertake. Thus, the total proposed cost for the base term is \$291,585.

The rates proposed for the staff positions proposed by BPM are within the range charged by firms doing similar work for governmental agencies, based on USGSA Contract Award Labor Category data as of March 2023. The proposed annual increase in the rates of compensation for each staff position during the base term is less than 5%.

The three tasks for which the auditor is responsible under both the current and proposed contract are *Audit Services*, *NTD Reporting* and *Tax and Information Returns*. BPM is requesting a modest increase in the overall cost of performing these services, as well as the costs for out-of-pocket expenses and administration and technology. The proposed total first year cost, \$84,500, is 4.5% higher than the projected cost for this same work and additional expenses for FY 2023, \$81,000. This increase compares favorably with the year-over-year increase in the local CPI for the most recent month for which data is available, which is 5.1% (USDOL, Bureau of Labor Statistics, Los Angeles Region-Urban, February 2023). Thus, based on fact-finding, the independent cost estimate, and BPM's price schedule, the overall proposed cost for the base term (as outlined below) is deemed fair and reasonable.

<b>Three Year Costs</b>	<b>BPM</b>	<b>The Pun Group</b>
Audit Services	\$209,000	\$159,375
NTD Report	\$33,000	\$22,500
Tax/Information Returns	\$23,500	\$15,000
Out-of-Pocket Expenses	\$1,500	<i>Cost built into above fees</i>
Admin./Technology	\$18,585	<i>Cost built into above fees</i>
<b>TOTAL PROPOSED COST</b>	<b>\$285,585</b>	<b>\$196,875</b>
Ad Hoc Fees	\$6,000	\$6,000
<b>CONTRACT COST</b>	<b>\$291,585</b>	<b>\$202,875</b>

### History

BPM LLP acquired Rossi LLP (formerly Rossi, Doscocil & Finkelstein, LLP) in 2020. In one of its iterations, the firm has performed the professional accounting and auditing services for Access since 1995. The firm has similar long-standing relationships with other non-profit agencies such as Boys and Girls Clubs of Long Beach, Habitat for Humanity of Greater Los Angeles and Orange County Head Start. BPM's performance has been outstanding in fulfilling the requirements set forth in past audit contracts. The firm's performance over the last several years, as well as their competitive pricing, are the main reasons that staff requests the approval of its recommendation.

It should also be noted that Access, for the past seven years, has been included in the annual Consolidated Audit that LA Metro conducts on all of the jurisdictions, operators and program administrators who receive funds for transportation related projects. Metro contracts with two local, independent CPA firms to perform the financial and compliance audits of close to 90 entities receiving funding. These two firms are tasked with performing the necessary audit(s) to assure management that each recipient of subsidies included in the Consolidated Audit are adhering to the statutes of each applicable funding source and that operations data used to allocate funds is fair and in accordance with Federal Transportation Administration (FTA) guidelines.

The CPA firm, Vasquez & Company (Vasquez), has conducted the Consolidated audit of Access on behalf of Metro. Reflecting the quality of the work done by BPM, Vasquez has stated: "In our opinion, Access Services [has complied], in all material respects, with the compliance requirements of the Guidelines...".



MAY 15, 2023

TO: BOARD OF DIRECTORS

FROM: F SCOTT JEWELL, DIRECTOR OF ADMINISTRATION

RE: CONSIDERATION TO APPROVE SERVICE AREA MAP POLICY

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**ISSUE:**

The ADA mandates that paratransit services must be provided up to  $\frac{3}{4}$  of a mile from a fixed-route bus or rail line. Thus, paratransit service areas can grow or shrink based on the fixed-route footprint. Recent route changes made by Access Services Member Agencies, particularly Metro, have caused Access' service area to contract in some areas and expand in others. Staff is now asking the Board to approve a service area policy to respond to recent and future fixed-route changes.

**RECOMMENDATION:**

Authorize the following service area map policy - "ADA paratransit services will be based on the 2019 ADA service area map and will be expanded based on subsequent fixed route service changes. No service area reduction shall occur without Board approval."

**IMPACT ON BUDGET:**

Staff has projected that continuing service in non-ADA mandated areas will cost approximately \$655,400 for FY2023/24. This number will likely continue to grow annually as paratransit service ridership recovers to pre-pandemic levels.

**ALTERNATIVES CONSIDERED:**

The Board may opt to direct staff to adhere to the ADA minimum requirements and only provide paratransit service as mandated. This is not recommended because it would remove paratransit service from current customers without an adequate replacement. The Board may also opt to "grandfather" in current customers (and their addresses) as has been done in the past. Staff is not recommending this option because it adds operational complexity and is inequitable in that a "grandfathered" address would be in the service area while contiguous addresses would not be.

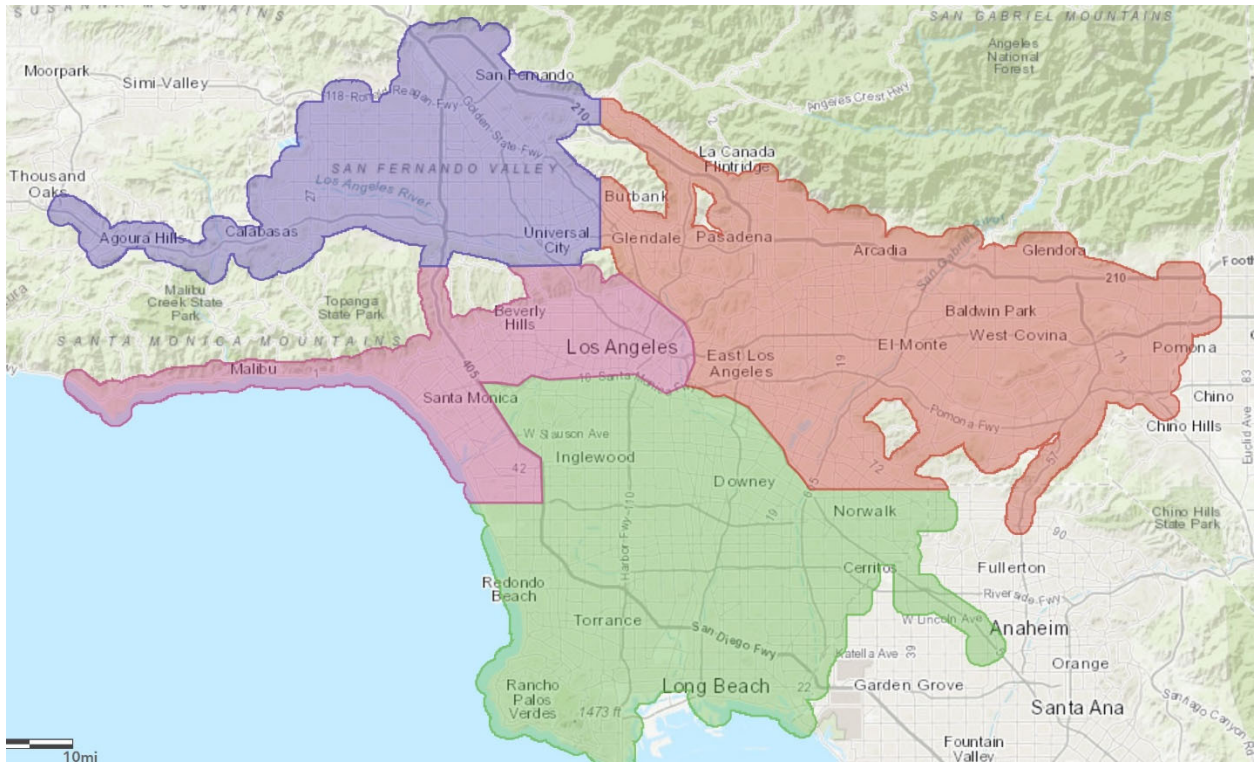
## **BACKGROUND:**

Prior to the pandemic, Access staff would analyze fixed-route service changes every six months to determine if the ADA service area grew or was reduced. In general, changes between 2015 and 2019 were insignificant and, in the case of service reductions, staff followed a Board policy decision from July 2015 to “grandfather” trips to and from addresses that had traditionally been served by Access. By the end of 2019, 205 riders (whose service was technically outside of the service area) were taking an average of 192 trips a month, costing the agency \$7,325 per month. These trips have been paid for by a federal grant and funds would have still been available to pay for these trips for another 2.5 years.

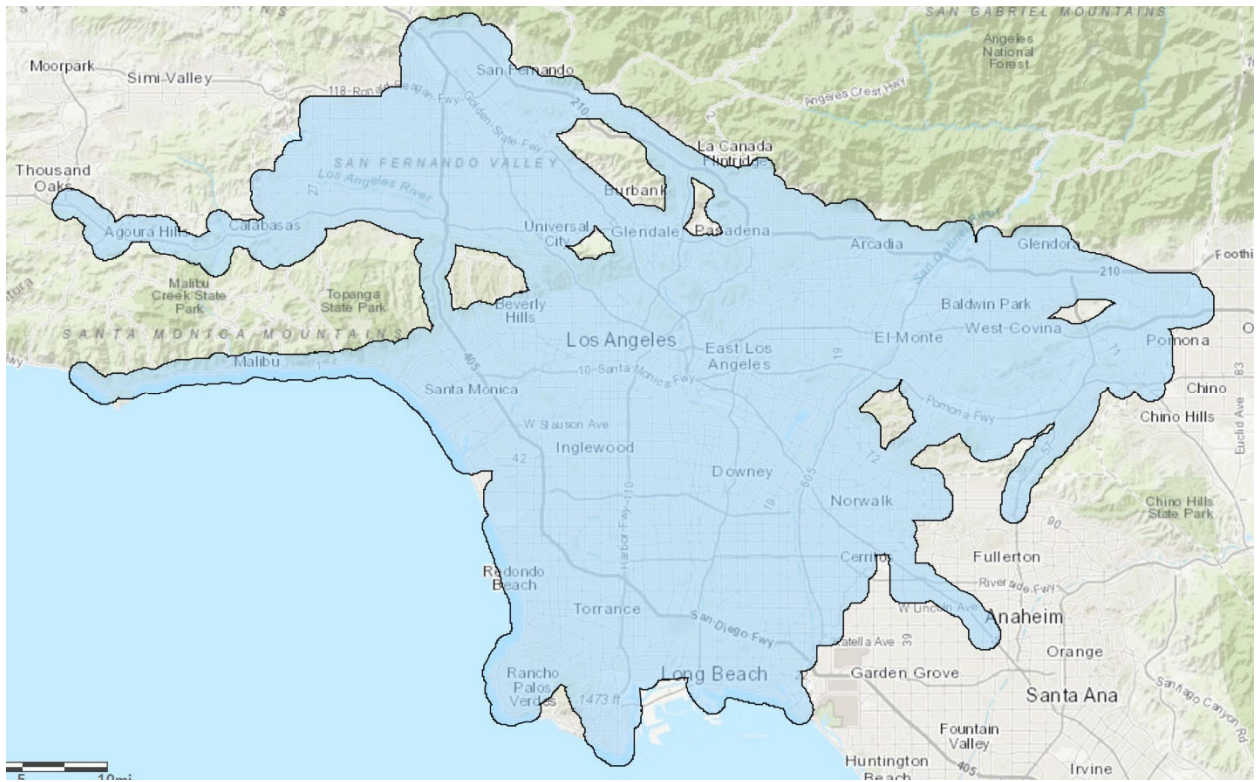
The onset of the pandemic significantly disrupted the levels of service provided, not only by Access, but also our fixed-route partners. Over this period, a number of fixed-route service changes were implemented, including Metro’s NextGen Bus Plan. Initial analysis of Access trip data from January 2022 through July 2022 indicated a significant service reduction that would affect 690 riders and 409 locations (of which 99 are residential addresses). Grant money would only support service for these trips for an additional five (5) months if implemented. Unlike previous service map changes, a significant service reduction would occur in the north San Fernando Valley region, which includes a large medical complex and retail shopping area.

Staff took this analysis to the Planning and Development committee in September 2022 and subsequently to both the CAC and TPAC (in January 2023 and November 2022 respectively) for feedback and guidance on next steps. All three entities expressed concern about the potential reduction of ADA service and its impact on the ridership. The CAC strongly recommended that the Board oppose any reductions in Access’ current service area, so as not to further isolate people with disabilities. The CAC also recommended that the Board consider expanding the service area to 1.5 miles at a minimum.

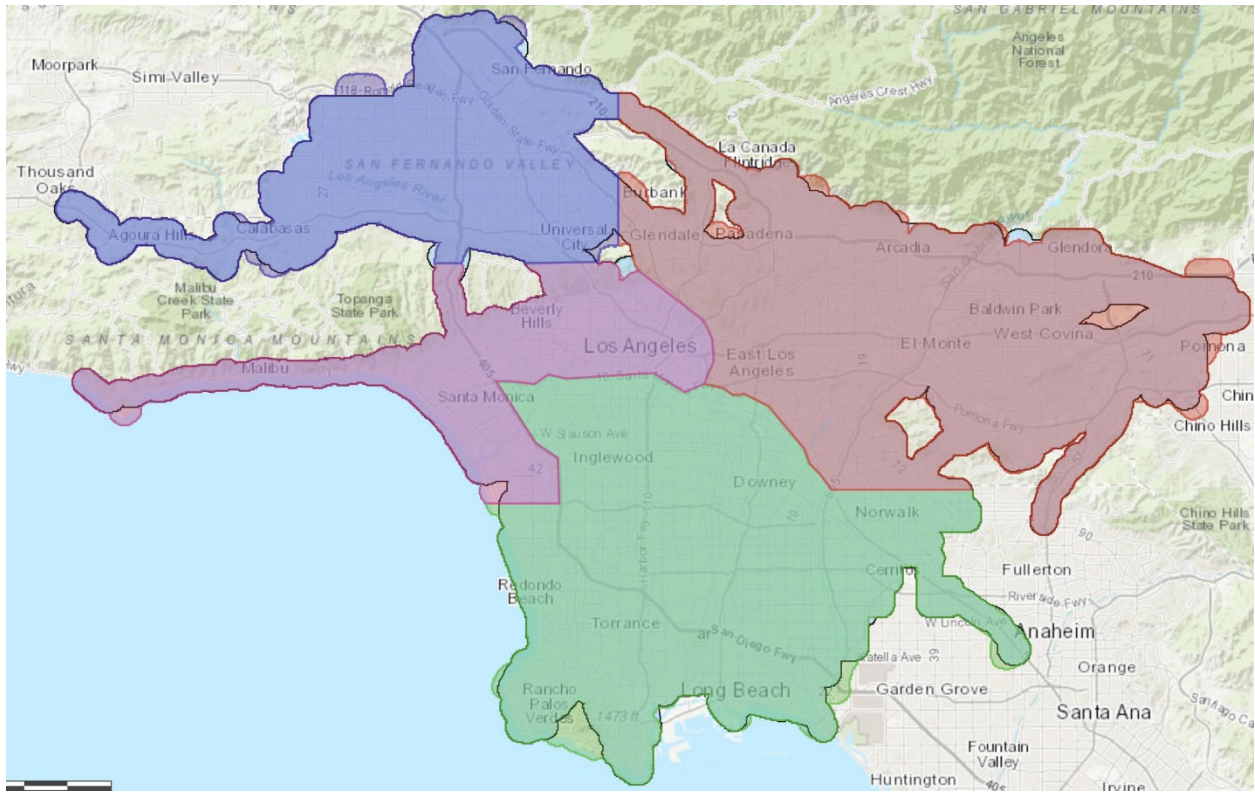
Map 1 below represents the service area from 2019. (Note: Antelope Valley and Santa Clarita are not shown)



Map 2 represents the service area that strictly adheres to the ADA regulations.



Map 3 represents an overlay of the two maps. Those areas on Map 3 that have a lighter shade represent potential service reductions.



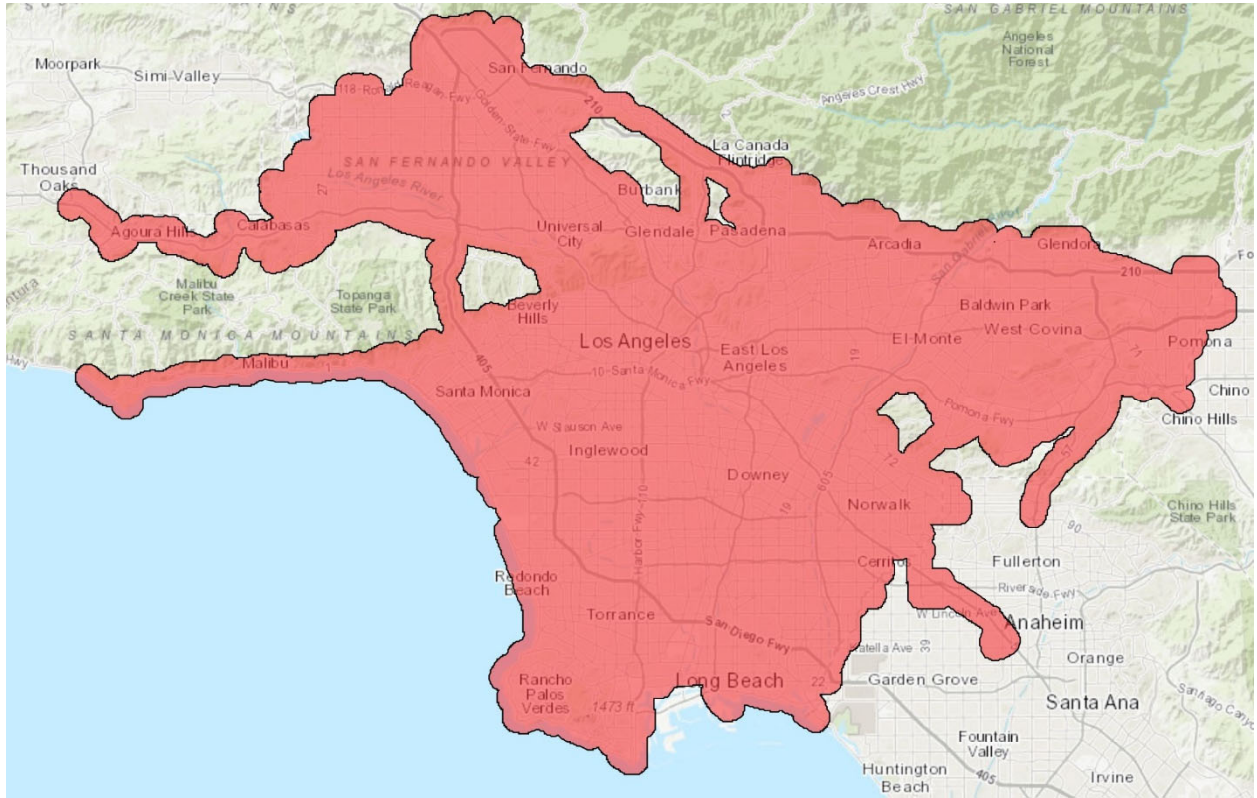
Most impacts occur on the fringes of the map but the most significant impact is in the Porter Ranch area of the San Fernando Valley. Staff has since conducted further analysis on trip data from October 2022 through March 2023. Over that period, the service reduction would have affected 681 riders and 412 locations for a total of 7,854 trips. The table below details the total trip impact by city/neighborhood.



City/ Neighborhood	Non Residence	%	Residence	%	Total	%
Altadena	58	18.6%	253	81.4%	311	4.0%
Anaheim	15	30.6%	34	69.4%	49	0.6%
Arcadia	63	100.0%			63	0.8%
Burbank	122	45.5%	146	54.5%	268	3.4%
Calabasas	38	100.0%			38	0.5%
Chatsworth	148	93.7%	10	6.3%	158	2.0%
Chino Hills	23	100.0%			23	0.3%
Claremont	180	47.6%	198	52.4%	378	4.8%
Garden Grove	2	100.0%			2	0.0%
Glendale	170	85.9%	28	14.1%	198	2.5%
Granada Hills	110	90.9%	11	9.1%	121	1.5%
La Crescenta	1	100.0%			1	0.0%
La Habra	34	100.0%			34	0.4%
Lancaster	26	100.0%			26	0.3%
Los Alamitos	53	86.9%	8	13.1%	61	0.8%
Los Angeles	117	79.6%	30	20.4%	147	1.9%
Malibu	10	100.0%			10	0.1%
Montclair	88	12.7%	606	87.3%	694	8.8%
Playa Del Rey	2	100.0%			2	0.0%
Pomona	204	83.3%	41	16.7%	245	3.1%
Porter Ranch	3,104	71.6%	1,234	28.4%	4,338	55.2%
Rossmoor	13	100.0%			13	0.2%
San Dimas	59	49.6%	60	50.4%	119	1.5%
Seal Beach	4	1.8%	222	98.2%	226	2.9%
Sylmar	78	25.1%	233	74.9%	311	4.0%
Tujunga	1	100.0%			1	0.0%
Woodland Hills		0.0%	17	100.0%	17	0.2%
Totals	4,723	60.1%	3,131	39.9%	7,854	

As discussed above, the most significant impact is within the Porter Ranch neighborhood. This includes the Porter Ranch Town Center, Kaiser and UCLA health facilities. While it is possible to continue service only to/from this area, staff feels that this would be inequitable unless other impacted cities/neighborhoods were also continued to be served. Annually this would equate to 0.55% of all trips or 0.27% of the Agency's total operating budget.

Accordingly, the above recommendation, if approved, would result in Map 4 below.



This map would, going forward, only be expanded if fixed-route service is added. No reductions would occur if fixed-route service is reduced. Staff will monitor and provide annual reporting on this issue.

MAY 15, 2023

**TO: BOARD OF DIRECTORS**

**FROM: HECTOR RODRIGUEZ, DEPUTY EXECUTIVE DIRECTOR**

**RE: CONSIDERATION TO APPROVE PROPOSED FY2023/24 BUDGET**

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**ISSUE:**

It is necessary for the Board to adopt an operating budget for Access' fiscal year beginning July 1, 2023, through June 30, 2024.

**RECOMMENDATION:**

Approve the FY2023/2024 budget as presented and authorize the Executive Director to execute contract amendments as required.

**BACKGROUND:**

The proposed FY2023/2024 budget is based on demand projections conducted by Access' service demand consultant HDR Engineering, Inc., available funding, existing programs and capital needs. Overall, the budget is based on a funding level of \$272.7 million of which Contract Operations represents almost 87% of the total operating budget. The budget will provide for delivery of 3.1 million passenger trips and 29.2 million contract revenue miles.

The pandemic had a significant impact on Access' budget over the last three fiscal years. Now that the emergency declaration related to the pandemic has ended, staff expects savings on a cost per trip basis as pandemic related measures are not included in the FY24 budget. However, the HDR forecast calls for a 14% increase in ridership. While costs have gone down on a per trip basis, the overall budget has increased due to the large increase in ridership.

The following provides a high-level narrative of funding and program expenses by cost center. Full budget detail is available for download as Item 5 Attachment A

**Funding**

Funding sources include \$80.0 million from the Federal Transit Administration (FTA) Surface Transportation Block Grant (STBG) program; carryover of Section 5310 capital grant funds of \$25.1 million; \$8.8 million from passenger fare revenues; an estimated

\$15.5 million from Measure M funds; \$2.0 million of ARPA direct funds; \$3.0 million from the Building and Construction fund; \$0.1 million from Federal Section 5317 funds; \$0.3 million from the sale of depreciated vehicles and earned interest on cash deposits. Approximately \$137.8 million (inclusive of carryover of prior year operating and capital funds) comes from the Proposition C 40% Local Sales Tax discretionary fund account allocated to Access under an annual Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro). The subsidy proposed by Metro for FY2023/2024 meets the mean expected results for the level of transportation service projected by HDR's trip demand analysis as well as the other Access Services' programs and administrative costs.

### **Paratransit Operations**

The total cost of \$204.7 million for this program (86.8% of total operating funds) is a 7.5% increase (\$14.2 million) from the FY2022/2023 budget.

The primary cost impacts within this program are:

- Purchased Transportation - \$183.9 million (\$172.3 million FY 2022/2023)
- Insurance - \$8.2 million (\$7.5 million FY 2022/2023)
- Free Fare Program - \$1.5 million (\$2.5 million FY 2022/2023)

The main cost driver within the purchased transportation program is increased ridership. There are also some minor impacts from escalating minimum wage costs, inflation, higher fuel costs and a higher cost of contracted services as the contracts are procured through an open and competitive process.

While the pandemic has been officially declared to be over, its impacts continue to be felt in many ways. Demand for services has been erratic, which has made projecting ridership difficult. Minimum wage continues to increase as it is now indexed annually against the Consumer Price Index (CPI). The cost of fuel, that was around \$3 per gallon and even lower during the pandemic, jumped to over \$6 per gallon and has remained near \$5 to this day; and lastly, the taxi industry has shrunk due to lack of demand as well as competition from TNCs and the taxi drivers who remain are favoring cash fares over Access trips.

- CPI increases - Most operations contracts have a built in CPI escalator which does not exceed 3%. However, over the last twelve months, inflation has risen over six percent (6%) per the U.S. Bureau of Labor Statistics. In order to maintain the viability of the system, staff is proposing to make adjustments to contractor compensation rates based on the market CPI rather than the contractual CPI should circumstances dictate.
- Taxi Rate Adjustment - Access' historically low-cost structure has been achieved in part due to the high utilization of taxi subcontractors, currently around 35



percent of Agency trips. The taxi industry has allowed our contractors to manage daily demand during the peaks and valleys; deliver excellent service by allowing the contractors to better manage on-time performance; maintain a low level of capital assets, reduce facility space requirements for our contractors; and eliminate the need for a spare fleet. In FY23, an adjustment to taxi subcontractors was made when the Los Angeles Taxicab Commission approved an increase to the per mile and the Flag Drop rate. Staff anticipates that another increase will be approved by the City of Los Angeles and another adjustment to taxi subcontractors may be necessary.

Given the heavy reliance on taxi subcontractors, staff believes that Access may need to increase the compensation for subcontracted trips to remain consistent with the City of Los Angeles' action (if approved) until all basin contracts are re-bid and the added cost of subcontracting can be incorporated into the bids for new contracts.

### **Contract Management**

The total cost of \$5.4 million for this program (2.3% of total operating funds) is a 17.7% increase (\$0.8 million) from the FY2022/2023 budget.

The primary cost impacts within this program are:

- Salaries and Related Expense - \$2.9 million (\$2.5 million FY 2022/2023)
- Travel Training Program - \$1.3 million (\$0.95 million in FY2022/2023)
- Driver Incentive Program - \$0.29 million (\$0.25 million FY 2022/2023)

### **Eligibility Determination**

The total cost of \$13.6 million for this program (5.8% of total operating funds) is a 15.5% increase (\$1.8 million) from the FY2022/2023 budget.

Eligibility costs are expected to be impacted by a variety of factors that include a return to in-person assessments, and HDR's projection of a higher number of new applicants. More applicants translate into a higher number of appeals and higher transportation costs. In future years, staff expects costs to remain relatively flat as the period of eligibility has been extended from three years to five years.

### **Consolidated Transportation Services Agency**

The total cost of \$0.36 million for this program (0.20% of total funding) is a 35.9% decrease (\$203,459) from the FY2022/2023 budget.

## **Administration**

The total cost of \$11.9 million for this program (5.0% of total operating funds) reflects an 11.1% increase from the FY2022/2023 budget, and a net increase in total dollars of \$1.19 million.

The primary cost impacts within this program are:

- Professional Services - \$1.9 million (\$1.7 million FY2022/2023) - Due to increases in software support (Zoom, Oracle, Rider360 2.0.), audit services, legal services, and scheduled contractual increases.
- Network & Telecom - \$1.68 million (\$1.59 FY2022/2023) - Due to increases in licensing fees, investments in information technology, enhancements in cybersecurity programs, and higher software development costs.
- Salaries & Related Expenses - \$6.6 million (\$6.0 million FY2022/2023) - Increased expense from a planned 3% CPI salary increase, 2% discretionary increase, and other payroll cost adjustments due to wage compression from increases in the minimum wage. Staffing levels are proposed to remain at FY23 levels at the Agency's authorized 79 FTEs.
- All other categories such as Office Rent either remained flat or had minor increases when compared to the FY2022/23 budget.

## **Capital Projects**

The total cost of \$36.7 million (13.5% of total budget) is an 8.8% increase when compared to the FY2022/2023 budget amount of \$33.8 million. Of note, \$32.4 million is scheduled to be carried over from the FY23 budget due to delays in vehicle deliveries that are now currently on order.

Capital projects include -

Vehicle Acquisition	\$33,744,581
Antelope Valley Operating Facility Construction	\$ 3,000,000

Vehicle acquisitions will include Ram ProMaster vans and cutaway vehicles. The agency has been actively seeking vehicles but, due to regulatory changes and pandemic impacts, inventory of new vehicles as well as replacement parts have been difficult to procure and acquire. Staff does anticipate that production lines will resume full operation and acquisition of vehicles and parts will return to more normal levels during FY24. Staff is requesting new funding for replacement staff vehicles related to its Road Safety Inspector program and an additional electric vehicle that will be part of a pilot program in FY 24.

With the acquisition of land in the Antelope Valley, staff is preparing to issue several construction-related contracts beginning with architectural services, engineering and

construction management. This will kick off the construction of Access' very first operating facility dedicated to providing ADA transportation services.

### **Next Steps**

The Access funding request provided to Metro is included within Metro's overall budget and is scheduled to be heard at Metro's regular May Board meeting on May 25, 2023. During Metro's June Board meeting cycle, the Metro Board will consider the approval of the specific local subsidies allocated to Access. Upon Metro's approval of the local subsidies, staff will execute a funding MOU with Metro.

Further budget detail is available as Attachment 1 - <https://accessla.org/sites/default/files/Agendas/Attachment%201.pdf>