



Board Report

File #: 2020-0827, **File Type:** Informational Report

Agenda Number: 5.

FINANCE, BUDGET, AND AUDIT COMMITTEE JANUARY 20, 2021

SUBJECT: LOCAL RETURN PROJECT CODING

ACTION: APPROVE REVISED PROJECT CODING FOR LOCAL RETURN PROJECTS

RECOMMENDATION

APPROVE revised Project Coding Structure for Local Return Projects funded through the Metro administered Proposition A, Proposition C, Measure R, and Measure M Local Return (LR) programs. (ATTACHMENT A)

ISSUE

Metro has recently developed and implemented a significantly upgraded, cloud-based database, Local Return Management System (LRMS) to collect, approve, administer, audit, and report on Local Return activities of the 88 cities and Los Angeles County.

To provide for efficiency of use, consistency of application, and minimize user complexity, staff is seeking Board approval of a unified Project Coding structure across all Local Return (LR) programs.

Current LR guidelines approved by the Board include inconsistent project coding among the different taxes. Staff requires Board approval for the revised project structure.

This report does not revise the definitions of project eligibility but rather seeks to provide a more efficient process to manage and report LR activities.

BACKGROUND

According to LR Guidelines, Metro staff is responsible to ensure that local jurisdictions comply with Board project eligibility guidelines for each of the four locally imposed sales tax Measures (A, C, R, M).

For the past two decades, this process included jurisdictions submitting paper forms that Metro staff was subsequently required to manually input into multiple Microsoft Access databases. These databases have reached the end of their useful life, are undependable for reporting purposes, and are subject to frequent crashes and do not provide the necessary information to provide the Board and staff with a timely and comprehensive understanding of the uses to which Local Return Funds

are applied.

DISCUSSION

Currently, there are three different Project Coding structures in place for the LR programs. One set of project coding for Propositions A & C, another set for Measure R, and final set for Measure M.

As indicated below, each of the voter approved and Metro administered sales tax measures includes a Local Return component ranging from a high of 25% for Proposition A to a low of 15% for Measure R.

Sales Tax Measure	Approved	Effective Collection Date	Tax Rate	Rate of Net Revenue Distribution (3)
Proposition A	1980	July 1, 1982	½%	25%
Proposition C	1990	April 1, 1991	½%	20%
Measure R	2008	July 1, 2009	½%	15%
Measure M (1)	2016	July 1, 2017	½%	17%
Measure M (2)	2016	July 1, 2039	1%	20%

- 1) Measure M distributes 16% of Net Revenues plus 1% Supplemental Funds transferred from 1.5% ordinance defined as Administrative Funds for a total of 17%.
- 2) Per Measure M ordinance, Measure M Local Return share increase to 1% July 1, 2039 upon the expiration of Measure R and the allocation of Local Return shall increase by 3% to total 20%.
- 3) LR funds are allocated and distributed monthly to cities and the County of Los Angeles (JURISDICTIONS) on a "per capita" basis by the Los Angeles County Metropolitan Transportation Authority.

In total, approximately 20% of the transportation sales taxes approved by the voters of Los Angeles County go to support locally based, community supportive programs and projects.

The newly implemented and cloud-based LRMS is designed to include:

- A new intuitive interface that mirrors electronically what city staff are already doing with minimal disruption including the on-line submittal of any necessary supplemental information as required by individual ordinance guidelines;
- The elimination of unnecessary duplicative effort by Metro staff;
- A consolidated chart of accounts for project coding that is consistent across funding sources; *(the subject of this recommendation)*
- Enhanced reporting features that will allow both staff at the cities to provide reports to their management as well as allow Metro staff to keep the Metro Board better informed and up to date on local return activities;
- Individualized dashboards for specific cities and the County as well as Metro oriented program wide dashboards to track agency progress towards various objectives;
- A secure electronic workflow system that the user can monitor from any internet accessible location.

The LRMS is designed to recognize and distinguish between funding sources as well as across project categories and seeks to simplify city staff input through a singular comprehensive structure of project categories and coding. This newly improved system would also afford Metro staff the ability to quickly and easily query information without the need to differentiate, at the point of inquiry, among funding sources and project categories.

All project definitions and eligibility requirements remain unchanged from the Board approved guidelines. These guidelines were developed subsequent to the adoption of the ordinances through extensive outreach, stakeholder input, Metro staff, and Board review.

DETERMINATION OF SAFETY IMPACT

There would be no impact on system safety should the Board adopt staff recommendation.

FINANCIAL IMPACT

Adoption of staff recommendations would improve staff ability to provide significantly increased visibility into the applications of Local Return funds throughout the county.

Impact to Budget

Adoption of staff recommendations would have no impact on the LACMTA Budget as Local Return funds are disbursed directly to the cities and are included in the Metro Board approved budget

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports Metro's Strategic Plan Goal #5 by providing responsive, accountable, and trustworthy governance within the Metro organization and the region.

ALTERNATIVES CONSIDERED

Should the Board choose not to approve the implementation of a revised system of Local Return Project coding, which staff does not recommend, staff will be required to maintain an inconsistent and inefficient project reporting structure that limits our ability to provide timely and comprehensive information on the Local Return program.

NEXT STEPS

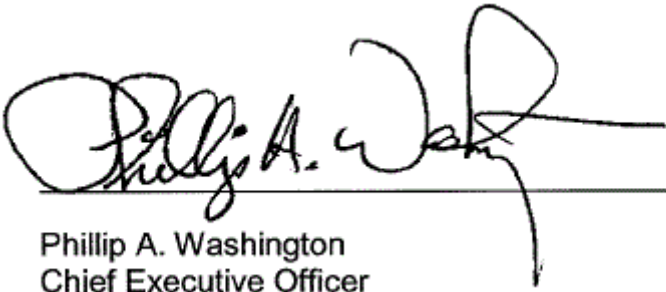
Should the Board approve the recommendation, staff will update the Local Return Guidelines to incorporate the approved project coding structure changes.

ATTACHMENTS

Attachment A - Revised Project Summary for Local Return Projects.

Prepared by: Drew Phillips, Senior Director, Finance, (213) 922-2109

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



Phillip A. Washington
Chief Executive Officer

Revised Local Return Project Coding Guidelines

Propositions A & C; Measures R & M

Public Transit Services (Operations)

- 105 - New/existing fixed route service
- 106 - Paratransit
- 107 - Dial-a-Ride
- 108 - TNC or other Flexible Destination Service
- 109 - Vanpool and/or vanpool incentive programs
- 110 - Extension or augmentation of existing bus route
- 115 - Contracted Transportation Services from within LA County
- 116 - Contracted Transportation Services from outside LA County
- 120 - Operating subsidy to existing bus operator
- 125 - Service enhancements related to bus/rail interface
- 130 - Shuttle service between activity centers
- 135 - Fare subsidy, subsidized taxi service
- 140 - Taxi coupon programs
- 145 - ADA related improvements
- 150 - Transit security
- 155 - Recreational transit
- 160 - Rail Operations
- 170 - Bus stop, transit station, park and ride lot maintenance
- 175 - Vehicle maintenance
- 179 - Training
- 180 - Planning, engineering for transit operations
- 181 - Capital Reserves for transit operations
- 190 - Other Public Transit Services

Public Transit Capital

- 205 - Bus Stop, Stations
- 210 - Vehicles - new, replacement
- 215 - Transit Facilities
- 220 - Transportation Enhancements
- 225 - Right of Way Improvements
- 230 - Farebox systems
- 231 - Transit Access Pass ("TAP")
- 232 - Universal Fare System (UFS), ITS
- 240 - Transportation technical systems
- 245 - Transit Security
- 250 - Light Rail Capital
- 251 - Commuter Rail Capital
- 260 - vehicle equipment, improvements
- 261 - Electric vehicle charging stations
- 270 - Park and Ride Lots
- 274 - preferential turning lanes for transit
- 275 - Reserved bus lanes on surface arterials
- 276 - Contra-flow lanes
- 277 - Traffic Signal Priority for Buses
- 278 - Ramp meter bypass for buses
- 280 - Planning, engineering for transit capital projects
- 281 - Capital Reserve for Transit Capital
- 290 - Other Public Transit Capital

Traffic Control Measures

- 301 - Traffic Signal - New
- 302 - Traffic signal upgrades or improvements
- 303 - Traffic signal sync
- 304 - Traffic Signal - Repairs and Maintenance
- 312 - Community-based shuttles for employees
- 313 - Parking management incentive programs
- 314 - Employer or citizen ride-matching programs and subsidies
- 315 - Transportation Management Organization's (TMO) insurance costs
- 317 - Car sharing programs
- 320 - Congestion pricing, toll roads
- 323 - Ramp meter by-pass
- 324 - Other TDM-Eligible projects
- 340 - Other TSM-Eligible projects
- 350 - Intelligent Transportation System (ITS)
- 380 - Planning, engineering for Traffic Control Measures projects
- 381 - Capital Reserve for Traffic Control Measures
- 390 - Other Traffic Control Measures

Local Funding Contributions

- 410 - Fund exchange for Prop A
- 420 - Fund exchange for Measure M (For like transportation funds only)
- 430 - Fund exchange for Measure R (For like transportation funds only)
- 440 - Measure R Ordinance requiring Attachment A required 3% local funding contribution
- 450 - Matching funds for LR-eligible projects
- 460 - Local Return Gifting
- 470 - Start-up cost, dues, advocacy for LR eligible proj.
- 490 - Other

Transportation Marketing

- 510 - Transit publications, brochures, pamphlets, etc.
- 520 - Online, smartphone app transportation marketing
- 530 - Transportation user subsidy programs marketing
- 540 - Promotions & events transportation marketing
- 570 - Service changes marketing
- 580 - Planning, engineering for transportation marketing
- 581 - Capital reserves for transportation marketing
- 590 - Other Transportation marketing

Transportation Administration

- 610 - Admin Prop A
- 620 - Admin Prop C
- 630 - Admin Measure R
- 640 - Admin Measure M

Revised Local Return Project Coding Guidelines

Proposition C and Measures R & M Only

Streets and Roads

705 - Street Repair, resurfacing, maintenance, striping
 710 - Capacity Enhancements
 715 - Street improvements
 720 - Roadway safety improvements
 725 - ADA Related Street Improvements
 730 - Complete Streets
 730 - Freeways
 740 - Intersection improvements
 750 - Soundwalls
 755 - Medians, Landscaping
 760 - Signage
 765 - PMS
 780 - Planning, engineering for Streets and Roads project
 781 - Capital Reserves for Streets and Roads project

Active Transportation

805 - Bike/Pedestrian Facilities, Construction
 806 - Bike/pedestrian path or facility maintenance
 810 - Signage, Information
 815 - Bike and pedestrian safety features, education
 816 - Bike signals, detection
 820 - ADA Impvts, streetscapes, crossings, curb cuts
 825 - Bike Sharing
 840 - Bike Lanes
 850 - Bike parking, valet, storage
 880 - Planning, engineering for active transportation project
 881 - Capital Reserves for active transportation project
 890 - Other Bike and Pedestrian Projects

Measure M Only

Transit Oriented Community Investment

910 - Transit Oriented Community Investment (TOC)
 990 - Other
 980 - Planning, Engineering for TOC
 981 - Capital Reserves for TOC