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3rd Floor, Metro Board Room*

Agenda - Final

Wednesday, March 5, 2025

10:00 AM

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**Measure M Independent Taxpayer Oversight
Committee**

Paul Rajmaira – Chair

Linda Briskman – Vice Chair

Ryan Campbell

Richard Stanger

Virginia Tanzmann

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES

(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

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

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the general 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 General 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

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



323.466.3876

x2 *Español (Spanish)*

x3 *中文 (Chinese)*

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x5 *Tiếng Việt (Vietnamese)*

x6 *日本語 (Japanese)*

x7 *русский (Russian)*

x8 *Հայերէն (Armenian)*

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

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The Meeting begins at 10:00 AM Pacific Time on March 5, 2025; you may join the call 5 minutes prior to the start of the meeting.

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La Reunion de la Junta comienza a las 10:00 AM, hora del Pacifico, el 5 de Marzo de 2025. Puedes unirse a la llamada 5 minutos antes del comienso de la junta.

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Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.

Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

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Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

1. **SUBJECT: REMARKS BY THE CHAIR** [2025-0074](#)

RECOMMENDATION

RECEIVE remarks by the Chair.

2. **SUBJECT: MINUTES** [2025-0152](#)

RECOMMENDATION

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 11, 2024.

Attachments: [MINUTES - Measure M December 11, 2024](#)

3. **SUBJECT: COST-BENEFIT ANALYSIS FOR METRO CAPITAL PROJECTS** [2025-0176](#)

RECOMMENDATION

RECEIVE oral report on cost-benefit analysis for Metro capital projects.

Attachments: [Attachment A - February 2025 Board Motion](#)

4. **SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2024** [2025-0057](#)

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, 2024, 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, 2024, 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, 2024, completed by Simpson & Simpson, CPAs (Simpson).

9. **SUBJECT: MEASURE M ACTIVE TRANSPORTATION UPDATES**

[2025-0051](#)

RECOMMENDATION

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

Attachments: [Presentation](#)

SUBJECT: GENERAL PUBLIC COMMENT

[2025-0153](#)

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



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

Board Report

File #: 2025-0152, **File Type:** Minutes

Agenda Number: 2.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: MINUTES

RECOMMENDATION

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 11, 2024.



MINUTES

Wednesday, December 11, 2024

10:00 AM

Measure M Independent Taxpayer Oversight Committee

DIRECTORS PRESENT:
Linda Briskman – Vice Chair
Ryan Campbell
Richard Stanger
Virginia Tanzmann

CALLED TO ORDER: 10:01 A.M.

ROLL CALL

1. SUBJECT: REMARKS BY THE CHAIR

2024-1066

RECEIVED remarks by the Chair.

Vice Chair Briskman expressed gratitude to staff for their efforts and extended holiday wishes to everyone. She mentioned that the Metro Board of Directors adopted the Measure M Five-Year Comprehensive Assessment and Equity Report in October 2023 which is available online, and a Board Box update was released on December 2, 2024.

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

2. SUBJECT: MINUTES

2024-1104

APPROVED Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held October 3, 2024.

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

3. SUBJECT: TRANSIT OPERATIONS AND MAINTENANCE BUDGET AND SERVICE METRICS

2024-1040

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

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

LB = L. Briskman	RC = R. Campbell	RS = R. Stanger	VT = V. Tanzmann	PR = P. Rajmaira
LEGEND: Y = YES, N = NO, C = CONFLICT, ABS = ABSTAIN, A = ABSENT, P = PRESENT				

4. SUBJECT: ORAL REPORT ON LOCAL RETURN**2024-1041**

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

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

5. SUBJECT: STATE OF GOOD REPAIR**2024-0532**

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

Director Stanger inquired whether the procurement was for new vehicles for the Wilshire Line or to replace retiring vehicles. Staff explained that the procurement includes both new and replacement vehicles. Director Stanger also asked if any procurement issues could impact operations. The committee was assured that the existing fleet is sufficient to maintain operations and added that new vehicles are expected to arrive by the end of the fiscal year, with replacements completed before the new lines open.

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

6. SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY CAPITAL PROJECTS**2024-1037**

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

Director Stanger asked about the factors contributing to the \$180 million budget increase for the G Line BRT Improvements. Staff explained that this project is being built with a progressive design/bid/build contract and during value engineering exercises, evaluations were completed to determine what could be built with the current budget. Staff also noted that prices are still high in the competitive market since COVID which has contributed to the increase. Additionally, the gating technology being used is being implemented for the first time, presenting a lot of risks.

(continued on next page)

Vice Chair Briskman inquired whether the increase was due to a change order or the original contract being renegotiated when it was time to start building. Staff confirmed that the original contract was negotiated when construction was set to begin.

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

7. SUBJECT: MEASURE M ACTIVE TRANSPORTATION UPDATES **2024-1029**

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

Director Stanger inquired whether the Slauson Bikeway is utilizing Measure M funding. Staff clarified that the project, officially known as Rail-to-Rail Project, is not using Measure M funds.

Vice Chair Briskman asked for an update on the Green Line at the next meeting.

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

RECEIVED General Public Comment.

ADJOURNED AT 10:46 A.M.

Prepared by: Jennifer Avelar
Sr. Administrative Analyst.



Collette Langston, Board Clerk



Metro

Board Report

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

File #: 2025-0176, **File Type:** Oral Report / Presentation

Agenda Number: 3.

**MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
MEASURE R INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE
INDEPENDENT CITIZEN'S ADVISORY AND OVERSIGHT COMMITTEE
MARCH 5, 2025**

SUBJECT: COST-BENEFIT ANALYSIS FOR METRO CAPITAL PROJECTS

RECOMMENDATION

RECEIVE oral report on cost-benefit analysis for Metro capital projects.

ISSUE

The Independent Taxpayer Oversight Committees provide accountability and transparency to the public through independent monitoring of Metro's taxpayer-funded projects and programs. This report provides an update on a related action taken by the Metro Board on February 27, 2025 via approval of a Motion by Directors Dutra, Najarian, Barger and Butts.

The attached motion directs staff to develop and incorporate a standardized cost-benefit analysis framework that may be used to support funding decisions for infrastructure investments, including competitive grant programs and Metro's strategic financial planning activities. Such a framework and analysis is expected to inform data-driven and transparent decision-making. Staff will provide an update on the analysis framework as part of the Annual Program Evaluation brought to the Board in 2025.

At future Oversight Committee meetings, Staff will also provide related progress on this effort.

ATTACHMENTS

Attachment A - February 2025 Board Motion

Prepared by: Allison Yoh, Executive Officer, Countywide Planning & Development, (213) 922-4812

Reviewed by: Ray Sosa, Chief Planning and Development Officer, (213) 547-4274



Metro

Board Report

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

File #: 2025-0149, File Type: Motion / Motion Response

Agenda Number: 14.

REVISED
REGULAR BOARD MEETING
FEBRUARY 27, 2025

Motion by:

DIRECTORS DUTRA, NAJARIAN, BARGER, BUTTS AND SOLIS

COST-BENEFIT ANALYSIS FOR METRO CAPITAL PROJECTS

The U.S. Department of Transportation (USDOT) defines a cost-benefit analysis as a systematic process for identifying, quantifying, and comparing expected benefits of a potential infrastructure project. A cost-benefit analysis provides estimates of the anticipated benefits that are expected to accrue from a project over a specified period and compares them to the anticipated costs of the project.

While a cost-benefit analysis is just one of many tools that can be used to support funding decisions for infrastructure investments, it can be a meaningful method to evaluate and compare potential transportation investments for their contribution to the economic vitality of Los Angeles County and the United States.

Internationally, agencies such as Transport for London also utilize cost-benefit analysis to assess project viability and optimize funding opportunities. Incorporating a standardized cost-benefit analysis will help ensure that the projects Metro advances are positioned competitively for future funding opportunities and policy support.

SUBJECT: COST-BENEFIT ANALYSIS FOR METRO CAPITAL PROJECTS MOTION

RECOMMENDATION

APPROVE Motion by Directors Dutra, Najarian, Barger, Butts and Solis to direct the CEO to ~~incorporate~~ develop a standardized cost-benefit analysis framework, using USDOT analysis or a comparable methodology, for all Metro capital projects to help inform ~~the agency's~~ a more data-driven and transparent decision-making process ~~for projects Metro advances~~. This cost-benefit analysis framework should also include national economic impact data and a comparison to the cost-benefit analysis methodology currently used by Metro and required by State and Federal for significant grant opportunities. An update on this analysis framework shall be presented as part of the Annual Program Evaluation brought to the Board in 2025.

HORVATH AMENDMENT: Direct the CEO to incorporate the project evaluation criteria approved by the Board in October 2023 and being applied to Metro's Short Range Transportation Plan Update, into the framework of a standardized cost-benefit analysis.



Board Report

File #: 2025-0057, **File Type:** Informational Report

Agenda Number: 4.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2024

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, 2024, 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, 2024, 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, 2024, completed by Simpson & Simpson, CPAs (Simpson).

ISSUE

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

BACKGROUND

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

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

DISCUSSION

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

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

The auditors found that the Schedule referred to above presents fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2024, 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, 2024.

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

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

Vasquez concluded that the County and the 39 Cities complied in all material respects, with the requirements in the Ordinance that are applicable to the Measure M Local Return program for the fiscal year ended June 30, 2024. Vasquez found seven (7) instances of noncompliance, summarized in Schedule 2 of Attachment B.

Simpson concluded that the 49 Cities complied, in all material respects, with the requirements in the Ordinance that are applicable to the Measure M Local Return program for the fiscal year ended June 30, 2024. Simpson found five (5) instances of noncompliance, summarized in Schedule 2 of Attachment C.

EQUITY PLATFORM

The Measure M Independent Auditor Reports summarized in this report support compliance with the Ordinance and guidelines, as well as assist program managers in effectively managing and administering the Measure M-funded programs that serve all communities throughout the County. There are no known equity impacts or concerns from audit services conducted to complete the annual audits.

NEXT STEPS

As required by the Ordinance, the Committee will prepare an annual report detailing the results of the annual audit process and any findings. In addition, a public hearing will be scheduled to receive public input.

ATTACHMENT(S)

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

Prepared by: Kimberly Houston, Deputy Chief Auditor, (213) 922-4720
Lauren Choi, Senior Director, Audit, (213) 922-3926
Monica Del Toro, Senior Manager, Audit, (213) 922-7494

Reviewed by: Sharon Gookin, Deputy Chief Executive Officer, (213) 418-3101

Los Angeles County
Metropolitan Transportation Authority

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

**For the Fiscal Year Ended June 30, 2024
(With Comparative Totals For 2023)**



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

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
For the Year Ended June 30, 2024

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2355 Crenshaw Blvd. Suite 150
Torrance, CA 90501

Telephone: 310.792.4640
Facsimile: 310.792.4331
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Independent Auditor's Report

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

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

Opinion

We have audited the accompanying Schedule of Measure M Revenues and Expenditures (the Schedule) of the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the fiscal year ended June 30, 2024, and the related notes to the Schedule, which collectively comprise LACMTA's basic Schedule as listed in the table of contents.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 3 to the Schedule, the accompanying Schedule of Revenues and Expenditures of the Measure M Fund is intended to present the revenues and expenditures attributable to the Measure M Fund. They do not purport to, and do not, present fairly the financial position of the LACMTA, as of June 30, 2024, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our report is not modified with respect to this matter.

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LACMTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

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

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of expenditures by subfund and programs - budget to actual and the schedule of fund balances by subfund and programs for the fiscal year ended and as of June 30, 2024, on pages 10 and 11 are presented for purposes of additional analyses and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the Schedule of Measure M Revenues and Expenditures of LACMTA, and we expressed an unmodified audit opinion in our report dated November 28, 2023. In our opinion, the summarized comparative information presented herein for the fiscal year ended June 30, 2024, is consistent, in all material respects, with the audited Schedule 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 December 2, 2024, 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.

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California

December 2, 2024

Los Angeles County Metropolitan Transportation Authority**Measure M Special Revenue Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for 2023)
(Amounts expressed in thousands)**

	2024	2023
Revenues		
Sales tax	\$ 1,091,069	\$ 1,106,177
Intergovernmental	586	1,581
Investment income	44,748	29,304
Net appreciation (decline) in fair value of investments	11,077	(1,647)
Total revenues	1,147,480	1,135,415
Expenditures		
Administration and other transportation projects	60,985	64,634
Transportation subsidies	412,446	346,936
Debt and interest expenditures		
Principal	1,500	-
Total expenditures	474,931	411,570
Excess of revenues over expenditures	672,549	723,845
Other financing sources (uses)		
Transfers in	32,524	837
Transfers out	(685,259)	(685,159)
Total other financing sources (uses)	(652,735)	(684,322)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 19,814	\$ 39,523

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

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2024

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

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

1. **Organization**

General

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

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

Measure M

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

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

2. **Summary of Significant Accounting Policies**

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

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2024

2. Summary of Significant Accounting Policies (Continued)

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

Fund Accounting

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

Basis of Accounting

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

Budgetary Accounting

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

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

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

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

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2024

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, 2024, the Measure M fund had an investment income of \$44,748 and a net appreciation in the fair value of investments of \$11,077. The net appreciation in investments was mainly due to an increase in the fair market value of the investment portfolios mostly invested in bonds, which are sensitive to changes in interest rates.

The LACMTA issues a publicly available annual comprehensive financial report that includes complete disclosures related to the entire cash and investment pool. The report may be obtained at the LACMTA's website <https://www.metro.net/about/financebudget/>.

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 2023 in the accompanying Schedule are included only to provide a basis for comparison with 2024 and are not intended to present all information necessary for a fair presentation in accordance with Generally Accepted Accounting Principles in the United States of America.

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

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

4. Debt

The debt principal payment of \$1,500 represents the repayment of an advance provided by the County of Los Angeles to cover the costs associated with the High Desert Intercity Rail Corridor Service Development Planning Study. This study aimed to evaluate the feasibility of a new high-speed intercity passenger rail service connecting the future Virgin Train USA Southern California Station in the Victor Valley to the Palmdale Transportation Center. LACMTA utilized the advance while awaiting funding and budget authority for Measure M allocations. On January 19, 2024, LACMTA repaid the \$1,500 advance to the County of Los Angeles.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Notes to the Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2024

5. Intergovernmental Transactions

Any transaction conducted with any federal, state, and local governmental agencies outside the complete jurisdiction of LACMTA will be recorded in an account designated as Intergovernmental.

6. 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.

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

The Measure M fund at June 30, 2024 had an excess of revenues over expenditures and other financing uses of \$19,814 primarily due to investment earnings. The foregoing factors contributed to the increase in Measure M Fund balance from \$1,150,955 to \$1,170,769 at June 30, 2024.

8. Audited Financial Statements

The audited financial statements for the Measure M Special Revenue Fund for the fiscal year ended June 30, 2024, are included in LACMTA's Audited Annual Comprehensive Financial Report (ACFR).

9. Contingent Liabilities

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

10. Subsequent Events

In preparing the Schedule of Measure M Revenues and Expenditures, LACMTA has evaluated events and transactions for potential recognition or disclosure through December 2, 2024, the date the schedule was available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that required recognition or additional disclosure in the Schedule.

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Revenues and Expenditures – Budget and Actual
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Sales tax	\$ 1,200,000	\$ 1,200,000	\$ 1,091,069	\$ (108,931)
Intergovernmental	51,848	51,848	586	(51,262)
Investment income	-	-	44,748	44,748
Net appreciation in fair value of investments	-	-	11,077	11,077
Total revenues	1,251,848	1,251,848	1,147,480	(104,368)
Expenditures				
Administration and other transportation projects	226,665	156,998	60,985	96,013
Transportation subsidies	471,560	472,632	412,446	60,186
Debt and interest expenditures				
Principal	-	-	1,500	(1,500)
Total expenditures	698,225	629,630	474,931	154,699
Excess of revenues over expenditures	553,623	622,218	672,549	50,331
Other financing sources (uses)				
Transfers in	38,306	38,306	32,524	(5,782)
Transfers out	(658,057)	(658,057)	(685,259)	(27,202)
Total other financing sources (uses)	(619,751)	(619,751)	(652,735)	(32,984)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (66,128)	\$ 2,467	\$ 19,814	\$ 17,347

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Expenditures by Subfund and Programs – Budget and Actual
For the Fiscal Year Ended June 30, 2024
(Amounts expressed in thousands)

Subfund	Programs	Final Budget	Actual	Variance with Final Budget
	Program:			
<i>Transit Operating and Maintenance</i>	Metro Rail Operations	\$ -	\$ 64,835	\$ (64,835)
	Transit Operations	276,006	247,770	28,236
	ADA Paratransit	23,640	21,494	2,146
<i>Transit/First/ Last Mile (Capital)</i>	Transit Construction	390,268	360,698	29,570
	Metro State of Good Repair	18,653	(633)	19,286
<i>Highway, Active Transportation, Complete Streets (Capital)</i>	Highway Construction	300,640	222,383	78,257
	Active Transportation Program	21,052	3,701	17,351
<i>Local Return/ Regional Rail</i>	Local Return	188,940	182,700	6,240
	Regional Rail - Metrolink	14,423	21,263	(6,840)
	Total program	<u>1,233,622</u>	<u>1,124,211</u>	<u>109,411</u>
<i>Administration</i>	Administration	<u>17,759</u>	<u>3,455</u>	<u>14,304</u>
	Total	<u><u>\$ 1,251,381</u></u>	<u><u>\$ 1,127,666</u></u>	<u><u>123,715</u></u>

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Schedule of Fund Balances by Subfund and Programs
For the Fiscal Year Ended June 30, 2024
(Amounts expressed in thousands)

Subfund	Programs	Beginning Balance, July 1, 2023	Revenues			Expenditures/Uses of Funds				Fund Balance
			Revenue Allocations	Other Revenues	Total Revenues	Admin	Local Return/ Transportation Subsidies	Transfers-out/ Capital Projects	Transfers-in/ Capital Projects	
	Program:									
Transit Operating & Maintenance	Metro Rail Operations	\$ 10,106	\$ 53,735	\$ 993	\$ 54,728	\$ -	\$ -	\$ (64,834)	\$ -	\$ -
	Transit Operations	393,297	214,941	15,957	230,898	-	(83,999)	(163,772)	-	376,424
	ADA Paratransit	9,432	21,494	531	22,025	-	-	(21,494)	-	9,963
Subtotal		412,835	290,170	17,481	307,651	-	(83,999)	(250,100)	-	386,387
Transit/First/ Last Mile (Capital)	Transit Construction	3,808	376,397	2,100	378,497	(19,819)	(14,674)	(328,990)	2,785	21,607
	Metro State of Good Repair	32,786	21,494	1,667	23,161	-	-	632		56,579
Subtotal		36,594	397,891	3,767	401,658	(19,819)	(14,674)	(328,358)	2,785	78,186
Highway, Active Transportation, Complete Streets (Capital)	Highway Construction	616,737	183,034	30,484	213,518	(35,265)	(128,761)	(81,718)	23,361	607,872
	Active Transportation Program	67,661	21,494	3,388	24,882	(2,358)	(365)	23,705	(24,683)	88,842
Subtotal		684,398	204,528	33,872	238,400	(37,623)	(129,126)	(58,013)	(1,322)	696,714
Local Return/ Regional Rail	Local Return	-	182,700	-	182,700	-	(182,700)	-	-	-
	Regional Rail - Metrolink	10,112	10,747	365	11,112	(1,588)	(1,947)	(48,788)	31,061	(38)
Subtotal		10,112	193,447	365	193,812	(1,588)	(184,647)	(48,788)	31,061	(38)
Administration	Total program	1,143,939	1,086,036	55,485	1,141,521	(59,030)	(412,446)	(685,259)	32,524	1,161,249
		7,016	5,619	340	5,959	(3,455)	-	-	-	9,520
	Grand Total	<u>\$ 1,150,955</u>	<u>\$ 1,091,655</u>	<u>\$ 55,825</u>	<u>\$ 1,147,480</u>	<u>\$ (62,485)</u>	<u>\$ (412,446)</u>	<u>\$ (685,259)</u>	<u>\$ 32,524</u>	<u>\$ 1,170,769</u>

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of the Schedule of Revenues and Expenditures
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, 2024, and the related notes to the Schedule, which collectively comprised LACMTA's basic Schedule, and have issued our report thereon dated December 2, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California
December 2, 2024



2355 Crenshaw Blvd. Suite 150
Torrance, CA 90501

Telephone: 310.792.4640
Facsimile: 310.792.4331
www.bcawr.com

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

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

Report on Compliance

Opinion on Measure M Revenues and Expenditures

We have audited the Los Angeles County Metropolitan Transportation Authority (LACMTA) compliance with the *Los Angeles County Traffic Improvement Plan Ordinance No. 16-01* (the Ordinance) applicable to LACMTA's Measure M revenues and expenditures for the fiscal year ended June 30, 2024.

In our opinion, LACMTA complied, in all material respects, with the requirements referred to above that are applicable to the Measure M revenues and expenditures for the fiscal year ended June 30, 2024.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "BCA Watson Rice, LLP". The signature is written in a cursive, flowing style.

Torrance, California
December 2, 2024

Los Angeles County Metropolitan Transportation Authority
Measure M Special Revenue Fund
Summary of Current Year Audit Findings
For the Fiscal Year Ended June 30, 2024

None noted.

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

None noted.



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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Consolidated Audit Report
Fiscal Year Ended June 30, 2024**

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655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE
WITH THE REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES**

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

Report on Compliance

Opinion

We have audited the compliance of the County of Los Angeles (County) and the thirty-nine (39) Cities identified in the List of Package A Jurisdictions, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County voter-approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (Metro), approved by its Board of Directors on June 22, 2017 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by Metro, the County and the respective Cities for the year ended June 30, 2024 (collectively, the Requirements). Compliance area tested and related findings are identified in the accompanying Summary of Audit Results, Schedule 1 and Schedule 2.

In our opinion, the County and the Cities complied, in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2024.

Basis for Opinion

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

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



Responsibilities of Management for Compliance

Managements of the County and the Cities are responsible for their compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County and each City's Measure M Local Return program.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Guidelines and which are described in the accompanying Summary of Compliance Findings (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2024-001 through #2024-007. Our opinion is not modified with respect to these matters.



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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. However, as discussed below, we did identify certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the Guidelines on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the Guidelines will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2024-001 and #2024-005 to be material weaknesses.

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

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

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

**Glendale, California
December 31, 2024**

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
List of Package A Jurisdictions
Fiscal Year Ended June 30, 2024**

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, 2024**

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, 2024**

The audits of the County of Los Angeles and 39 cities have resulted in seven (7) findings. The table below summarizes these findings:

Compliance Area	# of Findings	Responsible Cities/ Finding No. Reference	Questioned Costs	Resolved During the Audit
Funds were expended with Metro's approval.	3	Culver City (See Finding #2024-003)	\$ 311,950	\$ 311,950
		Maywood (See Finding #2024-006)	2,288	2,288
		South Gate (See Finding #2024-007)	9,123	9,123
Timely use of funds.	2	Cudahy (See Finding #2024-002)	119,107	119,107
		Hidden Hills (See Finding #2024-004)	20,019	20,019
Accounting procedures, record keeping and documentation are adequate.	2	Compton (See Finding #2024-001)	None	None
		Huntington Park (See Finding #2024-005)	None	None
Total Findings and Questioned Costs	7		\$ 462,487	\$ 462,487

Details of the above findings are presented 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, 2024**

Finding #2024-001	City of Compton
Compliance Reference	Measure M Local Return Guidelines Section XXV states that, "It is each Jurisdiction's responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines".
Condition	As of the date of the audit, on December 24, 2024, the City's year-end closing process was still ongoing. We noted the following critical observations: • Reconciliations of major balance sheet accounts including bank accounts were not yet completed. • Cut-off procedures relating to year-end accruals were inadequate to ensure the recording of transactions in the proper period. This resulted in the City's adjustments which affected the prior period's account balances. • Beginning fund balances were not reconciled with the prior year's audited reports. The audits of the City's financial statements for the fiscal years 2023 and 2024 had not yet been completed because of the clean-up and closing process currently being done. Further, we noted that the separate local return fund bank accounts were combined into the City's pooled cash and investments accounts during FY2024. This violated Metro's mandate to maintain separate bank accounts for local return funds.
Cause	During the fiscal years 2017 through 2021, the City lost several key employees in the Finance and Accounting department. As such, there were delays in the closing of the City's books for the fiscal year 2024 and prior years. As of December 24, 2024, the accounting personnel and support staff were working towards closing the books and providing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
Effect	The City was not in compliance with the audit requirements of the Local Return Guidelines.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-001 (Continued)	City of Compton
Recommendation	We recommend the City implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing the procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The timing of specific procedures could be coordinated with the timing of management's or the auditor's need for the information. These reconciliations will provide assurance that financial statements are complete and accurate. We further recommend that the City reinstate the maintenance of individual bank accounts for its local return funds to comply with Metro's mandate. This will also help in monitoring and tracking the activities and balances of local return funds.
Management's Response	The City is in the process of catching up on all accounting processes that have not been completed due to staff turnover and various other reasons. The new management team in the Finance and Accounting Department is putting procedures in place to ensure monthly and annual year-end closing processes are well documented and occur on time. The City acknowledges the finding and will recommend to the City Council to reinstate the maintenance of individual bank accounts for its local return funds to comply with Metro's mandate.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-002	City of Cudahy
Compliance Reference	Section XXV Lapsing Requirements of Measure M Local Return Guidelines states that "Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received. A First- In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure M LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to Metro upon request, for reallocation to Jurisdictions on a per capita basis."
Condition	The City has unused Measure M funds amounting to \$119,107 which lapsed as of June 30, 2024.
Cause	Due to changes in Public Works department staffing there was a transition period that affected the timing of certain funding sources claims.
Effect	The City did not comply with the Measure M Local Return Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that Measure M funds are used timely.
Management's Response	On December 13, 2024, the City requested an extension for the use of the funds from the LA Metro Program Manager.
Finding Corrected During the Audit	On December 18, 2024, Metro Program Manager granted an extension for the use of the lapsed funds on or by June 30, 2025. 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, 2024
(Continued)

Finding #2024-003	City of Culver City
Compliance Reference	Section XXV Administrative, Reporting Requirements, Expenditure Plan (8/1 Table) of the Measure M Local Return Guidelines states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (8/1 Table), annually, by August 1st of each year". "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".
Condition	The City claimed expenditures for the following MMLRF projects with no prior approval from Metro: a. Project code 715, Traffic Signal Fiber Optic Upgrades, totaling \$37,584; and b. Project code 780, Bicycle/Pedestrian Action Plan Implementation, totaling \$274,366. Although we found the expenditures to be eligible for Local Return funding, these projects had no prior approval from Metro.
Cause	The projects were inadvertently not included in the submitted budget request.
Effect	The City claimed expenditures totaling \$311,950 of Measure M LR funds prior to approval by Metro. The City did not comply with the Guidelines.
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 budget requests via LRMS and obtained retroactive approval of the budgets for said projects.
Finding Corrected During the Audit	Retroactive approval of the said projects was obtained via LRMS on December 18, 2024. 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, 2024
(Continued)

Finding #2024-004	City of Hidden Hills
Compliance Reference	Section XXV Lapsing Requirements of Measure M Local Return Guidelines states that "Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received. A First- In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure M LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to Metro upon request, for reallocation to Jurisdictions on a per capita basis."
Condition	The City has unused Measure M funds amounting to \$20,019 which lapsed as of June 30, 2024.
Cause	The Round Meadow Road/Mureau Road Intersection Pedestrian and Bikepath Landscaping project was not started. Due to the unexpected late start of this project, funds were not spent as expected.
Effect	The City did not comply with the Measure M Local Return Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that Measure M funds are used timely.
Management's Response	The City expects to use up the Measure M funds during FY 2024/25. The City requested and obtained an extension for the use of the funds from the LA Metro Program Manager.
Finding Corrected During the Audit	On July 5, 2024, Metro Program Manager granted an extension for the use of the lapsed funds on or by June 30, 2025. 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, 2024
(Continued)

Finding #2024-005	City of Huntington Park
Compliance Reference	Measure M Local Return Guidelines Section XXV states that, "It is each Jurisdiction's responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines".
Condition	As of the date of audit fieldwork, on December 24, 2024, the City's year-end closing process was still ongoing for fiscal year 2024. The following critical observations were identified: • Cut-off procedures relating to year-end accruals were inadequate to ensure the recording of transactions in the proper period. This resulted in the City's adjustments which affected the prior period's account balances. • The beginning fund balances were not reconciled with the prior year's audited reports. • A system issue was discovered, causing balances to not roll over correctly. Accordingly, the audit of the City's financial statements for the fiscal year 2024 was started late because of the ongoing clean-up and closing process. This is a repeat finding from prior year.
Cause	During the fiscal years 2021 through 2024, the City lost several key employees, particularly in the Finance and Accounting Department. This resulted in delays in closing the City's books for the fiscal year 2024 and prior years. As of December 24, 2024, the accounting personnel and support staff were working towards closing the books and providing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
Effect	The City was not in compliance with the audit requirements of the Local Return Guidelines.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-005 (Continued)	City of Huntington Park
Recommendation	We recommend the City implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing the procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who will perform each procedure and when completion of each procedure is due and is accomplished. The timing of specific procedures should be coordinated with the timing of management's or the auditor's need for the information. These reconciliations will provide assurance that financial statements are updated and provided timely to the users.
Management's Response	The City is in the process of catching up on all accounting processes that have not been completed due to staff turnover and various other reasons. The new management team in the Finance and Accounting Department is putting procedures in place to ensure monthly and annual year-end closing processes are well documented and occur on time.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-006	City of Maywood
Compliance Reference	Section XXV of Measure M Guidance states "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. A sample of Form M-One is shown in Attachment C.2. Form M-One provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year."
Condition	The City claimed expenditure prior to approval from Metro under Project code 180, Orange Line Development Authority Membership, totaling \$2,288. Although we found the expenditure to be eligible for Local Return funding, this project had no prior approval from Metro.
Cause	The City did not anticipate incurring eligible expenditure for this project. The City was not able to submit a budget request for Metro's approval until after June 30, 2024.
Effect	The City claimed expenditure totaling \$2,288 of Measure M LR funds prior to approval by Metro. The City did not comply with the Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on Local Return-funded project.
Management's Response	The City submitted a budget request via LRMS and obtained retroactive approval of the budgets for said project on September 25, 2024.
Finding Corrected During the Audit	Retroactive approval of the said project was obtained via LRMS on September 25, 2024. 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, 2024
(Continued)

Finding #2024-007	City of South Gate
Compliance Reference	Section XXV Administrative, Reporting Requirements, Expenditure Plan (8/1 Table) of the Measure M Local Return Guidelines states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (8/1 Table), annually, by August 1st of each year". "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".
Condition	The City claimed expenditure for MMLRF Project code 640, Administrative Allocation, totaling \$9,123 with no prior approval from Metro. Although we found the expenditure to be eligible for Local Return funding, this project had no prior approval from Metro.
Cause	The project was inadvertently not included in the submitted Expenditure Plan (Form M-one).
Effect	The City claimed expenditures totaling \$9,123 with no prior approval from Metro. Lack of prior approval results in noncompliance.
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 via LRMS and obtained retroactive approval of the budget for said project on October 15, 2024.
Finding Corrected During the Audit	Retroactive approval of the said project was obtained via LRMS on October 15, 2024. No additional follow-up is required.



www.vasquez.cpa

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • +1.213.873.1700



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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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, 2024**

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

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

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

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

Report on Compliance

Opinion

We have audited the compliance of the forty-nine (49) Cities (the Cities) identified in the List of Package B Jurisdictions, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County voter-approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (Metro), approved by its Board of Directors on June 22, 2017 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by Metro, the respective Cities for the year ended June 30, 2024 (collectively, the Requirements). Compliance area tested and related findings are identified in the accompanying Compliance Area Tested and Summary of Audit Results, Schedule 1 and Schedule 2.

In our opinion, the Cities complied, in all material respects, with the Guidelines and the Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2024.

Basis for Opinion

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

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



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Responsibilities of Management for Compliance

Management of the Cities are responsible for their compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to each City's Measure M Local Return program.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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



Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and the Requirements and which are described in the accompanying Summary of Compliance Findings (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2024-001 through #2024-005. Our opinion is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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



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

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

A handwritten signature in black ink that reads "Simpson & Simpson".

Los Angeles, California
December 31, 2024

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
List of Package B Jurisdictions
Fiscal Year Ended June 30, 2024**

- | | |
|----------------------------------|-----------------------------------|
| 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, 2024

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, 2024

The audit of the 49 cities have resulted in five (5) findings. The table below summarize these findings:

Compliance Area	# of Findings	Responsible Cities/ Finding No. Reference	Questioned Costs	Resolved During the Audit
Funds were expended with Metro's approval.	2	Artesia (#2024-001)	\$ 981	\$ 981
		Temple City (#2024-005)	14,000	14,000
Accounting procedures, record keeping and documentation are adequate.	2	Glendora (#2024-002)	None	None
		South Pasadena (#2024-004)	None	None
Timely use of funds.	1	South Pasadena (#2024-003)	108,778	108,778
Total Findings and Questioned Costs	5		\$ 123,759	\$ 123,759

Details of the above findings are presented 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, 2024

Finding #2024-001	City of Artesia
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st.” In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:... Verification that funds were expended with Metro’s approval.”
Condition	The expenditures for MMLRF's Project Code 630, General Program Administration, in the amount of \$981, were incurred prior to Metro’s approval. However, the City subsequently received budget approval from Metro for the same amount on December 13, 2024.
Cause	This was an oversight on the part of the City due to understaffing.
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, properly enters the budgeted amount for each project in the LRMS and submits it before the requested due date so that the City’s expenditures of Measure M Local Return Funds are in accordance with Metro’s approval and the Guidelines.
Management’s Response	The City will establish procedures to ensure that it obtains Metro's approval before expenditures are incurred.
Corrected During the Audit	Metro Program Manager granted retroactive budget approval of said project on December 13, 2024. 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, 2024
(Continued)

Finding #2024-002	City of Glendora
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines..." In addition, Government Auditing Standards Section 5.26 lists examples of matters that may be reportable conditions: "e.g.: evidence of failure to perform tasks that are part of internal control, such as reconciliations not prepared or not timely prepared." Good internal controls require that cash be reconciled at least monthly and material reconciling items be properly supported.
Condition	The bank reconciliation process was significantly delayed. As of the date of the audit, December 21, 2024, the bank reconciliation had only been completed through November 2023.
Cause	The preparation of the bank reconciliations was delayed due to staff turnover in several supervisory and lead positions within the Finance Department, as well as the transition to a new financial system in mid-December 2023.
Effect	The delay in preparing the bank reconciliations increases the risk of inaccuracies in the financial records, which could lead to misstated financial statements. This also limits the ability to ensure the integrity of cash balances and properly support financial reporting.
Recommendation	We recommend that the Finance Department implement a more structured process for preparing bank reconciliations, ensuring that they are completed on a timely basis. This should include assigning clear responsibilities and deadlines for staff, as well as providing adequate training on the new financial system. Additionally, management should prioritize the reconciliation process to ensure it is aligned with financial reporting timelines and that any discrepancies are identified and resolved promptly.
Management's Response	The Finance Department is actively working to address the delays in the bank reconciliation process. The City has engaged additional staff resources to assist with the reconciliations and is implementing a more structured approach to ensure timely completion moving forward. The department is also providing additional training on the new financial system to ensure staff are equipped with the necessary tools and knowledge. Management is committed to prioritizing the reconciliation process and aligning it with the overall financial reporting schedule to ensure that all reconciliations are completed accurately and on time.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-003	City of South Pasadena
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV Local Return Administrative, Lapsing Requirement, "Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received."
Condition	The City's fiscal year 2019 ending fund balance in the amount of \$108,778 was not expended within 5 years as of June 30, 2024 and was not reserved for capital projects as required by Local Return guidelines. The City subsequently received an extension from Metro to spend the lapsed funds until June 30, 2025 on December 16, 2024.
Cause	The City had requested a capital reserve for MMLRF project in February 2024. Due to the City's misunderstanding of the potential lapsed balance, the amount placed on capital reserve fell short, resulting in an untimely use of funds.
Effect	The Measure M Local Return funds were not expended or reserved within the Timely Use period. The City did not comply with the Measure M Local Return Guidelines.
Recommendation	We recommend that the City establish a policy in place where the City Manager, City Engineer and Finance Department discuss the availability of Measure M Local Return funds in conjunction with any eligible MMLRF projects and submit its Form M-II (Annual Project Update Form) by entering the budgeted expenditures in the Local Return Management System (LRMS) on time. Alternative measures would include requesting a Capital Reserve Agreement with Metro.
Management's Response	The City will continue to monitor and communicate with Metro regularly to ensure lapsed funding will not occur in the future. If there is potential for lapsing of funds, the City will request Metro for the extension of the use of lapsed funds in a timely manner.
Corrected During the Audit	Metro Program Manager granted the City an extension for the use of lapsed Measure M Local Return funds until June 30, 2025 on December 16, 2024. 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, 2024
(Continued)

Finding #2024-004	City of South Pasadena
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these Guidelines."
Condition	As of the date of the audit, December 18, 2024, the City's year-end closing process was still ongoing. We noted the following critical observations including: (a) A detailed breakdown of expenditures charged to the MMLRF for the fiscal year ended June 30, 2024 was not provided. (b) No bank reconciliation was prepared as of June 30, 2024.
Cause	During the fiscal year ended June 30, 2024, management experienced significant turnover in key personnel within the Finance and Public Works departments. This disruption impacted the oversight of the local return funds and Metro-related projects, leading to delays in critical reconciliations, account analyses, and the preparation of necessary documentation required by both management and the auditors.
Effect	Without supporting documentation and reconciliations, variances remained between amounts recorded in the City's general ledger and those reported to Metro. This increases the risk of: (a) Inaccurate or misstated financial records and reports. (b) Noncompliance with applicable local return guidelines.
Recommendation	We recommend that management prioritize and complete the year-end closing process promptly to address the identified issues. Specifically, management should: 1. Provide a detailed breakdown of expenditures charged to the local return funds for the fiscal year, along with the necessary supporting documentation for verification. 2. Complete all required bank reconciliations for the fiscal year. Management should implement a structured approach with clear responsibilities and timelines to ensure that these tasks are completed accurately and in a timely manner. Regular process reviews and oversight should be conducted to ensure all necessary actions are taken before finalizing the year-end closing.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-004 (Continued)	City of South Pasadena
Management's Response	The City has engaged an external CPA firm to assist with year-end closing activities, including preparing bank reconciliations and supporting the City during the audit process. Management is prioritizing this effort, recognizing its significant impact on all the funds within the City's general ledger. While some progress has been made, the year-end closing process and necessary adjustments are expected to be completed by February 2025.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2024
(Continued)

Finding #2024-005	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 640, SGVCOG VMT Analysis, in the amount of \$14,000. However, the City subsequently received an approved budget in the amount of \$14,000 from Metro on September 27, 2024.
Cause	Due to the change in the City’s personnel, along with the oversight of management, the City was not able to request a budget approval from Metro prior to incurring expenditures on the project.
Effect	The City did not comply with the Guidelines as the expenditures for the MMLRF project were incurred prior to Metro’s approval.
Recommendation	We recommend that the City establish procedures to ensure that it obtains approval from Metro prior to implementing any Measure M Local Return projects, properly enters the budgeted amount for each project in the LRMS and submits 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	In the future, the City’s Director will coordinate with the staff and review the Metro budget to ensure all expenditures have the proper budget prior to the end of the fiscal year.
Corrected During the Audit	Metro Program Manager granted retroactive approval of said project on September 27, 2024. No follow-up is required.

**FISCAL YEAR 2024
MEASURE M
REVENUES AND EXPENDITURES AUDIT
WITH
INTERNAL CONTROLS AND COMPLIANCE REPORT**

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

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

MARCH 5, 2025



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

Contents

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

Responsibilities

☐ LACMTA Management Responsibilities

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

☐ Auditor's Responsibilities

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

Summary of Audit Results

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

Financial Highlights

- Sales tax revenue decreased by \$15.1 million compared to prior year (1.4% change from prior year).
- Actual expenditures increased by \$63.4 million compared to prior year (15.4% change from prior year) due primarily to an increase in transportation subsidies.
- Total other financing uses decreased by \$31.6 million compared to prior year (4.6% change from prior year). Decrease was mainly attributed to grant subsidies billed for the Commuter Rail project.
- Actual sales tax revenue was less than budgeted by \$108.9 million.
- Actual expenditures were less than budgeted by \$154.7 million mainly due to less professional and technical services compared to budgeted amounts for the I-105 ExpressLanes and K Line Northern Extension projects. Additionally, actual claims on planning projects such as LA River Bike Path and Transit Construction programs (Sepulveda Transit Corridor, East San Fernando Valley, Metro G Line BRT Improvements) came in lower than budgeted.
- Actual transfers out was more than budgeted by \$27.2 million mainly due to capital project costs coming in more than budgeted amounts.
- During fiscal year 2023-2024, the Measure M fund reported a surplus, with revenues exceeding expenditures and other financial uses by \$19.8 million. This resulted in an increase in the Measure M fund balance, growing from \$1.15 billion to \$1.17 billion as of June 30, 2024.

Required Communications

Items to be Communicated

Auditor's Responsibilities Under Generally Accepted Auditing Standards

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

Required Communications (Continued)

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

Required Communications (Continued)

- Management consultations with other independent accountants
 - To our knowledge, there were no such consultation with other accountant.
- Discussions held prior to retention
 - No major issues were discussed as a condition to our retention.
- Disagreements with management
 - Professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Schedule of Measure M Revenues and Expenditures or the auditor's report.
 - No such disagreements occurred during the audit.
- Management representation
 - We requested certain representations from management, which are included in the management representation letter dated December 2, 2024.

Management Letter Comments

- There are no management letter comments.

Audited Financial Statements for Measure M Special Revenue Fund

- Included in LACMTA's June 30, 2024
Annual Comprehensive Financial Report (ACFR)

BCA Watson Rice LLP

Audit Engagement Team

- Marialyn Labastilla, Engagement Partner (mslabastilla@bcawr.com)
- Helen Chu, Quality Control Partner (hcu@bcawr.com)
- Ihab Fakhreddine, Audit Manager (ifakhreddine@bcawr.com)
- Kristen Reyes Reason, Senior Auditor (kreyes@bcawr.com)

QUESTIONS AND ANSWERS

**Measure M Local Return Fund Audit Results
For the Fiscal Year Ended June 30, 2024
(Package B)**

Simpson & Simpson, LLP



Measure M Independent Taxpayer Oversight Committee Meeting
Date: March 5, 2025

Agenda

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



Background



Simpson and Simpson, LLP

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

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



Simpson and Simpson, LLP

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



Summary of Findings



Summary of Findings

❖ Audits were performed in all 49 jurisdictions.

- Total dollar amounts associated with the findings increased from \$17,148 in FY2023 to \$123,759 in the FY2024 compliance audit.

Total Questioned Costs:

- \$123,759, approximately 0.1% of the FY2024 Measure M allocations, totaling \$130,415,136 under Package B.
- All questioned costs were resolved during the audits.

Types of Questioned Costs:

- a) \$14,981: Funds expended on Measure M eligible projects without prior approval from Metro (resolved during the audit).
- b) \$108,778: No timely use of funds (resolved during the audit).

Compliance Findings:

- **5 Non-Compliance Findings** identified.
- No Material Weaknesses and No Significant Deficiencies in internal control over compliance for FY2024.



Summary of Findings (Cont.)

Finding	# of Findings	Responsible Cities/ Finding Reference	Questioned Costs	Resolved During the Audit
Funds were expended with Metro's approval.	2	Artesia (#2024-001) Temple City (#2024-005)	\$ 981 14,000	\$ 981 14,000
Accounting procedures, record keeping and documentation are adequate.	2	Glendora (#2024-002) South Pasadena (#2024-004)	None None	None None



Summary of Findings (Cont.)

Finding	# of Findings	Responsible Cities/ Finding Reference	Questioned Costs	Resolved During the Audit
Timely use of funds.	1	South Pasadena (#2024-003)	\$ 108,778	\$ 108,778
Total Findings and Questioned Cost	5		\$ 123,759	\$ 123,759



Analysis of Measure M Audit Results



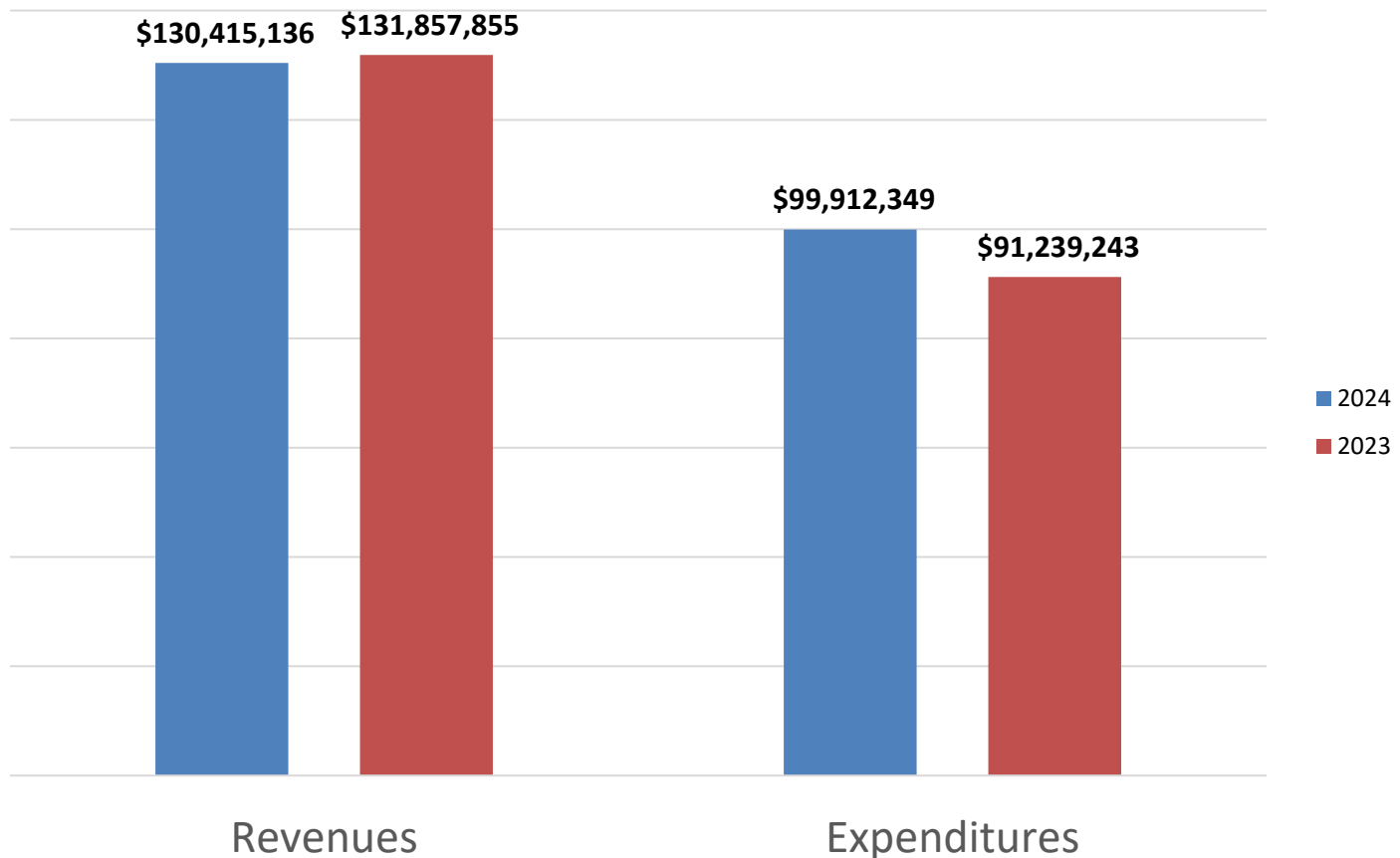
Material Weakness and Significant Deficiency In Internal Controls over Compliance

- **There were no material weaknesses and no significant deficiencies in internal control over Compliance noted during our audit in FY2024.**



Revenue and Expenditures of 49 Jurisdictions

FY 2024 & FY 2023 Revenues and Expenditures



Simpson & Simpson CPAs

Contact information

Team member	Contact information
Grace Yuen Lead Engagement Partner	Email: gyuen@simpsonllp.com
Etta Hur Engagement Partner	Email: ehur@simpsonllp.com
Melba Simpson Quality Control Partner	Email: msimpson@simpsonllp.com
Austine Cho Audit Senior Manager	Email: acho@simpsonllp.com
Samuel Qiu Managing Partner (SBE)	Email: samq@qiuaccountancy.com
Dulce Kapuno Audit Manager (SBE)	Email: dulcek@qiuaccountancy.com



Questions





Metro®

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

March 5, 2025



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/ Scope of the Audits



/ Scope of the Audits

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

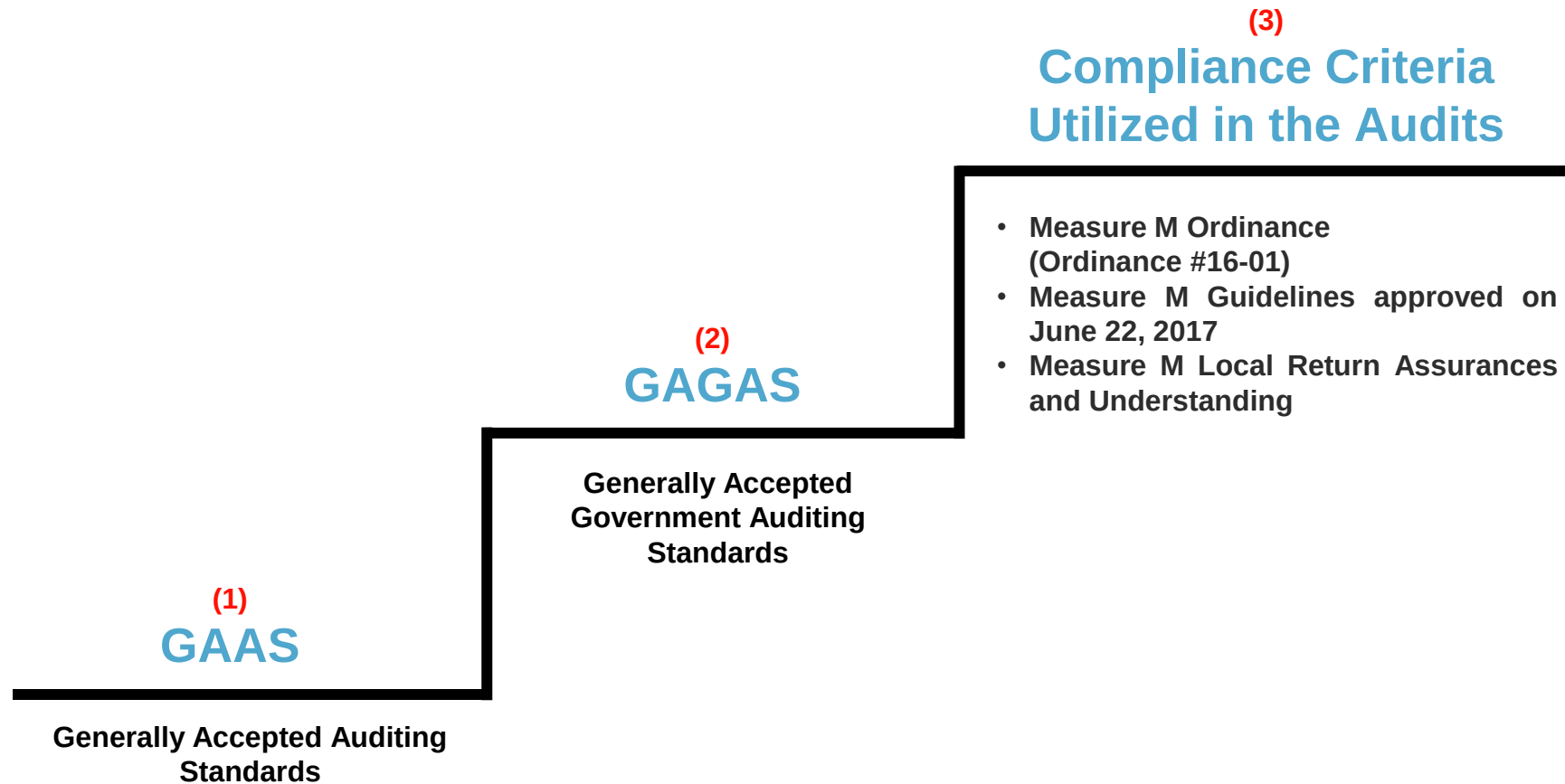
- | | | | |
|--------------------------|---------------------|-------------------|----------------------|
| 1. County of Los Angeles | 11. Compton | 21. Irwindale | 31. Rosemead |
| 2. Agoura Hills | 12. Cudahy | 22. La Puente | 32. San Fernando |
| 3. Azusa | 13. Culver City | 23. Lawndale | 33. Santa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



/ Levels of Assurance, Compliance Criteria and Auditing Standards Utilized



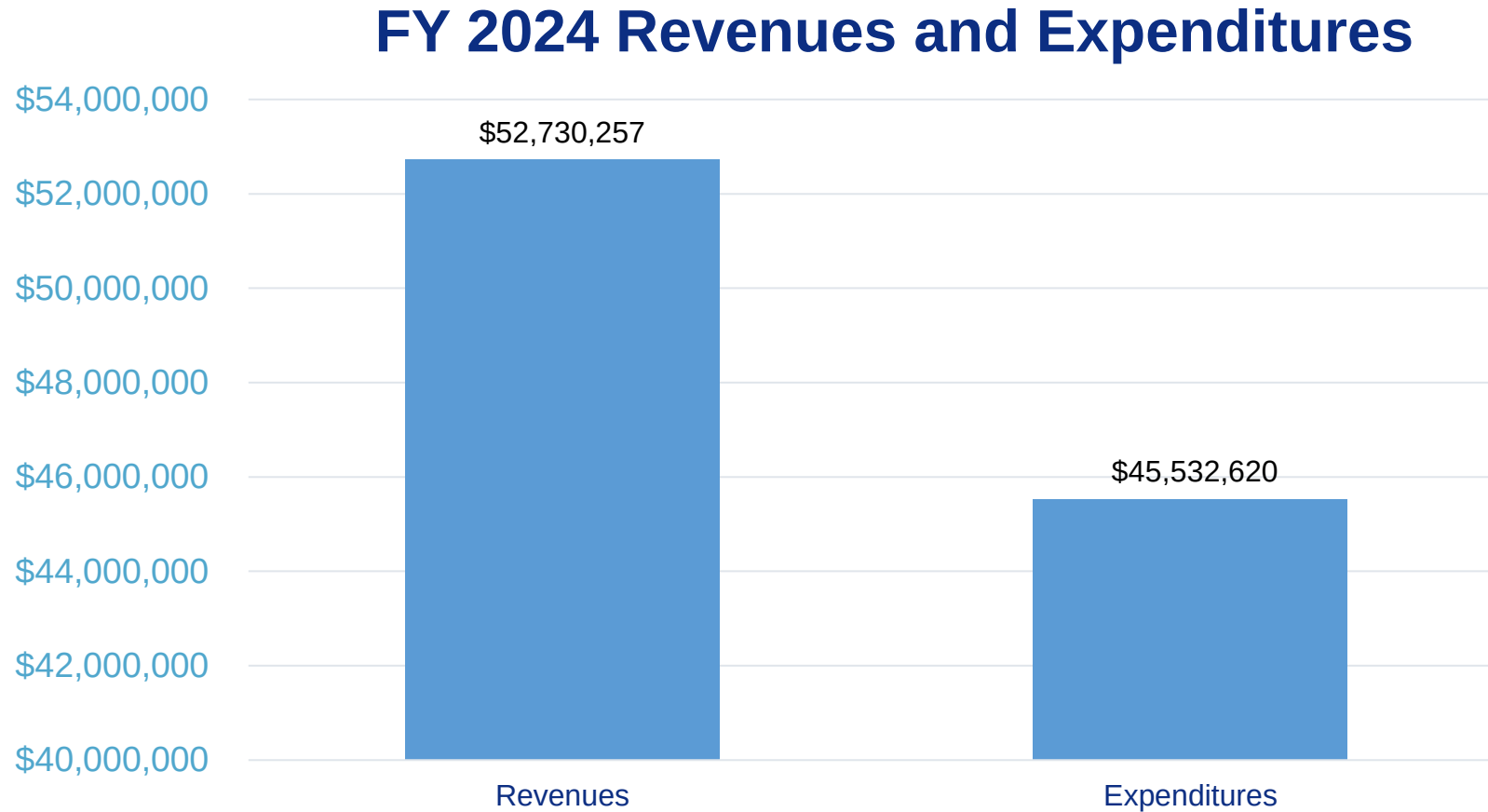
/ Levels of Assurance, Compliance Criteria and Auditing Standards Utilized



/ Revenue and Expenditures of the County of Los Angeles and 39 Cities



/ Revenue and Expenditures of the County of Los Angeles and 39 Cities



/ Overview of the Audit Results



/ Overview of the Audit Results

FY 2024 Summary of Audit Results

- Dollars associated with the findings have increased from \$0 in FY2023 to \$462,487 in FY2024 audit.
- This represents about 0.88% of the total Measure M FY2024 allocations of \$52,730,257 to the County of Los Angeles and the 39 cities under Package A.

Questioned Costs

- \$323,361 of the questioned costs relates to Measure M funds expended on eligible projects prior to Metro's approval.
- \$139,126 of the questioned cost relates to unused funds which lapsed as of June 30, 2024. The cities received a one-year extension to use the lapsed funds.

All of these were resolved during the audit.

/ Details of Audit Results



/ Details of Audit Results

Our findings are as follows:

A. Funds were expended prior to Metro's approval.

- Compliance Reference: Section XXV Administrative, Reporting Requirements, Expenditure Plan (8/1 Table) of the Measure M Local Return Guidelines states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (8/1 Table), annually, by August 1st of each year".
- Number of cities involved: 3 of 39 cities
- Questioned costs for 2024:

	Total Expenditures Claimed for 2024	Questioned	Resolved During the Audit	Report Reference
1. Culver City	\$ 403,795	\$ 311,950	\$ 311,950	Finding #2024-003, Page 10
2. Maywood	1,300,200	2,288	2,288	Finding #2024-006, Page 14
3. South Gate	2,295,972	9,123	9,123	Finding #2024-007, Page 15
	<u>\$ 3,999,967</u>	<u>\$ 323,361</u>	<u>\$ 323,361</u>	

/ Details of Audit Results, continued

B. Funds were not used in a timely manner.

- Compliance Reference: Section XXV Lapsing Requirements of Measure M Local Return Guidelines states that “Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received. A First- In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure M LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to Metro upon request, for reallocation to Jurisdictions on a per capita basis.”

Number of cities involved: 2 of 39 cities

Questioned costs for 2024:

	Total Expenditures Claimed for 2024	Questioned	Resolved During the Audit	Report Reference
1. Cudahy	\$ 38,270	\$ 119,107	\$ 119,107	Finding #2024-002, Page 9
2. Hidden Hills	-	20,019	20,019	Finding #2024-004, Page 11
	<u>\$ 38,270</u>	<u>\$ 139,126</u>	<u>\$ 139,126</u>	

The Cities were granted a one-year extension for the use of the lapsed funds.

/ Details of Audit Results, continued

C. Accounting procedures, recordkeeping and documentation were not adequate.

- Compliance Reference: Measure M Local Return Guidelines Section XXV, states that, “It is each Jurisdiction’s responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines”.

Number of cities involved: 2 of 39 cities

- [City of Compton](#) (Finding #2024-001, page 7 of the report)
- [City of Huntington Park](#) (Finding #2024-005, page 12 of the report)

Questioned costs for 2024: None

/ Material Weaknesses in Internal Control Over Compliance



/ Material Weaknesses in Internal Control Over Compliance

City of Compton

Finding #2024-001

- During the fiscal years 2017 through 2021, the City lost several key employees in the Finance and Accounting department. As such, there were delays in the closing of the City's books for the fiscal year 2024 and prior years. As of December 24, 2024, the accounting personnel and support staff were working towards closing the books and providing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
- A disclaimer of opinion was issued on the City's MMLRF financial statements as of and for the year ended June 30, 2024.

/ Material Weaknesses in Internal Control Over Compliance, continued

City of Huntington Park

Finding #2024-005

- During the fiscal years 2021 through 2024, the City lost several key employees, particularly in the Finance and Accounting Department. This resulted in delays in closing the City's books for the fiscal year 2024 and prior years. As of December 24, 2024, the accounting personnel and support staff were working towards closing the books and providing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
- A qualified opinion was issued on the City's MMLRF financial statements as of and for the year ended June 30, 2024.

/ Required Communications to the Measure M Independent Taxpayer Oversight Committee



/ Required Communications to the Measure M Independent Taxpayer Oversight Committee



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

/ Required Communications to the Measure M Independent Taxpayer Oversight Committee, continued

Management's Responsibility

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

Consultations with Other Accountants

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

Difficulties with Management

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

/ Required Communications to the Measure M Independent Taxpayer Oversight Committee, continued

Disagreements with Management

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

Significant Accounting Policies

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

Controversial Issues

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

/ Required Communications to the Measure M Independent Taxpayer Oversight Committee, continued

Irregularities, Fraud or Illegal Acts

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

Management Representations

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

Questions

/ Contact Information

Vasquez + Company LLP has over 50 years of experience in performing audit, tax, accounting, and consulting services for all types of nonprofit organizations, governmental entities, and private companies. We are the largest minority-controlled accounting firm in the United States and the only one to have global operations and certified as MBE with the Supplier Clearinghouse for the Utility Supplier Diversity Program of the California Public Utilities Commission.

We are clients of the **RSM Professional Services+ Practice**. As a client, we have access to the Professional Services+ Collaborative, a globally connected community that provides access to an ecosystem of capabilities, collaboration and camaraderie to help professional services firms grow and thrive in a rapidly changing business environment. As a participant in the PS+ Collaborative, we have the opportunity to interact and share best practices with other professional services firms across the U.S. and Canada.

Cristy Canieda, CPA, CGMA

O: +1.213.873.1720

ccanieda@vasquezcpa.com

Roger Martinez, CPA

O: +1.213-873-1703

ram@vasquezcpa.com

www.vasquez.cpa



**Thank you for your
time and attention!**





Metro

Board Report

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

File #: 2025-0062, File Type: Informational Report

Agenda Number: 5.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: TRANSIT OPERATIONS AND MAINTENANCE BUDGET AND SERVICE METRICS

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

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

ISSUE

To support the discussion on the effective use of Measure M fund budget and expenses, this report provides: 1) efficiency and effectiveness metrics for Metro's systemwide service during first quarter fiscal year 2024 (FY24) and FY25, 2) First quarter FY25 budget versus actual data for Metro operations and maintenance, 3) Measure M transit fund allocations, expenditures and associated operating statistics for each Los Angeles County bus operator, and 4) the most recent National Transit Database efficiency and effectiveness data for Los Angeles transit operators receiving Measure M funding.

EQUITY PLATFORM

Under Board-adopted Measure M Guidelines, the Measure M Transit Operations and Maintenance 20% funds allocated to transit agencies support the implementation of various transit services and improvements throughout the region. Twenty percent of Measure M Ordinance funding is allocated to Metro and the municipal transit operators on an annual basis by formula based on vehicle service miles operated and a fare unit ratio that serves as a proxy for ridership and is intended to enhance mobility for transit users and individuals with disabilities. In the first quarter of FY25, Boardings and Vehicle Revenue Hours both increased, with Boardings increasing the most, demonstrating improved effectiveness, which directly benefits disadvantaged communities who rely on Metro for access to opportunities by providing increased service frequency.

ATTACHMENT

Attachment A - Transit Budget and Service Metrics Presentation

Prepared by: Cosette Stark, Executive Officer, Local Programming, (213) 922-2822

Joseph Forgiarini, Sr Exec. Officer, Service Development, (213) 418-3400
Michelle Navarro, Senior Executive Officer, Finance, (213) 922-3056

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



Transit Operations Budget & Service Metrics Update

Joseph Forgiarini, Senior Executive Officer, Service Development
Cosette Stark, Executive Officer, Local Programming
March 5, 2025 | Measure M Independent Taxpayers Oversight Committee





Metro Efficiency & Effectiveness Metrics Q1 FY24 vs. Q1 FY25

	Year to Date thru Sept. 30, 2023				Year to Date thru Sept. 30, 2024			
Metro	UPT	VRH	UPT/VRH	Ops \$/VRH	UPT	VRH	UPT/VRH	Ops \$/VRH
Systemwide	73,735,369	2,027,482	36.37	\$ 287.0	79,307,350	2,032,778	39.01	NA

Ops \$ = Operating Costs
VRH = Vehicle Revenue Hours
UPT = Unlinked Passenger Trips (Boardings)
Unaudited data

3 of 4 Metrics Improved in FY25 vs FY24

- Boardings increased
- Vehicle Revenue Hours increased
- Cost per Hour increased
- Under budget due to staff vacancies, contract invoice delays & lower than anticipated fuel costs

	Year to Date thru Sept. 30, 2024			
Metro Transit			(Over)/Under	Actuals
	Budget	Actuals	Budget	%Budget
Operations & Maintenance	\$ 641.1	\$ 527.7	\$ 113.4	82.3%

Represents All Metro Fund Sources, Including Measure M

Within Budget

Q1 FY25 Transit Operations Allocation, Expense & Service

FY
26



Agency	FY25 MM 20%	Q1 Actuals	Annual Budget*	% of Budget MM	VRH	UPT
Arcadia	\$ 188,014	\$ 47,004	\$ 3,124,000	6.02%	553	1,012
Claremont	61,068	15,267	314,828	19.40%	199	1,473
Commerce	301,416	75,354	6,294,764	4.79%	648	8,059
Culver City	3,212,969	803,242	33,749,760	9.52%	1,700	43,535
Foothill	16,750,754	1,395,896	160,801,440	10.42%	8,017	92,552
Gardena	3,162,084	790,521	29,005,314	10.90%	2,820	74,000
La Mirada	50,685	12,671	1,330,000	3.81%	95	450
Long Beach	14,556,334	3,639,084	129,576,159	11.23%	20,145	585,624
Montebello	4,890,081	1,222,520	35,370,400	13.83%	6,351	126,110
Norwalk	1,822,528	455,632	19,494,765	9.35%	2,563	35,628
Redondo Beach	379,614	94,904	4,448,389	8.53%	842	6,632
Santa Monica	12,077,934	1,811,690	92,809,275	13.01%	544	196,640
Torrance	3,627,588	909,892	37,030,979	9.80%	4,711	72,051
Antelope Valley	3,900,972	975,243	43,349,745	9.00%	5,112	40,553
Santa Clarita	2,336,279	103,055	27,054,484	8.64%	528	10,198
LADOT	8,676,214	2,169,054	55,660,784	15.59%	15,733	316,278
Metro Bus	205,300,000	51,325,000	1,761,000,000	11.66%	199,746	7,197,364
Total	\$ 281,294,534	\$ 65,846,029	\$ 2,440,415,086		270,307	8,808,159

Unaudited data

* Represents total budget to be funded by multiple funding sources, including Measure M

National Transit Database Bus Metrics

FY
26

M Metro



Operator - Motor Bus	FY 22				FY 23				Vehicle #
	UPT	VRH	UPT/VRH	Ops \$/VRH	UPT	VRH	UPT/VRH	Ops \$/VRH	
Antelope Valley	1,003,883	147,343	6.8	\$ 159.40	1,106,968	158,655	7.0	\$ 151.84	62
Arcadia	23,737	14,627	1.6	73.19	20,649	13,469	1.5	97.65	N/A
Commerce	239,106	38,538	6.2	152.76	443,696	47,841	9.3	138.42	17
Culver City	2,267,843	131,498	17.2	176.50	2,664,745	123,547	21.6	191.96	60
Foothill	6,852,419	794,370	8.6	131.19	7,864,856	785,522	10.0	147.74	363
Gardena	1,599,539	92,161	17.4	243.16	1,899,928	94,529	20.1	250.89	52
LADOT	12,629,788	618,895	20.4	124.58	14,344,180	622,327	23.0	118.64	243
Long Beach	17,389,283	590,493	29.4	171.34	16,780,493	641,980	26.1	172.74	157
Montebello	2,581,161	166,870	15.5	155.94	2,611,349	167,058	15.6	175.96	66
Norwalk	789,462	89,459	8.8	159.18	1,022,686	83,689	12.2	179.51	34
Redondo Beach	287,901	34,327	8.4	112.41	267,790	34,100	7.9	139.14	14
Santa Clarita	1,643,466	105,471	15.6	142.71	1,925,883	104,984	18.3	144.98	53
Santa Monica	6,312,168	413,078	15.3	179.23	7,741,258	410,707	18.8	195.11	184
Torrance	2,096,578	116,515	18.0	192.11	1,813,540	99,778	18.2	253.33	63
Metro Bus	193,446,174	6,016,524	32.2	\$ 191.07	206,240,433	6,457,517	31.9	\$ 218.99	1,984

- Total FY23 Operating Expenses: \$1.96 billion - (Metro comprised 72%)
- 11 of 16 improved in ridership & riders per vehicle hour
- 7 of 16 increased vehicle hours
- Only 3 improved on cost per vehicle hour

Ops \$ = Operating Costs
VSM = Vehicle Service Miles
VRH = Vehicle Revenue Hours
PMT = Passenger Miles Travelled
UPT = Unlinked Passenger Trips (Boardings)



Publicly Available Data

- FTA NTD Transit Agency Profiles –



https://www.transit.dot.gov/ntd/transit-agency-profiles?field_geography_target_id=2481&field_address_administrative_area=CA&combine=

- Metro Ridership Data on Metro.net –



<https://opa.metro.net/MetroRidership/>

- SB 125 Transit Operator Ridership Data on Metro.net –

https://ntd-monthly-ridership--cal-itp-data-analyses.netlify.app/rtpa_los-angeles-county-metropolitan-transportation-authority/0_monthly_ridership_report_rtpa_los-angeles-county-metropolitan-transportation-authority





Metro

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

Board Report

File #: 2025-0061, File Type: Oral Report / Presentation

Agenda Number: 6.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: LOCAL RETURN

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

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

ISSUE

To support the discussion on Local Return revenue amounts programmed and usage by each Los Angeles County local jurisdiction, this report provides a quarterly update and presents the status of Local Return funding in the second quarter of fiscal year 2025 (FY25). This includes audit updates, a summary of Measure M fund uses within the second quarter, and updates on current points of concern with Metro's Board of Directors.

EQUITY PLATFORM

Local Return receives a 17% revenue share of the Measure M Ordinance funding that is apportioned to local jurisdictions by population. Under Board-adopted guidelines, this item enables the programming of funds to recipients to support the implementation of various transportation projects and improvements throughout the region. This includes improvements for public access, paratransit services for seniors and individuals with disabilities, and transit subsidies for students and low-income residents. Local Jurisdictions make the determination of the projects that are most beneficial for their communities.

ATTACHMENT

Attachment A - Local Return Presentation

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

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

Measure M Local Return

March 2025 update



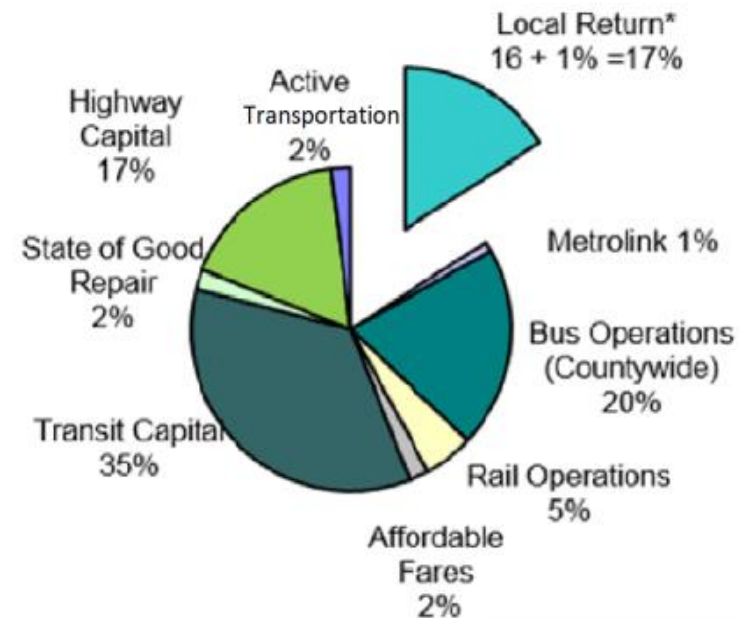
Susan Richan and Chelsea Meister,
Local Programming

Local Return (LR) – Measure M

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

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

MEASURE M



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

Local Return – Updates

The FY2023-24 Audit began October 2024 and ended December 31, 2024

- There were no repeat findings from the previous fiscal year
- Findings totals: 11 Cities with 12 audit findings
- Broadcast emails were sent to cities regarding other due dates and potential lapsing dates.

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

- To date in 2025 3 cities are using Measure M Local Return funds for bus stops
- Most cities use other local return fund sources for bus stop improvements
- This will inform planned Quality of Life Scorecard which will assess how pass-through funding supports local infrastructure including bus stops

Summary of Audit Findings

FY24 Audit		
City	Number of Measure M Findings	Finding
Artesia	1	Funds were expended before approval
Compton	1	Failure to have proper accounting records
Cudahy	1	Timely Use of Funds
Culver	1	Funds were expended before approval
Glendora	1	All funds inadequate accounting records
Hidden Hills	1	Timely Use of Funds
Huntington Park	1	Failure to have proper accounting records
Maywood	1	Funds were expended before approval
South Gate	1	Funds were expended before approval
South Pasadena	2	Failure to have proper accounting records; Timely Use of Funds
Temple City	1	Funds were expended before approval

FY25 Measure M Local Return Fund Usage

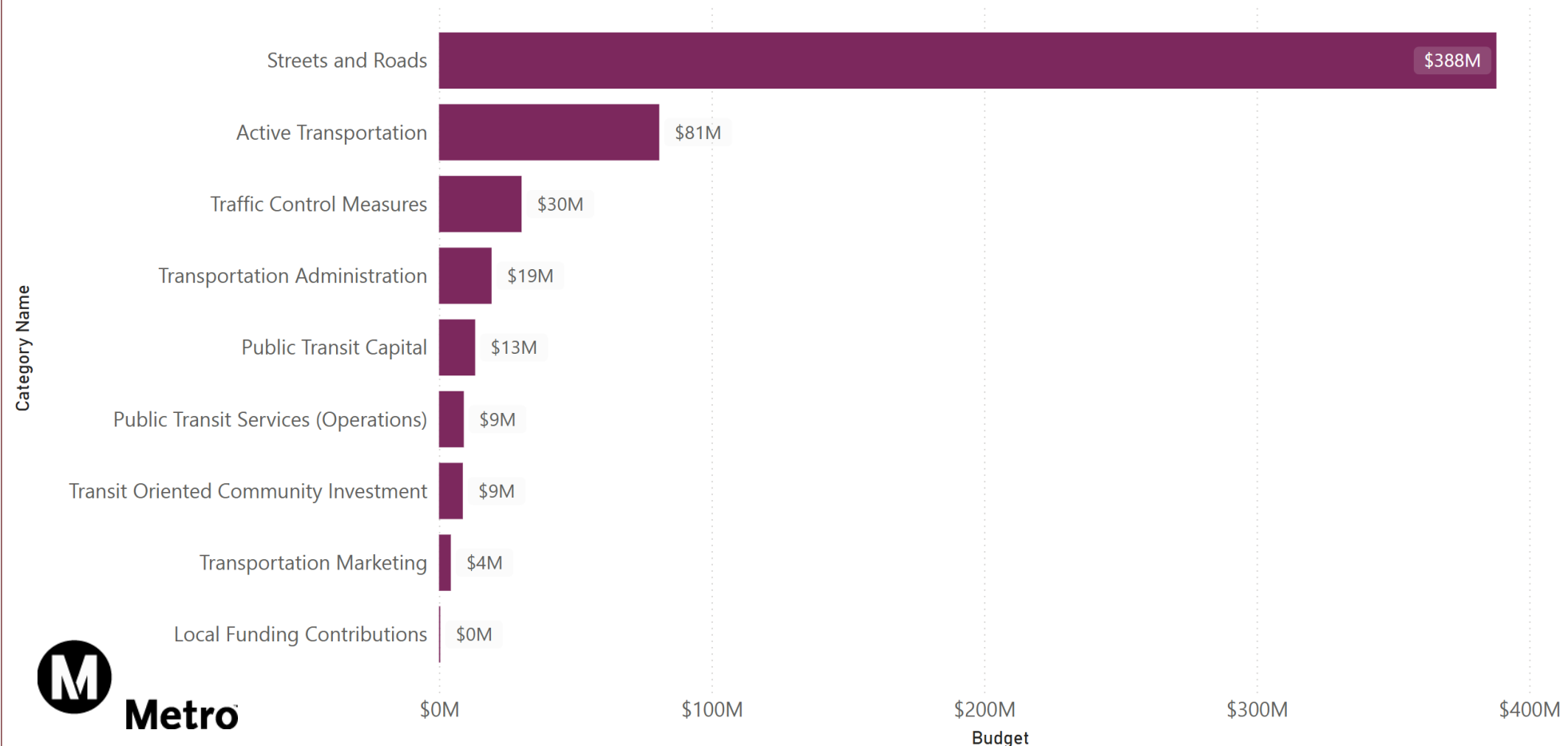
Approved Budget 2025

\$554M

Total No of Projects in 2025

715

Budget by Category Name



THANK YOU!

Questions?

Susan Richan

richans@metro.net

(213) 922-3017

Chelsea Meister

meisterc@metro.net

(213) 922-5638





Metro

Board Report

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

File #: 2024-1019, **File Type:** Oral Report / Presentation

Agenda Number: 7.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: STATE OF GOOD REPAIR

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

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

ISSUE

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

EQUITY PLATFORM

The Enterprise Transit Asset Management (ETAM) assessment contracts cover all Metro-owned stations, tunnels, bridges, facilities, and buildings that house Metro employees. The ETAM assesses all of Metro's structures and facilities to prevent major disruption of service to Los Angeles communities. Ensuring a state of good repair directly benefits riders, particularly those from Equity Focus Communities, who are more reliant on public transportation for their daily needs.

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

Randall Lamm, Deputy Executive Officer, Enterprise Transit Asset Management,
(213) 922-5543

Reviewed by: Kenneth Hernandez, Interim Chief Transit Safety Officer,
(213) 922-2990



Measure M Independent Taxpayer Oversight Committee

Enterprise Transit Asset Management
State of Good Repair

March 5, 2025



Metro

Transit Asset Management – Accomplished as of FY25 Q2

Continued Condition Assessments:

- Structures Inspections Contract: 7-year contract for FY20-26 inspections. Approved 15 of 27 final inspection reports by the end of FY25 Q2.
- Facility Condition Assessments required per FTA TAM Rulemaking: 3-year contract for FY23-25 required assessments. Approved 35 reports by the end of FY25 Q2 of 75 assessments due in FY25.
- Per the Public Transportation Agency Safety Plan (PTASP) Rulemaking requirement, the interdepartmental memo was sent to report on structures inspections and facilities assessments.

FTA TAM Rulemaking Compliance:

- December 19, 2024: Revision 2 responses to questions were submitted to NTD.
- December 4, 2024: Revision 1 responses to questions were submitted to NTD.
- November 4, 2024: Data shared with MPO (SCAG) per TAM Rulemaking.
- November 4, 2024: 2024 Group TAM Plan sent to 33 participating agencies.
- October 31, 2024: Reported FY24 data into NTD.
- October 31, 2024: Group TAM data reported to NTD.
- October 3, 2024: FY25 Target memo signed by CEO/Accountable Executive.
- October 1, 2024: Group TAM updated.

Transit Asset Management – In Progress as of FY25 Q2

New Asset Onboarding:

- Collect asset records on New Extensions per NTD reporting requirements:
- K Line (Westchester to C Line), Foothill 2B, PLE1.
 - New Assets for FTA Reporting: Guideway Elements (Track, Systems), Facilities (Stations, Maintenance Facilities)
 - Rolling Stock – New Rail Vehicles: HR4000 entering service
- Coordinating process for “on-boarding” of new assets with EAM Team.
- FY26 anticipating PLE-1 asset records to be collected.

Enterprise Asset Management (EAM):

- Coordination with System Integrator, KPMG, continues through FY26 Q2 to implement TAM requirements in Phases II through IV.

FTA TAM Rulemaking Compliance Deadline Tasks:

- FY25 Q3 thru Q4: Collection of new asset inventory data.
- April/May: Group TAM Plan - coordinate with 33 sub-recipient transit agencies.
- May/June/July: Metro TAM data - FY25 data collection and 6/30/2025 cutoff.
- August/September: Validate information with asset owners and formulate targets.
- September/October: Acquire Executive approval and report data into the NTD.
- **October 31, 2025:** Next TAM and Group TAM reporting due for Reporting Year 2025.



Metro

Federal Transit Administration (FTA) Annual Reporting 10/31/2024

Rolling Stock and Equipment: FY25 Targets

FTA TAM Rulemaking: “§ 625.45 Setting performance targets for capital assets.

(a) General.

(1) A provider must set one or more performance targets for each applicable performance measure.

(2) A provider must set a performance target based on realistic expectations, and both the most recent data available and the financial resources from all sources that the provider reasonably expects will be available during the TAM plan horizon period.”

	FTA TAM Performance Measures / Targets						Based on FY24 Census Date (6/30/2024)				FY25 Forecast (6/30/2025)			
	Asset Class	Performance Measure based on 49 CFR Part 625	① FY24 Target (reported to FTA)	② = ⑥ / ⑤ FY24 Actual (Calc'd by FTA)	② = ① FY24 Performance Meet/Exceed	③ = ⑩ / ⑨ FY25 Target* (reported to FTA)	④ Total Asset Count	⑤ "Active" Asset Count	⑥ Meet/Exceeded ULB (NTD Method [‡])	⑦ Average Age	⑧ Total Asset Estimate	⑨ "Active" Asset Estimate	⑩ Meet/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.	35%	34.07%	Met	35%	277	270	92	8.3	274	269	94	9.3
	Bus (BU)		1%	1.68%	Not Met	2%	1,789	1,722	29	8.1	1,877	1,809	32	8.8
	Heavy Rail Vehicles (HR)		30%	30.23%	Not Met	24%	100	86	26	27.4	126	112	26	22.4
	Light Rail Vehicles (LR)		0%	0.00%	Met	0%	337	317	0	9.0	337	323	0	10.6
Equipment	Asset Class	Performance Measure based on 49 CFR Part 625	FY24 Target (reported to FTA)	FY24 Actual (Calc'd by FTA)	FY24 Performance Meet/Exceed	FY25 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.	52%	51.75%	Met	57%		487	252	9.8		500	284	10.3
	Trucks and Other Rubber Tire Vehicles		41%	42.71%	Not Met	52%		995	425	11.0		1,024	523	11.4
	Steel Wheel Vehicles		20%	20.00%	Met	20%		10	2	11.1		10	2	12.1

* FY25 Target is the forecast performance or condition rounded up to the next whole percentage.

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



Metro

Federal Transit Administration (FTA) Annual Reporting 10/31/2024

Facilities and infrastructure: FY25 Targets

FTA TAM Rulemaking: “§ 625.45 Setting performance targets for capital assets.

(a) General.

(1) A provider must set one or more performance targets for each applicable performance measure.

(2) A provider must set a performance target based on realistic expectations, and both the most recent data available and the financial resources from all sources that the provider reasonably expects will be available during the TAM plan horizon period.”

	FTA TAM Performance Measures / Targets						Based on FY24 Census Date (6/30/2024)		
	Asset Class	Performance Measure based on 49 CFR Part 625	① FY24 Target (reported to FTA)	② = ⑥ / ⑤ FY24 Actual (Calc'd by FTA)	② = ① FY24 Performance Meet/Exceed	③ = ⑩ / ⑨ FY25 Target * (reported to FTA)	④ Total Asset Count	⑤ Facilities Assessed	⑥ Facilities Below TERM Condition 3
Facilities	Passenger Facilities (Stations & Parking)	625.43(d): Facilities. The performance measure for facilities is the percentage of facilities within an asset class, rated below condition 3 on the TERM scale.	0%	0.00%	Met	0%	285	233	0
	Administration & Maintenance Facilities		0%	0.00%	Met	0%	152	152	0
Infrastructure	Asset Class	Performance Measure based on 49 CFR Part 625	FY24 Target (reported to FTA)	FY24 Actual (Calc'd by FTA)	FY24 Performance Meet/Exceed	FY25 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.	2%	0.19%	Met	2%		31.84 miles	0.06 miles
	Light Rail (LR)		4%	2.77%	Met	4%		186.76 miles	5.18 miles

* FY25 Target is the forecast performance or condition rounded up to the next whole percentage.
 ‡ Uses the FTA/NTD method of calculating age: **Census Year - Year of Manufacture** for each asset.



Thank you!

Enterprise Transit Asset Management
State of Good Repair



Board Report

File #: 2025-0060, File Type: Oral Report / Presentation

Agenda Number: 8.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: ORAL REPORT ON TRANSIT AND HIGHWAY CAPITAL PROJECTS

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

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

ISSUE

To support the objectives of the Measure M Independent Taxpayer Oversight Committee in monitoring the effective and efficient uses of tax revenue funds, this report provides progress updates on transit and highway capital projects as identified by the Measure M Ordinance and Expenditure Plan. This quarterly presentation is prepared by Program Management with support from Program Controls for projects in the construction phase, and by Countywide Planning and Development for projects in the planning phase of development.

EQUITY PLATFORM

This report is provided on a regular basis and includes high-level summary updates on multiple projects. Equity considerations were provided as a baseline summary in October 2024 (File #2024-0507), and there are no updates this quarter.

ATTACHMENTS

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

Prepared by:

Jay Yoon, Executive Officer, Program Control, (213) 922-7525
Allison Yoh, Executive Officer, Countywide Planning & Development, (213) 922-4812
Michelle E. Smith, Executive Officer, Complete Streets & Highways,
(213) 547-4368
Avital Barnea, Senior Executive Officer, Multimodal Integrated Planning,

(213) 547-4317

David Mieger, Senior Executive Office, Mobility Corridors, (213) 922-3040

Shahrzad Amiri, Deputy Chief Operations Officer, (213) 922-3061

Reviewed by: Ray Sosa, Chief Planning and Development Officer, (213) 547-4274

Tim Lindholm, Chief Program Management Officer, (213) 922-7297

Conan Cheung, Chief Operations Officer, (213) 418-3034

Transit & Highway (Capital) Update

Measure M Oversight Committee

March 2025

Jay Yoon

EO, Program Control

Transit / Highway Engineering and Construction

Construction Projects

- LAX/Metro Transit Center
- Gold Line Foothill Extension Phase 2B – Pomona
- Westside Purple Line – Section 3
- G Line BRT Improvements Project
- I-5 North County Enhancements
- 105 Express Lanes

Alternative Delivery Projects – Phase 1

- North Hollywood to Pasadena BRT Project
- East San Fernando Valley Transit Corridor
- Southeast Gateway Line

Operational Projects

- North San Fernando Transit Corridor Project



LAX/Metro Transit Center (AMC)

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

* Approved April 2021 Board

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast**
	Fall 2024	N/A	Fall 2024	Early 2025***
	Variance from Original:		+0d (0%)	+45d (1.5%) OK
	Variance from Revised Schedule:			N/A OK

** Current Forecast is based on November 2024 Schedule Update

*** Pre-revenue train testing has begun in November 2024, and system integration testing ongoing.



February 2025 Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target

Possible problem
(5-10% variance)



Significant Impact
(over 10% variance)

LAX/Metro Transit Center (AMC)

Safety

Project Hours: 1,425,122 (purely construction hours);
Recordable Injury Rate: 1.26 vs. The National Average: 2.4.

Updates

Overall project progress is 96.3% complete

Primary Station Construction at 95.4% completion

- LADWP has provided permanent power to the AMC station.
- K-Line service is operating end-to-end and running through the AMC station.
- Station-wide buildout is progressing at the LRT, Metro Hub, Bike Hub, and Bus Plaza, both interior and exterior.
- Mechanical, electrical, and low voltage installation and testing
- Vertical circulation systems are making progress. Finalizing installation and preparing for state inspections
- Site-wide civil improvements progressing including: landscape & irrigation systems, directional pavers, bollard installation, architectural concrete hardscape, perimeter fence foundations along Arbor Vitae, Photovoltaic (PV) foundations, and shared-use-path sidewalk and landscaping on Aviation Blvd (B-Permit).

Equity

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

Main Hub



Bike Hub



Site Work



February 2025 Construction Committee

Los Angeles County Metropolitan Transportation Authority

Gold Line Foothill Extension Phase 2B

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

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

**Current Forecast does not include funding received from CALSTA SB125

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

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

** Current Forecast is from the Authority's October 2024 Schedule Update. Authority forecasts Substantial Completion at January 2025, and assumes Revenue Operation will follow 6 months later for the first segment to Pomona.



February 2025 Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target



Possible problem
(5-10% variance)



Significant Impact
(over 10% variance)

Gold Line Foothill Extension Phase 2B

Safety

- Project Hours: 2,353,825 (as of October 2024)
- Recordable Injury Rate: 0.25 vs. the National Average: 2.4.

Updates

- **Overall Project Progress is 93% complete**

Construction will continue as follows:

- Sound wall and fencing throughout the project
- Storm Drain inlets and walkway gutter nearing completion
- 4 new stations: Glendora, San Dimas, La Verne, and Pomona
- LRT train control, Overhead Catenary System (OCS) poles and wire installation
- Continue local field acceptance testing for traction power substations (TPSSs)
- Systems integration testing continues
- Begin nighttime active train testing
- Begin preliminary punch list walk with Cities
- Station Parking Lot hardscape work in progress.
- Conducted tour with Gold Line Authority elected officials.

Equity

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

Palomares to Pomona - LRV Live Wire Testing



San Dimas – LRV Pull away test



Westside Purple Line Extension – Section 3

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

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

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

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

* Based upon agreed acceleration modification.



Westside Purple Line Extension – Section 3

Safety

Project Hours: 3,699,055 Recordable Injury Rate: 1.46 vs. The National Average: 2.4.

- C1151: Project Hours: 1,817,492; Recordable Injury Rate: 2.42.
- C1152: Project Hours: 1,881,563; Recordable Injury Rate: 0.64.

Updates

- **Overall Project Progress is 57% complete.**
- **Final design progress is 97% complete.**
- **Westwood/UCLA Station**
 - Main station box invert concrete placement was completed.
 - Secondary invert, interior wall and exterior wall concrete placement has begun and is on going.
- **Westwood/VA Hospital Station**
 - Main station box excavation was completed.
 - Station invert concrete placement ongoing (81% complete).
 - The water line connection on Wilshire is 91% complete.
- **Tunnels**
 - Cross passage work in the tunnels continues.
 - Excavation for eight of fourteen cross passages are complete.
- **Equity**
 - 1 of 2 stations (50%) are within or adjacent to Equity Focus Communities.



Westwood/UCLA Station:
Secondary Invert Concrete Pour (East End)



Westwood/VA Hospital Station:
Completed Invert Concrete Pours (Looking West)



G Line BRT Improvements

BUDGET				
		Approved LOP	Previous Period	Current Forecast
	Project	\$668.45M	\$668.45M	\$668.45M
	Variance from Approved LOP:		\$0M (0%)	\$0M (0%) 
	Variance from Revised Budget:			\$0M 

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



G Line BRT Improvements

Safety

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

Updates

Progressive Design Build Contract

- The Life of Project (LOP) budget was approved at the September 2024 Board meeting.
- EWP 4 for the construction of Grade Separations, Station and Bike Path Improvements was executed December 2024.
- Construction start is scheduled for January 2025.
- Phase II Environmental Site Assessment is currently underway.
- The AFC design submittal for Van Nuys is under development. The 100% design submittals for Bike Path improvements and Sepulveda are also underway.
- Advancing the gated intersections alternative, which includes gates at 13 intersections and traffic signal upgrades at the remaining crossings.

Utility Owner-Performed Advanced Utility Relocation (AURs)

- Sepulveda – Relocation of communication lines are complete. All necessary underground infrastructure has been installed. LADWP 34.5kv lines remain and are scheduled to be relocated by April 2026

Property Acquisitions

- Metro has obtained possession of two of three required properties



Project Map



Phase II Environmental Site Assessment

Equity

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



February 2025 Construction Committee

I-5 North County Enhancements

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

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

SCHEDULE			Substantial Completion	
	Original	Approved Re-baseline	Previous Period	Current Forecast
	July 2026	N/A	Summer 2026	Winter 2027**
	Variance from Original:		+0d (0%)	+180d (10%) 
	Variance from Revised Schedule:		N/A	N/A 

** Schedule analysis shows a 283-day delay in substantial completion. Metro disagrees with Contractor's schedule analysis. Working with contractors to mitigate delay and improve the schedule performance.



I-5 North County Enhancements

Safety

Project Hours: 853,835; Recordable Injury Rate: 1.41 vs.
The National Average: 2.4.

Updates

- **Overall Project progress is 51% complete.**
- Construction Stage 1, Phases 1 & 2 continues:
 - Work on 3 bridges throughout the project.
 - Construction of approximately 16 Retaining/Sound Walls on-going throughout the project.
 - On-going work in the median includes barrier and signage installation
 - Lean Concrete Base (LCB) and Jointed Plain Concrete Paving (JPCP) in the median is complete.
- Castaic Creek Bridge substructure is complete.
- Project Team continues to coordinate with various stakeholders.

Equity

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



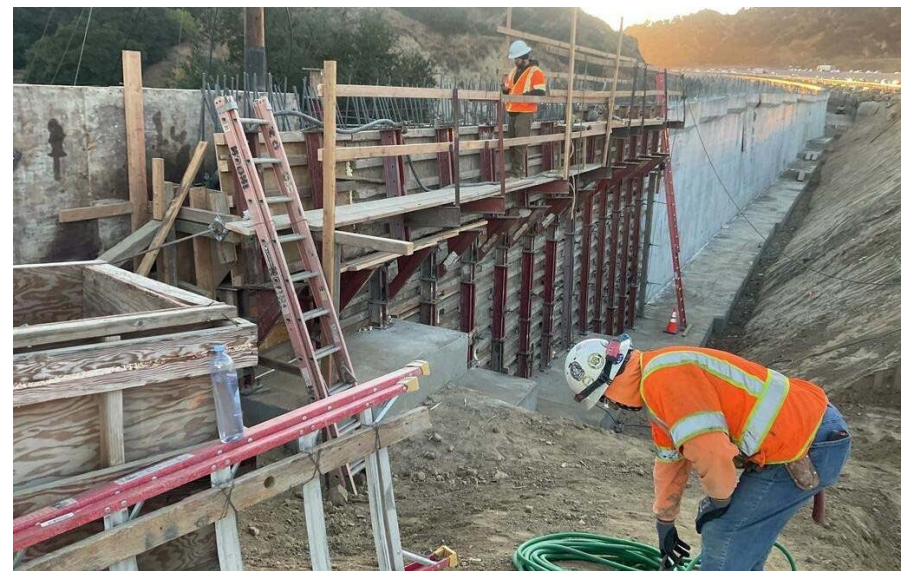
Set Girders at Rye Canyon Bridge



Median Barrier Rebar Installation



Wall 986 Installation of 24IN CIDH Piling



Retaining Wall 2460 Ready for Pour



February 2025 Construction Committee

105 Express Lanes

BUDGET				
		Approved Budget to Date	Previous Period	Current Forecast
	Pre-Construction	\$119M	\$119M	\$119M
	Project	\$757M	\$1.2B - \$1.44B	\$1.4B - \$1.5B
	Variance from Approved Pre-Construction Budget:		\$0M (0%)	\$0 M (0%) 
	Variance from Approved LOP:		N/A	N/A 
	Variance from Revised Budget:			\$0M

The Revised Forecast is derived from the ongoing Project estimate, which is in progress following the recent finalization of OPCC for Segment 1 and a more precise estimate for Segments 2 & 3 by CMGC.

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

**Note: Spring of 2028 operation is for Segment 1. Segment 2/3 currently is forecasting Spring of 2029*



105 Express Lanes

Safety

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

Updates

Design is 80% complete.

Segment 1

- Sub-contractor packages bids were received in July. Final pricing and Segment 1 budget was approved by the Board in October 2024.
- Segment 1 95% plans submitted to Caltrans in September 2024.
- Equity Assessment is in progress; seven roundtable meetings held to date with Community Based Organizations
- Receipt of State's funding allocation of \$150M from California Transportation Commission (CTC) in May 2024. Metro awarded Segment 1 contract in November 2024.

Segment 2 and 3

- Caltrans has concurred with Value Engineering elements. Design team is preparing necessary documents for approval.
- Revised design 95% submittal is anticipated late 2025.
- 65% OPCC update was received with VE elements and is being evaluated.
- Segment 3 design is coordinating with Southeast Gateway Line project

Roadside Toll Collection System (RTCS)

- Started Milestone A-3: Requirements Traceability Matrix Approval
- Draft Roadside System Detailed Design Document submitted for review
- Approval for RTCS Infrastructure Design Document

Equity

- 92% of the project is within or adjacent to Equity Focus Communities.
- Equity assessment in progress that identifies and prioritizes projects that could be funded with future net toll revenue



Traffic on 105 Freeway Eastbound



The Project Map



February 2025 Construction Committee

Projects without Life of Project (LOP) Budget

Engineering Projects

- North Hollywood to Pasadena BRT Project
- East San Fernando Valley Transit Corridor
- Southeast Gateway Line



North Hollywood to Pasadena BRT

BUDGET				
		Approved Budget to Date	Previous Period	Current Forecast
	Pre-Construction	\$8.26M	N/A	\$8.26M
	Project	N/A	\$308M-515M	\$308-515M
	Variance from Approved Pre-Construction Budget:		\$0M (0%)	\$0M (0%) 
	Variance from Approved LOP:		N/A	N/A 
	Variance from Revised Budget:			N/A 

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast**
	N/A	N/A	Summer 2027	Summer 2027
	Variance from Original:		N/A	N/A 
	Variance from Revised Schedule:			N/A 

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



North Hollywood to Pasadena BRT

Safety

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

Updates

Design is 25% complete.

- Environmental Impact Report (EIR) Approved April 2022
- Program Management Support Service (PMSS) awarded in March 2024
- Architect & Engineering (A&E) contract awarded in May 2024
- CM/GC contract was awarded at the November/December board meeting.

Equity

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



Project Map



View of Vineland Ave / Lankershim Blvd



East San Fernando Valley Transit Corridor

BUDGET				
		Approved Budget to Date*	Previous Period	Current Forecast
	Pre-Construction	\$879.7M	\$879.7M	\$879.7M
	Project	N/A	\$3.57B	\$3.57B
	Variance from Approved Pre-Construction Budget:		\$0M (0%)	\$0M (0%) 
	Variance from Approved LOP:		N/A	N/A
	Variance from Revised Budget:			\$0M 

*The Board approved an increase to the Pre-Construction Budget in July 2024.

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

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



February 2025 Construction Committee

Los Angeles County Metropolitan Transportation Authority



On target



Possible problem
(5-10% variance)



Significant Impact
(over 10% variance)

East San Fernando Valley Transit Corridor

Safety

C1220 Contract Hours Worked: 36,514; Recordable Injury Rate: 0 vs. National Average: 3.0

Updates

- **FTA Coordination**
 - Full Funding Grant Agreement (FFGA) was executed on 9/13/24
- **Progressive Design-Build Contract**
 - Project negotiating and executing Early Work Packages (EWPs)
 - EWP-01 – Design Studies – \$4.8M - awarded 7/9/24
 - EWP-02 – Initial Integrated Project Mgmt. Office – \$8.8M - awarded 8/7/24
 - EWP-03 – Utility Adjustment Packages 4/6 – awarded 9/5/24
 - EWP-04 – Final Design – \$80M – awarded 9/30/24
 - EWP-05 – Field Office – target Dec. award
 - EWP-06 – Utility Adjustment Packages 2/3/7 - target Dec. award
- **Real Estate**
 - 12 offers issued
 - 8 offers accepted, 5 of which have closed escrow
 - Condemnation process has begun for parcels that did not accept.
- **Construction**
 - SFTC utility construction began in October on EWP-03.
 - DWP self-perform work forecast complete in March.
- **Light Rail Vehicle (LRV) Procurement**
 - LRV Manufacturing Contract to be advertised in early 2025.
- **Equity**
 - 100% of the project is within or adjacent to Equity Focus Communities.



February 2025 Construction Committee

Southeast Gateway Line

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

**The Board has not yet established a Pre-Construction Budget or a Life of Project Budget for the Project.*

SCHEDULE			Revenue Operation	
	Original	Approved Rebaseline	Previous Period	Current Forecast**
	N/A	N/A	Fall 2035	Fall 2035
	Variance from Original:		+0d (0%)	+0d (0%) 
	Variance from Revised Schedule:			N/A 

***Current schedule forecast reflects Metro's Internal Schedule.*



Southeast Gateway Line

- **Project Development**
 - FTA/PMOC risk workshop completed Nov 5-7, 2024
 - Anticipate initial FTA/PMOC results shared with Metro by mid December
 - Submitted request for approval to enter Engineering on Nov 19, 2024
 - Submitted request to FTA for approval of Letter of No Prejudice (LONP) for the Advanced Works on Nov 20, 2024
- **Advanced Engineering**
 - Continue to advance design for critical elements including utilities, freight, and grade crossings for the CMGC Advanced Works
 - Continue 30% design refinements on LRT elements
 - Continue design coordination with key external stakeholders including UPRR, POLA/POLB, Caltrans, cities, CPUC, and self-performing utility owners
 - 2nd VE workshop scheduled for Q2, 2025
- **Site Investigations**
 - Completed utility potholing
 - Geotechnical investigation work complete except in rivers pending permit from LA County/USACE (defer to next dry season)
 - Environmental sampling completed on San Pedro subdivision w/ report by mid Dec 2024
- **Advanced Works Construction Contract (CM/GC)**
 - Under procurement; award planned for Q1, 2025
- **Equity**
 - 65% of the project is within or adjacent to Equity Focus Communities.



February 2025 Construction Committee

Operational Projects

- **North San Fernando Transit Corridor Project**



NSFV Transit Corridor Project

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

SCHEDULE			Substantial Completion	
	Original	Approved Rebaseline	Previous Period	Current Forecast*
	Summer 2025	N/A	Winter 2027	Summer 2028
	Variance from Original:		+0d (0%)	+0d (0%) 
	Variance from Revised Schedule:			N/A 

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



NSFV Transit Corridor Project

Safety

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

Updates

- **Roscoe BI Bus Priority Lanes**
 - 100% design approved by City
 - Installation by City of LA started June 24 for completion in Q2 FY25
- **All Door Boarding**
 - 200 pilot BMVs testing in Q3-Q4 FY24
 - 2,900 BMVs for delivery and install by end of FY25 (incl. 330 for NSFV)
- **Bus Bulbs (82 locations)**
 - Contract Modification for design services to Board for approval Sep 2024.
 - Design to begin in Q2 FY25
- **5 Key Transfer Locations**
 - Construction to start in Q3 FY25
- **Bus Shelters**
 - Construction and installation agreement for 393 shelters executed 10/2023
 - Installations expected to begin by Q3 FY25
- **Transit Signal Priority (7 Corridors)**
 - 35% design
 - Installation to begin Q3 FY25
 - Completion by Q2 FY26
- **75 Battery Electric Buses + Charging**
 - Included under current ZEB procurement issued April 20, 2024. Award Q4 FY25
- **Service Frequency Improvements on Lines 152 (Roscoe) and 166 (Nordhoff)**
 - Implementation of first phase June 2024. More improvements by end of FY25
- **Equity**
 - 42% of the project is within or adjacent to Equity Focus Communities.



Rendering of an improved stop on Nordhoff/Lindley



Measure M Independent Taxpayer Oversight Committee

Transit Planning Update

March 5, 2025

Allison Yoh, Ph.D.
Executive Officer

Measure M Transit Projects



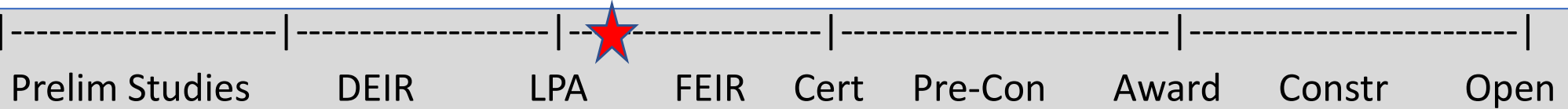
> Major Pillar Projects

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

> Other Projects in Planning

- Vermont Transit Corridor
- K Line Northern Extension

C (Green) Line Extension to Torrance



Current Phase	Most Recent Cost Estimate
Final EIR	\$2.2B (2031\$, midpoint of construction)

Recent Activities

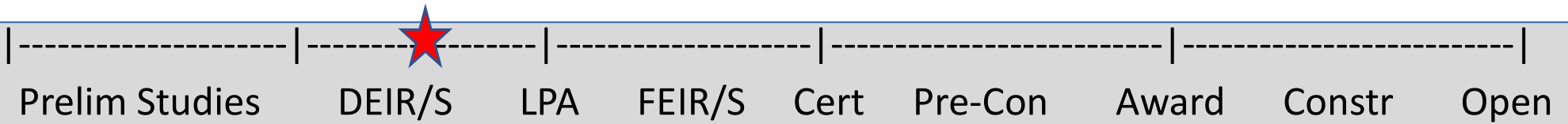
- Briefings to Board staff, city staff, agencies
- Updates to community on project steps (letter, e-blasts, regional online newsletters)
- Notification to residents/businesses and city staff of upcoming field work needed to respond to public comments (e.g., surveys, etc.)

Next Actions

- Complete field work and studies to address public comments on Draft EIR
- Update engineering drawings for Hybrid Alternative (LPA)
- Refine cost estimates and funding plan for LPA
- Meetings with BNSF re: southern portion



Sepulveda Transit Corridor



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

Recent Activities

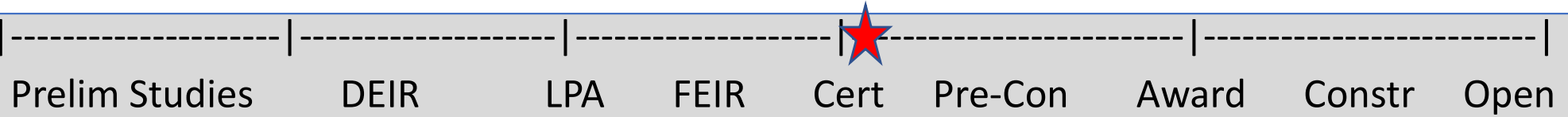
- Completed environmental technical analyses and draft chapters
- Review of Administrative Draft EIR
- Development of cost information
- Planning for community meetings to provide updates

Next Actions

- Scheduling public release of Draft EIR and notification of public meetings



Eastside Transit Corridor Phase 2



Current Phase

Most Recent Cost Estimate

EIR Certified
NEPA TBD

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

Recent Activities

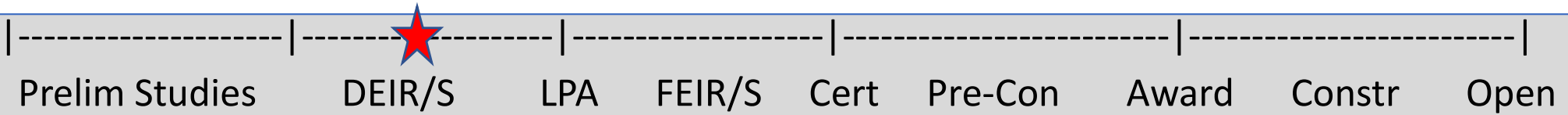
- Jan/Feb 2025: Community meetings in East LA, Commerce, Montebello and virtual
- Coordination with City of Montebello and stakeholders on right-sizing of MSF
- Requested entry into NEPA with FTA (and Class of Action)



Next Actions

- Continue to coordinate with FTA on NEPA and entry into Project Development phase
- Continue developing project schedule and project delivery scenarios

Vermont Transit Corridor



Current Phase

Environmental

Most Recent Cost Estimate

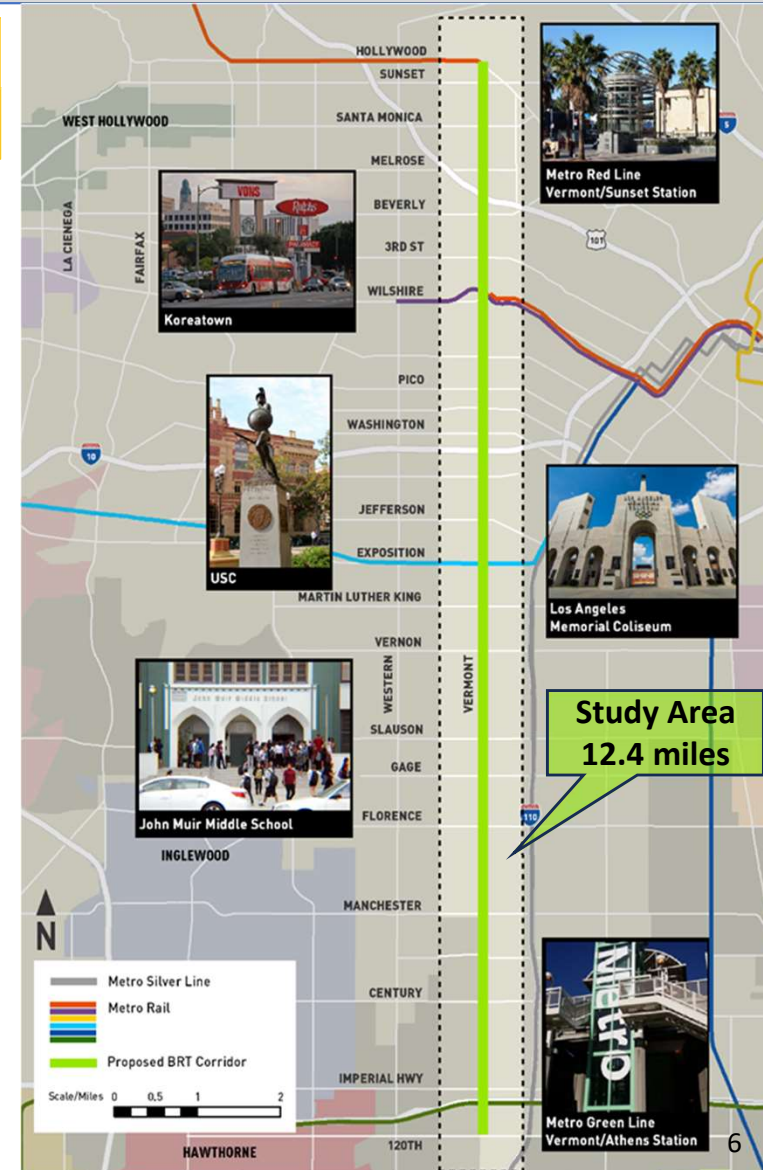
\$425M (2015\$)

Recent Activities

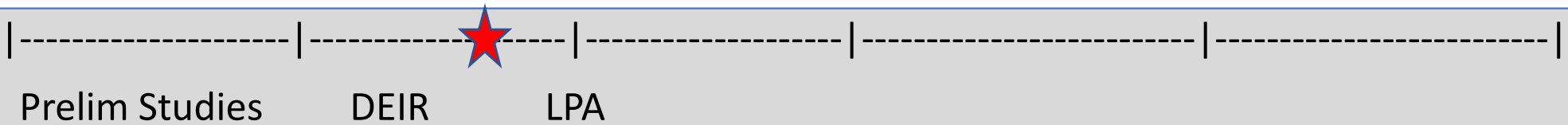
- Dec 2024: Conducted 5 community meetings (3 in-person and 1 virtual) to:
 - Provide updates on near-term service improvements and mid-term BRT
 - Present and receive comments on SB922 documents: Racial Equity Analysis, Residential Displacement Analysis, and Business Case Study
 - 325 meeting participants in total
- Dec 2024: Requested entry into Project Development for Small Starts funding program

Next Actions

- Coordination with FTA on path for NEPA clearance
- Request Board approval of staff recommendation on alternative and recommended CEQA action



K Line (Crenshaw) Northern Extension



Current Phase Most Recent Cost Estimate

EIR

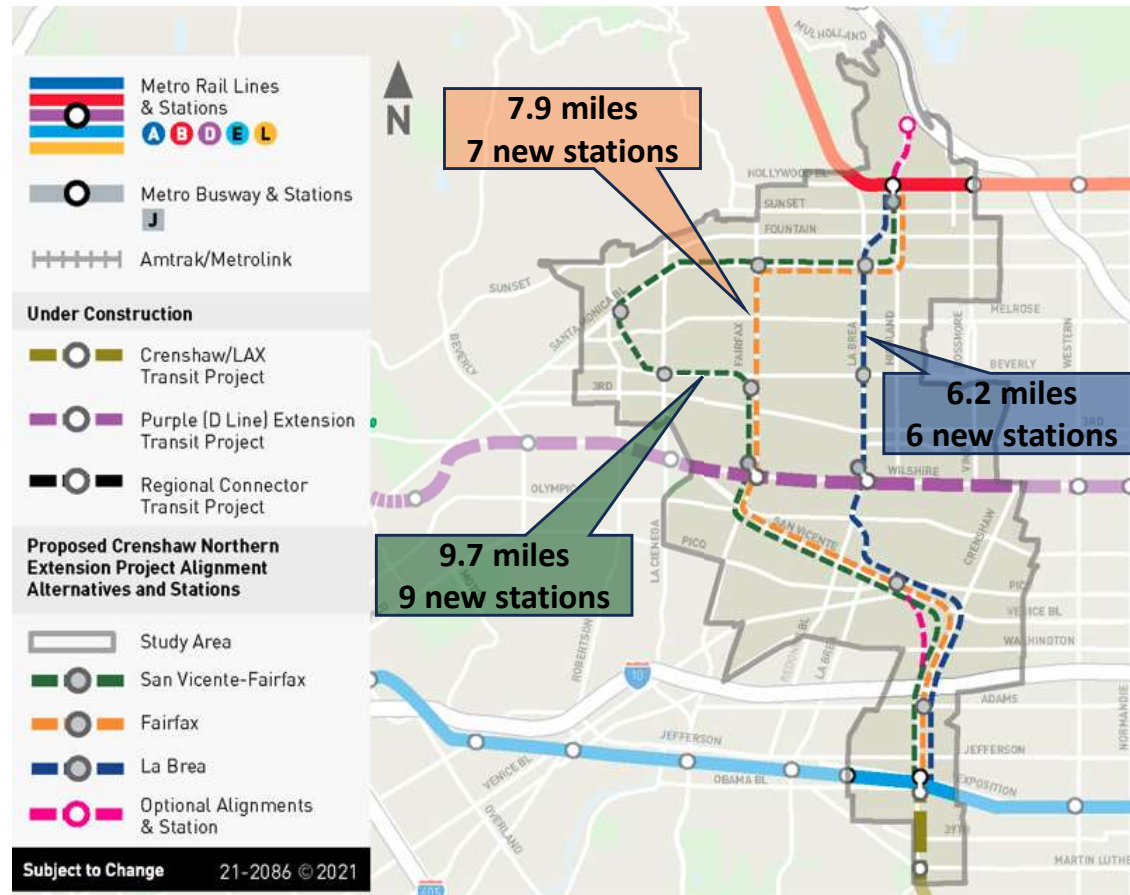
\$2.24B (2015\$)

Recent Activities

- Jan/Feb 2025: Completed technical analysis addressing community concerns about tunnel alignments and underground easements
- Feb 2025: Community meetings and institutional briefings

Next Actions

- Continue to review and synthesize 1,200+ comments received on the Draft EIR
- Review input received during recent community meetings



Measure M Independent Taxpayer Oversight Committee

Complete Streets & Highways Project Updates

Michelle E. Smith

Executive Officer, Complete Streets & Highways

March 2025

State Route 71 South Gap Closure Project

(Interstate 10 to the San Bernardino County Line)

Current Phase	Phase Budget	Phase Spent To Date
Construction (Phase 1)	\$148.10M	\$94.48M
Design (Phase 2)	\$23.0M	\$13.53M

Purpose and Scope

- Caltrans-managed construction project that adds one HOV lane and one mixed-flow lane in each direction along SR-71 between Interstate 10 and the San Bernardino County Line.
- Project was split into two Phases in 2019.

Status

- South Segment (Phase 1) – Construction is 70% complete.
- North Segment (Phase 2) – Caltrans design resumed after Board allocated Measure M funds to close the design funding gap. Construction estimate is \$259M. Grant funds are being pursued to close the construction funding gap.

Multimodal Elements

- HOV lanes will encourage carpool, vanpool and transit (bus) usage, replace structurally deficient and non-ADA compliant pedestrian overcrossing, and reconstruct 2 railroad overpasses to meet new standards and facilitate more goods movement.



Phase 1 Challenges

- Resolve issues (delays and outstanding claims) prior to contract acceptance in October 2025.

Phase 2 Challenges

- Utility and railroad coordination could delay project schedule.

SR-57/SR-60 Interchange Improvements

Current Phase	Phase Budget	Phase Spent To Date
Construction (Phase 1)	\$296.4M	\$75.97M

Purpose and Scope

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

Multimodal Elements

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

Status

- Grand Avenue westbound off ramp work is underway.
- Construction contract progress -29% completed as of December 2024. Construction completion expected in Summer 2028.

Challenges

- Timely reviews, approvals and coordination with Third Parties (affected local agencies and utility company- SCE).
- Potential delay associated with greater than normal rain days observed over the past year.



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

Purpose and Scope

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

Multimodal Elements

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

Status

- Environmental Document completed and approved.
- 95% design plan comment resolution with Caltrans
- Utility coordination underway

Challenges

- Coordinating with South Bay Cities COG to close construction funding gap of \$108M.



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

Purpose and Scope

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

Multimodal Elements

- Project will include ramp termini improvements (e.g., continental crosswalks, leading pedestrian intervals, cyclist signage, etc.)

Status

- Caltrans is reviewing and approving technical studies to support DEIR/EA.
- Scoping period was completed in October 2024.
- Circulation of Draft Environmental document expected in early 2026.



Challenges

- Construction phase is not fully funded

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

Purpose and Scope

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

Multimodal Elements

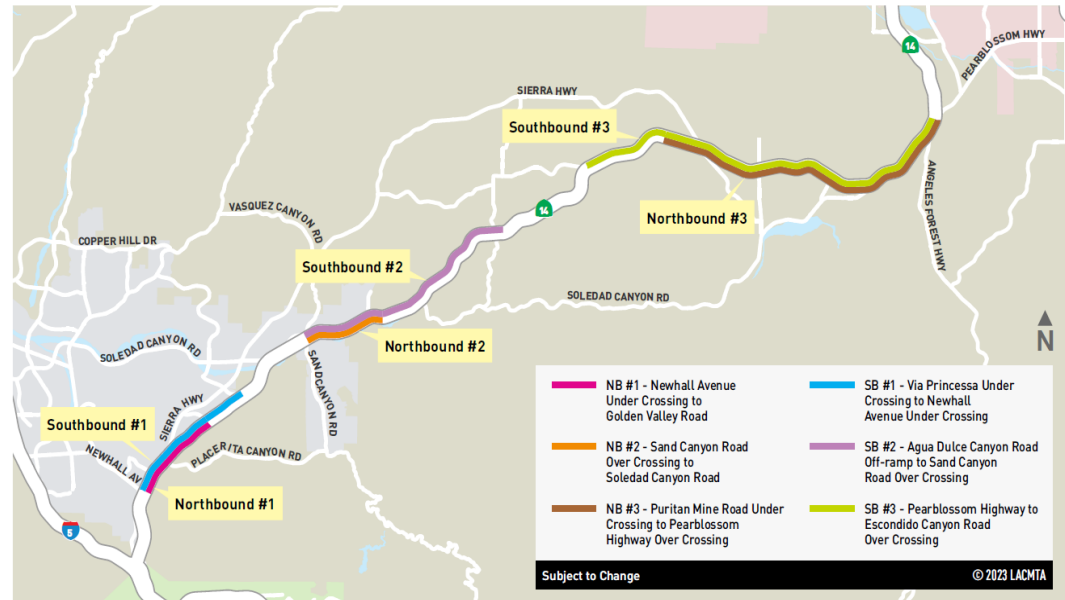
- Environmental document to evaluate multimodal elements (commuter rail, bike, pedestrian improvements).

Challenges

- Consensus on VMT analysis and potential mitigation required.
- Design and Construction phases are not fully funded.

Status

- Preparation of the environmental process is underway.
- Scoping period was initiated on 10/21/2024 and completed 12/4/2024.
- Three Scoping meetings were held in November 2024 (in Lancaster, Santa Clarita & Palmdale) and additional Outreach meeting in Acton.



I-405 ExpressLanes Project -- Sepulveda Pass (Phase 1)

(ExpressLanes from I-10 to US 101)

Purpose and Scope

- Provide additional mobility options within the geographically constrained Project Corridor and provide resources to implement related projects and facilitate future improvements, including multi-modal options, within the Project Corridor.
- Improve traffic flows, person throughput, and reliability

Multimodal Elements

- Environmental document is evaluating potential multimodal elements (transit, bike, pedestrian Improvements)

Status

- Preparation of the environmental document is ongoing with draft expected in summer/fall 2025.

Challenges

- Caltrans approval of VMT analysis and potential mitigation required. VMT mitigation costs may prohibit ability to bond.





Board Report

File #: 2025-0051, **File Type:** Oral Report / Presentation

Agenda Number: 9.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: MEASURE M ACTIVE TRANSPORTATION UPDATES

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

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

ISSUE

To support the discussion for the effective and efficient use of funds, this quarterly presentation provides the committee with the status of Metro active transportation activities related to Measure M projects including the LA River Waterway & System Bike Path, the Metro Active Transport Program, Multi-Year Subregional Program, and the First/Last Mile Program.

EQUITY PLATFORM

The Measure M related activities for active transportation include the Active Transportation Strategic Plan (ATSP) and subsequent Metro Active Transport, Transit and First/Last Mile (MAT) Program, as well as two projects in the Measure M Expenditure Plan that will connect the bike path gaps along the Los Angeles River. Metro also engages in First/Last Mile planning for communities to access existing and future major transit stops. Equity is built into Metro's approach to all of these activities.

The 2023 ATSP identified and prioritized a regional active transportation network based on criteria, including overlap with Equity Focus Communities (EFC). Projects in the ATSP regional network are eligible for MAT Program Cycle 2 funding. MAT Cycle 2 project applications will also be evaluated based on factors including robust partnerships with Community Based Organizations (CBO). Project applications that were submitted for MAT Cycle 1 in 2020 were given bonus points for locations within EFCs. All selected projects that are being developed using Cooperative Agreements with Metro include CBO partnerships.

The LA River Project - Central City section directly serves seven EFC census tracts in the communities of Lincoln Heights, Chinatown, and Boyle Heights. Approximately 23% of the population in this area lives under the poverty line and more than 22% of the working-age population does not use cars as a primary mode of transportation. This path will not only be used for recreational purposes but also serve as a low-cost transportation option for those who have limited car ownership. The LA River Project - San Fernando Valley section directly serves two EFCs in the community of Reseda. It is being delivered by the City of Los Angeles.

ATTACHMENTS

Attachment A - Presentation

Prepared by: James Andrew, Senior Manager, Countywide Planning & Development,
(213) 547-4306
Peter Carter, Senior Director, Countywide Planning & Development,
(213) 922-7480
Cory Zelmer, Deputy Executive Officer, Countywide Planning & Development, (213) 922-1079
Allison Yoh, Executive Officer, Countywide Planning & Development,
(213) 922-4812
David Mieger, Senior Executive Officer, Countywide Planning & Development, (213) 922-3040

Reviewed by: Ray Sosa, Chief Planning & Development Officer, (213) 547-4274



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

ACTIVE TRANSPORTATION UPDATES

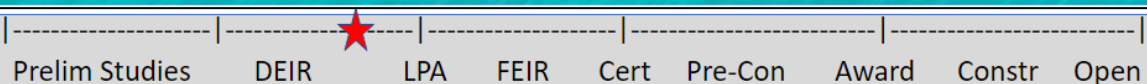
MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

MARCH 5, 2025



Metro

LA River Waterway & System Bike Path (Central Cities)



- > Project Environmental Clearance and Design led by Metro
- > Environmental and Design Progress
 - Finalizing Draft EIR for release in 2025
 - Selection of a single alternative and start of 60% design (subject to comments from both USACE and LADWP)
- > Coordination with LADOT and CD-1
- > Potential to phase the project by segment
- > Agreements with Third Parties
 - MCA with the City of Vernon is being revised as result of LA County Public Works coordination
 - Agreements with the County and City of LA, LADWP, Railroads, and Caltrans in progress
- > O&M lead and Construction Entity, yet to be determined



Complete LA River Bike Path (San Fernando Valley)

- > LA Bureau of Engineering is Lead Agency
- > 13 miles of bikeway gap closures
 - 9 segments from Vanalden Ave to Forest Lawn Dr
 - Design to be complete by 2027; Construction to be complete by 2029
- > \$60M in Measure M funding; funding agreement executed in June 2024; City of LA awarded an additional \$34M in ATP funding and is seeking remaining funding
- > Procurement has been initiated and bids for the construction of the first 2 segments are due in April. City of LA anticipates construction between 2025 and 2029
- > Per Metro Board direction, City to assume all phases of development, including operations and maintenance (in partnership with US Army Corps of Engineers)



Segment of LA River Bike Path completed in 2014

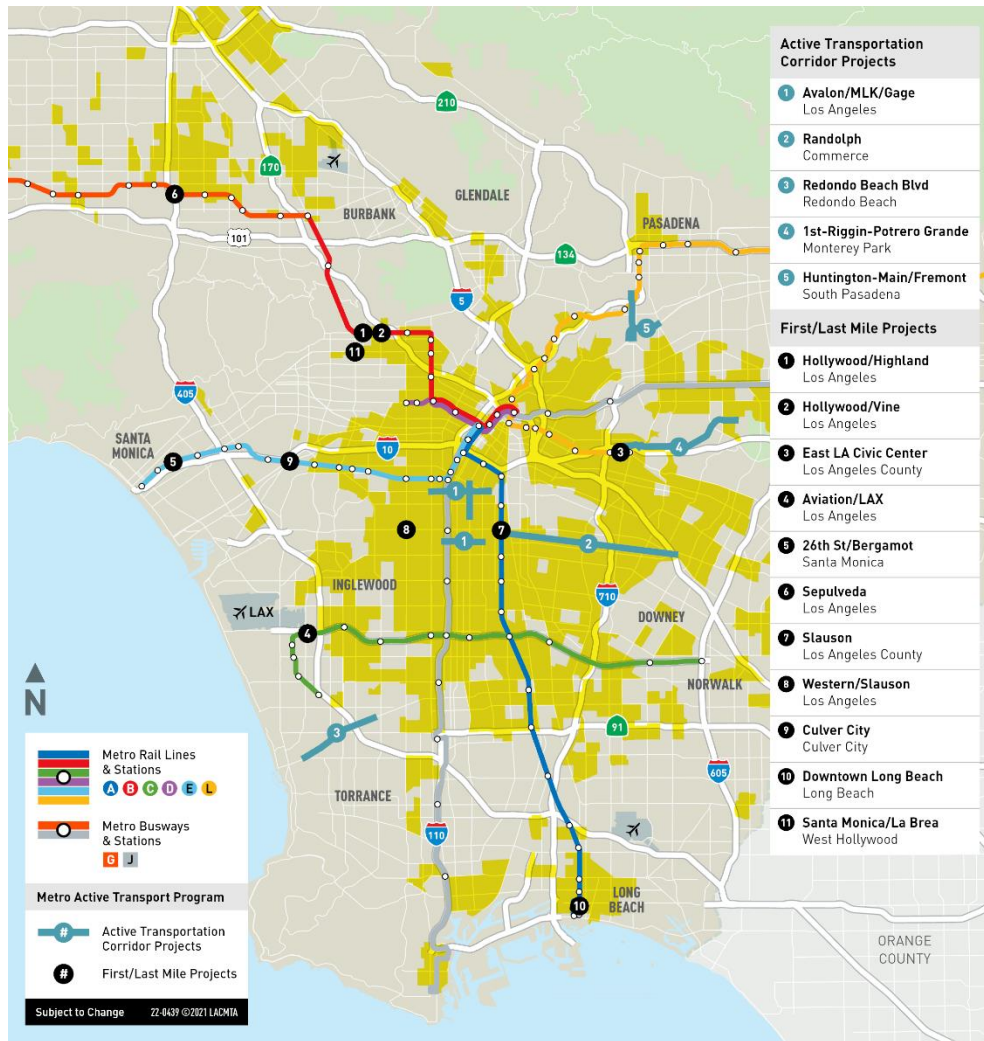
Multiyear Subregional Program (MSP)

- The Metro Board approved the programming of new funds from the MSP to two subregions in January and February 2025. They included the following active transportation, complete streets, first/last mile projects:
 - Arroyo Verdugo Subregion
 - \$3.4M for three Pasadena pedestrian intersection improvement projects including new crosswalks, HAWK signals and Leading Pedestrian Interval (LPI) signals
 - \$900K for South Pasadena Mission Street-Pasadena Avenue to Arroyo Intersection Improvement
 - \$500K for South Pasadena Garfield/Monterey Traffic Signal and Bike Lane Project
 - Las Virgenes/Malibu Subregion
 - \$4.5M for three Malibu traffic calming projects on Pacific Coast Highway
 - \$3.6M for Agoura Hills Greenway Project on Agoura Road



Agoura Road Greenway

Metro Active Transport Program



Metro Active Transport Program Cycle 1 Projects (approved in 2021) overlaid on top of Equity Focus Communities (EFC)

> \$63.1M approved in 2021 for Cycle 1

Map ID	FLM Projects	Completion (est.)
1	Hollywood/Highland	2026
2	Hollywood/Vine	2026
3	East LA Civic Center **	2027
4	Aviation/LAX **	2029
5	26th St/Bergamot	2026
6	Sepulveda **	2028
7	Slauson	2027
8	Western/Slauson **	2028
9	Culver City * **	2025
10	Downtown Long Beach	2028
11	Santa Monica/La Brea (W. Hlwd)	2026

Map ID	AT Corridor Projects	Completion (est.)
1	Avalon/MLK/Gage **	2027
2	Randolph ATC	2026
3	Redondo Beach Blvd **	2027
4	1st-Riggin-Potrero Grande	2027
5	Huntington-Main/Fremont ATC	2027

*Under Construction (50% complete)

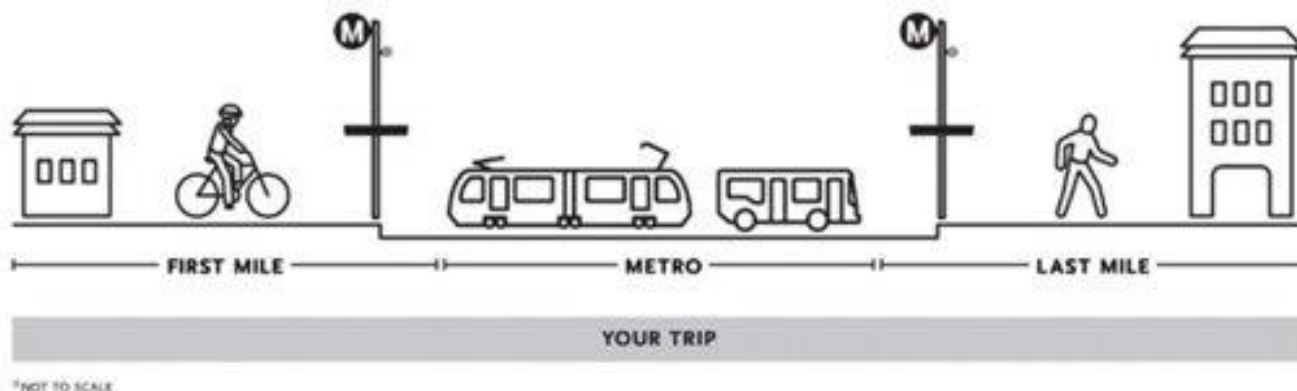
** Metro is leading early design

> Cycle 2 Solicitation

- Applications due April 7
- \$75 million anticipated to be available
- Projects in EFCs and those with CBO partnerships will be prioritized

First/Last Mile Program

- > FLM improvements expand the reach of transit, enhance safety, enhance the customer experience for transit riders and count toward the Measure M 3% contribution requirement for local jurisdictions with rail transit projects.
- > Metro has completed 72 FLM plans in total
- > FLM Plans in Development:
 - North Hollywood to Pasadena BRT (underway, complete mid 2025)
 - C Line Extension (early 2025)
- > FLM planning uses a consistent, intentional community engagement process that centers the needs and voices of transit riders and marginalized communities
- > Metro has an established track record of CBO partnership on FLM plans/projects
- > Metro prioritizes discretionary resources (e.g. MAT program) to projects serving the greatest needs



Thank you



James Andrew, *Senior Manager Planning*
Metro
One Gateway Plaza, MS 99-22-22
Los Angeles, CA 90012



213.547.4306



andrewj@metro.net



metro.net/about/active-transportation/



@metrolosangeles



losangelesmetro