

**VICTOR VALLEY TRANSIT AUTHORITY
REGULAR MEETING OF
THE BOARD OF DIRECTORS
February 20, 2018, 9:30 A.M.**

**Barstow City Council Chambers
220 East Mountain View Street
Barstow, CA 92311**

Victor Valley Transit Authority Board of Directors

Rich Harpole, Chair, City of Barstow
Barb Stanton, Vice-Chair, Town of Apple Valley
Larry Bird, Director, City of Hesperia
Robert Lovingood, Director, County of San Bernardino
James Ramos, Director, County of San Bernardino
Gloria Garcia, Director, City of Victorville

MISSION STATEMENT

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

AGENDA

The Board of Directors meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Clerk of the Board at least three (3) business days prior to the Board meeting. The Clerk's telephone number is 760-948-3262 x112, (voice) or for Telephone Device for the Deaf (TDD) service, begin by calling 711 and provide the VVTA phone number and the office is located at 17150 Smoke Tree Street, Hesperia, CA. This agenda available and posted: Monday, February 12, 2018.

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

PUBLIC COMMENTS

This is the time the Board will hear public comments regarding items not on the agenda or the consent calendar. Individuals who wish to speak to the Board regarding agenda items or during public comments should fill out a comment card and submit it to the Clerk of the Board. Each speaker is allowed three (3) minutes to present their comments. The Board will not remark on public comments, however each comment will be taken into consideration by VVTA.

CONSENT CALENDAR

Consent Calendar items shall be adopted by a single vote unless removed for discussion by Board member request.

- Pg. 9 ***Item #1: Minutes from Regular Meeting of The Board of Directors Conducted on January 16, 2018.***
Recommendation: Move for approval.
Presented by: None.
- Pg. 17 ***Item #2: Warrants, December 2017.***
Recommendation: Move for approval.
Presented by: None.

REPORTS

- Pg. 21 ***Item #3: Meeting Notes From The Technical Advisory Committee Meeting Conducted on February 7, 2018.***
Recommendation: Information item only.
- Pg. 27 ***Item #4: Management Reports for Hesperia and Barstow Divisions – Verbal Report from Executive Director.***
Recommendation: Information item only.
Presented by: Kevin Kane, Executive Director.

ACTION ITEMS

- Pg. 79 ***Item #5: Amend the VVTA Fiscal Year 2017-18 Annual Operating and Capital Budget, Short Range Transit Plan and TDA Claim to Include the Awarded Transit Stop Access Improvement Project and Funding.***
Recommendation: Amend the VVTA Fiscal Year 2017-18 Annual Operating and Capital Budget, Short Range Transit Plan and TDA Claim to include the Awarded Transit Stop Access Improvement Project and Funding.
Presented by: Nancie Goff, Deputy Executive Director.

- Pg. 83 **Item #6: VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2017 Completed by Vavrinek, Trine, Day and Company, LLP.**
Recommendation: Receive and file
Presented by: Steven Riggs, Finance Director.
- Pg. 139 **Item #7: FY17-18 Mid-Year Budget Review.**
Recommendation: Receive and file.
Presented by: Steven Riggs, Finance Director.
- Pg. 145 **Item #8: Release of RFP 2018-05 Mid-Life Bus Rehabilitation.**
Recommendation: Authorize VVTA to release RFP 2018-05 Mid-Life Bus Rehabilitation.
Presented by: Ron Zirges, Facilities and Maintenance Director.
- Pg. 153 **Item #9: VVTA FY17-18 Compensation Study Presentation.**
Recommendation: Review for possible future action.
Presented by: Steven Riggs, Finance Director.

BOARD OF DIRECTORS COMMENTS

DATE OF NEXT MEETING

Monday, March 19th at 9:30 AM
Victor Valley Transit Authority Board Room
17150 Smoke Tree Street, Hesperia, CA 92345

ADJOURNMENT

Victor Valley Transit Acronym List

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ADA	Americans with Disabilities Act
APTA	American Public Transit Association
AQMP	Air Quality Management Plan
BAFO	Best and Final Offer
BEB	Battery Electric Bus
BOE	Board of Equalization
CALCOG	California Association of Councils of Governments
CALTRANS	California Department of Transportation
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CHP	California Highway Patrol
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COG	Council of Governments
CSAC	California State Association of Counties
CTC	California Transportation Commission
CTC	County Transportation Commission
CTP	Comprehensive Transportation Plan
CTSA	Consolidated Transportation Services Agency
CTSGP-CTAF	California Transit Security Grant Program-California Transit Assistance Fund
DAC	Disadvantaged Communities
DBE	Disadvantaged Business Enterprise
DBELO	Disadvantaged Business Enterprise Liaison Officer
DOD	Department of Defense
DOT	Department of Transportation
E&H	Elderly and Handicapped
EEM	Environmental Enhancement and Mitigation
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	United States Environmental Protection Agency
ETC	Employee Transportation Coordinator
FAST	Fixing America's Surface Transportation ACT
FEIS	Final Environmental Impact Statements
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
GIMS	Geographic Information Mapping Systems
GIS	Geographic Information Systems
GPS	Global Positioning System
HOV	High-Occupancy Vehicle
IAS-FFA	Independent Auditors Statement for Federal Funding Allocation
ITS	Intelligent Transportation Systems
JPA	Joint Powers Authority
LACMTA	Los Angeles County Metropolitan Transportation Authority
LAP	Language Assistance Plan
LCFS	Low Carbon Fuel Standard
LCTOP	Low Carbon Transit Operations Program
LD	Liquidated Damages
LEED	Leadership in Energy and Environmental Design
LEP	Limited English Proficiency
LTF	Local Transportation Fund

Victor Valley Transit Acronym List

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MAP-21	Moving Ahead for Progress in the 21 st Century
MBTA	Morongo Basin Transit Authority
MDAQMD	Mojave Desert Air Quality Management District
MDT	Mobile Display Terminal
MOU	Memorandum of Understanding
MPO	Metropolitan Planning Organization
MTP	Metropolitan Transportation Planning
MTBP	Mass Transit Benefit Program
NEPA	National Environmental Policy Act of 1969
NTD	National Transit Database
OCTA	Orange County Transportation Authority
OWP	Overall Work Program
PASTACC	Public and Specialized Transportation Advisory and Coordinating Council
PCA	Personal Care Attendant
PTMISEA	Public Transportation Modernization Improvement and Service Enhancement
POP	Program of Projects
RCTC	Riverside County Transportation Commission
RDA	Redevelopment Agency
RTAC	Regional Transportation Agencies' Coalition
RTAP	Rural Technical Assistance Program
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agencies
SBCTA	San Bernardino County Transportation Authority (formerly SANBAG)
SCAG	Southern California Association of Governments
SOV	Single-Occupant Vehicle
SRTP	Short Range Transit Plan
STAF	State Transit Assistance Funds
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TAC	Technical Advisory Committee
TAM	Transit Asset Management
TCM	Transportation Control Measure
TDA	Transportation Development Act
TEA	Transportation Enhancement Activities
TEAM	Transportation Electronic Award and Management
TNC	Transportation Network Company
TOCP	Transit Operating and Capital Plan
TrAMS	Transit Award and Management System
TREP	Transportation Reimbursement Escort Program
TRIP	Transportation Reimbursement Incentive Program
TSSSDRA	Transit System Safety, Security and Disaster Response Account
TSM	Transportation Systems Management
ULEV	Ultra Low Emission Vehicle
UZAs	Urbanized Areas
VOMS	Vehicles Operated in Maximum Service
ZEB	Zero Emission Bus
ZEV	Zero Emission Vehicle

Victor Valley Transit Authority Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Victor Valley Transit Authority (VVTA) Board of Directors in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the (VVTA) Board of Directors.

1. **Agendas** - All agendas are posted at the VVTA Administrative offices, and the Victorville, Hesperia, Barstow and Apple Valley city/town halls at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the VVTA Administrative offices located at 17150 Smoke Tree Street, Hesperia, CA 92345.
2. **Agenda Actions** - Items listed on both the "Consent Calendar" and "Action/Discussion Items" contain suggested actions. The Board of Directors will generally consider items in the order listed on the agenda. However items may be considered in any order. New agenda items can be added and action taken by two-thirds vote of the Board of Directors.
3. **Closed Session Agenda Items** - Consideration of closed session items exclude members of the public. These items include issues related to personnel, ending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Chair will announce the subject matter of the closed session. If action is taken in closed session, the Chair may report the action to the public at the conclusion of the closed session.
4. **Public Testimony on an Item** - Members of the public are afforded an opportunity to comment on any listed item. Individuals wishing to address the Board of Directors should complete a "Request to Speak" form. A form must be completed for each item an individual wishes to speak on. When recognized by the Chair, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Board, speakers are limited to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Board at any one meeting. The Chair or a majority of the Board may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations. If there is a Consent Calendar, it is considered a single item; thus the three (3) minute rule applies. Consent Calendar items can be pulled at Board member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.
5. **Public Comment** - At the beginning of the agenda an opportunity is also provided for members of the public to speak on any subject within VVTA's authority. Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.
6. **Disruptive Conduct** - If any meeting of the Board is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Chair may recess the meeting or order the person, group or groups of persons willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Board without first being recognized, not addressing the subject before the Board, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Board from conducting its meeting in an orderly manner.

Please be aware that a NO SMOKING policy has been established for VVTA meetings. Your cooperation is appreciated!

VICTOR VALLEY TRANSIT AUTHORITY

MISSION STATEMENT

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

Quality

To increase ridership and community support by exceeding expectations.

Efficiency

To maintain an efficient operation that represents a highly-valued service.

Responsiveness

To provide services and facilities which are responsive to the needs of the community.

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**AGENDA ITEM
ONE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Minutes from the Regular Meeting of the Board of Directors Conducted on January 16, 2018.

SUMMARY STATEMENT

Following are copies of the minutes from the regular meeting of the Board of Directors conducted on January 16, 2018.

RECOMMENDED ACTION

Move for approval.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Debi Lorrh, Clerk of the Board	N/A	February 20, 2018	1

**VICTOR VALLEY TRANSIT
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

**JANUARY 16, 2018
MINUTES**

CALL TO ORDER

The Regular Meeting of the Board of Directors of the Victor Valley Transit Authority was called to order at 9:30 a.m. by Chair Gloria Garcia in the Victor Valley Transit Authority Board Room, 17150 Smoke Tree Street, Hesperia, CA 92345.

ROLL CALL

Board Members Present: Chair Rich Harpole
Vice-Chair Barb Stanton
Director Robert Lovingood
Director Larry Bird
Director Gloria Garcia
Alternate-Director Sandy Baca

Staff Members Present:

Kevin Kane, VVTA	Christine Ortega, Transdev
Doug Matthews, City of Victorville	Carol Greene, County Counsel
Jonathan McDowell, Transdev	Simon Herrera, VVTA
Debi Lorrh, Clerk of the Board	Barbara Miller, VVTA
Lora Sanchez, Transdev	Orlando Acevedo, Town of Apple Valley
Jesse Roach, Transdev	Cindy Prothro, City of Barstow
Aaron Moore, VVTA	Christine Plasting, VVTA
Nancie Goff, VVTA	Ashley Palmer, VVTA
Sandy Martinez, VVTA	Tina Souza, City of Hesperia
Tamari Denney, VVTA	Fidel Gonzales, VVTA
Jazmin Castro, VVTA	Ron Zirges, VVTA
Shelly Cable, VVTA	

PLEDGE OF ALLEGIANCE

Director Stanton led the audience in the pledge of allegiance.

ANNOUNCEMENTS

Chair Garcia presented Ms. Lorrh with a gift basket celebrating her ten (10) years of service with VVTA.

Mr. Kane announced that Item #10 is being pulled from the agenda; after Barstow did some research for VVTA, it was determined that a negative declaration is all that is needed to move forward.

Additionally, Mr. Kane shared that both audits on the consent calendar, NTD and CalOES, passed with flying colors and thanked all VVTA staff for their extraordinary efforts.

PUBLIC COMMENTS

Speaker: Margaret Valentine, Hesperia, CA

Ms. Valentine shared concerns that Route 24 heading toward the Hesperia Library takes much longer than Route 48, which route 24 replaced. VVTA could encourage more ridership by changing the timing of Route 24, Ms. Valentine suggested.

ACTION/DISCUSSION ITEMS

1. Election of Chair and Vice-Chair for Calendar year 2018.

Recommendation: Pursuant to Section 1.0024, nominate and elect a Chair and Vice Chair to fill the terms of office through December 31, 2018.

Presented by: N/A.

Director Stanton nominated Vice-Chair Harpole to serve as Board Chair; Director Bird seconded the motion. The motion passed unanimously.

Director Garcia nominated Director Stanton to service as Board Vice-Chair; Director Lovingood seconded the motion. The motion passed unanimously.

CONSENT CALENDAR

2. Minutes from Regular Meeting of The Board of Directors Conducted on November 20, 2017.

Recommendation: Move for approval.

Presented by: None.

3. Warrants, October and November 2017.

Recommendation: Move for approval.

Presented by: None.

4. VVTA Annual National Transit Database (NTD) Statement for Fiscal Year Ending June 30, 2017 Completed by Vavrinek, Trine, Day and Company, LLP.

Recommendation: Receive and File.

Presented by: None.

5. VVTA Site Visit Completed by California Governor's Office of Emergency Services (Cal OES).

Recommendation: Receive and File.

Presented by: None.

6. **Consider Approval of the Updated MOU between VVTA and SCAG.**
Recommendation: Approve the MOU between SCAG and VVTA.
Presented by: Kevin Kane, Executive Director.

A MOTION WAS MADE BY Director Lovingood to approve the Consent Calendar, abstaining from Items 2 and 3. Seconded by Vice-Chair Stanton. The motion passed unanimously.

REPORTS

7. **Meeting Notes From The Technical Advisory Committee Meeting Conducted on January 3, 2018.**
Recommendation: Information item only.

Vice-Chair Stanton wished to thank Mr. Acevedo, TAC member, for being very informative and keeping her up to date.

8. **Management Reports for VVTA and BAT – Verbal Report from Executive Director.**
Recommendation: Information item only.
Presented by: Kevin Kane, Executive Director.

Mr. Kane discussed slight increases in ridership as well as VVTA's fluctuating farebox ratio. Additionally, Mr. Kane shared that the operations contract remains below budgeted costs.

ACTION/DISCUSSION ITEMS

9. **Approve the VVTA Consolidated Transportation Services Agency (CTSA) Subrecipient Monitoring, Driver Training, Vehicle Maintenance and Transit Ambassador Program Policies.**
Recommendation: Approve the CTSA Subrecipient Monitoring, Driver Training, Vehicle Maintenance and Transit Ambassador Program Policies.
Presented by: Aaron Moore, CTSA Director.

After the designation of the CTSA in 2015, all programs under the CTSA have been operating on best practices and procedures. Mr. Moore explained that the CTSA is now required to have its own policies and procedures; the information in this item has been gathered from FTA guidelines and rules.

A MOTION WAS MADE BY Director Bird to approve the recommended action. Seconded by Director Lovingood. The motion passed unanimously.

10. **VVTA RFQ 2018-01 CEQA Process for Barstow Facility - Award.**
Recommendation: Award the Contract to Carpenter/Robbins subcontractor Advanced Geo Environmental, Stockton, CA.
Presented by: Christine Plasting, Procurement Manager.

This item has been pulled from the agenda.

11. **Release of RFP 2017-21 for the Provision of Vanpool Services.**
Recommendation: Authorize the Executive Director to release RFP 2017-21 for the Provision of Vanpool Services.
Presented by: Aaron Moore, CTSA Director.

Mr. Moore explained that when VVTA's vanpool program first started, there were two (2) competing vendors providing vanpool services. In 2016, Enterprise acquired VPSI, therefore becoming a single vanpool provider. Mr. Moore stated that over time, Enterprise has raised prices, declined quality of service and implemented onerous requirements for new companies to join their vanpool program. VVTA feels it is necessary to seek other competing vendors in the vanpool market in an effort to increase the quality of service.

A MOTION WAS MADE BY Director Lovingood to approve the recommended action with approved changes. Seconded by Vice-Chair Stanton. The motion passed unanimously.

12. **Authorize the Filing and Submittal of Fiscal Year 2017-18 State of Good Repair (SGR) Certifications and Assurances, Authorized Agent, and Project List.**
Recommendation: Approve Resolution #18-01 to Authorize Submittal of FY 17/18 1SB SGR Certifications and Assurances, Authorized Agent form and approval of the project list.
Presented by: Nancie Goff, Deputy Executive Director.

This is VVTA's first cycle of SB1 funding for State of Good Repair. Ms. Goff explained that this board item addresses the required supporting documents. As the item title indicates, stated of good repair funding will be earmarked for maintaining and replacing vehicles and facilities. This cycle the funding will be programmed in the FY19 budget for replacement buses. This new funding source will necessitate additional reporting requirements and support from the accounting and grants departments.

A MOTION WAS MADE BY Vice-Chair Stanton to approve the recommended action with approved changes. Seconded by Director Garcia. The motion passed unanimously.

13. **VVTA FY17-18 Compensation policy review.**
Recommendation: Receive and File.
Presented by: Kevin Kane, Executive Director.

Mr. Kane introduced Patrick Bracken, Vice President of Segal Waters, the firm contracted to perform this study. The Board had a lively discussion regarding this presentation and requested a few changes to the study; several Board members shared their displeasure with the study contents.

PRESS CLIPS/CORRESPONDENCE

BOARD OF DIRECTORS COMMENTS

Director Bird thanked former Chair Gloria Garcia for her leadership over the past year and congratulated Vice-Chair Stanton on her election as President of California League of Cities' (LOCC) Women's Caucus for 2017-18 during the League's Annual Conference and Expo in Sacramento and also for being named Vice Chair of the LOCC Public Safety and Policy Committee for 2017-18.

Vice-Chair Stanton shared that the Town of Apple Valley has adopted Apple Valley Watch, an app for residents of Apple Valley that can be downloaded in order to report crimes or mischief anonymously.

DATE OF NEXT MEETING

The next scheduled Board meeting will be on Tuesday, February 20, 2018 at 9:30 am at Barstow Council Chambers located at 220 East Mountain View Street, Barstow, CA 92311.

ADJOURNMENT

The meeting was adjourned at 10:22 a.m.

APPROVED: _____
Rich Harpole, Chair

ATTEST: _____
Debi Lorrach, Clerk of the Board

**AGENDA ITEM
TWO**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Payrolls and Warrants for December 2017.

SUMMARY STATEMENT

The following registers of Payrolls and Warrants have been audited as required By Section 37202 and 37208 of the Government code, and said documents are accurate and correct.

Agency's Gross Payroll for Administrative Employees

<u>Payroll Date</u>	<u>Amount</u>	<u>Register#</u>
12/08/2017	\$ 59,811.49	PR0191-12-17
12/22/2017	\$ 59,944.24	PR0192-12-17
Total Payroll	\$ 119,755.73	

Agency's Register of Warrants

<u>Register Date</u>	<u>Amount</u>	<u>Check #</u>	<u>Register #</u>
12/08/2017	\$ 66,905.42	8752-8781	AP01893AAACTF
12/20/2017	\$ 1,567,813.26	8782-8809	AP01898AAACTK
	\$ 1,634,718.68		

RECOMMENDED ACTION

Approve VVTA's expenditures for December 2017.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Steven Riggs, Finance Director	\$ 1,754,474.21	February 20, 2018	2

Bank Register Report

Victor Valley Transit Authority

Check Numt	Date	Payee Name	Amount
008752	12/08/2017	Accountemps	\$90.04
008753	12/08/2017	Void	\$0.00
008754	12/08/2017	Void	\$0.00
008755	12/08/2017	Void	\$0.00
008756	12/08/2017	Void	\$0.00
008757	12/08/2017	Void	\$0.00
008758	12/08/2017	Void	\$0.00
008759	12/08/2017	Void	\$0.00
008760	12/08/2017	Void	\$0.00
008761	12/08/2017	Void	\$0.00
008762	12/08/2017	Void	\$0.00
008763	12/08/2017	American Express	\$14,576.74
008764	12/08/2017	Lawrence Bird	\$125.00
008765	12/08/2017	Bonnie Baker Senior Center	\$2,937.05
008766	12/08/2017	Desert Communities FCU	\$120.00
008767	12/08/2017	FRONTIER-OFFICE LINES	\$53.70
008768	12/08/2017	Frontier	\$606.91
008769	12/08/2017	Gloria L. Garcia	\$125.00
008770	12/08/2017	GEOGRAPHICS	\$760.51
008771	12/08/2017	Golden State Water Company	\$577.02
008772	12/08/2017	Richard Harpole	\$125.00
008773	12/08/2017	HI-Desert Communications	\$1,308.00
008774	12/08/2017	Southern California Fleet Services Inc	\$5,210.95
008775	12/08/2017	Segal Waters Consulting	\$10,000.00
008776	12/08/2017	Southwest Gas Corporation	\$14,033.76
008777	12/08/2017	Barbara Stanton	\$125.00
008778	12/08/2017	Transdev	\$8,920.00
008779	12/08/2017	Verizon	\$190.05
008780	12/08/2017	Verizon	\$1,710.45
008781	12/08/2017	City Of Victorville	\$5,310.24
008782	12/20/2017	Accountemps	\$603.41
008783	12/20/2017	ADAride.com	\$5,813.50
008784	12/20/2017	Allied Barton Security Services	\$4,959.24
008785	12/20/2017	Applied Natural Gas Fuel	\$9,024.70
008786	12/20/2017	Charles Meier	\$4,375.00
008787	12/20/2017	SPECTRUM BUSINESS	\$133.74
008788	12/20/2017	SPECTRUM BUSINESS	\$1,937.34
008789	12/20/2017	Spectrum Business-Sec	\$90.00
008790	12/20/2017	Southern California Edison-CNG	\$11,543.05
008791	12/20/2017	Southern California Edison	\$7,586.93
008792	12/20/2017	Electronic Data Magnetics Inc	\$4,062.61
008793	12/20/2017	Flyers Energy LLC	\$37,967.70
008794	12/20/2017	Golden State Water Company	\$825.52
008795	12/20/2017	Lincoln Financial Group	\$910.92
008796	12/20/2017	San Bernardino County	\$1,377.00
008797	12/20/2017	Special District Risk Management	\$33,713.04
008798	12/20/2017	SONIC SYSTEMS IT	\$2,885.00
008799	12/20/2017	Southwest Gas Corporation	\$33,619.21
008800	12/20/2017	Southwest Gas Corporation	\$753.37
008801	12/20/2017	Southwest Gas Corporation	\$1,501.80
008802	12/20/2017	Southwest Gas Corporation	\$513.24
008803	12/20/2017	State Compensation Insurance Fund	\$1,868.92
008804	12/20/2017	Trona Community Senior Center	\$2,220.62
008805	12/20/2017	Transdev	\$1,390,991.90
008806	12/20/2017	VerizonBAT	\$849.37
008807	12/20/2017	City Of Victorville	\$5,557.13
008808	12/20/2017	Vehicle Registration Experts	\$129.00
008809	12/20/2017	Vavrinek, Trine, Day & CO	\$2,000.00
TOTAL			<u>\$1,634,718.68</u>

**AGENDA ITEM
THREE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Meeting Notes from The Technical Advisory Committee Meeting Conducted on February 7, 2018.

SUMMARY STATEMENT

Meeting Notes from the Technical Advisory Committee meeting conducted on February 7, 2018.

RECOMMENDED ACTION

Information item only.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Debi Lorrh, Clerk of the Board	N/A	February 20, 2018	3

**VICTOR VALLEY TRANSIT AUTHORITY
TECHNICAL ADVISORY COMMITTEE**

February 7, 2018

MEETING NOTES

The meeting of the Technical Advisory Committee (TAC) of Victor Valley Transit Authority was opened at 3:06 p.m. at Victor Valley Transit Authority, Board room, 17150 Smoke Tree Street, Hesperia, CA.

ROLL CALL

TAC Members

Present: Orlando Acevedo, Town of AV Tina Souza, City of Hesperia
Ro Ratliff, City of Victorville

Staff Present: Kevin Kane, VVTA Debi Lorrach, VVTA
Nancie Goff, VVTA Marie Downing, VVTA
Ron Zirges, VVTA Nancy Strickert, SBCTA (via phone)
Christine Plasting, VVTA Steven Riggs, VVTA
Aaron Moore, VVTA

1. Public Comments.

Ms. Blanca Gomez submitted a card to speak on Agenda Item #7.

2. Review Draft Board Agenda.

a. Claim for Completed Article 3 Transit Stop Access Improvement Project for the City of Victorville.

Ms. Goff explained that while the City of Victorville's projects are completed, the other project of this particular call for projects is just wrapping up. Therefore, this item will be presented in March when it is hopeful both projects can be presented.

b. Budget amendment for 2017 TDA Article 3 Transit Stop Access Improvement Project award.

This item is for the most recent Article 3 call for projects, awarded to the City of Hesperia. Ms. Goff explained this is a budget amendment to include the Measure I matching funds from the City of Hesperia and the capital funds awarded through Article 3.

c. LCTOP Allocation Request.

This item is postponed until March.

d. Mid-Year Budget Review.

Mr. Riggs briefly reviewed the mid-year budget numbers for July 1st through December 31st, highlighting the fact it is projected VVTA will end this fiscal year at budget or 0.1% above budget.

There was a brief discussion and explanation period regarding farebox revenues versus grant funds.

e. Presentation of the FY16-17 Financial Audit.

The annual financial audit is required; recruited and paid for by SBCTA. Mr. Riggs explained that VVTA's audit for FY16-17, ending June 30, 2017, resulted in no findings and no management recommendations for the third year in a row. Mr. Riggs highlighted that these audit results were a testament to the fiscally responsible management of VVTA's finances and was the result of a team effort where all levels of management cooperatively focused on supporting VVTA's conservative and compliant processes. Mr. Acevedo commented on how difficult it is to achieve these outstanding results in an annual fiscal audit, and commended VVTA for its exceptional financial management.

Mr. Acevedo offered his congratulations, stating that is quite an accomplishment.

3. Barstow Facility/Operations.

Mr. Zirges shared that VVTA received proposals for the Design/Build of the new facility in Barstow and once they are deemed qualified, an RFP will be released. Ms. Ratliff inquired how many RFQ's were sent out; Ms. Plasting stated that seventy-five (75) were sent and only two (2) firms responded. Additionally, Ms. Plasting confirmed that the CEQA process will be a requirement in the RFP.

Mr. Roach stated that operationally, things are running smoothly in Barstow.

4. Bus stop shelters/benches/lighting.

For informational purposes, VVTA has provided a comparison of amenities between VVTA and OmniTrans. OmniTrans employs seven (7) people in the position of Stops and Stations personnel to assist in maintaining stops and shelters; some trash cans, however, are not provided by OmniTrans and keeping them maintained has become problematic

Mr. Kane also shared that Barstow is entering into an agreement with an outside company to provide advertising on their benches. Ms. Ratliff stated that the City of Victorville was also approached in this regard.

5. SBCTA Update.

VVTA met with SBCTA regarding an LCTOP marketing program, Mr. Kane stated. This marketing program will be aimed toward students who attend high schools in VVTA's service area and live in "walk-zones": the area between the student's homes the school they attend.

6. Bike lids.

Ms. Goff shared that the bike lids have been delivered and VVTA is in the process of applying the decals. Mr. Acevedo inquired if there are any suggested locations for the bike lids. Ms. Goff shared yes, VVTA will provide jurisdictions with suggestions, but the final decision rests with them.

7. CTSA Update.

Mr. Moore presented the second quarter CTSA Metrix report to TAC, touching on several programs, including the travel training program and the non-profit vehicle donations.

Mr. Acevedo stated that the non-profit vehicle donation program is a wonderful way to help the community and VVTA's support is greatly appreciated.

Public Comment: Blanca Gomez, Victorville, CA

Ms. Gomez commented that the Orenda Foundation is very thankful for the donated vehicle from VVTA, however, they are having a hard time with the cost of maintaining the vehicle and asked if there is anything VVTA can offer to assist them.

Mr. Moore explained the vehicle maintenance program and that the Orenda Foundation is already a participant. He mentioned that the problem has been that Orenda has been in need of a driver for quite some time.

8. AB2766 Discussion.

A small spreadsheet showing AB2766 funds available for each jurisdiction was shared with TAC; Mr. Kane mentioned that if one or more of the jurisdictions are not using their AB2766, VVTA is a good place for the funds to be used.

9. Other Business.

Mr. Zirges mentioned that a Board item not on the TAC agenda will be presented to the Board; it will address an RFP for the mid-life rehabilitation for several buses.

Mr. Riggs briefly explained that the compensation study presented at the January 2018 board meeting, was simply following the instructions of the Compensation Policy originally approved by the Board: to provide a compensation study every five (5) years. Mr. Riggs apologized for any confusion and offered to present the report.

There was a discussion amongst TAC about what they feel their Board members may desire to see in this regard.

10. Adjournment: 4:13 pm

**AGENDA ITEM
FOUR**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Management reports.

SUMMARY STATEMENT

The attached Performance Reports are presented to the Board of Directors to provide an overview of the transit system's costs and performance.

- Transdev invoice for December, VVTA and BAT.
- Monthly Performance Charts: Passengers Per Revenue Hour, VVTA and BAT.
- Monthly Performance Statistics Systemwide Summary.
- Monthly Ridership Report.
- Program Statistics: Operating Costs and Passenger Revenue, VVTA and BAT.
- Fort Irwin Revenue and Expenses through December.
- Monthly Complaint and Compliment Reports.
- Lift Deployment and Bike Rack Use Logs, VVTA and BAT.
- Monthly ADA Denial Report.
- Transdev On Time Performance Report FY 2017.
- Miles Between Roadcalls for December.
- PERMA Loss Detail Report for December.
- Veterans Pass Sales Update.
- CTSA Quarterly Metrix.

RECOMMENDED ACTION

Information items only.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Kevin Kane, Executive Director	N/A	February 20, 2018	4

Transdev
Transportation Services
 17150 Smoke Tree St.
 Hesperia Calif. 92345

INVOICE NO. "0001217-IN0012-Revised

BILL TO Victor Valley Transit Authority
 17150 Smoke Tree St.
 Hesperia, Calif 92345

DATE 01/10/2018

CONTRACT NAME:
 Victor Valley Transit

Attention: Mr. Kevin Kane
 Executive Director

MONTH December

BILLING PERIOD 02/ 12/01/17 to 12/31/17

	Budgeted Revenue hours	Actual Revenue hours	Budgeted Expense	Actual Expense	Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
ADA ParaTransit	3,522.00	3,048.00	\$238,862.04	\$206,715.36	(\$32,146.68)	\$1,433,172.24	\$1,342,065.56	(91,106.68)
Subscription	1,055.00	1,038.00	\$71,550.10	\$70,397.16	(\$1,152.94)	\$429,300.60	\$458,395.38	29,094.78
Regional Fixed Rt	10,147.50	10,131.00	\$606,617.55	\$605,631.18	(\$986.37)	\$3,650,141.10	\$3,643,770.29	(6,370.81)
County	2,468.25	2,466.00	\$147,551.99	\$147,417.48	(\$134.51)	\$806,078.91	\$805,714.84	(364.07)
Dead Head LV-Rte.#23	15.00	15.00	\$896.70	\$896.70	\$0.00	\$5,380.20	\$5,380.20	0.00
Rte. 200	50.00	45.00	\$2,989.00	\$2,690.10	(\$298.90)	\$15,542.80	\$14,646.10	(896.70)
B.V. Link/Lifeline	608.35	608.00	\$36,367.16	\$36,346.24	(\$20.92)	\$221,609.83	\$221,544.68	(65.15)
Dead Head BV	20.00	20.00	\$1,195.60	\$1,195.60	\$0.00	\$7,532.28	\$7,532.28	0.00
Fort Irwin	578.00	578.00	\$34,552.84	\$34,552.84	\$0.00	\$215,536.19	\$214,849.32	(686.87)
Dead Head FI	75.00	75.00	\$4,483.50	\$4,483.50	\$0.00	\$28,246.06	\$28,245.79	(0.27)
SUBTOTALS	18,539.10	18,024.00	\$1,145,066.48	\$1,110,326.16	-\$34,740.32	\$6,812,540.21	\$6,742,144.44	-\$70,395.77

* County routes include 20,21,22,23 and 24

TOTAL INVOICE INCLUDING VARIANCE

\$1,110,326.16

Please REMIT TO:
 Transdev Inc.
 4157 Collection Center Drive
 Chicago, IL 60693

Manager's Signature and Business Phone

Transdev
 Transportation Services
 1612 State St.
 Barstow Ca. 92311

INVOICE NO. "00012317-INS-12B

DATE 01/08/2018

BILL TO Victor Valley Transit Authority
 17150 Smoke Tree St.
 Hesperia, Calif 92345

CONTRACT NAME:
 Victor Valley

Attention: Mr. Kevin Kane
 Executive Director

MONTH December BILLING PERIOD 12/01/17 to 12/31/17

	December 17 Budgeted HOURS	December 17 ACTUAL HOURS	December 17 Budgeted REVENUE	December 17 ACTUAL REVENUE	December 17 Variance (+ or -)	Budgeted Expense Year-to-date	Actual Expense Year-to-date	Variance (+ or -) Year-to-date
Fixed Route	1832.30	1831.00	\$109,534.89	\$109,457.18	(\$77.71)	\$635,335.85	\$638,868.68	\$3,532.83
County	750.30	750.00	\$44,852.93	\$44,835.00	(\$17.93)	\$221,130.40	\$243,782.84	\$22,652.44
DAR	620.00	331.00	\$42,048.40	\$22,448.42	(\$19,599.98)	\$316,312.48	\$197,288.38	(\$119,024.10)
SUBTOTALS	3,202.60	2,912.00	\$196,436.23	\$176,740.60	(\$19,695.63)	\$1,172,778.73	\$1,079,939.90	(\$92,838.83)

TOTAL INVOICE \$176,740.60

Please REMIT TO:
 Transdev Inc.
 4157 Collection Center Drive
 Chicago, IL 60693

 Manager's Signature and Business Phone



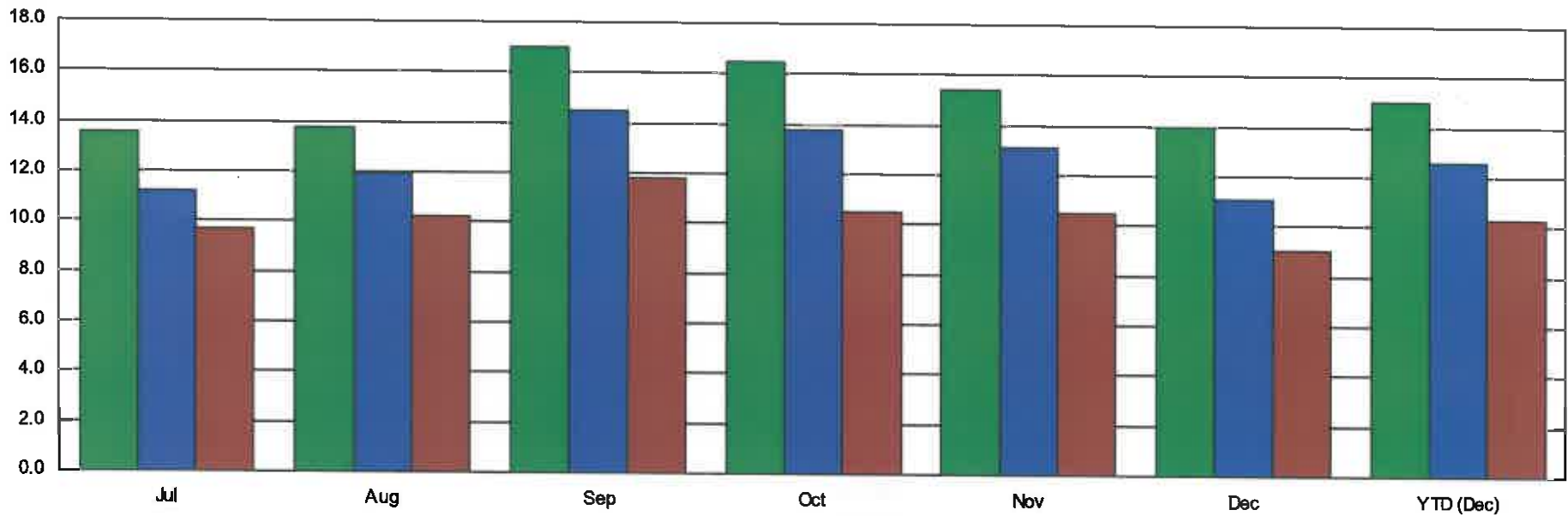
FY 2018 -- Monthly Performance Charts

Program - Regional Routes
Year-To-Date through December
All Routes

Passengers Per Revenue Hour

Target: None

Two Years Prior Prior Year Current Year



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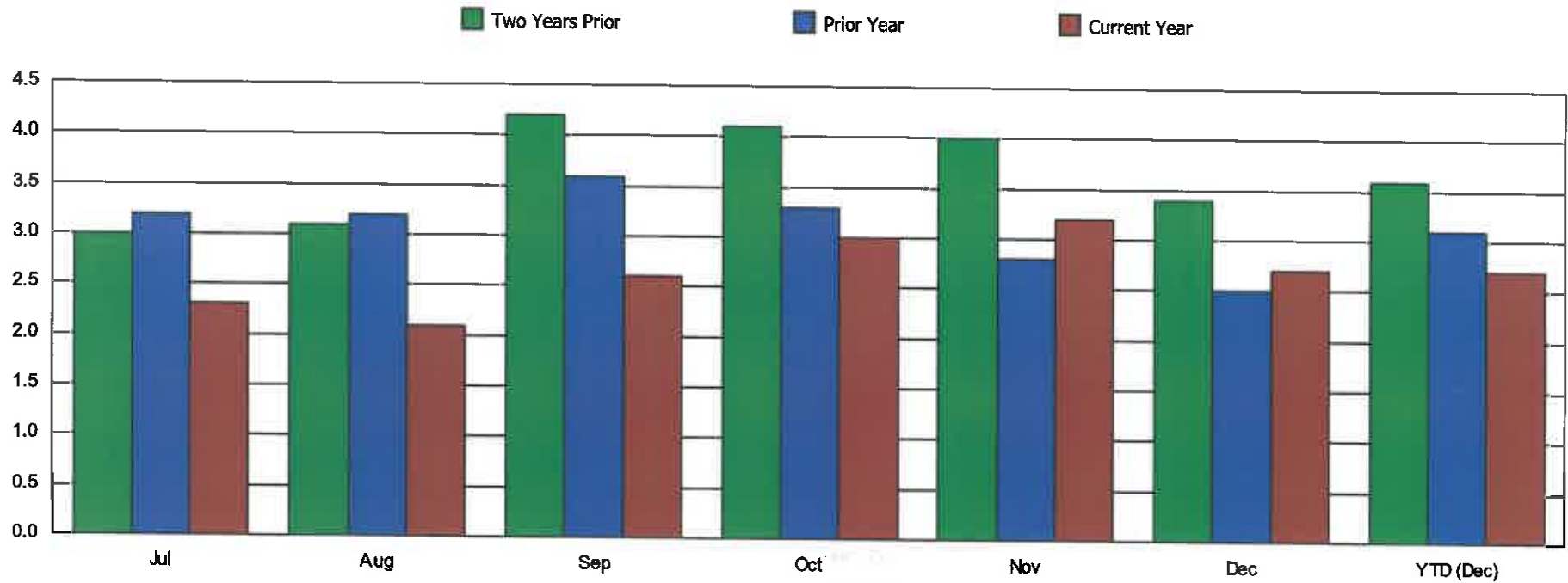


FY 2018 -- Monthly Performance Charts

Program - County Routes
Year-To-Date through December
All Routes

Passengers Per Revenue Hour

Target: None



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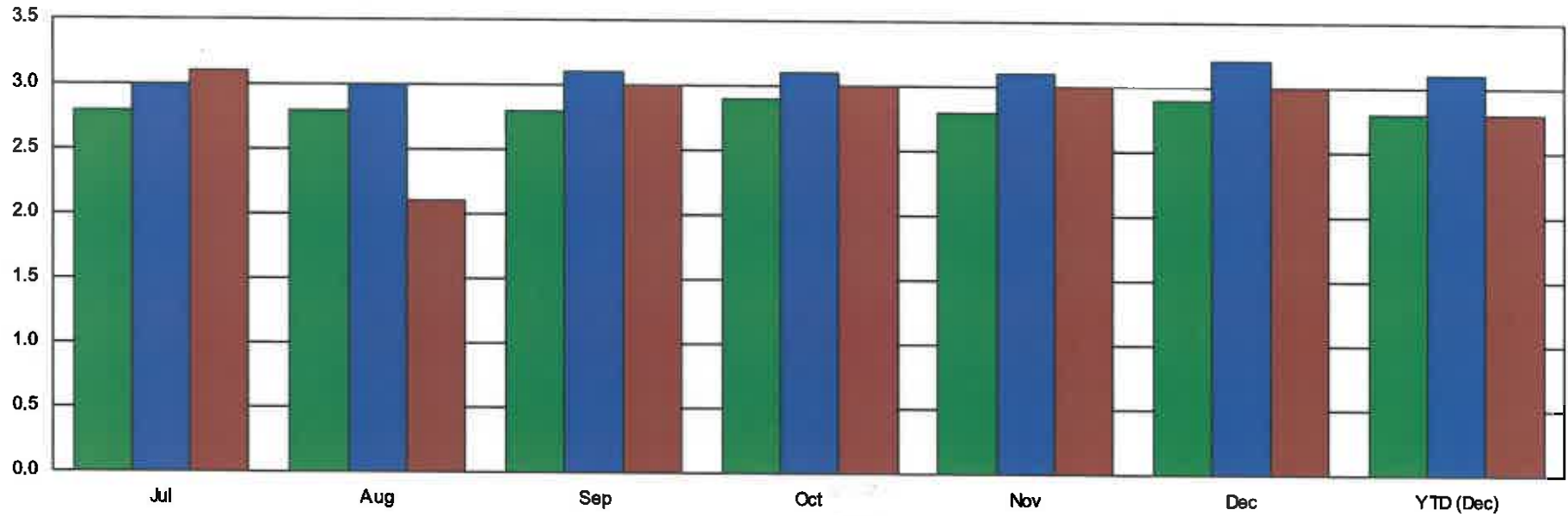
FY 2018 -- Monthly Performance Charts

Program - Community Transit
Year-To-Date through December
All Routes

Passengers Per Revenue Hour

Target: None

■ Two Years Prior ■ Prior Year ■ Current Year



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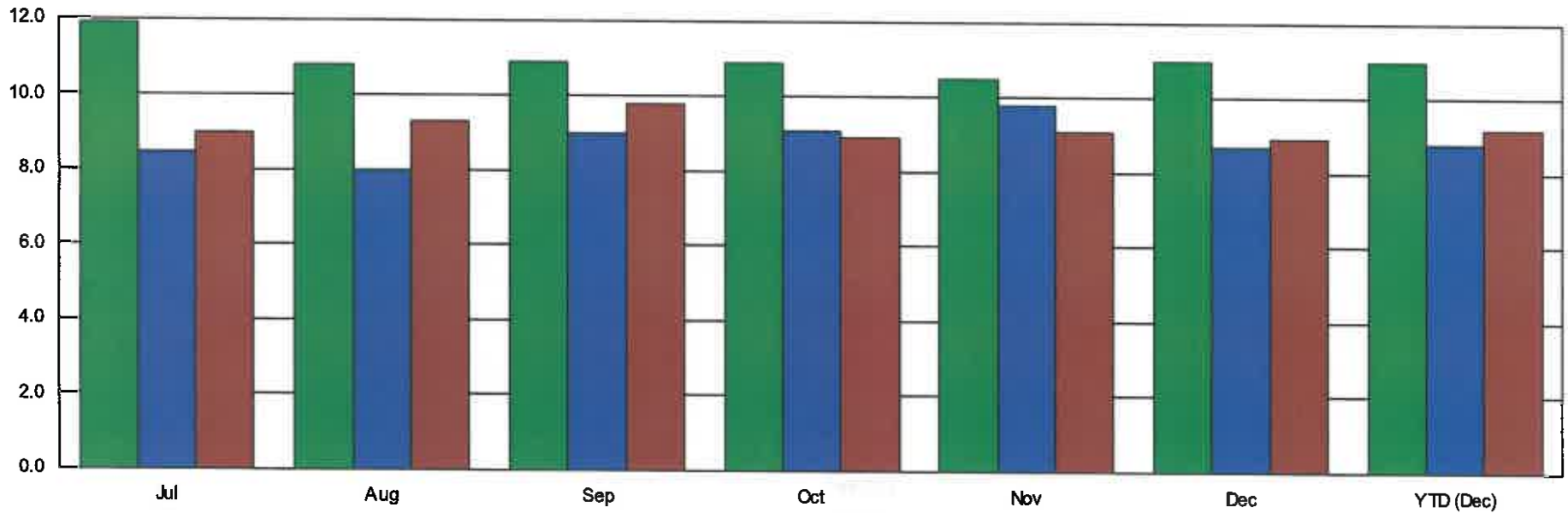
FY 2018 -- Monthly Performance Charts

Program - Intercity
Year-To-Date through December
All Routes

Passengers Per Revenue Hour

Target: None

■ Two Years Prior ■ Prior Year ■ Current Year





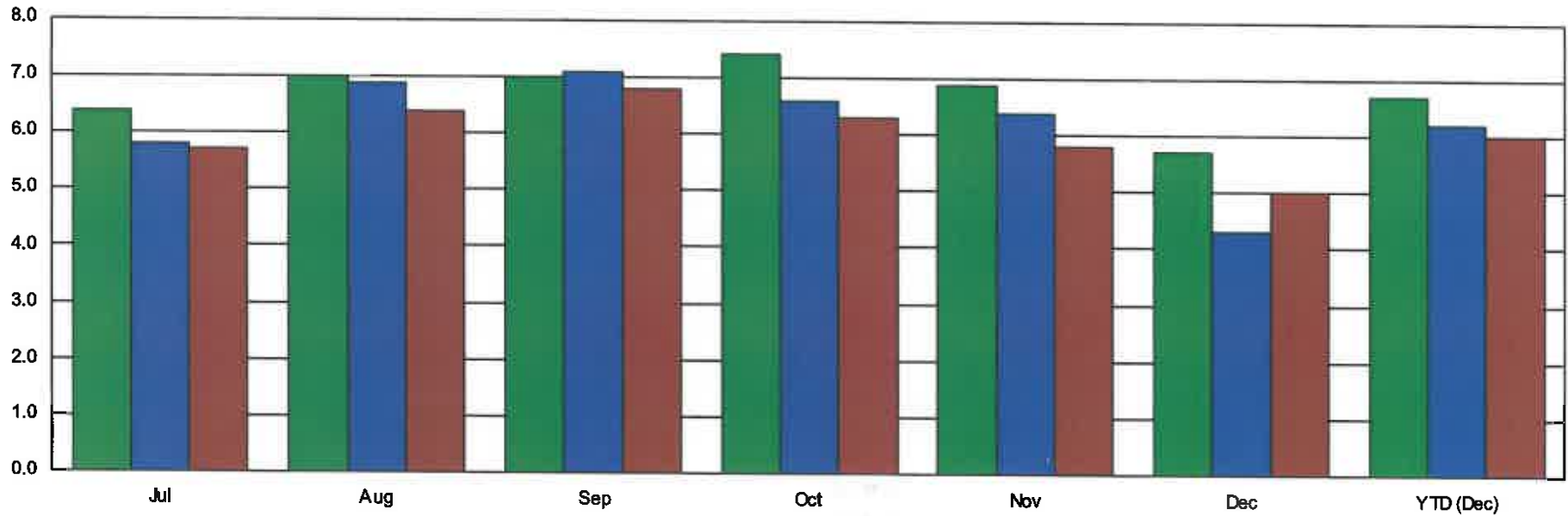
FY 2018 -- Monthly Performance Charts

Program - Commuter Bus
Year-To-Date through December
All Routes

Passengers Per Revenue Hour

Target: None

Two Years Prior Prior Year Current Year



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FY 2018 -- Monthly Performance Charts

Program - Barstow City Fixed Routes

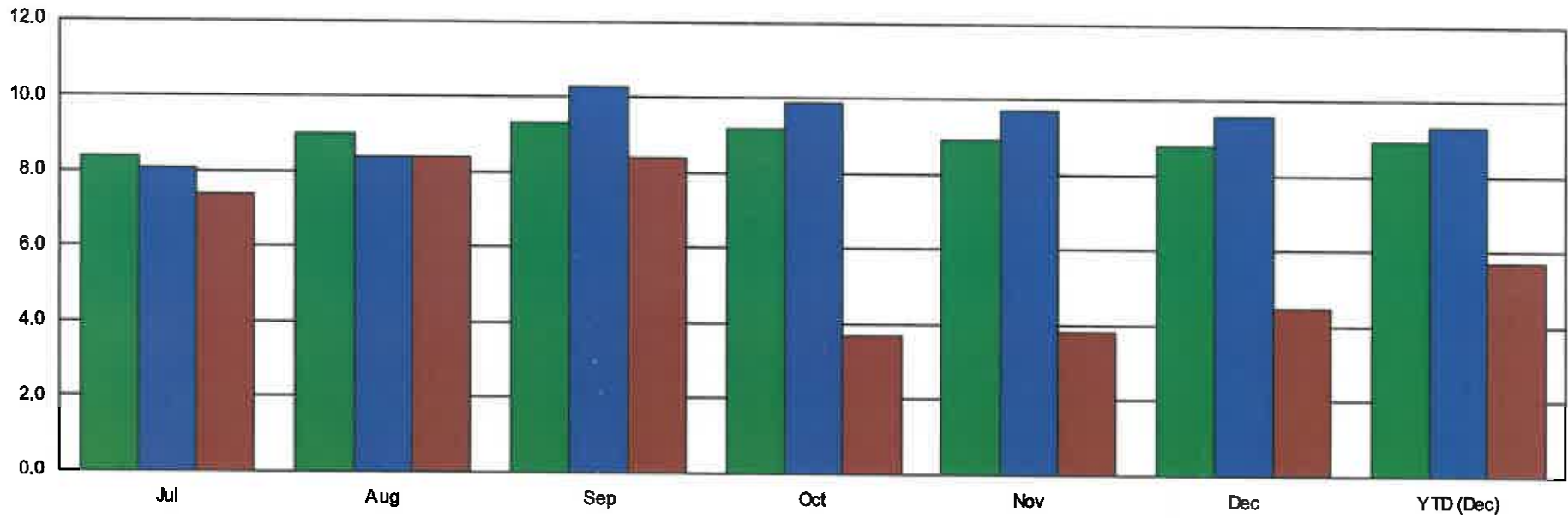
Year-To-Date through December

All Routes

Passengers Per Revenue Hour

Target: None

Two Years Prior Prior Year Current Year



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FY 2018 -- Monthly Performance Charts

Program - Barstow County Routes

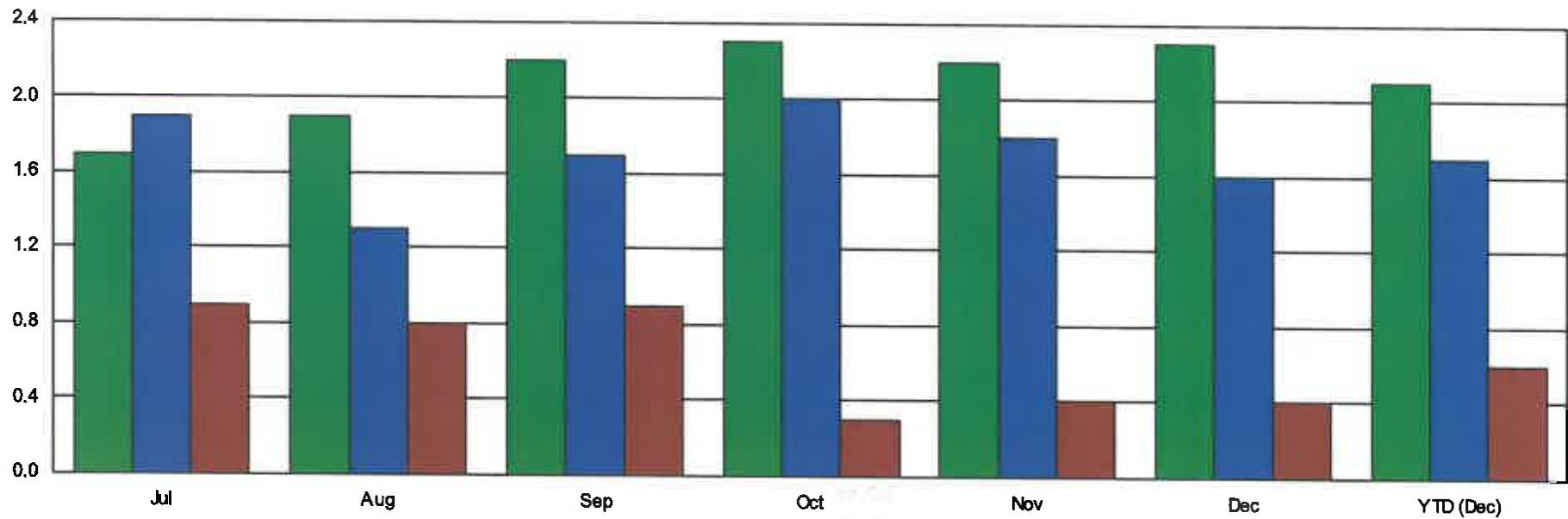
Year-To-Date through December

All Routes

Passengers Per Revenue Hour

Target: None

■ Two Years Prior ■ Prior Year ■ Current Year



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FY 2018 -- Monthly Performance Charts

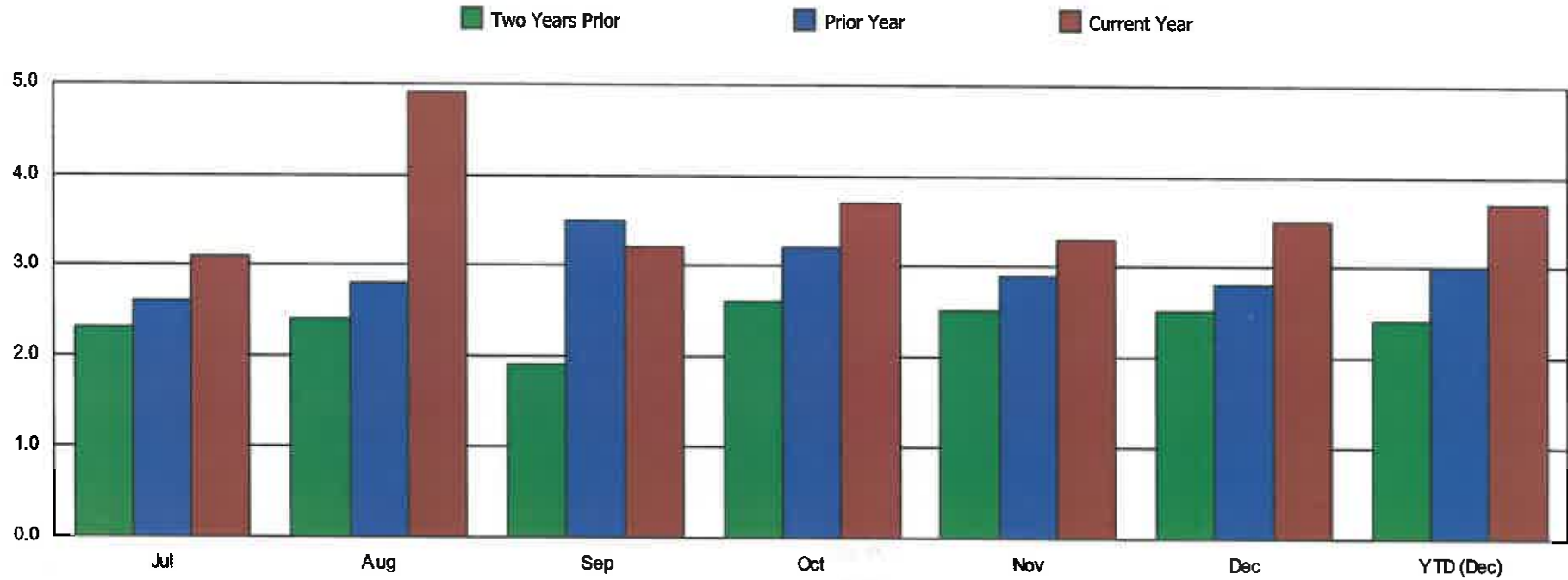
Program - Barstow Demand Response

Year-To-Date through December

All Routes

Passengers Per Revenue Hour

Target: None



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FY 2018 -- Monthly Performance Statistics
Systemwide Summary
All Routes

Performance Statistics for December

Level Item	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Reporting Route #:										
1	2,979	365.8	\$25,858	\$828	8.1	\$8.68	\$70.68	\$0.28	\$2.26	3.20%
2	1,454	366.8	\$25,960	\$404	4.0	\$17.85	\$70.77	\$0.28	\$1.10	1.56%
3	2,040	731.0	\$52,157	\$567	2.8	\$25.57	\$71.35	\$0.28	\$0.78	1.09%
6	1,677	367.6	\$26,098	\$466	4.6	\$15.56	\$71.00	\$0.28	\$1.27	1.79%
15	5,804	608.4	\$73,126	\$33,220	9.5	\$12.60	\$120.20	\$5.72	\$54.61	45.43%
21	1,284	829.2	\$82,477	\$1,679	1.5	\$64.23	\$99.47	\$1.31	\$2.02	2.04%
22	1,335	394.3	\$39,692	\$1,745	3.4	\$29.73	\$100.67	\$1.31	\$4.43	4.40%
23	1,108	431.6	\$43,639	\$1,449	2.6	\$39.39	\$101.11	\$1.31	\$3.36	3.32%
24	2,830	810.5	\$80,140	\$3,700	3.5	\$28.32	\$98.88	\$1.31	\$4.57	4.62%
28	113	377.4	\$26,285	\$1,162	0.3	\$232.61	\$69.65	\$10.28	\$3.08	4.42%
29	192	372.9	\$25,960	\$1,974	0.5	\$135.21	\$69.62	\$10.28	\$5.29	7.61%
31	9,087	586.6	\$62,418	\$8,417	15.5	\$6.87	\$106.40	\$0.93	\$14.35	13.49%
32	9,174	824.6	\$89,087	\$8,498	11.1	\$9.71	\$108.04	\$0.93	\$10.31	9.54%
33	3,359	395.2	\$43,768	\$3,111	8.5	\$13.03	\$110.76	\$0.93	\$7.87	7.11%
40	1,281	388.0	\$41,178	\$1,187	3.3	\$32.15	\$106.13	\$0.93	\$3.06	2.88%
41	13,180	1,169.9	\$121,716	\$12,209	11.3	\$9.23	\$104.04	\$0.93	\$10.44	10.03%
42	1,074	816.2	\$88,949	\$995	1.3	\$82.82	\$108.99	\$0.93	\$1.22	1.12%
43	6,750	528.7	\$57,420	\$6,253	12.8	\$8.51	\$108.60	\$0.93	\$11.83	10.89%
47	1,397	384.6	\$40,174	\$1,294	3.6	\$28.76	\$104.46	\$0.93	\$3.36	3.22%
50	9,488	820.6	\$85,990	\$8,789	11.6	\$9.06	\$104.79	\$0.93	\$10.71	10.22%
50X	788	100.1	\$10,639	\$730	7.9	\$13.50	\$106.30	\$0.93	\$7.29	6.86%
51	3,942	409.6	\$42,273	\$3,651	9.6	\$10.72	\$103.21	\$0.93	\$8.91	8.64%
52	9,132	955.3	\$98,881	\$8,459	9.6	\$10.83	\$103.51	\$0.93	\$8.85	8.55%
53	6,363	746.7	\$77,638	\$5,894	8.5	\$12.20	\$103.98	\$0.93	\$7.89	7.59%



FY 2018 -- Monthly Performance Statistics
Systemwide Summary
All Routes

Performance Statistics for December

Level Item	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
54	3,081	386.6	\$41,013	\$2,854	8.0	\$13.31	\$106.08	\$0.93	\$7.38	6.96%
55	4,995	412.6	\$43,247	\$4,627	12.1	\$8.66	\$104.82	\$0.93	\$11.21	10.70%
66	1,774	385.0	\$41,767	\$1,643	4.6	\$23.54	\$108.49	\$0.93	\$4.27	3.93%
68	6,322	820.4	\$87,489	\$5,856	7.7	\$13.84	\$106.64	\$0.93	\$7.14	6.69%
101	2,878	578.0	\$70,678	\$41,799	5.0	\$24.56	\$122.28	\$14.52	\$72.32	59.14%
200	28	45.3	\$439	\$160	0.6	\$15.67	\$9.70	\$5.72	\$3.54	36.52%
ADA	7,721	3,047.6	\$342,650	\$27,616	2.5	\$44.38	\$112.43	\$3.58	\$9.06	8.06%
DR - BAT	1,167	330.7	\$25,951	\$3,111	3.5	\$22.24	\$78.47	\$2.67	\$9.41	11.99%
SUB	4,588	1,037.9	\$118,008	\$16,410	4.4	\$25.72	\$113.70	\$3.58	\$15.81	13.91%
VP - Enter	21,003	4,029.5	\$66,180		5.2	\$3.15	\$16.42			
VP - VPSI	25,784	4,694.8	\$74,902		5.5	\$2.91	\$15.95			
Program:										
Barstow City Fixed Routes	8,150	1,831.3	\$130,073	\$2,266	4.5	\$15.96	\$71.03	\$0.28	\$1.24	1.74%
Barstow County Routes	305	750.3	\$52,245	\$3,136	0.4	\$171.30	\$69.63	\$10.28	\$4.18	6.00%
Barstow Demand Response	1,167	330.7	\$25,951	\$3,111	3.5	\$22.24	\$78.47	\$2.67	\$9.41	11.99%
Community Transit	12,309	4,085.5	\$460,659	\$44,026	3.0	\$37.42	\$112.75	\$3.58	\$10.78	9.56%
Commuter Bus	2,878	578.0	\$70,678	\$41,799	5.0	\$24.56	\$122.28	\$14.52	\$72.32	59.14%
County Routes	6,557	2,465.5	\$245,948	\$8,573	2.7	\$37.51	\$99.76	\$1.31	\$3.48	3.49%
Intercity	5,832	653.6	\$73,565	\$33,380	8.9	\$12.61	\$112.55	\$5.72	\$51.07	45.38%
Regional Routes	91,187	10,130.6	\$1,073,650	\$84,466	9.0	\$11.77	\$105.98	\$0.93	\$8.34	7.87%
Van Pools	46,787	8,724.3	\$141,082		5.4	\$3.02	\$16.17			
Mode:										
Bus (Motorbus)	112,031	15,831.3	\$1,575,481	\$131,822	7.1	\$14.06	\$99.52	\$1.18	\$8.33	8.37%
Commuter Bus	2,878	578.0	\$70,678	\$41,799	5.0	\$24.56	\$122.28	\$14.52	\$72.32	59.14%



FY 2018 -- Monthly Performance Statistics
Systemwide Summary
All Routes

Performance Statistics for December

Level Item	Passengers	Revenue Hours	Operating Costs	Passenger Revenue	Passengers Per Rev. Hour	Operating Cost Per Passenger	Operating Cost Per Rev. Hour	Passenger Revenue Per Passenger	Passenger Revenue Per Rev. Hour	Farebox Recovery Ratio
Demand Response	13,476	4,416.2	\$486,610	\$47,137	3.1	\$36.11	\$110.19	\$3.50	\$10.67	9.69%
Vanpool	46,787	8,724.3	\$141,082		5.4	\$3.02	\$16.17			
System Total:	175,172	29,549.8	\$2,273,851	\$220,757	5.9	\$12.98	\$76.95	\$1.26	\$7.47	9.71%

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Monthly Ridership Report

December, FY 2018

Total (All Day Types)

Service	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
Route Subtotals						
1	5,447	2,979	16.8	8.1	16.74%	3.20%
101	2,648	2,878	4.3	5.0	53.38%	59.14%
15	6,001	5,804	9.3	9.5	28.59%	45.43%
2	3,232	1,454	9.9	4.0	9.79%	1.56%
20	154		0.4		0.41%	
200	29	28	0.6	0.6	13.61%	36.52%
21	1,621	1,284	3.7	1.5	3.30%	2.04%
22	1,774	1,335	4.3	3.4	3.83%	4.40%
23	1,226	1,108	2.8	2.6	2.43%	3.32%
24	292	2,830	0.7	3.5	0.64%	4.62%
28	157	113	1.4	0.3	5.34%	4.42%
29	310	192	1.7	0.5	6.34%	7.61%
3	3,779	2,040	5.8	2.8	5.70%	1.09%
31	11,157	9,087	18.2	15.5	11.83%	13.49%
32	9,323	9,174	11.1	11.1	7.18%	9.54%
33	3,781	3,359	9.1	8.5	5.70%	7.11%
40	2,071	1,281	5.1	3.3	3.38%	2.88%
41	17,080	13,180	13.9	11.3	9.47%	10.03%
42		1,074		1.3		1.12%
43	7,753	6,750	14.1	12.8	9.00%	10.89%
44	5,578		6.6		4.41%	
47	1,602	1,397	4.0	3.6	2.69%	3.22%
48	4,403		8.9		6.04%	
50	10,925	9,488	14.1	11.6	9.39%	10.22%
50X	1,602	788	14.0	7.9	9.23%	6.86%
51	4,399	3,942	10.4	9.6	7.11%	8.64%
52	10,543	9,132	17.1	9.6	11.42%	8.55%
53	7,525	6,363	8.8	8.5	5.99%	7.59%
54	3,691	3,081	9.1	8.0	5.84%	6.96%
55	5,562	4,995	13.2	12.1	8.66%	10.70%
6		1,677		4.6		1.79%



Monthly Ridership Report

December, FY 2018

Total (All Day Types)

Service	Passengers		Passengers Per Revenue Hour		Farebox Recovery Ratio	
	Prior Year	Current Year	Prior Year	Current Year	Prior Year	Current Year
66	2,140	1,774	5.3	4.6	3.58%	3.93%
68		6,322		7.7		6.69%
ADA	9,208	7,721	2.8	2.5	8.21%	8.06%
DR - BAT	1,456	1,167	2.8	3.5	6.07%	11.99%
SUB	4,357	4,588	4.4	4.4	12.71%	13.91%
VP - Enter	15,049	21,003	5.3	5.2		
VP - VPSI	28,537	25,784	5.6	5.5		
Program Subtotals						
Barstow City Fixed Routes	12,458	8,150	9.6	4.5	9.45%	1.74%
Barstow County Routes	467	305	1.6	0.4	5.96%	6.00%
Barstow Demand Response	1,456	1,167	2.8	3.5	6.07%	11.99%
Community Transit	13,565	12,309	3.2	3.0	9.26%	9.56%
Commuter Bus	2,648	2,878	4.3	5.0	53.38%	59.14%
County Routes	5,067	6,557	2.5	2.7	2.21%	3.49%
Intercity	6,030	5,832	8.7	8.9	28.44%	45.38%
Regional Routes	109,135	91,187	11.1	9.0	7.39%	7.87%
Van Pools	43,586	46,787	5.5	5.4		
System Total	194,412	175,172	7.1	5.9	9.26%	9.71%



FY 2018 -- Program Statistics

Year-To-Date Through December

Regional Routes

All Routes

Operating Costs					
Target = \$9,440,103					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$715,929	\$786,675	\$781,116	(\$5,559)	(0.70%)
Aug	\$775,746	\$786,675	\$794,008	\$7,333	0.93%
Sep	\$744,842	\$786,675	\$791,918	\$5,243	0.66%
Oct	\$784,924	\$786,675	\$827,527	\$40,851	5.19%
Nov	\$723,247	\$786,675	\$738,704	(\$47,971)	(6.09%)
Dec	\$1,067,254	\$786,675	\$1,073,650	\$286,975	36.47%
YTD Total	\$4,811,942	\$4,720,052	\$5,006,923	\$286,872	6.07%

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FY 2018 -- Program Statistics

Year-To-Date Through December

County Routes

All Routes

Operating Costs					
Target = \$1,878,132					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$114,309	\$156,511	\$155,446	(\$1,065)	(0.68%)
Aug	\$122,181	\$156,511	\$148,888	(\$7,623)	(4.87%)
Sep	\$116,569	\$156,511	\$146,072	(\$10,439)	(6.66%)
Oct	\$131,141	\$156,511	\$181,545	\$25,034	15.99%
Nov	\$141,738	\$156,511	\$168,858	\$12,347	7.88%
Dec	\$211,182	\$156,511	\$245,948	\$89,437	57.14%
YTD Total	\$837,118	\$939,066	\$1,046,757	\$107,691	11.46%



FY 2018 -- Program Statistics

Year-To-Date Through December

Community Transit

All Routes

Operating Costs					
Target = \$4,943,141					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$370,326	\$411,928	\$379,628	(\$32,301)	(7.84%)
Aug	\$414,502	\$411,928	\$423,015	\$11,086	2.69%
Sep	\$411,644	\$411,928	\$404,312	(\$7,617)	(1.84%)
Oct	\$414,590	\$411,928	\$409,243	(\$2,685)	(0.65%)
Nov	\$370,485	\$411,928	\$366,806	(\$45,122)	(10.95%)
Dec	\$492,021	\$411,928	\$460,659	\$48,730	11.82%
YTD Total	\$2,473,567	\$2,471,571	\$2,443,662	(\$27,908)	(1.12%)

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FY 2018 -- Program Statistics

Year-To-Date Through December

Intercity

All Routes

Operating Costs					
Target = \$749,516					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$48,321	\$62,460	\$56,368	(\$6,092)	(9.75%)
Aug	\$53,859	\$62,460	\$54,904	(\$7,555)	(12.09%)
Sep	\$51,924	\$62,460	\$54,970	(\$7,490)	(11.99%)
Oct	\$55,594	\$62,460	\$54,601	(\$7,859)	(12.58%)
Nov	\$49,611	\$62,460	\$51,212	(\$11,248)	(18.00%)
Dec	\$73,373	\$62,460	\$73,565	\$11,105	17.77%
YTD Total	\$332,682	\$374,758	\$345,620	(\$29,138)	(7.77%)



FY 2018 -- Program Statistics

Year-To-Date Through December

Commuter Bus

All Routes

Operating Costs					
Target = \$705,266					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$58,058	\$45,833	\$53,649	\$7,816	17.05%
Aug	\$67,358	\$45,833	\$59,766	\$13,933	30.39%
Sep	\$57,937	\$45,833	\$54,720	\$8,887	19.38%
Oct	\$58,285	\$45,833	\$56,925	\$11,092	24.19%
Nov	\$58,242	\$45,833	\$55,672	\$9,839	21.46%
Dec	\$78,890	\$45,833	\$70,678	\$24,845	54.20%
YTD Total	\$378,771	\$274,998	\$351,410	\$76,412	27.78%



FY 2018 -- Program Statistics

Year-To-Date Through December

Barstow City Fixed Routes

All Routes

Operating Costs					
Target = \$1,752,575					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$89,798	\$146,048	\$95,364	(\$50,684)	(34.70%)
Aug	\$97,900	\$146,048	\$91,343	(\$54,705)	(37.45%)
Sep	\$90,996	\$146,048	\$89,961	(\$56,087)	(38.40%)
Oct	\$92,456	\$146,048	\$132,181	(\$13,867)	(9.49%)
Nov	\$88,010	\$146,048	\$125,498	(\$20,550)	(14.07%)
Dec	\$95,030	\$146,048	\$130,073	(\$15,975)	(10.93%)
YTD Total	\$554,190	\$876,288	\$664,420	(\$211,868)	(24.17%)



FY 2018 -- Program Statistics

Year-To-Date Through December

Barstow County Routes

All Routes

Operating Costs					
Target = \$701,443					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$24,928	\$58,454	\$34,406	(\$24,048)	(41.13%)
Aug	\$35,444	\$58,454	\$39,050	(\$19,403)	(33.19%)
Sep	\$31,876	\$58,454	\$37,256	(\$21,197)	(36.26%)
Oct	\$23,841	\$58,454	\$53,749	(\$4,704)	(8.04%)
Nov	\$22,448	\$58,454	\$50,421	(\$8,032)	(13.74%)
Dec	\$24,179	\$58,454	\$52,245	(\$6,208)	(10.62%)
YTD Total	\$162,716	\$350,721	\$267,129	(\$83,593)	(23.83%)

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FY 2018 -- Program Statistics

Year-To-Date Through December

Barstow Demand Response

All Routes

Operating Costs					
Target = \$608,847					
Month	FY 2017 Actual Costs	FY 2018 Budget Costs	FY 2018 Actual Costs	Budget Variance	% Variance
Jul	\$42,273	\$50,737	\$41,106	(\$9,631)	(18.98%)
Aug	\$41,387	\$50,737	\$38,807	(\$11,930)	(23.51%)
Sep	\$46,122	\$50,737	\$32,373	(\$18,364)	(36.19%)
Oct	\$53,317	\$50,737	\$29,794	(\$20,943)	(41.27%)
Nov	\$46,934	\$50,737	\$27,360	(\$23,378)	(46.07%)
Dec	\$43,563	\$50,737	\$25,951	(\$24,786)	(48.85%)
YTD Total	\$273,596	\$304,424	\$195,391	(\$109,033)	(35.81%)



FY 2018 -- Program Statistics

Year-To-Date Through December

Regional Routes

All Routes

Passenger Revenue Target = \$1,350,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$84,121	\$112,500	\$72,952	(\$39,548)	(35.15%)
Aug	\$129,998	\$112,500	\$87,423	(\$25,077)	(22.29%)
Sep	\$121,169	\$112,500	\$98,721	(\$13,779)	(12.24%)
Oct	\$86,374	\$112,500	\$84,355	(\$28,145)	(25.01%)
Nov	\$152,678	\$112,500	\$162,660	\$50,160	44.58%
Dec	\$78,827	\$112,500	\$84,466	(\$28,034)	(24.91%)
YTD Total	\$653,168	\$675,000	\$590,578	(\$84,422)	(12.50%)

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FY 2018 -- Program Statistics

Year-To-Date Through December

County Routes

All Routes

Passenger Revenue					
Target = \$160,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$5,637	\$13,333	\$7,579	(\$5,755)	(43.16%)
Aug	\$13,667	\$13,333	\$47,584	\$34,251	256.88%
Sep	\$8,594	\$13,333	\$6,380	(\$6,953)	(52.14%)
Oct	\$43,812	\$13,333	\$10,503	(\$2,830)	(21.22%)
Nov	\$14,500	\$13,333	\$7,159	(\$6,174)	(46.30%)
Dec	\$4,676	\$13,333	\$8,573	(\$4,760)	(35.70%)
YTD Total	\$90,884	\$80,000	\$87,778	\$7,778	9.72%

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FY 2018 -- Program Statistics

Year-To-Date Through December

Community Transit

All Routes

Passenger Revenue					
Target = \$555,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$42,533	\$46,250	\$41,113	(\$5,137)	(11.10%)
Aug	\$43,101	\$46,250	\$43,072	(\$3,178)	(6.87%)
Sep	\$44,709	\$46,250	\$48,824	\$2,574	5.56%
Oct	\$38,492	\$46,250	\$46,592	\$342	0.73%
Nov	\$44,870	\$46,250	\$41,087	(\$5,163)	(11.16%)
Dec	\$45,565	\$46,250	\$44,026	(\$2,224)	(4.80%)
YTD Total	\$259,270	\$277,500	\$264,713	(\$12,787)	(4.60%)

55



FY 2018 -- Program Statistics

Year-To-Date Through December

Intercity

All Routes

Passenger Revenue					
Target = \$327,150					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$20,004	\$27,263	\$22,440	(\$4,823)	(17.68%)
Aug	\$21,925	\$27,263	\$20,874	(\$6,389)	(23.43%)
Sep	\$21,269	\$27,263	\$24,229	(\$3,033)	(11.12%)
Oct	\$21,454	\$27,263	\$27,693	\$430	1.57%
Nov	\$58,414	\$27,263	\$22,060	(\$5,202)	(19.08%)
Dec	\$20,868	\$27,263	\$33,380	\$6,118	22.44%
YTD Total	\$163,934	\$163,575	\$150,677	(\$12,898)	(7.88%)



FY 2018 -- Program Statistics

Year-To-Date Through December

Commuter Bus

All Routes

Passenger Revenue Target = \$550,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$27,866	\$45,833	\$35,094	(\$10,739)	(23.43%)
Aug	\$48,909	\$45,833	\$37,138	(\$8,695)	(18.97%)
Sep	\$34,928	\$45,833	\$29,978	(\$15,856)	(34.59%)
Oct	\$37,308	\$45,833	\$38,785	(\$7,049)	(15.37%)
Nov	\$43,715	\$45,833	\$34,706	(\$11,128)	(24.27%)
Dec	\$42,114	\$45,833	\$41,799	(\$4,035)	(8.80%)
YTD Total	\$234,841	\$275,000	\$217,499	(\$57,501)	(20.90%)

57



FY 2018 -- Program Statistics

Year-To-Date Through December

Barstow City Fixed Routes

All Routes

Passenger Revenue					
Target = \$150,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$5,722	\$12,500	\$13,011	\$511	4.08%
Aug	\$9,217	\$12,500	\$29,667	\$17,167	137.33%
Sep	\$6,597	\$12,500	\$10,298	(\$2,202)	(17.61%)
Oct	\$20,137	\$12,500	\$9,624	(\$2,876)	(23.00%)
Nov	\$15,974	\$12,500	\$6,798	(\$5,702)	(45.61%)
Dec	\$8,983	\$12,500	\$2,266	(\$10,234)	(81.87%)
YTD Total	\$66,630	\$75,000	\$71,664	(\$3,336)	(4.44%)

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FY 2018 -- Program Statistics

Year-To-Date Through December

Barstow County Routes

All Routes

Passenger Revenue					
Target = \$25,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$598	\$2,083	\$583	(\$1,500)	(72.01%)
Aug	\$1,445	\$2,083	\$1,075	(\$1,009)	(48.41%)
Sep	\$1,955	\$2,083	\$1,041	(\$1,042)	(50.03%)
Oct	\$1,656	\$2,083	\$3,004	\$921	44.21%
Nov	\$1,635	\$2,083	\$2,379	\$296	14.21%
Dec	\$1,442	\$2,083	\$3,136	\$1,053	50.55%
YTD Total	\$8,732	\$12,500	\$11,219	(\$1,281)	(10.24%)

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FY 2018 -- Program Statistics

Year-To-Date Through December

Barstow Demand Response

All Routes

Passenger Revenue					
Target = \$29,000					
Month	FY 2017 Actual Revenue	FY 2018 Budget Revenue	FY 2018 Actual Revenue	Budget Variance	% Variance
Jul	\$2,335	\$2,417	\$2,797	\$380	15.71%
Aug	\$2,248	\$2,417	\$3,215	\$798	33.01%
Sep	\$2,574	\$2,417	\$709	(\$1,707)	(70.64%)
Oct	\$1,872	\$2,417	\$727	(\$1,689)	(69.90%)
Nov	\$2,533	\$2,417	\$4,256	\$1,839	76.11%
Dec	\$2,644	\$2,417	\$3,111	\$694	28.72%
YTD Total	\$14,206	\$14,500	\$14,815	\$315	2.16%

Victor Valley Transit Authority

NTC-FT. IRWIN (REVENUES & EXPENSES)

	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>	<u>2018</u>						<u>Project to</u>	<u>Avg</u>
							<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>Date Totals</u>	<u>(monthly)</u>
Cash Fares	\$ 357	\$ 375	\$ 803	\$ 532	\$ 426	\$ 584							\$ 3,077	\$ 512.82
Prepaid Fares	\$ 34,738	\$ 36,763	\$ 29,175	\$ 38,253	\$ 34,280	\$ 41,215							\$ 214,423	\$ 35,737.08
Base Shuttle Subsidy	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000							\$ 24,000	\$ 4,000.00
Total Revenue	\$ 39,094	\$ 41,138	\$ 33,978	\$ 42,785	\$ 38,706	\$ 45,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,499	\$ 40,250
Operations Exp	\$ 38,319	\$ 43,893	\$ 38,259	\$ 42,593	\$ 40,994	\$ 39,036							\$ 243,095	\$ 40,515.85
Fuel Exp	\$ 4,745	\$ 8,760	\$ 6,458	\$ 6,316	\$ 6,624	\$ 8,254							\$ 41,158	\$ 6,859.69
Bank Fees	\$ 1,303	\$ 1,155	\$ 1,257	\$ 1,330	\$ 1,411	\$ 1,370							\$ 7,826	\$ 1,304.38
Other Exp	\$ 273	\$ 460	\$ 751	\$ 470	\$ 473	\$ 473							\$ 2,900	\$ 483.36
Total Expense	\$ 44,640	\$ 54,268	\$ 46,726	\$ 50,709	\$ 49,503	\$ 49,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,980	\$ 49,163
Net Activity	\$ (5,545)	\$ (13,130)	\$ (12,748)	\$ (7,925)	\$ (10,797)	\$ (3,335)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (53,480)	\$ (8,913.38)
Income/Expense Ratio	88%	76%	73%	84%	78%	93%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	82%	82%

Victor Valley Transit Authority Monthly Report of Complaints

Fiscal Year 2017/2018

Dec-17	<u>SERVICE RELATED COMPLAINTS</u>						<u>DRIVER/DISPATCH RELATED COMPLAINTS</u>						<u>TOTAL COMPLAINTS</u>	
	<u>TIME</u>		<u>ROUTE</u>	<u>VEHICLE</u>				<u>UNSAFE</u>	<u>FAILURE TO</u>				<u>CURRENT</u>	<u>YEAR</u>
	<u>FAST</u>	<u>SLOW</u>	<u>DESIGN</u>	<u>CONDITION</u>	<u>FARES</u>				<u>MISC.</u>	<u>DISCOURTEOUS</u>	<u>OPERATING</u>	<u>PICKUP</u>		
Regional Fixed Route														
1							1						1	1
2													0	1
3													0	0
6 Barstow College													0	4
15/15A										1			1	1
101								1					1	6
24													0	1
31													0	2
32	1						1						2	2
33		1								1			2	3
40						1							1	2
41							1						1	2
42													0	1
43										1			1	2
44													0	0
45/45X													0	0
46													0	1
47													0	0
48													0	0
50/50X													0	3
51													0	2
52													0	0
53													0	2
54													0	0
55													0	0
66													1	2
68		1											0	0
TOTAL REGIONAL FIXED RT	1	2	0	0	0	1	2	1	3	0	0	0	11	38
County Routes														
4 Barstow County													0	0
5 Barstow County													0	0
20 Tri-Comm Deviation.													0	0
21 Tri-Comm.	1					1							2	2
22 Helendale													0	1
23 Lucerne Valley													0	0
28 Hinkley/Helendale													0	0
29 Yermo/Newberry Springs													0	0
TOTAL COMMUNITY ROUTES	1	0	0	0	0	1	0	0	0	0	0	0	2	3
ADA Paratransit														
Direct Access													0	2
Subscription													0	0
TOTAL ADA PARATRANSIT	0	0	0	0	0	0	0	0	0	0	0	0	0	2



Commendations!

Month of December 2017

Passenger riding on Route 15 expressed great appreciation for Spencer Knowles for his professionalism during a medical emergency; Mr. Knowles' actions kept all the passengers calm and safe.

Barstow passenger commended driver Vernon Cooper for always being polite, caring and professional with his passengers; passenger stated he is a joy to have as a driver.

**LIFT DEPLOYMENT REPORT
FY 17-18**

Route #	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD TOTAL
101	9	17	15	8	11	13							73
15	16	17	18	17	26	21							115
20	0	2	0	0	0	0							2
21	0	3	4	14	4	1							26
22	11	2	9	12	4	2							40
23	8	11	0	3	3	1							26
24	7	7	2	23	23	24							86
31	150	154	124	151	119	137							835
32	49	50	93	169	73	56							490
33	18	13	17	30	24	19							121
40	9	6	3	4	3	10							35
41	113	156	160	128	149	90							796
42	0	0	0	0	4	2							6
43	44	96	102	62	79	73							456
44	27	43	68	0	0	0							138
45	48	66	71	0	0	0							184
46	3	0	4	0	0	0							7
47	31	27	15	24	13	30							140
48	15	14	6	0	0	0							35
50	0	0	0	78	80	62							
51	30	39	26	38	29	26							188
52	35	25	66	43	61	68							298
53	20	39	58	43	41	29							230
54	19	17	4	11	22	26							99
55	42	99	64	75	29	44							353
66	0	0	0	0	13	2							15
68	0	0	0	46	25	36							107
TOTAL, CURRENT	679	866	896	908	760	700	0	0	0	0	0	0	4901
TOTAL, LAST YEAR	1035	1117	1080	947	812	762							5753

There were 0 wheel chair pass ups in the month of December, 2017.

Prepared by: Debi Lorrach

LIFT DEPLOYMENT REPORT - BARSTOW
FY 17-18

Route #	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD TOTAL
1	215	170	185	132	143	155							1000
2	56	114	108	83	62	83							506
3	96	131	110	97	104	89							627
4	1	6	13	0	0	0							20
5	4	0	1	0	0	0							5
6	0	0	0	76	40	37							153
28	0	0	0	22	20	13							55
29	0	0	0	7	0	0							7
TOTAL, CURRENT	372	421	417	417	369	377	0	0	0	0	0	0	2373
TOTAL, LAST YEAR	268	183	178	275	227	198							1329

There were 0 wheel chair pass ups in December, 2017.

Prepared by: Debi Lorrh

BIKE RACK REPORT
FY 17-18

Route #	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD TOTAL
101	11	14	19	30	22	15							111
15	79	148	147	90	131	108							703
20	5	15	26	0	0	0							46
21	26	66	82	64	93	83							414
22	18	38	61	38	82	26							263
23	18	31	49	52	15	10							175
24	51	74	44	118	93	129							509
31	310	321	298	294	319	286							1828
32	139	201	120	129	120	103							812
33	76	78	97	108	80	99							538
40	11	23	23	41	13	80							171
41	456	497	430	318	406	374							2481
42	0	0	0	16	60	28							104
43	285	352	279	216	310	220							1862
44	76	116	108	0	0	0							300
45	340	226	264	0	0	0							830
46	34	39	24	0	0	0							97
47	17	34	22	23	15	9							120
48	109	98	116	0	0	0							322
50	0	0	0	191	178	148							517
51	76	52	68	99	87	66							448
52	131	153	129	151	175	230							969
53	106	165	123	156	220	161							931
54	44	59	52	89	44	49							337
55	103	156	162	132	135	148							836
66	0	0	0	1	22	11							34
68	0	0	0	82	52	148							282
TOTAL, CURRENT	2,426	2,779	2,551	2,318	2,519	2,388	0	0	0	0	0	0	15,840
TOTAL, LAST YEAR	2,641	2,883	2,792	2,646	2,435	2,236							15,633

There were no pass-ups in the month of December, 2017.

Prepared By: Debi Lorrach

BIKE RACK - BARSTOW
FY 17-18

Route #	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YTD TOTAL
1	44	63	52	20	29	29							237
2	8	17	7	3	1	3							39
3	53	57	48	42	40	69							309
4	1	3	0	0	0	0							4
5	2	4	7	0	0	0							13
6	0	0	0	13	18	34							65
28	0	0	0	0	0	2							2
29	0	0	0	9	7	6							22
TOTAL, CURRENT	108	144	114	87	95	143	0	0	0	0	0	0	691
TOTAL, LAST YEAR	140	113	120	165	160	156							854

There were 0 bicycle pass ups in December, 2017.

Prepared by: Debi Lorrach



Transdev Transportation Services, Inc. 17000 Highway 101, Suite 200, San Diego, CA 92128

For the Month of December 2017

ADA PARATRANSIT ON TIME PERFORMANCE

Dec-17

Rides Sampled	More Than 10 Minutes Before	More Than 30 Minutes After	TOTAL	% On Time
13613	0	31	13582	99.77%

FIXED ROUTE ON TIME PERFORMANCE

Dec-17

Rides Sampled	Early	>5 Late	TOTAL	% On Time
365	0	26	339	92.88%

COUNTY ROUTE ON TIME PERFORMANCE

Dec-17

Rides Sampled	Early	>5 Late	TOTAL	% On Time
29	0	2	27	93.10%

BV Link ROUTE 15 ON TIME PERFORMANCE

Dec-17

Rides Sampled	Early	>5 Late	TOTAL	% On Time
1775	0	190	1585	89.30%

FT. IRWIN ROUTE ON TIME PERFORMANCE

Dec-17

Rides Sampled	Early	>5 Late	TOTAL	% On Time
2900	0	154	2746	94.69%

DECEMBER 2017
Major and Non-Major
Miles between road calls - VVTA and Barstow

	Total Miles	Road Calls	Miles Between Road Calls
Demand Response	46,787	4	11,697
Commuter Bus	20,840	0	20,840
Motor Bus	112,031	31	3,614
Total System	179,658	35	36,151

VICTOR VALLEY TRANSIT
Policy Year Summary

Print Date: 01/31/2018
Page 1

Policy Year	Claim Count			Reserves			Payments			Total Incurred		
	Open	Closed	Total	Indemnity	Expenses	Total	Indemnity	Expenses	Total	Indemnity	Expenses	Total
FY1998	0	7	7	0	0	0	9,207	21,571	30,778	9,207	21,571	30,778
FY1999	0	3	3	0	0	0	0	0	0	0	0	0
FY2000	0	3	3	0	0	0	965	0	965	965	0	965
FY2001	0	4	4	0	0	0	0	0	0	0	0	0
FY2001NC	0	1	1	0	0	0	0	0	0	0	0	0
FY2002	0	7	7	0	0	0	0	0	0	0	0	0
FY2003	0	1	1	0	0	0	0	0	0	0	0	0
FY2004	0	3	3	0	0	0	0	0	0	0	0	0
FY2005	0	2	2	0	0	0	0	0	0	0	0	0
FY2006	0	3	3	0	0	0	0	0	0	0	0	0
FY2007	0	3	3	0	0	0	0	0	0	0	0	0
FY2008	0	2	2	0	0	0	0	0	0	0	0	0
FY2009	0	1	1	0	0	0	0	0	0	0	0	0
FY2010	0	1	1	0	0	0	0	0	0	0	0	0
FY2012	0	2	2	0	0	0	0	0	0	0	0	0
FY2013	0	3	3	0	0	0	0	0	0	0	0	0
FY2014	1	4	5	0	0	0	0	19,206	19,206	0	19,206	19,206
FY2015	0	4	4	0	0	0	0	0	0	0	0	0
FY2016	1	6	7	0	0	0	2,991	0	2,991	2,991	0	2,991
FY2017	7	1	8	0	0	0	0	0	0	0	0	0
FY2018	1	0	1	0	0	0	0	0	0	0	0	0
Totals:	10	61	71	0	0	0	13,164	40,777	53,941	13,164	40,777	53,941

Veterans Ridership Detail

FY 17	Used Veteran's 1 Day County (TTP 1)	Issued Veteran's 1 Day (TTP 33)	Cash Veteran's Regular (TTP 36)	Used Veteran's 31 Day Regular (TTP 41)	Used Veteran's 31 Day County (TTP 47)	Total Boardings
July 2016	-	1	10	49	-	60
August 2016	-	2	5	69	-	76
September 2016	-	3	11	32	-	46
October 2016	-	4	19	7	-	30
November 2016	-	8	11	15	9	43
December 2016	-	7	4	32	11	54
January 2017						
February 2017						
March 2017						
April 2017						
May 2017						
June 2017						
Total	-	25	60	204	20	309

FY 18	Used Veteran's 1 Day County (TTP 1)	Issued Veteran's 1 Day (TTP 33)	Cash Veteran's Regular (TTP 36)	Used Veteran's 31 Day Regular (TTP 41)	Used Veteran's 31 Day County (TTP 47)	Total Boardings
July 2017	7	4	15	-	116	142
August 2017	73	4	20	-	10	107
September 2017	47	6	16	-	64	133
October 2017	38	2	14	-	-	54
November 2017	23	4	14	-	-	41
December 2017	32	2	11	-	-	45
January 2018						-
February 2018						-
March 2018						-
April 2018						-
May 2018						-
June 2018						-
Total	220	22	90	-	190	522

CTSA METRICS REPORT

FY18 2ND QUARTER PROGRAM MEASUREMENTS: OCTOBER TO DECEMBER 2017

VICTOR VALLEY TRANSIT AUTHORITY

February 21st, 2018

Presented by: CTSA Director, Aaron Moore

TASK	Projects or Strategies	Goal(s) to which this is responsive	Measures	Partner Agencies
1	Travel Training	CUSTOMER EDUCATION MANAGE ADA GROWTH INCREASED TRIP-MAKING	VVTA service area 349 travel training contacts this quarter 53 individuals trained 423 passes have been issued 1,481 trips completed Cost of TT Trips: \$10,381.81 Cost of trips on Direct Access: \$40,771.93 Savings garnered by TT program: \$30,390.12 (56% cost savings)	VVTA
2	High Desert TRIP Mileage Reimbursement	INCREASED TRIP-MAKING	88 persons enrolled 10 new enrollment 49 new referrals 4,832 trips completed 123,706 miles reported	VVTA
3	Transit Ambassador Program	CUSTOMER EDUCATION INCREASED TRIP-MAKING	5 Transit Ambassadors 2 New Transit Ambassadors 15 New applicants 119 Reported instances of TA assistance provided	
4	Rural Agency Technical Assistance	INCREASED TRIP-MAKING CAPACITY BUILDING	2 agencies	Trona Big River
5	Driver Training	MANAGE ADA GROWTH CAPACITY BUILDING SERVICE QUALITY	7 participating agencies 2 "new" participating agencies 0 complaints 3 outreach presentations	VVTA and its contractor; Human Service agency partners

TASK	Projects or Strategies	Goal(s) to which this is responsive	Measures	Partner Agencies
6	FTA Grantee Subrecipients support <ul style="list-style-type: none"> - New Freedom grantees (VVTA as direct recipient) - 5310 grantees (Caltrans as direct recipient) Local Grant Assistance <ul style="list-style-type: none"> - CDBG Application Review - Other local funding sources 	MANAGE ADA GROWTH CAPACITY BUILDING NEW FUNDING TRANSIT OPERATIONS TOOLS	1 grant applications with Technical Assistance (TA) provided 1 applied for by partner agencies 0 grant secured – notice of award pending 0 subrecipient grant agreements this cycle 4 funding source opportunities communicated 1 of TA sessions: <ul style="list-style-type: none"> - Assisted VVC Foundation with transportation components related to its AV CDBG application 	Orenda, VV Family Resource Center, Foothill Aids Program, Victor Valley Senior Services Council, The Church for Whosoever, Life Church, Abundant Living Church
7	Retired Vehicle Program/ Retired Vehicle Maintenance Program	MANAGE ADA GROWTH CAPACITY BUILDING NEW FUNDING	7 agencies currently participating 11 new agencies willing/ interested 2 vehicles donated (awaiting the availability of vehicles for donation).	Orenda, VV Family Resource Center, Foothill Aids Program, Victor Valley Senior Services Council, The Church for Whosoever, Life Church, Abundant Living Church
8	Subrecipient reporting – Provider reporting	CUSTOMER EDUCATION TRANSIT OPERATIONS TOOLS SERVICE QUALITY	5 agencies currently reporting 2,142 trips 5 vehicles	Orenda, VV Family Resource Center, Foothill Aids Program, Victor Valley Senior Services Council, The Church for Whosoever
9	Resource database – Insurance	CAPACITY BUILDING	7 agencies referred Possible assistance in brokering insurance	Orenda, VV Family Resource Center, Foothill Aids Program, Victor Valley Senior Services Council, The Church for Whosoever, Life Church, Abundant Living Church

TASK	Projects or Strategies	Goal(s) to which this is responsive	Measures	Partner Agencies
10	LCTOP – Fare Media Scholarship Program	CUSTOMER EDUCATION INCREASED TRIP-MAKING CAPACITY BUILDING	16 agencies \$11,287 in passes distributed to agencies which service low-income individuals, and low-income seniors and disabled individuals. 1,159 day passes distributed by partner agencies 6803 trips completed	Desert Mountain Region United Way (with 13 sub-recipient agencies), High Desert Homeless Services, Desert Mountain Children's Center, Apple Valley Wound Care Center
11	Travel Training Bus	CUSTOMER EDUCATION TRANSIT OPERATIONS TOOLS SERVICE QUALITY	# of schools/agencies participating: 3 # of training sessions completed: 2 # of individuals trained: 59	D/M SELPA, Hesperia High School, Victorville High School District, Apple Valley Unified School District
12	Victor Valley College Bus Pass Program	CUSTOMER EDUCATION INCREASED TRIP-MAKING CAPACITY BUILDING	# on campus marketing events: 2 # of verified student contacts: 364 # of student trips: 102,273 # of student trips FY 17: 98,680 % increase/decrease over prior FY: +4% # future marketing events planned: 3	VVTA and VVC
13	VVTA/VVC Internship Program	AGENCY CAPACITY BUILDING COMMUNITY SUPPORT	# of interns trained and utilized 3 # of projects completed with intern assistance: 5 # of new intern applications received: 2	VVTA and VVC

TASK	Projects or Strategies	Goal(s) to which this is responsive	Measures	Partner Agencies
14	VetLink Coordination	CUSTOMER EDUCATION INCREASED TRP-MAKING CAPACITY BUILDING	# of VVTA/ North Desert providers in VetLink # of "hits" on VetLink from service area # of places where VetLink is described and promoted	VetLink /211
15	Customer service surveys – Provider reporting	CUSTOMER EDUCATION TRANSIT OPERATIONS TOOLS SERVICE QUALITY	# survey efforts conducted Agency reports (subrecipients)	VVTA Subrecipients
16	Subrecipient reporting – Provider reporting	TRANSIT OPERATIONS TOOLS	# of agencies # of trips # of vehicles	VVTA Subrecipients
17	Brokerage/ dispatch capability (planning)	MANAGE ADA GROWTH INCREASED TRIP-MAKING NEW FUNDING	\$ secured # resources identified # of partners identified	VVTA and partner agencies
18	Grant technical assistance, grant writing	NEW FUNDING	# of grant sources identified # of technical assistance sessions # of	

**AGENDA ITEM
FIVE**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Amend the VVTA Fiscal Year 2017-18 Annual Operating and Capital Budget, Short Range Transit Plan and TDA Claim to Include the Awarded Transit Stop Access Improvement Project and Funding.

SUMMARY STATEMENT

In July of 2017, SBCTA released a call for projects for Transportation Development Act – Article 3 Transit Stop Access Improvement Projects. In October, VVTA was notified of an awarded project within the City of Hesperia. This project would slightly relocate and greatly improve an existing bus stop on Bear Valley Rd. at Hesperia Rd.

Currently the bus stop is too close to the intersection of BVR and Hesperia Rd. for the amount of motorized traffic. At times two buses may use the stop simultaneously causing traffic jams in the intersection. The upgraded bus stop will include a turn out for the buses and provide a more dedicated area for safer boarding and alighting for all passengers.

The total project cost estimate is \$250,000. The awarded Article 3 funding is \$87,000. This priority project was awarded the maximum amount permissible per jurisdiction. LTF will not be necessary, as the City of Hesperia has \$167,000 in surplus Measure I funding from another project that will be used as the balance of the project costs.

RECOMMENDED ACTION:

Amend the VVTA Fiscal Year 2017-18 Annual Operating and Capital Budget, Short Range Transit Plan and TDA Claim to include the Awarded Transit Stop Access Improvement Project and Funding.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Nancie Goff, Deputy Executive Director	TDA Article 3 \$87,000	February 20, 2018	5



Council of Governments



County Transportation Authority

October 16, 2017

Nancie Goff
Victor Valley Transit Authority
17150 Smoke Tree
Hesperia, CA 92345

RECEIVED

OCT 23 2017

VVTA

Dear Mr. Goff:

Congratulations, it is our pleasure to inform you that the San Bernardino County Transportation Authority (SBCTA) Board of Directors approved funding from the Transportation Development Act (TDA), Article 3 Transit Stop Access Program, for the Bear Valley Rd - Hesperia Rd. in an amount of \$87,000.

The TDA Article 3 award is considered a grant and is paid through a reimbursement process and the filing of a TDA claim, including proper documentation of project expenditure. The award is for a maximum reimbursable amount. Should your project exceed the maximum reimbursable amount, SBCTA will not provide any additional reimbursement. For projects completed under the awarded amount, SBCTA will reimburse your agency for the LTF share of the project using the match percentage of 34.8% identified in your grant application. The SBCTA Board also set the period of time for completion of your project to comply with TDA provisions, therefore the project funded under this letter of award must be completed by October 4, 2019.

Your grant allocation amount has been submitted to the auditor controller. At the time of reimbursement request, a completed claim form must be submitted to SBCTA as well as additional documentation supporting your request. Progress payments may be requested for project awards over \$200,000. For questions on reimbursement and next steps for obtaining your allocation and claim form instructions, please contact Nancy Strickert at nstrickert@gosbcta.com.

We look forward to the rapid implementation of your project. Should you have any questions please contact me at (909) 884-8276 or cbrown@gosbcta.com.

Sincerely,

Cameron Brown
Senior Planner

**AGENDA ITEM
SIX**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2017
Completed by Vavrinek, Trine, Day and Company, LLP.**

SUMMARY STATEMENT

In December 2017, VVTA received its audited Annual Financial Report for fiscal year ending June 30, 2017, along with its Single Audit for Federal Award Programs. There were no audit findings, no material misstatements, and no management recommendations were noted. VVTA was found to be materially in compliance with GAAP (Generally Accepted Accounting Principles), and OMB A-133 standards and all other related codified rules. VVTA received an “unmodified” opinion.

HIGHLIGHTS

- **Net Position:** Overall Net Position decreased (\$2,235,657) and was largely impacted by a reduction in net investment in capital assets and restricted capital assets (\$3,044,921) offset by an increase in Unrestricted Net Position of \$809,264. These changes are explained in detail in the attached financial report.
- The value of the Authority’s capital assets (net of deletions and depreciation) decreased by (\$3,681,851) or 5.5%. This decrease was created by depreciation and asset retirement costs totaling \$4,764,246, offset by a modest investment in new assets of \$1,082,395. This reduction in depreciable asset value also had a significant impact on the overall ending net position as explained later in this discussion.
- The Authority’s overall operations statistics were affected this year by a contracted 3.5% increase in its operations contract, the addition of a new route in Oak Hills, the expansion of an express route (45X), the addition of Saturday service on the BV Link intercity route, and a full year of operation of the Needles lifeline route launched near the end of FY15/16. The financial impact of these changes is discussed in detail throughout the MD&A.

Continued

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Steven Riggs Finance Director	N/A	February 20, 2018	6

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2017
Completed by Vavrinek, Trine, Day and Company, LLP.**

SUMMARY STATEMENT

- Program revenues: (passenger fares and operating assistance) increased by a modest 1.3% or \$250,958, as compared to the prior year. Other program revenues for FY16/17 totaled \$1,199,366, representing a decrease of (\$1,643,711) when compared to the prior year. The decrease was largely due to the receipt of \$1,524,000 in the prior year that was realized from the proceeds of a one-time debt cancellation agreement. The balance of the decrease was a result of expected variations in revenue sources contributing to this revenue category. Details of these revenue sources and changes are discussed in detail in the following report.
- Capital revenues contributed by Federal, State and Local agencies decreased by (\$9,152,752) to a total of \$2,573,620. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year depending on the needs and objectives of the Authority. The funds received were sufficient to meet the capital needs of the agency for FY16/17.
- Total revenues decreased by 31% from \$34,369,109 in FY 15-16 to \$23,823,604 in FY16/17 largely due to the reduction in capital revenues as explained above.
- Total expenses, including depreciation and interest, for the fiscal year totaled \$26,059,261, a modest increase of \$443,562 or 1.7% when compared to the prior fiscal year. This increase was impacted by increases in operating expenses of \$880,523, General and Administrative cost increases of \$495,457 and depreciation expense increase of \$316,134, offset by a 51% decrease in capital interest expenses (\$940,985) as a result of the refunding of the Authority's 2007 debt issuance, as well as a reduction in losses on disposable assets (\$307,567).
- Cash and equivalents at end of year were \$12,952,203. Of this amount, \$1,273,630 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects including the purchasing of rolling stock, vehicle equipment and capital improvements, repairs and equipment for the Authority's facility.

Continued

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

**VVTA Annual Financial Audit Report for Fiscal Year Ending June 30, 2017
Completed by Vavrinek, Trine, Day and Company, LLP.**

SUMMARY STATEMENT

Included in this cash position is \$2,176,014 which is restricted by a debt agreement in connection with the construction of the Authority's facility, \$5,197,560 in Prop 1B funds restricted by grant agreements for certain capital projects, and \$4,304,999 restricted by the Authority's governing board for specific capital projects.

**VICTOR VALLEY
TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2017

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

FOR THE YEAR ENDED JUNE 30, 2017

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
THE TRANSPORTATION DEVELOPMENT ACT, AND
CALIFORNIA GOVERNMENT CODE §8879.50**

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Victor Valley Transit Authority (Authority), California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 28, 2017.

Internal Control over Financial Reporting

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

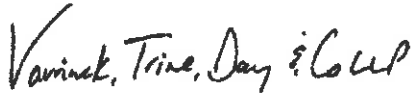
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 6667 of part 21 of the California Code of Regulations, Section §8879.50 of the California Government Code, and the allocation instructions of the San Bernardino County Transportation Authority, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*, Section 6667 of part 21 of the California Code of Regulations, and Section §8879.50 of the California Government Code.

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.



Rancho Cucamonga, California
December 28, 2017



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

Report on Compliance for Each Major Federal Program

We have audited Victor Valley Transit Authority's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2017. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 28, 2017, which, contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Rancho Cucamonga, California
December 28, 2017

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor Program Title	Federal CFDA Number	Grant Identification Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Transportation				
Direct Grants				
Federal Transit Cluster:				
Federal Transit Formula Grants, Section 5307	20.507	CA-95-X132	\$ 81,005	\$
Federal Transit Formula Grants, Section 5307	20.507	CA-90-Z161	44,466	
Federal Transit Formula Grants, Section 5307	20.507	CA-90-Z242	60,222	
Federal Transit Formula Grants, Section 5307	20.507	CA-2016-109	76,000	
Federal Transit Formula Grants, Section 5307	20.507	CA-2017-092-00	3,338,675	
Total Federal Transit Cluster			3,600,368	
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5310	20.513	SA-644575	36,404	
Enhanced Mobility of Seniors and Individuals with Disabilities, Section 5310	20.513	SA-644577	14,244	
Job Access Reverse Commute, Section 5316	20.516	CA-37-X178	4,692	
New Freedom Program, Section 5317	20.521	CA-57-X057	59,715	
New Freedom Program, Section 5317	20.521	CA-57-XO91	3,939	
Total Transit Services Programs Cluster			118,994	
Passed Through California Department of Transportation:				
Formula Grants for Rural Areas, Section 5311	20.509	SA-64B017-00561	632,855	
Total Expenditures of Federal Awards			\$ 4,352,217	\$

See accompanying note to Schedule of Expenditures of Federal Awards.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs of the Victor Valley Transit Authority (Authority). The Authority's reporting entity is defined in Note 1 of the Authority's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies are included on the Schedule of Expenditures of Federal Awards. VVTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 2 of the Authority's Financial Statements.

C. Subrecipients

The Authority did not make payments to subrecipients during the fiscal year ended June 30, 2017.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material Weakness(es) identified?	<u>No</u>
Significant Deficiency(ies) identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major federal programs:	
Material Weakness(es) identified?	<u>No</u>
Significant Deficiency(ies) identified?	<u>None reported</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section 200.516(a)?	<u>No</u>
Identification of major federal programs:	

CFDA Number(s)	Name of Federal Program or Cluster
20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

II. FINANCIAL STATEMENT FINDINGS

None reported.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2017

None reported.

**VICTOR VALLEY
TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Victor Valley Transit Authority
Hesperia, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Victor Valley Transit Authority (Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, schedule of the Authority's proportionate share of the net pension liability on page 35, and the schedule of contributions on page 36, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements 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 financial statements, and other knowledge we obtained during our audit of the basic financial statements. 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the Authority'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 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 the Authority's internal control over financial reporting and compliance.

Vavreck, Trine, Day & Co LLP

Rancho Cucamonga, California
December 28, 2017

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

This discussion and analysis of the Victor Valley Transit Authority's (Authority) financial performance for the fiscal year ended June 30, 2017, provides a financial summary of the Authority's current year results in comparison to the prior year. It should be read in conjunction with the accompanying, financial statements and notes to the financial statements.

The Management's Discussion and Analysis (MD&A) section of the Authority's annual financial report provides condensed comparative data and briefly discusses the financial activities during the fiscal year ended June 30, 2017. It is a separate but an integral part of the financial statements and notes that follow. The purpose of this MD&A is to promote an understanding of the Authority's financial statements.

The financial statements of the Authority supply information using accounting methods similar to those used by private sector companies. These statements offer short and long-term information about its activities.

The *Statement of Net Position* includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides the basis for evaluating the capital structure, liquidity and overall financial integrity of the Authority.

The *Statement of Revenues, Expenses and Changes in Net Position* displays the revenues, expenses and changes in net position for the Authority and measures the success of operations over the past year. It can be used to determine credit worthiness and whether revenue sources matched, exceeded or failed to meet expenses.

The final financial statement is the *Statement of Cash Flows*. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It accounts for the cash and cash equivalents balance available at the beginning of the year and at year's end. It displays cash received, cash expended, and the net change in the amount of cash and cash equivalents.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

HIGHLIGHTS

- Net Position: Overall Net Position decreased (\$2,235,657) and was largely impacted by a reduction in net investment in capital assets and restricted capital assets (\$3,044,921) offset by an increase in Unrestricted Net Position of \$809,264. These changes are explained in detail in this report.
- The value of the Authority's capital assets (net of deletions and depreciation) decreased by (\$3,681,851) or 5.5%. This decrease was caused by depreciation and asset retirement costs totaling \$4,764,246, offset by a modest investment in new assets of \$1,082,395. This reduction in depreciable asset value also had a significant impact on the overall ending net position as explained later in this discussion.
- The Authority's overall operations statistics were impacted this year by a contracted 3.5% increase in its operations contract, the addition of a new route in Oak Hills, the expansion of an express route (45X), the addition of Saturday service on the BV Link intercity route, and a full year of operation of the Needles lifeline route launched near the end of FY15/16. The financial impact of these changes are discussed in detail throughout the MD&A.
- Program revenues: (passenger fares and operating assistance) increased by a modest 1.3% or \$250,958, as compared to the prior year. Other program revenues for FY16/17 totaled \$1,199,366, representing a decrease of (\$1,643,711) when compared to the prior year. The decrease was largely due to the receipt of \$1,524,000 in the prior year that was realized from the proceeds of a one-time debt cancellation agreement. The balance of the decrease was a result of expected variations in revenue sources contributing to this revenue category. Details of these revenue sources and changes are discussed in detail in the following report.
- Capital revenues contributed by Federal, State and Local agencies decreased by (\$9,152,752) to a total of \$2,573,620. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year depending on the needs and objectives of the Authority. The funds received were sufficient to meet the capital needs of the agency for FY16/17.
- Total revenues decreased by 31% from \$34,369,109 in FY 15-16 to \$23,823,604 in FY16/17 largely due to the reduction in capital revenues as explained above.
- Total expenses, including depreciation and interest, for the fiscal year totaled \$26,059,261, a modest increase of \$443,562 or 1.7% when compared to the prior fiscal year. This increase was impacted by increases in operating expenses of \$880,523, General and Administrative cost increases of \$495,457 and depreciation expense increase of \$316,134, offset by a 51% decrease in capital interest expenses (\$940,985) as a result of the refunding of the Authority's 2007 debt issuance, as well as a reduction in losses on disposable assets (\$307,567).
- Cash and equivalents at end of year were \$12,952,203. Of this amount, \$1,273,631 is available for operations, with the balance restricted by grant agreements or governing body policy to be used on specific capital projects including the purchasing of rolling stock, vehicle equipment and capital improvements, repairs and equipment for the Authority's facility.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

Included in this cash position is \$2,176,014 which is restricted by a debt agreement in connection with the construction of the Authority's facility, \$5,197,560 in Prop 1B funds restricted by grant agreements for certain capital projects, and \$4,304,999 restricted by the Authority's governing board for specific capital projects.

- In FY14/15 VVTA adopted the provisions of GASB68 which had implications on costs and net position of the Authority. Statement 68 was issued by GASB in June 2012, requiring public employers who participate in a defined benefit pension plan administered as a trust or similar arrangement (such as CalPERS), to comply with new accounting and financial reporting standards. These standards required, amongst other things, that risk pooled employers like VVTA, would have to report their proportionate share of collective Net Pension Liability (NPL), Pension Expenses, and Deferred Inflows/Outflows of resources, from the funds that CalPERS managed. Prior to GASB 68, VVTA reported only amounts contributed by VVTA to the CalPERS retirement plan on behalf of eligible participating staff members, as an expense without indication of a shared liability for future potential pension expenses. In the FY16/17 financial statements, VVTA has reported its proportionate share of collective Net Pension Liability (NPL), Pension Expenses, and Deferred Inflows/Outflows of resources. These requirements had a very minor impact on VVTA's overall financial statements. Ending proportionate share of NPL for VVTA in FY16/17 is \$137,916 or less than 0.5% of total liabilities.

Additional information pertaining to the specific impact of these Statements and the treatment on the Authorities' financial statements are detailed in the "notes to the financial statements" and in the "Required Supplementary Information" section following the notes.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

FINANCIAL ANALYSIS OF VICTOR VALLEY TRANSIT AUTHORITY

One of the most important questions asked is "Is the Authority better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues and Expenses, provide information about the Authority's activities to help answer that question. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or weakening. The Authority accounts for all transactions in an enterprise fund which uses the full accrual basis of accounting. The activity shown in Table A-1 represents all activity through that fund.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES

A summary of the Authority's *Statement of Net Position* is presented in Table A-1.

Table A-1
Condensed Statement of Net Position

	<u>30-Jun</u>		<u>Dollar</u>	<u>Percentage</u>
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Change</u>
Current Assets	\$ 19,584,014	\$ 14,983,453	\$ 4,600,561	
Capital assets (net)	<u>63,151,713</u>	<u>66,833,564</u>	<u>(3,681,851)</u>	
Total Assets	<u>82,735,727</u>	<u>81,817,017</u>	<u>918,710</u>	1.1%
Deferred Outflows (pensions)	508,148	421,188	86,960	
Deferred Outflows (refunding)	<u>1,162,154</u>	<u>1,220,262</u>	<u>(58,108)</u>	
Total Assets & Deferred Outflows	<u>\$ 84,406,029</u>	<u>\$ 83,458,467</u>	<u>\$ 947,562</u>	1.1%
Current Liabilities	\$ 13,604,142	\$ 9,637,406	\$ 3,966,736	
Non-Current Liabilities	23,896,844	24,608,837	(711,993)	
Net Pension Liability	<u>137,916</u>	<u>121,552</u>	<u>16,364</u>	
Total Liabilities	<u>37,638,902</u>	<u>34,367,795</u>	<u>3,271,107</u>	9.5%
Deferred Inflows (pension)	<u>41,611</u>	<u>129,499</u>	<u>(87,888)</u>	N/A
Net Position				
Net investment in capital assets	39,852,023	42,894,989	(3,042,966)	
Restricted for Debt Service	2,176,014	2,176,014	-	
Restricted for Capital Projects	-	1,955	(1,955)	
Unrestricted	<u>4,697,479</u>	<u>3,888,215</u>	<u>809,264</u>	
Total Net Position	<u>46,725,516</u>	<u>48,961,173</u>	<u>(2,235,657)</u>	-4.6%
Total Liabilities, Deferred Inflows & Net Position	<u>\$ 84,406,029</u>	<u>\$ 83,458,467</u>	<u>\$ 947,562</u>	1.1%

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

Table A-1, shows the Authority's total net position decreased from \$48,961,173 in FY 16-17, to \$46,725,516 or 4.6% as a result of the year's activities and as explained further in this report.

- **Current assets** increased by \$4,600,561 or 30.7% due to increases in Proposition 1B and LCTOP Capital project funds of \$3,027,645, 'Cash and Investments-Board reserved \$1,296,266, receivables \$909,456 and prepaid expenses of \$8,438. These increases were offset by decreases in Operating Cash of (\$639,289) and Cash with Fiscal Agent (\$1,955). Increases in Capital Project Funds were driven by the receipts of additional cash funds during FY17 from two state programs, Proposition 1B and LCTOP (Low Carbon Transit Operating Program). These funds are restricted by state regulations for specific future capital projects and are received in advance of capital expenditures. Therefore, these funds are considered unearned in FY2017. 'Cash and Investments-Board Reserved are set aside by the Authority's Board of Directors for future capital projects. Increase to these funds in FY17 were derived from California Solar Incentives (CSI) program of \$239,644, the sale of Low Carbon Fuel Standard credits of \$227,400, and the receipt of Federal Excise Tax credits for the production of Compressed Natural Gas in the amount of \$450,388. These increases were offset by capital expenditures from these funds in the amount of (\$111,190). Increases in receivables were driven primarily by federal and local grant funding cycles which delayed the Authority's ability to invoice for earned revenues until year-end or post year-end.
- **Total Capital Assets** (net of depreciation) **decreased by \$3,681,851.** This change reflects the net activity in the capital asset accounts including additions and retirements of assets as well as accumulated depreciation expense charges. This decrease indicates that the Authority's investment activity in capital assets was less than its charges and decreased by 5.5% as compared to the prior year.

	FY2017	FY2016
Land	\$1,693,350	\$1,693,350
Construction in Process	<u>236,056</u>	<u>170,669</u>
Total Non-Depreciable	1,929,406	1,864,019
Property & Equipment	<u>61,222,307</u>	<u>64,969,545</u>
Total Capital Assets (net)	<u>\$63,151,713</u>	<u>\$66,833,564</u>

Depreciable Property and Equipment assets (net of depreciation) decreased by (\$3,747,238). This decrease was due to new and replacement equipment acquisitions of \$1,017,008 offset by (\$34,162) in asset retirements and a net increase in accumulated depreciation expenses of (\$4,730,084). The ending balance of \$236,056 in the Construction in Progress account is for an Integrated Voice Response System and other phone infrastructure improvements that will support VVTA's demand response client services and is scheduled for completion in Q1- FY17-18.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

Investment of \$1.017m in Property & Equipment was for purchased capital assets of six (6) new electric service vehicles and one (1) new gas fuel service vehicle used to provide supervisory support to the transit system. Further investment was made into the replacement of major components (engines and transmissions) in a number of revenue vehicles to extend their useful life, new and replacement bus shelters and solar lighting for bus stops, along with furnishings, fixtures and computer equipment to support the Authority's transit facilities in Hesperia and Barstow CA.

- **Total Liabilities increased by \$3,271,107** when compared to FY15/16 due to an increase in unearned revenue of \$3,734,023 from the receipt of Proposition 1B funds not expended, an increase of \$217,713 in the balance of accounts payable and accrued expenses caused by an increase in operations expenses, along with a \$15,000 increase in the current portion of VVTA's COP liability based on debt agreement terms. The balance of the change is reflected in a decrease of (\$711,993) in the long-term balance of VVTA's COP liability as a result of principal payments in accordance with debt terms, and an increase in net pension liability of \$16,364 as a result in changes in actuarial assumptions and pension fund investment income.
- **Net position – Net Investment in capital assets decreased by (\$3,042,966).** This net decrease was a result of the net activity in capital asset and liability accounts including additions and retirements of capital assets as well as accumulated depreciation expense charges, and increases or decreases in liabilities as explained earlier in this discussion.
- **Net position in the amount of \$2,176,014 is restricted for debt service on a long-term lease arrangement maturing in 2037.** These funds are reserved as required by finance lease documents to provide security to the lessor for future lease payment obligations by the Authority. These funds will remain in this restricted status until the lease agreement matures in 2037. This amount is unchanged when compared to FY15/16.
- **Net position- Capital Projects** decreased by (\$1,955) as compared to FY15/16. These funds represented a small balance of proceeds from the 2007 COP debt that were restricted by contract and were used in FY16/17 towards payment of the refunded debt.
- **Net position in the amount of \$4,697,479 is unrestricted.** Unrestricted net position, is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The balance in FY16/17 increased \$809,264 as compared to FY15/16. This increase is largely due to the receipt of California Solar Initiative rebate funds \$239,644, Alternative Fuel Credits of \$450,388, Low Carbon Fuel Standard (LCFS) credits of \$227,400, interest income of \$25,111 on these funds, and miscellaneous income of \$130,953 predominantly from retail fuel sales from VVTA's public fueling stations. These income amounts were offset by expenditures of \$264,232 for capital projects. The majority of VVTA's unrestricted net position has been designated by VVTA's Board to be used on future capital projects.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

REVENUES – EXPENSES – AND CHANGES IN NET POSITION

While the Statement of Net Position shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

Table A-2
Statement of Revenues, Expenses and Changes in Net Position

	<u>30-Jun</u>		<u>Dollar</u>	<u>Percentage</u>
Revenues	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>Change</u>
Program Revenues (operating):				
Charges for Services (Fares)	\$ 2,861,282	\$ 2,767,592	\$ 93,690	
Federal Grants-Operating	2,932,815	3,571,346	(638,531)	
State and Local Grants-Operating	14,256,521	13,460,722	795,799	
Other Revenues	1,199,366	2,843,077	(1,643,711)	
Capital Revenues:				
Federal Grants	1,485,133	5,806,398	(4,321,265)	
State and Local Grants	1,088,487	5,919,974	(4,831,487)	
Total Revenues	<u>\$ 23,823,604</u>	<u>\$ 34,369,109</u>	<u>\$ (10,545,505)</u>	-30.7%
 Program Expenses				
Operations	\$ 17,569,115	\$ 16,688,592	\$ 880,523	
General and Administration	2,861,911	2,366,454	495,457	
Depreciation	4,730,084	4,413,950	316,134	
Capital Expenses:				
Capital Interest Expense:	898,151	1,839,136	(940,985)	
Loss on Disposal of Assets	-	307,567	(307,567)	
Total Expenses	<u>\$ 26,059,261</u>	<u>\$ 25,615,699</u>	<u>\$ 443,562</u>	1.7%
 Changes in net position	<u>\$ (2,235,657)</u>	<u>\$ 8,753,410</u>	<u>\$ (10,989,067)</u>	
 Net Position - Beginning of year	<u>\$ 48,961,173</u>	<u>\$ 40,207,763</u>	<u>\$ 8,753,410</u>	22%
 Net Position - End of year	<u>\$ 46,725,516</u>	<u>\$ 48,961,173</u>	<u>\$ (2,235,657)</u>	-4.6%

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

As shown on Table A-2, **Fare Revenues** increased by \$93,690 or 3.4% in FY 16/17. This increase was largely due to an increase in service including the addition of Oak Hills route 24, expansion of the route 45 express, and a full year of service for the Needles lifeline. Fare Revenues are expected to increase in FY17/18 approximately ten percent (10%) due to a system wide fare rate increase coupled with service expansion.

Program revenues to support operations received from Federal, State and Local agencies increased by \$157,268 or 1%, as compared to the prior year. Federal operating grants decreased (\$638,531) but were offset by an increase in State and Local operating grants of \$795,799. These changes were programmed as part of the FY16/17 budget.

Other program revenues for FY16/17 totaled \$1,199,366, a decrease of (\$1,643,711) when compared to the prior year. Other program revenues consisted of \$227,400 for the sale of Low Carbon Fuel credits, \$239,644 from California Solar Initiative (CSI) rebates, \$450,388 in excise tax credits for the production of Compressed Natural Gas (CNG) for the Authority's service fleet, \$60,796 in interest income, \$61,536 in revenues from sales and insurance proceeds of retired assets, and the balance of \$159,602 from miscellaneous support funds provided by NTC Fort Irwin National Training Center and retail sales of CNG fuel. Of these funds the CSI rebates, CNG tax credits, and LCFS credits were restricted for future capital use as directed by the Authority's Board of Directors and were unavailable to support operating costs in FY16/17. Due to changes in Federal legislation, the Authority has not budgeted revenue from CNG tax credits for FY17-18. Additionally, the Authority's CSI rebates will be ending in Q2 of FY17/18 and are anticipated to be about twenty five percent (25%) of FY16/17 levels. The decrease in other revenues from FY15/16 as compared to FY16/17, was largely due to the receipt of \$1,524,000 in FY15/16 realized from the proceeds of a one-time debt cancellation agreement. The balance of the decrease was a result from small fluctuations in receipts for each of the sources of funds in this category.

Capital revenues contributed by Federal, State and Local agencies totaled \$2,573,620, a decrease of (\$9,152,752) when compared to FY15/16. Capital revenues from these sources were provided by grants to support specific capital purchases. Capital purchases vary greatly from year to year depending on the needs and objectives of the Authority. The funds received were sufficient to meet the capital needs of the agency for FY16/17 which are detailed in this report's discussion of "Net Position".

Total revenues decreased by 31% from \$34,369,109 in FY 15-16 to \$23,823,604 in FY16/17, as explained in the report above.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

Program expenses increased 7%, or \$1,692,114 when compared to the prior year. Of this amount, operations expense increased by \$880,523 mainly due to the expansion of service including the new Route 24 Oak Hills service, the expansion of the route 45 express service, and the addition of Saturday service on the BV Link intercity route. These service expansions were in addition to the budgeted 3.5% increase in operational costs as required by VVTA's operations contract with Transdev. General and Administration (G&A) costs increased by \$495,457 as part of a budgeted expansion in G&A support for the Authority's growing operational requirements as a result of the merger of Barstow Area Transit.

FINANCIAL CONDITION

Overall, the Authority's financial condition remained strong and stable as a result of various planned program activity growth along with continued capital investment. The Authority continues to enjoy strong financial support from a variety of sources including Federal, State and Local funding sources as well as continuing an aggressive program of growing other program revenues such as Low Carbon Fuel Standard credits that generate income from the production of vehicle fuels from natural gas. Additionally, with the passage of the FAST act, the Federal government has pledged increased and stable support for transit for the next five years. This financial condition is evidenced in Table A-1, which shows the Authority's total ending net position of \$46,725,516.

Some specific activities that have led to the Authority's financial condition as of June 30, 2017, include:

- This fiscal year, the authority invested \$1.08m in new capital asset acquisitions of vehicles and equipment. While this is a relatively modest investment as compared to prior years, the Authority's access to capital funding through Federal, State and local sources remains strong. The Authority's investment strategy is based on need from expansion, innovation and maintenance of its existing services. Capital asset investment in FY17/18 is forecasted to increase substantially from investment in new Revenue vehicles, as well as continued capital investments in its facilities.
- The Authority continued its extensive program for increasing the number of bus shelters, benches, solar lights and other passenger amenities. This program of bus stop improvements will continue into the next fiscal year.
- In June 2015, the Authority was designated as a Consolidated Transportation Services Agency (CTSA) for the High & North Desert regions of San Bernardino County. This represented an expanding role and commitment to the Authority's already established Mobility Management department and increased the VVTA service area from 425 to 950 square miles. Through the CTSA designation, the Authority has locked in Federal and Local funding and increased other funding opportunities through local non-profit partnerships. Throughout FY16/17 the Authority expanded its investment in these services by \$70,382 or 23% when compared with FY15/16. This additional investment was used to expand existing programs and services which resulted in a continued reduction in the cost increase rate for its more traditional ADA services. It is estimated that the Authority has saved more than \$0.5m through the provision of these new services. The Authority will continue its investment in the CTSA in FY17/18 with an estimated budget of \$708,112.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

- The Authority continued to invest in its Vanpool program operated under the management of its CTSA department. This program provides support for residents of the Authority's service area who must commute out of the service area for work. These vanpools serve to reduce traffic congestion, and improve the environment through the lowering of carbon emissions. Additionally, the Authority reports the passenger miles produced by these vanpools has resulted in an estimated \$3.0m increase in Federal funding for FY16/17 as compared to its cost of operating the service of \$916k. These additional Federal funds are used for capital and operating support and expansion of VVTA's other transportation services. The Authority has continued its commitment to the Vanpool program in FY17/18 with further plans to grow the program by nineteen percent (19%) in that year.
- During FY16/17 the Authority contracted for a Comprehensive Operations Analysis (COA) which revealed several new services needed to support the Authority's expanded service area along with a five-year forecast (Short Range Transit Improvement Plan) that provides a road map for continued growth while maintaining strong financial stability. Based on the results of the COA, the Authority expects a 5.8% or \$1.23m growth in its operating expenses and revenues through the next fiscal year. The growth of these expenses is largely due to the addition of a new route 42 serving Apple Valley, increases in span of service for Barstow routes 1-5, and the addition of Barstow route 6 along with increased investment in Vanpool services. Programmed investment in capital equipment and facility expansion is budgeted to be \$14.1m in FY17/18.
- The Authority has issued a new three-year contract for natural gas supply with BP Energy. This natural gas is used to create Compressed Natural Gas (CNG) fuel for the Authority's fleet of vehicles. The new contract with BP will also provide the Authority with a source of renewable natural gas, which will result in substantial reductions in green house emissions, as well as a forecasted decrease of up to 25% in its fuel expenses in FY17/18.
- In FY17/18, the Authority is coming to the end of its seven-year contract with its operations contractor, Transdev. Due to the significant increases in scope of service during this contract period, the Authority has decided that it will not exercise the optional years available in its existing contract but will issue a competitive solicitation for a new contract beginning in FY18/19. Additionally, the Authority has contracted for a comprehensive compensation study to be completed in FY17/18. It is anticipated that both of these events will likely result in significant increases in operational and G&A expenses in FY18/19.

The overall financial outlook for the Authority's programs and services remains strong, with a continued commitment to investment in capital assets, technologies and services coupled with fiscally responsible management that protects the investments of the Authority and its' member jurisdictions, and its investors, while providing the highest quality of transportation services to the communities it serves.

Victor Valley Transit Authority

Management's Discussion and Analysis

June 30, 2017

CONTACTING THE AUTHORITY

This financial report is designed to provide our citizens and customers with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions regarding this report or require additional financial information, please contact **Mr. Kevin Kane, Executive Director** at: **Victor Valley Transit Authority, 17150 Smoke Tree St., Hesperia, California 92345.**

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF NET POSITION
JUNE 30, 2017**

ASSETS

Current Assets

Cash	\$ 6,471,190
Cash and investments with fiscal agent - restricted	2,176,014
Cash and investments - Board reserved	4,304,999
Receivables:	
Federal, State, and other local grants	6,441,411
Other	135,808
Prepaid expenses	32,597
Fuel inventory	21,995
Total Current Assets	<u>19,584,014</u>

Capital Assets

Non-depreciable	1,929,406
Depreciable	89,396,352
Accumulated depreciation	<u>(28,174,045)</u>
Capital assets, net	<u>63,151,713</u>

TOTAL ASSETS

82,735,727

DEFERRED OUTFLOWS OF RESOURCES

Deferred amounts related to pensions	508,148
Deferred amounts related to debt refunding	<u>1,162,154</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES

1,670,302

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	3,079,083
Unearned revenues	9,864,744
Refunding lease - due within one year	565,000
Compensated absences	95,315
Total Current Liabilities	<u>13,604,142</u>

Non Current liabilities

Refunding lease - due in more than one year	23,896,844
Net pension liability	137,916
Total Non Current Liabilities	<u>24,034,760</u>

TOTAL LIABILITIES

37,638,902

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to pensions	<u>41,611</u>
--------------------------------------	---------------

NET POSITION

Net investment in capital assets	39,852,023
Restricted for:	
Debt service	2,176,014
Unrestricted	<u>4,697,479</u>

TOTAL NET POSITION

\$ 46,725,516

See accompanying notes are an integral part of these financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2017**

OPERATING REVENUES:	
Fares	\$ 2,650,632
Special transit fares	210,650
Total Operating Revenues	<u>2,861,282</u>
OPERATING EXPENSES:	
Operations	17,569,115
General and administration	2,861,911
Depreciation	4,730,084
Total Operating Expenses	<u>25,161,110</u>
OPERATING LOSS	<u>(22,299,828)</u>
NON-OPERATING REVENUES AND EXPENSES:	
Operating Assistance:	
Federal Transit Administration Section 5307, operating	2,061,610
Federal Transit Administration Section 5310	50,648
Federal Transit Administration Section 5311	632,855
Federal Transit Administration Section 5316	47,511
Federal Transit Administration Section 5317	59,186
Federal Congestion Mitigation and Air Quality Improvement Program Demonstration	81,005
State Transit Assistance Fund, operating	190,790
Local Transportation Fund, operating	11,943,324
Measure I	1,975,721
AB 2766	113,320
Gain on disposal of assets	61,536
Interest income	60,796
Solar panel rebates	239,644
CNG Tax Credits	450,388
State Toll Credits	23,348
State - LCTOP	10,018
Miscellaneous	387,002
Interest expense	(898,151)
Total Non-operating Revenues, Expenses	<u>17,490,551</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(4,809,277)</u>
CAPITAL CONTRIBUTIONS:	
Federal Transit Administration Section 5307, capital	1,457,753
Federal Transit Administration Section 5317, capital	27,380
Local Transportation Fund, capital	374,834
State Transit Assistance Fund	285,645
Proposition 1B	428,008
Total Capital Contributions	<u>2,573,620</u>
CHANGES IN NET POSITION	<u>(2,235,657)</u>
NET POSITION, Beginning of year	<u>48,961,173</u>
NET POSITION, End of year	<u>\$ 46,725,516</u>

See accompanying notes are an integral part of these financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017**

Cash flows from operating activities:	
Cash received from fares	\$ 2,861,282
Payments to employees	(1,177,842)
Payments to vendors for services	<u>(19,256,196)</u>
Net cash used in operating activities	<u>(17,572,756)</u>
Cash flows from non-capital financing activities:	
Operating grants received/solar panels rebates/CNG Tax Credits	<u>21,138,467</u>
Cash flows from capital and related financing activities:	
Capital grants received	2,579,893
Purchase of capital assets	(1,048,233)
Principal payments, lease agreement	(696,993)
Interest paid	(840,043)
Gain on disposal of capital assets	<u>61,536</u>
Net cash provided by capital and related financing activities	<u>56,160</u>
Cash flows from investing activities:	
Interest received	<u>60,796</u>
Net increase in cash and cash equivalents	3,682,667
Cash and cash equivalents, beginning of year	<u>9,269,536</u>
Cash and cash equivalents, end of year	<u>\$ 12,952,203</u>
Reconciliation of cash and cash equivalents to statement of net position:	
Cash	\$ 6,471,190
Cash and investments with fiscal agent	2,176,014
Cash and investments Board reserved	<u>4,304,999</u>
Total Cash and Cash Equivalents	<u>\$ 12,952,203</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	<u>\$ (22,299,828)</u>
Adjustments to reconcile operating (loss) to net cash used in operating activities:	
Depreciation expense	4,730,084
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(47,530)
Prepaid expenses	(14,711)
Increase (decrease) in liabilities:	
Accounts payable and accrued liabilities	199,200
Compensated absences	18,513
Net pension liability	16,364
Change in deferred outflows of resources related to pensions	(86,960)
Change in deferred inflows of resources related to pensions	<u>(87,888)</u>
Total Adjustments	<u>4,727,072</u>
Net cash used in operating activities	<u>\$ (17,572,756)</u>

The accompanying notes are an integral part of these financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 1 – ORGANIZATION

Victor Valley Transit Authority (VVTA) is a joint powers authority whose members are the cities of Adelanto, Barstow, Hesperia, Victorville, the Town of Apple Valley and the County of San Bernardino First and Third district. VVTA provides bus services to these cities, as well as the communities of Lucerne Valley, Phelan, Pinon Hills, Wrightwood, Helendale, Oro Grande, Fort Irwin, Hinkley, Newberry Springs, Yermo and Needles, as a means of meeting the transit needs of various transit-dependent groups within their 950-square mile geographic service area. The bus services VVTA provides includes fixed route services, deviated route services, County deviated routes, ADA para-transit routes, and commuter services. Additionally, VVTA is designated as a Consolidated Transportation Services Agency (CTSA) for the High Desert and North Desert regions of San Bernardino County, and provides a variety of services to support transit dependent groups that are unable to access its standard transit services. Through direct contracts with vendor providers as well as cooperative agreements with various non-profit organizations, VVTA's CTSA supports a Vanpool Program, Car Share program, Travel Reimbursement Incentive Program (TRIP), and directly provides Travel Training services. CTSA services are provided for rural areas of the North Desert, the communities of Trona and Big River in addition to the communities listed above. VVTA is governed by a Board of Directors comprised of seven (7) representatives. Five Board members are elected council members each appointed by the cities they represent as well as the San Bernardino County Supervisors representing the first and third County districts.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity – VVTA meets the criteria as a stand-alone government, and accordingly, is accounted for and reported as though it were a primary government.

Basis of Accounting – VVTA's proprietary fund financial statements are reported using the *economic resources measurement focus* and accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of related cash flows.

Cash and cash equivalents includes demand deposits and amounts invested in savings and trustee accounts. For the purpose of the Statement of Cash Flows, cash and cash equivalents are defined as short-term deposits with original maturities of three months or less from the date of acquisition.

Cash and investments with fiscal agent restricted – Certain VVTA accounts are restricted by debt agreements to fund specified debt service requirements. At June 30, 2017, the balance held with fiscal agent pursuant to this agreement was \$2,176,014.

Fair Value Measurements - Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. All fair values are determined by external consultants. Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Grants for operating assistance and capital acquisitions are included in revenue in the period in which the grant was earned. Federal capital grant funds claimed on a reimbursement basis have receivables for grant funds recorded as the related obligations are incurred. Capital grant funds advanced but not yet earned are treated as unearned revenues. Also, operating funds advanced from San Bernardino Associated Governments (SANBAG) for working capital are treated as unearned revenues until earned. Operating assistance grants are included in non-operating revenues in the year in which the grant is applicable and the related expenses are incurred. Revenue earned under capital grants are recorded as capital contributions.

Prepaid Expenses – Prepaid expenses include inventories and costs for certain payments to vendors that reflect costs applicable to future accounting periods. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Fuel Inventory - Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel for VVTA vehicles. The cost of such inventories is recorded as expenses when consumed rather than purchased. The value of fuel held at the transit facility on June 30, 2017, was \$21,995.

Capital assets are stated at cost and depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 40 years
Operations equipment	3 to 12 years
Furniture and office equipment	3 to 10 years

VVTA's capitalization threshold is \$1,500. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the useful lives are not capitalized. Interest incurred during the construction phase of the new facility project is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Operating and Non-Operating Revenue – VVTA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from directly providing services in connection with VVTA's principal operation of bus transit services. These revenues are primarily passenger fares. Non-operating revenues consist of federal, state and local operating grants, fuel tax credits, and investment income.

Operating Expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as Non-Operating Expenses.

Capital Contributions consist of grants that are legally restricted for capital expenses by federal, state, or local law that established those charges.

When both restricted and unrestricted resources are available for use, it is VVTA's policy to use restricted resources first, and then unrestricted resources as they are needed.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of VVTA’s participation in the California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported to CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. VVTA reports a deferred outflow related to pensions. VVTA also reports a deferred amount related to debt refunding which represents the remaining unamortized balance of the difference between the carrying value of the refunded debt and the reacquisition price.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. VVTA reports deferred inflows related to pensions.

New GASB Pronouncements

GASB Statement No. 75 – In June, 2015, GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – effective for fiscal years beginning after June 15, 2017. This statement applies to government employers who provide OPEB plans to their employees and basically parallels GASB Statement No. 68 and replaces GASB Statement No. 45. VVTA has not determined the effect on the financial statements.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016, or the 2017-2018 fiscal year. VVTA has not determined the effect on the financial statements.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. VVTA has not determined its effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. VVTA has not determined the effect of this Statement.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. VVTA has not determined the effect of the Statement.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. VVTA has not determined the effect of the Statement.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year. VVTA has not determined the effect of the Statement.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 3 – LEGAL SETTLEMENT, SOLAR PANEL REBATES, AND CNG TAX CREDITS

During the fiscal year ending June 30, 2014, VVTA received a legal settlement from the insurance companies of the primary contractor of the Administrative Office Facility in the amount of \$1,622,018. VVTA's Board of Directors approved to set aside these funds for future major repairs and renovation of the facility into an Administration/Maintenance Facility Reserve. The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position.

VVTA has received SCE Solar Panel Rebates totaling \$239,644 in the current year. VVTA's Board of Directors has approved to allocate these rebates to the Administration/Maintenance Facility Reserve. The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position.

VVTA has also received CNG tax credits totaling \$450,388 the current year. VVTA's Board of Directors has approved to allocate these tax credits to a Capital Reserve for Intelligent Transportation System (ITS) projects. The balance of these funds will be tracked separately on an annual basis. The balance is included in the unrestricted net position on the Statement of Net Position. VVTA has also sold LCFS (Low Carbon Fuel Standard) credits in the amount of \$227,400. VVTA's Board of Directors has approved to allocate this revenue to a Capital Reserve for future repairs, maintenance and development of its Transit Facilities in Barstow, CA.

San Bernardino County Transportation Authority (SBCTA) has agreed that these funds are available to be retained and expended based upon the direction provided by VVTA's Board in accordance with existing Board Resolutions.

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS

Federal Assistance

Under the provision of the Federal Transit Administration (FTA), funds are available to VVTA for operating assistance, security, and various capital costs. Total FTA assistance provided during the fiscal year ended June 30, 2017 was \$4,417,948.

Transportation Development Act

VVTA is subject to the provisions pursuant to Section 6634 of the California Code of Regulations and Sections 99268.4 and 99313.3 of the Public Utilities Code. VVTA receives allocations of local transportation funds pursuant to the Transportation Development Act of 1971. These funds are generated within San Bernardino County and are distributed based on annual claims filed by VVTA and approved by SBCTA.

A. Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's costs less the sum of fares received, local support required to meet the fare ratio, federal operating assistance, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS, (CONTINUED)

A. Section 6634, (Continued)

The computation of unearned revenue as of June 30, 2017 is as follows:

	Operating Funds	Capital Funds	Total
Beginning balance, July 1, 2016	\$ 2,800,381	\$ 3,330,340	\$ 6,130,721
Gross receipts			
Local Transportation Fund:			
Article 3	-	24,148	24,148
Article 4	12,885,855	44,237	12,930,092
Federal Transportation Administration:			
Section 5307	2,737,408	781,955	3,519,363
Section 5309	-	-	-
Section 5310	50,648	-	50,648
Section 5311	632,855	-	632,855
Section 5316	47,511	-	47,511
Section 5317	59,186	27,380	86,566
Section 5339	-	-	-
CMAQ	81,005	-	81,005
State Transportation Fund, Article 6.5	190,790	285,645	476,435
Measure I	1,975,721	-	1,975,721
AB2766	113,320	-	113,320
LCTOP	45,895	891	46,786
Prop 1B	-	3,465,133	3,465,133
State toll credits	23,348	-	23,348
Other capital revenue	162,311	38,899	201,210
Fares	2,888,905	-	2,888,905
Other non-transportation revenue	16	63,006	63,022
Disposal of capital assets	1,469	-	1,469
Interest	35,657	-	35,657
Miscellaneous	159,602	25,685	185,287
Total gross receipts	<u>22,091,502</u>	<u>4,756,979</u>	<u>26,848,481</u>
Operating expenses, less depreciation	21,482,063	-	21,482,063
Capital acquisitions	-	1,632,395	1,632,395
Amounts received in excess of costs as of June 30, 2017	<u>609,439</u>	<u>3,124,584</u>	<u>3,734,023</u>
Amount unearned at June 30, 2017	<u>\$ 3,409,820</u>	<u>\$ 6,454,924</u>	<u>\$ 9,864,744</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS, (CONTINUED)

B. Section 99268.4 and 99405

Section 99268.4 indicates that in the case of an operator which is providing services using vehicles for the exclusive use of elderly and handicapped person, the operator shall be eligible for the Local Transportation Funds commencing with claims for the 1980-81 fiscal year if it maintains, for the fiscal year, a ratio of fare revenue to operating costs at least equal to 10%.

Section 99405(c) indicates that the 50-percent limitation shall not apply to the allocation to a city, county, or transit district for services under contract pursuant to subdivision (c) or (d) of Section 99400. The city, county or transit district shall be subject to Sections 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, and shall be deemed an operator for purposes of those sections, or shall be subject to regional, countywide, or county subarea purposes of those sections, or shall be subject to regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the transportation planning agency or the county transportation commission for those services.

The Victor Valley Transit Authority was granted in September of 1997, pursuant to Section 99405, a fare ratio requirement of 15% by SBCTA.

The fare ratio as of June 30, 2017, is calculated as follows:

	Motor Bus Routes	Handicapped Demand Response	Total
Operating expenses	\$ 20,283,831	\$ 4,877,279	\$ 25,161,110
Less depreciation	(3,916,783)	(813,301)	(4,730,084)
Adjusted operating expenses	<u>\$ 16,367,048</u>	<u>\$ 4,063,978</u>	<u>\$ 20,431,026</u>
Fare revenue	\$ 2,331,743	\$ 529,539	\$ 2,861,282
Local Funds (Measure I) used by the operator to supplement fare box revenues to satisfy the 15% fare ratio as permitted by section 99268.19	<u>123,315</u>	<u>-</u>	
Adjusted fare revenue	<u>\$ 2,455,058</u>	<u>\$ 529,539</u>	
Fare ratio	<u>15.0%</u>	<u>13.0%</u>	
Total fare ratio pursuant to P.U.C. Sections 99405(c) and 99268.4, respectively	15.0%	10.0%	

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 4 – FEDERAL, STATE, AND LOCAL GRANTS, (CONTINUED)

Proposition 1B

The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund and the California Transit Assistance Fund (CTAF) are a part of the State of California’s Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the Proposition 1B fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety, security, disaster response or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement. Proposition 1B cash receipts and cash disbursements were as follows:

	<u>PTMISEA</u>	<u>TSSSDRA</u>	<u>Total</u>
Unspent Prop 1B funds as of July 1, 2016	\$ 2,149,814	\$ 10,622	\$ 2,160,436
Prop 1B funds received during fiscal year ended June 30, 2017	3,440,503	18,692	3,459,195
Prop 1B funds interest earned fiscal year ended June 30, 2017	5,853	84	5,937
Prop 1B expenses incurred during fiscal year ended June 30, 2017	<u>(404,923)</u>	<u>(23,085)</u>	<u>(428,008)</u>
Unearned balance, June 30, 2017	<u>\$ 5,191,247</u>	<u>\$ 6,313</u>	<u>\$ 5,197,560</u>

NOTE 5 – CASH AND INVESTMENTS

Cash and Investments are classified in the accompanying financial statements as follows:

Cash	\$ 6,471,190 **
Cash and investments with fiscal agent - restricted	2,176,014
Cash and investments - Board reserved	<u>4,304,999</u>
Total	<u>\$ 12,952,203</u>

**Cash balance includes \$5,197,560 of unspent Prop 1B grant funds which are restricted by grant covenants for specific capital projects and are not available for operating expenses or liabilities related to operating costs.

Cash and Investments consist of the following:

Cash on hand	\$ 3,453
Deposits with financial institutions	8,489,078
Certificates of deposit	2,273,032
Cash and cash equivalents with fiscal agent	<u>2,186,640</u>
Total	<u>\$ 12,952,203</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 5 – CASH AND INVESTMENTS, (CONTINUED)

Policies and Practices

VVTA is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations as specified in Section 53600. VVTA does not have a formal policy for investments that is more restrictive than the noted Government Code.

Investments of cash within the new facility project and accompanying funds held by the lease trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. VVTA does not have a formal policy related to its investments interest rate risk.

Information about the sensitivity of the fair value of VVTA's investments to market interest rate fluctuations is provided by the following table shows the distribution of the investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months) 12 Months Or Less</u>
Investments held by Authority:		
Certificates of Deposit	\$ 2,273,032	\$ 2,273,032

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Holdings held by the trustee are insured by the trust agreement. VVTA does not have a formal policy related to its investments credit risk. Presented below is the minimum rating required by (where applicable) the California Government Code and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Rating</u>	<u>Not Rated or Not Applicable</u>
Held by Authority			
Certificates of Deposit	\$ 2,273,032	N/A	\$ 2,273,032

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 5 – CASH AND INVESTMENTS, (CONTINUED)

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, VVTA will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. VVTA does not have a policy of custodial credit risk for deposits. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2017, VVTA holds cash deposits with Desert Community Bank \$10,512,110 in excess of FDIC insurance limits. These amounts are collateralized by securities held by the bank.

Fair Value Hierarchy

VVTA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Various inputs are used in determining the value of VVTA's investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 - quoted prices in active markets for identical investments, Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.) and Level 3 - significant unobservable inputs (including VVTA's own assumptions in determining the fair value of investments).

The fair value of the certificates of deposits is based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal years ended June 30, 2017, is as follows:

	Beginning Balance July 1, 2016	Additions	Retirements	Ending Balance June 30, 2017
Non-depreciable assets				
Land-Hesperia Facility	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Land-Barstow Facility	193,350	-	-	193,350
Construction in progress	170,669	65,387	-	236,056
Total assets, not depreciated	<u>1,864,019</u>	<u>65,387</u>	<u>-</u>	<u>1,929,406</u>
Depreciable assets				
Bus Facility-Hesperia	51,177,636	99,919	-	51,277,555
Bus Facility-Barstow	594,671	102,564	-	697,235
Operations equipment	34,499,067	784,873	(532,421)	34,751,519
Furniture and office equipment	2,659,912	29,652	(19,521)	2,670,043
Total depreciated assets	<u>88,931,286</u>	<u>1,017,008</u>	<u>(551,942)</u>	<u>89,396,352</u>
Accumulated depreciation				
Bus Facility-Hesperia	(4,303,424)	(1,279,088)	-	(5,582,512)
Bus Facility-Barstow	-	(59,467)	-	(59,467)
Operations equipment	(16,998,405)	(3,391,529)	498,259	(19,891,675)
Furniture and office equipment	(2,659,912)	-	19,521	(2,640,391)
Subtotal accumulated depreciation	<u>(23,961,741)</u>	<u>(4,730,084)</u>	<u>517,780</u>	<u>(28,174,045)</u>
Net depreciable assets	<u>64,969,545</u>	<u>(3,713,076)</u>	<u>(34,162)</u>	<u>61,222,307</u>
Total capital assets, net	<u>\$ 66,833,564</u>	<u>\$ (3,647,689)</u>	<u>\$ (34,162)</u>	<u>\$ 63,151,713</u>

NOTE 7 – RISK MANAGEMENT

VVTA is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-two participating member agencies: twenty-two cities, four transit agencies and six special districts. VVTA participates in the general liability, property, and business auto physical damage programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. VVTA participates in risk sharing pools for losses of up to \$1 million followed by PERMA's membership in the CSAC Excess Insurance Agency (EIA) for \$49 million excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis, eliminating the traditional commercial "named peril" policy.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 7 – RISK MANAGEMENT, (CONTINUED)

The business auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Business auto physical damage is written on an agreed amount basis.

VVTA has not had any settlements that exceeded coverage within the last three (3) years and there have been no significant changes in insurance policies or coverage amounts.

NOTE 8 – COMMITMENTS

VVTA has a 7-year contract with their service provider for operations, Transdev Services Inc. The contract includes services for the Fixed Routes, Demand Response, and commuter routes for Fort Irwin, and County connector routes. This contract is due to expire June 30, 2018. There are three (3) one-year extension periods that could be added by mutual agreement of the parties.

VVTA currently contracts through ADA Ride for its ADA eligibility certification process. This contract provides ADA certifications for all disabled transit riders seeking transportation services within ADA guidelines. The current contract was established in 2008 and was renewed on July 20, 2015 for a three year period. There are two (2) one-year extension periods that could be added by mutual agreement of the parties.

NOTE 9 – LONG-TERM LIABILITIES

The following is a summary of the changes in the principal balance of long-term liabilities for the year ended June 30, 2017:

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017	Due within One year	Due beyond One year
Governmental activities:						
2016 Refunding Lease	\$ 21,925,000	\$ -	\$ (550,000)	\$ 21,375,000	\$ 565,000	\$ 20,810,000
Premium	3,233,837	-	(146,993)	3,086,844	-	3,086,844
Compensated Absences	76,802	75,435	(56,922)	95,315	95,315	-
Total Long-Term Liabilities	<u>\$ 25,235,639</u>	<u>\$ 75,435</u>	<u>\$ (753,915)</u>	<u>\$ 24,557,159</u>	<u>\$ 660,315</u>	<u>\$ 23,896,844</u>

Certificates of Participation

In 2016, VVTA sold certificates of participation in the amount of \$23,300,000 to refund the 2007 Lease/Trust Agreement Certificates of Participation. As a result, the 2007 Lease/Trust Agreement Certificates of Participation were retired and the liability for those bonds has been removed from the Statement of Net Position. Proceeds were used to continue to finance the construction of the transit facility located in Hesperia, California. Proceeds were also used to pay delivery costs of the certificates. As of June 30, 2017, \$31,375,000 of the refunded debt was pending redemption.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 9 – LONG-TERM LIABILITIES, (CONTINUED)

Certificates began maturing on July 1, 2016 with semi-annual interest payments due January 1 and July 1 at various interest rates from 2.00 to 5.00 percent. Principal payments are due annually, July 1 at various amounts from \$550,000 to \$4,335,000. The final principal payment of the certificates is scheduled for July 1, 2037.

As part of the refunding, VVTA pledged farebox revenues as collateral for the issuance. Additionally, debt service payments were to be made from all legally available revenues, including farebox revenues, Federal Transit Assistance Funds, Local Transportation Funds, and State Transit Assistance Funds.

The future lease payment requirements for the refunding are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 565,000	\$ 970,500	\$ 1,535,500
2019	590,000	947,900	1,537,900
2020	615,000	924,300	1,539,300
2021	645,000	893,550	1,538,550
2022	675,000	861,300	1,536,300
2023-2027	3,935,000	3,763,500	7,698,500
2028-2032	5,015,000	2,677,000	7,692,000
2033-2037	9,335,000	1,290,500	10,625,500
Total	<u>\$ 21,375,000</u>	<u>\$ 12,328,550</u>	<u>\$ 33,703,550</u>

NOTE 10 – COMPENSATED ABSENCES

Accumulated unpaid personal leave consisting of vacation pay, has been accrued at June 30, 2017 in the amount of \$95,315. VVTA's liability for compensated absences is typically liquidated within one year.

NOTE 11 – EMPLOYEES' RETIREMENT PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. VVTA sponsors two tiers within the miscellaneous plans. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 11 – EMPLOYEES’ RETIREMENT PLAN, (CONTINUED)

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plan’s provisions and benefits in effect at June 30, 2017, are summarized as follows.

	Miscellaneous	
	Classic	New Member
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55	62
Monthly Benefits, as a % of Annual Salary	2.7%	2%
Required Employee Contribution Rates	8%	6.25%
Required Employer Contribution Rates	11.008%	6.555%

Contributions

Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following the notice of change in rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. VVTA is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. During the year, VVTA paid 3% of the employee contribution rate. Employer contributions to the pension plan were \$118,569 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, VVTA reported a liability of \$137,916 for its proportionate share of the collective net pension liability.

VVTA’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016. VVTA’s net pension liability for the Plan was measured as the total pension liability, less the pension plan’s fiduciary net position.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 11 – EMPLOYEES’ RETIREMENT PLAN, (CONTINUED)

VVTA’s proportionate share of the net pension liability, measured as of June 30, 2015 and 2016, is as follows:

Proportion- June 30, 2015	0.00177 %
Proportion- June 30, 2016	0.00159 %
Change- Increase (Decrease)	<u>(0.00018) %</u>

For the year ended June 30, 2017, VVTA recognized a pension credit of \$39,915. At June 30, 2017, VVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,775	\$ 865
Changes in assumptions	-	35,717
Net difference between projected and actual earnings on pension plan investments	185,897	-
Changes in proportion and difference between VVTA's contributions and proportionate share of contributions	199,907	5,029
Contributions subsequent to the measurement date	118,569	-
Total	<u>\$ 508,148</u>	<u>\$ 41,611</u>

The amount of \$118,569 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2018	\$ 120,396
2019	97,197
2020	82,225
2021	48,150
Total	<u>\$ 347,968</u>

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 11 – EMPLOYEES’ RETIREMENT PLAN, (CONTINUED)

Actuarial Assumptions

The June 30, 2015 actuarial valuation was rolled forward to determine the June 30, 2016 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3%-14.2% (1)
Mortality	Derived using CalPERS' Membership data

(1) Depending on age, service, and type of employment

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011. Further details of the experience study can be found on the CalPERS website.

Discount rate

The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and employee rates. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 11 – EMPLOYEES’ RETIREMENT PLAN, (CONTINUED)

In determining the long-term expected 7.65 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the fund. The expected rate of return was set by calculating the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target Allocation	Real Rate of Return	Real Rate of Return
		Years 1-10	Years 11+
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	100%		

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents VVTA’s proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what VVTA’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	\$ 209,833
Current Discount Rate	7.65%
Net Pension Liability	\$ 137,916
1% Increase	8.65%
Net Pension Liability	\$ 78,708

Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 12 – DEFERRED COMPENSATION PLAN

VVTA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all non-represented VVTA employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

VVTA has adopted the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. Management believes that VVTA has no fiduciary role under the plan, and plan funds are not available to VVTA's general creditors. Accordingly, VVTA has not reported plan assets in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
LAST TEN YEARS*
AS OF THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the collective net pension liability	0.00159%	0.00177%	0.00244%
Proportionate share of the collective net pension liability	\$ 137,916	\$ 121,552	\$ 151,936
Covered payroll	\$ 1,039,065	\$ 902,643	\$ 690,387
Proportionate share of the net pension liability as a percentage of covered payroll	13.27%	13.47%	22.01%
Plan fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%

Note to Schedule:

*Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore, only three years are shown.

**VICTOR VALLEY TRANSIT AUTHORITY
(A JOINT POWERS AUTHORITY)**

**SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*
AS OF THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions - Miscellaneous	\$ 118,569	\$ 97,561	\$ 142,248
Contributions in relation to the actuarially determined contribution	118,569	97,561	142,248
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 \$ 1,253,046	 \$ 1,039,065	 \$ 902,643
 Contributions as a percentage of covered payroll	 9.46%	 9.39%	 15.76%

* - Fiscal year 2015 was the first year of implementation, therefore, only three years are shown.

**AGENDA ITEM
SEVEN**

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

FY17-18 Mid-Year Budget Review.

SUMMARY STATEMENT

VVTA's Finance Director presents to the Board for information purposes the July through December 2017 mid-year budget review. VVTA is in healthy financial shape for the first six months and projected out for the full fiscal year 2017-2018. The annual net revenue/ expense forecast is projected to finish at a surplus of \$233,250 with expenses coming in around 1% under budget. In aggregate, staff's projections are for revenues to slightly exceed budget by \$4,681 and for expenses to be well under budget by \$228,569.

For FY17-18, staff has again divided the budget review into two main sections; Core Services and Intercity/Commuter Services. The core service, Fixed Route, ADA and County Routes and funded primarily by fare revenues and LTF funds with minor support by, FTA 5307, Measure I and AB2766 funding. The Intercity/Commuter Services are supported almost entirely by fare revenue and grants rather than LTF. In general, the Barstow Division activity has been included in these same categories and aggregated with VVTA's service area activity, however a breakout of the Hesperia and Barstow divisions revenue/expenses summary totals have also been provided on the summary page.

FARE REVENUE

- **System-wide** - fare revenue is at 47% of budget at the 6-month mark and is projected to finish just a little above budget for a total revenue of \$3,288,850 by year end. This represents an increase of \$48,596 when compared to FY16-17 revenue. Overall, fixed and intercity/commuter routes have been demonstrating weaker fare revenue than originally projected for the midpoint of the year which staff has identified is due to a slight decrease in ridership in these routes as compared to last year. These decreases have been somewhat offset by increases in the County fares as well as miscellaneous Administrative revenues resulting from sales of CNG at VVTA's public stations.

Continued

RECOMMENDED ACTION

Receive and file.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Steven Riggs, Finance Director	None	February 21, 2017	7

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

FY17-18 Mid-Year Budget Review.

SUMMARY STATEMENT

Staff is confident that this non-linear trend will pick up pace in the second half of the year as COA changes and fare increases continue to mature but will still fall slightly short of projections.

- **Paratransit** – fare revenue is at 49% of budget at the 6-month mark and is expected to finish at \$570,600 or 98% of budget by year end. Ridership and revenue on this service has declined partially due to program activities sponsored by VVTA's CTSA department.
- **Fixed Route** - fare revenue is lagging budget at the 6-month mark by 7% and is expected to complete the year at \$1,440,000 or 96% of budget. This represents an increase in fare revenue of \$186,179 as compared to FY16-17 but falls short of budget expectations. Forecasted increases in ridership fares compared to actual appear to be the reason for this shortfall.
- **County Routes** - fare revenue is exceeding budget expectations at the 6-month mark by 4% and is projected to reach \$203k, or 110% of budget by year-end. Increases in ridership on the new Oak Hills route 24 along with fare rate increases, are the primary factors affecting this revenue projection.
- **Other Routes Barstow- Victor Valley-San Bernardino (BV Link)** is now inclusive of VVTA's down the hill lifeline service. This popular service has shown increasing fare revenue year over year since its inception and is expected to surpass prior year revenue by \$15,000 or 5%. While fare revenue continues to increase, the rate of increase has slowed down and therefore revenue for FY16-17 will fall short of projections by \$12k or 3.7%. **NTC, Fort Irwin** has shown decreases in average monthly revenues as compared to FY16-17 and at the mid-year is falling short of projections 10%. Expectations project this route completing FY17-18 at \$500,000, a decrease of \$27k as compared to FY16-17. VVTA plans to work with NTC, Ft. Irwin to increase marketing efforts focused on promoting ridership increases during the second half of FY17-18.

Continued

VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

FY17-18 Mid-Year Budget Review.

SUMMARY STATEMENT

EXPENSES BY DEPARTMENT

Overall, expenses are under budget at the midpoint of FY17-18 by 1% and are projected to finish the year \$228,569 lower than budgeted.

- **Administration** – Administration expenses at mid-year are 51% of projections and are expected to finish the 4% under budget due to savings on health care benefits.
- **Yard/Facility** – Expenses for this cost category are running higher than budget due to increases in utilities costs exacerbated by failure of several solar power inverters early in the year. These increased costs are being offset slightly by reduced maintenance costs and heating fuel costs. Although these inverters have now been repaired, staff expects finishing the year \$133k over budget for this cost category.

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

Release of RFP 2018-05 Mid-Life Bus Rehabilitation.

SUMMARY STATEMENT

During the FY 16/17 Budget process, the VVTA Board approved a Mid-Life Bus Rehabilitation project for eight (8) NABI transit buses that have exceeded their FTA minimum useful life of 500,000 miles. The purpose of this project is to extend the useful life of the buses for at least five (5) more years.

In 2017, VVTA's Fleet and Facility Maintenance Director researched and sent out requests for quotes for remanufactured Cummins engines for these buses, none of which were available. The next best option was for a Cummins Certified Technician to rebuild the engines. This option put buses out of service for a minimum of two (2) months at a time and was not acceptable.

So, management looked into new engine replacements and found that the original engines were no longer available. Recently Cummins improved these engines to reduce NOX emissions and Green House Gases and renamed them L9N near zero engine. These will work in VVTA's buses as a factory approved replacement.

Considering the lower emissions and a CARB HVIP voucher for \$10,000, VVTA found that, still within budget, the remaining six (6) engines can be procured with an extended warranty for 5 years/300,000 miles.

Board approval to release an RFP will be required for this project as it will exceed the \$150k threshold; since four more engines will need midlife rebuilds next fiscal year they will also be included in this RFP.

RECOMMENDED ACTION

Authorize VVTA to release RFP 2018-05 Mid-Life Bus Rehabilitation.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Ron Zirges Facilities and Maintenance Director	None	February 20, 2018	8

VVTA RFP 2018-05 MID-LIFE BUS REHAB ATTACHMENT A – SCOPE OF WORK

1. General Scope of Work

- 1.1. The Victor Valley Transit Authority (VVTA) as part of a midlife sub-fleet re-power, requires the Contractor to provide the parts, labor and miscellaneous ancillary items required to perform an engine upgrade replacement program, including the engine-cooling system and a factory remanufactured Allison B-400R transmission in 14 Nabi and Eldorado Axess 40' low floor CNG powered buses, vintage years 2008 – 2014.
- 1.2. The engine re-power shall include the removal of the existing Cummins ISL G 8.9L engines and its replacement with a new Cummins L9N Near Zero engine with a factory warranty of 5 years/300,000 miles. Additionally, it is also required to replace the existing, hydraulically driven cooling system, with a new all-electric driven cooling system package which meets the requirements of the new Cummins L9N engine. (VVTA currently uses the Modine cooling system on their new bus orders however an equivalent EMP system may be used). The Allison B-400R is to be replaced with a factory remanufactured unit meeting the same specifications as the original. The following is a list of ancillary parts that also must be replaced with the re-power but is not meant to be all inclusive:
 - New engine starter motor
 - Any idler pulleys, belts, and tensioners not included with the new engine
 - Cooling system hoses and clamps, not included with the new engine excluding heater hoses
 - With VVTA approval other parts contractor determines are not serviceable at time of re-power
- 1.3. This scope of work shall define the requirements of the project and VVTA's expectations of the completed engine replacement without necessarily describing each individual task in an all-inclusive detail. The Contractor is therefore expected to understand the task and demonstrate their ability accordingly within their submittal.
- 1.4. The quantities of engine re-powers, Cooling system and factory rebuilt transmissions on a per-lot basis, are as follows (Note: the cooling systems in Lot 3 with the Eldorado Axess buses are already Modine Electric cooling systems so these will not require cooling system upgrades):
 - Lot 1 = 5ea. 2008 NABI units and 1 2010 NABI unit with the following engine and transmission serial numbers:

**VVTA RFP 2018-05 MID-LIFE BUS REHAB
ATTACHMENT A – SCOPE OF WORK**

2008 Nabi

Unit #	Engine Serial #	Transmission Serial #
604	46893693	9968799736
605	46891953	6510815206
607	46892257	6510812185
608	46891938	6510812166
609	46891925	6510813643

2010 Nabi

610	73154396	6510969605
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- Lot 2 = 4 2010 NABI units:

2010 Nabi

611	73154368	6510972458
612	73154410	6510979906
613	73156593	71116-22061
614	73156632	6510981601

- Lot 3 = 4 Eldorado Axxess units:

2014 Eldorado Axxess

Unit #	Engine Serial #	Transmission Serial #
616	73584089	6511182928
617	73582528	6511182929
618	73584227	6511182930
619	73584234	6511182927

Note: VVTA reserves the right to increase or decrease the quantity of repowers included in each Lot, at its own discretion and at any time, based on existing and future funding availability.

- 1.5. **Legal Requirements:** The installation of the components, and any modifications to the buses necessary to meet the requirements of this scope of Work shall comply with all applicable federal, state, and local regulations and accepted industry practices typical for this type of work. In the event of any conflict between the requirements of this specification and any applicable legal requirement, the legal requirement shall prevail. Technical requirements that exceed the legal requirements are not considered to conflict.

VVTA RFP 2018-05 MID-LIFE BUS REHAB ATTACHMENT A – SCOPE OF WORK

1.6. Notice to proceed- Lot 1

- The Contractor upon award shall receive the first Article bus of Lot 1 engine repower. It is a contractual requirement to have successfully completed, VVTA inspected and accepted, First Article bus repowered prior to securing the Order to Proceed with the remainder of Lot 1 buses. These will be completed on a one for one exchange basis until all 6 of Lot 1 have been successfully completed.
- The Contractor, upon securing the Notice to Proceed with the first Article bus of Lot 1 shall only be given approval and authorization to acquire the parts, materials, components and enter into any commitments, agreements, etc., related to any requirements for the remainder of Lot 1 buses until successful delivery, VVTA's full acceptance of the first bus and VVTA's issuing of a Notice to Proceed with the remainder of the Lot for repower. If the Contractor does not follow these requirements, its actions shall be at their sole discretion and the VVTA shall not be financially, contractually or legally required to compensate the Contractor for any such actions taken without VVTA's written contractual approvals.

1.7. The Key milestones for this project are:

- Contract Award
- VVTA – Issues the first Notice to Proceed with the First Article Engine Repower
- First Article: is completed by Contractor and delivered to VVTA and VVTA's successful acceptance inspection
- VVTA – Issues the second Notice to Proceed with the remainder of the Lot 1 buses. The Contractor, at this stage of the project, can take possession of 1 of the Lot 1 buses to begin the repower process and upon completion, deliver to VVTA and pick up another of the not yet completed Lot 1 buses and continue until all 6 of Lot 1 buses have been completed.
- This phase of contract closure and move on to Lot 2 on the scheduled date according to funding and agencies requirements.

1.8. Material/Workmanship

- All materials and labor necessary to complete each engine replacement installation shall be provided by the Contractor. Any materials, parts and components shall be new and of first or Original Equipment Manufacturer (OEM) QUALITY. In no case will used, reconditioned or obsolete parts be accepted. Where possible, all parts and units shall be arranged so that rapid assembly and disassembly is possible for the engine being provided. Unless

VVTA RFP 2018-05 MID-LIFE BUS REHAB ATTACHMENT A – SCOPE OF WORK

otherwise specified, the dimensions of all parts shall be in accordance with current standards, i.e., SAE or the metric equivalent. If due to non-existence of OEM parts, the Contractor shall notify VVTA and receive acceptance prior to proceeding with the work.

- Parts and units shall conform in material, design and workmanship to industry standards and shall meet or exceed all Federal and State motor vehicle safety standards. No advantages shall be taken by the Contractor in the omission of any parts or details that make the engine package complete and ready for service., even though such parts or details are not mentioned in this Scope of Work.
 - Workmanship throughout shall conform to the highest standard of commercially accepted practice for the class of work and shall result in a neat and finished appearance. All exposed surfaces and edges shall be smooth, free from burrs and other projections, and shall be neatly finished. Exposed metal surfaces shall be properly prepared and coated with protective material to insure against corrosion or deterioration.
 - Again, this scope is not meant to be a detailed list of instructions but a general outline of VVTA's request. The proposer should be knowledgeable in mid-life repowers and should show industry knowledge and experience with this type of project.
- 1.9. Proposers must be certified for inclusion in the Air Resources Board HVIP program and include the \$10,000 credit towards the cost of the new L9N near zero engine.

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VICTOR VALLEY TRANSIT AUTHORITY

AGENDA MATTER

VVTA FY17-18 Compensation Study Presentation.

SUMMARY STATEMENT

In 2010 the VVTA Board brought the administration staff “in house”. Prior to that time, VVTA had no employees and as a result had no Human Resources policies or procedures. At the direction of the VVTA Board of Directors (BOD), staff commissioned a compensation study to identify a common framework for compensation ranges for the types of positions currently associated with the operations of the VVTA administration. These included identification of salary “ranges”, salary “steps” within those ranges, and the placement of positions within the ranges. One of the stated goals of the plan was to ***“ensure VVTA’s ability to meet the present and future business objectives of the organization, maintain a salary program which will give maximum incentive to real accomplishments, and compensate individuals on the basis of merit without discrimination, while providing necessary administrative control of salary costs, and provide salary structures, which are internally equitable and externally competitive”***. The final Compensation Policy was adopted by the VVTA Board on March 18, 2013.

Article 8 of the VVTA Compensation Policy requires a formal evaluation ***“every five years”*** in which ***“VVTA will evaluate its compensation structure, programs, and policies to assess market competitiveness, effectiveness, and compliance with State Law”***. In compliance with this policy, on June 19, 2017, the VVTA BOD approved the competitive award of contract to Segal Waters Consulting, a nationally recognized Public-Sector compensation consulting firm, to perform this evaluation.

Article 8 of the VVTA Compensation Policy additionally includes a staff review of the findings of each commissioned study, and to make recommendations to the Board for consideration of ***“adjustments to the compensation structure”***.

RECOMMENDED ACTION

Review for possible future action.

PRESENTED BY	FISCAL IMPACT	MEETING DATE	ITEM NUMBER
Steven Riggs, Finance Director	N/A	February 20, 2018	9

**CORRESPONDENCE
/PRESS CLIPS**

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Man accused of assaulting VVTA driver, ordering bus evacuation

By Staff Reports

Posted Feb 1, 2018 at 3:33 PM

ADELANTO — Authorities placed a man behind bars after he allegedly assaulted a Victor Valley Transit bus driver Thursday afternoon.

Robert Sutton, 57, of Los Angeles, was arrested following the incident, which occurred just after noon Thursday when a VVTA bus broke down on Highway 395 near Crossroads Way.

San Bernardino County Sheriff's Department officials said Sutton approached the bus and began yelling at the passengers, bus driver and mechanic repairing the bus before he went inside and verbally assaulted and threatened the passengers inside, according to authorities.

The bus driver picked up a tire thumper and told Sutton to leave the passengers alone and get off the bus, but Sutton instead became "more agitated" and took the tire thumper from the driver, injuring her hand and arm.

"Sutton ordered all the passengers off the bus, then exited and began chasing the mechanic down the street with the tire thumper," officials said.

Sutton was taken into custody when deputies responded to the incident. He was arrested on suspicion of assault and is being held at the High Desert Detention Center in lieu of \$100,000 bail, officials said.

The bus driver was treated for injuries at the scene. Neither the passengers or the mechanic were injured.

Anyone with information regarding this crime is urged to contact Deputy Sean Byrne of the Victor Valley Sheriff's Station at 760-552-6800. Persons wishing to remain anonymous can contact the We-Tip Hotline at 1-800-782-7463 or online at



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