

# Agenda Report

January 25, 2016

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Transportation  
**SUBJECT: AUTHORIZE CITY MANAGER TO EXECUTE RECURRING SERVICE AGREEMENT WITH LOS ANGELES COUNTY FOR DIAL-A-RIDE SERVICES TO RESIDENTS IN THE UNINCORPORATED AREAS OF ALTADENA, KINNELOA, CHAPMAN WOODS, AND EAST SAN GABRIEL**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the AGREEMENT is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3);
2. Authorize the City Manager to enter into an Agreement with Los Angeles County for Dial-A-Ride services for the period July 1, 2015 to June 30, 2018 in an amount not to exceed \$900,000 (\$300,000 annually).

## **BACKGROUND:**

In 1989 the City of Pasadena entered into an agreement with Los Angeles County for the provision of Dial-A-Ride service to unincorporated area residents. This agreement enabled Pasadena to qualify for participation in the Los Angeles County Metropolitan Transportation Authority's (Metro) Incentive Program. As part of its agreement with Metro for these Incentive funds, the City also provides Dial-A-Ride services to San Marino residents. Under this program, Metro provides funds to be used to offset operating and administrative costs for the Dial-A-Ride program; the City will be receiving \$395,346 in Incentive funds in Fiscal Year 2016.

The current service agreement with Los Angeles County expired at the on June 30, 2015. Coordination on the agreement renewal was initiated by City staff with the County in January 2015. From this coordination, it was determined that the County desired changes and would prepare a modified agreement for review by the City. That modified agreement was received by the City in August 2015. Once the agreement was received by the City, staff engaged in the prescribed review process, which because of a number of on-going assessments, system upgrades and audit responses required a longer than typical review period.

Although the administrative services agreement between the City and the County had expired, the provision of Dial-A-Ride services in Fiscal Year 2016 was not impacted. The billing and receipt of funds for services provided so far in Fiscal Year 2016 will occur in Fiscal Year 2016.

The proposed service agreement will enable the City to continue to provide Dial-A-Ride services through Fiscal Year 2018 to County residents who live in the unincorporated areas of Altadena, Kinneloa, Chapman Woods and East San Gabriel. The City will continue to retain responsibility for all program activities and be compensated by the County for the actual net cost of each ride after Metro's incentive program revenues and the cash fares collected are applied. It is anticipated that the net costs for the services will be less than \$300,000 annually. Execution of the Agreement will enable the City to invoice the County for all services rendered during the contract period, including from the beginning of Fiscal Year 2016.

Under this three year contract, the County will reimburse the City for the cost of service to County residents up to a maximum of \$300,000 annually for a total cost of \$900,000. Per the Fiscal Year 2016 Adopted Budget for the Dial-A-Ride Program, the direct costs to operate Dial-A-Ride is \$1,776,223.27; the Fiscal Year 2016 revenue from the Metro Incentive Program will be \$395,346 and the anticipated revenue from fares is projected to reach at least \$43,000 for a net program cost of \$1,337,877.27. The County's share of ridership for the past three years (Fiscal Years 2013-15) has averaged 15 percent of the total ridership. The net cost of the Dial-A-Ride Program is funded through Proposition A Sales Tax, Fund 208.

The total Dial-A-Ride revenue ridership in Fiscal Year 2015 was 72,583, made up of the following rides per community:

- Pasadena 63,103
- Los Angeles County 9,437
- San Marino 412.

The cost per revenue passenger charged in each community varies as the rates are established at the time a multi-year agreement to provide service was put in place with each community. As the agreements are updated, the rates charged are trued up to the current cost per rider. In Fiscal Year 2015, when the Incentive fund revenue is factored in, the cost per rider was \$16.71.

The Incentive funds received from Metro each year are used to make up any shortfall in the contracted rates and the resulting net revenue is used to support Pasadena's Dial-A-Ride program costs.

Furthermore, one of the key factors in the scoring of the FTA 5310 grants the City applies for to support its Dial-A-Ride program is the level of transportation service coordination among agencies that we are able to demonstrate based on these services we provide to these outside agencies. The City has been very successful in this grant program, recently being awarded several hundred thousand dollars for Fiscal Year 2017 that will provide seven (7) replacement Dial-A-Ride buses, two (2) expansion minivans, as well as funds to provide three (3) years of additional operating hours for Dial-A-Ride.

**COUNCIL POLICY CONSIDERATION:**

The proposed action is consistent with the following goals of the Strategic Plan:  
Maintain Fiscal Responsibility and Stability – the proposed Agreement will enable the City to receive funds for the Dial-A-Ride program from Metro under the Incentive Program.

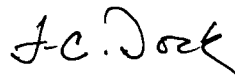
**ENVIRONMENTAL ANALYSIS:**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The proposed project is the continuation of an existing agreement for Dial-A-Ride services and will not result in a significant effect on the environment.

**FISCAL IMPACT:**

The Dial-A-Ride program is funded through Proposition A Sales Tax, Fund 208. The program's Fiscal Year 2016 Adopted Budget includes the \$300,000 in anticipated revenue, in accounts 20824034-702100 and 20824034-654600, that this Agreement will generate. No additional budget appropriation is required.

Respectfully submitted,



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FREDERICK C. DOCK  
Director  
Department of Transportation

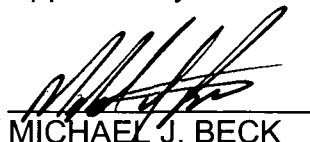
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VALERIE E. GIBSON  
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MICHAEL J. BECK  
City Manager