

# Agenda Report

September 27, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Department of Transportation

**SUBJECT: AUTHORIZE CITY MANAGER TO EXECUTE RECURRING SERVICE AGREEMENT WITH COUNTY OF LOS ANGELES FOR DIAL-A-RIDE SERVICES TO RESIDENTS IN THE UNINCORPORATED AREAS OF ALTADENA, KINNELOA, CHAPMAN WOODS, AND EAST SAN GABRIEL IN FISCAL YEAR 2022 THROUGH FISCAL YEAR 2024**

## **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); and
2. Authorize the City Manager to enter into an Agreement with the County of Los Angeles (County) for the City of Pasadena (City) to provide Pasadena Dial-A-Ride services to residents in the unincorporated areas of Altadena, Kinneloa, Chapman Woods, and East San Gabriel, for the period July 1, 2021 to June 30, 2024. The County will provide service reimbursements in an amount not to exceed \$930,000. Neither Competitive Bidding nor Competitive Selection are required pursuant to City Charter Section 1002(H) and Pasadena Municipal Code Section 4.08.049 (A)(3), contracts with other governmental agencies.

## **BACKGROUND:**

In 1989 the City entered into an agreement with the County for the provision of Dial-A-Ride service to adjacent unincorporated area residents. Per this agreement, the City is reimbursed the full direct cost to operate these services for the County. The City also has a separate agreement with the City of San Marino to provide Pasadena Dial-A-Ride services to San Marino residents. With the three agencies working together under separate agreements, the City qualifies for special Sub-Regional Paratransit grant funding from Metro which is used to offset operating and administrative costs for the Pasadena Dial-A-Ride program. In Fiscal Year 2022, the City will receive \$400,592 in these Incentive funds.

The current service agreement with the County expired on June 30, 2021. Staff received the final agreement from the County the second week of August due to a long review time

by the County. If this agreement is authorized, it will include payment for service provided since June 30. Pasadena Dial-A-Ride has continued to provide the service with the understanding that a new agreement was pending. The proposed service agreement will enable the City to be reimbursed for the continued provision of Pasadena Dial-A-Ride services through Fiscal Year 2024 to County residents who live in the unincorporated areas of Altadena, Kinneboa, 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.

The County's share of Pasadena Dial-A-Ride ridership has been approximately 13 percent of the total Pasadena Dial-A-Ride ridership. Of the 13 revenue vehicle assignments operated daily by Pasadena Dial-A-Ride, all incorporate the unincorporated areas. The service is operated from 7:00 am to 8:30 pm Monday through Friday, 9:00 am to 6:30 pm on Saturdays and 7:00 am to 6:30 pm on Sundays as part of the existing service contract with First Transit.

Execution of the agreement will enable the City to invoice the County for all services rendered during the contract period. Under this three-year contract, the County will reimburse the City for the cost of service to County residents up to a maximum of \$310,000 annually in Fiscal Years 2022, 2023, and 2024 for a total cost over three years of up to \$930,000. While annual reimbursement has been below \$310,000 each year per the last three-year contract, the County has retained the \$310,000 maximum annual amount in their budget to allow for potential increase in Dial-A-Ride ridership.

#### **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 Pasadena 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 Pasadena Dial-A-Ride services and will not result in a significant effect on the environment.

#### **FISCAL IMPACT:**

The approval of this Agreement is a financial benefit to the City due to the net revenue the City will receive for providing the Pasadena Dial-A-Ride services to the County. Approval of the recommended action will allow the City to continue to receive Pasadena Dial-A-Ride service reimbursements from the County up to \$310,000 annually in Fiscal Years 2022, 2023 and 2024. This agreement also enables the City to receive additional annual funding

of approximately \$450,000 from the Metro Incentive Program for the next three fiscal years. Lastly, per the City's provision of these services to the County, in Fiscal Year 2022 the City will receive an additional \$312,533 as part of federal stimulus funding in response to the pandemic. These additional revenues are expected to exceed costs for operating the Pasadena Dial-A-Ride program and add to the fund balance for Fund 208.

Additional Revenue to Pasadena Dial-A-Ride Program in FY22	
LA County*	\$ 310,000
Metro Incentive Program**	\$ 450,000
Metro Incentive Program - Federal Stimulus**	\$ 312,533
Total	\$ 1,072,533

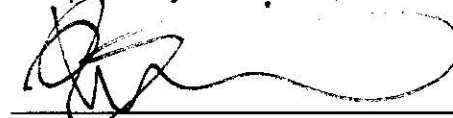
\*Up to amount, depending on service provided to LA County

\*\*Eligible because of the LA County Agreement

\*\*\*Eligible because of the participation in the Metro Incentive Program

If the service agreement is not approved by Council, the City will be unable to participate in the Metro incentive Grant Program for Sub-Regional Paratransit Services and will be ineligible to receive the annual revenue of approximately \$450,000 from the Metro Incentive Grant Funding Program in support of Pasadena Dial-A-Ride services. If this action is not approved, and the City exits the program, it is highly unlikely that the City will be able to return because the program no longer accepts new participating agencies.

Respectfully submitted,



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