


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: September 30, 2016

TO: Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Nury Martinez, Chair, Energy and the Environment Committee

FROM: Seleta J. Reynolds  General Manager
Department of Transportation

SUBJECT: **FISCAL YEAR 2015-16 REPORT TO CITY COUNCIL ON THE STATUS OF THE MOBILE SOURCE AIR POLLUTION REDUCTION TRUST FUND**

SUMMARY

The Los Angeles Department of Transportation (LADOT) is required to report all revenues and expenditures of the Mobile Source Air Pollution Reduction Trust Fund (Trust Fund) on an annual basis, as directed by Ordinance No. 181196.

RECOMMENDATION

LADOT recommends that the City Council receive and file this report for Fiscal Year 2015-16 revenues and expenditures of the Trust Fund.

DISCUSSION

The City receives State funds per Assembly Bill 2766 (AB 2766) and those funds are deposited into the Trust Fund. In accordance with Ordinance No. 181196, the administration of the Trust Fund was transferred to LADOT on July 1, 2010 and therefore, as the Trust Fund Administrator, is required to provide an annual report to the City Council describing the amount and purpose of receipts and expenditures from the Trust Fund following the end of each fiscal year. This report complies with that requirement provided by the Ordinance and details the Trust Fund revenues and expenditures for the period of July 1, 2015 through June 30, 2016 (FY 2016).

As the Trust Fund Administrator, LADOT is also required to report to the South Coast Air Quality Management District (SCAQMD) on the emissions reductions achieved from programs funded through AB 2766 funds. In accordance with that requirement, LADOT will submit the emission reduction report for FY 2016 to SCAQMD by February 4, 2017.

BACKGROUND

Los Angeles City Ordinance No. 167129 established the Trust Fund to receive and expend State fees allocated to the City per AB 2766 (Sher, Chapter 1705 of the Statutes of 1990). Per AB 2766, air pollution districts may impose fees on motor vehicle registrations to raise revenues for programs to reduce air pollution from vehicles. The State of California Department of Motor Vehicles collects the

fees by assessing an additional \$4.00 on each vehicle registered. The breakdown of each dollar is as follows:

- Participating cities and counties located within the South Coast Air Basin receive 40 cents of every dollar collected in the Basin on a prorated population share basis. In order to receive these funds, the City enacted an ordinance expressing support for AB 2766 and codifying City compliance with terms set forth in AB 2766. The SCAQMD transmits funds to the City in quarterly automatic clearing house transfers. The amounts vary according to the number of vehicles registered during each quarter.
- An additional 30 cents of each dollar collected goes into a Discretionary Fund administered by the Mobile Source Air Pollution Reduction Review Committee (MSRC). The legislation identified this multi-agency committee to program and distribute these discretionary funds in the South Coast Air Basin. The MSRC was formed in 1990, when AB 2766 was signed into law. All programs implemented by the MSRC must fund work or items that reduce air pollution from mobile sources pursuant to the California Clean Air Act and the local Air Quality Management Plan. Government agencies, non-profit entities, businesses, and individuals may compete for the discretionary funds through an annual Request for Proposals process.
- SCAQMD retains the remaining 30 cents of each dollar collected for use in their mobile source air pollution reduction efforts.

Revenues and Interest

SCAQMD deposited a total of \$4.96 million in AB 2766 subvention revenues and approximately \$41,000 in interest, as reported on a cash basis, to the Trust Fund.

The Ordinance specifies that all interest attributable to money in the Trust Fund be credited to the Trust Fund, and also that any funds remaining unexpended or uncommitted at the end of each fiscal year be reverted back to the Trust Fund for reprogramming to other mobile source air pollution reduction efforts.

Transfers and Expenditures

All City programs and projects funded under the AB 2766 program aim to reduce air pollution from motor vehicles. They are consistent with provisions of the California Clean Air Act and the 1990 Federal Clean Air Act Amendments and further the City's efforts to comply with these laws. In addition, the funds contribute to the implementation of the City's air quality programs, designed to assist in achieving Federal, State, and local air quality goals and mandates, including the SCAQMD's Air Quality Management Plan. The following section describes programs funded by the Trust Fund and the related fund transfers and expenditures. The attachment to this report summarizes the Trust Fund actual expenditures for FY 2016.

AB 2766 Funded Programs

The following is a synopsis of the Trust Fund programs:

Office of the Mayor

1. Electric Vehicles, Bike Share, Car Share and CicLAvia Programs

As adopted in the FY 2016 budget, the Trust Fund contributed \$54,997 for direct salaries (\$30,045) and indirect salaries (\$9,937, and an additional \$17,444 expenditure that is pending as of the date of this report) for staff in the Office of Sustainability in the Mayor's Office of Budget and Innovation. The Office of Sustainability works in concert with City Departments and external stakeholders on various sustainability programs to reduce energy use. The Mayor's Office is involved in the promotion of increased usage of Electric Vehicles, Bike Share, Car Share, and the CicLAvia programs. This work performed directly supports the reduction of vehicle miles traveled and the associated mobile source of air pollution

Personnel Department

In FY 2016, the Personnel Department expended a total of \$723,753 in Trust Funds for direct salaries (\$496,776) and related costs (\$226,977) in support of the following programs.

2. Commute Options and Parking Section

Administered by the Personnel Department, the Commute Options and Parking Program provides services that reduced vehicle mileage and emissions generated by City employees commuting to and from work. Services include providing information on carpooling, vanpooling, and transit buses; administering the City's transit incentive program; and conducting the annual employee ridership survey.

- Vanpool Program

In FY 2016, a total of 718 participants utilized the Vanpool Program which consists of 22 12-passenger vans and 68 eight-passenger vans. With an average one-way daily trip length of 48 miles per day, nearly 2.5 million vehicles miles traveled.

- Carpool Program

In FY 2016, a total of 424 carpool parking permits were issued, with an average of two persons per vehicle, driving an average of five days per week, for a total of 50 weeks per year.

- Transit Subsidy and Bicycle/Walk Subsidy Programs

In FY 2016, participants totaled 2,544 in the Transit Subsidy Program, 47 in the Bicycle Subsidy Program, and 60 in the Walk Subsidy Program.

Department of Public Works – Bureau of Engineering (BOE)

3. Alternative Fuel Infrastructure Program

BOE provides engineering services for the conversion and development of alternative fuel infrastructure (fuel storage and dispensing stations) and facilities where those vehicles are serviced and maintained, including the West Los Angeles Truck Maintenance and Sweeper Maintenance Yards, and the San Fernando CNG Fueling Station. During FY 2016, BOE staff designed and prepared engineering and construction documents; created cost estimates; and obtained approvals for the natural gas detection systems, electrical distribution, and controls for new ventilation systems.

In support of these activities, a total of \$172,062, including direct costs (\$112,598) and related costs (\$59,464) was expended.

LADOT

In FY 2016, a total \$2,418,422 was expended for direct salaries (\$1,541,168) and in related costs (\$876,944) to help support a variety of operations including the Automated Traffic Surveillance and Control and Adaptive Traffic Control Systems, Traffic Calming, CicLAvia, and Project Management.

4. Automated Traffic Surveillance and Control (ATSAC) and the Adaptive Traffic Control System (ATCS)

Approximately 4,600 signalized intersections are under the ATSAC/ATCS System which controls throughout the City. The ATSAC System enables traffic engineers to monitor traffic conditions and make real-time signal timing adjustments to handle emergencies and special events. With ATCS, the “adaptive” traffic signals automatically change timing in response to different travel volumes and patterns at different times of the day. Analysis by LADOT and independent third parties showed that signal synchronization on major corridors reduces traffic congestion (i.e. time delay experienced by vehicles versus free flow conditions) and air emissions.

5. Traffic Calming

LADOT staff prepared and managed consultant work related to the preparation of neighborhood traffic calming designs and studies, and created a scope of work for a shared mobility program (Integrated Mobility Hubs). The Integrated Mobility Hubs is a new, innovative project that will provide convenient mobility options for current and new transit users, attempting to provide transportation alternatives for the first and last miles of a given transit commute.

6. Project Management

LADOT supports various sustainable transportation and air quality programs, including the green taxi, emission reduction projects, car share, bike share, carpool and bicycle programs, transit and light rail activities.

7. CicLAvia

The FY 2016 Adopted Budget included \$250,000 for Departmental labor costs supporting the CicLAvia Program. Funding was expended in support of these continued events.

General Services Department (GSD)/ Department of Public Works – Bureau of Sanitation (BOS)

8. Alternate Fuel Fleet Vehicles, Trucks and Infrastructure

In FY 2016, the Department of General Services (DGS) and Department of Public Works Bureau of Sanitation were budgeted and expended a total of \$711,784 for the alternate fuel fleet vehicles program.

This funding was applied to the purchases of 15 Elgin alternate fuel fleet vehicles (\$355,892) and 16 CNG solid resources collection vehicles (\$355,892).

Los Angeles Police Department (LAPD)

9. Bicycle Patrol Program

In FY 2016, LAPD purchased 37 Volcanic Vx7 APB mountain bicycles at an average cost of \$1,892 each, for a total expenditure of \$68,895 in support of the Bicycle Patrol Program. The current bicycle patrol program has an average of 280 bicycle patrol officers on patrol per day, on patrol 365 days a year excluding heavy weather days, with 15 miles/bike/patrol day, with an average daily 21,000 miles per deployment, for a total of 2,270,000 average bicycles miles per year.

Office of the Controller

10. Annual Audit of Mobile Source Air Pollution Reduction Trust Fund

AB 2766 Regulations require all jurisdictions receiving funds to undergo an annual audit by an independent auditor. To meet this requirement, the City budgets \$15,000 within the Trust Fund for an annual audit. LADOT administers the contract and annually coordinates and prepares audit responses for the previous year's activities. In FY 2016, \$13,842 was expended for the FY 2015 prior year audit of revenue and expenses for the Mobile Source Air Pollution Reduction Trust Fund.

FISCAL IMPACT

All revenues expended in Fiscal Year 2015-16 were in accordance with AB 2766 regulations and guidelines. There was no impact to the General Fund.

SJR:AB:ME

Attachment

c: Barbara Romero, Deputy Mayor for City Services
Miguel Santana, City Administrative Officer
Sharon Tso, Chief Legislative Analyst

ATTACHMENT
MOBILE SOURCE AIR POLLUTION REDUCTION TRUST FUND - FUND 528 (AB 2766)
SUMMARY OF EXPENDITURES FY 2016 (7/1/2015 THROUGH 6/30/2016)

DEPARTMENT	APPR ACCOUNT	FY 16 ADOPTED BUDGET	FY 16 EXPENDITURES
MAYOR	94146M	\$ 30,045	\$ 30,045
PERSONNEL	94166M	\$ 582,822	\$ 496,776
PUBLIC WORKS-BUREAU OF ENGINEERING	94178M	\$ 112,598	\$ 112,598
TRANSPORTATION	94194M	\$ 1,615,243	\$ 1,541,478
ALTERNATE FUEL FLEET VEHICLES	94261M	\$ 711,784	\$ 711,784
BICYCLE PATROL PROGRAM	94262M	\$ 70,000	\$ 68,895
REIMBURSEMENT TO GENERAL FUND COST (RELATED COST)	94299M	\$ 1,596,782	\$ 1,173,320
SINGLE AUDIT CONTRACT FOR FY 2015 AUDIT	94264M	\$ 15,000	\$ 13,842
TOTAL		\$ 4,734,274	\$ 4,148,738

