

## Table of Contents

<b>Chapter 1: Executive Summary .....</b>	<b>01</b>
<b>Chapter 2: Audit Scope and Methodology .....</b>	<b>03</b>
<b>Chapter 3: Program Compliance .....</b>	<b>07</b>
<b>Chapter 4: Prior Recommendations .....</b>	<b>13</b>
<b>Chapter 5: Performance Analysis.....</b>	<b>15</b>
<b>Chapter 6: Functional Review .....</b>	<b>33</b>
<b>Chapter 7: Findings and Recommendations .....</b>	<b>41</b>

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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## Chapter 1

# Executive Summary

In 2019, the Ventura County Transportation Commission (VCTC) selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA as well as the nine public transit programs to which it allocates TDA funding. As one of the six statutorily designated County Transportation Commissions in the SCAG region, VCTC also functions as the respective county RTPA.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. This is the second such audit of the Valley Express program.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Valley Express, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the Valley Express program for the period:

- Fiscal Year 2016/17,
- Fiscal Year 2017/18, and
- Fiscal Year 2018/19.

The Valley Express service is managed and administered by the Ventura County Transportation Commission and provided through a cooperative agreement between VCTC, the cities of Fillmore and Santa Paula, and the County of Ventura. The Valley Express fixed-route service launched in March 2015, replacing a general public Dial-A-Ride program which no longer met the needs of the community efficiently. Valley Express routes link passengers to medical, civic, shopping, educational, and tourist destinations, as well as regional connectivity via VCTC's Highway 126 service.

The Valley Express fixed-route service includes four routes serving the cities of Fillmore and Santa Paula as well as the unincorporated community of Piru. Two additional school trippers operate during the school year. Service hours vary by route. Weekday service operates from approximately 6:15 a.m. to 7:45 p.m. Weekend service operates in Santa Paula and Piru from approximately 8:00 a.m. to 5:45 p.m. Service is not operated on designated holidays.

Dial-A-Ride service is available to the general public, with priority given to ADA-certified individuals. Dial-A-Ride service is available throughout Santa Paula, Fillmore, and the unincorporated areas that make up the Heritage Valley. The Dial-A-Ride service operates weekdays from 5:45 a.m. to 7:45 p.m. and weekends from 8:00 a.m. to 6:00 p.m., excluding designated holidays.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

---

Since launching in 2015, VCTC has adjusted the Valley Express routes and schedules approximately every six months in an effort to find the optimal service alignment and schedule. In August 2017, the fixed-route service was reduced throughout Santa Paula on weekdays and weekends, Dial-A-Ride was expanded to serve the general public, and the Dial-A-Ride service area was expanded.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Follow-up of prior report recommendations (where applicable),
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

## Test of Compliance

We conclude the Valley Express complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner:

## Status of Prior Recommendations

The prior audit – completed in 2017 by Moore & Associates, Inc./Ma and Associates for the three fiscal years ending June 30, 2016 – prescribed one recommendation for Valley Express:

1. [Identify and implement strategies for increasing the farebox recovery ratio to 10 percent by FY 2017/18.](#)

**Status:** Implemented.

## Findings and Recommendations

We find Valley Express to be in compliance with the requirements of the Transportation Development Act. In addition, auditors conclude the entity generally functions in an efficient, effective, and economical manner.

## Findings and Recommendations

Based on discussions with VCTC staff, analysis of program performance, and a review of program compliance and function, the auditors submit no compliance findings for Valley Express. The audit team has identified no functional findings.

## Chapter 2

# Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Valley Express public transit program covers the three-year period ending June 30, 2019. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2019, the Ventura County Transportation Commission selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA, the five transit operators to which it allocates TDA Article 4 funding, and four additional transit operators that do not receive TDA Article 4 funding. Moore & Associates is a general consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Valley Express as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

### Objectives

A Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

# Valley Express

## Triennial Performance Audit, FY 2017 – FY 2019

### Final Report

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#### Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the Valley Express included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
5. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

#### Methodology

The methodology for the Triennial Performance Audit of the Valley Express included thorough review of documents relevant to the scope of the audit, as well as information contained on the City's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

# Valley Express

## Triennial Performance Audit, FY 2017 – FY 2019

### Final Report

---

The methodology for this review included a site visit to Ventura County Transportation Commission headquarters (950 County Square Drive, Ventura) on January 29, 2020. The audit team met with Martin Erickson (Public Transit Director), Aaron Bonfilio (Program Manager - Transit Services), and Jeni Eddington (Transit Analyst), and reviewed materials germane to the triennial review. The audit team also conducted a contractor site visit at MV Transportation's Santa Paula yard (918 Mission Rock Road, Santa Paula) on January 29, 2020, meeting with Jeni Eddington of VCTC as well as Tom Conlin (MV Transportation).

This report is comprised of seven chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Progress in implementing prior recommendations,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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## Chapter 3

# Program Compliance

This section examines the Valley Express’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The Ventura County Transportation Commission considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with VCTC staff as well as a physical inspection of relevant documents including the fiscal audits for each year of the triennium, TDA claim forms, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

The Valley Express program met the test of compliance with respect to Transportation Development Act (TDA) regulations.

### Recent Changes Regarding Compliance

Several changes specific to the TDA and TDA funding went into effect beginning July 1, 2016, and were in full effect throughout the audit period. The first was a policy approved by VCTC which mandated funding originally received through the TDA would be classified as TDA funding even after being passed through to another entity. This disallowed the use of TDA funds passed from one claimant to another agency to be used as local support in the calculation of the farebox recovery ratio.

The second change was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to *changes* in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to *all* costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

**99268.17 (a)** *Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of “operating cost” for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:*

- (1) The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator’s paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator’s costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.*

(2) *Cost increases beyond the change in the Consumer Price Index for all of the following:*

- (A) *Fuel.*
- (B) *Alternative fuel programs.*
- (C) *Power, including electricity.*
- (D) *Insurance premiums and payments in settlement of claims arising out of the operator's liability.*
- (E) *State and federal mandates.*

(3) *Startup costs for new services for a period of not more than two years.*

*(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:*

- (1) *The Controller pursuant to Section 99243.*
- (2) *The entity conducting the fiscal audit pursuant to Section 99245.*
- (3) *The entity conducting the performance audit pursuant to Section 99246.*

Reporting forms for the State Controller for FY 2016/17 were not updated to reflect these exclusions. Reporting forms were updated and in place for FY 2017/18 and FY 2018/19. However, it is important for agencies to ensure any exclusions from operating cost are clearly itemized within TDA audits or other farebox revenue ratio calculations so that compliance can be clearly assessed.

The third change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, "local funds" was defined as "revenues derived from taxes imposed by the operator or by a county transportation commission." S.B. 508 amended Section 99268.19 to read:

**99268.19** *If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.*

This expanded definition opened up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

## The Future of the Transportation Development Act<sup>1</sup>

In the nearly 50 years since the introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators face significant challenges in meeting the farebox recovery ratio requirement, and it calls into question whether that remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA.

Numerous meetings were conducted with the TDA task force across a full year. Other efforts included input from state-level stakeholders as well as transit agencies. It also reviewed the results of two research projects requested by legislative leaders and conducted by the UCLA Institute of Transportation Studies. Two particularly important conclusions were:

- The state's goals for transit have changed and broadened considerably since 1971 when the TDA became law and 1978 when the farebox recovery requirement was added; and
- A survey of California transit and regional agency professionals reveals the current TDA requirements appear to influence agency management decisions in ways that do not align with the state's current goals for transit.

The task force then set forth a draft framework for TDA reform that maintained the farebox recovery requirement but significantly changed how it would be applied. The draft framework:

1. Retains TDA's current farebox recovery requirements as an important data set for policymakers at all levels. The ratios would be targets that all transit agencies should try to hit.
2. Removes financial penalties associated with missing farebox recovery requirements for all agencies.
3. Requires agencies that miss their required farebox recovery for three years in a row be given the option in year four to either 1) develop and submit an action plan to the RTPA that details the steps it will take to meet its farebox recovery requirement; or 2) develop new targets, in collaboration with the RTPA, that monitor the transit agency's contribution to local, community, regional, or statewide goals.
4. Adjusts some aspects of the farebox recovery ratio definitions for the numerator and denominator, and lower the basic targets, to better reflect current goals and objectives for public transit, and to more realistically accommodate today's most pressing transit challenges and unfunded mandates.

While these proposed changes to the TDA legislation have yet to be finalized and enacted, it is very likely the TDA will undergo significant revisions during the next audit period. As a result, the test of compliance may look quite different in subsequent triennial performance audits.

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<sup>1</sup> Letter from Rick Ramacier, State Legislative Committee Chair, California Transit Association, and Joshua W. Shaw, Executive Director, California Transit Association to California Transit Association members, RTPAs, and other public transit systems. Subject: Transportation Development Act Reform – A Draft Framework (inclusive of Attachment 1, Draft Framework). Dated January 8, 2020.

**Exhibit 3.1 Transit Development Act Compliance Requirements**

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2016/17: December 18, 2017 FY 2017/18: November 15, 2018 FY 2018/19: January 28, 2020
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2016/17: December 14, 2017 FY 2017/18: November 15, 2018 FY 2018/19: November 20, 2019
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	July 19, 2016 July 25, 2017 July 27, 2018 July 29, 2019
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	While Valley Express receives funding under Article 8(c), it is not subject to alternative compliance criteria.
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2016/17: -14.99% FY 2017/18: +3.04% FY 2018/19: +1.91%
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	While the proper definition of FTE is used by VCTC, this metric has been reported inconsistently.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2016/17: 6.93% (exempt) FY 2017/18: 11.81% FY 2018/19: 13.16%  <i>Source: TDA Fiscal Audits, FY 2017 – FY 2019</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	

# Valley Express

## Triennial Performance Audit, FY 2017 – FY 2019

### Final Report

Compliance Element	Reference	Compliance	Comments
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	VCTC staff are eligible for CalPERS. Operations staff are employed by a third-party contractor.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	Not applicable	Valley Express does not receive STA funds.
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes on a sliding scale.	PUC 99314.6	Not applicable	Valley Express does not receive STA funds.
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 capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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## Chapter 4

# Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Valley Express program has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in 2017 by Moore & Associates, Inc./Ma and Associates for the three fiscal years ending June 30, 2016 – prescribed one recommendation for Valley Express.

1. [Identify and implement strategies for increasing the farebox recovery ratio to 10 percent by FY 2017/18.](#)

**Discussion:** PUC Section 99268 establishes a 10 percent farebox recovery minimum for rural transit systems in order to remain compliant with TDA. However, Valley Express was exempt from the farebox recovery ratio requirement during the prior audit period (and the first year of the current audit period) due to the expansion of service from Dial-A-Ride to fixed-route/complementary paratransit service. Based on data reported to the State Controller, system-wide farebox recovery ratios stood at 8.5 percent and 6.5 percent for the two years covered in the prior audit.

The prior audit recommended Valley Express identify strategies that could be used to increase its farebox recovery ratio to 10 percent by the end of its exemption. The results of the recent Transit Service Evaluation were provided to the HVTAC and HVPAC in April 2017, with VCTC staff presenting multiple scenarios designed to address the farebox recovery ratio shortfall. Potential strategies could include changes to service delivery, more robust marketing, a fare increase or change in service policy, or contracting with local partners (such as Limoneira) to provide route guarantees. Strategies that could be implemented quickly were recommended to be put in place during FY 2017/18, with other strategies requiring additional planning or budgeting to be implemented the following year. The audit also recommended VCTC and the JPA partners consider what additional local funds might be eligible to supplement Valley Express' farebox recovery ratio per the changes to PUC Section 99268.19.

**Progress:** In November 2017, VCTC prepared a memo documenting its policy and operational actions taken to address the Valley Express farebox recovery ratio. The memo reviewed service reductions implemented in August 2017 as well as public input regarding a potential fare increase. Ultimately the HVPAC elected not to move forward with a fare increase, but would use local sales tax funds (Measure T) provided by the City of Santa Paula as a route guarantee that could be counted toward the farebox recovery ratio. The City would provide \$100,000 in Measure T funds as part of its annual contribution, which exceeded the farebox shortfall in both FY 2015/16 and FY 2016/17. The farebox recovery ratio was in compliance in FY 2017/18 and FY 2018/19.

**Status:** Implemented.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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## Chapter 5

# Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator’s activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>2</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excludes the following:

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<sup>2</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours (VSH)* and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

*Employee hours* is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

### TDA Required Indicators

To calculate the TDA indicators for the Valley Express program, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained from State Controller Reports for each fiscal year covered by this review. Data from these reports was then compared with information reported to the NTD as well

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<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

## Valley Express

### Triennial Performance Audit, FY 2017 – FY 2019

#### Final Report

---

as in Valley Express audited financial reports and was determined to be consistent with TDA guidelines and accurately reflects the costs for the Valley Express transit services. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.

- Fare Revenue was not independently calculated as part of this audit. Fare Revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained from State Controller Reports for each fiscal year covered by this review. Data from these reports was then compared with information reported to the NTD. Valley Express calculates VSH using schedule hours reconciled with driver trip sheets. Valley Express' calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained from State Controller Reports for each fiscal year covered by this review. Data from these reports was then compared with information reported to the NTD. Valley Express calculates VSM by subtracting deadhead and out-of-service miles subtracted from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained from State Controller Reports for each fiscal year covered by this review. Data from these reports was then compared with information reported to the NTD. This calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) methodology was provided by the operations contractor and is consistent with the TDA definition. However, FTE was reported incorrectly on the State Controller Reports.

#### System Performance Trends

It should be noted system performance during the first year of operation reflects a partial year for the current Valley Express service as well as a partial year of the prior VISTA Dial-A-Ride. While FY 2014/15 is shown in the exhibits, the trend analysis will reflect only FY 2015/16 through FY 2018/19.

It should also be noted that system financial data is as reported in the State Controller Report, while modal financial data is taken from the monthly performance reports provided by VCTC (as it is not reported by mode to the State Controller). As such, these figures may not be entirely consistent, as the totals reported to the State Controller may reflect expenses and revenues that do not pass through the operations contractor.

Across the four-year time period, system operating cost saw a net increase of 3.8 percent. The greatest increase was in FY 2017/18 (7.0 percent), which was followed by a decrease the next year. Fare revenue decreased in FY 2016/17 but increased significantly during the last two years (a total net increase of 87.6 percent). This is reflective of the route guarantee provided by the City of Santa Paula, which appears to be reported as fare revenue in FY 2017/18 and FY 2018/19.

System-wide, vehicle service hours (VSH) and vehicle service miles (VSM) both saw a net decrease between FY 2015/16 and FY 2018/19. VSH experienced a net decrease of 14.8 percent, though it increased slightly (less than one percent) in FY 2018/19. VSM increased in FY 2016/17 and decreased

## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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through the end of the audit period, posting a net decrease of 9.7 percent. Ridership exhibited decreases during all but the last fiscal year, for a net decrease of 30.5 percent. Time will tell if the 7.1 percent increase in FY 2018/19 is the start of ridership recovery for Valley Express.

Full-time equivalent (FTE) employees are over-reported throughout the audit period. The full FTE for the operator is being reported within the modal data (rather than only the FTE that applies to each specific mode) and originally used the incorrect definition. As a result, what has been reported to the State Controller is far greater than what should have been reported. Data shown for FY 2018/19 is reflective of the correct definition and reporting.

Cost-related performance indicators increased during the four-year period, with the greatest increases typically occurring in FY 2016/17 and FY 2017/18. This reflects a decline in cost-effectiveness, though there was some improvement (shown as a decrease in these indicators) in FY 2018/19. Passenger-related performance indicators showed a similar pattern, declining during the first few years and improving during FY 2018/19. This reflects an overall decline in productivity.

The farebox recovery ratio experienced a net 80.7 percent increase between FY 2015/16 and FY 2018/19. As noted, the significant increase in FY 2017/18 and FY 2018/19 reflect inclusion of a route guarantee provided by the City of Santa Paula.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

## Exhibit 5.1 System Performance Indicators

Performance Measure	System-wide				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<b>Operating Cost (Actual \$)</b>	\$2,425,451	\$1,574,575	\$1,577,117	\$1,688,129	\$1,634,190
<i>Annual Change</i>		-35.1%	0.2%	7.0%	-3.2%
<b>Fare Revenue (Actual \$)</b>	\$138,306	\$114,605	\$105,847	\$193,612	\$214,979
<i>Annual Change</i>		-17.1%	-7.6%	82.9%	11.0%
<b>Vehicle Service Hours (VSH)</b>	30,185	25,729	23,193	21,732	21,916
<i>Annual Change</i>		-14.8%	-9.9%	-6.3%	0.8%
<b>Vehicle Service Miles (VSM)</b>	379,565	304,411	362,402	312,816	274,931
<i>Annual Change</i>		-19.8%	19.1%	-13.7%	-12.1%
<b>Passengers</b>	151,618	128,481	97,812	83,391	89,296
<i>Annual Change</i>		-15.3%	-23.9%	-14.7%	7.1%
<b>Employees</b>	68	68	68	68	24
<i>Annual Change</i>		0.0%	0.0%	0.0%	-64.7%
<b>Performance Indicators</b>					
<b>Operating Cost/VSH (Actual \$)</b>	\$80.35	\$61.20	\$68.00	\$77.68	\$74.57
<i>Annual Change</i>		-23.8%	11.1%	14.2%	-4.0%
<b>Operating Cost/Passenger (Actual \$)</b>	\$16.00	\$12.26	\$16.12	\$20.24	\$18.30
<i>Annual Change</i>		-23.4%	31.6%	25.5%	-9.6%
<b>Passengers/VSH</b>	5.02	4.99	4.22	3.84	4.07
<i>Annual Change</i>		-0.6%	-15.5%	-9.0%	6.2%
<b>Passengers/VSM</b>	0.40	0.42	0.27	0.27	0.32
<i>Annual Change</i>		5.7%	-36.1%	-1.2%	21.8%
<b>Farebox Recovery</b>	5.7%	7.3%	6.7%	11.5%	13.2%
<i>Annual Change</i>		27.6%	-7.8%	70.9%	14.7%
<b>Hours/Employee</b>	443.9	378.4	341.1	319.6	913.2
<i>Annual Change</i>		-14.8%	-9.9%	-6.3%	185.7%
<b>TDA Non-Required Indicators</b>					
<b>Operating Cost/VSM</b>	\$6.39	\$5.17	\$4.35	\$5.40	\$5.94
<i>Annual Change</i>		-19.1%	-15.9%	24.0%	10.1%
<b>VSM/VSH</b>	12.57	11.83	15.63	14.39	12.54
<i>Annual Change</i>		-5.9%	32.1%	-7.9%	-12.8%
<b>Fare/Passenger</b>	\$0.91	\$0.89	\$1.08	\$2.32	\$2.41
<i>Annual Change</i>		-2.2%	21.3%	114.5%	3.7%

Source: FY 2014/15 and FY 2015/16 data from prior audit report.  
 FY 2016/17 – FY 2018/19 data from State Controller Reports;  
 FY 2018/19 FTE data provided by operator.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

Exhibit 5.2 System Ridership

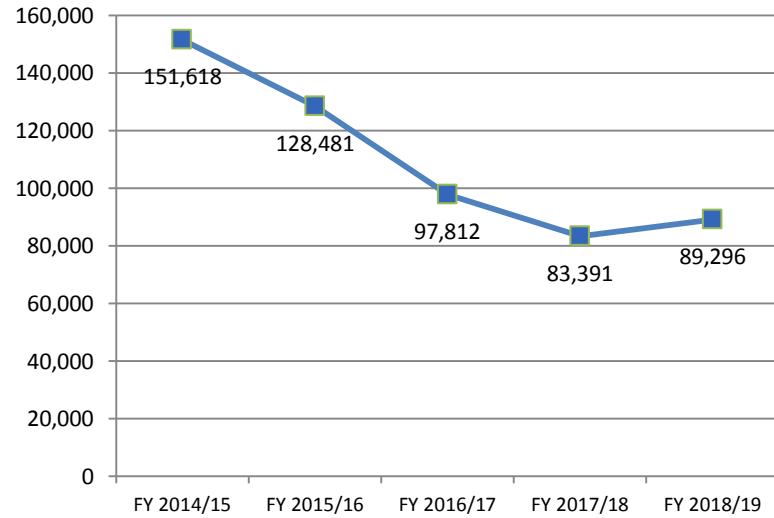


Exhibit 5.3 System Operating Cost/VSH

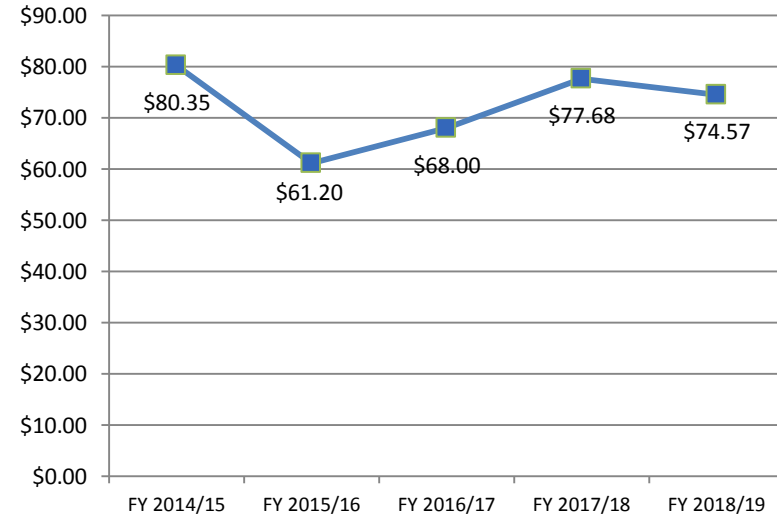


Exhibit 5.4 System Operating Cost/VSM

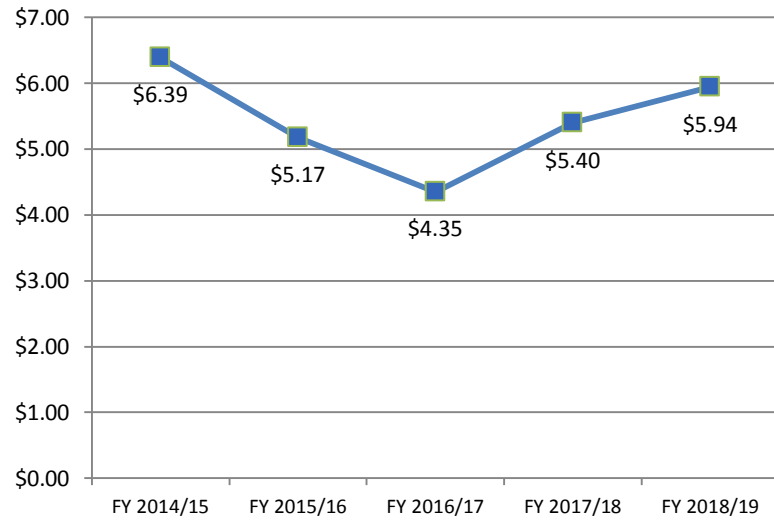
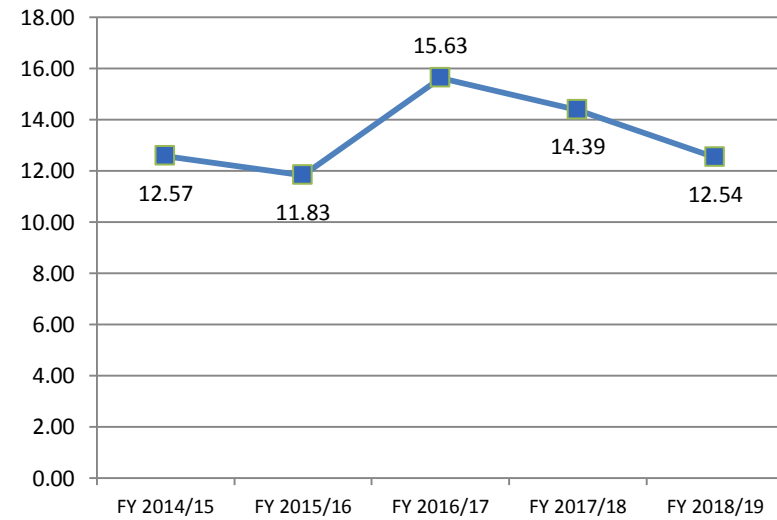


Exhibit 5.5 System VSM/VSH



# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.6 System Operating Cost/Passenger

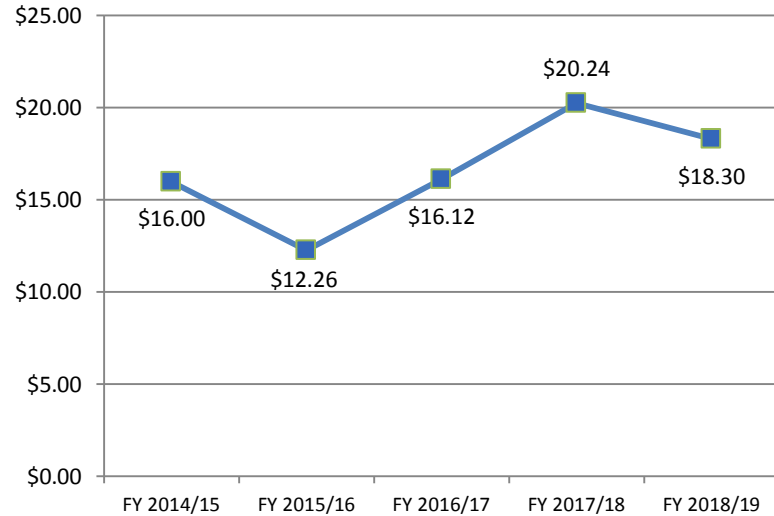


Exhibit 5.7 System Passengers/VSH

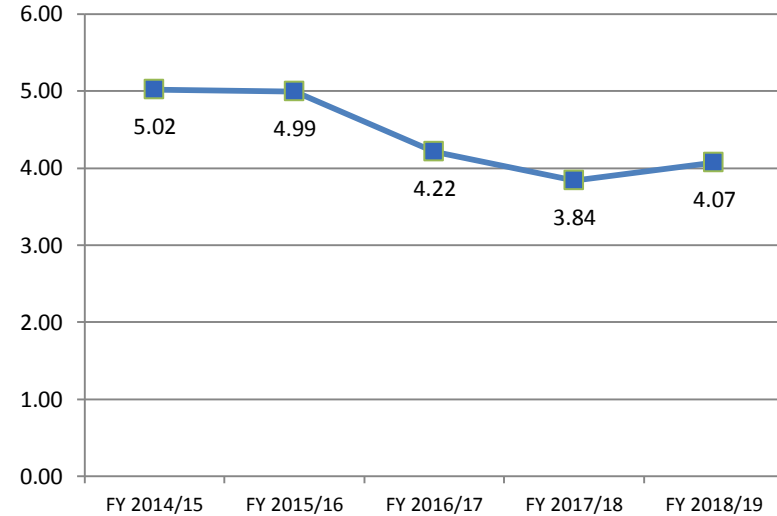


Exhibit 5.8 System Passengers/VSM

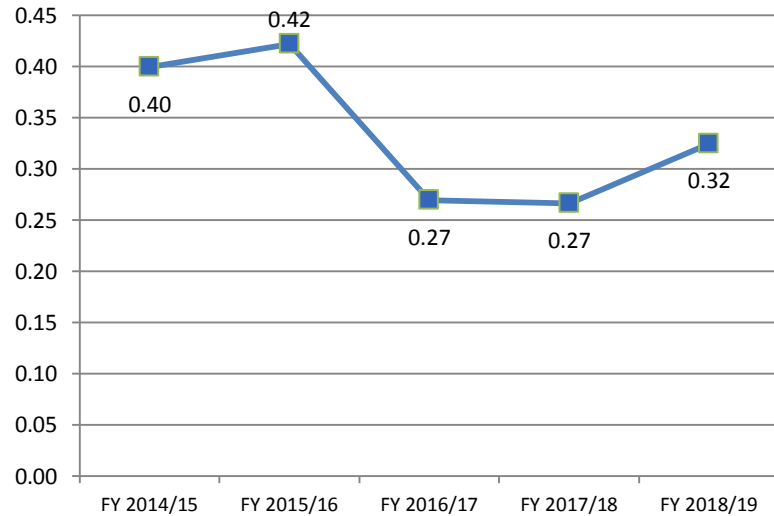
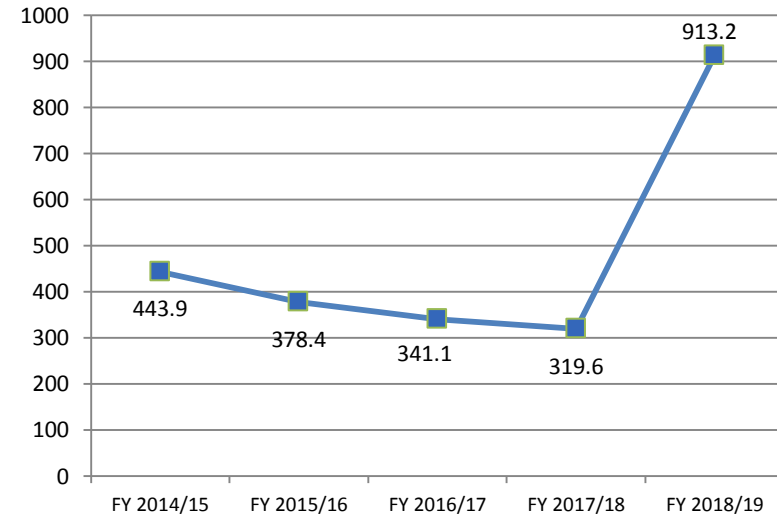


Exhibit 5.9 System VSH/FTE



# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.10 System Farebox Recovery

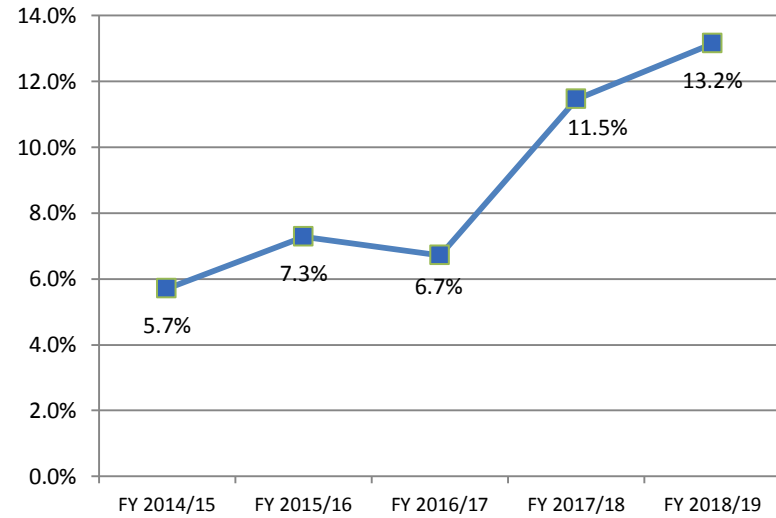
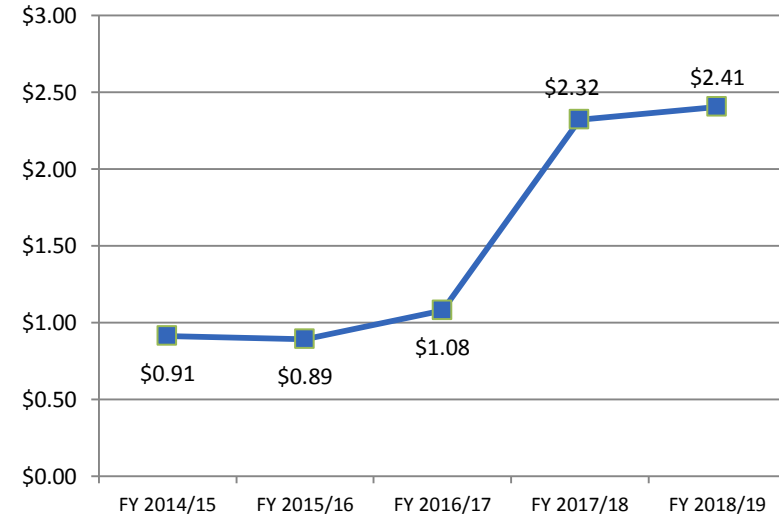


Exhibit 5.11 System Fare/Passenger





## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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### Fixed-Route Performance

It should be noted fixed-route performance during the first year of operation reflects a partial year for the current Valley Express service as well as a partial year of the prior VISTA Dial-A-Ride. While FY 2014/15 is shown in the exhibits, the trend analysis reflects only FY 2015/16 through FY 2018/19.

It should also be noted system financial data is as reported in the State Controller Report, while modal financial data is taken from the monthly performance reports provided by VCTC (as it is not reported by mode to the State Controller). As such, these figures may not be entirely consistent, as the totals reported to the State Controller may reflect expenses and revenues that do not pass through the operations contractor.

Across the four-year time period, fixed-route operating cost saw a decrease of 50 percent. The greatest change took place in FY 2017/18 (7.0 percent), which is consistent with the service change that reduced fixed-route service and increased Dial-A-Ride service. Fare revenue decreased each year (42.4 percent across the four-year period), but the most significant decrease in FY 2017/18 (33.8 percent) was consistent with the fixed-route service reduction.

Fixed-route vehicle service hours (VSH) and vehicle service miles (VSM) both saw a net decrease of approximately 52 percent between FY 2015/16 and FY 2018/19. Consistent with the service change, VSH decreased by 41.5 percent and VSM by 46.8 percent in FY 2017/18. Both metrics continued to decrease in FY 2018/19. Ridership saw a similar decrease in FY 2017/18, but increased 4.4 percent in FY 2018/19.

Full-time equivalent (FTE) employees are over-reported throughout the audit period. The full FTE for the operator is being reported within the modal data (rather than only the FTE that applies to each specific mode) and originally used the incorrect definition. As a result, what has been reported to the State Controller is far greater than what should have been reported. Data shown for FY 2018/19 is reflective of the correct definition and reporting.

Cost-related performance indicators were mixed during the four-year period. Operating cost/VSH and Operating cost/VSM both increased, reflective of a decline in cost-effectiveness, while operating cost/passenger decreased. Passenger-related performance indicators increased throughout the audit period. This reflects an overall improvement in productivity. The unsupplemented farebox recovery ratio experienced a net 15.1 percent increase between FY 2015/16 and FY 2018/19, though there was a slight decrease in FY 2018/19.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

Exhibit 5.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<b>Operating Cost (Actual \$)</b>	\$328,792	\$848,869	\$700,589	\$438,685	\$424,792
<i>Annual Change</i>		158.2%	-17.5%	-37.4%	-3.2%
<b>Fare Revenue (Actual \$)</b>	\$20,085	\$67,176	\$61,599	\$40,767	\$38,692
<i>Annual Change</i>		234.5%	-8.3%	-33.8%	-5.1%
<b>Vehicle Service Hours (VSH)</b>	5,396	13,637	12,012	7,030	6,480
<i>Annual Change</i>		152.7%	-11.9%	-41.5%	-7.8%
<b>Vehicle Service Miles (VSM)</b>	78,541	166,071	190,221	101,189	79,049
<i>Annual Change</i>		111.4%	14.5%	-46.8%	-21.9%
<b>Passengers</b>	29,828	96,994	72,999	50,315	52,540
<i>Annual Change</i>		225.2%	-24.7%	-31.1%	4.4%
<b>Employees</b>	34	34	34	34	7
<i>Annual Change</i>		0.0%	0.0%	0.0%	-79.4%
<b>Performance Indicators</b>					
<b>Operating Cost/VSH (Actual \$)</b>	\$60.93	\$62.25	\$58.32	\$62.40	\$65.55
<i>Annual Change</i>		2.2%	-6.3%	7.0%	5.1%
<b>Operating Cost/Passenger (Actual \$)</b>	\$11.02	\$8.75	\$9.60	\$8.72	\$8.09
<i>Annual Change</i>		-20.6%	9.7%	-9.2%	-7.3%
<b>Passengers/VSH</b>	5.53	7.11	6.08	7.16	8.11
<i>Annual Change</i>		28.7%	-14.6%	17.8%	13.3%
<b>Passengers/VSM</b>	0.38	0.58	0.38	0.50	0.66
<i>Annual Change</i>		53.8%	-34.3%	29.6%	33.7%
<b>Farebox Recovery</b>	6.1%	7.9%	8.8%	9.3%	9.1%
<i>Annual Change</i>		29.5%	11.1%	5.7%	-2.0%
<b>Hours/Employee</b>	158.7	401.1	353.3	206.8	925.7
<i>Annual Change</i>		152.7%	-11.9%	-41.5%	347.7%
<b>TDA Non-Required Indicators</b>					
<b>Operating Cost/VSM</b>	\$4.19	\$5.11	\$3.68	\$4.34	\$5.37
<i>Annual Change</i>		22.1%	-27.9%	17.7%	24.0%
<b>VSM/VSH</b>	14.56	12.18	15.84	14.39	12.20
<i>Annual Change</i>		-16.3%	30.0%	-9.1%	-15.2%
<b>Fare/Passenger</b>	\$0.67	\$0.69	\$0.84	\$0.81	\$0.74
<i>Annual Change</i>		2.9%	21.8%	-4.0%	-9.1%

Source: FY 2014/15 and FY 2015/16 data from prior audit report.  
 FY 2016/17 – FY 2018/19 data from State Controller Reports;  
 modal financial data from Valley Express annual performance summaries;  
 FY 2018/19 FTE data provided by operator.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.13 Fixed-Route Ridership

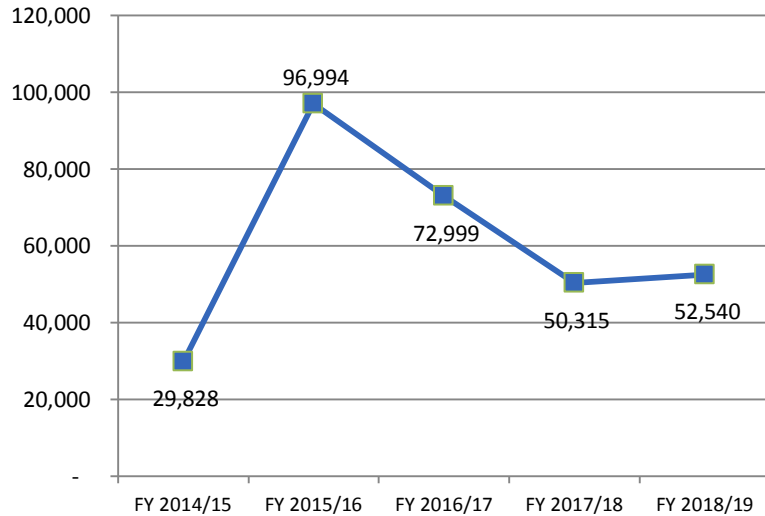


Exhibit 5.14 Fixed-Route Operating Cost/VSH

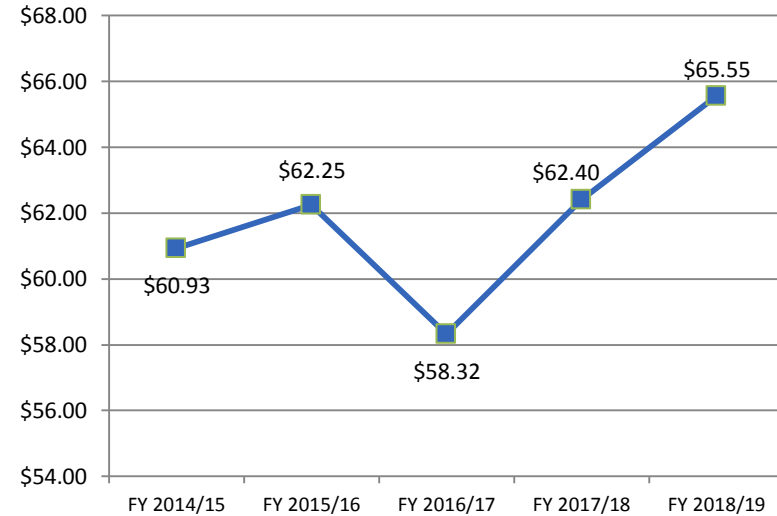


Exhibit 5.15 Fixed-Route Operating Cost/VSM

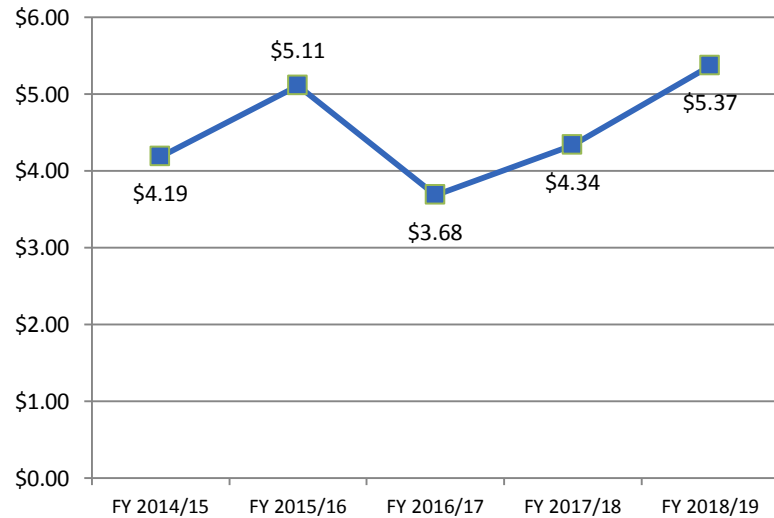
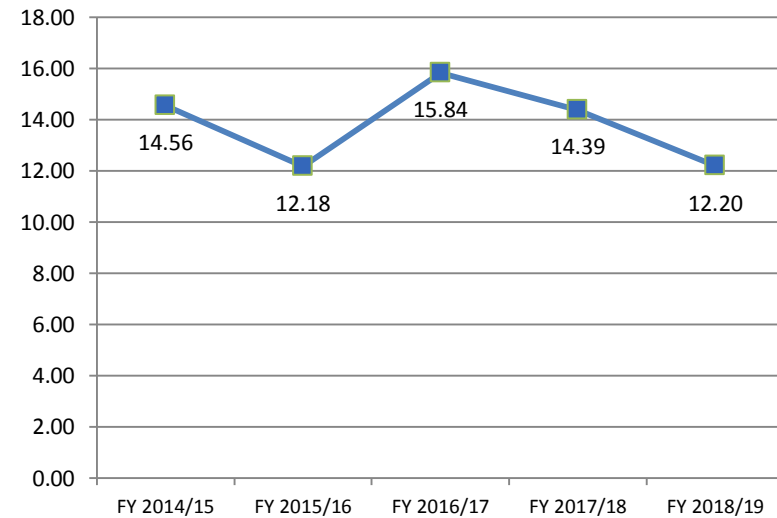


Exhibit 5.16 Fixed-Route VSM/VSH



# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.17 Fixed-Route Operating Cost/Passenger

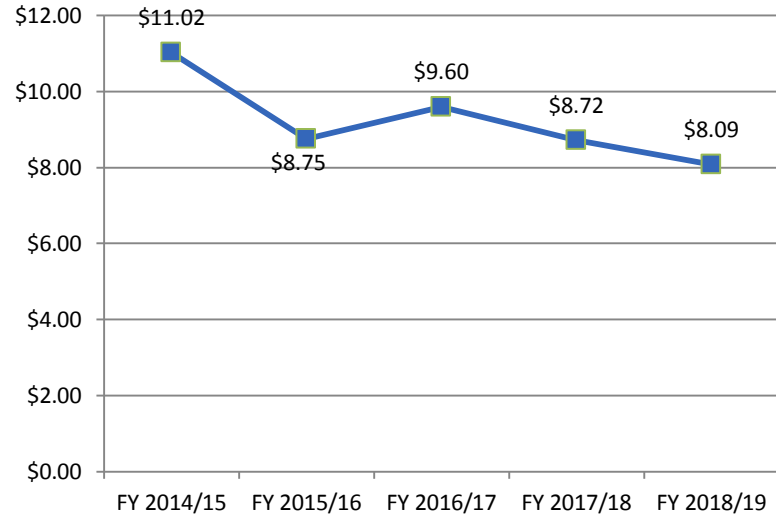


Exhibit 5.18 Fixed-Route Passengers/VSH

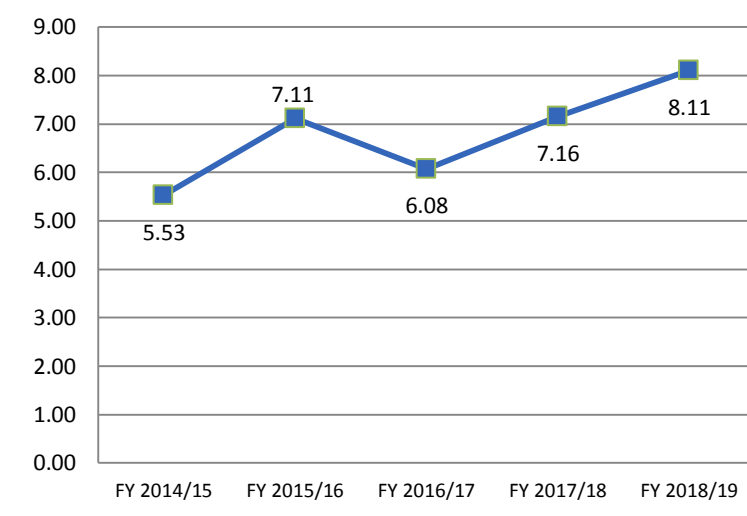


Exhibit 5.19 Fixed-Route Passengers/VSM

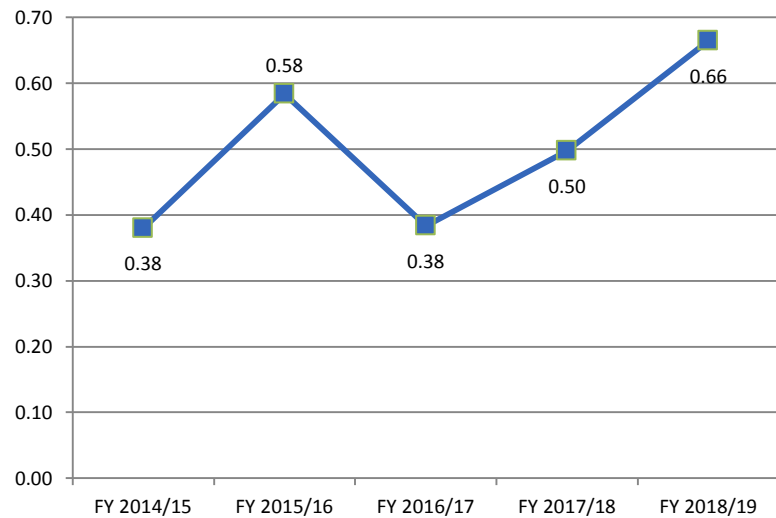
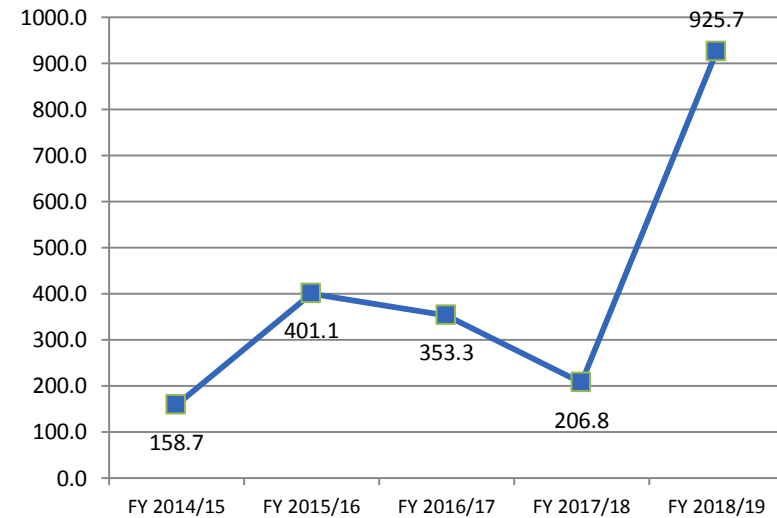


Exhibit 5.20 Fixed-Route VSH/FTE



# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

Exhibit 5.21 Fixed-Route Farebox Recovery

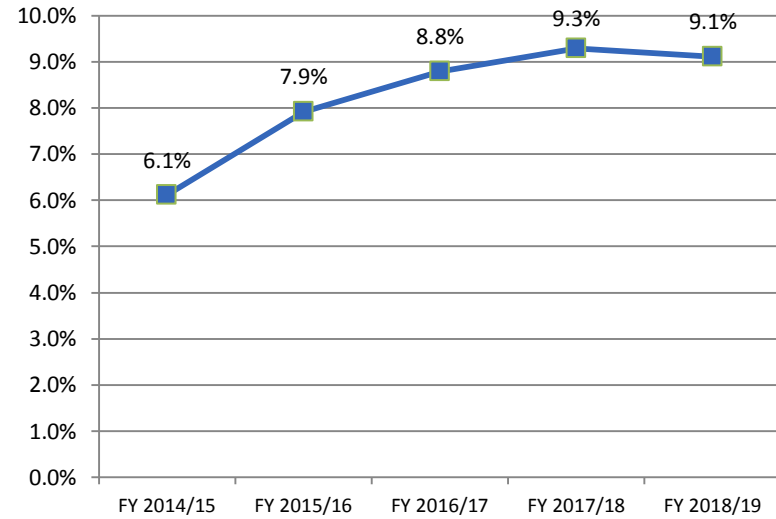
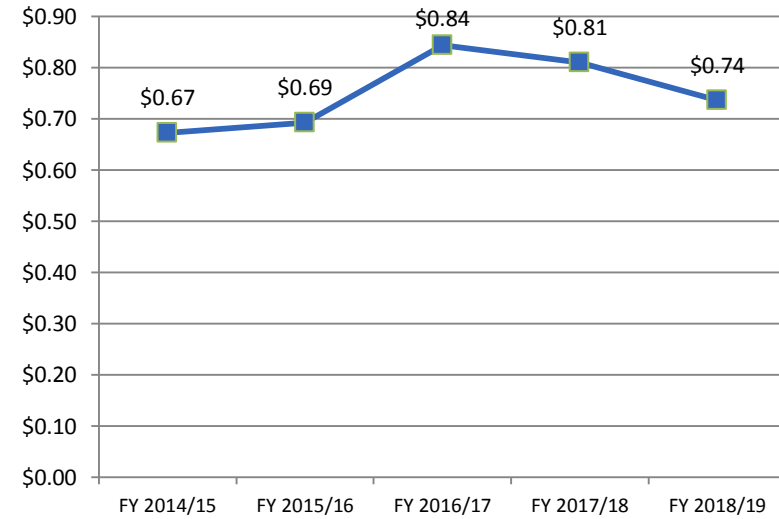


Exhibit 5.22 Fixed-Route Fare/Passenger



## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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### Demand-Response Performance

It should be noted Dial-A-Ride performance during the first year of operation reflects a partial year for the current Valley Express service as well as a partial year of the prior VISTA Dial-A-Ride. While FY 2014/15 is shown in the exhibits, the trend analysis will reflect only FY 2015/16 through FY 2018/19.

It should also be noted system financial data is as reported in the State Controller Report, while modal financial data is taken from the monthly performance reports provided by VCTC (as it is not reported by mode to the State Controller). As such, these figures may not be entirely consistent, as the totals reported to the State Controller may reflect expenses and revenues that do not pass through the operations contractor.

Across the four-year time period, Dial-A-Ride operating cost saw an increase of 39.5 percent. The greatest change took place in FY 2017/18 (45.6 percent), which is consistent with the service change that reduced fixed-route service and increased Dial-A-Ride service. Fare revenue decreased the first year but increased each subsequent year, for a net increase of 16.8 percent across the four-year period.

Dial-A-Ride vehicle service hours (VSH) and vehicle service miles (VSM) both saw a net decrease of between FY 2015/16 and FY 2018/19. VSH increased 31.5 percent in FY 2017/18, consistent with the service change, for a net increase of 27.7 percent across the four-year period. VSM increased in both FY 2016/17 and FY 2017/18, for a total increase of 41.6 percent between FY 2015/16 and FY 2018/19. Ridership experienced an initial decline in FY 2016/17, but increased in FY 2017/18 and FY 2018/19, for a net increase of 16.7 percent.

Full-time equivalent (FTE) employees are over-reported throughout the audit period. The full FTE for the operator is being reported within the modal data (rather than only the FTE that applies to each specific mode) and originally used the incorrect definition. As a result, what has been reported to the State Controller is far greater than what should have been reported. Data shown for FY 2018/19 is reflective of the correct definition and reporting.

Cost-related performance indicators were mixed during the four-year period. Operating cost/VSH and operating cost/passenger both increased, reflective of a decline in cost-effectiveness, while operating cost/VSM decreased. Passenger-related performance indicators increased throughout the audit period. This reflects an overall improvement in productivity. The unsupplemented farebox recovery ratio experienced a net 16.3 percent decrease between FY 2015/16 and FY 2018/19.

Exhibit 5.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response				
	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<b>Operating Cost (Actual \$)</b>	\$2,096,659	\$725,706	\$634,482	\$924,090	\$1,012,595
<i>Annual Change</i>		-65.4%	-12.6%	45.6%	9.6%
<b>Fare Revenue (Actual \$)</b>	\$118,221	\$47,429	\$40,235	\$51,576	\$55,418
<i>Annual Change</i>		-59.9%	-15.2%	28.2%	7.4%
<b>Vehicle Service Hours (VSH)</b>	24,789	12,092	11,181	14,702	15,436
<i>Annual Change</i>		-51.2%	-7.5%	31.5%	5.0%
<b>Vehicle Service Miles (VSM)</b>	301,024	138,340	172,181	211,627	195,882
<i>Annual Change</i>		-54.0%	24.5%	22.9%	-7.4%
<b>Passengers</b>	121,790	31,487	24,813	33,076	36,756
<i>Annual Change</i>		-74.1%	-21.2%	33.3%	11.1%
<b>Employees</b>	34	34	34	34	17
<i>Annual Change</i>		0.0%	0.0%	0.0%	-50.0%
<b>Performance Indicators</b>					
<b>Operating Cost/VSH (Actual \$)</b>	\$84.58	\$60.02	\$56.75	\$62.85	\$65.60
<i>Annual Change</i>		-29.0%	-5.4%	10.8%	4.4%
<b>Operating Cost/Passenger (Actual \$)</b>	\$17.22	\$23.05	\$25.57	\$27.94	\$27.55
<i>Annual Change</i>		33.9%	10.9%	9.3%	-1.4%
<b>Passengers/VSH</b>	4.91	2.60	2.22	2.25	2.38
<i>Annual Change</i>		-47.0%	-14.8%	1.4%	5.8%
<b>Passengers/VSM</b>	0.40	0.23	0.14	0.16	0.19
<i>Annual Change</i>		-43.7%	-36.7%	8.5%	20.1%
<b>Farebox Recovery</b>	5.6%	6.5%	6.3%	5.6%	5.5%
<i>Annual Change</i>		15.9%	-3.0%	-12.0%	-1.9%
<b>Hours/Employee</b>	729.1	355.6	328.9	432.4	908.0
<i>Annual Change</i>		-51.2%	-7.5%	31.5%	110.0%
<b>TDA Non-Required Indicators</b>					
<b>Operating Cost/VSM</b>	\$6.97	\$5.25	\$3.68	\$4.37	\$5.17
<i>Annual Change</i>		-24.7%	-29.8%	18.5%	18.4%
<b>VSM/VSH</b>	12.14	11.44	15.40	14.39	12.69
<i>Annual Change</i>		-5.8%	34.6%	-6.5%	-11.8%
<b>Fare/Passenger</b>	\$0.97	\$1.51	\$1.62	\$1.56	\$1.51
<i>Annual Change</i>		55.2%	7.7%	-3.8%	-3.3%

Source: FY 2014/15 and FY 2015/16 data from prior audit report.  
 FY 2016/17 – FY 2018/19 data from State Controller Reports;  
 modal financial data from Valley Express annual performance summaries;  
 FY 2018/19 FTE data provided by the operator.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.24 Demand-Response Ridership

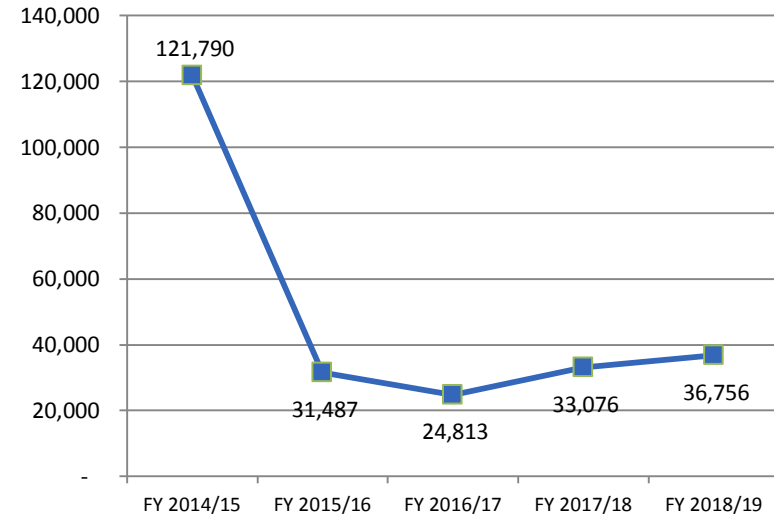


Exhibit 5.25 Demand-Response Operating Cost/VSH

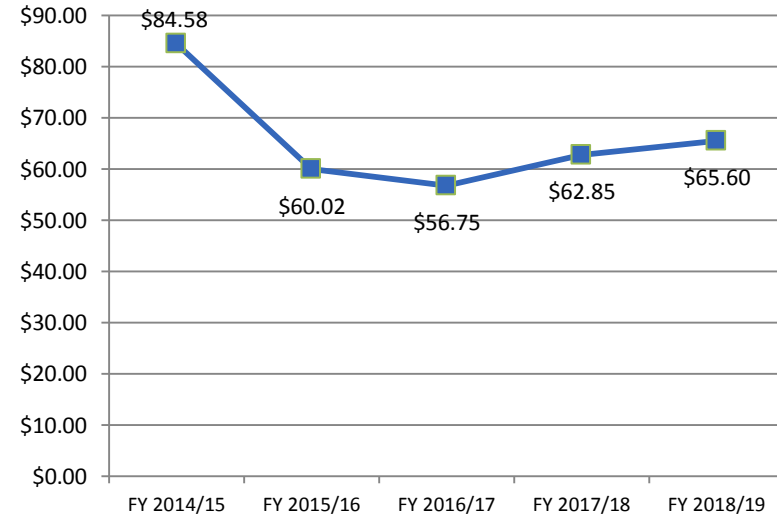


Exhibit 5.26 Demand-Response Operating Cost/VSM

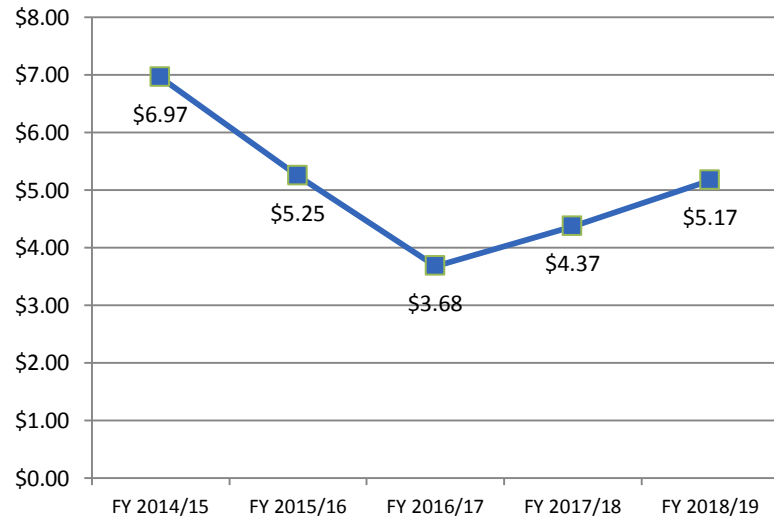
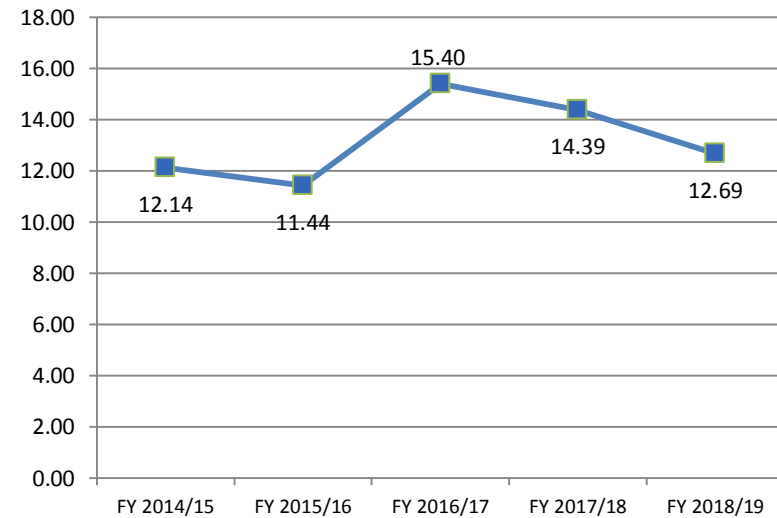


Exhibit 5.27 Demand-Response VSM/VSH





# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.28 Demand-Response Operating Cost/Passenger

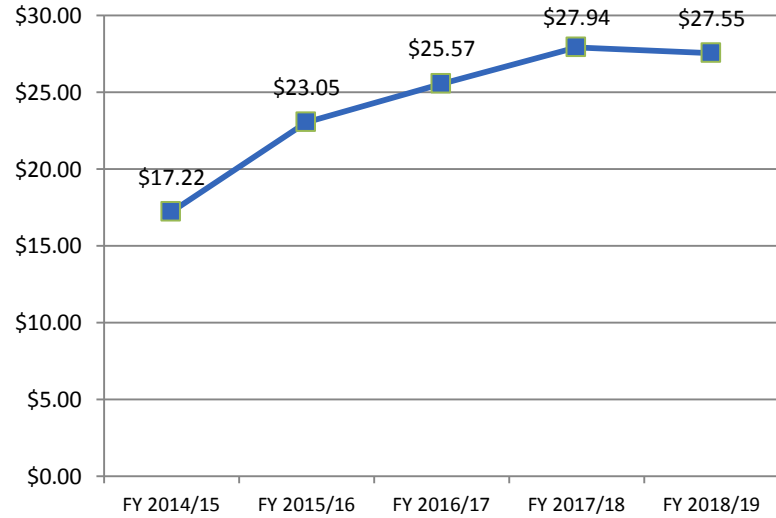


Exhibit 5.29 Demand-Response Passengers/VSH

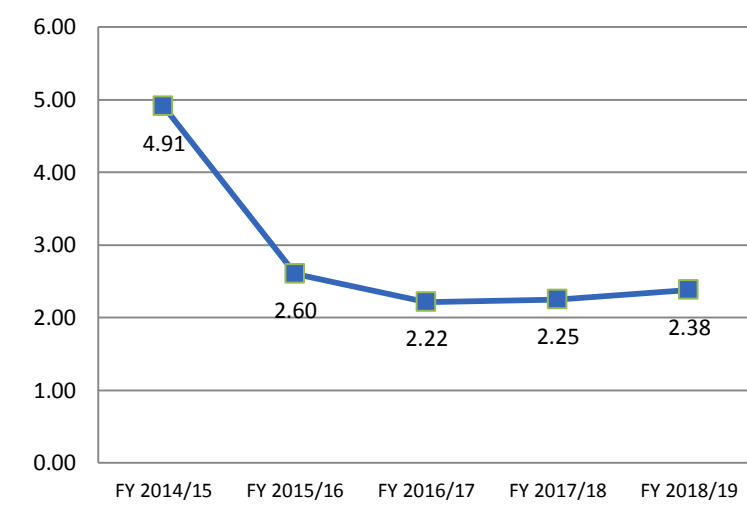


Exhibit 5.30 Demand-Response Passengers/VSM

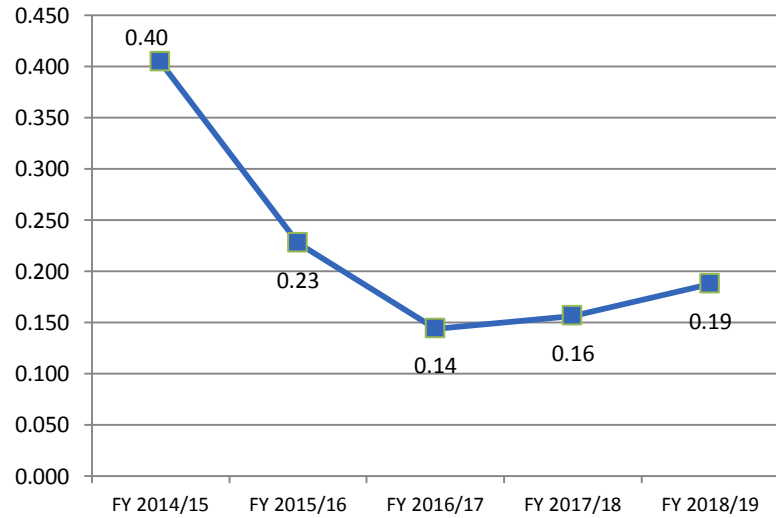
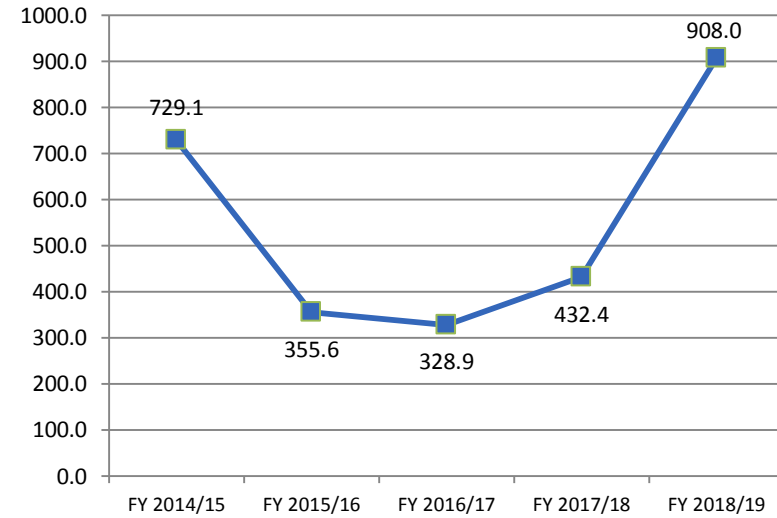


Exhibit 5.31 Demand-Response VSH/FTE



# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019  
Final Report

Exhibit 5.32 Demand-Response Farebox Recovery

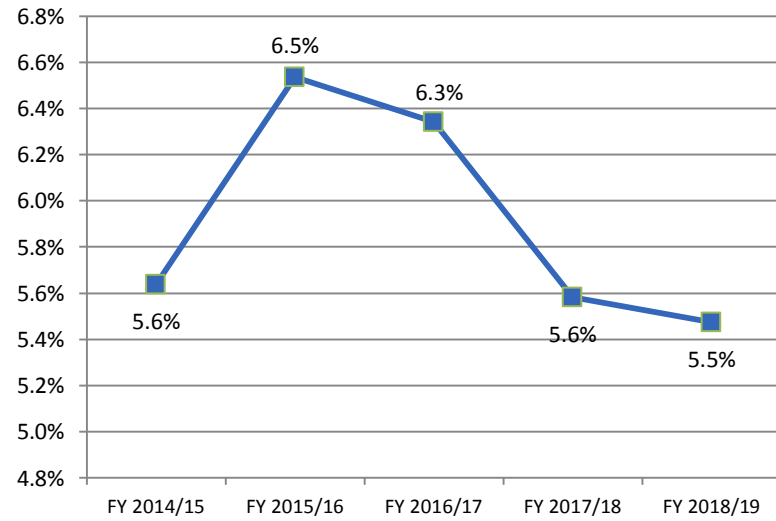
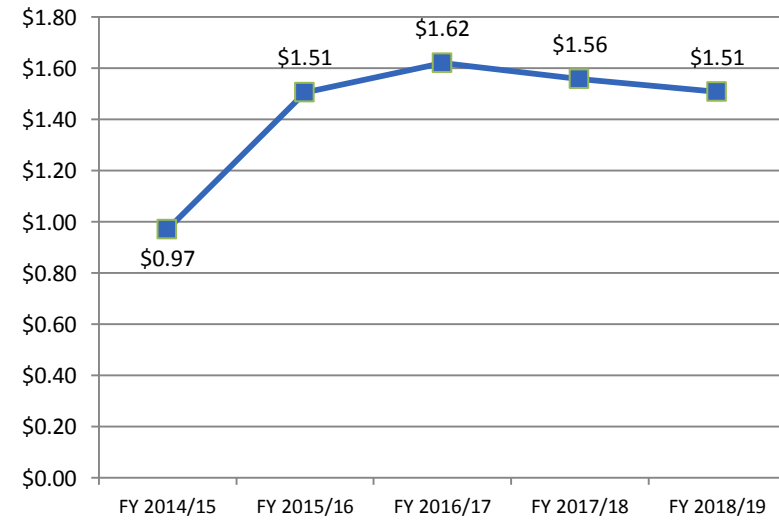


Exhibit 5.21 Demand-Response Fare/Passenger



## Chapter 6 Functional Review

A functional review of the Valley Express’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the Valley Express program, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the Valley Express through its transit program:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Fleet maintenance.

### Service Overview

The Valley Express service is managed and administered by the Ventura County Transportation Commission and provided through a cooperative agreement between VCTC, the cities of Fillmore and Santa Paula, and the County of Ventura. The Valley Express fixed-route service launched in March 2015, replacing a general public Dial-A-Ride program which no longer met the needs of the community efficiently. Valley Express routes link passengers to medical, civic, shopping, educational, and tourist destinations, as well as regional connectivity via VCTC’s Highway 126 service.



The Valley Express fixed-route service includes four routes serving the cities of Fillmore and Santa Paula as well as the unincorporated community of Piru. Two additional school trippers operate during the school year. Service hours vary by route. Weekday service operates from approximately 6:15 a.m. to 7:45 p.m. Weekend service operates in Santa Paula and Piru from approximately 8:00 a.m. to 5:45 p.m. Service is not operated on designated holidays.

Dial-A-Ride service is available to the general public, with priority given to ADA-certified individuals. Dial-A-Ride service is available throughout Santa Paula, Fillmore, and the unincorporated areas that make up the Heritage Valley. The Dial-A-Ride service operates weekdays from 5:45 a.m. to 7:45 p.m. and weekends from 8:00 a.m. to 6:00 p.m., excluding designated holidays.

Valley Express Dial-A-Ride offers free transfers to VCTC Highway 126 and Valley Express Fixed-Route. Transfers onto DAR require \$0.50 fee. The current fare structure is shown in Exhibit 6.1.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

Exhibit 6.1 Valley Express Fare Structure

	Fixed-Route		Dial-A-Ride	
	Cash	Monthly	Cash	Monthly
Adult	\$1.25	\$20.00	\$2.00	\$30.00
Youth	\$0.60	\$10.00	\$2.00	\$30.00
Senior/Medicare/ADA	\$0.60	\$10.00	\$2.00	\$25.00

## General Management and Organization

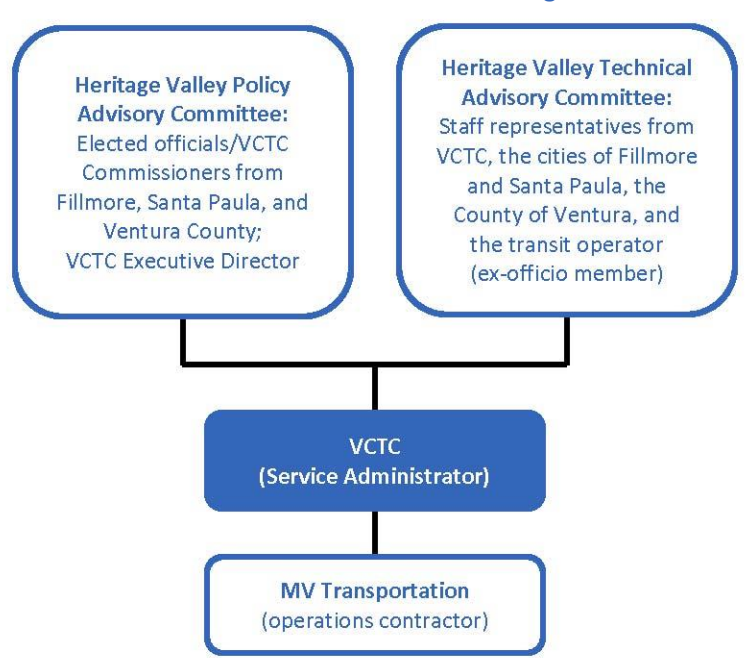
Valley Express service is managed and administered by the Ventura County Transportation Commission and provided through a cooperative agreement between VCTC, the cities of Fillmore and Santa Paula, and the County of Ventura. As the contracting entity, VCTC is responsible for project management and oversight.

The Valley Express program is guided by two committees:

- The Heritage Valley Policy Advisory Committee (HVPAC), which consists of representatives from the cities of Santa Paula and Fillmore and the Third Supervisorial District, and determines the routes, schedules and operation of the service; and
- The Heritage Valley Technical Advisory Committee (HVTAC), which is comprised of technical staff from the cities of Santa Paula, Fillmore, the County of Ventura, VCTC, and the transit operator, and provides recommendations to the HVPAC.

Exhibit 6.2 illustrates the Valley Express organizational structure.

Exhibit 6.2 Organizational Chart



Source: Valley Express.

## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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Prior to March 2015, the transit service within the Heritage Valley was limited to a demand-response general public Dial-A-Ride service (VISTA Santa Paula and VISTA Fillmore Dial-A-Ride services). In 2013, VCTC commissioned the Heritage Valley Transit Study, which recommended implementation of local fixed-route bus service to provide cost-effective service to meet the evolving needs of the community. A five-year operations and maintenance contract was awarded to MV Transportation in November 2014, effective March 2, 2015. VCTC is getting ready to exercise a three-year extension in March 2020.

VCTC staff monitor the MV Transportation contract through monthly reports, daily bus assignment information, scheduling, and Syncromatics. Overall program growth has been fairly static. The HVPAC is particularly interested in improving the farebox recovery ratio. The City of Santa Paula has been providing Measure T sales tax revenues as a route guarantee to supplement the farebox recovery ratio. However, the City prefers to use that money for other purposes.

### Service Planning

VCTC has conducted one survey during the audit period. In FY 2018/19, VCTC conducted origin/destination, transfer, and customer surveys of operators throughout the county. The origin/destination survey and customer satisfaction survey were both conducted on the Valley Express services. Specific to Valley Express, seven origin/destination surveys and 74 customer satisfaction survey responses were collected.

During VCTC's annual unmet needs process, it also conducts an online survey (which has been the most successful method of gathering input) as well as conducts community meetings. In 2020, meetings were conducted in five communities (Camarillo, Fillmore, Moorpark, Santa Paula, and Thousand Oaks). Staff noted rider comments are received fairly regularly.

VCTC, in conjunction with Santa Barbara County Association of Governments, has also been in the process of preparing a Transportation Emergency Plan, which has included outreach to stakeholder groups and community meetings.

Since launching in 2015, VCTC has adjusted the Valley Express routes and schedules approximately every six months in an effort to find the optimal service alignment and schedule. In August 2017, the fixed-route service was reduced throughout Santa Paula on weekdays and weekends, Dial-A-Ride was expanded to serve the general public, and the Dial-A-Ride service area was expanded. While staff is still looking for the optimal mix of services, the current service is getting closer. There is a lot of new housing in the area, including the Harvest at Limoniera master-planned development in Santa Paula, and the transit needs of residents will need to be planned for as they are built out. Potential changes to the town center area of Santa Paula could also warrant changes to the service. Valley Express does not have fleet constraints, and service could be expanded at any time pending direction from the HVPAC.

The HVPAC and HVTAC have been monitoring service and exploring ways to ensure compliance with farebox recovery mandates, which went into effect in FY 2017/18. A 2017 system evaluation included rider surveys, a community survey, public open houses, and a fixed-route ridecheck to measure stop-level activity. HVPAC and HVTAC meetings are open to the public and listed on the VCTC website.

During VCTC's annual unmet needs process, it also conducts an online survey (which has been the most successful method of gathering input) as well as conducts community meetings. In 2020, meetings were

## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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conducted in five communities (Camarillo, Fillmore, Moorpark, Santa Paula, and Thousand Oaks). Staff noted rider comments are received fairly regularly.

VCTC continues to receive input during the unmet transit needs process a link connectivity between the Heritage Valley and the Santa Clarita Valley. While such a service would likely need to be delivered by VCTC Intercity Bus rather than Valley Express, VCTC has been in discussions with Santa Clarita Transit staff.

### Scheduling, Dispatch, and Operations

MV Transportation drivers are represented (Teamsters Local 186). Drivers bid for their work assignments approximately two times per year, with awards based on seniority and time of day (for Dial-A-Ride shifts). MV currently employs 12 full-time and three part-time drivers, with one additional driver in training. One shift is a split extra board driver.

MV is currently recruiting for part-time drivers to cover weekend shifts. At the time of the site visit, staff had two driver interviews scheduled for that week. MV advertises open positions on CareerBuilder, GlassDoor, ZipRecruiter, in the local newspaper, and through a tab on the website (with a link to MV). MV has two regional recruiters that manage recruitment.



Vehicles are assigned in the morning via the pull-out sheet, with dispatchers checking with maintenance staff to ensure vehicles are service-ready. All vehicles are cutaway buses. The five low-floor Arboc buses are typically used on the fixed-route service, though may be used for Dial-A-Ride trips. Of the 10 high-floor traditional cutaways, five are typically used for Dial-A-Ride, with the remaining vehicle as spares.

Demand-response schedules are made utilizing Trapeze software. Dispatchers attempt to group trips by geographic region, with varying success depending on dispatcher. ADA customers receive priority over general public riders.

Valley Express uses “drop” style fareboxes. The fareboxes are locked with no driver access. At the end of each day, a utility worker pulls all fareboxes and places the locked boxes in a secure room. Money is counted the next day by a supervisor or manager and a dispatcher. All fares are tied to a route and driver. Fares are deposited in a designated VCTC account at Wells Fargo. Deposits are reconciled with trip sheets.

### Personnel Management and Training

The driver shortage has not resulted in any missed trips, as full-time drivers are working overtime. MV would like to recruit more part-time drivers for weekend shifts so that full-time drivers do not have to cover weekends.

## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

---

Approximately 60 percent of recruits already possess necessary certifications, while the other 40 percent are inexperienced. This does not recruit the number of training hours, however, as all recruits receive comprehensive training. MV Transportation utilizes its corporate and regional resources, and often brings in trainers and testers from neighboring jurisdictions.

In addition to orientation and training, ongoing classroom and behind-the-wheel training is conducted. Retraining can be triggered by DriveCam violations or incident reports. Points-based disciplinary policies are covered in the MV Transportation Employee Handbook, which was updated in 2016.

Drivers are rewarded with a National Transit Driver Day luncheon as well as awards for no DriveCam violations. Employees are eligible for monthly and quarterly awards, as well as a \$10,000 annual regional award. Drivers with no preventable accidents are eligible for a \$200 award.

Benefits are collectively bargained. Full-time employees are eligible for holidays, vacation, bereavement, health insurance, life insurance, 401(k), and a recruitment bonus. Part-time drivers receive prorated sick leave. Vacation is typically scheduled eight to 30 days in advance, up to one year.



### Administration

VCTC's annual budget includes transit funding for both VCTC Intercity Bus and the Valley Express. The HVPAC and HVTAC meet prior to the budget development process to advise on priorities and specific projects. The HVTAC reviews the proposed budget initially, then it goes to the HVPAC for approval. Everything happens somewhat concurrently when revenue estimates become available. The Valley Express budget is then incorporated into the VCTC budget. The draft budget is adopted by the VCTC administrative committee, and is then approved by the full Board.

VCTC's Programming Department works with Transit on grant applications, management, and compliance. VCTC has not lost any grants due to neglected or mismanaged opportunities.

The Program Manager is responsible for contract management. During the audit period, this has included the operations contract, Trapeze, and video system (maintenance). The Transit Specialist addresses related operational issues. VCTC maintains a separate marketing and outreach contract for Valley Express.

Procurement procedures are guided by a manual updated in 2016, per recommendation from an FTA Triennial Review. Procurement practices conform to all applicable requirements.

### Marketing and Public Information

Marketing support is provided via a third-party consultant under contract to VCTC. During the audit period, the marketing consultant handled marketing and outreach including the service brochure,



## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

---

website, community television channels, social media, and community events. It has been a priority for Valley Express to integrate into the community and build its brand, and staff continually look for opportunities. In recent years this has included sponsoring banners at Santa Paula and Fillmore sports venues, display of a banner across Main Street in Santa Paula twice a year, and distributing promotional items at the Santa Paula High School homecoming game.

Valley Express has also been promoting its new online fare media sales portal. In addition, the monthly pass was transitioned to a rolling 31-day pass. Valley Express uses GRI onboard pass readers in conjunction with its manual fareboxes. Despite these efforts, ridership has declined more than 30 percent during the audit period.

### Maintenance

Preventive maintenance schedules follow manufacturer recommendations. Enterprise Asset Management software (Maximus FleetFocus) tracks preventive maintenance, parts purchase orders, work codes, and road calls, and has the benefit of tying in with Trapeze software. MV's maintenance manager can review division compliance with preventive maintenance schedules.



MV provides all preventive maintenance records to VCTC on a monthly basis via hard copy, but is working on providing VCTC with direct access to the system. Digital data is provided on a semi-annual basis.

The maintenance facility has sufficient space for the fleet (one bay, one lift) but is at capacity. Engine and transmission replacements are typically sent out, though rebuilds are done in-house. MV's parts inventory is sufficient to minimize down time. The FleetFocus software monitors the minimum/maximum status of parts and notifies the

maintenance manager when a part hits the minimum number in stock and needs to be reordered.

Mechanics review daily vehicle inspection reports at the end of the day and in the morning prior to pullout. All drivers have access to a mechanic during the pre-trip inspection; there is always a mechanic on duty when there is a driver on duty. Dispatchers alert maintenance personnel promptly of vehicle breakdowns, and dispatchers are notified when vehicles are ready for service. Inventory reports are checked once per week to minimize down time. MV Transportation also provides maintenance for non-City-owned vehicles operated under the City of Thousand Oaks contract, including the Kanan Shuttle, Thousand Oaks Dial-A-Ride, Agoura Hills Dial-A-Ride, and East County Transit Alliance. Providing maintenance services on MV's other contracts does not impact its ability to provide maintenance for Valley Express vehicles. In





## Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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fact, providing services on other contracts enables MV to have four maintenance technicians instead of two on staff.

VCTC owns all Valley Express vehicles. Vehicles are all 2015 and, while they have a planned seven-year life, have accumulated low mileage. Exhibit 6.3 details the Valley Express fleet.

Exhibit 6.3 Valley Express Fleet

Manufacturer	Year	Passengers	WC Capacity	Quantity	Mode
Arboc	2015	23	2	5	Fixed-route
Glaval	2015	12	2	5	Demand-response
Glavac	2015	16	2	5	Both

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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## Chapter 7

# Findings and Recommendations

### Conclusions

We find Valley Express to be in compliance with the requirements of the Transportation Development Act. In addition, auditors conclude the entity generally functions in an efficient, effective, and economical manner.

### Findings and Recommendations

Based on discussions with VCTC staff, analysis of program performance, and a review of program compliance and function, the auditors submit no compliance or functional findings for Valley Express.

# Valley Express

Triennial Performance Audit, FY 2017 – FY 2019

Final Report

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