

# Ventura County Transportation Commission



## Triennial Performance Audit, FY 2019/20 - FY 2021/22 County of Ventura



# Table of Contents

---

|  |    |
|--|----|
| Chapter 1   Executive Summary .....            | 1  |
| Chapter 2   Audit Scope and Methodology .....  | 3  |
| Chapter 3   Program Compliance .....           | 7  |
| Chapter 4   Prior Recommendations .....        | 11 |
| Chapter 5   Data Reporting Analysis .....      | 13 |
| Chapter 6   Performance Analysis .....         | 15 |
| Chapter 7   Functional Review.....             | 23 |
| Chapter 8   Findings and Recommendations ..... | 29 |

*This page intentionally blank.*

# Table of Exhibits

---

|   |    |
|---|----|
| Exhibit 3.1 Transit Development Act Compliance Requirements ..... | 9  |
| Exhibit 5.1 Data Reporting Comparison.....                        | 14 |
| Exhibit 6.1 System Performance Indicators .....                   | 18 |
| Exhibit 6.2 System Ridership .....                                | 19 |
| Exhibit 6.3 System Operating Cost/VSH .....                       | 19 |
| Exhibit 6.4 System Operating Cost/VSM.....                        | 19 |
| Exhibit 6.5 System VSM/VSH.....                                   | 19 |
| Exhibit 6.6 System Operating Cost/Passenger .....                 | 20 |
| Exhibit 6.7 System Passengers/VSH .....                           | 20 |
| Exhibit 6.8 System Passengers/VSM.....                            | 20 |
| Exhibit 6.9 System VSH/FTE .....                                  | 20 |
| Exhibit 6.10 System Farebox Recovery .....                        | 21 |
| Exhibit 6.11 System Fare/Passenger.....                           | 21 |
| Exhibit 7.1 Organizational Chart.....                             | 24 |
| Exhibit 7.2 Kanan Shuttle’s Transit Fleet .....                   | 27 |

*This page intentionally blank.*

## Chapter 1 | Executive Summary

In 2022, the Ventura County Transportation Commission (VCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the 10 transit operators to which it allocates TDA funding.

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. Audits of Article 8 recipients are encouraged. This audit covers the County of Ventura in its role as operator of the Kanan Shuttle. Audits of other transit programs to which the County contributes are prepared separately.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Kanan Shuttle, 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 which it allocates TDA funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of County of Ventura’s public transit program for the period:

- Fiscal Year 2019/20,
- Fiscal Year 2020/21, and
- Fiscal Year 2021/22.

The Kanan Shuttle, sponsored by the County of Ventura in partnership with the City of Agoura Hills, Oak Park Unified School District, and the Oak Park County Service Area #4, began in August 2013 as a demonstration project. The service operates primarily along Kanan Road in Oak Park, from Roadside Drive to Lindero Canyon. Service is provided Monday through Friday, 6:45 a.m. to 5:40 p.m., on a fare-free basis.

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, Inc. 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,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with County of Ventura staff, analysis of program performance, and an audit of program compliance and function, the audit team identified no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in April 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2019 – included one recommendation:

1. The County should exclude vehicle lease costs from its operating cost when calculating the farebox recovery ratio.

**Status:** Implemented.

#### Findings and Recommendations

Based on discussions with County staff, analysis of program performance, and a review of program compliance and function, the audit team submits no findings or recommendations for the County of Ventura.



## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of County of Ventura’s public transit program covers the three-year period ending June 30, 2022. 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 2022, the Ventura County Transportation Commission (VCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the 10 transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of County of Ventura 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 which it allocates TDA 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. The auditors believe 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.

This audit covers the County of Ventura in its role as operator of the Kanan Shuttle. Audits of other transit programs to which the County contributes (i.e., City of Ojai, ECTA, Thousand Oaks Dial-A-Ride, and Valley Express) are prepared separately.

### Objectives

A Triennial Performance Audit (TPA) 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.

### Scope

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

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
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. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. 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.
6. 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 County of Ventura included thorough review of documents relevant to the scope of the audit, as well as information contained on the County'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;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;

- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;
- Accident/road call logs; and
- Organizational chart.

Given impacts of the COVID-19 pandemic, the methodology for this audit included a virtual site visit with County representatives on February 15, 2023. The audit team met with Susanna Arroyo (Administrative Assistant II), Glenn Derossett (Engineering Manager), Chris Kurgan (Roads and Transportation Director), and reviewed materials germane to the triennial audit.

This report is comprised of eight 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,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines County of Ventura’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 County 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.

Status of compliance items was determined through discussions with County staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance issues were identified for the County of Ventura.

### Developments Occurring During the Audit Period

The FY 2019/20 – FY 2021/22 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how COVID-19 impacted the organization, but how it responded to the crisis.

In the 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it 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, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provides temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provides additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2022/23.
2. Waives the annual productivity improvement requirement of Section 99244 through FY 2022/23.
3. Adds a temporary provision exempting operators from farebox recovery ratio requirements through FY 2024/25 provided they expend at least the same amount of local funds as in FY 2018/19.
4. Expands the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
5. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
6. Requires the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22.
7. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also calls for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

| Compliance Element   | Reference                           | Compliance     | Comments   |
|--|-------------------------------------|----------------|--|
| State Controller Reports submitted on time.  | PUC 99243                           | In compliance  | FY 2019/20: January 28, 2021<br>FY 2020/21: January 28, 2022<br>FY 2021/22: January 31, 2023   |
| 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 2019/20: February 10, 2021<br>FY 2020/21: March 9, 2022<br>FY 2021/22: March 31, 2023   |
| Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.   | PUC 99251 B                         | In compliance  | <i>MV Transportation/City of Thousand Oaks (Kanan Shuttle):</i><br>October 2, 2018<br>November 7, 2019 (unsatisfactory)<br>March 4, 2020<br>April 2, 2021<br>April 14, 2022                |
| 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 |  |
| Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.  | PUC 99405                           | Not applicable | The County does not receive Article 8 funding.   |
| 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 | The County does not receive Article 8(c) funding.  |
| 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 2019/20: -24.05%<br>FY 2020/21: -12.50%<br>FY 2021/22: +11.59%<br><br><i>Source: SCO budgets. Decrease in FY 2020 due to reduced service hours and elimination of Saturday service.</i> |
| The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.  | PUC 99247                           | In compliance  |  |
| 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,<br>99268.4,<br>99268.1 | In compliance  | FY 2019/20: 20.83% (waived)<br>FY 2020/21: 0.00% (waived)<br>FY 2021/22: 0.00% (waived)  |

| Compliance Element   | Reference                           | Compliance     | Comments  |
|--|-------------------------------------|----------------|---|
| 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,<br>99268.4,<br>99268.5 | Not applicable |   |
| 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,<br>CCR 6633.5          | Not applicable |   |
| 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  | County employees are eligible for VCERA.                    |
| 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 | The County does not receive State Transit Assistance 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 according to a sliding scale. | PUC 99314.6                         | Not applicable | The County does not receive State Transit Assistance 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  |   |



## Chapter 4 | Prior Recommendations

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

The prior audit – completed in April 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2019 – included one recommendation:

1. The County should exclude vehicle lease costs from its operating cost when calculating the farebox recovery ratio.

**Discussion:** The County leases three Kanan Shuttle vehicles from the City of Thousand Oaks' contracted transit operator. As of the time of the prior audit, it had not been excluding the lease expense of its vehicles from operating cost when calculating the farebox recovery ratio for the Kanan Shuttle program. In FY 2019/20, this would result in a lease expense of \$2,374.86 per month per bus, for an annual total of \$85,494.96. Using the County's estimated budget for FY 2019/20 as an example, it is apparent the exclusion of this cost would have a significant impact.

FBRR without lease exclusion = 19.99%

FBRR with lease exclusion = 24.91%

The likely cause was a lack of awareness regarding this exclusion. The prior auditor noted the exclusion of the vehicle lease costs should be reported in both the State Controller Report and the TDA fiscal audit. In the State Controller Report, vehicle lease costs should be entered as R02 of the Operating Cost page (Form #6) under Expense Exclusions. In the TDA fiscal audit, it should be included as a line item in the farebox recovery ratio calculation for Kanan Shuttle. The auditor recommended the County begin excluding these costs in its reporting for FY 2019/20.

**Progress:** The County has been excluding vehicle lease costs in its fiscal audits since FY 2020.

**Status:** Implemented.

*This page intentionally blank.*

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by County of Ventura both internally as well as to outside entities during the audit period.

Data items were reported consistently except as indicated below.

- **Fare revenue:** In FY 2019/20, the County reported its local fare supplementation as passenger revenues in the State Controller Report, but not in the TDA fiscal audit or the NTD report. All fares were reported as zero dollars in subsequent years.

Exhibit 5.1 Data Reporting Comparison

| Performance Measure                   | System-Wide |            |            |
|---------------------------------------|-------------|------------|------------|
|                                       | FY 2019/20  | FY 2020/21 | FY 2021/22 |
| <b>Operating Cost (Actual \$)</b>     |             |            |            |
| <i>TDA fiscal audit</i>               | \$340,315   | \$234,997  | \$334,897  |
| <i>National Transit Database</i>      | \$346,055   | \$234,997  | \$339,919  |
| <i>State Controller Report</i>        | \$340,315   | \$234,998  | \$334,895  |
| <b>Fare Revenue (Actual \$)</b>       |             |            |            |
| <i>TDA fiscal audit</i>               | \$0         | \$0        | \$0        |
| <i>National Transit Database</i>      | \$0         | \$0        | \$0        |
| <i>State Controller Report</i>        | \$70,904    | \$0        | \$0        |
| <b>Vehicle Service Hours (VSH)</b>    |             |            |            |
| <i>Monthly Performance Reports</i>    | 2,727       | 2,016      | 2,582      |
| <i>National Transit Database</i>      | 2,727       | 2,017      | 2,582      |
| <i>State Controller Report</i>        | 2,727       | 2,017      | 2,582      |
| <b>Vehicle Service Miles (VSM)</b>    |             |            |            |
| <i>Monthly Performance Reports</i>    | 33,363      | 22,406     | 27,909     |
| <i>National Transit Database</i>      | 33,363      | 22,406     | 27,909     |
| <i>State Controller Report</i>        | 33,363      | 22,406     | 27,909     |
| <b>Passengers</b>                     |             |            |            |
| <i>Monthly Performance Reports</i>    | 34,261      | 7,136      | 32,349     |
| <i>National Transit Database</i>      | 34,261      | 7,136      | 32,349     |
| <i>State Controller Report</i>        | 34,261      | 7,159      | 32,349     |
| <b>Full-Time Equivalent Employees</b> |             |            |            |
| <i>State Controller Report</i>        | 3           | 2          | 3          |

## Chapter 6 | 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>1</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) – excluded the following during the audit period<sup>2</sup>:

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,

---

<sup>1</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.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- 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.

---

<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.

### TDA Required Indicators

To calculate the TDA indicators for the County of Ventura, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the County's audited financial reports and appeared to be consistent with TDA guidelines. 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. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The County's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. The County's calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. The County's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

Operating cost posted a net 15.6 percent decrease across the six-year period, and decreased 1.6 percent during the audit period. The service went fare free in FY 2020/21 and FY 2021/22. Fare revenue decreased 12.3 percent between FY 2016/17 and FY 2019/20. Given the Kanan Shuttle is a fare-free service, the County reported local fare supplementation in this field through FY 2019/20. These route guarantees were not received in FY 2020/21, which resulted in a decrease to zero dollars.

Vehicle service hours (VSH) decreased every year except FY 2021/22 with a 28.0 percent increase. A decrease in service in FY 2019/20, followed by a decrease due to COVID-19 in FY 2020/21, led to this large increase as the system recovered. Vehicle service miles (VSM) decreased each year except for FY 2017/18 and FY 2021/22, for similar reasons. This resulted in a net 5.3 percent decrease in VSH and net 16.3 percent decrease in VSM during the audit period. Ridership also fluctuated, with the most significant decrease in FY 2020/21 (79.1 percent); however, in FY 2021/22 ridership increased 351.9 percent. This resulted in ridership decreasing only 5.6 percent during the audit period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour and operating cost per vehicle service mile both saw slight net increases during the audit period (3.9 percent and 4.2 percent, respectively). Passengers per vehicle service hour experienced a significant decrease in FY 2020/21, before recovering in FY 2021/22, resulting in only a 0.3 percent net decrease during the audit period. Passenger per vehicle service mile increased 12.9 percent during the audit period.

Exhibit 6.1 System Performance Indicators

| Performance Measure                         | System-wide  |              |            |            |            |            |
|---|--------------|--------------|------------|------------|------------|------------|
|   | FY 2016/17   | FY 2017/18   | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 |
| <b>Operating Cost (Actual \$)</b>           | \$396,768    | \$397,589    | \$412,360  | \$340,315  | \$234,998  | \$334,895  |
| <i>Annual Change</i>                        | 3.7%         | 0.2%         | 3.7%       | -17.5%     | -30.9%     | 42.5%      |
| <b>Fare Revenue (Actual \$)</b>             | \$80,877     | \$81,400     | \$83,760   | \$70,904   | \$0        | \$0        |
| <i>Annual Change</i>                        | 2.0%         | 0.6%         | 2.9%       | -15.3%     | -100.0%    | 0.0%       |
| <b>Vehicle Service Hours (VSH)</b>          | 5,043        | 4,963        | 4,828      | 2,727      | 2,017      | 2,582      |
| <i>Annual Change</i>                        | 2.7%         | -1.6%        | -2.7%      | -43.5%     | -26.0%     | 28.0%      |
| <b>Vehicle Service Miles (VSM)</b>          | 67,503       | 68,025       | 66,789     | 33,363     | 22,406     | 27,909     |
| <i>Annual Change</i>                        | -2.7%        | 0.8%         | -1.8%      | -50.0%     | -32.8%     | 24.6%      |
| <b>Passengers</b>                           | 78,493       | 79,613       | 68,650     | 34,261     | 7,159      | 32,349     |
| <i>Annual Change</i>                        | 7.2%         | 1.4%         | -13.8%     | -50.1%     | -79.1%     | 351.9%     |
| <b>Employees</b>                            | Not reported | Not reported | 3          | 3          | 2          | 3          |
| <i>Annual Change</i>                        |              |              |            | 0.0%       | -33.3%     | 50.0%      |
| <b>Performance Indicators</b>               |              |              |            |            |            |            |
| <b>Operating Cost/VSH (Actual \$)</b>       | \$78.68      | \$80.11      | \$85.41    | \$124.79   | \$116.51   | \$129.70   |
| <i>Annual Change</i>                        |              | 1.8%         | 6.6%       | 46.1%      | -6.6%      | 11.3%      |
| <b>Operating Cost/Passenger (Actual \$)</b> | \$5.05       | \$4.99       | \$6.01     | \$9.93     | \$32.83    | \$10.35    |
| <i>Annual Change</i>                        |              | -1.2%        | 20.3%      | 65.4%      | 230.5%     | -68.5%     |
| <b>Passengers/VSH</b>                       | 15.56        | 16.04        | 14.22      | 12.56      | 3.55       | 12.53      |
| <i>Annual Change</i>                        |              | 3.1%         | -11.4%     | -11.6%     | -71.7%     | 253.0%     |
| <b>Passengers/VSM</b>                       | 1.16         | 1.17         | 1.03       | 1.03       | 0.32       | 1.16       |
| <i>Annual Change</i>                        |              | 0.6%         | -12.2%     | -0.1%      | -68.9%     | 262.8%     |
| <b>Farebox Recovery</b>                     | 20.4%        | 20.5%        | 20.3%      | 20.8%      | 0.0%       | 0.0%       |
| <i>Annual Change</i>                        |              | 0.4%         | -0.8%      | 2.6%       | -100.0%    | 0.0%       |
| <b>Hours/Employee</b>                       |              |              | 1,609.3    | 909.0      | 1,008.5    | 860.7      |
| <i>Annual Change</i>                        |              |              |            | -43.5%     | 10.9%      | -14.7%     |
| <b>TDA Non-Required Indicators</b>          |              |              |            |            |            |            |
| <b>Operating Cost/VSM</b>                   | \$5.88       | \$5.84       | \$6.17     | \$10.20    | \$10.49    | \$12.00    |
| <i>Annual Change</i>                        |              | -0.6%        | 5.6%       | 65.2%      | 2.8%       | 14.4%      |
| <b>VSM/VSH</b>                              | 13.39        | 13.71        | 13.83      | 12.23      | 11.11      | 10.81      |
| <i>Annual Change</i>                        |              | 2.4%         | 0.9%       | -11.6%     | -9.2%      | -2.7%      |
| <b>Fare/Passenger</b>                       | \$1.03       | \$1.02       | \$1.22     | \$2.07     | \$0.00     | \$0.00     |
| <i>Annual Change</i>                        |              | -0.8%        | 19.3%      | 69.6%      | -100.0%    | 0.0%       |

Sources: FY 2016/17 – FY 2018/19 from the prior audit. FY 2019/20 – FY 2021/22 from State Controller Reports.



Exhibit 6.2 System Ridership

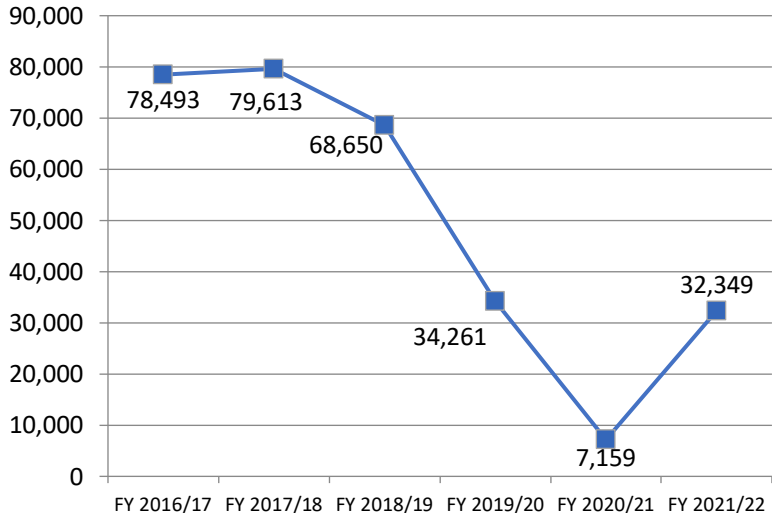


Exhibit 6.3 System Operating Cost/VSH

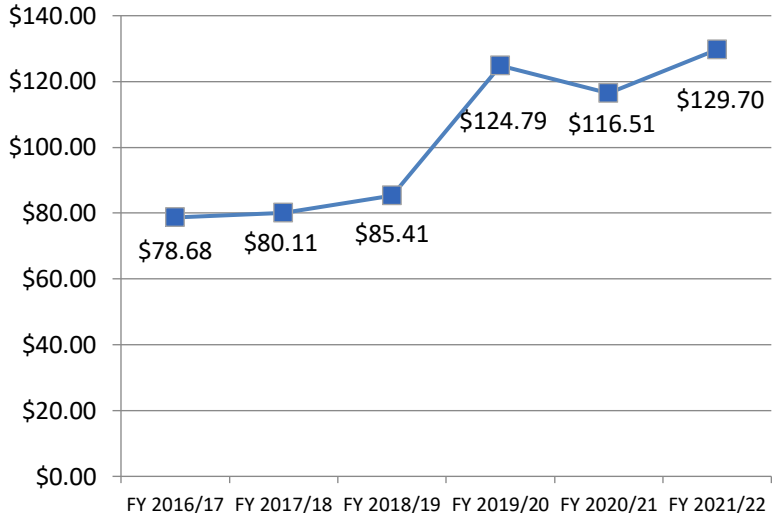


Exhibit 6.4 System Operating Cost/VSM

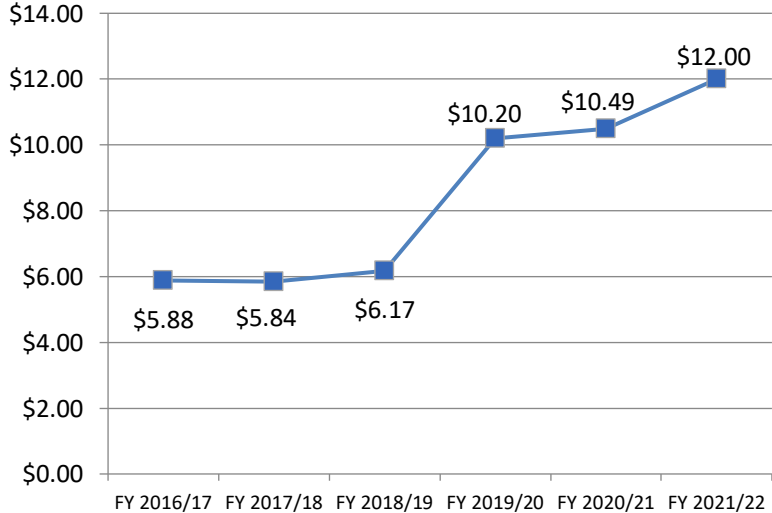


Exhibit 6.5 System VSM/VSH

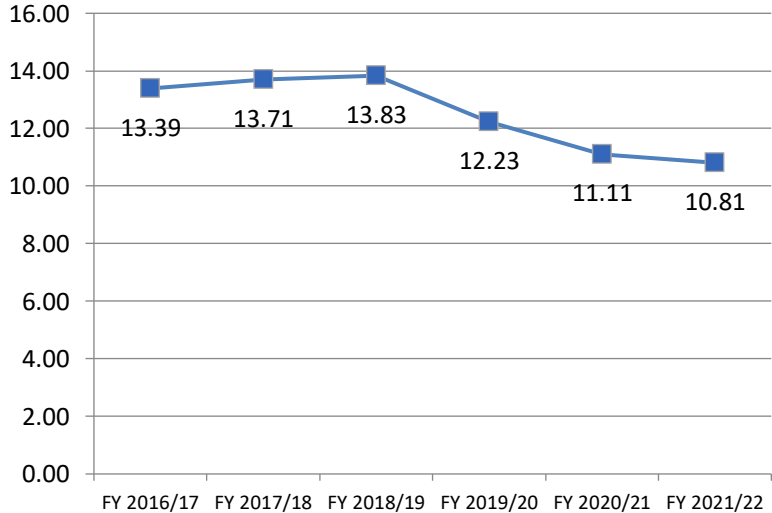


Exhibit 6.6 System Operating Cost/Passenger

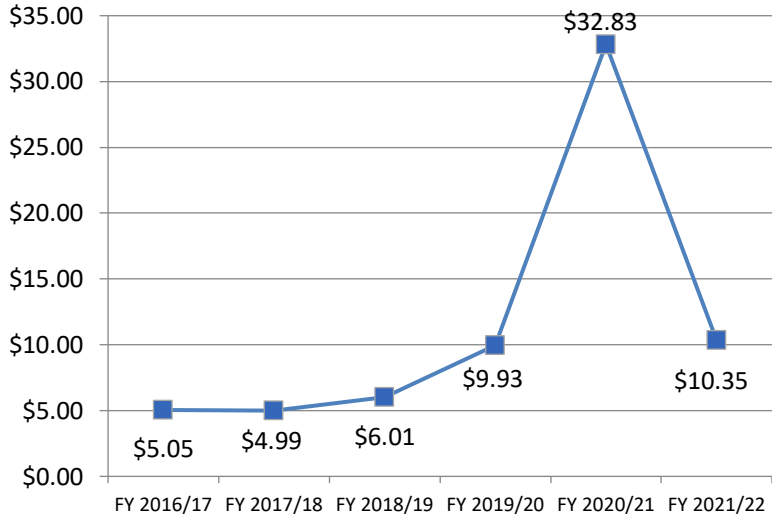


Exhibit 6.7 System Passengers/VSH

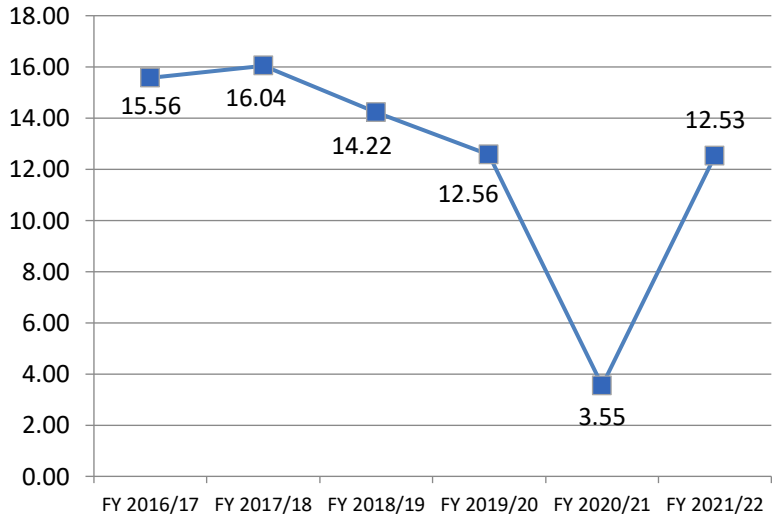


Exhibit 6.8 System Passengers/VSM

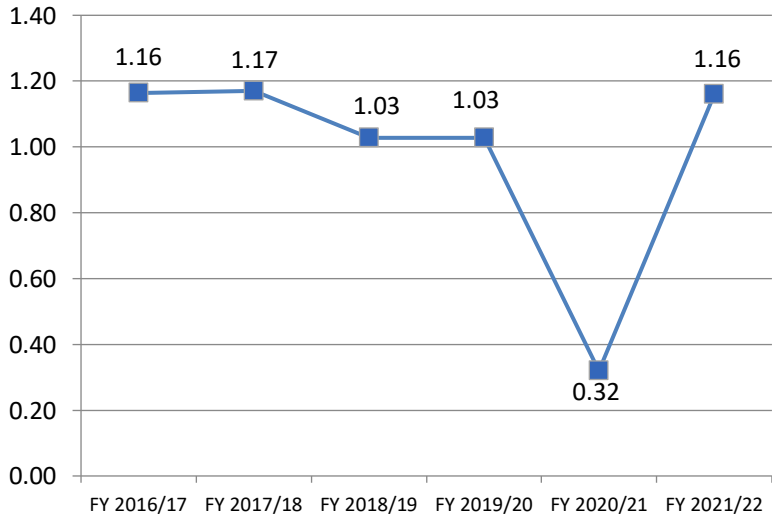


Exhibit 6.9 System VSH/FTE

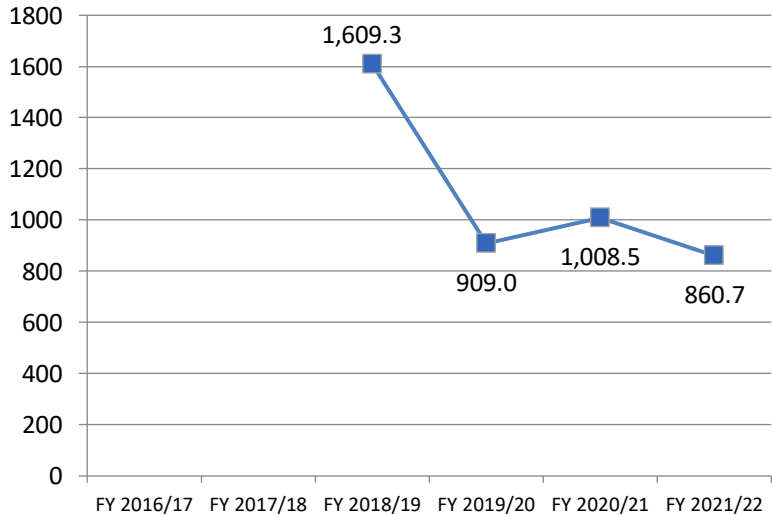


Exhibit 6.10 System Farebox Recovery

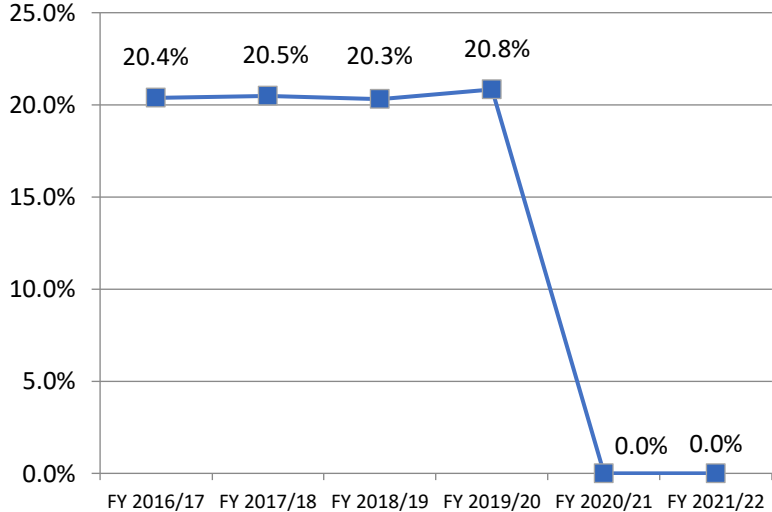
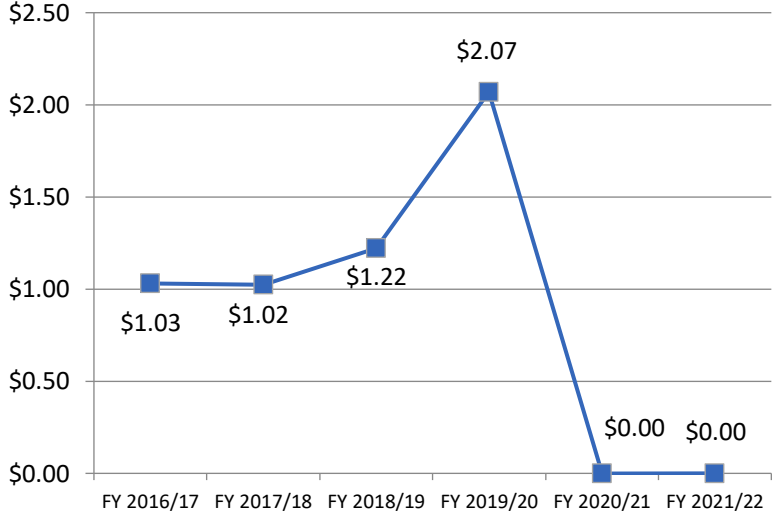


Exhibit 6.11 System Fare/Passenger



*This page intentionally blank.*

## Chapter 7 | Functional Review

A functional review of the County of Ventura’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, 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 County through its transit program:

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

### Service Overview

The Kanan Shuttle, sponsored by the County of Ventura in partnership with the City of Agoura Hills, Oak Park Unified School District, and the Oak Park County Service Area #4, began in August 2013 as a demonstration project. The service operates primarily along Kanan Road in Oak Park, from Roadside Drive to Lindero Canyon. Service is provided Monday through Friday, 6:45 a.m. to 5:40 p.m., on a fare-free basis.

The Kanan Shuttle is currently the only County-funded transit program operated solely by the County. All others programs funded by the County are operated in conjunction with other jurisdictions (e.g., City of Ojai, ECTA, Thousand Oaks Dial-A-Ride, and Valley Express) and are audited separately. The primary goal of the Kanan Shuttle is to reduce traffic congestion on Kanan Road. Forty percent of students attending the Oak Park Unified School District reside outside the district. The Shuttle provides an alternative for parents who would otherwise drive their students to school. Shuttle ridership is lower in summer yet it is still heavily utilized. Service levels are reduced during summer.

Although shuttle riders can transfer to LA Metro Route 161 and LADOT Commuter Express at the Thousand Oaks Boulevard, Canwood Road, and Roadside Drive bus stops, connectivity with other transit services is limited.

### Recent service changes

In September 2019, several unproductive trips were eliminated, as well as Saturday service. In August 2022, the schedule was modified to add an additional trip and reflect updated school bell times.

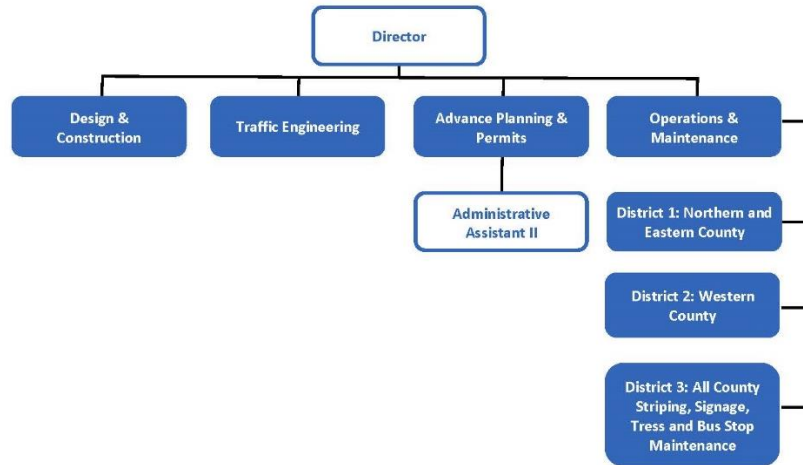
### Response to COVID-19 pandemic

The Kanan Shuttle required masks, provided sanitizing products, and conducted increased cleaning of the vehicles. To protect the drivers, social distancing was implemented. Ridership has not recovered to pre-COVID numbers, but increased to 50 percent in FY 2022. At the time of the audit, ridership had rising to approximately two-thirds of pre-COVID numbers.

**General Management and Organization**

Program performance is monitored through monthly invoices from the City of Thousand Oaks which includes operating cost and vehicle lease cost on a spreadsheet. Management receives a shuttle summary for ridership and daily county ridership. With the recent hiring of an Administrative Assistant, the program is now fully staffed. Relationships with Thousand Oaks Transit and the Ventura County Transportation Commission remain positive.

Exhibit 7.1 Organizational Chart



The Ventura County Board of Supervisors (BOS) is the governing body for the County’s transit programs. Five supervisors each represent one district of Ventura County. The BOS typically meets Tuesday at 8:30 a.m. at the Ventura County Government Center Hall of Administration (800 S. Victoria Avenue, Ventura) and may meet up to three times in a given month. Meetings frequently take place on the second and fourth Tuesday, although several months feature an alternate schedule. All transit items are reported to the BOS on an annual basis concurrent with the annual renewal of the agreement for transit services (with City of Thousand Oaks), the fiscal agent agreement for ECTA service (with the City of Thousand Oaks), and approval of the TDA claim to Gold Coast Transit District. The Supervisor representing the district in which the Kanan Shuttle operates remains very interested in the program.

**Service Planning**

The County relies on VCTC for transit planning and is currently preparing an Active Transportation Plan that includes transit and addresses first and last mile transportation needs. Additionally, the plan seeks to identify best and worst bus stops and offer strategies to increase ridership. The County is part of VCTC’s Transportation Technical Advisory Committee (TTAC) and attends the Gold Coast Transit District’s monthly Technical Advisory Committee meetings.

At present, VCTC is finalizing its county-wide Transit Integration and Efficiency Study (TIES), which further examines opportunities for regional coordination and service integration. The TIES project, which was launched after it became apparent COVID would have a long-term impact on transit, has presented three separate alternatives: 1) better coordination between procurement, technology, and marketing; 2) consolidating some of the services; and 3) full consolidation of all transit operators. After the conclusion of the TIES project, VCTC will begin updating its short-range transit plan.

Public outreach hearings are being conducted as part of the Active Transportation Plan process; however, there was no public hearing before trips were eliminated in September 2019. All in-person outreach opportunities were put on hold due to the COVID-19 pandemic. No surveys have been completed recently. The Active Transportation Plan project webpage includes an opportunity to provide feedback, which could include transit.

#### Administration

The County's transit budget is based on available funding. It reaches out to the cities of Thousand Oaks and Ojai and VCTC to get their projected budgets and uses that information to prepare the County's transit budget. TDA Article 4 is the primary funding source for the Kanan Shuttle, along with local contributions to supplement the free fares. Historically, budgeting has been the responsibility of the transit analyst, though that position has been vacant for some time. Beginning with FY 2023/24, budgeting is the responsibility of the Administrative Assistant.

Local supplementation of fare revenues for the Kanan Shuttle is provided through contributions from the Oak Park Unified School District, Ventura County Service Area 4, and City of Agoura Hills. Each contributor is invoiced at the end of the year to ensure the program meets the required 20 percent farebox recovery ratio.

The County does not apply for any grants for transit. The Roads and Transportation Director and Administrative Assistant jointly oversee the Kanan Shuttle operations contract with the City of Thousand Oaks. Program performance is monitored via monthly performance data, invoices, and monthly meetings. The County has its own risk management department and is part of a self-insurance pool.

The County of Ventura does have an internal audit function. However, it has not conducted any internal audits related to transportation within at least the last five years.

#### Marketing and Public Information

Most outreach is conducted in conjunction with the City of Thousand Oaks. Kanan Shuttle service change promotion and production of flyers is handled by the County, while updates to the Kanan Shuttle webpage are handled by the City of Thousand Oaks (as the page is hosted on the City's website). The County also utilizes a robust social media presence to communicate its transit message to the community.

Customer inquiries are handled by the City of Thousand Oaks. The County also has a website that allows for inquiries and complaints. The County keeps records of all complaints received but does not log all calls. Historically, the primary complaint has been the presence of trash at bus stops.

#### Scheduling, Dispatch, and Operations

The City of Thousand Oaks contracts with MV Transportation to provide vehicle operators and maintenance of leased vehicles for the Kanan Shuttle. MV's operators, dispatchers, road supervisors, and customer service representatives are represented by Teamsters Local #848. At present, MV only has full-time drivers, as it has had difficulty filling vacancies and the investment and expense of training staff does not warrant hiring part-time staff.

All drivers are required to meet the same licensing and certification requirements. MV requires a commercial license with passenger and air brake endorsements as well as a Vehicle Transit Training (VTT) certificate.

Vacations are bid out each year. They are covered by standby driver, or off-duty drivers may be called in on their scheduled days of if needed. Unscheduled absences (call-outs) require one hour of notice. In these situations a standby driver is dispatched to cover the assignment. If no standby driver is available, a road supervisor will cover the route until a suitable replacement is available.

Vehicles are assigned to routes daily by dispatchers on a rotation basis. Each program operated by MV has its own fleet, and buses branded for one fleet are not assigned to another service. Dispatch receives a list of down vehicles daily. Vehicles available for service are then assigned for the day.

As a fare-free service, the Kanan Shuttle does not collect fares.

#### Personnel Management and Training

Drivers bid for their work assignments on a seniority basis. Many bid schedules have multiple route or service components, but not all. Some drivers may work for multiple agencies under contract with the City of Thousand Oaks on a single shift. All drivers are trained to operate all fixed-route and demand-response vehicles.

Currently, there are not sufficient drivers being recruited to meet the contractor's needs. Across MV's entire Thousand Oaks operation (of which Kanan Shuttle is a component), they are short approximately 15 drivers and five other staff. Recruitment and training are continual and ongoing, but MV has not had full staffing for at least 18 months due to low unemployment and higher wages available elsewhere. Employee recruitment is conducted via multiple methodologies, including job fairs, workforce/job placements/outreach programs, ads on local hiring sites, veterans outreach, and County offices. MV also has in-house recruiters that are stationed locally.

Thousand Oaks and MV have been working together to increase wages to be more competitive in recruitment, especially for drivers. Two recent wage increases – in August 2022 and January 2023 – have brought starting driver wages up from \$15.50 to \$20.70. Another increase will bring the starting wage up to \$23.00 in July 2023. Other wages are being adjusted as well to bring them up to parity with other local operators.

The biggest impact of the driver shortage has been felt on the demand-response services. As a small fixed-route operation, the Kanan Shuttle has experienced much less of an impact.

While some recruits possess some relevant experience, the majority of candidates require full training and licensing. All training meets federal and state requirements. MV's current new hire training program is called Operator Excellence Training (OET). Customer service training is called Platinum Connection Customer Service (PCCS). MV's local training team consists of a safety manager, road supervisors (all of whom are trained to provide behind-the-wheel training), three drivers that are behind-the-wheel trained, the general manager, and the operations manager. DMV testing typically occurs at another MV property in the region that has a DMV-certified examiner.



Safety activities include monthly safety meetings, safety stand-downs, road evaluations, risk assessments, and ongoing wheelchair recertification. Minimum safety and training requirements are included in the transit operations operator’s contract. All vehicles are equipped with safety equipment required by the Department of Transportation, state, and contract. Some vehicles also include health safety devices such as special air filters and driver shields in response to COVID-19.

MV strives to motivate its employees by holding employee appreciation events and luncheons, conducting customer service and safety contests, and selecting an Employee of the Month. Drivers receive bonuses for safety, gift cards, and food events to help motivate them and enhance job satisfaction. All positive rider comments are passed along to drivers. Operator staff regularly receive risk assessments and road evaluations. There is also an incentive performance clause in MV’s contract with the City of Thousand Oaks.

Discipline and attendance policies are outlined in an Employee Handbook which is provided to all employees upon the start of employment. These include a safety point system, attendance point system, coaching, and counseling. A progressive discipline program is also utilized. MV’s drug and alcohol policy is monitored by the City of Thousand Oaks and the FTA.

MV Transportation provides comprehensive benefits to all full-time employees. Employees receive a package outlining available benefits on an annual basis.

**Maintenance**

The City of Thousand Oaks contracts with MV Transportation to maintain the leased vehicles for the Kanan Shuttle. MV has an established preventive maintenance program that includes A, B, and C level inspections. Maintenance does not typically conflict with regular vehicle use. Warranty work is typically sent out, and MV conducts other work in-house.

The current Kanan Shuttle fleet includes three vehicles, all of which are 2019 model year. As such, the average age of the fleet is less than four years. All vehicles are ADA-compliant. Exhibit 7.2 provides details on the County’s Kanan Shuttle fleet.

**Exhibit 7.2 Kanan Shuttle’s Transit Fleet**

| Make/Model        | MV # | Year | Seating capacity | WC | Fuel Type | Service     |
|-------------------|------|------|------------------|----|-----------|-------------|
| Ford E450 Cutaway | 604  | 2019 | 30               | 2  | CNG       | Fixed-route |
| Ford E450 Cutaway | 605  | 2019 | 30               | 2  | CNG       | Fixed-route |
| Ford E450 Cutaway | 606  | 2019 | 30               | 2  | CNG       | Fixed-route |

Drivers complete a Daily Vehicle Inspection Report (DVIR), which identifies any unsafe conditions. MV has standing orders to identify any issues with the vehicles as part of pre- and post-trip inspections. Maintenance will notify dispatch regarding any vehicle deemed unsafe. Vehicles undergoing maintenance are tagged so they are not used.

*This page intentionally blank.*

## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates, Inc. finds the County of Ventura to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with County staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance or functional findings or recommendations.

*This page intentionally blank.*