

Ventura County Transportation Commission



Triennial Performance Audit, FY 2019/20 - FY 2021/22 East County Transit Alliance



**FINAL REPORT
APRIL 2023**

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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.

Prior to this audit cycle, the East County Transit Alliance (ECTA) has not been included in the TDA audit process separate from the City of Thousand Oaks. However, in 2022, the Ventura County Transportation Commission, as the RTPA, requested the ECTA be audited separately to provide a comprehensive and objective review to offer beneficial insights into program performance and to establish a baseline for future audits. This is the first Triennial Performance Audit of East County Transit Alliance.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the East County Transit Alliance (ECTA) as a public transit operator, 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 the ECTA's public transit program for the period:

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

CONNECT InterCity Dial-A-Ride service is provided by the East County Transit Alliance, a cooperative agreement between the cities of Moorpark, Simi Valley, Thousand Oaks, and the County of Ventura. Seniors age 65 or older and ADA certified-individuals are eligible for the service. The program provides service to most locations in eastern Ventura County and connections with other transit providers such as Gold Coast Transit's GO ACCESS and Los Angeles County's Access Services. CONNECT operates Monday through Friday 6:00 a.m. to 6:00 p.m. and on Saturday from 8:00 a.m. to 6:00 p.m.

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 East County Transit Alliance staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Status of Prior Recommendations

There are no prior recommendations as this is the first Triennial Performance Audit of East County Transit Alliance.

Findings and Recommendations

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

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The contractor’s staffing shortage is impacting the ECTA’s ability to operate its transit programs.

In completing this Triennial Performance Audit, we submit the following recommendations for the ECTA’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Continue to work with MV Transportation to fill the open operations positions and ensure sufficient Dial-A-Ride coverage.	High	Until filled

Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of East County Transit Alliance’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, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the ECTA 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. 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.

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 East County Transit Alliance 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 East County Transit Alliance included thorough review of documents relevant to the scope of the audit, as well as information contained on the City of Thousand Oaks' ECTA webpage. 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 ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with ECTA representatives. The primary site visit consisted of a meeting with Mike Houser (City of Thousand Oaks' Transit Program Manager) on February 21, 2023. The audit team also met with the other MOU partners during site visits on February 15 (County of Ventura), February 16 (City of Simi Valley), and February 22 (City of Moorpark), 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.

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Chapter 3 | Program Compliance

This section examines the East County Transit Alliance’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 ECTA 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.

The ECTA uses a combination of TDA Article 4 and TDA Article 8 funding claimed by the MOU members. In prior years, the ECTA was not audited separately, but as part of the services provided by the City of Thousand Oaks. However, the Ventura County Transportation Commission, as the RTPA, requested the ECTA be audited separately beginning with this audit cycle to support a comprehensive and objective review to provide beneficial insights into program performance.

Status of compliance items was determined through discussions with ECTA 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 East County Transit Alliance.

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 20, 2021 FY 2020/21: January 31, 2022 FY 2021/22: January 27, 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: December 8, 2020 FY 2020/21: January 25, 2022 FY 2021/22: December 22, 2022
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	October 2, 2018 November 7, 2019 (unsatisfactory) March 4, 2020 April 2, 2021 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 for a contracted service	
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 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: +67.34% FY 2020/21: +7.60% FY 2021/22: -48.05% <i>Increase in FY 2019/20 was due to the introduction 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, 99268.4, 99268.1	Not applicable	

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, 99268.4, 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, CCR 6633.5	In compliance	FY 2019/20: 7.61% (waived) FY 2020/21: 0.00% (waived) FY 2021/22: 8.60% (waived)
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	City of Thousand Oaks' employees are eligible for retirement benefits through CalPERS. Operations personnel are employed by a third party.
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	ECTA does not utilize 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 according to a sliding scale.	PUC 99314.6	Not applicable	ECTA does not utilize 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	

Chapter 4 | Prior Recommendations

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

There are no prior recommendations as this is the ECTA's first Triennial Performance Audit.

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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. Normally, this chapter would examine the consistency of performance data reported by the East County Transit Alliance internally as well as to outside entities during the audit period. However, given the way the ECTA is reported by the City of Thousand Oaks, all reporting to external entities is comingled with other City demand-response programs. As such, only data included in the internal performance summaries can be reviewed in this section.

MV Transportation compiles data for the ECTA and submits this data to the City of Thousand Oaks monthly in its invoices. The ECTA is invoiced separately from the other programs the City operates. During the last few months of FY 2019/20 and all of FY 2020/21, vehicle service miles and vehicle service hours were not recorded separately for the ECTA, as trips were provided using Thousand Oaks Transit vehicles due to the driver shortage. Since demand-response services are reported together to the State Controller and NTD, all service miles and hours were accounted for, even though they could not be segregated out for the ECTA.

Subsequent to this audit period, the City of Thousand Oaks demonstrated use of the TDA definition of full-time equivalent (FTE) employee. ECTA FTE is not reported separately to the State Controller, but the City of Thousand Oaks can provide a detailed calculation using the TDA definition.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$1,013,919	\$368,698	\$682,719
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$77,178	\$0	\$18,984
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	8,967	Not reported	5,071
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	217,069	Not reported	117,404
Passengers			
<i>Monthly Performance Reports</i>	15,511	3,893	7,031
Full-Time Equivalent Employees			
<i>Per City methodology</i>		Not provided	5

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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 6667¹. 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 period²:

¹ 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.

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

- 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.³ 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.

³ 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 East County Transit Alliance, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via the ECTA's audited financial reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against annual budgets 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 the ECTA's audited financial 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 monthly performance reports for each fiscal year covered by this audit. The ECTA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via monthly performance reports for each fiscal year covered by this audit. The ECTA's calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via monthly performance reports for each fiscal year covered by this audit. The ECTA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were provided by the City of Thousand Oaks. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

System-wide, operating cost experienced a net 32.7 percent decrease during the audit period. Fare revenue fluctuated before significantly increasing in FY 2021/22 (due to the resumption of fare collection following a lengthy free-fare period). This resulted in a net 75.4 percent decrease during the audit period.

Vehicle service hours (VSH) experienced a 43.4 percent decrease between FY 2019/20 and FY 2021/22. Vehicle service miles (VSM) decreased by 45.9 percent during the audit period. As noted in Chapter 5, neither VSH or VSM were recorded separately for the ECTA during FY 2020/21 due to trips being provided on Thousand Oaks Transit Dial-A-Ride vehicles. Ridership declined between FY 2019/20 and FY 2020/21 in response to the COVID-19 pandemic, before increasing by 80.6 percent in FY 2021/22. This led to a 54.7 percent net decrease 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. Despite the decreased operating cost during the audit period, cost-related metrics increased. Operating cost per passenger was impacted the most, increasing by 48.5 percent. Passenger-related metrics fell during the audit period, with passengers per VSH decreasing 19.8 percent and passengers per VSM decreasing 16.2 percent.

Exhibit 6.1 System Performance Indicators

Performance Measure	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)	\$1,013,919	\$368,698	\$682,719
<i>Annual Change</i>		-63.6%	85.2%
Fare Revenue (Actual \$)	\$77,178	\$0	\$18,984
<i>Annual Change</i>		-100.0%	
Vehicle Service Hours (VSH)	8,967	Not reported	5,071
<i>Annual Change</i>			
Vehicle Service Miles (VSM)	217,069	Not reported	117,404
<i>Annual Change</i>			
Passengers	15,511	3,893	7,031
<i>Annual Change</i>		-74.9%	80.6%
Employees	Not provided	Not provided	5
<i>Annual Change</i>			
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$113.07	\$0.00	\$134.63
<i>Annual Change</i>			
Operating Cost/Passenger (Actual \$)	\$65.37	\$94.71	\$97.10
<i>Annual Change</i>		44.9%	2.5%
Passengers/VSH	1.73	Not reported	1.39
<i>Annual Change</i>			
Passengers/VSM	0.07	Not reported	0.06
<i>Annual Change</i>			
Farebox Recovery	7.6%	0.0%	2.8%
<i>Annual Change</i>		-100.0%	
Hours/Employee			1,014.2
<i>Annual Change</i>			
TDA Non-Required Indicators			
Operating Cost/VSM	\$4.67	Not reported	\$5.82
<i>Annual Change</i>			
VSM/VSH	24.21	Not reported	23.15
<i>Annual Change</i>			
Fare/Passenger	\$4.98	\$0.00	\$2.70
<i>Annual Change</i>		-100.0%	0.0%

*Source: Financial information from TDA fiscal audits.
Performance data from monthly performance reports and contractor invoices.*

Exhibit 6.2 System Ridership

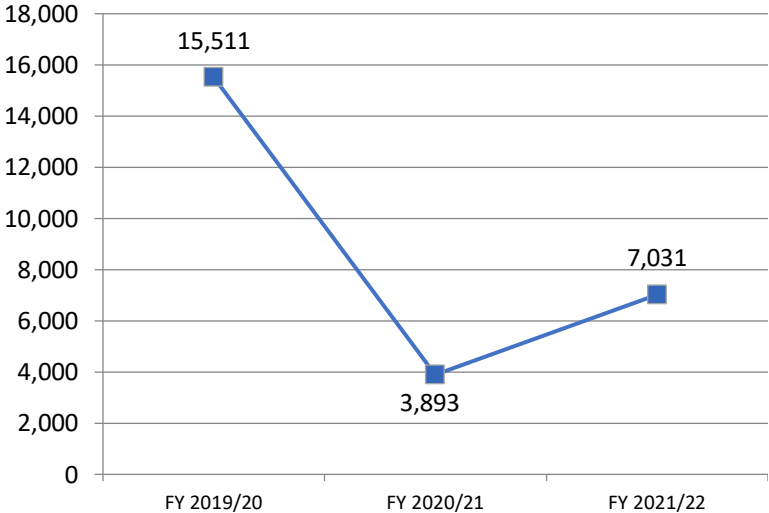


Exhibit 6.3 System Operating Cost/VSH

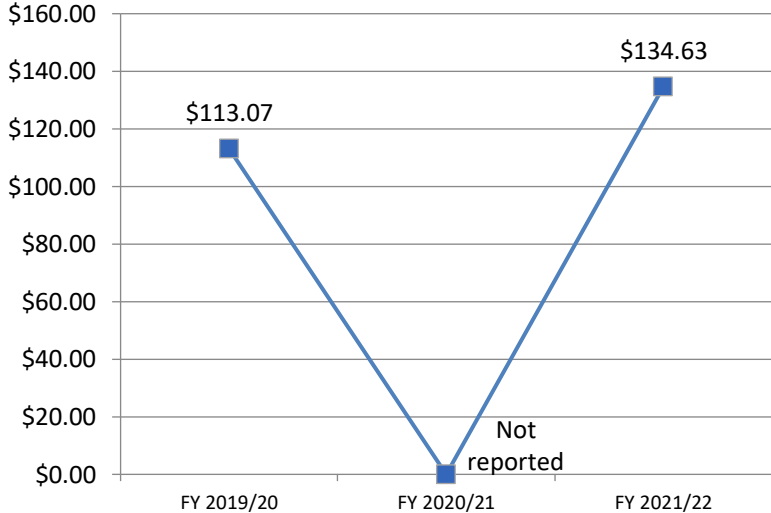


Exhibit 6.4 System Operating Cost/VSM

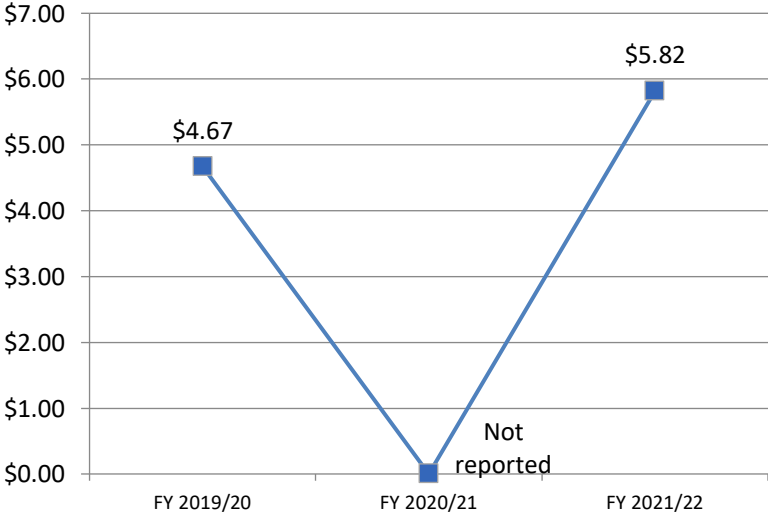


Exhibit 6.5 System VSM/VSH

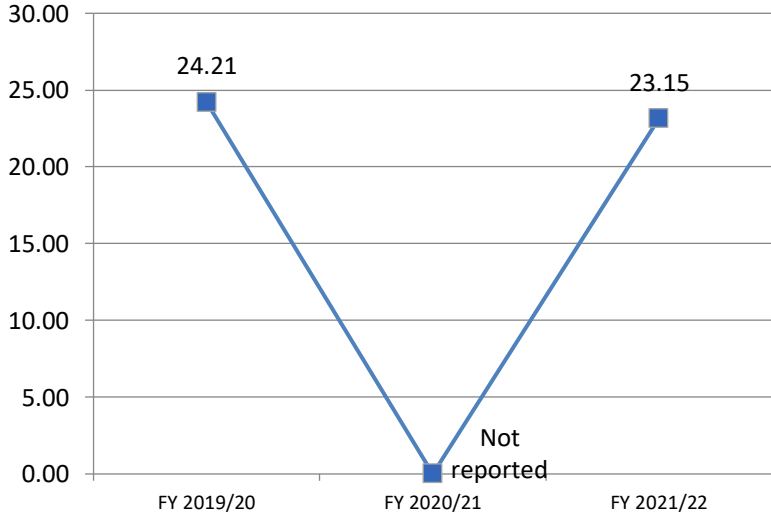


Exhibit 6.6 System Operating Cost/Passenger

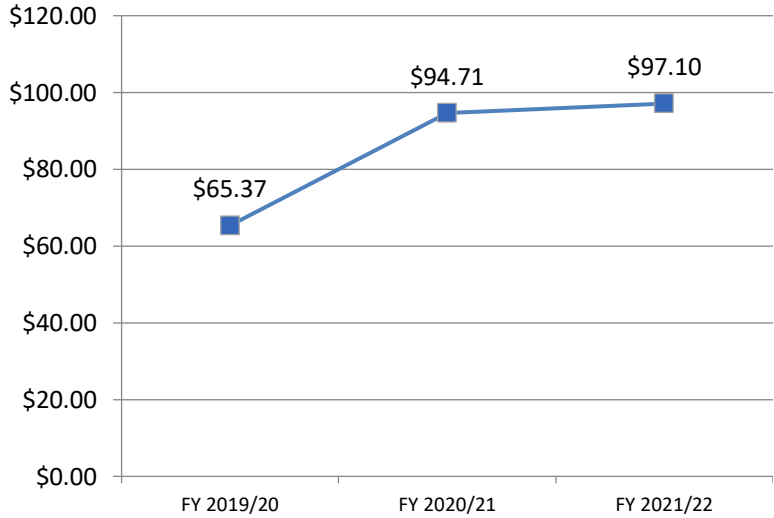


Exhibit 6.7 System Passengers/VSH

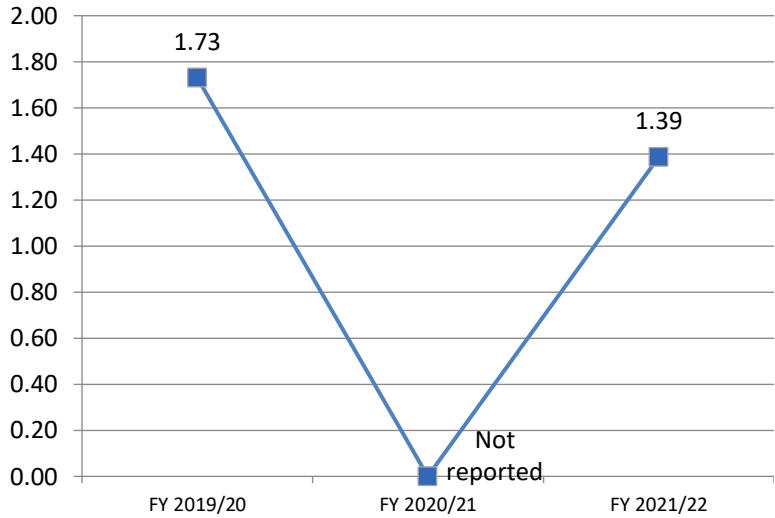


Exhibit 6.8 System Passengers/VSM

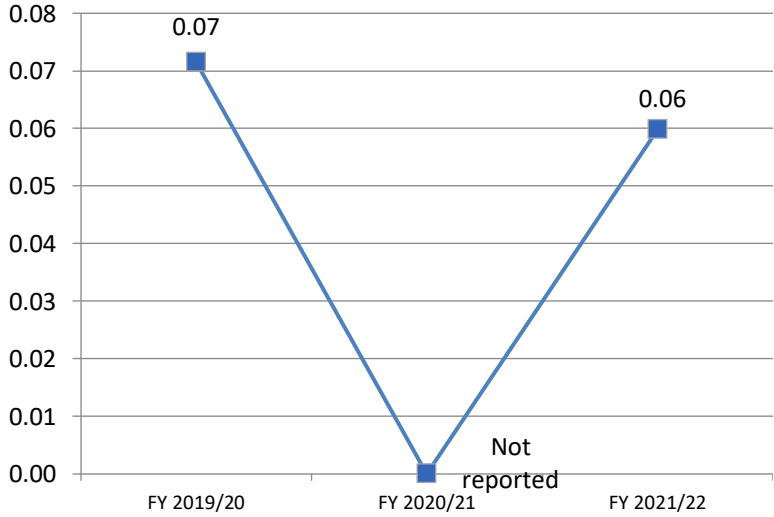


Exhibit 6.9 System Farebox Recovery

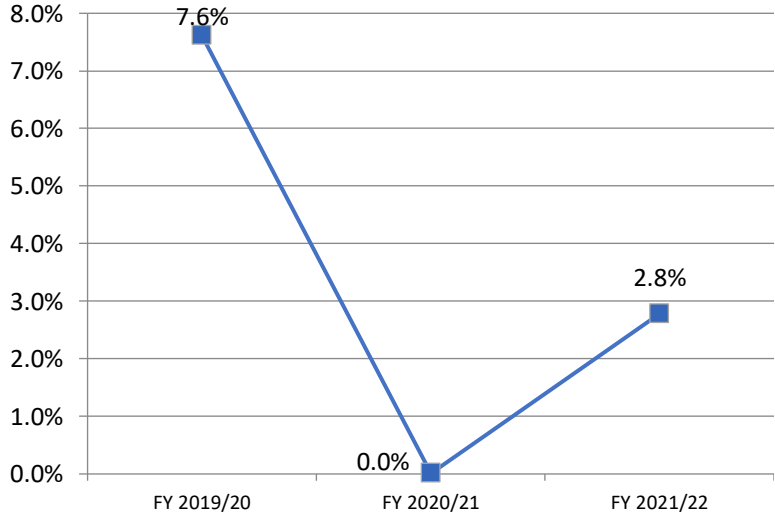
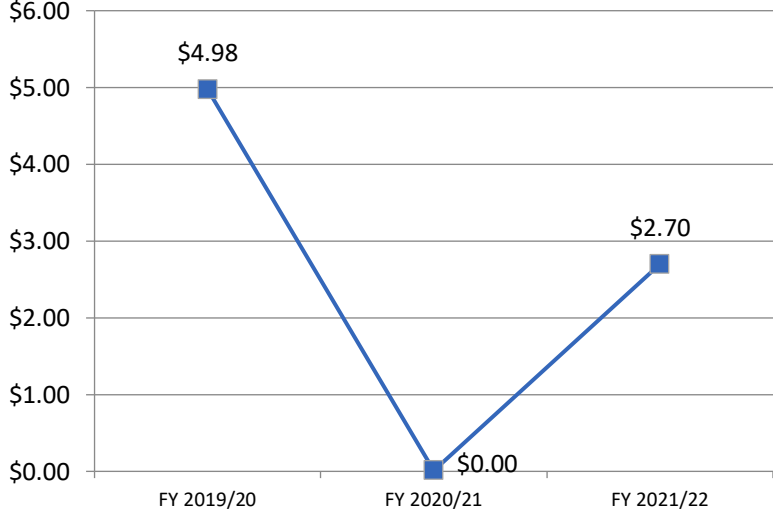


Exhibit 6.10 System Fare/Passenger



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Chapter 7 | Functional Review

A functional review of East County Transit Alliance’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the transit 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 ECTA 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

CONNECT InterCity Dial-A-Ride service is provided by the East County Transit Alliance, a cooperative agreement between the cities of Moorpark, Simi Valley, Thousand Oaks, and the County of Ventura. The program provides service to most locations in eastern Ventura County and connections to other transit providers such as Gold Coast Transit’s GO ACCESS and Los Angeles County’s Access Services. CONNECT operates Monday through Friday from 6:00 a.m. to 6:00 p.m. and Saturday from 8:00 a.m. to 6:00 p.m.

Seniors age 65 or older and ADA certified-individuals are eligible for the service. Reservations are required at least one day in advance and may be made up to two weeks in advance. Subscriptions for reoccurring trips may be requested. There is no limit on the number of times per day, week, or month a rider utilizes the service. However, reservations must be at least one hour apart.

Exhibit 7.1 CONNECT Fare Structure

Fare Category	Fare
One-way	\$6.00
Companion (one per passenger)	\$6.00
PCA (one per ADA-cardholder with PCA endorsement)	Free

Recent service and fare changes

Fares increased from \$5.00 to \$6.00 effective January 1, 2020. The ECTA introduced Saturday service just prior to the start of the pandemic.

Response to COVID-19 pandemic

The impact of COVID-19 was felt throughout the transit programs operated by the City of Thousand Oaks. The City experienced staffing shortages, operational challenges with supplies, parts, and equipment. There was also a loss of institutional knowledge and experience due to layoff or staff leaving the workforce for other positions.

Thousand Oaks was the first Ventura County agency to temporarily pause services and first to implement COVID cleaning routines and service restrictions designed to protect riders and operators, as well as the first to implement free fares for all services.

Demand-response service adjustments are still in place including limits on the number of same-day reservations that can be booked, shorter terms for subscriptions, moratorium on new subscriptions, limitations on guests, and need for riders to book further in advance for peak time periods. Times are also negotiated on all services except ADA Dial-A-Ride and Agoura Hills Dial-A-Ride.

General Management and Organization

The ECTA is administered through the City of Thousand Oaks. City staffing is appropriate and supported by other City divisions and departments as required. City staff commitment is approximately 0.75 FTE in total, including time acting as the Fiscal Agent for the program. There is a clear chain of command within the program and those staff who substantially support the program (Administration, Finance, IT, Facilities, Fleet, Streets). The City of Thousand Oaks contracts with MV Transportation to provide vehicle operators as well as maintenance on leased service vehicles. MV has insufficient staff available to place all available the ECTA vehicles on the road at once. It is the City's opinion that staffing for drivers, dispatchers, and customer service representatives needs to increase 25 to 35 percent to meet existing demand.

The contract with MV spells out specific performance measures on a variety of measures, and the contractor reports on these measures on a monthly basis. The contract is performance-based, rather than penalty-based, with the contractor earning bonus payments for superior performance. The City also maintains separate lists of performance targets for all City services and reports transit program performance there as well.

Program information is received from the operations contractor on a daily, weekly, and monthly basis. The City also monitors performance through installed technologies. The City also utilizes qualified consultants to review and monitor data.

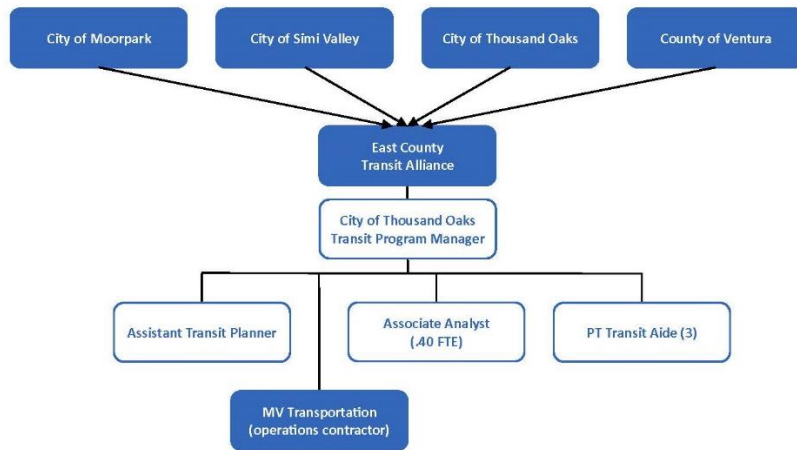
Team meetings with assigned program staff, support staff, and contractor management staff are scheduled on a biweekly basis. Additional meetings are scheduled on an as-needed basis and occur frequently.

The City currently has an Analyst vacancy and three hourly vacancies in the program and is actively recruiting for. The openings were due to scheduled retirements, internal promotions, and resignations to accept full-time employment elsewhere. The contractor states the need to hire a dispatch supervisor and fill 20 openings for operators, dispatchers, and customer service representatives. Staffing shortages have impacted service, specifically Dial-A-Ride. Recruiting is on-going.

A Management Committee serves as the governing body for the ECTA. The Committee meets every other month. The Committee is currently satisfied by the program and focuses on budgetary issues and implementation of new programs or policies.

Exhibit 7.3 illustrates the organizational structure of the ECTA.

Exhibit 7.2 Organizational Chart



Prior to the pandemic the ECTA introduced Saturday service. Funding for Sunday services is secured but not yet implemented. The service went fare free for approximately 18 months due to COVID. Saturday service is monitored for budget impacts. The ECTA implementation plan is updated annually.

As a provider of services, the City has developed strong, cooperative relations with other local municipal entities in order to provide transit services under contract. The City serves as the lead agency and fiscal agent for the ECTA MOU. The Assistant Transit Planner is the designated intergovernmental liaison and the Transit Program Manager is the current Management Committee Chair. The City does not have a direct relationship with the FTA, as it is a sub-recipient through VCTC.

Service Planning

The City regularly reviews and evaluates its progress toward established goals and objectives. The ECTA’s Management Committee maintains an MOU-required Implementation Plan that is updated annually.

The City ensures all vehicles are accessible to persons with disabilities. The fleet is 100 percent accessible, as are all facilities. Wherever possible, the transit program exceeds federal minimums.

The ECTA does not conduct stand-alone public outreach and relies on its participating agencies to conduct public participation activities in conjunction with their local services. ECTA uses the City of Thousand Oaks’ Title VI Plan. The City has not conducted any surveys since program inception in 2015.

Administration

As the Fiscal Agent for the ECTA, the City of Thousand Oaks is responsible for developing the budget. The draft budget is developed annually in March and approved by the Management Committee in May. Individual agencies are responsible for pursuing budget appropriation for their portions of the services through their customary methods. Budgeted and actual revenues are compared to expenses at least five times a year at scheduled Committee meetings. Financial data is tracked through MV reports, Excel, and NaviLine by Thousand Oaks’ Finance staff.

The City of Thousand Oaks is also the Fiscal Agent for any grants awarded to the ECTA. Grants are managed by a combination of transit staff, primarily the Transit Program Manager and Finance staff assigned to support the transit program. The City has not lost any grants due to inattention or failure to comply with requirements.

The City has both a Risk Manager and Safety Analyst on staff, and has a procedure for processing claims. The City's self-insurance covers the first one million dollars for liability and auto insurance, and additional claims are covered by PRISM. MV Transportation maintains its own insurance that meets the requirements of the contract. The safety of operating practices is reviewed by the City on an ongoing basis by its Health and Safety Officer, while MV reviews its practices on a daily, monthly, and quarterly basis. The operations contractor is required to maintain a disaster preparedness plan, which is updated annually. The City and MV have Injury Prevention Plans in place and participate in monthly meetings with the PTASP committee.

All types of contracts pertaining to the ECTA must be approved by the Management Committee in advance, with exceptions given for urgent needs and small expenditures under \$1,000. At present, the operations contract with the City of Thousand Oaks is the only ECTA contract. The City then contracts with MV Transportation to provide operations and maintenance for the ECTA.

Marketing and Public Information

The ECTA publishes an informational brochure specific to the service and relies on advertising in conjunction with Thousand Oaks Transit operations for service changes and holiday hours updates. The brochure is also available online via the City's transit website.

Customer inquiries, concerns, and compliments are encouraged and can be received by phone, email, and other methods. All customer contacts are entered into a Customer Response Management (CRM) system by the contractor. The contractor has 72 hours to respond to inquiries, while City staff try to respond within one business day. There are some exceptions for complex complaints or issues. Transit maintains a general email account and messages are retained for three years. Voicemail and email messages are saved in dedicated files on the City's network, and written correspondence is retained as well.

Scheduling, Dispatch, and Operations

The City of Thousand Oaks contracts with MV Transportation to provide vehicle operators and maintenance of leased vehicles for the ECTA service. 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 drivers, 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.

Cash fares and pre-paid trip tickets are collected by drivers and turned into dispatch at the end of each shift. Dispatchers deposits the funds into the safe nightly. MV management deposits cash receipts into MV's bank account. City staff reconciles MV farebox reporting against other data sets to ensure accuracy.

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 enough drivers being recruited to meet the contractor's needs. Across MV's entire Thousand Oaks operation, 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.

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 all contractor-owned and leased vehicles. 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 average age of the ECTA fleet is 3.5 years, with an average or 117,371 miles. All vehicles are leased from MV and budgeted for annually.

Exhibit 7.3 illustrates the ECTA’s fleet inventory.

Exhibit 7.3 ECTA’s Transit Fleet

Make/Model	Year	Seating capacity	Fuel Type	Quantity
Starcraft Cutaway	2018	8/3 WC	Gasoline	4
Starcraft Cutaway	2019	8/3 WC	Gasoline	1

Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates, Inc. finds the ECTA 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 City of Thousand Oaks staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The contractor's staffing shortage is impacting the City's ability to operate its transit programs.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the ECTA's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

As there are no compliance findings, only functional findings and recommendations are presented below.

Functional Finding 1: The contractor's staffing shortage is impacting the City's ability to operate its transit programs.

Criteria: The City's operations contract with MV Transportation required MV to provide sufficient staffing to meet all contract requirements for service provision.

Condition: While the contractor has improved its general management staffing during the audit period, it has been unable to provide sufficient staff to meet the demand for service, primarily with respect to Dial-A-Ride services. Prior to the COVID-19 pandemic, the contractor was deploying 18 to 19 vehicles per day to serve its combined Dial-A-Ride programs. At the time of the site visit, only seven vehicles were being deployed each day. This has severely impacted Dial-A-Ride reservations. Only about a half of those who call are able to get their requested ride time. One quarter of callers are able to accept a different ride time, while another quarter do not get a ride.

Both the City and MV have been working to recruit additional staff. City staff estimates MV needs to fill approximately 20 operational positions (drivers, dispatchers, and customer service). MV has a recruiter

located in Thousand Oaks, while the City and MV have worked together to increase the contract cost and raise wages in order to attract qualified candidates.

Cause: There are two primary causes of the current staffing shortage: Recovery from the reduced demand due to the COVID-19 pandemic, and lower wages that left the City’s transit operation less competitive within the county, including the ECTA.

Effect: As a result, it has been more difficult to recruit operations personnel.

Recommendation: Continue to work with MV Transportation to fill the open operations positions and ensure sufficient Dial-A-Ride coverage.

Recommended Action: This finding and recommendation was also included in the City of Thousand Oaks’ Triennial Performance Audit. It is repeated here given the impact the finding has on Dial-A-Ride services provided by the City.

The City has played an active role in getting the contractor’s open positions filled by increasing the contract cost to allow for several wage increases. One more wage increase is planned for 2023. The City should monitor MV to ensure it is continuing to place a high priority on getting these positions filled and deploy additional Dial-A-Ride service as it becomes feasible to do so.

Timeline: Ongoing until positions are fully staffed.

Anticipated Cost: Wage increases are already budgeted under the current contract.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Continue to work with MV Transportation to fill the open operations positions and ensure sufficient Dial-A-Ride coverage.	High	Until filled