

Ventura County Transportation Commission



**Triennial Performance Audit,
FY 2019/20 - FY 2021/22**

**Ventura County Transportation Commission
(as the RTPA)**



**FINAL REPORT
APRIL 2023**

Table of Contents

Chapter 1 Executive Summary	5
Chapter 2 Audit Scope and Methodology	9
Chapter 3 Overview of VCTC	13
Chapter 4 Program Compliance	19
Chapter 5 Prior Recommendations	25
Chapter 6 Functional Review.....	27
Chapter 7 Findings and Recommendations	31

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Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations.....	7
Exhibit 3.1 Organizational Chart (FY 2021/22).....	15
Exhibit 3.2 Connect SoCal Goals.....	17
Exhibit 3.3 Connect SoCal Guiding Principles.....	17
Exhibit 4.1 Transit Development Act Compliance Requirements	21
Exhibit 7.1 Audit Recommendations	32
Exhibit 7.2 Sample Recommendation Status Form	33

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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Ventura County Transportation Commission (VCTC) covers a three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2022, the 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. Selection of the consultant followed a competitive procurement process.

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

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

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA's functions and activities, and
5. Findings and recommendations.

Test of Compliance

With one exception, VCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. The RTPA does not have an effective process to assess productivity improvements for the transit operators within its jurisdiction.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2019 – included the following recommendation:

1. Implement a process for operators to submit the implementation status of performance audit recommendations to VCTC's Transit Operations and Planning department on an annual basis.

Status: Not implemented.

Goal Setting and Strategic Planning

While VCTC is the Regional Transportation Planning Agency for Ventura County, it is not responsible for preparing the Regional Transportation Plan. As a member of the Southern California Association of Governments (SCAG), which serves as the Metropolitan Planning Organization for the region, Ventura County is included within SCAG's Connect SoCal Program, which serves as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the six-county area. The current RTP/SCS was adopted on September 3, 2020, by SCAG's Regional Council and spans the 25-year period between 2020 and 2045.

To supplement the RTP/SCS and provide for more focused regional planning, VCTC prepares the Ventura County Comprehensive Transportation Plan (CTP). The draft of the most recent CTP was completed in early 2023, for adoption by the Commission later in the year. The CTP will serve as Ventura County's input into the Connect SoCal 2024 Plan. The CTP has its own set of goals and objectives, all of which are consistent with those presented in the RTP/SCS and other local, state, and regional plans.

VCTC is also responsible for county-wide transit planning, including system-specific and regional plans. These plans set forth system and program goals, performance measures and standards, and priorities for individuals systems as well as the region as a whole.

Findings and Recommendations

With the aforementioned exception, VCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. The RTPA does not have an effective process to assess productivity improvements for the transit operators within its jurisdiction.

The audit team has identified no functional findings.

In completing this Triennial Performance Audit, we submit the following recommendations for the VCTC as the RTPA. 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 agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations	Importance	Timeline
1 Implement a process for operators to assess the implementation status of performance audit recommendations to VCTC's Transit Operations and Planning department on an annual basis.	Medium	FY 2023

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Ventura County Transportation Commission covers the three-year period ending June 30, 2022. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2022, the VCTC selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the 10 transit operators to which it allocates funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of VCTC as the designated RTPA for Ventura County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their 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 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to whom it allocates TDA funding.

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 has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of VCTC included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
3. Analysis of VCTC's internal goal setting and strategic planning functions.
4. Examination of the following functions:
 - Administration and Management,
 - Transportation Planning and Regional Coordination,
 - Claimant Relationships and Oversight,
 - Marketing and Transportation Alternatives, and
 - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

Methodology

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

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with VCTC representatives on February 16, 2023. The audit team met with Claire Grasty (Transit Director), Dolores Lopez (Transit Planner), and Aubrey Smith (Program Manager), and reviewed materials germane to the triennial audit process.

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

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.

2. TPA Scope and Methodology: Methodology of the audit and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Progress in implementing prior recommendations,
 - Goal setting and strategic planning,
 - Functional review, and
 - Findings and recommendations.

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Chapter 3 | Overview of VCTC

The Ventura County Transportation Commission is a regional transportation planning agency governed by a Commission composed of one council member from each city, all five county supervisors, two public members, and one ex-officio member appointed by the Governor of California (typically Caltrans' District 7 Director). VCTC was created in 1989 by Senate Bill 1880 as the successor agency to the Ventura County Association of Governments (VCAG). In 2004, the Commission was reorganized under Assembly Bill 2784 into its current configuration.

VCTC's mission is to improve mobility within the County and increase funding to meet transportation needs. VCTC establishes transportation policies and priorities to ensure equitable allocation of federal, state, and local funds for a variety of transportation projects, including highway, transit, rail, aviation, bicycle, and pedestrian projects. VCTC's role is to build consensus, make strategic plans, obtain and allocates resource, and provide public information pertinent to Ventura County's transportation services and infrastructure. VCTC also administers a public transit program branded as Intercity Transit.

Roles

VCTC serves many functions within the region, including:

- **Regional Transportation Planning Authority (RTPA).** As the RTPA, VCTC is legally responsible for allocating Transportation Development Act (TDA) funds. The TDA provides two major sources of funding: Local Transportation Funds (LTF), which are derived from a one-quarter cent state sales tax, and State Transit Assistance (STA), which is derived from the statewide sales tax on diesel fuel. VCTC is required by state statutes to conduct multi-modal transportation planning, programming, and funding allocation.
- **Consolidated Transportation Service Authority (CTSA).** VCTC is the agency responsible for coordinating programs serving the transportation needs of seniors, persons with disabilities, and other historically transit-dependent populations.
- **Airport Land-Use Commission (ALUC).** ALUCs implement state law (Public Utilities Code) regarding airports and surrounding land-use compatibility.
- **County Transportation Authority (CTA).** VCTC is responsible for determining the method for distributing sales tax revenue for transportation improvements, when applicable.
- **Ventura County Service Authority for Freeway Emergencies (SAFE).** VCTC is responsible for operation and administration of roadside call boxes and freeway service patrol programs. This service is funded through a one dollar surcharge on vehicle registrations.
- **Congestion Management Agency (CMA).** VCTC, as the designated Congestion Management Authority (CMA) for Ventura County, is responsible for coordinating land-use, transportation planning, and air quality to mitigate traffic congestion. VCTC is responsible for developing and

implementing a Congestion Management System, which identifies likely areas of vehicular congestion and proffers strategies and recommendations for alleviating this congestion.

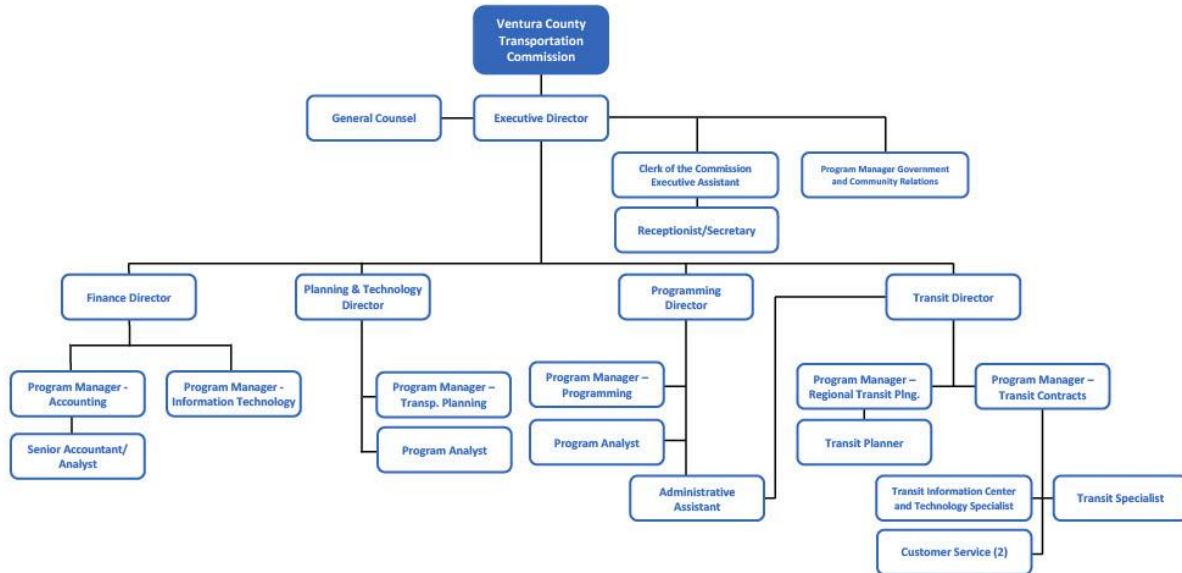
Advisory committees

- [Citizens Transportation Advisory Committee/Social Services Transportation Advisory Council \(CTAC/SSTAC\)](#). The CTAC/SSTAC advises on planning regarding Unmet Transit Needs. The committee includes two non-elected members from each city and Ventura County, two at-large members, and one representative each from Camarillo Health Care District, Commission on Human Concerns, Developmental Disability, St. John’s Medical Center, Public Social Services Agency, and VCTC (as the CTSA).
- [Transportation Technical Advisory Committee \(TTAC\)](#). TTAC advises VCTC on all technical transportation matters in the county and cities. The Committee includes one representative and one alternate from the following: Ventura County Public Works Department, each city, Oxnard Harbor District, Ventura County Air Pollution Control District, Gold Coast Transit, Southern California Association of Governments (SCAG), and Caltrans District 7. TTAC meets on an as-needed basis at locations throughout the county.
- [Transit Operators Advisory Committee \(Transcom\)](#). Transcom advises VCTC on all transit-related matters including commuter rail. The committee includes one representative from each transit operator in Ventura County and one ex officio member of the Transportation Technical Advisory Committee (TTAC). Transcom typically meets once a month at Camarillo City Hall.
- [Santa Paula Branch Line Advisory Committee \(SPBLAC\)](#). The SPBLAC advises VCTC regarding usage and maintenance of the Santa Paula Branch rail line. Members include representatives of the cities of Ventura, Santa Paula, and Fillmore, as well as two County Supervisors who represent areas along the SPBL.

Organization

The VCTC organizational chart (see Exhibit 3.1) includes 22 full-time positions. VCTC’s Executive Director reports to the Commission and manages four departments—Finance, Planning and Technology, Programming, and Transit.

Exhibit 3.1 Organizational Chart (FY 2021/22)



Source: VCTC.

During the audit period, the following individuals served as voting members of the Ventura County Transportation Commission:

- Tony Trembley, City of Camarillo (2019-2022; Chair 2022)
- Lynn Edmonds, City of Fillmore (2020-2022)
- Manuel Minjares, City of Fillmore (2019; Chair 2019)
- Chris Enegren, City of Moorpark (2021-2022)
- Ken Simons, City of Moorpark (2019-2020)
- Randy Haney, City of Ojai (2019-2020)
- William Weirick, City of Ojai (2021-2022)
- Bryan MacDonald, City of Oxnard (2019-2022)
- Will Berg, City of Port Hueneme (2019-2020)
- Richard Rollins, City of Port Hueneme (2021-2022)
- Mike Johnson, City of San Buenaventura (2021-2022)
- Cheryl Heitmann, City of San Buenaventura (2019-2020)
- Jenny Crosswhite, City of Santa Paula (2019-2020)
- Andy Sobel, City of Santa Paula (2021-2022)
- Mike Judge, City of Simi Valley (2019-2022)
- Claudia Bill-de la Peña, City of Thousand Oaks (2019-2022; Chair 2020)
- Steve Bennett, County Supervisor (2019-2020)
- Robert Huber, County Supervisor (2019-2022)
- Matt LaVere, County Supervisor (2021-2022)
- Kelly Long, County Supervisor (2019-2022; Chair 2021)
- Linda Parks, County Supervisor (2019-2022)

- Carmen Ramirez, County Supervisor (2021-2022)
- John Zaragoza, County Supervisor (2019-2020)
- Daniel Chavez, Citizen Rep, Cities (2021-2022)
- Brian Humphrey, Citizen Rep, Cities (2019-2020)
- Jim White, Citizen Rep, County (2019-2022)

A representative of Caltrans District 7 also serves on the Commission as an ex-officio (non-voting) member. VCTC Commissioners meet at 9:00 a.m. on the first Friday of the month at Camarillo city hall.

The Commission utilizes a Finance/Administration committee, as well as other ad hoc committees as needed. Commissioners are also assigned to regional committees such as Los Angeles – San Diego – San Luis Obispo Rail Corridor (LOSSAN Corridor); Unmet Transit Needs; and Coastal Express commuter bus service (partnership with Santa Barbara County Association of Governments).

Goal setting and strategic planning

The primary planning document for an RTPA is typically the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range (25-year) transportation plan providing a vision for regional transportation investments. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help meet regional greenhouse gas reduction targets.

While VCTC is the Regional Transportation Planning Agency for Ventura County, it is not responsible for preparing the Regional Transportation Plan. As a member of the Southern California Association of Governments (SCAG), which serves as the Metropolitan Planning Organization for the region, Ventura County is included within SCAG's Connect SoCal Plan, which serves as the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) for the six-county area. The current RTP/SCS was adopted on September 3, 2020, by SCAG's Regional Council and spans the 25-year period between 2020 and 2045. Planning has already begun on the 2024 update. The Regional Council includes four representatives from Ventura County as well as a representative from VCTC.

The Connect SoCal plan primarily looks at the region as a whole, rather than planning for each county individually. While some key projects are identified by county, the majority of the plan takes a more holistic view. The RTP/SCS does set forth a series of goals and guiding principles that are applicable across the region.

Exhibit 3.2 Connect SoCal Goals

Goals	
1	Encourage regional economic prosperity and global competitiveness.
2	Improve mobility, accessibility, reliability, and travel safety for people and goods.
3	Enhance the preservation, security, and resilience of the regional transportation system.
4	Increase person and goods movement and travel choices within the transportation system.
5	Reduce greenhouse gas emissions and improve air quality.
6	Support healthy and equitable communities.
7	Adapt to a changing climate and support an integrated regional development pattern and transportation network.
8	Leverage new transportation technologies and data-driven solutions that result in more efficient travel.
9	Encourage development of diverse housing types in areas that are supported by multiple transportation options.
10	Promote conservation of natural and agricultural lands and restoration of habitats.

Exhibit 3.3 Connect SoCal Guiding Principles

Guiding Principles	
1	Base transportation investments on adopted regional performance indicators and MAP-21/FAST Act regional targets.
2	Place high priority for transportation funding in the region on projects and programs that improve mobility, accessibility, reliability and safety, and that preserve the existing transportation system.
3	Assure that land use and growth strategies recognize local input, promote sustainable transportation options, and support equitable and adaptable communities.
4	Encourage RTP/SCS investments and strategies that collectively result in reduced non-recurrent congestion and demand for single occupancy vehicle use, by leveraging new transportation technologies and expanding travel choices.
5	Encourage transportation investments that will result in improved air quality and public health, and reduced greenhouse gas emissions.
6	Monitor progress on all aspects of the Plan, including the timely implementation of projects, programs, and strategies.
7	Regionally, transportation investments should reflect best-known science regarding climate change vulnerability, in order to design for long term resilience.

To supplement the RTP/SCS and provide for more focused regional planning, VCTC prepares the Ventura County Comprehensive Transportation Plan (CTP). The first CTP was developed in 2013, which had a goal of ensuring mobility and enhancing the quality of life for all Ventura County residents. The draft of the most recent CTP was completed in early 2023, for adoption by the Commission later in the year. The CTP will serve as Ventura County’s input into the Connect SoCal 2024 Plan. Given Ventura County does not

have a current local transportation funding mechanism in place, the CTP also provides a prioritized slate of projects that can be implemented as funding becomes available.

The CTP has its own set of goals and objectives, all of which are consistent with those presented in the RTP/SCS and other local, state, and regional plans. VCTC's CTP goals are:

1. Balance transportation and land use
2. Reduce emissions and improve sustainability
3. Foster economic prosperity
4. Improve multimodal mobility choices and access to destinations
5. Enhance transportation safety to eliminate deaths and serious injuries

In addition, VCTC has established three guiding principles:

1. Transportation projects enhance the **quality of life** for Ventura County residents and visitors.
2. Transportation investments are **aligned with conservation priorities** to reduce impacts on the natural environment and **preserve agricultural and open space areas**.
3. Transportation investments are **equitably** planned and implemented to eliminate burdens of low-income communities, disadvantaged groups, and people of color.

During the last three years, VCTC has developed goals and objectives specific to different modes and projects through regional planning efforts. These have included:

- US 101 Communities Connected (2020)
- Transportation Emergency Preparedness Plan (2020)
- Ventura County Freight Corridors Study (2021)
- Coordinated Public Transit-Human Services Transportation Plan (2022)
- Transit Asset Management Group Plan (2022)
- Transit Integration and Efficiency Study (TIES) (2023)

VCTC is also responsible for county-wide transit planning, including system-specific and regional plans. These plans set forth system and program goals, performance measures and standards, and priorities for individual systems as well as the region as a whole.

- Heritage Valley Transit System Study (2013)
- VCTC Intercity Five-Year Service Plan (2015)
- Ventura County Short Range Transit Plan (2015)

(Some operators prepare their own system-specific plan, including the City of Simi Valley, City of Thousand Oaks, and Gold Coast Transit District.)

Chapter 4 | Program Compliance

This section examines the VCTC's compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with VCTC staff as well as an inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

With one exception, VCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. The RTPA does not have an effective process to assess productivity improvements for the transit operators within its jurisdiction.

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 4.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	The CTAC/SSTAC meets on the 2 nd Tuesday of the month in January, April, June, and September. A public hearing to review unmet transit needs occurs annually. Public Unmet Transit Needs hearings held on: February 1, 2019 February 7, 2020 February 5, 2021 February 4, 2022
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA’s jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	Finding	VCTC’s Transcom Committee (made up of all Ventura County transit operators) meets monthly. While it is not a productivity committee, it does provide operators with opportunities to discuss productivity, performance, and improvements. A recommendation to enhance the review of productivity improvements was included in the prior audit but not implemented. It will be carried forward into this audit.
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	In compliance	
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2019/20: November 11, 2020 FY 2020/21: December 9, 2021 FY 2021/22: December 13, 2022
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.**	CCR 6660	In compliance	FY 2019/20: December 22, 2020 FY 2020/21: December 15, 2021 FY 2021/22: December 14, 2022

Compliance Element	Reference	Compliance	Comments
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	Moore & Associates conducted the prior audit and was selected to prepare the current audit. The prior audit was completed by June 11, 2020. Therefore, no operator allocations were affected by a failure to complete the audit.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	A letter to Caltrans dated June 11, 2020 was provided as evidence the audits were submitted and/or certified to Caltrans.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	VCTC has not adopted alternative compliance requirements for any of its TDA 8(c) recipients.
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	Not applicable	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	Not applicable	VCTC has no eligible Article 4.5 claimants other than itself.

Compliance Element	Reference	Compliance	Comments
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	<p>The annual Unmet Transit Needs process undertaken by VCTC includes the following elements:</p> <ul style="list-style-type: none"> • Review of population densities and transit operators • Public comment period • Unmet Transit Needs survey • Meetings held throughout the county • Public hearing • Adoption/reaffirmation of definitions of "unmet transit need" and "reasonable to meet" • Identification of any unmet transit needs that are reasonable to meet • Consultation with the Social Services Transportation Advisory Council (SSTAC)

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Chapter 5 | Prior Recommendations

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

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

1. Implement a process for operators to submit the implementation status of performance audit recommendations to VCTC’s Transit Operations and Planning department on an annual basis.

Discussion: During the prior audit, it was observed that while Transcom served as a de facto “productivity committee” for transit operators, there was no formal monitoring of whether recommendations arising from the triennial performance audit were implemented. The prior auditor noted that without effective oversight by the RTPA, operators may not implement proposed recommendations in a timely manner, which could negatively affect productivity.

The prior auditor recommended requiring operators to annually submit information regarding the status of performance audit recommendations. It recommended this process have a deadline of September 1 following the end of the fiscal year. In some cases, the responses would be anecdotal, while in others there may be no progress to report, or an explanation of why the recommendation is no longer relevant. Given recommendations may require planning/budgeting or are contingent on other actions/conditions, it is understood not every recommendation can be implemented right away. It is likely VCTC will not need to step in or follow up until toward the end of a given audit period. The completed forms could also be provided to the team preparing the Triennial Performance Audit for a more comprehensive account of the status of prior recommendations. The purpose of the process would be to ensure there is *progress* toward the implementation of recommendations, not necessarily to force the implementation of recommendations. By establishing a September 1 deadline, it would ensure productivity can be monitored without impacting the TDA claims process.

Progress: This recommendation was not implemented due to the COVID-19 pandemic. However, it still feels this is a good recommendation that should be implemented. Staff originally wanted to keep the process separate from the TDA claims process, but is open to the idea of including as a separate form or appendix that is completed at the same time as the TDA claim but is not a part of the claims process.

Status: Not implemented.

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Chapter 6 | Functional Review

A functional review of the VCTC determines the extent and efficiency of the following functional activities:

- Administration and Management;
- Transportation Planning and Regional Coordination;
- Claimant Relationships and Oversight;
- Marketing and Transportation Alternatives; and
- Grant Applications and Management; and

Administration and Management

VCTC sets transportation priorities, selects projects, and distributes state and federal monies to its members to maintain, repair and support operations of local roadways, public transportation and other transportation systems. The agency works with Caltrans to plan, select and construct major highway projects. VCTC is also responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF). VCTC allocates transit funding to the City of Camarillo, City of Fillmore, City of Moorpark, City of Ojai, City of Santa Paula, City of Simi Valley, City of Thousand Oaks, County of Ventura, Gold Coast Transit District, and Metrolink. VCTC also operates VCTC Intercity Bus and serves as the administrator for Valley Express. All major policy efforts go through a committee process to ensure collaboration.

RTPA management provides effective oversight of both ongoing programs and special projects. Weekly director-level meetings and monthly staff meetings provide an opportunity to inform management regarding the progress and financial status of VCTC programs.

VCTC's Finance Director efficiently leads the processing of TDA claims for the RTPA. Local operators appear to be satisfied with VCTC's effectiveness. In recent years VCTC has led some procurements and initiatives on a county-wide level that might not be achievable by individual operators. This has included technology projects, the implementation of the VCbuspass program, and College and Youth Ride Free programs.

The Ventura County Transportation Commission is the governing body for the RTPA. Its composition and function is discussed in greater detail in Chapter 3. During the pandemic, the Commission met remotely, but has returned to in-person meetings. Typically between 12 and 15 members attend each meeting, and there are no issues with having a quorum. Some of the advisory committees (such as CTAC and Transcom) are still meeting virtually.

Within its annual budget, VCTC identifies objectives for each of its programs, as well as recent accomplishments, key performance metrics (where appropriate), major work elements, work product, funding sources, and projected expenses. The annual budget includes all programs and funds for VCTC as the RTPA as well as for the transit programs it operates and administers.

VCTC is fully staffed with 22 employees. A new finance position has been requested due to the Finance department's workload. Turnover has historically been low; however, there have been several recent staffing changes. Pay increases are generally provided via merit raises accompanying annual performance

evaluations. Otherwise, VCTC does not utilize employee incentive programs. VCTC staff are eligible for health insurance (including dental and vision), life insurance, CalPERS retirement benefits, and annual leave.

VCTC staff are encouraged to participate in training. Eight hours per month is a general guideline, and attendance at one conference per year is encouraged. VCTC budgets for training, and all staff have training opportunities. There are ample virtual/remote training opportunities in many areas of interest to VCTC staff. All department directors actively share information from trainings they attend.

Impact of COVID-19 pandemic

During the pandemic, VCTC transitioned to remote working environment. It purchased laptops and appropriate software to facilitate this. Staff utilized Microsoft Teams for communication. Moving the VCTC office from Ventura to Camarillo in 2020 resulted in the loss of the pass sales office; however, VCTC was already able to sell passes online. The programming department handled distribution of relief funding.

Since the COVID-19 pandemic, all staff work in the office on Monday and Wednesday, but can work from home or in the office the remaining days. VCTC anticipates maintaining this flexibility in the long term. Masks and COVID tests are available, but no longer required.

VCTC noted the pandemic shifted some ideas about travel, shifting the focus off specific modes and looking at mobility more holistically, such as reframing Bike to Work Week as Bike Week. Looking at how travel patterns have changed will affect decisions moving forward. For example, vehicle miles traveled (VMT) is back to pre-pandemic levels, but the congestion is not due to different travel patterns.

Transportation Planning and Regional Coordination

VCTC recently completed an update of its Comprehensive Transportation Plan (which is detailed further in Chapter 3). The draft has been accepted by the Commission but there will be further updates. Staff believe it does a good job of encompassing transportation projects region-wide.

The VCTC Intercity Five-Year Service Plan as well as a county-wide Short Range Transit Plan (SRTP) were completed by VCTC in Fall 2015. These documents provide strategies for improved regional coordination and connectivity and establish program goals and performance standards. At present, VCTC is finalizing its county-wide Transit Integration and Efficiency Study (TIES), which further examines opportunities for regional coordination and service integration. It is effectively creating a roadmap moving forward that will better integrate transit throughout the county. 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, tech, 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.

The SRTP is expected to coordinate timelines raised by other planning projects, including the TIES project, Emergency Preparedness Plan, and Coordination Plan. Each of these plans also has diverse goals and objectives, but the SRTP will focus on broader, more unified goals.

Claimant Relationships and Oversight

VCTC typically provides technical assistance to operators in the areas of technology and ADA accessibility. It conducts regional marketing activities that amplify what the operators are doing and provides all marketing for regional projects (such as VCbuspass and the College and Youth Ride Free programs). VCTC assists operators by preparing a group Transit Asset Management Plan and marketing local transit services as part of its countywide outreach. Operators are aware of the assistance available through VCTC and make use of it as needed. VCTC is seen as a particularly valuable resource by operator staff new to their positions.

As the designated RTPA and a trusted source of transportation-related knowledge (as well as the conduit through which funding passes), VCTC staff interacts frequently with its claimants. Staff provides guidance on forms, claims, questions, and financial issues as needed. Communication regarding the TDA is primarily handled by the Finance Director, who monitors operator compliance with reporting requirements. Expanding the Finance staff will help support this role.

VCTC has appropriately withheld TDA monies if a compliance issue is identified.

Marketing and Transportation Alternatives

VCTC conducts a regional marketing program for public transportation. While individual operators typically handle their own marketing and outreach, VCTC includes operator materials as part of outreach activities it conducts throughout the county.

VCTC's Commuter Services program has experienced a shift due to the pandemic. Bicycling has increased in popularity due to the pandemic, with many people utilizing that mode. VCTC conducted several bike campaigns during the pandemic, and worked with local bike coalitions to develop tips and promote biker safety graphics. Agricultural worker vanpooling is thriving, but not traditional vanpools or carpools. Long-distance transit and rail services are very slow to recover. There is definitely an opportunity to enhance carpool and vanpool programs in the future.

Grant Applications and Management

FTA and CMAQ applications are submitted through VCTC for itself and its subrecipients. The Gold Coast Transit District and the City of Simi Valley apply for funding directly. VCTC is the designated recipient for Section 5310 funding. If operators apply for grants on their own, VCTC may provide letters of recommendation, yet typically does not provide technical assistance or review/coordinate grant applications. For regional programs or projects (such as LCTOP), VCTC may take the lead, with operators as sub-recipients. In these cases VCTC takes on responsibility for the grant reporting, and often provides opportunities to the smaller operators that they may not qualify for on their own. VCTC monitors grants for itself and its sub-recipients.

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Chapter 7 | Findings and Recommendations

Conclusions

With one exception, the auditors find the VCTC, functioning as the RTPA, 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. The compliance finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

Findings and Recommendations

Based on the current review, the auditors identified one TDA compliance finding:

1. The RTPA does not have an effective process to assess productivity improvements for the transit operators within its jurisdiction.

The auditors have identified no functional findings.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the VCTC's 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.

Given there are no functional findings, only compliance findings and recommendations are provided below.

Compliance Finding 1: The RTPA does not have an effective process to assess productivity improvements for the transit operators within its jurisdiction.

Criteria: PUC 99244 requires RTPAs, on an annual basis, to identify, analyze, and recommend potential productivity improvements for lowering operating cost for transit operators that operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. These recommendations include, but are not limited to, those contained within a triennial performance audit.

Condition: This recommendation is carried forward from the prior audit. While Transcom serves as a de facto "productivity committee" for transit operators, there is no formal monitoring of whether recommendations arising from the triennial performance audit have been implemented. While VCTC intended to implement this recommendation during the audit period, it was unable to do so due to the COVID-19 pandemic.

Cause: VCTC has traditionally relied on Transcom to fulfill the role of "productivity committee," although this is not the committee's primary focus.

Effect: Without effective oversight by the RTPA, operators may not implement proposed recommendations in a timely manner, which could negatively affect productivity.

Recommendation: Implement a process for operators to assess the implementation status of performance audit recommendations to VCTC’s Transit Operations and Planning department on an annual basis.

Recommended Action(s): Using the sample form provided in Exhibit 7.2, VCTC should require operators to annually submit information regarding the status of performance audit recommendations. In the prior audit, Finance staff expressed a desire to keep this process separate from the TDA claims process. However, in discussions during this audit period, staff indicated keeping the productivity reporting process concurrent with the TDA claims process might be preferred. The auditors recommend VCTC determine a timeline for productivity reporting, either as an accompaniment to the TDA claim (though not part of the claim forms) or following the end of each fiscal year.

In many cases, the responses will be anecdotal. In others, there will be no progress to report, or there may be an explanation of why the recommendation is no longer relevant. Given recommendations may require planning/budgeting or are contingent on other actions/conditions, not every recommendation can be implemented right away. It is likely VCTC will not need to step in or follow up until toward the end of a given audit period. These completed forms can also be provided to the team preparing the Triennial Performance Audit for a more comprehensive account of the status of prior recommendations. The purpose of the process will be to ensure there is *progress* toward the implementation of recommendations, not necessarily to force the implementation of recommendations. It will ensure productivity is monitored without affecting the TDA claims process.

Timeline: FY 2022/23.

Anticipated Cost: Modest.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Implement a process for operators to assess the implementation status of performance audit recommendations to VCTC’s Transit Operations and Planning department on an annual basis.	Medium	FY 2023

Exhibit 7.2 Sample Recommendation Status Form

Progress Report on VCTC / Triennial Performance Audit Productivity Recommendations

Recommendation	Implementation Status

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