

Ventura County Transportation Commission

Valley



Express

Triennial Performance Audit, FY 2019/20 - FY 2021/22 Valley Express

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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.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Valley Express 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 Valley Express public transit program for the period:

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

The Valley Express fixed-route service includes four routes serving the cities of Fillmore and Santa Paula as well as the unincorporated community of Piru. Two additional school trippers operate during the school year. Service hours vary by route.

Dial-A-Ride service is available to the general public, with priority given to ADA-certified individuals and seniors (65+). General Public Dial-A-Ride service is available throughout Santa Paula, Fillmore, and the unincorporated areas that make up the Heritage Valley. Seniors and ADA Paratransit Dial-A-Ride service is available throughout Santa Paula, Fillmore, and Saticoy. Reservations for ADA paratransit riders and seniors (65+) can be made up to seven days in advance

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 Valley Express staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Status of Prior Recommendations

The prior audit – completed in April 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included no recommendations.

Findings and Recommendations

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

Chapter 2 | Audit Scope and Methodology

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

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. 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 Valley Express 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 Valley Express included thorough review of documents relevant to the scope of the audit, as well as information contained on the Valley Express website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;

- Accident/road call logs; and
- Organizational chart.

Given impacts of the COVID-19 pandemic, the methodology for this audit included a virtual site visit with Valley Express representatives on February 13, 2023. The audit team met with Claire Grasty (Transit Director, VCTC), Matt Miller (Program Manager, Transit Services, VCTC), Erin Kenneally (Transit Specialist, VCTC), and Tom Conlon (General Manager, MV Transportation), 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 Valley Express program’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. Valley Express considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with Valley Express 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 Valley Express.

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: December 14, 2020 FY 2020/21: December 15, 2021 FY 2021/22: December 14, 2022
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: November 17, 2020 FY 2020/21: November 30, 2021 FY 2021/22: December 8, 2022
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	Satisfactory inspections dated: July 18, 2018 July 29, 2019 July 28, 2020 July 21, 2021
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	In compliance	
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: -0.30% FY 2020/21: +3.57% FY 2021/22: +2.77% <i>Source: VCTC budgets FY 2019 – FY 2022</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	In compliance	FY 2019/20: 11.67% FY 2020/21: 0.04% (waived) FY 2021/22: 10.00%
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	VCTC staff are eligible for CalPERS. Operations staff are employed by a third-party contractor.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	Not applicable	Valley Express does not receive STA funds.
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable	Valley Express does not receive STA funds.
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

Chapter 4 | Prior Recommendations

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

The prior audit – completed in April 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included no recommendations.

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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. This chapter examines the consistency of performance data reported by Valley Express both internally as well as to outside entities during the audit period.

Data items were reported consistently except as indicated below.

- **Operating cost:** Data reported in the TDA fiscal audit and to the State Controller were consistent with one another, but higher than that reported to the NTD. The difference is approximately \$100,000 each year.
- **Fare Revenue:** In FY 2019/20, fare revenues reported in the fiscal audit and to the State Controller were consistent, but significantly higher than that reported to the NTD. This is due to only passenger fares being reported to the NTD, but organization-paid fares and route guarantees being included in the other reports. In FY 2021/22, all documents appeared to report only passenger fares as fare revenue, but there was a variance of approximately 40 percent between the NTD report and the TDA fiscal audit.
- **Vehicle Service Hours (VSH):** In FY 2020/21 and FY 2021/22, data reported to the NTD and on the monthly performance reports were consistent, but higher than that reported to the State Controller. This is due to differences in demand-response hours.
- **Vehicle Service Miles (VSM):** In FY 2020/21, data reported to the NTD and State Controller were consistent, but lower than that reported in the monthly performance reports. This is due to a difference in demand-response hours, which were 7.4 percent higher in the monthly reports than in the external reporting. October 2019 appears to be an outlier, with an increase in revenue miles of more than 45 percent over the prior month, so it is possible an error in internal reporting may have been the cause of the discrepancy, especially if it was identified by VCTC prior to any of the external reporting but not reflected on the contractor's summary.
- **Full-Time Equivalent (FTE) Employees:** Based on the data provided by the contractor, the correct definition is being used to calculate FTE. However, it is not clear whether VCTC hours are being included in the State Controller Report. In addition, in FY 2019/20, it appears all employees were reported under both fixed-route and demand-response modes, resulting in a much higher system-wide total.

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>	\$1,679,394	\$1,511,657	\$1,688,165
<i>National Transit Database</i>	\$1,588,153	\$1,417,147	\$1,586,997
<i>State Controller Report</i>	\$1,679,394	\$1,511,657	\$1,688,165
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$189,112	\$0	\$40,535
<i>National Transit Database</i>	\$56,014	\$0	\$28,936
<i>State Controller Report</i>	\$189,112	\$0	\$29,200
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	21,730	18,685	19,571
<i>National Transit Database</i>	21,729	18,686	19,571
<i>State Controller Report</i>	21,730	17,077	18,892
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	268,774	225,339	218,590
<i>National Transit Database</i>	255,611	225,207	218,589
<i>State Controller Report</i>	255,611	225,339	218,590
Passengers			
<i>Monthly Performance Reports</i>	65,319	33,838	55,832
<i>National Transit Database</i>	65,319	33,638	55,832
<i>State Controller Report</i>	65,319	33,838	55,832
Full-Time Equivalent Employees			
<i>State Controller Report</i>	64	20	19
<i>Per TDA methodology</i>	23	20	22

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 Valley Express, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in Valley Express' audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via National Transit Database (NTD) 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. NTD reports may not include all revenues cited as fare revenues within the State Controller Reports.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Valley Express' calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. Valley Express' calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. Valley Express calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

System-wide, operating cost experienced a net 0.5 percent increase during the audit period, and a 7.0 percent net increase across the last six years. Fare revenue significantly decreased during the six-year period, with most of the decline (100 percent) occurring in FY 2020/21 due to a free-fare period. This resulted in a net 84.6 percent decrease during the audit period.

Vehicle service hours (VSH) declined between FY 2019/20 and FY 2020/21 due to the COVID-19 pandemic. This resulted in a net 13.1 percent decrease during the audit period and a net 18.5 percent decrease during the six-year period. Vehicle service miles (VSM) steadily decreased during the last six years. This resulted in an overall net decrease of 14.5 percent during the audit period and 39.7 percent over the six-year period. Ridership declined during four years of the six-year period, though the most significant declines did not occur until FY 2019/20 and FY 2020/21 in response to the COVID-19 pandemic. This led to a 14.5 percent net decrease during the audit period and a 42.9 percent net decrease across the six-year 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 decreases in operating cost during the audit period, cost-related metrics increased due to corresponding decreases in other performance

measures. Operating cost per passenger was impacted the most, given the 14.5 percent decrease in ridership during the audit period. Passenger-related metrics fell slightly during the audit period, with passengers per VSH decreasing by 1.7 percent and passengers per VSM remaining the same.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)	\$1,577,117	\$1,688,129	\$1,634,190	\$1,679,394	\$1,511,657	\$1,688,165
<i>Annual Change</i>	0.2%	7.0%	-3.2%	2.8%	-10.0%	11.7%
Fare Revenue (Actual \$)	\$105,847	\$193,612	\$214,979	\$189,112	\$0	\$29,200
<i>Annual Change</i>	-7.6%	82.9%	11.0%	-12.0%	-100.0%	2919900.0%
Vehicle Service Hours (VSH)	23,193	21,732	21,916	21,730	17,077	18,892
<i>Annual Change</i>	-9.9%	-6.3%	0.8%	-0.8%	-21.4%	10.6%
Vehicle Service Miles (VSM)	362,402	312,816	274,931	255,611	225,339	218,590
<i>Annual Change</i>	19.1%	-13.7%	-12.1%	-7.0%	-11.8%	-3.0%
Passengers	97,812	83,391	89,296	65,319	33,838	55,832
<i>Annual Change</i>	-23.9%	-14.7%	7.1%	-26.9%	-48.2%	65.0%
Employees	68	68	64	64	20	19
<i>Annual Change</i>	0.0%	0.0%	-5.9%	0.0%	-68.8%	-5.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$68.00	\$77.68	\$74.57	\$77.28	\$88.52	\$89.36
<i>Annual Change</i>		14.2%	-4.0%	3.6%	14.5%	0.9%
Operating Cost/Passenger (Actual \$)	\$16.12	\$20.24	\$18.30	\$25.71	\$44.67	\$30.24
<i>Annual Change</i>		25.5%	-9.6%	40.5%	73.8%	-32.3%
Passengers/VSH	4.22	3.84	4.07	3.01	1.98	2.96
<i>Annual Change</i>		-9.0%	6.2%	-26.2%	-34.1%	49.1%
Passengers/VSM	0.27	0.27	0.32	0.26	0.15	0.26
<i>Annual Change</i>		-1.2%	21.8%	-21.3%	-41.2%	70.1%
Farebox Recovery	6.7%	11.5%	13.2%	11.3%	0.0%	1.7%
<i>Annual Change</i>		70.9%	14.7%	-14.4%	-100.0%	17196.9%
Hours/Employee	341.1	319.6	342.4	339.5	853.9	994.3
<i>Annual Change</i>		-6.3%	7.1%	-0.8%	151.5%	16.5%
TDA Non-Required Indicators						
Operating Cost/VSM	\$4.35	\$5.40	\$5.94	\$6.57	\$6.71	\$7.72
<i>Annual Change</i>		24.0%	10.1%	10.5%	2.1%	15.1%
VSM/VSH	15.63	14.39	12.54	11.76	13.20	11.57
<i>Annual Change</i>		-7.9%	-12.8%	-6.2%	12.2%	-12.3%
Fare/Passenger	\$1.08	\$2.32	\$2.41	\$2.90	\$0.00	\$0.52
<i>Annual Change</i>		114.5%	3.7%	20.3%	-100.0%	5130.0%

Sources: FY 2016/17 – FY 2018/19 data from prior Triennial Performance Audit.

FY 2019/20 – FY 2021/22 data from State Controller Reports.

FY 2019/20 – FY 2021/22 financial data from NTD reports.

Exhibit 6.2 System Ridership

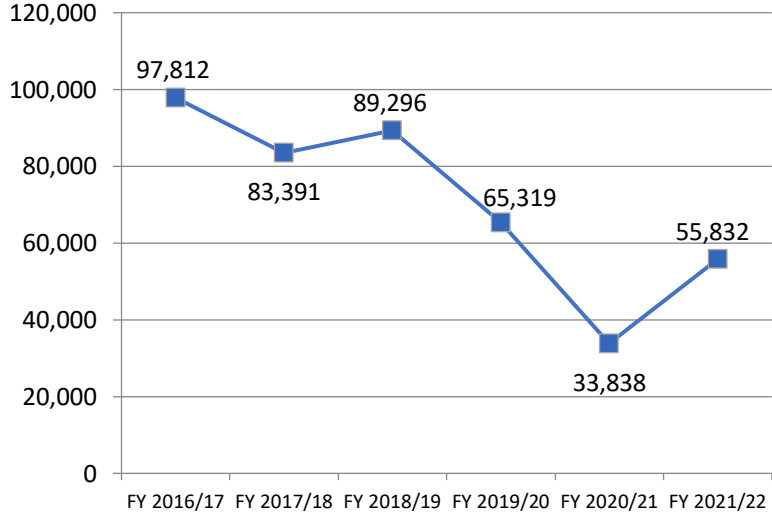


Exhibit 6.3 System Operating Cost/VSH

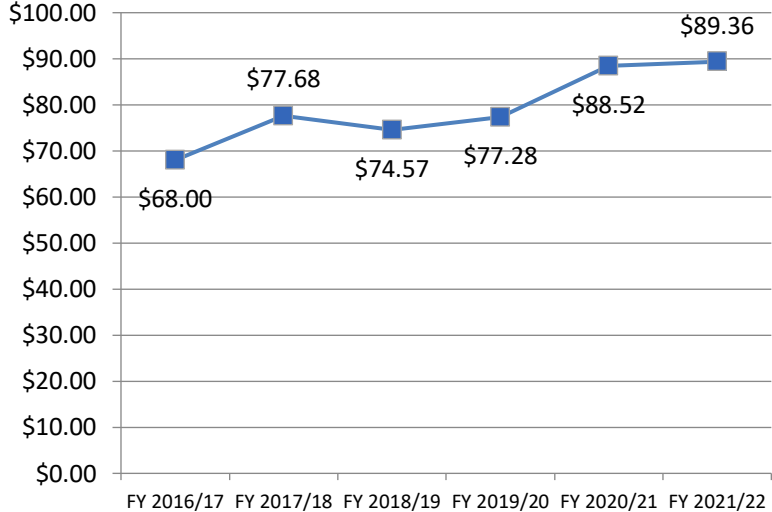


Exhibit 6.4 System Operating Cost/VSM

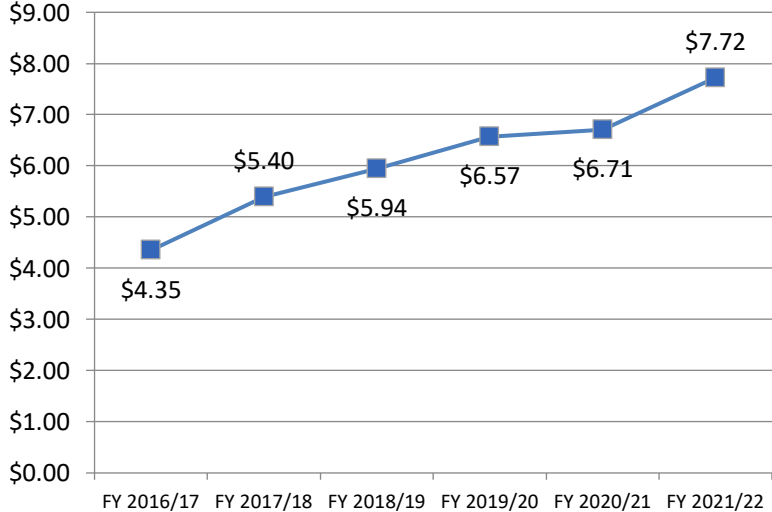


Exhibit 6.5 System VSM/VSH

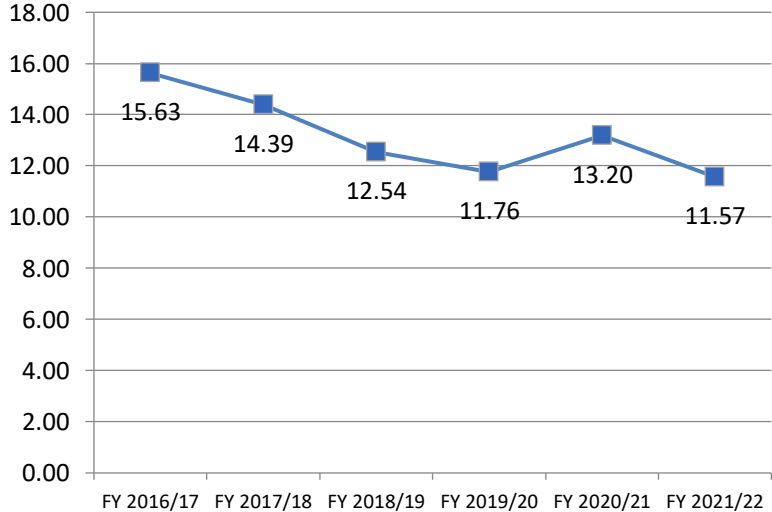


Exhibit 6.6 System Operating Cost/Passenger

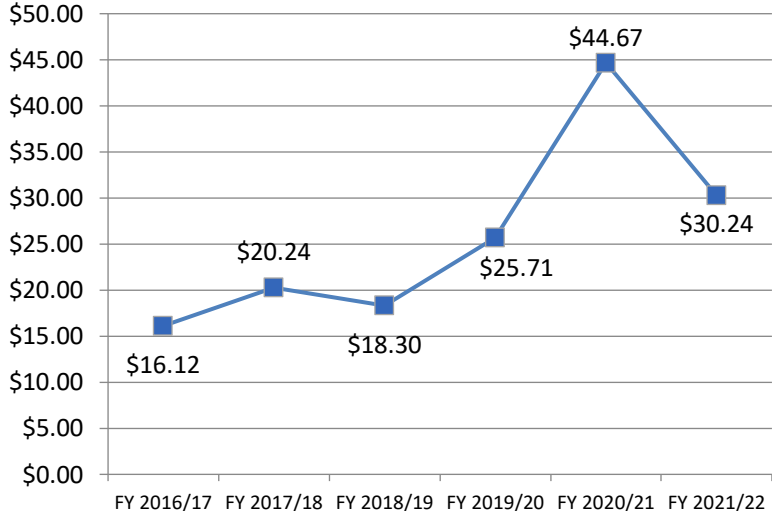


Exhibit 6.7 System Passengers/VSH

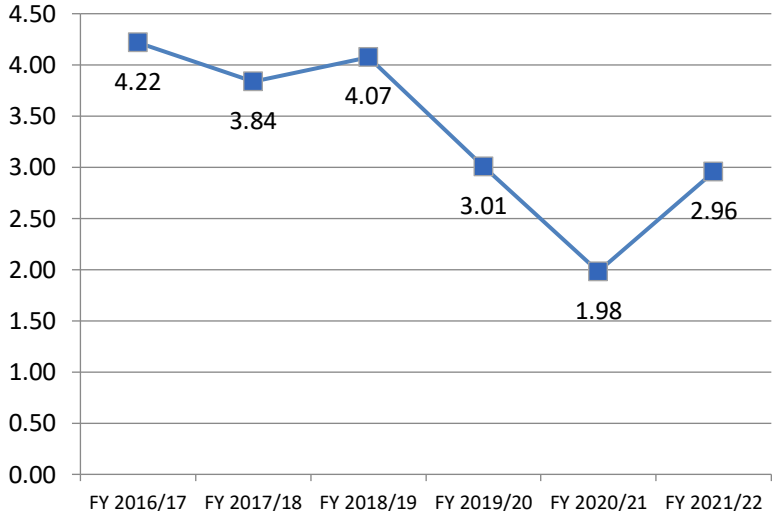


Exhibit 6.8 System Passengers/VSM

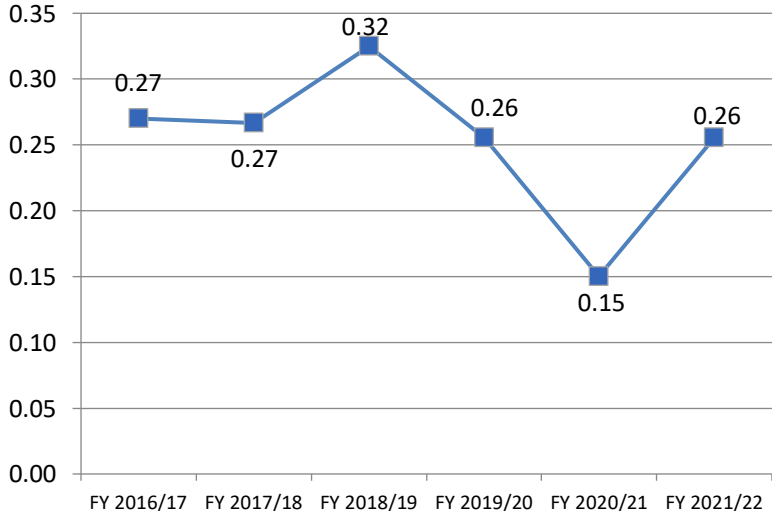


Exhibit 6.9 System VSH/FTE

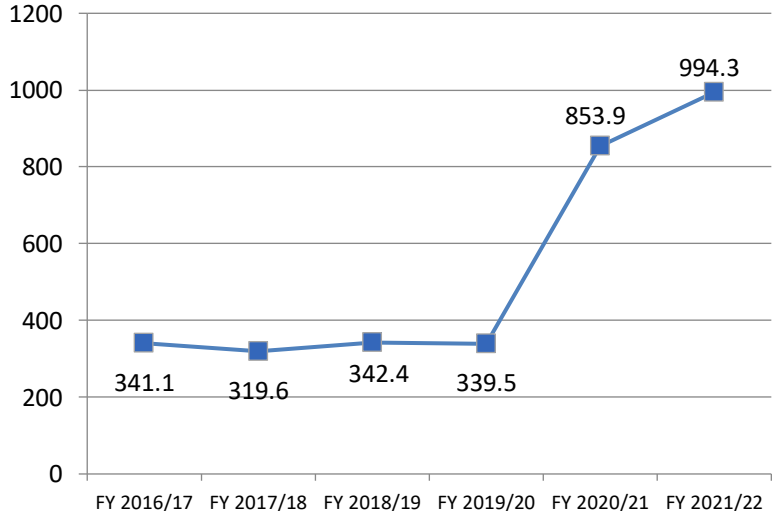


Exhibit 6.10 System Farebox Recovery

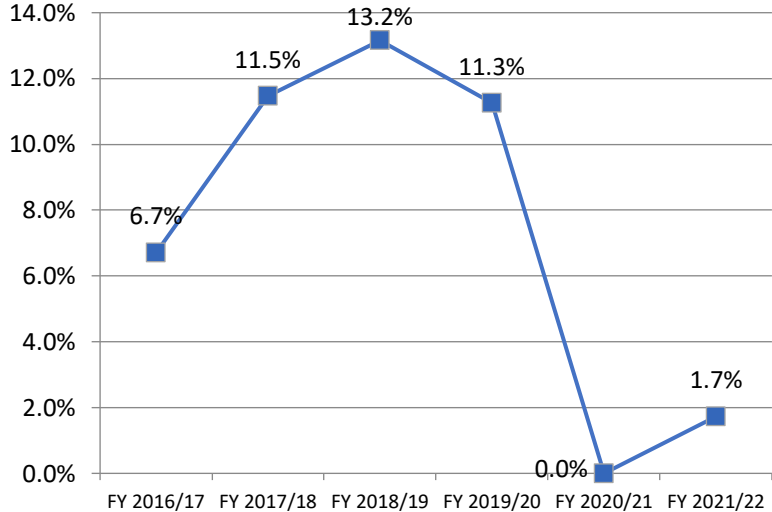
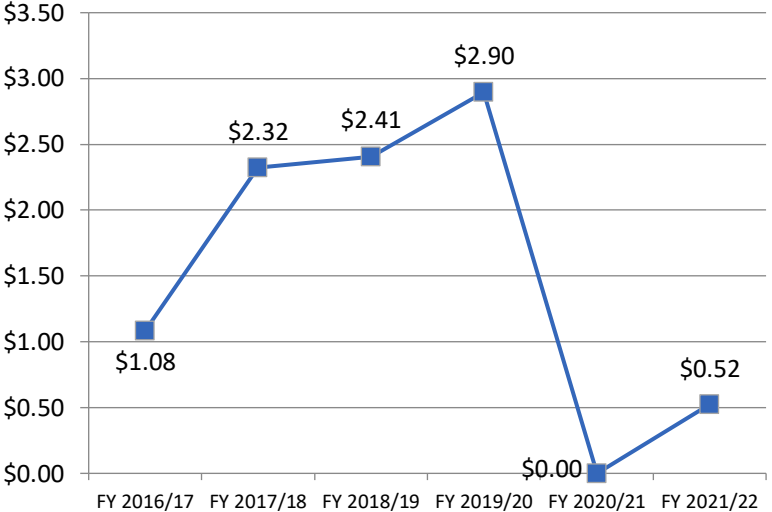


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

Fixed-route service increased operating costs during the audit period, but experienced a 27.6 percent net decrease over the six-year period. Fare revenue declined every year during the six-year period. This resulted in a net 40.1 percent net decrease during the audit period, and a 74.8 percent net decrease over the six-year period.

Fixed-route vehicle service hours decreased through FY 2020/21. This resulted in a net 46.3 percent decrease across the six-year period but a net 1.8 percent increase during the audit period. Vehicle service miles decreased through FY 2019/20, decreasing 38.8 percent during the six-year period and a net 48.5 percent during the audit period. Ridership fluctuated throughout the six-year period with the most significant decrease occurring in FY 2020/21 (49.6 percent). Ultimately ridership experienced a net increase of 1.3 percent during the audit period.

Operating cost per vehicle service hour and operating cost per passenger increased during the audit period, with operating cost per passenger exhibiting the greatest change (10.9 percent). Passenger-related productivity metrics (passengers per VSH and passengers per VSM) saw decreases of 0.5 percent and 31.8 percent respectively.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)	\$700,589	\$438,685	\$424,792	\$451,806	\$439,518	\$507,345
<i>Annual Change</i>	-17.5%	-37.4%	-3.2%	6.4%	-2.7%	15.4%
Fare Revenue (Actual \$)	\$61,599	\$40,767	\$38,692	\$25,925	\$0	\$15,523
<i>Annual Change</i>	-8.3%	-33.8%	-5.1%	-33.0%	-100.0%	1552200.0%
Vehicle Service Hours (VSH)	12,012	7,030	6,480	6,333	5,448	6,449
<i>Annual Change</i>	-11.9%	-41.5%	-7.8%	-2.3%	-14.0%	18.4%
Vehicle Service Miles (VSM)	190,221	101,189	79,049	78,457	112,231	116,476
<i>Annual Change</i>	14.5%	-46.8%	-21.9%	-0.7%	43.0%	3.8%
Passengers	72,999	50,315	52,540	37,884	19,094	38,373
<i>Annual Change</i>	-24.7%	-31.1%	4.4%	-27.9%	-49.6%	101.0%
Employees	34	34	32	32	6	6
<i>Annual Change</i>	0.0%	0.0%	-5.9%	0.0%	-81.3%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$58.32	\$62.40	\$65.55	\$71.34	\$80.68	\$78.67
<i>Annual Change</i>		7.0%	5.1%	8.8%	13.1%	-2.5%
Operating Cost/Passenger (Actual \$)	\$9.60	\$8.72	\$8.09	\$11.93	\$23.02	\$13.22
<i>Annual Change</i>		-9.2%	-7.3%	47.5%	93.0%	-42.6%
Passengers/VSH	6.08	7.16	8.11	5.98	3.50	5.95
<i>Annual Change</i>		17.8%	13.3%	-26.2%	-41.4%	69.8%
Passengers/VSM	0.38	0.50	0.66	0.48	0.17	0.33
<i>Annual Change</i>		29.6%	33.7%	-27.4%	-64.8%	93.6%
Farebox Recovery	8.8%	9.3%	9.1%	5.7%	0.0%	3.1%
<i>Annual Change</i>		5.7%	-2.0%	-37.0%	-100.0%	30496.5%
Hours/Employee	353.3	206.8	202.5	197.9	908.0	1074.8
<i>Annual Change</i>		-41.5%	-2.1%	-2.3%	358.8%	18.4%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.68	\$4.34	\$5.37	\$5.76	\$3.92	\$4.36
<i>Annual Change</i>		17.7%	24.0%	7.2%	-32.0%	11.2%
VSM/VSH	15.84	14.39	12.20	12.39	20.60	18.06
<i>Annual Change</i>		-9.1%	-15.2%	1.6%	66.3%	-12.3%
Fare/Passenger	\$0.84	\$0.81	\$0.74	\$0.68	\$0.00	\$0.40
<i>Annual Change</i>		-4.0%	-9.1%	-7.1%	-100.0%	40352.9%

Exhibit 6.13 Fixed-Route Ridership

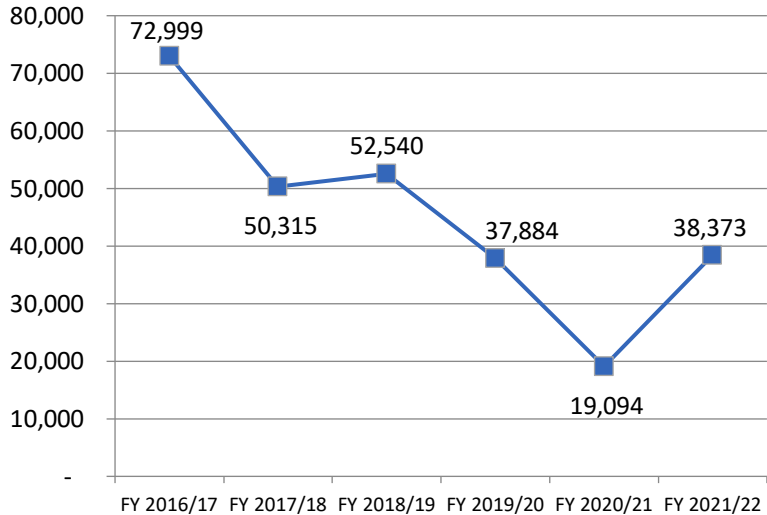


Exhibit 6.14 Fixed-Route Operating Cost/VSH

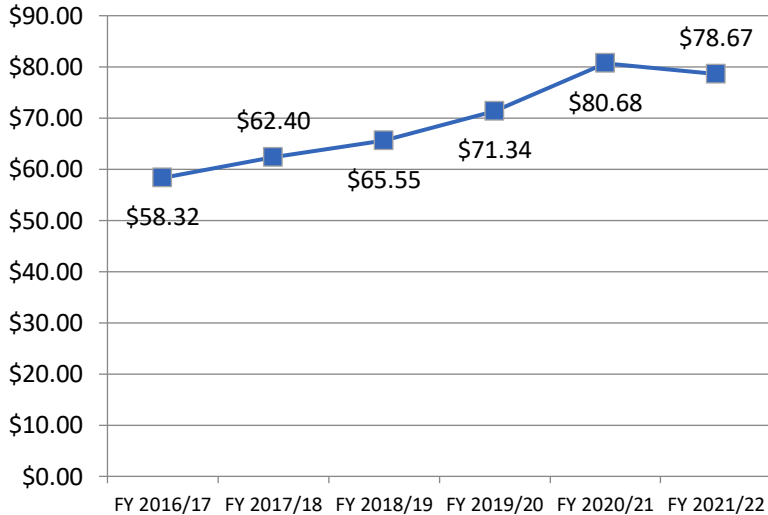


Exhibit 6.15 Fixed-Route Operating Cost/VSM

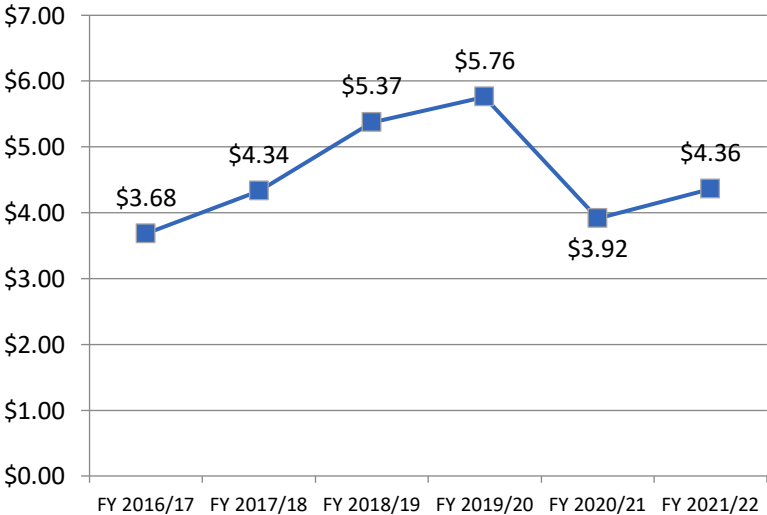


Exhibit 6.16 Fixed-Route VSM/VSH

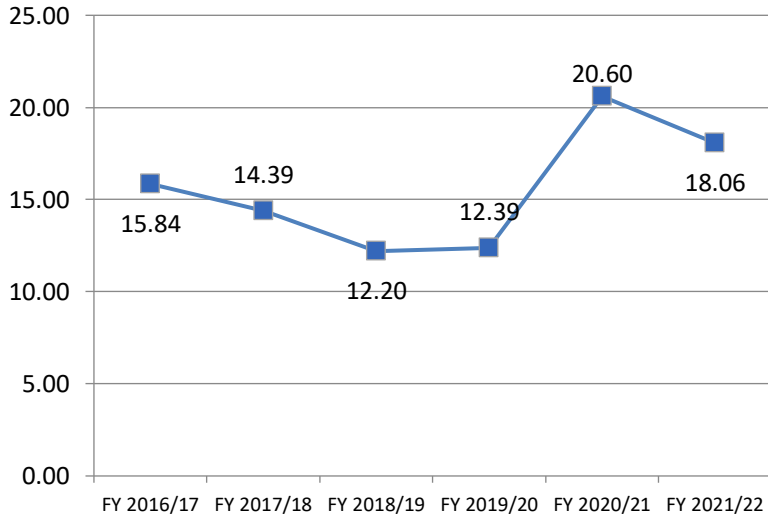


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

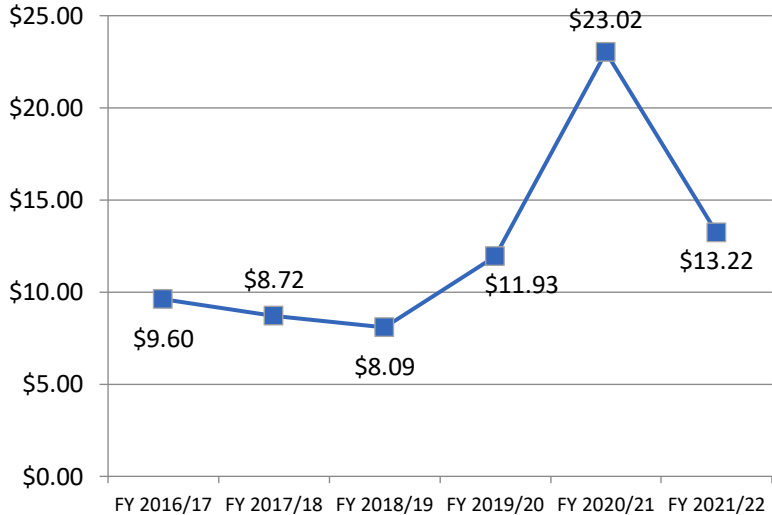


Exhibit 6.18 Fixed-Route Passengers/VSH

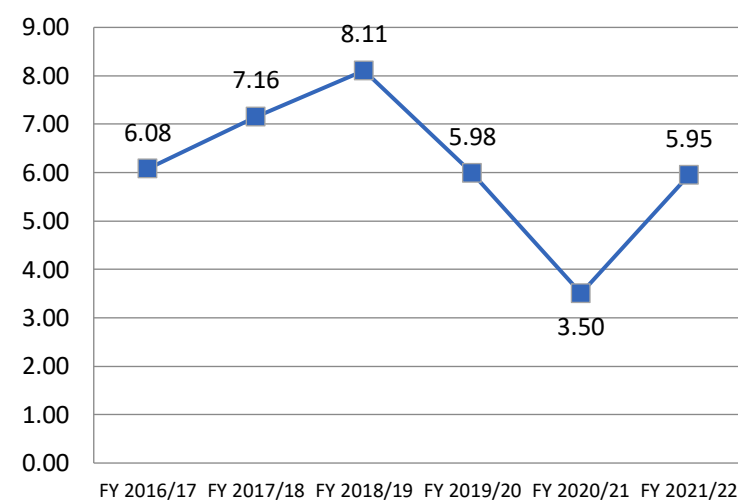


Exhibit 6.19 Fixed-Route Passengers/VSM

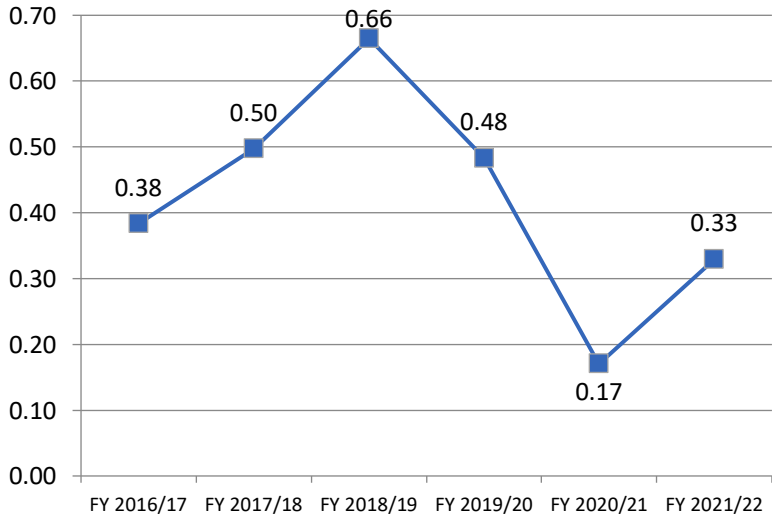


Exhibit 6.20 Fixed-Route VSH/FTE

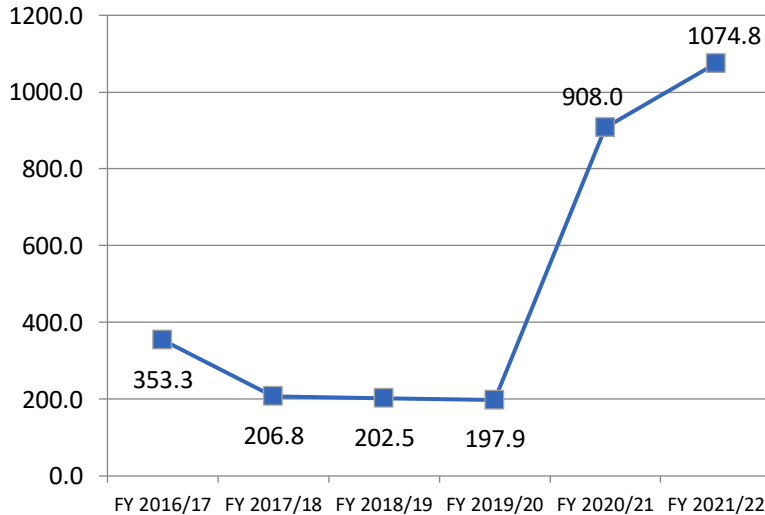


Exhibit 6.21 Fixed-Route Farebox Recovery

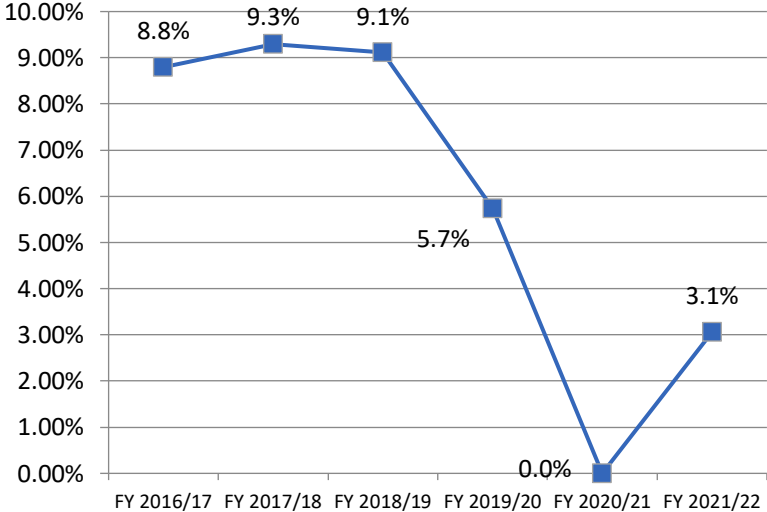
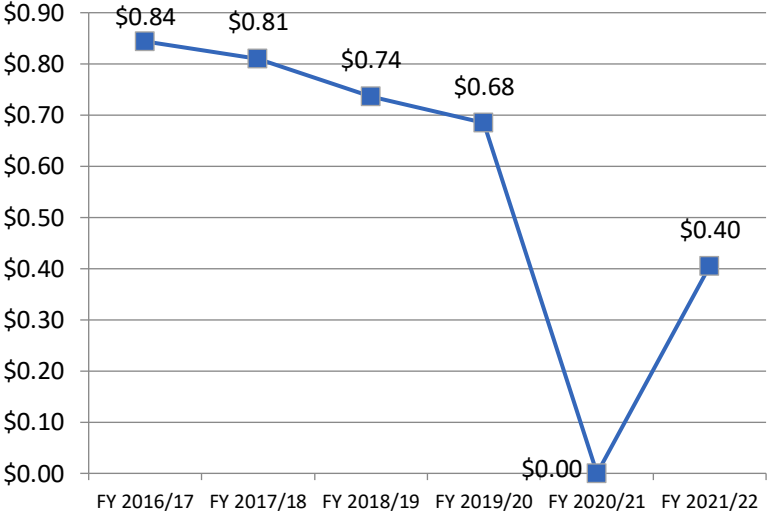


Exhibit 6.22 Fixed-Route Fare/Passenger



Demand-Response Performance Trends

Demand-response service experienced increases in operating cost in four of the six years. Decreasing costs in FY 2020/21 are due primarily to a decrease in demand arising from the COVID-19 pandemic. This resulted in a net 5.0 percent decrease during the audit period. Fare revenue increased until FY 2018/19, declining 55.4 percent during the audit period and a net 66.7 percent decrease across the six-year period.

Demand-response vehicle service hours experienced a 19.2 percent net decrease during the audit period, but a 11.3 percent net increase across the six-year period. Vehicle service miles saw a net decrease of 42.4 percent during the audit period and 40.7 percent across the six-year period. Ridership also decreased significantly, declining 36.4 percent during the audit period.

Operating cost per vehicle service hour, operating cost per vehicle service mile, and operating cost per passenger experienced year-over-year increases during the audit period. Passengers per VSH decreased 21.3 percent during the audit period, while passengers per VSM had a net increase of 10.4 percent.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)	\$634,482	\$924,090	\$1,012,595	\$1,136,347	\$977,629	\$1,079,652
<i>Annual Change</i>	-12.6%	45.6%	9.6%	12.2%	-14.0%	10.4%
Fare Revenue (Actual \$)	\$40,235	\$51,576	\$55,418	\$30,089	\$0	\$13,413
<i>Annual Change</i>	-15.2%	28.2%	7.4%	-45.7%	-100.0%	1341200.0%
Vehicle Service Hours (VSH)	11,181	14,702	15,436	15,397	11,629	12,443
<i>Annual Change</i>	-7.5%	31.5%	5.0%	-0.3%	-24.5%	7.0%
Vehicle Service Miles (VSM)	172,181	211,627	195,882	177,154	113,108	102,114
<i>Annual Change</i>	24.5%	22.9%	-7.4%	-9.6%	-36.2%	-9.7%
Passengers	24,813	33,076	36,756	27,435	14,744	17,459
<i>Annual Change</i>	-21.2%	33.3%	11.1%	-25.4%	-46.3%	18.4%
Employees	34	34	32	32	14	13
<i>Annual Change</i>	0.0%	0.0%	-5.9%	0.0%	-56.3%	-7.1%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$56.75	\$62.85	\$65.60	\$73.80	\$84.07	\$86.77
<i>Annual Change</i>		10.8%	4.4%	12.5%	13.9%	3.2%
Operating Cost/Passenger (Actual \$)	\$25.57	\$27.94	\$27.55	\$41.42	\$66.31	\$61.84
<i>Annual Change</i>		9.3%	-1.4%	50.3%	60.1%	-6.7%
Passengers/VSH	2.22	2.25	2.38	1.78	1.27	1.40
<i>Annual Change</i>		1.4%	5.8%	-25.2%	-28.8%	10.7%
Passengers/VSM	0.14	0.16	0.19	0.15	0.13	0.17
<i>Annual Change</i>		8.5%	20.1%	-17.5%	-15.8%	31.2%
Farebox Recovery	6.3%	5.6%	5.5%	2.6%	0.0%	1.2%
<i>Annual Change</i>		-12.0%	-1.9%	-51.6%	-100.0%	12323.4%
Hours/Employee	328.9	432.4	482.4	481.2	830.6	957.2
<i>Annual Change</i>		31.5%	11.6%	-0.3%	72.6%	15.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.68	\$4.37	\$5.17	\$6.41	\$8.64	\$10.57
<i>Annual Change</i>		18.5%	18.4%	24.1%	34.7%	22.3%
VSM/VSH	15.40	14.39	12.69	11.51	9.73	8.21
<i>Annual Change</i>		-6.5%	-11.8%	-9.3%	-15.5%	-15.6%
Fare/Passenger	\$1.62	\$1.56	\$1.51	\$1.10	\$0.00	\$0.77
<i>Annual Change</i>		-3.8%	-3.3%	-27.3%	-100.0%	7582.6%

Exhibit 6.24 Demand-Response Ridership

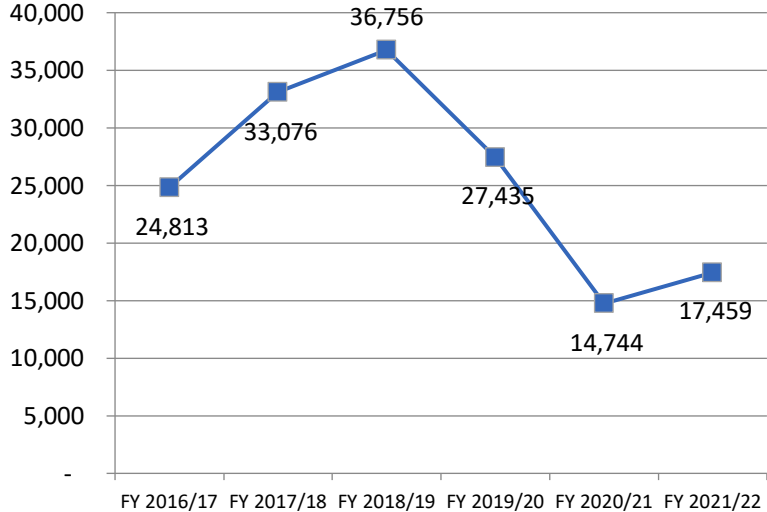


Exhibit 6.25 Demand-Response Operating Cost/VSH

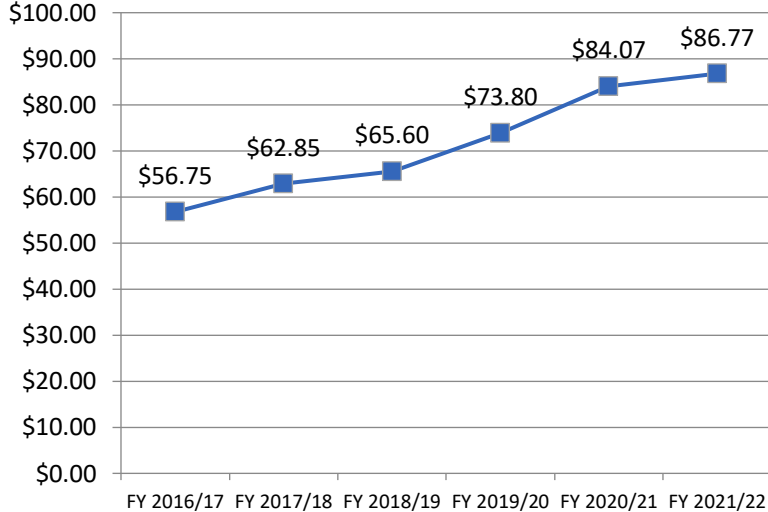


Exhibit 6.26 Demand-Response Operating Cost/VSM

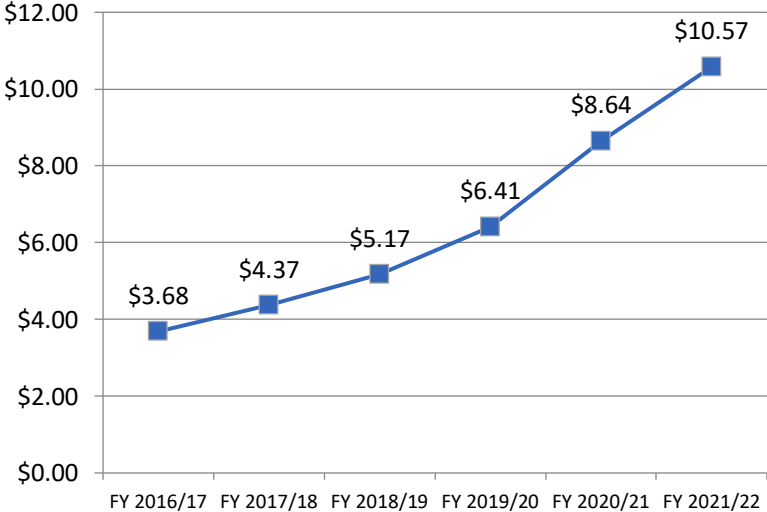


Exhibit 6.27 Demand-Response VSM/VSH

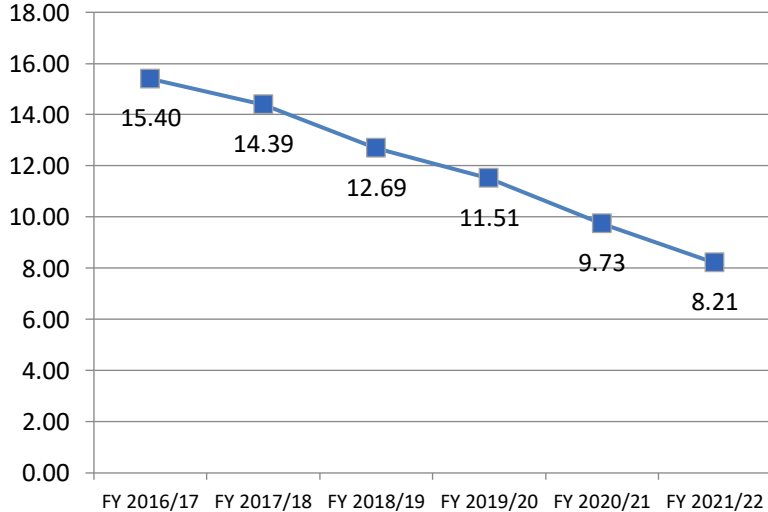


Exhibit 6.28 Demand-Response Operating Cost/Passenger

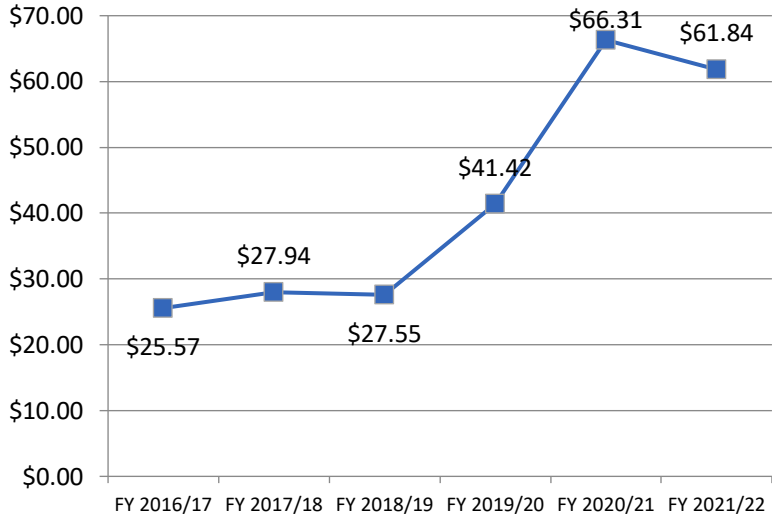


Exhibit 6.29 Demand-Response Passengers/VSH

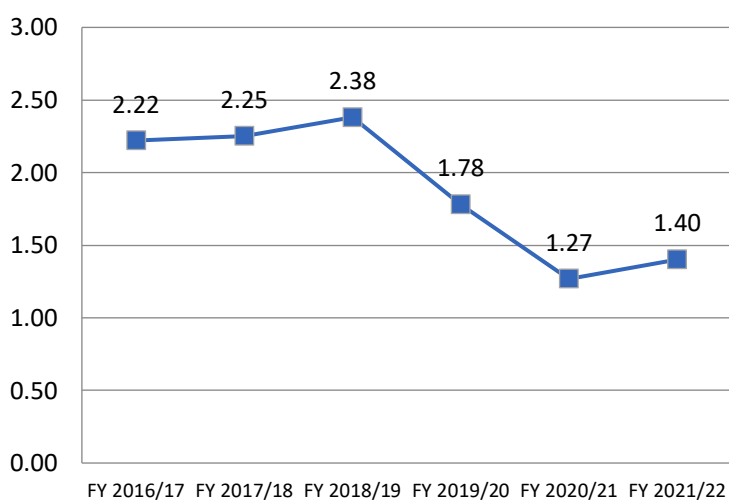


Exhibit 6.30 Demand-Response Passengers/VSM

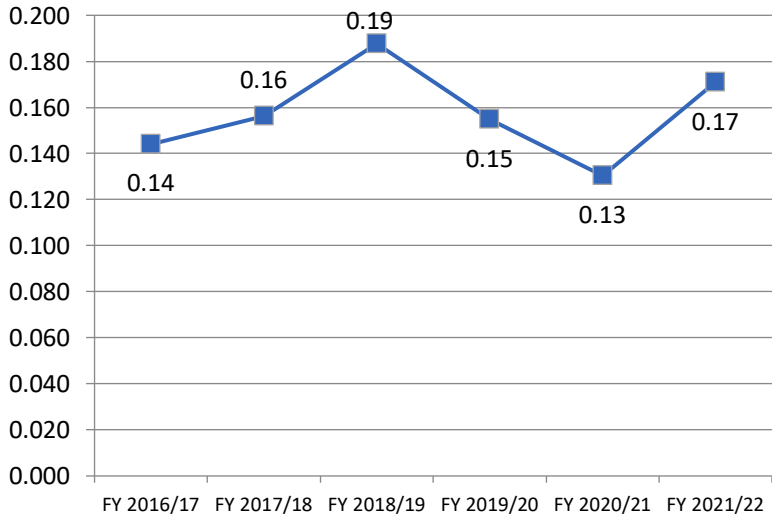


Exhibit 6.31 Demand-Response VSH/FTE

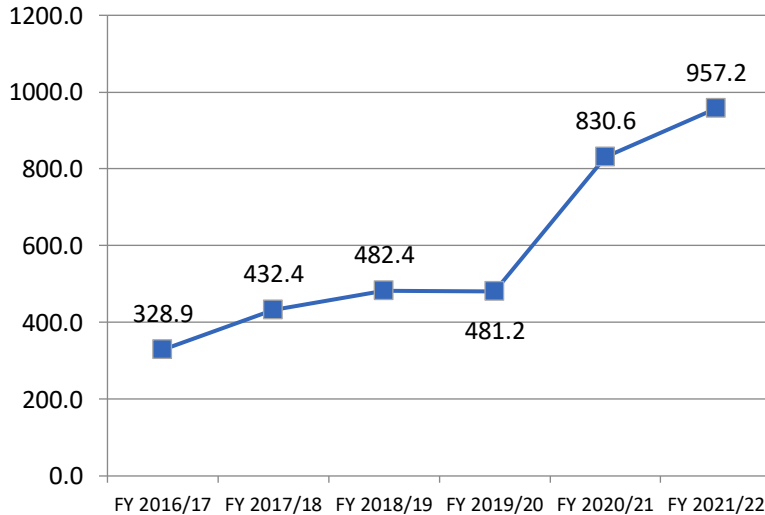


Exhibit 6.32 Demand-Response Farebox Recovery

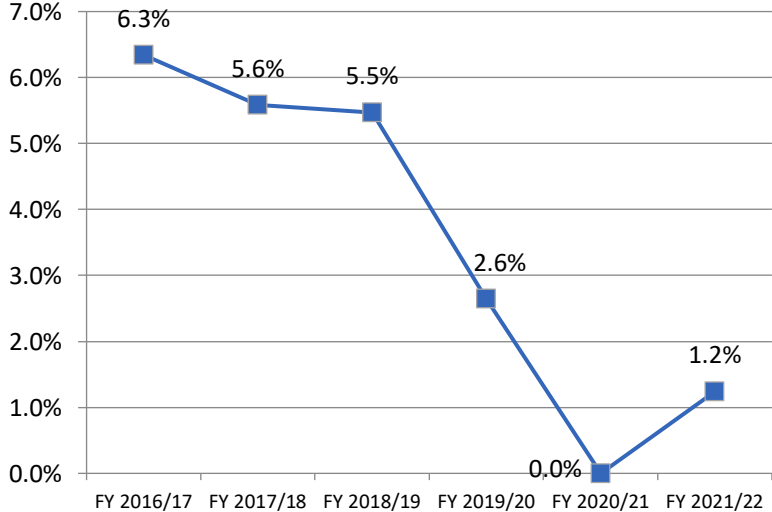
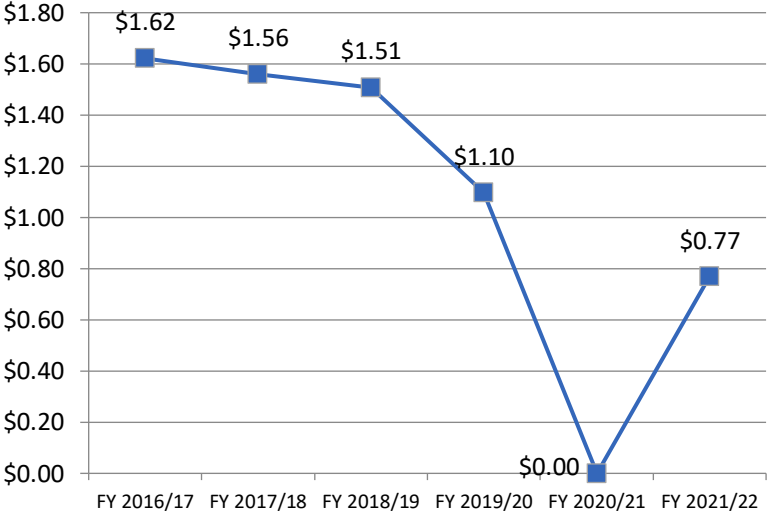


Exhibit 6.33 Demand-Response Fare/Passenger



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Chapter 7 | Functional Review

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

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

Service Overview

The Valley Express service is managed and administered by the Ventura County Transportation Commission and provided through a cooperative agreement between VCTC, the cities of Fillmore and Santa Paula, and the County of Ventura. Valley Express routes link passengers to medical, civic, shopping, educational, and tourist destinations, as well as provide regional connectivity via VCTC Intercity's Highway 126 service.

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

Dial-A-Ride service is available to the general public, with priority given to ADA-certified individuals and seniors (65+). General Public Dial-A-Ride service is available throughout Santa Paula, Fillmore, and the unincorporated areas that make up the Heritage Valley. Seniors and ADA Paratransit Dial-A-Ride service is available throughout Santa Paula, Fillmore, and Saticoy. The Dial-A-Ride service operates weekdays from 5:45 a.m. to 7:45 p.m. and weekends from 8:00 a.m. to 6:00 p.m., excluding designated holidays. Reservations for ADA paratransit riders and seniors (65+) can be made up to seven days in advance.

The current fare structure is shown in Exhibit 7.1 and Exhibit 7.2. All Valley Express services offer free transfers to VCTC Highway 126, and Valley Express Dial-A-Ride users also transfer for free to the Valley Express Fixed-Route service. Transfers onto Dial-A-Ride from any service require a \$0.50 transfer fee.

VCTC provides grant-funded free bus service for students throughout the county, including on Valley Express buses. The College Ride program allows students of all Ventura County Adult Schools, California Lutheran University, CSUCI, Moorpark College, Ventura College, Oxnard College, UCSB, and SBCC with school ID. This program was introduced during the audit period and continues into FY 2022/23. A second similar program, Youth Ride Free, for youth 18 and under, was launched September 1, 2022.

The 31-day fixed route pass is good for 31 consecutive days of unlimited usage on the Valley Express Fixed Route. The 31-Day Super Pass is good for 31 consecutive days of unlimited usage on the Valley Express Fixed Route and Valley Express Dial-A-Ride. The 31-Day VCbuspass is good for 31 consecutive days of unlimited usage on the Valley Express Fixed Route, Valley Express Dial-A-Ride, as well as six other operators in Ventura County (VCTC Intercity, Gold Coast Transit, Simi Valley Transit, Thousand Oaks Transit, Ojai Trolley, and Moorpark Transit).

Exhibit 7.1 Fixed-Route Fare Structure

Single Ride		
	Cash Fare	VCbuspass stored value
Adult	\$1.25	\$1.12
Senior (65+)/Medicare/ADA	\$0.60	\$0.54
Children (under 5)	Free	Free
Youth (up to age 18)	Free	Free
College students	Free	Free
31-Day Pass		
	Fixed Route Pass	Super Pass
Adult	\$20.00	\$30.00
Senior (65+)/Medicare/ADA	\$10.00	\$25.00
Children (under 5)	Free	Free
VCbuspass 31-Day Pass (all participating operators)		
	Zone 1	Zone 2
Full	\$50.00	\$130.00
Senior (65+)/Medicare/ADA	\$25.00	\$65.00

Exhibit 7.2 Demand-Response Fare Structure

	Cash	VCbuspass stored value
Adult	\$2.00	\$1.80
Senior (65+)/Medicare/ADA	\$2.00	\$1.80

Recent service and fare changes

There were no service or fare changes during the audit period beyond those changes made in response to the COVID-19 pandemic.

Response to COVID-19 pandemic

Beginning on March 20, 2020, all Tripper services were suspended and Dial-A-Ride service was restricted to one passenger per vehicle. Fares were also suspended on all routes on March 18, 2020. Fare collection resumed on July 1, 2021, with a half-fare promotion that extended through June 30, 2022. This also coincided with the introduction of contactless fare payment (VCbuspass). Tripper services resumed in August 2021, with service times adjusted each fall to reflect school bell schedules.

To enhance onboard safety, Valley Express introduced additional cleaning and social distancing. Drivers exited the vehicle before passengers boarded to allow for social distancing. Fares were suspended and contactless fare payment introduced to reduce touch points.

All services and schedules have returned to pre-COVID services. Fixed-route ridership has recovered to approximately 75 to 80 percent of its pre-COVID status, with the Piru route now exceeding pre-COVID numbers. Dial-A-Ride ridership has slowly returned to approximately 60 percent of its pre-COVID state.

General Management and Organization

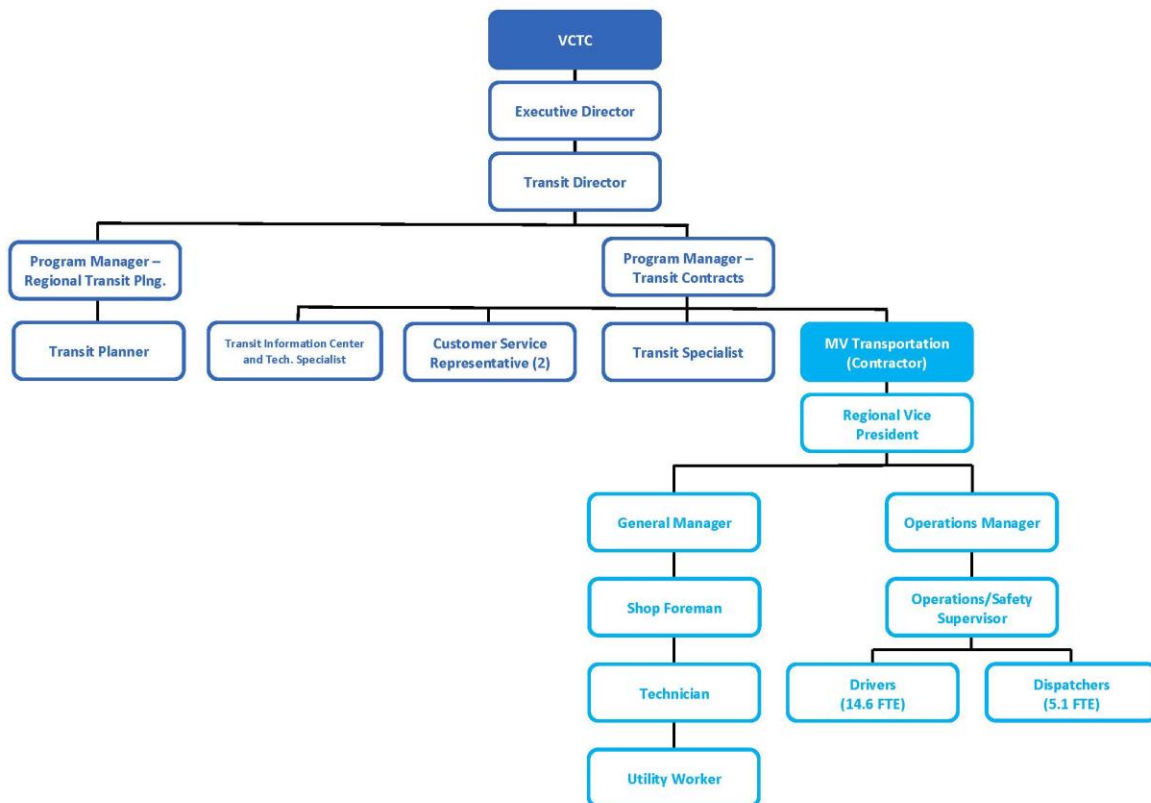
Valley Express service is managed and administered by the Ventura County Transportation Commission and provided through a cooperative agreement between VCTC, the cities of Fillmore and Santa Paula, and the County of Ventura. As the contracting entity, VCTC is responsible for project management and oversight.

The Valley Express program is guided by two committees:

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

Exhibit 7.3 illustrates the Valley Express organizational structure.

Exhibit 7.3 Organizational Chart



VCTC staff monitor the MV Transportation contract through bi-monthly meetings. Ridership and operating costs are tracked on monthly contract invoices. VCTC and the operator have adjusted their way of monitoring vehicle service miles and vehicle service hours using formulas built in Excel to flag anything significantly different from the month prior. Valley Express is structured and staffed appropriately. VCTC is assisting MV Transportation in the driver recruitment process. MV recently hired one additional driver, but could still use two more. The contractor noted it could benefit from hiring an additional part-time administrative employee. Many tasks are still completed by hand (such as handwritten driver logs) and need to be transcribed and recorded. The turn-around time on this has been improving, however, and monthly reports are being completed in a more timely manner. During the site visit, VCTC staff noted the contractor has been very responsive in providing information and is helpful in discussing and addressing any problems or issues as they occur.

The HVPAC and the HVTAC have shown particular interest in ridership recovery, zero-emission vehicle planning, and new service between Fillmore and Moorpark. VCTC has shown interest in expanding contactless payment options within the Valley Express service area. Some riders are using the stored value feature of the VCbuspass cards, but not as many as they would like. One of the challenges is that Valley Express has its own passes that are not part of the VCbuspass offerings. As a result, there is a need for greater passenger education regarding the VCbuspass.

Relationships between VCTC staff, the operator, Caltrans, and the FTA are positive and effective. Much of the relationship with Caltrans goes through VCTC's Programming and Planning staff.

Service Planning

Service planning documents for Valley Express include the Heritage Valley Transit System Study (2013) and the county-wide Short Range Transit Plan (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. 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. Now that the Valley Express service has been in operation for eight years, it is time for a thorough review of the program.

The HVPAC and HVTAC meetings transitioned to virtual meetings during the COVID-19 pandemic. Both groups meet on an as-needed basis. HVPAC and HVTAC meetings are open to the public and listed on the VCTC website. Both groups are expected to return to in-person meetings in March 2023.

The Unmet Transit Needs process went virtual during COVID, including the hearings. The most recent one (January 2023) was the first one to be held in-person. The most frequently requested items are for service between Fillmore and Moorpark and between the Heritage Valley and Santa Clarita.

Valley Express has also resumed its in-person outreach activities. These activities included participating in back to school nights in Fall 2022 to promote the youth ride free program and changes to the tripper schedules; senior center outreach for travel training; city council meetings; and a booth and parking shuttle at a health fair.

The most recent customer survey was conducted in 2019. VCTC is working on developing a new survey in-house now that COVID issues have slowed down. The most recent community survey was conducted as part of the Comprehensive Transportation Plan.

Administration

VCTC's annual budget includes a program-level annual budget for the Valley Express service. Program managers develop detailed line-item budgets which include objectives, recent accomplishments, work elements, funding sources, and expenditures. The Finance Director compiles all program budgets into the main budget. This is reviewed by the Executive Director. The draft budget is reviewed by the VCTC Finance Committee before being recommended to the full Board for a public hearing and approval.

Detailed monthly financial statements are created from the general ledger and presented to the Commission. The Program Manager for VCTC monitors actual versus budgeted expenses and requests budget amendments on an as-needed basis.

VCTC's Programming Department works with Transit on grant applications, management, and compliance.

The Program Manager is responsible for contract management. During the audit period, this has included the operations contract, Trapeze, video system (maintenance), and Celtis (marketing). The Transit Specialist addresses related operational issues. VCTC also manages several contracts on behalf of operators county-wide (including VCTC Intercity).

Risk management is handled through a risk management consultant through VCTC insurance broker. VCTC is not self-insured.

Twice a month, VCTC employees prepare a timesheet in Excel, print it, and submit it to their supervisor for approval and signature. The electronic timesheets are password protected, and only the employee and Manager of Information Technology have access. All time is coded and tracked for billing purposes, which ensures time spent working on VCTC Intercity is appropriately identified. Payroll is then prepared by the Senior Accountant. Payroll is paid via direct deposit unless specifically otherwise requested.

Accounts receivable and accounts payable are handled collectively by the senior accountant, accounting manager, and the finance director. Disbursements are coded and approved by program managers and reviewed and paid by the Finance Department. It is the responsibility of the program manager to ensure goods or services have been received before the invoice payment is approved.

Procurement procedures are guided by a VCTC procurement manual, per recommendation from an FTA Triennial Review. The Programming Department leads all procurement activities. Procurement practices conform to all applicable requirements.

VCTC does not have an internal audit function. All audits are outsourced.

Marketing and Public Information

VCTC contracts with a marketing consultant, Celtis, to provide marketing services for Valley Express. This is a separate contract from the VCTC Intercity bus service. Valley Express conducted two types of

marketing during the audit period. One centered around COVID-19 and included promotion of new enhanced cleaning methods, wearing a mask, social distancing, and free rides to COVID vaccination sites. The second was its regular marketing of the transit service. This included promotion of the VCTC-sponsored college and youth ride free programs, changes to the tripper schedules, health fairs, and shuttles to events. Valley Express is working to update its website, bus book, and route brochures.

Valley Express maintains a social media presence. Customer calls and complaints are logged with the Regional Transit Information Center (RTIC). Complaints are addressed within five business days. Valley Express receives minimal complaints, though it is not clear whether this is due to satisfaction with the service or apathy. One of the most frequent complaints received is regarding the lack of Dial-A-Ride drivers as more people become interested in the service. General public Dial-A-Ride fills up fast. A planned survey will provide further insight into the public perception of the service, though the rebound in fixed-route ridership seems to indicate the value of the service within the community.

Scheduling, Dispatch, and Operations

Operations and maintenance are provided under contract with MV Transportation. Employees are not currently represented. Drivers bid for work assignments approximately two times per year, with awards based on seniority and time of day (for Dial-A-Ride shifts). MV currently employs 11 full-time and one part-time driver. Any driver working more than 37.5 hours per week is considered full-time. There is no extra board. All drivers are required to have the same certifications to offer maximum flexibility in assignments.

Planned time off is scheduled at least a week in advance, and other drivers are given the opportunity to cover. With no extra board, the priority is to cover the fixed-route service first, then adjust the Dial-A-Ride drivers and trips if someone calls out sick.

Vehicles are assigned in the morning via the pull-out sheet, with dispatchers checking with maintenance staff to ensure vehicles are service-ready. All vehicles are cutaway buses. The five low-floor Arboc buses are typically used on the fixed-route service and the medium-sized buses are assigned to Dial-A-Ride trips. Smaller vehicles are used for Dial-A-Ride only.

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

Personnel Management and Training

MV is currently short three drivers, though it recently hired one new recruit who is in training. MV advertises open positions on Indeed, Monster, and Craigs List, in the local newspaper, and through a tab on the Valley Express website (with a link to MV). MV is revamping its the recruitment flyer for online circulation and will be reaching out to advertise with Santa Paula and Fillmore local television. MV has two regional recruiters that manage recruitment.

Roughly half of recruits already possess necessary certifications, while the other half are inexperienced. This does not reduce the number of training hours required, however, as all recruits receive

comprehensive training. MV Transportation has a fairly intense training program, and can train non-CDL recruits through their licensing. The contractor has a TSI-certified operations safety supervisor who conducts monthly safety meetings, but also partners with its Santa Clarita division for some of the initial training and DMV testing. Retraining can be triggered by DriveCam violations or incident reports. Points-based disciplinary policies are covered in the MV Transportation Employee Handbook.

Drivers are rewarded with aggressive wage scale increases over last nine months, as well as individualized awards for no DriveCam violations. Turnover has remained low since the peak of COVID, losing only two drivers in the last two years. Supervisors conduct monthly onboard ride checks once a month and staff are evaluated every six months. Executive staff receive a formal performance evaluation every quarter.

Full-time employees are eligible for holidays, vacation, bereavement, health insurance, dental and vision insurance, life insurance, 401(k), and a recruitment bonus. Part-time drivers receive prorated sick leave. Vacation is typically scheduled eight to 30 days in advance, up to one year. Drivers can receive a \$200 annual safety bonus for 12 months without a preventable incident.

Maintenance

MV Transportation utilizes preventive and predictive maintenance practices. Preventive maintenance schedules follow manufacturer recommendations. Predictive maintenance uses software to identify trends within the fleet, resulting in maintenance or parts replacement before a failure occurs. Enterprise asset management software (Maximus FleetFocus) tracks preventive and predictive maintenance, parts purchase orders, work codes, and road calls, and has the benefit of tying in with Trapeze software. The software also tracks warranty work, though none of the current vehicles are still under warranty. MV’s maintenance manager can review division compliance with preventive maintenance schedules.

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

Vehicles are owned by VCTC and were all purchased at the same time – prior to the service launch in 2015. As a result, all vehicles are eight years old. The larger vehicles have a seven-year/200,000-mile useful life benchmark (ULB), while the smaller ones have a five-year/150,000-mile ULB. All vehicles have now exceeded their ULB in years. VCTC received funding from the last CMAQ/State of Good Repair call for projects and will be procuring replacements for all 15 vehicles. Exhibit 7.4 details the Valley Express fleet.

Exhibit 7.4 Valley Express Transit Fleet

Manufacturer	Year	Passengers	WC Capacity	Quantity
Arboc	2015	23	2	5
Glaval	2015	12	2	5
Glavac	2015	16	2	5

VCTC is currently preparing a zero-emission vehicle plan for Valley Express and has selected battery-electric as the fuel path. However, all vehicles will be replaced with conventional fuel vehicles before the plan is implemented. There are significant hurdles that will need to be overcome before Valley Express can transition to zero-emission. Since MV does not own its current facility, investing in the charging infrastructure will be a challenge. In addition, the technology is not as advanced with respect to cutaway

vehicles as it is for larger buses. VCTC expects that replacing the vehicles with conventional fuel vehicles at this point will give them some time to resolve some of these issues and still have sufficient time to procure its zero-emission fleet before the 2040 deadline.

The maintenance facility has sufficient space for the fleet (one bay, one lift) with ample outdoor work space. Engine and transmission replacements are typically sent out, though rebuilds are done in-house. MV's parts inventory is sufficient to minimize down time. The FleetFocus software monitors the minimum/ maximum status of parts and notifies the maintenance manager when a part hits the minimum number in stock and needs to be reordered.

Mechanics review daily vehicle inspection reports at the end of the day and in the morning prior to rollout. Once a vehicle is identified as unsafe, the keys are pulled from dispatch and kept in maintenance. Lock-out/tag-out procedures are used in the yard to ensure an unsafe bus is not used. Keys are returned to dispatch when the vehicle is cleared. All drivers have access to a mechanic during the pre-trip inspection; there is always a mechanic on duty when there is a driver on duty.

Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates, Inc. finds Valley Express 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 VCTC and contractor staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no findings or recommendations.

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