



City of Ojai

TDA Triennial Performance Audit for
FY2022/23, 2023/24, and 2024/25





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Chapter 1 | Executive Summary

In 2025, 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 the City of Ojai 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 City of Ojai's public transit program for the period:

- Fiscal Year 2022/23,
- Fiscal Year 2023/24, and
- Fiscal Year 2024/25.

The City of Ojai operates the Ojai Trolley, a fixed-route service linking key trip generators along Maricopa Highway and Ojai Avenue within Ojai as well as the unincorporated areas of Meiners Oaks and Mira Monte. The County of Ventura provides TDA funding to the City to serve areas outside city limits. The City is a member of the Gold Coast Transit District. ADA Paratransit service in Ojai is provided by Gold Coast ACCESS.

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 City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents four compliance findings:

- The State Controller Report (Transit Operator Financial Transactions Report) was submitted two weeks late in FY 2022/23, and on-time submittal for the remaining two years of the audit period could not be confirmed.
- Use of the TDA definition of Full-time Equivalent (FTE) Employee for reporting to the State Controller could not be confirmed for any year of the audit period.
- The City did not provide justification for increases greater than 15 percent in its Transit operating budget for any year of the audit period.
- LTF revenues were not reported correctly on the State Controller Report (Transit Operator Financial Transactions Report). Instead of being reported as LTF under State Government Funds (Row R32), they were reported under General Revenues of the Local Government (Row R28). In addition, no federal funds were reported on the State Controller Report, though they were reported to the National Transit Database. Without this data reported correctly, it was impossible to determine whether the City was eligible to receive all of the TDA funding it received.

Status of Prior Recommendations

The prior audit – completed in April 2023 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2022 – included one recommendation:

1. *The City's performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.*
Status: Not implemented.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned findings related to TDA compliance for the City of Ojai.

- The State Controller Report (Transit Operator Financial Transactions Report) was submitted two weeks late in FY 2022/23, and on-time submittal for the remaining two years of the audit period could not be confirmed.
- Use of the TDA definition of Full-time Equivalent (FTE) Employee for reporting to the State Controller could not be confirmed for any year of the audit period.
- The City did not provide justification for increases greater than 15 percent in its Transit operating budget for any year of the audit period.
- LTF revenues were not reported correctly on the State Controller Report and federal funds were reported on the State Controller Report, though they were reported to the National Transit



Database. As such, it was impossible to determine whether the City was eligible to receive all of the TDA funding it received.

Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA as well as address non-compliance-related issues, challenges, or opportunities observed during the site visit and functional review. The following recommendations are presented for the City of Ojai.

Exhibit 1.1 Summary of Audit Recommendations

| Recommendations | | Importance | Timeline |
|-----------------|--|------------|------------|
| 1 | Transit staff should work with the Finance department to ensure State Controller Reports are submitted prior to the established deadline. | High | FY 2026/27 |
| 2 | Transit staff should work with the Finance department to ensure the TDA definition of Full-time Equivalent (FTE) Employee is being used for reporting to the State Controller. | Medium | FY 2026/27 |
| 3 | The City needs to document increases to its transit operating budget greater than 15 percent as part of its TDA claim. | Medium | FY 2026/27 |
| 4 | Transit staff should work with the Finance department to ensure all financial data is reported correctly within the State Controller Report. | High | FY 2026/27 |
| 5 | The City and/or VCTC should work with the TDA fiscal auditor to ensure the farebox recovery ratio is calculated correctly. | High | FY 2026/27 |
| 6 | Transit staff must more accurately document performance data internally to ensure transparency and traceability of the sources used in external reporting was sourced from. | High | FY 2026/27 |



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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Ojai’s public transit program covers the three-year period ending June 30, 2025. 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 2025, the Ventura County Transportation Commission (VCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the 10 transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Ojai 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 Auditing 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 the City of Ojai included six 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;
 - Administration;
 - Marketing and public information;
 - Scheduling, dispatching, and operations;
 - Personnel management and training; and
 - 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 the City of Ojai included thorough review of documents relevant to the scope of the audit, as well as information contained on City's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- 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.

The methodology for this review included a virtual site visit on February 23, 2026. The audit team met with Norma Cervantes (Assistant to the City Manager) and Richard Raine (Trolley Supervisor), 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 review, and
 - Findings and recommendations.



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Chapter 3 | Program Compliance

This section examines the City of Ojai’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The City 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 City 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, annual operating budgets, year-end performance reports, and other compliance-related documentation.

Four compliance issues were identified for the City of Ojai:

- The State Controller Report (Transit Operator Financial Transactions Report) was submitted two weeks late in FY 2022/23, and on-time submittal for the remaining two years of the audit period could not be confirmed.
- Use of the TDA definition of Full-time Equivalent (FTE) Employee for reporting to the State Controller could not be confirmed for any year of the audit period.
- The City did not provide justification for increases greater than 15 percent in its Transit operating budget for any year of the audit period.
- LTF revenues were not reported correctly on the State Controller Report (Transit Operator Financial Transactions Report). Instead of being reported as LTF under State Government Funds (Row R32), they were reported under General Revenues of the Local Government (Row R28). In addition, no federal funds were reported on the State Controller Report, though they were reported to the National Transit Database. Without this data reported correctly, it was impossible to determine whether the City was eligible to receive all of the TDA funding it received.

The deadline for completion of the TDA fiscal audit for FY 2024/25 is not until March 31, 2026. At the time of this report (April 1, 2026), the City had not provided its FY 2024/25 TDA fiscal audit. If this audit was not in fact completed by March 31, 2026, this will become a compliance issue in the final report.

Developments Occurring During the Audit Period

For many transit operators in California, recent years have reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of FY 2024/25 – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. However, the receipt of federal relief funds complicated matters, as they impacted the amount of TDA funding operators were eligible to receive and, in some cases, resulted in over-payments that had to be resolved after the funds were spent. Many operators, even more than five years after the onset of the pandemic, still struggle with ridership that has yet to return to pre-pandemic levels.



California Assembly Bill 90, signed into law on June 29, 2020, provided 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. California Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, California Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators may need to be in compliance by the second year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enabled transit operators to adjust to the impacts of the COVID-19 pandemic while continuing to receive their full allocations of funding under the TDA.

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

- 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 2025/26.
- Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
- Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
- Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 also called for the establishment of the Transit Transformation Task Force to develop policy recommendations aimed at increasing transit ridership and improving the customer experience statewide. In the more than 50 years since the adoption of the Transportation Development Act (TDA), California’s public transportation landscape has evolved significantly. Many transit operators have struggled to meet the farebox recovery ratio requirement, raising questions about whether it remains an appropriate or effective measure of TDA compliance.

In 2018, the chairs of California’s legislative transportation committees asked the California Transit Association to convene a policy task force to examine the TDA. That effort produced a draft framework for reform in early 2020, just prior to the COVID-19 pandemic. The Transit Transformation Task Force released its report in December 2025. While the report includes several recommendations to modernize the TDA - including identifying the farebox recovery ratio and operating cost per hour requirements as outdated and recommending that farebox recovery and cost-inflation penalties be replaced - these proposals represent an initial step rather than immediate policy changes. Achieving the necessary funding and statutory reforms will require sustained advocacy over the coming years.



Exhibit 3.1 Transit Development Act Compliance Requirements

| Compliance Element | Reference | Compliance | Comments |
|--|-------------|-----------------------------------|---|
| State Controller Reports submitted on time. | PUC 99243 | Not in compliance | FY 2022/23: February 15, 2024 FY 2023/24: February 7, 2025 FY 2024/25: Not provided |
| 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 2022/23: March 21, 2024 FY 2023/24: February 5, 2025 FY 2024/25: March 31, 2026 <i>Source: TDA Article 4 audits</i> |
| Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim. | PUC 99251 B | In compliance | February 4, 2021 February 4, 2022 February 3, 2023 February 13, 2024 March 4, 2025 |
| Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA. | PUC 99261 | In compliance | |
| If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA. | PUC 99270.1 | Not applicable | |
| Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose. | PUC 99405 | Not applicable | |
| 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 definitions of performance measures are consistent with the Public Utilities Code Section 99247. | PUC 99247 | Compliance could not be confirmed | The City did not provide information about how it calculated Full-time Equivalent (FTE) Employees for reporting to the State Controller. |
| The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person. | PUC 99264 | In compliance | |
| 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 | Not in compliance | FY 2022/23: +30.36% FY 2023/24: +65.94% FY 2024/25: +63.79% <i>Source: City budgets. While the City tends to overbudget for its transit program, no justification was provided as those responsible for developing the budgets during the audit period were no longer with the City.</i> |



| Compliance Element | Reference | Compliance | Comments |
|---|-------------------------------|---|---|
| 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 | In compliance (due to waived requirement) | FY 2022/23: 11.39% FY 2023/24: 11.39% FY 2024/25: Data not provided <i>Source: Data in City audited financial statements.</i> <i>The TDA fiscal audit calculates farebox recovery ratio using only the TDA allocation as operating cost. As such, it is significantly overstated and should not be used for compliance.</i> This requirement was waived during the audit period under AB 149 and SB 125. |
| If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent). | PUC 99268.2, 99268.4, 99268.5 | Not applicable | |
| For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent. | PUC 99268.5, CCR 6633.5 | Not applicable | |
| If the operator has utilized the exemption from the farebox recovery requirement for extension of services, it shall submit a report on the service to the RTPA within 90 days of the end of the first year of implementation. | PUC 99268.8, CCR 6633.8 | 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 | City employees are eligible for retirement benefits through CalPERS. |
| An operator claiming funds under Article 4.5 (CTSA) is in compliance with PUC 99268.3, 99268.4, 99268.5, or 99268.9, or regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by the RTPA. | PUC 99275.5 | Not applicable | |
| 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 | |



| Compliance Element | Reference | Compliance | Comments |
|---|-------------|-----------------------------------|---|
| 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 | |
| For an operator qualifying under PUC 99268.1, the funds received from the local transportation fund under Article 4 shall not exceed 50 percent of the amount that is the sum of the operator’s operating cost, capital requirements, and debt service requirements less the sum of the operator’s revenues from federal grants and the state transit assistance fund. The operator may receive from the local transportation fund up to 100 percent, rather than 50 percent, of the amount representing the operating cost of an extension of its public transportation system if the extension is within the definition of Section 6619.1 and if all the conditions of Section 6633.8 are met. | CCR 6633.1 | Not applicable | |
| 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 | Compliance could not be confirmed | The TDA fiscal audit for FY 2023/24 did confirm the City was eligible to receive the funds it received. However, given other issues with the data used in the audit, it is unclear whether that is an accurate finding. The TDA fiscal audit for FY 2022/23 did not include this test of compliance. |



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Chapter 4 | Prior Recommendations

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

The prior audit – completed in April 2023 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2022 – included one recommendation:

1. The City's performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.

Discussion: Any City staff involved in preparing the State Controller and NTD reports should have a clear understanding of what data is required and where it should be reported. While Finance may be responsible for preparing the reports, it is vital that Transit staff also understand how the reports are compiled so that they can provide a “second set of eyes” prior to submission. All staff involved with the State Controller’s Report should review the instruction guide for the Transit Operators Financial Transaction Report (available on the State Controller’s website) prior to and as needed during the preparation of the report. This should address questions of what revenues or expenses should be entered on which lines. The prior auditor also recommended both Transit and Finance staff have the opportunity to review the annual TDA fiscal audit prior to its finalization.

Progress: There continue to be significant discrepancies among data reported in internal and external reports. The City’s Finance department has experienced increased turnover during the audit period, and the current Finance staff is relatively new. The Assistant to the City Manager has expressed a desire to learn more about the TDA and requirements, as well as collaborate with Finance before the reports are submitted. In addition, the data included within monthly reports varies widely and it is unclear where the data reported to the State Controller and NTD is drawn from.

Currently Finance staff prepare the State Controller Report, while the Assistant to the City Manager prepares the NTD Report. The Assistant to the City Manager was not given the opportunity to review the FY 2024/25 State Controller Report before submittal.

Status: Not implemented.



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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 the City of Ojai both internally as well as to outside entities during the audit period.

The only data provided for FY 2024/25 was monthly performance data. As such, data comparison is only available for FY 2022/23 and FY 2023/24.

- **Operating cost:** Operating cost reported in the TDA fiscal audit appears to only include the TDA allocation for that year, not the full operating cost. In FY 2022/23, amounts reported in the State Controller Report and to the NTD were largely consistent, but higher than the amount in the City's audited financial statements. In FY 2023/24, data reported to the State Controller Report and the City's audited financial statements was consistent, but significantly lower than that reported to the NTD.
- **Fare Revenue:** Fare revenue data reported in the TDA fiscal audit was significantly lower than that reported elsewhere. The publicly available NTD agency profile for FY 2022/23 did not include fare revenue data. In FY 2023/24, the fare revenues reported to the NTD and the State Controller were consistent.
- **Vehicle Service Hours (VSH):** VSH as reported in the monthly performance reports was significantly lower than that reported to the NTD and State Controller. It was unclear how the data for the external reports was sourced, as it differed significantly from the internal reports.
- **Vehicle Service Miles (VSM):** VSM as reported in the monthly performance reports was significantly lower than that reported to the NTD, and the amount reported to the NTD was significantly lower than that reported to the State Controller. It was unclear why this data exhibited so much variability.
- **Passengers:** Ridership as reported in the monthly performance reports was significantly lower than that reported to the NTD and State Controller. In FY 2022/23, the figures reported to the NTD and State Controller were largely consistent. In FY 2023/24, the figure reported to the NTD was considerably higher than that reported to the State Controller; both were higher than that reported internally. It was unclear where the data for the external reports was sourced since they were so different from the internal reports.
- **Full-Time Equivalent (FTE) Employees:** The City did not provide any documentation regarding how it calculates Employees (FTE) for reporting to the State Controller. As such, the figure



reported to the State Controller is the only data available and there is nothing to compare it to. While this figure may be correct, there is no way to confirm it with the data provided to the audit team.

- **Depreciation:** While not a performance metric typically discussed in this analysis, it is included here given the very different amounts reported in the City’s audited financial statements and State Controller Reports (which are consistent), and in the TDA fiscal audit. The amount reported in the TDA fiscal audit is significantly lower, and is it not clear why it differs so substantially from the full amount reported elsewhere.

Exhibit 5.1 Data Reporting Comparison

| Performance Measure | System-Wide | | |
|--|-------------|------------|------------|
| | FY 2022/23 | FY 2023/24 | FY 2024/25 |
| Operating Cost (Actual \$) | | | |
| <i>TDA fiscal audit</i> | \$97,869 | \$202,005 | \$110,200 |
| <i>City of Ojai audited financial statements</i> | \$662,951 | \$790,975 | \$0 |
| <i>National Transit Database</i> | \$746,920 | \$969,057 | \$0 |
| <i>State Controller Report</i> | \$749,057 | \$790,977 | \$0 |
| Fare Revenue (Actual \$) | | | |
| <i>TDA fiscal audit</i> | \$27,408 | \$13,027 | \$6,092 |
| <i>National Transit Database</i> | \$0 | \$59,409 | \$0 |
| <i>State Controller Report</i> | \$40,152 | \$59,409 | \$0 |
| Vehicle Service Hours (VSH) | | | |
| <i>Monthly Performance Reports</i> | 2,307 | 2,798 | 2,941 |
| <i>National Transit Database</i> | 4,316 | 4,445 | 0 |
| <i>State Controller Report</i> | 4,317 | 4,317 | 0 |
| Vehicle Service Miles (VSM) | | | |
| <i>Monthly Performance Reports</i> | 19,667 | 31,329 | 38,911 |
| <i>National Transit Database</i> | 41,642 | 42,863 | 0 |
| <i>State Controller Report</i> | 62,829 | 62,829 | 0 |
| Passengers | | | |
| <i>Monthly Performance Reports</i> | 4,645 | 21,007 | 8,522 |
| <i>Syncromatics ridership report</i> | 5,347 | 20,994 | 8,823 |
| <i>National Transit Database</i> | 48,294 | 48,315 | 0 |
| <i>State Controller Report</i> | 48,850 | 39,606 | 0 |
| Full-Time Equivalent Employees | | | |
| <i>State Controller Report</i> | 9 | 4 | 0 |
| Depreciation | | | |
| <i>TDA fiscal audit</i> | \$34,585 | \$12,485 | \$12,475 |
| <i>City of Ojai audited financial statements</i> | \$92,135 | \$88,641 | \$0 |
| <i>State Controller Report</i> | \$92,135 | \$88,641 | \$0 |



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. It is used for reporting Employees within the State Controller Report.

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. Given other revenues may be added to fare revenue for the calculation of the farebox recovery ratio, the Farebox Recovery cited within this section is not necessarily consistent with the farebox recovery ratio used for compliance determination in Chapter 4.

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 the City of Ojai, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the City's audited financial reports and National Transit Database report and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses. However, the variances between reports called into question which one accurately reflects the costs for the City's transit services.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City's calculation methodology was unclear.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City's calculation methodology was unclear.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. The City's calculation methodology was unclear.
- Full-Time Equivalent (FTE) data were obtained from data submitted by the City for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation could not be confirmed.

System Performance Trends

[Note: Data for FY 2024/25 had not been provided at the time of this report. It should also be noted that the significant variances observed in Chapter 5 call into the question of much of the data used in this analysis.]

System-wide, operating cost experienced a net 9.3 percent decrease between FY 2019/20 and FY 2023/24, and a 5.6 percent increase between the first two years of the audit period. Fare revenue decreased through FY 2020/21 before significantly increasing in subsequent years. This resulted in a 48 percent increase during the first two years of the audit period and a net 4.9 percent decrease over the five-year period.

Vehicle service hours (VSH) saw no change during the first two years of the audit period. Over the five-year period, they experienced a net 35.9 percent decrease, due in part to the cessation of Route B. Vehicle service miles (VSM) experienced a similar pattern, with no change during the first two years of the audit period and a net 22.6 percent decrease since FY 2019/20. Ridership declined 18.9 percent during the first two years of the audit period, and a net 31.4 percent over the five-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. Cost-related metrics increased during the first two years of the audit period. Passenger-related metrics both dropped by 18.9 percent during the first two years of the audit period.



Exhibit 6.1 System Performance Indicators

| Performance Measure | System-wide | | | | | |
|---|-------------|------------|------------|------------|------------|------------|
| | FY 2019/20 | FY 2020/21 | FY 2021/22 | FY 2022/23 | FY 2023/24 | FY 2024/25 |
| Operating Cost (Actual \$) | \$695,896 | \$695,959 | \$631,137 | \$749,057 | \$790,977 | |
| <i>Annual Change</i> | | 0.0% | -9.3% | 18.7% | 5.6% | |
| Fare Revenue (Actual \$) | \$62,464 | \$30,627 | \$39,325 | \$40,152 | \$59,409 | |
| <i>Annual Change</i> | | -51.0% | 28.4% | 2.1% | 48.0% | |
| Vehicle Service Hours (VSH) | 6,737 | 4,667 | 4,654 | 4,317 | 4,317 | |
| <i>Annual Change</i> | | -30.7% | -0.3% | -7.2% | 0.0% | |
| Vehicle Service Miles (VSM) | 81,200 | 61,725 | 62,875 | 62,829 | 62,829 | |
| <i>Annual Change</i> | | -24.0% | 1.9% | -0.1% | 0.0% | |
| Passengers | 57,701 | 30,758 | 37,070 | 48,850 | 39,606 | |
| <i>Annual Change</i> | | -46.7% | 20.5% | 31.8% | -18.9% | |
| Employees | 6 | 5 | 4 | 9 | 4 | |
| <i>Annual Change</i> | | -16.7% | -20.0% | 125.0% | -55.6% | |
| Performance Indicators | | | | | | |
| Operating Cost/VSH (Actual \$) | \$103.29 | \$149.12 | \$135.61 | \$173.51 | \$183.22 | |
| <i>Annual Change</i> | | 44.4% | -9.1% | 27.9% | 5.6% | |
| Operating Cost/Passenger (Actual \$) | \$12.06 | \$22.63 | \$17.03 | \$15.33 | \$19.97 | |
| <i>Annual Change</i> | | 87.6% | -24.8% | -9.9% | 30.2% | |
| Passengers/VSH | 8.56 | 6.59 | 7.97 | 11.32 | 9.17 | |
| <i>Annual Change</i> | | -23.1% | 20.9% | 42.1% | -18.9% | |
| Passengers/VSM | 0.71 | 0.50 | 0.59 | 0.78 | 0.63 | |
| <i>Annual Change</i> | | -29.9% | 18.3% | 31.9% | -18.9% | |
| Farebox Recovery | 9.0% | 4.4% | 6.2% | 5.4% | 7.5% | |
| <i>Annual Change</i> | | -51.0% | 41.6% | -14.0% | 40.1% | |
| Hours/Employee | 1122.8 | 933.4 | 1163.5 | 479.7 | 1,079.3 | |
| <i>Annual Change</i> | | -16.9% | 24.7% | -58.8% | 125.0% | |
| TDA Non-Required Indicators | | | | | | |
| Operating Cost/VSM | \$8.57 | \$11.28 | \$10.04 | \$11.92 | \$12.59 | |
| <i>Annual Change</i> | | 31.6% | -11.0% | 18.8% | 5.6% | |
| VSM/VSH | 12.05 | 13.23 | 13.51 | 14.55 | 14.55 | |
| <i>Annual Change</i> | | 9.7% | 2.1% | 7.7% | 0.0% | |
| Fare/Passenger | \$1.08 | \$1.00 | \$1.06 | \$0.82 | \$1.50 | |
| <i>Annual Change</i> | | -8.0% | 6.5% | -22.5% | 82.5% | |

Sources: FY 2019/20 – FY 2021/22 data from prior Triennial Performance Audit.
FY 2022/23 – FY 2024/25 data from State Controller Reports.



Exhibit 6.2 System Ridership

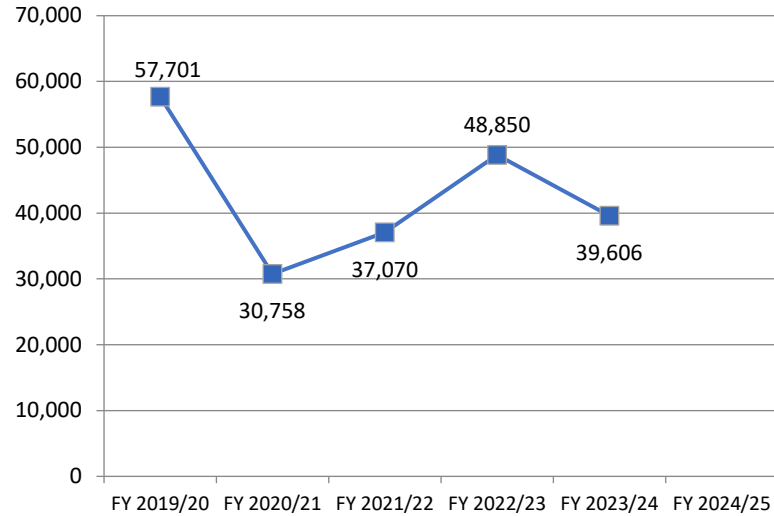


Exhibit 6.3 System Operating Cost/VSH

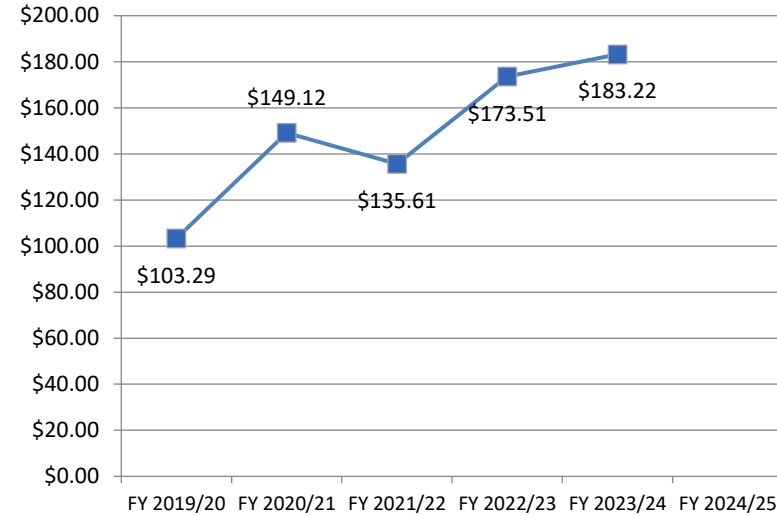


Exhibit 6.4 System Operating Cost/VSM

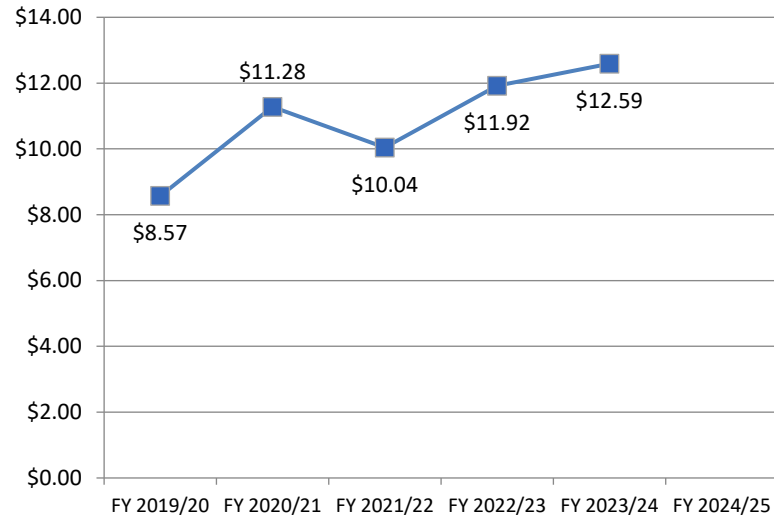


Exhibit 6.5 System VSM/VSH

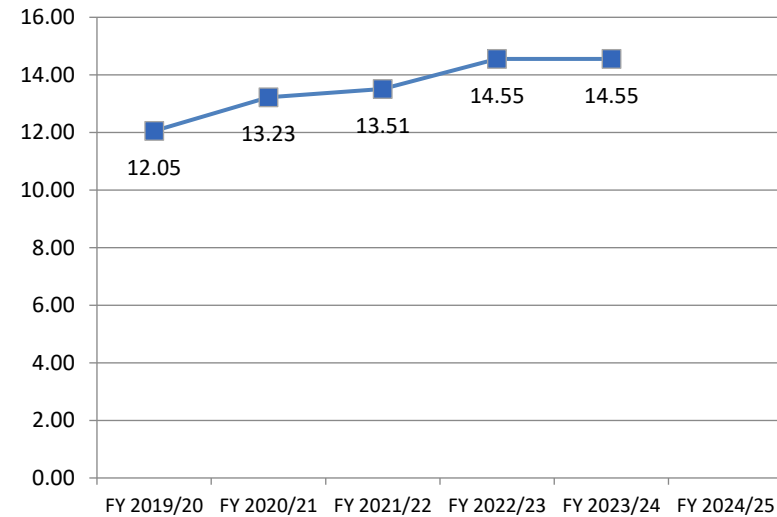




Exhibit 6.6 System Operating Cost/Passenger

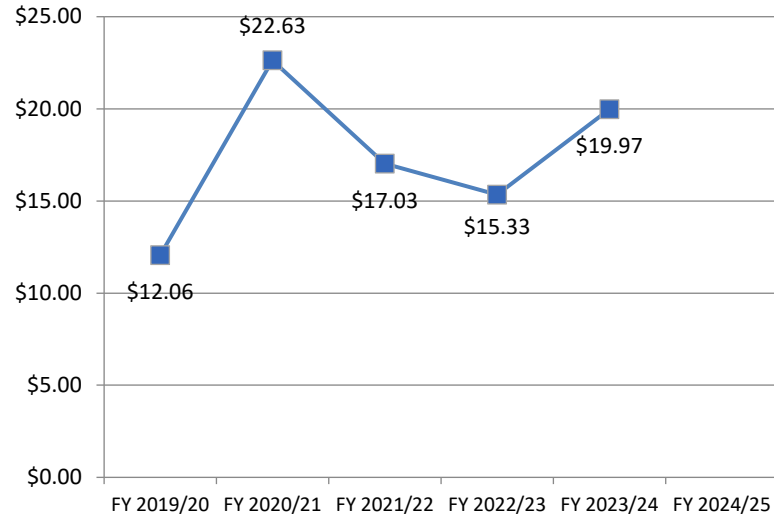


Exhibit 6.7 System Passengers/VSH

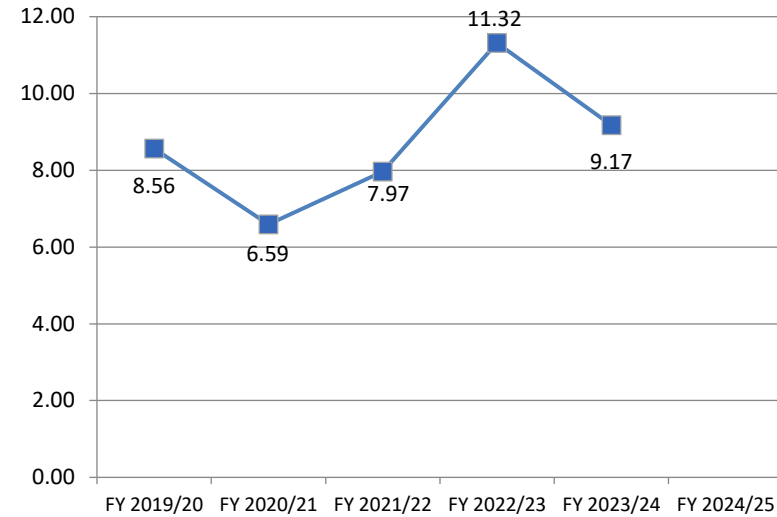


Exhibit 6.8 System Passengers/VSM

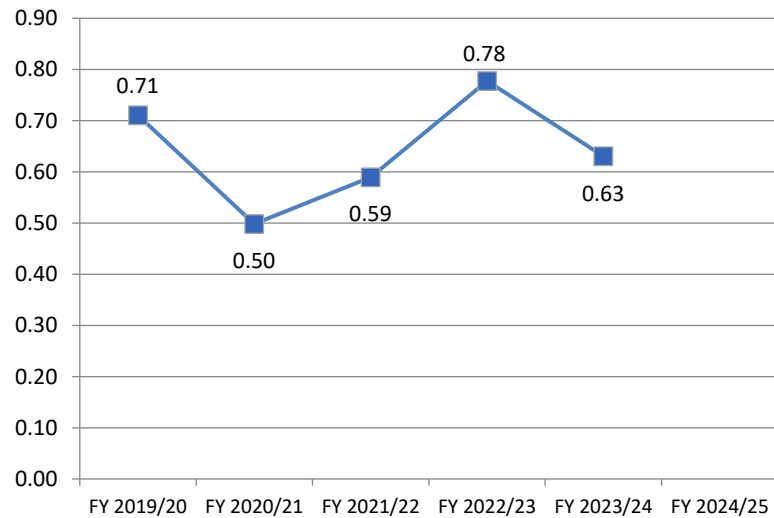


Exhibit 6.9 System VSH/FTE

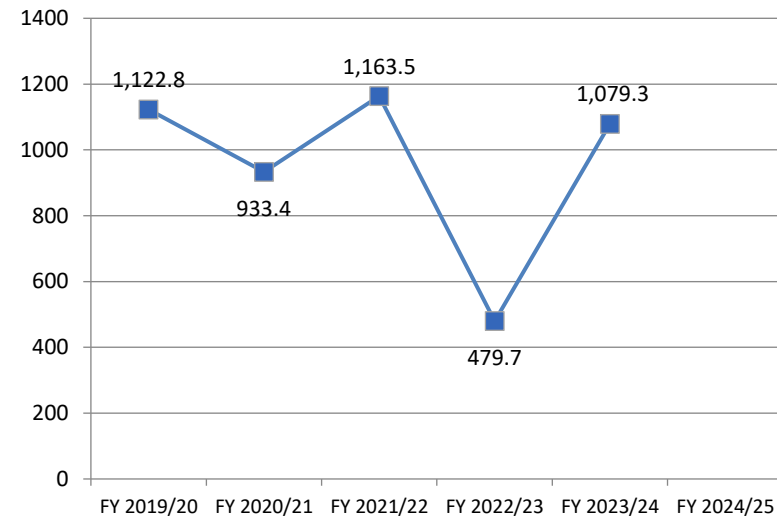




Exhibit 6.10 System Farebox Recovery

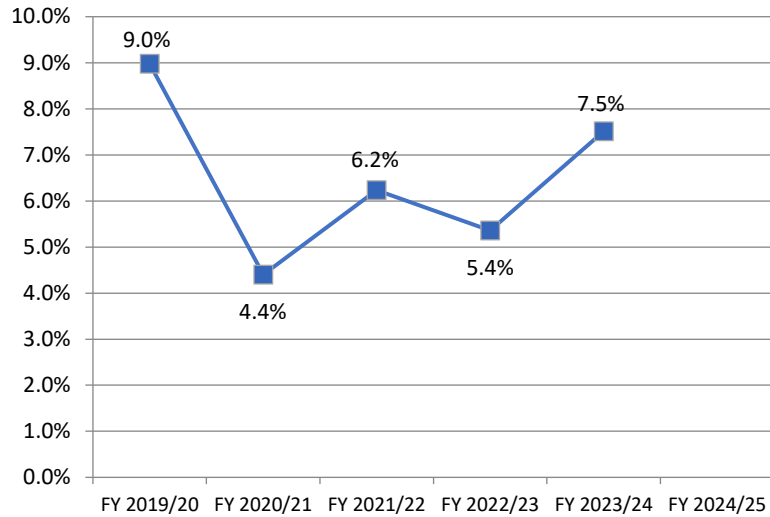
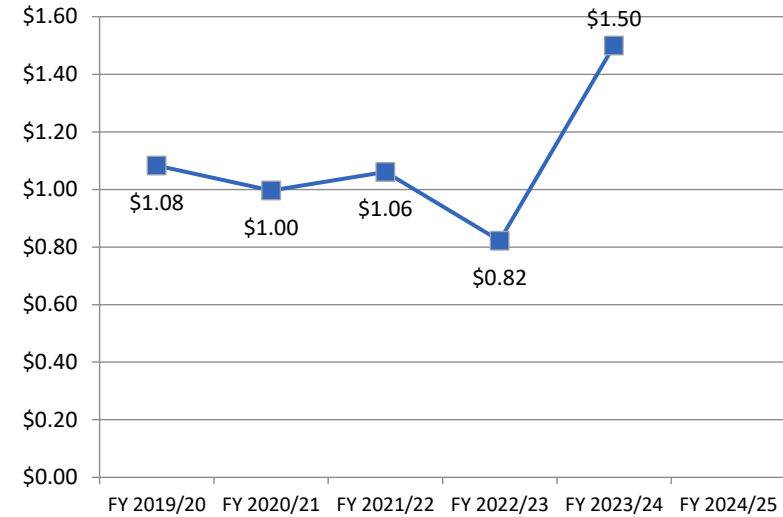


Exhibit 6.11 System Fare/Passenger





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Chapter 7 | Functional Review

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

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

Service Overview

The City of Ojai operates the Ojai Trolley, a fixed-route service linking key trip generators along Maricopa Highway and Ojai Avenue within Ojai as well as the unincorporated areas of Meiners Oaks and Mira Monte. The County of Ventura contributes TDA funding to the City to serve areas outside city limits. The City is a member of the Gold Coast Transit District. ADA Paratransit service in Ojai is provided by Gold Coast ACCESS. Additional service within the Ojai Valley for seniors age 60 or older, persons with disabilities, and persons recovering from surgery is provided by HELP of Ojai, a local non-profit.

Service is operated every day except for designated holidays. During the audit period, the City operated one fixed route, Route A. (A second route, Route B, was discontinued during the prior audit period due to the impact of the COVID-19 pandemic, reinstated, then discontinued again in FY 2022/23.) On weekdays, hourly service is offered from approximately 6:30 a.m. to 7:30 p.m. In February 2026, the City introduced 30-minute service frequency on Tuesday, Wednesday, and Thursday between 7:00 a.m. and 4:00 p.m. On weekends, hourly service is offered from approximately 7:00 a.m. to 8:00 p.m. The route is the same on weekdays and weekends, with the exception of the Ojai Valley Inn, which is only served on weekends. Connections with Gold Coast Transit Route 16 (which travels to the Ventura Transit Center at Pacific View Mall) can be made at Red Horse Plaza, Vons Shopping Center, and Ojai Park & Ride. All trolleys feature wheelchair lifts and are frequently used by seniors.

The Ojai Trolley fare structure is provided in Exhibit 7.1.



Exhibit 7.1 Fixed-Route Fare Structure

| Fare Category | Fare |
|--|---------|
| Single ride, general fare | \$1.50 |
| Single ride, reduced fare (seniors age 65+, disabled, Medicare cardholder) | \$0.75 |
| Day pass, general fare | \$4.00 |
| Day pass, reduced fare (seniors age 65+, disabled, Medicare cardholder) | \$2.00 |
| Seniors age 75+ | Free |
| Children under 45" tall | Free |
| Youth age 18 and under | Free |
| College students | Free |
| Transfers from Gold Coast Transit | Free |
| Tokens (25) | \$30.00 |
| 31 day pass full fare Zone 1 (VCbuspass) | \$50.00 |
| 31 day pass reduced fare Zone 1 (VCbuspass) | \$25.00 |

Recent service and fare changes

There have been no significant service or fare changes within or just prior to the audit period. Fares have also remained stable, with the exception of the VCTC-led regional College and Youth Ride Free programs and the VCbuspass and related Umo app.

Other changes since the beginning of the audit period have included a change in the maintenance provider and the addition of a second trolley on Route A three days of the week to provide 30-minute service frequency. The City has also sought to increase the reliability of the trolley by reducing out-of-service times for the vehicles.

General Management and Organization

The City of Ojai’s public transit program is administered within the Transportation Division of the City’s Public Works department. The Ojai City Council is the governing body of the Transportation Division. The Trolley Supervisor oversees the service. Maintenance of the program is outsourced. Transit is supported by other City departments (such as Finance) as needed.

The Trolley Supervisor monitors program performance (ridership, budget, fare revenue, etc.) via monthly ridership reports and on-time performance via the Syncromatics technology platform. The City heavily monitors ridership and demand to ensure the service being provided is sufficient. Information is reported to City Council on a regular basis.

The City Council has shown interest in increasing the number of trolleys on route from one to two at a time. Both the Council and citizens are supportive of the transit program as a whole. The public feedback on the increased frequency has been positive.

Ojai’s current transit staff are new, and the amount of work they have faced to get up to speed has been daunting. The City is a sub-recipient of, and coordinates closely with, the Gold Coast Transit District (GCTD). City staff have reached out to GCTD’s Planning Manager, who previously led the City’s transit program. They are also planning safety activities which will feature a presentation by one of the GCTD trainers. City staff also report a good working relationship with VCTC and the County of Ventura. The Assistant to the City Manager is the primary governmental liaison and the City participates in CalACT.



Service Planning

Given the limited nature of the program, little service planning is conducted. Service planning during the audit period has been focused on recovery from the pandemic. Service standards are presented in the City's Title VI Plan.

Planning for the City's transit program is included within the Countywide Short Range Transit Plan (SRTP) recently completed by VCTC. The draft SRTP was presented to the Commission in February 2026, with adoption slated for later in the spring. The service recommendations contained within the SRTP are reflective of issues discussed in this report as well:

1. Offer at least two full-time benefitted positions to enhance hiring.
2. Work collaboratively with other transit providers in the region to offer more continuously rolling new driver training.
3. Transition operation of the trolley service to GCTD, which would provide a larger pool of operators, reliance on GCTD for maintenance and fleet replacement, and better connectivity with the Gold Coast Transit network.

The City considers special needs passengers for all decisions. All vehicles in the City's fleet have wheelchair lifts. Demand-response service is offered via Gold Coast Transit District's ACCESS program. Local transportation services for seniors and persons with disabilities are also provided through HELP of Ojai, a local non-profit.

Public participation efforts are modest. The City participates in regional/county-wide free ride days and promotions as well as some local events (such as Ojai Day). Comment cards and locked drop boxes are available for public comment and an ongoing survey of riders. A community survey was conducted prior to the purchase of new vehicles.

Administration

Budgeting is based on anticipated revenues (FTA, TDA) and expected expenses and looks for gaps in funding. The Assistant to the City Manager is working with Finance and is committed to Transit being involved in the budgeting process. Occasionally, the City will conduct a more formal mid-year budget adjustment, but typically annual assumptions are fairly close.

The City has not historically pursued many grant applications. A grant application for bus stop improvements was prepared in conjunction with VCTC staff, then reviewed and signed by the Public Works Director.

The City monitors driver records and conducts ridealongs as necessary as part of its risk management activities. The City is self-insured via the California Joint Powers Insurance Authority (CJPIA). The City also utilizes CJPIA forms for incident reports. The City investigates all accident and injury claims. The Trolley Supervisor periodically reviews the safety of operating practices and is coordinating a schedule for monthly safety meetings.

The City's transit program utilizes a limited number of contracts for detailing, car wash, and maintenance. The contracts are managed through the Trolley Supervisor with assistance from the Public Works Director and City Inspector. Procurement procedures are outlined by the City. Large projects or purchases are put



out to bid, and the City has used the CalACT joint procurement platform for vehicle purchases. Bus stops are maintained by the City of Ojai and County of Ventura.

Payroll is based on employee timesheets, which are reviewed and signed by the Trolley Supervisor and then the Public Works Director. The Finance department is responsible for changes to personnel and payroll data. All employees utilize direct deposit.

Accounts receivable is handled primarily by the Finance department. Invoices are reviewed, coded, and signed by the Trolley Supervisor, then reviewed, approved and signed by the Public Works Director. Invoices greater than \$5,000 are then also reviewed, approved, and signed by the City Manager.

Marketing and Public Information

The City's transit marketing efforts include a service brochure, website, and advertisements in local publications (such as *Ojai Valley News* and *Ojai Quarterly*), as well as on the websites of other area transit providers and on Facebook. The City provides brochures available on transit vehicles, at City facilities, and at some local businesses.

The City incorporates performance data into marketing decisions. Most planning for marketing consists of an advertising plan. The City's most popular campaign was social media promotion of resumption of Sunday service, which took place just after the audit period in August 2025. The Trolley does not have a dedicated social media presence; all social media outreach is through the City's platforms.

In general, the public's perception of the service is very positive. The City accepts feedback via email, phone, mail, and a website form. The Trolley Supervisor will resolve the issue, unless it needs to be escalated to the Assistant of the City Manager. Occasionally complaints will be presented for the first time during a City Council meeting; many of those complaints have to do with service being impacted by roads closed due to an event or other such issues transit staff have little control over.

Scheduling, Dispatch, and Operations

All City transit services are operated in-house. The workforce is not represented. The Ojai Trolley program has historically been operated using only part-time drivers, but in January 2026 the City gave its drivers the opportunity to move to full-time or three-quarter-time, both of which were eligible for benefits. At the time of the site visit, the City had one full-time driver, one three-quarter-time driver, and three part-time drivers. An additional part-time driver was on leave, and the City hoped to have another fully licensed driver starting soon. The Trolley Supervisor hopes to hire at least three more part-time drivers. Moving forward, it anticipates offering a full-time option once a driver is onboard.

The City also contracts with Fillmore Area Transit (FAT) to provide drivers for its Sunday service. Historically none of the drivers want to work on Sunday, so the City has provided it using contracted drivers. It hopes to move away from the use of contracted drivers by using newer hires to operate the Sunday service.

Driver schedules are created every six weeks. Each of the drivers lists their availability and desired shifts. Vacations are scheduled in advance and worked into the driving schedule. When a driver calls out sick, off-duty drivers are contacted to cover the shift. Drivers are required to give 24 hours' notice.



Vehicles are assigned randomly unless they are pulled for maintenance. All vehicles require the same licensing and certifications.

All vehicles have manual drop-style vault fareboxes. Drivers pick up an empty vault at the start of each shift. At the end of the shift, drivers pull the vaults (which are self-locking) and deposit them in lockers. The City employs a two-person count from Public Works; both sign the final count document. The money is then taken to Finance, where it is stored in the safe until a recount is conducted and it is deposited in the bank. Tokens sold at City Hall are processed directly by the Finance department. The City also receives reimbursement checks from VCTC for the youth and college free-fare programs. Umo readers are also installed on the buses, which enables use of the VCbuspass. The City will be transitioning to open-loop capabilities as well.

Personnel Management and Training

The City is recruiting enough drivers to operate the Trolley Service, though several part-time positions remain open. Driver recruitment is an ongoing effort, with positions advertised via the City's website, Indeed, and signs onboard the vehicles. The experience level varies among applicants. The City has been requiring a commercial driver's license (CDL) as a minimum. While the majority of applicants do not possess a CDL, taking a driver through the licensing process is time-consuming and expensive, and the City runs the risk that a driver will get certified and then leave the City to go elsewhere. At present, the part-time schedule is more of an incentive than a deterrent for the type of recruits the City gets. Many applicants are older drivers who do not want to work full-time and enjoy having a flexible schedule.

Gold Coast Transit District handles driver training. However, as noted in the SRTP, it may not occur frequently enough – or on a rolling basis – to effectively meet the City's training timeline for some hires. All initial and ongoing training meets state requirements. All new drivers are required to have a VTT card. Safety meetings are conducted quarterly, with memos and other information distributed in between.

As part-time employees, drivers receive paid sick time, unpaid vacation time, and no health insurance. With the recent offering of full- and three-quarter-time positions, drivers that elect to make the switch are eligible to receive benefits.

Drivers are eligible for an annual bonus depending on the amount of hours they worked. If they worked 250 to 499 hours, they receive \$400. If they worked 500 or more hours, they receive \$800. Performance evaluations are completed annually. Turnover is considered average and is often attributable to personal reasons or retirement. Two of the current drivers have been with the City for 10 years or longer. Some drivers have other jobs, while others do it to earn extra money. A more informal atmosphere works for them.

The code of conduct and disciplinary procedures are spelled out in the employee handbook and are subject to City policies. The City also utilizes third-party testing and reporting for drugs/alcohol.

Maintenance

Inspections are done in accordance with DOT and CHP regulations. Preventive maintenance is done in accordance with manufacturers' recommendations, with other maintenance and repairs completed on an as needed basis. The City has enough vehicles that maintenance rarely affects operation, especially with the current reduced service. Warranty repairs are used as much as possible.



All maintenance of the fleet is currently contracted out. Since July 2025, the City has had a memorandum of understanding (MOU) with Ventura County, which handles most of the heavy work. Local vendors may be used for simple tasks such as oil changes, or the City may utilize a mobile mechanic that provides on-site service once or twice per week. The mobile mechanic can typically do oil changes for all vehicles across a couple of days, which is faster than using local vendors. One of the challenges with using the County is that the vehicles that have to be taken down to its facility may be out of service for a while. At the time of the site visit, one of the trolleys had been in for preventive maintenance for three weeks. City staff are not sure why it takes so long. It is possible they may be waiting on parts or are working the vehicle into its other priorities.

Vehicles are equipped with technology including mobile data terminals, Syncromatics, wifi, and Umo card readers. The Umo readers are getting old, and one vehicle is missing a reader while waiting for a replacement. There have been a couple of hardware issues with Syncromatics, but staff report they have been recently resolved and that customer service has been supportive.

The City’s fleet consists of five vehicles. All vehicles utilize propane fuel. In 2025, the City purchased two used trolleys (2020 and 2021). These replaced some of the older vehicles, which were past their useful life and in poor-to-fair condition at the time of the prior Triennial Performance Audit. All current trolleys are propane fueled. The City recently purchased an all-electric trolley, which is expected to be delivered in mid-2027. It was originally supposed to have been delivered sooner, but there have been some issues with the vendor providing the batteries, which has required some redesigning on the part of the manufacturer. The City is currently working with Southern California Edison on getting five charging stations installed in the Public Works yard.

The City’s fleet is detailed in Exhibit 7.2.

Exhibit 7.2 City of Ojai Transit Fleet

| Vehicle # | Make/Model | Year | Passengers |
|-----------|------------------------|------|------------|
| 12 | Hometown Villager/Ford | 2018 | 30/2 WC |
| 13 | Hometown Villager/Ford | 2018 | 30/2 WC |
| 14 | Hometown Villager/Ford | 2017 | 30/2 WC |
| 15 | Hometown Villager/Ford | 2020 | 30/2 WC |
| 16 | Hometown Villager/Ford | 2021 | 30/2 WC |



Chapter 8 | Findings and Recommendations

Conclusions

With four exceptions, the City of Ojai is found to be in compliance with the Transportation Development Act (TDA). Six recommendations intended to remedy the compliance findings as well as improve the effectiveness and efficiency of the operator are detailed below.

Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents the following findings related to compliance with the TDA.

- The State Controller Report (Transit Operator Financial Transactions Report) was submitted two weeks late in FY 2022/23, and on-time submittal for the remaining two years of the audit period could not be confirmed.
- Use of the TDA definition of Full-time Equivalent (FTE) Employee for reporting to the State Controller could not be confirmed for any year of the audit period.
- The City did not provide justification for increases greater than 15 percent in its Transit operating budget for any year of the audit period.
- LTF revenues were not reported correctly on the State Controller Report (Transit Operator Financial Transactions Report). Instead of being reported as LTF under State Government Funds (Row R32), they were reported under General Revenues of the Local Government (Row R28). In addition, no federal funds were reported on the State Controller Report, though they were reported to the National Transit Database. Without this data reported correctly, it was impossible to determine whether the City was eligible to receive all of the TDA funding it received.

Program Recommendations

Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA as well as address non-compliance-related issues, challenges, or opportunities observed during the site visit and functional review. The following recommendations are presented for the City of Ojai.

Recommendation 1: Transit staff should work with the Finance department to ensure State Controller Reports are submitted prior to the established deadline.

Discussion: During this audit, submittal information for only one State Controller Report (Transit Operator Financial Transaction Report) was provided. That report was submitted two weeks after the established deadline. It is unknown whether subsequent reports were submitted on time.

Contributing Factor(s): Frequent personnel changes within the City's Finance department were identified as the primary cause of the late submittal. Transit staff noted that when there is insufficient staffing, or high turnover, this type of activity falls off the radar.



Recommended Action: The deadline for this report is firm, with no extensions granted. It is also predictable, as the deadline does not change from year to year (with the exception of a one- to two-day extension if January 31 falls on a weekend). This deadline should be added to a shared calendar so that awareness of it is not limited to just a single individual in the Finance department. Transit staff should also be mindful of the deadline and follow up with Finance in December or early January (at the latest) to ensure it is completed on time.

Timeline: FY 2026/27

Anticipated Cost: Negligible.

Recommendation 2: Transit staff should work with the Finance department to ensure the TDA definition of Full-time Equivalent (FTE) Employee is being used for reporting to the State Controller.

Discussion: One of the requirements of the TDA is use of performance measure definitions as defined in the legislation. One of these definitions is for Full-time Equivalent (FTE) Employees. It defines FTE as total work hours related to transit in a given year divided by 2,000. This would include transit-related work performed by Finance, Trolley Supervisor, trolley drivers, trolley cleaner, etc. It would include all regular and overtime hours but would not include any hours that are paid but not worked (such as leave, sick time, or vacation).

Contributing Factor(s): This is a different definition than is typically used for budget creation and position descriptions, which adds to the confusion. In addition to not defining an employee as a specific individual, this metric is calculated using 2,000 as the divisor (rather than 2,080). This is because it only accounts for work hours, not any paid time off.

Recommended Action: Transit staff should reference the FTE calculation worksheet provided as part of this audit process (as well as Exhibit 8.2) when working with Finance regarding this data for the State Controller Report.

Timeline: FY 2026/27

Anticipated Cost: Negligible.

Recommendation 3: The City needs to document increases to its transit operating budget greater than 15 percent as part of its TDA claim.

Discussion: The TDA requires operators to provide justification when the operating budget for the next year is more than 15 percent greater than the operating budget for the current year. This is typically done as part of the TDA claims process. It compares the budgeted or projected actual expenses for the current year to the budgeted expenses for the next year.

Contributing Factor(s): Current transit staff did not participate in the preparation of the transit budgets for any of the fiscal years reviewed in this audit, and consequently could not speak to why the budgets were consistently greater than 30 percent higher (and as high as 65 percent higher) than the prior year. It has been noted in prior Triennial Performance Audits that the City tends to overbudget for transit, which



could be the result of budgeting for unfilled positions, anticipating higher maintenance costs, or other expenses that are not guaranteed. However, the reasons for such overbudgeting were not documented during the audit period, and therefore could not be shared by current staff.

Recommended Action: Transit and Finance staff should review the budget for each upcoming fiscal year against the budget or projected actuals for the current fiscal year and determine whether there has been an increase of 15 percent or greater. If so, it should document the reason for that increase. This is normally done as part of the TDA claims process, but since the City of Ojai submits its claim through the Gold Coast Transit District, it may not need to complete the standard claim form. Ideally, the City would complete the standard budgeting worksheet used for the claims process, and at least maintain it internally to document justification of budget increases.

Timeline: FY 2026/27

Anticipated Cost: Negligible.

Recommendation 4: Transit staff should work with the Finance department to ensure all financial data is reported correctly within the State Controller Report.

Discussion: In reviewing the State Controller Reports for FY 2022/23 and FY 2023/24, it appeared some data may have been reported in the incorrect field, and other data may have been omitted entirely. TDA revenues (Local Transportation Fund) appeared to be reported under General Revenues of the Local Government (Row R28) rather than as State Government Funds (Row R32). In addition, there were no federal funds reported on the State Controller Report, while they did appear in the National Transit Database (NTD) reports.

Contributing Factor(s): Because one of the TDA funds is called the “Local Transportation Fund,” it is easy for someone without a clear understanding of the TDA to assume it should be categorized as local funds. However, LTF is a state funding source and must be categorized as such. General Revenues of the Local Government refers to non-dedicated funding, such as contributions from the general fund or a local tax measure that is not transit-specific.

With respect to federal funds, it was not clear from the various documents whether federal funds were received every year. Regardless, any federal funds should be reported consistently in the State Controller and National Transit Database reports.

Recommended Action: If there are questions as to how various revenue sources (including operating revenues) should be reported to the State Controller, refer to the Transit Operator Financial Transaction Report Instructions published by the State Controller’s Office each fiscal year (available online at www.sco.ca.gov/ard_locinstr_transit_forms.html). If the failure to report certain types of funding is due to delays in invoicing for certain types of funds, the City should ensure it undertakes invoicing or billing in a timely manner. It has already begun improving some of its processes in order to do so.

Timeline: FY 2026/27

Anticipated Cost: Negligible.



Recommendation 5: The City and/or VCTC should work with the TDA fiscal auditor to ensure the farebox recovery ratio is calculated correctly.

Discussion: In the City’s TDA fiscal audit, the amount of the TDA (LTF) allocation is used in lieu of the total operating cost for the calculation of the farebox recovery ratio. This is incorrect, as the TDA allocation is approximately one-quarter of the total operating cost. In addition, in earlier years, the auditor used the County’s contribution to supplement fare revenue for the calculation. This is not allowed under VCTC’s “Once TDA, Always TDA” policy (2016), which found that TDA funds claimed by one entity (such as the County of Ventura) and used to pay for transit service (such as that provided by the City of Ojai) would still be considered TDA funds. These two factors result in the City’s farebox recovery ratio for the first two years of the audit period being considerably less than the 20 percent requirement. The audit for FY 2024/25 was corrected so as to exclude this funding as an eligible supplement to fare revenue. For this reason, and because there are currently no penalties for not meeting the required farebox recovery ratio, this is not included as a compliance finding within this audit.

Contributing Factor(s): With the potential end of the waiver from penalties for not meeting the farebox recovery ratio looming, it is vital that the City have both an accurately calculated farebox recovery ratio and identify what funds can be used to supplement the fare revenue. In addition, there may be expenses that can be excluded from the operating cost (in addition to depreciation) to further improve the farebox recovery ratio. Under PUC 99268.17, items that can be excluded from operating cost may include:

- Cost increases beyond the change in the Consumer Price Index (CPI) for fuel, alternative fuel programs, power (including electricity), insurance premiums and payments in settlements of claims arising out of the operator’s liability, and state and federal mandates;
- Startup costs for new services for a period of not more than two years;
- Costs of funding or improving payment and ticketing systems and services;
- Any expense greater than the actuarially determined contribution associated with pensions and other post-employment benefits as required by GASB Statements Number 68 and 75; and
- Costs of planning for improvements in transit operations, integration with other operators and agencies, transitioning to zero-emission operations, and for compliance with state and federal mandates.

Under PUC 99268.19, revenues that may be used to supplement fare revenues include virtually any revenues besides TDA funds:

- Advertising revenue,
- Interest income,
- Revenues from the sale of surplus property,
- Route guarantees (such as funds received from the Ojai Valley Inn),
- Contributions from the City’s General Fund,
- LCTOP fare replacement funds (such as reimbursements for the Youth and College Ride Free programs), and
- Federal funds.



Anything that is included or excluded from the farebox recovery ratio calculation should be identified as a separate line item in the TDA fiscal audit’s test of compliance. The calculation should look something like this:

| | | |
|----------------------------------|-----------------|------------------------------------|
| Farebox revenue | \$20,000 | |
| Advertising revenue | \$10,000 | |
| Route guarantee | \$2,000 | |
| <u>Revenue from vehicle sale</u> | <u>\$2,500</u> | |
| Total fare revenue | \$34,500 | |
| Farebox recovery ratio: | 8.68% | |
| | | |
| <u>Add: Federal funds</u> | <u>\$45,000</u> | [under AB 149; just enough to meet |
| Total fare revenue | \$79,500 | the 20% requirement] |
| Farebox recovery ratio: | 20.00% | |
| | | |
| Operating expenses | \$500,000 | |
| Less: Depreciation | \$100,000 | |
| <u>Less: Insurance costs</u> | <u>\$2,500</u> | [This is the change over CPI only, |
| Total operating cost | \$397,500 | not the full cost] |

Additional discussion with the City suggested that there may also be some accounting methods used by the City (such as comingling funds) that impact the TDA fiscal audit. However, regardless of such issues that may impact the audit, the farebox recovery ratio must be calculated using the full cost of the transit program, not just the TDA allocation.

Recommended Action: The City and/or VCTC should work with its TDA fiscal auditor to ensure it has a proper understanding of how to calculate the farebox recovery ratio. The farebox recovery ratio as stated in the TDA fiscal audit should be the official measure of compliance with that requirement, reflective of the full cost of the transit program.

Timeline: FY 2026/27

Anticipated Cost: Negligible.

Recommendation 6: Transit staff must more accurately document performance data internally to ensure transparency and traceability of the sources used in external reporting was sourced from.

Discussion: In conducting the data comparison, it was apparent that there were significant variances between internal and external reports, and often between the two external reports as well. This makes it very difficult to accurately review performance; when there is a lack of consistency among any of the reports, identifying which data is correct is challenging.



Contributing Factor(s): The City is obtaining the data it uses in its external reports from somewhere, though apparently that data was not provided during the audit, as the data that was provided was very different. With the use of Syncromatics, there should be more accurate data available.

Recommended Action: The City should determine how it is collecting data for external reporting. It should then 1) ensure the data is compliant with federal and state definitions of the performance data and 2) maintain records of that data that can be provided during the next Triennial Performance Audit. Ideally, the auditor would be provided monthly and annual summaries with vehicle service hour, vehicle service mile, and ridership data that are consistent with the data reported to the NTD and State Controller.

Timeline: FY 2026/27

Anticipated Cost: Modest.

Exhibit 8.1 Audit Recommendations

| Recommendations | | Importance | Timeline |
|-----------------|--|------------|------------|
| 1 | Transit staff should work with the Finance department to ensure State Controller Reports are submitted prior to the established deadline. | High | FY 2026/27 |
| 2 | Transit staff should work with the Finance department to ensure the TDA definition of Full-time Equivalent (FTE) Employee is being used for reporting to the State Controller. | Medium | FY 2026/27 |
| 3 | The City needs to document increases to its transit operating budget greater than 15 percent as part of its TDA claim. | Medium | FY 2026/27 |
| 4 | Transit staff should work with the Finance department to ensure all financial data is reported correctly within the State Controller Report. | High | FY 2026/27 |
| 5 | The City and/or VCTC should work with the TDA fiscal auditor to ensure the farebox recovery ratio is calculated correctly. | High | FY 2026/27 |
| 6 | Transit staff must more accurately document performance data internally to ensure transparency and traceability of the sources used in external reporting was sourced from. | High | FY 2026/27 |



Exhibit 8.2 Sample FTE calculation worksheet

| Total hours worked: | FY 20xx/xx |
|---------------------------------------|-------------|
| Drivers | |
| Dispatchers | |
| Customer service reps | |
| Maintenance personnel | |
| Administrative personnel | |
| Management personnel | |
| Other: | |
| Other: | |
| Other: | |
| Total hours: | 0.00 |
| Hours divided by 2,000 | 0.00 |
| Round to a whole number for reporting | 0 |

Total hours worked should be based on payroll hours, not a full-time designation. This should include both regular and overtime hours, but **not** non-work hours (PTO, sick, etc.). The exception to this is for administrative or management personnel who do not track their time but are assigned to transit on a percentage basis. In such cases, you may allocate hours for someone who is assigned to transit. For example, if they are 0.25 FTE assigned to transit, calculate their hours by multiplying 2,000 hours (assumes full-time employment less two weeks of time off) by 0.25, for a total of 500 hours.

This is the simple calculation used if there is a single mode being operated. If more than one mode is operated, hours must be segregated by mode.

| EXAMPLE: | Example |
|---------------------------------------|------------------|
| Total hours worked: | |
| Drivers | 15,458.70 |
| Dispatchers | 3,796.20 |
| Customer service reps | 3,757.00 |
| Maintenance personnel | 2,968.10 |
| Administrative personnel | 1,786.60 |
| Management personnel | 586.40 |
| Other: | |
| Other: | |
| Other: | |
| Total hours: | 28,353.00 |
| Hours divided by 2,000 | 14.18 |
| Round to a whole number for reporting | 14 |



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