Draft Audit Report
May 2017

Ventura County Transportation Commission
TDA Triennial Performance Audit
City of Moorpark

moore & associates

MA and ASSOCIATES
Certified Public Accountants

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Chapter 1
Executive Summary

In 2017, the Ventura County Transportation Commission (VCTC) selected the consulting team of Moore & Associates, Inc./Ma and Associates to prepare Triennial Performance Audits of itself as the RTPA and the nine transit operators to which it allocates funding. As one of the six statutorily designated County Transportation Commissions in the SCAG region, VCTC also functions as the respective county RTPA.

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. The City of Moorpark does not receive Article 4 funding and is not statutorily required to be audited, nor has it traditionally been held to the requirements of the TDA. However, the Ventura County Transportation Commission (VCTC), as the RTPA, requested the City be audited to enable a comprehensive and objective review to provide beneficial insights into program performance and to establish a baseline for future audits. This is the first Triennial Performance Audit of the City of Moorpark.

The Triennial Performance Audit (TPA) of the City of Moorpark's public transit program covers the three-year period ending June 30, 2016. The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Moorpark as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three 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 whom it allocates funds.

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

- Fiscal Year 2013/14,
- Fiscal Year 2014/15, and
- Fiscal Year 2015/16.

The City of Moorpark's transit program is Moorpark City Transit (MCT), which provides general public transit service on two fixed routes within Moorpark. The service operates Monday through Friday from 6:00 a.m. to 6:00 p.m. The City also contracts with a local provider to offer a summer Beach Bus linking designated stops in Moorpark to Zuma Beach in Malibu. The service provides two round trips per day from June to August. A recent service evaluation determined that on-time performance for the two regular fixed routes is 95 percent or higher.

The City currently provides weekday Senior DAR and ADA Paratransit services. The service is open to individuals with a valid ADA card and to Moorpark residents aged 65 or older. In addition to trips throughout all of Moorpark, trips can be scheduled to nearby cities including Camarillo, Newbury Park, Simi Valley, Thousand Oaks, and Westlake Village. This exceeds the requirements for intra-city ADA

paratransit services within ¾ mile of MCT fixed-route bus service. Paratransit services operate on the same hours as fixed-route service.

Additionally, the City of Moorpark provides transit service through the East County Transit Alliance (ECTA) to Camarillo, Simi Valley, Thousand Oaks, and unincorporated portions of eastern Ventura County. By coordinating with other transit service providers in the region, the City enhances the ability to travel across the various locations in the eastern portion of the county.

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. We believe 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,
- Follow-up of prior report recommendations (where applicable),
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

TDA Compliance

With one exception, we conclude the City of Moorpark complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner. Material findings specific to the compliance element are:

1. The City did not submit its FY 2013/14 and FY 2015/16 State Controller Reports within the stipulated 110-day timeframe.

Status of Prior Recommendations

Given this is the first audit of the City of Moorpark, there are no prior recommendations.

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 one aforementioned compliance finding for the City of Moorpark.

The audit team has identified one functional finding. While this finding is not a compliance finding, we feel it is significant enough to be addressed within this audit.

1. The City should be reporting its demand-response service to the State Controller using the separate Specialized Services form.

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

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with City staff responsible for preparing State Controller Reports to ensure submittal deadlines are met.	High	FY 2017/18
Functional Recommendations		**Importance**	**Timeline**
1	File a separate Specialized Services report with the State Controller for the City's Dial-A-Ride program.	Medium	FY 2017/18

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Chapter 2
Review Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Moorpark's public transit program covers the three-year period ending June 30, 2016. 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 2017, the Ventura County Transportation Commission selected the consultant team of Moore & Associates, Inc./Ma and Associates to prepare Triennial Performance Audits of itself as the RTPA and the nine transit operators to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation, while Ma and Associates is a Certified Public Accounting firm. Selection of the consultant followed a competitive procurement process.

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

As it receives no funding under Article 4, the City of Moorpark is not statutorily required to undergo a Triennial Performance Audit, nor has it traditionally been held to the requirements of the TDA. However, the Ventura County Transportation Commission (VCTC), as the RTPA, requested the City be audited to enable a comprehensive and objective review to provide beneficial insights into program performance and to establish a baseline for future audits. As such, the same tests of compliance will be applied to the City as if it received TDA Article 4 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. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review 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 Moorpark included four tasks:

1. A review of compliance with TDA requirements and regulations.
2. 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.
3. 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.
4. 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 Moorpark included thorough review of documents relevant to the scope of the audit, as well as information contained on the 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;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- Accident/road call logs; and

- Customer complaint logs.

The methodology for this audit included a site visit to the City of Moorpark city hall located at 799 Moorpark Avenue on March 16, 2017. The audit team met with Program Manager Shaun Kroes and reviewed materials germane to the triennial review. The audit team also conducted interviews and a site visit with the City of Thousand Oaks and operations contractor MV Transportation on March 6, 2017, which included tours of the City of Thousand Oaks' Municipal Service Center as well as the City Transportation Center, which houses dispatching and operations personnel.

This report is comprised of six 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,
    - Performance measures and trends,
    - Functional audit, and
    - Findings and recommendations.

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Chapter 3
Program Compliance

This section examines the City of Moorpark'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 Ventura County Transportation Commission considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

The City of Moorpark does not receive Article 4 funding and is not statutorily required to be audited, nor has it traditionally been held to the requirements of the TDA. However, the Ventura County Transportation Commission (VCTC), as the RTPA, requested the City be audited to enable a comprehensive and objective review to provide beneficial insights into program performance and to establish a baseline for future audits. As such, the same tests of compliance will be applied to the City as if it received TDA Article 4 funds.

Compliance was determined through discussions with City staff as well as a physical inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

With one exception, the City of Moorpark met the test of compliance with respect to Transportation Development Act (TDA) regulations:

1. The City did not submit its FY 2013/14 and FY 2015/16 State Controller Reports within the stipulated 110-day timeframe.

Recent Changes Regarding Compliance

While the City does not receive Article 4 funding, we felt it appropriate to include information regarding recent changes with respect to the TDA in this Triennial Performance Audit.

Three changes specific to the TDA and TDA funding went into effect beginning July 1, 2016. The first was a policy approved by VCTC which mandated funding originally received through the TDA would be classified as TDA funding even after being passed through to another entity. This disallowed the use of TDA funds passed from one claimant to another agency as local support in the calculation of the farebox recovery ratio.

The second change was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to *changes* in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to *all* costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

> ***99268.17*** *(a) Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of "operating cost" for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:*
>
> *(1) The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator's costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.*
>
> *(2) Cost increases beyond the change in the Consumer Price Index for all of the following:*
>
> *(A) Fuel.*
> *(B) Alternative fuel programs.*
> *(C) Power, including electricity.*
> *(D) Insurance premiums and payments in settlement of claims arising out of the operator's liability.*
> *(E) State and federal mandates.*
>
> *(3) Startup costs for new services for a period of not more than two years.*
>
> *(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:*
>
> *(1) The Controller pursuant to Section 99243.*
> *(2) The entity conducting the fiscal audit pursuant to Section 99245.*
> *(3) The entity conduction the performance audit pursuant to Section 99246.*

Operators should be aware that the reporting forms for the State Controller may not be updated to reflect these exclusions for FY 2016/17. Until revised forms are made available, it is important for agencies to ensure any exclusions from operating cost are clearly itemized within TDA audits or other farebox revenue ratio calculations so that compliance can be clearly assessed.

The third change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, "local funds" was defined as "revenues derived from taxed imposed by the operator or by a county transportation commission." S.B. 508 amended Section 99268.19 to read:

> ***99268.19*** *If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.*

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2014: October 16, 2014 FY 2015: November 18, 2015 FY 2016: December 30, 2016
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 2014: December 10, 2014 FY 2015: December 16, 2015 FY 2016: December 21, 2016
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	December 12, 2012 February 12, 2014 February 5, 2015 August 19, 2015
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	N/A	
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 2014: 27.45% FY 2015: 7.94% FY 2016: 23.50% *FY 2014 introduced a three-year service expansion project. FY 2016 included additional funding for ECTA.*
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	In compliance	FY 2014: 44.6% FY 2015: 31.4% FY 2016: 20.9% *Per TDA Article 8(c) annual audits*
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	N/A	
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	N/A	
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	
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)	N/A	The City does not receive STA funding.

Compliance Element	Reference	Compliance	Comments
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	

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Chapter 4
Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667[1]. 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) – excludes the following:

[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.

- 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.[2] 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.

TDA Required Indicators

To calculate the TDA indicators for the City of Moorpark, 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

[2] A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

financial reports and was determined to be consistent with TDA guidelines and accurately reflects the costs for the City's transit services. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.

- Fare Revenue was not independently calculated as part of this audit. Fare Revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City calculates VSM by subtracting deadhead and out-of-service miles subtracted from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained from State Controller Reports for each fiscal year covered by this review. Data from these reports was compared with information included within the City's monthly performance data summary reports. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) methodology was provided by the City of Moorpark and the City of Thousand Oaks (for contracted services) and is consistent with the TDA definition.

System Performance Trends

Performance trends for the City of Moorpark's public transit program were analyzed for the three years covered by this Triennial Performance Audit. Indicators were calculated using the methodologies described in the previous section.

It should be noted that inaccuracies and inconsistencies in the data (due primarily to how data is reported to different entities) may result in trends that are not entirely reflective of actual performance.

Two significant events marked the performance metrics for Moorpark during the audit period. The first was the introduction of a demonstration project in FY 2013/14 which expanded operating hours and introduced Saturday service. The second was the launch of the East County Transit Alliance, which resulted in increased Dial-A-Ride trips beginning in FY 2015/16.

Neither fare revenue nor passengers kept pace with increases to operating cost, VSH, or VSM. Both fare revenue and passengers were fairly stable, changing just 4.9 percent and 0.2 percent, respectively, across the audit period. The City saw significant fluctuation in several performance indicators, particularly those related to operating cost.

Exhibit 4.1 System Performance Indicators

Performance Measure	System-Wide			
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Operating Cost (Actual $)	$579,418	$654,629	$686,032	$933,949
Annual Change		*13.0%*	*4.8%*	*36.1%*
Fare Revenue (Actual $)	$63,589	$68,433	$69,414	$71,818
Annual Change		*7.6%*	*1.4%*	*3.5%*
Vehicle Service Hours (VSH)	6,622	9,430	10,323	9,628
Annual Change		*42.4%*	*9.5%*	*-6.7%*
Vehicle Service Miles (VSM)	122,494	149,341	169,473	157,643
Annual Change		*21.9%*	*13.5%*	*-7.0%*
Passengers	64,833	72,183	76,590	72,310
Annual Change		*11.3%*	*6.1%*	*-5.6%*
Employees	9	8	12	12
Annual Change		*-11.1%*	*50.0%*	*0.0%*
Performance Indicators				
Operating Cost/VSH (Actual $)	$87.50	$69.42	$66.46	$97.00
Annual Change		*-20.7%*	*-4.3%*	*46.0%*
Operating Cost/Passenger (Actual	$8.94	$9.07	$8.96	$12.92
Annual Change		*1.5%*	*-1.2%*	*44.2%*
Passengers/VSH	9.79	7.65	7.42	7.51
Annual Change		*-21.8%*	*-3.1%*	*1.2%*
Passengers/VSM	0.53	0.48	0.45	0.46
Annual Change		*-8.7%*	*-6.5%*	*1.5%*
Farebox Recovery	11.0%	10.5%	10.1%	7.7%
Annual Change		*-4.7%*	*-3.2%*	*-24.0%*
Hours/Employee	735.8	1,178.8	860.3	802.3
Annual Change		*60.2%*	*-27.0%*	*-6.7%*
TDA Non-Required Indicators				
Operating Cost/VSM	$4.73	$4.38	$4.05	$5.92
Annual Change		*-7.3%*	*-7.7%*	*46.4%*
VSM/VSH	18.50	15.84	16.42	16.37
Annual Change		*-14.4%*	*3.7%*	*-0.3%*
Fare/Passenger	$0.98	$0.95	$0.91	$0.99
Annual Change		*-3.3%*	*-4.4%*	*9.6%*

Source: State Controller Reports.

Exhibit 4.2 System Ridership

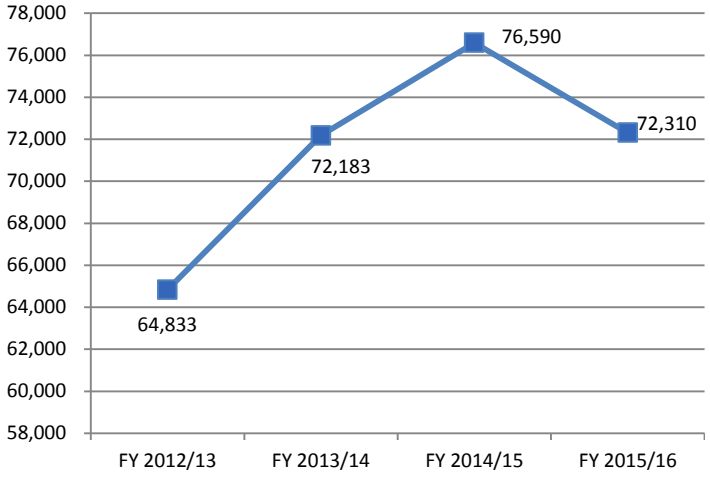


Exhibit 4.3 System Operating Cost/VSH

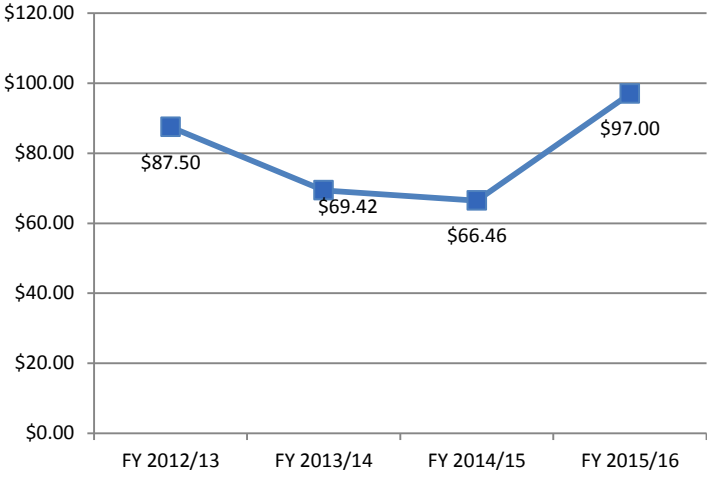


Exhibit 4.4 System Operating Cost/VSM

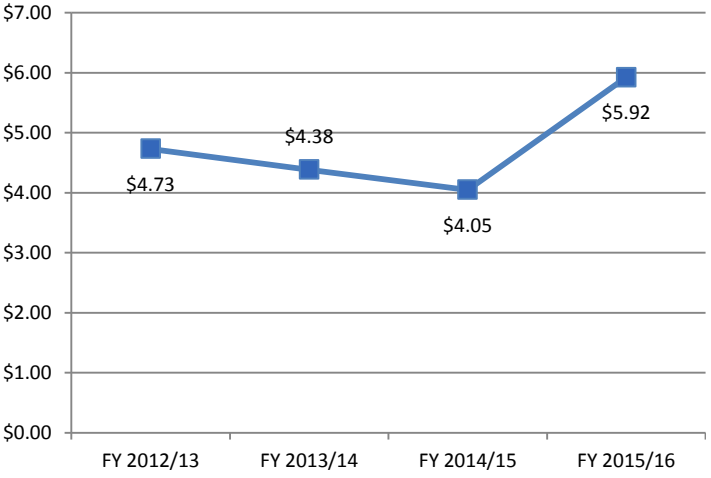


Exhibit 4.5 System VSM/VSH

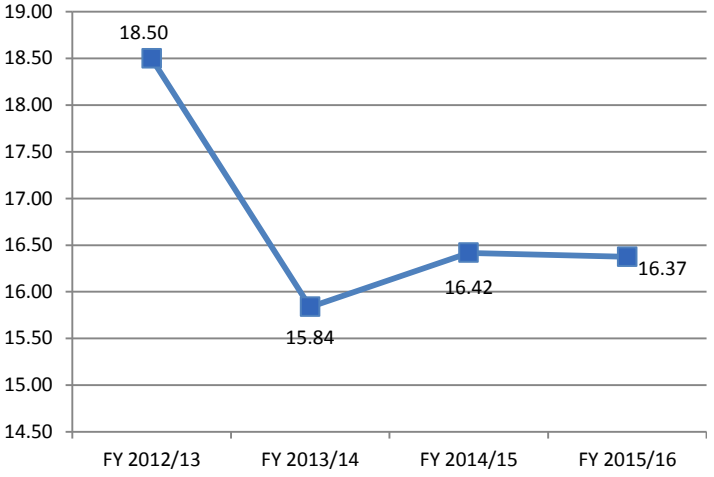


Exhibit 4.6 System Operating Cost/Passenger

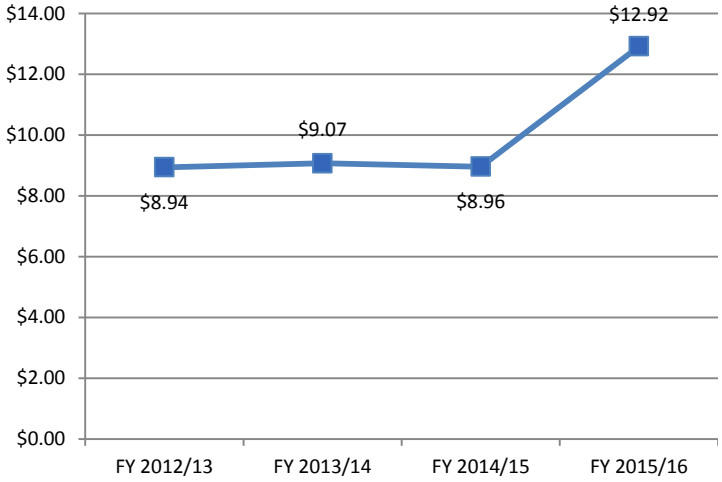


Exhibit 4.7 System Passengers/VSH

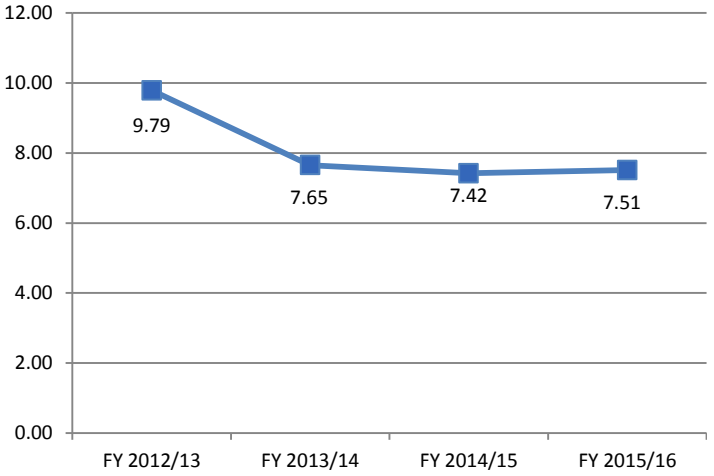


Exhibit 4.8 System Passengers/VSM

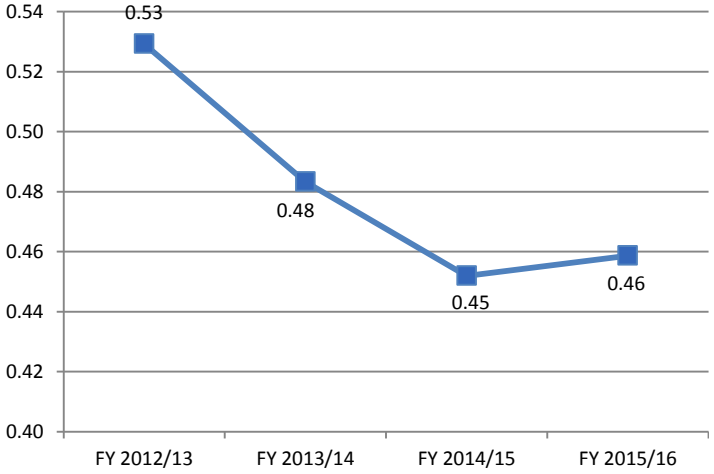


Exhibit 4.9 System VSH/FTE

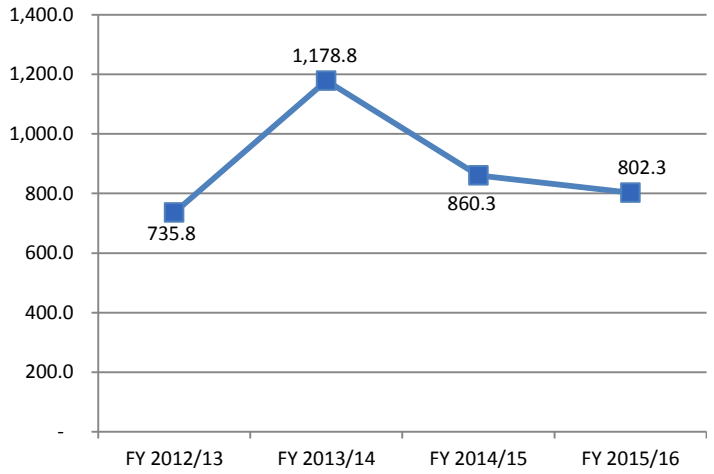


Exhibit 4.10 System Farebox Recovery

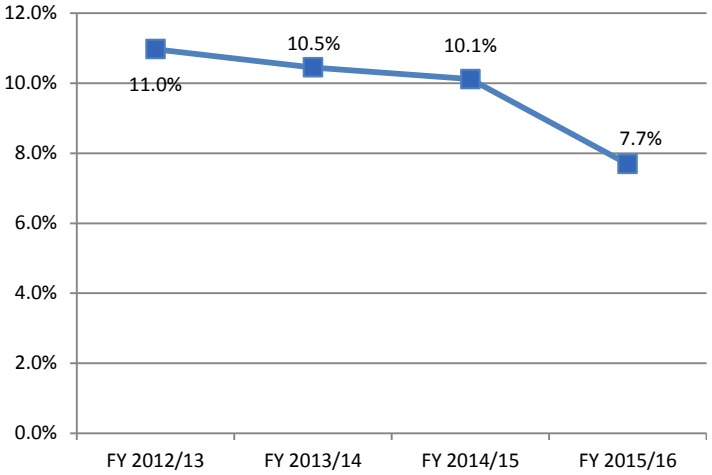
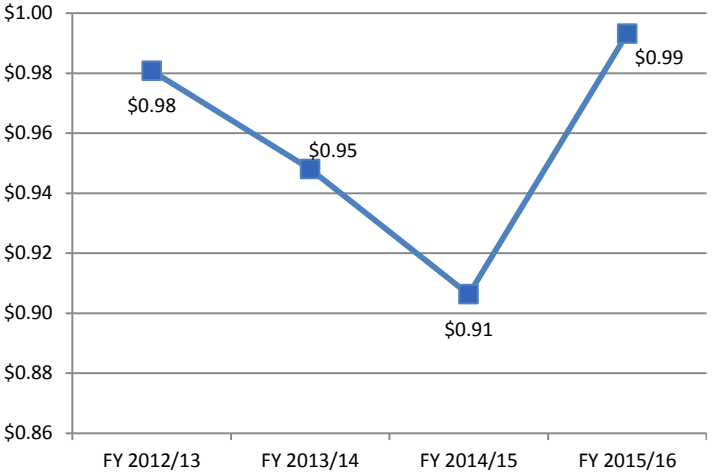


Exhibit 4.11 System Fare/Passenger



Fixed-Route Performance

Mode-specific operating cost and fare revenue were taken from City-provided transit statistical reports and may not be totally consistent with data reported for the system as a whole.

Not surprisingly, fixed-route service saw a significant increase in operating cost in FY 2013/14, consistent with the introduction of the City's demonstration service. This also resulted in a corresponding increase in VSM and VSH, though not in fare revenue or passengers. This led to a steady decline in the farebox recovery ratio as well as significant fluctuations from year to year in several performance indicators.

Exhibit 4.12 Fixed-Route Data Comparison

Performance Measure	Fixed-Route			
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Operating Cost (Actual $)	$425,778	$584,522	$646,618	$586,688
Annual Change		*37.3%*	*10.6%*	*-9.3%*
Fare Revenue (Actual $)	$60,874	$66,919	$67,748	$52,245
Annual Change		*9.9%*	*1.2%*	*-22.9%*
Vehicle Service Hours (VSH)	5,229	7,741	8,007	7,368
Annual Change		*48.0%*	*3.4%*	*-8.0%*
Vehicle Service Miles (VSM)	94,158	116,141	117,745	107,296
Annual Change		*23.3%*	*1.4%*	*-8.9%*
Passengers	61,922	68,229	71,170	66,491
Annual Change		*10.2%*	*4.3%*	*-6.6%*
Employees	5	5	9	9
Annual Change		*0.0%*	*80.0%*	*0.0%*
Performance Indicators				
Operating Cost/VSH (Actual $)	$81.43	$75.51	$80.76	$79.63
Annual Change		*-7.3%*	*6.9%*	*-1.4%*
Operating Cost/Passenger (Actual $)	$6.88	$8.57	$9.09	$8.82
Annual Change		*24.6%*	*6.1%*	*-2.9%*
Passengers/VSH	11.84	8.81	8.89	9.02
Annual Change		*-25.6%*	*0.8%*	*1.5%*
Passengers/VSM	0.66	0.59	0.60	0.62
Annual Change		*-10.7%*	*2.9%*	*2.5%*
Farebox Recovery	14.3%	11.4%	10.5%	8.9%
Annual Change		*-19.9%*	*-8.5%*	*-15.0%*
Hours/Employee	1045.8	1548.2	889.7	818.7
Annual Change		*48.0%*	*-42.5%*	*-8.0%*
TDA Non-Required Indicators				
Operating Cost/VSM	$4.52	$5.03	$5.49	$5.47
Annual Change		*11.3%*	*9.1%*	*-0.4%*
VSM/VSH	18.01	15.00	14.71	14.56
Annual Change		*-16.7%*	*-2.0%*	*-1.0%*
Fare/Passenger	$0.98	$0.98	$0.95	$0.79
Annual Change		*-0.2%*	*-2.9%*	*-17.5%*

Source: State Controller Reports and End-of-Year Transit Statistics reported by the City.

Exhibit 4.13 Fixed-Route Ridership

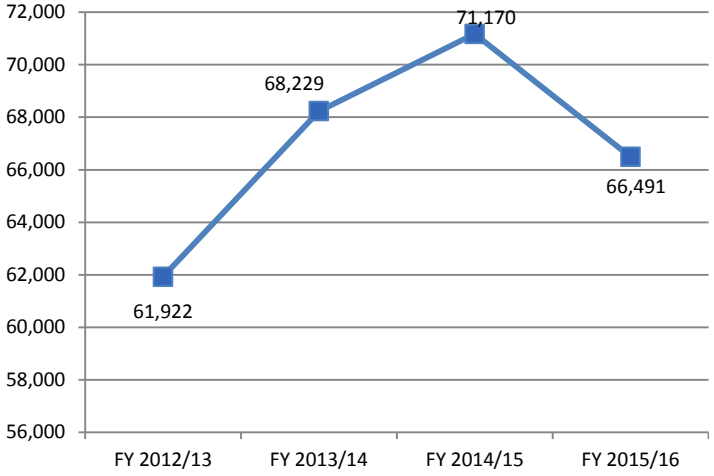


Exhibit 4.14 Fixed-Route Operating Cost/VSH

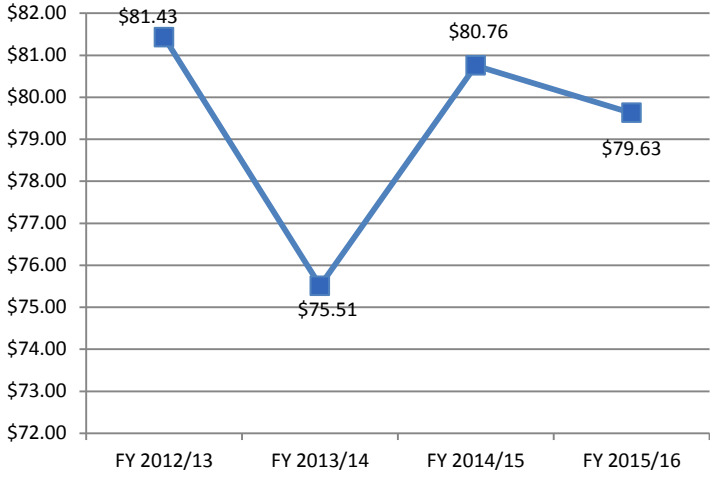


Exhibit 4.15 Fixed-Route Operating Cost/VSM

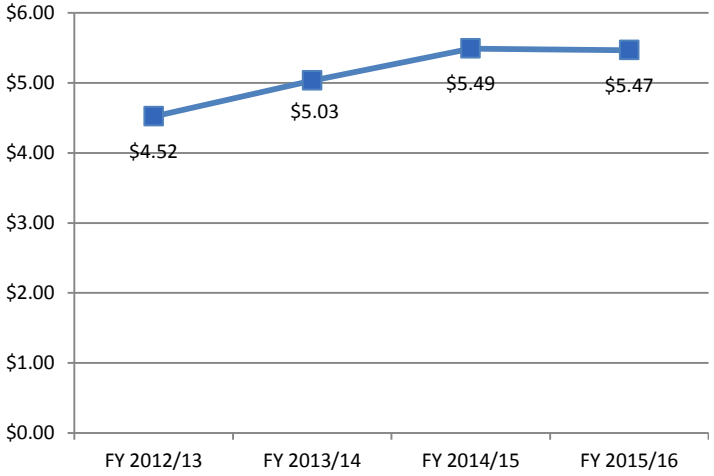


Exhibit 4.16 Fixed-Route VSM/VSH

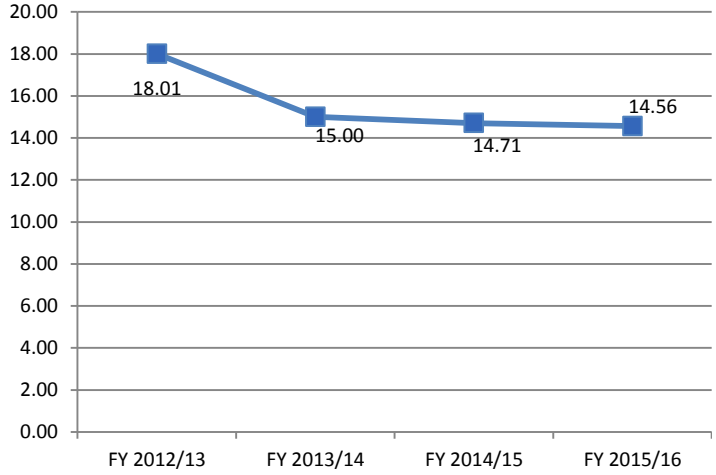


Exhibit 4.17 Fixed-Route Operating Cost/Passenger

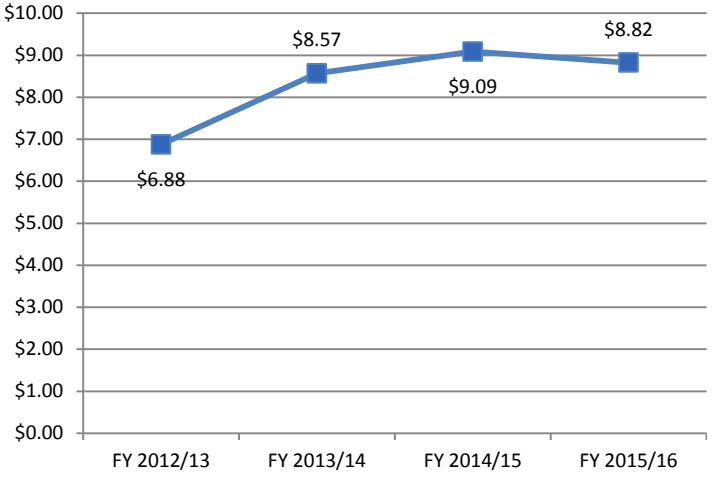


Exhibit 4.18 Fixed-Route Passengers/VSH

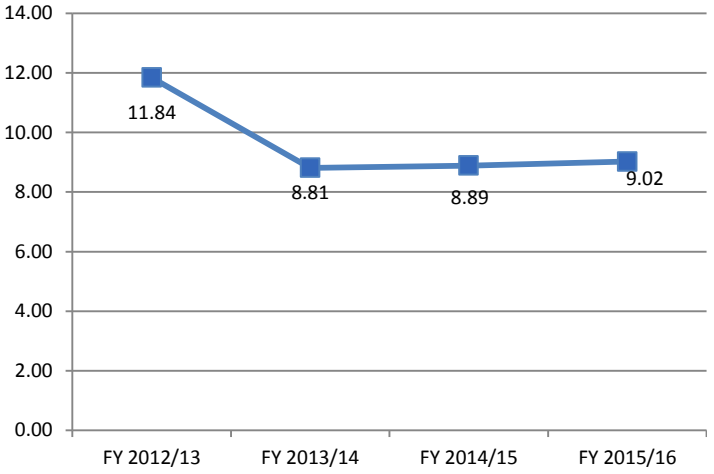


Exhibit 4.19 Fixed-Route Passengers/VSM

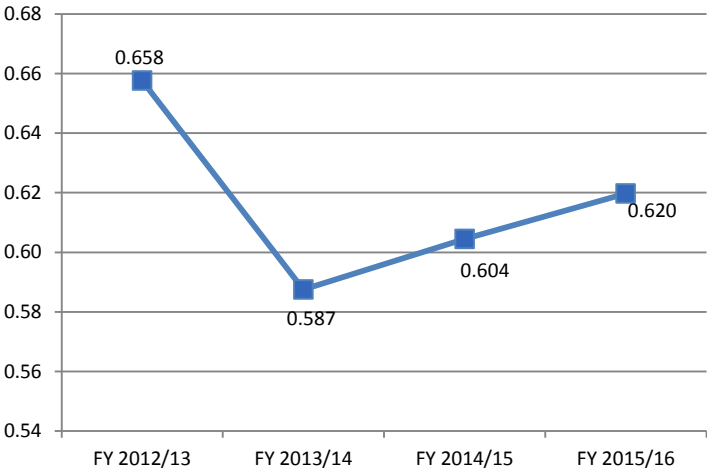


Exhibit 4.20 Fixed-Route VSH/FTE

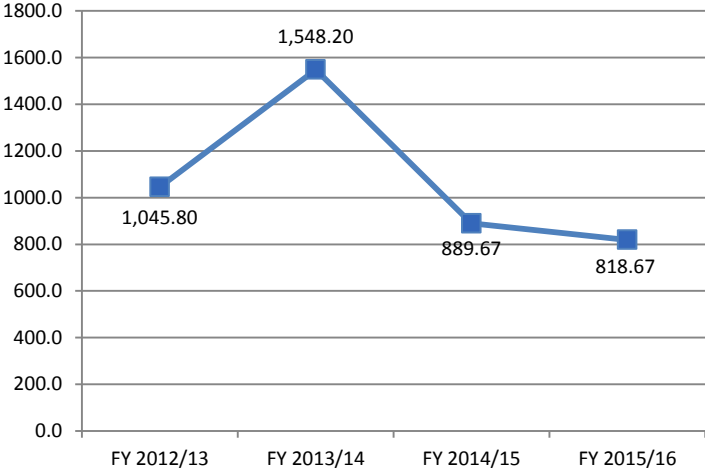


Exhibit 4.21 Fixed-Route Farebox Recovery

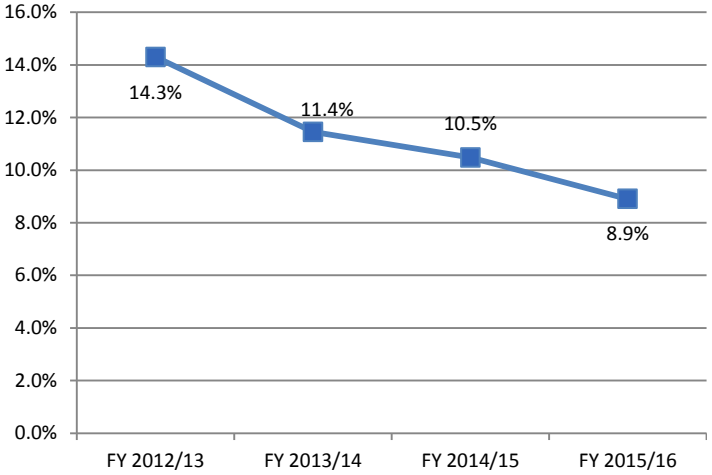
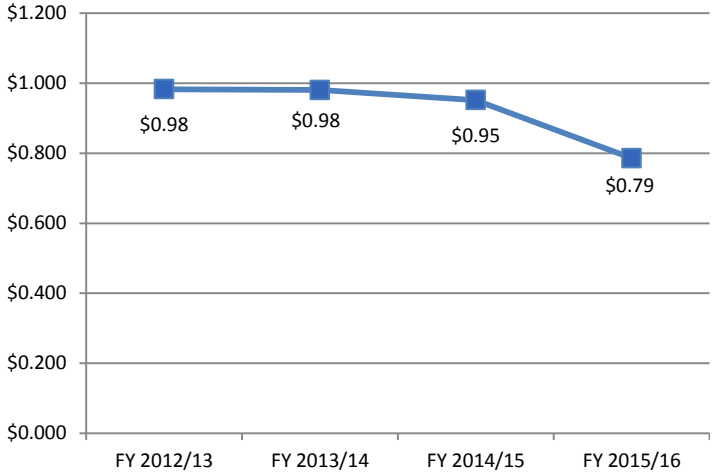


Exhibit 4.22 Fixed-Route Fare/Passenger



Demand-Response Performance

Mode-specific operating cost and fare revenue were taken from City-provided transit statistical reports and may not be totally consistent with data reported for the system as a whole.

Demand-response service saw a significant increase in operating cost in FY 2013/14, consistent with the introduction of the City's demonstration service. Unlike fixed-route, however, operating cost continued to increase across the audit period (due in part to participation in the ECTA), and these increases were accompanied by corresponding increases in fare revenue and passengers. As a result, the farebox recovery ratio for demand-response increased from 8.1 percent in FY 2013/14 to 10.9 percent in FY 2015/16, which is above the TDA threshold of 10 percent for specialized services.

Exhibit 4.23 Demand-Response Data Comparison

Performance Measure	Demand-Response			
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
Operating Cost (Actual $)	$82,799	$118,770	$157,467	$185,380
Annual Change		*43.4%*	*32.6%*	*17.7%*
Fare Revenue (Actual $)	$7,013	$9,588	$13,047	$20,281
Annual Change		*36.7%*	*36.1%*	*55.4%*
Vehicle Service Hours (VSH)	1,393	1,689	2,316	2,260
Annual Change		*21.2%*	*37.1%*	*-2.4%*
Vehicle Service Miles (VSM)	28,336	33,200	51,728	50,347
Annual Change		*17.2%*	*55.8%*	*-2.7%*
Passengers	2,911	3,954	5,420	5,819
Annual Change		*35.8%*	*37.1%*	*7.4%*
Employees	4	3	3	3
Annual Change		*-25.0%*	*0.0%*	*0.0%*
Performance Indicators				
Operating Cost/VSH (Actual $)	$59.44	$70.32	$67.99	$82.03
Annual Change		*18.3%*	*-3.3%*	*20.6%*
Operating Cost/Passenger (Actual $)	$28.44	$30.04	$29.05	$31.86
Annual Change		*5.6%*	*-3.3%*	*9.7%*
Passengers/VSH	2.09	2.34	2.34	2.57
Annual Change		*12.0%*	*0.0%*	*10.0%*
Passengers/VSM	0.10	0.12	0.10	0.12
Annual Change		*15.9%*	*-12.0%*	*10.3%*
Farebox Recovery	8.5%	8.1%	8.3%	10.9%
Annual Change		*-4.7%*	*2.6%*	*32.0%*
Hours/Employee	348.3	563.0	772.0	753.3
Annual Change		*61.7%*	*37.1%*	*-2.4%*
TDA Non-Required Indicators				
Operating Cost/VSM	$2.92	$3.58	$3.04	$3.68
Annual Change		*22.4%*	*-14.9%*	*21.0%*
VSM/VSH	20.34	19.66	22.34	22.28
Annual Change		*-3.4%*	*13.6%*	*-0.3%*
Fare/Passenger	$2.41	$2.42	$2.41	$3.49
Annual Change		*0.7%*	*-0.7%*	*44.8%*

Source: State Controller Reports and End-of-Year Transit Statistics reported by the City.

Exhibit 4.24 Demand-Response Ridership

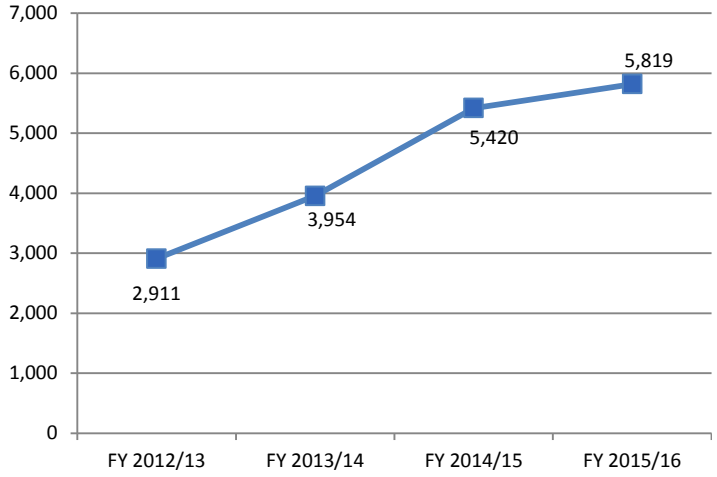


Exhibit 4.25 Demand-Response Operating Cost/VSH

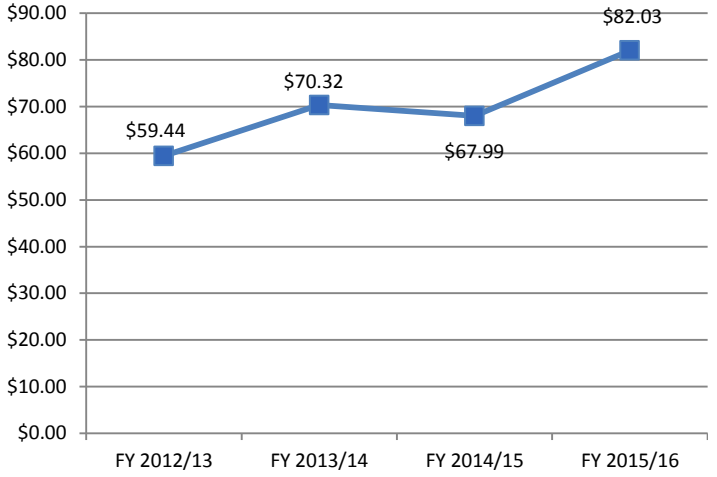


Exhibit 4.26 Demand-Response Operating Cost/VSM

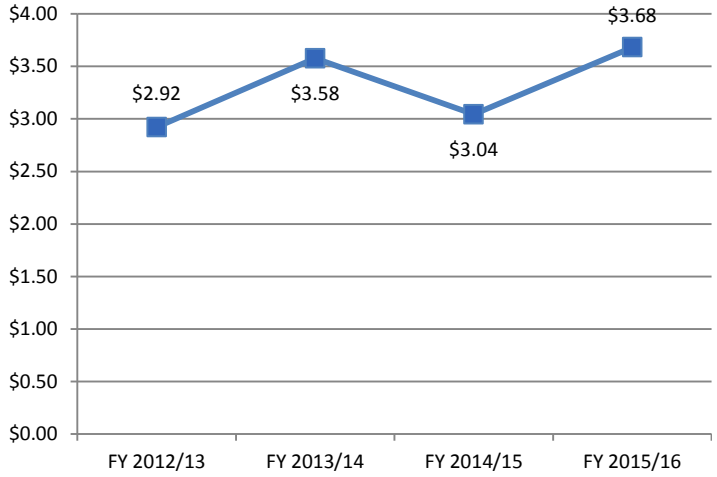


Exhibit 4.27 Demand-Response VSM/VSH

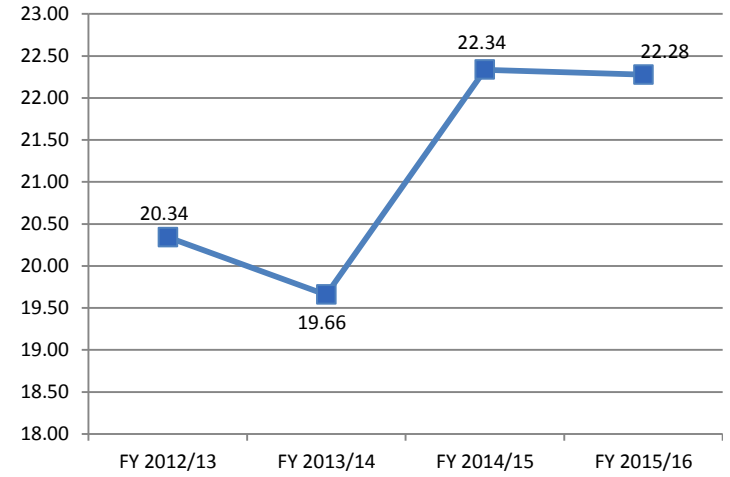


Exhibit 4.28 Demand-Response Operating Cost/Passenger

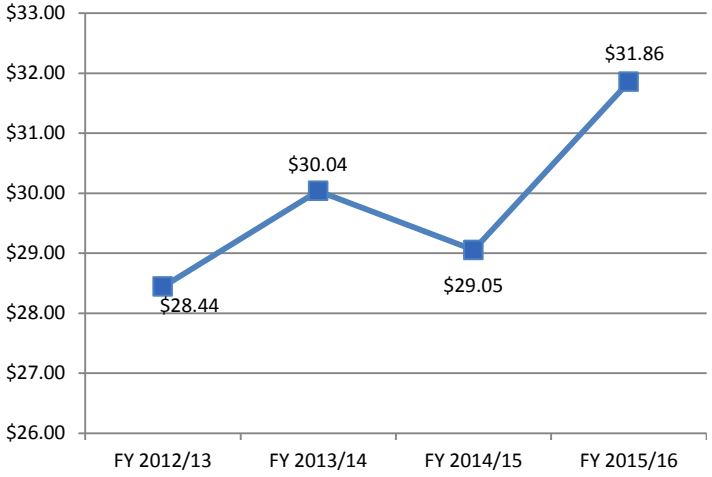


Exhibit 4.29 Demand-Response Passengers/VSH

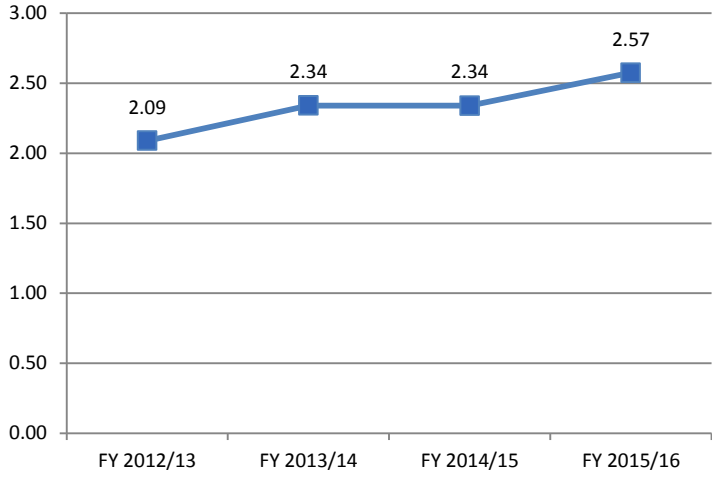


Exhibit 4.30 Demand-Response Passengers/VSM

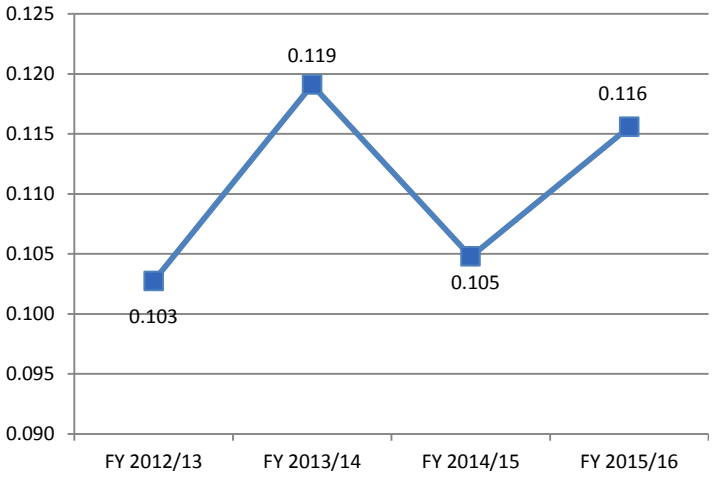


Exhibit 4.31 Demand-Response VSH/FTE

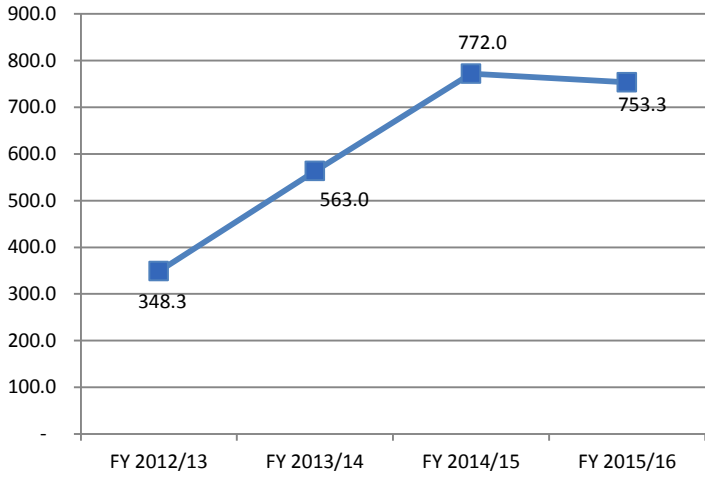


Exhibit 4.32 Demand-Response Farebox Recovery

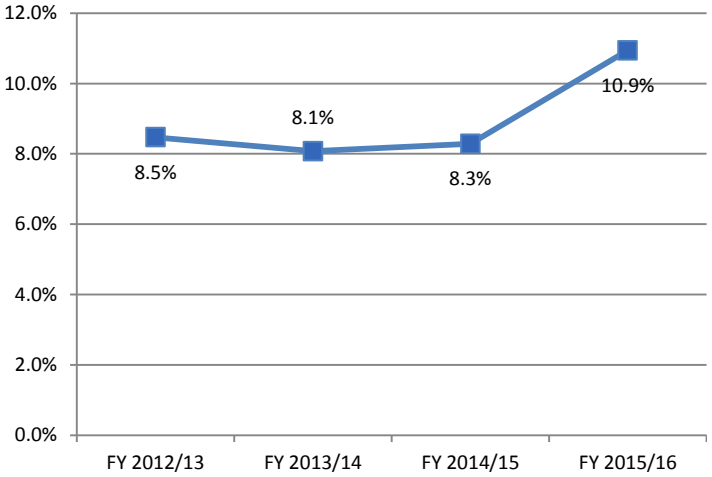
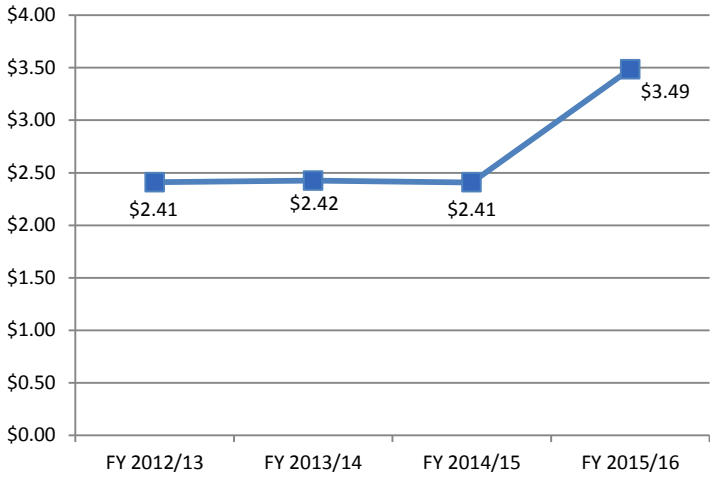


Exhibit 4.33 Demand-Response Fare/Passenger



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Chapter 5
Functional Review

A functional review of the City of Moorpark'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 of Moorpark through its transit program:

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

Service Overview

The City of Moorpark's transit program is Moorpark City Transit (MCT), which provides general public transit service on two fixed routes within Moorpark. During the audit period, the service operated Monday through Friday from 5:00 a.m. to 8:00 p.m. and Saturday from 8:00 a.m. to 5:00 p.m., though some hours were reduced in FY 2015/16 due to lack of ridership. Prior to the CMAQ demonstration project, hours were Monday through Friday from 6:00 a.m. to 6:00 p.m.

During the audit period, the City also contracted with a local provider to offer a summer Beach Bus linking designated stops in Moorpark to Zuma Beach in Malibu. The service provided two round trips per day from June to August.

The City expanded its Senior DAR and ADA paratransit services to reflect the expanded service days and hours. The service is open to individuals with a valid ADA card and to Moorpark residents aged 65 or older and exceeds the requirements for intra-city ADA paratransit services within ¾ mile of MCT fixed-route bus service. Paratransit services operate on the same hours as fixed-route service.

Additionally, the City of Moorpark provides transit service through the East County Transit Alliance (ECTA) to Camarillo, Simi Valley, Thousand Oaks, and unincorporated portions of eastern Ventura

County. Inter-city Dial-A-Ride services are also provided through ECTA to persons with disabilities and seniors age 65 years and older upon advance reservation. The service is offered Monday through Friday on a shared-ride, reservation basis by the cities of Moorpark, Simi Valley, and Thousand Oaks, as well as the County of Ventura. Connections can also be made through ECTA to other transportation providers such as Gold Coast Transit's GO ACCESS and Los Angeles County's Access Services.

Upon joining the ECTA in 2014, the City implemented changes to its fixed-route and Senior DAR program, including increasing the definition of senior from at least 62 years old to at least 65 years old. This change was accompanied by a fare increase for intra-city service from $1.50 to $2.00. Inter-city fares increased from $3.00 or $4.50 (depending on destination) to $5.00 across the board.

The current fare structure is shown in Exhibit 5.1.

Exhibit 5.1 Fare Structure

Fare Category	Fare
Regular fare, ages 6-64 (Fixed-route)	$1.00
Children 5 and under	Free
Seniors 65 and over /ADA/Medicare (fixed-route)	Free
Dial-A-Ride fare (within Moorpark)	$2.00
Dial-A-Ride fare (beyond Moorpark)	$5.00
Beach Bus round trip, regular fare	$5.00
Beach Bus round trip, senior/disabled	$2.00
Book of 11 tickets (fixed-route)	$10.00
Summer Youth Pass (unlimited rides, routes 1 and 2)	$15.00

General Management and Organization

The City of Moorpark's public transit program is administered within the City's Public Works Department. The Program Manager reports to the City Engineer/Public Works Director. Since 2012, the City has contracted with the City of Thousand Oaks to operate MCT fixed-route and Dial-A-Ride bus services. The agreement includes operation of vehicles, preventive maintenance, and customer service representation. The City of Thousand Oaks utilizes a third-party contractor, MV Transportation, for vehicle operation.

The City of Moorpark's organizational structure has remained stable during the audit period. The operations contractor is considered to be adequately staffed; however, there is a lack of experience in some key staff positions.

The Program Manager is the primary contact for VCTC and other governmental organizations regarding transit services. The City interacts with the FTA only through VCTC. The Public Works director represents the City at monthly meetings of the East Coast Transit Alliance. The Public Works Director or Senior Civil Engineer represents the City at meetings of the VCTC Transportation Technical Advisory

Committee. The Program Manager represents the City at VCTC's Transit Operators Advisory Committee (Transcom).

Program performance is monitored via review of ridership sheets, fare revenue, and customer comments. The City is currently performing a route evaluation via a consultant to address decreasing ridership and fare revenue. City transit management personnel routinely meet with City of Thousand Oaks staff to discuss service. Due to the nature of the partnership, the City of Moorpark does not have direct oversight of most transit personnel. The small internal staffing levels are dictated by available funding, a structure which requires personnel to wear many hats. In general, City transit staff feels current staffing levels are effective and efficient.

Exhibit 5.2 Organizational Chart

Service Planning

The City is currently working with a consultant on a Transit Plan in an effort to improve efficiency and effectiveness. At the time of this report, the city council had already considered route alternatives intended to streamline bus service and timetables. The council approved the proposed changes but included instruction to evaluate alternatives for Christian Barrett Drive. Changes are expected to go into effect in July or August 2017, following additional public outreach.

The City's primary goals for transit service are to achieve 20 percent farebox recovery for fixed route and 10 percent farebox recovery for Dial-A-Ride. It is possible that goals and objectives could be updated during the current Transit Planning process.

In August 2013, the City began a Transit Demonstration Service program to extend service hours and add Saturday service for both fixed-route and Dial-A-Ride services. The goal of the project was to demonstrate the existence of sufficient public demand for transit services in the early morning and evening hours of the weekday, as well as on Saturdays. During the demonstration, service hours were 5 a.m. to 8 p.m. Monday through Friday and 8 a.m. to 5 p.m. on Saturday. The three-year project was funded with Congestion Mitigation and Air Quality (CMAQ funds) as well as a local match of 11.47 percent. Project performance was assessed utilizing guidelines provided by the Ventura County

Transportation Commission. As the program struggled, service hours were adjusted in the second year of the project in an effort to enhance the likelihood of program success. Following a ridership decrease in the third year—and falling well short of the farebox recovery goal of 20 percent in the third year, the City opted to discontinue the project and adjust service hours.

The City works to be aware of development that may require transportation. This is made easier given the City's planning and zoning department is adjacent to the Public Works office. It was determined that fixed-route service would not be required for upscale residential neighborhoods on the north side of the city. A proposed senior living community north of city hall would be a target for transit service. A bus stop was added to Moorpark Marketplace, a commercial/retail development. However, little marketing was conducted in coordination with this new stop.

The City exceeds federal and state requirements for serving individuals with disabilities. All vehicles are handicapped-accessible, and Dial-A-Ride service blankets the city. Seniors, persons with disabilities, and children five and under ride fixed-route buses fare-free.

Public outreach is conducted in a variety of ways, including an onboard survey in early 2016 as part of the transit route evaluation study. During VCTC's Unmet Transit Needs process, the Moorpark city council conducts its own discussion of the City's transit service, where members of the public can attend to voice any comments or concerns. In December 2016, City staff attended a community meeting at Villa Del Arroyo Mobile Home Park, where approximately 50 people attended to discuss the City's transit service. The City is also interested in hosting one of VCTC's Unmet Transit Needs hearings and promoting the event to its bus and Dial-A-Ride patrons.

Personnel Management and Training

To operate its transit service, the City contracts with the City of Thousand Oaks, which contracts with MV Transportation to provide vehicle operators. Drivers are recruited via multiple methodologies, including online job boards, attendance at job fairs, and coordination with local unemployment offices.

Approximately 40 percent of recruits possess driver certification; 60 percent require training. Initial training and re-training is conducted via an AvatarFleet-based tool. All training meets federal and state requirements. MV's Thousand Oaks division has received several internal safety awards.

Operator turnover rate is approximately 12 percent. Turnover has been impacted recently by the contractor's culture shift toward increased accountability. Performance is monitored via cameras and secret ridechecks.

Drivers receive bonuses for safety, gift cards, and food events to help motivate them and enhance job satisfaction. All positive rider comments are passed on to drivers.

Administration

Public Works staff are responsible for budgeting based on prior-year expenses as well as anticipated costs. Funding requests are submitted as part of the City's budgeting process each fiscal year. The Finance Department and City Manager review requests with the Public Works staff, which are then submitted to the Moorpark city council for review and discussion.

Budget expectations are regularly compared with actual revenue and expenses. In the event of excess expenses, the City Manager can approve internal budget line item transfers. Expenses exceeding the program's overall budget must be approved by city council.

The City is currently transitioning to a new data processing software program, a process with some growing pains. The City expects these growing pains to end soon.

Procurement processes for goods and construction are codified by city ordinance. Procurements for professional services are more discretionary in nature depending on if the funding source is federal or local; federally funded procurements are subject to additional restrictions and guidelines. The City requests quotes for some items or services (such as bus inspections), and price is considered as a factor. Civil engineering projects are procured on a Request for Qualifications basis, meaning a qualified firm is selected first and then price is negotiated.

Under the City's system, compliance with grant requirements is primarily the responsibility of each grant applicant.

Contract management is primarily the responsibility of the Program Manager. Small-value contracts can be signed by the City Manager without city council approval. The City uses a mix of in-house and contracted services for facilities management. The City's risk management personnel are consulted for proposed agreements to ensure proper insurance.

The City is a member of California Joint Powers Insurance Authority. The City also has a disaster preparedness and response plan.

Employees submit timesheets every two weeks. Payroll checks are signed by two different employees. Payroll is facilitated via electronic and paper methodologies. The City is switching to a new finance software program that will conduct electronic payroll activities exclusively.

Scheduling, Dispatch, and Operations

Drivers bid for their work assignments, with assignments based on seniority. Drivers are required to drive all vehicles (not just Class C vehicles), but some legacy drivers can drive only Class C vehicles.

Most drivers are full-time; approximately 10 percent are part-time. Full-time drivers are eligible for paid holidays, vacation, sick leave, health insurance, and life insurance. Part-time drivers also accrue vacation and sick leave. MV employs four standby drivers.

Registered Dial-A-Ride users can schedule rides within Moorpark at least two hours prior to needing the ride. They can also schedule travel to other cities at least one day in advance. Riders traveling with wheelchairs are asked to call at least one day in advance for all trips. Trips are scheduled via Trapeze software, which accommodates recurring/subscription trips.

Cash vaults are pulled from vehicles on Tuesday and Thursday and brought to the finance department at city hall. Public Works staff empties the fareboxes into fare collection bags and submits the fares to the City's Finance Department. The Finance Department counts the money and reports the total for each route to Public Works each day. Only MV management (supervisors or higher) have access to the key to

remove the vaults. No one at MV has access to the vaults themselves. Cash is collected by a security firm and taken to the bank, which reconciles deposits with the City. The City's Finance Department is responsible for investing excess cash within regulations.

Marketing and Public Information

Marketing activities include a standard Ride Guide distributed at public facilities, advertisements in the City's quarterly newsletter which is distributed to all residents, and a Solid Waste insert regarding Beach Bus information. Schedules and other service information are posted on public display boards, the City's website, Government Channel 10, and bus stop infoposts. The City also mailed letters regarding its transit route study; despite sending a thousand mailers, fewer than 20 responses were received.

In December 2016, the City conducted a presentation at a Homeowners Association meeting for a mobile home community. This activity, which was attended by dozens of people, was considered successful and the City would like to conduct similar activities. Outreach to schools and large employers is periodically attempted, but no concerted effort has taken place.

Telephone customer service is handled by the City of Thousand Oaks. Complaints receive prompt response, and the Program Manager completes incident reports that are sent to MV Transportation for action or on a "For Your Information" basis. No routine summary of comments/complaints/calls is conducted. The City is considering an electronic notification/comment system on its website.

Comments received indicate the public has a generally positive perception of the service. Despite a ridership decrease, public feedback makes it difficult to pinpoint a reason. Schedule changes made in response to requests made little impact on ridership.

Maintenance

The City of Thousand Oaks provides maintenance for Moorpark City Transit vehicles. Moorpark buses are fueled and maintained at the City of Thousand Oaks Municipal Services Center. Moorpark buses have their own CNG fueling meter so that fuel is allocated accurately.

The City of Thousand Oaks adheres to the required preventive maintenance program, though they sometimes reach the mileage threshold before the time threshold. Maintenance is scheduled via FASTER Fleet Management System. The system undergoes annual upgrades and is well supported by the manufacturer. Since non-transit maintenance is done out of the same facility, the FASTER program also helps to tie specific work to a specific work order or cost code, ensuring transit costs and hours can be reported appropriately. The system is capable of running a wide variety of customized reports, and a preventive maintenance list is run at the beginning of each month. The City is able to identify vehicles under warranty if repairs are necessary. Some major pairs are outsourced, such as transmission rebuilds or electronic control issues. The City follows guidelines for ramp and wheelchair lift inspections – when one is down that is mandatory for pulling a vehicle out of service. The City does not allow deferred maintenance.

Parts inventories are sufficient to minimize vehicle downtime. There is a defined timeframe between a request to order parts and receipt of the parts. The City of Thousand Oaks has established an email account for fleet parts so that maintenance can be notified when parts have shipped or been delivered.

The parts warehouse is secured. All parts are barcoded and inventoried annually. There is very little loss.

The current maintenance facility does not have enough bays and lifts. It features one heavy lift and two portable lifts. An outdoor area is available to service additional vehicles, depending on the weather. The City of Thousand Oaks is planning to install a canopy over this outdoor area and purchase another portable lift, which will provide three more covered maintenance bays. This is expected to result in sufficient space. Otherwise, the facility is suited to all aspects of maintenance that are performed there.

Exhibit 5.3 City of Moorpark Transit Fleet

Make	Year	Passengers	WC Capacity
El Dorado	2005	25	2
El Dorado	2005	27	2
El Dorado	2010	27	3
El Dorado	2010	27	3
El Dorado	2010	27	3
El Dorado	2015	27	3
El Dorado	2015	27	3

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Chapter 6
Findings and Recommendations

Conclusions

With one exception, we find the City of Moorpark to be in compliance with the requirements of the Transportation Development Act. Recommendations intended to improve the efficiency and effectiveness of the operator are detailed below.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two preliminary compliance findings.

1. The City did not submit its FY 2013/14 and FY 2015/16 State Controller Reports within the stipulated 110-day timeframe.

The audit team has also identified one functional finding. While this finding is not a compliance finding, we feel it is significant enough to be addressed within this audit.

1. The City should be reporting its demand-response service to the State Controller using the separate Specialized Services form.

Program Recommendations

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

The Ventura County Transportation Commission requested the City be included in its 2017 Triennial Performance Audit process to enable a comprehensive and objective review to provide beneficial insights into program performance and to establish a baseline for future audits. As such, the same tests of compliance will be applied to the City as if it received TDA Article 4 funds.

Compliance Finding 1: The City did not submit its FY 2013/14 and FY 2015/16 State Controller Reports within the stipulated 110-day timeframe.

Criteria: Public Utilities Code Section 99243 requires transit operators in receipt of TDA Article 4 funds to submit annual reports to the State Controller within 90 days following the end of the fiscal year (110 days if filing electronically).

Condition: The submittal dates for the FY 2014/15 and FY 2015/16 reports were outside the timeframe specified by the State Controller's Office. The submittal date for FY 2014/15 was November 18, 2015, when the deadline for submittal was October 19, 2015. The submittal date for FY 2015/16 was December 30, 2016, when the deadline for submittal was October 18, 2016.

Cause: Several challenges can result in reports being submitted late, including difficulties with the State's FTP system, the unavailability of final data, and lack of awareness regarding submittal deadlines.

Effect: This can result in the City being out of compliance with the TDA.

Recommendation: Work with City staff responsible for preparing State Controller Reports to ensure submittal deadlines are met.

Recommended Action(s): All City staff responsible for preparing the State Controller Report for transit should be made aware of the specific deadline for each year (typically included in the annual letter from the State Controller).

Timeline: Beginning with FY 2016/17 reporting in early FY 2017/18.

Anticipated Cost: Negligible.

Functional Finding 1: The City should be reporting its demand-response service to the State Controller using the separate Specialized Services form.

Criteria: Given the City's Dial-A-Ride program is an eligibility-based service for seniors and persons with disabilities, it should be reported in a separate Specialized Services report.

Condition: The City currently reports its Dial-A-Ride program as the demand-response mode on the City's primary State Controller Report.

Cause: The City's Dial-A-Ride program is an eligibility-based program serving only seniors and persons with disabilities. As such, it should be reported separately via a Specialized Services report.

Effect: The instructions for preparing these reports state the following regarding the reporting of multiple modes.

> *Report all non-financial information requested on this form. Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service. Indicate, in the boxes provided, the source of Transportation Development Act (TDA) revenue received by the agency [Articles 4, 4.5 8(c) and 4 (99260.7)], and the type of service provided by the transit operator (General Public Use or Specialized Service for the elderly and/or handicapped).*
>
> *If claiming more than one article, claimants may still file a single report. However, a separate report must be filed for each type of service provided: General Public Use Service or Specialized Service exclusive for elderly and/or handicapped. For example, if an agency has received Article 4 and Article 8(c) monies to provide General Public Use Service, the agency should submit one report. If that agency has also received Article 4*

monies to provide Specialized Service for the elderly and/or handicapped, then a report must be submitted for the Specialized Service operations.[3]

Recommendation: File a separate Specialized Services report with the State Controller for the City's Dial-A-Ride program.

Recommended Action(s): Unless instructed otherwise by the State Controller's Office, the City should file a separate Specialized Services Report for its Dial-A-Ride program, thereby segregating all operating costs as well as performance data and calculating farebox recovery ratio for that mode separately.

Timeline: Beginning with FY 2016/17 reporting in early FY 2017/18.

Anticipated Cost: Negligible.

Exhibit 6.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with City staff responsible for preparing State Controller Reports to ensure submittal deadlines are met.	High	FY 2017/18
Functional Recommendations		**Importance**	**Timeline**
1	File a separate Specialized Services report with the State Controller for the City's Dial-A-Ride program.	Medium	FY 2017/18

[3] Transit Operators Financial Transaction Report Instructions, California State Controller, page 8.

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