

Draft Audit Report  
May 2017

# **Ventura County Transportation Commission TDA Triennial Performance Audit County of Ventura**

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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. This audit covers the County of Ventura in its role as transit operator of the Kanan Shuttle. This is the first such audit of the County, as the Kanan Shuttle launched in FY 2014. Triennial Performance Audits of other programs funded by the County but operated by another entity, including Valley Express and the City of Ojai, are prepared separately.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Valley Express, 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 whom it allocates funds.

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

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

The Kanan Shuttle, sponsored by the County of Ventura, began in August 2013 as a demonstration project. The service operates primarily along Kanan Road in Oak Park, from Roadside Drive to Lindero Canyon. The Kanan Shuttle began as a Monday through Friday operation; Saturday service was implemented in 2015. Hours of operation are 6:40 a.m. to 6:20 p.m. Monday through Friday, and from 8:10 a.m. to 6:20 p.m. on Saturday.

The primary goal of the Kanan Shuttle is to reduce traffic congestion on Kanan Road. Forty percent of students attending the Oak Park Unified School District live out of district. The shuttle provides an alternative for parents who would drive their students to school. Shuttle ridership is lower in summer but it is still heavily utilized. Service levels are reduced during summer. The Kanan Shuttle is offered fare-free.

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

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sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates 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 four elements:

- Compliance requirements,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

We conclude the County of Ventura complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner.

### Status of Prior Recommendations

Given this is the first audit of the County of Ventura, there are no prior recommendations.

### Findings and Recommendations

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

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 State Controller Report submitted by the County does not include any operating data, nor is it segregated by program or mode.

In completing this Triennial Performance Audit, we submit the following recommendations for the County of Ventura'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

| Functional Recommendations |                                                                                            | Importance | Timeline   |
|----------------------------|--------------------------------------------------------------------------------------------|------------|------------|
| 1                          | Consider reporting the Kanan Shuttle completely separately from the City of Thousand Oaks. | Low        | FY 2017/18 |

## Chapter 2

# Review Scope and Methodology

The Triennial Performance Audit (TPA) of the County of Ventura's public transit program covers the three-year period ending June 30, 2015. 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 team followed a competitive procurement process.

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

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#### Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the County of Ventura included four tasks:

1. A review of compliance with TDA requirements and regulations.
2. 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.
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 County of Ventura included thorough review of documents relevant to the scope of the audit, as well as information contained on the County'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;
- National Transit Database reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

The methodology for this review included a site visit to Ventura County Government Center at 800 S. Victoria Ave. Ventura on March 8, 2017. The audit team met with Treena Gonzalez (Transit Specialist) and David Fleisch (Transportation Department Director), and reviewed materials germane to this performance audit.

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With respect to the Kanan Shuttle and ECTA, the audit team conducted a site visit of the City of Thousand Oaks Municipal Service Center and Transportation Center, which houses contractor dispatching and operations personnel, on March 6, 2017. During the Thousand Oaks site visit, the audit team met with Mike Houser (Transit Manager), Priscilla Freduah-Agyemang (Transit Assistant), Larry McKinney (Fleet and Facilities Supervisor), and Tom Conlin (MV Transportation).

With respect to Valley Express, the audit team visited the Ventura County Transportation Commission headquarters located at 950 County Square Drive, Ventura, on March 15, 2017. The audit team met with Aaron Bonfilio (Program Manager – Transit Services) and Martin Erickson (Public Transit Director). The audit team also conducted a contractor site visit at MV Transportation’s Santa Paula yard located at 918 Mission Rock Road in Santa Paula on March 17, 2017.

With respect to the City of Ojai, the audit team conducted a site visit to the City of Ojai Public Works Yard located at 408 S. Signal Street in Ojai on March 9, 2017. The audit team met with Austin Novstrup (Transit Operations Supervisor) and toured the City’s Corporate Yard.

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 County of Ventura'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.

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

The County of Ventura met the test of compliance with respect to Transportation Development Act (TDA) regulations.

### Recent Changes Regarding Compliance

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 to be used as local support in the calculation of the farebox recovery ratio.

This is particularly significant for the City of Ojai, which had used TDA contributions from the County to supplement its farebox revenue as "local support." Absent this funding source, the City's farebox recovery ratio does not meet the minimum 20 percent threshold. The impact of this change is discussed in more detail in the City of Ojai's Triennial Performance Audit.

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 conducting 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 taxes 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.*

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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.

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| Compliance Element                                                                                                                                                                                                                                                                                               | Reference                     | Compliance             | Comments                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| State Controller Reports submitted on time.                                                                                                                                                                                                                                                                      | PUC 99243                     | In compliance          | FY 2014: October 17, 2014<br>FY 2015: October 18, 2015<br>FY 2016: October 17, 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 19, 2014<br>FY 2015: December 11, 2015<br>FY 2016: December 15, 2016                                                                                                                                                                                                                                                                        |
| Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.                                                                                                                                                                                                                   | PUC 99251 B                   | In compliance          | Kanan Shuttle and<br>Oak Park Dial-A-Ride:<br>December 12, 2012<br>February 12, 2014<br>February 5, 2015<br>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: 11.13%<br>FY 2015: -2.12%<br>FY 2016: 0.52%<br><br><i>Per TDA claims documentation</i>                                                                                                                                                                                                                                                               |
| The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.                                                                                                                                                                                                  | PUC 99247                     | In compliance          |                                                                                                                                                                                                                                                                                                                                                               |
| If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).                                                                                                                                                                 | PUC 99268.2, 99268.4, 99268.1 | In compliance (exempt) | Kanan Shuttle:<br>FY 2014: 0.0%<br>FY 2015: 21.4%<br>FY 2016: 20.5%<br><i>Per GCTD TDA Article 4 County of Ventura annual audits; exempt due to Extension of Service</i><br><br>Oak Park Dial-A-Ride:<br>FY 2014: 6.1%<br>FY 2015: 5.7%<br>FY 2016: 5.7%<br><i>Per GCTD TDA Article 4 County of Ventura annual audits; exempt due to Extension of Service</i> |

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| Compliance Element                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Reference                     | Compliance    | Comments                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).                                                                                                                                                                                                                                                                                                                                              | PUC 99268.2, 99268.4, 99268.5 | In compliance | Valley Express:<br>FY 2015: 8.5%<br>FY 2016: 6.5%<br><br><i>Per GCTD TDA Article 4<br/>County of Ventura annual<br/>audits; exempt through FY<br/>2017 due to Extension of<br/>Service</i> |
| 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 | County employees eligible for VCERA.                                                                                                                                                       |
| 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 County does not receive STA funds.                                                                                                                                                     |
| A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries. | CCR 6634                      | In compliance |                                                                                                                                                                                            |

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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<sup>1</sup>. 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:

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<sup>1</sup> 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.

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- 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.<sup>2</sup> 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 Kanan Shuttle, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via internal ridership reports. Operating Cost from the reports was compared against the County's audited financial reports and was determined to be

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

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 internal ridership reports. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via monthly performance reports for each fiscal year covered by this audit. The County calculates VSH using schedule hours reconciled with driver trip sheets. The County's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via monthly performance reports for each fiscal year covered by this audit. The County 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 internal ridership reports for each fiscal year covered by this audit. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data specific to individual operations was not provided. Full-Time Equivalent (FTE) methodology was provided by the County of Ventura as well as individual operators and is consistent with the TDA definition.

Only performance data for the Kanan Shuttle is reviewed in this section. Given the elimination of the Oak Park Dial-A-Ride, that service was not analyzed with respect to performance.

Composite operating data for the East County Transit Alliance (ECTA) program was not provided. As such, system performance was not assessed<sup>3</sup>. Performance data for the City of Ojai, Thousand Oaks Dial-A-Ride, and Valley Express are presented in their respective reports.

#### System Performance Trends

Performance trends for the Kanan Shuttle 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.

Operating cost saw the most dramatic changes. Between the first and second year, the County stopped operating the feeder vans, which resulted in a decrease of more than 25 percent. Similar decreases were observed for VSH and VSM. All metrics rebounded 15-17 percent between FY 2014/15 and FY 2015/16. However, several performance indicators showed modestly reduced productivity in FY 2015/16.

While the service is free, supplementary fare revenue was provided for FY 2014/15 and FY 2015/16. This brought the service into compliance with the farebox recovery ratio, though as a new service the Kanan Shuttle is exempt through the end of FY 2015/16.

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<sup>3</sup> A recommendation that performance data for ECTA be aggregated so that it can undergo a Triennial Performance Audit in the next cycle is included in VCTC's audit of the RTPA.

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Exhibit 4.1 System Performance Indicators

| Performance Measure                         | System-Wide  |              |              |
|---------------------------------------------|--------------|--------------|--------------|
|                                             | FY 2013/14   | FY 2014/15   | FY 2015/16   |
| <b>Operating Cost (Actual \$)</b>           | \$443,319    | \$330,422    | \$382,595    |
| <i>Annual Change</i>                        |              | -25.5%       | 15.8%        |
| <b>Fare Revenue (Actual \$)</b>             | \$0          | \$70,001     | \$79,298     |
| <i>Annual Change</i>                        |              | 100.0%       | 13.3%        |
| <b>Vehicle Service Hours (VSH)</b>          | 6,182        | 4,182        | 4,912        |
| <i>Annual Change</i>                        |              | -32.4%       | 17.5%        |
| <b>Vehicle Service Miles (VSM)</b>          | 89,803       | 59,278       | 69,357       |
| <i>Annual Change</i>                        |              | -34.0%       | 17.0%        |
| <b>Passengers</b>                           | 70,818       | 63,919       | 73,207       |
| <i>Annual Change</i>                        |              | -9.7%        | 14.5%        |
| <b>Employees</b>                            | Not reported | Not reported | Not reported |
| <i>Annual Change</i>                        |              |              |              |
| <b>Performance Indicators</b>               |              |              |              |
| <b>Operating Cost/VSH (Actual \$)</b>       | \$71.71      | \$79.01      | \$77.89      |
| <i>Annual Change</i>                        |              | 10.2%        | -1.4%        |
| <b>Operating Cost/Passenger (Actual \$)</b> | \$6.26       | \$5.17       | \$5.23       |
| <i>Annual Change</i>                        |              | -17.4%       | 1.1%         |
| <b>Passengers/VSH</b>                       | 11.46        | 15.28        | 14.90        |
| <i>Annual Change</i>                        |              | 33.4%        | -2.5%        |
| <b>Passengers/VSM</b>                       | 0.79         | 1.08         | 1.06         |
| <i>Annual Change</i>                        |              | 36.7%        | -2.1%        |
| <b>Farebox Recovery</b>                     | 0.0%         | 21.2%        | 20.7%        |
| <i>Annual Change</i>                        |              |              | -2.2%        |
| <b>Hours/Employee</b>                       |              |              |              |
| <i>Annual Change</i>                        |              |              |              |
| <b>TDA Non-Required Indicators</b>          |              |              |              |
| <b>Operating Cost/VSM</b>                   | \$4.94       | \$5.57       | \$5.52       |
| <i>Annual Change</i>                        |              | 12.9%        | -1.0%        |
| <b>VSM/VSH</b>                              | 14.53        | 14.17        | 14.12        |
| <i>Annual Change</i>                        |              | -2.4%        | -0.4%        |
| <b>Fare/Passenger</b>                       | \$0.00       | \$1.10       | \$1.08       |
| <i>Annual Change</i>                        |              |              | -1.1%        |

Source: Ridership reports, monthly performance data, and annual fiscal audits.

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Exhibit 4.2 System Ridership

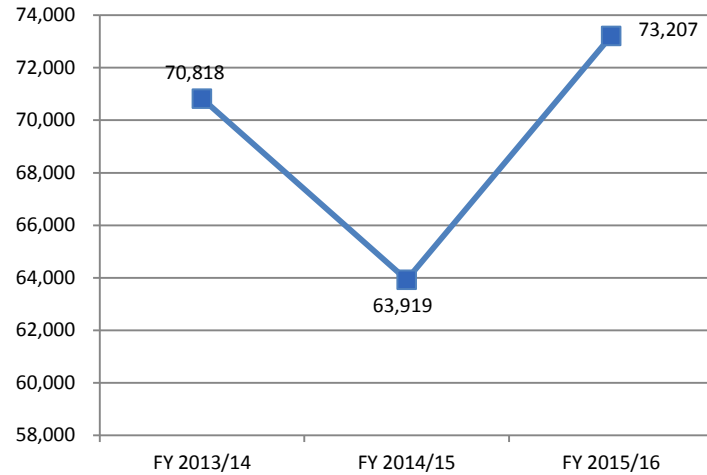


Exhibit 4.3 System Operating Cost/VSH

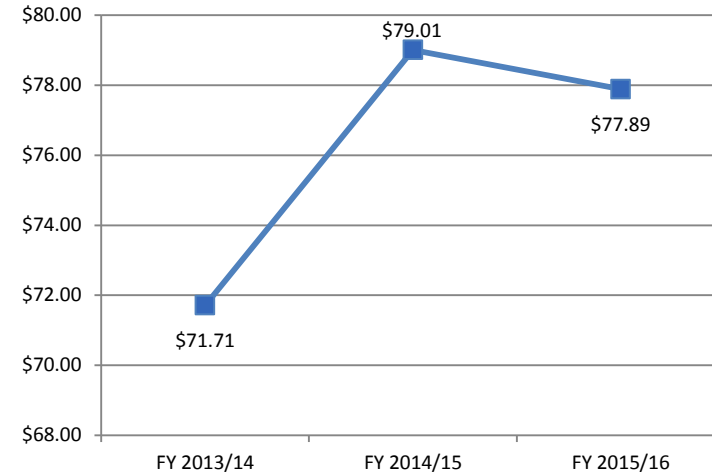


Exhibit 4.4 System Operating Cost/VSM

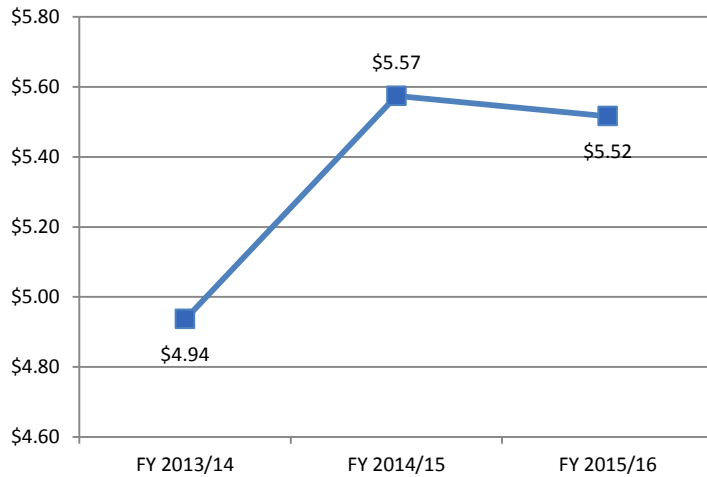
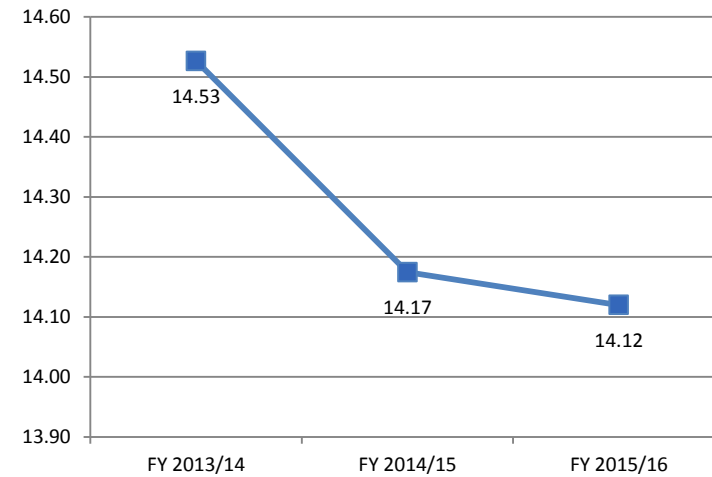


Exhibit 4.5 System VSM/VSH



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Exhibit 4.6 System Operating Cost/Passenger

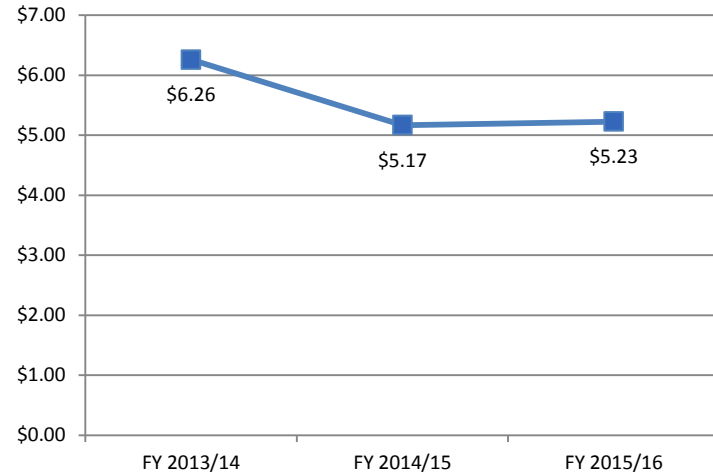


Exhibit 4.7 System Passengers/VSH

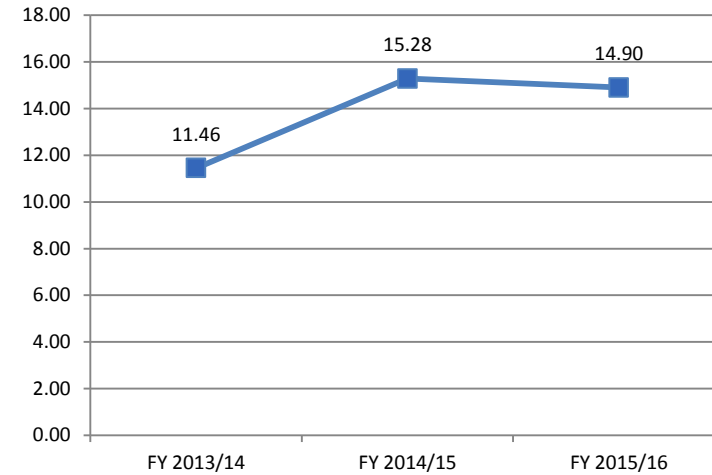


Exhibit 4.8 System Passengers/VSM

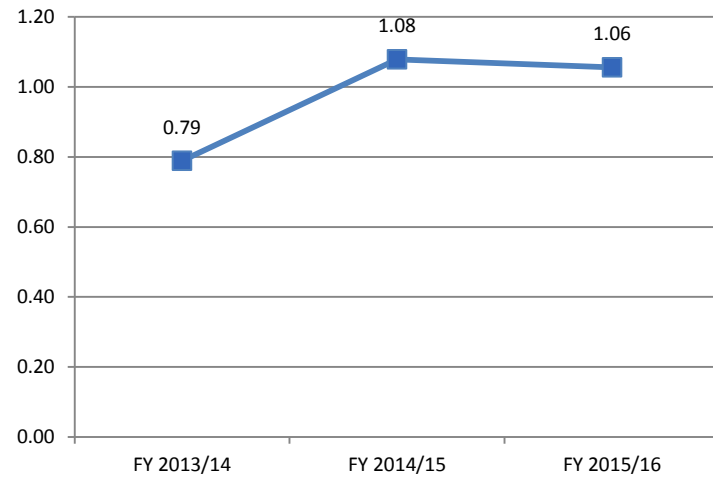
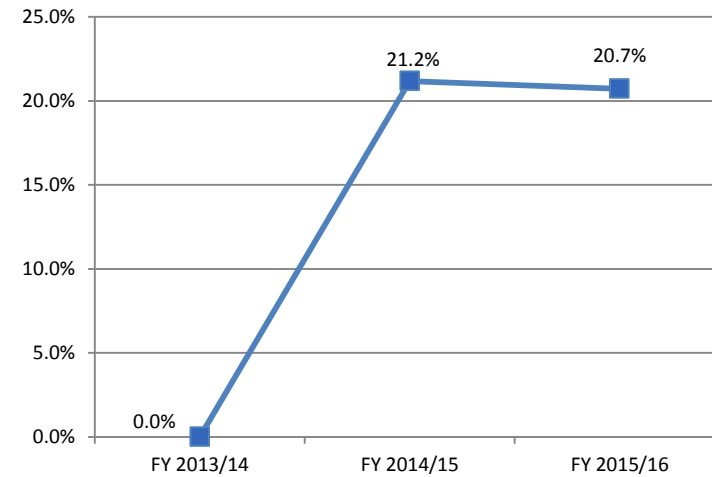


Exhibit 4.9 System Farebox Recovery



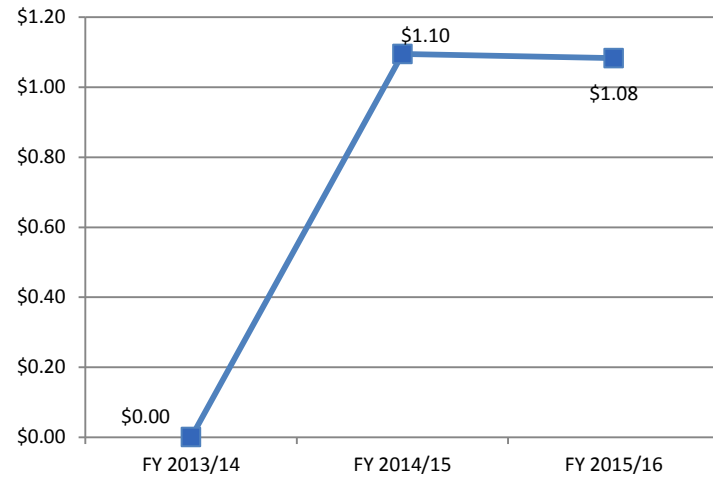
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Exhibit 4.10 System Fare/Passenger



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## Chapter 5

# Functional Review

A functional review of the County of Ventura's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the County'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 County of Ventura 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 Kanan Shuttle, sponsored by the County of Shuttle, began in August 2013 as a demonstration project. The service operates primarily along Kanan Road in Oak Park, from Roadside Drive to Lindero Canyon. The Kanan Shuttle began as a Monday through Friday operation; Saturday service was implemented in 2015. Hours of operation are 6:40 a.m. to 6:20 p.m. Monday through Friday, and from 8:10 a.m. to 6:20 p.m. on Saturday. The Kanan Shuttle is offered fare-free.

In June 2016, the County discontinued general-public Dial-A-Ride service in Oak Park. Seven days-per-week DAR service is still offered for seniors age 65 and older and persons with disabilities in Oak Park.

Prior to FY 2014/15, the Kanan Shuttle and Oak Park Dial-A-Ride were operated by the City of Agoura Hills. At that time, the Kanan Shuttle also included van service that fed into the main fixed-route line. This was discontinued after the first year. In October 2014, the County began contracting with the City of Thousand Oaks as the operator of the Kanan Shuttle and Oak Park Dial-A-Ride.



Additionally, the County provides inter-city transit service through the East County Transit Alliance (ECTA). ECTA CONNECT Dial-A-Ride services are also provided 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

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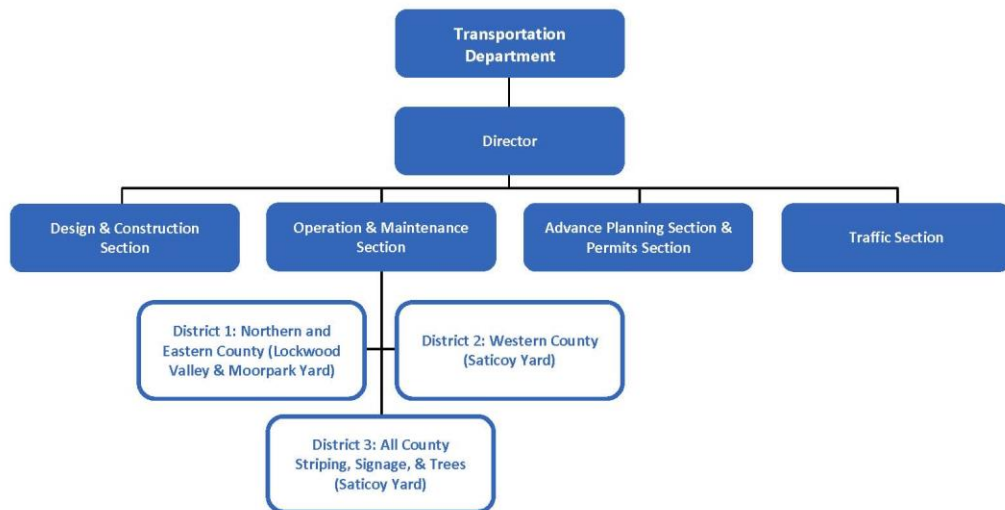
County of Ventura. Service is available to Camarillo, Simi Valley, Thousand Oaks, and unincorporated portions of eastern Ventura County. Connections can also be made through ECTA to other transportation providers such as Gold Coast Transit's ACCESS and Los Angeles County's Access Services.

The County also funds other transit operations throughout the county, including the City of Ojai (via Gold Coast Transit District), and Valley Express. Separate Triennial Performance Audits were prepared for these operators. ECTA was not the subject of a stand-alone Triennial Performance Audit during this cycle, but should be during the next TPA cycle.

#### General Management and Organization

The County of Ventura's Transportation Department is a component of the Public Works Department. The department includes just one full-time transit employee, a Transit Specialist. The Transportation Department director is a member of VCTC's Heritage Valley Technical Advisory Committee and the county's East County Transit Alliance (ECTA). The Transit Specialist is a member of VCTC's Transcom, the ECTA TAC, Gold Coast Transit Technical Advisory Committee, and the Coastal Express Policy Advisory Committee.

Exhibit 5.1 Organizational Chart



Source: County of Ventura.

The Kanan Shuttle is currently the only County-funded transit program operated solely by the County. All others are operated in conjunction with other jurisdictions. The primary goal of the Kanan Shuttle is to reduce traffic congestion on Kanan Road. Forty percent of students attending the Oak Park Unified School District live out of district. The shuttle provides an alternative for parents who would otherwise drive their students to school. Shuttle ridership is lower in summer but it is still heavily utilized. Service levels are reduced during summer.

Although shuttle riders can transfer to Metro Route 161 at the Thousand Oaks Boulevard or Roadside Drive bus stops, connectivity to other transit services is limited. The shuttle has no connection with Thousand Oaks. Connectivity to services in Agoura Hills is difficult because it is in Los Angeles County.

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#### Service Planning

An onboard survey of Kanan Shuttle riders was conducted in 2014. The most recent survey conducted was onboard Oak Park Dial-A-Ride, asking what would happen if the DAR service went away. The majority of Oak Park Dial-A-Ride customers qualified for other demand-response and fixed-route services. There was only one complaint registered following cancellation of Oak Park Dial-A-Ride, which is at least partially attributable to education efforts regarding service changes.



The Ventura County Board of Supervisors may establish a Municipal Advisory Council (MAC) to advise the board; there is an active MAC in Oak Park. Supervisors may also request one Board of Supervisors meeting per year in their district, and a recent meeting held in Oak Park focused on the Kanan Shuttle. The County Public Works department also utilizes social media to publicize feedback opportunities.

#### Scheduling, Dispatch, and Operations

The County contracts with the City of Thousand Oaks, which utilizes a contract with MV Transportation to provide vehicle operators and maintenance of leased vehicles. 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 possess full-time status; 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 does not employ on-call drivers, but it does employ four standby drivers.

#### Personnel Management and Training

Employee recruitment is conducted via multiple methodologies, including online job boards, attendance at job fairs, and coordination with local unemployment offices.

Approximately 60 percent of recruits are experienced; 40 percent require training. Training, both initial 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.

MV's 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 onboard DriveCam cameras, which enables real-time remote performance monitoring, as well as.

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

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#### Administration

The County's transit budget includes allocation coordination with Gold Coast Transit District. The County receives a monthly TDA check from GCTD and is also invoiced by operators. The County maintains different trust funds for different services, capital, and administration, which can all be tracked utilizing a shared-drive system. The County zeroed out capital funds with GCTD in 2014 and put remaining money in a road fund.

The County does not have any grants for transit, only for bicycle and pedestrian plans.

The Transit Specialist is responsible for contract management. Performance is monitored via quarterly performance data, invoices, and monthly meetings.

The Thousand Oaks operations contract for the Kanan Shuttle is in effect until 2019, and the Heritage Valley contract is in place through 2020. There is currently no operations contract in place regarding the Ojai Shuttle as the City of Ojai operates its transit program in-house. The ECTA fiscal agreement auto renews each year until cancelled.

The County's internal auditor/controller reviews all bills before payment. The auditor provides VCTC with calculated anticipated TDA fund allocations.

#### Marketing and Public Information

The County has utilized numerous marketing and outreach efforts to educate the public about the existence of the Kanan Shuttle and the evolving demand-response options in the area. Service information is now posted online via the Thousand Oaks Transit website. The County also utilizes a robust social media presence to get its message to the community.

#### Maintenance

The City of Thousand Oaks contracts with MV Transportation to maintain vehicles for the Kanan Shuttle, ECTA, and the City of Agoura Hills. The City maintains at least one spare vehicle per service it operates (Thousand Oaks fixed-route, Thousand Oaks DAR, Kanan Shuttle, Moorpark, etc.) at the Thousand Oaks Transportation Center for ease of access.

Drivers complete a Daily Vehicle Inspection Report (DVIR), which identifies any unsafe conditions. MV has standing orders to identify any issues with the vehicles as part of pre- and post-trip inspections. Maintenance will notify dispatch regarding any vehicle deemed unsafe. Vehicles undergoing maintenance will be tagged so they are not used.



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Exhibit 5.2 provides details on the County's transit fleet. All vehicles are ADA-compliant.

Exhibit 5.2 County of Ventura Transit Fleet

| Make      | Model   | Year | Passengers | Fuel Type | Quantity |
|-----------|---------|------|------------|-----------|----------|
| Starcraft | Allstar | 2014 | 20         | CNG       | 4        |
| Starcraft | Xpress  | 2012 | 8          | Gasoline  | 2        |

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## Chapter 6

# Findings and Recommendations

### Conclusions

We find the County of Ventura to be in compliance with the requirements of the Transportation Development Act. Recommendations intended to improve the effectiveness of the operator are detailed below.

Based on discussions with County staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

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

1. The State Controller Report submitted by the County does not include any operating data, nor is it segregated by program or mode.

### Program Recommendations

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

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

### Functional Finding 1: The State Controller Report submitted by the County does not include any operating data, nor is it segregated by program or mode.

**Criteria:** PUC 99243 requires operators to submit annual reports to the State Controller which specify 1) the amount of revenues to be generated from each source and its application for the prior fiscal year, and 2) the data necessary to determine which section the operator is required to be in compliance with in order to be eligible for TDA funds.

**Condition:** While the County submits a State Controller Report that meets the criteria specified above, it does not currently report operating data for any of the operations it funds, including Kanan Shuttle. At the direction of the State Controller (per a conversation with Susan Tsushima on September 12, 2012), operating data is reported by the cities that operate these services (i.e., Thousand Oaks and, at the time, Agoura Hills). As such, data reported to the State Controller cannot be tied to a specific service. Financial data appears to include that for both the Kanan Shuttle and the Oak Park Dial-A-Ride.

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**Cause:** Because the County tends to be a partner in the transit services it funds, it is reasonable for those operations to be reported on the partner entity's State Controller Report.

**Effect:** When operations such as the Kanan Shuttle, which is funded solely by the County, are reported in part by the contracted operator (i.e., City of Thousand Oaks), there is no clear picture of annual performance.

**Recommendation:** Consider reporting the Kanan Shuttle completely separately from the City of Thousand Oaks.

**Recommended Action(s):** In light of the cancellation of the Oak Park Dial-A-Ride, the County should consider reporting the Kanan Shuttle completely separately from the City of Thousand Oaks. By reporting the Kanan Shuttle completely separately from the City of Thousand Oaks, it can be readily evaluated as a stand-alone program, even though it continues to be operated by the City of Thousand Oaks. The County may wish to contact the State Controller to determine why the initial instruction to include operating data on the contracting city's own report was given, and whether any reason exists to continue to do so.

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

**Anticipated Cost:** Negligible.

Exhibit 6.1 Summary of Audit Recommendations

| Functional Recommendations |                                                                                            | Importance | Timeline   |
|----------------------------|--------------------------------------------------------------------------------------------|------------|------------|
| 1                          | Consider reporting the Kanan Shuttle completely separately from the City of Thousand Oaks. | Low        | FY 2017/18 |