



FINAL REPORT
FEBRUARY 2018

Madera County Transportation Commission

TDA Triennial Performance Audit FY 2015-FY 2017



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Chapter 1

Executive Summary

The Triennial Performance Audit of the Madera County Transportation Commission (MCTC) covers a three-year period ending June 30, 2017. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2017, the Madera County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the three transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit of MCTC for the period defined as:

- Fiscal Year 2014/15,
- Fiscal Year 2015/16, and
- Fiscal Year 2016/17.

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

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

The Triennial Performance Audit includes five elements:

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

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Test of Compliance

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

1. MCTC does not conduct an annual “needs assessment” of the transit-dependent population.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2015 by PMC for the three fiscal years ending June 30, 2014 – included the following recommendations:

1. Consider commissioning triennial performance audits of all public transit operators that receive TDA allocations.
Status: Implemented.
2. Evaluate and strengthen role in monitoring transit performance.
Status: Implemented
3. Analyze the potential for designating a consolidated transportation services agency for efficiencies.
Status: Not implemented.
4. Enhance the TDA application form to include a standard assurances list for transit fund claims.
Status: Implemented.
5. Ensure annual TDA fiscal and compliance audits are submitted on time.
Status: Implementation in progress.
6. Develop resource documentation for TDA application and claim procedures, and fund allocation.
Status: Implemented.
7. Conduct assessment of the transit-dependent population and current transit services pursuant to PUC 99401.5(b).
Status: Partially implemented.

Goal Setting and Strategic Planning

The primary planning document is the Regional Transportation Plan-Sustainable Communities Strategies (RTP-SCS). The RTP-SCS is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The plan, which was completed in 2014 and is scheduled to be updated in 2018, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land-use, transportation strategies, and transportation investments that will help Madera County meet regional greenhouse gas reduction targets. Other key planning activities include the annual development of the Overall Work Program and preparation of a Short Range Transit Development Plan every five years.

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Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. MCTC does not conduct an annual needs assessment of the transit-dependent population.

We also identified three additional functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this review.

1. MCTC did not implement one recommendation from the prior audit, which remains relevant.
2. MCTC does not proactively monitor transit operator productivity and improvement.
3. MCTC should strengthen its leadership role as the RTPA by providing additional training or support opportunities for operators.

In completing this Triennial Performance Audit, we submit the following recommendations for the Madera County Transportation Commission as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	Develop standardized demographic presentations (maps, charts, etc.) that can be updated annually via US Census Bureau and California Department of Finance data and included within the Unmet Transit Needs summary of findings.	High	FY 2018/19
Functional Recommendations		Importance	Timeline
1	Analyze the potential for designating a Consolidated Transportation Services Agency for potential efficiencies.	Medium	FY 2018/19
2	Enforce the requirement that transit operators submit semi-annual performance reports.	High	FY 2018/19
3	Re-evaluate administrative funding requirements.	Medium	FY 2018/19
4	Identify industry experts for presentations/training regarding areas of interest to Madera County transit operators.	Medium	FY 2018/19

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Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit of the Madera County Transportation Commission (MCTC) covers a three-year period ending June 30, 2017. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2017, the Madera County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the three transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of MCTC as the designated RTPA for Madera County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to whom it allocates funds.

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

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

Objectives

The Triennial Performance Audit has four primary objectives:

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

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Scope

The Triennial Performance Audit is intended to be a high-level review of performance evaluating the efficiency and effectiveness of the RTPA. The review of MCTC included five related tasks:

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

Methodology

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

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas; and
- TDA and transit funding allocations to operators.

The methodology for this review also included interviews on January 19, 2018, with Troy McNeil (Fiscal Supervisor), Amelia Davies (Associate Regional Planner), and Patricia Taylor (Executive Director) at the MCTC's offices located at 2001 Howard Road, Suite 201, in Madera.

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

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. Scope and Methodology: Discussion of the review methodology and pertinent background information.
3. Audit Results: In-depth discussion of findings surrounding each of the subsequent elements of the review:
 - Compliance with statutory and regulatory requirements,
 - Progress in implementing prior recommendations,
 - Goal setting and strategic planning,
 - Functional review, and
 - Findings and recommendations.

Chapter 3

Program Compliance

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

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

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

1. MCTC does not conduct an annual "needs assessment" of the transit-dependent population.

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Exhibit 3.1 Transportation Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	Public Unmet Transit Needs hearings: April 22, 2015 April 20, 2016 April 19, 2017
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> A committee for the purpose of providing advice on productivity improvements may be formed. The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	In compliance	MCTC holds quarterly transit meetings and includes the preparation of a Productivity Improvement Plan as part of its TDA claims process (at MCTC's discretion for Article 8 claimants).
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	In compliance*	All operator fiscal audits were completed within the allowable 90-day extension. City of Chowchilla: FY 2015: March 11, 2016 FY 2016: March 15, 2017 FY 2017: Pending City of Madera: FY 2015: March 16, 2016 FY 2016: March 13, 2017 FY 2017: Pending County of Madera: FY 2015: March 10, 2016 FY 2016: March 13, 2017 FY 2017: Pending

*At the time this audit was completed, FY 2017 TDA fiscal audits for all transit operators were pending, but still within the allowable 90-day extension deadline.

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Compliance Element	Reference	Compliance	Comments
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2015: January 7, 2016 FY 2016: January 11, 2017 FY 2017: January 16, 2018
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	In compliance	FY 2015: October 19, 2015 FY 2016: January 31, 2017** FY 2017: January 26, 2018**
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operators audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	FY 2012 – FY 2014: PMC; FY 2015 – FY 2017: Moore & Associates, Inc.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	Submitted in March 2015.
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	Madera County transit operators claim LTF under Article 8, and are therefore no performance audit is required. The performance audits of operators conducted for this triennial period are in compliance with the requirements of PUC 99246(d).
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	In compliance	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	Not applicable	There are currently no Article 4.5 claimants in Madera County.

***Beginning with FY 2016, the due date for State Controller Reports for RTPAs was extended to seven months after the end of the fiscal year. Amended through Government Code Section 53891(a).*

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Compliance Element	Reference	Compliance	Comments
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	Not in compliance	<p>MCTC conducts its annual unmet transit needs process and hearing in consultation with the SSTAC.</p> <p>Evidence of published advertisement of the hearings in each jurisdiction is provided within an annual summary report.</p> <p>MCTC does not conduct an annual assessment of the transit-dependent population.</p> <p>LTF funds are only allocated to streets and roads after the unmet needs process is completed.</p>

Chapter 4

Prior Recommendations

This section reviews and evaluates the implementation of the prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is to provide assurance the Madera County Transportation Commission has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior review – completed in 2015 by PMC for the three fiscal years ending June 30, 2014 – prescribed seven recommendations.

1. Consider commissioning triennial performance audits of all public transit operators that receive TDA allocations.

Discussion: As Article 8 claimants under TDA, Madera County’s transit operators are not subject to a triennial performance audit. In addition, MCTC has certified to that effect to Caltrans that the TDA statute does not require performance audits of Article 8 transit claimants. Nevertheless, a triennial performance audit would provide an increased measure of transparency as well as evaluate each claimant’s effectiveness and efficiency in its use of TDA funds to provide public transportation. It was recommended MCTC consider commissioning triennial performance audits of all public transit operators that receive TDA funds as a measure of local policy and good industry practice attesting to the value of a third party evaluation.

Progress: MCTC commissioned triennial performance audits of all operators receiving TDA allocations as part of the current audit cycle.

Status: Implemented.

2. Evaluate and strengthen role in monitoring transit performance.

Discussion: One of the fiduciary responsibilities of RTPAs under the TDA statute is to ensure that claimants receiving TDA funds are operating in a cost-effective and efficient manner. Pursuant to PUC Section 99244, RTPAs are to annually identify, analyze, and recommend potential productivity improvements that could result in lower operating costs. In addition, prior to determining the allocation of TDA funds to an operator for the next fiscal year, the RTPA would review and evaluate the efforts made by the operator to implement recommended improvements. While MCTC staff members do attend Madera Transit Advisory Board (TAB) meetings where transit performance data are reviewed quarterly, it would be more appropriate for MCTC take a leading role in facilitating the discussion of regional transit needs and performance trends. A productivity committee as referenced in TDA statute could include members from the Social Services Transportation Advisory Council (SSTAC), Madera TAB, and representatives from the transit operators.

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Progress: In 2015, MCTC began conducting quarterly transit meetings. While they were originally introduced in conjunction with the update of the Coordinated Public Transit Human Services Transportation Plan and Short Range Transit Development Plan, they have continued past the completion of these plans. In addition, MCTC has incorporated a Productivity Improvement Program in its TDA claims process, which requires monitoring of progress toward meeting recommended improvements for Article 4 claimants. Productivity monitoring of Article 8 claimants is at MCTC's discretion.

Status: Implemented.

3. Analyze the potential for designating a consolidated transportation services agency for efficiencies.

Discussion: There is currently no designated consolidated transportation services agency (CTSA) in Madera County and there are currently no Article 4.5 claimants. At the time of the prior audit, MCTC had yet to adopt criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services. CTSA's are designated by RTPAs under auspices of the Social Services Transportation Improvement Act to achieve the intended transportation coordination goals of that act. The purpose of the act is to improve the quality of transportation services to low-mobility groups while achieving cost savings, reduced insurance premiums, and more efficient use of vehicles and funding resources. Designation of a CTSA in Madera County could be a flexible mechanism to deal with the issue of duplicative social service transportation programs due to increases in the number of social service programs offered by government agencies and private nonprofit organizations to meet their clients' mobility needs. It is suggested that MCTC analyze the potential for designating a CTSA, such as the Community Action Partnership of Madera County, for increased efficiencies and to serve as a basis for its Human Services-Public Transit Coordinated Transportation Plan update.

Progress: MCTC updated its Coordinated Public Transit Human Services Transportation Plan in 2015. However, it has not yet addressed this recommendation.

Status: Not implemented.

4. Enhance the TDA application form to include a standard assurances list for transit fund claims.

Discussion: This recommendation was carried over from the previous performance audit, which noted that the MCTC TDA claims application form did not include a list of standard assurances on which a claimant would certify that all conformance requirements are satisfied in order to receive both LTF and STA funds. The prior audit also included a sample standard assurances list that would be included as part of the forms submitted by the transit claimants.

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Progress: MCTC now includes a list of standard assurances as Form F of its TDA Guidebook, which was finalized in 2017.

Status: Implemented.

5. Ensure annual TDA fiscal and compliance audits are submitted on time.

Discussion: This recommendation was carried over from the previous performance audit. At the time of the prior audit, FY 2012 and FY 2013 audits for the cities of Chowchilla and Madera were submitted after the 90-day extension, and the FY 2014 audits were still pending completion. For the County of Madera, the FY 2012 audit was submitted after the 90-day extension and the FY 2013 and FY 2014 audits were still pending completion. MCTC acknowledges that the submittal of the audits is still an ongoing issue. Pursuant to PUC Section 99245, TDA claimants are required to submit annual fiscal and compliance audits to MCTC and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension to MCTC as allowed by law. It was recommended MCTC's fiscal supervisor continue to work closely with the claimants and the fiscal auditor as part of enhanced oversight procedures to ensure that the annual TDA fiscal audits are submitted within the statutory timeframe.

Progress: In FY 2015 and FY 2016, MCTC and all claimants completed their TDA fiscal audits within the allowed 90-day extension. (This audit was completed prior to the end of the 90-day extension period for FY 2017, so audits for all entities were still pending.)

Status: Implemented.

6. Develop resource document for TDA application and claim procedures, and fund allocation.

Discussion: This recommendation is carried over from the previous performance audit, which pertained to the development of a TDA guidelines manual which would serve as a resource document for TDA application and claim procedures and funding allocations. The manual would provide further clarity as to the linkage between MCTC policies directing TDA, the TDA administrative activities that are conducted by MCTC, and the funding allocations to the local jurisdictions for eligible programs such as bike and pedestrian projects, public transit, and streets and roads.

Progress: MCTC developed a TDA Guidebook, which was finalized in 2017. The document includes an overview of the TDA and TDA claims, as well as information specific to MCTC's TDA claims process. The Guidebook includes a glossary and claim forms, including standard assurances as suggesting in Recommendation 4 above.

Status: Implemented.

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7. Conduct assessment of the transit dependent population and current transit services pursuant to PUC 99401.5(b).

Discussion: This recommendation was partially implemented and was carried over from the previous performance audit. Pursuant to PUC 99401.5(b), the prior auditor recommended MCTC conduct an annual needs assessment of the transit-dependent population and current transit services as an integrated piece of the unmet transit needs process in consultation with the SSTAC that would serve as a useful tool in evaluating transit demand. This statutory requirement would involve MCTC documenting in its annual “unmet transit needs” findings an analysis of transit dependency and service levels in Madera County. The methods employed could include data from the US Census Bureau and the California Department of Finance. The recommendation also noted the SRTDP update could also provide a baseline of data which MCTC could utilize to identify transit-dependent populations and assess current transit service levels.

Progress: MCTC prepared a comprehensive summary of its unmet transit needs process for each fiscal year included in the audit period. However, the summaries do not include any demographic information or other information that could be used to evaluate transit demand and/or concentrations of historic transit-dependent populations.

MCTC completed its Short Range Transit Development Plan for Madera County in 2017. The Plan includes several maps of transit-dependent populations (seniors, persons living below the poverty level, and households with zero vehicles), but does not offer any type of assessment with respect to the needs of those populations or how well transit addresses those needs. In addition, it does not include youth as a transit-dependent population.

Status: Partially implemented.

Chapter 5

Goal Setting and Strategic Planning

This chapter analyzes the Madera County Transportation Commission's goal setting and strategic planning process. The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The Plan, which was completed in 2014 and is scheduled to be updated in 2018, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Madera County meet regional greenhouse gas reduction targets.

At the core of the 2014 RTP are eight goals:

1. To promote intermodal transportation systems that are fully accessible, encourage quality growth and development, support the region's environmental resource management strategies, and are responsive to the needs of current and future travelers.
2. To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to foster economic competitiveness of the Madera region.
3. To enhance transportation system coordination, efficiency, and intermodal connectivity to keep people and goods moving and meet regional transportation goals.
4. To maintain the efficiency, safety, and security of the region's transportation system.
5. To improve the quality of the natural and human-built environment through regional cooperation of transportation systems planning activities.
6. To maximize funding to maintain and improve the transportation network.
7. To identify reliable transportation choices that support a diverse population.
8. To protect the environment and health of our residents by improving air quality and encouraging active transportation (non-motorized transportation, such as bicycling and walking).

MCTC's RTP-SCS includes the following vision:

A sound multimodal transportation system facilitating a vibrant economy, enhancing the physical and cultural environment, and ensuring a high quality of life for citizens of Madera County.

According to its FY 2017/18 Overall Work Program, MCTC's role is to foster intergovernmental coordination; undertake comprehensive regional planning with an emphasis on transportation issues; provide a forum for citizen input into the planning process; and to provide technical services to its member agencies. In all these activities MCTC works to develop a consensus among its members with regards to multi-jurisdictional transportation issues.

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MCTC's annual Overall Work Program focuses on addressing State and Federal planning emphasis areas through a series of work elements. Each work element features clearly defined objectives, planned activities, and performance monitoring measures.

MCTC also prepares a Short Range Transit Development Plan for Madera County transit operators. The SRTDP, which covers a five-year planning horizon, identifies county-wide goals and objectives, sets mode-specific performance standards, assesses recent transit system performance, makes recommendations based on a needs analysis, provides a financial plan, and identifies marketing strategies. The SRTDP is the primary planning document for Madera County transit operators.

The SRTDP sets forth five goals for transit programs county-wide. Each goal is supported by multiple objectives.

Goal 1: Provide safe, reliable, high quality, and economical public transportation.

Objectives:

1. Provide safe transit.
2. Provide reliable transit.
3. Provide service when and where it is needed.
4. Operate transit efficiently and economically.
5. Coordinate transit services with other regional transit operations.
6. Increase the level of public information about transit services.

Goal 2: Operate an efficient and effective system that maximizes service and minimizes cost impacts.

Objectives:

1. Provide productive transit service.
2. Maximize operating and capital costs.
3. Minimize overhead costs.
4. Maximize farebox recovery.
5. Take advantage of available external funds to support local transit.

Goal 3: Evaluate, monitor, and improve transit systems on an ongoing basis.

Objectives:

1. Implement a sound data collection process.
2. Undertake onboard ridership surveys on a regular basis.
3. Develop up-to-date management information.
4. Undertake regular monitoring of system data and management information.
5. Undertake ongoing performance evaluation.
6. Initiate service improvements as warranted.

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Goal 4: Undertake effective marketing, outreach, and public participation.

Objectives:

1. Implement proactive marketing, outreach, and public participation strategies.
2. Coordinate with other regional transit systems, social service agencies, and other interested parties to ensure wide dissemination of transit information.
3. Present information directly to existing and potential riders through public presentations and participation at special community events.

Goal 5: Coordinate transit system development with community planning and development efforts and land use policy.

Objectives:

1. Encourage new facilities that may have public transit impacts to locate in current service areas, with pedestrian access from current stops.
2. Coordinate with appropriate jurisdictions to accommodate public transit, including provision for bus turnouts and other passenger amenities.
3. Encourage the reduction in vehicle trips by public transit usage. Trip reduction can have noticeable reductions in overall particulate matter and greenhouse gas emissions.

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Chapter 6 Functional Review

A functional review of the Madera County Transportation Commission determines the extent and efficiency of the following functional activities:

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

Administration and Management

Madera County Transportation Commission (MCTC) is a state-designated regional transportation planning agency and federally recognized metropolitan planning organization created to address regional transportation issues. Its member agencies include the County of Madera, City of Madera, and City of Chowchilla.

MCTC's role as the RTPA is to foster intergovernmental coordination, undertake comprehensive regional planning with an emphasis on transportation issues, provide a forum for citizen input into the planning process, and provide technical services to its member agencies. MCTC is also responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF).

The MCTC Board of Directors is comprised of three members from the Madera County Board of Supervisors, one member from the City of Chowchilla city council, and two members from the City of Madera city council. The Board meets monthly on the third Wednesday at 3:00 pm.

MCTC Board members participate in, or receive guidance from, the following committees:

Policy Advisory Committee

The Policy Advisory Committee (PAC) reviews transportation plans and programs prior to action by the commission. The PAC is comprised of the full MCTC Board plus one member representing the Caltrans District 6 Director. The PAC meets on an as-needed basis.

Technical Advisory Committee

The Technical Advisory Committee (TAC) review staff work with respect to the Overall Work Program, advises the Board on transportation issues, and makes recommendations regarding planning and programming actions. The TAC is comprised of representatives from the County of Madera, City of Madera, City of Chowchilla, Caltrans District 6, and tribal governments. Representatives from the North Fork Rancheria of Mono Indians of California and the Picayune Rancheria of Chukchansi Indians of California, as well as representatives of other local tribes, are also invited to attend. The TAC meets monthly on the second Monday at 1:30 pm.

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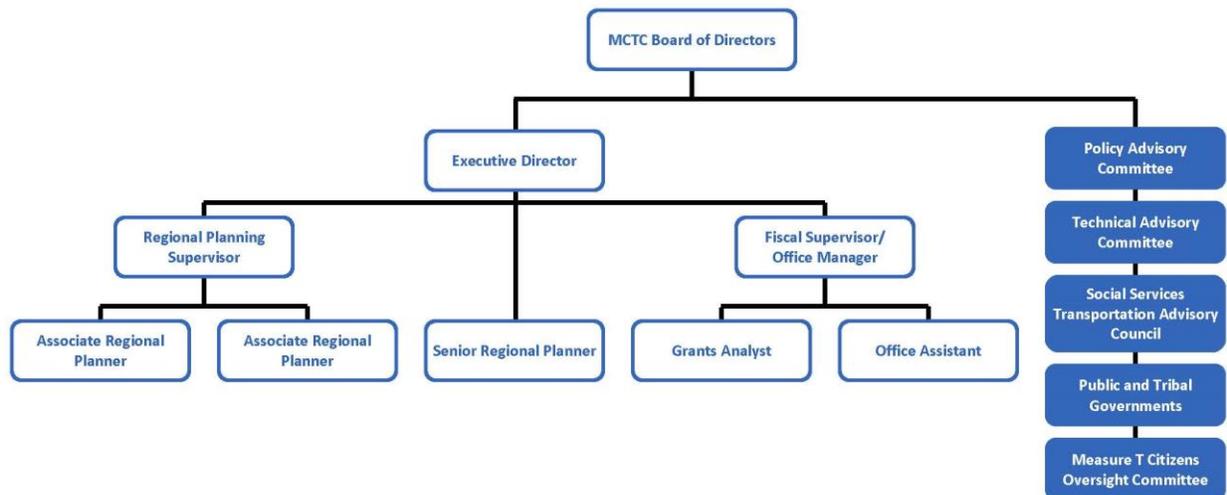
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Social Services Transportation Advisory Council

The Social Services Transportation Advisory Council (SSTAC) addresses the needs of the transit-dependent, including the elderly, disabled, and low-income individuals. The SSTAC is comprised of citizens and meets two to three times annually, with the first meeting taking place in March prior to the annual unmet transit needs hearing and the second following the unmet transit needs hearing. The SSTAC works with staff to develop recommendations regarding unmet transit needs.

Reporting directly to the MCTC board is the Executive Director, who oversees a staff of seven. An organizational chart is presented as Exhibit 6.1.

Exhibit 6.1 Organizational Chart (FY 2017/18)



The current level of staffing is sufficient, especially given the current budget. MCTC encourages staff to pursue professional development opportunities. The turnover rate is fairly low. MCTC staff are not represented and all are full-time employees. All full-time staff are eligible for the agency's benefits package.

MCTC serves as the Regional Transportation Planning Agency (RTPA), Metropolitan Planning Organization (MPO), and Local Transportation Commission (LTC) for Madera County. As the RTPA, MCTC is responsible for adopting a regional transportation plan and a regional transportation improvement program. As the federally designated Metropolitan Planning Organization (MPO), MCTC receives state and federal transportation funds for regional activities detailed in its Overall Work Program (OWP).

MCTC is also a party to a number of cooperative agreements with State, local, and regional agencies as part of its commitment to a continuing, cooperative, and comprehensive transportation planning program. These agreements include:

- Caltrans and Madera County Transportation Commission MOU (comprehensive transportation planning);

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- San Joaquin Valley Transportation Planning Agencies, Caltrans, and the San Joaquin Valley Air Pollution Control District MOU (cooperative agreement between agencies located within non-attainment boundaries);
- Madera County Transportation Commission and Member Agency Working Agreements;
- CalVans Joint Powers Agreement (California Vanpool Authority);
- San Joaquin Valley 511 MOU (traveler information); and
- San Joaquin Joint Powers Authority MOU (San Joaquin Rail Service).

Budget Process and Internal Controls

MCTC's annual budget is detailed in its Overall Work Program (OWP), which details specific work activities for the upcoming fiscal year. The OWP addresses MCTC's state and federal planning requirements as well as local planning priorities.

The fiscal supervisor regularly reviews monthly reports and bank statements against project progress. MCTC uses Quickbooks for accounting. TDA claims are processed in a timely manner.

Claimant Relationships and Oversight

As the designated RTPA and a trusted source of transportation-related knowledge (as well as the conduit through which funding passes), MCTC staff interacts with its claimants on a regular basis. Monthly TAC meetings offer information on a broad range of topics, while quarterly transit meetings provide an additional opportunity for interactions specific to transit.

Traditionally, MCTC has been primarily involved in transit specific to funding and grant administration, rather than operations. There has been some interest on behalf of the transit operators in receiving more operational support from the RTPA. MCTC should consider potentially increasing its administrative budget to offer more local training opportunities.

Transit Operator Productivity Monitoring

Historically, MCTC has only received operator performance data as part of a specific planning process (such as the SRTDP). However, the recently developed TDA Guidebook includes a Productivity Improvement Plan (Form C), which requires operators to provide information regarding progress made toward implementing performance audit recommendations.

In addition, per the TDA Guidebook (page 8), operators are to submit to MCTC a semi-annual transit operators report, inclusive of performance data and performance measures. MCTC has been lax about collecting this data outside of a specific planning process.

Transportation Planning and Regional Coordination

Each year, MCTC prepares its Overall Work Program (OWP), which documents past accomplishments, identifies scheduled work for the program year, and provides detailed budget information. The OWP represents a comprehensive record of the agency's activities, major projects, and significant milestones.

During the audit period, MCTC adopted a number of updated regional planning documents, including:

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- Regional Transportation Plan and Sustainable Communities Strategy, 2014;
- Coordinated Public Transit Human Services Transportation Plan, 2015; and
- Federal Transportation Improvement Program, 2017.

In addition, MCTC's Regional Transportation Improvement Plan was approved at the beginning of FY 2017/18.

Transit Planning

MCTC prepares a Short Range Transit Development Plan for Madera County transit operators. The SRTDP, which covers a five-year planning horizon, identifies county-wide goals and objectives, sets mode-specific performance standards, assesses recent transit system performance, makes recommendations based on a needs analysis, provides a financial plan, and identifies marketing strategies. The SRTDP is the primary planning document for Madera County transit operators.

Marketing and Transportation Alternatives

Each year, MCTC conducts an annual unmet transit needs hearing, per PUC Section 99401.5 which requires all unmet transit needs determined to be reasonable to meet be met before LTF funds can be used for streets and roads. These meetings are typically held in April, with a comprehensive report issued in May. Historically there have been very few requests which are determined to be "reasonable to meet" in Madera County.

In 2016, MCTC conducted an onboard survey in partnership with the City of Madera, City of Chowchilla, and the County of Madera (Madera County Connection). The survey provided customer feedback regarding overall satisfaction, rider behavior patterns, and desired service improvements. This data was incorporated into the SRTDP.

In 2016, MCTC also updated its Public Participation Plan to ensure compliance with the FAST Act. MCTC also serves on the City of Madera's Transit Advisory Board (TAB), which routinely addresses public feedback.

MCTC's website (www.maderactc.org) provides an online presence for the RTPA. It features a library of planning documents as well as information about transportation planning and funding, CMAQ, Measure T, the unmet transit needs process, and Title VI. Current and archived (2013-2017) Board agendas and meeting minutes are available as well, with some information back to 2003.

MCTC has a presence on social media (Facebook and Twitter), though this is only indicated on its website via the Contact Us page (which contains a Facebook link; Twitter is not mentioned). The static footer invites site visitors to sign up for MCTC's mailing list regarding RFPs, meetings, and general information.

MCTC's primary activities regarding transportation alternatives include participation in MOUs and working groups designed to promote alternatives to the single-occupant vehicle. These include the San Joaquin Valley 511 traveler information system, CalVans, San Joaquin Valley Rail Committee, Central Valley Rail Working Group. In addition, MCTC created a countywide transportation guide containing transit information (including YARTS) as well as information about CalVans, Amtrak, local taxi companies, and Google Transit.

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Grant Applications and Management

During this audit period, MCTC developed its TDA Guidebook in response to a recommendation arising from the prior audit. The purpose of the document is to provide an overview of the TDA funding and claims processes and explain statutory provisions, policies, procedures, and administrative instructions in an effort to increase understanding and expedite the administrative process. The Guidebook is intended to supplement the TDA Statutes and California Codes of Regulations published by Caltrans.

In conjunction with the development of the TDA Guidebook, MCTC also added standard assurances to its TDA claims process. This also arose from a prior audit recommendation. The claim forms also include a Productivity Improvement Progress Report (Form C), which tracks progress with respect to prior TDA audit recommendations. Given this is the first year the county's transit operators have been audited, operators should be required to complete this form as a part of subsequent TDA claims. MCTC will become more proactive with respect to holding operators accountable for productivity improvements beginning with FY 2018/19 claims.

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Chapter 7

Findings and Recommendations

Conclusions

With one exception, we find the Madera County Transportation Commission, functioning as the RTPA, to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. The compliance finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

Findings and Recommendations

Based on the current review, we submit the following TDA compliance finding:

1. MCTC does not conduct an annual “needs assessment” of the transit-dependent population.

We also identified three additional functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this review.

4. MCTC did not implement one recommendation from the prior audit, which remains relevant.
5. MCTC does not effectively monitor transit operator productivity and improvement.
6. MCTC should strengthen its role as the RTPA by providing additional training or support opportunities for operators.

In completing this Triennial Performance Audit, we submit the following findings and recommendations for the Madera County Transportation Commission. They have been divided into two categories: TDA Program Compliance Findings and Recommendations and Functional Findings and Recommendations. TDA Program Compliance Findings and Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Findings and Recommendations address issues identified during the TPA that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: MCTC does not conduct an annual needs assessment of the transit-dependent population.

Criteria: PUC 99401.5(b) requires RTPAs to conduct “an annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged.”

Condition: This recommendation was included in the prior audit. Some of the requested information was incorporated into the Short Range Transit Development Plan (which is updated every five years), but it is not included in the annual unmet transit needs report.

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Cause: Traditionally, the unmet transit needs process has relied on public comment and guidance from the SSTAC's citizen members to identify unmet transit needs.

Effect: MCTC and the SSTAC cannot make well-rounded decisions if there is information to which they do not have access. When updated demographic data is not integrated into the unmet transit needs process, it is possible that some transit-disadvantaged populations with valid transit needs are overlooked because they could not or would not speak up.

Recommendation: Develop standardized demographic presentations (maps, charts, etc.) that can be updated annually via US Census Bureau and California Department of Finance data and included within the Unmet Transit Needs summary of findings.

Recommended Action(s): Standardized maps and charts should be prepared and used as templates for integration into the unmet transit needs process. MCTC staff and SSTAC members who are working on the unmet transit needs findings will then have access to this information and will be able to determine if there are needs that have yet to be identified, based on population changes over time. These maps and charts can be easily updated each year using current data.

Timeline: Prior to the April 2018 unmet transit needs process.

Anticipated Cost: Negligible.

Functional Finding 1: MCTC did not implement one recommendation from the prior audit, which remains relevant.

Criteria: PUC 99275.5 requires the RTPA to adopt criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services. Given there are no current Article 4.5 claimants, MCTC does not have such criteria, rules, and regulations.

This is presented as a functional finding given MCTC does not have any current Article 4.5 claimants.

Condition: The prior audit recommended MCTC analyze the potential for designating a consolidated transportation services agency (CTSA) in an effort to improve the quality of transportation services to low mobility groups, achieve cost savings, potentially lower insurance premiums, and more efficiently use county resources. MCTC did not implement this recommendation, and the current audit team determined it to still be relevant.

Cause: Given there are no Article 4.5 claimants, conducting such an analysis was not a high-priority activity for MCTC.

Effect: There was no progress toward implementing the prior audit recommendation, nor was it determined to be no longer relevant.

Recommendation: Analyze the potential for designating a Consolidated Transportation Services Agency for potential efficiencies.

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Recommended Action(s): MCTC should evaluate the impact and potential for cost and other efficiencies the designation of a CTSA would have in Madera County. As part of this assessment, MCTC should develop criteria, rules, and regulations for the evaluation of claims filed under Article 4.5.

Timeline: Completed prior to the end of FY 2019/20.

Anticipated Cost: Negligible.

Functional Finding 2: MCTC does not effectively monitor transit operator productivity and improvement.

Criteria: PUC Section 99244 requires each RPTA to annually identify, analyze, and recommend potential productivity improvements which could lower the operating costs of its transit operators. These recommendations must include, but are not limited to, recommendations related to productivity made in the performance audit.

This is presented as a functional finding given MCTC has already incorporated the Productivity Improvement Plan into its TDA claims process, thereby meeting the minimum requirements of PUC Section 99244. It is included as a finding so that MCTC can enhance its monitoring of Madera County transit operators.

Condition: In its 2017 TDA Guidebook, Section 8.3 indicates that a semi-annual transit operators' report is required of MCTC's TDA claimants. This report, as described in the Guidebook, includes data such as revenue vehicle miles, days of service, revenue vehicle hours, ridership, fare revenue, and operating cost, as well as performance measures calculated from that data. MCTC has not been enforcing this type of reporting, instead only collecting performance data as part of specific planning efforts.

Cause: The primary cause of this finding is MCTC's failure to enforce its own policy with respect to operator reporting.

Effect: As a result, MCTC does not have current baseline data regarding operator performance, and absent performance audit recommendations, cannot assess operator productivity.

Recommendation: Enforce the requirement that transit operators submit semi-annual performance reports.

Recommended Action(s): Even though future TDA claims will include Form C, which requires operators to update MCTC as to their progress regarding productivity-related audit recommendations, it is important for MCTC to receive and review regular performance data. This will enable the RPTA to monitor each operator's progress toward improving productivity as well as raise awareness of operators that may not be on track to meet particular milestones (such as farebox recovery) before the end of the fiscal year while there is still an opportunity to take corrective action.

Timeline: Beginning FY 2018/19.

Anticipated Cost: Negligible.

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Functional Finding 3: MCTC should strengthen its role as the RTPA by providing additional training or support opportunities for operators.

Criteria: While not specifically identified in the TDA legislation, which charges the RTPA with responsibilities regarding the allocation of funds and monitoring of productivity, it is common throughout California for RTPAs to provide support and training opportunities for the transit operators to which they allocates TDA funding.

Condition: Historically, MCTC has not provided beyond basic support for its operators from a mentoring perspective. Instead, it may refer the operator to a transit consultant, which is an unplanned expense for the operator depending upon the level of support needed.

Cause: Operational issues may go unaddressed because the RTPA is unable to help (either due to funding or lack of specific knowledge) and/or the operator cannot afford to purchase the services of a consultant.

Effect: What may be a relatively simple solution to a reporting or operational issue may go unresolved, perpetuating errors or non-compliance.

Recommendation: Re-evaluate administrative funding requirements.

Recommended Action(s): In order for MCTC to provide a higher level of support for operators, it should re-evaluate the administrative funding it is claiming. This would provide MCTC with additional resources to support the transit operators with training or educational opportunities, or could fund some consultant support for claimants.

Timeline: In conjunction with the FY 2018/19 TDA claim.

Anticipated Cost: Negligible.

Recommendation: Identify industry experts for presentations/training regarding areas of interest to Madera County transit operators.

Recommended Action(s): As part of its effort to provide additional support and education/training for its claimants, MCTC should identify opportunities to provide outside experts in areas of interest to itself and the operators. For example, one option might be to invite a consultant with experience specific to CTSA formation, governance, and operation to a quarterly transit meeting. This would allow the operators to learn about CTSA's while also contributing to MCTC's exploration of CTSA's as discussed in Functional Finding 1.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

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Exhibit 7.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	Develop standardized demographic presentations (maps, charts, etc.) that can be updated annually via US Census Bureau and California Department of Finance data and included within the Unmet Transit Needs summary of findings.	High	FY 2018/19
Functional Recommendations		Importance	Timeline
1	Analyze the potential for designating a Consolidated Transportation Services Agency for potential efficiencies.	Medium	By end of FY 2019/20
2	Enforce the requirement that transit operators submit semi-annual performance reports.	High	FY 2018/19
3	Re-evaluate administrative funding requirements.	Medium	Before FY 2018/19
4	Identify industry experts for presentations/training regarding areas of interest to Madera County transit operators.	Medium	FY 2018/19

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