



# Triennial Performance Audit for the Placer County Transportation Planning Agency

**FY 2015-16 to FY 2017-18**

***Final***

Prepared for the



**PLACER COUNTY  
TRANSPORTATION  
PLANNING AGENCY**







**TRIENNIAL PERFORMANCE AUDIT**  
of the  
**Placer County Transportation Planning Agency**  
for  
**Fiscal Years 2015-16 through 2017-18**

*Final*

Prepared for the

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California Public Utilities Code Section 99246 requires that Regional Transportation Planning Agencies (RTPAs) such as the Placer County Transportation Planning Agency (PCTPA) conduct Triennial Performance Audits (TPAs) of both their own activities and those of their associated transit operators. This performance audit of the PCTPA covers the three-year period from July 1, 2015 to June 30, 2018. The primary objective of a TPA is to provide the PCTPA with an independent and objective evaluation of its effectiveness, efficiency, and economy in its role as the RTPA for Placer County (excluding the Tahoe Basin). This audit was conducted in accordance with guidelines set forth in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* developed by Caltrans (September, 2008).

## BACKGROUND

While Placer County includes extensive rural areas, the southwestern portion of the county lies within the Sacramento Urbanized Area. As such, Placer County is faced with traffic congestion issues and urban-level transit needs, as well as the need to serve dispersed rural communities. The PCTPA is the designated RTPA for the western portion of Placer County (not including the Tahoe Basin). The PCTPA Board is composed of nine voting members: one member from each of the incorporated cities, two members of the Placer County Board of Supervisors and one member of the public. Among other transportation planning responsibilities, one of PCTPA's roles is to allocate TDA funding in accordance with state statutes.

## REVIEW OF COMPLIANCE REQUIREMENTS

PCTPA was found to be in compliance with all statutes referenced in the *Performance Audit Guidebook*.

## STATUS OF PRIOR AUDIT RECOMMENDATIONS

All recommendations from the prior audit were implemented except for one, which is considered partially complete. This recommendation pertains to strengthening the evaluation of transit operator trends. This recommendation is carried over as part of this audit.

## DETAILED REVIEW OF THE PCTPA FUNCTIONS

A large portion of a performance audit includes reviewing the various functions of the RTPA to determine if there are inefficiencies or particular areas for improvement. The functional review is conducted by reviewing various documents, such as the Regional Transportation Plan and Overall Work Programs, and conducting interviews with PCTPA staff.

During the audit period, PCTPA was effective in accomplishing its goals and objectives. PCTPA is appropriately staffed and experienced little staff turnover (including retirement) during the audit period. The Placer County RTP addresses all the required elements. PCTPA follows a comprehensive regional transportation planning process including the preparation and adoption of alternative transportation plans and programs, such as Short-Range Transit Plans and a Placer County Regional Bikeway Plan. PCTPA has set forth a clear process for allocating TDA funds to the transit operators in the region. PCTPA

has spearheaded coordinated marketing efforts for the Western/South Placer transit operators. During the audit period PCTPA successfully distributed recurring grant monies. No state or federal grant applications were denied in Placer County due to errors or omissions.

## FINDINGS

- ◆ PCTPA was found to be in compliance with all performance related statutes listed in Table 1.
- ◆ All recommendations from the prior audit were implemented or partially complete.
- ◆ The functional review revealed no significant inefficiencies in the way PCTPA performs its duties.
- ◆ PCTPA performs the unmet transit needs process in accordance with TDA requirements.
- ◆ PCTPA provides a good amount oversight and planning assistance for the four transit operators in the region without overstepping the bounds of the role of an RTPA.
- ◆ The Transit Operators Working Group (TOWG) continues to be an important forum for maintaining communication and coordination between the various Western Placer County operators, including WPCTSA.

## RECOMMENDATIONS

**Recommendation 1:** *Request that the transit operators provide additional performance metrics to PCTPA on an annual basis.*

The prior performance audit recommended collecting performance metrics beyond ridership data from the transit operators. Although PCTPA compiles a thorough quarterly ridership report for the transit operators, collecting additional performance metrics from the transit operators on an annual basis would provide PCTPA and the transit operators with an enhanced picture of transit performance. Operating subsidy per trip is an important performance indicator as it compares the public's cost of providing transit with the actual output. Passenger trips per hour is a relatively easy to calculate and shows how productive the services are. These performance indicators should be reported to PCTPA at the end of the fiscal year and at the systemwide level.

**Recommendation 2:** Monitor Auburn Transit's farebox ratio and work with the Fiscal and Compliance auditor to determine the operator's eligibility for LTF funds in FY 2018-19, if necessary.

Auburn Transit's farebox ratio was 8.26 percent in FY 2017-18. According to the Fiscal Audit, FY 2017-18 is the "grace year". TDA allows a transit operator one "grace year" if the required 10 percent farebox ratio for rural transit operators is not met. If Auburn Transit does not meet the required 10 percent the following year (FY 2018-19), Auburn Transit's eligibility for TDA funds should be reduced by the amount of the difference between the required fare revenues and the actual fare revenues for FY 2017-18. This "penalty" is assessed in the following year (FY 2019-20).



## **BACKGROUND**

This TPA has been prepared in compliance with the requirements of California PUC Section 99246, which requires that PCTPA cause a performance audit to be conducted of its activities every three years. The primary objective of this audit is to provide PCTPA with an independent and objective evaluation of its performance as it relates to responsibilities in its role as the RTPA for Placer County.

This audit evaluates the operations of PCTPA in terms of the efficiency, effectiveness, economy, and results of its programs. In addition, this audit includes a review of PCTPA's implementation of the recommendations that were contained in the previous Audit report, completed in 2014-15. This current audit covers the three-year period from FY 2015-16 through FY 2017-18. Finally, this audit includes a discussion of the various functions and duties of PCTPA, based on interviews with PCTPA staff.

## **PERFORMANCE AUDIT AND REPORT ORGANIZATION**

This Audit was prepared in the following steps:

- A review of pertinent documents, including the Regional Transportation Plan, transit plans, annual Overall Work Programs (OWPs), annual Fiscal and Compliance audits and State Controller's Reports, and PCTPA agendas, minutes, and supporting staff reports.
- On-site discussions with the PCTPA staff, including the Senior Transportation Planner.
- Review of prior TPA reports.
- Review of the requirements of the Public Utilities Code, Administrative Code, and other appropriate statutes, followed by an assessment of the PCTPA's compliance with the specified requirements.

## **RTPA DESCRIPTION**

The PCTPA was designated as the RTPA for Placer County (not including the portion of the county within the Tahoe Basin), created pursuant to Title 3, Division 3, Chapter 2, Article 11, Section 29532.1 of the State of California Government Code. PCTPA consists of one councilmember from each of Placer County's six incorporated jurisdictions (Lincoln, Auburn, Rocklin, Loomis, Roseville and Colfax), two members of the Placer County Board of Supervisors, and one member of the public appointed by the County Board of Supervisors. As the RTPA, PCTPA is responsible for allocating TDA funds to the transit operators within its jurisdiction. The PCTPA has a Memorandum of Understanding (MOU) with the Sacramento Council of Governments (SACOG), which coordinates federal transportation planning and programming between the two entities. The MOU with Caltrans enumerates PCTPA's transportation planning responsibilities in Placer County and coordination with Caltrans. PCTPA was also designated as

the Airport Land Use Commission and the Congestion Management Agency (CMA), is the designated administrator of the South Placer Regional Transportation Authority (SPRTA), staffs the Western Placer Consolidated Transportation Services Agency (WPCTSA) and is a member of the Capital Corridor Joint Powers Authority (CCJPA).

In addition to citizen participation activities, PCTPA is advised by the following major advisory committees:

- Social Services Transportation Advisory Council (SSTAC)
- Technical Advisory Committee (TAC)

The SSTAC advises the PCTPA on all matters pertaining to the transit needs of transit dependent and transit disadvantaged persons. The input of this committee is an integral part of the annual “unmet transit needs” process of the PCTPA. The minimum makeup of the SSTAC is defined by the TDA (PUC Section 99238) to include the following:

- A representative of potential transit users who is 60 years of age or older.
- A representative of potential transit users who is disabled.
- Two representatives of local social service providers for seniors.
- Two representatives of a local social service provider representing disabled persons.
- A representative of a local social service provider for persons of limited means.
- Two representatives from the local consolidated transportation service agency, WPCTSA.

The SSTAC meets annually as part of the unmet transit needs process. PCTPA continually makes an effort to recruit members for the SSTAC as specified by law as well as additional members, although it is sometimes a challenge to find members who fit the specific categories.

The TAC is composed of PCTPA staff members and jurisdiction staff such as planners, engineers and administrators, some of who are involved in transit. The committee meets monthly prior to the Board meeting to discuss pertinent PCTPA agenda items, including review of the Overall Work Program (OWP) and unmet transit needs reports.

A Transit Operator’s Working Group (TOWG), which includes representatives from each of the transit operators, also meets periodically to discuss pertinent issues or input on transit related studies.

The PCTPA’s objectives are outlined in the annual OWP efforts and address the Federal Planning Emphasis Areas. PCTPA’s OWP includes a variety of elements such as administering the regional transportation planning process, bikeway planning, interchange improvements and intergovernmental coordination.

## REVIEW OF COMPLIANCE REQUIREMENTS

Below is a discussion of PCTPA's compliance with sections of the Public Utilities Code (PUC) which relate to transit performance, as recommended in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*. Table 1 displays the results of the compliance analysis:

- 1) In accordance with PUC Section 99231, PCTPA accounts for its claimants' areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their areas. Tahoe Regional Planning Agency receives funds proportional to its population in Placer County. PCTPA uses a formula based on annual California Department of Finance population estimates to determine each local jurisdiction's apportionments. Each year, PCTPA adopts a resolution of the apportionments and the subsequent claims.
- 2) In reference to PUC Sections 99233 and 99234, the PCTPA typically allocates 2 percent of the LTF for bicycle and pedestrian facilities. PCTPA works with staff of the six cities and the County of Placer to develop a cash management plan with a five-year horizon. Allocations are made to each jurisdiction based on existing and projected future population. Any proposed project must also be consistent with the applicable bicycle plan and the RTP.

Using the bicycle/pedestrian claim, jurisdictions may submit claims to PCTPA that are consistent with the five year cash management plan. Payment by PCTPA is on a reimbursement basis upon receipt of invoices and appropriate documents of project progress from the jurisdiction. If a jurisdiction does not claim its allocation of bicycle and pedestrian funds within the five-year window of the cash management plan, the funds revert to apportionment by PCTPA.

- 3) In accordance with PUC Sections 99238 and 99238.5, the PCTPA has established a SSTAC responsible for annual participation in the identification of transit needs in the jurisdiction, including unmet transit needs. A public hearing is among the methods used by PCTPA to solicit testimony on potential unmet transit needs. The SSTAC advises PCTPA on transportation issues for seniors and people with disabilities, including the coordination and consolidation of specialized transportation services operating in western Placer County, and the identification of unmet transit needs. The SSTAC meets annually and may meet more frequently on an as needed basis.

The SSTAC conforms to the stakeholder categories pursuant to PUC Section 99238, and includes additional members as allowed under the statute. The additional positions include local residents, representatives of the local jurisdictions and public transit systems, a representative from Caltrans and Nevada County Transportation Commission, and a specialized services operator.

- 4) In accordance with PUC Section 99244, the PCTPA participates in a number of activities in order to review productivity improvements of the transit systems. PCTPA has commissioned several transit plan studies, including the Short Range Transit Plans for each transit system, Rocklin Community Transit Study and Placer County Rural Transit Study. PCTPA also participates in SACOG studies that affect Placer County, including the Public Transit and Human Services Transportation Coordinated Plan and analysis of the transportation issues faced by seniors and people with disabilities in the six-county SACOG region. These studies provide strategic

**TABLE 1: RTPA Compliance Requirements - Placer County Transportation Planning Agency**

Requirement	PUC Reference	In Compliance?	
		Y/N	Comments
(1) All operators and city or county governments, in total, claim no more than those LTF monies apportioned to that area period.	99231	Y	
(2) 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.	99223, 99234	Y	
(3) 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.	99238, 99238.5	Y	
(4) The RTPA has annually identified, analyzed and recommended potential productivity improvements which could lower operating cost of those operators.	99244	Y	
(5) 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.	99245	Y	
(6) The RTPA has designated an independent entity to conduct a performance audit of operators and itself. The operator audit included calculation of performance indicators and was transmitted within 12 months. If not transmitted, TDA funds were not allocated to the operator.	99246, 99248	Y	
(7) The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation.	99246 c	Y	
(8) The performance audit of the operator includes verification of performance indicators and includes consideration of the needs and types of passengers being served, employment of part-time drivers and contracting with common carriers.	99246 d	Y	
(9) The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and non-urbanized areas.	99270.1, 99270.2	Y	
(10) 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.	99275.5	Y	
(11) State transit assistance funds received by the RTPA allocated only for transportation planning and mass transportation purposes?*	99310.5, 99313.3, Proposition 116	Y	
(12) 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 Controllers Office.	99314.3	Y	
(13) If TDA funds are allocated for streets and road purposes, the RTPA has annually: Consulted with the SSTAC, identified transit needs, adopted or re-affirmed the definition of "unmet transit needs" and "reasonable to meet", identified the unmet needs or there are no unmet transit needs, or there are unmet transit needs that are reasonable to meet.	99401.5	Y	
(14) The RTPA has caused a fiscal audit to be performed each year and submit the audit report to the state controller within 12 months of the end of the fiscal year.	6662	Y	

recommendations for service improvement. PCTPA sponsors the Transit Operators Working Group (TOWG) to regularly gather the transit operators in the western county to discuss transit operations, policy, and issues. Some performance information such as ridership is monitored on a quarterly basis by the TOWG. The TDA performance audit sponsored by PCTPA provides further means for analyzing transit productivity.

- 5) With respect to PUC Section 99245, PCTPA maintains records of all TDA claimants that submit an annual certified fiscal and compliance audit. This process includes copies of final audits being forwarded to PCTPA. The firm Richardson & Company, LLP was retained to conduct the fiscal audits of the transit systems.

Extensions are granted by PCTPA as appropriate and allowed by the statute. All of the annual fiscal audits prepared for each of the transit systems for the three-year period, were completed within the required time period.

- 6) In accordance with PUC Sections 99246 and 99248, the PCTPA has herein designated an independent entity to conduct a performance audit of operators and itself (for the current and previous TPA periods. Michael Baker International performed the performance audit for the prior three-year period.
- 7) In accordance with PUC Section 99246(c), the PCTPA has submitted a copy of its TPA to the director of the California Department of Transportation.
- 8) In accordance with PUC Section 99246(d), the performance audit of the transit operators (under separate cover) include, but is not limited to a verification of the operator's cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit includes, but is not limited to, 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.
- 9) Placer County Transit (PCT) operates several routes in a portion of the Sacramento Urbanized Area as well as in non-urbanized Placer County. The prior performance auditor developed a blended farebox ratio for PCT services based on the proportion of service area located in urbanized and non-urbanized areas after the incorporation of Lincoln Transit services into PCT services. On September 28, 2016, Caltrans approved the blended farebox ratio for PCT services. PCTPA is compliant with PUC 99270.1.
- 10) The PCTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA (as permitted under PUC Section 99275.5). PCTPA requires that Article 4.5 claimants (in this case WPCTSA) use the TDA claim procedure and packet put together for all TDA claimants. The packet includes proposed budget, expenses, and project descriptions. Resolutions adopted by PCTPA pertaining to the allocation of Article 4.5 funds include the specific findings required under Section 99275.5(c).

- 11) In accordance with PUC Sections 99310.5 and 99313.3 and Proposition 116, State Transit Assistance (STA) funds received by the PCTPA are allocated only for transit planning, transit capital projects, and transit operations.
- 12) The amount of STA funds received by the PCTPA pursuant to the PUC Section 9314.3 is allocated to the transit operator in the area as allocated by the State Controller's Office. PCTPA allocates STA funds to transit operators using a population and revenue formula allocation per PUC 99313 and 99314.
- 13) In accordance with PUC Section 99401.5, 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 PCTPA is annually required to:
- Consult with the SSTAC established pursuant to PUC Section 99238
  - Identify transit needs, including:
    - Groups who are transit dependent or transit disadvantaged
    - Adequacy of existing transit services to meet the needs of groups identified
    - Analysis of potential alternatives to provide transportation services
  - Adopt or reaffirm a definition of "unmet transit needs" and "reasonable to meet"
  - Identify the unmet transit needs and those needs that are reasonable to meet
  - Adopt a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet or that there are unmet transit needs including needs that are reasonable to meet

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. During the audit period PCTPA consulted with the SSTAC and followed the proper unmet needs procedures. A significant portion of TDA funds are allocated for streets and roads purposes in western Placer County. Placer County is growing in population. Once Placer County surpasses 500,000 in population, LTF funds will no longer be available for streets and roads purposes.

- 14) In accordance with California Code of Regulations Section 6662, the PCTPA has caused a Fiscal and Compliance audit of its accounts and records to be performed for each fiscal year by a certified public accountant. The audits were performed in accordance with the Basic Audit Program and Report Guidelines for the California Special Districts prescribed by the State Controller by Richardson & Company, LLP. The audits include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements do not commingle the STA fund, the Local Transportation Fund or other revenues or funds of any city, county or other agency. The PCTPA maintains fiscal and accounting records and supporting papers for at least five years following the close of a fiscal year.

## STATUS OF PRIOR AUDIT RECOMMENDATIONS

The prior TPA was prepared by Michael Baker International and contained the following recommendations:

**Recommendation 1:** *Identify SSTAC member term expirations and provide notification.*

**Status: Implementation Complete.** This was completed in 2016.

**Recommendation 2:** *Strengthen the evaluation of transit operator trends.*

**Status: Implementation Partially Complete.** Each quarter PCTPA collects ridership data from the transit operators in western Placer County. Ridership data has been compiled since 2004 giving PCTPA a good overview of historical trends. The PCTPA Board has not expressed interest in reviewing additional transit operating data at their Board meetings. For other performance indicators which look at cost efficiency or productivity, PCTPA relies on the TPA and SRTP efforts. The prior performance audit recommended collecting and sharing additional performance metrics from the transit operators. It would be reasonable to include the following additional performance metrics on an annual basis in PCTPA Board reports: operating subsidy per trip and passengers per hour.

**Recommendation 3:** *Schedule updates of Short Range Transit Plans.*

**Status: Implementation Complete:** Short Range Transit Plan updates for each transit operator in Western Placer County were completed in the summer of 2018.

**Recommendation 4:** *Update TDA Guidelines for inclusion of new state legislation.*

**Status: Implementation Complete:** During the audit period, PCTPA updated the TDA Guidelines to reflect legislative changes made to TDA law in 2015. PCTPA continually keeps an eye on legislative changes which might affect public transit.

## DETAILED REVIEW OF PCTPA FUNCTIONS

PCTPA staff has been successful in accomplishing objectives and implementing transportation improvement projects. During the audit period, the PCTPA Governing Board was composed of capable and knowledgeable officials, who met regularly, conducted themselves with efficiency and civility and put aside parochial jurisdictional differences as they met in the PCTPA setting to determine transportation planning and funding policies.

This section presents a review of the various functions of the PCTPA. The PCTPA's functions can be divided into the following areas:

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

## **Administration and Management**

This functional review focuses on internal management of the organization.

### General Administration

Administratively, the PCTPA processes TDA claims in an accurate and timely manner. Following the final TDA apportionment notice, the PCTPA submits notices to each claimant with the new TDA claims packet. In the packet, each operator must submit:

- TDA compliance checklist which outlines compliance requirements addressed in this audit and the California Code of Regulations 6632.
- TDA claim worksheet in Microsoft Excel format which includes deferred LTF revenues and projected expenses and uses.
- TDA transit claim form.
- TDA annual project and financial plan.
- Certified copy of resolution from the claimant's governing board approving the claim and its submittal to PCTPA.

Additionally, PCTPA has adopted an "Audit Policy" which allows PCTPA to withhold 50 percent of the claimants' LTF allocation until the annual fiscal and compliance audit is received by PCTPA. PCTPA staff work closely with the transit operators to correct any initial errors or omissions in the TDA claim packets. Transit operator claims are processed upon receipt. Individual claims are not brought before the Board for approval but are included on the consent agenda. The TDA claim packets clearly state that claims must be submitted to PCTPA three weeks prior to the Board meeting in order to be placed on the next meeting's agenda. Funds are delivered in a lump sum payment unless the fiscal and compliance audit has not been completed.

During the audit period, the PCTPA commissioned Short Range Transit Plans for each of the four transit operators. PCTPA has a systematic and effective method of archiving pertinent plans and documents. All grant records are retained according to a specific schedule. The annual OWPs set forth achievable goals and objectives for regional transportation planning in Placer County. Overall, PCTPA has a good working relationship with the transit operators in PCTPA's jurisdiction.

### Governing Board Activities

The PCTPA Board meets on the last Wednesday of each month in Auburn. Agenda materials are mailed to Board Members two weeks before the meeting and posted on PCTPA's website one week in advance. PCTPA has two regular advisory committees, the SSTAC and the TAC. The SSTAC meets annually as part of the unmet needs process and the TAC meets monthly two weeks prior to Board meetings. Some of the ongoing issues and/or controversies that face the PCTPA are studied by ad hoc committees. The Executive Director presents a report on the various transportation issues currently facing the PCTPA at each monthly meeting. Status reports on current transportation improvement projects and Freeway Service Patrol are also prepared for the board.



Attendance at monthly PCTPA meetings is strong. The PCTPA Board dealt with a long list of key documents and funding decisions during the audit period, including all of those required or suggested by state law and good RTPA practices. PCTPA does a good job of posting important documents on its website for public review.

### Internal Planning and Achievements

In terms of internal planning, the PCTPA reflected very clear goals and objectives in the RTP. Its achievements in meeting OWP objectives during the audit period were good. The budget generally has been adequate for funding PCTPA's activities, although some of this revenue depends on successfully attaining discretionary state and federal grants. PCTPA was successful in obtaining federal earmark revenues for I-80/SR 65 interchange project.

### Personnel

The PCTPA Board and staff have many responsibilities. In addition to acting as the RTPA for Placer County (excluding the Tahoe Basin), the Board is also the designated Airport Land Use Commission and the designated Congestion Management Agency. PCTPA staff serves as staff for the SPRTA (a joint powers authority charged with the administration and implementation of regional traffic impact fees) as well as WPCTSA.

PCTPA staff is generally held in high regard in the region. For the majority of the audit period, six salaried staff members and one hourly staff member were dedicated to the functions of the PCTPA during the audit period. The Executive Director retired (and was replaced) during the audit period and there was turnover for one of the planner positions. Each staff member generally specializes in particular OWP work elements. PCTPA includes "educational assistance and training" in the budget. Staff may attend conferences, Caltrans training sessions and webinars. Staff members are offered insurance (life, health, and dental), vacation, sick leave and retirement benefits. Job performance evaluations are performed annually as well as after the initial "introductory" period.

### **Transportation Planning and Regional Coordination**

This functional area covers one of the two major RTPA responsibilities: transportation planning in a regional context and fiscal management.

PCTPA most recently updated the *Placer County Regional Transportation Plan* (RTP) in 2016. The plan provides a good vision for transportation improvement projects through 2036 and was updated within the required timeline. The PCTPA TAC was integral to development and review of the RTP. An appropriate level of stakeholder input was obtained as part of the update. PCTPA is in the process of conducting a 2020 RTP update.

The RTP sets forth clear goals and cost estimates for transportation in the region for a 20 year horizon. The document includes all required elements and addresses all transportation modes available in Placer County. The RTP presents the setting for existing and future traffic conditions using state databases and SACOG growth assumptions. Traffic level of service analysis was based on a transportation demand model, also developed by SACOG. RTP improvement project lists are well organized and clearly identify the agencies responsible for implementation.

The RTP identified traffic congestion as one of the primary regional transportation issues, due to growth in western Placer County. The RTP identifies a mix of strategies to both increase the capacity of the regional transportation system as well as to reduce demand through alternative transportation. PCTPA's OWP reflects these strategies. As with all similar counties in California, another important regional transportation issue is the lack of sufficient funding to implement the transportation improvement projects to adequately address transportation needs. Through SPRTA, developer mitigation fees are used to help support transportation projects. Overall, the PCTPA Executive Director and staff have done an effective job of meeting regional transportation needs within constrained funding levels. In light of limited recurring funding available for regional transportation planning and improvements, PCTPA is considering a sales tax measure for the 2020 election year.

### **Claimant Relationships and Oversight**

This section covers PCTPA's actions regarding TDA claims and subsequent transit operations.

#### Productivity Committee Functions

The PCTPA does not have a formal productivity committee to review services and recommend improvements for lower transit costs. However, a Transit Operator Working Group (TOWG), composed of representatives from each transit operator and PCTPA staff, meets as necessary to address special transit topics. Examples include the review of transit related studies and a college transit pass program. PCTPA also conducts a thorough unmet transit needs process and regularly addresses comments and concerns related to transit. PCTPA requests that transit operators provide staff with quarterly ridership statistics, which are reported to the Board.

#### Technical and Managerial Assistance to Operators/ Communication of TDA

Other than commenting on plans and providing general suggestions, PCTPA staff provided little guidance to transit operators unless requested. During the audit period, PCTPA commissioned the update of transit plans for each of the transit operators. Farebox ratio requirements and the TDA claims process are clearly outlined in resolutions and manuals. PCTPA has made available important TDA/transportation funding documents to all operators.

#### Reports and Information Received by the RTPA

PCTPA has conducted triennial performance audits within the required time period. During the audit period, the PCTPA commissioned Fiscal and Compliance audits from an independent auditor for the PCTPA and the transit operators. Each year, PCTPA requests a 90 day extension for all the transit operator fiscal audits. This audit period all Fiscal and Compliance Audits were completed within the required time period. Additionally, the Fiscal and Compliance audits of the transit operator attest that TDA funds were expended in conformance with most applicable laws, rules, and regulations.

#### TDA Claim Processing

PCTPA processes TDA claims in accordance with its TDA Guidelines. PCTPA has developed a thorough TDA claims form and process for transit, bicycle/pedestrian and streets and roads claims. Forms are readily available on the PCTPA website.

During the audit period, Auburn Transit did not meet the required 10 percent farebox ratio requirement in FY 2017-18. The Auburn Transit SRTP made recommendations to improve farebox ratio through a fare increase and service changes. PCTPA should monitor Auburn Transit's farebox ratio in FY 2018-19 to determine if a penalty should be assessed going forward.

### **Marketing and Transportation Alternatives**

This function involves the outreach activities of an RTPA. In general, the transit operators provide their own marketing materials and PCTPA assists with the distribution. As part of a transit coordination effort, PCTPA put together the "Transit Connections in South Placer" map. The map is available on the South Placer Transit information website as well as at each of the ten major transfer points in the South Placer area. PCTPA staff remains closely involved through its TAC and SPRTA in staying abreast of development proposals in the region that might result in traffic congestion, transit needs, and other community impacts.

PCTPA has been proactive in promoting the use of alternative transportation. Examples include projects to close a four mile gap in the bicycle network along State Highway 49, update of the Regional Bikeway Plan and a Placer County Bicycle Map. PCTPA maintains an excellent website with a multitude of information on all types of transportation modes in the region as well as promotes public transit as an alternative mode of transportation.

### **Grant Applications and Management**

This section considers PCTPA's performance in discharging its grant management duties. Grant applications and management duties lie mostly in the hands of the transit operators. PCTPA staff may provide some assistance with state grants, such as Proposition 1B funds, but are not involved in the preparation of FTA grants.

During the audit period, no state or federal grant applications have been denied in Placer County due to errors or omissions. PCTPA staff continues to be active in statewide RTPA and Caltrans advisory groups during the audit period and creatively attempted to seek out and attain new revenue sources.

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Overall, PCTPA is a strong organization that effectively coordinates transportation policy for the portion of the Placer County outside the Tahoe Basin. With respect to TDA issues, PCTPA has developed an appropriate TDA allocation process to transit operators within its jurisdiction. The following presents the auditors findings, including any issues of non-compliance with TDA, along with recommendations to improve compliance and overall effectiveness.

### **FINDINGS**

- ◆ PCTPA was found to be in compliance with all performance related statutes listed in Table 1.
- ◆ All recommendations from the prior audit were implemented or partially complete.
- ◆ The functional review revealed no significant inefficiencies in the way PCTPA performs its duties.
- ◆ PCTPA performs the unmet transit needs process in accordance with TDA requirements.
- ◆ PCTPA provides a good amount oversight and planning assistance for the four transit operators in the region without overstepping the bounds of the role of an RTPA.
- ◆ The TOWG continues to be an important forum for maintaining communication and coordination between the various Western Placer County operators, including WPCTSA.

### **RECOMMENDATIONS**

**Recommendation 1:** *Request that the transit operators provide additional performance metrics to PCTPA on an annual basis.*

The prior performance audit recommended collecting performance metrics beyond ridership data from the transit operators. Although PCTPA compiles thorough quarterly ridership reports for the transit operators, collecting additional performance metrics from the transit operators on an annual basis would provide PCTPA and the transit operators with an enhanced picture of transit performance. Operating subsidy per trip is an important performance indicator as it compares the public's cost of providing transit with the actual output. Passenger trips per hour is a relatively easy to calculate and shows how productive the services are. These performance indicators should be reported to PCTPA at the end of the fiscal year and at the systemwide level.

**Recommendation 2:** Monitor Auburn Transit's farebox ratio and work with the Fiscal and Compliance auditor to determine the operator's eligibility for LTF funds in FY 2018-19, if necessary.

Auburn Transit's farebox ratio was 8.26 percent in FY 2017-18. According to the Fiscal Audit, FY 2017-18 is the "grace year". TDA allows a transit operator one "grace year" if the required 10 percent farebox ratio for rural transit operators is not met. If Auburn Transit does not meet the required 10 percent the following year (FY 2018-19), Auburn Transit's eligibility for TDA funds should be reduced by the amount

of the difference between the required fare revenues and the actual fare revenues for FY 2017-18. This “penalty” is assessed in the following year (FY 2019-20).