
Del Norte Local Transportation Commission Triennial Performance Audit

For Fiscal Years 2009/10, 2010/11 and 2011/12



Prepared for the

The Del Norte Local Transportation Commission

Prepared by



LSC Transportation Consultants, Inc.

**DEL NORTE
LOCAL TRANSPORTATION COMMISSION
TRIENNIAL PERFORMANCE AUDIT**

For Fiscal Years 2009/10 through 2011/12

Prepared for the

Del Norte Local Transportation Commission
1301-B Northcrest Drive, No. 16
Crescent City, California 95531
707 • 465-3878



Prepared by

LSC Transportation Consultants, Inc.
Post Office Box 5875
2690 Lake Forest Road, Suite C
Tahoe City, California, 96145
530 • 583-4053

April 2, 2013

Table of Contents

| <i>Chapter</i> | | <i>Page</i> |
|----------------|--|-------------|
| 1 | EXECUTIVE SUMMARY | 1 |
| | Del Norte Local Transportation Commission Description | 1 |
| | Review of Compliance Requirements | 1 |
| | Detailed Review of the DNLTC Functions | 1 |
| | Findings | 2 |
| | Recommendations | 2 |
| 2 | TRIENNIAL PERFORMANCE AUDIT RESULTS | 5 |
| | Background | 5 |
| | Performance Audit and Report Organization | 5 |
| | Del Norte County Transportation Commission Description | 5 |
| | Review of Compliance Requirements | 7 |
| | Status of Prior Audit Recommendations | 10 |
| | Detailed Review of DNLTC Functions | 10 |
| 3 | CONCLUSIONS AND RECOMMENDATIONS | 15 |
| | Findings | 15 |
| | Recommendations | 15 |

| <i>Table</i> | | <i>Page</i> |
|--------------|--|-------------|
| 1 | RTPA Compliance Requirements - DNLTC | 9 |

California Public Utilities Code Section 99246 requires that Regional Transportation Planning Agencies (RTPAs) such as the Del Norte Local Transportation Commission (DNLTC) conduct Triennial Performance Audits (TPAs) of both their own activities and those of their associated transit operators. This performance audit of the DNLTC covers the three-year period from July 1, 2009 to June 30, 2012. The primary objective of a TPA is to provide the DNLTC with an independent and objective evaluation of its effectiveness, efficiency, and economy in its role as the RTPA for Del Norte County. 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).

DEL NORTE COUNTY TRANSPORTATION COMMISSION DESCRIPTION

Del Norte County is a rural region located in the far northwestern corner of the state. The DNLTC is the designated RTPA for Del Norte County. The DNLTC board is composed of six voting members: three members appointed by the Del Norte County Board of Supervisors and three members appointed by the Crescent City Council. Among other transportation planning responsibilities, one of DNLTC's roles is to allocate TDA funding in accordance with state statutes.

REVIEW OF COMPLIANCE REQUIREMENTS

DNLTC was found to be in compliance with all statutes referenced in the Performance Audit Guidebook with one exception: In FY 2009-10, no public hearing or Social Services Transportation Advisory Council (SSTAC) was held per PUC 99238.5. However, the SSTAC has met each year since.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

There were no recommendations in the prior TPA, which covered fiscal years 2006-07 to 2008-09.

DETAILED REVIEW OF THE DNLTC 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 reading various documents such as the Regional Transportation Plan and Overall Work Programs and conducting interviews with DNLTC staff.

During the audit period, DNLTC was effective in accomplishing its goals and objectives. DNLTC is appropriately staffed and experienced no staff turnover during the audit period. The Del Norte County RTP addresses all the required elements. DNLTC follows a comprehensive regional transportation planning process including the preparation and adoption of alternative transportation plans, such as a Bicycle and Pedestrian Plan and Transit Development Plan. DNLTC has set forth a clear process for allocating TDA funds to the transit operators in the region. Transit marketing is conducted by the transit operator, RCTA. During the audit period DNLTC successfully distributed recurring grant monies. No state or federal grant applications were denied in Del Norte County due to errors or omissions.

FINDINGS

The auditor did not note any significant negative findings with respect for performance of the DNLTC.

RECOMMENDATIONS

Overall, DNLTC effectively and efficiently fulfilled roles and responsibilities assigned to it through the TDA during the audit period. The auditor has the following recommendations with respect to performance.

Recommendation: *Per PUC section 99238.5, DNLTC should hold one public hearing annually to ensure citizen participation in the transit process.*

DNLTC did not hold a public hearing to gain input on public transit needs in FY 2009-10. Neither was a SSTAC meeting held that fiscal year. During the audit period, DNLTC staff had been given unclear direction as to whether or not it was required to conduct public hearings regarding transit needs, if no TDA funds were allocated for streets and roads purposes.

In order to meet the regulations set forth in PUC 99238.5 going forward, DNLTC should hold at least one public hearing each year to receive input on public transportation services within the Del Norte County region. The annual public hearing is intended to be an informative process for the DNLTC regarding public transit issues and differs from an unmet transit needs process, which is required if TDA funds are allocated for streets and roads purposes.

Recommendation: *In order to make an accurate determination as to whether or not tax payer TDA funds are being used effectively to meet community transit needs. The DNLTC should develop performance criteria with which to evaluate the cost effectiveness of existing/potential community transit services per PUC 99275.5.*

At the request of DNLTC staff, the auditor reviewed performance review criteria specific for community transit services. Although the current CTSA, Community Assistance League (CAL), is providing a valuable service at a low cost to the public, there should be some better accountability for the use of public funds. CAL should track and report transportation services provided with TDA funds in a manner that allows DNLTC to evaluate the cost effectiveness of the community transit service.

Potential evaluation criteria for community transit service claims in Del Norte County could include performance measures such as: cost (voucher) per one-way trip. Currently, CAL does not have a standardized pricing structure for community transit services. CAL could develop standard levels of reimbursement for non-public transit trips based on a proportion of the IRS mileage rate. In order for DNLTC to make a proper evaluation regarding the effectiveness of community transit services, the CTSA must also submit with their annual TDA claim corresponding operational data. The DNLTC and the CTSA should work together to determine performance criteria and data reporting which is appropriate for the size and scope of the community transit program.

Triennial Performance Audit Results

BACKGROUND

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

This Audit evaluates the operations of the DNLTC in terms of the efficiency, effectiveness, economy, and the results of its programs. In addition, this Audit includes a review of the DNLTC's implementation of the recommendations contained in the previous Audit report, completed in June 2010. This current Audit covers the three-year period from Fiscal Year (FY) 2009-10 through 2011-12. Finally, this Audit includes a discussion of relevant issues currently facing the organization, based on discussions with the DNLTC 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 (OWP), annual Fiscal and Compliance Audits and State Controller's Reports, and DNLTC agendas, minutes, and supporting staff reports.

- ◆ Telephone discussions with the DNLTC Executive Director
- ◆ Telephone interviews with four of the DNLTC members.
- ◆ Review of prior TPA reports.
- ◆ Review of the requirements of the Public Utilities Code, California Code of Regulations, and other appropriate statutes, followed by an assessment of the DNLTC's compliance with the specified requirements.

DEL NORTE LOCAL TRANSPORTATION COMMISSION DESCRIPTION

Agency Organization and Function

Del Norte County is located in the far northwestern corner of the state. With a total population of 28,610, Del Norte is considered a rural county. In 1991, the DNLTC was designated as the RTPA for Del Norte County pursuant to Title 3, Division 3, Chapter 2, Article 11, Section 29532.1 of the State of California Government Code. The DNLTC board is composed of six voting members: three members appointed by the Del Norte County Board of Supervisors and three members appointed by the Crescent City Council. The commissioners along with a representative from Caltrans serve as a Policy Advisory Committee.

As the RTPA for Del Norte County, the DNLTC has the following primary responsibilities:

- ◆ Allocation of TDA funds
- ◆ Update the Regional Transportation Plan (RTP) and Regional Transportation Improvement Program (RTIP)
- ◆ Review public transit performance
- ◆ Conduct public outreach as necessary
- ◆ Develop and implement an OWP outlining a comprehensive transportation planning process for the region

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

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

The Technical Advisory Committee (TAC) currently consists of nine members: representative from the Yurok Tribe, Deputy Director of the Del Norte County Community Development Department, and a representative from the Planning Division of the Community Development Department, Crescent City Planning Director and the Public Works Director; a representative from the California Highway Patrol; a representative from Redwood Coast Transit Authority (RCTA), a representative from the Harbor District, and a representative from Caltrans Regional Planning. The TAC advises the DNLTC on technical issues and transportation matters that are presented before the commission.

The SSTAC advises the DNLTC on all matters pertaining to the transportation 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 DNLTC, if TDA funds are allocated for non-transit purposes. The makeup of the SSTAC is prescribed by the TDA (Public Utilities Code Section 99238). The DNLTC’s SSTAC currently consists of seven members:

- ◆ A representative of potential transit users who is disabled.
- ◆ A representative from the Consolidated Transportation Service Agency.
- ◆ A potential transit users who is 60 years of age or older.
- ◆ A representative of local social service providers for seniors.
- ◆ A representative of a local social service provider representing disabled persons.
- ◆ A representative of a local social service provider for persons of limited means.
- ◆ A representative for minority groups. (Not prescribed in the TDA but could be classified as a representative of a local social service provider for persons of limited means)

The SSTAC played a major role in the designation of a new Consolidated Transportation Services Agency (CTSA) to meet community transit needs.

The DNLTC's objectives are outlined in the annual OWP. As the RTPA, the DNLTC's OWP elements include the following types of tasks: Overall administration of day to day activities, coordination with tribal, local, state agencies and regional partners, and commissioning multi-modal transportation studies, and regional transportation planning and programming.

REVIEW OF COMPLIANCE REQUIREMENTS

As presented in Table 1, following is a review of compliance requirements identified in the TDA and other state statutes which are relevant to a performance audit:

- 1) In accordance with Public Utilities Code Section 99231, the DNLTC allows no transportation operators and city or county governments which have responsibility for serving a given area to claim, in total, more than those Local Transportation Fund (LTF) moneys apportioned to that area. The DNLTC annually adopts a resolution approving LTF allocations, and a good system for the apportionment is in place. Additionally, there is only one transit operator in Del Norte County.
- 2) Public Utilities Code Sections 99233.3 and 99234 relate to TDA claims for bicycle and pedestrian purposes. Although the DNLTC has not formally adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles, DNLTC follows the standard format for bicycle and pedestrian related claims as outlined in the TDA. Per goals set forth in the Del Norte County and Crescent City Bicycle Facilities Plan, DNLTC annually adopts a resolution allocating two percent of remaining LTF funds after the allocation for administrative and planning purposes to be held until a specific claim is made for these funds. All claims for these purposes are reviewed by the DNLTC TAC prior to allocation and typically are used as part of the local match for large bicycle and pedestrian related projects. DNLTC is in compliance with PUC 99233.3 and 99234.
- 3) In accordance with Public Utilities Code Sections 99238, the DNLTC has established a Social Services Transportation Advisory Council (SSTAC). With respect to 99238.5, citizen participation process, SSTAC meetings were held in FY 2010-11 and 11-12 to discuss various transit related needs. Additionally DNLTC held a public hearing on June 7, 2012 to review unmet transit needs. Per 99238, the SSTAC should "annually participate in the identification of transit needs in the jurisdiction". Per 99238.5 the citizen participation process should include, "provisions for at least one public hearing in the jurisdiction represented by the SSTAC." No public hearing or SSTAC meeting was held in FY 2009-10; however, public hearings have been held every year since. It should also be noted that DNLTC was given unclear direction as to the requirements regarding public hearings, if no TDA funds were allocated for streets and roads purposes. Therefore, as all TDA funds were allocated for transit purposes, no public hearing was held that year.
- 4) In accordance with Public Utilities Code Section 99244, the DNLTC has annually identified, analyzed, and recommended potential transit productivity improvements that could lower the operating cost of those transit operators that operate at least 50 percent of their vehicle service miles within its jurisdiction. Just prior to the beginning of the audit period, DNLTC commissioned a five year Transit Development Plan which is scheduled to be updated starting in FY 2012-13. The plan reviews the transit needs of the region and the cost-effectiveness of existing routes. The RCTA has its own governing board which is primarily responsible for reviewing productivity of public transit services in Del Norte County.
- 5) In accordance with Public Utilities Code Section 99245, the DNLTC ensured that all claimants to whom it allocates TDA funds submit to it and to the State Controller an annual certified Fiscal and Compliance Audit within 180 days after end of the fiscal year.

- 6) In accordance with Public Utilities Code Sections 99246 and 99248, the DNLTC has herein designated an independent entity to conduct a performance audit of operators and itself (for the current and previous TPA periods). Don Reynolds, CPA, performed the performance audit for the prior three-year period.
- 7) In accordance with Public Utilities Code Section 99246(c), the DNLTC has submitted a copy of its TPA to the Director of the California Department of Transportation.
- 8) In accordance with Public Utilities Code Section 99246(d), the performance audit of the transit operator (under separate cover) shall 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 shall include, but not be 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) As there are no urbanized areas within DNLTC's jurisdiction, PUC Sections 99270.1 and 99270.2 do not apply.
- 10) The DNLTC has established 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 to be provided (as permitted under Public Utilities Code Section 99275.5). There is only one community transit services claimant in Del Norte County (currently the Community Assistance League). The Community Assistance League provides important non-emergency medical transportation for Del Norte residents and was recently designated the CTSA for the region. Per the TDA, Article 4.5 claims in Del Norte County must include the following: project and financial plan, current status of TDA funds, statement of conformance to rules and regulations of PUC 99275, resolution of the governing body authorizing the claim, statement of projected revenues and expenditures, proposed budget for the fiscal year, documentation of eligibility under PUC 99275.5.

Although the required documentation for Article 4.5 TDA claim processing generally satisfies evaluation criteria for community transit services per PUC 99275.5, the criteria could be strengthened in an effort to ensure that the region is making the most use of limited dollars. Recommendations to enhance the criteria are presented, below.

- 11) In accordance with Public Utilities Code Sections 99310.5 and 99313.3 and Proposition 116, State Transit Assistance (STA) funds received by the DNLTC are allocated only for transit planning, transit capital projects, and transit operations.
- 12) The amount of STA funds received by the DNLTC pursuant to the Public Utilities Code Section 9314.3 is allocated to the transit operator in the area as allocated by the State Controller's Office.
- 13) During the audit period there were no TDA funds allocated to purposes not directly related to public or specialized transportation services or facilities for exclusive use of pedestrians and bicycles. Therefore the regulations in PUC 99401.5 are not applicable.
- 14) In accordance with California Code of Regulations Section 6662, the DNLTC 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 the firms of Bartig, Basler and Ray and Richardson & Co. The audits include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements do not commingle the STA fund, the LTF, or other revenues or funds of any city, county or other agency. The DNLTC maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The prior TPA was prepared by Don Reynolds, CPA and cited no recommendations.

DETAILED REVIEW OF THE DNLTC FUNCTIONS

There is concurrence within Del Norte County, supported by the auditor's own evaluation, that the DNLTC reflects well researched, proactive policy practices, and that these outcomes have been the result of quality staff work produced by a competent executive director during the Audit period.

This section presents a review of the various functions of the DNLTC. The DNLTC'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 section focuses on internal management of the organization.

Governing Board Activities

The DNLTC Board meets on the second Thursday of each month in Crescent City. Agenda materials are delivered to city/county offices, a mailing list of interested members of the public, and commissioners at least 72 hours in advance. Attendance at monthly DNLTC board meetings is good. The Commission 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. The DNLTC does a good job of posting important documents on its website for public review.

The Auditor attempted to contact each DNLTC board member to anonymously discuss transportation issues facing the organization in coming years. Based on interviews completed with four DNLTC board members, all respondents indicated strong support of the DNLTC staff efforts. In addition, all respondents support the direction that the DNLTC is going in terms of long-term transportation planning in the region. There does not appear to be significant disagreement among board members when it comes to policy direction and the DNLTC generally has a good relationship with other agencies. The only discontent expressed with the TDA allocation and transportation funding process was related to cumbersome administrative procedures that are mandated by law, and the difficulty for low population areas to receive an adequate level of funding to meet transportation needs from sources based on population. This reflects not on the administration of the DNLTC, but rather the challenges that state programs create in smaller rural areas.

TABLE 1: RTPA Compliance Requirements - DNLTC

| | Requirement | PUC Reference | In Compliance? | |
|------|---|-----------------------------------|----------------|----|
| | | | Yes | No |
| (1) | All operators and city or county governments, in total, claim no more than those LTF monies apportioned to that area. | 99231 | X | |
| (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. | 99233, 99234 | X | |
| (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 | | X |
| (4) | The RTPA has annually identified, analyzed and recommended potential productivity improvements which could lower operating cost of those operators. | 99244 | X | |
| (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 | X | |
| (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 | X | |
| (7) | The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. | 99246 c | X | |
| (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 | X | |
| (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 | NA | |
| (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 | X | |
| (11) | State transit assistance funds received by the RTPA allocated only for transportation planning and mass transportation purposes? | 99310.5, 99313.3, Proposition 116 | X | |
| (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 | X | |
| (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 | NA | |
| (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 | X | |

General Administration

DNLTC has a very organized process for filing and the retention of pertinent plans and other documents. All current and historical files are backed up on an external hard drive at the DNLTC office as well as off-site. With this relatively new electronic file management system, ten year old documents and agendas can be searched electronically. In January of 2012, DNLTC adopted a Records Management Policy and Document Retention Schedule which follows adopted state guidelines.

Internal Planning and Achievements

In terms of internal planning, the DNLTC has set forth clear goals and objectives. Its achievements in meeting OWP objectives during the Audit period were good, despite the uncertainties involved with state and federal funding in recent years. The DNLTC has been successful in obtaining discretionary funding to facilitate the programming of all types of transportation projects aimed at increasing roadway safety, enhancing pedestrian/bicycle safety, facilitating goods movement, and improving the efficiency of the overall transportation system. Annual goals and objectives for the Executive Director are set forth in the OWP.

Personnel

The DNLTC Executive Director serves as the only permanent staff person for the commission. The Executive Director is a contract employee and has been with DNLTC for seven years. The commission employs outside consultants on a temporary basis to provide expertise such as accounting and information technology. This system is financially beneficial for this small organization and works well. The work load of the Executive Director appears to be appropriate. DNLTC will pay for staff training, if it is deemed beneficial.

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.

Regional Transportation Plan

The most recent update of the Del Norte County Regional Transportation Plan (RTP) occurred in 2011. The RTP sets forth clear goals and cost estimates for transportation in the region. In order to provide staff and the Commission with transportation planning, the document identified the top priority transportation capital improvement projects for the region. Some of these projects are currently in-progress. The RTP includes all elements required under state guidelines, including a discussion of regional issues, demographic issues, and major concerns associated with regional transportation facility types. As with all DNLTC transportation projects, the 2011 RTP update incorporated an extensive public outreach and consultation program including outreach to the Native American communities. Using Caltrans data, existing studies, and public input, transportation inefficiencies were identified. Despite the DNLTC's success in obtaining grant funding, the RTP notes that there is not sufficient funding available to address all transportation needs in Del Norte County, particularly roadway rehabilitation and maintenance projects.

Information Generation, Collection and Distribution

A review of the OWP shows that the DNLTC work elements go beyond the basic plans and processes for which RTPA's are responsible. The program includes efforts for coordination with other agencies (Rural Counties Task Force and North State Super Region), transportation emergency preparedness, as well as public outreach and education of the local communities. The DNLTC transportation planning process allows staff to be well informed of transportation issues and conditions in the region while providing the tools for a solution to transportation problems.

The DNLTC has done an effective job in laying the planning foundation for transportation improvement projects so that the DNLTC is in a competitive position to obtain non-recurring discretionary funding sources. DNLTC is aware of environmental and geographical issues that can negatively impact transportation in the region. As an example, the Executive Director is on the Sea Level Rise and Climate Change committee.

Claimant Relationships and Oversight

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

Productivity Committee Functions

The DNLTC does not have a formal productivity committee to review services and recommend improvements for lower transit costs. The only transit operator in the county, RCTA, is governed by a separate board which fills the role of a productivity committee. Additionally, the RCTA Transit Manager serves on the DNLTC TAC. As noted in the transit operator Audit Report, the RCTA is well managed and frequently reviews services for improvements.

Technical and Managerial Assistance to Operators

In general, DNLTC and RCTA work independently, focusing on their given tasks. The RCTA reviews the need for service adjustments and performs most marketing efforts. The DNLTC assists the transit operator with grant writing, commissions planning documents such as the Transit Development Plan, and provides a degree of oversight and assistance when it comes to TDA matters.

Communication of TDA Rules and Information to Claimants

For the most part, there also exists a good exchange of data and information between the RTPA and the transit operator in Del Norte County. The DNLTC Executive Director receives transit operator reports quarterly and RCTA meeting agendas regularly. The RCTA Transit Manager will attend DNLTC meetings as needed and receives unmet transit need reports from DNLTC staff. Although most transit related planning documents are provided as a link on the DNLTC website for public viewing, RCTA staff indicated an interest in receiving some documents, such as Fiscal and Compliance Audits and State Controller Reports, directly from DNLTC. Overall, the relationship between the transit operator and RTPA has proved to be an effective strategy for transit services in Del Norte County, as ridership increased during this audit period and costs remained under control. Staff of both the RCTA and the DNLTC concur that a good working relationship exists between the two organizations.

Reports and Information Received by the RTPA

During the Audit period, the DNLTC commissioned Fiscal and Compliance audits from an independent auditor for the DNLTC and for the RCTA within the required time period. The Fiscal and Compliance

audits of the transit operator attest that TDA funds were expended in conformance with most applicable laws, regulations, allocation instructions, and resolutions of the DNLTC. During the audit period there was no cause for the DNLTC to withhold TDA funds from the transit operator.

TDA Claim Processing

The DNLTC processes TDA claims in an accurate and timely manner. TDA claims are paid in full. Resolutions for TDA allocations are typically adopted by June of each year. DNLTC requires claimants under Article 4 of TDA to include the following in claim packets:

- Project and financial plan
- Status of current TDA projects
- Statement of Conformance
- The RCTA Board Resolution
- CHP Safety Compliance Report
- Statement of estimated revenues and expenditures for prior fiscal year
- Adopted or proposed budget for year of claim
- A signed copy of transit service contract
- Information establishing eligibility under efficiency criteria

Marketing, Public Information and Transportation Alternatives

This function involves the outreach activities of an RTPA. All marketing for transit services in Del Norte County are performed by the RCTA staff. A more detailed review of the RCTA marketing efforts is performed in the transit operator audit.

The DNLTC is quite involved in transportation planning efforts to encourage alternative transportation, create a safe environment for pedestrians and motorists, and promote safe and efficient goods movement in and out of the county. Examples of these efforts include: completion of the *Del Norte County and Crescent City Bicycle Facilities Plan* in 2010; completion of the Harbor Trail as a top priority project; and the US 101 Traffic Calming and Gateway Treatment project. Although there is little development in Del Norte County, DNLTC staff have been provided the opportunity to comment on major new developments in the region that might result in traffic congestion or other community impacts.

By all accounts, the DNLTC has a strong public information process in place. The DNLTC website lists completed plans and studies along with an archive of commission meeting minutes. There are four federally-recognized Native American tribal entities within DNLTC's jurisdiction. During the audit period, DNLTC made a concerted effort to include all the tribes in the regional transportation planning process.

Grant Applications and Management

The DNLTC commissions transit studies for RCTA, and provides some grant writing assistance. Regionwide data sources useful for grant writing, such as the California State University of Chico Center for Economic Development *Del Norte County Economic and Demographic Profile*, are posted on the DNLTC website and distributed via email to various agencies including RCTA, the school district, and human service agencies.

During the Audit period, no state or federal grant applications were denied in Del Norte County due to errors or omissions. DNLTC staff has been effective in distributing special grants such as ARRA funding.

This page left intentionally blank.

Conclusions and Recommendations

There is support among stakeholders that the DNLTC is managed and operated in an effective, efficient, and economical manner. The DNLTC provides a strong organization that effectively pulls together transportation policy within Del Norte County.

The DNLTC executive director generally enjoys a strong reputation for knowledge and excellence in performance. All board members interviewed were in agreement that the DNLTC is meeting its goals and objectives. During the Audit period, the DNLTC board was composed of capable and seasoned officials, both elected and appointed, who met regularly, and conducted themselves with efficiency.

FINDINGS

- ◆ The DNLTC has complied with the requirements selected in the *Performance Audit Guidebook*, with one exception: holding at least one annual public hearing to ensure citizen participation in the TDA process.
- ◆ DNLTC has been diligent with commissioning several types of transportation and transit planning studies including Transit Development Plans.
- ◆ The DNLTC and RCTA have a good working relationship with defined duties which allow for a productive transit system. This is evidenced by the increase in RCTA ridership during the audit period.
- ◆ DNLTC staff is held in high regard by Commission members.

RECOMMENDATIONS

Overall, DNLTC effectively and efficiently fulfilled roles and responsibilities assigned to it through the TDA during the audit period. The auditor has the following recommendations with respect to performance.

Recommendation: *Per PUC section 99238.5, DNLTC should hold one public hearing annually to ensure citizen participation in the transit process.*

PUC 99238 stipulates the formation of a SSTAC and establishes the types of members to be recruited and the committee's responsibilities. PUC 99401.5 describes the unmet transit needs finding process which is required when TDA funds are allocated for purposes other than public transit, specialized transportation or bicycle and pedestrian facilities.

During the audit period, DNLTC staff had been given unclear direction as to whether or not it was required to conduct public hearings regarding transit needs, if no TDA funds were allocated for streets and roads purposes. As the RCTA board serves as the oversight board for public transit in Del Norte County and the general public sometimes finds duplicative meetings confusing, DNLTC did not hold a public hearing to gain input on public transit needs in FY 2009-10. Neither was a SSTAC meeting held that fiscal year. However, SSTAC meetings have been held every year since and a representative from the SSTAC regularly attends DNLTC meetings.

In order to meet the regulations set forth in PUC 99238.5 going forward, DNLTC should hold at least one public hearing each year to receive input on public transportation services within the Del Norte County region. Prior to the public hearing, the SSTAC should meet to discuss transit needs in the region, particularly those of transit dependent and transit disadvantaged persons, including the elderly, handicapped, and persons of limited means and provide a summary of the discussion to the DNLTC. It should be noted, however, that the DNLTC is **not** required to adopt by resolution a finding of unmet transit needs **unless** TDA funds are allocated for streets and roads purposes. The public hearing does not need to be advertised as an unmet transit needs hearing (unless TDA funds are allocated for streets and roads purposes). Rather the hearing should provide the opportunity for DNLTC members to stay informed on current issues with respect to the demand and need for public transit services in the region. This information will be helpful in making future funding priority decisions that maintain a balanced transportation system. The purpose of the public hearing should be clearly expressed at the DNLTC meeting and in public notices.

Recommendation: *In order to make an accurate determination as to whether or not tax payer TDA funds are being used effectively to meet community transit needs. The DNLTC should develop performance criteria with which to evaluate the cost effectiveness of existing/potential community transit services per PUC 99275.5.*

During the audit period, there was turnover of the CTSA TDA claimant under Article 4.5. As the TPA process is a good opportunity for DNLTC to review all matters and processes related to TDA, DNLTC staff requested that the auditor more closely review performance criteria for the new CTSA claimant.

Currently the Community Assistance League (CAL) acts as the designated CTSA for the Del Norte region. This non-profit organization provides important non-emergency medical trips for Del Norte residents. CAL will pay for the full cost of a trip via public transit to an out-of-area medical appointment or provide a gas voucher which partially covers the cost of a trip to an out-of-area medical appointment. An appropriate system of checks is in place to ensure that vouchers are only being used for medical appointment purposes. Designation of CAL as the CTSA was supported by the community and the organization appears to be a well-managed and a financially effective operation. As there are no paid staff members, administrative overhead is quite low.

Although CAL is providing a valuable service at a low cost to the public (roughly \$24,000 in annual TDA funds), there should be some better accountability for the use of public funds. CAL should track and report transportation services provided with TDA funds in a manner that allows DNLTC to evaluate the cost effectiveness of the community transit service. Potential evaluation criteria for community transit service claims in Del Norte County could include performance measures such as: cost (voucher) per one-way trip.

CAL currently provides DNLTC with basic statistics on a quarterly basis: the total number of one-way trips (not round trips) by month, total number of one-way public transit trips by month and total dollar amount of gas vouchers provided for all trips each month. Currently, the agency does not have a standardized cost or level of reimbursement for each qualified trip.

One means of identifying an appropriate standard for the cost of CTSA trips is to base the level of reimbursement on the Internal Revenue Service (IRS) total mileage reimbursable rate of (currently 56.5 cents per mile). The purpose of CAL's program is not to reimburse a client 100 percent for a non-emergency medical trip, if the trip is not taken on public transit. Rather the goal is to provide some level of assistance to those in need. CAL could develop standard levels of reimbursement for non-public transit trips based on a proportion of the IRS mileage rate. For example: CAL could provide eligible clients with

a gas voucher for a certain percentage of the IRS reimbursable rate for each one-way trip. This proportion would need to be set so as to maximize the benefit of the program to participants while still assuring that the program remains sustainable.

In terms of data reporting to DNLTC, along with its annual TDA claim CAL should submit to the DNLTC appropriate data so that a proper evaluation can be made.

This annual report could concisely report the following:

- ◆ Total number of passenger-trips (one-way) served in the previous year.
- ◆ Number of trips by destination area (within Del Norte County, Brookings, Medford, Eureka, Bay Area, etc.). For each area, the number of trips served by mileage reimbursement versus bus fare purchase.
- ◆ Total costs expended on the subsidized transportation program.
- ◆ Costs expended directly for bus fare purchase, for mileage reimbursement, and for administrative purposes.
- ◆ Proportion of total costs incurred for administrative purposes.
- ◆ Overall program costs per one-way passenger-trip served.

It is important that trips be tracked as one-way trips, as (1) this is the measure used in state reporting, and (2) this addresses possible one-way services, such as return trips from remote airports. Using this annual report, DNLTC can track the overall program costs per trip served over time and evaluate trends. In total, administrative time spent by the CTSA on required data collection and reporting should not exceed 20 percent of the TDA allocation. If it is discovered that administrative costs associated with data reporting exceed the 20 percent, DNLTC should consider revising evaluation criteria requirements.

