

**DEL NORTE LOCAL TRANSPORTATION COMMISSION
REGULAR MEETING AGENDA: MARCH 17, 2016 11 A.M.
DEL NORTE COUNTY BOARD OF SUPERVISORS CHAMBERS
FLYNN ADMINISTRATIVE CENTER, 981 H STREET, CRESCENT CITY, CA**

- 1. Call Meeting to Order**
- 2. Public comment period**

Anyone wishing to make public comments regarding matters either on or off the agenda and within the Commission's jurisdiction may do so at this time; however, the Commission is not permitted to act on non-agenda items.

- 3. Adjourn to the Policy Advisory Committee**

CONSENT AGENDA

Items are considered routine in nature and voted on in one motion: Consider public comments or requests to pull matters from the consent agenda for separate action.

- a) Minutes of February 11, 2016**

Staff recommendation: By consensus, accept minutes of February 11, 2016.

POLICY and ADMINISTRATIVE

- b) Receive presentation of draft 2016 Regional Transportation Plan**

Information only.

- c) Triennial Performance Audit**

Staff recommendation: By consensus, accept 2013-15 Triennial Performance Audit.

- d) Safe Routes to Schools Walk & Roll to School program budget**

Staff recommendation: By polled vote, approve the Walk & Roll to School program budget as presented.

- e) Discussion items**

- North STIP Hearing
- Community Assistance League communications
- Front Street
- Last Chance Grade
- North Gateway speed limits
- TDA fund estimate, worksheet and apportionment

- 4. Commissioner comments and reports.**

- 5. Action on the recommendations of the Policy Advisory Committee**

Adjourn as the Policy Advisory Committee, reconvene as the Del Norte Local Transportation Commission, and by polled vote, approve and adopt the actions taken by the Policy Advisory Committee in items listed above.

- 6. Adjourn to the regular meeting scheduled on May 12, 2016 at 11 a.m.**

Note: There will be no meeting in April.

Anyone requiring reasonable accommodation to participate in the meeting should contact the Executive Director Tamera Leighton, at (707) 465-3878, at least five (5) days prior to the meeting.

For TDD use for speech and hearing impaired, please call (707) 464-2226.

MINUTES
DEL NORTE LOCAL TRANSPORTATION COMMISSION
REGULAR MEETING: FEBRUARY 11, 2016 11 A.M.

Present: David Finigan, County, Chairman
Commissioner Gerry Hemmingsen
Commissioner Rick Holley
Commissioner Chris Howard
Commissioner Kathryn Murray
Commissioner Darrin Short, Vice-Chairman

Absent:

Also Present: Nicole L. Burshem, P.S. Business Services
Tamera Leighton, Local Transportation Commission
Jason Price, Caltrans
Kurt Stremberg, Public

1. Call Meeting to Order

Chair Murray called the meeting to order at 11:00 a.m.

2. Public comment period

The following person(s) addressed the Board: Kurt Stremberg commented there was a conversation on Last Chance Grade that there may be up to 3-hour delay for construction between Crescent City and Eureka. Mr. Stremberg noted he is curious to what the timeline will be because a lot of people are concerned with the 3-hour commute. Commissioner Holley asked if this would be in multiple locations. Mr. Stremberg stated that yes there will be multiple locations of delays. Commissioner Finigan commented Mr. Stremberg's information is misleading and that the 3-hour delay will not be every day or regularly but on very few days when big equipment is moved to the construction site and that the 3 hours is a worst case scenario. Commissioner Finigan suggested that major delays should happen on the off hours and that Last Chance Grade is one location, but there are two other locations as well. Commissioner Holley commented we should encourage Caltrans to do this as soon as possible. Ms. Leighton suggested having a factual update at the next to add clarity. Public Advisory Member Tucker commented they are working on a list to show where the delays will be.

3. Election of Chairperson and Vice Chairperson

Requested Action: By motion, elect a Chairperson and Vice Chairperson for 2016.

On a motion by Commissioner Holley, seconded by Chair Murray, and unanimously carried on a polled vote, the Del Norte Local Transportation Commission approved to elect David Finigan as Chair.

On a motion by Commissioner Holley, seconded by Commissioner Finigan, and unanimously carried on a polled vote, the Del Norte Local Transportation Commissioner approved to elect Darren Short as Vice Chair.

4. Adjourn to the Policy Advisory Committee

Chair Finigan adjourned as the Del Norte Local Transportation Commission and immediately reconvened as the Policy Advisory Committee at 11:10 p.m.

CONSENT AGENDA

Items are considered routine in nature and voted on in one motion: Consider public comments or requests to pull matters from the consent agenda for separate action.

a) Minutes of January 14, 2016

Staff recommendation: By consensus, accept minutes of January 14, 2016. On a motion by Commissioner Murray, seconded by Commissioner Short, and unanimously carried on a polled vote with Public Advisory Member Tucker abstained, the Del Norte Local Transportation Commission approved the minutes from January 14, 2016, as presented.

POLICY and ADMINISTRATIVE

b) California Low Carbon Transit Operations Program Fiscal Year 2015-16 Funding Allocation

Staff recommendation: By polled vote, adopt Resolution 2016 02 allocating \$27,151 to Redwood Coast Transit Authority.

Ms. Leighton commented the LCTOP program is another program where funds pass through DNLTC to the Transit Authority. There is only one Transit Authority that is eligible for this program and the Resolution that is attached is a requirement for eligibility.

On a motion by Commissioner Holley, seconded by Commissioner Murray, and unanimously carried on a polled vote, the Del Norte Local Transportation Commission approved and adopted Resolution 2016 02 allocation \$27,151 to Redwood Coast Transit Authority.

c) Grants Management Assistance

Staff recommendation: By polled vote:

1. Authorize executive director to execute contract for on-call transit grant fund administration services after review by counsel.
2. Adopt resolution 2016 03 amending the Overall Work Program to include Grants Management Assistance and the corresponding funding.

Ms. Leighton commented these were on together because in order to have one we have to have the other. With recent experiences, it is prudent to secure some additional help to ensure continuous required reporting through transition of the Transit Manager position. Commissioner Holley asked if this comes out of the budget of the Local Transportation Commission authority or does it come from somewhere else. Ms. Leighton commented that these are TDA funds and while they come from DNLTC it is all the same funding regardless of the budget. There is no net difference. In the March meeting she will bring information to further explain the process for allocating TDA funds. These are funds that go through a formula and that DNLTC administration is the first allocation in this formula.

3. On a motion by Commissioner Murray, seconded by Chair Finigan, and unanimously carried on a polled vote, the Del Norte Local Transportation Commission authorized the executive director to execute contract for on-call

transit grant fund administration services after review by counsel and approved and adopted resolution 2016 03 amending the Overall Work Program to include Grants Management Assistance and the corresponding funding

d) Discussion items

- 2016 Regional Transportation Plan – Ms. Leighton presented a brief list of projects that were discussed at the Technical Advisory Committee meeting. Ms. Leighton noted in the RFP document we have a top priority unfunded chapter. It is a short numerical list of priority projects. Ms. Leighton stated she wanted to share with the board the Technical Advisory Committee recommendation. Chair Finigan asked if the funding for the roundabout for Parkway/Washington intersection changed. Ms. Leighton commented there hasn't been conversation about the intersection and we don't have a concerning accident rate at this time. Commissioner Murray asked if the Hiouchi project has a Federal area there. Ms. Leighton commented it is Park land so it is a Park project. Commissioner Holley asked if the 1 - 7 is a prioritized list. Ms. Leighton stated that it is a prioritized list. Commissioner Short asked if we should expand number one to include the four projects that start at Hamilton Road to Mill Creek. Ms. Leighton commented the difference in those projects is that those are maintenance and emergency projects that are getting taken care of right now and that are not typically in a Regional Transportation Plan.
- Transportation Funding in California – Ms. Leighton commented the STIP has a negative balance. Ms. Leighton noted what is happening across the state is that \$750 million will need to be reconciled. That is for future projects that have not received an allocation. With gas prices so low we find ourselves in a predicament. Chair Finigan stated that transportation funding is going in the wrong direction.
- Last Chance Grade – Ms. Leighton commented we have had conversations about declaring an emergency. The questions continue to come back to us. Ms. Leighton suggested placing a FAQ section on the website to state what a State of Emergency will do or not do. Chair Finigan commented even if the money were there, you would still have to go through a process and the potential consequences are that if it is declared an emergency than the road will have to be shut down. Public Advisory Member Tucker commented he spoke with Sebastian Cohen and they are still working on the language to present something more for the public in about a week. Commissioner Murray suggested stating the steps that a project has to go through in order to be complete. Public Advisory Member Tucker stated that could be done.
- North Gateway speed limits – Ms. Leighton commented the North Gateway into Crescent City will have a declining speed limit soon from 65 to 55 to 45 mph rather than from 65 to 45 mph.

5. Commissioner comments and reports.

Commissioner Murray commented Congressman Huffman would be attending our Last Chance Grade meeting. Commissioner Holley asked whether there will be guardrails on Highway 199 at the location where the car went off the road with two fatalities.

6. Action on the recommendations of the Policy Advisory Committee

Adjourn as the Policy Advisory Committee, reconvene as the Del Norte Local Transportation Commission, and by polled vote, approve and adopt the actions taken by the Policy Advisory Committee in items listed above.

The Policy Advisory Committee adjourned and immediately reconvened as the Del Norte Local Transportation Commission at 11:41 a.m.

On a motion by Commissioner Murray, seconded by Commissioner Holley, and unanimously carried on a polled vote, the Del Norte Transportation Commission approved and adopted the actions taken above items 4. a-d.

7. Adjourn to the special meeting scheduled on March 17, 2016 at 11 a.m.

With no further business before the Commission, Chairman Murray adjourned the meeting at 11:43 a.m., until the next regularly scheduled meeting on March 24, 2016 at 11:00 a.m.

Respectfully submitted,

Tamera Leighton, Executive Director
Del Norte Local Transportation Commission

Item B

DATE: MARCH 17, 2016
TO: DEL NORTE LOCAL TRANSPORTATION COMMISSION
FROM: TAMERA LEIGHTON, DIRECTOR
SUBJECT: PRESENTATION OF DRAFT 2016 REGIONAL TRANSPORTATION PLAN

STAFF RECOMMENDATION: Discussion only.

BACKGROUND: The purpose of Regional Transportation Plan (RTP) is to encourage and promote the safe and efficient management, operation and development of a regional intermodal transportation system that, when linked with appropriate land use planning, will serve the mobility needs of goods and people. The California Transportation Commission (CTC) cannot program projects that are not identified in the RTP. Since the mid-1970s, with the passage of AB 69, (Chapter 1253, Statutes of 1972) California state law has required the preparation of RTPs to address transportation issues and assist local and state decision-makers in shaping California's transportation infrastructure.

DISCUSSION: The Del Norte Local Transportation Commission contracted with Green DOT Transportation Solutions to complete an update to the 2016 Del Norte Regional Transportation Plan. Over the past several months, staff, representatives from the various entities (Caltrans, City, County, Transit, Tribal) have worked with the consultant to develop the draft plan as presented in this agenda packet. The entire draft is at the DNLTC website on the home page <http://www.dnltc.org/> and in the top tab labeled "2016 RTP" <http://www.dnltc.org/2016-regional-transportation-plan/>.

- Public meetings were held on January 6 and 27 to solicit information from members of the public.
- A page on the DNLTC website was established to keep interested parties up to date on the project.
- Meetings were held with agencies responsible for public transportation infrastructure to solicit short and long term project lists.
- The draft plan was submitted to Caltrans for review.
- The draft plan was released to the public for review.

Jeff Schwein, Principal Transportation Planner, will be in attendance to review the draft plan with the Commission and answer any questions. The proposed schedule for adoption includes a mandatory public comment period and the presentation of the final draft to the Commission for adoption in the May 12 DNLTC meeting.

Item C

DATE: MARCH 17, 2016
TO: DEL NORTE LOCAL TRANSPORTATION COMMISSION
FROM: TAMERA LEIGHTON, EXECUTIVE DIRECTOR
SUBJECT: TRIENNIAL PERFORMANCE AUDIT

STAFF RECOMMENDATION: By consensus, accept the 2013-2015 Triennial Performance Audit for Del Norte Local Transportation Commission.

DISCUSSION: Every three years a reviewer conducts a performance audit of DNLTC to determine compliance with the Transportation Development Act's (TDA) rules and regulations. Michael Baker International has completed their performance audit of DNLTC for the three years ending June 30, 2013-15. The reviewer reports that DNLTC has satisfactorily complied with the applicable state legislative mandates for Regional Transportation Planning Agencies (RTPAs), pending completion of the TDA fiscal audit of the Redwood Coast Transit Authority for FY 2014-15.

The reviewer has six recommendations, which are being considered and will be reported on to DNLTC after discussion with the Technical Advisory Committee (TAC) and after discussion with the Social Services Transportation Advisory Council (SSTAC). Of note, the Consolidated Transportation Service Agency (CTSA) Community Assistance League has sent a letter of resignation from its role, which was an action considered and taken by Community Assistance League completely independently of this audit and long contemplated by the organization.

**FY 2013-2015
Triennial Performance Audit of
Del Norte Local Transportation
Commission**

Submitted to
Del Norte Local Transportation Commission

February 2016

Submitted by

Michael Baker

INTERNATIONAL

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Executive Summary

The Del Norte Local Transportation Commission (DNLTC; Commission) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit for fiscal years (FY) 2012–13 through 2014–15. DNLTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding. TDA funds are expended for DNLTC administration and planning and for distribution to local jurisdictions for non-motorized projects and operations of public transit systems.

This performance audit is intended to describe how well DNLTC is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, Michael Baker International conducted interviews with the Executive Director and Commission members, reviewed various documents, and evaluated DNLTC’s responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

Compliance with TDA Requirements

DNLTC has satisfactorily complied with the applicable state legislative mandates for Regional Transportation Planning Agencies (RTPAs), pending completion of the TDA fiscal audit of the Redwood Coast Transit Authority for FY 2014–15. An additional compliance measure speaks to the unmet transit needs process in which DNLTC is not required to conduct a formal process, as no Local Transportation Fund (LTF) revenue is allocated for streets and roads. This has been confirmed by the auditor’s discussion with Caltrans. However, to ensure all mandates are met, DNLTC has undertaken the unmet needs process each year of the audit period.

Status of Prior Audit Recommendations

DNLTC implemented one prior performance audit recommendation regarding holding an annual public hearing to ensure citizen participation. The other prior recommendation for DNLTC to develop performance criteria for the Community Assistance League has been partially implemented and is carried forward for full implementation.

Functional Review

1. DNLTC conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.

2. The issues and high profile projects undertaken by DNLTC heighten the agency’s visibility in the region in spite of small funding shares relative to other planning agencies in the state. Project priority setting under limited funding constraints is a constant activity being worked on at DNLTC.
3. The Overall Work Plan developed by the Executive Director in collaboration with the Technical Advisory Committee and Commissioners guides the annual work effort. The document is subject to federal and state oversight and approval. Each work element and expected product is clearly laid out and described, with associated funding identified for each product.
4. Michael Baker received feedback from four members of the Commission during interviews. Commission members expressed confidence in the abilities and background of DNLTC’s Executive Director. Overall, Commission members expressed that DNLTC’s administration has been professional in carrying out the mission of the agency in spite of the constrained financial resources that Del Norte County is faced with.
5. DNLTC participates in several collaborative efforts with local Native American tribal entities and other rural RTPAs around the state. The Executive Director advocates for funding and project delivery and participates in local, regional, and state transportation meetings.

Recommendations

Six recommendations are provided to improve DNLTC’s administration and management of the TDA and its organization. Each recommendation is described in detail in the last chapter of this audit and is summarized below.

Performance Audit Recommendation	Background
1. Develop a TDA handbook	DNLTC has administered the TDA following the priority and instructions in the law. The steps undertaken in terms of the apportionment, claims, allocation, approval, and monitoring of TDA funding are conducted accordingly. However, this process, along with the intricacies of TDA such as eligibility, performance measurement, audits, and other references, are not documented in a single handbook that articulates DNLTC’s local practices and policies. Such a written handbook can be shared with the claimants and local jurisdictions as a reference tool and provide a common understanding of which aspects of the statute pertain particularly to the Del Norte region. Many transportation planning agencies have developed their own TDA manuals that codify local practice. The Del

Performance Audit Recommendation	Background
	Norte region would benefit from a similar document.
2. Commission an annual TDA fiscal audit of the CTSA	DNLTC provides LTF under Article 4.5 to the designated Consolidated Transportation Services Agency (CTSA), the Community Assistance League (CAL), to provide assistance for non-emergency medical trips outside of Del Norte County. PUC Section 99245 states that the transportation planning agency is responsible to ensure that all claimants to whom it directs the allocation of funds submit an independent annual certified fiscal audit to the agency and to the State Controller. The requirement for this fiscal audit is applicable to all transportation providers receiving TDA. DNLTC should work with CAL to identify the means of conducting the audit and retaining a certified public accountant. California Code of Regulations Sections 6664 and 6667 of the TDA describe the approach and data required in the fiscal audit of the claimant.
3. Develop performance metrics to evaluate the cost effectiveness of of the CTSA	The designated CTSA, the Community Assistance League, is the claimant under Article 4.5 of the TDA. LTF granted under PUC Section 99275.5 requires DNLTC to adopt performance criteria as a means to evaluate the cost effectiveness of the service. CAL provides DNLTC with basic statistics on a quarterly basis: total number of one-way 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. This data, while important to report, does not quantify a standardized cost or performance measure that gauges cost efficiency or effectiveness. As indicated in the prior audit, 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. The prior audit suggested basing the level of reimbursement on the Internal Revenue Service (IRS) total mileage reimbursable rate per mile. In addition, it is suggested that DNLTC work with CAL in the development of specific performance metrics such as cost per trip and cost per mile to compare against actual. These metrics use readily available data and can be reported system-wide and by trip destination. The standards can use historic averages such as the past one to three years and updated annually using the most recent one to three years. The standards for cost per trip and cost per mile to compare against actual create a baseline for determining the relative service efficiency and effectiveness in use of the LTF revenue.

Performance Audit Recommendation	Background
4. Modify unmet transit needs activities	<p>It was clarified during this performance audit that DNLTC is not required to conduct the formal unmet transit needs process including adopting a resolution of the findings, as there are no TDA allocations for streets and roads. The minimum compliance requirements that must still occur are to hold at least one annual public hearing to solicit transit needs and to continue to have an active Social Services Transportation Advisory Council (SSTAC) that meets the membership composition set by law and that addresses transit needs. The public hearing requirement is contained in PUC Section 99238.5. Also, the SSTAC's prioritization of transit needs is an activity that can continue without undertaking the formal unmet needs process. Formal procedures under the unmet needs process, such as reaffirming the definitions of unmet transit needs and reasonable to meet, adopting a resolution of findings, and submitting these unmet needs documentation to Caltrans, are not required. This finding will save DNLTC time and resources. However, it is DNLTC's option based on local policy and conditions whether to continue with the full unmet needs process as it does provide DNLTC an existing mechanism to evaluate transit service.</p>
5. Attach Standard Assurance Form to TDA transit operator claims	<p>To be eligible for LTF revenue under Article 4 (PUC Section 99260) of TDA, which applies to funding claims by the Redwood Coast Transit Authority (RCTA), a number of conformance items should be checked off by RCTA as part of completing the claim. Although the current claim packet includes a conformance sheet that is signed by RCTA, the sheet does not specify the items that RCTA should be in conformance with. An example Standard Assurance Form in the appendix to this audit shows the items that are to be checked off, including completion of reports to the state, operational methods, and fare pricing. A Standard Assurance Form should be included in the TDA claim packet for the transit operator as another means to verify compliance with TDA measures prior to receiving LTF.</p>
6. Coordinate the responsibility of transit grant reporting with Redwood Coast Transit Authority	<p>The findings contained in the Redwood Coast Transit Authority's FY 2014 fiscal audit and the Failure to Report Notices sent by the California Governor's Office of Emergency Services (CalOES) to RCTA show an apparent need for DNLTC to monitor RCTA's grant management practices. DNLTC's adopted resolutions for grant funds from CalOES and from the new Low-Carbon Transit Operations Program (LCTOP) authorize the DNLTC Executive Director or the RCTA General Manager to execute all documents related to the</p>

Performance Audit Recommendation	Background
	<p>grant. This language in the resolutions indicate both agencies have a responsibility to coordinate the completion and submittal of required documentation. The hiring of a new RCTA General Manager provides an opportunity for DNLTC to coordinate on the reporting responsibility for transit grants and the notification of reporting status. Whether the responsibility falls solely on the RCTA General Manager or there is a shared responsibility between the two agencies, DNLTC should take the lead to communicate the expectations, responsibility, and flow of data so that they are understood between the two agencies and ensure reporting to the state and federal oversight agencies can be consistently met and grant funds not be put at risk.</p>

Section I

Introduction – Initial Review of DNLTC Functions

The Del Norte Local Transportation Commission (DNLTC; Commission) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2012–13 through 2014–15. DNLTC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding.

This performance audit, as required by the TDA, is intended to describe how well DNLTC is meeting its administrative and planning obligations under the TDA.

Overview of Del Norte County and DNLTC

Del Norte County is located in the northwest corner of California, topographically defined by its rugged coastline and redwood forests. The county is bordered by Humboldt County to the south, the state of Oregon to the north, the Pacific Ocean to the west, and Siskiyou County to the east. The elevation ranges from sea level along the coast to 6,415 feet above sea level at Bear Mountain. The county’s geographical land area encompasses nearly 1,230 square miles and is traversed by 782 miles of roadway. The main north–south highway is US Highway 101 (US 101), which runs parallel to the coast and connects the county with Humboldt County and Oregon. The major east–west highway is US 199, which runs along the Smith River from US 101 toward the Oregon border. Other state highways that traverse the county include State Routes (SR) 169 and 197. A demographic snapshot of the county is presented in Table I-1.

**Table I-1
Del Norte County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	Land Area (in square miles)
Crescent City	7,643	+84.8%	7.65%	2.42
Unincorporated Areas	20,967	-10.3%	15.68%	1,227.59
Total Del Norte County	28,610	+4.0%	13.54%	1,230.00

Source: 2010 US Census

Population growth has been fairly modest in recent years. According to the 2010 US Census, the county’s population was 28,610, an increase of 4 percent from the 2000 Census figures. The senior citizen population, comprising residents aged 65 and over, is 13.54 percent countywide. The California Department of Finance 2015 estimate reports a countywide population of 28,031. The county seat and sole incorporated city is Crescent City. The population of Crescent

City increased 84.8 percent between 2000 and 2010 due to annexations of adjacent unincorporated areas such as Crescent City North as well as the inclusion of Pelican Bay State Prison. Notable unincorporated communities and census-designated places include Bertsch-Oceanview, Fort Dick, Gasquet, Hiouchi, Klamath, and Smith River. The local federally recognized Native American tribes are the Tolowa Tribe of the Smith River Rancheria and the Yurok Tribe of the Yurok Reservation, which encompasses the town of Klamath.

Created from portions of the former Klamath County, Del Norte County was incorporated on March 2, 1857. The county derives its name from the Spanish term “Tierra del Norte,” or Land of the North. The local economy is dominated by agriculture, construction, fisheries, forestry, government, retail, and tourism. The top agricultural commodities based on 2012 data compiled by the USDA National Agricultural Statistics Service include cattle husbandry, nursery stock, dairy, livestock products, and hay. The data shows the valuation of crops in Del Norte County was approximately \$40.2 million.

In its capacity as a Regional Transportation Planning Agency (RTPA) for TDA administration, DNLTC administers and allocates TDA revenues to eligible claimants, including transit operators and local jurisdictions for street and road purposes. DNLTC’s total budgeted TDA allocations for administration and plans/programs during the fiscal years addressed by this audit were \$74,856 in FY 2012–13, \$64,917 in FY 2013–14, and \$72,108 in FY 2014–15.

Role and Structure of DNLTC

DNLTC is one of 43 Regional Transportation Planning Agencies in California, created pursuant to Section 29532 of the California Government Code. The principal purpose of RTPAs in rural areas is to:

- Prepare and adopt planning and programming documents required by law, and
- Allocate funds and administer various funding programs that involve cities, counties, and transit operators.

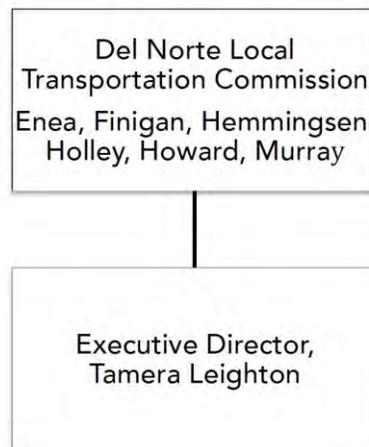
Specific to its role, DNLTC was created pursuant to Title 3, Division 3, Chapter 2 of California Government Code Section 29535. The mission of DNLTC is to prepare, plan, and fund transportation programs for the citizens of Del Norte County. As a Local Transportation Commission serving a rural area, DNLTC is limited to dealing only with transportation planning issues. It is responsible for the planning and programming of transportation-related funding and projects including the Regional Transportation Plan (RTP) and the Regional Transportation Improvement Program (RTIP) required by state and federal law. In addition, DNLTC guides the following:

- Approval of the allocation of and claims for TDA funds;
- Provision for the distribution and oversight of Local Transportation Fund (LTF) monies;
- Preparation and submission of applications for transportation-related funds;

- Preparation of the annual Overall Work Program (OWP) and OWP Progress Reports;
- Intergovernmental review and comment on other California Department of Transportation Highway Planning Projects; and
- Encouragement of active citizen participation in the development and implementation of various transportation-related plans and programs.

DNLTC is administered by an executive director, who is a private planning and community development consultant retained by the Commission. An organization flow chart of DNLTC and its member agencies and committees is shown in Figure 1.

Figure 1
DNLTC Organizational Chart



Source: DNLTC

DNLTC’s offices are located in Crescent City. Meetings of the Commission are convened in the Del Norte Board of Supervisors Chambers located at the Flynn Administrative Center, 981 H Street in Crescent City. To meet the requirements of the Brown Act, DNLTC posts agendas at the City of Crescent City Public Works Department and the County of Del Norte Community Development Department. The Executive Director provides support to the Commission as well as to the advisory and standing committees as described below.

DNLTC – Commission: As the principal governing body, the Commission is composed of six members: three Del Norte County supervisors and three Crescent City council members. With the addition of the Caltrans District 1 Director (or alternate), the Commission becomes the Policy Advisory Committee. The Policy Advisory Committee advises the Commission on all policy matters related to regional transportation planning. The Commission meets the second Thursday of the month at 11:00 a.m.

Technical Advisory Committee (TAC): The TAC is composed of planning and public works representatives from the County of Del Norte and the City of Crescent City appointed by the Board of Supervisors and the City Council. In addition, there are representatives from Caltrans' Transportation Planning Branch, the California Highway Patrol, the Redwood Coast Transit Authority (RCTA), the Crescent City Harbor District, and the Yurok Tribe. The purpose of the TAC is to review the technical merits of various issues and projects as well as to coordinate the plans and development of regional transportation improvement programs of projects, transportation planning programs, and transportation funding programs. The committee meets the first Thursday of the month at 9:30 a.m. in the Wastewater Treatment Plant Community Room located at 210 Battery Street in Crescent City.

Social Services Transportation Advisory Council (SSTAC): The SSTAC is DNLTC's only standing committee statutorily (PUC Section 99238) created to serve a broad representation of seniors, persons with disabilities, persons of limited means, social service agencies, and the transit dependent. The SSTAC is composed of the following representation:

- A representative of potential transit users who are handicapped;
- A representative of the Consolidated Transportation Services Agency;
- A representative of the local social services provider for seniors;
- A representative of a services provider for the handicapped;
- A representative of potential transit users who are 60 years of age or older;
- A representative of the local social services provider for people of limited means; and
- A representative of a minority group/geographic locale.

The council's three tenets are to participate in the identification of transit needs; to participate in the unmet transit needs process; and to advise the Commission on any major transit issues, including the coordination and consolidation of specialized transportation services. The SSTAC meets on a quarterly basis.

Transit Operator Oversight

DNLTC approves TDA fund claims for and monitors two transportation claimants, RCTA and the California Assistance League (CAL). RCTA, the county's public transportation service, is administered under a Joint Powers Authority (JPA) composed of the County of Del Norte and the City of Crescent City and is operated by a private contractor, First Transit. The General Manager is an independent contractor who answers directly to the five-member RCTA Board. The General Manager provides executive-level management services for RCTA and oversees the performance of First Transit.

RCTA provides local fixed-route service in Crescent City and regional and lifeline route service to other Del Norte County communities along the US 101 and US 199 corridors. Regional service also extends to Arcata in Humboldt County where interline connections can be accessed. In

addition, RCTA provides demand-response wheelchair-accessible curb-to-curb services in the Crescent City area through its Dial-A-Ride service. Services are provided Monday through Saturday from approximately 7 a.m. to 7 p.m.

Audit Methodology

To gather information for this performance audit, Michael Baker International accomplished the following activities:

Document Review: Conducted an extensive review of documents including various DNLTC files and internal reports, committee agendas, and public documents.

Interviews: Interviewed DNLTC's Executive Director and Commissioners to gain their perspective about the agency's efficiency and economy.

Analysis: Evaluated the responses from the interviews as well as the documents reviewed about DNLTC's responsibilities, functions, and performance to TDA guidelines and regulations.

All of the activities described above were intended to provide Michael Baker with the information necessary to assess DNLTC's efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements
- Organizational management and efficiency

The remainder of this report is divided into four chapters. In Section II, Michael Baker International provides a review of the compliance requirements of the TDA administrative process. Section III describes DNLTC's responses to the recommendations included in the previous performance audit. In Section IV, we provide a detailed review of DNLTC's functions, while Section V summarizes our findings and recommendations.

Section II

DNLTC Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, which was developed by Caltrans. Our findings concerning DNLTC’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
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 (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	DNLTC accounts for its claimants’ apportionment and has not allowed those claimants to claim more than what is apportioned for their areas. After allocations for DNLTC administration and planning and for bicycle and pedestrian projects, 5 percent of the remaining LTF revenue is allocated to the CTSA, with the remainder to RCTA. The Commission annually adopts a resolution approving each LTF allocation. Conclusion: Complied
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.	Public Utilities Code, Sections 99233.3 and 99234	DNLTC provides guidance on its TDA claims form for the submission of claims for pedestrian and bicycle projects. Although DNLTC has not formally adopted rules and regulations for delineating procedures for the submission of claims for facilities provided for the exclusive use of

**TABLE II-1
DNLTC Compliance Requirements Matrix**

Compliance Requirement	Reference	Compliance Effort
		<p>pedestrian and bicycle projects, DNLTC does adhere to the standard format for allocating claims under Article 3 toward such projects.</p> <p>Per the goals established in the <i>Del Norte County and Crescent City 2010 Bicycle Facilities Plan Update</i>, DNLTC annually adopts a resolution allocating 2 percent of remaining LTF after the allocation for TDA administration and planning.</p> <p>The TAC decides which jurisdiction can claim the funds. Claimants then submit a written request and an invoice for reimbursement for bicycle and pedestrian projects undertaken. Claims are approved by the Commission through a resolution.</p> <p>Conclusion: Complied</p>
<p>The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>The role of the SSTAC is to aid the Commission of its review of transit issues, with an emphasis on the annual identification of transit needs in Del Norte County. The SSTAC meets quarterly and participates on a number of issues, including an annual public hearing to ensure citizen participation in the transit process and coordination of specialized transportation services.</p>

**TABLE II-1
DNLTC Compliance Requirements Matrix**

Compliance Requirement	Reference	Compliance Effort
		<p>The SSTAC membership conforms to the stakeholder categories pursuant to PUC Section 99238, including geographic and minority representation.</p> <p>Conclusion: Complied</p>
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <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 which exceeds its prior year 	<p>Public Utilities Code, Section 99244</p>	<p>Transit performance data is provided to DNLTC through mid-year and annual reports produced by the Redwood Coast Transit Authority and through the TDA claims submitted by the transit claimants.</p> <p>DNLTC has not established a separate committee for the purpose of providing advice on productivity improvements (e.g., transit operators committee); however, the TAC and SSTAC fulfill that function. DNLTC commissions short-range transit plans such as the <i>2013 Short Range Transit Development Plan for the Redwood Coast Transit Authority</i>. The plan reviews the transit needs of the region and the cost-effectiveness of existing routes and services. RCTA has its own governing board, which is tasked with reviewing the productivity of transit services in Del Norte County.</p> <p>The triennial performance audit of RCTA also serves as a</p>

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
allocation.		productivity improvement document. Conclusion: Complied
The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).	Public Utilities Code, Section 99245	DNLTC maintains records that all TDA claimants submit an annual certified fiscal and compliance audit. The firm of Hunter, Hunter & Hunt LLP was retained to conduct the fiscal audits of the public transit claimant, RCTA. However, it is recommended that the Article 4.5 claimant, the Community Assistance League, be required to submit annual fiscal and compliance audits pursuant to TDA. The following fiscal audits were completed: RCTA: FY 2013: December 31, 2013 FY 2014: January 9, 2015 FY 2015: <i>Pending completion, extension granted by DNLTC</i> Conclusion: Partial compliance, pending completion of FY 2015 RCTA fiscal audit by end of March 2016. A TDA fiscal audit of CAL, as a recipient of LTF, should also be conducted.
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the	Public Utilities Code, Sections 99246 and 99248	For the current three-year period, DNLTC has retained an independent entity, Michael Baker International, to conduct the audit of DNLTC.

**TABLE II-1
DNLTC Compliance Requirements Matrix**

Compliance Requirement	Reference	Compliance Effort
<p>audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the end of the triennium. If an operator's 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.</p>		<p>LSC Transportation Consultants Inc. was retained to conduct the previous audit for the three fiscal years that ended June 30, 2012.</p> <p>Conclusion: Complied</p>
<p>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.</p>	<p>Public Utilities Code, Section 99246(c)</p>	<p>A copy of the letter submitted to the Caltrans Division of Mass Transportation certifying completion of the performance audits from the previous triennium was provided to the auditor as evidence of compliance. The letter was dated April 16, 2013.</p> <p>Conclusion: Complied</p>
<p>The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle</p>	<p>Public Utilities Code, Section 99246(d)</p>	<p>DNLTC commissions a performance audit of the transit operator providing service in its jurisdiction, which includes all required TDA performance measures plus additional indicators to further assess the operator's efficiency, effectiveness, and economy</p>

**TABLE II-1
DNLTC Compliance Requirements Matrix**

Compliance Requirement	Reference	Compliance Effort
<p>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.</p>		<p>with the use of TDA funds.</p> <p>Conclusion: Complied</p>
<p>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.</p>	<p>Public Utilities Code, Sections 99270.1 and 99270.2</p>	<p>The transit service in Del Norte County operates in a nonurbanized area.</p> <p>Conclusion: Not applicable</p>
<p>The RTPA has adopted 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.</p>	<p>Public Utilities Code, Section 99275.5</p>	<p>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 community transit services provided. The designated CTSA, the Community Assistance League (CAL), provides assistance for non-emergency medical trips outside of Del Norte County. This assistance consists of vouchers and/or checks to</p>

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
		clients who drive or are driven by others to their medical appointment. CAL includes a copy of its annual budget and operational data with its claims submittal. Conclusion: Complied
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3	DNLTC allocates State Transit Assistance (STA) funds for transit operations and capital pursuant to state statutes. Conclusion: Complied
The amount received pursuant to 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.	Public Utilities Code, Section 99314.3	DNLTC administers STA funds in accordance with the relevant PUC requirements (i.e., on the basis of population and operator revenues). Conclusion: Complied
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: <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238; 	Public Utilities Code, Section 99401.5	DNLTC allocates all of the TDA apportioned to Del Norte County to purposes directly related to public and/or specialized transportation services or facilities for the exclusive use of pedestrians and bicycles. Given that all TDA funding is allocated to the aforementioned purposes, DNLTC holds at least one annual public hearing for the purpose of soliciting comments on any unmet transit

**TABLE II-1
DNLTC Compliance Requirements Matrix**

Compliance Requirement	Reference	Compliance Effort
<ul style="list-style-type: none"> • 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; • Adopted 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. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an</p>		<p>needs that may exist.</p> <p>The definitions of “unmet transit needs” and “reasonable to meet” have been adopted pursuant to Resolution No. 1988-1. The SSTAC reviews any public comments and requests received. A determination is made and the findings reaffirmed through a resolution by the Commission.</p> <p>Conclusion: Complied, although DNLTC is not required to undertake the formal unmet transit needs process described in this compliance measure</p>

TABLE II-1 DNLTC Compliance Requirements Matrix		
Compliance Requirement	Reference	Compliance Effort
allocation was made for streets and roads.		
The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year, and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements may not commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.	California Administrative Code, Section 6662	<p>DNLTC has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firm of Hunter, Hunter & Hunt LLP was retained to conduct the fiscal audits.</p> <p>The completion dates were:</p> <p>FY 2013: December 31, 2013 FY 2014: November 26, 2014 FY 2015: December 21, 2015</p> <p>DNLTC also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p> <p>Conclusion: Complied</p>

Findings from DNLTC Compliance Requirements Matrix

DNLTC has satisfactorily complied with the applicable state legislative mandates for RTPAs, pending completion of the TDA fiscal audit of the Redwood Coast Transit Authority for FY 2014–15. A compliance mandate not applicable involves the establishment of rules and regulations regarding revenue ratios for transit operators providing services in urbanized and newly urbanized areas.

An additional compliance measure speaks to the unmet transit needs process if LTF revenue is allocated for streets and roads. As described in further detail in the prior audit recommendation chapter as well as in the functional review chapter, DNLTC is not required to conduct an unmet transit needs process pursuant to PUC Section 99401.5 as no LTF revenue is allocated for streets and roads. However, to ensure all mandates are met, DNLTC has undertaken the process each year during the audit period. DNLTC holds at least one public hearing annually and consults with the SSTAC for the purpose of soliciting comments and prioritizing unmet needs.

In addition, with regard to the Article 4.5 claimant, it is suggested that DNLTC commission an annual fiscal and compliance audit of the CTSA as well as develop performance standard metrics in order to foster transparency and as a measure of local policy. The fiscal and compliance audit is a requirement under PUC Section 99245 that directs the transportation planning agency to ensure all claimants submit an annual certified fiscal audit conducted by a third-party certified public accountant.

Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes the Del Norte Local Transportation Commission’s response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation is described, followed by a discussion of DNLTC’s efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

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

Background: The prior audit found that 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. Since the RCTA board serves as the governing 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 garner input on public transit needs in FY 2010. However, SSTAC meetings have been convened every year since. It was recommended that pursuant to PUC Section 99238.5, DNLTC should hold at least one public hearing annually to receive input on public transportation services in Del Norte County and the region. It was noted that 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 there is an allocation of TDA funds toward streets and roads.

Actions taken by DNLTC: DNLTC continues to convene an annual public hearing, which allows for the discussion of and public comment on public transit needs in Del Norte County. DNLTC continues to allocate all of the TDA funds apportioned to Del Norte County to purposes directly related to public and/or specialized transportation services or facilities for the exclusive use of pedestrians and bicyclists. Therefore, no TDA funds were allocated toward streets and roads purposes during the audit period.

However, pursuant to DNLTC Resolution 1988-1, definitions of an “unmet transit needs” and what is “reasonable to meet” are read during the public hearings. DNLTC defines unmet transit needs as:

- 1) *Public transportation and specialized transportation service needs that are identified in the latest update of the Regional Transportation Plan and have not been implemented or funded; and*

- 2) *Needs identified by community members which have substantial community support expressed through such means as community organizations, at public meetings, etc.*

It defines “reasonable to meet” as:

- 1) *There are adequate TDA resources available to the claimant to provide an adequate level of service in relation to the identified need; and*
- 2) *The cost to provide adequate service is supportable in terms of project benefits; and*
- 3) *Project farebox revenues will be sufficient to comply with Transportation Development Act Provisions relating to farebox revenues as a percentage of operating costs; and*
- 4) *Existing transit operators are capable of expanding their service; or establishment of a new service is logistically feasible.*

The SSTAC makes an unmet transit needs determination, which is reaffirmed and certified by the Commission by resolution. While DNLTC has complied with the spirit and letter of PUC Section 99238.5 by holding the public hearing which it must continue with, it is not necessary for the Commission to adopt by resolution a finding of unmet transit needs unless TDA funds are allocated for streets and roads purposes. It was related to us through our discussions with Caltrans TDA staff in Sacramento that when there are no street and road allocations, a formal unmet transit needs process as described in PUC Section 99401.5 does not need to be conducted. This conclusion aligns with our own understanding of the statute. The minimum compliance requirement is to hold at least one annual public hearing to solicit transit needs and to continue to have an active SSTAC that meets the membership composition set by law and that addresses transit needs.

Conclusion

This recommendation has been implemented for DNLTC to hold one public hearing annually to ensure citizen participation in the transit process.

Prior Recommendation 2

In order to make an accurate determination as to whether taxpayer TDA funds are being used effectively to meet community transit needs, DNLTC should develop performance criteria with which to evaluate the cost effectiveness of existing/potential community transit services per PUC Section 99275.5.

Background: The designated CTSA, the Community Assistance League (CAL), is the claimant under Article 4.5 of TDA. CAL currently provides DNLTC with basic statistics on a quarterly basis: the total number of one-way trips (not round trips) by month, the total number of one-way public transit trips by month, and the total dollar amount of gas vouchers provided for all trips each month. The agency does not have a standardized cost or level of reimbursement for each

qualified trip. The prior audit suggested one means of identifying an appropriate standard for the cost of CTSA trips by basing the level of reimbursement on the Internal Revenue Service (IRS) total mileage reimbursable rate 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. It was recommended that CAL develop standard levels of reimbursement for non-public transit trips based on a proportion of the IRS mileage rate. In addition, the prior audit recommended a series of performance data categories that would be included in its annual TDA claim submittal.

Actions taken by DNLTC: CAL has developed an annual transportation report that details the number of one-way trips, destinations, and the reimbursement costs of the service provided. The annual transportation report is attached to CAL's annual TDA claim for Article 4.5 funds. This data, while important to report, does not quantify a standardized cost or performance measure that gauges cost efficiency or effectiveness. It is suggested that DNLTC work with CAL in the development of specific performance standard metrics such as cost per trip or cost per mile as well as standard levels of reimbursement based on a proportion of the current IRS mileage rate.

Conclusion

This recommendation has been partially implemented and is carried forward for full implementation.

Section IV

Detailed Review of DNLTC Functions

In this section, a detailed assessment of DNLTC's functions and performance as an RTPA during this audit period is provided. Adapted from Caltrans' *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, DNLTC's activities can be divided into the following activities:

- Administration and Management
- Transportation Planning and Programming
- TDA Claimant Relationships and Oversight
- Marketing and Transportation Alternatives
- Grant Applications and Management

Administration and Management

This section discusses the overall administration of DNLTC's functions, which include general administration, internal planning and achievements including the Overall Work Program, and interviews with Commissioners.

General Administration

DNLTC is staffed by the Executive Director who serves as a contract employee and has been with the agency for over 10 years. The Executive Director manages all agency matters internally and externally and also serves as the Clerk of the Board, providing notification of meetings and preparing Commission agendas. Staff reports to the Commission are no more than one page for conciseness and provide the Commissioners with discussion of the topics. The Executive Director prepares the Commissioners for the meeting so that there are no surprises regarding the topics.

The Executive Director advocates for funding and project delivery, participates in and is an invited speaker at local meetings such as the Chamber of Commerce and the Rotary, and appears in the local newspaper about DNLTC projects. The Executive Director also participates in regional working group meetings such as the Rural Counties Task Force and the North State Super Region, and in California Transportation Commission meetings and MAP-21 implementation meetings to gain information and advance regional priorities.

DNLTC uses outside assistance to provide additional administrative expertise such as accounting and information technology. This method of outsourcing administrative functions for a relatively small agency has worked well from both a workload and a financial viewpoint. Consultants are retained to conduct technical studies as needed to further transportation investments in the county.

Internal Planning and Achievements including the Overall Work Program

The issues and high profile projects undertaken by DNLTC heighten the agency's visibility in the region and engage local officials who want to be assigned to the Commission in spite of small funding shares received by the Commission relative to other planning agencies in the state. DNLTC Commissioners sit on other statewide rural committees, such as Rural County Representatives of California, and help advocate on behalf of the Commission to promote the agency's programs and goals, thereby providing additional outreach beyond just DNLTC staff. Project priority setting under limited funding constraints is a constant activity being worked on at DNLTC. The Executive Director works to keep the community focused on prioritizing projects and being available to the public. These efforts demonstrate the collaboration between DNLTC staff and the Commissioners to efficiently use existing agency resources.

DNLTC relies on State Rural Planning Assistance funds, among other revenues including Planning, Programming, and Monitoring funds and TDA, to fund its activities. The Overall Work Plan (OWP) developed by the Executive Director in collaboration with the TAC and the Commission guides the annual work effort. The document is subject to federal and state oversight and approval. The plans and projects contained in each OWP vary slightly from year to year and are tied to factors including state and federal compliance, funding availability, and significant regional transportation issues. Each work element and expected product is clearly laid out and described, with associated funding identified for each product. Amendments to the OWP are generated by DNLTC as conditions change over the year and a resolution is adopted by the Commission prior to submittal to Caltrans District 1. Each of the final OWPs during the audit period contained the following work elements covering topics that are the responsibility of DNLTC:

- Regional Transportation Plan Development
- Financial Planning & Programming
- Public Information and Information Dissemination
- Transit Planning
- Transit Development Act Administration and Fiscal Management
- Service Authority for Freeway Emergencies
- Caltrans Information Element

The FY 2015 OWP made adjustment to the Transit Planning element and renamed it Multi-Modal Planning to emphasize the Active Transportation Plan and non-motorized travel options. The Multi-Modal Planning Element recognizes that multi-modal transportation planning activities like bike paths, sidewalks, walking trails, and transit systems all work together with existing roadways to create facilities that are safe and efficient for all users. The FY 2015 OWP also added work elements including Storm Damage Reduction Planning to increase system reliability and mobility by reducing the impacts of flooding on transportation infrastructure and transit services, and Safe Routes to School Program with funding from the California Endowment via the Public Health Institute to promote the health and safety of schoolchildren in school zones. The work elements serve as countywide planning efforts.

There are ongoing efforts by DNLTC and shown over multiple OWPs to address longer-term regional transportation issues. These include coordination and consultation with Native American tribes and rancherias for development on tribal lands and encouragement for active tribal participation in the transportation planning process; coordination with Caltrans regarding state highway planning and programming, including Last Chance Grade and the Gateway areas on US 101; planning and monitoring projects on the state highway system that are funded through the State Transportation Improvement Fund and High Priority Program; and planning and programming for the local streets and roads system with a focus on establishing baseline data for MAP-21 performance measures. DNLTC identified that the Yurok Tribe has been the most collaborative through its participation on the DNLTC's Technical Advisory Committee and provision of some funding for its programs.

DNLTC's administrative processes are in part driven by a Caltrans pre-award audit conducted of a neighboring transportation planning agency. The audit made findings that have a degree of applicability to DNLTC, including that the transportation planning agency contracts for staff services and similar funding sources like Rural Planning Assistance (RPA) funds are used. DNLTC has been proactive to modify some of its administrative procedures that align with Caltrans findings, including procurement practices of DNLTC staff and preparing signed worksheets of billing time that spend down RPA funds that could revert to Caltrans if unused. The DNLTC finance committee takes a role to ensure internal controls are strong and transparent, and it reviews the billing timesheets of the Executive Director.

Interviews with Commission Members

Michael Baker received feedback from four members of the Commission during interviews. Commission members expressed confidence in the abilities and background of DNLTC's Executive Director. They report having a strong personal working relationship with both the Executive Director and one another. One member expressed how adept the Executive Director has been at fiscal management and organizational development. The Executive Director has helped the Commission navigate through controversial issues and kept members apprised on transportation-related news. Members found the director prepared and attentive to any request. In addition, the Executive Director is very conscientious regarding funding issues and opportunities related to transportation.

Goal setting and expectations for the Commission are contained in the Overall Work Program. The Commission has been working on major projects that have taken years of planning and fiscal commitments to complete. One member cited the challenges in getting projects delivered because of state and federal bureaucracy and litigation. Such challenges can prove to be frustrating and demoralizing, especially where public safety is concerned (e.g., Last Chance Grade). They also prevent the Commission from concentrating on new possibilities.

The priorities and direction of the Commission remained fairly consistent during the audit period. The meeting process works well and is open to public comment and dialogue. Overall, Commission members expressed that DNLTC's administration has been professional in carrying out the mission of the agency in spite of the constrained financial resources that Del Norte County is faced with.

Transportation Planning and Programming

This functional area addresses planning functions required of DNLTC, including development of the Regional Transportation Plan, Regional Transportation Improvement Program, and transit planning and performance monitoring.

Regional Transportation Plan

The last Regional Transportation Plan (RTP) for the Del Norte region was developed and adopted in June 2011 and includes a requirement that the plan be updated every five years for the region to be eligible for state and federal funding.¹ The 2011 RTP was prepared by a consultant and provides a coordinated, 20-year vision of the regionally significant transportation improvements and policies needed to efficiently move goods and people in the region. The RTP also identified and listed Del Norte Region Tribal Transportation Improvement Projects. The RTP was developed in a series of four documents. The Final RTP included a focused list of financially constrained regional transportation capital improvement projects which are viewed by DNLTC and the community as the highest priority for the region. The highest priority projects are then programmed in the Regional Transportation Improvement Program.

As a critical component to development of the plan, DNLTC solicited comment on regional transportation issues from a wide variety of groups, including the general public, elected officials, and tribal governments. Project costs by transportation mode (e.g., highway, roads and bridges, transit, pedestrian/bicycle, and aviation) were divided between short-term (2011–2020) and long-term (2021–2030) needs. Transit capital costs are forecast to be about \$4 million (inflation adjusted) by 2020, with an additional \$4.8 million through 2030, primarily for replacement of transit buses for the Redwood Coast Transit Authority.

¹ RTP update cycles are now four years to follow local jurisdiction general plan and housing element updates.

DNLTC, with assistance from Green DOT Transportation Solutions, is currently updating the 2011 Del Norte County RTP. Outreach materials for the 2016 RTP update, including notices, meetings, minutes, and agendas, are posted on the DNLTC website. An online Del Norte Transportation Questionnaire is being administered to assist with the plan update. DNLTC is following its public participation plan modeled after the California Transportation Plan to coordinate outreach with the community, including Native American tribes, and works with local organizations with strong electronic mailing lists such as schools and child health and education services to solicit survey responses.

Regional Transportation Improvement Program

DNLTC is responsible for preparing the Regional Transportation Improvement Program (RTIP) for Del Norte County projects that have been approved for federal and state funding. DNLTC followed the adopted 2010 State Transportation Improvement Program (STIP) guidelines for the preparation of this document and uses a reporting template created for rural counties that is accepted by the State. The RTIP prepared during the audit period was adopted in November 2013 and covers the State Transportation Improvement Program cycle from July 1, 2014, through June 30, 2019, and includes the top priority projects identified in the RTP that have been evaluated as part of the comprehensive regional transportation planning process and approved by DNLTC. DNLTC prepared the 2014 RTIP in consultation with city and county public works staff, Caltrans District 1, and the general public.

DNLTC acknowledged over-programming for the US Highway 199 operational improvement project through a \$19.4 million STIP advance. This project, a bridge replacement and curve realignment, continues to receive widespread support in the region and DNLTC continues to place it as its top priority through construction. Caltrans is delivering this on-system bridge replacement project for a bridge built in 1926 and in the top 1 percent of the oldest bridges on the state highway system. However, DNLTC is concerned about Caltrans' ability to deliver. The project is being successfully delayed in the "litigation phase" that is prevalent in District 1 and has placed the project at risk. DNLTC is advocating for this project and seeks to have a more influential role in advancing the project.

The number one unfunded construction project in the RTP was completed toward the end of the audit period. The Fred Haight Drive reconstruction traffic calming project along US 101 located in the unincorporated community of Smith River had been programmed since 2002 and was delayed until 2014.

Transit Planning and Performance Monitoring

DNLTC transit planning and monitoring are engaged through various approaches. The principal transit planning document is the *Short-Range Transit Development Plan for the Redwood Coast Transit Authority* developed by a consultant. The plan was updated and adopted by DNLTC in February 2014 and has a five-year planning horizon that guides improvements to public transit

programs. The prior Transit Development Plan was approved in June 2009. The updated study takes direction from specifically identified issues surrounding transit in the region identified by Redwood Coast Transit Authority (RCTA) staff, local stakeholders, and community representatives. The plan contains nine sections that address transit demand, service and management alternatives, marketing, financial projections, and capital alternatives of the public transit system.

Based on the results of the alternatives analysis, financial constraints, and the goals of the transit program, a limited expansion of transit service was recommended in the updated plan. Recommendations are based on performance standards and the desire of local decision-makers to reinstate previously cut services. The plan also includes a prioritized list of additional service recommendations should the funding outlook improve in the next several years.

The updated plan includes a discussion of management succession since the General Manager will retire within the time frame of the plan. Employment and organizational arrangements include approving a consulting contract similar to current practice, hiring an administrator through an at-will employment contract (either directly or through an employee leasing service), collaborating with other agencies to share an employee between several programs, or possibly contracting with a transit contracting company to provide a manager. A job posting for a three-year contract for General Manager services was released in October 2015 by an outside recruitment firm.

DNLTC receives agendas from RCTA that include reporting of performance. RCTA produces “first half” and annual operating and financial reports that provide the operating status. The operating and financial report evaluates the performance of Redwood Coast Transit and includes comparable data for the transit system for the current year and the previous fiscal year. The farebox recovery measure in the reports and ridership changes are key performance figures reviewed by the Executive Director. The annual TDA claim for funds submitted by the Redwood Coast Transit Authority and the California Assistance League to DNLTC provide another set of documents that show evidence for the need for public funding and the performance information to substantiate the need. Budgets, CHP compliance reports, project cost by funding source, and performance measures are included in the claim that summarize the claimant’s operational status. DNLTC considers these documents among other information when monitoring transit performance.

An update to the *Coordinated Public Transit – Human Services Transportation Plan for Del Norte County* was prepared in late 2014 by the Business Forecasting Center, University of the Pacific under contract to the State. The Coordinated Plan was first developed and adopted by DNLTC in 2008 in response to the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). MAP-21 required an update of this plan in order for agencies to be eligible for various federal grant funds for planning, capital, and operational activities. The SSTAC reviewed the updated study because the subject matter and findings pertained to the groups represented by the SSTAC members. The coordinated plan developed a unified, comprehensive strategy for public transportation service delivery that identifies the

transportation needs of individuals with disabilities, seniors, and individuals with limited incomes. The update was shaped by the four required elements of the coordinated plan:

- Unmet transportation needs for transportation disadvantaged populations (seniors, people with disabilities, and people with low incomes)
- Inventory of existing transportation services
- Strategies for improved service and coordination
- Identify priorities based on resources, time, and feasibility

TDA Claimant Relationships and Oversight

There are two entities that claim TDA funds for transit purposes. They are the Redwood Coast Transit Authority, which is the countywide public transit provider, and the Community Assistance League, which is the designated Consolidated Transportation Services Agency.

As the Regional Transportation Planning Agency, DNLTC is responsible for the administration of the TDA program. This functional area addresses its administration of the provisions of the TDA. The subfunctions described include administration of the program, provision of technical and managerial assistance, and the solicitation of unmet transit needs. DNLTC reported no significant changes in its TDA administration and claims processes.

TDA Administration

The uses of TDA revenues apportioned to Del Norte County flow through a priority process prescribed in state law. The grand total available for LTF allocation each year takes into account the prior year's uncommitted balance carried forward, plus the sales tax revenue estimated for the year. In order of priority, Local Transportation Funds are allocated as follows during the audit period:

- DNLTC TDA fund administration and planning (10 to 12 percent of total LTF)
- Bicycle and pedestrian facilities (2 percent)
- CTSA (5 percent)
- Public transit (remaining LTF, plus all STA apportionments)

Prior to apportionment of funds to the bicycle and pedestrian facilities program and the transit systems, DNLTC is able to claim TDA revenues for administration of the fund and for regional transportation planning and programming purposes. According to the Overall Work Program, the LTF revenue for DNLTC is applied toward recurring office and fiscal management activities including maintenance of records, data transcription and legal counsel, state controller reports, TDA fiscal and performance audits, TDA findings and allocations, the unmet needs process, and

SSTAC support. It is also used for planning and programming activities. During the audit period of FYs 2013 through 2015, DNLTC expended the actual amounts shown in Table IV-1.

**Table IV-1
LTF Revenue Claims by DNLTC for
Administration and Planning**

Fiscal Year	LTF Claim
2013	\$74,856
2014	\$64,917
2015	\$72,108

Source: DNLTC Annual Financial Statements

Technical and Managerial Assistance to Claimants

The Executive Director is available to assist the claimants with their TDA packets. A checklist of items to submit with the claim is included to assist the claimants with organizing their information. Both transit claimants, RCTA and CAL, have been capable of completing their respective claims forms with minimal direction from DNLTC. Amended claims are submitted when there are modifications to the original submission. The claims are due to DNLTC by May 30 of the preceding fiscal year of the claim. During the audit period, RCTA submitted its claim either on this date or slightly after, while CAL submitted its claim before the date.

Our discussion with the Executive Director indicated a potential need to develop a resource guidebook about the intricacies of the TDA and uses and interpretations of the funding source. The guidance document would provide a manual of how-to topics that would be useful for both DNLTC and its claimants.

LTF revenue set aside for bicycle and pedestrian projects, which is limited to 2 percent annually, is typically built up over the years until enough funding accumulates. The TAC evaluates and decides which projects receive the funds. The TAC will request a balance of the available funds to determine whether there is an available project.

On an annual basis during this audit period, DNLTC was responsible for managing the apportionment of between \$535,099 and \$677,809 in LTF revenues and between \$149,800 and \$169,676 in STA funds (based on the DNLTC TDA Estimate Worksheet). All STA is allocated to RCTA by statute as the lone public transit service in the region. For LTF, RCTA receives between 78 and 83 percent of the revenue after allocations to DNLTC, bicycle/pedestrian facilities, and CAL. DNLTC prepares and distributes the funding estimates of apportionment and the TDA claim packet with the necessary forms. The TDA claims are adopted by resolution by the board of each agency prior to submission to DNLTC.

As a general rule, operator claims must include supplemental information on a number of TDA requirements, including attachment of specific documentation such as the budget, prior year revenues and expenditures, CHP terminal inspection certification, and transit efficiency

calculation if the operator chooses to use STA monies for operations.² A review of the claims during the audit period shows that RCTA (and CAL where applicable) has included the supplemental information.

A signed statement of conformance included in the claim also verifies that the claimant is eligible to receive the funds in accordance with the TDA statute. However, the statement of conformance does not specify what eligibility criteria should be met, such as meeting performance standards, completing an annual fiscal and compliance audit, and making full use of available federal funding, among other requirements. These requirements are typically captured through a standard assurances form contained in the TDA claim packet that allows the transit operator to certify that all conformance requirements are satisfied to receive both LTF and STA funds. The purpose of this form, which is different from and in addition to the current checklist in the DNLTC TDA packet, is to hold the operator accountable for compliance with certain TDA provisions to be able to receive the funds and as an annual reminder. An example of the standard assurance form is included in the appendix.

Unmet Transit Needs

The conduct of the annual unmet transit needs process is required by the TDA (PUC Section 99401.5) where claims can be made for streets and roads. Although there are no such claims in Del Norte County, DNLTC, in an effort to go beyond the minimum requirements, conducted the unmet transit needs process during the audit period. The process includes holding an unmet transit needs public hearing, consulting with the SSTAC and prioritizing unmet needs, reading and reaffirming the definitions of unmet transit needs and reasonable to meet, and adopting a resolution certifying the unmet needs findings. The SSTAC's prioritization of needs in the region has resulted in the following priority order:

1. Non-Emergency Medical Transportation
2. Transit Training
3. Public Information Mobility
4. Mobility Management/One Stop
5. After-Hours Transit Services

As described in the prior audit recommendation section and from our discussion with the Executive Director, a topic about the unmet transit needs process involved whether DNLTC is required to undertake a formal unmet needs process given that no TDA is allocated for street and road purposes. We contacted the senior transportation planner who manages the TDA program at Caltrans headquarters to inquire about the unmet needs process. It was related to us that when there are no street and road allocations, a formal unmet transit needs process as

² The transit efficiency calculation required under PUC 99314.6 to use STA revenue for operations was temporarily suspended by state legislation until FY 2014–2015. The efficiency calculation is applicable starting in FY 2016-17 per Senate Bill 508 (Beall) signed into law October 2015.

described in PUC Section 99401.5 does not need to be conducted. This conclusion aligns with our own understanding of the statute. The minimum compliance requirement is to hold at least one annual public hearing to solicit transit needs and to continue to have an active SSTAC that meets the membership composition set by law and that addresses transit needs. The public hearing requirement is contained in PUC Section 99238.5. Also, the prioritizing of transit needs by the SSTAC is an activity that can continue without undertaking the formal unmet needs process. Formal procedures under the unmet needs process, such as reaffirming the definitions of unmet transit needs and reasonable to meet, adopting a resolution of findings, and submitting these unmet needs documentation to Caltrans, are not required.

A letter provided by DNLTC dated September 2007 and sent from the Caltrans TDA Branch in Sacramento to DNLTC describes the same set of circumstances where the formal procedures described above are only required where TDA would be used for other uses than for transit, this being streets and roads.

Marketing and Transportation Alternatives

For an agency of its size, DNLTC has developed a comprehensive outreach effort to elicit support for its mission and to educate the public of its role in the delivery and maintenance of Del Norte County's transportation infrastructure. DNLTC's public affairs and community engagement are conveyed through its website, publications, and collaborative efforts with its partner agencies.

The DNLTC website (<http://www.dnltc.org/>) provides an extensive array of information about the Commission's projects and programs, the Commission's structure and governing body, and upcoming meetings and workshops. It contains DNLTC's mission statement, a public comment form, current planning documents, links to transit and partner agencies, and the latest transportation developments. With regard to social media and networking sites, DNLTC has a presence on Facebook, LinkedIn, and Twitter. DNLTC's Twitter feed is embedded on the website home page as well as on widgets to the other social media sites. On the "About Us" page, the Commission's Title VI Policy statement is published toward the bottom of the page. An outside vendor is responsible for updating the website.

The DNLTC Public Participation Plan and Policy was adopted on July 11, 2013, and outlines a process for public engagement as it pertains to transportation planning and other activities of the Commission. Plan sections address the regulatory setting pursuant to federal and state statutes, outreach tools and techniques, publications, evaluation, and monitoring efforts. The six policies guiding the Commission's public engagement are found toward the end of the document. DNLTC holds public hearings whenever significant decisions need to be made. Local print and broadcast media are monitored on a regular basis, and persons and organizations known to be interested in specific issues are kept informed and invited to public hearings dealing with those issues.

As part of its external affairs outreach, DNLTC participates in several collaborative efforts with local Native American tribal entities and other rural RTPAs around the state. The Executive Director has engaged in extensive tribal involvement and coordination with the Tolowa Tribe of the Smith River Rancheria, the Elk Valley Rancheria, and the Yurok Tribe. The Commission has also been involved in the Rural Counties Task Force, which is a consortium of 26 rural RTPAs and LTCs that work with together with the California Transportation Commission in providing a direct opportunity for the small counties to remain informed, have a voice, and become involved with changing statewide transportation policies and programs. Del Norte County is also part of the North State Super Region, which is an alliance of 16 counties in Northern California that have decided to share information and collaborate in an effort to become a larger voice for state and federal funding policies and priorities.

Grant Applications and Management

DNLTC serves as the clearinghouse for federal grant applications that are reviewed to determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. The Commission's role for Del Norte County is to review and be an integral part of state and federal funding assistance that promotes interjurisdictional coordination among its partner agencies such as Caltrans, RCTA, and the local tribal entities. Although RCTA applies for rural federal funding for operations and capital, the funding application requires certification from DNLTC as the transportation planning agency for the programming of funds for the project. A Certifications and Assurances form of the regional agency is executed and filed by DNLTC.

DNLTC generally distributes funds from TDA, Regional Surface Transportation Program, the STIP, and Department of Motor Vehicle fees toward transportation projects. Since RCTA is a subrecipient of FTA grant funding through Caltrans for operations and capital, DNLTC does not generally monitor such grant awards. RCTA also a recipient of Proposition 1B Public Transportation Modernization, Improvement, Service Enhancement Account (PTMISEA) and California Transit Security Grant Program (CTSGBP) funding for capital.

However, a finding contained in RCTA's FY 2014 annual fiscal and compliance audit recommended that RCTA implement controls to monitor its available funds held by the Del Norte County Treasurer and adjust the timing of grant reimbursement requests to avoid deficit balances in the RCTA treasury account. In order to reduce the occurrence of fund deficits, it was recommended that RCTA management prepare a grant status report quarterly to monitor expenditure and reimbursement activities with the objective of invoicing grants more frequently when practicable. The fiscal audit also suggested that RCTA work with DNLTC over the long term to build cash reserves adequate for transit cash flow needs.

This deficiency in monitoring and reporting has resulted in RCTA receiving Failure to Report Notices from the State. As the RTPA, DNLTC informed the California Governor's Office of Emergency Services (CalOES) that it would be the point of contact for RCTA given that the RCTA General Manager had declined to report on the status of its grant awards. The RCTA is in the

process of hiring a new General Manager. Once the new General Manager is hired, DNLTC anticipates that RCTA will take over reporting. Because RCTA is the actual recipient and is a JPA, DNLTC was unsure how this arrangement would work in detail but was committed to finding a solution. As the RTPA for Del Norte County, DNLTC has an obligation for oversight of transit grants, although without the full financial data from RCTA to provide assistance in responding back to the State. Rather, the key data lies with RCTA. DNLTC's adopted resolutions for grant funds from CalOES and from the new Low-Carbon Transit Operations Program (LCTOP) authorize the DNLTC Executive Director or the RCTA General Manager to execute all documents related to the grant. Both agencies have a responsibility to coordinate the submission of required documentation. The hiring of a new RCTA General Manager provides an opportunity for DNLTC to coordinate on the reporting responsibility for transit grants and the notification of reporting status.

Section V

Findings and Recommendations

The following material summarizes the major findings obtained from the triennial audit covering fiscal years 2012–13 through 2014–15. A set of recommendations is then provided.

Findings

1. DNLTC conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. DNLTC has satisfactorily complied with the applicable state legislative mandates for RTPAs, pending completion of the TDA fiscal audit of the Redwood Coast Transit Authority for FY 2014–15. An additional compliance measure speaks to the unmet transit needs process in which DNLTC is not required to conduct a formal process, as no LTF revenue is allocated for streets and roads. This has been confirmed by the auditor’s discussion with Caltrans. However, to ensure all mandates are met, DNLTC has undertaken the unmet needs process each year.
3. Of the two prior performance audit recommendations, DNLTC implemented one regarding holding an annual public hearing to ensure citizen participation. The other prior recommendation for DNLTC to develop performance criteria for the Community Assistance League has been partially implemented and is carried forward for full implementation.
4. The issues and high profile projects undertaken by DNLTC heighten the agency’s visibility in the region in spite of small funding shares relative to other planning agencies in the state. Project priority setting under limited funding constraints is a constant activity being worked on at DNLTC.
5. The Overall Work Plan (OWP) developed by the Executive Director in collaboration with the TAC and the Commissioners guides the annual work effort. The document is subject to federal and state oversight and approval. Each work element and expected product is clearly laid out and described, with associated funding identified for each product.
6. Michael Baker received feedback from four members of the Commission during interviews. Commission members expressed confidence in the abilities and background of DNLTC’s Executive Director. Overall, Commission members expressed that DNLTC’s administration has been professional in carrying out the mission of the agency in spite of the constrained financial resources that Del Norte County is faced with.
7. DNLTC participates in several collaborative efforts with local Native American tribal entities and other rural RTPAs around the state. The Executive Director advocates for funding and project delivery and participates in local, regional, and state transportation meetings.

Recommendations

1. Develop a TDA handbook.

DNLTC has administered the TDA following the priority and instructions in the law. The steps undertaken in terms of the apportionment, claims, allocation, approval, and monitoring of TDA funding are conducted accordingly. However, this process, along with the intricacies of TDA such as eligibility, performance measurement, audits, and other references, are not documented in a single handbook that articulates DNLTC's local practices and policies. Such a written handbook can be shared with the claimants and local jurisdictions as a reference tool and provide a common understanding of which aspects of the statute pertain particularly to the Del Norte region. Many transportation planning agencies have developed their own TDA manuals that codify local practice. The Del Norte region would benefit from a similar document.

2. Commission an annual TDA fiscal audit of the CTSA.

DNLTC provides LTF under Article 4.5 to the designated CTSA, the Community Assistance League (CAL), to provide assistance for non-emergency medical trips outside of Del Norte County. PUC Section 99245 states that the transportation planning agency is responsible to ensure that all claimants to whom it directs the allocation of funds submit an independent annual certified fiscal audit to the agency and to the State Controller. The requirement for this fiscal audit is applicable to all transportation providers receiving TDA DNLTC should work with CAL to identify the means of conducting the audit and retaining a certified public accountant. California Code of Regulations Sections 6664 and 6667 of the TDA describe the approach and data required in the fiscal audit of the claimant.

3. Develop performance metrics to evaluate the cost effectiveness of the CTSA.

The designated CTSA, the Community Assistance League, is the claimant under Article 4.5 of the TDA. LTF granted under PUC Section 99275.5 requires DNLTC to adopt performance criteria as a means to evaluate the cost effectiveness of the service. CAL provides DNLTC with basic statistics on a quarterly basis: total number of one-way 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. This data, while important to report, does not quantify a standardized cost or performance measure that gauges cost efficiency or effectiveness. As indicated in the prior audit, 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. The prior audit suggested basing the level of reimbursement on the Internal Revenue Service (IRS) total mileage reimbursable rate per mile. In addition, it is suggested that DNLTC work with CAL in the development of specific performance metrics such as cost per trip and cost per mile to compare against actual. These metrics use readily available data and can be reported system-wide and by trip destination. The standards can use historic averages such

as the past one to three years and updated annually using the most recent one to three years. The standards for cost per trip and cost per mile to compare against actual create a baseline for determining the relative service efficiency and effectiveness in use of the LTF revenue.

4. Modify unmet transit needs activities.

It was clarified during this performance audit that DNLTC is not required to conduct the formal unmet transit needs process including adopting a resolution of the findings, as there are no TDA allocations for streets and roads. The minimum compliance requirements that must still occur are to hold at least one annual public hearing to solicit transit needs and to continue to have an active SSTAC that meets the membership composition set by law and that addresses transit needs. The public hearing requirement is contained in PUC Section 99238.5. Also, the SSTAC's prioritization of transit needs is an activity that can continue without undertaking the formal unmet needs process. Formal procedures under the unmet needs process, such as reaffirming the definitions of unmet transit needs and reasonable to meet, adopting a resolution of findings, and submitting these unmet needs documentation to Caltrans, are not required. This finding will save DNLTC time and resources. However, it is DNLTC's option based on local policy and conditions whether to continue with the full unmet needs process as it does provide DNLTC an existing mechanism to evaluate transit service.

5. Attach Standard Assurance Form to TDA transit operator claims.

To be eligible for LTF revenue under Article 4 (PUC Section 99260) of TDA, which applies to funding claims by the Redwood Coast Transit Authority, a number of conformance items should be checked off by RCTA as part of completing the claim. Although the current claim packet includes a conformance sheet that is signed by RCTA, the sheet does not specify the items that RCTA should be in conformance with. An example Standard Assurance Form in the appendix to this audit shows the items that are to be checked off, including completion of reports to the state, operational methods, and fare pricing. A Standard Assurance Form should be included in the TDA claim packet for the transit operator as another means to verify compliance with TDA measures prior to receiving LTF.

6. Coordinate the responsibility of transit grant reporting with Redwood Coast Transit Authority.

The findings contained in Redwood Coast Transit Authority's FY 2014 fiscal audit and the Failure to Report Notices sent by CalOES to RCTA show an apparent need for DNLTC to monitor RCTA's grant management practices. DNLTC's adopted resolutions for grant funds from CalOES and from the new Low-Carbon Transit Operations Program (LCTOP) authorize the DNLTC Executive Director or the RCTA General Manager to execute all documents related to the grant. This language in the resolutions indicate both agencies have a responsibility to coordinate the completion and submittal of required documentation. The

hiring of a new RCTA General Manager provides an opportunity for DNLTC to coordinate on the reporting responsibility for transit grants and the notification of reporting status. Whether the responsibility falls solely on the RCTA General Manager or there is a shared responsibility between the two agencies, DNLTC should take the lead to communicate the expectations, responsibility, and flow of data so that they are understood between the two agencies and ensure reporting to the state and federal oversight agencies can be consistently met and grant funds not be put at risk.

Appendix A

Sample Standard Assurance Form to Include in TDA Transit Operator Claim

STANDARD ASSURANCES FOR APPLICANTS

CLAIMANT ASSURANCES: (initial sections which apply)

- A. Claimant certifies that it has submitted a satisfactory, independent fiscal audit, with required certification statement, to the RTPA and to the State Controller, pursuant to PUC 99245 and 21 Cal. Code of Regulations Section 6664 for the prior fiscal year (project year minus two). Claimant assures that this audit requirement will be completed for the current fiscal year (project year minus one).
- B. Claimant certifies that it has submitted a State Controller Report, in conformance with the uniform system of accounts and records, to the RTPA, and to the State Controller, pursuant to PUC 99243, for the prior year (project year minus two). Claimant assures that this report will be completed for the current fiscal year (project year minus one).
- C. Claimant filing a claim for LTF or STA funds certifies that it will maintain for the project that ratio of fare revenues and local funds to operating cost required under PUC Sections 99268.
- D. Claimant who receives an allocation of LTF funds for extension of service pursuant to PUC Section 99268.8 certifies that it will file a report of these services with the RTPA pursuant to CCR section 6633.8(b) within 90 days after close of the fiscal year in which the allocation was granted.
- E. The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).
- F. Claimant certifies that it is in compliance with PUC Section 99264 that it does not routinely staff, with two or more persons, a vehicle for public transportation purposes designed to be operated by one person.
- G. Claimant certifies that it is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended in accordance with Section 6754(a)(3).
- H. Claimant certifies that this is in compliance with PUC Section 99155 that if it offers reduced fares to seniors, the same reduced rate is offered to disabled persons, handicapped persons, and disabled veterans and it honors the federal Medicare card for identification to receive reduced fares.
- I. Claimant certifies that it is in compliance with PUC Section 99155.5 regarding dial-a-ride and paratransit services being accessible to handicapped persons and that the service is provided to persons without regard to vehicle ownership and place of residence.

The undersigned hereby certifies that the above statements are true and correct.

Signature _____

Name _____

Title _____



Item D

DATE: MARCH 17, 2016
TO: DEL NORTE LOCAL TRANSPORTATION COMMISSION
FROM: TAMERA LEIGHTON, EXECUTIVE DIRECTOR
SUBJECT: WALK & ROLL TO SCHOOL PROGRAM BUDGET

STAFF RECOMMENDATION: By polled vote, approve the Walk & Roll to School program budget as presented.

DISCUSSION: DNLTC received Active Transportation Program funding for a Safe Routes To Schools program called Walk and Roll to School. In addition to these funds, DNLTC has approximately \$16,000 remaining from a California Endowment Small Grant. The funds for the State funding have already been approved by DNLTC but the foundation fund expenditures have not. Amber Wier consulting has received the contract to deliver the Walk & Roll to School program and Ms. Wier has provided the following information.

Detail Request

Costs	Event	Date	Money used for
\$2,800	BMX Stunt Masters Show	May2016	Payment of Stunt Masters
\$2,800	BMX Stunt Masters Show	May 2017	Payment of Stunt Masters
\$300	BMX Stunt Masters Show	May 2016	Buses for Bess Maxwell students to attend
\$300	BMX Stunt Masters Show	May 2017	Buses for Bess Maxwell student to attend
\$1,500	Walking Wednesday Challenge	April 2016	60 pairs of tennis shoes from payless
\$1,500	Walking Wednesday Challenge	Sept. 2016	60 pairs of tennis shoes from payless
\$1,500	Walking Wednesday Challenge	April 2017	60 pairs of tennis shoes from payless

\$10,700 Total request

Summary for request from program manager Amber Wier:

The money requested is necessary for the success of increasing awareness and creating patterns for healthy behaviors in our inner city schools. The ATP funds for the Walk and Roll to School program are limited and therefore I am requesting \$10,700 to be spent on the above listed events. The purpose of the Walk and Roll to School program is to encourage sustained efforts by parents, schools, community leaders and local, state, and federal governments to improve the health and well-being of children by enabling and encouraging them to walk and bicycle to school. We are accomplishing this by reaching the students through various modalities of education and encouragement events. I believe it is necessary to offer the above

listed rewards to encourage building participation, positive competition and healthy behaviors with in our schools.

The BMX Stunt Masters Event delivers key bicycling education in a grabbing your attention fun way. It will be offered as both a reward for finishing up a Walking Wednesday Challenge as well as students completion of the state mandated testing. The event is located at Crescent Elk's large paved lot. Students from Bess Maxwell will need to be bused to the event thus the request for \$300. The timing of this event is also a launching pad for the next phase of the Walk and Roll to Schools education plan, Bike Safety. We will deliver in classroom education and end the school year with a kinesthetic learning event, the Bike Rodeo. This series of education and events will continue to reinforce helmet safety, mechanics of your bike, and road safety all initially promoted at the BMX Stunt Masters event.

The Walking Wednesday Challenge encourages students to compete by classroom. Each class documents how many miles the students have walked or biked to school. I am requesting money for the winning classroom to have each child be rewarded with a free pair of tennis shoes. This added incentive increases the children's passion to participate and gives them the shoes to walk comfortably to school. Many of our children do not have the resources to always have appropriate shoes for exercise.

I believe it is essential to teach our children in a variety of methods. This program attempts to do this by providing an assortment of education and encouragement opportunities in the hopes that the children retain and apply their newfound knowledge.

Declining Transportation Revenues: The Updated 2016 STIP Fund Estimate

Senate Transportation and Housing Committee

February 16, 2016

**Will Kempton, Executive Director
California Transportation Commission**

California's Current Transportation Funding Situation

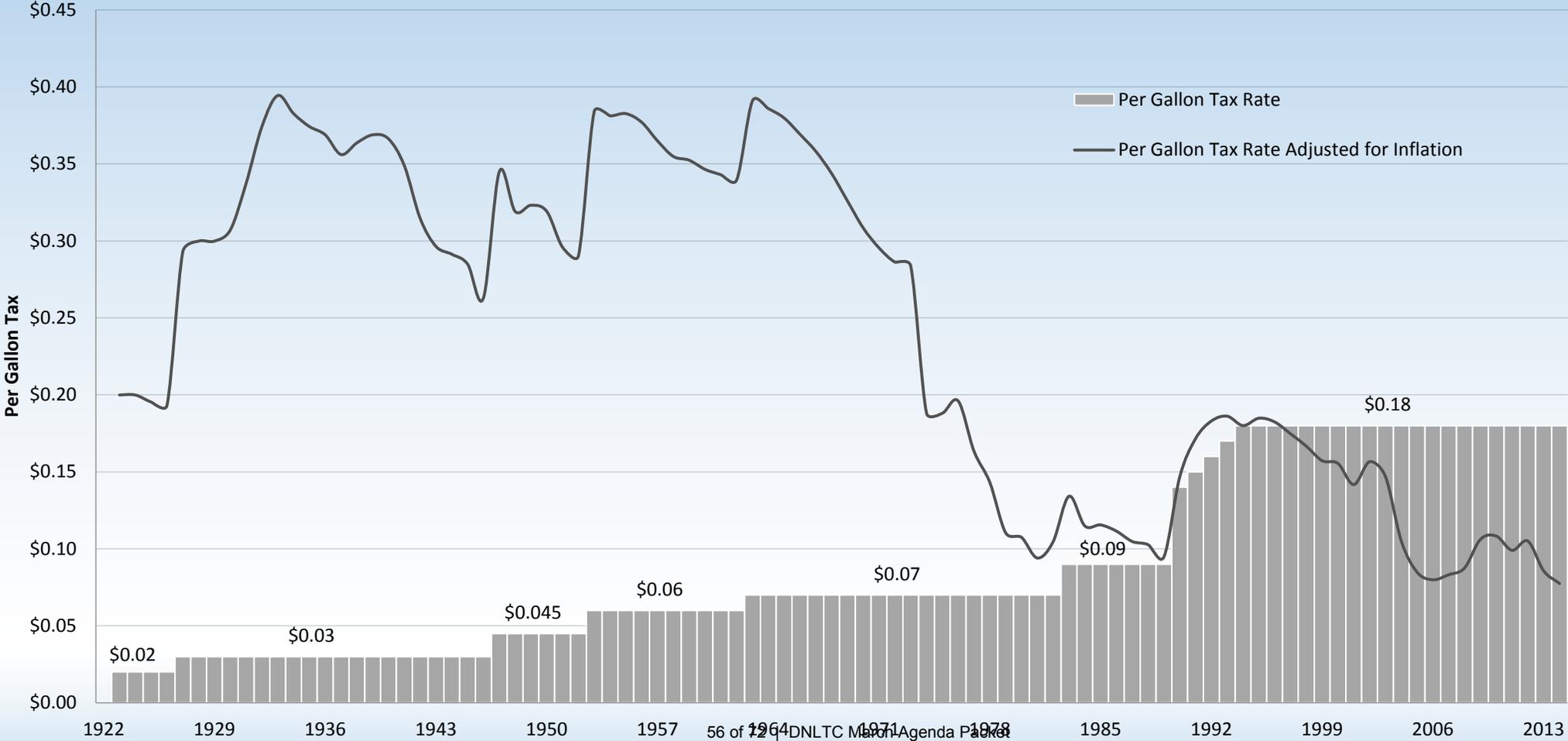


Improvements to our transportation system have not kept pace with demand.

Challenges:

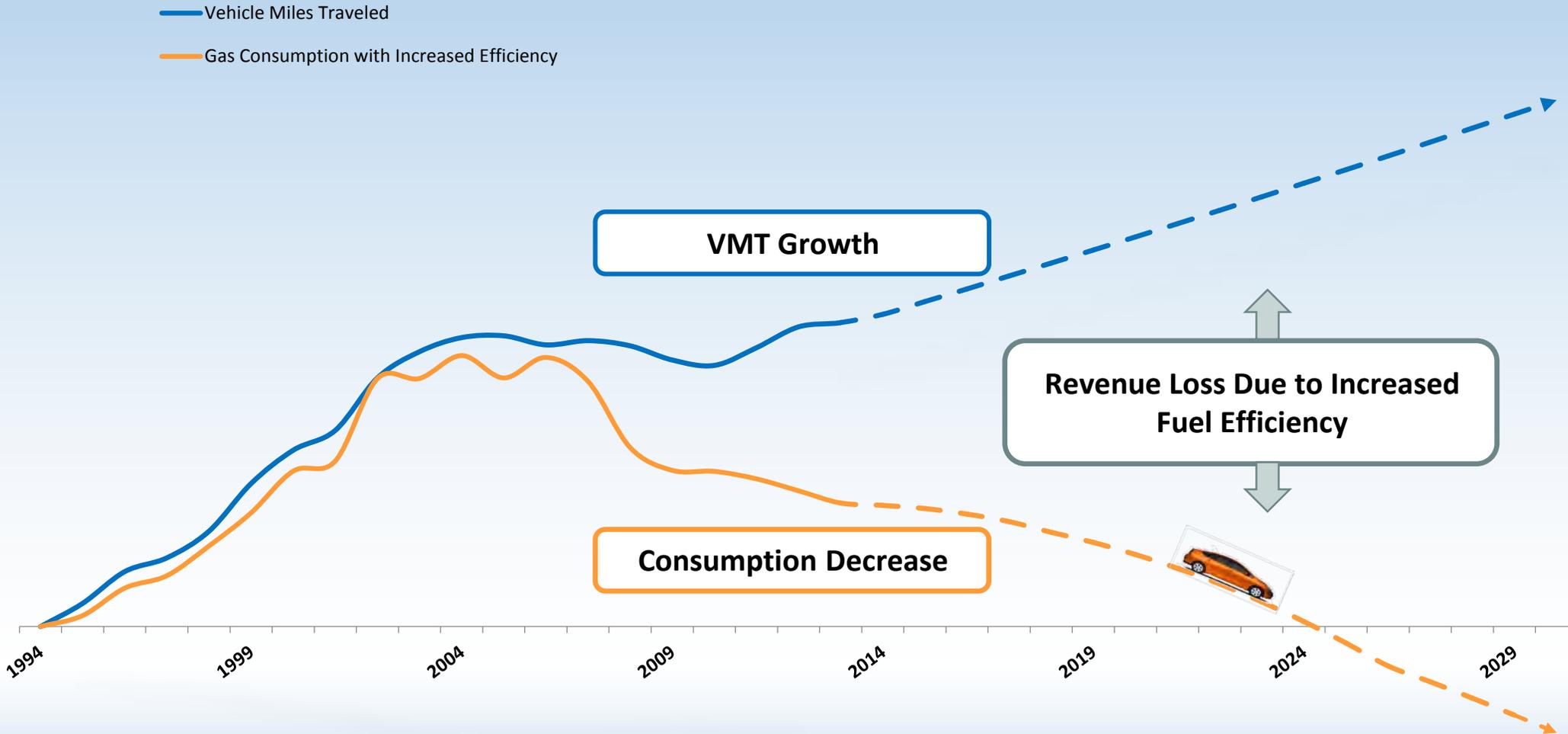
- Declining gas tax revenue and purchasing power due to vehicle efficiency and inflation
- Increased costs due to deferred maintenance
- Diversion of existing state transportation revenues for non-transportation purposes

History of the Base Gasoline Excise Tax Rate



Source: Board of Equalization. Escalation based on California State Highway Construction Cost Index and Consumer Price Index

Crisis Grows As Vehicle Fuel Efficiency Accelerates Revenue Loss



In this conceptual chart, Vehicle Miles Traveled and Fuel Consumption have been indexed to the same starting point in 1994 to enable comparison of the relative change of the two metrics over time

Results of Funding Crisis



- **\$57 billion** ten-year shortfall in system repairs for the existing State Highway System
- **\$78 billion** ten-year shortfall for taking care of our local streets and roads
- A similar lack of investment in rail and transit operators
- Higher costs due to deferred maintenance

Results of Funding Crisis



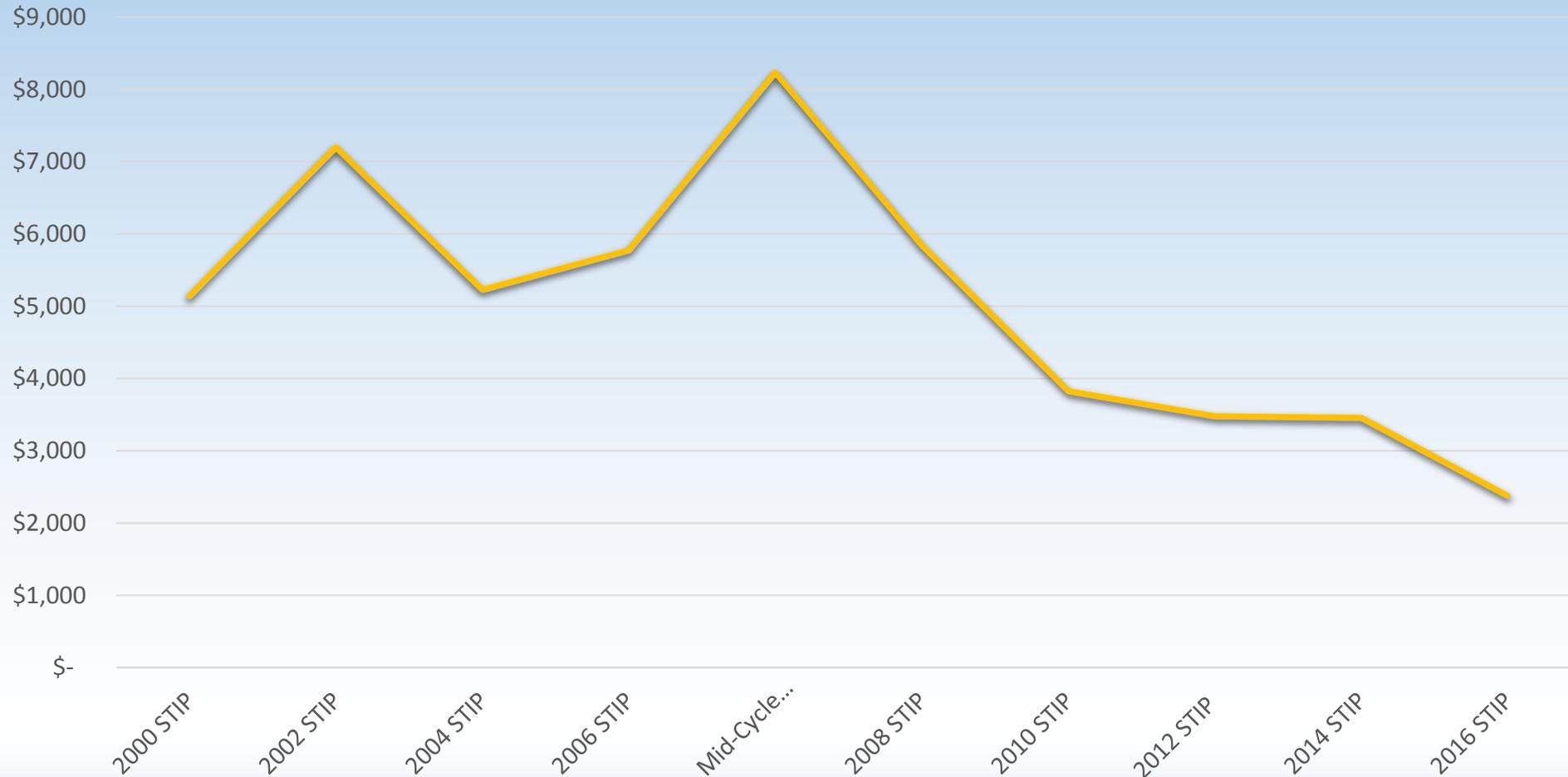
\$754 million reduction in the current State Transportation Improvement Program (STIP) – impacting our ability to provide funding for new transportation projects

What is the State Transportation Improvement Program (STIP)?

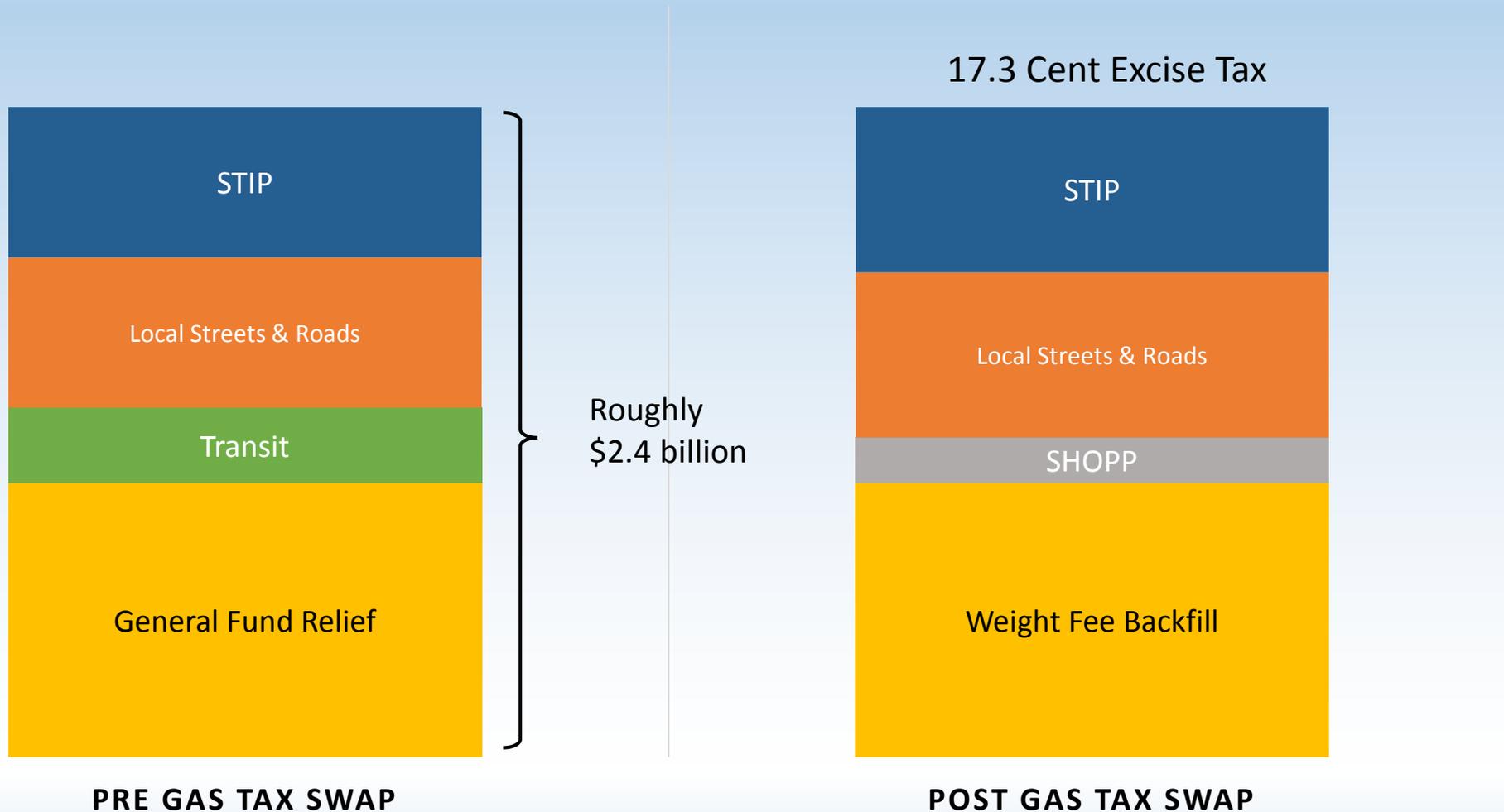


- Five-year plan adopted biennially
 - State highway, intercity rail, and regional highway and transit improvements
- Constrained by available resources (price based excise tax)
- County shares based on north/south split, population & state highway miles
- Projects must be nominated by Counties or Caltrans
 - 75% Counties / 25% Caltrans
- Includes new capital projects

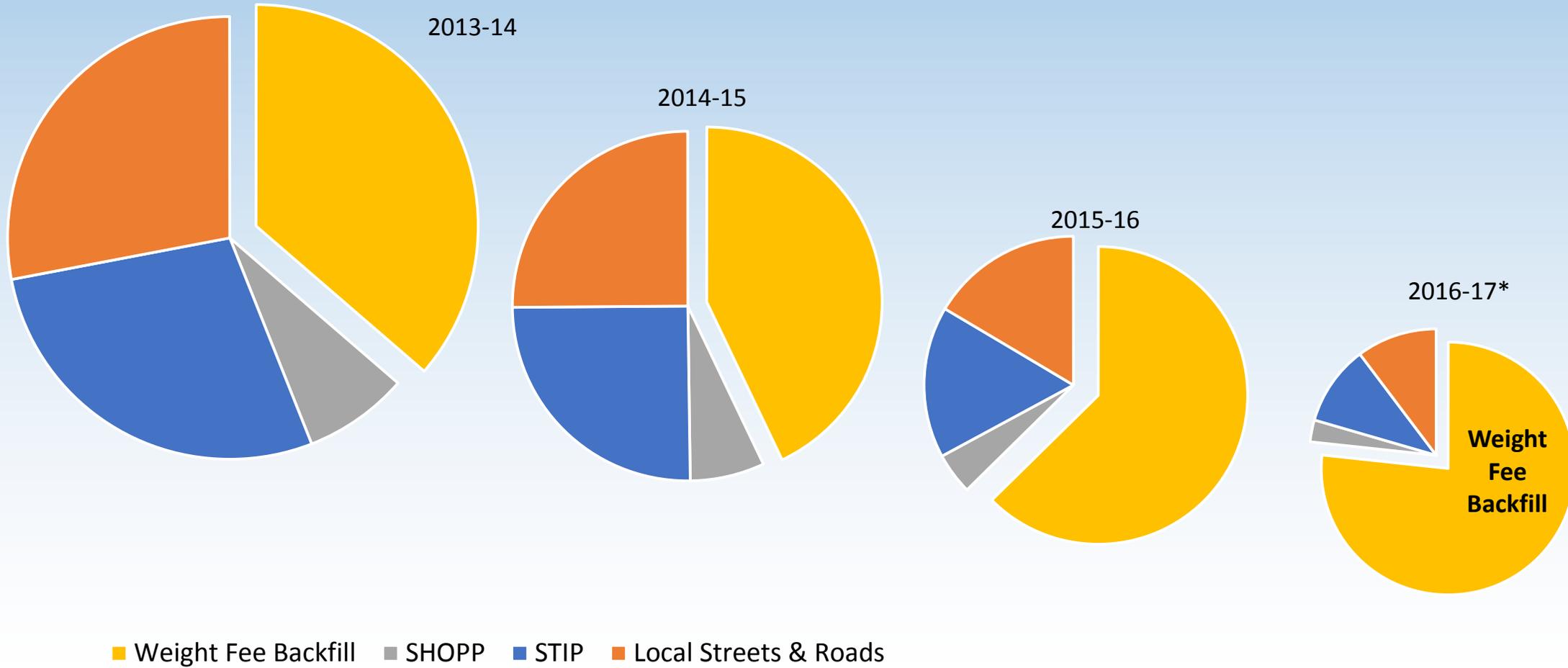
Historic STIP Programming Levels



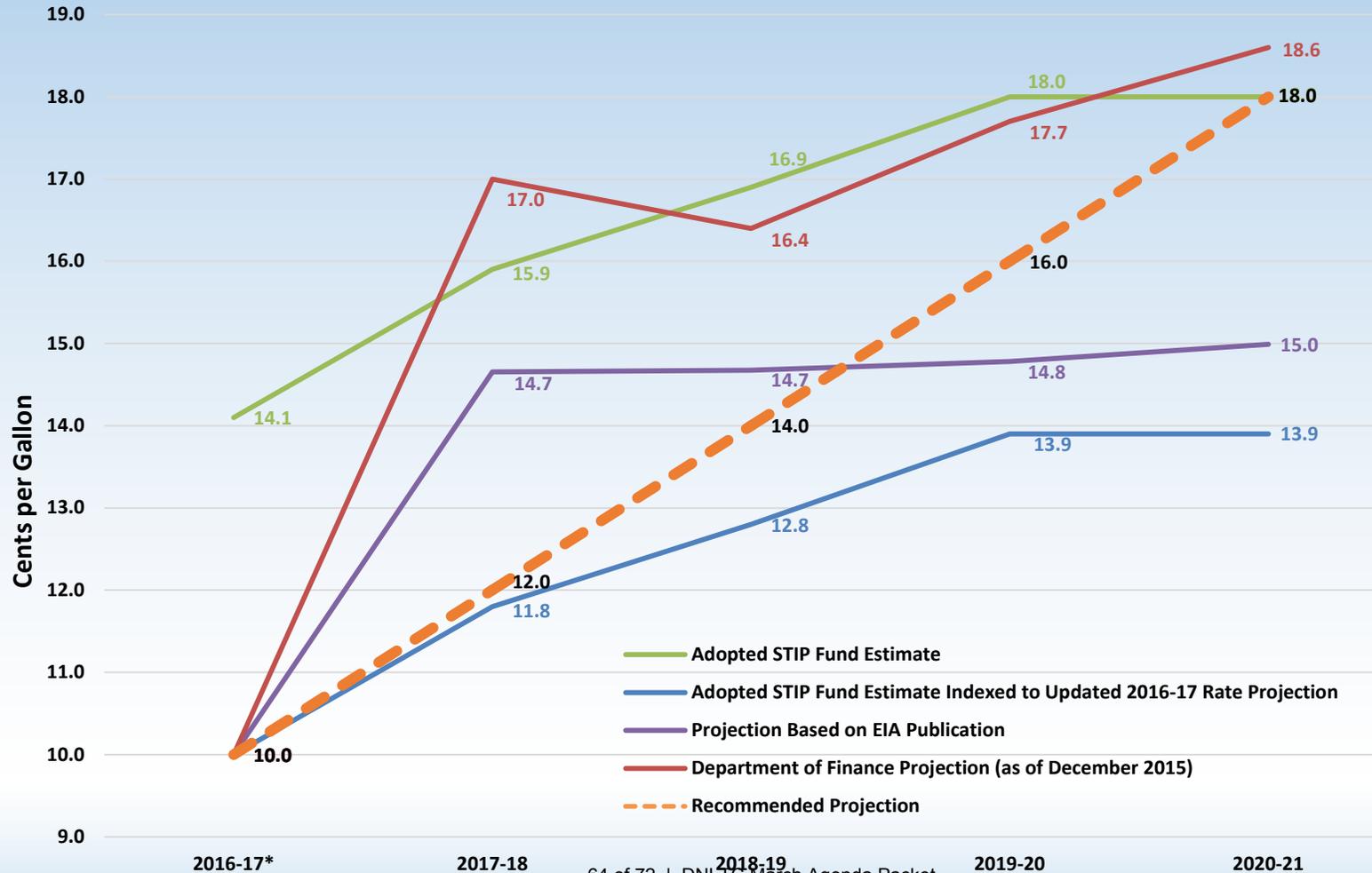
Gas Tax Swap Worked Well in 2010-11



When PBET Revenue Decreases, Weight Fee Backfill Consumes Other Programs



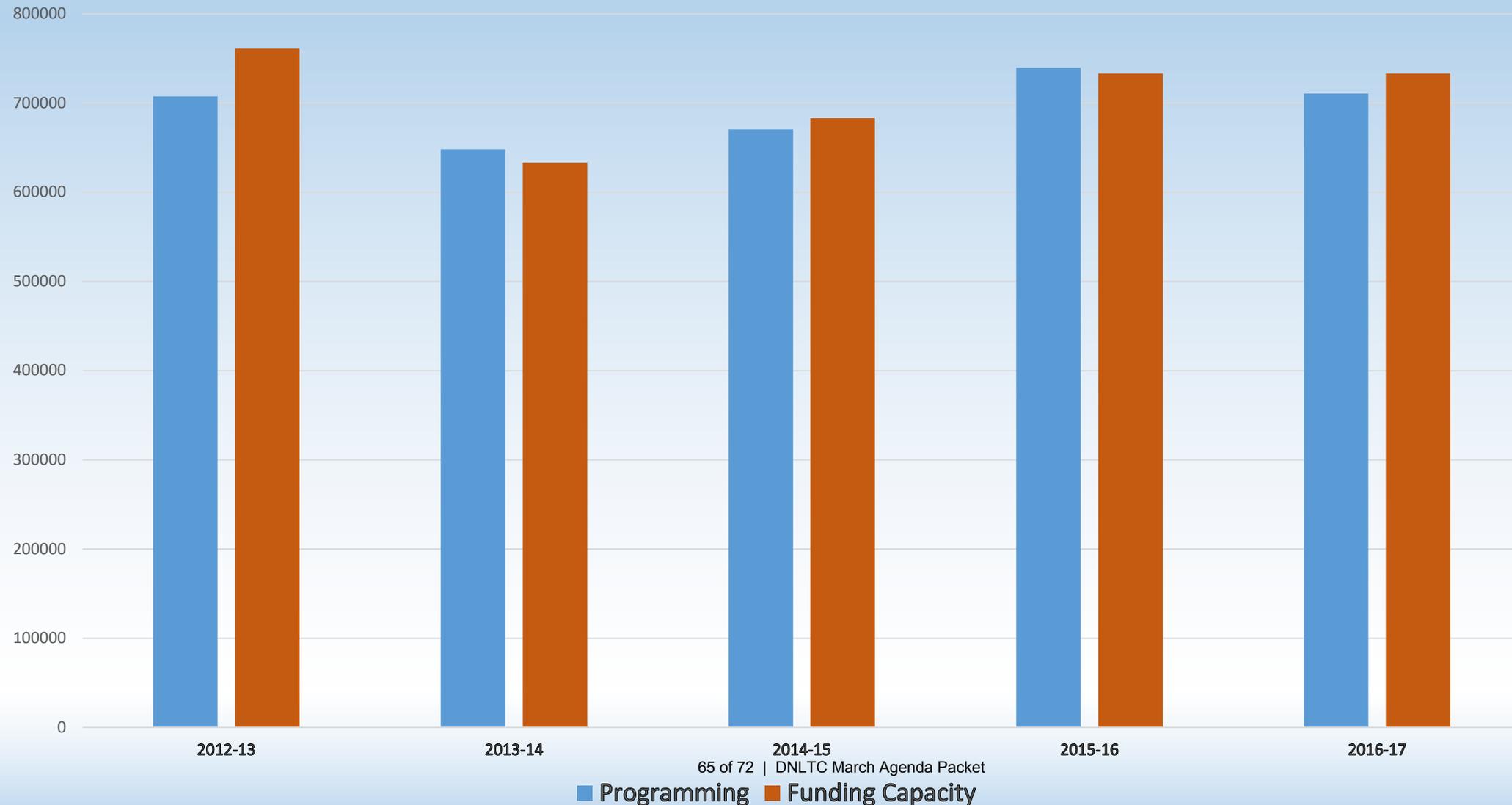
Various Five-Year Projections of Price-Based Excise Tax Rate



*Rate of 10 cents based on DOF projection (rounded to nearest cent)

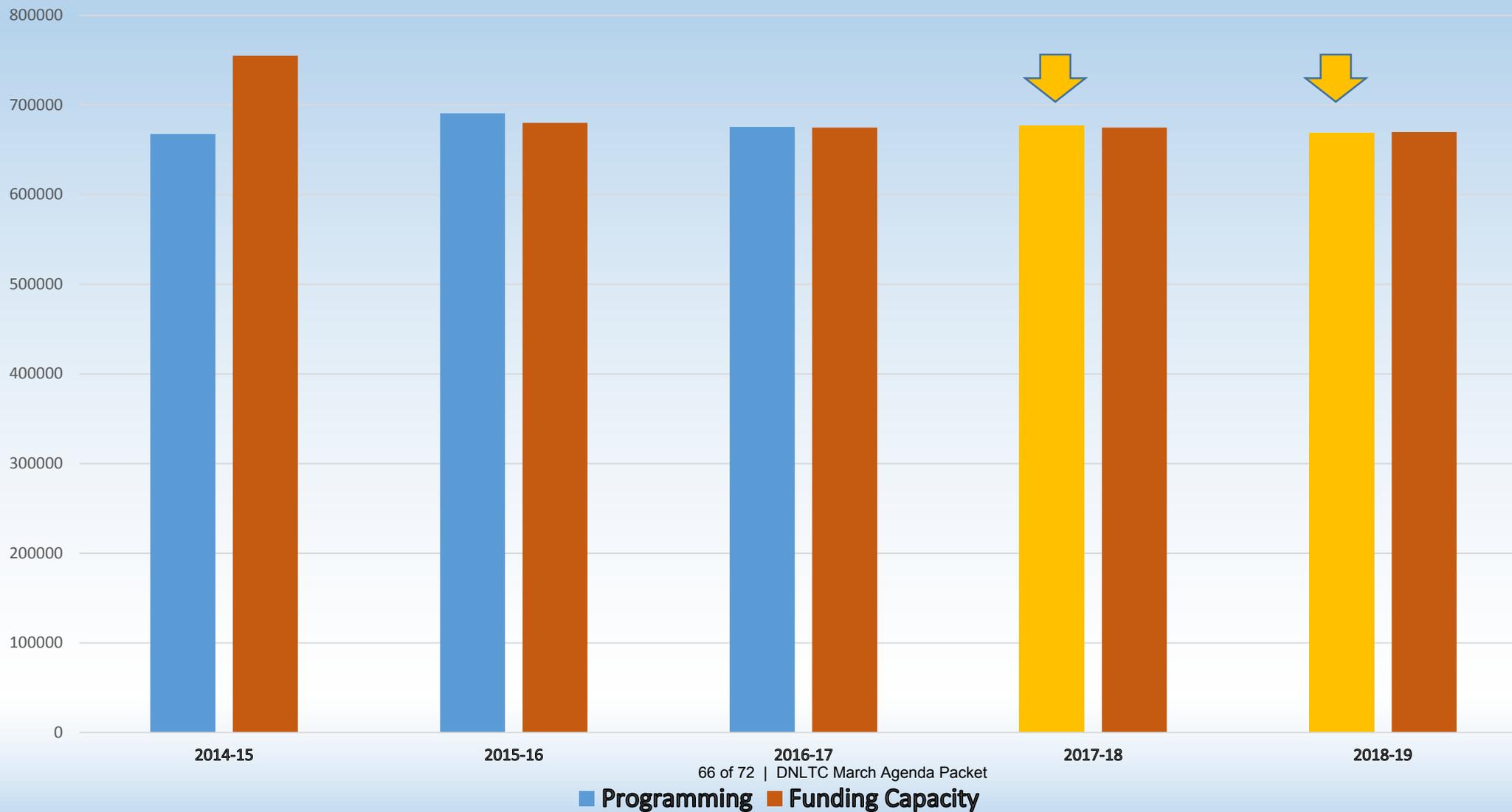
Annual Funding of 2012 STIP

(As of June 30, 2012)



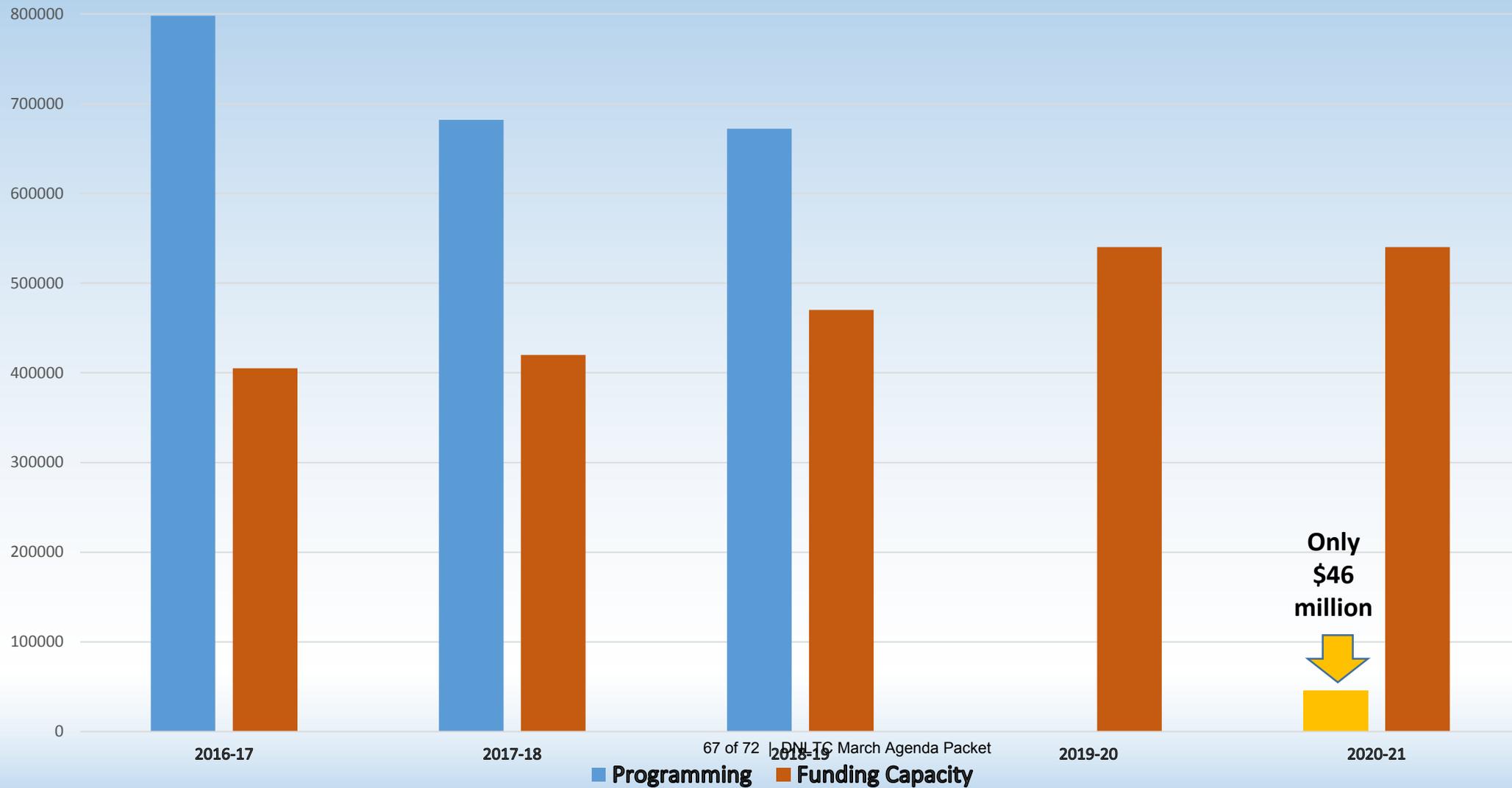
Annual Funding of 2014 STIP

(As of June 30, 2014)



Annual Funding of 2016 STIP

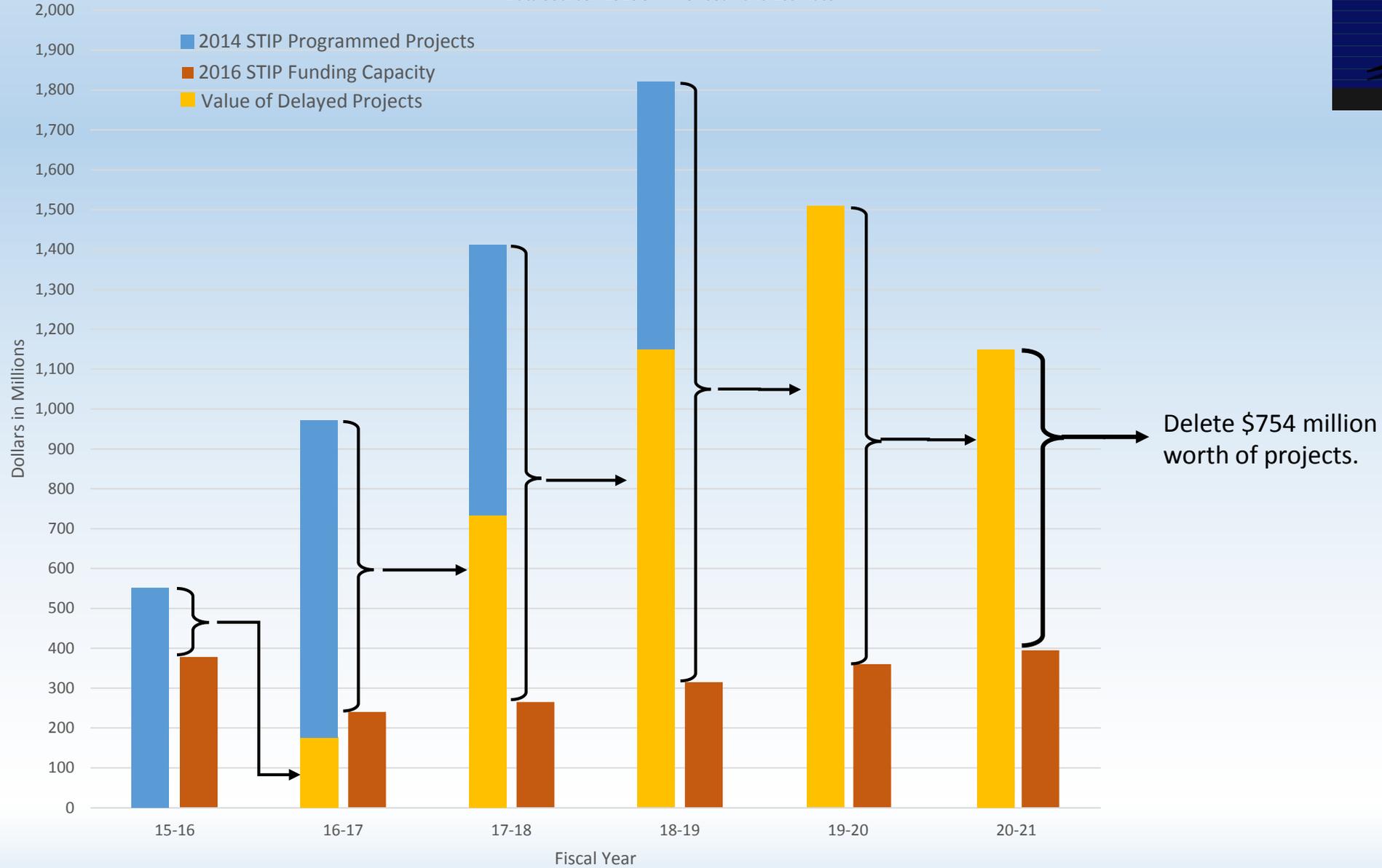
(As of August, 2015)



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Illustrating How a Negative STIP Looks

Data Source: 2016 STIP Revised Fund Estimate



Delete \$754 million worth of projects.

Thank You



Community Assistance League

for children and adults with disabilities

Tanera Leighton, Executive Director
Del Norte Local Transportation Commission
1301 B Northcrest Drive, #16
Crescent City, California 95531

March 7, 2016

Dear Ms. Leighton:

As you are aware, the Board membership of Community Assistance League has been declining over the past few years and we are finding it difficult to continue operating as we have in the past.

So, the Board of Community Assistance League has voted to make changes to the way we have been doing business and it is with deepest regrets that the following decision has been made.

The 31st of May will be the last day of operations as we currently know it. From here forward, we are going to concentrate on individuals and families that are in the most serious need of our help. Cancer, Dialysis and other critical medical needs will now become our main focus.

We want to thank you for all the help you gave us with getting this grant. If there were any other options for Community Assistance League, we would be using them. Please know that we have all been working on this issue for quite some time, hoping that we would be able to continue operating as before, but that is not possible.

Thank you again for all your valued support.

Sincerely,

Mary Bolen, President *DN*
Community Assistance League



COUNTY OF DEL NORTE

981 H Street, Suite 140
CRESCENT CITY, CALIFORNIA 95531

CLINTON SCHAAD
AUDITOR-CONTROLLER

PHONE
707-464-7202

February 24, 2016

Tamera Leighton
Transportation Coordinator
Del Norte Local Transportation Commission
1225 Marshall Street, Suite 8
Crescent City, CA 95531

RE: Estimate of Funds

Dear Tamera,

In accordance with Section 6620 of the California Code of Regulation, the following information is provided:

Estimated TDA funds available for 2016-2017 apportionment:

TDA funds available as of 1/31/15

DN LTCO Transportation Trust (#637)	\$ 84,195
Less Fund Balance ped/bike	\$ (31,261)
Less Reserved-Vehicle, Shelters, Signs	\$ -
LTCO Transportation Trust fund balance available	\$ 52,934
Estimated 1/4% Sales tax 2016-2017	\$ 570,128
*Estimated STA Funds Available for 2016/2017 apportionment (PUC 99313)	\$ 114,097
*Estimated State Transit Assistance 2016-2017 Public Transp Acct Fund (PUC) 99314	\$ 6,929

***See attached Fund allocation Estimate from State
Controllers Office Fiscal Year 2016-2017**

If you have any questions please feel free to contact me.

Sincerely,

Clinton Schaad
Auditor/Controller

TDA 2015/2016
Estimate Worksheet: February 26, 2015

LTF (1/4 cent retail sales tax)

84,195	Balance available
38,790	Pedestrian & Bike fund reserves
45,405	Net funds available
570,128	Sales Tax as estimated for next year
615,533	Grand Total

STA (gas/diesel sales tax)

121,026	State Controllers estimate for next year
0	State Controllers estimate for Prop 1B Fund

Totals Available

615,533	LTF Only
121,026	STA Only
736,559	LTF and STA

1) Admin / Planning	64,000
615,533	
(64,000)	
551,533	

2) Ped / Bike (2%)
551,533
(11,031)
540,502

3) CTSA (5%)
540,502
(27,025)
513,477

4) RCTA
513,477 LTF
121,026 STA
0 STA Prop 1B
634,503 Total

5) Final Apportionment
(A) 64,000 Admin / Planning
(B) 11,031 Ped / Bike
(C) 27,025 CTSA
(D) 634,503 RCTA
736,559 Total