



June 4, 2014

TO: Board of Directors Item #9

FROM: Steve L. Rosenberg *SLR*  
Director of Finance and Administration

RE: Receive and File the Transportation Development Act (TDA) Triennial Performance Audit Report for FY 2011 – FY 2013

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## I. EXECUTIVE SUMMARY

The California Public Utilities Code requires that all Regional Transportation Planning Entities (RTPEs) and transit agencies that receive funding under Article 4 of the Transportation Development Act (TDA) have a triennial performance audit of their activities. The performance audits must be conducted on a triennial basis pursuant to a schedule established by the VCTC. For this audit period VCTC contracted with Nelson\Nygaard Consulting Associates to conduct the GCT audit. Nelson\Nygaard has satisfactorily conducted several prior TDA audits of GCT/SCAT.

This TDA Triennial Performance Audit Report for FY 2011 – FY 2013 report is being presented to the GCT Board on June 4, 2014 and the VCTC Board on June 6, 2014. The report is considered final after the VCTC accepts it.

The report finds that *“GCT was found to be in compliance with all applicable TDA compliance requirements.”* The report findings were that *“Overall, GCT performed well over the Audit period. GCT continues to meet all of the TDA performance standards and has met most of its own adopted performance objectives and standards. Also of significance was the successful passage of legislation to create the Gold Coast Transit District as the successor to the current Joint Powers Authority. This has required a significant amount of effort with the member agencies and the Board to develop new District bylaws and organizational operating plans.”*

The report addressed the one recommendation made in the previous audit report, *“GCT should work closely with the ACCESS contract operator to improve on-time performance.”* The report noted that while ACCESS does not always meet its contractual goal of 95% of passengers being picked up within 10 minutes prior to 10 minutes after the scheduled time, ACCESS receives very few complaints because for 95% of passengers ACCESS meets the stated service standard of dropping them off no later than 15 minutes before their stated appointment time.

The report makes three recommendations moving forward. The recommendations, with staff response following, are:

1. *GCT should continue to monitor ACCESS' on-time performance and consider a new arrival-based performance standard as tracking technology allows.*

Staff concurs.

2. *GCT should formalize the ongoing tracking and reporting of adopted performance measures.*

Staff concurs.

3. *GCT should ensure the Finance functional area is appropriately staffed to manage new responsibilities.*

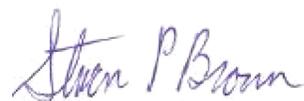
The finding addresses staffing capacity to take on additional responsibilities associated with becoming a district, as well as those associated with the ongoing addition of new technologies. GCT will shortly be adding a Director of Human Resources. Once that department is established, management will be reviewing the administrative organization and approved positions that are vacant to determine the best deployment of resources.

The five-page Executive Summary for the Transportation Development Act (TDA) Triennial Performance Audit Report for FY 2011 - FY 2013 is attached to this report. A full copy of the entire report is provided as a separate attachment to Board members and posted to the GCT website, and will be filed with this report.

## II. RECOMMENDATION

**It is recommended that the Board receive and file the Transportation Development Act (TDA) Triennial Performance Audit Report for FY 2011 – FY 2013**

Concurrence:



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Steven P. Brown  
General Manager

Attachment

# TDA TRIENNIAL PERFORMANCE AUDIT FY 2011 – FY 2013

## Gold Coast Transit

### EXECUTIVE SUMMARY

This is the Draft Performance Audit report for Gold Coast Transit covering Fiscal Years 2010/11, 2011/12, and 2012/13. An Audit is required triennially of every transit operator in the state of California to be eligible for Transportation Development Act (TDA) funding. This Audit was commissioned by the Ventura County Transportation Commission (VCTC) and was conducted in accordance with the Audit process established by the California Department of Transportation.<sup>1</sup>

### PERFORMANCE AUDIT SCOPE

The performance audit is designed to serve as a high-level management report that evaluates the effectiveness and efficiency of public transit service provided by Gold Coast Transit (GCT). The scope of this performance audit covers:

- A review of actions taken on prior performance audit recommendations
- A review of management and control procedures, including an integrated planning and budgeting process and internal performance monitoring procedures
- Verification of methods for calculating performance indicators
- An evaluation of the efficiency, economy, and effectiveness of the operation, including an analysis of five TDA-required performance measures:
  - Operating cost per passenger
  - Operating cost per revenue service hour
  - Passengers per vehicle service hour
  - Passengers per vehicle service mile
  - Vehicle service hours per FTE
- An analysis of the needs and types of passengers being served, the employment of part-time drivers, and contracting with common carriers
- Findings concerning each area of review or analysis
- Recommendations for improving performance and/or compliance with TDA (Transportation Development Act) requirements

To complete the Audit, the auditor conducted in-person and telephone interviews with GCT staff and reviewed financial reports and other planning documentation.

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<sup>1</sup> <http://www.dot.ca.gov/hq/MassTrans/State-TDA.html>

## SYSTEM OVERVIEW

Gold Coast Transit is the regional transit service for western Ventura County. Operations began in 1973 via a Joint Powers Agreement (JPA) between the Cities of Ojai, Oxnard, Port Hueneme, and San Buenaventura. In 2007, the JPA was revised and the name of the organization and the system were changed from South Coast Area Transit to Gold Coast Transit. As of July 1, 2014, GCT will sunset the JPA and become a transit district, known as the Gold Coast Transit District.

GCT provides fixed-route bus and paratransit services in the cities of Ojai, Oxnard, Port Hueneme, and Ventura, and in the unincorporated County areas between the cities. GCT's paratransit service is known as ACCESS, which is operated under contract by MV Transportation, Inc.

GCT has a five-member Board of Directors. Under the General Manager, there are five main functional units: Finance and Administration, Planning and Marketing (which includes a separate unit for ACCESS paratransit management), Transit Operations (for fixed-route transit), and Fleet and Facilities.

GCT's mission is to provide safe, responsive, convenient, efficient, and environmentally responsible public transportation that serves the diverse needs of our community.

## COMPLIANCE AUDIT

The compliance portion of the Audit covers Chapters 3 through 5. The tasks conducted in this section of the audit are summarized below:

- A review of internal and external reports for consistency and accuracy
- A check for compliance with TDA reporting requirements
- A review of GCT's actions to implement recommendations from the prior Performance Audit
- An analysis of the five TDA-required performance indicators for GCT services

GCT was found to be in compliance with all applicable TDA compliance requirements.

## FUNCTIONAL AUDIT

The Functional Audit is covered in Chapter 6. It assesses GCT's performance by identifying the agency's major recent accomplishments and by tracking the status of its adopted performance standards. For ACCESS, the Auditor reviewed the performance standards found in GCT's contract with MV Transportation.

## MAJOR FINDINGS

GCT can count several major accomplishments during this Audit period. The agency implemented several new service enhancements including new routes and increased service. GCT also implemented new transit scheduling and dispatching software, purchased and installed new fareboxes, and hired new staff in the areas of administration, customer service, marketing, planning, and transit. The two biggest accomplishments for the period include the planning and purchase of property for the agency's new operations, maintenance, and administrative facility and the establishment of the Gold Coast Transit District.

For its fixed-route service, GCT had a challenge meeting its adopted performance standards related to on-time departures, passengers per revenue service hour (productivity) on trunk and

local routes, and operating cost increases as compared to CPI. Additionally, staff is concerned about the uncertainty of funding through the federal transportation bill, MAP-21, and future state regulation related to allowable axle loads on buses.

For ACCESS, operating costs per revenue service hour and per passenger increased during this Audit period as well as the two prior periods. Its contracted operator, MV Transportation, has not met its on-time performance standard or its passengers per hour performance standard. Based on experience with other similar paratransit operations in California and nationwide, these standards are achievable, although it should be noted that a 30-minute pickup window is customary at many agencies, and GCT staff report that they are achieving this standard within a 30-minute window. The contract calls for penalties of \$500 per incident when consumers are picked up more than 30 minutes after the scheduled window, which is standard practice in similar contracts.

## RECOMMENDATIONS

The following recommendations are the result of the findings of this Audit. For further details about these recommendations, please refer to Chapter 7.

Recommendation	Priority	Timeline
Continue to monitor ACCESS's on-time performance and consider a new arrival-based performance standard as tracking technology allows.	Medium	Ongoing
Formalize the ongoing tracking and reporting of adopted performance measures.	Medium	FY 2014/15
Ensure the Finance functional area is appropriately staffed to manage new responsibilities.	Medium	FY 2014/15