



# **FY 2013-2015**

## **Triennial Performance Audit of Shasta Regional Transportation Agency**

Submitted to  
Shasta Regional Transportation Agency

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Submitted by

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INTERNATIONAL

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## **Executive Summary**

The Shasta Regional Transportation Agency (SRTA) retained Michael Baker International to conduct the agency's Transportation Development Act (TDA) performance audit for Fiscal Years (FY) 2012–13 through 2014–15. As a Regional Transportation Planning Agency (RTPA), SRTA 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) to continue receiving TDA funding. TDA funding is used for SRTA administration and planning and is distributed to local jurisdictions for motorized and non-motorized forms of transportation.

This performance audit is intended to describe how well SRTA is meeting its administrative and planning obligations under TDA, as well as its organizational management and efficiency. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by Caltrans was used to guide the development and conduct of the audit. To gather information for the TDA performance audit, Michael Baker International conducted interviews, reviewed various documents, and evaluated SRTA's responsibilities, functions, and performance related to the TDA guidelines and regulations. Interviews were conducted with agency staff and the transit operator within SRTA's jurisdiction.

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 the audit procedures.

### **Compliance with TDA Requirements**

SRTA has satisfactorily complied with all state legislative mandates for Regional Transportation Planning Agencies. Compliance has largely been through process improvements and documentation of current practice.

### **Status of Prior Audit Recommendations**

SRTA has fully implemented the four prior performance audit recommendations, which pertained to the TDA claim submittal and review process, as well as creating productivity measures for monitoring Redding Area Bus Authority (RABA) service improvement.

### **Functional Review**

1. SRTA conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment. SRTA has developed and adopted key procedural policies and manuals to guide its activities as

an independent agency responsible for state and federal transportation planning and administration.

2. SRTA formally separated from Shasta County and began operation as an independent agency in July 2012. The rationale for independence included higher county overhead costs and the need for greater responsiveness to state and federal guidelines. Risk factors were taken into consideration during the transition.
3. Since becoming an independent agency, SRTA moved into its own offices located in a building that once housed a bank. In 2015, the agency committed to purchase of the building financed over a 15-year period through a bank loan and a TDA advance that will be paid back through rent payments from tenants sharing the building space. The TDA advance is a cash asset held by SRTA and advanced for a building required by SRTA to operate the agency.
4. SRTA's personnel management is summarized in its *Human Resources Policies and Procedures Manual*, adopted in May 2012 and revised in December 2013. The four sections address legal guidelines and requirements, employment practices, benefits, and rules and regulations.
5. The Overall Work Program (OWP) serves as SRTA's annual budget and program guide. The OWP identifies the specific work elements that SRTA will undertake for the coming fiscal year and the staffing hours, consultant services, capital assets, and supplies needed to achieve a specific task or product. The agency developed and adopted formal OWP planning policies. Adverse comments by oversight agencies on past OWPs were significantly reduced, and the OWP evolved from being inadequate to being compliant to now being useful.
6. Board member feedback was overall positive, highlighting that SRTA fairly represents all member jurisdictions and provides professional materials to the Board such as agenda items and detailed staff reports.
7. The SRTA 2015 Regional Transportation Plan (RTP) and Sustainable Communities Strategy was adopted in June 2015 with a 20-year planning horizon. The 2015 RTP is a departure from the previous 2011 RTP because of new mandates and a movement toward performance-based transportation planning.
8. SRTA was involved in the development of the Transit Technology Plan, which was adopted in September 2014. The plan addresses the current and future technology needs of RABA.
9. Under the Rural Bike Lanes and Sidewalks to Transit (BLAST) Program, the SRTA Board has the option to exchange federal dollars for state dollars for projects that meet the eligibility requirements of the federal Rural Transit Assistance Program.

The program involves release of county STA revenue to the cities for eligible projects.

10. The SRTA *Transportation Development Act Handbook and Policies and Procedures* manual provides the comprehensive resource of TDA claims information, instructions, and regulatory references. The handbook was adopted in May 2013 and has undergone three revisions; the latest revision was adopted in February 2015.
11. Unmet transit needs hearings are coordinated by SRTA transit staff and are generally held during the month of February during the SRTA Board meeting. Staff compiles the annual Unmet Transit Needs Assessment report that is shorter in length and more illustrative while serving as a publicly accessible tool to ascertain system performance and determine the community’s transit needs.
12. SRTA’s most recent Public Participation Plan (PPP) was adopted in June 2013. The PPP is intended to provide direction for public outreach to be conducted by SRTA and contains the procedures, strategies, and techniques used by the agency for public engagement and participation. The goal of the PPP is to ensure a proactive and consistent public engagement process by SRTA.
13. One of the key media tools used by the agency for public engagement is the SRTA website. The website provides an extensive array of information about SRTA’s projects and programs, the agency’s structure and governing body, and local transportation planning initiatives, as well as upcoming meetings and workshops. The website was extensively redesigned to boost transparency and public participation.

**Recommendations**

Performance Audit Recommendation	Background	Timeline
<b>#1. Update the TDA Handbook</b>	The TDA Handbook is a local source document developed by SRTA to describe the TDA funding process and the nuances in the law. It contains performance standards and rules and regulations guiding eligible use of the funds. Some elements of the handbook should be updated in light of clarification of performance standards and new practice including TDA funding exchange for rural non-motorized program, as well as new state law. The current handbook states that the RABA farebox recovery standard is 15 percent for fixed-route service, when it was clarified by SRTA staff that the	High Priority

Performance Audit Recommendation	Background	Timeline
	<p>standard is 15 percent systemwide (combined fixed route and dial-a-ride). In addition, new state law recently implemented should be incorporated into the TDA Handbook. The new law is further described in Recommendation #2.</p>	
<p><b>#2. Implement new State TDA provisions</b></p>	<p>Recent state legislation was enacted in the fall of 2015 that impacts the administration of TDA. Senate Bill 508 imposes new rules in the administration of TDA including calculation of farebox recovery ratios and application of efficiency tests for STA funds. As SRTA allocates STA funds to RABA for operations costs, SRTA must apply new methods to determine the amount of STA operating funds that can be allocated. SRTA is aware of these provisions and should be proactive in applying the new rules. The new provisions might also impact the farebox recovery for RABA and should be closely monitored by SRTA in determining the impacts against the current systemwide farebox standard of 15 percent and the goal of 19 percent for new fixed-route service. If farebox trends show consistent patterns using the new farebox application methods, a revisit of the standard is warranted.</p>	<p>High Priority</p>
<p><b>#3. Review merits of converting TDA claims to electronic format</b></p>	<p>The TDA claims forms are manually completed by each claimant using written sheets. The sheets include computations for eligible funding amounts as well as check-off lists. While there were no identified issues with this paper-driven process, growing industry practice is converting the TDA claims to an electronic format, specifically using a spreadsheet program. The prevalent use of electronic means creates efficiencies such as precoded formulas which can reduce computation errors, and communication with claimants can be conducted while viewing and sharing the same claim file. Past claims can also be accessed immediately electronically and compared to current claims. Required submittals can be scanned and attached to the electronic claim, which could mirror the paper format but simply be completed electronically.</p>	<p>Medium Priority</p>

Performance Audit Recommendation	Background	Timeline
<b>#4. Review role of the SSTAC</b>	<p>Membership in the Social Services Transportation Advisory Council (SSTAC) was recently turned over due to term limits expiring simultaneously. This provides an opportunity for SRTA to review the current responsibilities of the SSTAC described in the SSTAC bylaws and make changes if warranted. The SSTAC is primarily charged with advising on the annual unmet transit needs, which maintains compliance with law. However, beyond this requirement, the SSTAC can engage in additional activities to keep membership active and participatory in SRTA decisions. Meeting times and location, as well as a list of responsibilities, should be reviewed. Examples of responsibilities undertaken by other councils include participating in the local scoring of FTA 5310 grant applications, hearing staff presentations on transit-related planning and grant funding activities, and discussing and building capacity in meeting specialized transportation needs and coordination, including on Americans with Disabilities Act (ADA) issues. The SSTAC bylaws should be revisited and updated should new responsibilities be placed on the SSTAC by SRTA and that build on the knowledge base provided by the membership.</p>	Medium Priority

## Section I

### Introduction – Initial Review of RTPA Functions

The Shasta Regional Transportation Agency (SRTA) retained Michael Baker International to conduct the agency’s Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2012–13 through 2014–15. As a Regional Transportation Planning Agency (RTPA), SRTA 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) in order to continue receiving TDA funding. This performance audit is intended to describe how well SRTA is meeting its administrative and planning obligations under TDA as well as its organizational management and efficiency.

#### Audit Methodology

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

- Document Review: Conducted an extensive review of documents including various SRTA files and internal reports, committee agendas, and public documents.
- Interviews: Interviewed key SRTA management staff as well as the transit operator under SRTA’s jurisdiction.
- Analysis: Evaluated the responses from the interviews as well as the documents reviewed about SRTA’s responsibilities, functions, and performance related to TDA guidelines and regulations.

The remainder of this report is divided into four chapters. In Chapter II, Michael Baker provides a review of the compliance requirements of the TDA administrative process. Chapter III describes SRTA’s responses to the recommendations provided in the previous performance audit. In Chapter IV, Michael Baker provides a detailed review of SRTA’s functions. The last section summarizes our findings and recommendations.

#### Overview of SRTA and Shasta County

SRTA was established in 1972 under state law as a Joint Powers Agency (JPA) of the County of Shasta and the incorporated cities in the county. Once Shasta County attained urbanized area status in 1980, SRTA was designated a metropolitan planning organization (MPO), which is prerequisite to receiving federal transportation dollars. This federal designation involves added responsibilities, which may overlap with state requirements. SRTA was established as a single entity to fulfill the roles as both the

MPO and the state-designated Regional Transportation Planning Agency (RTPA) for Shasta County. A Memorandum of Understanding (MOU) was established between the County, Caltrans, the Redding Area Bus Authority (RABA), and the Cities of Anderson, Redding, and Shasta Lake that outlines the legal parameters and responsibilities for the planning and programming of transportation funding, establishes the agency’s organizational structure, and defines general funding processes. The MOU is reviewed and revised periodically to incorporate statutory changes.

On July 1, 2012, SRTA became an independent agency, no longer under the auspices of the County of Shasta. Since becoming an independent agency, SRTA has revised its bylaws and policies accordingly. The current SRTA bylaws were adopted by the SRTA Board on May 22, 2012.

Shasta County is located in north central California and encompasses 3,750 square miles, which cover the northern end of the Sacramento Valley and the southern portions of the Cascade mountain range. The county is bordered by Siskiyou County to the north, Trinity County to the west, Tehama County to the south, Plumas County to the southeast, Modoc County to the northeast, and Lassen County to the east. Shasta County was one of the original counties in California created in 1850 and derives its name from Mount Shasta. Parts of Siskiyou and Tehama counties were created from Shasta County in the 1850s. The county is traversed by 1,200 miles of County-maintained roadways and 400 bridges.

Education, forestry, healthcare, government services, retail, leisure, and hospitality are mainstays of the local economy. Major highways traversing Shasta County include Interstate 5 (I-5) and State Routes (SR) 36, 44, 89, 151, 273, and 299. I-5 is the main north–south highway linking the major cities and towns in the county with Sacramento to the south and Oregon to the north. State Routes 44 and 299 are the main east–west highways. SR 299 connects the county with Trinity and Humboldt counties to the west and Modoc County to the east. Population-wise, Shasta County is one of the most dispersed counties in the state, having 49 persons per square mile compared to the statewide average of 239. A demographic snapshot of incorporated cities and the county is presented in Table I-1.

**Table I-1  
Shasta County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	Land Area (in square miles)
Anderson	9,932	+8.5%	12.76%	6.37
Redding	89,861	+10.9%	16.42%	59.65
Shasta Lake	10,164	+12.8%	14.41%	10.92
Unincorporated Area	67,266	+5.0%	18.55%	3,698.46
Total Shasta County	177,223	+8.6%	16.91%	3,775.40

Source: 2010 US Census

Redding is the county seat and the largest city in Shasta County. Population growth rates in the county and its incorporated cities increased 5 to 13 percent between the 2000 and 2010 US Census. The city of Shasta Lake exhibited the highest percentage increase in population, followed by Redding. The senior citizen population, comprising residents aged 65 and over, is about 17 percent countywide. The 2015 population for Shasta County is estimated to be 178,673 as reported by the California Department of Finance (DOF). The methodology behind the DOF estimate is based on the correlation of three different methods: administrative records, driver license address changes, and household characteristics.

### Role of SRTA

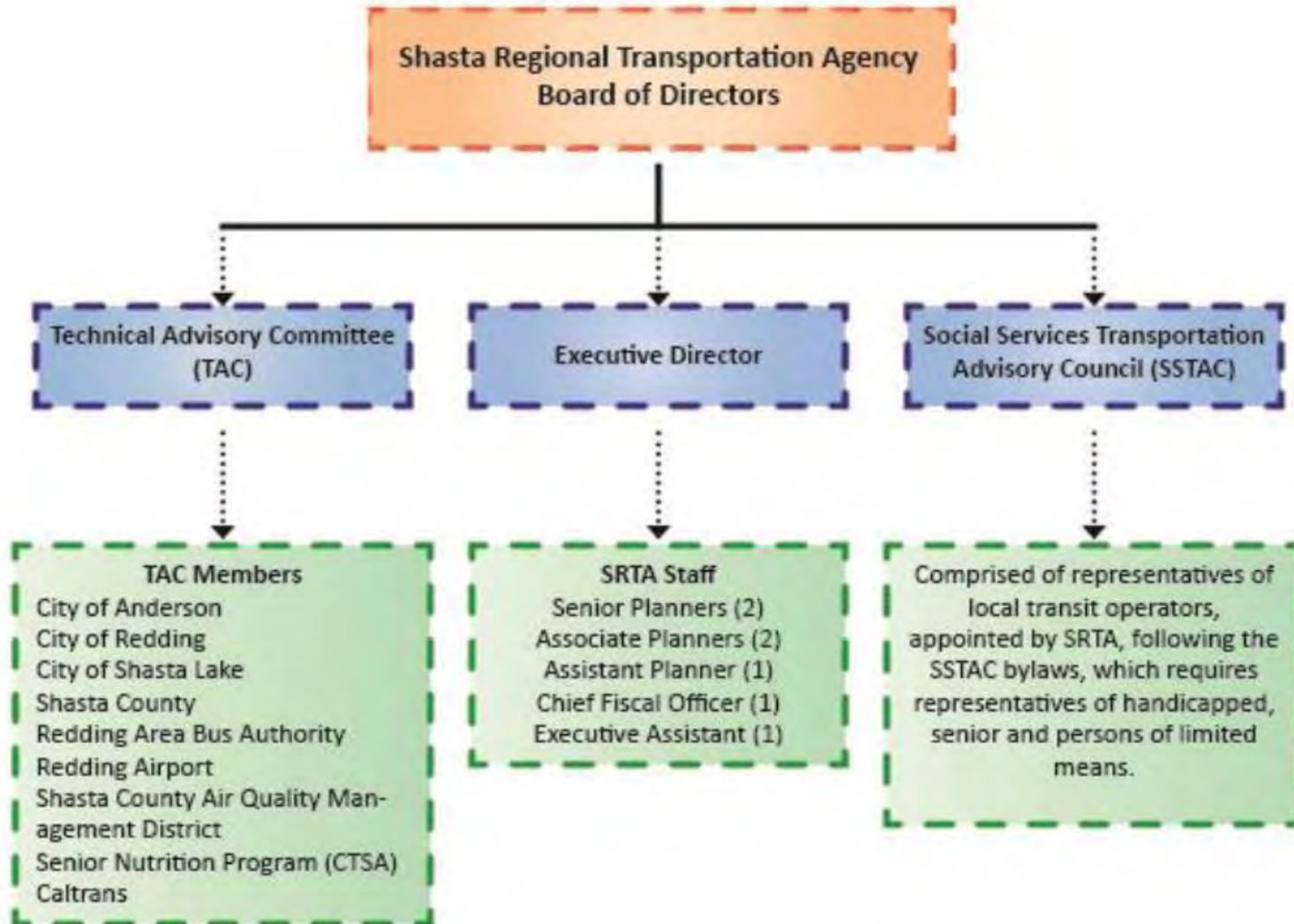
In its multifaceted role, SRTA guides the development of the Regional Transportation Plan (RTP), state and federal transportation improvement programs and updates, grant application review and management, TDA administration and allocation, and local citizen engagement in developing and monitoring various transportation-related plans and programs.

The agency's statutory functions as outlined in its bylaws are summarized as follows:

- To carry out all responsibilities as the regional transportation planning agency as designated by California Government Code Section 65080 et seq.
- To carry out all responsibilities as the metropolitan planning organization (MPO) as designated by 23 United States Code (USC) Section 134 and 49 USC Section 5303.
- To serve as lead agency for determination of air quality conformity between transportation plans, programs, and projects and any applicable State Implementation Plan.
- To provide a venue for discussion and study of regional transportation problems of mutual interest to member agencies.

Moreover, SRTA's state and federal planning responsibilities are directed by the federal transportation law, Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), enacted in July 2012. Figure I-1 depicts the current organizational chart for SRTA.

Figure I-1 Organization Chart



Source: SRTA

Organizational Structure

SRTA members include the County of Shasta and the three incorporated cities in the county. The County is represented by three members appointed by the County Board of Supervisors, each of the three incorporated cities (Anderson, Redding, and Shasta Lake) has one member, and RABA has one member. The SRTA Board meets on the fourth Tuesday of every other month at 3:00 p.m. in the Shasta County Board of Supervisors Chambers. The SRTA Board is augmented by a Technical Advisory Committee, Social Services Transportation Advisory Council, Finance Committee, and Evaluation Committee. The SRTA committees are described in the table below.

Committee	Purpose and Function
<p><b>Technical Advisory Committee (TAC)</b></p>	<p>As the clearinghouse and technical review body for SRTA, the TAC reviews and evaluates all programs and projects for consideration by the Board, including its recommendation for consideration.</p> <p>The TAC is composed of two staff members each from the County of Shasta and the Cities of Anderson, Redding, and Shasta Lake, as well as one member each from RABA, the City of Redding Airports Division, the Shasta County Air Quality Management District, the designated Consolidated Transportation Services Agency (CTSA), and Caltrans District 2.</p> <p>The TAC meets two weeks prior to each SRTA board meeting to review agenda items and offer input prior to action by the SRTA Board.</p>
<p><b>Social Services Transportation Advisory Council (SSTAC)</b></p>	<p>The SSTAC serves in an advisory role in conjunction with the annual unmet transit needs process as well as addresses social service issues related to the coordination and consolidation of public and specialized transportation services.</p> <p>Membership of the SSTAC is pursuant to PUC Section 99238 and the California Code of Regulations and consists of:</p> <ul style="list-style-type: none"> <li>• One representative of potential transit users who is 60 years of age or older;</li> <li>• One representative of potential transit users who is disabled;</li> <li>• Two representatives of the local social service providers for seniors, including one representative</li> </ul>

Committee	Purpose and Function
	<p>of a social service transportation, if one exists;</p> <ul style="list-style-type: none"> <li>• Two representatives of local social service providers for the disabled, including one representative of a social service transportation provider, if one exists;</li> <li>• One representative of a local service provider for persons of limited means;</li> <li>• Two representatives for the local CTSA, designated pursuant to subdivision (a) of Section 15975 of the Government Code, if one exists, including one representative from an operator, if one exists; and</li> <li>• Unspecified representatives of social service organizations (at-large member).</li> </ul> <p>The SSTAC is composed of 11 members. The additional members represent the County of Shasta, the RABA contract operator, and a local community service organization.</p> <p>The SSTAC meets the third Wednesday of every other month at 1:30 p.m. in the Shasta Senior Nutrition Program building.</p>
<p><b>Finance Committee</b></p>	<p>This committee provides the highest level of management oversight related to SRTA financial operations, subject to SRTA Financial and Accounting Policies and Procedures. The committee is composed of a minimum of two Board members appointed or reappointed each February.</p> <p>Meetings of the Finance Committee are held quarterly early in the month in the SRTA offices.</p>
<p><b>Evaluation Committee</b></p>	<p>The Evaluation Committee meets in conjunction with the Finance Committee. It is tasked with reviewing the draft evaluation for the SRTA Executive Director.</p>

Source: SRTA

Agency TDA Budget

According to the annual audited financial statements,<sup>1</sup> SRTA’s total budgeted TDA allocations for administration and plans/programs during the fiscal years addressed by this audit ranged from \$65,539 in FY 2012–13, to \$279,704 in FY 2013–14, to \$291,101 in FY 2014–15.<sup>2</sup> The higher revenues reflect an increase in TDA-LTF revenue and the allocations to continue fulfilling TDA obligations as an independent agency.

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<sup>1</sup> SRTA Local Transportation Fund – Statement of Allocations and Disbursements

<sup>2</sup> Attachment F – SRTA FY 2014–15 TDA Payment Instructions Spreadsheet

## Section II

### RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, which was developed by Caltrans and used to assess SRTA’s conformance with TDA. Findings concerning SRTA’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
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	<p>SRTA allocates TDA funds to the jurisdictions based on population pursuant to PUC Section 99231. The jurisdictions may agree on any method of dividing the costs of transit service between them (cost allocation method).</p> <p>Per the statute, SRTA divides the remaining amount anticipated to be deposited in the fund over the coming fiscal year among each of the county’s local jurisdictions based on population.</p> <p>Prior to March 1, SRTA informs each jurisdiction of this amount, called the apportionment (21 CCR Section 6644). The amount apportioned to each jurisdiction for the coming fiscal year is called the “Findings of Apportionment.”</p> <p>Once money is apportioned to a jurisdiction, the money</p>

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
		<p>can be claimed by that jurisdiction and allocated by SRTA.</p> <p><b>Conclusion: Complied</b></p>
<p>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.</p>	<p>Public Utilities Code, Sections 99233.3 and 99234</p>	<p>SRTA has adopted rules and regulations contained in its in-house <i>Transportation Development Act Handbook and Policies and Procedures</i> (TDA Handbook). Two percent of remaining LTF monies are made available to the county and cities for development of bicycle and pedestrian facilities, called the 2% Non-Motorized Program, and is open to all areas in Shasta County. The other program using TDA funds is for non-motorized facilities that link to public transit in rural areas. This is referred to as the Rural BLAST (Bike Lanes and Sidewalks to Transit) Program.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has established a social services transportation advisory council. The RTPA 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>SRTA has an established Social Services Transportation Advisory Council (SSTAC), which is engaged in the annual unmet transit needs process and advises SRTA on other major transportation issues, including the coordination and consolidation of specialized</p>

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
		<p>transit services. The SSTAC meets bimonthly and is composed of 11 members with terms that expire simultaneously. SRTA receives comments through public hearing at a SRTA Board meeting and accepts comments throughout the year using various media channels.</p> <p><b>Conclusion: Complied</b></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> <p>A committee for the purpose providing advice on productivity improvements may be formed.</p> <p>The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator</p>	<p>Public Utilities Code, Section 99244</p>	<p>Policies and procedures pertaining to operator productivity improvements are outlined in Section 1314 of the TDA Handbook. SRTA employs several methods to improve the productivity of the transit operator.</p> <p>One method involves making transportation performance improvement recommendations. In order to measure improvements over a multiyear time frame, performance recommendations for fixed-route and demand-response are divided into two categories: (1) performance improvement recommendations, and (2) performance audit recommendations. The operator is required to provide timely statistical</p>

<p align="center"><b>TABLE II-1</b> <b>SRTA Compliance Requirements Matrix</b></p>		
<p align="center"><b>SRTA Compliance Requirements</b></p>	<p align="center"><b>Reference</b></p>	<p align="center"><b>Compliance Efforts</b></p>
<p>has not received an allocation which exceeds its prior year allocation.</p>		<p>information to SRTA so that SRTA can determine if reasonable effort was made to implement the recommendations. In addition, SRTA reviews the six statutory performance measures, operator communications to the public, and customer satisfaction.</p> <p>During the claim submittal process, the transit system is required to submit a report of progress on SRTA productivity recommendations.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	<p>Public Utilities Code, Section 99245</p>	<p>SRTA allows its claimants to select their own Certified Public Accountant to conduct their respective fiscal and compliance audits. The accounting firm D.H. Scott &amp; Company, LLP, was retained to complete the RABA fiscal audits for the three-year audit period. The TDA fiscal audits were completed by the timelines set by the State Controller or have been granted the appropriate extension.</p> <p>SRTA obtains documentation from the claimant that the reports are filed and the claimant certifies each year</p>

<b>TABLE II-1 SRTA Compliance Requirements Matrix</b>		
<b>SRTA Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<p>that the reports have been filed. Fiscal audit guidelines are outlined in Section 1315 of the TDA Handbook.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium).</p> <p>For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator’s TDA 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>Public Utilities Code, Sections 99246 and 99248</p>	<p>For the current three-year audit period covering FYs 2013–2015, SRTA retained Michael Baker International to conduct the audit of SRTA and the transit operator, RABA. The transit operator audit includes calculation of the required TDA performance indicators.</p> <p><b>Conclusion: Complied</b></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</p>	<p>Public Utilities Code, Section 99246(c)</p>	<p>A copy of the letter submitted to the Caltrans District 2 office certifying completion of the performance audits from the previous triennium was provided to the auditor as</p>

<p style="text-align: center;"><b>TABLE II-1</b> <b>SRTA Compliance Requirements Matrix</b></p>		
<b>SRTA Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>the performance audits of the operators located in the area under its jurisdiction have been completed.</p>		<p>evidence of compliance. The letter was dated July 24, 2013.</p> <p><b>Conclusion: Complied</b></p>
<p>The performance audit of the operator providing public transportation service 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 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>Public Utilities Code, Section 99346(d)</p>	<p>The performance audits of the operator include all required TDA performance measures plus additional indicators to further assess the operator’s efficiency, effectiveness, and economy with the use of TDA funds.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing</p>	<p>Public Utilities Code, Section 99270.1 and 99270.2</p>	<p>SRTA approved a reduced systemwide farebox ratio of 15 percent for RABA. This is a combined ratio that includes fixed-route and</p>

<b>TABLE II-1</b> <b>SRTA Compliance Requirements Matrix</b>		
<b>SRTA Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
services in urbanized and new urbanized areas.		<p>complimentary paratransit services. While SRTA’s TDA Handbook states a 15 percent ratio for fixed route only, clarification was provided by both SRTA and RABA staff that the ratio is systemwide.</p> <p>SRTA ensures that the following factors have been considered in the transportation planning process in lowering the farebox recovery ratio:</p> <ol style="list-style-type: none"> <li>1) The size and density of the urban area in which the services to the general public are provided.</li> <li>2) The proportion of the operator’s ridership which is transit dependent, including elderly, disabled, and low-income patrons, as appropriate.</li> <li>3) The Board may retroactively approve any farebox ratios.</li> </ol> <p>Coinciding with a reduced farebox standard, SRTA developed a farebox recovery goal of 19 percent for new fixed-route services. The higher goal set by SRTA is one that RABA is seeking to achieve consistently and</p>

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
		gradually meet systemwide. <b>Conclusion: Complied</b>
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.	Public Utilities Code, Section 99275.5	SRTA has adopted criteria, rules, and regulations pertaining to Article 4.5 claims, which are contained in its TDA Handbook. Pursuant to the handbook, an eligible organization must be designated by the regional planning agency in order to claim funds under this article. Up to 5 percent of LTF funds remaining after administration expenses, and the 2 percent pedestrian and bicycle projects set-aside, are prioritized for funding community transit services. SRTA has established a four-step criteria for the evaluation of Article 4.5 claims:  1) High level of impact from the service in meeting a transportation need.  2) Priority for groups requiring special transportation assistance.  3) Minimizing adverse impacts on existing taxi and transit services.  4) Innovative and efficient services.  <b>Conclusion: Complied</b>

<b>TABLE II-1</b> <b>SRTA Compliance Requirements Matrix</b>		
<b>SRTA Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</p> <p>(Note: The June 5, 1990, passage of Proposition 116 no longer allows the use of state transit assistance funds for street and road purposes, as had been permitted in certain cases under PUC Section 99313.3.)</p>	<p>Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116</p>	<p>SRTA allocates State Transit Assistance (STA) funds for transit operations and capital. There are no formal STA funding priorities, although the intent is that SRTA give priority consideration to STA fund claims that:</p> <ol style="list-style-type: none"> <li>1) offset reductions in federal operating assistance and/or the unanticipated increase in fuel costs,</li> <li>2) enhance existing public transportation services, and</li> <li>3) meet high-priority regional, countywide, or area-wide public transportation needs (PUC Section 99314.5[d]).</li> </ol> <p><b>Conclusion: Complied</b></p>
<p>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.</p>	<p>Public Utilities Code, Section 99314.3</p>	<p>SRTA administers STA funds in accordance with the relevant PUC requirements (i.e., on the basis of population and operator revenues).</p> <p><b>Conclusion: Complied</b></p>
<p>If TDA funds are allocated to purposes not directly related to public or</p>	<p>Public Utilities Code, Section 99401.5</p>	<p>SRTA consults with the SSTAC during the annual unmet transit needs process. SRTA</p>

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
<p>specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code, Section 99238;</li> <li>• Identified transit needs, including: <ul style="list-style-type: none"> <li>• Groups that are transit-dependent or transit-disadvantaged,</li> <li>• Adequacy of existing transit services to meet the needs of groups identified, and</li> <li>• Analysis of potential alternatives to provide transportation services;</li> </ul> </li> <li>• Adopted or re-affirmed definitions of “unmet transit needs” and “reasonable to meet”;</li> <li>• Identified the unmet transit needs and those</li> </ul>		<p>and the SSTAC make one of the possible findings:</p> <ol style="list-style-type: none"> <li>1) There are no unmet transit needs.</li> <li>2) There are no unmet transit needs that are reasonable to meet.</li> <li>3) There are unmet transit needs, including needs that are reasonable to meet.</li> </ol> <p>SRTA prepares a Transit Needs Assessment each year that evaluates the transit needs in Shasta County and determines if transit services are “reasonable to meet” according to specific criteria. The assessment includes an analysis of transit demand as required by TDA. Findings of the unmet needs process are reaffirmed by the SRTA Board. The definitions of “unmet transit needs” and “reasonable to meet” are reaffirmed annually, and findings of the unmet needs process are adopted through Board resolution.</p> <p>LTF funds have only been allocated to streets and roads after completion of the unmet needs process.</p> <p><b>Conclusion: Complied.</b></p>

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
<p>needs that are reasonable to meet;</p> <ul style="list-style-type: none"> <li>Adopted a finding that there are no unmet transit needs; that there are no unmet transit needs that are reasonable to meet; or that there are unmet transit needs including needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>		
<p>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</p>	<p>California Administrative Code, Section 6662</p>	<p>The accounting firm of D.H. Scott &amp; Company, LLP, conducted the SRTA fiscal audit for the three-year period. The Audited Financial Statements and Supplementary Information were submitted to the State Controller within 12 months of the end of each fiscal year. Submittal dates for each fiscal audit were:</p> <p>FY 2013: December 17, 2013  FY 2014: October 3, 2014  FY 2015: <i>Pending completion</i></p> <p><b>Conclusion: Complied</b></p>

TABLE II-1 SRTA Compliance Requirements Matrix		
SRTA Compliance Requirements	Reference	Compliance Efforts
compliance with the transportation development and accompanying rules and regulations. Financial statements may not commingle the state transit assistance fund, the local transportation fund, or other revenues or funds of any city, county or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following the fiscal year close.		

**Findings and Observations from RTPA Compliance Requirements Matrix**

SRTA has satisfactorily complied with all state legislative mandates for Regional Transportation Planning Agencies. Since becoming an independent agency, SRTA has developed policies and procedures that conform to the TDA statute. SRTA’s *Transportation Development Act Handbook and Policies and Procedures*, which was initially adopted by the SRTA Board on May 8, 2013, codifies the administrative requirements for the effective management of TDA in Shasta County. Also, the Unmet Transit Needs Assessment report is more concise than in previous years and is accessible to the public through the SRTA website and from its adoption at the SRTA Board meeting.

## Section III

### Prior Triennial Performance Audit Recommendations

This chapter describes SRTA's response to the recommendations included in the prior triennial performance audit prepared by D.H. Scott & Company. For this purpose, each prior recommendation for the agency is described, followed by a discussion of SRTA'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

Adopt rules and regulations regarding the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.

***Background:*** The prior audit found that SRTA had not adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles pursuant to PUC Section 99234. The agency relied on the Caltrans *Transportation Development Act Statutes* and the *California Code of Regulations* guidebook and had not adopted its own rules and regulations. The Board had not considered bicycle and pedestrians claims to be a high priority and has never encouraged the filing of such claims.

***Actions taken by SRTA:*** In response to this recommendation, SRTA has developed policies and procedures for bicycle and pedestrian claims. The rules and regulations pertaining to pedestrian and bicycle claims are contained in SRTA's *Transportation Development Act Handbook and Policies and Procedures*, which was initially adopted by the SRTA Board on May 8, 2013, and subsequently revised three times.

The pedestrian and bicycle claim policies and procedures are addressed in Sections 1305.2, 1305.3, and 1305.4 of the TDA Handbook. Pursuant to PUC Section 99233.3, 2 percent of the LTF money remaining is made available to the county and cities for development of bicycle and pedestrian facilities. An additional amount of LTF is exchanged for non-motorized facilities that link to public transit in rural areas. This is referred to as the Rural BLAST (Bike Lanes and Sidewalks to Transit) Program and consists of a release of County STA spillover to the cities.

***Conclusion:*** This recommendation has been implemented.

#### Prior Recommendation 2

Adopt policies and procedures to ensure compliance with PUC 99244. In addition, it is recommended that the agency consider forming a committee for the purpose of providing advice on productivity improvements.

Background: PUC Section 99244 requires that RTPAs annually identify, analyze, and recommend potential productivity improvements which could lower operating costs of those operators who operate at least 50 percent of the vehicle service miles within the area under its jurisdiction. The prior audit found that SRTA had not annually identified, analyzed, and recommended potential productivity improvements. In addition, the agency did not have adequate management and Board monitoring procedures in place related to monitoring compliance such as a productivity committee. To that end, some existing policies were not enforced, which resulted in noncompliance with both policy and/or TDA regulations.

Actions taken by SRTA: During the audit period, SRTA staff developed a process to form productivity recommendations based on Board-approved policies and procedures. These policies and procedures are outlined in Section 1314 of the TDA Handbook. Efforts to improve productivity of the transit operators involve several methods employed by SRTA. One of the methods involves making transportation performance improvement recommendations. In order to measure improvements over a multiyear time frame, performance recommendations for fixed-route and demand-response are divided into two categories: (1) performance improvement recommendations, and (2) performance audit recommendations. The operator is required to provide timely statistical information to SRTA so that SRTA can determine if reasonable effort was made to implement the recommendations. In addition, SRTA reviews the six statutory performance measures, operator communications to the public, and customer satisfaction.

During the claim submittal process, the operator is required to submit a report of progress on SRTA productivity recommendations. Pursuant to Board policy, information provided on the form is required to include:

- 1) A discussion of the work undertaken to implement each recommendation during the current fiscal year.
- 2) A short discussion of any problems encountered in implementing individual recommendations, and the success or failure of implemented recommendations in improving transit productivity.
- 3) Next steps the operator will take in continuing to implement the recommendation.

Conclusion: This recommendation has been implemented.

### Prior Recommendation 3

Adopt a policy to timely review claimant audit submissions for compliance with TDA regulations.

Background: The prior audit found that SRTA did not have a policy pertaining to the review of claimant audits, which are supposed to be submitted within 180 days of the end of the fiscal year. Additionally, the agency did not have adequate management and Board monitoring procedures in place related to monitoring compliance with existing policies and TDA regulations. As a result, some existing policies were not enforced, which resulted in noncompliance with both policy and/or TDA regulations.

Actions taken by SRTA: Since becoming an independent agency, SRTA has strengthened its monitoring procedures with regard to the submittal and review of claimant fiscal audits. SRTA obtains documentation from the claimants that the reports are filed and claimants certify each year that the reports have been filed. Fiscal audit guidelines are outlined in Section 1315 of the TDA Handbook.

Conclusion: This recommendation has been implemented.

#### Prior Recommendation 4

Adopt rules and regulations for the evaluation of claims filed under Article 4.5 and the determination of the cost effectiveness of the proposed community transit services.

Background: PUC Section 99275.5 requires that the Regional Transportation Planning Agency adopt criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 and the determination of the cost effectiveness of the proposed community transit services to be provided. The prior audit found that SRTA had yet to adopt rules and regulations for the evaluation of claims under Article 4.5 of the TDA. Instead, it has relied on the Caltrans *Transportation Development Act Statutes* and the *California Code of Regulations* guidebook.

Actions taken by SRTA: In response to this recommendation, SRTA has developed policies and procedures for claims filed under Article 4.5. The rules and regulations pertaining to community transit services as defined by the TDA statute are contained in SRTA's TDA Handbook.

An eligible organization must be designated by SRTA in order to claim funds under Article 4.5. Currently, the Shasta Senior Nutrition Program is the designated claimant for these funds. As outlined in Section 1305.3 of the TDA Handbook, the criteria adopted by SRTA for evaluating Article 4.5 claims are as follows:

- 1) High level of impact from the service in meeting a transportation need.
- 2) Priority for groups requiring special transportation assistance.
- 3) Minimizing adverse impacts on existing taxi and transit services.
- 4) Innovative and efficient services.

Conclusion: This recommendation has been implemented.

## Section IV

### Detailed Review of RTPA Functions

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

- Administration, Management, and Coordination
- Transportation Planning and Programming
- TDA Claimant Relationships and Oversight
- Public Information and External Affairs
- Grant Application and Management

#### **Administration, Management, and Coordination**

SRTA’s mission is to:

*Maximize state, federal and other revenues for cost-effective transportation investment strategies that connect communities, people and goods.*

On July 1, 2012, SRTA formally separated from the County of Shasta and began operation as an independent agency. SRTA’s transition from County administration was a relatively quick, but arduous, four-month process that involved preparing a transition plan, scope of work, and schedule. An outside consultant provided assistance. The rationale for independence included higher County overhead costs, the need for greater responsiveness to state and federal guidelines, and the need to increase appearance of independence.

Commencing in September 2011, the SRTA Board directed the agency’s legal counsel and staff to proceed with a Memorandum of Understanding (MOU) in order to formalize staffing arrangements between SRTA and the County. An MOU subcommittee was convened to study and guide the process, which involved the development of an operating cost comparison based on three budget scenarios. In January 2012, the Board was tasked with establishing an independent RTPA by the target date of July 1, 2012. Staff was directed to prepare a detailed transition plan for Board approval in February. Pursuant to Board Resolution No. 12-03, the transition plan was approved including a scope of work and schedule. Three risk factors in meeting the transition schedule were cited by the subcommittee:

1. Employee Stability: Ability to retain SRTA staff or recruit staff during transition.
2. Unionization: Employees' potential to unionize, thus triggering negotiations.
3. "Scope Creep": Addition of nonessential tasks or changes that complicate the transition.

Staff took these risk factors into consideration during the transition. Initial outside vendor quotes for independent RTPA support and insurance services, as well as quotes for existing employee benefits, remained consistent with projections and showed a modest savings in overall operational costs. Once the transition became effective July 1, 2012, SRTA was able to begin fulfilling a greater role in the facilitation of transportation planning and funding in partnership with local, state, and federal agencies.

Administrative-level staff comprises the Executive Director, Chief Fiscal Officer, and Executive Assistant. The Executive Director reports directly to the SRTA Board of Directors and is responsible for the overall management of the agency including human resources, oversight, and approval of all SRTA tasks, as well as setting policy and procedures. The Chief Fiscal Officer position was created post-succession and the classification upgraded to reflect Certified Public Accountant (CPA) qualifications. The Chief Fiscal Officer is tasked with the agency's fiscal management, Fiscal Committee oversight, payroll, risk management, and fiscal grant administration, as well as with TDA administration. The Executive Assistant is engaged with administrative support, benefits administration, and Board meeting coordination.

Supporting SRTA's administrative staff are two senior planners, two associate planners, and one assistant planner. The planning staff is assigned various practice areas and tasks based on their classification and skill set. Task cross-training provides backup support and quality control. SRTA experienced some turnover during the audit period. Staff departures involved one senior planner who left the agency in March 2013 and one associate planner who left in November 2013. Staff additions include one senior planner hired in July 2015, one associate planner hired in October 2013, and one assistant planner hired in November 2013.

Since becoming an independent agency, SRTA moved into its own offices located in a building that once housed a bank. In 2015, the agency committed to purchase of the building financed over a 15-year period. The financing is comprised of a tax exempt \$923,000 bank loan and a \$403,000 advance from SRTA's TDA Loan Fund. The Finance Committee approved this funding scenario in March 2015. The TDA Loan Fund is a cash asset held by SRTA and a portion was advanced to purchase an asset required by SRTA to operate the agency including administering the TDA program, namely the infrastructure to house its employees and equipment. The advance is being repaid through rent payments from tenants that share the building. In addition to the finance and purchase of the building, SRTA is currently (2016) planning a remodel of the building and is soliciting bids from qualified vendors. The project would involve the provision all labor, materials, tools, transportation, insurance, and services necessary to

remodel approximately 5,708 square feet of office space and to construct exterior parking lot improvements. The architect/engineer's estimate for the project is \$600,000.

### Governing Board

The SRTA Executive Director reports that Board dynamics are generally good. Information is processed and provided in a manner that enables the Board to approve staff recommendations. SRTA has held workshops on TDA funding and other subjects, including the annual public hearing required for the unmet transit needs process. The Executive Director meets individually with Board representatives on SRTA committees to review agendas and address questions and concerns. Special Board workshop meetings are held for policymaking issues and include use of a fact and fund worksheet for discussion. A board binder of SRTA materials is available for current and new board members to become familiar with SRTA business- and transportation-related terms and abbreviations. The Executive Director uses the binder as an orientation package in holding individual meetings with Board representatives. The Executive Director is also making an effort to prepare an annual report using dashboard-type reporting of agency activities and goals.

Board member feedback for this audit was overall positive. Board members that responded to a request for feedback indicated that SRTA fairly represents all member jurisdictions and provides professional materials to the Board such as agenda items and detailed staff reports. Staff present themselves as professional and prepared to review agenda items and hold informative discussion. The Executive Director meets with Board members prior to each meeting to review the agenda and answer questions.

### Personnel

SRTA's personnel administration is documented in the agency's *Human Resources Policies and Procedures Manual*. The manual was adopted in May 2012 as part of the transition plan and revised in December 2013. The four sections address legal guidelines and requirements, employment practices, benefits, and rules and regulations. Performance reviews are conducted six months after the hire date and on an annual basis thereafter.

SRTA offers a retirement benefit program through the California Public Employees Retirement System (CalPERS). Each full-time employee is covered under the 1959 Survivor Benefits Program in the event of the employee's death prior to retirement. The benefit formula for retirement is 2 percent at age 55, and the employee contributes to CalPERS each pay period the entire 7 percent employee contribution. For employees hired on or after January 1, 2013, the benefit formula is subject to the California Public Employees' Pension Reform Act (PEPRA). An employee planning to retire would need to provide written notice at least 30 days before the effective date of retirement.

The agency offers medical insurance to its employees and their dependents through CalPERS. Based on the PERSChoice medical plan, the agency pays 85 percent of the employee only medical premium, 60 percent of the employee plus one dependent medical premium, and 58 percent of the employee plus family (i.e., two or more dependents) medical premium. Dental benefits are offered to both the employee and dependents. SRTA pays 63 percent of the employee only dental premium, 56 percent of the employee plus one dependent dental premium, and 46 percent of the employee plus family (i.e., two or more dependents) dental premium. The agency provides vision care through an independent carrier as a part of the employee benefit program and covers 100 percent of the employee only vision premium. Group term life insurance is provided with coverage of \$25,000. Group term life insurance is generally combined with accidental death and dismemberment (AD&D) insurance.

Regular full-time employees with up to 3 years of service accrue up to 10 days of annual vacation leave. Those employees with between 4 and 9 years of service accrue up to 15 days and those with between 10 and 15 years of service accrue 17 days of annual leave. Employees with more than 16 years of service accrue 20 days of annual vacation leave. In addition, employees accrue 0.0462 hours of sick leave per each regularly scheduled working hour not to exceed 3.696 hours per pay period.

SRTA observes the following holidays: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, day after Thanksgiving, and Christmas Day. The Martin Luther King Jr. and Presidents’ Day holiday are considered floating holidays. Employees are granted 16 hours of floating holiday credit at the beginning of each calendar year.

#### Overall Work Program

The Overall Work Program (OWP) serves as SRTA’s annual budget and program guide. The OWP identifies the specific work elements that SRTA will undertake for the coming fiscal year. The document is divided into four main sections:

- Regional Transportation Planning process
- Consistency with federal and state transportation planning
- Regional priorities
- Budget and work program

The planning budget reflects the staffing hours, consultant services, fixed assets, and supplies need to achieve a specific task or product. SRTA’s Indirect Cost Allocation Plan (ICAP) is also included in the OWP. An ICAP documents costs associated with agency operations and services, and serves as the most equitable basis available for distribution of those indirect costs across various grant programs during the fiscal year.

Typical indirect costs include the costs of operating and maintaining facilities, equipment, and grounds; depreciation or use allowances; and administrative salaries and supplies.

There are 19 work elements, the majority of which address SRTA’s state and federal planning requirements. Contained in the OWP is a nexus of each element to the eight federal planning factors and the five state planning emphasis areas. In addition, the OWP provides a matrix of Caltrans District 2 transportation planning activities. Each work element is enumerated with a five-digit code and the title of the specific work product. The responsible agency and total budget are provided at the top of the element. This information is supported by the estimated expenditure and anticipated revenue, which show the staff allocations and funding requirements and the revenue by funding source. The next section provides a narrative of previous accomplishments, objectives, and a brief discussion. The last section outlines each individual work product along with the specific task/activity, responsible agency, and completion schedule.

Given that the document is subject to federal and state oversight and approval, development of the OWP begins in the fall. This process involves preliminary oversight and consultation with Caltrans District 2. Internally, staff members are queried about the specific work elements that they are involved with, along with the investment of time and projected funding streams required for implementation. Each element from the prior year’s OWP is reviewed and tracked for its completion status. The draft OWP is submitted to Caltrans and the Federal Highway Administration (FHWA) by March 1 and is taken to the SRTA Board in April. The final draft is submitted to Caltrans and the FHWA by May 1. A senior planner oversees and tracks the progress of each OWP element.

It is noted that prior to SRTA’s independence and prior to this audit period, the OWP experienced adverse action by oversight agencies due to its inadequacy. Through changes in OWP development including systematically addressing concerns of oversight agencies with respect to adopting formal policies for development of the OWP, commencing the process several months earlier, and enabling SRTA Board and public input in the process, comments by oversight agencies were significantly reduced. The OWP evolved from being inadequate to being compliant to now being useful.

### **Transportation Planning and Programming**

This functional area addresses planning functions required of SRTA, including development of the Regional Transportation Plan, Transportation Improvement Program, and transit planning and performance monitoring. Additional transportation programs administered by the agency are also discussed, including non-motorized transportation.

### Regional Transportation Program

During the course of the audit period, SRTA was engaged in the development of the 2015 Regional Transportation Plan, which was adopted in June 2015. The RTP demonstrates how Shasta County will better maintain, operate, and expand its transportation system in a financially constrained manner. The 2010 Shasta Blueprint provided a strong foundation in updating the RTP, including significant public outreach and information gathering. SRTA's Public Participation Plan, which was adopted by the Board in June 2013, outlines the specific means and methods to conduct public outreach for recurring plans and activities while satisfying legal responsibilities.

The RTP is updated every four years and is required by state and federal law. The RTP development cycle was changed from five to four years to be consistent with housing element updates and serves to expedite project approval and prioritization. The 2015 RTP is a departure from the previous 2011 RTP because of new mandates and a movement toward performance-based transportation planning. The RTP contains a regional vision and seven regional goals, which are accompanied by objectives and implementation strategies. RTP sections include an Executive Summary, RTP Planning Process, State of the Region, Modal Assessment, Policy and Action Plan, and Financial Element. In addition, the 2015 RTP includes the Sustainable Communities Strategy (SCS), pursuant to Senate Bill (SB) 375. SRTA is responsible for developing a SCS for achieving its assigned targets by the California Air Resources Board (CARB) through coordinated transportation and land use strategies. Although SRTA has no jurisdiction over land use planning, coordination with local jurisdictions was essential for planning and implementation such as having the local jurisdictions select their own inputs to the SCS.

SRTA staff provided the resources to prepare the RTP, with the exception of travel modeling and environmental documentation. "What if" scenarios were tested to determine the results of land use growth areas and travel mode inputs. The fiscally constrained project list includes nearly \$1.63 billion in transportation projects and services. An additional \$2.4 billion in transportation needs were identified; however, available financial resources are insufficient to meet these needs in the 20-year horizon of the RTP.

### Transportation Improvement Program

SRTA is responsible for preparing the Federal Transportation Improvement Program (FTIP) and Regional Transportation Improvement Program (RTIP) for Shasta County projects that have been approved for federal and state funding. Federal funding sources that SRTA allocates include those prescribed through the Moving Ahead for Progress in the 21st Century Act (MAP-21), while state fund sources include programs created through the Proposition 1B Bond, State Transportation Improvement Program (STIP), and Regional Improvement Program (RIP).

Federal regulations require that all projects funded with state and federal funds be included in an FTIP in order to receive the funds. In addition, projects that are regionally significant but locally funded should also be required to be included in the RTIP and FTIP. The RTIP and FTIP are prepared to implement projects and programs in the Regional Transportation Plan (RTP), a 30-year, financially constrained, long-range planning document.

For the audit period, SRTA prepared the 2013 and 2015 FTIPs and the 2014 RTIP. Amendments or modifications to these documents are made over time as conditions change or key information becomes available. Twelve amendments or modifications to the 2013 FTIP were made, while there were four amendments to the 2015 FTIP during the triennial review period. The amendments receive approval from the United State Department of Transportation.

### Non-Motorized Transportation

#### Bicycle and Pedestrian Facilities Program – Rural BLAST

As an important piece of the county transportation system, non-motorized transportation has been enhanced by SRTA's efforts. Under the Rural Bike Lanes and Sidewalks to Transit (BLAST) Program, the SRTA Board has the option to exchange federal dollars for state dollars for projects that meet the eligibility requirements of the FTA Section 5311 Rural Transit Assistance Program, such as the construction of bikeways and walkways that are linked to transit in rural areas. The program involves release of County STA revenue to the cities for eligible projects. A true-up is conducted for accurate accounting of this exchange. This exchange and the BLAST program will be documented in an update to the TDA Handbook.

#### Active Transportation Program – GoShasta

In September 2013, the Governor of California signed legislation (Assembly Bill 101 and SB 99) creating the Active Transportation Program (ATP). The ATP consolidates existing federal and state transportation programs, including the Transportation Alternatives Program, Bicycle Transportation Account, and state Safe Routes to School, into a single program. The ATP is administered by Caltrans' Division of Local Assistance, Office of Active Transportation and Special Programs. The purpose of the ATP is to encourage increased use of active modes of transportation by achieving the following goals:

- Increase the proportion of trips accomplished by biking and walking.
- Increase safety and mobility for non-motorized users.
- Advance the active transportation efforts of regional agencies to achieve greenhouse gas reduction goals.
- Enhance public health.

- Ensure that disadvantaged communities fully share in the benefits of the program.
- Provide a broad spectrum of projects to benefit many types of active transportation users.

Funding for ATP projects is granted on a competitive basis. In response to this legislation, SRTA embarked on the development of its own Active Transportation Plan (ATP), titled GoShasta, that would assess the bicycle and pedestrian infrastructure in Shasta County and engage the community in identifying issues. The GoShasta ATP would have also included a regional program of non-motorized projects. SRTA's ATP application in 2014 to develop the GoShasta ATP scored well in the first funding cycle but fell short of the threshold required for funding.

The California Transportation Commission (CTC) developed an application process and program guidelines for ATP projects. The ATP Cycle 1 call for projects was held from March 21, 2014, to May 21, 2014. The first cycle awarded \$360 million to cover three programming years (FYs 2013–14, 2014–15, and 2015–16). The CTC received over 700 applications for ATP funds.

In August 2014, Shasta County was awarded two ATP grants for the FY 2015–16 cycle. The first grant was a \$500,000 award to SRTA and the Shasta County Health and Human Services Agency as part of a Safe Routes to School initiative involving the Redding School District, Shasta Union High School District in Redding, and Cascade Union School District in Anderson. The other ATP grant involved a \$2.296 million award to the City of Redding toward the Placer Street Improvement Project that would include road widening, bicycle lanes and buffered bicycle lanes, sidewalks, and enhanced pedestrian crossings.

### Transit Planning

Transit planning and oversight are engaged through various approaches. As indicated in the compliance section of the audit, policies and procedures pertaining to operator productivity improvements are outlined in Section 1314 of the SRTA TDA Handbook. Efforts to improve productivity of the transit operator involves several methods employed by SRTA including making transportation performance improvement recommendations and measuring progress through statistical information provided by the transit systems. In addition, SRTA reviews the six statutory performance measures, operator communications to the public, and customer satisfaction.

SRTA has been involved in the commissioning and funding of several planning documents that pertain to RABA and the overall transit infrastructure in Shasta County. The RABA Short-Range Transit Plan (SRTP) was adopted in June 2014 and has a five-year planning horizon through FY 2017–18. The prior RABA SRTP was adopted in October 2007. The 2014 SRTP was funded through an FTA Section 5304 grant and a Caltrans

transportation planning grant. The SRTP contains 10 sections that address the existing transit system and future needs, performance goals and standards, fare analysis and recommendations, financial projections, marketing and outreach, financial strategies, and an implementation plan.

The SRTP also included a mission statement and proposed key changes to the RABA fixed-route structure that involved realignment of routes for reduced run times and better connectivity. An onboard survey conducted in concert with SRTP reflected passenger recommendations for improved on-time performance, extended weekday evening hours, Sunday service, and 30-minute headways during peak travel times.

SRTA was also engaged in the development of the Transit Technology Plan, which was adopted in September 2014 and addresses RABA's current and future technology needs. Several Intelligent Technology System (ITS) modalities are discussed and cited for implementation by RABA and its contract operator, Transdev. The five recommended ITS projects are:

1. Smart Bus System Deployment: Computer-aided dispatch, automated vehicle location, mobile display terminals, on-board annunciators, and internal message signage.
2. Integrated Electronic Fareboxes.
3. Advanced Traveler Information Systems: Interactive voice response (IVR) technology for web and mobile devices.
4. Automatic Passenger Counters (APCs).
5. Traffic Signal Priority/Preemption.

In addition to the RABA planning studies, SRTA has been involved with the update of its Coordinated Human Transportation Plan, which was last adopted in June 2007. As part of fulfilling the requirement to receive funding from any of these sources, SRTA is required to update the coordinated plan. The plan accomplishes the following:

- Identifies resources currently in use for public transit.
- Surveys users to determine current needs and future expectation of users.
- Develops strategies to close gaps in perceived service levels.
- Establishes priority list of projects for funding.

One example of coordinated transportation efforts on the part of SRTA and its partner agencies is the development of the 2-1-1 Shasta mobility resource. 2-1-1 Shasta is a phone- and web-based application (<http://211norcal.org/shasta/>) that connects

community members to health and human services providers. This resource has been available in Shasta County since October 2011 in a collaborative effort with the United Way of Northern California. SRTA provides a brochure detailing various public transit and mobility service providers in Shasta County as part of the 2-1-1 Shasta initiative.

### **TDA Claimant Relationships and Oversight**

As the designated County Transportation Commission, SRTA is responsible for the administration of the TDA program. This functional area addresses SRTA's interaction with the transit claimants in Shasta County and its administration of the provisions of the TDA. The subfunctions described include administration of the program, provision of technical and managerial assistance to operators, transit coordination, TDA claims processing, and the conduct of the unmet transit needs process. SRTA reported no structural change in its TDA administration and claims processes during the audit period, with the exception of codifying its practice in the TDA Handbook and implementing monitoring measures.

### **SRTA Administration and Planning**

The uses of TDA revenues apportioned to Shasta County flow through a priority process prescribed in state law. Prior to apportionment of funds to the Bicycle and Pedestrian Facilities Program and the transit operator, SRTA is able to claim TDA revenues for administration of the fund and for transportation planning and programming purposes. SRTA utilizes LTF toward bicycle and pedestrian projects apart from the statutory 2 percent allocation.

The LTF allocations are distributed to the jurisdictions based on the latest population figures from the California Department of Finance pursuant to PUC Section 99231. LTF monies are allocated as follows:

- SRTA TDA fund administration (2 to 3 percent of total LTF)
- SRTA regional transportation planning (3 percent)
- Bicycle and pedestrian facilities (2 percent)
- CTSA (5 percent)
- Public transit (Article 4)
- Public transit (Article 8 for Burney Express)
- Streets and roads (Article 8)

During the audit years of 2013 through 2015, SRTA apportioned the LTF amounts listed in Table IV-1.

**Table IV-1  
Adopted LTF Apportionments for  
SRTA Administration,  
Planning, and Programming**

Fiscal Year	LTF Claim*
2013	\$65,539
2014	\$279,704
2015	\$291,101

*Source: Statement of Allocations & Disbursements, FY 2013 & 2014 Annual Fiscal & Compliance Audits; FY 2014–15 SRTA TDA Payment Instructions. Excludes State Transit Assistance funds.*

Annually, SRTA staff presents the County Auditor with an estimate of current year and subsequent year LTF receipts. Staff uses a historic basis for the estimate and tie in a reasonable growth factor consistent with local economic indicators.

*Technical and Managerial Assistance to Operators*

The SRTA TDA Handbook provides the comprehensive resource of TDA claims information, instructions, and regulatory references. The latest revision was adopted in February 2015. SRTA provides assistance as needed to the claimants in completing the claims forms and ongoing support throughout the year. The Chief Fiscal Officer prepares payment instructions to be submitted to the County Auditor for disbursement.

*TDA Claim Processing*

SRTA was responsible for managing and apportioning \$6.37 million in Local Transportation Fund revenues in FY 2013, \$6.87 million in FY 2014, and \$6.89 million in FY 2015. Of those amounts, new LTF receipts each year comprised between 87 percent and 96 percent of apportionment. The remaining revenue is from the audited unrestricted fund balance the prior year. In addition, according to the annual financial statements, the agency disbursed \$613,798 in State Transit Assistance funds in FY 2013, \$1.89 million in FY 2014, and \$1.17 million in FY 2015.

The board sets policy on the method for dividing the costs of RABA based on a cost allocation methodology. This cost allocation method is based on the 1993 20-Year Transit Development Plan (TDP) for Shasta County. The primary purpose of the TDP was to determine the appropriate levels of funding allocations for transit and the optimal design of the service provision. A cost-sharing method was adopted that distributes the claimant transit costs on an 80 percent service hour and 20 percent population basis. This methodology was implemented in October 1994, and the “unmet transit needs” and “reasonable to meet” definitions were revised to reflect this change.

RABA’s total operating and capital costs are calculated using the data reported in RABA’s prior year Transit Operators Financial Transactions Report submitted to the

State Controller. Total service hours are divided by the prior year's costs to calculate the known cost per service hour. Adjustments are subsequently made using known increases or decreases in RABA's costs. The service hour and population split is calculated as follows:

- Population factors are calculated using SRTA's Shasta simulation model.
- Hours by jurisdiction are provided by RABA.
- The allocation is based on the weighted average share of population (20 percent population of the RABA service area) and the service hours (80 percent service hours) for each claimant's service area.

The use of federal formula grant funds is factored into the calculation. FTA Section 5307 funding received by the urbanized area (Cities of Redding, Anderson, and Shasta Lake) is factored in and apportioned based on the urbanized area population. Likewise, FTA Section 5311 funding received by the County for the rural areas is factored into the County's apportionment. The amount required from each claimant is deducted from the total available resources for each claimant based of the cost allocation formula.

The claims are prepared by each local jurisdiction and must include a signoff on the implementation of a number of TDA requirements. These requirements are contained in a "Standard Assurances" form that is separate from the submittal checklist and includes compliance with revenue ratios, attachment of specific documentation, and submittal of compliance audits and reports. Each submitting claimant certifies that all conformance requirements are satisfied to receive both LTF and STA funds. Once the claims are processed and funds are allocated by SRTA, claims can be amended during the fiscal year as actual transit service is delivered.

During the claim submittal process, RABA is required to submit a report of progress on SRTA productivity recommendations on the Article 4 claim form. Pursuant to Board policy adopted during the audit period, information provided on the form is required to include:

- 1) A discussion of the work undertaken to implement each recommendation during the current fiscal year.
- 2) A short discussion of any problems encountered in implementing individual recommendations, and the success or failure of implemented recommendations in improving transit productivity.
- 3) Next steps the operator or transit claimant will take in continuing to implement the recommendation.

### Unmet Transit Needs and SSTAC

Unmet transit needs hearings are required by TDA where claims can be made for streets and roads. SRTA conducts the annual unmet needs process in consultation with the Social Services Transportation Advisory Council (SSTAC). During the audit period, the unmet transit needs process has continued to evolve in a manner that incorporates more analysis and interpretation of transit needs. For example, SRTA maintains detailed logs of each comment received, which can be submitted from various mediums such as Board meetings, e-mail, phone, and social media (Facebook and Twitter). The logs highlight common trends as to the most requested needs over the years. The membership of the SSTAC was also recently turned over due to term limits, with new participants anticipated to bring fresh perspectives. With this turnover, SRTA is also exploring additional roles and responsibilities for the SSTAC.

The unmet needs process includes the following steps:

- Shasta Transit Brainstorm which is an intense solicitation of public comments.
- Consultation with the SSTAC.
- Assessment of the transit needs within the jurisdictions of Shasta County.
- A public hearing to consider specific unmet transit needs.
- Adoption of the unmet transit needs findings by the SRTA Board.

Key to the process, the Unmet Transit Needs Assessment was revised to be shorter in length and more illustrative while serving as a publicly accessible tool to ascertain system performance and determine the community's transit needs. An annual assessment of transit needs within each jurisdiction is conducted using sociodemographic and transit data. The assessment consists of a two-part test that determines if there are unmet transit needs and if these unmet transit needs are "reasonable to meet." During the annual assessment, citizens and organization representatives may submit comments to SRTA regarding unmet transit needs. The report also identifies opportunities to expand CTSA services due to efficiencies that can be realized through better coordination.

Definitions of "unmet transit needs" and "reasonable to meet" are included in the TDA Handbook. An unmet transit need is found to exist only under the following circumstances:

- 1) A population group in the proposed transit service area has been defined and located which has no reliable, affordable, or accessible transportation for necessary trips. The size and location of the group must be such that a service to meet their needs is feasible within the definition of "reasonable to meet" as set forth below.

- 2) Necessary trips are defined as those trips which are required for the maintenance of life, education, access to social service programs, health, and physical and mental well-being, including trips which serve employment purposes.
- 3) Unmet transit needs specifically include:
  - a. Transit or specialized transportation needs identified in the transit system's Americans with Disabilities Act, paratransit plan, or short-range transit plan which are not yet implemented or funded.
  - b. Transit or specialized transportation needs identified by the SSTAC and confirmed by SRTA through testimony or reports which are not yet implemented or funded.

SRTA's "reasonable to meet" definition was adopted in December 2000 (Resolution 00-21). Transit needs that are reasonable to meet are based on the following criteria:

- 1) It has been demonstrated to the satisfaction of SRTA that transit service adequate to meet the unmet need can be operated with a subsidy not to exceed 80 percent of operating cost in urbanized areas and 90 percent in non-urbanized areas. It must also have been demonstrated that the unsubsidized portion of operating costs can be recovered by fare revenues as defined in the State Controller's Uniform System of Accounts and Records. The "Cost Allocation Method" as shown in Section 1330 (of the Handbook) is the method to be used for determining farebox ratio.
  - a. Transit service subsidy maximums may be determined on an individual route or service area, or an individual proposed route or service area, basis.
- 2) The proposed expenditure of TDA funds required to support the transit service does not exceed the authorized allocation of the claimant, consistent with PUC Sections 99230–99231.2 and CCR Sections 6649 and 6655. The fact that an identified need cannot fully be met based on available resources, however, shall not be the sole reason for finding that a transit need is not reasonable to meet.
- 3) The proposed expenditure shall not be used support or establish a service in direct competition with an existing private service, or to provide 24-hour service.
- 4) Where transit service is to be jointly funded by two or more of the local claimant jurisdictions, it shall be demonstrated to the satisfaction of SRTA that the resulting interagency cost sharing is equitable. In determining if the required funding equity has been achieved, SRTA may consider, but is not limited to

considering, whether or not the proposed cost sharing formula is acceptable to the affected claimants.

- 5) Transit services designed or intended to address an unmet transit need shall, in all cases, be coordinated with transit services currently provided, either publicly or privately.
- 6) Unmet transit needs specifically exclude:
  - a. Minor operational improvements or changes, involving issues such as bus stops, schedules, and minor route changes.
  - b. Improvements funded or scheduled for implementation in the following fiscal year.
  - c. Trips for any purpose outside of Shasta County, in accordance with PUC Section 99220(b).
  - d. Primary and secondary school transportation.

The following factors are not used in the determination of reasonable to meet:

- The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet.
- A determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.
- If an identified unmet transit need that is also identified in the short range transit plan is met or in the process of being met (ex. It appears in the transit operator's budget), then it is dropped from further consideration. If the need is not met, but is considered not reasonable to meet, it will be reevaluated in future years until it is determined that it is no longer an unmet transit need.

Unmet transit needs hearings are coordinated by SRTA transit staff and have been held during the month of February during the SRTA Board meeting. The hearings are now held in April. The findings from the unmet transit needs process are adopted by the Board in June. SRTA reported that the FY 2015–16 unmet needs process resulted in an unmet need that was found to be reasonable to meet, the first in a number of years.

### **Public Information and External Affairs**

SRTA 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 transportation infrastructure. SRTA's public information and engagement process involves a

collaborative approach in conformity with federal mandates and goals. SRTA's public affairs and community engagement are conveyed through SRTA's Public Participation Plan, website, publications, and partnerships with other agencies.

SRTA's most recent Public Participation Plan (PPP) was adopted in June 2013. Overall, the PPP is intended to provide direction for public outreach to be conducted by SRTA and contains the procedures, strategies, and techniques used by the agency for public engagement and participation. The PPP sections address the regulatory setting pursuant to federal and state guidelines, meeting notification and protocol, recurring plans and supporting documents, consultation and monitoring efforts, and agency structure. The goal of the PPP is to ensure a proactive and consistent public engagement process by SRTA.

One of the key media tools utilized by the agency for public engagement is the SRTA website (<http://www.srta.ca.gov/>). The website provides an extensive array of information about SRTA's projects and programs, the agency's structure and governing body, and local transportation planning initiatives, as well as upcoming meetings and workshops. It also features a staff directory, SRTA's current planning documents, and public transit and social networking links. During the audit period, the website was extensively redesigned to reflect the agency's independence from the County. One timely feature has been social media engagement through Facebook and Twitter. SRTA periodically posts announcements or updates on projects, policies, and programs affecting transportation in Shasta County on its Facebook page and Twitter timeline.

For specific projects and planning initiatives, SRTA has employed target marketing resources and strategies. During SRTA's regional blueprint process, Shasta FORWARD, SRTA employed a large-scale outreach effort to maximize the public input needed to develop and select a preferred regional growth scenario. Specific strategies included the production of two 30-minute television programs, a project specific-website, public service announcements and interviews over local radio, newspaper articles and releases, focus groups, surveys, and community workshops.

As part of its external affairs outreach, SRTA participates in several collaborative efforts with other RTPAs around the state. Shasta County is 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. In response to deteriorating level of service (LOS) conditions on Interstate 5, SRTA collaborated with the Tehama County Transportation Commission (TCTC) on the Fix Five project. This effort identified the need and resources required for additional capacity on a 61-mile stretch of I-5 in order to support projected growth and development.

In addition, SRTA engages in consultation efforts with the two federally recognized Native American tribal entities in Shasta County: the Pit River Tribe and the Redding Rancheria. The agency has also engaged in partnerships with local private and

nongovernmental organizations in an effort to enhance livability and mobility in the region. One such effort has been Healthy Shasta, a local partnership to promote healthy and active lifestyles among Shasta County residents. This initiative has a goal of reducing rates of childhood obesity and chronic diseases such as type 2 diabetes through education and promotion of bicycling and walking.

### **Grant Application and Management**

SRTA serves as the clearinghouse for federal transit grant applications that are reviewed to determine if there is any duplication of effort among agencies and to ensure there is no conflict with local plans and policies. SRTA's role for Shasta County includes reviewing and being an integral part in state and federal funding assistance that promotes interjurisdictional coordination. A goal for SRTA is to make the grant funding process more transparent and accessible to eligible agencies through competitive funding opportunities.

SRTA provided assistance to Golden Umbrella, a local social services agency that provides services to seniors and persons with disabilities. The assistance involved the award of two FTA Section 5310 grants.

SRTA issues a Call for Projects under FTA Section 5311(f) to qualified recipients for operating and capital assistance. The County submitted an application for operating assistance for the operation of the Burney Express transit service between the community of Burney and city of Redding. In addition, SRTA applied for and was awarded a \$30,000 FTA Section 5311(f) grant during the FY 2015 cycle toward a project to study public transportation services from Shasta County to Sacramento, to Sacramento International Airport, and to major ground transit and airport facilities in the Bay Area.

Although RABA is a direct recipient of FTA Section 5307 funds, SRTA is involved in the programming of those funds in the FTIP and the issuance of letters of concurrence to FTA on behalf of RABA. In October 2012, the SRTA Board approved a resolution (No. 12-12) that authorized RABA to apply directly for financial assistance through the California Transit Assistance Fund (CTAF) and the Public Transit Modernization, Improvement, and Service Enhancement Account (PTMISEA).

## Section V

### Findings

The following material summarizes the major findings obtained from the triennial audit covering fiscal years 2013 through 2015. A set of audit recommendations is then provided.

1. SRTA conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment. SRTA has developed and adopted key procedural policies and manuals to guide its activities as an independent agency responsible for state and federal transportation planning and administration.
2. SRTA has satisfactorily complied with all state legislative mandates for Regional Transportation Planning Agencies. Compliance has largely been through process improvements and documentation of current practice.
3. SRTA fully implemented the four prior performance audit recommendations, which pertained to the TDA claim submittal and review process.
4. SRTA formally separated from Shasta County and began operation as an independent agency in July 2012. The rationale for independence included higher county overhead costs and the need for greater responsiveness to state and federal guidelines. Risk factors were taken into consideration during the transition.
5. Since becoming an independent agency, SRTA moved into its own offices located in a building that once housed a bank. In 2015, the agency committed to purchase of the building financed over a 15-year period through a bank loan and a TDA advance that will be paid back through rent payments from tenants sharing the building space. The TDA advance is a cash asset held by SRTA and advanced for a building required by SRTA to operate the agency.
6. SRTA's personnel management is summarized in its *Human Resources Policies and Procedures Manual*, adopted in May 2012 and revised in December 2013. The four sections address legal guidelines and requirements, employment practices, benefits, and rules and regulations.
7. The Overall Work Program (OWP) serves as SRTA's annual budget and program guide. The OWP identifies the specific work elements that SRTA will undertake for the coming fiscal year and the staffing hours, consultant services, capital assets, and supplies needed to achieve a specific task or product. The agency developed and adopted formal OWP planning policies. Adverse comments by oversight agencies on past OWPs were significantly reduced, and the OWP evolved from being inadequate to being compliant to now being useful.

8. Board member feedback was overall positive, highlighting that SRTA fairly represents all member jurisdictions and provides professional materials to the Board such as agenda items and detailed staff reports.
9. The SRTA 2015 Regional Transportation Plan and Sustainable Communities Strategy was adopted in June 2015 with a 20-year planning horizon. The 2015 RTP is a departure from the previous 2011 RTP because of new mandates and a movement toward performance-based transportation planning.
10. SRTA was involved in the development of the Transit Technology Plan, which was adopted in September 2014. The plan addresses the current and future technology needs of RABA.
11. Under the Rural Bike Lanes and Sidewalks to Transit (BLAST) Program, the SRTA Board has the option to exchange federal dollars for state dollars for projects that meet the eligibility requirements of the federal Rural Transit Assistance Program. The program involves release of county STA revenue to the cities for eligible projects.
12. The SRTA *Transportation Development Act Handbook and Policies and Procedures* manual provides the comprehensive resource of TDA claims information, instructions, and regulatory references. The handbook was adopted in May 2013 and has undergone three revisions; the latest revision was adopted in February 2015.
13. Unmet transit needs hearings are coordinated by SRTA transit staff and are generally held during the month of February during the SRTA Board meeting. Staff compiles the annual Unmet Transit Needs Assessment report that is shorter in length and more illustrative while serving as a publicly accessible tool to ascertain system performance and determine the community's transit needs.
14. SRTA's most recent Public Participation Plan (PPP) was adopted in June 2013. The PPP is intended to provide direction for public outreach to be conducted by SRTA and contains the procedures, strategies, and techniques used by the agency for public engagement and participation. The goal of the PPP is to ensure a proactive and consistent public engagement process by SRTA.
15. One of the key media tools used by the agency for public engagement is the SRTA website. The website provides an extensive array of information about SRTA's projects and programs, the agency's structure and governing body, and local transportation planning initiatives, as well as upcoming meetings and workshops. The website was extensively redesigned to boost transparency and public participation.

## Recommendations

### 1. Update the TDA Handbook.

The TDA Handbook is a local source document developed by SRTA to describe the TDA funding process and the nuances in the law. It contains performance standards and rules and regulations guiding eligible use of the funds. Some elements of the handbook should be updated in light of clarification of performance standards and new practice including TDA funding exchange for rural non-motorized program, as well as new state law. The current handbook states that the RABA farebox recovery standard is 15 percent for fixed-route service, when it was clarified by SRTA staff that the standard is 15 percent systemwide (combined fixed route and dial-a-ride). In addition, new state law recently implemented should be incorporated into the TDA Handbook. The new law is further described in Recommendation #2.

### 2. Implement new state TDA provisions.

Recent state legislation was enacted in the fall of 2015 that impacts the administration of TDA. Senate Bill 508 imposes new rules in the administration of TDA including calculation of farebox recovery ratios and application of efficiency tests for STA funds. As SRTA allocates STA funds to RABA for operations costs, SRTA must apply new methods to determine the amount of STA operating funds that can be allocated. SRTA is aware of these provisions and should be proactive in applying the new rules. The new provisions might also impact the farebox recovery for RABA and should be closely monitored by SRTA in determining the impacts against the current systemwide farebox standard of 15 percent and the goal of 19 percent for new fixed-route service. If farebox trends show consistent patterns using the new farebox application methods, a revisit of the standard is warranted.

### 3. Review merits of converting TDA claims to electronic format.

The TDA claims forms are manually completed by each claimant using written sheets. The sheets include computations for eligible funding amounts as well as check-off lists. While there were no identified issues with this paper-driven process, growing industry practice is converting the TDA claims to an electronic format, specifically using a spreadsheet program. The prevalent use of electronic means creates efficiencies such as precoded formulas which can reduce computation errors, and communication with claimants can be conducted while viewing and sharing the same claim file. Past claims can also be accessed immediately electronically and compared to current claims. Required submittals can be scanned and attached to the electronic claim, which could mirror the paper format but simply be completed electronically.

**4. Review role of the SSTAC.**

Membership in the SSTAC was recently turned over due to term limits expiring simultaneously. This provides an opportunity for SRTA to review the current responsibilities of the SSTAC described in the SSTAC bylaws and make changes if warranted. The SSTAC is primarily charged with advising on the annual unmet transit needs, which maintains compliance with law. However, beyond this requirement, the SSTAC can engage in additional activities to keep membership active and participatory in SRTA decisions. Meeting times and location, as well as a list of responsibilities, should be reviewed. Examples of responsibilities undertaken by other councils include participating in the local scoring of FTA 5310 grant applications, hearing staff presentations on transit-related planning and grant funding activities, and discussing and building capacity in meeting specialized transportation needs and coordination, including on ADA issues. The SSTAC bylaws should be revisited and updated should new responsibilities be placed on the SSTAC by SRTA and that build on the knowledge base provided by the membership.