

Draft Audit Report  
May 2017

## Ventura County Transportation Commission TDA Triennial Performance Audits City of Thousand Oaks

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# **Chapter 1**

## **Executive Summary**

In 2017, the Ventura County Transportation Commission selected the consulting team of Moore & Associates, Inc./Ma and Associates to prepare Triennial Performance Audits of itself as the RTPA and the nine transit operators to which it allocates funding. As one of the six statutorily designated County Transportation Commissions in the SCAG region, VCTC also functions as the respective county RTPA.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to complete an independent audit on a three-year cycle in order to maintain funding eligibility. This represents the first cycle in which the City of Thousand Oaks is required to be audited, as the City began receiving Article 4 funding in FY 2014/15.

The Triennial Performance Audit (TPA) of the City of Thousand Oaks' public transit program covers the three-year period ending June 30, 2016. The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Thousand Oaks as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the City of Thousand Oaks' public transit program for the period:

- Fiscal Year 2013/14,
- Fiscal Year 2014/15, and
- Fiscal Year 2015/16.

The City of Thousand Oaks' transit program is marketed as Thousand Oaks Transit (TOT). The TOT service area includes the cities of Thousand Oaks and Westlake Village; as well as Ventura County's unincorporated areas of Newbury Park, Ventu Park, Lynn Ranch, Rolling Oaks, Oak Park, Hidden Valley, and Lake Sherwood. Collectively, the TOT coverage area represents an estimated 200,000 people. It is accessible via State Route 23 from the north and U.S. Highway 101 from the east and west.

The City's fixed-route system is comprised of four fixed-routes which cover Thousand Oaks, a portion of Westlake Village, and portions of unincorporated Ventura County. Service is also provided to the Metrolink station in Moorpark via a fixed-route commuter shuttle (Metrolink Shuttle). Fixed-route service hours are 5:00 a.m. to 8:00 p.m. Monday through Friday and 8:00 a.m. to 8:00 p.m. Saturday. Metrolink shuttle hours are 5:15 a.m. to 8:30 p.m. Monday through Friday. The City also offers a summer Beach Bus linking designated stops in Thousand Oaks to Zuma Beach in Malibu.

The City's door-to-door Dial-A-Ride (DAR) service is available to passengers 65 years of age or older, or Americans with Disabilities Act cardholders. Dial-A-Ride hours of operation are the same as those of

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regular fixed-route buses. DAR service is provided throughout Thousand Oaks, to Westlake Village, and to the county's unincorporated areas of Newbury Park, Ventu Park, Lynn Ranch, Rolling Oaks, Hidden Valley and Lake Sherwood. A City-issued DAR card is required.

Additionally, the City provides inter-city transit service through the East County Transit Alliance (ECTA). ECTA CONNECT Dial-A-Ride services are also provided to persons with disabilities and seniors age 65 years and older upon advance reservation. The service is offered Monday through Friday on a shared-ride, reservation basis by the cities of Moorpark, Simi Valley, and Thousand Oaks, as well as the County of Ventura. Service is available to Camarillo, Simi Valley, Thousand Oaks, and unincorporated portions of eastern Ventura County. Connections can also be made through ECTA to other transportation providers such as Gold Coast Transit's ACCESS and Los Angeles County's Access Services. The members of the ECTA decided that, given the City of Thousand Oaks' status as the largest service provider in the eastern portion of the county, as well as the fact that it was already contracted to provide drivers and maintenance for multiple transit operators, that the City was best positioned to take the lead in the alliance.

In 2016, the California Transit Association named Thousand Oaks its Transit Agency of the Year as part of its Small Operator Awards. This award recognizes a transit program or service that demonstrates innovative concepts and effective problem-solving techniques, or promotes a positive image of transit in the community. Other notable achievements and activities during the audit period include completion of a long-term Transit Master Plan, a service rebranding, implementation of travel training to remove barriers for ridership, expanded service days and hours, installation of an ADA-compliant phone system, upgraded maintenance and fueling facilities, and purchase of new vehicles.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes four elements:

- Compliance requirements,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### **Test of Compliance**

With one exception, we conclude the City of Thousand Oaks complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner. Material findings specific to the compliance element are:

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1. The City did not submit its FY 2015/16 State Controller Report within the stipulated 110-day timeframe.

### **Status of Prior Recommendations**

Given this is the first audit of the City of Thousand Oaks, there are no prior recommendations.

### **Findings and Recommendations**

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance finding for the City of Thousand Oaks.

The audit team has identified one functional finding. While this finding is not a compliance finding, we feel it is significant enough to be addressed within this audit.

1. VCTC's TDA Fiscal Auditor does not clearly indicate what operating costs were included in its "unallowed costs" when calculating the City's farebox recovery ratio, nor can the revenues used in the calculation be reconciled with those reported elsewhere in the audit.

In completing this Triennial Performance Audit, we submit the following recommendations for the City of Thousand Oaks' public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the TPA that are not specific to TDA compliance.

**Exhibit 1.1 Summary of Audit Recommendations**

<b>TDA Compliance Recommendations</b>		<b>Importance</b>	<b>Timeline</b>
1	Work with City staff responsible for preparing State Controller Reports to ensure submittal deadlines are met.	High	FY 2017/18
<b>Functional Recommendations</b>		<b>Importance</b>	<b>Timeline</b>
1	The TDA auditor should a) clearly identify what operating costs are being excluded or unallowed in developing the operating costs used in calculating farebox recovery ratios and b) ensure that farebox revenue used in the calculation is consistent with that reported elsewhere.	Medium	FY 2017/18

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## Chapter 2

# Review Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Thousand Oaks' public transit program covers the three-year period ending June 30, 2016. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2017, the Ventura County Transportation Commission selected the consultant team of Moore & Associates, Inc./Ma and Associates to prepare Triennial Performance Audits of itself as the RTPA and the nine transit operators to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation, while Ma and Associates is a Certified Public Accounting firm. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Thousand Oaks as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

### **Objectives**

A Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

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#### **Scope**

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the City of Thousand Oaks included four tasks:

1. A review of compliance with TDA requirements and regulations.
2. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
3. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
4. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

#### **Methodology**

The methodology for the Triennial Performance Audit of the City of Thousand Oaks included thorough review of documents relevant to the scope of the audit, as well as information contained on the City's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;
- Accident/road call logs;
- Customer complaint logs;
- Transit Master Plan; and
- Organizational chart.

The methodology for this audit included a site visit to the City of Thousand Oaks city hall located at 2100 E. Thousand Oaks Blvd. on March 6, 2017. The audit team met with Mike Houser (Transit Manager), Priscilla Freduah-Agyemang (Transit Assistant), Larry McKinney (Fleet and Facilities Supervisor), and Tom

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Conlin (MV Transportation); and reviewed materials germane to the triennial review. The audit team also toured the City's Municipal Service Center as well as the City Transportation Center, which houses contractor dispatching and operations personnel.

This report is comprised of six chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

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# **Chapter 3**

## **Program Compliance**

This section examines the City of Thousand Oaks' compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The Ventura County Transportation Commission considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with City staff as well as a physical inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

With one exception, the City of Thousand Oaks met the test of compliance with respect to Transportation Development Act (TDA) regulations:

1. The City did not submit its FY 2015/16 State Controller Report within the stipulated 110-day timeframe.

### **Recent Changes Regarding Compliance**

Three changes specific to the TDA and TDA funding went into effect beginning July 1, 2016. The first was a policy approved by VCTC which mandated funding originally received through the TDA would be classified as TDA funding even after being passed through to another entity. This disallowed the use of TDA funds passed from one claimant to another agency to be used as local support in the calculation of the farebox recovery ratio.

The second change was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to *changes* in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to *all* costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

**99268.17 (a) Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of "operating cost" for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:**

- (1) *The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations*

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*that exceed the operator's costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.*

(2) *Cost increases beyond the change in the Consumer Price Index for all of the following:*

- (A) *Fuel.*
- (B) *Alternative fuel programs.*
- (C) *Power, including electricity.*
- (D) *Insurance premiums and payments in settlement of claims arising out of the operator's liability.*
- (E) *State and federal mandates.*

(3) *Startup costs for new services for a period of not more than two years.*

(b) *The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:*

- (1) *The Controller pursuant to Section 99243.*
- (2) *The entity conducting the fiscal audit pursuant to Section 99245.*
- (3) *The entity conducting the performance audit pursuant to Section 99246.*

Operators should be aware that the reporting forms for the State Controller may not be updated to reflect these exclusions for FY 2016/17. Until revised forms are made available, it is important for agencies to ensure any exclusions from operating cost are clearly itemized within TDA audits or other farebox revenue ratio calculations so that compliance can be clearly assessed.

The third change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, "local funds" was defined as "revenues derived from taxes imposed by the operator or by a county transportation commission." S.B. 508 amended Section 99268.19 to read:

**99268.19** *If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.*

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

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**Exhibit 3.1 Transit Development Act Compliance Requirements**

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2014: October 20, 2014 FY 2015: October 12, 2015 FY 2016: October 24, 2016
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2014: December 12, 2014 FY 2015: December 11, 2015 FY 2016: January 30, 2017 <i>(extension granted)</i>
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	December 12, 2012 February 12, 2014 February 5, 2015 August 19, 2015
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	N/A	
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2014: 13.19% FY 2015: 27.63% FY 2016: 17.14%  <i>Budget increase in FY 2015 can be tied to the launch of ECTA. FY 2016 saw the addition of a second bus on the Green Route and a significant increase in Beach Bus service.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance	FY 2014: 20.0% FY 2015: 21.0% FY 2016: 22.1%  <i>Per TDA Article 4 and 8(c) annual audits</i>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	N/A	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2014: 10.9% FY 2015: 14.2% FY 2016: 10.9%  <i>Per TDA Article 4 and 8(c) annual audits</i>

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Compliance Element	Reference	Compliance	Comments
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	City employees are eligible for CalPERS.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	N/A	The City does not receive STA funds.
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

## Chapter 4

# Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### **Operating Cost**

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excludes the following:

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<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

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- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

## **Vehicle Service Hours and Miles**

*Vehicle Service Hours (VSH)* and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>2</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

## **Passenger Counts**

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

## **Employees**

*Employee hours* is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

## **Fare Revenue**

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

## **TDA Required Indicators**

To calculate the TDA indicators for the City of Thousand Oaks, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports. Operating Cost from the reports was compared against that reported to the NTD as well as in the City's audited financial reports and was

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<sup>2</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

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determined to be consistent with TDA guidelines and accurately reflects the costs for the City's transit services. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.

- Fare Revenue was not independently calculated as part of this audit. Fare Revenue data were obtained via State Controller Reports. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City calculates VSH using schedule hours reconciled with driver trip sheets. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City calculates VSM by subtracting deadhead and out-of-service miles subtracted from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained from State Controller Reports for each fiscal year covered by this audit. Data from these reports was then compared with information included within the City's monthly performance data summary reports. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this audit, as well as calculation methodology provided by the City. This data is consistent with PUC guidelines.

### **System Performance Trends**

Performance trends for the City of Thousand Oaks' public transit program were analyzed for the three years covered by this Triennial Performance Audit. Indicators were calculated using the methodologies described in the previous section.

It should be noted that inaccuracies and inconsistencies in the data may result in trends that are not entirely reflective of actual performance.

System-wide, operating cost increased steadily throughout the audit period. This is due in part to the new operations contract in FY 2014/15 as well as the launch of the ECTA. Fare revenue also increased significantly, though revenues reported on the State Controller Report appear to reflect all revenues that can be counted toward the farebox recovery ratio, rather than representing only passenger fares. While this is useful for calculating the farebox recovery ratio, it can skew trends; for example, a significant increase in fare revenue in FY 2014/15 is not reflective of the decrease in ridership.

Passengers/VSH and Passengers/VSM decreased steadily throughout the audit period, while many other metrics fluctuated across the triennium. A net increase in ridership failed to keep pace with increases in VSH and VSM, which negatively impacts productivity.

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**Exhibit 4.1 System Performance Indicators**

Performance Measure	System-Wide			
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
<b>Operating Cost (Actual \$)</b>	\$3,579,475	\$3,361,848	\$3,920,747	\$4,228,559
<i>Annual Change</i>		-6.1%	16.6%	7.9%
<b>Fare Revenue (Actual \$)</b>	\$416,898	\$484,756	\$673,830	\$689,402
<i>Annual Change</i>		16.3%	39.0%	2.3%
<b>Vehicle Service Hours (VSH)</b>	51,794	56,808	56,557	63,166
<i>Annual Change</i>		9.7%	-0.4%	11.7%
<b>Vehicle Service Miles (VSM)</b>	772,072	845,400	895,573	1,043,089
<i>Annual Change</i>		9.5%	5.9%	16.5%
<b>Passengers</b>	238,770	252,488	241,307	255,950
<i>Annual Change</i>		5.7%	-4.4%	6.1%
<b>Employees</b>	46	53	57	68
<i>Annual Change</i>		15.2%	7.5%	19.3%
<b>Performance Indicators</b>				
<b>Operating Cost/VSH (Actual \$)</b>	\$69.11	\$59.18	\$69.32	\$66.94
<i>Annual Change</i>		-14.4%	17.1%	-3.4%
<b>Operating Cost/Passenger (Actual)</b>	\$14.99	\$13.31	\$16.25	\$16.52
<i>Annual Change</i>		-11.2%	22.0%	1.7%
<b>Passengers/VSH</b>	4.61	4.44	4.27	4.05
<i>Annual Change</i>		-3.6%	-4.0%	-5.0%
<b>Passengers/VSM</b>	0.31	0.30	0.27	0.25
<i>Annual Change</i>		-3.4%	-9.8%	-8.9%
<b>Farebox Recovery</b>	11.6%	14.4%	17.2%	16.3%
<i>Annual Change</i>		23.8%	19.2%	-5.1%
<b>Hours/Employee</b>	1,126.0	1,071.8	992.2	928.9
<i>Annual Change</i>		-4.8%	-7.4%	-6.4%
<b>TDA Non-Required Indicators</b>				
<b>Operating Cost/VSM</b>	\$4.64	\$3.98	\$4.38	\$4.05
<i>Annual Change</i>		-14.2%	10.1%	-7.4%
<b>VSM/VSH</b>	14.91	14.88	15.83	16.51
<i>Annual Change</i>		-0.2%	6.4%	4.3%
<b>Fare/Passenger</b>	\$1.75	\$1.92	\$2.79	\$2.69
<i>Annual Change</i>		10.0%	45.4%	-3.5%

*Source: State Controller Reports.*

## City of Thousand Oaks

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Exhibit 4.2 System Ridership

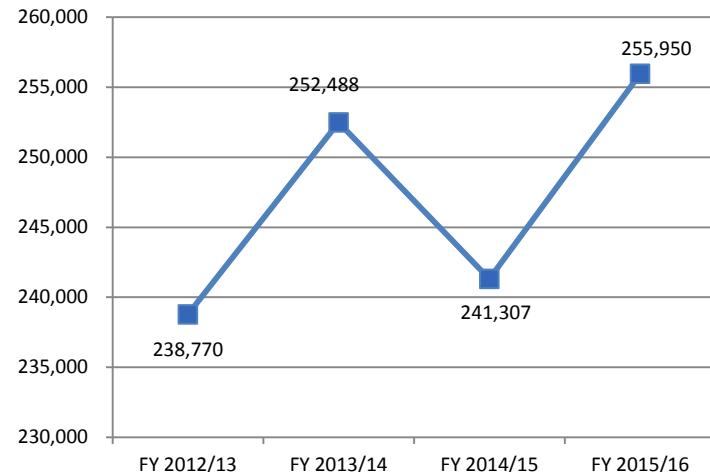


Exhibit 4.3 System Operating Cost/VSH

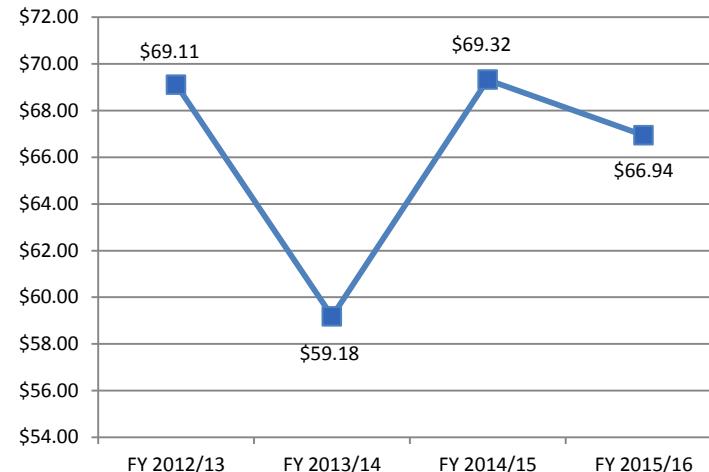


Exhibit 4.4 System Operating Cost/VSM

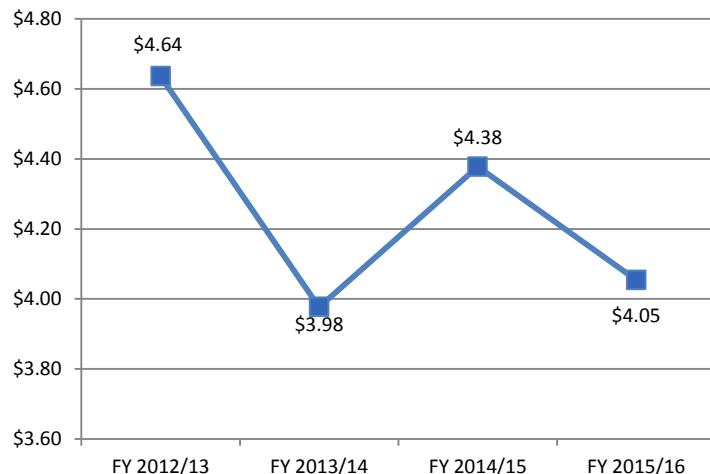
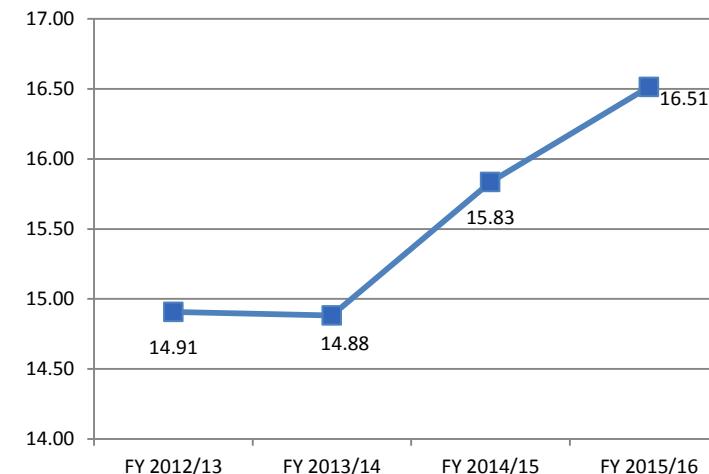


Exhibit 4.5 System VSM/VSH



# City of Thousand Oaks

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Exhibit 4.6 System Operating Cost/Passenger

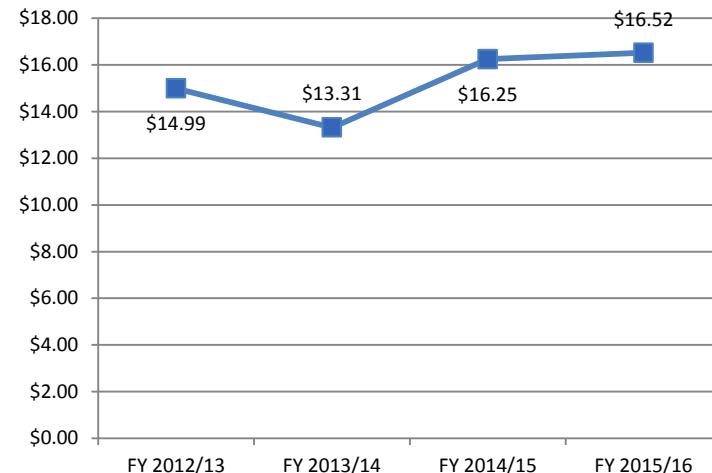


Exhibit 4.7 System Passengers/VSH

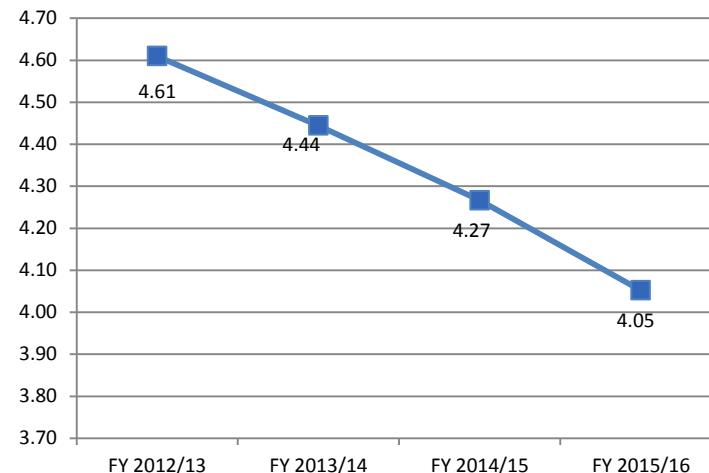


Exhibit 4.8 System Passengers/VSM

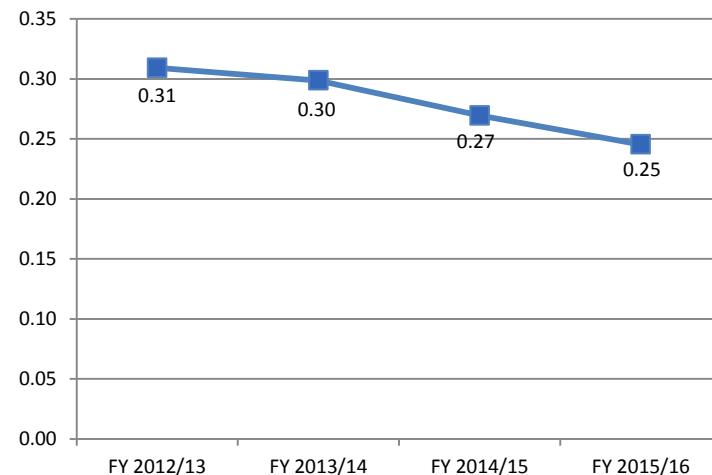
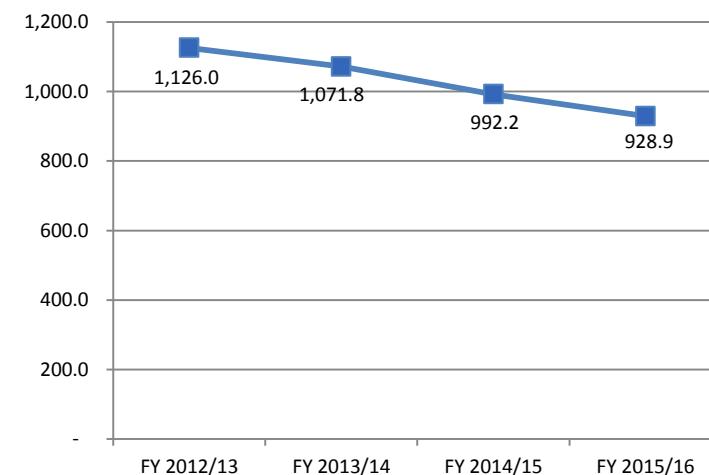


Exhibit 4.9 System VSH /FTE



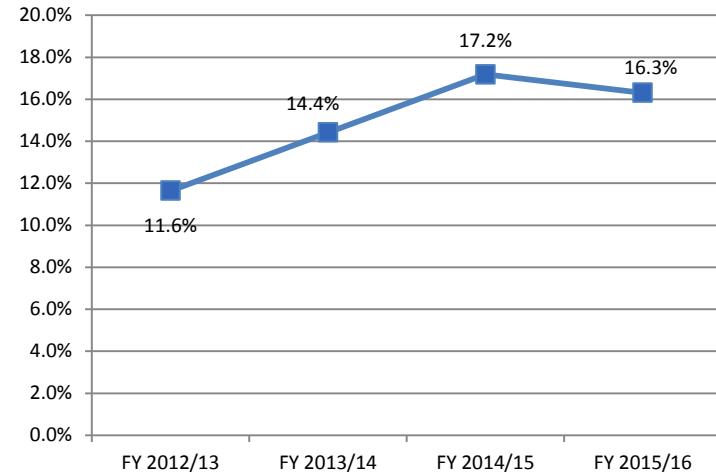
## **City of Thousand Oaks**

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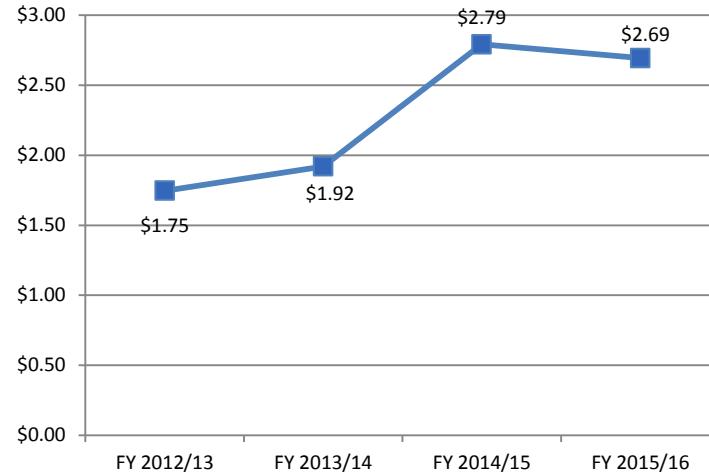
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**Exhibit 4.10 System Farebox Recovery**



**Exhibit 4.11 System Fare/Passenger**



# City of Thousand Oaks

## Triennial Performance Audit, FY 2014-2016

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#### Fixed-Route Performance

The significant increase in operating cost in FY 2014/15 coincided with a new operations contract with MV Transportation. The additional increase in operating cost in FY 2015/16 can be largely attributed to the introduction of a second bus on the City's Green route and expanded Beach Bus service, which also resulted in increased VSM and VSH.

While fare revenue peaked in FY 2014/15, this figure is not supported by ridership, which fell to its lowest point of the audit period that year. The TDA fiscal audit for that year identified only \$172,277 in passenger fares, with the balance of the fare revenue provided by "other revenues or adjustments." While these additional revenues may be considered in the calculation of the farebox recovery ratio, they can also provide conflicting information when they run counter to other performance measures.

Overall, performance declined throughout the audit period. Passengers/VSH and Passengers/VSM decreased each year of the triennium, while Operating Cost/Passenger and Operating Cost/VSH increased.

Exhibit 4.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route			
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
<b>Operating Cost (Actual \$)</b>	\$1,383,374	\$1,371,934	\$1,832,412	\$2,150,939
Annual Change		-0.8%	33.6%	17.4%
<b>Fare Revenue (Actual \$)</b>	\$205,574	\$249,651	\$377,245	\$315,512
Annual Change		21.4%	51.1%	-16.4%
<b>Vehicle Service Hours (VSH)</b>	15,165	19,801	19,749	21,231
Annual Change		30.6%	-0.3%	7.5%
<b>Vehicle Service Miles (VSM)</b>	211,216	284,544	291,500	358,880
Annual Change		34.7%	2.4%	23.1%
<b>Passengers</b>	153,777	166,247	155,093	162,970
Annual Change		8.1%	-6.7%	5.1%
<b>Employees</b>	17	16	24	29
Annual Change		-5.9%	50.0%	20.8%
<b>Performance Indicators</b>				
<b>Operating Cost/VSH (Actual \$)</b>	\$91.22	\$69.29	\$92.79	\$101.31
Annual Change		-24.0%	33.9%	9.2%
<b>Operating Cost/Passenger (Actual \$)</b>	\$9.00	\$8.25	\$11.81	\$13.20
Annual Change		-8.3%	43.2%	11.7%
<b>Passengers/VSH</b>	10.14	8.40	7.85	7.68
Annual Change		-17.2%	-6.5%	-2.3%
<b>Passengers/VSM</b>	0.73	0.58	0.53	0.45
Annual Change		-19.8%	-8.9%	-14.6%
<b>Farebox Recovery</b>	14.9%	18.2%	20.6%	14.7%
Annual Change		22.5%	13.1%	-28.7%
<b>Hours/Employee</b>	892.1	1237.6	822.9	732.1
Annual Change		38.7%	-33.5%	-11.0%
<b>TDA Non-Required Indicators</b>				
<b>Operating Cost/VSM</b>	\$6.55	\$4.82	\$6.29	\$5.99
Annual Change		-26.4%	30.4%	-4.7%
<b>VSM/VSH</b>	13.93	14.37	14.76	16.90
Annual Change		3.2%	2.7%	14.5%
<b>Fare/Passenger</b>	\$1.34	\$1.50	\$2.43	\$1.94
Annual Change		12.3%	62.0%	-20.4%

Source: State Controller Reports.

# City of Thousand Oaks

Triennial Performance Audit, FY 2014-2016

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Exhibit 4.13 Fixed-Route Ridership

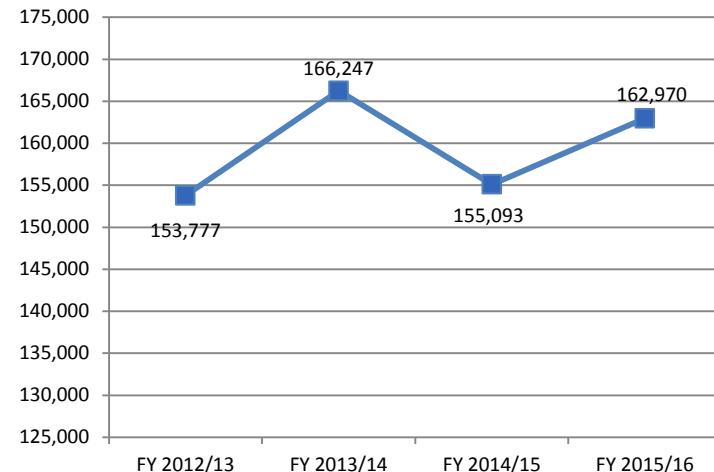


Exhibit 4.14 Fixed-Route Operating Cost/VSH

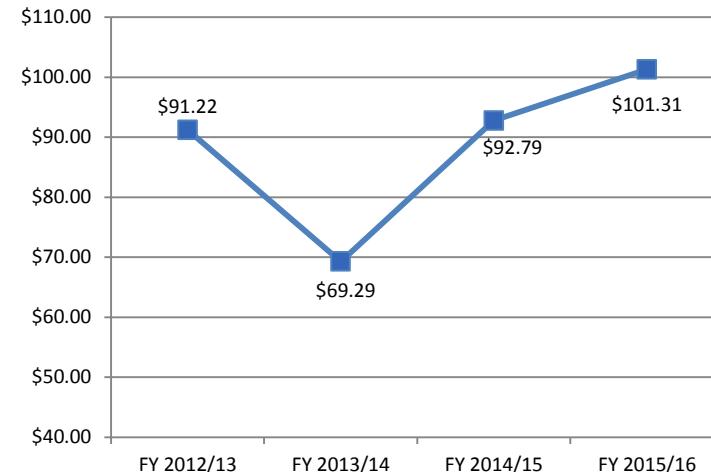


Exhibit 4.15 Fixed-Route Operating Cost/VSM

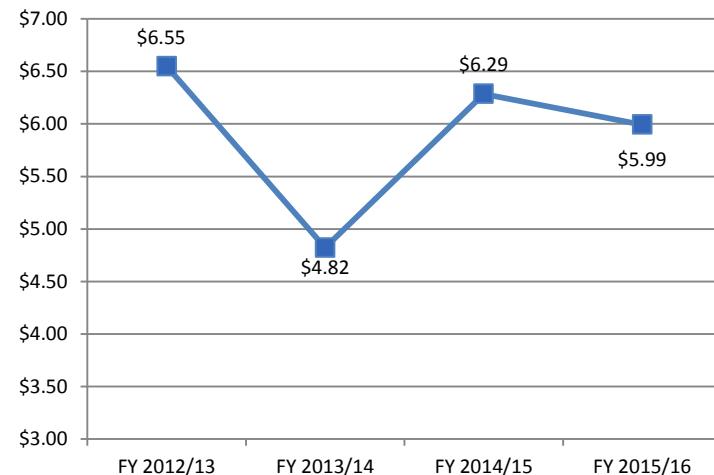
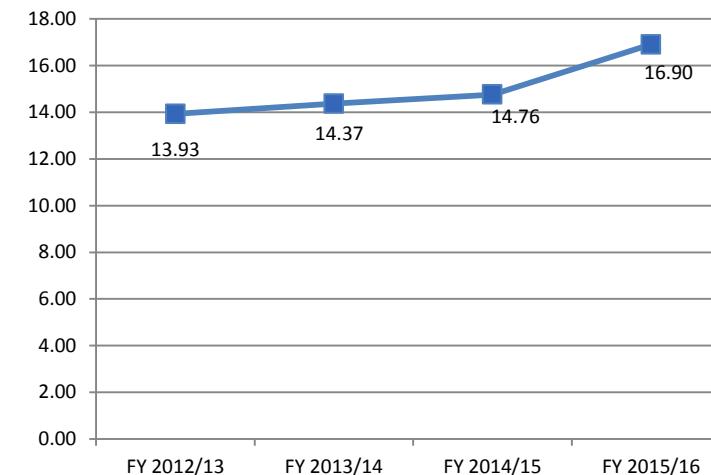


Exhibit 4.16 Fixed-Route VSM/VSH



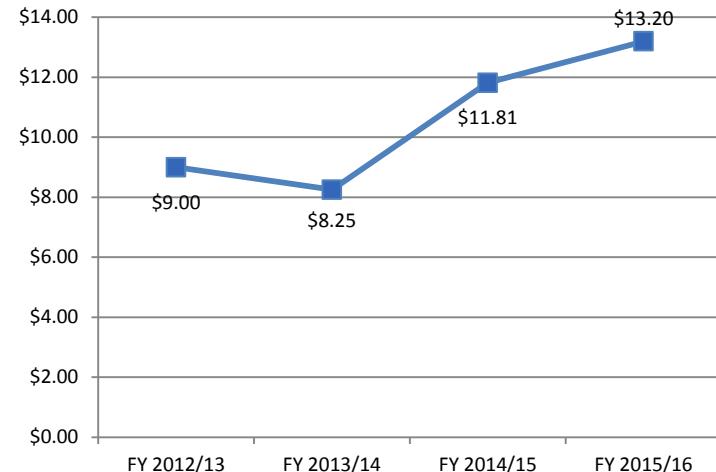
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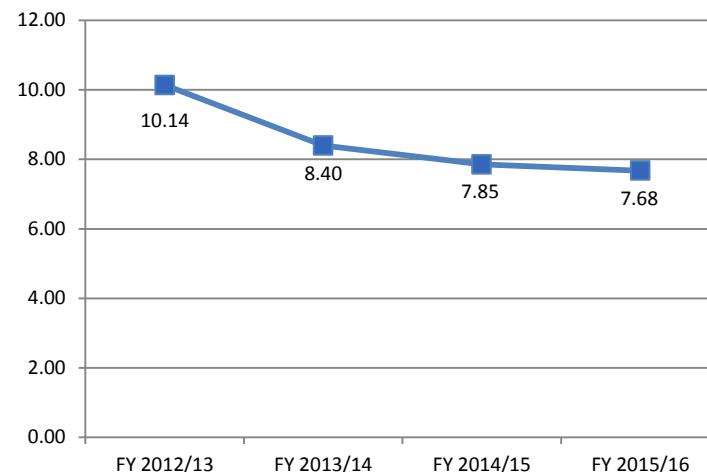
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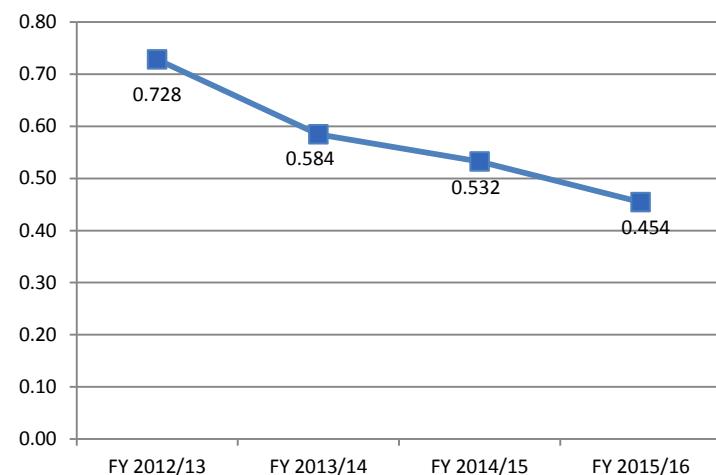
**Exhibit 4.17 Fixed-Route Operating Cost/Passenger**



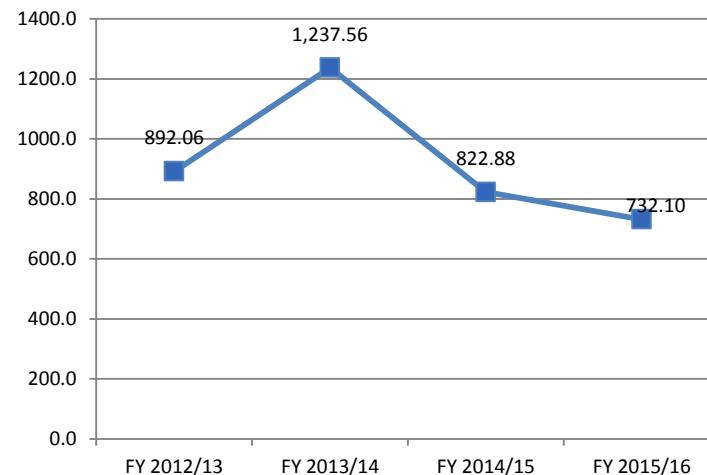
**Exhibit 4.18 Fixed-Route Passengers/VSH**



**Exhibit 4.19 Fixed-Route Passengers/VSM**



**Exhibit 4.20 Fixed-Route VSH /FTE**



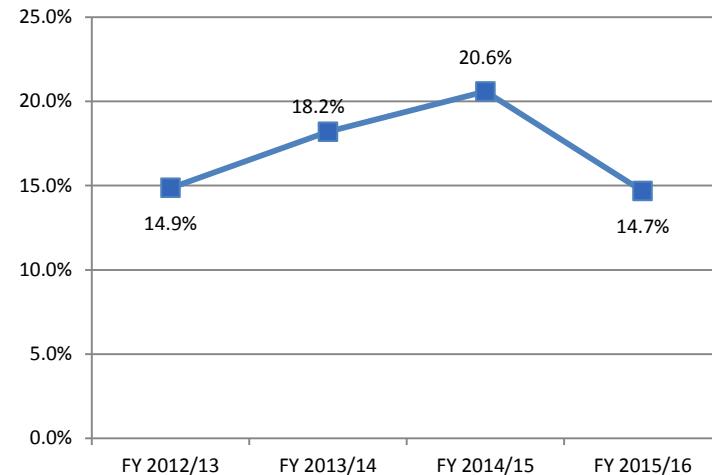
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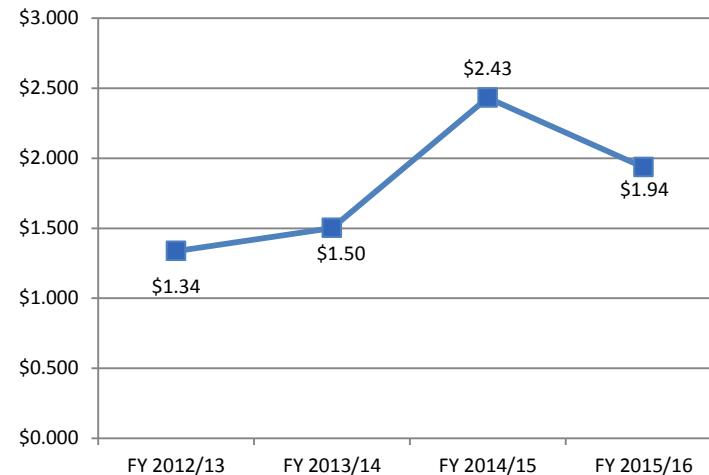
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**Exhibit 4.21 Fixed-Route Farebox Recovery**



**Exhibit 4.22 Fixed-Route Fare/Passenger**



# City of Thousand Oaks

## Triennial Performance Audit, FY 2014-2016

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#### Demand-Response Performance

Demand-response data includes all demand-response services reported by the City on its State Controller Report.

Operating cost rose in FY 2013/14 and dropped in FY 2015/16. The increase coincided with the new operations contract in FY 2014/15. Fare revenue increased steadily, though the inclusion of additional revenues may be providing conflicting information with respect to actual trends. Increases were noted in most performance metrics in FY 2015/16, likely due to additional trips provided as part of the ECTA.

Operating Cost/VSH and Operating Cost/Passenger both increased between FY 2013/14 and FY 2014/15, but dropped in FY 2015/16. The farebox recovery ratio was robust across all three years, while Passengers/VSM remained steady.

Exhibit 4.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response			
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16
<b>Operating Cost (Actual \$)</b>	\$2,196,101	\$1,989,914	\$2,088,335	\$2,077,620
Annual Change		-9.4%	4.9%	-0.5%
<b>Fare Revenue (Actual \$)</b>	\$211,324	\$235,105	\$296,585	\$373,890
Annual Change		11.3%	26.2%	26.1%
<b>Vehicle Service Hours (VSH)</b>	36,629	37,007	36,808	41,935
Annual Change		1.0%	-0.5%	13.9%
<b>Vehicle Service Miles (VSM)</b>	560,856	560,856	604,073	684,209
Annual Change		0.0%	7.7%	13.3%
<b>Passengers</b>	84,993	86,241	86,214	92,980
Annual Change		1.5%	0.0%	7.8%
<b>Employees</b>	29	37	33	39
Annual Change		27.6%	-10.8%	18.2%
<b>Performance Indicators</b>				
<b>Operating Cost/VSH (Actual \$)</b>	\$59.96	\$53.77	\$56.74	\$49.54
Annual Change		-10.3%	5.5%	-12.7%
<b>Operating Cost/Passenger (Actual \$)</b>	\$25.84	\$23.07	\$24.22	\$22.34
Annual Change		-10.7%	5.0%	-7.8%
<b>Passengers/VSH</b>	2.32	2.33	2.34	2.22
Annual Change		0.4%	0.5%	-5.3%
<b>Passengers/VSM</b>	0.15	0.15	0.14	0.14
Annual Change		1.5%	-7.2%	-4.8%
<b>Farebox Recovery</b>	9.6%	11.8%	14.2%	18.0%
Annual Change		22.8%	20.2%	26.7%
<b>Hours/Employee</b>	1,263.1	1,000.2	1,115.4	1,075.3
Annual Change		-20.8%	11.5%	-3.6%
<b>TDA Non-Required Indicators</b>				
<b>Operating Cost/VSM</b>	\$3.92	\$3.55	\$3.46	\$3.04
Annual Change		-9.4%	-2.6%	-12.2%
<b>VSM/VSH</b>	15.31	15.16	16.41	16.32
Annual Change		-1.0%	8.3%	-0.6%
<b>Fare/Passenger</b>	\$2.49	\$2.73	\$3.44	\$4.02
Annual Change		9.6%	26.2%	16.9%

Source: State Controller Reports

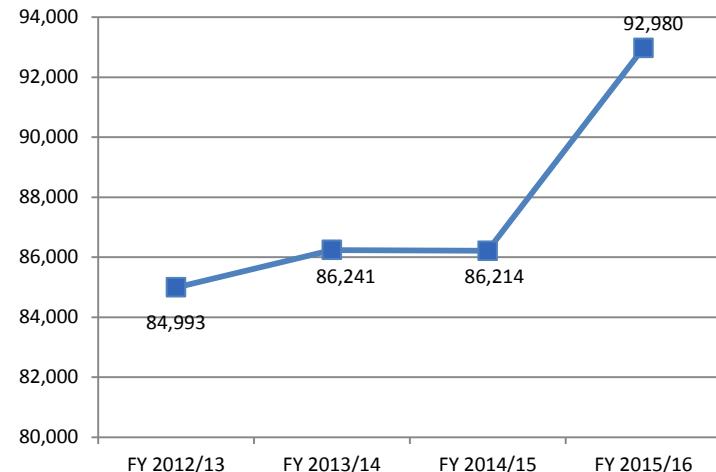
## **City of Thousand Oaks**

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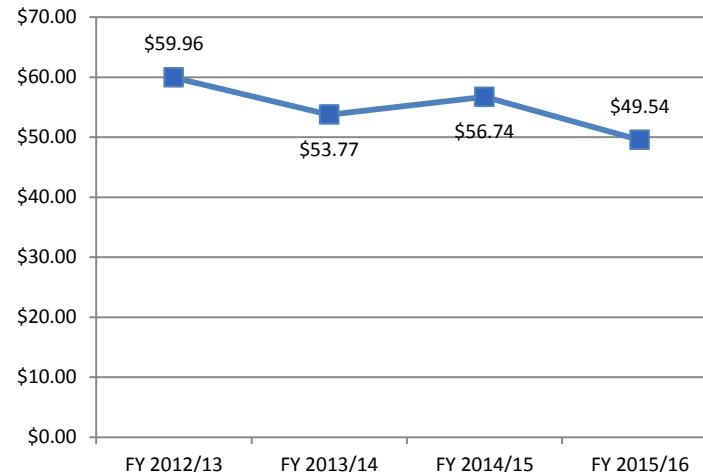
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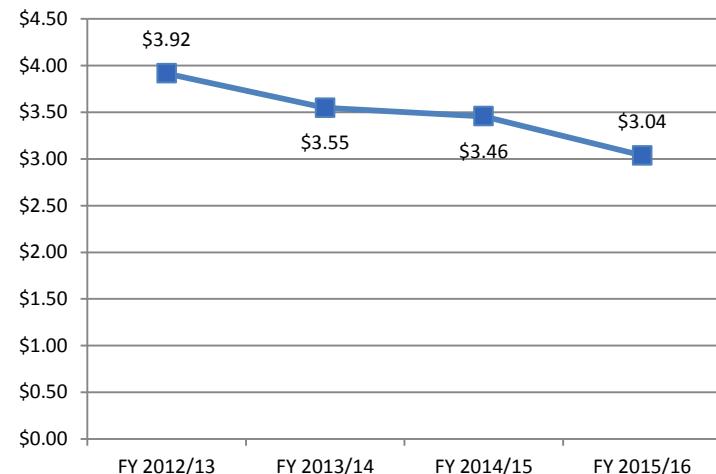
**Exhibit 4.24 Demand-Response Ridership**



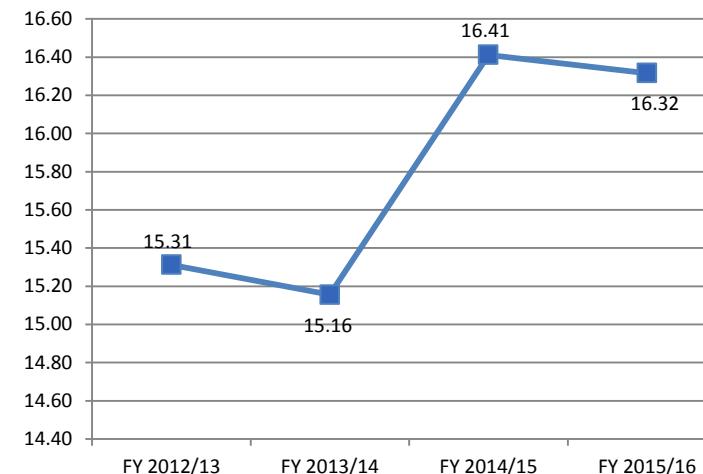
**Exhibit 4.25 Demand-Response Operating Cost/VSH**



**Exhibit 4.26 Demand-Response Operating Cost/VSM**



**Exhibit 4.27 Demand-Response VSM/VSH**



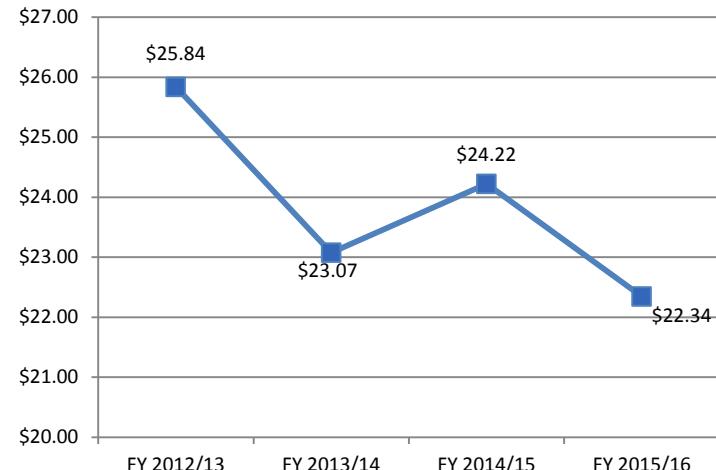
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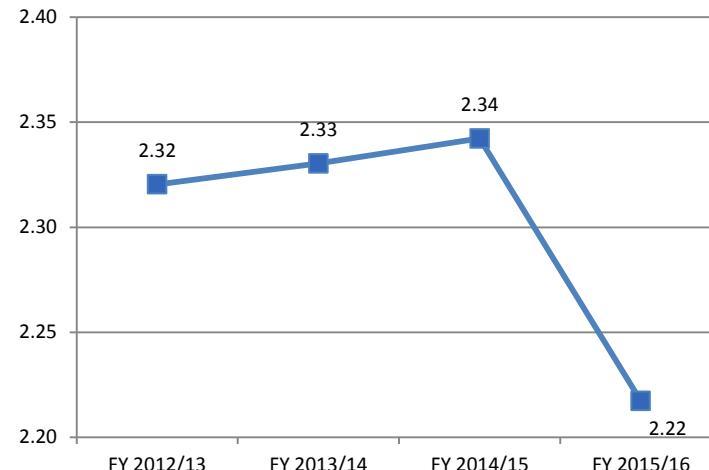
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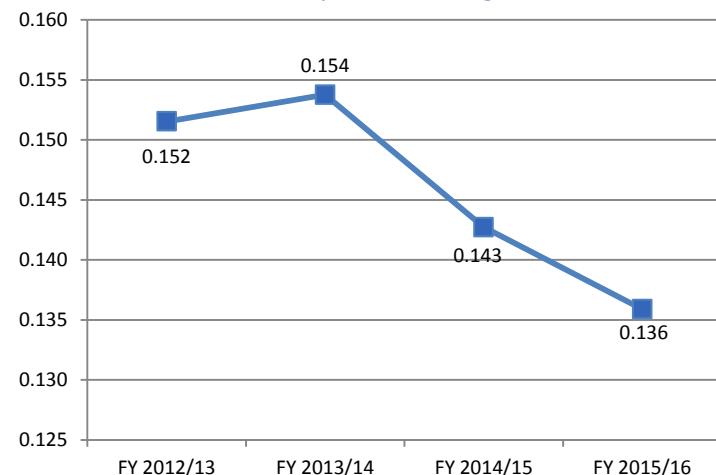
**Exhibit 4.28 Demand-Response Operating Cost/Passenger**



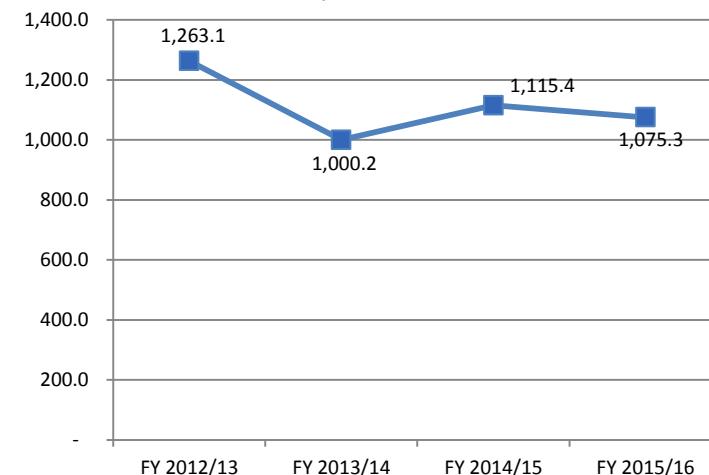
**Exhibit 4.29 Demand-Response Passengers/VSH**



**Exhibit 4.30 Demand-Response Passengers/VSM**



**Exhibit 4.31 Demand-Response VSH /FTE**



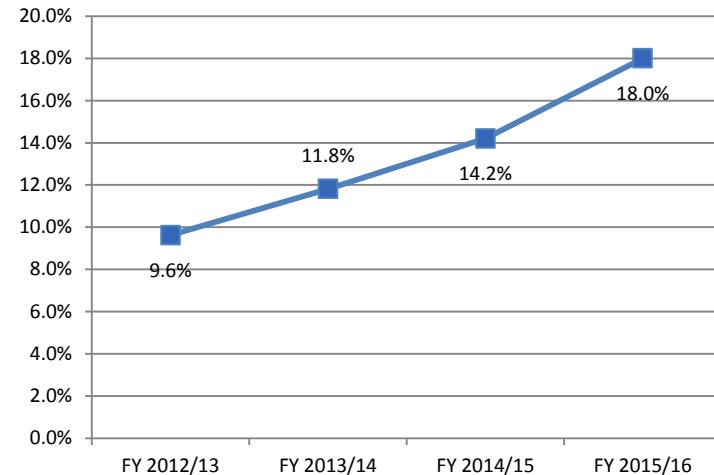
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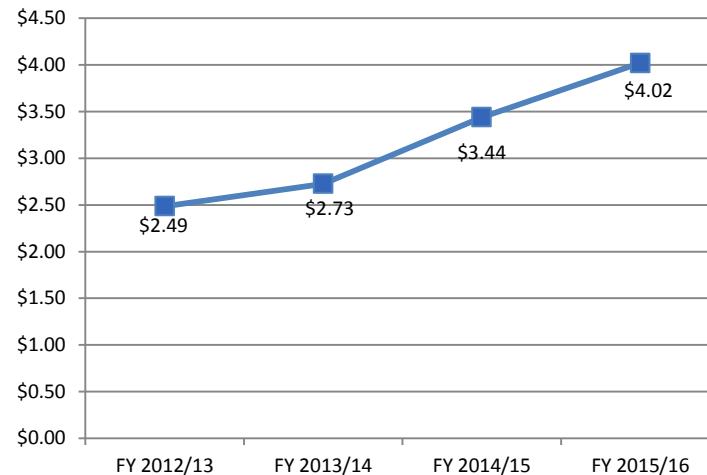
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**Exhibit 4.32 Demand-Response Farebox Recovery**



**Exhibit 4.33 Demand-Response Fare/Passenger**



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## **Chapter 5**

# **Functional Review**

A functional review of the City of Thousand Oaks' public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the City of Thousand Oaks through its transit program:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Fleet maintenance.

### **Service Overview**

The City of Thousand Oaks' transit program is marketed as Thousand Oaks Transit (TOT). The TOT service area includes the cities of Thousand Oaks and Westlake Village; as well as Ventura County's unincorporated areas of Newbury Park, Vento Park, Lynn Ranch, Rolling Oaks, Oak Park, Hidden Valley, and Lake Sherwood. Collectively, the TOT coverage area represents an estimated 200,000 people. It is accessible via State Route 23 from the north and U.S. Highway 101 from the east and west.



The City's fixed-route system is comprised of four fixed-routes which cover Thousand Oaks, a portion of Westlake Village, and portions of unincorporated Ventura County. Service is also provided to the Metrolink station in Moorpark via a fixed-route commuter shuttle (Metrolink Shuttle). Fixed-route service hours are 5:00 a.m. to 8:00 p.m. Monday through Friday and 8:00 a.m. to 8:00 p.m. Saturday. Metrolink shuttle hours are 5:15 a.m. to 8:30 p.m. Monday through Friday. The City also offers a summer Beach Bus linking designated stops in Thousand Oaks to Zuma Beach in Malibu.

The City's door-to-door Dial-A-Ride service is available to passengers 65 years of age or older, or Americans with Disabilities Act cardholders. Dial-A-Ride hours of operation are the same as those of regular fixed-route buses. DAR service is provided throughout Thousand Oaks, to Westlake Village, and to the county's unincorporated areas of Newbury Park, Vento Park, Lynn Ranch, Rolling Oaks, Hidden Valley and Lake Sherwood. A City-issued DAR card is required.

Additionally, the City provides inter-city transit service through the East County Transit Alliance (ECTA). One of the principal goals of the ECTA is to improve transit service coordination and connectivity. In its role as the fiscal agent, the City of Thousand Oaks is the lead agency for the ECTA. It was determined

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that, given the City's status as the largest service provider in the eastern portion of the county, as well as the fact that it was already contracted to provide drivers and maintenance for multiple transit operators, that the City of Thousand Oaks was best positioned to take the lead in the alliance. ECTA Dial-A-Ride services are provided to persons with disabilities and seniors age 65 years and older upon advance reservation. The service is offered Monday through Friday on a shared-ride, reservation basis by the cities of Moorpark, Simi Valley, and Thousand Oaks, as well as the County of Ventura. Service is available to Camarillo, Simi Valley, Thousand Oaks, and unincorporated portions of eastern Ventura County. Connections can also be made through ECTA to other transportation providers such as Gold Coast Transit's GO ACCESS and Los Angeles County's Access Services.<sup>3</sup>

In 2016, the California Transit Association named Thousand Oaks its Transit Agency of the Year as part of its Small Operator Awards. This award recognizes a transit program or service that demonstrates innovative concepts and effective problem-solving techniques, or promotes a positive image of transit in the community.

Exhibit 5.1 illustrates the City's fixed-route fare structure, while Exhibit 5.2 illustrates fares for the Metrolink shuttle, and Exhibit 5.3 details the City's Dial-A-Ride structure.

**Exhibit 5.1 Fixed-Route Service Fare Structure**

Fixed-Route Fare Category	Fare
Adults age 6-64 (regular fare)	\$1.50
Children 5 and under	Free
Seniors 65 and over/Medicare	\$0.75
ADA Cardholders	Free
DAR Cardholder (city issued)	Free
Beach Bus (round trip)	\$6.00

Fixed-Route Passes	Fare
10-ride bus pass (regular fare)	\$12.00
10-ride bus pass (seniors/persons with disability/Medicare)	\$6.00
1-day pass (regular)	\$4.00
1-day pass (seniors/disabled/Medicare)	\$2.00
7-day pass (regular)	\$12.00
7-day pass (seniors/persons with disability/Medicare)	\$6.00
31-day pass (regular)	\$42.00
31-day pass (seniors/persons with disability/Medicare)	\$21.00
31-day student pass (grades 1-12)	\$20.00

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<sup>3</sup> A recommendation that ECTA undergo a separate Triennial Performance Audit as part of the next audit cycle has been included in VCTC's RTPA audit.

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Exhibit 5.2 Metrolink Commuter Shuttle Fares

Fare Category	Fare
Regular/student fare	\$2.50
Seniors/persons with disabilities/Medicare cardholder	\$1.25
TOT Pass	\$1.00
ADA and DAR Cardholder	\$1.00
Transfer from local bus	\$1.00
Metrolink pass and ticket holders	Free

Exhibit 5.3 Dial-A-Ride Fare Structure

Fare Category	Fare
Dial-A-Ride	\$3.00

### General Management and Organization

The City of Thousand Oaks' public transit program is administered within the City's Public Works Department. A Transit Manager provides direct oversight of City transit staff. The Transit Manager is assisted by a Transit Analyst as well as two hourly Transit Aides.

The City is also contracted to manage operations provision of the City of Moorpark's public transit service, as well as the County of Ventura's Kanan Shuttle and transit services for the cities of Agoura Hills and Westlake Village.

The City of Thousand Oaks contracts with MV Transportation to provide vehicle operators as well as maintenance on leased service vehicles. City employees provide maintenance on City-owned vehicles as well as Moorpark City Transit Vehicles. MV has provided the City's transit services for 14 years and is currently on a five-year contract that expires on June 30, 2019. The City was very happy with MV's performance until MV's general manager retired two years ago. Since then, it is the City's view that performance issues have resulted from inexperienced leadership. A requirement for a dedicated finance manager on the contractor's side was included in the most recent contract award, but the position is still unfilled.

Exhibit 5.4 illustrates the City's transit organizational structure.

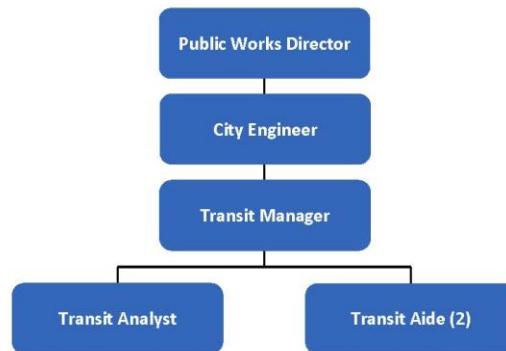
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Exhibit 5.4 Organizational Chart, FY 2015/16



*Source: City of Thousand Oaks.*

The Thousand Oaks city council is the governing body for the City's public transit program. Meetings are open to the public. City council meets on the second and fourth Tuesday of the month at 6:00 p.m. at City Hall, which is well served by transit. During the audit period, several citizen advisory committees provided periodic input on transit issues, including:

- Traffic and Transportation Advisory Committee,
- Disabled Access Appeals and Advisory Board,
- Council on Aging (including the Senior Master Plan Transportation Committee), and
- Youth Commission.

The city council has taken an active interest in transit. It has expressed interested in the idea of a trolley that runs up and down Thousand Oaks Blvd. This idea seems to come up approximately every 10 years because neighboring communities (Camarillo and Westlake Village) have them. However, transit staff feels this idea is not practical or sustainable, as Thousand Oaks has multiple regular fixed routes that already provide service along Thousand Oaks Boulevard. The city council has also expressed interest in public/private partnerships and transportation network companies for first/last mile transportation and DAR supplementation. The council is also interested in rideshare improvements to help reduce congestion. The council's interest in alternative fuels and electric vehicles has helped spur the City toward a 100-percent alternative-fuel fleet as well as an initiative to move toward electric buses.

The City undertook numerous services, programs, and projects during the audit period, including:

- Implemented Saturday bus service (FY 2014), the Metrolink Shuttle (FY 2014), and Beach Bus (FY 2013).
- Implemented expanded fixed-route and DAR hours (FY 2013).
- Participated in the East County Transit Alliance (FY 2015).
- Purchased new vehicles to fleet and lowered average age of fleet.
- Split operations between the Thousand Oaks Transit Center (TOTC) and Municipal Services Center (MSC). Dispatching and other operations management are conducted from TOTC and have other operations management there. Maintenance, contractor check-in, bus parking and fueling are all conducted at the MSC.
- Expanded the TOTC parking lot and the MSC's bus parking and fueling areas.

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- Upgraded the public fuel station.
- Installed a new emergency generator at TOTC.
- Upgraded Dial-A-Ride vehicles from Mobile Data Terminals to tablets.
- Implemented a complete rebranding – including bus wraps and marketing materials.
- Implemented a new FTA-compliant phone system.
- Implemented new travel training programs and expanded senior-specific travel training.
- Began offering free fixed-route fares for DAR/ADA cardholders.
- Implemented improvements to Janss Road park & ride lot.

The City was able to initiate Saturday service as part of a three-year demonstration project due to a \$600,000 Federal Congestion Mitigation and Air Quality Grant. Each service change is evaluated separately to determine effectiveness and cost-efficiency. Most programs are performing well, but the Metrolink Shuttle has underperformed.

## **Service Planning**

Although the City conducts few service planning activities on a regular basis, it constantly looks ahead to potential mobility needs and has recently placed emphasis on planning activities.

Thousand Oaks is essentially built out, meaning there is little opportunity for new development. However, transit personnel would work with the City's planning department should a development such as a senior housing project arise. In recent years, the local school district had considered building a new high school, and the City's transit staff explored ways to provide service, but the new school was not built.

In 2016, the City utilized funding from Southern California Association of Governments to prepare a Transit Master Plan. The plan's capital budget includes a five-year look-ahead, while the operations budget projects out ten years.

Public outreach for the Transit Master Plan included numerous public workshops as well as surveys of riders, the general public, and stakeholders. For fixed-route service, the overall satisfaction score was generally higher than individual components. The community tends to have very high expectations, with the expectation that the service will be less than five minutes late.

The Transit Master Plan study included a 100-percent fixed-route ride check that measured boarding and alighting activity as well as on-time performance. Recommendations resulting from the plan included significant route restructuring. The Master Plan has yet to be implemented.

The City often implements pilot programs and measures results against expectations. For example, its summer Beach Bus typically achieves up to 40 percent farebox recovery, but after a 2016 expansion farebox dropped to less than 20 percent. The City believes this is because the service was expanded too much and will return it to pre-expansion levels.

The City is also evaluating options for the Metrolink Shuttle, which achieves less than four percent farebox recovery. The City would like to eliminate the service or have it taken over by a Transportation Network Company.

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Additionally, the City is interesting in exploring further consolidation of transit services in eastern Ventura County.

### **Scheduling, Dispatch, and Operations**

Drivers bid for their work assignments, with assignments based on seniority. Drivers are required to drive all vehicles (not just Class C vehicles), but some legacy drivers can drive only Class C vehicles.

Most drivers possess full-time status; approximately 10 percent are part-time. Full-time drivers are eligible for paid holidays, vacation, sick leave, health insurance, and life insurance. Part-time drivers also accrue vacation and sick leave. MV does not employ on-call drivers, but it does employ four standby drivers.

The City accepts Dial-A-Ride offers subscription, advanced, same-day, and on-demand reservations. Trips are scheduled via Trapeze software, which accommodates recurring/subscription trips. Subscription and advanced reservations receive priority scheduling. Standing reservations/subscription trips make up about 25 percent of trips (the cap is 40 percent). Subscription trips are a big contributor to no-shows. The pickup window used to be 30 minutes, but was changed to +/- 15 minutes to be compliant with FTA. Once drivers are in the 15-minute window, they wait up to five minutes (three minutes for the Agoura Hills service). The City reserves the right to suspend Dial-A-Ride privileges for repeated cancellations or no-shows.

Fares are collected on buses and turned into City Hall. Public Works staff empties the fareboxes into fare collection bags and submits the fares to the City's Finance Department. The Finance Department counts the money and reports the total for each route to Public Works each day. Cash is collected by a security firm and taken to a bank, which reconciles deposits with the City. The City's Finance Department is responsible for investing excess cash within regulations.

### **Personnel Management and Training**

The City contracts with MV Transportation to provide vehicle operators and maintenance of leased vehicles. Employee recruitment is conducted via multiple methodologies, including online job boards, attendance at job fairs, and coordination with local unemployment offices.

Approximately 60 percent of recruits are experienced; 40 percent require training. Training, both initial and re-training, is conducted via an AvatarFleet-based tool. All training meets federal and state requirements. MV's Thousand Oaks division has received several internal safety awards.

MV's operator turnover rate is approximately 12 percent. Turnover has been impacted recently by the contractor's culture shift toward increased accountability. Performance is monitored via onboard DriveCam cameras, which enables real-time remote performance monitoring, as well as.

Drivers receive bonuses for safety, gift cards, and food events to help motivate them and enhance job satisfaction. All positive rider comments are passed along to drivers.

### **Administration**

The City prepares a biennial operating budget which includes transit expenditures. Each month, the City compares budgeted expectations with actual expenditures, and tends to do a good job of estimating.

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The City's transit staff is smaller than many peer organizations, and it lacks dedicated transit planning and transit finance staff. The City's finance department handles claims as well as reporting to the State Controller and TDA. As a result, different individuals may be working on these reports from year to year.

Transit staff handles the preparation of grants as well as NTD submittals. Transit staff prepares the draft reimbursements for Section 5307 claims, which are then processed by the finance department. The City's success rate for grants is pretty high. They received two planning grants through Caltrans and SCAG, but were unsuccessful with two additional applications. The City has not lost any grants due to inattention or failure to comply with requirements.

Transit staff manages contracts, including the operator's contract as well as contracts for ECTA, the City of Moorpark, and the County of Ventura. Contracts under \$30,000 can be approved by department heads, while contracts under \$50,000 can be approved by the City Manager. All other contracts must be approved by city council. Contracts meet both City, FTA, and VCTC requirements.

The City's purchasing procedures are governed by the Municipal Code as well as the TO Purchasing Ordinance. VCTC has also issued new procurement policies, which the City is following to the letter. The City also follows FTA procurement rules.

The City does not have an internal audit function. The transit program's cash handling procedures were audited approximately four years ago. The City intends to conduct an audit of MV's reporting for this contract; the City will hire an auditor for this project in the fall.

### **Marketing and Public Information**

The City undertook several substantial marketing and public relations projects during the audit period. These include a complete rebranding of the transit system, a new FTA-compliant phone system, a travel training program, and expanded senior-specific travel training.

In 2015, the City worked with an outside consultant to refresh its branding, including new vehicle wraps, as well as the primary transit brochure and system map.



In order to better educate the community about Thousand Oaks Transit services and routes, the City implemented travel training programs for small groups and for senior citizens. These sessions provide an understanding of Thousand Oaks Transit's route network and bus schedules, an explanation of how to pay for a trip and make transfers or connections, recommendations for appropriate behavior while riding, and tips for staying safe at bus stops. This training instills participants with confidence about using public transportation to travel.

Brochures are available at both libraries, the senior and teen centers, City Hall, TOTC, Oaks Mall, on vehicles, and at some ancillary locations (Senior Concerns, Area Housing Authority, social services

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offices). Brochures are also provided to Mobility Management Partners, VCTC, and Gold Coast Transit. The Thousand Oaks Transit Center also has brochures for VCTC, Commuter Express, Metro 161, Kanan Shuttle, and Moorpark Shuttle. The City's transit website includes .pdfs of all brochures. Brochures are also provided with DAR cards.

### Maintenance

The Thousand Oaks Transit Center (TOTC) is managed by the City's facilities division, while the Municipal Services Center (MSC) is managed by the City's fleet and facilities division. Several maintenance-related services are contracted out:

- Maintenance of systems including air conditioning,
- Janitorial services,
- Site security of TOTC,
- TOTC landscaping is included in a city-wide contract, and
- Bus stop maintenance (overlaps with City staff).

The City maintains its own vehicles as well as vehicles for the City of Moorpark. MV maintains vehicles for ECTA, the City of Agoura Hills, the County of Ventura's Kanan Shuttle, 12 leased Dial-A-Ride vans for Thousand Oaks, and two spare vans that may be used for any service.

The TOTC is currently undergoing upgrades, including the installation of a Public Address system. The facility also features video displays and 27 security cameras. Planned improvements include the expansion of the bus bays and the conversion of lighting to LED. The City maintains at least one spare vehicle per service it operates (Thousand Oaks fixed-route, Thousand Oaks DAR, Kanan Shuttle, Moorpark, etc.) at the TOTC for ease of access.



The City adheres to the required preventive maintenance program, though vehicles sometimes reach the mileage threshold before the time threshold. The City has been using the FASTER fleet management program since 1994 and is very satisfied with how the software performs. It undergoes annual upgrades and is well supported by the manufacturer. It is capable of running a wide variety of customized reports. Since non-transit maintenance is conducted at the same facility, the FASTER program also supports linking specific work to a specific work order or cost code, ensuring transit costs and hours can be reported appropriately. The system is capable of running a wide variety of customized reports, and a preventive maintenance list is run at the beginning of each month.

Drivers complete a Daily Vehicle Inspection Report (DVIR), which identifies any unsafe conditions. MV has standing orders to identify any issues with the vehicles as part of the pre- and post-trip inspections. Maintenance will notify dispatch regarding any vehicle deemed unsafe. Vehicles undergoing

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maintenance will be tagged so they are not used. Repairs are performed in a timely manner; transit vehicles are the highest priority of all maintenance work at the MSC.

Maintenance is notified promptly of breakdowns, but there is not always a prompt response due to the City's work hours (Monday through Friday, 6:00 a.m. to 5:00 p.m.). There is no real issue with vehicle downtimes, however, as there are four fixed-route spares.

California Highway Patrol inspections are conducted every 45 days. The City is able to identify vehicles under warranty if repairs are necessary (currently, no vehicles are under warranty). Some major repairs are outsourced, such as transmission rebuilds or electronic control issues. The City follows guidelines for ramp and wheelchair lift inspections – when one is down, that vehicle must be pulled out of service. The City's policy prohibits deferred maintenance.

The current maintenance facility does not have enough bays and lifts. It features one heavy lift and two portable lifts. An outdoor area is available to service additional vehicles, depending on the weather. The City of Thousand Oaks is planning to install a canopy over this outdoor area and purchase another portable lift, which will provide three more covered maintenance bays. This is expected to result in sufficient space. Otherwise, the facility is suited to all aspects of maintenance that are performed there.



The City's transit fueling facility was completed in 2013 and activated in 2014. Numbered parking spaces are tied to specific DAR vehicles. Moorpark buses are also fueled and maintained at the MSC. Moorpark and Thousand Oaks buses have their own CNG fueling meters so that fuel is allocated accurately.

In 2011, MV essentially outgrew the office space at the Thousand Oaks Transit Center. An MV trailer at the City's Municipal Services Center is lease-free and all utilities are provided.

Parts inventories are sufficient to minimize vehicle downtime. There is a defined timeframe between a request to order parts and receipt of the parts.

The City has established an email account for fleet parts so that maintenance can be notified when parts have shipped or been delivered. The parts warehouse is secured. All parts are barcoded and inventoried annually. There is very little loss.

The City maintains its own sign shop at the MSC. However, large orders for bus stop signs are usually put out for bid. The City recently refurbished all of its 38 bus shelters, inclusive of repainting and repairs.

Exhibit 5.5 illustrates the City's fleet inventory for FY 2015/16. Subsequent to the end of the fiscal year, the two oldest vehicles were replaced. The City's fixed-route vehicles are all 2008, 2009, or 2014. The 2008 vehicles are due for replacement in 2020 (based on years) or in FY 2018/19 (based on mileage). All

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DAR vehicles are 2014 or newer. MV uses a useful life standard of four years or 150,000 miles for DAR vehicles. Vehicle replacement was addressed in the VCTC Asset Study as well as in the City's capital budget. The City replaces vehicles as soon as they are eligible under FTA qualifications. The City is looking to repower (from CNG to electric) buses that are past their useful life once they have been replaced, which is expected to occur in the next 18 months.

Exhibit 5.5 City of Thousand Oaks Transit Fleet FY 2015/16

Make	Year	Seating capacity	Fuel Type	Quantity
Dodge SLF-200	2003	27	CNG	2
OBI Orion 7	2008	34	CNG	4
Starcraft Allstar	2009	24	CNG	1
Starcraft Allstar	2009	14	CNG	2
Gillig BRT Low Floor	2014	23	CNG	2
Starcraft Allstar	2014	12	CNG	1
Braun Entravan	2014	4	Gasoline	12
Starcraft Starlite	2014	12	CNG	6
Starcraft Starlite	2014	16	CNG	2
Dodge Caravan	2014	6	Gasoline	1
Starcraft Allstar XL	2015	26	Gasoline	3
Starcraft Starlite	2015	6	Gasoline	2
Starcraft Starlite	2016	6	Gasoline	1

## Chapter 6

# Findings and Recommendations

### Conclusions

With one exception, we find the City of Thousand Oaks to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. Recommendations intended to improve the effectiveness of the operator are detailed below.

### Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding.

1. The City did not submit its FY 2015/16 State Controller Report within the stipulated 110-day timeframe.

The audit team has identified one functional finding. While this finding is not a compliance finding, we feel it is significant enough to be addressed within this audit.

1. VCTC's TDA Fiscal Auditor does not clearly indicate what operating costs were included in its "unallowed costs" when calculating the farebox recovery ratio, nor can the revenues used in the calculation be reconciled with those reported elsewhere in the audit.

### Program Recommendations

In completing this Triennial Performance Audit, we submit the following recommendations for the City of Thousand Oaks' public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance.

#### Compliance Finding 1: The City did not submit its FY 2015/16 State Controller Report within the stipulated 110-day timeframe.

**Criteria:** Public Utilities Code Section 99243 requires transit operators in receipt of TDA Article 4 funds to submit annual reports to the State Controller within 90 days following the end of the fiscal year (110 days if filing electronically).

**Condition:** The submittal date for the FY 2015/16 report was outside the timeframe specified by the State Controller's Office. The submittal date for FY 2015/16 was October 24, 2016, when the deadline for submittal was October 18, 2016.

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**Cause:** Several challenges can result in reports being submitted late, including difficulties with the State's FTP system, the unavailability of final data, and lack of awareness regarding submittal deadlines.

**Effect:** This can result in the City being out of compliance with the TDA.

**Recommendation:** Work with City staff responsible for preparing State Controller Reports to ensure submittal deadlines are met.

**Recommended Action(s):** All City staff responsible for preparing the State Controller Report for transit should be made aware of the specific deadline for each year (typically included in the annual letter from the State Controller).

**Timeline:** Beginning with FY 2016/17 reporting in early FY 2017/18.

**Anticipated Cost:** Negligible.

**Functional Finding 1: VCTC's TDA Fiscal Auditor does not clearly indicate what operating costs were included in its "unallowed costs" when calculating the farebox recovery ratio, nor can the revenues used in the calculation be reconciled with those reported elsewhere in the audit.**

**Criteria:** PUC Section 99268 establishes a 20 percent farebox recovery minimum for urbanized transit systems in order to remain compliant with TDA. This is based on the following definition of operating cost:

*[A]ll costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.<sup>4</sup>*

**Condition:** In the City's TDA Article 4 and 8(c) audits, the auditor does not clearly indicate what operating costs are included in the "unallowed costs" line item, nor is it clear how farebox revenue for each service is determined. While all of the costs and fare allocations may be valid, they cannot be clearly reconciled with other documents (such as the State Controller Report) typically used to calculate the farebox recovery ratio.

**Cause:** The TDA auditor has not clearly identified what constitutes "unallowed costs" in its calculation of the farebox recovery ratio, nor can the fare revenue used in the calculation be reconciled with fare revenue reported elsewhere.

**Effect:** The City's actual compliance with farebox recovery ratio requirements could be called into question.

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<sup>4</sup> California Public Utilities Code, Article 3, Section 99247.

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**Recommendation:** The TDA auditor should a) clearly identify what operating costs are being excluded or unallowed in developing the operating costs used in calculating farebox recovery ratios and b) ensure that farebox revenue used in the calculation is consistent with that reported elsewhere.

**Recommended Action(s):** The City (or VCTC, if appropriate), should work with the TDA auditor to ensure that exclusions from operating costs used in the calculation of farebox recovery ratios are clearly identified and that fare revenues are being reported consistently. If necessary, notes should be used so that compliance with the TDA can be easily confirmed.

**Timeline:** Beginning with FY 2016/17 TDA audit in FY 2017/18.

**Anticipated Cost:** Negligible.

Exhibit 6.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with City staff responsible for preparing State Controller Reports to ensure submittal deadlines are met.	High	FY 2017/18
Functional Recommendations		Importance	Timeline
1	The TDA auditor should a) clearly identify what operating costs are being excluded or unallowed in developing the operating costs used in calculating farebox recovery ratios and b) ensure that farebox revenue used in the calculation is consistent with that reported elsewhere.	Medium	FY 2017/18

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