



FINAL AUDIT REPORT
MARCH 2019

Shasta Regional Transportation Agency

Triennial Performance Audit of the RTPA



Table of Contents

Chapter 1: Executive Summary	01
Chapter 2: Audit Scope and Methodology	05
Chapter 3: Program Compliance	09
Chapter 4: Prior Recommendations	15
Chapter 5: Goal Setting and Strategic Planning	17
Chapter 6: Functional Review	19
Chapter 7: Findings and Recommendations	27



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Chapter 1

Executive Summary

The Triennial Performance Audit of the Shasta Regional Transportation Agency (SRTA) covers a three-year period ending June 30, 2018. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2018, Shasta Regional Transportation Agency selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the one transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the firm followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit of SRTA for the period defined as:

- Fiscal Year 2015/16,
- Fiscal Year 2016/17, and
- Fiscal Year 2017/18.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA's functions and activities, and
5. Findings and recommendations.

Test of Compliance

With three exceptions, SRTA adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner.

1. SRTA submitted its State Controller Report for FY 2016/17 after the stipulated deadline.

Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

2. Despite completing the prior Triennial Performance Audit for the Redding Area Bus Authority in January 2017, SRTA continued to allocate TDA funding to RABA during the period between the start of the second fiscal year following the end of the triennium and the completion of the audit.
3. While SRTA properly submitted its prior Triennial Performance Audit to Caltrans in February 2016, SRTA did not provide any evidence it certified the RABA Triennial Performance Audit had been completed in January 2017.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2016 by Michael Baker International for the three fiscal years ending June 30, 2015 – included the following recommendations:

1. [Update the TDA Handbook.](#)
Status: Implemented.
2. [Implement new state TDA provisions.](#)
Status: Implemented.
3. [Review merits of converting TDA claims to electronic format.](#)
Status: Implemented.
4. [Review role of the SSTAC.](#)
Status: Implemented.

Goal Setting and Strategic Planning

SRTA's primary goal setting and regional planning document is the Regional Transportation Plan, which was updated in 2018. The RTP incorporates all required elements. It is reflective of a public participation process which included federal, state, and local governmental entities as well as the general public. SRTA effectively programs the region's transportation investments.

Findings and Recommendations

Based on the current review, Moore & Associates submits the following TDA compliance findings:

1. SRTA submitted its State Controller Report for FY 2016/17 after the stipulated deadline.
2. Despite completion of the prior Triennial Performance Audit for the Redding Area Bus Authority in January 2017, SRTA continued to allocate TDA funding to RABA during the period between the start of the second fiscal year following the end of the triennium and the completion of the audit.
3. While SRTA properly submitted its prior Triennial Performance Audit to Caltrans in February 2016, SRTA did not provide any evidence it certified the RABA Triennial Performance Audit had been completed in January 2017.



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Moore & Associates also identified an additional functional finding. While this finding is not a compliance finding, we believe it warrants inclusion in this review.

1. While SRTA updated its Transportation Development Act Handbook and Policies and Procedures in 2017, a review of the document noted internal inconsistency related to the RABA farebox recovery ratio.

In completing this Triennial Performance Audit, Moore & Associates presents the following recommendations for the Shasta Regional Transportation Agency as the RTPA. The recommendations are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	SRTA should ensure reporting deadlines are clearly documented and monitored so that multiple individuals within the agency have access to them.	Low	FY 2018/19
2	SRTA staff should work with the auditors preparing subsequent triennial performance audits to ensure audits are submitted on-time and operator allocations are made as planned.	High	FY 2018/19
3	SRTA's CFO should ensure it certifies RABA's current triennial performance audit upon completion, even if it is completed at a different time than the SRTA audit.	Medium	FY 2018/19
Functional Recommendations		Importance	Timeline
1	SRTA should review its TDA Handbook and Policies and Procedures to ensure internal consistency throughout.	Low	FY 2018/19



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Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit of the Shasta Regional Transportation Agency (SRTA) covers a three-year period ending June 30, 2018. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2018, the Shasta Regional Transportation Agency selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the one transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the firm followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of SRTA as the designated RTPA for Shasta County. Direct benefits of a triennial performance audit include providing RTPA 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 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to which it allocates funds.

Moore & Associates conducted this performance review in accordance with generally accepted government auditing standards. Those standards require Moore & Associates plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

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

Objectives

The Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Scope

The Triennial Performance Audit is intended to be a high-level review of performance evaluating the efficiency and effectiveness of the RTPA. The review of SRTA included five related tasks:

1. Review of compliance with the TDA requirements and regulations.
2. Assess the implementation of recommendations presented in prior performance audits.
3. Analysis of SRTA's internal goal setting and strategic planning functions.
4. Examination of the following functions:
 - Administration and Management,
 - Transportation Planning and Regional Coordination,
 - Claimant Relationships and Oversight,
 - Marketing and Transportation Alternatives, and
 - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

Methodology

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

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas; and
- TDA and transit funding allocations to operators.

The methodology for this review included on-site interviews with key staff at SRTA's administrative offices located at 1255 East Street, Suite 202, in Redding on September 13, 2018. Staff interviewed as part of this audit included Monika Long, Chief Fiscal Officer; Dan Little, Executive Director; Jennifer Pollom, Senior Transportation Planner; Kathy Urlie, Senior Transportation Planner, and Keith Williams, Associate Transportation Planner. A presentation to the SRTA Board's Fiscal Committee was also made during the site visit to provide members of the committee with background information about the audit process.

The report is comprised of seven chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. Scope and Methodology: Discussion of the review, methodology, and pertinent background information.
3. Audit Results: In-depth discussion of findings surrounding each of the subsequent elements of the review:



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

- Compliance with statutory and regulatory requirements,
- Progress in implementing prior recommendations,
- Goal setting and strategic planning,
- Functional review, and
- Findings and recommendations.



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Chapter 3

Program Compliance

This section examines the Shasta Regional Transportation Agency's compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with SRTA staff as well as a physical inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

With three exceptions, SRTA adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. SRTA submitted its State Controller Report for FY 2016/17 after the stipulated deadline.
2. Despite completing the prior Triennial Performance Audit for the Redding Area Bus Authority in January 2017, SRTA continued to allocate TDA funding to RABA during the period between the start of the second fiscal year following the end of the triennium and the completion of the audit.
3. While SRTA properly submitted its prior Triennial Performance Audit to Caltrans in February 2016, SRTA did not provide any evidence it certified the RABA Triennial Performance Audit had been completed in January 2017.



Exhibit 3.1 Transportation Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
<p>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 monies apportioned to that area.</p>	<p>PUC 99231</p>	<p>In compliance</p>	<p>SRTA distributes LTF funds according to a three-step process defined in its "Transportation Development Act Handbook and Policies and Procedures."</p> <ul style="list-style-type: none"> • Step 1 – Apportionment. Each year, SRTA divides the anticipated amount among the local jurisdictions based on population, and communicates this apportionment amount to each jurisdiction before March 1. • Step 2 – Allocation. Jurisdictions file claims for various purposes based on the apportionment. The total amount claimed cannot exceed the amount apportioned to a jurisdiction. • Step 3 – Payment. SRTA develops payment instructions for the County Auditor for each jurisdiction and purpose.
<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 (Article 3).</p>	<p>PUC 99233, 99234</p>	<p>In compliance</p>	<p>These are included in SRTA's "Transportation Development Act Handbook and Policies and Procedures," revised February 28, 2017.</p>
<p>The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.</p>	<p>PUC 99238, 99238.5</p>	<p>In compliance</p>	<p>The SSTAC is one of 4 standing advisory committees required under Article 12, Section 1 of the SRTA Policies and Procedures. Its duties include advising SRTA with respect to the transit needs of the general public, regional transit service coordination, consideration of funding for non-motorized projects, and other transit-related issues in addition to participating in the unmet needs process (which includes a public hearing).</p>



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Compliance Element	Reference	Compliance	Comments
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	In compliance	SRTA annually evaluates operator performance in terms of progress made toward achieving improvement as part of each TDA claim. SRTA may also require progress to be tracked as part of a short-range transit plan. Form TDA-4 (submitted with the annual claim) addresses implementation of recommendations included in the most recent triennial performance audit. Efforts identified for productivity improvement are to be summarized by SRTA and included as part of the TDA claims for the next fiscal year.
<p>The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.</p>	PUC 99245	In compliance	
<p>The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.</p>	CCR 6662	In compliance	FY 2015/16: December 6, 2016 FY 2016/17: November 21, 2017 FY 2017/18: February 20, 2019
<p>The RTPA has submitted within seven months after the end of the fiscal year an annual financial transactions report to the state controller.</p>	CCR 6660	Finding	FY 2015/16: December 12, 2016 FY 2016/17: February 8, 2018 FY 2017/18: January 31, 2019 Effective January 1, 2016, the deadline for submittal of the RTPA's financial report to the State Controller was extended to seven months following the end of the fiscal year (January 31).
<p>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). 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 money, and to the RTPA within 12 months after the end of the triennium. If an operators 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>	PUC 99246, 99248	Finding	SRTA retained Michael Baker International to prepare its FY 2013-2015 Triennial Performance Audits. The SRTA audit was completed in February 2016. The RABA audit was completed in January 2017, but funds were still allocated to the operator even though it was after the start of the second fiscal year following the end of the triennium. Moore & Associates was retained to prepare the FY 2016-2018 Triennial Performance Audits.

Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Compliance Element	Reference	Compliance	Comments
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	Finding	Letter to Caltrans dated February 9, 2016, includes submittal of SRTA's Triennial Performance Audit. However, it does not certify the RABA audit was completed, as the RABA audit was not complete at that time. SRTA was unable to provide evidence Caltrans was notified when the RABA audit was completed.
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include 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.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in both urbanized and non-urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	In compliance	SRTA adopted a board policy establishing a minimum 15 percent farebox recovery ratio for RABA's fixed-route service. In addition, it recommends RABA strive to obtain a 19 percent farebox recovery ratio for fixed-route service.
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.	PUC 99275.5	In compliance	Included in SRTA's "Transportation Development Act Handbook and Policies and Procedures," revised February 28, 2017.
State Transit Assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	Funds are allocated for only these purposes as outlined in SRTA's "Transportation Development Act Handbook and Policies and Procedures," revised February 28, 2017.
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operator(s) in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Compliance Element	Reference	Compliance	Comments
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”; • Identified the unmet transit needs and those needs that are reasonable to meet; and • 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. <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>PUC 99401.5</p>	<p>In compliance</p>	



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Chapter 4

Prior Recommendations

This section reviews and evaluates the implementation of the prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is to provide assurance Shasta Regional Transportation Agency has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior review – completed in February 2016 by Michael Baker International for the three fiscal years ending June 30, 2015 – prescribed four recommendations.

1. Update the TDA Handbook.

Discussion: 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. The prior auditor noted 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. At the time, the handbook stated the RABA farebox recovery standard was 15 percent for fixed-route service, when it was clarified by SRTA staff that the standard was 15 percent system-wide (combined fixed route and dial-a-ride). In addition, new state law should be incorporated into the TDA Handbook.

Progress: SRTA’s “Transportation Development Act Handbook and Policies and Procedures” was revised February 28, 2017 to incorporate new state law resulting from Senate Bill 508. The revision also clarified the farebox recovery ratio of 15 percent was system-wide.

Status: Implemented.

Note: On page 84, the TDA Handbook clarifies the 15 percent farebox recovery ratio is a blended rate and does not apply only to fixed-route service. However, on page 17 (last paragraph) it still states “The SRTA Board of Directors has approved a 15 percent required fare box ratio for the RABA fixed-route service.” The Handbook should be further revised to reflect consistent language.

2. Implement the new state TDA provisions.

Discussion: New state legislation was enacted in Fall 2015 that impacted 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 operational expenditures, SRTA must apply new methods to determine the amount of STA operating funds that can be allocated. 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 system-wide 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.

Progress: The February 28, 2017 revision of SRTA's "Transportation Development Act Handbook and Policies and Procedures" includes new language regarding the efficiency tests for STA fund eligibility, as set forth in Senate Bill 508.

Status: Implemented.

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

Discussion: 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 the prior auditor found no identified issues with this paper-driven process, it noted the growing industry practice is converting the TDA claims to an electronic format, specifically using a spreadsheet program.

Progress: Staff explored this option and determined it to not be cost-effective.

Status: Implemented.

4. Review role of the SSTAC.

Discussion: During the prior audit period, SSTAC membership experienced turnover due to simultaneous expiration of member term limits. The prior auditor felt this provided an opportunity for SRTA to review the responsibilities of the SSTAC (as described in the SSTAC bylaws) and make changes if warranted. The SSTAC is primarily charged with advising SRTA specific to 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. The auditor recommended the SSTAC bylaws be revisited and updated should new responsibilities be placed on the SSTAC by SRTA.

Progress: The SSTAC bylaws were amended on December 12, 2017. The responsibilities of the SSTAC now include an advisory role with respect to transit needs of the general public, regional transit service coordination, consideration of funding for non-motorized projects, and other transit-related issues in addition to participating in the unmet needs process.

Status: Implemented.



Goal Setting and Strategic Planning

This chapter analyzes Shasta Regional Transportation Agency's goal setting and strategic planning process. The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The Plan, which was updated in 2018, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under Senate Bill 375, demonstrates the integration of land-use, transportation strategies, and transportation investments that will help Shasta County meet regional greenhouse gas reduction targets.

The 2018 RTP includes the following seven regional goals, each of which is supported by objectives, implementation strategies, and performance measures:

- Goal #1: Optimize the use of existing inter-regional and regionally significant roadways to prolong functionality and maximize return-on-investment.
- Goal #2: Strategically increase capacity on inter-regional and regionally significant roadways to keep people and freight moving effectively and efficiently.
- Goal #3: Provide an integrated, context-appropriate range of practical transportation choices.
- Goal #4: Create people-centered communities that support public safety, health, and well-being.
- Goal #5: Strengthen regional economic competitiveness for long-term prosperity.
- Goal #6: Promote public access, awareness, and action in planning and decision-making processes.
- Goal #7: Practice and promote environmental and natural resource stewardship.

In addition to the regional goals, the RTP includes an evaluation of regional mobility needs (as it relates to population, housing, and job forecasts); a list of specific transportation improvements (along with a timeline and funding plan); and additional elements arising from the Fixing America's Surface Transportation (FAST) Act (performance goals and measures), Senate Bill 743 (focus on Vehicle Miles Traveled), and Senate Bill 150 (CARB reports).

SRTA's RTP-SCS includes the following regional vision:

SRTA will meet the region's evolving mobility needs and generally avoid traffic congestion and other growth-related pitfalls commonly observed in larger metropolitan regions. This will be accomplished through strategic and timely transportation system improvements; the integration of travel options into a seamless network; and collaborative effort toward transportation-efficient land-use patterns where it is most beneficial. As appropriate, SRTA will utilize its unique regional role and resources to lead transformative projects aligned with the regional vision.



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

SRTA acknowledges its efforts are intertwined with regional prosperity, environmental quality, community health and well-being, and various other elements that collectively define quality of life, and will use regional transportation planning, policy-making, and project programming to lead the development of projects that yield multiple community benefits. Planning and decision-making processes shall engage partner agencies, community stakeholders, and the public, and be transparent and responsive to documented community values and priorities.

Beginning in 2018, SRTA moved to a four-year update cycle. Future RTP updates will occur in 2022, 2026, 2030, and so on.

Each RTP update builds upon prior efforts but is reflective of current and future conditions. Prior efforts that were used in the development of the 2018 RTP included the following:

- ShastaSIM Activity-Based Travel Demand Model,
- SRTA Board of Directors Regional Priorities,
- ShastaFORWARD>> Regional Blueprint,
- North State Transportation for Economic Development Study,
- Transit Needs Assessment and Unmet Transit Needs findings,
- Disadvantaged Communities Assessment,
- Shasta Coordinated Transportation Plan,
- GoShasta Regional Active Transportation Plan,
- Coordination of Consolidated Transportation Service Agency (CTSA) Service Study,
- Transit Technology Plan, and
- Shasta County ITS Strategic Deployment Plan.

The RTP Update is supported by an adopted Participation and Partnership Plan as part of SRTA's Title VI Program. The following public participation activities were undertaken as part of the 2018 update:

- SRTA Board of Directors meetings;
- City council and county board meetings;
- Web postings on SRTA's website;
- Public notices in local newspapers and via social media;
- Online forums;
- Public workshops;
- Community survey;
- Notices to local, state, and federal agencies with an interest in the region; and
- Public review period.



Chapter 6

Functional Review

The Shasta Regional Transportation Agency (SRTA) is the Regional Transportation Planning Agency for Shasta County. SRTA is an independent public entity governed by a board of directors consisting of three members of the Shasta County Board of Supervisors; one member each from the cities of Anderson, Redding, and Shasta Lake; and one member from the Redding Area Bus Authority (RABA). SRTA administers over \$24 million annually in state and federal funds for transportation projects.

SRTA's mission statement reads as follows: "Maximize state, federal, and other revenues for cost-effective transportation investment strategies that connect communities, people, and goods." SRTA's staff is committed to this mission, and the Executive Director emphasized the "maximize" element of the mission statement during the audit site visit. He views SRTA as the "financial advisor for transportation," with a constant focus on which funds can be used to leverage other funds to bring the greatest benefit to Shasta County.



A functional review of the Shasta Regional Transportation Agency determines the extent and efficiency of the following functional activities:

- Administration and Management,
- Transportation Planning and Regional Coordination,
- Claimant Relationships and Oversight,
- Marketing and Transportation Alternatives, and
- Grant Applications and Management.

Administration and Management

SRTA is governed by a Board of Directors which meets at least once per quarter, for a total of six meetings per year. All meetings are open to the public and held at the SRTA administrative offices. SRTA's offices are accessible by transit (RABA Routes 5 and 14) as well as accessible to individuals using mobility devices.

The SRTA Board has two committees that provide additional oversight for specific topics:

Fiscal Committee

The Fiscal Committee is comprised of the SRTA Board chair and two board members. Members are appointed each February. It meets on an as-needed basis to provide management oversight related to SRTA financial operations.

Human Resources Committee

The Human Resources Committee is made up of the SRTA Board chair and two board members. Members are appointed each February. It meets on an as-needed basis and provides oversight

Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

regarding human resources matters, including performance reviews of the Executive Director and review of formal grievances.

SRTA also has two advisory committees that include representatives from throughout the county.

Technical Advisory Committee

The Technical Advisory Committee is comprised of representatives from the cities of Anderson, Redding, and Shasta Lake; Shasta County; RABA; Redding Airport; Shasta County Air Quality Management District (AQMD); Shasta Senior Nutrition Program (CTSA); and Caltrans. The TAC reviews and evaluates programs and project for consideration by the Board, and offers recommendations to the Board.

Social Services Transportation Advisory Council (SSTAC)

The SSTAC is made up of nine members per statutory guidelines, all of whom represent groups of under-served transit users. These include:

- One representative of potential transit users who is age 60 or older;
- One representative of potential transit users who is disabled;
- Two representatives of local social service providers for seniors, including one representative of a transportation provider;
- Two representatives of local social service providers for persons with disabilities, including one representative of a transportation provider;
- One representative of a local social service provider for low-income individuals; and
- Two representatives from the local CTSA, including one representative from an operator.

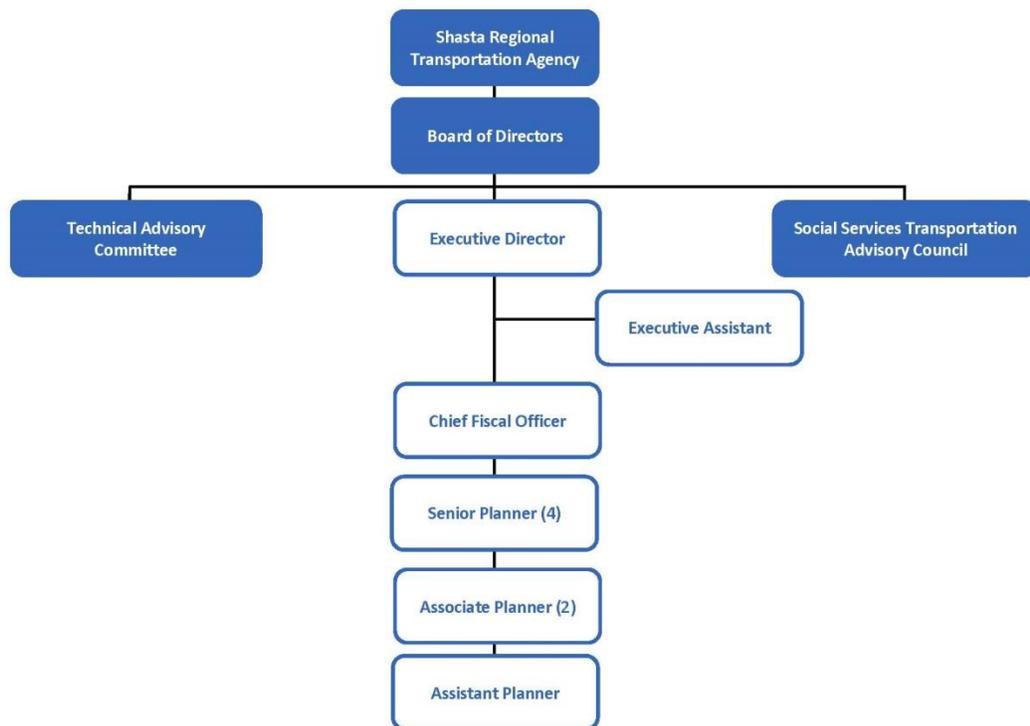
SRTA may also appoint up to nine additional members who represent active transportation users, to participate in the SSTAC and/or serve as alternates.

The SSTAC advises SRTA with respect to the transit needs of the general public, participates in the identification of transit needs in the Shasta region, and reviews and recommends action by SRTA as part of the annual unmet transit needs process.



Reporting directly to the SRTA board is the Executive Director, who oversees a staff of nine. An organizational chart is presented as Exhibit 6.1.

Exhibit 6.1 Organizational Chart (FY 2017/18)



Source: Shasta Regional Transportation Agency.

SRTA provides an appropriate level of administration for regional transportation planning activities. TDA claims are processed in an accurate and timely manner. SRTA management receives and reviews quarterly reports on the progress and financial status of going programs and special projects. The SRTA Board reviews and approves key documents prepared by staff (such as the Regional Transportation Plan, audits, and budget documents) in a timely manner. RABA staff indicated during the site visit that it is satisfied with the support received from SRTA.

SRTA conducts appropriate planning and goal-setting activities, including schedules and milestones for achieving goals and objectives. SRTA is budget and staffing allocations are sufficient and appropriate for reaching these goals and objectives.

SRTA's employees are sufficient in number and qualification for the RTPA to accomplish its functions. In October 2018, staff will ask the Board to approve making the current part-time assistant planner position full-time to more effectively cover core functions. The turnover rate is low. Staff development includes training regarding effective communication as well as that pertaining to specific projects or funding. SRTA also holds a STAR12 membership, through which staff have access to live seminars, on-demand webinars, and other sessions providing training for a broad range of business and professional skills (such as accounting, finance, marketing, project management, and purchasing).

Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Transportation Planning and Regional Controls

Every four years, SRTA updates its Regional Transportation Plan (RTP), which provides overall guidance for transportation planning in the Shasta region. Prior to the 2018 update, SRTA (as a federal air quality attainment region) had only been required to update the RFP every five years, with the most recent update adopted in April 2015. In 2018, changes in the update requirements for the housing element resulting from Senate Bill 375 (which allowed local agencies to update their housing element every eight years) prompted SRTA to move to a four-year cycle.

The RTP draws on the prior document as well as other data and studies pertaining to transportation in the region, and offers appropriate transportation policy guidance. The RTP provides an assessment of transportation trends and challenges in the region as well as looks at usage and conditions for individual modes (streets and roads, public transportation, active transportation, aviation, rail, and freight movement). These assessments include an analysis of strengths, weaknesses, opportunities, and threats through a SWOT analysis. The RTP includes regional transportation projects for the short-term (2018 – 2025) and long-term (2026 – 2040), a 20+ year planning horizon.



SRTA provides ample opportunities for participation from member governments, other local agencies, state and federal agencies, and the general public. The RTP process includes presentations, formal public meetings, and a public review period.

SRTA utilizes the Regional Transportation Plan Checklist for MPOs (revised in March 2018) to ensure its RTP addresses all required information. This checklist is included within the published RTP document and compliance can easily be assessed. The 2018 RTP is scheduled for adoption by the SRTA Board on October 9, 2018.

SRTA uses multiple modeling tools to project transportation demand and VMT. These include:

- ShastaSIM v1.2 Activity-Based Travel Demand Model,
- UPlan urban growth model, and
- California Air Resources Board Emissions FACTors (EMFAC) 2014 model.

The Shasta SIM and CARB models are used to forecast travel demand by trip type, daily vehicle miles traveled (VMT), daily trips per household and trip length, volume/capacity (V/C) ratio, Level of Service (LOS), vehicle hours of delay (VHS), AM/PM peak travel period, peak hour travel speed, travel time to work, emissions impacts, etc. The UPlan model was used during the ShastaFORWARD>> regional blueprint planning project to test growth and development scenarios.

SRTA provides input into planning, zoning, and development projects by regional or local government entities. Staff work closely with whoever is developing the project to make it more accessible to transit, pedestrians, and bikes.

Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

SB-1 funding is allowing SRTA to look at new programs, such as an on-demand Sunday service and an on-demand service in Shasta Lake. SRTA is also looking at fleet electrification, something RABA has been resistant to up to now. RABA was awarded one bus from Proterra through a No/Low Emissions grant, which also includes some charging infrastructure. That bus should be available in about one year. Dignity Health has no-emission vans, which would be used to provide Sunday service.

Claimant Relationships and Oversight

SRTA does not currently have a “productivity committee”. However, it conducts regular monitoring of transit operator performance through the claims process and meetings of the Technical Advisory Committee (TAC). SRTA has determined that operator efforts to implement suggestions and recommendations are reasonable and effective.

SRTA makes technical and managerial assistance available to operators, and is in regular communication with claimants. The RTPA communicates TDA guidance to operators, including the Caltrans Performance Audit Guidebook and TDA handbook and claim forms.

The RTPA has only one operator that is required to submit financial reports, compliance audits, and a triennial performance audit. RABA has been in compliance with all submittals. SRTA processes TDA claims in a timely manner, in a manner consistent with its own rules.



SRTA contracts with an independent auditor to prepare the triennial performance audit for itself and RABA. The prior triennial performance audit was submitted seven months after the state deadline for submittal of such audits (January 2017 vs. June 30, 2016). While SRTA has received the audit, it did not follow TDA guidance regarding withholding RABA’s TDA allocation until the audit was completed.

Marketing and Transportation Alternatives

SRTA does not provide marketing specific for RABA, but does promote transportation in general, particularly through Facebook and Twitter. This promotion includes special programs like the Beach Bus. SRTA is currently working with other jurisdictions (Chico, Lassen, etc.) to launch an intercity service to Sacramento Airport using battery-electric buses. SRTA has conducted surveys, passenger counts, etc.

Social media outreach has been generally successful – followers are increasing and stand at a good level for the size of the organization. One strategy SRTA employed was to get contributions from different staff members, who were assigned a different topic and day of the week and would prepare a draft tweet or Facebook post with a photo. This strategy was effective and did result in an increase in followers. However, given SRTA’s small staff, it was difficult to maintain, as staff had other priorities. A new staffer is working with a consultant to streamline content generation, and two or three staffers are responsible for posting.

SRTA does have a social media policy, but there have not been any issues so far. Social media is primarily used for posting information and sharing things from other agencies, not interaction. There is little if any participation by Board members. The social media policy does state, “All SRTA social media



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

sites and pages will adhere to all applicable federal, state, and local laws, regulations, and policies,” which incorporates the Brown Act through reference to applicable state laws.

A good portion of SRTA’s marketing efforts are in the form of outreach. Giveaways with agency information as participation rewards have boosted engagement and awareness. Every year, as part of the transit needs assessment, the Associate Transportation Planner (who also oversees marketing) rides the RABA buses and interviews passengers to find out what their needs are. When doing so, he is clearly representing SRTA. In many cases, SRTA likes to piggyback onto an existing event. For the GoShasta Active Transportation Plan, SRTA did several outreach events. These included a food truck event in Anderson and a presence at the Redding farmer’s market, Shasta Lake Century Market, and Redding Sundial Bridge.



Marketing is an essential part of SRTA’s business activities, but none of the small number of staff are marketers. They would like to have a part-time marketer, but admit they are learning a lot by doing it more organically on their own. SRTA promotes the GoShasta Active Transportation Plan, Beach Bus program and bike lanes. Promotion of the bike lanes has been particularly effective, and has resulted in a more bike-friendly atmosphere within the city.

Grant Applications and Management

While SRTA does not typically write grants on behalf of claimants, it does review and coordinate applications, and may assist in preparing financial feasibility plans or planning or establishing programs, policies, and procedures. SRTA and RABA generally apply for a broad range of federal and state grants, including Federal Transit Administration (FTA) formula grants, FTA planning grants, Federal Highway Administration (FHWA) grants, and ARRA and TIGGER funding. State and local grants include SB-1/State of Good Repair, LCTOP, TIRCP capital rail program, TSEP, CTEP, and Proposition 84. SRTA also identifies appropriate applicants based on individual grant opportunities. However, it is up to the applicant to actually move forward with the application.

While RABA has not been denied a grant award due to errors or omissions in the grant application, it did lose some money from its FTA 5339 grant when that grant switched over from MAP-21. RABA did not lose the grant, but did miss out on some funding due to the timeframe.

Challenges within the last three years have included the increased complexity of grant requirements, requirements to obtain funding in general, and reporting requirements (including DBE reporting). They are more time-consuming and constantly require more complex calculations and allocations, which requires a lot of staff time. Staff also have to adjust budget documents to fit in toll credits. This is part of the reason staff would like to convert the current part-time planner position to full-time.

SRTA recently received funding (approximately \$8 million) for the North State Intercity Connect project. The grant will purchase seven battery-electric buses to operate a route from Redding to the Sacramento

Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Airport. SRTA is currently exploring options for infrastructure. The RTPA is not interested in being the operator for the service, but wishes to identify an operator. Buses should be procured by January 2019, with implementation by the end of 2019.



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Findings and Recommendations

Conclusions

With three exceptions, Moore & Associates find Shasta Regional Transportation Agency, functioning as the RTPA, 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. The compliance findings and the recommendations for their resolution are detailed below.

Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. SRTA submitted its State Controller Report for FY 2016/17 after the stipulated deadline.
2. Despite completing the prior Triennial Performance Audit for the Redding Area Bus Authority in January 2017, SRTA continued to allocate TDA funding to RABA during the period between the start of the second fiscal year following the end of the triennium and the completion of the audit.
3. While SRTA properly submitted its prior Triennial Performance Audit to Caltrans in February 2016, SRTA did not provide any evidence it certified the RABA Triennial Performance Audit had been completed in January 2017.

Moore & Associates also identified one additional functional finding. While this finding is not a compliance finding, we feel warrants being addressed within this review.

1. While SRTA updated its Transportation Development Act Handbook and Policies and Procedures in 2017, a review of the document noted internal inconsistency related to the RABA farebox recovery ratio.

In completing this Triennial Performance Audit, Moore & Associates submits the following findings and recommendations for the Shasta Regional Transportation Agency. They have been divided into two categories: TDA Program Compliance Findings and Recommendations and Functional Findings and Recommendations. TDA Program Compliance Findings and Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Findings and Recommendations address issues identified during the TPA that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: SRTA submitted its State Controller Report for FY 2016/17 late.

Criteria: Per CCR 6660, effective FY 2015/16, RTPAs are required to file a Transportation Planning Agency Financial Transactions Report with the State Controller within seven months following the end of the fiscal year.



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Condition: In February 2018, a representative of the State Controller's Office contacted SRTA's CFO via email, noting that the SCO had not received SRTA's report. The CFO responded, stating he had completed the report in December 2017 yet had neglected to submit it. The report was submitted on February 8, 2018, more than a week late.

Cause: While the former CFO was not available to be interviewed as part of this audit, it is likely that he alone was responsible for submitting the report and did not have sufficient reminders in place to alert that the report was due.

Effect: The report was submitted late, causing SRTA to be out of compliance with the TDA.

Recommendation: SRTA should ensure reporting deadlines are clearly documented and monitored so that multiple individuals within the agency have access to them.

Recommended Action(s): With the on-time submittal of the FY 2017/18 report, this issue is already resolved. Deadlines for submitting the report to the State Controller should continue to be assigned to a single individual (such as the CFO), but the deadline should be documented where it can be noted by other SRTA staffers, who can provide a check that the report was actually submitted.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

Compliance Finding 2: Despite the prior Triennial Performance Audit for RABA being completed in January 2017, SRTA continued to allocate TDA funding to RABA in the period between the start of the second fiscal year following the end of the triennium and the completion of the audit.

Criteria: Per PUC 99248, if an operator's triennial performance audit has not been completed by the end of the fiscal year following the last year of the triennium, that operator is not eligible to receive an allocation under Article 4 until the audit has been submitted.

Condition: While SRTA's Chief Fiscal Officer during FY 2016/17 has retired, neither SRTA or RABA staff employed during said period recall any of RABA's TDA funding being withheld due to the late submittal of the Triennial Performance Audit. RABA's Public Works Director recalled that the late audit was due to the auditor, not by any negligence on the part of RABA or the RTPA. Further review of SRTA's LTF and STA payment schedules for the following year show six LTF payments and two STA payments prior to January 2017 that should have been withheld.

Cause: Current SRTA staff were unaware that TDA payments to the operator should have been withheld until the triennial performance audit was submitted.

Effect: By not withholding RABA's TDA allocations until the triennial performance audit was submitted, SRTA is out of compliance with the TDA.



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Recommendation: SRTA staff should work with the auditors preparing subsequent triennial performance audits to ensure audits are submitted on-time and operator allocations are made as planned.

Recommended Action(s): SRTA staff (particularly the Chief Fiscal Officer) should closely monitor the progress of the auditor preparing the triennial performance audit to ensure its timely completion. The CFO and other staff (as appropriate) should become familiar with TDA regulations besides farebox recovery ratio that would affect the allocation and payment of TDA funds to operators.

Timeline: Beginning FY 2018/19.

Anticipated Cost: Negligible.

Compliance Finding 3: While SRTA properly submitted its prior Triennial Performance Audit to Caltrans in February 2016, SRTA did not provide any evidence that it certified the RABA Triennial Performance Audit had been completed in January 2017.

Criteria: CCR 6664.6 requires RTPAs to certify to the Director of Caltrans that triennial performance audits of the operators to which it allocates TDA funding have been completed.

Condition: While the CFO submitted its own triennial performance audit to Caltrans in February 2016, RABA's audit had not been completed at that time. SRTA's Chief Fiscal Officer during FY 2016/17 has since retired, and current staff are unaware of any communications with Caltrans certifying the RABA audit upon its completion in January 2017.

Cause: It is common for all triennial performance audits conducted under a particular RTPA to be completed at the same time. In such cases, it is a simple matter to certify the operator audits in the same letter in which the RTPA provides its own triennial performance audit. Since the RABA audit was completed significantly later than the SRTA audit, either that certification was never submitted or the documentation of it was not maintained for this audit.

Effect: Failing to submit the certification of RABA's audit to Caltrans results in SRTA being out of compliance with the TDA.

Recommendation: SRTA's CFO should ensure it certifies RABA's current triennial performance audit upon completion, even if it is completed at a different time than the SRTA audit.

Recommended Action(s): For the current triennial performance audit engagement, SRTA's audit is scheduled to be completed approximately one month prior to the RABA audit. The CFO may want to delay submitting SRTA's audit to Caltrans until RABA's audit is complete so that both audits will be included within the same letter. That letter should be filed in a location where it can be easily accessed during the next triennial performance audit in FY 2022.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.



Shasta Regional Transportation Agency

Triennial Performance Audit, FY 2015/16 - FY 2017/18

Final Report

Functional Finding 1: While SRTA updated its Transportation Development Act Handbook and Policies and Procedures in 2017, a review of the document noted internal inconsistency related to the RABA farebox recovery ratio.

Criteria: The prior audit recommended an update of SRTA's TDA Handbook to incorporate changes to the TDA included in Senate Bill 508. This was implemented in 2017, but internal inconsistencies were still noted.

Condition: On page 84, the TDA Handbook clarifies that the 15 percent farebox recovery ratio is a blended rate and does not apply to fixed-route service alone. However, on page 17 (last paragraph) it still states that "The SRTA Board of Directors has approved a 15 percent required farebox ratio for the RABA fixed-route service."

Cause: When updating a lengthy document, sometimes the presence of multiple references to a particular topic can result in a failure to change the language every time it occurs.

Effect: When a document includes inconsistencies, it is difficult to know what information takes precedence.

Recommendation: SRTA should review its TDA Handbook and Policies and Procedures to ensure internal consistency throughout.

Recommended Action(s): The TDA Handbook should be thoroughly proofread and revised as needed so that it reflects consistent language. A thorough review of the document by a detail-oriented reviewer should result in the identification of any inconsistencies so they can be easily corrected.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.



Exhibit 7.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	SRTA should ensure reporting deadlines are clearly documented and monitored so that multiple individuals within the agency have access to them.	Low	FY 2018/19
2	SRTA staff should work with the auditors preparing subsequent triennial performance audits to ensure audits are submitted on-time and operator allocations are made as planned.	High	FY 2018/19
3	SRTA's CFO should ensure it certifies RABA's current triennial performance audit upon completion, even if it is completed at a different time than the SRTA audit.	Medium	FY 2018/19
Functional Recommendations		Importance	Timeline
1	SRTA should review its TDA Handbook and Policies and Procedures to ensure internal consistency throughout.	Low	FY 2018/19



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