



# LAKE COUNTY/CITY AREA PLANNING COUNCIL

FINAL REPORT

TRIENNIAL PERFORMANCE AUDIT

MAY 2010



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# 1

## 1. EXECUTIVE SUMMARY

## CHAPTER 1 – EXECUTIVE SUMMARY

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the Lake County/City Area Planning Council for the period defined as:

- Fiscal Year 2006/07,
- Fiscal Year 2007/08, and
- Fiscal Year 2008/09.

The Triennial Performance Audit was 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*, as well as *Government Audit Standards* published by the U.S. Comptroller General. The Triennial Performance Audit includes four elements:

1. Assess compliance requirements,
2. Follow-up of prior performance audit report recommendations,
3. Review Regional Transportation Planning Agency's functions, and
4. Craft findings and recommendations.

Lake County is home to approximately 64,866 residents based on 2008 Census estimates. Approximately 16 percent are seniors (age 65 or above), 16.4 percent mobility-limited (age 16-64), and 18.1 percent low-income; while 6.9 percent of households do not have access to a private vehicle. The county's population grew approximately 11 percent between 2000 and 2008 (from 58,309 to 64,866). State projections estimate Lake County's population will grow to 106,887 by 2050.

The Lake County/City Area Planning Council (APC) is the Regional Transportation Planning Agency (RTPA) for Lake County. As the designated RTPA for Lake County, the APC is responsible for a wide variety of actions supporting a continuous, comprehensive, and coordinated planning process in its area of jurisdiction, including Lake County and its two incorporated municipalities (Clearlake and Lakeport). The APC is responsible for identifying regionally-significant projects and developing funding

strategies to address them. In this regard, the APC is responsible for the development of a Regional Transportation Plan (RTP) and Regional Transportation Improvement Plan (RTIP). The APC is also responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF). The administration of these funds requires the establishment of a Social Services Transportation Advisory Council, implementation of a public participation process appropriate for Lake County, annual recommendations for productivity improvements for publicly-funded transit operators, completion of an annual fiscal audit of all LTF claimants, and conducting an annual TDA Article 8 “unmet needs” public process.

### Compliance

The Lake County/City Area Planning Council adheres to Transportation Development Act (TDA) regulations with the following exception:

1. The LTA submitted annual fiscal audits late (i.e., past the 180-day filing deadline) for FY 2007/08 and FY 2008/09.

### Prior Recommendations

The prior audit – completed in 2007 by JKaplan & Associates for the three fiscal years ending June 30, 2006 – prescribed three recommendations:

1. Working with the Lake Transit Authority, consider establishing an annual funded work element that will assist the Transit Authority in improving monitoring of the day to day operation.

**Implementation Status:** Implemented.

2. Assist county’s transit operator in developing an abbreviated interim plan document between the periods when a full scale Transit Development Plan is not scheduled for updating.

**Implementation Status:** Partially implemented.

3. Evaluate if the current APC agency staffing allocations will be sufficient to capably manage a growing work program of activities.

**Implementation Status:** Implemented.

### Findings

The following findings apply to the Lake County/City Area Planning Council:

1. The transit operator submitted annual fiscal audits late (i.e., past the 180-day filing deadline) for FY 2007/08 and FY 2008/09.
2. The RTPA has not completely implemented one recommendation from the prior audit.
3. The RTPA has not developed nor adopted a formal policies and procedures manual.
4. The RTPA is not conforming to TDA regulations with respect to the development of ensuing-year LTF apportionment estimates.

### Recommendations

The following audit recommendations apply to the Lake County/City Area Planning Council:

1. Ensure the Lake Transit Authority submits fiscal audits in a timely manner.
2. Work with the Lake Transit Authority to update the financial plan and service evaluation elements of the Transit Development Plan at least once between full updates.
3. Develop a formal policies and procedures manual.
4. Work with the County's Clerk-Auditor to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.

# 2

## 2. AUDIT SCOPE AND METHODOLOGY



## CHAPTER 2 – AUDIT SCOPE AND METHODOLOGY

The Triennial Performance Audit of the Lake County/City Area Planning Council covers a three-year period ending June 30, 2009. The California Public Utilities Code requires all RTPAs to conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

The audit is designed to be an independent and objective evaluation of the Lake County/City Area Planning Council as the designated RTPA for Lake County. The audit has four primary goals:

1. Assess compliance with TDA regulations,
2. Review actions taken by 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 agency.

The audit was 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*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

The Triennial Performance Audit is intended to be a high-level review of performance evaluating the efficiency and effectiveness of the RTPA. The audit of the Lake County/City Area Planning Council included four related tasks:

1. Review of compliance with the TDA requirements and regulations.
2. Assess the implementation of recommendations presented in prior performance audits.
3. Examination of the following functions:
  - Administration and management,
  - Transportation planning and regional coordination,
  - Claimant relationship and oversight,
  - Marketing and transportation alternatives, and

- Grant applications and management.
4. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's major functions.

The methodology for this audit included a site visit on March 29, 2010. During the site visit, the audit team met with management and staff, and discussed program compliance as well as progress made since the prior Triennial Performance Audit.

The audit report is comprised of six chapters divided among three sections:

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

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# 3

## 3. PROGRAM COMPLIANCE

## CHAPTER 3 – PROGRAM COMPLIANCE

This section examines the Lake County/City Area Planning Council's (APC) compliance with the Transportation Development Act (TDA) and 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 TPA findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with APC 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, Overall Work Program (OWP), and other related documentation.

The Lake County/City Area Planning Council adheres to Transportation Development Act (TDA) regulations with the following exception:

1. The transit operator submitted annual fiscal audits late (i.e., past the 180-day filing deadline) for FY 2007/08 and FY 2008/09.

## Exhibit 3.1 Transit Development Act Compliance Requirements

REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
All transportation operators and city/county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund moneys apportioned to that area.	PUC 99231	In compliance.	The RTPA is vigilant in its oversight of TDA funds. No claimants (including APC) claim more than apportioned.
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.	PUC 99233, 99234	In compliance.	
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.	PUC 99238, 99238.5	In compliance.	
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements that could lower the operating costs of those operators 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"> <li>• A committee for the purpose of providing advice on productivity improvements may be formed.</li> <li>• 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.</li> </ul>	PUC 99244	In compliance.	The RTPA and transit operator work collaboratively to develop solutions to issues facing the operator. The APC's SSTAC committee is also active in reviewing LTA performance and making suggestions regarding performance. The LTA transit manager also sits on the Technical Advisory Committee.
The RTPA has ensured that all claimants to whom it allocates 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.	PUC 99245	Finding.	The Lake Transit Authority submitted its annual fiscal audits to the RTPA and State Controller late for FY 2007/08 and FY 2008/09.

REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
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 moneys and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance.	
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	In compliance.	
The performance audit of the operator providing transportation services shall include, but is not limited to, a verification of the operator's cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but is not limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246	In compliance.	

REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	PUC 99270.1, 99270.2	Not applicable.	There are no urbanized operators in Lake County.
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.	
State Transit Assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Prop 116	In compliance.	The RTPA allocates STA funds in accordance with State law.
The amount received pursuant to Public Utilities Code Section 99314.3 by each RTPA for State Transit Assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance.	
<p>If TDA funds are allocated to purchases 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"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238;</li> <li>• Identified transit needs, including: <ul style="list-style-type: none"> <li>- Groups who are transit-dependent or transit-disadvantaged,</li> <li>- Adequacy of existing transit services to meet the needs of groups identified, and</li> <li>- Analysis of potential alternatives to provide transportation</li> </ul> </li> </ul>	PUC 99401.5	In compliance.	TDA funds are only allocated to streets and roads after completion of the unmet needs process.



REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
<p>services;</p> <ul style="list-style-type: none"> <li>Adopted or re-affirmed definitions of “unmet transit needs” and “reasonable to meet”;</li> <li>Identified the unmet transit needs and those needs that are reasonable to meet; and</li> <li>Adopted a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>			
<p>The RTPA has submitted to an audit of its accounts and records by the County auditor, or a certified public accountant, for each fiscal year. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year, and the audit must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the Transportation Development Act and accompanying rules and regulations. Financial statements may not commingle the State Transit Assistance fund, Local Transportation Funds, or other revenues or funds of any city, county or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.</p>	CCR 6642	In compliance.	

# 4

## 4. PRIOR AUDIT RECOMMENDATIONS

## CHAPTER 4 – PRIOR AUDIT 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 the Lake County/City Area Planning Council has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior audit – completed in 2007 by JKaplan & Associates for the three fiscal years ending June 30, 2006 – prescribed three recommendations:

1. *Working with the Lake Transit Authority, consider establishing an annual funded work element that will assist the Authority in improving monitoring of the day-to-day operation.*

**Discussion:** The prior auditor noted the Lake Transit Authority was not actively monitoring day-to-day operations. The auditor recommended the APC include a funded work element within the Overall Work Program (OWP) that would allow the LTA to hire part-time, temporary workers to gather data regarding on-time performance, bus cleanliness, and driver behavior to ensure the operations contractor is meeting its responsibilities and contractual obligations. The data would then be provided to the transit manager who in-turn would use it to gauge contractor performance and report to the APC. This would improve the APC's oversight of program performance.

**Progress:** The APC included within its Overall Work Program funding for daily program performance monitoring for the Lake Transit Authority in 2007. This funding was used to procure and integrated software-hardware solution for the LTA. A competitive procurement resulted in the selection of RouteMatch. The transit manager, as well as contractor staff, have access to the software interface and have worked with the vendor to resolve some issues related to accessing information gathered in rural portions of the LTA's service area. The LTA has the necessary hardware

installed on a number of its vehicles and is including it on all new vehicles as it takes possession.

**Implementation Status:** Implemented.

2. Assist county's transit operator in developing an abbreviated interim plan document between the periods when a full-scale Transit Development Plan is not scheduled for updating.

**Discussion:** The prior auditor noted the APC has historically funded a new Transit Development Plan for the Lake Transit Authority approximately every five years. Given the time between Transit Development Plan updates, the financial figures as well as performance data and standards are outdated long before they are updated. Therefore, the auditor recommend the APC fund an interim document each year focused on updating the financials, program performance, and standards. This would provide the APC a more timely, accurate picture of LTA performance versus the current five-year snapshot.

**Progress:** The APC has included funding for improved Lake Transit Authority performance monitoring through the use of its integrated RouteMatch system. The APC and transit manager also report program performance regularly to the Council. However, no "mini-plans" as described by the prior auditor have been formally developed. The full Transit Development Plan still remains the primary venue through which the LTA and APC modify financial figures and projects, performance data, and performance standards. The LTA did issue a supplement to its Transit Development Plan in 2007 updating the Capital Improvement Plan and Financial Plan. This could serve as a starting point in the development of a template for future interim "mini-plans."

**Implementation Status:** Partially implemented.

3. Evaluate if the current APC agency staffing allocations will be sufficient to capably manage a growing work program of activities.

**Discussion:** The prior auditor noted that while staffing levels were largely sufficient during the prior audit period, some work elements did fall behind schedule. The indicated responsibilities and workloads had expanded significantly from the beginning of the decade to the end of the audit period, with annual budgets for the Overall Work Program (OWP) expanding from approximately \$220,000 to as much as \$625,000 annually. While some of this expanded work was handled through the use of consultants, it still consumes staff time to conduct procurements and manage consultants. Therefore, the auditor recommended the APC evaluate if current staffing allocations are expected to be sufficient moving forward.

**Progress:** The APC reviewed staffing levels and compared them to forecast workloads and determined additional staff was necessary for the agency to be able to effectively meet its responsibilities. The RTPA hired a planner in September 2007, which has significantly helped with dealing with the expanded work activities. However, given the recent recession, transportation funding levels have diminished, forcing some reductions in workload.

**Implementation Status:** Implemented.

# 5

## 5. FUNCTIONAL REVIEW

## CHAPTER 5 – FUNCTIONAL REVIEW

A functional review of Lake County/City Area Planning Council determines the extent and efficiency of the following functional activities:

- Administration and management,
- Transportation planning and regional coordination,
- Claimant relationship and oversight,
- Marketing and transportation alternatives, and
- Grant applications and management.

Although the Triennial Performance Audit covers the period from July 1, 2006 through June 30, 2009, some aspects of the functional review take into consideration events occurring subsequent to June 30, 2009 given the perceived impact on the APC moving forward.

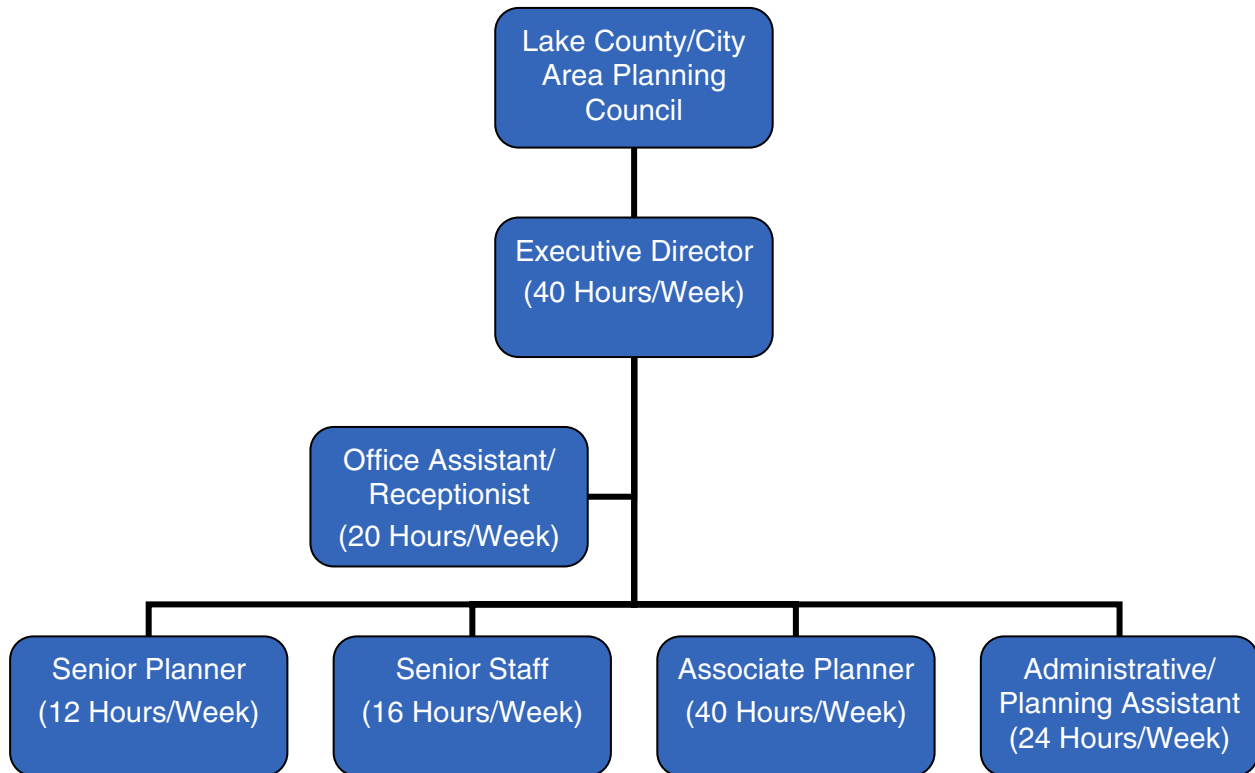
### *Administration and Management*

The Lake County/City Area Planning Council (APC) is the Regional Transportation Planning Agency (RTPA) for Lake County. As the designated RTPA for Lake County, the APC is responsible for a wide variety of actions supporting a continuous, comprehensive, and coordinated planning process in its area of jurisdiction, including Lake County and its two incorporated municipalities (Clearlake and Lakeport). The APC is responsible for identifying regionally-significant projects and developing funding strategies to address them. In this regard, the APC is responsible for the development of a Regional Transportation Plan (RTP) and Regional Transportation Improvement Plan (RTIP). The APC is also responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF). The administration of these funds requires the establishment of a Social Services Transportation Advisory Council, implementation of a public participation process appropriate for Lake County, annual recommendations for productivity improvements for publicly-funded transit operators, completion of an annual fiscal audit of all LTF claimants, and conducting an annual TDA “unmet needs” public process.

The Lake County/City Area Planning Council has six employees through its contract with Dow & Associates: Executive Director, a senior staff member, Senior Planner, Associate Planner, Administrative/Planning Assistant, and Office Assistant/Receptionist.

Dow & Associates is also under contract with the Mendocino Council of Governments (MCOG) to serve as staff. The APC Executive Director and Associate Planner are the only two staff members working solely for the APC. The other four employees split time between the APC and MCOG. Lake APC staff work out of the Dow & Associates office in Ukiah (Mendocino County).

Exhibit 5.1 Organizational Chart



Source: Lake County/City Area Planning Council

During the prior Triennial Performance Audit, the APC kept its administrative (i.e., Executive Director) and planning (i.e., Dow & Associates) functions separate. However, the prior Executive Director retired and the Council expanded Dow & Associates' role to include both planning and administration of the APC. The



Executive Director is responsible for reporting to the Council, carrying out the Council's vision, and management of a staff of five. The APC holds staff meetings every other week to set goals, review progress, and discuss issues brought up during Technical Advisory Committee (TAC) meetings.

The Lake County/City Area Planning Council is governed by a Council, composed of four council members appointed by the Lake County Board of Supervisors (two of whom are County Supervisors and two at-large representatives) and two council members appointed by each municipality. The Council generally meets on the second Wednesday of every month. The Council is responsible for reviewing and adopting key documents including:

- Triennial Performance Audits,
- TDA claims,
- Fiscal and compliance audits,
- Regional Transportation Plan,
- Regional Transportation Improvement Program,
- Contract with Dow & Associates,
- Overall Work Program and Budget, and
- Unmet transit needs process findings.

An Executive Committee was established in 2008 to discuss the contract with Dow & Associates. Since then, the Executive Committee has been convened rarely, and then only for special circumstances. The Committee is composed of the Council Chair, Vice-Chair, and one other member. Other Committees are established by the Council on a project or topic-specific basis and the Council is very flexible with respect to how they operate and respond to different circumstances.

APC staff prepares an annual Overall Work Program (OWP) that details all projects planned for the upcoming year and ties them to funding sources. The OWP clearly ties projects to the agency's goals and objectives – illustrating how each project will ensure they are achieved. The OWP is the primary document guiding APC activities within a given year.

APC staff begins developing the one-year budget in late March. The budget reflects forecast TDA apportionments and other revenues as well as expenses including within the OWP for the coming year. The budget is submitted to the Council in June for adoption.

The APC has not historically received an estimate of the coming fiscal year's Local Transportation Fund (LTF) apportionment from the County's Clerk-Auditor. This does not conform to Transportation Development Act regulations, which state in Article 3, Section 6620: "Prior to February 1 of each year, each county auditor shall furnish to the transportation planning agency an estimate of moneys to be available for apportionment and allocation during the ensuing fiscal year." Lacking a formal estimate from the Clerk-Auditor, the APC Executive Director has historically developed her own LTF estimate based on the actual estimate received during the prior year.

#### [Transportation Planning and Regional Coordination](#)

The Regional Transportation Plan (RTP) serves as the backbone for all transportation planning activities in Lake County. State law mandates the APC adopt and regularly update an RTP for the Lake County "region." Following adoption, the APC must submit the RTP to the California Transportation Commission (CTC) and Caltrans. The purpose of the RTP is to establish regional goals, identify present and future needs, deficiencies, and constraints, analyze potential solutions, estimate available funding and propose investments.

Regional Transportation Plan Guidelines were last updated in April 2010 to reflect the passage of SAFETEA-LU and planning requirements of SB 375. The new guidelines require RTPAs to update their RTPs at least every five years. The Regional Transportation Improvement Program (RTIP) is defined as a constrained four-year prioritized list of all transportation projects that are proposed for federal, state and local funding. The RTIP is developed and adopted by the APC and is updated every two years. It is consistent with the RTP and it is required as a prerequisite for Federal funding. The APC updates its RTP every five years, with

every other “update” constituting a full “re-write” from the ground up. Development of the RTP is handled entirely in-house by APC staff, though some environmental work (i.e., CEQA) is performed by consultants as necessary.

The current RTP for Lake County was adopted in 2005. Staff is working on an update at present and anticipates it will be complete and adopted later this calendar year.

The RTP is organized by “mode,” with each chapter discussing a specific element of the regional transportation network:

- State Highway System,
- Backbone Circulation and Local Roads,
- Non-Motorized Transportation,
- Transit System,
- Aviation System, and
- Tribal Transportation System.

Each chapter includes a definition/description of the “mode,” a needs assessment, a policy element detailing goals and objectives (in the case of the Transit System Element, goals and policies are detailed for both the LTA and the APC), and action plan, and a financing element. The document also discusses progress made in implementing projects included within the prior RTP.

#### Claimant Relationship and Oversight

As the designated RTPA and a trusted source of transportation-related knowledge (as well as the conduit through which money passes), the APC interacts frequently with its TDA claimant (Lake Transit Authority). Staff clearly understands the important role they play in oversight of TDA funds for the LTA. The APC is extremely careful to follow all regulations with regard to the amount of LTF money it claims for administrative purposes and did not exceed its maximum claim during the audit period.

In addition to its role in distributing funding to claimants, the APC also provides assistance to the LTA through meetings, phone and email correspondence, and site visits. Examples of technical and managerial assistance include meetings to prepare the TDP, release of TDA apportionment data and federal revenue estimates, monitoring of various funding programs, updates to federal funding formulas, and administration of TDA claims. One shortcoming is the lack of a formal, written policies and procedures manual that could be distributed to the LTA and made available to the public. A policies and procedures manual would detail the TDA claims process, required documentation, and eligible programs. The APC Executive Director also serves as the LTA Executive Director and is vigilant with respect to following-up on recommendations included within Triennial Performance Audits.

“Unmet transit needs” hearings are required by TDA in counties where claims can be made for streets and roads. All Council meetings include a stipulated agenda item wherein the public can comment on unmet needs throughout the county. The APC conducts the annual unmet transit needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). Based upon a review of documentation and public testimony, the APC makes a determination whether there are unmet transit needs that are reasonable to meet. A resolution of the findings is then adopted by the Council.

#### [Marketing and Transportation Alternatives](#)

The APC launched a website during the prior audit period to keep up with evolving trends. The website is full of information, ranging from a roster of current Council members to planning and budgetary documents. Interested parties can access information about current and past projects and access links to other relevant organizations.

The APC also publishes a newsletter twice annually and distributes it to all residents of the County and to a list of persons and organizations expressing interest in keeping up-to-date on APC programs and activities. The newsletter provides a summary of key transportation issues facing Lake County and projects

funded through the agency. Media releases are developed and distributed on a project/topic-specific basis.

APC staff also conducts significant public outreach on a project-specific basis. These efforts include responding to public inquiries, interviews with media, and convening public meetings.

#### Grant Applications and Management

One of the APC's key responsibilities is to apply for, and manage transportation-related grants for the region. APC staff works with Technical Advisory Committee (TAC) members to identify potential projects which are then included within the OWP. The APC staff then identifies grant opportunities and writes grants regularly, based on needs identified in the OWP. Staff review projects included within the OWP to ensure grants are appropriate given their scope and that matching funds are available should the grant be awarded. APC staff also develops monthly and quarterly progress reports on all projects listed within the OWP.

# 6

## 6. FINDINGS AND RECOMMENDATIONS

## CHAPTER 6 – FINDINGS AND RECOMMENDATIONS

Following discussions with APC staff, analysis of program performance, and a review of program compliance and function, Moore & Associates, Inc. has identified the following findings:

1. The transit operator submitted annual fiscal audits late (i.e., past the 180-day filing deadline) for FY 2007/08 and FY 2008/09.
2. The RTPA has not completely implemented one recommendation from the prior audit:
  - Assist county's transit operator in developing an abbreviated interim plan document between the periods when a full-scale Transit Development Plan is not scheduled for updating.
3. The RTPA has not developed nor adopted a formal policies and procedures manual.
4. The RTPA is not conforming to TDA regulations with respect to the development of ensuing-year LTF apportionment estimates.

The following recommendations apply to the Lake County/City Area Planning Council:

**Recommendation 1:** Ensure the Lake Transit Authority submits fiscal audits in a timely manner.

**Discussion:** Public Utilities Code Section 99245 requires RTPAs to ensure transit operators in receipt of TDA Article 4 funds to submit annual fiscal and compliance audits to its RTPA and State Controller within 180 days following the end of the fiscal year, or secure the appropriate 90-day extension. The Lake Transit Authority submitted fiscal audits for FY 2007/08 and FY 2008/09 on February 25, 2009 and March 29, 2010, respectively. These dates lie beyond the 180 days past the end of the fiscal year covered by each fiscal audit.

**Recommended Action(s):** The APC should work closely with the LTA and the independent auditor in the future to ensure audits are submitted within 180 days of the end of the respective fiscal year.

**Timeline:** The APC should begin enforcing the fiscal audit submission timeline beginning with LTA's FY 2009/10 fiscal audit.

**Anticipated Cost:** Negligible.

*Recommendation 2: Work with the Lake Transit Authority to update the financial plan and service evaluation elements of the Transit Development Plan at least once between full updates.*

**Discussion:** This recommendation is modified and carried forward from the prior audit. The prior auditor noted the APC has historically funded a new Transit Development Plan for the Lake Transit Authority approximately every five years. Given the lag between Transit Development Plan updates, the financial figures as well as performance data and standards are outdated long before they are updated. The auditor recommended the APC fund an interim document each year focused on updating the financials, program performance, and standards. This would provide the APC a more timely, accurate picture of LTA performance versus the current five-year snapshot. We believe this recommendation remains valid, particularly in light of the dynamic funding climate that has rendered financial forecasts included within the LTA's 2008 TDP inaccurate.

**Recommended Action(s):** We recommend APC include within the OWP a work element devoting either staff time or funding for an outside consultant to update the service evaluation, performance measurement system (i.e., goals, objectives, performance standards), and financial elements of the Transit Development Plan at least once between full updates of the TDP.

**Timeline:** The APC should include this work element within its next OWP to allow completion of a TDP "mini-plan" in FY 2010/11 if funding and time permits. If not, the mini-plan will be completed in FY 2011/12.



**Anticipated Cost:** No more than \$8,000 to \$10,000 in consultant fees or the equivalent in APC/LTA staff time.

**Recommendation 3:** *Develop a formal policies and procedures manual.*

**Discussion:** The APC does not currently have a formal, written policies and procedures manual that could be distributed to the LTA and made available to the public. A policies and procedures manual would detail the TDA claims process, required documentation, and eligible programs. The APC Executive Director also serves as the LTA Executive Director and is vigilant with respect to following-up on recommendations included within Triennial Performance Audits.

**Recommended Action(s):** We recommend APC staff review policies and procedure manuals used by other similar-sized RTPAs to identify a format as well as set of “best-practices” for such documents. We believe implementing this recommendation will go a long way towards codifying the procedural improvements that have been made by APC staff across the audit period.

**Timeline:** The APC should officially adopt a policies and procedures manual in FY 2010/11.

**Anticipated Cost:** Negligible.

**Recommendation 4:** *Work with the County’s Clerk-Auditor to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.*

**Discussion:** The APC has not historically received an estimate of the coming fiscal year’s Local Transportation Fund (LTF) apportionment from the County’s Clerk-Auditor. This does not conform to Transportation Development Act regulations, which state in Article 3, Section 6620: “Prior to February 1 of each year, each county auditor shall furnish to the transportation planning agency an estimate of moneys to be available for apportionment and allocation during the ensuing fiscal year.” Lacking a formal estimate from the Clerk-Auditor, the APC Executive

Director has historically developed her own LTF estimate based on the actual estimate received during the prior year. APC staff has repeatedly provided written notice of this to County staff but no action has been taken.

**Recommended Action(s):** We recommend APC make it a priority to rectify this situation. This is a common practice among RTPAs in California. It is the Clerk-Auditor's responsibility to provide this estimate to the APC. The APC and County staff need to work together to develop a formal, written procedure and timeline for the development of the estimate each year.

**Timeline:** The Clerk-Auditor should begin providing the APC with LTF apportionments beginning with FY 2011/12. This should be provided to the APC by the Clerk-Auditor by February 1, 2011.

**Anticipated Cost:** Negligible.

#### Exhibit 6.1 Lake County/City Area Planning Council Recommendations

Recommendation		Importance	Timeline
1	Ensure the LTA submits fiscal audits in a timely manner.	Medium	FY 2010/11
2	Work with the LTA to update the financial plan and service evaluation elements of the Transit Development Plan at least once between full updates.	Medium	FY 2010/11
3	Develop a formal policies and procedures manual.	High	FY 2010/11
4	Work with the County's Clerk-Auditor to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.	High	February 2011