



Final Report  
June 2016

# Lake County/City Area Planning Council

## Triennial Performance Audit, FY 2012/13 - FY 2014/15

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## Chapter 1

# Executive Summary

The Triennial Performance Audit of the Lake County/City Area Planning Council (APC) covers a three-year period ending June 30, 2015. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit of themselves and transit operators to which they allocate funding in order to be eligible for continued Transportation Development Act (TDA) funding.

In May 2016, APC selected independent consultant Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA as well as for Lake Transit Authority, the operator to which it allocates funding. Moore & Associates is a general consulting firm specializing in public transportation.

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

- Fiscal Year 2012/13,
- Fiscal Year 2013/14, and
- Fiscal Year 2014/15.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that 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 that 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

APC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner.

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## Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2013 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2012 – included the following recommendation.

1. Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.  
Status: Not implemented.

## Goal Setting and Strategic Planning

The APC establishes goals in its Regional Transportation Plan (RTP). The RTP serves as the backbone for all transportation planning activities in Lake County. 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. The RTP must be adopted by the APC board of directors.

## Findings and Recommendations

Based on the current review, we submit no TDA compliance findings.

We identified one functional finding, which is carried forward from the prior audit.

1. The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates.

In completing this Triennial Performance Audit, we submit the following recommendations for the Lake County/City Area Planning Council as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the 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.

Given there were no compliance findings, only functional recommendations are presented.

### Exhibit 1.1 Summary of Recommendations

Functional Recommendations		Importance	Timeline
1	Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.	Medium	FY 2017/18

## Chapter 2

# Audit Scope and Methodology

The Triennial Performance Audit of the Lake County/City Area Planning Council (APC) covers a three-year period ending June 30, 2015. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit of themselves and transit operators to which they allocate funding in order to be eligible for continued Transportation Development Act (TDA) funding.

In May 2016, APC selected independent consultant Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA as well as for Lake Transit Authority, the operator to which it allocates funding. Moore & Associates is a general consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of APC as the designated RTPA for Lake County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their 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 whom it allocates funds.

We conducted this performance review in accordance with generally accepted government auditing standards. Those standards require that 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 that 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.

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

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

The methodology for this review also included interviews on May 31, 2016, with Lisa Davey-Bates (Executive Director), Alexis Pedrotti (Administrative/Planning Assistant), and Phil Dow (Senior Planner) at APC offices located at 367 N State St. in Ukiah.

The draft report was provided to the APC on June 24, 2016, at which time the RTPA was given the opportunity to address and comment on any issues. Discussions and/or details from those responses were subsequently incorporated into this report, up to and including the elimination or revision of some recommendations based upon this discussion. Management responses to initial findings and recommendations are included in Section 7 of this report.



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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:
  - 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 Lake County/City Area Planning Council'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 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, Board actions, and other related documentation.

APC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner.

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Exhibit 3.1 Transportation 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 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	Not applicable	The RTPA issues a call for projects for bicycle and pedestrian projects. Submittals are reviewed by the TAC and recommended to the APC Board. These projects are funded under a 2 percent allocation of LTF.
The RTPA has established a Social Service 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 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	In compliance	
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	

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REQUIREMENT	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)	In compliance	This email communication to Caltrans was dated September 23, 2013.
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 PUC 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 PUC Section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and non-urbanized areas and new urbanized areas.	PUC 99270.1, 99270.2	Not applicable	There are no urbanized areas within 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 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	

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REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
<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 RTPA 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 services;</li> </ul> </li> <li>• Adopted or re-affirmed definitions of “unmet transit needs” and “reasonable to meet”;</li> <li>• Identified the “unmet transit needs” and those 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” 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>PUC 99401.5</p>	<p>In compliance</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 State Transit Assistance fund, local transportation funds, or other revenues or funds of any city, county or other agency.</p>	<p>CCR 6662</p>	<p>In compliance</p>	<p>FY 2012/13: April 2, 2014            FY 2013/14: April 27, 2015            FY 2014/15: April 4, 2016</p>

## 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 the Kern Council of Governments has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior review – completed in 2013 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2012 – prescribed one functional recommendation.

1. Continue to work with the County's Auditor-Controller to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.

**Discussion:** This recommendation was carried forward from the prior two audit cycles. While this recommendation had not yet been implemented by the end of FY 2011/12, it is through no fault of APC staff.

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 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. The prior two audits recommended APC make it a priority to rectify this situation. This is a common practice among RTPAs in California. It is the Auditor's responsibility to provide this estimate to the APC.

Prior auditors noted that APC staff has consistently reached out to the County's Auditor-Controller regarding this issue. The Executive Director continued to estimate LTF, and has done so fairly accurately for the last few years.

**Progress:** The County Auditor-Controller's office still does not provide an LTF estimate. There has been some turnover in that office. Part of the issue has to do with the direction to prepare the estimate, which has to come directly from the County Auditor, not APC's current contacts in the County Auditor's office. Because no estimate has been provided for more than 10 years, the practice of not doing so is now long established. This presents a significant stumbling block for APC staff, who have little power to resolve the issue.

**Status:** Not implemented.

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## Chapter 5

# Goal Setting and Strategic Planning

This chapter analyzes the Lake County/City Area Planning Council's goal setting and strategic planning process.

APC establishes goals in its Regional Transportation Plan (RTP). The RTP serves as the backbone for all transportation planning activities in Lake County. 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. The RTP must be adopted by the APC board of directors.

The APC formerly updated its RTP every five years, with the most recent update concluded in 2010. APC staff began working on an update in 2015, but decided it would be beneficial to synchronize RTP updates with the Regional Housing Needs Allocation (RHNA) cycle, which is conducted every eight years. Therefore, APC now plans to update its RTP every four years, and received a one-time waiver to delay the update process to synchronize with the RHNA cycle. The current update is now underway, with adoption scheduled for 2017.

At the core of the 2010 RTP are five overarching goals:

- Coordinate, support and encourage regional planning activities in Lake County (across jurisdictional boundaries).
- Support Complete Streets planning to improve connectivity of the transportation system.
- Facilitate and promote transit, bicycling, walking to reduce vehicle trips in Lake County to help reduce Greenhouse Gas Emissions.
- Reduce and mitigate environmental impacts of current and future transportation projects.
- Increase funding for transportation planning, design and construction.

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## Chapter 6

# Functional Review

A functional review of the Lake County/City Area Planning Council determines the effectiveness 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

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 eight total employees, all through contracts with Dow & Associates and Davey-Bates Consulting. The employees through the planning contract with Dow & Associates are the senior project manager, Senior Planner, Project Manager, and Administrative Assistant/Receptionist. The employees through the administrative contract with Davey-Bates Consulting are Executive Director, Program Manager, Administrative/Planning Assistant, and Reception/Office Assistant.

Management of Lake APC has long been provided by Dow & Associates. A Caltrans audit conducted in 2013 identified a potential conflict of interest with the Dow & Associates contract, as planning and administrative duties were under the same Professional Services Agreement (PSA). No actual improprieties were alleged, but the audit recommended a series of recommendations including the need to contract for planning and administrative services under separate contracts. In response, APC separated the planning and administrative functions and issued bid requests for these specific services. Effective October 2015, Dow & Associates became the contractor for all Planning activities and Davey-Bates Consulting became the contractor for Administration of Lake APC, the result of a competitive bid process. Essentially, the same personnel are assigned to conduct planning and administrative duties for APC, which increased costs to APC by 30 percent due to increased overhead associated with separate

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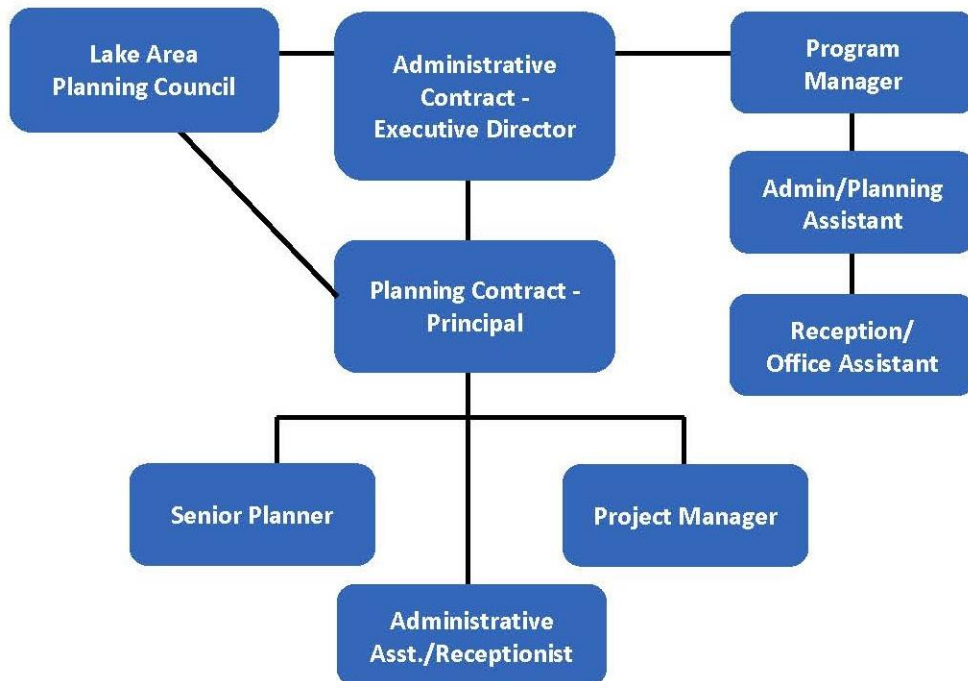
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companies. However, this arrangement satisfied the Caltrans requirement to remove a potential conflict of interest.

Dow & Associates and Davey-Bates Consulting are also under a similar contract for operation of the Mendocino Council of Governments (MCOG). The APC Executive Director and the Senior Planner (a position currently vacant) are the only two staff members working full-time for the APC. Lake APC staff work out of the Dow & Associates offices and Davey-Bates Consulting offices, both located in Ukiah (in neighboring Mendocino County).

Exhibit 6.1 APC Organizational Chart



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, which generally take place on the third Thursday of the month.

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 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,

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- Contract with Dow & Associates,
- Contract with Davey-Bates Consulting,
- Overall Work Program and Budget, and
- Unmet transit needs process findings.

An Executive Committee was established in 2008. The Executive Committee has been convened rarely, and then only when specific topics need focused discussion prior to their consideration by the Board as a whole. The Executive Committee is composed of the Council Chair, Vice-Chair, and one other member. A Policy Advisory Committee, Social Services Transportation Advisory Council, and Technical Advisory Committee also provide input. 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.

The Board approves the OWP, providing insight into each year's projects. A Fourth-Quarter summary is prepared every year. The Board also corresponds with the Technical Advisory Committee throughout the 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 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 Auditor, the APC Executive Director has historically developed her own LTF estimate based on the actual estimate received during the prior year.

Ongoing projects and programs are monitored through monthly and quarterly claims. Claim narratives are submitted to Caltrans, which summarizes any progress done per project and includes invoices for expenses. For monthly billings, spreadsheets are tracked against budgets.

### 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.

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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. Information from the plan is collected from the Technical Advisory Committee as well as coordination with the County and cities. Every other update constitutes a full rewrite from the ground up.

The APC formerly updated its RTP every five years, with the most recent update concluded in 2010. APC staff began working on an update in 2015, but decided it would be beneficial to synchronize RTP updates with the Regional Housing Needs Allocation (RHNA) cycle, which is conducted every eight years. Therefore, APC now plans to update its RTP every four years, and received a one-time waiver to delay the update process to synchronize with the RHNA cycle. The current update is now underway, with adoption scheduled for 2017.

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,
- Bicycle and Pedestrian,
- Transit,
- Tribal Transportation, and
- Aviation.

Chapters include goals and objectives; issues, problems, and challenges; performance measures; action plan; and potential funding sources for each “mode.” The document also discusses progress made in implementing projects included within the prior RTP. The “policies” section was updated thoroughly during the prior update.

During the current RTP cycle APC is getting input from local agencies regarding its Active Transportation Program plan, which will feed into the Bicycle and Pedestrian element of the RTP. Overall, there aren’t expected to be many big changes to this RTP.

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, most recently in December 2011. It is consistent with the RTP and it is required as a prerequisite for Federal funding.

During the audit period, the APC worked to implement elements from its Non-Emergency Medical Transportation Plan. A reimbursement program for volunteer drivers was among the implementations. The plan is anticipated to be fully implemented in three years.

### 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.

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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. APC also supports LTA through transit planning. An example of a current project is a transit hub relocation plan—APC handled procurement, worked with a consultant in development of the plan, facilitated an open house, and other activities.

“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’s website ([lakeapc.org](http://lakeapc.org)) provides a broad range 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.

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. LTA is responsible for its own marketing activities.

### 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.

APC administrators report that reduced funding compared to historical levels has forced cutbacks on work program projects. Street repairs are behind schedule and technology for local agencies is becoming outdated.

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# Findings and Recommendations

### Conclusions

With one exception, we find the Lake County/City Area Planning Council, 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 finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

### Preliminary Findings and Recommendations<sup>1</sup>

Based on the current review, we submit no TDA compliance findings.

We identified one functional finding, which is carried forward from the prior audit.

1. The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates.

### Preliminary Recommendations

In completing this Triennial Performance Audit, we submit the following recommendations for the Lake County/City Area Planning Council as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the 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.

Given there are no compliance findings, only functional recommendations are provided.

### Preliminary Functional Recommendations

**Recommendation 1:** Continue to work with the County's Auditor-Controller to ensure the APC receives an estimate of the ensuing year's LTF apportionment by February 1 of each year.

**Discussion:** This recommendation is carried forward from the prior audit. While this recommendation has not yet been implemented, it is through no fault of APC staff. Despite changes in staffing, there is little priority placed on this issue by the Auditor's office. Staff has consistently reached out to the County's Auditor-Controller regarding this issue. The Executive Director continues to estimate LTF, and has done so fairly accurately for the last few years.

Because no estimate has been provided for more than 10 years, the practice of not doing so is now long established. This presents a significant stumbling block for APC staff, who have little power to resolve the issue.

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<sup>1</sup> Final Findings and Recommendations begin on page 22.

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**Recommended Action(s):** APC's Executive Director should continue to reach out to the County Auditor-Controller's office regarding the annual LTF estimate. Alternately, the APC could work with Caltrans to become exempt from this requirement, and thereby invalidate future recommendations.

**Timeline:** FY 2017/18.

**Anticipated Cost:** Negligible.

**Management Response:** Management concurred with the recommendation and offered no further comment.

### Final Findings and Recommendations

Based on the current review, we submit no TDA compliance findings.

We identified one functional finding, which is carried forward from the prior audit.

1. The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates.

### Elements of Final Findings and Subsequent Recommendations

In completing this Triennial Performance Review, we submit the following findings and recommendations for Lake County/City Area Planning Council. 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.

Given there are no compliance findings, only functional recommendations are presented.

### Functional Findings and Recommendations

**Functional Finding 1:** 1. The RTPA is not conforming to TDA regulations with respect to the development of LTF apportionment estimates.

**Criteria:** This recommendation is carried forward from the prior audit. Transportation Development Act regulations 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."

**Condition:** 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. Despite changes in staffing, there is little priority placed on this issue by the Auditor's office. Staff has consistently reached out to the County's Auditor-Controller regarding this issue. The Executive Director continues to estimate LTF, and has done so fairly accurately for the last few years.

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**Cause:** Changes in staffing within the Auditor’s office, a lack of understanding regarding the TDA, and overall lack of priority for this requirement are all contributing factors.

**Effect:** The APC continues to not conform to TDA regulations with respect to LTF.

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

**Recommended Action(s):** APC’s Executive Director should continue to reach out to the County Auditor-Controller’s office regarding the annual LTF estimate. Alternately, the APC could work with Caltrans to become exempt from this requirement, and thereby invalidate future recommendations.

**Timeline:** FY 2017/18.

**Anticipated Cost:** Negligible.

Exhibit 7.1 Summary of Recommendations

	Functional Recommendations	Importance	Timeline
1	Continue to work with the County’s Auditor-Controller to ensure the APC receives an estimate of the ensuing year’s LTF apportionment by February 1 of each year.	Medium	FY 2017/18