

Ventura County Transportation Commission



Triennial Performance Audit, FY 2019/20 - FY 2021/22 City of Ojai



**FINAL REPORT
APRIL 2023**

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Chapter 1 | Executive Summary

In 2022, the Ventura County Transportation Commission (VCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the 10 transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

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

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

- Fiscal Year 2019/20,
- Fiscal Year 2020/21, and
- Fiscal Year 2021/22.

The City of Ojai operates the Ojai Trolley, a fixed-route service linking key trip generators along Maricopa Highway and Ojai Avenue within Ojai as well as the unincorporated areas of Meiners Oaks and Mira Monte. The County of Ventura provides TDA funding to the City to serve areas outside city limits. The City is a member of the Gold Coast Transit District. ADA Paratransit service in Ojai is provided by Gold Coast ACCESS.

Service is operated every day except for designated holidays. The two routes, Route A and Route B, primarily operate along the same alignment, although Route A serves Whispering Oaks and East End, while Route B serves the Ojai Valley Inn. Route B is currently suspended due to a driver shortage arising from the COVID-19 pandemic.

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

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

The Triennial Performance Audit includes five elements:

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

Test of Compliance

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Status of Prior Recommendations

The prior audit – completed in April 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included four recommendations:

1. [Expand marketing efforts to attract new riders and reverse the significant ridership loss.](#)
Status: No longer relevant.
2. [Continue to utilize local supplementation to ensure compliance with the farebox recovery ratio while implementing service changes in an effort to reduce operating cost and increase ridership/fare revenue for the City’s fixed-route service.](#)
Status: No longer relevant.
3. [Develop and utilize a process to ensure data is compiled and reported consistently.](#)
Status: Implementation in progress.
4. [Transit staff should thoroughly review any reports prepared by Finance prior to submittal.](#)
Status: Not implemented.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for the City of Ojai.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The City’s performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.

In completing this Triennial Performance Audit, we submit the following recommendations for the City of Ojai’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the

TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	The City's performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.	Medium	FY 2023

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Ojai’s public transit program covers the three-year period ending June 30, 2022. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2022, the Ventura County Transportation Commission (VCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the 10 transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

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

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

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

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

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

Scope

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

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

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

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;

- Accident/road call logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with City representatives on March 3, 2023. The audit team met with Phil Pulley (Transit Operations Specialist), Pam Greer (Finance Director), and Daniel Cruz (Accounting Supervisor), and reviewed materials germane to the triennial audit.

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

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

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Chapter 3 | Program Compliance

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

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

No compliance issues were identified for the City of Ojai.

Developments Occurring During the Audit Period

The FY 2019/20 – FY 2021/22 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how COVID-19 impacted the organization, but how it responded to the crisis.

In the 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provides temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provides additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2022/23.
2. Waives the annual productivity improvement requirement of Section 99244 through FY 2022/23.
3. Adds a temporary provision exempting operators from farebox recovery ratio requirements through FY 2024/25 provided they expend at least the same amount of local funds as in FY 2018/19.
4. Expands the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
5. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
6. Requires the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22.
7. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also calls for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2019/20: February 2, 2021 FY 2020/21: January 14, 2022 FY 2021/22: January 31, 2023
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2019/20: February 10, 2021 FY 2020/21: March 4, 2022 FY 2021/22: March 31, 2023
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	January 10, 2019 February 3, 2020 February 4, 2021 February 4, 2022
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2019/20: +18.78% FY 2020/21: +14.85% FY 2021/22: +15.21% The City tends to overbudget for its transit program. This was especially the case in the years following COVID-19, as the City hoped to restore Route B service. <i>Source: SCO reports.</i>
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance	FY 2019/20: 16.13% (waived) FY 2020/21: 7.24% (waived) FY 2021/22: 42.87% (inclusive of federal funds) <i>Source: SCO report data.</i>

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	Complementary ADA Paratransit provided by Gold Coast Transit District's ACCESS Paratransit Service
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	City employees are eligible for retirement benefits through CalPERS.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the City of Ojai has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in April 2020 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included four recommendations:

1. [Expand marketing efforts to attract new riders and reverse the significant ridership loss.](#)

Discussion: FY 2016/17, the City’s fixed-route farebox recovery ratio stood at 11.82 percent. In FY 2017/18, the Gold Coast Transit District “swapped” some of the TDA funds that would be allocated to the City of Ojai for Air District funds that could be counted as local supplementation, which enabled the City to meet its 20 percent goal. In FY 2018/19, however, these funds were not available. In addition, the City’s fiscal auditor did not include any local funds to supplement fare revenue (e.g., Ojai Valley Inn route guarantee and advertising program). As a result, the farebox recovery ratio was 15.61 percent. It is possible some of these local funds were included in the fare revenue cited in the audit, as the fare revenue reported in the audit was considerably higher than that reported to outside entities or accounted for in the monthly performance reports.

While inclusion of these additional funds would not have resulted in compliance with the TDA requirement, they should still have been included. Regardless, they should be included in the fiscal audit’s compliance review as individual line items to promote transparency. Failing to include valid revenues can also impact how much of a penalty the City must bear.

The prior auditor recommended the City expand its marketing budget to accommodate more marketing campaigns, community outreach, and public engagement. A good rule of thumb for transit operators marketing is to spend three percent of the operating budget on marketing. In order to increase ridership, the City must position its transit program as a viable option for choice riders; a reliable mobility option; and a good community partner. The more people can interact with and learn about transit, the more likely they are to consider riding. The auditor recommended the City start with a transit marketing plan, so as to optimize the value of every marketing dollar. Marketing could be handled internally or through a third-party contract.

Progress: The COVID-19 pandemic has made it difficult to implement this recommendation. Ridership is only now back to 64 percent of its pre-pandemic level, and while it increases each month, those increases are modest. The biggest increase in ridership can be attributed to the county-wide College and Youth Ride Free programs. While it remains important for the City to strive to increase ridership, doing so through marketing is not likely to have the desired effect. Therefore this recommendation is considered no longer relevant, though the underlying finding that the City needs to increase ridership and revenues remains relevant.

Status: No longer relevant.

2. Continue to utilize local supplementation to ensure compliance with the farebox recovery ratio while implementing service changes in an effort to reduce operating cost and increase ridership/fare revenue for the City's fixed-route service.

Discussion: As noted above, the City experienced challenges in meeting the required 20 percent farebox recovery ratio. The prior auditor recommended the City continue to identify local funding to supplement its farebox recovery ratio, including the Ojai Valley Inn route guarantee and transit advertising. It must work with the TDA fiscal auditor to ensure these revenues are reflected in the farebox recovery ratio calculation in the TDA fiscal audit. However, given these revenue streams were not sufficient to enable the City to meet its farebox recovery ratio threshold in FY 2018/19, the City should be prepared to contribute revenues from the City's General Fund in order to meet the 20 percent minimum.

Progress: Under AB 149, the City may count federal funds in its farebox recovery ratio calculation. Doing so for FY 2021/22 (the first year this legislation was in effect), results in a farebox recovery ratio of 42.87 percent, well above the 20 percent threshold. It should be noted that while this maintains compliance with the farebox recovery ratio, it does not result in any additional operating funds that would be realized if additional (new) local revenue sources were identified.

Status: No longer relevant.

3. Develop and utilize a process to ensure data is compiled and reported consistently.

Discussion: When data reported to the State Controller, National Transit Database, within monthly performance reports, and on the TDA fiscal audits was compared side to side as part of the prior audit, there were some clear discrepancies. Some data appeared to be reported in the wrong place, while other data seemed to repeat data from the prior year. During the preparation of the audit, the Transit Operations Supervisor determined some of the FY 2018/19 reporting included errors, as it drew on data recorded in spreadsheets and workbooks with mistakes and bad formulas. The final version of this report reflected revised data from the monthly performance reports as well as a revised NTD submittal. The spreadsheets and workbooks were updated so that the errors would not carry forward to the FY 2019/20 data.

The prior audit recommended Transit and Finance staff work together to develop a single point of record for the various types of information used in the different reports. This may involve fiscal information (operating cost and revenues) being documented in a system used by Finance and performance data being logged in a spreadsheet used by Transit. Regardless of what system is used, the prior audit noted it should be used consistently for all reports, and any significant discrepancies or variances should be examined as to their cause.

Progress: The Syncromatics system used by the transit program (under the VCTC contract) has continued to be problematic. When he first assumed the role, the Transit Operations Supervisor initially used that data without knowing it was problematic. Since then the issues with the data have been identified and transit staff utilize spreadsheets to track data to ensure it is more reliable. Complete resolution of this issue is still in progress.

Status: Implementation in progress.

4. Transit staff should thoroughly review any reports prepared by Finance prior to submittal.

Discussion: As noted above, the City has experienced some challenges in documenting and reporting data. The prior auditor recommended any City staff who work on preparing the State Controller and NTD reports have a clear understanding of what data should be entered where. Even if Finance is responsible for preparing the reports, it is vital that Transit staff also understand how the reports are put together so that they can provide a “second set of eyes” prior to each report’s submittal. All staff involved with the State Controller’s Report should review the instruction guide for the Transit Operators Financial Transaction Report (available on the State Controller’s website) prior to and as needed during the completion of the report. This should address questions of what revenues or expenses should be entered on which lines. The auditor recommended Transit staff review the reports against the single point of record (cited above) prior to each report being submitted. In addition, if any changes were made to the data between the submittal of the NTD report and submittal of the State Controller Report, a notation should be provided wherever the data is being recorded. Transit staff should also have the opportunity to review the annual TDA fiscal audit prior to its finalization.

Progress: At present, State Controller Reports are completed by an external contractor, and the Transit Operations Supervisor does not recall reviewing them prior to submittal. Likewise, the Finance Director does not review National Transit Database reports prior to submittal by the Transit Operations Supervisor.

Status: Not implemented.

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Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the City of Ojai both internally as well as to outside entities during the audit period.

- **Operating cost:** The most significant issue with operating cost was in the FY 2020/21 and FY 2021/22 fiscal audits, which reported the amount of LTF received as the operating cost. This figure was also used to calculate the farebox recovery ratio that year, which resulted in an artificially high farebox recovery ratio. However, this was incorrect, as the actual farebox recovery ratio must be based off of the full operating cost of the transit program, less allowable exclusions.

The operating cost reported to the NTD is, in some years, closer to the operating cost inclusive of depreciation, which is excluded from the operating cost from the State Controller report. However, the depreciation amount does not fully align with the variance, so the cause is unknown.

- **Fare Revenue:** Differences in fare revenue are often due to some sources (such as the fiscal audit) including route guarantees as fare revenue, while they may not be labeled fare revenues in other reports. Fare revenues in FY 2019/20 were reported differently in each report, but consistency improved in subsequent years.
- **Vehicle Service Hours (VSH):** In FY 2019/20, different vehicle service hours were reported in the three different reports. In FY 2020/21 and FY 2021/22, data reported to the NTD and State Controller Reports were largely consistent, though higher than in the monthly performance reports.
- **Vehicle Service Miles (VSM):** In FY 2019/20, different vehicle service miles were reported in the three different reports. VSM reported to the State Controller is obviously in error, as it is less than 10 percent of that reported elsewhere. In FY 2020/21 and FY 2021/22, data reported to the NTD and State Controller Reports were largely consistent, though higher than in the monthly performance reports.
- **Passengers:** Ridership was the most consistently reported metric, despite the FY 2019/20 NTD report being higher than data reported elsewhere.
- **Full-Time Equivalent (FTE) Employees:** The City demonstrated correct calculation of FTE in documentation submitted as part of this audit, but this did not match the data reported to the State Controller. It appears a person-count was reported on the State Controller Reports.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$727,641	\$124,666	\$111,550
<i>National Transit Database</i>	\$732,334	\$806,495	\$733,466
<i>State Controller Report</i>	\$695,896	\$695,959	\$631,137
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$111,664	\$30,627	\$79,785
<i>National Transit Database</i>	\$74,464	\$30,851	\$39,335
<i>State Controller Report</i>	\$62,464	\$30,627	\$39,325
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	6,597	4,320	4,233
<i>National Transit Database</i>	6,350	4,654	4,649
<i>State Controller Report</i>	6,737	4,667	4,654
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	86,864	53,150	52,283
<i>National Transit Database</i>	81,200	64,799	62,878
<i>State Controller Report</i>	7,494	61,725	62,875
Passengers			
<i>Monthly Performance Reports</i>	57,701	30,758	37,069
<i>National Transit Database</i>	61,650	30,758	37,070
<i>State Controller Report</i>	57,701	30,758	37,070
Full-Time Equivalent Employees			
<i>State Controller Report</i>	15	12	12
<i>Per City methodology</i>	6	5	4

Chapter 6 | Performance Analysis

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

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

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

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

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

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

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period²:

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

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

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

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

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

Employees

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

Fare Revenue

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

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

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

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the City's audited financial reports and National Transit Database report and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses. However, the variances between reports called into question which one accurately reflects the costs for the City's transit services.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City's calculation methodology appears consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for for each fiscal year covered by this audit. The City's calculation methodology appears consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. The City's calculation methodology appears consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from data submitted by the City for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

System-wide, operating cost experienced a net 9.3 percent decrease during the audit period, and a 10.3 percent net decrease across the last six years. Fare revenue, however, steadily decreased through FY 2020/21 before significantly increasing in FY 2021/22. This resulted in a net 37 percent decrease during the audit period and a net 48.2 percent decrease over six years.

Vehicle service hours (VSH) experienced modest changes between FY 2016/17 and FY 2018/19, then declined significantly during FY 2019/20 and FY 2020/21 due to the COVID-19 pandemic. This resulted in a net 30.9 percent decrease during the audit period and a net 44.4 percent decrease during the six-year period. This is due primarily to the suspension of Route B due to staffing shortages. Vehicle service miles (VSM) fluctuated during the six-year period, with declines in FY 2019/20 and FY 2020/21 for the same reason. This resulted in an overall net increase of 22.6 percent during the audit period and an 41.6 percent decrease over the six-year period. Ridership declined every year with the exception of FY 2021/22. The significant declines did not occur until FY 2019/20 and FY 2020/21 in response to the COVID-19 pandemic. Ridership began recovering in FY 2021/22. This resulted in a 35.8 percent net decrease during the audit period and a 65.7 percent net decrease across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Despite the decreased operating cost in FY

2020/21, cost-related metrics increased during the audit period. Operating cost per passenger increased by 41.2 percent during the audit period. Passenger-related metrics fell during the audit period, with passengers per VSH decreasing by 7.0 percent and passengers per VSM decreasing by 17 percent.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Operating Cost (Actual \$)	\$703,946	\$766,969	\$709,780	\$695,896	\$695,959	\$631,137
<i>Annual Change</i>		9.0%	-7.5%	-2.0%	0.0%	-9.3%
Fare Revenue (Actual \$)	\$75,860	\$73,576	\$74,835	\$62,464	\$30,627	\$39,325
<i>Annual Change</i>		-3.0%	1.7%	-16.5%	-51.0%	28.4%
Vehicle Service Hours (VSH)	8,373	7,274	8,041	6,737	4,667	4,654
<i>Annual Change</i>		-13.1%	10.5%	-16.2%	-30.7%	-0.3%
Vehicle Service Miles (VSM)	107,697	107,874	101,929	81,200	61,725	62,875
<i>Annual Change</i>		0.2%	-5.5%	-20.3%	-24.0%	1.9%
Passengers	108,078	88,236	74,056	57,701	30,758	37,070
<i>Annual Change</i>		-18.4%	-16.1%	-22.1%	-46.7%	20.5%
Employees	7	6	6	6	5	4
<i>Annual Change</i>		-14.3%	0.0%	0.0%	-16.7%	-20.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$84.07	\$105.44	\$88.27	\$103.29	\$149.12	\$135.61
<i>Annual Change</i>		25.4%	-16.3%	17.0%	44.4%	-9.1%
Operating Cost/Passenger (Actual \$)	\$6.51	\$8.69	\$9.58	\$12.06	\$22.63	\$17.03
<i>Annual Change</i>		33.5%	10.3%	25.8%	87.6%	-24.8%
Passengers/VSH	12.91	12.13	9.21	8.56	6.59	7.97
<i>Annual Change</i>		-6.0%	-24.1%	-7.0%	-23.1%	20.9%
Passengers/VSM	1.00	0.82	0.73	0.71	0.50	0.59
<i>Annual Change</i>		-18.5%	-11.2%	-2.2%	-29.9%	18.3%
Farebox Recovery	10.8%	9.6%	10.5%	9.0%	4.4%	6.2%
<i>Annual Change</i>		-11.0%	9.9%	-14.9%	-51.0%	41.6%
Hours/Employee	1,196.1	1,212.3	1,340.2	1,122.8	933.4	1,163.5
<i>Annual Change</i>		1.4%	10.5%	-16.2%	-16.9%	24.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$6.54	\$7.11	\$6.96	\$8.57	\$11.28	\$10.04
<i>Annual Change</i>		8.8%	-2.1%	23.1%	31.6%	-11.0%
VSM/VSH	12.86	14.83	12.68	12.05	13.23	13.51
<i>Annual Change</i>		15.3%	-14.5%	-4.9%	9.7%	2.1%
Fare/Passenger	\$0.70	\$0.83	\$1.01	\$1.08	\$1.00	\$1.06
<i>Annual Change</i>		18.8%	21.2%	7.1%	-8.0%	6.5%

Sources: FY 2016/17 – FY 2018/19 data from prior audit. Most FY 2019/20 – FY 2021/22 data from State Controller Reports. Vehicle service miles from FY 2019/20 from the NTD report. FTE data as provided by the City of Ojai.

Exhibit 6.2 System Ridership

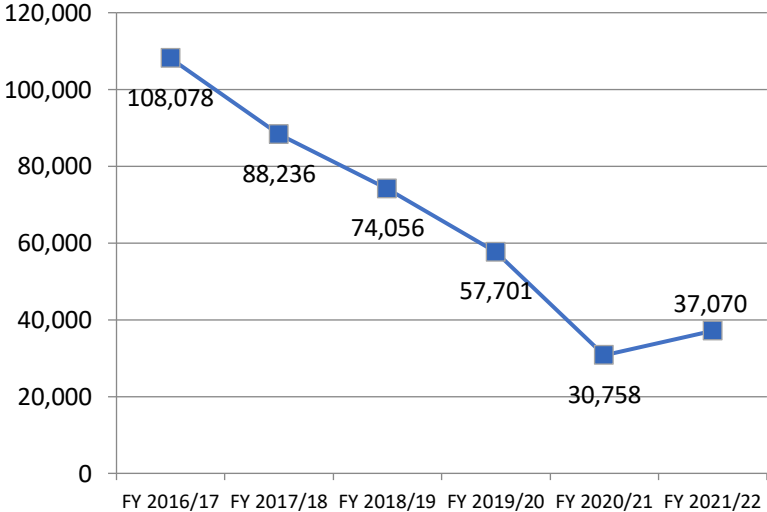


Exhibit 6.3 System Operating Cost/VSH

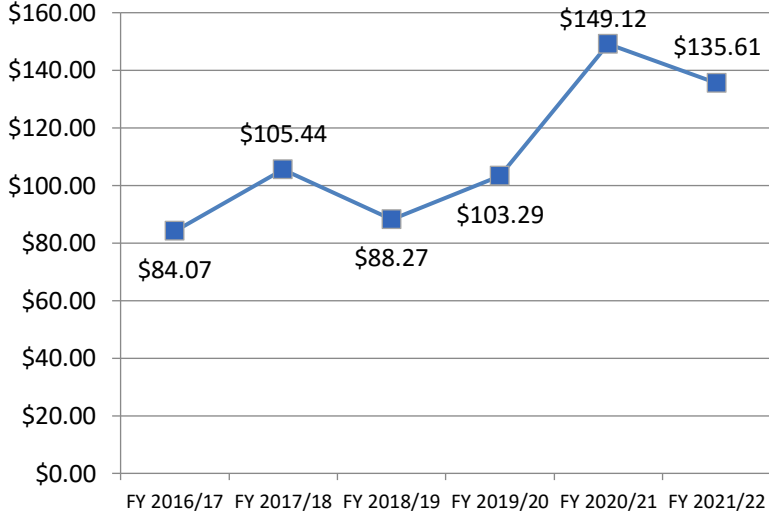


Exhibit 6.4 System Operating Cost/VSM

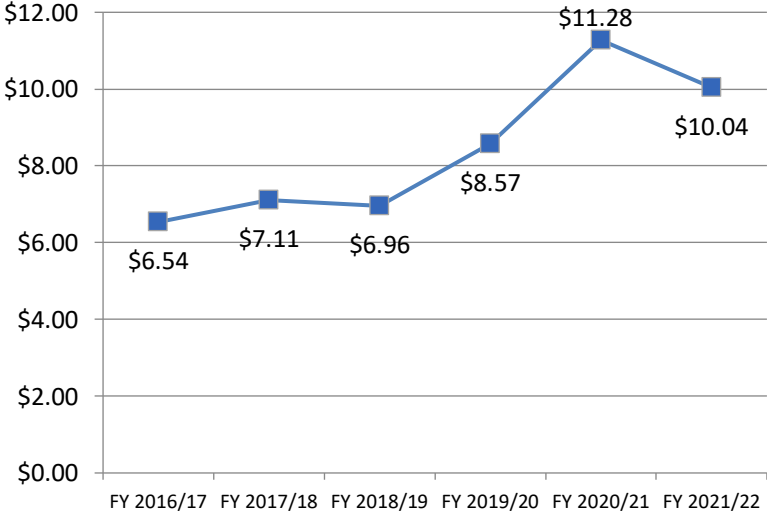


Exhibit 6.5 System VSM/VSH

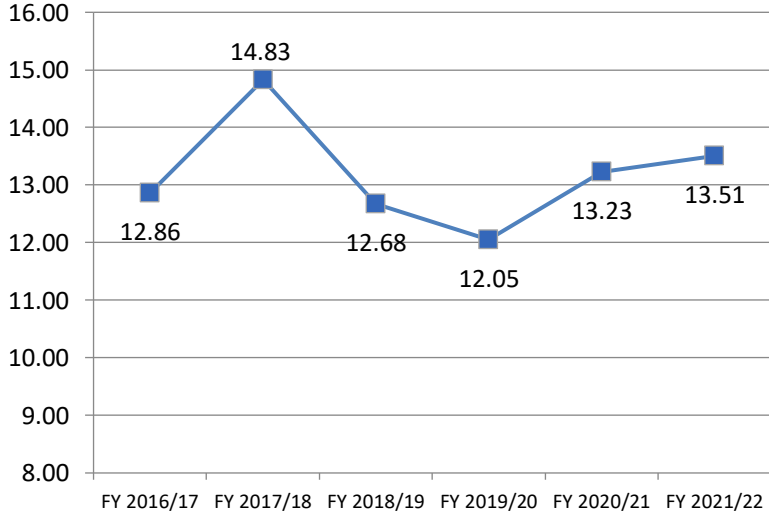


Exhibit 6.6 System Operating Cost/Passenger

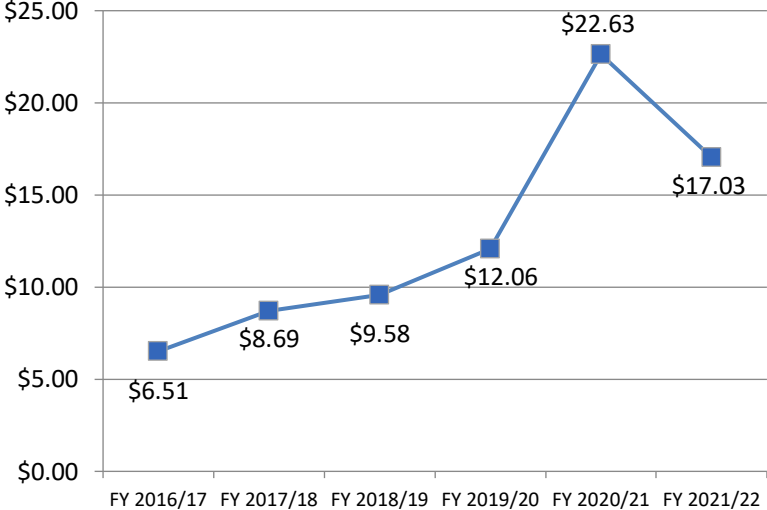


Exhibit 6.7 System Passengers/VSH

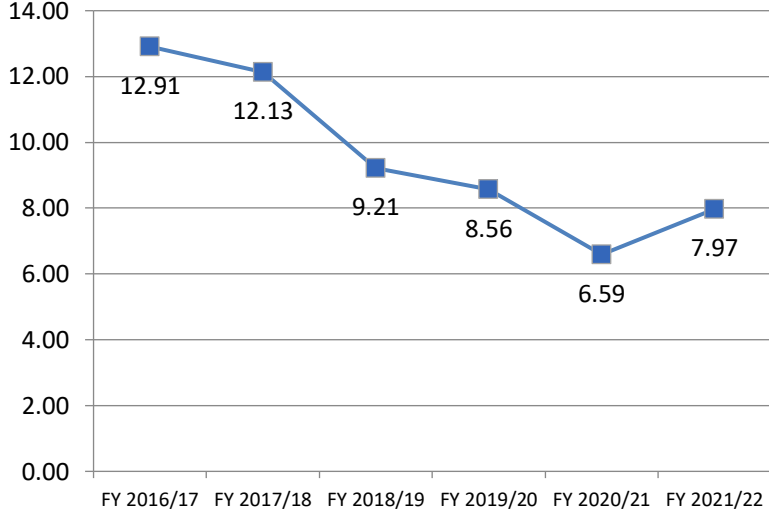


Exhibit 6.8 System Passengers/VSM

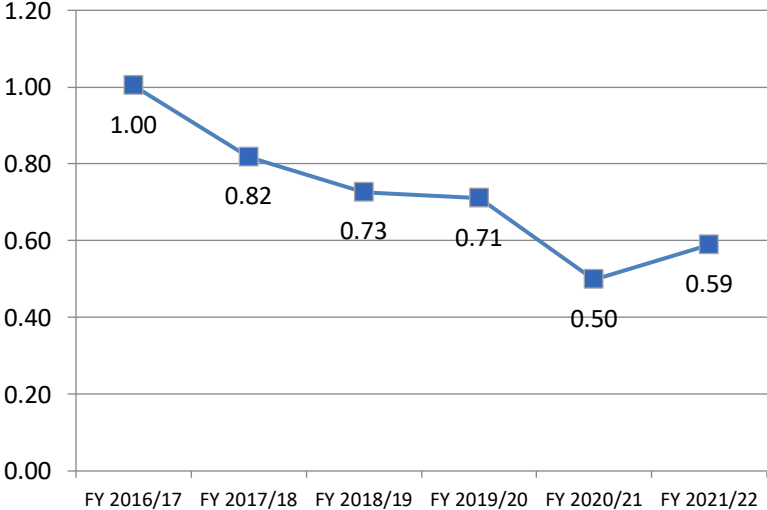


Exhibit 6.9 System VSH/FTE

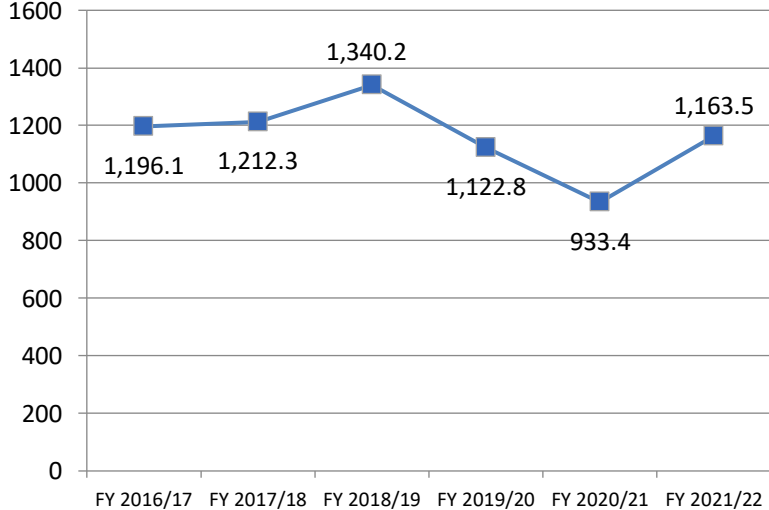


Exhibit 6.10 System Farebox Recovery

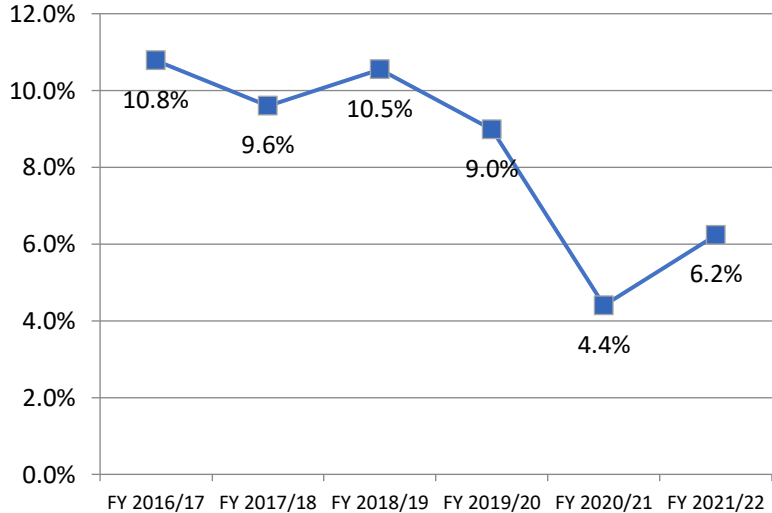
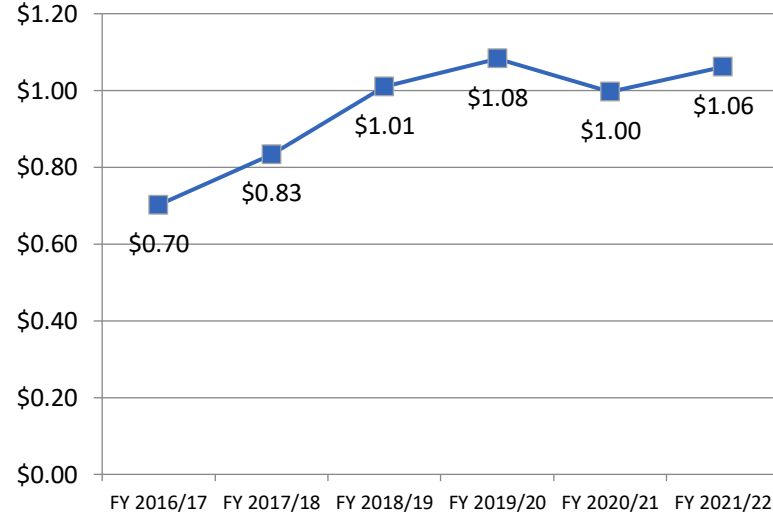


Exhibit 6.11 System Fare/Passenger



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Chapter 7 | Functional Review

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

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

Service Overview

The City of Ojai operates the Ojai Trolley, a fixed-route service linking key trip generators along Maricopa Highway and Ojai Avenue within Ojai as well as the unincorporated areas of Meiners Oaks and Mira Monte. The County of Ventura provides TDA funding to the City to serve areas outside city limits. The City is a member of the Gold Coast Transit District. ADA Paratransit service in Ojai is provided by Gold Coast ACCESS.

Service is operated every day except for designated holidays. The two routes, Route A and Route B, primarily operate along the same alignment, although Route A serves Whispering Oaks and East End, while Route B serves the Ojai Valley Inn.

On weekdays, service is offered from approximately 6:30 a.m. to 8:00 p.m., with both routes operating most of the day on one-hour headways, although from approximately 5:30 p.m. to 8:00 p.m. just one trolley (Route B) is in service. On weekends, both routes operate yet offer hourly service to most stops from approximately 7:00 a.m. to 8:00 p.m. All trolleys feature wheelchair lifts and are frequently used by seniors. As of March 25, 2020, Route B (which operates only on weekdays) is suspended due to the impact of the COVID-19 pandemic. Weekend service has not been affected.

The Ojai Trolley fare structure is provided in Exhibit 7.1.

Exhibit 7.1 Fixed-Route Fare Structure

Fare Category	Fare
Single ride, general fare	\$1.50
Single ride, reduced fare (seniors age 65+, disabled, Medicare cardholder)	\$0.75
Day pass, general fare	\$4.00
Day pass, reduced fare (seniors age 65+, disabled, Medicare cardholder)	\$2.00
Seniors age 75+	Free
Children under 45" tall	Free
Youth age 18 and under	Free
College students	Free
Transfers from Gold Coast Transit	Free
Tokens (25)	\$30.00
31 day pass full fare Zone 1 (VCbuspass)	\$50.00
31 day pass reduced fare Zone 1 (VCbuspass)	\$25.00

Recent service and fare changes

There have been no service changes within or just prior to the audit period beyond those related to COVID-19. Fares have also remained stable, with the exception of the VCTC-led College and Youth Ride Free programs and the new VCbuspass and related Umo app.

Response to COVID-19 pandemic

Service was reduced by 38 percent due to a loss of nearly 50 percent of drivers. The service reduction, elimination of Route B weekday service, is still in effect. The service also lost approximately 50 percent of its riders. Enhanced cleaning, mask mandates, and social distancing were implemented for the protection of the riders and the operators.

General Management and Organization

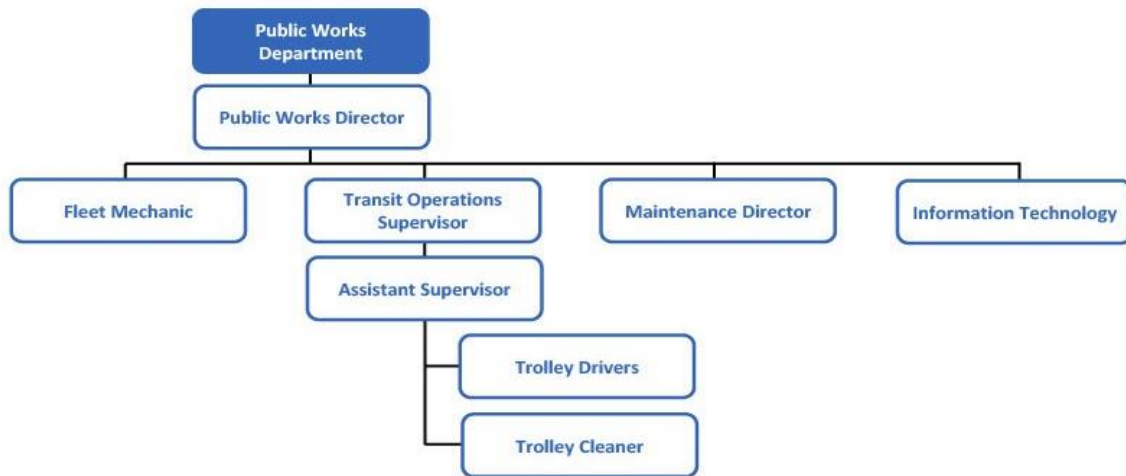
The City of Ojai’s public transit program is administered within the Transportation Division of the City’s Public Works department. The Ojai city council is the governing body of the Transportation Division. The Transit Operations Supervisor oversees the service. In addition to one full-time Transit Operations Supervisor, the program utilizes 12 part-time drivers, one full-time driver supervisor, and one full-time mechanic. The City is currently short staffed, with vacancies for drivers, a backup transit supervisor, a full-time mechanic, and a full time Public Works Director. Transit is supported by other City departments (such as Finance) as needed.

Transit personnel monitor program performance (ridership, budget, fare revenue, etc.) via monthly ridership reports and on-time performance via Syncromatics. However, spreadsheets are also used as the software is not 100 percent dependable. Effective data monitoring is an issue the City has been struggling with for several years. Both tools are used in concert as part of the monthly monitoring.

The City Council has shown interest in the program’s recovery from the pandemic, as well as the transition to a zero-emission fleet. Both the Council and citizens are supportive of the transit program as a whole.

The City is a sub-recipient of, and coordinates closely with, the Gold Coast Transit District. City staff also reports a good working relationship with VCTC and the County of Ventura. City staff has monthly Transcom meetings with VCTC and participates in monthly Transportation Advisory Committee (TAC) meetings with other service providers in the area.

Exhibit 7.2 Organizational Chart



Service Planning

Given the limited nature of the program, not much service planning is conducted. Service planning during the audit period has been focused on recovery from the pandemic. Service standards are presented in the City’s Title VI Plan. On-time performance is monitored closely, however. Service changes are largely reactive.

A service change in March 2020 reduced services by 38 percent by eliminating operation of Route B on weekdays. The change was brought on due to the loss of over 50 percent of passengers and nearly 50 percent of drivers. Weekday Route B service has yet to resume. Ridership and staff retention have been major issues during the audit period, though the City has continued small improvements at its bus stops.

The City considers special needs passengers for all decisions. All vehicles in the City’s fleet have wheelchair lifts. Demand-response service is offered via Gold Coast Transit District’s ACCESS program. Local transportation services for seniors and persons with disabilities are also provided through HELP of Ojai, a local non-profit.

Public participation efforts are modest. The City participates in regional/county-wide free ride days and promotions as well as some local events (such as Ojai Day). Comment cards and locked drop boxes are available for public comment and an ongoing survey of riders. The last community survey was conducted in 2018 prior to the purchase of new trolleys.

Administration

Budgeting is based on anticipated revenues (FTA, TDA) and expected expenses and looks for gaps in funding. The City compares year-to-date revenue and expenses to budgeted levels. The Transit budget goes to the Public Works Director, then to Finance, and finally the City Manager. An informal budget review is conducted quarterly. Occasionally, the City will conduct a more formal mid-year budget adjustment, but typically annual assumptions are fairly close. In recent years, the Transit program has been overbudgeted due to the expectation that service will eventually return to pre-pandemic levels.

Grant applications are prepared by the Transit Operations Supervisor in conjunction with VCTC staff, then reviewed and signed by the Public Works Director. Standard Agreements are prepared by the Transit Operations Supervisor, reviewed by the Public Works Director, then reviewed and signed by the City Manager. Certifications and Assurances are prepared by the Transit Operations Supervisor, reviewed by the Public Works Director, then reviewed and signed by the City Manager and City Attorney. Requests for reimbursement are prepared through a joint effort by the Transit Operations Supervisor and Finance Department, then reviewed and signed by the Public Works Director.

The City monitors driver records and conducts ridealongs as necessary as part of its risk management activities. The City is self-insured via the California Joint Powers Insurance Authority (CJPIA). The City also utilizes CJPIA forms for incident reports. The City investigates all accident and injury claims. It also periodically reviews the safety of operating practices and has a current disaster preparedness and response plan.

The City's transit program utilizes a limited number of contracts for small infrastructure improvement projects. The contracts are managed through the Transit Operations Supervisor with assistance from the Public Works Director and City Inspector. Procurement procedures are outlined by the City. Large projects or purchases are put out to bid, and the City has used the CalACT joint procurement platform for vehicle purchases. Bus stops are maintained by the City of Ojai and County of Ventura.

Payroll is based on employee timesheets, which are reviewed and signed by the Transit Operations Supervisor and then the Public Works Director. The Finance department is responsible for changes to personnel and payroll data. All employees utilize direct deposit.

Accounts receivable is handled primarily by the Finance department. Invoices are reviewed, coded, and signed by the Transit Operations Supervisor, then reviewed, approved and signed by the Public Works Director. Invoices greater than \$5,000 are then also reviewed, approved, and signed by the City Manager. The transit advertising program is managed by the Transit Operations Supervisor.

Marketing and Public Information

The City's transit marketing efforts include a service brochure, website, and advertisements in local publications (such as *Ojai Valley News* and *Ojai Quarterly*), as well as on the websites of other area transit providers and on Facebook. Prior to the pandemic, the City participated in as many events as it could, and has resumed passing out promotional items such as pens and business card magnets. The City provides brochures available on transit vehicles, at City facilities, and at some local businesses.

The City incorporates performance data into marketing decisions. Most planning for marketing consists of an advertising plan.

In general, the public's perception of the service is very positive. The City accepts feedback via phone, mail, and a website form, and Transit maintains a log of significant complaints. However, this is a potential area for improvement, as the City does not currently document all complaints.

Scheduling, Dispatch, and Operations

All City transit services are operated in-house. The workforce is not represented. Currently there is one full-time Transit Operations Supervisor and 10 part-time drivers. Driver schedules are created every six weeks. Each of the part-time drivers lists availability and desired shifts. The Transit Operations Supervisor is fully licensed and can drive if needed.

Vacations are scheduled in advance and worked into the driving schedule. When a driver calls out sick, off-duty drivers are contacted to cover the shift.

The mechanic reviews maintenance sheets in the afternoon and determines which vehicles will be in service the next day based on maintenance needs. Newer vehicles get used more. All vehicles require the same licensing and certifications.

All vehicles have manual drop-style vault fareboxes. Drivers pull the vaults (which are self-locking) and deposit them in lockers. The City employs a two-person count (Transit Operations Supervisor and either someone from Finance or a senior driver) and both sign the final count document. The money is then taken to Finance, where it is stored in the safe until a recount is conducted and it is deposited in the bank. Tokens sold at City Hall are processed directly by the Finance department. The City also receives reimbursement checks from VCTC for the youth and college free-fare programs.

Personnel Management and Training

The City is not currently recruiting enough drivers to meet its needs. This has been a huge issue since the beginning of the COVID-19 pandemic. Driver recruitment is a continuous process via the City's website and Applicant Pro, with resumes kept on file. Experience varies among recruits and the City has been requiring a commercial driver's license (CDL) as a minimum. While the majority of applicants do not have a CDL, taking a driver through the licensing process is time-consuming and expensive, and the City runs the risk that a driver will get certified and then leave the City to go elsewhere. At present, the part-time schedule is more of an incentive than a deterrent for the type of recruits the City gets. Many are older drivers who do not want to work full-time and enjoy having a flexible schedule.

To bring back Route B service, staff believes an additional five part-time drivers would be needed. The Transit Operations Supervisor is DOT-certified and handles most training. All initial and ongoing training meets state requirements. All new drivers are required to have a VTT card. Safety meetings are conducted quarterly, with memos and other information distributed in between. The City also utilizes resources from TSI and RTAP.

As part-time employees, drivers receive paid sick time, unpaid vacation time, and no health insurance. The Transit Operations Supervisor and Mechanic are full-time positions and are both eligible for full City benefits. The City is considering making some drivers full-time due to the difficulty in recruiting drivers.

The City is in the process of creating a driver retention bonus program to incentivize employees. Some drivers have other jobs, while others do it to earn extra money. A more informal atmosphere works for them. Turnover is generally low and attributable to personal reasons or retirement. Money is the biggest motivator. Performance evaluations are completed annually.

The code of conduct and disciplinary procedures are spelled out in the employee handbook and are subject to City policies. The City also utilizes third-party testing and reporting for drugs/alcohol.

Maintenance

Inspections are done in accordance with DOT and CHP regulations. Preventive maintenance is done in accordance with manufacturers’ recommendations, with other maintenance and repairs completed on an as needed basis. The City has enough vehicles that maintenance rarely affects operation, especially with the current reduced service. Warranty repairs are used as much as possible.

The full-time mechanic position is currently vacant. This position is approximately 80 percent dedicated to transit, with the remaining 20 percent of the mechanic’s time spent on other City fleets. The position has been open about 18 months, due in part to DOT delays in completing background checks. Typically, larger repairs, such as wheelchair lifts and valves, are sent to outside mechanics. Outside repairs are handled by local mechanics or mechanics in nearby cities. The City is currently using a local contractor while it fills the its mechanic position.

The City’s maintenance facility includes one available bay and an outside permanent lift. Parts inventory includes basics utilized for routine repairs. Valuable parts are secured with limited access.

The City’s fleet consists of five vehicles, three of which are model year 2011 and two are 2018. All vehicles utilize propane fuel. The fleet’s average age is 8.6 years with an average mileage of 171,620 miles. The older vehicles are considered to be in poor to fair condition and have exceeded their useful life benchmark (ULB). A vehicle replacement program is in effect with identified funding sources. A sixth trolley was retired in 2018 and was not in use during the audit period, although it had yet to be disposed of.

The City’s fleet is detailed in Exhibit 7.3.

Exhibit 7.3 City of Ojai’s Transit Fleet

Vehicle #	Make/Model	Year	Passengers
9	Hometown Villager/Ford	2011	30/2 WC
10	Hometown Villager/Ford	2011	30/2 WC
11	Hometown Villager/Ford	2011	30/2 WC
12	Hometown Villager/Ford	2018	30/2 WC
13	Hometown Villager/Ford	2018	30/2 WC

Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates, Inc. finds the City of Ojai 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.

Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The City's performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.

Program Recommendations

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

Functional Finding 1: The City's performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.

Criteria: PUC 99247 sets forth specific definitions of various performance indicators used in TDA reporting. In most cases, these are standard industry definitions, and performance data such as ridership, vehicle service hours, and vehicle service miles should be the same, whether reported to the State Controller or National Transit Database.

Condition: As noted in the prior audit, when data reported to the State Controller, National Transit Database, within monthly performance reports, and on the TDA fiscal audits is compared side to side, there are some clear discrepancies. While spreadsheets used for documenting performance data were updated and corrected during the prior audit period, the City still lacks a review process to ensure accurate data is reported.

Cause: Failure to document data in a single location, and to use that data to complete all reports likely contributed to inconsistencies and inaccuracies in reporting in prior years. Changes in staffing in the Transit and Finance departments may also have contributed to this matter.

Effect: Inaccurate and inconsistent reporting can make it challenging to effectively assess program performance.

Recommendation: Transit and Finance staff should thoroughly review any reports prepared by other departments or outside auditors prior to their submittal.

Recommended Action: Any City staff who work on preparing the State Controller and NTD reports should have a clear understanding of what data should be entered where. Even if Finance is responsible for preparing the reports, it is vital that Transit staff also understand how the reports are put together so that they can provide a “second set of eyes” prior to each report’s submittal. All staff involved with the State Controller’s Report should review the instruction guide for the Transit Operators Financial Transaction Report (available on the State Controller’s website) prior to and as needed during the completion of the report. This should address questions of what revenues or expenses should be entered on which lines. Transit and Finance staff should also have the opportunity to review the annual TDA fiscal audit prior to its finalization.

Timeline: FY 2022/23.

Anticipated Cost: Negligible.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	The City’s performance data continues to be reported inconsistently and, in some cases inaccurately, both internally and to outside entities.	Medium	FY 2023