



FINAL REPORT
SEPTEMBER 2019

Butte County Association of Governments

TDA Triennial Performance Audit



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Chapter 1

Executive Summary

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

In 2019, BCAG selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the firm followed a competitive procurement process.

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

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

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

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

The Triennial Performance Audit includes five elements:

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

Test of Compliance

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

1. In FY 2015/16, the State Controller Report was submitted two weeks after the stipulated deadline.

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2. BCAG has not established farebox recovery standards for operators serving both urbanized and non-urbanized areas.
3. BCAG has not developed rules and regulations governing claims under Article 4.5.
4. BCAG does not currently review the productivity of the transit operators prior to allocating TDA funds.-

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in January 2017 by Michael Baker International for the three fiscal years ending June 30, 2015 – included the following recommendations:

1. [Update BCAG TDA Workbook for inclusion of new state legislation.](#)
Status: Not implemented (still relevant).
2. [Develop and adopt TDA Article 4.5 evaluation criteria.](#)
Status: Not implemented (still relevant).
3. [Develop and adopt eligibility criteria for “off-the-top” funding for pedestrian and bicycle projects.](#)
Status: Not implemented (still relevant).
4. [Develop format and content for an annual BCAG report.](#)
Status: No longer relevant (BCAG opted to implement an alternative to this recommendation).
5. [Assume a stronger role to help encourage ridesharing in the region.](#)
Status: Implemented.

Goal Setting and Strategic Planning

As the MPO and RTPA, BCAG is responsible for developing regional transportation planning and programming documents. Specific planning and programming responsibilities include:

- Annual Overall Work Program (OWP) and Budget,
- Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS),
- Regional Transportation Improvement Program (RTIP),
- Administration of the Local Transportation Fund (LTF) and State Transit Assistance (STA),
- Federal Transportation Improvement Program (FTIP),
- Air Quality Conformity Determinations,
- Regional Housing Needs Assessment (RHNA) Study, and
- Regional transportation studies.

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range transportation plan providing a 24-year vision for regional transportation investments. The current RTP/SCS was adopted by the BCAG Board in December 2016. It expanded on the 2012 SCS, integrated the 2015 Butte Long-Range Transit and Non-Motorized Plan, incorporated the latest Regional Growth Forecasts, and updated the preferred “balanced” land-use scenario.

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Findings and Recommendations

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

1. In FY 2015/16, the State Controller Report was submitted two weeks after the stipulated deadline.
2. BCAG has not established farebox recovery standards for operators serving both urbanized and non-urbanized areas.
3. BCAG has not developed rules and regulations governing claims under Article 4.5.
4. BCAG does not currently review the productivity of the transit operators prior to allocating TDA funds.

Moore & Associates also identified three additional functional findings. While these findings are not compliance-related, we believe they warrant inclusion within this review.

1. BCAG's TDA Workbook is out of date and needs to be updated.
2. BCAG does not currently have criteria governing "off-the-top" funding for Article 3 claims.
3. There is no existing short-range transit plan for the City of Gridley, and the short-term elements of the BRT plan will need updating within a few years.

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

Exhibit 1.1 Summary of Recommendations

| TDA Program Compliance Recommendations | | Importance | Timeline |
|--|---|------------|------------|
| 1 | Ensure State Controller Reports are submitted by the established deadline. | Low | Ongoing |
| 2 | Develop a "blended" farebox recovery ratio for the Butte Regional Transit fixed-route service. | Medium | FY 2020/21 |
| 3 | Develop Article 4.5 allocation criteria. | Medium | FY 2020/21 |
| 4 | Include a productivity review as part of the TDA claims process. | High | FY 2020/21 |
| Functional Recommendations | | Importance | Timeline |
| 1 | Update the TDA Workbook to accurately reflect legislation and current funding methodology | Medium | FY 2020/21 |
| 2 | Develop eligibility criteria for "off-the-top" funding for bicycle and pedestrian projects under Article 3. | Medium | FY 2020/21 |
| 3 | Prepare (or commission) Short-Range Transit Plans for both BRT and Gridley. | Medium | Varies |

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Chapter 2

Audit Scope and Methodology

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

In 2019, the Butte County Association of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the firm followed a competitive procurement process.

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

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

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

Objectives

The Triennial Performance Audit has four primary objectives:

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



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

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

The methodology for this review included on-site interviews with key staff at 326 Huss Dr., Suite 150, in Chico on August 1, 2019. Staff interviewed as part of this audit included Jim Pelow (Senior Planner, Transit Operations) and Julie Quinn (Chief Fiscal Officer).

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:



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- 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 Butte County Association of Governments' 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 BCAG staff as well as a physical inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

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

1. In FY 2015/16, the State Controller Report was submitted two weeks after the stipulated deadline.
2. BCAG has not established farebox recovery standards for operators serving both urbanized and non-urbanized areas.
3. BCAG has not developed rules and regulations governing claims under Article 4.5.
4. BCAG does not currently review the productivity of the transit operators prior to allocating TDA funds.



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Exhibit 3.1 Transportation Development Act Compliance Requirements

| Compliance Element | Reference | Compliance | Comments |
|---|--------------------|----------------|--|
| All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area. | 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 (Article 3). | PUC 99233, 99234 | Not applicable | While Butte County receives Article 3 funds, they are not taken off the top but are kept within the main LTF account apportioned to each jurisdiction. The jurisdictions they decide how to spend the Article 3 funds. |
| The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing. | PUC 99238, 99238.5 | In compliance | |
| The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. | PUC 99244 | Finding | BCAG has an existing committee (the Transit Administrative Oversight Committee) that is well-positioned to monitor operator productivity. However, that committee does not currently review productivity, nor is Gridley's performance reviewed as part of the annual TDA claims process. |
| The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year. | PUC 99245 | In compliance | <p>B-Line: FY 2015/16: March 8, 2017 FY 2016/17: February 2, 2018 FY 2017/18: February 1, 2019</p> <p>City of Gridley: FY 2015/16: March 10, 2017 FY 2016/17: February 9, 2018 FY 2017/18: February 9, 2019</p> <p><i>Reflects 30-day extension.</i></p> |
| The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year. | CCR 6662 | In compliance | FY 2015/16: March 8, 2017 FY 2016/17: February 2, 2018 FY 2017/18: February 1, 2019 |



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| Compliance Element | Reference | Compliance | Comments |
|---|----------------------|----------------|---|
| The RTPA has submitted within seven months after the end of the fiscal year an annual financial transactions report to the State Controller. | CCR 6660 | Finding | FY 2015/16: February 16, 2017 FY 2016/17: January 12, 2018 FY 2017/18: January 23, 2019 Effective FY 2015/16, the submittal deadline was changed to seven months following the end of the fiscal year (January 31). |
| The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operators audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted. | PUC 99246, 99248 | In compliance | The prior Triennial Performance Audits (RTPA and operators) were completed by Michael Baker International in January 2017. Allocations were not initially withheld as a result of auditor's delay in completing the audit. This would have resulted in the operators not being able to continue operating. However, BCAG did withhold the final payment until after the audit was transmitted in case there were any adjustments needed. |
| 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 | BCAG's Triennial Performance Audit and a letter certifying the completion of the operator audits were submitted to Caltrans on March 29, 2017. |
| For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply. | PUC 99405 | Not applicable | At this time, BCAG does not utilize alternative performance criteria. |
| The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2. | PUC 99246(d) | In compliance | |
| The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in both urbanized and non-urbanized and newly urbanized areas. | PUC 99270.1, 99270.2 | Finding | While B-Line serves both urbanized and rural, BCAG has not developed any "blended" farebox recovery standards. |

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| Compliance Element | Reference | Compliance | Comments |
|--|---------------------------------------|---------------|---|
| 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 | Finding | There are no criteria, rules, and regulations for Article 4.5 claims. |
| State Transit Assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes. | PUC 99310.5, 99313.3, Proposition 116 | In compliance | |
| The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operator(s) in the area of its jurisdiction as allocated by the State Controller's Office. | PUC 99314.3 | In compliance | |
| <p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p> | PUC 99401.5 | In compliance | <p>As part of its Unmet Transit Needs process, BCAG holds multiple workshops as well as a formal hearing before the Board of Directors each year. The process is appropriately noticed and documented.</p> <p>All unmet needs identified during the current audit period were found to be "not reasonable to meet," primarily due to BCAG's criterion regarding cost effectiveness.</p> <p>The transit needs assessment was reviewed and affirmed by the SSTAC each year. As such, funds could be allocated to jurisdictions for streets and roads.</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 Butte County Association of Governments has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior review – completed in January 2017 by Michael Baker International for the three fiscal years ending June 30, 2015 – prescribed five recommendations.

1. Update BCAG TDA Workbook for inclusion of new state legislation.

Discussion: The prior audit noted the TDA Workbook has not been updated in some time, although several changes have occurred in relation to TDA administration and the effect on transit operations. New legislation (Senate Bill 508), passed in October 2015, significantly modified several provisions of TDA. The legislation has several objectives, including simplifying fare recovery requirements, authorizing funding of bicycle and pedestrian safety education programs, and modifying State Transit Assistance (STA) qualifying criteria for operations. BCAG’s TDA guidelines should be updated to reflect these changes and identify the responsible party for implementing the updates, such as the fiscal auditor for the farebox recovery calculation. BCAG and Butte Regional Transit should also communicate these changes and determine what implication, if any, the changes might have on transit operations.

Progress: The TDA Workbook has not yet been updated. BCAG agrees with this finding and would like to update the document. However, the RTPA is currently considering making changes to the way the jurisdictions fund the system with their TDA dollars (i.e. considering funding “off-the-top”), and does not want to update the Workbook before those decisions are finalized. Once the changes are implemented, BCAG plans to update the workbook.

Status: Not implemented (still relevant).

2. Develop and adopt TDA Article 4.5 evaluation criteria.

Discussion: Article 4.5 of the TDA statute enables certain agencies to claim local transportation funds for community transit services. In practice, most of the funds under Article 4.5 are claimed by a Consolidated Transportation Services Agency (CTSA). The BCAG TDA Workbook identifies Butte County as the CTSA. Although the CTSA responsibilities have not been implemented, the prior auditor recommended BCAG develop and adopt evaluation criteria for reviewing possible claims for the funds in the future. The transit system in the county is growing, and social service transportation and mobility management are components that should be addressed. Article 4.5 would be the funding source for such services. The prior audit noted BCAG should review the statutory section (Public Utilities



Code Section 99275.5) regarding evaluation criteria and adopt similar language including the findings.

Progress: This has not yet been developed. While BCAG remains interested in this recommendation, it has not been a high priority for management.

Status: Not implemented (still relevant).

3. Develop and adopt eligibility criteria for “off-the-top” funding for pedestrian and bicycle projects.

Discussion: Local jurisdictions claim their share of local transportation funds for bicycle and pedestrian projects under Article 8, which is available following the apportionment process by BCAG using a population distribution. The prior auditor recommended BCAG adopt rules and regulations for off-the-top LTF apportionments for bicycle and pedestrian projects prior to the population distribution. This off-the-top apportionment is limited to 2 percent of LTF and would be available to the cities and the county. This apportionment method could provide a level of flexibility to BCAG and the local jurisdictions in funding both local and regional projects. Advantages include that BCAG and the local jurisdictions could determine the method on how best to allocate the revenue toward non-motorized projects, such as by population, call for projects, rotating use of the fund, and/or building a reserve balance for use for regionally significant projects. Also, the statute allows a city or the county to expend up to 5 percent to supplement moneys from other sources to fund bicycle and pedestrian safety education programs. Given the completion in April 2015 of the Transit & Non-Motorized Plan, the prior auditor suggested BCAG consider and implement a revised method to allocate non-motorized funding from TDA.

Progress: This has not yet been developed, though BCAG management remains interested in pursuing this recommendation.

Status: Not implemented (still relevant).

4. Develop format and content for an annual BCAG report.

Discussion: The prior auditor observed that BCAG produced an eNewsletter for several years, but not on a regular basis. The last newsletter was developed in Fall 2015 and highlighted many areas of the agency, including accomplishments, funding, and challenges. The performance audit covering FY 2009/10 through FY 2011/12 carried forward a prior recommendation for BCAG to reinstate its quarterly eNewsletter; however, with staffing constraints, an updated newsletter on a quarterly basis was not deemed possible.

This recommendation in the prior audit made an adjustment to the prior recommendation and suggested BCAG develop an annual report. The Fall 2015 newsletter could serve as a basis for an annual report which is intended to encapsulate the activities and value that BCAG brings to the community through its mission and transportation coordination, planning, programming, financial, and project delivery responsibilities. An annual report



would identify the projects and outcomes for the community as well as educate the public and stakeholders on BCAG's role in transportation. Many RTPAs develop annual reports that serve such a purpose to highlight the accomplishments and challenges for the year, as well as what to look forward to in the next year. The prior auditor noted a more robust annual report in lieu of the newsletter has been a desire of BCAG and should be explored further.

Progress: BCAG has tried to do an annual report in the past, though it often fell by the wayside due to time constraints. BCAG plans to do more frequent, less comprehensive emails (using the Constant Contact email platform) going forward.

Status: No longer relevant (BCAG opted to implement an alternative to this recommendation).

5. [Assume a stronger role to help encourage ridesharing in the region.](#)

Discussion: This recommendation was carried forward from the previous audit for implementation, as the prior auditor found it retained merit and provided transportation options for county residents. As an RTPA, BCAG can promote alternative transportation measures in the county that are a function of local conditions and demand for such services. As an example, BCAG commissioned a study for alternative transportation options from Chico to Sacramento. No aviation options exist for this type of trip. The work effort and resources for promoting ridesharing would need to be input into the OWP and funding identified. A more passive method would be to simply post a link to the Sacramento Region 511 on the BCAG website and notify the public about the link.

Progress: BCAG implemented the passive option and includes links on its website.

Status: Implemented.



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Chapter 5

Goal Setting and Strategic Planning

This chapter analyzes the Butte County Association of Governments' goal setting and strategic planning process.

In addition to serving as the Regional Transportation Planning Agency (RTPA) for Butte County, BCAG is also the designated Metropolitan Planning Organization (MPO). BCAG's role in the community and region is diverse, providing leadership and/or support for the following activities:

- Butte Regional Transit Policy Board and Operator,
- Area-Wide Clearinghouse,
- Census Affiliate Data Center, and
- Butte Regional Transportation Corporation.

As the MPO and RTPA, BCAG is responsible for developing regional transportation planning and programming documents. Specific planning and programming responsibilities include:

- Annual Overall Work Program (OWP) and Budget,
- Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS),
- Regional Transportation Improvement Program (RTIP),
- Administration of the Local Transportation Fund (LTF) and State Transit Assistance (STA),
- Federal Transportation Improvement Program (FTIP),
- Air Quality Conformity Determinations,
- Regional Housing Needs Assessment (RHNA) Study, and
- Regional transportation studies.

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range transportation plan providing a 24-year vision for regional transportation investments. The current RTP/SCS was adopted by the BCAG Board in December 2016. It expanded on the 2012 SCS, integrated the 2015 Butte Long-Range Transit and Non-Motorized Plan, incorporated the latest Regional Growth Forecasts, and updated the preferred "balanced" land use scenario.

Extensive outreach was conducted in support of the RTP/SCS. Four rounds of public workshops took place between August 2014 and September 2016, including workshops in Chico, Gridley, Oroville, and Paradise. Public hearings were conducted as part of regularly scheduled Board meetings. Public comment periods were noticed in local newspapers and online, and the BCAG website included information about the RTP/SCS as well as documents and presentations. Spanish interpretation was offered on an as-needed basis. BCAG conducted additional presentations at California State University – Chico and at a Mechoopda Indian Tribe of the Chico Rancheria Tribal Council meeting. BCAG reached out to five tribal governments at two points during the process, including:



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- Enterprise Rancheria,
- Berry Creek Rancheria,
- Mooretown Rancheria,
- Mechoopda Indian Tribe of the Chico Rancheria,
- KonKow Valley Band of Maidu Indians,

The 2018 RTP includes the four required elements (Policy Element, Action Element, Financial Element, and Sustainable Communities Strategy). The Policy Element includes individual goals for each of 14 policy areas. Each goal is supported by one or more objectives and policies (Exhibit 5.1). The Action Element includes individual chapters for each mode (such as Transit and Non-Motorized Transportation) and work element (such as Highways, Streets, and Roads and ITS).

The Action Element also includes a series of Regional Performance Measures (Exhibit 5.2), which are used to evaluate the performance and impact of policies and strategies included in the RTP/SCS. With the current RTP/SCS, BCAG updated its performance measures to be reflective of the State Transportation Improvement Program Guidelines developed by the California Transportation Commission while retaining factors established in its prior Regional Transportation Plans.



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Exhibit 5.1 RTP Goals, Objectives, and Policy/Action Items

| Objective | Policy/Action |
|--|--|
| Highways, Streets, and Roads goal: A safe and efficient regional road system that accommodates the demand for movement of people and goods. | |
| Strive to improve safety and operations of local and state highway system. | Fund and implement projects identified on the Tier 1 priority list in the Action Element of the RTP. Pursue discretionary state & federal funding such as IIP, SHOPP, HBP, HSIP etc. |
| Identify and prioritize improvements to the regional road system. | Prepare and apply evaluation criteria to prioritize regional road projects identified to improve the overall transportation system of the region. Evaluation criteria will evaluate how the projects achieve the following objectives: 1) an integrated and balanced road system; 2) improvement in traffic flow and safety; 3) minimize environmental effects; and 4) minimize adverse impacts on agricultural land. Use Regional Improvement Program funds to finance the prioritized regional improvements. Use BCAG Travel Demand Model performance measures as appropriate to quantify project benefits. |
| Transit goal: Provide an efficient, effective, coordinated regional transit system that increases mobility for urban and rural populations, including those located in disadvantaged areas of the region. | |
| Meet all transit needs that are “reasonable to meet.” | Provide complementary dial-a-ride transit services for the elderly, handicapped, and those residents not served by a fixed route service within the service area. Provide adequate fixed-route transit system to serve the general public, including those populations who rely most on transit. Maintain the locally developed Human Services Coordinated Transportation Plan. |
| Increase transit ridership that exceeds annual population growth rate for Butte County. | Expand service as necessary to increase overall ridership. Support Intelligent Transportation System (ITS) projects which improve transit operations. Work with larger employers (i.e. University) for transit incentive programs. Evaluate fixed route system and identify best methods for increasing ridership, as needed. Explore “best practices” in other regions to learn from and consider for increased ridership and customer satisfaction for transit. |
| Promote citizen participation and education in transit planning and operations. | Include Social Services Transportation Advisory Council and Coordinated Transportation Working Group in the regional transit planning process. Use the BCAG newsletter and website for transit education and information. |
| Maintain a reliable transit system. | Monitor contractor for timely transit operations reporting. Conduct Preventative Maintenance Inspections for transit fleet. |
| Rail goal: A rail system that provides safe and reliable service for people and goods. | |
| Maintain and expand passenger service through Butte County. | Monitor the activities of Amtrak to assure passenger rail services in Butte County. Encourage the High Speed Rail Authority to consider implementing service connecting Chico to Sacramento. Pursue state and federal grant funding for rail safety projects. |

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| Objective | Policy/Action |
|---|--|
| Goods Movement goal: Provide a transportation system that enables safe movement of goods in and through Butte County. | |
| Provide an adequate regional road system for goods movement. | Work with state and federal legislators to lobby for funding to develop continuous four lane highway to Chico on the SR 70/99 Corridor. Leverage regional share funds for Caltrans interregional share and State Highway Operations and Protection Program. |
| Aviation goal: A fully functional and integrated air service and airport system complementary to the countywide transportation system. | |
| Maintain daily commercial airline service to the Bay Area. | Support the acquisition of commercial airline service in Butte County. |
| Work with local agencies to ensure compatible land uses around existing airports to reduce noise conflicts. | Support the Butte County Airport Land Use Commission and local airports in their efforts to ensure compatible land uses around airports. Support the local airports in their attempts to acquire the land surrounding the airports. |
| Ensure Airport Master Plans are updated and revised as necessary and required. | Support projects that integrate air transport facilities with other modes of transportation. |
| Non-Motorized Transportation goal: A regional transportation system for bicyclists and pedestrians. | |
| Work with local agencies to develop and construct bicycle and pedestrian facilities including access to transit. | Support the construction of bike facilities and access to transit as designated in the local alternative transportation plans. |
| | Assist local jurisdictions in actively pursuing active transportation related funding. |
| | Support projects and policies for bicycles on the fixed route transit system (bike racks, etc.). |
| | Support local efforts in complete streets approach towards achieving active transportation project enhancements. |
| Assist local jurisdictions in pursuing grant funding. | Assist as requested in developing local alternative transportation plans. Participate in local bicycle advisory committees. |
| Intelligent Transportation System (ITS) goal: Promote the use of ITS technologies in the planning and programming process. | |
| Maintain the North State ITS System Deployment Plan. | Encourage the use of ITS technologies in the project development process. |
| | Encourage the state to provide resources to manage and update ITS planning in the north state. |
| Apply Transportation Systems Management (TSM) strategies to projects where appropriate. | Assist local agencies in evaluating the impacts of TSM strategies. |
| Energy goal: Reduce usage of nonrenewable energy resources for transportation purposes. | |
| Increase public transit and carpooling/vanpooling and bicycling/walking. | Increase transit service where feasible. |
| | Support passage of ordinances that provide for vanpooling and carpooling programs. |
| | Support passage of ordinances that provide for park and ride lots. |



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| Objective | Policy/Action |
|--|---|
| Air Quality goal: Achieve air quality standards set by the Environmental Protection Agency (EPA) and the State Air Resources Board. | |
| Coordinate transportation planning with air quality planning at the technical and policy level. | Assist as requested by the Butte County Air Quality Management District in developing the transportation-related portions of the State Implementation Plan for air quality. |
| | Provide technical assistance to local jurisdictions in developing air quality analysis as needed for projects. |
| | Support projects which demonstrate an air quality benefit. |
| Implement transportation requirements established by Assembly Bill (AB) 32. | Work with state to identify emissions budget for Butte County. |
| | Develop transportation projects that reduce greenhouse gas emissions. |
| Land Use Strategies goal: Provide economical, long-term solutions to transportation problems by encouraging community designs which encourage walking, transit, and bicycling. | |
| Innovative land use and transportation planning. | Provide technical assistance and make available BCAG Travel Demand Model as a tool to assess road network to identify potential solutions to improve traffic movement. |
| | Assist as requested in evaluating land use strategies. |
| Plan future roads to accommodate land uses at a regional level. | Assist member jurisdictions in taking a regional approach in land use and developing a road network that serves the entire region. |
| | Encourage all jurisdictions to actively participate in the Regional Transportation Plan Update process. |
| Roads that are pedestrian friendly encourage bicycle trips and the use of the mass transportation system. | Assist member jurisdictions in developing and implementing strategies and design criteria that make new commercial and residential developments friendly to pedestrians and bicyclists. |
| Preserve productive farmland and land that provides habitat for rare, endangered or threatened species. | Consider impacts on prime farmland and areas that support protected wildlife. |
| | Encourage participation in Butte Regional Conservation Plan (BRCP). |
| Ensure Goals and Policies are consistent at both the regional and local levels. | Assist the cities, town and county during their General Plan updates to ensure that the plans are consistent with the RTP and BRCP. |
| Transportation Financing goal: Develop and support financing strategies that provide for continuous implementation of the Regional Transportation Plan projects and strategies. | |
| Develop and adopt policies that will provide adequate funding resources for all transportation modes and strategies. | Provide technical assistance to local jurisdictions in the development of transportation financing mechanisms. |
| | Consider cost efficiency / cost benefit ratio in project evaluation criteria. |
| Work with Cities and County on development of a regional road network fee program. | Work with cities, town and county to identify potential options for funding transportation system maintenance and improvements on the regional road network. |
| | Develop funding shortfall needs assessment for state highways, local streets and roads for Butte County. |



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| Objective | Policy/Action |
|---|---|
| Outreach and Coordination goal: Provide a forum for participation and cooperation in transportation planning and facilitate relationships for transportation issues that transcend jurisdictional boundaries. | |
| Assist jurisdictions in local transportation planning. | Evaluate transportation impacts of land use and development proposals as requested. |
| | Provide technical assistance in the preparation of transportation financing mechanisms as requested. |
| | Assist in the preparation of local general plans. |
| Promote consistency among all levels of local transportation planning. | Involve the local, state, and federal agencies and elected officials in the transportation planning process. |
| | Promote consistency between the Regional Transportation Plan and local and state level plans. |
| Promote citizen participation and education in transportation planning. | Use the BCAG newsletter for transportation planning education. |
| | Conduct workshops and information sessions for transportation planning and projects. |
| | Utilize the internet to facilitate the dissemination of transportation projects and information on the planning process. |
| | Follow BCAG’s Public Participation Plan procedures. |
| <p>Quality of Travel and Livability goals:</p> <p>Mobility Goal: The transportation system should provide for convenient travel options for people and goods and maximize its productivity. The system should reduce both the time it takes to travel as well as the total costs of travel.</p> <p>Reliability Goal: The transportation system should be reliable so that travelers can expect relatively consistent travel times from day-to-day for the same trip by mode(s).</p> <p>System Preservation and Safety Goal: The public’s investment in transportation should be protected by maintaining the transportation system. It is critical to preserve and ensure a safe regional transportation system</p> | |
| Assist in efforts which enhance mobility for the region. The system should provide for convenient travel options for people and goods and maximize its productivity. The system should reduce both the time it takes to travel as well as the total costs of travel. | Tailor transportation improvements to better connect people with jobs and other activities such as “Smart Mobility” concepts to increase system efficiencies and strive to reduce GHGs. |
| | Provide convenient travel choices including transit, driving, ridesharing, walking, and biking. |
| | Preserve and expand options for regional freight movement. |
| | Increase the use of transit, ridesharing, walking and biking in major corridors and communities. |
| | Provide transportation choices to better connect the Butte County region with neighboring counties and tribal nations. |
| Assist in efforts which enhance reliability for the region. The system should be reliable so travelers can expect relatively consistent travel times from day-to-day for the same trip by mode(s). | Employ new technologies to make travel more reliable and convenient. |
| | Manage the efficiency of the transportation system to improve traffic flow. |
| Assist in preserving the transportation system and safety. The public’s investment in transportation should be protected by maintaining the system to preserve it and ensure a safe system. | Work towards keeping the region’s transportation system in a good state of repair. |
| | Work towards reducing bottlenecks and increase safety by improving operations. |
| | Improve emergency preparedness within the regional transportation system. |



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| Objective | Policy/Action |
|--|--|
| <p>Sustainability goal: Incorporate Sustainable Community Strategies into the regional transportation planning process which works towards social equity, a healthy environment and a prosperous economy.</p> | |
| <p>Work towards a transportation system that is designed to provide an equitable level of transportation services for all populations.</p> | <p>Create equitable opportunities for all populations regardless of age, ability, race, ethnicity, or income.</p> |
| <p>Work towards a transportation system that leads to environmental sustainability and fosters efficient development patterns that optimizes travel, housing, and employment choices and encourages future growth away from rural areas and closer to existing and planned development.</p> | <p>Ensure access to jobs, services, and recreation for populations with fewer transportation choices.</p> |
| | <p>Work towards reducing greenhouse gas emissions from vehicles and continue to improve air quality in the region.</p> |
| | <p>Work towards making the transportation investments made result in healthy and sustainable communities.</p> |
| <p>Work towards a prosperous economy in making transportation decisions. The transportation system should play a significant role in raising the region's standard of living.</p> | <p>Maximize the economic benefits of transportation investments made.</p> |
| | <p>Enhance the goods movement system to support economic prosperity.</p> |



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Exhibit 5.2 Regional Performance Measures

| Factor | Measure | Current Performance – Base Year (2014) | Projected Impact of Constrained Plan – Year 2040 | Data Source |
|----------------------------|--|--|--|--------------------------------------|
| Safety and Public Health | Fatalities per Vehicle Miles Traveled | 1 per 204,000 VMT | Decrease | SWITRS/TDF Model |
| | Fatalities per Passenger Mile by Transit Mode Share | 0 per 8.5 million Passenger Miles | Maintain | SWITRS/NTD |
| | Percentage of Trips by Pedestrian and Bicycle Mode Share | Bike 2.13% Pedestrian 5.63% | Bike 2.93% Pedestrian 7.76% | TDF Model |
| Mobility and Accessibility | Average Peak Period Travel Time (minutes) | 12.87 | 14.43 | TDF Model |
| | Percentage of Housing and Jobs within 2 miles of State Highway | 82% Housing and 94% Jobs | 83% Housing and 94% Jobs | LU Model/GIS |
| | Percentage of Population within ½ mile of Transit Route | 74% | 66% | LU Model/GIS |
| Reliability | Percentage of Congested Highway VMT | 0% | 19% | TDF Model |
| Productivity | Average Peak Period Vehicle Trips | AM 94,038 PM 152,007 | AM 135,219 PM 217,882 | TDF Model |
| | Transit Passenger Trips per Vehicle Hour (Fixed-Route) | 19.2 | 21.8 | NTD/TNMP |
| System Preservation | Percentage of Distressed Lane Miles – State Highways (District 3) | 10% | N/A | Caltrans Pave |
| | Percentage of Distressed Lane Miles – Local Streets and Roads | 66% | N/A | Caltrans SR |
| | Percentage of Highway Bridge Lane Miles in need of Replacement or Rehabilitation ⁴ | 46% | N/A | HBP |
| | Percentage of Transit Assets exceeding FTA “Useful Life” | 22% | 0% | B-Line |
| Environmental Stewardship | Air Quality Conformity (non-attainment pollutants) | See RTP Appendix 1 | See RTP Appendix 1 | Air Quality Conformity Determination |
| | Per Capita Vehicle Miles of Travel ² | 22.1 | 21.5 | TDF Model |
| | Per Capital Acres of Developed Land | 0.32 | 0.29 | LU Model/GIS |
| | Acres of Important Farmland Avoided ⁵ | 236,386 | 230,760 | LU Model/GIS |
| | Percentage of Development Occurring within Butte Regional Conservation Plan – Urban Permit Areas | 70% Housing and 86% Jobs | 75% Housing and 87% Jobs | LU Model/GIS |



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| Factor | Measure | Current Performance – Base Year (2014) | Projected Impact of Constrained Plan – Year 2040 | Data Source |
|--|---|--|--|--------------|
| Social Equity | Percentage of Higher Density Low-Income Housing ¹ within ¼ mile of Transit Route | 88% | 75% | LU Model/GIS |
| | Percentage of Higher Density Low-Income Housing ¹ | 26% | 27% | LU Model/GIS |
| | Percentage of Minority Area ³ Population within ¼ mile of Transit Route | 100% | 100% | LU Model/GIS |
| <p><i>Footnotes:</i></p> <p>¹ Multi-family housing is used in determining percentage of higher-density low-income housing</p> <p>² VMT includes all trips within county from all vehicle types</p> <p>³ Minority Areas are defined as 2010 Census Block Groups where 40 percent or more of the population is Asian Pacific Islander, African American, Hispanic, Native American or other Non-White ethnic group, based on 2010 Census data</p> <p>⁴ Highway Bridge Lane Miles with a Sufficiency Rating (SR) of 80 or below</p> <p>⁵ Important Farmland includes farmlands classified as Prime, Unique, and of Statewide Importance by the California Department of Conservation (2012).</p> | | | | |
| <p><i>Data Sources:</i></p> <p>SWITRS - California Highway Patrol Statewide Integrated Traffic Records System</p> <p>TDF Model - BCAG's Regional Transportation Model</p> <p>LU Model - BCAG's Regional Land Use Allocation Model</p> <p>B-Line - Butte Regional Transit</p> <p>TNMP – BCAG's Transit & Non-Motorized Plan</p> <p>GIS - BCAG's Regional Geographical Information System</p> <p>HBP - Caltrans Local Highway Bridge Program – Local Agency Bridge List (2014)</p> <p>NTD – National Transit Database (2013)</p> <p>Caltrans SR - California Statewide Local Streets and Roads Needs Assessment (2014)</p> <p>Caltrans Pave - Caltrans 2013 State of the Pavement Report</p> | | | | |



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Chapter 6

Functional Review

The Butte County Association of Governments (BCAG) is the Regional Transportation Planning Agency for Butte County. BCAG is an independent public entity governed by a board of directors consisting of the five members of the Butte County Board of Supervisors and one representative each from the cities of Biggs, Chico, Gridley, and Oroville, as well as the Town of Paradise.

In addition to serving as the Regional Transportation Planning Agency (RTPA) for Butte County, BCAG is also the designated Metropolitan Planning Organization (MPO). BCAG's role in the community and region is diverse, providing leadership and/or support for the following activities:

- Butte Regional Transit Policy Board and Operator,
- Area-Wide Clearinghouse,
- Census Affiliate Data Center, and
- Butte Regional Transportation Corporation.

As the RTPA, BCAG is also part of the North State Super Region, a formal alliance between 16 Northern California RTPAs. The Super Region meets quarterly to collaborate on regional transportation issues, coordinate training, and share information.

A functional review of the Butte County Association of Governments determines the extent and efficiency of the following functional activities:

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

Camp Fire

Although the Camp Fire did not occur during the audit period (November 2018), it will have a definite impact on regional decisions and planning moving forward. The fire covered nearly 240 square miles and destroyed the town of Paradise. It damaged or destroyed nearly 20,000 structures, resulting in thousands of residents being displaced. A community of FEMA trailers will be established in Gridley in early FY 2019/20, to provide housing to those who remain displaced nearly a year later.

From its location in Chico, BCAG's physical assets were not directly affected by the fire, nor were BRTs. However, the fire had a significant effect on the community as a whole. As a result, the analysis and recommendations presented herein, while most do not directly incorporate the aftermath of the fire, they certainly incorporate the changed environment of Butte County.



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Administration and Management

BCAG is governed by a Board of Directors comprised of the five members of the Butte County Board of Supervisors and one representative each from the cities of Biggs, Chico, Gridley, and Oroville, as well as the Town of Paradise. Each of the municipal representatives also has a designated alternate. Meetings take place on the fourth Friday of the month and are held at the BCAG Board Room, 326 Huss Drive, Suite 150, in Chico. All meetings are open to the public and the location is ADA-accessible. This location is not served by the B-Line fixed-route service; however, Board meetings are live streamed via BCAG's YouTube channel.

Board members serving during the audit period included:

- Bill Connelly, District 1 Supervisor (2015-2018)
- Larry Wahl, District 2 Supervisor (2015-2018),
- Maureen Kirk, District 3 Supervisor (2015-2018),
- Steve Lambert, District 4 Supervisor (2015-2018),
- Doug Teeter, District 5 Supervisor (2015-2018),
- John Busch, City of Biggs (2015-2017),
- Nathan Wilkinson, City of Biggs (2018),
- Angela Thompson, City of Biggs alternate (2015-2018),
- Reanette Fillmer, City of Chico (2015-2016, alternate 2017-2018),
- Andrew Coolidge, City of Chico (2017-2018; alternate 2015-2016),
- Ray Borges, City of Gridley (2015-2018),
- Jeff Draper, City of Gridley alternate (2015-2016),
- Bruce Johnson, City of Gridley alternate (2017-2018),
- Linda Dahlmeier, City of Oroville (2015-2018),
- David Pittman, City of Oroville alternate (2015-2016),
- Scott Thomson, City of Oroville alternate (2017-2018),
- Jody Jones, Town of Paradise (2015-2018),
- John J. Rawlings, Town of Paradise alternate (2015-2016), and
- Scott Lotter, Town of Paradise alternate (2017-2018).

The Board does not have any committees. However, there are three advisory bodies that include representation from local jurisdictions as well as citizen participants. These are the Transportation Advisory Committee, the Transportation Administrative Oversight Committee, and the Social Services Transportation Advisory Council.

- [The Transportation Advisory Committee \(TAC\)](#) includes representatives from each of the local jurisdictions public works and planning departments; City, Town, and County technical staff; up to five citizen representatives; and representatives from the Air District, Caltrans, tribal governments, and other agencies with a technical interest in BCAG's planning process. The TAC meets monthly to provide analysis on transportation project/program development.
- [The Transportation Administrative Oversight Committee](#) is made up of representatives from each jurisdiction. It reviews budgets, vehicle replacement needs, and other considerations for both Butte Regional Transit (BRT) and the City of Gridley.



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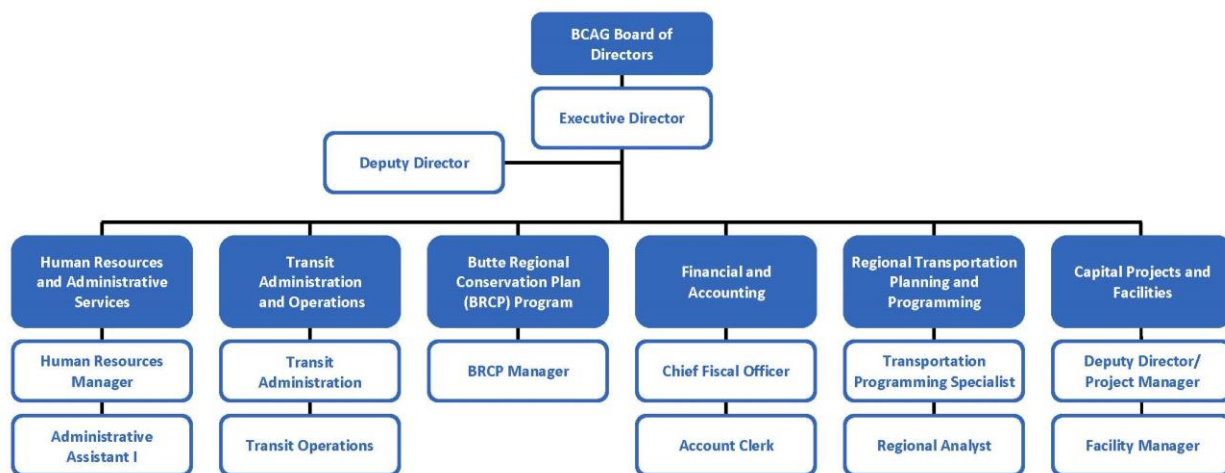
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- The Social Services Transportation Advisory Council (SSTAC) was created to meet the requirements of the TDA. Representatives may include transit providers; social service agencies; organizations serving youth, seniors, low-income residents, and/or the homeless; and citizens representing any of these groups. The SSTAC meets as needed to review potential unmet transit needs and advise the BCAG Board.

The RTPA employs staff in sufficient numbers and with sufficient qualifications to accomplish its functions. There are no concerns regarding turnover, and most employees consider BCAG a solid place to work. Staff receive annual performance evaluations, and are eligible for a standard package of benefits. An organizational chart is provided in Exhibit 6.1.

Exhibit 6.1 Organizational Chart (FY 2019/20)



Source: Butte County Association of Governments.

The RTPA processes TDA claims in an accurate and timely manner. The RTP is updated in-house every four years. Management receives and reviews the progress and financial status of ongoing projects. It has established clear, realistic goals and objectives through its mission statement and RTP Policy Element.

Transportation Planning and Regional Controls

The RTPA provides comprehensive transportation policy guidance within the Butte County region. It incorporates key findings from the analysis of each mode and policy category and identifies weaknesses, projects, and current conditions. It accounts for anticipated growth, development, and changing transportation demands across a 24-year horizon. It was developed according to state requirements and the 2010 Regional Transportation Plan Checklist.

The RTP/SCS sets out clear goals and actions for transportation in the region. The Financial Element addresses the sufficiency of funding sources to be used in reaching those goals. These include a variety of federal, state, and local funding sources.

BCAG does its own modeling and has a modeler on staff. It maintains the Regional Travel Demand Forecasting (TDF) model, which underwent an extensive update in 2010. A subsequent minor update in 2016 revalidated it using 2014 traffic counts. A Regional Land-Use Model was developed with California

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State University – Chico and University of California – Davis in 2010. This model was updated to 2014 for use in the 2016 RTP/SCS, and future land-use was developed for 2020, 2035, and 2040. All future year allocations were developed in coordination with local jurisdictions.

In 2014, BCAG sponsored the Transit & Non-Motorized Plan to outline transit service and non-motorized transportation enhancements that could be made in Butte County. The Plan resulted in a series of recommendations for local and intercity public transit service, improved bikeways and bicycle paths, and improved pedestrian access to public transit. The study included demographic analysis, customer and community surveys, stakeholder interviews, service analysis, and demand analysis/needs assessment. It included short-term, mid-term, and long-term recommendations (which tied into the Regional Transportation Plan completed the following year).

While this plan, which was finalized in May 2015, provided a comprehensive overview of the B-Line service and active transportation, it did not include analysis of or recommendations for the City of Gridley. As a result, there has been no service planning undertaken for the City of Gridley in many years.

Claimant Relationships and Oversight

BCAG has a Transit Administrative Oversight Committee that advises on planning and budgeting matters but does not review productivity. BCAG regularly reviews the performance for Butte Regional Transit (as part of its oversight duties), but does not review the City of Gridley to the same extent. Productivity is not formally reviewed as part of the TDA claims process.

BCAG makes technical and managerial assistance available to operators. BRT directly benefits from this assistance (as it is part of BRT administration by BCAG staff), but the City of Gridley does not ask for help as much as it should. Both BCAG and BRT are willing to provide such assistance.

BCAG is responsible for engaging third-party auditors to conduct annual TDA fiscal audits as well as triennial performance audits. TDA fiscal audits are completed within the allotted timeframe, though do utilize the 90-day extension allowed under the TDA. The prior TDA triennial performance audit was completed in January 2017, roughly six months after the June 30, 2016 deadline. The audits were accepted by the Board and submitted to Caltrans in March 2017.

The RTPA has processed operator TDA claims consistently and in a timely manner. The current claims manual was prepared in 2003, prior to regional consolidation. Despite its age, the manual provides an excellent overview of TDA funding and processes. BCAG is planning to update the manual once decisions have been made regarding the use of “off-the-top” funding.

Marketing and Transportation Alternatives

The primary transportation-related marketing provided by BCAG is for Butte Regional Transit. However, this is funded through the Transit budget rather than the RTPA budget. There is considerable interest in non-motorized transportation, resulting in the development of a bike map, creation of bike lanes, and completion of a Non-Motorized Transportation Plan. BCAG (particularly its Transportation Programming Specialist) has been effective at securing bike-related grants.

BCAG provides additional transportation information via the B-Line website, including connections with Glenn Ride; private shuttles that serve Butte County; and links to cycling clubs and organizations.

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Grant Applications and Management

During the audit period, the Transit Manager handled all transit grants, including TRAMS reporting. The Chief Fiscal Officer was responsible for reporting in ECHO. The Transit Manager left BCAG following the end of the audit period (in 2018). Transit is now managed between five staff members, with one focusing on grants.

Gridley does not utilize any federal funding, but does utilize TDA funding. The City has suffered from significant turnover in its Finance department. Every time the City gets a new Finance Director, BCAG works with the City to explain the requirements of TDA.



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Chapter 7

Findings and Recommendations

Conclusions

With four exceptions, Moore & Associates find the Butte County Association of Governments, 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.

Findings and Recommendations

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

1. In FY 2015/16, the State Controller Report was submitted two weeks after the stipulated deadline.
2. BCAG has not established farebox recovery standards for operators serving both urbanized and non-urbanized areas.
3. BCAG has not developed rules and regulations governing claims under Article 4.5.
4. BCAG does not currently review the productivity of the transit operators prior to allocating TDA funds.

Moore & Associates also identified three additional functional findings. While these findings are not compliance findings, we feel they warrant being addressed within this review.

1. BCAG's TDA Workbook is out of date and needs to be updated.
2. BCAG does not currently have criteria governing "off-the-top" funding for Article 3 claims.
3. There is no existing short-range transit plan for the City of Gridley, and the short-term elements of the BRT plan will need updating within a few years.

In completing this Triennial Performance Audit, Moore & Associates submits the following findings and recommendations for the Butte County Association of Governments. 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.

TDA Compliance Finding 1: In FY 2015/16, the State Controller Report was submitted two weeks after the stipulated deadline.

Criteria: PUC 99243(a) requires RTPAs to file a Transportation Planning Agencies Financial Transaction Report with the State Controller following the end of the fiscal year. Beginning in FY 2015/16, the report was due within seven months of the end of the fiscal year (January 31).



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Condition: In FY 2015/16, the State Controller Report was submitted on February 16, 2016, two weeks after the established deadline for that year.

Cause: The Chief Fiscal Officer, who is responsible for preparing and submitting the State Controller Report, experienced two deaths in her family around the time the report was due to be submitted.

Effect: The Chief Financial Officer filed the report late due to these special circumstances, and appropriately notified the State Controller of the situation.

Recommendation: Ensure State Controller Reports are submitted by the established deadline.

Recommended Action(s): Given the special circumstances that were the cause of the late filing, no further actions are recommended. The report was filed on time in both FY 2016/17 and FY 2017/18. BCAG already has effective processes in place to ensure timely reporting.

Timeline: Ongoing.

Anticipated Cost: None.

TDA Compliance Finding 2: BCAG has not established rules and regulations for operators serving both urbanized and non-urbanized areas.

Criteria: PUC 99270.1 says an RTPA shall adopt rules and regulations to determine what portion of the public transit services of the operator serves urbanized areas and what portion serves non-urbanized areas to determine its farebox recovery ratio.

Condition: Butte Regional Transit serves both urbanized and non-urbanized areas with both its fixed-route and demand-response services. It currently tracks farebox recovery ratio for its urban and rural services separately, resulting in four separate farebox recovery ratios. Given the farebox recovery ratio for each of the demand-response services is 10 percent, no “blended” ratio is necessary. However, it is warranted for the fixed-route service. The threshold for the urbanized service is 20 percent. As detailed in the triennial performance audit of Butte Regional Transit, this service is at risk for dropping below that threshold in the next couple of years. The rural fixed-route service, on the other hand, is well above its 10 percent farebox recovery threshold.

Cause: BCAG keeps these farebox recovery ratios separate due primarily to different funding sources for each service.

Effect: There is no opportunity to use one service to “balance out” the farebox recovery ratio of another, not-as-efficient service.

Recommendation: Develop a blended farebox recovery ratio for the B-Line fixed-route service.

Recommended Action(s): BCAG should develop a blended farebox recovery ratio for the B-Line fixed-route service based on an allocation methodology. This will allow the urban fixed-route service to benefit from the farebox recovery ratio “overage” of the rural fixed-route service. Methodology for

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determining this blended ratio should be based on an allocation methodology, and must be approved by Caltrans.

For example, one metric that can be used for allocation methodology is urban versus rural area population. If we assume a 2010 population of 98,176 for the Chico Urbanized Area and a population of 121,781 for the rural areas of the county, then the ratio is 44.6 percent urbanized and 55.4 percent non-urbanized. We can then use the following calculation to determine a “blended” ratio:

$$(44.6\% * 20\%) + (55.4\% * 10\%) = 14.5\%$$

Rather than having an urbanized fixed-route farebox recovery ratio of 21.1 percent and a rural fixed-route farebox recovery ratio of 17.8 percent in FY 2017/18, the two services combined result in farebox recovery ratio of 19.6 percent. Even if the “blended” ratio were rounded up to 15 percent, the lower ratio would especially benefit the urban fixed-route service.

There is some concern on the part of the jurisdictions that using a “blended” ratio would impact their allocations. However, calculating the farebox recovery ratio using a “blended” rate does not change BCAG’s accounting methods, accounts, or partner contributions. Using a “blended” ratio would not be tied to a decision to incorporate “off-the-top” funding. The TDA fiscal audit would be used to assess compliance for the combined fixed-route service. This would only affect reporting, not any accounting or funding processes.

Timeline: FY 2020/21.

Anticipated Cost: Negligible.

TDA Compliance Finding 3: BCAG has not developed rules and regulations governing claims under Article 4.5.

Criteria: Article 4.5 (PUC 99275 through 99277) provides guidance regarding claims for TDA funds by community transit services, including services for those who cannot use conventional transit services due to disability. These funds are often claimed by a Consolidated Transportation Services Agency (CTSA). Butte County is identified as the CTSA in the TDA Workbook, though BCAG noted it has not taken on the responsibilities of a CTSA.

The purpose of a CTSA is to provide transportation service to any of four target groups: seniors, persons with disabilities, youth, and/or low-income individuals. CTSAs may operate their own community transit services or may contract with another entity to provide these services. A CTSA is eligible to receive Article 4.5 funds “off the top” of the TDA allocation for the county.¹

Condition: This recommendation is carried forward from the prior audit. The prior auditor noted BCAG does not have any evaluation criteria in place should any community transit services (such as those providing social services transportation) wish to claim any funds under Article 4.5.

Cause: There have been no Article 4.5 claimants in Butte County.

¹ Additional information about CTSAs is available via an e-book on CalACT’s website at <https://www.calact.org/ctsaebook>.

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Effect: Development of criteria for evaluating Article 4.5 claims has been a low priority for BCAG.

Recommendation: Develop Article 4.5 evaluation criteria.

Recommended Action(s): BCAG should develop and adopt evaluation criteria for Article 4.5 claims to enable potential claims by community transit providers. PUC Section 99275.5 details the criteria that must be evaluated before a claim can be granted. As a result, BCAG would need to simply adapt these criteria for adoption by the Board, and include them in the revised TDA Workbook (Functional Finding #1).

Timeline: FY 2020/21.

Anticipated Cost: Negligible.

TDA Compliance Finding 4: BCAG does not currently review the productivity of both operators before allocating TDA funds.

Criteria: PUC 99244 requires the RTPA to annually recommend potential productivity improvements for operations within its jurisdiction. This may be accomplished via a productivity committee. Recommendations may include those contained in the most recent triennial performance audit. Prior to determining the allocation to an operator, the RTPA shall review and evaluate the efforts made by the operator to implement recommended improvements.

Condition: As the administrative entity for Butte Regional Transit, BCAG regularly monitors BRT's performance and productivity. However, it does not require a formal productivity review as part of the annual TDA claims process, and it does not regularly review performance metrics for the City of Gridley. As a result, Gridley has been reporting several performance metrics incorrectly, and this has not been addressed by the RTPA.

Cause: BCAG's regular oversight of BRT minimizes its need to formally require this information for BRT. However, this means Gridley's performance is not reviewed.

Effect: If an operator is not making a reasonable effort to implement productivity recommendations and is allocated an amount which exceeds the prior year, then BCAG is out of compliance with the TDA.

Recommendation: Include a productivity review as part of the TDA claims process.

Recommended Action(s): BCAG should require the operators to submit details regarding their progress toward implementing recommendations from the most recent triennial performance audit as well as a summary of key performance metrics. A review of this information may be conducted by staff or by the Transportation Administration Oversight Committee. Sample forms for the collection of this data are provided at the end of this chapter (Exhibits 7.2 and 7.3). This will not only provide reviewers with the information they need to determine whether a reasonable effort is being made, but will also enable BCAG to identify and correct any issues Gridley may have with performance metric definitions.

Timeline: FY 2020/21.



Anticipated Cost: Modest.

Functional Finding 1: BCAG's TDA Workbook is out of date and needs to be updated.

Criteria: BCAG provides a comprehensive, very useful TDA Workbook (claims manual) for its transit operators.

Condition: The Workbook was developed in 2003, before transit service was consolidated and long before changes to the TDA arising from Senate Bill 508. This has caused many parts of the manual to be out of date. BCAG intends to update the manual once potential changes to the TDA funding methodology (such as "off-the-top" funding) are implemented.

Cause: Changes to the system and legislation have made some parts of the TDA Workbook out of date.

Effect: The Workbook no longer effectively addresses all aspects of TDA claims.

Recommendation: Update the TDA Workbook to accurately reflect legislation and current funding methodology.

Recommended Action(s): Once decisions regarding TDA funding methodology have been finalized, update the TDA Workbook to reflect that methodology as well as other changes (both to the TDA and within the region) since 2003.

Timeline: FY 2020/21.

Anticipated Cost: Modest

Functional Finding 2: BCAG does not currently have criteria for "off-the-top" funding for Article 3 claims.

Criteria: PUC 99233.3 allows the RTPA to take two percent of the county's total TDA allocation "off the top" (after administrative and planning and programming allocations are allotted) to fund pedestrian and bicycle projects. This section also allows the RTPA to determine whether the money could be used to better advantage for Article 4, 4.5, or 8(a) purposes for the development of a more balanced transportation program.

Condition: This recommendation is carried over from the prior audit. It is considered a functional recommendation as the TDA does allow RTPA's to reallocate these funds for other purposes. Currently, bicycle and pedestrian projects are funded through Article 8 claims by the local jurisdictions. While this may be effective for funding local projects, it does not provide an effective means for regional projects. "Off-the-top" bicycle and pedestrian funding would help with implementation of some of the recommendations from the 2015 Transit and Non-Motorized Transportation Plan.

Cause: Bicycle and pedestrian projects have traditionally been funded through Article 8 funds claimed by the individual jurisdictions.



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Effect: There is little funding for projects of a regional nature.

Recommendation: Develop eligibility criteria for “off-the-top” funding for bicycle and pedestrian projects under Article 3.

Recommended Action(s): Develop and adopt criteria for “off-the-top” Article 3 claims to better facilitate multi-jurisdictional and regional bicycle and pedestrian projects.

Timeline: FY 2020/21.

Anticipated Cost: Modest.

Functional Finding 3: There is no existing short-range transit plan for the City of Gridley, and the short-term elements of the BRT plan will need updating within a few years.

Criteria: Claimant Relationships and Oversight is one of the functional areas for RTPAs, as set forth in Caltrans’ *Performance Audit Guidebook*. Part of the RTPA’s responsibility is to provide technical and managerial assistance to operators.

Condition: In recent years, BCAG assisted BRT with its planning via the 2015 Transit and Non-Motorized Plan. However, the City of Gridley was not included in that plan, and no other planning assistance has been conducted on their behalf. In addition, the short-range elements of that plan will “expire” soon and should be revisited due in part to the significant changes in the county arising from the Camp Fire.

Cause: As the managing entity for BRT, it is necessary for BCAG to conduct regular planning for the transit program. Therefore, it undertakes such planning more as a transit administrative function rather than as an RTPA function.

Effect: The absence of an up-to-date plan can result in a failure to incorporate changes within the system and/or community, or keep a service from operating at optimal levels.

Recommendation: Assist with the development of Short-Range Transit Plans for both BRT and Gridley.

Recommended Action(s): Either through funding or technical assistance (or both), assist with the development of a short-range transit plans for the City of Gridley and an update of the short-range elements of the Transit and Non-Motorized Plan for BRT. Gridley should take priority, given both the lack of an existing plan and the pending location of the FEMA trailer community. Even a “mini” SRTP would be beneficial, especially if done within the next year. BRT saw extensive planning in the 2015 Transit and Non-Motorized Plan, and will not need its short-range planning updated immediately.

Timeline: Varies.

Anticipated Cost: Modest.



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Exhibit 7.1 Summary of Recommendations

| TDA Program Compliance Recommendations | | Importance | Timeline |
|--|---|------------|------------|
| 1 | Ensure State Controller Reports are submitted by the established deadline. | Low | Ongoing |
| 2 | Develop a “blended” farebox recovery ratio for the Butte Regional Transit fixed-route service. | Medium | FY 2020/21 |
| 3 | Develop Article 4.5 allocation criteria. | Medium | FY 2020/21 |
| 4 | Include a productivity review as part of the TDA claims process. | High | FY 2020/21 |
| Functional Recommendations | | Importance | Timeline |
| 1 | Update the TDA Workbook to accurately reflect legislation and current funding methodology | Medium | FY 2020/21 |
| 2 | Develop eligibility criteria for “off-the-top” funding for bicycle and pedestrian projects under Article 3. | Medium | FY 2020/21 |
| 3 | Prepare (or commission) Short-Range Transit Plans for both BRT and Gridley. | Medium | Varies |



Progress Report on BCAG and/or Triennial Performance Audit Productivity Recommendations

| Recommendation | Implementation Status |
|----------------|-----------------------|
| | |
| | |
| | |
| | |
| | |



Exhibit 7.3 TDA Performance data and indicators form

TDA Performance Data and Indicators – FY _____

Performance Data

| | |
|-----------------------|--|
| Operating Cost | |
| Total Passengers | |
| Vehicle Service Hours | |
| Vehicle Service Miles | |
| Employee FTE | |
| Passenger Fares | |

Performance Indicators

| | |
|---|--|
| Operating Cost per Passenger | |
| Operating Cost per Vehicle Service Hour | |
| Operating Cost per Vehicle Service Mile | |
| Passengers per Vehicle Service Hour | |
| Passengers per Vehicle Service Mile | |
| Vehicle Service Hours per Employee | |
| Average Fare per Passenger | |
| Subsidy per Passenger | |
| Farebox Recovery Ratio | |

Note: This information could be provided via an Excel spreadsheet which automatically calculated the performance indicators based on the data entered in the first section. Alternately, operators could provide data by mode if that is more appropriate.



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