



FY 2007–2009 TRIENNIAL
PERFORMANCE AUDIT OF
COUNCIL OF FRESNO COUNTY
GOVERNMENTS

SUBMITTED TO

COUNCIL OF FRESNO COUNTY GOVERNMENTS

SUBMITTED BY



August 2010

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Executive Summary

PMC was retained by the Council of Fresno County Governments (Fresno COG) to conduct its Transportation Development Act (TDA) performance audit for Fiscal Years (FY) 2006–07 through 2008–09. As a Regional Transportation Planning Agency (RTPA), Fresno COG is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) to continue to receive TDA funding. TDA funding is used for Fresno COG administration and planning and is distributed to local jurisdictions for motorized and non-motorized forms of transportation.

This performance audit is intended to describe how well Fresno COG is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, PMC conducted interviews with agency staff and the transit operators within Fresno COG’s jurisdiction, reviewed various documents, and evaluated Fresno COG’s responsibilities, functions, and performance of the TDA guidelines and regulations.

Below are findings from the analysis:

1. Fresno COG conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. Fresno COG has satisfactorily complied with most state legislative mandates for Regional Transportation Planning Agencies. The only exception pertains to the timely completion and submittal of the annual fiscal and compliance audits for the TDA claimants.
3. Of the three prior performance audit recommendations, Fresno COG has fully implemented two recommendations and partially implemented one recommendation. The COG is making effort to create a standard assurances list that could be attached as part of the TDA claims submitted by the transit operators.
4. Fresno COG’s longtime Executive Director retired in 2008 and was replaced by the Deputy Director. One of the senior planners was promoted into the Deputy Director position. The other senior planner was placed into a newly created Principal Planner position, whose role is to supervise staff and oversee human resource matters.
5. The organizational structure of the agency became more horizontal, reflecting more of a performance- and merit-based model. The administration worked with a consultant to develop performance metrics. The merit-based structure allows greater latitude for career growth and goal setting. This new approach also allows employees to be more productive and cross-train in other practice areas.

6. Fresno COG was instrumental in successful passage and implementation of the Measure C Extension. The reauthorization of Measure C by Fresno County voters in November 2006 extends the 20-year one-half cent sales tax for the purpose of funding transportation projects in the county. The measure includes a \$1.7 billion expenditure plan with a greater emphasis on multimodalism, with alternative transportation projects receiving a larger share of the measure proceeds.
7. As part of the Measure C Extension, Fresno COG embarked on the implementation of the Regional Transportation Mitigation Fee (RTMF) program. Key milestones in the development of the RTMF have included the completion of the RTMF Nexus Study, the creation of the RTMF Joint Powers Agency (JPA), and the JPA's adoption of the initial fee. The RTMF, along with Fresno COG's administration of the relatively new Measure C Carpool/Vanpool program, has guided the COG toward serving as an implementation agency in addition to its responsibilities for planning and programming.
8. Fresno COG has played a significant role in regional transit planning with the development of the Public Transportation Infrastructure Study (PTIS). Developed in two phases, the PTIS is designed to evaluate mobility needs and opportunities and to identify strategies for public transit and transit-supportive infrastructure development that will result in wider acceptance and use of alternative transportation modes such as public transit and bicycle and pedestrian travel.
9. Fresno COG prepared and adopted the 2007 Regional Transportation Plan (RTP), which is currently undergoing an update for 2011. The 2007 RTP included one administrative modification and one amendment. The 2011 RTP is seen as a transitional document that will address greenhouse gas emissions and other air emissions.
10. A distinguishing feature of the 2011 RTP Update is the inclusion of a Climate Change Element. This element addresses the developments and legislation passed since the adoption of the 2007 RTP that pertain to climate change and global warming. The Policy Board adopted Resolution 2008-08 in June 2008 that contains a set of greenhouse gas reduction strategies.
11. Fresno COG adopted its 2007 Public Participation Plan (PPP) in November 2007, which underwent minor modification in December 2008. The PPP is intended to provide direction for public participation activities to be conducted by Fresno COG and contains the procedures, strategies, and techniques used by Fresno COG for public participation.
12. Fresno COG implemented a new public outreach strategy during development of its RTP. In lieu of holding community open houses and workshops, the COG made available community outreach grants of \$2,500 each to community-based organizations throughout the county.

Three recommendations are provided to improve Fresno COG's administration and management of the TDA and its organization. Each recommendation is described in detail in the last chapter of this audit and is summarized below.

Performance Audit Recommendations

1. Ensure annual fiscal audits are submitted on time.

Whereas Fresno COG has ensured the timely submittal of the State Controller Transit Operators Financial Transaction Report during the audit period, issues continue related to the timely submittal of the annual fiscal audit. Only one TDA transit claimant, Fresno County Economic Opportunities Commission (FCEOC), submitted their annual fiscal audits on time. Pursuant to Public Utilities Code Section 99245, TDA claimants are required to submit annual fiscal and compliance audits to Fresno COG and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension to the COG as allowed by law. Fresno COG retains a single auditor to prepare the fiscal audits of the TDA claimants with the exception of the FCEOC which submits its own fiscal audit. It is suggested that Fresno COG's finance staff continue to work closely with the claimants as part of enhanced oversight procedures to ensure that the annual TDA fiscal audits are submitted within the statutory time frame.

2. Have transit claimants substantiate annual budget increases in excess of 15 percent on their TDA claim.

A review of TDA claims during the audit period revealed that those transit claimants whose operating budget increased in excess of 15 percent from the prior year did not substantiate such an increase. Pursuant to Public Utilities Code Section 99266, claimants are required to substantiate significant budget increases over the previous fiscal year in the scope of operations or capital budget provisions for major new fixed facilities.

3. Further define staff roles and responsibilities for developing an in-house "TDA claims team".

During the audit period, the Finance Director began delegating TDA claim related responsibilities to other COG staff as the workload continued to increase and to train others. In support of delegating TDA claim responsibilities to other staff, there should be clear definition of the roles that staff could serve in the annual claims process, including preparing, reviewing, processing and approving the claims. Specific duties could be assigned to members of the in-house TDA claim team to ensure that each facet of the claims process is efficiently administered and expedited. For example, one team member could focus on the financial aspect of the claim, while another staff could focus on the compliance and performance

reporting aspect. Alternatively, team members could divide up the number of claims and then each conduct full review of each claim to gain comprehensive training. Final review and approval of the claim would still be by the Finance Director and executive management prior to adoption through resolution by the Policy Board.

Section I

Introduction – Initial Review of RTPA Functions

The Council of Fresno County Governments (Fresno COG) has retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2006–07 through 2008–09. As a Regional Transportation Planning Agency (RTPA), Fresno COG is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) in order to continue to receive TDA funding.

This performance audit, as required by the TDA, is intended to describe how well Fresno COG is meeting its administrative and planning obligations under the TDA.

Overview of Fresno COG and Fresno County

Fresno COG is a voluntary association of governments initially formed in 1967 by elected officials in Fresno County and its incorporated cities as a cooperative body for the discussion and resolution of issues affecting the region. Subsequent federal and state legislation supported such efforts and the agency was formalized in 1969. Member jurisdictions include the following entities:

County of Fresno		
City of Clovis	City of Huron	City of Parlier
City of Coalinga	City of Kerman	City of Reedley
City of Firebaugh	City of Kingsburg	City of Sanger
City of Fowler	City of Mendota	City of San Joaquin
City of Fresno	City of Orange Cove	City of Selma

Fresno County is geographically located in the central San Joaquin Valley of California. The county is bordered by Madera and Merced counties to the north, Kings and Tulare counties to the south, Monterey and San Benito counties to the west, and Inyo and Mono counties to the east. Fresno County was created in 1856 out of Mariposa, Merced, and Tulare counties. The county derives its name from Fresno Creek. The word *Fresno* is a Spanish term for the ash trees that were found in abundance in the region. The county geographically is the sixth largest in the state, encompassing over 6,017 square miles in total with a land area of 5,963 square miles.

Population growth has seen a marked increase in recent years. Based upon the 2000 U.S. Census, the county's population was 799,407 residents. The 2010 California Department of Finance (DOF) estimate reports a countywide population of 953,761. As per those estimates, the most populous incorporated cities within the county include the county seat of Fresno (502,303), followed by Clovis (96,868), Reedley (26,227),

Sanger (25,664), Selma (23,435), Coalinga (19,065), Kerman (14,381), Parlier (13,658), Kingsburg (11,504), Orange Cove (11,049), Mendota (9,966), Huron (8,082), Firebaugh (6,941) Fowler (5,764), and San Joaquin (4,071). The 15 incorporated cities account for nearly 82 percent of the county's total population.

In spite of increased urbanization and economic diversification, agriculture still remains the most important sector of Fresno County's economy. Fresno County is ranked as the most productive agricultural county in the nation. In 2008, the county's total crop valuation was just approximately \$5.66 billion with the top ten commodities valued at nearly \$3.8 billion. The ten top agricultural commodities in 2008 were grapes, almonds, poultry, milk, tomatoes, cattle, peaches, oranges, garlic, and nectarines.

Role of Fresno COG

Similar to many other large regional transportation planning agencies in California, Fresno COG has a complex legal structure that delineates its responsibilities in the areas of transportation, planning, and investment decision-making. Fresno COG's current Joint Powers Agreement (JPA), dated March 25, 1976, has served as the foundation upon which several additional responsibilities have been added in later years by the state legislature.

Another important feature of Fresno COG is that it operates in a complex intergovernmental environment, which requires ongoing communications and coordination with agencies at the local, regional, state, and federal levels of government. This means, for example, that its long-range transportation plan, transportation improvement programs, and air quality conformity processes are coordinated with those of the other San Joaquin Valley counties to address interregional issues. Fresno COG provides a leadership role in the coordination of planning efforts with the other counties and has formalized this relationship through execution of an eight county Memorandum of Understanding (MOU).

To ensure ongoing coordination with local jurisdictions, Fresno COG interacts regularly with county government, the cities in the county, and the county's transit operators to ensure coordination between Fresno COG policies and programs and the member agencies' programs and services.

In addition to its primary role as a Council of Governments and Regional Transportation Planning Agency, Fresno COG also serves as the Metropolitan Planning Organization and the Regional Transportation Mitigation Fee Agency.

Metropolitan Planning Organization

Fresno COG is the designated Metropolitan Planning Organization (MPO) for Fresno County. This designation gives the agency the responsibility for the "continuous, cooperative, and comprehensive (3-Cs) planning process" for the region as required by

the federal government. The designation allows federal funding for transportation projects and programs to be channeled through this process. An integral element of this planning process is the annual development of the Overall Work Program (OWP).

As the MPO, Fresno COG assumed responsibility as the Affiliate State Census Data Center for Fresno County. Staff responds to requests for census information from member agencies and the public. There is also continued coordination with the U.S. Census Bureau relative to public dissemination of census reports, announcements, and maintenance of census geography. Also, as the designated Areawide Planning Organization for the Fresno County Region, the COG adopts housing, land use, and open space elements when appropriate in providing comprehensive regional planning.

Measure C Extension & Regional Transportation Mitigation Fee (RTMF)

The Fresno County Transportation Authority is responsible for administration and implementation of the Measure C Extension half-cent sales tax revenues to ensure that the program of projects adopted by the voters is implemented. The 20-year funding program for transportation projects won voter approval in November 2006. The Authority and Fresno COG have executed a contract to have Fresno COG provide salary and personnel administration.

Fresno COG's designation by the Authority also allows it to collect the Regional Transportation Mitigation Fee (RTMF) under the Measure C Extension. The RTMF is assessed on all new or expanded development within the county that increases traffic impacts. For residential developments, the fee is calculated based on the number of dwelling units, whereas for nonresidential development, the fee is calculated on the square footage.

Fresno COG has an important role to play in the overall development and ongoing oversight of the sales tax program. Among the COG's significant activities during the audit period was the planning and development of a new transportation expenditure plan as part of the Measure C Extension. The expenditure plan is updated every two years and adopted by the Fresno COG Policy Board. The Authority reviews and approves the expenditure plan as submitted by the Policy Board. Moreover, Fresno COG is responsible for ensuring that the plan's projects are included in the Regional Transportation Plan, Federal Transportation Improvement Program (FTIP) and State Transportation Improvement Program (STIP).

Overall, the responsibility assigned to the Fresno COG in the sales tax program to plan for and deliver the program of projects is considered essential. The COG is viewed positively in its technical analysis and being a skilled manager of the programming process which results in projects being funded. The COG also provides leadership in developing transportation options for the community.

Organizational Structure

Fresno COG's primary governing body is the 16-member Policy Board comprising the mayors of each incorporated city and the Chair of the Fresno County Board of Supervisors, or their designated representatives. The Policy Board generally meets on the fourth Thursday of every month at 5:30 p.m. in the COG's Sequoia Conference Room with a few exceptions. In addition to the Policy Board, there are two other leadership committees: the Policy Advisory Committee and the Transportation Technical Committee. The leadership committees are assisted by four COG committees in providing policy recommendations in its decision-making process. Table I-1 describes these various committees.

Table I-1
Fresno COG Committees

Committee	Purpose and Function
Fresno COG Rail Committee	This committee provides a forum to identify, discuss, and make recommendations regarding commercial and high-speed rail development in Fresno County, including rail abandonments, goods movement, and rail consolidation.
Measure C Citizen Oversight Committee	This 13-member committee's mission is to inform the public and to ensure that the Measure C funding program revenues and expenditures are spent as promised. The Measure C Extension Expenditure Plan is guided by principles that ensure that revenue generated by the transportation sales tax is spent in the most efficient and effective manner possible, consistent with the desires of the voters of Fresno County. The committee meets on a quarterly basis on the second Thursday of the month as scheduled at 5:00 p.m.
Policy Advisory Committee (PAC)	This 16-member leadership committee comprises city managers from each incorporated city and the Fresno County Administrator. With the exception of urgency matters, all action items must first be considered by the PAC before submission to the Policy Board. The PAC meets on the third Friday of the month.
San Joaquin Valley Regional Planning Agencies Directors Committee	The committee comprises the regional planning agency directors from the eight San Joaquin Valley counties tasked with collaboration on the San Joaquin Valley Blueprint planning process and Senate Bill (SB) 375 compliance.
Transportation Technical Committee (TTC)	This leadership committee comprises planning and public works personnel from each incorporated city and

Committee	Purpose and Function
	the County, as well as representatives from transit agencies and community stakeholder groups. The TTC provides technical guidance on transportation issues and projects.
Social Services Transportation Advisory Council (SSTAC)	This committee conducts an annual review of the unmet transit needs process as well as addresses social service issues related to transit in the county. Membership of the SSTAC consists of: • One representative of potential transit users who is 60 years of age or older; • One representative of potential transit users who is disabled; • Two representatives of the local social service providers for seniors, including one representative of a social service transportation, if one exists; • Two representatives of local social service providers for the disabled, including one representative of a social service transportation provider, if one exists; • One representative of a local service provider for persons of limited means; • Two representatives for the local consolidated transportation service agency, designated pursuant to subdivision (a) of Section 15975 of the Government Code, if one exists, including one representative from an operator, if one exists; • Unspecified representatives of social service organizations; and • One representative of potential transit users from local youth (18–25 years of age).

Fresno COG also has several other committees that focus on specific areas. They include the Airport Land Use Commission, Freight Advisory Committee, Model Steering Committee, and SAFETEA-LU Subcommittee. Matters before the Policy Board are first channeled through the various committees and technical working groups to provide consensus building.

The Fresno COG Policy Board annually adopts a budget for the agency which is included in the Overall Work Program (OWP). As contained in the OWP, Fresno COG's total

budget including carryover for the fiscal years addressed by this audit ranged from \$5.8 million in FY 2007 to \$11.5 million in FY 2009, a 98 percent increase. The bulk of this increase was realized in FY 2009 prompted by planning and administration tasks performed on behalf of the Fresno County Transportation Authority, STIP planning activities, development of competitive selection process for Federal Transit Administration (FTA) Sections 5316/5317 (JARC/New Freedom) grants, and in-kind cash matches.

Audit Methodology

To gather information for this performance audit, PMC accomplished the following activities:

- Document Review: PMC conducted an extensive review of documents including various Fresno COG files and internal reports, Fresno COG claims files, financial reports, committee and board agendas, and other published public documents.
- Interviews: PMC interviewed Fresno COG management and planning staff as well as the transit operators under Fresno COG's jurisdiction.
- Analysis: PMC evaluated the responses from the interviews as well as the documents reviewed about Fresno COG's responsibilities, functions, and performance to TDA guidelines and regulations. Additional research was conducted in audit areas that required further analysis.

The remainder of this report is divided into four chapters. In Chapter II, PMC provides a review of the compliance requirements of the TDA administrative process. Chapter III describes Fresno COG's responses to the recommendations provided in the previous performance audit. In Chapter IV, PMC provides a detailed review of Fresno COG's functions. The last chapter summarizes our findings and recommendations.

Section II

RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* September 2008, which was developed by Caltrans, to assess Fresno COG's conformance with the TDA. Our findings concerning Fresno COG's compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
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 (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	Fresno COG accounts for its claimants' areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area. Fresno COG makes this finding in each adopted resolution approving LTF claims. Fresno COG utilizes a formula based on population to determine each claimant's apportionments each year. A resolution is passed by the COG adopting the apportionment findings for each claimant. Conclusion: Complied
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.	Public Utilities Code, Sections 99233.3 and 99234	Fresno COG provides guidance in its TDA Claims Manual and includes instructions in its claim packet for the submission of claims for pedestrian and bicycle projects. Through its annual apportionment process of LTF revenues, each member agency is provided with the amount of

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		Article 3 bicycle and pedestrian funds that can be claimed. Conclusion: Complied
The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.	Public Utilities Code, Sections 99238 and 99238.5	Fresno COG accounts for its claimants' areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area. Fresno COG makes this finding in each adopted resolution approving LTF claims. Fresno COG utilizes a formula based on population to determine each claimant's apportionments each year. A resolution is passed by the COG adopting the apportionment findings for each claimant. Conclusion: Complied
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not	Public Utilities Code, Section 99244	Fresno COG develops an Annual Transit Productivity Evaluation document that assesses the progress of transit operators and to recommend potential productivity improvements. The evaluation includes a description of each operator's activities for the past year including significant service changes and activities, and follow-up to

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
limited to, those made in the performance audit. - 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 which exceeds its prior year allocation.		recommendations provided in performance audits. Productivity data and performance indicators are shown for a four-year period to indicate the operational performance trends for each operator. Graphical displays of the data are also provided for added analysis and information. Recommendations for productivity improvement are then made by the TTC and SSTAC based on the data. Conclusion: Complied
The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).	Public Utilities Code, Section 99245	Fresno COG has ensured that all TDA claimants have submitted an annual certified fiscal and compliance audit within the allowed time frame. The following fiscal audits were completed: City of Clovis – FY 2007 & 2008 (Dedekian, George, Small & Markarian). FY 2008 Audit was completed April 9, 2009. FY 2009 – pending completion as of this finding. City of Fresno/FAX – FY 2007

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		(McGladrey & Pullen) & FY 2008 (Dedekian, George, Small & Markarian). FY 2008 Audit was completed May 6, 2009. FY 2009 – pending completion as of this finding. FCEOC – FY 2007, 2008 & 2009 (Kaku & Mersino). FCRTA – FY 2007 & 2008 (Dedekian, George, Small & Markarian). FY 2009 – Draft received, pending completion of final (Dedekian, George, Small & Markarian). Conclusion: Partial Compliance
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). 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 monies and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA	Public Utilities Code, Sections 99246 and 99248	For the current three-year period, Fresno COG has retained PMC to conduct the audit of Fresno COG and of the four transit operators. PMC was retained to conduct the previous audit for the three fiscal years that ended June 30, 2006. Conclusion: Complied

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.		
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.	Public Utilities Code, Section 99246(c)	Fresno COG submitted a written letter to Caltrans dated August 24, 2007, certifying compliance with this requirement. Conclusion: Complied
The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common	Public Utilities Code, Section 99246(d)	The performance audits of the operators include all required elements. Efforts to improve productivity and trends in productivity are discussed by each operator in their respective Short Range Transit Plans and the annual Transit Productivity Evaluation report. Conclusion: Complied

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.		
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Public Utilities Code, Sections 99270.1 and 99270.2	Fresno COG has established minimum revenue ratios for the urbanized operators (FAX and Clovis Transit). The 20 percent fare recovery ratio is consistent with TDA law. Conclusion: Complied
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.	Public Utilities Code, Section 99275.5	Fresno COG adopted an SB 826 Inventory and Action Plan for Fresno County in 1994. The Action Plan guides the implementation of social service transportation and designation of Consolidated Transportation Service Agencies (CTSAs). The plan designated the City of Fresno and the Fresno County Economic Opportunities Commission (FCEOC) as the urban CTSA for the Fresno Metropolitan Area, and FCEOC and the Fresno County Rural Transit Agency (FCRTA) as the rural CTSA. The City of Clovis was designated the CTSA for the Clovis Urbanized Area. The Action Plan also provides a Financial Matching Strategy for LTF Article 4.5 funding that includes a formula for determining the cost

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
		effectiveness of the service. The formula includes a maximum of 45 percent of the cost paid by LTF Article 4.5, 45 percent of the cost paid by social service funding, and 10 percent of the cost paid by farebox revenues. Because FCEOC does not collect fare revenues, the formula allows for a 55 percent social service funding/45 percent LTF Article 4.5 match. Fresno COG also requires CTSAs to prepare an annual operations program and budget (OPB) document that provides the service justification for Article 4.5 claims. The OPB provides a program of operations, including an implementation schedule for new or modified services, and a program budget. Conclusion: Complied
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116	Fresno COG allocates State Transit Assistance (STA) funds for transit services only. Conclusion: Complied
The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to	Public Utilities Code, Section 99314.3	Fresno COG administers STA funds in accordance with the relevant PUC requirements (i.e., on the basis of population and operator

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
the operators in the area of its jurisdiction as allocated by the State Controller's Office.		revenues). Conclusion: Complied
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: • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238; • Identified transit needs, including: ✓ 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	Public Utilities Code, Section 99401.5	TDA funds are used exclusively for public transit in the City of Fresno. Fresno COG conducts the annual unmet transit needs process both in the rural area and in the urban area. In consultation with the SSTAC, Fresno COG produces an annual report of findings which provides an identification and analysis for determination and adoption of unmet transit needs that are reasonable to meet before any allocations are made for streets and roads. The definitions of "unmet transit needs" and "reasonable to meet" are reaffirmed in the report and findings of the unmet needs process are adopted through Board resolution. Evidence of published advertisement of the hearings in each jurisdiction is also provided in the report. LTF funds have only been allocated to streets and roads after completion of the unmet needs process. Conclusion: Complied

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
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; - Adopted a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. 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.		
The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within	California Administrative Code, Section 6662	The accounting firm of Dedekian, George, Small & Markarian conducted the annual financial audit of Fresno COG during the triennial performance audit period. The audits were completed within the statutory time frame for all fiscal years covered by this

TABLE II-1 Fresno COG's Compliance Requirements Matrix		
RTPA Compliance Requirements	Reference	Compliance Efforts
12 months of the end of each fiscal year, and it must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the transportation development act and accompanying rules and regulations. Financial statements may not commingle the State Transit Assistance fund, the local transportation fund, or other revenues or funds of any city, county, or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.		audit. These Comprehensive Annual Financial Reports were submitted to the State Controller within 12 months of the end of each fiscal year. The completion dates were: FY 2007: December 28, 2007 FY 2008: January 28, 2009 FY 2009: February 4, 2010 Fresno COG also maintains fiscal and accounting records and supporting papers for at least four years following the fiscal year close. Conclusion: Complied

Findings and Observations from RTPA Compliance Requirements Matrix

In our opinion, Fresno COG has satisfactorily complied with most state legislative mandates for Regional Transportation Planning Agencies. The only exception pertains to the timely submittal of the annual fiscal and compliance audits for the TDA claimants. The only claimant in full compliance is the Fresno County Economic Opportunities Commission (FCEOC), which retained a different accounting firm from the COG and the other claimants. Pursuant to the Public Utilities Code, Section 99245, the claimants are required to submit annual fiscal and compliance audits to Fresno COG and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension by Fresno COG as allowed by law.

Section III

Prior Triennial Performance Audit Recommendations

This chapter describes Fresno COG's response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Consider modifying the annual TDA claim form to include a Standard Assurances list for the transit operators.

Actions taken by Fresno COG

The prior performance audit included a sample Standard Assurances list that could be attached as part of the claims submitted by the transit operators. This list, which could be signed and initialized by the appropriate claimant, serves as an annual reminder of specific TDA compliance measures. According to the Finance Director, the COG does maintain a checklist that is currently being updated.

Conclusion

This recommendation has been partially implemented.

Prior Recommendation 2

Consider developing a simplified comprehensive guide of transportation funding sources for inclusion in the orientation package for new Board members.

Actions taken by Fresno COG

The information included in the Board briefing packet can be used by Policy Board members as a reference tool that outlines the description and role of the COG as well as contains a listing of acronyms and definitions. It was suggested that the COG develop a comprehensive, user-friendly guide that describes the various funding sources utilized by the COG, local jurisdictions, partner agencies, and the transit operators.

The COG currently has a brochure that contains information about the different funding sources used toward the programming of transportation projects under the heading "Fund Administration." It discusses several of the key federal, state, and local funding sources including the TDA and the Measure C Extension. The COG is planning to update this document to be more detailed and user-friendly.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Develop step-by-step desk procedures that document “how to” administer or implement a program.

Actions taken by Fresno COG

It was suggested that the COG develop a procedures manual that would document at a minimum what programs/projects each staff classification would be responsible for and include a protocol for execution and the appropriate communication channels. The COG’s Finance Director has developed a procedural manual in dBase-DOS compatible format, which continues to be formalized.

Conclusion

This recommendation has been implemented.

Section IV

Detailed Review of RTPA Functions

In this section, a detailed assessment of Fresno COG's functions and performance as an RTPA during this audit period is provided. Adapted from Caltrans' *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, Fresno COG's activities can be divided into the following activities:

- Administration and Management
- Transportation Planning and Regional Coordination
- TDA Claimant Relationships and Oversight
- Public Information and External Affairs
- Grant Application and Management

Administration and Management

This section discusses the overall administration of Fresno COG's functions, which include general administration, internal planning and achievements, Overall Work Program, Policy Board activities, and interviews with select personnel.

General Administration

During the course of the audit period, Fresno COG saw changes in its administration and overall organizational structure. The most significant of these changes was the retirement of Fresno COG's longtime Executive Director in 2008, who was replaced by the Deputy Director. The prior Executive Director had served in that capacity for 14 years out of a total 35 years of service with the COG. One of the senior planners was promoted into the Deputy Director position. The other senior planner was placed into a newly created Principal Planner position, whose role is to supervise staff and oversee human resource matters. In addition, the COG filled an Executive Assistant position.

Two new positions were created: Measure C Coordinator and a Planner I focused on modeling. One Planner III has been out on disability leave for an extended period; her duties have been covered by other staff members. The newly created Planner I in charge of Measure C programs was out on maternity leave, but returned and is now covering another Planner III out on maternity leave. Fresno COG also eliminated two planning support positions at Fresno Area Express (FAX). One was a programming position and the other position was for a surveyor. FAX changed its surveying techniques, which eliminated the need for the surveyor. Nevertheless, Fresno COG still has a senior planner who serves as FAX's Planning Division Manager and a transit

planner who tracks and reports transit performance data. Both spend 80 percent of their time at FAX.

The organizational structure of the agency became more horizontal, reflecting more of a performance- and merit-based model. For example, staff members at the Planner III level have been designated project managers over key practice areas. The COG administration worked with a consultant to develop performance metrics. The merit-based structure allows greater latitude for career growth and goal setting. This new approach also allows employees to be more productive and cross-train in other practice areas. The Executive Director has expressed a desire to implement a formalized annual review process and offer merit pay increases in lieu of the five-step-based system.

Internal Planning & Achievements

Fresno COG has continued to distinguish itself as being a leader among the eight San Joaquin Valley regional planning agencies. Both the new Executive Director and Deputy Director have a land use planning background, which has served the agency well during the San Joaquin Valley and local Blueprint efforts.

Fresno COG has been designated as the lead agency for the San Joaquin Valley Blueprint process. Commencing in early 2006, this coordinated effort between the eight Valley COGs has served as a vehicle to plan for more sustainable land use patterns and transportation linkages at both the county and regional level to the year 2050. The Blueprint process included extensive public outreach that engaged citizens and policymakers. The three phase planning process involved several alternative growth scenarios analyzed within the context of performance measures. In April 2009, the San Joaquin Valley Regional Policy Council reviewed the Valley COG's collaborative work on the Blueprint and adopted a list of Smart Growth Principles to be used as the basis of Blueprint planning in the Valley. The San Joaquin Valley Regional Policy Council consists of two elected officials and one alternate appointed from each of the regional planning agencies policy boards in the San Joaquin Valley. In addition, the Policy Council adopted Scenario B+ as the Preferred Blueprint Growth Scenario for the San Joaquin Valley to the year 2050. This scenario places a greater emphasis on the preservation of agricultural land, protection of environmental resources, and more transportation infrastructure that crosses county boundaries. A progress report was released in July 2009, which will guide local jurisdictions in the implementation of the preferred scenario.

Nevertheless, the most significant achievement was the reauthorization of Measure C by Fresno County voters in November 2006, a 20-year one-half cent sales tax for the purpose of funding transportation projects in the county. The plan includes a \$1.7 billion expenditure plan. As part of the Measure C Extension, Fresno COG embarked on the implementation of the Regional Transportation Mitigation Fee (RTMF) program. Key milestones in the development of the RTMF have included the completion of the RTMF Nexus Study, the creation of the RTMF Joint Powers Agency (JPA), and the JPA's adoption of the initial fee. The COG commissioned the *Fresno Regional Transportation*

Mitigation Fee Nexus Study Report (Parsons Brinckerhoff), which was released in February 2009 and offers guidance on fees and administration. The Study Report was supplemented by the *Fresno Regional Transportation Mitigation Fee Administrative Manual* (PB Americas).

The RTMF is assessed on all new development within the county. For residential developments, the fee is calculated based on the number of dwelling units, whereas for nonresidential development, the fee is calculated on the square footage. Educational and government facilities are exempt from the fee. The master fee schedule is presented in Table IV-1 below.

**Table IV-1
RTMF Master Fee Schedule**

Land Use Category	2009	2010	2011 & Beyond
<i>Residential Developments (\$/dwelling unit)</i>			
Single-Family Dwelling (Market-rate)	\$1,200	\$1,450	\$1,727
Single-Family Dwelling (Affordable)	\$600	\$725	\$863
Multi-Family Dwelling (Market-rate)	\$843	\$1,018	\$1,212
Multi-Family Dwelling (Affordable)	\$421	\$509	\$606
<i>Nonresidential Developments (\$/square foot)</i>			
Commercial/Retail	\$1.36	\$1.65	\$1.96
Commercial/Office/Service	\$0.85	\$1.03	\$1.23
Education	Exempt	Exempt	Exempt
Government	Exempt	Exempt	Exempt
Light Industrial	\$0.34	\$0.41	\$0.49
Heavy Industrial	\$0.07	\$0.09	\$0.10
Other Nonresidential	\$0.29	\$0.35	\$0.42

Source: Fresno Regional Transportation Mitigation Fee Administrative Manual

The RTMF will be adjusted annually to account for inflation and other changes in the program. The COG received 200 applications within the first two months of the program and collects the fee directly. The fee is paid prior to the Certificate of Occupancy. The COG maintains copies of the application forms and a database as a record of payment. The applications are filed by city and month. As the number of applications increases, the forms should be scanned and stored electronically for safe record keeping.

Overall Work Program

The Overall Work Program (OWP) serves as Fresno COG's annual budget and program guide. The OWP identifies the specific work elements that Fresno COG will undertake for the coming fiscal year. Most of the work elements in the OWP address Fresno COG's state and federal planning requirements. Other work elements are also included in the

OWP to address and resolve local transportation planning issues and priorities, including the Measure C Extension. In terms of cross-training and succession planning, staff participates in the development of all elements of the work program.

The OWP is adopted by the Policy Board. Work element categories include Regional Transportation Planning, Transportation Program Development, Services and General Coordination Activities, Regional Coordination of Transportation, Land Use & Housing, Valleywide Coordinated Activities, and Administrative Activities. The OWP also includes an overview of Fresno COG's management structure and organizational charts. Administration of the TDA is found in the Local Transportation Funds Administration element under the Administrative Activities category.

The tasks outlined in the element specific to TDA administration are:

1. Compliance with RTPA requirements with regard to ensuring apportionment, unmet transit needs hearings, findings, and audits;
2. Monitoring of related legislative activity;
3. Assistance with claims preparation;
4. Review of claims for conformance with applicable TDA law, the Regional Transportation Plan, and Short Range Transit Plans;
5. Maintenance of appropriate financial activity records;
6. Facilitation of Social Service Transportation Advisory Council meetings/public hearings;
7. Update of unmet transit needs staff report and conduct public hearing; and
8. Contract for appropriate fiscal and triennial performance audits.

The element lists five work products in conjunction with the aforementioned tasks that include Local Transportation Fund (LTF) and State Transit Assistance (STA) apportionment and claim allocation records, monthly legislative reports, fiscal and triennial performance audits, SSTAC meetings, and an unmet transit needs staff report.

Governing Board Activities

The Policy Board is Fresno COG's main governing body guiding the activities and staff of the agency. This body is made up of 16-members comprising the mayors from each incorporated city and the Chair of the Fresno County Board of Supervisors, or their designated representatives. The Policy Board adopts Fresno COG's Annual Budget and OWP. Board chairs serve for a two-year term.

The Board has a double-weighted voting system. Each member has a vote based on population. To approve any action, the Board must pass two tests:

1. Agencies representing 40 percent of the population must be in favor of an action.
2. A majority of members must support the action (9 out of the 16 members).

Board meetings are convened on the fourth Thursday of every month at 5:30 p.m. in the COG's Sequoia Conference Room with a few exceptions. The Fresno COG *Board Actions* newsletter summarizes the actions taken by the Policy Board for the month. New COG Policy Board members receive a packet of resource materials introducing the COG's activities and its role in transportation. The packet includes a copy of the most recent OWP, governance information, and other COG related data to provide a thorough overview of the agency to the new board member. Executive management also meets individually with each board member to answer questions and further welcome them to the COG.

Personnel Management

Personnel management is overseen by the Principal Planner. It has been the general policy to recruit from within the agency to fill open positions. The Fresno COG Employee Manual underwent a revision in June 2008 to reflect the adoption of the performance-based organizational structure. The Employee Manual includes sections on employment policy, compensation/work schedules, employee benefits, employee expenses, and miscellaneous office policies. The COG provides health, dental and optical insurance plans. A flexible benefits plan is offered under Section 125 of the Internal Revenue Code, which allows employees to pay for certain benefits with pretax dollars. Life insurance coverage in the amount of \$100,000 is provided for each employee.

Regular full-time employees with up to five years of service accrue up to 80 hours of annual vacation leave. Those employees with between 5 and 10 years of service accrue up to 120 hours of annual vacation leave and those with more than 10 years of service accrue 160 hours of annual leave. In addition, employees receive 12 days of annual sick leave up to a maximum total accrual of 960 hours.

Fresno COG offers two types of retirement benefit programs administered by the International City Managers Association Retirement Corporation (ICMA). The first one is a qualified Section 401(a) Plan, which is an employer-defined contribution plan. The COG makes a tax deferred contribution of 15 percent of an employee's gross salary to the plan. The other retirement program is a 457 Deferred Compensation Plan. Since employees are exempt from the FICA or Social Security withholding, they are required to make a minimum tax deferred contribution of 7.5 percent to the 457 plan. Employees can elect to increase their contribution to the maximum percentage allowed under federal law.

The agency observes the following holidays: New Year's Day, Martin Luther King's Birthday, Abraham Lincoln's Birthday, George Washington's Birthday, Cesar Chávez' Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving, Day after Thanksgiving, and Christmas. The COG observes a half-day schedule on Christmas Eve and New Year's Eve by closing at noon.

Transportation Planning and Regional Coordination

This functional area addresses planning functions required of Fresno COG, including development of the Regional Transportation Plan, Transportation Improvement Program, and transit planning including performance monitoring and the short-range transit planning process. Additional transportation programs administered by the agency are also discussed.

Regional Transportation Plan

The Regional Transportation Plan (RTP) is Fresno COG's long-range planning document that guides the development of transportation in Fresno County over a 25-year horizon. The RTP demonstrates how Fresno County will better maintain, operate, and expand its transportation system in a financially constrained manner. The document is updated every four years and is required by state and federal law. It also serves to expedite project approval and prioritization.

The current RTP was prepared in 2007 and is currently undergoing an update for 2011. The 2007 RTP included one administrative modification and one amendment. The RTP update is seen as a transitional document that will address greenhouse gas emissions and other air emissions. In addition, it will serve as a stepping stone to the subsequent 2014 RTP that will incorporate sustainability mandates pursuant to Senate Bill (SB) 375. Fresno COG has established an RTP Committee that assists with ongoing maintenance of the document.

The RTP Update features seven sections: San Joaquin Valley Regional Transportation Overview; Regional Setting, State & Federal Issues; Policy Element; Needs Assessment & Action Element; Climate Change Element; Financial Element and Public Participation. In addition, appendices include an RTP checklist, organizational chart, performance measures, pricing strategies analysis, and response to comments.

A distinguishing feature of the 2011 RTP Update is the inclusion of a Climate Change Element. This element addresses the developments and legislation passed since the adoption of the 2007 RTP that pertain to climate change and global warming. The Policy Board adopted Resolution 2008-08 in June 2008 that contains a set of greenhouse gas reduction strategies. Fresno COG will adopt the 2011 RTP before final emissions targets are determined. The Climate Change Element is the first phase in Fresno COG's approach to address the issue of global climate change.

The 2011 RTP process also included a public participation plan that features unique approaches to community and stakeholder outreach. The plan included a series of performance measures to ensure diversity, reach, accessibility, impact, high-quality input and participation, and participant satisfaction.

Transportation Improvement Program

Fresno COG is responsible for preparing both the Federal Transportation Improvement Program (FTIP) and Regional Transportation Improvement Program (RTIP) for Fresno County projects that have been approved for federal and state funding. The FTIP is a listing of all federally funded and regionally significant projects spanning a four-year period updated every two years during even numbered years to demonstrate consistency with the Regional Transportation Plan (RTP). This document is also used to make a finding of air quality conformity with the applicable State Implementation Plan (SIP) before any federal funds may be expended on transportation projects.

Fresno COG prepares amendments as needed and works with state agencies, other regional agencies, and local agencies to coordinate implementation of the RTP through the FTIP. Federal regulations require that all projects funded with federal funds and regionally significant projects (state or locally funded projects) be included in an FTIP in order to receive the funds.

The development of the RTIP is guided by principles established by SB 45, which provides for mainly local control over the programming of projects for state and federal funding. The plans are financially constrained, meaning that only those projects with expected available funding could be included. Federal fund sources that Fresno COG allocates include Congestion Mitigation and Air Quality (CMAQ), High-Priority Projects Program, Regional Surface Transportation Program (RSTP), and Transportation Enhancement Activities (TEA) funding. State fund sources include the Proposition 1B Bond, SB 821, State Transit Assistance, and State Transportation Improvement Program (STIP) Regional Improvement Program (RIP) funds.

Fresno COG is investing in web-driven software data management to enhance the programming of projects with its local jurisdictions. Local jurisdictions are able to view and track their programmed projects on-line and use query tools to review projects using customized views. When an amendment to a project is needed, the local jurisdiction would simply contact Fresno COG to make the adjustment in the data system. The software system ties the project with funding and provides the common platform and up-to-date information for all affected jurisdictions to communicate with Fresno COG.

Transit Planning Including Performance Monitoring and the Short-Range Transit Planning Process

Fresno COG has undertaken several efforts in guiding the development and coordination of the region's transit infrastructure. Active monitoring of transit operators is provided through the annual Transit Productivity Evaluation report released in January. This report provides an overview of the four Fresno County transit systems together with service changes and performance indicator data.

More extensive transit planning is embodied in the short-range transit plans. Two short-range transit plans were undertaken during the audit period. The Short-Range Transit Plan for the Fresno-Clovis Urbanized Area, 2007–2012 examines the service provision of the urbanized area operators such as FAX and Clovis Transit. The Short Range Transit Plan for the Rural County Area, 2007–2012 examines the service provision for the Fresno County Rural Transit Agency (FCRTA).

Another major role that Fresno COG has played in transit planning has been the development of the Public Transportation Infrastructure Study (PTIS). The PTIS is designed to evaluate mobility needs and opportunities and to identify strategies for public transit and transit-supportive infrastructure development that will result in wider acceptance and use of alternative transportation modes such as public transit and bicycle and pedestrian travel. The PTIS is a regional transit improvement plan that can be implemented to:

- Reduce urban sprawl
- Decrease traffic congestion
- Reduce greenhouse gas emissions
- Improve air quality
- Preserve agricultural land

The PTIS was developed in conjunction with the Public Transportation Regional Agency Formation Study released in June 2007, which was conducted to address a 2003 Fresno County Grand Jury Report that recommended that school bus systems consolidate with public transit systems in Fresno County. The study acknowledged that Federal Transit Administration (FTA) regulations limit the amount of school transportation service that can be provided with FTA-funded vehicles. Public transit operators can accommodate school children on regular transit service as long as the service is also open to the general public. Nevertheless, the primary focus of the study is on coordination and possible consolidation of public transit services in Fresno County.

Phase I of the PTIS evaluated existing and planned land uses, mapped residential and employment densities, and identified primary travel corridors for communities outside of the Fresno-Clovis Metropolitan Area (FCMA). Phase I also reviewed existing land use policies and developed a set of transit-supportive recommendations.

Phase II of the PTIS project — Alternatives Development — creates a regional transit improvement plan by identifying different transit options for the region and improved connections for underserved areas and users, and develops recommendations for transit-supportive investments such as bicycle and pedestrian facilities and transit amenities.

Measure C Extension

Fresno COG was instrumental in successful passage and implementation of the Measure C Extension. The original Measure C (1987–2007) allocated 75 percent toward regional road projects and 25 percent to local jurisdictions. Under the Measure C Extension, which was approved by 78 percent of Fresno County voters in November 2006, there is a greater emphasis on multimodalism, with alternative transportation projects receiving a larger share of the measure proceeds.

The expenditure plan includes a taxi script program for seniors, and commuter and farmworker vanpools. Fresno COG has been designated to implement the measure together with the Measure C Oversight Committee which included writing program implementation handbooks. The Measure C Extension is projected to generate slightly more than \$1.7 billion over its 20-year horizon and will serve to leverage federal and state funding. The measure comprises six expenditure programs outlined as follows:

1. **Regional Public Transit (\$412.1 million or 24 percent):** Approximately \$337.1 million is allocated to the county's three public transit operators to fund major new expansions of the express, local, and feeder bus services as well as passenger amenities. An additional \$75 million would fund mobility improvements for the disabled and seniors, farmworker transportation, and Phase II of the Public Transportation Infrastructure Study (PTIS).
2. **Local Transportation Program (\$593.6 million or 34.6 percent):** The goal of this program is to improve each city's and the County's local transportation systems. Approximately \$263 million would be allocated toward pothole repair, street repavement, sidewalk improvements, and infrastructure upgrades. About \$253 million is designated as flexible funding provided to the local agencies for any transportation project or need, \$9 million is provided toward ADA compliance, and \$68 million is provided to fund bike, pedestrian, and trail networks.
3. **Regional Transportation Program (\$520 million or 30.4 percent):** This program authorizes major new projects such as freeway interchange improvements, increased lane capacity and safety, and major commute corridor improvements. Approximately \$504 million will be allocated toward regionally significant street and highway improvements divided equally between the rural and urban areas of the county. More than \$17 million will go toward improvements to the Fresno Yosemite International Airport (FYI) and Fresno Chandler Executive Airport. Moreover, this funding program is the impetus for the RTMF, which requires new growth and development to contribute to regional street and highway project costs.
4. **Alternative Transportation (\$102.5 million or 6 percent):** Funding for this program would be reserved to provide local matching funds for the

consolidation of rail lines through Fresno to increase safety and reduce traffic congestion.

5. **Environmental Enhancement (\$59.8 million or 3.5 percent):** This program's goal is to improve air quality and the environment through \$20 million in transit-oriented infrastructure for infill development and approximately \$40 million toward the school bus replacement program that would remove the oldest and most polluting school bus vehicles from service.
6. **Administration/Planning (\$25.6 million or 1.5 percent):** This funding allocation is provided to the Fresno County Transportation Authority and Fresno COG to prepare expenditure plan updates, develop allocation program requirements, and administer and conduct specified activities identified in the aforementioned five programs.

Fresno COG is tasked with staffing the Measure C Citizen Oversight Committee and providing technical and administrative assistance to support and publicize the committee's activities, with the staff assignment subject to the approval of the committee. The Committee is comprised of 13 members, who serve staggered four-year terms. The COG has been working to recruit new members from rural areas of the county.

Ridesharing & Commuter Initiatives

Fresno COG has been proactive in helping the region reduce its commute trips. The agency has been assisting area employers to conform to the San Joaquin Valley Air Pollution Control District's (SJVAPCD) Rule 9410 – the Employer Based Trip Reduction Rule, which requires larger employers to establish employee trip reduction programs to reduce single-occupancy vehicle trips. This rule applies to companies employing 100 or more employees at one location. Employers will need to register with the District by July 2010. In addition, employers will need to annually conduct a commute verification survey that finds out how eligible employees traveled to and from work during a one-week period. Commute verification begins in 2014, with results reported annually starting in 2015.

As part of the Measure C Extension, the agency has been promoting commuter and farmworker vanpool programs. These programs offer subsidies and reimbursements for existing and new vanpools. Some of the incentives include a monthly lease subsidy, medical exam expense reimbursement, driver replacement cost, an emergency ride home program, parking permits, and vouchers.

The COG hosts a website at www.valleyrides.com in partnership with California State University, Fresno. The site provides free computer rideshare matching for those interested in carpooling or vanpooling in/from Fresno County. A user simply provides their email address along with the starting point and destination information, and

standard work or class schedule. Valleyrides.com will then provide the user with a matchlist of compatible commuters that have also registered for this service. Several incentives have been offered such as \$1,000 monthly cash giveaway and an annual car giveaway. The COG has retained a marketing agency and secured local sponsors such as the Fresno Grizzlies baseball franchise.

Fresno County Freeway Service Patrol

Fresno COG administers the Freeway Service Patrol (FSP) in cooperation with the California Highway Patrol and Caltrans. The FSP provides quick motorist assistance on freeways during peak traffic conditions to remove minor incidents rapidly, thereby reducing congestion from backups and potentially secondary accidents. The FSP provides assistance with changing a flat tire, jump starting a car, refilling radiator and tapping hoses, and providing fuel. Should further help be warranted, free towing is provided to the nearest CHP identified location off the freeway.

The FSP operates along an estimated 21.4 miles of SR-41, SR-99, SR-168 and SR-180 in the City of Fresno. A private tow truck company is contracted to provide patrol service Monday through Friday during morning and evening commute hours.

Air Quality

The COG has performed an important service by defining the air quality issues and is viewed by many as the collective voice of the community on air quality. Moreover, the COG is recognized for providing leadership among its peer agencies in the San Joaquin Valley and for ensuring that adequate attention is being given throughout the Valley to the issue of air quality, especially as it relates to transportation.

The RTP is closely coordinated with the state air quality implementation plan prepared by the SJVAPCD. The RTP must be consistent and in conformance with the air quality plan to comply with both state and federal regulations. Because the eight San Joaquin Valley counties share the common nonattainment air basin, the counties have coordinated their respective RTPs to clearly distinguish all issues that are valleywide in scope and that the issues are presented consistently. Among the current air quality issues include the need to address particulate matter (PM) 2.5 levels which the valley experiences during winter months that are at least twice the national ambient air quality standard for this pollutant.

Fresno COG has long provided the lead in the area of air quality modeling and conformance for the San Joaquin Valley transportation planning agencies. Fresno COG has been utilizing a policy-based consultant as well as a separate technical consultant to help manage the coordination of modeling activities among the valley counties. The policy consultant was used for the 2007 RTP Update and addressed the long-term policies and implications of air quality measures. The technical consultant provides conformity analysis modeling. The Model Steering Committee meets regularly to discuss

modeling issues and is recognized by the valley planning agencies as the body to address regional air quality impacts. The valley coordinated effort is in concert with the activities of the San Joaquin Valley Air Pollution Control District as well as Caltrans.

TDA Claimant Relationships and Oversight

As the designated County Transportation Commission, Fresno COG is responsible for the administration of the TDA program. This functional area addresses the COG's interaction with the transit operators in Fresno County and its administration of the provisions of the TDA. The sub-functions described include administration of the program, provision of technical and managerial assistance to operators, transit coordination, TDA claims processing, and the conduct of the unmet transit needs process.

Fresno COG Administration and Planning

The uses of TDA revenues apportioned to Fresno County flow through a priority process prescribed in state law. Prior to allocation of funds to the member jurisdictions, a very small portion (less than 1 percent) is allocated to the Fresno County Auditor Controller for administration of the revenue. The LTF allocations are then distributed to the jurisdictions based on the latest population figures from the California Department of Finance. In order of priority, LTF funds are allocated as follows:

- Bicycle and pedestrian facilities (2 percent)
- Consolidated Transportation Service Agencies (5 percent)
- Regional transportation planning (3 percent)
- Public transit
- Streets and roads

Prior to apportionment of funds to the Bicycle and Pedestrian Facilities Program and the transit operators, Fresno COG is able to claim TDA revenues for administration of the fund and for transportation planning and programming purposes. During the audit fiscal years of 2007 through 2009, Fresno COG claimed the amounts shown in Table IV-2 below.

Table IV-2
Local Transportation Funds (LTF) Allocated for Fresno COG Administration
and Planning and Programming

Fiscal Year	Administration of TDA	Planning and Programming	Total
2007	\$150,484	\$807,857	\$958,341

Fiscal Year	Administration of TDA	Planning and Programming	Total
2008	\$126,901	\$893,299	\$1,020,200
2009	\$132,860	\$918,115	\$1,050,975

Source: FY 2007–2009 Annual Fiscal Audits

In FY 2007, the amount of LTF claimed by Fresno COG was equal to about 2.40 percent of total TDA apportionments countywide. In FY 2008, the amount was 2.93 percent, and for FY 2009, the amount was 3.47 percent.

Technical and Managerial Assistance to Operators

The COG’s Director of Finance is the primary contact for providing TDA assistance to the claimants and transit operators, including issuing the annual TDA claim forms and distributing TDA revenues to the transit operators for operating cost and capital purchases, and to the cities and the county for use on streets and roads and pedestrian and bicycle projects. To manage the accounting of the revenues, the Finance Director utilizes a detailed DOS-based accounting system to record and track the inflow and outflow of the TDA revenues. A chart of accounts was developed with specific expenditure categories that are consistent with the allowable uses provided by law. This customized system for the TDA program has enabled Fresno COG to effectively manage the revenues and provide technical assistance to the operators.

TDA Claim Processing

On an annual basis during this audit period, Fresno COG was responsible for managing the apportionment of between \$28 and \$32.8 million in Local Transportation Fund revenues and between \$2.25 and \$10.2 million in State Transit Assistance funds (annual financial audit and State Controller figures).

Table IV-2
Total TDA Funding Allocation

Fiscal Year	Local Transportation Fund (LTF)	State Transit Assistance (STA)	Total
2007	\$31,489,960	\$8,516,739	\$40,006,699
2008	\$30,415,224	\$4,443,645	\$34,858,869
2009	\$28,047,419	\$2,251,941	\$30,299,360

Source: STA and LTF audited financial statements for Fresno COG, FY 2007-FY 2009

Fresno COG prepares and distributes several documents during the TDA claims process. The documents include the initial and final estimates of apportionment to each jurisdiction and a packet providing claimants with the necessary forms and funding

information needed to prepare TDA claims. Initial revenue projections are provided by the County in January, with final revenue estimates provided in early May. The COG Finance Director fills in available information to assist each claimant.

During the audit period, the Finance Director began delegating TDA claim responsibility to other COG staff due to increased workload and in efforts to train staff. The delegation of responsibilities should include clear definitions of the roles for each staff to increase the efficiency in processing and approving the claims. In essence, it is recommended that a “TDA claims team” be further developed that will enable appropriate COG staff to be trained and involved in the claims process with responsibilities that include review of financial, compliance, and performance information.

The TDA claims are generally adopted by each jurisdiction and the COG in mid-summer to early fall. The claims are prepared by the transit operators, Consolidated Transportation Service Agencies (CTSA), and the cities and County, and are adopted by each claimant’s governing board or council. Article 4.5 claims by the CTSA’s (FCEOC and Clovis Transit) are based on approved operations and planning budgets (OPBs) for the urban and rural areas.

As a priority, about one-quarter of the annual transit claims are paid first to the transit operators before revenues for streets and roads are paid to the local jurisdictions. Both State Transit Assistance funds and Local Transportation Fund revenues are claimed under the same funding form and comply with procedures and formulas established in the TDA statute. Each claimant also prepares a contingency claim for any surplus funds from the prior year, which are distributed for both transit and street and road purposes. Given the claims process implemented by the COG, each jurisdiction receives its fair share of TDA revenues up front, based primarily on population.

The operator claims must include supplemental information of a number of TDA requirements, including attachment of specific documentation such as the budget, prior year revenues and expenditures, CHP terminal inspection certification, and transit efficiency calculation if the operator chooses to use STA monies for operations.

The prior audit emphasized the importance of including a standard assurances form in the claim packet. The standard assurances form includes elements contained in the compliance matrix in the transit operator performance audits. Each submitting claimant certifies that all conformance requirements are satisfied to receive both LTF and STA funds. Examples are the timely conduct of the annual state controller and fiscal audits, and full use of available federal funding. The attachment of CHP compliance certificates to the claim is another example of a standard assurance that the COG already requires. The purpose of the list is to hold the operators accountable for compliance with certain TDA provisions to be able to receive the funds and as an annual reminder of these provisions.

Unmet Transit Needs

Unmet transit needs hearings are required by the TDA where claims can be made for streets and roads. TDA funds are used exclusively for public transit in the City of Fresno. Fresno COG conducts the annual unmet transit needs process both in the rural areas of the county and in the Fresno-Clovis Metropolitan Area to allow the rural and urban transit operators to plan for future services. There are three information-gathering meetings: one held in the Fresno-Clovis Metropolitan Area, one in western Fresno County, and one in eastern Fresno County.

Staff prepares a report and discussion of the unmet needs process and a resolution approving the annual unmet transit needs findings. Recommended findings by the SSTAC are included in the staff report. Each year, Fresno COG reaffirms the adopted definition of unmet transit needs and reasonable to meet.

Unmet transit needs are defined as “those public transportation or specialized transportation services that are identified in the Regional Transportation Plan and/or documented through the COG’s Annual Unmet Transit Needs Public Hearing Process that have not been implemented or funded.”

Reasonable to meet is defined as follows:

Those public transportation services identified in the Regional Transportation Plan, or proposed amendment thereto, which meet the following criteria:

- 1) Services which, if implemented or funded, would not cause the responsible operator or service claimant to exceed its appropriations limitation as set forth by Proposition 4 (Gann Limit).
- 2) Services which, if implemented or funded, would not cause the responsible operator to incur expenditures in excess of the maximum amount of:
 - a) Local Transportation Funds and State Transit Assistance Funds which may be available for such operator to claim;
 - b) Federal Transportation Administration (FTA) funds or other support for public transportation services which are committed by Federal and/or State agencies by formula or tentative approval of specific grant requests; and
 - c) Farebox and local funding in compliance with PUC Section 99268 et seq.

The fact that an identified need cannot fully be met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet.

- 3) Services which, if implemented or funded, would result in the responsible operator or service claimant meeting the farebox recovery and local support requirements as set forth by PUC Section 99268 et.seq. Evaluation of existing operators shall be based on records provided to COG by operators pursuant to the Transit Productivity Evaluation Process (PUC Section 99244).

Evaluation of proposed new service shall be based upon a feasibility analysis that includes, but is not limited to:

- a) Forecast of anticipated ridership if service is provided.
- b) Estimate of capital and operating costs for the provision of such services.
- c) Estimate of fares and local support in relation to estimated operating costs for providing such services.
- d) An estimated fare which the COG Board would determine to be sufficient to meet farebox recovery requirements, but would not be so high that it would pose a financial burden on transit dependent patrons.

Unmet transit needs resolutions adopted during the audit period found that there were no unmet transit needs that are reasonable to meet.

Upon conclusion of the unmet needs process, Fresno COG submits all documentation to Caltrans as evidence of conducting the hearings and incorporating the recommendations of the SSTAC.

Public Information and External Affairs

As part of its public information and marketing efforts, Fresno COG utilizes a number of approaches that involve more focused strategies. There is more reliance on electronic media than on print publications and collateral. Fresno COG's principal electronic portal continues to be its Web site (www.fresnocog.org).

The goal of the Fresno COG website is:

- To provide a simple and intuitive electronic portal to access public services,
- Provide easy electronic access to public information for use by the target audience
- Serve as an electronic communications tool,
- Reduce transaction costs for the COG, its member agencies and citizens, and

- To streamline business operations.

The agency has recently released a Request for Proposals (RFP) to update the Web site. The objective will be to clean up the home page and to make the site more user-friendly. The new Web site is expected to be fully operational in 2011. Fresno COG has also made inroads into social media with the creation of its own Facebook page.

The printed Outlook newsletter ceased publication as of the March 2009 edition. In its place an e-mail blast entitled "This Week at Fresno COG" is distributed to approximately 2,500 recipients once a week on Tuesdays. The weekly e-mail newsletter contains information on COG meetings, pending legislation, plans and programs. In addition, an annual report with a new format including a COG calendar is mailed to 500 contacts.

Fresno COG implemented a new public outreach strategy during development of its RTP. In lieu of holding community open houses and workshops, the COG made available community outreach grants of \$2,500 each to community-based organizations throughout the county. This approach is seen as an innovative way to leverage existing community contacts for the most effective outreach. The COG received five grant application submittals with one retraction. Through the Valleywide Blueprint initiative, the COG is one of the sponsors of the Great Valley public affairs television program produced by Valley Public Television and the Great Valley Center. Other sponsorships include Bike Commute Week, promoted through the I Bike Fresno Web site (www.ibikefresno.org).

Fresno COG also uses non-traditional outreach methods in its RTP public participation plan such as hosting focus groups, and posting information on Social Networking sites like Facebook and Mindhub. COG staff indicated there are about 200 members on its Facebook page.

In its efforts to foster interagency and intermodal transportation within the county, Fresno COG publishes the Fresno County Transportation Guide. The guide contains fare and schedule information from the three public transit providers. The Public Information Officer is changing the format of the Fresno County Transportation Guide from a booklet to a folded pocket guide. The pocket guide format would continue to be bilingual and feature contact numbers, fare information, Web site links, and basic information about transit services.

Fresno COG adopted its 2007 Public Participation Plan (PPP) in November 2007, which underwent minor modification in December 2008. The PPP is intended to provide direction for public participation activities to be conducted by Fresno COG and contains the procedures, strategies, and techniques used by Fresno COG for public participation. The planner in charge of public information and outreach started a Public Information Officers (PIO) working group, which meets quarterly to exchange ideas and industry best practices.

One Voice Program

Fresno COG, working in conjunction with private sector groups, has taken the leadership role in creating the One Voice Program, which involves annual advocacy trips to Washington, D.C., and Sacramento. The objective of the program is to inform Fresno County's congressional and state assembly delegations, legislative committee staff, agency administrators, and others of the Fresno community's priority programs and projects for the year. The One Voice Program began in 2003 and was the first of its kind for Fresno County. Only local funds are used, with no state or federal contributions. One Voice trips have resulted in Fresno County securing about \$15.3 million in transportation project funding.

A resource binder with pertinent information, key talking points and trip logistics is prepared by COG staff for each participant. The COG develops the prioritized list of projects after soliciting input from various public and private sector organizations in the county. While the focus of the program is transportation projects, other programs and projects may be included as well. At the end of the prioritization process, the stakeholders, because of the outreach process, are in a position to join with the COG to speak with "one voice" on the priority transportation needs of Fresno County when they travel to Washington.

With the region's ability to speak with one voice, Fresno COG has been instrumental in the formation of the San Joaquin Valley Regional Policy Council comprising representatives from each participating council of governments. This group will further the collective strength of the partner agencies to advocate for transportation funding and address other issues. The San Joaquin Valley Regional Blueprint will provide the planning process and products to support long-range planning for the eight Metropolitan Planning Organizations in the region and complement the work of the Council.

Grant Application and Management

Fresno COG serves as the clearinghouse for federal grant applications that are reviewed to determine whether there is any duplication of effort among agencies and that there is no conflict with local plans and policies. The COG's role for the Fresno County region is to review and be an integral part to state and federal funding assistance that promote inter-jurisdictional coordination.

The COG assists the transit operators with obtaining federal grants from the FTA by ensuring the programming of resources and projects in the appropriate federal implementation plans. Federal grants have played an important role in funding continued operations and capital replacement of the transit operators. Three of the four operators that receive TDA revenues have also acquired federal grant funds, whether for operations or for capital purchases. The fourth operator, Clovis Transit, has not elected to apply for federal funding. The operators do not compete for the same pot of

funds, as each operator is eligible for different federal grant programs based on their status as an urban, rural, or nonprofit operator.

As a direct recipient of FTA Section 5316 and 5317 grants, Fresno COG administers a Call for Projects for Jobs Access and Reverse Commute, and New Freedom projects. The most recent call for projects was in November 2009. Staff indicated there is a limited pool of applications that qualify for these funds, namely from the transit operators. Including carryover, there is a little over \$1 million in FTA 5316 funds, and about \$500,000 in FTA 5317 funds. As a sign of the limited applicants, funding applications for FTA 5316 only totaled \$305,000 in the most recent call.

Section V

Findings

The following material summarizes the major findings obtained from the triennial audit covering FYs 2007 through 2009. A set of audit recommendations is then provided.

1. Fresno COG conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. Fresno COG has satisfactorily complied with most state legislative mandates for Regional Transportation Planning Agencies. The only exception pertains to the timely completion and submittal of the annual fiscal and compliance audits for the TDA claimants.
3. Of the three prior performance audit recommendations, Fresno COG has fully implemented two recommendations and partially implemented one recommendation. The COG is making effort to create a standard assurances list that could be attached as part of the TDA claims submitted by the transit operators.
4. Fresno COG's long time Executive Director retired in 2008 and was replaced by the Deputy Director. One of the senior planners was promoted into the Deputy Director position. The other senior planner was placed into a newly created Principal Planner position, whose role is to supervise staff and oversee human resource matters.
5. The organizational structure of the agency became more horizontal, reflecting more of a performance- and merit-based model. The administration worked with a consultant to develop performance metrics. The merit-based structure allows greater latitude for career growth and goal setting. This new approach also allows employees to be more productive and cross-train in other practice areas.
6. Fresno COG was instrumental in successful passage and implementation of the Measure C Extension. The reauthorization of Measure C by Fresno County voters in November 2006 extends the 20-year one-half cent sales tax for the purpose of funding transportation projects in the county. The measure includes a \$1.7 billion expenditure plan with a greater emphasis on multimodalism, with alternative transportation projects receiving a larger share of the measure proceeds.
7. As part of the Measure C Extension, Fresno COG embarked on the implementation of the Regional Transportation Mitigation Fee (RTMF) program. Key milestones in the development of the RTMF have included the completion of the RTMF Nexus Study, the creation of the RTMF Joint Powers Agency (JPA), and the JPA's adoption of the initial fee. The RTMF, along with Fresno COG's administration of the relatively new Measure C Carpool/Vanpool program, has guided the COG toward serving as an

implementation agency in addition to its responsibilities for planning and programming.

8. Fresno COG has played a significant role in regional transit planning with the development of the Public Transportation Infrastructure Study (PTIS). Developed in two phases, the PTIS is designed to evaluate mobility needs and opportunities and to identify strategies for public transit and transit-supportive infrastructure development that will result in wider acceptance and use of alternative transportation modes such as public transit and bicycle and pedestrian travel.
9. Fresno COG prepared and adopted the 2007 RTP, which is currently undergoing an update for 2011. The 2007 RTP included one administrative modification and one amendment. The 2011 RTP is seen as a transitional document that will address greenhouse gas emissions and other air emissions.
10. A distinguishing feature of the 2011 RTP Update is the inclusion of a Climate Change Element. This element addresses the developments and legislation passed since the adoption of the 2007 RTP that pertain to climate change and global warming. The Policy Board adopted Resolution 2008-08 in June 2008 that contains a set of greenhouse gas reduction strategies.
11. Fresno COG adopted its 2007 Public Participation Plan (PPP) in November 2007, which underwent minor modification in December 2008. The PPP is intended to provide direction for public participation activities to be conducted by Fresno COG and contains the procedures, strategies, and techniques used by Fresno COG for public participation.
12. Fresno COG implemented a new public outreach strategy during development of its RTP. In lieu of holding community open houses and workshops, the COG made available community outreach grants of \$2,500 each to community-based organizations throughout the county.

Recommendations

1. Ensure annual fiscal audits are submitted on time.

Whereas Fresno COG has ensured the timely submittal of the State Controller Transit Operators Financial Transactions Report during the audit period, issues continue related to the timely submittal of the annual fiscal audit. Only one TDA transit claimant, Fresno County Economic Opportunities Commission (FCEOC), submitted their annual fiscal audits on time. Pursuant to Public Utilities Code, Section 99245, TDA claimants are required to submit annual fiscal and compliance audits to Fresno COG and to the State Controller within 180 days following the end of the fiscal year or request a 90-day extension to the COG as allowed by law. Fresno COG retains a single auditor to prepare the fiscal audits of the TDA claimants with the exception of the FCEOC which submits its own fiscal audit. It is suggested that Fresno COG's finance staff continue to work closely with the claimants as part of enhanced oversight procedures to ensure that the annual TDA fiscal audits are submitted within the statutory time frame.

2. Have transit claimants substantiate annual budget increases in excess of 15 percent on their TDA claim.

A review of TDA claims during the audit period revealed that those claimants whose operating budget increased in excess of 15 percent from the prior year did not substantiate such an increase. Pursuant to Public Utilities Code, Section 99266, claimants are required to substantiate significant budget increases over the previous fiscal year in the scope of operations or capital budget provisions for major new fixed facilities.

3. Further define staff roles and responsibilities for developing an in-house "TDA claims team".

During the audit period, the Finance Director began delegating TDA claim related responsibilities to other COG staff as the workload continued to increase and to train others. In support of delegating TDA claim responsibilities to other staff, there should be clear definition of the roles that staff could serve in the annual claims process, including preparing, reviewing, processing and approving the claims. Specific duties could be assigned to members of the in-house TDA claims team to ensure that each facet of the claims process is efficiently administered and expedited. For example, one team member could focus on the financial aspect of the claim, while another staff could focus on the compliance and performance reporting aspect. Alternatively, team members could divide up the number of claims and then each conduct full review of each claim to gain comprehensive training. Final review and approval of the claim would still be by the Finance Director and executive management prior to adoption through resolution by the Policy Board.