



**FY 2017-2019
Triennial Performance Audit of
Transportation Agency for
Monterey County (TAMC)**

Submitted to:

Transportation Agency for Monterey County

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INTERNATIONAL

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Executive Summary

The Transportation Agency for Monterey County (TAMC) retained Michael Baker International (Michael Baker) to conduct its Transportation Development Act (TDA) performance audit for fiscal years (FY) 2016–17 through 2018–19. As a Regional Transportation Planning Agency (RTPA), TAMC is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) to continue receiving TDA funding. TDA funds are used for TAMC administration and planning of public transportation and are distributed for public transit services and non-motorized projects.

This performance audit is intended to describe how well TAMC is meeting its administrative and planning obligations under the TDA, as well as its organizational management and efficiency. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008* (third edition), published by Caltrans, was used to guide the development and conduct of the audit. To gather information for the TDA performance audit, Michael Baker conducted interviews with agency management and staff as well as with the public transit operator, reviewed various documents, and evaluated TAMC’s responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

Compliance with TDA Requirements

TAMC has satisfactorily complied with applicable state legislative mandates for RTPAs. One compliance measure that did not apply to TAMC pertains to adopting rules and regulations for TDA claims under Article 4.5. No such claims were submitted during the audit period.

Status of Prior Audit Recommendations

The prior performance audit recommendation was fully implemented. The recommendation pertained to amending the TAMC TDA Guidelines for enhanced TDA administration, which involved updating the minimum farebox recovery standard, farebox recovery calculation and the State Transit Assistance eligibility requirements.

Functional Review

1. Local Measure X passed with 67.71 percent voter approval, exceeding the required two-thirds threshold, in November 2016. The tax went into effect on April 1, 2017, with the funds distributed quarterly to TAMC. An agreement was developed with the Monterey County auditor-controller for the distribution of 60 percent of the revenue share to the cities and the County quarterly.
2. TAMC has taken a lead role in the region involving the implementation of several vital transportation improvement projects throughout the county. Building on the success of Measure X, the TAMC Board held a strategic planning session in September 2017 and identified two key goals: accelerate the delivery of Measure X regional projects and leverage as much in matching funds as possible. In December 2017, the TAMC Board adopted the following strategic goals: (1) Deliver Projects and Programs; (2) Leverage Matching Funds; (3) Inform and Involve the Public; and (4) Plan for Future Innovation.
3. The 2018 Regional Transportation Plan was developed by TAMC staff in cooperation with the Association of Monterey Bay Area Governments and covers a 20-year planning horizon. The goal of the plan is to address major challenges impacting Monterey County's transportation infrastructure, while recognizing the new funding opportunities presented by the passage of Measure X in 2016 and Senate Bill (SB) 1 in 2017.
4. TAMC adopted the Active Transportation Plan (ATP) for Monterey County in June 2018. The ATP is an update to the agency's 2011 Bicycle and Pedestrian Master Plan and guides the development of priority projects and infrastructure improvements. New to this update is the inclusion of protected bike lanes and a Complete Streets focus.
5. Though no TDA funds are allocated for streets and roads, TAMC continues with an unmet transit needs process that involves obtaining public input and coordinating with the Monterey-Salinas Transit (MST) Mobility Advisory Committee, serving as the Social Service Transportation Advisory Council. These actions offer evidence of TAMC's objectives to provide an inclusive environment for discussion of public transportation services.
6. TAMC updated its TDA Guidelines in October 2018. The TDA Guidelines update reflects the minimum 15 percent farebox attainment for MST. The update also identified the inputs (allowable revenues and costs) on how the farebox recovery ratio is computed pursuant to SB 508. In addition, the updated guidelines include a description and calculation of State Transit Assistance fund qualifying criteria.
7. TAMC uses a number of public information and community engagement approaches. During the audit period, the agency adopted a new logo and tagline. The new tagline "Plan, Fund, Build" reflects the agency's core mission. Public access to and information about TAMC and its activities are available through the agency's updated website, which is an extensive resource. A dedicated bus transit section on the TAMC website describes the transit needs

process and detailed TDA and federal transit funding programs, and provides active links to MST and the Caltrans websites for state and federal funding guidance.

8. The Rideshare/511 program was rebranded as GO831 (<http://www.go831.org/>), an online rideshare platform that TAMC offers to local commuters and employers as part of its transportation demand management program. GO831 has involved outreach to more than 20 major employers that do not already have a smart commute program.
9. The passage of local Measure X has allowed for greater leverage in the management and utilization of grant funding. Measure funds are used as a local match for a variety of state and federal grant programs that TAMC and MST rely upon. The adoption of the Integrated Funding Plan has allowed TAMC to match specific transportation improvement projects with potential grant and formula programs.

Three recommendations are provided to improve TAMC's administration and management relating to TDA and best practices:

- 1. Work with Monterey-Salinas Transit (MST) to add the calculation of farebox recovery in the MST annual financial audit.**

An audited farebox recovery calculation is typically included in the financial statements of the transit operator. MST's annual financial audits prepared during the audit period do not contain a calculation of farebox recovery. Through State Senate Bill 508, specific adjustments could be made to the transit farebox ratio, including the inclusion of local support revenues and exemptions for new services. Given that the TAMC-adopted farebox ratio for MST is system-wide, the audited farebox calculation should be derived for the entire service, while farebox recovery by mode (fixed route and dial-a-ride) can also be determined and included in the financial audit, which provides key performance measures of the agency. The audited farebox ratio provides an official performance standard which MST is required to meet and provides TAMC a consistent source document to verify MST's eligibility for TDA funds. It also provides a check of consistency with audited financial data when MST completes the State Controller Operator Financial Transactions Report.

- 2. Coordinate with MST to conform composition of the Mobility Advisory Committee (MAC) with statutory provisions of the Social Service Transportation Advisory Council (SSTAC).**

MST's MAC serves as the Social Service Transportation Advisory Council (SSTAC) and advises the agency on matters related to transportation accessibility for the elderly, the disabled, and persons of limited means. The composition of the MAC encompasses key stakeholder groups in Monterey County such as the disabled, senior, veteran, and social service agencies pursuant to the TDA requirements of Public Utilities Code Section 99238 for SSTAC membership. In reviewing the roster of the MAC membership, while the representative organizations appear to fulfill many if not all of the required categories of the SSTAC, there is no corresponding reference in the roster to such categories in the TDA statute. For

example, the composition of the SSTAC must include two representatives of local social service providers for seniors, and two representatives of local social service providers for the disabled. To better link the MAC roster to the required SSTAC membership, it is recommended that at least three actions be undertaken: 1) add language to the MAC Bylaws under Section 3.1 (General Membership) and list the required SSTAC membership categories; 2) state in the bylaws under Section 1.0 (Name/Provenance) the designation of MAC to serve as the SSTAC as stipulated in the TAMC TDA Guidelines; and 3) revise the MAC member roster to add a column that identifies which member meets the required SSTAC membership. In addition, alternate members from the representative agencies on the MAC/SSTAC roster should be identified and included on the membership roster to maintain continuity of the committee and continued interest should the primary member not be available. The recommended actions better solidify the institutional relationship between the MAC, MST, and TAMC regarding the designation of a SSTAC and its roles under TDA statute.

3. Develop baseline metrics for the transportation demand management (TDM) program.

During the audit period, TAMC rebranded its Rideshare/511 program as part of its overall TDM strategy. The GO831 platform is an online resource that offers trip planning and commuter resources. GO831 has involved outreach to more than 20 major employers that do not already have a smart commute program. The RideAmigos software platform provides online trip matching, the Commute Tracker smartphone app, data reporting, and incentive programs as well as a trip reduction initiative survey. As the GO831 program expands and matures, it is recommended that TAMC develop a set of performance metrics to gauge the program's reach and effectiveness. Performance metrics could demonstrate resulting impacts from TDM programs including benefits, costs, and equity effects. Examples include TDM programs administered by the Santa Barbara County Association of Governments, and San Luis Obispo Council of Governments, both of which evaluate TDM performance through participation and enrollment statistics for their programs. Also, the Victoria Transport Policy Institute contains a wealth of information regarding TDM monitoring and performance. A sampling of basic measures includes the following:

- *Awareness* – the portion of potential users who are aware of a program or service.
- *Participation* – the number of people who respond to an outreach effort or request to participate in a program.
- *Utilization* – the number of people who use a service or alternative mode.
- *Mode split* – the portion of travelers who use each transportation mode.
- *Mode shift* – the number or portion of automobile trips shifted to other modes.
- *Vehicle trip reduction* – the number or percentage of automobiles removed from traffic.
- *Vehicle miles of travel (VMT) reduced* – the number of trips reduced times average trip length.
- *Energy and emission reductions* – these are calculated by multiplying VMT reductions times average vehicle energy consumption and emission rates.

Section I

Introduction – Initial Review of RTPA Functions

The Transportation Agency for Monterey County (TAMC) retained the firm Michael Baker International (Michael Baker) to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2016–17 through 2018–19. As a Regional Transportation Planning Agency (RTPA), TAMC is required by Public Utilities Code (PUC) Section 99246 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 TDA, is intended to describe how well TAMC is meeting its administrative and planning obligations under TDA.

Overview of TAMC and Monterey County

TAMC is responsible for delivering a full range of safe, convenient, reliable, and efficient transportation choices for the community. TAMC’s mission is to develop and maintain a multimodal transportation system that enhances mobility, safety, access, environmental quality, and economic activities in Monterey County.

TAMC was established in 1992 to coordinate congestion management planning as the successor agency to the Monterey County Transportation Commission. The agency later became a state-designated RTPA under California Government Code Sections 67930 and 67931. In addition, TAMC serves as the designated Congestion Management Agency, Local Transportation Commission, and Service Authority for Freeways and Expressways.

TAMC comprises 17 voting members plus 6 ex officio members. Consistent with law, the governing body is composed of all five members of the Monterey County Board of Supervisors, one member from each of the 12 incorporated cities in the county, and ex officio members representing Caltrans, Monterey-Salinas Transit (MST), the Association of Monterey Bay Area Governments (AMBAG), the Monterey Bay Air Resources District, the Monterey Regional Airport, and the City of Watsonville in Santa Cruz County. An alternate member may serve in the place of the regular member when the regular member is absent or disqualified from participating in a meeting of the governing body.

State legislative approval of Senate Bill (SB) 465 in 2002 provided additional powers to TAMC to act as a Rails/Trails Authority. Government Code Section 67931 added powers of eminent domain and the power to preserve, acquire, construct, improve, and oversee multimodal transportation projects and services on rail rights-of-way within Monterey County in any

manner that facilitates recreational, commuter, intercity, and intercounty travel. It also provides authority to TAMC to contract for any services to accomplish its purpose.

TAMC is guided by its published bylaws specifying its membership requirements and procedures for administering various funding sources. The TAMC Administrative Policies & Procedures manual contains procedures for establishing and processing TDA apportionments, which are a major funding source for TAMC’s operations. Funds are established to account for funds that are restricted for a specific project or use. Further, TAMC’s newly developed TDA Guidelines address key aspects of the funding program, including identifying the different categories of TDA funding and their uses, the minimum applicable transit system farebox recovery ratio, the role of the Social Service Transportation Advisory Council (SSTAC), and TDA claim preparation requirements. TAMC adopts a three-year budget each May for the upcoming three 12-month fiscal years, each beginning July 1 and ending June 30.

Monterey County is in the Central Coast region of California and forms the southern portion of Monterey Bay. The county is bordered by San Benito County to the east, San Luis Obispo County to the south, Fresno and Kings Counties to the southeast, and Santa Cruz County to the north. Established in 1850, the county was one of the original counties in California. The county derives its name from Monterey Bay, which was named in honor of the Conde de Monterey (Count of Monterey) by Sebastián Vizcaíno in 1602. Parts of Monterey County were ceded to San Benito County in 1874.

Agriculture, education, government services, health care, military operations, and tourism are mainstays of the local economy. Major highways traversing Monterey County include US Highway 101 (US 101) and State Routes (SR) 1, 25, 68, 146, 156, 183, 198 and 218. US 101 is the main north–south highway that runs through the Salinas Valley and connects the county with the Bay Area and San Luis Obispo. SR 1 is the main coastal highway connecting the cities of Carmel-by-the-Sea, Monterey, and Seaside as well as the scenic Big Sur coastline to the south. SR 68 is the main east–west highway connecting Salinas and the Monterey Peninsula. A demographic snapshot of key cities and the county is presented in Table I-1.

**Table I-1
Monterey County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	2020 State Department of Finance Estimates	Land Area (in square miles)
Carmel-by-the-Sea	3,722	-9.9%	35.68%	3,949	1.08
Del Rey Oaks	1,624	-1.6%	18.97%	1,662	0.48
Gonzales	8,187	+8.6%	5.99%	8,506	1.92
Greenfield	16,330	+29.8%	2.70%	18,284	2.14
King City	12,874	+16.0%	5.90%	14,797	3.85
Marina	19,718	-21.4%	11.38%	22,321	8.88
Monterey	27,810	-6.4%	15.45%	28,170	8.47

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	2020 State Department of Finance Estimates	Land Area (in square miles)
Pacific Grove	15,041	-2.8%	21.57%	15,265	2.87
Salinas	150,441	-0.6%	7.48%	162,222	23.18
Sand City	334	+28.0%	2.69%	385	0.56
Seaside	33,025	+4.2%	8.61%	33,537	9.24
Soledad	25,738	+124.8%	4.61%	25,301	4.41
Unincorporated Area	100,213	+0.6%	13.14%	106,744	3,254.87
Total Monterey County	415,057	+3.3%	10.70%	441,143	3,321.95

Source: 2010 US Census, California Department of Finance, 2020 Population Estimates

The city of Salinas is the county seat and largest city. Population growth rates in the county and its incorporated cities varied between the 2000 and 2010 US Census, with some showing increases and others showing decreases. The exceptions to the variable trends were the south county cities which all continued to grow, with Soledad exhibiting the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 10.7 percent countywide. The 2020 population for Monterey County is estimated to be 441,143 as reported by the California Department of Finance.

Organizational Structure

Regular meetings of the TAMC Board of Directors are held the fourth Wednesday of each month at 9:00 a.m. Board meetings generally convene at the Monterey County Agricultural Center Conference Room located at 1428 Abbott Street in Salinas. Streaming videos of the meetings are also available through the TAMC website and TAMC YouTube channel. They are available for viewing on the following Monday after the Board meeting. In addition, the Board meetings air on the Peninsula Channel on Access Monterey Peninsula on Saturday at 12 p.m. It also airs on the Marina Channel on Monday at 10 a.m., and on Wednesday at 9 a.m.

In addition to the governing board, there are six standing committees. Each is briefly described below.

- Executive Committee
- Technical Advisory Committee
- Bicycle and Pedestrian Facilities Advisory Committee
- Measure X Citizens Oversight Committee
- Rail Policy Committee
- Social Service Transportation Advisory Council

Executive Committee: The Executive Committee is a policy committee that advises TAMC on critical policy and agency administrative issues, including the development of draft annual state

and federal legislation to the TAMC Board and oversight of federal earmark funding requests. The membership comprises six TAMC board members: TAMC chair, vice chair, second vice chair, the immediate past TAMC chair, a city representative, and a county representative. The TAMC chair and vice chair serve as the chair and vice chair (respectively) of the Executive Committee. The TAC convenes the first Wednesday of the month at 8:30 a.m. in the TAMC conference room.

Technical Advisory Committee (TAC): The TAC advises the TAMC Board on regional transportation improvement projects, transportation planning programs, and transportation funding programs. The TAC gives input relating to how federal and state funds should be spent on transportation projects in Monterey County. The committee also provides input on transportation planning studies, including the 25-Year Regional Transportation Plan (RTP) and the local Measure X Transportation Safety & Investment Plan. The 19-member TAC comprises public works and planning officials from the 12 incorporated cities in Monterey County, Monterey County Public Works, Caltrans, MST, the Fort Ord Reuse Authority, the Monterey Bay Air Resources District, and AMBAG. The TAC convenes the first Thursday of each month at 9:30 a.m. in the TAMC conference room. There are no meetings in July or December.

Bicycle and Pedestrian Facilities Advisory Committee (BPC): The purpose of the BPC is to advocate bicycle and pedestrian travel as viable alternative modes of transportation and to advise TAMC, its member agencies, and private development with respect to pedestrian and bicycle transportation infrastructure, safety, and maintenance. BPC membership comprises citizen representatives from each supervisorial district and incorporated city in Monterey County, as well as representatives from public agencies and a bicycle/pedestrian advocacy group, as appointed by the TAMC Board. The BPC convenes the first Wednesday of the month at 6:00 p.m. in the TAMC conference room.

Measure X Citizens Oversight Committee: The purpose of this committee is to ensure taxpayer oversight of the local Measure X Transportation Safety & Investment Plan as projects and programs are implemented. TAMC placed the Transportation Safety & Investment Plan on the November 2016 ballot, and the measure was approved with 67.7 percent approval from Monterey County voters. TAMC is the administering agency for Measure X, the 30-year transportation tax program. The oversight committee is composed of 19 representatives plus alternates representing a diverse range of community interests, who were appointed by the TAMC Board of Directors on March 22, 2017. The committee is charged with the review of the measure's annual independent audits, review of and recommendations to any proposed changes to the measure plan, review and comment of project delivery schedules, and preparation of annual reports regarding the administration of the program.

Rail Policy Committee: The Rail Policy Committee advises the TAMC Board on matters related to the reestablishment of passenger rail service in Monterey County. Currently, two rail corridors are under study: Salinas to San José via Gilroy, and service to the Monterey Peninsula. TAMC currently owns the rail right-of-way for the Monterey Branch Line, which extends from Castroville to Seaside. The committee comprises TAMC board members or their alternates from

the following jurisdictions on the rail corridors: the Cities of Salinas, Marina, Sand City, Seaside, and Monterey, Supervisorial District 1, Supervisorial District 2, Supervisorial District 4, and Supervisorial District 5. The TAMC chair annually appoints one representative to the committee from south Monterey County, either the 3rd District County Supervisor or a voting TAMC board member from one of the south Monterey County cities. The bylaws were amended in August 2016 to allow for a second south county representative as well as to update the name of the Airport District and the Air Resources District. The chair may annually appoint ex officio members as needed to include but not be limited to MST, AMBAG, and Caltrans. The Rail Policy Committee convenes the first Monday of each month at 3:00 p.m. in the TAMC conference room. There are no meetings in July or December, and the January and September meetings are on the second Monday due to a conflict with a holiday.

Social Services Transportation Advisory Council (SSTAC): TAMC has designated the MST Mobility Advisory Committee (MAC) as the SSTAC for Monterey County pursuant to the TDA. The MAC assists in the determination of transportation needs of the elderly and persons with disabilities, reviews specialized transportation needs of the elderly and disabled populations, reviews specialized transportation planning and other related studies, and advocates on behalf of the elderly, disabled, and persons with disabilities and/or limited means on transportation-related issues. All MST mobility program services are planned and implemented with the input and oversight of the MAC. Meetings are held on the last Wednesday of January, May, and September in Salinas, and on the last Wednesday of March, July, and November in Monterey. As part of the MAC's efforts to collect public comments on unmet transit needs, MAC representatives attend outreach meetings in the fall at both north and south county locations.

The MAC comprises a minimum of 9 and maximum of 15 individuals such as consumers and medical/social service agency personnel who have firsthand experience with specialized transportation services. The MST Board of Directors approves appointments to the MAC including meeting the membership categories as prescribed by TDA law for the SSTAC. The MAC bylaws were updated in January 2018 to require compliance with SSTAC membership categories including the following:¹

- Potential transit user who is 60 years of age or older
- Potential transit user who is handicapped
- Local social service provider for seniors
- Social service transportation provider
- Local social service provider for persons of limited means
- Local consolidated transportation service agency

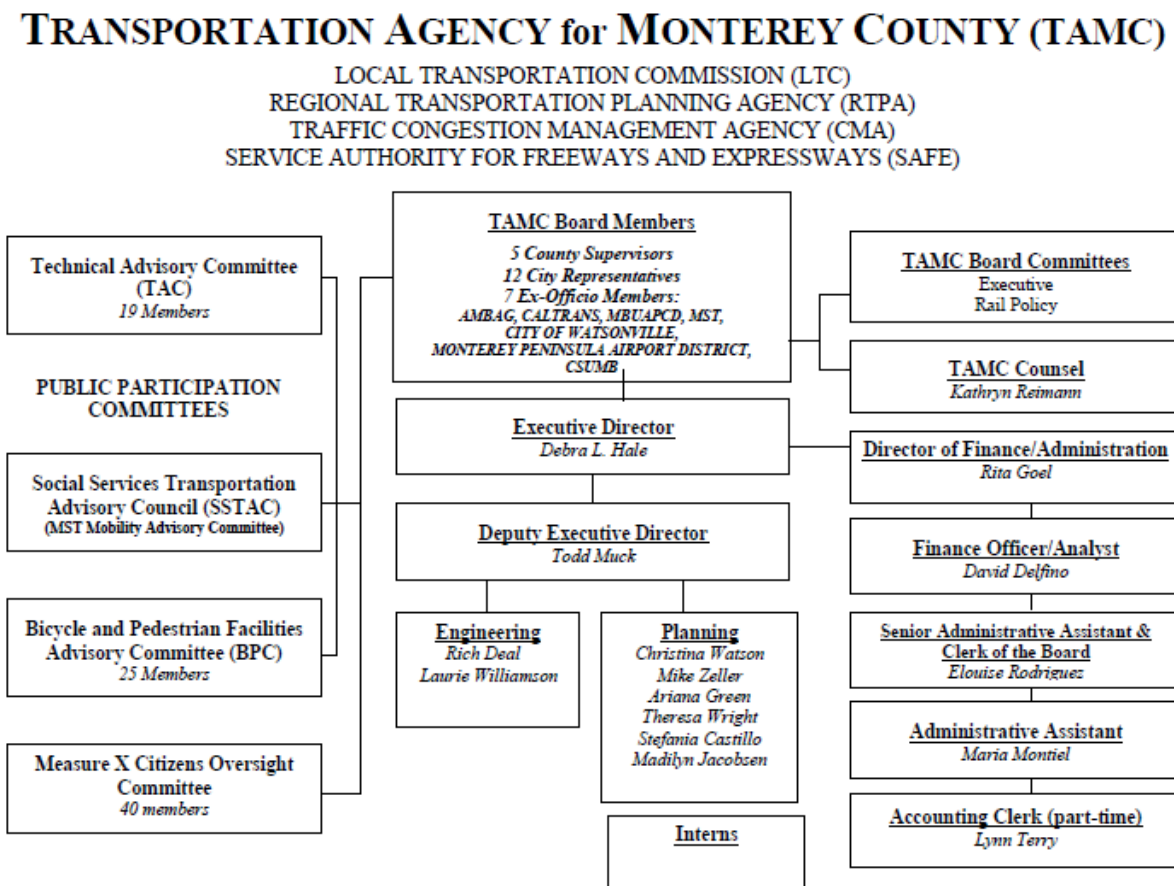
¹ This audit identifies the required SSTAC membership categories, but the categories are not listed in either the MAC bylaws or member roster.

In following TDA provisions, MAC members are appointed for three-year terms that are staggered so that one-third of appointments expire each year. Members are eligible for reappointment.

TAMC staff offer administrative, technical, and policy recommendations to the Board on decisions affecting transportation. Since May 2015, TAMC had engaged in a public outreach effort to inform the public about transportation needs, funding challenges and the self-help local transportation sales tax option, Measure X.

Figure 1-I shows the TAMC staff organization chart.

Figure I-1 TAMC Organization Chart



Revised August 2019

Source: TAMC

Note: One employee listed under Planning has since separated from the agency.

Monterey County Transit Operations

Among its duties, TAMC administers TDA funds for and monitors public transportation in the county. MST is the sole public transit operator in Monterey County and receives all of the jurisdictional Local Transportation Fund (LTF) allocation for transit services. MST was created on July 1, 2010, pursuant to California Assembly Bill (AB) 644 (the Monterey-Salinas Transit District Act), which established the special district and dissolved the MST Joint Powers Agency. Current members of the transit district are the Cities of Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad and the County of Monterey.

As required by the TDA, a triennial performance audit of MST was also conducted and is provided under separate cover.

Audit Methodology

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

- Document Review: Conducted an extensive review of documents including various TAMC files and internal reports, committee agendas, and public documents.
- Interviews: Conducted interviews via videoconference platform with TAMC staff and with the public transit operator, MST.²
- Analysis: Evaluated the responses from the interviews as well as the documents reviewed about TAMC's responsibilities, functions, and performance against TDA guidelines and regulations.

All the activities described above were intended to provide information necessary to assess TAMC's efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements
- Organizational management and efficiency

The remainder of this report is divided into four sections:

- Section II reviews the compliance requirements of the TDA administrative process.
- Section III describes TAMC's responses to the recommendations included in the previous performance audit.
- Section IV provides a detailed review of TAMC's functions.
- Section V summarizes our findings and recommendations.

² Due to the 2020 COVID-19 pandemic, videoconferencing and the review of Board agendas were employed in lieu of on-site observations as part of this audit's methodology.

Section II

Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* to assess TAMC’s conformance with the TDA. Our findings concerning TAMC’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC 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	The primary claimant of the funds is MST for public transit uses, while allocations are made to local jurisdictions for pedestrian and bicycle projects under the Article 3 program, limiting funding to 2 percent. As the only claimant following “off the top” allocations, MST claims no more than those LTF monies apportioned to the local jurisdictions. Each city and the County allocates its public transit fund apportionment to MST pursuant to California AB 644, which established the countywide transit district effective July 1, 2010. 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	The TAMC TDA Guidelines include a description of the funding available for bicycle and pedestrian facilities and projects. This includes up to 5 percent of the 2 percent that is available for bicycle and pedestrian education programs. All Monterey County jurisdictions are eligible claimants for these funds. TAMC allocates the 2 percent funds in three-year cycles. The last allocation was made in 2014, when the TAMC Board of Directors

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC Compliance Requirements	Reference	Compliance Efforts
		<p>decided to include the TDA 2 percent funding as part of the competitive allocation of Regional Surface Transportation Program exchange funds.</p> <p>Conclusion: Complied</p>
<p>The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>TAMC has designated the MST MAC as the SSTAC for Monterey County. The MST Board of Directors approves appointments to the MAC as needed. The role and responsibilities of the MAC, serving as the SSTAC, are based on the TAMC TDA Guidelines (updated in October 2018) and the committee bylaws adopted in December 2015 and revised in January 2018.</p> <p>Three public meetings are held annually to solicit unmet transit needs from the public. The meetings attempt to attract residents along the Monterey Peninsula, in the Salinas area, and most recently in the south part of the county. They include a meeting of the TAMC Board of Directors, a meeting of the MAC, and a meeting in a south county city such as King City. The public is also welcome at all MAC meetings.</p> <p>Conclusion: Complied</p>
<p>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</p>	<p>Public Utilities Code, Section 99244</p>	<p>TAMC commissions the TDA triennial performance audit, which is an alternative method for compliance with this provision. The performance audit provides an analysis and recommendations for potential productivity</p>

**TABLE II-1
TAMC Compliance Requirements Matrix**

TAMC Compliance Requirements	Reference	Compliance Efforts
<p>miles within the RTPA’s jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation. 		<p>improvements.</p> <p>Also, the MAC serves in the role of monitoring productivity improvements by assisting in the determination of transportation needs of the elderly and persons with disabilities, reviewing specialized transportation needs of the elderly and disabled populations, and reviewing specialized transportation planning and other related studies, as well as advocating on behalf of the elderly, the disabled, and persons with disabilities and/or limited means on transportation-related issues.</p> <p>Conclusion: Complied</p>
<p>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).</p>	<p>Public Utilities Code, Section 99245</p>	<p>Annual certified fiscal and compliance audits were completed for MST. For FYs 2017 through 2019, the annual financial audits were completed within the 180-day period. Completion dates:</p> <p>FY 2017: December 22, 2017 FY 2018: December 21, 2018 FY 2019: December 19, 2019</p> <p>*Note: An audited farebox recovery calculation is typically included in the audited financial statements of the transit operator. MST’s annual financial audits prepared during the audit period do not contain a calculation of farebox recovery. With implementation of State SB 508, specific adjustments could be made to the transit farebox ratio, including inclusion of local support revenues and exemptions for new</p>

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC Compliance Requirements	Reference	Compliance Efforts
		services. Conclusion: Complied
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 funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	Public Utilities Code, Sections 99246 and 99248	For the current three-year period, TAMC has retained Michael Baker International to conduct the audit of the RTPA and MST. Michael Baker was retained to conduct the previous audit for the three fiscal years that ended June 30, 2016. Conclusion: Complied
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 the operators located in the area under its jurisdiction have been completed.	Public Utilities Code, Section 99246(c)	TAMC submitted a cover letter and an email transmittal to Caltrans dated June 28, 2017, confirming completion of the performance audits of the agency and of MST for the period ending June 30, 2016. The performance audits were submitted electronically to Caltrans and are available on the TAMC website. Conclusion: Complied
The performance audit of the operator providing public transportation service shall include a verification of the operator's operating cost per	Public Utilities Code, Section 99246(d)	The performance audit of MST includes all required TDA performance measures plus additional indicators to further assess the transit operator's

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC Compliance Requirements	Reference	Compliance Efforts
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 carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.		efficiency, effectiveness, and economy with the use of TDA funds. Conclusion: Complied
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Public Utilities Code, Section 99270.1 and 99270.2	The TAMC TDA Guidelines (amended October 2018) specify the farebox recovery ratio for MST. MST must meet the minimum farebox recovery ratio of 15 percent, as set by the TAMC Board of Directors in 2004–19. Local fund sources, such as MST’s Measure Q revenues, count for this farebox ratio. 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	TAMC has not adopted rules and regulations for Article 4.5 claims, as the agency does not disburse any TDA funds under this article section. The consolidated transportation service agency in the county is MST, which claims its transit funds under Article 4. Conclusion: Not applicable
State transit assistance funds	Public Utilities Code,	TAMC allocates State Transit

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC Compliance Requirements	Reference	Compliance Efforts
<p>received by the RTPA are allocated only for transportation planning and mass transportation purposes.</p> <p>(Note: Since the June 9, 1990, passage of Proposition 116, state transit assistance funds may no longer be used for street and road purposes, as had been permitted in certain cases under PUC Section 99313.3.)</p>	<p>Sections 99310.5 and 99313.3, and Proposition 116</p>	<p>Assistance (STA) funds to MST for transit purposes only. In addition, the TAMC TDA Guidelines indicate that STA funds may also be used for passenger rail.</p> <p>Conclusion: Complied</p>
<p>The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.</p>	<p>Public Utilities Code, Section 99314.3</p>	<p>TAMC allocates operator revenue-based STA funds to MST in accordance with the amounts published by the State Controller's Office.</p> <p>Conclusion: Complied</p>
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code, Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ○ Groups that are transit-dependent or transit disadvantaged, ○ Adequacy of existing transit services to meet the needs of groups 	<p>Public Utilities Code, Section 99401.5</p>	<p>Since FY 2011, no TDA funding has been used for streets and roads; therefore, TAMC is not required to hold a formal unmet transit needs process under PUC Section 99401.5. However, TAMC and MST continue to obtain input on potential transit needs from the community. TAMC and MST work through MST's MAC to collect public comments on unmet transit needs at public hearings held at various locations in the county. TAMC issued revised guidance on the unmet transit needs process following integration of the SSTAC into the MAC. MAC representatives attend outreach meetings in the fall at each of the public meeting locations, which help meet compliance with the TDA statute to engage in a citizen participation process.</p>

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC Compliance Requirements	Reference	Compliance Efforts
<p>identified, and</p> <ul style="list-style-type: none"> ○ Analysis of potential alternatives to provide transportation services; • Adopted or re-affirmed 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 are reasonable to meet; or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>		<p>Conclusion: Complied</p>
<p>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 12 months of the end of each fiscal year and 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</p>	<p>California Administrative Code, Section 6662</p>	<p>The accounting firm of Moss, Levy & Hartzheim LLP conducted the financial audit of TAMC for FYs 2016, 2017, and 2019. The Audited Financial Statements and Compliance Reports were submitted to the State Controller within 12 months of the end of each fiscal year.</p> <p>The completion dates were:</p> <p>FY 2017: January 8, 2018 FY 2018: January 8, 2019 FY 2019: February 19, 2020</p> <p>TAMC also maintains fiscal and accounting records and supporting papers for at least four years following the fiscal year close.</p>

TABLE II-1 TAMC Compliance Requirements Matrix		
TAMC Compliance Requirements	Reference	Compliance Efforts
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 the fiscal year close.		Conclusion: Complied

Findings from RTPA Compliance Requirements Matrix

TAMC has satisfactorily complied with applicable state legislative mandates for RTPAs. One compliance measure that did not apply to TAMC pertains to adopting rules and regulations for TDA claims under Article 4.5. TAMC does not use this article section to disburse TDA funds which would go toward the designated consolidated transportation service agency, a role assigned to MST.

Though no TDA funds are allocated for streets and roads, TAMC continues with an unmet transit needs process that involves obtaining public input and coordinating with the MST MAC, which serves as the SSTAC. While TAMC is not required to implement the full unmet transit needs process described in the TDA statute, the annual process serves as a tool to identify and prioritize potential transit service and facility improvements throughout the county. Regular meetings of the MAC on both the Monterey Peninsula and in the Salinas Valley, combined with public hearings at various locations to solicit unmet transit needs, also offer evidence of TAMC's objective to provide an inclusive environment for discussion of public transportation services.

The TDA Guidelines updated by TAMC during the audit period provide the documented guidance for TDA fund administration and distribution. The guidelines describe the processes undertaken to ensure the proper sequence of actions and the eligibility requirements for the claimants, and account for MST operating as a transit district through which the transit system receives virtually all of the LTF for transit.

Section III

Prior Triennial Performance Audit Recommendations

This chapter describes TAMC's response to the recommendation included in the prior triennial performance audit. The prior recommendation is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendation has been adopted by the agency are then presented.

Prior Recommendation 1

Amend the TAMC TDA Guidelines for enhanced TDA administration.

Background: The prior audit recognized TAMC's efforts in developing an in-house TDA Guidelines manual to provide documented procedures and processes that comply with various provisions of the TDA statute. As amendments to the guidelines are generally made to clarify these procedures and improve administration of the fund from practice, the prior audit made several recommendations to enhance the TAMC TDA guidelines:

- Clarify in all instances that the adopted farebox recovery ratio for MST is 15 percent, which is the ratio adopted by TAMC in 2004. Some passages in the TDA Guidelines indicate that a rural farebox ratio of 10 percent must be met. This is cited in at least two places: (1) Transit System Farebox Recovery Ratios section, and (2) subheading "L" in the Appendix B Standard Assurances for Transit Applicants. In addition, TAMC TDA resolutions approving annual allocations should be changed to reflect the 15 percent ratio.
- Identify the inputs on how the farebox recovery ratio is computed under SB 508. The new law specifies language regarding defining the type of revenues and operating costs that could be included in the ratio. For example, revenue can include local funds to supplement fare revenue such as a local transportation sales tax or advertising revenue. Also, operating costs can exclude certain costs above the rate of inflation. TAMC should include the specifics of SB 508 in the guidelines to clarify the farebox recovery calculation.
- Include a description and calculation of the STA fund qualifying criteria. SB 508 brings back the eligibility standards codified in PUC Section 99314.6 to determine the operator's eligibility to use STA for operations. The law is modified to continue allowing the transit operator to use STA for operations even if the operator is not eligible, but at a reduced amount with the remaining STA shifting to capital. The two-prong application of the cost per revenue hour criteria generally remains the same as before; only the allowance to continue using the revenue for operations on a tapered scale has changed,

which is dependent on the calculation results. TAMC allocation resolutions as well as MST financial documents indicate that STA is used for operational expenses. TAMC should work with MST to determine the eligibility to use STA for operations and make appropriate findings on funding apportionments based on the provisions in SB 508.

Actions taken by TAMC: TAMC amended its TDA Guidelines in October 2018. The farebox recovery calculation was updated to reflect the minimum 15 percent farebox attainment for MST. The update also identified the inputs on how the farebox recovery ratio is computed pursuant to SB 508. A table is included that identifies the revenues and costs that comprise the farebox recovery ratio and cites that SB 508 allows operators to exclude certain costs above the rate of inflation. The summary of revenues and costs are summarized in the following table:

Revenues	Operating Costs
Passenger Fares	Labor (Salaries & Benefits)
Special Transit Fares	Professional Technical Services
Locally Generated Funds (e.g., Measure Q)	Materials and Supplies
Advertising Revenues	Utilities
Fare Subsidy Contributions (e.g., Monterey Trolley)	Insurance
	Purchased Transportation (Contracted Services)
	Depreciation

In addition, the updated guidelines include a description and calculation of STA fund qualifying criteria. TAMC allocates all available STA funds to MST, which is the sole public transit operator in Monterey County. It includes the two efficiency standards utilized in the qualifying criteria. The 2018 TDA Guidelines also include details about the SB 1 State of Good Repair Program, revised TDA timelines, and updated claim forms and Standard Assurances for Transit Applicants.

Conclusion

This recommendation has been implemented.

Section IV

Detailed Review of RTPA Functions

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

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

Administration and Management

TAMC's mission is to proactively plan and fund a transportation system that enhances mobility, safety, access, environmental quality, and economic activities by investing in regional transportation projects serving the needs of Monterey County residents, businesses, and visitors. TAMC is responsible for distributing money for public transit, rail, local street and road maintenance, highways, and bicycle and pedestrian facilities. The TAMC Board of Directors sets policy and oversees a professional staff of 14 full-time employees and 1 part-time employee. Interns provide additional help on specific tasks and projects as needed.

The agency's administrative guidance is derived from board policies that are codified in the Administrative Policies and Procedures document, which was amended during the audit period in April 2019. The Administrative Policies and Procedures document covers a variety of issues related to procurement, use of financial resources, fraud and misuse of agency resources, management, and staff succession. The amendment involved the removal of TDA policies and procedures, update of the monetary authority for purchasing, and electronic records retention.

In addition, the agency's bylaws were updated in February 2019. The bylaws outline the basic organization and the administration procedures used by TAMC. The update involved the addition of an at-large representative to the Rail Policy Committee. The Rail Policy Committee advises the TAMC Board on matters related to the establishment of passenger rail service in Monterey County.

There was minimal employee turnover during the audit period. The agency oversaw the hiring of three planners as well as the separation of three planners. Two engineers were hired and are still with the agency. One engineer retired and one retired annuitant was hired and is still with the agency. TAMC also hired two interns who are no longer with the agency. Positions are advertised in industry publications, at area colleges, and in general circulation media sources. TAMC has been reviewing and preparing its staffing needs to implement the local Measure X transportation program.

Detailed personnel matters are addressed in the Human Resources Rules and Regulations manual. The manual was revised and approved by the TAMC Board in February 2020 after the audit period. It contains an overview of employee benefits such as medical insurance, vacation time accrual, and retirement. The agency's Equal Employment Opportunity program gets updated as needed. TAMC offers ongoing education and training opportunities and tuition reimbursement. Internally, the agency provides mentoring and cross-training for staff.

TAMC has an Employee of the Quarter program. An employee is selected by their peers in the agency and recognized before the Board. Employees are recognized for going above and beyond the call of duty based on their attitude on the job, professionalism, and diligence.

During the audit period, TAMC implemented an electronic timesheet software program known as TSheets, developed by QuickBooks. An Excel spreadsheet was used previously to track employee hours. TSheets calculates paid time off accruals as well as breaking down an employee's time based on the project worked.

Other technology enhancements include the use of SharePoint for uploading files to the cloud as well as NovusAGENDA for uploading staff reports and attachments to the TAMC website and cloud that are later archived.

Each year, TAMC produces an annual Overall Work Program along with the annual budget and makes amendments to the work program throughout the year as necessary. The work program guides the allocation of staff resources to meet mandated responsibilities, including TDA Local Transportation Fund Administration and TAMC priorities, for the coming year. Key information for each work element is described, including financial data, project description, proposed federal expenditure, previous project accomplishments, and timelines and deliverables. To meet federal requirements and obtain federal funds, TAMC's work program and amendments are incorporated into the overall work program for AMBAG. The annual work program's direct expenditures ranged between \$14.8 million and \$21.5 million annually for the three-year audit period. TAMC indicated that it no longer receives rural planning funds from AMBAG due to internal administration issues.

Building on the success of Measure X, the TAMC Board held a strategic planning session in September 2017 and identified two key goals: accelerate the delivery of Measure X regional projects and leverage as much in matching funds as possible. In December 2017, the TAMC

Board adopted the following strategic goals, which are included in the FY 2018–19 Overall Work Program:

1. Deliver Projects and Programs
2. Leverage Matching Funds
3. Inform and Involve the Public
4. Plan for Future Innovation

TAMC has taken a lead role in the region involving the implementation of several vital transportation improvement projects throughout the county. Development of the Transportation Safety & Investment Plan (Measure X), among other significant projects, highlights TAMC’s partnership with Caltrans, AMBAG, and local agencies in project development, funding, and coordination with local agencies and community members, as well as the agency’s role in taking the lead in community outreach and media relations. Highlights of additional multimodal transportation planning studies and projects that TAMC has facilitated through its committees and partnerships that are either completed or are underway include:

Holman Highway Roundabout

- Cost of the project: \$8.2 million.
- Improves safety and access to the Community Hospital.
- TAMC contributed \$3.3 million in Regional Surface Transportation Program (RSTP) funds toward the project.
- Received funds from the City of Monterey and the Air District to conduct community outreach.
- The first state highway roundabout in Monterey County.
- Construction commenced in August 2016 and completed in the summer of 2017.
- City of Monterey is the lead agency managing construction.
- Congestion mitigation measures included discount bus passes sold by MST during construction and park-and-ride lots in downtown Monterey.

Pacific Grove Highway 68 Study

- Released study in September 2016.
- TAMC in partnership with Caltrans and the City of Pacific Grove conducted study of safety improvements of Highway 68 for bikes, pedestrians, and motorized vehicles.
- The study area was from the city limits of Pacific Grove to Asilomar Boulevard.
- Study identified the lack of continuous sidewalks and bikeways; difficulty crossing Forest Avenue and navigating five-way intersections on Sunset Drive; and lack of landscaping, streetscaping and wayfinding.
- Study recommended conceptual designs for addressing needs and concerns at seven key locations; an inventory of sidewalk gaps along the corridor; and a set of other, miscellaneous recommendations for improving conditions, such as continuous

sidewalks, curb extensions, enhanced pedestrian crossings, protected bike lanes and cycle tracks, and streetscape improvements.

Salinas Intermodal Transportation Center Expansion

- In October 2016, TAMC approved a joint memorandum of understanding (MOU) with the City of Salinas and MST regarding the expansion of the Salinas Intermodal Transportation Center Expansion.
- The MOU governs the next steps for the development of the train station that would serve the extension of commuter rail between the Monterey Bay region and the Bay Area.
- The objective is to improve commuter service between Salinas, San Jose, and the Bay Area by extending passenger rail service into Monterey County, with stations in Salinas, Pajaro, and Castroville.
- Will provide congestion relief along the US 101 corridor.

The aforementioned project is also the first visible step toward implementing the City of Salinas's Vibrancy Plan, connecting the historic train district to downtown. TAMC has been negotiating with the property owners near the Salinas Rail Station to purchase the properties for the Kick-Start project. The purchase of nine properties near the Salinas Rail Station was required in order to construct an extension of Lincoln Avenue into the rail station, thus providing direct access to the station, more room to accommodate buses, and improved circulation. The purchase includes building a train layover facility, as well as accommodating the expansion of the parking area for people to leave their vehicles before riding the train. To date, TAMC has negotiated a settlement on two properties.

Progress by TAMC is made through active support of the Board of Directors. Regular monthly board meetings are held on the fourth Wednesday of the month at 9:00 a.m. The Board does not meet in July and November and the December meeting is held on the first Wednesday of the month. Meetings are well attended by the board members (including alternates), based on the auditor's review of meeting minutes and attendance records during the audit period. The Board has been characterized as being collaborative with open and respectful communication between members and staff. This is an indication of the Board's education, interest, and engagement on transportation topics for the past three-year period, highlighted by the development and implementation of the transportation sales tax plan. South county needs and issues are addressed. The composition of the Board overlaps with the MST Board.

Transportation Planning and Regional Coordination

Projects approved for funding by TAMC are included in the Monterey County Regional Transportation Improvement Program (RTIP). The RTIP identifies projects programmed to receive various state and federal funds, amends information on previously programmed projects, and acts as Monterey County's proposal to the California Transportation Commission for programming State Transportation Improvement Program (STIP) funds. Federally funded

transportation projects, including those projects approved for funding by agencies other than TAMC, are included in the Federal Transportation Improvement Program developed by AMBAG.

During the audit period, TAMC adopted the 2018 RTIP for inclusion in the STIP. The RTIPs are consistent with the STIP Guidelines adopted by the California Transportation Commission. Multimodal projects including roadway, transit, rail, and non-motorized projects are programmed in the RTIP for funding. Projects along the US 101 corridor were given high priority. Since the adoption of the 2018 RTIP, the agency has been actively working to deliver high-priority multimodal regional projects.

The prior 2016 STIP had no funding capacity for programming new projects and reduced the share of funding for Monterey County by \$16.1 million. The shortfall in funds was the result of the reduction of the state excise tax on gasoline. As such, Monterey County's 2018 RTIP contained no new projects, deleted and reduced funding for several existing high-priority projects, and maintained funding levels for other existing projects or shifted funds between years within existing projects to align with current project schedules. Several projects had to be delayed, including the SR 156 project and the US 101 South of Salinas. As such, no projects currently programmed with STIP funding have been completed since the last cycle.

In addition to STIP funding, TAMC receives state highway account funds in lieu of federal RSTP funds. The state makes this exchange optional for rural counties. To receive funds, local jurisdictions have the responsibility to follow the RSTP guidelines and project implementation timelines. TAMC staff adheres to procedures when administering the RSTP Competitive Grant program prescribed in the guidelines, which were adopted in February 2014 and revised in March 2017.

Regional Transportation Plan

The RTIP must be consistent with the goals and objectives of the Regional Transportation Plan (RTP). The 2018 RTP was developed by TAMC staff in cooperation with AMBAG and covers a 20-year planning horizon. The goal of the 2018 RTP is to address major challenges impacting Monterey County's transportation infrastructure, while recognizing the new funding opportunities presented by the passage of Measure X in 2016 and SB 1 in 2017.

The RTP includes four main components:

- Policy Element: Identifies goals and policies for how Monterey County will meet its transportation needs.
- Financial Element and fund estimate: Identify the sources of revenue that TAMC can reasonably expect to be available over the life of the RTP.

- **Transportation Investments:** Includes a list of prioritized transportation projects that would serve the county’s long-term needs within a constrained financial plan consistent with the goals and objectives established for the RTP.
- **Environmental Documentation:** Composed of a coordinated Draft Environmental Impact Report prepared by AMBAG for the 2040 Metropolitan Transportation Plan and Sustainable Communities Strategy (MTP/SCS), which also evaluates the program-level environmental impacts associated with implementation of the 2014 Monterey County RTP.

The 2018 RTP is composed of an executive summary, five chapters, and four appendices. AMBAG develops the regional SCS while TAMC develops its SCS share for Monterey County that is then integrated into the regional strategy. The Policy Element of the 2018 RTP includes a broad set of goals, which are tied to objectives and performance measures. The six goals encompass access and mobility, safety and health, environmental stewardship, social equity, and economic benefit.

Public input is critical to the planning and decision-making process mandated by law. Public input was also sought through public meetings on key elements of the RTP. Additionally, in submitting projects for consideration, project sponsors take into consideration input they receive directly from the public. The RTP’s public outreach plan was designed to meet environmental justice requirements and ensure that reasonable opportunities to comment on the plan are available to the public and a diverse range of stakeholders. The outreach effort included more online engagement, revamped public workshops, expanded online and telephone surveys, and visits with community groups. Outreach for the update to the RTP piggybacked on the efforts conducted for Measure X. TAMC developed its portion of the public participation plan (PPP) in the AMBAG PPP.

Local Measure X

After four previous attempts, a local transportation sales tax measure was approved by a supermajority of Monterey County voters on November 8, 2016. The Monterey County Elections Department certified on December 6, 2016, that Measure X passed with 67.71 percent voter approval, exceeding the required two-thirds threshold. The tax went into effect on April 1, 2017, with the funds distributed quarterly to TAMC. An agreement was developed with the Monterey County auditor-controller for the distribution of 60 percent of the revenue share to the cities and the County quarterly.

The Measure X Transportation Safety & Investment Plan is anticipated to generate \$600 million over 30 years through the 3/8 percent sales tax, with 60 percent of the revenues going to the County and each of the cities for road maintenance and safety improvements and the remaining 40 percent used for regional safety and mobility projects. Measure X revenues can be leveraged with matching state and federal grants.

A Citizens Oversight Committee reflecting diverse community interests was created. Sixteen individuals and their alternates were appointed to serve on the committee. The committee is branded as the “eXcellent Transportation Oversight Committee” and is responsible for ensuring that taxpayers’ safeguards in the Transportation Safety & Investment Plan are met as projects and programs are implemented.

In addition to appointing these nominees, the Board voted to further diversify the committee by adding three members who would represent pedestrian, youth/college, and North Monterey County interests.

In May 2017, the TAMC Board of Directors approved the Measure X Local Funding Agreement and authorized staff to distribute the agreements to the cities and the County of Monterey for their adoption. The Measure X Local Funding Agreement sets the guiding documents that establish policies for implementing the ordinance, reporting requirements, a payment management program, and financial accounts. It also includes enforcement procedures, designed to reassure the public that tax revenues are spent in accordance with the ballot language.

The draft 2017 Measure X Strategic Expenditure Plan and Five-Year Integrated Funding Plan were received by the TAMC Board in October 2017. The Policies and Project Descriptions document for Measure X required TAMC to prepare and adopt by a vote of the Board a Strategic Expenditure Plan within twelve months of the measure taking effect. Staff reviewed available fund sources over a five-year horizon and developed a strategy proposal for funding and delivering the priority projects. Funding sources include Measure X sales tax revenues, regional and Fort Ord Reuse Authority development fees, STIP funds, SB 1 competitive funds, tolling, and Local Partnership Program formula funds.

Active Transportation Plan (ATP)

TAMC adopted the Active Transportation Plan (ATP) for Monterey County in June 2018. The ATP is an update to the agency’s 2011 Bicycle and Pedestrian Master Plan and guides the development of priority projects and infrastructure improvements. The ATP focuses on identifying high priority bicycle and pedestrian projects, analyzing key gaps from the existing and proposed bicycle and pedestrian networks, identifying opportunity sites for innovative bicycle facility design, and identifying areas for enhanced regional and local connectivity. New to this update is the inclusion and focus on protected bike lanes and complete streets. Caltrans added these components to their numbering scheme as Class 4 facilities. The ATP is used to pursue grant funding and effectively use Monterey County’s Measure X investments to ensure that planned street improvements include bicycle and pedestrian improvements.

Further action by TAMC is being undertaken to educate the public about bicycle alternatives and links to public health. Efforts include an evaluation of starting a bikesharing program in Salinas. A link on the TAMC website under the Bike & Pedestrian header leads to a virtual town hall called My Sidewalk that engages the public online on active transportation.

MY Town (website link currently inactive) was a pop-up children’s museum, a place for kids to explore their very own miniature city. The exhibit featured a neighborhood playscape with a library, store, streets, and other elements of vibrant and healthy communities. It offered a unique opportunity to teach traffic safety skills to young children while engaging parents to think about safety.

TDA Claimant Relationships and Oversight

This functional area addresses TAMC’s administration of the provisions of TDA. As LTF allocated to claimants have been used for public transit or non-roadway purposes, state law does not require TAMC to undertake a formal unmet transit needs process. However, TAMC is recognized for continuing a process of soliciting and maintaining an annual prioritized transit needs list and working with the MAC, which serves as the designated SSTAC. Unmet needs on the list are retained until they are implemented or removed. Several public workshops are held each year in compliance with the statute, which also requires at least one public hearing in the citizen participation process.

TAMC Administration and Planning

The uses of TDA revenues apportioned to Monterey County flow through a priority process prescribed in state law. TAMC is able to allocate LTF revenues for TDA administration and planning. During the audit years of 2017 through 2019, TAMC claimed the total amounts shown in Table IV-1.

Table IV-1
LTF Claims by TAMC for
Administration and Planning

Fiscal Year	TDA Administration & Planning
2017	\$908,485
2018	\$908,485
2019	\$908,485

Source: TAMC Financial Statements, LTF Schedule of Claims by Purpose, FYs 2017–2019

Based on the above table, in FY 2017, the amount shown for TAMC toward administration and planning equaled approximately 5.9 percent of total LTF (\$15,500,000). In FY 2018, the amount was 5.7 percent (out of \$15,965,000), and for FY 2019, the amount was 5.5 percent (out of \$16,500,000). As LTF revenues increased over the three years, the amounts allocated by TAMC for administration and planning remained the same, resulting in a lower percentage each year relative to total revenue. These percentages are also lower than those in the prior triennial cycle. When considering industry standard allocation of about 3 percent annually in LTF for

planning alone, the combined total percentage for TAMC for planning and administration appears reasonable.

LTF funds are allocated to eligible agencies including TAMC, MST for public transportation and specialized transportation, and local jurisdictions for bike/pedestrian projects. TAMC's TDA Guidelines provide the documented guidance for TDA fund administration and distribution, and describe the processes undertaken to ensure the proper sequence of actions and the eligibility requirements for the claimants. For LTF revenues held in the County Treasury, the revenues are invested by the County Treasurer using prudent fund management. The interest earned is reported to TAMC and disbursed only in accordance with allocation instructions issued by TAMC.

TDA Claim Processing

On an annual basis during this audit period, TAMC was responsible for managing the apportionment of between \$15.5 million and \$16.5 million in LTF revenues and between \$1.9 million and \$4.1 million in STA funds. The amount of STA revenue allocations increased substantially in FY 2019.

During the audit period, and meeting the prior performance audit recommendation, TAMC updated its TDA Guidelines in October 2018. The TDA Guidelines update reflect the minimum 15 percent farebox attainment for MST. The update also identified the inputs (allowable revenues and costs) on how the farebox recovery ratio is computed pursuant to SB 508. In addition, the updated guidelines include a description and calculation of STA fund qualifying criteria. TAMC allocates all available STA funds to MST, which is the sole public transit operator in Monterey County. It includes the two efficiency standards utilized in the qualifying criteria. The 2018 TDA Guidelines also include details about the SB 1 State of Good Repair Program, revised TDA timelines, and updated claim forms and Standard Assurances for Transit Applicants.

Following approval of the claim, TAMC prepares a memorandum to the Monterey County auditor-controller requesting an electronic transfer of funds from the LTF holding account to MST's account. Transfer payments are made on a monthly basis. The LTF is designated 552 along with enumerated four-digit subaccounts that correspond to each city and the County. The STA fund is designated 551, which also has enumerated four-digit subaccounts for local agencies. The TDA claim submittal and approval process is required by state law and is an accountable means for the claimant to request funds according to the rules and regulations established by the transportation planning agency.

For bicycle and pedestrian claims submitted under Article 3, TAMC will also prepare a memorandum to the County authorizing a transfer of funds from fund 552. A resolution authorizes the TAMC executive director to pay claims to the County for bike and pedestrian purposes. Article 3 claims are submitted in accordance with TAMC's Transportation Development Act 2% Funding for Pedestrian and Bicycle Projects Bylaws.

Article 3 funds are rolled into the RSTP funding guidelines. Projects using RSTP funds are not required to have a local match like federal transportation programs. Prior to the allocation cycle, TAMC staff will advise prospective claimants, cities, and the County of the funds anticipated to be available and of the procedures for applying for the Article 3 funds. To be considered for funding, an application must be received by TAMC by the deadline specified in the call for projects. The agency adopts a program of projects for a three-year funding cycle, with one pot being competitive and one pot being formula distribution. Once funds are allocated to an approved project, the project sponsor has three years to expend the funds. Funds are paid to projects on a reimbursement basis and upon claim by the project sponsor to TAMC.

The information provided by claimants such as MST ensures that proper information is submitted to justify the TDA claim. TAMC's new claim form also includes a checklist of materials to include with the transit claim to ensure that all required information is provided to substantiate the request for TDA revenues:

- Claimant's most recent comprehensive annual financial report
- Claimant's current fiscal year transit budget with all capital/operating costs and revenues identified separately
- California Highway Patrol Certifications, pursuant to PUC Section 99251
- Claimant's governing body resolution or minute action making application for the LTF funds
- Claimants monthly performance statistics, including farebox recovery ratio

A standard assurance list is also included for MST to hand-initial, indicating its compliance with the respective mandate. TAMC's list shows 15 different assurances. The standard assurances, combined with the claim form and supporting documentation checklist, are representative of good industry practice by TAMC serving as an RTPA.

Following passage of State SB 508 in October 2015, which TAMC references in its TDA Guidelines, various changes were made to key areas such as how farebox recovery is calculated and the reinstatement of the STA qualifying criteria, thus enabling MST to continue using STA revenue for operations. TAMC's TDA Guidelines included these additional measures in its October 2018 update.

Transit Performance Monitoring

Since the configuration of MST into a transit district, it has served as the only transit operator in Monterey County. One of the ways that TAMC monitors performance of the transit system is through a standing item on the TAMC board agenda for MST to report on its operations. MST provides updates on its activities and prepares a summary of monthly performance statistics for

its transportation, maintenance, and administration departments. The reports are presented to the MST Board, whose membership overlaps with the TAMC Board. The statistics highlight performance metrics within each department's services compared to the prior year and against goals.

Another method of transit monitoring is through the unmet transit needs process. An unmet transit needs survey is posted on the TAMC website, which allows the public to comment on potential service needs in Monterey County. TAMC and MST continue to obtain input on potential transit needs from the community. TAMC and MST work through MST's MAC to collect public comments on unmet transit needs at public hearings held at various locations in the county. TAMC issued revised guidance on the unmet transit needs process following integration of the SSTAC into the MAC. The comments received are categorized by one of the following: (1) transit service improvement; (2) transit service expansion; and (3) capital improvement project. Each comment is further considered as a short-term or long-term improvement and is reviewed by the MAC, which then recommends a list for receipt by the TAMC Board.

Finally, the recommencement of the TDA claims process is another method by which TAMC monitors transit performance through the supporting details for the fund request that MST must submit.

The bylaws for the MAC were updated in January 2018. MAC members are appointed by the MST Board of Directors. The composition of the MAC encompasses key stakeholder groups in Monterey County such as the disabled, senior, veteran, and social service agencies pursuant to the TDA requirements of PUC Section 99238 for SSTAC membership. In reviewing the roster of the MAC membership, while it appears to fulfill many of the required categories of the SSTAC, there is no corresponding reference to such categories. It is suggested that the bylaws and roster be updated to include those corresponding categories. In addition, alternate members should be identified and included on the MAC membership roster.

Marketing and Transportation Alternatives

TAMC uses a number of public information and community engagement approaches. During the audit period, the agency adopted a new logo and tagline. The new tagline "Plan, Fund, Build" reflects the agency's core mission. Public access and information about TAMC and its activities are available through the agency's updated website (<https://www.tamcmonterey.org/>), which is an extensive resource. The website is undergoing further updating to become ADA compliant. The menu just below the masthead provides links to updates, Measure X, Board actions, committees, programs, calendar, and agency and staff contact information. Highlights of projects and upcoming meetings headline the home page. Traffic advisories, requests for proposals, transit needs comments, and video links to board meetings are accessible on the main page as well.

A public outreach survey is provided on the website soliciting comments on transportation and offering a presentation by TAMC on transportation issues. The TAMC website also contains an option to translate into any number of languages, including Spanish and Chinese. In addition, TAMC has several social media accounts to engage with the community. Facebook is the primary social media platform, followed by Twitter. TAMC uses its Twitter feed to post updates of construction projects, such as the Holman Highway Roundabout, and traffic advisories. TAMC has recently used YouTube to air Board meetings, webinars, and project updates. Instagram is used to promote the GO831 TDM program.

A dedicated Bus Transit section on the TAMC website describes the involvement of the MAC and the unmet transit needs process, as well as detailed TDA and federal transit funding programs. The section provides active links to MST and the Caltrans website for state and federal funding guidance, and contact information for the TAMC coordinator for transit.

TAMC continues with its publication of an Annual Report highlighting activities, accomplishments, current issues, and project updates. The user-friendly report is located on the website in the public outreach section and is available in both English and Spanish. With significant regionwide outreach conducted for major activities including the RTP update and Measure X during the last few years, TAMC makes focused efforts to maintain its visibility in the community and engage county residents.

In coordination with the Santa Cruz County Regional Transportation Commission, TAMC conducted a comprehensive Monterey Bay Area 511 Traveler Information System Feasibility and Implementation Study. The 511 service is a web-based multimodal trip planning tool providing information on traffic conditions, rideshare matching, transit routes and schedules, and bicycle commuting. Following the study, TAMC worked with AMBAG to reassume responsibility for the Rideshare/511 operations from AMBAG after 20 years. At the beginning of the audit period, TAMC recruited a new full-time Rideshare/511 program coordinator/transportation planner to develop the integrated countywide Rideshare/511 traveler information program, conduct public outreach promoting sustainable transportation modes and travel choices through coordination with employers and events, and manage alternative commuter support programs.

The Rideshare/511 was rebranded as GO831 (<http://www.go831.org/>), an online rideshare platform that TAMC offers to local commuters and employers as part of its TDM program. GO831 has involved outreach to more than 20 major employers that do not already have a smart commute program. Monterey Bay Aquarium has been the exception in this regard. Approximately 12 to 13 employers in Salinas and on the Monterey Peninsula are active. Each employer has its own network with free assistance from TAMC. The RideAmigos software platform provides online trip matching, the Commute Tracker smartphone app, data reporting, and incentive programs as well as a trip reduction initiative survey. Another component of GO831 is the Emergency Ride Home program, which assists commuters who would like to leave their car at home, but worry about being stranded if there is a family emergency or if they are asked to work late. The program offers “peace of mind” to commuters by providing

reimbursement for a taxi, rideshare service or rental car in an emergency. The next phase of the GO831 initiative will target school commuters.

As the GO831 program expands and matures, it is suggested that TAMC develop a set of performance metrics to gauge the program's reach and effectiveness. Examples include TDM programs administered by the Santa Barbara County Association of Governments, and San Luis Obispo Council of Governments, both of which evaluate TDM performance through participation and enrollment statistics for their programs. Employer participation in commuter reductions is also a factor as well as the environmental benefits that are quantified from participation in carpool, bicycling, and other transportation modes. By utilizing Measure X funding, TAMC could budget the resources to develop and monitor performance measures for GO831 activities.

Grant Applications and Management

In Monterey County, grant assistance and management are shared between the two planning agencies, TAMC and AMBAG, the latter which serves as the federal metropolitan planning organization for the three-county area of Monterey, San Benito, and Santa Cruz. AMBAG performs metropolitan-level transportation planning on behalf of the region. Among its many duties, AMBAG manages the region's transportation demand model and prepares regional housing, population, and employment forecasts that are used in a variety of regional plans. TAMC and AMBAG coordinate activities that impact each of their respective planning and programming responsibilities.

The passage of local Measure X has allowed for greater leverage in the management and utilization of grant funding. Measure funds are used as a local match for a variety of state and federal grant programs that TAMC and MST rely upon. The adoption of the Integrated Funding Plan has allowed TAMC to match specific transportation improvement projects with potential grant and formula programs.

MST and TAMC are the only recipients in Monterey County for the Low-Carbon Transit Operating Program (LCTOP). LCTOP has been allocated to MST for service expansion, free fares on the weekend in East Salinas, and 600 youth passes for youth living in disadvantaged communities. Moreover, TAMC is an eligible project sponsor and recipient under the SB 1 State of Good Repair program. In its capacity as a contributing agency, TAMC has allocated its SB 1 funds to support MST's future bus procurement and replacement of older diesel buses.

TAMC staff review and score Federal Transit Administration (FTA) Section 5310 applications. FTA Section 5310 grant funds are available for meeting the transportation needs of elderly persons and persons with disabilities in areas where public mass transportation services are otherwise unavailable, insufficient, or inappropriate. FTA Section 5310 allows for the procurement of accessible vans and buses, communication equipment, and computer hardware and software for eligible applicants. MST is generally the only applicant for these grant program funds.

In addition, TAMC signs off on the certifications and assurance for FTA Sections 5311 and 5311(f) submittals and prepares the Program of Projects. FTA Section 5311 is a non-urbanized area formula funding program that provides funding for public transit in non-urbanized areas with a population less than 50,000 as designated by the US Census Bureau. Rural transit in the MST service area is provided in the south county and is funded by these revenues.

In August 2018, the TAMC Board adopted a resolution authorizing federal funding for MST under the FTA Section 5311(f) Intercity Bus Program administered through Caltrans. The resolution was in support of a grant to fund MST's operating expense to continue service connecting Fort Hunter Liggett with Salinas, Soledad with Paso Robles, and Fort Hunter Liggett to Templeton, and continue service between King City and San Jose. MST requested \$835,288 in funding from this program to support service on four intercity commuter lines for federal FY 2018.

In FY 2017, the TAMC Board of Directors approved \$3.6 million for three years of programming of the RSTP funds split between the cities and County using a formula based on population and road lane miles. The TAMC Board also issued a "call for projects" for a new cycle of competitive grants funded with \$6.95 million from the RSTP over the next three years.

In August 2017, the TAMC Board approved \$6.62 million in the agency's 2017 competitive grants program. The grants were given to fund six city and county projects in Monterey County that improve safety, provide maintenance for existing facilities, or support the development of a multimodal transportation network utilizing the principles of Complete Streets.

As a recipient of federal financial assistance, TAMC is required to prepare a Title VI Program and Language Assistance Plan. The agency updated and adopted such a plan in June 2018 to serve as guidance in the administration and management of Title VI related activities, and details how TAMC meets the requirements set forth in the FTA Circular. TAMC operates its programs and services ensuring that no person is excluded from the equal distribution of its services and amenities based on their race, color, or national origin in accordance with Title VI of the Civil Rights Act of 1964.

During its October 2016 meeting, the TAMC Board recognized the advocacy of former Congressman Sam Farr, who retired in 2017. The Board presented the congressman with a certificate of appreciation for his staunch support of regional transportation safety and mobility projects. During his time in office, Congressman Farr was able to secure approximately \$100 million in federal earmarks for Monterey County toward vital transit and highway safety and congestion relief projects, including the Prunedale Safety Improvement Project, the Airport Boulevard Interchange, the San Juan Road Interchange, improvements for SR 156, and the Monterey Bay Sanctuary Scenic Trail.

Section V

Findings and Recommendations

The following material summarizes the findings obtained from the triennial audit covering FYs 2017 through 2019. A set of recommendations is then provided.

Findings

1. TAMC has satisfactorily complied with applicable state legislative mandates for RTPAs. One compliance measure that did not apply to TAMC pertains to adopting rules and regulations for TDA claims under Article 4.5. No such claims were submitted during the audit period.
2. The prior performance audit recommendation was fully implemented. The recommendation pertained to amending the TAMC TDA Guidelines for enhanced TDA administration, which involved updating the minimum farebox recovery standard, farebox recovery calculation, and the STA eligibility requirements.
3. TAMC has taken a lead role in the region involving the implementation of several vital transportation improvement projects throughout the county. Building on the success of Measure X, the TAMC Board held a strategic planning session in September 2017 and identified two key goals: accelerate the delivery of Measure X regional projects and leverage as much in matching funds as possible. In December 2017, the TAMC Board adopted the following strategic goals: (1) Deliver Projects and Programs; (2) Leverage Matching Funds; (3) Inform and Involve the Public; and (4) Plan for Future Innovation.
4. The 2018 RTP was developed by TAMC staff in cooperation with AMBAG and covers a 20-year planning horizon. The goal of the 2018 RTP is to address major challenges impacting Monterey County's transportation infrastructure, while recognizing the new funding opportunities presented by the passage of Measure X in 2016 and SB 1 in 2017.
5. Local Measure X passed with 67.71 percent voter approval, exceeding the required two-thirds threshold in November 2016. The tax went into effect on April 1, 2017, with the funds distributed quarterly to TAMC. An agreement was developed with the Monterey County auditor-controller for the distribution of 60 percent of the revenue share to the cities and the County quarterly.
6. TAMC adopted the Active Transportation Plan (ATP) for Monterey County in June 2018. The ATP is an update to the agency's 2011 Bicycle and Pedestrian Master Plan and guides the development of priority projects and infrastructure improvements. New to this update is the inclusion of protected bike lanes and a Complete Streets focus.

7. Though no TDA funds are allocated for streets and roads, TAMC continues with an unmet transit needs process that involves obtaining public input and coordinating with the MAC, which serves as the SSTAC. These actions offer evidence of TAMC's objectives to provide an inclusive environment for discussion of public transportation services.
8. TAMC updated its TDA Guidelines in October 2018. The TDA Guidelines update reflect the minimum 15 percent farebox attainment for MST. The update also identified the inputs (allowable revenues and costs) on how the farebox recovery ratio is computed pursuant to SB 508. In addition, the updated guidelines include a description and calculation of STA fund qualifying criteria.
9. TAMC uses a number of public information and community engagement approaches. During the audit period, the agency adopted a new logo and tagline. The new tagline "Plan, Fund, Build" reflects the agency's core mission. Public access and information about TAMC and its activities are available through the agency's updated website, which is an extensive resource. A dedicated bus transit section on the TAMC website describes the transit needs process and detailed TDA and federal transit funding programs, and provides active links to MST and the Caltrans website for state and federal funding guidance.
10. The Rideshare/511 program was rebranded as GO831 (<http://www.go831.org/>), an online rideshare platform that TAMC offers to local commuters and employers as part of its TDM program. GO831 has involved outreach to more than 20 major employers that do not already have a smart commute program.
11. The passage of local Measure X has allowed for greater leverage in the management and utilization of grant funding. Measure funds are used as a local match for a variety of state and federal grant programs that TAMC and MST rely upon. The adoption of the Integrated Funding Plan has allowed TAMC to match specific transportation improvement projects with potential grant and formula programs.

Triennial Audit Recommendations

1. Work with Monterey-Salinas Transit (MST) to add the calculation of farebox recovery in the MST annual financial audit.

An audited farebox recovery calculation is typically included in the financial statements of the transit operator. MST's annual financial audits prepared during the audit period do not contain a calculation of farebox recovery. Through State Senate Bill 508, specific adjustments could be made to the transit farebox ratio, including the inclusion of local support revenues and exemptions for new services. Given that the TAMC-adopted farebox ratio for MST is system-wide, the audited farebox calculation should be derived for the entire service, while farebox recovery by mode (fixed route and dial-a-ride) can also be determined and included in the financial audit, which provides key performance measures of the agency. The audited farebox ratio provides an official performance standard which MST is required to meet and provides TAMC a consistent source document to verify MST's eligibility for TDA funds. It also provides a check of consistency with audited financial data when MST completes the State Controller Operator Financial Transactions Report.

2. Coordinate with MST to conform composition of the Mobility Advisory Committee (MAC) with statutory provisions of the Social Service Transportation Advisory Council (SSTAC).

MST's MAC serves as the SSTAC and advises the agency on matters related to transportation accessibility for the elderly, the disabled, and persons of limited means. The composition of the MAC encompasses key stakeholder groups in Monterey County such as the disabled, senior, veteran, and social service agencies pursuant to the TDA requirements of Public Utilities Code Section 99238 for SSTAC membership. In reviewing the roster of the MAC membership, while the representative organizations appear to fulfill many if not all of the required categories of the SSTAC, there is no corresponding reference in the roster to such categories in the TDA statute. For example, the composition of the SSTAC must include two representatives of local social service providers for seniors, and two representatives of local social service providers for the disabled. To better link the MAC roster to the required SSTAC membership, it is recommended that at least three actions be undertaken: 1) add language to the MAC Bylaws under Section 3.1 (General Membership) and list the required SSTAC membership categories; 2) state in the bylaws under Section 1.0 (Name/Provenance) the designation of MAC to serve as the SSTAC as stipulated in the TAMC TDA Guidelines; and 3) revise the MAC member roster to add a column that identifies which member meets the required SSTAC membership. In addition, alternate members from the representative agencies on the MAC/SSTAC roster should be identified and included on the membership roster to maintain continuity of the committee and continued interest should the primary member not be available. The recommended actions better solidify the institutional relationship between the MAC, MST, and TAMC regarding the designation of a SSTAC and its roles under TDA statute.

3. Develop baseline metrics for the transportation demand management (TDM) program.

During the audit period, TAMC rebranded its Rideshare/511 program as part of its overall TDM strategy. The GO831 platform is an online resource that offers trip planning and commuter resources. GO831 has involved outreach to more than 20 major employers that do not already have a smart commute program. The RideAmigos software platform provides online trip matching, the Commute Tracker smartphone app, data reporting, and incentive programs as well as a trip reduction initiative survey. As the GO831 program expands and matures, it is recommended that TAMC develop a set of performance metrics to gauge the program's reach and effectiveness. Performance metrics could demonstrate resulting impacts from TDM programs including benefits, costs, and equity effects. Examples include TDM programs administered by the Santa Barbara County Association of Governments, and San Luis Obispo Council of Governments, both of which evaluate TDM performance through participation and enrollment statistics for their programs. Also, the Victoria Transport Policy Institute contains a wealth of information regarding TDM monitoring and performance. A sampling of basic measures includes the following:

- *Awareness* – the portion of potential users who are aware of a program or service.
- *Participation* – the number of people who respond to an outreach effort or request to participate in a program.
- *Utilization* – the number of people who use a service or alternative mode.
- *Mode split* – the portion of travelers who use each transportation mode.
- *Mode shift* – the number or portion of automobile trips shifted to other modes.
- *Vehicle trip reduction* – the number or percentage of automobiles removed from traffic.
- *Vehicle miles of travel (VMT) reduced* – the number of trips reduced times average trip length.
- *Energy and emission reductions* – these are calculated by multiplying VMT reductions times average vehicle energy consumption and emission rates.