Table of Contents

Chapter 1: Executive Summary ........................................................ 01
Chapter 2: Audit Scope and Methodology ....................................... 05
Chapter 3: Program Compliance ...................................................... 09
Chapter 4: Prior Recommendations ................................................. 15
Chapter 5: Goal Setting and Strategic Planning .............................. 17
Chapter 6: Functional Review .......................................................... 21
Chapter 7: Findings and Recommendations ..................................... 29
Chapter 1

Executive Summary

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

In 2018, SJCOG selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

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

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

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

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

The Triennial Performance Audit includes five elements:

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

Test of Compliance

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

1. The City of Tracy’s TDA fiscal audits were submitted past the allowable extension in FY 2015/16 and FY 2016/17.
2. The FY 2013-FY 2015 Triennial Performance Audits were completed after the deadline set in the second extension requested by SJCOG.
3. SJCOG continued to allocate funds to operators even though triennial performance audits were not submitted by the start of the second fiscal year following the last fiscal year of the triennium.
4. SJCOG did not certify in writing completion of the prior triennial performance audit of its operators.

Status of Prior Recommendations
The prior Triennial Performance Audit – completed in March 2017 by Maze & Associates for the three fiscal years ending June 30, 2015 – had no recommendations for SJCOG.

Goal Setting and Strategic Planning
SJCOG’s primary goal setting and regional planning document is the Regional Transportation Plan, which was updated in 2018. The RTP is includes all required elements and is reflective of a public participation process which included federal, state, and local governmental entities as well as the general public. SJCOG effectively plans for regional transportation investments.

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

1. The City of Tracy’s TDA fiscal audits were submitted past the allowable extension in FY 2015/16 and FY 2016/17.
2. The FY 2013-FY 2015 Triennial Performance Audits were completed after the deadline set in the second extension requested by SJCOG.
3. SJCOG continued to allocate funds to operators even though triennial performance audits were not submitted by the start of the second fiscal year following the last fiscal year of the triennium.
4. SJCOG did not certify in writing completion of the prior triennial performance audit of its operators.

We also identified three additional functional findings. While these findings are not TDA compliance related, we believe they warrant inclusion within this review.

1. Compliance with 2017 Regional Transportation Plan requirements could be more easily and effectively evaluated by incorporating Caltrans’ “Regional Transportation Plan Checklist for MPOs” into the RTP/SCS document.
2. While SJCOG annually assesses operator performance during the TDA claims process, it does not currently assess the implementation status of productivity and/or TDA triennial performance audit recommendations.
3. The Finance Department warrants additional staffing in order to effectively accommodate all of its responsibilities.

In completing this Triennial Performance Audit, we submit the following recommendations for the San Joaquin Council of Governments as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements.
and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

<table>
<thead>
<tr>
<th>TDA Program Compliance Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continue to work with the fiscal and compliance auditor to ensure audits can be completed within the time stipulated by the TDA.</td>
<td>Medium</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>2. SJCOG should work with its auditor to ensure on-time completion of the triennial performance audits.</td>
<td>Medium</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>3. When triennial performance audits are submitted more than one year following the end of the triennium, SJCOG should withhold TDA allocations until the audits are completed.</td>
<td>Medium</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>4. Upon completion of the triennial performance audit process, SJCOG must prepare a transmittal letter to Caltrans which certifies the completion of the operator audits and accompanies submittal of the RTPA audit.</td>
<td>High</td>
<td>FY 2018/19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Functional Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Incorporate Caltrans’ “Regional Transportation Plan Checklist for MPOs” into the RTP/SCS document.</td>
<td>Medium</td>
<td>2022 Update</td>
</tr>
<tr>
<td>2. Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.</td>
<td>Medium</td>
<td>FY 2019/20</td>
</tr>
<tr>
<td>3. Consider adding a 0.5 FTE position for the Finance department.</td>
<td>Medium</td>
<td>FY 2019/20</td>
</tr>
</tbody>
</table>
This page intentionally blank.
Chapter 2

Audit Scope and Methodology

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

In 2018, the San Joaquin Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

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

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

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

Objectives

The Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.
Scope
The Triennial Performance Audit is intended to be a high-level review of performance evaluating the efficiency and effectiveness of the RTPA. The review of SJCOG included five related tasks:

1. Review of compliance with the TDA requirements and regulations.
2. Assess the implementation of recommendations presented in prior performance audits.
3. Analysis of SJCOG’s internal goal setting and strategic planning functions.
4. Examination of the following functions:
   - Administration and Management,
   - Transportation Planning and Regional Coordination,
   - Claimant Relationships and Oversight,
   - Marketing and Transportation Alternatives, and
   - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA’s core functions.

Methodology
The methodology for the Triennial Performance Audit of SJCOG as the RTPA included extensive review of documents relevant to the scope of the review, as well as information contained on SJCOG’s website. The documents reviewed included the following (spanning the full three-year period):

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

The methodology for this review also included interviews with key SJCOG staff at its administrative offices located at 555 E. Weber Avenue in Stockton on October 4, 2018. Staff interviewed as part of this audit included Grace Orosco, Chief Accountant, and Lynnetta Castle, Staff Accountant. Other staff members provided written input regarding functional area questions outlined in the Performance Audit Guidebook.

The report is comprised of seven chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. Scope and Methodology: Discussion of the review methodology and pertinent background information.
3. Audit Results: In-depth discussion of findings surrounding each of the subsequent elements of the review:
• Compliance with statutory and regulatory requirements,
• Progress in implementing prior recommendations,
• Goal setting and strategic planning,
• Functional review, and
• Findings and recommendations.
Chapter 3

Program Compliance

This section examines the San Joaquin Council of Governments’ compliance with the State of California’s Transportation Development Act as well as relevant sections of California’s Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with SJCOG staff as well as a physical inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

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

1. The City of Tracy’s TDA fiscal audits were submitted past the allowable extension in FY 2015/16 and FY 2016/17.
2. The FY 2013 – FY 2015 Triennial Performance Audits were completed after the deadline set in the second extension requested by SJCOG.
3. SJCOG continued to allocate funds to operators even though triennial performance audits were not submitted by the start of the second fiscal year following the last fiscal year of the triennium.
4. SJCOG did not certify in writing completion of the prior triennial performance audit of its operators.
<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.</td>
<td>PUC 99231</td>
<td>In compliance</td>
<td></td>
</tr>
<tr>
<td>The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).</td>
<td>PUC 99233, 99234</td>
<td>In compliance</td>
<td>The SSTAC meets monthly and is comprised of residents of San Joaquin County who are seniors, social service providers, transit users, and the disabled. The SSTAC participates in the annual Unmet Transit Needs process, which includes public workshops and a public hearing.</td>
</tr>
<tr>
<td>The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.</td>
<td>PUC 99238, 99238.5</td>
<td>In compliance</td>
<td></td>
</tr>
<tr>
<td>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA’s jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit.</td>
<td>PUC 99244</td>
<td>In compliance</td>
<td>SJCOG's Interagency Transit Committee (ITC) was created to improve communication and coordination among the transit agencies within San Joaquin County and to improve the transit experience for the end-user. While the ITC oversees the development of Short Range Transit Plans for operators. However, it does not appear that the ITC conducts regular evaluations to assess operator productivity improvements. Three operators receiving Article 8(c) funds are required to meet performance criteria, which facilitates ongoing monitoring. SJCOG does not require a status update regarding performance audit recommendations as part of its TDA claims process.</td>
</tr>
<tr>
<td>The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.</td>
<td>PUC 99245</td>
<td>Finding</td>
<td>The City of Tracy’s TDA fiscal audits for FY 2015/16 and FY 2016/17 were submitted more than 90 days beyond the deadline with the 90-day extension.</td>
</tr>
</tbody>
</table>
### Compliance Element

| The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year. | CCR 6662 | In compliance | FY 2015/16: November 11, 2016  
FY 2016/17: December 22, 2017  
FY 2017/18: January 22, 2019 |
|---|---|---|---|
| The RTPA has submitted within seven months after the end of the fiscal year an annual financial transactions report to the state controller. | CCR 6660 | In compliance | FY 2015/16: January 18, 2017  
FY 2016/17: January 29, 2018  
FY 2017/18: January 24, 2019 |
| Effective January 1, 2016, the deadline for submittal of the RTPA’s financial report to the State Controller was extended to seven months following the end of the fiscal year (January 31). This change was made for transit operators beginning with FY 2017 reporting. |
| The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator’s TDA money, and to the RTPA within 12 months after the end of the triennium. If an operators audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted. | PUC 99246, 99248 | Finding | SJCOG retained Maze & Associates to prepare its FY 2013-2015 Triennial Performance Audits. The SJCOG audit was dated March 2017. SJCOG requested and received two extensions from Caltrans – first to September 30, 2016, and then to February 28, 2017. Audits were completed after the second extension deadline. |
| Moore & Associates was retained to prepare the FY 2016-2018 Triennial Performance Audits. |
| The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed. | PUC 99246(c) | Finding | SJCOG did not certify in writing completion of triennial performance audits of the operators following the prior audit cycle. |
### Compliance Element

For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUC 99405</td>
<td>In compliance</td>
<td>Claimants who contract for transit services are subject to alternative performance criteria. The alternative performance criteria have two sections: 1) A 10 percent match of TDA funds from any other source, and 2) The transit system must equal or surpass two of the three alternative performance objectives (cost per revenue hour, passengers per revenue hour, and subsidy per passenger). The performance objectives are reviewed by the Board every two years.</td>
</tr>
</tbody>
</table>

The performance audit of the operator providing public transportation services shall include a verification of the operator’s cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUC 99246(d)</td>
<td>In compliance</td>
</tr>
</tbody>
</table>

The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in both urbanized and non-urbanized and newly urbanized areas.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUC 99270.1, 99270.2</td>
<td>Not applicable</td>
<td></td>
</tr>
</tbody>
</table>

The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUC 99275.5</td>
<td>In compliance</td>
</tr>
</tbody>
</table>

State Transit Assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUC 99310.5, 99313.3, Proposition 116</td>
<td>In compliance</td>
</tr>
</tbody>
</table>

The amount received pursuant to the 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.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUC 99314.3</td>
<td>In compliance</td>
</tr>
</tbody>
</table>
### Compliance Element

If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:

- Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238;
- Identified transit needs, including:
  - Groups that are transit-dependent or transit-disadvantaged;
  - Adequacy of existing transit services to meet the needs of groups identified; and
  - Analysis of potential alternatives to provide transportation alternatives;
- Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”;
- Identified the unmet transit needs and those needs that are reasonable to meet; and
- Adopted a finding that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet.

If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.

<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>SJCOG implemented its annual Unmet Transit Needs (UTN) process each of the three years included in the Triennial Performance Audit. This process included the reaffirmation of UTN definitions, a description of the criteria used to determine “reasonable to meet,” included consultation with the SSTAC, identified potential transit needs through public outreach and hearings, and determined whether there were unmet transit needs that were reasonable to meet.</td>
<td>PUC 99401.5</td>
<td>In compliance</td>
<td>SJCOG and the SSTAC determined there were no unmet transit needs that were reasonable to meet. In FY 2018, an unmet transit need regarding non-emergency medical transportation (NEMT) was deemed by SJCOG staff to be an unmet transit need that was reasonable to meet. The Board affirmed the unmet transit need as well as set aside the appropriate budget authority to address the need. It also asked SJCOG staff to conduct a planning level analysis before it would authorize the expenditure for operations. Upon review of the planning level analysis, the Board approved the expenditure for NEMT operations, which would be provided by San Joaquin RTD. The service is currently marketed as RTD Care Connection.</td>
</tr>
<tr>
<td>In FY 2016 and FY 2017, SJCOG and the SSTAC determined there were no unmet transit needs that were reasonable to meet. In FY 2018, an unmet transit need regarding non-emergency medical transportation (NEMT) was deemed by SJCOG staff to be an unmet transit need that was reasonable to meet. The Board affirmed the unmet transit need as well as set aside the appropriate budget authority to address the need. It also asked SJCOG staff to conduct a planning level analysis before it would authorize the expenditure for operations. Upon review of the planning level analysis, the Board approved the expenditure for NEMT operations, which would be provided by San Joaquin RTD. The service is currently marketed as RTD Care Connection.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This page intentionally blank.
Chapter 4

Prior Recommendations

This section reviews and evaluates the implementation of the prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is to provide assurance San Joaquin Council of Governments has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior Triennial Performance Audit – completed in March 2017 by Maze & Associates for the three fiscal years ending June 30, 2015 – included no recommendations for SJCOG.
Chapter 5

Goal Setting and Strategic Planning

This chapter analyzes San Joaquin Council of Governments’ goal setting and strategic planning process.

SJCOG provides a broad range of regional planning for San Joaquin County as the RTPA and MPO, as well as the Airport Land Use Commission, Census Data Center, Congestion Management Agency, and Local Transportation Authority. Planning activities and regional services arising from these roles include:

- Airport Land Use Compatibility Plan for the Environs of Stockton Metropolitan Airport;
- Countywide Airport Land Use Compatibility Plan;
- Regional Bicycle, Pedestrian, and Safe Routes to School Master Plan;
- Regional Transit Systems Plan;
- Unmet Transit Needs Assessment;
- Regional Congestion Management Program;
- San Joaquin Multi-Species Habitat Conservation and Open Space Plan;
- Dibs alternative transportation program (with partners Stanislaus Council of Governments and Merced County Association of Governments);
- Measure K Ordinance and Expenditure Plan;
- Measure K Strategic Plan; and
- Regional Housing Needs Plan.

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The Plan, which was adopted on June 28, 2018, was built on the “ambitious and achievable” 2014 Plan with updated planning assumptions. The 2018 Plan considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help San Joaquin County meet regional greenhouse gas reduction targets.

The 2018 RTP includes the following eight regional goals, each of which is supported by implementation strategies and performance measures:

A. Enhance the environment for existing and future generations and conserve energy.
B. Maximize mobility and accessibility.
C. Increase safety and security.
D. Preserve the efficiency of the existing transportation system.
E. Support economic vitality.
F. Promote interagency coordination and public participation for transportation decision-making and planning efforts.
G. Maximize cost-effectiveness.
H. Improve the quality of life for residents.
In addition to the regional goals, the RTP includes an evaluation of regional mobility needs; a list of specific transportation policies, supportive strategies, and performance indicators; and a financial plan balancing multimodal development with available funding through 2042. Specific performance measures in the 2018 Plan include the following:

- **Enhance the environment for existing and future generations and conserve energy:**
  - Prime farmland developed,
  - Energy and water consumption,
  - Reducing greenhouse gases, and
  - Improving air quality through VMT reduction;
- **Maximize mobility and accessibility:**
  - Improvements to mobility (e.g., minutes of delay due to congestion),
  - Increased investment in transit, and
  - BRT routes;
- **Increase safety and security:**
  - Transportation system management improvements (e.g., freeway auxiliary lanes, modified interchanges, improved shoulders, etc.),
  - Grade separation projects, and
  - Intelligent transportation systems;
- **Preserve the efficiency of the existing transportation system:**
  - Acres of land consumed,
  - High quality transit areas/TOD,
  - Investments on mainline highway system,
  - Preventative maintenance, and
  - Maintenance and operation improvements for the existing transportation system;
- **Support economic vitality:**
  - Creation of jobs (e.g., number of full-time equivalents, dollars of economic output), and
  - Supporting goods movement and economic centers;
- **Improve public health:**
  - Residential density,
  - Community enhancements and place-making, and
  - Reductions in per capita emissions;
- **Building on active transportation:**
  - Active transportation investments (e.g., bike lanes, ancillary projects, etc.), and
  - Trip mode share; and
- **Ensuring social equity:**
  - Diversity of housing mix, and
  - Transit accessibility.
Sustainable Communities Strategy

Active Transportation (through 2042)

- $48.8 M
- $55.8 M
- $61.8 M
- $73.8 M
- $72.8 M

Total: $320 M

FY 17/18 - FY 21/22
FY 22/23 - FY 26/27
FY 27/28 - FY 31/32
FY 32/33 - FY 36/37
FY 37/38 - FY 41/42

8,200 fewer solo auto trips daily.
8,500 more bike and walk trips daily

Increasing Safety & Security
- $237 million for railroad grade separations.
- Modified interchange ramps.
- Improved shoulders.
- Electronic message boards, CCTV, synchronized traffic signals.

Improving Public Health & Building Communities
- Housing density increases from 4.4 to 8.7 units per acre.
- Transit Oriented Development and Smart Growth Community enhancements:
  - Improved Sidewalks
  - Pedestrian Street Lighting
  - Traffic Calming
  - Landscaping

Expanding Active Transportation
- Near-term and significant investments in bicycle, pedestrian, and Safe Routes to School, and smart growth incentive program projects totaling $19.53 million through Measure K.
- Over 15 miles of Class I, II, III, and IV bike lanes.
- Over 5 miles of sidewalk.

Ensuring Social Equity
- Greater diversity of housing choices for communities of concern.
- Higher transit accessibility for communities of concern for areas of High Quality Transit.
San Joaquin Council of Governments
Triennial Performance Audit, FY 2015/16 - FY 2017/18
Final Report

Each RTP update builds upon prior efforts but is reflective of current and future conditions. Prior efforts used in the development of the 2018 RTP/SCS included the following:

- San Joaquin Valley Blueprint;
- Regional Congestion Management Program;
- Measure K Expenditure Plan;
- Regional Transit System Plan;
- San Joaquin County Multi-Species Habitat Conservation and Open Space Plan;
- Regional Bicycle, Pedestrian, and Safe Routes to Schools Master Plan;
- Higher Density Housing Plan;
- Local Agency Climate Action Plans;
- Regional Smart-Growth Transit-Oriented Development Plan;

The RTP Update is supported by the adopted 2016 SJCOG Public Participation Plan. The following public engagement activities were undertaken as part of the 2018 update:

- Bilingual educational video (English/Spanish);
- Two public opinion surveys;
- Four door-to-door canvassing days;
- RTP/SCS Implementation and Working Group;
- Use of Metroquest online platform;
- Two public hearings;
- Draft Plan open house and informational session;
- Presentations to city councils throughout the county;
- More than 40 outreach presentations;
- Solicitation of written comments; and
- Making the draft RTP/SCS available for review online, at SJCOG, and at local public libraries.
Chapter 6
Functional Review

The San Joaquin Council of Governments (SJCOG) is the Regional Transportation Planning Agency (RTPA) for San Joaquin County. SJCOG is a joint powers authority comprised of the County of San Joaquin and the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton, and Tracy.

In addition to serving as the RTPA for San Joaquin County, SJCOG is also the designated Metropolitan Planning Organization (MPO), Airport Land Use Commission, Census Data Center, Congestion Management Agency, and Local Transportation Authority. SJCOG’s role in the community and region is diverse, providing leadership and/or support for the following activities:

- Altamont Corridor Express,
- Amtrak,
- California Vanpool Authority (Calvans),
- Community Pulse (regional data and performance indicator measurement center),
- Fair Share Housing Plan,
- Freeway Service Patrol,
- Measure K,
- Multi-Species Habitat Conservation Plan,
- Regional Housing Needs Assessment,
- Regional Transportation Plan and Federal Transportation Improvement Plan,
- Sustainable Communities Strategy,
- Transportation Air Quality Attainment, and
- Transportation Demand Management Program.

SJCOG’s mission statement reads as follows:

To partner with local governments, the private sector, and community groups as the forum, facilitator, and administrator of regional programs, and to advocate for regional and interregional issues in the development of a comprehensive strategy to achieve resolutions.

A functional review of the San Joaquin Council of Governments determines the extent and efficiency of the following functional activities:

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

SJCOG is governed by a Board of Directors comprised of one representative each from the cities of Escalon, Lathrop, Lodi, Manteca, Ripon, and Tracy; three representatives from the City of Stockton; and three representatives from the San Joaquin County Board of Supervisors. The Board also includes advisory representatives from Caltrans District 12, San Joaquin Regional Transit District, and the Port of Stockton. The Board meets on the fourth Thursday of each month (except for December) at 4:00 p.m., with Board workshops typically held prior to regular board meetings. All meetings are open to the public and streamed live via webcast. Regular meeting are held at the SJCOG administrative offices, which are accessible by transit via numerous SJRTD routes as well as accessible to individuals using mobility devices.

The SJCOG Board has two subcommittees. The Executive Committee is made up of five Board members. It is primarily tasked with reviewing agenda items and presenting recommendations to the full board. The Project Delivery Committee guides policies and transportation programming recommendations, and monitors project delivery.

SJCOG also has several advisory committees that include representatives from throughout the county.

Citizens Advisory Committee (CAC). The CAC is comprised of 16 citizens from diverse backgrounds in the development of transportation plans and programs, including Measure K and regional transportation planning issues. The CAC meets monthly and all meetings are open to the public. Each of the seven cities is represented, as are special interest groups League of Women Voters, Sierra Club, National Association for the Advancement of Colored People, and University of the Pacific and the business, trucking, and agriculture industries.

Habitat Technical Advisory Committee (HTAC). The HTAC is comprised of 15 stakeholders who make recommendations regarding issues specific to the San Joaquin Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). The HTAC meets monthly and meetings are open to the public. Each of the seven cities is represented, as well as the United States Fish and Wildlife Service, California Department of Fish and Wildlife, San Joaquin County, Building Industries Association, Agricultural Commission, University of California Cooperative Extension, and members of the conservation and agricultural communities.

Interagency Transit Committee (ITC). The purpose of the ITC is to improve communication and coordination among transit agencies in San Joaquin County and to improve the customer experience for transit users. ITC is comprised of representatives from transit agencies and member jurisdictions. The ITC meets monthly and meetings are open to the public.

Management and Finance Advisory Committee (M&F). The M&F provides recommendations to the SJCOG Board on administrative and financial decisions of SJCOG as the Local Transportation Authority. The committee is comprised of the chief administrative official of each SJCOG member agency. The M&F meets monthly and meetings are open to the public.

RTP/SCS Working Group. The Regional Transportation Plan and Sustainable Community Strategy (RTP/SCS) Working Group provides direction to SJCOG staff, committees, and policy board with respect to development and adoption of the RTP/SCS. The working group is comprised of interested
individuals representing each of the seven cities as well as a broad range of groups throughout the county. The group meets monthly and meetings are open to the public.

Social Services Transportation Advisory Council (SSTAC). The SSTAC advises the SJCOG Board on transit-related issues for traditionally under-represented and underserved populations, including seniors, persons with disabilities, low-income individuals, and minority communities. It participates in the annual Unmet Needs Process. SSTAC members are appointed by the SJCOG Board and include representatives who are transit users, disabled, seniors, and social services providers. The SSTAC meets jointly with the ITC and meetings are open to the public.

Technical Advisory Committee (TAC). The TAC is a working group that advises the SJCOG Board on regional transportation planning and programming matters. The TAC is comprised of members from county Public Works departments, Caltrans District 10, San Joaquin Regional Transit District, San Joaquin Regional Rail Commission, San Joaquin Air Pollution Control District, Port of Stockton, and Stockton Metropolitan Airport. The TAC meets monthly and meetings are open to the public.

SJCOG also participates in two valley-wide committees: San Joaquin Valley Regional Planning Agencies Directors Committee and San Joaquin Valley Regional Policy Council.

SJCOG Board members during the audit period included the following:

- Anthony Silva, Stockton (Chair 2016) (2015 – 2016)
- Moses Zapien, Stockton (2015), San Joaquin County (2016)
- Susan Lofthus, Stockton (2016 – 2018)
- Steve Bestolarides, San Joaquin County (2015)
- Carlos Villapudua, San Joaquin County (2015 – 2016)
- Kathy Miller, San Joaquin County (Chair 2018) (2016 – 2018)
- Chuck Winn, San Joaquin County (2016 – 2018)
- Bob Elliott, San Joaquin County (2017 – 2018)
- Michael Maciel, Tracy (2015 – 2016)
- Robert Rickman, Tracy (2017 – 2018)
- Leo Zuber, Ripon (2015 – 2018)

Reporting directly to the SJCOG board is the Executive Director, who oversees a staff of 32. An organizational chart is presented as Exhibit 6.1.
Exhibit 6.1 Organizational Chart (FY 2017/18)

Source: San Joaquin Council of Governments.
SJCOG provides an appropriate level of administration for regional transportation planning activities. TDA claims are generally processed within a week for preliminary approval. The claimant will then take the claim to its Board for approval during the month the RTPA gives its preliminary approval. Once approved by the claimant’s Board, SJCOG will take the claim to its Board during that or the following month. SJCOG follows TDA guidelines provided by Caltrans.

The RTP is updated every four years by state statute. The last RTP was approved in 2014, with an update approved by the SJCOG Board in June 2018.

Quarterly progress reports on the financial expenditures of ongoing programs and special projects are reviewed regularly by management. A narrative of accomplishments is also compiled each quarter by SJCOG staff. SJCOG holds monthly meetings with its standing committees. This provides an opportunity for jurisdictions to voice any dissatisfaction. Claimants are generally satisfied with SJCOG’s efficiency and effectiveness.

SJCOG has established clear, comprehensive, and realistic goals and objectives for internal functions, regional coordination, grant applications, operator performance, and transportation alternatives through its annual Overall Work Plan (OWP) and Regional Transportation Plan. The OWP describes in detail milestones, deliverables, and schedules to be accomplished during the fiscal year. SJCOG has made progress toward achievement of its goals.

SJCOG’s employees are generally sufficient in number and qualification for the RTPA to accomplish its functions. Turnover of SJCOG staff is approximately nine percent (excluding interns), or about three positions annually. At the time of this audit, there is one vacant staff position, for which applications were being accepted. The current Finance department staff must work overtime to meet the requirements of the department. A part-time position to provide administrative support to free up higher-level staff would be ideal.

Each SJCOG staffer meets with his/her supervisor at the beginning of the year to identify individual performance goals and staff activities for that year. Staff are encouraged to participate in webinars, online courses, and seminars related to individual positions and responsibilities. SJCOG offers a comprehensive benefit package and has several employee incentive programs, including a rideshare/commute program, computer loan programs, retirement savings programs, and educational reimbursement.

Most of SJCOG’s senior staff attend the monthly Board meetings. Planning and other staff attend based on items being presented to the Board during a particular month. All staff, including senior management, receive an annual performance review and evaluation.

Transportation Planning and Regional Controls
Every four years, SJCOG updates its Regional Transportation Plan (RTP), which provides overall guidance for transportation policy and planning in San Joaquin County. The RTP outlines a multimodal transportation system of projects, their costs, and their timelines. It constrains those projects against a forecast of anticipated revenue. Any project which cannot be financially constrained is identified in the RTP as a Tier 2 project, which is unfunded.
The RTP describes challenges in the region in the areas of congestion, air quality, and provision of alternative transportation modes. The RTP identifies projects to address those challenges and offers analytics on how those challenges are affected by various transportation investments. This draws on a decision-making process during the public outreach period to evaluate various transportation investment packages and focus on a preferred RTP alternative. A financial element identifies all available state, local, and federal revenue sources. The RTP also includes a Sustainable Communities Strategy, which details the impacts on the regional transportation system through its performance metrics and related analysis.

In 2018, the RTP’s public outreach process was very extensive and documented within a technical appendix. This included two years of outreach including surveys, public meetings, workshops, presentations to stakeholders, “tabletop” booths at farmer’s markets and various community events, and online social media outreach.

The 2018 RTP was completed several months ahead of schedule, with SJCOG’s Board approving the document in June 2018. It was the first RTP to be approved in the San Joaquin Valley.

Modeling is an essential part of developing the RTP investment strategy by understanding how the system of projects performs against various measures. The 2018 RTP used Envision Tomorrow, a transportation modeling tool for projecting transportation needs across the next 20 years. The performance metrics are identified and evaluated extensively in the RTP. SJCOG keeps its travel model and Congestion Management Program network up to date through calibration efforts and traffic counts. The RPTA also ensures coding of transportation systems (e.g., number of lanes) is reflective of recently completed improvements.

SJCOG is familiar with special and local revenue measures and their impact on regional transportation. This knowledge is essential to determining revenue sources available to regional transportation for inclusion in the RTP’s financial element.

Claimant Relationships and Oversight
SJCOG does not currently have a productivity committee. However, it conducts regular monitoring of transit operator performance through the claims process and meetings of the Interagency Transit Committee (ITC). In general, operator efforts to implement suggestions and recommendations are reasonable and effective, though oversight of this could be improved by the inclusion of the implementation status of recommendations in the annual TDA claims filings.

SJCOG makes technical and managerial assistance available to operators, and is in regular communication with claimants. SJCOG has recently provided marketing advice for the non-emergency medical transit service, route suggestions for the Mountainhouse transit service, and financial analysis of Measure K funding availability.

The RPTA communicates TDA guidance to operators, including the TDA handbook and claim forms. SJCOG, as part of its fiscal audit contract, arranges for annual fiscal audits of TDA and Measure K funds. SJCOG is also responsible for contracting for triennial performance audits of itself and San Joaquin County operators.
There have been a few instances in which the operator did not meet the required compliance ratio and SJCOG followed the rules regarding the appropriate penalty. The claims were approved less the amounts stipulated by the TDA manual.

**Marketing and Transportation Alternatives**
SJCOG does not provide marketing on behalf of any of the transit operators. It does advertise and promote the Dibs smart travel commute program, which offers information about alternative transportation options, trip planning, and incentive programs. SJCOG partners with the Stanislaus Council of Governments and Merced County Association of Governments in providing this program.

**Grant Applications and Management**
SJCOG may review and coordinate grant applications by operators, but the level of intensity varies from grant to grant. SJCOG does not generally ensure consistency or prioritize grants between operators unless that role is identified as an RTPA role for a specific grant. The RTPA prefers to allow all grants by operators to stand on an even playing field and allow the grant selection process of the grantor to determine the priorities.

SJCOG provides assistance in writing and preparing grants if requested by the operator. Most grants by operators primarily require SJCOG to provide a letter of support, review technical information for the grant, or provide some technical data to be included in the grant.

In addition to managing and allocating TDA revenues, SJCOG also receives various grants from non-TDA sources including Caltrans Planning Grants, SB-1 state grants, and federal funding grants such as the Regional Surface Transportation Program (RSTP), all of which require administration and monitoring of expenses.
Chapter 7

Findings and Recommendations

Conclusions
With four exceptions, we find San Joaquin Council of Governments, functioning as the RTPA, to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. The compliance findings and the recommendations for their resolution are detailed below.

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

1. The City of Tracy’s TDA fiscal audits were submitted past the allowable extension in FY 2015/16 and FY 2016/17.
2. The FY 2013-FY 2015 Triennial Performance Audits were completed after the deadline set in the second extension requested by SJCOG.
3. SJCOG continued to allocate funds to operators even though triennial performance audits were not submitted by the start of the second fiscal year following the last fiscal year of the triennium.
4. SJCOG did not certify in writing completion of the prior triennial performance audit of its operators.

We also identified three additional functional findings. While these findings are not TDA compliance related, we believe they warrant inclusion within this review.

1. Compliance with 2017 Regional Transportation Plan requirements could be more easily and effectively evaluated by incorporating Caltrans’ “Regional Transportation Plan Checklist for MPOs” into the RTP/SCS document.
2. While SJCOG annually assesses operator performance during the TDA claims process, it does not currently assess the implementation status of productivity and/or TDA triennial performance audit recommendations.
3. The Finance Department warrants additional staffing in order to effectively accommodate all of its responsibilities.

In completing this Triennial Performance Audit, we submit the following findings and recommendations for the San Joaquin Council of Governments. They have been divided into two categories: TDA Program Compliance Findings and Recommendations and Functional Findings and Recommendations. TDA Program Compliance Findings and Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Findings and Recommendations address issues identified during the TPA that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 Government Auditing Standards as well as one or more recommendations.
Compliance Finding 1: The City of Tracy’s TDA fiscal audits were submitted past the allowable extension in FY 2015/16 and FY 2016/17.

Criteria: PUC 99245 requires the RTPA to ensure all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year. One 90-day extension is allowable upon request.

Condition: SJCOG is responsible for contracting with an independent auditor to provide annual fiscal and compliance audits of itself and its TDA claimants. It regularly requests 90-day extensions for operators that are unable to complete these audits prior to 180 days following the end of the fiscal year. Nearly all of the operators were able to comply with the extended deadline. However, the City of Tracy’s fiscal audits for both FY 2015/16 and FY 2016/17 were both completed in June of the year following the end of the fiscal year, which makes both audits more than 90 days late. In FY 2017/18, all audits were completed within the allowable 90-day extension.

Cause: The cause of the late completion of the audits is unclear. Given the majority of the audits were completed by the end of the 90-day extension, it is possible the auditor did not have the capacity to complete all of the audits on time.

Effect: When fiscal and compliance audits are submitted beyond the established deadline, this puts the RTPA out of compliance with the TDA. It also means the RTPA must withhold operator allocations until the TDA fiscal audit is submitted.

Recommendation: Continue to work with the fiscal and compliance auditor to ensure audits can be completed within the time stipulated by the TDA.

Recommended Action(s): Given all TDA audits for FY 2017/18 were completed on time, this recommendation may only require monitoring rather than active coordination. SJCOG should include deadlines in the auditor contract that are sufficient to ensure submittal of the triennial performance audits within 180 days following the end of the fiscal year or, if needed, within 180 days plus the additional 90-day extension. If audits are not submitted on time, TDA allocations must be withheld until the audits have been submitted.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

Compliance Finding 2: The FY 2013 – FY 2015 Triennial Performance Audits were completed after the deadline set in the second extension requested by SJCOG.

Criteria: PUC 99246 requires the RTPA to designate an independent entity to conduct a performance audit of itself and its claimants. Audits are due by the end of the fiscal year following the end of the triennium.
Condition: All of the prior triennial performance audits were completed in March 2017, which is more than eight months past the original deadline of June 30, 2016. Even though SJCOG received extensions to this deadline (through February 28, 2017), the audits were still not completed on time.

Cause: The cause for the late completion of the triennial performance audits is unclear.

Effect: When audits are completed and submitted late, it affects the operators’ allocation of TDA funds per CCR 6664.5 (see Compliance Finding 3).

Recommendation: SJCOG should work with its auditor to ensure on-time completion of the triennial performance audits.

Recommended Action(s): Include deadlines in the auditor contract that are sufficient to ensure submittal of the triennial performance audits before June 30. Ensuring on-time submittal of the triennial performance audits will also ensure TDA funds can be allocated to claimants without any delays. The current triennial performance audits are on track to be completed well ahead of June 30, 2019. Therefore, it is unlikely any action will need to be taken.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

Compliance Finding 3: SJCOG continued to allocate funds to operators even though triennial performance audits were not submitted by the start of the second fiscal year following the last fiscal year of the triennium.

Criteria: CCR 6664.5(c) stipulates “no operator shall be eligible to receive an allocation under Article 4 of the Act until the entity which determines the allocation to the operator has received the operator’s performance audit pursuant to PUC Section 99248.”

Condition: All of the prior triennial performance audits were completed in March 2017, which is more than eight months past the original deadline of June 30, 2016. Even though SJCOG received extensions to this deadline (through February 28, 2017), the audits were still not completed on time. However, SJCOG continued to allocate TDA funds between the end of FY 2015/16 and the completion of the audits in FY 2016/17.

Cause: SJCOG staff may be unaware of the impact of the late submittal of triennial performance audits on TDA allocations.

Effect: This can result in allocations being made when they should be delayed pending receipt of the completed triennial performance audits.

Recommendation: When triennial performance audits are submitted more than one year following the end of the triennium, SJCOG should withhold TDA allocations until the audits are completed.
Recommended Action(s): SJCOG staff should become more familiar with the consequences associated with late audit submittal. Even though no funding is ultimately lost, the delay in funding is intended to ensure the operator is performing appropriately before subsequent funding is allocated. The most straightforward remedy is to ensure audits are completed on time.

Given the TDA does not indicate whether receipt of a deadline extension affects how TDA funds should be allocated, we elected to include this as a compliance finding. Should a deadline extension be required in the future, SJCOG should discuss with Caltrans how the extension affects the allocation of TDA funds. No action is anticipated to be required in conjunction with the current triennial performance audit cycle.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

Compliance Finding 4: SJCOG did not certify in writing completion of the prior triennial performance audit of its operators.

Criteria: CCR 6664.6 requires the RTPA to certify in writing to Caltrans that a triennial performance audit of its operators has been completed. This certification must include the name of the audited operator, the time and period covered by the performance audit, and the name of the auditor conducting the audit. This is different from the requirement of CCR 5554.5, which requires the RTPA to provide to Caltrans and the State Controller prior to September 1 a list of the entities that are subject to performance audits that fiscal year.

Condition: SJCOG staff were unable to provide any letter that had been submitted to Caltrans upon completion of the RTPA audit. Staff followed up with Caltrans to determine if the RTPA audit had been submitted. Caltrans responded that it did not have a transmittal letter but did have a copy of the prior SJCOG triennial performance audit. So while the SJCOG audit was received by Caltrans, there is no evidence SJCOG certified the triennial performance audits of its operators.

Cause: Unfamiliarity with the requirements associated with completion of triennial performance audits is the most likely cause.

Effect: Failure to certify the operator performance audits can cause the RTPA to be out of compliance with the TDA.

Recommendation: Upon completion of the triennial performance audit process, SJCOG must prepare a transmittal letter to Caltrans which certifies the completion of the operator audits and accompanies submittal of the RTPA audit.

Recommended Action(s): Per CCR 6664.6, certification of the operator audits must be in writing. It is most convenient to include all of these elements (transmittal letter with operator certification and submittal of the RTPA audit) in a single submittal. The submittal can be electronic if desired, which is also easy to document. Proof of this submittal should be retained for the compliance review during the next triennial performance audit. A letter template is provided as Exhibit 7.2 as well as separately in an editable format.
Functional Finding 1: Compliance with 2017 Regional Transportation Plan requirements could more easily and effectively be evaluated by incorporating Caltrans’ “Regional Transportation Plan Checklist for MPOs” into the RTP/SCS document.

Criteria: MPOs are required to prepare Regional Transportation Plans (RTPs) per federal statute. The California Transportation Commission has the authority to prepare guidelines that reflect federal as well as state requirements for the development of RTPs. New RTP Guidelines were adopted by the California Transportation Commission on January 18, 2017. The new RTP Guidelines separated requirements for MPOs and RTPAs and included new requirements specific to Title VI and public health; incorporated new legislation passed since the prior guidelines in 2010; and updated the document to reflect MAP-21/FAST Act. The Federal Highway Administration (FHWA) describes the development and contents of the RTP in Title 23 CFR Part 450.324 et seq.

Condition: While SJCOG’s 2018 RTP/SCS was certified (via resolution) as being in compliance with the 2017 guidelines, compliance is not easy to independently assess. In conjunction with the 2018 RTP Guidelines, Caltrans also developed RTP Guidelines Checklists for MPOs and RTPAs. SJCOG did not include the checklist for MPOs in its most recent RTP/SCS update.

Cause: Given the guidelines were approved in January 2017, there is no reason SJCOG’s RTP/SCS should not be compliant, regardless of whether the checklist was included. These guidelines were referenced in the staff report and resolution at the time the RTP/SCS was adopted by the SJCOG Board (June 28, 2018), but specific compliance items were not detailed.

Effect: Because the RTP informs the state’s Federal Transportation Improvement Plan (FTIP), a non-compliant RTP can result in a failure to identify projects and thereby receive funding. The checklist makes it easier to assess compliance with the 2017 Guidelines.

Recommendation: Incorporate Caltrans’ “Regional Transportation Plan Checklist for MPOs” into the RTP/SCS document.

Recommended Action(s): Complete the RTP Checklist to clearly communicate compliance with RTP/SCS requirements to reviewers, and to easily identify locations of compliance elements. The 2018 version of this document (shown in Exhibit 7.2) was provided to SJCOG in conjunction with this audit and can also be downloaded from the Caltrans website at www.dot.ca.gov/hq/tpp/offices/orip/rtp/.

Timeline: As part of the 2022 RTP/SCS Update.

Anticipated Cost: Negligible.
Functional Finding 2: While SJCOG annually assesses operator performance during the TDA claims process, it does not currently assess the implementation status of productivity and/or TDA triennial performance audit recommendations.

Criteria: PUC 99244 requires the RTPA to annually recommend potential productivity improvements for transit operators, either via a productivity committee or another means.

Condition: SJCOG currently assesses productivity as part of the annual TDA claim process. In addition, several operators have key performance metric goals in lieu of farebox recovery ratios. These goals are reassessed every three years, and compliance is reviewed during the annual TDA claim process. However, SJCOG does not assess the implementation status of performance audit or other recommendations on a regular basis.

Cause: While SJCOG is in compliance with PUC 99244, it can do more to help operators with their productivity and compliance by following up regularly regarding recommendations.

Effect: Recommendations that remain relevant but have not been implemented by the next triennial performance audit will likely be carried forward as findings in that audit.

Recommendation: Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.

Recommended Action(s): Include an additional page to the TDA claim for operators to indicate the implementation status of recommendations from the triennial performance audit as well as other reviews (such as the FTA Triennial Review), if desired. A sample of such a form is provided in Exhibit 7.3, and an editable version was provided to SJCOG in conjunction with this audit.


Anticipated Cost: Negligible.

Functional Finding 3: The Finance Department warrants additional staffing in order to effectively accommodate all of its responsibilities.

Criteria: The functional review of the RTPA seeks to determine whether the RTPA has sufficient staff (in number and qualifications) to accomplish its functions.

Condition: At the time of this audit, Finance staff expressed their need to work overtime consistently in order to meet the requirements of their responsibilities. This indicates the workload has exceeded the ability of regular staff hours to accommodate it.

Cause: When available regular work hours do not align with work hour requirements, staff are required to work overtime to ensure work is completed on time and to required standards.
**Effect:** Occasional overtime work is often necessary to ensure specific tasks are completed. Ongoing overtime necessary to address the day-to-day workload can result in employee burnout as well as decreases staff flexibility to address unplanned issues or additional requirements.

**Recommendation:** Consider adding a 0.5 FTE position for the Finance department.

**Recommended Action(s):** Given other departments within SJCOG have half-time interns, it would be appropriate to add an additional half-time position specific to the Finance department. This position would be able to provide administrative/clerical support so as to free up higher-level staff for more specialized tasks.

**Timeline:** FY 2019/20.

**Anticipated Cost:** Modest.

### Exhibit 7.1 Summary of Recommendations

<table>
<thead>
<tr>
<th>TDA Program Compliance Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to work with the fiscal and compliance auditor to ensure audits can be completed within the time stipulated by the TDA.</td>
<td>Medium</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>SJCOG should work with its auditor to ensure on-time completion of the triennial performance audits.</td>
<td>Medium</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>When triennial performance audits are submitted more than one year following the end of the triennium, SJCOG should withhold TDA allocations until the audits are completed.</td>
<td>Medium</td>
<td>FY 2018/19</td>
</tr>
<tr>
<td>Upon completion of the triennial performance audit process, SJCOG must prepare a transmittal letter to Caltrans which certifies the completion of the operator audits and accompanies submittal of the RTPA audit.</td>
<td>High</td>
<td>FY 2018/19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Functional Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporate Caltrans’ “Regional Transportation Plan Checklist for MPOs” into the RTP/SCS document.</td>
<td>Medium</td>
<td>2022 Update</td>
</tr>
<tr>
<td>Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.</td>
<td>Medium</td>
<td>FY 2019/20</td>
</tr>
<tr>
<td>Consider adding a 0.5 FTE position for the Finance department.</td>
<td>Medium</td>
<td>FY 2019/20</td>
</tr>
</tbody>
</table>
Exhibit 7.2  Triennial Performance Audit Submittal Letter (template)

June 30, 2019

Mr. Joshua Pulverman
Senior Specialist
Department of Transportation
Division of Mass Transportation, MS #39
P.O. Box 942874
Sacramento, CA 94274-0001

Re: Submission of TDA Triennial Performance Audits for FY 2015/16 through FY 2017/18 within the jurisdiction of the San Joaquin Council of Governments.

Dear Mr. Pulverman:

Pursuant to California Public Utilities Code Section 99246, Moore & Associates, Inc. was designated to conduct Triennial Performance Audits of the San Joaquin Council of Governments (SJCOS) (as RTPA) and all recipients of TDA funding within SJCOS’s jurisdiction.

Per California Code of Regulations Section 6663(b), the purpose of this letter is to submit the Triennial Performance Audit of SJCOS (as the RTPA) and certify that performance audits of the operators under its jurisdiction due this fiscal year have been completed. Those performance audits include the following operators:

- City of Escalon,
- City of Lodi,
- City of Manteca,
- City of Ripon,
- City of Tracy,
- San Joaquin Regional Rail Commission, and
- San Joaquin Regional Transit District.

Per CCR 6663(b)(2), all reports are available to the public pursuant to the California Public Records Act. Should you have any questions, please do not hesitate to contact me at (209) 235-0454 or goresco@sjcog.org.

Sincerely,

Gracie Goresco
Chief Accountant

Enclosure: Triennial Performance Audit, San Joaquin Council of Governments as the RTPA.
Exhibit 7.3 RTP Checklist for MPOs (2018)

Regional Transportation Plan Checklist for MPOs
(Revised March 2018)

(To be completed electronically in Microsoft Word format by the MPO and submitted along with the draft and final RTP to Caltrans)

Name of MPO: __________________________

Date Draft RTP Completed: __________________________

RTP Adoption Date: __________________________

What is the Certification Date of the Environmental Document (ED)? __________________________

Is the ED located in the RTP or is it a separate document? __________________________

By completing this checklist, the MPO verifies the RTP addresses all of the following required information within the RTP.

Regional Transportation Plan Contents

General

1. Does the RTP address no less than a 20-year planning horizon? (23 CFR 450.324(a))

2. Does the RTP include both long-range and short-range strategies/actions? (23 CFR 450.324(b))

3. Does the RTP address issues specified in the policy, action and financial elements identified in California Government Code Section 65080?

4. Does the RTP address the 10 issues specified in the Sustainable Communities Strategy (SCS) component as identified in Government Code Sections 65080(b)(2)(B) and 65584.04(i)(1)?
   - a. Identify the general location of uses, residential densities, and building intensities within the region?
   - b. Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population over the course of the planning period of the regional transportation plan taking into account net migration into the region, population growth, household formation and employment growth?
   - c. Identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region pursuant to Government Code Section 65584?
   - d. Identify a transportation network to service the transportation needs of the region?

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
e. Gather and consider the best practically available scientific information regarding resource areas and farmland in the region as defined in subdivisions (a) and (b) of Government Code Section 65080.01?

f. Consider the state housing goals specified in Sections 65580 and 65581?

g. Utilize the most recent planning assumptions, considering local general plans and other factors?

h. Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce the greenhouse gas emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, the greenhouse gas emission reduction targets approved by the ARB?

i. Provide consistency between the development pattern and allocation of housing units within the region (Government Code 65584.04(f)(1))?  

j. Allow the regional transportation plan to comply with Section 176 of the federal Clean Air Act (42 U.S.C. Section 7506)?

5. Does the RTP include Project Intent i.e. Plan Level Purpose and Need Statements?

6. Does the RTP specify how travel demand modeling methodology, results and key assumptions were developed as part of the RTP process? (Government Code 14522.2)

7. Does the RTP contain a System Performance Report? (23 CFR 450.324 (f))
   a. Does the report include a description of the performance measures and performance targets used in assessing the performance of the transportation system?
   b. Does the report show the progress achieved in meeting performance targets in comparison with the performance in previous reports?
   c. Does the report include an evaluation of how the preferred scenario has improved conditions and performance, where applicable?
   d. Does the report include an evaluation of how local policies and investments have impacted costs necessary to achieve identified performance targets, where applicable?

Consultation/Cooperation

1. Does the RTP contain a public involvement program that meets the requirements of Title 23, CFR 450.316(a)?
   (i) Providing adequate public notice of public participation activities and time for public review and comment at key decision points, including a reasonable opportunity to comment on the proposed metropolitan transportation plan and the TIP;
   (ii) Providing timely notice and reasonable access to information about transportation issues and processes;
   (iii) Employing visualization techniques to describe metropolitan transportation plans and TIPs;
   (iv) Making public information (technical information and meeting notices) available in electronically accessible formats and means, such as the World Wide Web;
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(v)</td>
<td>Holding any public meetings at convenient and accessible locations and times;</td>
</tr>
<tr>
<td>(vi)</td>
<td>Demonstrating explicit consideration and response to public input received during the development of the metropolitan transportation plan and the TIP;</td>
</tr>
<tr>
<td>(vii)</td>
<td>Seeking out and considering the needs of those traditionally underserved by existing transportation systems, such as low-income and minority households, who may face challenges accessing employment and other services;</td>
</tr>
<tr>
<td>(viii)</td>
<td>Providing an additional opportunity for public comment, if the final metropolitan transportation plan or TIP differs significantly from the version that was made available for public comment by the MPO and raises new material issues that interested parties could not reasonably have foreseen from the public involvement efforts;</td>
</tr>
<tr>
<td>(ix)</td>
<td>Coordinating with the statewide transportation planning public involvement and consultation processes under subpart B of this part; and</td>
</tr>
<tr>
<td>(x)</td>
<td>Periodically reviewing the effectiveness of the procedures and strategies contained in the participation plan to ensure a full and open participation process.</td>
</tr>
</tbody>
</table>

2. Does the RTP contain a summary, analysis, and report on the disposition of significant written and oral comments received on the draft metropolitan transportation plan as part of the final metropolitan transportation plan and TIP that meets the requirements of 23 CFR 450.316(a)(2), as applicable? |

3. Did the MPO/RTPA consult with the appropriate State and local representatives including representatives from environmental and economic communities; airport; transit; freight during the preparation of the RTP? (23 CFR 450.316(b)) |

4. Did the MPO/RTPA who has federal lands within its jurisdictional boundary involve the federal land management agencies during the preparation of the RTP? (23 CFR 450.316(d)) |

5. Where does the RTP specify that the appropriate State and local agencies responsible for land use, natural resources, environmental protection, conservation and historic preservation consulted? (23 CFR 450.324(g)) |

6. Did the RTP include a comparison with the California State Wildlife Action Plan and (if available) inventories of natural and historic resources? (23 CFR 450.324(g)(1&2)) |

7. Did the MPO/RTPA who has a federally recognized Native American Tribal Government(s) and/or historical and sacred sites or subsistence resources of these Tribal Governments within its jurisdictional boundary address tribal concerns in the RTP and develop the RTP in consultation with the Tribal Government(s)? (23 CFR 450.316(c)) |

8. Does the RTP address how the public and various specified groups were given a reasonable opportunity to comment on the plan using the participation plan developed under 23 CFR part 450.316(a)? (23 CFR 450.316(a)(6)) |

9. Does the RTP contain a discussion describing the private sector involvement efforts that were used during the development of the plan? (23 CFR 450.316(a))
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Does the RTP contain a discussion describing the coordination efforts with regional air quality planning authorities? (23 CFR 450.316(a)(2)) (MPO nonattainment and maintenance areas only)</td>
<td>Yes/No</td>
<td>Page #</td>
</tr>
<tr>
<td>11. Is the RTP coordinated and consistent with the Public Transit-Human Services Transportation Plan? (23 CFR 450.306(h))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Were the draft and adopted RTP posted on the Internet? (23 CFR 450.324(k))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Did the RTP explain how consultation occurred with locally elected officials? (Government Code 65080(D))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Did the RTP outline the public participation process for the sustainable communities strategy? (Government Code 65080(E))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Was the RTP adopted on the estimated date provided in writing to State Department of Housing and Community Development to determine the Regional Housing Need Allocation and planning period (start and end date) and align the local government housing element planning period (start and end date) and housing element adoption due date 18 months from RTP adoption date? (Government Code 65588(e)(5))</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Title VI and Environmental Justice

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the public participation plan describe how the MPO will seek out and consider the needs of those traditionally underserved by existing transportation system, such as low-income and minority households, who may face challenges accessing employment and other services? (23 CFR 450.316 (a)(1)(vii))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Has the MPO conducted a Title VI analysis that meets the legal requirements described in Section 4.2?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Has the MPO conducted an Environmental Justice analysis that meets the legal requirements described in Section 4.2?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Modal Discussion

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does the RTP discuss intermodal and connectivity issues?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Does the RTP include a discussion of highways?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Does the RTP include a discussion of mass transportation?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Does the RTP include a discussion of the regional airport system?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Does the RTP include a discussion of regional pedestrian needs?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Programming/Operations

1. Is the RTP consistent to the maximum extent practicable with the development of the regional ITS architecture? (23 CFR 450.306(g))

2. Does the RTP identify the objective criteria used for measuring the performance of the transportation system?

3. Does the RTP contain a list of un-constrained projects?

### Financial

1. Does the RTP include a financial plan that meets the requirements identified in 23 CFR part 450.324(f)(11)?

2. Does the RTP contain a consistency statement between the first 4 years of the fund estimate and the 4-year STIP fund estimate? (65080(b)(4)(A))

3. Do the projected revenues in the RTP reflect Fiscal Constraint? (23 CFR part 450.524(f)(11)(ii))

4. Does the RTP contain a list of financially constrained projects? Any regionally significant projects should be identified. (Government Code 65080(4)(A))

5. Do the cost estimates for implementing the projects identified in the RTP reflect “year of expenditure dollars” to reflect inflation rates? (23 CFR part 450.324(f)(11)(iv))

6. After 12/11/07, does the RTP contain estimates of costs and revenue sources that are reasonably expected to be available to operate and maintain the freeways, highway and transit within the region? (23 CFR 450.324(f)(11)(vi))

7. Does the RTP contain a statement regarding consistency between the projects in the RTP and the RTIP? (2016 STIP Guidelines Section 33)

8. Does the RTP contain a statement regarding consistency between the projects in the RTP and the RTIP? (2016 STIP Guidelines Section 19)
9. Does the RTP address the specific financial strategies required to ensure the identified TCMs from the SIP can be implemented? (23 CFR part 450.324(f)(11)(vi) (nonattainment and maintenance MPOs only)

Environmental

1. Did the MPO/RTPA prepare an EIR or a program EIR for the RTP in accordance with CEQA guidelines?

2. Does the RTP contain a list of projects specifically identified as TCMs, if applicable?

3. Does the RTP contain a discussion of SIP conformity, if applicable?

4. Does the RTP specify mitigation activities? (23 CFR part 450.324(f)(10))

5. Where does the EIR address mitigation activities?

6. Did the MPO/RTPA prepare a Negative Declaration or a Mitigated Negative Declaration for the RTP in accordance with CEQA guidelines?

7. Does the RTP specify the TCMs to be implemented in the region? (federal nonattainment and maintenance areas only)

I have reviewed the above information and certify that it is correct and complete.

(Must be signed by MPO Executive Director or designated representative)  

Date

Print Name  

Title
### Progress Report on SJCOS / Triennial Performance Audit Productivity Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Implementation Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Exhibit 7.4 Implementation Status of Recommendations
This page intentionally blank.