

Final



**FY 2020-2022
Triennial Performance Audit of
Transportation Agency for
Monterey County (TAMC)**

**Submitted to:
Transportation Agency for Monterey County**

Prepared by:

February 2024

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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) 2019–20 through 2021–22. 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 most applicable state legislative mandates for RTPAs. The agency was in partial compliance with the timely completion and submittal of its audited financial and compliance statements. The FY 2022 audited financial statement was completed and submitted beyond the 12-month statutory period. 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

TAMC implemented one out of the three prior audit recommendations. The recommendations pertained to working with MST to have their farebox calculation included in the annual financial audit, having the MST Mobility Advisory Committee (MAC) conform to the statutory composition of the Social Service Transportation Advisory Council (SSTAC), and developing baseline metrics for the Transportation Demand Management (TDM) program. While the inclusion of the farebox calculation in MST’s annual financial audit was implemented, TAMC partially implemented baseline metrics for its TDM program as well as the recommendation pertaining to MAC statutory

composition. These two recommendations have been carried forward in this audit for full implementation.

Functional Review

1. The agency's long time executive director retired in October 2021 after serving in that capacity since 2006. She had been with the agency for a total of 20 years and under her tenure, the agency delivered more than \$400 million in regional transportation projects as well as winning voter approval of local Measure X in November 2016. TAMC's deputy director was hired by the Board to become the new executive director effective September 25, 2021.
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 agency advanced several vital regional projects and studies such as FORTAG, US 101 South of Salinas Project, Imjin Parkway Improvements and the Monterey Bay Area Rail Network Integration Study.
3. The 2022 RTP was developed by TAMC staff and adopted in June 2022 in cooperation with AMBAG, which has a planning horizon year of 2045. The goal of the 2022 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.
4. The agency has been proactive in educating the public about bicycle alternatives and links to public health. Measure X's Safe Routes to School (SRTS) program provides resources and activities that teach Monterey County children how to safely carpool, walk, bike, skateboard, and scoot to school. The agency kicked off the Salinas SRTS program, which involved outreach to 44 public schools.
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 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.
6. TAMC uses a number of public information and community engagement approaches. The 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 website (<https://www.tamcmonterey.org/>), which is an extensive resource. 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.
7. In lieu of traditional outreach approaches, TAMC embarked on the research and adoption of Community-Based Social Marketing (CBSM) techniques. CBSM is a scientific-based approach

to public engagement that fosters sustainable and healthy behavioral change. The agency sees CBSM as offering the biggest bang for the buck through its science-based approach. Several staff members have undergone CBSM training with the intention of applying its principles to the TDM.

8. 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.
9. Under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act, TAMC authorized MST to file and execute applications in the amount of \$1.3 million for federal fiscal year 2020 with Caltrans for rural transit operating transit operating assistance under FTA Section 5311.

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

1. Maintain on file evidence of submission of TDA performance audits to Caltrans.

As a compliance measure, a cover letter typically accompanies the electronic submission of the transportation planning agency's TDA triennial performance audit to Caltrans, while email submissions for claimant fiscal audits are made to the State Controller Office. Both types of audits are transmitted via email which provides evidence of date of submittal. These emails, including performance audit cover letter, should be filed in the agency's archives. The letter certifies completion of performance audits for both TAMC and the transit operator MST. The auditor noted that TAMC had not initially provided evidence that a cover letter and an email had been transmitted to Caltrans confirming completion of the performance audits for the past audit period. After confirming with Caltrans that the transmittal had yet to be made, the agency eventually emailed the audits on August 3, 2023. The TAMC Board of Directors had accepted these audit reports at their January 21, 2021 meeting. It is recommended that TAMC exercise diligence in documenting and maintaining a file of its performance audit transmittals to Caltrans as per the statute.

2. Work closely with Monterey-Salinas Transit (MST) to update the Mobility Access Committee (MAC) bylaws to include a table that aligns with the statutory composition of the Social Services Transportation Advisory Committee.

This recommendation is being carried forward from the prior audit for full implementation. MST's Mobility Advisory Committee (MAC) serves in an advisory capacity to, and at the pleasure of, the MST Board of Directors. MAC members are appointed by the MST board and represent 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 Social

Services Transportation Advisory Council (SSTAC) membership. The MAC Bylaws were last updated in September 2021. Section 1.0 of the bylaws specifically indicates that the MAC serves in the capacity as the SSTAC: *The Advisory Committee is designated and serves as the Transportation Agency for Monterey County's (TAMC) Social Services Transportation Advisory Committee (SSTAC) as stipulated in the TAMC Transportation Development Act (TDA) guidelines.* Under Section 3.0 of the bylaws, the statutory SSTAC membership categories are listed. However, the membership roster does not contain a column indicating which member meets the required SSTAC membership category. It is recommended that TAMC work with MST to update the MAC bylaws to incorporate a table that aligns the MAC membership with the SSTAC categories. In addition, alternate members should be identified and included on the MAC membership roster.

3. Continue to develop baseline metrics for the transportation demand management (TDM), particularly in light of the shift to a Community-Based Social Marketing (CBSM) approach.

This recommendation is being carried forward based on TAMC's partial implementation of the development of baseline metrics for its TDM program. The COVID-19 pandemic resulted in many employers adopting work-from-home protocols. Thus, TAMC was not able to fully develop baseline metrics for its trip planning and commuter programs as per this prior recommendation. The RideAmigos software platform tracks energy and emission reductions. However, the agency was able to maintain the program's viability and- track some of the aforementioned metrics by encouraging commuters to take non-solo trips through the annual Move It Monterey County Challenge. The goal of the Challenge is to encourage travelers to reduce traffic, greenhouse gas emissions and promote healthier lifestyles by telecommuting, carpooling, walking, biking, riding transit or a combination instead of driving alone.

TAMC initiated efforts to pivot its TDM program to reflect a CBSM approach. CBSM is comprised of a series of strategies that foster sustainable behaviors. The agency sees CBSM as offering the biggest bang for the buck through its science-based approach. Several staff members have undergone CBSM training with the intention of applying its principles to the TDM. It is recommended that TAMC continue to develop baseline metrics for its TDM programs that conform to the CBSM approach that is currently being implemented.

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) 2019–20 through 2021–22. 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, dependable, 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 seven 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), California State University, Monterey Bay (CSUMB), 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. Policies are established to account for funds that are restricted for a specific project or use. Further, TAMC’s 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 | 2020 US Census Population | Change from 2010 US Census % | Population 65 Years & Older % | 2023 State Department of Finance Estimates | Land Area (in square miles) |
|--------------------------|----------------------------------|-------------------------------------|--|---|------------------------------------|
| Carmel-by-the-Sea | 3,220 | -13.5% | 48.98% | 3,033 | 1.08 |
| Del Rey Oaks | 1,592 | -2.0% | 18.72% | 1,540 | 0.48 |
| Gonzales | 8,647 | +5.6% | 6.8% | 8,300 | 1.92 |
| Greenfield | 18,937 | +16.0% | 6.3% | 19,917 | 2.14 |
| King City | 13,332 | +3.6% | 7.9% | 13,817 | 3.85 |
| Marina | 22,359 | +13.4% | 14.6% | 22,068 | 8.88 |
| Monterey | 30,218 | +8.7% | 17.9% | 26,845 | 8.47 |
| Pacific Grove | 15,090 | +0.3% | 26.4% | 14,741 | 2.87 |
| Salinas | 163,542 | +8.7% | 11.0% | 159,475 | 23.18 |

| City/Jurisdiction | 2020 US Census Population | Change from 2010 US Census % | Population 65 Years & Older % | 2023 State Department of Finance Estimates | Land Area (in square miles) |
|-----------------------|---------------------------|------------------------------|-------------------------------|--|-----------------------------|
| Sand City | 325 | -2.7% | 12.1% | 376 | 0.56 |
| Seaside | 32,366 | -2.0% | 12.9% | 29,790 | 9.24 |
| Soledad | 24,925 | -3.2% | 5.6% | 26,230 | 4.41 |
| Unincorporated Area | 104,482 | +4.3% | 21.8% | 104,236 | 3,254.87 |
| Total Monterey County | 439,035 | +5.8% | 14.5% | 430,368 | 3,321.95 |

Source: 2020 US Census, California Department of Finance, 2023 Population Estimates, 2021 ACS Age & Sex Survey

The city of Salinas is the county seat and largest city. The county experienced relatively modest growth between the 2010 and 2020 US Census, with Carmel-by-the-Sea experiencing the largest decrease in population and Greenfield experiencing the highest increase in population. The senior citizen population, comprising residents aged 65 and over, has grown between the 2010 and 2020 US Census and now stands at 14.5 percent countywide. The 2023 population for Monterey County is estimated to be 430,368 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. with the following exceptions: the Board does not meet in July and November and the December Board meeting is held on first Wednesday of the month. The Board may also schedule special meetings at other times when needed and will post notice according to the Brown Act. Board meetings generally convene at the Monterey County Government Center located at 1441 Schilling Place 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. Pursuant to the Governor’s Executive Order of March 12, 2020 in response to the COVID-19 pandemic, the TAMC Board convened a virtual meeting format utilizing the Zoom videoconferencing platform. After the Executive Order was rescinded, TAMC Board meetings are now conducted in a hybrid format with the public having the option to attend the meetings in person or through Zoom videoconferencing.

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 Executive Committee convenes the first Wednesday of the month at 9:00 a.m. in the TAMC conference room except during the months of July and December.

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 with the exceptions of July and December.

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. In addition, TAMC has been involved with the Coast Rail Project, a planned intercity train along the Amtrak Coast Starlight route between San Jose/San Francisco Bay Area and San Luis Obispo/Los Angeles Basin.

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 2019 to allow the TAMC Board to appoint one at-large member from the Board, taking into account interest and expertise in rail issues. 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. Public participation for the MST is available in-person at 19 Upper Ragsdale Drive, Suite 100 in Monterey, as well as virtually via Zoom, telephone, and email. Meetings are convened on an as-needed basis.

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 September 2021 to require compliance with SSTAC membership categories including the following:

- 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

In following TDA provisions, MAC members are appointed for three-year terms except for the appointee whose age ranges from 15-17 years old shall serve no more than a one-year term. Terms are staggered so that one-third of appointments expire each year. Members are eligible for reappointment.

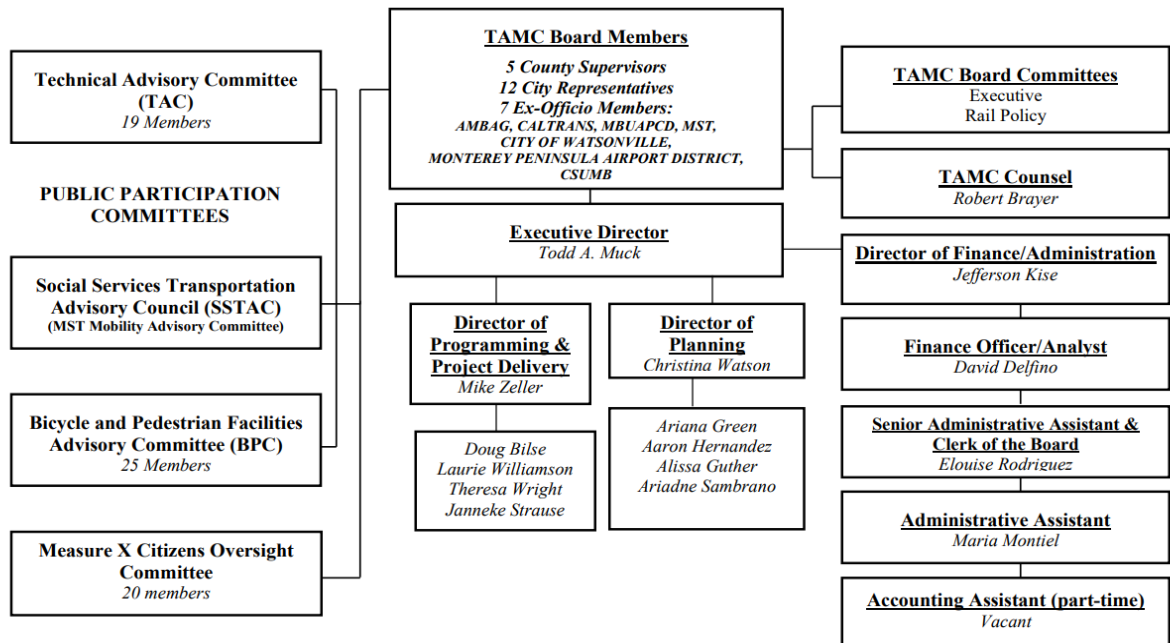
TAMC staff offer administrative, technical, and policy recommendations to the Board on decisions affecting transportation. Since May 2015, TAMC had engaged in a public outreach effort to inform the public about transportation needs, funding challenges and the self-help local transportation sales tax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

Figure 1-I shows the TAMC staff organization chart.

Figure I-1 TAMC Organization Chart

TRANSPORTATION AGENCY for MONTEREY COUNTY (TAMC)

LOCAL TRANSPORTATION COMMISSION (LTC)
 REGIONAL TRANSPORTATION PLANNING AGENCY (RTPA)
 TRAFFIC CONGESTION MANAGEMENT AGENCY (CMA)
 SERVICE AUTHORITY FOR FREEWAYS AND EXPRESSWAYS (SAFE)



Revised August 2023
<https://tamcmonterey.sharepoint.com/Shared Documents/TAMC NEW/Administration/TAMC Info/Personnel/Org charts/Staff-org-chart- September 2023.docx>

Source: TAMC

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.¹
- 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.

¹ 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 allocate their respective 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 |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
|---|--|--|
| TAMC Compliance Requirements | Reference | Compliance Efforts |
| | | <p>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 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 September 2021.</p> <p>During the audit period, there were only two outreach meetings for unmet transit meetings. One at the TAMC Board meeting and the second at the MAC meeting. The public is also welcome at all MAC meetings.</p> |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
|---|--------------------------------------|--|
| TAMC Compliance Requirements | Reference | Compliance Efforts |
| | | Conclusion: Complied |
| <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 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. | Public Utilities Code, Section 99244 | <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 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> |
| 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 | Public Utilities Code, Section 99245 | Annual certified fiscal and compliance audits were completed for MST. For FYs 2020 through 2022, the annual financial audits were completed within the 180-day period. Completion dates: |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
|---|---|---|
| TAMC Compliance Requirements | Reference | Compliance Efforts |
| 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). | | FY 2020: December 18, 2020 FY 2021: December 29, 2021 FY 2022: March 17, 2023 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, 2019. 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 | Public Utilities Code, Section 99246(c) | TAMC submitted a cover letter and an email transmittal to Caltrans dated August 3, 2023, confirming completion of the performance audits of the agency and of MST for the period ending June 30, 2019. |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
|---|---|---|
| TAMC Compliance Requirements | Reference | Compliance Efforts |
| the performance audits of the operators located in the area under its jurisdiction have been completed. | | <p>The performance audits were submitted electronically to Caltrans and are available on the TAMC website. The TAMC Board of Directors accepted these audit reports at their January 21, 2021 meeting.</p> <p>It is recommended that TAMC exercise diligence in documenting and maintaining a file of its performance audit transmittals to Caltrans as per the statute.</p> <p>Conclusion: Complied</p> |
| The performance audit of the operator providing public transportation service shall include a verification of the operator’s operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in | Public Utilities Code, Section 99246(d) | <p>The performance audit of MST includes all required TDA performance measures plus additional indicators to further assess the transit operator’s efficiency, effectiveness, and economy with the use of TDA funds.</p> <p>Conclusion: Complied</p> |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
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| TAMC Compliance Requirements | Reference | Compliance Efforts |
| subdivision (a) of Section 99260.2. | | |
| The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas. | Public Utilities Code, Section 99270.1 and 99270.2 | <p>The TAMC TDA Guidelines (amended October 2018) specify the farebox recovery ratio for MST.</p> <p>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.</p> <p>Conclusion: Complied</p> |
| 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 | <p>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.</p> <p>Conclusion: Not applicable</p> |
| <p>State transit assistance funds 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</p> | Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116 | <p>TAMC allocates State Transit 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> |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
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| TAMC Compliance Requirements | Reference | Compliance Efforts |
| may no longer be used for street and road purposes, as had been permitted in certain cases under PUC Section 99313.3.) | | |
| 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. | Public Utilities Code, Section 99314.3 | TAMC allocates operator revenue-based STA funds to MST in accordance with the amounts published by the State Controller's Office. Conclusion: Complied |
| If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually: <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 identified, and | Public Utilities Code, Section 99401.5 | 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 |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
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| TAMC Compliance Requirements | Reference | Compliance Efforts |
| <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>statute to engage in a citizen participation process.</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</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 2020, 2021, and 2022. 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> |

| TABLE II-1 TAMC Compliance Requirements Matrix | | |
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| TAMC Compliance Requirements | Reference | Compliance Efforts |
| Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the transportation development act and accompanying rules and regulations. Financial statements may not commingle the state transit assistance fund, the local transportation fund, or other revenues or funds of any city, county or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following the fiscal year close. | | <p>FY 2020: April 16, 2021 FY 2021: June 1, 2022 FY 2022: August 31, 2023</p> <p>TAMC also maintains fiscal and accounting records and supporting papers for at least four years following the fiscal year close. The FY 2022 financial audit was completed and submitted beyond the 12-month statutory period.</p> <p>Conclusion: Partial Compliance</p> |

Findings from RTPA Compliance Requirements Matrix

TAMC has satisfactorily complied with most of the applicable state legislative mandates for RTPAs. The agency was in partial compliance with the timely completion and submittal of its audited financial and compliance statements. The FY 2022 audited financial statement was completed and submitted beyond the 12-month statutory period. 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.

The auditor noted that TAMC had not initially provided evidence that a cover letter and an email had been transmitted to Caltrans confirming completion of the performance audits for the past audit period. After confirming with Caltrans that the transmittal had yet to be made, the agency eventually emailed the audits on August 3, 2023. The TAMC Board of Directors had accepted these audit reports at their January 21, 2021 meeting. It is recommended that TAMC exercise diligence in documenting and maintaining a file of its performance audit transmittals to Caltrans as per the statute.

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. During the audit period, there were only two outreach meetings for unmet transit meetings. One at the TAMC Board meeting and the second at the MAC meeting. The public is also welcome at all MAC meetings.

The TDA Guidelines 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

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

Background:

An audited farebox recovery calculation is typically included in the financial statements of the transit operator. MST's annual financial audits prepared during the prior audit period did 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, it was recommended that 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 Transit Operator Financial Transactions Report.

Actions taken by TAMC:

In response to this recommendation, TAMC staff reached out to MST about having the fiscal auditor include the farebox recovery calculation. Beginning in FY 2020, MST has started to include a section in their Annual Comprehensive Financial Reports regarding their farebox requirements as it relates to TDA funding. MST is held to a 15 percent farebox recovery threshold and includes an explanation of the cost exemptions and local fund supplementation in accordance with section 99268.19 of the TDA. MST met its required farebox recovery threshold for all three years of the audit period.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

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

Background:

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 was 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 would better solidify the institutional relationship between the MAC, MST, and TAMC regarding the designation of a SSTAC and its roles under TDA statute.

Actions taken by TAMC:

The MAC Bylaws were last updated in September 2021 by MST. According to Section 3.1 of Bylaws, "MST Board of Directors shall appoint not less than nine (9) and not more than fifteen (15) individuals to the MST Advisory Committee with a majority consisting of one-half plus one of the total active members. The Advisory Committee shall consist of individuals chosen to represent key elements of the community, (e.g., disabled, elderly, social service, Veterans, and healthcare agencies) and to comply with the Transportation Development Act requirements of PUC 99238 for Social Services Transportation Advisory Council membership, in such numbers as determined by the Advisory Committee."

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. Section 1.0 of the bylaws specifically indicates that the MAC serves in the capacity as the SSTAC: *The Advisory Committee is designated and serves as the Transportation Agency for Monterey County's (TAMC) Social Services Transportation Advisory Committee (SSTAC) as stipulated in the TAMC*

Transportation Development Act (TDA) guidelines. Under Section 3.0 of the bylaws, the statutory SSTAC membership categories are listed. However, the membership roster does not contain a column indicating which member meets the required SSTAC membership category. It is recommended that TAMC work with MAC to update the MAC bylaws to incorporate a table that aligns the MAC membership with the SSTAC categories. In addition, alternate members should be identified and included on the MAC membership roster.

Conclusion

This recommendation has been partially implemented and is forwarded in this audit for full implementation.

Prior Recommendation 3

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

Background:

During the prior 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 was 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 included 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 included 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.

Actions taken by TAMC:

TAMC hired someone in 2020 to run the GO831 TDM program. The individual hired did not work out and the agency was unable to fill the position. In addition, the COVID-19 pandemic shelter-in-place orders resulted in many employers adopting work-from-home protocols. Thus, TAMC was not able to fully develop baseline metrics for its trip planning and commuter programs as per this recommendation. The RideAmigos software platform tracks energy and emission reductions. However, the agency was able to maintain the program's viability and track some of the aforementioned metrics by encouraging commuters to take non-solo trips through the annual Move It Monterey County Challenge. The goal of the Challenge is to encourage travelers to reduce traffic, greenhouse gas emissions and promote healthier lifestyles by telecommuting, carpooling, walking, biking, riding transit or a combination instead of driving alone.

TAMC has initiated efforts to pivot its TDM program to reflect a community-based social marketing (CBSM) approach. CBSM developed by environmental psychologist Dr. Doug McKenzie-Mohr, is comprised of a series of strategies that foster sustainable behaviors. The agency sees CBSM as offering the biggest bang for the buck through its science-based approach. Several staff members have undergone CBSM training with the intention of applying its principles to the TDM.

Conclusion

This recommendation has been partially implemented and is being carried forward in this audit for implementation to reflect a more science-based approach as being sought through CBSM.

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 17 budgeted employees. Interns provide additional assistance on specific tasks and projects as needed. There are currently 16 employees.

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 February 2022. 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 inclusion of telework policies in the wake of the COVID-19 pandemic.

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.

TAMC experienced notable employee turnover during the audit period primarily due to the retirement of three staff members and the separation of five other staff members due to COVID-19 and other reasons. The agency's long time executive director retired in October 2021 after serving in that capacity since 2006. She had been with the agency for a total of 20 years and under her tenure, the agency delivered more than \$400 million in regional transportation projects as well as winning voter approval of local Measure X in November 2016. TAMC's deputy director was hired by the Board to become the new executive director effective September 25, 2021. The duties and responsibilities of the deputy/assistant executive director position have been split between the new executive director and the director of planning.

In addition to executive director's retirement, agency separations included an intern, an assistant transportation planner, two associate transportation planners, one retired annuitant, one principal engineer, and one program coordinator. The agency oversaw the hiring two assistant transportation planners, one transportation planner and one principal engineer. 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. Occurring after the audit period, TAMC's Director of Finance of Administration retired in June 2023 after 17 years of service with the agency.

The agency is looking to hire someone with procurement expertise under the classification of an accounting/procurement position as well as a transit policy planner. Agency staff indicated that two new hires were pending. New hires onboarded during the COVID-19 pandemic initially experienced challenges adjusting to the new work environment.

Detailed personnel matters are addressed in the Human Resources Rules and Regulations manual. The manual was revised and approved by the TAMC Board in March 2022. 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.

A hybrid work schedule was adopted after the COVID-19 pandemic. Employees come into the office two days a week. 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.

The agency migrated files to the cloud just prior to the COVID-19 pandemic. Each staff member was assigned a laptop to work remotely and are able to establish a virtual desktop connection.

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. Accounting is not cloud-based. TAMC retains Alvarez Technology Group as its information technology consultant.

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 were \$20.4 million for FY 2019-20; \$13.7 million for FY 2020-21; and just over \$2 million for FY 2021-22.

In its role as the 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 and regional transportation planning studies and projects that TAMC has facilitated through its committees and partnerships that are either completed or are underway include:

- *Fort Ord Regional Trail and Greenway Project (FORTAG):* FORTAG is a 28-mile paved trail, in northwestern Monterey County, generally encircling the cities of Seaside and Marina and the California State University, Monterey Bay (CSUMB) campus. The trail is intended to provide opportunities for recreation and transportation for residents and visitors. The project emphasizes safety and accessibility for trail users and connection to the natural environment. The California Environmental Quality Act (CEQA) process was completed in March 2020 with the release of the Final Environmental Impact Report. TAMC was able to prioritize segments to be eligible for grant funding such as with the award of a State Active Transportation Program grant for an additional \$10.3 million to fund construction of the Canyon Del Rey/SR-218 Segment of FORTAG.
- *US 101 South of Salinas Corridor:* This segment of US-101 serves as a vital artery for agriculture and goods movement connecting the City of Salinas with cities and communities in the South County such as Gonzales, Greenfield and King City. Planned improvements will enhance mobility, safety, operations and expand travel options in the Salinas Valley and the projects will improve access to transportation for the South County cities for work, recreation, education and travel outside of Monterey County. TAMC has been working with Caltrans to develop US 101 South of Salinas concept alternatives and a comprehensive business plan for the entire corridor. Work has been prioritized on the

segment between the Main Street Overcrossing in Chualar and the Airport Boulevard Overcrossing in Salinas, which includes an acceleration lane and frontage road construction in conjunction with two new grade-separated interchanges.

- **SR-156 West Corridor Study:** This segment of highway, which runs from US-101 to SR-1 in Castroville, is a narrow two-lane corridor that accommodates more than 32,000 vehicles each weekday, and experiences periods of heavy congestion, especially on weekends. Caltrans and TAMC have identified SR-156 West as one of the key transportation priorities that must be addressed. The Highway 156 West Corridor Improvement Project would construct a new four-lane highway parallel to the existing SR-156 with new interchanges constructed at Castroville Boulevard and at U.S. 101. The current two-lane highway will be converted into a frontage road that would serve the local community.
- **Imjin Parkway Improvements:** This will be the first regional Measure X project to be built. After being awarded a \$19 million state multimodal gas tax grant, this project to improve travel connections between Salinas, Marina, Cal State University Monterey Bay and the Peninsula is now fully funded. This project will widen the two-lane section at Imjin Parkway to four lanes and add roundabouts at the intersections. Construction by the City of Marina began in 2023.
- **SURF Busway and Bus Rapid Transit Project:** The *SURF!* project is a proposed bus-only corridor in the Monterey Branch Line right-of-way, from Marina through Sand City and Seaside. The total length of the project is approximately six miles. The CEQA process was completed in June 2021 with the release of the Environmental Initial Study and Mitigated Negative Declaration. The dedicated bi-directional bus lanes will consist of two 12-foot asphalt lanes, which will be separated from existing rail lines by 9 to 12 feet (from center of rail line), except when the busway must cross the rail line to avoid constraints. With busway operations, traffic control signals at crossing locations would be activated by on-board technology on buses.
- **SR-68 Scenic Corridor Study:** SR-68 is a scenic corridor connecting the Salinas Valley with the Monterey Peninsula. Caltrans has proposed to improve traffic operations and reduce collisions with wildlife by modifying the design of nine intersections along the corridor as well as construct five new underground culverts for wildlife to use to cross under the highway. The draft Environmental Document was scheduled for release by the fall of 2023. After environmental review, design and right-of-way acquisition are initiated, it is anticipated that construction will commence in the fall of 2027.
- **The Monterey Bay Area Rail Network Integration Study:** This study guides the region toward robust passenger rail service connecting Monterey Bay communities and the Central Coast to the San Francisco Bay Area, the Los Angeles Basin, and beyond. Benefits cited include an integrated train and bus network that will support regional growth, protect the natural environment, meet the economic and transportation needs of residents and visitors and support state and federal climate action and equity goals. The

Initial Service scenario would create a regular passenger rail connection between the Monterey Bay Area and San Francisco Bay Area and lays the foundation for future expansion.

- Salinas Intermodal Transportation Center Expansion – Lincoln Avenue Extension: 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 as well as 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. Pursuant to the Governor’s Executive Order of March 12, 2020 in response to the COVID-19 pandemic (AB 361), the TAMC Board convened a virtual meeting format utilizing the Zoom videoconferencing platform. 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 Board adopted the 2022 RTIP for inclusion in the STIP at its meeting on December 1, 2021. 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. The SR-156 Safety Improvements – Castroville Boulevard Interchange and the Monterey County Rail Extension – Salinas Layover Facility were given high priority. In addition, under this plan, both the Scenic SR-68 Safety & Traffic Flow and US 101 South of Salinas projects also continue to make progress towards construction in this RTIP.

The 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, several projects had to be delayed, including the SR 156 project and the US 101 South of Salinas. Nevertheless, construction of Package 1 of the Monterey County Rail Extension was completed. The project extended Lincoln Avenue into the Salinas Rail Station, provided additional parking, and constructed related station improvements to facilitate the extension of commuter rail service from Santa Clara to Salinas.

TAMC's targeted share per the 2022 STIP Fund Estimate was \$8.973 million. Accounting for the carryover from the 2020 STIP, which amounted to \$31.176 million, TAMC's total funding available for programming is \$40.149 million. 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 2023.

2022 Regional Transportation Plan

The RTIP must be consistent with the goals and objectives of the Regional Transportation Plan (RTP), which was adopted in June 2022. The 2022 RTP was developed by TAMC staff in cooperation with AMBAG, which has a planning horizon year of 2045. The goal of the 2022 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 2022 RTP is composed of an executive summary, seven chapters, and five 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 2022 RTP includes a broad set of goals, which are tied to objectives and performance measures. The goal areas include Access & Mobility; Safety & Health; Environmental Stewardship; Equity; and Economic Vitality.

The Plan is considered to be a technical update of the 2018 RTP with no significant changes. The SR-68 Bypass project was not programed into this update in lieu of alternative projects. Performance metrics that were developed for the prior RTP were carried over the 2022 RTP. The metrics quantify the transportation, safety, environmental, economic, and equity benefits of the Plan. In August 2021, TAMC adopted a Racial Equity Program that integrates racial equity-based activities into three areas: funding, public outreach, and hiring. In addition, the RTP encompassed climate initiatives and a regional Vision Zero plan. Vision Zero is a comprehensive county-wide safety action plan developed by TAMC in collaboration with partner agencies and other stakeholders to promote coordinated solutions to reduce fatalities and injuries due to traffic collisions in Monterey County.

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. Outreach efforts included public online surveys on defining regional transportation priorities for Monterey County (presented in both Spanish & English) and a series of public meetings and workshops, intended to inform the development of the RTP.

Local Measure X

Measure X, a local transportation sales tax measure was approved by a supermajority of Monterey County voters on November 8, 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.

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.

Measure revenues remained strong during the COVID-19 pandemic, exceeding the \$20 million annual revenue estimates. In FY 2021-22, Measure X generated \$32.4 million in revenue for transportation improvements in Monterey County. The 2018 United States Supreme Court decision, *South Dakota vs. Wayfair*, eliminated the requirement that a seller have a physical presence in the taxing state to be able to collect and remit sales taxes to that state. It expanded states' abilities to collect sales taxes from e-commerce and other remote transactions. The effect of the *Wayfair* ruling has been an expanded tax base contributing to increased local sales tax revenues.

The Measure X Citizens Oversight Committee presents annual Measure X Audit results and the Measure X Annual Report to the TAMC Board of Directors. 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.

Each jurisdiction receiving local Measure X revenues undergoes an annual audit, which is posted on the Measure X page on the TAMC website. The FY 2020-21 (Fourth Year) Measure X Annual Report revealed that the Cities of Carmel-by-the-Sea, Sand City and Greenfield were not in compliance with Measure X requirements. Carmel-by-the-Sea and Sand City failed to meet their maintenance of effort requirements, while Greenfield failed to submit all the required reports. This resulted in TAMC withholding Measure X funds for these three cities until the compliance issues were addressed.

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. The ATP contains a 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. In the fall of 2022, the California Transportation Commission announced the award of ATP Cycle 6 grants to seven projects in Monterey County. TAMC was involved in five of the seven grants applications that helped jurisdictions and supported maximizing funding to improve mobility in the region.

Further action by TAMC is being undertaken to educate the public about bicycle alternatives and links to public health. Measure X’s Safe Routes to School (SRTS) program provides resources and activities that teach Monterey County children how to safely carpool, walk, bike, skateboard, and scoot to school. The Measure provides \$20 million over its 30-year period for the SRTS Program to match state and federal grants to fund projects and programs that improve children’s health by making walking and bicycling safer and easier.

The SRTS outreach was impacted by the COVID-19 pandemic and TAMC worked with a consultant to provide virtual outreach engagement. The agency kicked off the Salinas SRTS program, which involved outreach to 44 public schools. There was also coordination with outside agencies such as Ecology Action and the Monterey County Health Department. The Salinas Safe Routes to School Plan was developed and adopted in December 2022 for all K-12 public schools located in the city of Salinas.

In addition, TAMC applied for and received a planning grant to implement the Salinas Valley Safe Routes to School Plan in the south county communities of Gonzales, Soledad, Greenfield, and King City, and 22 public schools. Under the Plan, each city would have its own SRTS Participatory Budgeting Steering Committee, which will be made up of community representatives, including students, parents, schools, advocacy groups, and residents. Local funding is set aside to fund projects that have been identified with the participatory budgeting process. TAMC is considering expanding this model to northern Monterey County.

The SRTS Implementation or “Every Child” grant enables funding for in-person training to students who have returned to school and to launch walking school buses at three schools in the South County and five schools on the Monterey Peninsula. Family Fun Festivals were held in Gonzales and Greenfield, and TAMC worked with the CSUMB graphic design students to develop concepts for traffic gardens to be installed at 11 schools across the County in 2022 and 2023.

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 2020 through 2022, 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 |
|--------------------|--|
| 2020 | \$908,484 |
| 2021 | \$908,484 |
| 2022 | \$908,484 |

Source: TAMC Financial Statements, LTF Schedule of Claims by Purpose, FYs 2020–2022

Based on the above table, in FY 2020, the amount shown for TAMC toward administration and planning equaled approximately 5.1 percent of total LTF (\$17,701,210). In FY 2021, the amount was 4.6 percent (out of \$19,784,329), and for FY 2022, the amount was 3.9 percent (out of \$23,121,756). 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 \$18 million and \$19.6 million in LTF revenues and between \$5.7 million and \$6 million in STA funds. SB-1 supplemental gas tax revenues received ranged between \$796,000 and \$878,000.

The TDA Guidelines 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 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 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. MAC members are appointed by the MST board and represent 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 Social Services Transportation Advisory Council (SSTAC) membership. The MAC also advises the board on matters relating to all activities of the Consolidated Transportation Services Agency, including the complementary paratransit provisions of the ADA.

The bylaws for the MAC were last updated in September 2021. 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. Section 1.0 of the bylaws specifically indicates that the MAC serves in the capacity as the SSTAC: *The Advisory Committee is designated and serves as the Transportation Agency for Monterey County's (TAMC) Social Services Transportation Advisory Committee (SSTAC) as stipulated in the TAMC Transportation Development Act (TDA) guidelines.* Under Section 3.0 of the bylaws, the statutory SSTAC membership categories are listed. However, the membership roster does not contain a column indicating which member meets the required SSTAC membership category. It is recommended that TAMC work with MST to update the MAC bylaws to incorporate a table that aligns the MAC membership with the SSTAC 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. The 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 website (<https://www.tamcmonterey.org/>), which is an extensive resource. The menu just below the masthead provides links to updates, Measure X, news and events, programs and projects, Go831, Board and committees, and agency 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 from the main page as well.

The TAMC website also contains a Google Translate widget that allows website content to be translated into any number of languages, including Spanish and Tagalog. In addition, TAMC has several social media accounts to engage with the community. Facebook is the primary social media platform, followed by Twitter and Instagram. TAMC uses its Twitter feed to post updates of construction projects, and traffic advisories. TAMC posts archives of its Board meetings on YouTube as well as webinars, and project updates. Instagram is used to promote the GO831 TDM program.

A dedicated Bus Transit page 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.

The Rideshare/511 program had been 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. 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.

TAMC hired someone in 2020 to run the Go831 TDM program. The individual hired did not work out and the agency was unable to fill the position. In addition, the COVID-19 pandemic shelter-in-place orders resulted in many employers adopting work-from-home protocols. Thus, TAMC was not able to fully develop baseline metrics for its trip planning and commuter programs as per a prior audit recommendation. The RideAmigos software platform tracks energy and emission reductions. However, the agency was able to maintain the program’s viability and track some of the aforementioned metrics by encouraging commuters to take non-solo trips through the annual Move It Monterey County Challenge. The goal of the Challenge is to encourage travelers to reduce traffic, greenhouse gas emissions and promote healthier lifestyles by telecommuting, carpooling, walking, biking, riding transit or a combination instead of driving alone.

Due to the COVID-19 pandemic, traditional public outreach and TDM programs and initiatives were curtailed or repositioned due to the shelter-in-place order and work from home protocols adopted by many employers. In lieu of traditional outreach approaches, TAMC embarked on the research and adoption of Community-Based Social Marketing (CBSM) techniques. CBSM is a scientific-based approach to public engagement that fosters sustainable and healthy behavioral change. TAMC participated in a regional CBSM workshop at the Monterey Bay Aquarium.

The agency sees CBSM as offering the biggest bang for the buck through its science-based approach. Several staff members have undergone CBSM training with the intention of applying

its principles to the TDM. It is recommended that TAMC continue to develop baseline metrics for its TDM programs that conform to the CBSM approach that is currently being implemented.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program and Language Assistance Plan has been developed and adopted by the TAMC. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The agency updated and adopted such a plan in June 2021 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. Program compliance includes Title VI notices and complaint forms published in English, Spanish, Tagalog, and Korean that are posted on the TAMC website and at its office. TAMC's Title VI Policy Statement is also posted on the website ([Title VI Program & Language Assistance Plan - Transportation Agency for Monterey County \(tamcmonterey.org\)](https://www.tamcmonterey.org)).

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. TAMC utilizes QuickBooks accounting software to track its grant activity.

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.

In March 2020, the TAMC Board approved the release of an estimated \$12.2 million in competitive grant funds for transportation projects over a three-year period. The projects competing for these funds were based on a variety of criteria, including safety, traffic volume and project deliverability. With the Board's authorization, TAMC began a new grant cycle, with the release of grant applications materials. Funding for the competitive grants included \$9.36 million of Regional Surface Transportation Program (RSTP) funding, \$750,000 of TDA Article 3 funds, and an additional \$2.1 million to be funded with any potentially deprogrammed funds from the prior competitive grants cycle.

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 free fares on Election Day, COA Implementation Week and Summer Sundays, as well as for the procurement of a zero-emission bus. The aim of this funding allocation is to reduce greenhouse emissions, increase transit ridership and serve low-income and disadvantaged communities within MST's countywide service area. Moreover, TAMC is an eligible project sponsor and recipient under the SB 1 State of Good Repair program. The agency approves the project list and allocation. In its capacity as a contributing agency, TAMC has allocated its SB 1 funds to MST for bus procurement, purchase of floor scrubbers, beautification and exterior improvements at its maintenance facilities, installation of backup generator, storage areas, vehicle security camera replacements, and installing, repairing, and replacing passenger shelters as needed throughout the system.

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, which recently submitted an FTA Section 5310 grant application in the amount of \$450,000 to purchase five replacement vehicles for the RIDES program.

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. FTA Section 5311(f) grant funding has been utilized to support MST's Line 59, which runs between Salinas and Gilroy.

Under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act, TAMC authorized MST to file and execute applications in the amount of \$1.3 million for federal fiscal year 2020 with Caltrans for rural transit operating transit operating assistance under FTA Section 5311.

Section V

Findings and Recommendations

The following material summarizes the findings obtained from the triennial audit covering FYs 2020 through 2022. A set of recommendations is then provided.

Findings

1. TAMC has satisfactorily complied with most applicable state legislative mandates for RTPAs. The agency was in partial compliance with the timely completion and submittal of its audited financial and compliance statements. The FY 2022 audited financial statement was completed and submitted beyond the 12-month statutory period. 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. TAMC implemented one out of the three prior audit recommendations. The recommendations pertained to working with MST to have their farebox calculation included in the annual financial audit, having the MST Mobility Advisory Committee (MAC) conform to the statutory composition of the Social Service Transportation Advisory Council (SSTAC), and developing baseline metrics for the Transportation Demand Management (TDM) program. While the inclusion of the farebox calculation in MST's annual financial audit was implemented, TAMC partially implemented baseline metrics for its TDM program as well as the recommendation pertaining to MAC statutory composition. These two recommendations have been carried forward in this audit for full implementation.
3. The agency's long time executive director retired in October 2021 after serving in that capacity since 2006. She had been with the agency for a total of 20 years and under her tenure, the agency delivered more than \$400 million in regional transportation projects as well as winning voter approval of local Measure X in November 2016. TAMC's deputy director was hired by the Board to become the new executive director effective September 25, 2021.
4. 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 agency advanced several vital regional projects and studies such as FORTAG, US 101 South of Salinas Project, Imjin Parkway Improvements and the Monterey Bay Area Rail Network Integration Study.
5. The 2022 RTP was developed by TAMC staff and adopted in June 2022 in cooperation with AMBAG, which has a planning horizon year of 2045. The goal of the 2022 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.

6. The agency has been proactive in educating the public about bicycle alternatives and links to public health. Measure X's Safe Routes to School (SRTS) program provides resources and activities that teach Monterey County children how to safely carpool, walk, bike, skateboard, and scoot to school. The agency kicked off the Salinas SRTS program, which involved outreach to 44 public schools.
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 uses a number of public information and community engagement approaches. The 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 website (<https://www.tamcmonterey.org/>), which is an extensive resource. 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..
9. In lieu of traditional outreach approaches, TAMC embarked on the research and adoption of Community-Based Social Marketing (CBSM) techniques. CBSM is a scientific-based approach to public engagement that fosters sustainable and healthy behavioral change. The agency sees CBSM as offering the biggest bang for the buck through its science-based approach. Several staff members have undergone CBSM training with the intention of applying its principles to the TDM.
10. 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.
11. Under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act, TAMC authorized MST to file and execute applications in the amount of \$1.3 million for federal fiscal year 2020 with Caltrans for rural transit operating transit operating assistance under FTA Section 5311.

Triennial Audit Recommendations

1. Maintain on file evidence of submission of TDA performance audits to Caltrans.

As a compliance measure, a cover letter typically accompanies the electronic submission of the transportation planning agency's TDA triennial performance audit to Caltrans, while email submissions for claimant fiscal audits are made to the State Controller Office. Both types of audits are transmitted via email which provides evidence of date of submittal. These emails, including performance audit cover letter, should be filed in the agency's archives. The letter certifies completion of performance audits for both TAMC and the transit operator MST. The auditor noted that TAMC had not initially provided evidence that a cover letter and an email had been transmitted to Caltrans confirming completion of the performance audits for the past audit period. After confirming with Caltrans that the transmittal had yet to be made, the agency eventually emailed the audits on August 3, 2023. The TAMC Board of Directors had accepted these audit reports at their January 21, 2021 meeting. It is recommended that TAMC exercise diligence in documenting and maintaining a file of its performance audit transmittals to Caltrans as per the statute.

2. Work closely with Monterey-Salinas Transit (MST) to update the Mobility Access Committee (MAC) bylaws to include a table that aligns with the statutory composition of the Social Services Transportation Advisory Committee.

This recommendation is being carried forward from the prior audit for full implementation. MST's Mobility Advisory Committee (MAC) serves in an advisory capacity to, and at the pleasure of, the MST Board of Directors. MAC members are appointed by the MST board and represent 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 Social Services Transportation Advisory Council (SSTAC) membership. The MAC Bylaws were last updated in September 2021. Section 1.0 of the bylaws specifically indicates that the MAC serves in the capacity as the SSTAC: *The Advisory Committee is designated and serves as the Transportation Agency for Monterey County's (TAMC) Social Services Transportation Advisory Committee (SSTAC) as stipulated in the TAMC Transportation Development Act (TDA) guidelines.* Under Section 3.0 of the bylaws, the statutory SSTAC membership categories are listed. However, the membership roster does not contain a column indicating which member meets the required SSTAC membership category. It is recommended that TAMC work with MST to update the MAC bylaws to incorporate a table that aligns the MAC membership with the SSTAC categories. In addition, alternate members should be identified and included on the MAC membership roster.

3. Continue to develop baseline metrics for the transportation demand management (TDM), particularly in light of the shift to a Community-Based Social Marketing (CBSM) approach.

This recommendation is being carried forward based on TAMC's partial implementation of the development of baseline metrics for its TDM program. The COVID-19 pandemic resulted in many employers adopting work-from-home protocols. Thus, TAMC was not able to fully develop baseline metrics for its trip planning and commuter programs as per this prior recommendation. The RideAmigos software platform tracks energy and emission reductions. However, the agency was able to maintain the program's viability and track some of the aforementioned metrics by encouraging commuters to take non-solo trips through the annual Move It Monterey County Challenge. The goal of the Challenge is to encourage travelers to reduce traffic, greenhouse gas emissions and promote healthier lifestyles by telecommuting, carpooling, walking, biking, riding transit or a combination instead of driving alone.

TAMC initiated efforts to pivot its TDM program to reflect a CBSM approach. CBSM is comprised of a series of strategies that foster sustainable behaviors. The agency sees CBSM as offering the biggest bang for the buck through its science-based approach. Several staff members have undergone CBSM training with the intention of applying its principles to the TDM. It is recommended that TAMC continue to develop baseline metrics for its TDM programs that conform to the CBSM approach that is currently being implemented.