



Fresno Council of Governments

TDA Triennial Performance Audit of
Fresno Council of Governments as the RTPA
for FY 2021/22 - FY 2023/24



Final Report | June 2025

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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Fresno Council of Governments (Fresno COG) covers a three-year period ending June 30, 2024. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2024, the Fresno Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the four transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the Fresno COG's programs for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

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

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

The Triennial Performance Audit includes five elements:

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

Test of Compliance

With one exception, the Fresno Council of Governments adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Two operators completed TDA fiscal audits after the March 31 extended deadline during the audit period.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in May 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included the following recommendations:

1. Work with operators and TDA auditors to ensure TDA fiscal audits can be completed by the extended deadline.
Status: Implementation in progress.
2. Work with the FEOC to assist with securing funding for FEOC passenger vehicle replacement.
Status: Implemented.

Goal Setting and Strategic Planning

The primary planning and goal-setting document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The RTP considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Fresno County meet regional greenhouse gas reduction targets.

The most recent Regional Transportation Plan was adopted on July 28, 2022. The development process included input and collaboration from the 15 incorporated cities, the County of Fresno, local public agencies, regional partners, tribal governments, San Joaquin Valley Air Pollution Control District, Caltrans, state and federal agencies, and the public. The 2026 Update is already underway, with adoption expected in June 2026. Fresno COG is responsible for public transportation and other planning activities that impact Fresno County.

Findings and Recommendations

Based on the current review, we submit the aforementioned TDA compliance finding:

1. Two operators completed TDA fiscal audits after the March 31 extended deadline during the audit period.

The audit team has identified two functional findings. While these findings are not compliance findings, the auditors believe they are significant enough to be addressed within this review:

1. Fresno COG should work with the City of Fresno and FCRTA to reclassify FEOC as a subcontractor (rather than a transit operator) for reporting and auditing purposes.
2. Fresno COG should work with the TDA fiscal auditor to identify sources of local assistance/supplementation as part of the farebox recovery ratio in the transit operator audits.

In completing this Triennial Performance Audit, we submit the following recommendations for the Fresno Council of Governments as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements

and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the TDA auditor and the operators to ensure they complete their TDA fiscal audits by the March 31 extended deadline.	High	Ongoing
Functional Recommendations		Importance	Timeline
1	With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.	High	FY 2024/25
2	Work with TDA fiscal auditors to include a detailed farebox recovery ratio calculation in the TDA fiscal audits that identifies what supplemental revenues are used and what costs may be exempted/excluded.	Medium	FY 2024/25

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Fresno Council of Governments covers the three-year period ending June 30, 2024. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2024, Fresno COG selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the four transit operators to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of Moore & Associates followed a competitive procurement process.

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

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Auditing Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit has four primary objectives:

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

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of Fresno COG included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
3. Analysis of Fresno COG's internal goal setting and strategic planning functions.
4. Examination of the following functions:
 - Administration and Management,
 - Transportation Planning and Regional Coordination,
 - Claimant Relationships and Oversight,
 - Marketing and Transportation Alternatives, and
 - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

Methodology

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

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

The methodology for this audit included a virtual site visit with Fresno COG representatives on February 19, 2025. The audit team met with Robert R. Phipps (Executive Director), Paul Herman (Deputy Director), Les Beshers (Finance Director), Toni Graham (Accounting Manager), Brenda Thomas (Communications & Planning Services Manager), Matthew Shimizu (Associate Regional Planner/Project), and Sean Nunes (Planning Intern), and reviewed materials germane to the triennial audit.

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

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

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Chapter 3 | Overview of Fresno COG

The Fresno Council of Governments (Fresno COG) is the state-designated Regional Transportation Planning Agency (RTPA) for Fresno County. Originally formed in 1967 between the incorporated City and Fresno County, and then formalizing the Fresno COG in 1969 under a joint powers agreement (JPA). It is an association of City and County governments created to address regional transportation issues. Member agencies include the County of Fresno as well as the 15 incorporated cities in Fresno County (Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Sanger, and Selma).

Roles

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

- Airport Land Use Commission,
- Measure C Program Implementation,
- Fresno County Regional Transportation Mitigation Fee Agency,
- Regional Transportation Plan Roundtable,
- Transportation Fund (Regional Surface Transportation Program and Congestion Mitigation and Air Quality Program) Administration,
- Travel Demand Modeling,
- Local Clearinghouse for the Fresno County region,
- Affiliate State Census Data Center for Fresno County,
- Traffic Monitoring Program,
- ValleyRides.com Ridesharing Program,
- Freeway Service Patrol,
- Abandoned Vehicle Abatement Program for Fresno County, and
- Regional Housing Needs Allocation Plan.

In addition, the Fresno COG participates in several cooperative agreements with other agencies throughout Fresno County. These include various member agency working agreements, San Joaquin Valley Air Pollution Control District (SJVAPCD), Fresno-Madera Area Agency on Aging, the eight-member San Joaquin Valley RTPA Memorandum of Understanding (MOU), and the Area-wide Transportation Policy Committee for Fresno County.

Fresno COG Board of Directors

The Fresno COG is governed by the Policy Board comprised of the mayors of each incorporated city and the Chairman of the County Board of Supervisors (or their designated representatives). The Policy Board meets on the last Thursday of each month at 5:30 p.m.

Fresno COG Policy Board members during the audit period included the following:

- Jose Flores, City of Clovis (2021 – 2023)
- Lynne Ashbeck, City of Clovis (2023 – 2024)
- Ron Ramsey, City of Coalinga (2021 – 2023)
- James Horn, City of Coalinga (2023 – 2024)
- Brady Jenkins, City of Firebaugh (2021 – 2023)
- Felipe Perez, City of Firebaugh (2023 – 2024)
- David Cardenas, City of Fowler (2021 – 2022)
- Daniel Parra, City of Fowler (2022 – 2024)
- Jerry Dyer, City of Fresno (2021 – 2024)
- Rey Leon, City of Huron (2021 – 2024)
- Gary Yep, City of Kerman (2021 – 2023)
- Maria Pacheco, City of Kerman (2023 – 2024)
- Michelle Roman, City of Kingsburg (2021 – 2023)
- Brandon Pursell Jr., City of Kingsburg (2023 – 2024)
- Rolando Castro, City of Mendota (2021 – 2023)
- Victor Martinez, City of Mendota (2023 – 2024)
- Victor Lopez, City of Orange Cove (2021 – 2023)
- Dianna Guerra-Silva, City of Orange Cove (2023 – 2024)
- Alma Beltran, City of Parlier (2021 – 2024)
- Mary Fast, City of Reedley (2021 – 2024)
- Eli Ontiveros, City of Sanger (2021 – 2023)
- Frank Gonzalez, City of Sanger (2023 – 2024)
- Julia Hernandez, City of San Joaquin (2021 – 2024)
- Scott Robertson, City of Selma (2021 – 2024)
- Sal Quintero, Fresno County (2021 – 2024)

Fresno COG also has multiple advisory committees that include representatives from throughout the county.

Active Transportation Program (ATP) Multidisciplinary Advisory Group (MAG). The Active Transportation Program MAG assists in the development and update of the program guidelines and scoring criteria, and participates in the evaluation of project applications. In forming the MAG, the Subcommittee sought participants with expertise in bicycling and pedestrian transportation, including Safe Routes to Schools projects, and in projects benefiting disadvantaged communities. The representatives are geographically balanced representing tribal agencies, state agencies, FCOG, local jurisdictions in Fresno County, and nongovernmental organizations. The MAG prioritizes and ranks the applications, and ensures that 25% of available funds are dedicated to projects and programs benefiting Disadvantaged Communities as identified in the state guidelines and in the Fresno COG Regional Competitive ATP Guidelines.

Airport Land Use Commission of Fresno County (ALUC). The ALUC consists of representatives from the City Selection Committee, a Selection Committee of Airport Managers, and the Fresno County

Board of Supervisors. The ALUC typically meets every other month on the first Monday at 2:00 p.m. at the Fresno COG offices, though it will meet monthly as warranted.

Congestion Management Process (CMP) Steering Committee. The CMP was developed to provide guidance to the congestion management process, which is required by the federal planning regulations. The CMP Steering Committee consists of representatives from the local cities/the County, Caltrans, transit operators, and the general public. The CMP Steering Committee has extensive technical expertise in traffic engineering, and provides advice on subjects such as traffic monitoring, traffic congestion, system performance, etc. The Committee currently works with Fresno COG on the CMP Update, and reviews and approves important matrix such as performance measures, CMP network, etc.

Environmental Justice Subcommittee. The Environmental Justice Subcommittee is a subcommittee of the Transportation Technical Committee (TTC). It meets when Fresno COG staff, the TTC, the PAC, or the Policy Board requests recommendations on issues involving Environmental Justice populations (such as during the development of the RTP/SCS). The committee is composed of three Fresno COG member agency representatives (local agency urban, east side local agency rural, and west side local agency rural), four representatives of the highest minority populations in Fresno County (Hispanic, African American, Asian, and Native American), two low-income representatives, one senior representative, and one representative of persons with disabilities.

Fresno County Model Steering Committee. The Fresno County Model Steering Committee oversees improvements and updates to the travel demand model. The Model Steering Committee is a subcommittee of the Fresno COG Transportation Technical Committee that meets as needed. The model and its assumptions are continually updated based upon the latest planning information.

Measure C Citizen Oversight Committee. The Measure C Citizen Oversight Committee was developed as an advisory body to the Fresno COG Board and the Fresno County Transportation Authority, to inform the public, and to ensure that the Measure C funding program revenues and expenditures are spent as promised to the public. Fresno COG staffs the Committee and provides technical and administrative assistance to support and publicize the Committee's activities, with the staff assignment subject to approval of the Committee. The Committee meets as deemed necessary on the second Thursday of the month at Fresno COG

Measure C New Technology Committee. The Measure C New Technology Committee works in an advisory fashion to assist COG staff prior to releasing grant applications, by reviewing and updating specific subprogram goals, scope and criteria for project solicitation and selection, and developing a draft timeline for distribution of funds. The committee consists of Fresno COG staff, industry, academia, public, and transit members

Measure C New Technology Multidisciplinary Advisory Committee. A 12-member Measure C New Technology Multidisciplinary Advisory Group (New Tech MAG) has been established for purposes of reviewing, evaluating, scoring and recommending projects for funding as directed by the Fresno

COG Policy Board and the Fresno County Transportation Authority Board. The New Tech MAG will make advisory recommendations to the Fresno COG Policy Board and Fresno County Transportation Authority regarding Measure C New Technology Program project funding.

Measure C Transit-Oriented Development (TOD) Advisory Committee. The Measure C TOD Technical Advisory Committee (TAC) was formed to provide guidance to the development of the Measure C TOD program. The TOD program was created as part of the transportation sales measure, Measure C, to encourage transit supportive land use, and boost transit ridership. The TOD TAC developed the TOD program guidelines and policies, which provides guidance for the annual award of grant under the TOD program. The TOD TAC also makes recommendations for any revision or update related to the TOD program Guidelines and Policies.

Measure C Transit-Oriented Development (TOD) Scoring Committee. The Measure C TOD Scoring Committee was created to provide funding recommendation for the Measure C TOD program. The TOD Scoring Committee meets annually. The Committee reviews the TOD grant applications, scores the projects, and makes funding recommendation to Fresno COG's TTC/PAC, and Policy Board. The TOD Scoring Committee consists of COG's member jurisdictions, Fresno County Transportation Authority (FCTA), transit operator, and public members.

Policy Advisory Committee (PAC). The Policy Advisory Committee (PAC) is composed of the Chief Administrative Officer or City Manager of each member agency or their designated representative. With the exception of urgency matters, all items must first be considered by the PAC before submission to the Policy Board. The PAC meets on the second Friday of each month at 10:00 a.m. at Fresno COG.

Regional Transportation Plan Roundtable. This committee guides the development of Fresno COG's Regional Transportation Plan during the time when the Plan is being updated. RTP's must be updated every 4 years. Membership typically includes Fresno COG staff, Caltrans, member agency representatives, interested stakeholders, transportation sector representatives, business and education representatives and the public-at-large.

Safe Routes to School Subcommittee (SRTS). The Safe Routes to School (SRTS) Subcommittee is a subcommittee of the Fresno COG Policy Board. It advises staff and the overall Policy Board on matters pertaining to safe routes to schools within Fresno County. The SRTS Subcommittee meets bi-monthly on the last Thursday of each month at 4:00 pm at Fresno COG.

Social Services Transportation Advisory Council (SSTAC). The SSTAC was formed in 1988 to aid in the review of transit issues and the identification of unmet transit needs that are reasonable to meet. It is comprised of individuals representing public transportation providers, social service providers, seniors, persons with disabilities, and persons of limited means. The SSTAC meets the third Tuesday of the month, January through June, or as needed. All meetings are open to the public.

Transportation Technical Committee (TTC). The Transportation Technical Committee (TTC) serves as a standing committee that reviews materials and issues monthly before forwarding them to

the Policy Advisory Committee. Membership includes member agency staff and representatives from a wide variety of transportation and community interest groups. The TTC meets on the second Friday of each month at 8:30 a.m. at Fresno COG.

Regional Collaboration

Fresno COG also participates in several Valleywide collaboration committees: Programming Coordination Group, San Joaquin Valley Regional Planning Agencies, and the Valley Planners Network.

San Joaquin Valley Regional Planning Agencies. This group is comprised of eight Metropolitan Planning Agencies and two Rural Transportation Planning Agencies to address transportation and air quality issues impacting the San Joaquin Valley. Fresno COG participates in both the Regional Policy Council and Directors' Committee. The Policy Council provides guidance on common interregional policy issues and also represents the San Joaquin Valley at public forums such as the California Transportation Commission and with the Governor and his administration, as well as with State and Federal legislative bodies that require a common voice from the San Joaquin Valley. The Directors' Committee discusses issues of mutual importance to all of the Valley MPOs.

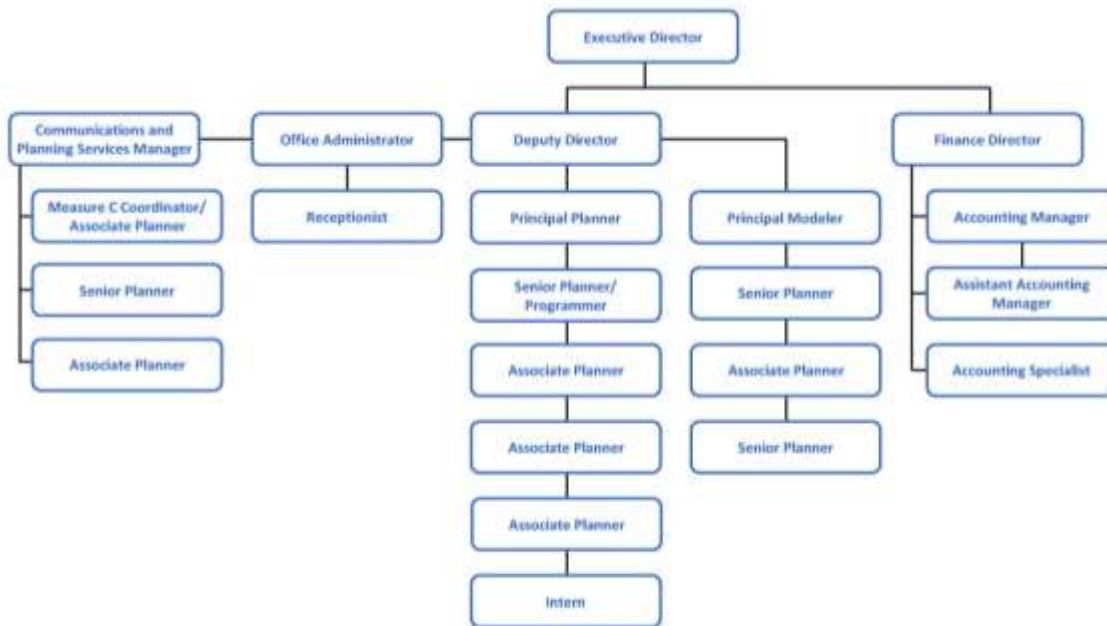
Valley Planners Network. This group, originally called the SJV Blueprint Professional Planning Review Panel, then the San Joaquin Valley Professional Planners Group, and now the Valley Planners Network (VPN), was created to engage professional planners from counties and cities participating in the Blueprint process. The Planners Network served in an advisory capacity to the Project Managers on major Blueprint activities, such as the selection of the preferred growth scenario. During the Valley Blueprint planning process, the Planners Network met quarterly to review and comment on Blueprint issues and progress. Since the adoption of the preferred growth scenario, the Planners Network continues to meet quarterly to engage local agency staff with regional and state planning topics.

Valley Programming Coordination Group. Comprised of the eight Valley MPOs, the San Joaquin Valley Air Pollution Control District, and representatives from the Federal Highway Administration (FHWA), Environmental Protection Agency (EPA), California Air Resources Board (CARB), and Caltrans, the group provides a coordinated approach to Valley air quality, conformity, and transportation modeling issues.

Organization

Reporting directly to the Fresno COG board is the Executive Director. All departments are appropriately staffed. An organizational chart is presented as Exhibit 3.1.

Exhibit 3.1 Fresno COG Organizational Chart



Regional Planning and Goal-Setting

The primary planning and goal-setting document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The RTP considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Fresno County meet regional greenhouse gas reduction targets.

The most recent Regional Transportation Plan was adopted on July 28, 2022. The development process included input and collaboration from the 15 incorporated cities, the County of Fresno, local public agencies, regional partners, tribal governments, San Joaquin Valley Air Pollution Control District, Caltrans, state and federal agencies, and the public. Fresno COG conducted a mini-grant call for projects for a community-based outreach program, which provided funding to community organizations to facilitate targeted outreach for the RTP-SCS. Outreach included a significant amount of virtual engagement due to the COVID-19 pandemic, including a dedicated project website, e-newsletters, use of the Public Input community engagement platform, online town halls, interactive surveys, videos, and virtual workshops. Nearly a thousand responses to the public opinion survey were received.

The 2022 RTP includes the four required elements (i.e., Policy Element, Sustainable Communities Strategy, Action Element, and Financial Element) as well as additional chapters regarding regional context, public participation, environmental justice analysis, and transportation performance measures. While the Environmental Impact Report (EIR) was outsourced, the rest of the RTP was developed in house.

Fresno COG’s vision for the 2022 RTP-SCS is, “A region of diverse, safe, resilient, and accessible transportation options that improve the quality of life for all residents by fostering sustainability, equity, a vibrant economy, clean air, and healthy communities.” Exhibit 3.2 illustrates the goals, policies, and actions contained in the policy element of the 2022 RTP-SCS. It includes five overarching goals, 20 policy elements, and supporting actions, all of which support this vision. Progress toward goals realized in prior years is detailed as part of Chapter 2 of the RTP-SCS (“Accomplishments”). In the 2022 RTP-SCS, these included the development of the Regional Active Transportation Plan; improvements to State Route 180, North Willow Avenue, and Fulton Mall; construction of the Heart of the Valley bridge on State Route 269; improvements to public transportation; approval of a new Airport Land Use Plan; and an array of programs funded through Measure C.

The RTP-SCS is updated every four years, and the 2026 update (PlanFresno) was underway at the time of this audit. An updated Public Participation Plan was adopted in July 2024, concurrent with the kickoff of RTP Roundtable and Environmental Justice Subcommittee meetings. The Public Participation Plan includes extensive public engagement, consultation with government agencies and elected officials, interagency coordination, and tribal outreach. Other completed tasks include a public opinion survey, demographic forecast, community project needs outreach, and the launch of work on the policy element. The draft 2026 RTP-SCS is expected to be released for public review in March 2026, with the final Plan and final EIR adopted in June 2026.

The Fresno Council of Governments is also responsible for preparing an annual Overall Work Program (OWP). The OWP details Regional Transportation Planning Work Elements; Transportation Program Development; Services and General Coordination Activities; Regional Coordination of Transportation, Land Uses, and Housing; and Administration Activities. It represents Planning Emphasis Areas (PEAs) and Metropolitan Planning Factors issued by the Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Caltrans.

Other Regional Planning

Fresno COG is responsible for public transportation and other planning activities that impact Fresno County. Planning efforts conducted and program reports prepared during and immediately subsequent to this audit period included the following:

- Regional Safety Plan (2021),
- Sixth-Cycle Regional Housing Needs Assessment (RHNA) (2022),
- Multi-Jurisdictional Housing Element 2023-2031 (2023),
- Fresno-Clovis Metropolitan Area (FCMA) Short Range Transit Plan (2023),
- Fresno County Coordinated Public Transit-Human Services Transportation Plan (2023),
- Regional VMT Mitigation Program Study (2023),
- Central California Travel Study (2023),
- Fresno County Bikeways Map (2024),
- Fresno County Regional Active Transportation Plan (2024),
- Regional Microtransit Feasibility Study (2024),
- Fresno Climate Resiliency Plan (2025),
- Fresno County Mobility Hub Feasibility Study (ongoing), and
- Fresno County Extreme Heat Analysis (ongoing).

Fresno COG also offers free technical assistance to small cities in Fresno County through its Circuit Planner and Engineer Program. The program was designed to support local staff by assisting with smaller transportation projects and smart-growth projects that support the RTP-SCS or help overcome roadblocks to project delivery.

Exhibit 3.2 2022 RTP-SCS Goals, Policies, and Actions

Goal	Policies	Actions
Goal #1: Improved mobility and accessibility for all.	<ul style="list-style-type: none"> Policy #1: Encourage and prioritize full, fair, and equitable participation by all affected communities in transportation decision-making and planning processes. Policy #2: Actively work to ensure equitable distribution of the benefits and burdens of transportation projects. Policy #3: Promote the improvement and expansion of accessible transportation options to serve the needs of all residents, especially those who have historically faced disproportionate transportation burdens. 	Seek funding to address regional multimodal transportation needs and incentivize transportation investments that benefit disadvantaged communities.
		Pursue funding to improve and expand wheelchair accessible, paratransit, and non-emergency transportation services for the elderly and individuals with disabilities.
		Coordinate with regional transit providers to seek operational and administrative efficiencies.
		Annually conduct outreach, through the unmet transit needs process, to identify transit needs that are reasonable to meet throughout the region with an emphasis on disadvantaged communities.
		Partner with community-based organizations serving low-income and communities of color for targeted outreach to limited English proficiencies and hard-to-reach populations.
		Work cooperatively with local tribal officials through regular and meaningful consultation and collaboration in developing Federal policies with tribal implications, to strengthen government-to-government relationships with Native American tribes and to reduce unfunded mandates on local tribes.
Goal #2: Vibrant communities that are accessible by sustainable transportation options.	<ul style="list-style-type: none"> Policy #4: Encourage alternatives to single-occupancy vehicles that reduce vehicle miles travelled (VMT) and greenhouse gas emissions. Policy #5: Support investment in and promotion of active transportation and transit to improve public health and mobility, especially in historically underinvested areas. Policy #6: Encourage sustainable development that focuses growth near activity centers and mobility options that achieve greater location efficiency. Policy #7: Support local jurisdictions' efforts to minimize the loss of farmland, environmentally sensitive areas, and natural resources. 	Provide technical assistance, resources, and incentives to support SCS implementation, infill & mixed use development, equitable revitalization efforts, and conserve natural resources.
		Encourage alternatives to single-occupancy vehicle trips to reduce vehicle miles traveled, such as through continued Measure C carpool program, funding to support vanpool programs, telework, expansion of shared TNC rides, and informational promotion materials for transit, biking, and walking in the region.
		Develop a Regional Housing Needs Allocation Plan and continue to support greater housing choice. Examples include the REAP program, technical assistance with grant applications, and serving as a regional forum for discussing housing issues.
		Support coordinated transportation planning efforts and interregional projects between and among the eight San Joaquin Valley metropolitan planning organizations (MPOs).

Goal	Policies	Actions
Goal #2: Vibrant communities that are accessible by sustainable transportation options. (continued)	<ul style="list-style-type: none"> Policy #8: Support local jurisdictions' efforts to facilitate the development of diverse housing choices for all income groups. Policy #9: Facilitate and promote interagency coordination and consistency across planning efforts. Policy #10: Incentivize and support efforts to improve air quality and minimize pollutants from transportation. 	Pursue funding to implement projects that are consistent with the Sustainable Communities Strategy. Example: Prioritize projects through the RTP project evaluation criteria that support these goals and policies.
		Promote compatible airport and land use planning throughout the region.
		Support California Air Resources Board and San Joaquin Valley Air Pollution Control District's efforts to reduce pollutants from transportation.
Goal #3: A safe, well-maintained, efficient, and climate-resilient multimodal transportation network.	<ul style="list-style-type: none"> Policy #11: Prioritize investment in and promote multimodal safety measures to reduce traffic fatalities and incidents in the region. Policy #12: Promote enhanced Transportation Systems Management (TSM) and Transportation Demand Management (TDM) strategies to reduce congestion and vehicle miles travelled. Policy #13: Encourage improvements in travel connections across all modes to create an integrated, accessible, and seamless transportation network. Policy #14: Maximize the cost-effectiveness of transportation improvements. Policy #15: Encourage investments that increase the system's resilience to extreme weather events, natural disasters, and pandemics. Policy #16: Preserve and maintain existing multimodal transportation assets in a state of good repair. 	Support local jurisdiction's capacity to develop projects and measures that improve the transportation network's resiliency regarding potential impacts of climate change.
		Pursue funding to address safety issues and implement transportation projects consistent with the identified issues.
		Incentivize and seek funding for projects that reduce VMT.
		Encourage employers to use Transportation Demand Management strategies to reduce VMT.
		Work with federal and state agencies to set annual safety targets and implement programs to reduce fatalities and serious injuries.
		Collaborate with the state agencies, metropolitan planning organizations, and other organizations on efforts to study and advocate for a sustainable and more equitable replacement to fuel taxes.
		Maintain the Congestion Management Process (CMP) and implement CMP measures.
		Seek funding revenues for state-of-good repair improvements including road maintenance preservation, rehabilitation, and reconstruction.
		Pursue funding to study a managed lanes program in the Fresno-Clovis Metropolitan Area.

Goal	Policies	Actions
Goal #4: A transportation network that supports a sustainable and vibrant economy.	<ul style="list-style-type: none"> Policy #17: Support local and regional economic development by leveraging planning and transportation funds that foster public and private investment. Policy #18: Facilitate efficient, reliable, resilient, and sustainable goods movement. 	<p>Work cooperatively with the private sector to ensure that the region's business community's mobility needs are addressed.</p> <p>Support efforts to improve efficiency and sustainability and preserve and expand options for goods movement through the region.</p> <p>Support efforts to implement high-speed rail and station-area planning in the region.</p> <p>Support education and job training programs that address transportation needs.</p>
Goal #5: A region embracing clean transportation, technology, and innovation.	<ul style="list-style-type: none"> Policy #19: Support innovative mobility solutions that are accessible, affordable, reduce greenhouse gas emissions, and improve air quality. Policy #20: Support efforts to expand broadband access throughout the region. 	<p>Encourage and support employers who implement telecommute strategies.</p> <p>Support electric vehicle (EV) infrastructure deployment throughout the region and seek funding to implement projects that support the Electric Vehicle Readiness Plan.</p> <p>Support efforts to research, plan, and implement pilot projects for micro transit and micro mobility (such as bike and scooter sharing) and deploying other new and innovative technologies to support research, development, demonstration projects, and new and innovative technologies.</p> <p>Follow autonomous and connected vehicle development, and plan accordingly for our region.</p> <p>Explore regional broadband planning to support future mobility options and transportation networks.</p> <p>Support funding for travel surveys and Big Data to help better understand origin and destination travel patterns in the region.</p> <p>Explore opportunities to develop a regional vision of transit accessibility that integrates existing service options with new mobility options.</p>

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Chapter 4 | Program Compliance

This section examines the Fresno COG's compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The Triennial Performance Audit findings and related comments are delineated in Exhibit 4.1.

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

With one exception, the Fresno Council of Governments adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Two operators completed TDA fiscal audits after the March 31 extended deadline during the audit period.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than four years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.

Exhibit 4.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	Included in Policies and Procedures Manual.
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	SSTAC recommendations: April 20, 2021 (public hearing April 29, 2021) April 14, 2022 (public hearing April 28, 2022) May 2, 2023 (public hearing April 27, 2023) June 12, 2024 (public hearing April 25, 2024)
<p>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit.</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 that exceeds its prior year allocation. 	PUC 99244	In compliance	
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	Finding	Several operator audits were completed after the March 31 deadline. See Exhibit 4.2 for completion dates.
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2021/22: October 20, 2022 FY 2022/23: November 2, 2023 FY 2023/24: November 13, 2024
The RTPA has submitted within seven months after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	In compliance	FY 2021/22: December 27, 2022 FY 2022/23: January 17, 2024 FY 2023/24: January 21, 2025

Compliance Element	Reference	Compliance	Comments
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an 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.	PUC 99246, 99248	In compliance	<p>Prior audits were prepared by Moore & Associates, Inc. Reports were completed in May 2022 and submitted to the RTPA.</p> <p>Moore & Associates was also engaged to prepare the current round of Triennial Performance Audits.</p>
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	While the audits were completed on time, the letter to Caltrans was dated November 14, 2022 due to an oversight.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	In compliance	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	In compliance	Included in Policies and Procedures Manual.
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	

Compliance Element	Reference	Compliance	Comments
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	This requirement was waived during the audit period due to AB 90, AB 149, and SB 125. As a result, Fresno COG did not conduct the efficiency tests. Once the waiver is no longer in effect, an STA calculation spreadsheet will be used to verify eligibility.
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	<p>FY 2021/22: February 25, 2021 (2) (Zoom) March 2, 2021 (3) (Zoom & Facebook Live) April 29, 2021 (public hearing; Zoom)</p> <p>FY 2022/23: February 8, 2022 (Fresno) February 10, 2022 (Fresno) February 16, 2022 (Fowler) February 17, 2022 (3) (Zoom) February 22, 2022 (Clovis) February 23, 2022 (Kerman) February 26, 2022 (Fresno) April 28, 2022 (public hearing)</p> <p>FY 2023/24: February 14, 2023 (Mendota) February 15, 2023 (Fresno) February 16, 2023 (Zoom) February 16, 2023 (Clovis) February 22, 2023 (Zoom) February 25, 2023 (Fresno) February 28, 2023 (Huron) March 1, 2023 (Sanger) April 27, 2023 (public hearing)</p> <p>FY 2024/25: February 27, 2024 (Kerman) February 28, 2024 (Fresno) March 2, 2024 (Fresno) March 4, 2024 (Zoom) March 5, 2024 (Fresno)</p>

Compliance Element	Reference	Compliance	Comments
			March 6, 2024 (Clovis) March 12, 2024 (Reedley) April 25, 2024 (public hearing)

Exhibit 4.2 Operator TDA Fiscal Audit Completion Dates

Operator	FY 2021/22	FY 2022/23	FY 2023/24
City of Clovis	December 26, 2023	July 26, 2024	March 27, 2025
City of Fresno	March 7, 2024	February 6, 2025	Pending
FCRTA	January 18, 2023	January 12, 2024	November 18, 2024
Fresno EOC ¹	June 30, 2023		

Red text indicates an audit that was not completed within the established time period.

¹ The FEOC underwent a TDA fiscal audit for FY 2021/22, which was completed three months late. However, Given the FEOC was neither a CTSA nor a direct TDA claimant beginning in FY 2021/22, it is no longer required to complete a TDA fiscal audit, given that is a requirement of claimants and not contractors.

Chapter 5 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Fresno Council of Governments has made quantifiable progress toward improving both the efficiency and effectiveness of its programs.

The prior audit – completed in May 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included two recommendations:

1. [Work with operators and TDA auditors to ensure TDA fiscal audits can be completed by the extended deadline.](#)

Discussion: During the prior audit, the City of Fresno’s FY 2018/19 TDA fiscal audit was completed on April 20, 2020, while the City of Clovis’ audit was completed on May 6, 2020. In FY 2019/20, the City of Clovis’ audit was completed on March 9, 2022. In FY 2020/21, TDA fiscal audits for the City of Fresno, City of Clovis, and FEOC had not been completed as of April 28, 2022.

The prior auditor recommended Fresno COG work with transit operators and TDA auditors to ensure TDA fiscal audits can be completed by the extended deadline. If an operator’s TDA fiscal audit is not completed according to the deadline, Fresno COG must be mindful about withholding TDA funding until the audit is completed. According to Fresno COG’s own TDA claim forms, the audit for the project year minus two must be certified as completed by the operator in order for the TDA claim to be processed and approved. (For example, for FY 2022/23 claims, the FY 2020/21 TDA fiscal audit must be completed.)

Progress: In March 2020, the TDA fiscal auditor had some personnel changes and Fresno COG did not realize how far behind they were getting. In the wake of the COVID-19 pandemic, personnel changes at some of the small cities caused further delays. The auditor has been working diligently to get the audits up to date after Fresno COG increased its contract. In addition, what was originally bid as a simple program audit has become more complicated and is taking longer. In addition, the TDA fiscal auditors have to wait until city-wide audits are complete to begin the TDA fiscal audits, which then have to be slotted in with the auditor’s existing workload. The current auditor is under contract through the FY 2026/27 audits.

Fresno COG withholds TDA funds to claimants that are out of compliance. While many of the COVID lockdown protocols were not in place during the audit period, timely delivery of audits continued to be impacted.

Status: Implementation in progress.

2. Work with the FEOC to assist with securing funding for FEOC passenger vehicle replacement.

Discussion: During the prior audit, it was noted that the Fresno EOC would no longer operate as a co-designated CTSA, but as a subrecipient to the City of Fresno (Urban CTSA) and the FCRTA (Rural CTSA) beginning in FY 2021/22. As a result, FEOC management was concerned about having sufficient funding for vehicle replacement now that it is no longer a CTSA.

The auditor recommended, the Fresno COG work with the FEOC to identify and apply for funding sources (such as FTA Section 5310) to maintain a state of good repair for the FEOC's passenger fleet.

Progress: The redesignation of the CTSA has no effect on the ability of FEOC to receive funding for vehicle replacement. FEOC submits applications through the FTA Section 5310 vehicle replacement program. Fresno COG allocates Section 5310 funding every two years, and this funding has been used in prior years to fund FEOC's vehicles. FEOC can also submit applications to Caltrans' DMRT Small Area 5310 apportionment program (as it is listed in the regional Coordination Plan).

Status: Implemented.

Chapter 6 | Functional Review

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

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

Administration and Management

Fresno COG processes TDA claims in a timely manner, which typically requires approximately one month from when they are received. This timeline is required to ensure staff review all backup and confirm all required materials have been submitted. However, the overall timeline is also dependent on the timely completion of the claimants' fiscal audits.

Operators are generally satisfied with the Fresno COG's efficiency and effectiveness. The Fresno COG has a particularly close relationship with the FCRTA, with which it shares an office and administrative duties.

Fresno COG uses a standard costing format for tracking work hours and activities by work element. This is used to monitor the progress and financial status of ongoing programs. Monthly progress memos are prepared by planners to be sent to the Board and funding agencies. Planners report monthly and quarterly on each work element. At the end of the fiscal year, all work products are saved on a USB drive that corresponds to the work products in the Overall Work Plan (OWP). Projects are monitored by the Project Manager through invoices from the contractor. Project Managers maintain a spreadsheet for each consultant to make sure they stay within budget.

Internal agency goals are developed through the annual OWP process. Goals for regional coordination are developed as part of a variety of activities, including the RTP-SCS (see Chapter 3), federal aid projects, Measure C, and the SSTAC. The OWP also serves as the primary grant application for planning funds, including Caltrans Sustainable Communities grants and EPA grants. These grants often dictate their own goals, which are incorporated into the OWP. Goals for transit operator performance are monitored through annual productivity reports. Fresno COG also conducts an extensive annual Unmet Transit Needs process, which is implemented by the operators but goes through the Fresno COG board. Fresno COG also shares two employees with the City of Fresno and one with FCRTA. There are no specified goals for transportation alternatives, though Fresno COG recently prepared a regional Active Transportation Plan and project-/program-specific goals are included in subcontracts.

Fresno COG is governed by a Policy Board comprised of the mayors of each incorporated city and the Chairman of the County Board of Supervisors (or their designated representatives). Regular meetings are held in the Sequoia Conference Room at Fresno COG's administrative offices, located at 2035 Tulare Street, Suite 201, in Fresno. All meetings are open to the public. A conference line is available for listening only. A majority of Board members attend most meetings and there have been no issues with achieving a

quorum. Areas of specific interest to the Board during this audit period have included Safe Routes to Schools, active transportation projects, and Measure C renewal. Reporting directly to the Fresno COG board is the Executive Director. (A more comprehensive discussion of the Policy Board, its committees, and the structure of the organization is provided in Chapter 3.)

The RTPA's budget is sufficient to accomplish its various established goals and objectives presented in the annual OWP. Staffing is sufficient to accomplish these goals and objectives. Turnover has risen in recent years due to factors such as the COVID-19 pandemic, the discontinuation of telecommuting options, employee retirements, and career advancement opportunities. The RTPA onboarded two additional staff members: one to support accounting functions and another to fill a vacant Planner position. The COG is still short two Planners, and will advertise for one more position to be considered fully staffed. An organizational chart is provided in Chapter 3.

All staff receive an annual or biannual employee evaluations. Full-time employees receive a benefits package inclusive of life, health, dental, and vision insurance; retirement contributions; and paid time off. Incentive programs include bilingual pay, merit pay, sick leave incentive, and a stipend for using alternative transportation. Staff also have specific assigned duties and receive appropriate training for individual positions.

Transportation Planning and Regional Coordination

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). It is a 24-year blueprint that establishes a set of regional transportation goals, policies, and actions designed to guide development of Fresno County's multimodal transportation systems. It effectively identifies, documents, and assesses transportation needs, including identifying anticipated air quality, economic, and financial challenges. The adopted plan was completed in July 2022. Fresno COG began the 2026 update of the RTP-SCS in Summer 2024, with a completed draft expected to be available for review in November 2025 and Board adoption in June 2026. The RTP-SCS is discussed in greater detail in Chapter 3.

The RTP-SCS includes extensive modeling, policies, goals, and a thorough review of performance systems and ridership. During the development of the SCS, staff evaluate various scenarios and project types to explore and assess alternative future outcomes. The RTP-SCS uses the Fresno Activity-Based Model (ABM). It runs on Daysim and incorporates a bike and pedestrian component. The program uses micro-zones based on census blocks as the fundamental unit for generating travel demand. PopulationSim is used to generate population for the ABM and the California Statewide Travel Demand Model (CSTDM) to estimate inter-regional travel. The ABM was most recently updated in 2018.

Fresno COG stays up to date on transportation service levels within its jurisdiction through the transit productivity evaluation process. In the last year, Fresno COG met with every jurisdiction in Fresno County regarding its latest general plan update. Fresno COG also oversees the housing element update for all cities except Clovis.

Claimant Relationships and Oversight

TDA claims are processed consistently and in a timely manner. The Fresno COG prepares an annual productivity report of the transit operators, which serves to provide oversight over transit productivity.

The RTPA supports granting transit operators a degree of autonomy, recognizing that they are on the front lines of service delivery. As part of the TDA claim process, operators are required to report on their progress in addressing any deficiencies identified in the Triennial Performance Audit.

Fresno COG offers managerial and technical assistance to all of its member agencies upon request. Many of Fresno COG's internal protocols were designed to be reflective of the needs of the transit operators, including what planning studies are conducted. The RTPA routinely partners with operators on grant opportunities for regional studies such as a regional rail study and a light rail study with FAX.

Marketing and Transportation Alternatives

Fresno COG does not provide marketing on behalf of the transit operators. However, it does publish a county-wide transit guide, both online (www.fresnocog.org/project/fresno-county-transportation-guide/) and in print. The guide provides information on Fresno County transit operators as well as rideshare and subsidy programs, non-emergency medical transportation, and statewide services (air, rail, and intercity bus). Fresno COG assists with public outreach on a project basis, as well as for the Unmet Transit Needs process, the unmet transit needs survey, etc.

The Fresno COG circulates a free Fresno-Clovis Bikeways Map, which provides a map of Class I, II, and III bikeways in the Fresno-Clovis Metropolitan Area. The map and the Active Transportation Plan were updated in 2024. Fresno COG also participates in events such as Bike to Work Week.

The Fresno COG's rideshare program is marketed as ValleyRides. The program includes a ride-matching service, commuter and agricultural worker vanpools, bike pools, a robust carpool incentive program, and employer outreach. The ValleyRides carpool incentive program is funded through Measure C, as is a vanpool subsidy of up to \$600 per month per vanpool. The Fresno COG also uses Measure C to fund its Senior Taxi Scrip program, which offers a 75 percent discount on taxi fares.

Grant Applications and Management

Fresno COG provides letters of support as well as other information for grant applications. Fresno COG coordinates discretionary grant opportunities such as planning studies, electrical grid analysis, electrification, etc. It administers several grants on behalf of the transit operators, including FTA Section 5310, CMAQ, SB 125/TIRCP. For SB 125/TIRCP, Fresno COG is the grant administrator for all three transit operators in the county. It works with operators to identify projects (primarily capital projects), which Fresno COG packages up to send to the state.

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Chapter 7 | Findings and Recommendations

Conclusions

With one exception, we find the Fresno Council of Governments, functioning as the RTPA, to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. The compliance finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

Findings and Recommendations

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

1. Two² operators completed TDA fiscal audits after the March 31 extended deadline during the audit period.

The audit team has identified two functional findings. While these findings are not compliance findings, the auditors believe they are significant enough to be addressed within this review:

1. Fresno COG should work with the City of Fresno and FCRTA to reclassify FEOC as a subcontractor (rather than a transit operator) for reporting and auditing purposes.
2. Fresno COG should work with the TDA fiscal auditor to identify sources of local assistance/supplementation as part of the farebox recovery ratio in the transit operator audits.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Fresno Council of Governments' program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: Two operators completed TDA fiscal audits after the March 31 extended deadline during the audit period.

Criteria: PUC 99245 requires recipients of TDA funds to submit an annual fiscal audit within 180 days of the end of the fiscal year, or with a 90-day extension which may be granted by the RTPA. With the extension, fiscal audits are due by March 31 following the end of the fiscal year. CCR 6664 further states that "no allocation shall be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report."

² Given the reclassification of FEOC (see Functional Finding 1), it is not included within this finding.

Condition: The City of Clovis and City of Fresno completed TDA fiscal audits after the extended deadline of March 31.

- **City of Clovis:** In FY 2021/22, the City’s TDA fiscal audit was completed on December 26, 2023, nearly 11 months after the March 31, 2023 deadline. In FY 2022/23, the fiscal audit was completed on July 26, 2024, nearly four months after the deadline established under PUC 99245. The audit conducted for FY 2023/24 was completed within the established timeframe.
- **City of Fresno:** For FY 2021/22, the City’s TDA fiscal audit was completed on March 7, 2024. This was nearly a year after the deadline established under PUC 99245. The FY 2022/23 TDA fiscal audit was completed on February 6, 2025, more than ten months after the deadline. At the time of this report (May 15, 2025), the FY 2023/24 had yet to be completed.

Cause: The cause of the late completions could not be determined for the City of Clovis. The City of Fresno transitioned to a new financial software system between FY 2021/22 and FY 2022/23, which impacted completion of at least one of its audits.

Effect: When TDA fiscal audits are submitted beyond the established deadline, the operator cannot claim TDA funds for the project year two years after the audit year.

Recommendation: Work with the TDA auditor and the operators to ensure they complete their TDA fiscal audits by the March 31 extended deadline.

Recommended Action: Fresno COG, which contracts for the TDA fiscal audits, should first ensure that appropriate timelines are built into the auditor’s contract. It should also regularly approve the deadline extension from December 31 to March 31 to give the auditors and operators additional time to complete their audits, especially if a city-wide audit must be completed before the TDA audit can be initiated.

Timeline: Ongoing.

Anticipated Cost: Annual TDA fiscal audits are already budgeted by the RTPA.

Functional Finding 1: The FEOC is no longer a designated CTSA, and is therefore no longer considered a TDA claimant or transit operator under the TDA.³

Criteria: There are three definitions in the Public Utilities Code that are relevant to this finding:

- Claimant – an operator, city, county, or consolidated transportation service agency. (PUC 99203)
- Consolidated Transportation Service Agency (CTSA) – an agency designated pursuant to subdivision (1) of Section 15975 of the Government Code. (PUC 99204.5)
- Operator – any transit district, included transit district, municipal operator, included municipal operator, or any transit development board. (PUC 99210)

³ A similar finding and recommendation are also included in the Triennial Performance Audits for the City of Fresno, Fresno County Rural Transit Agency, and Fresno Council of Governments.

Historically, FEOC has been treated as an operator under the TDA given it was a co-designated CTSA and direct TDA claimant.

Condition: Beginning in FY 2021/22, FEOC is neither a TDA claimant nor one of the co-designated CTSA providers. It also does not meet the TDA definition of an operator given it is not a public entity. Currently FEOC serves as a contracted service provider for both FAX and FCRTA, which purchase services from FEOC on a cost per revenue hour basis using TDA Article 4.5 (CTSA) funds claimed directly by them.

Cause: A change in the CTSA designation and the relationship between FEOC and FAX/FCRTA is the cause of this finding.

Effect: FEOC should no longer be considered an operator or claimant under the TDA.

Recommendation: With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.

Recommended Action: In redesignating FEOC as a contractor, it is no longer responsible for demonstrating compliance with the TDA requirements for claimants except as they may be included within their contracts with transit operators for which they provide services. This means FEOC no longer should undergo a Triennial Performance Audit. It also means that FAX and FCRTA should be reporting CTSA performance data where appropriate and included CTSA funds as part of their TDA fiscal audits.

Timeline: FY 2024/25.

Anticipated Cost: Negligible.

Functional Finding 2: Fresno COG should work with the TDA fiscal auditor to identify sources of local assistance/supplementation as part of the farebox recovery ratio in the transit operator audits.

Criteria: PUC 99268.17 and 99268.19, as amended in Assembly Bill (AB) 149, detail expenses that can be excluded from operating cost and revenues that can be included as local supplementation as part of the farebox recovery ratio calculation.

Condition: TDA fiscal audits are required to verify compliance with the TDA. This is typically done, among other things, by providing a calculation of the farebox recovery ratio. While penalties have been waived under emergency legislation following the COVID-19 pandemic, those waivers are expected to expire after FY 2025/26. The emergency legislation also included a number of provisions to reduce the operating cost and increase what can be considered fare revenue. At present, TDA fiscal audits only include a simple line item of “local supplement” or “local assistance.” It does not indicate what revenues are being counted as local supplementation.

Cause: Prior to the COVID-19 pandemic, there were fewer options in terms of supplemental revenue or cost exclusions/exemptions. In many cases, the farebox recovery ratio shown in the fiscal audit was sufficient.

Effect: A separate farebox recovery ratio calculation will likely be necessary to demonstrate compliance with farebox recovery ratio thresholds in the future, given the increase in the potential for adjustments.

Recommendation: Work with TDA fiscal auditors to include a detailed farebox recovery ratio calculation in the TDA fiscal audits that identifies what supplemental revenues are used and what costs may be exempted/excluded.

Recommended Action: This recommendation focuses on documenting the revenues and cost exclusions used in the calculation already included in the TDA fiscal audit. The TDA fiscal audit is a logical place to include the calculation, as it ensures audited data is used. As detailed in AB 149, operators may exclude expenses such as:

- ADA Paratransit costs,
- Cost increases beyond CPI,
- Excess pension contributions,
- Transit planning,
- Planning for the transition to zero-emission vehicles, and
- Mobile ticketing expenses.

Operators may also utilize non-state grant funding as local supplementation. The source of that supplementation (such as Measure C, federal funding, interest income, advertising revenues, etc.) should also be identified in the calculation so that the methodology for the calculation can be easily reviewed for compliance and accuracy by the RTPA and operator.

Where appropriate, the farebox recovery ratio calculation should also include a separate calculation for each mode operated (e.g., fixed-route and demand-response).

Timeline: TDA fiscal audit for FY 2024/25.

Anticipated Cost: Annual TDA fiscal audits are already budgeted by the RTPA.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the TDA auditor and the operators to ensure they complete their TDA fiscal audits by the March 31 extended deadline.	High	Ongoing
Functional Recommendations		Importance	Timeline
1	With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.	High	FY 2024/25
2	Work with TDA fiscal auditors to include a detailed farebox recovery ratio calculation in the TDA fiscal audits that identifies what supplemental revenues are used and what costs may be exempted/excluded.	Medium	FY 2024/25