

QUADRENNIAL PERFORMANCE AUDIT



Corpus Christi Regional Transit Authority



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Executive Summary

McDonald Transit Associates has been asked to conduct a study of the Corpus Christi Regional Transit Authority (CCRTA) to meet the requirements of Section 451.454 of the Texas Transportation Code. The purpose of the audit is to examine the agency's compliance with applicable state law, recent trends in several performance indicators, and topics related to agency administration and management, operations, and/or system maintenance. Each audit rotates through the administration and management, operations and system maintenance; therefore, this audit will focus on system maintenance in addition to the general audit requirements.

Agency Overview

CCRTA was established by referendum on August 10, 1985. On January 1, 1986 CCRTA commenced operations.

Located in Corpus Christi, Texas on the coast of the Gulf of Mexico, the Authority provides regional public transportation services primarily within Nueces County and also including part of San Patricio County. Nueces County includes the cities of Agua Dulce, Bishop, Corpus Christi, Driscoll, Port Aransas, Robstown, and unincorporated areas. San Patricio County coverage includes the cities of Gregory and San Patricio. The total area is 838 square miles and has a population of 342,412 according to the 2010 Census.

CCRTA is governed by an eleven-member Board of Directors. The Board currently consists of five members appointed by the Corpus Christi City Council, three members appointed by the Nueces County Commissioners Court, and two members appointed by the Committee of Mayors comprised of the area cities other than Corpus Christi. The board members elect the Chairperson.

CCRTA provides comprehensive fixed-route and demand-responsive transportation services within the service area. Fixed-route service is available on approximately 30 routes and demand-responsive transportation service is also available to persons with disabilities through CCRTA's complementary ADA service "B-Line Curb to Curb".

CCRTA contracts with a private transportation management company, MV Transportation, Inc. to operate the B-Line service and several fixed-routes. The contract with MV Transportation was renewed beginning January 1, 2009. As part of this contract, MV Transportation provides full maintenance services on all small CCRTA vehicles, including small buses and CCRTA support cars, vans and trucks.

CCRTA also contracts with the City of Port Aransas to operate two bus routes in Port Aransas and contracts with a private firm to operate the Harbor Ferry service during the summer. The City of Port Aransas provides minor maintenance on the vehicles that are owned by CCRTA.

CCRTA staff oversees day-to-day operations. Staff activities occur at the Operations and Administration Facility at 5658 Bear Lane. In addition, a customer services office for the general public is open at 1806 South Alameda Street, near the CCRTA Six Points Transit Station. All locations are in Corpus Christi. Staff activities are directed by a Chief Executive Officer who reports to the Board of Directors. The Chief Executive Officer has the authority to contract services as needed. CCRTA employs approximately 200 employees and approximately 100 contractors to carry out its activities.

Performance Indicators

Section 451.454 of the Texas Transportation Code describes the requirements and purpose of the Quadrennial Performance Audit. The audit is designed to provide evaluative information to the transit agency to suggest ways to improve the efficiency and effectiveness of its operations. Following the requirements of the statute, the following performance indicators were developed for CCRTA.

- Operating cost per passenger;
- Operating cost per revenue hour and revenue mile;
- Sales and use tax receipts per passenger;
- Fare recovery rate;
- Average vehicle occupancy;
- On-time performance;
- Number of accidents per 100,000 miles; and
- Number of miles between mechanical road calls.

The primary data source for this effort was CCRTA data. CCRTA collects all of the statistics that are needed to calculate the performance indicators.

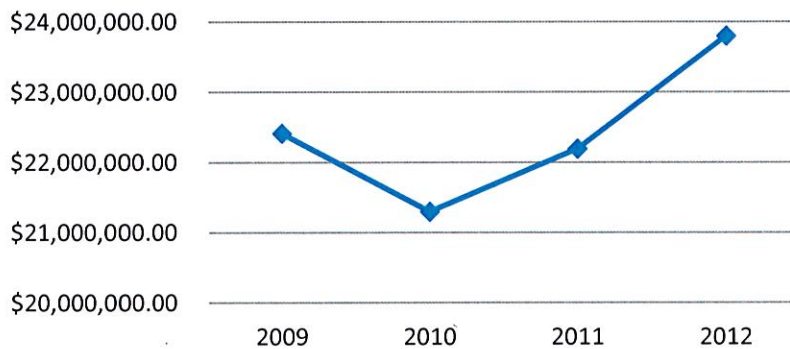
The Texas Transportation Code requires these performance indicators to be assessed for the previous four fiscal years. For this audit, that period would cover fiscal years 2008 through 2012.

Operating Cost Per Passenger

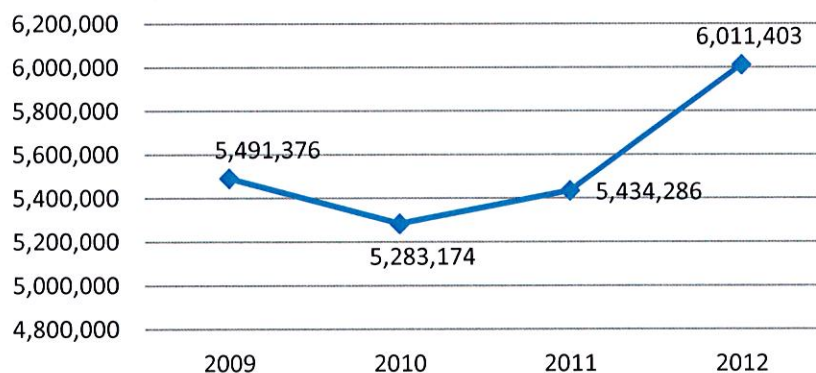
The operating cost per passenger is calculated by dividing the transit agency's annual operating cost by the unlinked passenger trips for the same period. For purposes of the performance audit, operating costs includes all costs of providing public transit (including purchased transit performed by a third party), but excludes the following costs:

- Depreciation, amortization, and capitalized charges;
- Charter bus operations; and
- Coordination of carpool and vanpool activities.

Annual Operating Costs



Passenger Trips

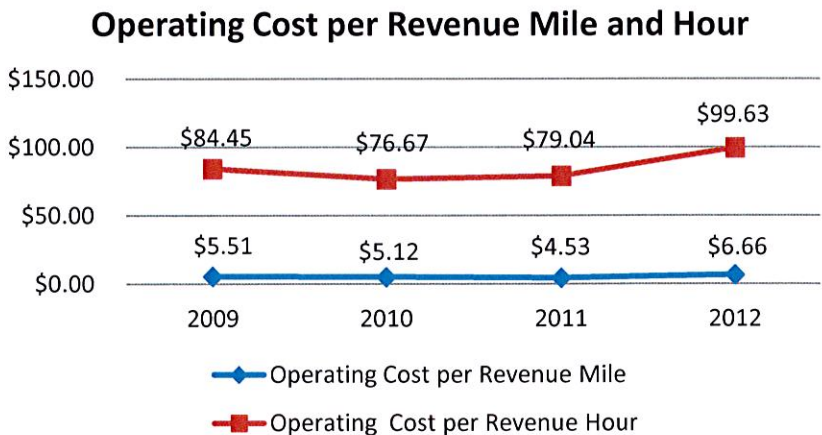




During the years 2009 through 2011, operating cost per passenger remained relatively stable. From 2011 to 2012 the cost dropped from \$4.08 to \$3.96 per passenger. This drop is primarily due to passenger trips increasing at a higher rate than operating costs.

Operating Cost Per Revenue Hour and per Revenue Mile

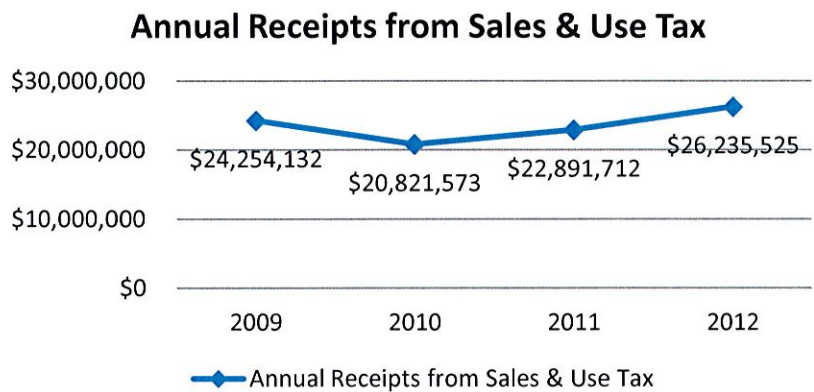
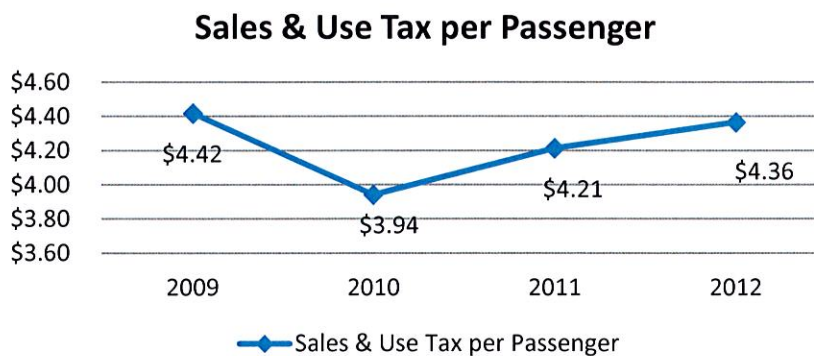
Operating costs per revenue hour is computed by dividing an agency's operating cost by the total time spent by its vehicles in revenue service during the same period. The operating cost per revenue mile is calculated by dividing the agency's annual operating cost by the total distance traveled by its vehicles while in revenue service for the same time period. Both measures exclude out of service activity (i.e. deadhead trips between the garage and a route terminus) and charter operations.



Revenue miles and hours have both decreased over the audit period while operating costs have increased causing an increase in operating cost per revenue mile and revenue hour. Revenue miles decreased 13% from 2009 to 2012, and revenue hours decreased 11% over that same time period.

Sales and Use Tax Receipts Per Passenger

Sales and use taxes per passenger are calculated by dividing the total sales and use taxes received by the agency by the number of unlinked passenger trips over the same period.

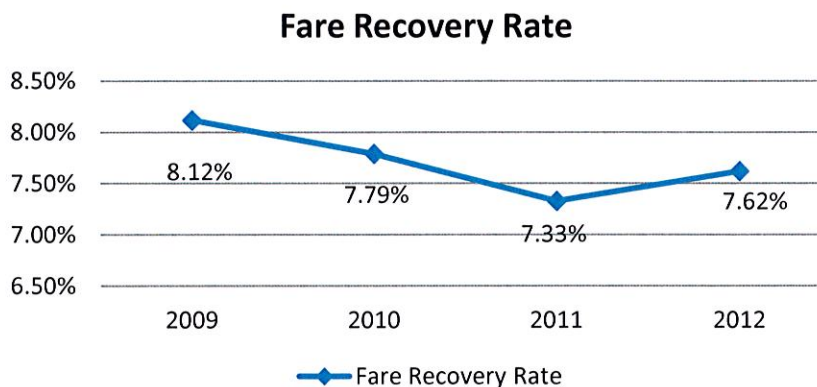


Sales and use tax per passenger has remained steady over the audit period, from \$4.42 in 2009 to \$4.36 in 2012. There was a slight decrease in annual receipts from sales and use tax in 2010 and therefore a slight decrease in per passenger sales and use tax, \$3.94 per passenger.

Fare Recovery Rate

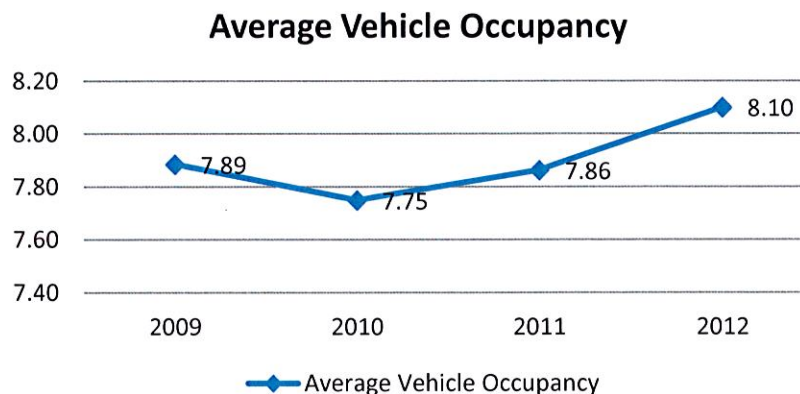
The fare recovery rate is a measure of the proportion of a transit agency's operating cost that is recaptured in the form of passenger fares. It is calculated by dividing the annual fare revenue by the authority's operating cost for the same period.

There have been no changes to the fare rate structure since August 2006. Fares remain relatively low with a base fare of \$0.75. Fare revenue has decreased along with passenger trips from 2009 through 2011. Both fare revenue and passenger trips increased in 2012, however fare revenue did not increase as much as passenger trips, keeping the fare recovery rate in 2012 below that of 2009 and 2010.



Average Vehicle Occupancy

The average vehicle occupancy is computed by dividing annual passenger-miles by revenue vehicle-miles for the same period of time and is thus an aggregated indicator of "how full the buses are."



Average vehicle occupancy has remained relatively stable for the four year period. CCRTA has not added significant new service. As ridership has grown, CCRTA has not added significant new service.

On-Time Performance

On-time performance is calculated by determining the annual percentage of revenue vehicle trips that depart from selected locations no earlier than the published time and no later than five minutes after that time. CCRTA tracks on-time performance internally using periodic field checks.

On-time performance was 91% in 2009, 90% in 2010 increased to its highest of the audit period in 2011 at 92%, and then dropped significantly in 2012 to 87%. **CCRTA should focus on on-time performance to remain close to prior years rates of 90% or above.**

Number of Accidents Per 100,000 Miles

The number of accidents per 100,000 is a management report that provides a tool for providing a method of measuring safety performance. In general, agencies strive to be below two accidents per 100,000 miles.

CCRTA's accidents per 100,000 miles have ranged from 3.62 in 2009 to its highest of 4.75 in 2012. The 2012 rate is a 30% increase from 2011. **More focus must be placed on safety to bring this rate down to an industry acceptable level.**

Number of Miles Between Mechanical Road Calls

The number of miles between mechanical road calls is determined by dividing the annual number of miles for all directly operated service (including charter and nonrevenue service) by the number of mechanical road calls for the same period. It is thus a measure of the reliability of a transit agency's vehicles. A mechanical road call is defined as any revenue vehicle mechanical failure that causes a service interruption and requires assistance from someone other than the vehicle operator before revenue service can be resumed.

Between 2009 and 2012 CCRTA's number of miles between road calls ranged from a high of 7,595 in 2010 and a low of 5,690 in 2012. There should be some improvement in this statistic with the purchase of new vehicles.

Statutory Compliance

As required by the statute, the consultant team performed an examination of CCRTA's compliance with applicable state laws including sections related to Metropolitan Transportation Authorities, professional and consulting services, conflicts of interest, open meetings, public information, and other issues.

Overall CCRTA has done an excellent job of meeting statutory requirements. The following is an outline of statutes reviewed and findings.

Section 451.061: Fare and Other Charges

- a) An authority shall impose reasonable and nondiscriminatory fares, tolls, charges, rents, and other compensation for the use of the transit authority system sufficient to produce revenue, together with tax revenue received by the authority, in an amount adequate to:
 - 1) Pay all the expenses necessary to operate and maintain the transit authority system;
 - 2) Pay when due the principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by the authority and payable in whole or part from the revenue; and
 - 3) Fulfill the terms of any other agreement with the holders of bonds described by Subdivision (2) or with a person acting on behalf of the bondholders.
- b) It is intended by this chapter that the compensation imposed under Subsection (a) and taxes imposed by the authority not exceed the amounts necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.
- c) Fares for passenger transportation may be set according to a zone system or other classification that the authority determines to be reasonable.
- d) Except as provided by Subsection (d-1), the fares, tolls, charges, rents and other compensation established by an authority in which the principal municipality has a population of less than 1.9 million may not take effect until approved by a majority vote of a committee composed of:
 - 1) Five members of the governing body of the principal municipality, selected by that governing body;

- 2) Three members of the commissioners court of the county having the largest portion of the incorporated territory of the principal municipality, selected by that commissioners court; and
- 3) Three mayors of municipalities, other than the principal municipality, located in the authority, selected by:
 - A. The mayors of all the municipalities, except the principal municipality, located in the authority; or
 - B. The mayor of the most populous municipality, other than the principal municipality, in the case of an authority in which the principal municipality has a population of less than 320,000.

Audit Procedures for Section 451.061

- ✓ Check budget and financial audits to determine if revenue exceeds the amount necessary to produce revenue sufficient to meet the obligations of the authority under this chapter.
- ✓ Were fare changes made during the audit period approved by a majority vote of the committee outlined in (d).

Auditor Notes: *CCRTA maintains additional reserves based on the Board bylaws. The annual financial reports for 2008, 2009, 2010 and 2011 show unrestricted assets at \$26,063,981, \$23,398,741, \$23,900,805 and \$28,172,623 respectively. A portion of these unrestricted assets are maintained in four additional reserves created by the Board: Operating, Match for Capital Grants, Internal Capital Acquisitions, and Pensions/Health Benefits. Therefore, only a portion of the unrestricted assets on the financial reports are considered unrestricted based on Board policy. Those unrestricted assets, as considered by the Board, will be accessed to implement service changes outlined in the recently adopted Long Range Plans. The financial projections through 2032 contain a line item of Necessary Reserves. The Necessary Reserves are defined as 25% of the capital and operating budgets of the following year. The financial projections through 2032 show an overage between the ending cash for the year and the necessary reserves ranging from \$5.8 million in 2013 to \$52,229 in 2032 which is the end of the Long Range Plan period. However, the financial projections are informal and not included in the Long Range Plan adopted by the Board. Additionally, the Long Range Plan does not contain any specific implementation schedule for the service changes outlined in the plan.*

There were no fare changes during the audit period.

Section 451.070: Elections

- a) In an election ordered by a board:
 - 1) The board shall give notice of the election by publication in a newspaper of general circulation in the authority at least once each week for three consecutive weeks, with the first publication occurring at least 21 days before the date of the election; and
 - 2) A resolution ordering the election and the election notice must show, in addition to the requirements of the Election Code, the hours of the election and polling places in election precincts.
- b) Subsection (a) does not apply to an election under Subchapter N.
- c) An election contest may not be heard unless the comptroller is timely notified as required by Section 451.413.

Audit Procedures for Section 451.070

There were no board-ordered elections during the audit period.

Section 451.102: Budget

- a) A board shall adopt an annual operating budget of all major expenditures by type and amount. The board shall adopt the budget before the beginning of the fiscal year to which the budget applies and before the authority may conduct any business in the fiscal year.
- b) The board shall hold a public hearing on a proposed annual operating budget before adopting the budget and shall, at least 14 days before the date of the hearing, make the proposed budget available to the public.
- c) The board after public notice and a hearing may by order amend an annual operating budget.

Audit Procedures for Section 451.102

- ✓ Check board agendas to confirm appropriate notice was given for budget adoption.
- ✓ Check board minutes to confirm public hearings were held and budgets were adopted.

- ✓ Check board agendas to confirm appropriate notice was given for annual operating budget amendments.
- ✓ Check board minutes to confirm public hearings were held and any operating budget amendments were adopted.

Auditor Notes: *No findings.*

Section 451.103: Operating Expenditures

An authority may not spend for operations money in excess of the total amount specified for operating expenses in the annual operating budget.

Audit Procedures for Section 451.103

- ✓ Check annual financial report to compare expenditures versus budgeted amounts for operating expenses.

Auditor Notes: *No findings.*

Section 451.106: General Manager; Management Policies: Certain Authorities

- a) The board of an authority in which the principal municipality has a population of less than 850,000 or more than 1.9 million shall employ a general manager to administer the daily operation of the authority. The general manager may, subject to the annual operating budget and to the personnel policies adopted by the board, employ persons to conduct the affairs of the authority and prescribe their duties and compensation.
- b) Only the general manager may remove an employee. A removal is subject to board personnel policies.
- c) With the approval of the board, the general manager may contract with others for the performance of work or provision of materials for the authority.
- d) The board shall adopt policies clearly defining the respective duties of the board and the authority's staff.
- e) This section applies only to an authority described by Subsection (a).

Audit Procedures for Section 451.106

- ✓ Review board adopted personnel policies for authority to remove of employees.
- ✓ Review board adopted policies for clear definition of the respective duties of the board and authority's staff.

Auditor Notes: *No findings.*

Section 451.1075: Prohibition Of Consumption Of Alcoholic Beverage

- a) A board by resolution may prohibit the consumption of an alcoholic beverage on property an authority posses or controls. The resolution must describe with particularity each place where consumption of an alcoholic beverage is prohibited under this section.
- b) The authority shall post a sign in each place where consumption of an alcoholic beverage is prohibited under this section. The sign must indicate that a person may not consume an alcoholic beverage in that place.
- c) A person commits an offense if the person consumes an alcoholic beverage in a place where the consumption of an alcoholic beverage is prohibited under this section.
- d) An offense under this section is a Class C misdemeanor.
- e) In this section, "alcoholic beverage" has the meaning assigned by Section 1.04, Alcoholic Beverage Code.

Auditor Notes: *There is no resolution prohibiting consumption of alcohol on authority property.*

Section 451.10 9: Advisory Committee

- a) A board may establish one or more advisory committees to make recommendations to the board or the general manager on the operation of the authority. A committee has the purposes, powers, and duties, including the manner of reporting its work, prescribed by the board. A committee and each committee member serves at the will of the board.
- b) The board shall appoint persons to the advisory committee who:
 - 1) Are selected from a list provided by the general manager; and
 - 2) Have knowledge about and interests in, and represent a broad range of viewpoints about, the work of the committee.

- c) A member of an advisory committee may not be compensated by the authority for committee service but is entitled to reimbursement for actual and necessary expenses incurred in the performance of committee service.
- d) This section does not apply to an authority in which the principal municipality has a population of 850,000 or more but not more than 1.9 million.

Audit Procedures for Section 451.109

- × Review board appointments to advisory committees.
- ✓ Review advisory board compensation policies. No compensation is provided for services. Minor expenses may be reimbursed.

Auditor Notes: *The advisory committee (Committee on Accessible Transportation RCAT) has incorporated into their bylaws that a selection committee that is a subset of the RCAT Committee takes the applications and makes a recommendation to the RCAT Committee who then makes that recommendation to the Board. The Board then appoints the RCAT Committee member. This process should be adjusted so that the applications and a list of potential candidates is maintained by the General Manager and any new RCAT members are appointed by the Board from that list.*

Section 451.110: Purchases: Competitive Bidding

- a) Except as provided by Subsection c) and by Subchapter Q, a board may not contract for the construction of an improvement or the purchase of any property, except through competitive bidding after notice of the contract proposal. The notice must be published in a newspaper of general circulation in the area in which the authority is located at least once each week for two consecutive weeks before the date set for receiving the bids. The first notice must be published at least 15 days before the date set for receiving bids.
- b) The board may adopt rules on:
 - 1) The taking of bids;
 - 2) The awarding of contracts; and
 - 3) The waiver of the competitive bidding requirement:
 - A. If there is an emergency;
 - B. If there is only one source for the purchase; or
 - C. Except for a contract for construction of an improvement on real property, if:

- i. Competitive bidding is inappropriate because the procurement requires design by the supplier and if competitive negotiation, with proposals solicited from an adequate number of qualified sources, will permit reasonable competition consistent with the procurement; or
 - ii. It is ascertained after solicitation that there will be only one bidder.
- c) Subsection a) does not apply to a contract for:
 - 1) \$25,000 or less;
 - 2) The purchase of real property;
 - 3) Personal or professional services; or
 - 4) The acquisition of an existing transit system.

Audit Procedures for Section 451.110

- × Check at least three major procurements, including at least one that involved construction of an improvement on real property, to ensure competitive bidding was used (unless under \$25,000, purchase of real property, personal or professional services, or acquisition of an existing transit system).
- × Check to ensure the notice of the contract proposal was published in a newspaper of general circulation at least once each week for two consecutive weeks before the date set for receiving bids. Was the first notice published at least 15 days before the date set for receiving bids?
- ✓ Review CCTA Procurement Policies regarding rules on: Taking of bids, Awarding of contracts, and Waiver of the competitive bidding requirement:

Auditor's Note:

Reviewed the following solicitations:

- *RFP 2008-S-11 Compensation and Classification Study*
- *IFB 2008-FC-06 ADA Bus Stop Improvements*
- *2008 PT-03 Contracted Fixed Route & Demand Responsive Transportation Service – CCRTA only provided the proposals submitted. Hard copy file did not contain any documentation of public notice of the RFP, evaluation material, or Board minutes approving the contract.*

Section 451.111: Purchases: Notice Of Noncompetitive Bid Proposals

- a) Except as provided by Subchapter Q, unless the posting requirement in Subsection b) is satisfied, a board may not let a contract that is:
 - 1) for more than \$25,000; and

- 2) for:
 - A. The purchase of real property; or
 - B. Consulting or professional services.
- b) An announcement that a contract to which this section applies is being considered must be posted in a prominent place in the principal office of the authority for at least two weeks before the date the contract is awarded.
- c) This section does not apply to a contract that must be awarded through competitive bidding or for the purchase of an existing transit system.

Audit Procedures for Section 451.111

- ✓ Check at least two procurements for which competitive bidding were NOT used. Ensure the procurements meet the requirements for noncompetitive bidding: \$25,000 or less, Purchase of real property, Personal or professional services, and Acquisition of an existing transit system
- ✗ Check to ensure the announcement that a noncompetitively bid contract is being considered was posted in a prominent place in CCRTA's principal office for at least two weeks before the date of contract award.

Auditor's Notes:

Reviewed the following sole source contracts:

- *2010-FP-28 GFI Fareboxes & GFI Printer/Endcoder – There was no documentation that a notice was placed in CCRTA offices for two weeks prior to contract approval.*
- *2009-FP-17 Fixed Route Automated Vehicle Locator/Computer Aided Dispatch (AVL/CAD) System – There was no documentation that a notice was placed in CCRTA offices for two weeks prior to contract approval.*

Section 451.251: Contract Goals For Disadvantaged Businesses

An authority that does not have an up-to-date disadvantages business enterprise program, as defined by 49 CFR Part 23, to assist minorities and women in participating in authority contracts should establish goals for that participation. The recommended contract goals are:

- 1) 17 percent for construction, 11 percent for purchasing, and 24 percent for professional services; or
- 2) The weighted average equivalent of the categories in Subdivision (1).

Audit Procedures for Section 451.251

- ✓ Review CCTA Disadvantaged Business Enterprise Program to ensure compliance with 49 CFR Part 23.

Auditor Notes: *No findings.*

Section 451.255: Transportation For Jobs Program Participants

- a) An authority shall contract with the Texas Department of Human Services to provide, in accordance with federal law, transportation services to a person who:
 - 1) Resides in the area served by the authority
 - 2) Is receiving financial assistance under Chapter 31, Human Resources Code; and
 - 3) Is registered in the jobs opportunities and basic skills training program under Part F, Subchapter IV, Social Security Act (42 USC Section 682).
- b) The contract must include provisions to ensure that:
 - 1) The authority is required to provide transportation services only to a location:
 - A. To which the person travels in connection with participation in the jobs opportunities and basic skills training program; and
 - B. That the authority serves under the authority's authorized rate structure and existing services;
 - 2) The authority provides directly to the Texas Department of Human Services trip vouchers for distribution by the department to a person who is eligible under this section to receive transportation services;
 - 3) The Texas Department of Human Services reimburses the authority for allowable costs, at the applicable federal matching rate; and
 - 4) The Texas Department of Human Services may return undistributed trip vouchers to the authority.
- c) An authority shall certify the amount of public funds spent by the authority under this section for the purpose of obtaining federal funds under the jobs opportunities and basic skills training program.

Audit Procedures for Section 451.255

- ✓ Review contract with the Texas Department of Human Services to provide transportation services for eligible jobs opportunities and basic skills training programs.

- ✓ Review procedures for provision of vouchers to the Texas Department of Human Services.
- ✓ Review certifications of the amount of public funds spent by the authority under this section.

Auditor Notes: *No Findings*

Subchapter H: Bonds

No bonds were issued during the audit period.

Subchapter I: Taxation

No taxes have been imposed during the audit period. CCRTA does not collect vehicle emissions tax.

Section 451.501: Board Membership

- a) Except as provided by Subsection (b), a board is composed of:
 - 1) Five members; plus
 - 2) The number of additional members determined under Subsection (c), (d) or (e).
- b) The board of an authority created by an alternate municipality is composed of five members.
- c) If less than 50 percent of the population of the principal county, excluding the population of the principal municipality, reside in the authority, the board has two additional members.
- d) If 50 percent or more but less than 75 percent of the population of the principal county, excluding the population of the principal municipality, reside in the authority, the board has four additional members.
- e) If 75 percent or more of the population of the principal county, excluding the population of the principal municipality, reside in the authority, the board has six additional members.
- f) In this section and Section 451.502, "principal county" means the county in which not less than 51 percent of the territory of the principal municipality is located.
- g) This section does not apply to the board of an authority described by Section 451.5021 (a).

Audit Procedures for Section 451.501

- ✓ Review board membership, Board shall have eleven members.

Auditor Notes: *No findings.*

Section 451.502: Appointment Of Members

- a) The five board members under Section 451.501(a)(1) are appointed by the governing body of the principal municipality, except in an authority having a principal municipality with a population of more than 1.9 million, the board members are appointed by the mayor of the principal municipality and are subject to confirmation by the governing body of the principal municipality.
- b) In an authority created by an alternate municipality, the board members are appointed by the mayor of the alternate municipality and are subject to confirmation by the governing body of the alternate municipality.
- c) In an authority having two additional members, the additional members are appointed as follows:
 - 1) One member appointed by a panel composed of:
 - A. The mayors of the municipalities in the authority, excluding the mayor of the principal municipality; and
 - B. The county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county; and
 - 2) One member appointed by the commissioners' court of the principal county.
- d) In an authority having four additional members, the additional members are appointed as follows:
 - 1) Two members appointed by a panel composed of:
 - A. The mayors of the municipalities in the authority, excluding the mayor of the principal municipality; and
 - B. The county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county; and
 - 2) Two members appointed by the commissioners' court of the principal county.

- e) In an authority having six additional members, the additional members are appointed as follows:
- 1) Two members appointed by a panel composed of:
 - A. The mayors of the municipalities in the authority, excluding the mayor of the principal municipality; and
 - B. The county judges of the counties having unincorporated area in the authority, excluding the county judge of the principal county;
 - 2) Three members appointed by the commissioners court of the principal county; and
 - 3) One member, who serves as presiding officer of the board, appointed by a majority of the board.
- f) This section does not apply to the board of an authority described by Section 451.5021 (a).
- g) The principal municipality shall make its appointments to the board so that at least one of the appointees is designated to represent the interests of the transportation disadvantaged.

Audit Procedures for Section 451.502

- ✓ Review board appointment process and board membership list.

Auditor Notes: No findings.

Section 451.503: Appointments Panel

- a) The mayor of the most populous municipality represented on a panel under Section 451.502 serves as the presiding officer of the panel.
- b) The presiding officer shall, by giving written notice to each member, call a meeting of the panel as necessary to make an appointment. An appointment shall be made not later than the 60th day after the date a position becomes vacant, including the initial vacancy of the creation of the position.

Audit Procedures for Section 451.503

- ✓ Review appointment process and documentation of appointment meetings

Auditor Notes: No findings.

Section 451.505: Board Terms

- a) The term of board membership is two years.
- b) The terms of member of a board are staggered if the authority was created before 1980 and has a principal municipality with a population of less than 1.9 million.

Audit Procedures for Section 451.505

- ✓ Review board member terms and board membership list.

Auditor Notes: No findings.

Section 451.506: Term Limitations

- a) A member of the board may be reappointed as provided by this section.
- b) An individual may not serve more than eight years on the same board and may not be appointed to a term for which service to the completion of the term would exceed this limitation. This subsection applies only to a board of an authority:
 - 1) In which the principal municipality has a population of more than 1.9 million or less than 320,000; or
 - 2) Created before 1980 and in which the principal municipality has a population of less than 1.9 million.
- c) An individual may serve two terms as presiding officer under Section 451.502(e), in addition to any service on the board before being appointed under that subsection. This subsection does not apply to an individual serving on the board of an authority described by Subsection (b) or an authority confirmed before July 1, 1985, and in which the principal municipality has a population of less than 850,000.
- d) A term limitation provided by this section does not apply to service on the board by a holdover pending the qualification of a successor.

Audit Procedures for Section 451.505

- ✓ Review board member terms and board membership list.

Auditor Notes: No findings.

Section 451.514: Board Meetings: When Held

- a) A board shall hold at least one regular meeting each month to transact the business of the authority. The board by resolution recorded in the minutes of the board's meetings shall set the place, date, and time for each regular meeting.
- b) The presiding officer of the board or the general manager of the authority may by written notice call a special meeting of the board.

Audit Procedures for Section 451.514

- ✓ Review board agendas for regular and called meetings.
- ✓ Review board minutes for setting the place, date and time for each regular meeting.

Auditor Notes: No findings.

Section 451.515: Board Meetings: Voting

- a) An action of a board requires a vote of a majority of the members of the board present at a board meeting unless the bylaws of the board require a larger number for a particular action.
- b) This section does not permit a board action in the absence of a quorum.

Audit Procedures for Section 451.515

- ✓ Review board minutes for quorums and majority vote of the board members present for board action.

Auditor Notes: No findings.

Section 451.517: Board Meetings: Rules And Bylaws

A board by resolution may adopt rules and bylaws for the conduct of board meetings. These rules and bylaws shall be recorded in the minutes of board meetings.

Audit Procedures for Section 451.517

- ✓ Review rules and bylaws adopted by the board.

Auditor Notes: No findings.

Section 451.518: Board Meetings: Notice

In addition to notice required by Chapter 551, Government Code, a board shall post a board meeting notice in the authority's administrative offices and at the courthouse of the most populous county in which the principal municipality of the authority is located, each on a bulletin board at a place convenient to the public.

Audit Procedures for Section 451.518

- ✓ Review board meeting notices.
- ✓ Confirm notice posted on a bulletin board at the administrative offices.
- ✗ Confirm notice sent to counties.

Auditor Notes: Per Chapter 551, Government Code, notices should be sent to both counties in the Authority for posting on a bulletin board at a place convenient to the public.

Section 451.520: Board Officers And Secretaries

- a) The board shall elect from among its membership a presiding officer, an assistant presiding officer, and a secretary. This subsection does not apply to the selection of a presiding officer who is appointed under Section 451.502(e)(3).
- b) The board may appoint one or more assistant secretaries, who are not required to be members.
- c) The secretary and assistant secretaries shall keep a permanent record of the proceedings and transactions of the board and perform other duties required by the board.

Audit Procedures for Section 451.520

- ✓ Review board meeting agendas and minutes to confirm election of officers and secretaries.

Auditor Notes: No findings.

Subchapter L: Addition Of Territories

There has been no addition of territories during the audit period.

Subchapter M: Withdrawal Of Territory From Authority

There has been no withdrawal of territory during the audit period.

Subchapter O: Advanced Transportation District

There have been no advanced transportation districts implemented during the audit

Study Recommendations

- Focus on increasing the fare recovery rate.
- Focus on reducing accidents per 100,000 miles.
- Focus on increasing miles between road calls.
- Focus on improving on-time performance.
- Develop implementation plan that includes fiscal constraints and timeframes for implementing the services outlined in the recently adopted Long Range Plan.
- Adjust the process for advisory committee members allowing the CCRTA CEO to accept applications and maintain a list of eligible, interested citizens for the Advisory Committee. The Board of Directors should choose Advisory Committee members from this list. Revise the Advisory Board bylaws to reflect this revised process.
- Ensure that all required documents are maintained in bid document files.
- Ensure that notices are posted at least two weeks in advance of a Board meeting where a non-competitive bid is going to be awarded; copies of those notices must be maintained in the procurement file.
- Send Board meeting notices to both counties in the Authority service area.

