

810 Mission Avenue
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GoNCTD.com

Agenda

Performance, Administration and Finance (PAF) Committee

Mike Sannella, Committee Chair
Priya Bhat-Patel, Committee Member
Jewel Edson, Committee Member
Corinna Contreras, Committee Member

Eun Park-Lynch – Committee Liaison

Date: Thursday, February 20, 2025 at 12:00 P.M.

**Location: NCTD
810 Mission Avenue, Oceanside, CA 92054**

View Live Stream at:
<https://www.youtube.com/GoNCTD>

MISSION

North County Transit District's mission is to operate an environmentally sustainable and fiscally responsible transit network that provides seamless mobility for all while achieving organizational and operational excellence.

VISION

NCTD envisions a comprehensive transit and mobility system that connects all North County San Diego residents and visitors to a healthy, economically vibrant, and thriving region.

For individuals with disabilities, NCTD will provide assistive services. To obtain such services or copies of documents in an alternate format, please call or write, a minimum of 72 hours prior to the event, to request these needed reasonable modifications. NCTD will make every attempt to accommodate requests that do not give 72-hour notice. Please contact the Clerk of the Board at (760) 966-6696 or clerk@ntd.org.

For individuals with sensory disabilities, this document is available in alternate formats. For information, please contact the Clerk of the Board at 760/966-6696 or clerk@nctd.org. Persons with hearing impairment, please use the California Relay Service (CRS): 800/735-2929 TTY; 800/735-2922 voice; 800/855-3000 Spanish. CRS Customer Service: 877/632-9095 English or 877/419-8440 Spanish.

Agenda materials can be made available in alternative languages upon request. To make a request, please call (760) 966-6696 or clerk@nctd.org at least 72 hours in advance of the meeting.

Los materiales de la agenda de NCTD están disponibles en otros idiomas. Para hacer una solicitud, llame al (760) 966-6696 o por correo electrónico a clerk@nctd.org al menos 72 horas antes de la reunión.

Any writings or documents provided to a majority of the members of the NCTD Board of Directors regarding any item on this agenda will be made available for public inspection at the office of the Clerk of the Board located at 810 Mission Avenue, Oceanside, CA 92054, during normal business hours.

PUBLIC COMMENT

IN-PERSON PARTICIPATION AT THE BOARD MEETINGS: All persons wishing to address the Board of Directors during the meeting can do so in-person. Speakers must complete a "Request to Speak" form provided before entering the Board Room at the NCTD, 810 Mission Avenue, Oceanside, CA. The completed form must be given to the Clerk of the Board before that agenda item is called. Members of the public may also submit their comments via email at publiccomment@nctd.org. All comments received prior to the start of the Board or Committee meeting will be provided to the Board/Committee and made available for public inspection on the NCTD website at: <https://gonctd.com/about-nctd/board-information/> prior to the meeting and included in the record of the Board/Committee Meeting.

VIRTUAL PUBLIC PARTICIPATION PROCEDURE:

Zoom Participation:

Members of the public may view or participate in the meeting through Zoom from a PC, MAC, iPad, iPhone, or Android device, at the following URL:

<https://nctd.zoom.us/j/82427031104?pwd=5zlhMR6p6bqQJHlnxI50a6SQSnWr0P.1>

Passcode: 377455

Phone Participation:

To join the meeting by phone, dial 669-900-6833

Webinar ID: 824 2703 1104

Password: 377455

If you would like to speak on an agenda item via Zoom during the meeting, you must email the Clerk of the Board at clerk@nctd.org. Please provide the Clerk your name and item number you wish to comment on. *If you plan on calling into the Zoom meeting rather than videoconferencing, you must also provide the telephone number you will be using.* You must be logged on to the Zoom meeting by phone or online to speak. When it is your turn to comment, the Clerk of the Board will call you by name or phone number. Members of the public may register with the Clerk of the Board to speak on an agenda item until the public comment period for that item is closed.

The public may also provide oral comments on agenda items by calling (760) 966-6560. When prompted, the caller should identify the agenda item they wish to speak about and leave a message not to exceed three minutes. All telephonic comments received prior to the start of the Board or Committee meeting will be provided to the Board/Committee prior to the meeting and made available for public inspection on the NCTD website at: <https://gonctd.com/about-nctd/board-information/>.

PAF COMMITTEE MEETING BEGINNING AT 12:00 PM

- CALL TO ORDER
- ROLL CALL OF BOARD MEMBERS
- SAFETY BRIEF & EVACUATION PROCEDURES – Taylor Siwy, Deputy Clerk
- PUBLIC COMMUNICATIONS

There is a time limit of 15 minutes for this section of Public Communications and each speaker is limited to three minutes for their presentation.

All written and/or telephonic comments received by 5:00 p.m. the day before the meeting will be shared with the Board of Directors and made available for public inspection prior to the meeting. Written and/or telephonic comments may not be read aloud or played for the Board of Directors during the meeting. All telephonic and written comments will be made part of the record.

AGENDA ITEMS 1 – 3

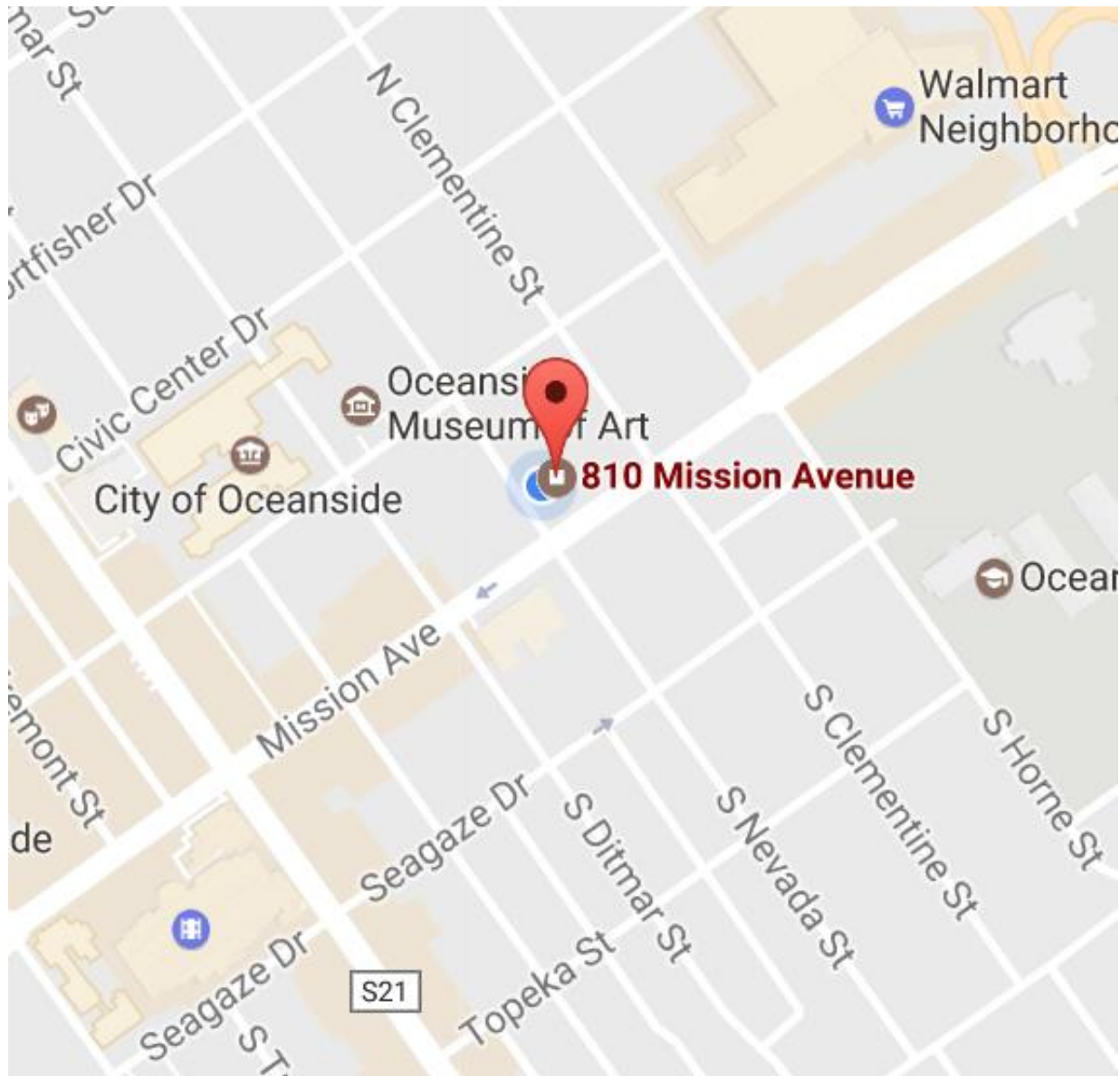
1. **Elect PAF Committee Vice-Chair**
The Committee will elect a Vice-Chair for the PAF Committee. The Committee Member elected as the Committee Vice-Chair will sit on the NCTD Executive Committee per NCTD Board Policy No. 3 – *Committee and External Appointments*.
(*Suheil Rodriguez, Director of Administration/Clerk of the Board*)
 2. **Receive Proposed Calendar Year 2025 PAF Committee Work Plan**
Per NCTD Board Policy No. 3 – *Committees and External Appointments*, the Committee will receive and discuss staff's proposed work plan for the CY2025 PAF Committee. (Attachment)
(*Eun Park-Lynch, Chief Financial Officer*)
 3. **Receive Results of CY2024 Internal Audit and Adopt CY2025 Internal Audit Plan**
Staff will present the results of the CY2024 internal audit directed by the PAF Committee and consider adoption of staff's proposed CY2025 Internal Audit Plan. (Attachment)
(*Karen Tucholski, Senior Legal Counsel – Regulatory Compliance*)
- ADJOURNMENT
 - CERTIFICATIONS AND RULES (FOR BOARD AND PUBLIC INFORMATION)
 - Posting of Board Agenda (Page 5)
 - Rules for Public Speakers at meetings of the North County Transit District (Page 6)

Upcoming Meetings:

- **Regular Board Meeting: February 20, 2024 at 2:00 p.m.**
- **Regular Board Meeting: March 20, 2024 at 2:00 p.m.**
- **Marketing, Service Planning and Business Development (MSPBD) Committee Meeting: March 24, 2025 at 10:00 a.m.**

All Regular Board and Committee Meetings will be held at NCTD Administrative Offices, 810 Mission Ave., Oceanside CA, unless otherwise provided on public notice.

MAP OF NORTH COUNTY TRANSIT DISTRICT OFFICES



The NCTD Board Chambers is located at NCTD Administrative Offices, 810 Mission Avenue, Oceanside, CA 92054 and is accessible by the COASTER (NCTD Commuter Rail), SPRINTER (NCTD Hybrid Rail), and the BREEZE (NCTD Bus).

Please log onto www.goNCTD.com to check our current routes and schedules, or call 1-800-COMMUTE.

February 13, 2025

To: North County Transit District Board Members
From: Taylor Siwy, Deputy Clerk
Subject: Posting of Performance, Administration and Finance
(PAF) Committee Agenda

In Compliance with the Ralph M. Brown Act, as Amended, the following information is provided.

The Agenda for this meeting of the NCTD Performance, Administration and Finance Committee was posted as follows:

Meeting Date & Time: February 20, 2025 at 12:00 p.m.

Posted At: 810 Mission Avenue, Oceanside, CA

Posted Online At: www.goNCTD.com

Date & Time of Posting: February 13, 2025 by 5:00 p.m.

Posted By: Taylor Siwy, Deputy Clerk

Rules for Public Speakers at Meetings of the North County Transit District

Per Board policy, all public communications at meetings of the North County Transit District shall be made and received in accordance with the following procedures:

1. COMMENTS FOR MATTERS NOT ON AGENDA

- A. Total time limit for telephonic comments:
 - Beginning of meeting: Fifteen (15) minutes
 - End of meeting: No time limit.
- B. Time limit per speaker per meeting: Three (3) minutes, with no donation of time allowed.
- C. Priority: First come, first served. Speakers who registered to speak with the Clerk will be able to address the Board of Directors in the order they were received.
- D. Order on agenda: Comments for matters not on the agenda will be heard at the beginning of the meeting and if the time limit stated in Paragraph A is exhausted, comments that were unable to be heard due to time limit stated above, will be heard at the end of the meeting under *“Remaining Public Communications.”*

2. TIME LIMITS FOR ADDRESSING MATTERS ON THE AGENDA

- A. Total time limit: None.
- B. Time limit per speaker: Three (3) minutes, with one donation of three minutes, for a maximum of six minutes.
- C. These rules apply to both public hearing and non-public hearing items listed on the agenda.
- D. Comments made not germane to the subject matter of the agenda item being considered are out of order.

3. CUTOFF FOR TURNING IN SPEAKER SLIPS

- A. Members of the public may register with the Clerk to speak on an agenda item up until the public comment period is closed.

4. MODIFICATION OF RULES BY CHAIR

- A. The Board Chair may, in his or her absolute discretion, relax the requirements of these rules. However, a decision of the Chair to do so in one instance shall not be deemed a waiver of the rules as to any other instance or matter.

**Performance, Administration, and Finance (PAF) Committee****DRAFT CY2025 WORK PLAN**

Mike Sannella, Committee Chair
Priya Bhat-Patel, Committee Member
Jewel Edson, Committee Member
Corinna Contreras, Committee Member

Staff Committee Liaison:
Eun Park-Lynch, Chief Financial Officer

COMMITTEE REVIEW	ITEM
February	• Elect PAF Committee Vice-Chair • Receive Proposed CY2025 PAF Committee Work Plan • Receive Results of CY2024 Internal Audit Plan and Adopt CY2025 Internal Audit Plan
May	• Receive Update on Proposed FY2026 Operating and Capital Budget • Receive Update on the FTA Triennial Audit • Receive Draft Proposed FY2026 Fee Schedule
December	• Receive FY2025 Unaudited Financial Statements and Key Performance Indicators • Receive Update on NCTD's Pension Liability GASB 68 Report • Receive Update on the Proposed FY2027-FY2031 Capital Improvement Program • Review Updates to Internal Audit Program and Charters



Results of CY2024 Internal Audits and Adoption of CY2025 Internal Audit Plan

PAF Committee Meeting
February 20, 2025

COASTER

SPRINTER

BREEZE

FLEX

LIFT



Background

- **Key purposes of the Internal Audit Program (IAP):**
 - Provide reasonable assurance that internal control systems are well designed and operating effectively
 - Assist in identifying measures to incorporate efficient and effective systems of operations
 - Help NCTD's Board of Directors and Executive Management achieve NCTD's goals and objectives
- **PAF Committee is responsible for approving the annual Internal Audit Work Plan**



CY2024 IAP Audit Results

- **Accounts Payable (AP) Operations – Examine AP processes for NCTD policy compliance, overall efficiency and effectiveness**

Audit Observation	Recommendation
➤ Invoices are not always timely approved and/or routed through all steps in the Laserfiche electronic process (compliance, efficiency)	(1) Enhance use of technology within Laserfiche to send auto-generated system reminders at applicable steps of process and timely remove terminated employees reassign open tasks to other staff (2) Expand training on invoice processing for all parties, especially Project Managers
➤ Vendor Master File (VMF) function in JDEdwards is maintained by PCA Division, but doesn't establish clear guidelines for file setup, edits, etc.; VMF is accessible for editing by Finance Division staff (internal control risk)	(1) PCA to develop standardized VMF guidelines; update internal policies accordingly (2) Limit access to Vendor Master File to "read-only" for Finance Division staff
➤ No management reports or KPI's exist to monitor and drive AP processing efficiencies	(1) Develop management reports and KPI's for AP processing



CY2024 IAP Audit Results

- Fare Collection & Enforcement (FCE) – Examine FCE processes for NCTD policy compliance, effectiveness of internal controls regarding processing/safeguarding fare revenue**

Audit Observation	Recommendation
➤ No documented guidelines regarding level of acceptable fare evasion; fare evasion costs NCTD approximately \$3 million in lost revenue annually	(1) NCTD should develop formalized guidelines/policies around fare evasion and enforcement (2) Consider creating a closed (gated) fare system
➤ Lack of detail in daily cash handling procedures; lack of redundancy in staff responsibilities for Fare Revenue Specialist (internal control risk)	(1) Finance and Customer Service need to collaborate to refine daily cash handling procedures (2) Document fare revenue collection procedures in detail; train additional staff beyond the Fare Revenue Specialist
➤ Existing process performed by MV for collecting and handling LIFT fares needs increased controls (internal control risk)	(1) NCTD Finance and Bus should collaborate to develop procedures with increased controls (NOTE: this issue will be addressed with bus in-housing)



Proposed CY2025 IAP Work Plan

- Finalize implementation of CY2024 audit recommendations for Accounts Payable and Fare Collection and Enforcement
- Update the Internal Audit Program to reflect in-house operations of all modes and services and current best practices for internal audit programs
- Present revised IAP program to PAF Committee at its December 2025 meeting



Staff Recommendation

- Adopt the Proposed CY2025 Internal Audit Plan



Questions?

