
Triennial Performance Audit of the Tuolumne County Transit Agency

Fiscal Years 2013-14 to 2015-16



Prepared for the
Tuolumne County Transportation Council

Prepared by



LSC Transportation Consultants, Inc.

**TUOLUMNE COUNTY TRANSIT AGENCY
TRIENNIAL PERFORMANCE AUDIT
FY 2013-14 – FY 2015-16**

Draft

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Executive Summary

The California Public Utilities Code requires that all transit operators that receive funding under Article 4 of the Transportation Development Act (TDA) be subject to a performance audit every three years. This document presents the findings from the Triennial Performance Audit (TPA) of the sole TDA-funded transit operator in Tuolumne County, Tuolumne County Transit Agency. As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in Tuolumne County, this audit was performed under the authority of the Tuolumne County Transportation Council (TCTC).

This audit report covers Fiscal Year (FY) 2013-14 through FY 2015-16, and was conducted by LSC Transportation Consultants, Inc. The audit process follows guidelines outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* developed by Caltrans in 2008.

BACKGROUND

Tuolumne County Transit Agency (TCTA) is was formed through a Joint Powers Agreement between Tuolumne County and the City of Sonora. Tuolumne County Transit Agency an independent entity with its own staff and governed by a Board of Directors composed of representatives from both the County and the cities. TCTA provides fixed route and demand response services.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

Table 1-3 in Chapter 1 of the audit report presents operating and financial statistics for the current audit period and the prior audit period for TCTA. Figures 1 – 6 graphically present performance indicators for all TCTA services. During this audit period, TCTA systemwide ridership increased by roughly 2.2 percent. Over the past six years, ridership increased by 14 percent. Operating cost per vehicle service hour increased (from \$92.41 in FY 2013-14 to \$95.45 in FY 2015-16) but productivity increased from 5.35 trips per hour to 5.71 trips per hour. Operating costs hit an all-time high in FY 2014-15 which resulted in a drop in farebox ratio to just below the 10 percent minimum for maximum eligibility of TDA. However, operating costs were reduced by 13 percent the following year in an effort to achieve the minimum farebox ratio. Given the rural nature of the county and population decrease (according to the US Census), TCTA performs at a level that is typical of similar rural transit systems.

TCTA compiled operating statistics in accordance with TDA definitions, as presented in Appendix B of the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*. As for the overall data collection and recording process, TCTA manually enters driver recorded data into spreadsheets which are summarized for monthly and annual reports. This process is subject to human error.

REVIEW OF COMPLIANCE REQUIREMENTS

The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* recommends reviewing transit operator compliance with certain TDA regulations that

relate to transit performance. Table 4 presents TCTA's compliance with these requirements. During the audit period, TCTA was found to not be in compliance on three issues: (1) State Controller Reports were not filed within the required time period, 2) Fiscal and Compliance Audits were not completed within the specified time period, 3) TCTA's farebox ratio dropped below 10 percent for one year.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Majic Consulting. The recommendations and their status from that effort are presented below.

Recommendation 1: Update, simplify, and streamline the TCT website to embrace the requirements of Universal Design for mobile access and ADA compatibility. - **Implementation Complete.**

Recommendation 2: Ensure fixed route drivers make appropriate stop announcements and route announcements in compliance with the U.S. Department of Transportation (USDOT) Federal Transit Administration regulations regarding the American with Disabilities Act (ADA). - **Implementation Complete.**

Recommendation 3: Revise TCTA's Americans with Disabilities Act (ADA) application to ensure system required information is included and adjust in order to speed data entry of applications into the reservation system. - **Implementation Complete**

Recommendation 4: Complete the revised Marketing Plan and ensure consistent branding and positioning in all future marketing collateral. - **Implementation Complete.**

Recommendation 5: Maintain key reporting documentation and ensure that all key documentation is readily available for a minimum of four (4) years (or the completion of the next performance audit). - **Implementation In Progress.**

Recommendation 6: Fiscal and Compliance Audits (Carry-Forward Recommendation from the Prior Audit) Work with the fiscal and compliance auditor to ensure that a breakout in terms of operating costs and revenues by service – fixed route and demand response – is conducted - **Not Required.**

Recommendation 7: Ensure that all planning and contract documents provide consistent guidance regarding performance requirements, and enforce the contract appropriately. - **Implementation Complete.**

Recommendation 8: Revise contractor's employee application process to avoid potentially illegal interview questions. - **Implementation Complete.**

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

An important step in the performance audit process is to evaluate standard transit operator functions in terms of efficiency and effectiveness. This is done through on-site interviews with

transit staff. The review of transit operator functions can be divided into the following categories:

- ◆ General Management and Organization
- ◆ Service Planning
- ◆ Administration
- ◆ Scheduling, Dispatch and Operations
- ◆ Marketing and Public Information
- ◆ Maintenance

TCTA has a well-defined program of administrative oversight. Transit services changes are appropriated evaluated before and after implementation. Overall, transit operations and dispatch go smoothly. TCTA has in place safety, operations and training procedures which comply with applicable regulations. Sufficient marketing and public outreach efforts are conducted by TCTA. Contractor staff has a productive relationship with TCTA staff. Vehicle replacement is on-going so as to maintain a safe and operable fleet.

FINDINGS

1. Ridership increased significantly from the prior audit period (around 8 percent from 111,715 in FY 2012-13 to 120,663 in FY 2015-16), despite low gas prices.
2. Reliability of transit service as measured in terms of on-time performance increased during the audit period, particularly on the fixed routes. Much of the improvement can be attributed to the ability to continually monitor on-time performance through the NextBus software and GPS system.
3. The auditor was unable to obtain documentation showing submittal dates for some of the State Controller Reports and proof of receiving a 90 day extension for submittal of Fiscal and Compliance Audits.
4. TCTA implemented all of the recommendations from the prior performance audit with the exception of two. One recommendation is in progress and another was considered to not be required by the TDA.
5. TCTA systemwide farebox ratio dipped slightly the mandatory 10 percent farebox ratio for a rural transit system from in FY 2014-15. Farebox ratio rebounded the following year to 11.45 percent as a result of TCTA cost cutting and revenue increasing measures.

RECOMMENDATIONS

Recommendation 1: *Assist the County Auditor with accurate and timely submittal of State Controller Reports. Maintain copies of all State Controller Reports along with proof of timely submittal in the TCTA files.*

Recommendation 2: *Work with the Fiscal and Compliance Auditor to submit Fiscal and Compliance Audits to the State Controller and TCTC within 180 days of the end of the fiscal year. If a 90 day extension is required and requested, TCTA should maintain the extension request in the files along with the reports.*

Recommendation 3: *Continue to monitor operating costs and fare revenues to ensure that farebox ratio does not decrease below the 10 percent minimum specified in TDA for rural transit operators. In addition to streamlining services, TCTA should consider changes to the fare structure and cost effective alternative transportation strategies so that Tuolumne County residents' mobility is not significantly impacted.*

Triennial Performance Audit Results

BACKGROUND

The Transportation Development Act (TDA), also known as the “Mills-Alquist Deddeh Act,” provides two major sources of funding for public transportation providers in California: the Local Transportation Fund (LTF) and the State Transit Assistance (STA) program. The LTF is derived from 0.25 percent of the 7.25 percent retail sales tax collected statewide and can be used for a variety of transportation purposes according to a set of priorities detailed in the Act. The State Board of Equalization returns the LTF to each county according to the amount of tax collected in that county. STA funds are derived from statewide sales tax on diesel fuel, and are allocated to each county based on the following formula: 50 percent according to population, and 50 percent according to operator revenues from the prior fiscal year. STA funds can only be used to pay for transit planning, capital projects, and operations.

The *California Public Utilities Code* requires that a Triennial Performance Audit (TDA) be conducted for all transit operators and Regional Transportation Planning Agencies. A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance the performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and the degree of compliance with established policies and procedures. Rural transit operators who make claims under Article 4 of the TDA in rural counties must maintain a minimum farebox recovery ratio of 10 percent, unless they achieved a higher ratio in the “base year” of FY 1978-79.

The Tuolumne County Transportation Council (TCTC) allocates TDA funds for public transit services in Tuolumne County. There is only one transit operator in Tuolumne County: Tuolumne County Transit Agency (TCTA). TCTA public transit services lie completely within a rural area as defined by the US Census Bureau. Therefore, TCTA services are subject to a 10 percent farebox ratio requirement.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consisted of seven elements:

- ◆ Initial review of transit operator functions
- ◆ Review of compliance requirements
- ◆ Follow-up review of prior performance audit recommendations
- ◆ Verification and use of performance indicators
- ◆ Detailed review of transit operator functions
- ◆ Preparation of the Draft Audit report

- ◆ Preparation and presentation of the Final Audit report

TRANSIT PROGRAM DESCRIPTION

TCTA is the regional transit operator for Tuolumne County. Public transit in Tuolumne County originally began as independent social service agencies providing transportation for their respective clients. In 1967, public transportation was consolidated under the umbrella of the County, through a Joint Powers Agreement between the City and the County. In 2010, operation of public transit service was transferred from the County to the Regional Transportation Planning Agency (RTPA), Tuolumne County Transportation Council (TCTC) through a Joint Powers Agreement between Tuolumne County and the City of Sonora. In 2011, TCTA was formed as a separate agency with the specific purpose of operating public transit. However, the RTPA (TCTC) and transit operator (TCTA) share the same board and staff. A private transportation company, Storer Transit Systems, is contracted to provide all the drivers, dispatchers, mechanics and other staff necessary for the operation and management of Tuolumne County Transit.

During the audit period, TCTA operated six **fixed routes** serving the communities of Sonora, Tuolumne, Jamestown, Columbia, and Twain Harte. Buses generally run from 7:00 AM to 8:00 PM Monday through Friday. Each route has established "On-Demand" stops which can be arranged by calling at least 15 minutes in advance. Passengers may also "flag" the bus if the bus can stop in a safe location. On-demand and flag stops do not appear to be abused or cause unnecessary delays. Courthouse Park and the Crossroads Shopping Center are transfer points for fixed route passengers. The individual routes are as follows:

- **Route 1 Sonora Loop** – This route makes a loop through downtown Sonora and East Sonora between the Junction Shopping Center and the Crossroads Shopping Center on hourly headways.
- **Route 2 Sierra Village to Sonora Loop** – This route travels from the courthouse park transfer point as far to the east on SR 108 as the small community of Sierra Village every two hours.
- **Route 3 Jamestown to Columbia** – This route travels between Columbia College, through Sonora and south on SR 49 to Jamestown and the Chicken Ranch Casino with a few stops in Sonora, five times daily. Passenger can transfer to/from Calaveras Transit at Columbia College.
- **Route 4 Sonora to Columbia** – Route 4 connects downtown Sonora with Columbia College with limited scheduled stops. The route makes four round trips per day.
- **Route 5 Sonora to Tuolumne** – This route travels along Tuolumne Road to connect the community of Tuolumne with commercial destinations in Sonora. The route operates six times a day and also serves the Cascade Mobile Home Park.

- **Route 6 Sonora – Phoenix Lake – Crystal Falls** – This route travels between the Crossroads Shopping Center and the Crystal Falls Market in Mono Village every two hours.

Dial-A-Ride (DAR) is available to persons with disabilities (no ADA certification required) and persons age 60 or older Monday through Friday from 6:00 AM to 8:00 PM within a three-quarter mile radius of the fixed routes. On Saturdays, DAR is also available to the general public from 11:00 AM to 4:00 PM.

TCTA operates a seasonal **Dodge Ridge Ski Bus** along SR 108 on winter weekends and holidays through March. In the morning the Ski Bus picks up its first passengers around 7:00 AM in Sonora and makes several fixed and on-demand stops along the way before arriving at Dodge Ridge around 8:45 AM. Dodge Ridge Ski Resort guarantees the fare for a minimum number of rides for this service.

Special Event Transit Services - TCTA recognizes the importance of supporting community events such as parades or fairs through assistance with transportation and circulation. TCTA allocates roughly \$10,000 of the annual operating budget to providing transportation for attendees of these events to/from a temporary park and ride lot. This in turn mitigates parking and traffic impacts caused by the events. The organization sponsoring the event must apply for special event transit service. As Special Event Transit Services are open to the public and the charitable organization sponsoring the event is not contracting with TCTA to provide the service, the service is not considered Charter Service.

The **Tuolumne Trip Program** is a transportation reimbursement program formed through a partnership with Tuolumne County and local non-profit organizations. The program was designed to serve residents who require extra assistance and therefore are unable to use the fixed route or DAR services. Eligible users are responsible for finding and paying their own volunteer driver. TCTA only provides reimbursement for the trip and therefore the program requires little in the way of administrative costs. Tuolumne Trip Program is advertised through social service agencies and the TCTA Executive Director approves each users' eligibility. TCTA provides up to \$10,000 in LTF funding for the reimbursements. In FY 2015-16 a total of 962 trips were provided with an average cost per trip provided of \$5.31. This program is significantly more cost effective in serving remote areas than the discontinued Groveland DAR service. Operating cost per trip for the Groveland DAR in FY 2012-13 was around \$54.62.

TCTA also partners with Yosemite National Park, **Yosemite Area Regional Transportation System** (YARTS) to provide the Sonora to Yosemite YARTS bus route. TCTA does not operate or provide operations funding for the service. Rather, TCTA provides administrative staff time to market the service in the Sonora region.

TUOLUMNE COUNTY TRANSPORTATION AGENCY OPERATING AND FINANCIAL STATISTICS

The following section quantitatively analyzes the efficiency and effectiveness of public transit services in Tuolumne County. Operating data and financial statistics are presented in Tables 1-3 and Figures 1-6. Operating data was obtained from internal reports while financial data was obtained from annual Fiscal and Compliance Audits. TCTA operating data for this audit period

TABLE 1: Tuolumne County Transit Agency Systemwide Performance Measures

Performance Measures	Tuolumne County Transit Agency Operating Data					
	Prior Audit Period			Current Audit Period		
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
One-Way Passenger-Trips	105,504	106,435	111,715	118,119	123,953	120,663
% Change from Previous Year	--	0.9%	5.0%	5.7%	4.9%	-2.7%
Vehicle Service Hours	26,688	26,799	26,762	22,076	22,853	21,137
% Change from Previous Year	--	0.4%	-0.1%	-17.5%	3.5%	-7.5%
Vehicle Service Miles	352,408	333,188	330,295	344,549	341,402	340,221
% Change from Previous Year	--	-5.5%	-0.9%	4.3%	-0.9%	-0.3%
Operating Costs	\$1,660,453	\$1,787,565	\$1,992,825	\$2,040,042	\$2,321,741	\$2,017,503
% Change from Previous Year	--	7.7%	11.5%	2.4%	13.8%	-13.1%
Full-Time Equivalent Employees (FTE)	19	23	22	23	24	24
% Change from Previous Year	--	21.1%	-3.5%	3.6%	4.3%	0.0%
Farebox Revenues	\$209,068	\$214,695	\$215,685	\$221,323	\$217,132	\$231,041
% Change from Previous Year	--	2.7%	0.5%	2.6%	-1.9%	6.4%
Operating Cost per One-Way Passenger-Trip	\$15.74	\$16.79	\$17.84	\$17.27	\$18.73	\$16.72
% Change from Previous Year	--	6.7%	6.2%	-3.2%	8.5%	-10.7%
Operating Cost per Vehicle Service Hour	\$62.22	\$66.70	\$74.46	\$92.41	\$101.59	\$95.45
% Change from Previous Year	--	7.2%	11.6%	24.1%	9.9%	-6.0%
Passengers per Vehicle Service Hour	3.95	3.97	4.17	5.35	5.42	5.71
% Change from Previous Year	--	0.5%	5.1%	28.2%	1.4%	5.3%
Passengers per Vehicle Service Mile	0.30	0.32	0.34	0.34	0.36	0.35
% Change from Previous Year	--	6.7%	5.9%	1.4%	5.9%	-2.3%
Vehicle Service Hours per FTE	1,404.63	1,165.17	1,205.50	959.85	952.22	880.70
% Change from Previous Year	--	-17.0%	3.5%	-20.4%	-0.8%	-7.5%
Farebox Recovery Ratio	12.59%	12.01%	10.82%	10.85%	9.35%	11.45%
% Change from Previous Year	--	-4.6%	-9.9%	0.2%	-13.8%	22.5%

Note: Previous audit period data obtained from prior performance audit.

TABLE 2: Tuolumne County Transit Agency General Services Performance Measures

Performance Measures	Combined Fixed Routes			Ski Bus and Special Events		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
One-Way Passenger-Trips	80,309	83,402	79,495	1,433	3,411	4,185
% Change from Previous Year	--	3.9%	-4.7%	--	138.0%	22.7%
Vehicle Service Hours	12,763	12,532	12,595	157	244	346
% Change from Previous Year	--	-1.8%	0.5%	--	55.0%	41.7%
Vehicle Service Miles	200,942	179,738	206,885	1,826	2,920	4,792
% Change from Previous Year	--	-10.6%	15.1%	--	59.9%	64.1%
Operating Costs	\$1,158,045	\$1,237,371	\$1,172,823	\$16,304	\$27,784	\$40,587
% Change from Previous Year	--	6.9%	-5.2%	--	70.4%	46.1%
Farebox Revenues	\$121,607	\$115,098	\$111,794	\$717	\$1,231	\$9,104
% Change from Previous Year	--	-5.4%	-2.9%	--	71.6%	639.4%
Operating Cost per One-Way Passenger-Trip	\$14.42	\$14.84	\$14.75	\$11.38	\$8.15	\$9.70
% Change from Previous Year	--	2.9%	-0.6%	--	-28.4%	19.1%
Operating Cost per Vehicle Service Hour	\$90.73	\$98.74	\$93.11	\$103.59	\$113.92	\$117.42
% Change from Previous Year	--	8.8%	-5.7%	--	10.0%	3.1%
Passengers per Vehicle Service Hour	6.29	6.66	6.31	9.10	13.99	12.11
% Change from Previous Year	--	5.8%	-5.2%	--	53.6%	-13.4%
Passengers per Vehicle Service Mile	0.40	0.46	0.38	0.78	1.17	0.87
% Change from Previous Year	--	16.1%	-17.2%	--	48.9%	-25.2%
Farebox Recovery Ratio	10.50%	9.30%	9.53%	4.40%	4.43%	22.43%
% Change from Previous Year	--	-11.4%	2.5%	--	0.7%	406.2%

TABLE 3: Tuolumne County Transit Agency Specialized Services Performance Measures

Performance Measures	Dial-A-Ride (Weekday)			Weekend Dial-A-Ride		
	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
One-Way Passenger-Trips	35,031	36,106	36,173	1,346	1,034	810
% Change from Previous Year	--	3.1%	0.2%	--	-23.2%	-21.7%
Vehicle Service Hours	8,766	9,798	8,009	390	280	186
% Change from Previous Year	--	11.8%	-18.3%	--	-28.3%	-33.4%
Vehicle Service Miles	135,595	154,684	125,854	6,186	4,060	2,690
% Change from Previous Year	--	14.1%	-18.6%	--	-34.4%	-33.7%
Operating Costs	\$827,172	\$1,026,622	\$785,333	\$38,521	\$29,964	\$18,760
% Change from Previous Year	--	24.1%	-23.5%	--	-22.2%	-37.4%
Farebox Revenues	\$95,193	\$97,830	\$107,651	\$3,806	\$2,973	\$2,493
% Change from Previous Year	--	2.8%	10.0%	--	-21.9%	-16.2%
Operating Cost per One-Way Passenger-Trip	\$23.61	\$28.43	\$21.71	\$28.62	\$28.98	\$23.16
% Change from Previous Year	--	20.4%	-23.6%	--	1.3%	-20.1%
Operating Cost per Vehicle Service Hour	\$94.36	\$104.78	\$98.05	\$98.82	\$107.16	\$100.75
% Change from Previous Year	--	11.0%	-6.4%	--	8.4%	-6.0%
Passengers per Vehicle Service Hour	4.00	3.69	4.52	3.45	3.70	4.35
% Change from Previous Year	--	-7.8%	22.6%	--	7.1%	17.6%
Passengers per Vehicle Service Mile	0.26	0.23	0.29	0.22	0.25	0.30
% Change from Previous Year	--	-9.7%	23.1%	--	17.0%	18.2%
Farebox Recovery Ratio	11.51%	9.53%	13.71%	9.88%	9.92%	13.29%
% Change from Previous Year	--	-17.2%	43.8%	--	0.4%	33.9%

Figure 1: TCTA Operating Cost per Passenger-Trip

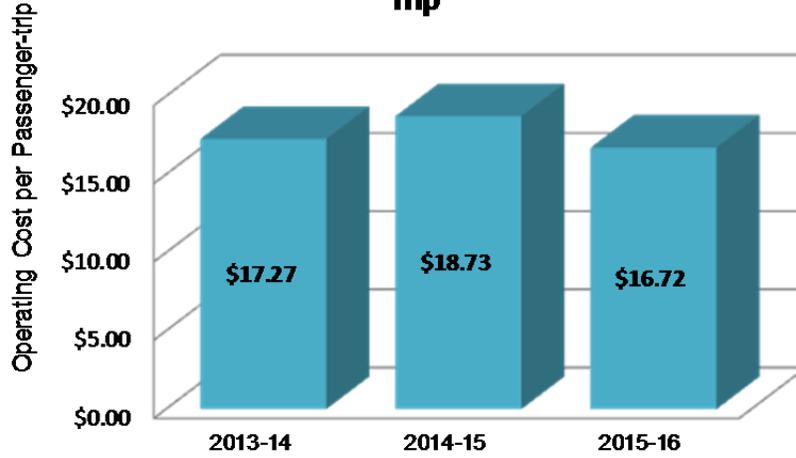


Figure 2: TCTA Operating Cost per Hour

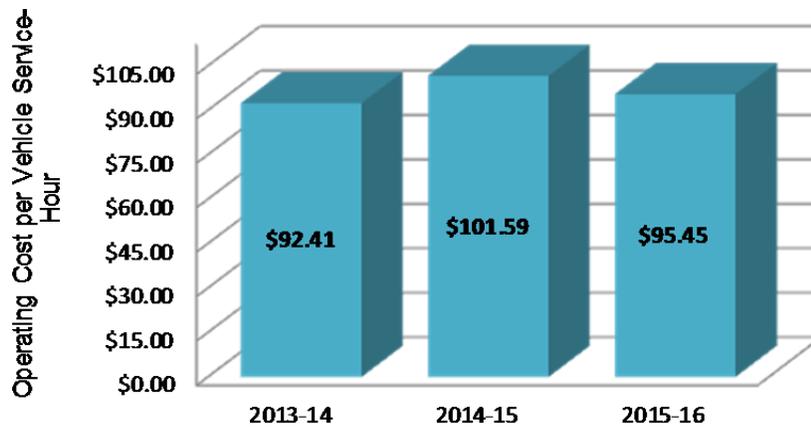
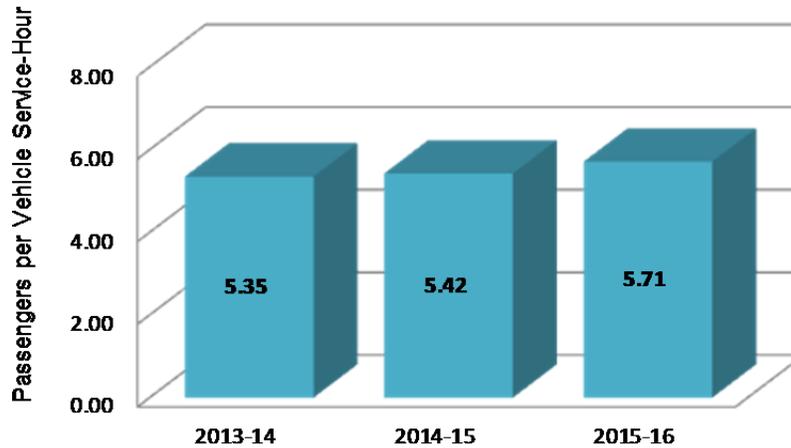
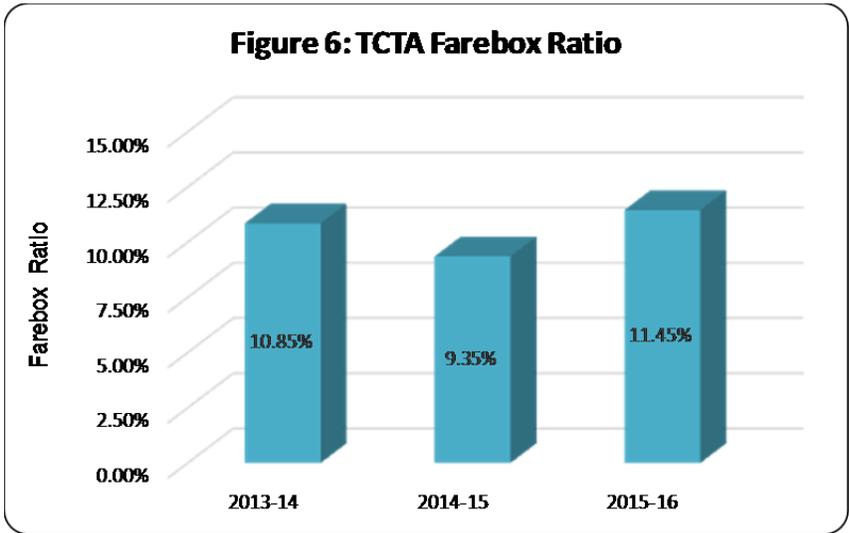
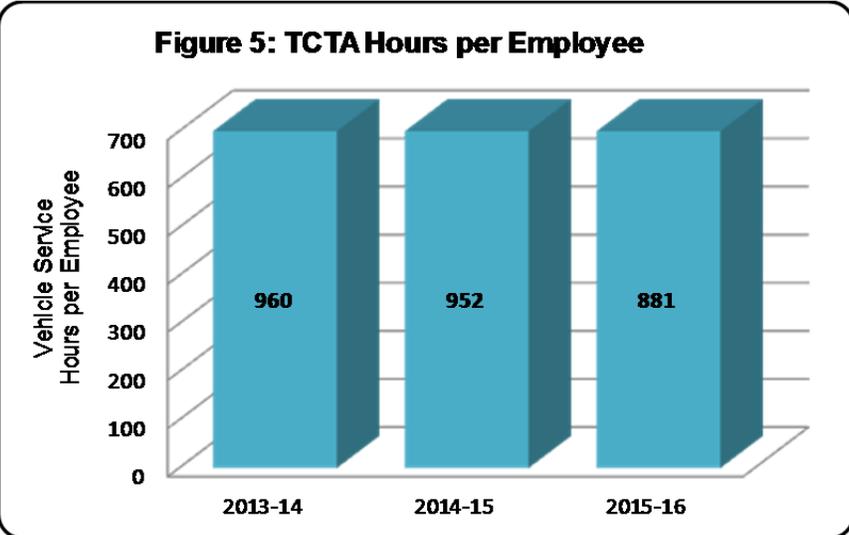
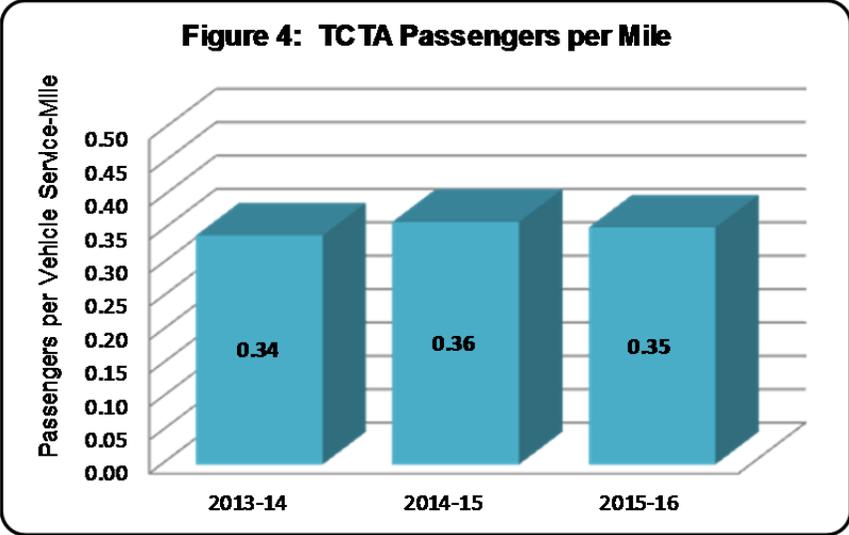


Figure 3: TCTA Passengers per Hour





and the previous audit period is presented in Table 1 for TCTA services systemwide. Table 2 presents operating and financial statistics for Fixed Route Services and Table 3 present operating and financial statistics for demand response services. Data from internal reports were compared to the data submit to the State Controller as part of the Transit Operators Financial Transaction and Compensation Report.

Data Collection Methods

As part of the TPA process, the auditor must collect and verify the following transit operator statistics:

- ◆ Annual Operating Cost
- ◆ Annual Vehicle Service Miles
- ◆ Annual Passenger Count
- ◆ Annual Employee Hours
- ◆ Annual Vehicle Service Hours
- ◆ Annul Fare Revenue

Passenger Counts - TDA defines passenger counts as one-way unlinked trips. TCTA's counting of passengers is consistent with this definition. For both fixed route and demand response services, passenger count data is recorded manually by drivers as unlinked one-way passenger-trips (single boarding and alighting).

Table 1 presents annual ridership data for TCTA services during the audit period, as well as data from the previous three-year period (for purposes of comparison). During this audit period, ridership increased slightly by 2.2 percent. Looking back six years, FY 2015-16 ridership is 14.4 percent greater than FY 2010-11. However, systemwide ridership did see a 2.7 percent decrease in FY 2015-16. As shown in Table 2, fixed route services ridership declined in FY 2015-16.

Operating Cost data for TCTA services systemwide were obtained from annual Fiscal Audits and include total operating expenses for each object class as presented in the Chart of Accounts for the Uniform System of Accounts and Records (as presented in each of the three Fiscal Audits) minus depreciation costs. Per TDA, operating costs include the annual cost of running a transit operation exclusive of depreciation, capital expenditures, vehicle lease costs, and direct costs of providing charter service. Extension of service can be excluded per Section 6633.8 when calculating farebox ratio. TCTA follows this definition.

As can be seen in Table 1, systemwide operating costs increased by 13 percent between FY 2014-15 and FY 2015-16 only to decrease by a similar amount the following year. Specifically, "salaries and benefits" and "Professional and Specialized Services" increased in FY 2014-15 but were cut the following year in an effort to meet the 10 percent farebox ratio.

Operating costs by type of service are tracked in internal reports but not presented in the Fiscal and Compliance Audit. The TPA auditor estimated operating costs by type of service in Tables 2 and 3 by multiplying the proportion of operating cost for each service as indicated in internal reports by the systemwide operating cost figure in the Fiscal and Compliance Audits. According to Tables 2 and 3, both fixed routes (with the exception of Special Events) and demand response services followed the same trend of increasing in FY 2014-15 and decreasing in FY 2015-16.

Vehicle Service Hour data is reported in Tables 1 -3. Appendix B of the *Performance Audit Guidebook* defines vehicle service hours as the time during which a revenue vehicle is available to carry fare-paying passengers. In other words, the time between the schedule time of the first passenger pickup and the last passenger drop off. Vehicle service hours were recorded and reported in accordance with TDA Performance Audit Guidebook definitions.

As shown in Table 1, over the past six years TCTA has reduced annual systemwide service levels by 21 percent, or by 5,551 annual vehicle-hours. The largest decrease in annual vehicle service hours occurred in FY 2013-14 (17.5 percent). A less significant drop in vehicle service hours (7.5 percent) occurred in FY 2015-16. As seen in Tables 2 and 3, the FY 2015-16 decrease in hours can mostly be attributed to a reduction in DAR service.

Vehicle Service Mile data is displayed in Tables 1 - 3. Vehicle service miles are defined in Appendix B of the *Performance Audit Guidebook* as those miles travelled during vehicle service hours. TCTA records deadhead miles separately, therefore, the vehicle service miles reported to the State Controller are consistent with the TDA definition.

As shown in Table 1, during this audit period, systemwide annual vehicle service miles decreased slightly by 4,328 or 1.3 percent. Annual vehicle service miles for the fixed routes actually increased by 3.0 percent but annual service miles significantly decreased for both the Weekday and Weekend DAR service (7 percent and 57 percent, respectively).

The **Full-Time Equivalent (FTE) Employee** data presented in Table 1 was obtained from the *State Controller's Report*. Appendix B of the Performance Audit Guidebook defines full-time equivalent employee hours as dividing the number of person-hours worked by transit related employees by 2,000. A review of internal reports indicate that FTE data is calculated in accordance with TDA specifications. As TCTA staff also serve as staff for the TCTC, the agency employs a timesheet tracking tool to in an effort to accurately track hours spent on transit and other functions. Full-time equivalent employee levels increased slightly during the audit period from 23 to 24.

Systemwide **Fare Revenue** data presented in Table 1 was obtained from annual Fiscal and Compliance Audit reports. Fare revenue data by service type listed in Tables 2 and 3 was estimated in a similar manner to operating cost by service type referenced above. TDA PUC Section 99205.7 states that fare revenues are defined as revenue in object classes 401, 402, and 403, as specified in Section 630.12 of Title 49 of the Code of Federal Regulations:

- ◆ Object class 401 revenues include full adult, senior, student, child, handicapped, Park-and-Ride lot revenues (must be operated by transit operator), special and reduced fares collected from passengers.
- ◆ Object class 402 revenues include guaranteed revenues collected from an organization rather than a rider for rides given along special routes.
- ◆ Object class 403 revenues include revenues collected from schools for providing service to children to and from school.

Fare revenue also includes the amount of revenue received by an entity under contract for transit services not yet transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare. Fare revenue does not include other donations or general operating assistance, whether from public or private sources. Charter revenues cannot be included in the fare revenue category. TCTA calculates and reports fare revenue to the State Controller correctly.

Looking at farebox revenue data for the past six years shows that fare revenues have generally increased every year with the exception of a slight dip in FY 2014-15. Notably, fare revenue increased by 6.4 percent in FY 2015-16 to \$231,041. During this audit period, TCTA increased the cost of the monthly pass (which is generally purchased by human service agencies). This appears to have positively affected fare revenues.

Calculation and Evaluation of Performance Indicators

Performance indicators are frequently used to quantify and review the efficiency and effectiveness of a transit operator's activities. Such indicators can provide insight on current operations as well as on the operator's performance over a period of time. Using the data described above, the following performance indicators were calculated as required in Section 99246(d) of the Public Utilities Code:

- ◆ Operating Cost per Passenger
- ◆ Operating Cost per Vehicle Revenue Hour
- ◆ Passengers per Vehicle Revenue Hour
- ◆ Passengers per Vehicle Revenue Mile
- ◆ Vehicle Revenue Hours per Employee

In addition, the Farebox Recovery Ratio is calculated and evaluated herein, per Section 99268 et seq. of the Public Utilities Code.

The **Operating Cost per (One-way) Passenger-Trip** data is presented in Tables 1-3 and Figure 1. This performance measure is a key indicator of a transit system's cost effectiveness. Systemwide operating cost per trip reached a high of \$18.73 per trip in FY 2014-15 but then decreased by 10.7 percent in FY 2015-16 to \$16.72. The Combined Fixed Routes operating cost per trip stayed relatively steady during the audit period at around \$14.75 per trip while the demand response services operating cost per trip by around 20 percent from FY 2014-15 to FY 2015-16 to \$21.71 for Weekday DAR and \$23.16 for Weekend DAR.

The **Operating Cost per Vehicle Revenue Hour** data is presented in Tables 1-3 and Figure 2. This performance measure is a key indicator of a transit system's cost efficiency. The operating cost per vehicle revenue hour jumped significantly from \$74.46 in FY 2012-13 (previous audit period) to \$92.41 in FY 2013-14 (beginning of this audit period). Throughout this audit period, operating cost per hour increased by 3.3 percent and remains at \$95.45 in FY 2015-16. This represents an increase similar to the Consumer Price Index (CPI) (3 percent for three years). When analyzed by service type, operating cost per hour all types of services appear to have had similar increases during this audit period.

The **Passengers per Vehicle Revenue Hour** (commonly referred to as “productivity”) is presented in Tables 1-3 and Figure 3. Systemwide productivity over this audit period improved slightly from 5.3 to 5.7 passenger trips per hour and represents an increase over the prior audit period (3.95 passenger trips per hour in FY 2010-11). In recent years TCTA has made some service changes in an effort to increase efficiency. This has had a positive impact on passenger trips per vehicle revenue hour.

Looking at productivity by type of service (Tables 2 and 3), TCTA fixed route passenger-trips per vehicle service hour remained relatively steady this audit period (6.2 to 6.6 trips per hour). Productivity on the fixed routes was not significantly greater than productivity on the Weekday DAR (4.52 passenger trips per hour in FY 2015-16). The most productive services were the Ski Bus and Special Event service which carried as many as 13.99 passenger-trips per hour in FY 2014-15.

The adopted *Tuolumne Transit Short Range Transit Development Plan* (SRTDP) includes a performance standard of 7.0 – 10 one-way passenger trips per hour for fixed route services and greater than 3.0 trips per hour for demand response services. During the audit period, the combined fixed routes did not meet the minimum 7.0 standard; however the Special Event and Ski Bus Services exceeded this standard. Both the Weekday and Weekend DAR programs exceeded the 3.0 productivity standard.

Systemwide **Passengers per Vehicle Revenue Mile** data is presented in Tables 1-3 and Figure 4. This performance indicator has stayed relatively consistent over the past six years ranging from 0.30 trips per mile in FY 2010-11 to 0.35 trips per mile in FY 2015-16. The fixed routes carried more passenger-trips per mile (0.38 in FY 2015-16) than Weekday DAR (0.29 in FY 2015-16). Again the Ski Bus and Special Event services carried the most passenger-trips per mile (0.87 in FY 2015-16).

The **Vehicle Service Hours per Employee** data is presented in Table 1 and Figure 5. As presented, the number of vehicle revenue hours per Full Time Equivalent (FTE) decreased during the audit period as a result of a higher level of FTEs.

The **Farebox Recovery Ratio** data is presented in Tables 1-3 and Figure 6. Farebox ratio for the TCTA system as a whole was calculated using data obtained from the Fiscal and Compliance Audits. TDA law does not require a performance auditor to calculate farebox recovery ratio and determine compliance with TDA farebox ratio minimums, as this is the job of the Fiscal and Compliance Auditor. However, as farebox ratio determines eligibility for TDA funding it is worthwhile to review this performance indicator.

The ultimate significance of the farebox ratio is that a claimant's maximum eligibility for TDA funds is determined in large part by its required ratio. For example, if a claimant had a required fare ratio of 10 percent then it could receive a maximum of 90 percent of its operating cost from TDA and federal revenues (this is in addition to eligibility for capital purposes). If the claimant's actual fare revenues proved to be less than the required 10 percent, its TDA eligibility would not be increased to make up the difference. Rather, the shortfall of required fares would reduce the amount of TDA eligibility in future years.

Like many other rural transit agencies, TCTA has found it increasingly difficult in recent years to maintain the 10 percent farebox ratio. Population decreases, inexpensive gas and general inflation contribute to the challenge. As shown in Figure 6, TCTA's farebox ratio was 10.85 percent in FY 2013-14, dropped to 9.35 percent in FY 2014-15 and rose to 11.45 percent in FY 2015-16. After dropping below 10 percent in FY 2014-15, TCTA made a concerted effort to decrease costs and increase fare revenues. Inefficient services, such as the Groveland DAR, were eliminated and monthly pass prices were increased. Salaries and benefits for TCTA also decreased slightly. TCTA currently proposes to continue to streamline inefficient services by eliminating Route 6.

According to TDA law, transit operators who do not meet minimum farebox ratios are allowed one grace year before being considered non-compliant. Per the Fiscal Auditor, FY 2014-15 is the grace year for TCTA.

Recommendations on Data Collection and Reporting

Some discrepancies exist between operating data maintained in internal TCTA reports and the data reported in the annual State Controller Report. Ridership data varied as much as 7.7 percent between the two sources in FY 2013-14. The auditor also noticed that some of the ridership numbers presented in the contractor year-end reports represented "Revenue Trips" instead of "Total Trips". In some cases "Revenue Trips" may also have been reported in the State Controller Reports accounting for some of the discrepancies. Only small variances exist between financial data reported to the State Controller and data presented in the Fiscal Audits. The County Auditor prepares the State Controller Reports in coordination with TCTA staff. There was some difficulty obtaining proof of date of delivery of the State Controller reports. Although the State Controller Report for Specialized Services was likely prepared by the Auditor, a copy of the report could not be obtained by the time of this writing.

As for the overall data collection and recording process, TCTA employs a straightforward manual data entry process. Drivers record passenger-trips by type for each run manually into the daily driver worksheets. Contractor staff enters data from the driver worksheets into Microsoft Excel spreadsheets. At the end of the month, operational data is summarized by route, day of week, passenger type, etc. in a comprehensive monthly report. Although no major errors in data spreadsheets were discovered, manually entered data is still subject to human error. The use of computer tablets or electronic fareboxes could improve the data collection process by reducing the required staff time as well as the potential for error.

The following are auditor recommendations associated with data collection and reporting:

- ◆ The Auditor is an appropriate position to prepare the State Controller Report. However, TCTA staff should ensure that accurate data is provided to the Auditor for report preparation and TCTA should request that the Auditor provide TCTA staff with a copy of the report and proof of timely submittal to the State Controller.

Overall Performance

During a time of decreasing gas prices, ridership on TCTA increased. Typically, cheap gas provides less of an incentive to ride the bus. Productivity stayed relatively constant while

operating cost per vehicle service hours increased. In FY 2014-15 operating costs increased while fare revenues went down. This pushed the system wide farebox ratio to just below the TDA 10 percent minimum for maximum eligibility of TDA. In FY 2015-16, TCTA was able to quickly reverse the downward farebox ratio trend by streamlining services and reducing administrative costs. Given the rural nature of the county and population decrease over the past five years (according to the US Census), TCTA performs at a level that is typical of similar rural transit systems.

Assessment of Internal Controls

To ensure that the information gathered as part of this audit is reliable and valid, a review of internal controls is necessary. A transit operator's internal controls are intended to do the following:

- ◆ Provide reasonable assurance that program goals and objectives are met
- ◆ Ensure that resources are adequately safeguarded and efficiently used
- ◆ Ensure that reliable data are obtained, maintained, and fairly disclosed in reports
- ◆ Ensure that the transit operator complies with laws and regulations

TCTA appears to have a reasonably well-developed system of internal controls appropriate to the size of the transit system. This statement is echoed in each of the three annual Fiscal Auditor's Reports.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, TCTA is required to comply with laws and statutes set forth in the Act. Below is a discussion of TCTA's compliance with sections of the Public Utilities Code which relate to transit performance, as recommended in the *Performance Audit Guidebook*. Table 4 displays the results of the compliance analysis:

1. According to Public Utilities Code Section 99243, TCTA must submit annual reports to the TCTC based on the Uniform System of Accounts and Records established by the State Controller. These reports must be filed with TCTC and the State Controller 90 days from the end of the fiscal year (September 28th) for paper filing and 110 days after the end of the fiscal year (October 18th) for electronic filing. The County Auditor prepares the reports for TCTA. During this audit period, the Auditor prepared two separate reports for each fiscal year: Fixed Route Services and Specialized Services. The FY 2015-16 Special Services report could not be obtained from the County Auditor by the time of this writing. Additionally it appears that the FY 2015-16 reports were completed after the 110 day deadline and it is unknown when the FY 2014-15 reports were sent to the State Controller.
2. Regarding Public Utilities Code Section 99245, annual Fiscal and Compliance Audits were submitted to the TCTC and the State Controller for each year of the audit period. An independent auditor completed these fiscal and compliance audits, as required. However,

**TABLE 4: Transit Operator Compliance Requirements - Tuolumne County
Transit Agency**

	Requirement	PUC Reference	In Compliance?	
			Yes	No
(1)	The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243		X
(2)	The operator has submitted annual fiscal and compliance audits to its RTPE and to the State Controller within 180 days following the end of the fiscal year, or has received the 90-day extension allowed by law.	99245		X
(3)	The CHP has, within the 13 months prior to each TDA claim submitted by an operator certified the operator's compliance with Vehicle Code Section 1808.1 following CHP inspection of the operator's terminal.	99251 b	X	
(4)	The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	99261	X	
(5)	If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	99270.1	NA	
(6)	The operator's operating budget has not increased by more than 15 percent over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities.	99266	X	
(7)	The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247.	99247	X	
(8)	If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of at least three-twentieths (15 percent).	99268.2, 99268.3, and 99268.1	NA	
(9)	If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	99268.2, 99268.4, and 99268.5		X
(10)	The current cost of operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	99271	X	
(11)	If the operator receives state transit assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754 (a) (3)	X	

the FY 2014-15 and FY 2015-16 reports were completed after the 180 day deadline and it is unknown if a 90 day extension was filed.

3. In accordance with Public Utilities Code Section 99251, TCTA has submitted evidence that the California Highway Patrol (CHP) has certified compliance with Vehicle Code Section 1808.1 within the 13 months prior to each TDA claim submitted. In 2014, two of TCTA's vehicles had minor vehicle maintenance violations which were corrected. The Storer Transportation Service Terminal received a "Satisfactory" carrier rating for each of the three years.
4. In accordance with Public Utilities Code Section 99261, TCTA's claims for TDA funds are submitted in compliance with rules and regulations adopted by the TCTC for such claims. As TCTA and TCTC share the same staff, the TDA claims process is relatively simple and goes smoothly.
5. There are no urbanized areas in Tuolumne County as designated by the US Census. Therefore, PUC 99270.1 does not apply to TCTA services.
6. Public Utilities Code Section 99266 requires that TCTA's operating budgets not increase by more than 15 percent over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). See Table 1 for actual operating costs between Fiscal Years 2010-11 and 2015-16. During the Audit period, annual operating costs for all TCTA services did not increase by more than 15 percent over the preceding year.
7. TCTA's definition of performance measures are consistent with Public Utilities Code Section 99247.
8. As the TCTA service area is located within a rural area, TCTA is not subject to a 20 percent farebox ratio requirement.
9. TCTA did not meet the minimum 10 percent farebox ratio requirement for rural transit services during the entire audit period. However, FY 2014-15 (when farebox ratio dropped to 9.35 percent) is considered the one-time grace year and therefore TCTA does not lose eligibility for TDA funds.
10. TCTA employees receive retirement benefits through the California Public Employees' Retirement System (CalPERS) and therefore, the cost of the operator's retirement system is fully funded.
11. In accordance with California Code of Regulations Section 6754(a) (3), TCTA makes full use of funds available to it under the Urban Mass Transportation Act of 1964 and its successors (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds) before TDA claims are granted. During the audit period TCTA received funding from a variety of sources for planning and operating expenses in addition to TDA including: Federal Transit Administration, Regional Surface Transportation, Low Carbon Transit Operations Program, Yosemite National Park, and emergency assistance programs.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Majic Consulting Group in November of 2014. The recommendations and their status from that effort are presented below.

Recommendation 1: Update, simplify, and streamline the TCT website to embrace the requirements of Universal Design for mobile access and ADA compatibility.

Status: Implementation Complete. TCTA/TCTC recently completed an overhaul of the RTPA and transit operator websites. The new sites follow guidelines for Universal Design for mobile access and ADA compatibility. The sites are simple and consistent throughout each page as well as mobile viewing friendly. Transit schedules are displayed in the form of "jpeg" files instead of PDF. The transit operator website includes a video tutorial of how to use NextBus to determine arrival time information. The format of the transit operator website is consistent with and linked to the TCTC website. TCTA staff indicated that the new website allows users to easily provide input directly to staff. As a result, more input regarding transit needs is received. The website is still expanding and will eventually include links to current and adopted plans.

Recommendation 2: Ensure fixed route drivers make appropriate stop announcements and route announcements in compliance with the U.S. Department of Transportation (USDOT) Federal Transit Administration regulations regarding the American with Disabilities Act (ADA).

Status: Implementation Complete. After this recommendation was made, TCTA ensured that the transit contractor was aware of the issue and periodically reminds the contractor of ADA rules regarding bus stop announcements. At the same time, the transit contractor has discussed the issue in monthly staff meetings in a way that helps the drivers understand the need and purpose of the regulations. Occasionally, contractor staff will conduct surprise "ride alongs" to ensure that all rules are being followed.

Recommendation 3: Revise TCTA's Americans with Disabilities Act (ADA) application to ensure system required information is included and adjust in order to speed data entry of applications into the reservation system.

Status: Implementation Complete: The ADA application used by Storer Transit Systems is consistent with ADA regulations and allows for easy entry of information into the transit operator's database. One of the concerns brought up during the last performance audit was that a passengers' ADA eligibility card did not identify if the passenger required a Personal Care Attendant (PCA) or service animal. If a passenger was questioned about the need for these services, staff would have to double check with original paperwork. The process has been changed so that the ADA eligibility card identifies the passenger's need for a PCA and/or service animal.

Recommendation 4: Complete the revised Marketing Plan and ensure consistent branding and positioning in all future marketing collateral.

Status: Implementation Complete. During this audit period, TCTA has put extensive effort into marketing and rebranding public transit in Tuolumne County. In addition to improving the TCTA website, vehicles have been wrapped with a new logo which matches the website, social

media and marketing brochures. The new logo was developed by a consultant with assistance from local stakeholders. TCTA continually employs a variety of marketing strategies to increase awareness of services. This includes radio ads, attendance at community events/groups, and social media presence. One recent example is the Tuolumne County Transit 40th Anniversary promotion through distribution of promotional material at community events.

Recommendation 5: *Maintain key reporting documentation and ensure that all key documentation is readily available for a minimum of four (4) years (or the completion of the next performance audit).*

Status: Implementation In Progress. With the exception of State Controller Reports, this auditor was able to obtain necessary documents to determine compliance with TDA regulations. TCTA and its contractor retain internal reports containing operating and financial statistics as well as driver/dispatch logs, farebox records and deposit slips for at least four years. TCTA is working to improve the record keeping process.

Recommendation 6: *Fiscal and Compliance Audits (Carry-Forward Recommendation from the Prior Audit) Work with the fiscal and compliance auditor to ensure that a breakout in terms of operating costs and revenues by service – fixed route and demand response – is conducted.*

Status: Not Required. The TDA stipulates that if transit operators do not maintain a certain farebox ratio (depending on rural or urban status) eligibility for LTF funding will be reduced. It is the job of the Fiscal and Compliance auditor to calculate this ratio. Per TDA, the farebox ratio requirements are calculated at the systemwide level, not for each route or type of service, although RTPA's or transit operators may impose more strict farebox ratio standards. Given that for TDA compliance purposes farebox ratios only need to be calculated at the systemwide level, it is the opinion of this TDA Auditor that the Fiscal and Compliance Auditor need only to calculate operating costs and farebox ratios at the systemwide level.

However, it is useful for TCTA and TCTC to review farebox ratio and other performance indicators at the route or service mode level. In fact, TCTC has adopted an internal farebox ratio goal of 10 percent for each fixed route. Currently, a variety of performance indicators such as farebox ratio, passengers per hour, operating cost per trip for each fixed route are calculated as part of the internal performance spreadsheets and presented to the TCTA board through the Year End reports. This process should continue.

There was also concern in the prior TPA that some capital costs were being incorrectly classified as operating costs. A review of Fiscal and Compliance Audits indicates that this problem was corrected.

Recommendation 7: *Ensure that all planning and contract documents provide consistent guidance regarding performance requirements, and enforce the contract appropriately.*

Status: Implementation Complete. This recommendation referred to the stipulation in the transit operating contract during the prior audit period that liquidated damages would be assessed if certain performance requirements were not met. According to the prior audit, some liquidated damages were not actually assessed. In May of 2015, TCTA entered into a new contract with Storer Transportation Systems which provides clarity on performance

requirements and liquidated damages. As stated in the contract, "Should the Contractor's performance fall below established standards on any of these measures, the TCTA **may**, at its sole discretion implement or discontinue all or part of the program of incentives and/or liquidated damages ...".

Recommendation 8: *Revise contractor's employee application process to avoid potentially illegal interview questions.*

Status: Implementation Complete. The prior auditor identified that the Storer Transportation Interview Guide included some questions which could provide the interviewer with illegal bias. Such question topics include asking a potential employee's age. A review of the current Storer Transportation Interview Guide revealed no questions that could cause the interviewer to have an illegal bias.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of TCTA. In general, transit operator functions can be divided into the following areas:

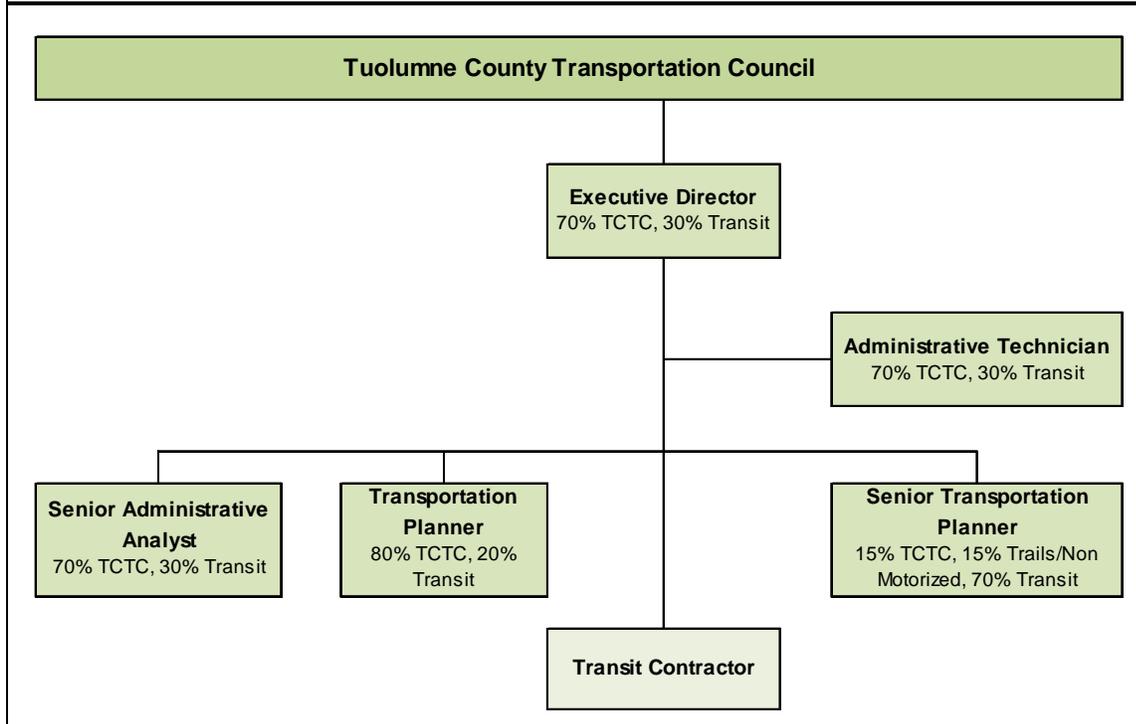
- ◆ General Management and Organization
- ◆ Service Planning
- ◆ Administration
- ◆ Scheduling, Dispatch and Operations
- ◆ Marketing and Public Information
- ◆ Maintenance

General Management and Organization

TCTA is a Joint Powers Authority formed between Tuolumne County and the City of Sonora and shares staff and board of directors with the TCTC. TCTA/TCTC staff consists of five permanent employees: Executive Director, Administrative Technician, Senior Administrative Analyst, Transportation Planner and Senior Transportation Planner (Figure 7). As shown in the organizational chart, each staff member allocates various proportions of his/her time to RTPA or transit operator job duties. On the TCTA side, the Executive Director acts as the Transit Manager and is responsible for ensuring that public transit services are run efficiently and in accordance with TDA rules and TCTA goals and objectives. The Senior Transportation Planner oversees day to day transit activities. The Senior Administrative Analyst is responsible for the budget and other fiscal and legal matters. The Transportation Planner assists with certain capital purchases and programs such as NextBus and vehicle replacement. Lastly, the Administrative Technician assists with ADA certification and other similar transit related duties.

The transit contractor employs 29.5 full-time equivalent employees to operate Tuolumne County Transit. This includes a Project Manager, Administrative Assistant, Receptionist, 19 Drivers, 3.5 Dispatchers, 2 Mechanics, and 1.25 Bus Clean up Personnel. The Project Manager is responsible for administration of all operations and personnel and reports to the TCTA Executive Director Board.

Figure 7: TCTC/TCTA Organizational Chart



Administrative Oversight

TCTA has an appropriately well-defined program of administrative oversight. It regularly receives, reviews, and acts upon performance and financial information. The Executive Director/Transit Manager reviews operating data at least monthly and more frequently if warranted.

The Executive Director/Transit Manager conducts transit administrative staff meetings roughly every Thursday. Overall, TCTA and its contractor (Storer Transportation) have a well-developed set of operating standards and procedures to make the transit system and efficient. Given the size of the transit program, TCTA's internal organization structure is appropriate. Lines of reporting are clearly defined and appropriate.

Recent Program Changes and Innovations

Over the current audit period, TCTA made some adjustments to transit service to better meet passenger needs and to meet farebox ratio standards. As with most rural transit services ridership has slowly declined over the past few years as gas prices remain low. Additionally, attendance at the local community college has been in a decline. Some of the service changes implemented during the audit period include:

- Elimination of the Groveland DAR due to low ridership

- Serving Columbia College more frequently to make it easier to ride public transit
- Extending Route 3 to the Chicken Ranch Casino to better connect the tribe/casino with the rest of the county

The most notable recent addition to the public transit program is the implementation of the Tuolumne Trip Program. The program has become a cost effective method of providing transportation for residents with special needs, particularly those who may have lost service due to the elimination of the Groveland DAR.

As for capital innovations, TCTA now uses the NextBus software to track vehicles and provide passengers with real time arrival/departure information.

Service changes are often the result of community outreach and input. Public hearings are held before implementing major changes. The Executive Director/Transit Manager reviews and evaluates the results of service changes after implementation to insure that the new service is meeting goals and service changes are having the desired effect.

Communications with Other Government Agencies

The Executive Director/Transit Manager acts as the intergovernmental liaison within TCTA. TCTA has jointly prepared grant applications with other nearby transit agencies such as Calaveras and Amador counties. Other collaborating efforts with other government agencies include participation in the Central Sierra Transportation Forum, a quarterly discussion with nearby RTPAs regarding common issues.

Service Planning

The effectiveness of a transit system is highly dependent upon the continued development of short- and long-range transit plans. The TCTC commissioned the *Tuolumne County Short Range Transit Development Plan (SRTDP)*, which was completed by Majic Consulting Group in February of 2011. Some of the elements recommended in the SRTDP have been implemented. The TDP has passed its five year time horizon and is due for an update.

Strategic Planning

In terms of strategic planning, TCTA has set clear, reasonable goals and objectives in the SRTDP and the Strategic Plan. The long-term vision of TCTA is to continue to provide cost-effective transportation which meets residents' needs. TCTA staff indicates that it is always looking for potential changes to public transit service which support economic development in the community in addition to meeting transit dependent riders' needs. Potential future service additions could include expanding on success of Ski Bus services and implementing a summer service to Pinecrest Lake.

Operations reports and ridership analysis are reported to the TCTA Board semiannually. The 2011 SRTDP identified a variety of service efficiency and effectiveness goals and standards for transit services. Additionally, the 2015 transit operations contract with Storer Transportation

sets forth a variety of performance criteria for the contractor in the categories of: vehicles and maintenance, on-time performance, productivity, reporting requirements, accidents and farebox recovery ratio. Some of these performance criteria such as on-time performance and farebox ratio are included in contractor quarterly reports and compared to the standards. Others such as miles between road calls are only reviewed if a problem is noticed.

Short Range Planning

In terms of short range planning, the SRTDP identifies residential, retail, and other developments which may require transportation. TCTA staff make an effort to coordinate with City/County planners regarding transit issues and new project development. In 2014, TCTC updated the Tuolumne County Coordinated Public Transit Human Services Transportation Plan so as to be eligible for certain FTA funding sources.

Evaluation of Fixed Routes

Each month, the Executive Director/Transit Manager receives and reviews a comprehensive report from the contractor. The report includes ridership by day and by route, fare revenue by type, fuel usage, and on-time performance. On a quarterly basis, the contractor prepares reports for TCTA staff which includes performance indicators by route for the year to date compared to previous years as well as on-time performance. These reports are presented to the TCTA board semi-annually. TCTA and the Storer Transportation Project Manager speak daily and have a good working relationship. In an effort to keep abreast of any transit related issues, the Executive Director/Transit Manager and Senior Transportation Planner listen to the transit radio during the day. On-board and community surveys were conducted as part of the SRTDP update.

Planning for and Serving Special Transportation Needs

All of TCTA's active fleet of 21 revenue vehicles is wheelchair accessible. TCTA DAR serves as the ADA complementary paratransit service for the fixed routes. DAR is offered the same hours and days and within a three-quarter mile radius of the fixed routes, as required by ADA. Discounted fares on the fixed routes are offered to veterans, seniors, Medicare recipients, ADA eligible clients and students.

Public Participation Hearings

All TCTA meetings are open to the public, and are conducted in an accessible facility per the requirements of the Americans with Disabilities Act (ADA). TCTA conducts public meetings, prior to making major service changes. In addition, TCTA staff are continually looking for and receiving input through the website, dispatchers and outreach to community groups, college, human service agencies and the local tribes. The TCTC Social Services Transportation Advisory Council (SSTAC) also acts as an important conduit for soliciting public input.

Scheduling, Dispatch, and Operations

This functional area concerns the short-term scheduling of routes, drivers, and vehicles, the daily coordination and assurance that each customer is served, and the specific function of providing transportation service.

TCTA drivers are appropriately certified and trained for the types of vehicles operated. Each vehicle is assigned a "Proficiency Group" indicating a certain level of training required to operate that vehicle. Storer maintains a chart in the dispatch office displaying the vehicles for which each driver has been classified as proficient. Generally, drivers keep the same shifts but if schedule adjustments are made, drivers are assigned routes based on their strengths, skills, and experience. Most TCTA drivers are full-time and Storer does not employ on-call drivers. Staff indicate that employees are willing to cover shifts if necessary. Storer's Employee Handbook details policies regarding benefits and leaves of absence and new employees are required to read and sign every Storer Transportation policy and procedure memo prior to beginning work.

DAR scheduling is performed using StrataGen software. Passengers may schedule rides up to 14 days in advance. To receive priority scheduling, ADA passengers must call to request a ride before 5:00 PM the day before. Rides may be requested up to two hours in advance but are only provided on a space available basis only. Subscription service does not present any capacity constraints for other qualified passengers.

The StrataGen computer-aided dispatch software allows schedulers to easily access a database of passenger information and sort passenger-trip requests geographically. DAR drivers are not provided with a paper manifest but rather call in after each pickup for further instructions. Storer staff indicate that this process allows for better communication as it reminds the drivers to check in after each pick up as is company policy. Dial-A-Ride reservation and cancellation policies, including a clear "no show" policy, is available on the website or by contacting TCTA. As discussed in the Prior Audit Recommendations Section, TCTA has established an ADA eligibility certification process which complies with federal regulations.

Personnel Management and Training

Personnel Management

Storer Transportation recruits through a variety of means including the Union Democrat and the Tuolumne County website. As Storer Transportation continuously advertises and accepts applications, regardless of whether or not there is a position available, there is always a pool of qualified applicants available for hire. After completing an extensive application, qualified recruits are contacted for interviews with the Operations Manager and Storer President. There was some driver turnover during the audit period. Driver performance evaluations are performed annually.

Experience and inexperienced TCTA drivers are trained at the Storer Transportation Modesto facility for initial classroom and behind the wheel training. Storer holds an annual mandatory Transit Workshop training day for all employees at the Modesto facility. Storer's *Employee*

Handbook details its formalized employee discipline program. All safety-sensitive employees are covered by Storer Transportation's Drug and Alcohol Testing Policy, which appears to meet all applicable state and federal requirements and was updated during this audit period.

Storer Transportation developed a positive and negative point system to provide motivation for employees. Negative points can be assessed by the Project Manager for preventable accidents or policy violations such as leaving a messy bus. Positive points can be assessed for various reasons at the discretion of the Project Manager. At the end of the year, drivers with no negative points receive a bonus. Storer also has an employee of the month/year program that recognizes exemplary employees with a bonus and food choice for the monthly company BBQ.

Administration

Budgeting

TCTA has a reasonably well-developed budget and reporting system that is appropriate to the size and scope of the transit program. The Senior Administrative Analyst prepares the budget, and the Executive Director reviews and approves prior to presentation to the board. The TCTA board must approve substantial changes in the budget and/or spending. During this audit period there were no substantial excesses in the budget.

Grants Management

Grant application preparation and management duties are conducted by various staff, depending on the type of grant. FTA grants are typically managed by the Senior Transportation Planner. During the audit period, TCTA did not lose a grant due to negligence or improper procedure. In addition to recurring grants, TCTA has been successful over the years in obtaining transportation planning grants as well as a UPlan grant.

Risk Management and Insurance

Regarding insurance, TCTA is covered under National Interstate Insurance Company with a limit of \$5,000,000 for automobile liability. Storer Transportation has established procedures for processing and investigating accident/injury claims with an emphasis on correcting the situation so that accident will not occur again. Storer has very high standards on what is considered a "preventable" accident. In terms of risk management, Storer Transportation has a sound Code of Safe Work Practices in place.

In 2012, TCTA developed the Transportation Emergency Operations Plan, a guide to all transportation providers in the region during and emergency. The plan compliments the 2012 County Emergency Operations Plan. The plan defines different types of emergencies, assigns responsibilities and sets forth communication procedures for providing transportation. The plan proved to work well during the Rim Fire disaster.

Facility Management

The TCTA operations and maintenance facility is located at 13033 Sanguinetti Road in Sonora. TCTA's facility management as well as bus stop maintenance and repair is provided by the County Facilities Management Department.

Construction has begun on a new Law and Justice Center off of Old Wards Ferry Road in Sonora. The \$1.9 million project will provide a central location for a new Courthouse, Juvenile Detention Center, Sherriff's office, Probation office and Public Defenders office along with a new Transit Center for Tuolumne County Transit. The Transit Center will include both indoor and outdoor waiting areas, Wi-Fi, restrooms, bicycle racks, and real time NextBus Arrival information. The Law and Justice Center will be located just south of SR 108 across from the Crossroads Shopping Center.

Revenue Collection and Cash Management

On-vehicle fare collection is appropriately secure on TCTA buses. All buses use a locked vault manual farebox system. TCTA has established specific procedures for fare revenue collection. Two TCTA staff members are present when fare revenue is counted and bagged for deposit. A system is in place to compare projected fare revenue based on actual passenger trips to actual fare revenue.

Other Financial Transactions

TCTA follows a purchasing policy which is compliant with FTA rules and regulations. All large capital items are procured competitively. All financial duties are performed by TCTA or County staff.

Marketing and Public Information

As discussed above, TCTA recently updated the Tuolumne County website to be more sensitive to ADA users and easier to read on a mobile device. The website is a good source of route and schedule information along with a medium to provide input. In addition to the website, Facebook and Twitter, TCTA conducts targeted outreach to social service agencies, Columbia College, and tribal entities. Schedules and flyers are distributed at local businesses, hotels and social service agencies. On a monthly basis, the Project Manager for the operations contractor will attend and/or speak at community events to promote public transit.

The majority of passenger complaints and compliments are received directly by TCTA staff through the website comment form. A summary of customer complaints received by the contractor is included in the cover letter of the monthly performance report to the TCTA staff. TCTA and contractor staff discuss major issues stemming from complaints in person on a regular basis.

One important marketing aspect is the passenger's perception of how reliable the public transit system is. This is often measured in terms of on-time performance. TCTA has developed an on-time performance standard for fixed route and Dial-A-Ride services. On the fixed routes, a bus is considered on-time if it departs within four minutes of the scheduled time. Per TCTA

standards, 95 percent of all departures should meet the standard. During the audit period the fixed route services on-time performance increased from 85.3 percent in FY 2013-14 to 92.4 percent in FY 2015-16. The DAR on-time performance standard is 15 minutes prior to and 30 minutes after scheduled pick up time and 95 percent of all DAR departures should meet this criteria. During this audit period, DAR services were "on-time" 94.7 percent of the time in FY 2013-14, 94.5 percent in FY 2014-15 and 95.1 percent of the time in FY 2015-16.

Maintenance

Fleet maintenance is performed by the operations contractor. TCTA has a good preventive maintenance schedule in place that meets the requirements of the bus manufacturers. The maintenance facility includes two maintenance bays, one with a mobile lift, and a small office space for the mechanics. Parts inventory is organized and sufficient so as to limit downtime for vehicles. Safety procedures are in place to keep non-maintenance personnel away from vehicle maintenance areas. All vehicles are parked in a fenced lot at the operations and maintenance facility on Sanguinetti Road.

CHP inspections for the audit period show a satisfactory rating for TCTA's maintenance program. Two minor vehicle maintenance violations were noted in the 2014 CHP report, which were corrected.

Upon identifying a safety defect during a pre-trip inspection, any driver or dispatcher has the authorization to complete a maintenance order which is forwarded to the senior mechanic. Overall, TCTA has a good procedure in place for prioritizing and tracking repairs and during the audit period there was no backlog of repairs or preventative maintenance which disrupted service. There is good communication between mechanics and dispatchers with respect to maintenance. During the audit period, there was a change in the lead mechanic position which has increased communication between the two departments.

TCTA has a fleet of 21 active revenue vehicles including 3 backup vehicles. The average age of the fleet is 5 years and the average vehicle mileage as of January 2017 was 67,412. During the audit period, TCTA was proactive with vehicle replacement to ensure the safety of the transit system and limit disruption in service due to vehicle repairs. Fifteen vehicles have been replaced since the beginning of the audit period in 2013.

Conversations with TCTA and contractor staff indicate that there were only a few minor accidents/incidents during the audit period. Accidents/incidents are summarized in the cover letter of the contractor monthly report as well as discussed in person.

Conclusions and Recommendations

The Auditor's analysis of TCTA indicates that, in terms of operations, the system was efficiently run and well managed during the audit period.

FINDINGS

1. Ridership increased significantly from the prior audit period (around 8 percent from 111,715 in FY 2012-13 to 120,663 in FY 2015-16), despite low gas prices.
2. Reliability of transit service as measured in terms of on-time performance increased during the audit period, particularly on the fixed routes. Much of the improvement can be attributed to the ability to continually monitor on-time performance through the NextBus software and GPS system.
3. The auditor was unable to obtain documentation showing submittal dates for some of the State Controller Reports and proof of receiving a 90 day extension for submittal of Fiscal and Compliance Audits.
4. TCTA implemented all of the recommendations from the prior performance audit with the exception of two. One recommendation is in progress and another was considered to not be required by the TDA.
5. TCTA systemwide farebox ratio dipped slightly the mandatory 10 percent farebox ratio for a rural transit system from in FY 2014-15. Farebox ratio rebounded the following year to 11.45 percent as a result of TCTA cost cutting and revenue increasing measures.

TDA RECOMMENDATIONS

Recommendation 1: *Assist the County Auditor with accurate and timely submittal of State Controller Reports. Maintain copies of all State Controller Reports along with proof of timely submittal in the TCTA files.*

The Auditor is an appropriate position to prepare the State Controller Report. However, TCTA staff should ensure that: 1) accurate data is provided to the Auditor for report preparation 2) reports are submit within 90 days after the end of the fiscal year (paper filing) and 110 days after the end of the fiscal year (electronic filing) and 3) request that the Auditor provide TCTA staff with a copy of the report and proof of timely submittal to the State Controller.

Recommendation 2: *Work with the Fiscal and Compliance Auditor to submit Fiscal and Compliance Audits to the State Controller and TCTC within 180 days of the end of the fiscal year. If a 90 day extension is required and requested, TCTA should maintain the extension request in the files along with the reports.*

As there are limited firms in the region who conduct TDA Fiscal and Compliance Audits, it is not unusual for Fiscal and Compliance Audits to be completed after the 180 day deadline. Fortunately, transit operators and RTPAs have the option to request an extension of the

deadline of up to 90 days. TCTA should keep documentation of extension requests for the next performance auditor.

Recommendation 3: *Continue to monitor operating costs and fare revenues to ensure that farebox ratio does not decrease below the 10 percent minimum specified in TDA for rural transit operators. In addition to streamlining services, TCTA should consider changes to the fare structure and cost effective alternative transportation strategies so that Tuolumne County residents' mobility is not significantly impacted.*

Many smaller rural counties such as Amador, Calaveras and Tuolumne County struggle to maintain a 10 percent farebox ratio. With a declining population, low gas prices low and transit activity centers such as Columbia College losing students there is not an expanding base for potential transit riders in the County. Yet inflation continues to increase operating costs each year. For many residents, public transit services represent the only form of transportation to work, medical appointments, etc., and increases in fares can significantly impact resident's mobility. Therefore, it is a challenge to balance the mobility needs of the community with funding levels and requirements. As recommended in the TCTC audit, the SRTDP for Tuolumne County should be updated so as to conduct a comprehensive evaluation of TCTA services and future ridership projections with close consideration of community needs and goals. This could include both cost cutting and revenue producing strategies and expansion of alternative transportation strategies such as the Tuolumne Trip Program. One option that merits consideration is establishing a zone fare system, charging additional fares for longer trips.