Triennial Performance Audit of the Tuolumne County Transit Agency

Fiscal Years 2016 - 17 through 2018 - 19

Prepared for the

Tuolumne County Transportation Council

Prepared by LSC Transportation Consultants

TRIENNIAL PERFORMANCE AUDIT
OF THE
TUOLUMNE COUNTY TRANSIT AGENCY
FOR FISCAL YEARS
2016 – 17 THROUGH 2018 – 19

Prepared for

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June 29, 2020

LSC #207040

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Executive Summary
Triennial Performance Audit of the Tuolumne County Transit Agency

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) 2016-17 through FY 2018-19, 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

The Tuolumne County Transit Agency (TCTA) was formed through a Joint Powers Agreement between Tuolumne County and the City of Sonora. TCTA is an independent entity with its own staff and is 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

Tables 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 1-7 graphically present performance indicators for all TCTA services. During this audit period, TCTA systemwide ridership decreased by roughly 12.8 percent. However, ridership has decreased by only 4.9 percent over the past six years. Operating cost per vehicle service hour increased (from $92.19 in FY 2016-17 to $102.88 in FY 2018-19) while productivity decreased 10.2 percent from 6.10 trips per hour to 5.47 trips per hour. Despite falling ridership, TCTA systemwide fare revenues increased in FY 2017-18 but then returned to FY 2016-17 levels the last year of the audit period. Farebox ratio met the 10 percent minimum for maximum eligibility of TDA. Given the rural nature of the county and very small population increase (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 two issues: (1) State Controller Reports were not filed within

the required time period, and 2) Fiscal and Compliance Audits were not completed within the specified time period.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants, Inc. The recommendations and their status from that effort are presented below.

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.* ***Incomplete***

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.* ***Incomplete***

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.* ***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 decreased 12.8 percent over the course of this audit period (FY 2016-17 to FY 2018-19). This is likely due to a nationwide downward trend in ridership, mainly due to the fact that a private automobile has become relatively cheaper to own.

2. Reliability of transit service as measured in terms of on-time performance decreased during the audit period, particularly on the fixed routes. Some of this change can be attributed to schedule

adjustments to serve the new transit center. Route revisions, schedule changes or other operational strategies should be considered to improve reliability.

3. The auditor was unable to obtain documentation showing submittal dates for the State Controller Reports. TCTA staff are not sent a copy of the report by the County Auditor.

4. On-time submittal of the Fiscal and Compliance Audits remains an issue. For FY 2016-17, the Fiscal Audit was submit eight months after the December 31st deadline and the FY 2017-18 report was submit over one year after the deadline. The FY 2018-19 has not yet been completed.

5. TCTA has not completed two of the recommendations from the prior performance audit. These recommendations had to do with timely submittal of the Fiscal Audits and State Controller reports.

6. TCTA maintained the required systemwide farebox ratio of 10 percent or better each year of the audit period. TCTA includes advertising revenue as local funds when calculating farebox ratio.

7. TCTA and the contractor continue to have an effective working relationship.

8. Productivity on the combined fixed routes ranged from 6.1 to 5.4 one-way passenger trips per hour during the audit period. This is below the industry standard of 10 passenger-trips per hour for a rural fixed route service. Weekday DAR has a relatively high productivity rate for a demand response service with 3.8 to 4.5 passenger-trips per hour.

9. Systemwide operating cost per trip of $15 to $18 per trip is on par with other rural public transit agencies.

10. During the audit period, TCTA made efforts to increase "choice" ridership by implementing services designed for visitors and tourists such as the Adventure Trolley. As indicated by the relatively high passenger-trip per hour figures, these types of services have overall been effective in improving TCTA's overall productivity. However, the more recently implemented Pinecrest Service and Adventure Trolley have had low ridership. Special service individual programs should be continually reviewed to evaluate cost effectiveness.

11. TCTA also implemented programs to support core transit dependent riders through the Ride for All program funded by a Low Carbon Transit Operations Program (LCTOP) grant.

TDA RECOMMENDATIONS

Recommendation 1: *TCTA staff should take the lead in preparation of the State Controller Reports so as to ensure accurate and timely submittal of the reports.*

Recommendation 2: *Continue to work with the County Auditor and 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. A 90 day extension can be requested if additional time is needed. TCTA should maintain the extension request in the files along with the reports.*

Recommendation 3: Record on-demand and flag stops so as to get a better picture of travel patterns and to make service adjustments, if warranted.

BACKGROUND

California's 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 (TPA) be conducted for all transit operators and Regional Transportation Planning Agencies (RTPAs). The RTPA for Tuolumne County is the Tuolumne County Transportation Council (TCTC). 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.

The TCTC allocates TDA funds for public transit services in Tuolumne County. The Tuolumne County Transit Agency (TCTA) is the only public transit operator in Tuolumne County. 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:

1) Initial review of transit operator functions
2) Review of compliance requirements
3) Follow-up review of prior performance audit recommendations
4) Verification and use of performance indicators
5) Detailed review of transit operator functions
6) Preparation of the Draft Audit report
7) 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 RTPA, the 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 members and staff. A private transportation company, currently 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 five fixed routes serving the communities of Sonora, Tuolumne, Jamestown, Columbia, and Twain Harte. Buses generally run from 6:30 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. Staff report around 15 – 20 on-demand stop passenger boardings per day; however exact numbers and locations are not recorded. During the audit period, Tuolumne County Transit completed a new transit center as part of a County Law and Justice Center. The transit center is located off of Old Wards Ferry Road and includes both indoor and outdoor space, Wi-Fi, restrooms, water fountain and vending machines. Courthouse Park and the Junction Shopping Center are also 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 beginning and ending at the Transit Center on hourly headways. The route serves major shopping centers, apartment complexes and social services.

- **Route 2 Sierra Village to Sonora Loop** – This route travels from the courthouse park as far east on State Route (SR) 108 as the small community of Sierra Village every two hours. Transfers to other routes are possible at the Transit Center and the Junction Shopping Center.

- **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, four times daily. Passengers can transfer to/from Calaveras Transit at Columbia College.

- **Route 4 Sonora to Columbia** – Route 4 travels between the transit center and Columbia College with stops in downtown Sonora. The route makes four round trips per day and has connections to Calaveras Transit.

- **Route 5 Sonora to Tuolumne** – This route travels along Tuolumne Road between the transit center and the community of Tuolumne. This route includes stops at the Junction Shopping Center, the Black Oak Casino, Tuolumne Post Office, Interfaith and the Cascade Mobile Home Park. Route 5 makes six round trips a day.

- **Dial-A-Ride (DAR)** is available to persons with disabilities (no ADA certification required) and persons age 60 or older Monday through Friday from 6:25 AM to 7:25 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. A general public DAR was recently implemented in Phoenix Lake, Sonora Meadows and Crystal Falls area Monday through Friday from roughly 7:00 AM to 6:00 PM. This service replaced the former fixed route, Route 6, which was not making farebox ratio.

TCTA operates a seasonal **Dodge Ridge Ski Bus** (**SkiBUS**) along SR 108 on winter weekends and holidays from the beginning of the winter season through March. In the morning the SkiBUS 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. The afternoon westbound departure is timed with the closing of the ski lifts. Round trip fares are available for $10 for each individual or $25 for a family of four with $5 for each additional child. 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 $16,000 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. No fare is charged in an effort to encourage use. 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 to be Charter Service.

Tuolumne County has partnered with local non-profit organizations to provide a reimbursement program called the **Tuolumne Trip Program.** The program is 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. The 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 2018-19 a total of 270 trips were provided with an average cost per trip provided of $24.67.

Sonora to Pinecrest Summer Service – In 2017, TCTA began offering summer services from Sonora to Pinecrest Lake on weekends and holidays from Memorial Day weekend to Labor Day. The Pinecrest Service picks up its first passengers in Jamestown at the Preston Lane Apartments at 8:00 AM then travels east through Sonora, Twain Harte, and Cold Springs before ending at Pinecrest Lake at around 9:30 AM. The service also provides on-demand stops in the communities of Sugar Pine, Mi-Wuk, Sierra Village, and Long Barn. In the summer of 2019, 139 one-way passenger-trips were carried on this service.

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. The TCTC/TCTA Executive Director attends YARTS Board meetings and provides input. Tuolumne County has been invited to become a voting member of YARTS and the TCTA board has approved supporting this process. This would require a $68,400 annual contribution and support of the Tuolumne County Board of Supervisors. If this were to occur, the Tuolumne County Supervisor in the district where Yosemite National Park is located would be the voting member and delegate to TCTA.

The **Tuolumne Adventure Trolley** is a new visitor oriented historic trolley service between Jamestown, Sonora and Colombia. The service runs from 8:30 AM to 8:30 PM on Saturdays during the summer season every 1.5 hours. This service began in FY 2018-19 and carried 792 one-way passenger-trips.

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 1-7. 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 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 presents operating and financial statistics for demand response services.

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 and Figure 1 present annual ridership data for all TCTA services during the audit period, as well as data from the previous three-year period (for purposes of comparison). During this current audit period, overall ridership decreased by 12.8 percent. Over the past six years, systemwide ridership has decreased by 4.9 percent with the lowest ridership occurring during the FY 2018-19 and the highest ridership occurring in FY 2016-17.

FIGURE 1: TCTA Annual Ridership History
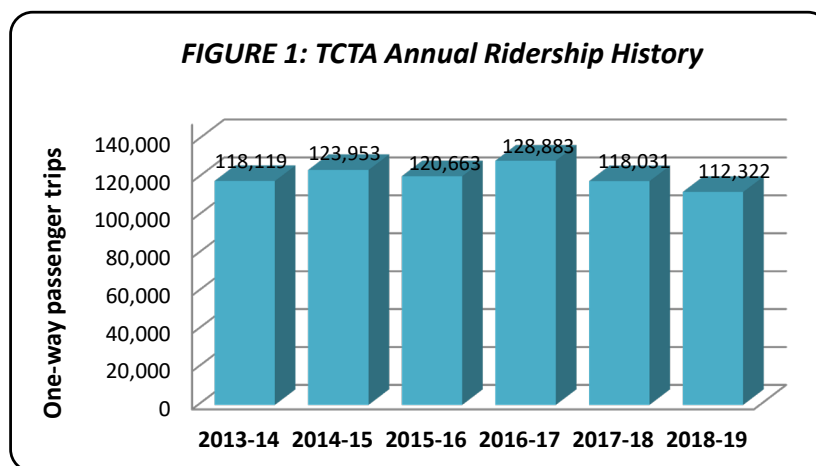
As shown in Table 2, fixed route services ridership declined by 16.5 percent over the past three fiscal years while seasonal services which includes the Ski Bus, Special Events, Adventure Trolley and Pinecrest Service increased by 18.4 percent. This increase is due to both a 48 percent increase in Special Event ridership as well as the implementation of new services such as Pinecrest and the Adventure Trolley.

TABLE 1: Tuolumne County Transit Agency Systemwide Performance Measures

Performance Measures	Prior Audit Period			Current Audit Period		
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
One-Way Passenger-Trips	118,119	123,953	120,663	128,883	118,031	112,322
% Change from Previous Year	*5.7%*	*4.9%*	*-2.7%*	*6.8%*	*-8.4%*	*-4.8%*
Vehicle Service Hours	22,076	22,853	21,137	21,142	20,374	20,521
% Change from Previous Year	*-17.5%*	*3.5%*	*-7.5%*	*0.0%*	*-3.6%*	*0.7%*
Vehicle Service Miles	344,549	341,402	340,221	354,534	316,999	318,195
% Change from Previous Year	*4.3%*	*-0.9%*	*-0.3%*	*4.2%*	*-10.6%*	*0.4%*
Operating Costs	$2,040,042	$2,321,741	$2,017,503	$1,949,089	$2,246,004	$2,111,260
% Change from Previous Year	*2.4%*	*13.8%*	*-13.1%*	*-3.4%*	*15.2%*	*-6.0%*
Full-Time Equivalent Employees (FTE)	23	24	24	22	23	23
% Change from Previous Year	*3.6%*	*4.3%*	*0.0%*	*-8.3%*	*4.5%*	*0.0%*
Farebox Revenues	$221,323	$217,132	$231,041	$203,087	$222,203	$203,171
% Change from Previous Year	*2.6%*	*-1.9%*	*6.4%*	*-12.1%*	*9.4%*	*-8.6%*
Local Funds [1]	--	--	--	--	$36,112	$39,071
	--	--	--	--	--	*8.2%*
Operating Cost per One-Way Passenger-Trip	$17.27	$18.73	$16.72	$15.12	$19.03	$18.80
% Change from Previous Year	*-3.2%*	*8.5%*	*-10.7%*	*-19.3%*	*25.8%*	*-1.2%*
Operating Cost per Vehicle Service Hour	$92.41	$101.59	$95.45	$92.19	$110.24	$102.88
% Change from Previous Year	*24.1%*	*9.9%*	*-6.0%*	*-9.3%*	*19.6%*	*-6.7%*
Passengers per Vehicle Service Hour	5.35	5.42	5.71	6.10	5.79	5.47
% Change from Previous Year	*28.2%*	*1.4%*	*5.3%*	*12.4%*	*-5.0%*	*-5.5%*
Passengers per Vehicle Service Mile	0.34	0.36	0.35	0.36	0.37	0.35
% Change from Previous Year	*1.4%*	*5.9%*	*-2.3%*	*0.1%*	*2.4%*	*-5.2%*
Vehicle Service Hours per FTE	959.85	952.22	880.70	961.01	885.83	892.23
% Change from Previous Year	*-20.4%*	*-0.8%*	*-7.5%*	*0.9%*	*-7.8%*	*0.7%*
Farebox Recovery Ratio (including local funds)	10.85%	9.35%	11.45%	10.42%	11.50%	11.47%
% Change from Previous Year	*0.2%*	*-13.8%*	*22.5%*	*11.4%*	*10.4%*	*-0.2%*

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

Note 1: Local funds includes advertising revenue

Ridership on the DAR service (Table 3) decreased by 8 percent during the audit period with all of the decrease occurring during the week.

Operating Cost data for TCTA services systemwide were obtained from annual Fiscal Audits for the first two years of the audit period. Only unaudited data is available for the last year of the audit period, FY 2018-19. Operating costs include total operating expenses for each object class as presented in the

TABLE 2: Tuolumne County Transit Agency Fixed Route Services Performance Measures

Performance Measures	Combined Fixed Routes			SkiBUS, Pinecrest, Adventure Trolley and Special Events		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
One-Way Passenger-Trips	87,281	78,027	72,844	4,586	4,806	5,431
% Change from Previous Year	*9.8%*	*-10.6%*	*-6.6%*	*9.6%*	*4.8%*	*13.0%*
Vehicle Service Hours	12,548	11,648	11,051	325	329	567
% Change from Previous Year	*-0.4%*	*-7.2%*	*-5.1%*	*-6.1%*	*1.3%*	*72.3%*
Vehicle Service Miles	206,090	187,533	178,855	4,289	4,045	8,458
% Change from Previous Year	*-0.4%*	*-9.0%*	*-4.6%*	*-10.5%*	*-5.7%*	*109.1%*
Operating Costs	$1,157,327	$1,147,477	$1,134,844	$33,969	$34,192	$68,260
% Change from Previous Year	*-1.3%*	*-0.9%*	*-1.1%*	*-16.3%*	*0.7%*	*99.6%*
Farebox Revenues	$104,859	$99,271	$90,000	$7,370	$2,124	$9,088
% Change from Previous Year	*-6.2%*	*-5.3%*	*-9.3%*	*-19.0%*	*-71.2%*	*328.0%*
Operating Cost per One-Way Passenger-Trip	$13.26	$14.71	$15.58	$7.41	$7.11	$12.57
% Change from Previous Year	*-10.1%*	*10.9%*	*5.9%*	*-23.6%*	*-3.9%*	*76.7%*
Operating Cost per Vehicle Service Hour	$92.23	$98.52	$102.69	$104.67	$103.96	$120.46
% Change from Previous Year	*-0.9%*	*6.8%*	*4.2%*	*-10.9%*	*-0.7%*	*15.9%*
Passengers per Vehicle Service Hour	6.96	6.70	6.59	14.13	14.61	9.58
% Change from Previous Year	*10.2%*	*-3.7%*	*-1.6%*	*16.7%*	*3.4%*	*-34.4%*
Passengers per Vehicle Service Mile	0.42	0.42	0.41	1.07	1.19	0.64
% Change from Previous Year	*10.2%*	*-1.8%*	*-2.1%*	*22.4%*	*11.1%*	*-46.0%*
Farebox Recovery Ratio	9.06%	8.65%	7.93%	21.70%	6.21%	13.31%
% Change from Previous Year	*-4.9%*	*-4.5%*	*-8.3%*	*-3.3%*	*-71.4%*	*114.4%*

Chart of Accounts for the Uniform System of Accounts and Records 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 shown in Table 1, systemwide operating costs increased by 8.3 percent between FY 2016-17 and FY 2018-19 with a 15 percent increase in FY 2017-19. Specifically, "salaries and benefits" increased in FY 2017-18 by 68 percent but "professional and specialized services" which include the operating contract cost decreased by 8.4 percent that year. During this time period, there were staff promotions and cost of living adjustments for TCTC/TCTA staff. The increase in salaries and benefit is also affected by new requirements for local entities invested in the California Public Employees' Retirement System (CalPERS) to recognize their share of the state's unfunded pension and Other Post Employee Benefits (OPEB) liabilities on the employer's balance sheet, instead of in the footnotes.

Operating costs by type of service are tracked in internal reports but not presented in the Fiscal and Compliance Audit. As shown in Table 2 combined fixed route operating costs remained relatively steady during the audit period. The new Adventure Trolley service added to operating costs for Special Services.

The Weekend DAR saw large increases in operating costs during the audit period: 78 percent in FY 2017-18 and 28 percent in FY 2018-19 without a corresponding increase in service levels. The Weekday DAR had much smaller cost increases.

TABLE 3: Tuolumne County Transit Agency Demand Response Services Performance Measures									
	Dial-A-Ride (Weekday)			**Weekend Dial-A-Ride**			**Total Dial-A-Ride**		
Performance Measures	**2016-17**	**2017-18**	**2018-19**	**2016-17**	**2017-18**	**2018-19**	**2016-17**	**2017-18**	**2018-19**
One-Way Passenger-Trips	36,264	34,009	32,585	752	1,189	1,462	37,016	35,198	34,047
% Change from Previous Year	*0.3%*	*-6.2%*	*-4.2%*	*-7.2%*	*58.1%*	*23.0%*	*0.1%*	*-4.9%*	*-3.3%*
Vehicle Service Hours	7,926	8,065	8,493	343	332	411	8,269	8,397	8,904
% Change from Previous Year	*-1.0%*	*1.8%*	*5.3%*	*84.4%*	*-3.3%*	*23.7%*	*0.9%*	*1.5%*	*6.0%*
Vehicle Service Miles	139,662	120,490	124,681	4,493	4,931	6,201	144,155	125,421	130,882
% Change from Previous Year	*11.0%*	*-13.7%*	*3.5%*	*67.0%*	*9.7%*	*25.8%*	*12.1%*	*-13.0%*	*4.4%*
Operating Costs	$781,274	$831,845	$899,663	$19,676	$35,025	$45,161	$800,950	$866,869	$944,824
% Change from Previous Year	*4.2%*	*6.5%*	*8.2%*	*4.9%*	*78.0%*	*28.9%*	*-0.4%*	*8.2%*	*9.0%*
Farebox Revenues	$94,830	$91,376	$85,273	$2,142	$3,286	$3,936	$96,973	$94,663	$89,208
% Change from Previous Year	*-7.7%*	*-3.6%*	*-6.7%*	*-14.1%*	*53.4%*	*19.8%*	*-12.0%*	*-2.4%*	*-5.8%*
Operating Cost per One-Way Passenger-Trip	$21.54	$24.46	$27.61	$26.17	$29.46	$30.89	$21.64	$24.63	$27.75
% Change from Previous Year	*-0.8%*	*13.5%*	*12.9%*	*13.0%*	*12.6%*	*4.9%*	*-0.5%*	*13.8%*	*12.7%*
Operating Cost per Vehicle Service Hour	$98.57	$103.14	$105.93	$57.29	$105.50	$109.96	$96.86	$103.23	$106.12
% Change from Previous Year	*0.5%*	*4.6%*	*2.7%*	*-43.1%*	*84.2%*	*4.2%*	*-1.3%*	*6.6%*	*2.8%*
Passengers per Vehicle Service Hour	4.58	4.22	3.84	2.19	3.58	3.56	4.48	4.19	3.82
% Change from Previous Year	*1.3%*	*-7.8%*	*-9.0%*	*-49.7%*	*63.6%*	*-0.6%*	*-0.8%*	*-6.4%*	*-8.8%*
Passengers per Vehicle Service Mile	0.26	0.28	0.26	0.17	0.24	0.24	0.26	0.28	0.26
% Change from Previous Year	*-9.7%*	*8.7%*	*-7.4%*	*-44.4%*	*44.1%*	*-2.2%*	*-10.7%*	*9.3%*	*-7.3%*
Farebox Recovery Ratio	12.14%	10.98%	9.48%	10.89%	9.38%	8.72%	12.11%	10.92%	9.44%
% Change from Previous Year	*-11.5%*	*-9.5%*	*-13.7%*	*--*	*-13.8%*	*-7.1%*	*-11.6%*	*-9.8%*	*-13.5%*

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 systemwide service levels decreased by 7 percent, or by 1,551 annual vehicle-hours. During the three year audit period, vehicle hours have only decreased by 2.9 percent. As seen in Tables 2 and 3, this decrease in hours can be mostly attributed to a reduction in fixed route service. During this audit period, vehicle service hours for specialized services which includes SkiBUS, Pinecrest, Adventure Trolley and Special Events increased by 74.6 percent.

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 by 36,339 miles, or 10.2 percent. This is due to the annual vehicle service miles for the fixed routes decreasing by 13.2 percent. Weekday DAR annual service miles decreased by 10.7 percent while weekend DAR service miles increased by 38 percent. The most notable increase in vehicle service miles occurred in the Special Events services, with an increase in 97 percent between FY 2017-18 and FY 2018-19.

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. 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. The contractor provides TCTA a monthly report of all staff hours worked that month. Both these reports are sent to the County Auditor to complete the FTE count for the State Controller Reports. FTE levels increased slightly during the audit period from 22 to 23 but represents a slight decrease from the prior audit period. Note that in this report it is referenced that Storer has around 29 FTEs. The difference in numbers is due to different methods of calculation.

Systemwide **Fare Revenue** data presented in Table 1 was obtained from annual Fiscal and Compliance Audit reports for FY 2016-17 and FY 2017-18. Data for FY 2018-19 is unaudited and obtained from internal reports. Fare revenue data by service type listed in Tables 2 and 3 was also obtained from internal reports.

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. This would include revenue from Dodge Ridge Ski Resort and Columbia College.

- 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. It should be noted that Low Carbon Transit Operations Program (LCTOP) funds acquired for the purpose of having fare – free transit service can be categorized as fare revenue under object class 402.

Table 1 shows that over the past six years systemwide fare revenues have generally fluctuated with a peak in revenue occurring in FY 2017-18 ($222,203). TCTA implemented a fare increase in November 2017. The 12.8 percent drop in systemwide fare revenues over the past three fiscal years is a result of a decrease in ridership. Fare revenue obtained from combined fixed route services ranged from $90,000 to $104,859 (Table 2). The specialized services category (Ski Bus, Special Events, Adventure Trolley and Pinecrest) brought in $2,124 to $9,088 in fare revenue (Table 2), while DAR fare revenue ranged from $89,208 to $96,973 (Table 3).

TCTA recently began a "Ride for All" Program. Using LCTOP revenue, TCTA subsidizes the fare for low income transit dependent passengers.

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 2. This performance measure is a key indicator of a transit system's cost effectiveness. Systemwide operating cost per trip decreased by 19.3 percent in FY 2016-17 to $15.03, then increased by 25.8 percent to $19.03 per trip in FY 2017-18 and leveled off to $18.80 in FY 2018-19. The Combined Fixed Routes operating cost per trip increased from $13.26 in FY 2016-17 to $15.58 in FY 2018-19. The specialized services category (Ski Bus, Pinecrest, Adventure Trolley and Special Event services) are the most cost effective. Operating cost per trip was around $7 for the first two years of the audit period, then increased to $12 per trip after the implementation of the Adventure Trolley in FY 2018-19. Demand response services such as DAR services are the least cost effective type of service. Operating cost per trip for all DAR services ranged from $21.64 to $21.75.

FIGURE 2: TCTA Operating Cost per Passenger-Trip
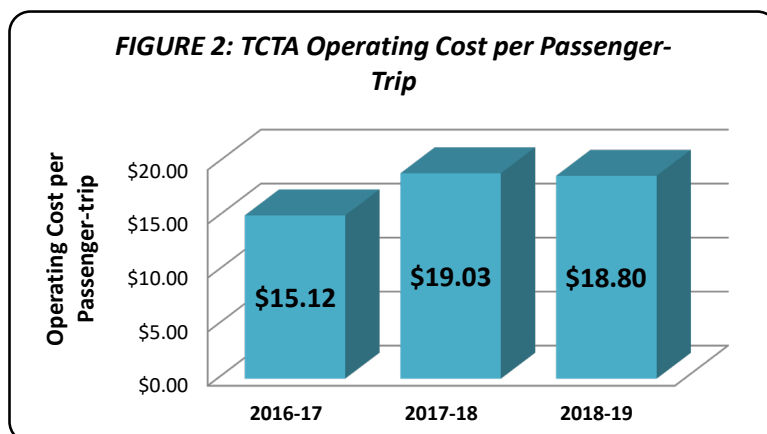
The **Operating Cost per Vehicle Revenue Hour** data is presented in Tables 1-3 and Figure 3. This performance measure is a key indicator of a transit system's cost efficiency. Systemwide operating cost per vehicle revenue hour increased by 11.6 percent during the audit period from $92.19 in FY 2016-17 to $102.88 in FY 2018-19. Operating cost per hour on the combined fixed route services was $92.23 in FY 2016-17 and increased to $102.69 in FY 2018-19. DAR operating costs per vehicle hour were similar and ranged from $96.86 in FY 2016-17 to $106.12 in FY 2018-19. Operating cost per hour on the combined SkiBus, Pinecrest Service, Adventure Trolley and Special Events was the greatest and increased from $104.67 in FY 2016-17 to $120.46 in FY 2018-19.

FIGURE 3: TCTA Operating Cost per Hour
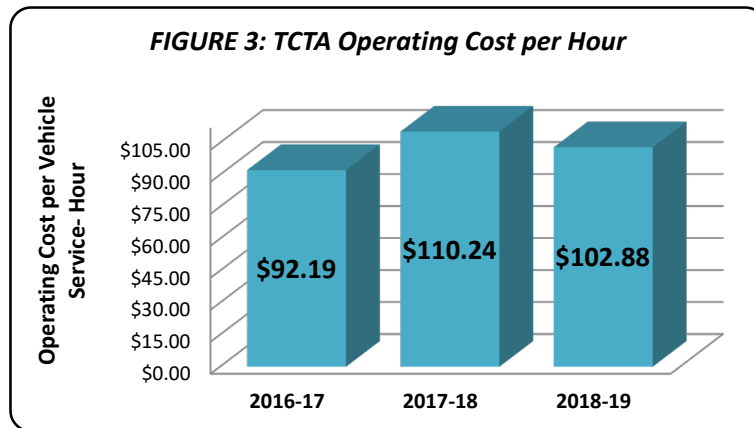
The **Passengers per Vehicle Revenue Hour** (commonly referred to as "productivity") is presented in Tables 1-3 and Figure 4. Systemwide productivity over this audit period decreased slightly 6.1 to 5.5 passenger trips per hour and represents a similar productivity to the previous audit period's average (between 5.4 and 5.7).

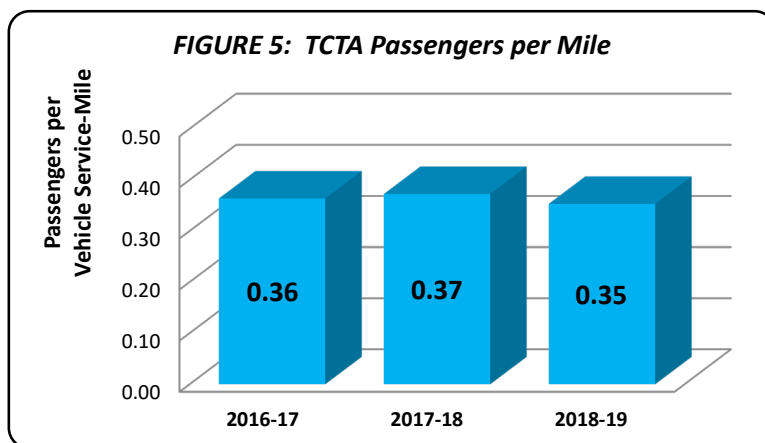
FIGURE 4: TCTA Passengers per Hour
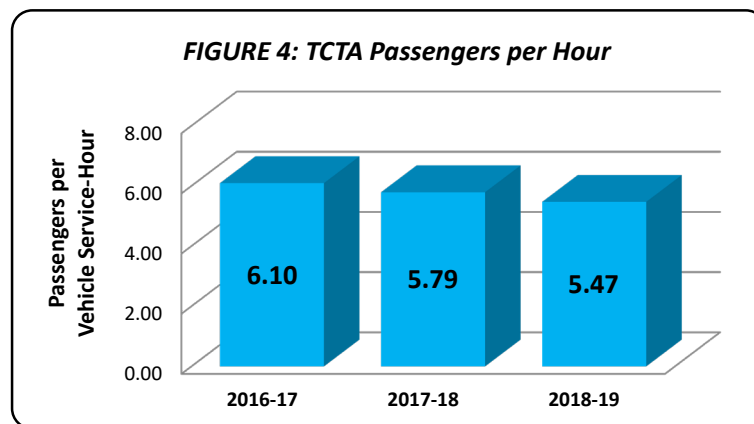
Looking at productivity by type of service (Tables 2 and 3), TCTA fixed route passenger-trips per vehicle service hour remained relatively steady over this audit period (6.6 to nearly 7 trips per hour). This was slightly higher than the previous audits average of 6.4 passenger trips per vehicle service hour.

Weekday DAR passenger trips per hour in FY 2018-19 was at its lowest during the audit period at 3.8. This was a 16 percent decrease from FY 2016-17 productivity level of nearly 4.6 passengers per vehicle

trip. The most productive services were the SkiBUS, Special Event, and Pinecrest services (as a whole) which carried as many as 14.6 passenger-trips per hour in FY 2017-18.

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 were very close to meeting the minimum 7.0 standard; however, the Special Event and Ski Bus Services exceeded this standard. DAR services exceeded the 3.0 productivity standard. As TCTA is currently updating the Transit Development Plan, these standards may change.

Systemwide **Passengers per Vehicle Revenue Mile** data is presented in Tables 1-3 and Figure 5. This performance indicator has stayed relatively consistent over the past six years ranging from a systemwide 0.34 trips per mile in FY 2013-14 to 0.37 trips per mile in FY 2017-18. The fixed routes carried more passenger-trips per mile (0.41 in FY 2018-19) than Weekday DAR (0.26 in FY 2018-19). Again, the SkiBUS, Special Event, and Pinecrest services carried the most passenger-trips per mile (0.64 in FY 2018-19).

FIGURE 5: TCTA Passengers per Mile

Passengers per Vehicle Service-Mile

Year	Passengers per Vehicle Service-Mile
2016-17	0.36
2017-18	0.37
2018-19	0.35

The **Vehicle Service Hours per Employee** data is presented in Table 1 and Figure 6. 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.

FIGURE 6: TCTA Hours per Employee

Vehicle Service Hours per Employee

Year	Vehicle Service Hours per Employee
2016-17	961
2017-18	886
2018-19	892
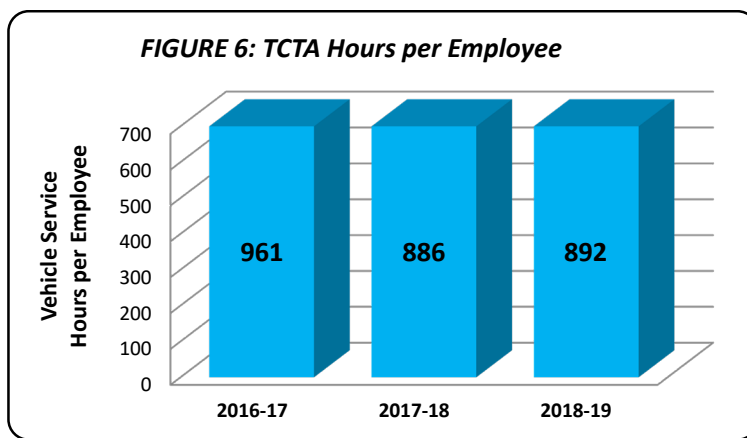
The **Farebox Recovery Ratio** data is presented in Tables 1-3 and Figure 7. Farebox ratio for the TCTA system as a whole was calculated using data obtained from the Fiscal and Compliance Audits for the first two years of the audit period and unaudited internal reports for FY 2018-19. TDA law does not 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.

FIGURE 7: TCTA Farebox Ratio
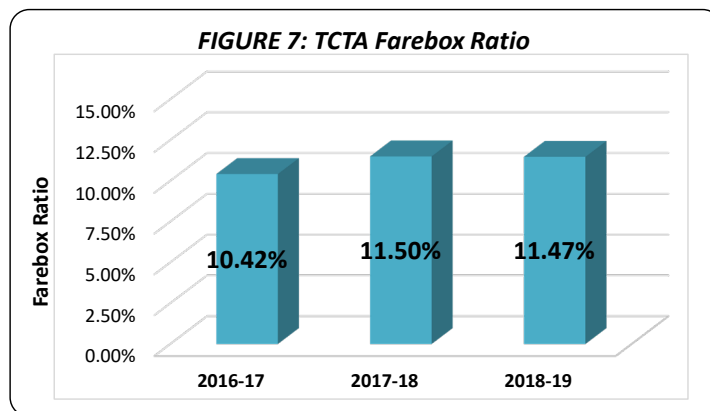
The ultimate significance of the farebox ratio is that a claimant's maximum eligibility for TDA funds is determined in large part by its required ratio. For example, if a claimant had a required fare ratio of 10 percent then it could receive a maximum of 90 percent of its operating cost from TDA and 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, cheaper auto ownership and general inflation contribute to the challenge. As shown in Figure 7, TCTA's farebox ratio was 10.42 percent in FY 2016-17, rose to 11.50 percent in FY 2017-18 and leveled off at 11.47 in FY 2018-19.

TCTA's farebox ratio dipped below 10 percent in FY 2014-15. 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 was the grace year for TCTA. Over the past few years, TCTA made a concerted effort to decrease costs and increase fare revenues. Inefficient services, such as the Groveland DAR and Route 6, were eliminated and fares have been increased. Additionally, during this audit period, TCTA has acquired local revenue through advertising on the buses. As discussed below, this revenue can be applied to the farebox ratio calculation.

Per TDA, if fare revenue alone is insufficient to meet the 10 percent requirement, transit operators can use "local funds" to supplement fare revenue. Local funds are defined as, "*any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator*". Examples include advertising revenue, lease revenue or funds provided by a local agency.

On the expense side, operating cost increases beyond the change in the Consumer Price Index for the following categories can be excluded from farebox ratio calculation:

- Complementary paratransit service
- Fuel
- Alternative fuel programs
- Power, including electricity
- Insurance premiums and payments
- State and federal mandates
- Startup costs for new services for a period of not more than two years

There is also some leeway in TDA law to distinguish LCTOP funds as local funds, if the RTPA desires; however, most transit agencies categorize LCTOP funds as fare revenue (object class 402).

Table 1 and Figure 7 present systemwide farebox ratio including local funds. In Tuolumne County, local funds include advertising revenue. Table 1 also differentiates fare revenue and local funds. Farebox ratio need only be calculated at the systemwide level for TDA eligibility purposes; therefore, local funds are not included in farebox ratio calculations by type of service.

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 75 percent between the two sources in some instances. Smaller 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. During this audit period, TCTA never actually received a copy of the reports and confirmation of the date on which reports were sent to the State Controller was not available.

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. Manually entered data is still subject to human error. The use of electronic fareboxes could improve the data collection process by reducing the required staff time as well as the potential for error.

Overall Performance

In recent years, the US has been experiencing an overall downward trend in public transit ridership for a variety of reasons including decreasing gas prices and low cost of auto ownership. TCTA ridership followed this trend during the audit period with a 12.8 percent decrease from FY 2016-17 to FY 2018-19. Systemwide operating costs did not increase more than 15 percent in one year and in fact decreased in FY 2016-17 and FY 2018-19 (unaudited numbers). Productivity is good on the Special Event, SkiBus and Pinecrest services but the fixed routes operate just shy of productivity standards. Given the rural nature of the county and the small population increase between 2016 and 2019 (1.3 percent 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 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 seven months after the end of the fiscal year. The County Auditor prepares the reports for TCTA. During this audit period, TCTA did not receive a copy of the State Controller Reports nor did they receive confirmation that the reports were sent to the State Controller within the required time period. As TCTA data is available on the State Controller website for FY 2016-17 and FY 2017-18 reports were submitted for those years; however, the submittal date is unknown. Given the repeated delays in the past for submitting these reports, it is recommended in this performance audit that TCTA staff take the lead in completing the State Controller Reports going forward.

2. Regarding Public Utilities Code Section 99245, timely completion and submittal of the annual Fiscal and Compliance Audits have been another recurring issue of non-compliance in Tuolumne County. For this audit period, the FY 2016-17 Fiscal Audit was submitted eight months after the December 31st deadline and the FY 2017-18 report was submitted over one year after the deadline. As mentioned earlier in this report, the County Auditor is responsible for coordinating with the Fiscal Auditor to complete the report. For the Auditor's office, public transit related reports have taken a back seat to more pressing issues in Tuolumne County in recent years and this is compounded by the fact that the Tuolumne County Auditor is short staffed. Although TCTA staff has been diligent about following up with the County Auditor, the problem has not been resolved.

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. 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 2013-14 and 2018-19. 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 meet the minimum 10 percent farebox ratio requirement for rural transit services during the entire audit period. However, FY 2018-19 financial data is unaudited.

10. In reference to PUC Section 99271, TCTA offers a retirement plan to its transportation employees through the California Public Employees Retirement System (PERS). As of June 2018, reports show that the CalPERS fund was only around 70 percent funded. CalPERS is taking steps to increase the funded status such as shortening the amortization period and adopting new strategic asset allocation. Additionally, the Governmental Accounting Standards Board (GASB) Statements 68 and 75 now requires that employers show the pension and OPEB liabilities on their balance sheets instead of in the footnotes. This is a way of forcing employers (cities/counties) to recognize their share of the state's unfunded liability in hopes that the employers take more interest in having these liabilities paid off.

    Despite the changes to the balance sheets, actuarial valuations performed by CalPERS assume that the amortization period for the unfunded liability for CalPERS is 30 years or less. Therefore, the retirement system will be funded within 40 years, per PUC 99271.

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 and Low Carbon Transit Operations Program.

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

	Requirement	PUC Reference	In Compliance? Yes	In Compliance? No	Notes
(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	Submittal dates unknown
(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	FY 2016-17 - 08-23-2018 FY 2017-18 - 01-30-2020 FY 2018-19 - Unk
(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		

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC transportation Consultants in April of 2017. The recommendations and their status from that effort are presented below.

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.*

Status: Incomplete As discussed above, TCTA did not receive copies of the State Controller Reports during this audit period and it is unknown if the reports were submitted on time. Despite follow up attempts from TCTA staff, the situation has not changed. Going forward it is recommended that TCTA staff take on a larger role in completing the State Controller Reports.

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.*

Status: Incomplete. A similar issue occurs with the Fiscal and Compliance Audits as with the State Controller Reports. The County Auditor has not had the time to provide the necessary data to the Fiscal and Compliance Auditor. During this audit period, the Fiscal and Compliance audit was submitted as much as one year late. The FY 2018-19 Audit had not been completed as of this writing. TCTA continues to remind the County Auditor of this responsibility.

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.*

Status: Complete. According to the available data, TCTA met the 10 percent farebox ratio each year of the audit period. Systemwide operating costs did not increase more than 15 percent for one year. TCTA implemented a fare increase in November 2017; however, fare revenue has declined as the result of an overall downward trend in ridership. During the audit period, TCTA made and attempt to increase ridership by expanding on the well performing Special Event Services. TCTA is also in the process of updating the Transit Development Plan which will likely provide alternative service options to increase farebox ratio.

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 membership with the TCTC. TCTA/TCTC staff consists of five permanent employees: Executive Director, Administrative Technician, Senior Administrative Analyst, Senior Transportation Planner and Transportation Planner II. As shown in the organizational chart presented as Figure 8, 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 vehicle replacement. Lastly, the Administrative Technician assists with ADA certification and other similar transit related duties.

The transit contractor employs 29 full-time equivalent employees (per Storer calculations): Project Manager, Administrative Assistant, Receptionist, 0.5 FTE Accounting, 18 Drivers plus 1 Daily Sub Driver, 3.5 Dispatchers, 2 Mechanics, 1.25 FTE Bus Clean up Personnel and 0.3 FTE Safety & Training Manager/Road Supervisor. This level of staffing remains relatively similar to the last audit period. The Project Manager is responsible for administration of all operations and personnel and reports to the TCTA Executive Director.

Administrative Oversight

TCTA has an appropriately well-defined program of administrative oversight. It regularly receives, reviews, and acts upon performance and financial information. The Administrative Analyst prepares detailed operating reports which the Executive Director/Transit Manager reviews at least monthly and more frequently if warranted. Operating reports are presented to the board semi-monthly.

The Executive Director/Transit Manager meets with transit administrative staff meetings roughly once a week. TCTA staff are in communication with contractor staff daily. Overall, TCTA and its contractor (Storer Transportation) have a well-developed set of operating standards and procedures to make the transit system effective 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 attract choice riders:

- To improve farebox ratio, Route 6 was eliminated, as it did not meet performance standards.

- Summer service between Sonora and Pinecrest was implemented in FY 2017-18 to reduce Vehicle-Miles of Travel (VMT) in the popular recreation area and serve new ridership.

- The Adventure Trolley Program was brought back to Tuolumne County in FY 2018-19. The visitor oriented service provides transportation on a historic trolley between Sonora, Jamestown and Colombia.

- Real-time bus arrival technology was shifted from NextBus to Double Map.

In 2017, the new transit center (part of the Tuolumne County Law and Justice Center) was completed. As a result, minor route and schedule adjustments were made so that connections and transfers could be made at the transit center.

Performance statistics for new services are tracked separately. Criteria for evaluating the feasibility of new services has been developed through the unmet transit needs process. Service changes are often the result of community outreach and input. Public hearings are held before implementing major changes.

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 contributing administrative time and input to the YARTS program. TCTA is considering becoming a voting member.

Service Planning

The effectiveness of a transit system is highly dependent upon the continued development of short- and long-range transit plans. The TCTC is in the process of updating the Short Range Transit Development Plan (SRTDP) and the Coordinated Public Transit Human Services Transportation Plan for Tuolumne County. The TDP will likely include a new intercity service to Stockton to provide Tuolumne County residents greater access to urban services. The Coordinated Plan may recommend expanding the Tuolumne TRIP program.

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, reduce VMT or provide safety in addition to meeting transit dependent riders' needs. This is evident in the implementation of the Pinecrest service which provides an alternative mode of transportation in a congested recreation area. With mostly new board members, TCTA may revisit long-term strategic goals going forward.

Operations reports and ridership analysis are reported to the TCTA Board semimonthly. The 2011 SRTP 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 following categories: vehicles and facility 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 2011 SRTP 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; however, there was little development in Tuolumne County during the audit period.

Evaluation of Fixed Routes

Each month, the Executive Director/Transit Manager receives and reviews a comprehensive report from the contractor. The report includes daily ridership by day and by route and by fare revenue type, fuel usage, maintenance paperwork and on-time performance. TCTA staff inputs contractor data into

spreadsheets which are linked to performance measure charts for each fiscal year. These reports are presented to the TCTA board semiannually. 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 recent SRTDP update. TCTA and contractor staff are continually reviewing on-demand stop patterns and make changes to permanent/on-demand stops as justified.

Planning for and Serving Special Transportation Needs

All of TCTA's active fleet of 20 revenue vehicles are 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. Public meetings are held at the Board of Supervisors Chambers as well as outlying community locations. Meetings are advertised on buses, internet, radio and television. 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), the TCTC Technical Advisory Committee and the Citizens Advisory Committee 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. Drivers are assigned to routes and types of vehicles for which they are certified, most proficient and most comfortable. There is no driver bid process, but seniority does play a role in driver route assignments. Generally, drivers keep the same shifts but if schedule adjustments are made, drivers are assigned routes based on their strengths, skills, and experience. This has not changed since the prior audit period. Most TCTA drivers are full-time, while two drivers are part-time. There are also two administrative personnel who are capable of covering 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. Operations staff are in constant communication.

DAR scheduling is performed using StrataGen software. Reservations are recommended to be made at least one day in advance. Same day ride requests (at least one hour in advance) are accommodated on a space available basis only. Subscription service is available to passengers with recurring appointments so long as they do 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 periodically as is company policy and provides greater ability to adjust service over the course of the shift. Dial-A-Ride reservation and cancellation policies, including a clear "no show" policy, is available on the website or by contacting TCTA. 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, Indeed, Craigslist, the Tuolumne County website and job fairs. As Storer Transportation continuously advertises and accepts applications regardless of whether there is a position available, there is usually 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 but Storer was able to fill vacant positions without much delay. (Note that many California transit programs were not as successful in filling driver positions over this audit period.) Storer Transportation conducts driver performance evaluations annually.

Both new and experienced 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 in addition to winter driving training in Sonora. 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. Storer Transportation has adopted an Equal Opportunity Employment Policy.

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 net negative points receive a bonus. Storer also has an employee of the month/year program that recognizes exemplary employees with a gift card and recognition at board meeting. Storer conducts quarterly employee appreciation BBQs.

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 an FTA 5310 grant.

Risk Management and Insurance

Regarding insurance, the contractor must maintain liability insurance of at least $10 million. TCTA has additional insurance through the County's California State Association of Counties (CSAC) Excessive Insurance Authority policy. Storer Transportation has established procedures for processing and investigating accident/injury claims with an emphasis on correcting the situation so that the 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 has worked well during forest fire disasters but provides little guidance for a pandemic. TCTA would like to update this section going forward. TCTA recently submit a Sustainable Transportation Planning Grant application to create a better plan for road closures and coordination between public transit and highway patrol with respect to emergency evacuations during a large scale fire such as the Paradise Fire.

Safety

Accidents/incidents are summarized in the cover letter of the contractor monthly report as well as discussed in person. Storer Transportation has a strong accident response process in place. A company-wide panel annually reviews each accident and makes a group determination as to whether the accident was "preventable". Drivers are invited to attend the meeting and learn from the experience.

TCTA has a designated Safety Officer that is full time and responsible for handling all safety practices. The Safety Officer will periodically follow drivers while working to evaluate safety practices. After an accident, a driver must be retrained before allowed on the road again.

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 are provided by the County Facilities Management Department.

The new Law and Justice Transit Center was completed in the fall of 2017. The facility is located off of Old Wards Ferry Road in Sonora on the opposite side of SR 108 from the Crossroads Shopping Center. The project provides 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 includes both indoor and outdoor waiting areas, Wi-Fi, restrooms, bicycle racks, and real time bus arrival information.

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 recorded 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 according to the County procurement policy. All financial duties are performed by TCTA or County staff.

Marketing and Public Information

The TCTA 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. The Project Manager for the operations contractor participates at community events to promote public transit monthly.

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 the public transit system's reliability. 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, fixed route services on-time performance decreased from 94 percent in FY 2016-17 to 76.1 percent in FY 2018-19. This reverses a trend of improving on-time performance during the last performance audit period where fixed route on-time performance increased from 85.3 percent in FY 2013-14 to 92.4 percent in FY 2015-16.

There are various potential reasons for this decrease in on-time performance, the primary one being that route and schedule adjustments had to be made to serve the new transit center. Another contributing factor is the retirement of the most experienced Route 1 driver (which has the worst on-time performance). Lastly, TCTA switched real time transit data tools from NextBus to Double Map. It is possible that some of the difference could be attributed to the way each software tool calculates on-time performance. As TCTA is in the middle of a Short Range Transit Plan update, it is likely that recommendations will result from this effort to improve on-time performance.

The DAR on-time performance standard is within a window 15 minutes prior to and 30 minutes after scheduled pick up time. According to standards, 95 percent of all DAR departures should meet this

criteria. During this audit period, DAR services were "on-time" 94.2 percent of the time in FY 2016-17, 93.1 percent in FY 2017-18 and 85.85 percent of the time in FY 2018-19.

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, a mobile lift, a wash bay 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 terminal inspection.

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.

TCTA has a fleet of 20 active revenue vehicles. The average age of the fleet is 7 years and the average vehicle mileage is 120,677. 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. Five vehicles were replaced in 2017.

The Auditor's analysis of TCTA indicates that, in terms of operations, the system was efficiently run and well managed during the audit period. TCTA has a well-round public transit system as it offers public transit services to both the transit dependent and choice riders through special event services.

FINDINGS

1. Ridership decreased 12.8 percent over the course of this audit period (FY 2016-17 to FY 2018-19). This is likely due to a nationwide downward trend in ridership, mainly due to the fact that a private automobile has become relatively cheaper to own.

2. Reliability of transit service as measured in terms of on-time performance decreased during the audit period, particularly on the fixed routes. Some of this change can be attributed to schedule adjustments to serve the new transit center. Route revisions, schedule changes or other operational strategies should be considered to improve reliability.

3. The auditor was unable to obtain documentation showing submittal dates for the State Controller Reports. TCTA staff are not sent a copy of the report by the County Auditor.

4. On-time submittal of the Fiscal and Compliance Audits remains an issue. For FY 2016-17, the Fiscal Audit was submit eight months after the December 31st deadline and the FY 2017-18 report was submit over one year after the deadline. The FY 2018-19 has not yet been completed.

5. TCTA has not completed two of the recommendations from the prior performance audit. These recommendations had to do with timely submittal of the Fiscal Audits and State Controller reports.

6. TCTA maintained the required systemwide farebox ratio of 10 percent or better each year of the audit period. TCTA includes advertising revenue as local funds when calculating farebox ratio.

7. TCTA and the contractor continue to have an effective working relationship.

8. Productivity on the combined fixed routes ranged from 6.1 to 5.4 one-way passenger trips per hour during the audit period. This is below the industry standard of 10 passenger-trips per hour for a rural fixed route service. Weekday DAR has a relatively high productivity rate for a demand response service with 3.8 to 4.5 passenger-trips per hour.

9. Systemwide operating cost per trip of $15 to $18 per trip is on par with other rural public transit agencies.

10. During the audit period, TCTA made efforts to increase "choice" ridership by implementing services designed for visitors and tourists such as the Adventure Trolley. As indicated by the relatively high passenger-trip per hour figures for Special Event Services, these types of services have overall been effective in improving TCTA's overall productivity. However, the more recently implemented Pinecrest Service and Adventure Trolley have had low ridership. Special service individual programs should be continually reviewed to evaluate cost effectiveness.

11. TCTA also implemented programs to support core transit dependent riders through the Ride for All program funded by a LCTOP grant.

TDA RECOMMENDATIONS

Recommendation 1: *TCTA staff should take the lead in preparation of the State Controller Reports so as to ensure accurate and timely submittal of the reports.*

State Controller Reports are a summary of annual operating data and financial information by type of service which must be submit to the State Controller's office seven months after the end of the fiscal year. The data is then available on-line for the public to review and compare with other transit operators. For this reason, it is important that correct and timely data is reported to the State Controller. In Tuolumne County, the County Auditor prepares these reports but has submitted the data late. As TCTA did not receive copies of the reports for this audit period, TCTA could not ensure the accuracy of the data.

In many cases the County Auditor is an appropriate position to prepare the State Controller Report, as this position collects and manages financial data for the County and agencies of the county. However, for the past two audit periods, the TCTA has not consistently received copies of the State Controller Reports. Additionally, the reports have likely not been submitted on time. In small rural counties such as Tuolumne, it is not unusual for the County Auditor to be short staffed and therefore it is easy for public transit matters to take a back seat to more pressing issues such as dealing with the financial impacts of a forest fire or pandemic. Therefore, it seems appropriate for TCTA staff to complete the State Controller Reports instead of the County Auditor, assuming TCTA staff can gain access to all pertinent financial information. After the initial completion of the report by TCTA staff, TCTA staff could work with the County Auditor to refine the report, as necessary.

Recommendation 2: *Continue to work with the County Auditor and 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. A 90 day extension can be requested if additional time is needed. TCTA should maintain the extension request in the files along with the reports.*

Unfortunately, this is one area of TDA compliance over which the TCTA and TCTC have little control. In some regions, the public transit operator employs the services of a private accounting agency to prepare the agency's books and work directly with the Fiscal Auditor. Using a private accounting firm has been beneficial and cost effective for many agencies. In Tuolumne County, the County Auditor is ultimately responsible for collecting and compiling financial information for Tuolumne County Transit. TCTA should continue to make attempts to express the importance of timely completion of the Fiscal Audits to the County Auditor. TCTA could also coordinate with the County to see if TCTA staff is able to take on a larger role in the compilation of data for the Fiscal Audit.

Recommendation 3: *Record on-demand and flag stops to provide a better picture of travel patterns and to make service adjustments, if warranted.*

Although TCTA and contractor staff continually evaluate on-demand and flag stops informally, data regarding the number and location of boardings is not consistently recorded. Serving a high number of on-demand stops and flag stops can add up throughout the day and cause delays in transit service.

Placing popular on-demand stops on the schedule can improve passenger convenience, expand ridership and improve the consistency of transit service. In some cases, flag stops are misused when passengers request a stop within a short distance of an established stop. In an effort to improve on-time performance and reliability of the transit system, TCTA should track the number and location of on-demand and flag stops. If patterns develop overtime, adjustments to the schedule and/or location of flag stops should be made.