



FY 2013-2015

TRIENNIAL PERFORMANCE AUDIT OF AUBURN TRANSIT

September 2016

SUBMITTED TO:



PLACER COUNTY
TRANSPORTATION
PLANNING AGENCY

SUBMITTED BY:

Michael Baker
INTERNATIONAL

TABLE OF CONTENTS

Executive Summary	i
Section I.....	1
Introduction.....	1
Overview of the Transit System	1
Section II.....	4
Operator Compliance Requirements	4
Section III.....	9
Prior Triennial Performance Recommendations	9
Section IV	10
TDA Performance Indicators	10
Section V	16
Review of Operator Functions	16
Operations	16
Maintenance	17
Planning	18
Marketing.....	18
General Administration and Management	18
Section VI	20
Findings.....	20
Recommendations	22

This page left intentionally blank.

Executive Summary

The Placer County Transportation Planning Agency (PCTPA) engaged Michael Baker International to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operator under its jurisdiction in Placer County. This performance audit for City of Auburn Transit (City) covers the most recent triennial period, fiscal years 2012–13 through 2014–15.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Detailed functional review

From the review, recommendations were developed to improve Auburn Transit’s operational efficiency and effectiveness.

Compliance with TDA Requirements

The City of Auburn satisfactorily complied with seven of the ten applicable requirements. One additional compliance requirement did not apply to the City (i.e., blended rural and urbanized farebox recovery ratio). The City was in partial compliance with the on-time submittal of the annual TDA fiscal audit, and not in compliance with meeting the farebox recovery ratio standards for both urban and rural systems.

Status of Prior Audit Recommendations

The one recommendation from the prior triennial performance audit was implemented relating to monitoring and reporting of performance to the City Council.

System Performance Trends

1. Operating performance statistics such as operating cost per passenger and cost per hour, measures of cost effectiveness and cost efficiency, respectively, increased from the FY 2012 base year through FY 2015. The increase in these cost indicators is attributed to the rise in operating costs coupled with relatively steady ridership and service hours. The additional service to the airport provided by PCT under an MOU increased operating costs for Auburn slightly in FY 2015.

2. Passengers per vehicle service hour, an indicator of service effectiveness, was steady for the three-year period. The number of passengers per service hour fluctuated in a narrow range between 10.7 and 11.0.

Functional Review

1. The general nature of passenger travel patterns on Auburn Transit includes many transfers to/from Auburn Transit and PCT at the Auburn - Conheim Multimodal Station. As transfers between South Placer County transit systems are free, a fair proportion of riders transferring onto Auburn Transit ride free at any given time.
2. Although Route 49 within the city is a busy corridor with retail and services, Auburn Transit does not operate along this corridor as Route 49 receives service from both PCT and Gold Country Stage, which further prevents Auburn Transit from collecting fares.
3. Deviation requests are routed through the South Placer Call Center, with same-day deviation requests sent to the supervisor/dispatcher. Per policy, the supervisor allows no more than three deviations per bus run to maintain schedule adherence. Key bus stop locations include the elementary school, high school, downtown, and old town.
4. Marketing efforts have been kept to a minimum. General marketing activity has been limited to word of mouth, and brochures are available at the post office, chamber of commerce, and on the bus vehicles. Transit information is also accessible online on a dedicated page through the City of Auburn's main web portal.
5. Capital projects that the City procured during the audit period include a new CNG-fueled vehicle, on-board cameras, Auburn Transit Improvement Project (emergency generator at the Corporation Yard and solar lighting and lighting improvements at bus shelters), and machinery and equipment. The Auburn Transit Improvement Project was funded through an agreement approved in January 2014 between the City and the Western Placer Consolidated Transportation Service Agency.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Document fare revenue reconciliation in the driver manifest.	Fare revenue are counted daily by the transit manager and the totals tallied on a sheet in the driver manifest. Enhanced fare reconciliation procedures should include the transit manager verifying actual fares collected against anticipated fares based on ridership reports submitted by drivers in the manifest. This verification should be shown in the manifest by adding a space in the sheet for bus fare counts to record expected revenue based on ridership count, and another space to show the difference between actual and expected revenue. Patterns of possible overage and under collection beyond an acceptable range (e.g., plus/minus 5 percent by route) could be found with any corrective action taken to ensure accuracy of fare collection and recording. With farebox recovery having difficulty meeting the standard, the accurate reporting of fares and their matching with ridership is important.	High Priority
2. Review opportunities for increasing local revenue to boost farebox recovery.	As a result of state legislation (SB 508) passed in October 2015 that further solidifies current practice, transit systems are able to boost their farebox recovery through inclusion of local revenues generated by the transit service. Auburn Transit has been receiving general fund support through offsetting mechanics' direct costs, which are included in the farebox ratio. Other revenue enhancements commonly used by transit operators are advertisement on buses and bus shelters, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Should the farebox ratio continue to miss the 10 percent standards, the City has options to meet that standard beyond fare revenue by considering additional local revenues tied to transit.	High Priority
3. Review calculation of full-time equivalents in State Controller Transit Operator Report	A required input to the operating data section of the annual State Controller Transit Operator Report is the number of full time equivalents (FTEs). FTEs, as described in the TDA statute, is calculated by dividing total productive labor hours of transit operating, maintenance, and administrative staff by 2,000 hours. The number of FTEs in the controller report, in	Medium Priority

Performance Audit Recommendation	Background	Timeline
	<p>particular for FY 2015, shows a total of 8, which is a 33 percent increase from prior years. Most of the drivers are part-time, indicating that the entry may be by headcount rather than by formula. This difference in methodology impacts the performance indicator that measures productivity of the system's employees. The City should review internally how it is calculating the FTEs and make the appropriate changes as necessary in the controller report to maintain compliance with the TDA definition and reporting standards.</p>	

Section I

Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Placer County Transportation Planning Agency (PCTPA) engaged Michael Baker International to conduct the TDA triennial performance audit of City of Auburn Transit (City). This performance audit covers the most recent triennial period, fiscal years 2012–13 through 2014–15.

The purpose of the performance audit is to evaluate the City’s effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the City’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the City is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included interviews with city transit management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide the development and conduct of the audit.

Overview of the Transit System

Auburn Transit is the public transportation service serving the City of Auburn and portions of unincorporated Placer County. The system is administered through the City Department of Planning and Public Works and comprises deviated fixed-route service up to three-quarters of a mile upon a reservation request which fulfills the Americans with Disabilities Act requirement for complementary paratransit. The service connects with Placer County Transit (PCT), the Capitol Corridor Amtrak Train, and Nevada County Gold Country Stage at the Auburn - Conheim Multimodal Station located on Blocker Drive near Nevada Street.

Auburn is the county seat of Placer County and is known for its California Gold Rush history. The city is registered as a California Historical Landmark. Auburn is part of the greater Sacramento area and is home to the Auburn State Recreation Area, the site of more sporting endurance events than any other place in the world.

The city’s population was 13,330 during the 2010 census, an increase of over 8 percent from the previous census. The state Department of Finance’s January 2016 population estimate shows Auburn with 14,070 current residents, a nearly 6 percent increase from the last census. The city’s population aged 65 years and older was about 19 percent, according to the census.

System Characteristics

Auburn Transit provides two deviated fixed routes weekdays from 6:00 a.m. to 6:00 p.m., and one deviated fixed route on Saturdays from 9:00 a.m. to 5:00 p.m. Auburn Transit routes will deviate from the scheduled route up to three quarters of a mile upon a reservation request, scheduled at least two hours in advance. The bus can drop the passenger off at a destination within the same three-quarter mile limit as well. In addition, Auburn Transit will stop at any of several call-in stops on request. The vehicles are equipped with a cellular phone, which allows passengers to contact the drivers directly for demand-response service. The City has a signed agreement with the County for PCT to provide extended service to the Auburn Airport Industrial Park Area. Auburn Transit does not provide charter service.

Transit services do not operate on Sundays and the following holidays: New Year’s Day, Presidents’ Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Auburn Transit offers limited service hours on the following holidays: Martin Luther King Jr. Day, Lincoln’s Birthday, Veterans Day, day after Thanksgiving, Christmas Eve, and New Year’s Eve. Auburn Transit routes are summarized in Table I-1.

**Table I-1
Auburn Transit Deviated Fixed Routes**

Route	Frequency/Operation	Key Time Points
Blue Route	60 to 120 minutes (Monday through Friday from 6:00 a.m. to 6:00 p.m.)	<ul style="list-style-type: none"> ▪ Auburn Station/Nevada Street ▪ Pacific/ Sacramento ▪ Elders Station (Lincoln Way/Almond St) ▪ Raley's Center (Lincoln Way) ▪ Town Center (Save Mart)
Red Route	60 to 120 minutes (Monday through Friday from 6:00 a.m. to 6:00 p.m.)	<ul style="list-style-type: none"> ▪ Auburn Station/Nevada Street ▪ Elders Station (Lincoln Way/Almond St) ▪ Town Center (Save Mart) ▪ Palm Ave/ EV Cain ▪ Raley's Center (Lincoln Way)
Saturday	60 minutes (9:00 a.m. to 5:00 p.m.)	<ul style="list-style-type: none"> ▪ Auburn Station/Nevada Street ▪ Elders Station (Lincoln Way/Almond St) ▪ Raley's Center (Lincoln Way) ▪ Town Center (Save Mart)

Source: Auburn Transit

Fares

Auburn Transit’s fares are structured based on passenger category and media. Multi-ride passes are available for purchase on the bus and at City Hall. Seniors age 60 and over qualify for discounts at half the general public fare. Children under age 5 ride free. A youth summer bus pass is sold for unlimited local bus rides on South Placer transit systems. Transfers are free between Auburn Transit and other transit agencies such as PCT, Gold Country Stage, and Roseville Transit. The fare structure during the audit period is summarized in Table I-2.

**Table I-2
Auburn Transit Fare Schedule**

Fare Categories	Fare
General Public - Single Fare	\$1
General Public - Daily Pass	\$2.50
General Public - 30 Ride Pass	\$24
General Public - Monthly Pass	\$40
Senior/Disabled/Youth - Single Fare	\$0.50
Senior/Disabled/Youth - Daily Pass	\$1.25
Senior/Disabled/Youth - 30 Ride Pass	\$12
Senior/Disabled/Youth - Monthly Pass	\$20
Transfers	Free
Under Age 5 - Single Fare	Free

Source: Auburn Transit

Fleet

There were five vehicles in the transit fleet during the audit period. All vehicles in revenue service are wheelchair accessible with tie-downs in compliance with the Americans with Disabilities Act of 1990. Each bus has eight cameras installed for video security. The City recently procured a new large CNG-fueled bus through a clean air grant to replace the 2002 model vehicle. Table I-3 summarizes the transit fleet.

**Table I-3
Auburn Transit Fleet**

Year	Make/Model	Quantity	Fuel Type	Seating Capacity
2002	El Dorado-National 30’ MST II	1	CNG	24
2009	El Dorado-National 26’ MST II	1	Unleaded	24
2011	Ford-Glaival 26’ E450 Cutaway	3	Unleaded	18
Total		5		

Source: Auburn Transit

Section II

Operator Compliance Requirements

This section contains the analysis of the City’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition), which was developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each requirement is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2013: October 19, 2013 FY 2014: October 8, 2014 FY 2015: October 17, 2015 Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2013: June 13, 2014 FY 2014: March 30, 2015 FY 2015: March 21, 2016 A 90-day extension was granted by PCTPA as allowed by the TDA statute. Conclusion: Partial Compliance.
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with	Public Utilities Code, Section 99251 B	The City participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.		claim. Inspection dates applicable to the audit period were July 16–17, 2013; March 13, 2014; and July 31, 2015. All inspections conducted were rated satisfactory. Conclusion: Complied.
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	As a condition of approval, the annual claims for Local Transportation Funds and State Transit Assistance submitted by the City are submitted in compliance with the rules and regulations adopted by PCTPA. Conclusion: Complied.
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.	Public Utilities Code, Section 99270.1	Auburn Transit is not subject to the “blended ratio” under this TDA provision, as the City was within the Sacramento urbanized area only until FY 2014 and then excluded. Conclusion: Not applicable.
The operator’s operating budget has not increased by more than 15% 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 unless the operator has reasonably supported and	Public Utilities Code, Section 99266	Percentage change in the transit system’s operating budget: FY 2013: +0.4% FY 2014: +3.7% FY 2015: +11.4% Source: City of Auburn Budgets for FYs 2012–2015

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
substantiated the change(s).		Conclusion: Complied.
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	The transit system’s definition of performance is consistent with PUC Section 99247. A review of performance data reports generated during the audit period indicates that correct performance data is being collected. Conclusion: Complied.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs 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 fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement applied to Auburn Transit in FY 2013 when it was included in the Sacramento urbanized area. The farebox ratio standard was 15%. FY 2013: 8.97% Conclusion: Not complied. Source: City of Auburn TDA Funds Audit Report.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This requirement applied to Auburn Transit in FYs 2014 and 2015 when it was no longer included in the Sacramento urbanized area. The farebox ratio standard is 10%. FY 2014: 7.49%

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>FY 2015: 8.64%</p> <p>Conclusion: Not complied.</p> <p>Source: City of Auburn TDA Funds Audit Report.</p>
<p>The current cost of the 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 within 40 years.</p>	<p>Public Utilities Code, Section 99271</p>	<p>The City contributes to its employees’ retirement through the California Public Employees Retirement System cost-sharing public employee defined benefit pension plan.</p> <p>Conclusion: Complied.</p>
<p>If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</p>	<p>California Code of Regulations, Section 6754(a)(3)</p>	<p>The transit system receives state transit assistance funds and makes use of federal transit grant funds under FTA Section 5311 as follows:</p> <p>FY 2013: Operations (\$0) Capital (\$0)</p> <p>FY 2014: Operations (\$60,978) Capital (\$0)</p> <p>FY 2015: Operations (\$120,163) Capital (\$93,762)</p> <p>Source: Transit Operators Financial Transactions Reports, and TDA claims.</p> <p>Conclusion: Complied.</p>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Auburn Transit, the City satisfactorily complied with seven of the ten applicable requirements. One additional compliance requirement did not apply to the City (i.e., blended rural and urbanized farebox recovery ratio). The City was in partial compliance with the on-time submittal of the annual TDA fiscal audit, and not in compliance with meeting the farebox recovery ratio standards.
2. The City participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget exhibited negligible to moderate changes during the audit period. The budget increased 0.4 percent in FY 2013, 3.7 percent in FY 2014, and 11.4 percent in FY 2015. The operating budget did not increase by more than 15 percent in any one audit year, although actual audited expenditures showed greater changes from year to year.
4. Based on the available data from the annual fiscal and compliance audits, the City's farebox recovery ratio remained below the required farebox ratios (15 percent requirement while in the urbanized area through FY 2013, and 10 percent when not within the urbanized area for FYs 2014 and 2015). The average audited farebox ratio during the triennial period was less than 10 percent. The annual fiscal audits computed the TDA penalty for noncompliance with the minimum fare revenue ratio.

Section III

Prior Triennial Performance Recommendations

This chapter describes the City’s response to the one recommendation included in the prior triennial performance audit. The prior recommendation is described, followed by a discussion of the efforts to implement the recommendation. Conclusions concerning the extent to which the recommendation has been adopted and implemented by the agency are then presented.

Prior Recommendation 1

Although Auburn Transit is meeting the current farebox ratio and overall transit performance is good, productivity and farebox ratio have been in a downward trend over the last two audit periods. Auburn Transit should keep a close eye on these performance indicators and make service and/or fare adjustments as necessary.

Background: As described in the prior performance audit, Auburn Transit productivity (passenger trips per hour) is within the industry standard benchmark for fixed-route services: 10 passenger trips per hour. However, productivity slowly decreased during the previous audit period and is below the six-year high of 13.47 passenger trips per hour. Farebox ratio has also decreased from a six-year high of 14.0 percent to 10.1 percent. The Auburn Transit Short Range Transit Plan (SRTP) recommended a variety of alternatives to increase transit performance, ranging from limiting route deviations to revising fixed routes. Auburn Transit should carefully track performance measures and consider implementation of SRTP alternatives that boost productivity. To keep the City Council informed of transit productivity, Auburn Transit staff should report historical and current performance statistics to the City Council at least annually.

Actions taken by the City: There was multiple turnover in transit management the last three years, with the current transit manager joining the City toward the end of the audit period. The City has continued monitoring the transit system’s performance and acknowledges the decline of certain indicators from prior years such as farebox recovery, which has not met the required standard of either 15 percent or 10 percent. Other performance measures such as passengers per hour also have not returned to their historic highs, but continue to barely meet the minimum benchmark of 10 passengers per hour. The transit manager is reviewing opportunities to generate efficiencies in the system through service data review and recommendations made in the last SRTP. The transit manager reports these trends and performance statistics to the City Council at least annually. The City Council is supportive of the transit system and takes a position of keeping fare prices low, thus constraining the ability to increase fare revenue through a fare adjustment.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews the City's performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included.

Table IV-1 provides the performance indicators for the transit service. Charts are also provided to depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited figures.

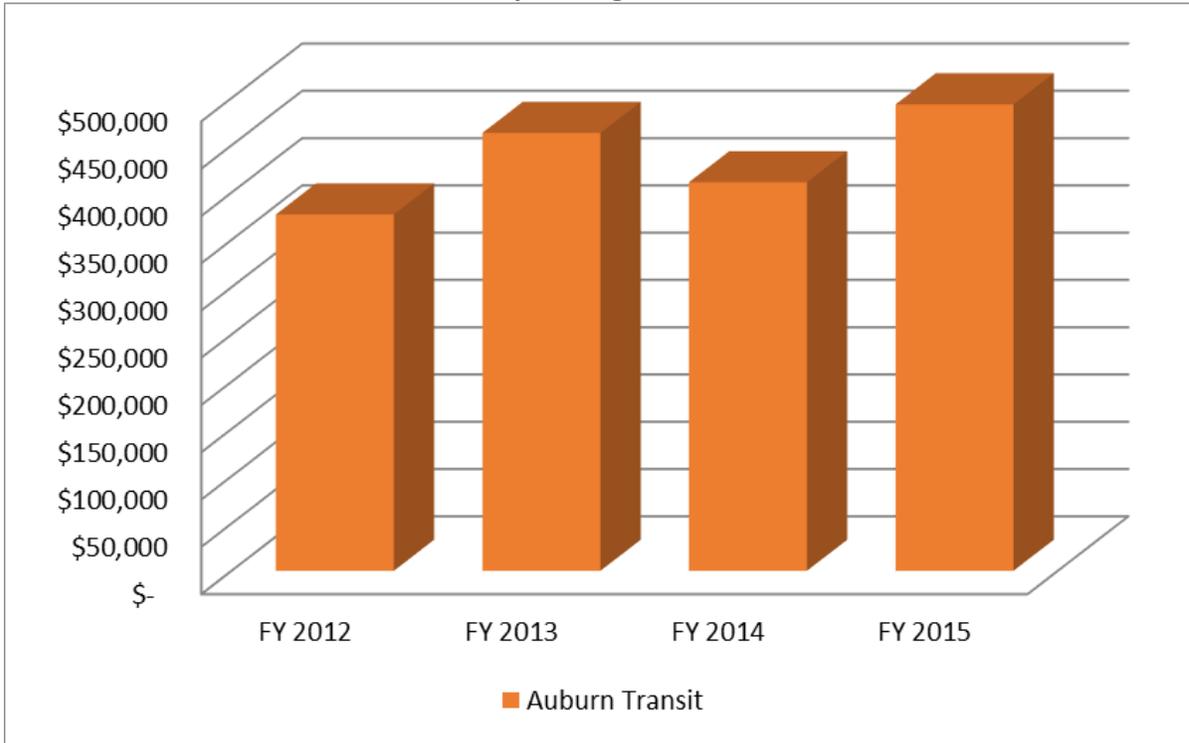
**Table IV-1
TDA Performance Indicators
Auburn Transit**

Performance Data and Indicators	Audit Period				% Change FY 2012–2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$376,875	\$463,106	\$410,916	\$493,231	30.9%
Total Passengers	48,862	50,598	52,410	51,397	5.2%
Vehicle Service Hours	4,700	4,709	4,776	4,818	2.5%
Vehicle Service Miles	61,511	63,545	64,338	64,513	4.9%
Employee FTEs	6	6	6	8	33.3%
Passenger Fares*	\$38,582	\$41,527	\$30,773	\$42,617	10.5%
Operating Cost per Passenger	\$7.71	\$9.15	\$7.84	\$9.60	24.4%
Operating Cost per Vehicle Service Hour	\$80.19	\$98.34	\$86.04	\$102.37	27.7%
Operating Cost per Vehicle Service Mile	\$6.13	\$7.29	\$6.39	\$7.65	24.8%
Passengers per Vehicle Service Hour	10.4	10.7	11.0	10.7	2.6%
Passengers per Vehicle Service Mile	0.79	0.80	0.81	0.80	0.3%
Vehicle Service Hours per Employee	783.3	784.8	796.0	602.3	-23.1%
Average Fare per Passenger	\$0.79	\$0.82	\$0.59	\$0.83	5.0%
Fare Recovery Ratio	10.24%	8.97%	7.49%	8.64%	-15.6%

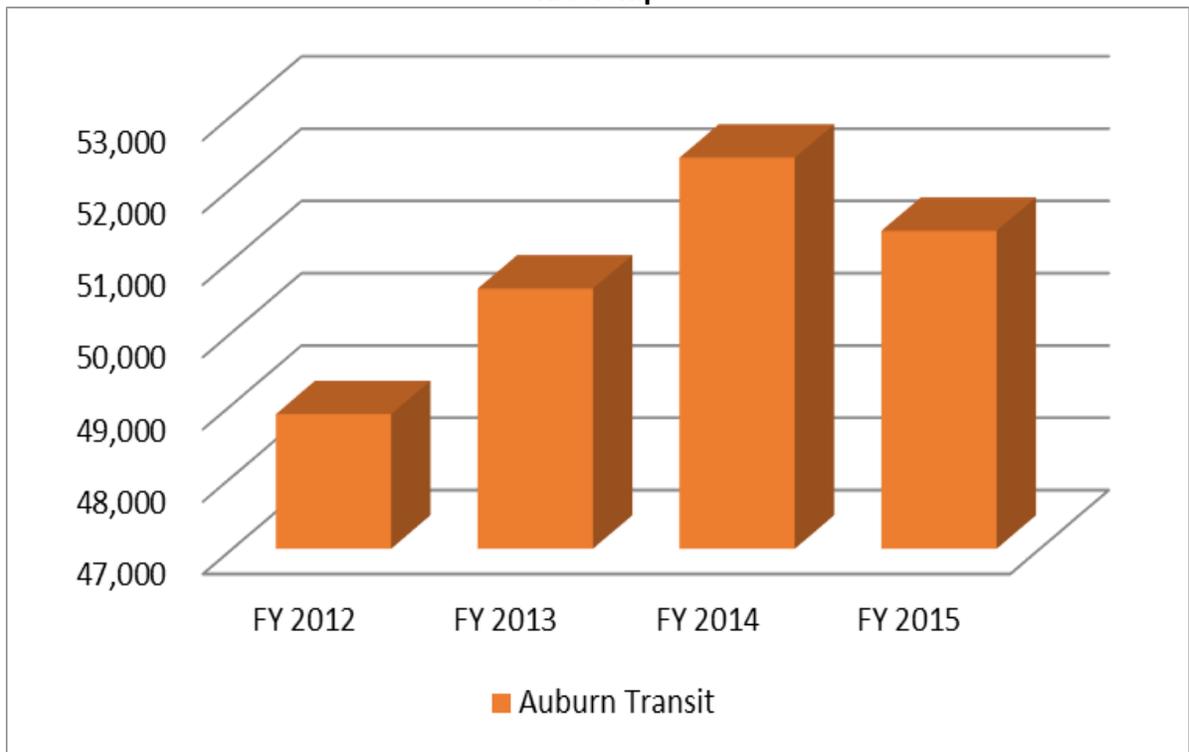
* The City provides local support to supplement fare revenue through mechanics' salaries paid by the general fund. According to the annual fiscal audit, this amounted to \$12,121 in FY 2012, \$12,252 in FY 2013, and \$14,136 in FY 2015, and are included in the passenger fare revenue. The fiscal audit for FY 2014 did not show local support and is not reflected in the table above, although internal City records show local support of \$14,385 in FY 2014.

Source: Annual Fiscal & Compliance Audits; State Controller's Reports; Implementation Costs for Regular Service.

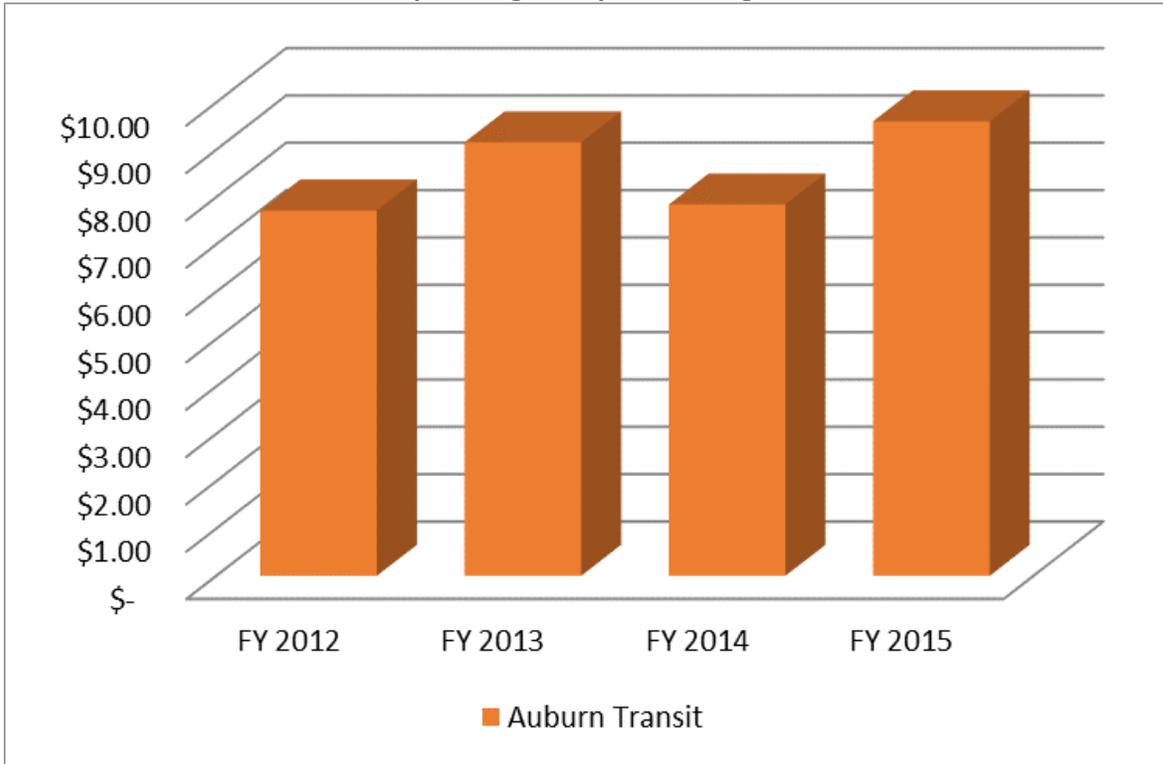
**Graph IV-1
Operating Costs**



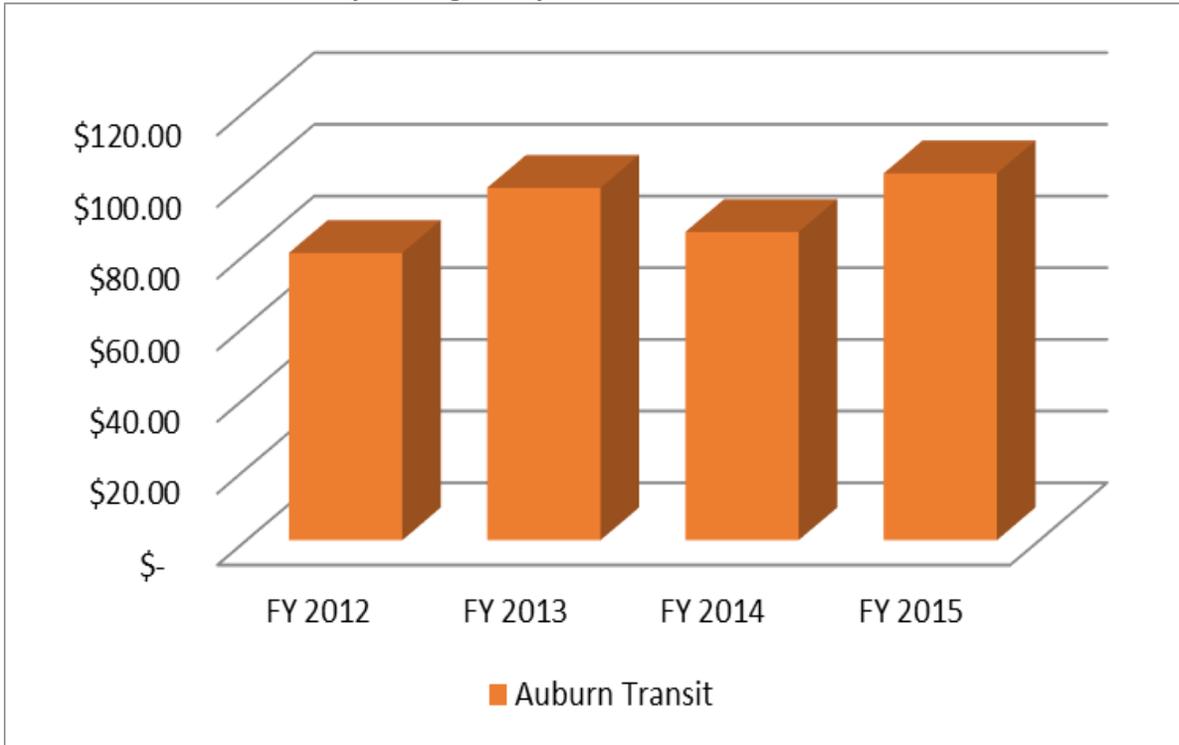
**Graph IV-2
Ridership**



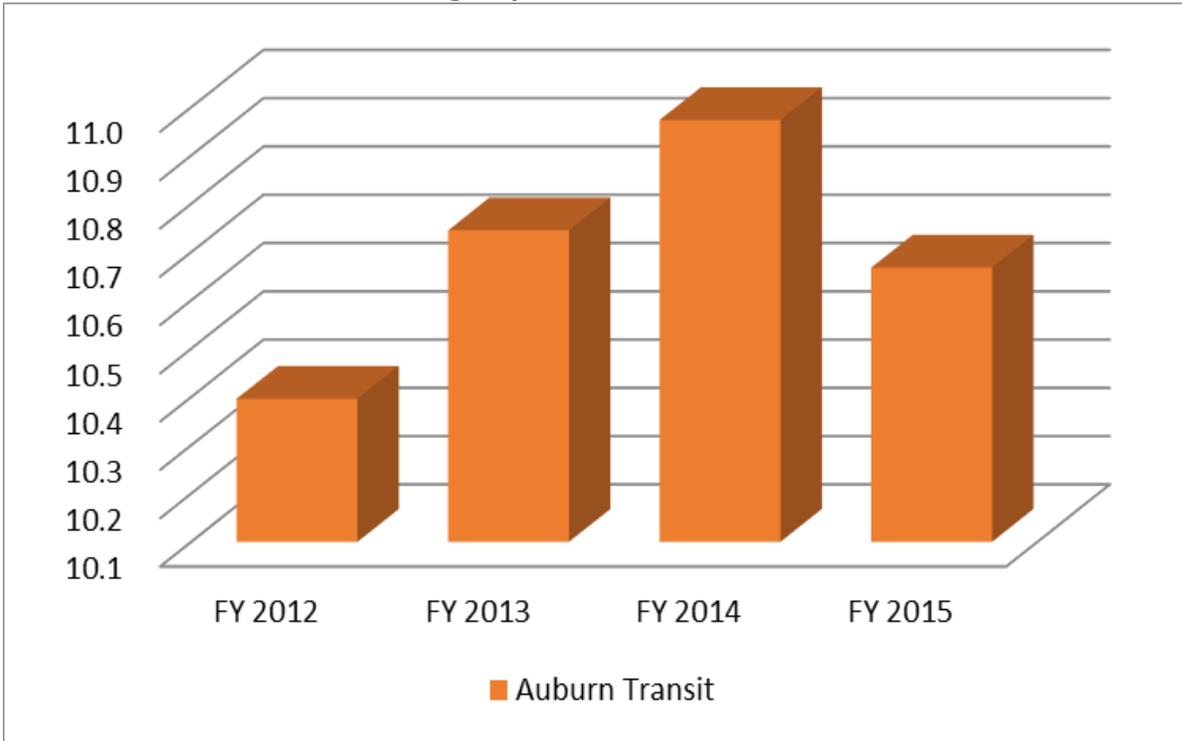
Graph IV-3
Operating Cost per Passenger



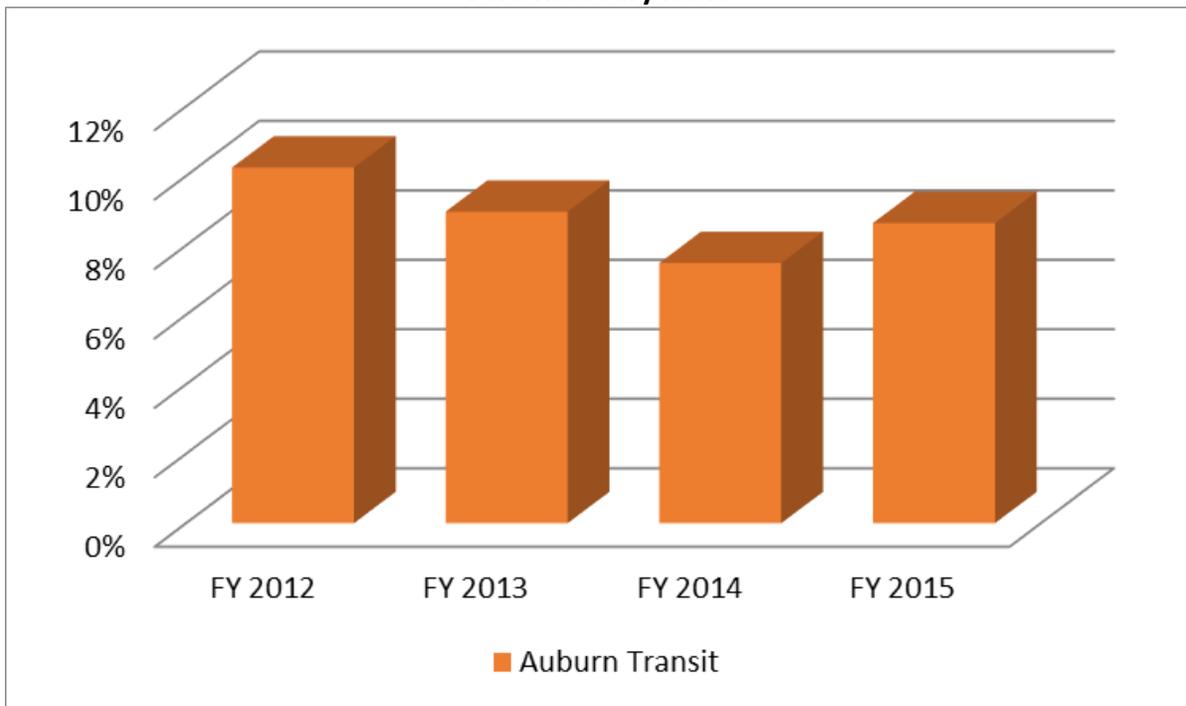
Graph IV-4
Operating Cost per Vehicle Service Hour



Graph IV-5
Passengers per Vehicle Service Hour



Graph IV-6
Fare Recovery Ratio



Findings from Verification of TDA Performance Indicators

1. Operating cost per passenger, a measure of cost effectiveness, increased 24.4 percent from the FY 2012 base year through FY 2015 based on audited data. The overall increase in this cost indicator is attributed to the relatively sharp rise in operating costs coupled with a marginal increase in passenger trips by the end of the audit period. There was a cost decrease in FY 2014 which resulted in a reduced cost per passenger, but operating cost rapidly increased in FY 2015 lead by increased labor costs.
2. Operating cost per hour, which is a measure of cost efficiency, increased 27.7 percent for the audit period. The trend is similar to the cost per passenger in which there was a significant rise in overall operating costs relative to the steady level of service hours provided. The cost per hour only declined in FY 2014. The additional service to the airport provided by PCT under the MOU increased operating costs for Auburn slightly in FY 2015.
3. Operating cost per mile, another cost efficiency measure, increased 24.8 percent from the FY 2012 base year to FY 2015. Following the same pattern as the other cost indicators, the growth in operating cost outpaced the change in service miles, with FY 2014 being an exception.
4. Passengers per vehicle service hour, an indicator of service effectiveness, was steady for the three-year period. The number of passengers per service hour fluctuated in a narrow range between 10.7 and 11.0.
5. Passengers per vehicle service mile was also steady. For the audit period, passengers per vehicle service mile ranged between 0.80 and 0.81, indicating steady passenger trips.
6. Vehicle hours per FTE, which measures labor productivity, experienced a decline between FY 2014 and FY 2015. There was a decrease from 796 to 602 vehicle hours per FTE. Regarding the increase in FTEs shown in Auburn Transit's state controller reports in FY 2015, there are indications that the reported figure is based on headcount given that most of the drivers are part-time employees. Proper calculation of this measure is based on the productive employee labor hours and dividing by 2,000 hours.
7. The fare recovery ratio exhibited a decrease for the audit period from 10.24 percent in the base period FY 2012 to 8.64 percent in FY 2015. The fare ratio was also below 10 percent in FYs 2013 and 2014. Operating cost increases generally outpaced fare revenues for several of the years with fares being held fairly steady. City general funds were used to provide local support by paying for mechanics' salaries. However, the transit service still did not maintain the 10 percent standard. With City Council direction to keep fare prices low, there are constraints in the ability to increase the farebox.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Auburn Transit. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed with the transit manager at the City Department of Planning and Public Works in Auburn:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that also require review, such as grants administration that falls under General Administration.

Operations

Staffing for Auburn Transit operations includes the transportation supervisor who serves in the capacity as dispatch and scheduler, as well as the senior driver and certified safety trainer; two full-time drivers; and four part-time drivers. The part-time drivers are also school bus drivers. Safety training has included topics to maintain a safe vehicle and discussions with the City of Auburn's police chief and other law enforcement agencies. Each driver carries a cell phone to communicate with the supervisor.

Deviation requests are routed through the South Placer Call Center, with same-day deviation requests sent to the supervisor/dispatcher. Per policy, the supervisor allows no more than three deviations per bus run to maintain schedule adherence. Deviations are identified as pickups outside the scheduled bus route and when the route serves the unincorporated area. Key bus stop locations include the elementary school, high school, downtown, and old town. The general nature of rider trip patterns includes many transfers to/from Auburn Transit and PCT at the Auburn - Conheim Multimodal Station.

As transfers between South Placer County transit systems are free, a fair proportion of riders transferring onto Auburn Transit ride free at any given time, which partly accounts for the low farebox recovery and fare revenue per passenger. Although Route 49 within the city is a busy corridor with retail and services, the transit system does not operate along this corridor as the corridor receives service from both PCT and Gold Country Stage, which further prevents the Auburn Transit from collecting fares. Minor adjustments to each of the Auburn Transit route

alignments were made to improve opportunities for increased fare revenue. The corporation yard where the transit supervisor resides and Auburn station are near each other, enabling the supervisor to regularly check for performance such as on-time performance.

The City of Auburn and the County of Placer have an MOU for PCT services that provide rides to Auburn residents. The City contributes funds to the Placer Commuter Express service based on a survey of riders that live in Auburn. PCT fixed-route service also began providing extended service to the Auburn Airport Industrial Park area beginning in early 2015. The County calculates the cost to Auburn for this extended service. Cameras installed at the airport are intended not only for security purposes, but to reduce potential claims for incidents. The County also contributes funds to the City for maintenance of the Auburn station which offsets some of the MOU expenses.

Fare revenue are placed in lockable farebox devices on the buses. The fareboxes are unloaded by the driver and kept safe at the Corporation Yard until the boxes are transferred and counted daily at the Public Works office at City Hall by the transit manager in the presence of another person. The counted fares are recorded on the driver manifest; however, there is no printed area on the manifest to report fare reconciliation of comparing actual fares with the anticipated fare from the rider count on the manifest. The difference between actual and expected fares collected could be recorded on the manifest as a measure of enhanced fare recording procedures.

Maintenance

The City's mechanics maintain the transit vehicles at the corporation yard, which also houses a CNG fueling station. Two mechanics are assigned the transit vehicles and keep log of their time allotment and direct expenses for transit. Only direct salaries of the mechanics are charged to transit and are credited by the general fund which contributes to the farebox recovery ratio. Preventive maintenance inspections are performed daily and at 6,000 miles for gasoline engines, and 8,000 or 12,000 miles for CNG engines (based on engine manufacturer specifications). The City recently procured a new large CNG-fueled bus through a clean air grant to replace the 2002 model vehicle, which should reduce maintenance expenses via warranty repairs. The maintenance facility includes four service bays, a bus washing area, and storage space for maintenance equipment. Vehicles are parked outside in a fenced and paved lot.

Drivers conduct pre- and post-trip inspections before and after each bus shift, and report any deficiencies to the maintenance department. The transit service has a fleet contract for gas with Flyer's Energy. Fuel cost are tracked by the Finance Department.

The California Highway Patrol is responsible for certifying the maintenance facility and for inspecting vehicles on an annual basis. Inspections conducted during the audit period were rated satisfactory.

Planning

A consultant was retained by the PCTPA in 2010 to complete SRTPs for the cities of Auburn and Roseville, and the County of Placer. By conducting the three SRTPs concurrently, PCTPA sought to improve regional coordination among the transit operators while also leveraging transportation resources in Western Placer County in an efficient and effective manner.

The Auburn SRTTP is divided into seven chapters presenting primary data, current service analysis, and recommendations for providing and enhancing future transit services. Four distinct service scenarios represent a “blueprint” for improving and enhancing Auburn Transit’s quantitative performance and service delivery. Over the years, the City has implemented some recommendations such as the last fare increase, formalizing the limitation of “call-in” stops, providing easier online access to the bus map and schedule, and making minor service adjustments, while continuing to review others for implementation.

The last on-board survey was during the SRTTP process. The survey had several objectives including to:

- Compile a demographic profile of the Auburn Transit customer,
- Codify current rider travel patterns,
- Assess customer satisfaction,
- Identify and prioritize potential service enhancements, and
- Identify marketing preferences.

PCTPA’s annual TDA “unmet transit needs” public hearings provide another channel for suggestions of potential transit service needs.

Marketing

Marketing efforts have been kept to a minimum. General marketing activity has been limited to word of mouth, and brochures are available at the post office, chamber of commerce, and on the bus vehicles. Transit information is also accessible online on a dedicated page through the City of Auburn’s main web portal (<http://www.auburn.ca.gov/192/Transit-Services>). The website features general information and links to the bus map and schedules (in PDF) for each route, fares, holiday schedule, Title VI policies, links to other transit providers, and contact information. Auburn Transit relies on the PCTPA for regional marketing efforts of South Placer County transit systems.

Pursuant to the federal Civil Rights Act of 1964, the City adopted its Title VI Program for the transit program in June 2014. Title VI requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving federal financial assistance. Program compliance includes Title VI policies and procedures posted on the City website with links to a complaint form in both English and Spanish, and a nondiscrimination policy.

General Administration and Management

The City of Auburn is a general law city that operates under the council-manager form of municipal government, using a combined election and appointment system to create Auburn's staff of city officials. The City of Auburn is governed by a five-member, elected City Council, which establishes overall policies for the city. Regular meetings of the City Council are on the 2nd and 4th Monday of each month, at 6 p.m., in the City Council Chambers at City Hall.

Day-to-day operations of Auburn Transit is overseen by the transportation supervisor who reports directly to the transit manager/Public Works projects manager. The transit manager reports to the Planning and Public Works director. During the audit period, there was turnover at the transit manager position, with the current manager being the third one in three years. The transit manager allocates about 75 percent of his time on transit and the remainder on other public works projects. The transportation supervisor and transit manager meet and/or speak by phone several times daily. The transit manager is responsible for counting fares, tracking operational data, budget control, and monthly/quarterly reporting. The transit manager also reports ridership data quarterly to the PCPTA and reports financial data to the city's finance director.

Pursuant to TDA, the City receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance Funds (STAF). TDA revenues are used primarily toward operating expenditures. Based on annual fiscal audit and internal financial reporting data, LTF revenues received during the audit period were \$372,729 in FY 2013; \$277,225 in FY 2014; and \$452,284 in FY 2015. STAF revenues received were \$68,254 in FY 2013; \$48,490 in FY 2014; and \$51,106 in FY 2015.

Grants Management

In addition to TDA funding, the City relies on the rural Federal Transit Administration section 5311 grant program to support its operations and capital procurement needs, as well as Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funding. Capital projects that the City procured during the audit period include a new CNG-fueled vehicle, on-board cameras, Auburn Transit Improvement Project (emergency generator at the Corporation Yard and solar lighting and lighting improvements at bus shelters), and machinery and equipment. A funding agreement was approved in January 2014 between the City and the Western Placer Consolidated Transportation Service Agency for the service agency to fund the Auburn Transit Improvement Project. The City submits the proper reports on the activity and progress of each grant.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to Auburn Transit, the City satisfactorily complied with seven of the ten applicable requirements. One additional compliance requirement did not apply to the City (i.e., blended rural and urbanized farebox recovery ratio). The City was in partial compliance with the on-time submittal of the annual TDA fiscal audit, and not in compliance with meeting the farebox recovery ratio standards.
2. The City participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget exhibited negligible to moderate changes during the audit period. The budget increased 0.4 percent in FY 2013, 3.7 percent in FY 2014, and 11.4 percent in FY 2015. The operating budget did not increase by more than 15 percent in any one audit year, although actual audited expenditures showed greater changes from year to year.
4. Based on the available data from the annual fiscal and compliance audits, the City's farebox recovery ratio remained below the required farebox ratios. The average audited farebox ratio during the triennial period was less than 10 percent. With City Council direction to keep fare prices low, there are constraints in the ability to increase the farebox. The annual fiscal audits computed the TDA penalty for noncompliance with the minimum fare revenue ratio.
5. There was one prior recommendation from the prior triennial performance audit that the City implemented, regarding the transit manager tracking performance and reporting at least annually to the City Council.
6. Operating performance statistics such as operating cost per passenger and cost per hour, measures of cost effectiveness and cost efficiency, respectively, increased from the FY 2012 base year through FY 2015. The increase in these cost indicators is attributed to the rise in operating costs coupled with relatively steady ridership and service hours. The additional service to the airport provided by PCT under an MOU increased operating costs for Auburn slightly in FY 2015.
7. Passengers per vehicle service hour, an indicator of service effectiveness, was steady for the three-year period. The number of passengers per service hour fluctuated in a narrow range between 10.7 and 11.0.

8. The general nature of passenger travel patterns on Auburn Transit includes many transfers to/from Auburn Transit and PCT at the Auburn - Conheim Multimodal Station. As transfers between South Placer County transit systems are free, a fair proportion of riders transferring onto Auburn Transit ride free at any given time. Also, although Route 49 within the City is a busy corridor with retail and services, the transit system does not operate along this corridor as Route 49 receives service from both PCT and Gold Country Stage, which further prevents Auburn Transit from collecting fares.
9. Deviation requests are routed through the South Placer Call Center, with same day deviation requests sent to the supervisor/dispatcher. Per policy, the supervisor allows no more than three deviations per bus run to maintain schedule adherence. Key bus stop locations include the elementary school, high school, downtown, and old town.
10. Marketing efforts have been kept to a minimum. General marketing activity has been limited to word of mouth, and brochures are available at the post office, chamber of commerce, and on the bus vehicles. Transit information is also accessible online on a dedicated page through the City of Auburn's main web portal.
11. The City adopted its Title VI Program for the transit program in June 2014. Program compliance includes Title VI policies and procedures posted on the City website with links to a complaint form in both English and Spanish, and a nondiscrimination policy.
12. Capital projects that the City procured during the audit period include a new CNG-fueled vehicle, on-board cameras, Auburn Transit Improvement Project (emergency generator at the Corporation Yard and solar lighting and lighting improvements at bus shelters), and machinery and equipment. The Auburn Transit Improvement Project was funded through an agreement approved in January 2014 between the City and the Western Placer Consolidated Transportation Service Agency.

Recommendations

1. Document fare revenue reconciliation in the driver manifest.

Fare revenue are counted daily by the Transit Manager and the totals tallied on a sheet in the driver manifest. Enhanced fare reconciliation procedures should include for the Transit Manager to verify actual fares collected against anticipated fares based on ridership reports submitted by drivers in the manifest. This verification should be shown in the manifest by adding a space in the sheet for bus fare counts to record expected revenue based on ridership count, and another space to show the difference between actual and expected revenue. Patterns of possible overage and under collection beyond an acceptable range like plus/minus 5 percent by route could be found with any corrective action taken to ensure accuracy of fare collection and recording. With farebox recovery having difficulty meeting the standard, the accurate reporting of fares and their matching with ridership is important.

2. Review opportunities for increasing local revenue to boost farebox recovery.

As a result of state legislation (SB 508) passed in October 2015 that further solidifies current practice, transit systems are able to boost their farebox recovery through inclusion of local revenues generated by the transit service. Auburn Transit has been receiving general fund support through offsetting mechanics' direct costs, which are included in the farebox ratio. Other revenue enhancements commonly used by transit operators are advertisement on buses and bus shelters, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Should the farebox ratio continue to miss the 10 percent standards, the City has options to meet that standard beyond fare revenue by considering additional local revenues tied to transit.

3. Review calculation of full-time equivalents in State Controller Transit Operator Report.

A required input to the operating data section of the annual State Controller Transit Operator Report is the number of full time equivalents (FTEs). FTEs, as described in the TDA statute, is calculated by dividing total productive labor hours of transit operating, maintenance, and administrative staff by 2,000 hours. The number of FTEs in the controller report, in particular for FY 2015, shows a total of 8, which is a 33 percent increase from prior years. Most of the drivers are part-time, indicating that the entry may be by headcount rather than by formula. This difference in methodology impacts the performance indicator that measures productivity of the system's employees. The City should review internally how it is calculating the FTEs and make the appropriate changes as necessary in the controller report to maintain compliance with the TDA definition and reporting standards.