



FY 2013-2015

TRIENNIAL PERFORMANCE AUDIT OF
WESTERN PLACER CONSOLIDATED TRANSPORTATION
SERVICES AGENCY

September 2016

SUBMITTED TO:



PLACER COUNTY
TRANSPORTATION
PLANNING AGENCY

SUBMITTED BY:

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INTERNATIONAL

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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 Western Placer Consolidated Transportation Services Agency (WPCTSA) 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 WPCTSA's operational efficiency and effectiveness.

Compliance with TDA Requirements

WPCTSA satisfactorily complied with all nine applicable requirements. Two additional compliance requirements did not apply to the agency (i.e., blended and urbanized farebox recovery ratios). WPCTSA exceeded the minimum farebox recovery standard, although the ratio declined in FY 2015 due to lower fund contributions from Seniors First as a nonprofit match and its partnership with Sutter Health and Kaiser Permanente hospitals.

Status of Prior Audit Recommendations

There were three recommendations from the prior triennial performance audit. One was fully implemented relating to reporting of vehicle hours by the contractor. A second prior recommendation was partially implemented regarding the inclusion of TDA performance indicators in the monthly management reports. The third recommendation no longer applied relating to acquisition of fareboxes for Health Express. The vehicles provided by the contractor and approved for use by WPCTSA are not large enough to accommodate farebox devices along with passenger seating and wheelchairs.

System Performance Trends

1. Operating effectiveness and efficiency statistics such as operating cost per passenger, cost per hour, and cost per hour measures showed positive trends. There were decreases in these measures from the FY 2012 base year through FY 2015, although variations occurred in between the years. The trends are attributed to the steadiness in operating costs

coupled with overall increases in passenger trips, hours, and miles of service by the end of the audit period. This time period factors the data reporting by two contractors early in the audit period, and by another different contractor at the end of the audit period.

2. Passengers per vehicle service hour and per mile, indicators of service effectiveness, increased marginally as the increase in ridership was larger than the growth in service provision. The number of passengers per hour exceeded more than one beginning in FY 2014.
3. The fare ratio for Health Express was above the 10 standard set by PCTPA. The local contributions provided by Seniors First, combined with passenger fares, help the service to maintain the ratio. However, the decline in the fare recovery ratio is due in part to the lower contributions from the hospitals in FY 2015.
4. With regard to the Call Center, in FY 2015 the Call Center handled 55,801 calls, a 12 percent increase from the 49,505 calls handled in FY 2014. The Call Center received several awards during the audit period including from SACOG and CalAct.

Functional Review

1. Health Express trips are often intercity trips to medical appointment destinations which are out of the service area of one of the other Dial-A-Ride services. In addition, due to the out-of-area locations served by Health Express, trips often can only transport a single passenger. As a result, Health Express trips may be longer distances and there may be fewer opportunities to group passengers, in the interest of efficiency.
2. Given that Health Express fills transportation needs that the other Dial-A-Rides cannot meet, and is a safety net for those with no other travel options for nonemergency medical care, the performance peer review with other south Placer transit Dial-A-Rides shows that Health Express is essential in spite of relatively lower efficiencies.
3. Adjustments to the management and operation of Health Express occurred in September 2013 when WPCTSA entered into several agreements for services. Due to this transition, Seniors First no longer provides direct scheduling of trips but now has the responsibility of screening rider applications for eligibility and certifying their use of the transit service.
4. Customer comments received by the Call Center and/or the contractor (MV Transportation) are routed to Seniors First which seeks to resolve the issue and then notifies WPCTSA. As program manager of the service with a close association with passengers, Seniors First also receives comments directly and works to address the issue.
5. WPCTSA revised its published policies for Health Express in March 2015 to align better with those of the south Placer transit systems, better meet federal ADA policies, and clarify how

trips are assigned. Every Health Express rider must submit an application and be certified as eligible to use this program before their trip requests are accepted by the Call Center.

6. The operating budget summary, prepared each year of the audit period, provides clear and sufficient details of revenues and costs, including amendments that compare adopted to amended figures.

Recommendations

Performance Audit Recommendation	Background	Timeline
<p>1. Include performance indicators in the Health Express monthly management reports.</p>	<p>As a partial carryover from a prior performance audit recommendation, the monthly management reports generated for Health Express by the contract operator should be expanded to include performance metrics such as passenger trips per vehicle service hour as well as vehicle service miles per passenger trip to further gauge the efficiency of the service. If operating costs were to be included in the monthly report, additional metrics should be generated including operating cost per hour, cost per passenger, and cost per mile, all of which measure cost efficiency and cost effectiveness of the service. Tracking this data on at least a quarterly basis will help WPCTSA to identify trends in service provision.</p>	<p>High Priority</p>
<p>2. Retain sufficient number of volunteer drivers for My Rides.</p>	<p>The roster of volunteer drivers fluctuates around 85 drivers for the My Rides program. Seniors First indicated challenges with keeping volunteer drivers for any number of reasons, including drivers eventually becoming clients of the program. While the program offers mileage reimbursement at a rate lower than standard Internal Revenue Service rates for business, not all drivers take the offer. A small increase to the rate may invite more drivers. Also, the potential for expanding the program to include weekend rides adds flexibility to scheduling trips and might attract new drivers and/or encourage existing drivers to become more active. Seniors First intends to better market the need for volunteer drivers and should therefore keep track of the effectiveness of its marketing efforts in terms</p>	<p>Medium Priority</p>

Performance Audit Recommendation	Background	Timeline
	of new driver sign-ups following a marketing activity.	

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 Western Placer Consolidated Transportation Services Agency (WPCTSA). 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 agency’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 agency’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether WPCTSA 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 PCTPA staff, Seniors First staff responsible for transit program management, and the general manager for MV Transportation. The methodology also included 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 Transportation Service

WPCTSA is a joint powers authority (JPA) with the power to provide and coordinate social service transportation for the western portion of Placer County, including services for the elderly and individuals with disabilities. Under the terms of the JPA, PCTPA was designated as the administrator of WPCTSA. WPCTSA is governed by a board of directors consisting of the board of directors of the PCTPA. The board meets monthly or as needed.

WPCTSA services went into effect in January 2009 and the programs are intended to provide transportation services for Placer County residents who are not able to use conventional public transit services operating in western Placer County. Each program responds to a unique transportation need not otherwise currently met or met well within a prescribed service area.

WPCTSA Transportation Services

WPCTSA provides a variety of transportation services under its umbrella. WPCTSA designated the City of Roseville as the lead agency to establish and operate the regional transit ambassador program. The program educates new passengers in becoming familiar with western Placer County transit services and provides assistance to passengers at transit transfer points. The program includes conducting a variety of outreach efforts to existing and potential passengers, such as face-to-face assistance to passengers, transit training for potential transit users, and attending outreach events. WPCTSA also contracts for on-call transit planning consultant services for various tasks that arise in relation to CTSA and dial-a-ride services.

In FY 2009, PCTPA adopted a finding that a centralized transit call and information center in south Placer County was an unmet transit need that was reasonable to meet. The PCTPA board designated WPCTSA as the agency responsible to implement the action for this finding. The WPCTSA board, in turn, designated the City of Roseville as the transit agency best suited to operate a centralized call and information center. After a yearlong effort of extensive collaboration with area providers, the South Placer Transit Information Center (Call Center) became operational in May 2011.

WPCTSA also purchases retired (surplus) Dial-A-Ride vehicles from Placer transit operators and sells these vehicles to local social service nonprofit organizations for a nominal amount for use to transport elderly and/or disabled clients. The Retired Dial-a-Ride Vehicle Program Guidelines specify eligibility requirements and application criteria for interested nonprofit organizations, and selection criteria to be used by WPCTSA. Under the program, the nonprofit organization will be required to fund the vehicle's annual operating and maintenance costs, and fulfill other program obligations as noted in the guidelines.

WPCTSA currently collaborates with Seniors First, Inc., a local nonprofit organization, to provide two additional programs:

Health Express Non-Emergency Medical Transportation: WPCTSA contracts with Seniors First to provide program management for Health Express, a nonemergency medical transportation service primarily for seniors and disabled. Individuals are eligible for Health Express service if public transportation services do not meet the needs of the person. Eligibility is based on two categories:

- Individual must be 60 years older or disabled, and be a resident of Placer County.
- A ride of last resort if no other transportation is available. There is no age restriction or ability restriction when used by an individual as a ride of last resort.

Eligibility to use Health Express is verified prior to service use and is documented through a formal process administered by Seniors First. Applicants with disabilities are required to submit acceptable evidence of disability certification by another agency or signed certification of the individual's disability by a medical or healthcare professional.

The service area includes the cities of Colfax, Sheridan, Foresthill, Auburn, Lincoln, Loomis, Rocklin, and Roseville. These areas, with exception of Foresthill and Sheridan, are served Monday through Friday while Foresthill and Sheridan are served only on Wednesdays. Service to Sacramento is provided twice a week on Tuesdays and Thursdays. Reservations are accepted 7 days a week with at least 24 hours’ advanced notice and up to 14 days prior to the desired service day. Reservations are taken by the Call Center that consolidates phone numbers and call center services for the partnering transit agencies in the County. Subscription trips for the same day and time each week for a period of 14 days may be set up on a first-come, first-served basis.

Health Express adjusted its passenger fares in July 2015 to be similar to those charged on the public dial-a-ride services. Discount fares with Medicare, Medi-Cal, Medicaid, and Public Transit ADA/Disability/Senior ID Card are available. Donations are accepted by mail to the Seniors First office as drivers cannot accept donations. The adjusted fare schedule is provided below:

**Table I-1
Health Express One Way Fare Schedule**

Trip	Prior to July 1, 2015		Beginning July 1, 2015	
	Discount Fare with ID	Regular Fare	Discount Fare with ID	Regular Fare
Advance Reservation Trip in Placer County	Free	\$1.25	\$1.25	\$2.50
Same Day Trip in Placer County	\$1.25	\$2.50	\$2.50	\$5.00
Advance Reservation Trip Sacramento Area Hospitals	\$2.50	\$5.00	\$2.50	\$5.00
Same Day Trip Sacramento Area Hospitals	\$5.00	\$10.00	\$5.00	\$10.00
Multi-Ride Fare Card	\$12.50		\$12.50	
Personal Care attendant rides free				
Companions pay the same fare as the rider				

Source: <http://seniorsfirst.org/health-express/>

In a change of contract relationships, WPCTSA partners with Seniors First to provide program management but separately contracts with MV Transportation to provide service operations and vehicles. Prior to November 2013 when WPCTSA first contracted with MV Transportation, Seniors First held contracts with two independent transportation providers.

My Rides Program: The My Rides Program maintains the former Door-to-Door Rides program that has provided volunteer transportation service for more than 40 years to eligible Placer County residents unable to use conventional public transit systems. My Rides expands the service area and provides free transportation services to nonemergency medical appointments and other essential services for eligible Placer County residents. The program services the communities of Applegate, Auburn, Colfax, Foresthill, Lincoln, Loomis, Meadow Vista, Newcastle, North Tahoe, Rocklin, Roseville, Sheridan, Weimar, and Alta to Emigrant Gap.

Rides are scheduled at least three business days in advance of the desired trip. Transportation is provided by volunteer drivers who are approved and scheduled by Seniors First. The volunteer drivers may seek mileage reimbursement. Among the primary differences between My Rides and Health Express is that My Rides is a one-to-one program where the volunteer driver typically stays on location with the rider during the full round trip.

Placer County seniors and individuals with disabilities are eligible for the program. However, an eligibility limitation is that no large oxygen tanks or wheelchairs are allowed, given that drivers use their own personal vehicles. Rather, these riders can use Health Express, which has larger vehicles. During the audit period, funding was provided through First 5 Placer to enable ride eligibility for families with children (prenatal through five years old) who are unable to use conventional public transit services for transportation to and from medical-related appointments, public services, and essential needs destinations. My Rides also consolidates the Volunteer Door-to-Door, Voucher, and Rural Mileage Reimbursement programs.

Fleet

There were six vehicles in the Health Express 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. The vehicles are owned and operated by MV Transportation. Table I-2 summarizes the transit fleet.

**Table I-2
Health Express Fleet**

Year	Make/Model	Quantity	Fuel Type	Seating Capacity – Ambulatory Only	Wheelchairs Only	Combo
2009	Ford F350 SDCV	6	Unleaded	7	2	3/1

Source: MV Transportation

Section II

Operator Compliance Requirements

This section contains the analysis of WPCTSA’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), 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: September 20, 2013 FY 2014: October 20, 2014 FY 2015: October 16, 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: November 25, 2013 FY 2014: December 8, 2014 FY 2015: December 16, 2015 Conclusion: Complied.
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 a CHP inspection of the operator’s terminal.	Public Utilities Code, Section 99251 B	MV Transportation participates in the pull notice program for its drivers in compliance with the vehicle code. Drivers are subject to the same certifications as dial-a-ride drivers for transit agencies. WPCTSA is not subject to the CHP vehicle inspections, as the vehicles used for service are not

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		classified as commercial vehicles due to their smaller size. 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 (STA) submitted by WPCTSA 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	WPCTSA is not subject to the “blended ratio” under this TDA provision. 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 substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in the transit system’s operating budget: FY 2013: +31.6% FY 2014: +1.3% FY 2015: +6.4% In FY 2013, new programs were proposed for WPCTSA, such as Dial-a-Ride CTSA Trips Reimbursement and Bus Pass Subsidy Program. Source: WPCTSA Proposed Operating Budget Summary Conclusion: Complied.
The operator’s definitions of	Public Utilities	The transit system’s definition of

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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.	Code, Section 99247	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	WPCTSA is not subject to the urban fare recovery ratio. Conclusion: Not applicable.
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	The farebox ratio standard set by PCTPA for Health Express is 10%. FY 2013: 21.08% FY 2014: 21.26% FY 2015: 18.59% Source: WPCTSA Audited Financial Statements and Compliance Reports. Conclusion: Complied.
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	Public Utilities Code, Section 99271	WPCTSA programs are administered by PCTPA which contributes to the California Public Employees Retirement

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		System cost-sharing public employee defined benefit pension plan. Conclusion: Complied.
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.	California Code of Regulations, Section 6754(a)(3)	The transit system receives STA funds and makes use of federal transit grant funds under FTA New Freedom Grants as follows: FY 2013: Operations (\$162,206) FY 2014: Operations (\$150,000) FY 2015: Operations (\$185,000) Source: Transit Operators Financial Transactions Reports. Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to WPCTSA, the agency satisfactorily complied with all nine applicable requirements. Two additional compliance requirements did not apply to the agency (i.e., blended and urbanized farebox recovery ratios).
2. The agency does not participate in the CHP Transit Operator Compliance Program due to the smaller size of the vehicles used for the Health Express service. MV Transportation participates in the pull notice program for its drivers in compliance with the vehicle code.
3. The operating budget exhibited increased expenditures between FYs 2012 and 2013 as new programs were proposed. They included Dial-a-Ride CTSA trips reimbursement, Health Express service to Sheridan and Foresthill, a second daily trip to Sacramento medical facilities, bus pass subsidy program, and rural mileage reimbursement program. The existing Transit Ambassador program also received additional funding in FY 2013.
4. Based on the available data from the annual fiscal and compliance audits, the agency's farebox recovery ratio remained above the required farebox ratio. The average audited farebox ratio during the triennial period was over 20 percent. Revenues include passenger fares implemented in July 2013, plus local nonprofit match contributions by Seniors First for programs. WPCTSA established a policy of a 25 percent match for community transit services. For the Health Express service, Seniors First secures non-TDA funding through Sutter Faith and Kaiser hospitals. The hospital funding decreased from \$125,000 contributed in each of FYs 2013 and 2014 to \$100,000 in FY 2015. This reduced contribution resulted in a lower farebox recovery trend.

Section III

Prior Triennial Performance Recommendations

This chapter describes WPCTSA’s response to the recommendations 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

Vehicle hours for the Health Express, Volunteer Program, and Voucher Program should be recorded and reported to PCTPA each fiscal year. For the Health Express service, vehicle service hours and miles should be compiled consistently with the definition of vehicle service hours and miles in Appendix B of the *Performance Audit Guidebook*.

Background: The prior performance audit noted that vehicle revenue hour data for Health Express was not reported by Seniors First to PCTPA during the audit period. In addition, the auditor could not verify that vehicle revenue miles were calculated correctly. When reporting the data, the data should be consistent with the TDA definitions.

Actions taken by WPCTSA: The issues associated with reporting of vehicle revenue hours and miles occurred when Seniors First contracted service with two vendors for Health Express. In November 2013, WPCTSA made changes and began directly contracting with a larger private operator, MV Transportation. MV Transportation submits monthly management reports to WPCTSA that include numerous performance data such as vehicle revenue hours and miles, deadhead vehicle hours and miles, fare revenues, and passengers by payment type. The compilation and reporting of revenue and deadhead hours and miles is consistent with the TDA *Performance Audit Guidebook*.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Refine the operating and performance statistic reporting process.

Background: In reporting operating statistics for Health Express, Seniors First was summarizing data on a calendar basis rather than on a fiscal year basis. Seniors First should report operating data to PCTPA as it is reported to the State Controller, including by fiscal year (July 1–June 30). Seniors First should also expand the performance indicator section to include passenger trips per vehicle service hour as well as other performance indicators such as operating cost per hour, cost per trip, cost per mile, and cost per passenger. Refining the reporting process would help WPCTSA with timely submittal of State Controller reports.

Actions taken by WPCTSA: The switch to a new contract operator for Health Express resulted in more transit data reported by fiscal year. This data in the monthly management reports is compiled by MV Transportation and used in the State Controller reports. However, the monthly report does not include performance indicators such as passengers per vehicle service hour, cost per hour, cost per trip, cost per mile, and cost per passenger. Operating cost data is not available in the monthly reports. While the computation of these indicators does not directly impact the preparation of the State Controller report, as these reports do not require the calculation of these indicators, regular review of such metrics provides a good check-up on the operational health of the service.

Conclusion

This recommendation has been partially implemented and is forwarded in this audit for full implementation.

Prior Recommendation 3

As funding permits, acquire fareboxes for Health Express vehicles.

Background: The Health Express service began charging passengers a fare in FY 2013–14. The prior performance audit noted that the contractor’s vehicles do not have fareboxes mounted on the vehicles. The prior recommendation included for WPCTSA to acquire simple fareboxes with locking vaults, as this decreases the temptation for theft and provides a more secure method of transporting fare revenue from the vehicle to the operations facility.

Actions taken by WPCTSA: The contractor vehicles used for Health Express are smaller compared to cutaway-type vehicles typically used for transit service. The MV general manager indicated there is no room to mount a farebox on any of the vehicles. As a result, the drivers continue to use a pouch to hold the fares. Unless larger vehicles are deployed, mounted fareboxes with locking vaults are not feasible.

Conclusion

This recommendation is no longer applicable.

Section IV

TDA Performance Indicators

This section reviews WPCTSA’s performance in providing Health Express to the community in an efficient and effective manner. The 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.

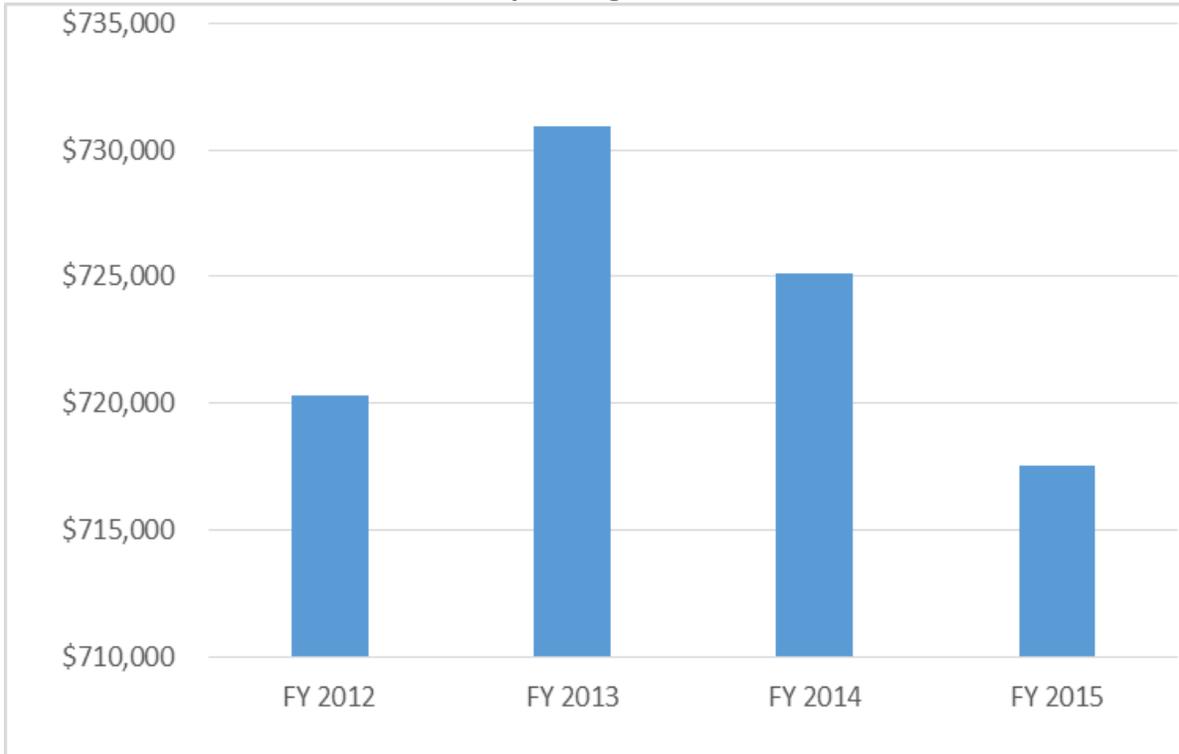
A comparison of Health Express performance indicators against those of the other Placer County transit systems is also provided at the end of the section.

**Table IV-1
TDA Performance Indicators
Health Express**

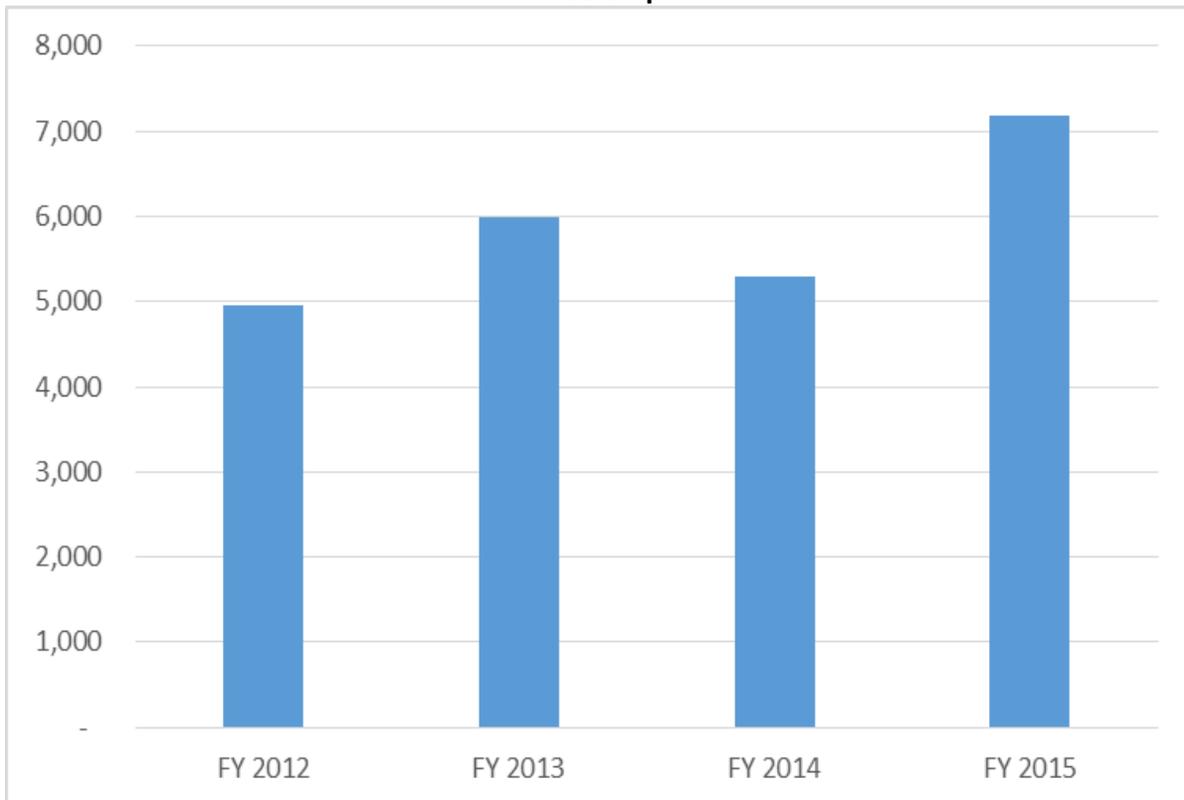
Performance Data and Indicators	Audit Period				% Change FY 2012-2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$720,333	\$730,912	\$725,108	\$717,532	-0.4%
Total Passengers	4,964	5,984	5,302	7,176	44.6%
Vehicle Service Hours	5,280	6,720	3,987	5,387	2.0%
Vehicle Service Miles	67,261	59,370	58,142	83,636	24.3%
Employee FTEs	7	7	6	5	-28.6%
Passenger Fares & Local Contributions	\$178,000	\$180,849	\$183,997	\$139,680	-21.5%
Operating Cost per Passenger	\$145.11	\$122.14	\$136.76	\$99.99	-31.1%
Operating Cost per Vehicle Service Hour	\$136.43	\$108.77	\$181.87	\$133.20	-2.4%
Operating Cost per Vehicle Service Mile	\$10.71	\$12.31	\$12.47	\$8.58	-19.9%
Passengers per Vehicle Service Hour	0.9	0.9	1.3	1.3	41.7%
Passengers per Vehicle Service Mile	0.07	0.10	0.09	0.09	16.3%
Vehicle Service Hours per Employee	754.3	960.0	664.5	1,077.4	42.8%
Average Fare per Passenger	\$35.86	\$30.22	\$34.70	\$19.46	-45.7%
Fare Recovery Ratio	24.71%	24.74%	25.38%	19.47%	-21.2%

Source: Annual Fiscal & Compliance Audits; State Controller's Reports

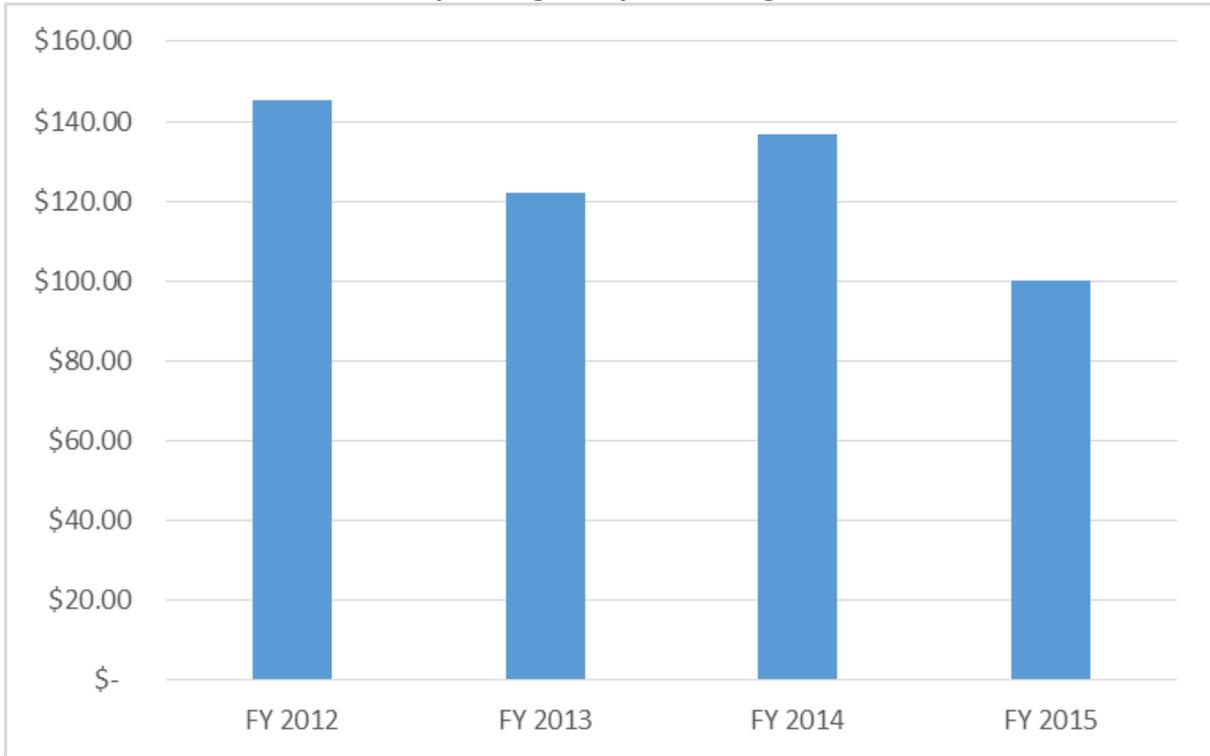
**Graph IV-1
Operating Costs**



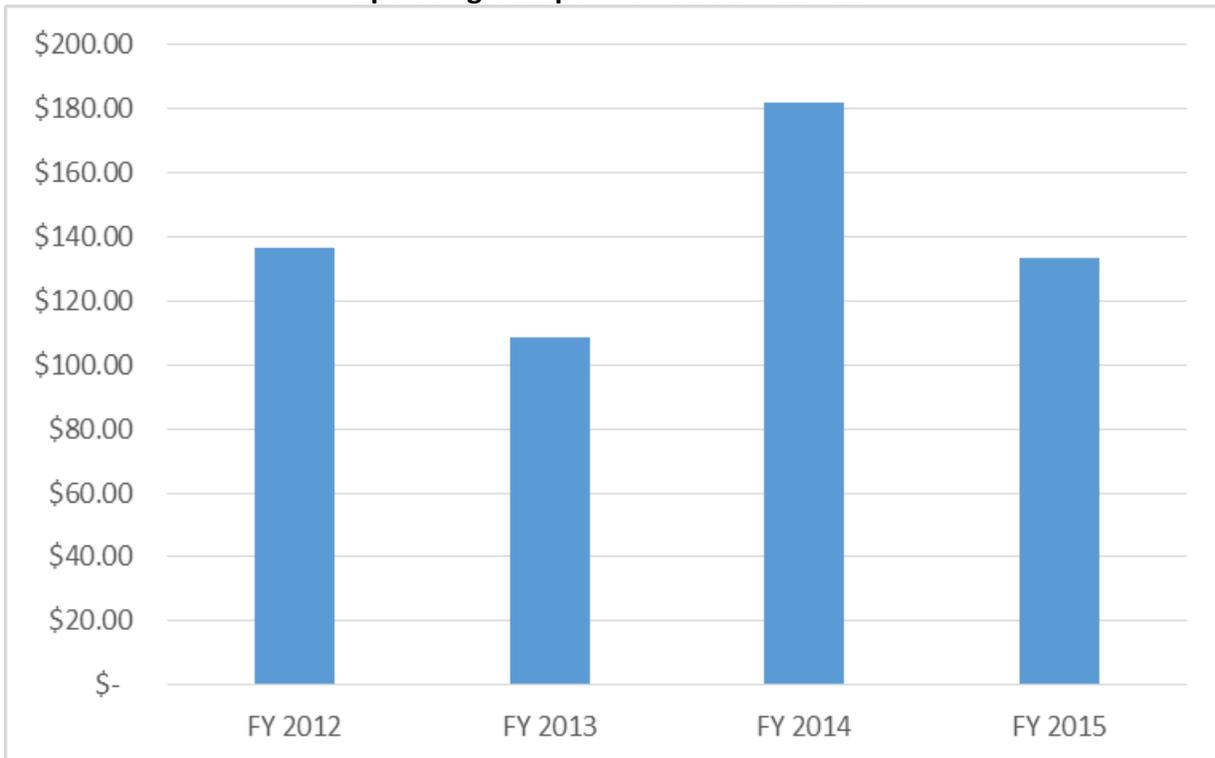
**Graph IV-2
Ridership**



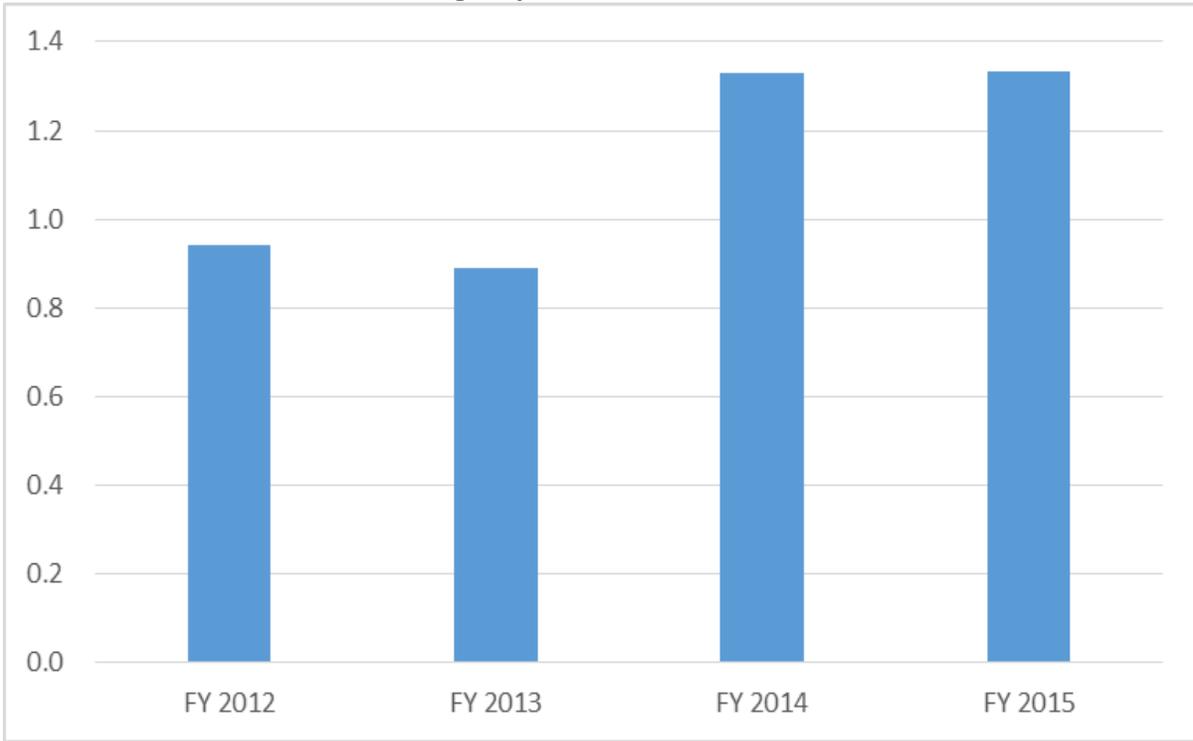
Graph IV-3
Operating Cost per Passenger



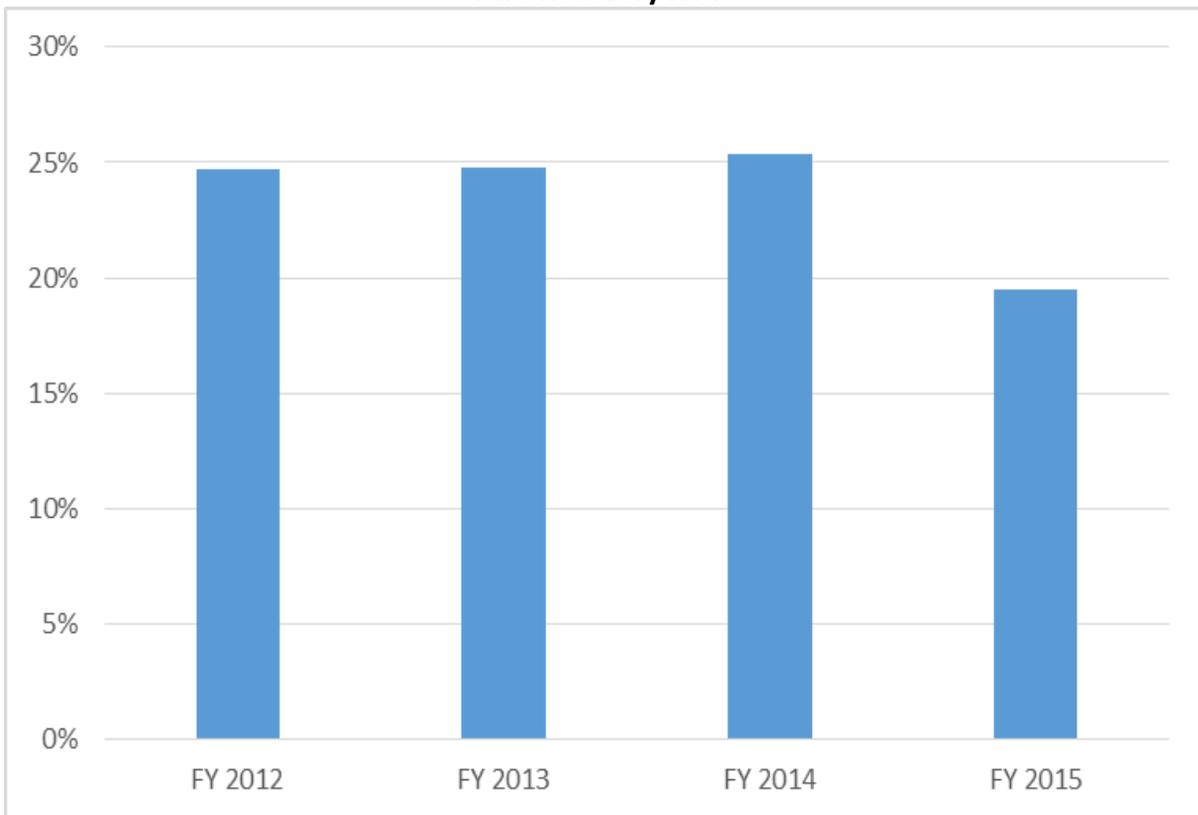
Graph IV-4
Operating Cost per Vehicle Service Hour



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, decreased 31.1 percent from the FY 2012 base year through FY 2015 based on audited data. The overall decrease in this cost indicator is attributed to the steadiness in operating costs coupled with a significant increase in passenger trips by the end of the audit period. Ridership increased substantially in FY 2015 over the prior year due in part to possible data reporting discrepancies during the transition of the contract operators. As a result, ridership for FY 2014 is much lower compared to the other years and appears not reflective of a full year of operations.
2. Operating cost per hour, which is a measure of cost efficiency, decreased slightly for the audit period when accounting for the three-year trend between the base year (FY 2012) and the last audit year (FY 2015). In FYs 2013 and 2014, the cost per hour varied significantly, first dropping, then increasing substantially before decreasing again in FY 2015. While operating costs each year remained relatively stable, the reported service hours were up and down annually which generally followed the same trend in passenger trips. Revenue hours for FY 2014 are much lower compared to the other years which may be due to reporting discrepancies during the transition between operators.
3. Operating cost per mile, another cost efficiency measure, decreased almost 20 percent from the FY 2012 base year to FY 2015. Following the same pattern as the other cost indicators, the annual change in service miles, in particular a substantial increase in FY 2015, resulted in an overall decrease in cost per mile. The increase in revenue miles is commensurate with the growth in riders and hours in that fiscal year.
4. Passengers per vehicle service hour, an indicator of service effectiveness, showed an increase of 41.7 percent for the audit period as the increase in ridership was larger than the growth in service hours. While the percentage increase appears large, the change in the actual number of passengers per hour was relatively small, increasing from 0.9 to 1.3.
5. Passengers per vehicle service mile showed an increase of 16.3 percent for the audit period, going from 0.07 in FY 2012 to 0.09 in FY 2015. Although ridership and vehicle service miles both increased substantially in FY 2015, the overall trend remains steady.
6. Vehicle hours per FTE, which measures labor productivity, experienced an increase between FYs 2012 and 2015. Based on State Controller figures, the number of FTEs decreased slightly during the audit period while service hours increased slightly.
7. The fare recovery ratio exhibited a decrease for the audit period, from 24.71 percent in the base period in FY 2012 to 19.47 percent in FY 2015. The fare ratio was above the 10 standard set by PCTPA. The local contributions provided by Seniors First, combined with passenger fares, help the service to maintain the ratio. However, the decline in the fare recovery ratio is due in part to the lower contributions from the hospitals in FY 2015.

Comparison of Performance Indicators

In addition to reviewing performance measures for Health Express, PCTPA requested a peer review of Health Express services and demand response services of other western Placer County transit operators. Table IV-2 reviews TDA performance indicators and farebox ratio for Health Express, Lincoln Transit Dial-A-Ride, Placer County Transit Dial-A-Ride, and Roseville Transit Dial-A-Ride.

FY 2014–15 operating and financial data is presented in the table. TDA performance indicators are calculated using the operating and financial data. All data for the peer transit systems are based on documents provided by each operator, such as State Controller reports and internal productivity reports.

Table IV-2
TDA Performance Indicators
Peer Review FY 2014–15

Performance Data and Indicators	Transit System				Peer Average
	Health Express	Lincoln	Placer	Roseville	
Operating Cost	\$717,532	\$438,273	\$1,016,260	\$1,270,190	\$908,241
Total Passengers	7,176	5,482	38,110	30,242	24,611
Vehicle Service Hours	5,387	2,957	14,969	12,153	10,026
Vehicle Service Miles	83,636	29,420	161,741	190,853	127,338
Employee FTEs *	5	3	14	47	21
Passenger Fares & Local Contributions	\$139,680	\$5,297	\$24,128	\$108,712	\$46,046
Operating Cost per Passenger	\$99.99	\$79.95	\$26.67	\$42.00	\$49.54
Operating Cost per Vehicle Service Hour	\$133.20	\$148.22	\$67.89	\$104.52	\$106.87
Operating Cost per Vehicle Service Mile	\$8.58	\$14.90	\$6.28	\$6.66	\$9.28
Passengers per Vehicle Service Hour	1.3	1.9	2.5	2.5	2.3
Passengers per Vehicle Service Mile	0.09	0.19	0.24	0.16	0.19
Vehicle Service Hours per Employee	1,077.4	985.7	1,061.6	258.6	768.6
Average Fare per Passenger	\$19.46	\$0.97	\$0.63	\$3.59	\$1.73
Fare Recovery Ratio	19.47%	1.21%	2.37%	8.56%	4.05%

* Roseville Transit FTEs are provided system-wide.

Both Roseville Transit and Placer County Dial-A-Rides carry a significant amount of passenger trips each year (30,242 and 38,110, respectively). Lincoln Transit has the lowest ridership of the services reviewed at 5,482 annual passenger trips, and Health Express has the next lowest ridership at 7,176 annual passenger trips. Operating data including service hours and miles are reflective of each system’s size and number of passengers served. As presented in the above table:

- **Operating cost per passenger trip** was highest for Health Express (\$99.99) followed by Lincoln at \$79.95. The peer average (not including Health Express) is just less than \$50 per trip which is less than half compared to Health Express. The lowest was Placer County at \$26.67 per trip.
- **Operating cost per service hour** was highest for Lincoln at \$148.22 followed by Health Express at \$133.20. The peer review average was \$106.87 which accounts for the much lower cost per hour on Placer County (\$67.89).
- **Passengers per vehicle service mile** on Health Express (0.09) is below the peer average of 0.19, as the service area of Health Express is relatively large, including trips to Sacramento and reaching as far as Foresthill and Sheridan in Placer County. Locations of pickups in rural areas generally make shared rides difficult.
- The largest **farebox ratio** is from the Health Express service due primarily to the inclusion of contributions from partner agencies (hospital contributions). Farebox ratios on the other Dial-A-Ride services range from 1.21 percent on Lincoln Dial-A-Ride to 8.56 percent on Roseville Transit, which do not have local contributions like those for Health Express.

Overall, it is difficult to directly compare Health Express services with the other western Placer County Dial-A-Ride services, particularly Roseville and Placer County Transit, as the latter two serve a larger population. Health Express is a specialized demand response service which is designed to transport only seniors and disabled individuals or those with no other form of transportation to important medical appointments. The other Dial-A-Ride services are open to the general public. Health Express trips are often intercity trips to medical appointment destinations which are out of the service area of one of the other Dial-A-Ride services. In addition, due to the out-of-area locations served by Health Express, trips often can only transport a single passenger. As a result, Health Express trips may be longer distances and there may be fewer opportunities to group passengers, in the interest of efficiency.

Table IV-2 demonstrates that Health Express performs at a level similar to Lincoln Transit's Dial-A-Ride as measured by indicators like cost per passenger and cost per hour. The table also shows that Dial-A-Ride systems in western Placer County do not make a 10 percent farebox ratio on their own. The private contributions to the Health Express service are an important source of revenue for the service. Given that Health Express fills transportation needs that the other Dial-A-Rides cannot meet, and is a safety net for those with no other travel options for nonemergency medical care, the peer review shows that the service is essential in spite of relatively lower efficiencies. The use of Article 4.5 TDA funds for this program is justified in part by Health Express's role to help meet the region's comprehensive mobility program.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within WPCTSA, in particular Health Express. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed with PCTPA staff, the Seniors First program manager, and the MV Transportation general manager:

- 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

Adjustments to the management and operation of Health Express occurred in late 2013 when WPCTSA entered into several agreements for services. One change included that WPCTSA would contract directly with and manage the operations provider rather than Seniors First, which had previously contracted with two separate providers. It was determined that the partnership agreement with Seniors First does not violate federal procurement policies if Seniors First keeps the donations (\$100,000–\$125,000) provided by Sutter and Kaiser hospitals as payment for management of WPCTSA programs while WPCTSA contracts directly with the operations contractors.

Due to this transition, Seniors First no longer provides direct scheduling of trips but now has the responsibility of screening rider applications for eligibility and certifying their use of the transit service. WPCTSA contracts with Seniors First for program management and funding contribution toward Health Express. The fund contribution, which Seniors First receives from Sutter and Kaiser hospitals, satisfies the TDA local support fare ratio requirement for services exclusive to elderly and disabled individuals.

The Call Center is responsible for the coordination and scheduling of trips by receiving requests from passengers and enters the requests into the Trapeze PASS scheduling software system. However, every Health Express rider must submit an application and provide documentation of their eligibility to use this program before their trip requests are accepted by the Call Center. The new Health Express eligibility process makes the reservation process more efficient and

convenient for all riders. Seniors First indicated there are about 585 current eligible customers, 75 percent of which are relatively active riders.

Customer comments received by the Call Center and/or the contractor (MV Transportation) are routed to Seniors First, which seeks to resolve the issue and then notifies WPCTSA. As program manager of the service with a close association with passengers, Seniors First also receives comments directly and works to address the issue. Seniors First also administers a survey annually to gauge rider satisfaction.

WPCTSA revised its published policies for Health Express in March 2015 to align better with those of the south Placer transit systems, better meet federal ADA policies, and clarify how trips are assigned. Policies were updated in topics relating to service description, eligibility, service area, trip assignment, on-time service, wheelchairs and other mobility devices, no shows, service suspension, and rights to refuse service. A new trip assignment policy specifies that nonemergency medical trips within a Dial-A-Ride service area will be provided by that Dial-A-Ride provider except in specific situations, in which case that Dial-A-Ride provider will request that Health Express provide the medical trip. The new policy includes Auburn Transit, whose route deviation service could provide trips which are within three-quarters of a mile of its fixed routes so long as capacity is available. When deviation capacity is not available, the trip could be scheduled on Health Express. A public hearing was held in March 2015 to solicit input on the proposed changes which then went into effect July 1, 2015, including the change in fare structure.

MV Transportation employs full-time drivers for Health Express who receive the same operation and safety training as MV Transportation's Dial-A-Ride drivers. The contract between WPCTSA and MV Transportation stipulates the maximum cumulative number of hours of service per day. Current demand requires about 20 hours of service per day, with relatively heavy demand from specific programs including the Senior Recreation and Respite Program (R&R), which focuses on creating better health care access for those 60 years and older and the disabled. Two Health Express vehicles are typically required to transport clients to the program, which is offered twice a week at the Twelve Bridges Library in Lincoln through Sutter Medical Center. Due to the smaller size of the Health Express vehicles, a wheelchair passenger restricts the carrying capacity of the vehicle.

Some passengers are eligible for both Health Express and My Rides. Registration is taken over the phone by Seniors First and a smaller form for My Rides is signed by the passenger in comparison to the application for Health Express. Reservations for My Rides are made three days in advance, with the paired volunteer driver calling the passenger the night before to confirm the ride. As a one-on-one service, there are between 450 to 600 rides provided per month; under 400 of those are unduplicated passengers. There are fewer program restrictions in terms of service area and days of service for My Rides compared to Health Express. For example, My Rides serves its entire area five days a week, rather than a few days a week for some areas on Health Express.

Funding through First 5 for My Rides is planned to end; however, Seniors First is looking to continue the program for eligible families with less funding. Weekend trips on My Rides are also being explored. Seniors First indicated it is difficult to retain volunteer drivers; its numbers have fluctuated around 85 volunteers, and it intends to better market the program to potential volunteers.

In FY 2015, the Call Center handled 55,801 calls, a 12 percent increase from the 49,505 calls handled in FY 2014. On average, the Call Center handles about 1,073 calls per week. More than 345,000 residents are served by Call Center representatives who provide transit information, customer service, and trip planning for local fixed-route, commuter, and Dial-a-Ride services for five transit agencies through one phone number.

In November 2013, the Sacramento Area Council of Governments (SACOG) awarded the Call Center with the 2013 Regional Project of the Year as part of SACOG Salutes. The award recognized that the Call Center is an innovative, precedent-setting response to an unmet transportation need in the urban and rural regions of south Placer County. The California Association for Coordinated Transportation (CalAct) awarded the City of Roseville the 2014 Outstanding Coordination award for advancing transit coordination and services in the Roseville region. This included launching the South Placer Transit Information resource. For the initial and continuing work to establish the Call Center, Roseville staff was recognized for the Outstanding Work Performance Team with a Pride of Roseville award in October 2015 for the Call Center Project Start-Up.

Maintenance

Vehicle maintenance and fueling for Health Express is the responsibility of the contract operator, MV Transportation. MV Transportation services these vehicles at its regional facility in Rancho Cordova. Preventive maintenance inspections are performed using industry specifications. 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 shift, and report any deficiencies to the maintenance department.

Planning

The PCTPA commissioned the Placer County *WPCTSA Short Range Transit Plan*, which was completed in 2011. This document reviewed performance of existing and proposed programs, prepared a financial outlook, and recommended direction for community transit services. New services and programs are reviewed with the Placer County Transit Operators Working Group and undergo an evaluation period before becoming permanent. The 2015 revised policies for Health Express achieves better consistency in policy and service coverage among the south Placer County Dial-A-Ride services. The adjustments to the contracts for Health Express program management and operations, and the subsequent shifting of roles and responsibilities, further utilizes existing programs such as the Call Center and Transit Ambassador program. The comparison of Health Express and other Dial-A-Ride operator performance statistics in this

performance audit, as requested by PCTPA, provides another means to gauge relative performance of the Dial-A-Ride services and planning needs. The PCTPA Social Services Transportation Advisory Council also acts as an important conduit for soliciting public input during the unmet transit needs process.

Marketing

The majority of marketing for WPCTSA services is performed by Seniors First. Seniors First maintains a website with a separate link to Health Express. Information on the weblink includes a service description, eligibility requirements and applications in both English and Spanish, service area and times including hospitals served in Sacramento, reservation instructions, cancellation and no show policy, fare structure, contact information, and other program descriptions. The WPCTSA page on the PCTPA website provides information about the WPCTSA function with links to the Seniors First website. Marketing materials, such as flyers for Health Express and My Rides, are available at the PCTPA offices and other public locations. The South Placer Transit Information guidebook shows Health Express and My Rides along with the other public transit and area transportation providers.

General Administration and Management

The WPCTSA board approves the budget while PCTPA approves revenue allocations, including those from TDA. PCTPA staff, in its capacity to provide administration for WPCTSA, manages the WPCTSA program, including development of the operating budget. The operating budget summary, prepared each year of the audit period, provides clear and sufficient details of revenues and costs including amendments that compare adopted to amended figures. Footnotes providing supplemental information and justification are also contained in the budget. Administrative expenses are separated from program expenses, while program budgets are separated between existing and new, as was the case for the FY 2012–13 budget.

The contract with Seniors First in 2013 provided \$10,000 during fiscal year 2013–14 to fund transition costs incurred with coordinating trip scheduling and passenger registration responsibilities that were transferred to the Call Center, as well as coordinating changes in Health Express service contractors. MV Transportation submits monthly management reports to WPCTSA with key performance data of Health Express operations including ridership by fare type, hours, miles, cancellations and no-shows, and on-time performance. On-time performance has ranged from 84 to 95 percent the last two years. PCTPA and the contractors communicate as needed under the revised organizational chart.

Grants Management

Grant management is performed by PCTPA. WPCTSA budgets show several public funding sources including Local Transportation Fund (LTF), State Transit Assistance, FTA 5317 Urban New Freedom grant (SACOG) and FTA 5317 rural New Freedom grant (Caltrans). Seniors First provides a nonprofit match toward the Volunteer Door-to-Door Program with Area 4 Agency on Aging funds, and a nonprofit match toward Health Express with the hospital funds. First 5 Families also

provided contributions for My Rides. The LTF, Urban New Freedom grant, and hospital funds provide the majority of revenue for WPCTSA programs.

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 WPCTSA, the agency satisfactorily complied with all nine applicable requirements. Two additional compliance requirements did not apply to the agency (i.e., blended and urbanized farebox recovery ratios). WPCTSA exceeded the minimum farebox recovery standard, although the ratio declined in FY 2015 due to lower fund contributions from Seniors First as a nonprofit match and its partnership with Sutter Health and Kaiser Permanente hospitals.
2. The agency does not participate in the CHP Transit Operator Compliance Program due to the smaller size of the vehicles used for Health Express service. MV Transportation participates in the pull notice program for its drivers in compliance with the vehicle code.
3. The operating budget increased expenditures between FYs 2012 and 2013 as new programs were proposed. They included Dial-a-Ride CTSA trips reimbursement, Health Express service to Sheridan and Foresthill, a second daily trip to Sacramento medical facilities, bus pass subsidy program, and rural mileage reimbursement program. The existing Transit Ambassador program also received additional funding in FY 2013.
4. Based on the available data from the annual fiscal and compliance audits, the agency's farebox recovery ratio remained above the required farebox ratio. The average audited farebox ratio during the triennial period was over 20 percent. Revenues include passenger fares implemented in July 2013, plus local nonprofit match contributions by Seniors First for programs. WPCTSA established a policy of a 25 percent match for community transit services. For the Health Express service, Seniors First secures non-TDA funding through Sutter Faith and Kaiser hospitals. The hospital funding decreased from \$125,000 contributed in each of FYs 2013 and 2014 to \$100,000 in FY 2015. This reduced contribution resulted in a lower farebox recovery trend.
5. There were three recommendations from the prior triennial performance audit. One was fully implemented relating to reporting of vehicle hours by the contractor. A second prior recommendation was partially implemented regarding the inclusion of TDA performance indicators in the monthly management reports. The third recommendation no longer applied relating to acquisition of fareboxes for Health Express. The vehicles provided by the contractor and approved for use by WPCTSA are not large enough to accommodate farebox devices along with passenger seating and wheelchairs.

6. Operating effectiveness and efficiency statistics such as operating cost per passenger, cost per hour, and cost per hour measures showed positive trends. There were decreases in these measures from the FY 2012 base year through FY 2015, although variations occurred in between the years. The trends are attributed to the steadiness in operating costs coupled with overall increases in passenger trips, hours, and miles of service by the end of the audit period. This time period factors the data reporting by two contractors early in the audit period, and by another different contractor at the end of the audit period.
7. Passengers per vehicle service hour and per mile, indicators of service effectiveness, increased marginally as the increase in ridership was larger than the growth in service provision. The number of passengers per hour exceeded more than one beginning in FY 2014.
8. In FY 2015, the Call Center handled 55,801 calls, a 12 percent increase from the 49,505 calls handled in FY 2014. The Call Center received several awards during the audit period including from SACOG and CalAct.
9. Health Express trips are often intercity trips to medical appointment destinations which are out of the service area of one of the other Dial-A-Ride services. In addition, due to the out-of-area locations served by Health Express, trips often can only transport a single passenger. As a result, Health Express trips may be longer distances and there may be fewer opportunities to group passengers, in the interest of efficiency.
10. Adjustments to the management and operation of Health Express occurred in September 2013 when WPCTSA entered into several agreements for services. Due to this transition, Seniors First no longer provides direct scheduling of trips but now has the responsibility of screening rider applications for eligibility and certifying their use of the transit service.
11. Customer comments received by the Call Center and/or the contractor (MV Transportation) are routed to Seniors First which seeks to resolve the issue and notifies then WPCTSA. As program manager of the service with a close association with passengers, Seniors First also receives comments directly and works to address the issue.
12. WPCTSA revised its published policies for Health Express in March 2015 to align better with those of the south Placer transit systems, better meet federal ADA policies, and clarify how trips are assigned. Every Health Express rider must submit an application and be certified as eligible to use this program before their trip requests are accepted by the Call Center.
13. The operating budget summary, prepared each year of the audit period, provides clear and sufficient details of revenues and costs, including amendments that compare adopted to amended figures.

Recommendations

1. Include performance indicators in the Health Express monthly management reports.

As a partial carryover from a prior performance audit recommendation, the monthly management reports generated for Health Express by the contract operator should be expanded to include performance metrics such as passenger trips per vehicle service hour as well as vehicle service miles per passenger trip to further gauge the efficiency of the service. If operating costs were to be included in the monthly report, additional metrics should be generated including operating cost per hour, cost per passenger, and cost per mile, all of which measure cost efficiency and cost effectiveness of the service. Tracking this data on at least a quarterly basis will help WPCTSA to identify trends in service provision.

2. Retain sufficient number of volunteer drivers for My Rides.

The roster of volunteer drivers fluctuates around 85 drivers for the My Rides program. Seniors First indicated challenges with keeping volunteer drivers for any number of reasons, including drivers eventually becoming clients of the program. While the program offers mileage reimbursement at a rate lower than standard Internal Revenue Service rates for business, not all drivers take the offer. A small increase to the rate may invite more drivers. Also, the potential for expanding the program to include weekend rides adds flexibility to scheduling trips and might attract new drivers and/or encourage existing drivers to become more active. Seniors First intends to better market the need for volunteer drivers and should therefore keep track of the effectiveness of its marketing efforts in terms of new driver sign-ups following a marketing activity.