

TRIENNIAL PERFORMANCE AUDIT
of the
Consolidated Transportation Services Agency
for Fiscal Years 2006/2007 through 2008/2009

Final Audit



Prepared for the

Placer County Transportation Planning Agency

Prepared by

LSC Transportation Consultants, Inc.

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Chapter 1

Executive Summary

The *California Public Utilities Code* (PUC) requires that all transit operators that receive funding under the Transportation Development Act (TDA) commission a performance audit every three years. This document presents the findings from the performance audit of the Consolidated Transportation Services Agency (CTSA) for Western Placer County. As the Regional Transportation Planning Agency (RTPA) responsible for local TDA funding, these audits were performed under the authority of the Placer County Transportation Planning Agency (PCTPA).

This audit report covers Fiscal Year (FY) 2006-07 through FY 2008-09 and was conducted by LSC Transportation Consultants, Inc. The field reviews and data collection efforts were conducted January through March of 2010. The CTSA for Western Placer County underwent substantial institutional changes during the audit period. As such, complete data was not available.

BACKGROUND

Up to five percent of TDA funds, after appropriate allocations for administrative, planning and programming, and bicycle and pedestrian projects may be allocated for community transit services as defined under Article 4.5 of TDA, including allocations to CTSA as defined by Section 15975 of the Government Code. Community transit services are defined as transportation services serving the disabled, who cannot use conventional transit services and services that link intra-community origins and destinations. Currently, PCTPA allocates 4 percent of TDA revenues to the designated CTSA in Western Placer County. For a portion of the audit period, Pride Industries was the designated CTSA for the region. In December of 2007 Pride Industries resigned as the CTSA and PCTPA became the interim CTSA. For one year PCTPA contracted with Pride Industries to operate the CTSA transit services. In October of 2008 a joint powers agency, Western Placer CTSA (WPCTSA), was created between Placer County and the incorporated cities, and designated as the CTSA for Western Placer County. WPCTSA operates several types of transportation services for the transit dependent, such as non-emergency medical transportation, a volunteer driver program, and a voucher program. The underlying goal of CTSA services in Placer County is to provide transportation for elderly persons and persons with disabilities who are residents of Placer County, and who are not able to use conventional public transit services.

FINDINGS

- ◆ WPCTSA programs effectively address the goal of providing transportation services to Placer County residents who are unable to use regular public transit services.
- ◆ WPCTSA staff has a good working relationship with all of its partners including Seniors First and the public transit operators.

- ◆ State Controller Reports for CTSA services were submitted late in FY 2007-08 when PCTPA was the “Interim CTSA” and in FY 2008-09 when WPCTSA began; however, this is quite understandable given the institutional reorganization of the CTSA program.
- ◆ PRIDE Industries/CTSA failed to complete and submit its FY 2006-07 annual Fiscal and Compliance Audit within the TDA-required deadline. The base requirement is 180 days after the end of the fiscal year, unless a 90 day extension is granted. It should be noted that PCTPA found it difficult to obtain PRIDE Industries’ assistance with compliance on this issue.

RECOMMENDATIONS

- ◆ In order to facilitate tracking the farebox ratio, WPCTSA should include fare revenue data in the State Controller Reports and fiscal audits.

Chapter 2

Triennial Performance Audit Results

BACKGROUND

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

The California PUC requires that a Triennial Performance Audit (TPA) be conducted for all transit operators and RTPAs. A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and their degree of compliance with established policies and procedures.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consists of seven elements, including:

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

TRANSIT PROGRAM DESCRIPTION

CTSA services in Western Placer County underwent significant changes over the audit period. For a number of years, Pride Industries was the designated CTSA operator in the region and provided the following services:

- ◆ **I-Ride/I-Med** – Demand response door-to-door transportation for trips which could not be accommodated on existing transportation services. I-Ride trips were for medical purposes only, and were required to have both the origin and destination in Placer County.

- ◆ **Voucher Program** – A TDA funded voucher program was coordinated by Pride Industries. Vouchers for trips on public transit, CTSA services, and taxi service were distributed through social service agencies.
- ◆ **Volunteer Transportation Program** – A TDA funded volunteer driver program.

In December of 2007, Pride Industries resigned as the CTSA for Western Placer County and PCTPA became the interim CTSA. PCTPA then entered into a contract with Pride Industries to continue operation of existing CTSA services. This contract terminated in December of 2008. In October of 2008 a joint powers agency, WPCTSA, was created between Placer County and the incorporated cities and designated as the CTSA for Western Placer County. WPCTSA entered into partnerships with Seniors First and the City of Roseville to operate the following services:

- ◆ **Health Express** – This 2 year pilot program (which began in Jan 2009) is a door-to-door transportation service for residents of Western Placer County to and from their non-emergency medical appointments. WPCTSA operates the service through a partnership with Seniors First who in turn contracts with Macy Transportation and Heart to Heart for actual operation of the service. Health Express operates service to Auburn, Colfax, Lincoln, Loomis, Rocklin, Roseville, unincorporated Placer County, and one day a week to Sacramento. Seniors First recently increased the frequency of this service by contracting with Heart to Heart to provide service in the Auburn/Colfax area, while Macy Transportation continues to provide rides in the remainder of the service area. Health Express does not charge passengers a fare – although donations are requested. Seniors First provides a match for the TDA funded service through contributions provided by partners such as Sutter Faith and Kaiser Hospitals. Roughly 500 trips per month are served. This WPCTSA service replaced the I-Med program. Approximately \$350,000 in TDA funds is budgeted for this program in FY 2009-10.
- ◆ **Voucher Program** – Seniors First coordinates and manages a TDA funded voucher pilot program. The program’s purpose is to provide transportation assistance to residents of Placer County whose transportation needs cannot be accommodated on existing public or specialized transit services. This is a program of “last resort” for essential non-emergency medical trips that would otherwise not be served. Users are matched with the most appropriate type of service and undergo a screening process before vouchers are provided. On average, ten trips are requested per month while five trips are provided. Roughly \$10,000 in TDA funds are budgeted for FY 2009-10 for this program.
- ◆ **Volunteer Door-to-Door Transportation** – Seniors First also manages and coordinates a volunteer driver program for seniors in Placer County. Passengers are asked to request trips at least two days in advance for medical appointments, grocery shopping, banking, and hair appointments in and around the Auburn, Roseville, and Sacramento areas. In 2008, approximately 5,900 one-way passenger trips were carried (or just under 500 trips per month). Approximately \$50,000 in TDA funds are budgeted in FY 2009-10 for this program. Funding is also obtained from the Area 4 Agency on Aging.

- ◆ **Taylor Road Shuttle Service Enhancement** – In response to an unmet need deemed reasonable to meet, WPCTSA is using Article 4.5 TDA funds to finance an extension of the Placer County Transit Taylor Road Shuttle service for a two year trial period. The service enhancement includes provision of hourly service along the existing route between 7:35 AM and 1:25 PM on Tuesdays and Thursdays only. Approximately \$38,000 is budgeted in FY 2009-10. This service did not operate during the audit period and is being provided through a Memorandum of Understanding with Placer County. Pride Industries is the current transit contractor for this service.
- ◆ **Other CTSA Funded Services for FY 2009-10** – PCTPA and the City of Roseville established a Transit Ambassador Program for Western Placer County services. 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. The City of Roseville manages the program and WPCTSA funds the insurance requirements for volunteers outside of the City of Roseville.

As part of a Surplus Dial-A-Ride (DAR) Vehicle Program, WPCTSA purchases older DAR vehicles from Placer County operators and sells the vehicles to human service agencies for \$100. The recipient agency must carry a minimum number of passenger trips (50 per month) and report ridership figures to WPCTSA for two years. The agency must also demonstrate their ability to pay vehicle registration, insurance, maintenance, and operating costs. This program was in response to an unmet transit needs finding and will be financed using Prop 1B CTSA funds.

WPCTSA also funds a portion of the regional South Placer Transportation Call Center project. The Call Center is the first effort in a transit coordination/consolidation program which PCTPA is undertaking. The purpose of the Call Center is to establish one phone number or point of contact for all South Placer County DAR information and reservations.

Seniors First is a donation-based non-profit organization which offers free services to seniors in Placer County ranging from the transportation services listed above to Meals on Wheels and handyman services. To fund these services, Seniors First receives donations from passengers and local agencies as well as funding through Area 4 Agency on Aging. TDA Article 4.5 funds represent a small but important portion of operating assistance for the transportation services.

CTSA Operating and Financial Statistics

The following operating statistics and TDA required performance indicators presented in Table 1 are based on data taken from annual State Controller Reports, annual Fiscal and Compliance Audits, and data provided by PCTPA and its operations contractor. As Pride Industries resigned as the CTSA in December 2007, both the State Controller Report and Fiscal Audit for FY 2007-08 represent the first six months of that fiscal year. WPCTSA services began in January of 2009, therefore data for FY 2008-09 represents a six month period as well. The data presented in Table 1 presents an overview of CTSA services during the audit period. It is not realistic to compare operating and financial data over the years as data is incomplete and transit services changed in FY 2008-09. As CTSA services are all of the demand-response type, productivity or one-way

TABLE 1: WPCTSA Systemwide Operating Data Summary

Performance Measure	2006-07	2007-08 ⁽¹⁾	2008-09 ⁽¹⁾
One-Way Passenger-Trips	90,080	53,418	720
<i>% Change from Previous Year</i>	--	-40.7%	-98.7%
Vehicle Revenue Hours	51,276	25,232	1,674
<i>% Change from Previous Year</i>	--	-50.8%	-93.4%
Vehicle Revenue Miles	626,521	231,804	33,480
<i>% Change from Previous Year</i>	--	-63.0%	-85.6%
Operating Costs	\$2,121,972	\$1,954,018	\$665,511
<i>% Change from Previous Year</i>	--	-7.9%	-65.9%
# Employees	59.0	NA	2.8
<i>% Change from Previous Year</i>	--	--	--
Farebox Revenues	\$1,287,135	\$1,098,366	\$125,000
<i>% Change from Previous Year</i>	--	-14.7%	-88.6%
Operating Cost per One-Way Passenger-Trip	\$23.56	\$36.58	\$924.32
<i>% Change from Previous Year</i>	--	55.3%	2426.9%
Operating Cost per Vehicle Revenue Hour	\$41.38	\$77.44	\$397.56
<i>% Change from Previous Year</i>	--	87.1%	413.4%
Passengers per Vehicle Revenue Hour	1.76	2.12	0.43
<i>% Change from Previous Year</i>	--	20.5%	-79.7%
Passengers per Vehicle Revenue Mile	0.14	0.23	0.02
<i>% Change from Previous Year</i>	--	60.3%	-90.7%
Vehicle Revenue Hours per Employee	869	--	602
<i>% Change from Previous Year</i>	--	--	--
Farebox Recovery Ratio	60.7%	56.2%	18.8%
<i>% Change from Previous Year</i>	--	-7.3%	-66.6%

Note 1: Data available for a six month period only.

passenger trips per hour is relatively low (1 - 2 trips per hour). On a positive note, farebox ratio is quite high due to special transit fare assistance contributed by partner agencies towards CTSA services. PCTPA adopted a farebox ratio requirement of 10 percent for CTSA services which is easily obtained. It should be noted that Article 4.5 of TDA allows RTPAs to set regional performance criteria, local match requirements or fare recovery ratios for claims under this article.

Data Collection Methods

Part of the TPA process for transit operators is to review the data collection process and determine if the operator calculates performance measures in accordance with TDA definitions.

The **Operating Cost** data was obtained from annual fiscal audits and include total operating expenses for each object class consistent with the Chart of Accounts for the Uniform System of Accounts and Records, as presented in each of the three fiscal audits minus depreciation costs. For FY 2006-07, the fiscal auditor initially issued a disclaimer of opinion stating that Pride Industries did not maintain accounting records sufficient to assure that all revenues and expenses were recorded. However, the auditor's report conducted several months later for the same fiscal year stated that there was no indication that CTSA services failed to comply with the regulations of TDA and the allocation instructions of PCTPA. Financial data reported in the State Controller Reports also differed from the fiscal audit, likely due to incorrect accounting practices referenced in the fiscal audit.

The **Passenger Count** data should be recorded as unlinked one-way passenger-trips (single boarding and alighting) per TDA definition. It is unknown whether Pride Industries recorded passenger-trips correctly during this audit period. The prior TPA indicated that Pride Industries recorded unlinked passenger trips correctly but did not appropriately segregate CTSA passenger trips and other Pride services trips. Seniors First records both the total number of passengers and the total number of passenger-trips in their monthly summaries in accordance with TDA definitions.

The **Vehicle Revenue Hour** data should not include hours associated with "deadhead travel" or the time associated with travel to the first scheduled pick-up and from the last scheduled drop-off. For demand response services, vehicle revenue hours do not include time the vehicle is unavailable for service due to a lunch break. Per the prior TPA, Pride Industries did not calculate vehicle revenue hours correctly. For the Health Express service, vehicle revenue hours begin at the first passenger pick-up at 8:30 AM and do not include deadhead travel.

The **Vehicle Revenue Mile** data also does not include mileage associated with "deadhead travel" or lunch breaks. As with vehicle hour calculations, the prior TPA auditor could not verify that this performance measure was calculated correctly. Correctly, Health Express drivers begin recording mileage at the first passenger pick-up and end at the last passenger drop-off.

The **Employee Hours** data was compiled incorrectly under Pride Industries for the prior audit period and it is unknown whether changes were made during the beginning of this audit period. The Full-Time Equivalent (FTE) definition states that all employee hours associated with the operation of CTSA transit services should be tallied and divided by 2,000. WPCTSA correctly calculates employee hours.

The **Fare Revenue** data was obtained from annual fiscal and compliance audit reports. It should be noted that PUC Section 99205.7 states that fare revenues are defined in revenue object classes 401, 402, and 403 as specified in Section 630.12 of Title 49 of the Code of Federal Regulations:

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

Fare revenue also includes the amount of revenue received by an entity under contract for transit services not yet transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare. Fare revenue does not include other donations or general operating assistance, whether from public or private sources. The farebox revenue data presented in the CTSA fiscal audits and State Controller Reports for FY 2006-07 and FY 2007-08 are consistent with this definition. The FY 2008-09 State Controller Report and fiscal audit do not include passenger fare donations or “Special Transit Fares” (fare revenue collected that falls under object class 402). Special Transit Fares represent the match for the Health Express service provided through Seniors First including funds contributed by Kaiser and Sutter Faith Hospital. The Seniors First match totals \$125,000.

Recommendations Regarding Data Collection

With the new organization of CTSA services under WPCTSA, data collection has improved. The partners collect data according to TDA definitions and WPCTSA has good oversight of the process. In the future, WPCTSA should list passenger fare revenue (passenger donations) and special transit fares in the State Controller Reports and fiscal audits.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, Placer County is required to comply with the state’s financial and reporting guidelines detailed in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* pursuant to TDA

requirements. The following is a compilation of the financial and reporting requirements applicable to the operating procedures of CTSA services. Table 2 presents the results of the compliance analysis.

- ◆ In accordance with PUC Section 99243, CTSA has submitted annual reports to the PCTPA based on the Uniform System of Accounts and Records established by the State Controller. However, the FY 2007-08 report was submitted on December 23, 2008, and the FY 2008-09 report was submitted on November 12, 2009, both after the 110 day time period. Due to the change in the CTSA designation, the FY 2007-08 report includes data for only the first half of this fiscal year. Similarly, the FY 2008-09 report represents the first State Controller Report for WPCTSA and includes data for only the second half of the fiscal year (services began in January 2009). The FY 2008-09 State Controller Report did not identify all revenue categories applicable to WPCTSA operations. Although WPCTSA does not receive the passenger fare donations or special transit fares, reporting this information will assist with the calculation of farebox ratio and should be reported to the State Controller.
- ◆ In violation of PUC Section 99245, CTSA did not submit annual fiscal and compliance audits to the PCTPA and to the State Controller within 180 days following the end of the fiscal year for FY 2006-07. The fiscal auditor initially included a disclaimer of opinion for the FY 2006-07 audit stating that Pride Industries did not maintain accounting records sufficient to assure that all revenues and expenses of Pride/CTSA were recorded. The following year, the auditor was able to issue an opinion that the results of operations of CTSA for FY 2006-07 were conducted in conformity with US generally accepted accounting principles. The annual fiscal and compliance audits for FYs 2007-08 (six month period only) and 2008-09 (six month period only) were submitted within the required time period. Ninety day extensions were granted for both fiscal years. An independent auditor completed these fiscal and compliance audits, as required.
- ◆ In accordance with PUC Section 99251, CTSA has submitted evidence that the California Highway Patrol has certified compliance with Vehicle Code Section 1808.1 within the 13 months prior to each TDA claim submitted. In the past, Pride Industries submitted copies of the CHP inspections to PCTPA annually and Seniors First continues to obtain copies of CHP inspection reports from the contractors and submits them to PCTPA.
- ◆ In accordance with PUC Section 99261, CTSA's claims for TDA funds are submitted in compliance with rules and regulations adopted by the PCTPA for such claims.
- ◆ PUC Section 99266 requires that CTSA's operating budgets do not increase by more than 15 percent over the preceding year. It also states that no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). It is difficult to compare the operating expense figures in Table 1, as complete fiscal year data is not available. However, year-to-year budgets fell over the course of the audit period.

TABLE 2: Transit Operator Compliance Requirements - WPCTSA

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

- ◆ RTPAs are allowed to adopt local performance criteria and farebox ratios for transit operators claiming funds under Article 4.5 of TDA. PCTPA adopted a 10 percent farebox ratio requirement for CTSA services. This requirement was met each year of the audit period.
- ◆ The CTSA partners of Seniors First and Macy Transportation do not offer retirement plans for employees. Pride Industries offers a 401K plan to employees. WPCTSA staff is offered benefits through the California Public Employees Retirement System.
- ◆ In accordance with California Code of Regulations Section 6754(a)(3), Placer County makes full use of funds, if available to it, under the Urban Mass Transportation Act of 1964 (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds and FTA Section 5310 Elderly Individuals and Individuals with Disabilities Program funds administered by Caltrans) before TDA claims are granted. Although CTSA services are not directly funded by FTA funds, Placer County’s share of funds is used by other regional operators.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Moore & Associates, and the recommendations from that effort are enumerated below.

- ◆ *Engage the services of an independent consultant to establish accounting and reporting systems and procedures to properly segregate the CTSA TDA related activity from other transportation services which Pride Industries provides.*

Status: **Not Applicable** – As Pride Industries is no longer the designated CTSA, this recommendation is no longer applicable.

- ◆ *Properly segregate data and report only Placer County CTSA TDA statistics in future Transit Operator Reports.*

Status: **Implementation Complete** – WPCTSA partners prepare monthly summaries of transit operating statistics for WPCTSA staff, these summaries include only Placer County CTSA services.

- ◆ *Develop a comprehensive program to set standards for customer service and responsiveness, to collect and review data regarding customer satisfaction on a regular basis, and re-establish public confidence in the CTSA operations.*

Status: **Implementation Complete** – One of the recommendations in the South Placer DAR study was to “Establish a CTSA for South Placer County that promotes specialized transportation options and addresses the needs of residents.” Surveys indicated discontent with customer service associated with CTSA services under Pride Industries. With the creation of the WPCTSA, CTSA services have been revamped and performance criteria proposed to ensure efficient and effective service which meets the needs of residents. The development of a SRTP, planned for the upcoming fiscal year, will include finalization of the performance criteria.

- ◆ *Develop an action plan to increase farebox recovery and reduce trip denials.*

Status: **Implementation Complete** – CTSA services enjoy a high farebox recovery ratio of 18.8 percent in FY 2008-09 due to special transit fare assistance from partners, such as Kaiser Permanente Medical Center and Sutter Auburn Faith Hospital. The farebox ratio is well above the minimum of 10 percent required by PCTPA. Additionally, PCTPA has proposed a set of performance criteria specific to CTSA services which will be adopted as part of the SRTP process.

- ◆ *Address all issues identified in the FY 2003/04 CHP inspection process, which resulted in an unsatisfactory terminal rating.*

Status: **Not Applicable** – As Pride Industries is no longer the designated CTSA, this recommendation is no longer applicable. Seniors First and PCTPA will receive and review copies of CHP inspections from both operations contractors annually.

- ◆ *Review the goals contained in the 2004 SRTP. Implement the recommendations to enhance program efficiency and effectiveness.*

Status: **Implementation In Progress** – The new WPCTSA service went into effect in January of 2009. The two year pilot programs will be evaluated at the end of 2010 and as part of the upcoming SRTP update. Additionally PCTPA has proposed a set of performance criteria specific to CTSA services which will be adopted as part of the SRTP process.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of CTSA. Since functions of each transit operator in California will vary depending on the scope and breadth of its operations, not all parts of this section will apply to CTSA. This section focuses on the functions of the existing WPCTSA rather than the old CTSA services operated under Pride Industries. Macy Transportation has been the transit contractor for the Health Express service for several years. Recently, Seniors First hired an additional contractor, Heart to Heart, to allow expansion of service. Both transit contractors were contacted as part of the audit process. To date, only Macy Transportation replied. In general, transit operator functions can be divided into the following areas:

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

General Management and Organization

WPCTSA was formed by a Joint Powers Agreement between Placer County and the local incorporated cities. The PCTPA Board serves as the governing board for both WPCTSA and PCTPA staff serves as WPCTSA staff through a Memorandum of Understanding between WPCTSA and PCTPA. PCTPA staff provides administration and management services and acts as treasurer for WPCTSA. Regular meetings are held and separate minutes are kept. The PCTPA senior planner has primary oversight of partnership agreements with Seniors First. WPCTSA has implemented an effective program of overseeing the various transit services funded with Article 4.5 TDA funds.

Operating data including passenger trips, miles and origin/destination information is provided monthly to the senior planner, along with an invoice. The PCT transit manager receives operating data every two weeks from Pride Industries for the Taylor Road Shuttle service enhancement. WPCTSA staff reviews operating statistics every six months. There appears to be a good line of communication between Seniors First and PCTPA, staff as well as between Seniors First and the two transit contractors.

Service Planning

The effectiveness of a transit system is highly dependent upon the continued development of short- and long-range transit plans. Seniors First works with PCTPA staff as needed to assist in service planning and evaluation. The most recent example is the addition of hiring a new transit contractor to increase service in the Auburn/Colfax area.

The PCTPA commissioned the *Placer County Short Range Transit Plan*, which was completed by LSC Transportation Consultants Inc. in 2005. This document covers FYs 2005-06 through 2011-12, and recommended the following elements:

- ◆ Revise Foresthill Service and eliminate service if poor farebox ratio persists
- ◆ Continue efforts to improve coordination opportunities
- ◆ Participate in a South Placer Regional DAR Study
- ◆ Implement a Transit Ambassador Program

These four elements have been implemented.

PCTPA recently submit a Request for Proposal (RFP) to update the Short Range Transit Plan for WPCTSA. This planning effort will assist WPCTSA staff with the evaluation of the two-year pilot programs and potential unmet transit needs.

In terms of strategic planning, WPCTSA staff has set reasonable goals and expectations in the partnership agreements, performance criteria, and associated staff reports. The SRTP process can be used to more clearly define these objectives. WPCTSA also intends to scale back the amount of TDA assistance for some CTSA services as services become more self sufficient and are able

to tap into other revenue sources. The overall objective of the WPCTSA programs is to provide transportation services to Placer County residents who are unable to use regular public transit services. WPCTSA and its partners have designed a program that meets this objective.

All WPCTSA board meetings are open to the public and are conducted in an accessible facility per the requirements of the Americans with Disabilities Act (ADA). After the resignation of Pride Industries, PCTPA staff conducted an extensive public outreach effort to notify existing passengers of the changes in service. Contact information for both the PCTPA senior planner and the Seniors First operations manager has been made available for complaints and information. The PCTPA Social Services Transportation Advisory Council also acts as an important conduit for soliciting public input during the unmet transit needs process.

Scheduling, Dispatch, and Operations

This functional area concerns the short-term scheduling of routes, drivers, and vehicles, the daily coordination and assurance that each customer is served, and the specific function of providing transportation service. Scheduling and dispatch for the Taylor Road Shuttle service enhancement is provided by Pride Industries. For the Health Express Service, a reservations and scheduling program created by Midtown Micro specifically for this service is employed by Seniors First, Macy Transportation, and Heart to Heart. Typically, calls for Health Express are routed through Seniors First but all agencies can log into the scheduling program and make reservations. Each agency downloads confirmed reservations at 1:00 PM daily in order to create driver run sheets. Staff notes that this process works well for the Health Express program.

Three Seniors First staff members (the project manager, a scheduler for Auburn and a second scheduler for Roseville) are primarily dedicated to the Volunteer Door-to-Door and Voucher Programs. Seniors First has a volunteer driver database of 80 to 90 drivers. Volunteers are required to provide a copy of their driver's license and insurance and a minimum of two references from persons they have known for at least 5 years. The volunteer drivers must also be approved through Seniors First insurance. Seniors who require transportation register with Seniors First and a scheduler matches the senior with a volunteer driver. Volunteers report miles and hours to the project manager who compiles the data along with trip origin and destination information in a spreadsheet.

Personnel Management and Training

The owner/manager of the Health Express primary contractor (Macy Transportation) conducts one on one training with each driver to ensure that drivers know how to operate all types of vehicles. Specialized training such as wheelchair tie-down training and quarterly safety training is also conducted. Health Express drivers are not required to have a license beyond the normal Class C license; however, Macy Transportation requires all prospective drivers to go through the Live Scan background check administered by the Justice Department. Macy Transportation has been involved with the operation of the Health Express service for 15 years and appears to be conscientious and diligent in providing the non-emergency medical service. The partnership agreement with Seniors First requires that all applicable state and federal requirements for drug and alcohol testing be followed.

Administration

WCTSA has a well-developed budget and reporting system that is appropriate to the size and scope of the transit program. During the audit period, CTSA operators possessed a management information system which provided accurate and timely performance and financial data to PCTPA.

The WPCTSA board must approve substantial changes in the budget and/or spending, while the PCTPA must approve revenue allocations. Expenditures exceeded the FY 2008-09 WPCTSA budget, due to higher startup costs for the pilot programs; however sufficient revenues (TDA funds as well as contributions from PCTPA) were available to make up the difference. The PCTPA senior planner performs all grant management duties. Day-to-day operations and maintenance management of the Health Express service continues to be provided by the contractor's local manager. WPCTSA programs compose a small portion of all services available under the Seniors First umbrella.

An appropriate amount of liability insurance is provided for each service through the service partner as mandated in the partnership agreements. The Health Express contractor has established procedures for processing and investigating accident/injury claims. Macy Transportation has not had a reportable accident in five years.

WPCTSA, Seniors First and the operations contractors maintain a good line of communication. Macy Transportation confers with Seniors First weekly. Management of the operations facilities for the Health Express service is provided by the transit contractors.

Vehicles used for the Health Express service do not have fareboxes, as the service is donation based. Drivers are provided with donation envelopes if passengers wish to make a contribution. The donation envelopes are returned to supervisors at the end of each day. Passengers may also mail in donations directly to Seniors First.

WPCTSA does not have a formal procurement policy. WPCTSA does not currently own any transit vehicles, although in previous years the CTSA purchased transit vehicles through a competitive bidding process using FTA 5310 funds. WPCTSA has not entered into a transit operations contract for CTSA services, rather partnership agreements, and memorandums of understandings have been developed. After the two year pilot period for WPCTSA services is complete, WPCTSA will request competitive bids for transit operations.

Marketing and Public Information

The majority of marketing for WPCTSA services is performed by Seniors First. The non-profit organization maintains an excellent website with an easy to find link to the Health Express website and detailed information about the door-to-door rides program. PCTPA also maintains an informative blurb on their website with links to the Seniors First website. Hard copies of Health Express marketing materials are also available at the PCTPA offices and other public locations. Any complaints received by passengers are directed to the Seniors First or PCTPA senior planner.

Maintenance

Macy Transportation has a fleet of eight vehicles, four of which are used for the Health Express service. Either a Ford Escape Hybrid or wheelchair accessible Dodge Caravan is used to transport passengers depending on the mobility needs of the passenger. Drivers are instructed to fill out a daily log sheet and perform a pre-trip inspection which includes checking fluids, tires, and glass. The Macy Transportation owner/manager performs preventative maintenance on all vehicles every 45 days. The vehicles are stored and maintained at the Macy Transportation facility on 98 Drum Lane in Auburn. Minor maintenance is performed in house while major repairs can be completed at nearby repair shops. Oil changes are performed by a separate contractor and all warranty work is sent out to the dealer. Although PCTPA has not requested maintenance records, they are available upon request.

Conclusions and Recommendations

The Auditor's analysis of WPCTSA and its partners indicates that, in terms of operations, the system is efficiently run and well managed. The recent changes in the structure of the transit program have improved transit service quality for transit dependent Western Placer County residents and improved the public oversight of the program.

FINDINGS

- ◆ WPCTSA programs effectively address the goal of providing transportation services to Placer County residents who are unable to use regular public transit services.
- ◆ WPCTSA staff has a good working relationship with all of its partners including Seniors First and the public transit operators.
- ◆ State Controller Reports for CTSA services were submitted late in FY 2007-08 when PCTPA was the "Interim CTSA" and in FY 2008-09 when WPCTSA began; however, this is quite understandable given the institutional reorganization of the CTSA program.
- ◆ PRIDE Industries/CTSA failed to complete and submit its FY 2006-07 annual Fiscal and Compliance Audit within the TDA-required deadline. The base requirement is 180 days after the end of the fiscal year, unless a 90 day extension is granted. It should be noted that PCTPA found it difficult to obtain PRIDE Industries' assistance with compliance on this issue.

RECOMMENDATIONS

- ◆ In order to facilitate tracking the farebox ratio, WPCTSA should include fare revenue data in the State Controller Reports and fiscal audits.