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1. EXECUTIVE SUMMARY (FINDINGS AND RECOMMENDATIONS)

EXECUTIVE SUMMARY

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit of the County of Placer's public transit program for the period:

- Fiscal Year 2003/04,
- Fiscal Year 2004/05, and
- Fiscal Year 2005/06.

This Triennial Audit was conducted in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General. The Triennial Performance Audit has two elements:

1. Compliance requirements and
2. Follow-up of prior performance audit report recommendations.

COMPLIANCE

While the County's State Controller reports were filed in a timely manner for the triennium, the annual fiscal audits were not. At the commencement of the audit, the FY 2005/06 CAFR had yet to be submitted.

Note: Placer County staff has documented to PCTPA staff that all requested information was provided to the auditor in a timely fashion for the FY 2005/06 TDA audit.

FINDINGS AND RECOMMENDATIONS

We believe the County should expand its transit-specific marketing budget each fiscal year. Marketing plays directly into the success of a public transit program. Providing easy-to-understand route maps, online information, and community outreach increases public awareness and assists in the attraction of new customers.

For FY 2003/04 and 2004/05, we believe the County incorrectly reported operating statistics within its State Controller filings. This was partially corrected in the FY 2005/06. Previously, all PCT services were listed in the “Demand-Response” column while Tahoe Area Regional Transit (TART) statistics were summarized in the “Motor Bus” column. Reporting data needs to be correctly categorized into “Fixed-Route” and “Commuter Service” (“Motor Bus” column), “Demand-Response” column. Further, all data must include all Placer County Transit services funded through Placer County Transportation Planning Agency TDA allocations.

Summary of Recommendations

	RECOMMENDATION	PRIORITY	TIMEFRAME
1	The data reported to the State Controller needs to be categorized correctly by mode.	High	FY 2007/08
2	The County’s Comprehensive Annual Financial Report (CAFR) must be submitted in a timely manner.	High	FY 2007/08
3	Placer County Transit’s farebox recovery ratio must be addressed. The most likely path is an adjustment in the demand-response fare policy.	High	FY 2007/08

PRIOR TPA RECOMMENDATIONS

Since the completion of the prior Triennial Performance Audit, the County has made quantifiable progress in implementing the five recommendations contained therein. Data collection for the vanpool service and reporting of staff time has been implemented. The County has also implemented a system of checks and balances for its farebox reconciliation activities (i.e., double-counting). Similarly, on-time submittal of Transit Operator Reports has been improved. However, some concerns remain regarding the accuracy of TOR data.

PERFORMANCE INDICATORS AND TRENDS

Between FY 2002/03 and FY 2003/04, the County experienced an increase in operating cost due in large part to the expansion of fixed-route service. This service change was made to enhance connectivity, both geographically and by mode. Overall, throughout the period covered by this audit (FY 2003/04 to FY 2005/06), the County experienced a positive trend in farebox revenue.

Demand-response fare revenue saw a modest change. The County reported a very significant decrease in annual ridership. In reality, we believe this can be attributed to variances in data reporting.

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2. INTRODUCTION

INTRODUCTION

This Triennial Performance Audit of County of Placer's public transit program covers the three-year period ending June 30, 2006. The California Public Utilities Code requires all public transit operators conduct a Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

This audit is designed to be an independent and objective evaluation of the County of Placer as the transit operator. The purpose of the audit is: 1) Assess compliance with TDA regulations, 2) review improvements that have been implemented and determine progress toward goals, 3) evaluate the efficiency and effectiveness of the operations, and 4) provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

AUDIT SCOPE AND METHODOLOGY

Our audit was conducted in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

The TPA is a high-level review of performance evaluating the efficiency, economy, and effectiveness of the County's public transit operation. Our audit consisted of five tasks:

1. A review of compliance with the TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls.

- Test of data collection methods.
 - Calculation of performance indicators.
 - Evaluation of performance.
4. Examination of the following major functions performed by the transit operator:
 - General management and organization.
 - Service planning.
 - Scheduling, dispatching, and operations.
 - Personnel management and training.
 - Administration.
 - Marketing and public information.
 - Maintenance
 5. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the review of the transit operator's major functions.

Our methodology for this audit included interviews with personnel associated with the County's public transit program, site visit, verification of data sources, examinations of financial and statistical reports, and review of relevant planning documents and reports.

Our audit report is comprised of four sections:

1. Executive Summary/Findings and Recommendations

A brief summary of the key findings and recommendations developed during the Triennial Performance Audit processes. An explanation of key findings, recommendations for improving the efficiency of transit operations, and a timeline for implementing recommendations.

2. Introduction

Methodology of the audit and pertinent background information.

3. Audit Results

In depth discussion of findings surrounding each of the subsequent major elements of the audit:

- Compliance with statutory and regulatory requirements.

- Progress in implementing prior audit recommendations.
- Performance measures and trends.
- Functional review.

DESCRIPTION OF TRANSIT SYSTEM

Responsibility for transit services provided by the County resides with the Department of Public Works. The Public Works Department administers two distinct transit programs: Tahoe Area Regional Transit (TART), which operates within the Tahoe Basin, and Placer County Transit (PCT), which operates in western Placer County.

Placer County Transit includes fixed-route, demand-response, commuter bus, and vanpool services. Placer County Transit began operations in 1974.

Placer County Transit operates routes between: 1) Alta, Colfax and Auburn; 2) Auburn and the Watt-I-80 Light Rail; 3) Dry Creek Road in North Auburn to Downtown Auburn; and 4) Lincoln, Rocklin, and Sierra College. Ridership in FY 2005/06 reached 256,300. PCT's service delivery plan was restructured in April of 2001 as a result of the County's Short Range Transit Plan. Since that time, annual ridership has increased by more than 50-percent.

The County contracts with Pride Industries for the operation of its demand-response service, and its Taylor Road Shuttle. Demand-response provides service based on reservations directly to requested destinations within the service area. Demand-response is provided in Auburn in the Highway 49 Corridor, Loomis, Rocklin, and Granite Bay. The Taylor Road Shuttle was established in 2001 to provide service to Newcastle, Penryn and Loomis from Auburn to Sierra College. Collectively, these services carried 33,600 persons in FY 2005/06.

The Placer Commuter Express (PCE) was initially undertaken as a demonstration project using Congestion Mitigation Air Quality (CMAQ) funds.

The service is now funded entirely with local funds. The County provides the PCE service under contract with Amador Stage Lines. This service provides two morning peak-hour runs to downtown Sacramento, and two return trips in the afternoon. The service begins in Colfax and stops in Clipper Gap, Auburn, Penryn, Loomis, Rocklin, and Roseville. In April 2007, ridership averaged 170 passengers per day. Given increasing ridership, a third run was added in May 2007.

The Placer County Vanpool program is administered by the County. The vans are leased from a private firm and driven by one of the program participants. Currently there are 10 vanpools originating within Placer County to various employer destinations in Sacramento and Davis. Collectively, the vanpools carried 35,000 riders in FY 2005/06. The vanpool program is subsidized by a portion of the County's TDA funds.

The County also provides funding contributions to the Foothill Volunteer Center for senior transportation, Pride Industries for a shuttle to Foresthill, and to Nevada County for Gold Country Stage service into Auburn.

Up until March 2005, Placer County Transit provided weekday service to clients of Alta Regional Center using two vehicles in the morning and afternoon. Clients were transported to Pride Industries' work sites in Roseville and Auburn. This service was turned over to Pride Industries as the CTSA in March 2005.

3. AUDIT REPORT

AUDIT REPORT

This chapter presents detailed findings for each of the major performance audit sectors: Compliance requirements, prior audit recommendations, Transit Development Act (TDA) performance measures and trends, and transit operator functions.

COMPLIANCE REQUIREMENTS

This section examines the County of Placer's compliance with the Transportation Development Act and relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a TPA responsibility, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR 6754 (a) as referring to operating funds and not capital funds. Additionally, UMTA is understood to mean FTA, and full use of UMTA funds refers to federal operating funds. The TPA findings and related comments are delineated in Exhibit 1.

Compliance was determined through interviews with County staff as well as a physical inspection of relevant documents, including the fiscal audits for each year of the triennium, planning documents, TDA claims forms, annual State Controller reports, California Highway Patrol reports, year-end performance reports, and other related documentation.

We believe the County is in compliance with Transportation Development Act (TDA) rules and regulations.

Exhibit 1: Transit Development Act Compliance Requirements

REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
The transit operator submits annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller.	PUC 99243 (CCR6637)	In compliance	State Controller reports submitted: FY 2003/04 completed 12/09/04 FY 2004/05 completed 09/27/05 FY 2005/06 completed 10/26/06
The operator has submitted annual fiscal and compliance audits to its RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the appropriate 90-day extension allowed by law.	PUC 99245 (CCR 6664)	Exception: FY 2005/06	Fiscal audit completed: FY 2003/04 completed 04/05/05 FY 2004/05 completed 01/06/06 FY 2005/06 completed 01/23/07
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code §1808.1 following a CHP inspection of the operator's terminal.	PUC 99251	In compliance	CHP reports with a satisfactory rating dated: 07/16/03 11/23/04 02/15/06
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	PUC 99261	In compliance	

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REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
The operator does not routinely staff two or more persons per public transportation vehicle designed to be operated by one person.	PUC 99264	In compliance	
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).	PUC 99266	In compliance	While the budget has increased in excess of 15% for FY 2003/04 through 2005/06, these increases are attributed chiefly to rising fuel and personnel costs.
<p>Operator funding provided through the Transportation Development Act makes up no more than 50% of operating, maintenance, capital and debt service requirements after federal grants are deducted, if applicable.</p> <p>No operator or transit service claimant shall be eligible to receive moneys during the fiscal year from the Local Transportation Fund and the State Transit Assistance fund for operating costs in an amount that exceeds its actual cost.</p>	<p>PUC 99268</p> <p>CCR 6634</p>	<p>In compliance;</p> <p>Percentages exceed the threshold, but because system-wide farebox recovery is met each fiscal year, there is no finding.</p>	<p>FY 2003/04 58.7%</p> <p>FY 2004/05 50.2%</p> <p>FY 2005/06 60.3%</p>
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).	PUC 99268.2, 99268.4, 99268.5	In compliance	<p>FY 2003/04: System-wide 11.6%</p> <p>FY 2004/05: System-wide 11.7%</p> <p>FY 2005/06: System-wide: 13.7%</p>

REQUIREMENT	REFERENCE	COMPLIANCE	COMMENTS
If the operator receives State Transit Assistance funds, the operator is not precluded by contract from employing part-time drivers or from contracting with common carriers.	PUC 99314.5	In compliance	
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.	CCR 6754 (a) (3)	The County receives FTA capital, not operating funds.	

PRIOR AUDIT RECOMMENDATIONS

This section reviews and evaluates prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is intended to provide assurance the County has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit, completed in 2004 by Macias Consulting Group, Inc., for the three years ending June 30, 2003, prescribed five recommendations for Placer County Transit. The relevance, progress, effectiveness, and challenges in implementing each recommendation was determined by reviewing relevant planning documents and reports, and through discussions with County staff.

Prior Recommendation 1:

The County should request from the PCTPA to have the TDA independent financial auditor prepare and submit the required transit operators financial transactions report at the time the financial audits are prepared to ensure timely submission.

Status: Implemented.

Prior Audit Finding: The prior audit found the County did not meet compliance requirements to submit the Transit Operator's Financial Transactions Report based upon the Uniform System of Accounts and Records established by the State Controller within 90 days following the fiscal year.

Discussion: These reports have been filed on time for the last two fiscal years. The reports are completed by the County's auditor on a timely basis.

Prior Recommendation 2:

The County should include vanpool program ridership data in its operator statistics to facilitate tracking trends in cost-effectiveness of all TDA-funded services.

Status: Implemented.

Prior Audit Finding: The County partially implemented a prior recommendation in the financial information for Vanpool is reported as farebox revenue, but ridership is not reported.

Discussion: The County began tracking such data in FY 2004/05.

Prior Recommendation 3:

Report Department of Public Works' finance staff who work on transit-related activities, maintenance staff working on transit, and employees of other agencies providing service under contract to the County based on actual hours worked, divided by 2,000 hours per year.

Status: Implemented.

Prior Audit Finding: The County partially implemented a prior recommendation in its Transit Operator financial transaction reports, showing staff time based on FTE allocations. However, allocations reflect transit staff and do not include Department of Public Works' Finance staff or two fleet services mechanics working on PCT vehicles. Demand-response services provided under contract are not included in the FTE allocation.

Discussion: Beginning in FY 2004/05, the County has fully implemented the recommendation to track all transit-related time, whether the time relates specifically to transit staff or otherwise.

Prior Recommendation 4:

The County should provide "double custody" of the farebox revenue counting. This would help provide public assurance the County is receiving all the revenue it should from its bus operations. To implement this recommendation, the County should consider having Finance staff count the farebox revenue in sight of other staff or have video cameras installed in the money room to provide surveillance of the cash counting.

Status: Implemented.

Prior Audit Finding: While no discrepancies were identified, the prior system of financial accounting did not provide the necessary assurance needed to address potential cash-handling issues.

Discussion: Beginning in FY 2005/06, the County began double-counting all farebox revenue. This policy has been adopted system-wide.

Prior Recommendation 5:

The County should perform periodic reconciliation of farebox revenue and ridership counts. This would help identify significant discrepancies in farebox revenue collected and ridership. To implement this recommendation, the County should consider developing a base average of daily farebox revenue. This daily average could be used to identify whether the variance between average farebox revenue and actual daily receipts is significant, which could serve as a basis for further investigation and review.

Status: Implemented.

Prior Audit Finding: While no discrepancies were identified, the prior system of reviewing ridership data and comparing it to fare revenue was not undertaken on a regular basis.

Discussion: Beginning with FY 2004/05, the County began regular review of ridership data while also comparing same with fare revenue.

PERFORMANCE MEASURES AND TRENDS

Performance indicators are frequently used to quantify the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis. Through a review of performance indicators, actual performance and the interrelationship of major functions are better understood.

The Transportation Development Act (TDA) requires recipients of funding to report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

The TDA also requires funding recipients operating in non-urbanized areas to maintain a minimum farebox recovery ratio of not less than 10 percent.

To assess the validity and use of performance indicators, our audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information.
- Validated collection methods of key data.
- Calculated performance indicators.
- Evaluated performance indicators.

Performance Measures

The procedures used to calculate TDA-required performance measures for the triennium were verified and compared to measures included within similar audit reports.

Operating Cost

Operating Cost was not independently calculated as part of this audit. Operating Cost from the fiscal audit reports prepared by R.J. Ricciardi, Certified Public Accountant was examined. In our opinion, the Operating Cost data from the audited reports is consistent with TDA guidelines and accurately reflects all the costs in the expense object classes for the County's transit service. In accordance with PUC 99247 (a), the reported cost excluded depreciation expenses.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and Vehicle Service Miles (VSM) appear to be correctly recorded and reported. Calculations are based on driver trip sheets. The driver records the time and mileage at the beginning and end of each service day. With this information, the TDA definition of VSH and VSM can be calculated and reported correctly.

Passenger Counts

By TDA definition, the number of passengers is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue producing or not.

Employees

Employee hours are defined as the total number of hours (i.e., regular or overtime) which all employees have worked and for which they have been paid a wage or salary. The hours must include all hours worked in connection with the public transportation system (whether or not the person is employed directly by the operator). Full-Time Equivalency (FTE) is calculated by dividing the number of person-hours by 2,000.

Revenues

The County employs safe and prudent procedures for revenue collection and cash management for public transit operation of its size and scope. Revenues from the TDA fiscal audits were used in this report.

TDA-Required Indicators

To calculate the TDA indicators for Placer County Transit, the following sources were used:

- **Operating Costs** were obtained from the County's Transportation Development Act Funds Financial Statements prepared by R.J. Ricciardi, Certified Public Accountant (FY 2003/2004, FY 2004/2005, and FY 2005/2006), and excluded depreciation; Operating Cost allocated between fixed-route and demand-response was consistent with the County's transit ridership report.
- **Fare Revenue** data was obtained from the County's Financial Statements prepared by R.J. Ricciardi, Certified Public Accountant, covering each fiscal year of the triennium.
- **Vehicle Service Hours (VSH)** were obtained by summarizing *vehicle revenue hours* from the County's *Monthly Transit Report*.

- **Vehicle Service Miles (VSM)** were obtained by summarizing *vehicle revenue miles* from the County's *Monthly Transit Report*.
- **Passenger Counts** were obtained from the annual Transit Operator's Financial Transactions Reports submitted to the State Controller each fiscal year.
- **Full-Time Equivalents (FTE)** was estimated based on our site meeting with County staff. At this meeting, the number of employees and hours needed to operate the service was discussed. That number was then divided by 2,000 to calculate a value for FTE.

PERFORMANCE TRENDS

Performance trends were analyzed for fixed-route and demand-response services. For the three years covered by this audit, the TDA indicators were calculated from data developed in the previous section. Historic data (i.e., prior to the current audit period) was obtained from prior Triennial Performance Audits.

SYSTEM-WIDE

Placer County Transit experienced a dramatic increase in both operating cost and fare revenue between FY 2002/03 and FY 2003/04. Therefore, many performance measures for the County doubled between FY 2002/03 and FY 2005/06. Farebox recovery dropped from 13 percent in FY 2002/03 to 11.2 percent in FY 2005/06.

Although Tahoe Area Regional Transit (TART) operates partially within its jurisdictional area, the PCTPA has requested TART data not be included within this TPA. Instead, TART will be covered in the triennial performance audit to be undertaken by the Tahoe Regional Planning Agency.

Exhibit 2: System-Wide Performance Indicators

Performance Measure	FY 2003/04	FY 2004/05	FY 2005/06
Operating Cost (Actual \$)	\$2,967,872	\$3,301,092	\$3,544,035
<i>Annual Change</i>		11.2%	7.4%
Fare Revenue (Actual \$)	\$386,359	\$400,893	\$396,286
<i>Annual Change</i>		3.8%	-1.1%
Vehicle Service Hours (VSH)	40,749	47,312	46,945
<i>Annual Change</i>		16.1%	-0.8%
Vehicle Service Miles (VSM)	725,209	979,987	946,092
<i>Annual Change</i>		35.1%	-3.5%
Passengers	298,416	338,686	352,980
<i>Annual Change</i>		13.5%	4.2%
Employees	39	41	41
<i>Annual Change</i>		4.5%	0.5%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$72.83	\$69.77	\$75.49
<i>Annual Change</i>		-4.2%	8.2%
Operating Cost/Passenger (Actual \$)	\$10	\$10	\$10
<i>Annual Change</i>		-2.0%	3.0%
Passengers/VSH	7.32	7.16	7.52
<i>Annual Change</i>		-2.2%	5.0%
Passengers/VSM	0.41	0.35	0.37
<i>Annual Change</i>		-16.0%	8.0%
Farebox Recovery	13.0%	12.1%	11.2%
<i>Annual Change</i>		-6.7%	-7.9%
Hours/Employees	1042.7	1158.5	1143.3
<i>Annual Change</i>		11.1%	-1.3%
TDA Non-Required Indicators			
Operating Cost/VSM	\$4.09	\$3.37	\$3.75
<i>Annual Change</i>		-17.7%	11.2%
VSM/VSH	17.8	20.7	20.2
<i>Annual Change</i>		16.4%	-2.7%
VSH/FTE	1042.7	1158.5	1143.3
<i>Annual Change</i>		11.1%	-1.3%
Fare/Passenger	\$1.29	\$1.18	\$1.12
<i>Annual Change</i>		-8.6%	-5.2%

FIXED-ROUTE

Operating Cost for the County's fixed-route service increased 13.9 percent in FY 2005/06. VSM decreased 4.2 percent in FY 2004/05 and 3.6 percent in FY 2005/06. Ridership declined 4.4 percent in FY 2004/05 before increasing 8.4 percent in FY 2005/06.

Cost/Passenger increased 5 percent in FY 2004/05 and another 5.1 percent in FY 2005/06. Passengers/VSH decreased 2.9 percent in FY 2004/05 before increasing 4.9 percent in FY 2005/06. Passengers/VSM increased 4.6 percent in FY 2005/06. Cost/VSM increased 4.8 percent in FY 2004/05 and 9.9 percent in FY 2005/06. Farebox recovery declined 13.1 percent in FY 2004/05 and increased by 28 percent in FY 2005/06.

Exhibit 3: Fixed-Route Performance Indicators

Performance Measure	FY 2003/04	FY 2004/05	FY 2005/06
Operating Cost (Actual \$)	\$2,142,144	\$2,149,390	\$2,447,997
Annual Change		0.3%	13.9%
Fare Revenue (Actual \$)	\$138,936	\$121,155	\$176,624
Annual Change		-12.8%	45.8%
Vehicle Service Hours (VSH)	23,338	22,962	23,710
Annual Change		-1.6%	3.3%
Vehicle Service Miles (VSM)	509,683	488,164	505,896
Annual Change		-4.2%	3.6%
Passengers	247,565	236,590	256,370
Annual Change		-4.4%	8.4%
Employees	23.27	22.9	23.73
Annual Change		-1.6%	3.6%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$91.79	\$93.61	\$103.25
Annual Change		2.0%	10.3%
Operating Cost/Passenger (Actual \$)	\$8.65	\$9.08	\$9.55
Annual Change		5.0%	5.1%
Passengers/VSH	10.61	10.30	10.81
Annual Change		-2.9%	4.9%
Passengers/VSM	0.49	0.48	0.51
Annual Change		-0.2%	4.6%
Farebox Recovery	6.5%	5.6%	7.2%
Annual Change		-13.1%	28.0%
Hours/Employees	1002.9	1002.7	999.2
Annual Change		0.0%	-0.4%
TDA Non-Required Indicators			
Operating Cost/VSM	\$4.20	\$4.40	\$4.84
Annual Change		4.8%	9.9%
VSM/VSH	21.8	21.3	21.3
Annual Change		-2.7%	0.4%
VSH/FTE	1002.9	1002.7	999.2
Annual Change		0.0%	-0.4%
Fare/Passenger	\$0.56	\$0.51	\$0.69
Annual Change		-8.8%	34.5%

ALTA REGIONAL CENTER

Operating Cost for the County's Alta Regional Center service increased 2.8 percent in FY 2004/05. Fare revenue decreased 32.8 percent in FY 2004/05. VSH decreased 39 percent in FY 2004/05. VSM decreased 34.4 percent in FY 2004/05. Ridership decreased 38.3 percent in FY 2004/05.

The County's Cost/VSH indicator increased 68.4 percent in FY 2004/05. Cost/Passenger increased 66.6 percent in FY 2004/05. Passengers/VSM decreased 6 percent in FY 2004/05. Cost/VSM increased 56.7 percent in FY 2004/05. Farebox recovery decreased 34.6 percent in FY 2004/05.

Exhibit 4: Alta Regional Center Performance Indicators

Performance Measure	FY 2003/04	FY 2004/05	FY 2005/06
Operating Cost (Actual \$)	\$159,432	\$163,847	
Annual Change		2.8%	
Fare Revenue (Actual \$)	\$151,305	\$101,640	
Annual Change		-32.8%	
Vehicle Service Hours (VSH)	2,826	1,725	
Annual Change		-39.0%	
Vehicle Service Miles (VSM)	54,282	35,603	
Annual Change		-34.4%	
Passengers	14,894	9,185	
Annual Change		-38.3%	
Employees	2.21	1.61	
Annual Change		-27.1%	
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$56.42	\$94.98	
Annual Change		68.4%	
Operating Cost/Passenger (Actual \$)	\$10.70	\$17.84	
Annual Change		66.6%	
Passengers/VSH	5.27	5.32	
Annual Change		1.0%	
Passengers/VSM	0.27	0.26	
Annual Change		-6.0%	
Farebox Recovery	94.9%	62.0%	
Annual Change		-34.6%	
Hours/Employees	1278.7	1071.4	
Annual Change		-16.2%	
TDA Non-Required Indicators			
Operating Cost/VSM	\$2.94	\$4.60	
Annual Change		56.7%	
VSM/VSH	19.2	20.6	
Annual Change		7.5%	
VSH/FTE	1278.7	1071.4	
Annual Change		-16.2%	
Fare/Passenger	\$10.16	\$11.07	
Annual Change		8.9%	

PLACER COMMUTER EXPRESS

Fare revenue increased 55.4 percent in FY 2005/06. VSH increased 17.1 percent in FY 2005/06. VSM increased 15.4 percent in FY 2005/06. Ridership increased 69.5 percent in FY 2005/06.

The County's Cost/VSH indicator decreased 4.4 percent in FY 2005/06. Cost/Passenger decreased 33.9 percent in FY 2005/06. Passengers/VSH increased 44.8 percent in FY 2005/06. Passengers/VSM increased 46.9 percent in FY 2005/06. Cost/VSM decreased 3 percent in FY 2005/06. Farebox recovery increased 38.8 percent in FY 2005/06.

Exhibit 5: Placer Commuter Express Performance Indicators

Performance Measure	FY 2003/04	FY 2004/05	FY 2005/06
Operating Cost (Actual \$)	\$21,382	\$331,087	\$370,665
Annual Change		1448.5%	12.0%
Fare Revenue (Actual \$)		\$73,901	\$114,865
Annual Change			55.4%
Vehicle Service Hours (VSH)		1,284	1,503
Annual Change			17.1%
Vehicle Service Miles (VSM)		46,656	53,838
Annual Change			15.4%
Passengers		18,038	30,568
Annual Change			69.5%
Employees		2.48	2.48
Annual Change			0.0%
Performance Indicators			
Operating Cost/VSH (Actual \$)		\$257.86	\$246.62
Annual Change			-4.4%
Operating Cost/Passenger (Actual \$)		\$18.35	\$12.13
Annual Change			-33.9%
Passengers/VSH		14.05	20.34
Annual Change			44.8%
Passengers/VSM		0.39	0.57
Annual Change			46.9%
Farebox Recovery		22.3%	31.0%
Annual Change			38.8%
Hours/Employees		517.7	606.0
Annual Change			17.1%
TDA Non-Required Indicators			
Operating Cost/VSM		\$7.10	\$6.88
Annual Change			-3.0%
VSM/VSH		36.3	35.8
Annual Change			-1.4%
VSH/FTE		517.7	606.0
Annual Change			17.1%
Fare/Passenger		\$4.10	\$3.76
Annual Change			-8.3%

VANPOOL

Operating Cost for the County's vanpool service increased 6 percent in FY 2004/05, and 3.4 percent in FY 2005/06. Fare revenue increased 3.1 percent in FY 2005/06. VSH decreased 7.3 percent in FY 2005/06. VSM decreased 4.1 percent in FY 2005/06. Ridership decreased 9.6 percent in FY 2005/06.

The County's Cost/VSH indicator increased 11.5 percent in FY 2005/06. Cost/Passenger increased 14.3 percent in FY 2005/06. Passengers/VSH decreased 2.5 percent in FY 2005/06. Passengers/VSM decreased 5.7 percent in FY 2005/06. Cost/VSM increased 7.8 percent in FY 2005/06.

Exhibit 6: Vanpool Performance Indicators

Performance Measure	FY 2003/04	FY 2004/05	FY 2005/06
Operating Cost (Actual \$)	\$183,158	\$194,179	\$200,741
Annual Change		6.0%	3.4%
Fare Revenue (Actual \$)	\$80,931	\$83,196	\$85,776
Annual Change		2.8%	3.1%
Vehicle Service Hours (VSH)		5,725	5,309
Annual Change			-7.3%
Vehicle Service Miles (VSM)		241,572	231,620
Annual Change			-4.1%
Passengers		35,839	32,409
Annual Change			-9.6%
Employees		0.25	0.25
Annual Change			0.0%
Performance Indicators			
Operating Cost/VSH (Actual \$)		\$33.92	\$37.81
Annual Change			11.5%
Operating Cost/Passenger (Actual \$)		\$5.42	\$6.19
Annual Change			14.3%
Passengers/VSH		6.26	6.10
Annual Change			-2.5%
Passengers/VSM		0.15	0.14
Annual Change			-5.7%
Farebox Recovery	44.2%	42.8%	42.7%
Annual Change			-0.3%
Hours/Employees		22900.0	21236.0
Annual Change			-7.3%
TDA Non-Required Indicators			
Operating Cost/VSM		\$0.80	\$0.87
Annual Change			7.8%
VSM/VSH		42.2	43.6
Annual Change			3.4%
VSH/FTE		22900.0	21236.0
Annual Change			-7.3%
Fare/Passenger		\$2.32	\$2.65
Annual Change			14.0%

DEMAND-RESPONSE

Operating Cost for the County's demand-response services, which are operated under contract with Pride Industries, increased 13.4 percent in FY 2005/06. Fare revenue increased 38.3 percent in FY 2004/05 before decreasing 9.4 percent in FY 2005/06. VSH increased 7.1 percent in FY 2004/05 and 5.2 percent in FY 2005/06. VSM increased 4.2 percent in FY 2004/05 and decreased 7.9 percent in FY 2005/06. Ridership increased 8.6 percent in FY 2004/05 and decreased 13.8 percent in FY 2005/06.

The County's Cost/VSH indicator decreased 6.4 percent in FY 2004/05 before increasing 7.8 percent in FY 2005/06. Cost/Passenger decreased 7.7 percent in FY 2004/05 before increasing 31.6 percent in FY 2005/06. Passengers/VSH increased 1.4 percent in FY 2004/05 before decreasing 18.1 percent in FY 2005/06. Passengers/VSM increased 4.2 percent in FY 2004/05 and decreased 6.5 percent in FY 2005/06. Cost/VSM decreased 3.8 percent in FY 2004/05 before increasing 23.1 percent in FY 2005/06. Farebox recovery increased 38 percent in FY 2004/05 and decreased 20.1 percent in FY 2005/06.

Exhibit 7: Demand-Response Performance Indicators

Performance Measure	FY 2003/04	FY 2004/05	FY 2005/06
Operating Cost (Actual \$)	\$461,756	\$462,589	\$524,632
Annual Change		0.2%	13.4%
Fare Revenue (Actual \$)	\$15,187	\$21,001	\$19,019
Annual Change		38.3%	-9.4%
Vehicle Service Hours (VSH)	14,585	15,616	16,423
Annual Change		7.1%	5.2%
Vehicle Service Miles (VSM)	161,244	167,993	154,739
Annual Change		4.2%	-7.9%
Passengers	35,957	39,034	33,633
Annual Change		8.6%	-13.8%
Employees	13.6	13.6	14.6
Annual Change		0.0%	7.4%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$31.66	\$29.62	\$31.94
Annual Change		-6.4%	7.8%
Operating Cost/Passenger (Actual \$)	\$12.84	\$11.85	\$15.60
Annual Change		-7.7%	31.6%
Passengers/VSH	2.47	2.50	2.05
Annual Change		1.4%	-18.1%
Passengers/VSM	0.22	0.23	0.22
Annual Change		4.2%	-6.5%
Farebox Recovery	3.3%	4.5%	3.6%
Annual Change		38.0%	-20.1%
Hours/Employees	1072.4	1148.2	1124.9
Annual Change		7.1%	-2.0%
TDA Non-Required Indicators			
Operating Cost/VSM	\$2.86	\$2.75	\$3.39
Annual Change		-3.8%	23.1%
VSM/VSH	11.1	10.8	9.4
Annual Change		-2.7%	-12.4%
VSH/FTE	1072.4	1148.2	1124.9
Annual Change		7.1%	-2.0%
Fare/Passenger	\$0.42	\$0.54	\$0.57
Annual Change		27.4%	5.1%

Exhibit 8: System-Wide Ridership

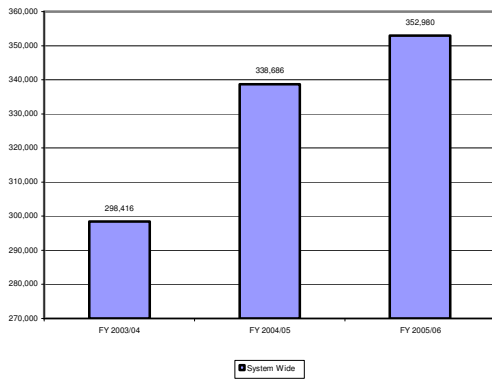


Exhibit 9: System-Wide Operating Cost/VSH

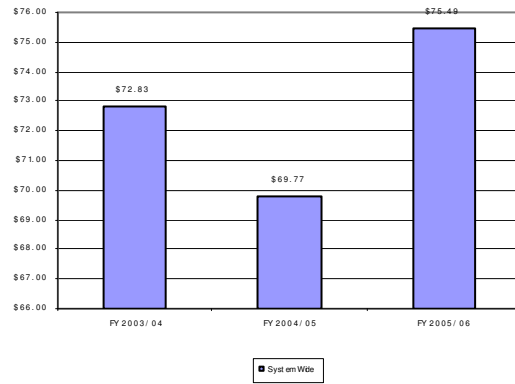


Exhibit 10: System-Wide Operating Cost/VSM

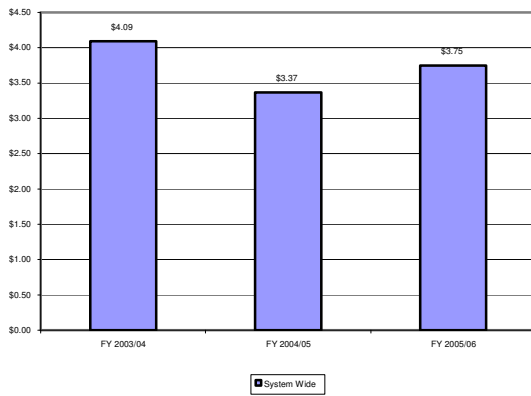


Exhibit 11: System-Wide VSM/VSH

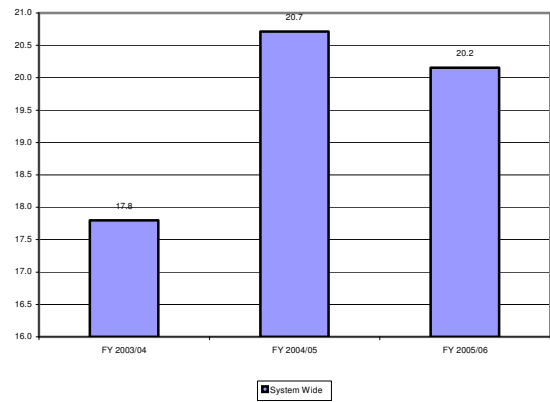


Exhibit 12: System-Wide Operating Cost/Passenger

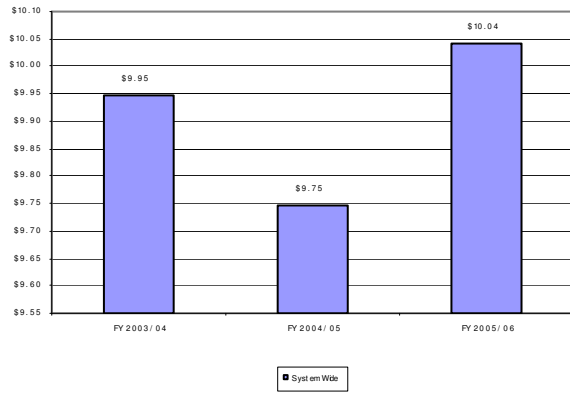


Exhibit 13: System-Wide Passengers/VSH

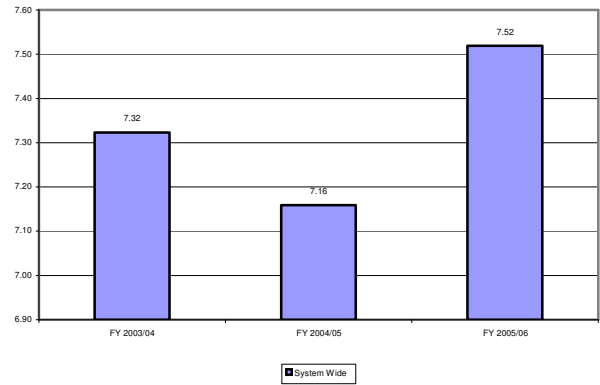


Exhibit 14: System-Wide Passengers/VSM

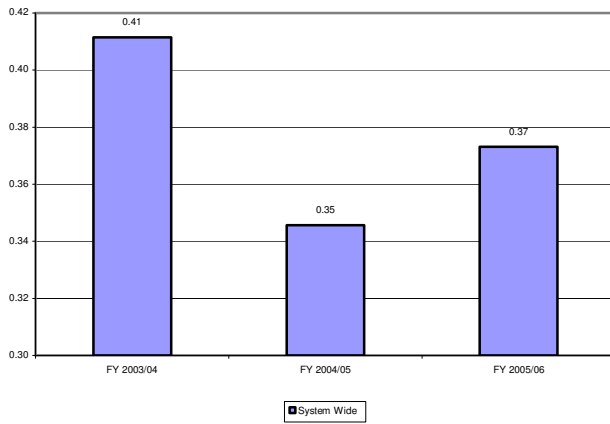


Exhibit 15: System-Wide VSH/FTE

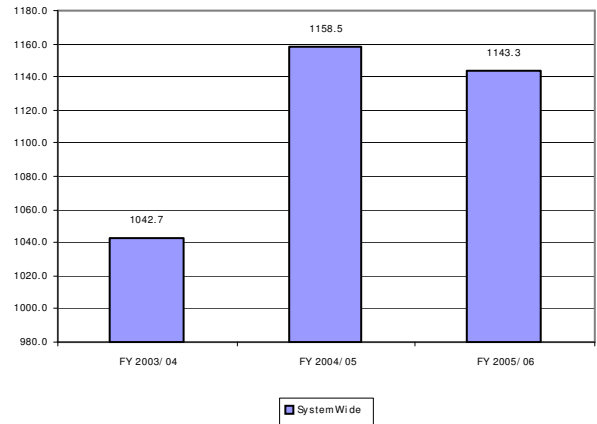


Exhibit 16: System-Wide Farebox Recovery

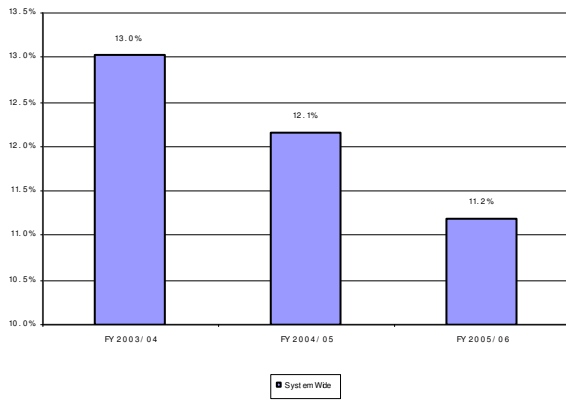
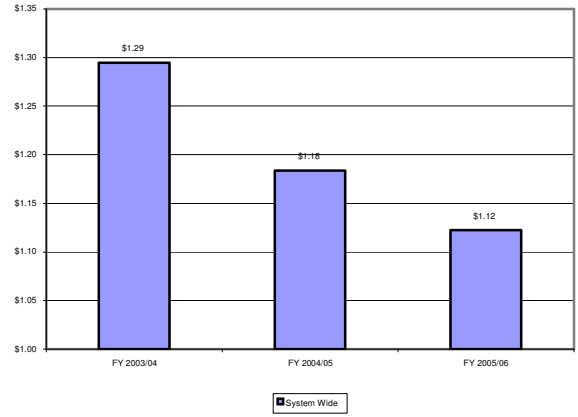


Exhibit 17: System-Wide Fare/Passenger



FIXED-ROUTE PEER REVIEW

The County's fixed-route service had the highest Cost/VSH and Cost/VSM indicators among like-peers. The service had the fourth-highest Passengers/VSH and the third-highest Passengers/VSM indicators of the peer group, and the lowest farebox recovery ratio.

Exhibit 18: Fixed-Route Peer Review

	Placer County	Amador County	Tulare County	City of Lodi	City of Porterville	Average
Performance Measure						
Operating Cost	\$2,447,997	\$1,002,005	\$712,995	\$1,220,692	\$945,693	\$1,265,876
Fare Revenue	\$176,624	\$221,204	\$98,377	\$179,381	\$190,876	\$173,292
Vehicle Service Hours (VSH)	23,710	13,759	13,840	22,103	21,172	18,917
Vehicle Service Miles (VSM)	505,896	311,127	396,578	278,709	323,819	363,226
Passengers	256,370	113,200	73,206	282,803	451,046	235,325
Performance Indicator						
Operating Cost/VSH	\$103.25	\$72.83	\$51.52	\$55.23	\$44.67	\$65.50
Operating Cost/VSM	\$4.84	\$3.22	\$1.80	\$4.38	\$2.92	\$3.43
Operating Cost/Passenger	\$9.55	\$8.85	\$9.74	\$4.32	\$2.10	\$6.91
Passengers/VSH	10.81	8.2	5.3	12.8	21.3	11.7
Passengers/VSM	0.51	0.4	0.2	1.01	1.4	0.7
Farebox Recovery	7.2%	22.1%	13.8%	14.7%	20.2%	15.6%
Average Fare/Passenger	\$0.69	\$1.95	\$1.34	\$0.63	\$0.42	\$1.01

DEMAND-RESPONSE PEER REVIEW

Moore & Associates selected the peers based on transit system size or the population served. The County's demand-response service had the lowest Cost/VSH indicator, and the second-highest Cost/Passenger indicator of the peer group. The County had the lowest Passengers/VSH and the second-lowest Passengers/VSM indicators of the peer group. The County had the lowest farebox recovery indicator.

Exhibit 19: Dial-A-Ride Peer Review

	Placer County	Madera County	City of Visalia	City of Taft	North River CTSA	Average
Performance Measure						
Operating Cost	\$524,632	\$450,259	\$545,219	\$442,964	\$600,069	\$512,629
Fare Revenue	\$19,019	\$56,581	\$71,114	\$70,325	\$67,149	\$56,838
Vehicle Service Hours (VSH)	16,423	8,834	10,279	8,004	15,582	11,824
Vehicle Service Miles (VSM)	154,739	147,135	147,217	80,930	200,296	146,063
Passengers	33,633	40,538	36,661	63,089	32,887	41,362
Performance Indicator						
Operating Cost/VSH	\$31.94	\$50.97	\$53.04	\$55.34	\$38.51	\$45.96
Operating Cost/VSM	\$3.39	\$3.06	\$3.70	\$5.47	\$3.00	\$3.72
Operating Cost/Passenger	\$15.60	\$11.11	\$14.87	\$7.02	\$18.25	\$13.37
Passengers/VSH	2.05	4.59	3.57	7.88	2.11	4.04
Passengers/VSM	0.217	0.276	0.249	0.780	0.164	0.337
Farebox Recovery	3.6%	12.6%	13.0%	15.9%	11.2%	11.3%
Average Fare/Passenger	\$0.57	\$1.40	\$1.94	\$1.11	\$2.04	\$1.41

FUNCTIONAL REVIEW

Our functional review of the County of Placer’s public-transit programs identifies and determines the extent and efficiency of the following functional activities:

- General management and organization,
- Service planning,
- Scheduling, dispatching, and operations;
- Personnel management and training, and
- Administration.

General Management and Organization

The Public Works Director, within the County’s Public Works Department is responsible for the general management of the Placer County Transit program. In addition to administrative oversight of the transit services, the director is responsible for the County’s customer service for utilities, street maintenance and repairs, water and sewer services, and engineering and construction management.

Service Planning

The County completed a Short Range Transit Plan in June 2005. The recommendations outlined in the SRTP include changes intended to improve the efficiency and performance of the Placer County Transit program. Among the recommendations were to increase service frequency and reach, as well as the cessation or modification of routes. The service changes implemented since the adoption of the SRTP include:

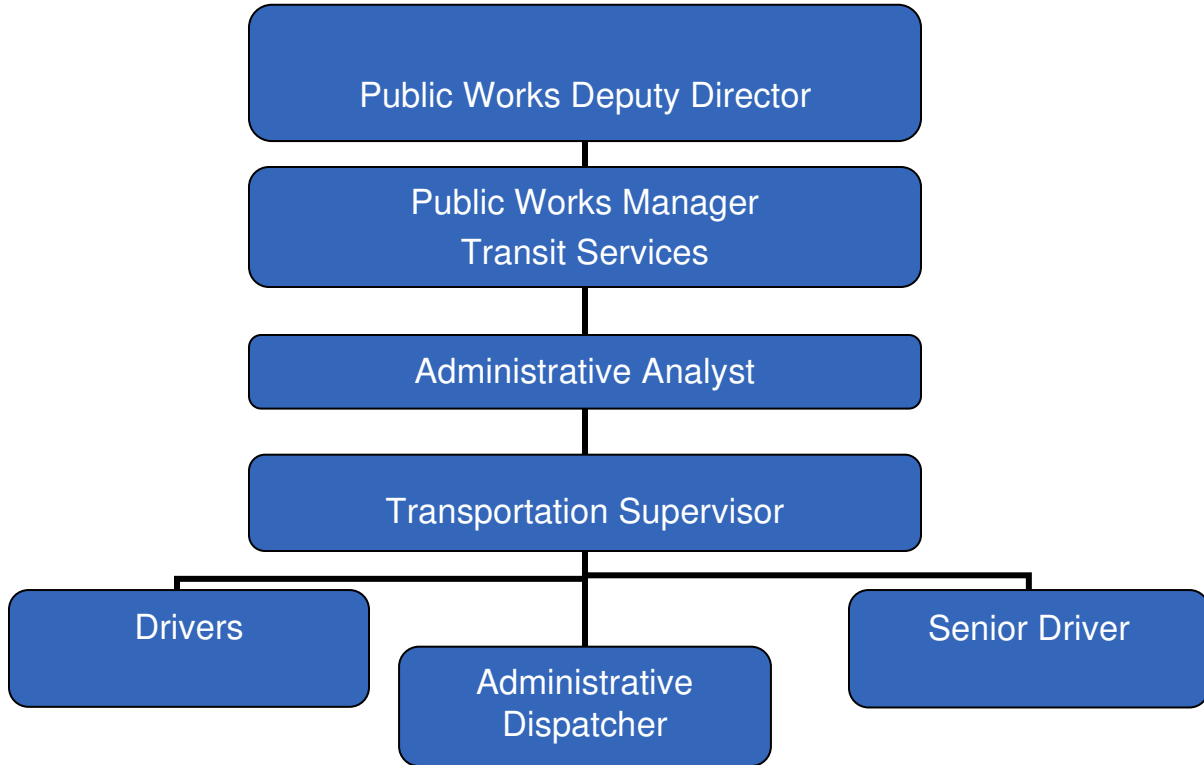
- Addition of service to Thunder Valley Casino,
- Cessation of service to Atherton Road/Menlo Drive Business Park, and
- Increase frequency along Saturday fixed-route service.

Also included in the SRTP are a number of recommendations which are in various stages of completion. A change from 60-minute headway to 30-minutes for the Auburn/Sacramento RT commuter bus service has been budgeted yet not implemented. Similarly, expansion of the Lincoln/Rocklin/Sierra College

schedule to match that of the Auburn/Light Rail service has been planned, but not yet been implemented.

Further, the recommendation to relocate the bus stop at Sierra College to mitigate potential parking lot accidents as well as bring the commuter bus service between Colfax and Downtown Sacramento in-house has been adopted.

Exhibit 20: Organizational Chart



Scheduling, Dispatching, and Operations

Placer County Transit is administered by the Transportation Division of Placer County's Public Works Department. The Transportation Division is comprised of the Public Works Deputy Director, one full-time Public Works Manager—Transit Services, one full-time administrative analyst, one full-time Transportation Supervisor, one full-time Senior Driver, one full-time Administrative Dispatcher, and 14 full-time drivers. The Transit Supervisor and the Administrative Dispatcher manage the dispatch activities for the deviated fixed-route service. Riders are able to contact Fleet Operations up to two hours in advance of their pickup. Either the Transit Supervisor or Administrative Dispatcher communicate with the bus drivers using two-way radios to inform drivers of the location and time of a requested pickup.

Maintenance Functional Review

The County operates four fixed-routes, contracts for demand-response service, and administers a vanpool program. The County also operates Tahoe Area Regional Transit (TART), which operates with the jurisdictions of both the Placer County Transportation Planning Agency and Tahoe Regional Planning Agency. TART was not included in the scope of this audit. The County outsources the operation of some demand-response services to the Consolidated Transportation Services Agency of Placer County.

Exhibit 22A: Placer County Transit Vehicles

Fleet Number	Model	Seating	VIN	Type	Mileage*
970	Bluebird	30	1BAGEBMA9VF077897	Bus	183,802
971	Bluebird	30	1BAGEBMA0VF077898	Bus	188,808
0014	Orion	32	1VH5C3C26Y6501130	Bus	230,148
0015	Orion	32	1VH5C3C28Y6501131	Bus	239,343
0016	Orion	32	1VHBC3C21226501725	Bus	222,940
0017	Orion	32	1VHBC3C2326501726	Bus	180,105
0301	Orion	35	1VHBE3L2226501954	Bus	208,550
0302	Orion	35	1VHBE3L2426501955	Bus	198,361
0303	Orion	35	1VHBE3L2625011956	Bus	155,408
0304	Orion	35	1VHBE3L2X26501958	Bus	223,532
0421	Orion	35	1VHBF3L2546502306	Bus	135,015
0422	Orion	35	1VHBF3L2846502333	Bus	130,403
0423	Orion	35	1VHBF3L2146502335	Bus	141,246

*The average bus mileage is 187,890 as of June 30, 2006.

Exhibit 21B: Tahoe Area Regional Transit Vehicles

Fleet Number	Model	Seating	VIN	Type	Mileage
950	Bluebird	32	1BAGGB7A8TF067252	Bus	423,869
0009	Gillig Phantom	33	15GCB1812T1110843	Bus	392,050
0010	Gillig Phantom	33	15GCB1814Y1110843	Bus	446,037
0006	Trolley Enterprises	32	4UZ62FBA7YCH07263	Bus	102,448
0007	Trolley Enterprises	32	4UZ62FBA9YCH07263	Bus	101,058
0008	Trolley Enterprises	32	4UZ62FBA0YCH07264	Bus	107,928
1004	CC Classics	25	3FCMF53GXRJB06828	Bus	125,764
0118	Orion V CNG	35	1VHBE3C262501729	Bus	181,647
0119	Orion V CNG	35	1VHBE3C2226501727	Bus	160,880
0120	Orion V CNG	35	1VHBE3C2426501728	Bus	177,656
0424	Orion V CNG	35	1VHBF3L2346502367	Bus	66,038
0425	Orion V CNG	35	1VHBF3L2546502368	Bus	94,850
0426	Orion V CNG	35	1VHBF3L2746502369	Bus	67,251

*The average bus mileage is 188,267 as of June 30, 2006.

Marketing and Public Information

The County’s website features a transit link that takes visitors to a landing page where they may access schedules, routes, service changes, and hours of operation. The site provides phone numbers and email addresses where visitors may contact County personnel for additional information. Route maps and fliers promoting service updates were also created for the County’s commuter bus

service, demand-response, and traditional fixed-route services wherein. We recommend the County consider adding a feature to the site where visitors may submit compliments/complaints.