



el dorado county

edctc
TRANSPORTATION
COMMISSION



FY 2010-2012
Triennial Performance Audit
of El Dorado County
Transit Authority

Submitted to El Dorado County
Transportation Commission

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Executive Summary

The El Dorado County Transportation Commission retained the firm PMC to conduct a performance audit of the El Dorado County Transit Authority (EDCTA or El Dorado Transit) covering the most recent triennial period, Fiscal Years (FY) 2009-10 through 2011-12. The purpose of the performance audit is to evaluate EDCTA's effectiveness and efficiency in its use of TDA funds to provide public transit in its designated service area. This is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates EDCTA's compliance with the conditions stipulated in the California Public Utilities Code (PUC).

The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008 (third edition)* published by the California Department of Transportation was used to guide in the development and conduct of the audit. The methodology for the audit included in-person interviews with transit management, telephone interviews with Board members, collection and review of agency documents, data analysis, and on-site observations.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, verification of performance measures, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

Compliance with TDA Requirements

EDCTA has fully complied with all applicable requirements of TDA. A noted exception is that the annual TDA fiscal audit of EDCTA commissioned by EDCTC is in partial compliance with the definition of operating cost consistent with Public Utilities Code Section 99247 pertaining to performance measures. The audited financial statements exclude special services (Apple Hill Shuttle and El Dorado County Fair Shuttle) when calculating the audited farebox recovery ratio. The PUC definition does not have a provision for excluding these costs from the farebox ratio.

Status of Prior Audit Recommendations

Two of the three prior audit recommendations have been fully implemented. The prior recommendation partially implemented pertains to comparing actual performance data to Short Range Transit Plan standards in the Administrative Operations Report. The prior recommendation is carried forward in this audit as a recommendation for full implementation.

Functional Review

1. EDCTA received a “satisfactory” rating for each CHP terminal inspection for its maintenance facility.
2. After significant reductions in service hours in FY 2010 to balance a budget shortfall, systemwide ridership decreased and then increased over the past three years. Between FYs 2009 and 2010, total ridership declined by 11 percent, but increased by 3.5 percent in FY 2011 which exceeded the agency’s goal of a 3 percent increase. Ridership continued to grow in 2012 and grew by 2.7 percent, just under the 3 percent goal.
3. Operating costs systemwide increased by only 3.6 percent from the baseline year of FY 2009 through FY 2012. Operating expenses declined between FYs 2009 and 2010, and then increased marginally through 2012. EDCTA reduced its staff in 2010 by about 8 full time equivalents as it reduced services to maintain balance with declining revenues.
4. The trend in the fare recovery ratio, a key performance indicator, shows consistency in El Dorado Transit exceeding the minimum TDA standard of 11.5 percent. Using State Controller Report data, the systemwide farebox ratio was consistent at between 26.6 and 27.6 percent per year during the audit period.
5. EDCTA has used technology as an opportunity to improve efficiencies. The agency has switched to a more useful scheduling software system, integrated different technology systems to enhance communication and management of operations, and furthered its efforts to use vehicle locator systems to better track vehicles and improve customer service.
6. A significant planning study conducted during the audit period was the *Transit Ridership Survey* that was completed in November 2011. The study identified strengths and weaknesses of the system through analysis of onboard survey results, and provided recommendations for transit improvements.
7. Maintenance expenses were reduced each year due in large part to procurement of new vehicles. According to the annual fiscal audit, maintenance costs over the three year period declined by 19 percent.
8. Management of EDCTA has been stable over the past three years. Observations were made about management’s strive for efficiency as a way to manage budget constraints, and that staff have been fiscally responsible in balancing transit services. Also, a number of grants have been successfully obtained for important planning studies and capital asset purchases that promote productivity, security and safety.

Three recommendations are provided to improve EDCTA's administration and management of the transit system. Each recommendation is described in detail in the last chapter of this audit. These recommendations are summarized as follows:

1. Address the exclusion of special services costs in the audited farebox ratio.

The Public Utilities Code definition for operations cost (PUC 99247(a)) does not allow exclusion of special service transportation that is not considered charter service. Although the audited farebox ratio excludes cost for special services (Apple Hill and El Dorado County Fair shuttles), both the internal Administrative Operations Report as well as the State Controller's Financial Transactions Report do include these expenses in the farebox ratio. EDCTA should work with the fiscal auditor to resolve these differences in allowable exclusions.

2. Maintain consistency in farebox ratio calculations between the fiscal audit, the State Controller Report and the Administrative Operations Report.

EDCTA should have one consistent methodology for treatment of special services in calculating the systemwide farebox recovery ratio. The methodology should simulate that used in the State Controller Report which follows PUC 99247. The methodology, as applied to El Dorado Transit, would include the operating cost for special services as well as the Apple Hill Growers Reimbursement and local El Dorado County Fair revenues, but excluding the air quality grant funds as fares. The special service farebox ratios in the appendix of the Administrative Operations Report should be updated to reflect the methodology. The revised systemwide farebox is lowered by a small amount but the methodology would be consistent for all financial reporting. The lower farebox ratio would still be well above the TDA farebox standard established by EDCTC.

3. Fully implement the prior audit recommendation pertaining to directly comparing performance data against SRTP standards by mode in the year-end Administrative Operations Report.

EDCTA should fully implement the prior performance audit recommendation and compare SRTP standards for each type of service against fiscal year-end actual data in the Administrative Operations Report. The SRTP standards include operating subsidy per passenger and passengers per vehicle service hour. With an update to the SRTP currently underway, EDCTA could incorporate the updated standards.

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 El Dorado County Transportation Commission (EDCTC or Commission) retained the firm PMC to conduct a performance audit of the El Dorado County Transit Authority (EDCTA or El Dorado Transit) covering the most recent triennial period, Fiscal Years (FY) 2009-10 through 2011-12. The purpose of the performance audit is to evaluate EDCTA's effectiveness and efficiency in its use of TDA funds to provide public transit in its designated service area. This is required as a condition for continued receipt of these funds for public transportation purposes.

In addition, the audit evaluates EDCTA's compliance with the conditions stipulated in the California Public Utilities Code (PUC). This task involves ascertaining whether EDCTA is meeting the PUC's reporting requirements and that it implemented prior performance audit recommendations. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the agency's departments and organizational functioning. From the analysis that has been undertaken, a set of recommendations has been made for the agency, which is intended to improve the performance of transit operations.

The methodology for the audit included in-person interviews with transit management, telephone interviews with Board members, 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 direction of the audit.

Overview of the Transit System

El Dorado Transit has operated public transit service in El Dorado County since 1975. The service began initially as a demand response mode for seniors and persons with disabilities in the Placerville area and was administered by the County of El Dorado. In July 1980, public transit was made available to the general public, with a combination of fixed-route deviation and demand-response services. As service grew, the governing structure of the transit system changed accordingly. In November 1993, El Dorado Transit came under the administration of the El Dorado County Transit Authority

(EDCTA), a Joint Powers Authority (JPA) comprised of the County of El Dorado and the City of Placerville. Today, EDCTA provides various transit service to the residents of western El Dorado County, including commuter bus, local fixed route, dial-a-ride, SAC-MED Non-Emergency Medical Appointment Transportation, special service transportation, and contracted shared-ride services for elderly and disabled persons.

Population growth has seen a marked increase over the past decade. According to the 2010 U.S. Census, El Dorado County had a population of 181,058 residents, a 15.8 percent increase over the 2000 Census population of 156,299 persons. Most of this growth occurred in El Dorado Hills, part of a designated urban area in the County. As of July, 2011, the State Department of Finance had calculated the population of the western slope of the County to be 160,941.

Fleet

The El Dorado Transit fleet is comprised of 45 revenue service vehicles and 13 support and surplus vehicles. EDCTA's revenue vehicle fleet complies with the requirements of the Americans With Disabilities Act (ADA) by being equipped with wheelchair lifts. Buses are equipped with bicycle racks. Close to half of the fleet is relatively new, with vehicles rolled into service in years 2009, 2010 and 2012.

There are 19 commuter buses including 10 vehicles that range from 37 to 45 ambulatory seats, and 9 newer buses that hold 57 ambulatory passengers. The 16 cutaway vehicles capable of seating between 20 and 28 ambulatory passengers are used for both dial-a-ride and local fixed route services. Ten smaller minivans are used exclusively for demand response service and seat 5 ambulatory riders. The commuter and cutaway vehicles, as well as the minivans, hold up to 2 wheelchair riders each.

Description of Transit System

The three primary modes of public transportation services provided by El Dorado Transit include Demand Response, Local Community Bus, and Commuter Service. Other Special Event Services include two annual shuttles funded in part by local air quality management grants for vehicle emission reduction.

Demand Response – This transit mode includes Dial-A-Ride, subscription Dial-A-Ride, ADA complementary service, SAC-MED and transportation for clients of Mother Lode Rehabilitation Enterprises, Inc. (M.O.R.E.) and the Senior Day Care Program. Dial-A-Ride is a general public, curb-to-curb service provided seven day a week. Rides are reserved up to three weekdays in advance over the phone. Seniors and persons with disabilities are given priority in the scheduling of these trips. The Dial-A-Ride service area is divided into 12 zones extending from El Dorado Hills to Pollock Pines and from Garden Valley to State Route (SR) 49 at Crystal Boulevard.

Subscription Dial-A-Ride is provided to a limited number of passengers traveling to standing appointments such as for dialysis or cancer treatments. The Americans with Disabilities Act (ADA) limits the percentage of trips a transit operator can provide on a subscription basis.

ADA complementary service is provided through a flex route providing transportation up to 3/4 mile off the fixed-route. Service is available to registered disabled passengers during all operating hours and days of the fixed route.

SAC-MED provides non-emergency medical transportation for seniors, persons with disabilities and the general public traveling to medical appointments in Sacramento County. The service operates on Tuesday and Thursday using wheelchair lift-equipped buses.

M.O.R.E. client transportation is a contracted, dial-a-ride service. ALTA California Regional Center (ALTA) provides funding for the M.O.R.E. client transportation through an agreement with El Dorado Transit. Clients are transported from home or an agreed pickup location to the M.O.R.E. program facilities in Placerville. Senior Day Care clients are transported from home to Placerville on an individual subscription dial-a-ride basis, Monday through Friday.

Local Community Bus - El Dorado Transit provides connecting bus service, Monday through Friday, within the communities of Placerville, Pollock Pines, Camino, El Dorado, Diamond Springs, Cameron Park and Shingle Springs. Flex route service is available between Placerville and Grizzly Flat on Thursdays, provided at least five individual requests are received in advance. Express service is provided on Saturdays between Placerville and Pollock Pines.

Commuter Service - El Dorado Transit operates three commuter services:

- Direct service to downtown Sacramento is provided during peak commute times, Monday through Friday. Eleven one-way routes operate both in the morning and afternoon between park-and-ride facilities in El Dorado County and several downtown stops. Starting at the Central Park and Ride on Commerce Way in Diamond Springs, commuter routes pick up passengers at the Placerville Station Park and Ride lot on Mosquito Road, El Dorado County Fairgrounds, Ponderosa Road Park and Ride, Rodeo Road/Coach Lane Park and Ride, Cambridge Road Park and Ride, and the El Dorado Hills Park and Ride lot.
- Two reverse commute routes are available for passengers traveling from Sacramento to El Dorado County in the morning and from El Dorado County to Sacramento in the afternoon.

- The Iron Point Connector route operates twice during peak morning and afternoon hours with connections to the Sacramento light rail in Folsom, Intel, the Kaiser facility on Iron Point Road and the main Folsom Lake College campus.

Special Event Services – These services include grant funded public services such as the Apple Hill Shuttle and the El Dorado County Fair Shuttle. The Apple Hill Shuttle operates over four weekends each October while the El Dorado County Fair Shuttle operates for four consecutive days in June. These projects are funded through grants administered by the local air district and derived from Department of Motor Vehicles registration surcharges as authorized by Assembly Bill 2766 for vehicle emission reduction projects. A local match is provided by the local partners to supplement grant funds for the shuttle services. Both Apple Hill and El Dorado County Fair shuttles are free to the public.

In addition, El Dorado Transit provides limited charter services as allowed per State and Federal guidelines. By policy, El Dorado Transit performs charter services exclusively for public service agencies and private non-profit human service organizations.

Fares

The El Dorado Transit fare structure is configured according to service area and type. Separate fare structures are in place for local fixed route, Iron Point Connector, Commuter Routes, SAC-MED, and dial-a-ride. Fare types include for general public, senior/disabled/Medicare cardholder, and student. Monthly passes and multi-ride tickets are available for purchase by mail or at El Dorado Transit Offices and other select distribution sites. Combo passes for trips on both El Dorado Transit and Sacramento Regional Transit are also available. Dial-A-Ride fares are based upon the number of zones traveled. Fare increases were implemented in 2009 and early 2010.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of EDCTA’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008 (third edition)*, which was developed by the Department of Transportation (Caltrans) to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements 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 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 2010: October 18, 2010 FY 2011: October 18, 2011 FY 2012: October 4, 2012 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 2010: November 5, 2010 FY 2011: November 9, 2011 FY 2012: December 17, 2012 Conclusion: Complied

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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	EDCTA participates in the CHP Driver Pull Notice Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim submitted by EDCTA. Copies of the inspection are provided to EDCTC as a condition of the TDA claim. The certificates were also submitted to the auditor for review. EDCTA received a "satisfactory" rating for each inspection. The inspection dates applicable to this audit include: November 14, 2008; November 13, 2009; December 16, 2010; and December 20, 2011. 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 EDCTA's annual claims for Local Transportation Funds and State Transit Assistance is submitted in compliance with rules and regulations adopted by EDCTC. 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	In February 2010, EDCTC established a blended farebox recovery ratio of 11.5 percent for EDCTA that accounts for population in rural versus urban areas. EDCTA has consistently well exceeded this ratio during the audit period, achieving consistent farebox ratios between 27 and 28 percent

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>annually, according to the annual State Controller Reports.</p> <p>Conclusion: Complied</p>
<p>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).</p>	<p>Public Utilities Code, Section 99266</p>	<p>EDCTA's operating budget did not increase in excess of the 15% threshold during the audit period. Percentage increase in EDCTA's operating budget from the prior year:</p> <p>FY 2010: -3.0% FY 2011: +3.5% FY 2012: +8.4%</p> <p>Source: FYs 2010-2012 Final Amended Budgets.</p> <p>Conclusion: Complied</p>
<p>The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</p>	<p>Public Utilities Code, Section 99247</p>	<p>EDCTA driver trip sheets show that proper performance information for miles and hours is being captured and is consistent with the PUC. Vehicle mileage is separated between revenue service and deadhead, while in-service vehicle hours are recorded separate from out-of-service hours. Unlinked one-way passengers are also recorded on the trip sheets.</p> <p>Full Time Equivalent Employees reported in the State Controller Report include both allocated positions and seasonal employee FTEs consistent with the PUC definition.</p>

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>With regard to operating costs and subsequent calculation of the farebox recovery ratio, they are reported slightly different between the Administrative Operations Report and the Audited Financial Statements. The Audited Financial Statements exclude special services costs (Apple Hill Shuttle and El Dorado County Fair Shuttle) when determining the systemwide operating cost used for the audited farebox ratio, while the Administrative Operations Report includes these costs. As discussed in further detail following this matrix, the PUC definition of operating cost does not allow exclusion of special service transportation expenses.</p> <p>Conclusion: Partial Compliance</p>
<p>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.</p>	<p>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</p>	<p>This requirement is not applicable, as EDCTA does not exclusively serve an urbanized area. EDCTA is subject to PUC 99270.1 (described above)</p> <p>Conclusion: Not Applicable</p>

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This requirement is not applicable, as EDCTA does not exclusively serve a rural area. EDCTA is subject to PUC 99270.1 (described above) Conclusion: Not Applicable
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	EDCTA contributes to the California Public Employees Retirement System (PERS). All permanent and part-time employees working at least 1,000 hours per year are enrolled in PERS. Under PERS, benefits vest after five years of service. Active plan members in the PERS plans are required to contribute 7% of their annual covered salary. EDCTA is required to contribute at an actuarially determined rate. 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)	EDCTA utilizes federal funds that are available to the agency, as reported in the annual Fiscal Audit – Statement of Revenues, Expenses, and Changes in Net Assets: FY 2010: Operations (\$876,511) Capital (\$3,082,712) FY 2011: Operations (\$652,733) Capital (\$168,000) FY 2012: Operations (\$673,935) Capital (\$130,742) Conclusion: Complied

Findings and Observations from Operator Compliance Requirements Matrix

1. EDCTA has fully complied with all applicable requirements of TDA. A noted exception is that the annual TDA fiscal audit of EDCTA commissioned by EDCTC is in partial compliance with the definition of operating cost consistent with Public Utilities Code Section 99247 pertaining to performance measures. The audited financial statements exclude special services (Apple Hill Shuttle and El Dorado County Fair Shuttle) when calculating the audited farebox recovery ratio. The PUC definition does not have a provision for excluding these costs from the farebox ratio. This issue will be resolved between EDCTA and the fiscal auditor.

Operations costs, as defined by PUC 99247(a), states “‘Operating cost’ means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.”

The exclusion of special services from the audited farebox recovery is in contrast to both the internal Administrative Operations Report as well as the State Controller’s Financial Transactions Report which do include special service operating expenses in the farebox ratio. The result is that the audited operations costs are less than the other two reports by the cost of special services when determining the farebox ratio. Although the resulting difference between the farebox ratios is relatively small (less than one percent change in the farebox ratio), there should be one consistent methodology for calculating the farebox recovery ratio.

On the revenue side, each of the three reports includes the Apple Hill Growers Reimbursement revenues as fares for the transit system. The Administrative Operations Report had also included the AB 2766 air quality grant funds as fares until FY 2011-12 when the systemwide farebox was adjusted to exclude the grant funds. This change is reflected in the main body of the report. However, on a mode basis in the Appendix, the Administrative Operations Report continues to show the AB 2766 air quality grant funds in the modal farebox recovery. This should be changed to be consistent with the systemwide farebox ratio.

A recommendation is for EDCTA to have one consistent methodology for treatment of special services in calculating the systemwide farebox recovery ratio. The methodology should simulate that used in the State Controller Report which follows PUC 99247. The methodology, as applied to El Dorado Transit, would include the operating cost for special services as well as the Apple Hill

Growers Reimbursement revenues, but excludes the air quality grant funds as fares. From this method, the farebox ratio would track closely to the State Controller Report figure, which is slightly lower than the Audited Financial Statements. As an example, in FY 2011-12, the farebox recovery ratio in the State Controller Report is 27.7 percent, while the ratio is 28.3 percent in the audited financials. The lower farebox ratio is still well above the TDA farebox standard of 11.5 percent established by EDCTC.

2. EDCTA received a “satisfactory” rating for each CHP terminal inspection during the audit period for its maintenance facility.
3. The budget decreased in the first audit year by 3.0 percent, then increased in each of the two succeeding years by 3.5 percent and 8.4 percent, respectively. As the TDA threshold for a year-over-year cost increase to be deemed significant is more than 15 percent, EDCTA’s annual budget increases were below that level. Cost increases identified in the fiscal audit were primarily due to fuel cost increases, followed by incremental increases in other operating expense items such as utilities. Vehicle maintenance costs declined during the audit period due in large part to the procurement of new commuter vehicles in 2010. The decline in maintenance costs helped to balance the growth in other expenditures.
4. The Audited Financial Statements indicate that EDCTA had deferred LTF allocations at the end of each fiscal year, meaning the agency received more LTF revenue from EDCTC for operating expenses than the maximum allowed after deductions for other transit revenue. The amount is carried over for use in the next year by EDCTA. This is not unusual for a transit agency to have deferred LTF reported at the end of the fiscal year, indicating that the agency generally operated within its means, and/or that there was growth from other revenue sources. This is consistent with the reasonable cost growth identified in the transit agency budget. The amount of the deferred revenue increased during the audit period, as shown:

FY 2010 = \$200,533
FY 2011 = \$229,652
FY 2012 = \$482,852

The large increase in deferred LTF in FY 2012 was a result of increased LTF allocation and additional local operating grants that more than offset the increases in operating expenses.

5. The trend in the fare recovery ratio shows consistency in exceeding the minimum TDA standard. The Sacramento commuter bus service and the M.O.R.E. contracted social service had the highest farebox recovery ratios of the transit system.

According to the annual State Controller Reports, the system farebox ratios were:

FY 2010 = 27.8%

FY 2011 = 27.8%

FY 2012 = 27.7%

The current farebox standard for El Dorado Transit is 11.5 percent that was adopted by EDCTC in February 2010. The methodology to derive the blended farebox ratio used 2000 Census data for rural versus urban areas of the County. With newer 2010 Census data available and recognizing the growth in the urbanized western portion of the County, an update to the TDA farebox ratio standard is warranted which is the responsibility of EDCTC.

Section III

Prior Triennial Performance Audit Recommendations

EDCTA's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. Each prior recommendation for the agency is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

With respect to EDCTA's fare revenue deviation policy, the prior auditor made the following recommendations:

- The "monthly pass" column in the driver trip sheets should be divided into two separate columns – "general monthly pass" and "discount monthly pass." This will allow staff to more accurately compare actual fare revenue collected to the estimated fare revenue collected (passenger-trips x fare).
- The Fare Variance Audit Worksheet could be developed in spreadsheet format to simplify the procedure. As this process can be time consuming, making the fare revenue comparison on a quarterly basis would be sufficient.

Actions taken by EDCTA:

In the driver trip sheets, the Monthly Pass section is divided into four columns, including a general monthly pass and discount pass. Drivers tally the respective passes during each trip in the columns which allow for a more accurate comparison of actual versus estimated fare collection.

The fare deviation review process methodology was modified to include using Route Match software to conduct the actual passenger counts against expected ridership by type. Supervisors and drivers provided the counts manually on the trip sheets. Cameras in the fare counting room have been installed for added security. The fares are reconciled against the ridership numbers with a fare variance calculated.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 2

Slight discrepancies exist between operating cost and fare revenue data obtained in the fiscal audits and Administrative Operations Report; however, the difference is not significant enough to warrant complete reconciliation of the Administrative Operations Report to fiscal audits. The executive director should continue to review operational and financial data and note in writing reasons for discrepancies (if any) in the data as they occur so that future TPAs can continue to be used as effective planning and evaluation tools.

Actions taken by EDCTA:

The reasoning for this recommendation was that audited financial data typically differs slightly from unaudited data which is the basis for the Administrative Operations Report. The audited data reconciles the financial records of the agency and is developed after the production of the Administrative Operations Report. The Executive Director continues to review operational and financial data and notes discrepancies when warranted. During the audit period, there were no significant discrepancies between the two reports.

For clarification, this prior recommendation is different from the finding discussed in the previous section describing the exclusion of special services costs from the farebox recovery ratio in the fiscal audit. That issue focuses on forming a consistent methodology for calculating the farebox ratio.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 3

Every six months, EDCTA staff creates an excellent Administrative Operations Report for stakeholder review. The report details trends in operating data and performance measures. In response to a prior audit recommendation, a series of service efficiency, service effectiveness and service quality goals were developed through the SRTP process. Standards were set for farebox ratio, operating subsidy per passenger-trip and passenger-trip per vehicle service hour for each type of service. Although EDCTA staff analyzes the above-listed performance indicators in the Administrative Operations Report, direct comparisons to the SRTP standards are not made. It would be worthwhile to make a simple comparison between the SRTP standards and actual results at the end of each fiscal year.

Actions taken by EDCTA:

From our review of the Administrative Operations Reports for the three year period, EDCTA does provide comparison of actual performance against the SRTP standard for farebox recovery and on-time performance. However, the reports do not show comparison with other SRTP standards listed above such as operating subsidy per passenger-trip and passenger-trip per vehicle service hour for each type of service. These comparisons should be provided in the detailed spreadsheet tables in the appendix of the Administrative Operations Report, and then summarized in the main body of the report.

Conclusion:

This recommendation has been partially implemented, and is carried forward in this audit for full implementation. The comparison of actual data by mode against SRTP standards provides a high level of benefit to gauge system performance against industry benchmarks.

Section IV

TDA Performance Indicators

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

Tables IV-1 through IV-5 provide the systemwide and modal performance indicators for EDCTA. Charts are also provided to depict the trends in the indicators.

**Table IV-1
Systemwide Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2009-2012
	FY 2009	FY 2010	FY 2011	FY 2012	
Operating Cost	\$5,225,352	\$4,893,552	\$5,065,945	\$5,415,360	3.6%
Total Passengers	449,175	398,104	412,381	423,521	-5.7%
Vehicle Service Hours	50,720	43,851	44,441	44,412	-12.4%
Vehicle Service Miles	1,138,424	996,189	1,023,239	1,027,860	-9.7%
Employee FTE's (1)	67	59	59	59	-11.9%
Passenger Fares	\$1,245,565	\$1,303,605	\$1,406,657	\$1,496,916	20.2%
Operating Cost per Passenger	\$11.63	\$12.29	\$12.28	\$12.79	9.9%
Operating Cost per Vehicle Service Hour	\$103.02	\$111.59	\$113.99	\$121.93	18.4%
Operating Cost per Vehicle Service Mile	\$4.59	\$4.91	\$4.95	\$5.27	14.8%
Passengers per Vehicle Service Hour	8.9	9.1	9.3	9.5	7.7%
Passengers per Vehicle Service Mile	0.39	0.40	0.40	0.41	4.4%
Vehicle Service Hours per Employee	757.0	743.2	753.2	752.7	-0.6%
Average Fare per Passenger	\$2.77	\$3.27	\$3.41	\$3.53	27.5%
Fare Recovery Ratio	23.84%	26.64%	27.77%	27.64%	16.0%

Notes: (1) FTE data is systemwide. Breakdown by mode during audit period: fixed route 28 FTEs, demand response 31 FTEs.

Source: Administrative Operations Report; FTEs from State Controller's Reports

**Table IV-2
Local Community Bus**

Performance Data and Indicators	Audit Period				% Change FY 2009-2012
	FY 2009	FY 2010	FY 2011	FY 2012	
Operating Cost	\$1,717,625	\$1,646,179	\$1,671,546	\$1,781,516	3.7%
Total Passengers	194,256	177,477	186,310	185,021	-4.8%
Vehicle Service Hours	17,859	15,845	15,796	15,757	-11.8%
Vehicle Service Miles	304,307	274,636	277,190	277,878	-8.7%
Passenger Fares	\$165,388	\$178,186	\$188,509	\$196,355	18.7%
Operating Cost per Passenger	\$8.84	\$9.28	\$8.97	\$9.63	8.9%
Operating Cost per Vehicle Service Hour	\$96.18	\$103.89	\$105.82	\$113.06	17.6%
Operating Cost per Vehicle Service Mile	\$5.64	\$5.99	\$6.03	\$6.41	13.6%
Passengers per Vehicle Service Hour	10.9	11.2	11.8	11.7	8.0%
Passengers per Vehicle Service Mile	0.64	0.65	0.67	0.67	4.3%
Average Fare per Passenger	\$0.85	\$1.00	\$1.01	\$1.06	24.6%
Fare Recovery Ratio	9.63%	10.82%	11.28%	11.02%	14.5%

Source: Administrative Operations Report

**Table IV-3
Dial-a-Ride Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2009-2012
	FY 2009	FY 2010	FY 2011	FY 2012	
Operating Cost	\$2,030,520	\$1,893,146	\$1,934,696	\$2,056,344	1.3%
Total Passengers	68,001	61,635	60,287	64,172	-5.6%
Vehicle Service Hours	19,708	16,903	17,018	16,873	-14.4%
Vehicle Service Miles	451,551	397,228	402,939	401,972	-11.0%
Passenger Fares	\$396,386	\$432,094	\$482,147	\$544,647	37.4%
Operating Cost per Passenger	\$29.86	\$30.72	\$32.09	\$32.04	7.3%
Operating Cost per Vehicle Service Hour	\$103.03	\$112.00	\$113.69	\$121.87	18.3%
Operating Cost per Vehicle Service Mile	\$4.50	\$4.77	\$4.80	\$5.12	13.8%
Passengers per Vehicle Service Hour	3.5	3.6	3.5	3.8	10.2%
Passengers per Vehicle Service Mile	0.15	0.16	0.15	0.16	6.0%
Average Fare per Passenger	\$5.83	\$7.01	\$8.00	\$8.49	45.6%
Fare Recovery Ratio	19.52%	22.82%	24.92%	26.49%	35.7%

Source: Administrative Operations Report

**Table IV-4
Commuter Service Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2009-2012
	FY 2009	FY 2010	FY 2011	FY 2012	
Operating Cost	\$1,380,226	\$1,272,007	\$1,356,712	\$1,472,647	6.7%
Total Passengers	158,385	131,078	136,208	138,905	-12.3%
Vehicle Service Hours	12,384	10,544	11,093	11,185	-9.7%
Vehicle Service Miles	373,098	316,088	335,374	339,828	-8.9%
Passenger Fares	\$681,492	\$690,122	\$732,644	\$749,686	10.0%
Operating Cost per Passenger	\$8.71	\$9.70	\$9.96	\$10.60	21.7%
Operating Cost per Vehicle Service Hour	\$111.45	\$120.64	\$122.30	\$131.66	18.1%
Operating Cost per Vehicle Service Mile	\$3.70	\$4.02	\$4.05	\$4.33	17.1%
Passengers per Vehicle Service Hour	12.8	12.4	12.3	12.4	-2.9%
Passengers per Vehicle Service Mile	0.42	0.41	0.41	0.41	-3.7%
Average Fare per Passenger	\$4.30	\$5.26	\$5.38	\$5.40	25.4%
Fare Recovery Ratio	49.38%	54.25%	54.00%	50.91%	3.1%

Source: Administrative Operations Report

**Table IV-5
Special Service Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2009-2012
	FY 2009	FY 2010	FY 2011	FY 2012	
Operating Cost	\$96,980	\$82,219	\$102,991	\$104,853	8.1%
Total Passengers	28,533	27,914	29,576	35,423	24.1%
Vehicle Service Hours	769	559	534	597	-22.4%
Vehicle Service Miles	9,468	8,237	7,736	8,182	-13.6%
Passenger Fares	\$2,300	\$3,204	\$3,358	\$6,228	170.8%
Operating Cost per Passenger	\$3.40	\$2.95	\$3.48	\$2.96	-12.9%
Operating Cost per Vehicle Service Hour	\$126.11	\$147.08	\$192.87	\$175.63	39.3%
Operating Cost per Vehicle Service Mile	\$10.24	\$9.98	\$13.31	\$12.82	25.1%
Passengers per Vehicle Service Hour	37.1	49.9	55.4	59.3	59.9%
Passengers per Vehicle Service Mile	3.01	3.39	3.82	4.33	43.7%
Average Fare per Passenger	\$0.08	\$0.11	\$0.11	\$0.18	118.1%
Fare Recovery Ratio (1)	2.37%	3.90%	3.26%	5.94%	150.5%

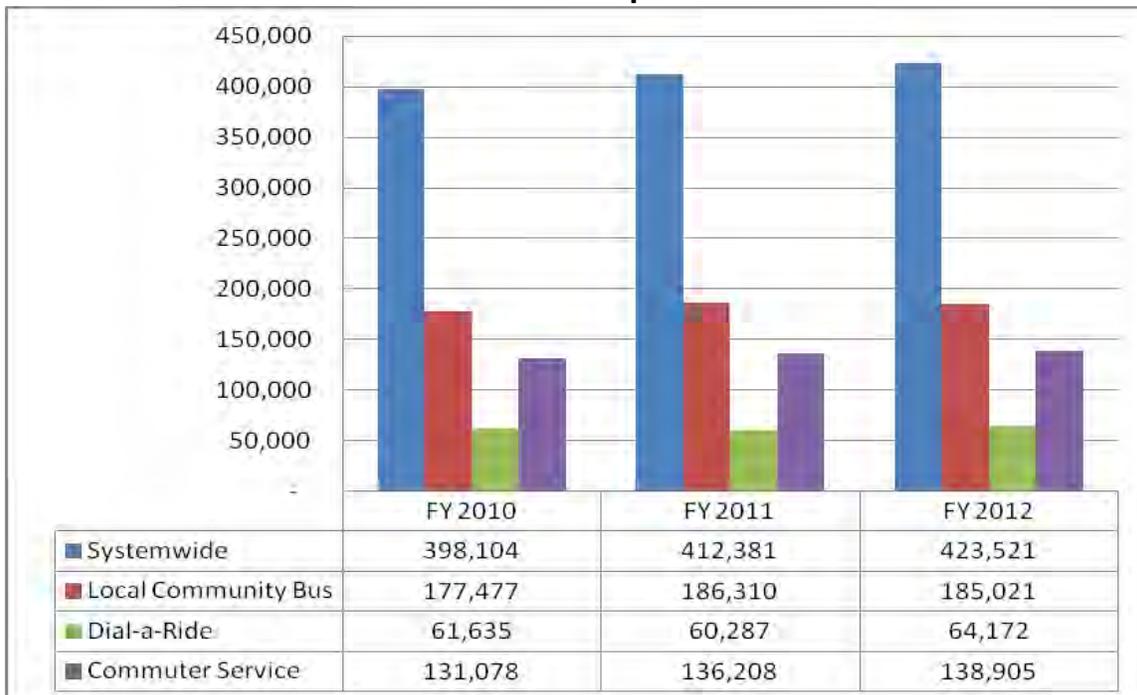
Note: (1) Farebox includes only matching funds from partners, and excludes air quality grant funds.

Source: Administrative Operations Report

**Graph IV-1
Operations Cost**



**Graph IV-2
Ridership**



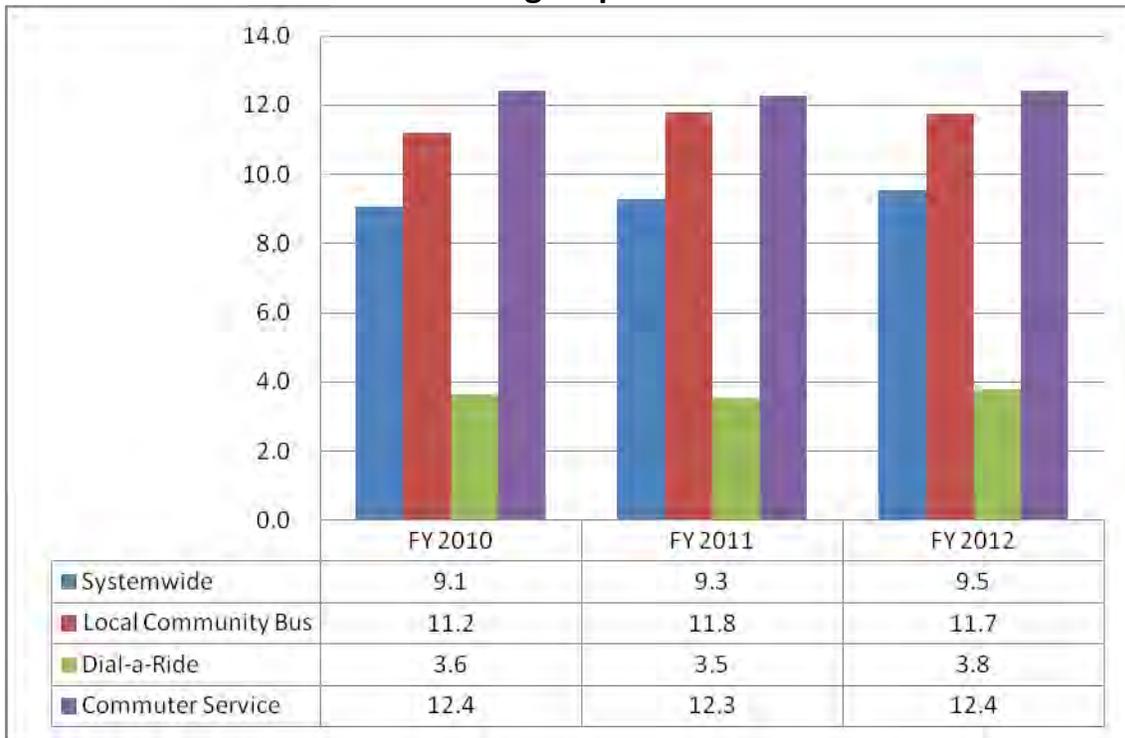
**Graph IV-3
Operating Cost per Passenger**



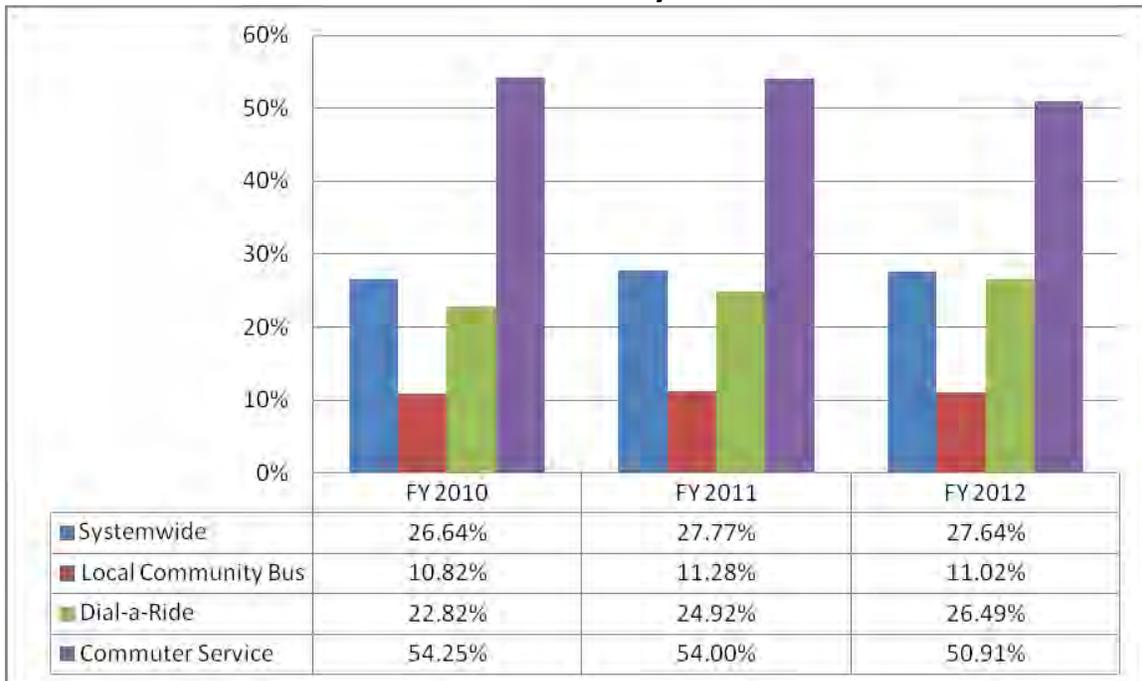
**Graph IV-4
Operating Cost per Hour**



**Graph IV-5
Passengers per Hour**



**Graph IV-6
Farebox Recovery Ratio**



Findings from Verification of TDA Performance Indicators

1. Operating costs systemwide increased by only 3.6 percent from the baseline year of FY 2009 through FY 2012. Operating expenses declined between FYs 2009 and 2010, and then increased marginally through 2012. EDCTA reduced its staff in 2010 by about 8 full time equivalents as it reduced services to maintain balance with declining revenues. Increases in operating costs were attributed primarily to fuel cost increases, followed by incremental increases in other operating expense items such as utilities. As an offset, vehicle maintenance costs declined during the audit period due in large part to the procurement of replacement vehicles, notably new MCI commuter vehicles in 2010.
2. Vehicle service hours systemwide declined by 12 percent over the last three years. Corresponding with a reduction in revenues, the largest decline was between FYs 2009 and 2010 when EDCTA implemented a 14 percent reduction in service hours, impacting all modes. Smaller increases in total service hours have since been added in 2011 and 2012.
3. Systemwide ridership declined by under 6 percent from 449,175 passengers in FY 2009 to 423,521 in FY 2012. Between FYs 2009 and 2010, total ridership declined by 11 percent due to the reduction in service. The largest reduction by mode over the three year period was from commuter bus service which had a 12 percent decline. The higher percentage of lost ridership directly correlated to mandated furlough Fridays for State employees. Total ridership did increase after 2010 and exceeded the agency's goal of a 3 percent increase in 2011. Ridership continued to grow in 2012 and grew by 2.7 percent, just under the 3 percent goal.
4. The systemwide farebox recovery ratio showed an increase between FYs 2009 and 2012 due to the fare increases that were implemented in 2009 and early 2010. Between FYs 2010 and 2012, the farebox ratio remained relatively stable, averaging between 27 and 28 percent per year. This is in comparison to the FY 2009 baseline farebox ratio of 24 percent. Despite the drop in ridership, the fare increase subsequently increased the average fare per passenger from \$2.77 to \$3.53.

Overall farebox attainment has consistently well exceeded the required 11.5 percent blended farebox recovery. The Sacramento commuter service had an average farebox recovery ratio of 53 percent during the audit period, while dial-a-ride held an average ratio of almost 25 percent. Local commuter bus had an average farebox ratio of 11 percent.

5. Systemwide operating cost per vehicle service hour increased by 18 percent due to a greater decline in service hours relative to operating costs. Operating cost per vehicle service mile showed a similar increase of about 15 percent systemwide. On a

modal basis, each service (local bus, dial-a-ride, and commuter bus) had similar trends respectively with these increases.

6. Passengers per vehicle service hour increased by almost 8 percent systemwide during the audit period. For local fixed route, the number of passengers per hour was up by 8 percent while for dial-a-ride the performance measure was up by 10 percent. However, for commuter bus, passengers per hour declined by 3 percent although the actual number of commute riders per hour remained relatively steady at between 12 and 13.
7. Passengers per vehicle service mile remained stable for the past three years, having increased by 4 percent systemwide. Similar to the trend by mode in passengers per hour, local fixed route and dial-a-ride showed small increases in passengers per mile while commuter bus experienced a slight decline.

Conclusion from Verification of TDA Performance Indicators

An overview of the performance indicators show the impacts from a reduction in service from weak regional economic conditions, especially during the early part of the audit period. The decline in service hours in FY 2010 resulted in an expected decline in ridership. In spite of a fare increase that was also implemented along with the reduction in service, EDCTA has been able to slightly increase its ridership since the large decrease in 2010, an indication of a positive trend. With the ability to continue exceeding the TDA farebox recovery ratio standard by a relatively large margin, EDCTA has been able to balance its overall resource allocation and be proactive to modify routes or schedules for efficiency during difficult economic times.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within EDCTA. The following functions were reviewed:

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

Operations

The early part of the audit period was characterized as challenging given that EDCTA was faced with a projected budget shortfall for FY 2009-10 due to significant losses in funding from the poor economy. The Board of Directors approved a series of service reductions and fare increases, including:

Local Fixed Route: Effective April 6, 2009 - fare increases on all local routes; new charge for local route transfers; and additional charge for local off-route deviations. Effective June 29, 2009 – elimination of Saturday service for Cameron Park, Diamond Springs, and Folsom Lake College; combined limited Saturday service for Placerville and Pollock Pines; reduced weekday runs for Cameron Park; discontinuation of some weekday runs for Pollock Pines; conversion of an afternoon Placerville West route to a “request only”; conversion of Grizzly Flat to a reservations only flex route with minimum of 5 passengers.

Dial-A-Ride: Effective April 6, 2009 – increase in base fares for trips originating in Cameron Park and El Dorado Hills; Effective June 29, 2009 – reduction of one van per weekday.

SAC-MED: Effective June 29, 2009 – fare increase (doubling of fare per one-way trip)

Senior Day Care: Effective April 6, 2009 – fare increase for all passengers. Effective June 29, 2009 – additional fare increase for passengers in Zones B-L.

Iron Point Connector: Effective April 6, 2009 – Discount fare implemented for seniors and persons with disabilities. Effective June 29, 2009 – schedule reduction to four loops per weekday; and stops added at Red Hawk Casino, Ingersoll Way and Parker Drive in Folsom and the Intel Folsom Campus.

Commuter Service: Effective June 29, 2009 – elimination of Route #10; and phased fare increases in July 2009 and January 2010.

Special Services: Effective June 29, 2009 – discontinuation of the annual downtown Placerville holiday shuttle.

More recent additional operational changes were implemented beginning in January 2012. Along with minor schedule tweaks, modifications were made to the Cameron Park and Diamond Springs local community routes to improve on-time performance and connectivity as well as frequency to the El Dorado Center of Folsom Lake College route area. These changes eliminated the need for some transfers. The changes were in response to recommendations from the *2011 Transit Ridership Survey*.

Effective June 18, 2012, EDCTA made schedule adjustments to the Sacramento Commuter service to reflect shorter travel times into downtown Sacramento from the extension of high occupancy vehicle lanes along Highway 50 in both El Dorado and Sacramento Counties. Improved travel times range from almost 7 minutes on average for afternoon commuter arrivals into downtown to over 9 minutes on average for morning commutes. EDCTA cited that as much as 24 minutes was reduced from a one-way commute trip.

EDCTA made further adjustments to its services on July 1, 2012 by discontinuing the Main Street Shuttle that operated on Tuesday mornings. This was done to help reduce confusion with jurors that might expect the shuttle on additional days and times as a result of an upswing in jury needs and reporting times. In return, El Dorado Transit and Court staff would promote and market local fixed route service options.

Technology Updates

EDCTA procured and utilized more transit related technology to enhance its operations while maintaining a safe operating environment. EDCTA switched dispatch and scheduling software from Novus to Route Match. Staff indicated that Route Match provides better reporting and more functional integration such as linking to vehicle inspections through Zonar software, instant messaging and real time notification. A primary benefit from the switch to Route Match includes savings in manual labor from the program's use of Access database, and the subsequent reduction in data entry

errors. Zonar electronic fleet management software provides paperless vehicle inspection and the ability to capture service defects, odometer, and inspection information electronically and in real-time.

El Dorado Transit installed an Automated Vehicle Locator (AVL) system on its vehicles. The AVL for dial-a-ride has been fully functional and all driver time points and checks are paperless. AVL for fixed route is merged with Mobile Data Terminal devices and is being tested for full implementation. Paper entry of trip data by drivers during their runs is being completed as back up.

EDCTA also installed security systems at its administrative operations facility and security cameras onboard the revenue service vehicles. A key card system is used at the operations facility for entry and exit.

El Dorado Transit signed a Memorandum of Understanding with SACOG along with the partner transit systems in May 2011 for the governance of the regional universal transit fare system. Transit staff is in the planning phase of a project to purchase and install electronic fare boxes, and continues to work with the regional consortium on implementation of the universal fare card system which is currently in the final design review phase. Staff recognizes the potential benefits of coordinating and/or integrating these projects that are in development.

Management of Operations

The Operations Manager oversees a department of 60 employees including dispatchers, a demand response scheduler, mechanics, maintenance technicians, maintenance custodian, transportation supervisors and transit drivers. Turnover in driver staff has been low, with average time with EDCTA being about 7 years. Driver turnover generally occurs during their probation period upon hire.

A labor management group comprised of the Executive Director, Operations Manager, union steward, and business representative meet to discuss driver issues and labor contract matters. The Executive Director and Operations Manager negotiated the labor contract renewal with the Operating Engineers Local Union No. 3 Transit Drivers Bargaining Unit. The labor contract was renewed annually in FY 2009-10 and 2010-11. The FY 2010-11 contract terms were extended for an additional year into FY 2011-12. The labor contract was held essentially stable for the three year period in recognition of the challenging financial conditions facing the transit system.

EDCTA instituted a management practice in 2010 regarding payment of overtime. Accrual and payment of compensation from overtime was replaced with payment when overtime occurs. This helps with cash flow to spread out overtime payment. Management reviews ways to improve staff scheduling and minimize overtime including using trained drivers as backup for dispatch responsibility.

EDCTA places a strong emphasis on customer sensitivity, relations and safety. Employees are recognized through a perpetual plaque honoring an employee of the month, preferred parking space, and recognition by the board. Safe driver awards are given for no preventable/non-chargeable accidents.

Reported incidents are recorded by the operations staff that are then substantiated by EDCTA administration, a transportation supervisor and driver. Critical data elements to substantiate an incident are time and place of the occurrence. EDCTA has developed a protocol for handling complaints found in its Administration Procedures Manual. The use of MDTs on buses that provide real time communication between the driver and dispatch has helped to resolve communication issues and customer complaints. Substantiated complaints are listed in the Administrative Operations Report by bus route, area of concern, type of complaint, and date. Most complaints are from a missed passenger on a bus route.

A series of performance indicators are presented to provide trends in operations during the audit period. The factors used include substantiated complaints, vehicle accidents, dial-a-ride no shows, and on-time performance. With the exception of on-time performance, each factor, when combined with either service miles or ridership for that year, determines a performance indicator that is expressed on a unit basis for comparison across time. For example, complaints per 100,000 passengers provides a comparison of each year’s complaints in relation to the total number of riders for that year. Although the actual number of complaints over a three year period might increase, growth in ridership directly correlates with this increase which results in a steady performance trend. The tables below provide the performance indicators.

**Table V-1
Substantiated Complaints per 100,000 Passengers**

	FY 2010	FY 2011	FY 2012	Percent Change FYs 2010-2012
Substantiated Complaints	17	14	20	18%
Total Passengers	398,104	412,381	423,521	6%
Complaints per 100,000 Passengers	4.3	3.4	4.7	11%

Source: Administrative Operations Report, EDCTA

There is a slightly growing trend in the number of complaints relative to ridership. Complaints decreased between FYs 2010 and 2011, but increased in FY 2012. Whereas

the actual number of complaints increased by 18 percent, the performance indicator of complaints per 100,000 passengers shows a more stable trend.

The Customer Service Summary Report subsection of the EDCTA Administrative Operations Report shows total customer service issues whether registered by staff as a substantiated complaint or information only. There were 56 customer service issues in FY 2010, 30 in FY 2011, and 44 in FY 2012. The Customer Service report also shows the number of compliments submitted by passengers. During the audit period there were 10 compliments submitted in FY 2010, 12 in FY 2011, and 7 in FY 2012.

**Table V-2
Vehicle Accidents Per One Million Service Miles**

	FY 2010	FY 2011	FY 2012	Percent Change FYs 2010-2012
Vehicle Accidents	4	6	9	125%
Total Revenue Service Miles	996,189	1,023,239	1,027,860	3%
Vehicle Accidents Per One Million Miles	4.0	5.9	8.8	118%

Source: EDCTA

The number of vehicle accidents increased each year of the audit period, growing from 4 to 9 between 2010 and 2012. With small increases in revenue service miles for the same period, the performance indicator of vehicle accidents per one million miles maintained the same growth trend, namely that there was an increase in accidents relative to the miles driven during service.

**Table V-3
Dial-A-Ride No Shows Per 100,000 Passengers**

	FY 2010	FY 2011	FY 2012	Percent Change FYs 2010-2012
Dial-A-Ride No Shows	126	62	138	10%
Total Dial-A-Ride Trips	27,662	26,720	26,623	-4%
No Shows as % of Total Trips	0.46%	0.23%	0.52%	14%

Source: Administrative Operations Report, EDCTA

Passenger no shows on dial-a-ride could adversely impact the agency’s ability to group rides and meet passenger requests. The number of no shows decreased between FYs 2010 and 2011, then increased in FY 2012 for an overall increase of 10 percent for the audit period. With a decrease in dial-a-ride ridership for the last three years, the performance indicator of no shows as a percentage of total trips increased. Despite this trend, the percentages of no shows are very small, each year being under 1 percent of total dial-a-ride trips.

**Table V-4
On-Time Performance**

	Adopted Target	FY 2010	FY 2011	FY 2012	Percent Change FYs 2010-2012
Demand Response	90.0%	95.1%	92.6%	95.0%	0%
Local Community Bus	85.0%	85.2%	86.5%	87.7%	3%
Commuter Service	90.0%	97.2%	97.0%	95.6%	-2%

Source: Administrative Operations Report

On-time performance targets were adopted by the Board in 2010 for different transit modes. Buses were considered on-time if they departed the stop at or up to five minutes after the scheduled time. As shown in the table, the adopted targets were exceeded in each audit year. The on-time percentage for each mode did not vary by much by year. The full implementation of AVL could help gather additional on-time performance data for each mode as the technology would enable many more samples to be collected from different locations in comparison to manual data collection methods such as from bus stop time checks.

Planning

To cope with reduced revenues, EDCTA undertook significant service planning during the audit period resulting in reduced hours of service, elimination of some service, and increased fares to balance the budget. These reductions are described in the earlier parts of this audit section. Several reductions were phased in to lessen the immediate impact on riders and productivity.

EDCTA works with EDCTC to undertake planning endeavors for the transit system. One of the more significant planning studies conducted during the audit period was the *Transit Ridership Survey* that was completed in November 2011. The study gathered passenger and operating data in order to provide a review and evaluation of current

services. The study presents a review of current transit conditions, identifies strengths and weaknesses of the system through analysis of onboard survey results, and provides recommendations for transit improvements. The work was coordinated between El Dorado Transit staff, EDCTC staff, the EDCTC Social Services Transportation Advisory Council (SSTAC) and the Transit Advisory Committee (TAC) for El Dorado Transit. Based on input from the surveys and issues identified, a number of service improvements were recommended for local community bus, commuter service, dial-a-ride, and SAC-MED.

EDCTA, in partnership with EDCTC, is currently updating the Short Range Transit Plan (SRTP). Some service recommendations from the previous 2008 SRTP relating to service reductions, adjustments and consolidations were implemented during the audit period including combining the Placerville Express and Pollock Pines Routes to provide a “one bus” trip between Pollock Pines and Missouri Flat, and elimination of the the 1-day-a-week South County Route. No service expansion recommendations were implemented due to funding shortfalls. EDCTA has implemented aspects of the capital plan that provides recommendations for vehicle replacement, transit security enhancements, advanced public transit technologies and bus stop amenities. The agency secured Proposition 1B funds, among other funding sources, for the capital assets.

Maintenance

Most vehicle maintenance is performed in-house at El Dorado Transit’s Diamond Springs’ facility. The only exceptions include bodywork, major engine and transmission repair or windshield/glasswork. Each large maintenance project is reviewed and is contracted out, if necessary, in order to return the vehicle to revenue service as quickly as possible.

The preventative maintenance inspection (PMI) procedures are based on an A-B-C schedule and are color-coded. PMIs are scheduled based on mileage or days, whichever comes first, and tracked through mileage data noted at each fueling. EDCTA uses Square Rigger software as the main maintenance management system that integrates with Zonar fleet maintenance software and financial software to better manage and more accurately track vehicle inspections, mileage, repairs and maintenance, fueling, and parts inventory management.

Inventory of vehicle parts held by EDCTA has been reduced from improved management practice and from procurement of new commuter vehicles. The inventory has been reduced to an estimated value of \$100,000, with EDCTA using the warranties on the new vehicles for repairs.

Maintenance expenses were reduced each year due in large part to the new vehicles. According to the annual fiscal audit, maintenance costs over the three year period declined by 19 percent from \$266,864 in FY 2010 to \$217,637 in FY 2011, and down to \$215,455 in FY 2012.

Systemwide as well as modal roadcall information are provided in the Administrative Operators Report. Roadcalls provide a measure of maintenance performance and customer service, as a roadcall could result in an interruption of service. The following table shows this measure.

**Table V-5
Miles Between Roadcall**

	FY 2010	FY 2011	FY 2012	Percent Change FYs 2010-2012
Service Miles	996,189	1,023,239	1,027,860	3%
Roadcalls	87	74	67	-23%
Miles Between Roadcalls	11,450	13,828	15,341	34%

Source: Administrative Operations Report

As shown in the table, the number of roadcalls decreased even though the number of service miles increased, indicating a positive trend. The procurement of new cutaway vehicles in 2009 and 2012, and minivans and large commuter vehicles in 2010, comprised close to half of the revenue fleet which have helped to reduce roadcalls. As a result, the number of service miles between roadcalls increased during the audit period by 34 percent, a positive performance trend.

Marketing

Marketing efforts during the audit period were limited because of budget constraints and staff’s focus on working to minimize budget reductions on service. Regular on-going marketing activities were conducted including distribution of passenger materials, new releases, direct outreach through an on-going public speaking program, and one-on-one mobility training.

The new large MCI commuter vehicles provide a rolling advertisement of El Dorado Transit services between the County and downtown Sacramento. There is also additional space for advertising at bus shelters along local fixed route stops. A previous contract with an advertising vendor expired and the EDCTA is seeking a new vendor.

Special services for the Apple Hill Shuttle and El Dorado County Fair Shuttle were marketed to promote the use of alternative transportation to reduce emissions.

EDCTA provides materials in both English and Spanish. A bilingual assistant employed during the audit period provided Spanish translation services and greater outreach to the Hispanic community. While the agency does not currently employ any bilingual staff,

translation services are contracted at this time. Incoming calls from limited English proficient customers are conferenced in with an interpreter. In addition, Spanish language pocket guides are supplied to drivers for use in the field and passenger materials are made available in Spanish.

Much information about El Dorado Transit is available on the agency’s website <http://www.eldoradotransit.com/> that contains information about all routes, services, and fares. The website was upgraded to offer a link to a form to purchase bus fare media including bus passes and scrip books. The EDCTC website also provides a link to El Dorado Transit.

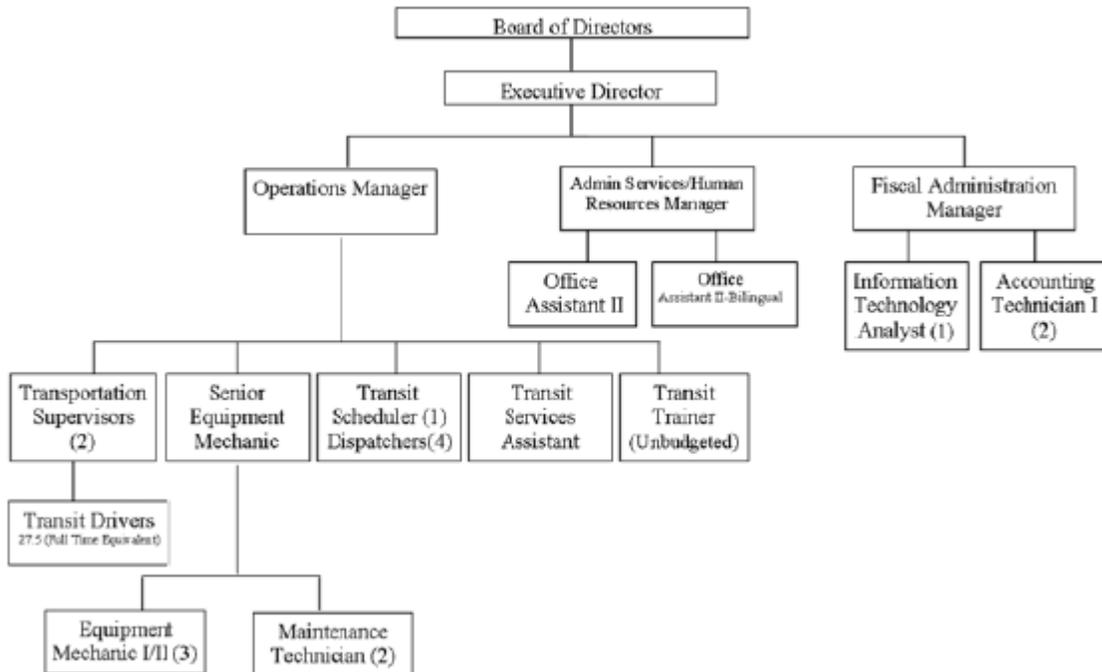
EDCTA maintains a social media presence through active accounts with Facebook, Twitter, and Pinterest. Rider alerts are posted through social media to quickly reach passengers in a sign of good customer service.

General Administration and Management

Management of EDCTA has been stable over the past three years. During the audit period, management staff was comprised of the Executive Director, Operations Manager, Administrative Services/Human Resources Manager, and Fiscal Administration Manager. Changes to this structure occurred in July 2012, after the audit period.

The following organization chart taken from the FY 2010-11 Administrative Operations Report outlines the agency’s staffing structure:

**Figure V-1
EDCTA Staffing Structure During Audit Period**



EDCTA staff work with the Transit Advisory Committee (TAC) that is responsible for reviewing the agency's budget, operation of the transit system, monitoring levels of service based upon budgets, and providing advice to the Executive Director. The TAC is advised on TDA performance measures every six months through the Administrative Operations Report. The majority of TAC members represent a cross section of the transit community including users of the service. The TAC meets every other month which are open to the public. When common issues arise such as for elderly and disabled transportation, the TAC will hold joint meetings with the EDCTC Social Services Transportation Advisory Council.

Interviews with EDCTA board members indicated positive sentiment on the management of the agency. Observations were made about management's strive for efficiency as a way to manage budget constraints, and that staff have been fiscally responsible in balancing transit services. Also, more grants have been successfully obtained for important planning studies.

Grants Administration

In addition to TDA revenues (both Local Transportation Fund and State Transit Assistance), EDCTA applies for and receives local and federal grants for operations including FTA Section 5311 (rural) and 5307 (urban) funds, and AB 2766 air quality funds for special service transportation. EDCTA has also secured a number of capital grants over the past three years for infrastructure improvements and vehicle replacement that promote productivity, security and safety. Capital projects were acquired through various funding sources including the Federal American Recovery and Reinvestment Act (ARRA), FTA 5307, FTA 5310, and State Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA).

Through a California Emergency Management Agency (CalEMA) safety and security grant funded by Proposition 1B, EDCTA purchased security cameras on the vehicles and the card system and cameras for building security. The agency also used Proposition 1B funds to purchase the Route Match and AVL/Mobile Data Terminal systems. A separate grant is used for the electronic fareboxes on the commuter buses that will integrate with the regional Connect Card system under a MOU with SACOG.

Additional capital funds have been awarded through the State Highway Operation Protection Program (SHOPP) Minor B program for maintenance and investment work at park and ride lots. State Transportation Improvement Program (STIP) funds have also been obtained for transit capital assets. As described in different areas of this audit section, the ability for EDCTA to replace vehicles and use technology, especially the new commuter vehicles, has had a positive impact through higher visibility of the agency during commute trips, reduced maintenance costs, and enhanced customer service.

Section VI

Findings and Recommendations

The following material summarizes the major findings obtained from this Triennial Audit covering FY's 2010 through 2012. A set of recommendations is then provided.

1. EDCTA has fully complied with all applicable requirements of TDA. A noted exception is that the annual TDA fiscal audit of EDCTA commissioned by EDCTC is in partial compliance with the definition of operating cost consistent with Public Utilities Code Section 99247 pertaining to performance measures. The audited financial statements exclude special services (Apple Hill Shuttle and El Dorado County Fair Shuttle) when calculating the audited farebox recovery ratio. The PUC definition does not have a provision for excluding these costs from the farebox ratio. This issue will be resolved between EDCTA and the fiscal auditor.
2. EDCTA received a "satisfactory" rating for each CHP terminal inspection for its maintenance facility.
3. Two of the three prior audit recommendations have been fully implemented. The prior recommendation partially implemented pertains to comparing actual performance data to Short Range Transit Plan standards in the Administrative Operations Report. The prior recommendation is carried forward in this audit as a recommendation for full implementation.
4. After significant reductions in service hours in FY 2010 to balance a budget shortfall, systemwide ridership decreased and then increased over the past three years. Between FYs 2009 and 2010, total ridership declined by 11 percent, but increased by 3.5 percent in FY 2011 which exceeded the agency's goal of a 3 percent increase. Ridership continued to grow in 2012 and grew by 2.7 percent, just under the 3 percent goal.
5. Operating costs systemwide increased by only 3.6 percent from the baseline year of FY 2009 through FY 2012. Operating expenses declined between FYs 2009 and 2010, and then increased marginally through 2012. EDCTA reduced its staff in 2010 by about 8 full time equivalents as it reduced services to maintain balance with declining revenues.
6. The trend in the fare recovery ratio, a key performance indicator, shows consistency in El Dorado Transit exceeding the minimum TDA standard of 11.5 percent. Using

State Controller Report data, the systemwide farebox ratio was consistent at between 26.6 and 27.6 percent per year during the audit period.

7. EDCTA has used technology as an opportunity to improve efficiencies. The agency has switched to a more useful scheduling software system, integrated different technology systems to enhance communication and management of operations, and furthered its efforts to use vehicle locator systems to better track vehicles and improve customer service.
8. A significant planning study conducted during the audit period was the *Transit Ridership Survey* that was completed in November 2011. The study identified strengths and weaknesses of the system through analysis of onboard survey results, and provided recommendations for transit improvements .
9. Maintenance expenses were reduced each year due in large part to procurement of new vehicles. According to the annual fiscal audit, maintenance costs over the three year period declined by 19 percent.
10. Management of EDCTA has been stable over the past three years. Observations were made about management's strive for efficiency as a way to manage budget constraints, and that staff have been fiscally responsible in balancing transit services. Also, a number of grants have been successfully obtained for important planning studies and capital asset purchases that promote productivity, security and safety.

Triennial Audit Recommendations

1. *Address the exclusion of special services costs in the audited farebox ratio.*

The Public Utilities Code definition for operations cost (PUC 99247(a)) does not allow exclusion of special service transportation that is not considered charter service. Although the audited farebox ratio excludes cost for special services (Apple Hill and El Dorado County Fair shuttles), both the internal Administrative Operations Report as well as the State Controller's Financial Transactions Report do include these expenses in the farebox ratio. EDCTA should work with the fiscal auditor to resolve these differences in allowable exclusions.

2. *Maintain consistency in farebox ratio calculations between the fiscal audit, the State Controller Report and the Administrative Operations Report.*

EDCTA should have one consistent methodology for treatment of special services in calculating the systemwide farebox recovery ratio. The methodology should simulate that used in the State Controller Report which follows PUC 99247. The methodology, as applied to El Dorado Transit, would include the operating cost for special services as well as the Apple Hill Growers Reimbursement and local El Dorado County Fair revenues, but excluding the air quality grant funds as fares. The special service farebox ratios in the appendix of the Administrative Operations Report should be updated to reflect the methodology. The revised systemwide farebox is lowered by a small amount but the methodology would be consistent for all financial reporting. The lower farebox ratio would still be well above the TDA farebox standard established by EDCTC.

3. *Fully implement the prior audit recommendation pertaining to directly comparing performance data against SRTP standards by mode in the year-end Administrative Operations Report.*

EDCTA should fully implement the prior performance audit recommendation and compare SRTP standards for each type of service against fiscal year-end actual data in the Administrative Operations Report. The SRTP standards include operating subsidy per passenger and passengers per vehicle service hour. With an update to the SRTP currently underway, EDCTA could incorporate the updated standards.