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Council of Governments

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cta
County Transportation Authority

Support Material Agenda Item No. 13

Board of Directors Meeting

October 6, 2021
10:30 AM

Location:
San Bernardino County Transportation Authority
First Floor Lobby Board Room
Santa Fe Depot, 1170 W. 3rd Street
San Bernardino, CA 92410

CONSENT CALENDAR

Consent - Transit

13. Operators Transportation Development Act Triennial Performance Audits for Fiscal Year 2017/18 - 2019/2020

Receive the Transportation Development Act Triennial Performance Audit Reports for Fiscal Years 2017/2018 through 2019/2020 for the Mountain Area Regional Transit Authority, Morongo Basin Transit Authority, City of Needles - Needles Area Transit, Omnitrans and Victor Valley Transit Authority.

The Operators Transportation Development Act Triennial Performance Audits for Fiscal Year 2017/18 - 2019/2020 are attached.

FY 2018–2020 TRIENNIAL PERFORMANCE AUDIT

sbcta
san bernardino county transportation authority

MOUNTAIN TRANSIT

MOUNTAIN TRANSIT

August 2021

Submitted to:

San Bernardino County Transportation Authority

Submitted by:

Michael Baker INTERNATIONAL

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Executive Summary

The San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the five public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Mountain Area Regional Transit Authority (Mountain Transit), covering the most recent triennial period, fiscal years 2017-18 through 2019-20.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- Transit System Performance Trends
- Detailed Functional Review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of Mountain Transit.

Compliance with TDA Requirements

Of the nine compliance requirements pertaining to Mountain Transit, the operator fully complied with seven requirements. The operator was partially compliant regarding the timely submittal of its Transit Operators Financial Transactions Report to the State Controller and calculation of full-time employee equivalents. Two additional compliance requirements did not apply to the operator (i.e., blended and urban farebox recovery ratios).

Status of Prior Audit Recommendations

Mountain Transit satisfactorily implemented two out of four prior audit recommendations. The completed recommendations pertained to the use of local support funds to enhance farebox revenues and collaborative efforts with the City of Big Bear Lake and other local agencies on infrastructure improvements. One recommendation, pertaining to revenue subsidy agreements with local colleges and universities, was partially implemented from Mountain Transit's attempt to work with Victor Valley College on a pass program but was not finalized due to the discontinuation of Off the Mountain (OTM) Route 13. The recommendation pertaining to the calculation of full-time employee equivalents was not implemented and is carried forward in this audit for full implementation.

Transit System Performance Trends

1. Mountain Transit is held to a 10 percent minimum farebox recovery ratio. For the three-year audit period, the farebox recovery ratio was 12.56 percent in FY 2018; 13.37 percent in FY 2019; and 10.00 percent in FY 2020.[1] The average system-wide farebox recovery ratio was 11.98 percent during the triennial review period. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

2. Operating costs system-wide rose from the FY 2017 base year to FY 2020, increasing 27.5 percent using audited data. Fixed-route operating costs increased 18 percent whereas demand-response costs increased 66.8 percent using unaudited modal data. Per an average annual basis, costs increased 8.5 percent with the highest increase of 15.5 percent occurring in FY 2019. The higher costs are attributed to new service implementation and employee pay raises and benefit increases.

3. Ridership decreased by 2.6 percent system-wide from the FY 2017 base year to FY 2020. Fixed-route passenger trips remained relatively unchanged with a 0.4 percent increase; however, demand-response ridership decreased 26.9 percent. After a system-wide increase of 13.2 percent in FY 2018, there was an increase of 1.4 percent in FY 2019. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 15.2 percent. Ridership increased 4.1 percent in the second quarter of FY 2020, followed by a 19.7 percent increase in the third quarter, and 63.5 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

4. Operating cost per passenger, an indicator of cost effectiveness, increased 30.9 percent system-wide, an indicator showing that operating costs have increased at a higher rate than passenger trips. Cost per passenger increased 17.5 percent on fixed route yet increased 128.3 percent on the demand-response service. Fixed-route trips remained relatively flat compared to the 18 percent increase in operating costs. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $20.53 in the first quarter of FY 2020, $20.98 in the second quarter, $16.55 in the third quarter, and $49.32 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $26.85.

5. Operating cost per hour, an indicator of cost efficiency, increased 33.4 percent system-wide based on audited cost data. In contrast, the indicator increased 21.4 percent on the fixed route yet increased 82.9 percent on demand response based on unaudited modal cost data.

[1] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19.

Vehicle service hours on the fixed route decreased 2.8 percent whereas operating costs increased 18 percent. For demand response, service hours decreased 8.8 percent while operating costs increased 66.8 percent. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $89.64 in the first quarter, $100.07 in the second quarter, $97.41 in the third quarter, and $138.38 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $106.38.

6. Passengers per hour, which measures the effectiveness of the service delivered, increased 1.9 percent system-wide from 4.5 passengers in the FY 2017 base year to 4.6 passengers in FY 2020. This indicator for the fixed-route mode increased 3.3 percent whereas for demand response there was an approximate 21 percent decrease. The number of passenger trips per hour peaked at 4.8 passengers system-wide and 5.7 passengers on the fixed route during FY 2018. During FY 2020, passengers per hour were 4.4 in the first quarter, 4.8 in the second quarter, 5.9 in the third quarter, and 2.8 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 4.5 passengers.

Detailed Functional Review

1. Mountain Transit deepened its relationship with the local winter resort industry. Its seasonal Route 9 has benefited from the partnership with the Big Bear Mountain Resort. The agency operates service to the local ski resorts during the winter season, approximately from mid-November to mid-April.

2. Mountain Transit implemented OTM service between Big Bear and Victorville, effective March 1, 2018. OTM Route 13 was composed of three bi-directional trips Monday through Friday and two bi-directional trips on the weekend. Due to lower than expected ridership demand, Route 13 was eventually discontinued on April 26, 2019.

3. In 2018, Mountain Transit received a request from the RIM School District to provide service for their students impacted by Caltrans construction on the Crestline Dam. Mountain Transit ran service three times per day, picking up approximately 170 to 220 students per week. The County of San Bernardino covered the cost of providing the service.

4. Mountain Transit implemented a mobile-based dispatching software system. The Star TrakGPS allows for real-time GPS tracking of buses from a mobile tablet. Mobile tablets can also categorize each passenger. The software went live in November 2017 after a challenging implementation process.

5. In July 2020, Mountain Transit implemented the mobile ticketing platform, Token Transit. Token Transit is a free app that allows riders to purchase their bus passes on their smartphones using a credit or debit card. The app displays a digital pass on the rider's phone screen, which is shown to the driver as the passenger boards the bus.

6. In August 2019, an electrical fire broke out at the Crestline facility located at 621 Forest Shade Road. The exterior and some of the interior office space sustained damage. In the wake of the fire, Mountain Transit initiated plans to rebuild and upgrade the Crestline facility. The two-story design increases parking stalls and includes a bus washing station, required ADA access, solar panels on covered bus parking, and ample room for electric charging stations.

7. Mountain Transit implemented an advertising program in January 2020. Big Bear Guides was awarded the contract to sell ads on the bus exteriors and shelters. The first paid bus advertisement secured by Big Bear Guides was purchased by the City of Big Bear Lake. Exterior advertising space is available on the bus shelters and on the vehicles.

8. Mountain Transit's long-time general manager gave notice to the Mountain Transit Board of Directors of her departure from the agency in March 2020. The assistant general manager assumed the role of interim general manager, then general manager effective April 18, 2020. This change in senior management created a vacancy of the position of assistant general manager, which will remain vacant under the agency's reorganization plan.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Calculate full-time employee equivalents using TDA definitions.	This recommendation is being carried over from the prior audit for full implementation. An auditor review of the full-time employee equivalent data reported in the Transit Operators Financial Transactions Reports revealed an incorrect calculation for both service modes. The employee data reported in the FY 2018 State Controller Report showed 19 FTEs for the motor bus mode and 14 FTEs for the demand-response mode. In the FY 2020 report, there are 23 FTEs reported for the motor bus mode and 23 FTEs. The FTE data appear to reflect a headcount rather than the total annual labor hours divided by 2,000. Mountain Transit does track the labor hours for each employee annually on an Excel spreadsheet. Driver trip manifests can also be utilized to calculate labor hours by service mode. These sources should enable the agency to conform to the FTE definition.	High Priority

Performance Audit Recommendation	Background	Timeline
2. Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.	In the compliance review section, it was found that Mountain Transit submitted its Transit Operators Financial Transactions Reports to the State Controller after the statutory deadline for a few years during the audit period. Pursuant to Public Utilities Code Section 99243, the report is due within seven months after the end of the fiscal year, which is on or before January 31. The submission of reports to the State Controller in a timely manner will further demonstrate Mountain Transit's proactive approach to compliance with state reporting instructions.	High Priority
3. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.	A prior audit recommendation suggested that Mountain Transit pursue revenue subsidy agreements with local colleges and universities as a means to support farebox recovery and boost ridership. This was prompted by the launch of Route 13, an Off the Mountain (OTM) service which operated between Big Bear and Victorville and had Victor Valley College as one of its timepoints. According to Mountain Transit staff, the period prior to and during the COVID pandemic provided the agency an opportunity to reset its course of service delivery and to further engage with the larger community in providing needed transportation services. Multiple examples of such agreements with both public and private entities were cited such as with the RIM School District and Big Bear Mountain resort. Given the status and current uncertainties with public transit in general, Mountain Transit's active partnerships help stabilize operations and provide more steady revenue streams while providing more visibility to the service. We applaud the agency's approach towards building local and regional partnerships that have become a viable aspect of transit systems, and are further recommending their continued pursuit of these types of engagements.	Medium Priority

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 San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the TDA triennial performance audit of the five public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for the Mountain Area Regional Transit Authority, or Mountain Transit (formerly known as MARTA), covering the most recent triennial period, fiscal years 2017-18 through 2019-20.

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

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

Overview of the Transit System

Mountain Transit covers a 640-square-mile service area that encompasses the mountain communities of San Bernardino County. Mountain Transit, then known as MARTA, was created in December 1993 as a Joint Powers Authority (JPA) between the City of Big Bear Lake and the County of San Bernardino. The purpose of Mountain Transit is to provide coordinated public transit services to the Rim of the World (RIM) mountain communities of Running Springs, Crestline, Lake Arrowhead, and Blue Jay, and the Big Bear Valley, with connections to San Bernardino. MARTA was rebranded as Mountain Transit in 2014.

The JPA is governed by a five-member board consisting of two elected officials from Big Bear Lake (or their designee), two members from the County Board of Supervisors (or their designee)

representing the Second and Third Districts, and one member-at-large who is selected by a majority of the other members. The at-large member serves for a term of two years.

A demographic snapshot of key cities and Census-designated places (CDPs) in the Mountain Transit service area is presented below in Table I-1:

Table I-1
Mountain Transit Service Area Demographics

City/CDP	2019 ACS 5-Year Estimates	Change from 2010 US Census	% Population 65 Years & Older 2019 ACS	2021 Department of Finance Estimates	Land Area (in square miles)
Big Bear City CDP	13,463	+9.4%	19.6%	n/a	31.95
Big Bear Lake	5,241	+4.4%	20.9%	5,189	6.35
Crestline	8,709	-19.1%	16.3%	n/a	13.84
Lake Arrowhead	8,940	-28.0%	22.7%	n/a	17.73
Running Springs	4,071	-16.3%	20.8%	n/a	4.20

Source: 2010 US Census; 2019 American Community Survey 5-Year Estimates & California Department of Finance, 2021 Population Estimates

The City of Big Bear Lake is the only incorporated city in Mountain Transit's local service area. Big Bear Lake is a charter city incorporated in 1980 and has a council-manager form of government. The 2021 population is estimated to be 5,189 as reported by the California Department of Finance. The unincorporated communities in Mountain Transit's local service area include Big Bear City, Crestline, Lake Arrowhead, and Running Springs.

Approximately 92 percent of Mountain Transit's ridership is transit dependent. This is attributed to the higher than average poverty and unemployment rates among the year-round population. Winter tourism is a mainstay of the local economy, which only provides for seasonal employment. The Mountain Transit ridership market is also affected by local homeownership in which about half the residences in the Big Bear area are considered second or vacation homes, thus not providing housing for transit dependent riders.

System Characteristics

Mountain Transit operates three types of transit services: local fixed route, Dial-a-Ride, and Off the Mountain (OTM) service into the San Bernardino Valley for interline trips to Greyhound, Omnitrans, and Metrolink. The local fixed routes and Dial-a-Ride cover two geographies: Big Bear and the RIM area (Crestline/Lake Arrowhead). The Big Bear local fixed-route service operates seven days a week, with abbreviated service on Sundays. A seasonal weekend trolley serves the local ski resorts in the Big Bear area. Given the broad service areas, the OTM and RIM area routes are configured according to zones.

Mountain Transit's OTM service connects the mountain communities with major stops in San Bernardino, such as Metrolink, Greyhound, the San Bernardino Transit Center, and St. Bernardine

Medical Center, as well as other stops along the way. This service runs Monday through Sunday in Big Bear, with three trips from Big Bear Monday through Friday and two trips Saturday and Sunday. From Crestline/Lake Arrowhead, the service runs four trips Monday through Friday and two trips on Saturday.

Mountain Transit's fixed-route services during the audit period and prior to the COVID-19 pandemic service adjustments are described in detail in Table I-2.

Table I-2
Mountain Transit Fixed Route Services

Route Number	Route Description	Frequency/Operation	Key Timepoints
1	**Boulder Bay to Interlaken Center (Big Bear)**	Hourly (Monday through Saturday from 5:30 a.m. to 7:30 p.m. and Sunday from 6:30 a.m. to 6:30 p.m.)	▪ Boulder Bay ▪ The Village ▪ Bear Valley Community Hospital ▪ Bear Mountain Ski Resort ▪ Kmart ▪ Mountain Transit Transfer Point ▪ Interlaken Shopping Center ▪ Stater Bros. Market
2	**Valley of Enchantment – Crestline – Lake Arrowhead (RIM Area)**	90 minutes (Monday through Saturday from 5:26 a.m. to 7:05 p.m. and Sunday 10:15 a.m. to 5:35 p.m.)	**Top Town/Crestline Zone:** ▪ VOE Mobile Home Park ▪ Cedar Pines Park/VFW ▪ Top Town ▪ Goodwin's Market **Twin Peaks/RIM Forest Zone:** ▪ Twin Peaks Sheriff's Station **Lake Arrowhead Zone:** ▪ BlueJay Library ▪ Stater Bros. Market ▪ Mountain Community Hospital (by request)
3	**Mountain Meadows – Gold Mountain (Big Bear)**	Hourly (Daily from 10:00 a.m. to 5:00 p.m.) *Post Audit Period: Hourly (Monday through Friday from 8:20 a.m. to 5:10 p.m.)*	▪ Mountain Meadows Seniors Apt. ▪ The Village ▪ Bear Valley Community Hospital ▪ Bear Mountain Ski Resort ▪ Stater Bros. Market

Route Number	Route Description	Frequency/Operation	Key Timepoints
			▪ Mountain Transit Transfer Point ▪ Sandalwood
4	**Lake Arrowhead – Running Springs (RIM Area)**	90 minutes (Monday through Saturday from 10:30 a.m. to 5:15 p.m.)	**Lake Arrowhead Zone:** ▪ Mountain Community Hospital ▪ Lake Arrowhead Village ▪ Skyforest ▪ Stater Bros. **Running Springs Zone:** ▪ Palo Alto and Commercial
5	**Off the Mountain – Big Bear Valley (Big Bear)**	▪ Three bi-directional trips (Monday through Friday) ▪ Two bi-directional trips (Saturday and Sunday)	▪ Big Bear Lake ▪ Snow Valley ▪ Arrowbear ▪ Running Springs ▪ Metrolink (San Bernardino) ▪ Greyhound (San Bernardino) ▪ Transit Mall ▪ St. Bernardine Med. Ctr.
6	**Off the Mountain – Lake Arrowhead/Crestline (RIM Service)**	▪ Four bi-directional trips (Monday through Friday from 5:15 a.m. to 8:19 p.m.) ▪ Two bi-directional trips (Saturday from 8:30 a.m. to 5:24 p.m.)	**Lake Arrowhead Zone:** ▪ Lake Arrowhead ▪ Blue Jay **Twin Peaks/RIM Forest Zone:** ▪ Rim Forest **Top Town/Crestline Zone:** ▪ Crestline ▪ Top Town **San Bernardino Zone:** ▪ Metrolink (San Bernardino) ▪ Greyhound (San Bernardino) ▪ Transit Mall ▪ St. Bernardine Med. Ctr.
11	**Erwin Lake to Vons (Big Bear)**	Hourly (Monday through Saturday from 5:30 a.m. to 7:30 p.m. and Sunday 6:30 a.m. to 6:30 p.m.)	▪ Erwin Lake ▪ Sugarloaf ▪ North Shore Dr. @ Gold Mountain ▪ Interlaken Shopping Center

Route Number	Route Description	Frequency/Operation	Key Timepoints
			▪ Stater Bros. Market ▪ Circle K
13	**Off the Mountain – Big Bear/Lucerne/Apple Valley/Victorville** **(Service commenced March 1, 2018)**	Three trips (Monday through Friday from 5:30 a.m. to 7:36 p.m.) Two trips (Saturday and Sunday from 8:30 a.m. to 7:36 p.m.)	**Big Bear Zone:** ▪ Sandal Wood Drive (Vons) ▪ Mitsubishi Cement Plant **Lucerne Zone:** ▪ Lucerne Valley Market **Apple Valley Zone:** ▪ Apple Valley Road & Bear Valley ▪ Jess Ranch Road & Apple Valley Road ▪ Victor Valley College **Victorville Zone:** ▪ Hesperia Road & Bear Valley Road ▪ Victorville Transit Point
Trolley	**Big Bear Village – Interlaken**	**Winter Only** Hourly (Saturday 8:00 a.m. to 8:21 p.m. and Sunday 10:00 a.m. to 2:21 p.m.)	▪ The Lodge ▪ Nottingham's ▪ Copper Q ▪ Interlaken Shopping Center ▪ Snow Summit ▪ Best Western ▪ Bear Mountain Ski Resort
Trolley	**RIM Area Weekend Trolley**	**Summer Only (May through Labor Day Weekend)** Four trips (Friday and Saturday from 3:15 p.m. to 10:19 p.m. and Sunday and holidays 10:40 a.m. to 5:30 p.m.)	▪ Top Town ▪ Sleepy Hollow Park & Ride ▪ Twin Peaks ▪ BlueJay Village ▪ Lake Arrowhead ▪ Cedar Glen ▪ Tudorville ▪ Skyforest ▪ SkyPark @ Santa's Village ▪ Mandarin Village

Source: Mountain Transit

The transit system operates year-round but does not operate on the following holidays: New Year's Day, Independence Day (observed), Thanksgiving, and Christmas. Limited service schedule is operated on Martin Luther King Jr. Day (observed), Presidents' Day, Memorial Day, and Labor Day. Service may be limited or cancelled due to inclement weather conditions. Mountain Transit's office provides bus status and service information.

Mountain Transit implemented Route 13 effective March 1, 2018, which is an OTM service between Big Bear and the Victor Valley. There are three bi-directional trips that operate Monday through Friday and two bi-directional trips that operate Saturday and Sunday.

In partnership with Bear Mountain Resort, Mountain Transit implemented an airport transport service for fly-in guests into the Big Bear Airport in December 2020. The service is free to and from Bear Mountain and Snow Summit. Service to and from The Village Shops and Restaurants is $5.00 per passenger. Service is available seven days a week with the last pick at 6:00 p.m.

Dial-a-Ride

In addition to the fixed-route services described, Mountain Transit offers Dial-a-Ride services. Dial-a-Ride covers the same area as the local fixed-route service. There are no OTM Dial-a-Ride services, although a Dial-a-Ride vehicle will drop a passenger off at the nearest bus stop. Dial-a-Ride service is available for seniors (aged 60 and older) and disabled persons living within three-quarters of a mile beyond a Mountain Transit fixed route and to anyone living more than three-quarters of a mile beyond the fixed route but within the Dial-a-Ride service area. All other passengers must use the fixed-route service. Dial-a-Ride passengers are advised to call for service at least two hours prior to requested pickup time, although 24 hours' advanced notice is preferred. Appointments for return trips should be made at the time of initial appointment when possible. Mountain Transit's Dial-a-Ride services are outlined in Table I-3.

Table I-3
Mountain Transit Dial-a-Ride Services

Dial-a-Ride Service	Operation	Communities Served
Big Bear	**Monday through Sunday:** First Reservation: 5:45 a.m. Last Reservation: 10:30 p.m.	▪ Baldwin Lake ▪ Big Bear Lake ▪ Big Bear City ▪ Erwin Lake ▪ Fawnskin ▪ Lake Williams ▪ Sugarloaf
RIM Area	**Monday through Friday:** First Reservation: 5:30 a.m. Last Reservation: 7:45 p.m. **Saturday:** First Reservation: 5:30 a.m. Last Reservation: 6:45 p.m. **Sunday:**	▪ Arrowbear ▪ Blue Jay ▪ Cedar Glen ▪ Cedar Pines ▪ Crestline ▪ Crest Park ▪ Green Valley Lake

Dial-a-Ride Service	Operation	Communities Served
	First Reservation: 10:30 a.m. Last Reservation: 5:15 p.m.	▪ Lake Arrowhead ▪ Rimforest ▪ Running Springs ▪ Twin Peaks ▪ Valley of Enchantment

Source: Mountain Transit

In the Big Bear Dial-a-Ride service area, there is a $2.50 fare surcharge to Fawnskin, Lake Williams, and Baldwin Lake. In the RIM Dial-a-Ride service area, service is available to Green Valley Lake on Tuesday and Thursday for an additional $2.50 fare surcharge.

Due to both the mountain topography and expansive service area, Mountain Transit has two operations facilities: one in Big Bear Valley to the east and the other in Crestline to the west (known as the RIM Facility). The administrative functions are primarily conducted from the Big Bear Valley facility although some of the accounting functions for RIM services are conducted out of the Crestline facility.

Mountain Transit is also part of the Mountain Mutual Aid Association, which plans and prepares for disasters such as fire, snow, and flood. Assistance provided by Mountain Transit during a crisis is reimbursed by the Federal Emergency Management Agency through direct payments.

Fares

Mountain Transit's fare structure is reflective of its broad and diverse service area. Fixed-route and Dial-a-Ride fares for the Big Bear Valley services are fixed, whereas for the RIM and OTM services, the fare structure is composed of zones. There is a $2.50 fare surcharge to Fawnskin, Lake Williams, and Baldwin Lake. Half fares on all Mountain Transit routes are available to persons aged 60 and older with state-issued identification, veterans with an identification card, and persons with disabilities with a Mountain Transit ADA Card. Day passes are available for purchase from the driver. Other passes and tickets are available by telephone or at Mountain Transit offices with cash, check, or Visa and MasterCard credit cards. The fare structure during the audit period is shown in Table I-4.

Table I-4
Mountain Transit Fare Schedule

	Adult	Senior/ Disabled/Veterans
Big Bear		
Big Bear Routes 1, 3 & 11	$1.50	$0.75
RIM Area Routes 2 & 4		
Top Town/Crestline	$1.00 - $4.00	
Twin Peaks/Rim Forest	$1.00 - $3.00	
Lake Arrowhead Village	$1.00 - $3.00	

	Adult	Senior/ Disabled/Veterans
Running Springs	$1.00 - $4.00	
Off the Mountain (OTM) Services		
Big Bear		
Big Bear/Fawnskin	$2.50 - $10.00	
Snow Valley	$2.50 - $7.50	
Running Springs/Arrowbear	$2.50 - $7.50	
San Bernardino	$5.00 - $10.00	
Route 13 - Big Bear/Lucerne/Apple Valley/Victorville	$2.50 - $10.00	
RIM Area		
Top Town/Crestline	$1.50 - $4.50	
Twin Peaks/Rim Forest	$1.50 - $6.00	
Lake Arrowhead Village	$1.50 - $7.50	
San Bernardino	$4.50 - $7.50	
Weekend Trolley	**Adult**	**Senior/ Disabled/Veterans**
	$5.00	$2.50
Dial-a-Ride	**Adult**	**Senior/ Disabled/Veterans**
Big Bear		
Within ¾ mile of fixed route	$5.00	$2.50
With surcharge from Baldwin Lake, Fawnskin & Lake Williams	$7.50	$5.00
20-Punch Pass (Each punch is good for a $2.50 regular fare and $1.25 senior/disabled fare)	$45.00	$22.50
RIM Area		
Top Town/Crestline	$4.00 - $10.00	
Twin Peaks/Rim Forest	$4.00 - $8.00	
Lake Arrowhead Village	$4.00 - $8.00	
Running Springs	$4.00 - $10.00	
20-Punch Pass (Each punch is good for a $2.00 regular fare and $1.00 senior/disabled fare)	$36.00	$18.00
Passes	**Adult**	**Senior/ Disabled/Veterans**
RIM Local Day Pass	$5.00	$2.50
RIM Local 10-Zone Punch Pass	$9.00	$4.50
Big Bear Local Day Pass	$4.00	$2.00
Big Bear Local 10-Zone Punch Pass	$13.50	$6.75
RIM OTM 30-Punch Pass	$40.50	$20.25
Big Bear OTM 24-Punch Pass	$54.00	$27.00

Source: Mountain Transit

Fleet

There were 20 vehicles in the total fleet during the audit period, as shown in TransTrack. During the audit period, Mountain Transit acquired many new replacement vehicles. All vehicles are equipped with wheelchair lifts in conformance with the Americans with Disabilities Act (ADA) of 1990. Table I-5 shows the vehicle fleet and service type.

Table I-5
Mountain Transit Fleet

Year	Manufacturer	Quantity	Fuel type	Service Type	Seating Capacity
2015	Ford El Dorado F-550 Glaval – Class E	1	Unleaded	Dial-a-Ride	4 (1 W/C)
2015	Ford Glaval F-550 AZ	3	Unleaded	Fixed Route	18 (2 W/C)
2015	Glaval Legacy	2	Diesel	OTM	26 (2 W/C)
2016	Supreme F53 Trolley	1	Unleaded	Weekend Trolley	28 (2 W/C)
2016	Ford Glaval Entourage	2	Unleaded	Fixed Route	26 (2 W/C)
2017	Ford NorCal Van	1	Unleaded	Dial-a-Ride	9 (2 W/C)
2017	Micro Bird E-450	2	Unleaded	Dial-a-Ride	20 (2 W/C)
2018	Ford Trolley F-550	1	Unleaded	Fixed Route	18 (2 W/C)
2018	Ford Glaval E-450	1	Unleaded	RIM Service	16 (2 W/C)
2019	Ford Glaval E-450 Cutaway	3	Unleaded	Fixed Route	16 (2 W/C)
2019	Ford NorCal 4x4 Van	2	Unleaded	Dial-a-Ride	4 (1 W/C)
2020	Ford NorCal 4x4 Van	1	Unleaded	Dial-a-Ride	4 (1 W/C)
Total		**20**			

Source: TransTrack Manager
W/C=Wheelchair

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of Mountain Transit's ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses Caltrans's *Performance Audit Guidebook* to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each requirement is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1
Operator Compliance Requirements Matrix

Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2018: February 11, 2019 *(electronic submittal date)*; February 19, 2019 *(signed cover page)* FY 2019: January 31, 2020 FY 2020: February 2, 2021 **Conclusion: Partial compliance.**
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 2018: December 21, 2018 FY 2019: December 20, 2019 FY 2020: December 18, 2020 **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	Mountain Transit participates in the CHP Transit Operator Compliance Program, in which the CHP conducted inspections within the 13 months prior to each TDA claim. Inspections were conducted at each of Mountain Transit's operations facilities: Inspection dates applicable to the audit period at Mountain Transit's Big Bear facility located at 41932 Farm Fox Road were October 24, 2017; October 18 & 24, 2018; October 15 & 23, 2019; and October 13 & 14, 2020. Inspection dates applicable to the audit period at Mountain Transit's Crestline facility located at 621 Forest Shade Drive were June 12 & 13, 2017; June 12 & 13, 2018; June 12 & 15, 2018; and July 10, 2020. Inspections were rated satisfactory. **Conclusion: Complied.**
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	As a condition of approval, Mountain Transit's annual claims for Local Transportation Funds (LTF) and State Transit Assistance Funds are submitted in compliance with the rules and regulations adopted by SBCTA. **Conclusion: Complied.**

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
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	This requirement is not applicable, as Mountain Transit serves a nonurbanized area. **Conclusion: Not applicable.**
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in Mountain Transit's operating budget: FY 2018:+0.4% FY 2019:+4.0% FY 2020:+7.6% *Source: Mountain Transit's Budget for FY 2017-2020* **Conclusion: Complied.**
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	Mountain Transit's definition of performance is consistent with PUC Section 99247. A review of trip sheets and TransTrack reports generated during the audit period indicates that most performance data are being collected. However, vehicle service hours per employee have been derived from an FTE factor based on the federal standard of 2,080 hours instead of the TDA standard of 2,000 hours. **Conclusion: Partial compliance.**

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as Mountain Transit serves a nonurbanized area. **Conclusion: Not applicable.**
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Mountain Transit's operating ratios using data from the annual fiscal and compliance audits were as follows: FY 2018: 12.56% FY 2019: 13.37% FY 2020: 10.00% Local funds (Measure I) were applied by the operator to supplement fare box revenues to satisfy the 10% fare ratio as permitted by Section 99268.19. *Source: Mountain Area Regional Transit Authority Financial Statements (Audited)* **Conclusion: Complied.**
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation	Public Utilities Code, Section 99271	Represented employees' retirement under Teamsters Local 572 is fully funded by contributions to the Western Conference of Teamsters Pension Fund. Mountain

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		Transit administers a defined contribution pension plan, the MARTA 401(a) Plan, which is available to nonrepresented employees who have attained 21 years of age and completed 500 hours of service. In addition, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances. The agency's retirement system is one such standard assurance. **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)	Mountain Transit utilizes federal funds that are available to the agency, as reported in the annual financial statements (audited). FY 2018: $420,780 (operations) FY 2019: $281,775 (operations) $372,356 (capital) FY 2020: $281,774 (operations) *Source: Mountain Area Regional Transit Authority Financial Statements (Audited)* **Conclusion: Complied.**

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the nine compliance requirements pertaining to Mountain Transit, the operator fully complied with seven requirements. The operator was partially compliant regarding the timely submittal of its Transit Operators' Financial Transactions Report to the State Controller (late submittal in FY 2018) and calculation of full-time employee equivalents. Two additional compliance requirements did not apply to the operator (i.e., blended and urban farebox recovery ratios).

2. Mountain Transit's farebox recovery ratio remained above the required 10 percent standard. For the three-year audit period, the farebox recovery ratio was 12.56 percent in FY 2018; 13.37 percent in FY 2019; and 10.00 percent in FY 2020.[2] The average system-wide farebox recovery ratio was 11.98 percent during the triennial review period. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

3. Mountain Transit participates in the CHP Transit Operator Compliance Program and received inspections of its transit vehicles at both its Big Bear and Crestline facilities within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. The operating budget exhibited moderate increases for each fiscal year of the audit period. The budget increased 0.4 percent in FY 2018 followed by higher increases of 4.0 percent in FY 2019 and 7.6 percent in FY 2020.

[2] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19.

Section III

Prior Triennial Performance Recommendations

Mountain Transit's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of Mountain Transit'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

Use the TDA guidelines when calculating full-time employee equivalents (FTE). (High priority)

Background: When queried about how annual employee labor hours and personnel are calculated, it was discovered that Mountain Transit used the federal standard of 2,080 hours instead of the TDA standard of 2,000 hours. The calculation of FTEs accounts for operations staff, maintenance, and management personnel. The FTE data are derived by dividing total annual employee hours by 2,000 according to PUC guidelines. It is recommended that Mountain Transit determine the annual personnel hours worked and divide the total by 2,000 annual hours to arrive at the correct FTE figure.

Actions taken by Mountain Transit

An auditor review of the FTE data reported in the Transit Operators Financial Transactions Reports revealed an incorrect calculation for both service modes. The employee data reported in the FY 2018 State Controller Report showed 19 FTEs for the motor bus mode and 14 FTEs for the demand-response mode. In the FY 2020 report, there are 23 FTEs reported for the motor bus mode and 23 FTEs. The FTE data appear to reflect a headcount rather than the total annual labor hours divided by 2,000. Mountain Transit does track the labor hours for each employee annually on an Excel spreadsheet. Driver trip manifests can also be utilized to calculate labor hours by service mode.

Conclusion

This recommendation has not been implemented and is carried forward in this audit for implementation.

Prior Recommendation 2

Use allowable TDA provisions to improve farebox recovery. (High priority)

Background: A carryover from the prior performance audit, the farebox recovery ratio allows exclusion of new services that require time to meet the fare ratio standard. While the system-wide fare ratio over the three years exceeded the minimum 10 percent, Mountain Transit should work

with the fiscal auditor and determine whether the fare revenue and operating cost from new or expanded services should be included in the ratio. When service is expanded, such as through route extensions or implementing a new route, Mountain Transit should track cost, ridership, and fare revenue data of the new service separately in order to exempt the new service from the overall farebox ratio. Conversely, SBCTA practice allows the operator to count the revenue and cost if the new service improves system farebox recovery.

Actions taken by Mountain Transit

Mountain Transit boosted local revenue generation efforts during the audit period. The audited annual financial reports identify and incorporate local revenues toward the farebox, such as Measure I, and as allowed by SBCTA. To that end, Mountain Transit has supported local revenues through the sale of retired and disposed vehicles; application and award of Low Carbon Transit Operations Program (LCTOP) funding to subsidize free fare promotions and successful partnerships with local ski resorts. In addition, Mountain Transit implemented an advertising program in mid-FY 2020. Big Bear Guides was awarded the contract to sell ads on Mountain Transit buses in December 2019. The first paid bus advertisement was purchased by the City of Big Bear Lake. Exterior advertising space is available on the bus shelters and on the vehicles. Advertising is featured on the taillight panel, half tail wrap, full tail wrap, and weekend trolley windows.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Consider revenue subsidy agreements with local colleges and universities. (Medium Priority)

Background: Mountain Transit has executed strategic partnerships with local ski resorts and nonprofits in its service area to help sustain ridership. In a recent development, Mountain Transit implemented Route 13, which is an OTM service operating between Big Bear and Victorville. The route interlines with Victor Valley Transit Authority (VVTA) service at a couple of timepoints along the route. One timepoint is Victor Valley College. As an example, VVTA and Victor Valley College have executed the College Ram Pass Revenue Agreement, which allows for enrolled students to ride VVTA's fixed route services at no charge. Pursuant to the agreement, Victor Valley College pays VVTA $5.50 for every student who is enrolled with at least one unit. As ridership demand increases on Route 13, it was suggested that Mountain Transit consider pursuing a similar agreement with Victor Valley College as well as other schools such as California State University, San Bernardino, and San Bernardino Valley College.

Actions taken by Mountain Transit

Since the implementation of the OTM Route 13 service to Victor Valley, Mountain Transit did approach Victor Valley College about a subsidy program modeled after the College Ram Pass

Revenue Agreement that the college has with VVTA. Since the route was launched on March 1, 2018, the anticipated ridership did not materialize sufficiently to sustain the service. The route was eventually discontinued on April 26, 2019, due to low ridership.

Conclusion

This recommendation was partially implemented from the standpoint that Mountain Transit held discussions with the college regarding a pass program before having to cancel the route; it is further suggested that based on successes with partnerships formed between Mountain Transit and both public and private entities for services, the transit agency should continue to pursue revenue type agreements with other local and regional institutions that help stabilize local revenue share.

Prior Recommendation 4

Continue collaborative efforts with the City of Big Bear Lake and other local agencies on infrastructure improvements. (Medium Priority)

Background: Mountain Transit has recognized the potential for working with the City and other local agencies responsible for public rights-of-way in addressing road circulation issues. On top of weather-related challenges during the winter months, transit has had to contend with traffic bottlenecks and the lack of turnouts, which impact on-time performance. In working with the local business community, Mountain Transit has raised the profile and benefits of transit usage by promoting the weekend trolley and extending the hours of Dial-a-Ride services. Using these developments as leverage, Mountain Transit could persuade its local partners to consider the role that transit can play when reviewing development proposals and zoning land that could potentially support bus stop turnouts, a new operations facility, or transit center. Use of transit bus stop design guidelines also illustrate how these facilities are compatible with adjacent land uses.

Actions taken by Mountain Transit

During the audit period, Mountain Transit has taken concerted efforts to further infrastructure improvements to better accommodate its services. One of the key infrastructure improvements pursued has been a bus turnout on Big Bear Boulevard (SR-18) adjacent to the Stater Bros. Shopping Center. Mountain Transit worked collaboratively with Caltrans on securing the necessary encroachment permit needed to begin work on the turnout in front of Stater Bros, as well as with Stater Bros. management and the City of Big Bear Lake to bring this project to completion. In addition, Mountain Transit established a transit center in Big Bear Lake and launched the first phase of a series of bus stop improvements in 2020, which included updating 10 stops as well as eliminating 17 stops that had fewer than 10 boardings in the last 12 months.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

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

Tables IV-1 through IV-3 show the performance indicators for Mountain Transit system-wide, fixed route, and Dial-a-Ride modes. Tables IV-4 through IV-6 provide quarterly performance indicators for the transit service modes specifically for FY 2019-20 to show the impacts of the COVID-19 pandemic impacts upon the service. Graphs are also provided to depict the trends in the indicators.

Table IV-1
Mountain Transit TDA Performance Indicators
System-wide

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$2,809,583	$2,974,504	$3,436,065	$3,581,646	***27.5%***
Total Passengers	158,366	179,240	181,781	154,181	***-2.6%***
Vehicle Service Hours	35,396	37,328	38,465	33,832	***-4.4%***
Vehicle Service Miles	612,503	637,224	659,034	542,625	***-11.4%***
Employee FTEs	30	33	30	46	***53.3%***
Passenger Fares	$349,733	$373,583	$459,509	$334,428	***-4.4%***
Measure I Local Support	$0	$0	$0	$23,737	***n/a***
Total Fare Revenue	$349,733	$373,583	$459,509	$358,165	***2.4%***
Operating Cost per Passenger	$17.74	$16.60	$18.90	$23.23	***30.9%***
Operating Cost per Vehicle Service Hour	$79.38	$79.69	$89.33	$105.87	***33.4%***
Operating Cost per Vehicle Service Mile	$4.59	$4.67	$5.21	$6.60	***43.9%***
Passengers per Vehicle Service Hour	4.5	4.8	4.7	4.6	***1.9%***
Passengers per Vehicle Service Mile	0.259	0.281	0.276	0.284	***9.9%***
Vehicle Service Hours per Employee	1,179.9	1,131.2	1,282.2	735.5	***-37.7%***
Average Fare per Passenger	$2.21	$2.08	$2.53	$2.32	***5.2%***
Fare Recovery Ratio	12.45%	12.56%	13.37%	10.00%	***-19.7%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Annual Fiscal & Compliance Audits, State Controller's Report, TransTrack Manager

Table IV-2
Mountain Transit TDA Performance Indicators
Fixed Route

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$2,214,404	$1,891,402	$2,614,430	$2,613,500	***18.0%***
Total Passengers	140,687	163,410	166,827	141,261	***0.4%***
Vehicle Service Hours	25,922	28,437	29,542	25,192	***-2.8%***
Vehicle Service Miles	491,898	525,505	532,874	442,830	***-10.0%***
Employee FTEs	17	19	20	23	***35.3%***
Passenger Fares	$298,731	$294,709	$381,044	$277,197	***-7.2%***
Operating Cost per Passenger	$15.74	$11.57	$15.67	$18.50	***17.5%***
Operating Cost per Vehicle Service Hour	$85.43	$66.51	$88.50	$103.74	***21.4%***
Operating Cost per Vehicle Service Mile	$4.50	$3.60	$4.91	$5.90	***31.1%***
Passengers per Vehicle Service Hour	5.4	5.7	5.6	5.6	***3.3%***
Passengers per Vehicle Service Mile	0.29	0.31	0.31	0.32	***11.5%***
Vehicle Service Hours per Employee	1,524.8	1,496.7	1,477.1	1,095.3	***-28.2%***
Average Fare per Passenger	$2.12	$1.80	$2.28	$1.96	***-7.6%***
Fare Recovery Ratio	13.49%	15.58%	14.57%	10.61%	***-21.4%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: TransTrack Manager, State Controller Report

Table IV-3
Mountain Transit TDA Performance Indicators
Dial-a-Ride

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$543,079	$676,485	$762,962	$906,058	***66.8%***
Total Passengers	17,679	15,830	14,954	12,920	***-26.9%***
Vehicle Service Hours	9,474	8,891	8,923	8,640	***-8.8%***
Vehicle Service Miles	120,605	111,719	126,160	99,795	***-17.3%***
Employee FTEs	13	14	10	23	***76.9%***
Passenger Fares	$58,679	$48,546	$58,469	$56,373	***-3.9%***
Operating Cost per Passenger	$30.72	$42.73	$51.02	$70.13	***128.3%***
Operating Cost per Vehicle Service Hour	$57.32	$76.09	$85.51	$104.87	***82.9%***
Operating Cost per Vehicle Service Mile	$4.50	$6.06	$6.05	$9.08	***101.6%***
Passengers per Vehicle Service Hour	1.9	1.8	1.7	1.5	***-19.9%***
Passengers per Vehicle Service Mile	0.147	0.142	0.119	0.129	***-11.7%***
Vehicle Service Hours per Employee	728.8	635.1	892.3	375.7	***-48.5%***
Average Fare per Passenger	$3.32	$3.07	$3.91	$4.36	***31.5%***
Fare Recovery Ratio	10.80%	7.18%	7.66%	6.22%	***-42.4%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: TransTrack Manager, State Controller Report

Table IV-4
TDA Quarterly Performance Indicators – FY 2019-20
System-wide

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$845,908	$899,951	$850,130	$923,568	***9.2%***
Total Passengers	41,202	42,892	51,360	18,727	***-54.5%***
Vehicle Service Hours	9,437	8,993	8,727	6,674	***-29.3%***
Vehicle Service Miles	157,854	147,235	140,798	96,738	***-38.7%***
Passenger Fare Revenue *	$89,013	$77,496	$65,528	$101,532	***14.1%***
Operating Cost per Passenger	$20.53	$20.98	$16.55	$49.32	***140.2%***
Operating Cost per Vehicle Service Hour	$89.64	$100.07	$97.41	$138.38	***54.4%***
Operating Cost per Vehicle Service Mile	$5.36	$6.11	$6.04	$9.55	***78.2%***
Passengers per Vehicle Service Hour	4.4	4.8	5.9	2.8	***-35.7%***
Passengers per Vehicle Service Mile	0.26	0.29	0.36	0.19	***-25.8%***
Average Fare per Passenger	$2.16	$1.81	$1.28	$5.42	***151.0%***
Fare Recovery Ratio	10.52%	8.61%	7.71%	10.99%	***4.5%***

* The increase in passenger fare revenue reported in TransTrack may include federal COVID stimulus funding from FTA.
Source: TransTrack Manager

Table IV-5
TDA Quarterly Performance Indicators – FY 2019-20
Fixed Route

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$654,286	$695,534	$657,120	$606,559	***-7.3%***
Total Passengers	37,493	39,550	48,221	15,997	***-57.3%***
Vehicle Service Hours	7,225	6,881	6,694	4,392	***-39.2%***
Vehicle Service Miles	129,993	120,979	116,344	75,514	***-41.9%***
Passenger Fare Revenue	$75,071	$48,496	$55,701	$97,929	***30.4%***
Operating Cost per Passenger	$17.45	$17.59	$13.63	$37.92	***117.3%***
Operating Cost per Vehicle Service Hour	$90.56	$101.08	$98.17	$138.11	***52.5%***
Operating Cost per Vehicle Service Mile	$5.03	$5.75	$5.65	$8.03	***59.6%***
Passengers per Vehicle Service Hour	5.2	5.7	7.2	3.6	***-29.8%***
Passengers per Vehicle Service Mile	0.29	0.33	0.41	0.21	***-26.6%***
Average Fare per Passenger	$2.00	$1.23	$1.16	$6.12	***205.7%***
Fare Recovery Ratio	11.47%	6.97%	8.48%	16.15%	***40.7%***

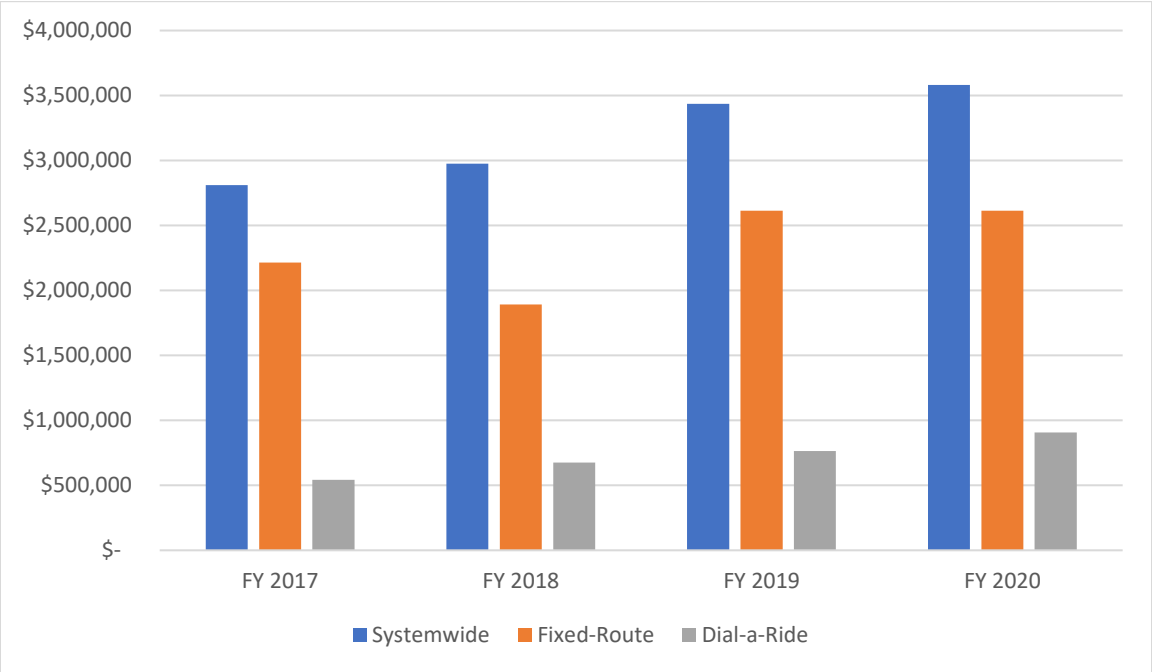
Source: TransTrack Manager

Table IV-6
TDA Quarterly Performance Indicators – FY 2019-20
Dial-a-Ride

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$191,622	$204,417	$193,010	$317,009	***65.4%***
Total Passengers	3,709	3,342	3,139	2,730	***-26.4%***
Vehicle Service Hours	2,212	2,112	2,033	2,282	***3.2%***
Vehicle Service Miles	27,861	26,256	24,454	21,224	***-23.8%***
Passenger Fare Revenue	$13,942	$29,000	$9,827	$3,603	***-74.2%***
Operating Cost per Passenger	$51.66	$61.17	$61.49	$116.12	***124.8%***
Operating Cost per Vehicle Service Hour	$86.63	$96.79	$94.94	$138.92	***60.4%***
Operating Cost per Vehicle Service Mile	$6.88	$7.79	$7.89	$14.94	***117.2%***
Passengers per Vehicle Service Hour	1.7	1.6	1.5	1.2	***-28.7%***
Passengers per Vehicle Service Mile	0.13	0.13	0.13	0.13	***-3.4%***
Average Fare per Passenger	$3.76	$8.68	$3.13	$1.32	***-64.9%***
Fare Recovery Ratio	7.28%	14.19%	5.09%	1.14%	***-84.4%***

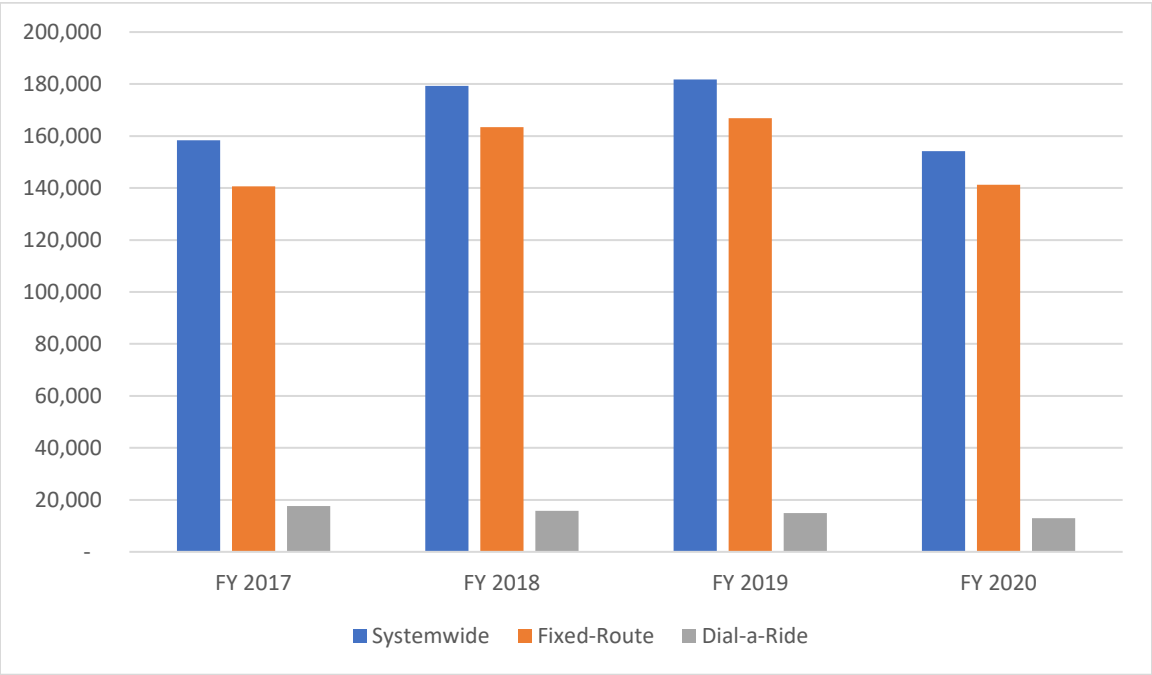
Source: TransTrack Manager

Graph IV-1
Operating Costs
System-wide, Fixed Route, and Dial-a-Ride

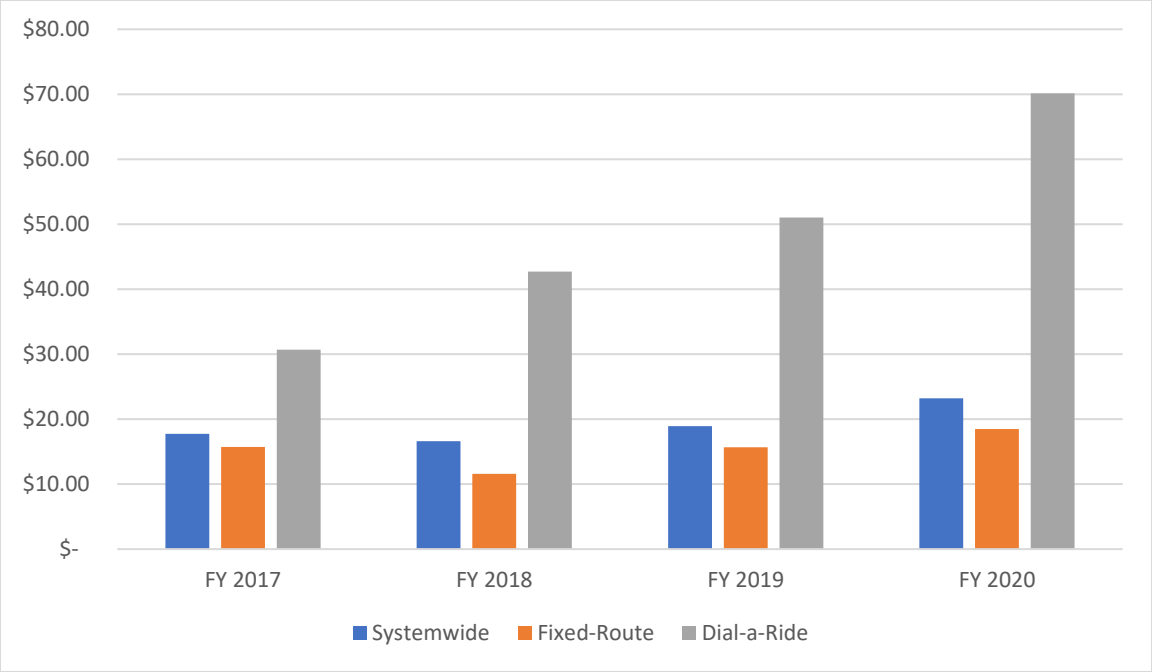


Note: System-wide cost and fare revenue are audited data, modal cost and fares are unaudited.

Graph IV-2
Ridership
System-wide, Fixed Route, and Dial-a-Ride

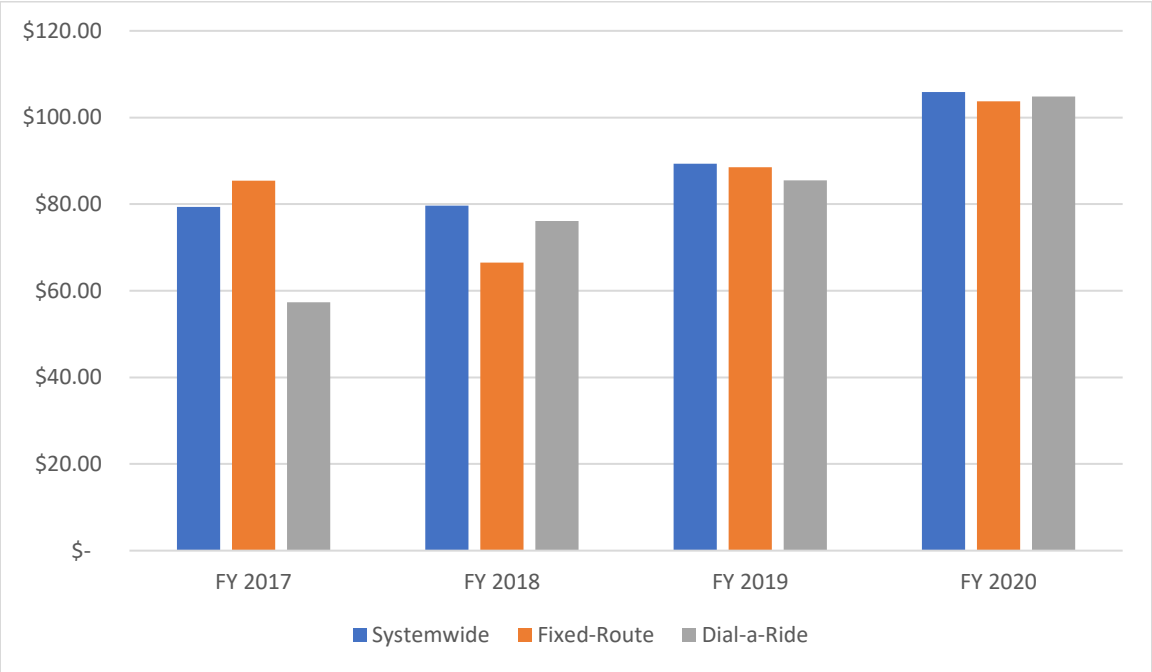


Graph IV-3
Operating Cost per Passenger
System-wide, Fixed Route, and Dial-a-Ride



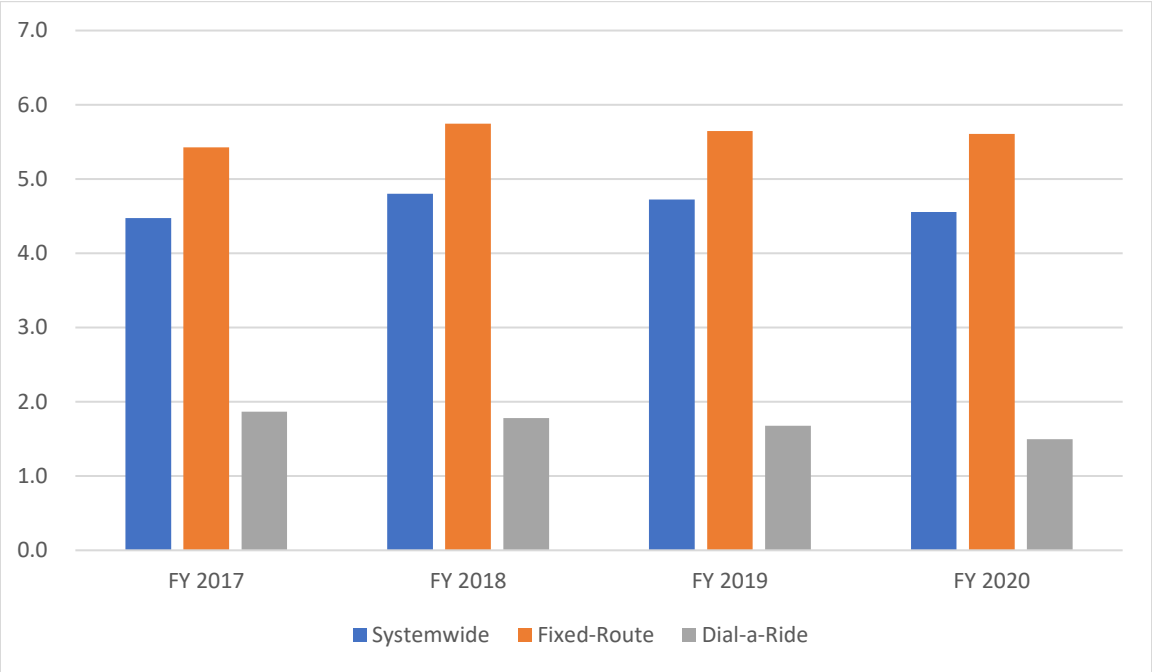
Note: System-wide cost and fare revenue are audited data, modal cost and fares are unaudited.

Graph IV-4
Operating Cost per Vehicle Service Hour
System-wide, Fixed Route, and Dial-a-Ride

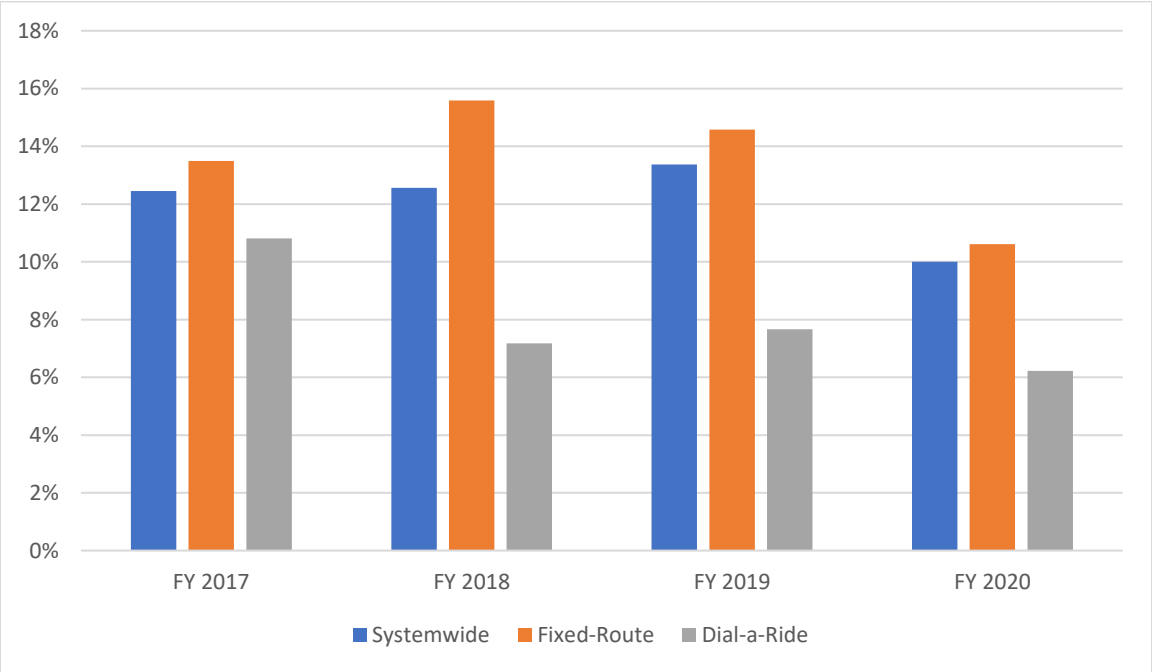


Note: System-wide cost and fare revenue are audited data, modal cost and fares are unaudited.

Graph IV-5
Passengers per Vehicle Service Hour
System-wide, Fixed Route, and Dial-a-Ride

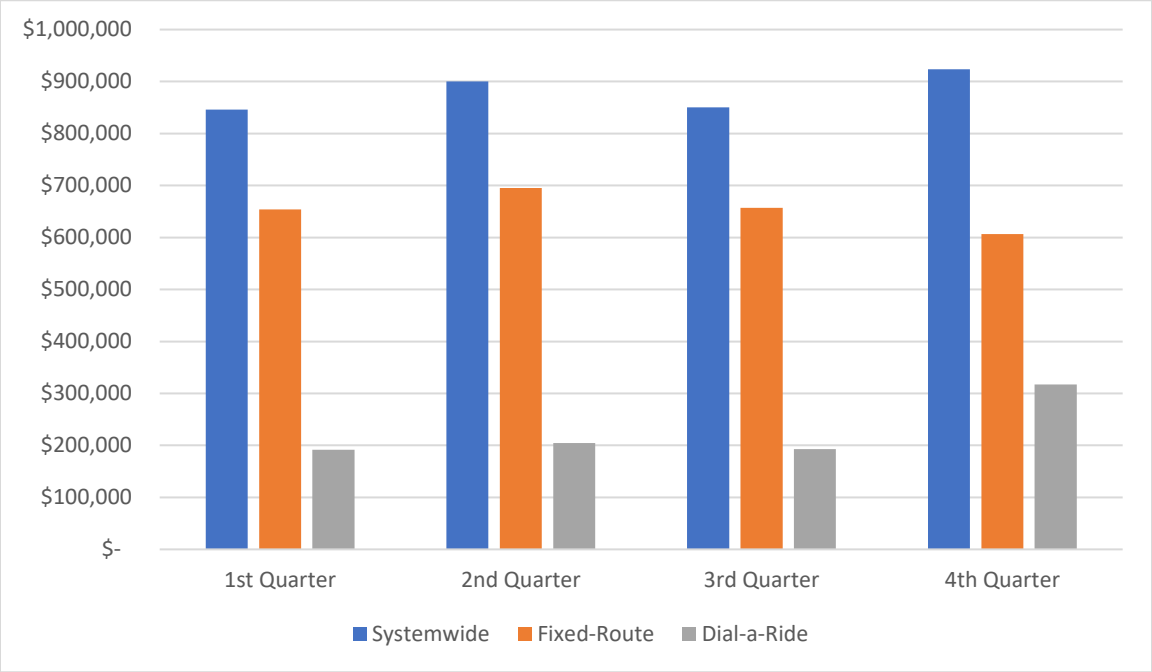


Graph IV-6
Fare Recovery Ratio
System-wide, Fixed Route, and Dial-a-Ride

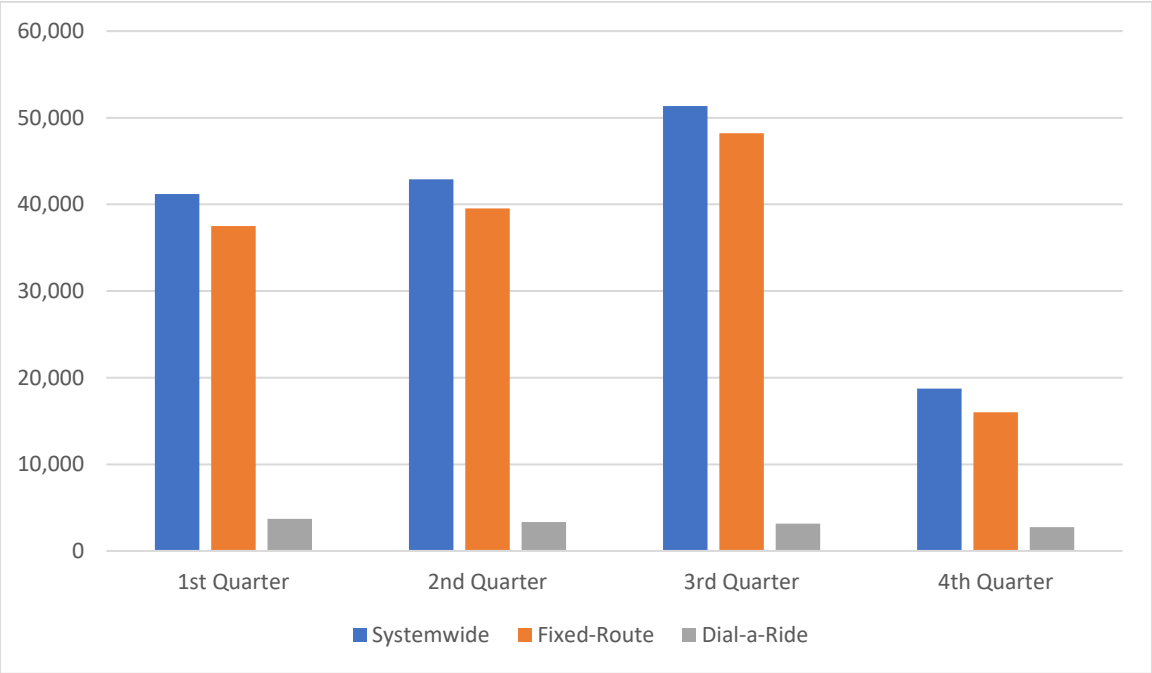


Note: System-wide cost and fare revenue are audited data, modal cost and fares are unaudited.

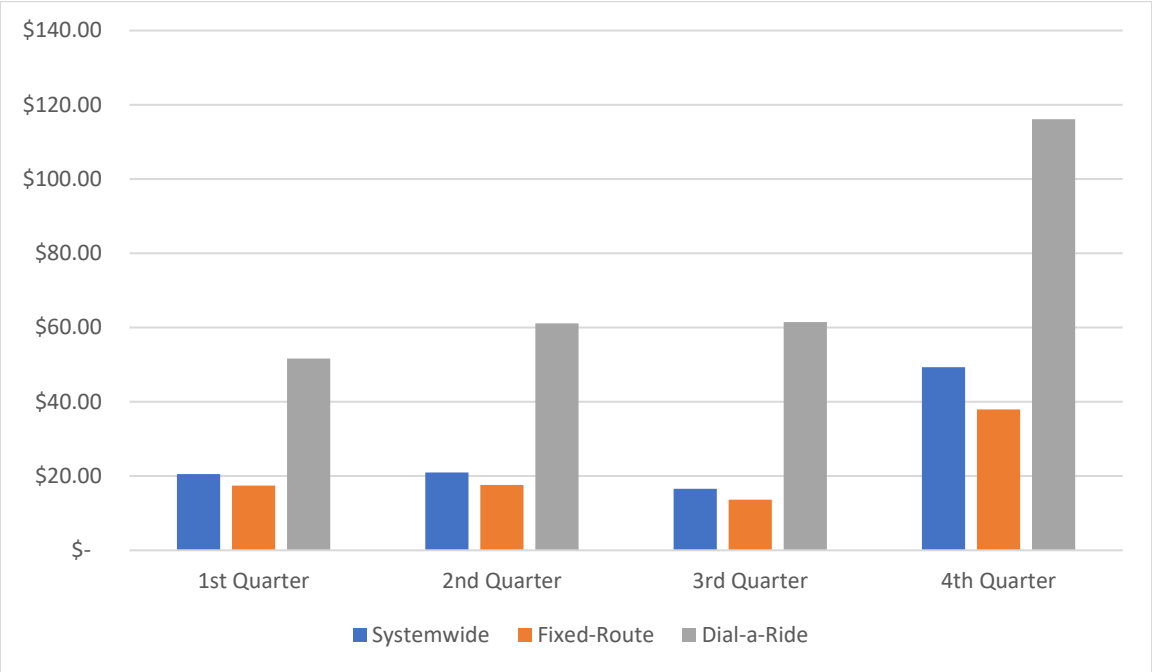
Graph IV-7
Operating Costs by Quarter – FY 2019-20
System-wide, Fixed Route, and Dial-a-Ride



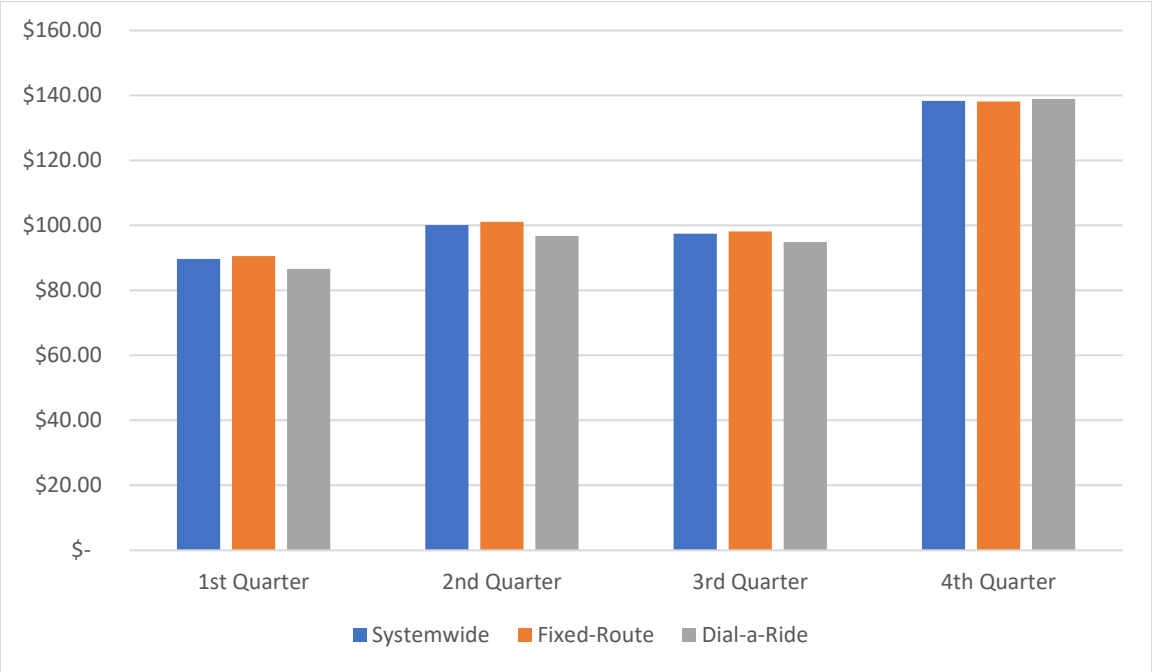
Graph IV-8
Ridership by Quarter – FY 2019-20
System-wide, Fixed Route, and Dial-a-Ride



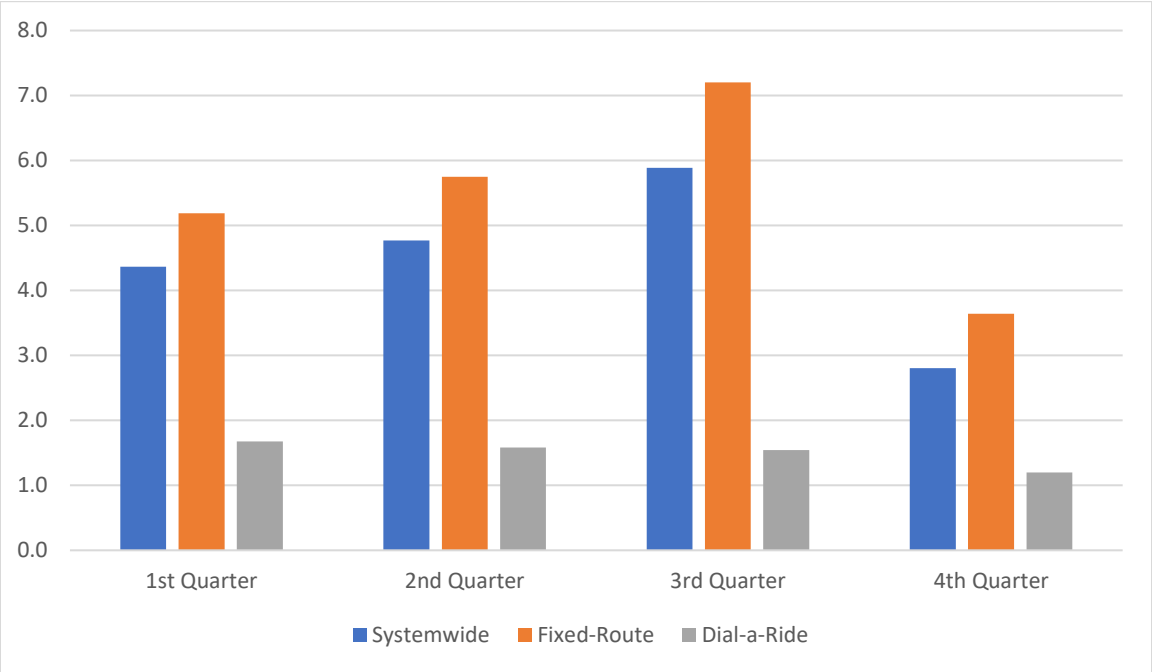
Graph IV-9
Operating Cost per Passenger by Quarter – FY 2019-20
System-wide, Fixed Route, and Dial-a-Ride



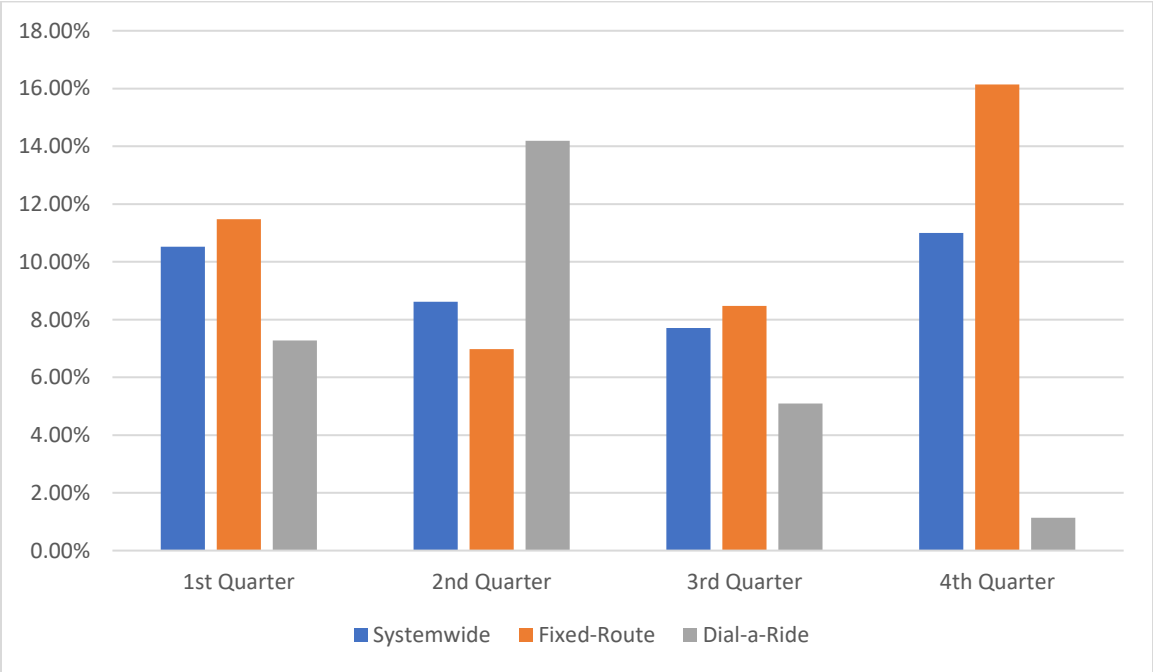
Graph IV-10
Operating Cost per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, Fixed Route, and Dial-a-Ride



Graph IV-11
Passengers per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, Fixed Route, and Dial-a-Ride



Graph IV-12
Fare Recovery Ratio by Quarter – FY 2019-20
System-wide, Fixed Route, and Dial-a-Ride



Findings from Verification of TDA Performance Indicators

1. Operating costs system-wide rose from the FY 2017 base year to FY 2020, increasing 27.5 percent using audited data. Fixed-route operating costs increased 18 percent whereas demand-response costs increased 66.8 percent using unaudited modal data. Per an average annual basis, costs increased 8.5 percent with the highest increase of 15.5 percent occurring in FY 2019. The higher costs are attributed to new service implementation and employee pay raises and benefit increases.

2. Ridership decreased by 2.6 percent system-wide from the FY 2017 base year to FY 2020. Fixed-route passenger trips remained relatively unchanged with a 0.4 percent increase; however, demand-response ridership decreased 26.9 percent. After a system-wide increase of 13.2 percent in FY 2018, there was an increase of 1.4 percent in FY 2019. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 15.2 percent. Ridership increased 4.1 percent in the second quarter of FY 2020, followed by a 19.7 percent increase in the third quarter, and 63.5 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

3. The provision of revenue hours and miles exhibited modest decreases system-wide from the FY 2017 base year to FY 2020. Vehicle revenue service hours decreased by 4.4 percent and vehicle revenue service miles decreased 11.4 percent. At the modal level, fixed-route revenue hours decreased 2.8 percent while revenue miles decreased by 10 percent. In contrast, demand-response revenue hours decreased by 8.8 percent and revenue miles decreased by 17.3 percent.

4. Operating cost per passenger, an indicator of cost effectiveness, increased 30.9 percent system-wide, an indicator showing that operating costs have increased at a higher rate than passenger trips. Cost per passenger increased 17.5 percent on fixed route yet increased 128.3 percent on the demand-response service. Fixed-route trips remained relatively flat compared to the 18 percent increase in operating costs. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $20.53 in the first quarter of FY 2020, $20.98 in the second quarter, $16.55 in the third quarter, and $49.32 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $26.85.

5. Operating cost per hour, an indicator of cost efficiency, increased 33.4 percent system-wide based on audited cost data. In contrast, the indicator increased 21.4 percent on the fixed route yet increased 82.9 percent on demand response based on unaudited modal cost data. Vehicle service hours on the fixed route decreased 2.8 percent whereas operating costs increased 18 percent. For demand response, service hours decreased 8.8 percent while operating costs increased 66.8 percent. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $89.64 in

the first quarter, $100.07 in the second quarter, $97.41 in the third quarter, and $138.38 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $106.38.

6. Passengers per hour, which measures the effectiveness of the service delivered, increased 1.9 percent system-wide from 4.5 passengers in the FY 2017 base year to 4.6 passengers in FY 2020. This indicator for the fixed-route mode increased 3.3 percent whereas for demand response there was an approximate 21 percent decrease. The number of passenger trips per hour peaked at 4.8 passengers system-wide and 5.7 passengers on the fixed route during FY 2018. During FY 2020, passengers per hour were 4.4 in the first quarter, 4.8 in the second quarter, 5.9 in the third quarter, and 2.8 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 4.5 passengers.

7. Vehicle hours per FTE, which measures labor productivity, decreased 37.7 percent from approximately 1,180 hours in the FY 2017 base year to 735.5 hours in FY 2020. The agency-wide employee count increased from 30 to 46 FTEs. This measure is based on the number of FTEs using employee pay hours from the Transit Operators' Financial Transactions Report submitted to the State Controller and dividing by 2,000 hours per employee. As noted in the prior audit, Mountain Transit calculated FTEs using the federal standard of 2,080 hours rather than the TDA standard of 2,000 hours per employee. It is noted in this audit that the FTE calculations appear to be based on a headcount rather than the statutory calculation.

8. Despite fluctuations in the farebox recovery ratio, Mountain Transit was still able to exceed its farebox recovery standard. The farebox ratio system-wide decreased 19.7 percent from 12.45 percent in the FY 2017 base year to 10.00 percent in FY 2020 after attaining a high of 13.37 percent in FY 2019. Farebox recovery for fixed route decreased 21.4 percent, from 13.49 percent in the FY 2017 base year to 10.61 percent in FY 2020. The farebox recovery for demand response decreased 42.4 percent, from 10.80 percent in the FY 2017 base year to 6.22 percent in FY 2020. System-wide farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

   During FY 2020, system-wide farebox recovery was 10.52 percent in the first quarter, 8.61 percent in the second quarter, 7.71 percent in the third quarter, and 10.99 percent in the fourth quarter. Farebox collection was suspended in response to the March 19, 2020, shelter-in-place order and did not resume until May 18, 2020, with new cash and pass handling protocols in place.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Mountain Transit. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at Mountain Transit's administrative and operations facility in Big Bear Lake:

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

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Several changes at Mountain Transit occurred over the past three years, including the following:

- Mountain Transit deepened its relationship with the local winter resort industry. Its seasonal Route 9 has benefited from the partnership with the Big Bear Mountain Resort. The agency operates service to the local ski resorts during the winter season, approximately from mid-November to mid-April.
- Mountain Transit implemented OTM service between Big Bear and Victorville, effective March 1, 2018. OTM Route 13 was composed of three bi-directional trips Monday through Friday and two bi-directional trips on the weekend. Due to lower than expected ridership demand, Route 13 was eventually discontinued on April 26, 2019.
- In 2018, Mountain Transit received a request from the RIM School District to provide service for their students impacted by Caltrans construction on the Crestline Dam. Mountain Transit ran service three times per day, picking up approximately 170 to 220 students per week. The County of San Bernardino covered the cost of providing the service.
- Mountain Transit implemented a mobile-based dispatching software system. The Star TrakGPS allows for real-time GPS tracking of buses from a mobile tablet. Mobile tablets can also categorize each passenger. The software went live in November 2017 after a challenging implementation process.
- In July 2020, Mountain Transit implemented the mobile ticketing platform, Token Transit. Token Transit is a free app that allows riders to purchase their bus passes on their

smartphones using a credit or debit card. The app displays a digital pass on the rider's phone screen, which is shown to the driver as the passenger boards the bus.

- In August 2019, an electrical fire broke out at the Crestline facility located at 621 Forest Shade Road. The exterior and some of the interior office space sustained damage. In the wake of the fire, Mountain Transit initiated plans to rebuild and upgrade the Crestline facility. The two-story design increases parking stalls and includes a bus washing station, required ADA access, solar panels on covered bus parking, and ample room for electric charging stations.

- Mountain Transit implemented an advertising program in January 2020. Big Bear Guides was awarded the contract to sell ads on the bus exteriors and shelters. The first paid bus advertisement secured by Big Bear Guides was purchased by the City of Big Bear Lake. Exterior advertising space is available on the bus shelters and on the vehicles.
- Mountain Transit's long-time general manager gave notice to the Board of Directors of her departure from the agency in March 2020. The assistant general manager assumed the role of interim general manager effective April 18, 2020. This change in senior management created a vacancy of the position of assistant general manager, which will remain vacant under the agency's reorganization plan. Several other management and supervisory staff including an administrative services manager and human resources manager were hired to replace former staff who had retired or passed away.

Operations

Mountain Transit is the primary public transit operator serving the rural mountain communities of San Bernardino County. Mountain Transit has been guided by its vision statement:

Effortless transportation options for the residents, workforce and guests of our diverse San Bernardino Mountain communities.

The agency's vision is carried out through its mission statement:

Work in partnership with communities, businesses and organizations to develop, deliver and promote innovative and sustainable transportation solutions for travel to and around the San Bernardino Mountain region.

Building upon prior initiatives that included rebranding, route enhancements, and fare restructuring, Mountain Transit has continued to optimize and expand its operations to better serve the needs of the service area. Given the seasonal trends in ridership based on the winter ski season, local partnerships have been helpful in stabilizing overall ridership annually. Other impacts include service hours have been significantly impacted by traffic congestion on the main highways. To obtain improved services, the local Big Bear route was split into Routes 1 and 11. Routes in Crestline are even-numbered and routes in Big Bear are odd-numbered.

Mountain Transit implemented OTM service between Big Bear and Victorville, effective March 1, 2018. OTM Route 13 was composed of three bi-directional trips Monday through Friday and two bi-directional trips on the weekend. The route interlined with VVTA routes at Victor Valley College and the Victorville Transfer Point. Route 13 had four fare zones: Big Bear, Lucerne Valley, Apple Valley, and Victorville. Due to lower than expected ridership demand, Route 13 was eventually discontinued on April 26, 2019.

Mountain Transit deepened its relationship with the local winter resort industry. Its seasonal Route 9 has benefited from the partnership with the Big Bear Mountain Resort. The agency operates service to the local ski resorts during the winter season, approximately from mid-November to mid-April, from the "Backlook Lot" (located next to Apple's Bed & Breakfast, 42430 Moonridge Road in Big Bear Lake) to the resorts with approximately 30-minute headways. Big Bear Mountain Resort has been paying for guests who present a day or season pass, or who are staying at local hotels/lodges, to go to/from the ski resorts for "free." Resort employees and guests are tracked via MT's Star TrakGPS program. At the end of December 2017, Mountain Transit had transported 6,037 employees on the resort shuttle (to/from parking areas to resorts) and 1,017 employees and 180 guests on the regular fixed route (which includes the trolley).

The following season, Mountain Transit transported 6,772 guests and employees on the fixed routes and trolley and 14,216 employees on the seasonal Route 9. The resort was invoiced for $61,477.76 for providing this service. Resort employees were surveyed about their experience riding the bus. At the end of 2019, employees expressed concerns about timing of service and that buses were too crowded. Mountain Transit worked on these issues and successfully resolved the complaints.

Other transit partnerships during local events have included Oktoberfest, the Wine Walk, and Corks and Hops with the Crestline Chamber of Commerce. The Corks and Hops event targeted the San Bernardino Valley market. The agency provided two shuttles for the event as well as service to the concert series in Lake Arrowhead. Service is paid for by the Crestline Chamber of Commerce, which sponsors the event. The event runs the first Saturday of each month starting in June through September.

For the trolley service in the Big Bear area, passes are sold by local businesses and promoted by the local lodging establishments. The weekend trolley is a partnership with the local resorts and allows connectivity with the OTM route. The trolley was extended to the RIM area during the summer months and into the fall months for the local Oktoberfest at Lake Arrowhead Village.

The implementation of weekend service on Route 3 has helped alleviate winter weekend traffic. It was also proposed to eliminate the Moonridge loop from Route 1 and add it to the Route 3 alignment in order to increase frequencies along Big Bear Boulevard. The additional hours required to make the change to Route 3 were offset by the reduction in vehicle service hours to the RIM Dial-a-Ride.

Due to the closure of the parking structure in Lake Arrowhead Village, the RIM community had requested that Mountain Transit consider providing Sunday service for Route 2 from 10:00 a.m. to 5:00 p.m. so that residents have access to businesses and services. Sunday service was implemented in the RIM area on Route 2 and on the Dial-a-Ride. Route 2 serves the Valley of Enchantment, Crestline, and Lake Arrowhead. Mountain Transit operates five bi-directional trips on the route.

The RIM area has been challenging from a service perspective. Dial-a-Ride ridership has been stagnant despite the higher demand in the Big Bear service area. Factors that have impacted RIM area ridership have included a lower-income population, more dispersed communities, and business closures in Lake Arrowhead. Mountain Transit has sought collaboration with and greater involvement from the local Chamber of Commerce to raise awareness of transit.

In 2018, Mountain Transit received a request from the RIM School District to provide service for their students impacted by Caltrans construction on the Crestline Dam. Mountain Transit ran service three times per day, picking up approximately 170 to 220 students per week. The County of San Bernardino covered the cost of providing the service. The agency was successful in coordinating the service with the school district and the County.

Mountain Transit was approached by the general manager of the Big Bear Airport about options for providing transportation to the ski areas and the Big Bear Village for fly-in guests. Mountain Transit began operation of the airport shuttle service to Big Bear Airport on October 31, 2020. The shuttle was marketed to fly-in visitors arriving at the airport between 7:00 a.m. and 6:00 p.m., seven days a week. The agency approached the management of the Big Bear Mountain Resort and it was agreed that the resort would pay for fly-in guests that are transported to/from the ski resorts. Other fly-in guests may use the Token Transit app to pay for their transportation. The airport and the resort have agreed to advertise Mountain Transit services to their guests. The airport shuttle carried 150 passengers within the first three months of operation.

During the audit period, Mountain Transit implemented a mobile-based dispatching software system. The Star TrakGPS allows for real-time GPS tracking of buses from a mobile tablet. Mobile tablets can also categorize each passenger. The software went live in November 2017 after a challenging implementation process. Mountain Transit has found that analog technology works better in the mountains. Other features of the Star TrakGPS system includes real-time bus tracking by passengers, geofencing, automated passenger counters, and an electronic dispatching log. Another technological upgrade that is being implemented involves the TapRide automated on-demand dispatching system for Dial-a-Ride. This technology would allow passengers to schedule their own Dial-a-Ride trip rather than having to call in to Mountain Transit for scheduling.

Dispatch operations are split between the Big Bear and Crestline facilities. Mountain Transit has found this arrangement to be more efficient and better organized. Both facilities are equipped with GPS and video camera access to provide dispatch backup. Cellular phones supplement radio communications between dispatch and drivers. During the audit period, the agency took steps to

consolidate administrative staff, such as accounting and human resources, under one roof, and for traffic relief.

Mountain Transit reconfigured the parking lot at the Big Bear facility, adding 11 parking spaces for employees and the general public. Additional updates were planned to ensure ADA compliance for disabled parking spaces and ramp access to the facility entrance. The agency purchased property in Crestline on Pioneer Camp Road that is just under one acre as well as a trolley for Route 8, which operates in the Crestline service area.

In August 2019, an electrical fire broke out at the Crestline facility located at 621 Forest Shade Road. The exterior and some of the interior office space sustained damage. The fire impacted Mountain Transit's Dial-a-Ride service system-wide (Big Bear and RIM service areas) as the main servers were hosted at the Crestline facility. Dispatch operations were transferred to the Big Bear facility. Maintenance functions at the facility were able to continue while administrative functions were moved to the Pioneer Camp Road property, which contains a former residence.

In the wake of the fire, Mountain Transit initiated plans to rebuild and upgrade the Crestline facility. The two-story design increases parking stalls and includes a bus washing station, required ADA access, solar panels on covered bus parking, and ample room for electric charging stations. The clarifier and water flow were recently updated and will not be disturbed. The plan includes five offices, a large meeting room and kitchen with access to a common area deck, and an elevator. The 48-foot by 36-foot maintenance facility will have 22-foot ceilings to accommodate two lifts, storage for tires, parts, and fluids as well as a shower and two workstations for mechanics.

In 2020, Mountain Transit moved forward in acquiring property for the development of its new Big Bear administrative and operations facility. The property is on a lot adjacent to the corner of Business Center Drive and Sandalwood Drive near the park-and-ride lot utilized during the winter season. The agency hired a consultant to help navigate the Federal Transit Administration (FTA) process for property procurement. The process involved a Title VI site equity analysis, which included outreach to the community. Acquisition of the property was finalized in the fall of 2020 and a consultant team was selected to guide the first phase of the project. The estimated time for completion of this project is 24 months.

<u>Dial-a-Ride Program and Policies</u>

Mountain Transit also modified its Dial-a-Ride service by expanding service hours and reach. Service hours were extended to 10:30 p.m. to better serve employees in the local hospitality industry. The Dial-a-Ride service is available to anyone located beyond three-quarters of a mile from a fixed-route stop but still within the Dial-a-Ride service area. A discounted fare was introduced for veterans.

The no-show policy is implemented when one of the following situations occurs:

- A reservation is canceled less than one hour before the scheduled pickup.

- The passenger is not ready to be picked up within three minutes of the bus's arrival.
- The passenger chooses not to ride after the bus arrives as scheduled.

If a pickup is determined to be a no-show, any scheduled returned trip will be canceled. If a passenger has three no-shows within a 90-day period, their Dial-a-Ride privileges may be suspended for 30 days.

Service contracts comprise a sizable number of Dial-a-Ride service trips. One such program is the Transportation Reimbursement Escort Program (TRIP) in which Victor Valley Transit Authority (VVTA) administers the TRIP program for Mountain Transit. Mountain Transit partners with VVTA by promoting the program in the mountain communities and directing the rider to register with the VVTA TRIP administrator. It was determined several years ago for VVTA to be the program administrator due to VVTA's efficiencies from already being set up to operate the TRIP program, rather than Mountain Transit try to run the program in-house.

Another interagency service agreement is between Mountain Transit and Domestic Violence and Education Services (DOVES). The purpose of this agreement is for Mountain Transit to provide emergency transportation services for DOVES clients in the event of an evacuation of mountain-area communities. DOVES provides a 17-bed long-term therapeutically and educationally intensive shelter program for women and children; it is the only shelter of its kind in the San Bernardino Mountains. Mountain Transit also has a collaborative relationship with the Above It All Alcohol and Drug Treatment Center.

Drivers assigned to Dial-a-Ride complete a daily trip sheet showing pickup and delivery points as well as their respective times. The driver records the time and mileage when departing and returning to the garage as well as the time and mileage upon the first revenue service pickup and last service drop-off. Fare revenue and passenger data, such as passengers in wheelchairs, are also noted on the trip sheet.

<u>Operations Performance</u>

Operational performance is measured across several key indicators such as preventable accidents, customer complaints, Dial-a-Ride no-shows, on-time performance, and road calls. In addition to internal performance tracking, Mountain Transit utilized TransTrack as an important measuring tool.

On-time performance is tracked on a departure log by the dispatchers at the Crestline operations facility. Each departure log is specific to where runs originate from (Big Bear or Crestline) and includes spaces for key timepoints for the dispatcher to mark when the drivers have called in. In addition to the manual departure logs, schedule adherence is monitored through field supervision, GPS monitoring, and routine radio communications.

The 2016 Short Range Transit Plan (2016-2021) set the recommended minimum standard at less than 0.5 percent of all trips being early and 95 percent of all timepoint checks being within 0-5 minutes after the scheduled time. The recommended target is zero percent of scheduled checks being early and 99 percent of timepoint checks being within 0-5 minutes of the printed timetable. A summary of the percentage of on-time trips is presented in Table V-1:

Table V-1
Mountain Transit On-time Performance

	FY 2017	FY 2018	FY 2019	FY 2020
On-time Performance	72.0%	56.1%	48.8%	53.4%

Source: TransTrack Manager

The goal internally is 85 percent of trips on-time, which has been recalibrated in TransTrack. To better meet that goal, Mountain Transit has adjusted timepoints and added time between the stops. Non-winter operations generally have better on-time performance. It is anticipated with Star TrakGPS implementation and integration with TransTrack that on-time performance tracking will be fully automated.

Customer complaints provide a simple measure of customer satisfaction and operational effectiveness. Mountain Transit uses TransTrack to document and log all complaints. The operations manager is the designated staff member who fields the complaint and inputs into TransTrack. There are several methods for the public to file a complaint or compliment, including use of a customer comment card on the vehicles, by letter or email, and by phone to either the Big Bear or Crestline dispatcher. Generally, about 40 percent of respondents want a follow-up call about the handling of the complaint. A summary description of complaints and their status is provided monthly to the board in the operational reports.

The number of complaints can be measured as complaints per 100,000 passengers. Table V-2 shows this indicator for the transit system using TransTrack performance indicator reports. The data shows that the trend of total complaints increased during the audit period from 3 in FY 2018, to 9 in FY 2019, to 12 in FY 2020. The 2016 SRTP recommended that the target standard is 20 complaints per 100,000 passenger trips or fewer. Based on the available data and shown in the table, Mountain Transit is meeting the SRTP standard measurement by the end of the audit period in spite of the increased trend in complaints.

Table V-2
Complaints per 100,000 Passengers

Fiscal Year	Complaints per 100,000 Passengers	Passengers Served between Complaints
2018	1.67	59,747
2019	4.65	20,198
2020	7.78	12,848

Source: TransTrack Manager

Regarding vehicle safety, Mountain Transit tracks the number of accidents that are categorized as "preventable." According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. Based on Mountain Transit internal reporting data, the number of accidents and reportable incidents were negligible.

Fare Revenue Count and Handling

Mountain Transit farebox processing protocol requires that the key to the vault be checked out before use. In addition, any changes to the protocol must be announced beforehand to at least three other staff members. Drivers pull the farebox out of the vehicle and hand it over to the dispatcher. Two dispatchers count the fare revenues in a separate locked room, and then place the funds in the vault. The administrative assistant pulls the money out and prepares the bank deposit. Drivers do not handle nor have access to the fare revenues since locked fareboxes were installed on the buses. Mountain Transit utilizes Diamond manually operated fareboxes.

The trip sheets for both fixed route and Dial-a-Ride include an "office use only" section for the comparison of estimated and actual fares. Estimated fares are the expected revenues based on the rider types recorded by the drivers. The estimates fares are compared to the counted actual fares to determine the amount of overage or shortage. The sample trip sheets provided by Mountain Transit showed these sections being completed to allow management to review the degree of difference and patterns in fare revenue collection.

During the audit period, Mountain Transit moved toward the implementation of a mobile ticketing program. In May 2020, Mountain Transit approved a contract with Token Transit for a cashless fare platform. Customers can download the Token Transit app on their phone, purchase fares through the app and, when boarding a Mountain Transit bus, show the driver the purchased fare. The Mountain Transit Board of Directors approved the three-year contract with Token Transit for a total of $60,000 in its capital budget.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, Mountain Transit suspended collection of fare due to concerns about the spread of COVID-19 via cash and pass handling. The trolley service was suspended in Big Bear.

Since that time, Mountain Transit has put many layers of safety protocols into place to comply with CDC recommendations. These protocols include a permanent barrier of plexiglass between the driver and boarding passengers; enforcement of social distancing with barriers to keep seats behind drivers and every other seat unavailable; and increased daily cleaning and disinfecting of bus and agency-owned shelters. Mountain Transit also conducted substantial research on best practices for cashless fare solutions and handling of cash and passes. On May 18, 2020, Mountain

Transit resumed collection of cash fares with new cash and pass handling protocols in place. The Big Bear Trolley resumed service on June 20, 2020, operating Saturday and Sunday from 10:30 a.m. to 5:30 p.m. In spite of the challenges posed by the pandemic, Mountain Transit used the period to reset its operations and seek new opportunities and methods to deliver service.

Personnel

Nonexempt employees are represented by the Teamsters, Local 572 based in Carson, California. A three-year bargaining agreement between Mountain Transit and the union was in effect between July 1, 2016, and June 30, 2019. In July 2019, Mountain Transit negotiated a new three-year Memorandum of Understanding (MOU) with Local 572, which represents drivers and dispatchers. The new labor agreement included the following amendments:

- A 12.55 percent pay increase in year one of the three-year contract, with a 1 percent increase during each year of the three-year contract.
- An increase of $15.00 a month to the health benefit each year of the contract.
- An increase of $12.00 per employee per year for uniforms.
- Language change to Article 3, Union Security, was made to include the recent U.S. Supreme Court ruling that gives employees the option of choosing whether to join the union.

In a subsequent amendment to the MOU, all drivers and dispatchers who worked from March 1, 2020, through June 30, 2020, received a one-time Hero Award of $500 for their efforts in sustaining transit services during the COVID-19 pandemic. The cash award was paid out in December 2020. In addition, a winter wage enhancement of $0.50 per hour was implemented in November 2020 for drivers and dispatchers as well as a $200 merit award. In August 2020, Mountain Transit and the Teamsters agreed to allow Mountain Transit to hire dispatchers without the mandatory commercial license requirement due to DMV's reduced services. There is no shop steward at Big Bear, but the one at Crestline is available for Big Bear employees.

Mountain Transit has moved toward eliminating part-time positions through attrition. During high season such as winter months, the agency would have a seasonal classification to hire drivers for the ski resort service. There is a good working relationship and open communication between the two operation supervisors. The average age for the drivers is 46. Table V-3 summarizes Mountain Transit's staffing levels:

Table V-3
Mountain Transit Personnel Levels

	FY 2017	FY 2018	FY 2019	FY 2020
Employees (head count)	49	52	54	50

Source: Mountain Transit

The decrease in the hours of operation due to the COVID-19 pandemic and reduced funding eliminated the need for one full-time supervisor. Driving staff has decreased by three full-time drivers and two part-time drivers, who stopped working due to concerns related to COVID-19.

These driving positions remain unfilled until service hours increase. The number of maintenance employee was increased with two part-time utility workers to support the enhanced cleaning of vehicles and facilities. Overall, the reorganization decreased total staffing to 39 employees since the reorganization of the agency in April 2020, with these lower staffing levels occurring following the audit period.

New drivers undergo 15 hours of classroom and 20 hours of behind-the-wheel training, which consists of bus maneuvering, defensive driving, customer relations, ADA sensitivity training, system safety, and accident emergency procedures. In addition, drivers undergo 8 hours of state-required Verification of Transit Training (VTT). Senior-level drivers receive a minimum of 8 hours training annually that includes post-accident training, new procedures and equipment training, and training to correct performance deficiencies. Mountain Transit's Crestline facility had a driver training classroom. Drivers are cross trained on all the routes, which are bidded out biannually. The Big Bear operations supervisor is credentialed to train drivers for their annual 8 hours of VTT certification.

The operations supervisor assigned to Crestline was a trainer and a former LA Metro employee. Drivers are recruited through the Mountain Transit website, industry publications, and local newspapers such as the *Mountain News* (Crestline/Lake Arrowhead) and the *Big Bear Grizzly*. Mountain Transit had a booth at Big Bear High School's career fair in September 2017. Mountain Transit reports that its newer drivers are more professional, customer service oriented, and experienced with mountain road conditions.

Mountain Transit implemented a quarterly employee appreciation program that includes a $50.00 gift card, a plaque, Mountain Transit jacket, and a presentation before the board.

Maintenance

Mountain Transit has two maintenance facilities, one each in Big Bear and in Crestline. The maintenance facility in Big Bear has two bay doors and four SEFAC heavy-duty lifts. A significant constraint facing both maintenance facilities has been space. The service bays are too small to accommodate longer buses. The maintenance manager retired in Spring of 2020 and the lead mechanics at Big Bear and Crestline were both promoted to supervisors, leaving the maintenance manager position unfilled. There has been more emphasis on trainings to improve core competencies. Mechanics attended the CalACT-sponsored Maintenance Conference that was held in July 2017 at the Lake Arrowhead UCLA Conference Center.

Preventive maintenance inspections are conducted every 3,000 miles or 45 days. Mountain Transit has been gradually implementing the Ron Turley & Associates fleet management program. The agency had been utilizing the ManagerPlus software program to track preventive maintenance and parts inventory. However, staff indicated that ManagerPlus is not well suited for public transit operations.

Parts inventory is limited due to physical storage constraints. Parts are procured from local vendors such as Napa Auto Parts in Big Bear and ACE Hardware in Crestline. Tires are leased through a contract with Goodyear. In addition to the regular preventive maintenance cycle, a daily vehicle report is prepared for each vehicle on a pre- and post-trip basis. The report has a top white copy that goes to the maintenance department and a bottom yellow copy that goes to operations. The pre-trip report consists of a 29-point inspection whereas the in-service/post-trip report is a 14-point inspection.

In 2018, Mountain Transit joined the Ford Fleet Repair Program and has since saved over $2,000 in the cost of vehicle repairs performed at Ford shops. The discount program offered by Ford offers a 10 percent discount to companies that register their vehicles in their repair program. All Mountain Transit vehicles have been registered in this program.

There is no on-site fueling at either of the Mountain Transit facilities. Vehicle fueling takes place at the San Bernardino County Sheriff Big Bear Lake patrol station through a contract with the County. Moonridge Fuel is a backup supplier for the vehicles assigned to Big Bear. Crestline facility has no backup fuel vendor. Vehicles are stored at the Park N' Ride lot in Crestline while the facility is being rebuilt.

Maintenance-related performance measures are included in the monthly board agendas. One measure of vehicle maintenance is the number of vehicle road calls during revenue service. Table V-4 shows the trend in this measurement over the three audit years.

Table V-4
Mountain Transit Road Calls (NTD System Failures)

	FY 2017	FY 2018	FY 2019	FY 2020
Road Calls	2	6	11	3

Source: TransTrack

After a peak of 11 road calls in FY 2019, the number of road calls reported by Mountain Transit declined during the audit period to three in FY 2020. Mountain Transit reported the loss of three newer Ford vehicles due to engine issues under warranty.

Planning

The 2016 Mountain Transit SRTP was released in October 2016. This latest SRTP is an update to the prior 2012-16 SRTP. The updated SRTP is organized into eight chapters plus appendices, which include the results of the 2015 on-board/public survey and a financial plan in Chapter 7 with a 5- and 15-year horizon describing sources and uses of funding for both the operating and capital programs. Chapter 8 contains an action plan for each year of the SRTP with itemized recommendations pertaining to the areas of management and finance, marketing, service and scheduling, and capital needs.

Prior to adoption of any service adjustments, Mountain Transit holds public meetings in both Big Bear and Crestline during board sessions to discuss the anticipated changes. Mountain Transit uses all available funding for transit, thus negating the need for conducting an unmet needs analysis.

Marketing

Outreach efforts by Mountain Transit have focused on partnerships with ski resorts, community events, and the local business community. The marketing and planning manager assists with marketing and collateral distribution as well as with online engagement. The manager was a former operations supervisor and still provides support to operations. In addition, the general manager sits on the Board of Directors of the Big Bear Chamber of Commerce and is the co-chair of the chamber's Government Affairs and Regional Transportation Advisory Committee and member of the Executive Committee. Outreach to local veterans was increased with an emphasis on highlighting services located in the San Bernardino Valley.

In addition to its community outreach initiatives, Mountain Transit has continued to rely on conventional forms of marketing. Printed collateral consists of the Riders Guide, which is formatted into a glossy color map format for each service mode. Each guide is printed in English and Spanish and features maps, fare, and schedule information. The printing of Riders Guide was suspended in light of the COVID-19 pandemic. Transit information continued to be disseminated through the website and mobile apps.

The Mountain Transit website (http://mountaintransit.org/) was redesigned and contains many interactive features. In June 2020, the agency awarded a contract to Digital Mountaineers, based in Arrowbear Lake, to modernize and make technical improvements to the website. The menu is placed on the banner just below the logo and provides links to the different service modes and fare schedule. A route map in the center of the home page allows users to click on a route, which takes them to a detailed schedule page. Schedule information is also available in a PDF. The website has a Google Translate feature in the upper right-hand corner. Given the topography and weather conditions in the service area, the website features road conditions and transit service alerts. Website statistics are featured as part of the monthly board agenda packet. As of June 2021, Mountain Transit's social media presence consists of a Facebook page with 937 likes, 1,042 follows, and 26 check-ins. Other social media platforms utilized and maintained by Digital Mountaineers are Twitter and Yelp.

In addition to cash fares, Mountain Transit offers non-cash fare media such as multi-ride passes and tokens. Passes are available for purchase at Mountain Transit's transit offices in Big Bear and Crestline with cash, check, or Visa and MasterCard credit cards. Mountain Transit also accepts Omnitrans passes and Metrolink tickets, which are good for a cash fare discount. In July 2020, Mountain Transit implemented the Token Transit mobile ticketing platform.

Mountain Transit implemented an advertising program in January 2020. Big Bear Guides was awarded the contract to sell ads on the bus exteriors and shelters. The first paid bus advertisement secured by Big Bear Guides was purchased by the City of Big Bear Lake. Exterior advertising space

is available on the bus shelters and on the vehicles. Advertising is featured on the taillight panel, half tail wrap, full tail wrap, and weekend trolley windows. The advertising program is promoted on the website (https://mountaintransit.org/bus-advertising/).

As mentioned earlier, another successful marketing strategy has been local partnerships and participation in community events. Weekend trolley service is available during the annual Oktoberfest in Lake Arrowhead. The twice annual Wine Walk admission includes rides on transit.

Pursuant to the federal Civil Rights Act of 1964, Mountain Transit has adopted a Title VI Plan. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving federal financial assistance. Mountain Transit's Title VI Plan was updated in November 2017 and adopted by the board in January 2018. The Title VI Plan encompasses the Title VI program, Public Participation Plan, and Language Assistance Plan. The plan updates included a summary of outreach efforts undertaken since 2013, annual ridership profiles, improvements made to providing notice to Limited English Proficiency (LEP) individuals, interpretation services, driver training and strategies for communicating with LEP individual while in the field, and rider guides printed in Spanish. Title VI notices and complaint forms are available on the website.

General Administration and Management

Under a JPA, Mountain Transit is governed by a five-member board comprising two city council members from the City of Big Bear Lake, two members of the County of San Bernardino Board of Supervisors representing the Second and Third Districts, and one at-large member from the community. A general manager, appointed by the board, administers the day-to-day operations of the transit authority, and is supported by the assistant general manager and administrative assistant. Regular board meetings are held the third Wednesday at 10:30 a.m. with the location of meetings alternating between Big Bear Lake, Crestline, and Sky Park.

Board agenda packets are informative and contain a report of operating activities, administrative staff reports, and financial reports. Operating activities reported include Big Bear and Crestline operations, ridership graphs, website statistics, and the number of Metrolink passes sold.

Mountain Transit's long-time general manager gave notice to the board of her departure from the agency in March 2020. Although she had offered to stay on for six months, the assistant general manager assumed the role of interim general manager, then general manager effective April 18, 2020. This change in senior management created a vacancy of the position of assistant general manager, which will remain vacant under the agency's reorganization plan.

Mountain Transit conducts annual updates of its policies and procedures aimed at strengthening internal controls. Policies have been developed for procurement, administrative, accounting, and finance functions. The published policies and procedures are maintained in respective binders and used to train staff. For example, any checks or Automated Clearing House deposits are logged into

a book. The general manager now approves all invoices whereas in the past, the department heads would approve invoices. In addition, signature authority was amended to require two signers on checks and the number of corporate credit cards were reduced to two.

During the audit period, the agency commissioned a wage and compensation study for non-represented employees. Mountain Transit does not have a step system for non-represented employees; therefore, pay increases are not automatic. Pay raises are generally based on merit and available funding. In November 2018, the agency updated its wage and salary schedule, which included a 4 percent increase to the minimum, mid-point, and maximum of the wage and salary schedule, which became effective January 1, 2019. The board also authorized Mountain Transit to comply with the state's minimum wage increases of $1.00 for the years 2019 through 2022.

The implementation of the pay increases prompted an in-depth review of certain job classifications. Mountain Transit retained MK Consulting to conduct a classification review of the administrative assistant, marketing/community relations administrator, and assistant general manager positions. Based on the findings and recommendations made in the review, the board approved at its January 2020 meeting the following updates to the Mountain Transit Wage & Salary Schedule:

- The administrative assistant title was changed to office manager/Clerk of the Board and the position moved from a Level III to Level IV;
- The marketing/community relations administrator title was changed to marketing and planning manager; and
- The assistant general manager salary range was increased.

In another measure implemented in January 2021, Mountain Transit outsourced its payroll processing to Paychex. The agency cited lower administrative costs for the decision. Development of the annual budget involves meetings between the general manager and agency staff, and several considerations including the previous year's budget, SRTPs, outcomes of the unmet transit needs process, and other anticipated transit needs. Actual expenditures versus budgeted numbers are compared monthly and presented to the board. Each year, the board appoints two members to the Finance Committee to review the annual budget with the general manager before it is presented to the board for approval. Board members generally volunteer to serve on the committee. The committee meets once or twice to review the budget either in person or by teleconference.

Pursuant to TDA, Mountain Transit receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance Funds (STAF). TDA funding is used primarily for operating expenditures and certain capital projects. Based on annual financial audit data, LTF revenues received under Article 4 during the audit period were $2,319,109 ($2,045,315 operations; $273,794 capital) in FY 2018; $3,382,069 ($2,952,465 operations; $429,604 capital) in FY 2019; and $3,332,919 ($3,219,841 operations; $113,078 capital) in FY 2020. STAF revenues received applied toward capital were $253,897 in FY 2018; $89,616 in FY 2019; and $397,845 in FY 2020. The Transit

Operators' Financial Transactions Reports sent to the State Controller are generally prepared by an independent auditor retained by Mountain Transit and reviewed by staff.

Grants Management

Mountain Transit manages its capital STAF and LTF proceeds through spreadsheets depicting the fiscal year, allocation number, and federal grant number. A project description is provided, along with allocation amounts and disbursement monthly. Federal grants and STAF matching funds provided most of the capital revenues for asset purchases during the audit period. Mountain Transit continues to follow the recommended capital improvement schedules in the 2016 SRTP/COA.

The general manager is responsible for applying for and monitoring transit grants. The grants are pursued to support the operating and capital funding of the agency and meet schedules contained in planning documents. Local funding support is derived from the county's Measure I program, which supports demand-response services, Transportation Reimbursement Escort Program, and the outreach coordinator position. Mountain Transit received $88,939 in FY 2018; $105,223 in FY 2019; and $99,092 in FY 2020 in Measure I.

Mountain Transit receives federal rural formula FTA Section 5311 grants for operations. FTA Section 5311 funds received during the audit period were $420,780 in FY 2018; $281,775 in FY 2019; and $281,775 in FY 2020. Other federal formula and discretionary funding included Congestion Mitigation and Air Quality (CMAQ) funding of $372,356 in FY 2019. Three Ford Transit 4-wheel drive revenue passenger vans were ordered in May 2020 with CMAQ funds. The Ford Transit vans are the first 4-wheel drive vehicles in the Mountain Transit fleet.

Under the Coronavirus Aid, Relief and Economic Security (CARES) Act, FTA is allocated $25 billion to recipients of urbanized area and rural area formula funds, with $22.7 billion allocated to large and small urban areas and $2.2 billion allocated to rural areas. Funding is provided at a 100 percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. Under Phase I of the CARES Act, Mountain Transit was awarded $312,084 and an additional $600,000 in funding under Phase II. The supplemental funding has gone toward the loss in farebox revenues and to cover increased expenses related to the pandemic response.

Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) funds received for vehicle procurement and capital improvements included $9,515 in FY 2018 and $81,362 in FY 2020. Three 26-foot E450 revenue vehicles were ordered in April 2020 with PTMISEA funds. There was an unearned balance of $1,139,151 as of June 30, 2020.

The agency was awarded $150,550 in LCTOP funding, which allowed for implementation of Route 13, the Big Bear OTM service to Victorville in FY 2018. Mountain Transit received $137,585 in LCTOP funds in FY 2019. There was an unearned balance of $105,576 in LCTOP funds as of June 30, 2020.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2018 through 2020. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the nine compliance requirements pertaining to Mountain Transit, the operator fully complied with seven requirements. The operator was partially compliant regarding the timely submittal of its Transit Operators' Financial Transactions Report to the State Controller (late submittal in FY 2018) and calculation of full-time employee equivalents. Two additional compliance requirements did not apply to the operator (i.e., blended and urban farebox recovery ratios).

2. Mountain Transit's farebox recovery ratio remained well above the required 10 percent standard despite a slightly downward trend. For the three-year audit period, the farebox recovery ratio was 12.56 percent in FY 2018; 13.37 percent in FY 2019; and 10.00 percent in FY 2020.[3] The average system-wide farebox recovery ratio was 11.98 percent during the triennial review period. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

3. Mountain Transit participates in the CHP Transit Operator Compliance Program and received inspections of its transit vehicles at both its Big Bear and Crestline facilities within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. The operating budget exhibited moderate increases for each fiscal year of the audit period. The budget increased 0.4 percent in FY 2018 followed by higher increases of 4.0 percent in FY 2019 and 7.6 percent in FY 2020.

5. Mountain Transit satisfactorily implemented two out of the four prior audit recommendations. The completed recommendations pertained to the use of local support funds to enhance farebox revenues and collaborative efforts with the City of Big Bear Lake and other local agencies on infrastructure improvements. One recommendation, pertaining to revenue subsidy agreements with local colleges and universities, was partially implemented from Mountain Transit's attempt to work with Victor Valley College on a pass program but was not

[3] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19.

finalized due to the discontinuation of OTM Route 13. The recommendation pertaining to the calculation of full-time employee equivalents was not implemented and is carried forward in this audit for full implementation.

6. Operating costs system-wide rose modestly from the FY 2017 base year to FY 2020, increasing 27.5 percent using audited data. Fixed-route operating costs increased 18 percent whereas demand-response costs increased 66.8 percent using unaudited modal data. Per an average annual basis, costs increased 8.5 percent with the highest increase of 15.5 percent occurring in FY 2019. The higher costs are attributed to new service implementation and employee pay raises and benefit increases.

7. Ridership decreased by a modest 2.6 percent system-wide from the FY 2017 base year to FY 2020. Fixed-route passenger trips remained relatively unchanged with a 0.4 percent increase; however, demand-response ridership decreased 26.9 percent. After a system-wide increase of 13.2 percent in FY 2018, there was a modest increase of 1.4 percent in FY 2019. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 15.2 percent. Ridership increased 4.1 percent in the second quarter of FY 2020, followed by a 19.7 percent increase in the third quarter, and 63.5 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

8. Operating cost per passenger, an indicator of cost effectiveness, increased 30.9 percent system-wide, an indicator showing that operating costs have increased at a higher rate than passenger trips. Cost per passenger increased 17.5 percent on fixed route yet increased 128.3 percent on the demand-response service. Fixed-route trips remained relatively flat compared to the 18 percent increase in operating costs. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $20.53 in the first quarter of FY 2020, $20.98 in the second quarter, $16.55 in the third quarter, and $49.32 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $26.85.

9. Operating cost per hour, an indicator of cost efficiency, increased 33.4 percent system-wide based on audited cost data. In contrast, the indicator increased 21.4 percent on the fixed route yet increased 82.9 percent on demand response based on unaudited modal cost data. Vehicle service hours on the fixed route decreased 2.8 percent whereas operating costs increased 18 percent. For demand response, service hours decreased 8.8 percent while operating costs increased 66.8 percent. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $89.64 in the first quarter, $100.07 in the second quarter, $97.41 in the third quarter, and $138.38 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $106.38.

10. Passengers per hour, which measures the effectiveness of the service delivered, increased 1.9 percent system-wide from 4.5 passengers in the FY 2017 base year to 4.6 passengers in FY 2020. This indicator for the fixed-route mode increased 3.3 percent whereas for demand

response there was an approximate 21 percent decrease. The number of passenger trips per hour peaked at 4.8 passengers system-wide and 5.7 passengers on the fixed route during FY 2018. During FY 2020, passengers per hour were 4.4 in the first quarter, 4.8 in the second quarter, 5.9 in the third quarter, and 2.8 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 4.5 passengers.

11. Mountain Transit deepened its relationship with the local winter resort industry. Its seasonal Route 9 has benefited from the partnership with the Big Bear Mountain Resort. The agency operates service to the local ski resorts during the winter season, approximately from mid-November to mid-April.

12. Mountain Transit implemented OTM service between Big Bear and Victorville, effective March 1, 2018. OTM Route 13 was composed of three bi-directional trips Monday through Friday and two bi-directional trips on the weekend. Due to lower than expected ridership demand, Route 13 was eventually discontinued on April 26, 2019.

13. In 2018, Mountain Transit received a request from the RIM School District to provide service for their students impacted by Caltrans construction on the Crestline Dam. Mountain Transit ran service three times per day, picking up approximately 170 to 220 students per week. The County of San Bernardino covered the cost of providing the service.

14. Mountain Transit implemented a mobile-based dispatching software system. The Star TrakGPS allows for real-time GPS tracking of buses from a mobile tablet. Mobile tablets can also categorize each passenger. The software went live in November 2017 after a challenging implementation process.

15. In July 2020, Mountain Transit implemented the mobile ticketing platform, Token Transit. Token Transit is a free app that allows riders to purchase their bus passes on their smartphones using a credit or debit card. The app displays a digital pass on the rider's phone screen, which is shown to the driver as the passenger boards the bus.

16. In August 2019, an electrical fire broke out at the Crestline facility located at 621 Forest Shade Road. The exterior and some of the interior office space sustained damage. In the wake of the fire, Mountain Transit initiated plans to rebuild and upgrade the Crestline facility. The two-story design increases parking stalls and includes a bus washing station, required ADA access, solar panels on covered bus parking, and ample room for electric charging stations.

17. Mountain Transit implemented an advertising program in January 2020. Big Bear Guides was awarded the contract to sell ads on the bus exteriors and shelters. The first paid bus advertisement secured by Big Bear Guides was purchased by the City of Big Bear Lake. Exterior advertising space is available on the bus shelters and on the vehicles.

18. Mountain Transit's long-time general manager gave notice to the Board of her departure from the agency in March 2020. The assistant general manager assumed the role of interim general manager, then general manager effective April 18, 2020. This change in senior management created a vacancy of the position of assistant general manager, which will remain vacant under the agency's reorganization plan.

Recommendations

1. **Calculate full-time employee equivalents using TDA definitions.**
   (High Priority)

   This recommendation is being carried over from the prior audit for full implementation. An auditor review of the full-time employee equivalent data reported in the Transit Operators' Financial Transactions Reports revealed an incorrect calculation for both service modes. The employee data reported in the FY 2018 State Controller Report showed 19 FTEs for the motor bus mode and 14 FTEs for the demand-response mode. In the FY 2020 report, there are 23 FTEs reported for the motor bus mode and 23 FTEs. The FTE data appear to reflect a headcount rather than the total annual labor hours divided by 2,000. Mountain Transit does track the labor hours for each employee annually on an Excel spreadsheet. Driver trip manifests can also be utilized to calculate labor hours by service mode. These sources should enable the agency to conform to the FTE definition.

2. **Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.**
   (High Priority)

   In the compliance review section, it was found that Mountain Transit submitted its Transit Operators Financial Transactions Reports to the State Controller after the statutory deadline for a few years during the audit period. Pursuant to Public Utilities Code Section 99243, the report is due within seven months after the end of the fiscal year, which is on or before January 31. The submission of reports to the State Controller in a timely manner will further demonstrate Mountain Transit's proactive approach to compliance with state reporting instructions.

3. **Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.**
   (Medium Priority)

   A prior audit recommendation suggested that Mountain Transit pursue revenue subsidy agreements with local colleges and universities as a means to support farebox recovery and boost ridership. This was prompted by the launch of Route 13, an OTM service which operated between Big Bear and Victorville and had Victor Valley College as one of its timepoints. According to Mountain Transit staff, the period prior to and during the COVID pandemic provided the agency an opportunity to reset its course of service delivery and to further engage with the larger community in providing needed transportation services. Multiple examples of such agreements with both public and private entities were cited such as with the RIM School District and Big Bear Mountain resort. Given the status and current uncertainties with public transit in general, Mountain Transit's active partnerships help stabilize operations and provide more steady revenue streams while providing more visibility to the service. We applaud the agency's approach towards building local and regional partnerships that have become a viable

aspect of transit systems, and are further recommending their continued pursuit of these types of engagements.

FY 2018–2020 TRIENNIAL PERFORMANCE AUDIT

sbcta
san bernardino county transportation authority

MORONGO BASIN TRANSIT AUTHORITY

MBTA

Draft

August 2021

Submitted to:

San Bernardino County Transportation Authority

Submitted by:

Michael Baker INTERNATIONAL

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Executive Summary

The San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the five public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Morongo Basin Transit Authority (MBTA, Authority), covering the most recent triennial period, fiscal years 2017-18 through 2019-20.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- Transit System Performance Trends
- Detailed Functional Review

From the review, recommendations were developed to help improve the operational efficiency and effectiveness of MBTA.

Compliance with TDA Requirements

Of the compliance requirements pertaining to MBTA, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to MBTA (i.e., rural/urban farebox recovery ratios).

Status of Prior Audit Recommendations

MBTA satisfactorily implemented the four prior audit recommendations. The completed recommendations pertained to reviewing opportunities for increasing local revenue to boost farebox recovery, updating performance monitoring contained in the SRTP, implementation of enhanced electronic and mobile trip planning tools, and the exploration of additional CNG fuel sales to the public.

Transit System Performance Trends

1. MBTA's farebox recovery ratio remained well above the required 10 percent standard despite a slightly downward trend that worsened because of the COVID-19 pandemic. For the three-year audit period, the farebox recovery ratio was 17.75 percent in FY 2018; 16.01 percent in FY

2019; and 10.00 percent in FY 2020.[1] The average system-wide farebox recovery ratio was 14.59 percent during the triennial review period. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

2. Operating costs system-wide increased by 11.6 percent using audited data from FY 2017 base year to FY 2020. Fixed-route operating costs increased by 26.5 percent while demand-response costs increased 23 percent using unaudited modal data. On an annualized basis, costs increased 3.7 percent, with the highest increase of 5 percent occurring in FY 2018. The higher costs are attributed to the Joshua Tree National Park service expansion as well as the 2 percent cost of living and employee wage adjustments.

3. After exhibiting modest increases in FY 2018 and FY 2019, system-wide ridership decreased 19.4 percent from the FY 2017 base year to FY 2020. The 19.8 percent decrease in fixed-route passenger trips mirrored the system-wide trend, whereas demand-response ridership decreased 13.4 percent. System-wide ridership increased 1 percent in FY 2018 and 2.1 percent in FY 2019. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 21.9 percent. Ridership increased 1.4 percent in the second quarter of FY 2020, followed by a 7.8 percent decrease in the third quarter, and 39.6 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

4. Operating cost per passenger, an indicator of cost effectiveness, increased 38.5 percent system-wide from FY 2017 base year to FY 2020. Cost per passenger increased 57.8 percent on fixed route and increased by 42 percent on the demand-response service. The trend shows that costs have increased faster than the number of passenger trips due to the onset of the COVID-19 pandemic impacts in FY 2020. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $15.21 in the first quarter of FY 2020, $13.50 in the second quarter, $13.31 in the third quarter, and $25.43 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $16.86.

5. Operating cost per hour, an indicator of cost efficiency, increased 13.8 percent system-wide from FY 2017 base year to FY 2020. The indicator increased 27.6 percent on fixed route and by 30.5 percent for Ready Ride demand response. The trends for both modes are reflective of the increase in operating costs versus the decrease in vehicle service hours. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $118.76 in the first quarter, $108.01 in the second quarter, $100.25 in the third quarter, and $123.25 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $112.57.

[1] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and State Shelter-in-Place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19.

6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased by 17.9 percent system-wide from 8.6 passengers to 7.1 passengers from FY 2017 base year to FY 2020. The indicator for the fixed-route mode decreased by a comparable 19.2 percent whereas for demand response there was an 8.1 percent decrease. For both service modes, the rate of decline in passenger trips exceeds that for vehicle service hours. During FY 2020, passengers per hour were 7.8 in the first quarter, 8.0 in the second quarter, 7.5 in the third quarter, and 4.8 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 7.0 passengers.

Detailed Functional Review

1. A cooperative agreement between the National Park Service and MBTA was executed on September 7, 2017, for MBTA to operate the RoadRunner Shuttle on a pilot basis through May 2019. One percent of the total annual park visitor attendance, or 28,000 trips, was the performance benchmark for the service. The two-year Joshua Tree National Park pilot program was branded the RoadRunner Shuttle, which commenced service on February 1, 2018.

2. MBTA applied the LCTOP funding toward a free fare program for Copper Mountain College students. Prior to the receipt of LCTOP funds, MBTA received an annual subsidy from Copper Mountain College that amounted to $20,000 annually. Under that agreement, students were able to ride the fixed route for $0.50 per ride.

3. MBTA is a non-union shop where employment is on an at-will basis despite a unionization effort that took place in 2015. The unionization effort prompted management to engage in more employee outreach. During the negotiation process, employees were able to identify gaps in benefits and policies. In response, MBTA revised the employee handbook to incorporate policies derived from the union negotiations. Benefit changes and wage increases are reflected in the FY 2017–18 budget.

4. MBTA commissioned an update to its SRTP in October 2018. The SRTP scope of work included the modification of service policies, goals, and objectives, including performance standards by which to measure current and future performance. The SRTP, adopted in June 2020, envisions a phased five-year transition plan to redesign existing transit services to better respond to the mobility expectations and preferences of service area residents, employees, and visitors. The plan builds on the historical success of cross-valley service operating for decades in the SR-62 corridor.

5. Marketing efforts during the audit period have been primarily directed to attracting new riders and Copper Mountain College students. New marketing initiatives have included an enhanced website, logo, social media presence, and bus stop amenities. MBTA launched a marketing campaign that targeted the discretionary or “choice rider” market in FY 2017-18. The website was revamped and went live in the fall of 2018. The website’s enhanced features include a trip planner and an interactive route map.

6. MBTA retains all of its remaining LTF revenues from implementation of its cost allocation plan. The plan provides justification for MBTA's continued funding support and its ability to expand its transit infrastructure. The plan includes three cost and revenue allocation options along with a five-year forecast for each option.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Ensure accident, incident and road call data are reported in TransTrack Manager.	MBTA has been proficient in its utilization of TransTrack Manager in the reporting of system performance metrics. A review of the quarterly performance scorecard within TransTrack confirmed that most performance indicators and data are being reported such as farebox recovery ratio, operating costs per revenue hour and mile, passengers per revenue hour and mile, complaints, and on-time performance. However, data for some performance categories such as miles between NTD reportable accidents, number of reportable accidents, system failures, road calls are not reported in TransTrack. While reportable accident data are reported in the NTD, they did not get transferred into TransTrack. In addition, although the incidents of road calls were negligible during the audit period, they were not reported. It is suggested that data for these vehicle performance categories be included in TransTrack.	High Priority
2. Consider merits of procuring new fleet management software that would be compatible with other programs used by MBTA.	MBTA's maintenance department appears to run efficiently and effectively. Systems have been in place to ensure that vehicles are serviced within the regularly scheduled intervals. The lead technician/shop supervisor has been quite resourceful in streamlining maintenance practices and ensuring that parts are ordered as needed. The Zonar electronic fleet management system is used for pre- and post-trip inspections whereas the Fleet Controller program is used to track vehicle service history and flag those ready for preventive maintenance inspections. As part of the Fleet Controller program, the Parts Controller module tracks parts inventory and generates purchase orders. The lead technician indicated the necessity to upgrade or replace the Fleet Controller program.	High Priority

Performance Audit Recommendation	Background	Timeline
	With MBTA looking to adopt ZEV technologies as well as upgrade other facets of its operations, it is suggested that the Authority consider the procurement of a new fleet management system.	
3. Consult and collaborate with peer transit agencies regarding the implementation of zero emission vehicle technologies.	The SBCTA in collaboration with the Center for Sustainable Energy released the *San Bernardino County Zero-Emission Vehicle Readiness and Implementation Plan* in August 2019. The ZEV Plan inventories current ZEV infrastructure and usage in San Bernardino County and projects future demand and infrastructure requirements. In response to the ZEV Plan, MBTA has been gathering data in order to discern the best type of ZEV to procure, which will in turn determine the type of charging infrastructure required. The Authority has submitted a LCTOP grant application for the procurement of a battery electric van. A query of peer agencies that have embarked on the implementation of ZEV technologies could prove helpful in the evaluation process. Those peer agencies would include neighboring transit systems such as SunLine and VVTA.	Medium Priority

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 San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the TDA triennial performance audit of the five public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for Morongo Basin Transit Authority (MBTA, Authority), covering the most recent triennial period, fiscal years 2017-18 through 2019-20.

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

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

Overview of the Transit System

MBTA has been providing transit service since its establishment as a Joint Powers Authority (JPA) in October 1989 between the City of Twentynine Palms and the County of San Bernardino. The JPA was expanded in September 1992 to include the Town of Yucca Valley. The JPA is administered by a governing board of seven members. Two members and two alternates are appointed by each member jurisdiction. On behalf of the County are two members representing the Third Supervisorial District or their designees. The seventh member is a resident of the Morongo Basin, who is selected by a majority of the other six members for a term of two years. Day-to-day operations are overseen by a general manager from MBTA's operations center in Joshua Tree.

As the third largest transit operator in the county, MBTA provides a general public deviated fixed route and a demand-responsive service primarily for seniors and the disabled. In addition, MBTA regulates taxicab operations within its service area. Route-deviated service is provided within Yucca Valley, Twentynine Palms, the unincorporated community of Landers, the Marine Corps Air Ground Combat Center (MCAGCC), and along the State Route (SR) 62 corridor between Twentynine Palms and Yucca Valley. A deviated service also connects the MBTA service area from a park-and-ride facility in Yucca Valley to the Palm Springs area for commuters and for medical appointments and shopping. The demand-responsive service, Ready Ride, serves most of the same area as the deviated fixed route, except for the Palm Springs service, and includes the communities of Joshua Tree, Morongo Valley, Wonder Valley, and Yucca Mesa.

The Morongo Basin is in south-central San Bernardino County between Interstate 10 on the south and Interstate 40 on the north. The basin is part of the Mojave Desert and home to Joshua Tree National Park. The MBTA service area consists of 10 communities that mirror approximately the service area of the Morongo Unified School District (excluding Palm Springs). The service area population is approximately 70,000.

A demographic snapshot of key cities and Census-designated places (CDPs) in the MBTA service area is presented below in Table I-1:

Table I-1
MBTA Service Area Demographics

City/CDP	2019 ACS 5-Year Estimates	Change from 2010 US Census	% Population 65 Years & Older 2019 ACS	2021 Department of Finance Estimates	Land Area (in square miles)
Joshua Tree CDP	7,581	2.3%	18.9%	n/a	37.04
Twentynine Palms	26,147	4.4%	6.0%	29,967	59.14
Yucca Valley	21,622	4.5%	20.4%	22,330	40.02

Source: 2010 US Census; 2019 American Community Survey 5-Year Estimates & California Department of Finance, 2021 Population Estimates

The two largest communities in the Morongo Basin are Twentynine Palms and Yucca Valley. The 2021 population estimates for the City of Twentynine Palms and the Town of Yucca Valley are 29,697 and 22,330, respectively, as reported by the California Department of Finance.

System Characteristics

Fixed Route: Deviated fixed route (herein referred to as "fixed route") includes eight routes, six of which provide local trips in the Morongo Basin area on one-hour headways. The Landers Loop route operates on between one- and three-hour headways. Route 1 is MBTA's principal trunk route, linking the MCAGCC and Twentynine Palms with Yucca Valley with one-hour headways during the week and one- to three-hour headways on Saturday. Route 12 provides

intercity service during the week between Yucca Valley and Palm Springs, whereas Route 15 provides similar service between the MCAGCC and Palm Springs Friday through Sunday. Deviated service fulfills the requirements for the Americans with Disabilities Act of 1990 (ADA) and extends three-quarters of a mile beyond the fixed route. Route 21 (Landers Loop) has a maximum corridor of 1.5 miles along its route.

Transfer centers are in both Yucca Valley and Twentynine Palms. Passengers can transfer between the local routes that operate within each city, as well as making connections onto the intercity route. Table I-2 details the fixed-route services.

Table I-2
MBTA Fixed Route Services

Route Number	Description	Frequency/Operation	Destinations
1	**Yucca Valley – Marine Base**	▪ Hourly (Monday through Friday from 6:00 a.m. to 10:07 p.m.) ▪ Every 1 to 3 hours (Saturday from 7:15 a.m. to 9:49 p.m.) ▪ Two bi-directional trips (Sunday from 9:00 a.m. to 4:40 p.m.) ▪ There are limited headways between the MCAGCC and Twentynine Palms Community Center	▪ Yucca Valley Park 'N Ride ▪ Yucca Valley Transit Center ▪ Walmart Center ▪ Hi-Desert Hospital ▪ Copper Mountain College ▪ Twentynine Palms Staters' Bros. ▪ Twentynine Palms Transit Center ▪ Himalaya Plaza ▪ MCAGCC Commissary
3A	**Twentynine Palms Marine Base**	▪ Hourly (Monday through Friday from 7:00 a.m. to 5:50 p.m.)	▪ Twentynine Palms Transit Center ▪ Base Commissary ▪ Base Hospital ▪ Himalaya Plaza ▪ Bourke & 6th
3B	**Twentynine Palms**	▪ Hourly (Monday through Friday from 7:00 a.m. to 5:55 p.m.)	▪ Twentynine Palms Transit Center ▪ Twentynine Palms Staters' Bros. ▪ El Paseo Apartments ▪ Luckie Park ▪ Utah & Baseline
7A	**Yucca Valley North**	▪ Hourly (Monday through Friday from 7:00 a.m. to 5:50 p.m.)	▪ Yucca Valley Transit Center ▪ Walmart Center ▪ Mohawk Apartments ▪ Town Hall ▪ Park 'N Ride

Route Number	Description	Frequency/Operation	Destinations
7B	**Yucca Valley South**	▪ Hourly (Monday through Friday from 7:00 a.m. to 5:50 p.m.)	▪ Yucca Valley Transit Center ▪ Walmart Center ▪ DPSS ▪ Park 'N Ride
12	**Yucca Valley – Palm Springs**	▪ Two morning and one bi-directional afternoon headways (Monday through Friday from 7:00 a.m. to 6:45 p.m.)	▪ Yucca Valley Transit Center ▪ Park 'N Ride ▪ Morongo Valley Country Market ▪ Morongo Valley Circle K ▪ Morongo Valley Post Office ▪ Palm Springs Airport
15	**MCAGCC – Palm Springs**	▪ One evening bi-directional headway (Friday) ▪ Two bi-directional headways (Saturday and Sunday)	▪ Base Post Exchange ▪ Building 1664 ▪ Twentynine Palms Transit Center ▪ Twentynine Palms Staters' Bros. ▪ Yucca Valley Transit Center ▪ Palm Springs Airport
21	**Landers Loop**	▪ Three morning trips and three afternoon trips (Monday through Friday from 6:45 a.m. to 6:16 p.m.)	▪ Yucca Valley Transit Center ▪ Landers Post Office ▪ Halliday's Market ▪ Mojave Market ▪ Dollar General ▪ Aberdeen & Yucca Mesa

Source: MBTA

MBTA does not operate on the following major holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Regular day service is provided on other holidays. When a holiday falls on a Sunday, that holiday is generally observed the following Monday.

Ready Ride – Demand-Response Service: Ready Ride is a door-to-door service available primarily for senior and disabled passengers at a discounted rate but is available for all passengers at a premium rate. The door-to-door service is divided into zones that are generally split among the communities in the service area, including Yucca Valley, Morongo Valley, Joshua Tree, and Twentynine Palms. One-day advanced reservations are recommended, with same-day reservations accepted on a space available basis. Reservations for specific times are accepted up to seven days in advance. The Ready Ride service areas are displayed in Table I-3.

Table I-3
MBTA Ready Ride

Service Area	Days of Operation	Hours of Operation
Joshua Tree	Monday through Friday	7:30 a.m. to 3:00 p.m.
Landers	Monday through Friday	7:00 a.m. to 5:00 p.m.
Morongo Valley	Monday and Thursday	8:30 a.m. to 12:00 p.m.
Twentynine Palms	Monday through Friday	7:00 a.m. to 1:00 p.m.
Wonder Valley	Tuesday and Friday	7:00 a.m. to 12:00 p.m.
Yucca Valley	Monday through Friday	7:30 a.m. to 4:15 p.m.

Source: MBTA

The Landers route deviates from its normal route to pick up and drop off passengers. This service is provided on a reservation basis and is subject to an extra fare.

Fares

MBTA's fares are structured according to service type and destination. Up to three children aged 5 or under may ride free with an adult. Farebox collection was suspended in response to the March 19, 2020, shelter-in-place order and did not resume until June 8, 2020. The fare structure is shown in Table I-4.

Table I-4
MBTA Fare Schedule

	Fare Categories		
Route	**Adult**	**Student**	**Senior/ Disabled**
Intercity (Route 1) One Way	$2.50	$2.50	$1.25
Neighborhood Shuttles (Routes 3, 7, & 21) One Way	$1.25	$1.25	$1.00
Route 12			
From Twentynine Palms One Way Round Trip	 $10.00 $15.00	 $10.00 $15.00	 $4.50 $9.00
From Joshua Tree/Yucca Valley One Way Round Trip	$7.00 $11.00	$7.00 $11.00	$4.50 $9.00
From Morongo Valley One Way Round Trip	 $5.00 $9.00	 $5.00 $9.00	 $4.50 $9.00
Route 15			
From Twentynine Palms One Way Round Trip	$20.00 $25.00	$20.00 $25.00	$14.50 $19.00
From Joshua Tree/Yucca Valley One Way	$17.00	$17.00	$14.50

Route	Fare Categories		
	Adult	Student	Senior/ Disabled
Round Trip	$21.00	$21.00	$19.00
From Morongo Valley One Way Round Trip	$15.00 $19.00	$15.00 $19.00	$14.50 $19.00
Bus Passes	**Adult**	**Student**	**Senior/ Disabled**
Day Pass (Routes 1, 3, 7, & 21)	$3.75	$3.00	$3.00
31-Day *Go Pass*	$40.00	$25.00	$25.00
Palm Springs 7-Day Pass (Route 12)	$42.00	N/A	N/A
Ready Ride	**Adult**	**Student**	**Senior/ Disabled**
Regular Fares	$5.00	$5.00	$2.00
Discount Passes (Seniors/Disabled Only) 10-Punch Pass	N/A	N/A	$12.50
20-Punch Pass	N/A	N/A	$25.00

Source: MBTA

Fleet

There were 24 vehicles in the total fleet during the audit period. MBTA operates an all compressed natural gas (CNG) powered fleet. All vehicles are equipped with wheelchair lifts in conformance with the ADA. Table I-5 shows the vehicle fleet and service type.

Table I-5
MBTA Fleet

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2012	El Dorado Class H	3	CNG	27 (2 W/C)
2016	Glaval Entourage Class E	1	CNG	26 (2 W/C)
2016	El Dorado Aero Elite	3	CNG	24 (2 W/C)
2017	Senator Startrans II	1	CNG	16 (2 W/C)
2018	Senator Startrans II	6	CNG	16 (2 W/C)
2018	Glaval Entourage	4	CNG	14 (2 W/C)
2019	ARBOC	1	CNG	16 (2 W/C)
2019	Senator Startrans II	1	CNG	16 (2 W/C)
2019	Entourage	2	CNG	26 (2 W/C)
2020	Aero Elite	1	CNG	24 (2 W/C)
2020	Gillig Low Floor	1	CNG	28 (2 W/C)
Total		**24**		

Source: MBTA Vehicle Inventory TransTrack; FY 2020 National Transit Database

Taxi Administration

Although not included in the performance audit, MBTA provides taxi program administration and management through supervising drug tests, inspections of cabs, and background checks. These tasks are completed by outside contractors. For example, a local garage conducts the cab inspections. The MBTA clerk records how much time is spent by the agency on taxi business, and MBTA is reimbursed through fees charged to the taxi drivers for annual renewal of the taxi license. Financial accounting for this program is separate from MBTA transit operations.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of MBTA's ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses Caltrans's *Performance Audit Guidebook* to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each requirement is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1
Operator Compliance Requirements Matrix

Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2018: January 30, 2019 FY 2019: January 29, 2020 FY 2020: February 2, 2021 **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	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2018: December 19, 2018 FY 2019: December 17, 2019 FY 2020: December 17, 2020 **Conclusion: Complied.**

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
received the appropriate 90-day extension by the RTPA allowed by law.		
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	MBTA participates in the CHP Transit Operator Compliance Program, in which the CHP conducted inspections within the 13 months prior to each TDA claim. Inspections took place at MBTA's facility located at 62405 Verbena Street in Joshua Tree. Inspection dates applicable to the audit period were March 15 & 16, 2017; March 12 & 13, 2018; and March 5 & 6, 2019. Inspections were found to be satisfactory. **Conclusion: Complied.**
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	As a condition of approval, MBTA's annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by SBCTA. **Conclusion: Complied.**
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating	Public Utilities Code, Section 99270.1	This requirement is not applicable, as MBTA serves a nonurbanized area only. **Conclusion: Not Applicable.**

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.		
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in MBTA's operating budget: FY 2018: +15.2% FY 2019: + 6.0% FY 2020: + 2.4% The increase in the FY 2018 operating budget is attributed to the Joshua Tree National Park service expansion as well as the 2 percent cost of living and employee wage adjustments. *Source: MBTA Budgets for FY 2017-2020* **Conclusion: Complied.**
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service	Public Utilities Code, Section 99247	A review of TransTrack and State Controller Reports indicate overall compliance. **Conclusion: Complied.**

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as MBTA serves a nonurbanized area. **Conclusion: Not Applicable**
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	MBTA's operating ratios using audited data were as follows: FY 2018: 17.75% FY 2019: 16.01% FY 2020: 10.00% *Source: Annual Fiscal and Compliance Audits* **Conclusion: Complied.**
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is	Public Utilities Code, Section 99271	MBTA contributes to its employees' retirement through the California Public Employees Retirement System (CalPERS). To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		transit claimant to comply with standard assurances, one of which is that the agency's retirement system is funded. **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)	MBTA utilizes federal funds that are available to the agency, as reported in the annual fiscal and compliance audits as follows: FY 2018: $410,445 (operations) $132,084 (capital) FY 2019: $613,953 (operations) $324,666 (capital) FY 2020: $933,655 (operations) $296,475 (capital) *Source: National Transit Database (RR-20 Form)* **Conclusion: Complied.**

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to MBTA, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to MBTA (i.e., rural/urban farebox recovery ratios).

2. MBTA's farebox recovery ratio remained well above the required 10 percent standard despite a slightly downward trend. For the three-year audit period, the farebox recovery ratio was 17.75 percent in FY 2018; 16.01 percent in FY 2019; and 10.00 percent in FY 2020.[2] The average system-wide farebox recovery ratio was 14.59 percent during the triennial review period. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

3. MBTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. There were increases in the operating budget all three years of the audit period. The budget exhibited modest increases of 6.0 percent in FY 2019 followed by a 2.4 percent increase in FY 2020. For FY 2018, there was a 15.2 percent increase attributed to the Joshua Tree National Park service expansion as well as the 2 percent cost of living and employee wage adjustments.

[2] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and State Shelter-in-Place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19.

Section III

Prior Triennial Performance Recommendations

MBTA's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of MBTA'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

Review opportunities for increasing local revenue to boost farebox recovery. (High priority)

Background: State Senate Bill (SB) 508, passed in October 2015, made changes to how farebox recovery is calculated. Consistent with current practice, transit systems can boost their farebox recovery through inclusion of local revenues generated by the transit service. MBTA has seen some erosion in its farebox recovery attainment relative to its standard due to sluggish ridership. Even though local Measure I funds are available to support the Ready Ride farebox recovery, MBTA is still expected to attain a 10 percent system-wide farebox recovery ratio.

Under SB 508, other local revenues can prop up the farebox. In addition to local Measure I contributions, examples of local fund revenues include advertisements on buses and bus shelters, CNG fuel sales to the general public, gains on the sale of capital assets, lease revenues generated by transit-owned property, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Both revenues and operating costs are modified in deriving the farebox ratio for TDA eligibility purposes, and it was recommended that MBTA work with the fiscal auditor to accurately reflect the farebox ratio allowed under state law.

Actions taken by MBTA

MBTA boosted local revenue generation efforts during the audit period. The audited annual financial reports identify and incorporate local revenues toward the farebox, and as allowed by SBCTA. To that end, MBTA has supported local revenues through the sale of retired and disposed vehicles; application and award of Low Carbon Transit Operations Program (LCTOP) funding to cover the federal match to operate the RoadRunner Shuttle Service to the Joshua Tree National Park; and receipt of LCTOP funding award to subsidize the fares for Copper Mountain College students for two consecutive cycles (FY 2019–20 and FY 2020–21). The MBTA Board of Directors is not in favor of selling marketing space on its buses and bus shelters.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Update performance monitoring contained in the Short-Range Transit Plan. (High priority)

Background: MBTA's Focused SRTP, adopted in August 2016, provides recommendations for minimum standards and targets that gauge operational performance. For example, the SRTP recommends a minimum standard for preventable accidents and road calls. While MBTA tracks such data and records each occurrence, the standards are presented in the SRTP as a function of vehicle mileage, including miles between accidents, and miles between road calls. These measures are used on a rolling basis and can relate to the amount of operational service provided. The measures also reveal the frequency of each occurrence relative to the number of miles driven between each occurrence. MBTA should update its performance monitoring to track these additional performance measures against the SRTP targets.

Actions taken by MBTA

MBTA released a Request for Proposals in October 2018 for the development of an SRTP for FYs 2020–2024. The SRTP scope of work included the modification of service policies, goals, and objectives, including performance standards by which to measure current and future performance. The SRTP, adopted in June 2020, provides preferred outcome metrics summarized as active indicators of dynamic performance of system functions, such as transportation operations, maintenance, and administration.

One of the reliability metrics includes miles between road calls of 14,000 miles for fixed route and 10,000 miles for Ready Ride. Safety metrics include less than 1.5 preventable accidents per 100,000 miles driven, and less than 1.0 passenger injuries per 100,000 miles driven. These standards follow national trends and also are set through the MBTA Risk Management Pool.

Conclusion

This recommendation has been implemented. However, while being monitored by MBTA for internal protocols, these key performance indicators are not being consistently reported in TransTrack Manager. Data gaps exist in the TransTrack quarterly scorecard.

Prior Recommendation 3

Consider implementation of enhanced electronic and mobile trip planning tools.
(Medium priority)

Background: MBTA provides information about its services through its website, which was updated during the audit period to reflect the fare increases and weekend schedule changes. The website is also accessible in a mobile format and provides links to a trip planner tool and a commute calculator. The trip planner is linked to Google Transit but appears to not have been updated to the latest version. Google Transit's key features include simple and accessible online

trip planning, trip planning in numerous languages, comparisons with other modes of travel (automotive, cycling, and pedestrian), and compatibility with many mobile devices. Other trip planning tools include the Transit App, which provides real-time transit route information in a mobile format. As MBTA pursues technology upgrades such as AVL systems and live bus tracking, it was suggested that these initiatives be tied to trip planning platforms.

Actions taken by MBTA

In FY 2019-20, MBTA went through an expansive marketing campaign that included the redevelopment of its current website. This redevelopment included a more user-friendly interactive map that included an update to its GIS platform, which complements the implementation of a trip planner (www.mbtabus.com). MBTA has been involved in the procurement efforts of this technology. The recent events attributed to the COVID-19 pandemic has slowed the progression due to the 60 percent reduction in ridership.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Explore additional CNG fuel sales to the public. (Medium priority)

Background: MBTA has an on-site CNG fueling facility for its vehicle fleet. The facility asset has been available to the public for fuel purchase for many years, although MBTA staff indicated demand for the fuel has been limited. There is another CNG fueling station operated by Clean Energy - Park N Ride Transit Facility on Kickapoo Trail in Yucca Valley. Described in part in recommendation #1, local revenues generated by the transit agency can be counted toward farebox recovery. With current trends in the fare ratio showing declines, additional local revenues can support the farebox. It was recommended that MBTA further evaluate the market for CNG fuel demand and review opportunities for increasing fuel sales to the public without compromising fleet operations.

Actions taken by MBTA

MBTA has kept its CNG fueling prices competitive to the area. MBTA ensures that the equipment continues to be operational and accessible to the general public. Burrtec Waste Management, County of San Bernardino (Public Works), and City of Twentynine Palms have an account set up with MBTA to purchase fuel.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

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

Tables IV-1 through IV-3 provide the performance indicators for MBTA system-wide, fixed route, and Ready Ride. Tables IV-4 through IV-6 provide quarterly performance indicators for the MBTA service modes specifically for FY 2019-20 to show the impacts of the COVID-19 pandemic impacts upon the service. Graphs are also provided to depict the trends in the indicators.

Table IV-1
MBTA TDA Performance Indicators
System-wide

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$3,284,357	$3,449,707	$3,565,132	$3,665,414	***11.6%***
Total Passengers	280,247	283,007	289,018	225,788	***-19.4%***
Vehicle Service Hours	32,447	35,922	35,112	31,833	***-1.9%***
Vehicle Service Miles	644,084	718,199	706,233	626,850	***-2.7%***
Employee FTEs	40	42	42	42	***6.0%***
Passenger Fares*	$405,200	$612,446	$570,778	$366,541	***-9.5%***
Operating Cost per Passenger	$11.72	$12.19	$12.34	$16.23	***38.5%***
Operating Cost per Vehicle Service Hour	$101.22	$96.03	$101.54	$115.15	***13.8%***
Operating Cost per Vehicle Service Mile	$5.10	$4.80	$5.05	$5.85	***14.7%***
Passengers per Vehicle Service Hour	8.6	7.9	8.2	7.1	***-17.9%***
Passengers per Vehicle Service Mile	0.44	0.39	0.41	0.36	***-17.2%***
Vehicle Service Hours per Employee	811.2	846.0	831.8	750.6	***-7.5%***
Average Fare per Passenger	$1.45	$2.16	$1.97	$1.62	***12.3%***
Fare Recovery Ratio	12.34%	17.75%	16.01%	10.00%	***-18.9%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Annual Fiscal & Compliance Audits, TransTrack

*FY 2020 Passenger fare revenues (audited) are inclusive of local Measure I support totaling $78,394.

Table IV-2
MBTA TDA Performance Indicators
Fixed Route

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$2,286,797	$2,446,832	$2,670,105	$2,893,350	***26.5%***
Total Passengers	262,443	264,464	271,411	210,375	***-19.8%***
Vehicle Service Hours	25,458	28,914	28,237	25,249	***-0.8%***
Vehicle Service Miles	559,182	633,691	621,145	546,750	***-2.2%***
Employee FTEs	31	37	38	36	***17.6%***
Passenger Fares	$363,832	$575,046	$494,275	$275,713	***-24.2%***
Operating Cost per Passenger	$8.71	$9.25	$9.84	$13.75	***57.8%***
Operating Cost per Vehicle Service Hour	$89.83	$84.62	$94.56	$114.59	***27.6%***
Operating Cost per Vehicle Service Mile	$4.09	$3.86	$4.30	$5.29	***29.4%***
Passengers per Vehicle Service Hour	10.3	9.1	9.6	8.3	***-19.2%***
Passengers per Vehicle Service Mile	0.47	0.42	0.44	0.38	***-18.0%***
Vehicle Service Hours per Employee	821.2	775.2	738.8	692.3	***-15.7%***
Average Fare per Passenger	$1.39	$2.17	$1.82	$1.31	***-5.5%***
Fare Recovery Ratio	15.91%	23.50%	18.51%	9.53%	***-40.1%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: TransTrack

Table IV-3
MBTA TDA Performance Indicators
Ready Ride

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$557,661	$560,244	$623,892	$685,704	***23.0%***
Total Passengers	17,804	18,543	17,607	15,413	***-13.4%***
Vehicle Service Hours	6,989	7,008	6,875	6,584	***-5.8%***
Vehicle Service Miles	84,902	84,508	85,088	80,100	***-5.7%***
Employee FTEs	9	5	4	6	***-34.0%***
Passenger Fares	$41,419	$37,469	$55,651	$34,301	***-17.2%***
Operating Cost per Passenger	$31.32	$30.21	$35.43	$44.49	***42.0%***
Operating Cost per Vehicle Service Hour	$79.79	$79.94	$90.75	$104.15	***30.5%***
Operating Cost per Vehicle Service Mile	$6.57	$6.63	$7.33	$8.56	***30.3%***
Passengers per Vehicle Service Hour	2.5	2.6	2.6	2.3	***-8.1%***
Passengers per Vehicle Service Mile	0.21	0.22	0.21	0.19	***-8.2%***
Vehicle Service Hours per Employee	776.6	1,358.1	1,723.1	1,108.4	***42.7%***
Average Fare per Passenger	$2.33	$2.02	$3.16	$2.23	***-4.3%***
Fare Recovery Ratio	7.43%	6.69%	8.92%	5.00%	***-32.6%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: TransTrack

Table IV-4
MBTA TDA Quarterly Performance Indicators – FY 2019-20
System-wide

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$976,938	$879,702	$800,026	$922,389	***-5.6%***
Total Passengers	64,239	65,164	60,108	36,277	***-43.5%***
Vehicle Service Hours	8,226	8,145	7,980	7,484	***-9.0%***
Vehicle Service Miles	162,335	160,822	158,049	145,614	***-10.3%***
Passenger Fare Revenue	$87,893	$128,723	$68,209	$25,370	***-71.1%***
Operating Cost per Passenger	$15.21	$13.50	$13.31	$25.43	***67.2%***
Operating Cost per Vehicle Service Hour	$118.76	$108.01	$100.25	$123.25	***3.8%***
Operating Cost per Vehicle Service Mile	$6.02	$5.47	$5.06	$6.33	***5.3%***
Passengers per Vehicle Service Hour	7.8	8.0	7.5	4.8	***-37.9%***
Passengers per Vehicle Service Mile	0.40	0.41	0.38	0.25	***-37.0%***
Average Fare per Passenger	$1.37	$1.98	$1.13	$0.70	***-48.9%***
Fare Recovery Ratio	9.00%	14.63%	8.53%	2.75%	***-69.4%***

Source: TransTrack

Table IV-5
MBTA TDA Quarterly Performance Indicators – FY 2019-20
Fixed Route

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$784,578	$705,250	$643,554	$759,968	***-3.1%***
Total Passengers	59,872	60,776	55,999	33,728	***-43.7%***
Vehicle Service Hours	6,489	6,415	6,316	6,030	***-7.1%***
Vehicle Service Miles	141,025	138,918	137,434	129,343	***-8.3%***
Passenger Fare Revenue	$78,170	$120,462	$65,092	$12,169	***-84.4%***
Operating Cost per Passenger	$13.10	$11.60	$11.49	$22.53	***71.9%***
Operating Cost per Vehicle Service Hour	$120.91	$109.94	$101.89	$126.03	***4.2%***
Operating Cost per Vehicle Service Mile	$5.56	$5.08	$4.68	$5.88	***5.6%***
Passengers per Vehicle Service Hour	9.2	9.5	8.9	5.6	***-39.4%***
Passengers per Vehicle Service Mile	0.42	0.44	0.41	0.26	***-38.6%***
Average Fare per Passenger	$1.31	$1.98	$1.16	$0.36	***-72.4%***
Fare Recovery Ratio	9.96%	17.08%	10.11%	1.60%	***-83.9%***

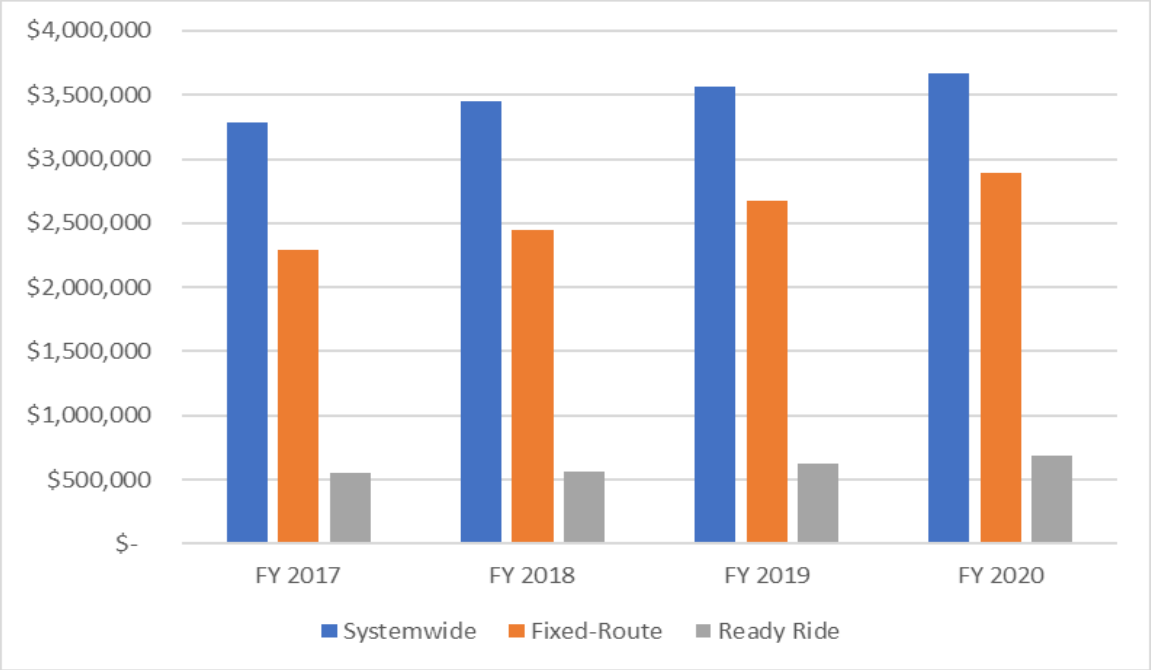
Source: TransTrack

Table IV-6
MBTA TDA Quarterly Performance Indicators – FY 2019-20
Ready Ride

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$192,360	$174,452	$156,472	$162,421	***-15.6%***
Total Passengers	4,367	4,388	4,109	2,549	***-41.6%***
Vehicle Service Hours	1,737	1,730	1,664	1,454	***-16.3%***
Vehicle Service Miles	21,310	21,904	20,615	16,271	***-23.6%***
Passenger Fare Revenue	$9,723	$8,261	$3,117	$13,201	***35.8%***
Operating Cost per Passenger	$44.05	$39.76	$38.08	$63.72	***44.7%***
Operating Cost per Vehicle Service Hour	$110.74	$100.84	$94.03	$111.71	***0.9%***
Operating Cost per Vehicle Service Mile	$9.03	$7.96	$7.59	$9.98	***10.6%***
Passengers per Vehicle Service Hour	2.5	2.5	2.5	1.8	***-30.3%***
Passengers per Vehicle Service Mile	0.20	0.20	0.20	0.16	***-23.6%***
Average Fare per Passenger	$2.23	$1.88	$0.76	$5.18	***132.6%***
Fare Recovery Ratio	5.05%	4.74%	1.99%	8.13%	***60.8%***

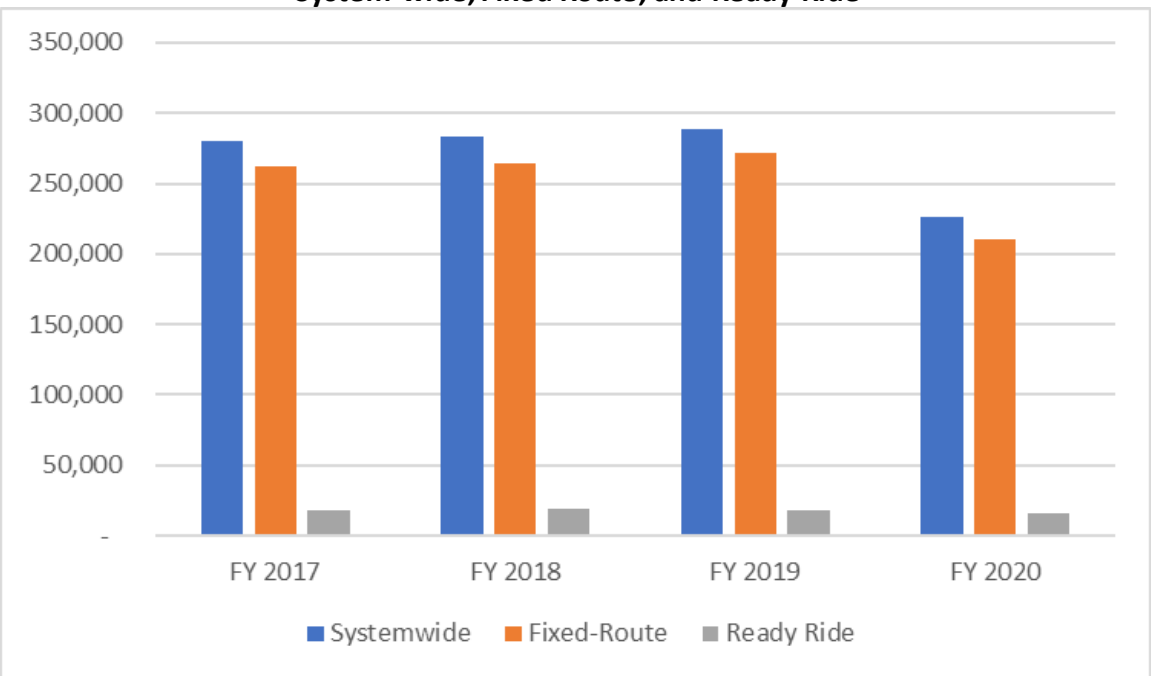
Source: TransTrack

Graph IV-1
Operating Costs
System-wide, Fixed Route, and Ready Ride

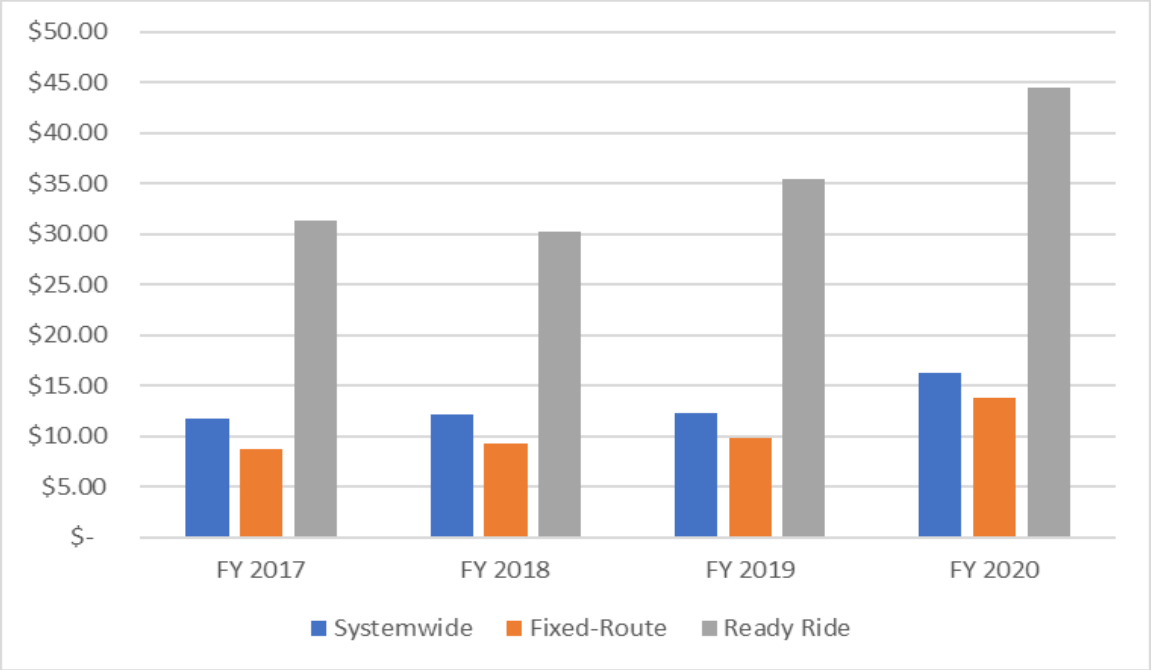


Note: System-wide cost is audited data; modal cost is unaudited.

Graph IV-2
Ridership
System-wide, Fixed Route, and Ready Ride

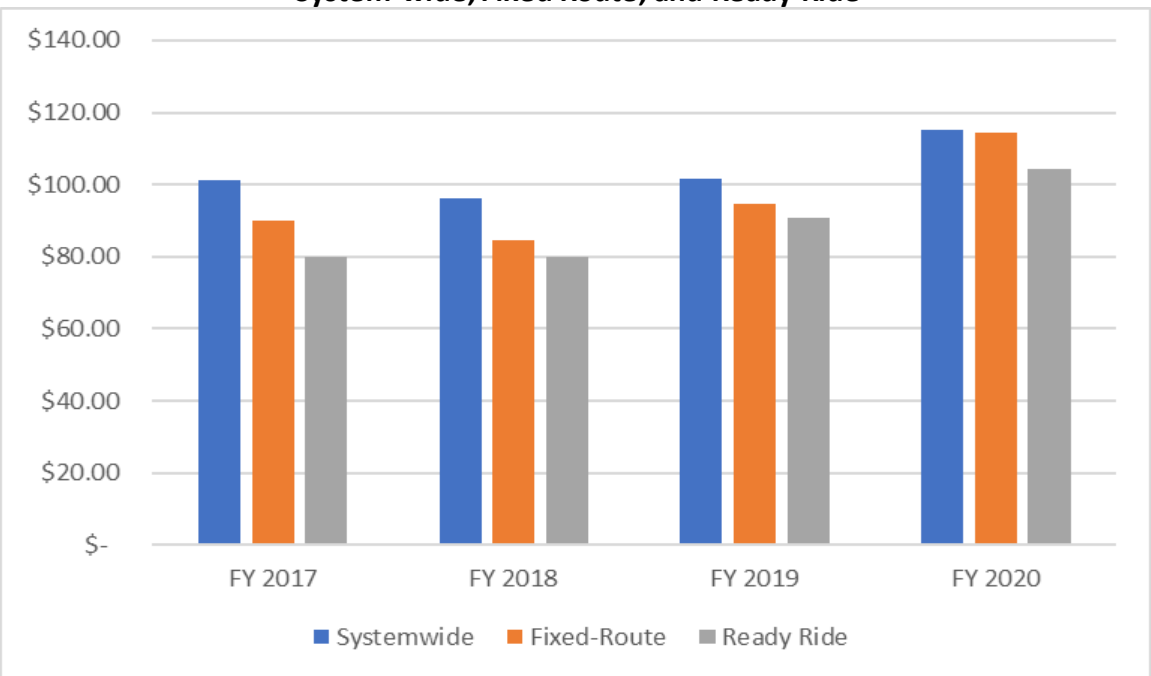


Graph IV-3
Operating Cost per Passenger
System-wide, Fixed Route, and Ready Ride



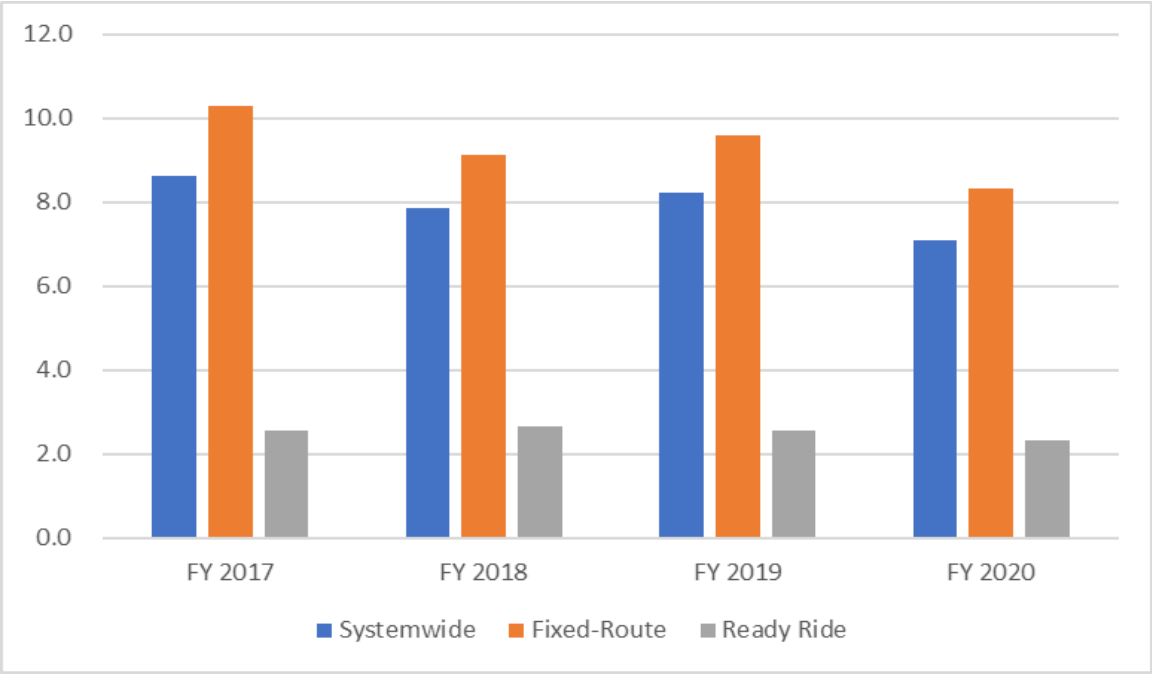
Note: System-wide cost is audited data; modal cost is unaudited.

Graph IV-4
Operating Cost per Vehicle Service Hour
System-wide, Fixed Route, and Ready Ride

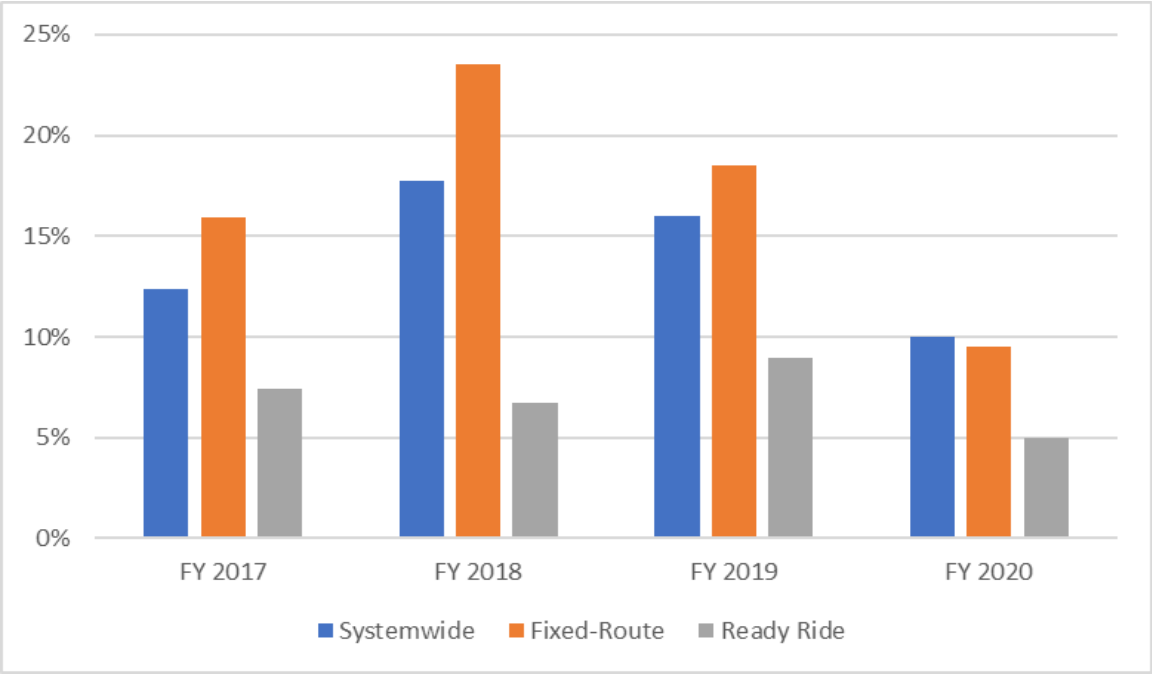


Note: System-wide cost is audited data; modal cost is unaudited.

Graph IV-5
Passengers per Vehicle Service Hour
System-wide, Fixed Route, and Ready Ride

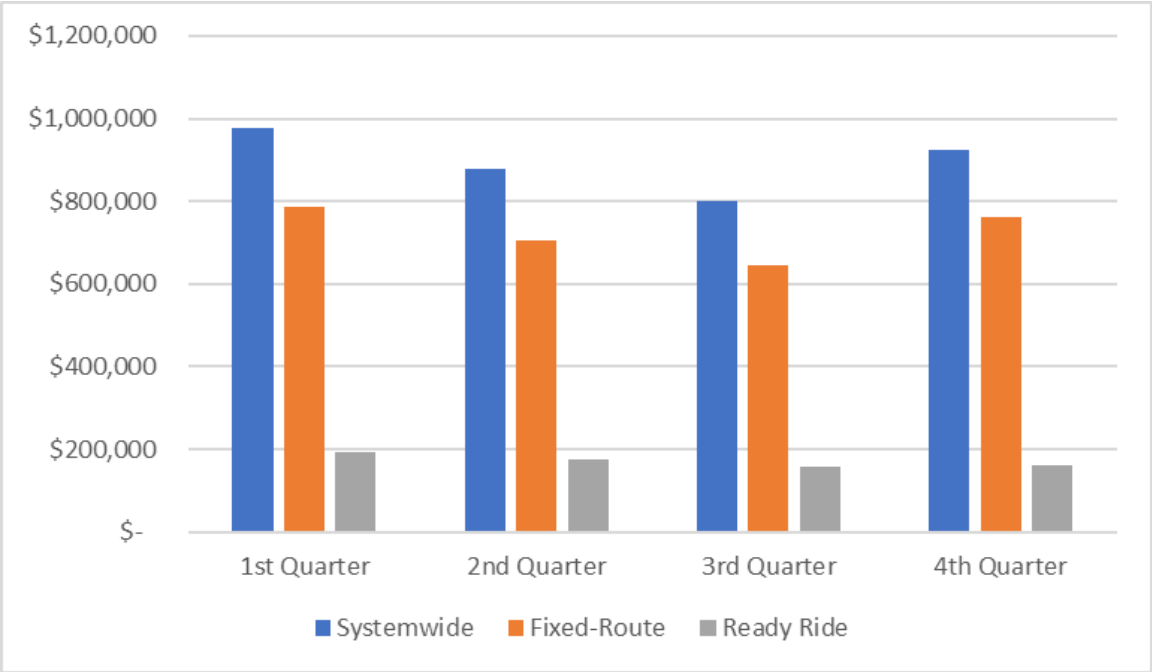


Graph IV-6
Fare Recovery Ratio
System-wide, Fixed Route, and Ready Ride

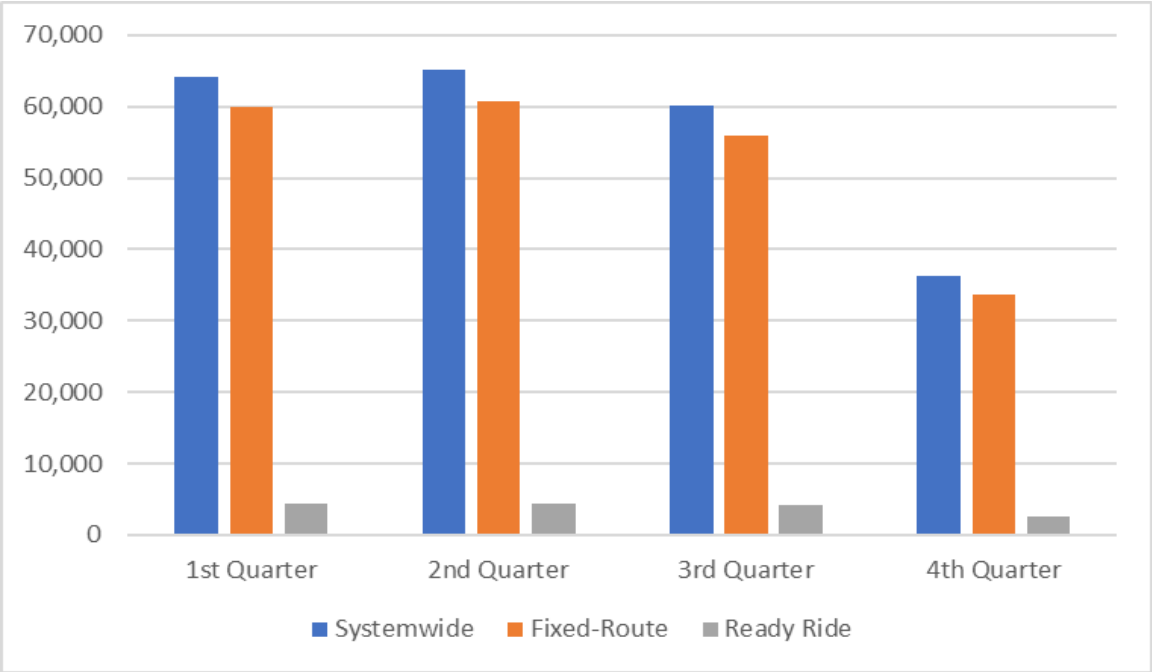


Note: System-wide cost and fare revenue are audited data; modal cost and fares are unaudited.

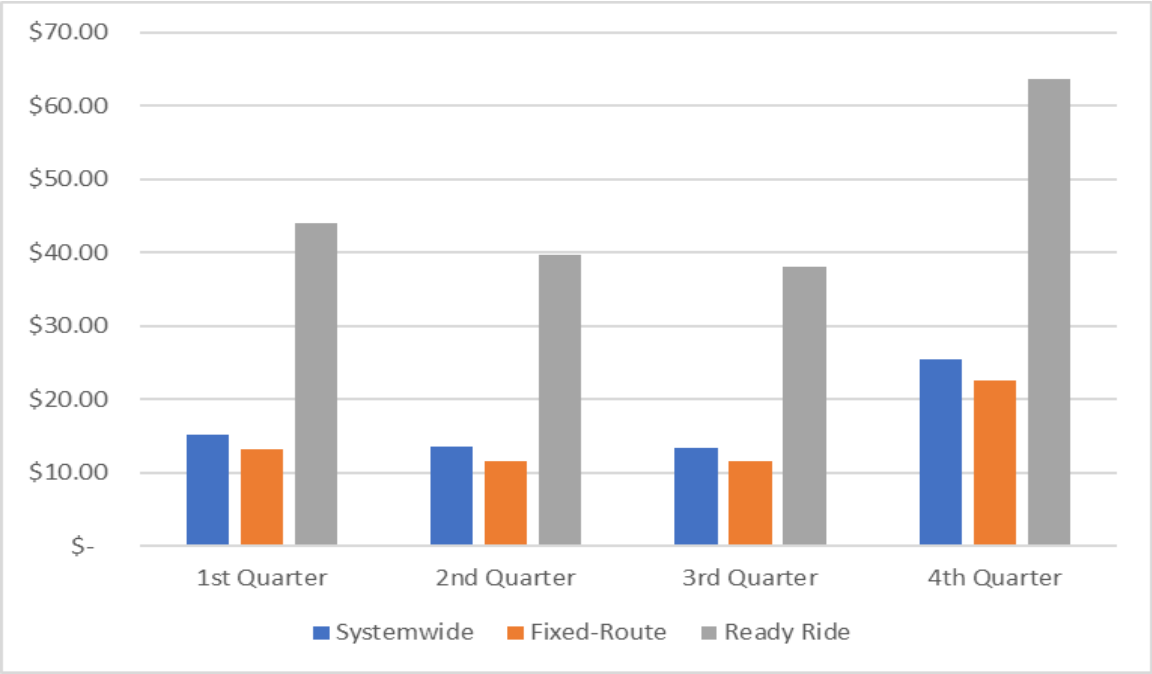
Graph IV-7
Operating Costs by Quarter – FY 2019-20
System-wide, Fixed Route, and Ready Ride



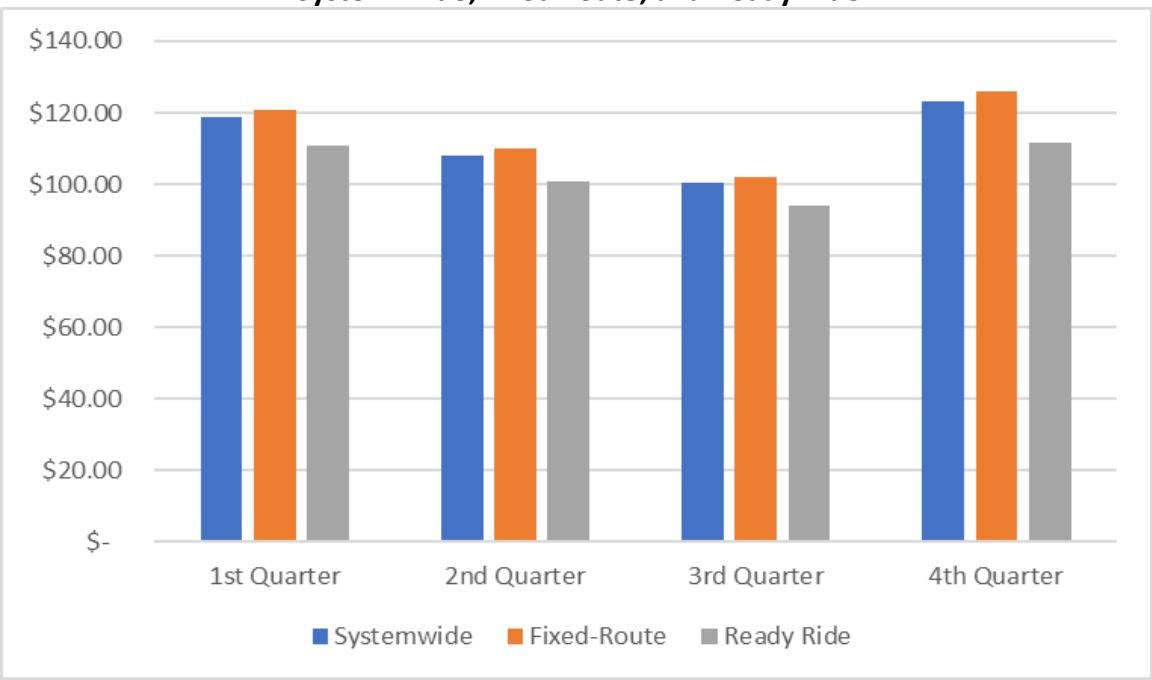
Graph IV-8
Ridership by Quarter – FY 2019-20
System-wide, Fixed Route, and Ready Ride



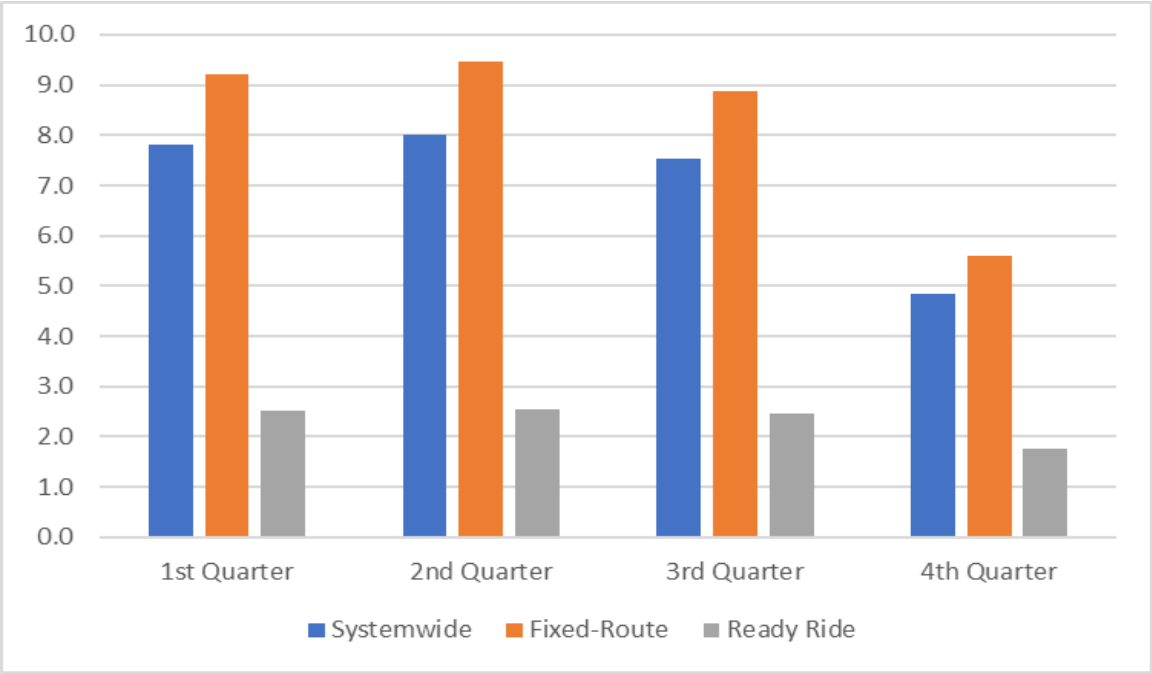
Graph IV-9
Operating Cost per Passenger by Quarter – FY 2019-20
System-wide, Fixed Route, and Ready Ride



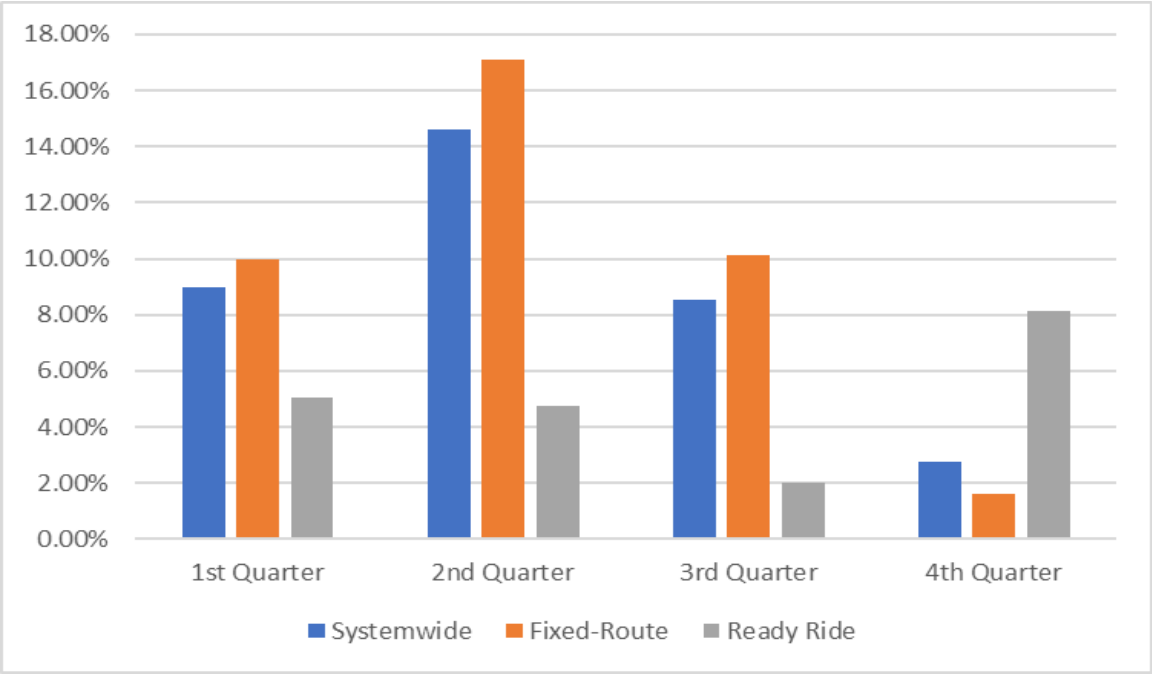
Graph IV-10
Operating Cost per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, Fixed Route, and Ready Ride



Graph IV-11
Passengers per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, Fixed Route, and Ready Ride



Graph IV-12
Fare Recovery Ratio by Quarter – FY 2019-20
System-wide, Fixed Route, and Ready Ride



Findings from Verification of TDA Performance Indicators

1. Operating costs system-wide increased by 11.6 percent using audited data from FY 2017 base year to FY 2020. Fixed-route operating costs increased by 26.5 percent while demand-response costs increased 23 percent using unaudited modal data. On an annualized basis, costs increased 3.7 percent, with the highest increase of 5 percent occurring in FY 2018. The higher costs are attributed to the Joshua Tree National Park service expansion as well as the 2 percent cost of living and employee wage adjustments. MBTA also saw CNG maintenance costs increase to $112,000 in FY 2020 as well as increased insurance costs. Payment of pension benefits and other post-employment benefits (OPEB) further increased operating expenses in FY 2020 by about $100,000. Management inquired into pre-funding OPEB obligations, which are categorized as a liability and having increased about $445,000 from the prior year to roughly $2.4 million in FY 2020, according to the fiscal audit.

2. After exhibiting modest increases in FY 2018 and FY 2019, system-wide ridership decreased 19.4 percent from the FY 2017 base year to FY 2020. The 19.8 percent decrease in fixed-route passenger trips mirrored the system-wide trend, whereas demand-response ridership decreased 13.4 percent. System-wide ridership increased 1 percent in FY 2018 and 2.1 percent in FY 2019. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 21.9 percent. Ridership increased 1.4 percent in the second quarter of FY 2020, followed by a 7.8 percent decrease in the third quarter, and 39.6 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

3. The provision of vehicle service hours and miles both exhibited decreases system-wide from the FY 2017 base year to FY 2020. Vehicle service hours decreased 1.9 percent and vehicle service miles decreased 2.7 percent. At the modal level, fixed-route revenue hours decreased 0.8 percent while revenue miles decreased by 2.2 percent. Demand-response revenue hours decreased by 5.8 percent while revenue miles decreased by 5.7 percent.

4. Operating cost per passenger, an indicator of cost effectiveness, increased 38.5 percent system-wide from FY 2017 base year to FY 2020. Cost per passenger increased 57.8 percent on fixed route and increased by 42 percent on the demand-response service. The trend shows that costs have increased faster than the number of passenger trips due to the onset of the COVID-19 pandemic impacts in FY 2020. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $15.21 in the first quarter of FY 2020, $13.50 in the second quarter, $13.31 in the third quarter, and $25.43 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $16.86.

5. Operating cost per hour, an indicator of cost efficiency, increased 13.8 percent system-wide from FY 2017 base year to FY 2020. The indicator increased 27.6 percent on fixed route and by 30.5 percent for Ready Ride demand response. The trends for both modes are reflective of the increase in operating costs versus the decrease in vehicle service hours. In

consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $118.76 in the first quarter, $108.01 in the second quarter, $100.25 in the third quarter, and $123.25 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $112.57.

6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased by 17.9 percent system-wide from 8.6 passengers to 7.1 passengers from FY 2017 base year to FY 2020. The indicator for the fixed-route mode decreased by a comparable 19.2 percent whereas for demand response there was an 8.1 percent decrease. For both service modes, the rate of decline in passenger trips exceeds that for vehicle service hours. During FY 2020, passengers per hour were 7.8 in the first quarter, 8.0 in the second quarter, 7.5 in the third quarter, and 4.8 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 7.0 passengers.

7. Vehicle hours per full-time equivalent (FTE) employee, which measures labor productivity, decreased by 7.5 percent system-wide from the FY 2017 base year to FY 2020. This performance measure decreased 15.7 percent for fixed route but increased 42.7 percent for demand response. As the allocation of FTEs between the two modes is an estimate, this indicator provides approximations for fixed route and demand response. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee. The agency-wide employee count remained stable at between 40 and 42 FTEs.

8. System-wide farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I. Despite the impacts of COVID-19 in the third and fourth quarters of FY 2020, MBTA was still able to meet its farebox recovery standard with local Measure I funds to satisfy the 10 percent farebox recovery ratio. The farebox ratio for MBTA system-wide decreased 18.9 percent from 12.34 percent in the FY 2017 base year to 10.00 percent in FY 2020 after attaining 17.75 percent in FY 2018 and 16.01 percent in FY 2019. Farebox recovery for fixed route decreased 40.1 percent, from 15.91 percent in FY 2017 to 9.53 percent in FY 2020. The highest farebox attainment was 23.5 percent in FY 2018. The farebox recovery for demand response decreased 32.6 percent, from 7.43 percent in FY 2017 to 5.00 percent in FY 2020. Fare revenues are enhanced from the LCTOP, which funded free fares for Copper Mountain College students.

   During FY 2020, system-wide farebox recovery was 9.00 percent in the first quarter, 14.63 percent in the second quarter, 8.53 percent in the third quarter, but decreased to 2.75 percent in the fourth quarter. Farebox collection was suspended in response to the March 19, 2020, shelter-in-place order and did not resume until June 8, 2020.

MBTA Performance Against Focused SRTP Benchmark Standards

The MBTA Focused SRTP, adopted in August 2016, contains suggested performance standards and benchmarks to help evaluate current services. An update to the Focused SRTP was conducted during the audit period and was subsequently adopted in June 2020 at the end of the audit period. The evaluation of performance during the audit period against the 2016 study benchmarks is summarized in Table IV-4, given the prior SRTP was the approved plan during the audit period. The SRTP provides both minimum and target benchmarks for the four operational performance indicators: subsidy per passenger, operating cost per hour, passengers per hour, and farebox recovery.

There is a mixture of performance indicators during the audit period that both meet the benchmarks and fall below the benchmarks. The system-wide and local fixed-route services appear to meet the SRTP performance benchmarks in FY 2018 and FY 2019. Due to the COVID-19 pandemic impacting operations toward the end of the third quarter and during the fourth quarter of FY 2020, MBTA was unable to meet the performance benchmarks. The general manager developed a separate set of internal performance targets to gauge performance of the transit service. The targets set annual and monthly benchmarks based on the previous year's data for system-wide operating costs, farebox ratio, passengers, cost per passenger and revenue per passenger.

Table IV-7
MBTA Performance Against 2016 Focused SRTP Benchmark Standards

SRTP Performance Standard	2016 SRTP Benchmarks			FY 2018			FY 2019			FY 2020		
		Min	Target	Commuter Route	Local Fixed Route	Ready Ride	Commuter Route	Local Fixed Route	Ready Ride	Commuter Route	Local Fixed Route	Ready Ride
Subsidy/Passenger	**Fixed Route**			$26.95	$6.49		$35.37	$7.32		$51.55	$11.53	
	Ready Ride					$28.19			$32.87			$42.26
	System-wide	**$8.00**	**$6.00**	$8.46			$9.49			$14.48		
Operating Cost/Revenue Hour	**Fixed Route**			$109.75	$82.39		$121.07	$92.21		$132.99	$112.92	
	Ready Ride					$81.67			$81.96			$79.80
	System-wide	**$95.00**	**$80.00**	$83.71			$93.81			$112.43		
Passengers/Vehicle Service Hour	**Highway Rte 1**	**16.0**	**19.0**		14.4			14.3			11.7	
	Neighborhood Shuttle	**11.0**	**15.0**		10.9			11.0			8.9	
	Ready Ride	**2.5**	**3.5**			2.6			2.6			2.3
	System-wide	**9.0**	**13.0**	7.9			8.2			7.1		
Farebox Recovery Ratio	**Fixed Route**			21.24%	23.77%		14.80%	18.94%		11.70%	9.30%	
	Ready Ride					6.69%			8.92%			5.00%
	System-wide	**10%**	**20%**	17.75% (Audited)			16.01% (Audited)			10.00% (Audited)		

Source: TransTrack for FY 2018, 2019, and 2020 performance data; Annual Fiscal & Compliance Audits

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within MBTA. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the MBTA administrative offices in Joshua Tree in February 2021:

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

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Operations

MBTA took steps to raise its profile in the service area through targeted marketing campaigns, an updated website, alternative lifeline service options, and capital upgrades. MBTA utilized older vehicles that were branded specifically for the Joshua Tree National Park RoadRunner Shuttle. Prior to the COVID-19 pandemic, MBTA saw higher ridership levels due in part to its targeted marketing efforts and success of the RoadRunner Shuttle.

The Authority made minor adjustments to the route system. The schedule was adjusted to match up with late evening classes at Copper Mountain College. Times were also adjusted on Route 21, which would run behind schedule, resulting in operators not being able to take their lunch break. Route 3B was realigned in Twentynine Palms to allow for right turns at Casino. The opening of the Walmart Supercenter in Yucca Valley impacted ridership levels. The store's location has allowed residents to walk and have more direct access to retail without taking transit.

MBTA applied the LCTOP funding toward a free fare program for Copper Mountain College students. Prior to the receipt of LCTOP funds, MBTA received an annual subsidy from the fundraising foundation of Copper Mountain College that amounted to $20,000 annually. Under that agreement, students were able to ride the fixed route for $0.50 per ride.

A cooperative agreement between the National Park Service and MBTA was executed on September 7, 2017, for MBTA to operate the RoadRunner Shuttle on a pilot basis through May 2019. One percent of the total annual park visitor attendance, or 28,000 trips, was the performance benchmark for the service. The two-year Joshua Tree National Park pilot program was branded the RoadRunner Shuttle, which commenced service on February 1, 2018. The service was made free of charge to visitors holding a National Park pass. MBTA operated four 12-year old vehicles that are specifically branded for the pilot program. Even with the success of the RoadRunner Shuttle, MBTA reported that the infrastructure at the national park was challenging and there was not enough ridership to sustain the service. The pilot program was eliminated following the two-year pilot period as the federal subsidy was not renewed.

The bus shelter rehabilitation project was completed during the audit period and was funded through the SB-1 State of Good Repair program. MBTA implemented more than two dozen bus stop improvements in its service area. The improvements were made in more underserved areas as well as to enhance accessibility. PV stops—stand-alone solar-powered LED lighted bus stops—replaced the on-demand I-stops. In addition, bus turnouts were constructed along SR 62, in particular adjacent to the new Dollar General store in Joshua Tree as one of the conditions of improvement. Flag stops are allowed along the Neighborhood Shuttle and Landers routes.

MBTA solicited a bus stop improvement bid in July 2019 for the construction and installation of a bus shelter at the corner of SR 62 and Elk Trail in Yucca Valley. The bus shelter and stop were relocated to the far side of Elk Trail in order to make the stop more ADA accessible. Article 3 funding has been used to locate a bus stop at Airway in Yucca Valley and a bus turnout at the intersection of Indian and Adobe in Twentynine Palms.

Additional lighting and security upgrades were implemented at the Yucca Valley Transit Center, which feature 10 bus bays. Video surveillance upgrades encompassed the entire facility. Lighting upgrades included the installation of energy-efficient LED lights.

The Authority continued its fleet replacement program by using up its remaining Proposition 1B – Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) fund balance. MBTA purchased a heavy-duty, low-floor Gillig CNG bus, which is utilized on Route 1. The introduction of this new vehicle was well received by both the operators and the ridership. One of the advantages of the new Gillig vehicle is that it can be converted to electric power. In December 2018, management requested authorization from the board to purchase four new replacement vehicles through the federal Congestion Mitigation and Air Quality Improvement program and the State Transit Assistance (STA) fund.

Collaboration with local nonprofits and volunteer efforts have enabled MBTA to reach more remote, sparsely populated areas. Through its partnership with Reach Out Morongo Basin, an interfaith volunteer caregiving program, MBTA has been able to augment service to Johnson and Wonder Valleys. MBTA also assisted with subsidizing operating costs and lift vehicle procurement for Reach Out Morongo Basin.

In 2018, MBTA was also instrumental in supporting the Transportation Reimbursement Escort Program (TREP) through a three-year FTA Section 5310 grant. TREP is run by the San Bernardino County Department of Aging and Adult Services, which determines eligibility and arranges reimbursement for eligible trips through the Senior and Disabled Fund of San Bernardino County. Eligible participants are reimbursed at $0.50 per mile up to 300 miles traveled in a month. Participants are responsible for securing their own drivers. There are 90 clients registered in the program, who use it to access medical appointments outside of the MBTA service area.

MBTA operations are coordinated with a staff of four dispatchers including a supervisor. There is a minimum of two dispatchers on duty with overlapping shifts. TransTrack is utilized for trip scheduling and manifests. Drivers call in to dispatch during breaks. Each vehicle is equipped with between three to four cameras and security cameras are installed at the transit centers in Twentynine Palms and Yucca Valley. The 700-series vehicles are equipped with extra external cameras. MBTA buses are equipped with non-electronic Diamond fareboxes, which have enhanced security features to prevent mishandling of cash.

Drivers record the amount of fares received during the run on the trip sheet. At the end of each day, in the presence of the dispatchers, drivers empty the vault containing the fares into a secure envelope, which is placed into a safe in the employee lounge. The driver signs the deposit form with the route number and the driver's name. Fares are counted by the office manager and at least one other staff member the following day and deposited daily. A video camera monitors activity in the counting room. Data from driver trip sheets and the reconciliation form are entered into TransTrack. Any variance more than $10.00 if flagged and is discussed with the driver.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, MBTA closed its administrative offices to the public and office shifts were split. The MCAGCC was placed on lockdown. Routes 12 and 15 to Palm Springs, which draw most of their ridership from the MCAGCC, were suspended as was fare collection system-wide to limit exposure.

Personal protective equipment was procured and, as a creative low cost interim measure, shower curtains were installed on the vehicles near the driver areas to shield the operators from possible transmission from the passengers. Seat bands were installed to encourage social distancing. Additional safety measures taken included masks, bus reflective vests, and the installation of more permanent acrylic driver barriers in the vehicles. MBTA entered into an agreement with the Town of Yucca Valley in May 2020 to provide residents free rides to the local COVID-19 testing facility.

MBTA resumed fare collection in June 2020. CARES Act and local Measure I funding backfilled the loss in fare revenues. The Authority reported zero COVID-19 infections among its employees while on duty and there were no employee layoffs, while some employees opted to take leave under the Family and Medical Leave Act. Employee work schedules and shifts were rebalanced to accommodate the changes in service frequency. Although it was positive from a personnel perspective that MBTA was able to weather the initial impacts from the pandemic relatively unscathed, these necessary services changes taken in response to the rapidly evolving COVID-19 pandemic condition resulted in severe impacts on operating performance trends, which were pervasive throughout the transit industry this past year.

Ready Ride No-Show and Cancellation Policy

MBTA enforces a no-show policy to enhance productivity and accountability of the clients of Ready Ride, its demand-response service. Reservations are requested at least 24 hours in advance. The driver will wait at the rider's designated pickup for 5 minutes before the trip is considered a no-show. A late cancellation is failure to notify MBTA within one hour of the scheduled pickup time. A series of verbal and written warnings are issued for no-shows until the third offense, at which point a letter of suspension for 30 days is issued.

No-shows are reported internally for each of the five Ready Ride routes on an Excel spreadsheet. Trip denials are not tracked in TransTrack Manager.

Operations Performance

On-time performance for fixed route is measured by the bus arriving no later than 5 minutes at the scheduled stop. The buses make some deviations to pick up passengers off the route, but the schedules build in some additional time to accommodate the deviations. Fixed-route on-time performance is checked using several methods, including the following:

- Dispatch makes random calls to the drivers in the field. The operations director provides dispatch with a weekly sheet detailing the route and location of random time checks, which accumulate to about 30 time checks a week. The sheet provides space to record scheduled and actual depart time, time difference, bus number, driver, and comments.
- Time checks at select locations by the two operations supervisors.
- Use of the Zonar electronic fleet management system GPS feature.
- Shadow rider program to evaluate drivers and conduct on-time checks.

Routes serving the MCAGCC could involve delays due to security checks performed by the military police at the entrance as the vehicles go onto the base for pickups and drop-offs as part of the route.

During the pandemic, on-time performance was averaging higher due to the lower traffic volumes on the roadways and reduced passenger demand. A summary of on-time performance trends is presented in Table V-1:

Table V-1
On-Time Performance

Fiscal Year	2017	2018	2019	2020	Performance Target
Fixed Route	91.6%	91.3%	91.6%	95.2%	Greater than 90%
Ready Ride	94.4%	93.1%	93.1%	95.5%	Greater than 90%

Source: TransTrack
Note: The MBTA Comprehensive Operations Analysis suggests a 90% on-time benchmark.

With the on-time performance target of 90 percent or better, MBTA has exceeded this target on both service modes during the audit period.

Customer complaints are made via email to MBTA, called in, or filled out on the customer comment form that is available on the buses. Each complaint is logged into TransTrack by the operations director, who then calls the customer to inform them of the steps that will be taken to address the issue. Follow-up and resolution with the appropriate staff are made. The process is entered into TransTrack for record keeping while the comment form is placed in the employee's training file for future reference. The complaints are noted during the employee's evaluation.

Using TransTrack, there were 35 complaints recorded in FY 2018, 33 complaints in FY 2019, and 26 complaints in FY 2020. The number of complaints can be measured as complaints per 100,000 passengers. Table V-2 shows this indicator for the transit system using TransTrack.

Table V-2
Complaints per 100,000 Passengers

Fiscal Year	Complaints per 100,000 Passengers	Passengers Served between Complaints
2017	9.63	10,380
2018	12.37	8,086
2019	11.42	8,758
2020	11.52	8,684

Source: TransTrack
Note: The MBTA Comprehensive Operations Analysis suggests a benchmark of 1 complaint per 1,000 riders.

The data shows that the number of complaints per 100,000 passengers trended slightly upwards during the audit period from 9.63 in the FY 2017 base year to 12.37 in FY 2018, to

11.42 in FY 2019, to 11.52 in FY 2020. Based upon the trends, the benchmark of 1 complaint per 1,000 riders was close to being met during each of the audit years. MBTA employs technology to investigate complaints, i.e., GPS tracking used to verify bus location including bus pass-ups and fare payment issues.

Regarding vehicle safety, MBTA tracks the number of accidents under "reportable incidents" in the National Transit Database. According to the Federal Motor Carrier Safety Administration, a preventable accident is one that occurs because the driver fails to act in a reasonably expected manner to prevent it. The number of preventable accidents is summarized in Table V-3:

Table V-3
Preventable Accidents

	FY 2017	FY 2018	FY 2019	FY 2020
Accidents	3	1	1	0

Source: National Transit Database

The number of preventable accidents reported in the annual National Transit Database has been negligible. However, reportable accident or incident data were not reported in the Quarterly Performance Scorecard in TransTrack. The 2016 Focused SRTP recommends that minimum standards system-wide should be 100,000 miles between preventable accidents with the target standard of 250,000 miles between preventable accidents. MBTA only tracks each occurrence and not by the number of miles between accidents. It is recommended that MBTA ensure that reportable accident and incident data are reported in TransTrack Manager.

Personnel

MBTA is a non-union shop where employment is on an at-will basis despite a unionization effort that last took place in 2015, prompted by a former employee. The unionization effort prompted management to engage in more employee outreach. During the negotiation process, employees were able to identify gaps in benefits and policies. In response, MBTA has revised the employee handbook to incorporate policies derived from the union negotiations.

Benefit changes and wage increases are reflected in the FY 2017–18 budget. MBTA provides dental and vision benefits for its employees (employee only coverage). Dental coverage is provided through Delta Dental and vision coverage is provided through VSP Vision Care. Medical insurance benefits are provided through CalPERS. In FY 2020, first-step operator wages increased to $15.00 per hour. In addition, the starting wage for mechanics was doubled to $27.00 per hour.

As of FY 2020, there were 40 full-time employees, including 24 operators. The average years of experience of operators is eight years. The operator with the most seniority was hired in 2000. A larger hiring spree occurred when the RoadRunner Shuttle service through Joshua Tree National Park was operational. Drivers are recruited through the MBTA website, Indeed, Facebook, and local newspapers such as the *Hi-Desert Star*. MBTA has received the highest

response from Indeed. Drivers are recruited primarily based on their customer service background. New drivers undergo a minimum 40 hours of classroom training and a minimum 20 hours of behind-the-wheel training, which is structured according to licensing and experience. By the end of training, drivers are required to have a Class B license with a passenger and air brake endorsements as well as Verification of Transit Training certification.

Other training topics include customer relations, wheelchair lifts, sexual harassment, COVID-19 protocols, and ADA sensitivity training and awareness. MBTA uses a curriculum supplied by the Transportation Safety Institute. Two training classes are offered annually. Drivers are cross trained on all routes and service modes. Routes are bidded out every six months based on seniority. MBTA maintains a "B" board or extraboard to ensure sufficient coverage.

The operations manager has reported that DMV appointments have been a challenge to schedule and candidates have had to complete their commercial license training at the DMV office in Fontana, approximately 75 miles away. MBTA hired a safety and training supervisor, who conducts on-board evaluations of drivers. The safety and training supervisor became fully certified as an instructor in December 2018. Hi-Viz safety vests were implemented in 2019 to be worn in the bus yard or outside of the vehicle.

Incentives for safety include a safety board and an award of a $100 bonus for 100 days of accident-free vehicle operation. The Employee of the Quarter is another way that MBTA recognizes employees who have displayed exemplary performance and safety. The Employee of the Quarter is recognized before the MBTA Board of Directors. MBTA also sent a team of two operators who competed in a bus roadeo in March 2020 (prior to the COVID pandemic) hosted by the Victor Valley Transit Authority in Hesperia.

Maintenance

Administration and central operations and maintenance are located in Joshua Tree. The total acreage of the site is 15 acres, which is ample space to accommodate the current fleet plus future expansion. The maintenance facility operates six days a week, Monday through Friday from 7:00 a.m. to 5:30 p.m. and Saturday from 8:30 a.m. to 5:30 p.m. Buses are also parked at the City of Twentynine Palms corporation yard to reduce deadhead miles and hours at the beginning and end of the runs. MBTA utilizes CNG stations with fast fill capability located at the MBTA facility in Joshua Tree and in Twentynine Palms. MBTA also utilizes a private CNG station near a park and ride lot in Yucca Valley. The MCAGCC also has a CNG fueling site. The CNG fueling facility in Joshua Tree has an additional compressor and tanks. The diesel-powered backup generator is tested every Monday.

The maintenance department is staffed with four employees: a lead technician/shop supervisor, two technicians, and a utility worker. As part of an overall reorganization, it was decided to designate the lead technician to supervise the department in lieu of a manager. The utility worker, who recently became an operator, attends to the bus shelters twice a week and empties trash, among other maintenance responsibilities. The bus technicians are certified to

conduct inspections of the facility's on-site oil tank which stores used vehicle oil. Maintenance of the CNG fueling stations is also conducted by maintenance staff. The lead technician has CNG tank certification.

The Zonar electronic fleet management system is used for pre- and post-trip inspections. Zonar's Electronic Vehicle Inspection Report (EVIR) technology allows data to be transmitted via cellular signal into a database. Radio-frequency identification tags are placed on the vehicle in critical inspection areas or zones. There are 11 zones on each vehicle. Drivers can mark a defect, which in turns gets flagged or red-tagged. Fault codes generated by the EVIR, which is CHP-compliant, are transmitted to the lead mechanic for attention. Zonar also tracks mileage twice daily, preventive maintenance inspections (PMI), and the vehicles while in service.

Heavy duty and warranty repairs are performed off-site by designated vendors. The Joshua Tree facility has two service bays and can accommodate two vehicles for maintenance. There is one SEFAC lift available to reach the vehicle undercarriage as well as a bus wash on site. Maintenance staff is charged with ensuring that oil and other liquid hazards are contained on-site, as spraying to clean oil is not allowed due to water surface runoff issues nor in compliance with the department's stormwater pollution prevention plan. A fireproof storage locker is available to store flammable equipment. Occasional welding is also done at the maintenance facilities.

MBTA performs all preventative maintenance on its vehicles. The Fleet Controller program is used to track vehicle service history and flag those ready for PMIs. There are various levels of preventive maintenance, including "A," "B," "C" and "D" inspections, which are based on each vehicle's maintenance guide. "A" inspections are completed every 90 days or 3,000 miles, whichever comes first, and include a safety check and base inspection. Brakes are inspected during every "A" inspection. The lead technician is looking to upgrade the maintenance software program.

As part of the Fleet Controller program, the Parts Controller module tracks parts inventory and generates purchase orders. The coding system in the module identifies a specific item based on a specific part code. Every part is inventoried and coded according to the make of the item. The exception is bulbs and nuts, which are not inventoried due to their relative low cost and categorization as shop supplies. Vendor codes are also programmed into the system. Parts are constantly rotated, and the minimum quantities are maintained in stock including a few specialty items. Parts are procured from A-Z and Creative Bus Sales and Carquest for after-market parts. Napa Auto Parts is used occasionally for procurement. A daily order list is maintained.

The lead technician indicated the necessity to upgrade or replace the Fleet Controller program which is resourceful for existing basic maintenance tasks; however, there are upgraded technology options available. With MBTA looking to adopt ZEV technologies as well as upgrade other facets of its operations, there may be a timely window for the Authority to evaluate merits of a new fleet and facility management system.

A measure of maintenance performance is the number of recorded incidents that are related to equipment breakdown. Road call data can be entered into TransTrack from the daily road call sheet. The daily road call sheet displays the date, route number, vehicle number, driver, and problem.

MBTA reported that road calls have been minimal. Most of the problems have involved engine issues, air conditioning, wheelchair lifts, and tires. Further investigation revealed that the number of revenue miles between road calls is not available on TransTrack. As with the reporting of accident and incident data, it is recommended that MBTA report road call data in TransTrack Manager.

Planning

Planning efforts carried out during the audit period involved the implementation of a Focused SRTP and a comprehensive update to the SRTP. Additional planning efforts have involved the implementation of zero-vehicle emission vehicles (ZEV) and infrastructure.

MBTA commissioned a Focused SRTP that was adopted in August 2016. The Focused SRTP serves as a blueprint for transit services in the Morongo Basin over a five-year time horizon. Key areas of the Focused SRTP include a recommended plan of action for each year of the SRTP, fare analysis, performance trends, Joshua Tree National Park service, Route 1 performance, lifeline service assessment, performance goals and standards, and a financial plan. Some primary highlights of the SRTP include the fare increase implemented in July 2014 along with an analysis of the impacts on ridership, a recommended performance monitoring framework, and the adoption of a mission statement for MBTA.

The four primary features of the performance monitoring network are as follows:

1. The performance monitoring system should build upon the foundation of performance measures required by state and federal laws and regulations.
2. A minimum and target performance standard should be established.
3. Performance should be distinguished among different service types.
4. Not meeting minimum performance standards should trigger a review of performance and evaluate potential mitigating measures.

As was discussed in the previous section of this report, the Focused SRTP includes both minimum and target benchmarks for the four operational performance indicators: subsidy per passenger, operating cost per hour, passengers per hour, and farebox recovery.

MBTA released a Request for Proposals in October 2018 for the development of an SRTP for FYs 2020–2024. The SRTP scope of work included the modification of service policies, goals, and objectives, including performance standards by which to measure current and future

performance. The SRTP, adopted in June 2020, provides preferred outcome metrics summarized as active indicators of dynamic performance of system functions, such as transportation operations, maintenance, and administration. The SRTP Update also included a cost allocation study.

The 2020 SRTP envisions a phased five-year transition plan to redesign existing transit services to better respond to the mobility expectations and preferences of service area residents, employees, and visitors. The plan builds on the historical success of cross-valley service operating for decades in the SR-62 corridor. Substantial investment in Route 1 coverage, span and frequency upgrades are intended to create a simple, convenient, and reliable "mainline" extending across the MBTA service area offering more one-seat ride travel opportunities between key trip generators.

Further recommendations included replacing MBTA's neighborhood local fixed routes with dynamically routed and scheduled personal mobility on-demand (PMoD) service offering primarily first/last mile feeder connections between residential neighborhoods and key bus stops along the Hwy 62 corridor. The new service (referred to as "Flex Feeder") would operate in four zones encompassing Joshua Tree, Landers, Twentynine Palms, and Yucca Valley. Service delivery options include area taxi and TNC operators, as well as Ready Ride. Implementation of the service plan has been placed on hold due to the COVID-19 pandemic impacts.

The SBCTA in collaboration with the Center for Sustainable Energy released the *San Bernardino County Zero-Emission Vehicle Readiness and Implementation Plan* in August 2019. The ZEV Plan inventories current ZEV infrastructure and usage in San Bernardino County and projects future demand and infrastructure requirements. The Plan identified significant spatial gaps in areas along travel corridors in the eastern portion of the county, which provides direct access to points of interest such as JTNP, Lake Havasu and Las Vegas. As it pertains to the MBTA service area, the Plan identified two potential sites for ZEV charging infrastructure along the SR-62 corridor in the City of Twentynine Palms and the Town of Yucca Valley.

In response to the ZEV Plan, MBTA has been gathering data in order to discern the best type of ZEV to procure, which will in turn determine the type of charging infrastructure required. The Authority has submitted a LCTOP grant application for the procurement of a battery electric van. A query of peer agencies that have embarked on the implementation of ZEV technologies could prove helpful in the evaluation process. Those peer agencies could include neighboring transit systems such as SunLine and VVTA.

Other planning initiatives have included a proposed transit center in Twentynine Palms. MBTA has been engaged with land acquisition and a Title VI Equity Analysis for the future transit center. The future Twentynine Palms Transit Center is envisioned as part of a larger redevelopment effort by the City of Twentynine Palms called Project Phoenix. The project site is located on approximately 15 acres, from Twentynine Palms Highway (SR 62) south to Cactus Drive, and from Cholla Avenue on the east to Tamarisk Avenue on the west, in what is known as the downtown area.

The proposed development plan includes public parking and infrastructure improvements, along with an approximately 30,000-square-foot multipurpose public building with potential for recreation, cultural, and/or special event space.

Marketing

MBTA services are marketed through various media and community outreach events. Marketing efforts during the audit period have been primarily directed to attracting new riders and Copper Mountain College students. New marketing initiatives have included an enhanced website, logo, social media presence, and bus stop amenities. MBTA launched a marketing campaign that targeted the discretionary or "choice rider" market in FY 2017-18. The effort resulted in an increase in awareness and ridership. Door mailers with five-day bus passes for use on the Neighborhood Shuttles were distributed in targeted zip codes around the service area.

MBTA's website (www.mbtabus.com/) includes general information about service changes, bus schedules, fares, and contact information. A mobile version of the website provides accessibility for tablets and smartphones. Links are also provided to the member agencies' home pages as well as to neighboring transit systems. A commuter calculator is available that helps determine how much money a commuter can save by taking the bus versus driving within the Morongo Basin or to Palm Springs. During the audit period, the website was revamped and went live in the fall of 2018. Staff demonstrated the features of the new website at the October 2018 board meeting. Some of the enhanced features include a trip planner and an interactive route map.

Social media outreach has been primarily focused on Facebook. A link to the page is accessible from the MBTA website. The site is used for posting rider alerts, employee recognition, service amenities, and promotions such as for free bus passes. As of May 2021, MBTA's Facebook page had 503 likes and 539 follows. The Authority conducted a promotion on its Facebook page that awarded free monthly passes for "likes" on its page. In addition to electronic media, MBTA utilizes local broadcast media by airing 30-second radio commercials. Commercials have been aired on stations such as Z-107.7 FM in Joshua Tree.

MBTA has developed a glossy multifold riders guide featuring a system-wide route map, schedules and fares, and general ridership information. The riders guide is generally updated twice a year. MBTA has also developed marketing collateral for service personnel and their families stationed at the MCAGCC. A trifold brochure has been developed for base personnel that highlights MBTA's service to Palm Springs, Twentynine Palms, and Yucca Valley. Bus shelters have been upgraded to include bus information, and additional illuminated PV stops have been installed along the main SR 62 corridor to facilitate better visibility of passengers at bus stops.

MBTA staff makes presentations at social service agencies and senior centers regarding the transit system. Volunteer transit ambassadors at these locations help to promote the system and educate potential riders about taking the bus. Booths at local events are also available for

transit marketing. MBTA works with the local high school's special education department to provide travel trainings and presents transit information at new marine orientations at the MCAGCC. Also, in coordination with the Tender Loving Cause agency, MBTA participates in the annual "Stuff the Bus" event, which collects donated food items for hungry families during the months of November and December.

Pursuant to the federal Civil Rights Act of 1964, MBTA has adopted a Title VI Plan. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving federal financial assistance. The Authority's Title VI Plan was updated during the audit period and adopted by the board in December 2019. The Title VI Plan encompasses the Title VI program, Public Participation Plan, and Language Assistance Plan. Title VI notices are posted on the website, in all transit vehicles and shelters, and at MBTA's office in Joshua Tree. Complaint forms are available on the website.

General Administration and Management

MBTA is governed by a seven-member board of directors composed of two members from Twentynine Palms and Yucca Valley each, two members from the San Bernardino County Board of Supervisors representing the First and Third Districts, and one at-large resident member from the Morongo Basin. Each jurisdiction represented on the board also appoints one alternate member. Board meetings are held monthly on the fourth Thursday at 5:00 p.m. at the MBTA Operations Center in Joshua Tree.

The board chair and vice chair are elected at the beginning of each calendar year. Subcommittee assignments are also made at that time. Board subcommittees include the marketing and taxi subcommittees. The Technical Advisory Committee meets on an as-needed basis and once prior to the final approval of the upcoming fiscal year's operating and capital budgets. According to the general manager, the MBTA board has been very supportive and encouraging of the recent marketing initiatives. Other management personnel are composed of the office manager, operations manager, and a safety and training supervisor.

The MBTA board is kept abreast of transit activities through several board reports. Monthly board meetings are accompanied by a spiral-bound agenda packet for each board member. Also, annual reports are submitted and presented to the councils at the Town of Yucca Valley and City of Twentynine Palms. The office manager is the designated assistant board secretary, who performs quorum verification and prepares agendas and minutes.

A sample agenda provided by the agency shows that performance data is tracked and reported to the board monthly. On the consent calendar, a series of performance-oriented reports are scheduled, including an operations report, ridership report, financial report, and administrative report. The FY 2019 annual financial report included the calculation of the National Park Service reimbursement of adult fares paid on the Joshua Tree National Park RoadRunner Shuttle. MBTA

implemented the capability to upload the board agenda packets onto mobile tablets between February and March of 2020. Board members have expressed their openness and approval of this adjustment.

The fiscal auditor recommended that all invoices need to be signed by the general manager or department head. Any expenditure over $2,500 would require two management signatures. MBTA created an 11-page accounting procedures document that was approved by the board in 2018.

Pursuant to the TDA, MBTA receives Local Transportation Fund (LTF) proceeds and STA funds. MBTA is a direct claimant of TDA funding through SBCTA. TDA funding is used primarily for operating expenditures and certain capital projects. Based on annual financial audit data, LTF revenues received under Article 4 during the audit period were $2,160,506 in FY 2018; $2,438,871 in FY 2019; and $2,821,722 in FY 2020. STA revenues received were $192,542 in FY 2018; $207,819 in FY 2019; and $336,778 in FY 2020. The Transit Operators Financial Transactions Reports sent to the State Controller are generally prepared by an independent auditor retained by MBTA and reviewed by staff.

MBTA retains all of its remaining LTF revenues from implementation of its cost allocation plan. The plan provides justification for MBTA's continued funding support and its ability to expand its transit infrastructure. The plan includes three cost and revenue allocation options along with a five-year forecast for each option. At its May 2019 meeting, the MBTA board moved to adopt Option 2 where Procurement would backfill the Town of Yucca Valley's fund deficit for the first year, then move to adopt Option 3 for future fiscal years.

Grants Administration

MBTA manages its grants using Excel spreadsheets that are maintained in binders and uses QuickBooks to track expenses by capital project. A master spreadsheet is formatted to track projects and procurements throughout the life of each grant. The format displays the year of the grant application, due and submittal dates, project or procurement item, grant program source, grant amount, board approval date, award status, and closeout date. MBTA also tracks grants on an annual basis, which involves a summary of the grant allocations received and associated procurements along with detailed capital and supplemental funding. SBCTA has been proactive and helpful in providing grant assistance and offered to assist with MBTA's mobile ticketing platform.

During the audit period, MBTA was quite successful in its grant procurement efforts and used a variety of federal and state grants to support its operations and capital procurement efforts. The agency received LTF Article 3 funds toward bus stop amenities and improvements. SB-1 State of Good Repair funding has been used toward lighting and surveillance cameras. LCTOP funds have been used toward fare subsidies. Replacement of transit vehicles is also programmed as vehicles are retired.

MBTA receives federal rural formula FTA Section 5311 grants for operations and capital. FTA Section 5311 funds received during the audit period were $383,937 (operations) in FY 2018; $398,562 (operations) and $227,956 (capital) in FY 2019; and $421,203 (operations) and $181,433 (capital) in FY 2020. FTA Section 5339 funds received include $132,084 in FY 2018. MBTA received $96,710 in FTA Section 5337 State of Good Repair funds in FY 2019 and $115,042 in FY 2020. FTA Section 5310 funds received include $26,508 in FY 2018; $52,538 in FY 2019; and $71,003 in FY 2020. MBTA received $162,853 from the National Park Service for the operation of the Road Runner Shuttle. An unsuccessful grant request was an FTA Section 5339(c) Low or No Emission competitive program grant for zero emission vehicles.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. The CARES Act provides emergency assistance and health care response for individuals, families, and businesses affected by the COVID-19 pandemic and provide emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic. Under the CARES Act, FTA is allocated $25 billion to recipients of urbanized area and rural area formula funds, with $22.7 billion allocated to large and small urban areas and $2.2 billion allocated to rural areas. Funding is provided at a 100 percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19.

For FY 2020, MBTA was awarded $441,449 under the CARES Act and an additional $846,000 in funding for FY 2021. The supplemental funding has gone toward the loss in farebox revenues and to cover increased expenses related to the pandemic response.

PTMISEA funds received for vehicle procurement and capital improvements included $8,118 in FY 2018; $1,009,681 in FY 2019; and $316,390 in FY 2020. There was an unearned balance of $927,006 as of June 30, 2020. Local funding support is derived from the county's Measure I program that subsidized the TREP and other demand-response services. MBTA received $128,698 in FY 2018; $123,657 in FY 2019; and $116,987 in FY 2020.

MBTA has developed its own grant funding program to assist local government agencies and 501(c)(3) nonprofit providers in the Morongo Basin in meeting unmet transportation needs or accessing or augmenting MBTA's transit services. The Transportation Assistance Grant (TAG) is a procurement program developed by MBTA that results in non-publicly funded income from fees paid by other agencies to access MBTA's vehicle purchasing contracts. The MBTA board sets the amount of funding in any given fiscal year to fund eligible transportation assistance projects within the Morongo Basin subarea. The program budget has ranged between $40,000 and $50,000 annually. TAG funds awarded can be applied toward trip assistance programs, local matches for federal transportation grants, and capital and operating assistance for senior/disabled transportation services. The TAG ad hoc committee is composed of MBTA's director of procurement and two board members. A van was purchased for the City of Twentynine Palms.

In addition, MBTA, as a member of CalACT's Rural Task Force Committee, is one of eight rural agencies to assist Caltrans in the streamlining of the grant funding and procurement process. MBTA, through the CalACT/MBTA Purchasing Cooperative, has direct involvement in the vehicle procurement process until the vehicles are awarded funding, from which CalACT then serves as the contract administrator. Caltrans has tended to be more procedural in its grant review process due to scrutiny and audits by the federal government, which have contributed to delays in processing applications. As a result, the MBTA general manager has had to spend more time on funding issues than in the past.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2018 through 2020. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to MBTA, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to MBTA (i.e., rural/urban farebox recovery ratios).

2. MBTA's farebox recovery ratio remained well above the required 10 percent standard despite a slightly downward trend that worsened because of the COVID-19 pandemic. For the three-year audit period, the farebox recovery ratio was 17.75 percent in FY 2018; 16.01 percent in FY 2019; and 10.00 percent in FY 2020.[3] The average system-wide farebox recovery ratio was 14.59 percent during the triennial review period. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

3. MBTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. There were increases in the operating budget all three years of the audit period. The budget exhibited modest increases of 6.0 percent in FY 2019 followed by a 2.4 percent increase in FY 2020. For FY 2018, there was a 15.2 percent increase attributed to the Joshua Tree National Park service expansion as well as the 2 percent cost of living and employee wage adjustments.

5. MBTA satisfactorily implemented the four prior audit recommendations. The completed recommendations pertained to reviewing opportunities for increasing local revenue to boost farebox recovery, updating performance monitoring contained in the SRTP, implementation of enhanced electronic and mobile trip planning tools and the exploration of additional CNG fuel sales to the public.

6. Operating costs system-wide increased by 11.6 percent using audited data from FY 2017 base year to FY 2020. Fixed-route operating costs increased by 26.5 percent while demand-

[3] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and State Shelter-in-Place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19.

response costs increased 23 percent using unaudited modal data. On an annualized basis, costs increased 3.7 percent, with the highest increase of 5 percent occurring in FY 2018. The higher costs are attributed to the Joshua Tree National Park service expansion as well as the 2 percent cost of living and employee wage adjustments.

7. After exhibiting modest increases in FY 2018 and FY 2019, system-wide ridership decreased 19.4 percent from the FY 2017 base year to FY 2020. The 19.8 percent decrease in fixed-route passenger trips mirrored the system-wide trend, whereas demand-response ridership decreased 13.4 percent. System-wide ridership increased 1 percent in FY 2018 and 2.1 percent in FY 2019. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 21.9 percent. Ridership increased 1.4 percent in the second quarter of FY 2020, followed by a 7.8 percent decrease in the third quarter, and 39.6 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

8. Operating cost per passenger, an indicator of cost effectiveness, increased 38.5 percent system-wide from FY 2017 base year to FY 2020. Cost per passenger increased 57.8 percent on fixed route and increased by 42 percent on the demand-response service. The trend shows that costs have increased faster than the number of passenger trips due to the onset of the COVID-19 pandemic impacts in FY 2020. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $15.21 in the first quarter of FY 2020, $13.50 in the second quarter, $13.31 in the third quarter, and $25.43 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $16.86.

9. Operating cost per hour, an indicator of cost efficiency, increased 13.8 percent system-wide from FY 2017 base year to FY 2020. The indicator increased 27.6 percent on fixed route and by 30.5 percent for Ready Ride demand response. The trends for both modes are reflective of the increase in operating costs versus the decrease in vehicle service hours. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $118.76 in the first quarter, $108.01 in the second quarter, $100.25 in the third quarter, and $123.25 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $112.57.

10. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased by 17.9 percent system-wide from 8.6 passengers to 7.1 passengers from FY 2017 base year to FY 2020. The indicator for the fixed-route mode decreased by a comparable 19.2 percent whereas for demand response there was an 8.1 percent decrease. For both service modes, the rate of decline in passenger trips exceeds that for vehicle service hours. During FY 2020, passengers per hour were 7.8 in the first quarter, 8.0 in the second quarter, 7.5 in the third quarter, and 4.8 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 7.0 passengers.

11. A cooperative agreement between the National Park Service and MBTA was executed on September 7, 2017, for MBTA to operate the RoadRunner Shuttle on a pilot basis through May 2019. One percent of the total annual park visitor attendance, or 28,000 trips, was the performance benchmark for the service. The two-year Joshua Tree National Park pilot program was branded the RoadRunner Shuttle, which commenced service on February 1, 2018.

12. MBTA applied the LCTOP funding toward a free fare program for Copper Mountain College students. Prior to the receipt of LCTOP funds, MBTA received an annual subsidy from Copper Mountain College that amounted to $20,000 annually. Under that agreement, students were able to ride the fixed route for $0.50 per ride.

13. MBTA is a non-union shop where employment is on an at-will basis despite a unionization effort that took place in 2015. The unionization effort prompted management to engage in more employee outreach. During the negotiation process, employees were able to identify gaps in benefits and policies. In response, MBTA revised the employee handbook to incorporate policies derived from the union negotiations. Benefit changes and wage increases are reflected in the FY 2017–18 budget.

14. MBTA commissioned an update to its SRTP in October 2018. The SRTP scope of work included the modification of service policies, goals, and objectives, including performance standards by which to measure current and future performance. The SRTP, adopted in June 2020, envisions a phased five-year transition plan to redesign existing transit services to better respond to the mobility expectations and preferences of service area residents, employees, and visitors. The plan builds on the historical success of cross-valley service operating for decades in the SR-62 corridor.

15. Marketing efforts during the audit period have been primarily directed to attracting new riders and Copper Mountain College students. New marketing initiatives have included an enhanced website, logo, social media presence, and bus stop amenities. MBTA launched a marketing campaign that targeted the discretionary or “choice rider” market in FY 2017-18. The website was revamped and went live in the fall of 2018. The website’s enhanced features include a trip planner and an interactive route map.

16. MBTA retains all of its remaining LTF revenues from implementation of its cost allocation plan. The plan provides justification for MBTA’s continued funding support and its ability to expand its transit infrastructure. The plan includes three cost and revenue allocation options along with a five-year forecast for each option.

Recommendations

1. **Ensure accident, incident and road call data are reported in TransTrack Manager. (High Priority)**

   MBTA has been proficient in its utilization of TransTrack Manager in the reporting of system performance metrics. A review of the quarterly performance scorecard within TransTrack confirmed that most performance indicators and data are being reported such as farebox recovery ratio, operating costs per revenue hour and mile, passengers per revenue hour and mile, complaints, and on-time performance. However, data for some performance categories such as miles between NTD reportable accidents, number of reportable accidents, system failures, road calls are not reported in TransTrack. While reportable accident data are reported in the NTD, they did not get transferred into TransTrack. In addition, although the incidents of road calls were negligible during the audit period, they were not reported. It is suggested that data for these vehicle performance categories be included in TransTrack.

2. **Consider merits of procuring new fleet management software that would be compatible with other programs used by MBTA. (High Priority)**

   MBTA's maintenance department appears to run efficiently and effectively. Systems have been in place to ensure that vehicles are serviced within the regularly scheduled intervals. The lead technician/shop supervisor has been quite resourceful in streamlining maintenance practices and ensuring that parts are ordered as needed. The Zonar electronic fleet management system is used for pre- and post-trip inspections whereas the Fleet Controller program is used to track vehicle service history and flag those ready for preventive maintenance inspections. As part of the Fleet Controller program, the Parts Controller module tracks parts inventory and generates purchase orders. The lead technician indicated the necessity to upgrade or replace the Fleet Controller program. With MBTA looking to adopt ZEV technologies as well as upgrade other facets of its operations, it is suggested that the Authority consider the procurement of a new fleet management system.

3. **Consult and collaborate with peer transit agencies regarding the implementation of zero emission vehicle technologies. (Medium Priority)**

   The SBCTA in collaboration with the Center for Sustainable Energy released the *San Bernardino County Zero-Emission Vehicle Readiness and Implementation Plan* in August 2019. The ZEV Plan inventories current ZEV infrastructure and usage in San Bernardino County and projects future demand and infrastructure requirements. In response to the ZEV Plan, MBTA has been gathering data in order to discern the best type of ZEV to

procure, which will in turn determine the type of charging infrastructure required. The Authority has submitted a LCTOP grant application for the procurement of a battery electric van. A query of peer agencies that have embarked on the implementation of ZEV technologies could prove helpful in the evaluation process. Those peer agencies would include neighboring transit systems such as SunLine and VVTA.

FY 2018–2020 TRIENNIAL PERFORMANCE AUDIT

sb cta
san bernardino county transportation authority

NEEDLES TRANSIT SERVICES

August 2021

Submitted to:

San Bernardino County Transportation Authority

Submitted by:

Michael Baker INTERNATIONAL

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Executive Summary

The San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the five public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Needles Transit Services (Needles, City) covering the most recent triennial period, fiscal years 2017–18 through 2019–20.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- Transit System Performance Trends
- Detailed Functional Review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of Needles Transit Services.

Compliance with TDA Requirements

Of the compliance requirements pertaining to Needles Transit Services, the operator complied with eight out of nine requirements. The City was not in compliance regarding the timely submittal of its Transit Operator Financial Transactions Reports. Two additional compliance requirements did not apply to Needles Transit Services (i.e., blended and urban farebox recovery ratios).

Status of Prior Audit Recommendations

Needles satisfactorily implemented one out of the two prior audit recommendations. The completed recommendation pertained to the use of local support funds to enhance farebox revenues. The second recommendation, pertaining to the implementation of electronic and mobile trip planning tools, was partially implemented, and is carried forward in this audit for full implementation.

System Performance Trends

1. NAT exceeded its annual fare recovery ratio, although the FY 2020 farebox recovery ratio dipping to 10.17 percent in FY 2020 in large part to the COVID-19 pandemic and state shelter-in-place order during the last quarter of that year. The Dial-A-Ride farebox recovery ratio exceeded 15 percent during the audit period with the contribution of local Measure I support funding. Transit services are funded by TDA Article 8(c). The SBCTA board adopted

performance criteria for Needles Transit Services that set the system-wide farebox recovery ratio at 10 percent.[1]

2. Operating costs system-wide increased by 22.6 percent from the FY 2017 base year through FY 2020 based on audited financial data. Deviated fixed route operating costs increased by 20.5 percent and Dial-A-Ride costs increased by 40.2 percent based on audited financial and internal data. The annualized growth in operating costs for the deviated fixed route was 6.6 percent and 12.6 percent for Dial-A-Ride. The increase in operating costs is due to adjustments in contractor costs and higher vehicle insurance premiums. Contract operations were assumed by Transportation Concepts effective FY 2020.

3. Ridership decreased 3.2 percent system-wide, consisting of a 7.2 percent decrease on deviated fixed route. In contrast, there was 23.4 percent increase in Dial-A-Ride ridership from the FY 2017 base year to FY 2020. Ridership on Dial-A-Ride increased 13 percent in FY 2018 followed by a 6.6 percent increase in FY 2019. The overall declines in ridership are attributed to lower retail fuel prices as well as reduced commercial activity in Needles involving the closure of a major chain store and a restaurant. The increase in ridership on Dial-A-Ride is attributed to the implementation of the Shopper Shuttle. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 5.8 percent. Ridership decreased 22.9 percent in the second quarter of FY 2020, followed by a 12.1 percent decrease in the third quarter, and 26.3 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

4. Operating cost per passenger, an indicator of cost effectiveness, increased by 26.7 percent system-wide from $12.94 in the FY 2017 base year to $16.39 in FY 2020. Cost per passenger increased by a comparable 29.9 percent on the NAT deviated fixed route service and 15.1 percent on Dial-A-Ride. The trend in this indicator reflects the increase in operating costs in contrast to the decrease in ridership. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $11.23 in the first quarter of FY 2020, $16.43 in the second quarter, $17.84 in the third quarter, and $24.69 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $17.55.

5. Operating cost per hour, an indicator of cost efficiency, increased 6.8 percent system-wide from $89.08 in the FY 2017 base year to $95.12 in FY 2020. Cost per hour on the deviated increased 15.5 percent. Dial-A-Ride exhibited a 0.7 percent increase in this indicator. The

[1] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio for the deviated fixed route and the 15 percent fare ratio for Dial-A-Ride as permitted by Section 99268.19.

trend in this indicator reflects the increase in operating costs in contrast to the modest increase in vehicle service hours. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $89.76 in the first quarter, $100.91 in the second quarter, $93.69 in the third quarter, and $96.12 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $95.12.

6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 15.7 percent system-wide from 6.9 passengers in the FY 2017 base year to 5.8 passengers per hour in FY 2020. This indicator decreased 11.1 percent for deviated fixed route and by 12.5 percent for Dial-A-Ride. The trends are indicative of the decrease in passenger trips in contrast to the increase in vehicle service hours. During FY 2020, passengers per hour system-wide were 8.0 in the first quarter, 6.1 in the second quarter, 5.3 in the third quarter, and 3.9 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 5.8 passengers.

Functional Review

1. NAT expanded service hours on Saturday from 10:00 a.m. to 5:00 p.m., effective July 2017. Prior to this change, Saturday hours were from 10:00 a.m. to 2:00 p.m. Riders have requested service later in the evenings and on Sundays.

2. A fare increase was implemented during the audit period in July 2017. General public fares increased from $1.25 to $1.30 per trip. The City implemented a second fare increase in July 2018 from $1.30 to $1.35 per trip. Fares were also increased on the Dial-A-Ride and Dial-A-Ride medical services. The City is considering another fare increase pending the findings from the COVID-19 fare analysis being conducted by SBCTA.

3. The City implemented the Shopper Shuttle Pilot Program on July 10, 2019 in response to rider demand for shopping options upon closure of a major grocer within the City. The Shopper Shuttle operates on Wednesday on a prepaid, reservation basis departing Needles at 8:15 a.m. and returning by 12:30 p.m. The prepaid round trip fare is $9.00.

4. In December 2018, the City received a notice of termination of the operating contract from RATP Dev/McDonald Transit Associates Inc. The City released a Request for Proposals (RFP) in March 2019 with no responses received. The RFP was reissued in May 2019 and two proposals were received. In September 2019, the City Council approved a contract with Transportation Concepts to provide operations of the local fixed and deviated route transit services and Dial-a-Ride services including senior and disabled demand response and DAR Medical Transport/Shopper Shuttle for the period starting October 1, 2019, to June 30, 2023.

5. The Needles Transit Services Short Range Transit Plan (SRTP) 2020–2025 was completed in January 2020 and adopted by the City Council in February 2020. The SRTP update included a series of passenger and community surveys to determine service needs and trends. There were four financially constrained recommendations in the 2020-2025 SRTP.

6. In collaboration with SBCTA, the City participated in the Transit Marketing and Fare Study Project in 2018 to encourage and promote transit ridership through a targeted marketing campaign. The project was a multi-phase effort that included a market research report and marketing brief. The project was funded through the Low Carbon Transit Operations Program (LCTOP). Marketing collateral and initiatives that were implemented included enhanced flyers and posters promoting the NAT service, and free ride campaigns.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Ensure timely completion and submittal of the Transit Operators Financial Transactions Reports to the State Controller.	In the compliance review section, it was found that the City submitted its Transit Operators Financial Transactions Reports to the State Controller after the statutory deadline during all three years of the audit period. Pursuant to Public Utilities Code Section 99243, the report is due within seven months after the end of the fiscal year, which is on or before January 31. The submission of reports to the State Controller in a timely manner will further demonstrate Needles' proactive approach to compliance with state reporting instructions.	High Priority
2. Ensure key performance indicators such as accidents, incidents, road calls, and deadhead service data are reported in TransTrack Manager.	Needles has been proficient in its utilization of TransTrack Manager in the reporting of system performance metrics. A review of the quarterly performance scorecard in TransTrack confirmed that most performance indicators and data are being reported, such as farebox recovery ratio, operating costs per revenue hour and mile, passengers per revenue hour and mile, complaints, and on-time performance. However, data for some performance categories such as miles between National Transit Database (NTD) reportable accidents,	High Priority

Performance Audit Recommendation	Background	Timeline
	number of reportable accidents, system failures, and road calls are not reported in TransTrack. While reportable accident data are reported in the NTD, they did not get transferred into TransTrack. In addition, although the incidents of road calls were negligible during the audit period, they were not reported. Also, because the transit vehicles must be transported to Blythe (almost 100 miles one-way) to a Transportation Concepts facility for major maintenance and repairs, deadhead service hours and miles could build up which impact vehicle life. It is suggested that data for these vehicle performance categories be included and monitored in TransTrack**.**	
3. Reinstate the Google Transit trip planning tool on the Needles Transit Services web page.	This recommendation is being carried forward in this audit for full implementation. The City implemented the Google Transit trip planner on the transit page of the City's website in mid-2018 as part of the transit marketing campaign funded through a LCTOP grant. However, in mid to late 2019, a new City website was created and went live without the Google Transit trip planner feature being transferred. As of this report, the Google Transit trip planner has yet to be restored on the transit page of the City of Needles website. It is recommended that staff work to reinstate the Google Transit trip planner as well as a Google Translate widget feature for non-English-speaking users.	Medium Priority

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 San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the TDA triennial performance audit of the five public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for Needles Transit Services (also referred to as the City in this report) covering the most recent triennial period, fiscal years 2017–18 through 2019–20.

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

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with city transit management as well as on-site management from the new contract operator, 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 in the development and conduct of the audit.

Overview of the Transit System

Transit services have operated in Needles since the early 1980s when the City of Needles contracted Dial-A-Ride services with the Needles Senior Citizens Club, a nonprofit corporation. A transit needs study commissioned in 1994 paved the way for a fixed-route transit service for general public use. As a result, Needles Area Transit (NAT) commenced service in 1995, consisting of a deviated fixed route. NAT is administered by the City of Needles and, during most of the audit period, was operated under a contract with RATP Dev North America/McDonald Transit Associates, Inc. A separate Dial-A-Ride service for seniors and persons with disabilities continued to be operated under contract by the Needles Senior Citizens Club. Dial-A-Ride provides trips within or around the city. In addition to the Dial-A-Ride service, the City (through

the Needles Senior Citizens Club) in October 2008 launched a medical transportation service for non-emergency medical trips to Fort Mohave and Bullhead City, Arizona. In July 2016, the City entered into a contract with McDonald Transit to assume operations of the Dial-a-Ride services.

In December 2018, the City was given notice by RATP Dev/McDonald Transit of their intention to terminate the operations contract. In response, the City issued a Request for Proposals (RFP) in March 2019 to solicit a replacement contract operator. After receiving no response, a second RFP was released in May 2019 and two bids were received. After a review and vetting process, Transportation Concepts of Irvine, California, was selected to operate Needles' transit services for an initial base contract term of October 1, 2019, to June 30, 2023. Together, NAT, Dial-A-Ride, and Dial-A-Ride Medical Transport/Shopper Shuttle Pilot Program form Needles Transit Services.

Needles is located at the east central edge of San Bernardino County along the western bank of the Colorado River opposite the state of Arizona. The city lies at the junction of Interstate 40 and US Route 95 and has a total land area of 30.81 square miles. Founded in 1883, Needles is a California charter city incorporated in 1913 and has a council-manager form of government. Based on the 2019 American Community Survey, 5-Year Estimates, the city's population was 4,965, of which 20.8 percent was age 65 or older. The 2021 population was estimated to be 5,353 as reported by the California Department of Finance.

System Characteristics

NAT provides a route deviation service that traverses many parts of the city. The service is divided into two loops that intersect at Broadway and G Street: North-South Loop and West Loop. The West Loop departs Broadway and G Street on the hour and returns to the G Street stop 25 minutes after the hour. The bus continues on the North-South Loop departing G Street on the half-hour and returns to G Street 55 minutes after the hour. There are 38 time points on the route. Route deviations are offered on a same-day basis provided there is sufficient time built into the schedule. Most route deviations are accommodated since the drivers are familiar with repeat passengers who request a deviation, and the drivers have developed routes to efficiently pick up passengers while keeping to the published bus schedule.

The deviated fixed-route system operates from 7:00 a.m. to 6:55 p.m., Monday through Friday, and on Saturdays from 10:00 a.m. to 4:55 p.m. The service does not operate on Sundays or the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

The Dial-A-Ride service is provided to senior citizens (age 55 and older) and disabled persons on a prescheduled basis. The service is provided within Needles from 9:00 a.m. to 1:00 p.m., Monday through Friday. Within this time frame, a Lunch Bunch shuttle service is operated on weekdays from 11:00 a.m. to 1:00 p.m. Reservations are taken from 9:00 a.m. to 12:45 p.m.

Areas in the city not served by deviated fixed route but served by Dial-A-Ride include a mobile home park near the Five Mile area (Landing) and US Route 95 South in the southeastern portions of the city, and residential housing in the northern portions of Needles. Special runs sponsored

by the Senior Citizens Club are provided outside the city limits. Last call for same-day service is taken at 12:45 p.m. The window for a scheduled pickup is one-half hour: 15 minutes before the scheduled time and 15 minutes after. The service does not operate on weekends.

The medical transportation service operates between Needles, Fort Mohave and Bullhead City, Arizona, two days a week, Tuesday and Thursday. The service is available on a prescheduled first-come, first-served basis; depending on ridership needs, it departs from the Needles Senior Center at 9:15 a.m. and returns at approximately 3:15 p.m. There is a two-tier fare structure based on distance traveled with no discounts to seniors, disabled persons, students, or children.

Based on the onboard passenger survey responses conducted during the development of the *Needles Transit Services Short-Range Transit Plan (SRTP) 2020-2025* and the closure of the only grocery store in Needles in April 2018, the City implemented a Shopper Shuttle Pilot Program to Fort Mohave, Arizona, in July 2019. The Shopper Shuttle operates on Wednesdays from the west parking lot of El Garces Intermodal Transportation Facility at 8:15 a.m. with stops at the Walmart Supercenter, Safeway, Smith's Food and Drug, and CVS Pharmacy in Fort Mohave. The shuttle returns to Needles at 12:30 p.m., dropping residents off at their homes. Passengers pre-schedule and pre-pay trips up to 11:00 a.m. on the Tuesday prior to the day of service. As there is no local taxi service and very limited affordable vehicle rental availability in the city, the transit system is responsible for providing as much service as feasible.

Fares

The fare schedule for NAT and Dial-A-Ride is shown in the following table. Fare increases for the deviated fixed route were implemented in July 2017 (Resolution No. 2017-41) and in July 2018 (Resolution No. 2018-30). In conjunction with the July 2017 fare increase, NAT introduced a single boarding pass for the same price as a regular one-way cash fare.

Table I-1
NAT and Dial-A-Ride Fare Schedule

	Effective July 1, 2017		Effective July 1, 2018	
NAT Deviated Fixed Route	**Regular**	**Senior/ Disabled**	**Regular**	**Senior/ Disabled**
One Way	$1.30	$1.20	$1.35	$1.25
Route Deviation	$1.85	$1.75	$2.00	$1.90
30-Punch Pass	$36.00		$39.00	
Dial-A-Ride				
One Way	$1.00		$1.10	
Senior Lunch Bunch (Round Trip)	$1.00		$1.10	
Dial-A-Ride Medical Transport				
Between Needles Bridge North and Fort Mohave Medical Complex	$5.00		$6.00	
From Fort Mohave Medical Center up to Bullhead City/Laughlin Bridge	$10.00		$12.00	
Shopper Shuttle (Effective July 10, 2019)				

Pre-paid Round Trip Fare	$9.00

Source: Needles Transit Services

On NAT, up to two children 5 years of age or younger may ride free when accompanied by a fare-paying adult. The NAT 30-Punch Pass and Single Boarding Pass are available for purchase through the City of Needles. Persons with disabilities require a City-issued photo identification card to qualify for the senior/disabled fare on NAT.

Fleet

NAT has a fleet of three 18-passenger vehicles, two of which were acquired in 2018. The Needles Dial-A-Ride service operates three 9-passenger vehicles. Vehicles operated by both services are equipped with wheelchair lifts in conformance with the Americans with Disabilities Act (ADA) of 1990. Table I-2 shows the vehicle fleet and service type.

Table I-2
Vehicle Fleet

Year	Manufacturer	Quantity	Fuel Type	Service Type	Seating Capacity
2002	Ford	1	Gasoline	Dial-A-Ride	9 (2 W/C)
2008	El Dorado Aerolite 200	1	Gasoline	Dial-A-Ride	9 (2 W/C)
2009	Starcraft Starlite Type I Paratransit	1	Gasoline	Dial-A-Ride	7 (2 W/C)
2012	Elkhart Coach ECII	1	Gasoline	NAT	18 (2 W/C)
2018	Glaval Titan II	2	Gasoline	NAT	18 (2 W/C)
Total		**6**			

Source: Needles Transit Services
W/C = Wheelchair

The City retired one of its 2012 Elkhart Coach ECII vehicles operated on the NAT route in November 2018. In addition, the City took delivery of two 2018 Glaval Titan II vehicles during the audit period. All fixed route buses have six video cameras on-board. Future Dial-A-Ride replacement vehicles will also have cameras installed.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of Needles' 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* to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the PUC and the California Code of Regulations. Each requirement is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1
Operator Compliance Requirements Matrix

Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: *Separate Fixed Route/Specialized Services Reports:* FY 2018: June 25, 2019 FY 2019: March 3, 2020 FY 2020: February 17, 2021 Transit Operators Financial Transactions Reports were completed and submitted after the seven-month deadline pursuant to the TDA statute. **Conclusion: Not in Compliance.**
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 2018: December 28, 2018 FY 2019: March 20, 2020 FY 2020: March 21, 2021 The annual fiscal and compliance audits for FY 2019 and FY 2020 were submitted

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		within the 90-day extension period by the RTPA as allowed by law. Responsibility for submittal of the annual fiscal audit lies with the SBCTA auditor, which operates independently of the City of Needles. **Conclusion: Complied.**
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	Through its contract operator, Needles Area Transit participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim at the contract operator's facility located at 950 Front Street in Needles. Inspection dates applicable to the audit period were March 22, 2017; March 15, 2018; April 4, 2019; and February 11, 2020. The City's contract operator received a satisfactory rating for all inspections conducted. **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, Needles Transit Services' annual claims for Local Transportation Funds and State Transit Assistance Funds are submitted

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		in compliance with the rules and regulations adopted by SBCTA. **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	This requirement is not applicable, as Needles Transit Services serves a non-urbanized area. **Conclusion: Not Applicable.**
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in Needles Transit Services' operating budget: FY 2018: +3.1% FY 2019: +6.0% FY 2020: +18.3% The increases in the operating budget are due to adjustments in contractor costs and higher vehicle insurance premiums. Contract operations were assumed by Transportation Concepts effective FY 2020. *Source: FY 2017–2020 City of Needles budgets* **Conclusion: Complied.**
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including	Public Utilities Code, Section 99247	Needles Transit Services' definition of performance is consistent with PUC Section 99247. A review of trip sheets

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
(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.		from the NAT contract operator as well as from Dial-A-Ride indicates that correct performance data are being collected. **Conclusion: Complied.**
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as Needles Transit Services serves a non-urbanized area. **Conclusion: Not Applicable.**
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Needles Transit Services' operating ratios using data derived from the annual fiscal and compliance audits were as follows: **NAT** **DAR** FY 2018: 10.69% 17.39% FY 2019: 12.07% 16.25% FY 2020: 10.17% 21.56% Transit services are funded by TDA Article 8(c). The SBCTA

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		board adopted performance criteria for Needles Transit Services that set the system-wide farebox recovery ratio at 10 percent, which is met through passenger fare revenues and local Measure I support contributions. *Assembly Bill (AB) 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio as permitted by Section 99268.19. *Source: Needles Transit Fund Financial Statements (Audited) & Needles Transit Services Internal Reports* **Conclusion: Complied.**
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation	Public Utilities Code, Section 99271	The City contracts with a private provider for operations, while the cost of City staff's retirement is fully funded under the California Public Employees

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		Retirement System (CalPERS). **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)	Needles Transit Services uses federal funds that are available to the agency, as reported in the Needles Transit Fund Financial Statements (Audited). FY 2018: $44,416 (operations) FY 2019: $39,707 (operations) FY 2020: $41,921 (operations) $43,951 (CARES Act) **Conclusion: Complied.**

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Needles Transit Services, the operator complied with eight out of nine requirements. The City was not in compliance regarding the timely submittal of its Transit Operator Financial Transactions Reports. Two additional compliance requirements did not apply to Needles Transit Services (i.e., blended and urban farebox recovery ratios).

2. NAT exceeded its annual fare recovery ratio, although the FY 2020 farebox recovery ratio dipping to 10.17 percent in FY 2020 in large part to the COVID-19 pandemic and state shelter-in-place order during the last quarter of that year. The Dial-A-Ride farebox recovery ratio exceeded 15 percent during the audit period with the contribution of local Measure I support funding. Transit services are funded by TDA Article 8(c). The SBCTA board adopted performance criteria for Needles Transit Services that set the system-wide farebox recovery ratio at 10 percent.[2]

3. Through its contract operator, Needles Transit Services participates in the CHP Transit Operator Compliance Program and received inspections of NAT vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. The operating budget increased each of the three years of the audit period. The FY 2018 operating budget increased 3.1 percent followed by a higher increase of 6 percent in FY 2019. For FY 2020, the operating budget increased 18.3 percent due to adjustments in contractor costs and higher vehicle insurance premiums. Contract operations were assumed by Transportation Concepts effective FY 2020 following departure of the system's prior operator.

[2] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio for the deviated fixed route and the 15 percent fare ratio for Dial-A-Ride as permitted by Section 99268.19.

Section III

Prior Triennial Performance Recommendations

Needles Transit Services' efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of City 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

Review opportunities for increasing local revenue to boost farebox recovery. (High priority)

Background: State Senate Bill (SB) 508, passed in October 2015, makes changes to how farebox recovery is calculated. Consistent with current practice, transit systems can boost their farebox recovery through inclusion of local revenues generated by the transit service. Needles Transit Services has had some challenges maintaining farebox recovery attainment relative to its standard. Even though the City has been able to use local Measure I contributions to support the Dial-A-Ride farebox recovery, it is still expected to attain a 10 percent farebox recovery ratio for NAT and a 15 percent farebox recovery ratio for Dial-A-Ride.

Under the new law, other local revenues can prop up the farebox. In addition to local Measure I contributions, examples of local fund revenues include advertisements on buses and bus shelters, gains on the sale of capital assets, lease revenues generated by transit-owned property, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Both revenues and operating costs are modified in deriving the farebox ratio for TDA eligibility purposes, and the City should work with the fiscal auditor to accurately reflect the farebox ratio allowed under new state law. One opportunity would be lease revenue from prospective tenants in the historic El Garces Hotel and Transportation Depot.

Actions Taken by Needles Transit Services

The City has been utilizing available local support revenues allocated to transit services including from Measure I. During the audit period, the City investigated the possibility of generating revenue from the placement of advertising space on buses and bus shelters. The sales of capital assets (surplus vehicles) go back into the applicable transit fund revenues. There are currently no fare revenue agreements; however, the NAT single boarding pass and NAT 30-punch pass, along with the Dial-A-Ride ticket, are used by County social service agencies and local businesses to provide to their clientele in lieu of individual fare payments. The El Garces Intermodal Transportation Depot is owned by the City of Needles and is not solely owned by Needles Transit Services; therefore, lease revenues are not available to support the transit system. Staff has

committed to work with the auditors to continue to look for additional local revenue sources to support farebox revenues as allowed under the TDA statute.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Consider implementation of electronic and mobile trip planning tools. (Medium Priority)

Background: Needles Transit Services provides information about its services through the City's website, which was updated during the audit period to reflect the fare increases and Saturday schedule changes. The website currently does not provide any trip planning tools other than the PDF links to the schedule. One turnkey approach would be to incorporate Google Transit onto the transit webpage. Google Transit's key features include simple and accessible online trip planning, Google user access to Needles' website, trip planning in numerous languages, comparisons with other modes of travel (automotive, cycling and pedestrian), and compatibility with many mobile devices. Other trip planning tools include the Transit App, which provides real-time transit route information in a mobile format.

Actions Taken by Needles Transit Services

The City implemented the Google Transit trip planner on the transit page of the City's website in June/July 2018 as part of the transit marketing campaign funded through a Low Carbon Transit Operations Program (LCTOP) grant. However, in mid to late 2019, a new City website was created and went live without the Google Transit trip planner feature being transferred. As of this report, the Google Transit trip planner has yet to be restored on the transit page of the City of Needles website. It is recommended that staff work to reestablish the trip planning tools as well as a Google Translate widget feature for non-English-speaking users.

Conclusion

This recommendation has been partially implemented and being carried forward for full implementation.

Section IV

TDA Performance Indicators

This section reviews NAT and Dial-A-Ride performance in providing transit services 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-3 provide the performance indicators for Needles Transit Services, including system-wide, NAT deviated fixed route, and senior Dial-A-Ride services. Tables IV-4 through IV-6 provide quarterly performance indicators for the transit service modes specifically for FY 2019-20 to show the impacts of the COVID-19 pandemic impacts upon the service. Graphs are also provided to depict the trends in the indicators.

Table IV-1
TDA Performance Indicators
Needles Transit Services, System-wide

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$410,765	$434,932	$446,675	$503,750	***22.6%***
Total Passengers	31,750	28,355	32,624	30,738	***-3.2%***
Vehicle Service Hours	4,611	5,021	5,127	5,296	***14.9%***
Vehicle Service Miles	61,017	64,515	64,010	66,965	***9.7%***
Employee FTE's	6	6	6	6	***0.0%***
Passenger Fares	$38,790	$41,722	$47,765	$48,395	***24.8%***
Measure I Contribution	$22,761	$11,154	$10,425	$15,559	***-31.6%***
Total Fare Revenue	$61,551	$52,876	$58,190	$63,954	***3.9%***
Operating Cost per Passenger	$12.94	$15.34	$13.69	$16.39	***26.7%***
Operating Cost per Vehicle Service Hour	$89.08	$86.62	$87.12	$95.12	***6.8%***
Operating Cost per Vehicle Service Mile	$6.73	$6.74	$6.98	$7.52	***11.7%***
Passengers per Vehicle Service Hour	6.9	5.6	6.4	5.8	***-15.7%***
Passengers per Vehicle Service Mile	0.52	0.44	0.51	0.46	***-11.8%***
Vehicle Service Hours per Employee	768.5	836.8	854.5	882.7	***14.9%***
Average Fare per Passenger	$1.22	$1.47	$1.46	$1.57	***28.9%***
Fare Recovery Ratio	14.98%	12.16%	13.03%	12.70%	***-15.3%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Needles Transit Fund Financial Statements (Audited), State Controller Report, TransTrack Manager
Needles Transit Services Internal Reports

Table IV-2
TDA Performance Indicators
NAT Deviated Fixed Route

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$325,282	$339,854	$344,716	$392,093	***20.5%***
Total Passengers	27,599	23,665	27,623	25,616	***-7.2%***
Vehicle Service Hours	3,292	3,419	3,412	3,436	***4.4%***
Vehicle Service Miles	47,912	49,861	50,028	51,711	***7.9%***
Employee FTE's	4	4	4	4	***0.0%***
Passenger Fares	$34,015	$36,342	$41,619	$39,880	***17.2%***
Operating Cost per Passenger	$11.79	$14.36	$12.48	$15.31	***29.9%***
Operating Cost per Vehicle Service Hour	$98.81	$99.40	$101.03	$114.11	***15.5%***
Operating Cost per Vehicle Service Mile	$6.79	$6.82	$6.89	$7.58	***11.7%***
Passengers per Vehicle Service Hour	8.4	6.9	8.1	7.5	***-11.1%***
Passengers per Vehicle Service Mile	0.58	0.47	0.55	0.50	***-14.0%***
Vehicle Service Hours per Employee	823.0	854.8	853.0	859.0	***4.4%***
Average Fare per Passenger	$1.23	$1.54	$1.51	$1.56	***26.3%***
Fare Recovery Ratio	10.46%	10.69%	12.07%	10.17%	***-2.7%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Needles Transit Fund Financial Statements (Audited), State Controller Report, TransTrack Manager
Needles Transit Services Internal Reports

Table IV-3
TDA Performance Indicators
Senior Dial-A-Ride
(including Medical Transport/Shopper Shuttle)

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$78,624	$95,078	$101,959	$111,657	***42.0%***
Total Passengers	4,151	4,690	5,001	5,122	***23.4%***
Vehicle Service Hours*	1,319	1,602	1,715	1,860	***41.0%***
Vehicle Service Miles*	13,105	14,654	13,982	15,254	***16.4%***
Employee FTE's	2	2	2	2	***0.0%***
Passenger Fares	$4,775	$5,380	$6,146	$8,515	***78.3%***
Measure I Contribution	$22,761	$11,154	$10,425	$15,559	***-31.6%***
Total Fare Revenue	$27,536	$16,534	$16,571	$24,074	***-12.6%***
Operating Cost per Passenger	$18.94	$20.27	$20.39	$21.80	***15.1%***
Operating Cost per Vehicle Service Hour	$59.61	$59.35	$59.45	$60.03	***0.7%***
Operating Cost per Vehicle Service Mile	$6.00	$6.49	$7.29	$7.32	***22.0%***
Passengers per Vehicle Service Hour	3.1	2.9	2.9	2.8	***-12.5%***
Passengers per Vehicle Service Mile	0.32	0.32	0.36	0.34	***6.0%***
Vehicle Service Hours per Employee	659.5	801.0	857.5	930.0	***41.0%***
Average Fare per Passenger	$1.15	$1.15	$1.23	$1.66	***44.5%***
Fare Recovery Ratio	6.07%	5.66%	6.03%	7.63%	***25.6%***
Fare Recovery Ratio with Local Measure I Support	35.02%	17.39%	16.25%	21.56%	***-38.4%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Needles Transit Fund Financial Statements (Audited), State Controller Report, TransTrack Manager
Needles Transit Services Internal Reports
*Hours and miles on the Dial-A-Ride service are total hours and miles per an agreement between SBCTA and the City of Needles in the reporting and monitoring of the service.
*The senior Dial-A-Ride is subject to an overall farebox recovery standard of 15 percent, which is met through passenger fare revenues and local Measure I support contributions.

Table IV-4
TDA Quarterly Performance Indicators – FY 2019-20
Needles Transit Services, System-wide

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$117,138	$132,097	$126,009	$128,506	***9.7%***
Total Passengers	10,427	8,042	7,065	5,204	***-50.1%***
Vehicle Service Hours	1,305	1,309	1,345	1,337	***2.5%***
Vehicle Service Miles	16,381	16,257	17,884	16,443	***0.4%***
Passenger Fare Revenue	$16,821	$17,171	$7,918	$6,485	***-61.4%***
Operating Cost per Passenger	$11.23	$16.43	$17.84	$24.69	***119.8%***
Operating Cost per Vehicle Service Hour	$89.76	$100.91	$93.69	$96.12	***7.1%***
Operating Cost per Vehicle Service Mile	$7.15	$8.13	$7.05	$7.82	***9.3%***
Passengers per Vehicle Service Hour	8.0	6.1	5.3	3.9	***-51.3%***
Passengers per Vehicle Service Mile	0.64	0.49	0.40	0.32	***-50.3%***
Average Fare per Passenger	$1.61	$2.14	$1.12	$1.25	***-22.8%***
Fare Recovery Ratio	14.36%	13.00%	6.28%	5.05%	***-64.9%***

Source: TransTrack Manager; Needles Transit Services Internal Reports

Table IV-5
TDA Quarterly Performance Indicators – FY 2019-20
NAT Deviated Fixed Route

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$89,631	$104,742	$97,516	$100,204	***11.8%***
Total Passengers	9,141	6,712	5,828	3,935	***-57.0%***
Vehicle Service Hours	859	859	859	859	***0.0%***
Vehicle Service Miles	12,740	12,525	13,855	12,591	***-1.2%***
Passenger Fare Revenue	$14,932	$14,269	$6,116	$4,563	***-69.4%***
Operating Cost per Passenger	$9.81	$15.61	$16.73	$25.46	***159.7%***
Operating Cost per Vehicle Service Hour	$104.34	$121.93	$113.52	$116.65	***11.8%***
Operating Cost per Vehicle Service Mile	$7.04	$8.36	$7.04	$7.96	***13.1%***
Passengers per Vehicle Service Hour	10.6	7.8	6.8	4.6	***-57.0%***
Passengers per Vehicle Service Mile	0.72	0.54	0.42	0.31	***-56.4%***
Average Fare per Passenger	$1.63	$2.13	$1.05	$1.16	***-29.0%***
Fare Recovery Ratio	16.66%	13.62%	6.27%	4.55%	***-72.7%***

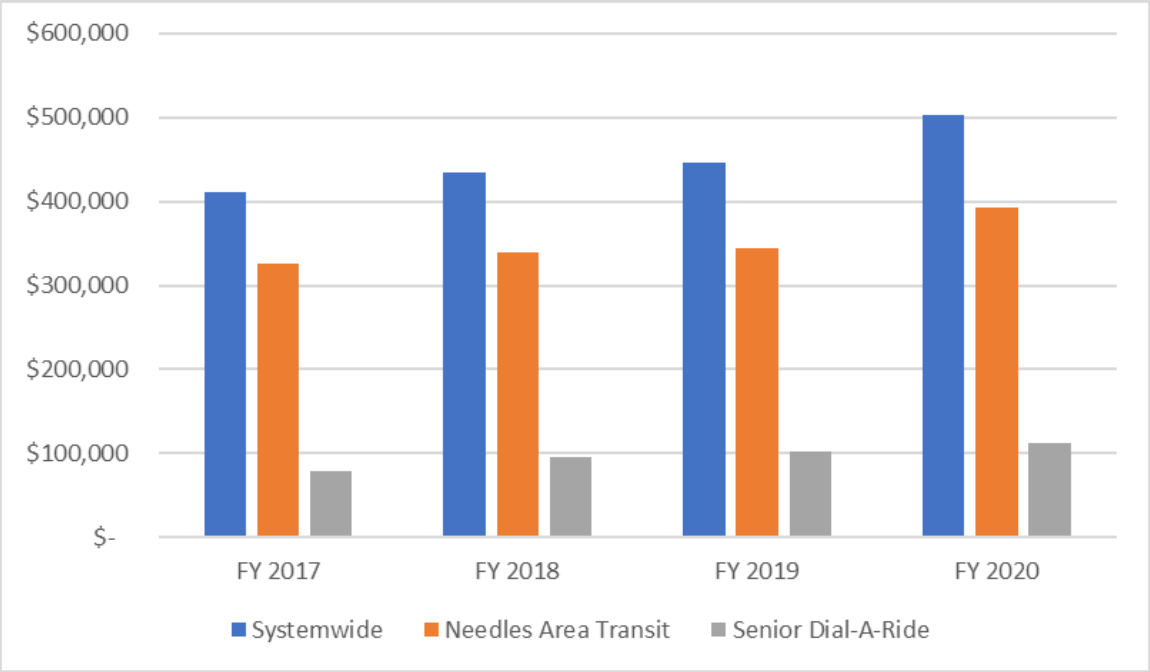
Source: TransTrack Manager; Needles Transit Services Internal Reports

Table IV-6
TDA Quarterly Performance Indicators – FY 2019-20
Senior Dial-A-Ride
(including Medical Transport/Shopper Shuttle)

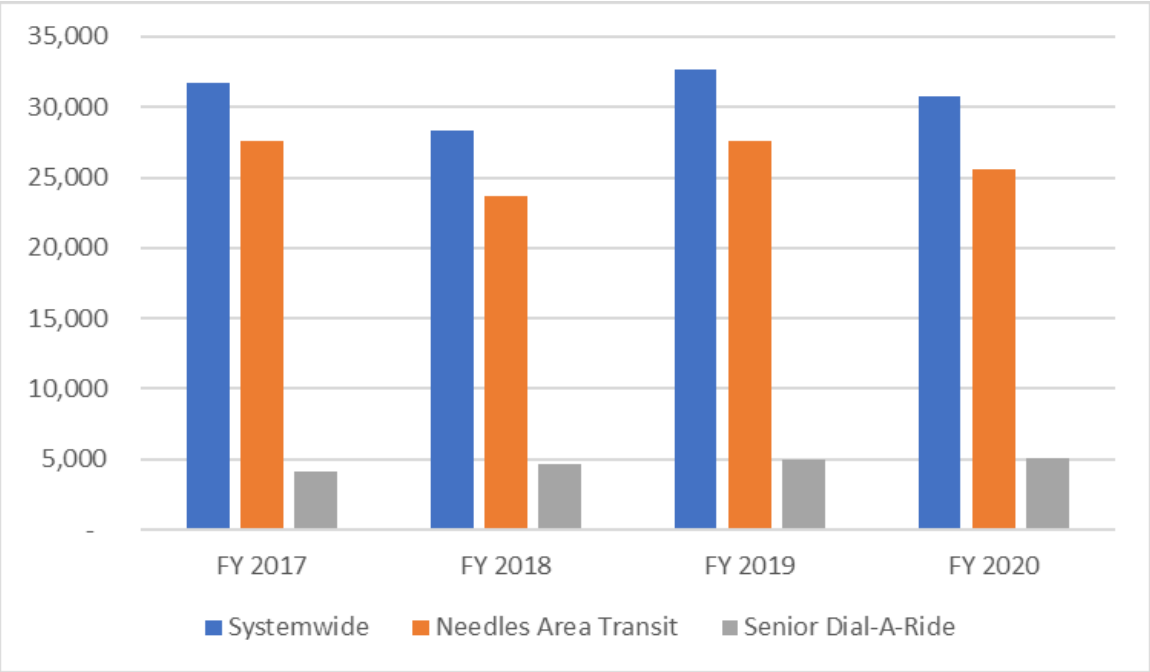
	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$27,507	$27,355	$28,493	$28,302	***2.9%***
Total Passengers	1,286	1,330	1,237	1,269	***-1.3%***
Vehicle Service Hours*	446	450	486	478	***7.2%***
Vehicle Service Miles*	3,641	3,732	4,029	3,852	***5.8%***
Passenger Fare Revenue	$1,889	$2,902	$1,802	$1,922	***1.7%***
Operating Cost per Passenger	$21.39	$20.57	$23.03	$22.30	***4.3%***
Operating Cost per Vehicle Service Hour	$61.67	$60.79	$58.63	$59.21	***-4.0%***
Operating Cost per Vehicle Service Mile	$7.55	$7.33	$7.07	$7.35	***-2.7%***
Passengers per Vehicle Service Hour	2.9	3.0	2.5	2.7	***-7.9%***
Passengers per Vehicle Service Mile	0.35	0.36	0.31	0.33	***-6.7%***
Average Fare per Passenger	$1.47	$2.18	$1.46	$1.51	***3.1%***
Fare Recovery Ratio	6.87%	10.61%	6.32%	6.79%	***-1.1%***

Source: TransTrack Manager; Needles Transit Services Internal Reports
* Hours and miles on the Dial-A-Ride service are total hours and miles per an agreement between SBCTA and the City of Needles in the reporting and monitoring of the service.

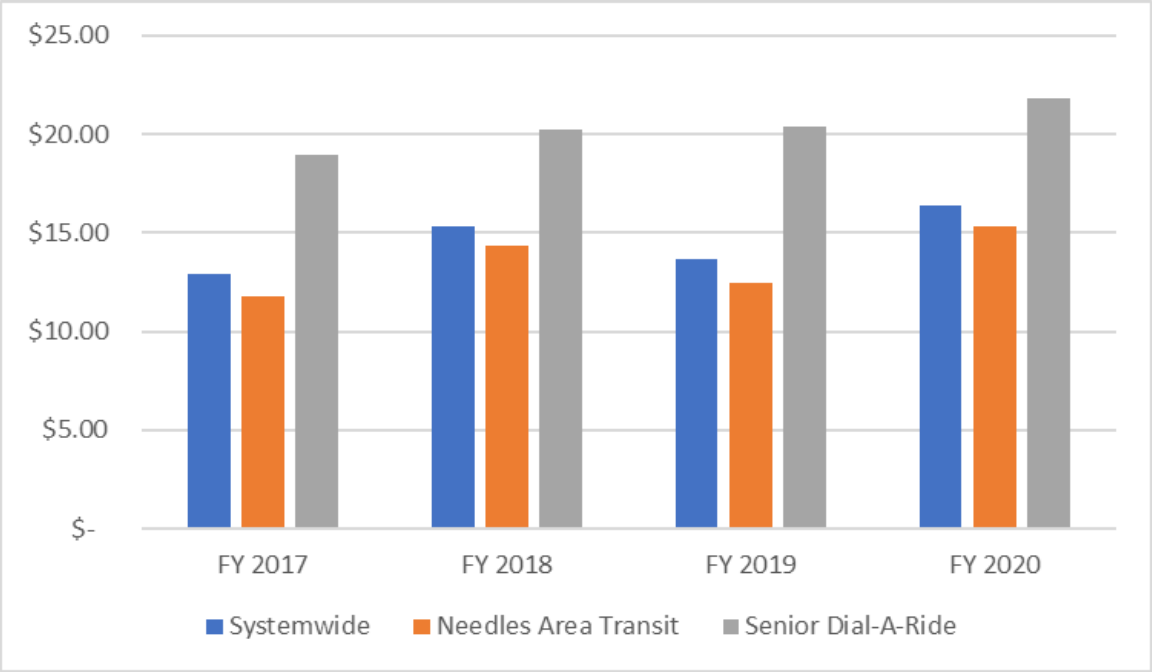
Graph IV-1
Operating Costs
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



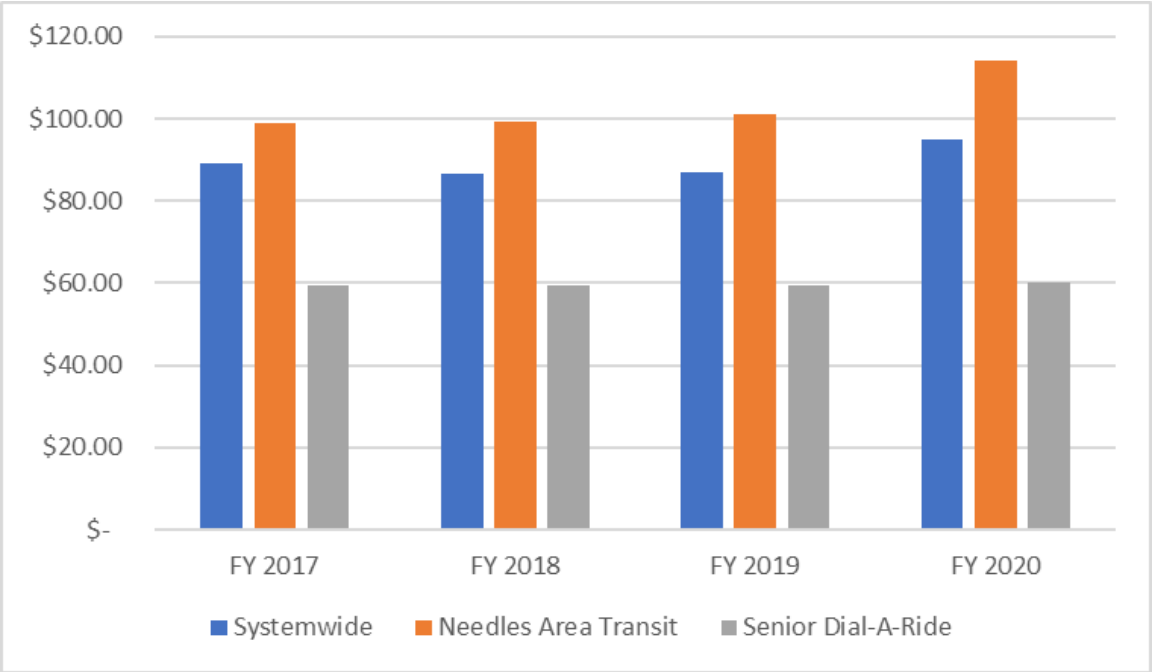
Graph IV-2
Ridership
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



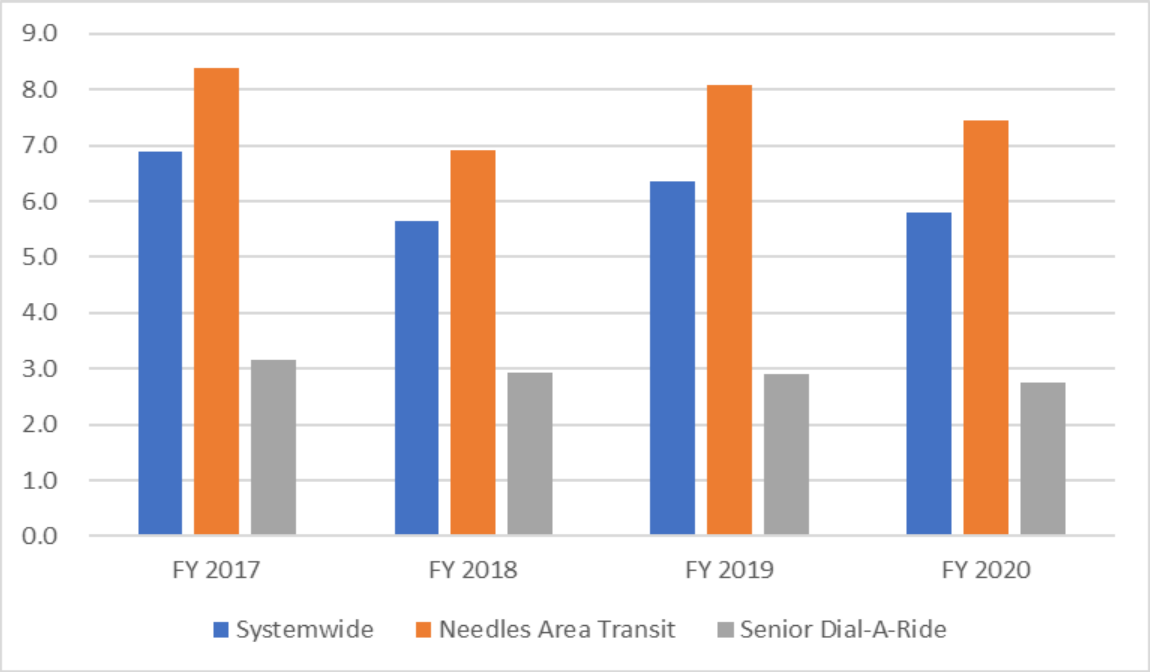
Graph IV-3
Operating Cost per Passenger
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



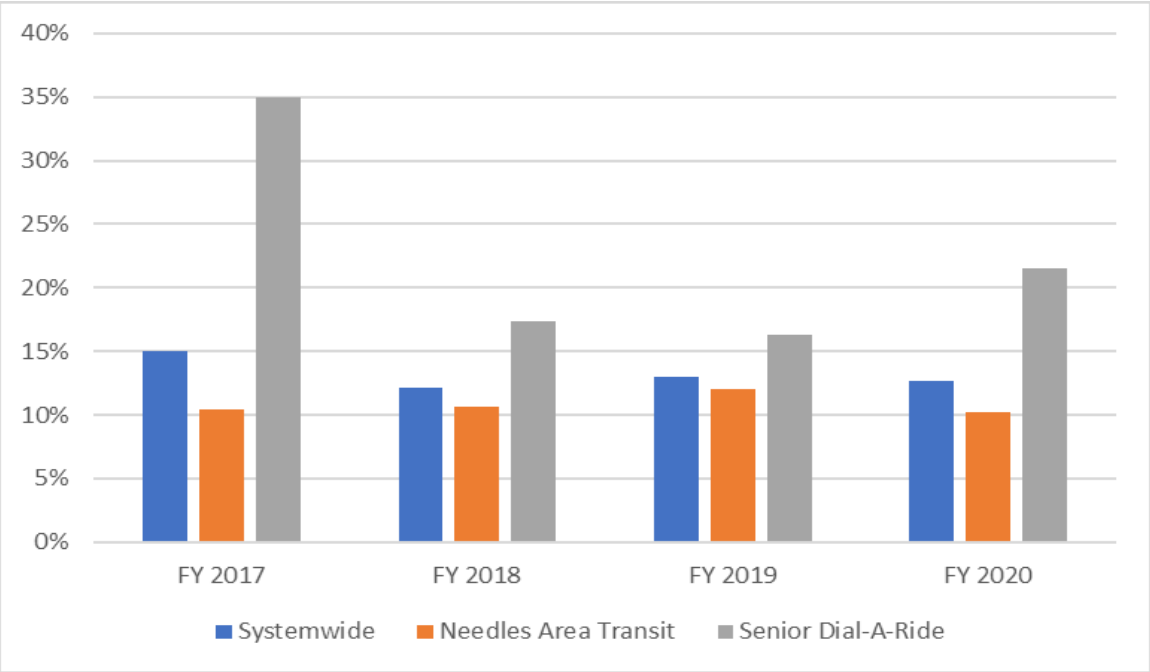
Graph IV-4
Operating Cost per Vehicle Service Hour
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



Graph IV-5
Passengers per Vehicle Service Hour
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride

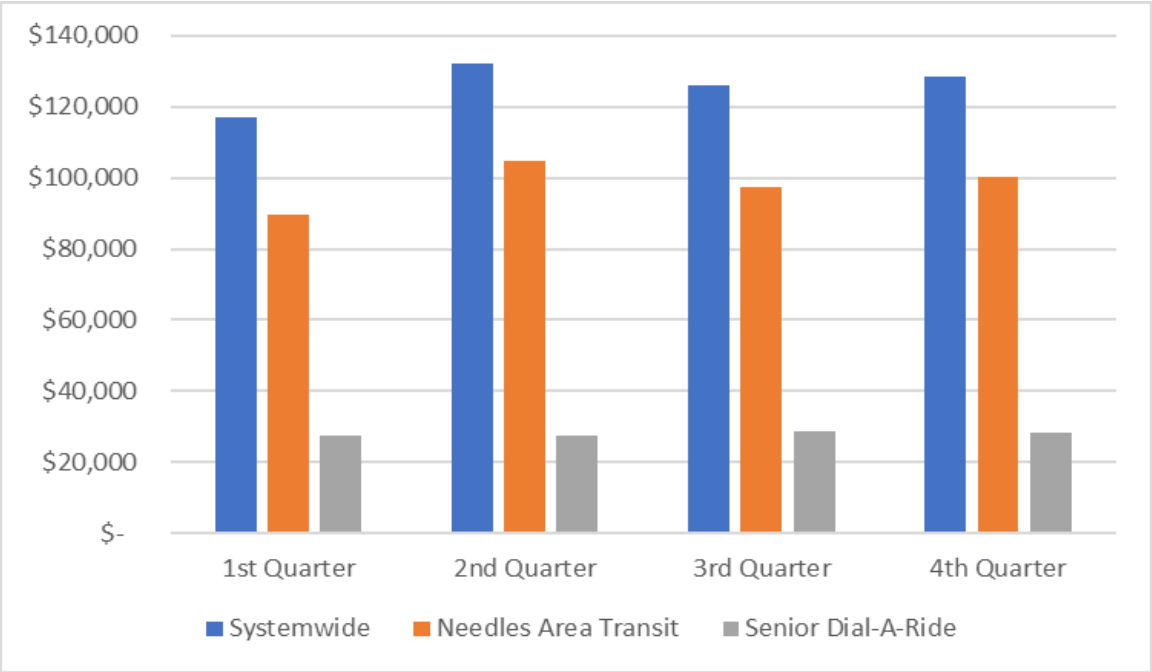


Graph IV-6
Fare Recovery Ratio
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride

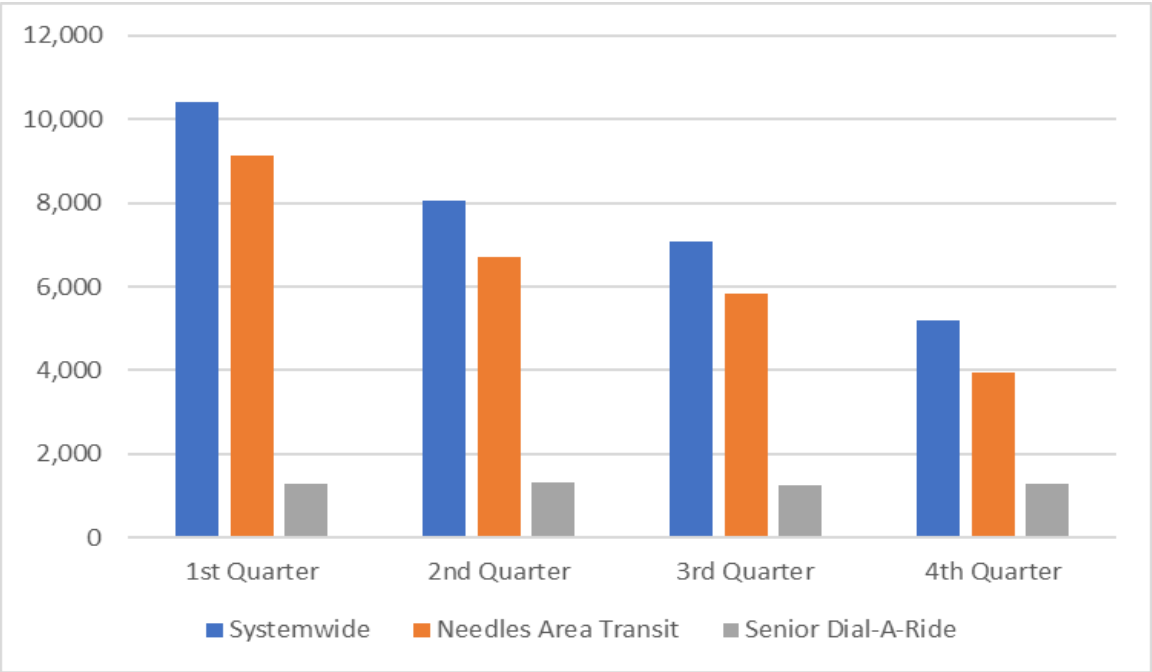


* The senior Dial-A-Ride is subject to an overall farebox recovery standard of 15 percent, which is met through passenger fare revenues and local Measure I support contributions.

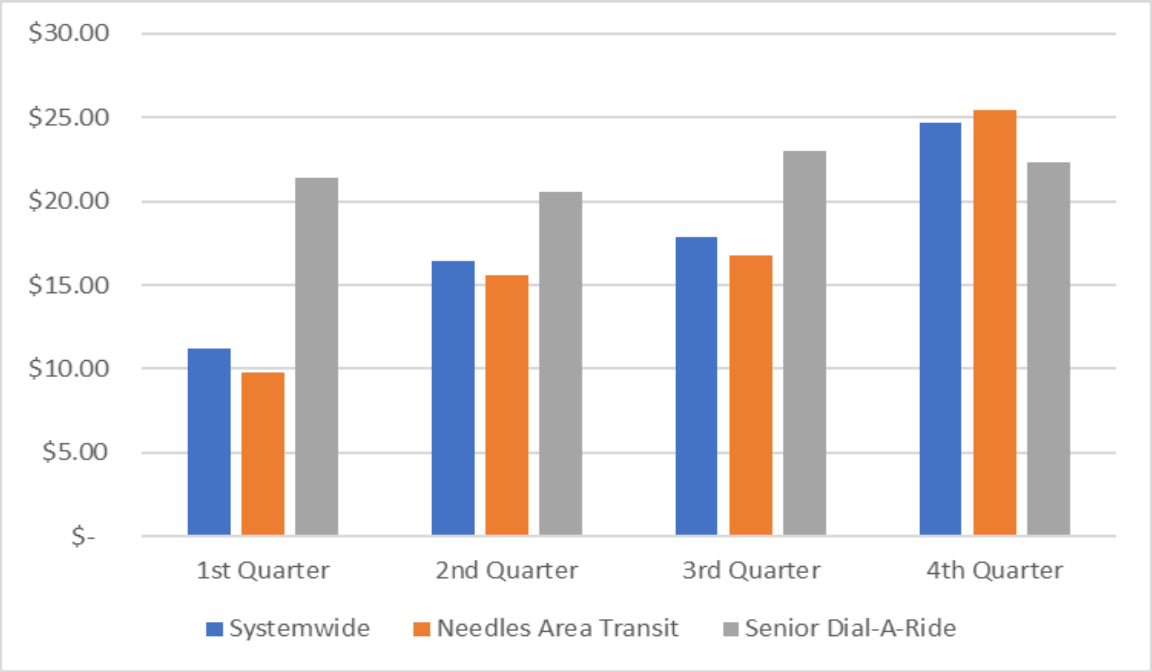
Graph IV-7
Operating Costs by Quarter – FY 2019-20
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



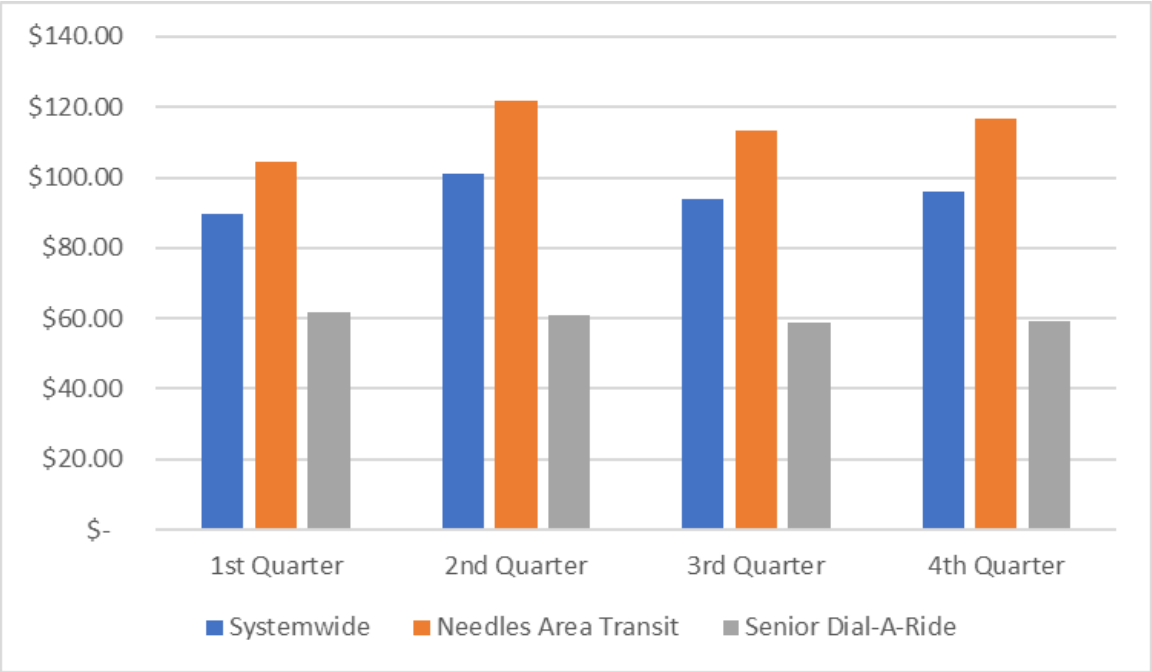
Graph IV-8
Ridership by Quarter – FY 2019-20
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



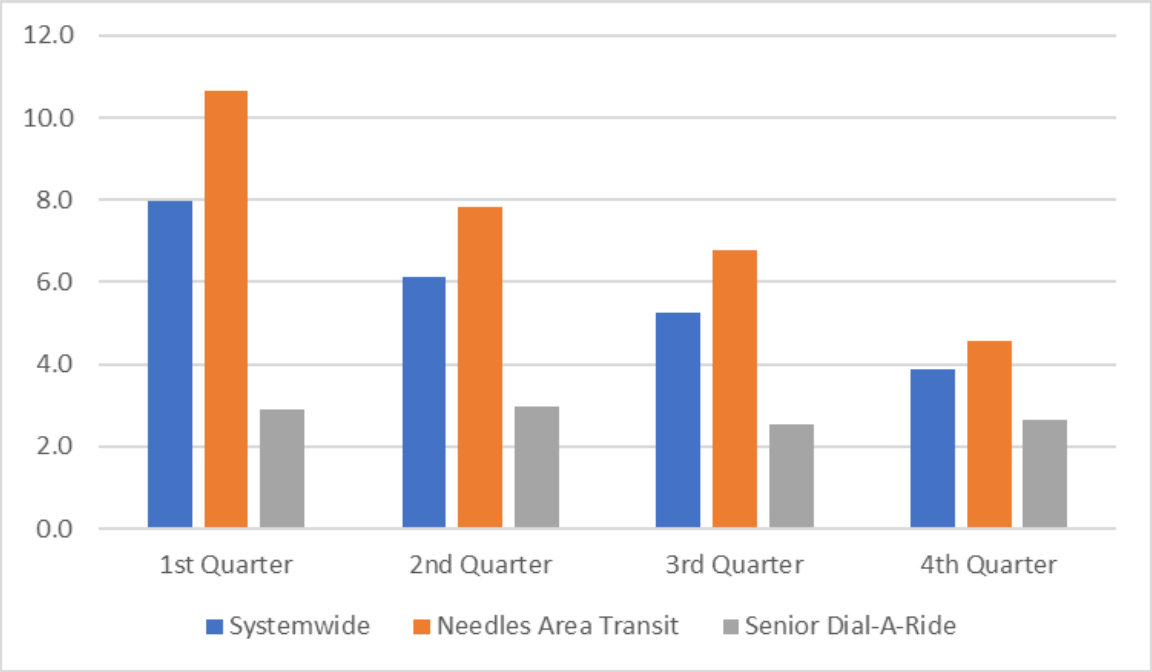
Graph IV-9
Operating Cost per Passenger by Quarter – FY 2019-20
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



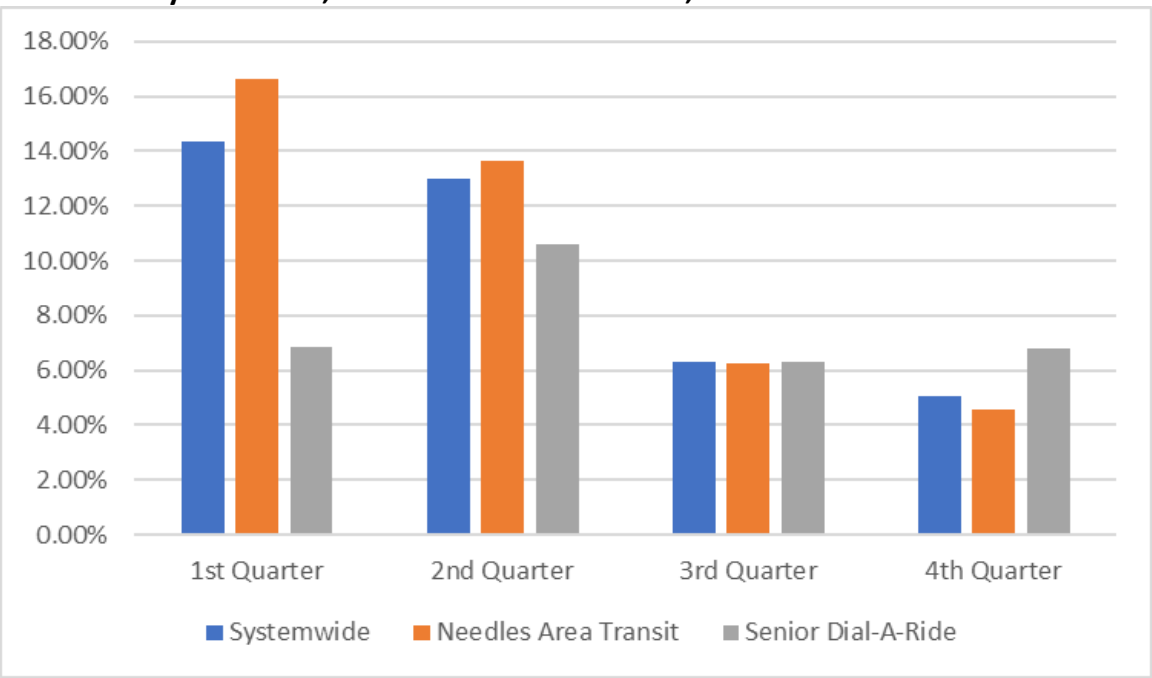
Graph IV-10
Operating Cost per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



Graph IV-11
Passengers per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



Graph IV-12
Fare Recovery Ratio by Quarter – FY 2019-20
System-wide, NAT Deviated Fixed Route, and Senior Dial-A-Ride



Findings from Verification of TDA Performance Indicators

1. Operating costs system-wide increased by 22.6 percent from the FY 2017 base year through FY 2020 based on audited financial data. Deviated fixed route operating costs increased by 20.5 percent and Dial-A-Ride costs increased by 40.2 percent based on audited financial and internal data. The annualized growth in operating costs for the deviated fixed route was 6.6 percent and 12.6 percent for Dial-A-Ride. The increase in operating costs is due to adjustments in contractor costs and higher vehicle insurance premiums. Contract operations were assumed by Transportation Concepts effective FY 2020.

2. Ridership decreased 3.2 percent system-wide, consisting of a 7.2 percent decrease on deviated fixed route. In contrast, there was 23.4 percent increase in Dial-A-Ride ridership from the FY 2017 base year to FY 2020. Ridership on Dial-A-Ride increased 13 percent in FY 2018 followed by a 6.6 percent increase in FY 2019. The overall declines in ridership are attributed to lower retail fuel prices as well as reduced commercial activity in Needles involving the closure of a major chain store and a restaurant. The increase in ridership on Dial-A-Ride is attributed to the implementation of the Shopper Shuttle. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 5.8 percent. Ridership decreased 22.9 percent in the second quarter of FY 2020, followed by a 12.1 percent decrease in the third quarter, and 26.3 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

3. Vehicle service hours and miles were mixed in contrast to the increase in operating costs during the audit period. System-wide, vehicle service hours increased by a modest 14.9 percent whereas vehicle service miles increased 9.7 percent from the FY 2017 base year to FY 2020. Deviated fixed route service hours increased 4.4 percent while service miles increased 7.9 percent. Dial-A-Ride revenue service hours increased by 41 percent while revenue miles increased 16.4 percent. Hours and miles on the Dial-A-Ride service are total hours and miles per an agreement between SBCTA and the City of Needles in the reporting and monitoring of the service.

4. Operating cost per passenger, an indicator of cost effectiveness, increased by 26.7 percent system-wide from $12.94 in the FY 2017 base year to $16.39 in FY 2020. Cost per passenger increased by a comparable 29.9 percent on the NAT deviated fixed route service and 15.1 percent on Dial-A-Ride. The trend in this indicator reflects the increase in operating costs in contrast to the decrease in ridership. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $11.23 in the first quarter of FY 2020, $16.43 in the second quarter, $17.84 in the third quarter, and $24.69 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $17.55.

5. Operating cost per hour, an indicator of cost efficiency, increased 6.8 percent system-wide from $89.08 in the FY 2017 base year to $95.12 in FY 2020. Cost per hour on the deviated

increased 15.5 percent. Dial-A-Ride exhibited a 0.7 percent increase in this indicator. The trend in this indicator reflects the increase in operating costs in contrast to the modest increase in vehicle service hours. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $89.76 in the first quarter, $100.91 in the second quarter, $93.69 in the third quarter, and $96.12 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $95.12.

6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 15.7 percent system-wide from 6.9 passengers in the FY 2017 base year to 5.8 passengers per hour in FY 2020. This indicator decreased 11.1 percent for deviated fixed route and by 12.5 percent for Dial-A-Ride. The trends are indicative of the decrease in passenger trips in contrast to the increase in vehicle service hours. During FY 2020, passengers per hour system-wide were 8.0 in the first quarter, 6.1 in the second quarter, 5.3 in the third quarter, and 3.9 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 5.8 passengers.

7. Vehicle hours per full-time equivalent employee (FTE), which measures labor productivity, increased by 14.9 percent system-wide. This measure increased by 4.4 percent for deviated fixed route and increased 41 percent for Dial-A-Ride. This measure is based on the number of FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee. The number of FTEs remained unchanged during the audit period.

8. The system-wide farebox recovery ratio decreased 15.3 percent from the FY 2017 base year through FY 2020 based on audited financial data and inclusive of local Measure I support for Dial-A-Ride. On an annual basis, farebox recovery was 14.98 percent in FY 2017; 12.16 percent in FY 2018; 13.03 percent in FY 2019; and 12.70 percent in FY 2020. For the NAT deviated fixed route, farebox recovery decreased 2.7 percent during the same period, with farebox dipping to 10.17 percent in FY 2020 due primarily to the COVID-19 pandemic impacts.

9. The Dial-A-Ride farebox recovery, composed of passenger fares and local Measure I support revenues, averaged 18.40 percent during the three-year audit period. The three-year average independent of local Measure I support was 6.44 percent. Passenger fares without local support demonstrated the necessity of applying local support funds. Passenger fares for Dial-A-Ride were $5,380 in FY 2018; $6,146 in FY 2019; and $8,515 in FY 2020 based on audited and internal reporting data. This trend is reflected in both the annual fiscal audits and internal city accounts. To meet the 15 percent farebox recovery threshold, local Measure I contributions more than doubled to fill the gap between passenger fares and the required amount. Local Measure I support for Dial-A-Ride was $11,154 in FY 2018; $10,425 in FY 2019; and $15,559 in FY 2020. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

   During FY 2020, system-wide farebox recovery was 14.36 percent in the first quarter, 13.00 percent in the second quarter, 6.28 percent in the third quarter, and 5.05 percent in the

fourth quarter. Needles did not suspend service nor fare collection during the onset of the pandemic.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Needles Transit Services. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed with transit staff at the City of Needles Administrative Offices and the Needles Transit Services Operations Facility located in the historic El Garces Hotel and Transportation Depot:

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

Several notable activities within Needles Transit Services occurred over the past three years, including the following:

- NAT expanded service hours on Saturday from 10:00 a.m. to 5:00 p.m., effective July 2017. Prior to this change, Saturday hours were from 10:00 a.m. to 2:00 p.m. Riders have requested service later in the evenings and on Sundays.

- A fare increase was implemented during the audit period in July 2017. General public fares increased from $1.25 to $1.30 per trip. The City implemented a second fare increase in July 2018 from $1.30 to $1.35 per trip. Fares were also increased on the Dial-A-Ride and Dial-A-Ride medical services. The City is considering another fare increase pending the findings of a fare analysis to be conducted by SBCTA.

- The City implemented the Shopper Shuttle Pilot Program on July 10, 2019 in response to rider demand for shopping options after closure of the only major grocer within the City. The Shopper Shuttle operates on Wednesday on a prepaid, reservation basis departing Needles at 8:15 a.m. and returning by 12:30 p.m. The prepaid round trip fare is $9.00.

- In December 2018, the City received a notice of termination of the operating contract from RATP Dev/McDonald Transit Associates Inc. The City released a Request for Proposals (RFP) in March 2019 with no responses received. The RFP was reissued in May 2019 and two proposals were received. In September 2019, the City Council approved a contract with Transportation Concepts to provide operations of local fixed and deviated route transit services and Dial-a-Ride services including senior and disabled demand

response and DAR Medical Transport/Shopper Shuttle for the period starting October 1, 2019, to June 30, 2023.

Operations

Contract Operations - NAT/DAR/DAR Medical-Shopper

NAT operates as a deviated fixed route system for the general public. The service is divided into two loops that intersect at Broadway and G Street: North-South Loop and West Loop. The two loops combined are approximately 15 miles in length with a total run time of one hour. The one-hour time interval allows for route deviations for customized pickups and drop-offs on a space and time available basis. Flag stops are classified as deviations. The system can accommodate most deviation requests.

The service had been operated under contract by McDonald Transit Associates since September 2006. McDonald Transit, based in Fort Worth, Texas, is a subsidiary of RATP Dev USA. The City had entered a new three-year contract with McDonald Transit to provide local fixed and deviated route service for the period July 1, 2014, and June 30, 2017. The contract had two 2-year extension options that could be exercised. In June 2017, the City exercised its option to extend the contract for an additional two-year period from July 1, 2017, through June 30, 2019.

In December 2018, the City received a notice of termination of the operating contract from RATP Dev. The City released a Request for Proposals (RFP) in March 2019 with no responses received. The RFP was reissued in May 2019 and two proposals were received. In July 2019, an interview committee composed of the City's transit manager, a representative from SBCTA, and a representative from AMMA Transit Planning vetted and interviewed representatives from the two firms that submitted proposals.

On September 10, 2019, the City Council approved a contract with Transportation Concepts to provide operations of local fixed and deviated route transit services and Dial-a-Ride services including senior and disabled demand response and DAR Medical Transport/Shopper Shuttle for the period starting October 1, 2019, to June 30, 2023. The contracts have two 2-year extension periods that can be exercised by the City without holding new proposal procedures. Transportation Concepts, based in Irvine, California, assumed operations of Needles Transit Services on October 1, 2019. The transition was characterized as being smooth and orderly with no major issues. The former McDonald/RATP employees were retained.

The service area's demographics appear to limit the options available to attract new riders. Needles is considered to be a lower-income community, and current NAT ridership tends to reflect that demographic. The cannabis industry has brought more residents into the service area; however, the influx has had no impact on ridership.

One of the highest traffic generators along the deviated fixed route closed its doors in April 2018. The 99 Cents Only Store, located in the Needles Towne Center, was the city's only grocery store.

On the flip side, the Dollar General store that opened in November 2016 has also tended to generate more automobile and pedestrian traffic.

In response to the closure of the 99 Cents Only Store, the City took steps to provide residents the means to access shopping in Fort Mohave, Arizona. In October 2018, as part of the SRTP process, an onboard survey was conducted. The survey found that there was a community need to provide a dedicated shopper shuttle into Arizona to access the Walmart Supercenter, Safeway, Smith's Food and Drug, and CVS Pharmacy. In response to the survey, the City implemented the Shopper Shuttle Pilot Program on July 10, 2019. The Shopper Shuttle operates on Wednesday on a prepaid, reservation basis departing Needles at 8:15 a.m. and returning by 12:30 p.m. The prepaid round trip fare is $9.00.

A fare increase was implemented during the audit period in July 2017. General public fares increased from $1.25 to $1.30 per trip. The City implemented a second fare increase in July 2018 from $1.30 to $1.35 per trip. Fares were also increased on the Dial-A-Ride and Dial-A-Ride Medical Transport services. The City is considering another fare increase pending the findings of a fare analysis to be conducted by SBCTA. In addition to the fare restructuring, NAT expanded service hours on Saturday from 10:00 a.m. to 5:00 p.m. effective July 2017. Prior to this change, Saturday hours were from 10:00 a.m. to 2:00 p.m. Riders have requested service later in the evenings and on Sundays.

Six bus stops were upgraded during the audit period, including the stop at the Needles Branch Library on Bailey Avenue and the stop on Q Street. The City also relocated the bus stop on Needles Highway at the Best Western Colorado River Inn to Arch Street and Needles Highway adjacent to the Circle K. Lighting improvements were also made as part of the upgrades. The City is considering the placement of trash cans at select bus stops and shelters.

NAT operations are headquartered at the western end of the historic El Garces Hotel and Intermodal Transportation Depot. Operation facilities include a garage at the opposite end of the depot parking lot where vehicles are stored. The contract operator leases the space from the City.

Fixed route dispatching is facilitated from the El Garces Depot using hand-held radios. Drivers call into dispatch on the half-hour, on the hour at the transfer point, and during route deviations. A dispatch log is maintained with detours and delays recorded. NAT vehicles are equipped with six cameras.

Driver trip sheets utilized on NAT include the pertinent operational data such as hours and mileage calculations, passenger counts, fare categories, route time points, deviations, and fueling. The driver's name, bus number, and date of service are noted at the top of the trip sheet. Time data include the clock in, pull out, in service, out of service, pull in, and clock out times. Mileage data include pull out, in service, out of service, and pull in mileage. The pull out/in service and out of service/pull in mileage data are the same since the first time point is adjacent to the El Garces Hotel and Intermodal Transportation Depot where the buses pull out and pull in.

The deviated fixed route uses non-electronic Diamond branded fareboxes. The vaults from the fareboxes are pulled after each run. The vault contents are emptied into a sealed envelope and placed into a safe located in the operations facility storage room. The fare revenues are counted the following day and deposited on Mondays, Wednesdays, and Fridays. Dial-A-Ride revenues are deposited on Fridays whereas fare revenues from the Dial-A-Ride Medical Transport and Shopper Shuttle are deposited monthly. The contract operator drops off the NAT fare receipts to the City, with the fare receipts counted twice: first by the contract operator involving two contract employees and second by City staff. The City gives the contract operator a receipt. Drivers complete a daily worksheet containing the passenger trip count, which can be used to reconcile the fare count. Variances generally reflect an overage of revenues.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, the City continued to operate service while implementing safety measures that protected drivers and passengers.

Personal protective equipment such as masks and face shields were implemented, and barriers were installed around driver areas to shield the operators from possible transmission from the passengers. Passengers seated on the vehicles were staggered to maintain social distancing. Additional safety measures included daily sanitation of the vehicles. Needles decided not to suspend fare collection during the pandemic or reduce service.

Personnel

Contract operations during the period of McDonald Transit were administered by a general manager, who also served as a lead dispatcher. The general manager held this position under McDonald Transit Associates since 2015 and was brought over as operations supervisor for the Transportation Concepts contract. A new project manager is also part of the NAT contract management structure who transferred from the Blythe operations. Current NAT operations include five drivers, one dispatcher, project manager, and the operations supervisor. One driver can cover NAT and Dial-A-Ride service modes during their shift. One driver can cover NAT and Dial-A-Ride service modes during their shift. During the audit period, there were two driver vacancies due to relocations from the area. The vacancies have since been filled. There were no missed trips or runs due to the shortage.

Newly hired drivers undergo eight hours of behind-the-wheel training, four hours of defensive driving training in accordance with the National Safety Council, and four hours of sensitivity training, which includes operation of wheelchair lifts and the proper securing of wheelchair-bound passengers. Drivers undergo four hours of refresher training annually as well as training if involved in a preventable accident. In addition, eight safety meetings are held annually, which consist of topical and video presentations as well as driver feedback and suggestions. Ongoing training topics include safe bus operations and emergency procedures. High visibility safety vests

are worn by employees when operating a bus. The operations supervisor rides with the drivers five to six times monthly as part of their evaluation process. The operations supervisor rides with the drivers five to six times monthly as part of their evaluation process.

Drivers are recruited through the local newspaper, *Needles Desert Star*, the contractor's website, LinkedIn, Indeed, and word-of-mouth. One of the most recent hires formerly worked in the trucking industry. Candidates must have a clean driving record, clear a drug test, and have a strong customer service orientation. Commercial driver testing is conducted at the DMV processing center located in Fontana.

Dial-A-Ride and Dial-A-Ride Medical Transport/Shopper Shuttle Pilot Program

Needles' demand-responsive transit service was operated under contract by RATP Dev/McDonald Transit since July 2016. Prior to this arrangement, the Needles Senior Citizens Club had been the operator since November 1984. The City approached RATP Dev/McDonald Transit Associates to take over operations of the Dial-A-Ride and Dial-A-Ride Medical Transport services due to the Senior Citizens Club's challenges in finding qualified drivers which would disrupt service. Dial-A-Ride and Dial-A-Medical Transport/Shopper Shuttle operations are currently operated by Transportation Concepts although dispatching of Dial-a-Ride services is done through a City employee located at the Needles Senior Center working with the private contractor.

More disabled riders are being carried on Dial-A-Ride. They utilize the service to conduct shopping, pay bills, and access medical appointments. The increased number of disabled riders has also included more escorts and attendants on Dial-A-Ride. In light of this, the City may consider the imposition of a fare for escorts/attendants. One rider on the Dial-A-Ride Medical service passed away in November 2020 which, for a small transit system, had a significant impact. This rider utilized the service to access dialysis appointments in Bullhead City. Higher automobile ownership has also impacted ridership.

Dial-A-Ride requests are available on demand with a 30-minute pickup window (15 minutes before and 15 minutes after), with dispatch occurring from City staff in the senior center. The driver trip sheets utilized on the Dial-A-Ride services are like those used on NAT. In lieu of time points, passenger names along with their pickup/drop-off addresses are indicated on the trip sheet. The Dial-A-Ride Medical is composed of a twice-weekly medical shuttle service to Fort Mohave and Bullhead City, Arizona. The medical shuttle operates Tuesday and Thursday and, depending on ridership demand, starts at 9:15 a.m. and ends at 3:00 p.m. Trips originate and terminate at the Needles Senior Center. Most of the riders using the shuttle are seniors, along with some younger riders. The medical shuttle also assists riders with picking up prescriptions at Safeway and CVS Pharmacy located just beyond Fort Mohave.

Two drivers are currently assigned to Dial-A-Ride and Dial-A-Ride Medical Transport/Shopper Shuttle Pilot Program. For Dial-A-Ride services, separate weekly and monthly reports are prepared by the City employee at the Senior Center which is cross-checked by the transit services manager. The monthly reports provide the bus number, ridership, and fare data per day.

Hours and miles are tracked monthly through TransTrack, data which is inputted by the contractor's operations supervisor. The no-shows reported during the audit period are summarized in Table V-1.

Table V-1
Dial-A-Ride No-Shows

	FY 2017	FY 2018	FY 2019	FY 2020
No-shows including DAR and DAR Medical Transport/Shopper Shuttle	13	10	14	30

Source: TransTrack

No-shows on the Dial-A-Ride services ranged between 10 and 30 occurrences during the audit period. The high number of no-shows in FY 2020 can be attributed to the July 2019 implementation of the Shopper Shuttle and the pre-paid cash donations received during the first six months of operation whereby the fare was not paid by the rider (23 shopper no-shows). Otherwise, one mitigating factor for the low number of no-shows is the familiarity of the Dial-A-Ride drivers and dispatch with the ridership base. No-shows are charged the applicable fare.

Operations Standards and Performance

The operations contract contains a set of liquidated damages for failing to meet minimum performance standards. The City has the discretion to apply these standards if service conditions warrant. Payment to the City by the contractor can be made for failing to meet certain standards in the following performance areas: late start-up, missed revenue service hours, on-time performance, customer complaints, defective equipment, uncleaned vehicle, inoperable vehicles, and monthly reporting. During the audit period, the City has had no cause to enforce the liquidated damages in the contract.

The City uses TransTrack to measure operational data such as ridership by line, mileage, riders per service hour, accidents, vehicle inspections, and road calls. The summary report provides data on a monthly and year-to-date basis. One operational measure reported on the performance summary report is accidents. Regarding vehicle safety, the City generally tracks the number of accidents that are categorized as “preventable.” According to the Federal Motor Carrier Safety Administration, a preventable accident is one that occurs because the driver fails to act in a reasonably expected manner to prevent it. Based on the federal National Transit Database (NTD) definition, Needles Transit Service reported zero NTD reportable accidents, a testament to improved safety awareness during the audit period. On-time performance is determined through spot checking by the contract operations supervisor and calls into dispatch. On-time performance data are summarized in Table V-2.

Table V-2
NAT On-Time Performance

	FY 2017	FY 2018	FY 2019	FY 2020
On-Time Performance	99.8%	100%	100%	100%

Source: TransTrack

Given the configuration of the NAT routing and local traffic patterns, the system has been able to maintain a 100 percent on-time performance. Customer service levels are measured by tracking complaints and compliments on the performance summary report. Customer feedback through the comment card is also accounted for. In addition to being tracked on the summary report, the contract operator maintains a narrative report summarizing the type of complaint or compliment received. Complaints per 10,000 passengers are summarized in Table V-3.

Table V-3
Needles Transit Services Complaints – System-wide

	FY 2017	FY 2018	FY 2019	FY 2020
Number of Complaints	2	8	4	3
Passengers Served Between Complaints	15,875	3,544	8,156	9,600
Complaints per 10,000 Passengers	0.63	2.82	1.23	1.04

Source: TransTrack. Figures adjusted from complaints per 100,000 passengers to complaints per 10,000 passengers.

The number of recorded complaints decreased from 8 in FY 2018 to 3 in FY 2020, with the number of complaints per 10,000 passengers decreasing from 2.82 in FY 2018 to 1.04 in FY 2020. In general, complaints are made over the phone to either the contractor or the City. Phone numbers for both parties are listed on the NAT schedule. The City indicated it does not receive many complaints about NAT or Dial-A-Ride service. The contract operator, upon receipt of a complaint, completes a customer complaint form that identifies the customer, type of complaint, manager's response, and driver's response. Actions taken are recorded on the form and it is signed by both the operations manager and the driver. A copy of the form is then stored in the employee's personnel file. All complaints about NAT or Dial-A-Ride are entered into TransTrack by the City.

As stipulated in the service contract, the contractor is required to submit reports to the City detailing the operation of NAT. A list of sample report types is contained in the contract. Most of the operations data are captured through TransTrack from data entry by the contractor. The City in turn enters the financial data into TransTrack and does year-end checks of all performance data entered into TransTrack. The financial data are based on information received from the City Finance Department and contract operator's invoices.

The City receives hard copies of monthly data from the contractor, including fare revenue counts and copies of deposit receipts. A management report accompanies the data and highlights the major performance measures for the month, including total passengers, revenue miles, revenue hours, farebox revenue, road calls, collision accidents, on-time performance, and platform hour percentage (time the driver is operating the vehicle relative to total pay hours).

Maintenance

Transportation Concepts assumed direct responsibility for vehicle maintenance as part of the new service contract. Under the McDonald Transit contract, vehicle maintenance was outsourced to Desert River Lube and Auto (formerly Lube and Latte) in Needles. A maintenance audit found that regularly scheduled preventative maintenance inspections (PMIs) were not conducted and that the vendor did not maintain the appropriate documentation. Some of the defects discovered included worn tires and degraded suspension parts. Transportation Concepts received a copy of the previous maintenance records and, as part of the contract operator transition, RATP Dev/McDonald Transit was required to repair all deficiencies to bring the vehicles to satisfactory operating conditions.

Under Transportation Concepts, vehicles are generally serviced at the El Garces intermodal facility in Needles; however, due to space constraints and lack of a vehicle lift, vehicles requiring major maintenance or repair work are transported to the contractor's facility in Blythe. The Blythe facility has a better equipped shop with vehicle lifts and jacks. An impact to the vehicles from transport from Needles to Blythe is almost 100 miles one-way deadhead travel for the maintenance or repair, which could affect vehicle life. Light repair work and basic maintenance tasks such as oil changes and brake checks are conducted at Needles. Safety-related maintenance is subcontracted out on an as needed basis when the repair is beyond the capabilities of Transportation Concept's maintenance personnel. NAT vehicles are stored at the El Garces intermodal facility and Dial-A-Ride vehicles are stored at the City's Public Works yard.

PMIs are conducted every 3,000 miles or 45 days; whichever metric comes first. In addition to oil changes, brake and suspension inspections, wheelchair lifts, ADA access equipment and air conditioning are serviced. PMIs are tracked on an Excel spreadsheet. The operations supervisor also enters maintenance data into TransTrack. Drivers conduct pre- and post-trip inspections, which are recorded onto the daily vehicle inspection report (DVIR). The DVIR contains 10 categories as well as vehicle operations data that include reporting of starting and ending time and mileage. Vehicles are cleaned by the drivers daily. Cleaning protocols include sweeping, mopping, and disinfection. Defects are reported to the mechanic, who is assigned to Needles on Fridays or at any time there is an emergency with a bus that needs immediate attention.

Fueling takes place at the Thalypo Fuel Station located at 1520 Courtwright Road in Mohave Valley, Arizona. Each vehicle is assigned its own credit card to purchase fuel. Prior to the opening of the Thalypo Fuel Station, vehicles were fueled at the Arco AM/PM Market located at 10001 South Harbor Avenue in Mohave Valley. The reason cited for fueling vehicles in Arizona is lower retail fuel costs, which are generally $1.00 to $2.00 per gallon lower than in California.

The mechanic assigned to Needles Transit Services has Automotive Service Excellence (ASE) certification and maintains all vehicles for the Needles and Blythe operations. Vehicle parts are procured on an as-needed basis. Transportation Concepts purchases parts in bulk through the local Napa Auto Parts store. Bulk purchases are based on price and goods delivered. The contract operator does not maintain a parts inventory; however, procured parts are tracked on a purchase order log. The contractor switched tire brands due to the frequency of blowouts.

In addition to routine maintenance, NAT vehicles are subject to the annual CHP Terminal Inspection. NAT vehicles received satisfactory ratings from the CHP inspections during the audit period. Dial-A-Ride vehicles were not subject to CHP inspections per state law because their seating capacity is under 10 passengers.

Planning

Several planning initiatives and studies of the Needles Transit System were undertaken during the audit period. The most notable planning effort was the Needles Transit Services SRTP 2020–2025, which was completed in January 2020 and adopted by the City in February 2020. The prior SRTP, adopted in December 2015, covered FYs 2016 through 2020. The SRTP update began with a series of passenger and community surveys to determine service needs and trends. There were four financially constrained recommendations in the 2020-2025 SRTP:

- Fort Mohave/Bullhead City Limited Stop: Building upon the Shopper Shuttle pilot implemented in July 2019, the SRTP recommended consolidating the Dial-A-Ride Medical Transport and Shopper Shuttle to the Fort Mohave/Bullhead City service area. The pilot route would operate twice weekly on a reservation basis and allow Needles' residents to access essential services and shopping available in Fort Mohave and Bullhead City.

- Bus Stop Improvements: There are 33 bus stops along the NAT deviated route. Given the extreme summer temperatures, the SRTP recommended a series of bus stop improvements and amenities that would include shelters, benches, and trash receptacles.

- Zero Emission Bus (ZEB) Rollout Plan: SBCTA, in collaboration with the Center for Sustainable Energy, released the *San Bernardino County Zero-Emission Vehicle Readiness and Implementation Plan* in August 2019. The ZEV Plan inventories current ZEV infrastructure and usage in San Bernardino County and projects future demand and infrastructure requirements. The City is required to submit a ZEB Rollout Plan to the state by July 1, 2023, which is within the SRTP cycle.

- Vehicle Replacement: The SRTP identified the replacement of two NAT vehicles scheduled for FY 2022-23.

The 2020-2025 SRTP is composed of an introduction and chapters that comprise existing conditions, community outreach efforts, system performance assessment, overview and recommendations, financial plan, and appendices. The three appendices comprise onboard survey data, bus stop improvement list, and a NAT service area map.

Another planning initiative involving Needles Transit Services was the Fort Mohave Indian Reservation Transit Study, developed in conjunction with the Arizona Department of Transportation. The purpose of the study was to examine transit alternatives for the communities between Needles and Bullhead City, Arizona, which would include the possibility of

having the Needles contractor run the service. The City transit manager had expressed interest in working with the Tribe to implement the service recommendations proposed in the study and had reached out to the Fort Mohave Indian Tribe for the possibility of supporting service into Arizona. However, at that time, the Tribe was not moving forward with their study.

Marketing

Needles Transit Services is marketed through various media and collateral, which were updated during the audit period. In collaboration with SBCTA, the City participated in the Transit Marketing and Fare Study Project in 2018 to encourage and promote transit ridership through a targeted marketing campaign. The project was a multi-phase effort that included a market research report and marketing brief. The project was funded through the Low Carbon Transit Operations Program (LCTOP). An essential element of the LCTOP funding was to allow the City to offer free rides on NAT.

Marketing collateral and initiatives that were implemented included enhanced flyers and posters promoting the NAT service; a promotional free ride campaign in August/September 2018 that that was extended to November 3; and a second round of promotional free rides April 22–29, 2019. The promotional free rides were promoted through postcard mailers and ads in the *Needles Desert Star* newspaper. Needles reported 800 boardings during the six-day April 2019 campaign, which was double the number of boardings from the prior two-week period and more than three times the number during the first week of the month.

Other marketing initiatives implemented by the City included a new riders guide, redesigned webpage, bus stop decals, as well as refreshed exterior graphics on the buses. Information displays were placed at City Hall, Palo Verde College, Colorado River Medical Center, school district offices and campuses, San Bernardino County Sheriff's Office, and the Chamber of Commerce.

Transit information is available through the City's website (https://cityofneedles.com/transit/), which was updated to reflect the fare increases and Saturday schedule changes. Information about transit services is accessed under the "Transportation" tab on the "About Needles" page of the website. There is a link to the NAT route map and schedule presented in a PDF document. The schedule was updated to reflect the fare increases that were implemented during the audit period.

A prior audit recommendation concerned the implementation of Google Transit onto the transit webpage. Google Transit's key features include simple and accessible online trip planning, Google user access to Needles' website, trip planning in numerous languages, comparisons with other modes of travel (automotive, cycling and pedestrian), and compatibility with many mobile devices.

The City implemented the Google Transit trip planner on the transit page of the City's website in June/July 2018 as part of the Transit Marketing and Fare Study Project funded through the LCTOP grant. However, with the implementation of the new City website in 2019, the Google

Transit trip planner feature was not transferred. As of this report, the Google Transit trip planner has yet to be restored on the transit page of the City of Needles website. It is recommended that staff work to reestablish the trip planning tools as well as a Google Translate widget feature for non-English-speaking users.

Pursuant to the federal Civil Rights Act of 1964, Needles Transit Services updated its Title VI Program in September 2020. Title VI requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices posted on the City's transit webpage, in all transit vehicles, and in City offices. Complaint forms are also available on the transit webpage in English and Spanish.

General Administration and Management

The City of Needles was incorporated on October 30, 1913 and operates as a charter city. The mayor is elected to serve a two-year term and there are six City Council members who are elected to serve four-year (staggered) terms of office. Following each election, the Council selects a vice mayor from its membership. Regular meetings of the City Council are convened on the second and fourth Tuesday of each month at 6:00 p.m. in the City Council Chambers located at 1111 Bailey Avenue in Needles. The Needles City Council is presented with annual budget numbers and approves the annual TDA claims. It also receives copies of the annual fiscal audit.

The City manager is responsible for the daily administration of City functions and reports on each department monthly: Transit, City Clerk, Finance, Engineering, Utilities, Public Works, Planning, and Community Recreation. Needles Transit Services is administered by the transit services manager (now community services manager). Other City staff including from the Finance Department provide support as needed. SBCTA provides additional support for planning and grants funding for the City.

The transit system is charged an administration/general government cost that represents the allocation of time spent on transit by the transit services manager. This charge represents approximately 10 percent of the transit manager's annual work hours.

Pursuant to TDA, the City receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance Funds (STAF). TDA funding is used primarily for operating expenditures and certain capital projects. Based on annual financial audit data, LTF revenues received under Article 8 during the audit period were $256,489 in FY 2018; $198,961 in FY 2019; and $213,025 in FY 2020. STAF revenues received were $278,004 in FY 2018; $258,131 ($128,121 operations; $130,010 capital) in FY 2019; and $172,220 in FY 2020. In addition, the City received $30,189 in Article 3 funding. The Transit Operators Financial Transactions Reports sent to the State Controller are generally prepared by the City's finance director or the fiscal auditor retained by SBCTA.

Grants Management

In addition to TDA funding, Needles Transit Services relies on a variety of federal and state grants to support its operations and capital procurement efforts. As a transit service serving a rural area, the City received federal funding from the Federal Transit Administration (FTA) Section 5311 grant program for operations. Rural FTA Section 5311 grant funds received were $44,416 in FY 2018; $39,707 in FY 2019; and $41,921 in FY 2020 for transit operations during the audit period. SBCTA submits a Program of Projects that identifies subrecipients and projects to receive FTA Section 5311 funds in its planning area by December 31 of each year.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. The CARES Act provides emergency assistance and health care response for individuals, families, and businesses affected by the COVID-19 pandemic and provide emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic. Under the CARES Act, FTA is allocated $25 billion to recipients of urbanized area and rural area formula funds, with $22.7 billion allocated to large and small urban areas and $2.2 billion allocated to rural areas. Funding is provided at a 100 percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19.

For FY 2020, Needles was awarded $43,951 under the CARES Act. The supplemental funding has gone toward the loss in farebox revenues and to cover increased expenses related to the pandemic response.

Local funding support is derived from the county's Measure I program that subsidized the Dial-A-Ride farebox recovery. The City received $11,154 in FY 2018; $10,425 in FY 2019; and $15,559 in FY 2020. Measure I support is reflected in the farebox recovery calculation under Note 4 in the annual TDA financial audit report of the Needles Transit Fund pursuant to PUC Section 99268.19.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2018 through 2020. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to Needles Transit Services, the operator complied with eight out of nine requirements. The City was not in compliance regarding the timely submittal of its Transit Operator Financial Transactions Reports. Two additional compliance requirements did not apply to Needles Transit Services (i.e., blended and urban farebox recovery ratios).

2. NAT exceeded its annual fare recovery ratio, although the FY 2020 farebox recovery ratio dipping to 10.17 percent in FY 2020 in large part to the COVID-19 pandemic and state shelter-in-place order during the last quarter of that year. The Dial-A-Ride farebox recovery ratio exceeded 15 percent during the audit period with the contribution of local Measure I support funding. Transit services are funded by TDA Article 8(c). The SBCTA board adopted performance criteria for Needles Transit Services that set the system-wide farebox recovery ratio at 10 percent.[3]

3. Through its contract operator, Needles Transit Services participates in the CHP Transit Operator Compliance Program and received inspections of NAT vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. The operating budget increased each of the three years of the audit period. The FY 2018 operating budget increased 3.1 percent followed by a higher increase of 6 percent in FY 2019. For FY 2020, the operating budget increased 18.3 percent due to adjustments in contractor costs and higher vehicle insurance premiums. Contract operations were assumed by Transportation Concepts effective FY 2020 following departure of the system's prior operator.

5. Needles satisfactorily implemented one out of the two prior audit recommendations. The completed recommendation pertained to the use of local supports to enhance farebox revenues. The second recommendation, pertaining to the implementation of electronic and

[3] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy the 10 percent fare ratio for the deviated fixed route and the 15 percent fare ratio for Dial-A-Ride as permitted by Section 99268.19.

mobile trip planning tools, was partially implemented, and is carried forward in this audit for full implementation.

6. Operating costs system-wide increased by 22.6 percent from the FY 2017 base year through FY 2020 based on audited financial data. Deviated fixed route operating costs increased by 20.5 percent and Dial-A-Ride costs increased by 40.2 percent based on audited financial and internal data. The annualized growth in operating costs for the deviated fixed route was 6.6 percent and 12.6 percent for Dial-A-Ride. The increase in operating costs is due to adjustments in contractor costs and higher vehicle insurance premiums. Contract operations were assumed by Transportation Concepts effective FY 2020.

7. Ridership decreased 3.2 percent system-wide, consisting of a 7.2 percent decrease on deviated fixed route. In contrast, there was 23.4 percent increase in Dial-A-Ride ridership from the FY 2017 base year to FY 2020. Ridership on Dial-A-Ride increased 13 percent in FY 2018 followed by a 6.6 percent increase in FY 2019. The overall declines in ridership are attributed to lower retail fuel prices as well as reduced commercial activity in Needles involving the closure of a major chain store and a restaurant. The increase in ridership on Dial-A-Ride is attributed to the implementation of the Shopper Shuttle. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 5.8 percent. Ridership decreased 22.9 percent in the second quarter of FY 2020, followed by a 12.1 percent decrease in the third quarter, and 26.3 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

8. Operating cost per passenger, an indicator of cost effectiveness, increased by 26.7 percent system-wide from $12.94 in the FY 2017 base year to $16.39 in FY 2020. Cost per passenger increased by a comparable 29.9 percent on the NAT deviated fixed route service and 15.1 percent on Dial-A-Ride. The trend in this indicator reflects the increase in operating costs in contrast to the decrease in ridership. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $11.23 in the first quarter of FY 2020, $16.43 in the second quarter, $17.84 in the third quarter, and $24.69 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $17.55.

9. Operating cost per hour, an indicator of cost efficiency, increased 6.8 percent system-wide from $89.08 in the FY 2017 base year to $95.12 in FY 2020. Cost per hour on the deviated increased 15.5 percent. Dial-A-Ride exhibited a 0.7 percent increase in this indicator. The trend in this indicator reflects the increase in operating costs in contrast to the modest increase in vehicle service hours. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $89.76 in the first quarter, $100.91 in the second quarter, $93.69 in the third quarter, and $96.12 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $95.12.

10. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 15.7 percent system-wide from 6.9 passengers in the FY 2017 base year to 5.8 passengers per hour in FY 2020. This indicator decreased 11.1 percent for deviated fixed route and by 12.5 percent for Dial-A-Ride. The trends are indicative of the decrease in passenger trips in contrast to the increase in vehicle service hours. During FY 2020, passengers per hour system-wide were 8.0 in the first quarter, 6.1 in the second quarter, 5.3 in the third quarter, and 3.9 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 5.8 passengers.

11. NAT expanded service hours on Saturday from 10:00 a.m. to 5:00 p.m. effective July 2017. Prior to this change, Saturday hours were from 10:00 a.m. to 2:00 p.m. Riders have requested service later in the evenings and on Sundays.

12. A fare increase was implemented during the audit period in July 2017. General public fares increased from $1.25 to $1.30 per trip. The City implemented a second fare increase in July 2018 from $1.30 to $1.35 per trip. Fares were also increased on the Dial-A-Ride and Dial-A-Ride Medical Transport services. The City is considering another fare increase pending the findings of a fare analysis to be conducted by SBCTA.

13. The City implemented the Shopper Shuttle Pilot Program on July 10, 2019. The Shopper Shuttle operates on Wednesday on a prepaid, reservation basis departing Needles at 8:15 a.m. and returning by 12:30 p.m. The prepaid round trip fare is $9.00.

14. In December 2018, the City received a notice of termination of the operating contract from RATP Dev/McDonald Transits Associates Inc. The City released an RFP in March 2019 with no responses received. The RFP was reissued in May 2019 and two proposals were received. In September 2019, the City Council approved contracts with Transportation Concepts to provide operations of local fixed and deviated route transit services and Dial-a-Ride services including senior and disabled demand response and DAR Medical Transport/Shopper Shuttle for the period starting October 1, 2019, to June 30, 2023.

15. The Needles Transit Services Short Range Transit Plan (SRTP) 2020–2025 was completed in January 2020 and adopted by the City in February 2020. The SRTP update began with a series of passenger and community surveys to determine service needs and trends. There were four financially constrained recommendations in the 2020-2025 SRTP.

16. In collaboration with SBCTA, the City participated in the Transit Marketing and Fare Study Project in 2018 to encourage and promote transit ridership through a targeted marketing campaign. The project was a multi-phase effort that included a market research report and marketing brief. The project was funded through the Low Carbon Transit Operations Program. Marketing collateral and initiatives that were implemented included enhanced flyers and posters promoting the NAT service, and free ride campaigns.

Recommendations

1. **Ensure timely completion and submittal of the Transit Operators Financial Transactions Reports to the State Controller.**
   (High Priority)

   In the compliance review section, it was found that the City submitted its Transit Operators Financial Transactions Reports to the State Controller after the statutory deadline during all three years of the audit period. Pursuant to Public Utilities Code Section 99243, the report is due within seven months after the end of the fiscal year, which is on or before January 31. The submission of reports to the State Controller in a timely manner will further demonstrate Needles' proactive approach to compliance with state reporting instructions.

2. **Ensure key performance indicators such as accidents, incidents, road calls, and deadhead service data are reported and monitored in TransTrack Manager.**
   (High Priority)

   Needles has been proficient in its utilization of TransTrack Manager in the reporting of system performance metrics. A review of the quarterly performance scorecard in TransTrack confirmed that most performance indicators and data are being reported, such as farebox recovery ratio, operating costs per revenue hour and mile, passengers per revenue hour and mile, complaints, and on-time performance. However, data for some performance categories such as miles between NTD reportable accidents, number of reportable accidents, system failures, and road calls are not reported in TransTrack. While reportable accident data are reported in the NTD, they did not get transferred into TransTrack. In addition, although the incidents of road calls were negligible during the audit period, they were not reported. Also, because the transit vehicles must be transported to Blythe (almost 100 miles one-way) to a Transportation Concepts facility for major maintenance and repairs, deadhead service hours and miles could build up which impact vehicle life. It is suggested that data for these vehicle performance categories be included in TransTrack**.**

3. **Reinstate the Google Transit trip planning tool on the Needles Transit Services web page.**
   (Medium Priority)

   This recommendation is being carried forward in this audit for full implementation. The City implemented the Google Transit trip planner on the transit page of the City's website in mid-2018 as part of the transit marketing campaign funded through a LCTOP grant. However, in mid to late 2019, a new City website was created and went live without the Google Transit trip planner feature being transferred. As of this report, the Google Transit trip planner has yet to be restored on the transit page of the City of Needles website. It is recommended that staff work to reinstate the Google Transit trip planner as well as a Google Translate widget feature for non-English-speaking users.

FY 2018–2020 TRIENNIAL PERFORMANCE AUDIT

sbcta
san bernardino county transportation authority

OMNITRANS

OmniTrans

August 2021

Submitted to:

San Bernardino County Transportation Authority

Submitted by:

Michael Baker INTERNATIONAL

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Executive Summary

The San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the five public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2017–18 through 2019–20.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- System Performance Trends
- Functional Review

Based on the audit review process, recommendations were developed to improve the operational efficiency and effectiveness of Omnitrans.

Compliance with TDA Requirements

Omnitrans fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to Omnitrans (rural and blended farebox recovery ratios).

Status of Prior Audit Recommendations

Omnitrans implemented the three prior audit recommendations. The recommendations pertained to showing the farebox calculation in the audited financial reports; identifying auxiliary sources of revenue to support farebox recovery and cover operating costs; and implementing and optimizing technology.

System Performance Trends

1. Omnitrans's farebox recovery ratio remained above the required 20 percent standard for general public operations and 10 percent for Access ADA paratransit. The farebox recovery ratio for the general public service was 23.72 percent in FY 2018, 24.01 percent in FY 2019, and 26.04 percent in FY 2020.[1] The three-year farebox average was 24.59 percent. The

[1] It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local funds (Measure I) were applied by the operator to supplement farebox revenues to satisfy both general public and specialized service fare ratios for each of the three years as permitted by Section 99268.19.

farebox recovery ratio for Access was 31.76 percent in FY 2018, 14.23 percent in FY 2019, and 24.03 percent in FY 2020 (inclusive of Measure I supplement). The three-year farebox average was 23.34 percent. The higher farebox for Access was due to the inclusion of a full year of Medi-Cal revenue in FY 2018 from an agreement with the County of Riverside Department of Public Health for transportation services for Medi-Cal patients.

2. Operating costs based on audited data increased system-wide 13.7 percent from $77 million in the FY 2017 base year to $87.5 million in FY 2020. General public service operating costs increased 14.8 percent from $64.3 million in the FY 2017 base year to $73.8 million in FY 2020, whereas costs on the Access ADA service increased 8.0 percent over the same period from $12.7 million in FY 2017 to $13.7 million in FY 2020. System-wide costs increased due to factors such as higher wages, salaries, and benefits, increase in cost attributed to pension increase for employees, COVID-19 pandemic response, and a new operations contract for OmniGo and Access.[2]

3. Ridership system-wide exhibited a decrease of 22.6 percent, mirrored by a comparable 21.8 percent decrease on the general public services. The Access ADA service exhibited a higher decrease of 42.9 percent. System-wide, ridership decreased from 11.6 million passengers in the FY 2017 base year to 9 million in FY 2020. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 61.2 percent. Ridership decreased 0.4 percent in the second quarter of FY 2020, followed by a 12.5 percent decrease in the third quarter, and 55.5 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect. The overall declining trend in ridership prior to the pandemic is attributed to economic factors such as lower gas prices, the issuance of more drivers' licenses, and increased automobile ownership and telecommuting.

4. Operating cost per passenger, a measure of cost effectiveness, increased 46.8 percent system-wide from $6.61 in FY 2017 to $9.71 in FY 2020. For general public services, cost per passenger also increased 46.8 percent, whereas on Access ADA, cost per passenger increased 89.2 percent. The trend in this indicator is attributed to the increase in operating costs compared to the decrease in passenger trips. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $7.57 in the first quarter of FY 2020, $7.60 in the second quarter, $8.86 in the third quarter, and $22.54 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $11.64.

5. Operating cost per vehicle service hour, a measure of cost efficiency, increased 28.1 percent system-wide from $92.57 in FY 2017 to $118.60 in FY 2020. At the modal level, there was a 24.7 percent increase for general public services and a 43.0 percent increase for Access ADA services. Operating cost per vehicle service mile, another measure of cost efficiency, increased 27.6 percent system-wide from $6.76 in FY 2017 to $8.63 in FY 2020, with a 22.8

[2] OmniGo was replaced by OmniRide in September 2020.

percent increase for general public services and a 46.3 percent increase for Access ADA services. Larger growth in operating costs relative to the decrease in service hours and miles leads to the trends. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $99.90 in the first quarter, $99.96 in the second quarter, $106.82 in the third quarter, and $205.62 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $128.02.

6. Passengers per vehicle service hour, a measure of service efficiency, decreased 12.7 percent system-wide from 14 passengers per hour in FY 2017 to 12.2 passengers in FY 2020, while passengers per vehicle service mile, another measure of service efficiency, decreased 13.1 percent system-wide from 1.02 passengers in FY 2017 to 0.89 passengers in FY 2020. For general public services, passengers per hour decreased 15 percent and passengers per mile decreased 16.3 percent. For Access ADA service, passengers per hour decreased 24.4 percent, whereas passengers per mile decreased 22.7 percent. During FY 2020, passengers per hour were 13.2 in the first quarter, 13.1 in the second quarter, 12.1 in the third quarter, and 9.1 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 11.9 passengers.

Functional Review

1. Omnitrans began direct service to Ontario International Airport at the beginning of the audit period in September 2017. Schedules on Route 61 initially had 60-minute headways, which were shortened to 15 minutes with airport service. The Ontario Airport service is seen as a precursor to the West Valley Connector Bus Rapid Transit (BRT) project.

2. Omnitrans implemented the first fare increase in five years on September 3, 2019. The single bus trip fare increased from $1.75 to $2.00 while the 1-day pass rate rose from $5.00 to $6.00. Fares also increased on the Omnitrans Access ADA service.

3. During the audit period, the CEO/general manager, who had served in this position since June 2013, retired from the agency in November 2019. The deputy general manager was appointed as interim CEO/general manager and became the permanent CEO/general manager in July 2020. The deputy general manager position remained vacant.

4. The ConnectForward Annual Service Plan was adopted for FY 2021 and the current OmniConnects Short Range Transit Plan was extended through the end of FY 2021. In spite of an overall 11 percent service reduction, the ConnectForward Plan, adopted in September 2020, improved connections to two Metrolink stations and added a new cross-county connection with the Riverside Transit Agency near the San Bernardino/Riverside County line.

5. In response to the COVID-19 shelter-in-place order and pursuant to Centers for Disease Control and Prevention protocols, Omnitrans implemented its Emergency Service Deployment Plan on March 23, 2020, at a Level 3, which effectively halved frequency on routes that were operating at 30-minute headways or better. Omnitrans was one of the first

transit agencies to design driver-protective barriers. Hand sanitizer dispensers and mask requirements were implemented on the vehicles.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. **Continue pursuit of potential revenue agreements and cooperative partnerships as part of Omnitrans's revenue enhancement strategy.**	Omnitrans has recently proposed the implementation of a free fare pilot for primary and secondary school students. The pilot would be similar to the GoSmart college program that the agency has in partnership with local community colleges and California State University, San Bernardino. The GoSmart pass allows for free rides on the Omnitrans fixed-route system. Given the success of the GoSmart pass, Omnitrans is encouraged to pursue such an arrangement with local primary and secondary school districts as well as other local institutions that benefit from Omnitrans ridership. The Sacramento Regional Transit District, as another example, implemented the RydeFreeRT program that offers fare-free transit for youth and students in grades kindergarten through 12. Given the status and current uncertainties with public transit in general, Omnitrans's active partnerships help stabilize operations and provide a steady revenue stream while providing more visibility to the service.	High Priority
2. **Continue evaluation of technology solutions and integration of administrative and operational functions.**	During the course of the auditors' site visit and staff interviews, observations were made regarding the agency's embracing of technology to improve service delivery efficiency and effectiveness. Significant investments in technology have been made over time to improve both internal and customer-facing interfaces. Additional technology platforms could help further increase work productivity and connect existing systems. For example, the importance of recruitment, retention, and management of employees could be enhanced through online management systems tied to the agency's SAP enterprise resource planning modules. Cloud software such as Neogov (for human resource management) and Kronos (for employee	Medium Priority

Performance Audit Recommendation	Background	Timeline
	timekeeping), which the agency uses, could be evaluated as potential solutions to integrate with SAP to continue a path towards modernizing Omnitrans's administrative network while reducing paper requisitions and filing. In addition, bar coding of bus parts inventory offers an interface of fleet management software with business management software, which could further maintenance management efficiencies. These examples of additional technology systems to evaluate could automate agency functions and strengthen productivity while generating new data for analysis leading to a stronger workforce and improved customer experience.	

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 San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the TDA triennial performance audit of the five public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for Omnitrans covering the most recent triennial period, fiscal years 2017–18 through 2019–20.

The purpose of the performance audit is to evaluate Omnitrans's effectiveness and efficiency in its use of TDA funds to provide public transit in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates Omnitrans's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether Omnitrans is meeting the PUC's reporting requirements and endeavoring to implement prior audit recommendations made to the agency. 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.

This TDA audit is intended to provide Omnitrans with an independent, constructive, and objective evaluation of the organization and its operations. The methodology for the audit included in-person interviews with transit management, telephone interviews, collection and review of agency documents, data analysis, and on-site observations. 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 the development and conduct of the audit.

Overview of the Transit System

Omnitrans is the largest transit operator in San Bernardino County. The agency was established as a regional transit authority in 1976 through a Joint Powers Authority (JPA) that included the 10 Cities of Chino, Colton, Fontana, Loma Linda, Montclair, Ontario, Redlands, Rialto, San Bernardino, and Upland and the County of San Bernardino. Since that time, the Cities of Chino Hills, Grand Terrace, Highland, Rancho Cucamonga, and Yucaipa have joined the JPA. San Bernardino County and all 15 member cities are represented on the Omnitrans Board of Directors.

Omnitrans serves a 456-square-mile service area in southwest San Bernardino County with a population of about 2.0 million. In addition to San Bernardino County, Omnitrans provides service to parts of Riverside and Los Angeles Counties. Omnitrans carries about 15 million passengers per year.

A demographic snapshot of the incorporated cities within the Omnitrans service area is presented in Table I-1.

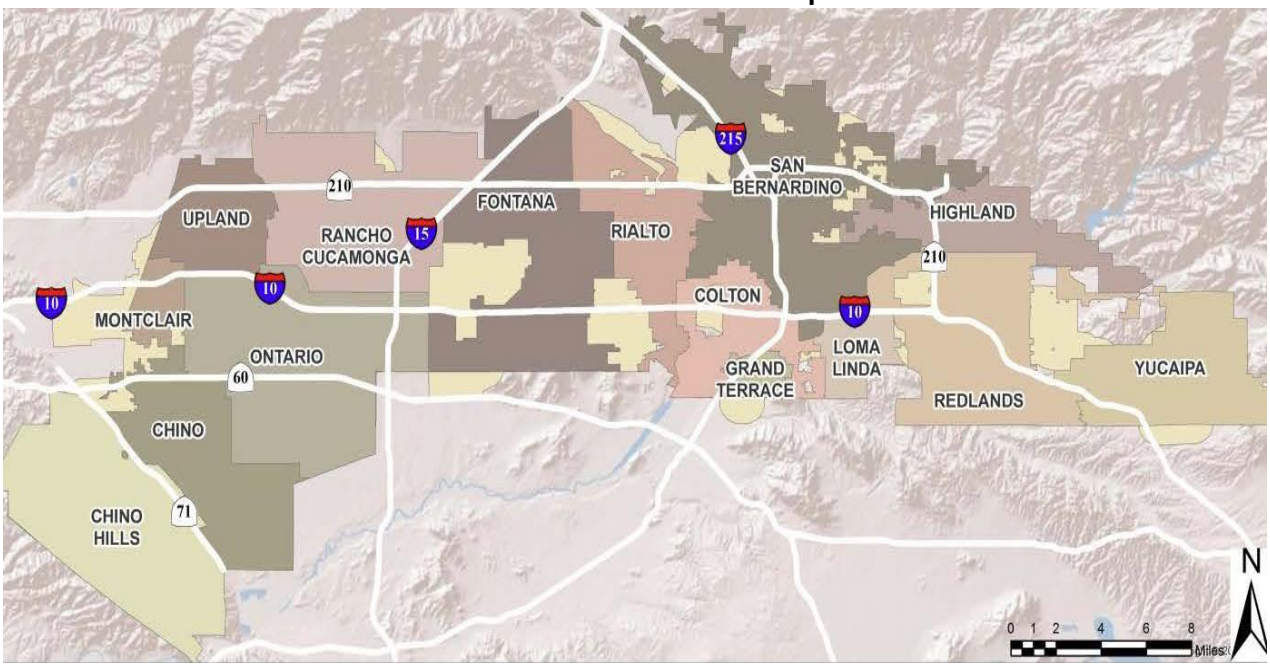
Table I-1
Omnitrans Service Area Demographics

City	2019 ACS 5-Year Estimates	Change from 2010 US Census	% Population 65 Years & Older 2019 ACS	2021 Department of Finance Estimates	Land Area (in square miles)
Chino	89,631	+14.9%	11.6%	88,184	29.64
Chino Hills	80,701	+7.9%	11.4%	82,661	44.68
Colton	54,580	+4.7%	10.4%	54,198	15.32
Fontana	210,759	+7.5%	7.8%	213,944	42.43
Grand Terrace	12,510	+3.9%	15.2%	12,399	3.50
Highland	55,049	+3.7%	9.7%	55,060	18.75
Loma Linda	24,184	+4.0%	18.8%	24,895	7.52
Montclair	39,155	+6.8%	10.7%	39,598	5.52
Ontario	176,760	+7.8%	9.2%	182,004	49.94
Rancho Cucamonga	176,379	+6.7%	11.9%	175,131	39.85
Redlands	71,198	+3.6%	15.8%	71,154	36.13
Rialto	103,045	+3.9%	9.3%	102,567	22.35
San Bernardino	216,089	+2.9%	9.0%	216,291	59.20
Upland	76,596	+3.9%	14.8%	78,513	15.62
Yucaipa	53,416	+4.0%	14.5%	55,634	27.89
Total	1,440,052	+5.8%	12.0%	1,452,233	418.34

Source: 2010 US Census; 2019 American Community Survey 5-Year Estimates; California Department of Finance, 2021 Population Estimates

Based on the 2019 American Community Survey 5-Year Estimates, the total population of the incorporated cities in the Omnitrans service area during the audit period was 1,440,052 with San Bernardino, the county seat, being the largest. The 2021 population of the incorporated cities in the Omnitrans service area was estimated to be 1,452,233 as reported by the California Department of Finance. Notable Census-designated places and unincorporated communities served by Omnitrans include Bloomington, Devore, Mentone, and Muscoy. Figure I-1 provides a geographic overview of the Omnitrans service area.

Figure I-1
Omnitrans Service Area Map



Source: Omnitrans

Transit Services

Omnitrans has both directly operated services and contracted services including local fixed route, freeway express route, bus rapid transit route, (former) OmniGo community circulator routes, and an Americans with Disabilities Act (ADA) compliant Access service. OmniGo and Access ADA paratransit service services are operated under contract by First Transit, a private transportation company. An overview of each service follows.

Rapid Transit Route: Omnitrans operates one rapid transit route, the sbX Green Line bus rapid transit line. The primary destinations along the 16-mile route along the E Street corridor include California State University, San Bernardino, the Downtown Civic Center, San Bernardino High School, San Manuel Stadium, Inland Center Mall, the Orange Show Events Center, Hospitality Lane, Loma Linda University & Medical Center, and the VA Hospital.

Local Fixed Routes: Omnitrans operates local traditional fixed routes seven days a week. The number of routes was reduced during the shelter-in-place mandate toward the tail end of the audit period. All routes operate weekdays with weekend service on select routes. Omnitrans coordinates scheduling with neighboring transit agencies that also stop at the San Bernardino Transit Center.

Freeway Express Routes: Omnitrans operates freeway express services with limited stops. Route 215 runs between the San Bernardino Transit Center and the Riverside Transit Agency's Downtown Riverside Terminal on a 30- and 60-minute frequency daily. Route 290 is a San Bernardino Valley express route that runs along the I-10 corridor between the San Bernardino Transit Center and the

Montclair Transit Center in the West Valley. Route 208 was implemented in May 2017 to provide freeway express service between Redlands and Yucaipa. However, due to lower than expected demand, the route was discontinued in September 2019.

OmniGo Routes: During the audit period (through June 30, 2020) Omnitrans operated three OmniGo routes (Route 308/309/310 in Yucaipa; Route 325 in Grand Terrace; and Route 365 in Chino Hills), which provided circulator services within designated local areas. Service frequencies ranged from 30 to 60 minutes. These services have been replaced with OmniRide, which commenced in September 2020, shortly after the audit period.

Table I-2 presents the fixed route summary and changes in frequencies between the pre-pandemic time period and during shelter-in-place order.

Table I-2
Omnitrans Fixed Route Summary

Route Number	Route Name	Service Days/ Time Frequency in Minutes Time in parentheses denote pandemic schedule		
		Weekday	Saturday	Sunday
1	ARMC – San Bernardino – Del Rosa	15 (30)	30 (60)	30 (60)
2	Cal State – E Street – Loma Linda	60 (60)	60 (60)	30 (60)
3	Baseline – Highland – San Bernardino (Counter-clock wise)	15 (30)	20 (40)	20 (40)
4	Baseline – Highland – San Bernardino (Clockwise)	15 (30)	20 (40)	20 (40)
5	South Waterman – Del Rosa – Cal State	30 (45)	60 (45)	60 (45)
7	N. San Bernardino – Sierra Way – San Bernardino	30/60 (0)	60 (0)	60 (0)
8	San Bernardino – Mentone – Crafton Hills	30/60 (60)	60 (60)	60 (60)
10	Fontana – Baseline – San Bernardino	30/60 (60)	60 (60)	60 (60)
12	Fontana – Muscoy – Cal State	60 (60)	60 (60)	60 (60)
14	Fontana – Foothill – San Bernardino	15 (30)	15 (30)	15 (30)
15	Fontana – San Bernardino/Highland – Redlands	30 (60)	30 (60)	30 (60)
19	Fontana – Colton – Redlands – Yucaipa	30 (60)	60 (60)	60 (60)
20	Fontana Metrolink – Via Hemlock – Kaiser	60 (0)	60 (0)	60 (0)
22	North Rialto – Riverside Ave – ARMC	30 (60)	60 (60)	60 (60)
29	Bloomington – Valley Blvd – Kaiser	60 (60)	60 (60)	*
61	Fontana – Ontario Mills – Pomona	15 (30)	15 (30)	15 (30)
66	Fontana – Foothill Blvd – Montclair	15/30 (30)	30 (60)	30 (60)
67	Chaffey – Baseline – Fontana	60 (0)	*	*
80	Ontario International Airport – Vineyard – Chaffey College	60 (0)	60 (0)	60 (0)
81	Chino – Haven – Chaffey College	30/60 (60)	60 (60)	*
82	Rancho Cucamonga – Fontana – Sierra Lakes	60 (60)	65 (65)	65 (65)

Route Number	Route Name	Service Days/ Time Frequency in Minutes Time in parentheses denote pandemic schedule		
		Weekday	Saturday	Sunday
83	Upland – Euclid – Chino	60 (60)	60 (60)	60 (60)
84	Upland – Mountain Ave – Chino	60 (60)	60 (60)	60 (60)
85	Chico – Montclair – Chaffey College	30 (60)	60 (60)	60 (60)
86	S. Ontario – Campus – San Antonio Hospital	60 (60)	*	*
88	Chino Hills – Ramona Ave – Montclair	60 (60)	60 (60)	60 (60)
208	Yucaipa – Redlands – San Bernardino	Peak Only	*	*
215	San Bernardino – Riverside	20/30 (30/60)	30/60 (60)	30/60 (60)
290	San Bernardino – ARMC – Ontario Mills – Montclair Transit Center	30/60/120 (0)	*	*
308/309	OmniGo: Yucaipa	30/60 (60)	30 (30)	60 (30)
310	OmniGo: Yucaipa	30/60 (60)	*	*
325	OmniGo: Grand Terrace	70 (70)	65 (65)	65 (65)
365	OmniGo: Chino Hills	60 (60)	60 (60)	60 (60)
sbX	Green Line	10/15 (20/30)	20 (40)	*

Source: Omnitrans CAFR

Time frequencies contained in parentheses indicate the service modifications implemented by Omnitrans due to the statewide shelter-in-place order issued on March 19, 2020, in response to the COVID-19 pandemic.

OmniAccess and Special Transit Services: In accordance with the ADA, Omnitrans provides wheelchair lift-equipped vans for curb-to-curb, shared-ride transportation services. Reservations for service must be made at least 24 hours in advance, with the option to call up to 7 days in advance. Access operates during the same days and hours as fixed-route buses within a 0.75-mile range of routes. Pickup times are scheduled within one hour before or one hour after each rider's requested pickup time.

All OmniAccess riders are issued a free identification card when they become eligible. Riders must show their valid Omnitrans Access Service identification card to the driver each time they board the Access vehicle. Personal care attendants and companions are also able to ride Access (additional companions beyond the first guest may ride if space is available).

Access is also available to pick up ADA-certified residents living outside the 0.75-mile boundary but still within the city limits of the 15 cities that comprise the Omnitrans service area for a $5.00 surcharge. Trips must originate or end within the ADA service area.

As the designated Consolidated Transportation Service Agency for the San Bernardino Valley, Omnitrans provides programs for seniors and the disabled in the service area. In addition to OmniAccess, other programs include travel training, Ride program (taxi or Lyft), and volunteer driver. Travel training includes one-on-one or group assistance on learning how to ride the Omnitrans bus system, while the latter two programs are additional travel options beyond traditional services.

TransCenters: The Omnitrans service operates using transportation hubs called TransCenters, which offer timed transfer connections throughout the network and to Metrolink train service and other neighboring transit systems. Transit and transfer centers include the Arrowhead Regional Medical Center, Chaffey College Transit Center in Rancho Cucamonga, Chino Transit Center, Fontana Metrolink Station, Montclair Transfer Center, Ontario Transfer Center, Ontario Mills, Pomona Transfer Center, Redlands Mall, South Fontana Transfer Center, Yucaipa Transit Center, and Downtown Riverside & Riverside Metrolink. The San Bernardino Transit Center on Rialto Avenue between E and F Streets in downtown San Bernardino is the transfer point for Omnitrans local and express routes, sbX, Riverside Transit Agency (RTA), Mountain Transit, Beaumont Transit, Victor Valley Transit Authority (VVTA) , and Metrolink. Foothill Transit connects with Omnitrans at the Montclair TransCenter.

Omnitrans provides connections to six Metrolink stations in the service area: San Bernardino, Rialto, Upland, Fontana, Montclair, and Rancho Cucamonga.

Fares

Omnitrans fares are structured accordingly to passenger category and fare media type. Certain passenger categories, such as children under 46 inches in height and uniformed active military personnel, allow free rides. The GoSmart pass provides unlimited rides for students at participating schools, colleges, and universities with valid student identification. The fares for these trips are paid on a contracted basis through the schools. Day passes are good for one day of unlimited travel, whereas 7-day and 31-day passes are valid for consecutive days, beginning on the first day of use. Omnitrans implemented the first fare increase in five years on September 3, 2019. The Omnitrans fare structure is shown in Table I-3.

Table I-3
Omnitrans Fare Structure

	Prior to September 2019				Effective September 2019			
Fixed Route/OmniGo/sbX	**Single Ride**	**1-Day Pass**	**7-Day Pass**	**31-Day Pass**	**Single Ride**	**1-Day Pass**	**7-Day Pass**	**31-Day Pass**
Full Fares	$1.75	$5.00	$18.00	$55.00	$2.00	$6.00	$20.00	$60.00
Youth (18 years & under)	$1.75	$5.00	$14.00	$41.00	$2.00	$6.00	$15.00	$45.00
Senior (62+)/Disability/Medicare/ Veterans	$0.75	$2.25	$8.00	$27.50	$0.90	$2.75	$9.00	$30.00
GoSmart Student Pass Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Uniformed Active Military	Free	Free	Free	Free	Free	Free	Free	Free
Children under 46 Inches	Free	Free	Free	Free	Free	Free	Free	Free

Source: Omnitrans

In addition, a one-way Metrolink ticket is good for one ride on a connecting Omnitrans bus. A round-trip Metrolink ticket or multiday pass is good on Omnitrans to and from a Metrolink station. The Metrolink ticket or pass must be valid for the date of travel.

The Access fare structure is based on the number of zones traveled. Reservationists will inform the customer of the fare at the time of booking the trip. Fares are one-way and cover the eligible rider and companion. After the first three zones, the additional fare per zone is an extra $1. The Access fare structure is shown in Table I-4.

Table I-4
Access Fare Structure

	Prior to September 2019		Effective September 2019	
Zone Categories	Standard Service (per trip)	Beyond Access Service (per trip)	Standard Service (per trip)	Beyond Access Service (per trip)
1–3-zone trips	$3.25	$8.25	$3.75	$8.75
4-zone trips	$4.25	$9.25	$4.75	$9.75
5-zone trips	$5.25	$10.25	$5.75	$10.75
6-zone trips	$6.25	$11.25	$6.75	$11.75

Source: Omnitrans

Vehicle Fleet

During the audit period, Omnitrans's fleet comprised 257 revenue vehicles. Fixed-route vehicles total 180 (174 for directly operated service and 6 for contracted service), while 77 are Access vehicles. The fixed-route fleet utilizes compressed natural gas (CNG) fuel. The contracted fixed-route vehicles and Access vehicles are operated by First Transit. Table I-5 shows the Omnitrans vehicle fleet.

Table I-5
Vehicle Fleet

Vehicle Type	Year	Number of Vehicles	Fixed/Access	Seating	Fuel
Directly Operated Fixed Route (174 vehicles)					
New Flyer SR-813 C40LF	2003	4	Fixed	39	CNG
New Flyer SR-1337 C40LF	2009	27	Fixed	39	CNG
New Flyer SR-1563 C40LF	2011	9	Fixed	37	CNG
New Flyer SR-1564 C40LF	2011	8	Fixed	37	CNG
New Flyer SR-1677 XN40	2012	20	Fixed	39	CNG
New Flyer SR-1565 XN60	2012	14	Fixed	37	CNG
New Flyer SR-1820 XN40	2014	16	Fixed	36	CNG
New Flyer SR-1965 XN40	2015	15	Fixed	36	CNG
New Flyer SR-2029 XN40	2016	13	Fixed	36	CNG

Vehicle Type	Year	Number of Vehicles	Fixed/Access	Seating	Fuel
New Flyer SR-2214 XN40	2018	24	Fixed	39	CNG
New Flyer SR-2252 XN60	2018	1	Fixed	37	CNG
New Flyer SR-2340 XN40	2019	23	Fixed	39	CNG
Contracted Fixed Route - OmniGo (6 vehicles)					
Ford Starcraft	2017	6	OmniGo	16	CNG
Contracted Demand Response (77 vehicles)					
El Dorado National Aerotech	2009	9	Access	16	Gas
Starcraft Allstar	2013	15	Access	16	Gas
Starcraft Allstar	2015	26	Access	16	CNG
Ford Starcraft	2017	17	Access	16	CNG
Ford Starcraft	2017	10	Access	16	CNG

Source: TransTrack, FY 2020 National Transit Database – Revenue Vehicle Inventory (A-30)

In FY 2021, Omnitrans procured four New Flyer Xcelsior Battery Electric vehicles as part of its zero-emission bus rollout plan to transition its bus fleet to 100 percent zero-emission by 2040. The vehicles have a range of approximately 150 miles per charge. Each vehicle takes about four hours to charge at one of Omnitrans's two transit facilities.

Fleet Facilities

Omnitrans operates fixed-route service out of two facilities: the Metro Division in San Bernardino (East Valley Division) and the Montclair Transit Center (West Valley Division). While operations and maintenance are provided at both facilities, administration is primarily handled in the San Bernardino office. The San Bernardino facility occupies approximately 13 acres, while the Montclair facility is situated on about 6 acres. All Omnitrans vehicles are parked at one of the two facilities. Liquefied CNG is available at both facilities for the agency's alternative-fueled fleet.

First Transit operates Access paratransit services out of two facilities: the I Street facility in San Bernardino and the West Valley Paratransit Facility on Feron Boulevard in Rancho Cucamonga. The I Street site encompasses some 4.7 acres and includes the vehicle maintenance garage (including 10 bus bays), fueling, and bus washing. A 4,500-square-foot office building houses the Access administration, trip reservations, scheduling, and dispatch office, and training facilities. The West Valley facility occupies 1.3 acres and provides for vehicle storage and general vehicle cleaning.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of Omnitrans'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,* to assess transit operators. The updated guidebook contains a checklist of eleven measures taken from relevant sections of the PUC 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 has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: *(For General Public and Specialized Service Submissions)* FY 2018: January 30, 2019 FY 2019: January 30, 2020 FY 2020: February 1, 2021 **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 2018: January 31, 2019 FY 2019: January 28, 2020 FY 2020: January 22, 2021 The annual fiscal and compliance audits were submitted within the 90-day extension period by the RTPA as allowed by law.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		Source: FY 2018–2020 Omnitrans Comprehensive Annual Financial Reports (CAFR) **Conclusion: Complied**
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	Omnitrans and its contract operator participate in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Terminal inspections were conducted at Omnitrans's operation facilities located in the East Valley at 1700 West 5th Street, San Bernardino, and in the West Valley at 4748 Arrow Highway in Montclair. Inspections were also conducted at the contract operator facilities located at 243 South I Street, San Bernardino, and at 9421 Feron Blvd. #101, Rancho Cucamonga. *Omnitrans – East Valley:* Inspection dates applicable to the audit period were March 13–15, 2017; May 22–24, 2018; and May 12–14, 2020. *Omnitrans – West Valley:* Inspection dates applicable to the audit period were March 14–16, 2017; April 17–19, 2018; May 20–22, 2019; and May 20–21, 2020.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		MV Transportation/First Transit – San Bernardino: Inspection dates applicable to the audit period were January 8–9, 2018; January 14–17, 2019; and February 3–4, 2020. *MV Transportation/First Transit – Rancho Cucamonga:* Inspection dates applicable to the audit period were January 17–18, 2017; January 29–31, 2018; January 24, 2019; and January 28–29, 2020. Inspections were found to be satisfactory by the CHP. **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, Omnitrans's annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by SBCTA. **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	This requirement is not applicable to Omnitrans, which only serves an urbanized area. **Conclusion: Not Applicable**
The operator's operating budget has not increased by more than 15% over the	Public Utilities Code, Section 99266	Percentage change in Omnitrans's operating budget:

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
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).		FY 2018: +9.4% FY 2019: +5.8% FY 2020: +2.3% *Source: Adopted Omnitrans Budgets for FYs 2016–17 through 2019–20* **Conclusion: Complied**
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	Omnitrans's performance measures are defined in accordance with PUC requirements. Omnitrans collects data electronically and employs a verification method, including auto-entry into TransTrack. **Conclusion: Complied**
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	Omnitrans is subject to a 20 percent farebox ratio for general public transit and 10 percent for Access. The system's fare ratios are as follows: *General Public Services:* FY 2018: 23.72% FY 2019: 24.01% FY 2020: 26.04% *Access:* FY 2018: 31.76%

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		FY 2019: 14.23% FY 2020: 24.03% Local funds (Measure I) were applied by the operator to supplement fare box revenues to satisfy the fare ratios as permitted by Section 99268.19. *Source: FY 2018–2020 Omnitrans Comprehensive Annual Financial Reports – Note 3* **Conclusion: Complied**
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 to Omnitrans, which only serves an urbanized area. **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	As described in the CAFR, Omnitrans contributes to the California Public Employees Retirement System (CalPERS) under the 2% @ 62 provision. Participants are required to contribute 6.75%–7% of their annual covered salary. In accordance with labor union Memorandums of Understanding, Omnitrans has agreed to fund the participants' contributions. Omnitrans is also required to contribute at an actuarially determined rate calculated as a percentage of payroll.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		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)	Omnitrans utilizes federal funds that are available to the agency, as reported in the Comprehensive Annual Financial Reports as follows: FY 2018: $13,204,506 (Operations) $23,637,583 (Capital) FY 2019: $14,534,115 (Operations) $4,436,561 (Capital) FY 2020: $10,619,183 (Operations) $6,704,144 (CARES Act) $47,633,563 (Capital) **Conclusion: Complied**

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Omnitrans, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to Omnitrans (rural and blended farebox recovery ratios).

2. Omnitrans's farebox recovery ratio remained above the required 20 percent standard for general public operations and 10 percent for Access ADA paratransit. The farebox recovery ratio for the general public service was 23.72 percent in FY 2018, 24.01 percent in FY 2019, and 26.04 percent in FY 2020 (inclusive of Measure I supplement). The three-year farebox average was 24.59 percent. The farebox recovery ratio for Access was 31.76 percent in FY 2018, 14.23 percent in FY 2019, and 24.03 percent in FY 2020 (inclusive of Measure I supplement). The three-year farebox average was 23.34 percent. The higher farebox for Access was due to the inclusion of a full year of Medi-Cal revenue in FY 2018 from an agreement with the County of Riverside Department of Public Health for transportation services for Medi-Cal patients.

3. Omnitrans and its contract operator participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Inspections were found to be satisfactory by the CHP.

4. The operating budget exhibited modest increases and did not exceed 15 percent during the period. After a 9.4 percent increase in FY 2018, the budget increased 5.8 percent in FY 2019. The FY 2020 operating budget increased by 2.3 percent.

Section III

Prior Triennial Performance Audit Recommendations

Omnitrans's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, 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

Show farebox calculation in audited financial reports. (High Priority)

Background: The prior audit found that Omnitrans's Comprehensive Annual Financial Reports (CAFR) did not provide a breakdown or backup to statement notes for the farebox recovery calculation in Note 3, even though the CAFR does state that to be eligible for TDA funds, Omnitrans must maintain a ratio of passenger fares to operating costs of not less than 20 percent for general public transit service and 10 percent for specialized service for the elderly and handicapped. The farebox recovery ratios for each service mode were presented for that fiscal year but without showing the calculation. In light of Senate Bill (SB) 508 that makes provisions for farebox recovery, it was recommended that the auditor show the breakdown of which revenues and operating expenses are included and what cost exemptions are made.

Actions taken by Omnitrans:

In response to this recommendation, the fiscal auditor who prepares and certifies the Omnitrans CAFR began including the farebox calculation in the FY 2018 report. The calculation is presented as part of TDA assistance discussion under Note 3 of the CAFR. The farebox calculation is broken down by service mode (general transit and special transit) and details the passenger revenue, local Measure I operating subsidy, and operating cost and the resulting farebox recovery ratio.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 2

Identify auxiliary sources of revenue to support farebox recovery and cover operating costs. (High Priority)

Background: The prior audit cited a Local Transportation Fund (LTF) revenue forecast conducted by an independent consultant firm that indicated the 3 percent LTF funding growth target through FY 2027 may be unattainable. Omnitrans developed a financial whitepaper in May 2018 that

outlined cost efficiencies and revenue streams, and how it will be working with SBCTA on funding strategies to bring funding projections in line with future operational needs. Omnitrans has already taken measures to cut costs without sacrificing service or laying off personnel.

State SB 508, passed in October 2015, makes changes to how farebox recovery is calculated. Consistent with current practice, transit systems can boost their farebox recovery through inclusion of local revenues generated by the transit service. Under the new law, other local revenues can prop up the farebox. In addition to local Measure I contributions, examples of local fund revenues include advertisements on buses and bus shelters, alternative fuel sales to the general public, gains on the sale of capital assets, lease revenues generated by transit-owned property, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. On the flip side, the state legislation also allows exclusion of certain operating costs above the annual rate of inflation.

Actions taken by Omnitrans:

Omnitrans has been actively analyzing non-traditional sources of revenues to support and sustain its farebox. Local Measure I funding has been a helpful and reliable source in boosting the farebox recovery. Omnitrans generates revenue from advertising space and entered into a new advertising revenue contract, which is monitored to ensure that the vendor maximizes sales potential. The agency has also explored development opportunities on Omnitrans-owned property at the San Bernardino Transit Center in partnership with the City of San Bernardino. In addition, the infusion of federal CARES Act funding has enabled Omnitrans to defer local revenues to outer years.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 3

Continue to implement and optimize technologies. (Medium Priority)

Background: Omnitrans implemented several innovative technological tools, such as the Token Transit mobile ticketing app and NextBus. The agency has also upgraded its Trapeze dispatching system that will allow for the creation of reports to track route delays and to reduce overtime. In addition, Omnitrans has been considering using Trapeze for online booking of trips on Access. This feature would make it easier for paratransit passengers to book and cancel trips from their mobile device or telephone. The benefits would be reduced cancellations and wait times. Omnitrans should continue along this path of integrating value-added technologies that improve operational performance and efficiency with the focus being on customer service. This recommendation encourages Omnitrans to continue its commitment in leveraging technology to improve efficiencies and customer amenities and delivering a higher level of customer service.

Actions taken by Omnitrans:

The FY 2019 Omnitrans Management Plan has, as one of its strategic plan goals, improved customer service experience through new technology and applications and services. Omnitrans designated the Transit App as its official mobile app, which is used in conjunction with the Token Transit mobile ticketing app. The Transit App is used to disseminate messaging and real-time route data. Since the onset of the COVID-19 pandemic, there has been an increased reliance on technology, from route and schedule information to contactless fare payment solutions. In addition, the Omnitrans website was redesigned and streamlined in 2020 to facilitate ease of use and information access. Enhancements included the addition of Google Maps route integration and informational iconography.

Conclusion:

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews Omnitrans'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 performance indicators for the following services:

- System-wide
- General Public (total of fixed route directly operated and fixed route contracted)
- Fixed Route, Directly Operated
- Fixed Route, Contracted
- Access ADA Service

Tables IV-6 through IV-8 provide quarterly performance indicators for the transit service modes specifically for FY 2019-20 to show the impacts of the COVID-19 pandemic impacts upon the service. Graphs are also provided to depict the trends in the indicators.

Data in the tables and charts were derived from several sources, including Transit Operator Financial Transactions Reports submitted to the State Controller and TransTrack Manager. This is noted in footnotes below the tables. The fare recovery ratios for general public transit service and for specialized service for the elderly and handicapped, respectively, reflect the audited ratios under Note 3 in the Omnitrans CAFRs.

Table IV-1
TDA Performance Indicators
System-wide

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$77,045,297	$83,331,930	$94,814,383	$87,587,528	***13.7%***
Total Passengers	11,652,596	11,210,246	10,863,530	9,024,450	***-22.6%***
Vehicle Service Hours	832,314	830,282	832,951	738,492	***-11.3%***
Vehicle Service Miles	11,389,327	11,415,447	11,425,096	10,146,173	***-10.9%***
Employee FTEs	806	761	861	721	***-10.5%***
Passenger Fares	$12,994,508	$15,078,914	$13,595,450	$12,854,911	***-1.1%***
Measure I Local Support	$7,720,915	$5,777,939	$7,551,711	$9,678,026	***25.3%***
Adjusted Passenger Fares	$20,715,423	$20,856,853	$21,147,161	$22,532,937	***8.8%***
Operating Cost per Passenger	$6.61	$7.43	$8.73	$9.71	***46.8%***
Operating Cost per Vehicle Service Hour	$92.57	$100.37	$113.83	$118.60	***28.1%***
Operating Cost per Vehicle Service Mile	$6.76	$7.30	$8.30	$8.63	***27.6%***
Passengers per Vehicle Service Hour	14.0	13.5	13.0	12.2	***-12.7%***
Passengers per Vehicle Service Mile	1.02	0.98	0.95	0.89	***-13.1%***
Vehicle Service Hours per Employee	1,032.6	1,091.0	967.4	1,024.3	***-0.8%***
Average Fare per Passenger	$1.78	$1.86	$1.95	$2.50	***40.5%***
Fare Recovery Ratio	16.87%	18.10%	14.34%	14.68%	***-13.0%***
Adjusted Fare Recovery Ratio	26.89%	25.03%	22.30%	25.73%	***-4.3%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Audited operating costs exclude depreciation. Audited adjusted passenger fare revenues include local Measure I support revenues.

Fare recovery ratios reflect the audited ratios under Note 3 in the Omnitrans Consolidated Annual Financial Reports (CAFR).

Source: FYs 2018-2020 Omnitrans CAFR, TransTrack, Transit Operators Financial Transactions Reports

Table IV-2
TDA Performance Indicators
General Public Services (Direct/Contracted)

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$64,320,828	$69,763,417	$78,286,224	$73,846,190	***14.8%***
Total Passengers	11,220,253	10,832,159	10,503,406	8,777,639	***-21.8%***
Vehicle Service Hours	665,344	672,727	676,044	612,389	***-8.0%***
Vehicle Service Miles	8,833,288	8,984,580	9,110,675	8,259,027	***-6.5%***
Employee FTEs	588	609	685	578	***-1.7%***
Passenger Fares	$11,361,164	$11,463,392	$12,150,136	$10,713,776	***-5.7%***
Measure I Local Support	$5,039,428	$5,084,586	$6,645,506	$8,516,663	***69.0%***
Adjusted Passenger Fares	$16,400,592	$16,547,978	$18,795,642	$19,230,439	***17.3%***
Operating Cost per Passenger	$5.73	$6.44	$7.45	$8.41	***46.8%***
Operating Cost per Vehicle Service Hour	$96.67	$103.70	$115.80	$120.59	***24.7%***
Operating Cost per Vehicle Service Mile	$7.28	$7.76	$8.59	$8.94	***22.8%***
Passengers per Vehicle Service Hour	16.9	16.1	15.5	14.3	***-15.0%***
Passengers per Vehicle Service Mile	1.27	1.21	1.15	1.06	***-16.3%***
Vehicle Service Hours per Employee	1,131.5	1,104.6	986.9	1,059.5	***-6.4%***
Average Fare per Passenger	$1.46	$1.53	$1.79	$2.19	***49.9%***
Fare Recovery Ratio	17.66%	16.43%	15.52%	14.51%	***-17.9%***
Adjusted Fare Recovery Ratio	25.50%	23.72%	24.01%	26.04%	***2.1%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Audited operating costs exclude depreciation. Audited adjusted passenger fare revenues include local Measure I support revenues.

Fare recovery ratios reflect the audited ratios under Note 3 in the Omnitrans Consolidated Annual Financial Reports (CAFR).

Source: FYs 2018-2020 Omnitrans CAFR, TransTrack, Transit Operators Financial Transactions Reports

Table IV-3
TDA Performance Indicators
Fixed Route, Directly Operated

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$64,516,151	$67,795,318	$76,024,780	$71,468,536	***10.8%***
Total Passengers	11,106,029	10,731,052	10,389,437	8,684,914	***-21.8%***
Vehicle Service Hours	638,620	645,792	650,807	581,289	***-9.0%***
Vehicle Service Miles	8,466,582	8,632,182	8,762,018	7,835,720	***-7.5%***
Employee FTEs	568	589	649	541	***-4.8%***
Passenger Fares	$11,237,904	$16,224,420	$18,400,758	$18,556,350	***65.1%***
Operating Cost per Passenger	$5.81	$6.32	$7.32	$8.23	***41.7%***
Operating Cost per Vehicle Service Hour	$101.02	$104.98	$116.82	$122.95	***21.7%***
Operating Cost per Vehicle Service Mile	$7.62	$7.85	$8.68	$9.12	***19.7%***
Passengers per Vehicle Service Hour	17.4	16.6	16.0	14.9	***-14.1%***
Passengers per Vehicle Service Mile	1.31	1.24	1.19	1.11	***-15.5%***
Vehicle Service Hours per Employee	1,124.3	1,096.4	1,002.8	1,074.5	***-4.4%***
Average Fare per Passenger	$1.01	$1.51	$1.77	$2.14	***111.2%***
Fare Recovery Ratio	17.42%	23.93%	24.20%	25.96%	***49.1%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Note: Passenger fares are drawn from TransTrack and are assumed to include Measure I contributions
Source: TransTrack, Transit Operators Financial Transactions Reports

Table IV-4
TDA Performance Indicators
Fixed Route, Contracted (OmniGo)

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$1,854,894	$1,968,934	$2,261,441	$2,744,945	***48.0%***
Total Passengers	114,224	101,107	113,969	92,725	***-18.8%***
Vehicle Service Hours	26,724	26,935	25,237	31,100	***16.4%***
Vehicle Service Miles	366,706	352,398	348,657	423,307	***15.4%***
Employee FTEs	20	20	36	37	***85.0%***
Passenger Fares	$123,260	$323,558	$394,884	$674,090	***446.9%***
Operating Cost per Passenger	$16.24	$19.47	$19.84	$29.60	***82.3%***
Operating Cost per Vehicle Service Hour	$69.41	$73.10	$89.61	$88.26	***27.2%***
Operating Cost per Vehicle Service Mile	$5.06	$5.59	$6.49	$6.48	***28.2%***
Passengers per Vehicle Service Hour	4.3	3.8	4.5	3.0	***-30.2%***
Passengers per Vehicle Service Mile	0.31	0.29	0.33	0.22	***-29.7%***
Vehicle Service Hours per Employee	1336.20	1346.75	701.03	840.54	***-37.1%***
Average Fare per Passenger	$1.08	$3.20	$3.46	$7.27	***573.7%***
Fare Recovery Ratio	6.65%	16.43%	17.46%	24.56%	***269.6%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Note: Passenger fares are drawn from TransTrack and are assumed to include Measure I contributions
Source: TransTrack, Transit Operators Financial Transactions Reports

Table IV-5
TDA Performance Indicators
OmniAccess ADA Service

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$12,724,469	$13,568,513	$16,528,159	$13,741,338	***8.0%***
Total Passengers	432,343	378,087	360,124	246,811	***-42.9%***
Vehicle Service Hours	166,970	157,555	156,907	126,103	***-24.5%***
Vehicle Service Miles	2,556,039	2,430,867	2,314,421	1,887,146	***-26.2%***
Employee FTEs	218	152	176	143	***-34.4%***
Passenger Fares	$1,633,344	$3,615,522	$1,445,314	$2,141,135	***31.1%***
Measure I Local Support	$2,681,487	$693,353	$906,205	$1,161,363	***-56.7%***
Adjusted Passenger Fares	$4,314,831	$4,308,875	$2,351,519	$3,302,498	***-23.5%***
Operating Cost per Passenger	$29.43	$35.89	$45.90	$55.68	***89.2%***
Operating Cost per Vehicle Service Hour	$76.21	$86.12	$105.34	$108.97	***43.0%***
Operating Cost per Vehicle Service Mile	$4.98	$5.58	$7.14	$7.28	***46.3%***
Passengers per Vehicle Service Hour	2.6	2.4	2.3	2.0	***-24.4%***
Passengers per Vehicle Service Mile	0.17	0.16	0.16	0.13	***-22.7%***
Vehicle Service Hours per Employee	765.92	1036.55	891.52	881.84	***15.1%***
Average Fare per Passenger	$9.98	$11.40	$6.53	$13.38	***34.1%***
Fare Recovery Ratio	12.84%	26.65%	8.74%	15.58%	***21.4%***
Adjusted Fare Recovery Ratio	33.91%	31.76%	14.23%	24.03%	***-29.1%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Audited operating costs exclude depreciation. Audited adjusted passenger fare revenues include local Measure I support revenues.
Fare recovery ratios reflect the audited ratios under Note 3 in the Omnitrans Consolidated Annual Financial Reports (CAFR).
Source: FYs 2018-2020 Omnitrans CAFR, TransTrack, Transit Operators Financial Transactions Reports - Specialized Service

Table IV-6
Omnitrans TDA Quarterly Performance Indicators – FY 2019-20
System-wide

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$20,981,679	$20,978,554	$21,403,685	$24,223,611	***15.5%***
Total Passengers	2,772,443	2,760,409	2,416,678	1,074,920	***-61.2%***
Vehicle Service Hours	210,031	210,283	200,370	117,809	***-43.9%***
Vehicle Service Miles	2,910,553	2,900,712	2,745,786	1,589,124	***-45.4%***
Passenger Fare Revenue	$6,141,888	$6,060,481	$5,552,158	$4,778,410	***-22.2%***
Operating Cost per Passenger	$7.57	$7.60	$8.86	$22.54	***197.8%***
Operating Cost per Vehicle Service Hour	$99.90	$99.76	$106.82	$205.62	***105.8%***
Operating Cost per Vehicle Service Mile	$7.21	$7.23	$7.80	$15.24	***111.5%***
Passengers per Vehicle Service Hour	13.2	13.1	12.1	9.1	***-30.9%***
Passengers per Vehicle Service Mile	0.95	0.95	0.88	0.68	***-29.0%***
Average Fare per Passenger	$2.22	$2.20	$2.30	$4.45	***100.7%***
Fare Recovery Ratio	29.27%	28.89%	25.94%	19.73%	***-32.6%***

Source: TransTrack Manager

Table IV-7
Omnitrans TDA Quarterly Performance Indicators – FY 2019-20
General Public Services (Direct/Contracted)

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$17,149,913	$17,073,913	$17,849,028	$22,140,627	***29.1%***
Total Passengers	2,688,120	2,678,977	2,347,419	1,063,123	***-60.5%***
Vehicle Service Hours	169,899	170,269	164,673	107,548	***-36.7%***
Vehicle Service Miles	2,292,578	2,300,553	2,222,850	1,443,048	***-37.1%***
Passenger Fare Revenue	$5,211,362	$5,121,492	$4,633,233	$4,264,353	***-18.2%***
Operating Cost per Passenger	$6.38	$6.37	$7.60	$20.83	***226.4%***
Operating Cost per Vehicle Service Hour	$100.94	$100.28	$108.39	$205.87	***103.9%***
Operating Cost per Vehicle Service Mile	$7.48	$7.42	$8.03	$15.34	***105.1%***
Passengers per Vehicle Service Hour	15.8	15.7	14.3	9.9	***-37.5%***
Passengers per Vehicle Service Mile	1.17	1.16	1.06	0.74	***-37.2%***
Average Fare per Passenger	$1.94	$1.91	$1.97	$4.01	***106.9%***
Fare Recovery Ratio	30.39%	30.00%	25.96%	19.26%	***-36.6%***

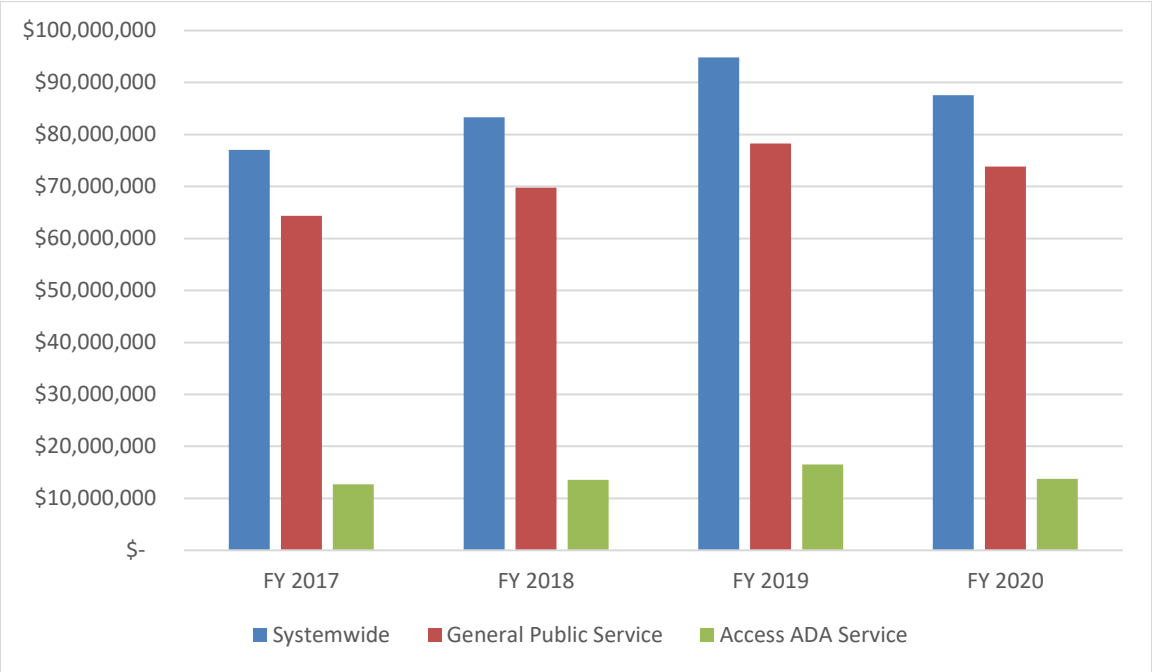
Source: TransTrack Manager

Table IV-8
Omnitrans TDA Quarterly Performance Indicators – FY 2019-20
OmniAccess ADA Service

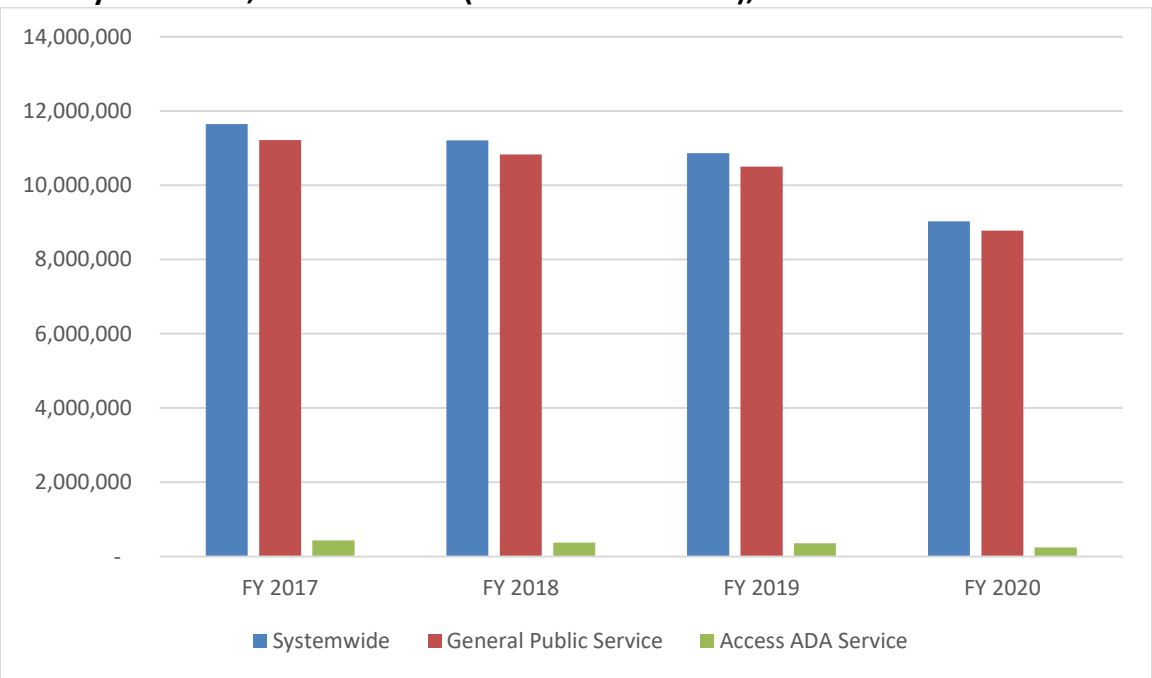
	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$3,831,766	$3,904,641	$3,554,657	$2,082,984	***-45.6%***
Total Passengers	84,323	81,432	69,259	11,797	***-86.0%***
Vehicle Service Hours	40,132	40,014	35,697	10,261	***-74.4%***
Vehicle Service Miles	617,975	600,159	522,936	146,076	***-76.4%***
Passenger Fare Revenue	$930,526	$938,989	$918,925	$514,057	***-44.8%***
Operating Cost per Passenger	$45.44	$47.95	$51.32	$176.57	***288.6%***
Operating Cost per Vehicle Service Hour	$95.48	$97.58	$99.58	$203.00	***112.6%***
Operating Cost per Vehicle Service Mile	$6.20	$6.51	$6.80	$14.26	***130.0%***
Passengers per Vehicle Service Hour	2.1	2.0	1.9	1.1	***-45.3%***
Passengers per Vehicle Service Mile	0.14	0.14	0.13	0.08	***-40.8%***
Average Fare per Passenger	$11.04	$11.53	$13.27	$43.58	***294.9%***
Fare Recovery Ratio	24.28%	24.05%	25.85%	24.68%	***1.6%***

Source: TransTrack Manager

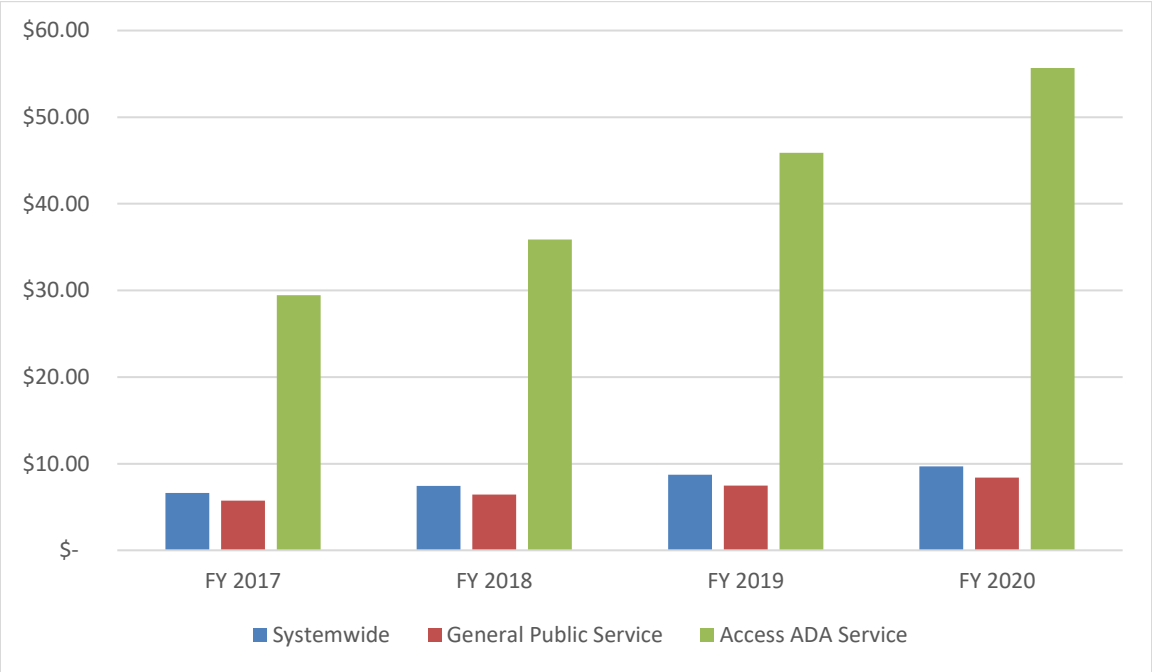
Graph IV-1
Operating Costs
System-wide, General Public (Direct & Contracted), and ADA Access Service



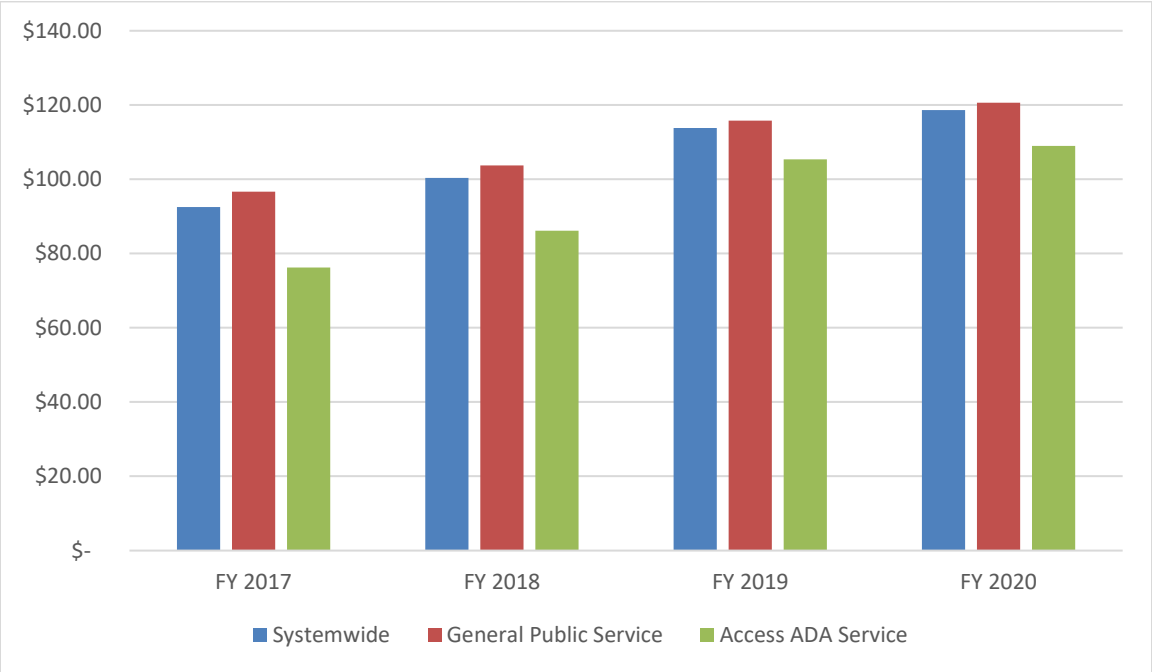
Graph IV-2
Ridership
System-wide, General Public (Direct & Contracted), and ADA Access Service



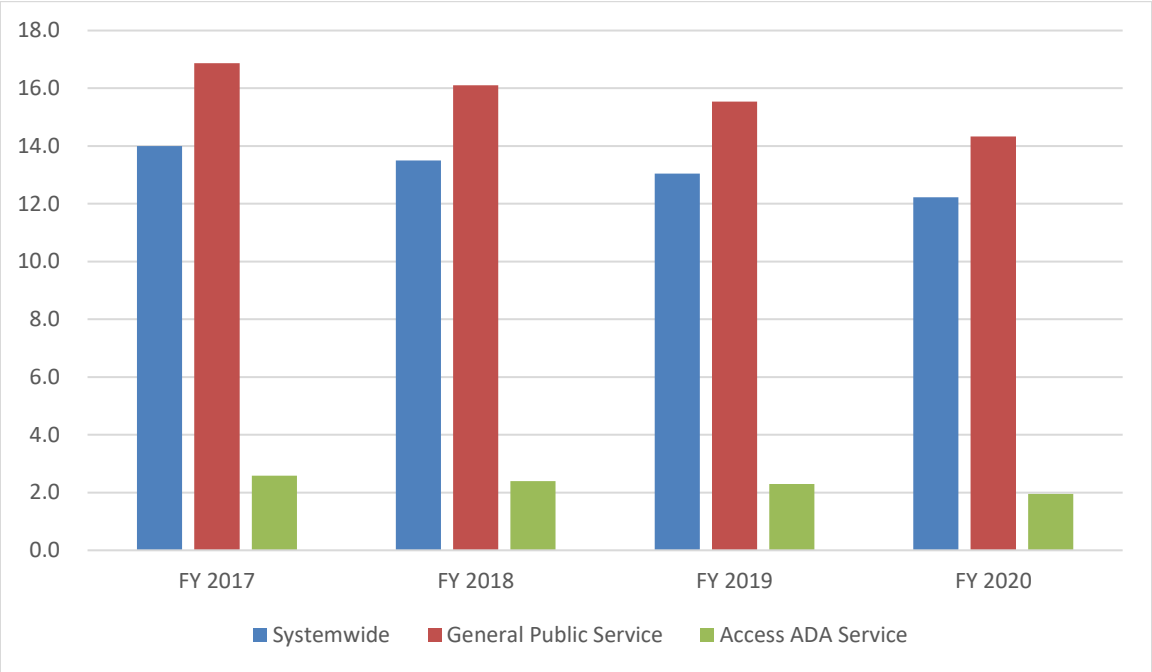
Graph IV-3
Operating Cost per Passenger
System-wide, General Public (Direct & Contracted), and ADA Access Service



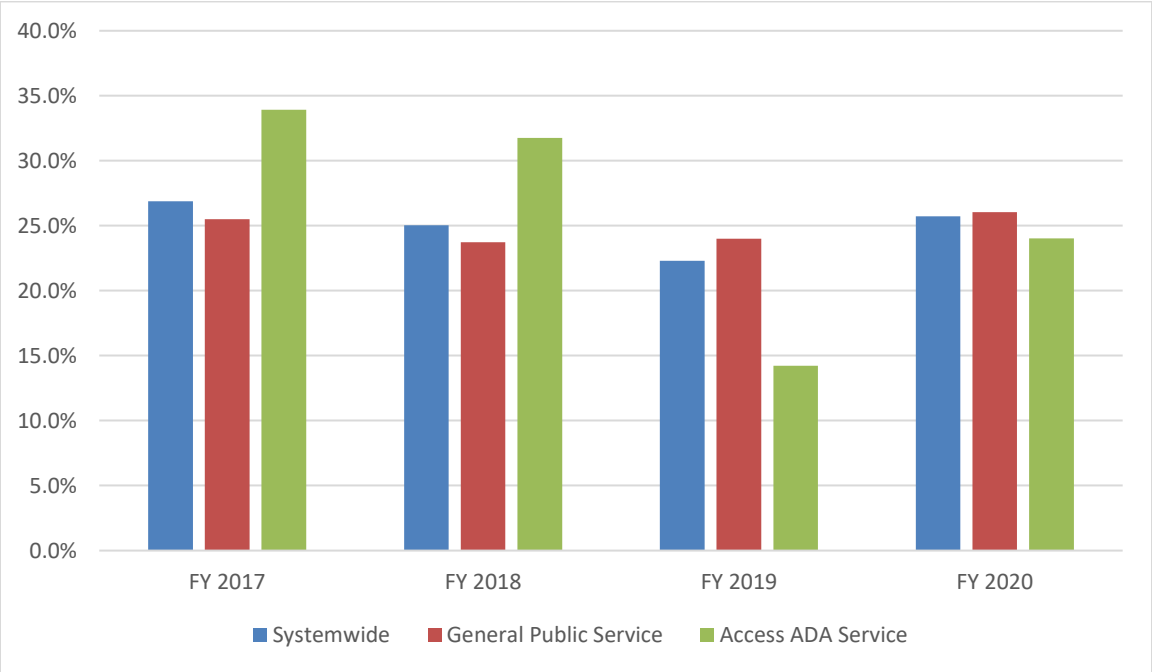
Graph IV-4
Operating Cost per Vehicle Service Hour
System-wide, General Public (Direct & Contracted), and ADA Access Service



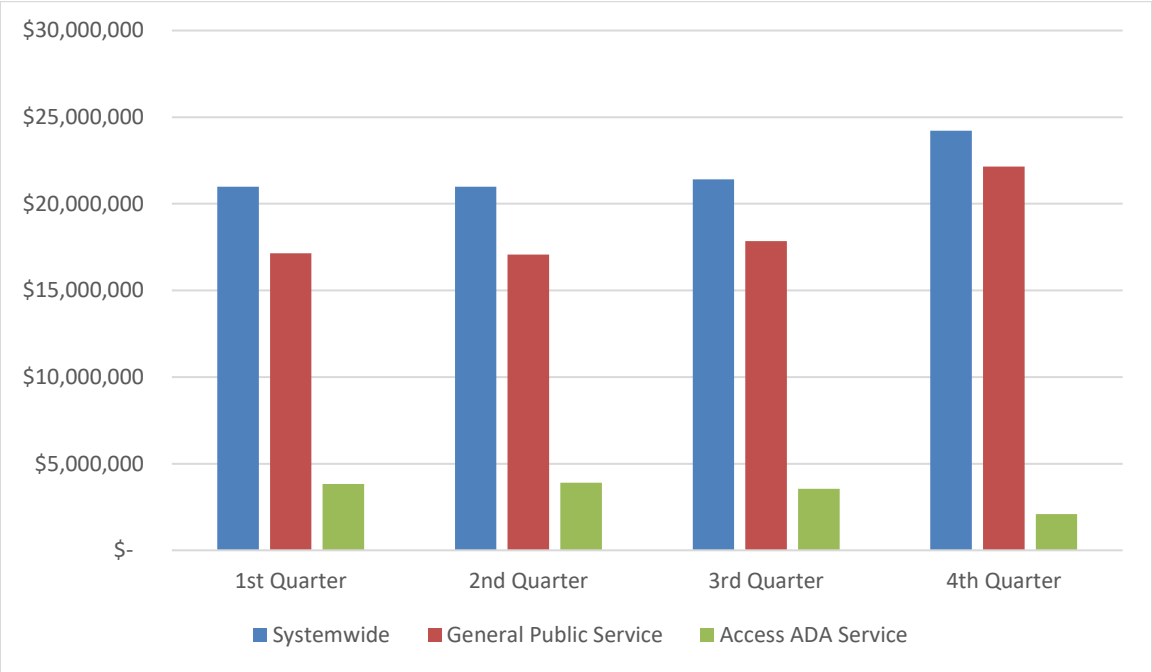
Graph IV-5
Passengers per Vehicle Service Hour
System-wide, General Public (Direct & Contracted), and ADA Access Service



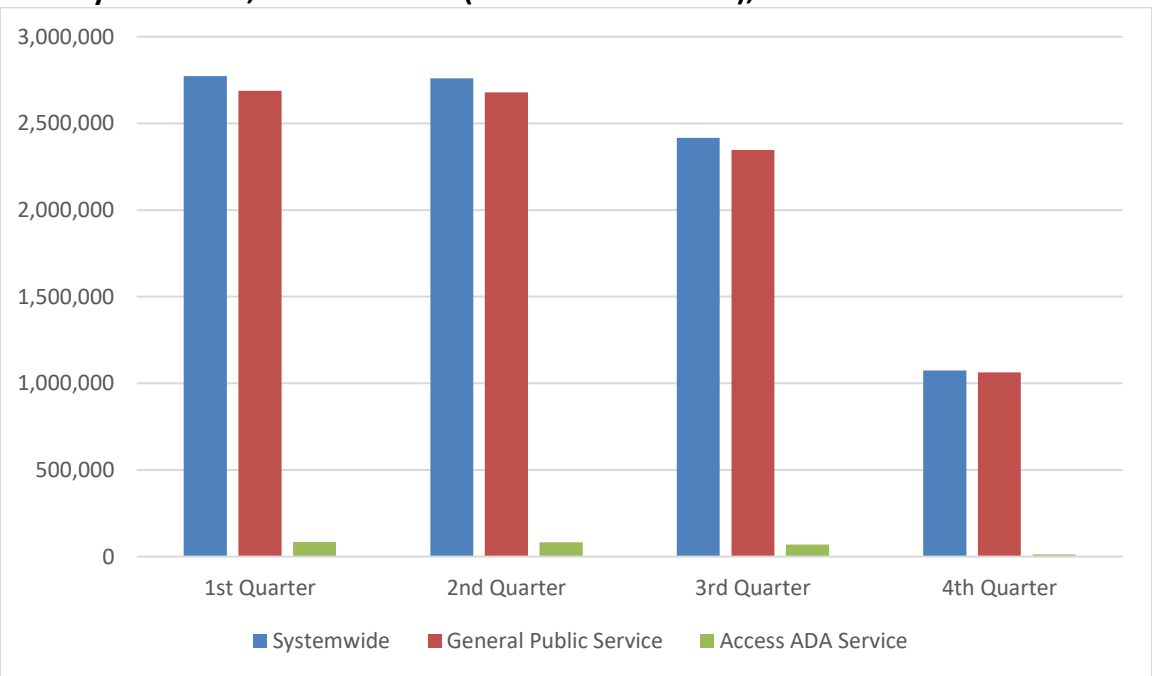
Graph IV-6
Fare Recovery Ratio
System-wide, General Public (Direct & Contracted), and ADA Access Service



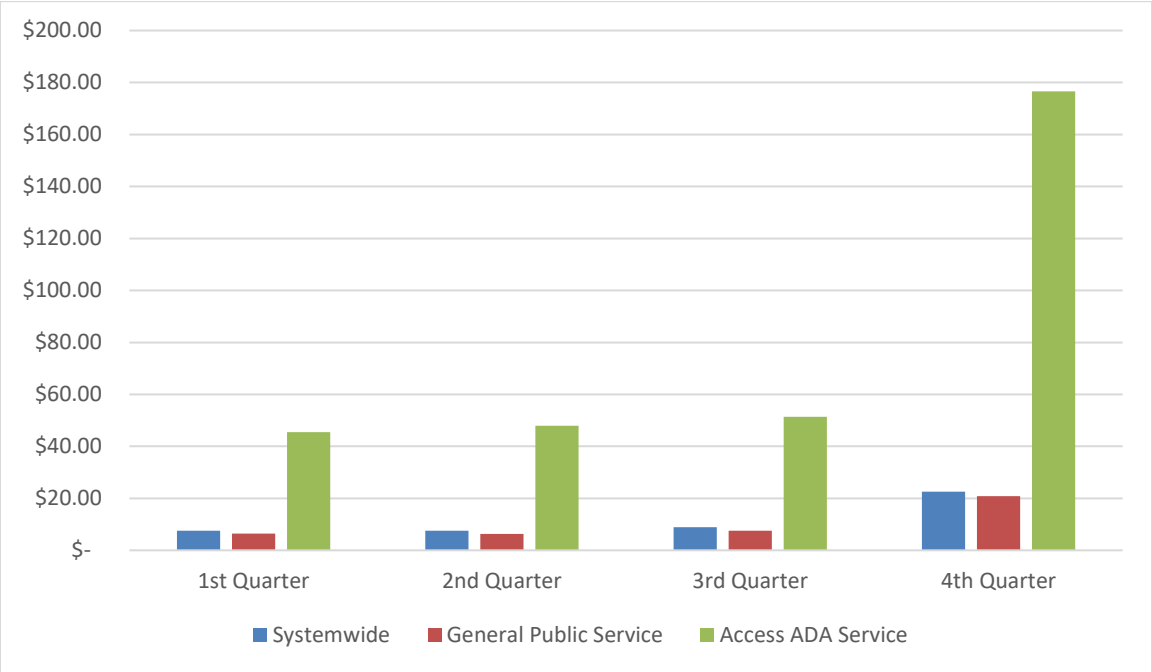
Graph IV-7
Operating Costs by Quarter – FY 2019-20
System-wide, General Public (Direct & Contracted), and ADA Access Service



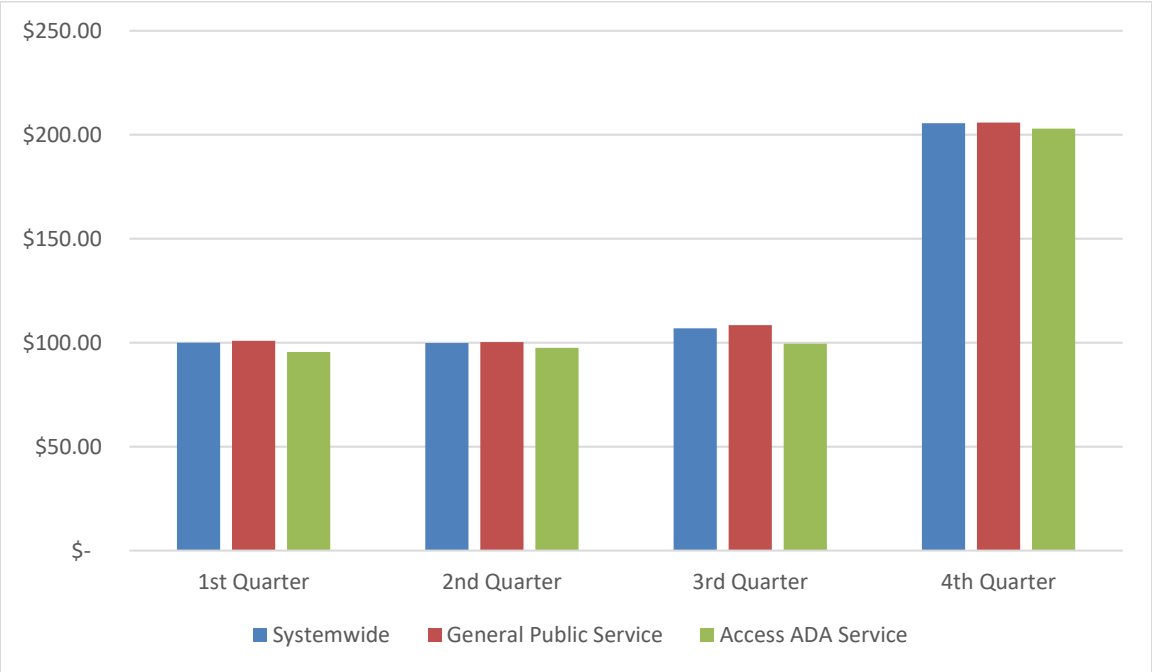
Graph IV-8
Ridership by Quarter – FY 2019-20
System-wide, General Public (Direct & Contracted), and ADA Access Service



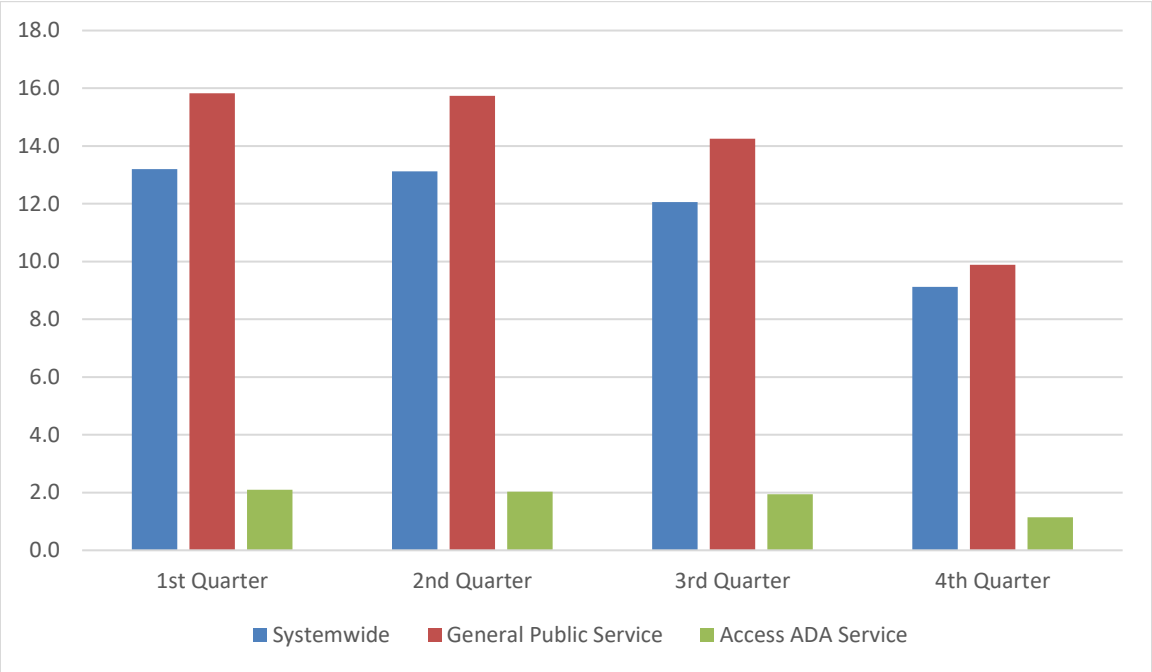
Graph IV-9
Operating Cost per Passenger by Quarter – FY 2019-20
System-wide, General Public (Direct & Contracted), and ADA Access Service



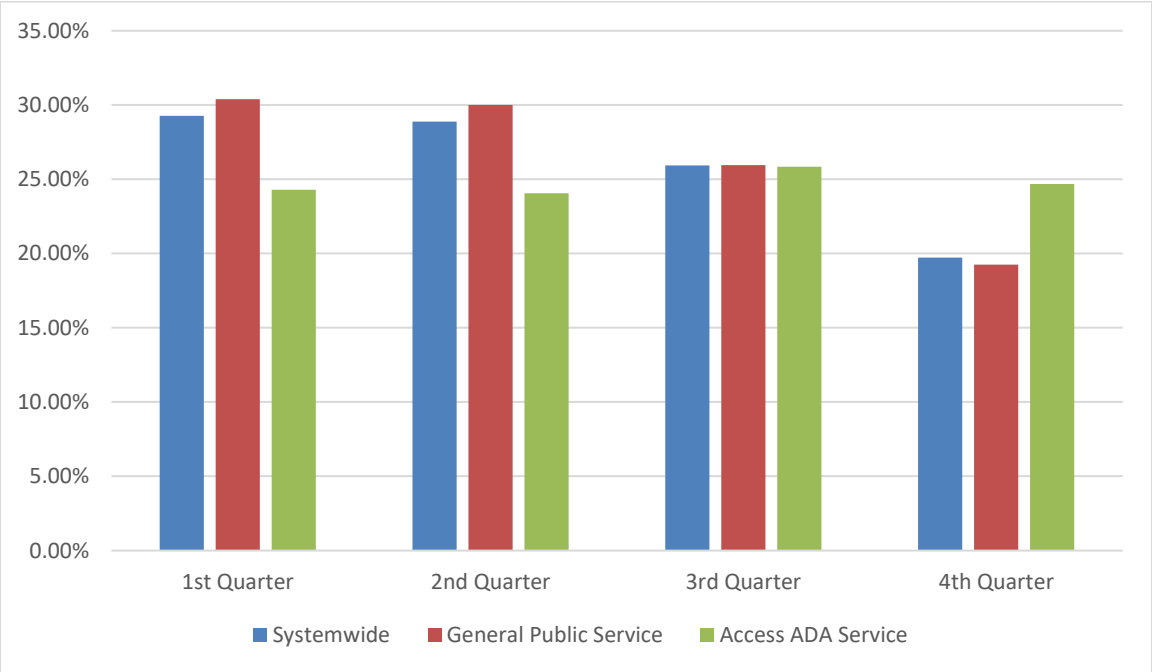
Graph IV-10
Operating Cost per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, General Public (Direct & Contracted), and ADA Access Service



Graph IV-11
Passengers per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, General Public (Direct & Contracted), and ADA Access Service



Graph IV-12
Fare Recovery Ratio by Quarter – FY 2019-20
System-wide, General Public (Direct & Contracted), and ADA Access Service



Findings from Verification of TDA Performance Indicators

1. Operating costs based on audited data increased system-wide 13.7 percent from $77 million in the FY 2017 base year to $87.5 million in FY 2020. General public service operating costs increased 14.8 percent from $64.3 million in the FY 2017 base year to $73.8 million in FY 2020, whereas costs on the Access ADA service increased 8.0 percent over the same period from $12.7 million in FY 2017 to $13.7 million in FY 2020. System-wide costs increased due to factors such as higher wages, salaries, and benefits, increase in cost attributed to pension increase for employees, COVID-19 pandemic response, and a new operations contract for OmniGo and Access.[4]

2. Ridership system-wide exhibited a decrease of 22.6 percent, mirrored by a comparable 21.8 percent decrease on the general public services. The Access ADA service exhibited a higher decrease of 42.9 percent. System-wide, ridership decreased from 11.6 million passengers in the FY 2017 base year to 9 million in FY 2020. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 61.2 percent. Ridership decreased 0.4 percent in the second quarter of FY 2020, followed by a 12.5 percent decrease in the third quarter, and 55.5 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect. The overall declining trend in ridership prior to the pandemic is attributed to economic factors such as lower gas prices, the issuance of more drivers' licenses, and increased automobile ownership and telecommuting.

3. The provision of vehicle service miles decreased 10.9 percent system-wide during the audit period from 11.4 million miles in the FY 2017 base year to 10.1 million miles in FY 2020. Vehicle service miles decreased 6.5 percent on the general public services and 26.2 percent on Access. Service cutbacks on the fixed-route modes resulted in decreased miles of travel in revenue service.

4. The provision of vehicle service hours decreased 11.3 percent system-wide from 832,314 hours in the FY 2017 base year to 738,492 hours in FY 2020. Vehicle service hours decreased 8 percent on the general public services and decreased 24.5 percent on the Access ADA service over the same period.

5. Operating cost per passenger, a measure of cost effectiveness, increased 46.8 percent system-wide from $6.61 in FY 2017 to $9.71 in FY 2020. For general public services, cost per passenger also increased 46.8 percent, whereas on Access ADA, cost per passenger increased 89.2 percent. The trend in this indicator is attributed to the increase in operating costs compared to the decrease in passenger trips. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $7.57 in the first quarter of FY 2020, $7.60 in the second quarter, $8.86 in

[4] OmniGo has since been replaced by OmniRide in September 2020.

the third quarter, and $22.54 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $11.64.

6. Operating cost per vehicle service hour, a measure of cost efficiency, increased 28.1 percent system-wide from $92.57 in FY 2017 to $118.60 in FY 2020. At the modal level, there was a 24.7 percent increase for general public services and a 43.0 percent increase for Access ADA services. Operating cost per vehicle service mile, another measure of cost efficiency, increased 27.6 percent system-wide from $6.76 in FY 2017 to $8.63 in FY 2020, with a 22.8 percent increase for general public services and a 46.3 percent increase for Access ADA services. Larger growth in operating costs relative to the decrease in service hours and miles leads to the trends. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $99.90 in the first quarter, $99.96 in the second quarter, $106.82 in the third quarter, and $205.62 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $128.02.

7. Passengers per vehicle service hour, a measure of service efficiency, decreased 12.7 percent system-wide from 14 passengers per hour in FY 2017 to 12.2 passengers in FY 2020, while passengers per vehicle service mile, another measure of service efficiency, decreased 13.1 percent system-wide from 1.02 passengers in FY 2017 to 0.89 passengers in FY 2020. For general public services, passengers per hour decreased 15 percent and passengers per mile decreased 16.3 percent. For Access ADA service, passengers per hour decreased 24.4 percent, whereas passengers per mile decreased 22.7 percent. During FY 2020, passengers per hour were 13.2 in the first quarter, 13.1 in the second quarter, 12.1 in the third quarter, and 9.1 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 11.9 passengers.

8. Vehicle service hours per full-time equivalent (FTE) employee, which measures labor productivity, decreased 0.8 percent system-wide from the FY 2017 base year through FY 2020. The trend is the product of revenue hours decreasing at a higher rate than that for the number of employee FTEs. The number of employee FTEs decreased from 806 in the FY 2017 base year to 721 in FY 2020. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee.

9. The farebox recovery ratio for general public services increased 2.1 percent from 25.50 percent in the FY 2017 base year to 26.04 percent in FY 2020, while the fare recovery ratio for Access decreased from 33.91 percent in FY 2017 to 24.03 percent in FY 2020. The TDA minimum requirement is 20.0 percent for general public service and 10.0 percent for Access service. Omnitrans met the minimum requirements in each fiscal year during the audit period. Along with Medi-Cal revenue received from an agreement with the County of Riverside Department of Public Health for transportation services for Medi-Cal patients, Omnitrans includes Measure I sales tax as a fare revenue supplement for general public

service and Access in the farebox ratio. Omnitrans implemented a system-wide fare adjustment effective September 3, 2019, including an increase in the base fare from $1.75 to $2.00.

During FY 2020, system-wide farebox recovery was 29.27 percent in the first quarter, 28.89 percent in the second quarter, and 25.94 percent in the third quarter, but decreased to 19.73 percent in the fourth quarter. Farebox collection was suspended in response to the March 19, 2020, shelter-in-place order and did not resume until June 1, 2020.

Section V

Review of Operator Functions

This section reviews various functions within Omnitrans. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed at Omnitrans's headquarters in San Bernardino:

- Operations
- Maintenance
- Administration and Management
- Marketing and Strategic Development (Planning)
- Human Resources and Safety & Security
- Finance
- Procurement
- Information Technology

Operations

Audit Period Highlights

Several notable events occurred at Omnitrans during the audit period, including the following:

- Omnitrans began direct service to Ontario International Airport at the beginning of the audit period in September 2017. Schedules on Route 61 initially had 60-minute headways, which were shortened to 15 minutes with airport service. The Ontario Airport service is seen as a precursor to the West Valley Connector Bus Rapid Transit (BRT) project.

- Omnitrans implemented the first fare increase in five years on September 3, 2019. The single bus trip fare increased from $1.75 to $2.00 while the 1-day pass rate rose from $5.00 to $6.00. Fares also increased on the Omnitrans Access ADA service.

- Operations management rightsized the alignment of coach operators to the active vehicle fleet to improve the ratio of buses to full time equivalent personnel while factoring long term leave and extraboard. A data driven process is employed to better track absences.

- The ConnectForward Annual Service Plan was adopted for FY 2021 and the current OmniConnects Short-Range Transit Plan was extended through the end of FY 2021. In spite of an overall 11 percent service reduction, the ConnectForward Plan, adopted in September 2020, improved connections to two Metrolink stations and added a new cross-

county connection with the Riverside Transit Agency near the San Bernardino/Riverside County line.

- During the audit period, a Consolidation Study was undertaken to look at possible efficiencies and cost savings that could result from a consolidation of SBCTA and Omnitrans. The Consolidation Study revealed minimal financial savings and major organizational and legal risks, and therefore the decision was made to not consolidate the two agencies.

- In response to the COVID-19 shelter in place order and pursuant to Centers for Disease Control and Prevention protocols, Omnitrans implemented its Emergency Service Deployment Plan on March 23, 2020, at a Level 3, which effectively halved frequency on routes that were operating at 30-minute headways or better. Omnitrans was one of the first transit agencies to design driver-protective barriers. Hand sanitizer dispensers and mask requirements were implemented on the vehicles.

The adopted Omnitrans vision and mission statements set the strategic direction and framework for policy and service planning for the agency.

<u>Vision Statement</u>

Omnitrans' vision for Transit in the San Bernardino Valley is a values and customer-based vision where:

- *The San Bernardino Valley's multimodal transit system supports the local economy;*
- *Omnitrans' service is reliable, not just in the narrow sense of on-time performance, but in a broader manner: Omnitrans' service is worthy of the customer's trust;*
- *Customers have a high-quality experience using Omnitrans; and*
- *Omnitrans maximizes value to the community with every transit dollar available.*

<u>Mission Statement</u>

Omnitrans' mission is to provide the San Bernardino Valley with comprehensive public mass transportation services which maximize customer use, comfort, safety, and satisfaction, while efficiently using financial and other resources in an environmentally sensitive manner.

In carrying out the vision and mission of Omnitrans, the Operations Department is responsible for delivering transit service for all of the agency's fixed-route and demand-response operations, provided directly and via private contractors. It is also focused on safety and customer service through ongoing training. The department comprises coach operators, dispatchers, supervisors, and managers who provide the daily interface between Omnitrans and the riding public. Operations works to maintain scheduled service, manage its contracted services, adhere to regulatory requirements, and improve labor relations. The Operations Department is headed by the director of Operations, who has been with Omnitrans since 2018.

Customer service is one of the key performance indicator (KPI) metrics monitored by the Operations Department. The department's monthly KPI report tracks other metrics including accidents, on-time performance, uncontrolled absences, complaints, compliments, and preventable accidents. This report is used to help identify concerns and make progress toward strengthening performance. All KPI metrics have improved despite COVID-19 pandemic impacts.

Coach operators are trained on customer de-escalation skills and how to handle fare evasion. Directors and supervisors ride the routes weekly to gauge customer service and receive feedback from riders. Their findings are reported at the senior leadership meeting. Field supervisors are assigned to the San Bernardino Transit Center. The field supervisors are equipped with body cameras, as are the service vans.

Omnitrans upgraded its fleet and passenger amenities during the audit period. Newer buses have a secondary standee line, which has resulted in fewer driver distractions. In addition, USB ports have been installed on most buses, and the Express and sbX routes have active Wi-Fi. Bike racks on the sbX vehicles were modified with a securement arm. Another safety feature has been the installation of rear-facing wheelchair securement systems known as "Q-Pods." Wheelchair passengers can independently back into the wheelchair area of the bus. The Q-Pod is composed of a three-point tie-down system that eliminates the potential for the wheelchair to tip over. Other benefits include reduced risks of injury for the coach operators by not having to maneuver the wheelchair and secure it, as well as reduced dwell times for the bus. Vehicles have also been equipped with audible turn signals.

Audiovisual systems on the vehicles were upgraded. The 40-foot New Flyer vehicles are equipped with eight cameras, and the 60-foot articulated vehicles used on the sbX route are equipped with 12 cameras. The cameras are infrared; the front-view camera is high definition quality. The audiovisual system can store up to two terabytes of data.

Ridership on the sbX continued to increase pre-pandemic, aided by focused marketing efforts and the opening of the San Bernardino Transit Center. Omnitrans increased the span of service on the sbX Green Line, which has 16 platform stops, and each station along the route is equipped with a public-address system and security cameras. Blue emergency phone boxes are also available.

Coach operators assigned to the sbX route complete special training, which is one week longer than the regular training protocol. In addition, sbX operators are paid a differential but must meet stricter performance criteria.

In September 2019, freeway express Route 208 between Redlands and Yucaipa along Interstate 10 was discontinued due to low ridership. In lieu of Route 208, Omnitrans promoted two local bus routes connecting the two cities, Routes 8 and 19. The implementation of Route 12 provided a direct connection between Fontana and Rialto to California State University, San Bernardino (CSUSB). It replaced and duplicated portions of current Route 11. Route 12 also serves major employment centers including Amazon warehouses and the Renaissance Marketplace in Rialto.

Route 22 was also realigned to serve the Renaissance Marketplace. Underutilized early morning and late evening trips were also discontinued on Routes 1, 3, 4, 5, 7, 14, 15, 66 and 85.

In terms of new programs, the agency is analyzing a free fare pilot for kindergarten through twelfth grade school students, which is similar to the GoSmart college program in partnership with local community colleges and CSUSB. The GoSmart pass allows for free rides on the Omnitrans fixed-route system.

In September 2020, the agency implemented a microtransit pilot service in Chino Hills called OmniRide. OmniRide replaces the OmniGo Route 365, which was eliminated as a part of Omnitrans's 11 percent service reduction. OmniRide utilizes smaller Ford Transit vehicles that are requested by riders through a free OmniRide On-Demand mobile app. The vehicle arrives within 15 minutes for pickup and proceeds to another virtual stop, which will be another location close to the requested drop-off point, like Uber or Lyft service. Through the Coordinated Transportation Services Agency, Omnitrans has issued a call-for-projects for transportation network companies to operate on-demand service for seniors and persons with disabilities in six cities.

Omnitrans utilizes Trapeze dispatching software, which was upgraded during the audit period. The upgrade will allow for the creation of reports to track route delays as well as reducing overtime. TransitMaster is the ITS component of the software that is connected to the automated vehicle locator (AVL)/GPS platform used to track vehicle locations in real time. Omnitrans rotates Automated Passenger Counters (APCs) through its vehicle fleet to validate ridership counts from farebox data.

AVL is used to measure on-time performance. On-time performance for fixed route was relatively stable for the three-year period, averaging about 87 percent system-wide in FYs 2017-18 and FY 2018-19, and 83 percent in FY 2019-20 based on TransTrack data.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, Omnitrans implemented its Emergency Service Deployment Plan on March 23 at a Level 3, which effectively halved frequency on routes that were operating at 30-minute headways or better. On April 13, the contingency was adjusted with some additional service reductions on contracted routes, freeway express routes and routes that had a high volume of college student ridership. The combined result of these two service adjustments meant that Omnitrans was operating approximately 45 percent less service than pre-pandemic levels. This service level continued through the end of FY 2020.

Omnitrans was one of the first transit agencies to design driver-protective barriers. Hand sanitizer dispensers and mask requirements were implemented on the vehicles. In another measure, the

agency stopped fare collection up until June 1, 2020 to minimize common touch points and close interaction between riders and drivers.

Prior to the pandemic, Omnitrans had plans to reduce service to take effect in September 2020, only to implement the proposed service changes earlier in reaction to the pandemic. Personnel layoffs were implemented under reverse seniority with 150 operators placed on the recall list. Operations management indicated many of those layoffs were good employees.

Mechanics were eventually called back to work. The Omnitrans Board of Directors approved 80 hours of emergency leave in addition to the Families First Coronavirus Response Act (FFCRA) leave. The FFCRA requires certain employers to provide employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19.

Operations Performance

Tables V-1 through V-3 provide several indicators of operations performance for Omnitrans's directly operated fixed-route service, contracted fixed-route service, and contracted demand-response service.

Table V-1
Vehicle Operations Performance Indicators
Directly Operated Fixed Route

Operations Data	Base Year FY 2017	Audit Review Period			% Change FY 2017-FY 2020
		FY 2018	FY 2019	FY 2020	
Cost for Operations	$36,312,209	$34,309,965	$37,173,511	$29,097,371	-19.9%
Operator Salaries and Wages	$17,812,206	$19,122,319	$19,505,218	$16,768,785	-5.9%
Operator Pay Hours	835,437	838,604	919,738	1,117,889	33.8%
Vehicle Service Hours (VSH)	638,620	645,792	650,807	581,289	-9.0%
Vehicle Service Miles (VSM)	8,466,582	8,632,182	8,762,018	7,835,720	-7.5%
Total Vehicle Hours	667,802	675,557	681,439	607,440	-9.0%
Total Vehicle Miles	9,134,439	9,343,737	9,495,590	8,469,985	-7.3%
Unlinked Passenger Trips	11,106,029	10,731,052	10,389,437	8,684,914	-21.8%
Passenger Miles	57,056,423	56,569,834	53,044,233	43,401,091	-23.9%
Preventable Accidents	0	0	0	0	0.0%
Non-Preventable Accidents	13	41	236	97	646.2%
Performance Indicators					
Veh Ops Cost per VSH	$56.86	$53.13	$57.12	$50.06	-12.0%
Veh Ops Cost per VSM	$4.29	$3.97	$4.24	$3.71	-13.4%
Veh Ops Cost per Passenger Trip	$3.27	$3.20	$3.58	$3.35	2.5%
Veh Ops Cost per Passenger Mile	$0.64	$0.61	$0.70	$0.67	5.3%
Average Wage per Operator Pay Hour	$21.32	$22.80	$21.21	$15.00	-29.6%
VSH per Operator Pay Hour	0.76	0.77	0.71	0.52	-32.0%
VSM per Operator Pay Hour	10.13	10.29	9.53	7.01	-30.8%

Operations Data	Base Year FY 2017	Audit Review Period			% Change FY 2017-FY 2020
		FY 2018	FY 2019	FY 2020	
Service Miles per Service Hour	13.26	13.37	13.46	13.48	1.7%
Service Hours / Total Hours	95.6%	95.6%	95.5%	95.7%	0.1%
Service Miles / Total Miles	92.7%	92.4%	92.3%	92.5%	-0.2%
Avg Psgr Miles per Psgr Trip	5.14	5.27	5.11	5.00	-2.7%
Passengers per Revenue Vehicle Hour	17.39	16.62	15.96	14.94	-14.1%
Prev Accidents per Million VSM	0.00	0.00	0.00	0.00	0.0%
Non-Prev Accidents per Million VSM	1.54	4.75	26.93	12.38	706.2%
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Sources: NTD Reports

Table V-2
Vehicle Operations Performance Indicators
Contracted Fixed Route

Operations Data	Base Year FY 2017	Audit Review Period			% Change FY 2017–2020
		FY 2018	FY 2019	FY 2020	
Cost for Operations	$659,985	$692,911	$1,102,249	$1,330,835	101.6%
Vehicle Service Hours (VSH)	26,724	26,935	25,238	31,100	16.4%
Vehicle Service Miles (VSM)	366,706	352,398	348,657	423,307	15.4%
Total Vehicle Hours	28,859	29,268	27,565	33,568	16.3%
Total Vehicle Miles	433,983	425,217	421,283	501,233	15.5%
Unlinked Passenger Trips	114,224	101,107	113,969	92,725	-18.8%
Passenger Miles	356,646	340,264	400,868	294,293	-17.5%
Performance Indicators					
Veh Ops Cost per VSH	$24.70	$25.73	$43.67	$42.79	73.3%
Veh Ops Cost per VSM	$1.80	$1.97	$3.16	$3.14	74.7%
Veh Ops Cost per Passenger Trip	$1.85	$2.04	$2.75	$4.52	144.4%
Veh Ops Cost per Passenger Mile	$1.85	$2.04	$2.75	$4.52	144.4%
Service Miles Per Service Hour	13.72	13.08	13.81	13.61	-0.8%
Service Hours/Total Hours	92.6%	92.0%	91.6%	92.6%	0.0%
Service Miles/Total Miles	84.5%	82.9%	82.8%	84.5%	-0.1%
Avg Psgr Miles per Psgr Trip	3.12	3.37	3.52	3.17	1.6%
Passengers per Revenue Vehicle Hour	4.27	3.75	4.52	2.98	-30.2%
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Sources: NTD Reports

Table V-3
Vehicle Operations Performance Indicators
Demand Response

Operations Data	Base Year FY 2017	Audit Review Period			% Change FY 2017–2020
		FY 2018	FY 2019	FY 2020	
Cost for Operations	$5,820,860	$6,630,673	$8,971,631	$7,550,046	29.7%
Vehicle Service Hours (VSH)	166,970	157,556	156,907	126,103	-24.5%
Vehicle Service Miles (VSM)	2,556,039	2,430,867	2,314,421	1,887,146	-26.2%
Unlinked Passenger Trips	432,343	378,087	360,124	246,811	-42.9%
Passenger Miles	6,055,292	5,521,135	4,775,763	3,106,288	-48.7%
Performance Indicators					
Veh Ops Cost per VSH	$34.86	$42.08	$57.18	$59.87	71.7%
Veh Ops Cost per VSM	$2.28	$2.73	$3.88	$4.00	75.7%
Veh Ops Cost per Psgr Trip	$13.46	$17.54	$24.91	$30.59	127.2%
Veh Ops Cost per Psgr Mile	$0.96	$1.20	$1.88	$2.43	152.8%
Service Miles Per Service Hour	15.31	15.43	14.75	14.97	-2.2%
Passengers per Revenue Vehicle Hour	2.59	2.40	2.30	1.96	-24.4%
Passenger Miles per Passenger Trip	14.01	14.60	13.26	12.59	-10.1%
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Sources: NTD Reports

Findings and Trends from Vehicle Operations Performance Indicators

Vehicle operations cost indicators for directly operated fixed-route service exhibited decreases or modest increases due to service modifications implemented during the audit period. Operations cost per vehicle service hour decreased 12 percent, and cost per vehicle service mile decreased 13.4 percent, whereas cost per passenger trip increased 2.5 percent, and cost per passenger mile increased 5.3 percent.

Directly operated fixed-route vehicle service hours per operator pay hour and vehicle service miles per operator pay hour, both functions of operator productivity, decreased 32 percent and 30.8 percent, respectively, during the audit period. Service hours per total hour increased 0.1 percent and service miles per total mile decreased 0.2 percent.

Service miles provided per service hour, a reflection of average vehicle speed, increased 1.7 percent and were 13.26 miles in FY 2017, 13.37 miles in FY 2018, 13.46 miles in FY 2019, and 13.48 miles in FY 2020. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased 2.7 percent from 5.14 miles in FY 2017 to 5.00 miles in FY 2020.

With respect to Access demand-response service, vehicle operations cost per vehicle service hour increased 71.7 percent, vehicle operations cost per vehicle service mile increased 75.7 percent,

vehicle operations cost per passenger trip increased 127.2 percent, and operations cost per passenger mile increased 152.8 percent. Service hours per total hour decreased 2.2 percent.

Review of Methodology for Collection and Reporting Operations Data

Data collection and reporting of operations data, including hours and miles of service, are performed by several departments within Omnitrans. Hours and miles are computed by taking the scheduled hours and miles and determining variances in hours and miles due to road calls and other factors. Initially hours and miles are estimated by the Strategic Development Department. The Operations Department measures schedule variances and produces an exception report from dispatch logs. The Strategic Development Department, which prepares the final estimated actual hours and miles, adjusts the scheduled units by the number of hours and miles missed according to the exception reports.

Omnitrans's primary source of ridership and fare revenue data is the GFI fareboxes, which show passengers by fare type. Ridership counts from the APCs are used to validate the farebox data.

The Maintenance Department probes the buses daily, which get audited randomly. Fareboxes are loaded into a secure vault, where they are later retrieved for processing. GFI reports are reconciled along with the bank statements by Finance. Adjustments are made when there are obvious errors in the farebox reports. Finance reconciles the actual and expected revenues. The ridership number goes into the monthly ridership report produced by Finance.

Operations statistics for the demand-responsive services are provided by the service contractor. Omnitrans retains summary data in its database. The Operations Supervisor, responsible for overseeing Access contractor services, conducts monthly contract compliance reviews where driver training records, maintenance records, and trip sheet data are reviewed.

Maintenance

The Maintenance Department maintains the fixed-route fleet. Omnitrans hired a new director of Maintenance in March 2018 in the wake of the passing of the prior director in October 2017. The new director brings 25 years of experience in the public transit maintenance field gained while working at the Orange County Transportation Authority. The prior director had been in the position since 2007, having advanced through the department after starting with Omnitrans in 1985.

The audit period saw new proactive organizational culture instilled that fostered more autonomy, accountability and collaboration. An emphasis was placed on aesthetics that gave more attention to vehicle appearance, paint schemes and rehabilitation. Mechanics are tasked with cleaning up the work bays after each use. Maintenance employees have been receptive to the changes. There have been low turnover and high retention rates in the department.

Omnitrans offers incentives to obtain Automotive Service Excellence (ASE) certifications. There are seven ASE certifications that mechanics can attain. There is a $250 incentive bonus paid twice

annually and awarded during the All Hands meetings. Mechanic helpers are able to work on any type of job under the supervision of a technical trainer. During the COVID-19 pandemic, maintenance employees underwent one week of personal protective equipment training and one week of high-voltage training for the upcoming implementation of zero-emission vehicles. Training for zero-emission vehicles includes the electric chargers installed on the yard. Omnitrans mechanics are represented by the Teamsters.

For directly operated services, there are two maintenance facilities located in San Bernardino and Montclair. Renovations to the state-of-the-art San Bernardino maintenance facility were completed in 2015 to accommodate the sbX Bus Rapid Transit service. The facility is equipped with 25 service bays, three fueling bays, and three wash bays. In addition, there are two service bays for general use vehicles. Approximately 80 to 90 percent of the water used in the bus wash is reclaimed. The water is captured by ground filters and is then machine-processed to remove sand and other large particles. The facility can accommodate the 60-foot articulated buses used on sbX Bus Rapid Transit service.

The San Bernardino maintenance facility is operational for 24 hours a day and the Montclair facility is operational for 20 hours a day. For contractor-operated services, such as OmniAccess, maintenance is conducted at the I Street facility in San Bernardino. Contract maintenance is overseen by Omnitrans's maintenance. The maintenance tasks that are outsourced include tire repair, major accident body repairs, engine repowering, painting, and decal placement.

Information on the status of the mechanical equipment and fluid levels of each bus is automatically recorded by the Fleetwatch system. The Maintenance Department tracks this data for future procurements. In order to operate the fuel and fluid dispensers, authorized employees must first scan their badge. Fluids are topped off using dispensers that measure the amount of product used. A machine monitors the fluid levels and alerts employees when fluids need to be replenished.

The current Preventive Maintenance Vehicle Inspections (PMVIs) are due every 10,000 miles with critical item inspections performed every two weeks. The inspections are conducted within a variance of 500 miles from the target 10,000 mileage and are different for each 10,000 interval. For demand-response vehicles, the PMVI interval is every 5,000 miles. Omnitrans upgraded its system used to track and schedule PMVIs from Ellipse to SAP Enterprise Software, which automated PMVI tracking and enhanced productivity. The department utilizes SAP's Plant Maintenance module. Mechanical concerns have involved electrical and engine issues surrounding the control modules.

During the audit period, Omnitrans raised the miles between road calls standard to 8,000 miles, which the agency met on average. Table V-4 shows the data as well as vehicle inspections conducted.

Table V-4
Miles per Road Calls & Completed Inspections

	FY 2017-18	FY 2018-19	FY 2019-20	3-Year Average
Miles per Valid Road Call	10,191	7,047	8,174	8,065
Inspections Completed On-time	100%	100%	100%	100%

Source: Omnitrans

The Maintenance Department prepares a monthly maintenance standards and performance indicators report that tracks indicators including attendance, overtime, maintenance expenses, cost per mile, road calls, miles per road call, average miles per gallon, parts inventory value, daily average of buses down for parts, warranty claims, and warranty recovery. The report is prepared separately for the East Valley and West Valley facilities and is also combined for the total department.

Parts inventories are closely accounted for and monitored through a robust cycle count program, eliminating the need for a full warehouse closure. Management of the parts inventory is the responsibility of the Procurement Department. Parts are classified based on usage or cycles and counted accordingly. The faster the inventory turns, the more frequently they are counted. Instead of counting parts annually, parts are counted quarterly, semi-annually, and annually based on the potential risk to the agency. Overall, there is some level of cycle counting conducted daily. The regularity of cycle counts is to be acknowledged as a thorough method to track parts inventory. Further, Omnitrans has a leased tires agreement with Bridgestone. Technology solutions such as bar coding also provide similar assurances of parts tracking but in a highly digital environment. Maintenance management is aware of the benefits of a bar code system for parts inventory and will continue evaluating its merits against cost for agency efficiency.

Maintenance Performance

Tables V-5 and V-6 show the trends in maintenance performance for directly operated fixed-route and contracted demand-response service over the audit period.

Table V-5
Maintenance Performance Indicators
Directly Operated Fixed Route

Maintenance Data	Base Year FY 2017	Audit Review Period			% Change FY 2017–2020
		FY 2018	FY 2019	FY 2020	
Cost for Maintenance	$15,178,668	$15,154,206	$16,725,557	$16,267,307	7.2%
Maintenance Pay Hours	202,435	199,479	221,943	346,402	71.1%
Total Vehicle Hours	667,802	675,557	681,439	607,440	-9.0%
Total Vehicle Miles	9,134,439	9,343,737	9,495,590	8,469,985	-7.3%
Active Vehicles	126	147	147	174	38.1%

Maintenance Data	Base Year FY 2017	Audit Review Period			% Change FY 2017–2020
		FY 2018	FY 2019	FY 2020	
Peak Vehicles	147	147	299	152	3.4%
Total Vehicle Failures	931	982	1,306	1,320	41.8%
Performance Indicators					
Maintenance Cost per Veh Hour	$22.73	$22.43	$24.54	$26.78	17.8%
Maintenance Cost per Veh Mile	$1.66	$1.62	$1.76	$1.92	15.6%
Maintenance Cost per Active Veh	$120,466	$103,090	$113,779	$93,490	-22.4%
Veh Hours per Maint Pay Hour	3.30	3.39	3.07	1.75	-46.8%
Veh Miles per Maint Pay Hour	45.12	46.84	42.78	24.45	-45.8%
Veh Hours per Active Vehicle	5,300	4,596	4,636	3,491	-34.1%
Veh Miles per Active Vehicle	72,496	63,563	64,596	48,678	-32.9%
Spare Ratio	-14.3%	0.0%	-50.8%	14.5%	-201.3%
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Table V-6
Maintenance Performance Indicators
Demand Response

Maintenance Data	Base Year FY 2017	Audit Review Period			% Change FY 2017–2020
		FY 2018	FY 2019	FY2020	
Cost for Maintenance	$2,258,173	$2,238,601	$1,678,620	$1,222,787	-45.9%
Total Vehicle Hours	200,109	192,698	188,995	151,731	-24.2%
Total Vehicle Miles	3,173,879	3,035,587	2,901,022	2,348,701	-26.0%
Active Vehicles	95	100	100	77	-18.9%
Peak Vehicles	96	96	90	96	0.0%
Performance Indicators					
Maintenance Cost per Veh Hour	$11.28	$11.62	$8.88	$8.06	-28.6%
Maintenance Cost per Veh Mile	$0.71	$0.74	$0.58	$0.52	-26.8%
Maintenance Cost per Active Veh	$23,770.24	$22,386.01	$16,786.20	$15,880.35	-33.2%
Veh Hours per Active Vehicle	2,106	1,927	1,890	1,971	-6.5%
Veh Miles per Active Vehicle	33,409	30,356	29,010	30,503	-8.7%
Miles Between Road Calls	20,220	15,472	15,898	22,809	12.8%
Spare Ratio	-1.0%	4.2%	11.1%	-19.8%	-1800.0%
Percentage Change Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Sources: NTD Report

Findings and Trends from Performance Indicators

Maintenance costs for fixed route directly operated service increased 7.2 percent from the FY 2017 base year to FY 2020. Maintenance cost per vehicle hour and per vehicle mile vehicle increased

17.8 percent and 15.6 percent, respectively. Maintenance cost per active vehicle decreased 22.4 percent.

Directly operated fixed-route vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, both functions of maintenance productivity, decreased 46.8 percent and 45.8 percent respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased 34.1 percent and 32.9 percent, respectively. The declines mainly occurred in FY 2020, which could be the result of changes in both service and personnel schedules during the pandemic.

Total directly operated fixed-route vehicle failures increased 41.8 percent from 931 in FY 2017 to 1,320 in FY 2020, as reported in the National Transit Database (NTD). The vehicle spare ratio was 14.5 percent at the end of the audit period for fixed route.

For demand-response ADA service, maintenance costs decreased 45.9 percent from the FY 2017 base year to FY 2020. Maintenance costs per vehicle hour, per vehicle mile, and per active vehicle decreased 28.6 percent, 26.8 percent, and 33.2 percent respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased 6.5 percent and 8.7 percent, respectively. The vehicle spare ratio decreased 20 percent at the end of the audit period.

Administration and Management

Omnitrans is overseen by a 19-member Board of Directors composed of elected representatives from each of its member jurisdictions and four members of the San Bernardino County Board of Supervisors, who represent their respective county districts. While each city can have one alternate board member designated by the city council, the County representatives have no alternates.

The Board is tasked with oversight and policy development and meets the first Wednesday of the month at 8:00 a.m. at Omnitrans's headquarters located at 1700 West Fifth Street in San Bernardino. Several board committees and internal staff committees representing each department provide review and feedback on system planning and implementation. These committees include the Executive Committee, Administrative and Finance Committee, Operations and Safety Committee, and Plans and Programs Committee. The Service Planning Committee reviews route performance indicators.

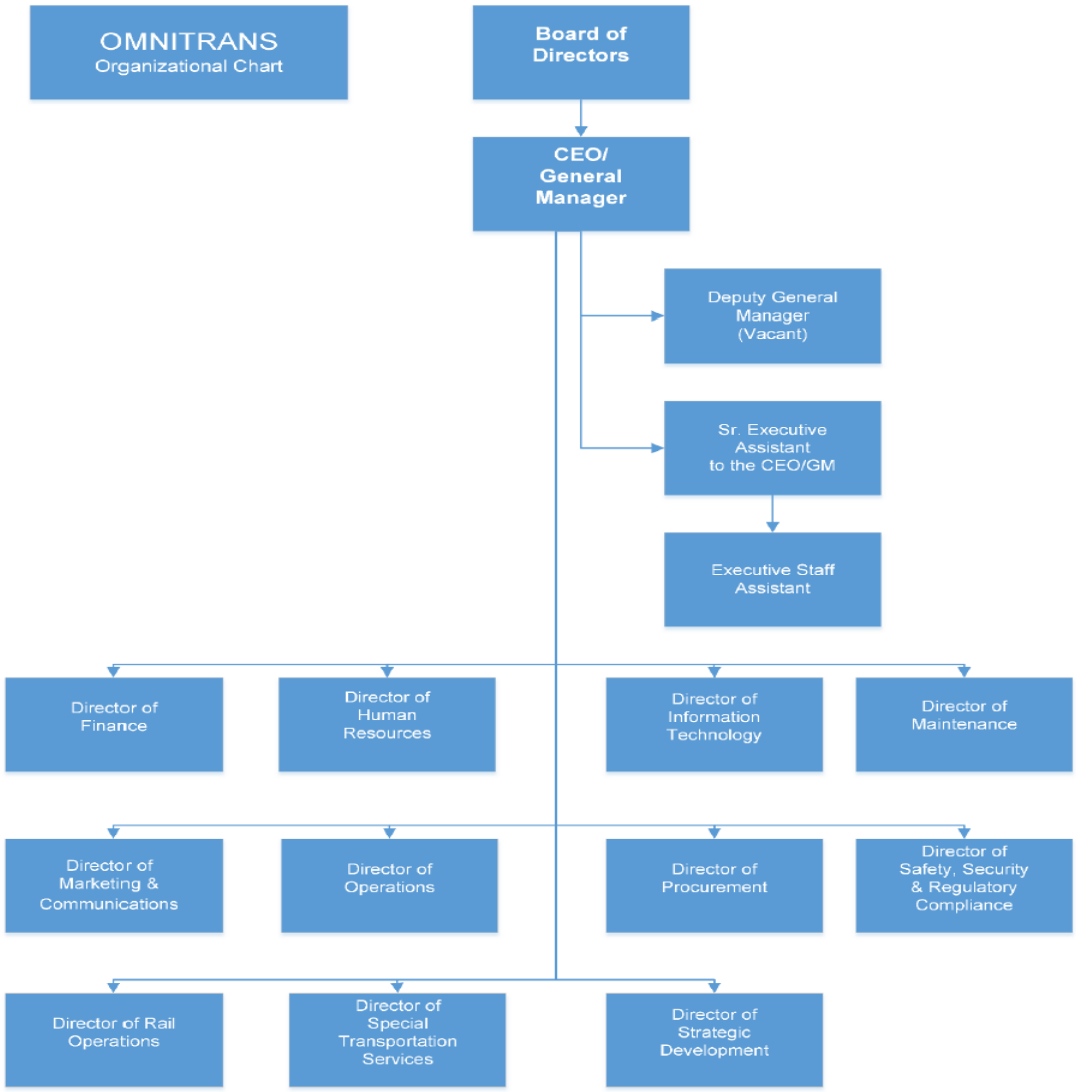
Omnitrans administration is guided by a senior leadership team headed by the CEO/general manager and several department directors. The Omnitrans CEO/general manager reports directly to the Board and is the designated Secretary to the Board. During the audit period, the CEO/general manager, who had served in this position since June 2013, retired from the agency in November 2019. The deputy general manager was appointed as interim CEO/general manager and became the permanent CEO/general manager in July 2020. The deputy general manager position remained vacant.

Other members of the senior leadership team are the directors of Finance, Human Resources, Safety, Security and Regulatory Compliance, Information Technology, Maintenance, Marketing &

Communications, Operations, Procurement, Rail Operations, Special Transportation Services, and Strategic Development. At the end of the audit period, Omnitrans had a staff of 529 employees. During the audit period, Omnitrans implemented streamlining of its administrative staff and increased salary ranges 3 percent.

Figure V-1 shows the Omnitrans management organization chart.

Figure V-1
Organization Chart



Source: Omnitrans

Omnitrans contracted with an outside management consulting expert to develop the 2019 Management Plan. The 12-month Management Plan was derived from the Fiscal Year 2017–2020 Strategic Plan adopted by the Board of Directors in April 2016. The Management Plan aligns with

Omnitrans's Short-Range Transit Plan (SRTP) for FY 2015–2020, *OmniConnects: Connecting People, Business & Community,* as well as with SBCTA's FY 2015–2019 SRTP.

Omnitrans's most recent Federal Transit Administration (FTA) triennial review was conducted in 2019 and involved site visits on August 6 and 7, 2019. The review examined compliance in 21 areas; no deficiencies were found with FTA requirement in 15 areas. Deficiencies were found in six areas pertaining to Technical Capacity – Award Management; Technical Capacity – Program Management and Subrecipient Oversight; Transit Asset Management; Satisfactory Continuing Control; Disadvantaged Business Enterprise (DBE); and Americans with Disabilities Act (ADA) – General. Omnitrans had no repeat deficiencies from the 2016 review. Omnitrans was able to take immediate corrective action on the Satisfactory Continuing Control deficiency after the FTA site visit. In a letter to the FTA dated September 11, 2020, Omnitrans provided a summary of its corrective actions in response to the remaining deficiency findings.

Administrative Performance

Tables V-7 and V-8 show the trends in administration performance for directly operated fixed route and contracted demand-response service over the audit period.

Table V-7
Administration Performance Indicators
Directly Operated Fixed Route

Administrative Data	Base Year FY 2017	Audit Review Period			% Change FY 2017-FY 2020
		FY 2018	FY 2019	FY 2020	
Administration Costs	$13,025,274	$18,331,146	$22,125,713	$26,103,857	100.4%
Administration Pay Hours	139,627	141,803	157,949	411,194	194.5%
Casualty & Liability Costs	$5,272,298	$6,632,572	$6,739,224	$8,402,876	59.4%
Vehicle Service Hours (VSH)	638,620	645,792	650,807	581,289	-9.0%
Vehicle Service Miles (VSM)	8,466,582	8,632,182	8,762,018	7,835,720	-7.5%
Unlinked Passenger Trips	11,106,029	10,731,052	10,389,437	8,684,914	-21.8%
Passenger Miles	57,056,423	56,569,834	53,044,233	43,401,091	-23.9%
Performance Indicators					
Admin Cost per VSH	$20.40	$28.39	$34.00	$44.91	120.2%
Admin Cost per VSM	$1.54	$2.12	$2.53	$3.33	116.5%
Admin Cost per Psgr Trip	$1.17	$1.71	$2.13	$3.01	156.3%
Admin Cost per Psgr Mile	$0.23	$0.32	$0.42	$0.60	163.5%
Casualty & Liability Costs per VSM	$0.62	$0.77	$0.77	$1.07	72.2%
VSH per Admin Pay Hour	4.57	4.55	4.12	1.41	-69.1%
VSM per Admin Pay Hour	60.64	60.87	55.47	19.06	-68.6%
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Table V-8
Administration Performance Indicators
Demand Response

Administration Data	Base Year	Audit Review Period			% Change
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017–2020
Cost for Administration	$4,592,367	$4,644,106	$5,821,815	$4,543,044	-1.1%
Vehicle Service Hours (VSH)	166,970	157,556	156,907	126,103	-24.5%
Vehicle Service Miles (VSM)	2,556,039	2,430,867	2,314,421	1,887,146	-26.2%
Unlinked Passenger Trips	432,343	378,087	360,124	246,811	-42.9%
Passenger Miles	6,055,292	5,521,135	4,775,763	3,106,288	-48.7%
Performance Indicators					
Admin Cost per VSH	$27.50	$29.48	$37.10	$36.03	31.0%
Admin Cost per VSM	$1.80	$1.91	$2.52	$2.41	34.0%
Admin Cost per Psgr Trip	$10.62	$12.28	$16.17	$18.41	73.3%
Admin Cost per Psgr Mile	$0.76	$0.84	$1.22	$1.46	92.8%
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

On a modal basis, costs allocated for administration increased notably for the directly operated fixed route but decreased for Access demand response. Administration pay hours increased 194.5 percent on the fixed route, casualty and liability cost increased 59.4 percent, as premiums and payouts defined by the National Transit Database increased over the three-year period, in particular in FY 2020. The administration cost per vehicle service hour and mile for fixed route increased 120.2 percent and 116.5 percent, respectively. The administration cost per hour and mile for demand response exhibited smaller increases of 31 percent and 34 percent, respectively.

Marketing and Strategic Development (Planning)

In 2019, the Marketing and Planning Departments were split off from each other. The Planning Department was renamed the Strategic Development Department. In November 2020, stops and stations oversight moved from Strategic Development to the Maintenance Department.

Marketing

The Marketing Department is tasked with communication for the whole agency. While the mission is on coordinating and enhancing the flow of information about Omnitrans services to the ridership and community at large, there has been an emphasis on enhancing internal communication with employees. Marketing is managed by the director of Marketing & Communications, who has been in the position since early 2020 and has 20 years of experience with Omnitrans.

Marketing prepares informational materials to support transit operations, including bus schedules, how-to guides, and fare media information. Prior to the pandemic, digital collateral was utilized 30 percent as compared to 60 percent utilization of printed collateral materials. Since the

onset of the pandemic, the utilization ratio has flipped with greater emphasis on digital. Digital communications are more trackable, which allows the department to better gauge the response and usage of media. A recent customer survey revealed that approximately 60 percent of respondents stated that their primary source for information is social media or the Omnitrans website.

During the COVID-19 pandemic, the Marketing Department produced more than 100 pieces of print, digital, and audio information and collateral. Two customer surveys indicated that nearly 15 percent of customers who previously received their information from signage, newsletters, and other sources now list the website or social media channels as their primary source of information. The goal has been to rebuild the ridership that Omnitrans already had and also target choice riders. Omnitrans's microtransit services and Wi-Fi on buses are just some of the ways that Omnitrans has sought to attract choice riders.

The principal digital informational portal has been the Omnitrans website (www.omnitrans.org). In 2020, the website was redesigned and streamlined to facilitate ease of use and information access. Enhancements to the website included the addition of Google Maps route integration and informational iconography. A chat feature was implemented on the website in 2021. The department has an employee dedicated to managing content on the website and social media. During the audit period, Omnitrans made the Transit App its official app in conjunction with the Token Transit mobile ticketing platform.

Route schedules are published in the Omnitrans BusBook, which is updated three times annually—January, May, and September—to correspond with the driver route bidding. However, the agency has decreased the quantity of the BusBook and other printed collateral by approximately 15 percent annually as use of electronic information sources increased due to the availability of app-based trip planning tools and interactive website maps.

Omnitrans engages customers through various social media platforms. Those platforms include Facebook, Instagram, LinkedIn, Flickr, and Twitter to reach customers. Facebook generates the most engagement while Twitter is utilized for promotions and rider alerts. Omniblast is the internal communications portal that broadcasts information to employees through push notifications.

Marketing is the focal point for customer service, including having a customer call center, implementing reduced fare programs, and conducting pass sales. The customer satisfaction team engages in customer education, rider etiquette, and driver awareness. All customer comments, whether complaints, compliments, or service requests, are collected by Marketing and then are entered into Trapeze and forwarded to the appropriate department for response.

Marketing evaluates marketing effectiveness using several indicators, including ridership, pass sales, Omnitrans customer satisfaction surveys, response rates to advertising coupons, and website activity. Several media outlets are utilized to promote and market Omnitrans service, including radio, television, direct mailings, movie theaters, and the internet. Marketing metrics

vary based upon the type of promotion. For general campaigns, awareness and engagement are success indicators, while the impacts of more specific service-targeted campaigns may be measured by ridership. Informational communication and promotion is measured by customer feedback and surveys. Each promotion effort has its own target. For example, the agency's #omnistrong hashtag Comeback Campaign had a target of over one million engagements and ended with nearly 2.5 million engagements.

Omnitrans used to conduct two large marketing campaigns annually but has since moved toward niche campaigns directed to the local Hispanic community and the parents of high school and college students through digital marketing. One such initiative has been the GoSmart college program in partnership with local community colleges and CSUSB. The GoSmart pass allows for free rides on the Omnitrans fixed-route system.

Seniors and persons with disabilities have also been a focus of Omnitrans niche marketing strategy and are also engaged in conjunction with the agency's Special Transit Services (STS) Department in the form of on-site outreach events such as information tables, health fairs, senior and community center presentations, and travel familiarization events at schools and senior housing developments, and via direct mail efforts. Veterans outreach included partnering with the Loma Linda VA Clinic in conducting presentations before the United Way. Omnitrans participates in 80 outreach events annually. The STS Department also offers individualized travel training.

Customer feedback is collected primarily by phone and through the Omnitrans website. Complaint statistics are also tracked and reported in TransTrack. Compliments are also collected and used to encourage positive behavior by Omnitrans staff. Employee recognition is displayed on printed posters and flyers. Those employees with complaint-free records on a quarterly and annual basis are recognized for the exemplary behavior. Most complaints have pertained to buses passing up passengers and driver conduct.

The following performance indicators are shown for customer complaints in Table V-9. While data about customer complaints are not a direct reflection of the department, staff that process the comments are located in Marketing and provide lead direction for the complaint resolution process that involves other departments. In addition, unsatisfied customers generally necessitate further marketing activity.

Table V-9
Customer Complaints

Customer Complaints Data	Base Year FY 2017	Audit Review Period			% Change FY 2017–2020
		FY 2018	FY 2019	FY 2020	
Unlinked Passenger Trips – Motor Bus	11,220,253	10,832,159	10,503,406	8,777,639	-21.8%
Complaints	1,291	1,265	1,510	1,588	23.0%
Complaints per Million Psgr Trips	115	117	144	181	57.2%
Unlinked Passenger Trips – ADA Access	432,343	378,087	360,124	246,811	-42.9%
Complaints	69	97	102	74	7.2%
Complaints per Million Psgr Trips	160	257	283	300	87.9%

Sources: NTD Reports, TransTrack

The ratio of complaints per 1 million passengers increased by 57 percent for motorbus service and by 88 percent for Access service during the audit period. Although ridership decreased during the audit period, complaints increased for fixed route, while going up and down for OmniAccess.

The various complaints made by the community are categorized for trend review by Marketing. If three or more complaints are found against a specific coach operator in a quarter, Marketing alerts Operations for further follow-up with that operator.

Strategic Development (Planning)

The Strategic Development Department's mission is to develop short- and long-range plans, programs, and funding to accomplish the Omnitrans mission and vision. The Short-Range Transit Plan (SRTP) serves as Omnitrans's primary financial, planning, and service policy document. The most recent SRTP, *OmniConnects: Connecting People, Business & Community*, covers FYs 2015 to 2020. Omnitrans is currently updating its SRTP as the ConnectForward 2021-2025 SRTP. The ConnectForward Annual Service Plan was adopted for FY 2021 and the current OmniConnects SRTP was extended through the end of FY 2021.

Omnitrans has actively worked to improve connectivity with neighboring systems. In spite of an overall 11 percent service reduction, the ConnectForward Plan, adopted in September 2020, improved connections to two Metrolink stations and added a new cross-county connection with the Riverside Transit Agency near the San Bernardino/Riverside County line.

In addition, Omnitrans has benefited from additional interline connections at the San Bernardino Transit Center with SunLine Transit Agency scheduled to provide service over the near term. These developments demonstrate how the agency has worked with its partners on both service connections and fare harmonization in making regional transit and connectivity seamless. Building upon its partnership with Token Transit for mobile fare collection, Omnitrans has also been studying the feasibility of a regional fare partnership using the platform.

Adjustments to routes were implemented, more notably Route 61, which is one of the most productive ridership routes in the system. Airport service established with this route opens further opportunities for multimodal connections. Also, the eventual West Valley Connector BRT Corridor is proposed to run between Fontana and Pomona. In November 2017, the Omnitrans Board of Directors approved a cooperative agreement between Omnitrans and SBCTA for the environmental clearance, design, right-of-way, construction, and project closeout phases for the West Valley Connector Project. SBCTA is the project lead and Omnitrans will be the operator. Peak frequencies will be every 10 minutes.

Omnitrans relies on the Trapeze TransitMaster on-board computer-aided dispatch/AVL system as part of the data validation process. Data visualization is the graphical representation of information and data. Omnitrans both utilizes the Tableau data visualization platform and relies on its in-house GIS analyst. The agency also conducted a process improvement process for TransTrack, which resulted in more automation and improved reporting tools. There are four route tiers that are peer reviewed. The same metrics are used for each tier category based on service frequency: 15, 20, 30, and 60 minutes.

The Strategic Development Department conducts regular analysis of Omnitrans's transit services. On a monthly basis, key performance indicators (KPIs) including ridership, on-time performance, running times, service productivity, and farebox recovery are compiled at both a system-wide level and a route level, including by time of day. These KPIs are evaluated and compared to specified performance standards and the overall trend. The department also evaluates KPIs relative to the SRTP in an iterative manner. The KPIs are used to help develop the SRTP, and the SRTP establishes a framework by which performance is evaluated.

Summaries of the KPIs are reported to the Omnitrans Service Planning Committee, which includes representatives from Marketing, Strategic Development, Operations, Maintenance, Finance, and Human Resources. In addition, 6-month, 12-month, and 24-month reviews of major route changes are developed and presented to the Service Planning Committee. System-wide KPIs are presented quarterly to the Omnitrans Board of Directors.

Most of the regular service evaluations that Omnitrans completes are to assess the effectiveness and efficiency of the service provided. In order to gauge customer response to service changes, Omnitrans conducts a customer satisfaction survey on an annual basis that is benchmarked with other agencies by the American Bus Benchmarking Group (ABBG). The ABBG shares 400 datapoints annually from its annual customer satisfaction survey. Imperial College London analyzes the data to ensure accuracy.

During the COVID-19 pandemic, the department developed service triggers as part of an overall scenario planning strategy. The triggers are tiered as A, B and C, with C having the lowest service levels. The triggers ended up being refreshed due to 20 percent of the ridership being composed of high school and college students. A seven-step service resumption plan was developed that staggered service as school schedules resumed.

Human Resources

Human Resources recruits new hires for the agency, including providing initial assessment and screening tests. Recruitment for coach operators is ongoing. Recruitment efforts are advertised in newspapers (local and regional) and trade magazines, on the Omnitrans website, and at job fairs, Employment Development Department offices, and other transit agencies. Job descriptions are reviewed at the time of requisition. There is testing for every position, and a selection is made based on the critical functions of the job.

Human Resources hired a third recruiter in 2018. The department was tasked with recruiting senior leadership positions such as in procurement, operations, and safety & regulatory compliance. During the audit period, the agency procured the human resources and job screening platform, NEOGOV. NEOGOV provides an online platform for human resources management while providing a channel to post job openings on other digital sites, including GovernmentJobs.com and Indeed. There is a transition of paperwork being generated by human resources and digitizing the hard copy files into electronic storage and access, which will allow for better productivity. With increased staffing, the department has capacity to develop recruitment plans, job descriptions and questionnaires, and training tools in conjunction with recruitment efforts.

During the audit period, Omnitrans phased out the Bus Operator Selection Survey (BOSS). BOSS was used as a screening tool for the coach operator positions. The agency now utilizes NEOGOV for applicant tracking and performance management. However, the performance management system does not connect to the agency's Enterprise Resource Management software system SAP. Progress should be made on integrating the employee lifecycle data with the primary system. The Kronos timekeeping system flows into the SAP.

Facebook is also used to post job openings. Employers Choice is utilized for background checks and Department of Justice fingerprint protocols. CPS Consultants is utilized for administrative testing, which involves proficiency on Microsoft Excel, spelling, and grammar.

Omnitrans has 530 employee positions. Of the 284 active employees (as of February 2021), the average years of experience is 12 years. The agency planned on staff reductions through attrition impacting 163 employees encompassing operators, mechanics, and interns. All laid-off employees were placed on a recall list. The department also analyzes turnover by department on a regular basis, which is compiled in the Annual Agency Turnover Report. The report tracks involuntary and voluntary departures. A summary of employee turnover is presented in Table V-10 below:

Table V-10
Omnitrans Employee Turnover

Coach Operators			
Year	**Separations**	**Retirements**	**Turnover Rate**
2017	42	7	9.56%
2018	82	15	18.38%
2019	88	19	18.33%
2020	214	15	57.84%
Non-Coach Operators			
2017	27	8	11.02%
2018	31	13	12.65%
2019	45	12	18.75%
2020	48	10	21.72%
Agency-wide Totals			
2017	69	15	10.09%
2018	113	28	16.35%
2019	133	31	18.47%
2020	262	25	44.33%

Source: Omnitrans

Omnitrans reports that there has been a high turnover of utility service workers, and the agency has continued to recruit for this position. The agency conducts exit interviews when employees leave the agency voluntarily. In response to the COVID-19 pandemic, the department conducted contact tracing, on-site testing, questionnaires, and tracking of leaves of absence under the FFCRA. Workers compensation claims are monitored electronically.

New hire orientation is scheduled over one day. Coach operators undergo 5.5 weeks of training. A simulator is used for training and retraining after an incident. The agency also created its own internal testing protocols for dispatchers, which were later discontinued. Omnitrans assists coach operator candidates with obtaining their Class B license. Candidates receive 75 percent of the "A" step pay scale during training.

The training program is conducted by the Operation Fleet Safety and Training Section and includes 13 days of classroom training covering safe and defensive driving; agency rules and regulations; three days of basic driving procedures on a closed course and in the field; ADA protocols; customer relations; and preparation for the commercial driver's license examination. After the initial classroom training, coach operator trainees must complete two and a half weeks of behind-the-wheel training with coach operator instructors in the field. Drivers operate in and out of service, gaining experience while learning proper methods and techniques relating to passenger pickup and customer service.

Finally, DMV testing is administered by one of Omnitrans certified DMV examiners. Fully credentialed coach operators must obtain a Class B license, with a passenger endorsement, a

verification of transit training, and a current medical certification. Coach operators must receive a minimum of 8 hours of refresher training each year; Omnitrans refers to this training as Annual Training Certification Renewal.

Training for new mechanics consists of a series of core courses as well as on-the-job training. At any time, a mechanic can self-identify their needs by submitting a request for training form. Mechanic training is tracked by Kaizen Software and all mechanics are assigned all courses over a period of time as classes are rotated.

Omnitrans has been using targeted advertising campaigns to recruit minorities and veterans to ensure conformance with equal employment opportunity guidelines. One such advertising effort has been in *Minorities & Success* magazine. In addition, the department has been revamping its interview process protocols to involve more equitable scoring, interview panels, and more accurate job descriptions. The human resources director has been actively working with local school districts to prepare students for careers in transit.

Human Resources is also responsible for worker pay and benefits, including workers compensation claims and certain labor issues. Workers compensation claims are one of the KPIs tracked by Omnitrans. Omnitrans' third-party administrator for workers compensation claims is Pacific Claims Management. The Human Resources Department also implements safety and development courses, including ergonomic training and performance improvement classes. The courses are based on the Bureau of Labor Relations training protocol.

Non-exempt employees are represented by two unions: Amalgamated Transit Union (ATU) Local 1704 and Teamsters Local 166. ATU Local 1704 represents the coach operators, while Teamsters Local 166 represents mechanics, parts clerks, and customer service and administrative support personnel. During the audit period, there were two three-year Memorandums of Understanding (MOU) between Omnitrans and the ATU. The first one was in effect from April 1, 2016, to March 31, 2019. Contract negotiations pertaining to the second MOU with the ATU involved close to 50 sessions. This was partly attributed to a change in the union presidency. The new three-year MOU was eventually ratified by the ATU and expires on March 31, 2022.

The five-year MOU between Omnitrans and the Teamsters is effective from July 1, 2016, to June 30, 2021. Under the new MOUs, benefits went from a bucket to a percentage-based model. Omnitrans increased wages to cover the 7 percent employee contribution to CalPERS. There are approximately 115 employees under Teamsters representation.

The bid process occurs three times annually (January, May, and September) through a proxy bid process by seniority. In 2020, two emergency bids were conducted due to service reduction, ridership, and personnel. Some routes were omitted and restructured because of ridership.

Omnitrans reports a good working relationship with the unions, which involve monthly labor management meetings. The minimal number of grievances reported are due to contractual and disciplinary matters. The COVID-19 pandemic necessitated changes to the MOUs, which involved

side letter agreements. Changes pertained to the run bid process. Employees are recognized for their performance and years of service to the agency. There are quarterly and annual awards, the One-Million-Mile and Two-Million-Mile awards, ride check citations, and service awards celebrating milestone years of service.

Every coach operator is required to view the plasma screen and flashboard in the drivers lounge daily for important messages. A point system is used to gauge employee discipline. This matrix-based system is composed of three categories: (1) accidents/safety/DMV; (2) customer service; and (3) policy and procedures. The accumulation of 100 points in any category is cause for termination. A 75-point accumulation results in a 3-day suspension and a 125-point accumulation results in a 5-day suspension.

Omnitrans's internship program seeks candidates from local colleges and universities for career opportunities in all departments. Online recruitment tools have included Indeed and LinkedIn. The agency has a tuition reimbursement policy to encourage further educational advancement. An employee satisfaction survey has been conducted every two years since 1999. The survey is one of the means by which the agency gauges employee morale. Another outlet for employee engagement is the agency's Toastmasters club that meets twice monthly.

The agency has recognized the need for more internal staff development. The agency employs a succession planning tool called the Leadership Development Academy (LDA). The LDA has several career tracks for director and management positions. The process also encompasses coaching and 360-degree evaluations through which feedback from an employee's subordinates, colleagues, and supervisor, as well as a self-evaluation by the employee, is gathered. Omnitrans also offers an educational reimbursement program.

The agency's compensation and classification study for non-represented employees is updated on an annual basis. An analyst conducted a comprehensive study in 2019, which included a peer review. An organizational review in which salary ranges are evaluated is conducted every two years. The study and review help address staff retention and future succession opportunities. Performance evaluations are based on merit.

The Safety & Security side of the department is overseen by a safety and regulatory compliance manager to enhance the safety of Omnitrans staff and riders along transit corridors. The agency reformed safety and accident protocols. For staff, Safety & Security focuses on ergonomics and regulatory compliance. For sbX bus rapid transit riders, Safety & Security oversees the operation of security cameras along the corridor, at the San Bernardino Transit Station, and at other station command centers, and maintains a partnership with the San Bernardino Police Department.

Finance

The Finance Department undertakes many activities including planning for the future in the agency's short term and long term. Short-term planning rarely looks further ahead than the 12 months in the fiscal year. The goal is to ensure that the agency has enough cash to pay its bills.

KPIs for short-term planning include meeting deadlines for payroll and accounts payables and completing financial statements in a timely manner. Finance tracks debt and liability amounts and applies interest generated from savings through the local agency investment fund toward these expenses. Omnitrans retained an outside grant consultant during the audit period to pursue and write grants.

Budgeting for operations and capital projects are compared to actuals, with an operating cost cushion in place to absorb financial shocks. In the long-term planning process, the planning horizon is typically two to five years and focuses on the agency's long-term goals and the funding that must be secured prior to project implementation.

The budget is developed in the Finance Department by the Treasury Manager, who develops a calendar annually that is reviewed by senior level staff and the general manager/CEO. The manager will meet with each department to develop individual budgets that are consolidated into the annual budget. The final budget is reviewed and approved by the general manager/CEO before it is presented to the Board in May. In addition, the treasury manager works with SBCTA to identify all external funding sources for the budget. All department heads meet with the CEO and Finance staff monthly to review department budgets to reconcile expenses to budget. The annual unfunded pension liability is included and funded in the annual operating budget. There are no other postemployment benefits provided to employees.

The grant application and reporting process is assigned to the treasury manager. The treasury manager works with the Strategic Development Department in identifying and applying for grants. All reporting and applications are conducted through the treasury manager. Omnitrans works with the FTA to close out outstanding grants that were previously awarded. There are remaining funds from a 5307 capital grant from FY 2015, although most outstanding grants are more recent, from the last two to three years. At least 1 percent of federal funds is dedicated to safety and security.

The funding considerations contained in the Long-Range Transit Plan placed an emphasis on closing the gap between revenues and costs. The financial plan also analyzed non-transitional sources of revenue. For the fiscal year ended June 2020, Omnitrans incurred eligible expenditures as a result of economic or other conditions caused by COVID-19 and recognized $6.7 million of CARES Act revenue. The allocation of CARES Act funding has helped Omnitrans defer local revenues to outer years. For instance, the $25 million in proceeds received from the sale of property in Rancho Cucamonga have been reserved for the West Valley Connector BRT project.

Procurement

The Procurement Department is responsible for procuring a wide range of equipment, parts, supplies, and professional services that are used by Omnitrans. Procurement staff solicit Requests for Qualifications, Invitations for Bids, and Requests for Proposals to obtain materials, supplies, equipment, professional and non-professional services, construction (public works projects) services, and designated revenue opportunities in accordance with applicable laws, regulations, and the Omnitrans-published "Procurement Policies and Procedures." Additionally, the

Procurement Department uses PlanetBid, an online solicitation website that ensures a larger pool of solicitors.

Omnitrans utilizes the credit card program provided under the State of California CAL-Card contract, whose current P-card contractor is US Bank. The P-Card has been set up with low single transaction limits and is ideally used for small dollar, non-repetitive purchases.

Information Technology

The Information Technology (IT) department is responsible for the provision of Omnitrans's IT services. Omnitrans focused on the stabilization of the single Enterprise Resource Management software system, or SAP, and its complete integration into Trapeze bus device software. SAP is used for such functions as scheduling, dispatch, and fleet management and has significantly improved Omnitrans's business processes. A separate safety management system is used for reporting and analysis of vehicle accidents and injuries. KPIs for IT include system uptime, issue response time, and system efficiency. KPI data is provided on a monthly basis to the CEO.

Cooperation with other departments has been a hallmark of the IT Department and is reflected in the cross-platform nature of its services. IT staff work on projects for specific departments including Administration, Finance, Strategic Development, Human Resources, Operations, and Maintenance. Help desk and server maintenance functions are outsourced to a vendor.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2018 through 2020. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to Omnitrans, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to Omnitrans (rural and blended farebox recovery ratios).

2. Omnitrans's farebox recovery ratio remained above the required 20 percent standard for general public operations and 10 percent for Access ADA paratransit. The farebox recovery ratio for the general public service was 23.72 percent in FY 2018, 24.01 percent in FY 2019, and 26.04 percent in FY 2020 (inclusive of Measure I supplement). The three-year farebox average was 24.59 percent. The farebox recovery ratio for Access was 31.76 percent in FY 2018, 14.23 percent in FY 2019, and 24.03 percent in FY 2020 (inclusive of Measure I supplement). The three-year farebox average was 23.34 percent. The higher farebox for Access was due to the inclusion of a full year of Medi-Cal revenue in FY 2018 from an agreement with the County of Riverside Department of Public Health for transportation services for Medi-Cal patients.

3. Omnitrans and its contract operator participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Inspections were found to be satisfactory by the CHP.

4. The operating budget exhibited modest increases and did not exceed 15 percent during the period. After a 9.4 percent increase in FY 2018, the budget increased 5.8 percent in FY 2019. The FY 2020 operating budget increased by 2.3 percent.

5. Omnitrans implemented the three prior audit recommendations. The recommendations pertained to showing the farebox calculation in the audited financial reports; identifying auxiliary sources of revenue to support farebox recovery and cover operating costs; and implementing and optimizing technology.

6. Operating costs based on audited data increased system-wide 13.7 percent from $77 million in the FY 2017 base year to $87.5 million in FY 2020. General public service operating costs increased 14.8 percent from $64.3 million in the FY 2017 base year to $73.8 million in FY 2020, whereas costs on the Access ADA service increased 8.0 percent over the same period from $12.7 million in FY 2017 to $13.7 million in FY 2020. System-wide costs increased due to factors such as higher wages, salaries, and benefits, increase in cost attributed to pension increase for employees, COVID-19 pandemic response, and a new operations contract for OmniGo and Access.

7. Ridership system-wide exhibited a decrease of 22.6 percent, mirrored by a comparable 21.8 percent decrease on the general public services. The Access ADA service exhibited a higher decrease of 42.9 percent. System-wide, ridership decreased from 11.6 million passengers in the FY 2017 base year to 9 million in FY 2020. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 61.2 percent. Ridership decreased 0.4 percent in the second quarter of FY 2020, followed by a 12.5 percent decrease in the third quarter, and 55.5 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect. The overall declining trend in ridership prior to the pandemic is attributed to economic factors such as lower gas prices, the issuance of more drivers' licenses, and increased automobile ownership and telecommuting.

8. Operating cost per passenger, a measure of cost effectiveness, increased 46.8 percent system-wide from $6.61 in FY 2017 to $9.71 in FY 2020. For general public services, cost per passenger also increased 46.8 percent, whereas on Access ADA, cost per passenger increased 89.2 percent. The trend in this indicator is attributed to the increase in operating costs compared to the decrease in passenger trips. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $7.57 in the first quarter of FY 2020, $7.60 in the second quarter, $8.86 in the third quarter, and $22.54 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $11.64.

9. Operating cost per vehicle service hour, a measure of cost efficiency, increased 28.1 percent system-wide from $92.57 in FY 2017 to $118.60 in FY 2020. At the modal level, there was a 24.7 percent increase for general public services and a 43.0 percent increase for Access ADA services. Operating cost per vehicle service mile, another measure of cost efficiency, increased 27.6 percent system-wide from $6.76 in FY 2017 to $8.63 in FY 2020, with a 22.8 percent increase for general public services and a 46.3 percent increase for Access ADA services. Larger growth in operating costs relative to the decrease in service hours and miles leads to the trends. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $99.90 in the first quarter, $99.96 in the second quarter, $106.82 in the third quarter, and $205.62 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $128.02.

10. Passengers per vehicle service hour, a measure of service efficiency, decreased 12.7 percent system-wide from 14 passengers per hour in FY 2017 to 12.2 passengers in FY 2020, while passengers per vehicle service mile, another measure of service efficiency, decreased 13.1 percent system-wide from 1.02 passengers in FY 2017 to 0.89 passengers in FY 2020. For general public services, passengers per hour decreased 15 percent and passengers per mile decreased 16.3 percent. For Access ADA service, passengers per hour decreased 24.4 percent, whereas passengers per mile decreased 22.7 percent. During FY 2020, passengers per hour were 13.2 in the first quarter, 13.1 in the second quarter, 12.1 in the third quarter, and 9.1 in the fourth quarter, when the statewide shelter-in-place

order was in full effect. The average number of passengers per hour in FY 2020 was 11.9 passengers.

11. Omnitrans began direct service to Ontario International Airport at the beginning of the audit period in September 2017. Schedules on Route 61 initially had 60-minute headways, which were shortened to 15 minutes with airport service. The Ontario Airport service is seen as a precursor to the West Valley Connector BRT project.

12. Omnitrans implemented the first fare increase in five years on September 3, 2019. The single bus trip fare increased from $1.75 to $2.00 while the 1-day pass rate rose from $5.00 to $6.00. Fares also increased on the Omnitrans Access ADA service.

13. During the audit period, the CEO/general manager, who had served in this position since June 2013, retired from the agency in November 2019. The deputy general manager was appointed as interim CEO/general manager and became the permanent CEO/general manager in July 2020. The deputy general manager position remained vacant.

14. The ConnectForward Annual Service Plan was adopted for FY 2021 and the current OmniConnects SRTP was extended through the end of FY 2021. In spite of an overall 11 percent service reduction, the ConnectForward Plan, adopted in September 2020, improved connections to two Metrolink stations and added a new cross-county connection with the Riverside Transit Agency near the San Bernardino/Riverside County line.

15. In response to the COVID-19 shelter-in-place order and pursuant to Centers for Disease Control and Prevention protocols, Omnitrans implemented its Emergency Service Deployment Plan on March 23, 2020, at a Level 3, which effectively halved frequency on routes that were operating at 30-minute headways or better. Omnitrans was one of the first transit agencies to design driver-protective barriers. Hand sanitizer dispensers and mask requirements were implemented on the vehicles.

Recommendations

1. **Continue pursuit of potential revenue agreements and cooperative partnerships as part of Omnitrans's revenue enhancement strategy. (High Priority)**

   Omnitrans has recently proposed the implementation of a free fare pilot for primary and secondary school students. The pilot would be similar to the GoSmart college program that the agency has in partnership with local community colleges and California State University, San Bernardino. The GoSmart pass allows for free rides on the Omnitrans fixed-route system. Given the success of the GoSmart pass, Omnitrans is encouraged to pursue such an arrangement with local primary and secondary school districts as well as other local institutions that benefit from Omnitrans ridership. The Sacramento Regional Transit District, as another example, implemented the RydeFreeRT program that offers fare-free transit for youth and students in grades kindergarten through 12. Given the status and current uncertainties with public transit in general, Omnitrans's active partnerships help stabilize operations and provide a steady revenue stream while providing more visibility to the service.

2. **Continue evaluation of technology solutions and integration of administrative and operational functions. (Medium Priority)**

   During the course of the auditors' site visit and staff interviews, observations were made regarding the agency's embracing of technology to improve service delivery efficiency and effectiveness. Significant investments in technology have been made over time to improve both internal and customer-facing interfaces. Additional technology platforms could help further increase work productivity and connect existing systems. For example, the importance of recruitment, retention, and management of employees could be enhanced through online management systems tied to the agency's SAP enterprise resource planning modules. Cloud software such as Neogov (for human resource management) and Kronos (for employee timekeeping), which the agency uses, could be evaluated as potential solutions to integrate with SAP to continue a path towards modernizing Omnitrans's administrative network while reducing paper requisitions and filing. In addition, bar coding of bus parts inventory offers an interface of fleet management software with business management software, which could further maintenance management efficiencies. These examples of additional technology systems to evaluate could automate agency functions and strengthen productivity while generating new data for analysis leading to a stronger workforce and improved customer experience.

FY 2018–2020 TRIENNIAL PERFORMANCE AUDIT

sbcta
san bernardino county transportation authority

VICTOR VALLEY TRANSIT AUTHORITY

VICTOR VALLEY TRANSIT

August 2021

Submitted to:

San Bernardino County Transportation Authority

Submitted by:

Michael Baker INTERNATIONAL

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Executive Summary

The San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the five public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Victor Valley Transit Authority (VVTA), covering the most recent triennial period, fiscal years 2017-18 through 2019-20.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- System Performance Trends
- Functional Review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of VVTA.

Compliance with TDA Requirements

VVTA fully complied with eight out of the nine applicable requirements. The operator was partially compliant regarding the calculation of full-time employee equivalents. Three additional compliance requirements did not apply to VVTA (i.e., rural and urban farebox recovery ratios).

Status of Prior Audit Recommendations

VVTA implemented the three prior audit recommendations. The recommendations pertained to improving on-time performance; developing additional key performance indicators to report organization efficiencies; and pursuing succession planning strategies.

System Performance Trends

1. VVTA's farebox recovery ratio remained above the intermediate 18 percent standard established by SBCTA for fixed route and 10 percent for ADA Direct Access.[1] The average for the three-year period for fixed route was 20.47 percent, and 11.00 percent for Direct Access.[2]

[1] The farebox recovery standard was increased from 15 percent to 18 percent pursuant to SBCTA Resolution 17-002 in September 2017, which repealed Resolution 98-002 and allowed for VVTA's return to claiming under Article 4.

[2] It is noted that Local funds (Measure I) are applied by the operator to supplement farebox revenues to satisfy the 18 percent fare ratio as permitted by Section 99268.19.

The farebox ratio for Direct Access has remained above the 10 percent threshold over the three years except for FY 2019 when it dropped slightly below 10 percent. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

2. Operating costs based on audited data increased 1.0 percent system-wide from the FY 2017 base year through FY 2020. Fixed route operating costs based on audited data decreased 1.6 percent from the FY 2017 base year through FY 2020 while Direct Access demand response costs increased 1.3 percent over the same period. Most of the cost growth occurred in FY 2019. System-wide operating costs increased 13.9 percent driven by the nearly 20 percent increase in fixed route/commuter operating costs. These increases are to the higher contractor rate, new security contract rate increase, and the implementation of the TouchPass mobile app and card program.

3. After a period of growth due to service expansion and the consolidation of the Barstow service, ridership decreased 25.2 percent system-wide from the FY 2017 base year through FY 2020. The 25.5 percent decrease on the fixed route mirrored the system-wide decrease over the same period. Ridership on Direct Access exhibited a 22.1 percent decrease. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 67.1 percent. Ridership increased 2.1 percent in the second quarter of FY 2020, followed by a 9.2 percent decrease in the third quarter, and 62.9 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

4. Operating cost per passenger, a measure of cost effectiveness, increased by 32.3 percent system-wide from the FY 2017 base year through FY 2020. For fixed route service, cost per passenger increased by 32.1 percent whereas on Direct Access, cost per passenger increased 30 percent. Operating costs for fixed route rose approximately 20 percent in FY 2019 with a 2.4 percent decrease in ridership, leading to an increase in the operating cost per passenger. Although FY 2020 saw a decrease in fixed route operating costs of 4.8 percent, ridership decreased 9.2 percent year over year. In consideration of the COVID-19 pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $12.81 in the first quarter of FY 2020, $14.88 in the second quarter, $14.32 in the third quarter, and $34.90 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $19.23.

5. Operating cost per vehicle service hour, a measure of cost efficiency, increased by 0.5 percent system-wide, with a 4.4 percent decrease for fixed route and an 18.3 percent increase for demand response from the FY 2017 base year through FY 2020. Operating cost per vehicle service mile, another measure of cost efficiency, increased by 0.4 percent system-wide, with a 5.1 percent decrease for fixed route and a 23.2 percent increase for demand response. In

consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $87.82 in the first quarter, $100.33 in the second quarter, $91.50 in the third quarter, and $140.08 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $104.93.

6. Passengers per vehicle service hour, a measure of service efficiency, decreased by 24 percent system-wide, while passengers per vehicle service mile, another measure of service efficiency, decreased by 24.1 percent system-wide. For fixed route service, passengers per hour decreased by 27.7 percent and passengers per mile decreased by 28.2 percent. For demand response service, passengers per hour decreased 9.0 percent, whereas passengers per mile decreased 5.2 percent. During FY 2020, passengers per hour were 6.9 in the first quarter, 6.7 in the second quarter, 6.4 in the third quarter, and 4.0 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 6.0 passengers.

Functional Review

1. In April 2019, the CTSA implemented the VVTA Trip Brokerage Program to further its mobility management mission. The successful marketing and operation of its mobility management programs have resulted in a 32 percent decrease in the total number of individuals applying for ADA certification for Direct Access and have reduced VVTA's operational expenses by more than $340,000.

2. In January 2018, VVTA released an RFP to solicit additional contractors for the vanpool program that would be available to provide vehicle leasing services in accordance with the VVTA vanpool program guidelines. The increased competition would facilitate more competitive leasing rates and better customer service.

3. VVTA upgraded its bus stops with new signage, activated electronic fareboxes, and planned for the construction of two transfer centers. Bus stop improvements have included the installation of 14 electronic LED signs and 25 transit tubes. In January 2020, VVTA implemented its TouchPass electronic fare collection system, which allows for passengers to pay fares using a smart card or mobile application (app). The app operates on the Umo mobility platform developed by Cubic Transportation Systems/Delerrok.

4. In November 2017, VVTA released a Request for Proposals (RFP) for the provision of operations and maintenance services that encompassed the maintenance of the Barstow Division L/CNG fueling station and leased facility as well as the newly constructed Barstow operations and maintenance facility. VVTA awarded the new operations and maintenance contract to National Express, based in Lisle, Illinois. The Transdev contract was extended 90 days from July 1, 2018, through September 30, 2018, to ensure continued service and a smooth transition to the new contractor.

5. VVTA decided to exercise the Termination for Convenience clause to terminate the contract with National Express effective September 30, 2020. The VVTA Board approved the Termination for Convenience of Contract as well as the release of an RFP for operations and maintenance services on April 24, 2020. The highest scoring proposer, Keolis Transit Services, LLC of Boston, Massachusetts, was selected. Keolis began operating VVTA services effective October 1, 2020, under a five-year contract with the option for five one-year extensions.

6. VVTA commissioned the development of its FY 2020 SRTP, which was adopted in September 2020. The FY 2020 SRTP has a five-year planning horizon and is composed of seven chapters. The plan calls for incremental improvements to headways and the span of service as the agency rebounds from the COVID-19 pandemic impacts.

7. VVTA's executive director and staff were recognized for their leadership and innovation by transit industry organizations. VVTA was awarded Outstanding Coordination Effort Award of the Year by the California Association for Coordinated Transportation (CalACT) at its 2017 Spring Conference and Expo in Lake Tahoe. The California Transit Association (CTA) awarded its prestigious Distinguished Service Award to VVTA's executive director/CEO in November 2017.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Calculate full-time employee equivalents using TDA definitions.	An auditor review of the full-time employee equivalent data reported in the Transit Operators' Financial Transactions Reports revealed an incorrect calculation for both service modes. The system-wide FTE figure for FY 2019 appears to reflect a headcount in comparison to the FTEs reported for the other audit years, since the number of system-wide employee FTEs increased from 113 in FY 2018 to 267 (209 for fixed-route and 58 for demand-response) in FY 2019. Pursuant to the TDA statute, FTEs derived from the total annual labor hours divided by 2,000. VVTA does track the labor hours for each employee annually that is reported in TransTrack and exported to an Excel spreadsheet. Driver trip manifests can also be utilized to calculate labor hours by service mode. These sources should enable the agency to conform to the FTE definition.	High Priority
2. Continue pursuit of potential revenue agreements and cooperative partnerships as part of VVTA's revenue enhancement strategy.	In May 2018, VVTA's CTSA director and staff met with the Board of Trustees at Barstow Community College regarding the implementation of a bus pass program similar to the College Ram Pass program with VCC. Due to Barstow's disadvantaged area designation, VVTA believed that the college could qualify for grant funding that would subsidize such a pass. Barstow Community College declined to pursue a student pass subsidy agreement with VVTA. However, VVTA recently entered into a similar agreement with California State University, San Bernardino (CSUSB) effective August 2021. Given the success of the College Ram Pass and its recent agreement with CSUSB, VVTA is encouraged to pursue other arrangements with other local institutions and organizations that benefit from VVTA ridership. Given the status and current uncertainties with public transit in general, VVTA's active partnerships help stabilize operations and provide more steady revenue streams while providing more visibility to the service. We applaud the agency's approach towards building local and regional partnerships that have become a viable aspect of transit systems and are further recommending their continued pursuit of these types of engagements.	Medium Priority

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 San Bernardino County Transportation Authority (SBCTA) engaged Michael Baker International (Michael Baker) to conduct the TDA triennial performance audit of the five public transit operators under its jurisdiction in San Bernardino County. This performance audit is conducted for the Victor Valley Transit Authority (VVTA), covering the most recent triennial period, fiscal years 2017-18 through 2019-20.

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

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

Overview of the Transit System

VVTA was originally formed in 1974 as a Joint Powers Authority (JPA) between the Cities of Adelanto and Victorville, and San Bernardino County. Upon their incorporation in 1988, the Town of Apple Valley and the City of Hesperia joined the JPA. The JPA was updated in 2002 to change the percentage that each jurisdiction pays for administrative services. In 2006, the percentages were finalized at 20 percent for each jurisdiction. In December 2010, the JPA was amended to address the selection and terms of office for each officer.

The most recent amendment to the JPA took place in July 2015, with the inclusion of the City of Barstow and County Supervisorial District 3. The composition of the governing board was

increased to seven members and the City-administered Barstow Area Transit (BAT) merged with VVTA. In another development, VVTA was designated a Consolidated Transportation Services Agency (CTSA) in May 2015. Through the CTSA, VVTA administers approximately 228 vanpools, travel training programs, a volunteer driver program, and transportation support services to local nonprofit agencies. VVTA operates Victor Valley Transit through an operations and maintenance contractor.

The Victor Valley is in west-central San Bernardino County, bordered by the Antelope Valley to the west, the Lucerne Valley to the east, the Cajon Pass and the San Bernardino Mountains and Valley to the south, and high desert, including Barstow, to the north. The Victor Valley is part of the Mojave Desert and a sub-region of the Inland Empire. The densest population is within a 10-mile radius of Victorville. Interstate 15 (I-15), US Highway (US) 395, and State Routes (SR) 18, 138, and 247 are the main highways that traverse through and connect the Victor Valley with other regions.

The Victor Valley is composed of four incorporated cities and 15 unincorporated communities with an estimated population of 550,000. A demographic snapshot of the incorporated cities in the VVTA service area, which includes Barstow, is presented below in Table I-1:

Table I-1
VVTA Service Area Demographics

City	2019 ACS 5-Year Estimates	Change from 2010 US Census	% Population 65 Years & Older 2019 ACS	2021 Department of Finance Estimates	Land Area (in square miles)
Adelanto	33,660	+6.0%	5.6%	35,147	53.0
Apple Valley	72,726	+5.2%	16.7%	74,350	73.4
Barstow	23,899	+5.6%	11.6%	24,205	41.3
Hesperia	94,203	+4.5%	10.2%	96,053	73.1
Victorville	121,902	+5.2%	9.3%	127,170	73.3

Source: 2010 US Census; 2019 American Community Survey 5-Year Estimates & California Department of Finance, 2021 Population Estimates

Based on the 2019 American Community Survey 5-Year Estimates, the total population of the five focus cities in the VVTA service area during the audit period was 346,390. The 2021 population of the five cities was estimated to be 356,925, as reported by the California Department of Finance. Transit is also provided to County residents covered in the VVTA service area. Notable unincorporated communities served by VVTA include Daggett, Helendale, Hinkley, Lenwood, Lucerne Valley, Newberry Springs, Oak Hills, Oro Grande, Phelan, Pinon Hills, Wrightwood, and Yermo. VVTA also has oversight responsibility for Trona and Big River, encompassing a service area of 950 square miles per SBCTA estimates.

System Characteristics

Based on route and schedule information contained on its website, Victor Valley Transit operates five types of motor bus services: commuter routes, county routes, deviated routes, regional fixed

routes, and lifeline service routes. The NTC commuter route between Fort Irwin and the high desert cities travels one direction during peak periods, featuring limited stops for an extended length. Buses depart earlier and return later to best serve business commuters. The six county routes serve the non-incorporated regions of San Bernardino County, including Helendale, Lucerne Valley, Oro Grande, Pinon Hills, Phelan, and Wrightwood. Some county routes allow for "flag-down" stops, since traditional bus stops may not be present. Also, there are ten deviated routes, including the six county routes that may have a fixed-route component, but feature pickup and drop-off service within an outlier county region. Two Barstow routes also operate as county routes. Deviation service may require prior scheduling and may also feature "flag-down" stops.

The 20 local and regional fixed routes provide bus service that adheres to a prescribed bus route and fixed schedule. In general, bus routes meet at transfer points to enable riders to reach destinations such as shopping, medical, recreational, and government facilities. By region, bus routes serve Adelanto, Apple Valley, Barstow, Helendale/Silver Lakes, Hesperia/Oak Hills, Lucerne Valley, tri-community (Phelan, Pinon Hills, and Wrightwood), and Victorville. The B-V Link provides fixed-route bus service connecting Barstow and high desert communities to critical transportation, medical, and human services throughout the region, including San Bernardino, Riverside, and Los Angeles Counties. The B-V Link features bus stops in Apple Valley, Fontana, Victorville, San Bernardino, at the Fontana Metrolink train station, various medical centers, and government buildings. The one lifeline bus service, Route 200, operated on Fridays connecting Needles with Barstow and Victorville. Route 200 was suspended in March 2020 due to the COVID-19 pandemic.

The Victor Valley Transportation Center is located at 16838 D Street at 6th Street in Victorville. The transit center is a 4.88-acre site with a 5,720-square-foot building, a bus boarding/alighting area, Amtrak depot, a park-and-ride lot, and a Greyhound ticket office. The parking area is composed of a short-term lot with a 2-hour limit and a park-and-ride lot with a 24-hour limit. The bus boarding and alighting area accommodates Greyhound buses, Amtrak Thruway motor coaches, and VVTA bus routes, which stop at the center between approximately 6:00 a.m. and 9:00 p.m. Monday through Friday, 7:00 a.m. and 8:00 p.m. Saturdays, and 8:00 a.m. to 6:00 p.m. Sundays. There are also outdoor bicycle lockers.

No transit service is provided on following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Table I-2 details the fixed route services.

Table I-2
VVTA Fixed Route Services

Route Number	Route Name	Service Days/Frequency (minutes)		
		Weekday	Saturday	Sunday
1	Central Barstow	60	60	60
2	Barstow Library – Barstow College	60	60	60
3	Barstow Library – Lenwood	60	60	60
6	Barstow Library – College	60	60	60
15	Barstow – Victorville – San Bernardino (B-V Link)	120	120	*
21P	Victor Valley Mall – Pinon Hills	130/135	130/135	130/135

Route Number	Route Name	Service Days/Frequency (minutes)		
		Weekday	Saturday	Sunday
21W	Victor Valley Mall – Wrightwood	135	135	135
22	Victorville – Helendale	120	120	120
23	Apple Valley – Lucerne Valley	120	120	120
25	Oak Hills – Hesperia Super Target	120/125	120	120
28	Barstow – Hinkley – Helendale	180	180	180
29	Newberry Springs – Barstow	180	180	180
31	Victorville – Adelanto South	30/60	60	60
32	Victorville – Adelanto North	60	60	60
33	Adelanto Circulator	60	60	120
40	Apple Valley North Deviation	60	60	120
41	Lorene – 7th – Apple Valley Post Office	30/60	60	60
42	Apple Valley Road	30/60	60	60
43	Apple Valley Post Office – Victor Valley College	30/60	30/60	30/60
47	Apple Valley – South Deviation	60	60	120
50	Victorville – Hesperia Post Office	60	60	60
50X	Victorville Non-stop	60 (M-Th)	*	*
51	Lorene – 7th – Victor Valley Hospital	60	60	60
52	Lorene – 7th – Victor Valley Mall	30/60	60	60
53	Victor Valley Mall – Victor Valley College	30/60	60	60
54	Hwy 395 – Palmdale – Victor Valley Mall	60	60	120
55	Lorene – 7th – Victor Valley College	60	60	60
64	Super Target – Hesperia Post Office	60	60	60
66	Hesperia East Deviation	60	60	120
68	Hesperia – Victor Valley Mall	60	60	60
NTC Commuter	Barstow to NTC	Peak Svc	*	*
NTC Commuter	Hesperia/Victorville to NTC	Peak Svc		
200	Needles – Barstow – Victorville	Friday	*	*

Source: VVTA
**Service does not operate on Saturday and/or Sunday*

Demand Response – Direct Access

The Americans with Disabilities Act (ADA) complementary paratransit service is offered through Direct Access, which serves Adelanto, Apple Valley, Barstow, Hesperia, and Victorville, as well as certain unincorporated portions of San Bernardino County. Subscription service is also offered and has been primarily used to serve clients attending workshop centers for the developmentally disabled. The paratransit service area is divided into three zones defined by geographic distance from the fixed routes. Zone 1 comprises up to a .75-mile band on either side of the fixed routes. Zone 2 is the band from .75 miles to 1.5 miles, and Zone 3 is from 1.5 miles up to 2 miles. Boundaries for Zone 3 are determined for each community based on need for service and road accessibility.

Reservations may be made from the day before up to 14 days in advance. Operators take reservations from 8:00 a.m. to 5:00 p.m. Monday through Sunday and an automated voicemail system accepts reservation requests at other times. Same day reservations can be made on a space available basis.

There is no transit service on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Fares

VVTA's fares are structured accordingly to passenger category, service type, and destination. Up to three small children aged 5 and under may ride free with an adult. Identification is required for the student, senior, disabled, Medicare, and veteran fare categories. The TouchPass electronic fare collection system allows passengers to purchase fare products online and ride VVTA buses using a smart card or mobile app. The fare structure is shown in Table I-3:

Table I-3
VVTA Fare Schedule
(Effective October 1, 2017)

	Fixed Routes	County Routes	County Deviated Service
Regular	$1.50	$2.50	$2.00
Student	$1.25	$2.25	$2.00
Senior/Disabled/Medicare	$0.75	$1.25	$1.00
Veteran	$0.75	$1.25	$1.00
Children 5 & Under (3 children maximum per adult fare)	Free	Free	Free
Route 15 B-V Link			
Regular		$6.50	
Senior/Disabled/Medicare		$3.25	
Veteran		$3.25	
Children 5 & Under (3 children maximum per adult fare)		Free	
Route 200 - Needles			
Regular		$13.00	
Senior/Disabled/Medicare		$6.50	
Veteran		$6.50	
Children 5 & Under (3 children maximum per adult fare)		Free	
Day Pass			
Fixed Route Regular	$4.00		
Fixed Route Student	$3.50		
Fixed Route Senior/Disabled/Medicare	$2.00		

	Fixed Routes	County Routes	County Deviated Service
Fixed Route Veteran	$2.00		
Children 5 & Under (3 children maximum per adult fare)	Free		
County Regular		$6.00	
County Student		$5.00	
County Senior/Disabled/Medicare		$3.00	
County Veteran		$3.00	
Children 5 & Under (3 children maximum per adult fare)		Free	
31-Day Pass			
Regular	$55.00	$80.00	
Student	$45.00	$70.00	
Senior/Disabled/Medicare	$27.50	$40.00	
Veteran	$27.50	$40.00	
Children 5 & Under (3 children maximum per adult fare)	Free	Free	
	ADA Fares		
Direct Access			
Zone 1	$2.50		
Zone 2	$4.50		
Zone 3	$6.00		

Source: VVTA

VVTA implemented a system-wide fare adjustment effective October 1, 2017. This was undertaken to align the VVTA and BAT fare structures. The adjustment reduced fares on some services, whereas on other services fares increased. This was the first fare adjustment in 10 years. VVTA accepts valid Victor Valley College (VVC) associated student body or VVC photo ID cards as fare on all VVTA fixed and County route buses. VVC ID cards are valid as fare during the term (or semester) for which they were issued, which spans from the official term start date through the first week of the next term.

Fleet Inventory

During the audit period, there were close to 150 vehicles in the fleet for operations and support, including 84 for commuter bus, fixed route, and intercity services and 64 for demand-response. The majority of the revenue fleet is housed at VVTA headquarters, at 17150 Smoketree Street in Hesperia, with the remainder housed at the Barstow yard located at 2641 Main Street. The large fixed-route buses are compressed natural gas (CNG) powered, while the smaller paratransit vehicles are fueled by both gasoline and CNG. Table I-4 shows the transit fleet during the audit period.

Table I-4
Vehicle Fleet

Year	Make/Model	Fuel Type	# Vehicles	Seating	Service Mode
2001	NABI 40LFW-14	CNG	5	35	Fixed Route
2001	NABI 40LFW-14	CNG	3	35	Commuter
2002	NABI 40LF	CNG	1	33	Fixed Route
2005	Aerotech 240	Unleaded	2	18	Demand Response
2007	El Dorado Aero Elite	Unleaded	1	22	Fixed Route
2008	NABI 40LFW	CNG	7	40	Fixed Route
2008	Starcraft Allstar	Unleaded	1	25	Demand Response
2008	Starcraft E450	Unleaded	3	16	Demand Response
2008	Starcraft Allstar	Unleaded	1	17	Demand Response
2009	Glaval Titan	CNG	1	30	Fixed Route
2010	NABI 40LFW	CNG	5	40	Fixed Route
2010	ARBOCS Spirit of Mobil	CNG	6	17	Demand Response
2010	Dodge Caravan	Unleaded	4	5	Demand Response
2010	Starcraft E450	Unleaded	1	16	Demand Response
2011	Glaval Entourage	CNG	2	28	Fixed Route
2011	Goshen G-Force	CNG	3	30	Fixed Route
2011	El Dorado Aerotech 240	Unleaded	8	16	Demand Response
2012	Glaval Entourage	CNG	2	28	Fixed Route
2013	El Dorado Aero Elite 320	CNG	6	30	Fixed Route
2014	El Dorado Axess	CNG	9	40	Fixed Route
2015	Aero Elite 320	CNG	1	30	Fixed Route
2015	El Dorado Axess	CNG	1	40	Fixed Route
2015	MCI D4500	CNG	5	53	Commuter
2014	El Dorado Aerotech 240	CNG	2	16	Demand Response
2016	Aerotech 240	Unleaded	1	20	Fixed Route
2016	Aerotech 240	Unleaded	2	20	Fixed Route/DAR
2016	El Dorado Axess 40	CNG	3	40	Fixed Route
2016	El Dorado XHF	CNG	2	36	Fixed Route
2016	El Dorado Aerotech 240	Unleaded	4	20	Demand Response
2016	El Dorado Aerotech 240	Unleaded	5	20	Fixed Route/DAR
2017	El Dorado Aerotech 240	CNG	1	20	Fixed Route
2017	El Dorado Aerotech 240	CNG	9	20	Demand Response
2018	El Dorado Axess 35	CNG	4	31	Fixed Route
2018	El Dorado Axess 40	CNG	12	40	Fixed Route
2019	New Flyer Xcelsior XE40	Electric Hybrid	7	40	Fixed Route

Year	Make/Model	Fuel Type	# Vehicles	Seating	Service Mode
2019	El Dorado Aerotech 240	CNG	4	14	Demand Response
2019	El Dorado Aerotech 240	CNG	14	16	Demand Response
	Total		**148**		

Source: TransTrack Manager, FY 2020 National Transit Database

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of VVTA'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,* to assess transit operators. The updated guidebook contains a checklist of 11 measures taken from relevant sections of the PUC 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 has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: *(For General Public and Specialized Service Submissions)* FY 2018: December 20, 2018 FY 2019: January 16, 2020 FY 2020: February 1, 2021 **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 2018: December 19, 2018 FY 2019: December 23, 2019 FY 2020: March 9, 2021 **Conclusion: Complied**
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's	Public Utilities Code, Section 99251 B	VVTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.		13 months prior to each TDA claim. Terminal inspections were conducted at VVTA's operation facilities located in Barstow at 1612 State Street and in Hesperia at 17150 Smoketree Street. Inspection dates applicable to the audit period conducted in Barstow were April 27, 2017; April 25, 2018; and February 12, 2019. Inspection dates applicable to the audit period conducted in Hesperia were August 22–24 & 29, 2017; December 27, 2017; January 24 & 25, 2019; and February 6, 13 & 19, 2019. Inspections were found to be satisfactory by the CHP with exception of the August 2017 inspections conducted in Hesperia. An unsatisfactory rating was given to VVTA for violations relating to the improper placement of emergency exit signage, tire contacting the parking brake cable, and fire extinguisher not being securely mounted. Also, the contractor was cited for utilizing disqualified drivers. There were no violations concerning vehicle maintenance. VVTA resolved these violations,

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		and upon a subsequent CHP follow-up inspection on December 27, 2017, the VVTA facility was rated satisfactory. **Conclusion: Complied**
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	As a condition of approval, VVTA's annual claims for Local Transportation Funds (LTF) and State Transit Assistance are submitted in compliance with the rules and regulations adopted by SBCTA. **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, (99405 for VVTA)	VVTA is subject to an 18 percent farebox ratio for fixed-route service and a 10 percent farebox ratio for demand-response service. The fixed route farebox recovery standard was increased from 15 percent to 18 percent pursuant to SBCTA Resolution 17-002 in September 2017, which repealed Resolution 98-002 and allowed for VVTA's return to claiming under Article 4. VVTA's farebox ratios using audited financial statements from the fiscal auditor are as follows: **Fixed Route** FY 2018: 18.0% FY 2019: 22.8% FY 2020: 20.6%

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		Demand Response FY 2018: 12.4% FY 2019: 9.3% FY 2020: 11.3% Local funds (Measure I) were applied by the operator to supplement fare box revenues to satisfy the 18 percent fare ratio as permitted by Section 99268.19. **Conclusion: Complied (fixed route and combined service 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).	Public Utilities Code, Section 99266	Percentage change in VVTA's operating budget: FY 2018: +6.8% FY 2019: +8.9% FY 2020: -8.8% *Source: VVTA Budgets for FYs 2016-17 through 2019-20* **Conclusion: Complied**
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle	Public Utilities Code, Section 99247	VVTA performance measures are defined in accordance with PUC requirements. VVTA collects data electronically and employs a verification method including auto-entry into TransTrack. However, the full-time employee equivalent (FTE) figure for FY 2019, which is used to calculate vehicle service hours per employee, appears to reflect a

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		headcount in comparison to the FTEs reported for the other audit years. The TDA standard for measure is the total number of labor hours divided by 2,000. **Conclusion: Partial Compliance**
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This is not applicable to VVTA, which is subject to criteria set by SBCTA. **Conclusion: Not Applicable**
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This is not applicable to VVTA, which is subject to criteria set by SBCTA. **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	All qualified and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple Employer Defined Benefit Pension Plan administered by CalPERS. VVTA sponsors two tiers within the miscellaneous plans. **Conclusion: Complied**

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
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)	VVTA utilizes federal funds that are available to the agency, as reported in the annual fiscal and compliance audits (Statement of Revenues, Expenses, and Changes in Net Position) as follows: **FY 2018** Operating Assistance: FTA 5307: $2,066,969 FTA 5310: $5,867 FTA 5311: $647,285 FTA 5316: $95,135 FTA 5317: $27,864 Federal CMAQ Demonstration: $98,992 Capital Contributions: FTA 5307: $1,965,843 FTA 5310: $155,200 FTA 5317: $643 FTA 5339: $564,908 Federal CMAQ: $2,407,187 **FY 2019** Operating Assistance: FTA 5307: $3,385,672 FTA 5310: $51,314 FTA 5311: $671,949 FTA 5316: $14,944 FTA 5317: $9,562 Federal CMAQ Demonstration: $382,500 Capital Contributions: FTA 5307: $3,678,092 FTA 5310: $194,000 FTA 5339: $739,097

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
		FY 2020 Operating Assistance: FTA 5307: $6,947,239 FTA 5311: $1,454,361 FTA 5316: $22,789 Federal CMAQ Demonstration: $234,816 Capital Contributions: FTA 5307: $4,854,263 FTA 5339: $460,951 Federal CMAQ: $629,779 **Conclusion: Complied**

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to VVTA, the operator fully complied with eight applicable requirements. The operator was partially compliant regarding the calculation of full-time employee equivalents. Two additional compliance requirements did not apply to VVTA (i.e., rural and urban farebox recovery ratios).

2. VVTA's farebox recovery ratio remained above the intermediate 18 percent standard established by SBCTA for fixed route and 10 percent for Direct Access.[3] The average for the three-year period for fixed route was 20.47 percent, and 11.00 percent for Direct Access.[4] The farebox ratio for Direct Access has remained above the 10 percent threshold over the three years except for FY 2019 when it dropped slightly below 10 percent. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

3. Through its contract operator, VVTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period with exception of the August 2017 inspections conducted in Hesperia. An unsatisfactory rating was given to VVTA for violations relating to the improper placement of emergency exit signage, tire contacting the parking brake cable, and fire extinguisher not being securely mounted. Also, the contractor was cited for utilizing disqualified drivers. There were no violations concerning vehicle maintenance. VVTA resolved these violations, and upon a subsequent CHP follow-up inspection on December 27, 2017, the VVTA facility was rated satisfactory.

4. The operating budget fluctuated during the period but did not exceed more than 15 percent. The budget increased 6.8 percent in FY 2018 followed by an 8.9 percent increase in FY 2019. The increase in the FY 2019 budget is attributed to the higher contractor rate, new security contract rate increase, and the implementation of the TouchPass mobile app and card program. In contrast, there was an 8.8 percent decrease in the FY 2020 operating budget.

[3] The farebox recovery standard was increased from 15 percent to 18 percent pursuant to SBCTA Resolution 17-002 in September 2017, which repealed Resolution 98-002 and allowed for VVTA's return to claiming under Article 4.

[4] It is noted that Local funds (Measure I) are applied by the operator to supplement farebox revenues to satisfy the 18 percent fare ratio as permitted by Section 99268.19.

Section III

Prior Triennial Performance Audit Recommendations

VVTA's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, 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

Improve on-time performance. (High Priority)

Background: VVTA has monitored on-time performance by sampling trips on its various service modes and routes. A bus is considered on time if it departs from a time point between the scheduled time and up to five minutes after the scheduled time. A bus is not on time if it departs earlier than the scheduled time or departs more than five minutes after the scheduled time. Based on the on-time performance indicator on the TransTrack executive dashboard feature, VVTA's system-wide FY 2017 on-time performance rate was 82.64 percent. There were no on-time performance data reported in TransTrack prior to FY 2017.

Furthermore, a sampling of on-time performance data provided by VVTA and compiled by the contract operator as noted by the prior audit showed a wide variation, from 67.22 percent of trips on-time for intercity Route 15 to 100 percent of trips on-time for Direct Access. Local and regional fixed-route on-time trip performance ranged from a low of 77.85 percent to 99.19 percent. VVTA attributed several factors to the variation of on-time trips, with increased traffic congestion and railroad crossing delays as primary contributors, along with driver turnover. The nature of the pulse system of routes also presented challenges to alter service. It was recommended that VVTA continue taking measures to evaluate service in detail and improve on-time performance through route and schedule adjustments, as well as performance reviews with the contract operator and enforcement of contract provisions relating to maintaining schedule adherence. Recent Comprehensive Operations Analysis (COA)/Short Range Transit Plan (SRTP) recommendations provide technical data for route modification.

Actions taken by VVTA:

Effective October 2018, National Express became VVTA's operations and maintenance contractor. During negotiations, VVTA was successful in raising operator wages from minimum wage to a starting rate of $14.25 per hour. This measure was thought to improve the 32 percent retention rate that the former contract operator had faced for several years as well as help improve the 86 percent on-time performance (OTP) rate by retaining seasoned operators. Also, with the implementation of new automated vehicle locator (AVL) system software, OTP can be tracked in real time. This allows operations staff to become proactive when issues arise. Planning staff are

able to identify and resolve OTP issues by analyzing this data and implementing service changes to improve OTP. Problematic routes, such as Routes 15 and 22, bring down the OTP average. Route 15 operates on the I-15 freeway. Major issues are traffic congestion, accidents, and weather, which may either reduce lane capacity or close the freeway through the Cajon Pass area. Another identified issue is heavy traffic headed to Las Vegas affecting service on Fridays. VVTA has been looking to identify service options that would improve the OTP of this service.

Route 22, serving the Oro Grande area, must traverse a railroad crossing to gain access to this remote rural community. Unfortunately, the road crossing the railroad tracks is the only way to access the area. The freight trains that use these tracks may be short or very long, with unpredictable schedules. There is a private road that goes under the train tracks that is owned by a cement plant. VVTA has approached the company owning the railroad underpass, but because of liability issues, has been unsuccessful in gaining access to the Oro Grande area by utilizing this private roadway.

Since the new contract's wage increase, the contract employee retention rate was reduced to under 10 percent, and VVTA's OTP has improved with an average of 90 percent. The operator's attendance has improved along with their morale. As for Routes 15 and 22, the agency has continued to monitor the OTP issues, which allows VVTA to notify its passengers via social media when the routes are not running on time. Currently, Route 22 has been averaging 66 percent OTP and Route 15 has been averaging 70 percent OTP.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 2

Develop additional key performance indicators to report organization efficiencies.
(High Priority)

Background: A key performance indicator (KPI) is a metric that is used to gauge the effectiveness of organizational goals, policies, and procedures. KPIs provide objective evidence of progress toward achieving a desired result. The prior audit noted that VVTA underwent an administrative restructuring and added staffing in key areas, including the Finance Department, to address its growing operations. The restructuring included the consolidation of the procurement, contract compliance, marketing, route planning, and information technology services function under the Operations Department. In addition, VVTA added metric reports to its annual budgeting process, which have been well received by its governing board. KPIs are also found in TransTrack to measure vehicle operations.

It was suggested that VVTA further its KPI program and investigate administrative type indicators that demonstrate internal efficiencies from the organizational changes. Additional measures could be considered from external sources, including the American Bus Benchmarking Group, the Transit

Cooperative Research Program (TCRP) for Transit Performance-Measurement System, and the Mineta Transportation Institute. Example measures of internal staff productivity from these sources include vehicle service hours and miles per administrative pay hour; administrative cost per vehicle service hour and mile; administrative labor hours per vehicle hour; passenger trips per administrative employee; and cost/number of administrative staff to operations staff. It was suggested that VVTA consider and implement at least one or more administrative measures for its KPI program and gain useful information regarding the agency's organizational structure and administrative efficiency.

Actions taken by VVTA:

In response to this recommendation, VVTA pursued the adoption of appropriate additional KPIs to demonstrate internal efficiencies for staff productivity by researching peer transit agencies and external sources, such as the American Bus Benchmarking Group and TCRP, to determine the best measures for the agency. VVTA has restructured its Operations Department to further efficiencies. A director of operations is now in place and oversees contract compliance, marketing, route planning, and information technology services.

Also, there are now additional analytics in the TransTrack KPI program, which are utilized along with the ability to drill down to various issues when needed. These additional metrics have allowed VVTA to closely monitor internal staff productivity such as vehicle service hours and miles; passengers per revenue hour; preventable accidents per 100,000 miles; percentage of trip on-time; farebox recovery; service miles between National Transit Database (NTD) system failures; and complaints per 100,000 passengers.

Finance Analytics utilizes data from the monthly expenses and revenues module, which allow staff to drill down to show the details of agency general ledger accounts behind NTD expense and revenue categories for multiple reporting levels. Automatic passenger counting (APC) analytics, automatic vehicle location (AVL) analytics, passengers per revenue hour, farebox recovery ratio, and subsidy per passenger statistics are used to identify the best- and worst-performing routes. This includes administrative costs per vehicle service hour and miles.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 3

Conduct succession planning. (High Priority)

Background: VVTA's executive management has been with the VVTA for many years. With anticipation of about three to five years remaining for several high-level staff at the agency, it was suggested that VVTA identify and mentor potential successors from within the organization. Succession planning increases the availability of experienced and capable employees who are

prepared to assume these roles as they become available. Some recommended steps would include the development of an internal program that could include desktop procedures that document administrative processes, cross training and assessment, and management training opportunities. A review of the current rank-and-file position structure to enable continued staff growth and advancement would also help with retention strategies. VVTA has been providing succession planning at an organic level. Any formal succession planning should be planned but would require additional resources and official board direction, including possible use of outside management consultant assistance.

Actions taken by VVTA:

VVTA has implemented a six-step succession plan process. Under step one, the executive director requires each department manager to identify a person in their staffing ranks that could potentially be trained to fill the related management position. Under step two, each manager identifies a candidate within their department that can potentially be trained to fulfill the manager's role in the future, or in the absence of such a candidate, a recommendation for an additional staff position that would be targeted to fulfill the succession plan (e.g., assistant manager). Under the third step, for each candidate identified, a skills assessment is administered by the manager which compares the required skills in the management job description with the skills of the identified candidate. For each missing skill, a training program is developed involving internal and external training resources including on the job training. Under the fourth step, during VVTA's annual evaluation cycle, each identified candidate's evaluation includes a skills assessment progress report and a targeted training goal for that year that meets the succession plan. During the fifth step, human resources is responsible for keeping an updated list of candidates as well as documenting that support training was received. Under the sixth step, when a candidate has fully met the required skills training goals, the manager will inform human resources, deputy executive director, and executive director.

The succession plan and the completed trainings highlight the processes for increasing the availability of experienced and capable employees who are prepared to assume executive roles as they become available. In FY 2019-20, the VVTA board approved departmental restructuring by hiring five new qualified positions and replacing three old positions. The new hires started in July 2020 and provide support to the Grants, Operations, Information Technology and Finance Departments. This succession planning and restructuring process provides better efficiencies and productivity to all VVTA departments.

Conclusion:

This recommendation has been implemented.

Section IV

TDA Performance Indicators

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

Tables IV-1 through IV-3 provide the performance indicators for VVTA system-wide, fixed-route bus, and demand-response for the audit period. Tables IV-4 through IV-6 provide quarterly performance indicators for the transit service modes specifically for FY 2019-20 to show the impacts of the COVID-19 pandemic impacts upon the service. Graphs are also provided to depict the trends in the indicators.

Data in the tables and charts were derived from several sources, including audited financial statements, State Controller Reports, and the TransTrack data reporting system used by all the operators in San Bernardino County. Sources are noted in footnotes below the tables.

Table IV-1
TDA Performance Indicators
System-wide

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$20,431,026	$18,258,802	$20,804,656	$20,220,488	***-1.0%***
Total Passengers	1,924,311	1,698,359	1,667,686	1,439,373	***-25.2%***
Vehicle Service Hours	234,271	255,089	261,111	230,616	***-1.6%***
Vehicle Service Miles	4,076,374	4,447,743	4,589,282	4,018,758	***-1.4%***
Employee FTEs	163	113	267	164	***0.6%***
Passenger Fares*	$2,984,597	$3,052,265	$4,215,016	$3,778,422	***26.6%***
Operating Cost per Passenger	$10.62	$10.75	$12.48	$14.05	***32.3%***
Operating Cost per Vehicle Service Hour	$87.21	$71.58	$79.68	$87.68	***0.5%***
Operating Cost per Vehicle Service Mile	$5.01	$4.11	$4.53	$5.03	***0.4%***
Passengers per Vehicle Service Hour	8.2	6.7	6.4	6.2	***-24.0%***
Passengers per Vehicle Service Mile	0.47	0.38	0.36	0.36	***-24.1%***
Vehicle Service Hours per Employee	1,437.2	2,257.4	977.9	1,406.2	***-2.2%***
Average Fare per Passenger	$1.55	$1.80	$2.53	$2.63	***69.2%***
Farebox Recovery Ratio	14.61%	16.72%	20.26%	18.69%	***27.9%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

*Passenger fare revenue includes Measure I contributions, as shown in the following table for fixed route.
Source: Annual Fiscal & Compliance Audits, State Controller Report, TransTrack

Table IV-2
TDA Performance Indicators
Fixed Route

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$16,367,048	$14,110,232	$16,916,392	$16,104,718	***-1.6%***
Total Passengers	1,735,384	1,515,594	1,478,504	1,292,207	***-25.5%***
Vehicle Service Hours	173,679	195,332	199,343	178,755	***2.9%***
Vehicle Service Miles	3,106,598	3,528,319	3,605,546	3,221,714	***3.7%***
Employee FTEs	112	90	209	125	***11.6%***
Passenger Fares	$2,331,743	$2,248,275	$2,726,716	$2,154,070	***-7.6%***
Measure I Contribution	$123,315	$291,117	$1,128,340	$1,159,431	***840.2%***
Total Fare Revenue	$2,455,058	$2,539,392	$3,855,056	$3,313,501	***35.0%***
Operating Cost per Passenger	$9.43	$9.31	$11.44	$12.46	***32.1%***
Operating Cost per Vehicle Service Hour	$94.24	$72.24	$84.86	$90.09	***-4.4%***
Operating Cost per Vehicle Service Mile	$5.27	$4.00	$4.69	$5.00	***-5.1%***
Passengers per Vehicle Service Hour	10.0	7.8	7.4	7.2	***-27.7%***
Passengers per Vehicle Service Mile	0.56	0.43	0.41	0.40	***-28.2%***
Vehicle Service Hours per Employee	1,550.7	2,170.4	953.8	1,430.0	***-7.8%***
Average Fare per Passenger	$1.34	$1.48	$1.84	$1.67	***24.1%***
Fare Recovery Ratio	15.00%	18.00%	22.79%	20.57%	***37.2%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Annual Fiscal & Compliance Audits, State Controller Report, TransTrack

Table IV-3
TDA Performance Indicators
Demand Response

		Audit Period			
Performance Data and Indicators	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	***% Change FY 2017-2020***
Operating Cost	$4,063,978	$4,148,570	$3,888,264	$4,115,770	***1.3%***
Total Passengers	188,927	182,765	189,182	147,166	***-22.1%***
Vehicle Service Hours	60,592	59,757	61,768	51,861	***-14.4%***
Vehicle Service Miles	969,776	919,424	983,736	797,044	***-17.8%***
Employee FTEs	51	23	58	39	***-23.5%***
Passenger Fares	$529,539	$512,873	$359,960	$464,921	***-12.2%***
Operating Cost per Passenger	$21.51	$22.70	$20.55	$27.97	***30.0%***
Operating Cost per Vehicle Service Hour	$67.07	$69.42	$62.95	$79.36	***18.3%***
Operating Cost per Vehicle Service Mile	$4.19	$4.51	$3.95	$5.16	***23.2%***
Passengers per Vehicle Service Hour	3.1	3.1	3.1	2.8	***-9.0%***
Passengers per Vehicle Service Mile	0.19	0.20	0.19	0.18	***-5.2%***
Vehicle Service Hours per Employee	1,188.1	2,598.1	1,065.0	1,329.8	***11.9%***
Average Fare per Passenger	$2.80	$2.81	$1.90	$3.16	***12.7%***
Fare Recovery Ratio	13.03%	12.36%	9.26%	11.30%	***-13.3%***
Consumer Price Index - (CPI-West Region, BLS)	2.5%	3.6%	2.7%	1.2%	

Source: Annual Fiscal & Compliance Audits, State Controller Report, TransTrack

Table IV-4
VVTA TDA Quarterly Performance Indicators – FY 2019-20
System-wide

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$5,768,959	$6,560,012	$5,728,289	$5,173,927	***-10.3%***
Total Passengers	450,301	440,790	400,032	148,250	***-67.1%***
Vehicle Service Hours	65,692	65,385	62,603	36,935	***-43.8%***
Vehicle Service Miles	1,133,103	1,131,372	1,085,701	668,582	***-41.0%***
Passenger Fare Revenue	$808,618	$822,722	$785,911	$201,737	***-75.1%***
Operating Cost per Passenger	$12.81	$14.88	$14.32	$34.90	***172.4%***
Operating Cost per Vehicle Service Hour	$87.82	$100.33	$91.50	$140.08	***59.5%***
Operating Cost per Vehicle Service Mile	$5.09	$5.80	$5.28	$7.74	***52.0%***
Passengers per Vehicle Service Hour	6.9	6.7	6.4	4.0	***-41.4%***
Passengers per Vehicle Service Mile	0.40	0.39	0.37	0.22	***-44.2%***
Average Fare per Passenger	$1.80	$1.87	$1.96	$1.36	***-24.2%***
Fare Recovery Ratio	14.02%	12.54%	13.72%	3.90%	***-72.2%***

Source: TransTrack Manager

Table IV-5
VVTA TDA Quarterly Performance Indicators – FY 2019-20
Fixed Route

	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$4,371,447	$4,925,500	$4,359,014	$4,380,144	***0.2%***
Total Passengers	402,486	392,721	359,024	137,976	***-65.7%***
Vehicle Service Hours	49,970	49,534	47,996	31,254	***-37.5%***
Vehicle Service Miles	891,282	883,921	859,593	586,918	***-34.1%***
Passenger Fare Revenue	$673,430	$673,263	$657,608	$149,767	***-77.8%***
Operating Cost per Passenger	$10.86	$12.54	$12.14	$31.75	***192.3%***
Operating Cost per Vehicle Service Hour	$87.48	$99.44	$90.82	$140.15	***60.2%***
Operating Cost per Vehicle Service Mile	$4.90	$5.57	$5.07	$7.46	***52.2%***
Passengers per Vehicle Service Hour	8.1	7.9	7.5	4.4	***-45.2%***
Passengers per Vehicle Service Mile	0.45	0.44	0.42	0.24	***-47.9%***
Average Fare per Passenger	$1.67	$1.71	$1.83	$1.09	***-35.1%***
Fare Recovery Ratio	15.41%	13.67%	15.09%	3.42%	***-77.8%***

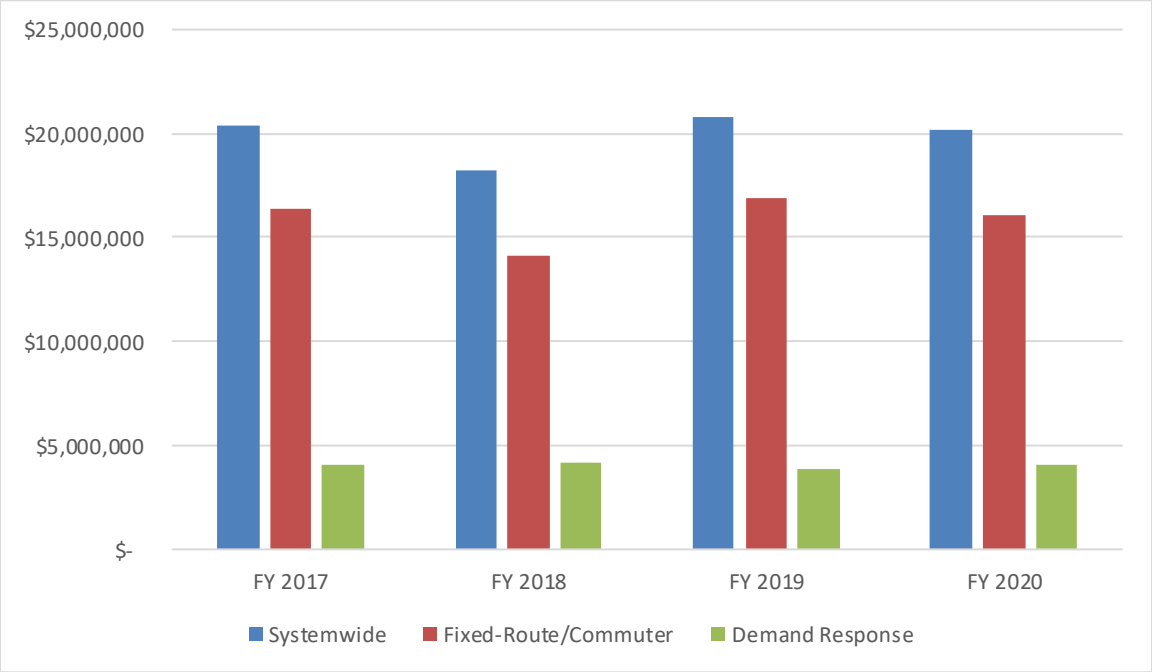
Source: TransTrack Manager

Table IV-6
VVTA TDA Quarterly Performance Indicators – FY 2019-20
Demand Response

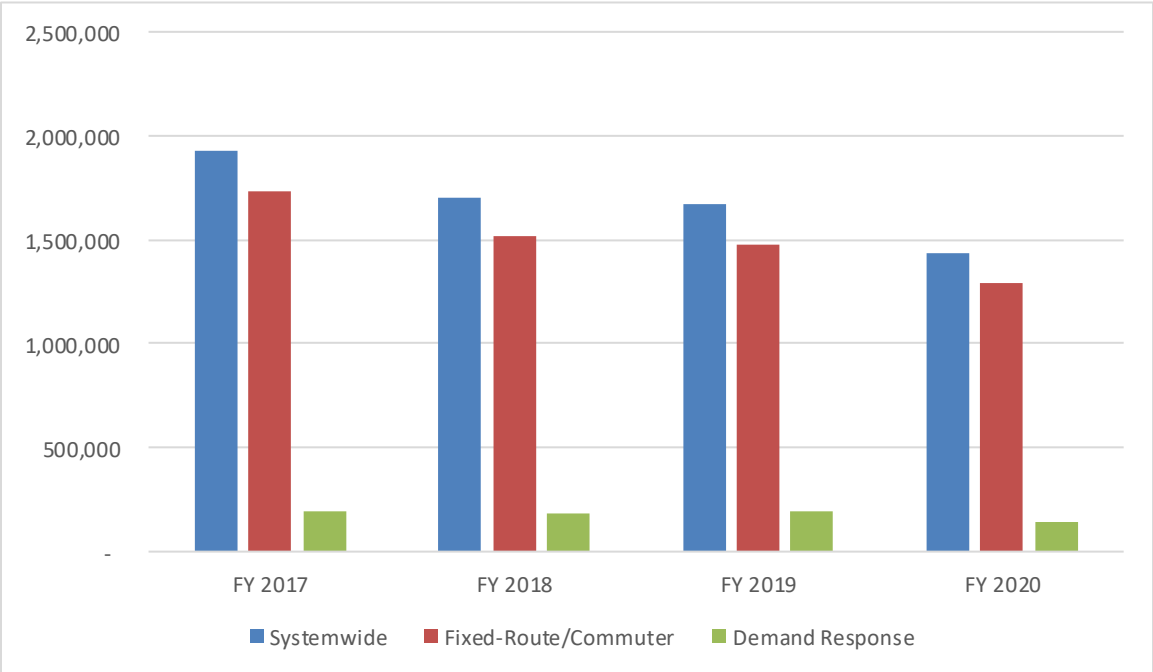
	FY 2019-20				
Performance Data and Indicators	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**	***% Change FY 2019-20***
Operating Cost	$1,397,512	$1,634,512	$1,369,275	$793,783	***-43.2%***
Total Passengers	47,815	48,069	41,008	10,274	***-78.5%***
Vehicle Service Hours	15,722	15,851	14,607	5,681	***-63.9%***
Vehicle Service Miles	241,821	247,451	226,108	81,664	***-66.2%***
Passenger Fare Revenue	$135,188	$149,459	$128,303	$51,970	***-61.6%***
Operating Cost per Passenger	$29.23	$34.00	$33.39	$77.26	***164.3%***
Operating Cost per Vehicle Service Hour	$88.89	$103.12	$93.74	$139.73	***57.2%***
Operating Cost per Vehicle Service Mile	$5.78	$6.61	$6.06	$9.72	***68.2%***
Passengers per Vehicle Service Hour	3.0	3.0	2.8	1.8	***-40.5%***
Passengers per Vehicle Service Mile	0.20	0.19	0.18	0.13	***-36.4%***
Average Fare per Passenger	$2.83	$3.11	$3.13	$5.06	***78.9%***
Fare Recovery Ratio	9.67%	9.14%	9.37%	6.55%	***-32.3%***

Source: TransTrack Manager

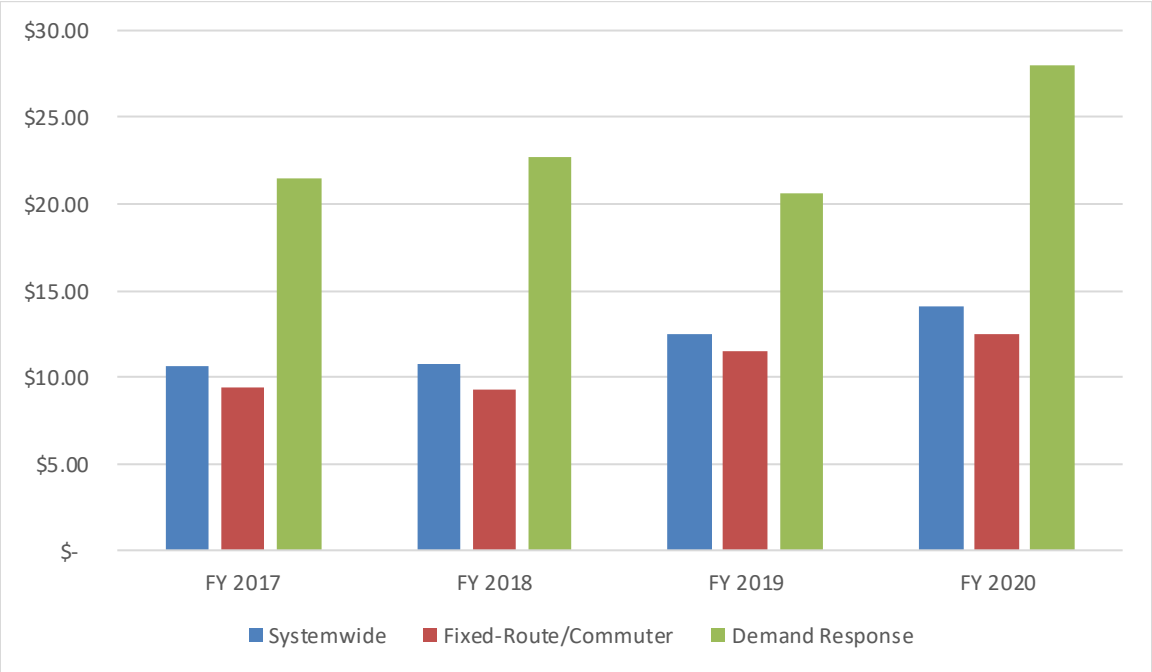
Graph IV-1
Operating Costs
System-wide, Fixed Route, and Demand Response



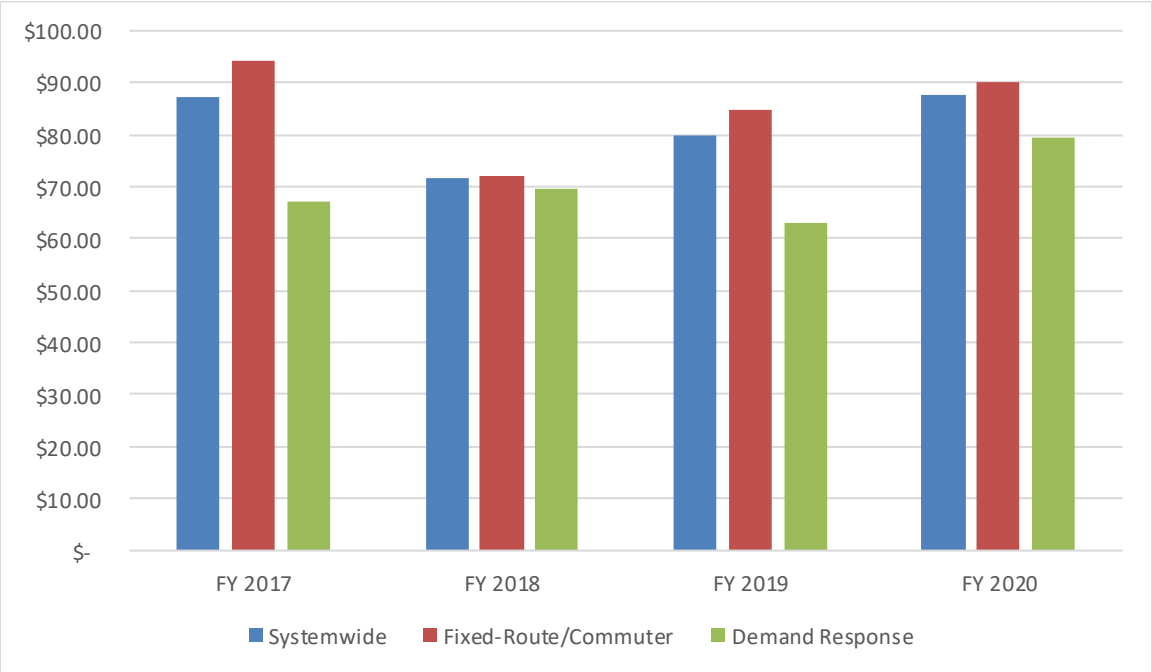
Graph IV-2
Ridership
System-wide, Fixed Route, and Demand Response



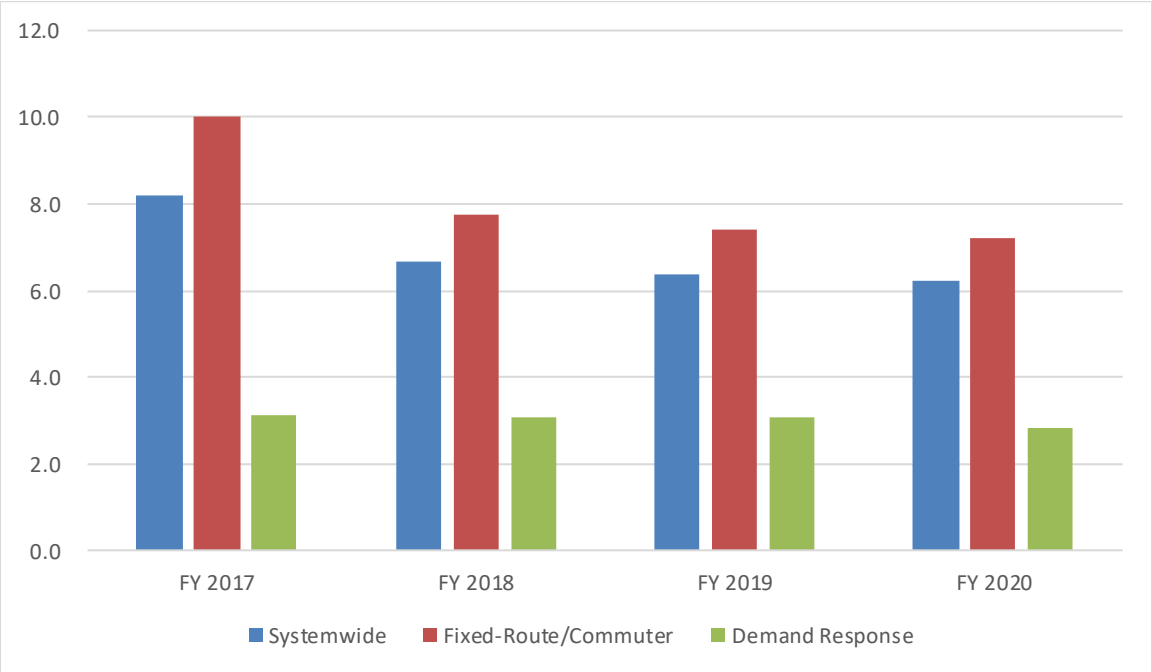
Graph IV-3
Operating Cost per Passenger
System-wide, Fixed Route, and Demand Response



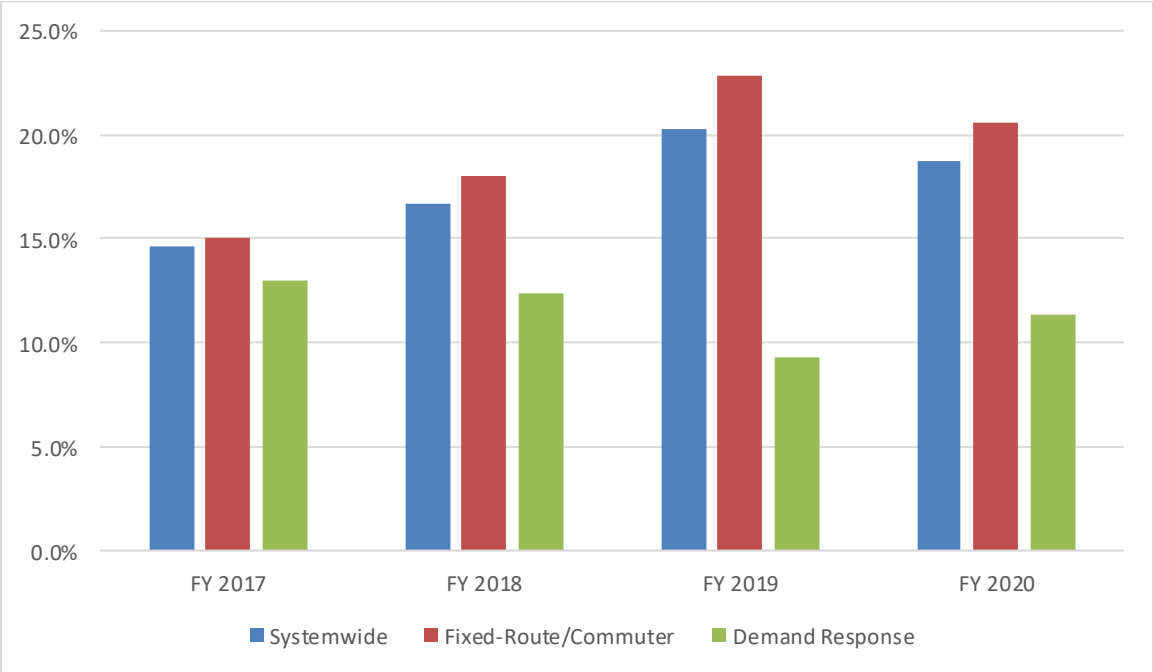
Graph IV-4
Operating Cost per Vehicle Service Hour
System-wide, Fixed Route and Demand Response



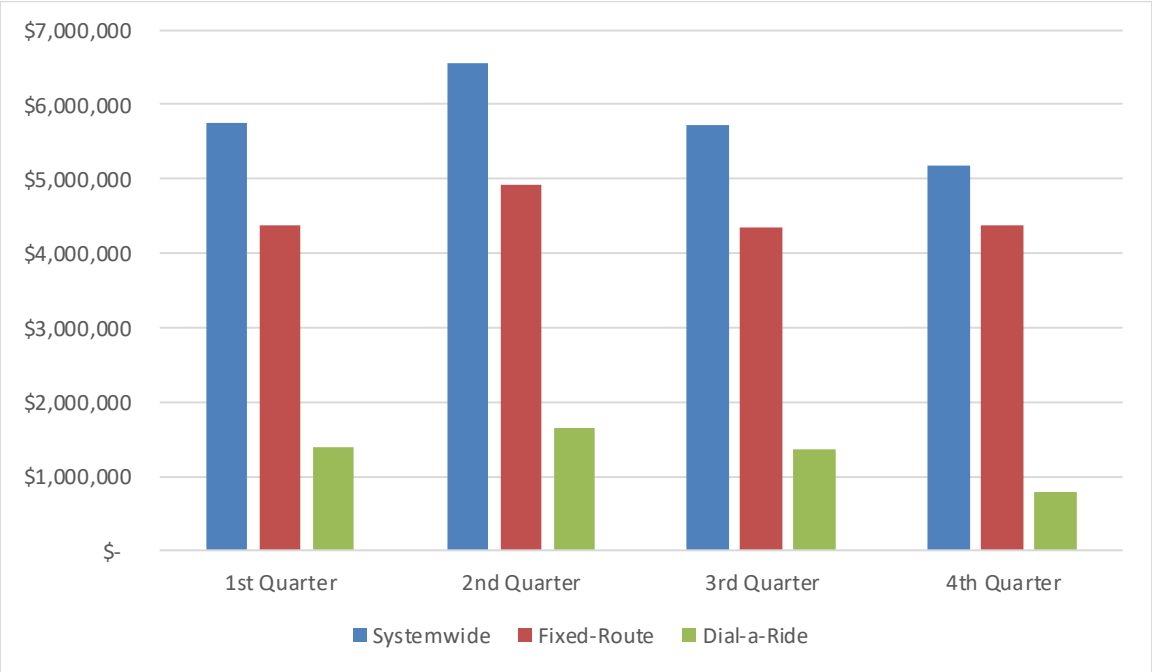
Graph IV-5
Passengers per Vehicle Service Hour
System-wide, Fixed Route, and Demand Response



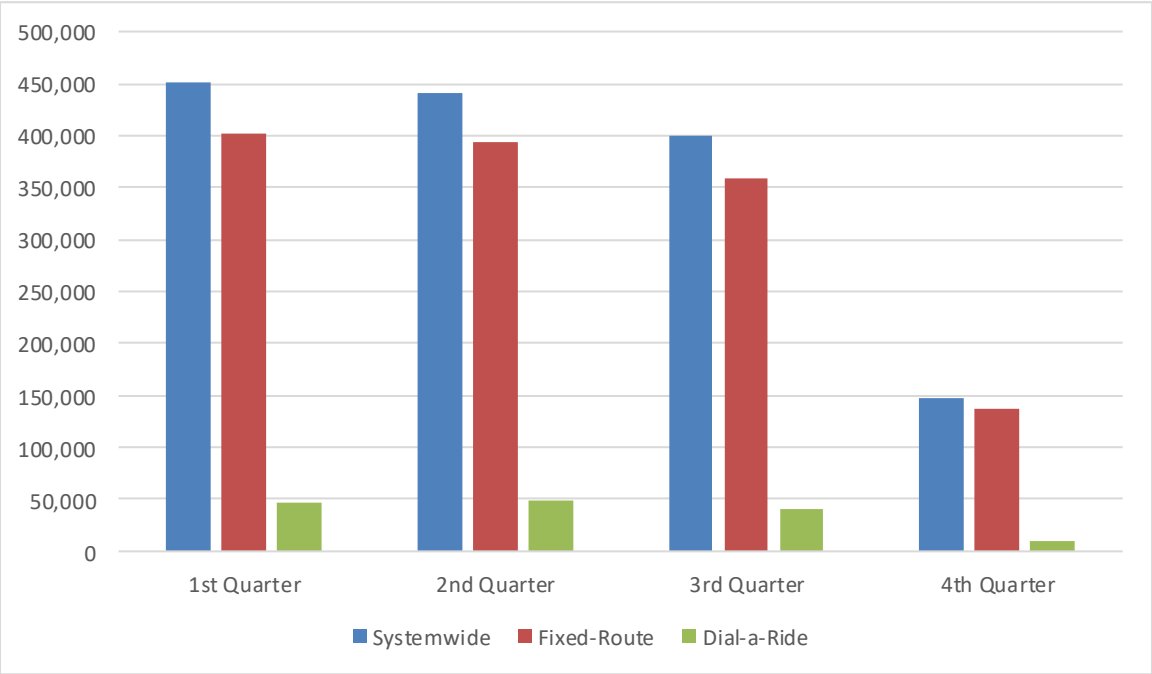
Graph IV-6
Fare Recovery Ratio
System-wide, Fixed Route, and Demand Response



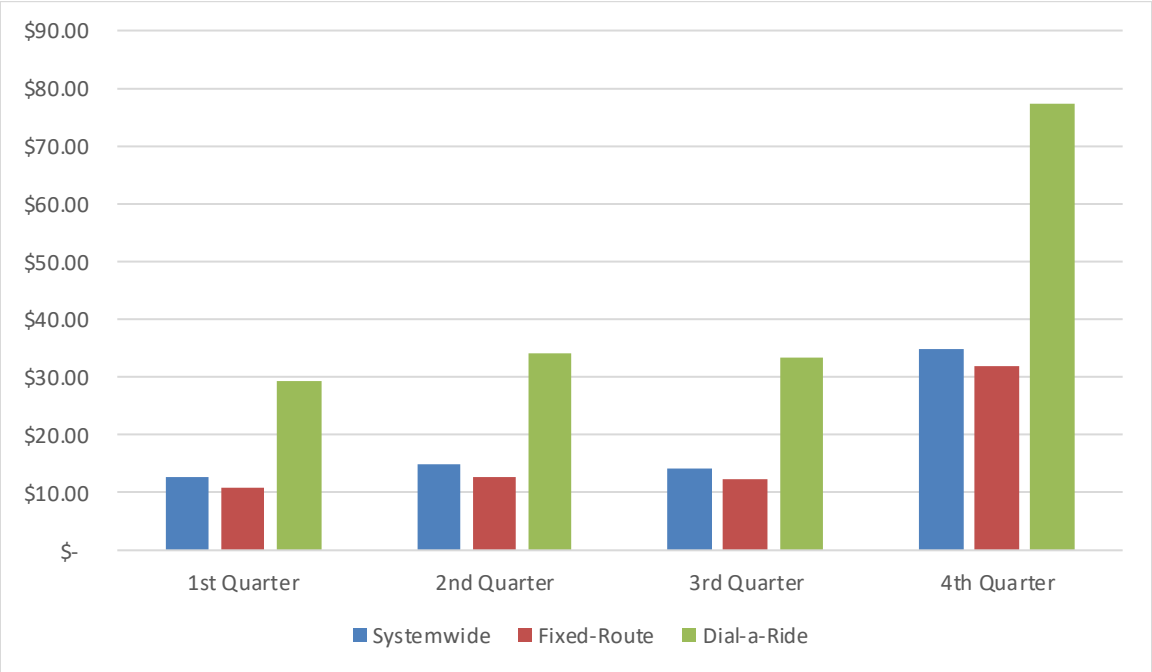
Graph IV-7
Operating Costs by Quarter – FY 2019-20
System-wide, Fixed Route, and Demand Response



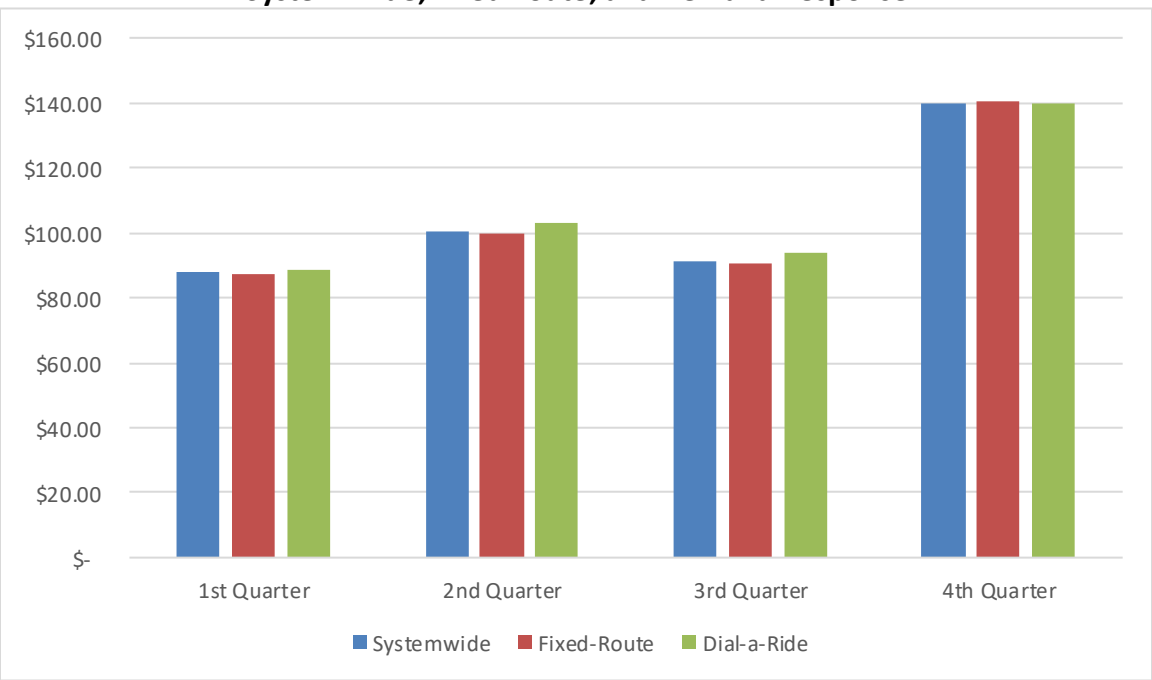
Graph IV-8
Ridership by Quarter – FY 2019-20
System-wide, Fixed Route, and Demand Response



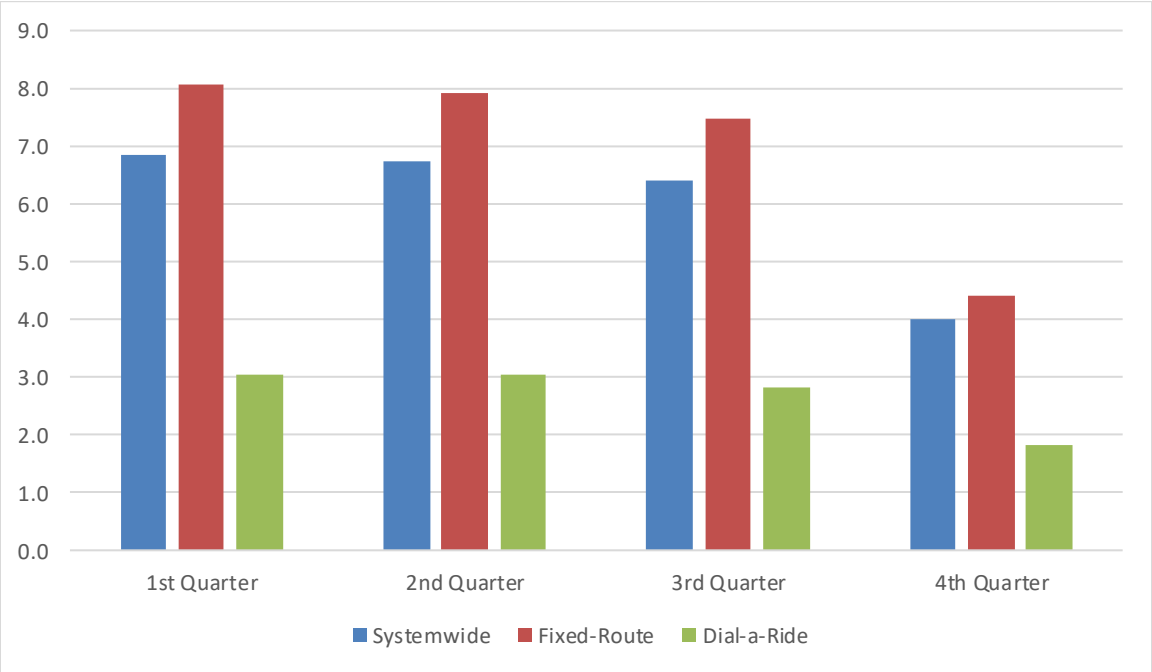
Graph IV-9
Operating Cost per Passenger by Quarter – FY 2019-20
System-wide, Fixed Route, and Demand Response



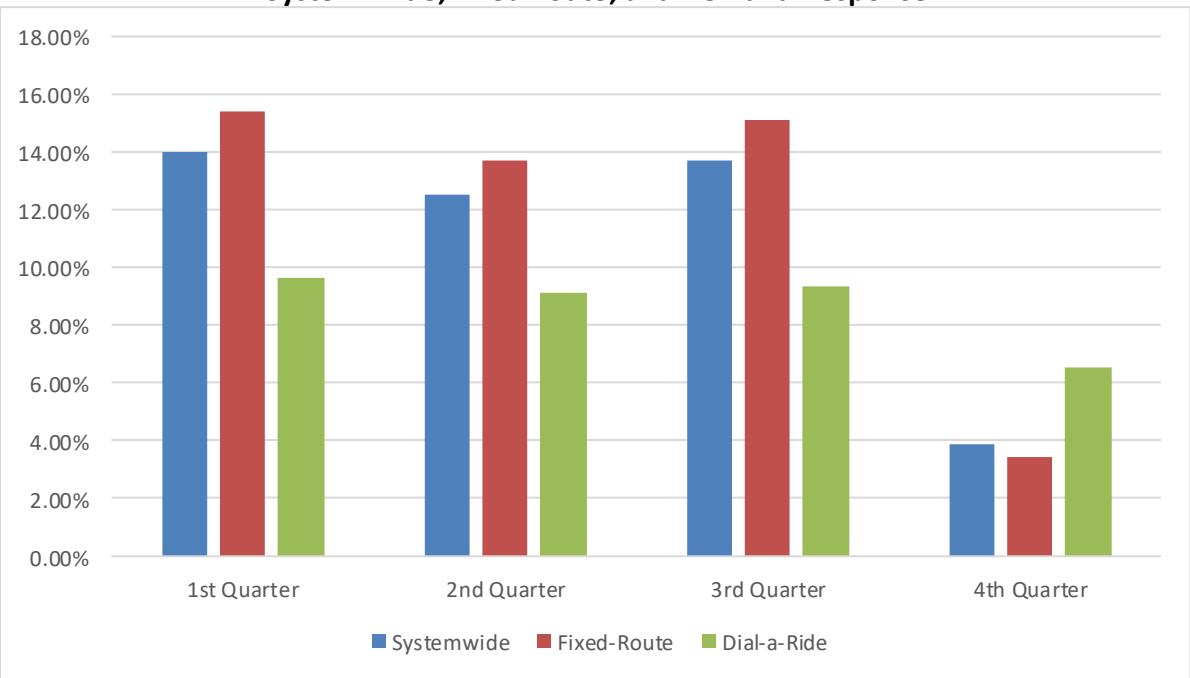
Graph IV-10
Operating Cost per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, Fixed Route, and Demand Response



Graph IV-11
Passengers per Vehicle Service Hour by Quarter – FY 2019-20
System-wide, Fixed Route, and Demand Response



Graph IV-12
Fare Recovery Ratio by Quarter – FY 2019-20
System-wide, Fixed Route, and Demand Response



Findings from Verification of TDA Performance Indicators

1. Operating costs based on audited data increased 1.0 percent system-wide from the FY 2017 base year through FY 2020. Fixed-route operating costs based on audited data decreased 1.6 percent from the FY 2017 base year through FY 2020 while ADA Direct Access demand-response costs increased 1.3 percent over the same period. Most of the cost growth occurred in FY 2019. System-wide operating costs increased 13.9 percent driven by the nearly 20 percent increase in fixed route/commuter operating costs. These increases are attributed to the higher contractor rate, new security contract rate increase, and the implementation of the TouchPass mobile app and card program.

2. After a period of growth due to service expansion and the consolidation of the Barstow service, ridership decreased 25.2 percent system-wide from the FY 2017 base year through FY 2020. The 25.5 percent decrease on the fixed route mirrored the system-wide decrease over the same period. Ridership on Direct Access exhibited a 22.1 percent decrease. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 67.1 percent. Ridership decreased 2.1 percent in the second quarter of FY 2020, followed by a 9.2 percent decrease in the third quarter, and 62.9 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

3. The provision of vehicle service miles decreased by 1.4 percent system-wide during the audit period. Vehicle service miles increased 3.7 percent on the fixed-route service but decreased by 17.8 percent on the demand-response service during the audit period. Vehicle service hours decreased by 1.6 percent system-wide from the FY 2017 base year through FY 2020. Vehicle service hours increased 2.9 percent on the fixed route yet decreased 14.4 percent on Direct Access during the audit period.

4. Operating cost per passenger, a measure of cost effectiveness, increased by 32.3 percent system-wide from the FY 2017 base year through FY 2020. For fixed-route service, cost per passenger increased by 32.1 percent whereas on Direct Access, cost per passenger increased 30 percent. Operating costs for fixed route rose approximately 20 percent in FY 2019 with a 2.4 percent decrease in ridership, leading to an increase in the operating cost per passenger. Although FY 2020 saw a decrease in fixed-route operating costs of 4.8 percent, ridership decreased an average of 9.2 percent year over year. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $12.81 in the first quarter of FY 2020, $14.88 in the second quarter, $14.32 in the third quarter, and $34.90 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $19.23.

5. Operating cost per vehicle service hour, a measure of cost efficiency, increased by 0.5 percent system-wide, with a 4.4 percent decrease for fixed route and an 18.3 percent increase for demand response from the FY 2017 base year through FY 2020. Operating cost per vehicle service mile, another measure of cost efficiency, increased by 0.4 percent system-wide, with a

5.1 percent decrease for fixed route and a 23.2 percent increase for demand response. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $87.82 in the first quarter, $100.33 in the second quarter, $91.50 in the third quarter, and $140.08 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $104.93.

6. Passengers per vehicle service hour, a measure of service efficiency, decreased by 24 percent system-wide, while passengers per vehicle service mile, another measure of service efficiency, decreased by 24.1 percent system-wide. For fixed-route service, passengers per hour decreased by 27.7 percent and passengers per mile decreased by 28.2 percent. For demand-response service, passengers per hour decreased 9.0 percent, whereas passengers per mile decreased 5.2 percent. During FY 2020, passengers per hour were 6.9 in the first quarter, 6.7 in the second quarter, 6.4 in the third quarter, and 4.0 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 6.0 passengers.

7. Vehicle service hours per full time equivalent employee (FTE), which measures labor productivity, decreased 2.2 percent from the FY 2017 base year through FY 2020. The trend reflects the decrease in revenue hours compared to the increase in the number of employee FTEs. The FTE figure for FY 2019 appears to reflect a headcount in comparison to the FTEs reported for the other audit years, since the number of employee FTEs increased from 113 in FY 2018 to 267 in FY 2019. The correct measure is based on the number of employee FTEs using employee pay hours from the Transit Operators Financial Transactions Report submitted to the State Controller and dividing by 2,000 hours per employee.

8. The fare recovery ratio for fixed-route service increased from 15 percent in the FY 2017 base year to 20.57 percent in FY 2020. The fare recovery ratio for demand-response service decreased from 13.03 percent in FY 2017 base year to 11.30 percent in FY 2020. While the ratio fell slightly below the 10 percent standard for Direct Access in FY 2019, the fixed-route ratio increased during FY 2018 and FY 2019. Despite these trends, both modes met their respective farebox recovery requirements set by SBCTA (18 percent for fixed route/combined services, and 10 percent for demand response).

   Local Measure I funds applied by VVTA helped the fixed route meet its farebox recovery standard of 18 percent during the audit period. It is noted that fare revenues increased at a quicker rate than the growth in operating costs. VVTA implemented a system-wide fare adjustment effective October 1, 2017, including an increase in the base fare from $1.25 to $1.50. This was undertaken to align the VVTA and Barstow fare structures. The adjustment reduced fares on some services, whereas on other services fares increased.

   During FY 2020, system-wide farebox recovery was 14.02 percent in the first quarter, 12.54 percent in the second quarter, 13.72 percent in the third quarter, but decreased to 3.90 percent in the fourth quarter. Farebox collection was suspended in response to the March 19, 2020, shelter-in-place order and did not resume until June 2020.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within VVTA. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at VVTA administrative offices in Hesperia:

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

Within some departments are sub-functions that require review as well, such as Grants Administration that fall under General Administration.

Numerous changes and notable events have occurred at VVTA over the past three years. They include the following:

- The agency opened its new Barstow operations facility, situated on a 5.5-acre site located on the historic Route 66. Since VVTA merged with BAT in 2014, the previously leased facility was utilized beyond its design capability. Construction of the 9,998-square-foot facility began in June 2019, with the official opening taking place on August 11, 2020. The new facility is adjacent to the existing VVTA Liquid Compressed Natural Gas (L/CNG) public fuel station at 100 North Sandstone Court in Barstow.

- In April 2019, the CTSA implemented the VVTA Trip Brokerage Program to further its mobility management mission. The successful marketing and operation of its mobility management programs have resulted in a 32 percent decrease in the total number of individuals applying for ADA certification for Direct Access and have reduced VVTA's operational expenses by more than $340,000.

- In January 2018, VVTA released an RFP to solicit additional contractors for the vanpool program that would be available to provide vehicle leasing services in accordance with the program guidelines. The increased competition would facilitate more competitive leasing rates and better customer service.

- VVTA upgraded bus stops with new signage, activated electronic fareboxes, and planned for the construction of two transfer centers. Bus stop improvements have included the installation of 14 electronic LED signs and 25 transit tubes. In January 2020, VVTA

implemented its TouchPass electronic fare collection system, which allows for passengers to pay fares using a smart card or mobile application (app). The app operates on the Umo mobility platform developed by Cubic Transportation Systems/Delerrok.

- In November 2017, VVTA released a Request for Proposals (RFP) for the provision of operations and maintenance services that encompassed the maintenance of the Barstow Division L/CNG fueling station and leased facility as well as the newly constructed Barstow operations and maintenance facility. VVTA awarded the new operations and maintenance contract to National Express, based in Lisle, Illinois. The Transdev contract was extended 90 days from July 1, 2018, through September 30, 2018, to ensure continued service and a smooth transition to the new contractor.

- VVTA decided to exercise the Termination for Convenience clause to terminate the contract with National Express effective September 30, 2020. The VVTA Board approved the Termination for Convenience of Contract as well as the release of an RFP for operations and maintenance services on April 24, 2020. The highest scoring proposer, Keolis Transit Services, LLC of Boston, Massachusetts, was selected. Keolis began operating VVTA services effective October 1, 2020, under a five-year contract with the option for five one-year extensions.

- VVTA commissioned the development of its FY 2020 SRTP, which was adopted in September 2020. The FY 2020 SRTP has a five-year planning horizon and is composed of seven chapters. The plan calls for incremental improvements to headways and the span of service as the agency rebounds from the COVID-19 pandemic impacts.

- VVTA's executive director and staff were recognized for their leadership and innovation by transit industry organizations. VVTA was awarded Outstanding Coordination Effort Award of the Year by the California Association for Coordinated Transportation (CalACT) at its 2017 Spring Conference and Expo in Lake Tahoe. The California Transit Association (CTA) awarded its prestigious Distinguished Service Award to VVTA's executive director/CEO in November 2017.

Operations

The adopted VVTA mission statement sets the strategic direction and framework for policy and service planning:

Our mission is to serve the community with excellent public transportation services in terms of quality, efficiency, and responsiveness.

- *Quality: To increase ridership and community support by exceeding expectations.*
- *Efficiency: To maintain an efficient operation that represents a highly valued service.*
- *Responsiveness: To provide services and facilities which are responsive to the needs of the community.*

The fixed route system is composed of a pulse system with hourly headways on most routes. There is a three-minute courtesy hold time for transfers. Drivers must wait if they see a passenger in their rear-view mirror running to catch the bus. VVTA has continued to develop and expand existing services while implementing new routes. Ridership was relatively stable and not declining as much up until the COVID-19 pandemic hit in March 2020 which adversely impacted the service and the transit industry at large, causing significant ridership loss among a host of other issues.

VVTA continued to make improvements to its Barstow operations during the audit period. The integration of Barstow routes has continued to go well based on the feedback received from the City of Barstow and the ridership. Route 1 in Barstow has the highest ridership in the system. This is due to the higher proportion of transit-dependent individuals in that service area.

Route 15, also branded as the B-V Link, began as a lifeline service between Barstow and Victorville along the I-15 corridor three days a week. The route was eventually extended to the San Bernardino Valley Monday through Saturday and has attracted many former Greyhound riders. During the audit period, Route 15 also served California State University, San Bernardino.

In addition to the express routes, VVTA introduced Route 42. Daily bus service between north Apple Valley and Victorville was implemented on Sundays in August 2017. To introduce the new hourly service and encourage new ridership, VVTA offered free rides through August 20, 2017. The route connects VVTA's major transfer point at VVC to previously unserved key locations throughout northern Apple Valley such as the Walmart distribution center, VVC Regional Public Safety Training Center, Juvenile Justice Center, and the Los Ranchos Mobile Home Park. VVTA reported that in the month since the route was implemented, ridership almost doubled.

Timepoint adjustments were made to Route 53 to better conform with the traffic patterns. Route 53 runs between the Victor Valley Mall and Victor Valley College, primarily along Bear Valley Road.

Since its successful launch in October 2012, VVTA's vanpool program has grown to be the eighteenth largest in the nation. In FY 2018, VVTA provided subsidies for 212 vanpools and set a goal to increase the number of vanpools budgeted at 250 vanpools in FY 2019. The success of the vanpool program has resulted in an unintended consequence of ridership being drawn away from the Fort Irwin bus routes. Reduction in Department of Defense benefits for transit also contributed to the decline.

VVTA has been instrumental in expanding mobility options to Needles through the sponsorship of a carshare program and implementation of a weekly lifeline service to the Victor Valley. Needles CarShare is a partnership with Enterprise Rent-a-Car that allows hourly rentals starting at $5.00 an hour. Vehicles are available 24 hours a day, seven days a week, which allows Needles residents to run errands, shop, and attend appointments.

The transfer of many San Bernardino County Superior Court services from the Needles District to Victorville and other districts in the county left many residents without the means to access the civil justice system. In response to a request from the San Bernardino County Board of Supervisors

Vice Chair, VVTA implemented Route 200 in June 2016, designated as the "Needles Link," which provides service from Needles to Barstow and Victorville on Fridays. The reason for the Friday route is that courts have agreed to create a special Needles calendar so that most cases would be scheduled on Fridays.

To meet state mandates for zero-emission vehicle transit fleets, VVTA pursued procurement of battery-electric vehicles. The agency received an award from Southern California Edison to fund electric charging infrastructure. The battery-electric vehicles are operated on shorter routes and approximately 16 percent of routes in the system can be operated utilizing such vehicles. VVTA is also looking at hydrogen fuel technologies.

The agency had spent about five years searching for property to locate a transit center. Related to this search was that the City of Victorville desired for VVTA to relocate its transfer point from the Costco Wholesale warehouse located at 14555 Valley Center Drive. The City has proposed a multimodal facility and park-and-ride lot, and VVTA has also been considering relocating the Hesperia transfer point to an off-street location adjacent to VVTA. VVTA recently purchased property contiguous to its existing campus for the Hesperia transfer hub and hydrogen fueling station.

The proposed locations of the two transfer centers are located in Hesperia and in Victorville. The Hesperia property is a vacant 1-acre parcel on G Avenue and is located just south of the intersection of Olive Street and G Avenue, adjacent to the Hesperia post office. The Victorville property is located at 14330 7th Street and is composed of approximately 1.8 acres with asphalt parking and an existing building housing a medical equipment facility. Both transfer centers would include a small building featuring restrooms, a security guard workroom, and space for vending machines. Buses have dedicated areas allowing buses to pick up and drop off passengers. The dedicated pickup and drop-off locations will allow the buses to flow in and out of the centers smoothly, effectively, and efficiently.

On July 4, 2019, a magnitude 6.4 earthquake struck 10.5 miles southwest of Searles Valley near the City of Ridgecrest. Multiple aftershocks followed, and on July 5, another earthquake struck with a magnitude of 7.1. VVTA immediately began to provide emergency service between Ridgecrest and the Town of Trona in cooperation with local emergency services agencies.

In January 2020, VVTA implemented its TouchPass electronic fare collection system, which allows for passengers to pay fares using a smart card or mobile application (app). The app operates on the Umo mobility platform developed by Cubic Transportation Systems/Delerrok.

Vehicle service hours and mileage are cross-checked in TransTrack. Syncronmatics tracks incidents and missed trips, which are transferred into TransTrack. Vehicles are equipped with automated passenger counters. Syncronmatics utilizes a Voice over Internet Protocol (VoIP) system between drivers and dispatchers and tracks vehicles in real time.

Regarding vehicle safety, VVTA tracks the number of accidents categorized as "preventable." According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. According to TransTrack, VVTA reported no non-preventable and preventable accidents during the audit period. Claims from accidents are the responsibility of the contractor, and VVTA is indemnified from such actions. In addition, VVTA is a member entity of the Public Entity Risk Management Authority, which provides additional liability insurance for public agencies.

Operations and Maintenance Contract

Operations and maintenance services for VVTA have been contracted through Transdev North America since 2003. The contract has been amended and rebidded since then to reflect the expanded service area and service hours. In November 2017, VVTA released a Request for Proposals (RFP) for the provision of operations and maintenance services that encompassed the maintenance of the Barstow Division L/CNG fueling station and leased facility as well as the newly constructed Barstow operations and maintenance facility. The new contract would have a base term of five years with the option of three one-year extensions.

Three proposals were received; however, the evaluation committee recommended that the VVTA Board reject the three proposals due to limited competition and regulatory changes initiated by Caltrans, which complicated the vetting process. A second RFP was released in May 2018 that included minor changes from the original RFP and incorporated the requisite changes from Caltrans.

In July 2018, the evaluation committee reviewed and scored three proposals. Interviews were conducted with two of the three proposers in August 2018. VVTA awarded the new operations and maintenance contract to National Express, based in Lisle, Illinois. The Transdev contract was extended 90 days from July 1, 2018, through September 30, 2018, to ensure continued service and a smooth transition to the new contractor.

Within months of the National Express contract taking effect, VVTA encountered a myriad of issues with the contractor's performance. Those issues included late pull-outs, degraded on-time performance, and a lapse in vehicle maintenance procedures. In November 2019, the finance director reported that the operations contract was under budget $61,000 mainly due to the liquidated penalties imposed by VVTA. If the contractor failed to make progress or failed to perform any other provision of the contract, the contracting agency would issue a "cure notice." The cure notice must be in writing and specifically state what failure exists and provide a specific timeline to 'cure' the failure. VVTA issued a Notice of Cure to National Express in February 2020.

Rather than following the cure notice path to contract termination, VVTA decided to exercise the Termination for Convenience clause to terminate the contract with National Express effective September 30, 2020. The VVTA Board approved the Termination for Convenience of Contract as well as the release of an RFP for operations and maintenance services on April 24, 2020. The RFP was posted to the VVTA website procurement page and the Public Purchase website. In addition,

notices were published in local newspapers of general circulation including the *Daily Press* and public transit publications such as *Transit Talent* and *Passenger Transport*. Proposals were due on June 11, 2020.

On June 20, 2020, the evaluation committee reviewed and scored the four proposals received. A second meeting was held to discuss the financial evaluation. After scores were tabulated from the two meetings, the evaluation committee decided to proceed further with the top two scoring proposers in July 2020. Following site visits, interviews and reference checks, the evaluation committee tabulated the scores. The highest scoring proposer, Keolis Transit Services, LLC of Boston, Massachusetts, was selected. Keolis began operating VVTA services effective October 1, 2020, under a five-year contract with the option for five one-year extensions.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, VVTA took a proactive and resourceful approach. Measures taken to mitigate against the spread of the virus included the adoption of a Sunday service schedule system-wide, closure of the front door to the Hesperia facility, creating a coronavirus task force, placement of hand sanitizers on the buses, and the suspension of fare collection to limit exposure. VVTA was the first transit operator in the county to implement rear boarding and require passengers to wear masks as a protective measure. The agency procured PPE early in the pandemic and had enough supplies to sell to others when general mask inventory was low. The VVTA Marketing Department also created a mask-wearing video to educate and create awareness of the necessity to wear masks while on board the bus. Further, VVTA provided wellness checks for its ADA clients and provided food delivery for those in need through its ADA service.

VVTA made effort to keep all staff employed and alleviate fears about the pandemic as well as their jobs through constant communication with information and remaining active with enforcing use of PPE. The full-time employees were divided into A and B teams. Those on the A team worked odd days and those on the B team worked even days. The drivers on these teams also alternated between driving one day and then sanitizing vehicles, bus stops and the VVTA campus next. To boost employee morale during the pandemic, VVTA management implemented "Food and Fun Wednesdays" where food trucks or catering would be made available. Fare collection resumed in June 2020 and routes were upgraded to a Saturday service schedule system-wide. Full service resumed on September 21, 2020. A COVID-19 ridership survey was conducted on September 10, 2020.

During the second wave in COVID-19 cases during December 2020, VVTA made service adjustments in response. Direct Access buses and vans were deployed on the fixed routes. The agency reported that 26 percent of employees were out in December due to COVID-19 concerns.

Contract Personnel

Drivers are employed full-time with an average of five years of experience. There are 108 fixed-route drivers based out of the Hesperia facility; 26 drivers out of the Barstow facility and 41 drivers assigned to Direct Access paratransit. In addition, there are seven dispatchers assigned to Hesperia, three dispatchers assigned to Barstow and six dispatchers assigned to Direct Access. Drivers, ADA dispatchers, and mechanics are represented by Teamsters, Local 166 under one collective bargaining unit. The two operational divisions are in Hesperia and Barstow.

A three-year collective bargaining agreement was reached between the operator and Local 166 in 2016. The effective dates including the audit period were from April 1, 2016, to March 31, 2019. Routes are bidded out twice annually based on seniority as per the collective bargaining agreement over three business days. Dispatchers also bid their shifts under the new agreement. Most recruitment efforts are made through the Employment Development Department, the local Workforce Development Board, DMV, job fairs and internet-based sites such as Craigslist, Indeed and the VVTA website. Job openings are also advertised on billboards and flyers. Additional media outreach has included radio spots on 94.3 FM-KDUC and on VVTA's Facebook page. The turnover rate among drivers and mechanics decreased from 32 percent to 26 percent. The reduction in turnover was attributed to higher starting wages in 2018 under the National Express contract. Retention of drivers is influenced by competing job opportunities nearby offered by private industry, as well as school bus operator positions.

The training period for driver candidates is composed of 40 hours of classroom instruction, 60 hours of behind-the-wheel instruction and 80 hours of cadetting where driver candidates are trained on the routes. The number of cadetting hours were increased as well as the ride along orientation. All new drivers receive training whether or not they already hold a Class B commercial driver's license. Additional qualifications include Verification of Transit Training certification and CHP fingerprinting. Drivers assigned to the Direct Access paratransit service are also certified to drive larger vehicles.

There is a 90-day probation period for drivers. New drivers are evaluated every 30 days by a trainer. After the probationary period, drivers are evaluated every six months by a trainer riding along with them. Retraining is triggered through events such as performance evaluations or problems reported to management by spotters. Retraining is tailored to the issue found. Two programs are in effect for driver evaluation and review, while VVTA has the right to remove a driver from revenue service but not to dismiss a driver outright.

Transdev had a strong safety culture and Keolis also has a comparable commitment to safety awareness and practice. Under the Transdev contract, high-visibility yellow reflective vests were required to be worn by employees. Monthly safety meetings provide for sensitivity training, outside speakers such as law enforcement, and awareness of passenger conditions such as dialysis riders. Drivers also engage in role-playing activities, such as acting as passengers, to increase awareness of passengers' feelings. The large buses can accommodate up to two wheelchair passengers whereas some of the small cutaway ADA buses can accommodate up to five wheelchair positions.

Driver commendations collected from passengers are documented monthly for recognition by VVTA. Management uses random video monitoring to check on drivers, including pre-trip inspections. About 95 percent of the training is for fixed-route drivers. The most popular work assignments for the more senior drivers who require less retraining are on the ADA service.

VVTA has recognized the importance of sustaining high employee morale. There are 24 incentive plans that reward employees for maintaining a culture of safety and excellence. Employees are treated to quarterly lunches, an end-of-the-year banquet, and Thanksgiving turkeys. The agency also holds a Driver Appreciation Day and monthly raffle. VVTA drivers compete in local roadeos that pit their skills against drivers from other transit agencies.

Direct Access Policies

Direct Access services are available to Direct Access certified riders per ADA. Direct Access travels beyond the three-quarter mile radius around a bus route with zonal fares that are charged based on the distance away from the bus route. Zone 1 comprises up to a .75-mile band on either side of the fixed routes. Zone 2 is the band from .75 miles to 1.5 miles, and Zone 3 is from 1.5 miles up to 2 miles. A trip between zones is charged the higher rate. In contrast, deviation routes are composed of the general riding public commingled with ADA-certified riders within three-quarters of a mile of the deviated route.

In a sign of VVTA actively managing its paratransit program cost, Direct Access operating costs have declined as a percentage of total VVTA operations over time, going from 60 percent of the budget to less than 25 percent. Given that ADA paratransit service on a per passenger basis receives a greater subsidy than fixed route, the decline in this cost relative to overall transit operations is positive.

Direct Access supports about 3,000 ADA-certified riders. ADA Ride, a third-party contractor, handles registration and eligibility. The application is internet-based, although it can also be completed over the phone or by mail. Support in filling out the application is available for those who need additional assistance. The application requires a professional healthcare provider verification that includes the provider responding to 22 questions about the applicant. VVTA has had an appeals procedure since 2004 as a mechanism for resolving complaints relative to the VVTA Direct Access services, policies, and procedures.

Reservations may be made from 1 day to 14 days in advance. Same day reservations can be made on a space-available basis. Reservations can be made daily from 8 a.m. to 5 p.m. Monday through Sunday. Reservation requests outside those times are made using an automated phone system. The Direct Access reservationist may negotiate the pickup time within an hour; the policy is no trip denial. When feasible, riders can be transferred between vehicles for efficiency. Reservationists are based out of the Hesperia facility.

Ecolane software optimizes trip assignments to vehicles every night. On-time pickup is between 10 minutes before and 30 minutes after the scheduled appointment time. A sampling of trips compiled during the audit period show an ADA on-time performance rate of between 95 and 100 percent. As a matter of policy, VVTA does not comingle regular trips with subscriptions, which are set up as a separate route. The subscription customer base is more comfortable with traveling the same route each time.

CTSA

VVTA was designated a CTSA by SBCTA in May 2015 for the Victor Valley and High Desert regions. The CTSA is responsible for the administration and oversight of 12 mobility management programs primarily targeted to seniors, persons with disabilities, and low-income individuals. Outreach coordination includes the local senior centers and nonprofit organizations. While all these programs have operational procedures in place, several required that formal policies be adopted. Therefore, the CTSA developed the necessary policies for the Subrecipient Monitoring, Driver Training, Vehicle Maintenance and Transit Ambassador Program policies. In January 2018, the VVTA Board approved the policies developed by the CTSA.

The CTSA has its genesis in VVTA's mobility department, launched in 2012. VVTA recognized the importance of going beyond traditional fixed-route transit solutions to a strategic approach of coordinating services with nonprofits and other transportation agencies. Among the initiatives administered under the CTSA's umbrella are a travel training and a travel trainer certification program, Transit Ambassador Program, VVTA Regional Vanpool Program, volunteer Transportation Reimbursement and Information Program (TRIP), nonprofit transportation programs in Trona and Big River, the innovative Needles CarShare, and VVC Ram Pass student transportation program.

Under the regional vanpool program, the CTSA administers up to 250 vanpools. From the program's inception, VVTA contracted with two leasing agencies: Enterprise Rideshare and vRide. These agencies provided vanpool vehicle leases to program participants in accordance with the guidelines of the regional vanpool program. In June 2016, Enterprise Holdings, the parent company of Enterprise Rideshare, acquired all the holdings and corporate interest associated with the vanpool contractor, vRide. The acquisition was completed in April 2017, with VVTA receiving notice that the vRide contract would be terminated and consolidated under the Enterprise Rideshare contract. VVTA soon took notice that the quality of customer service provided by Enterprise had declined and the lease rates had increased by as much as 60 percent.

In January 2018, VVTA released an RFP to solicit additional contractors that would be available to provide vehicle leasing services in accordance with the program guidelines. The increased competition would facilitate more competitive leasing rates and better customer service. In September 2018, VVTA increased the amount paid to the vanpool contractor from $400 to $500 per month for each vanpool registered in the regional vanpool program. The subsidy amount cannot exceed 50 percent of the total lease cost of each van unit. VVTA was able to expand its regional vanpool vendor portfolio with two additional companies: Airport Van Rental and Green

Commuter. The new contracts commenced in May 2018 for a three-year term with the option of two one-year extensions.

The travel training program is staffed with two employees, who conduct orientations and presentations at local school sites and other venues on the use of transit. The CTSA also administers a vehicle donation program that allows local nonprofit agencies to acquire retired vehicles from the VVTA fleet. In addition, there is a driver training and vehicle maintenance program available for nonprofit agencies.

The CTSA director and staff met with the Board of Trustees at Barstow Community College in May 2018 regarding the implementation of a bus pass program similar to the College Ram Pass program with VCC. Due to Barstow's disadvantaged area designation, VVTA believed that the college could qualify for grant funding that would subsidize such a pass. Barstow Community College declined to pursue a student pass subsidy agreement with VVTA. However, VVTA recently entered into a similar agreement with California State University, San Bernardino (CSUSB) effective August 2021. Given the success of the College Ram Pass and its recent agreement with CSUSB, VVTA is encouraged to pursue other arrangements with other local institutions and organizations that benefit from VVTA ridership.

In April 2019, the CTSA implemented the VVTA Trip Brokerage Program to further its mobility management mission. The successful marketing and operation of its mobility management programs have resulted in a 32 percent decrease in the total number of individuals applying for ADA certification for Direct Access and have reduced VVTA's operational expenses by more than $340,000.

The Trip Brokerage Program utilizes Ecolane paratransit dispatching software in conjunction with participating nonprofit partners for a competitive contracted rate per trip. VVTA has developed partnerships with six nonprofit and regional human service agencies to provide rides for VVTA passengers in lieu of booking them on Direct Access.

Operations Performance

Table V-1 and Table V-2 show vehicle operations performance measures for VVTA fixed-route and demand-response services, as provided in NTD reports.

Table V-1
Vehicle Operations Performance Measures – Fixed Route

		Audit Review Period			% Change
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017-2020
Veh Operations Cost	$7,910,595	$8,685,509	$11,926,923	$10,862,395	37.3%
Vehicle Service Hours	173,688	195,333	199,343	178,755	2.9%
Vehicle Service Miles	3,106,773	3,528,319	3,605,546	3,221,714	3.7%
Total Vehicle Hours	187,454	209,594	213,642	191,068	1.9%
Total Vehicle Miles	3,528,993	3,937,957	4,009,096	3,563,709	1.0%
Passenger Trips	1,735,402	1,515,594	1,478,504	1,292,207	-25.5%

	FY 2017	Audit Review Period			% Change
		FY 2018	FY 2019	FY 2020	FY 2017-2020
Passenger Miles	13,861,748	12,278,667	11,780,470	10,193,112	-26.5%
Veh Ops Cost/VSH	$45.54	$44.47	$59.83	$60.77	33.4%
Veh Ops Cost/VSM	$2.55	$2.46	$3.31	$3.37	32.4%
Veh Ops Cost/Pas	$0.57	$0.71	$1.01	$1.07	86.7%
Veh Ops Cost/Pas Mile	$0.57	$0.71	$1.01	$1.07	86.7%
VSH/Total Hours	93%	93%	93%	94%	1.0%
VSM/Total Miles	88%	90%	90%	90%	2.7%
Pas Miles/Passenger	7.99	8.10	7.97	7.89	-1.2%
% change in CPI-U	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Table V-2
Vehicle Operations Performance Measures – Demand Response

	FY 2017	Audit Review Period			% Change
		FY 2018	FY 2019	FY 2020	FY 2017-2020
Veh Operations Cost	$3,011,988	$2,937,719	$3,815,486	$3,131,803	4.0%
Vehicle Service Hours	60,578	59,757	61,768	51,861	-14.4%
Vehicle Service Miles	969,776	919,424	983,736	797,044	-17.8%
Total Vehicle Hours	71,561	70,864	74,023	62,570	-12.6%
Total Vehicle Miles	1,173,016	1,118,444	1,194,948	976,302	-16.8%
Passenger Trips	188,908	182,765	189,182	147,166	-22.1%
Passenger Miles	2,488,511	2,536,036	2,634,170	2,010,288	-19.2%
Veh Ops Cost/VSH	$49.72	$49.16	$61.77	$60.39	21.5%
Veh Ops Cost/VSM	$3.11	$3.20	$3.88	$3.93	26.5%
Veh Ops Cost/Pas	$15.94	$16.07	$20.17	$21.28	33.5%
Veh Ops Cost/Pas Mile	$1.21	$1.16	$1.45	$1.56	28.7%
VSH/Total Hours	85%	84%	83%	83%	-2.1%
VSM/Total Miles	83%	82%	82%	82%	-1.3%
Pas Miles/Passenger	13.17	13.88	13.92	13.66	3.7%
% change in CPI-U	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Vehicle operations costs increased by 37.3 percent for the fixed-route service and 4.0 percent for demand-response service as reported by VVTA in the NTD. For fixed-route service, vehicle service hours increased 2.9 percent and service miles increased 3.7 percent. The operations cost per vehicle service hour increased 33.4 percent, while the operating cost per service mile was slightly lower. Passenger miles as measured using Automatic Passenger Counting (APC) technology approved by FTA grew decreased 1.2 percent. Vehicle operations costs per passenger increased 86.7 percent, reflecting the decrease in trips during the FY 2020 COVID-19 pandemic compared to cost. However, operating cost per passenger mile exhibited a comparable increase. Revenue

service as a proportion of total hours and miles was stable as VVTA kept deadhead service to a minimum.

For demand response service, vehicle service hours decreased by 14.4 percent, while miles decreased by 17.8 percent. This led to a 21.5 percent increase in operating cost per service hour. Operating cost per passenger increased 33.5 percent. Operating cost per passenger mile increased as miles traveled by passengers decreased. Revenue service as a proportion of total hours and miles for Direct Access decreased as VVTA started implementing its trip brokerage utilizing the Ecolane scheduling and dispatching software.

VVTA uses the GFI/Genfare Odyssey electronic farebox system. Fare collection and counting are the responsibility of the contract operator up until the deposit of the revenues. The fareboxes are deposited into the vault upon fueling.

Two employees count the fare revenues while another employee observes. There is a plus/minus 2 percent variance threshold. Once the fare revenues have been counted, they are picked up by armored vehicle three times a week to be deposited. VVTA uses GFI reports in concert with the bank statement for reconciliation purposes. There is spot checking of the cash counting and control process by VVTA's fiscal auditor. VVTA collects approximately 50 percent of its revenues in cash, indicating a move to electronic and mobile forms of fare media such as a tap pass. There is an automated payment system in place for passes used on the Fort Irwin service with an auto-debit option.

<u>On Time Performance</u>

VVTA monitors on-time performance by sampling trips on its various service modes and routes and deploying bus tracking technology. The standard for on-time performance is 95 percent. Standards for on-time performance are between 0 and 5 minutes late for arrival at a bus stop for fixed route and no more than 10 minutes before or 30 minutes after the scheduled pick-up time for demand response. On-time performance can be impacted by passenger and traffic delays. Transdev provided both fixed-route and ADA paratransit on-time performance rates along with tabular data. The implementation of Ecolane and TransTrack software has helped improved data collection in this respect.

At the beginning of the audit period, VVTA opted to replace its Avail Technologies' AVL system with one provided by Syncronmatics. The AVL/GPS is used for tracking on-time performance, among other tasks. For the commuter and lifeline services, on-time performance is recorded manually by the drivers. Road supervisors are equipped with mobile tablets, which are capable of tracking late running buses. Recalibration of the GPS component is conducted to ensure the trigger box is accurately accounting for bus travel. VVTA policy calls for buses to meet at transfer points for the last two trips per day to ensure no one is stranded. Sometimes this means that a bus must slow down or wait. The AVL system is adjusted to accommodate this behavior and not count trips as being late.

Based on the on-time performance indicator on the TransTrack executive dashboard feature, VVTA's on-time performance rate declined during the audit period. A summary of the percentage of on-time trips is presented in Table V-3:

Table V-3
VVTA On-time Performance

	FY 2017	FY 2018	FY 2019	FY 2020
Fixed-Route/Commuter	85.4%	86.2%	47.4%	49.9%
Demand Response	99.6%	99.7%	88.2%	79.4%
System-wide	82.6%	87.7%	52.4%	55.3%

Source: TransTrack Manager

VVTA encountered major issues with late pull-outs under the National Express contract, which adversely impacted on-time performance. Through its planning staff, VVTA evaluates service using data collected from technology means. The implementation of recent COA/SRTP recommendations are also intended to improve consistency in service delivery.

Customer Complaints

VVTA collects and tracks customer complaints and comments. Customer complaints provide a simple measure of customer satisfaction and operational effectiveness. Complaints are generally made through the phone to the VVTA administrative offices. They are also collected from VVTA's website and from board meetings and other public hearings. Complaints are handled by the contractor and reviewed by VVTA management. All complaints are logged into TransTrack with the customer receiving communication and acknowledgement by VVTA. The contractor and VVTA collectively decide whether the complaints are chargeable.

The operations contract includes provisions to address complaints. If the complaint relates to safety or serious operational deficiency, the contractor shall contact the person filing the complaint within 24 hours and investigate the complaint within three days. The investigation must be filed and reported in TransTrack within three days with explanation of the results. If the complaint is less serious in nature, the contractor will have three days to investigate and file the report on TransTrack. At least three documented attempts to contact the person filing the complaint must be made for all cases.

One measure of customer satisfaction is the number of complaints per 100,000 passengers. Table V-4 shows this indicator by mode for fixed route, paratransit, and system-wide. The data show that the trend of complaints decreased for both fixed route and demand response. Complaints per 100,000 riders for fixed route have declined from 36.2 to 26.5 annually during the audit period, as well as decreasing from 56.9 to 43.5 complaints per 100,000 riders on Direct Access.

According to TransTrack, complaints about the fixed-route service are highest around three categories: Driver Discourteous, Driver -- Unsafe Operating, and Service -- Time (Slow). For Direct Access, most complaints have focused on Service -- Time (Slow), Driver Discourteous, Driver --

Unsafe Operating, and Dispatch – Discourteous. These categories combined comprise half or more of the complaints for each mode. Additional service rolling out for both fixed route and paratransit the last few years provides more opportunity for riders to file complaints.

Table V-4
Complaints per 100,000 Passengers

	Complaints	Passengers	Complaints/ 100,000 Passengers	% Change
Fixed Route				
FY 2018	548	1,515,594	36.2	
FY 2019	523	1,478,504	35.4	-2.17%
FY 2020	342	1,292,207	26.5	-25.18%
Direct Access				
FY 2018	104	182,765	56.9	
FY 2019	81	189,182	42.8	-24.76%
FY 2020	64	147,166	43.5	1.57%
Total				
FY 2018	652	1,698,359	38.4	
FY 2019	604	1,667,686	36.2	-5.66%
FY 2020	406	1,439,373	28.2	-22.12%

Source: TransTrack Manager

Maintenance

VVTA's maintenance department has been overseen by the Director of Maintenance and Facilities for nearly 10 years. The maintenance director has been working closely with the new operations and maintenance contractor, Keolis, which has made noticeable improvements. The two prior contractor operators did not adhere to the provisions of the contract. Preventative maintenance inspections (PMIs) fell behind schedule and road calls were high. Maintenance issues were attributed to the failure of National Express's management not providing sufficient resources and flexibility to the operation. National Express was supposed to provide spare vehicles but never delivered. VVTA imposed liquidated damage penalties but only as a last resort. However, Transdev did eventually catch up on the PMIs.

The maintenance director meets daily with the contractor's maintenance manager. Keolis also has a maintenance quality assurance manager and trainer. Under the new contract, VVTA started requesting reports detailing the vehicle spare ratio and road calls. The PMI protocol for fixed route and commuter vehicles is conducted at intervals of 6,000 miles or the recommended vehicle manufacturer's specifications, whichever is lower. The PMI protocol for cutaway and paratransit vehicles is 5,000 miles. Transmission and body work are outsourced. Engine rebuilds are performed in-house. Overall, there has been better management and corporate oversight under Keolis.

Repair orders are generated using electronic tablets that are linked to the maintenance program from Ron Turley & Associates (RTA), which is customized for the VVTA fleet. A paperless database of work repair history is kept for each vehicle and provides data for the vehicle and capital replacement program, which has been updated. VVTA started utilizing the Crystal Reports module of the RTA program. The trip inspections transferred to a paperless format performed on mobile tablets that transmit data to the RTA system.

Maintenance responsibility by the contractor includes facility maintenance, which includes the facility and CNG fueling infrastructure. A new tire storage facility was added as well as electric charging stations for the relief vehicles. The Hesperia facility contains nine service bays to accommodate a large transit fleet, including two in-ground pits, and four aboveground and three in-ground lifts to service the bus undercarriage. A facilities maintenance plan was developed in 2012 to memorialize the required items and schedules to maintain. The contractor employed two facilities maintenance personnel to address issues with the new administration building and other assets. About 80 percent of the water from the bus wash system is recycled at the facility.

Under the National Express contract, up to six mechanic positions were added. However, VVTA found that mechanics were improperly classified and assigned. The contractor hired "C" level technicians but classified them as "A" level technicians. There were 20 technicians at the Hesperia facility and 3 technicians at the Barstow facility. Mechanics ran their shifts with little management oversight. Automotive Service Excellence certification requires at least three years' experience. A commitment is made to training with participation in the Southern California Regional Transit Training Consortium (SCRTTC), which meets quarterly. In addition, management staff serve on the Automobile Advisory Committee at VCC.

Technicians clock in and out with each vehicle and input all services performed and parts used. Daily mileage is recorded into the system, which then flags buses that are due for PM and generates a paperless work order. Some engine rebuilds are conducted in-house by the contractor, while body work on the vehicles, major work on Cummins engines cylinders, and transmissions are outsourced. The GFI fareboxes and security surveillance are serviced every 30 to 90 days. A pass/fail grade is given for each inspection criteria.

Keolis introduced a key issues mobile board onto the maintenance floor that provides printed information regarding safety, news, teamwork, and mechanics shifts. The board also provides issues slips for staff to provide input on topics that need attention.

Parts are stored in a locked room that is accessible through a card-key system. A closed-circuit camera in a corner with a broad view of the parts area provides another layer of security. The RTA maintenance program keeps electronic inventory and identifies minimum and maximum levels for inventory management. VVTA initiated daily cycle counts of the parts inventory and is able to count the entire parts storage room in 10 days. There is a computer in the parts room and kiosks in the maintenance area so mechanics can scan the parts being used for maintenance into the system. Barcodes are assigned to each part for tracking. To expedite PMIs, pre-packaged bundles

of maintenance items and parts are prepared for mechanics by the parts division for each individual bus based on the particular scheduled service.

Table V-5 and Table V-6 show maintenance performance measures for VVTA fixed-route and demand-response services, as provided in NTD reports.

Table V-5
Maintenance Performance Measures – Fixed Route

		Audit Review Period			% Change
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017-2020
Vehicle Maintenance Cost	$3,134,090	$3,506,512	$2,663,170	$2,417,694	-22.9%
Total Vehicle Hours	187,454	209,594	213,642	191,068	1.9%
Total Vehicle Miles	3,528,993	3,937,957	4,009,096	3,563,709	1.0%
Active Vehicles	87	83	74	69	-20.7%
Peak Vehicles	51	54	54	53	3.9%
Maint Cost/VSH	$16.72	$16.73	$12.47	$12.65	-24.3%
Maint Cost/VSM	$0.89	$0.89	$0.66	$0.68	-23.6%
Maint Cost/Active Veh	$36,024	$42,247	$35,989	$35,039	-2.7%
Veh Hrs per Active Veh	2,155	2,525	2,887	2,769	28.5%
Veh Mi per Active Veh	40,563	47,445	54,177	51,648	27.3%
Spare Ratio	71%	54%	37%	30%	-57.2%
% change in CPI-U	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Table V-6
Maintenance Performance Measures – Demand Response

		Audit Review Period			% Change
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017-2020
Vehicle Maintenance Cost	$1,189,850	$1,155,363	$828,575	$726,287	-39.0%
Total Vehicle Hours	71,561	70,864	74,023	62,570	-12.6%
Total Vehicle Miles	1,173,016	1,118,444	1,194,948	976,302	-16.8%
Active Vehicles	49	42	44	50	2.0%
Peak Vehicles	39	35	37	39	0.0%
Maint Cost/VSH	$16.63	$16.30	$11.19	$11.61	-30.2%
Maint Cost/VSM	$1.01	$1.03	$0.69	$0.74	-26.7%
Maint Cost/Active Veh	$24,283	$27,509	$18,831	$14,526	-40.2%
Veh Hrs per Active Veh	1,460	1,687	1,682	1,251	-14.3%
Veh Mi per Active Veh	23,939	26,630	27,158	19,526	-18.4%
Spare Ratio	26%	20%	19%	28%	10.0%
% change in CPI-U	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Maintenance costs for both modes declined during the three-year period. Overall, maintenance costs decreased 22.9 percent for fixed route and 39 percent on demand response. The decrease in maintenance costs can be attributed to the procurement of newer vehicles as well as to the former maintenance contractors cutting corners. Given the reduction in maintenance costs, although not in a positive sense in this case, performance indicators such as maintenance cost per vehicle service hour and mile decreased during the audit period. The increased trend in vehicle hours and miles per active fixed route vehicle also indicates that the revenue fleet is being used more extensively to provide the additional service and address COA issues.

The vehicle spare ratio (Vehicles Operated in Annual Maximum Service divided by Vehicles Available for Annual Maximum Service) for fixed-route service decreased while the spare ratio for Direct Access was relatively steady. The spare ratio in FY 2020 met the goals set by the agency of between 25 and 30 percent. The fixed-route vehicles were placed into service to fill the increased service roll out from new commuter and lifeline service, as well as COA service implementation.

In March 2021, slightly beyond this audit period, the Director of Maintenance & Facilities and Fleet and Facilities Manager prepared the *Vehicle Maintenance Plan* that sets a high level of standards for vehicle safety and reliability. Among the performance standards in the plan, the maintenance department has goals to reduce and maintain mechanical road calls to less that specific vehicle miles. For example, these standards include to reduce and maintain transit vehicle NTD mechanical road calls to less than 1 in 10,000 miles; reduce and maintain all transit vehicle mechanical road calls to less than 1 in 7,500 miles; reduce and maintain ADA vehicle NTD mechanical road calls to less than 1 in 12,000 miles; and reduce and maintain all ADA vehicle mechanical road calls to less than 1 in 10,000 miles. The Director of Maintenance & Facilities generates road call reports from TransTrack to track and monitor this performance measure which provides an indication of the level of vehicle maintenance being provided by the contractor. A review of road call reports shows that the regional route category generated the most road calls of all the services. This category captures the most bus routes in the system.

Planning

VVTA has made concerted efforts to strengthen its service planning capabilities by actively monitoring service changes and commissioning transit planning studies. VVTA management monitors current service through regular reviews of TransTrack data and other reports and indicators of the need for service changes. VVTA's service planners who were former drivers with the operations contractor coordinate route planning. With experience as bus drivers, the transit planners are able to conduct planning within the context of a driver's actual implementation and can better communicate route adjustments with the drivers. Every bus stop was re-geocoded as part of the bus system improvement program, and bus stop development guidelines were adopted to aid in standardizing optimum bus stop placement and design.

Many service recommendations in the previous COA/SRTP have been implemented or are in the process of implementation. One recommendation pertained to the renumbering of the routes to correspond to their service area geography. Only routes in Hesperia and the County routes in

Barstow would be affected by this measure. The COA/SRTP also recommended the provision of dedicated transfer centers. As mentioned earlier in this section, VVTA has identified two sites for planned transfer center development in Victorville and Hesperia.

Examples of other service changes from the COA/SRTP included the addition of Sunday service and splitting of Route 45 service (Hesperia and Victorville) and adding a new Route 55, both with hourly service. Most notably, the introduction of Route 42 has provided a much-needed link to north Apple Valley, which includes the Walmart distribution center, VVC training center, and the County Juvenile Detention Center. Thirty-minute headway service is also available for several routes, including Routes 31, 41, and 52. A fare increase and adjustment was also recommended in the COA and implemented in October 2017.

During the audit period, VVTA was involved in the development of its FY 2020 SRTP, which was adopted in September 2020. The FY 2020 SRTP has a five-year planning horizon and is composed of seven chapters that encompass a transit service baseline and ridership analysis; goals, objectives, and standards; service and system evaluation; operations plan; capital plan; financial plan; and an administrative overview. The operations plan is based on historic operational data, future service demand and forecasted agency growth. The plan is also based on a modification of the implementation plan from the last COA.

The FY 2020 SRTP calls for incremental improvements to headways and the span of service as the agency rebounds from the COVID-19 pandemic impacts. In FY 2022-23 the operations plan suggested that Route 50 provide more service by reducing its headway to 30 minutes. This is the most productive route in the VVTA system that currently does not provide service every 30 minutes on weekdays. In FY 2023-24, it was suggested that Route 32 service be improved to every 30 minutes during service hours. Reducing service headways could help reduce crowding on this route. For FY 2024-25, it was suggested that all fixed routes and the Barstow services extend their span of service by starting service one hour earlier and ending service an hour later than their current service spans.

VVTA continued its extensive program for increasing the number of bus shelters, benches, solar lights, and other passenger amenities. Bus stop guidelines were developed during the audit period that contain placement criteria. New bus stop signage features bus stop identification numbers. VVTA works with the Technical Advisory Committee (TAC) to discuss, plan for, and purchase the shelters. In turn, the local member cities install and maintain them.

Public hearings are held for significant activities such as approval of the SRTP, fare policies, or change in route service levels of over 25 percent. The annual unmet transit needs hearings are used to receive input from the public on any transit issues and help identify potential service needs. Other sources for input include outreach through local social service agencies, SBCTA's Public and Specialized Transportation Advisory and Coordination Council, surveys, complaints and service requests from riders, and comments from TAC members. As mentioned above, the COA included an onboard fixed-route passenger survey and a telephone ADA Direct Access survey.

VVTA is one of the early adopters of Remix route planning software. Remix is a web-hosted application for planning public transit systems. It automates the process of route and schedule scenario testing, letting planners draw routes onto a map and immediately see a potential schedule and fleet requirements.

Marketing

VVTA marketing and outreach initiatives have included a website overhaul, the introduction of a system-wide map, and a mobile app focused on security. A new marketing coordinator was hired in October 2019, who has prioritized social media outreach and internal communications with the employees. The marketing coordinator utilizes a reporting structure to measure social media metrics and web metrics to gauge effectiveness and is part of a regional public information officers' groups to gain ideas for outreach. As a large proportion of ridership is young and/or students, VVTA's new outreach strategies are targeted to this audience as well as to those riders who use web-based technology.

The website (https://vvta.org/) has been revamped and is one of the primary means of marketing transit services. VVTA worked with its website vendor, Trillium, to facilitate the enhancements. The updates included the migration of vvta.org to the main site; the integration of home page images including the addition of graphics with news updates; and a revised layout on the mobile page.

Rider alerts and route changes are continuously updated. Alerts are also posted on buses. Bus schedules and route maps are organized by geography and by type of service such as commuter, fixed route, deviated route, County route, and lifeline. Bus schedules are distributed regularly. For fixed route, bus locations are available online in real time on the VVTA website. The site also contains standard essential information such as schedules, routes, fares, bid opportunities, board meeting minutes, contact information, and news about the system. Schedules are available for download in PDF.

Bus shelter improvements in some cities provide an area for commercial advertisement and revenue generation, and a platform to showcase system information. Route and schedule data are available on Google Transit, which includes an updated mobile platform. VVTA subscribes to major social media accounts including Facebook, Twitter, Instagram, LinkedIn, YouTube, and TikTok, and posts feeds and responds to users on each account. Facebook and Instagram have generated a strong following. Press releases are disseminated every 30 days to three media outlets (including two online) in the Victor Valley. Releases are also posted on the website as well as distributed by email and in the SMS text format.

A digitally formatted system map was developed and is available in print and downloadable via the website. The map features Victor Valley routes as well as ADA paratransit zones. VVTA is installing the hardware to place the large format version at major transfer points.

Another popular outreach tool has been the VVTA Watch mobile security app. Launched in July 2017, the app enables passengers to immediately report safety or security concerns, using their mobile phones or tablets. The app has over 700 users and is monitored by dispatch. There are two to four interactions weekly that generate emails to VVTA management and the contractor.

VVTA participated in the American Public Transportation Association's "Dump the Pump" campaign held the week of June 20-24, 2019. Free rides were offered on the system to promote transit usage. The campaign generated 20,000 trips versus the prior year's number of 14,000 trips, an increase of 43 percent. Another noteworthy marketing campaign included Randy the Reindeer – VVTA's holiday-themed bus, which operated during the 2019 Christmas season. Passengers were encouraged to take a selfie with the decorated bus to be submitted to VVTA over social media for a chance to win a Samsung Galaxy Tablet, 10-day TouchPass Card, 15-day TouchPass Card or a 31-Day Touch Pass Card.

Pursuant to the federal Civil Rights Act of 1964, VVTA has an adopted Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The Title VI Program was updated in 2018 covering the period from FY 2019 through FY 2021. The VVTA Title VI Program was approved by the VVTA Board of Directors on August 20, 2018, and by the FTA on October 31, 2018. Compliance measures include Title VI notices posted on the website (https://vvta.org/rights/), in all transit vehicles, and at VVTA's office in Hesperia. Complaint forms are available on the website in English and Spanish.

General Administration and Management

VVTA is overseen by a Board of Directors composed of seven members made up of elected representatives from the following member jurisdictions: one member each from the Cities of Adelanto, Barstow, Hesperia, Victorville, and the Town of Apple Valley, and two from the County of San Bernardino. The composition of the board was expanded from five to seven members pursuant to the most recent amendment to the JPA in July 2015, with the inclusion of the City of Barstow and County Supervisorial District 3. The board is tasked with oversight and policy development and meets the third Monday of the month at 9:30 a.m. at VVTA headquarters in Hesperia. The board meets quarterly in Barstow at the City Hall council chambers.

Board policy regarding VVTA operations is supported by the VVTA TAC. The TAC is the working group for the VVTA board and is composed of a staff member from each city and the County who is generally appointed by the City Council/County Supervisors. TAC membership was expanded to include representatives from City of Barstow and Supervisorial District 3 with the consolidation of Barstow transit services. The TAC reviews monthly all suggested board agenda items and discusses what actions to recommend to the board for approval. The TAC meets the first Wednesday of the month in the VVTA board room at 3:00 p.m.

As an orientation of VVTA board members, the executive director/CEO developed and uses a transit board member handbook that is adapted from the American Public Transportation Association and contains documentation about the public transportation system.

The VVTA administration is directed by an executive director/CEO who is in turn supported by a growing staff. The executive director has been with VVTA since 1998. Under the executive director there are five department managers: the deputy executive director, finance director, senior operations manager, CTSA director, and the facility and maintenance director. The deputy executive director oversees the customer service and grant oversight. The finance director oversees accounting and human resources. The senior operations manager oversees contract compliance, marketing, route planning and information technology (IT) services.

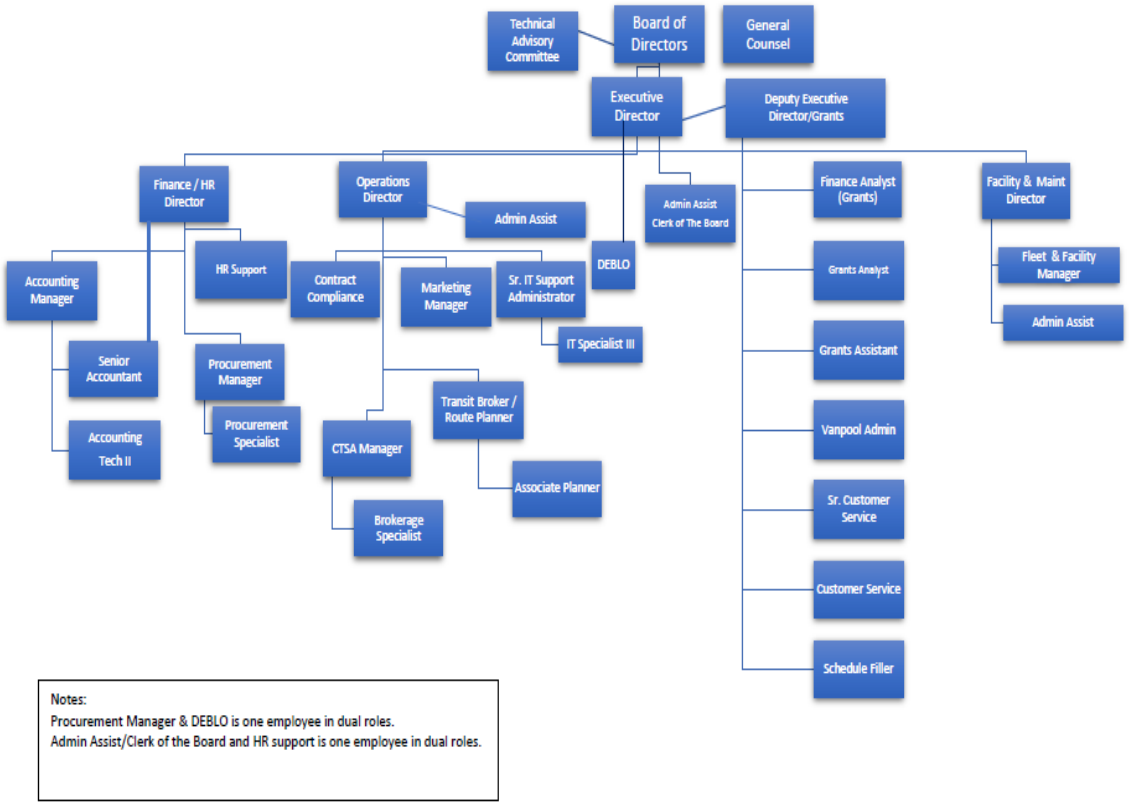
VVTA's executive director and staff have been recognized for their leadership and innovation by transit industry organizations. The CTA awarded its prestigious Distinguished Service Award to VVTA's executive director/CEO in November 2017. Presented during the CTA awards at the Fall Conference & Expo in Riverside, the award recognizes individuals who have had long and distinguished careers in the public transit industry and have made outstanding contributions to public transit. In addition, VVTA was awarded Outstanding Coordination Effort Award of the Year by CalACT at its 2017 Spring Conference and Expo in Lake Tahoe. The executive director has served as a CTA Executive Committee Member since 2010 and was the CalACT Board Chair in 2017 and 2018.

During the audit period, VVTA continued to expand its in-house administrative staffing levels to address staffing deficiencies identified in previous triennial audits and the COA. There are 26 direct hire employees: 24 full-time and 2 part-time employees. The compensation study completed in 2017 found that VVTA's staffing levels were still at 60 percent of the staffing levels found in peer transit agencies. The agency has since been hiring new staff to fill key positions.

An employee policy handbook was updated in November 2018 upon the hiring of a new Finance Director. The handbook provides tools and means for staff retention and training such as attendance at conferences and cross training through departmental rotations. New financial operating procedures for accounting, financial reporting, and internal control standards were also adopted for FY 2019-20. The financial procedures include desktop procedures for check deposits, and authorization for direct deposits among other policies aimed at strengthening the department's role in ensuring agency compliance. Software from Asset Panda was also purchased to better manage fixed assets that were previously kept on excel spreadsheets. The Finance Department also worked with the Information Technology Department to implement cloud access of records and documents to enable remote work outside of the office that comply with FTA guidance and regulations. Laserfiche provides remote data backup and communications. In addition to increasing its staffing levels, VVTA restructured some departments such as the Finance Department, which now oversees procurement, while the Operations Department now oversees contract compliance, marketing, route planning, and IT services. The senior operations manager was formerly a project manager and former general manager with the prior contract operator, Transdev.

Figure V-1 shows the VVTA organization chart.

Figure V-1
VVTA Organization Chart



Executive management and those in high level positions have been with VVTA for many years. With anticipation of a few years remaining for several high-level staff at the agency, VVTA developed a process to identify and mentor potential successors from within the organization. Succession planning increases the availability of experienced and capable employees who are prepared to assume these roles as they become available. As an example, in announcing his retirement, the Executive Director/CEO will be succeeded by a new executive selected within the VVTA ranks starting in 2022. The selected manager is the current operations director.

All VVTA non-administrative services are contracted with private vendors, the largest being with its vehicle operations and maintenance contractor. The contract is closely monitored by VVTA management. The contractor operates out of the administration building, giving management easy access to all contractor's operations and personnel. In addition, there are regular meetings

between administration and the contractor to discuss various issues impacting both parties. Reports are provided by the contractor and reviewed by VVTA management with appropriate data entered in TransTrack. VVTA staff use TransTrack data and reports plus personal observations to monitor and assess the contractor's progress.

The Cougar Mountain Software program is utilized for VVTA's accounting and budgetary forecasting. VVTA's annual budgeting process begins in March with the prior year's budget serving as a baseline. Department managers provide input on projected expenditures while SBCTA provides an estimate of TDA and other state and federal revenues for the coming year. The draft budget is presented to the TAC during the first week of May. The final budget is adopted by the VVTA board in June and goes into effect at the beginning of the fiscal year in July. Metric reports were added to the budgeting process, which have been well received, and staff has been lauded for their fiscally conservative approach in analyzing the benefits of each line item.

Once the budget is adopted, the deputy executive director prepares VVTA's TDA claims. The claim forms are forwarded to the executive director and finance director for review and signature. In August 2019, the VVTA board approved a proposal from Flagstar Bank to provide the agency with a $4 million unsecured line of credit for five years to be used for the acquisition of capital assets and cover operational costs.

Table V-6 and Table V-7 show administration performance measures for VVTA fixed-route and demand-response service, as provided in NTD reports.

Table V-7
Administration Performance Measures – Fixed Route

		Audit Review Period			% Change
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017-2020
Admin Cost	$2,405,119	$2,984,236	$2,635,458	$2,926,521	21.7%
Vehicle Service Hours	173,688	195,333	199,343	178,755	2.9%
Vehicle Service Miles	3,106,773	3,528,319	3,605,546	3,221,714	3.7%
Passenger Trips	1,735,402	1,515,594	1,478,504	1,292,207	-25.5%
Passenger Miles	13,861,748	12,278,667	11,780,470	10,193,112	-26.5%
Admin Cost/VSH	$13.85	$15.28	$13.22	$16.37	18.2%
Admin Cost/VSM	$0.77	$0.85	$0.73	$0.91	17.3%
Admin Cost/Pas	$1.39	$1.97	$1.78	$2.26	63.4%
Admin Cost/Pas Mile	$0.17	$0.24	$0.22	$0.29	65.5%
% change in CPI-U	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Table V-8
Administration Performance Measures – Demand Response

		Audit Review Period			% Change
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017-2020
Admin Cost	$942,249	$1,021,889	$913,531	$889,572	-5.6%
Vehicle Service Hours	60,578	59,757	61,768	51,861	-14.4%
Vehicle Service Miles	969,776	919,424	983,736	797,044	-17.8%
Passenger Trips	188,908	182,765	189,182	147,166	-22.1%
Passenger Miles	2,488,511	2,536,036	2,634,170	2,010,288	-19.2%
Admin Cost/VSH	$15.55	$17.10	$14.79	$17.15	10.3%
Admin Cost/VSM	$0.97	$1.11	$0.93	$1.12	14.9%
Admin Cost/Pas	$4.99	$5.59	$4.83	$6.04	21.2%
Admin Cost/Pas Mile	$0.38	$0.40	$0.35	$0.44	16.9%
% change in CPI-U	2.5%	3.6%	2.7%	1.2%	

Source: NTD Reports

Administration performance measures, as measured in cost per quantity of service provided (vehicle service hours or miles) or service consumed (passenger trips or passenger miles), show increases and decreases in cost per unit of service. Administrative cost per unit differences between modes are likely due more to cost allocation methods developed by VVTA than to actual costs incurred. With growth in administrative staffing, costs have increased but are necessary for the additional responsibilities placed upon VVTA administration. Improved internal processes and streamlined administrative services can be shown through administrative performance measures as part of the KPI program but can also be shown through other measures such as the rate of revenue growth, grant close-outs, and service responsiveness to the riding public.

The contractor provides VVTA with monthly reports on performance which are recorded through TransTrack. The data is then reviewed by VVTA management and included in the board agenda reports. The management report presented by the executive director provides an overview of the transit system's costs and performance. For example, monthly trends in ridership and fare revenues are provided as well as by route and paratransit performance data. Operational data, passenger feedback, and risk management information is also presented. In addition, presentations to the SBCTA Transit and Rail Subcommittee furthers the dialog among the agencies in forming partnerships.

Close communication is maintained between VVTA administration and the contractor, as evidenced through standing weekly staff meetings which have occurred for at least the past decade. Set agendas including old business and new business items are listed and discussed by appropriate staff managers. Regular agenda topics include revenue reconciliation, maintenance and facility update, bus procurement, and various technology system implementation.

Pursuant to TDA, VVTA receives LTF proceeds and State Transportation Assistance Funds (STAF). VVTA is a direct claimant of TDA funding through SBCTA. TDA funding is used primarily for operating expenditures and certain capital projects. Based on annual financial audit data, LTF revenues received under Article 4 during the audit period were $14,471,353 ($13,948,768 operations; $522,585 capital) in FY 2018; $19,561,373 ($18,213,156 operations; $1,348,217 capital) in FY 2019; and $19,600,037 ($19,163,344 operations; $436,693 capital) in FY 2020. STAF revenues received applied toward operations and capital procurement were $2,260,954 ($1,480,320 operations; $780,634 capital) in FY 2018; $709,453 ($157,237 operations; $552,216 capital) in FY 2019; and $137,809 ($95,406 operations; $42,403 capital) in FY 2020. The Transit Operators Financial Transactions Reports submitted to the State Controller are generally prepared and reviewed internally by the finance director.

VVTA's most recent FTA triennial review was conducted in 2018 and involved site visits on August 8 and 9, 2018. The review examined compliance in 20 areas. Deficiencies were found with FTA requirements in five review areas pertaining to financial, maintenance, procurement, disadvantaged business enterprise, and Section 5307 program requirements. VVTA had no repeat deficiencies from the 2015 triennial review. The deficiencies in question were resolved after VVTA provided documentation as confirmed in the closeout letter dated December 10, 2020.

Grants Management

The dramatic growth in funding opportunities and reporting requirements have necessitated the hiring of additional staff under the oversight of the deputy executive director. A financial analyst handles grant accounting, and a new grants team was formed to weigh options for pursuing grant funding. A grants analyst was hired in August 2017 to enable VVTA to aggressively pursue competitive grants. VVTA had previously contracted with a remotely located grants administrator that resulted in weak grant oversight and pursuit. Since bringing the function in-house in recent years, VVTA has taken several aggressive steps to address this weakness in internal controls compliance, as evidenced by the procurement of financial software and the development of a grants procedures guide.

As shown in the annual fiscal audit, VVTA manages a variety of operating grant funds to supplement fare revenue. They include federal funds from FTA Sections 5307, 5310, 5311, and CMAQ, as well as AB 2766 Motor Vehicle Registration Fees administered by the South Coast Air Quality Management District. Capital funds include FTA Sections 5307, 5310, 5339, and CMAQ, as well as State LCTOP, SGR, PTMISEA, and Prop 1B/CTAF. These operating and capital funds are in addition to the TDA revenues allocated by SBCTA. Auxiliary revenues have been derived from CNG fuel sales, solar rebates, federal excise taxes from CNG, and renewable natural gas.

In August 2017, the VVTA Board approved filing an FTA Section 5339 grant application for $850,000 to upgrade the L/CNG station at the Barstow facility with a CNG compression skid. Also, there were discussions between VVTA, SBCTA and the City of Apple Valley to pursue a State Transit and Intercity Rail Capital Program grant for a new transit station that could tie in the proposed rail

service from Las Vegas to the San Bernardino Valley through the high desert region; however, the grant was not pursued.

Evidence of grant tracking was provided that identifies each project and associated federal dollar amount and local match requirement. Status tracking is shown in terms of budget amounts, amount claimed, and remaining balances. Invoices against the project budget are also tracked. Primary grant project categories include Bus Rolling Stock, Bus Support Equipment & Facilities, Bus Associated Transit Improvements, and Other Bus Capital Items. Subcategories include Security, Preventive Maintenance, Lease - Administrative/Maintenance Facility, Shelters and Accessibility Improvements, Bus-Rolling Stock, and Solar Bus Stop Lighting.

VVTA utilizes the Cougar Mountain accounting software program as part of its grant management protocol. A grants revenue procedural document has also been developed to memorialize the internal control process of accounting for grants, including invoicing through fund collection and reporting.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2018 through 2020. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to VVTA, the operator fully complied with eight applicable requirements. The operator was partially compliant regarding the calculation of full-time employee equivalents. Two additional compliance requirements did not apply to VVTA (i.e., rural and urban farebox recovery ratios).

2. VVTA's farebox recovery ratio remained above the intermediate 18 percent standard established by SBCTA for fixed route and 10 percent for Direct Access.[5] The average for the three-year period for fixed route was 20.47 percent, and 11.00 percent for Direct Access.[6] The farebox ratio for direct access has remained above the 10 percent threshold over the three years except for FY 2019 when it dropped slightly below 10 percent. Farebox ratios are audited figures from the TDA fiscal audits and include local support revenue such as Measure I.

3. Through its contract operator, VVTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period with exception of the August 2017 inspections conducted in Hesperia. An unsatisfactory rating was given to VVTA for violations relating to the improper placement of emergency exit signage, tire contacting the parking brake cable, and fire extinguisher not being securely mounted. Also, the contractor was cited for utilizing disqualified drivers. There were no violations concerning vehicle maintenance. VVTA resolved these violations, and upon a subsequent CHP follow-up inspection on December 27, 2017, the VVTA facility was rated satisfactory.

4. The operating budget fluctuated during the period but did not exceed more than 15 percent. The budget increased 6.8 percent in FY 2018 followed by an 8.9 percent increase in FY 2019. The increase in the FY 2019 budget is attributed to the higher contractor rate, new security contract rate increase, and the implementation of the TouchPass mobile app and card program. In contrast, there was an 8.8 percent decrease in the FY 2020 operating budget.

[5] The farebox recovery standard was increased from 15 percent to 18 percent pursuant to SBCTA Resolution 17-002 in September 2017, which repealed Resolution 98-002 and allowed for VVTA's return to claiming under Article 4.

[6] It is noted that Local funds (Measure I) are applied by the operator to supplement farebox revenues to satisfy the 18 percent fare ratio as permitted by Section 99268.19.

5. VVTA implemented the three prior audit recommendations. The recommendations pertained to improving on-time performance; developing additional key performance indicators to report organization efficiencies; and pursuing succession planning strategies.

6. Operating costs based on audited data increased 1.0 percent system-wide from the FY 2017 base year through FY 2020. Fixed route operating costs based on audited data decreased 1.6 percent from the FY 2017 base year through FY 2020 while Direct Access demand response costs increased 1.3 percent over the same period. Most of the cost growth occurred in FY 2019. System-wide operating costs increased 13.9 percent driven by the nearly 20 percent increase in fixed route/commuter operating costs. These increases are to the higher contractor rate, new security contract rate increase, and the implementation of the TouchPass mobile app and card program.

7. After a period of growth due to service expansion and the consolidation of the Barstow service, ridership decreased 25.2 percent system-wide from the FY 2017 base year through FY 2020. The 25.5 percent decrease on the fixed route mirrored the system-wide decrease over the same period. Ridership on Direct Access exhibited a 22.1 percent decrease. In consideration of the COVID-19 pandemic impacts toward the latter part of FY 2020 and the adverse impacts on transit, system-wide ridership decreased 67.1 percent. Ridership increased 2.1 percent in the second quarter of FY 2020, followed by a 9.2 percent decrease in the third quarter, and 62.9 percent decrease in the fourth quarter, when the statewide shelter-in-place order was in full effect.

8. Operating cost per passenger, a measure of cost effectiveness, increased by 32.3 percent system-wide from the FY 2017 base year through FY 2020. For fixed route service, cost per passenger increased by 32.1 percent whereas on Direct Access, cost per passenger increased 30 percent. Operating costs for fixed route rose approximately 20 percent in FY 2019 with a 2.4 percent decrease in ridership, leading to an increase in the operating cost per passenger. Although FY 2020 saw a decrease in fixed route operating costs of 4.8 percent, ridership decreased 9.2 percent year over year. In consideration of the pandemic toward the latter part of FY 2020 and the adverse impacts on transit, system-wide cost per passenger was $12.81 in the first quarter of FY 2020, $14.88 in the second quarter, $14.32 in the third quarter, and $34.90 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per passenger in FY 2020 was $19.23.

9. Operating cost per vehicle service hour, a measure of cost efficiency, increased by 0.5 percent system-wide, with a 4.4 percent decrease for fixed route and an 18.3 percent increase for demand response from the FY 2017 base year through FY 2020. Operating cost per vehicle service mile, another measure of cost efficiency, increased by 0.4 percent system-wide, with a 5.1 percent decrease for fixed route and a 23.2 percent increase for demand response. In consideration of the COVID-19 pandemic impacts toward the end of FY 2020, system-wide cost per hour was $87.82 in the first quarter, $100.33 in the second quarter, $91.50 in the third quarter, and $140.08 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average cost per hour in FY 2020 was $104.93.

10. Passengers per vehicle service hour, a measure of service efficiency, decreased by 24 percent system-wide, while passengers per vehicle service mile, another measure of service efficiency, decreased by 24.1 percent system-wide. For fixed route service, passengers per hour decreased by 27.7 percent and passengers per mile decreased by 28.2 percent. For demand response service, passengers per hour decreased 9.0 percent, whereas passengers per mile decreased 5.2 percent. During FY 2020, passengers per hour were 6.9 in the first quarter, 6.7 in the second quarter, 6.4 in the third quarter, and 4.0 in the fourth quarter, when the statewide shelter-in-place order was in full effect. The average number of passengers per hour in FY 2020 was 6.0 passengers.

11. The agency opened its new Barstow operations facility, situated on a 5.5-acre site located on the historic Route 66. Since VVTA merged with BAT in 2014, the previously leased facility was utilized beyond its design capability. Construction of the 9,998-square-foot facility began in June 2019, with the official opening taking place on August 11, 2020. The new facility is adjacent to the existing VVTA Liquid Compressed Natural Gas (L/CNG) public fuel station.

12. In April 2019, the CTSA implemented the VVTA Trip Brokerage Program to further its mobility management mission. The successful marketing and operation of its mobility management programs have resulted in a 32 percent decrease in the total number of individuals applying for ADA certification for Direct Access and have reduced VVTA's operational expenses by more than $340,000.

13. In January 2018, VVTA released an RFP to solicit additional contractors for the vanpool program that would be available to provide vehicle leasing services in accordance with the VVTA vanpool program guidelines. The increased competition would facilitate more competitive leasing rates and better customer service.

14. VVTA upgraded bus stops with new signage, activated electronic fareboxes, and planned for the construction of two transfer centers. Bus stop improvements have included the installation of 14 electronic LED signs and 25 transit tubes. In January 2020, VVTA implemented its TouchPass electronic fare collection system, which allows for passengers to pay fares using a smart card or mobile application (app). The app operates on the Umo mobility platform developed by Cubic Transportation Systems/Delerrok.

15. In November 2017, VVTA released a Request for Proposals (RFP) for the provision of operations and maintenance services that encompassed the maintenance of the Barstow Division L/CNG fueling station and leased facility as well as the newly constructed Barstow operations and maintenance facility. VVTA awarded the new operations and maintenance contract to National Express, based in Lisle, Illinois. The Transdev contract was extended 90 days from July 1, 2018, through September 30, 2018, to ensure continued service and a smooth transition to the new contractor.

16. VVTA decided to exercise the Termination for Convenience clause to terminate the contract with National Express effective September 30, 2020. The VVTA Board approved the Termination for Convenience of Contract as well as the release of an RFP for operations and maintenance services on April 24, 2020. The highest scoring proposer, Keolis Transit Services, LLC of Boston, Massachusetts, was selected. Keolis began operating VVTA services effective October 1, 2020, under a five-year contract with the option for five one-year extensions.

17. VVTA commissioned the development of its FY 2020 SRTP, which was adopted in September 2020. The FY 2020 SRTP has a five-year planning horizon and is composed of seven chapters. The plan calls for incremental improvements to headways and the span of service as the agency rebounds from the COVID-19 pandemic impacts.

18. VVTA's executive director and staff were recognized for their leadership and innovation by transit industry organizations. VVTA was awarded Outstanding Coordination Effort Award of the Year by the California Association for Coordinated Transportation (CalACT) at its 2017 Spring Conference and Expo in Lake Tahoe. The California Transit Association (CTA) awarded its prestigious Distinguished Service Award to VVTA's executive director/CEO in November 2017.

Recommendations

1. **Calculate full-time employee equivalents using TDA definitions.**
   (High Priority)

   An auditor review of the full-time employee equivalent data reported in the Transit Operators' Financial Transactions Reports revealed an incorrect calculation for both service modes. The system-wide FTE figure for FY 2019 appears to reflect a headcount in comparison to the FTEs reported for the other audit years, since the number of system-wide employee FTEs increased from 113 in FY 2018 to 267 (209 for fixed-route and 58 for demand-response) in FY 2019. Pursuant to the TDA statute, FTEs derived from the total annual labor hours divided by 2,000. VVTA does track the labor hours for each employee annually that is reported in TransTrack and exported to an Excel spreadsheet. Driver trip manifests can also be utilized to calculate labor hours by service mode. These sources should enable the agency to conform to the FTE definition.

2. **Continue pursuit of potential revenue agreements and cooperative partnerships as part of VVTA's revenue enhancement strategy.**
   (Medium Priority)

   In May 2018, VVTA's CTSA director and staff met with the Board of Trustees at Barstow Community College regarding the implementation of a bus pass program similar to the College Ram Pass program with VCC. Due to Barstow's disadvantaged area designation, VVTA believed that the college could qualify for grant funding that would subsidize such a pass. Barstow Community College declined to pursue a student pass subsidy agreement with VVTA. However, VVTA recently entered into a similar agreement with California State University, San Bernardino (CSUSB) effective August 2021. Given the success of the College Ram Pass and its recent agreement with CSUSB, VVTA is encouraged to pursue other arrangements with other local institutions and organizations that benefit from VVTA ridership. Given the status and current uncertainties with public transit in general, VVTA's active partnerships help stabilize operations and provide more steady revenue streams while providing more visibility to the service. We applaud the agency's approach towards building local and regional partnerships that have become a viable aspect of transit systems and are further recommending their continued pursuit of these types of engagements.