

## **Support Material Agenda Item No. 4**

### **Transit Committee Meeting**

**April 11, 2024  
9:00 AM**

**Location:**

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

### **DISCUSSION ITEMS**

#### **Transit**

**4. Operators Transportation Development Act Triennial Performance Audits for Fiscal Years 2020/2021 - 2022/2023**

Receive the Transportation Development Act Triennial Performance Audit Reports for Fiscal Years 2020/2021–2022/2023 for the Mountain Area Regional Transit Authority, Morongo Basin Transit Authority, City of Needles - Needles Area Transit, Omnitrans, and Victor Valley Transit Authority.

*Audit reports are attached in the order listed below:*

- *Attachment A – Executive Summary Operators*
- *Mountain Area Regional Transit Authority*
- *Morongo Basin Transit Authority*
- *City of Needles-Needles Area Transit*
- *Omitrans*
- *Victor Valley Transit Authority*

# Mountain Transit

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024



## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Mountain Transit (formerly Mountain Area Regional Transit Authority) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Mountain Transit's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Public transportation in the Big Bear Valley, Crestline, Lake Arrowhead, and Running Springs area is provided by Mountain Transit. Mountain Transit provides fixed route, Dial-A-Ride, and Off-the-Mountain (OTM) service. The Red Line, Blue Line, Gold Line, and RIM Route 2 and RIM Route 4 are considered fixed routes. There are two OTM routes, Big Bear Route 5 and RIM Route 6.

Mountain Transit provides two Dial-A-Ride services in Big Bear Valley and the RIM Area. Service is available to seniors (60+), veterans and persons with disabilities with a DAR ID. Reservations can be made a minimum of two hours in advance. All passengers, with exception to qualified ADA passengers, are restricted to three pick-ups per day.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. Calculate full-time employee equivalents using TDA definitions.  
**Status: Implemented.**
2. Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.  
**Status: Partially implemented.**
3. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.  
**Status: Implemented.**

### Findings and Recommendations

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

The audit team has identified one functional finding. While this finding is not a compliance findings, inclusion of it in this audit serves to document the issue identified during the functional review:

1. Mountain Transit does not have a comprehensive procurement handbook.

In completing this Triennial Performance Audit, we submit the following recommendations for Mountain Transit's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the

TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future State Controller Reports are submitted by the January 31 deadline.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Develop a comprehensive procurement handbook.	Medium	FY 2024/25

# Basin Transit

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024



## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Basin Transit (formally Morongo Basin Transit Authority) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Basin Transit's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Basin Transit provides public transit services throughout the Morongo Basin via eight fixed routes and five demand-response (Ready Ride) services. The service operates Monday through Friday from 7:00 a.m. to approximately 6:45 p.m., with the exception of Route 1 operating from 6:00 a.m. to 10:00 p.m. Additionally, two routes operate on Saturday from 7:00 a.m. to 9:45 p.m. and from 10:00 a.m. to 7:35 p.m., as well as on Sunday from 9:00 a.m. to 7:35 p.m.

Basin Transit's demand-response service is available primarily to seniors and persons with disabilities and marketed as Ready Ride. The general public may also use Ready Ride at a premium rate. Ready Ride is an origin-to-destination service operating at various times depending on the area. Reservations must be made a minimum of 24 hours in advance.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with Basin Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. Ensure accident, incident, and road call data are reported in TransTrack Manager.  
**Status: Implemented.**
2. Consider merits of procuring new fleet management software that would be compatible with other programs used by MBTA.  
**Status: Implemented.**
3. Consult and collaborate with peer transit agencies regarding implementation of zero emission vehicle technologies.  
**Status: Implemented.**

#### Findings and Recommendations

Based on discussions with Basin Transit staff, analysis of program performance, and a review of program compliance and function, the audit team submits the no compliance or functional findings for Basin Transit.



# City of Needles

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024



## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of City of Needles as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of City of Needles public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

The City of Needles provides transportation services within the City at Needles Area Transit (NAT). Deviated fixed-route service operates weekdays from 7:00 a.m. to 6:55 p.m. and Saturday from 10:00 a.m. to 4:55 p.m. The deviated fixed-route service is comprised of two routes With route deviations available upon request as time allows.

The City also provides Dial-A-Ride service for seniors age 60 and older and persons with disabilities. Service hours are Monday – Friday, 9:00 a.m. to 2:00 p.m. Reservations are taken until 1:55 p.m. The City provides medical transportation to facilities in Mohave Valley and Bullhead City on Tuesday and Thursday by advance prepaid reservations. A shopper shuttle to Walmart, Safeway, Smith’s, and CVS Fort Mohave locations is provided through advance prepaid reservations on Wednesday.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with City of Needles staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

#### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International. for the three fiscal years ending June 30, 2020 – included three recommendations:

1. [Ensure timely completion and submittal of the Transit Operators Financial Transactions Reports to the State Controller.](#)  
**Status:** Implemented.
2. [Ensure key performance indicators as accidents, incidents, road calls, and deadhead service data are reported in TransTrack Manager.](#)  
**Status:** Implemented.
3. [Reinstate the Google Transit trip planning tool on the Needles Transit Services web page.](#)  
**Status:** Implementation in progress.

#### Findings and Recommendations

Based on discussions with City of Needles staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for City of Needles.

1. Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

The audit team has identified no functional findings.

In completing this Triennial Performance Audit, we submit the following recommendations for City of Needles' public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations	Importance	Timeline
1	Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.	Medium
		FY 2023/24

See page 46 for the City’s response to this finding and recommendation.

# Omnitrans

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024



## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Omnitrans as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Omnitrans' public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Omnitrans provides public transit service on 28 fixed routes covering 15 cities and portions of unincorporated San Bernardino County. Additionally, Omnitrans operates sbX Green Line, a 15.7-mile express route from California State University San Bernardino to Loma Linda University and Medical Center. The Express route fare is the same as the regular fixed-route. Service does not operate on designated holidays.

Omnitrans' ADA service is marketed as OmniAccess and is available to qualified applicants whose physical or cognitive limitations prevent them from using Omnitrans' fixed-route service. OmniAccess is a curb-to-curb service and operates during the same hours as the fixed-route service.

Omnitrans also operates a microtransit service, called OmniRide, in Bloomington, Chino/Chino Hills and Upland with on-demand, reservation-based transportation. Reservations made be made on an app and then picked up and dropped off at their desired location within the service area. Each trip on OmniRide includes a day pass for Omnitrans buses.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

Based on discussions with Omnitrans staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included two recommendations:

1. Continue pursuit of potential revenue agreements and cooperative partnerships as part of Omnitrans' revenue enhancement strategy.  
**Status:** Implemented.
2. Continue evaluation of technology solutions and integration of administrative and operational functions.  
**Status:** Implemented.

### Findings and Recommendations

Based on discussions with Omnitrans staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for Omnitrans.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. Omnitrans has been unable to return to full service levels due to a staffing shortage.

In completing this Triennial Performance Audit, we submit the following recommendations for Omnitrans' public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Continue to evaluate recruitment and hiring practices, salary and benefit structures, and other factors to encourage successful hiring and retention.	High	ASAP



# Victor Valley Transit Authority

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024



## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Victor Valley Transit Authority (VVTA) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of VVTA's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

VVTA's Victor Valley Transit operates 34 fixed routes, weekdays from 6:00 a.m. to 9:00 p.m., Saturdays from 7:00 a.m. to 8:00 p.m., and Sundays from 8:00 a.m. to 6:00 p.m. VVTA's Barstow buses operates weekdays from 6:00 a.m. to 8:00 p.m. and weekends from 8:00 a.m. to 5:00 p.m. Service does not operate holiday service on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Each route has a distinct fare depending on the type of route.

VVTA's ADA Direct Access service is a complementary paratransit service for the fixed route system. It is available to qualifying persons with disabilities. Riders must obtain a Victor Valley Transit ADA Direct Access ID or a Senior Disabled ID from the Hesperia main office location (17150 Smoke Tree Street). Reservations may be made from 1 day to 14 days in advance.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with Victor Valley Transit Authority staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included two recommendations:

1. Calculate full-time employee equivalents using TDA definitions.  
**Status:** Implemented.
2. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the VVTA's revenue enhancement strategy.  
**Status:** Implemented.

#### Findings and Recommendations

Based on discussions with VVTA staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance or functional findings for VVTA.

# Mountain Transit

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024





# Table of Contents

---

Chapter 1   Executive Summary .....	1
Chapter 2   Audit Scope and Methodology .....	5
Chapter 3   Program Compliance .....	9
Chapter 4   Prior Recommendations .....	13
Chapter 5   Data Reporting Analysis .....	15
Chapter 6   Performance Analysis .....	17
Chapter 7   Functional Review.....	35
Chapter 8   Findings and Recommendations .....	45

*This page intentionally blank.*

# Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations .....	3
Exhibit 3.1 Transit Development Act Compliance Requirements .....	10
Exhibit 5.1 Data Reporting Comparison.....	16
Exhibit 6.1 System Performance Indicators .....	20
Exhibit 6.2 System Ridership .....	21
Exhibit 6.3 System Operating Cost/VSH .....	21
Exhibit 6.4 System Operating Cost/VSM.....	21
Exhibit 6.5 System VSM/VSH.....	21
Exhibit 6.6 System Operating Cost/Passenger .....	22
Exhibit 6.7 System Passengers/VSH .....	22
Exhibit 6.8 System Passengers/VSM.....	22
Exhibit 6.9 System VSH/FTE .....	22
Exhibit 6.10 System Farebox Recovery .....	23
Exhibit 6.11 System Fare/Passenger.....	23
Exhibit 6.12 Fixed-Route Performance Indicators.....	25
Exhibit 6.13 Fixed-Route Ridership.....	26
Exhibit 6.14 Fixed-Route Operating Cost/VSH .....	26
Exhibit 6.15 Fixed-Route Operating Cost/VSM .....	26
Exhibit 6.16 Fixed-Route VSM/VSH .....	26
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	27
Exhibit 6.18 Fixed-Route Passengers/VSH .....	27
Exhibit 6.19 Fixed-Route Passengers/VSM .....	27
Exhibit 6.20 Fixed-Route Farebox Recovery.....	27
Exhibit 6.21 Fixed-Route Fare/Passenger .....	28
Exhibit 6.22 Demand-Response Performance Indicators .....	30
Exhibit 6.23 Demand-Response Ridership .....	31
Exhibit 6.24 Demand-Response Operating Cost/VSH.....	31
Exhibit 6.25 Demand-Response Operating Cost/VSM.....	31
Exhibit 6.26 Demand-Response VSM/VSH.....	31
Exhibit 6.27 Demand-Response Operating Cost/Passenger .....	32
Exhibit 6.28 Demand-Response Passengers/VSH.....	32
Exhibit 6.20 Demand-Response Passengers/VSM .....	32
Exhibit 6.30 Demand-Response Farebox Recovery .....	32
Exhibit 6.31 Demand-Response Fare/Passenger.....	33
Exhibit 7.1 Mountain Transit Routes and Services .....	35
Exhibit 7.2 Big Bear Route 5 Fare Structure.....	36
Exhibit 7.3 RIM Route 6 Fare Structure .....	37



Exhibit 7.4 Organizational Chart..... 39  
Exhibit 7.5 Mountain Transit’s Fleet..... 44  
Exhibit 8.1 Audit Recommendations ..... 46

## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Mountain Transit (formerly Mountain Area Regional Transit Authority) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Mountain Transit's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Public transportation in the Big Bear Valley, Crestline, Lake Arrowhead, and Running Springs area is provided by Mountain Transit. Mountain Transit provides fixed route, Dial-A-Ride, and Off-the-Mountain (OTM) service. The Red Line, Blue Line, Gold Line, and RIM Route 2 and RIM Route 4 are considered fixed routes. There are two OTM routes, Big Bear Route 5 and RIM Route 6.

Mountain Transit provides two Dial-A-Ride services in Big Bear Valley and the RIM Area. Service is available to seniors (60+), veterans and persons with disabilities with a DAR ID. Reservations can be made a minimum of two hours in advance. All passengers, with exception to qualified ADA passengers, are restricted to three pick-ups per day.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. Calculate full-time employee equivalents using TDA definitions.  
**Status: Implemented.**
2. Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.  
**Status: Partially implemented.**
3. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.  
**Status: Implemented.**

### Findings and Recommendations

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

The audit team has identified one functional finding. While this finding is not a compliance finding, inclusion of it in this audit serves to document the issue identified during the functional review:

1. Mountain Transit does not have a comprehensive procurement handbook.

In completing this Triennial Performance Audit, we submit the following recommendations for Mountain Transit's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the

TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future State Controller Reports are submitted by the January 31 deadline.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Develop a comprehensive procurement handbook.	Medium	FY 2024/25

*This page intentionally blank.*

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Mountain Transit’s public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Mountain Transit as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of Mountain Transit included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of Mountain Transit included thorough review of documents relevant to the scope of the audit, as well as information contained on Mountain Transit's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;

- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

The methodology for this review included interviews with key staff at 42132 Big Bear Blvd., in Big Bear on September 27, 2023. The audit team met with Sandy Benson (General Manager) and Sean Gillingham (Financial Analyst) and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.



*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines Mountain Transit’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Mountain Transit considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with Mountain Transit staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

One compliance item was identified for Mountain Transit:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

### Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2020/21: January 31, 2022 FY 2021/22: January 31, 2023 FY 2022/23: To be submitted week of February 12, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2020/21: January 14, 2022 FY 2021/22: February 17, 2023 FY 2022/23: December 20, 2023
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	Big Bear Lake: October 23, 2019 October 14, 2020 October 28, 2021 October 27, 2022  Crestline: June 19, 2019 July 10, 2020 August 11, 2021 August 19, 2022
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	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).	PUC 99266	In compliance	FY 2020/21: -18.97% FY 2021/22: +28.85% FY 2022/23: +12.31%  <i>Increase in FY 2022 due to expanded BBMR service.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	

Compliance Element	Reference	Compliance	Comments
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Per FY 2023 TDA Claim Standard Assurances.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2020/21: 10.00% FY 2021/22: 21.23% FY 2022/23: 23.87%  <i>Measure I used to supplement fare revenues in FY 2021.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	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 for 40 years.	PUC 99271	In compliance	Per FY 2023 TDA Claim Standard Assurances.  <i>MARTA administers a defined contribution pension plan the MARTA 401(a) Plan. MARTA also offers a deferred compensation plan.</i>
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable during this audit period	This requirement was waived for all years of the audit period under AB 149. SBCTA includes a statement within its Standard Assurances for TDA claims regarding eligibility and required inclusion of a supplemental schedule.

Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance Mountain Transit has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. [Calculate full-time employee equivalents using TDA definitions.](#)

**Discussion:** This recommendation was carried over from a previous audit for full implementation. The prior auditor’s 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 for the demand-response mode. 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.

**Progress:** Per the FY 2023 TDA claim (which included responses to items from the FY 2015-2017 audit), Mountain Transit is using the TDA standard of 2000 employee labor hours for FTE. It calculated the correct FTE figure for FY 2017/18 as 33.82. There are still some challenges in reporting the data correctly to the State Controller (for example, all FTE being reported under both modes).

**Status:** Implemented.

2. [Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.](#)

**Discussion:** In the compliance review section of the 2021 report, 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 prior auditor stated the submission of reports to the State Controller in a timely manner would further demonstrate Mountain Transit’s proactive approach to compliance with State reporting instructions.

**Progress:** State Controller Reports were submitted on time in both FY 2020/21 and FY 2021/22. The FY 2022/23 report had yet to be completed and submitted as of February 7, 2024.

**Status:** Partially implemented.

3. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.

**Discussion:** 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 as such with the RIM School District and Big Bear Mountain Resort (BBMR). Given the status and current uncertainties with public transit in general, the prior auditor noted Mountain Transit’s active partnerships helped stabilize operations and provide more steady revenue streams while providing more visibility to the service. The prior auditor applauded the agency’s approach towards building local and regional partnerships that became a viable aspect of transit systems, and recommended continued pursuit of these types of engagements.

**Progress:** Mountain Transit entered into an agreement with BBMR for expanded service, which included a fare replacement subsidy for free Big Bear Trolley service. This was introduced as a two-year demonstration project through October 31, 2023. With ridership up 700 percent, the route was then converted to a regular service.

**Status:** Implemented.

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by Mountain Transit both internally as well as to outside entities during the audit period.

- **Operating cost:** This metric is reported consistently between the TDA fiscal audits and the State Controller reports. There is a slight variance of 11 percent in FY 2020/21 and nearly 28 percent in FY 2021/22 between these reports and the National Transit Database (NTD) report. The cause of these variances is unknown.
- **Fare Revenue:** Similar to operating cost, this metric is reported consistently between the TDA fiscal audit and the State Controller report. In FY 2020/21, there was a modest variance between these reports and the NTD report. In FY 2021/22, the variance was significant. It appears the variance is due to how contributions from partners and contract revenues (such as the Big Bear Mountain Resort) are reported in the audit and to the State Controller (as fare revenue) and to the NTD (as Other Directly Generated Funds). For clarity, the audit should differentiate between contract revenues and passenger fares, even if both are considered fare revenue for the purpose of calculated the farebox recovery ratio.
- **Vehicle Service Hours (VSH):** This metric was reported consistently between the State Controller reports and the monthly performance reports in FY 2020/21. Data reported to the NTD was slightly lower. The large variance in reported data for the monthly performance reports for FY 2021/22 is due to name changes for the routes, which resulted in the monthly data provided for this audit being too low. Variances between the NTD and State Controller Reports may be due to what data was included or excluded for fixed-route data in FY 2021/22. These issues appear to have been resolved by FY 2022/23.
- **Vehicle Service Miles (VSM):** This metric was reported consistently between the State Controller reports and the monthly performance reports in FY 2020/21. Variances may be due to what data was included or excluded for fixed-route data in FY 2021/22. The large variance in reported data for the monthly performance reports for FY 2021/22 is due to name changes for the routes, which resulted in the monthly data provided for this audit being too low. These issues appear to have been resolved by FY 2022/23.
- **Passengers:** This metric was reported consistently between the State Controller reports and the monthly performance reports in FY 2020/21. Variances may be due to what data was included or excluded for fixed-route data in FY 2021/22. These issues appear to have been resolved by FY 2022/23.



- Full-Time Equivalent (FTE) Employees:** While Mountain Transit indicated using the proper definition for FTE in its reporting, the State Controller Reports show the same number of employees being reported for fixed-route and demand-response. Staff should ensure the hours being reported are appropriate segregated between modes and do not include non-work hours (such as paid time off or sick leave).

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$3,685,717	\$5,290,951	\$6,760,264
<i>National Transit Database</i>	\$3,312,811	\$4,138,192	\$5,497,605
<i>State Controller Report</i>	\$3,685,717	\$5,290,951	Not available
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$302,279	\$1,123,166	\$1,612,546
<i>National Transit Database</i>	\$300,722	\$338,058	\$466,559
<i>State Controller Report</i>	\$302,279	\$1,123,166	Not available
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	30,218	2,727	51,669
<i>National Transit Database</i>	30,077	43,850	51,669
<i>State Controller Report</i>	30,218	39,959	Not available
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	476,618	42,870	741,004
<i>National Transit Database</i>	474,557	663,552	741,004
<i>State Controller Report</i>	476,618	579,819	Not available
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	110,479	590,801	838,867
<i>National Transit Database</i>	107,542	591,613	838,867
<i>State Controller Report</i>	110,479	582,581	Not available
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	48	80	Not available
<i>Calculated from work hour data</i>	20	53	57

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

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

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

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

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

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

---

<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours (VSH)* and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

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

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

### TDA Required Indicators

To calculate the TDA indicators for Mountain Transit, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller and National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that

---

<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

reported in Mountain Transit’s audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.

- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller and National Transit Database (NTD) reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the NTD may not reflect other revenues reported as fare revenue in the fiscal audit and to the State Controller.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Mountain Transit calculates VSH using driver trip sheets, which are loaded into TransTrack. Mountain Transit’s calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Mountain Transit calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle’s odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Boardings are tracked by drivers using Double Map tablets. Mountain Transit’s calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were calculated based on data provided by the operator for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

*Note: Given the variances between the NTD report and the fiscal audit, system-wide performance uses financial data from the fiscal audit to assess operating cost, fare revenue, and cost-related metrics. The mode-specific performance trends use financial data from the NTD report, as neither the fiscal audit nor the State Controller Report segregate costs by mode. As such, the financial data from the system-wide analysis may be different from the sum of the fixed-route and demand-response data.*

System-wide, operating cost experienced a net 49.2 percent increase during the audit period and an 84.8 percent net increase across the six-year period. The overall increase was due primarily to a steady increase every year with a significant increase in FY 2021/22. Fare revenue experienced significant decreases throughout the six-year period, however a large increase in FY 2021/22 resulted in a 54.3 percent increase during the audit period. The decreases in FY 2019/20 and FY 2020/21 were due in part to decreased ridership resulting from the COVID-19 pandemic.

Vehicle Service Hours (VSH) increased every year, with the exceptions of FY 2019/20 and FY 2020/21. VSH saw a net 38.4 percent increase over the six-year period. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 16.3 percent increase over the six-year period. Ridership decreased at the beginning of the audit period, before increasing in FY 2021/22 and FY 2022/23 as a result of the new contract with Big Bear Mountain Resort. Overall, ridership experienced a net increase of 659.3 percent during the audit period.

Cost-related metrics typically provide an indicator of a system’s efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour and vehicle service mile decreased during the audit period, reflective of an improvement in efficiency. Additionally, productivity increased, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$2,974,504	\$3,436,065	\$3,581,646	\$3,685,717	\$5,290,951	\$5,497,605
<i>Annual Change</i>		15.5%	4.2%	2.9%	43.6%	3.9%
<b>Fare Revenue (Actual \$)</b>	\$373,583	\$459,509	\$334,428	\$302,279	\$1,123,166	\$466,559
<i>Annual Change</i>		23.0%	-27.2%	-9.6%	271.6%	-58.5%
<b>Vehicle Service Hours (VSH)</b>	37,328	38,465	33,832	30,218	39,959	51,669
<i>Annual Change</i>		3.0%	-12.0%	-10.7%	32.2%	29.3%
<b>Vehicle Service Miles (VSM)</b>	637,224	659,034	542,625	476,618	579,819	741,004
<i>Annual Change</i>		3.4%	-17.7%	-12.2%	21.7%	27.8%
<b>Passengers</b>	179,240	181,781	154,181	110,479	582,581	838,867
<i>Annual Change</i>		1.4%	-15.2%	-28.3%	427.3%	44.0%
<b>Employees</b>	33	30	46	20	53	57
<i>Annual Change</i>		-9.1%	53.3%	-56.5%	165.0%	7.5%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$79.69	\$89.33	\$105.87	\$121.97	\$132.41	\$106.40
<i>Annual Change</i>		12.1%	18.5%	15.2%	8.6%	-19.6%
<b>Operating Cost/Passenger (Actual \$)</b>	\$16.60	\$18.90	\$23.23	\$33.36	\$9.08	\$6.55
<i>Annual Change</i>		13.9%	22.9%	43.6%	-72.8%	-27.8%
<b>Passengers/VSH</b>	4.80	4.73	4.56	3.66	14.58	16.24
<i>Annual Change</i>		-1.6%	-3.6%	-19.8%	298.8%	11.4%
<b>Passengers/VSM</b>	0.28	0.28	0.28	0.23	1.00	1.13
<i>Annual Change</i>		-1.9%	3.0%	-18.4%	333.5%	12.7%
<b>Farebox Recovery</b>	12.6%	13.4%	9.3%	8.2%	21.2%	8.5%
<i>Annual Change</i>		6.5%	-30.2%	-12.2%	158.8%	-60.0%
<b>Hours/Employee</b>	1,131.2	1,282.2	735.5	1,510.9	753.9	906.5
<i>Annual Change</i>		13.4%	-42.6%	105.4%	-50.1%	20.2%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.67	\$5.21	\$6.60	\$7.73	\$9.13	\$7.42
<i>Annual Change</i>		11.7%	26.6%	17.2%	18.0%	-18.7%
<b>VSM/VSH</b>	17.07	17.13	16.04	15.77	14.51	14.34
<i>Annual Change</i>		0.4%	-6.4%	-1.7%	-8.0%	-1.2%
<b>Fare/Passenger</b>	\$2.08	\$2.53	\$2.17	\$2.74	\$1.93	\$0.56
<i>Annual Change</i>		21.3%	-14.2%	26.1%	-29.5%	-71.2%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.

FY 2020/21 – FY 2022/22 data from State Controller Reports.

FY 2022/23 data from NTD Reports.

FTE data for FY 2020/21 – FY 2022/23 calculated from data provided by the operator.

Exhibit 6.2 System Ridership

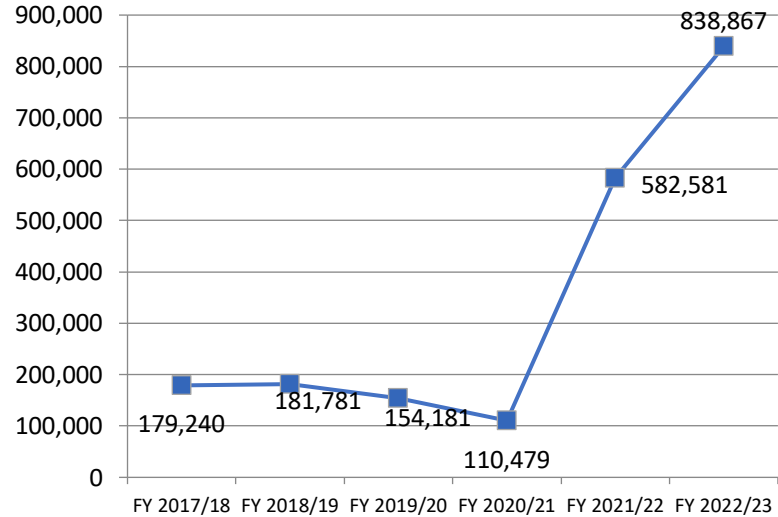


Exhibit 6.3 System Operating Cost/VSH

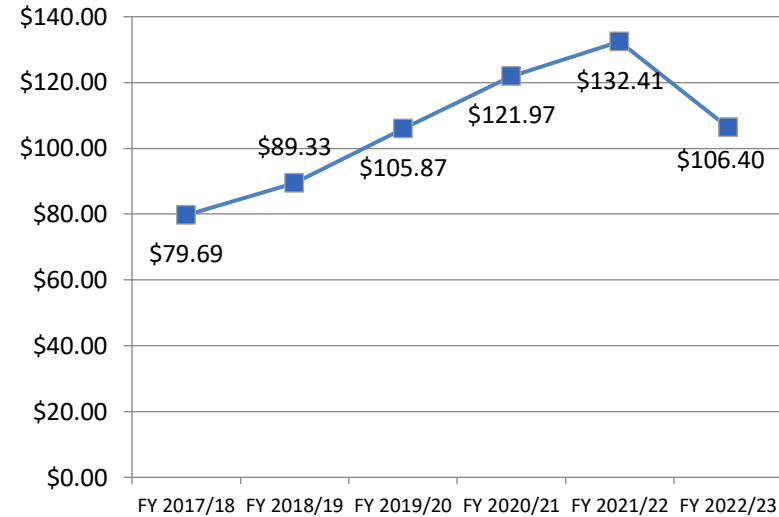


Exhibit 6.4 System Operating Cost/VSM

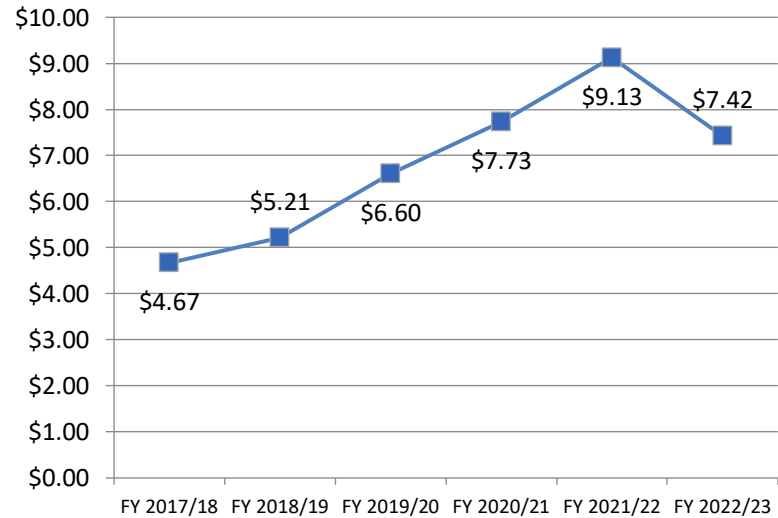


Exhibit 6.5 System VSM/VSH

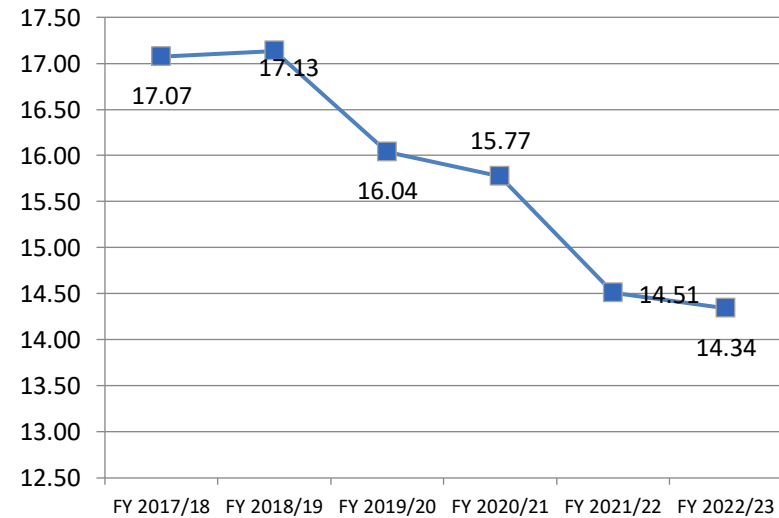


Exhibit 6.6 System Operating Cost/Passenger

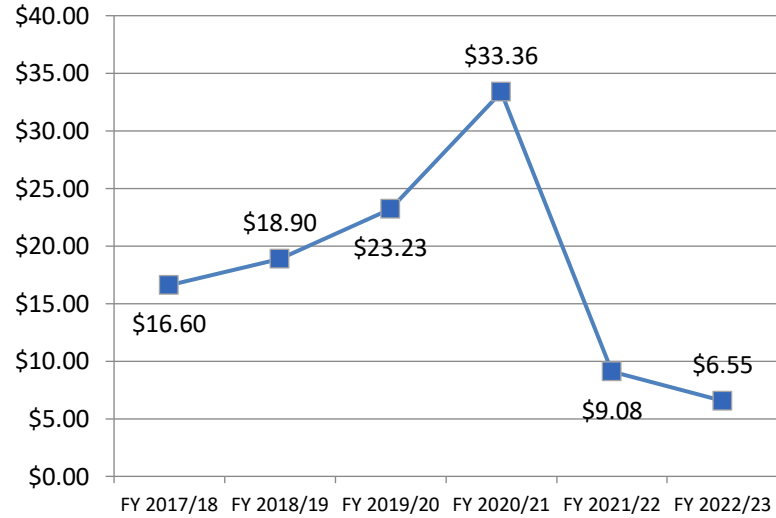


Exhibit 6.7 System Passengers/VSH

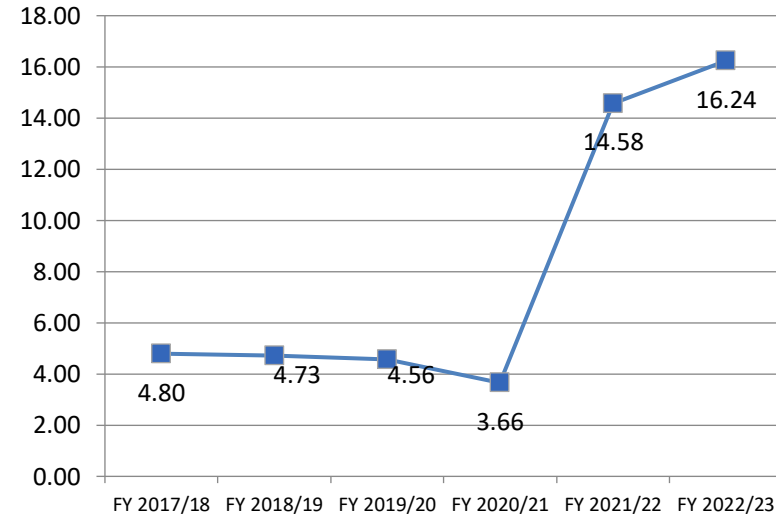


Exhibit 6.8 System Passengers/VSM

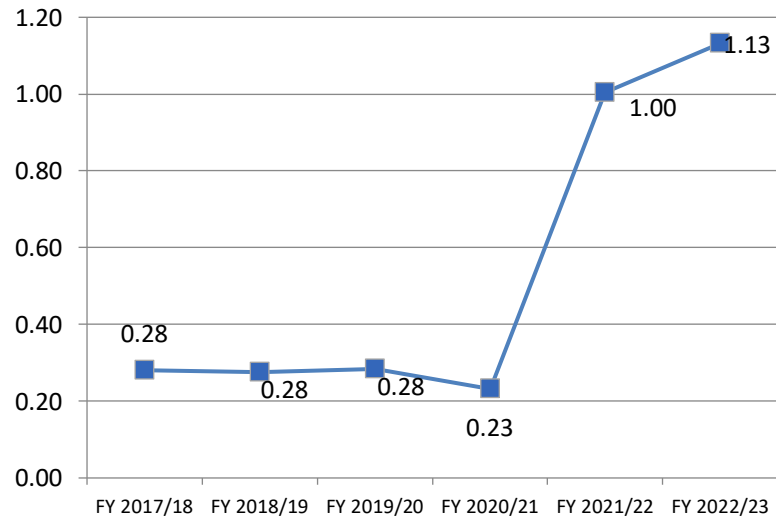


Exhibit 6.9 System VSH/FTE

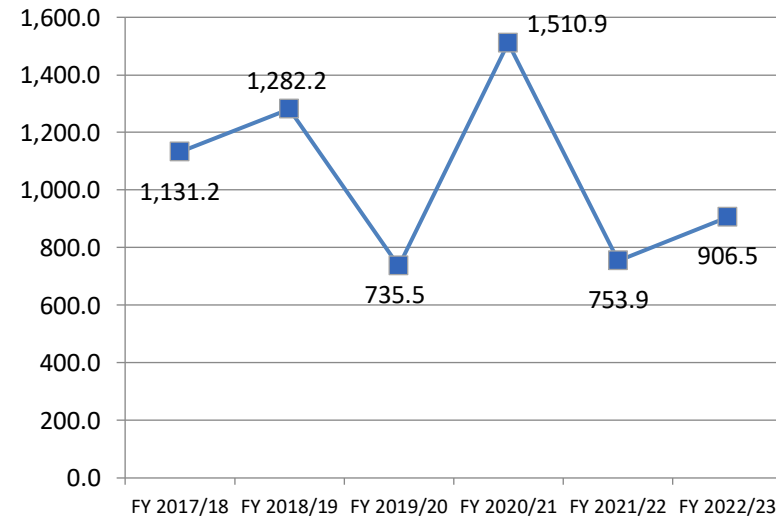


Exhibit 6.10 System Farebox Recovery

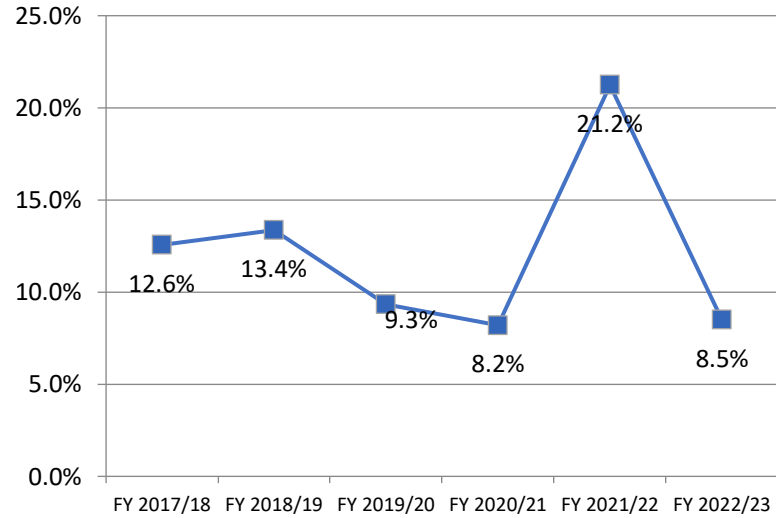
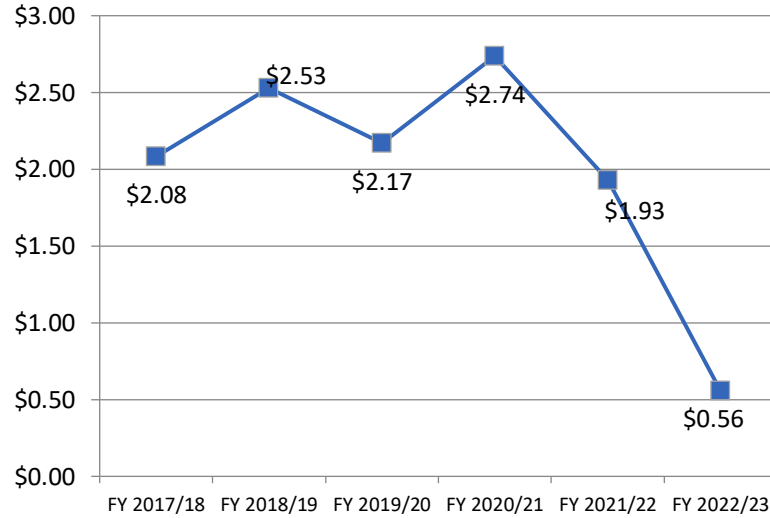


Exhibit 6.11 System Fare/Passenger





### Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 90.4 percent increase during the audit period, and a 144.5 percent net increase across the last six years. Fare revenue, decreased in FY 2019/20 and FY 2020/21 before significantly increasing the last two years. This resulted in a net 85.1 percent increase during the audit period and a net 53.3 percent decrease over six years.

Vehicle service hours (VSH) followed a similar pattern to fare revenue. This resulted in a net 97.8 percent increase during the audit period and a net 53.1 percent increase during the six-year period. Vehicle service miles (VSM) experienced a net 69.1 percent increase during the audit period and a net 22.1 percent decrease during the six-year period. Ridership increased significantly, resulting in a 740.4 percent net increase during the audit period and a 404.9 percent net increase across the six-year period.

Fixed-route cost-related metrics decreased during the audit period with the exception of operating cost per VSM. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 324.9 percent and passengers per VSM increasing by 396.9 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$1,891,402	\$2,614,430	\$2,613,500	\$2,428,168	\$3,337,693	\$4,623,586
<i>Annual Change</i>		38.2%	0.0%	-7.1%	37.5%	38.5%
<b>Fare Revenue (Actual \$)</b>	\$294,709	\$381,044	\$277,197	\$243,995	\$315,239	\$451,714
<i>Annual Change</i>		29.3%	-27.3%	-12.0%	29.2%	43.3%
<b>Vehicle Service Hours (VSH)</b>	28,437	29,542	25,192	22,016	31,643	43,544
<i>Annual Change</i>		3.9%	-14.7%	-12.6%	43.7%	37.6%
<b>Vehicle Service Miles (VSM)</b>	525,505	532,874	442,830	379,419	478,418	641,695
<i>Annual Change</i>		1.4%	-16.9%	-14.3%	26.1%	34.1%
<b>Passengers</b>	163,410	166,827	141,261	98,189	570,349	825,137
<i>Annual Change</i>		2.1%	-15.3%	-30.5%	480.9%	44.7%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$66.51	\$88.50	\$103.74	\$110.29	\$105.48	\$106.18
<i>Annual Change</i>		33.1%	17.2%	6.3%	-4.4%	0.7%
<b>Operating Cost/Passenger (Actual \$)</b>	\$11.57	\$15.67	\$18.50	\$24.73	\$5.85	\$5.60
<i>Annual Change</i>		35.4%	18.1%	33.7%	-76.3%	-4.2%
<b>Passengers/VSH</b>	5.75	5.65	5.61	4.46	18.02	18.95
<i>Annual Change</i>		-1.7%	-0.7%	-20.5%	304.1%	5.1%
<b>Passengers/VSM</b>	0.31	0.31	0.32	0.26	1.19	1.29
<i>Annual Change</i>		0.7%	1.9%	-18.9%	360.7%	7.9%
<b>Farebox Recovery</b>	15.58%	14.57%	10.61%	10.05%	9.44%	9.77%
<i>Annual Change</i>		-6.5%	-27.2%	-5.3%	-6.0%	3.4%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$3.60	\$4.91	\$5.90	\$6.40	\$6.98	\$7.21
<i>Annual Change</i>		36.3%	20.3%	8.4%	9.0%	3.3%
<b>VSM/VSH</b>	18.48	18.04	17.58	17.23	15.12	14.74
<i>Annual Change</i>		-2.4%	-2.5%	-2.0%	-12.3%	-2.5%
<b>Fare/Passenger</b>	\$1.80	\$2.28	\$1.96	\$2.48	\$0.55	\$0.55
<i>Annual Change</i>		26.6%	-14.1%	26.6%	-77.8%	-1.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
 FY 2020/21 – FY 2022/22 operating data from State Controller Reports.  
 FY 2020/21 – FY 2022/22 financial data from NTD Reports.  
 FY 2022/23 data from NTD Reports.

Exhibit 6.13 Fixed-Route Ridership

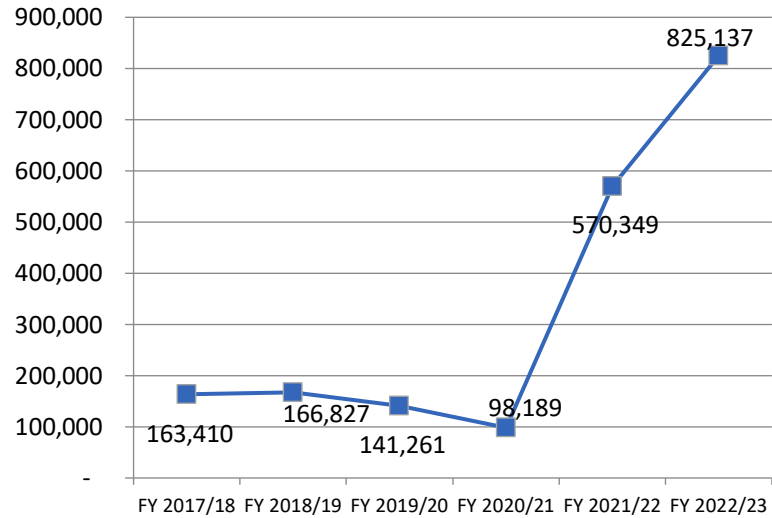


Exhibit 6.14 Fixed-Route Operating Cost/VSH

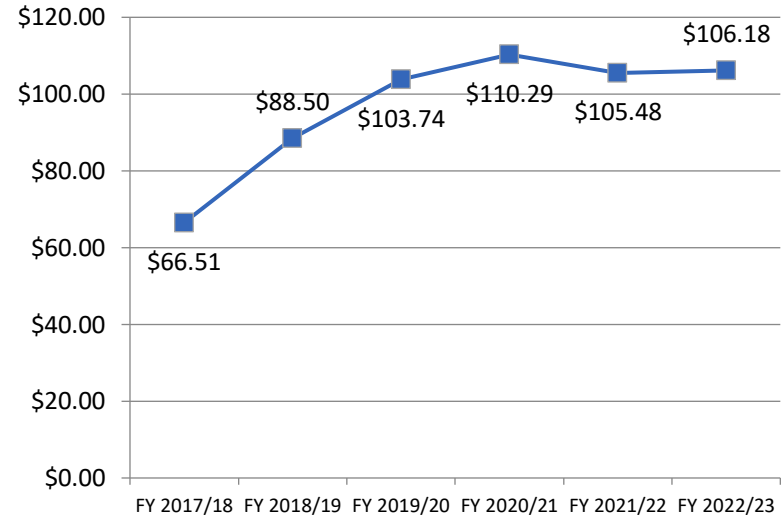


Exhibit 6.15 Fixed-Route Operating Cost/VSM

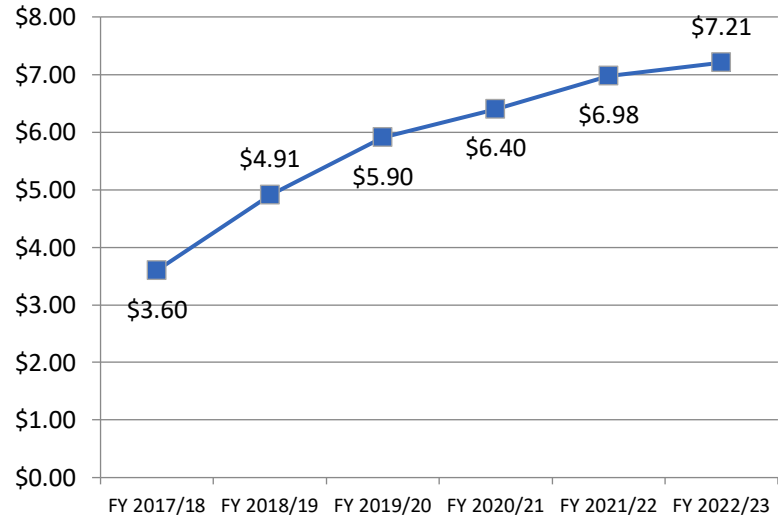


Exhibit 6.16 Fixed-Route VSM/VSH

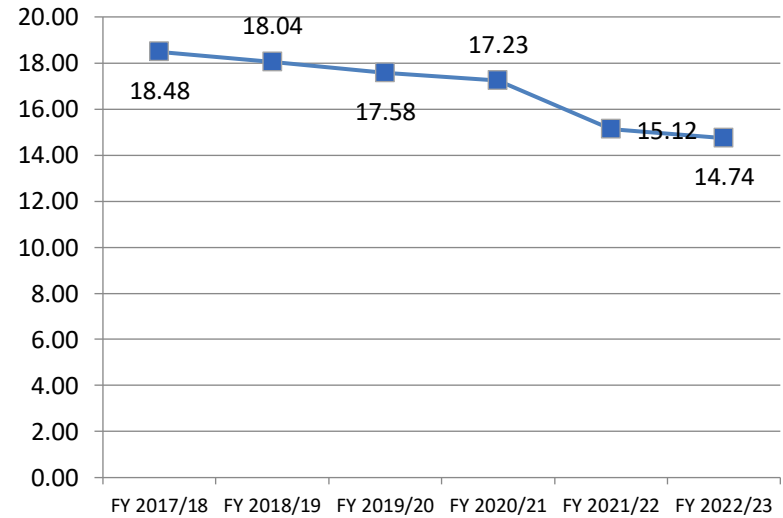


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

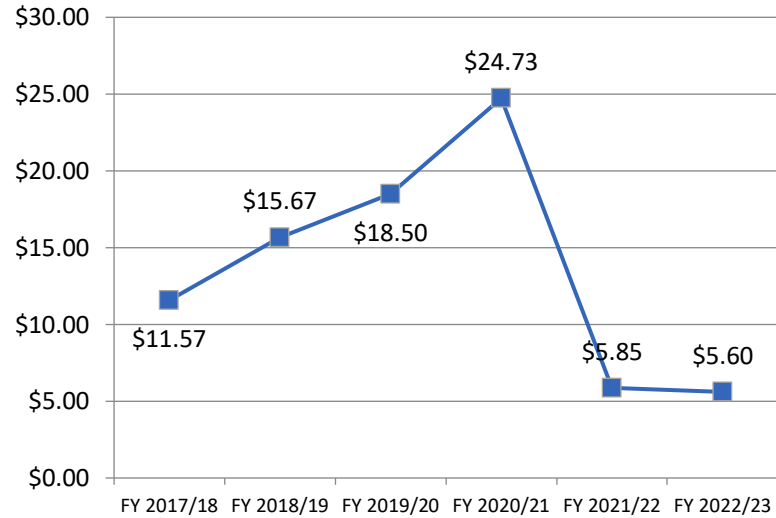


Exhibit 6.18 Fixed-Route Passengers/VSH

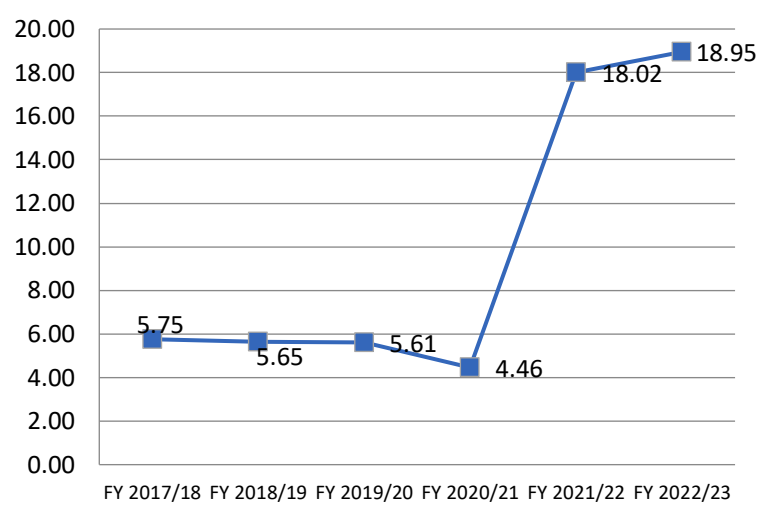


Exhibit 6.19 Fixed-Route Passengers/VSM

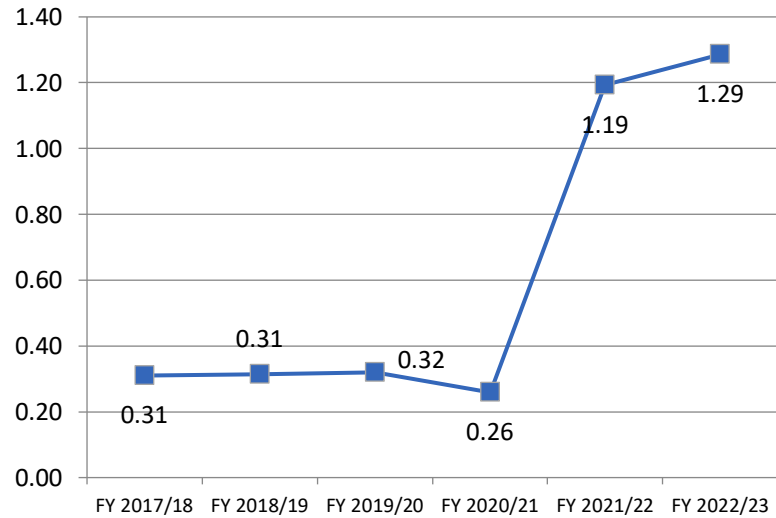


Exhibit 6.20 Fixed-Route Farebox Recovery

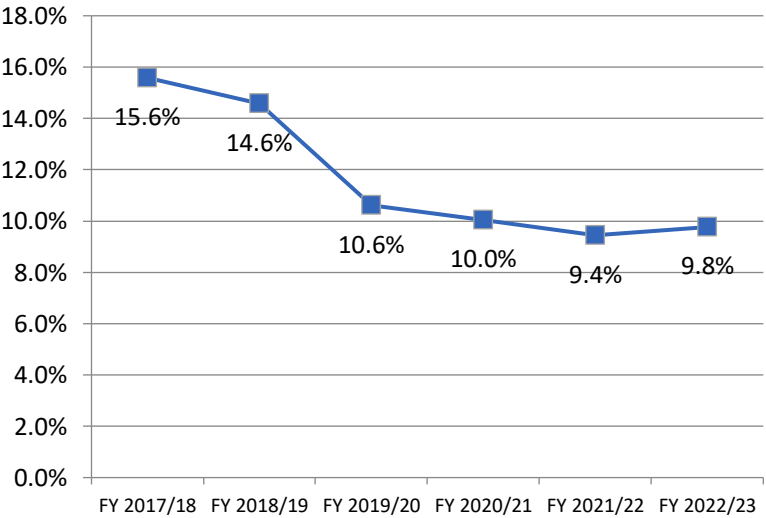
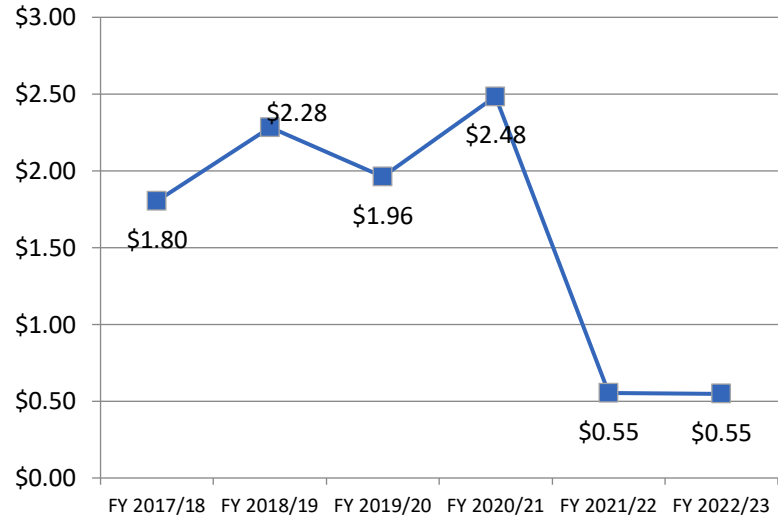


Exhibit 6.21 Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Demand-response operating cost experienced a net 1.2 percent decrease during the audit period, and a net 29.2 percent increase across the last six years. Fare revenue decreased three years of the six-year period, with the most significant declines occurring in the last two years of the audit period. This resulted in a net 73.8 percent decrease during the audit period, and a net 69.4 percent decrease over six years.

Vehicle service hours (VSH) decreased every year with the exceptions of FY 2018/19 and FY 2021/22. This resulted in a net 0.9 percent decrease during the audit period and a net 8.6 percent decrease during the six-year period. Vehicle service miles (VSM) experienced a similar pattern. This resulted in a net 2.2 percent increase during the audit period and a net 11.1 percent decrease during the six-year period. Ridership declined every year with the exception of FY 2022/23. This led to a 11.7 percent net increase during the audit period and a 13.3 percent net decrease across the six-year period.

Demand-response cost-related metrics fell during the audit period. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 12.8 percent and passengers per VSM increasing by 9.3 percent.

Exhibit 6.22 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$676,485	\$762,962	\$906,058	\$884,643	\$800,499	\$874,019
<i>Annual Change</i>		12.8%	18.8%	-2.4%	-9.5%	9.2%
<b>Fare Revenue (Actual \$)</b>	\$48,546	\$58,469	\$56,373	\$56,727	\$22,819	\$14,845
<i>Annual Change</i>		20.4%	-3.6%	0.6%	-59.8%	-34.9%
<b>Vehicle Service Hours (VSH)</b>	8,891	8,923	8,640	8,202	8,316	8,125
<i>Annual Change</i>		0.4%	-3.2%	-5.1%	1.4%	-2.3%
<b>Vehicle Service Miles (VSM)</b>	111,719	126,160	99,795	97,199	101,401	99,309
<i>Annual Change</i>		12.9%	-20.9%	-2.6%	4.3%	-2.1%
<b>Passengers</b>	15,830	14,954	12,920	12,290	12,232	13,730
<i>Annual Change</i>		-5.5%	-13.6%	-4.9%	-0.5%	12.2%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$76.09	\$85.51	\$104.87	\$107.86	\$96.26	\$107.57
<i>Annual Change</i>		12.4%	22.6%	2.9%	-10.8%	11.8%
<b>Operating Cost/Passenger (Actual \$)</b>	\$42.73	\$51.02	\$70.13	\$71.98	\$65.44	\$63.66
<i>Annual Change</i>		19.4%	37.5%	2.6%	-9.1%	-2.7%
<b>Passengers/VSH</b>	1.78	1.68	1.50	1.50	1.47	1.69
<i>Annual Change</i>		-5.9%	-10.8%	0.2%	-1.8%	14.9%
<b>Passengers/VSM</b>	0.14	0.12	0.13	0.13	0.12	0.14
<i>Annual Change</i>		-16.3%	9.2%	-2.3%	-4.6%	14.6%
<b>Farebox Recovery</b>	7.2%	7.7%	6.2%	6.4%	2.9%	1.7%
<i>Annual Change</i>		6.8%	-18.8%	3.1%	-55.5%	-40.4%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.06	\$6.05	\$9.08	\$9.10	\$7.89	\$8.80
<i>Annual Change</i>		-0.1%	50.1%	0.2%	-13.3%	11.5%
<b>VSM/VSH</b>	12.57	14.14	11.55	11.85	12.19	12.22
<i>Annual Change</i>		12.5%	-18.3%	2.6%	2.9%	0.2%
<b>Fare/Passenger</b>	\$3.07	\$3.91	\$4.36	\$4.62	\$1.87	\$1.08
<i>Annual Change</i>		27.5%	11.6%	5.8%	-59.6%	-42.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
 FY 2020/21 – FY 2022/22 operating data from State Controller Reports.  
 FY 2020/21 – FY 2022/22 financial data from NTD Reports.  
 FY 2022/23 data from NTD Reports.

Exhibit 6.23 Demand-Response Ridership

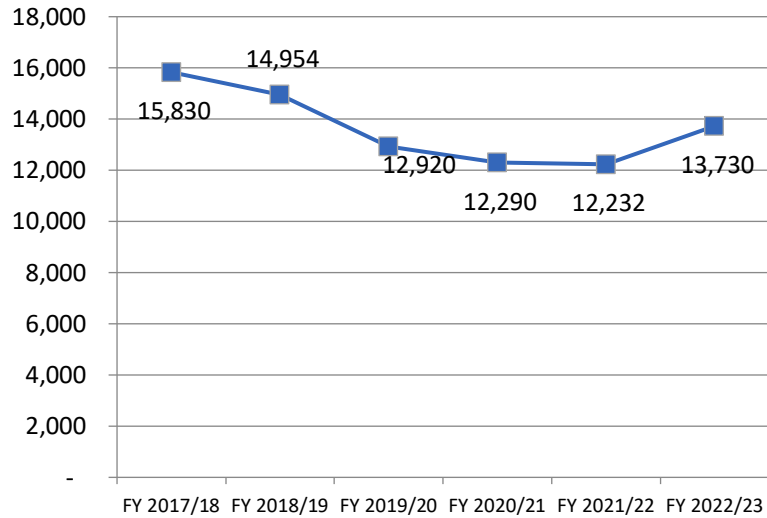


Exhibit 6.24 Demand-Response Operating Cost/VSH

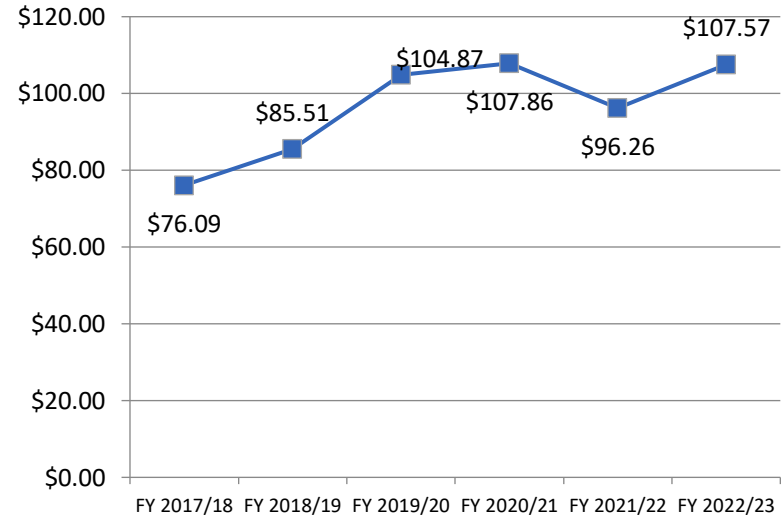


Exhibit 6.25 Demand-Response Operating Cost/VSM

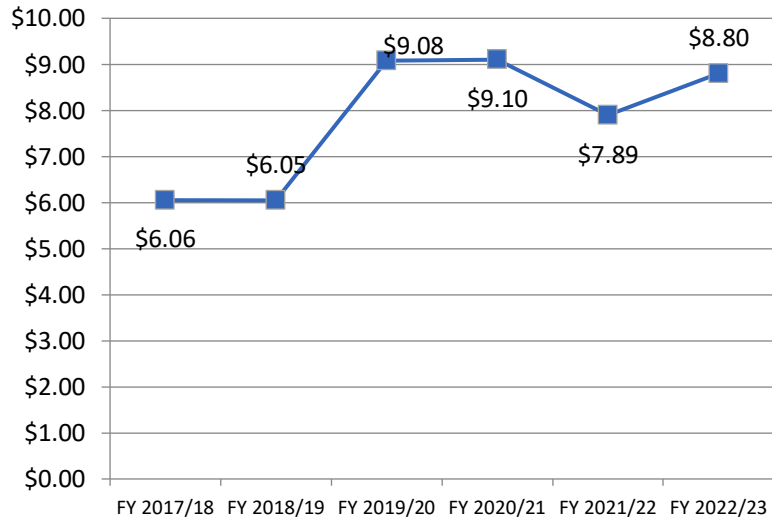


Exhibit 6.26 Demand-Response VSM/VSH

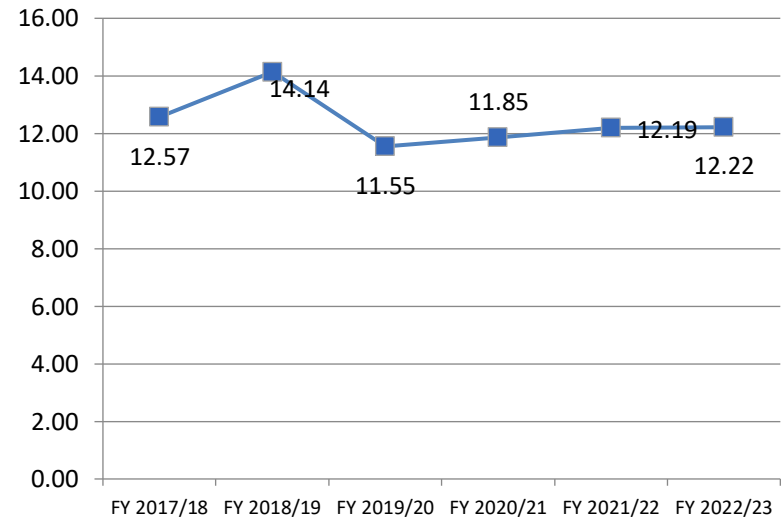




Exhibit 6.27 Demand-Response Operating Cost/Passenger

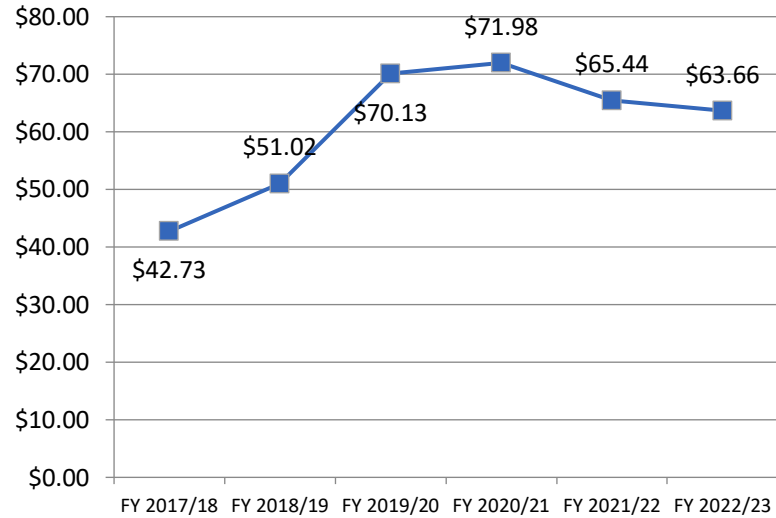


Exhibit 6.28 Demand-Response Passengers/VSH

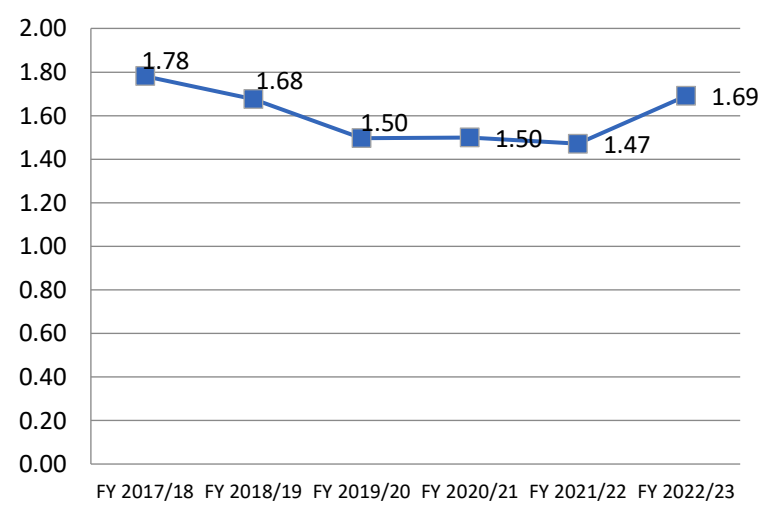


Exhibit 6.20 Demand-Response Passengers/VSM

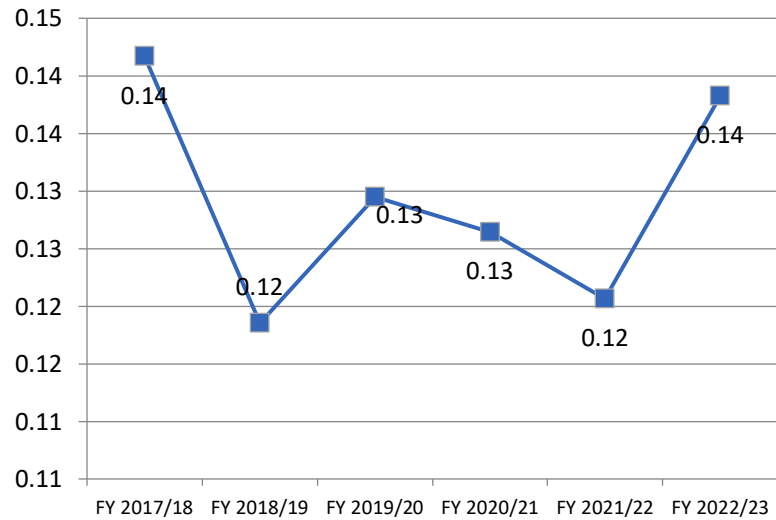


Exhibit 6.30 Demand-Response Farebox Recovery

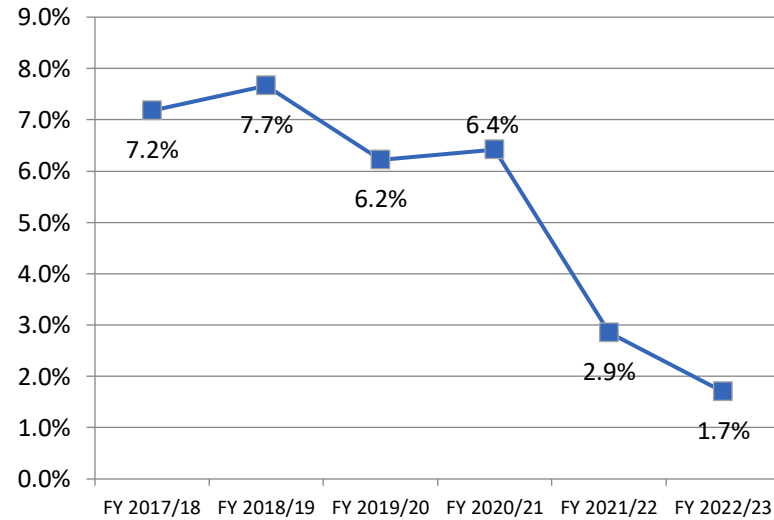
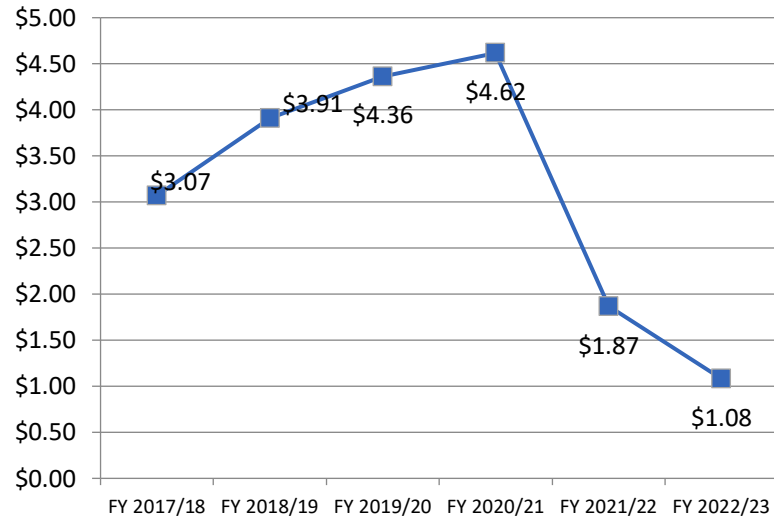


Exhibit 6.31 Demand-Response Fare/Passenger



*This page intentionally blank.*

## Chapter 7 | Functional Review

A functional review of Mountain Transit’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the agency’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by Mountain Transit through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.



### Service Overview

Public transportation in the Big Bear Valley, Crestline, Lake Arrowhead, and Running Springs area is provided by Mountain Transit. Mountain Transit provides fixed route, Dial-A-Ride, and Off-the-Mountain (OTM) service. The Red Line, Blue Line, Gold Line, and RIM Route 2 fixed routes operate Monday through Sunday between 5:30 a.m. and 9:30 p.m. RIM Route 4 operates Tuesday through Saturday between 9:25 a.m. and 4:00 p.m. There are two OTM routes, Big Bear Route 5 and RIM Route 6, which connect the service area with San Bernardino. Route 5 operates on Monday, Wednesday, and Friday between 8:30 a.m. and 2:50 p.m., while Route 6 operates Monday through Friday from 5:15 a.m. to 7:23 p.m.

Seasonal trolleys are provided on weekends during summer months in Crestline and Lake Arrowhead. Winter service between remote parking lots and Bear Mountain/Snow Summit is provided via seasonal Route 9.

Mountain Transit provides two Dial-A-Ride (DAR) services in Big Bear Valley and the RIM Area. Service is available to seniors (60+), veterans, and persons with disabilities with a DAR ID. Big Bear DAR operates seven days a week between 6:30 a.m. and 8:30 a.m. RIM Area DAR operates Monday through Friday between 6:00 a.m. to 8:00 p.m., Saturday between 6:00 a.m. and 7:45 p.m., and Sunday between 10:30 a.m. and 5:15 p.m. Reservations can be made a minimum of two hours in advance. All passengers, with exception to qualified ADA passengers, are restricted to three pick-ups per day.

Exhibit 7.1 Mountain Transit Routes and Services

Route	Areas Served	Service Days	Service Hours
Fixed routes			
Big Bear Red Line	The Village, Moonridge, Bear City, Sugarloaf, Erwin Lake	Monday – Sunday	7:00 am – 9:23 pm
Big Bear Blue Line	Boulder Bay, The Village	Monday – Sunday	6:21 am – 8:21 pm
Big Bear Gold Line	Mountain Meadows, The Village, Meadow Park, Bear City, North Shore	Monday – Sunday	10:00 am – 6:45 pm

Route	Areas Served	Service Days	Service Hours
Big Bear Off the Mountain (OTM) Route 5	Big Bear Valley, Running Springs, San Bernardino	Monday, Wednesday, Friday	8:30 am – 4:40 pm
RIM Route 2	Valley of Enchantment, Crestline, Twin Peaks, Lake Arrowhead	Monday – Sunday	5:25 am – 8:36 pm
RIM Route 4	Lake Arrowhead, Running Springs	Tuesday – Friday Saturday	9:25 am – 4:00 pm 8:20 am – 4:24 pm
RIM Off the Mountain (OTM) Route 6	Lake Arrowhead, Crestline, San Bernardino	Monday – Friday	5:15 am – 8:55 pm
SVX Snow Valley Express	Running Springs, Snow Valley	Thursday – Sunday, Holiday Mondays	7:00 am – 5:00 pm
RIM Summer Trolley	Crestline & Lake Arrowhead	Seasonal (summer weekends)	
Route 9 Winter Service	Remote parking lots, Bear Mountain, Snow Summit	Seasonal (winter)	
<b>Dial-A-Ride</b>			
Big Bear Dial-A-Ride	Big Bear Lake, Big Bear City, Sugarloaf, Erwin Lake	Monday – Sunday	6:30 am – 8:30 pm
RIM Area Dial-A-Ride	Cedar Pines, Twin Peaks, Lake Arrowhead, Running Springs, Valley of Enchantment, Crest Park, Cedar Glen, Arrowbear, Crestline, Rim Forest, Sky Forest, Blue Jay	Monday – Friday Saturday Sunday	6:00 am – 8:00 pm 6:00 am – 7:45 pm 10:30 am – 5:15 pm

Service is free for all riders on the Red Line, Blue Line, and Gold Line, as well as RIM Routes 2 and 4 and the Crestline and Lake Arrowhead Trolleys. RIM area service is funded through May 2025 through discretionary funding from San Bernardino County Supervisor Dawn Rowe.

Riders with a Dial-A-Ride photo ID may use the Big Bear DAR and RIM DAR services for free. Ten-ride packs and 30-ride packs of OTM tickets are available for purchase digitally through the Token Transit or physically with cash at the Big Bear Lake office at 41939 Fox Farm Road.

Exhibit 7.2 Big Bear Route 5 Fare Structure

	Big Bear/ Fawnskin	Snow Valley	Running Springs/ Arrowbear	San Bernardino
<b>Big Bear/Fawnskin</b>	\$2.50	\$5.00	\$7.50	\$10.00
<b>Snow Valley</b>	\$5.00	\$2.50	\$5.00	\$7.50
<b>Running Springs/Arrowbear</b>	\$7.50	\$5.00	\$2.50	\$5.00
<b>San Bernardino</b>	\$10.00	\$7.50	\$5.00	--

Exhibit 7.3 RIM Route 6 Fare Structure

	Top Town/ Crestline	Twin Peaks/ Rimforest	Lake Arrowhead	San Bernardino
<b>Top Town/Crestline</b>	\$1.50	\$3.00	\$4.50	\$4.50
<b>Twin Peaks/Rimforest</b>	\$3.00	\$1.50	\$3.00	\$6.00
<b>Lake Arrowhead Village</b>	\$4.50	\$3.00	\$1.50	\$7.50
<b>San Bernardino</b>	\$4.50	\$6.00	\$7.50	--

### Response to COVID-19 pandemic

At the beginning of the pandemic, management approached the Mountain Transit board and asked to do a sole source procurement with Token Transit for mobile ticketing. Once that was in place, the majority of fares were paid using the contactless method. Other actions included driver barriers (initially plastic shower curtains, then lucite barriers), mask mandates, and increased cleaning (antimicrobial spray used every hour). The service span was shortened due to so many things being closed, and the OTM service was suspended for a while in an attempt to limit the spread of COVID from other areas. Smaller buses and vans were used whenever possible because they were less expensive to run, and capacity was limited. COVID also enabled some things to be enacted quickly, like making changes to service without having to do extensive outreach (such as reducing OTM service to three days per week).

Mountain Transit was committed to keeping all staff employed. If a driving shift was suspended, the driver had the opportunity to wash buses or shovel snow. This turned out to be a valuable strategy, because no new drivers could be licensed while the DMV was closed, and Mountain Transit needed all its employees when it returned to full service.

Mountain Transit staff continued to work in the office during the pandemic. Walls were constructed in lieu of open workspaces, and “dog fences” were placed on doors to maintain appropriate spacing. Sharing of supplies and equipment was limited. The break room was limited to two people at a time, and drivers ate lunch in their cars instead of in the driver room. Cleaning protocol within the office was increased from one to five days per week. All of these approaches helped to give staff a feeling of more safety.

Mountain Transit encouraged but did not require its staff to be vaccinated. Approximately 80 percent of staff ultimately got the vaccine. Some employees left because they did not feel safe, and others moved out of California. Of those who left, only one came back after the pandemic ended.

Winter 2020 was a challenge, as the Governor encouraged people to do things outdoors. This led to many visitors to the area while the transit service was still operating at half capacity. In addition, many riders did not want to wear masks.

In October 2021, the service became fare-free. Masks were still required, and the thrice-weekly OTM schedule remained in place. Buses were kept very clean with the increased cleaning protocols. With the success of the trolley, Mountain Transit had to hire more drivers, maintenance, and supervisory staff. Some buses still have the driver barriers, but the drivers do not like them. Buses leased for service during winter 2022 did not have driver barriers installed.

The most significant lesson learned from the pandemic was the importance of leading by example. The General Manager worked in office with Mountain Transit staff. It helped to improve staff morale and willingness to work through a difficult time.

### General Management and Organization

The General Manager oversees the management of daily operations. System performance is monitored on an ongoing basis using TransTrack. Supervisors monitor both from in the office and onboard the vehicles. Video monitoring is also available, and supervisors may conduct random reviews of videos. All bus drivers, dispatchers, and maintenance personnel are agency employees.

At present, Mountain Transit is staffed effectively and appropriately. The General Manager prefers to promote from within, and a lot of staff have transitioned from driver/dispatcher to supervisory or administrative positions. There is interest in adding a safety officer/risk manager position, which would probably report to Finance and be involved in Human Resources, Operations, etc. The agency has a current driver who has 25 years experience in safety management who is a good resource, but there is a lack of funding to formally create this position.

With the increase in staffing, Mountain Transit has outgrown its office and operations space. The agency is currently operated out two facilities, one for operations and one for administration. At the operations facility, maintenance staff often work in the snow with no place to warm up. The current administrative office was purchased in 2020. It is an old car wash property with three bays which can be used for maintenance. Administration does not like being in separate places but new construction in the area is difficult. A location for a new facility has been identified in Big Bear. This building project was started 11 years ago, and estimated facilities at both Big Bear and Crestline would cost \$9 million. The current estimate for the Big Bear facility alone is \$16 million.

The current General Manager moved into that position in April 2020. Prior to that, she had worked at Mountain Transit in varying roles for seven years. The previous General Manager had held the position for 17 years, during which time very few changes were made. Since taking the reins, the current General Manager has implemented Token Transit, brought the advertising program in-house, implemented free-fare programs, and cultivated partnerships that have contributed to significant ridership growth.

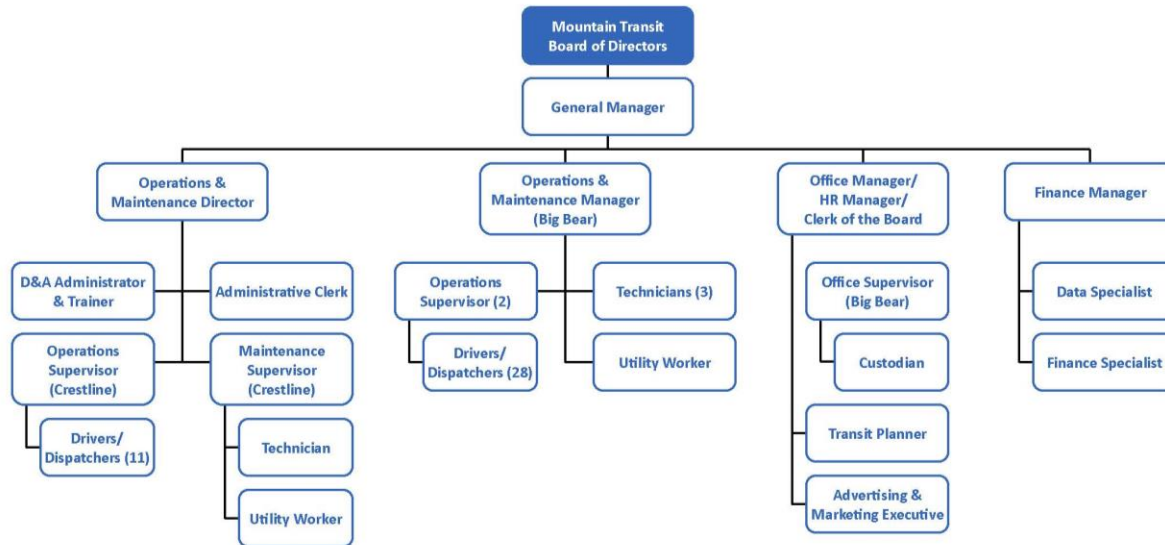
The Mountain Area Regional Transit Authority (MARTA), which operates Mountain Transit, was formed as a joint powers authority (JPA) between the City of Big Bear Lake and the County of San Bernardino in 1993. Its Board of Directors is comprised of two members from the San Bernardino County Third Supervisorial District, two members from the City of Big Bear Lake, and one member at-large. Board meetings are held at alternating locations in Big Bear Lake, Crestline, and Running Springs on the third Wednesday of each month at 10:30 a.m. The Board has expressed interest in eliminating 16 privately owned bus stop shelters, 11 of which are located in the City of Big Bear Lake and several of which are unpermitted on Caltrans rights-of-way. A bus stop assessment found only two stops to be ADA compliant, which is a potential legal liability. Mountain Transit received a \$1.5 million grant to modernize its bus stops, so staff are working with the City to discuss removing the shelters and implementing improvements. The Caltrans District 8 director has assigned a liaison to help get the shelters worked out.

Mountain Transit would like to be more involved with RTPA activities beyond reviewing the information SBCTA provides. The General Manager cited a supervisor group that was discontinued during COVID as

one example. She also noted there are a lot of driver or skill-related activities that staff cannot participate in given the distance.

Mountain Transit has positive relationships with its neighboring agencies, especially Omnitrans, Basin Transit, VVTA, and the Eastern Sierra Transit Authority (ESTA) in Mammoth. It tries to ensure staff have the opportunity to attend conferences such as CalACT and CalJPIA.

Exhibit 7.4 Organizational Chart



### Service Planning

Prior to the audit period, Mountain Transit’s most current planning document was a Short-Range Transit Plan (SRTP), which was completed in FY 2021. The SRTP included a lot of estimating due to the new service, and the financial plan is probably less than what they will need because the SRTP assumed ridership would double. Staff consider it a living document. The last three SRTPs were prepared by a local (Big Bear) consultant.

### Administration

The General Manager, with assistance from the Financial Analyst, currently handles development of the annual budget. In FY 2020/21, the budget was rather conservative due to the COVID-19 pandemic, but Mountain Transit got more money than it planned for, including federal relief funds. Some big changes to the budget resulted from the expanded service, as well as from the dissolution of the union and bringing all healthcare and retirement in-house. The General Manager did not fill her newly vacated Assistant General Manager position but instead opted to hire a Financial Analyst. This also helped to increase driver salaries.

Budget versus actual revenues and expenses are compared on an ongoing basis. Information is reported to the Board as needed, such as when changes in how or when funds must be used impacts other funding sources, or when a position is added. Staff try to do these things during the budgeting process rather than mid-year when possible. QuickBooks software is used to monitor the agency’s financial data, and it works well for them.



The General Manager is interested in apply for more grants. The agency recently applied for a grant it was not awarded, but generated a significant amount of community response. It is especially interested in grant funding for service for veterans and to fund a risk management position. Increasing pursuit of grant funding is also limited by how quickly the agency has grown and other staff responsibilities.

The Financial Analyst is responsible for grant management. He also handles National Transit Database (NTD) reporting and, with the assistance of the fiscal auditor, reporting to the State Controller's Office.

Mountain Transit has an agency emergency plan, but it has not been updated to include the new administrative building. Mountain Transit is also part of the City of Big Bear Lake's emergency plan. In Big Bear, all Mountain Transit emergency assets are under the control of the Fire Chief; in the Rim area, they are under control of the Sheriff's Department. Transit participates in monthly Regional Transportation Advisory Committee (RTAC) and Mountain Advisory Committee meetings, as well as Community Organizations Active in Disaster (COAD) and Voluntary Organizations Active in Disaster (VOAD).

Employees track their time using timesheets. The drivers sign timecards and a supervisor reviews them. A data specialist inputs the data for an operations director review. The data is recorded in Paychex and a payroll journal is printed out for the General Manager to sign off. All employees utilize direct deposit.

The Financial Analyst and an Accounts Payable/Receivable Specialist handle accounts payable and accounts receivable. Staff verify goods and services have been received before authorizing payment. The General Manager signs all invoices. Procurement is guided by a procurement policy, though there has been discussion of needing a more detailed procurement handbook, especially guiding smaller (non-RFP) purchases. Any purchases \$100,000 and greater must be approved by the Board. Purchases \$500 and over must be approved by the General Manager. Vehicles and items of major expense are procured competitively. Fuel is primarily obtained at the County yard, though the agency also has a relationship with Moonridge Fuel.

### Marketing and Public Information

In Big Bear, most transit marketing is handled through Visit Big Bear, and Mountain Transit focuses on keeping a radio presence. In Summer 2023, this was used to promote the OTM service. In the Rim area, the agency must expend more marketing dollars for advertising, which includes promotions using Facebook and Instagram. "Ride Free Now" signage on the back of the vehicles has been one tactic utilized to attract riders. Mountain Transit also works with local Chambers of Commerce.

Information about service disruptions is disseminated via radio, an email distribution list, and social media. Facebook has been a great resource, though it is not as interactive as it once was. Mountain Transit no longer publishes a printed brochure due to the frequent changes arising from the COVID-19 pandemic. The primary service information pieces are the website, QR codes at all stops, and a rack card prepared for Winter 2023/2024. The Transit website features a widget to change the language through Google Translate.

Mountain Transit only log complaints, concerns, and commendations, rather than all customer calls. Complaints are documented in the dispatch log and in TransTrack, though relatively few complaints are received. Supervisors look every morning to see what needs to be followed up on. Complaints are resolved

immediately when possible. Overall, public perception of the transit service is very positive because staff have worked to make the service better.

### Scheduling, Dispatch, and Operations

Employees are no longer represented by a union. The transit program is currently staffed by 34 full-time drivers, two year-round part-time drivers, and eight seasonal part-time drivers. At the time of the site visit, Mountain Transit was looking to hire an additional dispatcher. Prior to 2021, the union required all dispatchers to have a commercial license. When the DMV opened back up after COVID, nearly all staff got their commercial license. This has enabled the agency to now recruit dispatchers who do not have a commercial license.

The transit program is considered fully staffed. Year-round part-time drivers cover drivers who are out sick, on vacation, or provide other coverage as needed. They prefer a part-time schedule and are not interested in working full-time. Seasonal part-time drivers are mixed in with regular fixed-route drivers across the regular and winter (BBMR) services as they ramp up for the winter season.

Drivers are assigned to routes based on a bid selection every six months (fall and spring) based on the winter and summer seasons. Vehicles are assigned routes by maintenance supervisors based on capacity and vehicle type/size. Vehicle assignments for each location (Big Bear and Crestline) are posted in the dispatch office. Trolleys are kept in the city of Big Bear Lake and vans are used for Dial-A-Ride services. Larger vehicles are leased for the winter season through a contribution from Big Bear Mountain Resort. All vehicles are wheelchair accessible.

All drivers are required to have a Class B commercial license (CDL). Some have an air brake endorsement. While none of the agency's vehicles have air brakes, some approximately one-third of the leased buses usually have them. The agency tries to lease buses without air brakes, but have enough drivers with an air brake endorsement to cover any that do.

Planned absences are covered by one of the part-time drivers. Unplanned absences are covered by a part-time driver, or a supervisor may cover until the part-time driver can get in. Four-hour notice is required for an unplanned absence. Morning shift driver rarely call out.

With the exception of the OTM routes, transit service is fare free. When riders ride the OTM routes, they typically use Token Transit.

### Personnel Management and Training

While the program is considered fully staff, Mountain Transit would like to hire more drivers. However, staff noted there is a balance of not having enough work for them, which is why having part-time drivers is so good. The agency used to only hire candidates who already had their CDL, which limited the pool of good recruits. It will now take new recruits completely through training, which has resulted in better recruits with the right attitude. Mountain Transit has a fantastic trainer who has been through the CHP program and provides training for new recruits and current drivers. It is also training supervisors to be trainers. Ultimately the agency plans to have three trainers, one in Crestline and two in Big Bear. All CDL testing is done by the DMV.

Recruitment is largely done through postings on Indeed, which the agency began using in 2020. In 2021 it began offering a \$500 employee referral bonus if the new hire stays for six months. This, as well as a pay increase, has helped improve the quality of the staff. Quite a few candidates have come up from the Victor Valley, though only a handful live off the mountain. Some seasonal drivers who are school bus drivers in Lucerne/Apple Valley drive one day per week. There are lots of opportunities for overtime in the winter.

Mountain Transit fosters a culture of support and encouragement, and is dedicated to employee retention. Employees receive recognition through letters, Employee of the Quarter (which is introduced at board meetings), gift certificates, and custom jackets. Management works hard at making Mountain Transit a great place to work and try to be very responsive to issues. All employees are empowered to grow and have access to CalJPIA free training resources.

Outside of the COVID-19 pandemic, turnover is typically low. At the onset of the pandemic, several left because they were afraid, and it was difficult because they could not hire new drivers until the DMV opened. For the most part, when people leave it is because of other circumstances, not because they are unhappy.

The Operations Director, who is also a trainer, oversees Mountain Transit's safety program. Safety meetings are held on a quarterly basis. Staff members from maintenance and operations attend the meetings. Mountain Transit complies with all drug and alcohol testing requirements and federal DAMIS reporting. The drug and alcohol program requires randomly selected staff to travel to Big Bear, Victorville, or San Bernardino for testing. The agency may wish to investigate whether on-site specimen collection is a viable alternative to minimize the need for employees to travel off the mountain for random drug testing.

Full-time employees receive sick leave, vacation leave, medical insurance, and retirement benefits. Part-time drivers are able to accumulate sick pay but not vacation pay. Information about benefits is provided to all employees as part of the onboarding process. The employee handbook outlines Mountain Transit's discipline policy and policy regarding absences and tardiness. The agency maintained the same policy previously included in its union contract.

### Maintenance

Maintenance services are provided by one maintenance manager, five mechanics, and three utility workers. All maintenance staff are encouraged to develop their skillsets. Staff follow the manufacturers' preventive maintenance schedules, and monitoring is done using RTA fleet management software. Evidence of compliance is maintained in RTA and on paper.

Vehicle maintenance is scheduled the day prior so that vehicles can be pulled out of service without impacting regular use. Maintenance works hard to ensure there are enough buses for pullout, especially in winter. When a vehicle is written up, it is red-tagged so drivers know it is unavailable, and the key is pulled so it cannot be used. Mechanics are the only ones who can place a vehicle back in service once it has been written up. Maintenance supervisors decide how to prioritize repairs.

Warranty work is identified and is typically sent out to authorized vendors or the manufacturer, often a Ford dealer off the mountain. However, the vendors do not always provide the warranty work in a timely manner. Recently a vehicle was out of service for three months due to a transmission repair. Then the

transmission went out as they were driving it back, and it had to be towed back to the dealer. Mountain Transit also sends out work that maintenance staff is unable to do in-house due to time and space constraints (typically engine and transmission work).

The operations facilities in Big Bear and Crestline each feature two bays. There is a sufficient number of lifts, though in Crestline some of the maintenance has to be done outside using a portable lift. The new administration building also has three bays, which have yet to be put into use.

As discussed above, the administrative functions in Big Bear are now located in a new facility, which frees up some space in the existing operations and maintenance facility. In Crestline, operations are now split between two locations as well due to a fire at the administration building. Mountain Transit had purchased a property with a house to use as a parking lot. That house was updated and is now used to house administrative functions in Crestline. Maintenance continues to use its facility at the original location (which was in a separate building). Mountain Transit is planning new facilities in both locations, though both have yet to be started. At present, most files are stored in the administrative offices in Big Bear, while maintenance files and other operations records are stored at each location.

Mountain Transit does not maintain a large inventory of parts, but works with its local AutoZone store to stock commonly used parts. All maintenance personnel have access to the parts room. Some parts have been more difficult to obtain due to supply chain issues, including auto chains, some brakes, and major components. Trolleys require more maintenance, both because the parts must be obtained from the manufacturer and because they break down more.

The fleet size is sufficient and is in overall good condition with varying vehicle and fuel types. Vehicles are kept in the fleet as long as possible.

A complete fleet inventory is provided in Exhibit 7.5.

Exhibit 7.5 Mountain Transit's Fleet

Year	Vehicle #	Model	Fuel Type	Passengers	Service
2015	35	El Dorado F550 Class E	Gas	30	Demand Response
2015	36	Ford Glavel F550	Gas	30	Demand Response
2015	37	Ford Glavel F550	Gas	30	Demand Response
2015	38	Ford Glavel F550	Gas	30	Demand Response
2015	29	Glaval Legacy Cmmngs ISB	Diesel	28	Demand Response
2015	30	Glaval Legacy Cmmngs ISB	Diesel	28	Demand Response
2016	31	Supreme F53 Trolley	Gas	28	Demand Response
2016	33	Ford Glaval Entourage-Gasoline	Gas	26	Demand Response
2017	39	Ford Nor Cal Van	Gas	9	Demand Response
2017	41	Micro Bird E450	Gas	20	Demand Response
2017	42	Micro Bird E450	Gas	20	Demand Response
2018	43	Ford Trolley F550 - Creative	Gas	20	Demand Response
2018	44	Ford Glavel E450	Gas	16	Demand Response
2018	45	Ford Glavel E450	Gas	16	Demand Response
2018	46	Ford Glavel E450	Gas	16	Demand Response
2018	47	Ford Glavel E450	Gas	16	Demand Response
2018	76	G4500 Mini Trolley	Gas	12	Demand Response
2019	102	Ford Nor Cal 4X4	Gas	9	Demand Response
2019	103	Ford Nor Cal 4X4	Gas	9	Demand Response
2019	48	Ford Transit	Gas	8	Demand Response
2019	49	Glaval E450-158"	Gas	12	Demand Response
2019	70	Glaval E450-176"	Gas	16	Demand Response
2019	71	Glaval E450-176"	Gas	16	Demand Response
2019	72	Glaval E450-176"	Gas	16	Demand Response
2020	101	Ford Nor Cal 4X4	Gas	9	Demand Response
2020	104	Ford Nor Cal 4X4	Gas	9	Demand Response
2021	105	Ford 350 AWD NorCal Vans	Gas	9	Demand Response
2021	106	Ford 350 AWD NorCal Vans	Gas	9	Demand Response
2021	77	Ford Hometown Trolley	Gas	30	Demand Response
2023	PENDING	Turtle Top	Diesel	0	Bus (Motorbus)
2023	73	Turtle Top	Gas	0	Bus (Motorbus)
2023	74	Turtle Top	Gas	0	Bus (Motorbus)
2023	PENDING	Turtle Top	Gas	0	Bus (Motorbus)

## Chapter 8 | Findings and Recommendations

### Conclusions

With one exception, Moore & Associates finds Mountain Transit to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

The audit team has identified one functional finding. While this finding is not a compliance finding, inclusion of it in this audit serves to document the issue identified during the functional review:

1. Mountain Transit does not have a comprehensive procurement handbook.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Mountain Transit's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

### Compliance Finding 1: The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

**Criteria:** PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. No extensions are allowed.

**Condition:** In FY 2022/23, Mountain Transit's State Controller Report had not been submitted by February 7, 2024, despite the January 31, 2024 deadline.

**Cause:** Staff indicated there had been some confusion with the agency's new fiscal auditor regarding completion of the report. Staff indicated that they have provided the necessary information to the auditor but that the auditor would not be available until the week of February 12, 2024 to complete the report.

**Effect:** As a result, the FY 2022/23 State Controller Report will be submitted approximately two weeks late.

**Recommendation:** Ensure future State Controller Reports are submitted by the January 31 deadline.

**Recommended Action:** Both Mountain Line staff and the auditor should be aware of the reporting deadline. Ideally, the agency should notify the auditor about the annual reporting upon receipt of the letter from the State Controller’s Office. The two parties should then touch base in early January at the latest to ensure the auditor has what it needs to prepare the report. This should minimize confusion regarding expectations and ensure ample time to prepare and submit the report on-time.

**Timeline:** FY 2024/25 (for the FY 2023/24 report).

**Anticipated Cost:** None.

**Functional Finding 1: Mountain Transit does not have a comprehensive procurement handbook.**

**Criteria:** The Performance Audit Guidebook identifies procurement as one of the components of the Administration functional area. One of the questions included therein asks, “Are purchasing policies and procedures regarding competitive bids, quotes, and contracting well defined and appropriate?”

**Condition:** During the site visit, staff indicated that while Mountain Transit does have a procurement policy, it does not have a comprehensive procurement handbook. Such a resource would provide guidance for different types of procurements and help ensure compliance for FTA-assisted contracts and purchases.

**Cause:** To this point, it is likely a combination of existing policies and institutional knowledge have enabled the agency to effectively address this functional area.

**Effect:** Better documentation of existing processes and requirements will ensure continued effective and compliant procurement in the future, especially if there are changes in staff that impact the availability of institutional knowledge.

**Recommendation:** Develop a comprehensive procurement handbook.

**Recommended Action:** Mountain Transit should draw upon its existing purchasing and procurement policies and practices and document them in a procurement handbook. It should also address requirements for FTA-assisted procurements, small and micro-purchases, sole source, and informal processes.

**Timeline:** FY 2024/25.

**Anticipated Cost:** Variable.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future State Controller Reports are submitted by the January 31 deadline.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Develop a comprehensive procurement handbook.	Medium	FY 2024/25

# Mountain Transit

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024







# Table of Contents

---

Chapter 1   Executive Summary .....	1
Chapter 2   Audit Scope and Methodology .....	5
Chapter 3   Program Compliance .....	9
Chapter 4   Prior Recommendations .....	13
Chapter 5   Data Reporting Analysis .....	15
Chapter 6   Performance Analysis .....	17
Chapter 7   Functional Review.....	35
Chapter 8   Findings and Recommendations .....	45

*This page intentionally blank.*

# Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations .....	3
Exhibit 3.1 Transit Development Act Compliance Requirements .....	10
Exhibit 5.1 Data Reporting Comparison.....	16
Exhibit 6.1 System Performance Indicators .....	20
Exhibit 6.2 System Ridership .....	21
Exhibit 6.3 System Operating Cost/VSH .....	21
Exhibit 6.4 System Operating Cost/VSM.....	21
Exhibit 6.5 System VSM/VSH.....	21
Exhibit 6.6 System Operating Cost/Passenger .....	22
Exhibit 6.7 System Passengers/VSH .....	22
Exhibit 6.8 System Passengers/VSM.....	22
Exhibit 6.9 System VSH/FTE .....	22
Exhibit 6.10 System Farebox Recovery .....	23
Exhibit 6.11 System Fare/Passenger.....	23
Exhibit 6.12 Fixed-Route Performance Indicators.....	25
Exhibit 6.13 Fixed-Route Ridership.....	26
Exhibit 6.14 Fixed-Route Operating Cost/VSH .....	26
Exhibit 6.15 Fixed-Route Operating Cost/VSM .....	26
Exhibit 6.16 Fixed-Route VSM/VSH .....	26
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	27
Exhibit 6.18 Fixed-Route Passengers/VSH .....	27
Exhibit 6.19 Fixed-Route Passengers/VSM .....	27
Exhibit 6.20 Fixed-Route Farebox Recovery.....	27
Exhibit 6.21 Fixed-Route Fare/Passenger .....	28
Exhibit 6.22 Demand-Response Performance Indicators .....	30
Exhibit 6.23 Demand-Response Ridership .....	31
Exhibit 6.24 Demand-Response Operating Cost/VSH.....	31
Exhibit 6.25 Demand-Response Operating Cost/VSM.....	31
Exhibit 6.26 Demand-Response VSM/VSH.....	31
Exhibit 6.27 Demand-Response Operating Cost/Passenger .....	32
Exhibit 6.28 Demand-Response Passengers/VSH.....	32
Exhibit 6.20 Demand-Response Passengers/VSM .....	32
Exhibit 6.30 Demand-Response Farebox Recovery .....	32
Exhibit 6.31 Demand-Response Fare/Passenger.....	33
Exhibit 7.1 Mountain Transit Routes and Services .....	35
Exhibit 7.2 Big Bear Route 5 Fare Structure.....	36
Exhibit 7.3 RIM Route 6 Fare Structure .....	37

Exhibit 7.4 Organizational Chart..... 39  
Exhibit 7.5 Mountain Transit’s Fleet..... 44  
Exhibit 8.1 Audit Recommendations ..... 46

## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Mountain Transit (formerly Mountain Area Regional Transit Authority) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Mountain Transit's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Public transportation in the Big Bear Valley, Crestline, Lake Arrowhead, and Running Springs area is provided by Mountain Transit. Mountain Transit provides fixed route, Dial-A-Ride, and Off-the-Mountain (OTM) service. The Red Line, Blue Line, Gold Line, and RIM Route 2 and RIM Route 4 are considered fixed routes. There are two OTM routes, Big Bear Route 5 and RIM Route 6.

Mountain Transit provides two Dial-A-Ride services in Big Bear Valley and the RIM Area. Service is available to seniors (60+), veterans and persons with disabilities with a DAR ID. Reservations can be made a minimum of two hours in advance. All passengers, with exception to qualified ADA passengers, are restricted to three pick-ups per day.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. Calculate full-time employee equivalents using TDA definitions.  
**Status: Implemented.**
2. Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.  
**Status: Partially implemented.**
3. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.  
**Status: Implemented.**

### Findings and Recommendations

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

The audit team has identified one functional finding. While this finding is not a compliance findings, inclusion of it in this audit serves to document the issue identified during the functional review:

1. Mountain Transit does not have a comprehensive procurement handbook.

In completing this Triennial Performance Audit, we submit the following recommendations for Mountain Transit's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the

TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future State Controller Reports are submitted by the January 31 deadline.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Develop a comprehensive procurement handbook.	Medium	FY 2024/25



*This page intentionally blank.*

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Mountain Transit’s public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Mountain Transit as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of Mountain Transit included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of Mountain Transit included thorough review of documents relevant to the scope of the audit, as well as information contained on Mountain Transit's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;

- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

The methodology for this review included interviews with key staff at 42132 Big Bear Blvd., in Big Bear on September 27, 2023. The audit team met with Sandy Benson (General Manager) and Sean Gillingham (Financial Analyst) and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines Mountain Transit’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Mountain Transit considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with Mountain Transit staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

One compliance item was identified for Mountain Transit:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

### Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2020/21: January 31, 2022 FY 2021/22: January 31, 2023 FY 2022/23: To be submitted week of February 12, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2020/21: January 14, 2022 FY 2021/22: February 17, 2023 FY 2022/23: December 20, 2023
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	Big Bear Lake: October 23, 2019 October 14, 2020 October 28, 2021 October 27, 2022  Crestline: June 19, 2019 July 10, 2020 August 11, 2021 August 19, 2022
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	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).	PUC 99266	In compliance	FY 2020/21: -18.97% FY 2021/22: +28.85% FY 2022/23: +12.31%  <i>Increase in FY 2022 due to expanded BBMR service.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	

Compliance Element	Reference	Compliance	Comments
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Per FY 2023 TDA Claim Standard Assurances.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2020/21: 10.00% FY 2021/22: 21.23% FY 2022/23: 23.87%  <i>Measure I used to supplement fare revenues in FY 2021.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	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 for 40 years.	PUC 99271	In compliance	Per FY 2023 TDA Claim Standard Assurances.  <i>MARTA administers a defined contribution pension plan the MARTA 401(a) Plan. MARTA also offers a deferred compensation plan.</i>
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable during this audit period	This requirement was waived for all years of the audit period under AB 149. SBCTA includes a statement within its Standard Assurances for TDA claims regarding eligibility and required inclusion of a supplemental schedule.



Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance Mountain Transit has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. [Calculate full-time employee equivalents using TDA definitions.](#)

**Discussion:** This recommendation was carried over from a previous audit for full implementation. The prior auditor’s 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 for the demand-response mode. 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.

**Progress:** Per the FY 2023 TDA claim (which included responses to items from the FY 2015-2017 audit), Mountain Transit is using the TDA standard of 2000 employee labor hours for FTE. It calculated the correct FTE figure for FY 2017/18 as 33.82. There are still some challenges in reporting the data correctly to the State Controller (for example, all FTE being reported under both modes).

**Status:** Implemented.

2. [Ensure timely completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.](#)

**Discussion:** In the compliance review section of the 2021 report, 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 prior auditor stated the submission of reports to the State Controller in a timely manner would further demonstrate Mountain Transit’s proactive approach to compliance with State reporting instructions.

**Progress:** State Controller Reports were submitted on time in both FY 2020/21 and FY 2021/22. The FY 2022/23 report had yet to be completed and submitted as of February 7, 2024.

**Status:** Partially implemented.

3. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the resetting of Mountain Transit operations.

**Discussion:** 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 as such with the RIM School District and Big Bear Mountain Resort (BBMR). Given the status and current uncertainties with public transit in general, the prior auditor noted Mountain Transit's active partnerships helped stabilize operations and provide more steady revenue streams while providing more visibility to the service. The prior auditor applauded the agency's approach towards building local and regional partnerships that became a viable aspect of transit systems, and recommended continued pursuit of these types of engagements.

**Progress:** Mountain Transit entered into an agreement with BBMR for expanded service, which included a fare replacement subsidy for free Big Bear Trolley service. This was introduced as a two-year demonstration project through October 31, 2023. With ridership up 700 percent, the route was then converted to a regular service.

**Status:** Implemented.

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by Mountain Transit both internally as well as to outside entities during the audit period.

- **Operating cost:** This metric is reported consistently between the TDA fiscal audits and the State Controller reports. There is a slight variance of 11 percent in FY 2020/21 and nearly 28 percent in FY 2021/22 between these reports and the National Transit Database (NTD) report. The cause of these variances is unknown.
- **Fare Revenue:** Similar to operating cost, this metric is reported consistently between the TDA fiscal audit and the State Controller report. In FY 2020/21, there was a modest variance between these reports and the NTD report. In FY 2021/22, the variance was significant. It appears the variance is due to how contributions from partners and contract revenues (such as the Big Bear Mountain Resort) are reported in the audit and to the State Controller (as fare revenue) and to the NTD (as Other Directly Generated Funds). For clarity, the audit should differentiate between contract revenues and passenger fares, even if both are considered fare revenue for the purpose of calculated the farebox recovery ratio.
- **Vehicle Service Hours (VSH):** This metric was reported consistently between the State Controller reports and the monthly performance reports in FY 2020/21. Data reported to the NTD was slightly lower. The large variance in reported data for the monthly performance reports for FY 2021/22 is due to name changes for the routes, which resulted in the monthly data provided for this audit being too low. Variances between the NTD and State Controller Reports may be due to what data was included or excluded for fixed-route data in FY 2021/22. These issues appear to have been resolved by FY 2022/23.
- **Vehicle Service Miles (VSM):** This metric was reported consistently between the State Controller reports and the monthly performance reports in FY 2020/21. Variances may be due to what data was included or excluded for fixed-route data in FY 2021/22. The large variance in reported data for the monthly performance reports for FY 2021/22 is due to name changes for the routes, which resulted in the monthly data provided for this audit being too low. These issues appear to have been resolved by FY 2022/23.
- **Passengers:** This metric was reported consistently between the State Controller reports and the monthly performance reports in FY 2020/21. Variances may be due to what data was included or excluded for fixed-route data in FY 2021/22. These issues appear to have been resolved by FY 2022/23.

- Full-Time Equivalent (FTE) Employees:** While Mountain Transit indicated using the proper definition for FTE in its reporting, the State Controller Reports show the same number of employees being reported for fixed-route and demand-response. Staff should ensure the hours being reported are appropriate segregated between modes and do not include non-work hours (such as paid time off or sick leave).

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$3,685,717	\$5,290,951	\$6,760,264
<i>National Transit Database</i>	\$3,312,811	\$4,138,192	\$5,497,605
<i>State Controller Report</i>	\$3,685,717	\$5,290,951	Not available
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$302,279	\$1,123,166	\$1,612,546
<i>National Transit Database</i>	\$300,722	\$338,058	\$466,559
<i>State Controller Report</i>	\$302,279	\$1,123,166	Not available
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	30,218	2,727	51,669
<i>National Transit Database</i>	30,077	43,850	51,669
<i>State Controller Report</i>	30,218	39,959	Not available
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	476,618	42,870	741,004
<i>National Transit Database</i>	474,557	663,552	741,004
<i>State Controller Report</i>	476,618	579,819	Not available
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	110,479	590,801	838,867
<i>National Transit Database</i>	107,542	591,613	838,867
<i>State Controller Report</i>	110,479	582,581	Not available
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	48	80	Not available
<i>Calculated from work hour data</i>	20	53	57

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

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

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

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

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

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

---

<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

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

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

### TDA Required Indicators

To calculate the TDA indicators for Mountain Transit, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller and National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that

---

<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

reported in Mountain Transit’s audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.

- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller and National Transit Database (NTD) reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the NTD may not reflect other revenues reported as fare revenue in the fiscal audit and to the State Controller.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Mountain Transit calculates VSH using driver trip sheets, which are loaded into TransTrack. Mountain Transit’s calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Mountain Transit calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle’s odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Boardings are tracked by drivers using Double Map tablets. Mountain Transit’s calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were calculated based on data provided by the operator for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

*Note: Given the variances between the NTD report and the fiscal audit, system-wide performance uses financial data from the fiscal audit to assess operating cost, fare revenue, and cost-related metrics. The mode-specific performance trends use financial data from the NTD report, as neither the fiscal audit nor the State Controller Report segregate costs by mode. As such, the financial data from the system-wide analysis may be different from the sum of the fixed-route and demand-response data.*

System-wide, operating cost experienced a net 49.2 percent increase during the audit period and an 84.8 percent net increase across the six-year period. The overall increase was due primarily to a steady increase every year with a significant increase in FY 2021/22. Fare revenue experienced significant decreases throughout the six-year period, however a large increase in FY 2021/22 resulted in a 54.3 percent increase during the audit period. The decreases in FY 2019/20 and FY 2020/21 were due in part to decreased ridership resulting from the COVID-19 pandemic.

Vehicle Service Hours (VSH) increased every year, with the exceptions of FY 2019/20 and FY 2020/21. VSH saw a net 38.4 percent increase over the six-year period. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 16.3 percent increase over the six-year period. Ridership decreased at the beginning of the audit period, before increasing in FY 2021/22 and FY 2022/23 as a result of the new contract with Big Bear Mountain Resort. Overall, ridership experienced a net increase of 659.3 percent during the audit period.



Cost-related metrics typically provide an indicator of a system’s efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour and vehicle service mile decreased during the audit period, reflective of an improvement in efficiency. Additionally, productivity increased, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$2,974,504	\$3,436,065	\$3,581,646	\$3,685,717	\$5,290,951	\$5,497,605
<i>Annual Change</i>		15.5%	4.2%	2.9%	43.6%	3.9%
<b>Fare Revenue (Actual \$)</b>	\$373,583	\$459,509	\$334,428	\$302,279	\$1,123,166	\$466,559
<i>Annual Change</i>		23.0%	-27.2%	-9.6%	271.6%	-58.5%
<b>Vehicle Service Hours (VSH)</b>	37,328	38,465	33,832	30,218	39,959	51,669
<i>Annual Change</i>		3.0%	-12.0%	-10.7%	32.2%	29.3%
<b>Vehicle Service Miles (VSM)</b>	637,224	659,034	542,625	476,618	579,819	741,004
<i>Annual Change</i>		3.4%	-17.7%	-12.2%	21.7%	27.8%
<b>Passengers</b>	179,240	181,781	154,181	110,479	582,581	838,867
<i>Annual Change</i>		1.4%	-15.2%	-28.3%	427.3%	44.0%
<b>Employees</b>	33	30	46	20	53	57
<i>Annual Change</i>		-9.1%	53.3%	-56.5%	165.0%	7.5%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$79.69	\$89.33	\$105.87	\$121.97	\$132.41	\$106.40
<i>Annual Change</i>		12.1%	18.5%	15.2%	8.6%	-19.6%
<b>Operating Cost/Passenger (Actual \$)</b>	\$16.60	\$18.90	\$23.23	\$33.36	\$9.08	\$6.55
<i>Annual Change</i>		13.9%	22.9%	43.6%	-72.8%	-27.8%
<b>Passengers/VSH</b>	4.80	4.73	4.56	3.66	14.58	16.24
<i>Annual Change</i>		-1.6%	-3.6%	-19.8%	298.8%	11.4%
<b>Passengers/VSM</b>	0.28	0.28	0.28	0.23	1.00	1.13
<i>Annual Change</i>		-1.9%	3.0%	-18.4%	333.5%	12.7%
<b>Farebox Recovery</b>	12.6%	13.4%	9.3%	8.2%	21.2%	8.5%
<i>Annual Change</i>		6.5%	-30.2%	-12.2%	158.8%	-60.0%
<b>Hours/Employee</b>	1,131.2	1,282.2	735.5	1,510.9	753.9	906.5
<i>Annual Change</i>		13.4%	-42.6%	105.4%	-50.1%	20.2%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.67	\$5.21	\$6.60	\$7.73	\$9.13	\$7.42
<i>Annual Change</i>		11.7%	26.6%	17.2%	18.0%	-18.7%
<b>VSM/VSH</b>	17.07	17.13	16.04	15.77	14.51	14.34
<i>Annual Change</i>		0.4%	-6.4%	-1.7%	-8.0%	-1.2%
<b>Fare/Passenger</b>	\$2.08	\$2.53	\$2.17	\$2.74	\$1.93	\$0.56
<i>Annual Change</i>		21.3%	-14.2%	26.1%	-29.5%	-71.2%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/22 data from State Controller Reports.  
FY 2022/23 data from NTD Reports.  
FTE data for FY 2020/21 – FY 2022/23 calculated from data provided by the operator.

Exhibit 6.2 System Ridership

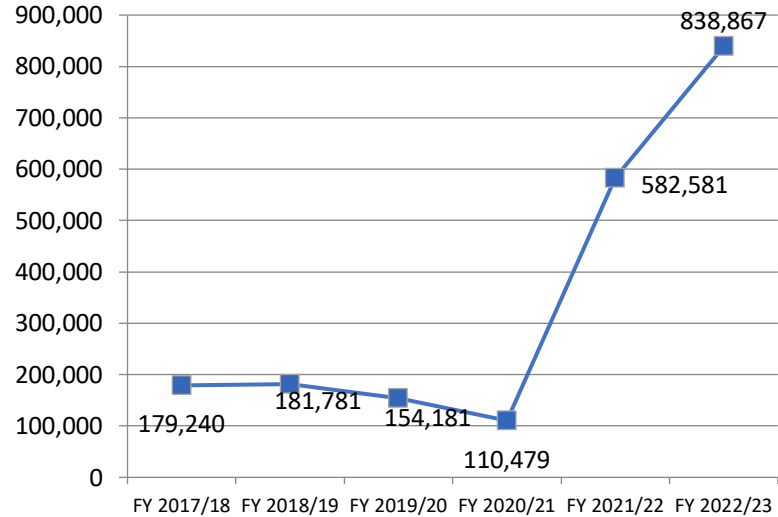


Exhibit 6.3 System Operating Cost/VSH

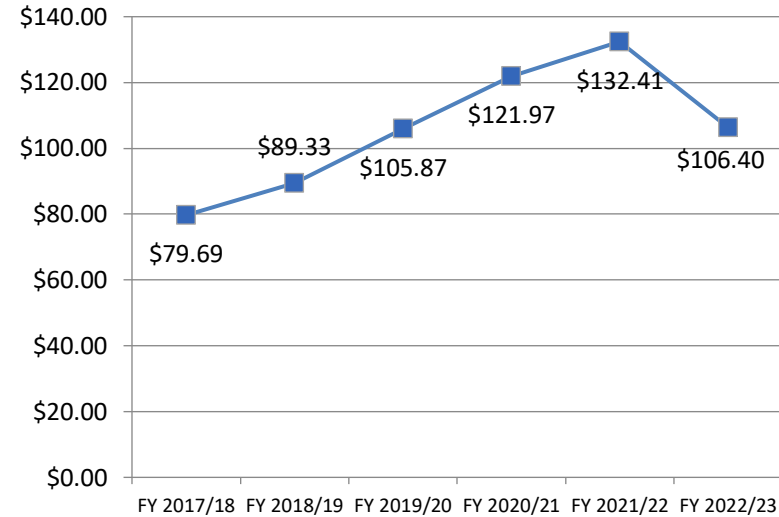


Exhibit 6.4 System Operating Cost/VSM

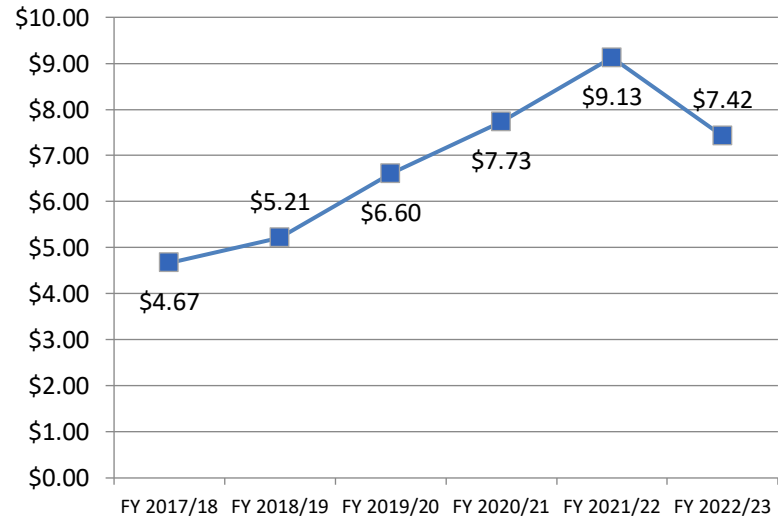


Exhibit 6.5 System VSM/VSH

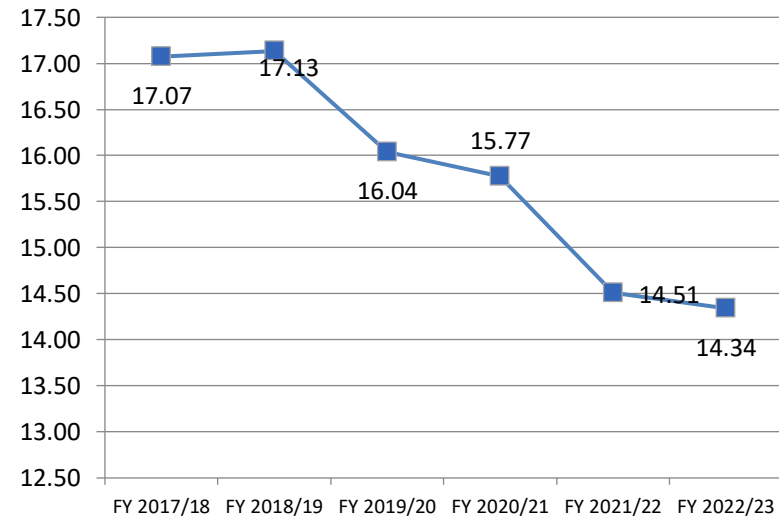


Exhibit 6.6 System Operating Cost/Passenger

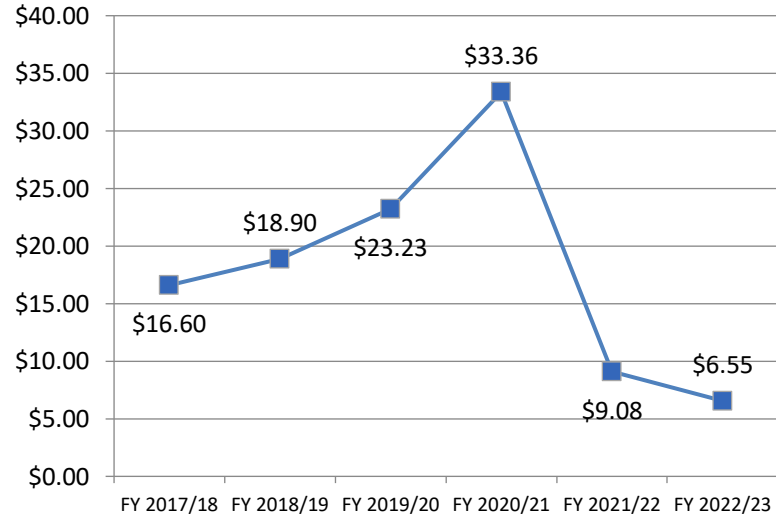


Exhibit 6.7 System Passengers/VSH

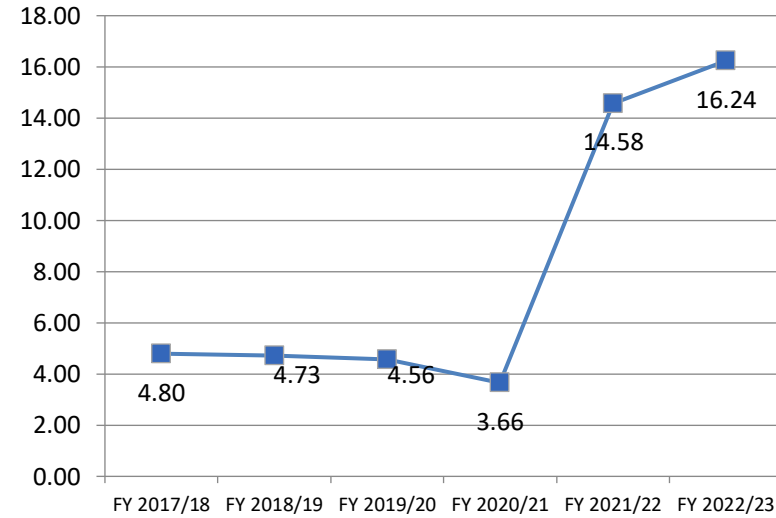


Exhibit 6.8 System Passengers/VSM

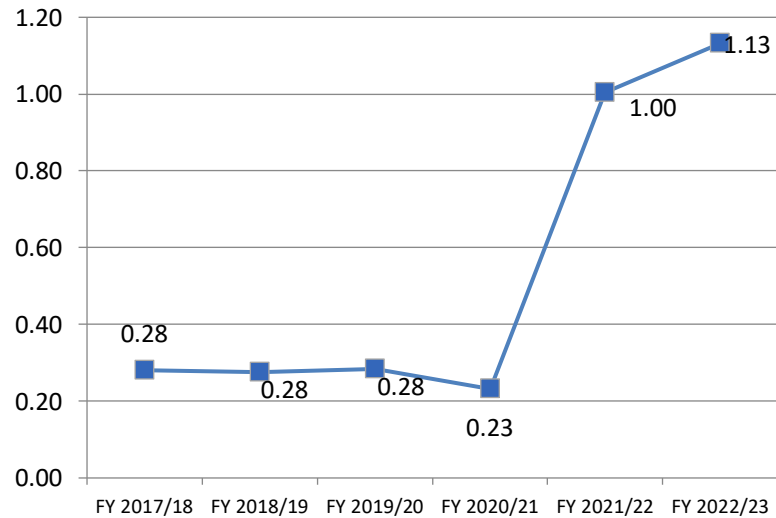


Exhibit 6.9 System VSH/FTE

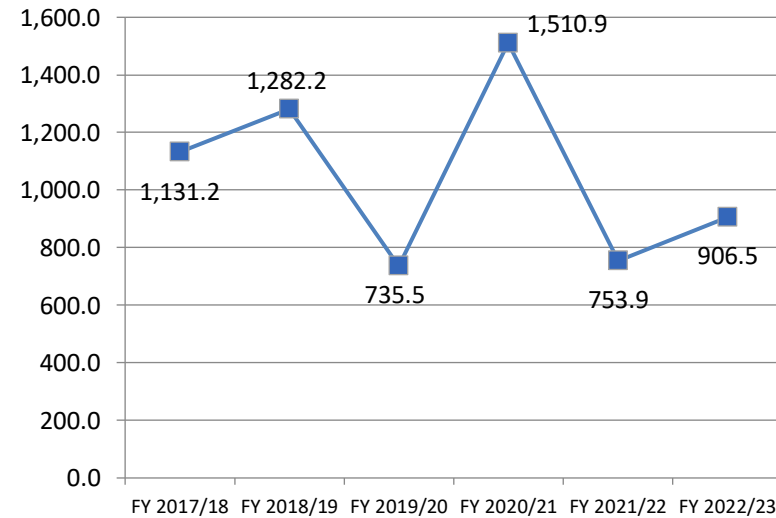


Exhibit 6.10 System Farebox Recovery

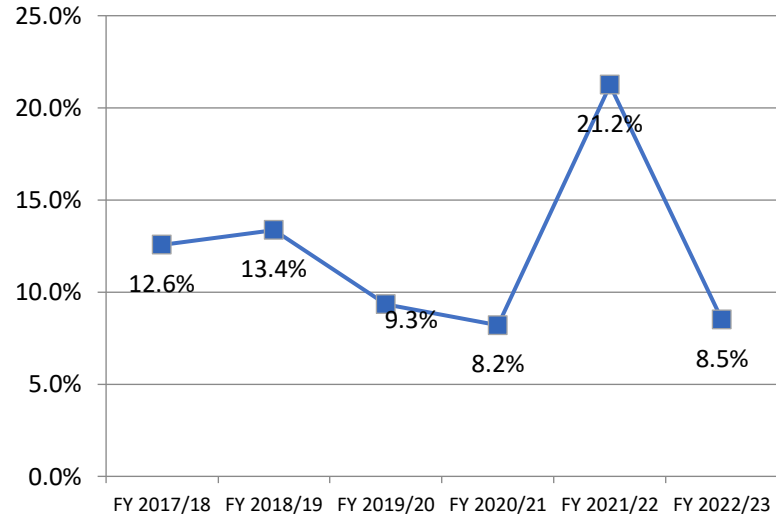
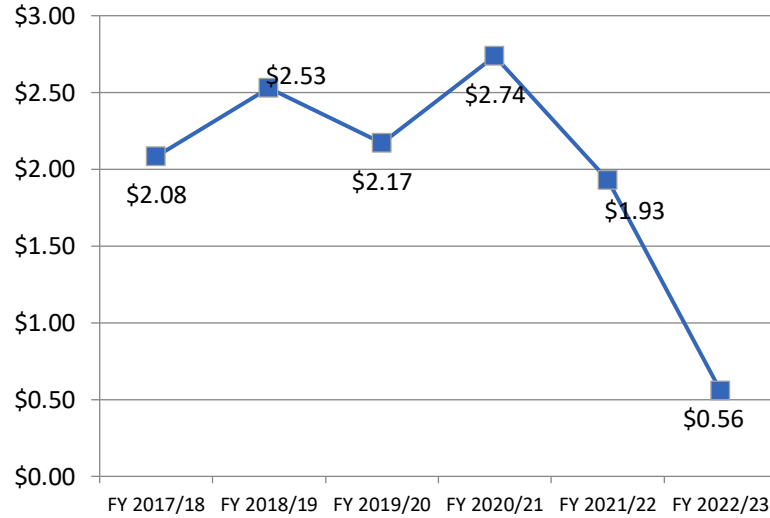


Exhibit 6.11 System Fare/Passenger



### Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 90.4 percent increase during the audit period, and a 144.5 percent net increase across the last six years. Fare revenue, decreased in FY 2019/20 and FY 2020/21 before significantly increasing the last two years. This resulted in a net 85.1 percent increase during the audit period and a net 53.3 percent decrease over six years.

Vehicle service hours (VSH) followed a similar pattern to fare revenue. This resulted in a net 97.8 percent increase during the audit period and a net 53.1 percent increase during the six-year period. Vehicle service miles (VSM) experienced a net 69.1 percent increase during the audit period and a net 22.1 percent decrease during the six-year period. Ridership increased significantly, resulting in a 740.4 percent net increase during the audit period and a 404.9 percent net increase across the six-year period.

Fixed-route cost-related metrics decreased during the audit period with the exception of operating cost per VSM. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 324.9 percent and passengers per VSM increasing by 396.9 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$1,891,402	\$2,614,430	\$2,613,500	\$2,428,168	\$3,337,693	\$4,623,586
<i>Annual Change</i>		38.2%	0.0%	-7.1%	37.5%	38.5%
<b>Fare Revenue (Actual \$)</b>	\$294,709	\$381,044	\$277,197	\$243,995	\$315,239	\$451,714
<i>Annual Change</i>		29.3%	-27.3%	-12.0%	29.2%	43.3%
<b>Vehicle Service Hours (VSH)</b>	28,437	29,542	25,192	22,016	31,643	43,544
<i>Annual Change</i>		3.9%	-14.7%	-12.6%	43.7%	37.6%
<b>Vehicle Service Miles (VSM)</b>	525,505	532,874	442,830	379,419	478,418	641,695
<i>Annual Change</i>		1.4%	-16.9%	-14.3%	26.1%	34.1%
<b>Passengers</b>	163,410	166,827	141,261	98,189	570,349	825,137
<i>Annual Change</i>		2.1%	-15.3%	-30.5%	480.9%	44.7%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$66.51	\$88.50	\$103.74	\$110.29	\$105.48	\$106.18
<i>Annual Change</i>		33.1%	17.2%	6.3%	-4.4%	0.7%
<b>Operating Cost/Passenger (Actual \$)</b>	\$11.57	\$15.67	\$18.50	\$24.73	\$5.85	\$5.60
<i>Annual Change</i>		35.4%	18.1%	33.7%	-76.3%	-4.2%
<b>Passengers/VSH</b>	5.75	5.65	5.61	4.46	18.02	18.95
<i>Annual Change</i>		-1.7%	-0.7%	-20.5%	304.1%	5.1%
<b>Passengers/VSM</b>	0.31	0.31	0.32	0.26	1.19	1.29
<i>Annual Change</i>		0.7%	1.9%	-18.9%	360.7%	7.9%
<b>Farebox Recovery</b>	15.58%	14.57%	10.61%	10.05%	9.44%	9.77%
<i>Annual Change</i>		-6.5%	-27.2%	-5.3%	-6.0%	3.4%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$3.60	\$4.91	\$5.90	\$6.40	\$6.98	\$7.21
<i>Annual Change</i>		36.3%	20.3%	8.4%	9.0%	3.3%
<b>VSM/VSH</b>	18.48	18.04	17.58	17.23	15.12	14.74
<i>Annual Change</i>		-2.4%	-2.5%	-2.0%	-12.3%	-2.5%
<b>Fare/Passenger</b>	\$1.80	\$2.28	\$1.96	\$2.48	\$0.55	\$0.55
<i>Annual Change</i>		26.6%	-14.1%	26.6%	-77.8%	-1.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
 FY 2020/21 – FY 2022/22 operating data from State Controller Reports.  
 FY 2020/21 – FY 2022/22 financial data from NTD Reports.  
 FY 2022/23 data from NTD Reports.

Exhibit 6.13 Fixed-Route Ridership

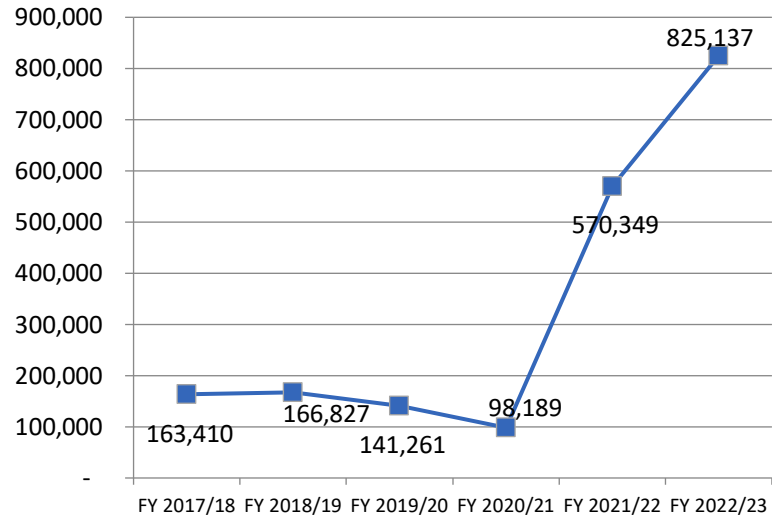


Exhibit 6.14 Fixed-Route Operating Cost/VSH

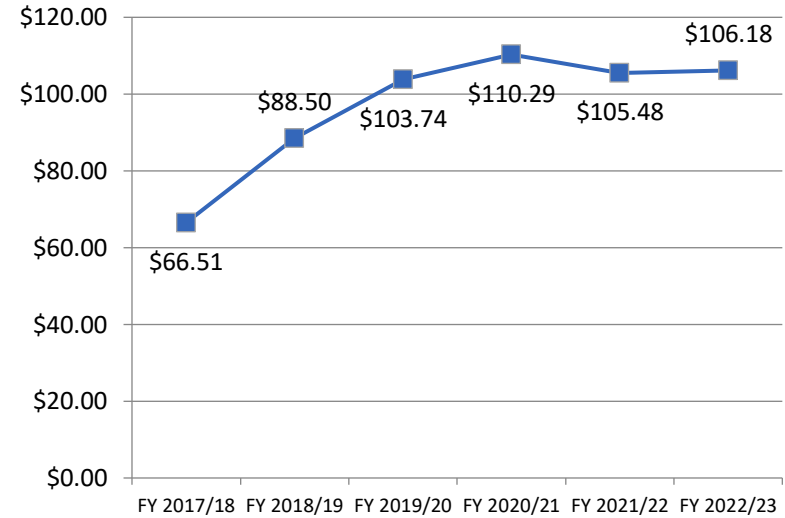


Exhibit 6.15 Fixed-Route Operating Cost/VSM

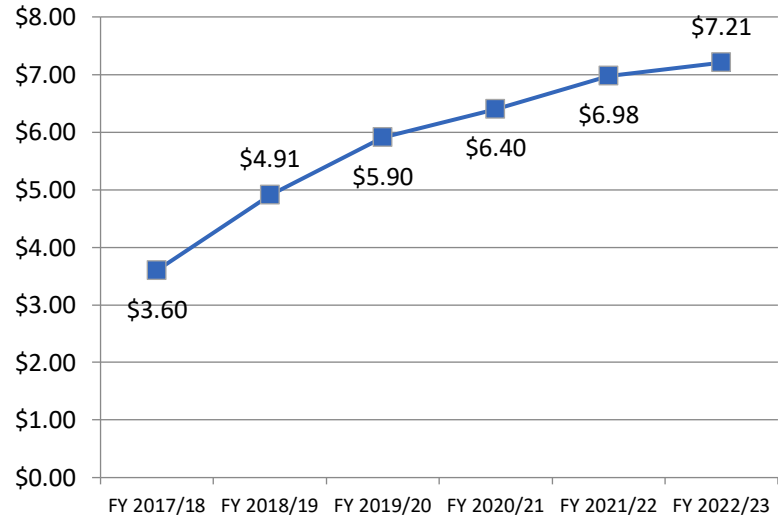


Exhibit 6.16 Fixed-Route VSM/VSH

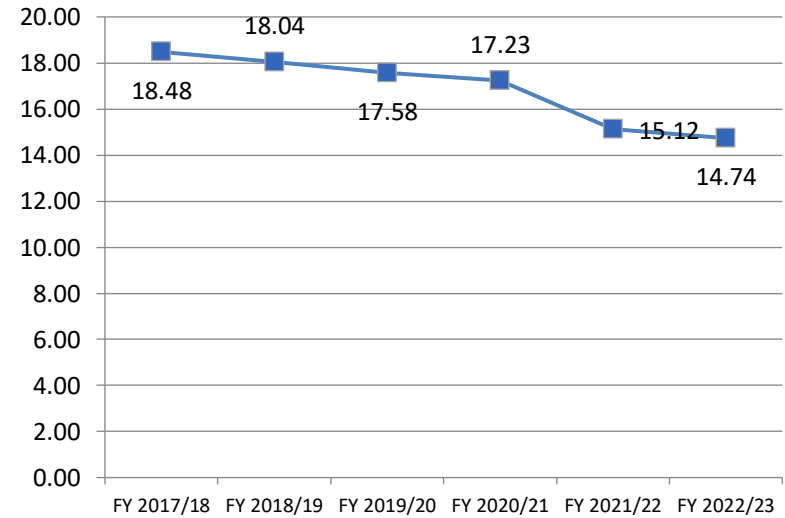


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

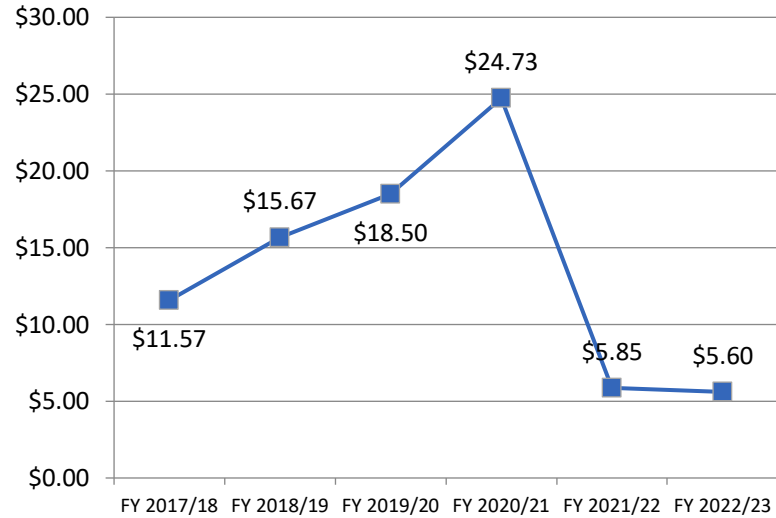


Exhibit 6.18 Fixed-Route Passengers/VSH

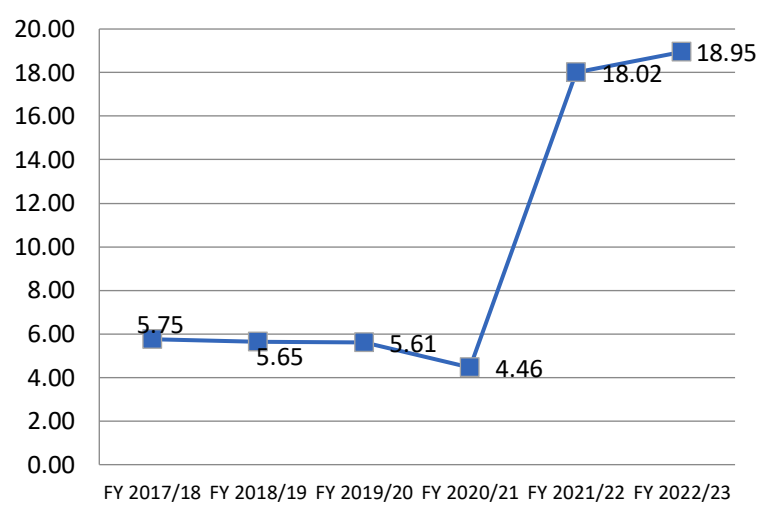


Exhibit 6.19 Fixed-Route Passengers/VSM

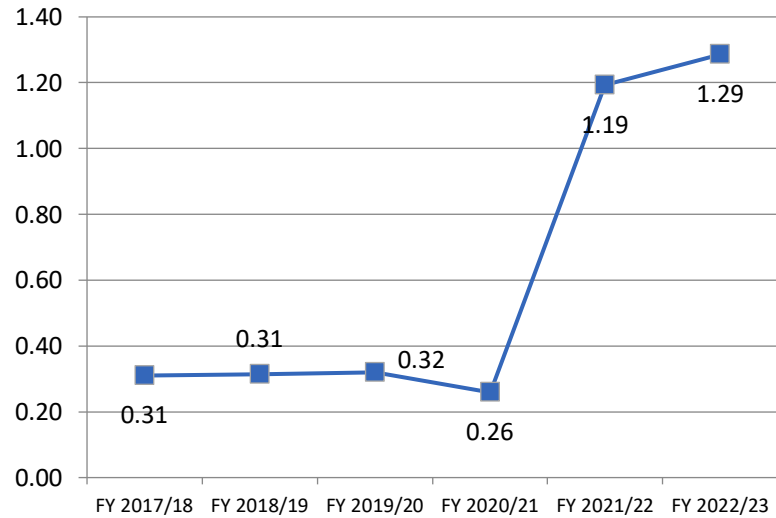


Exhibit 6.20 Fixed-Route Farebox Recovery

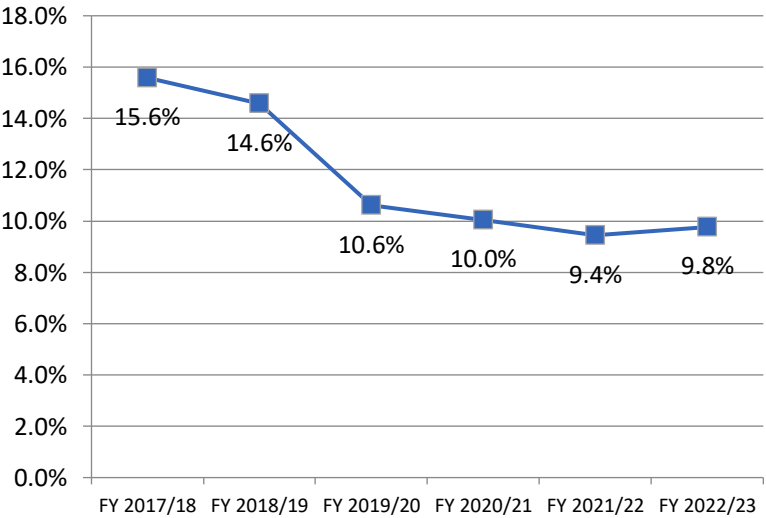
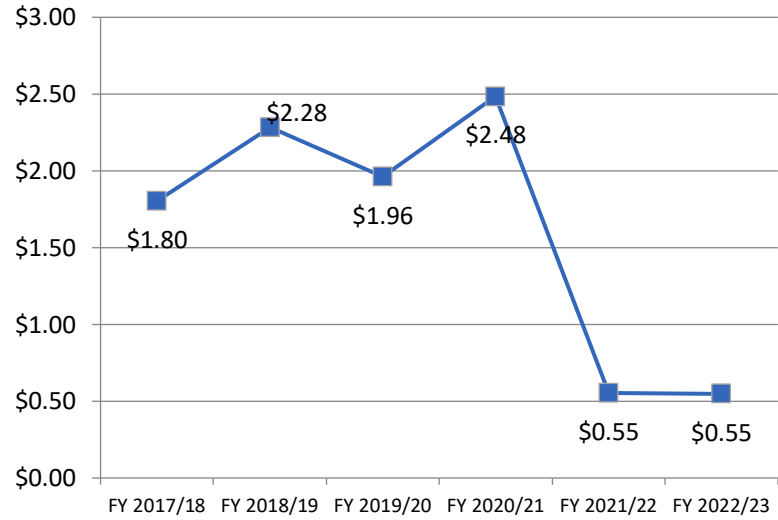




Exhibit 6.21 Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Demand-response operating cost experienced a net 1.2 percent decrease during the audit period, and a net 29.2 percent increase across the last six years. Fare revenue decreased three years of the six-year period, with the most significant declines occurring in the last two years of the audit period. This resulted in a net 73.8 percent decrease during the audit period, and a net 69.4 percent decrease over six years.

Vehicle service hours (VSH) decreased every year with the exceptions of FY 2018/19 and FY 2021/22. This resulted in a net 0.9 percent decrease during the audit period and a net 8.6 percent decrease during the six-year period. Vehicle service miles (VSM) experienced a similar pattern. This resulted in a net 2.2 percent increase during the audit period and a net 11.1 percent decrease during the six-year period. Ridership declined every year with the exception of FY 2022/23. This led to a 11.7 percent net increase during the audit period and a 13.3 percent net decrease across the six-year period.

Demand-response cost-related metrics fell during the audit period. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 12.8 percent and passengers per VSM increasing by 9.3 percent.

Exhibit 6.22 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$676,485	\$762,962	\$906,058	\$884,643	\$800,499	\$874,019
<i>Annual Change</i>		12.8%	18.8%	-2.4%	-9.5%	9.2%
<b>Fare Revenue (Actual \$)</b>	\$48,546	\$58,469	\$56,373	\$56,727	\$22,819	\$14,845
<i>Annual Change</i>		20.4%	-3.6%	0.6%	-59.8%	-34.9%
<b>Vehicle Service Hours (VSH)</b>	8,891	8,923	8,640	8,202	8,316	8,125
<i>Annual Change</i>		0.4%	-3.2%	-5.1%	1.4%	-2.3%
<b>Vehicle Service Miles (VSM)</b>	111,719	126,160	99,795	97,199	101,401	99,309
<i>Annual Change</i>		12.9%	-20.9%	-2.6%	4.3%	-2.1%
<b>Passengers</b>	15,830	14,954	12,920	12,290	12,232	13,730
<i>Annual Change</i>		-5.5%	-13.6%	-4.9%	-0.5%	12.2%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$76.09	\$85.51	\$104.87	\$107.86	\$96.26	\$107.57
<i>Annual Change</i>		12.4%	22.6%	2.9%	-10.8%	11.8%
<b>Operating Cost/Passenger (Actual \$)</b>	\$42.73	\$51.02	\$70.13	\$71.98	\$65.44	\$63.66
<i>Annual Change</i>		19.4%	37.5%	2.6%	-9.1%	-2.7%
<b>Passengers/VSH</b>	1.78	1.68	1.50	1.50	1.47	1.69
<i>Annual Change</i>		-5.9%	-10.8%	0.2%	-1.8%	14.9%
<b>Passengers/VSM</b>	0.14	0.12	0.13	0.13	0.12	0.14
<i>Annual Change</i>		-16.3%	9.2%	-2.3%	-4.6%	14.6%
<b>Farebox Recovery</b>	7.2%	7.7%	6.2%	6.4%	2.9%	1.7%
<i>Annual Change</i>		6.8%	-18.8%	3.1%	-55.5%	-40.4%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.06	\$6.05	\$9.08	\$9.10	\$7.89	\$8.80
<i>Annual Change</i>		-0.1%	50.1%	0.2%	-13.3%	11.5%
<b>VSM/VSH</b>	12.57	14.14	11.55	11.85	12.19	12.22
<i>Annual Change</i>		12.5%	-18.3%	2.6%	2.9%	0.2%
<b>Fare/Passenger</b>	\$3.07	\$3.91	\$4.36	\$4.62	\$1.87	\$1.08
<i>Annual Change</i>		27.5%	11.6%	5.8%	-59.6%	-42.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/22 operating data from State Controller Reports.  
FY 2020/21 – FY 2022/22 financial data from NTD Reports.  
FY 2022/23 data from NTD Reports.

Exhibit 6.23 Demand-Response Ridership

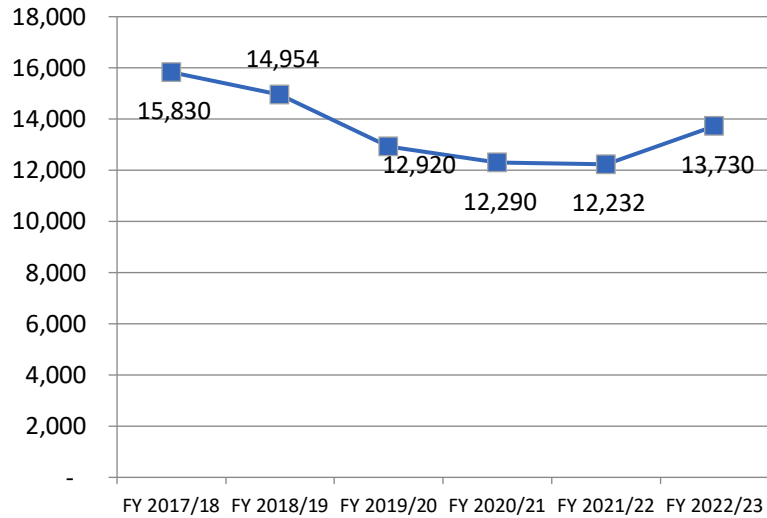


Exhibit 6.24 Demand-Response Operating Cost/VSH

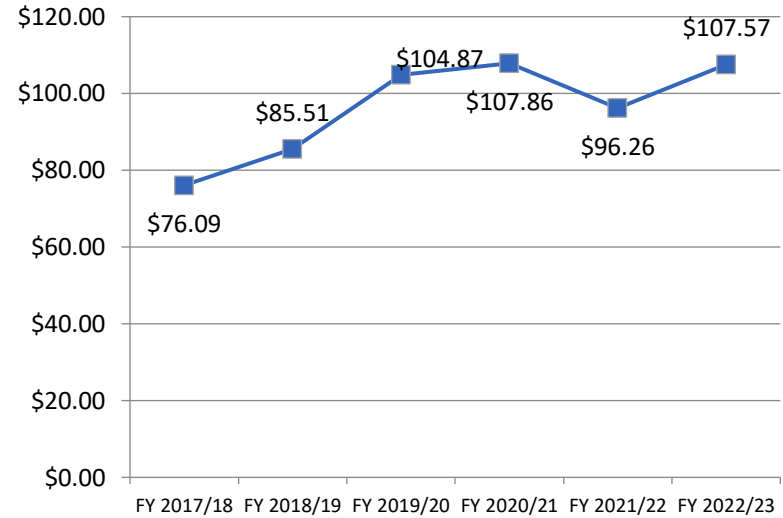


Exhibit 6.25 Demand-Response Operating Cost/VSM

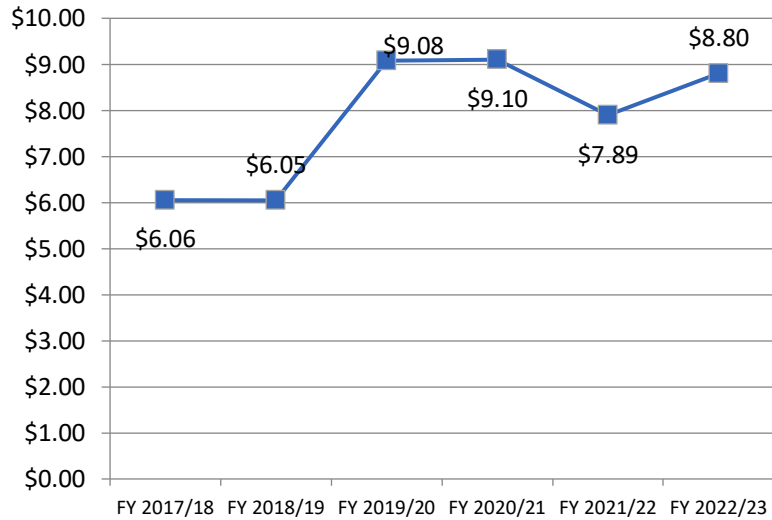


Exhibit 6.26 Demand-Response VSM/VSH

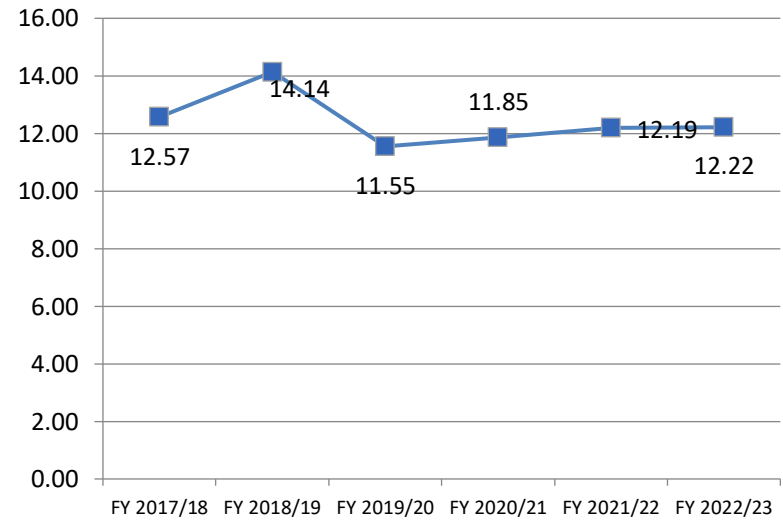


Exhibit 6.27 Demand-Response Operating Cost/Passenger

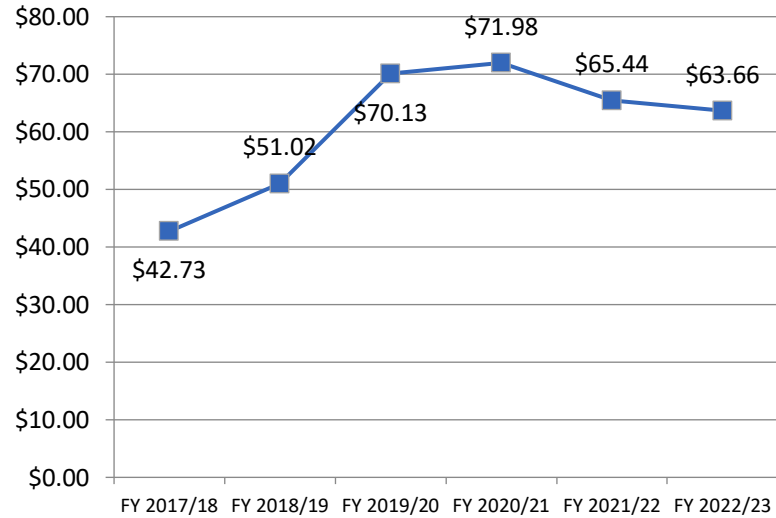


Exhibit 6.28 Demand-Response Passengers/VSH

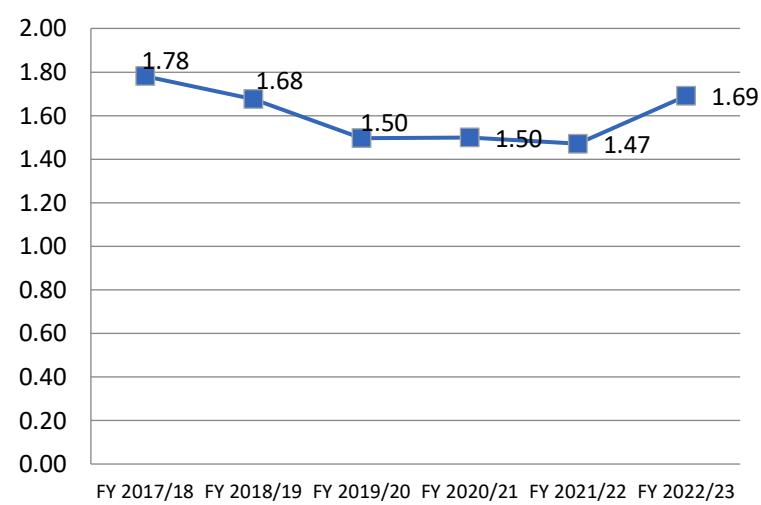


Exhibit 6.20 Demand-Response Passengers/VSM

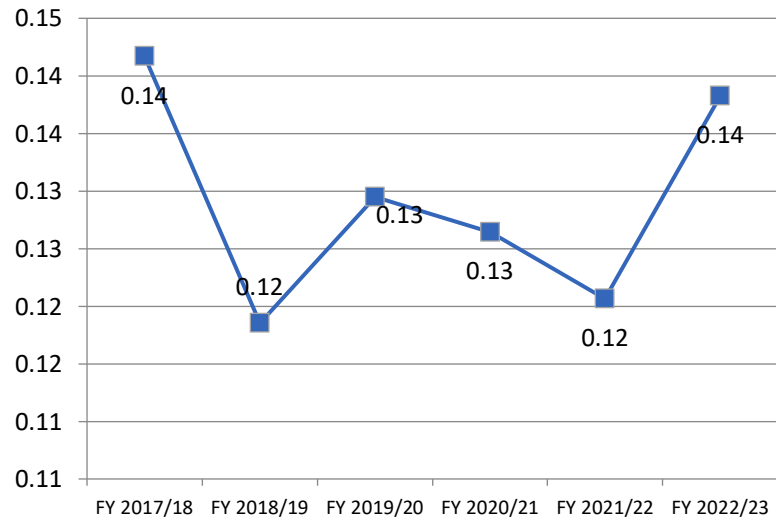


Exhibit 6.30 Demand-Response Farebox Recovery

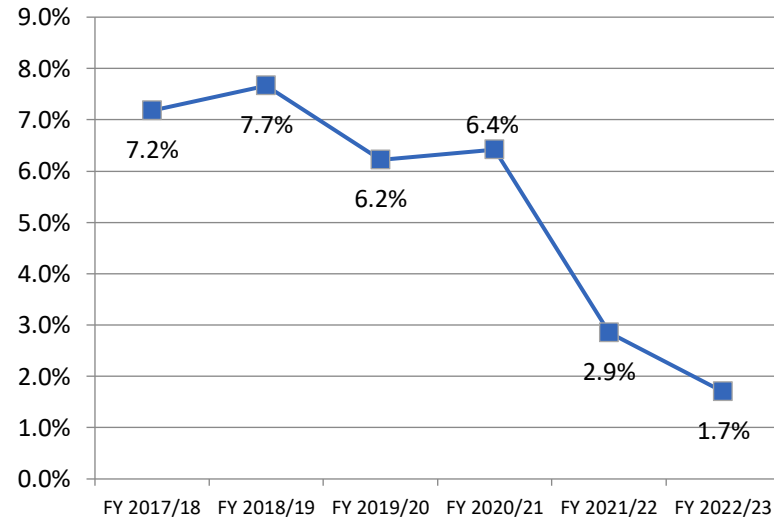
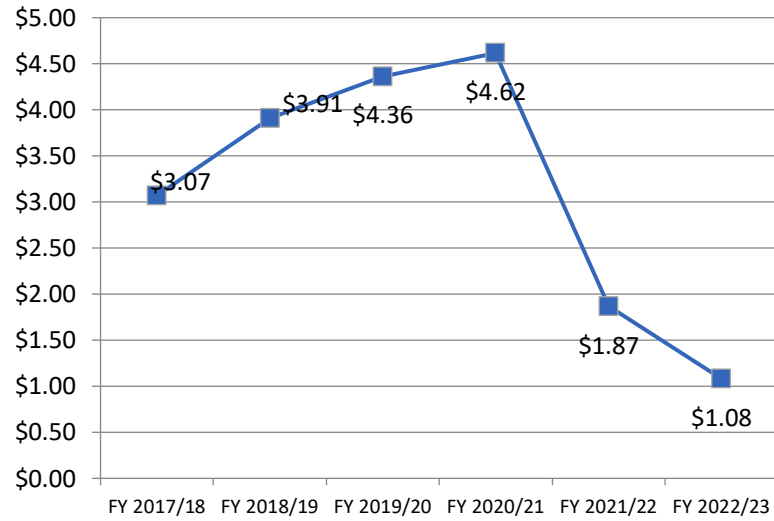


Exhibit 6.31 Demand-Response Fare/Passenger



*This page intentionally blank.*

## Chapter 7 | Functional Review

A functional review of Mountain Transit’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the agency’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by Mountain Transit through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.



### Service Overview

Public transportation in the Big Bear Valley, Crestline, Lake Arrowhead, and Running Springs area is provided by Mountain Transit. Mountain Transit provides fixed route, Dial-A-Ride, and Off-the-Mountain (OTM) service. The Red Line, Blue Line, Gold Line, and RIM Route 2 fixed routes operate Monday through Sunday between 5:30 a.m. and 9:30 p.m. RIM Route 4 operates Tuesday through Saturday between 9:25 a.m. and 4:00 p.m. There are two OTM routes, Big Bear Route 5 and RIM Route 6, which connect the service area with San Bernardino. Route 5 operates on Monday, Wednesday, and Friday between 8:30 a.m. and 2:50 p.m., while Route 6 operates Monday through Friday from 5:15 a.m. to 7:23 p.m.

Seasonal trolleys are provided on weekends during summer months in Crestline and Lake Arrowhead. Winter service between remote parking lots and Bear Mountain/Snow Summit is provided via seasonal Route 9.

Mountain Transit provides two Dial-A-Ride (DAR) services in Big Bear Valley and the RIM Area. Service is available to seniors (60+), veterans, and persons with disabilities with a DAR ID. Big Bear DAR operates seven days a week between 6:30 a.m. and 8:30 a.m. RIM Area DAR operates Monday through Friday between 6:00 a.m. to 8:00 p.m., Saturday between 6:00 a.m. and 7:45 p.m., and Sunday between 10:30 a.m. and 5:15 p.m. Reservations can be made a minimum of two hours in advance. All passengers, with exception to qualified ADA passengers, are restricted to three pick-ups per day.

Exhibit 7.1 Mountain Transit Routes and Services

Route	Areas Served	Service Days	Service Hours
Fixed routes			
Big Bear Red Line	The Village, Moonridge, Bear City, Sugarloaf, Erwin Lake	Monday – Sunday	7:00 am – 9:23 pm
Big Bear Blue Line	Boulder Bay, The Village	Monday – Sunday	6:21 am – 8:21 pm
Big Bear Gold Line	Mountain Meadows, The Village, Meadow Park, Bear City, North Shore	Monday – Sunday	10:00 am – 6:45 pm



Route	Areas Served	Service Days	Service Hours
Big Bear Off the Mountain (OTM) Route 5	Big Bear Valley, Running Springs, San Bernardino	Monday, Wednesday, Friday	8:30 am – 4:40 pm
RIM Route 2	Valley of Enchantment, Crestline, Twin Peaks, Lake Arrowhead	Monday – Sunday	5:25 am – 8:36 pm
RIM Route 4	Lake Arrowhead, Running Springs	Tuesday – Friday Saturday	9:25 am – 4:00 pm 8:20 am – 4:24 pm
RIM Off the Mountain (OTM) Route 6	Lake Arrowhead, Crestline, San Bernardino	Monday – Friday	5:15 am – 8:55 pm
SVX Snow Valley Express	Running Springs, Snow Valley	Thursday – Sunday, Holiday Mondays	7:00 am – 5:00 pm
RIM Summer Trolley	Crestline & Lake Arrowhead	Seasonal (summer weekends)	
Route 9 Winter Service	Remote parking lots, Bear Mountain, Snow Summit	Seasonal (winter)	
<b>Dial-A-Ride</b>			
Big Bear Dial-A-Ride	Big Bear Lake, Big Bear City, Sugarloaf, Erwin Lake	Monday – Sunday	6:30 am – 8:30 pm
RIM Area Dial-A-Ride	Cedar Pines, Twin Peaks, Lake Arrowhead, Running Springs, Valley of Enchantment, Crest Park, Cedar Glen, Arrowbear, Crestline, Rim Forest, Sky Forest, Blue Jay	Monday – Friday Saturday Sunday	6:00 am – 8:00 pm 6:00 am – 7:45 pm 10:30 am – 5:15 pm

Service is free for all riders on the Red Line, Blue Line, and Gold Line, as well as RIM Routes 2 and 4 and the Crestline and Lake Arrowhead Trolleys. RIM area service is funded through May 2025 through discretionary funding from San Bernardino County Supervisor Dawn Rowe.

Riders with a Dial-A-Ride photo ID may use the Big Bear DAR and RIM DAR services for free. Ten-ride packs and 30-ride packs of OTM tickets are available for purchase digitally through the Token Transit or physically with cash at the Big Bear Lake office at 41939 Fox Farm Road.

Exhibit 7.2 Big Bear Route 5 Fare Structure

	Big Bear/ Fawnskin	Snow Valley	Running Springs/ Arrowbear	San Bernardino
<b>Big Bear/Fawnskin</b>	\$2.50	\$5.00	\$7.50	\$10.00
<b>Snow Valley</b>	\$5.00	\$2.50	\$5.00	\$7.50
<b>Running Springs/Arrowbear</b>	\$7.50	\$5.00	\$2.50	\$5.00
<b>San Bernardino</b>	\$10.00	\$7.50	\$5.00	--

Exhibit 7.3 RIM Route 6 Fare Structure

	Top Town/ Crestline	Twin Peaks/ Rimforest	Lake Arrowhead	San Bernardino
<b>Top Town/Crestline</b>	\$1.50	\$3.00	\$4.50	\$4.50
<b>Twin Peaks/Rimforest</b>	\$3.00	\$1.50	\$3.00	\$6.00
<b>Lake Arrowhead Village</b>	\$4.50	\$3.00	\$1.50	\$7.50
<b>San Bernardino</b>	\$4.50	\$6.00	\$7.50	--

### Response to COVID-19 pandemic

At the beginning of the pandemic, management approached the Mountain Transit board and asked to do a sole source procurement with Token Transit for mobile ticketing. Once that was in place, the majority of fares were paid using the contactless method. Other actions included driver barriers (initially plastic shower curtains, then lucite barriers), mask mandates, and increased cleaning (antimicrobial spray used every hour). The service span was shortened due to so many things being closed, and the OTM service was suspended for a while in an attempt to limit the spread of COVID from other areas. Smaller buses and vans were used whenever possible because they were less expensive to run, and capacity was limited. COVID also enabled some things to be enacted quickly, like making changes to service without having to do extensive outreach (such as reducing OTM service to three days per week).

Mountain Transit was committed to keeping all staff employed. If a driving shift was suspended, the driver had the opportunity to wash buses or shovel snow. This turned out to be a valuable strategy, because no new drivers could be licensed while the DMV was closed, and Mountain Transit needed all its employees when it returned to full service.

Mountain Transit staff continued to work in the office during the pandemic. Walls were constructed in lieu of open workspaces, and “dog fences” were placed on doors to maintain appropriate spacing. Sharing of supplies and equipment was limited. The break room was limited to two people at a time, and drivers ate lunch in their cars instead of in the driver room. Cleaning protocol within the office was increased from one to five days per week. All of these approaches helped to give staff a feeling of more safety.

Mountain Transit encouraged but did not require its staff to be vaccinated. Approximately 80 percent of staff ultimately got the vaccine. Some employees left because they did not feel safe, and others moved out of California. Of those who left, only one came back after the pandemic ended.

Winter 2020 was a challenge, as the Governor encouraged people to do things outdoors. This led to many visitors to the area while the transit service was still operating at half capacity. In addition, many riders did not want to wear masks.

In October 2021, the service became fare-free. Masks were still required, and the thrice-weekly OTM schedule remained in place. Buses were kept very clean with the increased cleaning protocols. With the success of the trolley, Mountain Transit had to hire more drivers, maintenance, and supervisory staff. Some buses still have the driver barriers, but the drivers do not like them. Buses leased for service during winter 2022 did not have driver barriers installed.

The most significant lesson learned from the pandemic was the importance of leading by example. The General Manager worked in office with Mountain Transit staff. It helped to improve staff morale and willingness to work through a difficult time.

### General Management and Organization

The General Manager oversees the management of daily operations. System performance is monitored on an ongoing basis using TransTrack. Supervisors monitor both from in the office and onboard the vehicles. Video monitoring is also available, and supervisors may conduct random reviews of videos. All bus drivers, dispatchers, and maintenance personnel are agency employees.

At present, Mountain Transit is staffed effectively and appropriately. The General Manager prefers to promote from within, and a lot of staff have transitioned from driver/dispatcher to supervisory or administrative positions. There is interest in adding a safety officer/risk manager position, which would probably report to Finance and be involved in Human Resources, Operations, etc. The agency has a current driver who has 25 years experience in safety management who is a good resource, but there is a lack of funding to formally create this position.

With the increase in staffing, Mountain Transit has outgrown its office and operations space. The agency is currently operated out two facilities, one for operations and one for administration. At the operations facility, maintenance staff often work in the snow with no place to warm up. The current administrative office was purchased in 2020. It is an old car wash property with three bays which can be used for maintenance. Administration does not like being in separate places but new construction in the area is difficult. A location for a new facility has been identified in Big Bear. This building project was started 11 years ago, and estimated facilities at both Big Bear and Crestline would cost \$9 million. The current estimate for the Big Bear facility alone is \$16 million.

The current General Manager moved into that position in April 2020. Prior to that, she had worked at Mountain Transit in varying roles for seven years. The previous General Manager had held the position for 17 years, during which time very few changes were made. Since taking the reins, the current General Manager has implemented Token Transit, brought the advertising program in-house, implemented free-fare programs, and cultivated partnerships that have contributed to significant ridership growth.

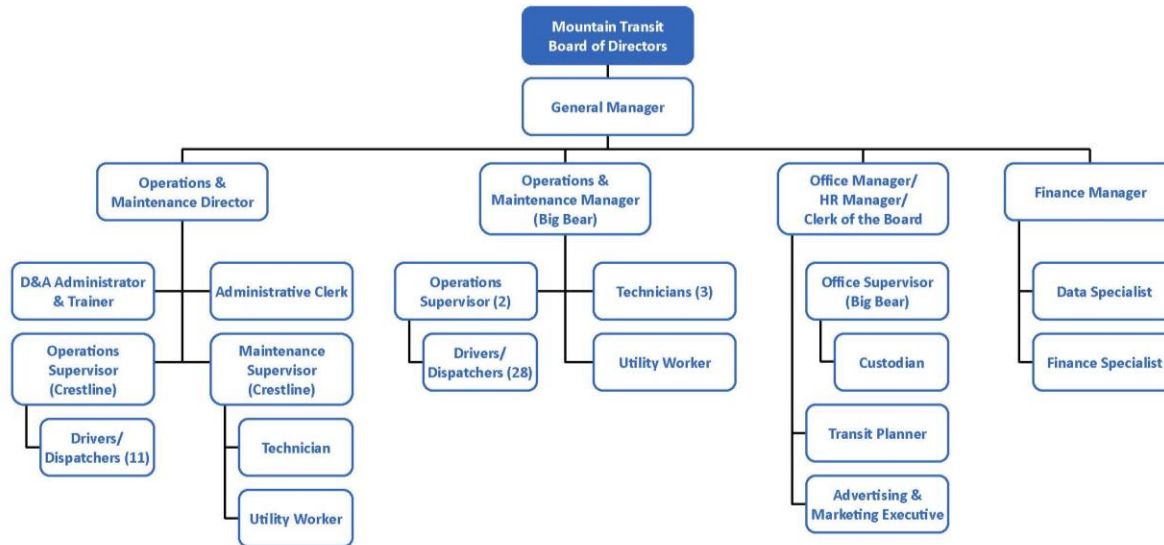
The Mountain Area Regional Transit Authority (MARTA), which operates Mountain Transit, was formed as a joint powers authority (JPA) between the City of Big Bear Lake and the County of San Bernardino in 1993. Its Board of Directors is comprised of two members from the San Bernardino County Third Supervisorial District, two members from the City of Big Bear Lake, and one member at-large. Board meetings are held at alternating locations in Big Bear Lake, Crestline, and Running Springs on the third Wednesday of each month at 10:30 a.m. The Board has expressed interest in eliminating 16 privately owned bus stop shelters, 11 of which are located in the City of Big Bear Lake and several of which are unpermitted on Caltrans rights-of-way. A bus stop assessment found only two stops to be ADA compliant, which is a potential legal liability. Mountain Transit received a \$1.5 million grant to modernize its bus stops, so staff are working with the City to discuss removing the shelters and implementing improvements. The Caltrans District 8 director has assigned a liaison to help get the shelters worked out.

Mountain Transit would like to be more involved with RTPA activities beyond reviewing the information SBCTA provides. The General Manager cited a supervisor group that was discontinued during COVID as

one example. She also noted there are a lot of driver or skill-related activities that staff cannot participate in given the distance.

Mountain Transit has positive relationships with its neighboring agencies, especially Omnitrans, Basin Transit, VVTA, and the Eastern Sierra Transit Authority (ESTA) in Mammoth. It tries to ensure staff have the opportunity to attend conferences such as CalACT and CalJPIA.

Exhibit 7.4 Organizational Chart



### Service Planning

Prior to the audit period, Mountain Transit’s most current planning document was a Short-Range Transit Plan (SRTP), which was completed in FY 2021. The SRTP included a lot of estimating due to the new service, and the financial plan is probably less than what they will need because the SRTP assumed ridership would double. Staff consider it a living document. The last three SRTPs were prepared by a local (Big Bear) consultant.

### Administration

The General Manager, with assistance from the Financial Analyst, currently handles development of the annual budget. In FY 2020/21, the budget was rather conservative due to the COVID-19 pandemic, but Mountain Transit got more money than it planned for, including federal relief funds. Some big changes to the budget resulted from the expanded service, as well as from the dissolution of the union and bringing all healthcare and retirement in-house. The General Manager did not fill her newly vacated Assistant General Manager position but instead opted to hire a Financial Analyst. This also helped to increase driver salaries.

Budget versus actual revenues and expenses are compared on an ongoing basis. Information is reported to the Board as needed, such as when changes in how or when funds must be used impacts other funding sources, or when a position is added. Staff try to do these things during the budgeting process rather than mid-year when possible. QuickBooks software is used to monitor the agency’s financial data, and it works well for them.

The General Manager is interested in apply for more grants. The agency recently applied for a grant it was not awarded, but generated a significant amount of community response. It is especially interested in grant funding for service for veterans and to fund a risk management position. Increasing pursuit of grant funding is also limited by how quickly the agency has grown and other staff responsibilities.

The Financial Analyst is responsible for grant management. He also handles National Transit Database (NTD) reporting and, with the assistance of the fiscal auditor, reporting to the State Controller's Office.

Mountain Transit has an agency emergency plan, but it has not been updated to include the new administrative building. Mountain Transit is also part of the City of Big Bear Lake's emergency plan. In Big Bear, all Mountain Transit emergency assets are under the control of the Fire Chief; in the Rim area, they are under control of the Sheriff's Department. Transit participates in monthly Regional Transportation Advisory Committee (RTAC) and Mountain Advisory Committee meetings, as well as Community Organizations Active in Disaster (COAD) and Voluntary Organizations Active in Disaster (VOAD).

Employees track their time using timesheets. The drivers sign timecards and a supervisor reviews them. A data specialist inputs the data for an operations director review. The data is recorded in Paychex and a payroll journal is printed out for the General Manager to sign off. All employees utilize direct deposit.

The Financial Analyst and an Accounts Payable/Receivable Specialist handle accounts payable and accounts receivable. Staff verify goods and services have been received before authorizing payment. The General Manager signs all invoices. Procurement is guided by a procurement policy, though there has been discussion of needing a more detailed procurement handbook, especially guiding smaller (non-RFP) purchases. Any purchases \$100,000 and greater must be approved by the Board. Purchases \$500 and over must be approved by the General Manager. Vehicles and items of major expense are procured competitively. Fuel is primarily obtained at the County yard, though the agency also has a relationship with Moonridge Fuel.

### Marketing and Public Information

In Big Bear, most transit marketing is handled through Visit Big Bear, and Mountain Transit focuses on keeping a radio presence. In Summer 2023, this was used to promote the OTM service. In the Rim area, the agency must expend more marketing dollars for advertising, which includes promotions using Facebook and Instagram. "Ride Free Now" signage on the back of the vehicles has been one tactic utilized to attract riders. Mountain Transit also works with local Chambers of Commerce.

Information about service disruptions is disseminated via radio, an email distribution list, and social media. Facebook has been a great resource, though it is not as interactive as it once was. Mountain Transit no longer publishes a printed brochure due to the frequent changes arising from the COVID-19 pandemic. The primary service information pieces are the website, QR codes at all stops, and a rack card prepared for Winter 2023/2024. The Transit website features a widget to change the language through Google Translate.

Mountain Transit only log complaints, concerns, and commendations, rather than all customer calls. Complaints are documented in the dispatch log and in TransTrack, though relatively few complaints are received. Supervisors look every morning to see what needs to be followed up on. Complaints are resolved

immediately when possible. Overall, public perception of the transit service is very positive because staff have worked to make the service better.

### Scheduling, Dispatch, and Operations

Employees are no longer represented by a union. The transit program is currently staffed by 34 full-time drivers, two year-round part-time drivers, and eight seasonal part-time drivers. At the time of the site visit, Mountain Transit was looking to hire an additional dispatcher. Prior to 2021, the union required all dispatchers to have a commercial license. When the DMV opened back up after COVID, nearly all staff got their commercial license. This has enabled the agency to now recruit dispatchers who do not have a commercial license.

The transit program is considered fully staffed. Year-round part-time drivers cover drivers who are out sick, on vacation, or provide other coverage as needed. They prefer a part-time schedule and are not interested in working full-time. Seasonal part-time drivers are mixed in with regular fixed-route drivers across the regular and winter (BBMR) services as they ramp up for the winter season.

Drivers are assigned to routes based on a bid selection every six months (fall and spring) based on the winter and summer seasons. Vehicles are assigned routes by maintenance supervisors based on capacity and vehicle type/size. Vehicle assignments for each location (Big Bear and Crestline) are posted in the dispatch office. Trolleys are kept in the city of Big Bear Lake and vans are used for Dial-A-Ride services. Larger vehicles are leased for the winter season through a contribution from Big Bear Mountain Resort. All vehicles are wheelchair accessible.

All drivers are required to have a Class B commercial license (CDL). Some have an air brake endorsement. While none of the agency's vehicles have air brakes, some approximately one-third of the leased buses usually have them. The agency tries to lease buses without air brakes, but have enough drivers with an air brake endorsement to cover any that do.

Planned absences are covered by one of the part-time drivers. Unplanned absences are covered by a part-time driver, or a supervisor may cover until the part-time driver can get in. Four-hour notice is required for an unplanned absence. Morning shift driver rarely call out.

With the exception of the OTM routes, transit service is fare free. When riders ride the OTM routes, they typically use Token Transit.

### Personnel Management and Training

While the program is considered fully staff, Mountain Transit would like to hire more drivers. However, staff noted there is a balance of not having enough work for them, which is why having part-time drivers is so good. The agency used to only hire candidates who already had their CDL, which limited the pool of good recruits. It will now take new recruits completely through training, which has resulted in better recruits with the right attitude. Mountain Transit has a fantastic trainer who has been through the CHP program and provides training for new recruits and current drivers. It is also training supervisors to be trainers. Ultimately the agency plans to have three trainers, one in Crestline and two in Big Bear. All CDL testing is done by the DMV.

Recruitment is largely done through postings on Indeed, which the agency began using in 2020. In 2021 it began offering a \$500 employee referral bonus if the new hire stays for six months. This, as well as a pay increase, has helped improve the quality of the staff. Quite a few candidates have come up from the Victor Valley, though only a handful live off the mountain. Some seasonal drivers who are school bus drivers in Lucerne/Apple Valley drive one day per week. There are lots of opportunities for overtime in the winter.

Mountain Transit fosters a culture of support and encouragement, and is dedicated to employee retention. Employees receive recognition through letters, Employee of the Quarter (which is introduced at board meetings), gift certificates, and custom jackets. Management works hard at making Mountain Transit a great place to work and try to be very responsive to issues. All employees are empowered to grow and have access to CalJPIA free training resources.

Outside of the COVID-19 pandemic, turnover is typically low. At the onset of the pandemic, several left because they were afraid, and it was difficult because they could not hire new drivers until the DMV opened. For the most part, when people leave it is because of other circumstances, not because they are unhappy.

The Operations Director, who is also a trainer, oversees Mountain Transit's safety program. Safety meetings are held on a quarterly basis. Staff members from maintenance and operations attend the meetings. Mountain Transit complies with all drug and alcohol testing requirements and federal DAMIS reporting. The drug and alcohol program requires randomly selected staff to travel to Big Bear, Victorville, or San Bernardino for testing. The agency may wish to investigate whether on-site specimen collection is a viable alternative to minimize the need for employees to travel off the mountain for random drug testing.

Full-time employees receive sick leave, vacation leave, medical insurance, and retirement benefits. Part-time drivers are able to accumulate sick pay but not vacation pay. Information about benefits is provided to all employees as part of the onboarding process. The employee handbook outlines Mountain Transit's discipline policy and policy regarding absences and tardiness. The agency maintained the same policy previously included in its union contract.

### Maintenance

Maintenance services are provided by one maintenance manager, five mechanics, and three utility workers. All maintenance staff are encouraged to develop their skillsets. Staff follow the manufacturers' preventive maintenance schedules, and monitoring is done using RTA fleet management software. Evidence of compliance is maintained in RTA and on paper.

Vehicle maintenance is scheduled the day prior so that vehicles can be pulled out of service without impacting regular use. Maintenance works hard to ensure there are enough buses for pullout, especially in winter. When a vehicle is written up, it is red-tagged so drivers know it is unavailable, and the key is pulled so it cannot be used. Mechanics are the only ones who can place a vehicle back in service once it has been written up. Maintenance supervisors decide how to prioritize repairs.

Warranty work is identified and is typically sent out to authorized vendors or the manufacturer, often a Ford dealer off the mountain. However, the vendors do not always provide the warranty work in a timely manner. Recently a vehicle was out of service for three months due to a transmission repair. Then the

transmission went out as they were driving it back, and it had to be towed back to the dealer. Mountain Transit also sends out work that maintenance staff is unable to do in-house due to time and space constraints (typically engine and transmission work).

The operations facilities in Big Bear and Crestline each feature two bays. There is a sufficient number of lifts, though in Crestline some of the maintenance has to be done outside using a portable lift. The new administration building also has three bays, which have yet to be put into use.

As discussed above, the administrative functions in Big Bear are now located in a new facility, which frees up some space in the existing operations and maintenance facility. In Crestline, operations are now split between two locations as well due to a fire at the administration building. Mountain Transit had purchased a property with a house to use as a parking lot. That house was updated and is now used to house administrative functions in Crestline. Maintenance continues to use its facility at the original location (which was in a separate building). Mountain Transit is planning new facilities in both locations, though both have yet to be started. At present, most files are stored in the administrative offices in Big Bear, while maintenance files and other operations records are stored at each location.

Mountain Transit does not maintain a large inventory of parts, but works with its local AutoZone store to stock commonly used parts. All maintenance personnel have access to the parts room. Some parts have been more difficult to obtain due to supply chain issues, including auto chains, some brakes, and major components. Trolleys require more maintenance, both because the parts must be obtained from the manufacturer and because they break down more.

The fleet size is sufficient and is in overall good condition with varying vehicle and fuel types. Vehicles are kept in the fleet as long as possible.

A complete fleet inventory is provided in Exhibit 7.5.



Exhibit 7.5 Mountain Transit's Fleet

Year	Vehicle #	Model	Fuel Type	Passengers	Service
2015	35	El Dorado F550 Class E	Gas	30	Demand Response
2015	36	Ford Glavel F550	Gas	30	Demand Response
2015	37	Ford Glavel F550	Gas	30	Demand Response
2015	38	Ford Glavel F550	Gas	30	Demand Response
2015	29	Glaval Legacy Cmmngs ISB	Diesel	28	Demand Response
2015	30	Glaval Legacy Cmmngs ISB	Diesel	28	Demand Response
2016	31	Supreme F53 Trolley	Gas	28	Demand Response
2016	33	Ford Glaval Entourage-Gasoline	Gas	26	Demand Response
2017	39	Ford Nor Cal Van	Gas	9	Demand Response
2017	41	Micro Bird E450	Gas	20	Demand Response
2017	42	Micro Bird E450	Gas	20	Demand Response
2018	43	Ford Trolley F550 - Creative	Gas	20	Demand Response
2018	44	Ford Glavel E450	Gas	16	Demand Response
2018	45	Ford Glavel E450	Gas	16	Demand Response
2018	46	Ford Glavel E450	Gas	16	Demand Response
2018	47	Ford Glavel E450	Gas	16	Demand Response
2018	76	G4500 Mini Trolley	Gas	12	Demand Response
2019	102	Ford Nor Cal 4X4	Gas	9	Demand Response
2019	103	Ford Nor Cal 4X4	Gas	9	Demand Response
2019	48	Ford Transit	Gas	8	Demand Response
2019	49	Glaval E450-158"	Gas	12	Demand Response
2019	70	Glaval E450-176"	Gas	16	Demand Response
2019	71	Glaval E450-176"	Gas	16	Demand Response
2019	72	Glaval E450-176"	Gas	16	Demand Response
2020	101	Ford Nor Cal 4X4	Gas	9	Demand Response
2020	104	Ford Nor Cal 4X4	Gas	9	Demand Response
2021	105	Ford 350 AWD NorCal Vans	Gas	9	Demand Response
2021	106	Ford 350 AWD NorCal Vans	Gas	9	Demand Response
2021	77	Ford Hometown Trolley	Gas	30	Demand Response
2023	PENDING	Turtle Top	Diesel	0	Bus (Motorbus)
2023	73	Turtle Top	Gas	0	Bus (Motorbus)
2023	74	Turtle Top	Gas	0	Bus (Motorbus)
2023	PENDING	Turtle Top	Gas	0	Bus (Motorbus)

## Chapter 8 | Findings and Recommendations

### Conclusions

With one exception, Moore & Associates finds Mountain Transit to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with Mountain Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

The audit team has identified one functional finding. While this finding is not a compliance finding, inclusion of it in this audit serves to document the issue identified during the functional review:

1. Mountain Transit does not have a comprehensive procurement handbook.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Mountain Transit's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

### Compliance Finding 1: The FY 2022/23 State Controller Report was not submitted by the January 31, 2024 deadline.

**Criteria:** PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. No extensions are allowed.

**Condition:** In FY 2022/23, Mountain Transit's State Controller Report had not been submitted by February 7, 2024, despite the January 31, 2024 deadline.

**Cause:** Staff indicated there had been some confusion with the agency's new fiscal auditor regarding completion of the report. Staff indicated that they have provided the necessary information to the auditor but that the auditor would not be available until the week of February 12, 2024 to complete the report.

**Effect:** As a result, the FY 2022/23 State Controller Report will be submitted approximately two weeks late.

**Recommendation:** Ensure future State Controller Reports are submitted by the January 31 deadline.

**Recommended Action:** Both Mountain Line staff and the auditor should be aware of the reporting deadline. Ideally, the agency should notify the auditor about the annual reporting upon receipt of the letter from the State Controller’s Office. The two parties should then touch base in early January at the latest to ensure the auditor has what it needs to prepare the report. This should minimize confusion regarding expectations and ensure ample time to prepare and submit the report on-time.

**Timeline:** FY 2024/25 (for the FY 2023/24 report).

**Anticipated Cost:** None.

**Functional Finding 1: Mountain Transit does not have a comprehensive procurement handbook.**

**Criteria:** The Performance Audit Guidebook identifies procurement as one of the components of the Administration functional area. One of the questions included therein asks, “Are purchasing policies and procedures regarding competitive bids, quotes, and contracting well defined and appropriate?”

**Condition:** During the site visit, staff indicated that while Mountain Transit does have a procurement policy, it does not have a comprehensive procurement handbook. Such a resource would provide guidance for different types of procurements and help ensure compliance for FTA-assisted contracts and purchases.

**Cause:** To this point, it is likely a combination of existing policies and institutional knowledge have enabled the agency to effectively address this functional area.

**Effect:** Better documentation of existing processes and requirements will ensure continued effective and compliant procurement in the future, especially if there are changes in staff that impact the availability of institutional knowledge.

**Recommendation:** Develop a comprehensive procurement handbook.

**Recommended Action:** Mountain Transit should draw upon its existing purchasing and procurement policies and practices and document them in a procurement handbook. It should also address requirements for FTA-assisted procurements, small and micro-purchases, sole source, and informal processes.

**Timeline:** FY 2024/25.

**Anticipated Cost:** Variable.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future State Controller Reports are submitted by the January 31 deadline.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Develop a comprehensive procurement handbook.	Medium	FY 2024/25

# Basin Transit

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024





# Table of Contents

---

Chapter 1   Executive Summary .....	1
Chapter 2   Audit Scope and Methodology .....	3
Chapter 3   Program Compliance .....	7
Chapter 4   Prior Recommendations .....	11
Chapter 5   Data Reporting Analysis .....	13
Chapter 6   Performance Analysis .....	15
Chapter 7   Functional Review.....	33
Chapter 8   Findings and Recommendations .....	43

*This page intentionally blank.*

# Table of Exhibits

Exhibit 3.1 Transit Development Act Compliance Requirements .....	8
Exhibit 5.1 Data Reporting Comparison.....	14
Exhibit 6.1 System Performance Indicators .....	18
Exhibit 6.2 System Ridership.....	19
Exhibit 6.3 System Operating Cost/VSH .....	19
Exhibit 6.4 System Operating Cost/VSM.....	19
Exhibit 6.5 System VSM/VSH.....	19
Exhibit 6.6 System Operating Cost/Passenger .....	20
Exhibit 6.7 System Passengers/VSH .....	20
Exhibit 6.8 System Passengers/VSM.....	20
Exhibit 6.9 System VSH/FTE .....	20
Exhibit 6.10 System Farebox Recovery .....	21
Exhibit 6.11 System Fare/Passenger.....	21
Exhibit 6.12 Fixed-Route Performance Indicators.....	23
Exhibit 6.13 Fixed-Route Ridership.....	24
Exhibit 6.14 Fixed-Route Operating Cost/VSH .....	24
Exhibit 6.15 Fixed-Route Operating Cost/VSM .....	24
Exhibit 6.16 Fixed-Route VSM/VSH .....	24
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	25
Exhibit 6.18 Fixed-Route Passengers/VSH .....	25
Exhibit 6.19 Fixed-Route Passengers/VSM .....	25
Exhibit 6.20 Fixed-Route VSH/FTE .....	25
Exhibit 6.21 Fixed-Route Farebox Recovery.....	26
Exhibit 6.22 Fixed-Route Fare/Passenger .....	26
Exhibit 6.23 Demand-Response Performance Indicators .....	28
Exhibit 6.24 Demand-Response Ridership.....	29
Exhibit 6.25 Demand-Response Operating Cost/VSH.....	29
Exhibit 6.26 Demand-Response Operating Cost/VSM.....	29
Exhibit 6.27 Demand-Response VSM/VSH.....	29
Exhibit 6.28 Demand-Response Operating Cost/Passenger .....	30
Exhibit 6.29 Demand-Response Passengers/VSH.....	30
Exhibit 6.30 Demand-Response Passengers/VSM.....	30
Exhibit 6.31 Demand-Response VSH/FTE .....	30
Exhibit 6.32 Demand-Response Farebox Recovery .....	31
Exhibit 6.33 Demand-Response Fare/Passenger.....	31



Exhibit 7.1 Basin Transit Routes and Services ..... 33  
Exhibit 7.2 Fixed-Route Fare Structure ..... 34  
Exhibit 7.3 Ready Ride Fare Structure ..... 35  
Exhibit 7.4 Organizational Chart..... 36  
Exhibit 7.5 Basin Transit’s Fleet..... 41

## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Basin Transit (formally Morongo Basin Transit Authority) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Basin Transit's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Basin Transit provides public transit services throughout the Morongo Basin via eight fixed routes and five demand-response (Ready Ride) services. The service operates Monday through Friday from 7:00 a.m. to approximately 6:45 p.m., with the exception of Route 1 operating from 6:00 a.m. to 10:00 p.m. Additionally, two routes operate on Saturday from 7:00 a.m. to 9:45 p.m. and from 10:00 a.m. to 7:35 p.m., as well as on Sunday from 9:00 a.m. to 7:35 p.m.

Basin Transit's demand-response service is available primarily to seniors and persons with disabilities and marketed as Ready Ride. The general public may also use Ready Ride at a premium rate. Ready Ride is an origin-to-destination service operating at various times depending on the area. Reservations must be made a minimum of 24 hours in advance.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with Basin Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. Ensure accident, incident, and road call data are reported in TransTrack Manager.  
**Status: Implemented.**
2. Consider merits of procuring new fleet management software that would be compatible with other programs used by MBTA.  
**Status: Implemented.**
3. Consult and collaborate with peer transit agencies regarding implementation of zero emission vehicle technologies.  
**Status: Implemented.**

#### Findings and Recommendations

Based on discussions with Basin Transit staff, analysis of program performance, and a review of program compliance and function, the audit team submits the no compliance or functional findings for Basin Transit.

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Basin Transit’s public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Basin Transit as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of Basin Transit included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of Basin Transit included thorough review of documents relevant to the scope of the audit, as well as information contained on Basin Transit's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;

- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

The methodology for this review included on-site interviews with key staff at 62405 Verbena Road in Joshua Tree on September 28, 2023. The audit team met with Cheri Holsclaw (General Manager), toured the operations and maintenance facility, and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines Basin Transit’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Basin Transit considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with Basin Transit staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance issues were identified for Basin Transit.

### Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.



**Exhibit 3.1 Transit Development Act Compliance Requirements**

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2020/21: January 25, 2022 FY 2021/22: January 26, 2023 FY 2022/23: January 30, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2020/21: November 19, 2021 FY 2021/22: December 22, 2022 FY 2022/23: December 19, 2023
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	March 2, 2020 February 23, 2021 March 8, 2022 March 22, 2023
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	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).	PUC 99266	In compliance	FY 2020/21: -0.33% FY 2021/22: +13.35% FY 2022/23: +25.89%  The increase beyond 15 percent in FY 2023 was due to an increase in wages.
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Confirmed per TDA Claim for FY 2023 Statement of Assurances.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2020/21: 10.00% FY 2021/22: 10.00% FY 2022/23: 10.17%  <i>Includes local funds to supplement fare revenue to meet TDA compliance requirements.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	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 for 40 years.	PUC 99271	In compliance	Employees are eligible for retirement benefits through CalPERS. At present, the operator's retirement system is not fully funded. However, Basin Transit is making monthly payments into investments and the interest will fully fund the system in about 15 years.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable	This requirement was waived for all years of the audit period under AB 149. SBCTA includes a statement within its Standard Assurances for TDA claims regarding eligibility and required inclusion of a supplemental schedule.  Basin Transit typically only uses STA funding for capital purposes, and is therefore not subject to the efficiency tests.

Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance Basin Transit has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. [Ensure accident, incident and road call data are reported in TransTrack Manager.](#)

**Discussion:** In the prior audit, Basin Transit (formerly branded as MBTA) was found to be proficient in its utilization of TransTrack Manager in the reporting of system performance measures. A review of the quarterly performance scorecard within TransTrack confirmed most performance indicators and data were being reported (such as farebox recovery ratio, operating costs 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 were not reported in TransTrack. In addition, although the incidents and road calls were negligible during the prior audit period, they were not reported. The prior auditor suggested those vehicle performance categories be included in TransTrack.

**Progress:** Basin Transit immediately began utilizing TransTrack Manager to report accidents, incidents, and road calls.

**Status:** Implemented.

2. [Consider merits of procuring new fleet management software that would be compatible with other programs used by MBTA \[Basin Transit\].](#)

**Discussion:** The prior auditor noted Basin Transit’s maintenance department appeared to run efficiently and effectively. Systems were in place to ensure that vehicles were serviced within the regularly scheduled intervals. The lead technician/shop supervisor was quite resourceful in streamlining maintenance practices and ensuring that parts are ordered as needed. The Zonar electronic fleet management system was used for pre- and post-trip inspections whereas the Fleet Controller program was being used to track vehicle service history and flag those ready for preventive maintenance inspections. As part of the Fleet Controller programs, the Parts Controller module tracked parts inventory and generated purchase orders. The lead technician indicated a need to upgrade or replace the Fleet Controller program. With Basin Transit looking to adopt ZEV technologies as well as upgrade other facets of its operations, the prior auditor suggested it consider the procurement of a new fleet management system.

**Progress:** Basin Transit procured a new fleet management system called ManagerPlus, which offers asset management, inventory, work orders, and more.

**Status:** Implemented.

3. Consult and collaborate with peer transit agencies regarding the implementation of zero emission vehicle technologies.

**Discussion:** 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 inventoried current ZEV infrastructure and usage in San Bernardino County and projected future demand and infrastructure requirements. In response to the ZEV Plan, Basin Transit had been gathering data in order to discern the best type of ZEVs to procure, which would in turn determine the type of charging infrastructure required. Basin Transit submitted a LCTOP grant application for the procurement of a battery electric van. The prior auditor noted a query of peer agencies that had already 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.

**Progress:** Basin Transit staff has met with peer agencies and participated in the county-wide zero emissions rollout plan, as well as met with the engineering firm Charles Abbott & Associates to create a Request for Proposals (RFP) for zero-emissions infrastructure.

**Status:** Implemented.

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by Basin Transit both internally as well as to outside entities during the audit period.

Fare revenue was reported consistently among all reports. Variances noted among other metrics are discussed below. FY 2022/23 TDA fiscal audit and State Controller Report data are pending as of the completion of this audit report.

- **Operating cost:** There are modest variances between operating cost as reported internally and to external entities. The audited amount was the lowest each year, with the State Controller Report being the highest.
- **Vehicle Service Hours (VSH):** In FY 2021/22, demand-response Vehicle Service Hours was erroneously reported in the State Controller Report using the ridership data (12,783). This resulted in a nearly 20 percent variance. In FY 2022/23, the fixed-route data reported to the State Controller was slightly (2.0 percent) higher than that reported elsewhere, resulting in a 1.6 percent variance systemwide.
- **Vehicle Service Miles (VSM):** With the exception of a 13 percent variance in FY 2021/22, this metric is reported consistently. This variance appears to be due to fewer fixed-route Vehicle Service Miles being reported to the State Controller than elsewhere. There was only a slight variance in fixed-route VSM in FY 2022/23.
- **Passengers:** Similar to VSM, the number of passengers is reported consistently, with the exception of a five percent variance between data reported to the State Controller and what was reported among the other reports in FY 2021/22. In FY 2022/23, the demand-response passengers reported to the NTD was slightly lower than that reported elsewhere.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$3,938,967	\$3,808,388	\$4,351,154
<i>National Transit Database</i>	\$3,938,966	\$3,998,736	\$4,422,468
<i>State Controller Report</i>	\$4,149,806	\$4,017,255	\$5,017,799
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$195,646	\$284,583	\$307,345
<i>National Transit Database</i>	\$195,646	\$284,583	\$307,345
<i>State Controller Report</i>	\$195,646	\$284,583	\$307,345
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	31,482	31,618	31,699
<i>National Transit Database</i>	31,481	31,618	31,699
<i>State Controller Report</i>	31,482	37,856	32,206
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	0	0	0
<i>National Transit Database</i>	624,558	624,318	632,478
<i>State Controller Report</i>	624,558	549,824	632,789
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	130,574	148,240	169,710
<i>National Transit Database</i>	130,574	148,240	169,516
<i>State Controller Report</i>	130,574	141,009	169,714
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	38	38	38

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

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

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

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

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

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following through FY 2020/21:

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,

---

<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.



- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours (VSH)* and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>2</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

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

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

---

<sup>2</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for Basin Transit, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in Basin Transit's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via NTD reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Basin Transit calculates VSH using driver logs, which are then entered into TransTrack. Basin Transit's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Basin Transit calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. Passenger trips are documented via the driver's log. Basin Transit's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

System-wide, operating cost experienced a net 12.3 percent increase during the audit period and a 28.2 percent net increase across the six-year period. The overall increase was due primarily to a steady increase every year. Fare revenue experienced significant decreases between FY 2018/19 and FY 2020/21, before increasing the last two years of the audit period. The decreases in FY 2019/20 and FY 2020/21 were due in part to decreased ridership resulting from the COVID-19 pandemic. Overall, reported fare revenue increased 61.7 percent during the audit period.

Vehicle Service Hours (VSH) experienced a pattern similar to fare revenue. VSH saw a net 11.8 percent decrease over the six-year period, though on a more modest scale, with most of that occurring in FY 2018/19 and FY 2019/20. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 11.9 percent decrease over the six-year period. Ridership decreased significantly at the beginning of the audit period, before increasing in FY 2021/22 and FY 2022/23. Overall, ridership experienced a net increase of 30 percent during the audit period, but a decrease of 40 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-

related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour and vehicle service mile increased during the audit period, reflective of a decline in efficiency. However, productivity increased, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$3,449,707	\$3,565,132	\$3,665,414	\$3,938,966	\$3,998,736	\$4,422,468
<i>Annual Change</i>		3.3%	2.8%	7.5%	1.5%	10.6%
<b>Fare Revenue (Actual \$)</b>	\$612,446	\$570,778	\$366,541	\$195,646	\$284,583	\$316,345
<i>Annual Change</i>		-6.8%	-35.8%	-46.6%	45.5%	11.2%
<b>Vehicle Service Hours (VSH)</b>	35,922	35,112	31,833	31,481	31,618	31,699
<i>Annual Change</i>		-2.3%	-9.3%	-1.1%	0.4%	0.3%
<b>Vehicle Service Miles (VSM)</b>	718,199	706,233	626,850	624,558	624,318	632,478
<i>Annual Change</i>		-1.7%	-11.2%	-0.4%	0.0%	1.3%
<b>Passengers</b>	283,007	289,018	225,788	130,574	148,240	169,710
<i>Annual Change</i>		2.1%	-21.9%	-42.2%	13.5%	14.5%
<b>Employees</b>	42	42	42	38	38	38
<i>Annual Change</i>		0.0%	0.0%	-9.5%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$96.03	\$101.54	\$115.15	\$125.12	\$126.47	\$139.51
<i>Annual Change</i>		5.7%	13.4%	8.7%	1.1%	10.3%
<b>Operating Cost/Passenger (Actual \$)</b>	\$12.19	\$12.34	\$16.23	\$30.17	\$26.97	\$26.06
<i>Annual Change</i>		1.2%	31.6%	85.8%	-10.6%	-3.4%
<b>Passengers/VSH</b>	7.88	8.23	7.09	4.15	4.69	5.35
<i>Annual Change</i>		4.5%	-13.8%	-41.5%	13.0%	14.2%
<b>Passengers/VSM</b>	0.39	0.41	0.36	0.21	0.24	0.27
<i>Annual Change</i>		3.9%	-12.0%	-42.0%	13.6%	13.0%
<b>Farebox Recovery</b>	17.8%	16.0%	10.0%	5.0%	7.1%	7.2%
<i>Annual Change</i>		-9.8%	-37.5%	-50.3%	43.3%	0.5%
<b>Hours/Employee</b>	855.3	836.0	757.9	828.4	832.1	834.2
<i>Annual Change</i>		-2.3%	-9.3%	9.3%	0.4%	0.3%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.80	\$5.05	\$5.85	\$6.31	\$6.40	\$6.99
<i>Annual Change</i>		5.1%	15.8%	7.9%	1.6%	9.2%
<b>VSM/VSH</b>	19.99	20.11	19.69	19.84	19.75	19.95
<i>Annual Change</i>		0.6%	-2.1%	0.7%	-0.5%	1.0%
<b>Fare/Passenger</b>	\$2.16	\$1.97	\$1.62	\$1.50	\$1.92	\$1.86
<i>Annual Change</i>		-8.7%	-17.8%	-7.7%	28.1%	-2.9%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
 FY 2020/21 – FY 2022/23 data from NTD Reports.  
 FY 2020/21 – FY 2022/23 FTE data from State Controller Reports.

Exhibit 6.2 System Ridership

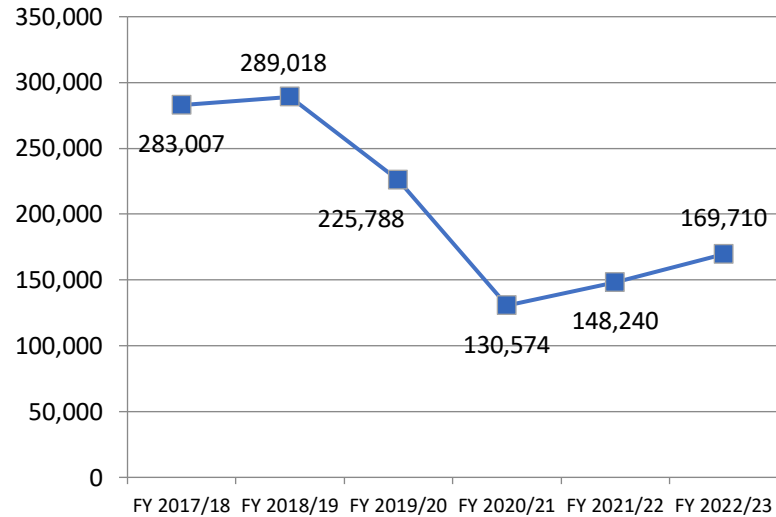


Exhibit 6.3 System Operating Cost/VSH

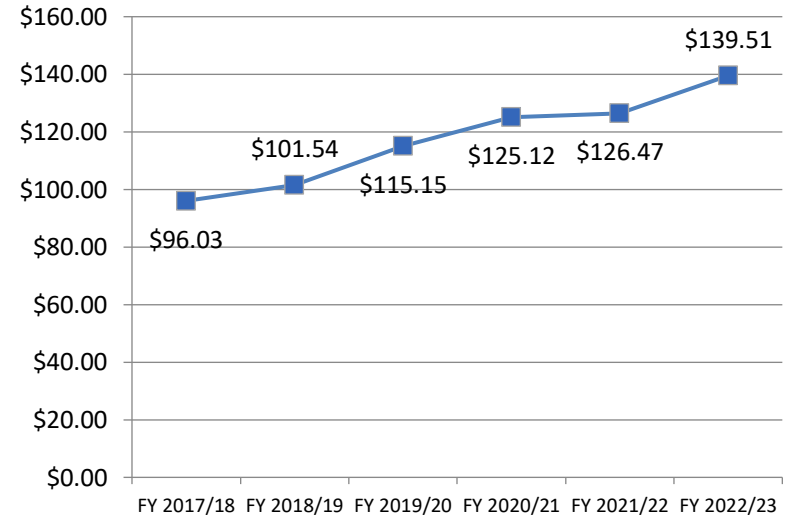


Exhibit 6.4 System Operating Cost/VSM

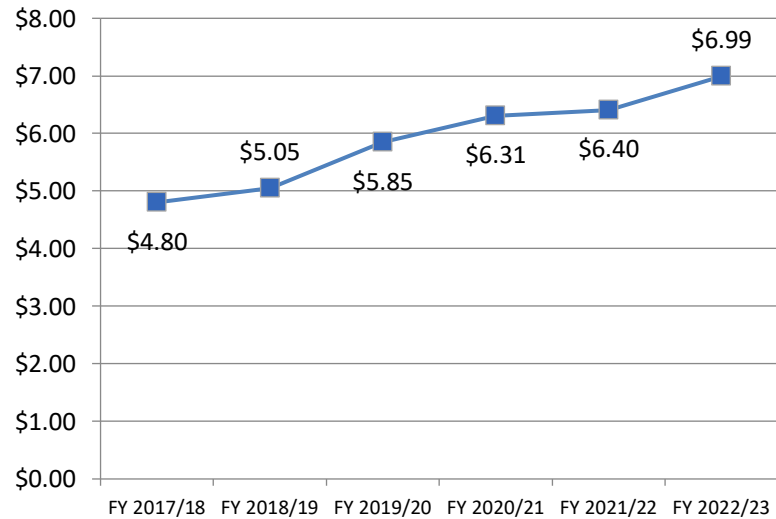


Exhibit 6.5 System VSM/VSH

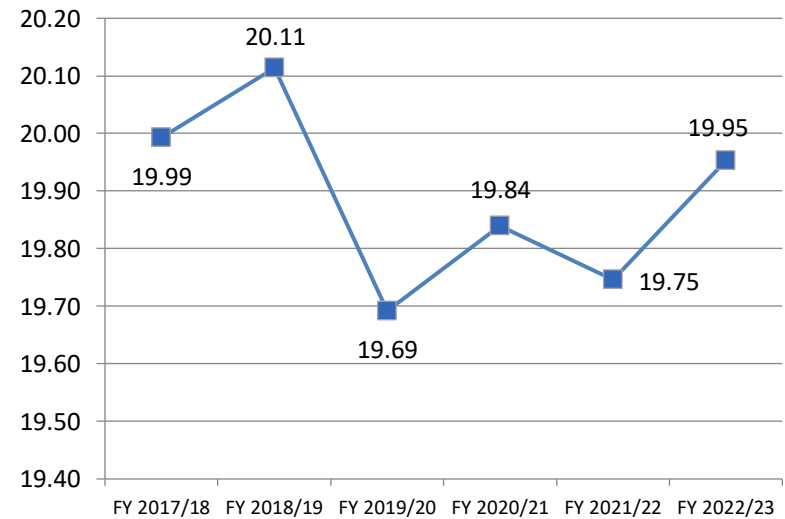


Exhibit 6.6 System Operating Cost/Passenger

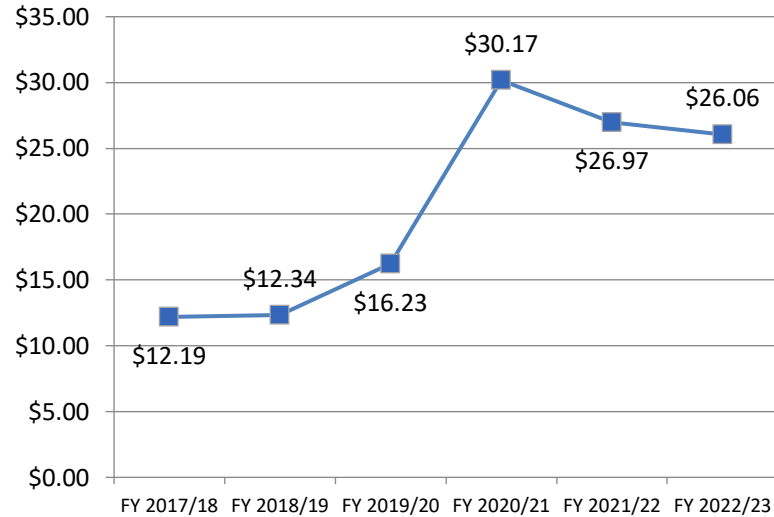


Exhibit 6.7 System Passengers/VSH

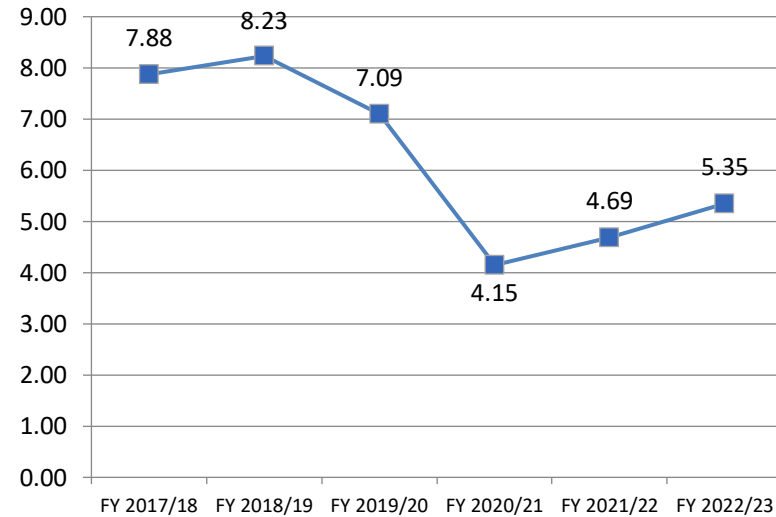


Exhibit 6.8 System Passengers/VSM

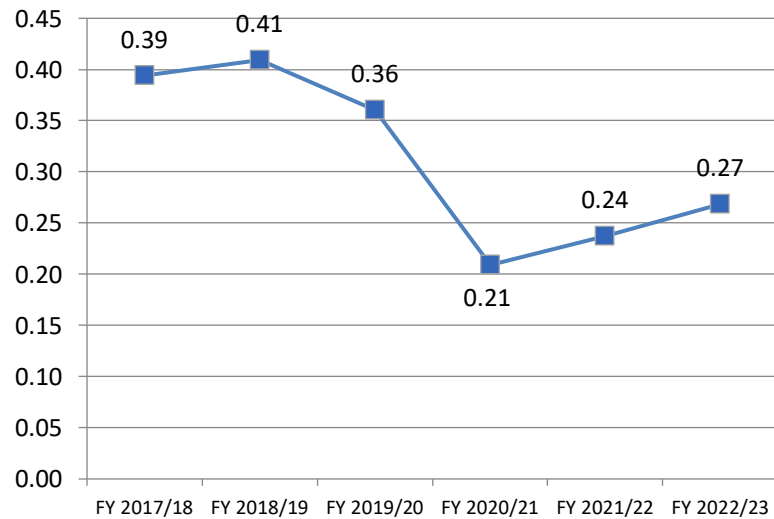


Exhibit 6.9 System VSH/FTE

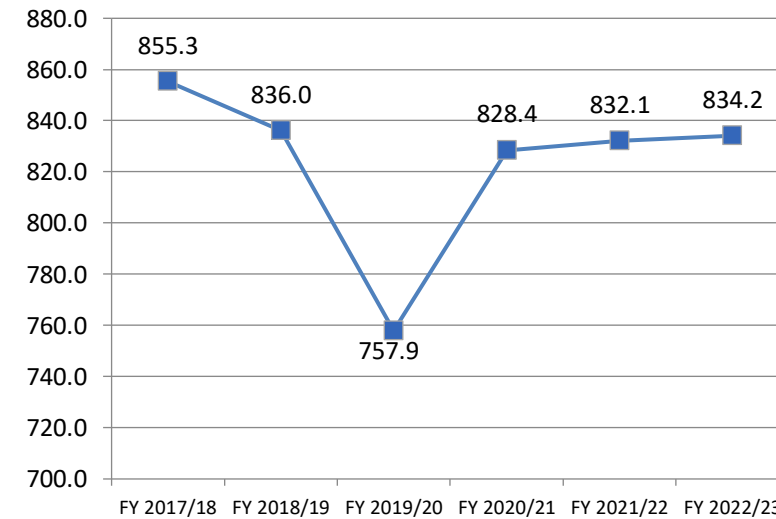


Exhibit 6.10 System Farebox Recovery

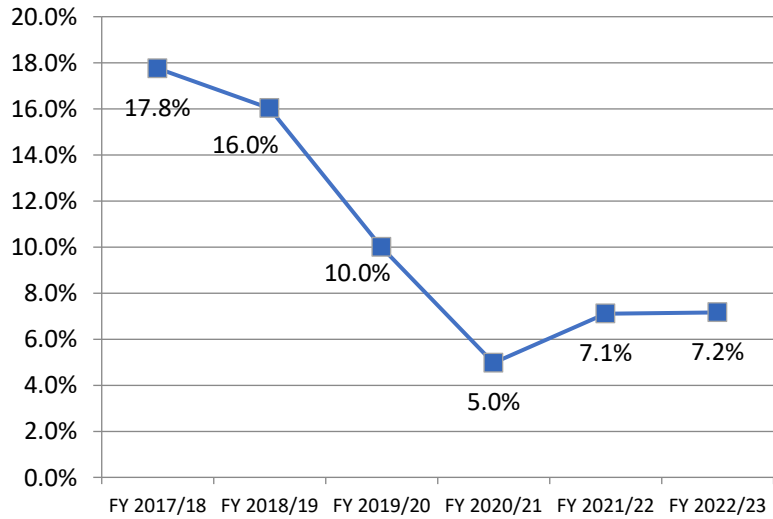
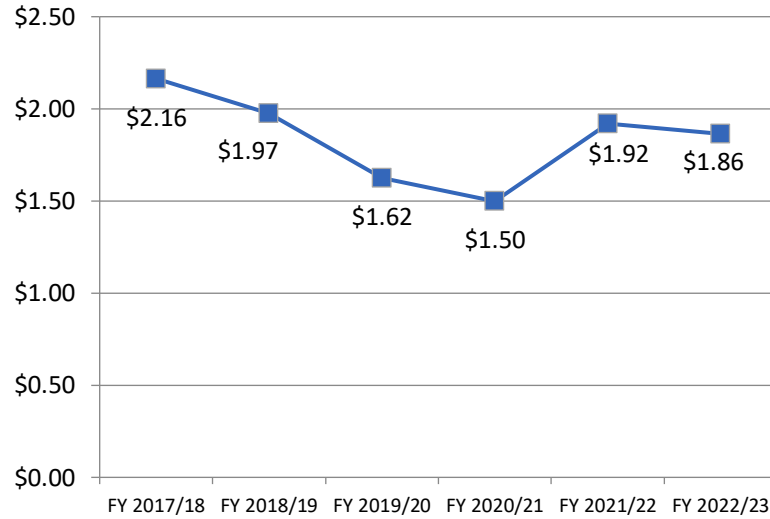


Exhibit 6.11 System Fare/Passenger



### Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 11.1 percent increase during the audit period, and a 48.4 percent net increase across the last six years. Fare revenue, however, significantly decreased between FY 2018/19 and FY 2020/21, with the greatest decline occurring in FY 2019/20. The last two years of the audit period experienced significant increases. This resulted in a net 87.3 percent increase during the audit period and a net 48.1 percent decrease over six years.

Vehicle service hours (VSH) decreased every year with the exception of FY 2020/21. This resulted in a net 1.2 percent decrease during the audit period and a net 13.2 percent decrease during the six-year period. Vehicle service miles (VSM) decreased every year with the exceptions of slight increases in FY 2020/21 and FY 2022/23. This resulted in a net 0.6 percent increase during the audit period and a net 11.9 percent decrease during the six-year period. Ridership increased throughout three years of the six-year period, though the most significant decline occurred in FY 2020/21 (43.5 percent). This led to a 31.4 percent net increase during the audit period and a 41 percent net decrease across the six-year period.

Fixed-route cost-related metrics increased during the audit period with the exception of operating cost per VSH. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 30.6 percent and passengers per VSM increasing by 33 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$2,446,832	\$2,670,105	\$2,893,350	\$3,270,788	\$3,310,262	\$3,632,239
<i>Annual Change</i>		9.1%	8.4%	13.0%	1.2%	9.7%
<b>Fare Revenue (Actual \$)</b>	\$575,046	\$494,275	\$274,713	\$159,263	\$235,156	\$298,373
<i>Annual Change</i>		-14.0%	-44.4%	-42.0%	47.7%	26.9%
<b>Vehicle Service Hours (VSH)</b>	28,914	28,237	25,249	25,391	25,373	25,088
<i>Annual Change</i>		-2.3%	-10.6%	0.6%	-0.1%	-1.1%
<b>Vehicle Service Miles (VSM)</b>	633,691	621,145	546,750	555,042	552,114	558,369
<i>Annual Change</i>		-2.0%	-12.0%	1.5%	-0.5%	1.1%
<b>Passengers</b>	264,464	271,411	210,375	118,776	135,457	156,074
<i>Annual Change</i>		2.6%	-22.5%	-43.5%	14.0%	15.2%
<b>Employees</b>	37	38	36	34	34	34
<i>Annual Change</i>		2.7%	-5.3%	-5.6%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$84.62	\$94.56	\$114.59	\$128.82	\$130.46	\$144.78
<i>Annual Change</i>		11.7%	21.2%	12.4%	1.3%	11.0%
<b>Operating Cost/Passenger (Actual \$)</b>	\$9.25	\$9.84	\$13.75	\$27.54	\$24.44	\$23.27
<i>Annual Change</i>		6.3%	39.8%	100.2%	-11.3%	-4.8%
<b>Passengers/VSH</b>	9.15	9.61	8.33	4.68	5.34	6.22
<i>Annual Change</i>		5.1%	-13.3%	-43.9%	14.1%	16.5%
<b>Passengers/VSM</b>	0.42	0.44	0.38	0.21	0.25	0.28
<i>Annual Change</i>		4.7%	-11.9%	-44.4%	14.6%	13.9%
<b>Farebox Recovery</b>	23.50%	18.51%	9.49%	4.87%	7.10%	8.21%
<i>Annual Change</i>		-21.2%	-48.7%	-48.7%	45.9%	15.6%
<b>Hours/Employee</b>	781.5	743.1	701.4	746.8	746.3	737.9
<i>Annual Change</i>		-4.9%	-5.6%	6.5%	-0.1%	-1.1%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$3.86	\$4.30	\$5.29	\$5.89	\$6.00	\$6.51
<i>Annual Change</i>		11.3%	23.1%	11.4%	1.7%	8.5%
<b>VSM/VSH</b>	21.92	22.00	21.65	21.86	21.76	22.26
<i>Annual Change</i>		0.4%	-1.6%	0.9%	-0.5%	2.3%
<b>Fare/Passenger</b>	\$2.17	\$1.82	\$1.31	\$1.34	\$1.74	\$1.91
<i>Annual Change</i>		-16.2%	-28.3%	2.7%	29.5%	10.1%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.

FY 2020/21 – FY 2022/23 data from NTD Reports.

FY 2020/21 – FY 2022/23 FTE data from State Controller Reports.



Exhibit 6.13 Fixed-Route Ridership

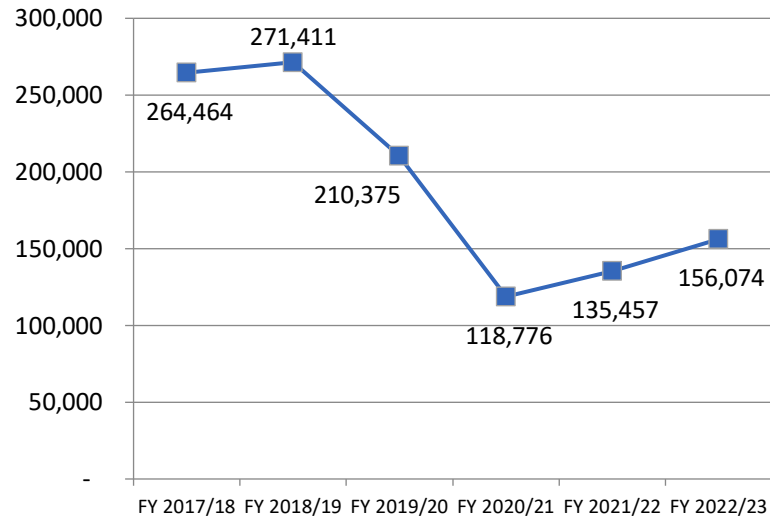


Exhibit 6.14 Fixed-Route Operating Cost/VSH

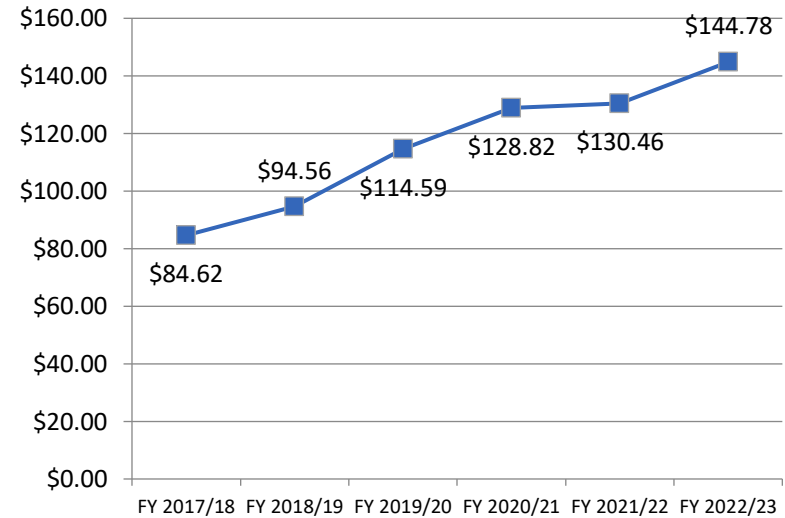


Exhibit 6.15 Fixed-Route Operating Cost/VSM

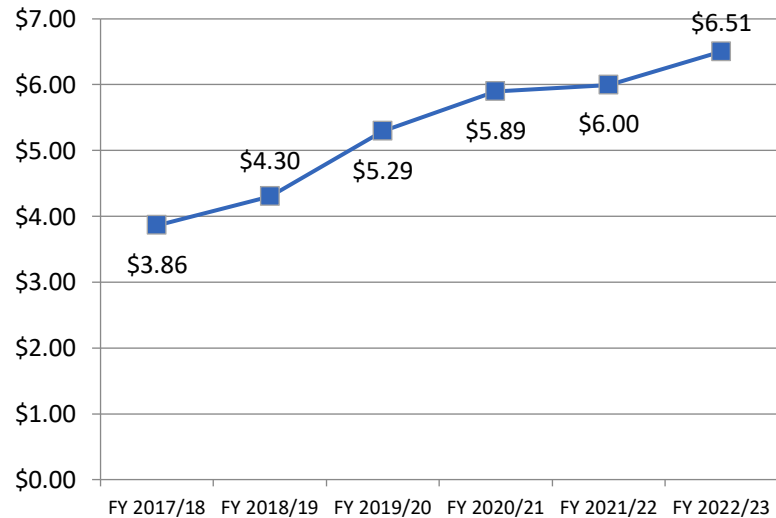


Exhibit 6.16 Fixed-Route VSM/VSH

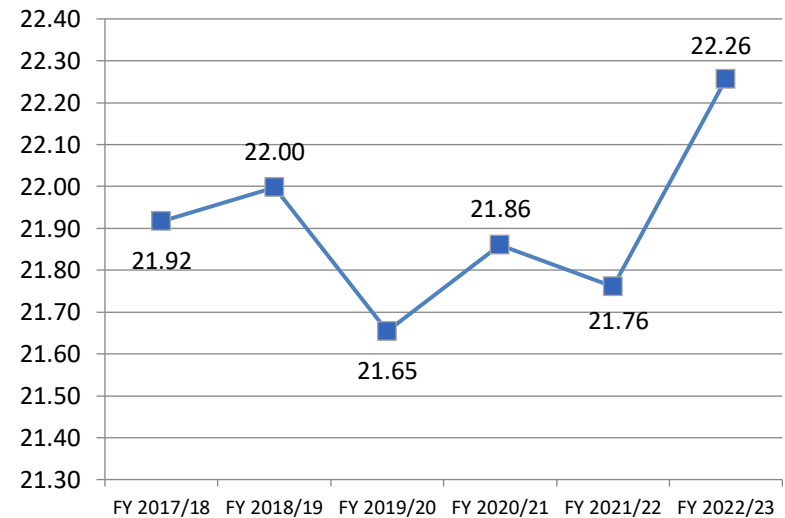


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

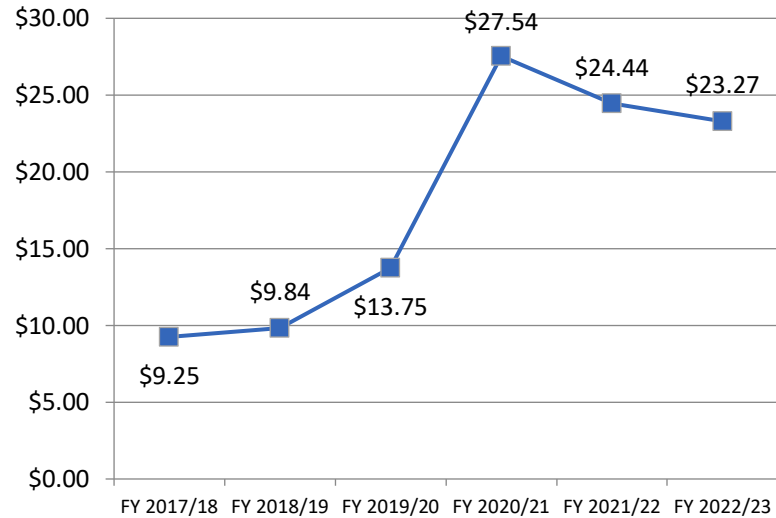


Exhibit 6.18 Fixed-Route Passengers/VSH

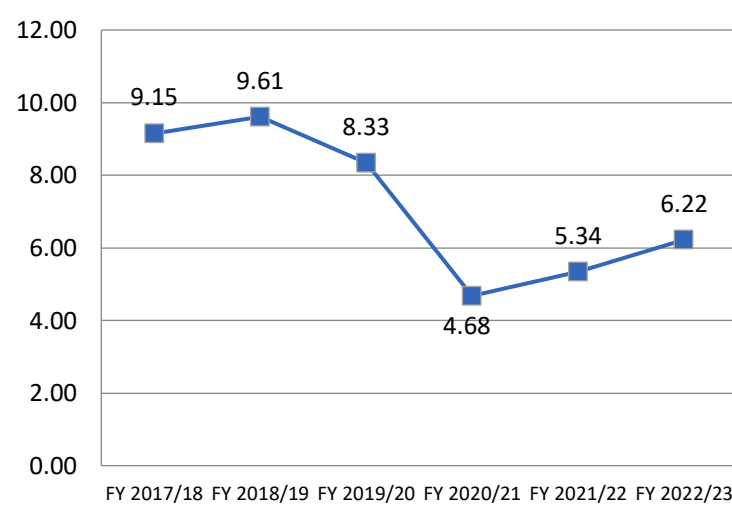


Exhibit 6.19 Fixed-Route Passengers/VSM

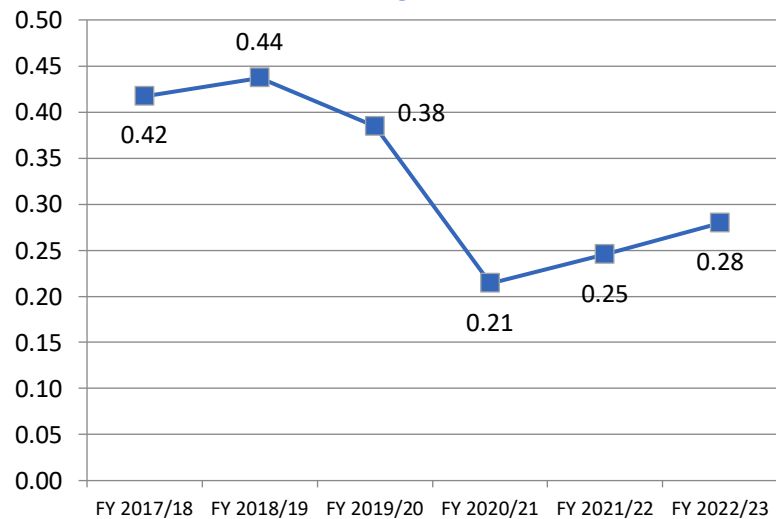


Exhibit 6.20 Fixed-Route VSH/FTE

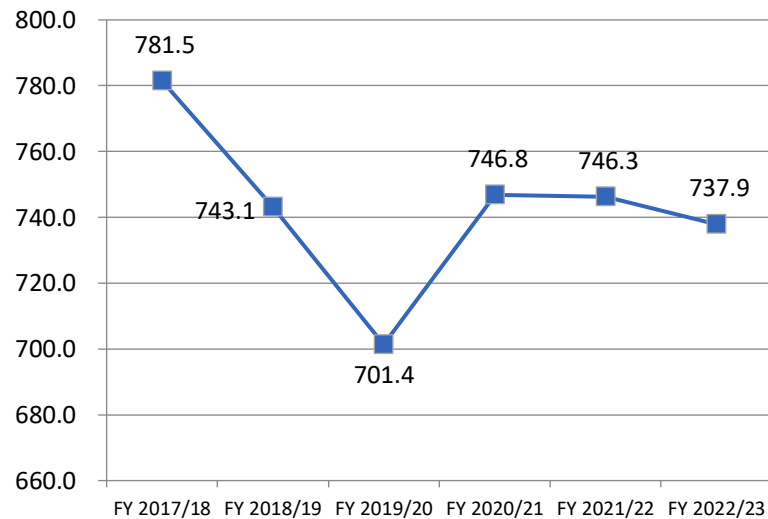


Exhibit 6.21 Fixed-Route Farebox Recovery

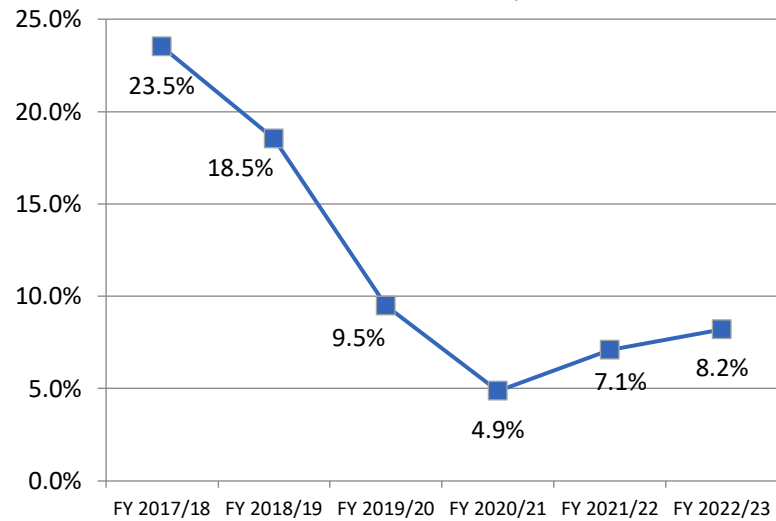
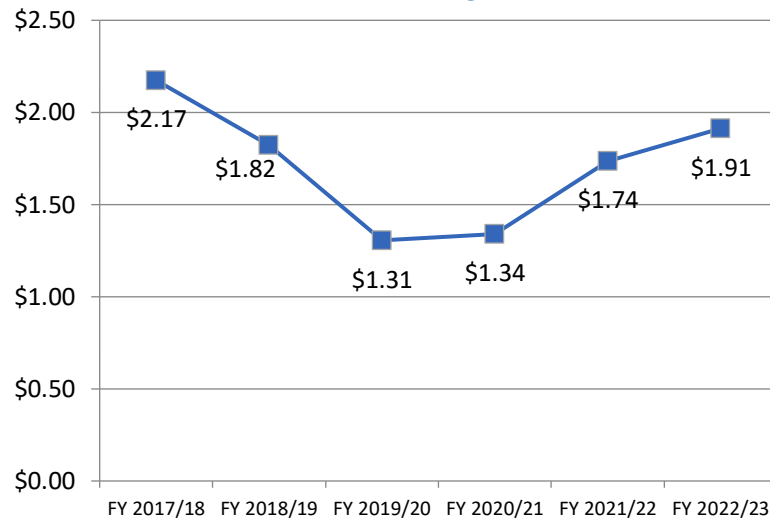


Exhibit 6.22 Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Demand-response operating cost experienced a net 18.3 percent increase during the audit period, and a net 41.1 percent increase across the last six years. Fare revenue increased three years of the six-year period, however experienced significant declines in FY 2019/20 and FY 2022/23. This resulted in a net 50.6 percent decrease during the audit period, and a net 52 percent increase over six years.

Vehicle service hours (VSH) decreased every year until FY 2021/22. This resulted in a net 8.6 percent increase during the audit period and a net 5.7 percent decrease during the six-year period. Vehicle service miles (VSM) experienced the same pattern. This resulted in a net 6.6 percent increase during the audit period and a net 12.3 percent decrease during the six-year period. Similarly, to VSH and VSM, ridership declined every year until FY 2021/22. This led to a 15.6 percent net increase during the audit period and a 26.5 percent net decrease across the six-year period.

Demand-response cost-related metrics increased during the audit period. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 6.5 percent and passengers per VSM increasing by 8.4 percent.

## Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$560,244	\$623,892	\$685,704	\$668,178	\$688,474	\$790,229
<i>Annual Change</i>		11.4%	9.9%	-2.6%	3.0%	14.8%
<b>Fare Revenue (Actual \$)</b>	\$37,469	\$55,651	\$34,301	\$36,383	\$49,427	\$17,972
<i>Annual Change</i>		48.5%	-38.4%	6.1%	35.9%	-63.6%
<b>Vehicle Service Hours (VSH)</b>	7,008	6,875	6,584	6,090	6,245	6,611
<i>Annual Change</i>		-1.9%	-4.2%	-7.5%	2.5%	5.9%
<b>Vehicle Service Miles (VSM)</b>	84,508	85,088	80,100	69,516	72,204	74,109
<i>Annual Change</i>		0.7%	-5.9%	-13.2%	3.9%	2.6%
<b>Passengers</b>	18,543	17,607	15,413	11,798	12,783	13,636
<i>Annual Change</i>		-5.0%	-12.5%	-23.5%	8.3%	6.7%
<b>Employees</b>	5	4	6	4	4	4
<i>Annual Change</i>		-20.0%	50.0%	-33.3%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$79.94	\$90.75	\$104.15	\$109.72	\$110.24	\$119.53
<i>Annual Change</i>		13.5%	14.8%	5.3%	0.5%	8.4%
<b>Operating Cost/Passenger (Actual \$)</b>	\$30.21	\$35.43	\$44.49	\$56.63	\$53.86	\$57.95
<i>Annual Change</i>		17.3%	25.6%	27.3%	-4.9%	7.6%
<b>Passengers/VSH</b>	2.65	2.56	2.34	1.94	2.05	2.06
<i>Annual Change</i>		-3.2%	-8.6%	-17.2%	5.7%	0.8%
<b>Passengers/VSM</b>	0.22	0.21	0.19	0.17	0.18	0.18
<i>Annual Change</i>		-5.7%	-7.0%	-11.8%	4.3%	3.9%
<b>Farebox Recovery</b>	6.7%	8.9%	5.0%	5.4%	7.2%	2.3%
<i>Annual Change</i>		33.4%	-43.9%	8.9%	31.8%	-68.3%
<b>Hours/Employee</b>	1,401.6	1,718.8	1,097.3	1,522.5	1,561.3	1,652.8
<i>Annual Change</i>		22.6%	-36.2%	38.7%	2.5%	5.9%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.63	\$7.33	\$8.56	\$9.61	\$9.54	\$10.66
<i>Annual Change</i>		10.6%	16.8%	12.3%	-0.8%	11.8%
<b>VSM/VSH</b>	12.06	12.38	12.17	11.41	11.56	11.21
<i>Annual Change</i>		2.6%	-1.7%	-6.2%	1.3%	-3.0%
<b>Fare/Passenger</b>	\$2.02	\$3.16	\$2.23	\$3.08	\$3.87	\$1.32
<i>Annual Change</i>		56.4%	-29.6%	38.6%	25.4%	-65.9%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.

FY 2020/21 – FY 2022/23 data from NTD Reports.

FY 2020/21 – FY 2022/23 FTE data from State Controller Reports.

Exhibit 6.24 Demand-Response Ridership

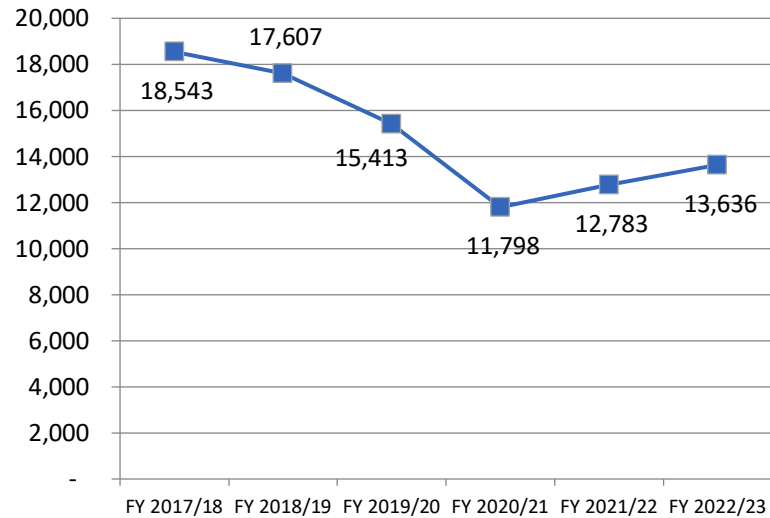


Exhibit 6.25 Demand-Response Operating Cost/VSH

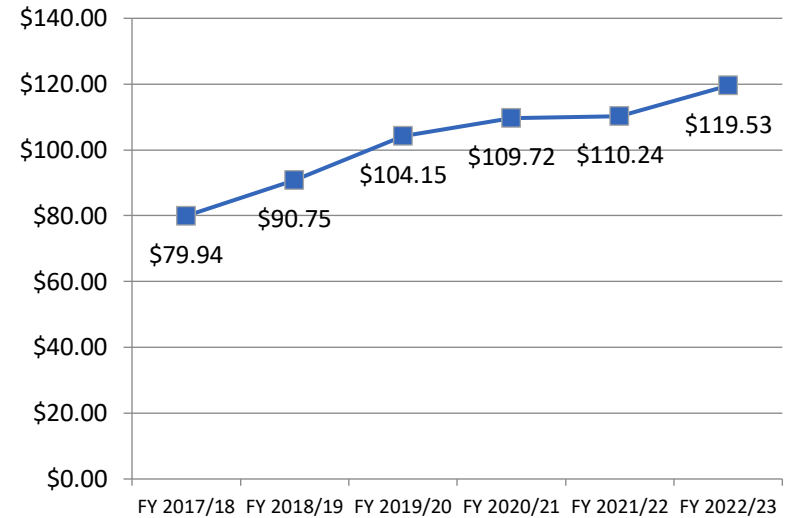


Exhibit 6.26 Demand-Response Operating Cost/VSM

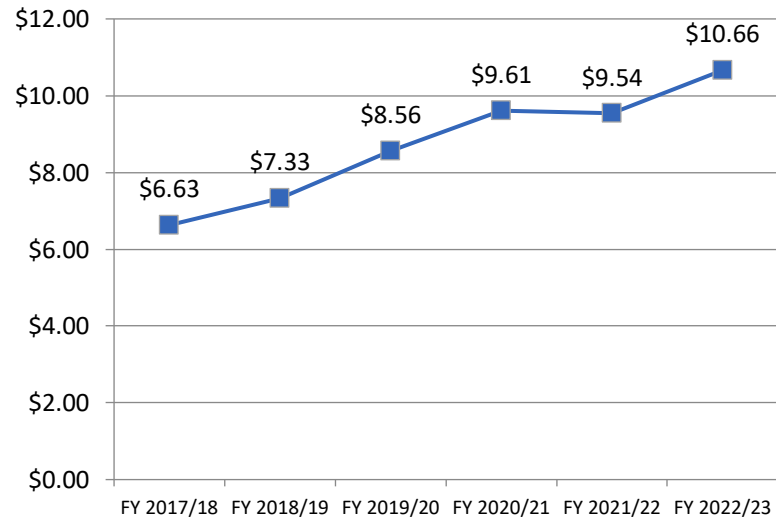


Exhibit 6.27 Demand-Response VSM/VSH

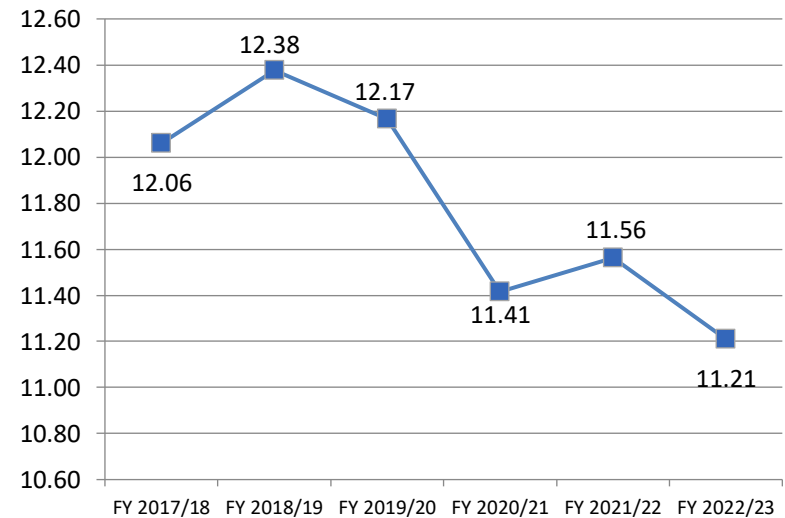


Exhibit 6.28 Demand-Response Operating Cost/Passenger

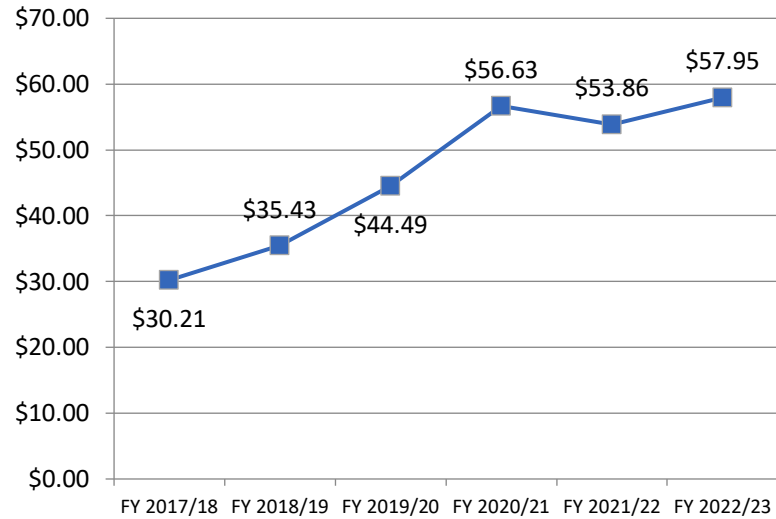


Exhibit 6.29 Demand-Response Passengers/VSH

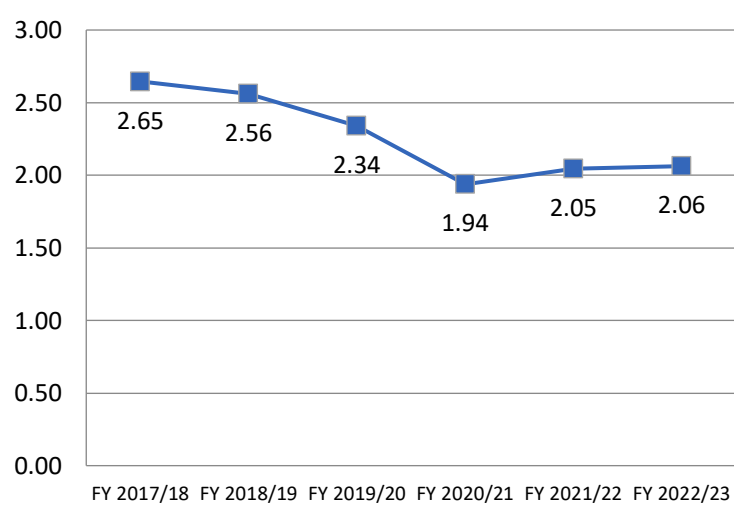


Exhibit 6.30 Demand-Response Passengers/VSM

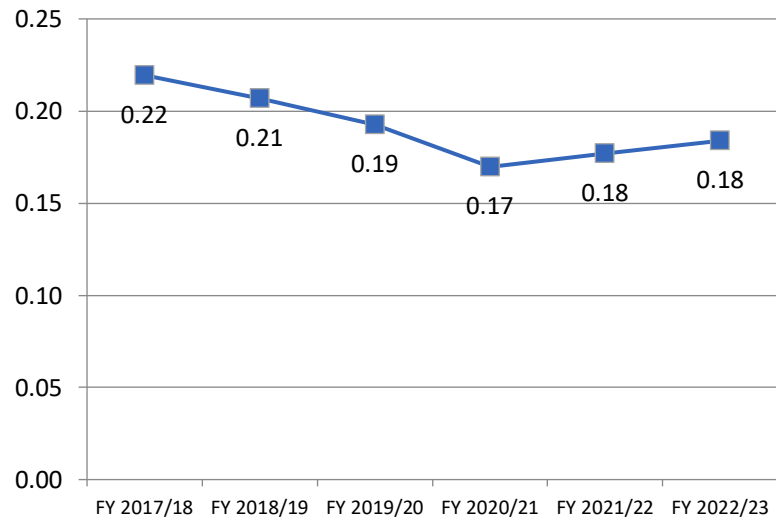


Exhibit 6.31 Demand-Response VSH/FTE

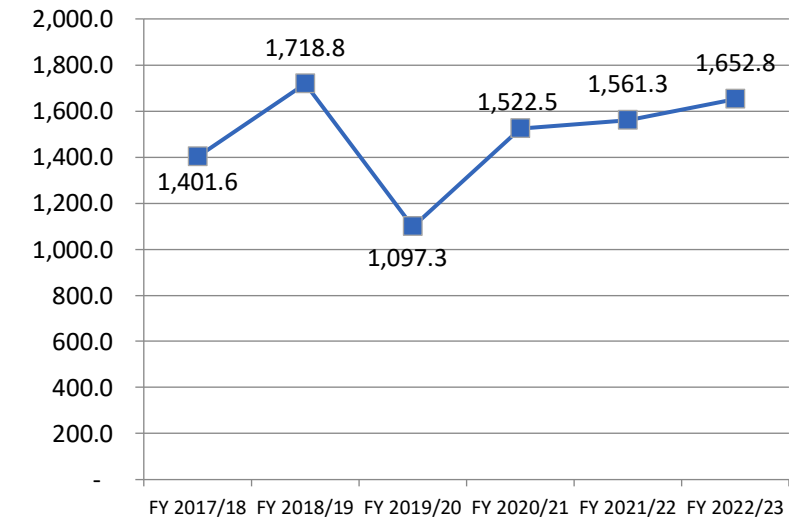


Exhibit 6.32 Demand-Response Farebox Recovery

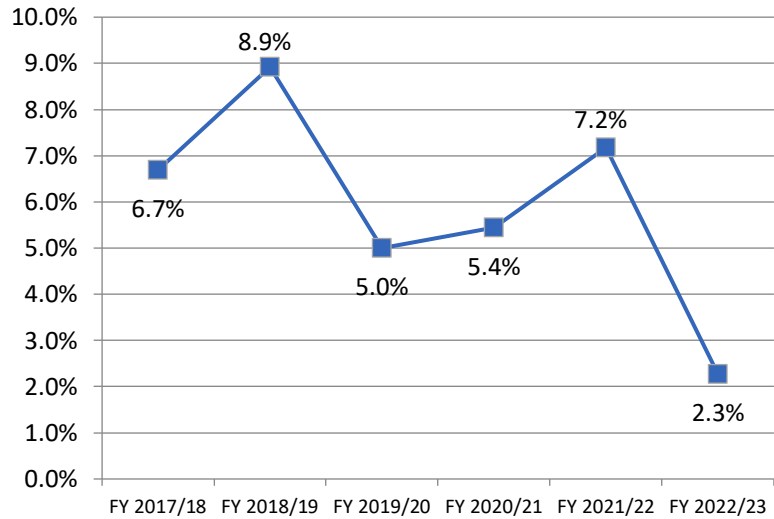
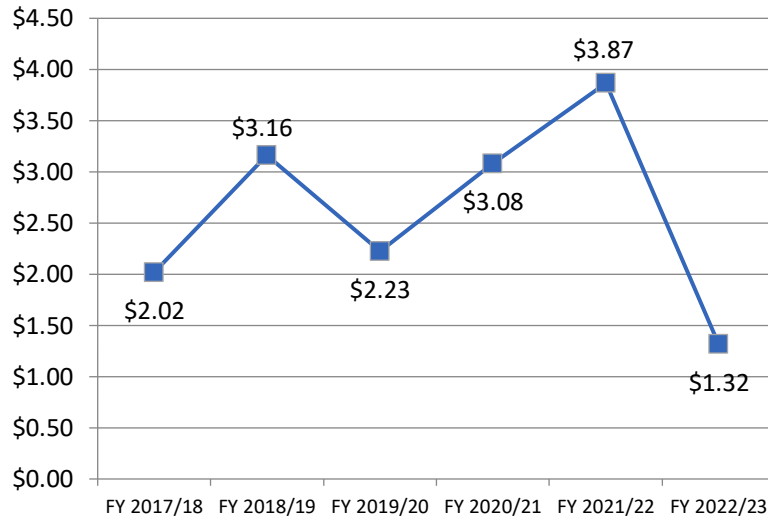


Exhibit 6.33 Demand-Response Fare/Passenger





*This page intentionally blank.*

## Chapter 7 | Functional Review

A functional review of Basin Transit’s<sup>3</sup> public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the agency’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by Basin Transit through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

### Service Overview

Basin Transit provides public transit services throughout the Morongo Basin via eight fixed routes and five demand-response (Ready Ride) services. The service operates Monday through Friday from 7:00 a.m. to approximately 6:45 p.m., with the exception of Route 1 operating from 6:00 a.m. to 10:00 p.m. Additionally, two routes operate on Saturday from 7:00 a.m. to 9:45 p.m. and from 10:00 a.m. to 7:35 p.m., as well as on Sunday from 9:00 a.m. to 7:35 p.m.

Basin Transit’s demand-response service is available primarily to seniors and persons with disabilities and marketed as Ready Ride. The general public may also use Ready Ride at a premium rate. Ready Ride is an origin-to-destination service operating at various times depending on the area. Reservations must be made a minimum of 24 hours in advance.

Exhibit 7.1 Basin Transit Routes and Services

Route/Service	Service Days	Service Span
Fixed routes		
1 – Yucca Valley – Twentynine Palms	Monday – Friday Saturday Sunday	6:00 am – 10:05 pm 7:15 am – 9:49 pm 9:00 am – 4:40 pm
3A – Twentynine Palms Transit Center – Twentynine Palms Marine Base	Monday – Friday	7:00 am – 5:50 pm
3B – Twentynine Palms Neighborhood	Monday – Friday	7:00 am – 5:55 pm
7A – North Yucca Valley	Monday – Friday	7:00 am – 5:50 pm
7B – South Yucca Valley	Monday – Friday	7:00 am – 5:50 pm
12 – Yucca Valley – Palm Springs	Monday – Friday	7:00 am – 6:40 pm

<sup>3</sup> Basin Transit was previously known as the Morongo Basin Transit Authority (MBTA), before being rebranded in 2022. For clarity, though the agency retains the Morongo Basin Transit Authority name, all references to the transit operation herein use Basin Transit, even for the time period prior to the rebranding.

Route/Service	Service Days	Service Span
<b>Fixed routes</b>		
15 – Twentynine Palms Marine Base – Palm Springs	Friday Saturday Sunday	5:00 pm – 8:30 pm 10:00 am – 7:35 pm 4:40 pm – 7:35 pm
21 – Landers – Yucca Valley	Monday – Friday	6:45 am – 6:16 pm
<b>Ready Ride demand-response services</b>		
Yucca Valley	Monday – Friday	7:30 am – 4:15 pm
Morongo Valley	Monday & Thursday	8:00 am – 12:00 pm
Joshua Tree	Monday – Friday	7:30 am – 3:00 pm
Twentynine Palms	Monday – Friday	7:30 am – 1:00 pm
Wonder Valley	Tuesday & Friday	7:00 am – 12:00 pm
Landers (via route deviation)	Monday – Friday	7:00 am – 5:00 pm

Fixed-route fares are based on route type. The base one-way fare for Intercity Highway routes is \$2.50, and the base fare for Neighborhood Shuttles is \$1.25. Fares on Routes 12 and 15 are distance-based, with the base fare for Route 12 ranging from \$5.00 to \$10.00 one-way and for Route 15 ranging from \$15.00 to \$20.00.

Exhibit 7.2 Fixed-Route Fare Structure

Fare Category	One-Way Fare	Round Trip Fare
<b>Intercity Highway Routes (1A &amp; 1B)</b>		
Adults	\$2.50	-
Senior 60 and over/Disabled	\$1.25	-
<b>Neighborhood Shuttles (3A, 3B, 7A, 7B &amp; 21)</b>		
Adults	\$1.25	-
Senior 60 and over/Disabled	\$1.00	-
<b>Route 12</b>		
Originating from 29 Palms	\$10.00	\$15.00
Originating from Joshua Tree or Yucca Valley	\$7.00	\$11.00
Originating from Morongo Valley	\$5.00	\$9.00
All Locations (Seniors 60 and over/Disabled)	\$4.50	\$9.00
<b>Route 15</b>		
Originating from 29 Palms	\$20.00	\$25.00
Originating from Joshua Tree or Yucca Valley	\$17.00	\$21.00
Originating from Morongo Valley	\$15.00	\$19.00
All Locations (Seniors 60 and over/Disabled)	\$14.50	\$19.00
<b>Multi-ride Passes</b>		<b>Fare</b>
Day Pass (Standard)*		\$3.75
Day Pass (Senior/Disabled)*		\$3.00
31-Day Go Pass (Standard)*		\$40.00
31-Day Go Pass (Senior/Disabled)*		\$25.00
Palm Springs 10-Ride Punch Pass**		\$42.00

\*Valid on Routes 1, 3A, 3B, 7A, 7B, & 21.

\*\*Valid on Route 12 only.

Exhibit 7.3 Ready Ride Fare Structure

Fare Category	Fare
Adult	\$5.00
Seniors/Disabled	\$2.00
10-Punch Discount Pass*	\$12.50
20-Punch Discount Pass*	\$25.00

Discount passes are only available to seniors and persons with disabilities.

### Response to COVID-19 pandemic

Basin Transit continued in-person operations throughout the pandemic. Safety barriers were installed to separate the driver and passengers. Updated safety measures were implemented, including enhanced cleaning measures, mask mandates, capacity reduction, and staff fever checks. Basin Transit did not implement a vaccine mandate, but partnered with local medical facilities to ensure transit workers could get vaccinated early. The driver barriers were subsequently removed and are no longer in place.

Service on Routes 12 and 15 was suspended between April and May 2020. Fare collection was paused from April 7, 2020 to June 8, 2020. From April to May 2020, early senior hours were offered on Ready Ride for trips to the grocery store. The office lobby was also closed for two months.

The most significant lesson learned was the importance of remaining vigilant to ever-changing mandates and guidance on a day-to-day basis.

### General Management and Organization

The General Manager oversees the management of daily operations. The TransTrack platform is used to track system performance, and management is satisfied with the data it provides. As of the time of the site visit, ridership had returned to approximately 60 percent of pre-pandemic levels, and continues to improve. Performance is reviewed monthly and reported to the Board at their meetings every other month.

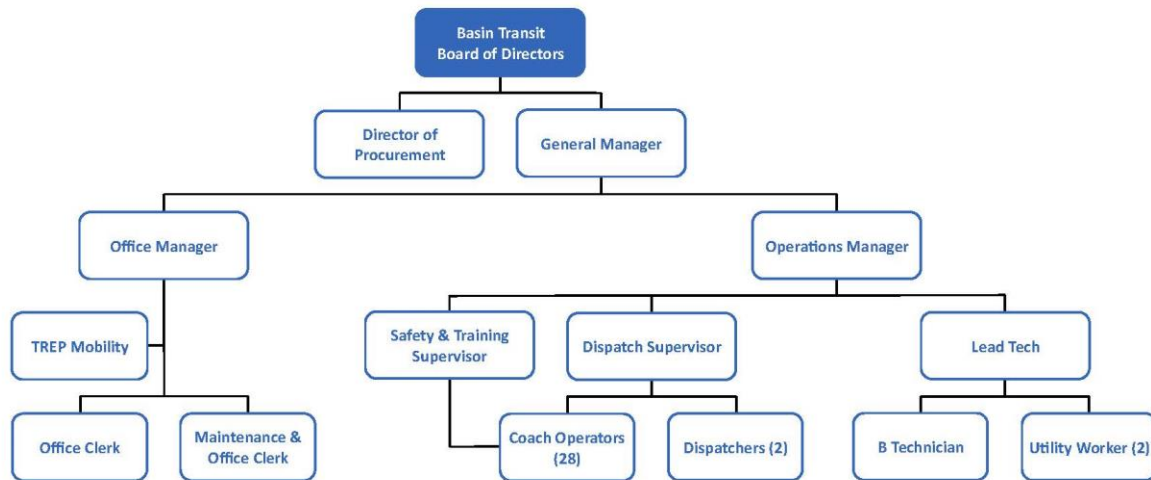
Basin Transit experienced two significant changes during the audit period: A new General Manager and a new brand identity. The new General Manager, who was appointed in March 2022, has been with Basin Transit since 2007, most recently as its Grants and Finance Manager. The Morongo Basin Transit Authority (MBTA) service was rebranded to Basin Transit in August 2022. The renaming was accompanied by new branding and a new lizard logo. Other smaller changes included switching the phone system to Voice-over-IP (VOIP), transitioning from manual timesheets to a timeclock, and migrating payroll from Paychex to ADP. The organizational computer system also transitioned to Microsoft 365. All changes have been positive.



Basin Transit is staffed effectively and appropriately. Management is hoping to add another administrative person, specifically an accounting clerk who can assist the office manager as well as with small marketing tasks. However, the current office space is just enough for the current staff. There is no room for expansion to accommodate additional staff.

The General Manager is the primary liaison with other governmental organizations and works closely with the General Managers of peer agencies, especially others in San Bernardino County. Basin Transit has a good relationship with the San Bernardino County Transportation Authority. The relationship with Caltrans is good but sometimes not as supportive as it could be. Basin Transit is a member of the California Association for Coordinated Transportation (CalACT), the California Transit Indemnity Pool (CalTIP), and the California Transit Association (CTA).

Exhibit 7.4 Organizational Chart



The Basin Transit Board of Directors is the governing body. Board meetings are held at Basin Transit Headquarters (62405 Verbena Rd) on the fourth Thursday of every other month at 5:00 pm. The agency does not have a citizen’s advisory committee. The Board is very happy with the outcome of rebranding the service from Morongo Basin Transit Authority (MBTA) to Basin Transit.

### Service Planning

SBCTA is responsible for hiring a consultant to prepare a short-range transit plan (SRTP) on Basin Transit’s behalf every five years. The most recent SRTP was launched in 2019 and completed during the COVID-19 pandemic. Activities for this plan included reaching out to stakeholders, an onboard survey, and a community survey. The biggest suggestion from the prior plan was the introduction of microtransit using taxis, though this did not move forward because of only two taxis in the area. An update of the SRTP is scheduled to be undertaken in 2024 with a renewed interest in microtransit. Basin Transit hopes to revamp its Ready Ride system. Surveys are typically fielded during the SRTP process, though another survey was conducted in conjunction with the rebranding effort.

Basin Transit typically incorporates input from local planning departments to identify new development areas that may require transportation as part of its short-range planning. While it did not conduct any planning during the audit period, it did conduct outreach to help identify community mobility needs. For example, staff spent one morning at the Yucca Valley Transit Center and the afternoon at the Twentynine Palms Transit Center. This resulted in a lot of great feedback without very many needs requests. The one “need” identified through this process was WiFi on the buses. Basin Transit is also trying to create an ambassador program.

During the audit period, Basin Transit implemented bus stop improvements, the rebranding of vehicles and stops, and facility improvements (repaved parking lot and upgraded lighting), as well as lighting and new security systems at transit centers. Additionally, Basin Transit installed an electric vehicle (EV) charger at its headquarters and at the Yucca Valley Transit Center for its one electric van used for Ready Ride. The van is capable of traveling 80 miles before needing to recharge.

### Administration

The General Manager currently handles development of the annual budget with input from department leads. She compares the last profit and loss statement to figure out what can be cut and what is over budget and looks at inflation. The draft budget is developed in March, and the final budget goes to the Board for adoption in May.

Actual expenses and revenues are compared to budgeted expenses and revenues on a monthly basis. This information is reported to the Board at its regular meetings. Management also does a mid-year and end-of-year review.

Basin Transit uses QuickBooks to manage its financial data. Transfers of funds between budget categories and requests for additional funding requires Board approval.

Grants are identified based on funding needs, and Basin Transit is able to apply for all the grants it is interested in. The Office Manager is responsible for managing grants, though she is still new and requires additional support. The General Manager handles NTD reporting and reviews State Controller Financial Transaction Reports prepared by the agency's fiscal auditor.

The Operations Manager handles risk management and has a process in place for injury and accident claims. He prepares initial report forms and sends them to the agency's claims adjuster (Sedgwick). Basin Transit is part of the California Transit Indemnity Pool (CalTIP). Liability coverage meets requirements and is appropriate.

The Operations Manager and the Safety and Training Manager are responsible for periodically reviewing safety practices. They conduct safety meetings three to four times a year. The agency has a current disaster preparedness plan. Staff meet every other month via Zoom to discuss emergency response policies. Transit can be called upon to assist with emergencies and evacuations.

Basin Transit manages one contract, for advertising with a local radio station. Oversight includes reviewing monthly statements from the vendor. The Shop Supervisor provides facility management for the transit office, transit center, and bus stops.

Administration, maintenance, and dispatchers traditionally completed timesheets, while driver time is based on the scheduled bid and exceptions. Timesheets were replaced by a timeclock during the audit period. Drivers sign timecards and the department Supervisor reviews them to ensure any vacation/sick leave is reflected and that all shifts clock out.

Payroll is done online through ADP. The General Manager and Office Manager have access to payroll and wage information. Supervisors can access timesheets. A majority of employees (98 percent) utilize direct deposit.

The Office Manager is responsible for accounts payable and accounts receivable. Staff verify goods and services have been received before authorizing payment of invoices. Procurement is guided by a procurement policy. Any purchases \$25,000 and greater must be approved by the Board. Those under \$25,000 can be approved by the General Manager. Vehicles are procured through the CalACT bid, which is managed by Basin Transit.

Basin Transit does not have an internal audit function and contracts with external audits for all of its audit needs.

### Marketing and Public Information

Basin Transit utilizes a wide range of marketing activities, including a brochure, social media (Instagram and Facebook), and radio and newspaper advertisements. It also distributed information to social services, senior centers, and community centers. It also conducts community presentations and participates in community events (such as orientation night at the high school and Christmas in July with Santa on the bus). The primary informational piece is a single guide with all service information. All information is available online. QR codes were placed on everything (including bus stops) at the time of the rebranding.

Promotional campaigns are typically tied into county-wide free-fare programs, such as K-12 free fares and college student free fares. Basin Transit utilizes the materials put out by SBCTA, then uses a consultant to do localized marketing such as radio spots, press releases, presentations, “stuff the bus” with school supplies, etc.

All calls that come into dispatch are logged. Complaints are documented on a form, investigated by the Operations Manager or Safety and Training Manager, and tracked in TransTrack. The complaint form captures the nature of the complaint, the caller’s name and contact information, and the resolution. Complaints are reviewed using onboard cameras and AVL as warranted. The timeframe for resolving complaints is three to five days. This process is appropriate. Overall, public perception of the transit service is very positive, especially after the recent outreach at the transit centers.

### Scheduling, Dispatch, and Operations

Basin Transit is operated in-house and the workforce is not represented. It currently has 24 full-time drivers plus one in training at the time of the site visit. This includes three drivers that have been out on medical leave for over a year. Ideally, the program would have 26 active full-time drivers. There are currently no part-time drivers as it is difficult to fill such positions. As a result, they are not utilized.

Drivers are assigned to routes based on a bid selection every six months. Driver bid order is based on seniority. When full staffed, Basin Transit maintains a “B board” of drivers who can cover drivers who are sick, on vacation, or provide other coverage as needed. However, there is no “B board” at this time. Instead, dispatchers and the training supervisor are licensed to drive and may be called upon to cover open shifts.

Maintenance gives dispatchers a daily log sheet of which vehicles are available and ready to be assigned. There is also a board in dispatch showing available buses.

Absences are covered by a “B board” driver, if available, or a dispatcher. Unplanned absences require a one-hour notice prior to the assigned shift.

Vehicles are equipped with Diamond drop fareboxes. At the end of the shift, the cash boxes are pulled by the driver and taken to dispatch, which is monitored by a camera. At the dispatch counter, the cash box is unlocked and dumped into a bank bag, which is sealed and put into the safe. The next day all cash is counted under the camera and amounts from each bag are reconciled with driver sheets. A two-person count has historically been utilized, but due to the COVID-19 pandemic, they changed to a one-person count in front of a camera. Money information is given to an Office Clerk to be entered into TransTrack, while another office clerk enters the driver sheets. The General Manager or one of the Office Clerks transports the deposit to the bank.

Bus passes are sold in the front office, the dispatch office, and onboard all buses. Basin Transit also offers mobile ticketing via Token Transit. Money paid through Token Transit is deposited in the bank account and a report is sent to the General Manager and Office Manager.

#### Personnel Management and Training

Basin Transit is actively in the process of recruiting new drivers. Recruitment is conducted through its website, Indeed, social media, radio and newspaper advertisements, job fairs, and posted to the college job board. Indeed has historically been the most effective method. Basin Transit recruits candidates with and without commercial licenses. Referral bonuses were offered for a six-month period during which they were short-staffed. While the bonuses are no longer offered, it did serve to help them get fully staffed quickly. Both the existing employee and the new hire received a bonus.

Full-time staff receive retirement, health, vision, dental, vacation, holiday, and sick benefits. Information about benefits is provided to all employees as part of the onboarding process. Additional incentives include employee of the quarter, safety incentives (e.g., 100 days without a preventable accident equals a \$100 bonus), a bowling league, and social events (e.g., root beer float day, potlucks, barbecues, etc.). With the exception of the COVID-19 pandemic, turnover is very low and usually due to retirement or moving out of the area. Job performance is evaluated annually.

The Safety and Training Manager is largely responsible for training both new and existing drivers, who report to the Operations Supervisor. All DMV testing is conducted at the DMV office in Los Angeles. Basin Transit recently purchased a new training program that is working very well.

The Safety and Training Manager also oversees the safety program, with assistance from the Operations Manager and the utility worker. Regular safety meetings are conducted. Every other month an employee newsletter with a safety tip is produced and distributed to all employees. Random drug and alcohol testing is done on-site by a third party. This requires a premium fee, but otherwise employees would have to travel an hour each way to the nearest testing site.

All vehicles are equipped with first aid kits and fire extinguishers. Ready Ride vehicles are equipped with securement belts for wheelchairs.



## Maintenance

Maintenance staff follow the manufacturers' preventive maintenance schedules as required by the FTA, and monitoring is done using Manager Plus software. Compliance with preventive maintenance schedules can be easily evaluated through electronic and paper copies. Maintenance does not conflict with regular vehicle use.

Basin Transit identifies warranty repairs, but has faced challenges with timely repairs due to vendor and supply chain issues. It also sends out major repairs such as transmissions and rebuilds. Repairs are usually performed by TransWest, and warranty work is often sent to Palm Springs Motors.

Basin Transit has a dedicated maintenance facility. There is a sufficient number of bays and lifts, as well as sufficient administrative space. There is also a storage room for records storage. Staff have not identified any necessary improvements.

Maintenance staff consists of two mechanics, two utility workers, and a clerk that is shared between maintenance and administration. A maintenance audit was completed in 2022. This level of staffing is appropriate for the amount of work available.

The parts room is secure, and only the General Manager and maintenance staff have access. Parts are tracked through ManagerPlus. The recent maintenance audit helped to ensure inventory and reorder levels are appropriate. Parts may also be obtained locally through CarQuest and O'Reilly, though supply chain issues have resulted in some repairs taking much longer. For example, failure to obtain a door mechanism might result in a vehicle being down for two months. There is a significant backlog of repairs, due to the age of the fleet. However, with a large spare ratio, regular service is not affected.

When a vehicle is deemed unsafe, it will be marked on the rollout sheet. Any issue identified through Zonar results in a red tag, where the bus can only go to maintenances. Repaired are prioritized (color-coded) depending on the problem. Maintenance is notified promptly by radio about breakdowns. Utility workers help with vehicle trade-outs.

The fleet size is sufficient and is in overall good condition with varying vehicle and fuel types. Basin Transit has a vehicle replacement plan in place. Vehicles are equipped with Token Transit readers, cameras, and Zonar.

A complete fleet inventory is provided in Exhibit 7.5.

Exhibit 7.5 Basin Transit's Fleet

Vehicle Number	Year	Manufacturer/Model	Vehicle Length (feet)	Seats	Wheelchair Capacity
754	2012	EIDorado XHF	36	27	2
315	2016	Glaval	33	26	2
313	2016	EIDorado Aero Elite	32	24	2
29	2018	Senator Startrans II	25	14	2
30	2018	Senator Startrans II	25	14	2
31	2018	Senator Startrans II	25	14	2
32	2018	Senator Startrans II	25	14	2
33	2018	Senator Startrans II	25	14	2
34	2018	Senator Startrans II	25	14	2
36	2019	Senator Startrans II	25	16	2
35	2019	ARBOC	26	13	2
314	2016	EIDorado Aero Elite	32	24	2
316	2017	Startrans 550	32	24	2
317	2018	Glaval Entourage	33	26	2
318	2018	Glaval Entourage	33	26	2
319	2018	Glaval Entourage	33	26	2
320	2018	Glaval Entourage	33	26	2
321	2019	Glaval Entourage	33	26	2
322	2019	Glaval Entourage	33	26	2
757	2020	Gillig	35	33	2
353	2020	EIDorado Aero Elite	32	24	2
758	2021	Gillig	35	33	2

*This page intentionally blank.*

## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates finds Basin Transit to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with Basin Transit staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no findings or recommendations.

*This page intentionally blank.*

# City of Needles

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024





# Table of Contents

---

Chapter 1   Executive Summary .....	1
Chapter 2   Audit Scope and Methodology .....	5
Chapter 3   Program Compliance .....	9
Chapter 4   Prior Recommendations .....	13
Chapter 5   Data Reporting Analysis .....	17
Chapter 6   Performance Analysis .....	19
Chapter 7   Functional Review.....	37
Chapter 8   Findings and Recommendations .....	45



*This page intentionally blank.*

# Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations .....	3
Exhibit 3.1 Transit Development Act Compliance Requirements .....	10
Exhibit 5.1 Data Reporting Comparison.....	18
Exhibit 6.1 System Performance Indicators .....	22
Exhibit 6.2 System Ridership .....	23
Exhibit 6.3 System Operating Cost/VSH .....	23
Exhibit 6.4 System Operating Cost/VSM.....	23
Exhibit 6.5 System VSM/VSH.....	23
Exhibit 6.6 System Operating Cost/Passenger .....	24
Exhibit 6.7 System Passengers/VSH .....	24
Exhibit 6.8 System Passengers/VSM.....	24
Exhibit 6.9 System VSH/FTE .....	24
Exhibit 6.10 System Farebox Recovery .....	25
Exhibit 6.11 System Fare/Passenger.....	25
Exhibit 6.12 Deviated Fixed-Route Performance Indicators .....	27
Exhibit 6.13 Deviated Fixed-Route Ridership.....	28
Exhibit 6.14 Deviated Fixed-Route Operating Cost/VSH .....	28
Exhibit 6.15 Deviated Fixed-Route Operating Cost/VSM.....	28
Exhibit 6.16 Deviated Fixed-Route VSM/VSH .....	28
Exhibit 6.17 Deviated Fixed-Route Operating Cost/Passenger .....	29
Exhibit 6.18 Deviated Fixed-Route Passengers/VSH .....	29
Exhibit 6.19 Deviated Fixed-Route Passengers/VSM.....	29
Exhibit 6.20 Deviated Fixed-Route VSH/FTE .....	29
Exhibit 6.21 Deviated Fixed-Route Farebox Recovery .....	30
Exhibit 6.22 Deviated Fixed-Route Fare/Passenger .....	30
Exhibit 6.23 Demand-Response Performance Indicators .....	32
Exhibit 6.24 Demand-Response Ridership .....	33
Exhibit 6.25 Demand-Response Operating Cost/VSH.....	33
Exhibit 6.26 Demand-Response Operating Cost/VSM.....	33
Exhibit 6.27 Demand-Response VSM/VSH.....	33
Exhibit 6.28 Demand-Response Operating Cost/Passenger .....	34
Exhibit 6.29 Demand-Response Passengers/VSH.....	34
Exhibit 6.30 Demand-Response Passengers/VSM.....	34
Exhibit 6.31 Demand-Response VSH/FTE .....	34
Exhibit 6.32 Demand-Response Farebox Recovery .....	35
Exhibit 6.33 Demand-Response Fare/Passenger.....	35

Exhibit 7.1 Fare Structure ..... 38  
Exhibit 7.2 Organizational Chart..... 39  
Exhibit 7.3 City of Needles’ Transit Fleet ..... 43  
Exhibit 8.1 Audit Recommendations ..... 46

## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of City of Needles as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of City of Needles public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

The City of Needles provides transportation services within the City at Needles Area Transit (NAT). Deviated fixed-route service operates weekdays from 7:00 a.m. to 6:55 p.m. and Saturday from 10:00 a.m. to 4:55 p.m. The deviated fixed-route service is comprised of two routes With route deviations available upon request as time allows.

The City also provides Dial-A-Ride service for seniors age 60 and older and persons with disabilities. Service hours are Monday – Friday, 9:00 a.m. to 2:00 p.m. Reservations are taken until 1:55 p.m. The City provides medical transportation to facilities in Mohave Valley and Bullhead City on Tuesday and Thursday by advance prepaid reservations. A shopper shuttle to Walmart, Safeway, Smith’s, and CVS Fort Mohave locations is provided through advance prepaid reservations on Wednesday.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

Based on discussions with City of Needles staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International. for the three fiscal years ending June 30, 2020 – included three recommendations:

1. [Ensure timely completion and submittal of the Transit Operators Financial Transactions Reports to the State Controller.](#)  
**Status:** Implemented.
2. [Ensure key performance indicators as accidents, incidents, road calls, and deadhead service data are reported in TransTrack Manager.](#)  
**Status:** Implemented.
3. [Reinstate the Google Transit trip planning tool on the Needles Transit Services web page.](#)  
**Status:** Implementation in progress.

### Findings and Recommendations

Based on discussions with City of Needles staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for City of Needles.

1. Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

The audit team has identified no functional findings.

In completing this Triennial Performance Audit, we submit the following recommendations for City of Needles' public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations	Importance	Timeline
1	Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.	Medium
		FY 2023/24

See page 46 for the City’s response to this finding and recommendation.

*This page intentionally blank.*

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of City of Needles' public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of City of Needles as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.



## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of City of Needles included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of the City of Needles' public transit program included thorough review of documents relevant to the scope of the audit, as well as information contained on the City's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;

- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

The methodology for this review included on-site interviews with key staff at 950 Front Street in Needles on September 29, 2023. The audit team met with Cheryl Sallis (Community Services Manager), Brett Baum (Transportation Concepts' Director of Operations), and Yvette Parsons (Transportation Concepts' Project Manager); toured the operations and maintenance facility; and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines the City of Needles' compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The City considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

The City of Needles does not use TDA Article 4 funding for transit and is not statutorily required to be audited. However, the San Bernardino County Transportation Authority, as the RTPA, requested the City be audited to support a comprehensive and objective review to provide beneficial insights into program performance.

Status of compliance items was determined through discussions with City staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

One compliance issue was identified for City of Needles:

1. Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

### Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2020/21: January 31, 2022/ February 1, 2022 FY 2021/22: January 30, 2023 FY 2022/23: January 29, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2020/21: December 29, 2021 FY 2021/22: December 22, 2022 FY 2022/23: Expected by end of February 2024
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	February 11, 2020 March 11, 2021 April 7, 2022 April 14, 2023
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	In compliance	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	No such alternative criteria have been established.
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	Not applicable	Not required under Article 8(c).
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	Finding	The use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	Not applicable	Not required under Article 8(c).
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2020/21: 10.57% FY 2021/22: 11.95% FY 2022/23: 5.96% (waived)  <i>FY 2021 and FY 2022 data from TDA fiscal audits. FY 2023 data from State Controller Reports. The City uses Measure I funds to supplement farebox revenue to ensure TDA compliance. Penalties waived under AB 149.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	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 for 40 years.	PUC 99271	Not applicable	Not required under Article 8(c).
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable	

Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance City of Needles has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included three recommendations:

1. [Ensure timely completion and submittal of the Transit Operators Financial Transactions Reports to the State Controller.](#)

**Discussion:** In the compliance review section of the prior audit, 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 future reports to the State Controller in a timely manner will further demonstrate Needles’ proactive approach to compliance with state reporting instructions.

**Progress:** During the prior audit period, reports were submitted on June 25, 2019; March 3, 2020; and February 17, 2021. The City’s finance director explained how its auditors complete and submit this report on their behalf based on the City’s Trial Balance reports. The City is lacking detailed notes as to why the reports were submitted late for those years. SBCTA retains the auditing firm that prepares the transit fiscal audits and State Controller reports and has met with the auditors and advised that timely completion and filing of these reports is a priority.

During the current audit period they were submitted on January 31 and February 1, 2022 (the specialized services report was technically one day late) and January 30, 2023. Given this improvement and the emphasis on on-time submittal, there is no reason to believe the FY 2022/23 report will not be submitted on time.

**Status:** Implemented.

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

**Discussion:** Needles has been proficient in its utilization of TransTrack Manager in reporting of system performance metrics. During the prior audit, a review of the quarterly performance scorecard in TransTrack confirmed that most performance indicators and data were 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 were not reported in TransTrack. While reportable



accident data were reported in 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 was suggested that data for these vehicle performance categories be included in TransTrack.

**Progress:** Dial-A-Ride monthly management reports include revenue hours, road calls, vehicle collisions, and service incidents. NAT monthly reports also include the percent of non-revenue hours compared to revenue hours, farebox revenue, and on-time performance.

The City noted there have been no accidents (NTD reportable or otherwise). Staff continues to work with TransTrack to maximize use of the reporting system as applicable to NAT. Additionally, Needles' transit vehicles are no longer transported to Blythe and all maintenance and repairs are done on-site at the Needles locations, excluding warranty work.

**Status:** Implemented.

### 3. [Reinstate the Google Transit Trip planning tool on the Needles Transit Services web page.](#)

**Discussion:** This recommendation was carried forward in this prior 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 a 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. At the time of the prior audit report, the Google Transit trip planner had yet to be restored on the transit page of the City of Needles website. The prior auditor recommended staff work to reinstate the Google Transit trip planner as well as a Google Translate widget feature for non-English-speaking users.

**Progress:** In March 2022, the trip planning tool (Google Transit) including the Google Translate widget feature was restored and incorporated into the transit page of the City's website. Additionally, in August 2022, the website was updated with current ADA requirements.

The auditors viewed City's transit website on September 13, 2023 and noted accessibility features are clearly identified on the right side of the screen. The Google Trip Planner is accessible via a link that reads "Click here to plan your transit" (though there is no other indicator that it goes to Google). The webpage does not have a translation widget feature, though Google does allow the language to be changed for its trip planning feature.

**City Response:** Per IT, the city's website does have Google Translate; however, for some reason it is not showing up on the "accessibility tool." With regard to the trip planner, the language translator is available and working. With this noted, as discussed with SBCTA, the city is currently in the process of moving the entire transit webpage to an independent website – [needlestransit.com](#) – that will be funded by SBCTA and hosted and maintained by an SBCTA

contactor. The city's website will have a link to connect to the transit website once it is up and running which should be within the next few months.

**Status:** Implementation in progress.

*This page intentionally blank.*

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the City of Needles both internally as well as to outside entities during the audit period.

With respect to all performance measures, financial data reported to the State Controller and in the TDA annual fiscal audit were consistent with one another. Operating data reported in the monthly reports and to the State Controller were also consistent. Information reported to the National Transit Database (NTD) was notably lower due to not including data for the demand-response service due to it not being federally funded. Fixed-route data reported to the NTD was consistent with that reported elsewhere. No concerns regarding data reporting were identified.

*(Note: Data from the TDA fiscal audit for FY 2022/23 were not available for this analysis.)*

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$501,925	\$537,361	Not available
<i>National Transit Database</i>	\$402,410	\$435,885	\$442,576
<i>State Controller Report</i>	\$501,925	\$537,361	\$557,141
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$28,988	\$40,995	Not available
<i>National Transit Database</i>	\$22,948	\$34,319	\$25,381
<i>State Controller Report</i>	\$28,988	\$40,995	\$33,178
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	4,960	4,788	5,011
<i>National Transit Database</i>	3,428	3,446	3,444
<i>State Controller Report</i>	4,960	4,788	5,011
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	61,955	62,559	63,786
<i>National Transit Database</i>	50,069	50,276	50,757
<i>State Controller Report</i>	61,955	62,559	63,786
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	20,044	22,173	25,508
<i>National Transit Database</i>	15,813	16,380	19,201
<i>State Controller Report</i>	20,044	22,173	25,508
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	5	5	5

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

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

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

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

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

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

---

<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

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

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

---

<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for the City, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the City's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via annual TDA fiscal audits for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City calculates VSH using driver trip sheets. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. Drivers document boardings on daily driver trip sheets. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation could not be confirmed.

### System Performance Trends

System operating cost experienced an 11 percent increase during the audit period, and a 28.1 percent net increase between FY 2017/18 and FY 2022/23. Fare revenue significantly decreased in FY 2020/21, the first year fully impacted by the COVID-19 pandemic, and again less significantly in FY 2022/23. This resulted in a net 14.5 percent increase during the audit period and a net 20.5 percent decrease between FY 2017/18 and FY 2022/23.

Vehicle service hours (VSH) decreased during the audit period. This resulted in a net 1.0 percent increase during the audit period and a net 0.2 percent decrease during the six-year period. Vehicle service miles (VSM) decreased in FY 2018/19 and FY 2020/21. This resulted in a net 3.0 percent increase during the audit period and a net 1.1 percent decrease during the six-year period. Ridership increased during three years of the six-year period, with the most significant decline occurring in FY 2020/21 (34.8 percent). This led to a 27.3 percent net increase during the audit period and a 10 percent net decrease across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. System cost-related metrics increased during the audit period with the exception of operating cost per passenger. Passenger-related metrics rose during



the audit period, with passengers per VSH increasing by 26 percent and passengers per VSM increasing by 23.6 percent.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$434,932	\$446,675	\$503,750	\$501,925	\$537,361	\$557,143
Annual Change		2.7%	12.8%	-0.4%	7.1%	3.7%
<b>Fare Revenue (Actual \$)</b>	\$41,722	\$47,765	\$48,395	\$28,988	\$40,995	\$33,178
Annual Change		14.5%	1.3%	-40.1%	41.4%	-19.1%
<b>Vehicle Service Hours (VSH)</b>	5,021	5,127	5,296	4,960	4,788	5,011
Annual Change		2.1%	3.3%	-6.3%	-3.5%	4.7%
<b>Vehicle Service Miles (VSM)</b>	64,515	64,010	66,965	61,955	62,559	63,786
Annual Change		-0.8%	4.6%	-7.5%	1.0%	2.0%
<b>Passengers</b>	28,355	32,624	30,738	20,044	22,173	25,508
Annual Change		15.1%	-5.8%	-34.8%	10.6%	15.0%
<b>Employees</b>	6	6	6	5	5	5
Annual Change		0.0%	0.0%	-16.7%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$86.62	\$87.12	\$95.12	\$101.19	\$112.23	\$111.18
Annual Change		0.6%	9.2%	6.4%	10.9%	-0.9%
<b>Operating Cost/Passenger (Actual \$)</b>	\$15.34	\$13.69	\$16.39	\$25.04	\$24.23	\$21.84
Annual Change		-10.7%	19.7%	52.8%	-3.2%	-9.9%
<b>Passengers/VSH</b>	5.65	6.36	5.80	4.04	4.63	5.09
Annual Change		12.7%	-8.8%	-30.4%	14.6%	9.9%
<b>Passengers/VSM</b>	0.44	0.51	0.46	0.32	0.35	0.40
Annual Change		16.0%	-9.9%	-29.5%	9.6%	12.8%
<b>Farebox Recovery</b>	9.6%	10.7%	9.6%	5.8%	7.6%	6.0%
Annual Change		11.5%	-10.2%	-39.9%	32.1%	-21.9%
<b>Hours/Employee</b>	836.8	854.5	882.7	992.0	957.6	1,002.2
Annual Change		2.1%	3.3%	12.4%	-3.5%	4.7%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.74	\$6.98	\$7.52	\$8.10	\$8.59	\$8.73
Annual Change		3.5%	7.8%	7.7%	6.0%	1.7%
<b>VSM/VSH</b>	12.85	12.48	12.64	12.49	13.07	12.73
Annual Change		-2.8%	1.3%	-1.2%	4.6%	-2.6%
<b>Fare/Passenger</b>	\$1.47	\$1.46	\$1.57	\$1.45	\$1.85	\$1.30
Annual Change		-0.5%	7.5%	-8.1%	27.8%	-29.6%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
 FY 2020/21 – FY 2021/22 financial data from annual TDA fiscal audits.  
 FY 2022/23 financial data from State Controller Reports.  
 FY 2020/21 – FY 2022/23 operating data from State Controller Reports.

Exhibit 6.2 System Ridership

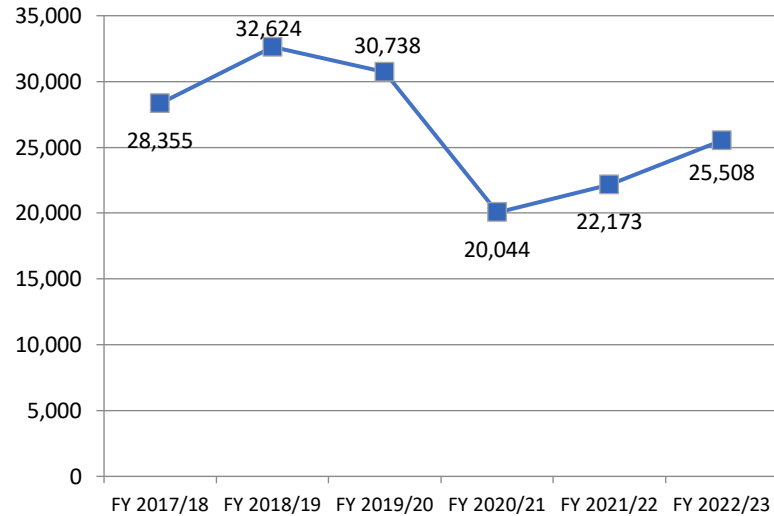


Exhibit 6.3 System Operating Cost/VSH

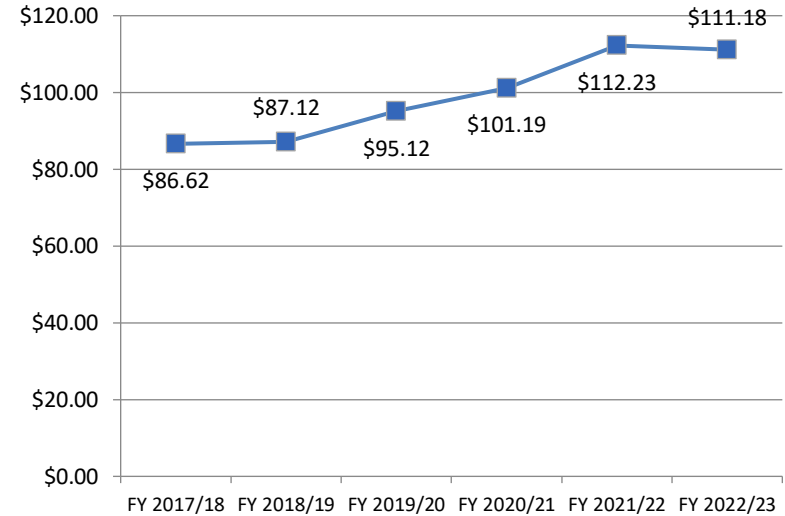


Exhibit 6.4 System Operating Cost/VSM

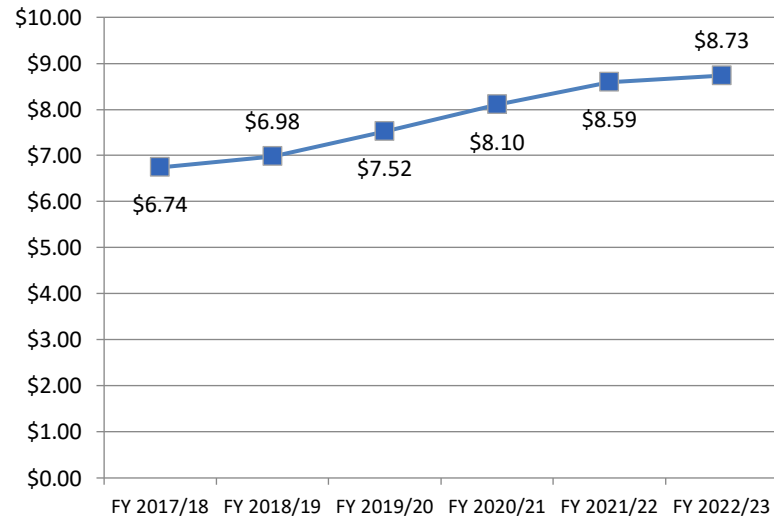


Exhibit 6.5 System VSM/VSH

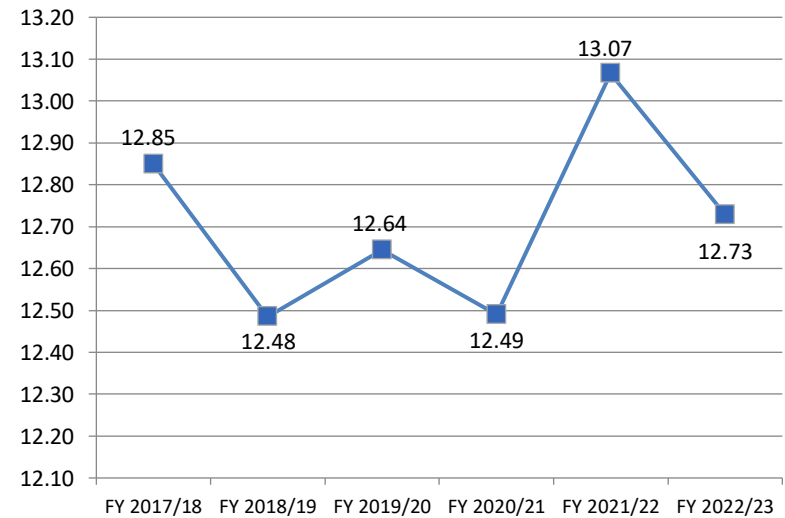


Exhibit 6.6 System Operating Cost/Passenger

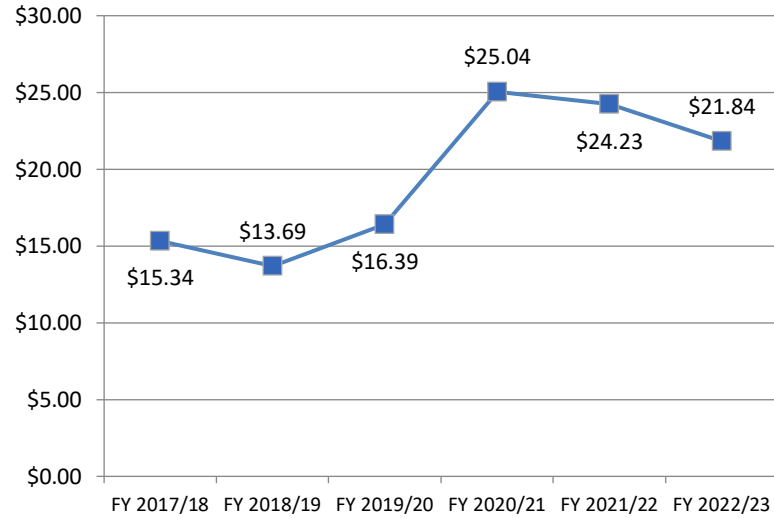


Exhibit 6.7 System Passengers/VSH

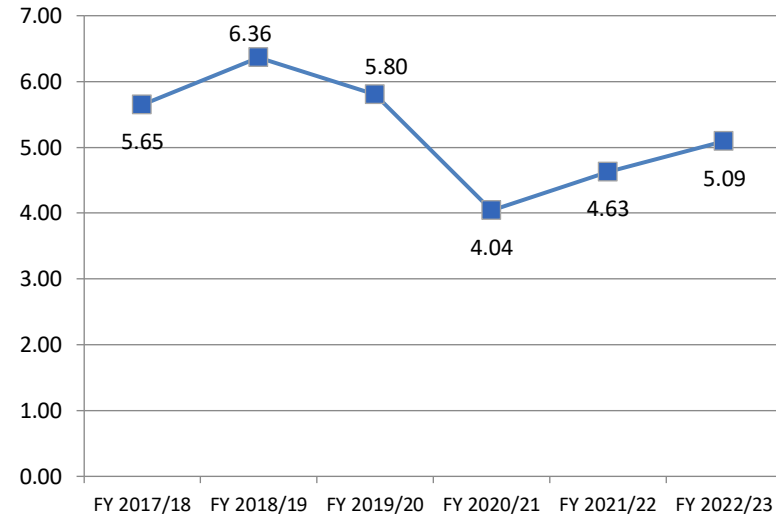


Exhibit 6.8 System Passengers/VSM

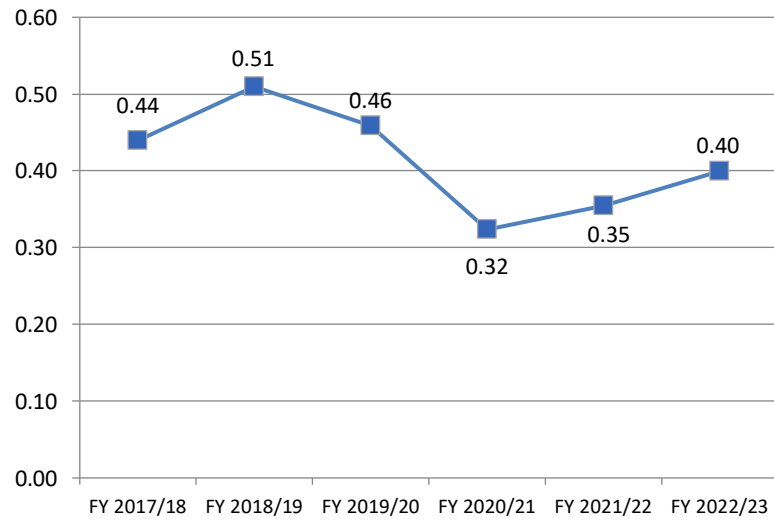


Exhibit 6.9 System VSH/FTE

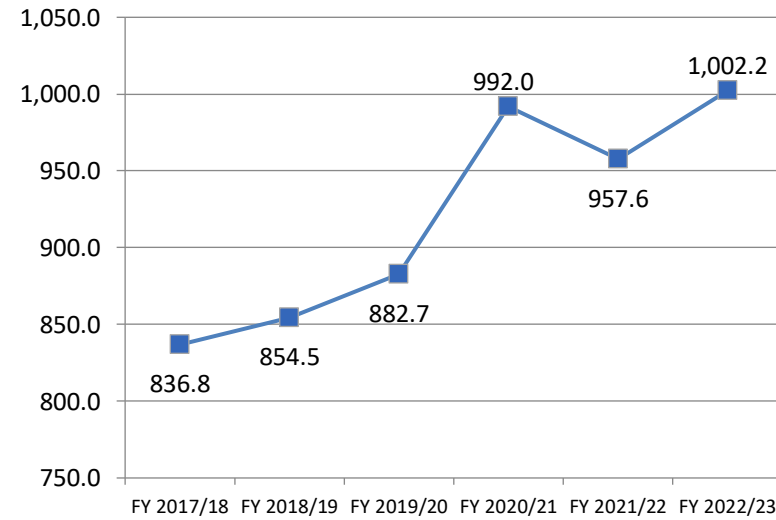


Exhibit 6.10 System Farebox Recovery

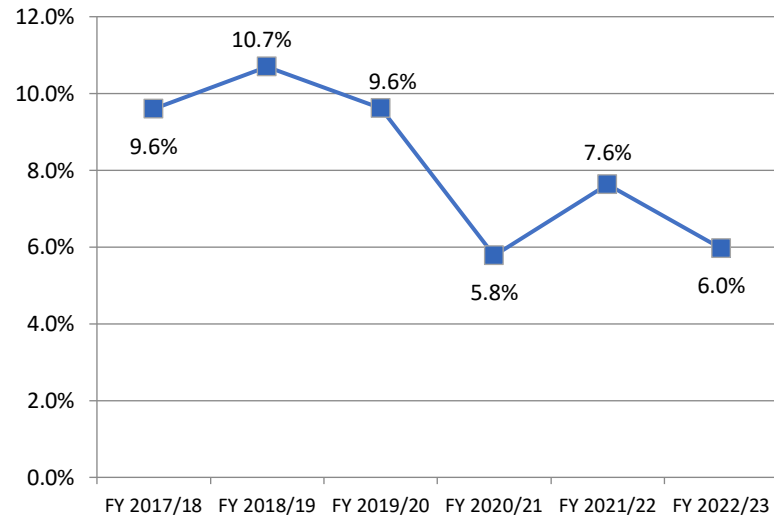
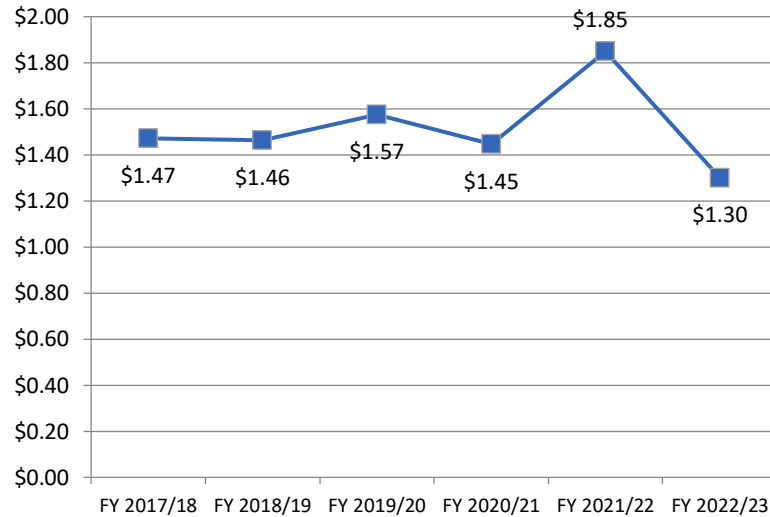


Exhibit 6.11 System Fare/Passenger



### Deviated Fixed-Route Performance Trends

Deviated fixed-route operating cost experienced a net 10 percent increase during the audit period, and a 30.2 percent net increase across the last six years. Fare revenue, however, significantly decreased three years of the six-year period. This resulted in a net 10.6 percent increase during the audit period and a net 30.2 percent decrease over six years.

Vehicle service hours (VSH) decreased every year with the exceptions of FY 2019/20 and FY 2021/22. This resulted in a net 0.5 percent increase during the audit period and a net 0.7 percent increase during the six-year period. Vehicle service miles (VSM) increased every year with the exception of FY 2020/21. This resulted in a net 1.4 percent increase during the audit period and a net 1.8 percent increase during the six-year period. Ridership increased throughout three years of the six-year period, with a significant decline occurring in FY 2020/21 (38.3 percent). This led to a 21.4 percent net increase during the audit period and an 18.9 percent net decrease across the six-year period.

Deviated fixed-route cost-related metrics increased during the audit period with the exception of operating cost per passenger. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 20.9 percent and passengers per VSM increasing by 19.8 percent.

Exhibit 6.12 Deviated Fixed-Route Performance Indicators

Performance Measure	Deviated Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$339,854	\$344,716	\$392,093	\$402,410	\$435,884	\$442,576
<i>Annual Change</i>		1.4%	13.7%	2.6%	8.3%	1.5%
<b>Fare Revenue (Actual \$)</b>	\$36,342	\$41,619	\$39,880	\$22,948	\$34,319	\$25,381
<i>Annual Change</i>		14.5%	-4.2%	-42.5%	49.6%	-26.0%
<b>Vehicle Service Hours (VSH)</b>	3,419	3,412	3,436	3,428	3,446	3,444
<i>Annual Change</i>		-0.2%	0.7%	-0.2%	0.5%	-0.1%
<b>Vehicle Service Miles (VSM)</b>	49,861	50,028	51,711	50,069	50,276	50,757
<i>Annual Change</i>		0.3%	3.4%	-3.2%	0.4%	1.0%
<b>Passengers</b>	23,665	27,623	25,616	15,813	16,380	19,201
<i>Annual Change</i>		16.7%	-7.3%	-38.3%	3.6%	17.2%
<b>Employees</b>	4	4	4	4	4	4
<i>Annual Change</i>		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$99.40	\$101.03	\$114.11	\$117.39	\$126.49	\$128.51
<i>Annual Change</i>		1.6%	12.9%	2.9%	7.8%	1.6%
<b>Operating Cost/Passenger (Actual \$)</b>	\$14.36	\$12.48	\$15.31	\$25.45	\$26.61	\$23.05
<i>Annual Change</i>		-13.1%	22.7%	66.3%	4.6%	-13.4%
<b>Passengers/VSH</b>	6.92	8.10	7.46	4.61	4.75	5.58
<i>Annual Change</i>		17.0%	-7.9%	-38.1%	3.0%	17.3%
<b>Passengers/VSM</b>	0.47	0.55	0.50	0.32	0.33	0.38
<i>Annual Change</i>		16.3%	-10.3%	-36.2%	3.2%	16.1%
<b>Farebox Recovery</b>	10.69%	12.07%	10.17%	5.70%	7.87%	5.73%
<i>Annual Change</i>		12.9%	-15.8%	-43.9%	38.1%	-27.2%
<b>Hours/Employee</b>	854.8	853.0	859.0	857.0	861.5	861.0
<i>Annual Change</i>		-0.2%	0.7%	-0.2%	0.5%	-0.1%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.82	\$6.89	\$7.58	\$8.04	\$8.67	\$8.72
<i>Annual Change</i>		1.1%	10.0%	6.0%	7.9%	0.6%
<b>VSM/VSH</b>	14.58	14.66	15.05	14.61	14.59	14.74
<i>Annual Change</i>		0.5%	2.6%	-2.9%	-0.1%	1.0%
<b>Fare/Passenger</b>	\$1.54	\$1.51	\$1.56	\$1.45	\$2.10	\$1.32
<i>Annual Change</i>		-1.9%	3.3%	-6.8%	44.4%	-36.9%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2021/22 financial data from annual TDA fiscal audits.  
FY 2022/23 financial data from State Controller Report.  
FY 2020/21 – FY 2022/23 operating data from State Controller Reports.

Exhibit 6.13 Deviated Fixed-Route Ridership

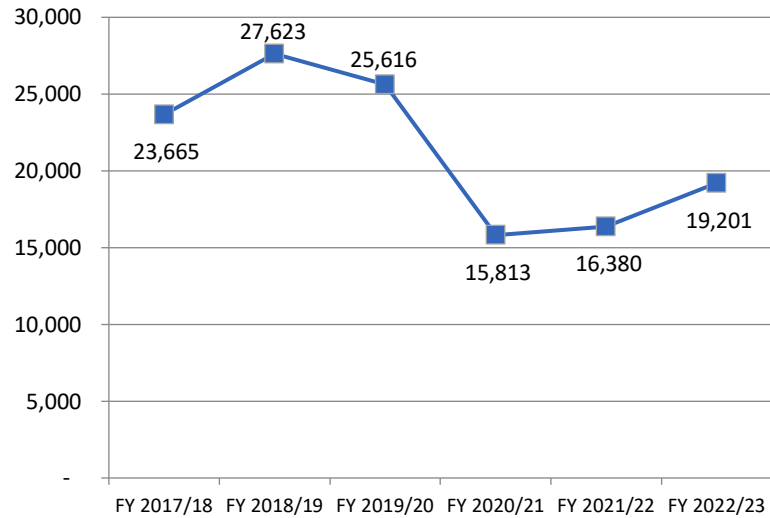


Exhibit 6.14 Deviated Fixed-Route Operating Cost/VSH

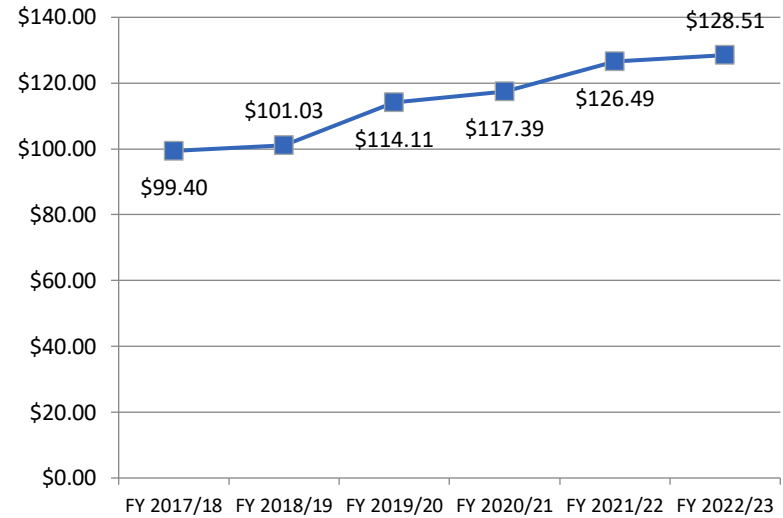


Exhibit 6.15 Deviated Fixed-Route Operating Cost/VSM

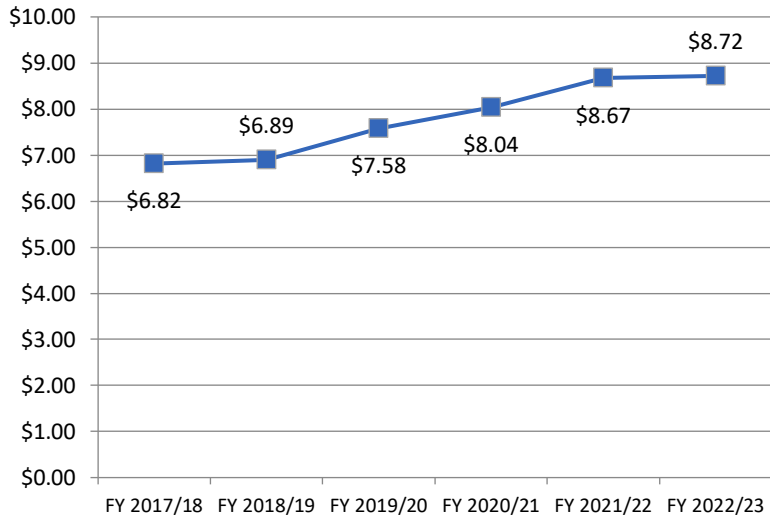


Exhibit 6.16 Deviated Fixed-Route VSM/VSH

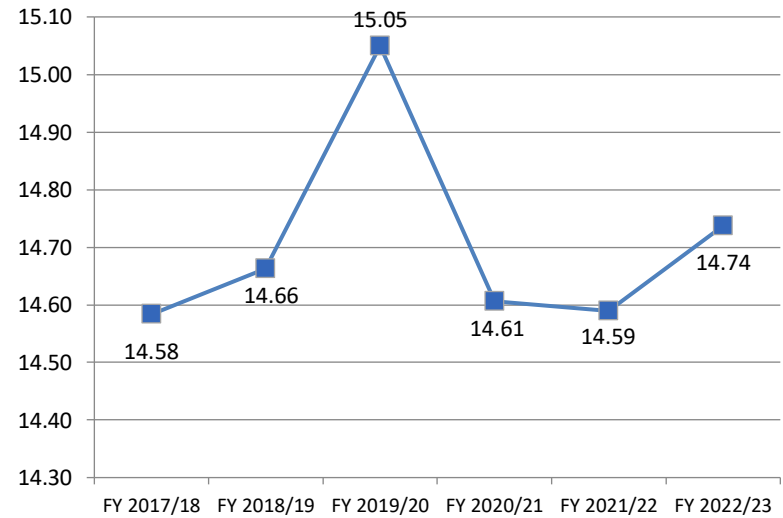


Exhibit 6.17 Deviated Fixed-Route Operating Cost/Passenger

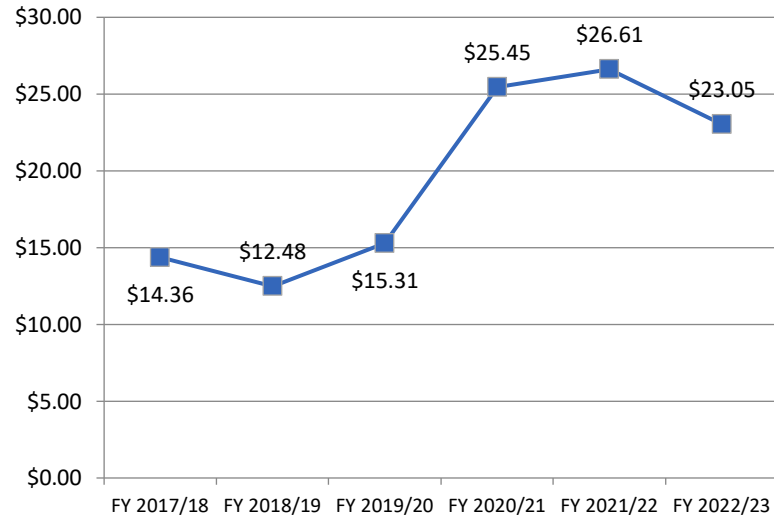


Exhibit 6.18 Deviated Fixed-Route Passengers/VSH

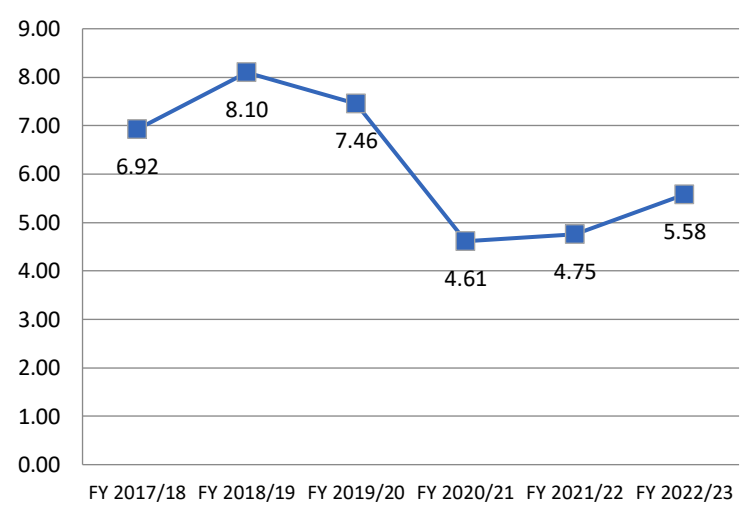


Exhibit 6.19 Deviated Fixed-Route Passengers/VSM

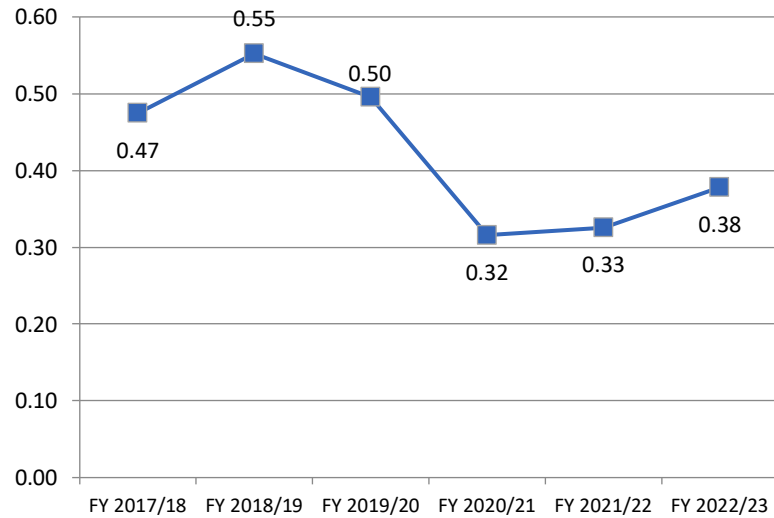


Exhibit 6.20 Deviated Fixed-Route VSH/FTE

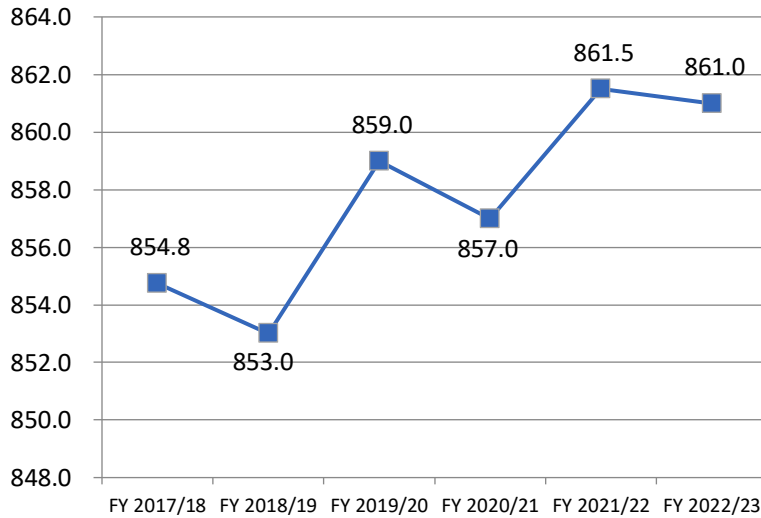




Exhibit 6.21 Deviated Fixed-Route Farebox Recovery

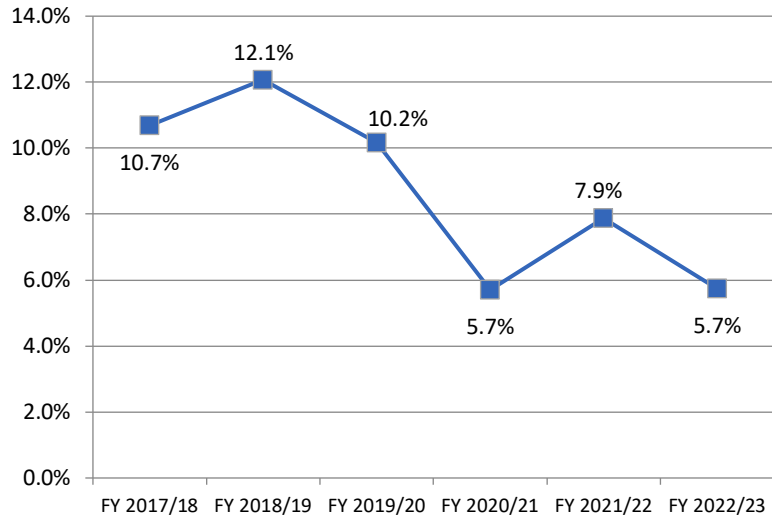
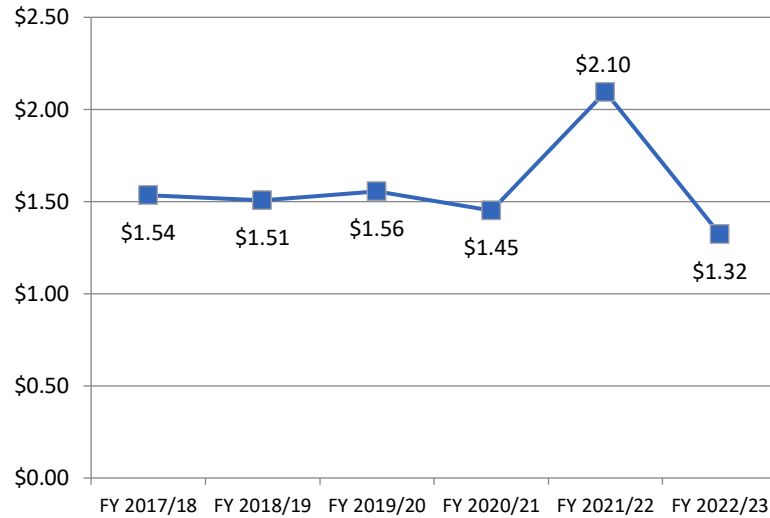


Exhibit 6.22 Deviated Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Demand-response operating cost experienced a 15.1 percent increase during the audit period, and a 20.5 percent net increase between FY 2017/18 and FY 2022/23. Fare revenue significantly decreased in FY 2020/21, as this was the first year fully impacted by the COVID-19 pandemic, but increased during each subsequent year. This resulted in a net 29.1 percent increase during the audit period and a net 44.9 percent increase between FY 2017/18 and FY 2022/23.

Vehicle service hours (VSH) decreased during the first two years of the audit period before increasing in FY 2022/23. This resulted in a net 2.3 percent increase during the audit period and a net 2.2 percent decrease during the six-year period. Vehicle service miles (VSM) decreased in FY 2018/19 and FY 2020/21. This resulted in a net 9.6 percent increase during the audit period and a net 11.1 percent decrease during the six-year period. Ridership increased each year except FY 2020/21, which experienced a decline of 17.4 percent. This led to a 49.1 percent net increase during the audit period and a 34.5 percent net increase across the six-year period.

Demand-response cost-related metrics increased during the audit period with the exception of operating cost per passenger. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 45.7 percent and passengers per VSM increasing by 36 percent.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$95,078	\$101,959	\$111,657	\$99,515	\$101,477	\$114,567
Annual Change		7.2%	9.5%	-10.9%	2.0%	12.9%
<b>Fare Revenue (Actual \$)</b>	\$5,380	\$6,146	\$8,515	\$6,040	\$6,676	\$7,797
Annual Change		14.2%	38.5%	-29.1%	10.5%	16.8%
<b>Vehicle Service Hours (VSH)</b>	1,602	1,715	1,860	1,532	1,342	1,567
Annual Change		7.1%	8.5%	-17.6%	-12.4%	16.8%
<b>Vehicle Service Miles (VSM)</b>	14,654	13,982	15,254	11,886	12,283	13,029
Annual Change		-4.6%	9.1%	-22.1%	3.3%	6.1%
<b>Passengers</b>	4,690	5,001	5,122	4,231	5,793	6,307
Annual Change		6.6%	2.4%	-17.4%	36.9%	8.9%
<b>Employees</b>	2	2	2	1	1	1
Annual Change		0.0%	0.0%	-50.0%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$59.35	\$59.45	\$60.03	\$64.96	\$75.62	\$73.11
Annual Change		0.2%	1.0%	8.2%	16.4%	-3.3%
<b>Operating Cost/Passenger (Actual \$)</b>	\$20.27	\$20.39	\$21.80	\$23.52	\$17.52	\$18.17
Annual Change		0.6%	6.9%	7.9%	-25.5%	3.7%
<b>Passengers/VSH</b>	2.93	2.92	2.75	2.76	4.32	4.02
Annual Change		-0.4%	-5.6%	0.3%	56.3%	-6.8%
<b>Passengers/VSM</b>	0.32	0.36	0.34	0.36	0.47	0.48
Annual Change		11.8%	-6.1%	6.0%	32.5%	2.6%
<b>Farebox Recovery</b>	5.7%	6.0%	7.6%	6.1%	6.6%	6.8%
Annual Change		6.5%	26.5%	-20.4%	8.4%	3.4%
<b>Hours/Employee</b>	801.0	857.5	930.0	1,532.0	1,342.0	1,567.0
Annual Change		7.1%	8.5%	64.7%	-12.4%	16.8%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.49	\$7.29	\$7.32	\$8.37	\$8.26	\$8.79
Annual Change		12.4%	0.4%	14.4%	-1.3%	6.4%
<b>VSM/VSH</b>	9.15	8.15	8.20	7.76	9.15	8.31
Annual Change		-10.9%	0.6%	-5.4%	18.0%	-9.2%
<b>Fare/Passenger</b>	\$1.15	\$1.23	\$1.66	\$1.43	\$1.15	\$1.24
Annual Change		7.1%	35.3%	-14.1%	-19.3%	7.3%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2021/22 financial data from annual TDA fiscal audits.  
FY 2022/23 financial data from State Controller Report.  
FY 2020/21 – FY 2022/23 operating data from State Controller Reports.

Exhibit 6.24 Demand-Response Ridership

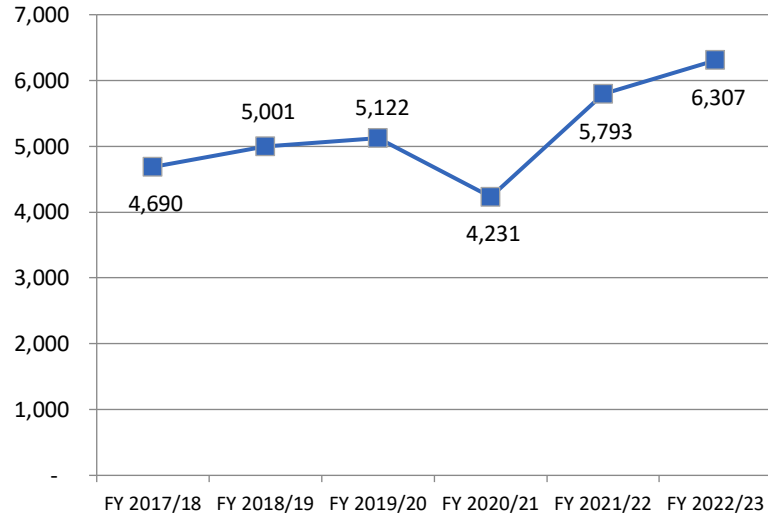


Exhibit 6.25 Demand-Response Operating Cost/VSH

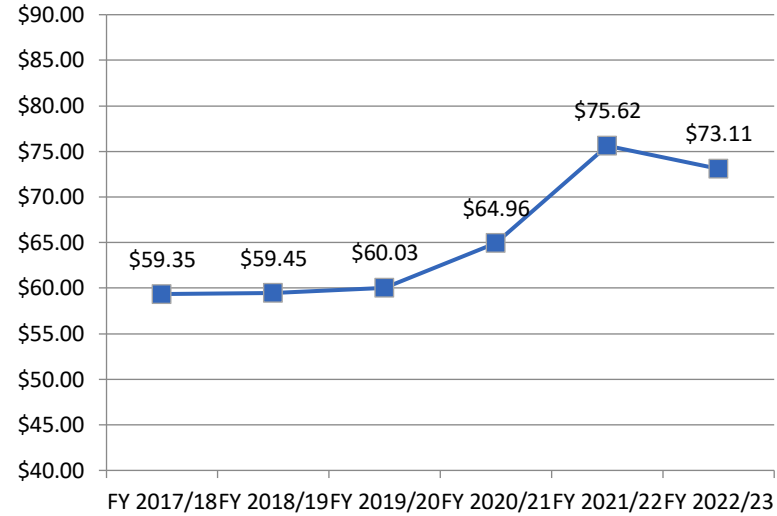


Exhibit 6.26 Demand-Response Operating Cost/VSM

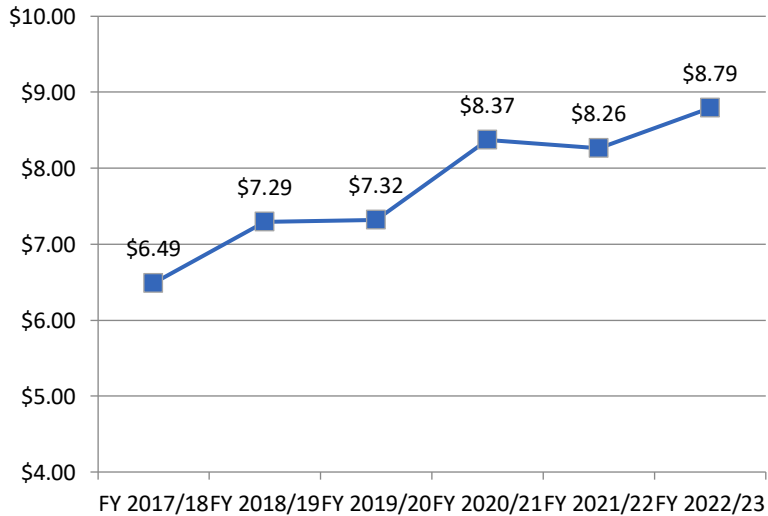


Exhibit 6.27 Demand-Response VSM/VSH

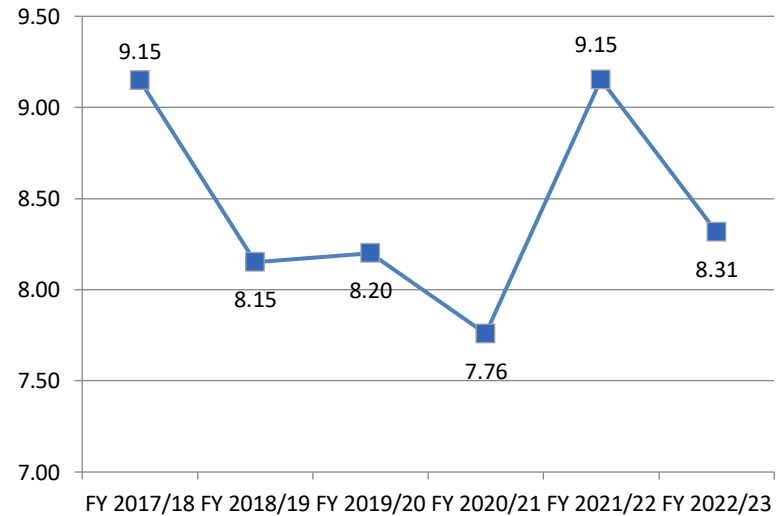


Exhibit 6.28 Demand-Response Operating Cost/Passenger

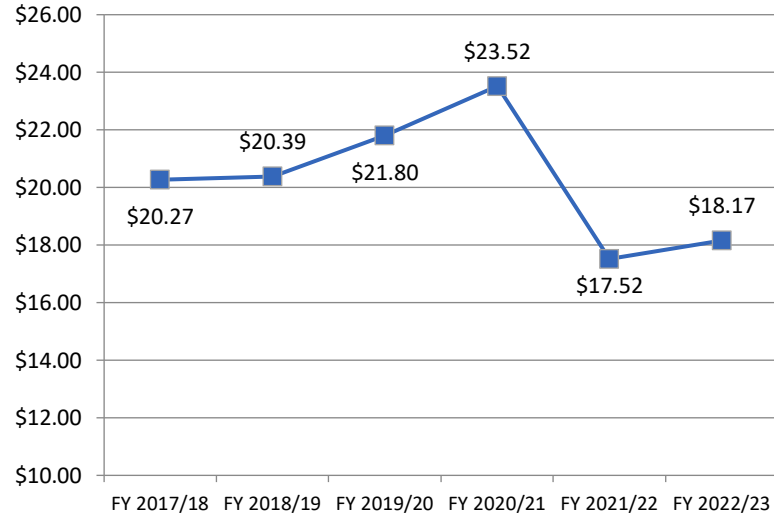


Exhibit 6.29 Demand-Response Passengers/VSH

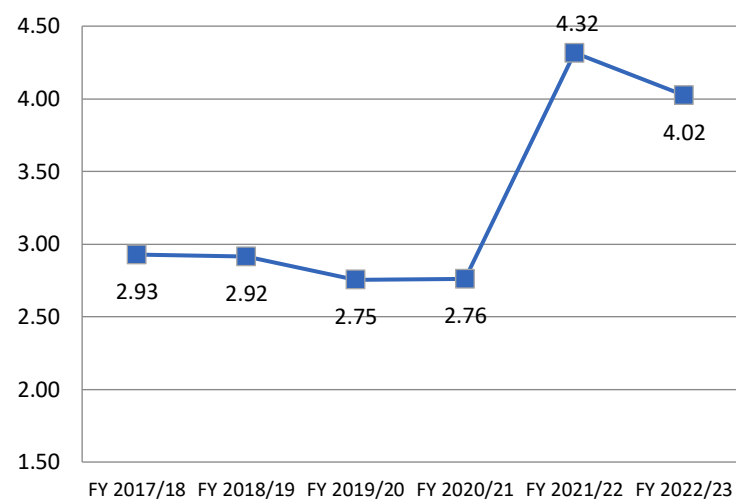


Exhibit 6.30 Demand-Response Passengers/VSM

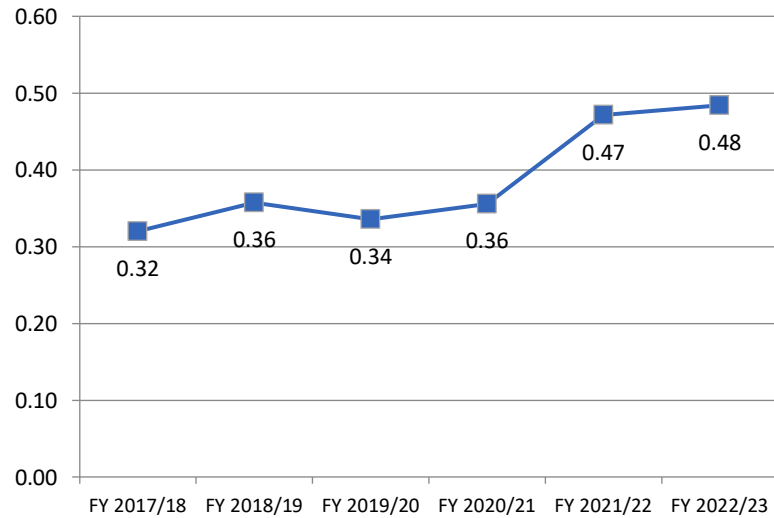


Exhibit 6.31 Demand-Response VSH/FTE

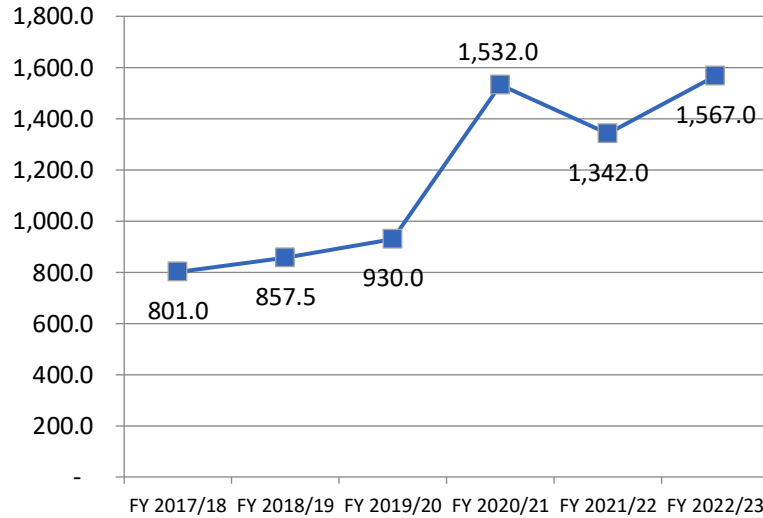


Exhibit 6.32 Demand-Response Farebox Recovery

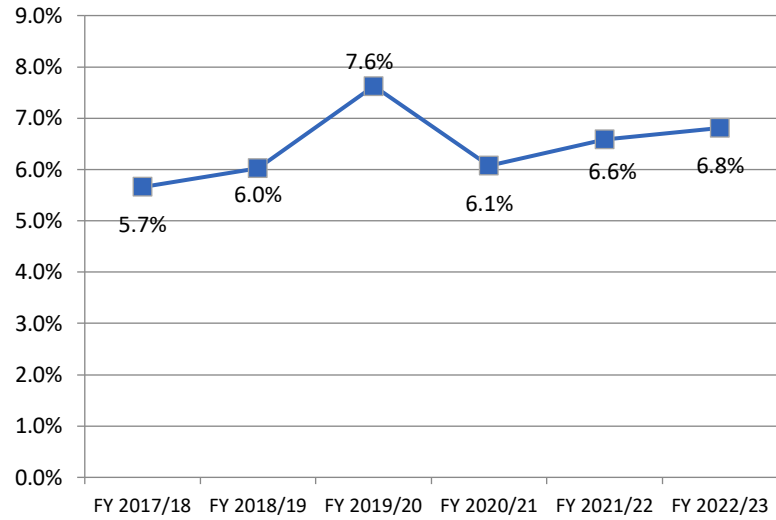
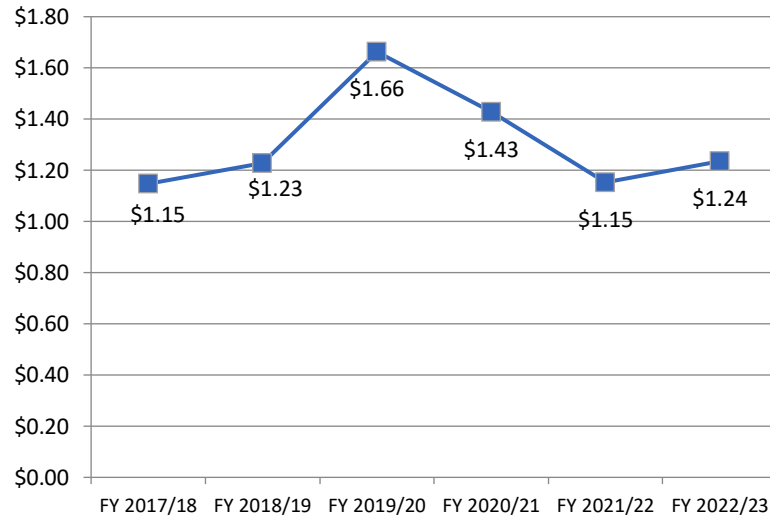


Exhibit 6.33 Demand-Response Fare/Passenger



*This page intentionally blank.*

## Chapter 7 | Functional Review

A functional review of City of Needles’ public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the City through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

### Service Overview

The City of Needles provides transportation services within the city via Needles Area Transit (NAT). Deviated fixed-route service operates weekdays from 7:00 a.m. to 6:55 p.m. and Saturday from 10:00 a.m. to 4:55 p.m. The fixed-route service is comprised of two routes which interline at G Street and Broadway Street. The West Loop operates between Pashard Street and Needles Highway and Victory Drive and East Broadway Street. The North-South Loop operates between Erin Drive and Coronado Street and Needles Town Center. Both routes serve Broadway Street between Needles Town Center and G Street. Route deviations are available upon request on a space-available basis and as time allows.

The City also provides Dial-A-Ride service for seniors age 60 and older and persons with disabilities. Local service hours are Monday through Friday from 9:00 a.m. to 2:00 p.m. Reservations are taken until 1:55 p.m. The City also provides medical transportation to facilities in Mohave Valley and Bullhead City on Tuesday and Thursday by advance prepaid reservations. A shopper shuttle to Walmart, Safeway, Smiths, and CVS in Fort Mohave is provided through advance prepaid reservations on Wednesday.

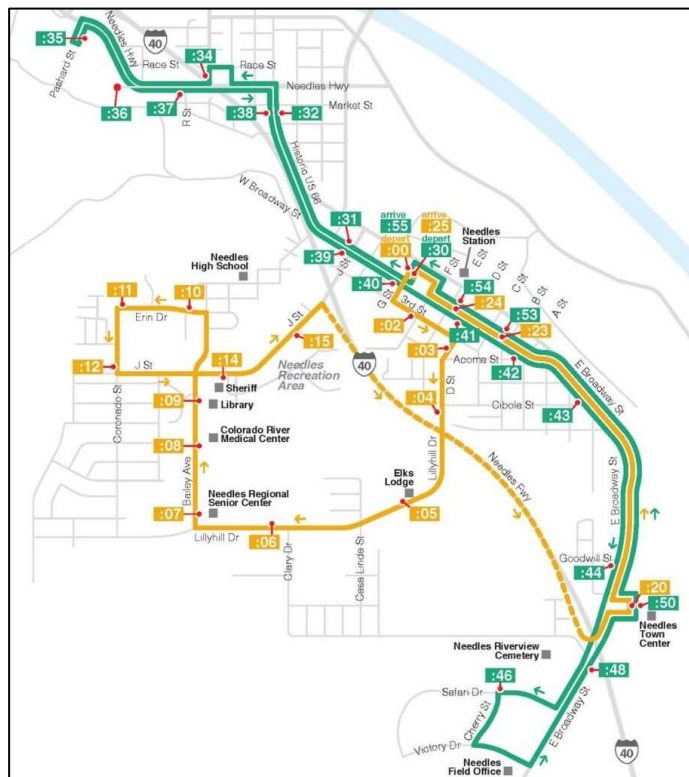




Exhibit 7.1 Fare Structure

Service	Regular Fare	Discounted Fare
Deviated fixed-route (one-way)	\$1.35	\$1.25
Deviated fixed-route 30-Punch Pass	\$39.00	N/A
Deviation Service (one-way)	\$2.00	\$1.90
Dial-A-Ride (one-way)	\$1.10	N/A
Medical Transportation to Valley View Medical Center (round-trip)	\$6.00	N/A
Medical Transportation to Bullhead City Medical Facilities (round-trip)	\$12.00	N/A
Shopper Shuttle to Fort Mohave (round-trip)	\$9.00	N/A

Discounted fixed-route fares are available to persons with disabilities and seniors age 60 and older with a City-issued photo ID. Children age five and younger ride for free with a fare-paying adult (up to two children per adult).

#### Response to COVID-19 pandemic

Service remained unchanged throughout the pandemic. Updated safety measures were implemented, including social distancing and reduced passenger capacity, as well as enhanced cleaning and providing hand sanitizer onboard. During the first pandemic year, ridership dropped to approximately 30 percent of pre-pandemic boardings due, in part, to people purchasing personal vehicles. Despite this decline, the City felt it was better off than most and is continuing to recover. The City’s biggest takeaway from the pandemic was a single thing can bring the world to its knees, and to not take things for granted.

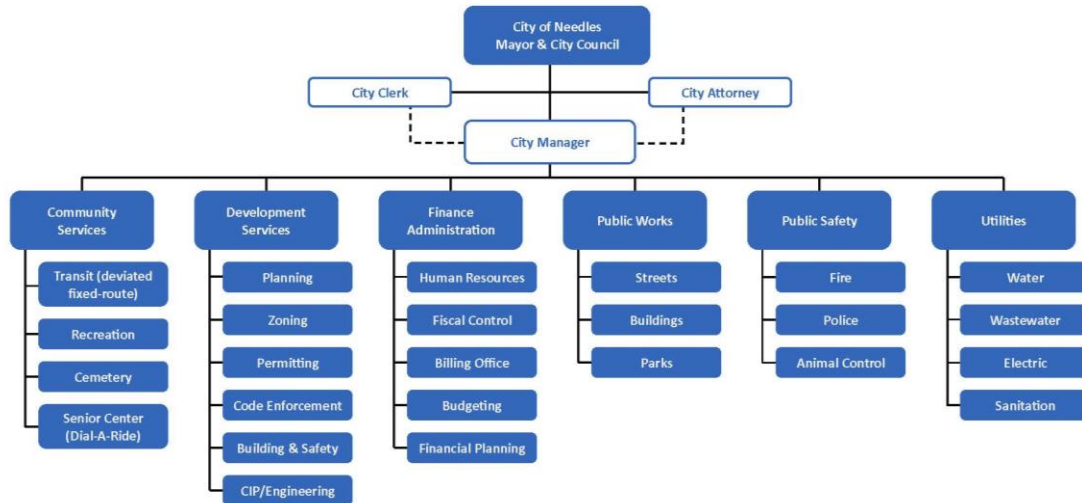
#### General Management and Organization

The City relies heavily on TransTrack software as well as close collaboration with contractor staff to provide continuing oversight of program performance. While the City feels it may not be maximizing all of the features available in TransTrack, it is able to access all necessary data, which it uses in concert with other budget and finance documents. The transit program is effectively and appropriately staffed.

The Needles city council is the governing body for the City’s transit service. Council meetings are held in the city council chambers at 1111 Bailey Avenue on the second and fourth Tuesday of each month at 6:00 pm. This location is served by NAT’s west loop route.

The Needles city council is satisfied with the service and has no specific concerns. There have been no customer complaints to the council. The City does not have a citizens’ advisory committee.

Exhibit 7.2 Organizational Chart



The City has an excellent relationship with the San Bernardino County Transportation Authority. It works with neighboring operators, who were recently very helpful as the City sought to prepare an Independent Cost Estimate (ICE) prior to its most recent contract extension with its operations contractor. The City feels Caltrans could be more supportive. It belongs to industry organizations such as CalACT.

The only service change that occurred during the audit period was the increase in Dial-A-Ride service by one hour per day in October 2022. However, the City feels that hour is not being utilized as well as it could be and is looking to encourage riders to use the service. The City is also working to enhance usage by offering additional Senior Center programming during that time period.

The City anticipates looking at GTFS in the future, especially as part of its electric fleet. This will be explored as part of the City’s next Short-Range Transit Plan (SRTP).

### Service Planning

The San Bernardino County Transportation Authority is responsible for transit planning for the City of Needles through a consultant. The most recent short range transit plan (SRTP) was completed in January 2020, just prior to the onset of the COVID-19 pandemic. The planning horizon for that document was through FY 2024/25. Given the modest size of the City’s transit program, the four recommendations included in the SRTP still likely remain relevant. They included:

1. Consolidation of the Medical and Shopper Shuttle services into a single Fort Mohave/Bullhead City limited stop service operating twice per week;
2. Bus stop improvements (including shelters, benches, and trash receptacles);
3. Preparation of a Zero Emission Bus Rollout Plan (completed); and
4. The purchase of replacement NAT vehicles.

The City expects to launch an update of its SRTP in FY 2023/24.

In 2018, customer surveys were conducted via intercept methodology onboard the buses as part of the SRTP process. An additional stakeholder survey was conducted to capture community organizations' feedback and written comments were encouraged at a public open house.

### Administration

Budgeting is handled by the Community Services Manager by looking at the prior year, anticipated contract costs for the upcoming year, fuel estimates, service hours, and planned capital costs. The Transit Manager at the San Bernardino County Transportation Authority (SBCTA) assists with anticipated revenues. The Transit budget then goes into the City budget for approval. Actual expenses and revenues are compared to budgeted amounts on a monthly basis by staff. Mid-year budget revisions are made on an as-needed basis, but are very infrequent. Funds can be moved between line items within a specific fund or account budget by the Community Services Manager and Finance Director without council approval.

While the deviated fixed-route service (NAT) receives federal funding, the Dial-A-Ride service does not. Dial-A-Ride is funded primarily through the TDA (State Transit Assistance funds) and Measure I. The Medical and Shopper Shuttles are budgeted separately from the local Dial-A-Ride.

The City does not directly apply for grants except for FTA Section 5311. The SBCTA handles most of the funding and helps to shoulder some of the funding reporting duties. This is especially important as the City has no full-time dedicated transit employees. The TDA fiscal auditor is responsible for preparing the State Controller Transit Operator Financial Transaction Reports while the Community Services Manager prepares the National Transit Database reports.

The operations contractor insures the operation and vehicles. The NAT office and garage are maintained on the City's property insurance. The City is self-insured and is a member of the California Joint Powers Insurance Authority (CJPIA).

The City has a formal procurement policy as part of its Policy Manual. Purchases higher than \$15,000 must go through a formal bidding process. Purchases between \$5,000 and \$15,000 require three informal quotes. Purchases up to \$5,000 can be approved by City staff. The City typically uses the CalACT bid to purchase vehicles.

Transportation Concepts has been the City's transit operations contractor since 2019, including deviated fixed-route (NAT) and all demand-response (all Dial-A-Ride services). At that time, the prior contractor gave notice it was terminating its contract due to a buy-out and a "refocusing" of the organization. The initial procurement process garnered no bids, and a re-bid resulted in two bids, at which time Transportation Concepts was selected. The City has been very happy with Transportation Concepts and recently extended its contract to June 30, 2025. The City has one more two-year option before it will need to put the contract out for bid again.

### Marketing and Public Information

The City promotes its transit service on its webpage. The webpage, which is hosted on the City's website, includes service and fare information, Title VI policy, information regarding regional transit, and a link to Google's transit planner. Program flyers are available at the hospital, the senior center, and city offices. However, the City relies heavily on word of mouth. The City does not currently utilize social media. The

City Manager has been hesitant to do so. The City promotes county-wide fare promotions, such as the recent K-12 and college students ride free. It coordinates with schools by providing informational flyers, as well as the County which purchases tickets for distribution to seniors and clients.

The Senior Center and the contractor's Project Manager are responsible for taking all transit-related customer phone calls. If necessary, they are referred to the Community Services Manager for handling. While the Project Manager has access to TransTrack, the Dial-A-Ride dispatcher at the Senior Center does not. All complaints are logged into TransTrack by the Community Services Manager.

Overall, the public's perception of transit is generally positive. At present, Dial-A-Ride ridership is increasing faster than NAT ridership, due in part to a greater number of disabled riders. The City hopes a new SRTP will provide additional feedback regarding public perception.

### Scheduling, Dispatch, and Operations

Operation of the City's transit programs is contracted to Transportation Concepts, though dispatching for the Dial-A-Ride program is done through the Senior Center rather than the transit office. The City's transit programs are currently staffed by four full-time NAT drivers, one full-time Dial-A-Ride driver, and one project manager, as well as one part-time utility worker who also drives the Medical and Shopper shuttles. The Dial-A-Ride dispatcher is a City employee.

Drivers are not unionized. There is no bid system; drivers typically work the same schedule every week. Planned absences are accommodated through adjustments to weekly schedules and are typically covered by the other drivers or the project manager. The Project Manager frequently covers for unplanned absences.

Each service has dedicated vehicles which are not usually mixed. Mileage typically determines which will be sent out first. Very rarely are Dial-A-Ride buses used for NAT service (only in an emergency situation if NAT buses are down for maintenance or repairs). Any driver can return a bus if it feels unsafe. Non-functioning air conditioning is an out-of-service criteria.

Fares are collected using drop fareboxes on the NAT buses and a cup on the Dial-A-Ride. At the end of each shift, NAT drivers bring the fareboxes into the transit office and empty them in front of a witness. The money is placed in an envelope and stored in the safe until deposits are made with the City on Monday, Wednesday, and Friday. High usage of passes minimizes the amount of cash collected. Dial-A-Ride drivers follow the same process, though fares are delivered to and counted with the Senior Center aide/dispatcher, who deposits fares with the City once per week on Friday.

The City offers a NAT 30-punch pass and a single-boarding pass, which are sold at City Hall. Single-boarding Dial-A-Ride passes are available at the Senior Center, with large quantity purchases made at City Hall. All prepaid passes are also purchased by and distributed through County programs, Behavioral Health, etc. The City does not currently offer mobile ticketing.

### Personnel Management and Training

At present, the City's program is fully staffed, though it was short-staffed by two drivers at one point during the audit period. The contractor will accept recruits with any level of training and train up to what they need. Recruitment efforts have included referral programs, hiring bonuses, posters onboard the

vehicles, and on employment websites such as Monster and Indeed. The contractor has the ability to send drivers up from the Los Angeles region if necessary to ensure the continuation of service.

Management motivates employees through lunches, safety incentives, periodic bonuses, and other activities. It offers a friendly and happy environment that makes employees feel comfortable and want to work. Employees receive annual job performance evaluations. There was no real driver shortage until recently, when one driver retired and other moved out of state for personal reasons. It can be challenging to retain people who come in from outside of Needles, because many of them (or their families) do not know what to expect from the environment and choose to leave.

Monthly safety meetings are conducted by the contractor's Project Manager, with the regional Safety Training Manager providing training and ride checks on a quarterly basis. Commercial license testing is conducted by the DMV. Personnel policies, including discipline and attendance, are communicated to employees during the onboarding process and are included within the contractor's employee handbook. Random drug-testing is conducted as per Transportation Concepts' drug and alcohol program as required by the FTA. All transit employees receive benefits including vacation; sick time; 401(k); and health, vision, and dental insurance. Benefits information is communicated through the Pay Common payroll portal and email.

### Maintenance

All transit vehicle maintenance is provided by the contractor's company-wide staff of 12 maintenance technicians. Transportation Concepts has a maintenance facility in Blythe and staffs a part-time mechanic in Needles. The part-time mechanic handles all minor maintenance requests. Preventive maintenance and other repairs typically require bringing in maintenance staff from Blythe or the Los Angeles region once or twice per month.

Preventive maintenance is tracked using an Excel spreadsheet and Fleetio software, which staff says is very user-friendly. The system features a PMI plotter, which anticipates when PMIs are due based on days and miles. This is monitored through Transportation Concepts' maintenance department in Los Angeles. Records are kept in a book for each vehicle and compliance can be easily evaluated. Preventive maintenance is conducted every 45 days, which reflects the manufacturer's recommended schedule for preventive maintenance. PMIs are planned at least a week ahead, and may be conducted after service ends for the day.

Warranty work is identified and typically provided in a timely manner. Anything that would need heavy equipment (such as transmission, body work, and tires) is sent out. There are a sufficient number of vendors in the area to provide such services.

The City has a small maintenance facility near the transit office and the contractor has a maintenance location in Blythe. For more major repairs (such as those requiring a lift), vehicles are taken to the contractor's facility in Blythe. The City and contractor would like to have a larger maintenance area, wash bay, space to secure vehicles at the facility, and infrastructure to support electrification. Additionally, the City would like to build an additional three-bay garage to store all transit vehicles on-site.

Many of the existing challenges with the fleet are related to extreme heat and older vehicles. A fleet replacement plan will be included in the upcoming SRTP update. The City is looking toward electrification, but is unsure how it will work in the current environment.

There is no current backlog regarding vehicle repairs, though there have been some occasions when they were waiting for parts. There are still some delays in getting parts, but it has improved. The contractor keeps a small parts stock in the maintenance garage. Mechanics that come in to conduct preventive maintenance bring parts with them. There are also several national chain auto parts stores in town that keep things stocked.

The current transit fleet is provided in Exhibit 7.3.

Exhibit 7.3 City of Needles' Transit Fleet

Vehicle Number	Year	Manufacturer/Model	Usage	Seats/ PAX + WC	Mileage
N-7	2012	Elkhart	NAT	18 / 16 + 2	166,673
N-9	2018	Glaval Titan II	NAT	18 / 16 + 2	145,810
N-10	2018	Glaval Titan II	NAT	18 / 16 + 2	120,541
S-3	2002	Ford	DAR	8 / 4+1	75,020
S-4	2008	ElDorado Aerolite	DAR	7 + 2	92,144
S-5	2009	Starcraft Starlite Type I	DAR	7 + 2	98,375
S-6	2019	Arboc Spirit of Independence	DAR	8 / 5 + 2	17,552

*This page intentionally blank.*

## Chapter 8 | Findings and Recommendations

### Conclusions

With one exception, Moore & Associates finds the City of Needles to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

The audit team identified no functional findings.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there are no functional findings, only compliance findings and recommendations are presented below.

### Compliance Finding 1: Use of the TDA definition of Full-Time Equivalent (FTE) employee could not be confirmed.

**Criteria:** The State Controller, for its Transit Operator Financial Transaction Report, utilizes the TDA definition of full-time equivalent (FTE) employee for the reporting of employees. This definition, included as part of PUC 99247, calls for a definition of "employee" as total work hours divided by 2,000. Work hours include all hours worked (including overtime), but not vacation or sick leave hours that, while they may be paid, are not worked.

**Condition:** Insufficient information was provided during the audit to confirm whether the City is using the TDA definition of FTE. While the Employees reported to the State Controller appeared consistent with the TDA definition, no calculation methodology was provided.

**Cause:** A lack of understanding of this requirement of the State Controller Report is the most frequent cause of this finding.



**Effect:** The operator is out of compliance with the TDA and may report erroneous information to the State Controller by failing to use the TDA definition for this metric.

**Recommendation:** Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.

**Recommended Action:** Ensure both the City and Transportation Concepts document all hours worked related to transit beginning with FY 2022/23. City administrative hours may need to be allocated between fixed-route (general operations) and demand-response (specialized services) based on either actual work performed or a formula based on vehicle service hours by mode. The City’s Dial-A-Ride dispatcher hours should be included in the calculation for specialized services. The contractor’s hours should include administrative, managerial, driver, and maintenance staff. Ensure the individual(s) completing the reports are aware of how to calculate this data using the TDA definition. An example using hypothetical data is shown below.

Fixed-route		Dial-A-Ride	
City hours	400	City hours	1,025
Contractor – admin hours	2,200	Contractor – admin hours	300
Contractor – driver hours	5,875	Contractor – driver hours	1,250
Contractor – maintenance hours	450	Contractor – maintenance hours	80
Total hours	8,925	Total hours	2,655
FTE (hours/2,000)	4.46	FTE (hours/2,000)	1.33

Since the State Controller Report only accepts whole numbers, the fixed-route FTE (which is on the cusp of 4.5) may be reported as either four or five. The Dial-A-Ride FTE should be reported as one. The calculation methodology should be provided to the TDA Triennial Performance Auditor for each year of the audit period to verify the data reported to the State Controller.

**Timeline:** FY 2023/24 (for FY 2022/23 reporting).

**Anticipated Cost:** Negligible.

**Management Response:** The TDA-defined full-time equivalent (FTE) employee definition was implemented with the State Controller’s Reports for FY 2022/23.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.	Medium	FY 2023/24

# Omnitrans

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024





# Table of Contents

---

Chapter 1   Executive Summary .....	1
Chapter 2   Audit Scope and Methodology .....	5
Chapter 3   Program Compliance .....	9
Chapter 4   Prior Recommendations .....	13
Chapter 5   Data Reporting Analysis .....	15
Chapter 6   Performance Analysis .....	17
Chapter 7   Functional Review.....	37
Chapter 8   Findings and Recommendations .....	49

*This page intentionally blank.*

# Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations .....	3
Exhibit 3.1 Transit Development Act Compliance Requirements .....	10
Exhibit 5.1 Data Reporting Comparison.....	16
Exhibit 6.1 System Performance Indicators .....	20
Exhibit 6.2 System Ridership .....	21
Exhibit 6.3 System Operating Cost/VSH .....	21
Exhibit 6.4 System Operating Cost/VSM.....	21
Exhibit 6.5 System VSM/VSH.....	21
Exhibit 6.6 System Operating Cost/Passenger .....	22
Exhibit 6.7 System Passengers/VSH .....	22
Exhibit 6.8 System Passengers/VSM.....	22
Exhibit 6.9 System VSH/FTE .....	22
Exhibit 6.10 System Farebox Recovery .....	23
Exhibit 6.11 System Fare/Passenger.....	23
Exhibit 6.12 Fixed-Route Performance Indicators.....	25
Exhibit 6.13 Fixed-Route Ridership.....	26
Exhibit 6.14 Fixed-Route Operating Cost/VSH .....	26
Exhibit 6.15 Fixed-Route Operating Cost/VSM .....	26
Exhibit 6.16 Fixed-Route VSM/VSH .....	26
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	27
Exhibit 6.18 Fixed-Route Passengers/VSH .....	27
Exhibit 6.19 Fixed-Route Passengers/VSM .....	27
Exhibit 6.20 Fixed-Route VSH/FTE.....	27
Exhibit 6.21 Fixed-Route Farebox Recovery.....	28
Exhibit 6.22 Fixed-Route Fare/Passenger .....	28
Exhibit 6.23 Operating cost/VSH – comparison .....	30
Exhibit 6.24 Operating cost/VSM – comparison .....	30
Exhibit 6.25 VSM/VSH – comparison.....	30
Exhibit 6.26 Operating cost/Passenger – comparison.....	30
Exhibit 6.27 Passengers/VSH – comparison.....	31
Exhibit 6.28 Passengers/VSM – comparison.....	31
Exhibit 6.29 Farebox recovery ratio – comparison.....	31
Exhibit 6.30 Fare/Passenger – comparison.....	31
Exhibit 6.31 Demand-Response Performance Indicators .....	33
Exhibit 6.32 Demand-Response Ridership .....	34
Exhibit 6.33 Demand-Response Operating Cost/VSH.....	34
Exhibit 6.34 Demand-Response Operating Cost/VSM .....	34

Exhibit 6.35 Demand-Response VSM/VSH.....	34
Exhibit 6.36 Demand-Response Operating Cost/Passenger .....	35
Exhibit 6.37 Demand-Response Passengers/VSH.....	35
Exhibit 6.38 Demand-Response Passengers/VSM .....	35
Exhibit 6.39 Demand-Response VSH/FTE .....	35
Exhibit 6.40 Demand-Response Farebox Recovery .....	36
Exhibit 6.41 Demand-Response Fare/Passenger.....	36
Exhibit 7.1 Local Service Fare Structure .....	38
Exhibit 7.2 Dial-A-Ride Fare Structure .....	38
Exhibit 7.3 Organizational Chart.....	40
Exhibit 7.4 Omnitrans’ Transit Fleet .....	47
Exhibit 8.1 Audit Recommendations .....	50

## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Omnitrans as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Omnitrans' public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

Omnitrans provides public transit service on 28 fixed routes covering 15 cities and portions of unincorporated San Bernardino County. Additionally, Omnitrans operates sbX Green Line, a 15.7-mile express route from California State University San Bernardino to Loma Linda University and Medical Center. The Express route fare is the same as the regular fixed-route. Service does not operate on designated holidays.

Omnitrans' ADA service is marketed as OmniAccess and is available to qualified applicants whose physical or cognitive limitations prevent them from using Omnitrans' fixed-route service. OmniAccess is a curb-to-curb service and operates during the same hours as the fixed-route service.

Omnitrans also operates a microtransit service, called OmniRide, in Bloomington, Chino/Chino Hills and Upland with on-demand, reservation-based transportation. Reservations made be made on an app and then picked up and dropped off at their desired location within the service area. Each trip on OmniRide includes a day pass for Omnitrans buses.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.



This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

### Test of Compliance

Based on discussions with Omnitrans staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included two recommendations:

1. Continue pursuit of potential revenue agreements and cooperative partnerships as part of Omnitrans' revenue enhancement strategy.  
**Status:** Implemented.
2. Continue evaluation of technology solutions and integration of administrative and operational functions.  
**Status:** Implemented.

### Findings and Recommendations

Based on discussions with Omnitrans staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for Omnitrans.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. Omnitrans has been unable to return to full service levels due to a staffing shortage.

In completing this Triennial Performance Audit, we submit the following recommendations for Omnitrans' public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Continue to evaluate recruitment and hiring practices, salary and benefit structures, and other factors to encourage successful hiring and retention.	High	ASAP

*This page intentionally blank.*

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Omnitrans' public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Omnitrans as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of Omnitrans included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of Omnitrans included thorough review of documents relevant to the scope of the audit, as well as information contained on Omnitrans' website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;

- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a site visit with Omnitrans representatives on September 25, 2023. The audit team met with Samuel Wong (Budget and Grants Manager), Maurice Mansion (Finance Director), Charles De Simoni (Accounting Manager), Jeramiah Bryant (Chief Strategy and Planning Officer), and Mario Jacquez (Operations); toured the operations and maintenance facility; and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines Omnitrans' compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Omnitrans considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with Omnitrans staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance items were identified for Omnitrans.

### Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2020/21: January 27, 2022 FY 2021/22: January 26, 2023 FY 2022/23: January 26, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2020/21: December 31, 2021 FY 2021/22: December 22, 2022 FY 2022/23: Completion expected by March 31, 2024
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	Rancho Cucamonga (Feron Blvd.): March 9, 2021 March 8, 2022  San Bernardino (I St.): February 4, 2020 December 22, 2020 December 16, 2021 December 22, 2022  Montclair (Arrow Hwy): May 21, 2020 June 9, 2021 July 15, 2022 June 28, 2023  San Bernardino (5 <sup>th</sup> St.): May 14, 2020 May 6, 2021 April 28, 2022 May 5, 2023
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	Omnitrans does not claim Article 8(c) funding.
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	Omnitrans does not claim Article 8(c) funding.

Compliance Element	Reference	Compliance	Comments
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2020/21: -8.58% FY 2021/22: +34.03% FY 2022/23: -27.17%  <i>The significant increase in the FY 2021/22 budget was due to anticipating a return to full operations following the pandemic.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Per Standard Assurances in TDA claim form (2021).
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance	Fixed-route: FY 2020/21: 18.83% (waived) FY 2021/22: 26.61% FY 2022/23: 22.67%  System: FY 2020/21: 22.04% FY 2021/22: 26.32% FY 2022/23: 26.90%  <i>FY 2021 and FY 2022 from TDA fiscal audit. FY 2023 from State Controller Report. Measure I funds used to supplement fare revenues. Penalties waived under AB 149.</i>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2020/21: 47.14% FY 2021/22: 24.87% FY 2022/23: 28.39%  <i>FY 2021 and FY 2022 from TDA fiscal audit. FY 2023 from State Controller Report. Measure I funds used to supplement fare revenues. Penalties waived under AB 149.</i>

Compliance Element	Reference	Compliance	Comments
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 for 40 years.	PUC 99271	In compliance	
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	Not applicable	This requirements was waived under AB 149 during the audit period.
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance Omnitrans has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020– included two recommendations:

1. [Continue pursuit of potential revenue agreements and cooperative partnerships as part of Omnitrans’ revenue enhancement strategy.](#)

**Discussion:** At the time of the prior audit, Omnitrans had 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 was encouraged to pursue such an arrangement with local primary and secondary school districts as well as other local institutions that benefit from Omnitrans ridership. Given the status and current uncertainties with public transit in general, the prior auditor noted Omnitrans’ active partnerships help stabilize operations and provide a steady revenue stream while providing more visibility to the service.

**Progress:** Omnitrans began using the Measure I revenue received as part of its farebox recovery ratio, which is allowable under the changes to the calculation included in AB 149. Additionally, Omnitrans won competitive American Recovery Plan Act funds and continues to apply for competitive grant opportunities.

**Status:** Implemented.

2. [Continue evaluation of technology solutions and integration of administrative and operational functions.](#)

**Discussion:** During the course of the prior 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 had been made over time to improve both internal and customer-facing interfaces. The auditor found 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’ 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.

**Progress:** Omnitrans continues to integrate value-added technologies to improve operational performance and efficiency with a focus being on customer service. Two examples include the introduction of the OmniRide microtransit service, which allows customers to use an app to schedule and pay for service, in Upland and Bloomington; and the launch of the Transit app that fully allows customers to schedule and pay for their trip and facilitates fare-capping.

**Status:** Implemented.

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by Omnitrans both internally as well as to outside entities during the audit period.

- **Operating Cost:** Operating cost was generally consistent between the Omnitrans ACFR and the State Controller Report. In FY 2020/21, the operating cost reported to the NTD was slightly lower (0.1 percent) than that reported elsewhere. In FY 2021/22, the operating cost reported to the NTD was 8.1 percent higher than that reported elsewhere. In FY 2022/23, the operating cost reported to the NTD was 3.1 percent lower than that in the State Controller Report. The source of these variances is unknown. *(Note: The Omnitrans FY 2022/23 ACFR had not yet been completed when this report was finalized, and could not be used for comparison.)*
- **Fare Revenue:** Similar to operating cost, fare revenue was generally consistent between the Omnitrans ACFR and the State Controller Report. In FY 2020/21, the passenger and organization-paid fares reported to the NTD was higher (5.6 percent) than passenger fares reported elsewhere. In FY 2021/22, the fare revenue reported to the NTD was 1.0 percent higher than that reported elsewhere, and in FY 2022/23 it was 1.5 percent higher. The source of this variance may be due to some revenues counted as organization-paid fares in the NTD report are counted under another revenue source in other reports.
- **Vehicle Service Hours (VSH):** This metric was reported consistently between the State Controller and NTD reports. Monthly performance reports may be unaudited, accounting for the modest variances.
- **Vehicle Service Miles (VSM):** This metric was reported consistently between the NTD and State Controller reports. VSM was not included in the monthly performance reports.
- **Passengers:** This metric was reported consistently between the State Controller and NTD reports. Monthly performance reports may be unaudited, accounting for the modest variances.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>			
<i>Omnitrans ACFR</i>	\$78,264,894	\$69,950,920	Not available
<i>National Transit Database</i>	\$78,173,925	\$75,637,342	\$79,050,884
<i>State Controller Report</i>	\$78,264,893	\$69,950,921	\$81,533,038
<b>Fare Revenue (Actual \$)</b>			
<i>Omnitrans ACFR</i>	\$9,331,328	\$8,848,865	Not available
<i>National Transit Database</i>	\$7,013,709	\$7,803,829	\$7,640,633
<i>State Controller Report</i>	\$6,639,108	\$7,726,741	\$7,527,114
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	497,520	533,691	568,101
<i>National Transit Database</i>	496,396	536,370	563,089
<i>State Controller Report</i>	496,396	536,371	563,088
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	Not provided	Not provided	Not provided
<i>National Transit Database</i>	6,823,053	7,406,884	7,726,562
<i>State Controller Report</i>	6,823,053	7,406,894	7,726,561
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	4,024,156	5,097,891	6,101,602
<i>National Transit Database</i>	4,024,294	5,100,913	6,101,602
<i>State Controller Report</i>	4,024,294	5,100,913	6,101,607
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	513	509	549

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

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

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

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

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

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

---

<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.



- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

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

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

---

<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for Omnitrans, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the Omnitrans' audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller and NTD reports submitted to the FTA for each fiscal year covered by this audit. Omnitrans calculates VSH using scheduled hours and subtracting exceptions, as tracked in Transit Master. Omnitrans' calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller and NTD reports submitted to the FTA for each fiscal year covered by this audit. Omnitrans calculates VSM using scheduled mileage and making adjustments for actual operations (based on vehicle odometer readings), as tracked in Transit Master. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller and NTD reports submitted to the FTA for each fiscal year covered by this audit. Omnitrans uses automatic passenger counters (APCs) to document boardings. This calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

System-wide, operating cost experienced a net 4.2 percent increase during the audit period and a 2.2 percent net decrease across the six-year period. The overall decrease was due primarily to a steady decrease between FY 2019/20 and FY 2021/22 that was not offset by the increase in FY 2022/23. Fare revenue declined every year with the exception with of FY 2021/22. Overall, reported fare revenue increased 13.4 percent during the audit period.

Vehicle Service Hours (VSH) fluctuated over the six-year period. VSH saw a net 13.5 percent increase over the audit period, but a net 32.2 percent decrease over the six-year period. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 32.3 percent decrease over the six-year period. Ridership decreased for three years, before increasing in FY 2021/22 and FY 2022/23. Overall, ridership experienced a net increase of 51.6 percent during the audit period, but a decrease of 45.6 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-

related metrics and decreases in cost-related metrics. Cost-related metrics decreased over the audit period, reflective of an improvement in efficiency. Productivity improved as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$83,331,930	\$94,814,383	\$87,587,528	\$78,264,893	\$69,950,921	\$81,533,038
<i>Annual Change</i>		13.8%	-7.6%	-10.6%	-10.6%	16.6%
<b>Fare Revenue (Actual \$)</b>	\$15,078,914	\$13,595,450	\$12,854,911	\$6,639,108	\$7,726,741	\$7,527,114
<i>Annual Change</i>		-9.8%	-5.4%	-48.4%	16.4%	-2.6%
<b>Vehicle Service Hours (VSH)</b>	830,282	832,951	738,492	496,306	536,371	563,088
<i>Annual Change</i>		0.3%	-11.3%	-32.8%	8.1%	5.0%
<b>Vehicle Service Miles (VSM)</b>	11,415,447	11,425,096	10,146,173	6,823,053	7,406,884	7,726,561
<i>Annual Change</i>		0.1%	-11.2%	-32.8%	8.6%	4.3%
<b>Passengers</b>	11,210,246	10,863,530	9,024,450	4,024,294	5,100,913	6,101,607
<i>Annual Change</i>		-3.1%	-16.9%	-55.4%	26.8%	19.6%
<b>Employees</b>	761	861	721	513	509	549
<i>Annual Change</i>		13.1%	-16.3%	-28.8%	-0.8%	7.9%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$100.37	\$113.83	\$118.60	\$157.69	\$130.42	\$144.80
<i>Annual Change</i>		13.4%	4.2%	33.0%	-17.3%	11.0%
<b>Operating Cost/Passenger (Actual \$)</b>	\$7.43	\$8.73	\$9.71	\$19.45	\$13.71	\$13.36
<i>Annual Change</i>		17.4%	11.2%	100.4%	-29.5%	-2.6%
<b>Passengers/VSH</b>	13.50	13.04	12.22	8.11	9.51	10.84
<i>Annual Change</i>		-3.4%	-6.3%	-33.6%	17.3%	13.9%
<b>Passengers/VSM</b>	0.98	0.95	0.89	0.59	0.69	0.79
<i>Annual Change</i>		-3.2%	-6.5%	-33.7%	16.8%	14.7%
<b>Farebox Recovery</b>	18.1%	14.3%	14.7%	8.5%	11.0%	9.2%
<i>Annual Change</i>		-20.8%	2.4%	-42.2%	30.2%	-16.4%
<b>Hours/Employee</b>	1,091.0	967.4	1,024.3	967.5	1,053.8	1,025.7
<i>Annual Change</i>		-11.3%	5.9%	-5.5%	8.9%	-2.7%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$7.30	\$8.30	\$8.63	\$11.47	\$9.44	\$10.55
<i>Annual Change</i>		13.7%	4.0%	32.9%	-17.7%	11.7%
<b>VSM/VSH</b>	13.75	13.72	13.74	13.75	13.81	13.72
<i>Annual Change</i>		-0.2%	0.2%	0.1%	0.4%	-0.6%
<b>Fare/Passenger</b>	\$1.35	\$1.25	\$1.42	\$1.65	\$1.51	\$1.23
<i>Annual Change</i>		-7.0%	13.8%	15.8%	-8.2%	-18.6%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/23 data from State Controller Reports.

Exhibit 6.2 System Ridership

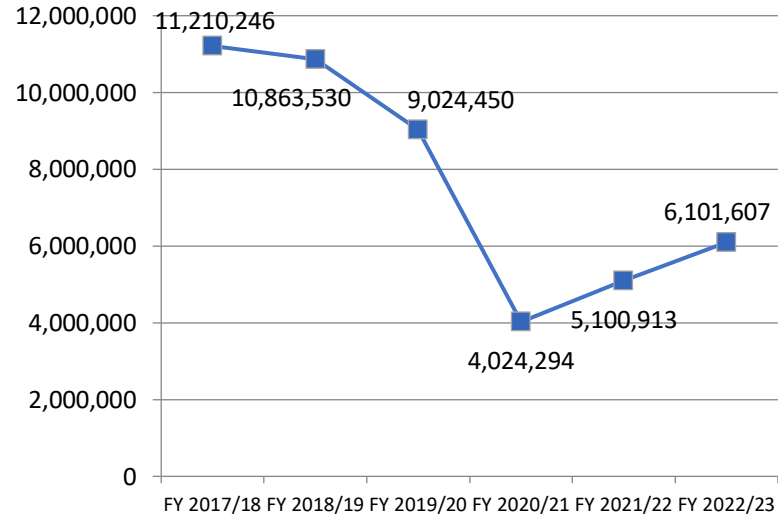


Exhibit 6.3 System Operating Cost/VSH

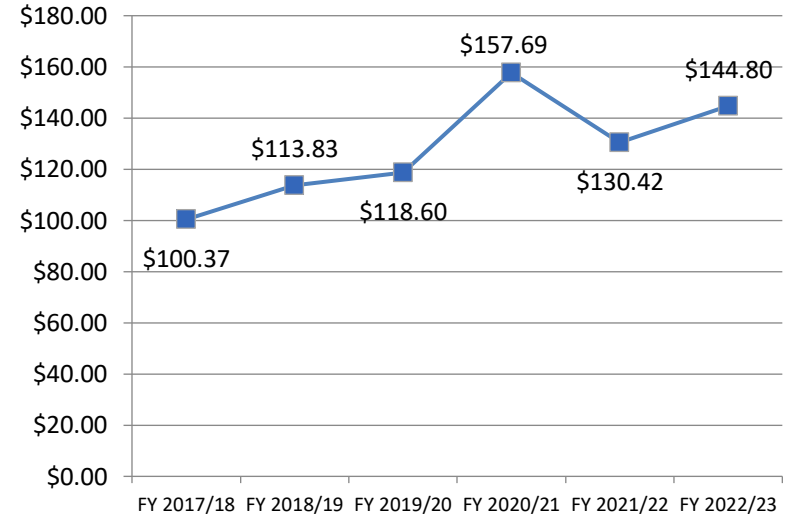


Exhibit 6.4 System Operating Cost/VSM

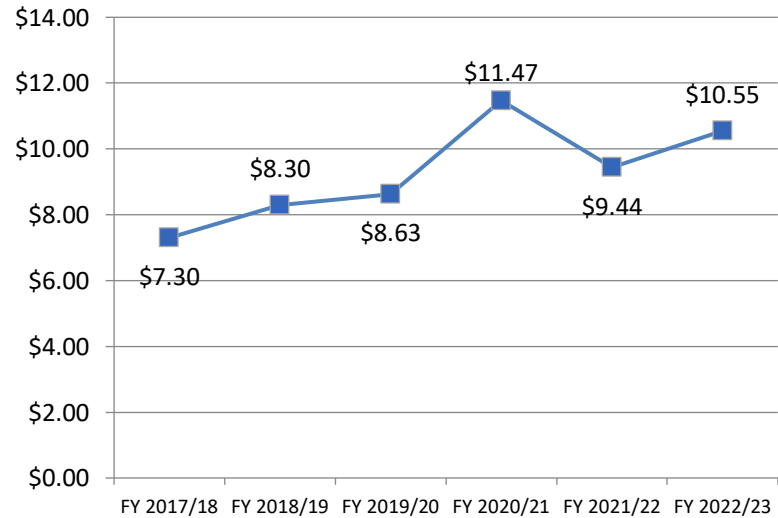


Exhibit 6.5 System VSM/VSH

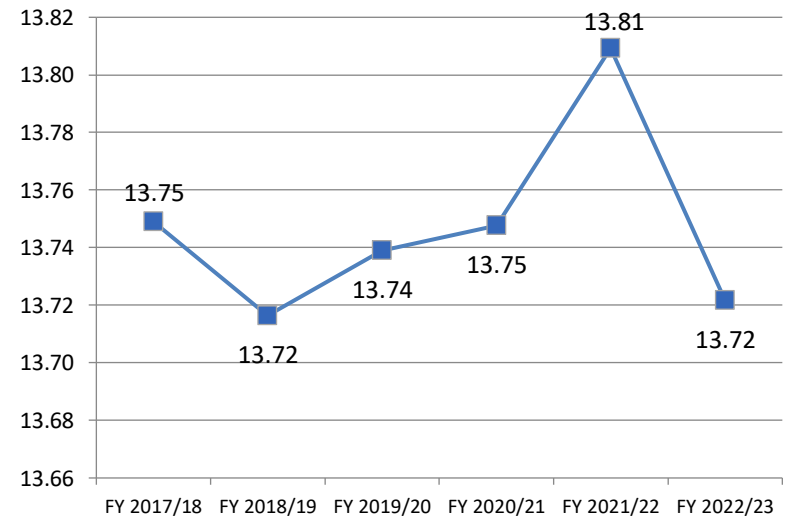


Exhibit 6.6 System Operating Cost/Passenger

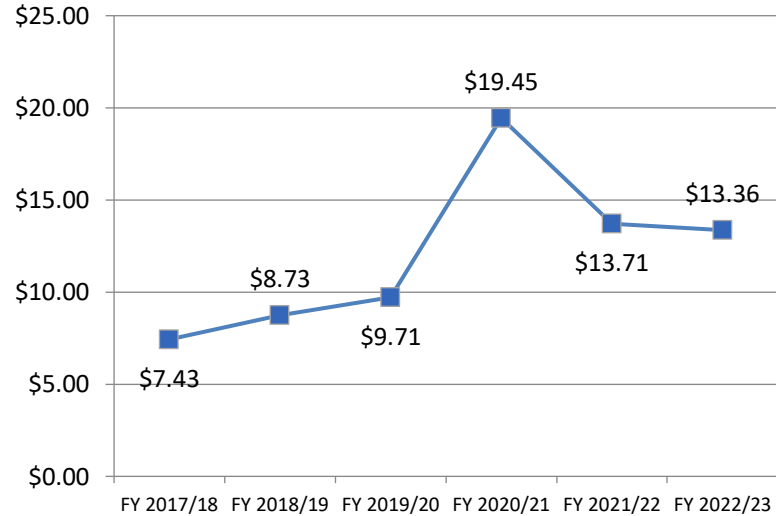


Exhibit 6.7 System Passengers/VSH

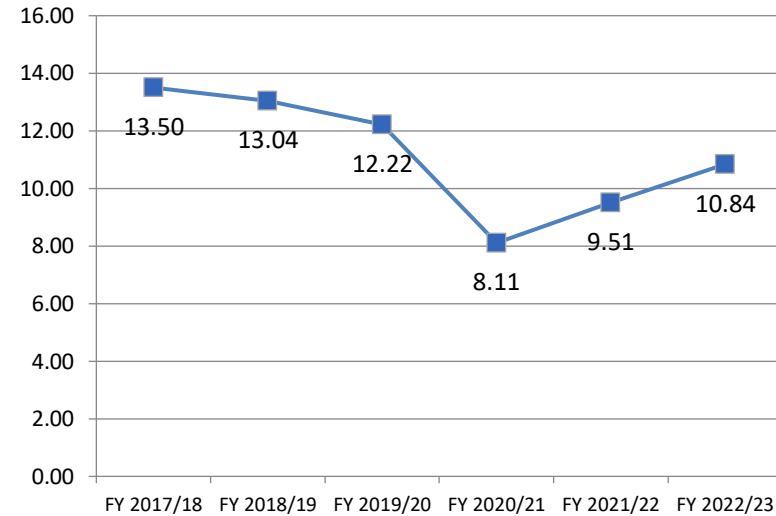


Exhibit 6.8 System Passengers/VSM

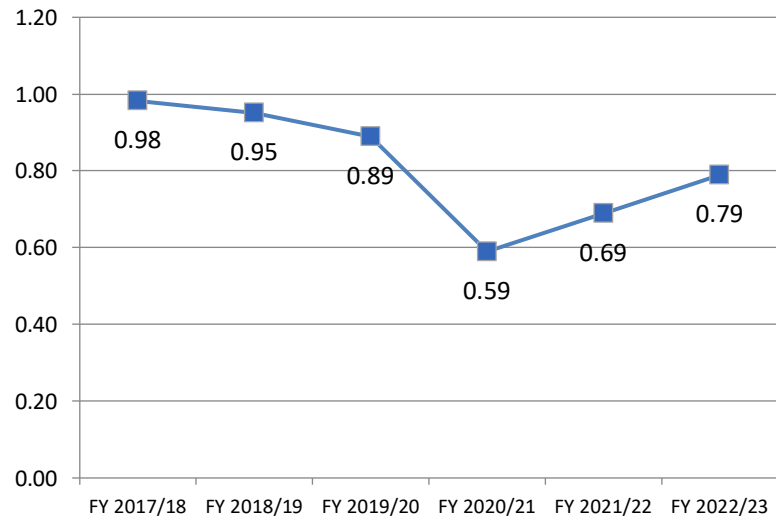


Exhibit 6.9 System VSH/FTE

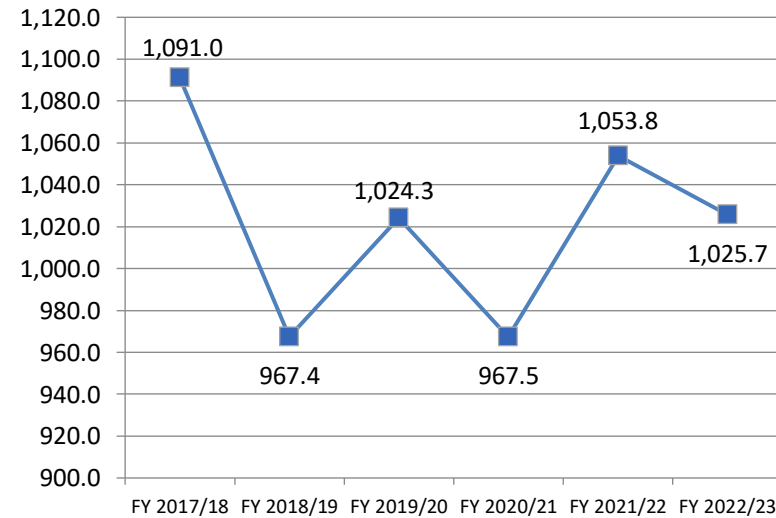


Exhibit 6.10 System Farebox Recovery

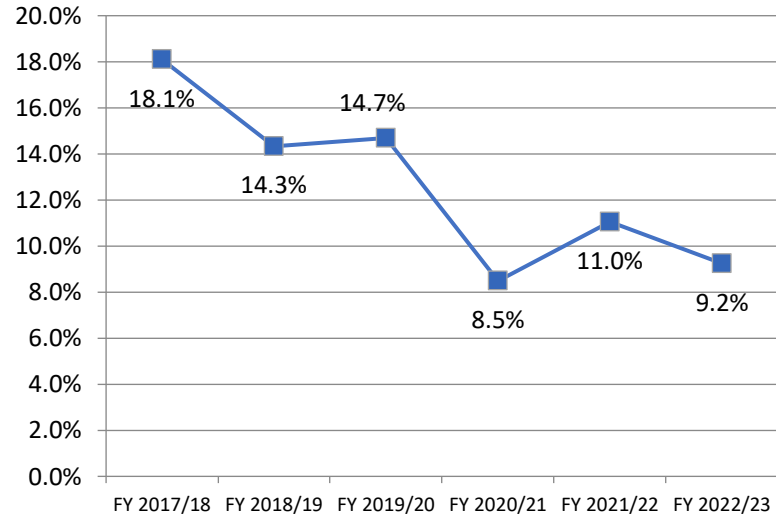
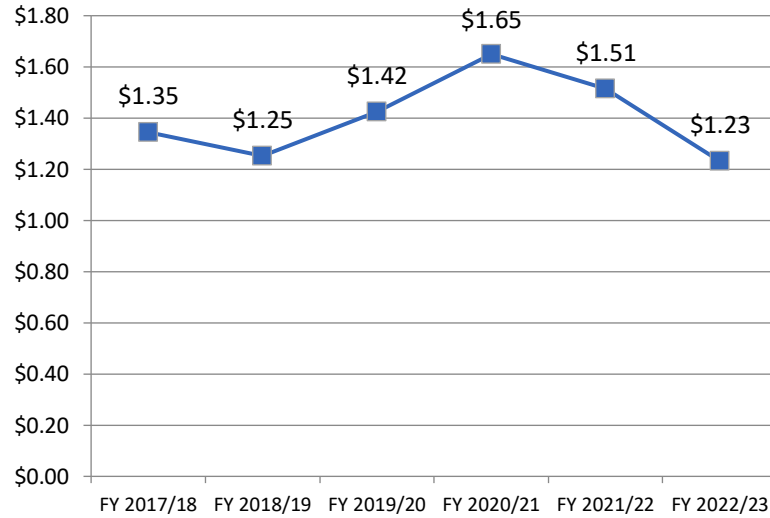


Exhibit 6.11 System Fare/Passenger



### Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 1.9 percent decrease during the audit period, and a 2.1 percent net decrease across the last six years. Fare revenue increased every year with the exceptions of FY 2019/20 and FY 2020/21. This resulted in a net 14.8 percent increase during the audit period, but a net 40.4 percent decrease over six years.

Vehicle service hours (VSH) experienced a similar pattern to fare revenue. This resulted in a net 7.4 percent increase during the audit period and a net 28.8 percent decrease during the six-year period. Similar to fare revenue and VSH, vehicle service miles (VSM) increased every year with the exceptions of the FY 2019/20 and FY 2020/21. This resulted in a net 6.0 percent increase during the audit period and a net 28.8 percent decrease during the six-year period. Ridership decreased in two years of the six-year period. This led to a 50.5 percent net increase during the audit period and a 45 percent net decrease across the six-year period.

Fixed-route cost-related metrics fell (improved) during the audit period. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 40.2 percent and passengers per VSM increasing by 42 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$69,763,417	\$78,286,224	\$73,846,190	\$69,652,593	\$59,146,087	\$68,309,904
<i>Annual Change</i>		12.2%	-5.7%	-5.7%	-15.1%	15.5%
<b>Fare Revenue (Actual \$)</b>	\$11,463,392	\$12,150,136	\$10,713,776	\$5,948,022	\$6,014,641	\$6,829,973
<i>Annual Change</i>		6.0%	-11.8%	-44.5%	1.1%	13.6%
<b>Vehicle Service Hours (VSH)</b>	672,727	676,044	612,389	446,027	458,409	478,919
<i>Annual Change</i>		0.5%	-9.4%	-27.2%	2.8%	4.5%
<b>Vehicle Service Miles (VSM)</b>	8,984,580	9,110,675	8,259,027	6,035,036	6,154,726	6,395,632
<i>Annual Change</i>		1.4%	-9.3%	-26.9%	2.0%	3.9%
<b>Passengers</b>	10,832,159	10,503,406	8,777,639	3,958,184	4,974,048	5,958,188
<i>Annual Change</i>		-3.0%	-16.4%	-54.9%	25.7%	19.8%
<b>Employees</b>	609	685	578	443	428	450
<i>Annual Change</i>		12.5%	-15.6%	-23.4%	-3.4%	5.1%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$103.70	\$115.80	\$120.59	\$156.16	\$129.02	\$142.63
<i>Annual Change</i>		11.7%	4.1%	29.5%	-17.4%	10.5%
<b>Operating Cost/Passenger (Actual \$)</b>	\$6.44	\$7.45	\$8.41	\$17.60	\$11.89	\$11.46
<i>Annual Change</i>		15.7%	12.9%	109.2%	-32.4%	-3.6%
<b>Passengers/VSH</b>	16.10	15.54	14.33	8.87	10.85	12.44
<i>Annual Change</i>		-3.5%	-7.7%	-38.1%	22.3%	14.7%
<b>Passengers/VSM</b>	1.21	1.15	1.06	0.66	0.81	0.93
<i>Annual Change</i>		-4.4%	-7.8%	-38.3%	23.2%	15.3%
<b>Farebox Recovery</b>	16.43%	15.52%	14.51%	8.54%	10.17%	10.00%
<i>Annual Change</i>		-5.5%	-6.5%	-41.1%	19.1%	-1.7%
<b>Hours/Employee</b>	1,104.6	986.9	1,059.5	1,006.8	1,071.0	1,064.3
<i>Annual Change</i>		-10.7%	7.4%	-5.0%	6.4%	-0.6%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$7.76	\$8.59	\$8.94	\$11.54	\$9.61	\$10.68
<i>Annual Change</i>		10.7%	4.1%	29.1%	-16.7%	11.1%
<b>VSM/VSH</b>	13.36	13.48	13.49	13.53	13.43	13.35
<i>Annual Change</i>		0.9%	0.1%	0.3%	-0.8%	-0.5%
<b>Fare/Passenger</b>	\$1.06	\$1.16	\$1.22	\$1.50	\$1.21	\$1.15
<i>Annual Change</i>		9.3%	5.5%	23.1%	-19.5%	-5.2%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/23 data from State Controller Reports.



Exhibit 6.13 Fixed-Route Ridership

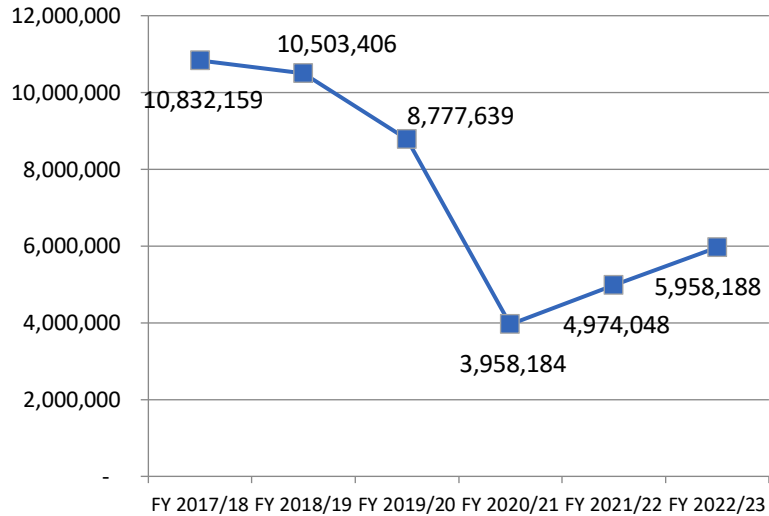


Exhibit 6.14 Fixed-Route Operating Cost/VSH

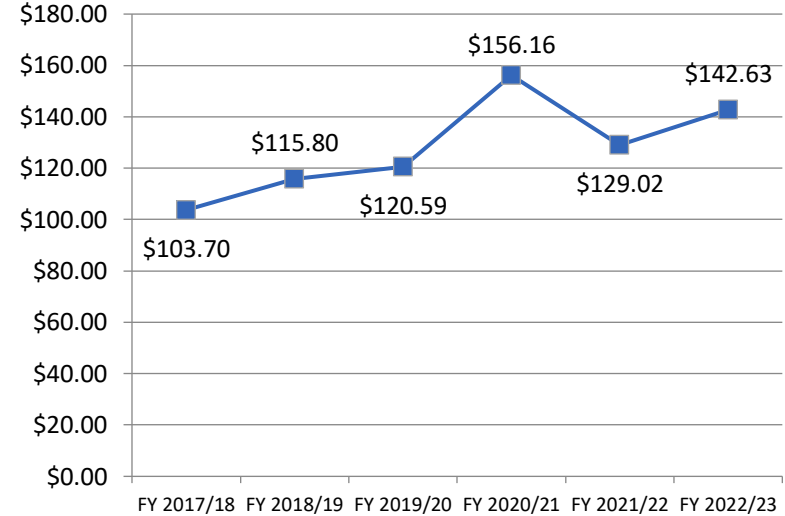


Exhibit 6.15 Fixed-Route Operating Cost/VSM

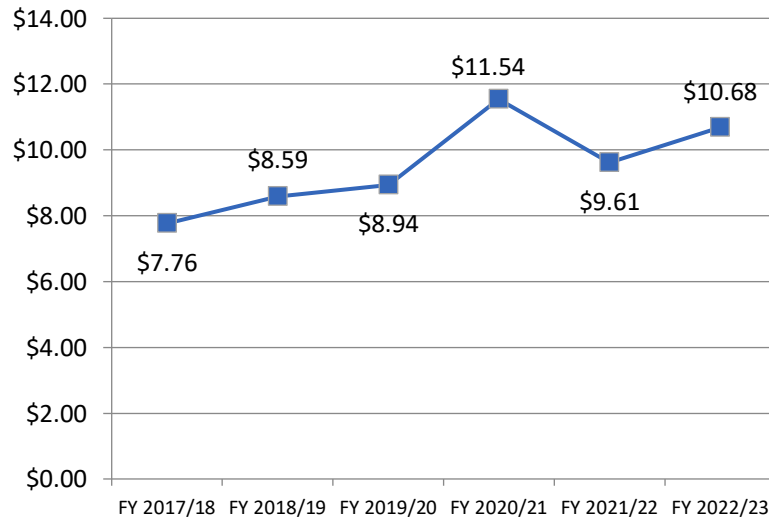


Exhibit 6.16 Fixed-Route VSM/VSH

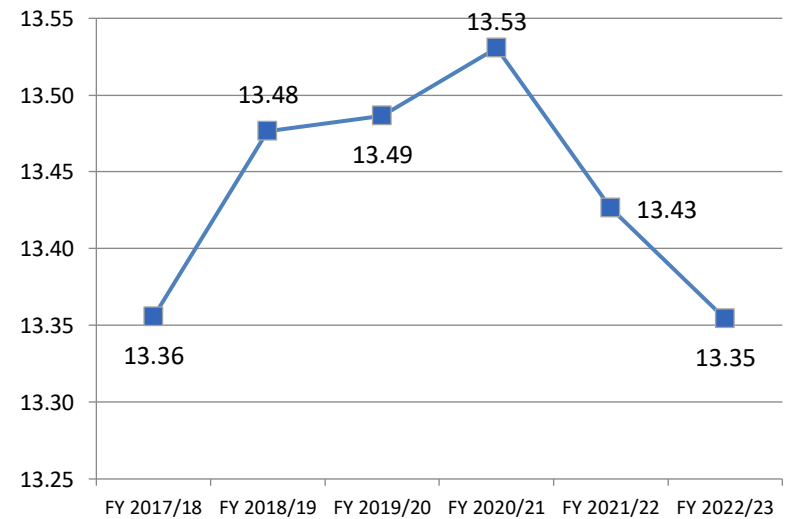


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

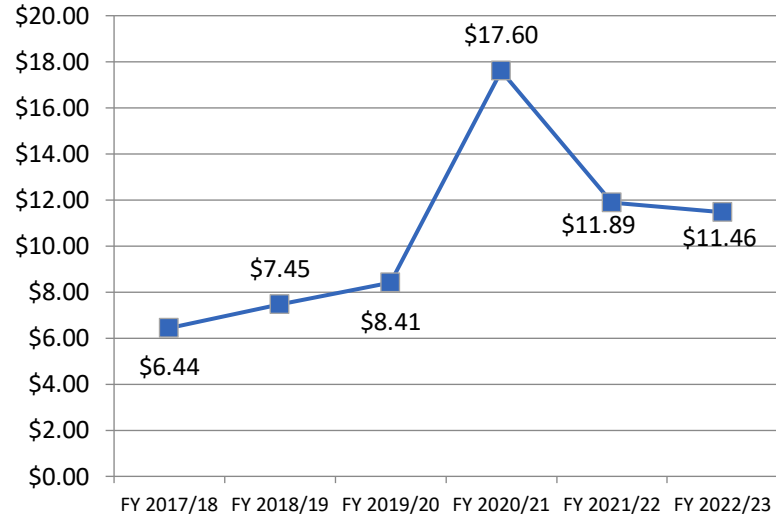


Exhibit 6.18 Fixed-Route Passengers/VSH

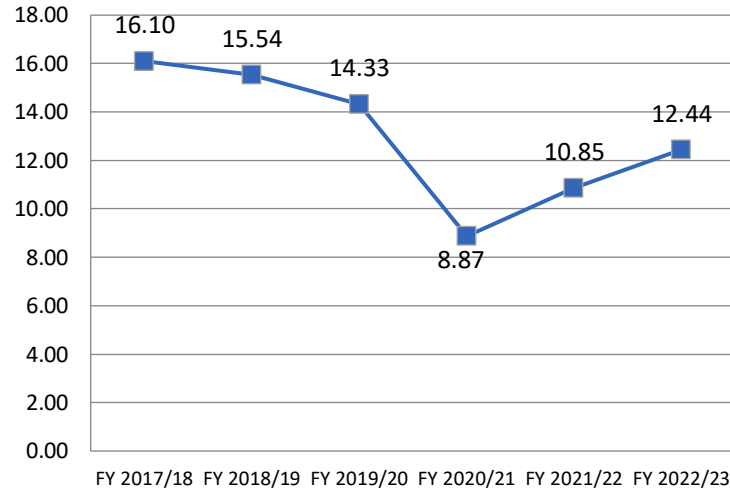


Exhibit 6.19 Fixed-Route Passengers/VSM

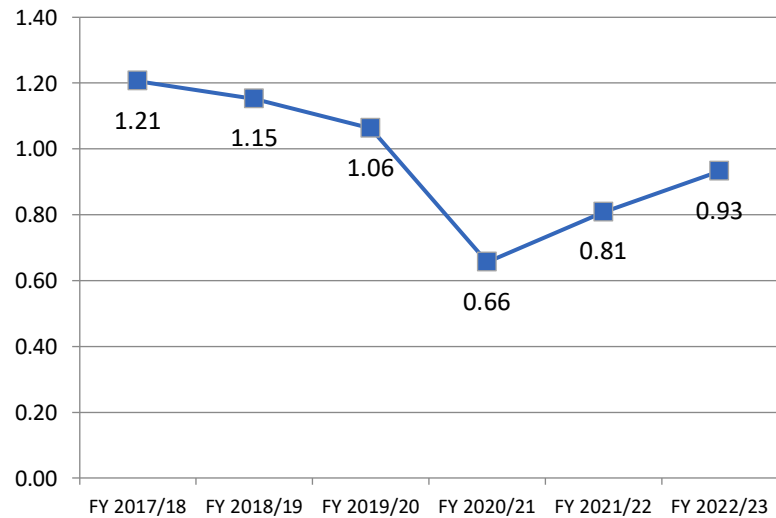


Exhibit 6.20 Fixed-Route VSH/FTE

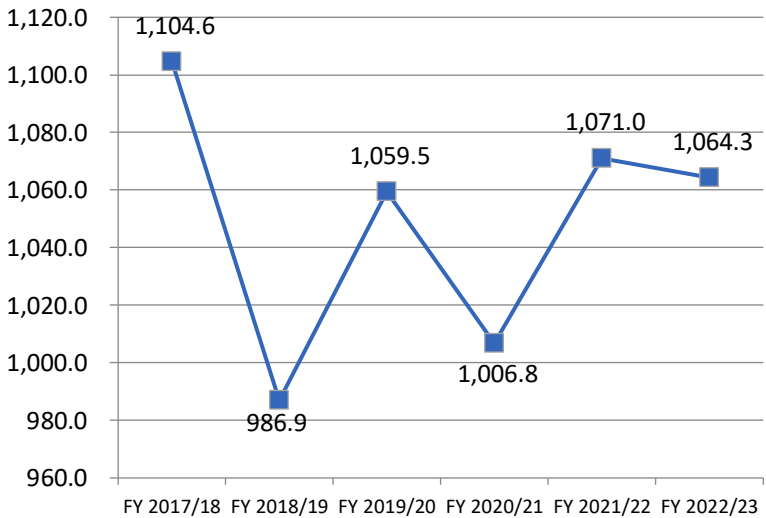


Exhibit 6.21 Fixed-Route Farebox Recovery

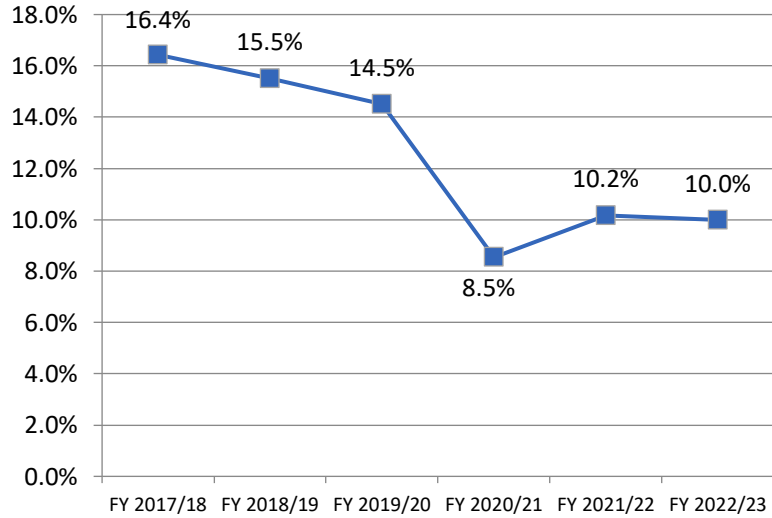
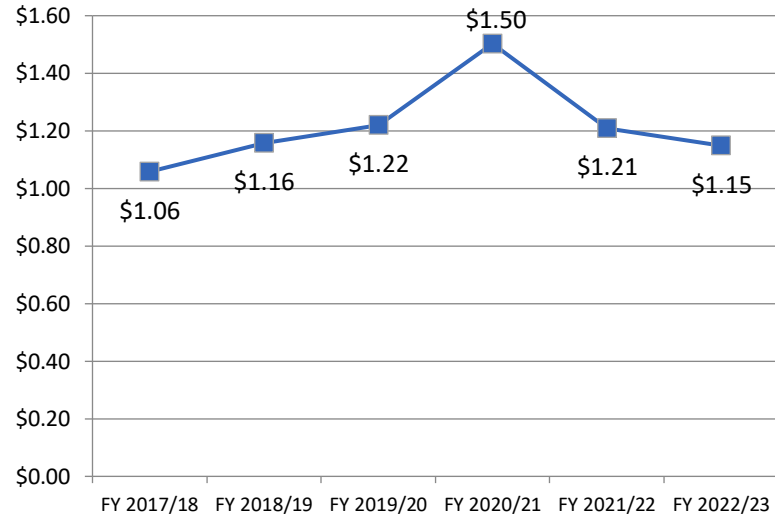


Exhibit 6.22 Fixed-Route Fare/Passenger



#### Fixed-route comparison: Directly operated versus purchased transportation

When an operator utilizes both directly operated and purchased transportation within the same mode, it can be useful to segregate the performance of the two to identify any issues that should be addressed. To that end, the following exhibits provide a comparison between the directly operated and purchased fixed-route services during the audit period. The data for the charts is taken from the NTD reports, as they fully segregate the two service types.

For both operating cost per VSH and operating cost per VSM, the directly operated service is more expensive, but costs decreased across the audit period. For purchased transportation, the cost is lower, but increased across the audit period. Purchased transportation features a higher cost per passenger, which is consistent with the lower number of passengers per VSH.

Trends across the audit period are similar with respect to most of the performance indicators. The primary exception is VSM per VSH, wherein the metric decreased for both service types, but at a greater rate for purchased transportation.

Exhibit 6.23 Operating cost/VSH – comparison

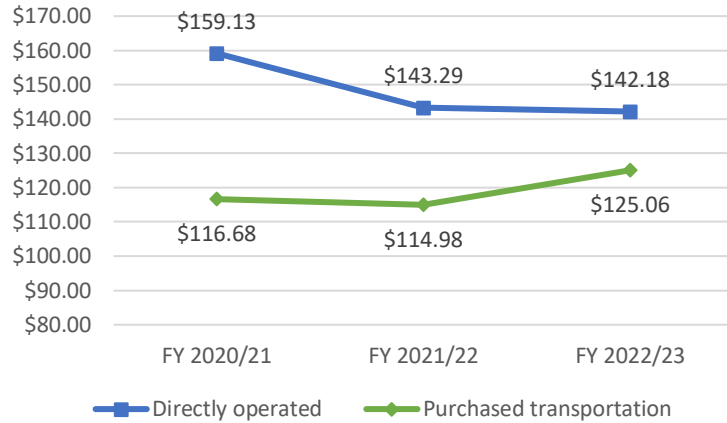


Exhibit 6.24 Operating cost/VSM – comparison

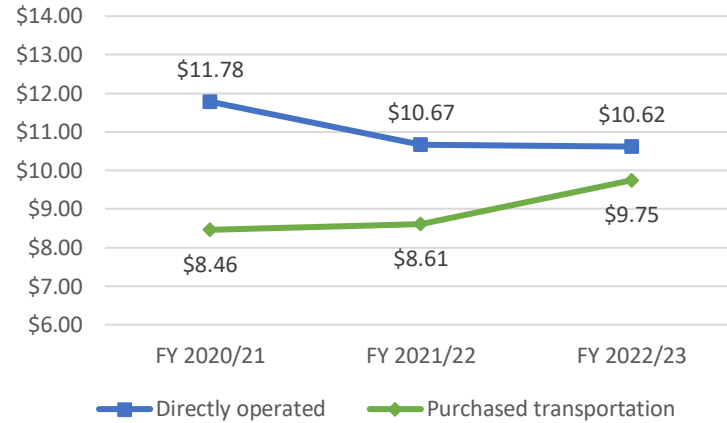


Exhibit 6.25 VSM/VSH – comparison

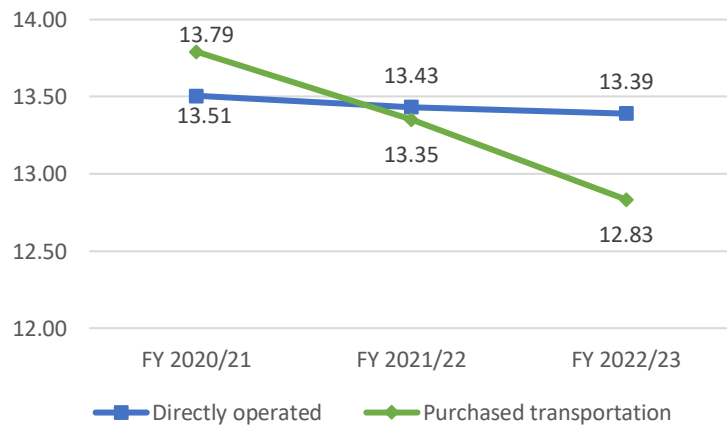


Exhibit 6.26 Operating cost/Passenger – comparison

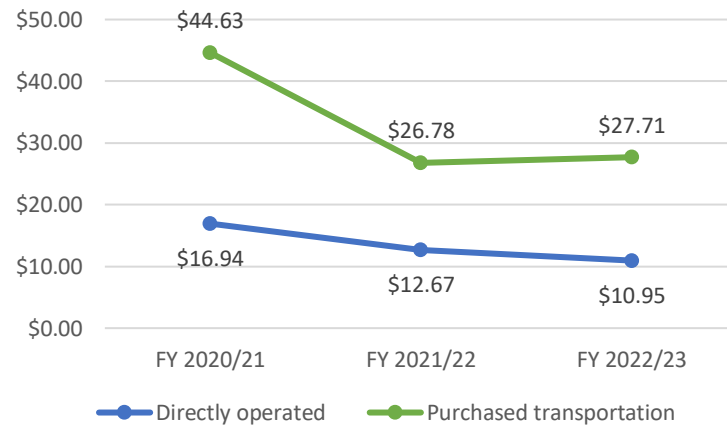


Exhibit 6.27 Passengers/VSH – comparison

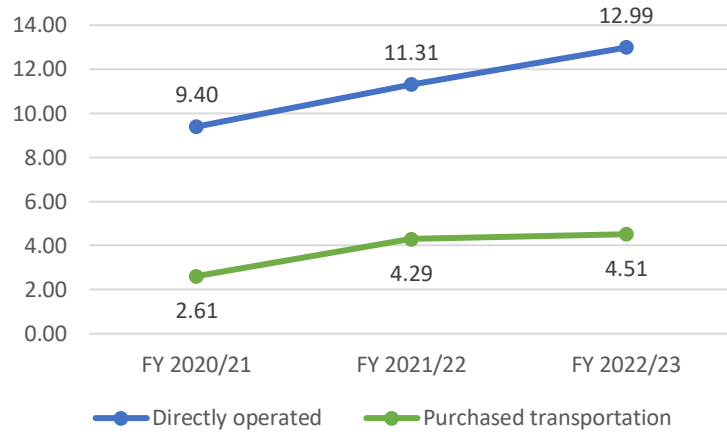


Exhibit 6.28 Passengers/VSM – comparison

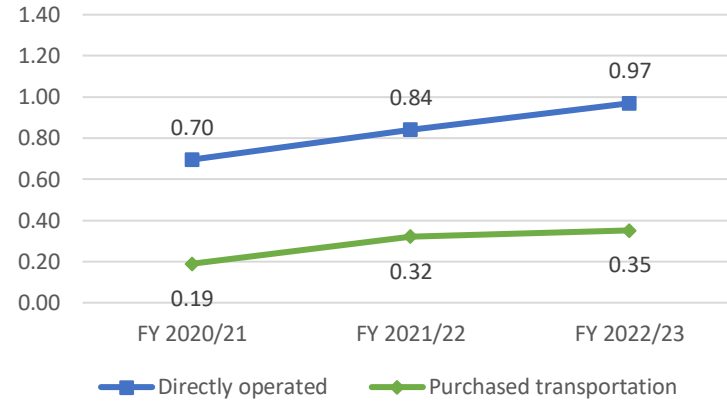


Exhibit 6.29 Farebox recovery ratio – comparison

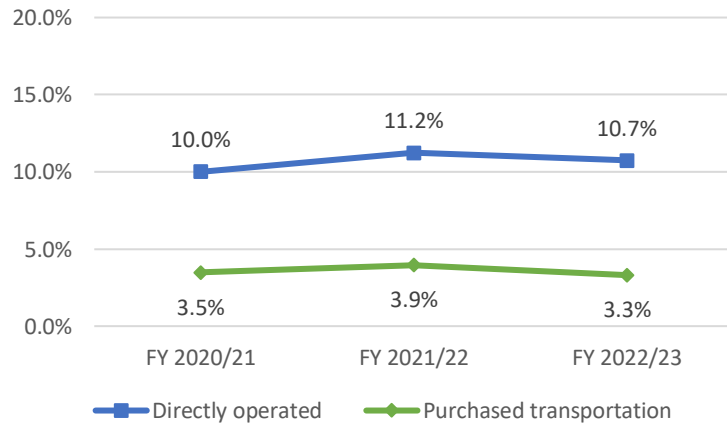
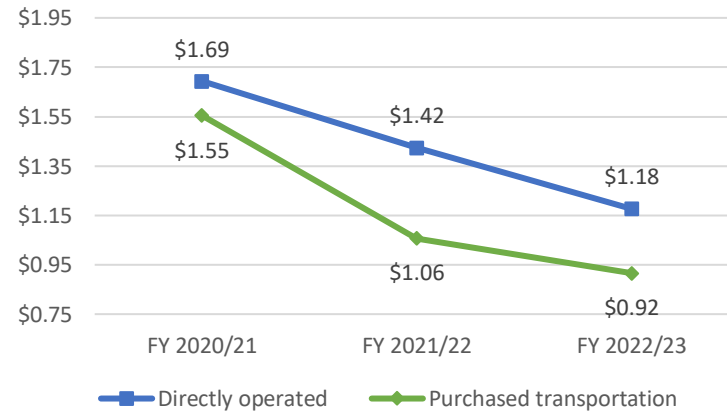


Exhibit 6.30 Fare/Passenger – comparison



### Demand-Response Performance Trends

Demand-response operating cost experienced a net 53.5 percent increase during the audit period, and a net 2.5 percent decrease across the last six years. Fare revenue fluctuated across the six-year period. This resulted in a net 0.9 percent increase during the audit period, and a net 80.7 percent decrease over six years.

Vehicle service hours (VSH) decreased every year until FY 2021/22. This resulted in a net 67.4 percent increase during the audit period and a net 46.6 percent decrease during the six-year period. Vehicle service miles (VSM) experienced a similar pattern. This resulted in a net 68.9 percent increase during the audit period and a net 45.2 percent decrease during the six-year period. Similarly, to VSH and VSM, ridership declined every year until FY 2021/22. This led to a 116.9 percent net increase during the audit period and a 62.1 percent net decrease across the six-year period.

Demand-response cost-related metrics declined (improved) during the audit period. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 29.6 percent and passengers per VSM increasing by 28.4 percent.

Exhibit 6.31 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$13,568,513	\$16,528,159	\$13,741,338	\$8,612,300	\$10,804,834	\$13,223,134
<i>Annual Change</i>		21.8%	-16.9%	-37.3%	25.5%	22.4%
<b>Fare Revenue (Actual \$)</b>	\$3,615,522	\$1,445,314	\$2,141,135	\$691,086	\$1,712,100	\$697,141
<i>Annual Change</i>		-60.0%	48.1%	-67.7%	147.7%	-59.3%
<b>Vehicle Service Hours (VSH)</b>	157,555	156,907	126,103	50,279	77,962	84,169
<i>Annual Change</i>		-0.4%	-19.6%	-60.1%	55.1%	8.0%
<b>Vehicle Service Miles (VSM)</b>	2,430,867	2,314,421	1,887,146	788,017	1,252,158	1,330,929
<i>Annual Change</i>		-4.8%	-18.5%	-58.2%	58.9%	6.3%
<b>Passengers</b>	378,087	360,124	246,811	66,110	126,865	143,419
<i>Annual Change</i>		-4.8%	-31.5%	-73.2%	91.9%	13.0%
<b>Employees</b>	152	176	143	70	81	99
<i>Annual Change</i>		15.8%	-18.8%	-51.0%	15.7%	22.2%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$86.12	\$105.34	\$108.97	\$171.29	\$138.59	\$157.10
<i>Annual Change</i>		22.3%	3.4%	57.2%	-19.1%	13.4%
<b>Operating Cost/Passenger (Actual \$)</b>	\$35.89	\$45.90	\$55.68	\$130.27	\$85.17	\$92.20
<i>Annual Change</i>		27.9%	21.3%	134.0%	-34.6%	8.3%
<b>Passengers/VSH</b>	2.40	2.30	1.96	1.31	1.63	1.70
<i>Annual Change</i>		-4.4%	-14.7%	-32.8%	23.8%	4.7%
<b>Passengers/VSM</b>	0.16	0.16	0.13	0.08	0.10	0.11
<i>Annual Change</i>		0.0%	-15.9%	-35.9%	20.8%	6.4%
<b>Farebox Recovery</b>	26.6%	8.7%	15.6%	8.0%	15.8%	5.3%
<i>Annual Change</i>		-67.2%	78.2%	-48.5%	97.5%	-66.7%
<b>Hours/Employee</b>	1,036.5	891.5	881.8	718.3	962.5	850.2
<i>Annual Change</i>		-14.0%	-1.1%	-18.5%	34.0%	-11.7%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$5.58	\$7.14	\$7.28	\$10.93	\$8.63	\$9.94
<i>Annual Change</i>		27.9%	2.0%	50.1%	-21.0%	15.1%
<b>VSM/VSH</b>	15.43	14.75	14.97	15.67	16.06	15.81
<i>Annual Change</i>		-4.4%	1.5%	4.7%	2.5%	-1.5%
<b>Fare/Passenger</b>	\$9.56	\$4.01	\$8.68	\$10.45	\$13.50	\$4.86
<i>Annual Change</i>		-58.0%	116.2%	20.5%	29.1%	-64.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/23 data from State Controller Reports.



Exhibit 6.32 Demand-Response Ridership

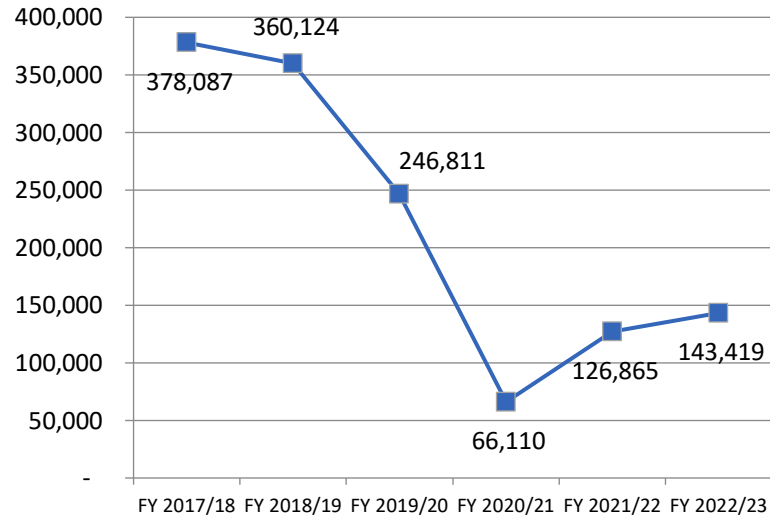


Exhibit 6.33 Demand-Response Operating Cost/VSH

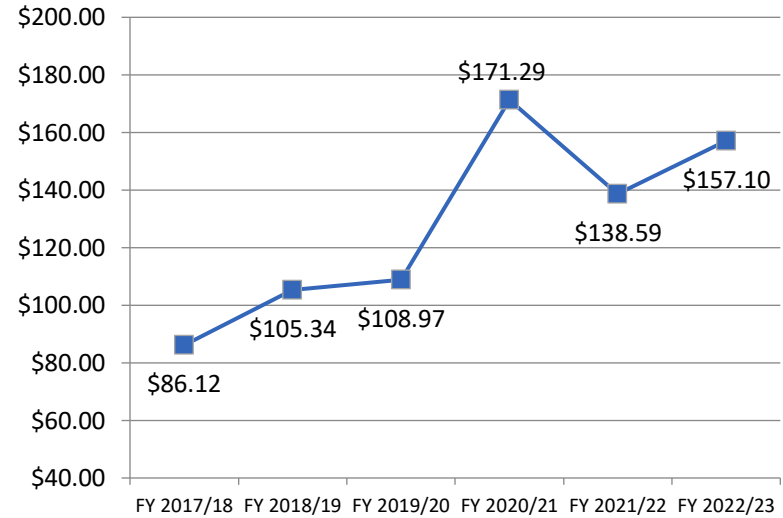


Exhibit 6.34 Demand-Response Operating Cost/VSM

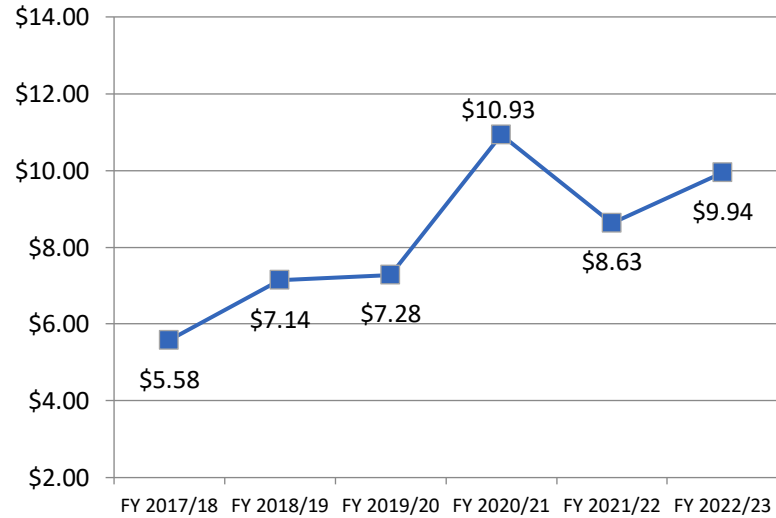


Exhibit 6.35 Demand-Response VSM/VSH

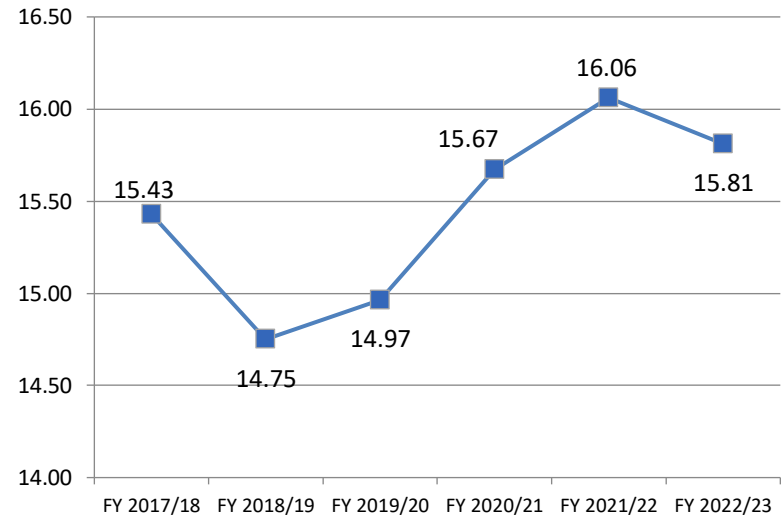


Exhibit 6.36 Demand-Response Operating Cost/Passenger

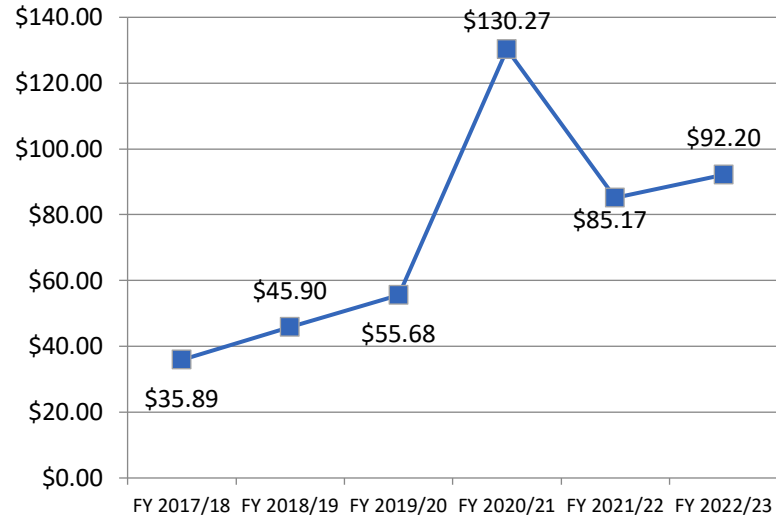


Exhibit 6.37 Demand-Response Passengers/VSH

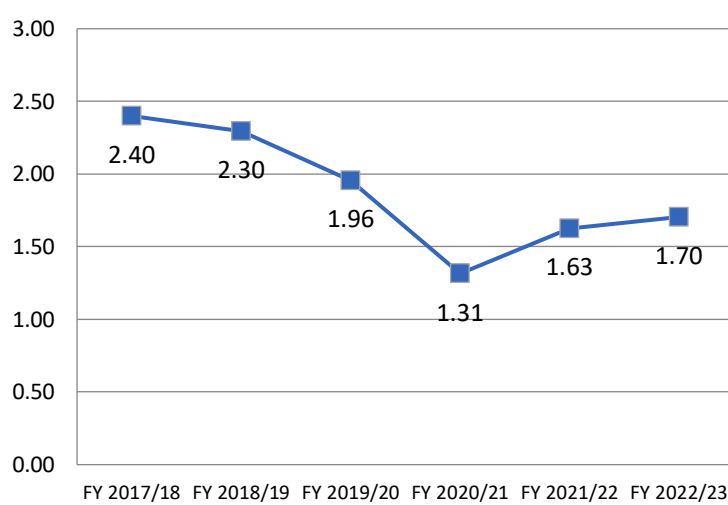


Exhibit 6.38 Demand-Response Passengers/VSM

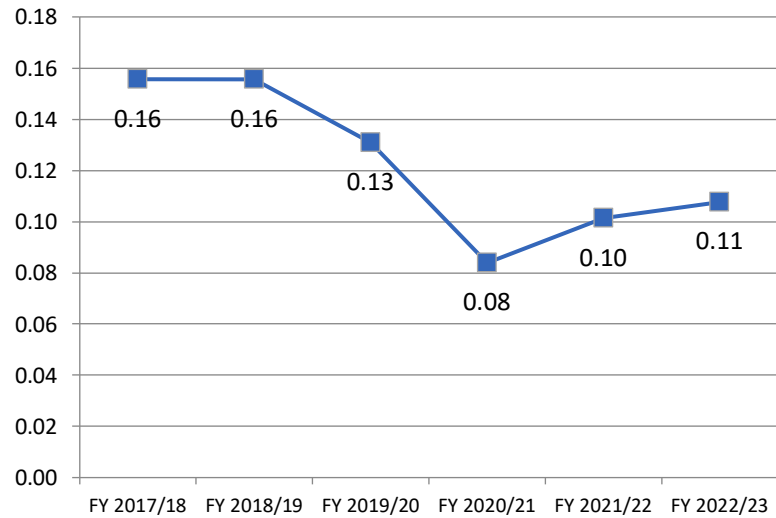


Exhibit 6.39 Demand-Response VSH/FTE

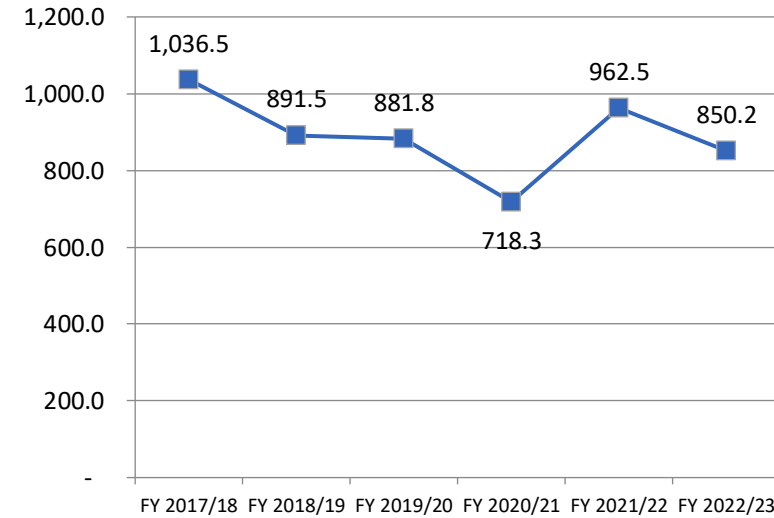


Exhibit 6.40 Demand-Response Farebox Recovery

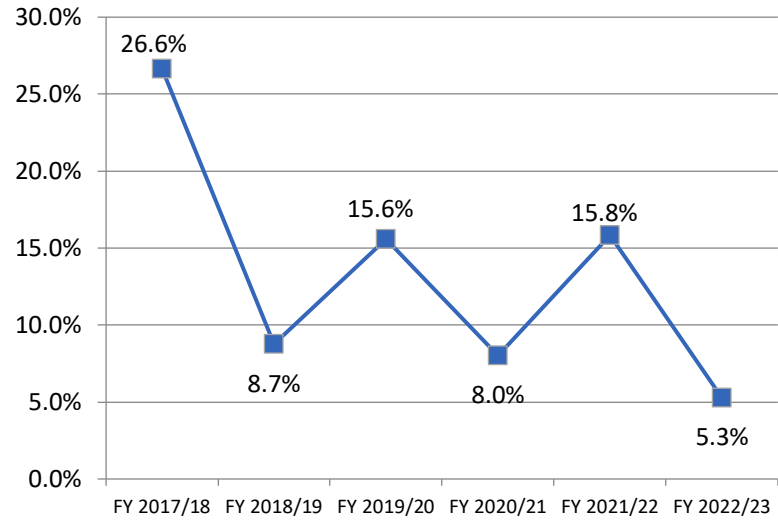
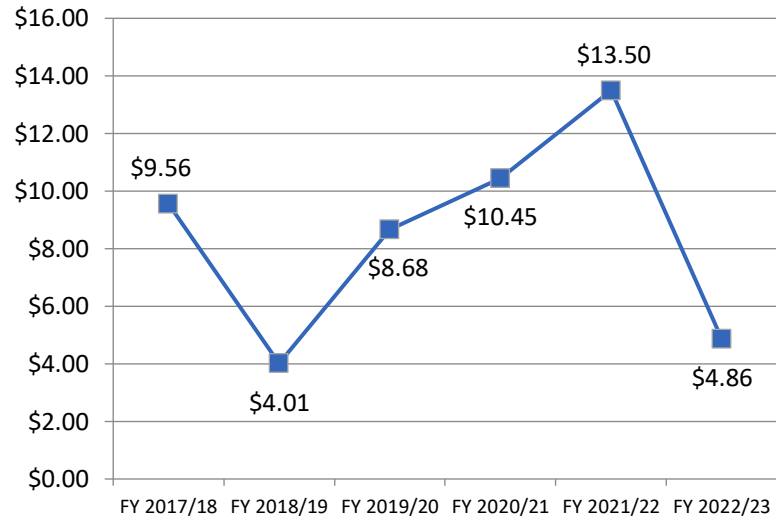


Exhibit 6.41 Demand-Response Fare/Passenger



## Chapter 7 | Functional Review

A functional review of Omnitrans' public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the agency's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by Omnitrans through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

### Service Overview

Omnitrans provides public transit service on 28 fixed routes covering 15 cities and portions of unincorporated San Bernardino County. Most routes operate Monday through Friday from 4:30 a.m. to 11:00 p.m., with several routes operating on Saturdays from 6:00 a.m. to 8:30 p.m., and several routes operating on Sunday from 6:00 a.m. to 7:00 p.m. Additionally, Omnitrans operates the sbX Green Line, a 15.7-mile express route from California State University San Bernardino to Loma Linda University and Medical Center. This express route operates Monday through Friday, from 5:30 a.m. to 11:00 p.m. every 20 to 30 minutes and on Saturdays from 6:20 a.m. to 9:08 p.m. sbX Green Line does not operate on Sundays. The express route fare is the same as the regular fixed-route. Service does not operate on designated holidays.

Omnitrans' ADA service is marketed as OmniAccess and is available to qualified applicants whose physical or cognitive limitations prevent them from using Omnitrans' fixed-route service. OmniAccess is a curb-to-curb service and operates during the same hours as the fixed-route service. OmniAccess' service area operates within  $\frac{3}{4}$  mile of an existing bus route. Reservations must be made at minimum 24 hours in advance and up to three days in advance.

Omnitrans operates a microtransit service, called OmniRide, in Bloomington, Chino/Chino Hills and Upland with on-demand, reservation-based transportation. Reservations may be made on an app and riders are picked up and dropped off at their desired location within the service area. Each trip on OmniRide includes a day pass for Omnitrans buses. Service operates weekdays only from 6:00 a.m. to 8:00 p.m.

The base fare for the fixed-route service is \$2.00, with discounted fares available for seniors, persons with disabilities, and veterans; and free fares for children, K-12 students, and uniformed military, police, and fire. Students at colleges participating in the GoSmart program ride for free with their college ID. The base fare for the OmniRide service is \$4.00, and the base zone fare (one to three zones) for OmniAccess is \$3.75. Tickets and passes may be purchased onboard the vehicles, at a designated sales location, or via the Token Transit app.

Exhibit 7.1 Local Service Fare Structure

Fare Category	One-way Fare	Day Pass Fare	7-Day Pass Fare	31-Day Pass Fare
Fixed-Route				
General	\$2.00	\$6.00	\$20.00	\$60.00
Senior (62+)/Disability/Medicare	\$0.90	\$2.75	\$9.00	\$30.00
Veterans	\$0.90	\$2.75	\$9.00	\$30.00
Students (K-12)	Free	Free	Free	Free
Uniformed Military, Police, and Fire	Free	Free	Free	Free
Children (46" tall and under)	Free	Free	Free	Free
Go Smart (CSU- San Bernardino, Chaffey College, Crafton Hills College, San Bernardino Valley College)	Prepaid – with student ID			
OmniRide	Regular Fare	Reduced Fare (Seniors, Disabled, Medicare, Veterans)		Students
	\$4.00	\$1.00		\$2.00

Exhibit 7.2 Dial-A-Ride Fare Structure

Zone	Fare
1-3 zones	\$3.75
4 zone trips	\$4.75
5 zone trips	\$5.75
6 zone trips	\$6.75

#### Response to COVID-19 pandemic

Omnitrans implemented its Emergency Service Plan in response to the Governor’s Stay-at-Home Order. The Plan included a reduction in service frequency and suspension of several weekday and weekend services. Capacity onboard the vehicles was limited and back door boarding was put in place. Routes specifically for commuters and schools were suspended. Additionally, fares were suspended from March 2020 to June 2020. The Travel Training program for seniors and persons with disabilities was also suspended, but resumed in the summer of 2023. Requests for training were initially slow to resume but have been picking up.

Omnitrans developed a Seven-Step Service Resumption Plan to return to full service based on the needs of the community. The agency had been exploring a service reduction prior to the pandemic, and was able to use some of those strategies. The ConnectForward Plan became the basis for the FY 2021 Annual Service Plan, which focused on financial sustainability and scalability of returning to normal service levels. The ConnectForward Plan originally expected to be at 86 percent of full service by August 2023, and at 100 percent by May 2024. However, Omnitrans had not reached 86 percent by August 2023, and is not expected to reach 100 percent by May 2024, due to the fact it is having significant trouble hiring transit operators. Ridership at the time of the site visit stood at approximately 60 percent of pre-pandemic levels. University ridership continues to be especially impacted, as many colleges are still 80 percent hybrid classes, even though they talk about coming back to more in-person activities. Route 290, one of the freeway express routes, continues to be suspended due to low ridership and the operator shortage. Omnitrans anticipates choice riders will be the most difficult group to recover, as many have shifted to working from home or a hybrid schedule.

## General Management and Organization

Transit performance is monitored on an ongoing basis using TransTrack Manager.

There have been a number of issues and changes during the audit period. Due to the COVID-19 pandemic, Omnitrans has had challenges in building up its workforce, which has impacted its return to full service. Service levels have been adjusted several times in response to pandemic conditions, ridership/demand, and available workforce. The impact of the service changes has largely been measured through ridership. Recovery is taking longer than expected.

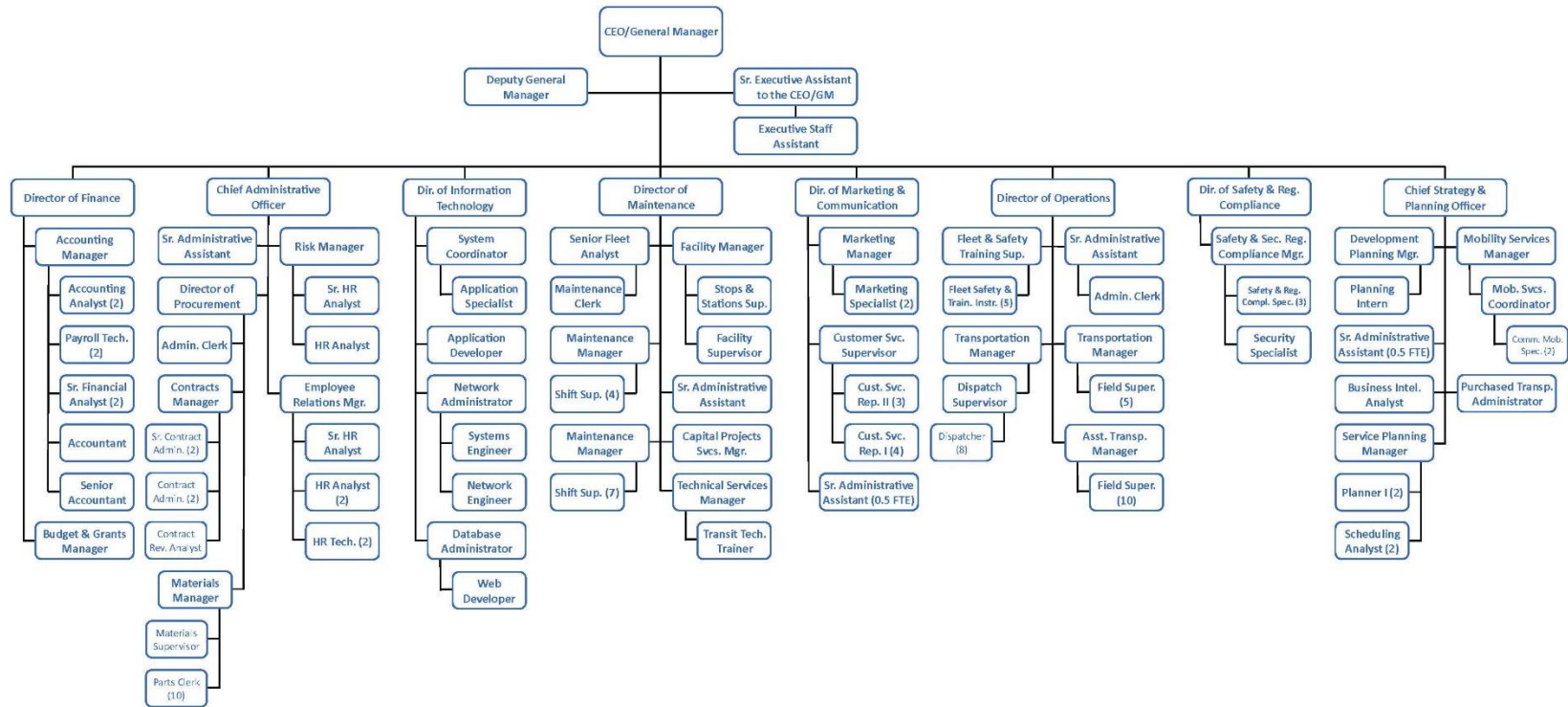
There were also some organizational changes. The Director of Strategic Development/Planning was promoted to Chief Strategy and Planning Officer. He now oversees Mobility Services, contracted services (ADA paratransit, microtransit, and contracted fixed-route), and ADA eligibility. This new organizational alignment provides improved communication and coordination of Omnitrans' general public and specialized services. In addition, in July 2020, contracted services transitioned from MV Transportation to First Transit, which was then purchased by Transdev in 2023. The types of contracted services have remained the same except for the addition of microtransit.

Omnitrans' transit program is staffed effectively and appropriately. An agency organizational chart is provided in Exhibit 7.3.

The Omnitrans Board of Directors is the governing body for the Omnitrans transit program. Board meetings are held at the Administrative Offices (1700 W. 5<sup>th</sup> Street) on the first Wednesday of each month at 8:00 am. This location is served by Route 14. The Board has not expressed interest in any particular area related to transit. There is no citizens advisory board.

Omnitrans has a positive and effective relationship with the RTPA and its neighboring transit operators, which include other operators in San Bernardino County as well as Beaumont Transit, Foothill Transit, Sunline Transit, Metrolink, Flix Bus, Greyhound, and Amtrak. Omnitrans is a member of organizations such as CalACT and the American Public Transportation Association (APTA).

Exhibit 7.3 Organizational Chart



## Service Planning

The Chief Strategy and Planning Officer, Service Planning Manager, and Development Planning Manager are responsible for short-range planning. The Service Planning Manager conducts service-based planning while the Development Planning Manager prepares the short-range capital plan. Omnitrans' most recent Short-Range Transit Plan (SRTP) was adopted by the Board in April 2023. Part of the SRTP included a Service Resumption plan.

The SRTP contains goals, objectives, and performance standards. Service Planning staff conduct monthly and quarterly performance analysis to assess progress toward these goals, objectives, and standards. Non-ridership-based standards (such as customer service and on-time performance) are generally being met, though ridership-based standards are not being met due to the ongoing impact of the COVID-19 pandemic. Implementation of this plan is ongoing as ridership has been slower to return to pre-pandemic levels. The SRTP also includes a City Partnership section providing an overview of ongoing efforts and collaboration with JPA member jurisdictions. Other planning efforts during the audit period included the implementation of the ConnectForward Plan; the Service Reduction Plan; and approval of the ConnectTransit Equity Plan, Bus Stop Safety Improvement Plan, and Annual Service Plan.

During the audit period, Omnitrans introduced a microtransit service to service residents in Chino Hills, Bloomington, and Upland. These areas were chosen as traditional fixed-route service could not be supported. Omnitrans uses Measure I Consolidated Transportation Services Agency (CTSA) funding to support its specialized services. These services include reduced OmniAccess costs and travel training. The Mobility Department also uses Measure I funds to administer the Regional Mobility Partnership Program to serve populations that are unable to use existing services (such as seniors or for nutrition programs). Recipients apply for funding each year through Omnitrans. The program helps to move these riders off of Access and into a program that can serve them more cost-effectively.

Annual public hearings are conducted to gain input on the Annual Service Plan, which sets service levels and fare policy for the fiscal year. The Annual Service Plan is designed to work toward elements of the SRTP. Outreach is undertaken in compliance with Omnitrans' Title VI Plan. The agency conducted several customer satisfaction surveys during the audit period, as part of the American Bus Benchmarking Group, as well as some surveys for OmniRide that were not part of this effort.

Omnitrans began or completed the following transit capital projects during the audit period:

- In 2020, Omnitrans constructed electric bus charging infrastructure at its East Valley Maintenance Facility and its West Valley Maintenance Facility.
- During 2021 to 2022, Omnitrans constructed charging infrastructure for three new plug-in hybrid OmniRide vans at its "I" Street Maintenance Facility.
- In 2022 and 2023, Omnitrans completed two construction projects for ADA compliance and sidewalk improvements at 24 bus stops throughout Omnitrans' service area.
- Omnitrans continued the development of the West Valley Connector (sbX Purple Line) bus rapid transit line in partnership with SBCTA, which is expected to start construction in late calendar year 2023 and start revenue service by June 2026.
- Omnitrans is in the design phase for a substantial renovation of the "I" Street Maintenance Facility in San Bernardino, which houses all of Omnitrans' OmniAccess, OmniRide, and contracted fixed-route vehicles (cutaway buses and vans).



Omnitrans has completed its Zero-Emission Vehicle Transition Plan and is in the process of transitioning to a zero-emission fleet. It is currently operating four battery-electric buses, has 18 more on order, and has four hydrogen fuel cell buses on order. Depot charging infrastructure is planned for the 18 battery-electric buses, as well as in-route charging, and a temporary portable fueling facility is planned for the fuel cell buses.

### Administration

The Budget and Grants Manager currently handles development of the annual budget. Projected revenues are determined by funding assumptions from currently available local, state, and federal funding sources. Operating expenses, which include vehicle operation, vehicle and non-vehicle maintenance, and general administration, are determined by planned service levels. Capital projects are also integrated into the budget. The annual budget is approved by the Board of Directors, as are any subsequent amendments.

SAP financial software is used to track financial data. Omnitrans is currently evaluating whether to stay with SAP or transition to something else. Actual expenses and revenues are compared to budgeted expenses and revenues on a monthly basis. This information is reported to the Board on a quarterly basis.

Directors may move up to \$25,000 in funds within their departmental budgets. Transfers of funds between budget categories and intra-departmental transfers over \$25,000 require CEO approval.

The Strategic Development Department works with the various departments to determine funding needs. It then, with the assistance of a consultant, identifies grants that Omnitrans would qualify for to meet those funding needs. The Budget and Grants Manager is responsible for managing grants. Omnitrans has sufficient staffing to meet reporting requirements for all currently awarded grants.

The Accounting Manager and Director of Finance are responsible for preparing reports for submittal to the State Controller's Office. Data for the National Transit Database (NTD) report is developed by various departments and submitted by the Finance Department.

The Human Resources Department handles risk management and has a process in place for processing injury and accident claims. Claimants must request a claim form, which is mailed or emailed to them. The completed claim form is sent to Omnitrans' insurance carrier along with the agency's accident report and any supporting video. The insurance carrier then determines the proper response for the claim (whether to accept the claim or issue a Notice of Rejection or Notice of Insufficiency). Omnitrans is a member of California Transit Indemnity Pool (CalTIP). The agency's coverage meets requirements and is appropriate.

Omnitrans has a Public Transportation Agency Safety Plan (PTASP) in place. The Safety, Security, and Regulatory Compliance Manager is responsible for periodically reviewing the agency's safety practices.

The purchased transportation contract is managed by the Purchased Contracts Supervisor. Oversight includes reporting Key Performance Indicators (KPIs) to the Board of Directors quarterly. Facility management is the responsibility of the Maintenance Department.

Timesheets are submitted electronically through UKG Dimensions and Trapeze platforms. Supervisors approve timesheets and payroll performs a secondary review. Personal information and payroll data are

securely managed, with access limited to the Payroll Department and Human Resources. All employees utilize direct deposit.

Accounting Analysts are responsible for accounts payable and accounts receivable. Project managers must verify in SAP that goods and services have been received before authorizing the payment of invoices.

Procurement is guided by the Procurement Policies Manual and Procurement Procedures Manual. FTA language is added to all FTA-funded procurements. The purchased transportation contract was put out to bid just prior to the audit period, as the contract had expired. The contract was put out to bid, and three bids were received. The contract was awarded to First Transit (now Transdev) for a base period of three years plus two one-year options. As a result of the pandemic, Omnitrans transitioned to conducting the bid process online. It initially used Planet Bids, then moved to Bonfire. Bonfire did not result in the agency getting the vendors they had in the past, so a decision was made to move back to Planet Bids. Omnitrans is closing out some solicitations in Bonfire before fully moving back to Planet Bids.

Any purchases \$150,000 and greater must be approved by the Board of Directors. Those under \$25,000 can be approved at the Manager level and the Procurement Director can approve purchases up to \$149,000. Vehicles, fuel, and items of major expense are procured competitively.

There is no internal audit function. The CEO determines areas of risk to be audited each year, and an outside consultant prepares the audits. At the time of the site visit, fare collection and procurement were in the process of being reviewed.

### Marketing and Public Information

Omnitrans' marketing efforts include paid and organic advertising, print and digital communications promotions, community outreach, and partnerships. The agency utilizes social media via Facebook, Instagram, X, Threads, TikTok, and LinkedIn to reach riders. A system-wide Bus Book is published three times per year, and comprehensive and individualized schedule information is available online. Trip planning is available on the Omnitrans website and on the Transit app, which also facilitates fare payment and bus tracking.

Omnitrans has a marketing plan which is updated annually. The FY 2024 Marketing Plan identifies five key goals:

1. Build ridership,
2. Elevate customer experience,
3. Strengthen partnerships,
4. Support workforce development, and
5. Targeted community engagement.

The Marketing Plan focuses on the Free Fares for Schools Program, an evergreen Hispanic Campaign in Spanish (the most successful thus far), internal/workforce communication, and customer service. The Spanish-language Hispanic Campaign was awarded first place at the 2022 Annual AdWheel Awards competition for marketing and communications from the American Public Transportation Association. Omnitrans has strong relationships with schools as a result of the Free Fares for Schools Program.

Omnitrans logs all customer calls. For complaints, the log includes customer contact information, complaint details, and the results of any investigation. The timeframe for resolving complaints is generally five days. The latest customer satisfaction survey was conducted in 2022 and found 79 percent of respondents gave Omnitrans a positive rating. This was an increase of two percentage points from the prior year.

### Scheduling, Dispatch, and Operations

At the time of the site visit, Omnitrans' operator staff consisted of 302 full-time drivers and one part-time driver for the directly operated services, with an additional 100 contracted drivers. The number of drivers needed for the program to be fully staffed is dependent upon the service level. The budget for FY 2024 is based on 320 directly employed full-time drivers. There are also open positions for part-time drivers, who generally work on weekends only. Drivers are represented by Amalgamated Transit Union Local #1704.

Staffing was sufficient to operate the service at its September 2023 level, but only barely. At that time, Omnitrans was relying on overtime and having supervisors, trainers, dispatchers, or other staff drive to relieve pressure on the drivers.

Drivers are assigned to routes based on a bid selection three times a year (in four-, three-, and five-month increments). Drivers are rotated between routes periodically. Absences are covered by the extra board. Unplanned absences require a 60-minute notice prior to the assigned shift.

Vehicle assignments are randomly assigned to routes or shifts on a daily basis. Only the BRT buses require special training (drivers must be sbX qualified). Downed buses are reported to dispatch daily.

Fixed-route vehicles are equipped with GFI fareboxes. At the end of the shift, the fareboxes are pulled by bus service workers (who do not have access to the fares) and dumped into the vault. The vault is then picked up by an armored car service and taken to the provider's site to be counted. Fares are counted by the armored service provider and reconciled with Finance reports generated by the GFI system. The counted fare is taken to the bank to be deposited by the armored service provider. Contracted services dump all fares at the 5<sup>th</sup> Avenue facility. There are no fareboxes on Dial-A-Ride vehicles; most riders use tickets. The contractor claims fare revenue as a credit on its monthly invoice.

Non-cash fare media is sold through ticket vending machines (TVMs), at the transit center, and at the headquarters front desk. Mobile ticketing is available through the Transit app; the vendor deposits revenues to Omnitrans.

### Personnel Management and Training

Omnitrans is actively in the process of drivers to support current and future service levels, but it is not recruiting enough to meet its service needs. All potential drivers are required to have a commercial Class B permit with a passenger and airbrake endorsement prior to their first day of employment. Omnitrans then provides the balance of the training for them to obtain their CDL.

Recruitment is done through agency websites, governmentjobs.com, diversityjobs.com, social media, and occasionally other job boards. Additionally, Omnitrans advertises on agency bulletin boards, banners at the facilities, and on buses.

The operator shortage is due to a combination of recruitment and retention. With respect to recruitment, the agency has increased its efforts, participating in job fairs, conducting outreach, advertising, and implementing a career path campaign. These efforts have resulted in significant increases in the number of applications received. The agency is also looking at ways to modify its Human Resources processes to reduce the time to hire. The last few classes have been larger due to this. The downside is the increased staffing and effort required for interviewing, fingerprinting, and drug screening potential candidates, many of whom cancel without notice. This is not sustainable in the long term.

However, retention is also an issue, and it is harder to keep people. Benefits are not as good as they used to be, and are less of a draw in today's market. In addition, many recruits are interested in an ideal/flexible schedule from the beginning, rather than working their way up to it. Most new hires stay between six months and three years, which is around when many employees start to see improvements in their schedules.

The operator shortage has a clear impact on the existing workforce. Omnitrans maintains coverage by offering double overtime for operators who volunteer for shifts on their days off. Trainers, supervisors, and dispatchers may also drive or work in maintenance on their days off. This increase in workload has resulted in an increase in accidents and workers compensation claims. There are also more attendance issues because employees are tired and burned out.

For maintenance employees, many candidates are turned off by the shifts available. Most vehicle service workers work a graveyard shift (though it is more of a modified swing shift at the West Valley facility). Rather than seeing the position as the first step in a career, candidates do not stay because they have to work nights. Maintenance positions also require a Class B CDL, and vehicle service workers must obtain their license by the end of their probation period. They are typically folded into an existing training class or a separate class is provided for maintenance workers.

The transit program's turnover is similar to trends seen through the industry. Incentives are in place to keep up retention, including referral bonuses, hiring bonuses, and bonuses for completing their Class B CDL. Omnitrans recognizes its employees through Employee of the Quarter/Year awards, Going-the-Extra-Mile (GEM) awards, Million Mile Awards, and more. Some recognition comes with a monetary benefit or other gift. Job performance is evaluated annually.

Most turnover occurs due to retirement, followed by other job opportunities. Logistics companies are the most significant competition for drivers. Others include the school districts, LA Metro (for those who do not want to live in Los Angeles), and non-driving jobs.

Full-time employees receive health, dental, vision, life insurance, and retirement benefits. Part-time drivers are able to receive health, dental, and vision benefits. Information about benefits is provided to all employees as part of the onboarding process.

Driver training is provided by the Fleet Safety and Training Instructors, who are in the Operations Department. Trainers hold multiple certifications, including the USDOT Instructors Course for Transit Trainers and the National Safety Council's Defensive Driving Instructor Course certificates. Other certifications include the USDOT Fundamentals of Bus Collision, Bus Systems Safety, SMS Awareness, and Substance Abuse Management and Program Compliance. Two Omnitrans trainers also carry a DMV

Examiner certificate through the Employer Testing Program. As a result, CDL testing can be done in-house. Training programs provided by Omnitrans include OSHA- and CalOSHA-required courses, Environmental Health and Safety, TSA Security-required courses, New Employee Safety Training, FTA Transit Training, Emergency Preparedness and Response Training, Bloodborne Pathogens, Hazard Communication, Human Trafficking, Cyber Security, and Active Shooter.

The CEO serves as Omnitrans' Chief Safety Officer and oversees the agency's Safety Plan.

A progressive disciplinary policy is defined for Coach Operators as part of the MOU, the Coach Operator Performance Standards, and Personnel Rules. All other employees are covered by the Personnel Policies. Omnitrans complies with all drug and alcohol testing requirements and federal DAMIS reporting.

### Maintenance

Omnitrans' fixed-route and non-revenue fleets are maintained in house, while purchased transportation fleets are maintained by the contractor. Omnitrans uses the manufacturers' preventive maintenance schedules to build its preventive maintenance plan, and monitoring is done using Fleetwatch, SAP, and Trackit. Staff find SAP difficult to use as it is not specific to vehicle tracking and not user-friendly. Staff are satisfied with Fleetwatch and mostly satisfied with TransTrack for maintenance purposes. Compliance with the preventive maintenance plan can be easily assessed through a report that shows how close to "on time" each job is completed.

Omnitrans also performs Critical Item Inspections (CIL) every two weeks. Defects are noted the Operator's Daily Report (ODR) that Maintenance reviews daily, and ensures the repairs are done prior to the bus going into service. Warranty work is also effectively identified, and most warranty work is completed in a timely manner.

Accident damage and paint and body work are typically sent out to authorized vendors or the manufacturer. Omnitrans may also send out work that maintenance staff cannot accommodate in-house. Omnitrans' maintenance facilities feature a sufficient number of bays and lifts overall, as well as sufficient administrative space, including space for record storage.

The biggest challenges in Maintenance have been being workforce-related. The number of Maintenance positions is appropriate when the department is fully staffed. Turnover is extremely high with respect to Vehicle Service Workers (VSWs). At the time of the site visit, the agency only had half of the VSWs it should have. VSWs are required to work graveyard shift and weekends, and many potential recruits find they can make more money working fast food or other similar jobs. Most do not look at it as the first step in a career. Omnitrans recently implemented an apprentice program with San Bernardino Valley College in an effort to "grow" their own workers.

There have been Mechanic shortages as well. Long-time employees are retiring, and because they have held the jobs for so long, Omnitrans is having to do a lot of recruitment. Junior employees are brought up as quickly as possible, but many are not ready. In the past they would have the opportunity work alongside a Senior Mechanic for a while, but that option is not really available. Last year Omnitrans implemented partial weekends for its Mechanics, giving them either Friday/Saturday or Sunday/Monday off. Mechanics are also feeling the strain of overtime like the Coach Operators.

Several processes are used to ensure unsafe vehicles are not put into service. These include the twice-monthly Critical Item Inspection (CII), driver pre-trip inspections, and daily reviews by maintenance of the Operator’s Daily Report (ODR). Repairs are prioritized to ensure pullout, generally by completing the least time-consuming repairs first.

The parts room is secure, with access limited to Procurement Department staff and Maintenance Managers. Parts are charged out to work orders through SAP. Targeted inventory and reorder levels have been established for common/high-usage items. The inventory is typically sufficient to minimize vehicle downtime. Some parts have been difficult to obtain due to supply chain issues. Many of the manufacturers have had long lead times, and it has applied to different parts across the audit period. Omnitrans has had to use spares and contingency buses at times to ensure service is not impacted.

Omnitrans has a fleet replacement plan and a vehicle procurement schedule. It also has completed its Zero-Emission Bus Rollout Plan, which is compliant with both California Air Resources Board (CARB) and FTA requirements.

A complete fleet inventory is provided in Exhibit 7.4.

Exhibit 7.4 Omnitrans’ Transit Fleet

Qty	Year	Manufacturer/Model	Seats / WC	Average Mileage
1	1958	GMC 6 CYL 671	50 / 0	n/a
1	2002	Ford F-350	3 / 0	116,140
1	2008	Ford E-150	3 / 0	73,565
1	2008	Ford Econoline	2 / 0	62,414
1	2008	Ford F-250	5 / 0	96,573
22	2009	New Flyer C40LFR	39 / 2	618,040
17	2011	New Flyer C40LFR	39 / 2	480,677
20	2012	New Flyer XN40	39 / 2	501,797
14	2012	New Flyer XN60	32 / 2	359,961
16	2014	New Flyer XN40	39 / 2	439,038
1	2015	Ford F-350	3 / 0	225,437
1	2015	Ford F-450	3 / 0	140,275
1	2015	Ford F-550	3 / 0	16,191
1	2015	Ford Starcraft	16 / 2	90,796
1	2015	GEM	2 / 0	n/a
15	2015	New Flyer XN40	39 / 2	391,894
13	2016	Ford C-Max - H	5 / 0	100,779
12	2016	Ford E-450	16 / 2	49,757
3	2016	Ford F-350	3 / 0	84,298
2	2016	Ford F-550	3 / 0	111,412
13	2016	New Flyer XN40	39 / 2	383,163

Qty	Year	Manufacturer/Model	Seats / WC	Average Mileage
1	2017	Ford F-250	2 / 0	23,987
2	2017	Ford F-250	3 / 0	37,038
10	2017	Nissan Leaf - E	5 / 0	50,639
33	2017	Starcraft Allstar	16 / 2	177,343
13	2018	Ford Edge SEL	5 / 0	55,109
3	2018	Ford F-250	3 / 0	14,150
4	2018	Ford Focus - E	5 / 0	39,388
2	2018	GEM	2 / 0	n/a
24	2018	New Flyer XN40	39 / 2	269,400
1	2018	New Flyer XN60	32 / 2	190,372
28	2019	Ford Starcraft	16 / 2	85,557
23	2019	New Flyer XN40	39 / 2	212,020
4	2021	New Flyer XE40	39 / 2	40,360
2	2022	GEM	2 / 0	n/a

## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates finds Omnitrans to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with Omnitrans staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. Omnitrans has been unable to return to full service levels due to a staffing shortage.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Omnitrans' public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there are no compliance findings, only functional findings and recommendations are included below.

### Functional Finding 1: Omnitrans has been unable to return to full service levels due to a staffing shortage.

**Criteria:** The Personnel Management and Training functional area includes elements related to recruitment. This includes addressing the question of, "Are enough drivers being recruited to meet the operator's need?"

**Condition:** The answer to the question posed above is no. Omnitrans has been working to rectify its staffing shortage by implementing various recruitment tactics, including streamlining the hiring process and offering hiring bonuses. However, at the time of the site visit, both the driver and maintenance workforces remained significantly understaffed, and Omnitrans has been unable to return to full service levels as a result. In addition, the staffing shortage has resulted in existing employees taking on overtime to enable the agency to meet pullout. This has resulted in increased workers' compensation claims as well as burnout.



**Cause:** There are several causes that contributed to this finding. The primary catalyst was the COVID-19 pandemic, which impacted staffing levels nationwide. However, contributing factors include a change in the market, wherein people are looking for entry-level positions with an optimal schedule rather than the first step in a career; the retirement of long-time senior staff (specifically, mechanics); and a lengthy hiring process that results in applicants accepting other jobs.

**Effect:** There is a gap in the workforce, specifically with respect to drivers, vehicle service workers, and mechanics.

**Recommendation:** Continue to evaluate recruitment and hiring practices, salary and benefit structures, and other factors to encourage successful hiring and retention.

**Recommended Action:** While a significant amount of effort has already been undertaken with respect to this issue, it is sufficiently critical to continue work on addressing the workforce shortage that it warrants inclusion in this audit. Omnitrans will not be able to fully recover from the COVID-19 pandemic – including restoring service to the desired levels based on post-COVID service planning.

**Timeline:** As soon as possible.

**Anticipated Cost:** Unknown.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Continue to evaluate recruitment and hiring practices, salary and benefit structures, and other factors to encourage successful hiring and retention.	High	ASAP

# Victor Valley Transit Authority

## TDA TRIENNIAL PERFORMANCE AUDIT, FY 2021 – FY 2023



FINAL REPORT  
FEBRUARY 2024





# Table of Contents

---

Chapter 1   Executive Summary .....	1
Chapter 2   Audit Scope and Methodology .....	3
Chapter 3   Program Compliance .....	7
Chapter 4   Prior Recommendations .....	11
Chapter 5   Data Reporting Analysis .....	13
Chapter 6   Performance Analysis .....	15
Chapter 7   Functional Review.....	37
Chapter 8   Findings and Recommendations .....	53

*This page intentionally blank.*

# Table of Exhibits

Exhibit 3.1 Transit Development Act Compliance Requirements .....	8
Exhibit 5.1 Data Reporting Comparison.....	14
Exhibit 6.1 System Performance Indicators .....	18
Exhibit 6.2 System Ridership.....	19
Exhibit 6.3 System Operating Cost/VSH .....	19
Exhibit 6.4 System Operating Cost/VSM.....	19
Exhibit 6.5 System VSM/VSH.....	19
Exhibit 6.6 System Operating Cost/Passenger .....	20
Exhibit 6.7 System Passengers/VSH .....	20
Exhibit 6.8 System Passengers/VSM.....	20
Exhibit 6.9 System VSH/FTE .....	20
Exhibit 6.10 System Farebox Recovery .....	21
Exhibit 6.11 System Fare/Passenger.....	21
Exhibit 6.12 Fixed-Route Performance Indicators.....	23
Exhibit 6.13 Fixed-Route Ridership.....	24
Exhibit 6.14 Fixed-Route Operating Cost/VSH .....	24
Exhibit 6.15 Fixed-Route Operating Cost/VSM .....	24
Exhibit 6.16 Fixed-Route VSM/VSH .....	24
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	25
Exhibit 6.18 Fixed-Route Passengers/VSH .....	25
Exhibit 6.19 Fixed-Route Passengers/VSM .....	25
Exhibit 6.20 Fixed-Route Farebox Recovery.....	25
Exhibit 6.21 Fixed-Route Fare/Passenger .....	26
Exhibit 6.22 Demand-Response Performance Indicators .....	28
Exhibit 6.23 Demand-Response Ridership .....	29
Exhibit 6.24 Demand-Response Operating Cost/VSH.....	29
Exhibit 6.25 Demand-Response Operating Cost/VSM .....	29
Exhibit 6.26 Demand-Response VSM/VSH.....	29
Exhibit 6.27 Demand-Response Operating Cost/Passenger .....	30
Exhibit 6.28 Demand-Response Passengers/VSH.....	30
Exhibit 6.29 Demand-Response Passengers/VSM .....	30
Exhibit 6.30 Demand-Response Farebox Recovery .....	30
Exhibit 6.31 Demand-Response Fare/Passenger.....	31
Exhibit 6.32 Vanpool Performance Indicators .....	32
Exhibit 6.33 Vanpool Ridership .....	33
Exhibit 6.34 Vanpool Operating Cost/VSH.....	33
Exhibit 6.35 Vanpool Operating Cost/VSM .....	33
Exhibit 6.36 Vanpool VSM/VSH.....	33

Exhibit 6.37 Vanpool Operating Cost/Passenger .....	34
Exhibit 6.38 Vanpool Passengers/VSH .....	34
Exhibit 6.39 Vanpool Passengers/VSM .....	34
Exhibit 6.40 Vanpool Farebox Recovery .....	34
Exhibit 6.41 Vanpool Fare/Passenger .....	35
Exhibit 7.1 Fixed-Route Fare Structure .....	37
Exhibit 7.2 On-Demand Fare Structure .....	38
Exhibit 7.3 Organizational Chart.....	40
Exhibit 7.4 VVTA’s Transit Fleet.....	47

## Chapter 1 | Executive Summary

In 2023, the San Bernardino County Transportation Authority (SBCTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. While not required, audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Victor Valley Transit Authority (VVTA) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of VVTA's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

VVTA's Victor Valley Transit operates 34 fixed routes, weekdays from 6:00 a.m. to 9:00 p.m., Saturdays from 7:00 a.m. to 8:00 p.m., and Sundays from 8:00 a.m. to 6:00 p.m. VVTA's Barstow buses operates weekdays from 6:00 a.m. to 8:00 p.m. and weekends from 8:00 a.m. to 5:00 p.m. Service does not operate holiday service on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Each route has a distinct fare depending on the type of route.

VVTA's ADA Direct Access service is a complementary paratransit service for the fixed route system. It is available to qualifying persons with disabilities. Riders must obtain a Victor Valley Transit ADA Direct Access ID or a Senior Disabled ID from the Hesperia main office location (17150 Smoke Tree Street). Reservations may be made from 1 day to 14 days in advance.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.



The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with Victor Valley Transit Authority staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included two recommendations:

1. Calculate full-time employee equivalents using TDA definitions.  
**Status:** Implemented.
2. Continue pursuit of potential revenue agreements and cooperative partnerships as part of the VVTA's revenue enhancement strategy.  
**Status:** Implemented.

#### Findings and Recommendations

Based on discussions with VVTA staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance or functional findings for VVTA.

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of VVTA’s public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the San Bernardino County Transportation Authority selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the five transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of SBCTA as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of VVTA included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of Victor Valley Transit Authority included thorough review of documents relevant to the scope of the audit, as well as information contained on VVTA's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;

- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a site visit with VVTA representatives on September 27, 2023. The audit team met with Nancie Goff (Chief Executive Officer), Maged Azer (Chief Financial Officer), Rod Goldman (Director of Operations), and Debi Albin (Clerk of the Board); toured the operations and maintenance facility; and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

*This page intentionally blank.*

## Chapter 3 | Program Compliance

This section examines Victor Valley Transit Authority's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. VVTA considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with VVTA staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance issues were identified for VVTA.

### Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most public transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2020/21: January 31, 2022 FY 2021/22: January 31, 2023 FY 2022/23: January 30, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2020/21: February 25, 2022 FY 2021/22: February 14, 2023 FY 2022/23: December 28, 2023
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	State St. (Barstow): January 8, 2020  W. Main St. (Barstow): December 7, 2020 December 10, 2021 December 7, 2022  Smoke Tree St. (Hesperia): January 8, 2020 December 3, 2020 December 3, 2021 December 16, 2022
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	In compliance	Fixed-route service: FY 2020/21: 12.15% (waived) FY 2021/22: 13.54% (waived) FY 2022/23: 18.0%  System: FY 2020/21: 11.31% (waived) FY 2021/22: 12.26% (waived) FY 2022/23: 18.0%  <i>18 percent FBRR established by SBCTA in September 2017. Measure I funds used to supplement fare revenues. Penalties waived under AB 149 through FY 2023.</i>
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	VVTA does not receive Article 8 funding.
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	VVTA does not receive Article 8 funding.

Compliance Element	Reference	Compliance	Comments
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Per SBCTA TDA Claim Standard Assurances for FY 2022/23.
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2020/21: +12.96% FY 2021/22: +5.68% FY 2022/23: +17.14%  <i>Increase in FY 2023 includes the introduction of VVTA's microtransit program and a significant increase in administration costs (due to the pension calculation and two new hires).</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2020/21: 5.59% (waived) FY 2021/22: 5.02% (waived) FY 2022/23: 7.0% (waived)  <i>11 percent FBRR established by SBCTA in September 2017. Measure I funds used to supplement fare revenues. Penalties waived under AB 149 through FY 2023.</i>
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 for 40 years.	PUC 99271	In compliance	Per SBCTA TDA Claim Standard Assurances for FY 2022/23.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	



Compliance Element	Reference	Compliance	Comments
<p>In order to use State Transit Assistance funds for operating assistance, the operator’s total operating cost per revenue hour does not exceed the sum of the preceding year’s total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year’s total operating cost per revenue hour. An operator may qualify based on the preceding year’s operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.</p>	<p>PUC 99314.6</p>	<p>Not applicable during this audit period</p>	<p>This requirement was waived for all years of the audit period under AB 149. SBCTA includes a statement within its Standard Assurances for TDA claims regarding eligibility and required inclusion of a supplemental schedule.</p>
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant’s capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance Victor Valley Transit Authority has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in August 2021 by Michael Baker International for the three fiscal years ending June 30, 2020 – included two recommendations:

1. Calculate full-time employee equivalents using TDA definitions.

**Discussion:** The prior auditor’s 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, the auditor found 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. The auditor noted these sources should enable the agency to conform to the FTE definition.

**Progress:** In FY 2019 VVTA inadvertently reported the full-time employee equivalent data based on the head count in the Transit Operators Financial Transactions Report. It corrected the error with its FY 2020 reporting and noted it has been correct going forward. VVTA now uses the correct definition of a full-time equivalent (FTE) employee under the TDA based on 2,000 person hours of work, but is still working on ensuring it is applied correctly.

**Status:** Implemented.

2. Continue pursuit of revenue agreements and cooperative partnerships as part of VVTA’s revenue enhancement strategy.

**Discussion:** 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 Victor Valley College (VVC). 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 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, the prior auditor encouraged VVTA to pursue other arrangements with other local institutions and organizations that benefit from VVTA ridership. Given the status

and uncertainties with public transit in general, VVTA's active partnerships would help stabilize operations and provide more steady revenue streams while providing more visibility to the service. The auditor applauded the agency's approach towards building local and regional partnerships that have become a viable aspect of transit systems and further recommended its continued pursuit of these types of engagements.

**Progress:** VVTA is currently contracted with Options for Youth (with seven locations in the High Desert) and Excelsior (four locations) for free rides for their students. The process was completed by analyzing the school's current cost for the portion of students that needed transportation assistance and then offering a lower price per year. Not only does this benefit the school and its current riders, but it also helps all students that attend, and it also opens the door for new ridership. Parents and students no longer have to see transportation as an obstacle to an excellent education and for any basic human needs. VVTA is currently working with Encore, which is evaluating its transportation needs and current costs for private transportation services. VVTA is also in the process of pursuing Taylion, Mojave River Academy, Pathways to College, AAE, Mirus, and all other charter schools, along with local school districts including Hesperia Unified School District K-12 Schools. In addition, VVTA is in the process of looking into a partnership with trade schools and private colleges to fill the transportation gap for students who do not go to VVC or CSUSB and are no longer high school students.

**Status:** Implemented.

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by Victor Valley Transit Authority both internally as well as to outside entities during the audit period.

- **Operating cost:** There was a modest variance between reported operating cost in FY 2020/21 and FY 2022/23. There was a slightly larger variance in FY 2021/22. The cause of these variances is unknown. Data reported in the TDA fiscal audit was generally consistent with that reported to the State Controller, as the State Controller Report is completed after the TDA fiscal audit is completed.
- **Fare Revenue:** This metric was reported consistently between the TDA fiscal audit and the State Controller Report in FY 2020/21 and FY 2021/22, though not in FY 2022/23. The fare revenue reported in the NTD report was considerably higher, possibly due to the inclusion of vanpool revenues in that report but not in the others. Per VVTA, vanpool fare revenue/passenger fares represents vanpool out-of-pocket costs plus vanpool leasing costs not covered by the subsidy.
- **Vehicle Service Hours (VSH):** This metric was reported consistently in FY 2020/21 and FY 2021/22. There was a slight variance in FY 2022/23 among all three reports which appeared to be due to slight differences in the vanpool VSH.
- **Vehicle Service Miles (VSM):** This metric was reported consistently between the NTD and State Controller Reports in FY 2020/21 and FY 2021/22. In FY 2022/23, the demand-response VSM for May 2023 was significantly lower than other months and may have been an error, resulting in a lower VSM in the monthly performance reports. Demand-response VSM was consistent between the NTD and State Controller Reports.
- **Passengers:** This metric was generally reported consistently, with only modest differences. However, the vanpool ridership reported in the monthly performance reports appears to be double that reported to the NTD and State Controller in FY 2020/21. Per VVTA, this was due to issues with importing data from the new vanpool software (RidePro) into Transtrack. The correct data was reported in the NTD and State Controller reports.
- **Full-Time Equivalent (FTE) Employees:** In FY 2020/21, the FTE reported to the State Controller was significantly lower than that calculated for this audit. The agency discovered that TransTrack was not including all modes, which resulted in some erroneous reporting. VVTA is still working on this issue. While the totals in FY 2021/22 were much closer (a variance of only 2.9 percent), FTE

reported to the State Controller in FY 2022/23 was significantly lower than that calculated during this audit.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$27,713,414	\$30,468,508	\$36,480,047
<i>Monthly Performance Reports</i>	\$28,734,019	\$39,984,958	\$37,555,995
<i>National Transit Database</i>	\$27,251,956	\$31,192,173	\$36,874,077
<i>State Controller Report</i>	\$27,713,807	\$30,475,098	\$35,465,511
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$1,433,178	\$1,718,977	\$1,930,444
<i>National Transit Database</i>	\$3,969,895	\$4,563,712	\$5,053,144
<i>State Controller Report</i>	\$1,433,177	\$1,718,977	\$2,031,823
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	311,014	310,797	325,832
<i>National Transit Database</i>	311,015	310,796	328,293
<i>State Controller Report</i>	311,015	310,797	327,862
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	8,246,924	8,296,086	9,000,623
<i>National Transit Database</i>	8,246,925	8,296,090	9,073,231
<i>State Controller Report</i>	8,246,924	8,296,086	9,048,854
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	1,467,736	1,119,280	1,336,923
<i>National Transit Database</i>	1,059,009	1,116,079	1,350,891
<i>State Controller Report</i>	1,059,009	1,108,553	1,347,768
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	128	239	205
<i>VVTA-provided data</i>	194	246	292

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

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

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

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

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

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

---

<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

### Employees

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

### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

---

<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for Victor Valley Transit Authority, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports and National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the VVTA's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports and National Transit Database (NTD) reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. VVTA calculates VSH using exception-based reporting. VVTA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. VVTA calculates VSM using exception-based reporting. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. VVTA used GFI fareboxes to track fixed-route passengers and Ecolane to track demand-response passengers. This calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

*Note: System financial data for FY 2020/21 through FY 2022/23 was obtained from the TDA fiscal audits. Given the audits do not segregate mode-specific financial data, modal analysis utilizes National Transit Database (NTD) financial data. As a result, there may be some differences between the sum of the modal analyses and what is reflected in the system-wide performance trends.*

System-wide, operating cost experienced a net 31.6 percent increase during the audit period and a 99.8 percent net increase across the six-year period. The overall increase was due primarily to significant increases in FY 2020/21 and FY 2022/23. Fare revenue experienced increases most years of the six-year period, with the exception of decreases in FY 2019/20 and FY 2020/21. Overall, reported fare revenue increased 34.7 percent during the audit period.

Vehicle Service Hours (VSH) experienced a pattern similar to fare revenue. VSH saw a net 28.7 percent increase over the six-year period, with most of that occurring in FY 2020/21 (34.9 percent). A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 104 percent increase over the six-year period. Ridership decreased significantly at the beginning of the audit period, before increasing in FY 2021/22 and FY 2022/23. Overall, ridership experienced a net increase of 27.6 percent during the audit period, but a decrease of 20.5 percent across the six-year period.



Cost-related metrics typically provide an indicator of a system’s efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Cost-related metrics increased during the audit period, reflective of a decline in efficiency. However, productivity also increased (improved), as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$18,258,802	\$20,804,656	\$20,220,488	\$27,713,414	\$30,468,508	\$36,480,047
<i>Annual Change</i>		13.9%	-2.8%	37.1%	9.9%	19.7%
<b>Fare Revenue (Actual \$)</b>	\$2,761,148	\$3,086,676	\$2,618,991	\$1,433,178	\$1,718,977	\$1,930,444
<i>Annual Change</i>		11.8%	-15.2%	-45.3%	19.9%	12.3%
<b>Vehicle Service Hours (VSH)</b>	255,089	261,111	230,616	311,014	310,796	328,293
<i>Annual Change</i>		2.4%	-11.7%	34.9%	-0.1%	5.6%
<b>Vehicle Service Miles (VSM)</b>	4,447,743	4,589,282	4,018,758	8,246,925	8,296,089	9,073,231
<i>Annual Change</i>		3.2%	-12.4%	105.2%	0.6%	9.4%
<b>Passengers</b>	1,698,359	1,667,686	1,439,373	1,059,009	1,116,079	1,350,891
<i>Annual Change</i>		-1.8%	-13.7%	-26.4%	5.4%	21.0%
<b>Employees</b>	113	267	164	194	246	292
<i>Annual Change</i>		136.3%	-38.6%	18.3%	26.8%	18.7%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$71.58	\$79.68	\$87.68	\$89.11	\$98.03	\$111.12
<i>Annual Change</i>		11.3%	10.0%	1.6%	10.0%	13.3%
<b>Operating Cost/Passenger (Actual \$)</b>	\$10.75	\$12.48	\$14.05	\$26.17	\$27.30	\$27.00
<i>Annual Change</i>		16.0%	12.6%	86.3%	4.3%	-1.1%
<b>Passengers/VSH</b>	6.66	6.39	6.24	3.41	3.59	4.11
<i>Annual Change</i>		-4.1%	-2.3%	-45.4%	5.5%	14.6%
<b>Passengers/VSM</b>	0.38	0.36	0.36	0.13	0.13	0.15
<i>Annual Change</i>		-4.8%	-1.4%	-64.1%	4.8%	10.7%
<b>Farebox Recovery</b>	15.1%	14.8%	13.0%	5.2%	5.6%	5.3%
<i>Annual Change</i>		-1.9%	-12.7%	-60.1%	9.1%	-6.2%
<b>Hours/Employee</b>	2,257.4	977.9	1,406.2	1,603.2	1,263.4	1,124.3
<i>Annual Change</i>		-56.7%	43.8%	14.0%	-21.2%	-11.0%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.11	\$4.53	\$5.03	\$3.36	\$3.67	\$4.02
<i>Annual Change</i>		10.4%	11.0%	-33.2%	9.3%	9.5%
<b>VSM/VSH</b>	17.44	17.58	17.43	26.52	26.69	27.64
<i>Annual Change</i>		0.8%	-0.9%	52.2%	0.7%	3.5%
<b>Fare/Passenger</b>	\$1.63	\$1.85	\$1.82	\$1.35	\$1.54	\$1.43
<i>Annual Change</i>		13.8%	-1.7%	-25.6%	13.8%	-7.2%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/23 financial data from TDA fiscal audits.  
FY 2020/21 – FY 2022/23 operating data from State Controller Reports.  
FY 2020/21 – FY 2022/23 FTE data provided by VVTA.

Exhibit 6.2 System Ridership

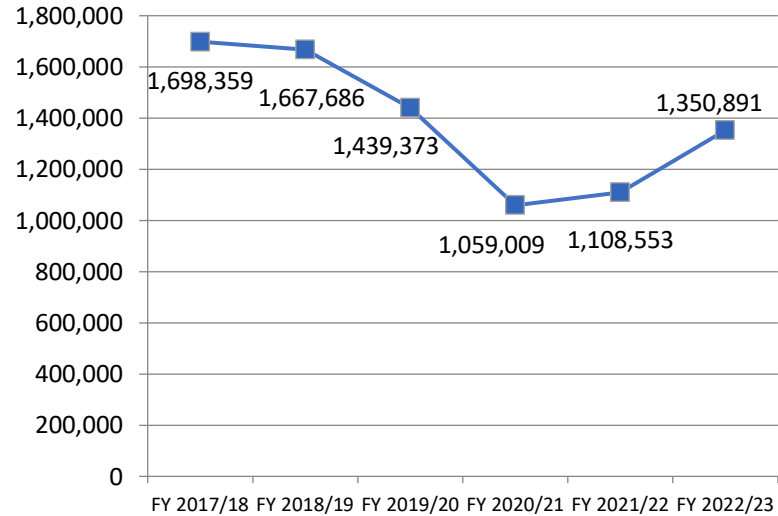


Exhibit 6.3 System Operating Cost/VSH

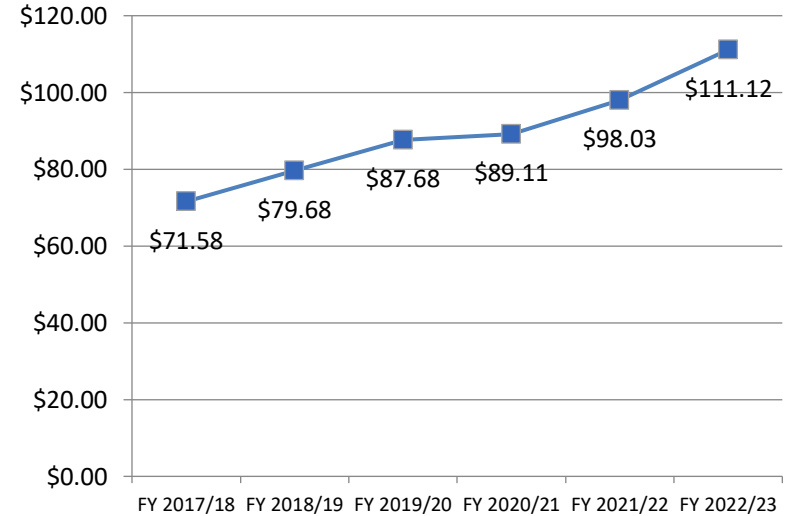


Exhibit 6.4 System Operating Cost/VSM

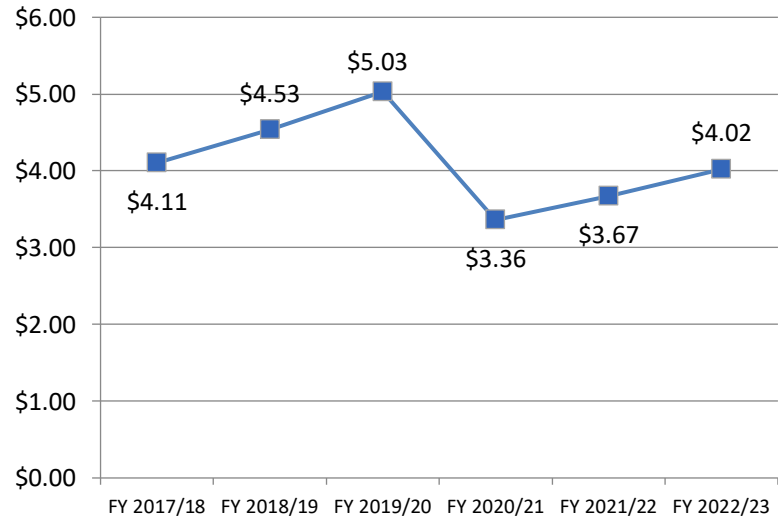


Exhibit 6.5 System VSM/VSH

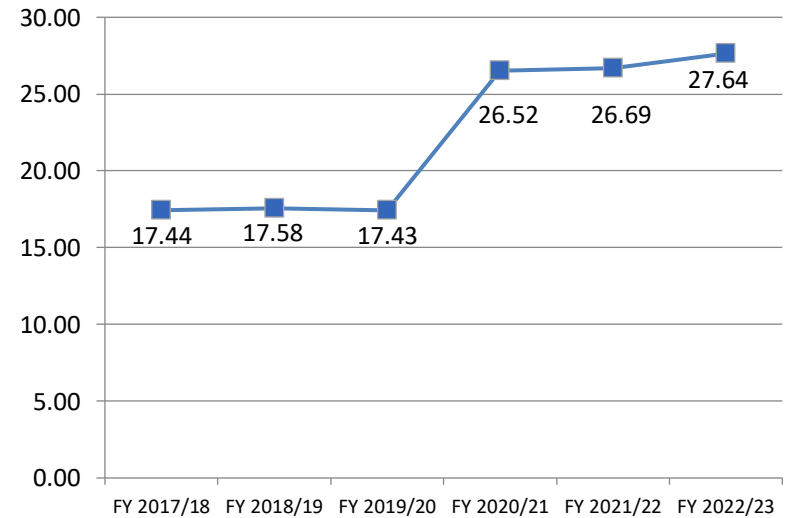


Exhibit 6.6 System Operating Cost/Passenger

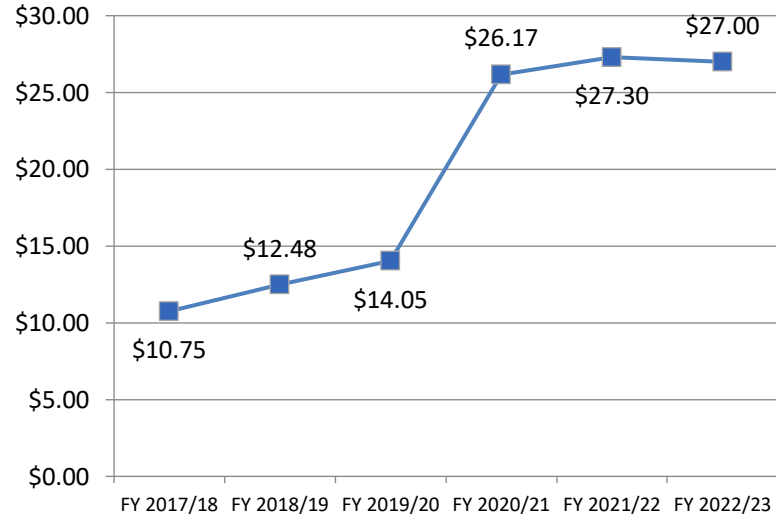


Exhibit 6.7 System Passengers/VSH

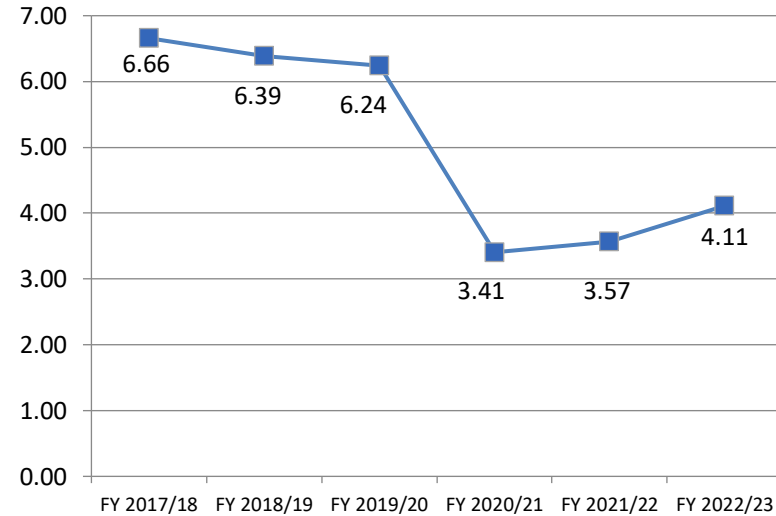


Exhibit 6.8 System Passengers/VSM

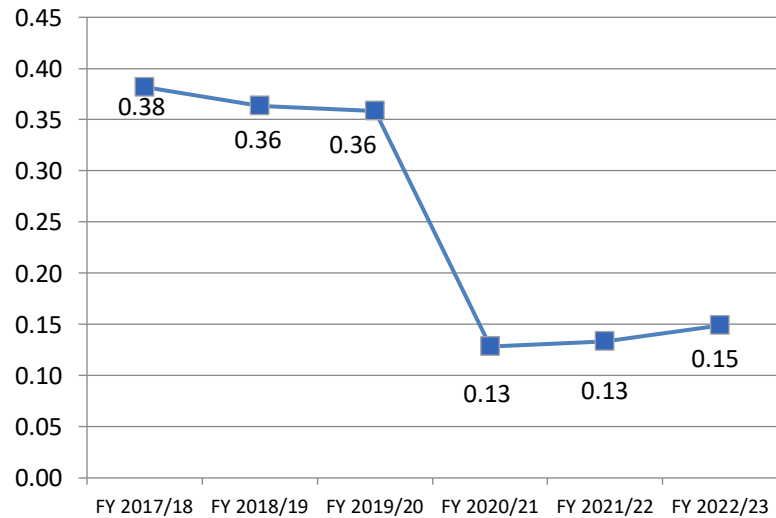


Exhibit 6.9 System VSH/FTE

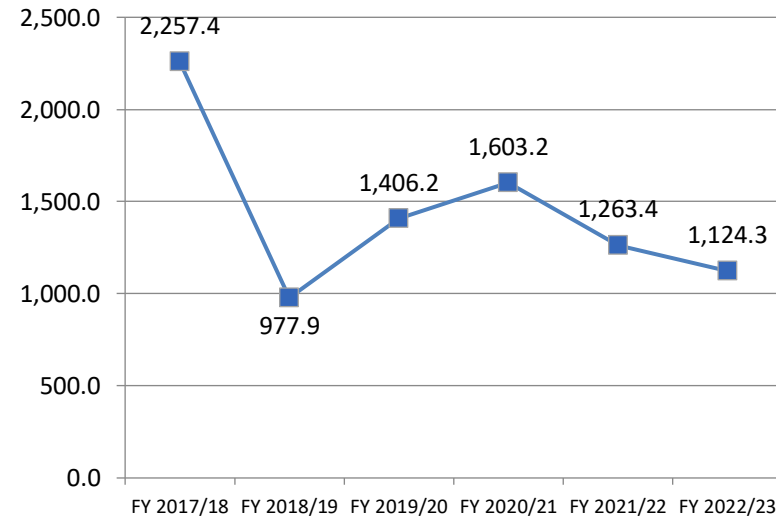


Exhibit 6.10 System Farebox Recovery

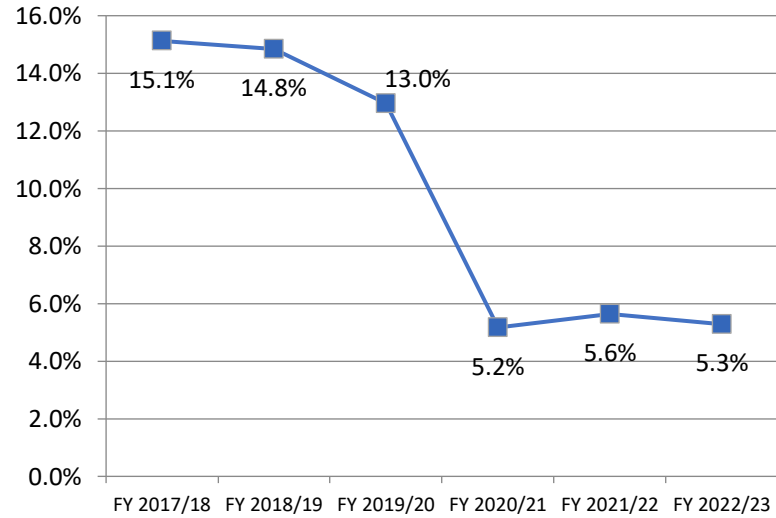
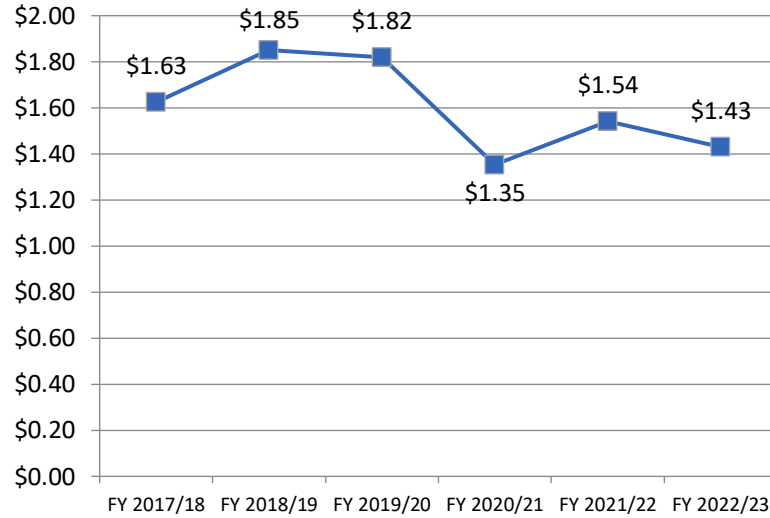


Exhibit 6.11 System Fare/Passenger



### Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 26.6 percent increase during the audit period, and an 85 percent net increase across the last six years. Fare revenue, however, significantly decreased between FY 2018/19 and FY 2020/21, with the greatest decline occurring in FY 2019/20. The last two years of the audit period experienced slight increases. This resulted in a net 26.5 percent increase during the audit period, but a net 30.3 percent decrease over six years.

Vehicle service hours (VSH) fluctuated through the six-year period. This resulted in a net 3.9 percent decrease during the audit period and a net 7.2 percent decrease during the six-year period. Vehicle service miles (VSM) experienced a similar pattern to VSH. This resulted in a net 1.1 percent decrease during the audit period and a net 5.0 percent decrease during the six-year period. Ridership decreased every year with the exception of FY 2022/23, which experienced a significant increase of 29.6 percent. This led to a 28.9 percent net increase during the audit period, but a 49.6 percent net decrease across the six-year period.

Fixed-route cost-related metrics increased during the audit period with the exception of operating cost per passenger. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 34.2 percent and passengers per VSM increasing by 30.3 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$14,110,232	\$16,916,392	\$16,104,718	\$20,615,583	\$22,945,343	\$26,102,940
<i>Annual Change</i>		19.9%	-4.8%	28.0%	11.3%	13.8%
<b>Fare Revenue (Actual \$)</b>	\$2,248,275	\$2,726,716	\$2,154,070	\$1,238,438	\$1,434,921	\$1,566,905
<i>Annual Change</i>		21.3%	-21.0%	-42.5%	15.9%	9.2%
<b>Vehicle Service Hours (VSH)</b>	195,332	199,343	178,755	188,690	162,485	181,313
<i>Annual Change</i>		2.1%	-10.3%	5.6%	-13.9%	11.6%
<b>Vehicle Service Miles (VSM)</b>	3,528,319	3,605,546	3,221,714	3,389,303	2,925,508	3,353,091
<i>Annual Change</i>		2.2%	-10.6%	5.2%	-13.7%	14.6%
<b>Passengers</b>	1,515,594	1,478,504	1,292,207	592,506	589,679	763,995
<i>Annual Change</i>		-2.4%	-12.6%	-54.1%	-0.5%	29.6%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$72.24	\$84.86	\$90.09	\$109.26	\$141.22	\$143.97
<i>Annual Change</i>		17.5%	6.2%	21.3%	29.3%	1.9%
<b>Operating Cost/Passenger (Actual \$)</b>	\$9.31	\$11.44	\$12.46	\$34.79	\$38.91	\$34.17
<i>Annual Change</i>		22.9%	8.9%	179.2%	11.8%	-12.2%
<b>Passengers/VSH</b>	7.76	7.42	7.23	3.14	3.63	4.21
<i>Annual Change</i>		-4.4%	-2.5%	-56.6%	15.6%	16.1%
<b>Passengers/VSM</b>	0.43	0.41	0.40	0.17	0.20	0.23
<i>Annual Change</i>		-4.5%	-2.2%	-56.4%	15.3%	13.0%
<b>Farebox Recovery</b>	15.93%	16.12%	13.38%	6.01%	6.25%	6.00%
<i>Annual Change</i>		1.2%	-17.0%	-55.1%	4.1%	-4.0%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.00	\$4.69	\$5.00	\$6.08	\$7.84	\$7.78
<i>Annual Change</i>		17.3%	6.5%	21.7%	28.9%	-0.7%
<b>VSM/VSH</b>	18.06	18.09	18.02	17.96	18.00	18.49
<i>Annual Change</i>		0.1%	-0.4%	-0.3%	0.2%	2.7%
<b>Fare/Passenger</b>	\$1.48	\$1.84	\$1.67	\$2.09	\$2.43	\$2.05
<i>Annual Change</i>		24.3%	-9.6%	25.4%	16.4%	-15.7%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/23 data from NTD Reports.

Exhibit 6.13 Fixed-Route Ridership

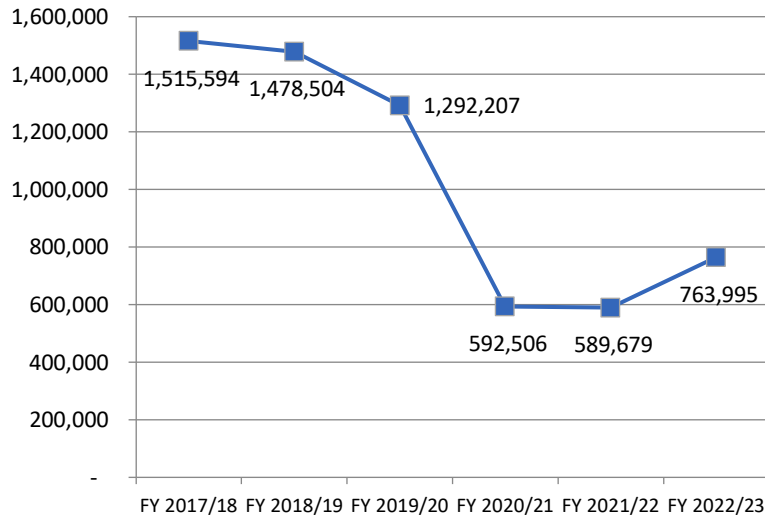


Exhibit 6.14 Fixed-Route Operating Cost/VSH

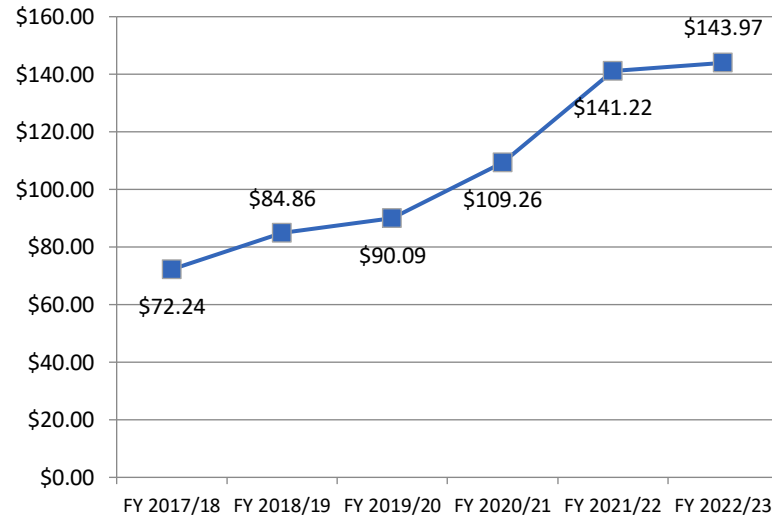


Exhibit 6.15 Fixed-Route Operating Cost/VSM

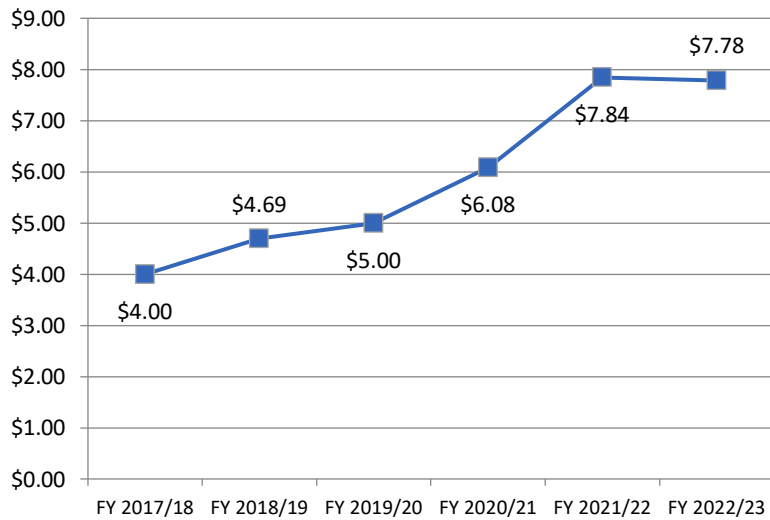


Exhibit 6.16 Fixed-Route VSM/VSH

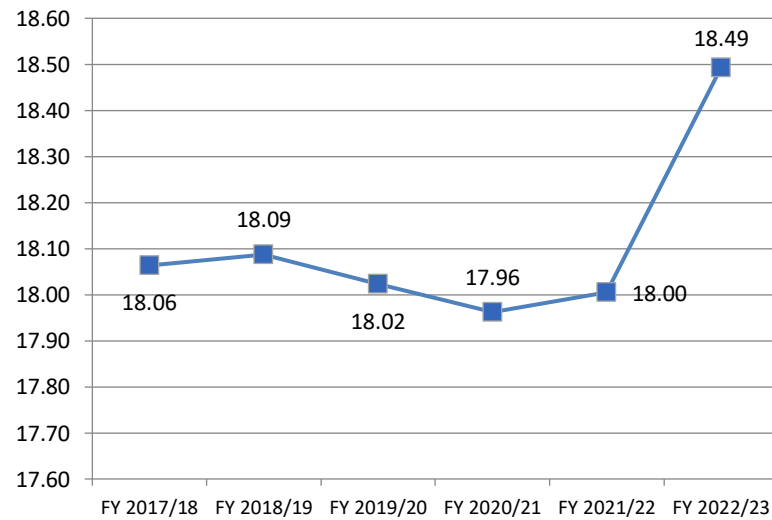


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

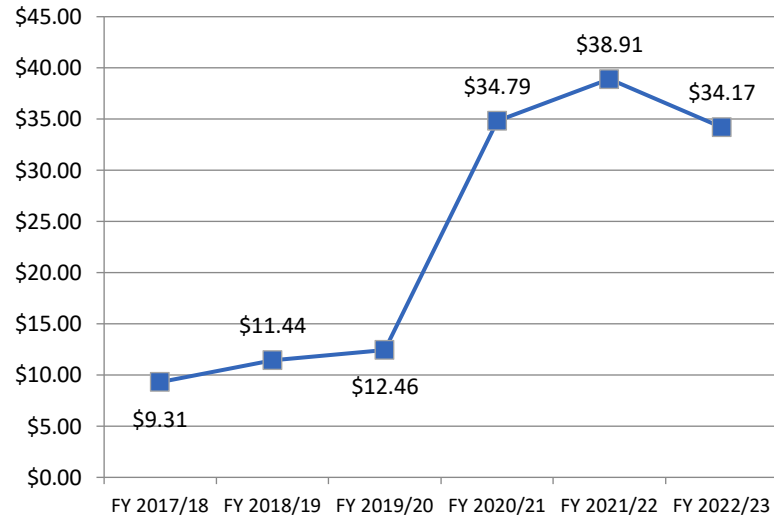


Exhibit 6.18 Fixed-Route Passengers/VSH

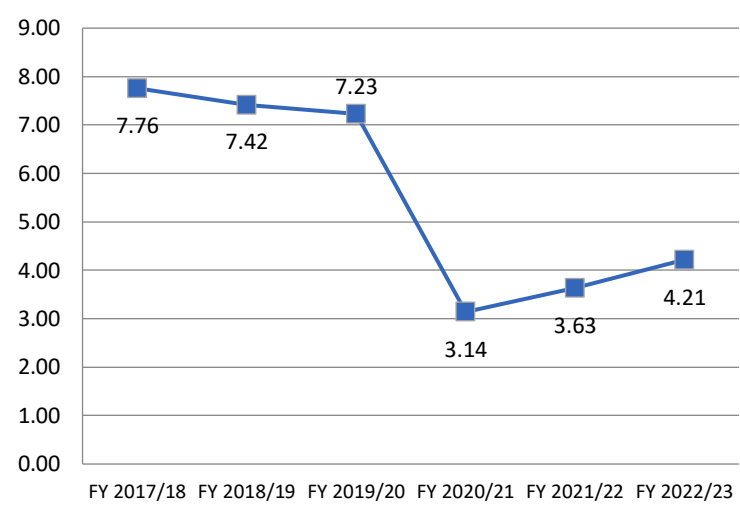


Exhibit 6.19 Fixed-Route Passengers/VSM

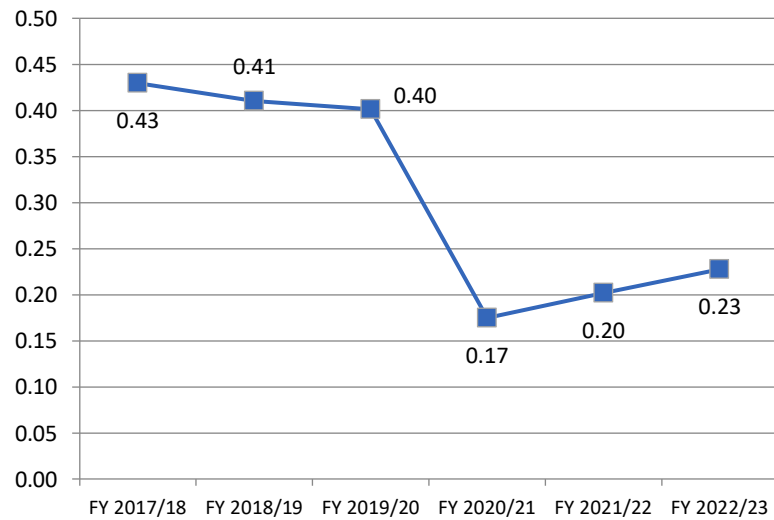


Exhibit 6.20 Fixed-Route Farebox Recovery

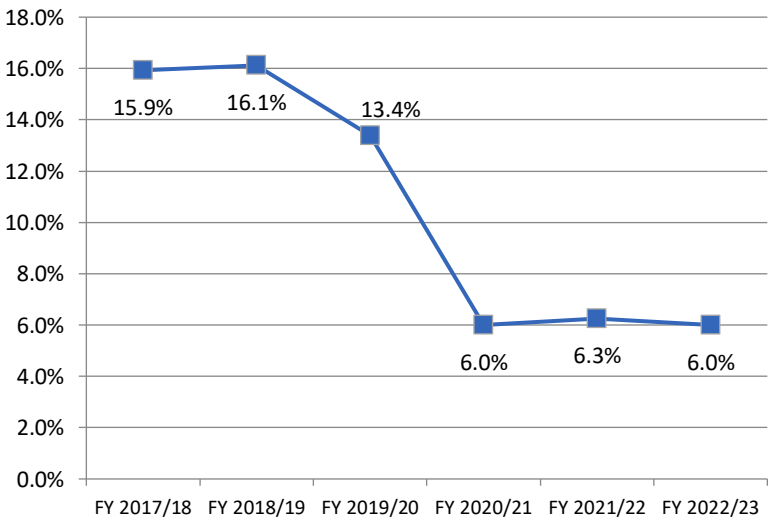
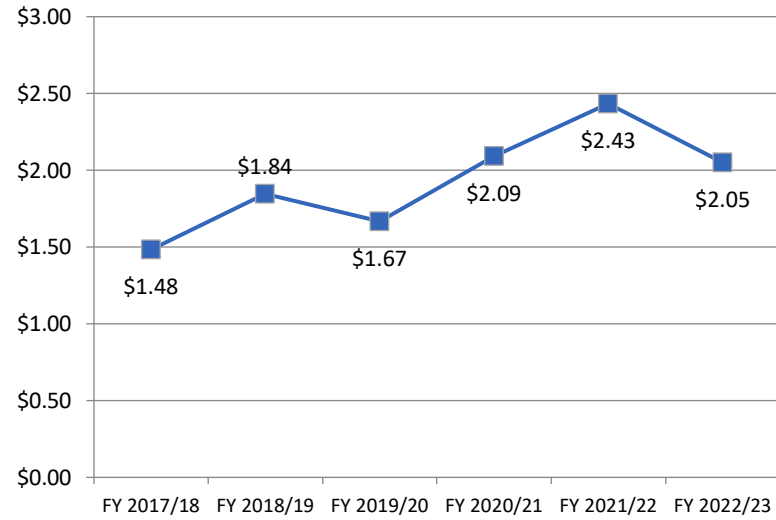




Exhibit 6.21 Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Demand-response operating cost experienced a net 83 percent increase during the audit period, and a net 69.4 percent increase across the last six years. Fare revenue increased two years of the six-year period, however experienced significant declines in FY 2018/19 and FY 2020/21. This resulted in a net 85.4 percent increase during the audit period, but a net 29.6 percent decrease over six years.

Vehicle service hours (VSH) decreased in FY 2019/20 and FY 2020/21, while increasing the other years. This resulted in a net 42.4 percent increase during the audit period, but a net 19.8 percent decrease during the six-year period. Vehicle service miles (VSM) experienced a similar pattern. This resulted in a net 49.7 percent increase during the audit period, but a net 22.7 percent decrease during the six-year period. Similarly, to VSH and VSM, ridership declined in FY 2019/20 and FY 2020/21. This led to a 98.4 percent net increase during the audit period, yet a 35.8 percent net decrease across the six-year period.

Demand-response cost-related metrics increased during the audit period, with the exception of operating cost per passenger. Passenger-related metrics rose during the audit period, with passengers per VSH increasing by 39.4 percent and passengers per VSM increasing by 32.6 percent.

Exhibit 6.22 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$4,148,570	\$3,888,264	\$4,115,770	\$3,840,064	\$5,058,077	\$7,027,357
<i>Annual Change</i>		-6.3%	5.9%	-6.7%	31.7%	38.9%
<b>Fare Revenue (Actual \$)</b>	\$512,873	\$359,960	\$464,921	\$194,739	\$284,056	\$361,095
<i>Annual Change</i>		-29.8%	29.2%	-58.1%	45.9%	27.1%
<b>Vehicle Service Hours (VSH)</b>	59,757	61,768	51,861	33,652	42,925	47,911
<i>Annual Change</i>		3.4%	-16.0%	-35.1%	27.6%	11.6%
<b>Vehicle Service Miles (VSM)</b>	919,424	983,736	797,044	475,091	659,494	711,050
<i>Annual Change</i>		7.0%	-19.0%	-40.4%	38.8%	7.8%
<b>Passengers</b>	182,765	189,182	147,166	59,109	100,488	117,295
<i>Annual Change</i>		3.5%	-22.2%	-59.8%	70.0%	16.7%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$69.42	\$62.95	\$79.36	\$114.11	\$117.84	\$146.68
<i>Annual Change</i>		-9.3%	26.1%	43.8%	3.3%	24.5%
<b>Operating Cost/Passenger (Actual \$)</b>	\$22.70	\$20.55	\$27.97	\$64.97	\$50.34	\$59.91
<i>Annual Change</i>		-9.5%	36.1%	132.3%	-22.5%	19.0%
<b>Passengers/VSH</b>	3.06	3.06	2.84	1.76	2.34	2.45
<i>Annual Change</i>		0.1%	-7.3%	-38.1%	33.3%	4.6%
<b>Passengers/VSM</b>	0.20	0.19	0.18	0.12	0.15	0.16
<i>Annual Change</i>		-3.3%	-4.0%	-32.6%	22.5%	8.3%
<b>Farebox Recovery</b>	12.4%	9.3%	11.3%	5.1%	5.6%	5.1%
<i>Annual Change</i>		-25.1%	22.0%	-55.1%	10.7%	-8.5%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.51	\$3.95	\$5.16	\$8.08	\$7.67	\$9.88
<i>Annual Change</i>		-12.4%	30.6%	56.5%	-5.1%	28.9%
<b>VSM/VSH</b>	15.39	15.93	15.37	14.12	15.36	14.84
<i>Annual Change</i>		3.5%	-3.5%	-8.1%	8.8%	-3.4%
<b>Fare/Passenger</b>	\$2.81	\$1.90	\$3.16	\$3.29	\$2.83	\$3.08
<i>Annual Change</i>		-32.2%	66.0%	4.3%	-14.2%	8.9%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.  
FY 2020/21 – FY 2022/23 data from NTD Reports.

Exhibit 6.23 Demand-Response Ridership

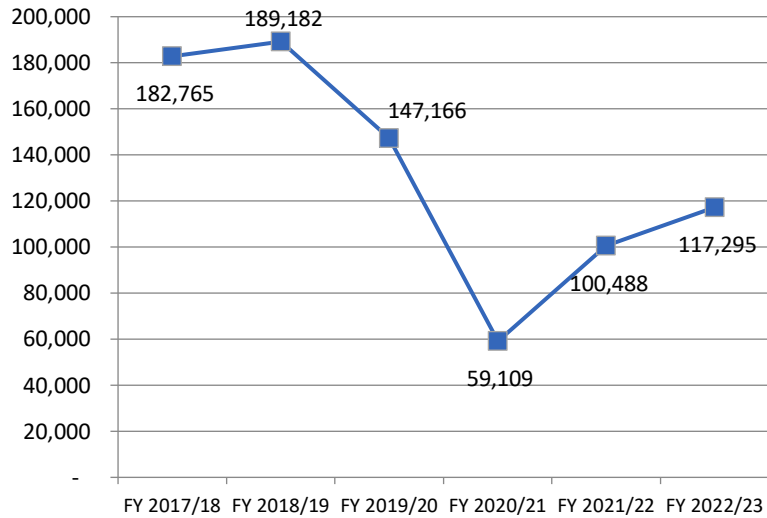


Exhibit 6.24 Demand-Response Operating Cost/VSH

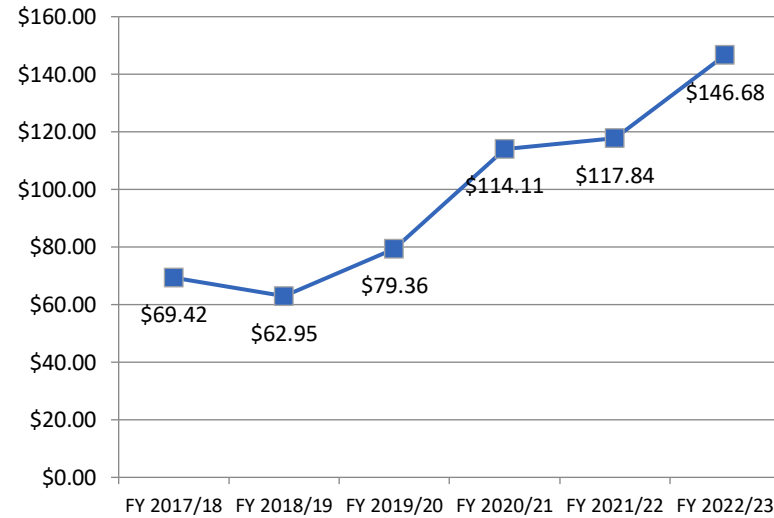


Exhibit 6.25 Demand-Response Operating Cost/VSM

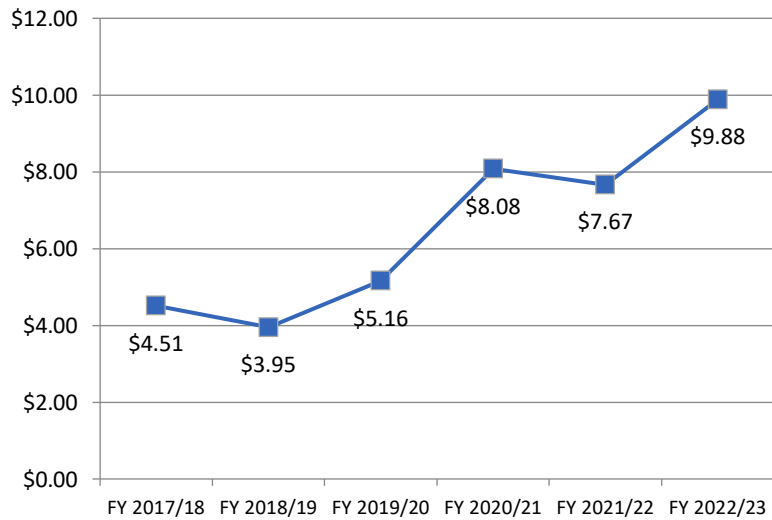


Exhibit 6.26 Demand-Response VSM/VSH

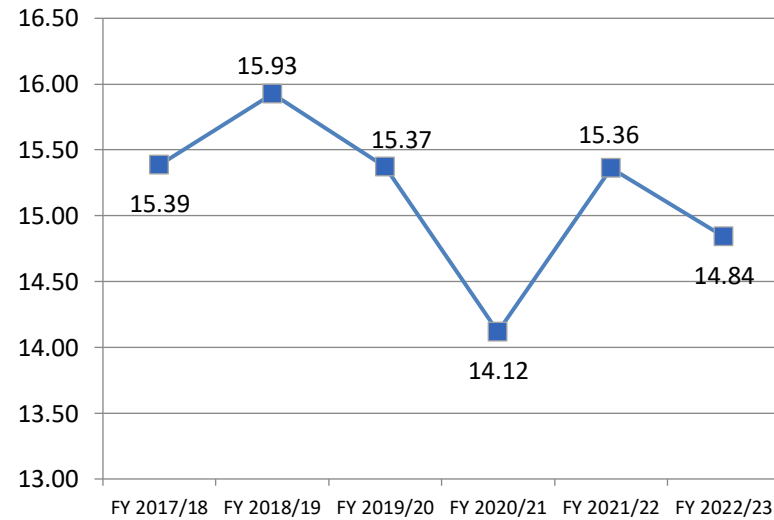


Exhibit 6.27 Demand-Response Operating Cost/Passenger

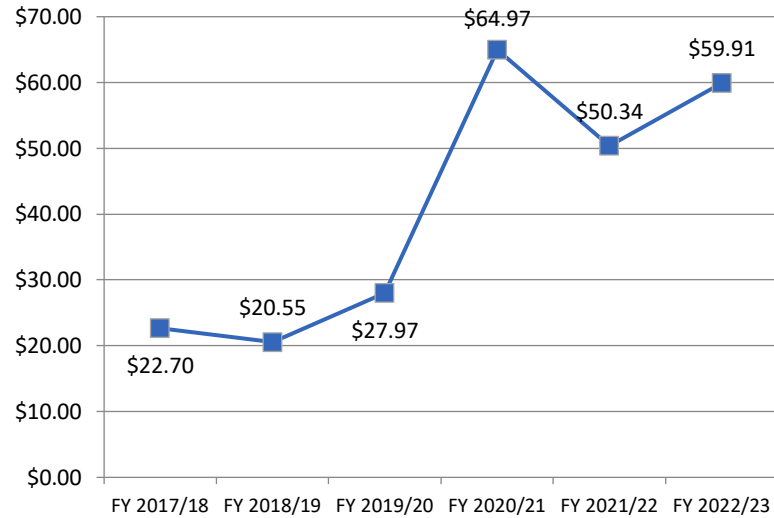


Exhibit 6.28 Demand-Response Passengers/VSH

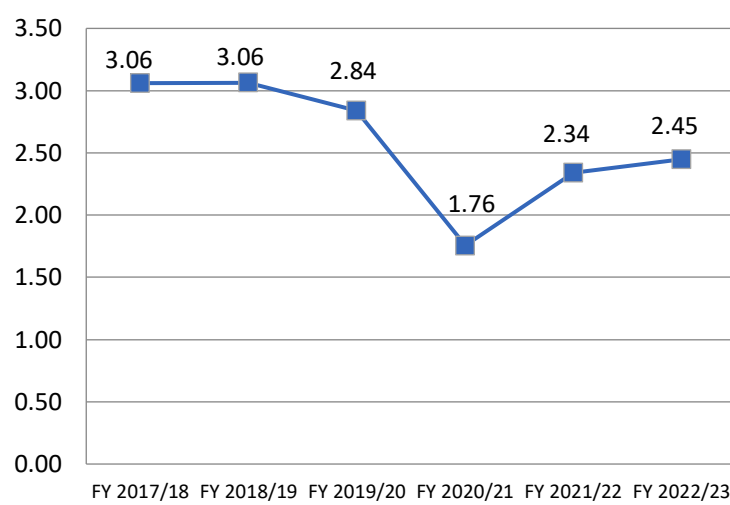


Exhibit 6.29 Demand-Response Passengers/VSM

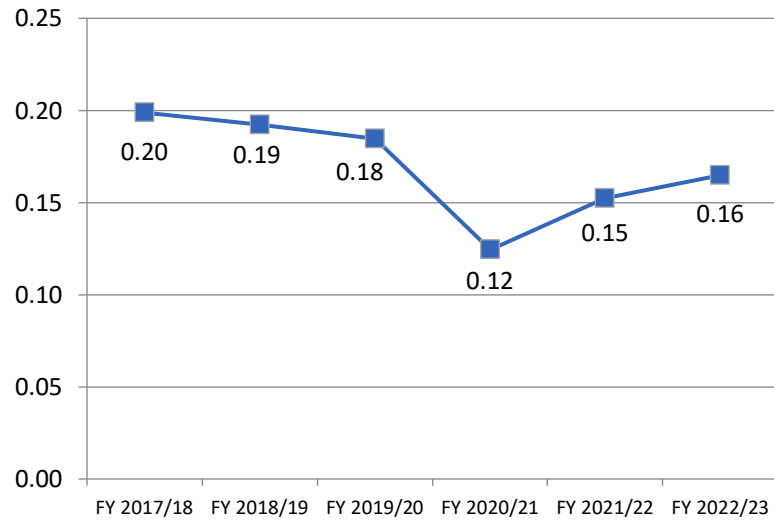


Exhibit 6.30 Demand-Response Farebox Recovery

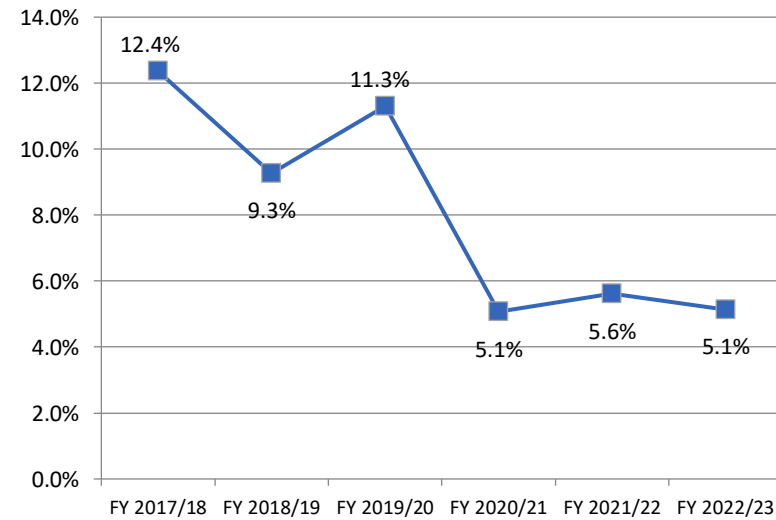
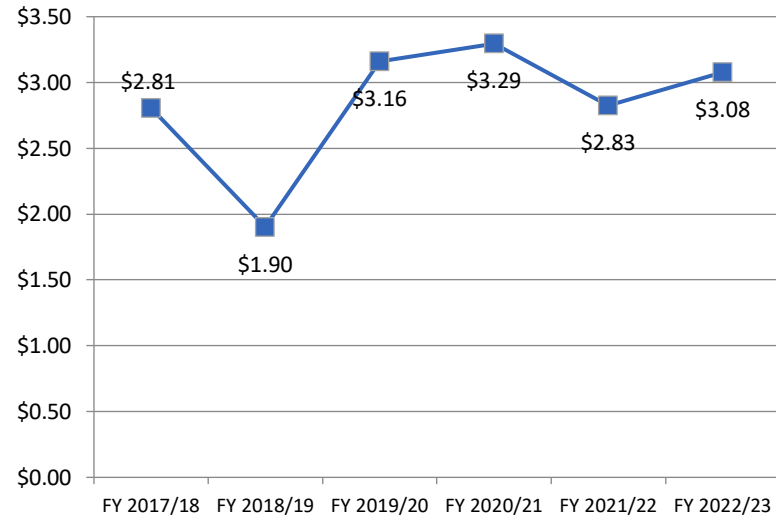


Exhibit 6.31 Demand-Response Fare/Passenger



### Vanpool Performance Trends

Vanpool operating cost experienced a net 33.9 percent increase during the audit period. Fare revenue increased every year, resulting in a net 23.2 percent across the three-year period.

Vehicle service hours (VSH) decreased in FY 2022/23, while increasing the other years. This resulted in a net 11.7 percent increase during the audit period. Vehicle service miles (VSM) experienced increases across the audit period resulting in a net 14.3 percent increase during the audit period. Similarly, to VSM, ridership increased every year of the audit period. This led to a 15.3 percent net increase.

Vanpool cost-related metrics increased during the audit period. Passenger-related metrics rose slightly during the audit period, with passengers per VSH increasing by 3.2 percent and passengers per VSM increasing by 0.9 percent.

Exhibit 6.32 Vanpool Performance Indicators

Performance Measure	Vanpool		
	FY 2020/21	FY 2021/22	FY 2022/23
<b>Operating Cost (Actual \$)</b>	\$2,796,379	\$3,188,753	\$3,743,780
<i>Annual Change</i>		14.0%	17.4%
<b>Fare Revenue (Actual \$)</b>	\$2,536,718	\$2,844,735	\$3,125,144
<i>Annual Change</i>		12.1%	9.9%
<b>Vehicle Service Hours (VSH)</b>	88,672	105,386	99,069
<i>Annual Change</i>		18.8%	-6.0%
<b>Vehicle Service Miles (VSM)</b>	4,382,531	4,711,087	5,009,090
<i>Annual Change</i>		7.5%	6.3%
<b>Passengers</b>	407,394	425,912	469,601
<i>Annual Change</i>		4.5%	10.3%
<b>Performance Indicators</b>			
<b>Operating Cost/VSH (Actual \$)</b>	\$31.54	\$30.26	\$37.79
<i>Annual Change</i>		-4.1%	24.9%
<b>Operating Cost/Passenger (Actual \$)</b>	\$6.86	\$7.49	\$7.97
<i>Annual Change</i>		9.1%	6.5%
<b>Passengers/VSH</b>	4.59	4.04	4.74
<i>Annual Change</i>		-12.0%	17.3%
<b>Passengers/VSM</b>	0.09	0.09	0.09
<i>Annual Change</i>		-2.7%	3.7%
<b>Farebox Recovery</b>	90.7%	89.2%	83.5%
<i>Annual Change</i>		-1.7%	-6.4%
<b>TDA Non-Required Indicators</b>			
<b>Operating Cost/VSM</b>	\$0.64	\$0.68	\$0.75
<i>Annual Change</i>		6.1%	10.4%
<b>VSM/VSH</b>	49.42	44.70	50.56
<i>Annual Change</i>		-9.6%	13.1%
<b>Fare/Passenger</b>	\$6.23	\$6.68	\$6.65
<i>Annual Change</i>		7.3%	-0.4%

FY 2020/21 – FY 2022/23 data from NTD Reports.

Exhibit 6.33 Vanpool Ridership

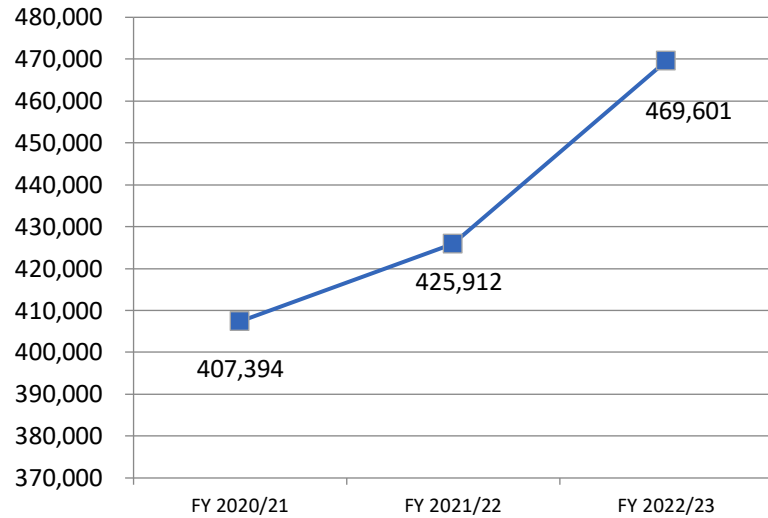


Exhibit 6.34 Vanpool Operating Cost/VSH

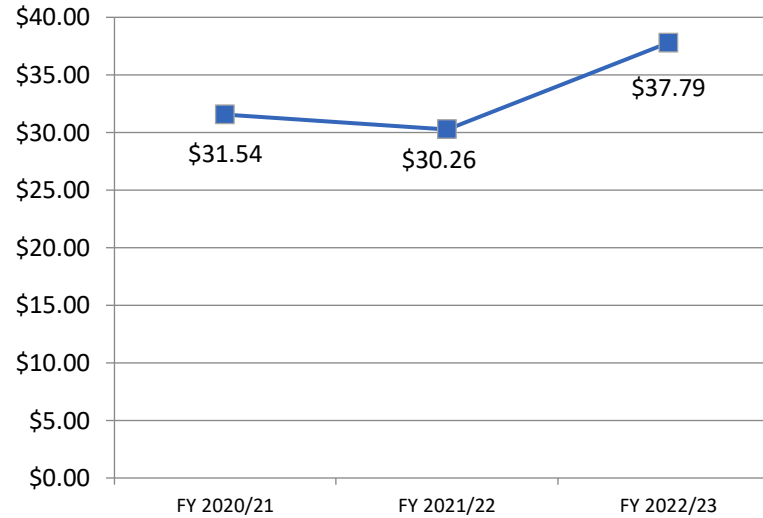


Exhibit 6.35 Vanpool Operating Cost/VSM

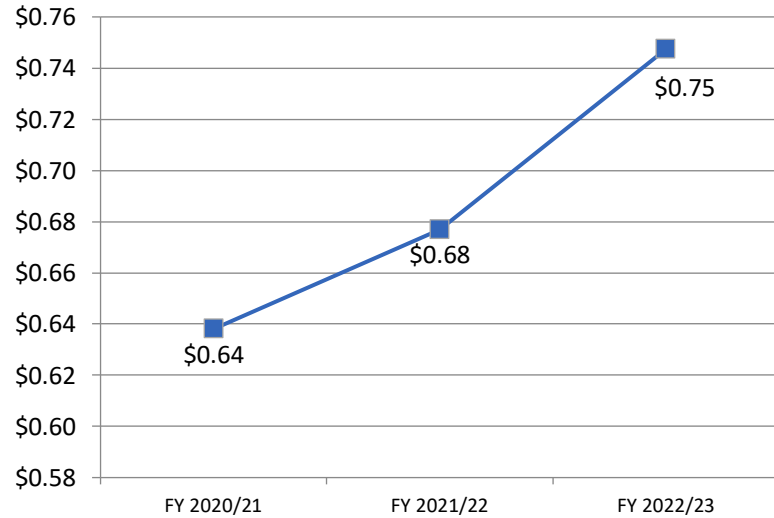


Exhibit 6.36 Vanpool VSM/VSH

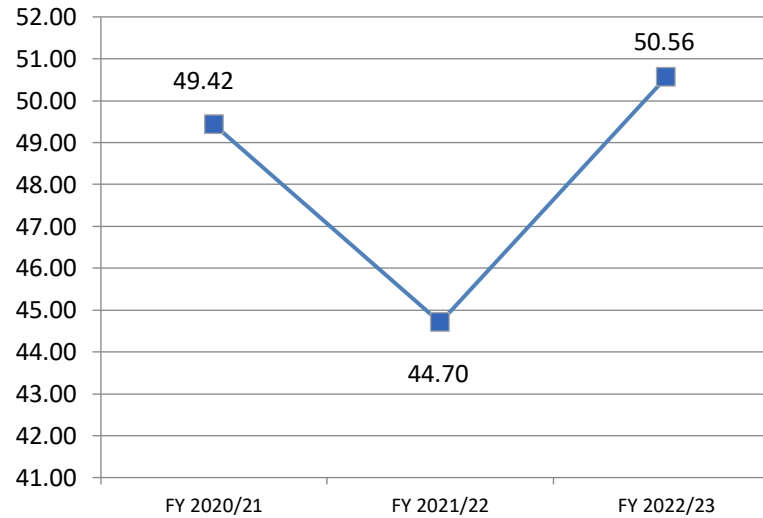




Exhibit 6.37 Vanpool Operating Cost/Passenger

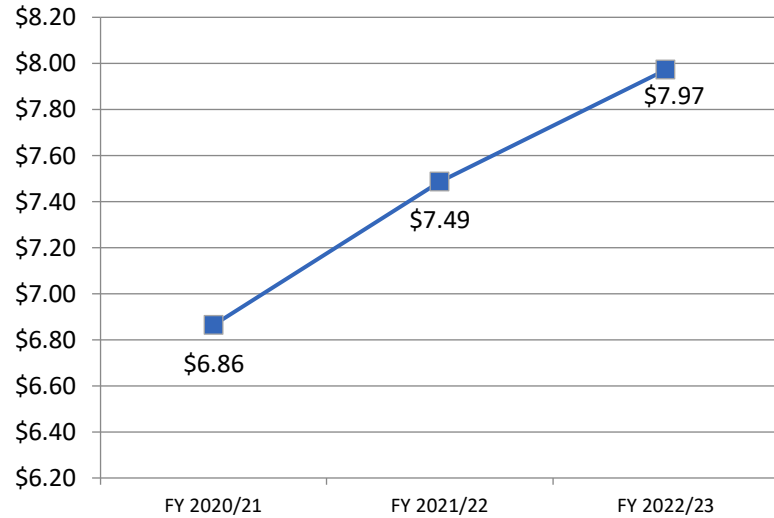


Exhibit 6.38 Vanpool Passengers/VSH

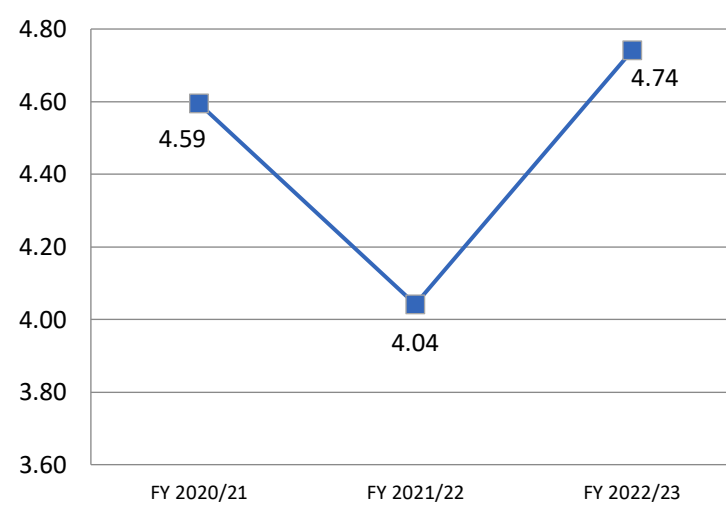


Exhibit 6.39 Vanpool Passengers/VSM

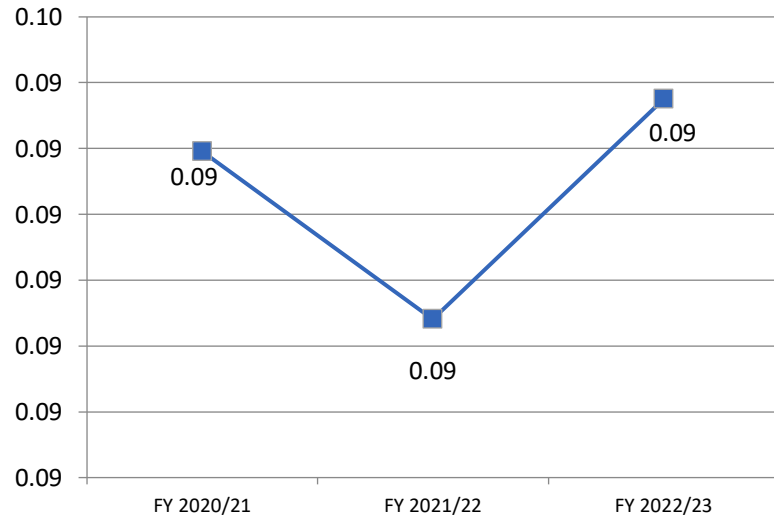


Exhibit 6.40 Vanpool Farebox Recovery

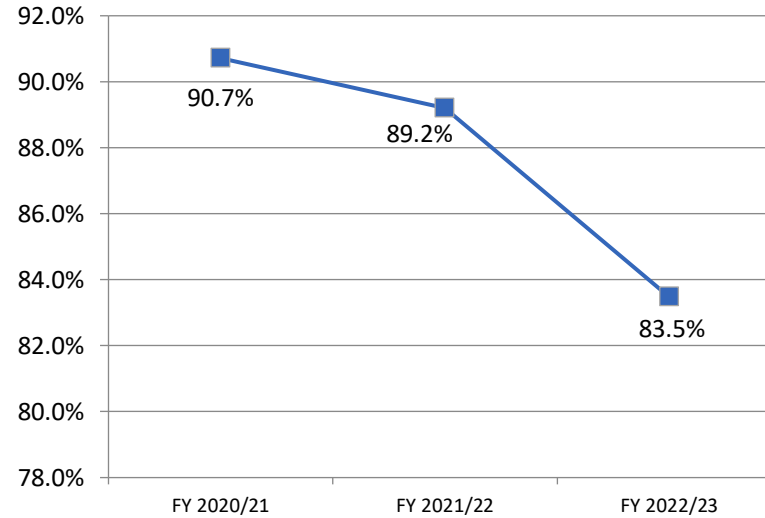
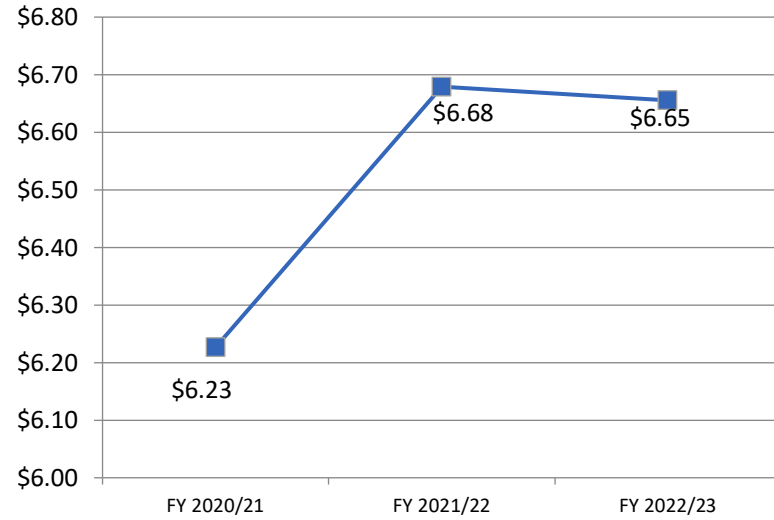


Exhibit 6.41 Vanpool Fare/Passenger



*This page intentionally blank.*

## Chapter 7 | Functional Review

A functional review of Victor Valley Transit Authority’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the agency’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by VVTA through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

### Service Overview

VVTA’s Victor Valley Transit operates 34 fixed routes, weekdays from 6:00 a.m. to 9:00 p.m., Saturdays from 7:00 a.m. to 8:00 p.m., and Sundays from 8:00 a.m. to 6:00 p.m. VVTA’s Barstow buses operates weekdays from 6:00 a.m. to 8:00 p.m. and weekends from 8:00 a.m. to 5:00 p.m. Service does not operate holiday service on New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Each route has a distinct fare depending on the type of route as seen in Exhibit 7.1 below.

Exhibit 7.1 Fixed-Route Fare Structure

	Regular	Student	Veteran/Senior/ Disabled/Medicare	Children
<b>Fixed Route Fares (1, 2, 3, 5, 31, 32, 33, 41, 42, 43, 47, 50, 52, 53, 54, 55, 56, 66, 68)</b>				
Local Trip	\$1.50	\$1.25	\$0.75	Free
Day Pass	\$4.00	\$3.50	\$2.00	Free
31-Day Pass	\$55.00	\$45.00	\$27.50	Free
<b>County Fares (22, 23, 28, 29)</b>				
Local Trip	\$1.50	\$1.25	\$0.75	Free
County Trip	\$2.50	\$2.25	\$1.25	Free
Day Pass	\$6.00	\$5.00	\$3.00	Free
31-Day Pass	\$80.00	\$70.00	\$40.00	Free
<b>Flex Fares (22, 23, 28, 29, 40, 47, 54, 66)</b>				
Flex Deviation	\$2.00	\$2.00	\$1.00	Free
<b>NTC Commuter Fares (111, 114, 115, 118)</b>				
Single Trip	\$13.00	-	-	Free
Mega Pass (Monthly)	\$180.00	-	-	Free
Military Pass (Monthly)	\$255.00	-	-	Free
<b>B-V Link Fares (15)</b>				
Barstow < > Victor Valley	\$6.50	-	\$3.25	Free
Victor Valley < > San Bernardino Valley	\$6.50	-	\$3.25	Free

VVTA’s ADA Direct Access service is a complementary paratransit service for the fixed route system. It is available to qualifying persons with disabilities. Reservations may be made from 1 day to 14 days in advance. Riders must obtain a Victor Valley Transit ADA Direct Access ID once their application is approved. The ADA Direct Access ID and Senior Disabled ID (valid for use on fixed-route services) may be obtained from the Hesperia main office location (17150 Smoke Tree St).

ADA Direct Access fares are zone-based, depending upon how far the locations are from a VVTA fixed route. Zone 1 fares are for locations within ¼ mile of a fixed-route bus stop. Zone 2 fares are for locations between ¼ mile and 1½ miles of a fixed-route stop, while Zone 3 fares are for locations within 1½ to 2¼ miles of a fixed-route stop. Personal care attendants ride for free.

During the audit period, Victor Valley Transit introduced Mico-Link, a curb-to-curb on-demand service that operates in South Victorville, North Victorville, and Hesperia. Rides are two dollars per one-way trip and reservations can be made up to five days in advance. Riders may call a customer service number to schedule a ride or can request a ride via the Micro-Link app. Each Micro-Link trip includes a free fixed-route day pass. Service hours are weekdays from 6:00 a.m. to 8:00 p.m.

Fares for demand-response services are provided in Exhibit 7.2.

Exhibit 7.2 On-Demand Fare Structure

Fare Category	Fare
ADA Direct Access	
Zone 1	\$2.50
Zone 2	\$4.50
Zone 3	\$6.00
Micro-Link	
One-way	\$2.00

VVTA also manages a Regional VanPool program. The program allows employers and employees to lease a vehicle through one of VVTA’s qualified vendors to get to and from work. Qualified applicants must have 70 percent occupancy at start-up and maintain 50 percent or greater thereafter. VVTA determines which applications are approved and which monthly subsidies will be approved for payment.

#### Response to COVID-19 pandemic

Victor Valley Transit implemented mask mandates, back-door boarding, and social distancing at the onset of the pandemic. The service went fare free to avoid contact between drivers and passengers. Increased cleaning measures (using an antimicrobial spray that lasted 90 days) and driver barriers were implemented. As ridership resumed, extra buses were kept on standby in case a bus went over capacity. The agency also adopted an A/B schedule, where drivers would drive one day and make wellness calls to ADA passengers the other day. Drivers were incentivized to get vaccinated. VVTA also provided food deliveries early on. While fare collection resumed, VVTA continued to offer fare-free trips to vaccination sites.

For a time, service operated on a Sunday schedule. As ridership increased, service was upgraded to a Saturday schedule. Full service resumed in October 2022. Administrative staff worked remotely and is

now on a hybrid schedule, though senior staff worked in the office every day. VVTA was able to keep employees employed and did not implement layoffs.

Overall, VVTA learned to adjust its systems and be flexible in its policies and procedures to respond to the frequently changing conditions. Additionally, VVTA learned to allow for increased lead time on equipment and replacement parts and project timelines.

### General Management and Organization

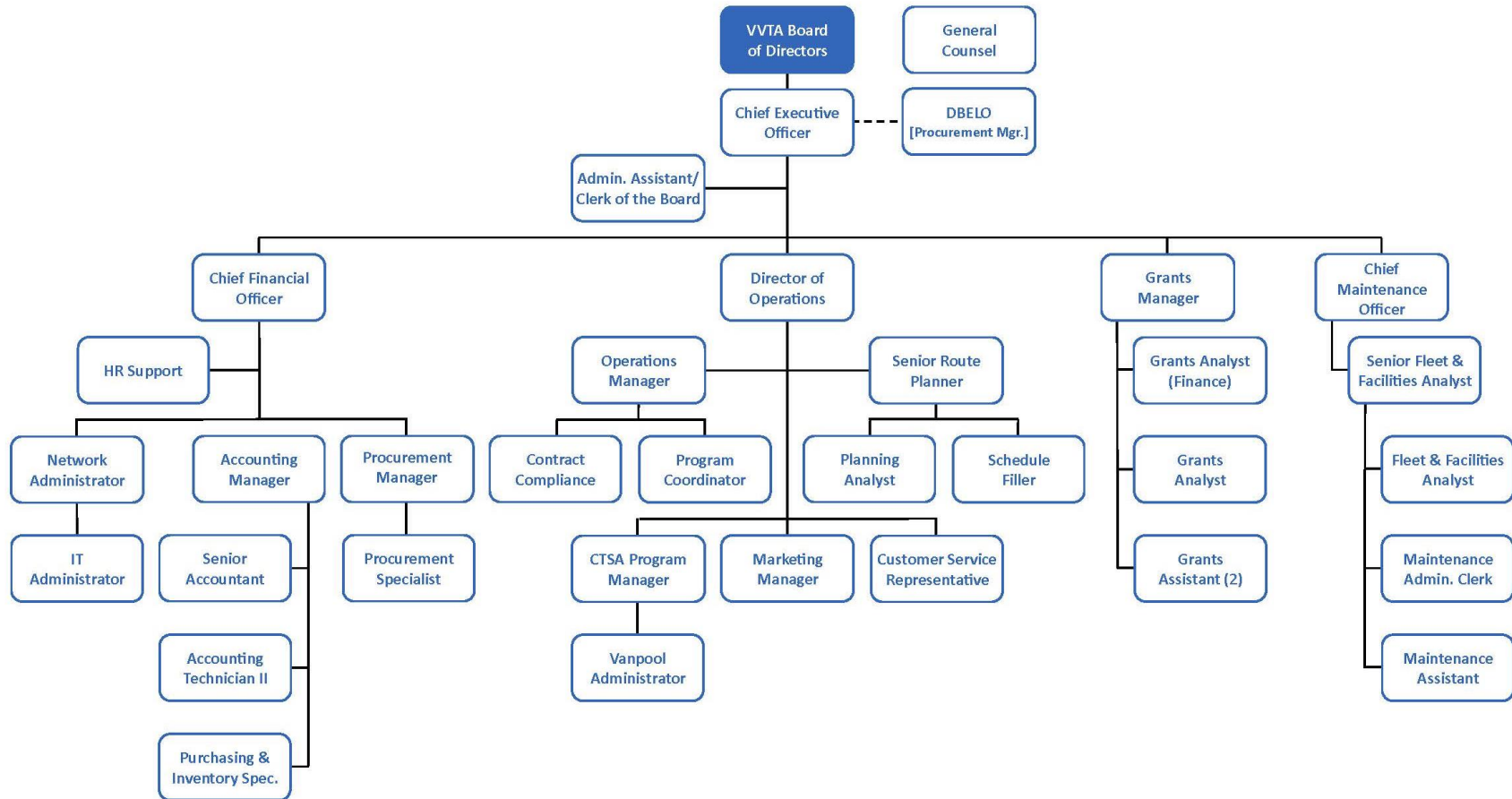
VVTA uses various software platforms (including Transtrack, GMV Sycromatics, Ecolane, RTA MMS, and Transit Check) to monitor performance and has a dedicated employee to monitor contract compliance. She works closely with the contractor to identify and address any issues as they arise. Contractor and system performance are very actively monitored. VVTA management meets internally and with its contractor regularly, including a weekly senior staff meeting and a biweekly contractor staff meeting.

Unsurprisingly, the COVID-19 pandemic was the most significant challenge during the audit period. Impacts included driver shortages, reduced schedules, and long lead times on supplies. VVTA adjusted its service levels to address some of these problems, but it is still experiencing driver shortages. VVTA's transit program is structured effectively and appropriately, though its driver workforce remains understaffed. VVTA will be exploring its program organization and staffing levels as part of its upcoming Comprehensive Operational Analysis. The current organizational chart is provided in Exhibit 7.3.

Service changes during the audit period included a return to full service and the introduction of Micro-link microtransit service in October 2022. VVTA also moved its major transit hub from Costco to the Victor Valley Transit Center in August 2021 and increased service to California State University San Bernardino. The impact of these changes was assessed through performance monitoring, input gathered at marketing outreach events, comments submitted during board meetings, and social media. Changes in hours and mileage were as expected given the scope of the service changes, while student ridership was significantly higher than expected on microtransit. Security at the Victor Valley Transit Center was increased after the move from Costco. Other changes during the audit period included the transition of Vanpool software to TripSpark; a contract with the San Bernardino County Sheriff's Department; the addition of Senior Accountant, Systems Administrator, and Grants Assistant positions in FY 2020; and the addition of Grants Administrator and Grants Assistant positions in FY 2022. There may be a need for a dedicated Human Resources position in the future as the agency grows.

The Victor Valley Transit Authority Board of Directors is the governing body of VVTA. Board meetings are primarily held at VVTA Headquarters in Hesperia (17150 Smoke Tree Street) on the third Monday of each month at 9:30 am. This location is served by Routes 64 and 114. Every third month, the meeting is held at Barstow City Hall. This location is served by Routes 1, 2, 3, 6, 15, 28, 29. The Board has expressed its support of growth where needed and is especially pleased with the results of the relationship between VVTA and the Sheriff's Department.

Exhibit 7.3 Organizational Chart



VVTA has an excellent relationship with its Regional Transportation Planning Agency (RTPA), the San Bernardino County Transportation Authority, as well as its neighboring transit operators. Management noted some frustrations in working with Caltrans, including communication concerns. VVTA is a member of numerous regional and industry organizations including CalACT, American Public Transportation Association (APTA), California Transit Association (CTA), Zero Emission Bus Resource Alliance (ZEBRA), CalStart, Center for Transportation and the Environment (CTE), Mojave Desert Air Quality Management District (MDAQMD), Mojave Environmental Education Consortium (MEEC), California Association of Public Procurement Officials (CAPPO), Public Entity Risk Management Authority (PERMA), Employment Risk Management Authority (ERMA), Special District Risk Management Authority (SDRMA), California Air Resources Board (CARB) workgroups, and Society of Human Resource Management SHRM.

### Service Planning

VVTA's Planning Department is responsible for short-range planning, periodically working in conjunction with consultants. During the audit period, VVTA's most recent planning document was a Short-Range Transit Plan (SRTP) prepared and adopted in 2020. Expectations, performance goals, and objectives were adjusted due to the pandemic, and VVTA staff work closely with the contractor to monitor performance standards that remain below pre-pandemic standards. Most recommendations from the 2020 SRTP were not implemented due to the pandemic. However, VVTA did separately contract with a consultant regarding the move of the transportation hub from Costco to the Victor Valley Transportation Center. VVTA is currently in the process of updating its Comprehensive Operational Analysis (COA).

Public outreach for major studies such as the SRTP and COA is implemented in compliance with VVTA's Title VI Plan. Some outreach activities include promotion of public participation through social media and car cards posted on the buses. Construction projects that go through the NEPA process are not required to undergo an Equity Analysis under Title VI. These have included the new hydrogen fueling station and transfer hub.

During the audit period, VVTA completed construction of a 5.5-acre facility in Barstow. The new facility is adjacent to the Liquefied Compressed Natural Gas (LCNG) and gas station, making it easier and quicker to fuel Compressed Natural Gas (CNG) and gasoline-fueled vehicles. Additionally, VVTA has added battery electric bus infrastructure in Hesperia and Barstow. There are seven electric vehicles in Hesperia and five in Barstow. VVTA has purchased property in Hesperia for a hydrogen fuel station and transfer hub in the future. The audit period also saw completion of an onboard security camera upgrade.

VVTA has completed its Zero-Emission Vehicle Transition Plan and is in the process of implementing it. The agency currently has 12 battery-electric buses in operation, and recently added 14 Level 3 charging stations between the Barstow and Hesperia yards. Due to the range limitations of the battery-electric buses, VVTA does not anticipate purchasing any more. VVTA received Board approval for and awarded a contract for construction of a hydrogen fueling station. It also has begun the procurement process for hydrogen fuel cell buses.

### Administration

The CEO, Chief Financial Officer, Chief Maintenance Officer, and Director of Operations cooperatively handle development of the annual budget. It starts with a senior staff budget meeting in March where all department Directors are asked to identify and prioritize their needs for the coming fiscal year. The first draft budget is assembled based on actual historic costs updated to current market prices. The Grants



Department provides information on available revenues from existing funding sources and updates the draft to reflect department priorities. Senior staff attend three meetings in April to finalize the draft budget. The budget is first presented to the Technical Advisory Committee (TAC) in early May, then the Chief Financial Officer makes a first presentation to the VVTA Board. This is followed by a 30-day public comment period and public hearing. The final draft budget is presented to the Board in June for adoption.

Actual revenues and expenses are compared to budgeted revenues and expenses every month and reported in the Board agenda on a monthly basis. An in-depth mid-year Actual vs. Budget Review is conducted in February covering the first six months of the fiscal year, which is presented to the Board in March.

Moving funds between line items requires a Board request, and the item that is short must comply with the funding source regulations for the line item the funds are moving from. Board action is also required in order to increase the budget mid-year.

VVTA used Cougar Mountain software for accounting and LaserFiche for electronic approvals during the audit period. VVTA started using Oracle ERM to manage everything under one system in July 2023.

Project need, eligibility, and suitability are all considered when determining what grants to apply for. VVTA is typically able to apply for all grants it is interested in, and has sufficient staffing to do so. The Grants Manager writes all the grants, including FTA Sections 5307 and 5339, PTMISEA, LCTOP, and State of Good Repair (SGR).

The CEO oversees National Transit Database (NTD) reporting, though numerous departments provide information for the reports. (The Chief Operating Officer oversaw NTD reporting during the audit period.) The Chief Financial Officer prepares the Transit Operator's Financial Transaction Report for the State Controller.

The Finance and Procurement Department handles risk management and has a process in place for injury and accident claims. The operations contractor is responsible for providing its own insurance. It must notify Human Resources regarding any agency-related accidents and injuries. VVTA is a member of the Public Entity Risk Management Authority (PERMA) and coverages are appropriate.

VVTA has a Public Transportation Agency Safety Plan (PTASP) in place. Procurement, Operations, and Maintenance Departments all participate in a regular review of safety practices. The operations contractor (Keolis) has a safety and training department and maintenance trainer for operations and maintenance safety practice review. Many VVTA staff do CPR and first aid training every two years, including all who are part of the safety committee. All VVTA staff have the opportunity to participate in CPR and first aid training, and are required to participate in emergency drills (such as fire and earthquake). Keolis also provides a Safety Manager. Most VVTA staff are pretty well aware of safety issues and will put in a request to fix issues.

VVTA provides assistance to emergency and first responder personnel as requested, including providing buses for evacuations, first responder relief (commuter coaches with restrooms), transportation for clean-up crews, etc.

VVTA manages several contracts including the operations contractor (which provides operations and maintenance), security officers at four locations, and is working on a contract with security at Victor Valley Mall (a dedicated officer at the transit hub). The Operations department oversees security. A Contract Compliance Officer monitors performance. The Chief Maintenance Officer oversees facility maintenance, except for bus stops, which are maintained by individual jurisdictions.

Employees submit electronic timesheets, which are first reviewed and approved by the department supervisor and then reviewed and processed by the Payroll Department. The CEO provides final approval. Personal information and payroll data are securely managed, with access limited to Human Resources and the Chief Financial Officer. All employees utilize direct deposit.

The Accounting Technician II is responsible for accounts payable and the Senior Accountant and Accounting Manager handle accounts receivable. Staff verify goods and services have been received before authorizing payment of invoices. Procurement is guided by the Procurement Procedure Manual. VVTA ensures compliance with the FTA by participating in training with the FTA and National Transit Institute (NTI), and reviewing notifications from the FTA and Office of Management and Budget (OMB). VVTA uses this information to keep its Procurement Policies and Procedures up to date, with any policy changes submitted to the Board for approval as needed.

VVTA went out to bid for its operations contractor during the audit period. The agency deemed it necessary to terminate the previous contract for convenience. Four bids were received during a competitive process. Keolis was selected and the new contract went into effect in October 2020. VVTA began using Public Purchase to allow electronic bidding in light of the COVID-19 pandemic.

Any procurements of \$250,000 or greater must be approved by the Board. Managers may approve purchases up to \$275 and Directors up to \$1,000. The CEO must approve of any purchases under \$250,000. Vehicles and fuel are procured competitively. Most vehicles are purchased through the CalACT/MBTA Purchasing Cooperative.

### Marketing and Public Information

The Public Information Officer/Marketing Manager oversees VVTA's marketing. Marketing and informational activities include aggressive social media marketing, website news and information, outreach at community events and fairs, presentations to community groups, onboard notices, digital display screens, video production, social media videos, mobile apps, text messaging, and GTFIS alerts. VVTA utilizes Facebook, Instagram, and YouTube to reach riders; Twitter/X to reach community partners; and LinkedIn to reach industry partners. The agency publishes English and Spanish print and digital collateral including brochures, social media, signage, and flyers. The Marketing Plan is currently being updated. Social media analytics, rider surveys, and one-on-one engagement through ride-alongs are used to evaluate the reach of marketing activities.

One of the most successful marketing campaigns during the audit period pertained to the launch of the Micro-Link microtransit service. The service was successful because it met an unmet need in the community. Another campaign and media event was held for the partnership between VVTA and the San Bernardino Sheriff's Department, which addressed an unmet need for rider confidence regarding safety. An internal Driver Appreciation campaign, in which riders submitted messages of support and encouragement for drivers, was also popular.

VVTA also uses the VVTA App (through Syncromatics) to push text messages to riders regarding news, information, and entertainment. The VVTA Watch Safety Mobile App uses UMO Mobility to send banner messages and service change information.

VVTA's Senior Marketing Manager draws on 25 years of service and close relationships within the local business community, especially area businesses that stock schedules, brochures, and flyers. The CTSA Department also works closely with area school superintendents and college administrators who promote student-related services through their own communication channels. VVTA also hosts on-campus outreach events at charter schools and colleges, and provides travel training for special needs classes.

Surveys are done at outreach events in English and Spanish. On-board customer surveys will be conducted as part of the COA process.

Not all calls are logged, only complaints and compliments. Information recorded for complaints includes the date, file number, time, person taking the complaint, contact information, language spoken, summary of the complaint, route information, and all details of the investigation and resolution. Complaints are reviewed using onboard cameras and AVL as warranted. The timeframe for resolving complaints is three days. Overall, public perception of the transit service across the last four years is positive. VVTA has increased outreach and built relationships in the community (particularly with the San Bernardino County Sheriff's Department) that has improved public perception.

#### Scheduling, Dispatch, and Operations

At the time of the site visit, VVTA had 170 full-time drivers, which is not considered fully staffed. Of those drivers, approximately 150 are currently active. Ideally, the program would have 207 full-time drivers for all modes. VVTA made a management decision not to use part-time drivers, which is currently under review to see if it would be an effective method for addressing its manpower needs. The agency is not precluded from hiring part-time drivers. Transit supervisors, mechanics, the Chief Maintenance Officer, and the Fleet and Facilities Analyst are also licensed to drive.

The VVTA workforce is represented by Teamsters Local #166. Drivers are assigned to routes based on a bid selection at least twice per year. Driver bid order is based on seniority. Drivers are rotated between routes periodically. All drivers are certified to operate all services.

Fixed-route vehicles are assigned to routes daily. Certain routes have a dedicated fleet – commuter routes require over-the-road coaches, while some routes require smaller vehicles due to tight turns. Dispatch is notified of available vehicles via a rollout status report each morning. VVTA's Maintenance Management System (MMS) is also updated in real time when a vehicle is placed into service. Morning dispatchers will email maintenance if there is a shortage of needed vehicles.

Absences are covered by the extra board. Unplanned absences require a two-hour notice prior to the assigned shift.

Fixed-route and commuter vehicles are equipped with GFI Odyssey registering fareboxes, while paratransit has a money bag and microtransit is tracked through an app. At the end of the shift, the fareboxes are pulled by utility workers and stored in a vault in a cash room. Fares are counted in the cash room by a committee of three staffers, who complete the deposit slip and seal the slip and cash inside a

secured bank bag. A copy of the slip is sent to accounting to reconcile with the bank deposit. The sealed bank bags are picked up by armored car for transportation to the bank for deposit. The cash room is monitored by cameras and only the member of the cash committee have access. Fares are deposited into a dedicated account, and the monthly bank reconciliation process compares the funds deposited with the GFI reports for the vaults.

Non-cash fare media is sold by Customer Service in the main VVTA facility as well as on consignment at locations in Victorville, Barstow, and Hesperia. Mobile ticketing is offered via UMO software. Customer Service creates a cash receipt that is reviewed by the Accounting Manager and reconciled with the bank deposit from the vendor.

### Personnel Management and Training

VVTA works closely with its contractor, Keolis, in the process of hiring additional drivers. The contractor has an on-site recruiter and a corporate recruiter. VVTA and the contractor cast a wide net for potential hires through job fairs, on VVTA and Keolis websites, and Indeed. All potential drivers will be trained from the ground up. Drivers can earn referral bonuses up to \$500 if the recruit stays and graduates. Hiring bonuses are being phased out as they are not effective in retaining new hires. The current recruitment efforts result in a large number of applicants, but at the time of the site visit, the training completion rate had yet to meet the need for operators. Keolis does not require applicants to have a commercial license (CDL); full training is provided.

Keolis conducted a survey to gauge employee morale and identify focus areas for improvement. It also has an employee engagement committee to provide employee-generated ideas for motivation. A new General Manager has made considerable effort in employee recognition. Performance incentives earned by Keolis through its contract are used to fund employee recognition activities. This includes employee of the month, attendance recognition, birthday celebrations, and awards for safety and on-time performance.

Turnover is higher among new hires around the six-month mark. A new collective bargaining agreement increased starting pay and faster progression up the wage scale to try and incentivize more recruits to stay. Sometimes turnover is the result of a mismatch of expectations, as new drivers find working with the public more difficult than anticipated.

VVTA staff and Keolis administrative staff receive annual job performance evaluations. Keolis is establishing a driver manager program which will have supervisors monitor and evaluate groups of drivers.

Keolis' training department is responsible for training new and existing drivers. Trainers hold certifications from Transit and Paratransit Company (TAPTCO) and the DMV. Keolis trainers are certified DMV testers and can administer CDL testing in-house. The safety program is overseen by Keolis' on-site General Manager and the Keolis corporate A new General Manager has made considerable effort in employee recognition. training department. Safety activities include monthly mandatory safety meetings, supervisor trail checks and ride checks, and wheelchair securement recertifications.

Full-time employees receive annual wage increases, paid training, opportunities for advancement, paid sick and vacation leave, insurance benefits (health, vision, dental, life), holiday benefits, premium pay for

certain job duties, Employee Assistance Program (EAP), and retirement benefits (Teamsters pension or 401(k) match for non-union members). Information about benefits is provided to employees through the union, Human Resources, open enrollment information, employee handbook, employee web portal, and operator and maintenance bulletin boards.

The progressive discipline policy is communicated to employees through the Collective Bargaining Agreement (CBA), employee handbook, employee web portal, operator and maintenance bulletin boards, and safety meetings. Policies regarding absences and tardiness are detailed in the CBA and communicated through the union. The contractor complies with all drug and alcohol testing requirements and federal DAMIS reporting.

### Maintenance

Maintenance services are provided by the contractor, Keolis. Staff follow the manufacturers' preventive maintenance schedules as required by the FTA, and monitoring is done using Ron Turley Associates (RTA) software. VVTA has been using this software since 2010 and remains satisfied with it. Compliance with the preventive maintenance schedule can be easily evaluated based on a PMI Compliance Report run through RTA.

Vehicle maintenance is scheduled the day prior so that vehicles can be pulled out of service without impacting regular use. When a vehicle is written up, a steering wheel cover is placed so other drivers know it is unavailable and tracked through the RTA software. Maintenance staff (e.g., supervisors, service advisors, and lead mechanics) are the only ones who can place a vehicle back in service once it has been written up. Repair prioritization is based on mode need and vehicles out of service. Each mode has its own spare ratio, and repairs may be prioritized depending upon vehicle availability. The contractor's Service Advisor or Shift Supervisor contacts dispatch when a vehicle is released for service and the RTA MMS is updated to show the vehicle has been moved off the down list.

Warranty work, major body damage/repairs, and proprietary programming is identified and is typically sent out to authorized vendors or the manufacturer. VVTA does not have an in-house body shop. Some vendors (such as Ford, Cummins, and Allison) require the vehicles be brought to them for repairs.

VVTA has dedicated maintenance facilities in Hesperia and Barstow. Each facility has a sufficient number of bays and lifts, with nine in Hesperia and three in Barstow. There is also sufficient administrative office space and room for record storage. VVTA is working on upgrading the maintenance facility to work on the new hydrogen fuel cell electric buses. The agency has completed painting and epoxy flooring projects in the Hesperia facility.

The parts room is secured via badge access doors. Management, supervisors, and parts personnel have access. Targeted inventory levels have been established, with minimum and maximum and reorder levels established for common and high-use items. The biggest challenges with respect to maintenance have been the increased lead times for parts, specifically with the battery-electric buses where it is common for lead times to exceed two months. This has increased vehicle downtime.

VVTA vehicles are equipped with Syncromatics CAD/AVL, including mobile data terminals (MDTs), AVL (including Text Speak), automatic passenger counters (APCs), onboard Wi-Fi, sunrise signs (visual stop

request) and stop request chimes, GFI Odyssey fareboxes, TouchPass electronic fare readers, and voice-over-IP (VOIP) communications. There have been no issues with technologies not working as expected. VVTA maintenance staff is appropriate for the amount of work available. There is not a backlog of preventive maintenance. Deferred repairs and repairs relating to ordered parts are tracked and monitored. VVTA does not defer safety-related repairs.

The fleet size is sufficient and is in overall good condition with varying vehicle and fuel types. VVTA uses its Transit Asset Management Plan as its vehicle replacement plan. VVTA also has completed its Zero-Emission Bus Rollout Plan, which is compliant with both California Air Resources Board (CARB) and FTA requirements.

The complete fleet inventory is provided in Exhibit 7.4.

Exhibit 7.4 VVTA's Transit Fleet

Vehicle ID #	Year	Manufacturer/Model	Seats/ Seats + WC	Location
155	2011	ElDorado Aerotech 240	16 / 12 + 2	Hesperia
156	2011	ElDorado Aerotech 240	16 / 12 + 2	Hesperia
162	2010	Arboc	16 / 13 + 2	Hesperia
163	2010	Arboc	16 / 13 + 2	Hesperia
164	2010	Arboc	16 / 13 + 2	Hesperia
165	2010	Arboc	16 / 13 + 2	Hesperia
166	2010	Arboc	16 / 13 + 2	Hesperia
177	2015	ElDorado Aerotech 240	16 / 6 + 5	Hesperia
178	2015	ElDorado Aerotech 240	16 / 6 + 5	Hesperia
179	2015	ElDorado Aerotech 240	16 + 2	Hesperia
180	2015	ElDorado Aerotech 240	16 + 2	Hesperia
181	2015	ElDorado Aerotech 240	16 + 2	Hesperia
182	2015	ElDorado Aerotech 240	16 + 2	Hesperia
183	2016	ElDorado Aerotech 240	16 + 2	Hesperia
184	2016	ElDorado Aerotech 240	16 + 2	Hesperia
185	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
186	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
187	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
188	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
189	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
190	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
191	2017	ElDorado Aerotech 240	16 / 2 + 5	Hesperia
192	2019	ElDorado Aerotech	16 + 2	Hesperia
193	2019	ElDorado Aerotech	16 + 2	Hesperia
194	2019	ElDorado Aerotech	16 + 2	Hesperia
195	2019	ElDorado Aerotech	16 + 2	Hesperia
196	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
197	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
198	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
199	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
200	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
201	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
202	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
203	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
204	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
205	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia

Vehicle ID #	Year	Manufacturer/Model	Seats/ Seats + WC	Location
206	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
207	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
208	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
209	2019	ElDorado Aerotech 240 Green Alternative Systems E-450	16 + 2	Hesperia
301	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
302	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
303	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
304	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
305	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
306	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
307	2019	New Flyer XE Electric Urban Transit	38 + 2	Hesperia
309	2021	New Flyer XE Electric Urban Transit	33 + 2	Hesperia
310	2021	New Flyer XE Electric Urban Transit	33 + 2	Hesperia
311	2021	New Flyer XE Electric Urban Transit	33 + 2	Hesperia
312	2021	New Flyer XE Electric Urban Transit	33 + 2	Hesperia
507	2022	ElDorado Axxess	31 + 2	Hesperia
508	2022	ElDorado Axxess	31 + 2	Hesperia
509	2022	ElDorado Axxess	31 + 2	Hesperia
603	2008	NABI 40LFW-40	40 / 33 + 2	Hesperia
604	2008	NABI 40LFW-40	40 / 33 + 2	Hesperia
605	2008	NABI 40LFW-40	40 / 33 + 2	Hesperia
606	2008	NABI 40LFW-40	40 / 33 + 2	Hesperia
608	2008	NABI 40LFW-40	40 / 33 + 2	Hesperia
609	2008	NABI 40LFW-40	40 / 33 + 2	Hesperia
610	2010	NABI 40LFW-40	40 / 33 + 2	Hesperia
611	2010	NABI 40LFW-40	40 / 33 + 2	Hesperia
612	2010	NABI 40LFW-40	40 / 33 + 2	Hesperia
613	2010	NABI 40LFW-40	40 / 33 + 2	Hesperia
614	2010	NABI 40LFW-40	40 / 33 + 2	Hesperia
616	2014	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
617	2014	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
618	2014	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
619	2014	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
620	2014	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
621	2014	ElDorado Axxess 40'	30 / 33 + 2	Hesperia
622	2014	ElDorado Axxess 40'	30 / 33 + 2	Hesperia
623	2014	ElDorado Axxess 40'	30 / 33 + 2	Hesperia
624	2014	ElDorado Axxess 40'	30 / 33 + 2	Hesperia
625	2015	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
626	2016	ElDorado National XHF 35'	40 / 33 + 2	Barstow
627	2016	ElDorado National XHF 35'	40 / 33 + 2	Barstow
628	2017	ElDorado Axxess 35'	31 / 23 + 2	Hesperia
629	2017	ElDorado Axxess 35'	40 / 33 + 2	Hesperia
630	2018	ElDorado Axxess	40 / 33 + 2	Hesperia
631	2018	ElDorado Axxess 40'	31 / 23 + 2	Hesperia
632	2018	ElDorado Axxess 40'	31 / 23 + 2	Hesperia
633	2018	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
634	2018	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
635	2018	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
636	2018	ElDorado Axxess 40'	40 / 33 + 2	Hesperia
637	2018	ElDorado Axxess 35'	28 + 3	Hesperia
638	2018	ElDorado Axxess 35'	28 + 3	Hesperia

Vehicle ID #	Year	Manufacturer/Model	Seats/ Seats + WC	Location
639	2018	ElDorado Axxess 35'	28 + 3	Barstow
640	2018	ElDorado Axxess 35'	28 + 3	Barstow
641	2018	ElDorado Axxess 35'	28 + 3	Barstow
642	2018	ElDorado Axxess 35'	28 + 3	Barstow
643	2018	ElDorado Axxess 35'	28 + 3	Barstow
644	2021	ElDorado Axxess 40	36 + 2	Hesperia
645	2021	ElDorado Axxess 40	36 + 2	Hesperia
646	2022	ElDorado Axxess	31 + 2	Hesperia
647	2022	ElDorado Axxess	33 + 2	Hesperia
803	2001	NABI 40LFW-14	35 / 29 + 2	Barstow
807	2001	NABI 40LFW-14	35 / 29 + 2	Barstow
812	2015	MCI D4500	53 / 43 + 2	Hesperia
813	2015	MCI D4500	53 / 43 + 2	Hesperia
814	2015	MCI D4500	53 / 43 + 2	Hesperia
815	2015	MCI D4500	53 / 43 + 2	Hesperia
816	2015	MCI D4500	53 / 43 + 2	Hesperia
817	2016	ElDorado Axxess 40'	30 / 24 + 2	Hesperia
818	2016	ElDorado Axxess 40'	30 / 24 + 2	Hesperia
819	2016	ElDorado Axxess 40'	30 / 24 + 2	Hesperia
903	2005	Ford Escape	5 + 0	Barstow
904	2005	Ford Escape	5 + 0	Hesperia
908	2007	Ford F150	5 + 0	Hesperia
909	2008	Ford Escape	5 + 0	Hesperia
910	2008	Ford Escape	6 + 0	Hesperia
912	2011	Ford Flex	7 + 0	Hesperia
913	2012	Ford Escape	5 + 0	Hesperia
914	2012	Ford Escape	5 + 0	Ft. Irwin/Hesperia
915	2011	Honda Civic	5 + 0	Hesperia
916	2011	Honda Civic	5 + 0	Hesperia
917	2011	Honda Civic	5 + 0	Hesperia
918	2011	Honda Civic	5 + 0	Hesperia
919	2012	Ford Flex	7 + 0	Ft. Irwin/Barstow
920	2013	Honda Civic GX	5 + 0	Hesperia
921	2013	Honda Civic GX	5 + 0	Hesperia
922	2013	Honda Civic GX	5 + 0	Ft. Irwin/Barstow
923	2014	Ford F150	6 + 0	Hesperia
924	2014	GEM-LSV e4	4 + 0	Hesperia
925	2016	Ford Flex	7 + 0	Hesperia
926	2016	Ford Focus PEV	5 + 0	Barstow
927	2016	Ford Focus PEV	5 + 0	Barstow
928	2016	Nissan Leaf PEV	4 + 0	Hesperia
929	2016	Nissan Leaf PEV	4 + 0	Hesperia
930	2016	Nissan Leaf PEV	4 + 0	Hesperia
931	2016	Nissan Leaf PEV	4 + 0	Hesperia
932	2017	Ford Explorer	5 + 0	Hesperia
933	2017	Ford Explorer	5 + 0	Hesperia
934	2018	Ford Explorer XLT FWD	7 + 0	Hesperia
935	2018	Ford Explorer XLT FWD	7 + 0	Hesperia
936	2020	Ford Fusion Energi	5 + 0	Hesperia
937	2020	Ford Fusion Energi	5 + 0	Hesperia
938	2020	Ford Fusion Energi	5 + 0	Barstow
939	2020	Ford Explorer	6 + 0	Hesperia



Vehicle ID #	Year	Manufacturer/Model	Seats/ Seats + WC	Location
940	2020	Ford Explorer	6 + 0	Hesperia
941	2021	Ford Transit Connect Wagon XL 15	7 + 0	Hesperia
942	2021	Ford Transit Connect Wagon XL 15	7 + 0	Hesperia
943	2021	Ford Transit Connect Wagon XL 15	7 + 0	Hesperia
944	2020	GMC Terrain	5 + 0	Hesperia
945	2021	Ford Explorer	6 + 0	Hesperia
946	2022	Ford Maverick XLS Crew Cab	5 + 0	Hesperia
947	2022	Ford Escape	5 + 0	Hesperia
948	2022	Ford Escape	5 + 0	Hesperia
949	2022	Ford F150 XL	5 + 0	Hesperia
950	2022	Ford Escape SE	5 + 0	Hesperia
951	2022	Ford Escape SE	5 + 0	Hesperia
952	2022	Ford Escape SE	5 + 0	Hesperia
953	2022	Ford Escape SE	5 + 0	Hesperia
954	2022	Ford Escape SE	5 + 0	Hesperia
955	2022	Ford Escape SE	5 + 0	Hesperia
956	2022	Ford Escape SE	5 + 0	Hesperia
957	2022	Ford Escape SE	5 + 0	Hesperia
958	2022	GMC Terrain DeNali	5 + 0	Hesperia
1003	2011	Dodge Caravan	5 / 3 + 1	Hesperia
1007	2011	Dodge Caravan	5 / 3 + 1	Hesperia
1008	2011	Dodge Caravan	5 / 3 + 1	Barstow
1009	2011	Dodge Caravan	5 / 3 + 1	Barstow
1010	2011	Dodge Caravan	5 / 3 + 1	Hesperia
1011	2021	Ram ProMaster 3500	8 + 2	Hesperia
1012	2021	Ram ProMaster 3500	8 + 2	Hesperia
1013	2021	Ram ProMaster 3500	8 + 2	Hesperia
1014	2023	Chrysler Voyager Braun Ability	5 / 2 + 1	Hesperia
1015	2023	Chrysler Voyager Braun Ability	5 / 2 + 1	Barstow
2015	2013	ElDorado Aerolite 320	30 / 24 + 2	Hesperia
2016	2013	ElDorado Aerolite 320	30 / 24 + 2	Hesperia
2018	2013	ElDorado Aerolite 320	30 / 24 + 2	Hesperia
2019	2013	ElDorado Aerolite 320	30 / 24 + 2	Hesperia
2020	2013	ElDorado Aerolite 320	30 / 24 + 2	Hesperia
2021	2014	ElDorado Aerolite 320	30 / 24 + 2	Hesperia
2022	2020	ElDorado EZ-Rider	18 + 3	Barstow
2023	2020	ElDorado EZ-Rider	18 + 3	Hesperia
2024	2020	ElDorado EZ-Rider	18 + 3	Hesperia
2025	2020	ElDorado EZ-Rider II	18 + 3	Hesperia
2026	2020	ElDorado EZ-Rider II	18 + 3	Hesperia
2027	2020	ElDorado EZ-Rider	18 + 3	Hesperia
2028	2022	ElDorado EZ-Rider II	18 + 3	Hesperia
2029	2022	ElDorado EZ-Rider II	18 + 3	Hesperia
2030	2022	ElDorado EZ-Rider II	18 + 3	Hesperia
2031	2022	ElDorado EZ-Rider	18 + 3	Hesperia
8182	2009	Chevy 30 Passenger	30 + 0	Barstow
8185	2011	Ford Goshen	30	Hesperia
8186	2011	Ford Goshen	30	Barstow
8187	2011	Ford Goshen	30	Barstow
8188	2016	ElDorado Aerotech	20 / 16 + 2	Barstow
8189	2016	ElDorado Aerotech	20 / 16 + 2	Barstow
8190	2016	ElDorado Aerotech	20 / 16 + 2	Hesperia

Vehicle ID #	Year	Manufacturer/Model	Seats/ Seats + WC	Location
8191	2016	ElDorado Aerotech	20 / 16 + 2	Hesperia
8192	2016	ElDorado Aerotech	20 / 16 + 2	Barstow
8193	2016	ElDorado Aerotech	20 / 16 + 2	Barstow
8194	2016	ElDorado Aerotech	20 / 16 + 2	Barstow
8195	2016	ElDorado Aerotech	20 / 16 + 2	Barstow
8196	2017	ElDorado Aerotech	20 / 16 + 2	Barstow
1001S	2011	Dodge Caravan	5 / 3 + 1	Hesperia
1004S	2011	Dodge Caravan	5 / 3 + 1	Barstow

*This page intentionally blank.*

## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates finds Victor Valley Transit Authority to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with VVTA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no findings or recommendations.

*This page intentionally blank.*