



**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of Riverside County Transportation Commission**

*September 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

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INTERNATIONAL

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## Section I

### Introduction – Initial Review of RTPA Functions

The Riverside County Transportation Commission (RCTC, Commission) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2018–19 through 2020–21. RCTC is required by California Public Utilities Code (PUC) Sections 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) in order to continue to receive TDA funding.

This performance audit is intended to describe how well RCTC is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, Michael Baker reviewed various documents, conducted interviews with agency staff and the transit operators within RCTC’s jurisdiction, and evaluated RCTC’s responsibilities, functions, and performance of the TDA guidelines and regulations.

### Overview of RCTC

RCTC was established by state legislative statute (Assembly Bill [AB] 1276, Chapter 1333) in September 1976. The Commission was initially governed by a board of seven commissioners representing the interests of communities within Riverside County. Today, RCTC’s membership totals 34 commissioners comprising one elected official from each of the county’s 28 incorporated cities, all five county supervisors, and a non-voting ex officio member from Caltrans, District 8 appointed by the governor. The member jurisdictions include the following entities:

**Table I-1  
RCTC Member Jurisdictions**

County of Riverside	City of Eastvale	City of Norco
City of Banning	City of Hemet	City of Palm Desert
City of Beaumont	City of Indian Wells	City of Palm Springs
City of Blythe	City of Indio	City of Perris
City of Calimesa	City of Jurupa Valley	City of Rancho Mirage
City of Canyon Lake	City of Lake Elsinore	City of Riverside
City of Cathedral City	City of La Quinta	City of San Jacinto
City of Coachella	City of Menifee	City of Temecula
City of Corona	City of Moreno Valley	City of Wildomar
City of Desert Hot Springs	City of Murrieta	

Riverside County is geographically located in Southern California, stretching nearly 200 miles across. The County is bordered by San Bernardino County on the north, Orange County on the west, San Diego and Imperial Counties on the south, and the Colorado River on the east. Riverside County was created in 1893 from parts of San Bernardino and San Diego Counties. The county derives its name from the City of Riverside, christened when the upper canal of the Santa Ana River reached it in 1871. The county's geography encompasses over 7,200 square miles and is traversed by 886 miles of highways, 2,600 miles of County and City-maintained roadways, approximately 150 miles of railways for freight, and 35 miles of railways for commuter trains.

The 2021 countywide California Department of Finance (DOF) population estimate is 2.45 million residents, which currently ranks fourth largest in the state. The most populous cities in the county based on DOF estimates include Riverside (324,302), Moreno Valley (209,426), Corona (169,454), Murrieta (115,172), and Temecula (112,771).

Against a backdrop of rapid population growth, Riverside County's economy has become increasingly diverse and robust. This is attributed to the economy's construction and industrial capacity. Interstates 10 (I-10), I-15, and I-215 corridors and State Routes 60 and 91 are major development corridors for employment centers and trade. As such, freight and some commuter trains parallel these corridors including I-10, sections of I-215 and sections of State Route's 60 State Route 91. As economic recovery in the Inland Empire continues, the economic and population trends have resulted in a myriad of transportation projects with investments in highway capacity, toll road development, rail transit, and express bus service that link all of it together. RCTC has committed itself to be an effective facilitator of mobility throughout the county.

## **Role of RCTC**

When RCTC was established by the state legislature in 1976 as part of a reform of transportation planning and programming throughout Southern California, its mission was to plan and program transportation improvements for Riverside County. To this end, RCTC was designated as a regional transportation planning agency (RTPA) for state transportation planning and programming purposes. RCTC is responsible for setting policies, establishing priorities, and coordinating activities among the County's various transit operators and other public agencies. The Commission also programs and/or reviews the allocation of federal, state, and local funds for highway, transit, rail, nonmotorized travel (bicycle and pedestrian), and other transportation activities.

The Commission serves as the tax authority and implementation agency for the voter-approved Measure A Transportation Improvement Program. Measure A was originally approved by the County's electorate in 1988. On November 5, 2002, the voters of Riverside County approved the renewal of Measure A commencing in July 2009 and extending through June 2039.

Acting in its capacity as the Service Authority for Freeway Emergencies (SAFE), the Commission also provides motorist aid services designed to expedite traffic flow and enhance highway safety.

These services include a call box program that provides roadside call box service for motorists; the Freeway Service Patrol (FSP), a roving tow truck service to assist motorists with disabled vehicles on the main highways of the County during peak rush hour traffic periods; and 511 traveler information services. These services are provided at no charge to motorists and are funded through a \$1 surcharge on vehicle registrations.

As the RTPA, RCTC is legally responsible for allocating TDA funds, the major source of funds for transit in the County. In addition, the Commission is designated as the Congestion Management Agency for the County. As such, the Commission coordinates with local jurisdictions in the establishment of congestion mitigation procedures for the County’s roadway system. RCTC also received state and federal tolling authority to pursue major projects that include tolled roadways.

In March 2017, the Commission commenced toll operations on the RCTC 91 Express Lanes following substantial completion of the State Route 91 corridor improvement project. These operations are accounted for in an enterprise fund.

Also in 2021, RCTC became the managing agency for the Western Riverside County Regional Conservation Authority (RCA). RCA manages the largest habitat conservation plan in the country through the permanent conservation of 500,000 acres and through the protection of 146 native plants and animals, including 33 endangered or threatened species. Also, environmental permits held by RCA help improve Riverside County transportation by expediting freeway and road projects by as many as five years, ultimately saving tax revenues.

## Organizational Structure

As noted above, RCTC’s governing body comprises 33 voting members and one non-voting member from Caltrans, District 8. The board has eight committees to assist in providing policy recommendations in its decision-making process. Six committees comprise members of the board while two additional committees comprise non-board members. The committees consist of the following:

Committee	Purpose and Function
<b>Executive Committee</b>	Reviews and makes final decisions on personnel issues and office operational matters. The committee is composed of the chair, vice chair, second vice chair, past chair, four representatives from cities in Western and Eastern Riverside County, and three members of the Board of Supervisors. The executive committee meets the second Wednesday of the month.
<b>Budget and Implementation Committee</b>	Oversees budgetary and financial matters of the Commission as well as construction contracts, grant allocations, and motorist assistance programs. Composed of up to 15 regular

Committee	Purpose and Function
	<p>members of the Commission selected by the chair, with at least 9 members being from Western Riverside County and at least 4 members from Eastern Riverside County. The committee provides oversight on annual budget development, competitive state and federal grant programs, countywide communications and outreach programs, countywide strategic plan, legislation, short range transit plans (SRTP), and other areas as may be prescribed by the Commission. This committee meets the fourth Monday of the month.</p>
<p><b>Western Riverside County Programs and Projects Committee</b></p>	<p>Oversees transportation capital projects in Western Riverside County. Composed of up to 12 Western Riverside County regular members of the Commission. The committee provides policy direction on subject matter that may include air quality, capital projects, communications and outreach programs, specific transit projects, intermodal programs, motorist services, new corridors, regional agencies/regional planning, Regional and State Transportation Improvement Programs (RTIP/STIP), and Transportation Uniform Mitigation Fee Program related to Western Riverside County, and other areas as may be prescribed by the Commission. This committee meets the fourth Monday of the month.</p>
<p><b>Toll Policy Operation Committee</b></p>	<p>Addresses policies involving the Commission’s toll facilities; sets tolls or rates; considers contracts with vendors working on the toll program; reviews statewide and federal legislative issues regarding tolling; reviews outreach and marketing of the toll facilities; interacts with neighboring jurisdictions regarding toll matters; and addresses user-based funding programs and future opportunities for toll facility development in Riverside County. The committee meets quarterly on the fourth Thursday of the months of February, May, August, and November.</p>
<p><b>State Route 91 Advisory Committee</b></p>	<p>Senate Bill (SB) 1316, as successor to AB 1010, the enabling legislation for the Orange County Transportation Authority’s purchase of the State Route 91 toll road, calls for the creation of an advisory committee composed of 10 voting members and 3 non-voting members. The voting members consist of five members from Orange County Transportation Authority and five members from the Riverside County Transportation</p>

Committee	Purpose and Function
	Commission. The non-voting members are composed of the Caltrans district directors from Districts 8 and 12, and a member of the San Bernardino County Transportation Authority. The committee meets quarterly on the first Friday of the months of March, June, September, and December.
<b>Citizens and Specialized Transit Advisory Committee (non-board member)</b>	Formerly called “Social Services Transportation Advisory Council,” this committee was renamed in April 2021. Along with the name change, the committee bylaws were updated. The committee is composed of 15 citizen members appointed by the Commission, each serving a three-year term, and achieving geographic equity considerations. As part of the updates, committee term limits expire over the same three year period. This committee meets the statutory requirement for the Social Services Transportation Advisory Council under the TDA. Committee functions include review of SRTPs and transit coordination issues and participating in the transit needs hearings. The committee meets three times a year: in April, August, and December. Recruitment takes place every three years and new members participate in an orientation upon appointment.
<b>Technical Advisory Committee (non-board member)</b>	Composed of city and county public works directors, city managers, or transit planning managers. This committee meets on the third Monday of every other month.

In addition, the Commission chair or the chairs of the policy committees have the authority to create ad hoc committees on specific issues. Ad hoc committees are legally required to be temporary and focused on a single issue and are not required to meet on a regular basis.

Prior to hearing by the full Commission, business items related to RCTC’s transportation programs are reviewed by the appropriate committees. Committee members are allowed opportunities to examine the items in detail prior to making recommendations to the full Commission. This provides a formal process for staff to communicate its analyses of policies, programs, and projects with its board members, and enables commissioners to make informed public policy decisions. Documentation provided by RCTC shows that during the audit period, RCTC has provided detailed staff reports on a regular basis to its committees.

According to the annual Comprehensive Annual Financial Report (CAFR), RCTC’s annual revenue for the fiscal years covered by this performance audit ranged from \$586.2 million in FY 2019 to

\$569.4 million in FY 2020, and to \$677.6 in FY 2021.<sup>1</sup> The revenues include both program revenue and general revenue, including Measure A and TDA, which marginally declined between FYs 2019 and 2020, but then increased along with program grant revenues in FY 2021.

RCTC's annual expenses ranged from \$442.0 million in FY 2019 to \$468.4 million in FY 2020, and to \$435.7 million in FY 2021.<sup>2</sup> During this period, governmental expenses fluctuated up and down, as highway expenses increased close to 50 percent between FYs 2019 and 2020 while transit expenditures decreased about 16 percent over the same time period. These two expense areas both decreased in FY 2021 compared to the prior year. Bicycle and pedestrian expenses decreased 40 percent between FY 2019 and FY 2020, then more than doubled the following year.

It is recognized that RCTC increased its actual staffing levels from 46 FTEs in FY 2019 to 50 FTEs in FY 2020, and then to 63 FTEs in FY 2021. During this time period, RCTC became the managing agency for the Western Riverside County RCA; the increase in FTEs in FY 2021 was necessary to manage this increase in agency responsibility. Management continues to be firmly committed to the intent of the Commission's enabling of legislation that called for a relatively small staff.

The RCTC staff organization chart during the audit period is shown in Figure I-1.<sup>3</sup>

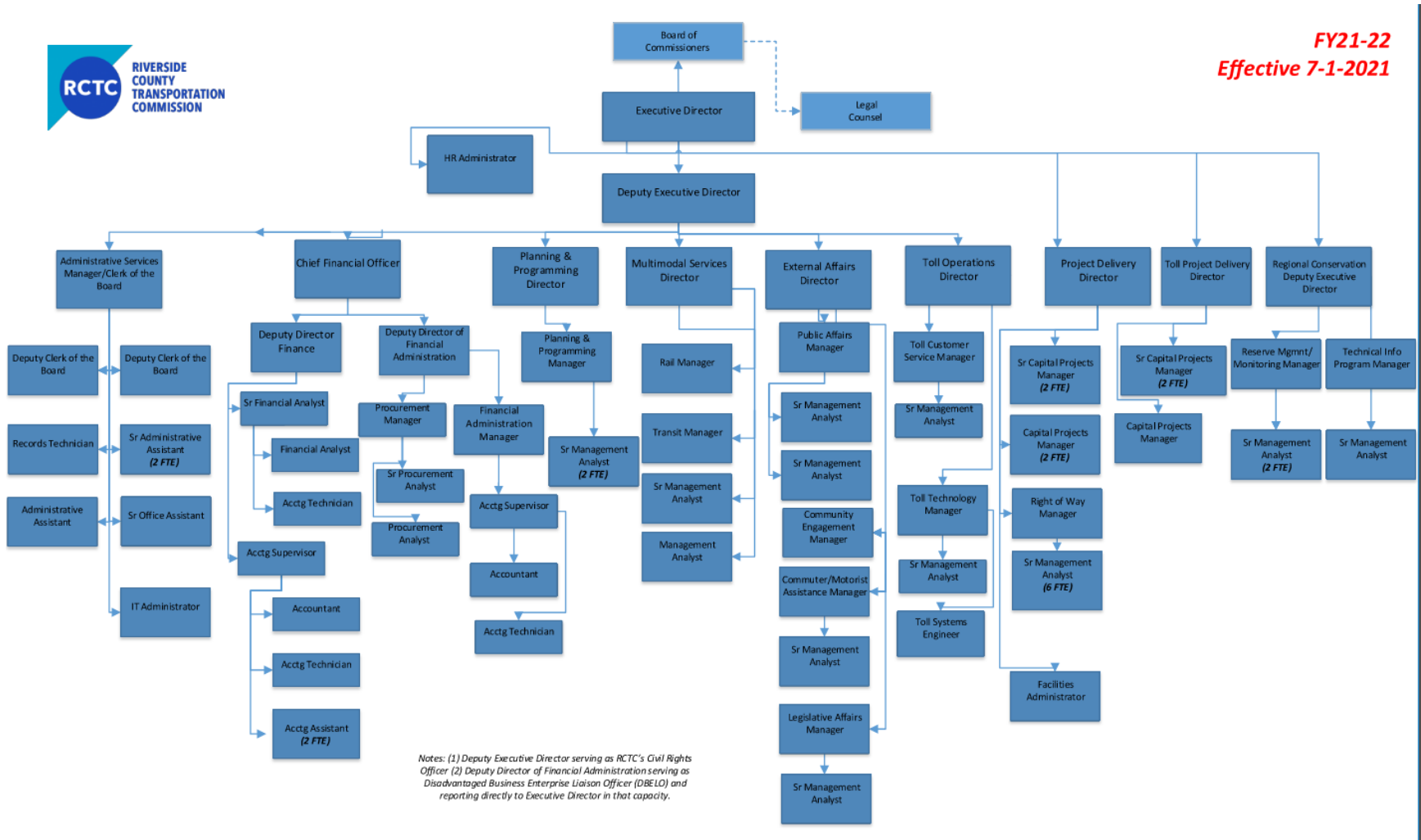
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<sup>1</sup> Annual CAFR, Overview of the Financial Statements; Changes in Net Position from governmental and business-type activities.

<sup>2</sup> Annual CAFR, Statement of Activities.

<sup>3</sup> It is noted that the RCA staff was integrated into RCTC in January 2021, and is shown in the organization chart.

# Figure I-1 Staff Organization Chart



Notes: (1) Deputy Executive Director serving as RCTC's Civil Rights Officer (2) Deputy Director of Financial Administration serving as Disadvantaged Business Enterprise Liaison Officer (DBELO) and reporting directly to Executive Director in that capacity.

Source: RCTC FY 2021–2022

## **Audit Methodology**

To gather information for this performance audit, Michael Baker International accomplished the following activities:

- **Document Review:** Conducted an extensive review of documents including various RCTC files and internal reports, committee agendas, and public documents.
- **Interviews:** Conducted interviews with RCTC executive and management staff as well as the transit operators under RCTC's jurisdiction.
- **Analysis:** Evaluated the responses from the interviews as well as the documents reviewed about RCTC's responsibilities, functions, and performance to TDA guidelines and regulations. Additional research was conducted in audit areas that required further analysis.

The remainder of this report is divided into four sections. In Section II, Michael Baker provides a review of the compliance requirements of the TDA administrative process. Section III describes RCTC's responses to the recommendations of the previous performance audit. Section IV provides a detailed review of RCTC's functions, while Section V summarizes our statement of facts and recommendations for the current FY 2019–21 triennial cycle.

## Section II

### RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, which was developed by Caltrans to assess an agency’s conformance with TDA. Our findings concerning RCTC’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 RCTC Compliance Requirements Matrix		
RCTC Compliance Requirements	Reference	Compliance Efforts
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>RCTC accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area. RCTC makes this finding in each adopted resolution approving LTF claims. RCTC has an adopted LTF reserve and funding disbursement policy for the apportionments.</p> <p>RCTC allocates LTF based on population to determine each claimant’s apportionments, according to law. Mid-year projections of LTF provide updated apportionment data to the claimants.</p> <p><b>Conclusion: Complied.</b></p>
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	Public Utilities Code, Sections 99233.3 and 99234	<p>RCTC has an adopted set of policies governing the Article 3 (SB 821) Bicycle and Pedestrian Facilities Program. A call-for-projects occurs biennially where an evaluation committee, comprised of a minimum of five evaluators representing a wide range of interests and geographic areas, evaluates proposed projects according to six evaluation criteria (reduced to five criteria after audit period). The evaluation committee will allocate funds to projects in order of highest ranking to lowest ranking until all</p>

TABLE II-1 RCTC Compliance Requirements Matrix		
RCTC Compliance Requirements	Reference	Compliance Efforts
		<p>Article 3 funds have been allocated. Payment to the claimant is on a reimbursement basis after submittal of sufficient documentation substantiating satisfactory project completion.</p> <p><b>Conclusion: Complied.</b></p>
<p>The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>RCTC has established a Citizen and Specialized Transit Advisory Committee (CSTAC) fulfilling the requirements under PUC 99238. The CSTAC also serves as the Citizens Advisory Committee (CAC). In a letter dated May 2010, Caltrans stated that only one public hearing is required anywhere in the county to carry out the citizen participation process under PUC 99238.5. RCTC has since held at least one public hearing annually.</p> <p>As of August 2020, the committee comprises 15 members, which meets the membership requirements under PUC 99238. A chair and vice-chair are selected by the committee, and subcommittees may be formed as needed, according to the adopted bylaws for the RCTC CSTAC. Members represent the constituencies identified in state law and reside in a number of communities throughout the county in order to provide a perspective from a wide geographic area. RCTC identifies the area represented by the member, their categorical membership per TDA, and qualifications.</p> <p>The CSTAC participates on numerous issues including the annual unmet transit needs hearings, development of the coordinated plan for specialized transportation services, Call for Projects</p>

TABLE II-1 RCTC Compliance Requirements Matrix		
RCTC Compliance Requirements	Reference	Compliance Efforts
		for Specialized Transit, and review of SRTPs. The committee meets three times annually in April, August, and December.  <b>Conclusion: Complied.</b>
<p>The RTPA has annually identified, analyzed and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA’s jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> <li>• A committee for the purpose providing advice on productivity improvements may be formed.</li> <li>• The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation.</li> </ul>	Public Utilities Code, Section 99244	<p>The Commission meets this requirement through adoption and approval of the SRTPs, which detail the operating and capital costs for planned transit services for both bus and commuter rail.</p> <p>The Commission also meets this requirement through the Triennial Performance Audit requirement conducted through PUC 99246.</p> <p><b>Conclusion: Complied.</b></p>
The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it	Public Utilities Code, Section 99245	For the audit period, RCTC received most of the fiscal and compliance audits from the claimants by the established dates set by the State Controller. Select

TABLE II-1 RCTC Compliance Requirements Matrix		
RCTC Compliance Requirements	Reference	Compliance Efforts
and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).		fiscal audits by a few claimants (Cities of Banning, Beaumont, Riverside, and Corona) were issued shortly after the time extension. RCTC reviews the audited farebox recovery ratios to determine compliance with this key TDA measure and any audit findings.  <b>Conclusion: Complied.</b>
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	Public Utilities Code, Sections 99246 and 99248	For the current three-year period, RCTC has retained Michael Baker International to conduct the performance audit of RCTC and the seven transit operators. Michael Baker International was retained to conduct the previous audit of RCTC and the transit operators for the three fiscal years that ended June 30, 2018.  <b>Conclusion: Complied.</b>
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director, that the performance audits of the operators located in the area	Public Utilities Code, Section 99246(c)	Email communication between RCTC and Caltrans indicated RCTC submitted performance audits of RCTC and each of the seven transit operators in April 2020.  <b>Conclusion: Complied.</b>

<p style="text-align: center;"><b>TABLE II-1</b> <b>RCTC Compliance Requirements Matrix</b></p>		
<b>RCTC Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
under its jurisdiction have been completed.		
The performance audit of the operator providing public transportation service shall include a verification of the operator’s operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2	Public Utilities Code, Section 99246(d)	<p>The performance audit of each transit operator in Riverside County includes all required elements such as performance metric trends and verification of compliance measures regarding service delivery methods.</p> <p><b>Conclusion: Complied.</b></p>
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.	Public Utilities Code, Section 99270.1 and 99270.2	There are two transit operators under RCTC’s jurisdiction, RTA and SunLine Transit, that serve both urbanized and non-urbanized areas. RCTC developed rules and regulations with Caltrans approval for determining the minimum fare ratios for these operators using a blended farebox recovery formula. The Commission reviews the blended farebox prepared by the operators by June 30 each year, which are reflected in the annual operator fiscal audits. The formula methodology and fare ratio calculations are annually submitted to Caltrans for concurrence by April 1

<p style="text-align: center;"><b>TABLE II-1</b> <b>RCTC Compliance Requirements Matrix</b></p>		
<b>RCTC Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<p>preceding the fiscal year for which the calculation takes place.</p> <p><b>Conclusion: Complied.</b></p>
<p>The RTPA has adopted criteria, rules and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.</p>	<p>Public Utilities Code, Section 99275.5</p>	<p>RCTC utilizes Measure A local transportation sales tax revenues as well as federal funds to fund specialized community transit services. As such, Article 4.5 funds are not apportioned.</p> <p><b>Conclusion: Not Applicable.</b></p>
<p>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</p>	<p>Public Utilities Code, Sections 99310.5 and 99313.3 and Proposition 116</p>	<p>RCTC allocates State Transit Assistance (STA) funds for transit purposes only. By RCTC policy, operators spend down existing TDA capital balances prior to requesting additional TDA capital funds. In June 2019, new RCTC adopted policy for STA enabled use of unallocated and unprogrammed STA funds for transit operating assistance under eligibility standards.</p> <p><b>Conclusion: Complied.</b></p>
<p>The amount received pursuant to Public Utilities Code, Section 99314.3; by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.</p>	<p>Public Utilities Code, Section 99314.3</p>	<p>RCTC allocates operator revenue-based STA funds to the operators in accordance with the amounts published by the State Controller's Office.</p> <p><b>Conclusion: Complied.</b></p>
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the</p>	<p>Public Utilities Code, Section 99401.5</p>	<p>Since 2009, all TDA funds have been used exclusively for public transit in Riverside County. Per a clarification letter issued by Caltrans in May 2010, RCTC continues to hold an annual public hearing to solicit transit comments in compliance with law to gather input on</p>

**TABLE II-1  
RCTC Compliance Requirements Matrix**

<b>RCTC Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>transit planning agency has annually:</p> <ul style="list-style-type: none"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code, Section 99238;</li> <li>• Identified transit needs, including:               <ul style="list-style-type: none"> <li>○ Groups that are transit-dependent or transit disadvantaged,</li> <li>○ Adequacy of existing transit services to meet the needs of groups identified, and</li> <li>○ Analysis of potential alternatives to provide transportation services;</li> </ul> </li> <li>• Adopted or re-affirmed definitions of “unmet transit needs” and “reasonable to meet;”</li> <li>• Identified the unmet transit needs and those needs that are reasonable to meet; Adopted a finding that there are no unmet transit needs that are reasonable to meet; or that there are unmet transit needs including needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation</p>		<p>transit needs for analysis and consultation with the CSTAC and the operators.</p> <p><b>Conclusion: Complied.</b></p>

TABLE II-1 RCTC Compliance Requirements Matrix		
RCTC Compliance Requirements	Reference	Compliance Efforts
was made for streets and roads.		
The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the transportation development and accompanying rules and regulations. Financial statements may not commingle the state transit assistance fund, the local transportation fund, or other revenues or funds of any city, county or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following the fiscal year close.	California Administrative Code, Section 6662	<p>The accounting firm of Macias Gini &amp; O'Connell, LLP, provided the independent auditor's reports of RCTC for FY 2019; for FYs 2020 and 2021, Eide Bailly, LLC, provided the auditor's reports. The Audited Financial Statements and Compliance Reports were submitted to the State Controller within 12 months of the end of each fiscal year.</p> <p>RCTC also maintains fiscal and accounting records and supporting papers for at least four years following the fiscal year close.</p> <p><b>Conclusion: Complied.</b></p>

## **Findings and Observations from RTPA Compliance Requirements Matrix**

RCTC has satisfactorily complied with all relevant state legislative mandates for RTPAs. Since August 2020, the membership of the CSTAC has been revised and stabilized with 15 members. Also, the TDA mandate for RCTC to analyze and recommend potential productivity improvements for the transit operators is accomplished through review and approval of SRTPs for each operator, and utilizing the Triennial Performance Audit recommendations.

With regard to the schedule of the annual audit of the TDA financial statements of each operator's transit services fund, formal communications between RCTC finance staff and the operators' finance departments appear limited. Most of the operator TDA financial audits needed the 90-day extension period for completion and submittal to the State Controller's Office. However, no documented request was made by the operators to the RCTC finance department for approval of such time extension beyond the initial six months following the fiscal year being audited. Notification of the schedule and for making an extension request for the TDA fiscal and compliance audits should be developed by RCTC and sent to the operators to better predict the completion of the financial audit reports, and learn of any impediments to completing the reports within the six-month schedule. These could include events or actions within or not within the control of the operator or the independent auditor.

## Section III

### Prior Triennial Performance Audit Recommendations

This chapter describes RCTC’s response to the recommendations included in the prior triennial performance audit cycle (FYs 2016–18). For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency’s efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Revisit TDA funding formula for Western Riverside County bus and commuter rail service.

*Background:* A carryover from the prior two performance audits, RCTC implements a TDA funding formula for Western Riverside County for distributing LTF funds between bus and commuter rail service. The formula—78 percent LTF toward public bus and 22 percent to commuter rail—was developed in FY 2004–05 and has remained since. The Western County bus operators are guaranteed a minimum funding base, which was established by the FY 2003–04 LTF/STA apportionment and upwardly adjusted annually by the Consumer Price Index. The Commission has been reviewing its allocation formula in light of the Perris Valley Line rail extension opening in June 2016. To expand the use of TDA transit revenue, RCTC developed a policy allowing STA funds to be used for transit operations under certain statutory conditions. Continued dialog should continue with Western County bus operators and commuter rail staff to determine the appropriate percentage split.

#### Actions taken by RCTC:

According to a board report to the Commission, staff is currently monitoring the current economic conditions to determine the appropriate time to revisit the TDA formula for Western Riverside County bus and commuter rail service. The COVID-19 pandemic, federal stimulus funds, and the subsequent changes in transit service have changed the funding landscape for Riverside County operators. In addition, services are still reduced with many riders transitioning from commuting to working from home. Efforts to address the funding formula for Western Riverside County bus and commuter rail service were temporarily placed on hold. Rail funding and Metrolink funding plans are being reviewed by RCTC, which will affect the funding formula. RCTC staff continue to monitor economic conditions and will determine when to revisit this issue once economic conditions and ridership recovery take shape.

Conclusion:

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

Prior Recommendation 2

Ensure that transit operators complete and submit separate State Controller Reports for general public transit and for specialized services.

*Background:* A carryover from the prior two performance audits, one requirement for the Transit Operators Financial Transactions Report is that the transit operator prepares separate reports for general public transit and for specialized services. Some operators have separated their reports while others continue to submit a single report. It is recommended that the Commission enforce and monitor the requirement that the operators adhere to the proper reporting procedures.

Actions taken by RCTC:

Several operators changed their reporting to two separate documents, one for general public transit and the second for specialized services, in compliance with State Controller Office rules. Only one operator, Beaumont Transit, continues to submit one State Controller Report rather than the required split between two reports. This requirement is included in the City of Beaumont performance audit recommendation for implementation. RCTC staff also conduct quarterly analyses of TransTrack report data, which includes checking variances in data month over month. It is recommended that the Commission continue to ensure that the operators adhere to the proper reporting procedures for the Transit Operator Financial Transactions Reports.

Conclusion:

This recommendation has been partially implemented and is carried over in this audit for full implementation.

Prior Recommendation 3

Clarify options for operator eligibility to use State Transit Assistance funds for operations.

*Background:* As part of implementing a prior audit recommendation, the June 2019 RCTC staff report titled “Policy Update on the Use of State Transit Assistance Funding by Operators” describes changing the RCTC policy to enable operators to use STA for operating expenses. The eligibility requirements and efficiency standards under TDA law (PUC 99314.6) are cited in the staff report, but do not reflect changes to the law since passage of SB 508 in October 2015. SB 508 qualifies an operator to still be eligible for STA operating funds even if the operator fails to meet either efficiency standard. The qualification is based on a sliding scale rather than a pass/fail

proposition so that an operator may still receive less than 100 percent of STA for operations and the balance of funds for capital when the efficiency standard is not met. As an example, if the operator fails to meet both efficiency standards for operating cost per hour by 10 percent each, the operator is eligible to receive 90 percent of STA for operations, and 10 percent for capital. The change in state law was intended to provide funding relief to the operators in light of ridership and farebox issues from economic circumstances. The RCTC policy for STA should be adjusted to reflect this eligibility change to enable operators to access STA for operating expenses even if they fail to meet the state efficiency standards.

#### Actions taken by RCTC:

The Commission approved Resolution No. 21-011 in June 2021, which modified its STA guidelines to include additional information regarding the sliding scale metrics outlined in SB 508. This enables an operator to receive less than 100 percent of STA for operations and the balance of funds for capital when the efficiency standard is not met. For additional COVID relief for transit, the state legislature passed state law (AB 90 and AB 149) to suspend the STA eligibility test, including for the last year of this audit period and through FY 2022–23, and allow operators to use 100 percent STA for operating expenses.

The current policy also allows for STA funds to be utilized for Commission-owned station operations and right-of-way maintenance of rail properties, pursuant to PUC Sections 99234.9 and 99313.7, which allow an RTPA to file claims for rail passenger service operation and capital improvement expenditures, including construction and maintenance of intermodal transportation facilities.

#### Conclusion:

This recommendation has been fully implemented.

#### Prior Recommendation 4

Review purpose of Short-Range Transit Plan updates.

*Background:* RCTC requires annual updates to the SRTPs from the operators as a means to submit TDA claims for funding. Some operators indicated, and RCTC recognized, these annual updates to the SRTPs have essentially become annual budgeting documents with changes that reflect year-to-year service and budget adjustments. This is contrary to the intended purpose of an SRTP, as is typically practiced elsewhere, to be a mid-range plan that forecasts and provides direction on operating and capital projects and service delivery for the next three- to five-year period. The SRTP update process should be reviewed by RCTC with the Transit Operator Working Group. Possible changes could include the frequency of updates from annually to every three or five years, a time frame that can generally show significant changes in transit operations that will need to be planned and funded.

Annual performance updates and data tracking could be addressed through existing channels such as regular monitoring by RCTC using TransTrack, operator-provided reports, the annual RCTC Countywide Performance Report, and the annual TDA claims process. RCTC has statutory authority through the TDA to create a claims form and process that meets local conditions; that is to say, to require operators to submit performance information and other details to enable RCTC to make findings for annual allocation of LTF and STA revenue. The SRTP, in turn, should serve as a planning document to enable the operators and RCTC to envision transit for a longer time horizon and coordinate future service delivery, capital projects, and funding for consistency with countywide transportation and regional transportation plan goals.

#### Actions Taken by RCTC:

RCTC staff held a workshop in November 2018 to seek operator feedback on current processes and to better understand the purpose and needs that the SRTP serves for each agency. RCTC continued to seek feedback during 2019. Staff developed a revised outline and tables in FY 2021 to assist transit operators in showcasing their operating and capital planning.

The SRTPs serve as the county's primary justification for federal and state grants for transit operations and capital and provide a short-term vision of public transportation for the county, including strategies that will help guide transportation decisions over the next three to five years. Under state law, the Commission is tasked with the responsibility to identify, analyze, and recommend potential productivity improvements to ensure federal, state, and local funds are allocated to transit operators to provide needed transit services for county residents. An annual SRTP update is a mechanism to meet this obligation and coordinate transit services throughout the county. The core components of each agency's SRTP include the operating and capital plans and project justifications that are utilized as the basis for receiving transit funding. These plans enable the Commission to adopt an annual resolution to allocate TDA funds and direct staff to add the federally funded and regionally significant projects into the Federal Transportation Improvement Program (FTIP), among other planning and programming benefits.

#### Conclusion:

This recommendation has been fully implemented.

#### Prior Recommendation 5:

Develop an in-house TDA Administrative Guidance Manual.

Background: RTPAs such as RCTC play a critical role in administering TDA funding and meeting the spirit of the law. The statute delegates a level of flexibility that enables the transportation planning agency to administer the funds in a way that is conducive to local conditions while remaining within the framework of the law. RCTC's administrative practices have their nuances, including the apportionment and allocation split of TDA revenue between bus and rail, the general format of the claim form, and use of performance monitoring tools such as TransTrack.

Given the relative complexity of the administrative process, from the apportionment to the claim submittal and adoption, and from payment tracking to performance evaluation and monitoring, RTPAs have developed local guidance manuals that contain their procedures and protocol for the TDA. Changes in TDA administration and RCTC's interpretation of the statute warrant development of a comprehensive in-house manual as a repository of all localized materials and processes related to the TDA. Such a guidance document provides transparency in funding administration and also serves as a training tool for both RCTC personnel and the claimants for consistency in regional practice.

Actions Taken by RCTC:

RCTC staff-initiated development of a scope of work for a transit funding manual, which includes policies and procedures for TDA administration. An RFP was released on May 26, 2022.

Conclusion:

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

## Section IV

### Detailed Review of RTPA Functions

In this section, a detailed assessment of RCTC's functions and performance as an RTPA during this audit period is provided. Adapted from Caltrans's *Performance Audit Guidebook*, categories for RCTC's activities can be divided into the following activities:

- Administration, Management, and Coordination
- Transportation Planning and Programming
- TDA Claimant Relationships and Oversight
- Public Information and External Affairs
- Grant Applications and Management

Within the general headers are subtopics for detailed review of specific programs. For example, under Transportation Planning and Programming is the subtopic for transit planning, which includes commuter assistance programs and the relatively new VanClub program.

#### Administration, Management, and Coordination

RCTC develops policy goals and objectives each fiscal year as part of the budget process that are consistent with the Commission's overall strategic direction. The Commission policy goals and objectives provide an opportunity to match the Commission's spending priorities in a manner that implements the promises made to the citizens of Riverside County in both Measure A Expenditure Plans and that fulfills other Commission responsibilities. The Commission identifies 17 goals, grouped by four core mission values, covering the below topics:

- Choice
- Environmental stewardship
- Mobility
- Access
- Goods movement
- State of Good Repair
- Promises fulfilled
- Innovation
- Information
- Workforce mobility
- Population growth
- Economic impact
- Streets and roads
- Transit
- Active transportation facilities
- Grants
- Local Measure A value

RCTC continued to balance its growing responsibilities as a transportation planning and programming agency with project delivery and implementation. With continuation of the Measure A program, one of RCTC’s primary strategies has been project delivery and getting projects into construction. The increased development and delivery of projects programmed through Measure A renewal, combined with the Transportation Uniform Mitigation Fee (TUMF), remains a priority of the agency together with multimodal planning, rail development, goods movement, and toll lane implementation. RCTC has both state tolling authority and federal tolling authority for the toll projects and has design-build authorization for the State Route 91 corridor improvement project and the I-15 Express Lanes Project.

Despite this increased responsibility, RCTC maintains a relatively small but growing staff (see Table IV-1). The growth in employees during the time period includes the RCA staff starting in January, 2021. Toll operations staff are split between toll operations and project development/delivery functions. Turnover for the three-year period included 28 appointments (including promotions and changes in classifications) and 15 separations. These staffing numbers are complemented by consultants to provide specialized services. Of note during the latter part of the audit period was the retirement of the chief financial officer, as well as other key staff. Management continues to be firmly committed to the intent of the Commission’s enabling of legislation that called for a small staff.

**Table IV-1  
Staff Summary by Function/Program FYs 2019–21**

<b>Function/Program</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>
Management Services and Administration	18.0	18.7	18.5
Planning and Programming	3.5	5.5	5.3
Rail Operations and Maintenance	3.4	3.5	4.4
Specialized Transit/Transportation	2.9	2.4	2.6
Commuter Assistance	1.4	1.4	1.8
Motorist Assistance	0.8	0.9	1.0
Capital Project Development and Delivery	16.0	17.6	16.6
Regional Conservation			12.8
<b>Total Full-time Equivalents</b>	<b>46.0</b>	<b>50.0</b>	<b>63.0</b>

Source: FY 2021 CAFR

**COVID-19 Impacts**

RCTC’s ability to budget for revenues and expenses was uncertain once the COVID-19 pandemic hit in March 2020 and stay-at-home orders were issued. Since the magnitude and duration of these impacts were uncertain, the Commission continuously monitored, assessed, and adjusted the revised revenue projections and budgeted expenditures as necessary through the economic recovery from the crisis. Under Executive Management’s leadership, it was critical for the Commission to proactively manage and assess the economic consequences of COVID-19 and implement risk management strategies to minimize impacts to programs, projects, and

personnel. The Commission expected declines in sales tax revenues during the fiscal year ending June 30, 2020, and the fiscal year ending June 30, 2021, because of the required sheltering, business shutdowns, and the impact of COVID-19 on the economy. This impacted the Commission's sales tax revenue bonds, toll revenue bonds, capital projects, and TDA LTF, among its other budgeted items and program functions.

The Commission identified factors that may have affected the results and estimates of its projections, including (1) the severity of the COVID-19 pandemic on Commission employees and users of the State Route 91 Express Lanes, (2) the duration of the suspension of certain express lanes account fees and reduction of certain tolls charged to users of the 91 Express Lanes and the scope and duration of future suspensions or reductions, (3) the scope and duration of future stay-at-home orders by state, county, or local governments, (4) the Commission's operations, (5) the severity of any local, national, or worldwide recession caused by the COVID-19 pandemic and the speed and scope of any recovery, and (6) the extent that public transit and express lanes utilization patterns may permanently change as a result of the COVID-19 pandemic. At the time of the onset of the pandemic, the Commission was unable to predict with certainty the impact of any such factors on the Commission's finances and operations.

### Capital Project Development

The agency's implementation of its strategic plan has played a key role in the success to administer the highway capital program as well as other programs such as for transit in Riverside County. The Measure "A" Expenditure Plan is divided into a 10-year highway delivery plan, CETAP Corridors, Regional Arterial TUMF network, and rail network improvements. RCTC provides assistance to public agencies that have regionally significant projects that have a nexus to the Measure "A" Expenditure Plan or the State Transportation Improvement Program. Management of the Measure "A" Expenditure Plan has continued with the assistance of the Bechtel Infrastructure Corporation. Bechtel provides program management and construction management services, which includes program managers, project engineers, construction engineers, inspectors, contracts administration, and support staff. Bechtel assists RCTC in forming and managing contracts between RCTC and its consultants and contractors.

Construction was completed in April 2021 of the I-15 Express Lanes project. This \$472 million effort adds two tolled express lanes in each direction to an approximately 15-mile section of I-15 between State Route 60 and Cajalco Road. The new 15 Express Lanes travel through the Cities of Corona, Eastvale, Norco, and Jurupa Valley. In July 2019, a contractor completed the installation of new roadside toll equipment to allow for interfacility trip pricing between the RCTC 91 Express Lanes and 15 Express Lanes. In FY 2019–20, the Commission initiated project development activities for the I-15 Express Lanes–Southern Extension. Under a design-build contract awarded by the Commission in March 2020, an express lanes connector will connect the RCTC 91 Express Lanes to the 15 Express Lanes north of the 15/91 interchange.

In 2019, construction began on the State Route 60 Truck Lanes project. The project includes an eastbound truck-climbing lane and a westbound truck-descending lane to improve overall safety

along a heavily used highway corridor through the Badlands area of Western Riverside County through the installation of a wider median, a higher median barrier, and better visibility in curved areas of the highway. The project was completed and opened to the public in May 2022.

In March 2020, the Commission completed its third full year of operation of the RCTC 91 Express Lanes. The completed 91 Project connects the OCTA 91 Express Lanes with the RCTC 91 Express Lanes using a 2-mile long mixing area. The Commission has the authority to charge tolls on the RCTC 91 Express Lanes for 50 years through March 2067, based on a Toll Facility Agreement between the Commission and Caltrans.

### Internal Controls

As a means for promoting internal coordination and communication among RCTC service lines and achieving greater efficiencies, the agency continues to work with several computer programs. The Commission's Finance Department utilizes the Tyler EDEN enterprise resource planning (ERP) system for invoices, contracts, and claims, although the system is deemed outdated and plans are to change the software in January 2024 to another ERP financial system, Tyler Munis, which is a new platform within the same vendor's products.

During the audit period, there were no significant changes in policies and procedures in terms of internal controls. During the COVID-19 pandemic, Finance Department functions such as accounts payables and receivables, and journal entries were moved to a primarily remote, electronic environment. Paper payment checks continued to be processed at the office every other week. Commission IT staff established secure remote working processes, which finance staff learned to perform their functions, given that finance-related activities are normally conducted at the office.

2013 Toll Revenue bonds were partially refinanced in October 2021 and the 91 Express Lanes TIFIA loan was prepaid with issuance of toll revenue refunding bonds including 2021 Series A senior bonds, 2021 Series B-1 senior bonds, 2021 Series B-2 Senior Bonds, and 2021 Series C second lien bonds. The new bonds were refunding outstanding 2013 Series A senior bonds, toll revenue subordinate bonds, and outstanding TIFIA obligations. The 2021 Toll Revenue Refunding Bonds prepaid \$509.8 million in the TIFIA obligation and refunded \$125.4 million in the 2013 A Toll Bonds (including bonds tendered for purchase and tendered for exchange) and \$35.6 million for the cash defeasance of the 2013 B Toll bonds.

The agency is committed to maintaining a strong electronic records management system that provides storage and accessibility of the Commission's actions and documents, and the retention capability for incoming and internally created records. Staff migrated to Laserfiche electronic records storage and management, which provides a more organized structure while backing up data regularly. Digital recordings of meetings and electric transcriptions of meeting minutes are kept, and electronic signature policies are in place. Laserfiche managed by RCTC replaces the InfoWorks system, which comprised computer servers kept by Bechtel Corporation, the Commission's program and construction management contractor. All files, from board meetings

to capital project documents, have been transferred to RCTC's Laserfiche system from InfoWorks. The RCA also uses Laserfiche for its services combined with geographic information systems overlays. The Commission has a records retention policy, and is working on a records management policy to guide use and control of the Laserfiche program tool, in particular for procurement requirements. Laserfiche also has a public facing portal that can be integrated into RCTC's website to provide information such as procurement public records. Staff is working on this customer service aspect of the tool.

RCTC utilizes the PlanetBids procurement platform. RCTC implements a centralized paperless procurements process in order to strengthen controls and ensure consistency in the application of procurement policies and procedures and adherence to applicable laws and regulations. Several benefits are realized from using a digital procurement platform, including automating functions such as cost bidding and submittal of large construction bids, having the ability to conduct virtual pre-bid and bid interviews, and reducing redundancy from paper procurement. Bids over \$250,000 in contract value must go through a formal bid process. Similar procurement processes are employed in general for contracts large or small, and depending on whether federal funds are involved, which require additional forms. The PlanetBids platform is tied to the EDEN financial system for financial input and documentation. A report on the usage of single signature authority by the executive director is released quarterly. The Commission's procurement policy manual was updated in March 2021 in consultation with the RCA, and to reflect changes made in the Caltrans Local Assistance Procedures Manual for roadway contracting.

RCTC has integrated several software systems to enable greater functionality and benefit to all staff in the management of accounting and project information while automating a paperless workflow system. Ultimately, these improvements result in enhanced customer service to its members and project delivery to the community. Ongoing process improvement underlies the agency's action to continue the replacement of its financial software system in order to better integrate project accounting needs and improve accounting efficiency.

Beacon Economics and the University of California, Riverside School of Business Center for Economic Forecasting and Development release revenue forecasts for Measure A and LTF. An independent audit is conducted annually on the Commission's accounting books and records. The Commission is also responsible for ensuring that audits of Measure A and TDA funding recipients are completed and reviewed for compliance and other matters in a timely manner. The chief financial officer or designee in the finance department reviews the TDA financial audits of the claimants that are completed by outside accounting firms. Audit findings are reported to the Audit Committee before the audits go before the board.

### Personnel Management

Personnel benefits and rights are stipulated in the RCTC *Personnel Policies and Procedures Manual*, which was updated most recently in November 2019, with changes mainly in the areas of elections and campaigns.

Employee evaluations are based on a performance rating scale. The updated evaluations improve upon the method and basis for assessing staff performance and provide greater consistency in the process. The Human Resources Department maintains official records of each employee's job performance each year. Multiple steps are involved in the current evaluation, including the employee completing a self-evaluation, the supervisor completing the entire performance evaluation, review by the department director and Human Resources for approval, and an evaluation meeting with the employee to complete the evaluation. Many of the steps are completed electronically including virtual meetings for evaluation given the COVID-19 pandemic. Any area of the performance evaluation that is rated at the lowest includes a performance improvement plan. The Executive Director approves rating/merit percentage increases. The performance criteria and ratings scale differ for evaluations of staff, managers, directors, and executives. Up to 4 percent merit pay raise can be awarded from the ratings. The evaluation form is being reviewed by the Human Resources administrator who joined the agency in September 2019; the form could be revised to include a section on personnel conduct relative to agency culture.

More defined roles for staff have been developed, enabling personnel to enhance their focus on their respective responsibilities. RCTC has had an opportunity to evaluate and refine its organizational structure given the challenges of assuming a rapid pace of project delivery and meeting milestones promised to the voters for Measure A.

## **Transportation Planning and Programming**

This functional area addresses planning functions required of RCTC, including development of the federal transportation improvement program (FTIP) and the Congestion Management Program, Bicycle and Pedestrian Facilities Program, and Rail and Transit Planning, including the SRTP process. Additional transportation programs administered by the agency are also discussed, including the Commuter Assistance Program and VanClub.

### **Federal Transportation Improvement Program**

RCTC is responsible for preparing the FTIP for Riverside County projects that have been approved for federal and state funding. Federal fund sources that RCTC programs include Congestion Mitigation and Air Quality (CMAQ), Surface Transportation Block Grant Program (STBG), Active Transportation Program (ATP) or Transportation Alternatives Program (TAP) funding, and transit formula and discretionary revenue by the Federal Transit Administration. Through the federal Infrastructure Investment and Jobs Act, new federal funding for multimodal projects will become more available and benefit modes such as active transportation and commuter rail, which were reexamined during the COVID-19 period. State fund sources include SB 821, LTF, STA, SGR, LCTOP, STIP Regional Improvement Program funds, and SB 1. Regional TUMF revenues are also allocated to RCTC by the Western Riverside Council of Governments.

Federal regulations require that all projects funded with state and federal funds be included in an FTIP in order to receive the funds. In addition, projects that are regionally significant but locally funded are required to be included in the FTIP. RCTC programming staff indicated that local match requirements by the local jurisdictions as a condition of receiving state and federal funding have been more difficult to meet due to less local contributions such as general fund dollars. Recent cost proposals submitted by firms for construction have significantly overbid project estimates due to economic factors brought on by COVID-19, including skilled worker shortages leading to higher wages, and materials cost increases from supply chain issues. RCTC has been careful to not over program available revenue in light of the cost bid trends.

RCTC submits the county's FTIP to Southern California Association of Governments (SCAG), the metropolitan planning organization for the six-county region of Orange, Los Angeles, Imperial, Riverside, San Bernardino, and Ventura counties. SCAG is responsible for ensuring that the FTIP is consistent with the long-range Regional Transportation Plan and Sustainable Communities Strategy and adopted air plans. SCAG is the responsible agency for submittal of the FTIP to Caltrans and federal agencies for approval. The FTIP is generally updated every two years with administrative and formal amendments occurring between updates.

When there are sufficient funds to do so, RCTC administers a call for projects for Riverside County local agencies to consider participating in. Project evaluation criteria is developed in coordination with the Technical Advisory Committee prior to each call for projects. More funding requests are being made from RCTC member agencies between calls for projects. Criteria are modified to meet the specific eligibility requirements for each fund source per local, state and federal guidelines. RCTC has used the following criteria for past calls for projects for CMAQ, STBG, and STIP funds:

1. Emphasis on Measure A
2. Regional Significance
3. Economic Development
4. Project Readiness
5. Air Quality
6. Safety
7. Congestion Mitigation
8. Matching Funds
9. System Continuity
10. Geographic Balance

In July 2019, the Commission adopted a policy for priority to be given to the 2019–29 Western County Highway Delivery Plan supporting projects for programming of CMAQ (designated under the South Coast Air Basin) and STBG funds.

Planning and programming staff are crossed-trained to work on each of the three different programming documents that comprise the FTIP: local highways, state highways, and transit. The programming of projects by RCTC involves a high level of technical capability and coordination among affected agencies. The 2021 SCAG FTIP showed a total transit program cost of \$13.7 billion for the six-year FTIP period of FYs 2020-21 through 2025-26. The revenues to support the transit program include Federal Transit Administration (FTA), state, and local sources. The 2019 FTIP

covering FYs 2018-19 through 2023-24 showed a total transit program cost of \$13.3 billion. The Riverside County Transit FTIP for 2019 showed about \$1.1 million for operating assistance and capital projects in Western Riverside County. Transit programming in the FTIP is generally for a shorter time horizon (1-2 years) in comparison to highway projects (6 years).

Programming staff are highly involved with SCAG committees and served on several subgroups during the SCAG 2020 Regional Transportation Plan process including finance, transportation modeling, plans and programs, and sustainability. RCTC program staff served as representatives during the 2020 Regional Transportation Plan review. Staff also serve in key statewide associations, such as California Association of Council of Governments, that provide additional opportunities to interface with the California Transportation Commission and Caltrans.

In addition, programming staff have responsibility for the TUMF. Based on an amended Memorandum of Understanding with Western Riverside Council of Governments, the Commission receives 45.7 percent of TUMF revenues. The decrease in projected TUMF revenues for FY 2021 compared to prior years was primarily related to the anticipated impacts of COVID-19 on new residential and commercial development. TUMF funds received by the Commission are split between new corridors and regional arterials.

#### *Congestion Management Program*

RCTC is the designated Congestion Management Agency for Riverside County. As such, RCTC is responsible for updating the Congestion Management Program, which better links land use, transportation, and air quality and prompts growth management strategies, thereby prompting reasonable growth management programs that will effectively utilize new transportation funds, alleviate traffic congestion and related impacts, and improve air quality. The program involves the monitoring of congestion along a designated system that includes all highway facilities and selected major arterials. The Congestion Management Program is incorporated in the Commission's Long-Range Transportation Study, which was adopted in December 2019. The system is monitored to ensure that the level of service along these roadways does not fall below the adopted level of service. Should a roadway fall to a deficient level of service, a deficiency plan would be required to identify mitigation measures, including a cost and schedule of the recommended mitigation measures.

#### *Bicycle and Pedestrian Facilities Program*

As an important piece of the county transportation system, nonmotorized transportation is encouraged by RCTC. In its efforts, the agency administers a biennial call for projects process for bicycle and pedestrian facilities. Article 3 of the TDA provides two percent of funding for the implementation of bicycle and pedestrian facilities. RCTC's *Bicycle and Pedestrian Facilities: Biennial Call for Projects Guidelines* document was last updated for the FY 2022 grant cycle and details the policies of the program, including project eligibility, scoring, and award. An evaluation committee comprising a minimum of five evaluators—representing a wide range of interests and geographic areas, such as accessibility, bicycling, Coachella Valley, Western Riverside, public

transit, and the region—evaluate proposed projects according to the following five evaluation criteria:

1. Destinations Served
2. Safety
3. Multimodal Access
4. Matching Funds
5. Population Equity

An average score is given to each project to determine funding priorities. During the audit period, the following allocations were made according to the Commission agenda actions taken:

- FY 2019: \$0 (biennial cycle included FY 2018 allocations)
- FY 2020: \$3,901,915
- FY 2021: \$900,000

The allocations are based on up to 2 percent of TDA fund apportionments, as allowed by law, plus carryover funds from prior years.

Expenditures on bicycle and pedestrian facilities per the CAFR were as follows:

- FY 2019: \$2,319,895
- FY 2020: \$1,367,800
- FY 2021: \$3,388,814

An unclaimed balance exists because not all projects that are selected to receive funding are ready for construction. Agencies receiving an award are reimbursed in arrears only upon proof of satisfactory project completion, including but not limited to the RCTC claim form for the fiscal year in which the project was awarded, a signed assurance of maintenance and a copy of the notice of completion, and photographs of the completed project. The adopted Commission policy states that agencies will have up to three years to complete the project, or the agency may request an extension of time to complete the project if there are uncontrollable delays in project delivery. Any unused allocations after this time are reprogrammed into the next year's revenues.

### **Transit Planning including the Short-Range Transit Planning Process**

RCTC has the responsibility of oversight in both the funding and operations of Riverside County's public and specialized transit operators. The Commission is responsible for the coordination of transit among all the operators in the county to ensure an efficient delivery of services. In this

capacity, the agency has provided a regional perspective to facilitating the provision of public transit by the seven transit operators and the Southern California Regional Rail Authority.

### Transit Operators Working Group

Ensuring the efficient distribution and expenditure of funds in developing a countywide transit network is a critical element of RCTC's oversight role. RCTC convenes the Transit Operator Working Group (TOWG) made up of the county transit operators to strengthen ability to coordinate efficient and effective transit service. The coordination of services and operations is intended to reduce redundancy, enable transfers, identify deficiencies in connectivity and the means in which to resolve them and, therefore, provide a more efficient transit system for the people of Riverside County.

While not a formal group, the mission critical elements of the TOWG are:

- To inform the County's public transit operators, as a group, of new policy, policy interpretations, and other critical information affecting all operators.
- To develop appropriate common statements, among the transit operators, providing a mechanism to craft common messages and develop a common voice around key issues of interest to public transit providers.
- To provide a forum for input from the County's public transit operators and dialog with RCTC concerning matters affecting public transit.
- To share service and operational information to improve the delivery of public transportation services in Riverside County.
- To confer and coordinate on key issues where opportunity for collaboration, coordination, or even consolidation will further public transportation services in Riverside County.
- To hold at least one annual joint meeting with the CSTAC.

The TOWG meets regularly during the annual SRTP update, kicking off each February. Agendas cover several components including operator reports; revenue forecasts for local, state, and federal funds; SRTP timelines and outlines; and current transit program activities such as grant funding opportunities, call for projects, and upcoming audits. The TOWG meetings also enable RCTC to offer assistance with completing the TDA claims. One-on-one assistance is provided to the claimants when requested. Starting in FY 2020–21, RCTC initiated bi-monthly roundtable meetings with the TOWG to discuss transit policy issues, informational sharing, and updates. In addition, RCTC is taking a greater leadership role in the rollout of zero emission vehicles regionally in coordinating with and supporting the transit operators, in particular with the smaller operators.

### SRTP Process

Each operator, including fixed-route bus, specialized transit, and rail, is required to prepare and deliver an SRTP to RCTC that outlines the planned service for the next three years. The SRTP provides the justification for the operator to receive TDA funds for both capital and operating expenditures. Financial tables including cash flow are developed in the SRTP to align annual expenditures and revenues, and to show the level of TDA funds needed each year, which are reflected on the TDA claims submittal. Actual and projected performance data from the Commission's TransTrack data management software tables are included in the SRTP to provide metrics of service delivery. The SRTP also provides the basis for services and capital projects that are programmed into the FTIP and approved by RCTC, SCAG, and federal grant-awarding agencies like the FTA for operating and capital grants.

RCTC coordinates the annual update to the SRTP through the TOWG. A schedule is prepared by RCTC to guide the process for the coming year. Draft SRTPs are due in April with formal adoption of the plans by the Commission in June. The CSTAC provides comment on the SRTPs. A follow-up debriefing meeting with the TOWG can also be held to discuss potential improvements to the SRTP for the following year. Amendments to the SRTP are made through TransTrack, which are reviewed by RCTC transit planning and either meet deviation limits or are taken to the board for approval. In addition, the operators have been updating their respective Comprehensive Operational Analyses, which take a long-range planning view, as well as updating their capital improvement plans.

In implementing a prior performance audit recommendation, RCTC staff held a workshop in November 2018 to seek operator feedback on current processes and to better understand the purpose and needs that the SRTP serves for each agency. RCTC continued to seek feedback during 2019. Staff developed a revised outline and tables in FY 2021 to assist transit operators in showcasing their operating and capital planning. Four sections were developed for the SRTP: current system characteristics; system performance; future planning; and how to pay for future services over the next five years (three-year financial plan plus one- to two-year outlook). A multimodal SRTP was also developed by RCTC that includes rail and the VanClub vanpool program and entails station planning and improved rail costing.

### Productivity Performance Monitoring

The Commission uses various methods to provide performance monitoring oversight. First, transit operators through the annual SRTP process include the following information into RCTC's TransTrack data management software: planned routes and expansions, ridership, vehicle service hours, vehicle service miles, average passenger trip length, as well as audited and planned financial needs for the upcoming fiscal year. The Commission's TransTrack data management software standardizes the regular reporting of key performance data by the operators into several tables. These tables include the transit operator's fleet inventory, service provider performance targets, SRTP performance report, SRTP service summary, SRTP route statistics, Summary of funding requests, and capital project justification forms. This transit performance

monitoring system is fully functional with expanded performance and operational templates for data record keeping and performance trends. TransTrack has provided value in terms of enabling RCTC to monitor and track operator performance by route, analyze new services and service extensions, and calculate performance information with annual targets adjusted by consumer price index. The system flags indicators that are outside the target. Some operator print-outs from TransTrack showed regional performance data rather than for just their own system, implying that ongoing training may be needed to correctly use the software modules. However, on an ongoing basis, transit operators include ridership and financial information monthly and quarterly within the TransTrack data management software which provides the Commission with up-to-date trends and performance data.

Second, the Commission meets with transit operators quarterly for updates on the progress of the current SRTP. Agenda topics include existing service planning updates, performance updates, marketing-fare changes updates, financial updates, capital planning/projects updates, and miscellaneous updates. In addition, the Commission utilizes the annual TDA financial and compliance audits as well as the triennial performance audits as a mechanism to provide oversight and recommendations towards performance monitoring.

Lastly, the Commission also produces a Biennial-Countywide Transit Report which provides a high level picture of the public transit network in Riverside County. This report has evolved since the previous audit and previous Public Transportation Countywide Performance Report. Since 2015, the Public Transportation Countywide Performance Report has examined the performance of public transportation services of rail, bus, demand-response, and specialized transportation in the County and provides a comprehensive, countywide picture of public transit expenditures and what was provided and consumed for these investments. However, this was seen as a duplicative effort of the SRTP, quarterly meetings with transit operators, and financial and triennial performance audits. Based on comments on this report completed annually, RCTC staff looked at a more simplified report to convey the necessary information in an easy-to-read format.

The FYs 2017–18 to 2019–20 Countywide Transit Report provides a high-level picture of the public transit network in Riverside County with fact sheets for five modes of transportation: commuter rail, fixed-route bus, demand response/paratransit bus, specialized transit, and vanpool. These services include nine public transit service providers and 18 community-based service operators. Key performance metrics that are highlighted include the following:

- Farebox Recovery Ratio
- Passenger Boardings
- Operating Costs
- Revenue Service Hours
- Passengers Per Revenue Hour
- Other indicators relevant by mode such as train service miles and subsidy per trip

Additionally, the report provides highlights of major ridership trends, future strategies to meet demand, and marketing initiatives underway as the transit providers enter the recovery phase to regain ridership. Ridership and other key performance metrics were showing improvement in 2019, only to have drastic adverse impact by March 2020 from the COVID-19 pandemic and state stay-at-home orders.

RCTC personnel will continue review of the performance monitoring program and its value as a tool for the operators to improve service. Increased involvement by RCTC in transit policy, planning, and practice is also being reviewed by staff in light of the current evolution of public transit service and statewide initiatives on transit performance measurement and TDA funding, as well as COVID-19 pandemic impacts on the transit industry. These ongoing efforts of dialogue, oversight and monitoring fulfill the requirement under PUC Section 99244 to monitor and provide productivity recommendations.

### Rail

Rail develops and supports passenger rail transportation options for increased mobility within Riverside County and the region. The Rail Department directs efforts in the areas of regional commuter rail, intercity passenger rail, high speed rail, and capital improvements to support enhanced passenger and freight rail service. To expand passenger rail options throughout the County, the Commission conducts feasibility and planning studies to assess the viability of commuter rail expansion. The entire program includes elements of planning, programming, commuter and intercity rail development and support, station and corridor management, mitigation of community and environmental impacts, legislative and regulatory advocacy, and construction of capital projects. Other Commission departments, legal counsel, and consultants manage or support many of these elements.

The Commission participates in the ongoing funding and governance of Metrolink through SCRRA. Unlike the other SCRRA member agencies, the Commission owns and operates the commuter rail stations serving the County: Riverside Downtown, Jurupa Valley – Pedley, Riverside – La Sierra, Corona – West, Corona – North Main, Riverside – Hunter Park/UCR, Moreno Valley – March Field, Perris – Downtown, and Perris – South. The Riverside Downtown Operations Control Center (RDOCC), located at the west end of the Riverside Downtown station, provides monitoring of closed circuit televisions at the stations as well as facilities for train crews. Layover track facilities are located at the Riverside Downtown and Perris – South stations; however, SCRRA maintains the layover facilities.

Station operation and maintenance costs are included in the Rail Department budget with services currently coordinated by the Capital Projects Development and Delivery Department through the Facilities Administrator. Station maintenance includes property management, utilities, grounds maintenance, repairs, cleaning, and security services at the Commission-owned rail stations, including the RDOCC. As a result of the new Perris Valley Line service and increased stations, LTF funding allocations are generally used for Metrolink operating contributions and 2009 Measure A Western County rail funds are used for station maintenance.

### Public Transit-Human Services Transportation Coordination Plan

In January 2021, RCTC finalized an update to its *Coordinated Public Transit-Human Services Transportation Plan for Riverside County*. This document is the result of an almost year-long public involvement process and outreach to stakeholders across the county. These plans are intended to promote mobility by identifying needs and transportation service gaps of five targeted populations: older adults, persons with disabilities, persons of limited income, persons with limited English proficiency, and military veterans. The Coordinated Plan does not provide for funding, but helps to guide funding decisions, specifically those related to the FTA Section 5310 *Enhanced Mobility for Seniors and Individuals with Disabilities Program* and other federal and state funding sources as they become available.

Seven “mobility need themes” were identified regarding network gaps and areas of unmet transit needs. These need themes are addressed through four mobility goals and 20 accompanying strategies to improve mobility to the target groups. The mobility goals are:

- Build a more responsive, sustainable public transit network.
- Strengthen specialized transportation options.
- Equitably distribute transportation resources.
- Grow public transportation awareness to rebuild ridership.

### Riverside County Long-Range Transportation Study

The Commission worked on the development of a countywide transportation plan. RCTC conducted a strategic assessment in 2015 to ascertain upcoming transportation priorities and the Commission’s ability to address them. The Riverside County Strategic Assessment, completed in 2016, identified \$23.4 billion in capital project costs for all projects, as well as project funding gaps. The strategic assessment provided the basis for the Long-Range Transportation Study (LRTS), which was released in December 2019.

A major component of the LRTS is the identification and evaluation of highway, major roadway, and transit projects. The LRTS is driven by RCTC’s four core goals and underlying objectives for the people of Riverside County and the transportation system upon which they rely. These policy goals are:

- *Quality of Life: RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.*
- *Operational Excellence: RCTC is a responsible and conservative steward of taxpayer dollars.*
- *Connecting the Economy: RCTC is a driver of economic growth in Riverside County.*

- Responsible Partner: *RCTC partners with local, regional, and state governments to deliver road and transit projects.*

A total of 130 state highway and major roadway projects and 57 major local and regional transit projects were identified for inclusion in the LRTS due to their size and/or level of regional significance. While transit was part of the study, what remains to be developed, according to RCTC staff, is a long-term vision for transit integration with transportation infrastructure and an associated long-term transit financial plan. For example, bus rapid transit implementation typically benefits from traffic signal synchronization along the route and a dedicated bus lane with ease of passenger access in longer-term transportation planning of key corridors. These infrastructure components need to be planned and programmed by RCTC in coordination with local jurisdictions that have land use control and can make right-of-way decisions.

### *Commuter Assistance Program*

The focus of the Commuter Assistance Program is to improve mobility throughout the transportation system. While much of the Commission's work focuses on enhancing transportation infrastructure, there is significant value in ensuring that the transportation systems are used efficiently. To foster a more efficient use of infrastructure investments and transit networks, the Commission's Commuter Assistance Program, funded by Measure A, seeks to increase the awareness of and consideration for alternative modes of transportation such as riding a bus or train, carpooling, vanpooling, walking, bicycling, or telecommuting.

This transportation demand management strategy, implemented under the "IE Commuter" ([www.iecommuter.org](http://www.iecommuter.org)) umbrella in partnership with San Bernardino County Transportation Authority, provides services and incentives to Western Riverside and San Bernardino County employers and commuters in an effort to shift behavior away from single-occupant vehicle commuting via the following methods:

- Leverage regional campaigns, local outreach, employer health fair and rideshare events, and social media to increase the awareness for transportation alternatives;
- Partner with and serve as a resource to employers to implement transportation demand management programs, services, and incentives to increase consideration and adoption of transportation alternatives at worksites throughout the region;
- Provide both online access (IECommuter.org) and personal support (866-RIDESHARE) to customize commute information and ridematching services;
- Incentivize commuters for beginning and/or maintaining an alternative commute mode; and
- Leverage technology to deliver easy-to-use online resources and tools to efficiently engage, educate, and serve employer partners, their employees, and other commuters.

Incentives in the form of gift cards are provided to eligible rideshare participants. The commuter must rideshare to work at least five days a month for three consecutive months and log trips with IE Commuter.

In 2019, RCTC approved Agreement No. 19-45-080-00 with the San Bernardino County Transportation Authority (SBCTA) for a three-year term to reimburse the Commission in an amount not to exceed \$4.5 million for commuter/employer rideshare (IE Commuter) and Inland Empire 511 programs administered by the Commission, on behalf of both agencies, and for the Commission to reimburse SBCTA an amount not to exceed \$350,000, for SBCTA's provision of rideshare and vanpool program web-based software, as part of an ongoing bi-county partnership. The move to a new rideshare/vanpool platform provisioned by SBCTA paved the way for a regional database integration with Los Angeles, Orange, and Ventura Counties which operate on the same platform. This regional integration targeted for fall 2022 will enhance support to inter-county commuters, broaden the base of users, and improve ridematching potential for all commuter accounts.

To provide facilities to support vanpool, carpool, and transit modes, RCTC partners with Caltrans and property owners to lease space for Park & Ride lots. These Park & Ride lease arrangements supplement large state-owned Park & Ride facilities throughout the county. The leases are annual and renewable, allowing for adjustments as needed. RCTC provides the financial resources for the lease while Caltrans insures the facility and provides the signage.

### VanClub

In May 2018, RCTC launched a new vanpool program, VanClub, to help supplement the transit network and expand commuter transportation options in western Riverside County. VanClub provides eligible vanpools with up to \$400 monthly subsidy toward the cost of the vanpool lease, which includes vehicle maintenance, roadside assistance, and insurance. Participating vanpools are required to report performance data and out of pocket expenses pursuant to a FTA reporting requirement. The VanClub program is funded through Measure A and a Mobile Source Air Pollution Reduction Review Committee (AB 2766) grant from the South Coast Air Quality Management District. The program began utilizing federal CARES funding via FTA 5307 starting in January 2020, and is subject to NTD reporting as purchased transportation and FTA triennial reviews for compliance with federal regulations. VanClub also began submitting the State Controller Office Transit Operator report in FY 2019-20.

The vanpool program subsidizes vanpools from the following RCTC approved 3rd party leasing vendors: AVR Vanpool, the California Vanpool Authority, and Commute with Enterprise. The VanClub is marketed on the regional IE Commuter website; however RCTC's separate front-facing website, VanClub.net, uses TripSpark as the underlying software product powering the application process, reporting, and database maintenance system.

Starting in March 2020, in only the second full fiscal year of the program, nearly 47 percent of

active vanpools either disbanded or parked their vanpool vehicles due to COVID-19 stay-at-home orders. During this time, the VanClub discontinued subsidies for parked or non-operational vanpools and temporarily relaxed the minimum program requirements to continue subsidy support for the remaining active vanpools. Active vanpool participation continues to grow following the lowest point in the pandemic. The VanClub is helping promote growth post-pandemic and drive performance through its application and database system, and new subsidies and incentives (i.e. \$5/Day Rideshare Incentives) launched in April 2022.

### **TDA Claimant Relationships and Oversight**

This functional area addresses RCTC’s interaction with the transit operators in Riverside County and its administration of the provisions of the TDA. The sub-functions described include costs to administer the program, technical and managerial assistance to operators, TDA claims processing, and the unmet transit needs process.

#### *RCTC Administration and Planning*

The uses of LTF revenues apportioned to Riverside County flow through a priority process prescribed in state law. Prior to apportionment of funds to the Bicycle and Pedestrian Facilities Program and the transit operators, the Commission is able to claim LTF revenues for administration of the fund and for transportation planning and programming purposes. By law, the Commission is limited by up to 3 percent of LTF for planning and programming. The limit does not apply to fund administration, but RCTC has been responsible in the amount it claims, which has remained the same for the triennial period.

The Commission also allocates revenues to SCAG for planning purposes as a member of the regional agency. The amount is based on a formula of 0.75 of 1 percent of the County’s total annual LTF.

Mid-year adjustments are made from original projections to better reflect revenue receipts from the economy in the Inland Empire region. During the audit years of 2019 through 2021, RCTC claimed the following amounts:

**Table IV-2  
LTF Allocated for RCTC Administration and Planning**

<b>Fiscal Year</b>	<b>LTF <sup>(1)</sup></b>	<b>Administration and Planning &amp; Programming <sup>(2)</sup></b>	<b>Percentage of LTF</b>
2019	\$105,937,890	\$5,250,405	5.0%
2020	\$101,451,464	\$2,507,188	2.5%
2021	\$123,158,222	\$3,543,506	2.9%

Source: RCTC Comprehensive Annual Financial Reports for FYs 2019–2021. LTF amounts from Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual - Major Special Revenue Funds.

- (1) Actual tax revenue plus interest income.
- (2) As indicated in the Financial Analysis of the Commission’s Funds section of the annual RCTC CAFR.

Increased LTF revenues in FY 2019 compared to the prior year were related to the California Department of Tax and Fee Administration (CDTFA) backlog resolution. In FYs 2019, the total amount claimed by RCTC for planning and programming was about 5.0 percent of LTF revenue. In FYs 2020 and 2021, the amounts decreased to 2.5 percent and 2.9 percent, respectively.

### Technical and Managerial Assistance to Operators

RCTC provides an array of administrative and technical services to the operators. Assistance to the operators is offered through meetings, phone and email correspondence, and site visits. Examples of technical and managerial assistance include meetings to prepare the SRTPs as well as discuss policy and technical issues quarterly. Other examples include one-on-one meetings with the operators, release of TDA apportionment data, allocation of local Measure A funds, federal revenue estimates, monitoring of various funding programs, and administration of TDA claims. The Commission also holds calls for projects to disburse federal transit funds for specialized transportation services.

An existing LTF reserve policy and funding disbursement policy are in place to ensure that operator budgets do not exceed available funds. The reserve policy sets aside 10 percent of apportionments to transit operators (bus and rail) that could be drawn down pending approval of a request by an operator and a budget and SRTP amendment. The policy also provides a funding disbursement timeline for the LTF allocation where two-twelfths (16.67 percent) of the operating funds are disbursed the first month and the remaining allocation (83.33 percent) is disbursed over the next 11 months.

RCTC implements a TDA funding formula for Western Riverside County bus and commuter rail service. Since 1995, the Commission has used a formula for distributing LTF between bus and rail operations in Western Riverside County. The original 80 percent public bus and 20 percent commuter rail funding formula was adopted based on projections that the funds would be enough to fund up to a certain level of rail service. The formula was revised to be 78 percent public bus and 22 percent commuter rail funding in FY 2004–05, where it has remained ever since. This formula also applies to the LTF reserves. The Western County bus operators are guaranteed a minimum funding base which was established by the FY 2003–04 LTF/STA apportionment and upwardly adjusted annually by the Consumer Price Index.

The policy is to revisit the funding formula every six years, which has not regularly been observed. As described in the prior performance audit section, staff is currently monitoring the current economic conditions to determine the appropriate time to revisit the TDA formula for Western

Riverside County bus and commuter rail service. The COVID-19 pandemic, federal stimulus funds, and the subsequent changes in transit service have changed the funding landscape for Riverside County operators. Efforts to address the funding formula were temporarily placed on hold.

To ensure efficient use of existing capital funds, the Commission has policies requiring operators to spend down existing TDA capital balances prior to requesting additional TDA capital funds. For the public transit operators to claim LTF and/or STA funds, the Commission must allocate funds to support the transit services and capital projects contained in the SRTPs. The requested allocations are consistent with the approved SRTPs, and the funds are explicitly for the projects stated in the approved plans.

In addition to state transit grants, Commission staff also provide assistance in the planning and programming of federal grants, as the transit operators are eligible for various FTA grant programs. RCTC is the conduit between the operators and SCAG in procuring certain capital grants such as FTA urbanized grants that must pass through SCAG, as the designated recipient of the funds. The Commission must develop and approve a Program of Projects for each urbanized area and adhere to public hearing requirements prior to an operator submitting its Section 5307 grant application to the FTA.<sup>6</sup> A separate Program of Projects is developed for rural Section 5311 funds. Projects must be included in an approved FTIP before the operators can access federal transit funds, which include Sections 5337 and 5339 discretionary funds. RCTC tracks the status of capital grants through the quarterly grant tracking program in which each operator submits a quarterly report detailing the status of existing open grants.

### TDA Claims Processing

On an annual basis during this audit period, RCTC was responsible for managing the apportionment of \$78.8 million (FY 2019), \$81.4 million (FY 2020), and \$68.7 million (FY 2021) in LTF revenues for transit, and \$17.6 million (FY 2019), \$24.5 million (FY 2020) and \$13.6 million (FY 2021) in STA funds.<sup>7</sup> Initial claims are generally submitted in July of the year of the claim. Revised claims are submitted throughout the remainder of the fiscal year as funding amounts or spending priorities change.

RCTC prepares and distributes several documents during the TDA claims process. The documents include the findings of apportionment by population area and a packet providing claimants with the necessary forms and funding information needed to prepare TDA claims. The claims are prepared by each operator, adopted by the operator's governing board or council, and must include a sign-off on the implementation of a number of TDA requirements. These requirements

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<sup>6</sup> In the 2018 MOU with SCAG, RCTC relies on SCAG to perform the public hearing when it updates an FTIP and has a public involvement process when it receives a formal amendment. This is for all federal funds but also due to the FTA POP requirements. Typically, each operator conducts a supplemental public hearing when they adopt their budget/SRTP. RCTC's budget includes a public hearing but RCTC does not provide a supplemental public hearing for pass through FTA funds with the exception of 5310.

<sup>7</sup> RCTC annual revenue estimates for transit operators.

are contained in the “Standards Assurances For Applicants” and include compliance with revenue ratios, attachment of specific documentation, and submittal of compliance audits and reports. Each submitting claimant certifies that all conformance requirements are satisfied to receive both LTF and STA funds. Once the claims are processed and funds are allocated by RCTC, operators can amend claims during the fiscal year as actual transit service is delivered. RCTC has transitioned the claims into TransTrack to streamline the process, given that inputs to the claims and SRTPs such as financial and performance data are already entered in that data system.

STA funds are claimed under the procedures and formulas established in the TDA statute. RCTC is required to make annual findings prior to allocation of STA funds to the transit operators. These findings are part of the Standard Assurances checklist and are integrated with the claims for LTF revenues.

Although RCTC has not developed an in-house TDA guidance document that describes all applicable TDA rules and regulations pertaining to claimants in Riverside County, the Commission adopted Resolution No. 21-011 in June 2021 which modified its STA guidelines to include additional information regarding the sliding scale metrics outlined in SB 508. How TDA is administered and RCTC’s interpretation of the statutory language from recent TDA legislation warrant a continued need for a comprehensive in-house guidance workbook as a central repository of all materials and processes related to the TDA. In May 2022, RCTC developed a scope of work and released a request for proposals to develop a comprehensive Transit Funding Handbook.

### Unmet Transit Needs

While no TDA funding has been allocated by the Commission for streets and roads in more than a decade, the Commission must still conduct at least one transit public hearing within its jurisdiction in compliance with PUC Section 99238.5. The annual public hearing was advertised by transit operators, specialized transit providers, and other stakeholders on buses, facilities, and social media. A flyer was developed that invites the community to comment and offers methods to provide input. Staff also published a 30-day hearing notice in *The Press-Enterprise*, *The Desert Sun*, and *The Palo Verde Times*. The following methods were made available to the public to submit comments via oral or written testimony:

- 1) Email at [info@rctc.org](mailto:info@rctc.org).
- 2) Postal mail to:  
Riverside County Transportation Commission  
Attn: Transit Needs Public Hearing Comments  
P. O. Box 12008, Riverside, CA 92502-2208
- 3) Via the website at [www.rctc.org/contact-us/](http://www.rctc.org/contact-us/)
- 4) By phone at (951) 787-7141

#### 5) In-person via video/ teleconference at the Citizens and Specialized Transit Advisory Committee meeting

The newly formed CSTAC participates on the hearing panel during the meeting and in the review of the comments. While not as formal as the unmet transit needs process, the purpose of the hearing is to receive comments from the public on whether there are reasonable transit needs that are not being met in Riverside County. The public hearing is generally held as part of the committee meeting and were held on the following dates during the audit period: July 9, 2019, December 7, 2020, and August 9, 2021.

Comments received from the public hearing are turned over to the operators to address, as supported by RCTC. While a full unmet transit needs process and evaluation are not required for RCTC, as a best practice, past and current public hearing comments can be compartmentalized and documented by type such as operational, capital, and/or customer service oriented, and prioritized for implementation in coordination with the transit operators. As an information item, the appendix to this audit includes a sample from another RTPA of unmet transit needs prioritization from past public hearings.

### **Public Information and External Affairs**

RCTC has developed a comprehensive outreach effort to elicit support for its mission and to educate the public of its role in the delivery and maintenance of transportation infrastructure. The outreach program supports several roles at the agency, including legislative affairs and media relations. The External Affairs Department manages two core functions: legislative affairs and public affairs. These are public-facing functions with high impact on how citizens, stakeholders, and decisionmakers interact with the Commission. External Affairs is tasked with communicating with the state and federal legislative staff and delegations, responding to constituent inquiries, researching pending legislation, identifying and pursuing grant opportunities, and partnering with peer agencies such as the SBCTA. Duties include the following:

- Develop effective partnerships with transportation providers to communicate a unified message to Congress regarding mobility needs.
- Advocate on behalf of Riverside County's interests regarding the implementation of SB 743.
- Advocate positions in the state legislature and in Congress that advance the County's transportation interests.
- Continue a leadership role in formulating a countywide direction on federal transportation policies.
- Conduct a concerted outreach effort to new federal and state representatives on local transportation issues.

- Utilize modern technology to support a robust public communication and engagement effort focusing on accessible and transparent communication of the Commission's projects.
- Develop marketing and communication plans for the RCTC 91 Express Lanes and the 15 Express Lanes.

The legislative affairs efforts involve the utilization of lobbyists to ensure that adequate funding is maintained for transportation projects. As part of its mission in providing transportation projects services to Riverside County, RCTC plays an active role in Washington D.C. and Sacramento in advocating transportation-friendly policies. At the beginning of every year, the Commission adopts a Federal and a State Legislative Program that sets forth basic positions on transportation policy issues. RCTC also works with the SBCTA to establish a unified front in advocating for transportation legislation on behalf of the entire Inland Empire. However, it is noted that the two counties differentiate from one another on other fronts when appropriate, such as for local needs. Adjustments are made to the legislative platform to include equitable access to transportation in rural areas, and further emphasis on equity in the planning, programming, and implementation of transportation projects.

RCTC's media relations efforts are conveyed through RCTC's website, publications, and public presentations. *The Point* is RCTC's electronic newsletter and blog, a monthly email newsletter that covers major transportation news for the county. From construction status to highway improvement projects to funding updates, *The Point* highlights the actions of the Commission and emerging topics.

RCTC's website (<https://www.rctc.org/>) serves as the primary portal to agency activities. The website's masthead contains a dropdown menu to meetings and agendas, projects, business opportunities, funding and planning, travel information, search feature, and social media links. The website also contains information about major programs and projects and recent posts from *The Point* blog and newsletter.

The main website contains links that provide further details on projects. For example, the Projects section lists each highway and rail project and links to more information about each project. In addition, several major construction projects have an additional link to their own separate project websites, such as for corridor improvements, express lanes, interchanges, and rail project. The separate websites are still managed by RCTC but have their own respective format and design and can be updated by each manager.

The Commission provides information to the public through various channels including: 1) participation at public meetings, chambers of commerce, industry associations, and service clubs; 2) production and provision of resource materials and fact sheets; 3) maintenance and enhancement of the Commission's website; and 4) development of press releases, radio and television interviews, cable television spots, and project videos. Publications continue to be provided on its website in a printable format.

External Affairs supports community access to Commission activities and has control and presence over four social media platforms: Facebook, Instagram, Twitter, and YouTube. Metrics for website and social media usage are tracked for determining proper resource distribution of information and communications. A community engagement manager was recently hired to serve as a liaison between RCTC and community-based organizations to build coalitions and strong relations around specific projects being implemented. This position helps provide a continual presence for the agency and to be proactive with outreach.

Metrics are collected and displayed through infographics for public engagement. Since 2018, External Affairs staff monitor public engagement activities in a manner and with new tools to prepare Quarterly Public Engagement Metrics Reports. The quarterly report is a data-driven approach to measure progress toward public engagement goals, allow staff to assess the effectiveness of its efforts on an ongoing basis, and provide transparency into how the Commission uses its resources to engage and educate the public. The quarterly report continues to evolve as staff refine approaches to measuring public engagement activities and in response to any feedback from Commissioners.

The quarterly report includes different sets of data:

- Metrics for RCTC's overall public engagement activities, including website use and access; website top pages visited; email notifications; social media likes, engagement and reach; and public sentiment.
- Metrics for major construction projects such as RCTC's I-15 Express Lanes Project and State Route 60 Truck Lanes Project. Public engagement activities, including email activity, website sessions, and social media, are tracked.
- Metrics for RCTC's #RebootMyCommute public engagement program, which launched on March 6, 2019.

## **Grant Applications and Management**

RCTC uses a variety of local, state, and federal funding sources. The Commission, as needed, assists Riverside County transit operators and local jurisdictions with grant pursuits. In addition to LTF and STA funding, RCTC administers other state funding, including Low Carbon Transit Operations Program and State of Good Repair funds. RCTC assists with competitive state grants such as the Caltrans Sustainable Transportation Planning grants for transit-oriented development planning, and partners with the transit operators such as Riverside Transit Agency and Palo Verde Valley Transit Agency to compete for Clean California grants for transit station enhancements. Local revenues for transit include Measure A.

RCTC is responsible for programming the federal funding that public transit operators receive and for providing oversight on regulatory compliance. Project funds for regional transit projects are contained in the FTIP programmed by RCTC. Federal funding sources during the audit period

include FTA Sections 5307 urbanized area formula grants (inclusive of CARES Act funding), 5310 enhance mobility of seniors and persons with disabilities, 5311 formula grants for rural areas, 5337 state of good repair, and 5339 funding to construct bus-related facilities, and replace buses and related equipment.

The public transit operators that receive federal transit funding, including FTA Sections 5307 and 5311, directly manage their federal grants, with the exception that RCTC has administrative and operational responsibility for rail funding allocated to Riverside County.

The SRTPs approved by RCTC contain operating and capital plans and accompanying budget with cost estimates along with an implementation timeline. RCTC receives revenue projections of various funds to support the SRTP projects and prepares a summary of each fund source for approval by the Commission. The Commission develops and approves a Program of Projects for each urbanized area and adheres to public hearing requirements prior to a transit operator submitting its FTA Section 5307 grant application to the FTA. The Program of Projects is included in an approved FTIP and subsequently forwarded to SCAG for review and processing.

Prompted by the lack of adequate medical facilities in the Palo Verde Valley, RCTC—in another example of a successful partnership, this time with the City of Blythe—sought and successfully won an FTA *Rides to Wellness Grant*, an 18-month pilot project operated by Palo Verde Valley Transit Agency between Blythe and Coachella Valley medical facilities 110 miles to the west including in Indio, Rancho Mirage, and Palm Springs. The service was initiated in July 2017 and has continued to operate through the audit period, with a short suspension period between March and May 2020, due to the pandemic. The service is open to the general public and interlines with SunLine Transit Agency at the Indio Transportation Center located at SR 111 and Flower.

## Section V

### Statement of Facts and Recommendations

The following summarizes the findings obtained from the triennial audit covering FYs 2019 through 2021. A set of audit recommendations is then provided.

#### Statement of Facts

1. RCTC has satisfactorily complied with all state legislative mandates for regional transportation planning agencies. Management continues to be firmly committed to the intent of the Commission's enabling legislation that called for a relatively small staff to carry out its growing responsibilities in planning, programming, and project delivery.
2. The TDA mandate for RCTC to analyze and recommend potential productivity improvements for the transit operators is accomplished through review and approval of SRTPs for each operator, and utilizing the Triennial Performance Audit recommendations.
3. RCTC has fully implemented two prior performance audit recommendations regarding the clarification of operator eligibility to use State Transit Assistance funds for operations and the review of the purpose of Short Range Transit Plan (SRTP) updates. The prior recommendations pertaining to transit operators' submissions of separate bus and specialized paratransit services reports to the State Controller annually and the development of a transit funding manual regarding TDA administration have been partially implemented and are being carried forward for full implementation. The prior recommendation pertaining to revisiting the TDA funding formula for Western Riverside County bus and commuter rail service has not been implemented due to a number of factors, such as the impacts to transit from the COVID-19 pandemic and a changed funding landscape, and is being carried forward for implementation.
4. Despite increased responsibility placed upon the agency, RCTC continues to maintain a relatively small but growing staff to manage the agency's programs. Actual full-time equivalent employees (FTEs) grew from 46 in FY 2019 to 50 in FY 2020, then to 63 FTEs in FY 2021. Growth in employees during the time period includes the RCA staff starting in January 2021. Of note during the latter part of the audit period was the retirement of the chief financial officer, as well as other key staff.
5. RCTC's ability to budget for revenues and expenses was uncertain once the COVID-19 pandemic hit in March 2020 and stay-at-home orders were issued. Since the magnitude and duration of these impacts were uncertain, the Commission continuously monitored, assessed, and adjusted the revised revenue projections and budgeted expenditures as necessary through the economic recovery from the crisis. Under Executive Management's leadership, it was critical for the Commission to proactively manage and assess the economic

consequences of COVID-19 and implement risk management strategies to minimize impacts to programs, projects, and personnel.

6. The agency is committed to maintaining a strong electronic records management system that provides storage and accessibility of the Commission's actions and documents, and the retention capability for incoming and internally created records. Staff migrated to Laserfiche electronic records storage and management, which provides a more organized structure while backing up data regularly.
7. Starting in FY 2020–21, RCTC initiated bi-monthly roundtable meetings with the TOWG to discuss transit policy issues, informational sharing, and updates. In addition, RCTC is taking a greater leadership role in the rollout of zero emission vehicles regionally in coordinating with and supporting the transit operators, in particular with the smaller operators.
8. RCTC staff held a workshop in November 2018 to seek operator feedback on current processes and to better understand the purpose and needs that the SRTP serves for each agency. RCTC continued to seek feedback during 2019. Staff developed a revised outline and tables in FY 2021 to assist transit operators in showcasing their operating and capital planning. Four sections were developed for the SRTP. A multimodal SRTP was also developed by RCTC that includes rail and the VanClub vanpool program and entails station planning and improved rail costing.
9. A Biennial-Countywide Transit Report provides a high level picture of the public transit network in Riverside County. This report has evolved since the previous audit and previous Public Transportation Countywide Performance Report. However, previous reporting was seen as a duplicative effort of the SRTP, quarterly meetings with transit operators, and financial and triennial performance audits. Based on comments on this report completed annually, RCTC staff looked at a more simplified report to convey the necessary information in an easy-to-read format.
10. To help supplement the transit network and expand commuter transportation options, RCTC launched a new vanpool program called VanClub in May 2018. VanClub provides eligible vanpools with a monthly subsidy toward the cost of the vanpool lease. Participating vanpools are required to report performance data pursuant to a new Federal Transit Administration reporting requirement. While pandemic-related impacts greatly hindered the growth of the program in its initial years, the success of the program can be seen in the 11.3 million total miles reduced to date as well as the 4,299 tons of total emissions reduced.

## **Triennial Audit Recommendations**

### **1. Revisit TDA funding formula for Western Riverside County bus and commuter rail service.**

A carryover from prior performance audits, RCTC implements a TDA funding formula for Western Riverside County for distributing Local Transportation Funds (LTF) between bus and commuter rail service. The formula is 78 percent LTF toward public bus and 22 percent to commuter rail, which was developed in FY 2004–05 and where it has remained since. According to a board report to the Commission, staff is currently monitoring the current economic conditions to determine the appropriate time to revisit the TDA formula for Western Riverside County bus and commuter rail service. The COVID-19 pandemic, federal stimulus funds, and the subsequent changes in transit service have changed the funding landscape for Riverside County operators. In addition, services are still reduced, with many riders transitioning from commuting to working from home. Efforts to address the funding formula for Western Riverside County bus and commuter rail service were temporarily placed on hold. Rail funding and Metrolink funding plans are being reviewed by RCTC, which will affect the funding formula. RCTC staff continue to monitor economic conditions and will determine when to revisit this issue once economic conditions and ridership recovery take shape.

### **2. Ensure all transit operators complete and submit separate State Controller Reports for general public transit and for specialized services.**

A carryover from a prior performance audit that was partially implemented, one requirement for the Transit Operators Financial Transactions Report is that the transit operator prepares separate reports for general public transit and for specialized services. Several operators changed their reporting to two separate documents. Only one operator, Beaumont Transit, continues to submit one State Controller Report rather than the required split between two reports. This requirement is included in the City of Beaumont performance audit recommendation for implementation. It is recommended that the Commission continue to ensure that the operators adhere to the proper reporting procedures for the Transit Operator Financial Transactions Reports. One such action is to place a stipulation in the TDA claims form, such as in the Standard Assurances, that the operator complies with State Controller instructions for preparation of the Transit Operators Financial Transactions Report.

### **3. Develop an in-house TDA Administrative Guidance Manual.**

RTPAs such as RCTC play a critical role in administering TDA funding and meeting the spirit of the law. RCTC's administrative practices have their nuances, including the apportionment and allocation split of TDA revenue between bus and rail, the general format of the claim form, inclusion of SRTPs in the funding process, and use of performance monitoring tools such as TransTrack. Changes in TDA administration and RCTC's interpretation of the statute continuously warrant development of a comprehensive in-house manual as a repository of

all localized materials and processes related to the TDA. Such a guidance document provides transparency in funding administration and also serves as a training tool for both RCTC personnel and the claimants for consistency in regional practice. RCTC staff initiated development of a scope of work for a transit funding manual, which includes policies and procedures for TDA administration. An RFP was released on May 26, 2022.

# Appendix A

## Informational Only Example Unmet Transit Needs Prioritization and Ranking

(when formal unmet transit needs process under TDA statute is not required)

2021 Final Draft  
Unmet Paratransit and Transit Needs

Prioritization of Need:

H – High-priority items are those items that fill a gap or absence of ongoing of service.

M – Medium-priority items that supplement existing service.

L – Low-priority items should become more specific and then be planned for, as funds are available.

1-3 Graduated scale indicates to what extent the need, if addressed, would: increase the number of individuals who are within a 30-minute transit trip to key destinations; improve safety; support economic vitality by way of decreasing transportation costs; or improve cost-effectiveness of transportation services.

Strategies:

Proposals and suggestions to address need, including programs and projects.

General

1. H1 - Safe travel paths between senior and/or disabled living areas, medical facilities, educational facilities, employment locations, retail centers, entertainment venues, bus stops, and/or railroad crossings.
  - Improve accessibility at and to bus stops - such as, but not limited to, sidewalk and crosswalk improvements connecting destinations frequented by senior and disabled individuals and transit stops such as, but not limited to, those identified in the RTC Safe Paths of Travel Final Report.
  - Secure funding assistance to make Safe Paths of Travel improvements.
  - Expand publicity regarding sidewalk maintenance.
  
2. H1 - Transportation services to areas with high concentrations of seniors, disabled and low income individuals.
  - Support alternative transportation programs, such as vanpool programs, serving low income and senior housing areas outside of the transit service area in south county.
  - Explore pilot projects, such as regularly scheduled paratransit trips two-three times per week, to serve residents.
  - Secure funding for taxi voucher programs for senior and low income individuals.
  - Provide affordable and desirable housing for seniors and low income individuals within the existing transit service area.
  - Provide incentives for senior and social services and medical and social services providers to be located in existing transit service areas.

- Support programs that encourage ridesharing to destinations popular with seniors or high concentrations of seniors.
  - Seek volunteer drivers to provide transportation services.
  - Evaluate on-demand transit services.
3. H3 - Transportation services for low-income families with children, including transportation for people transitioning from welfare to work.
    - Support welfare to work programs and training programs.
    - Support transportation programs dedicated to serving low-income families with children.
    - Seek volunteer drivers for transportation family members to visits at detention facilities.
    - Provide taxi vouchers to low income families.
    - Reinstate ride to work programs.
    - Provide youth bus passes to low income households
  4. H1 - Transportation services for caregivers of senior and disabled clients.
    - Support programs providing transportation for caregivers to clients.
    - Provide taxi voucher to caregivers.
    - Reinstate ride to work programs.

#### Paratransit/Specialized Transportation Services

1. H1 - Coordinated and seamless-to-the-public system of specialized transportation with a Mobility Management Center (central information point, one stop shop).
  - Assess feasibility and seek funds for development/start-up of the center, and assess entities already providing information and referral services).
  - Utilize information technology solutions to provide transit information that is accessible to all users.
2. H1 - Wheel chair accessible vehicles for taxis and transportation network company services
  - Monitor the Transportation Network Company (TNC) Access for All program.
  - Evaluate other comparable options to provide services (i.e. new companies, subcontract with services equipped with wheelchair vehicles).
  - Provide on demand paratransit service.

## Transit Services

1. H1 – Greater frequency and span of transit service in densely populated areas with a mix of land uses.
  - Increase service level between downtown Santa Cruz and Capitola Mall Transit Center through the Live Oak corridor.
  - Enhance service on Mission Street.
  - Extend transit service hours later in the evening and early in the morning serving Cabrillo College and commercial centers of Santa Cruz/Live Oak/ Watsonville.
  - Enhance service to employment entities.
  - Enhance service on Scotts Valley Drive.
  
2. H1 – Greater evening frequency and span of transit service in coverage- oriented areas, in keeping with METRO service standards.
  - San Lorenzo Valley Route 35 variants (Mt. Store and CountryClub)
  - Local Watsonville services
  - La Selva Beach
  
3. M1 – More transit service to UCSC.
  - Increase weekend and weekday UCSC service.
  - Increase service to UCSC campus.
  - Increase service to the University of Santa Cruz employment center in Scotts Valley.
  
4. M1–Free and low-cost transportation options, including fixed-route transit services.
  - Support programs that provide transportation services, including, but not limited to bus services, for a reduced or no fee.
  - Seek volunteer drivers to provide transportation services.
  - Support programs that allow seniors and disabled individuals to ride free during designated time periods.
  
5. M2 - Faster run times on transit routes.
  - Investigate opportunities for transit priority lanes and signal priority.
  - Pursue right turn pockets for bypass lanes for buses service and transit priority on Soquel Ave/Drive and Freedom consistent with the Unified Corridor Investment Study.
  - Consider direct services between more locations, reducing need for transfers.







**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of City of Banning Transit**



*October 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker**  
INTERNATIONAL

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## Section I

### Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue per Public Utilities Code (PUC) section 99246.

The Riverside County Transportation Commission (RCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Riverside County. This performance audit is conducted for Banning Connect Transit covering the most recent triennial period, fiscal years 2018–2019 through 2020–2021.

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

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

### Overview of the Transit System

The City of Banning has provided public transportation service since April 1973, which expanded to two routes in September 1985. As of FY 2021, the transit system comprises four fixed-route services and a Dial-A-Ride system that is limited to seniors and persons with disabilities, including riders certified under the Americans with Disabilities Act (ADA).

Banning Connect provides transfer opportunities with Riverside Transit Agency (RTA), SunLine Transit, and Beaumont Transit. RTA runs one intercity route that connects with the local transit system at a Walmart on Highland Springs Road and at Sun Lakes Village in the City of Beaumont, while intercity connection with SunLine Transit also occurs at the Walmart. Connections with Beaumont Transit can be made at the Walmart and at San Gorgonio Hospital.

In July 2019, the Cities of Banning and Beaumont adopted an interagency service agreement detailing specific boundaries and operating conditions for each provider through June 30, 2022. This agreement came after the discontinuation of Pass Transit, an initiative to integrate the two cities’ transit services into one regional service, which started in 2002. With the termination of the Pass Transit agreement, Pass Transit branding has been phased out and Beaumont Transit Route 2 service was discontinued in the City of Banning; Banning Transit was rebranded at this time as “Banning Connect.”

Based on the 2020 US Census, Banning’s population is 29,505, which is a 0.3 percent decrease in population since the 2010 US Census. The senior citizen population, comprising residents aged 65 and over, is 27.4 percent. The 2021 population for Banning is estimated to be 32,233 as reported by the California Department of Finance, Population Estimates for Cities, Counties, and the State, January 1, 2021. The city covers 23.1 square miles.

System Characteristics

Banning Connect operates both fixed-route and demand-responsive transit services. During the audit period, the fixed route schedules showed the time range of operations from Monday through Friday from 4:30 a.m. to 10:11 p.m. and weekends from 7:44 a.m. to 5:56 p.m. Dial-A-Ride service operated Monday through Friday from 9:00 a.m. to 2:30 p.m.

Banning Connect does not operate on New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The transit system operates on a limited schedule (Route 5/6: 7:44 a.m. to 5:44 p.m.; Route 1: 8:00 a.m. to 5:56 p.m.) on Martin Luther King Jr. Day, Presidents’ Day, Veterans Day, and the Friday following Thanksgiving. Banning Connect’s fixed-route services during the audit period are summarized in Table I-1.

**Table I-1  
Banning Connect Fixed Route Services**

<b>Route</b>	<b>Description</b>	<b>Frequency/Operation</b>	<b>Key Time Points</b>
<b>Route 1</b>	<b>Service from Beaumont to Cabazon via the Banning commercial corridor along Ramsey Street</b>	Every 60 minutes on weekdays; every 2 hours on weekends (Monday through Friday from 4:30 a.m. to 10:11 p.m.; Saturday & Sunday from 8:00 a.m. to 5:56 p.m.; no service on weekends from 12:30 p.m. to 1:30 p.m.)	<ul style="list-style-type: none"> <li>▪ San Gorgonio Hospital</li> <li>▪ Beaumont Courthouse</li> <li>▪ Outlet malls</li> <li>▪ Cabazon Community Center on Carmen</li> <li>▪ Cabazon Community Center on Broadway</li> <li>▪ Casino Cabazon</li> <li>▪ Sun Lakes Village</li> <li>▪ Banning Police Dept. (Post Office)</li> <li>▪ Walmart</li> <li>▪ Esperanza &amp; Elm</li> </ul>

Route	Description	Frequency/Operation	Key Time Points
Route 5	Residential areas of Northern Banning, Indian School, Alessandro, Nicolet and Wilson Street to Walmart Shopping Center in Beaumont via downtown Banning	Weekdays; approximately every 70 minutes (Monday through Friday from 5:30 a.m. to 6:49 p.m.; no service from 1:59 p.m. to 3:00 p.m.)	<ul style="list-style-type: none"> <li>▪ Summit Ridge Apt. Indian School &amp; Alessandro</li> <li>▪ Banning Library</li> <li>▪ Banning High School</li> <li>▪ Hemmerling School &amp; Armory</li> <li>▪ Oregon Trail &amp; Wilson</li> <li>▪ Beaver</li> <li>▪ Walmart</li> <li>▪ Sun Lakes Village</li> <li>▪ San Gorgonio Hospital</li> <li>▪ DMV Depart. Of Social Services</li> <li>▪ Banning Police Dept. (Post Office)</li> </ul>
Route 6	Residential areas of Southern Banning, Hathaway and Williams Street to Walmart Shopping Center in Beaumont via downtown Banning	Weekdays; approximately every 75 minutes (Monday through Friday from 6:00 a.m. to 6:32 p.m.)	<ul style="list-style-type: none"> <li>▪ Banning High School</li> <li>▪ Smith Correctional Facility</li> <li>▪ Hathaway &amp; Williams</li> <li>▪ 8th &amp; Ramsey/DMV</li> <li>▪ Banning Health Care</li> <li>▪ MSJC Campus</li> <li>▪ Walmart</li> <li>▪ Sun Lakes Village</li> <li>▪ San Gorgonio Hospital</li> <li>▪ Sunset &amp; Ramsey Rio Ranch</li> </ul>
Route 5/6		Weekend only; approximately every 85 minutes (Saturday and Sunday from 7:44 a.m. to 5:44 p.m.; no service from 12:30 p.m. to 1:30 p.m.)	<ul style="list-style-type: none"> <li>▪ Banning High School</li> <li>▪ Smith Correctional Facility</li> <li>▪ Post Office</li> <li>▪ Indian School &amp; Alessandro</li> <li>▪ Banning Library</li> <li>▪ 19th &amp; Nicolet Armory</li> <li>▪ Oregon Train &amp; Wilson</li> <li>▪ Walmart</li> <li>▪ Sun Lakes Village</li> <li>▪ San Gorgonio Hospital</li> <li>▪ Citibank @ Sunset &amp; Ramsey</li> <li>▪ DMV</li> </ul>

Source: Banning Connect

Banning Connect honors flag stops in residential areas at the corners of the route only. In commercial areas, the bus will only stop at designated marked stops.

Dial-A-Ride

Dial-A-Ride offers curb-to-curb, demand-responsive transit service to persons with disabilities, the frail elderly, and senior citizens aged 60 years and older who reside one-quarter mile from any Banning Connect fixed route, or persons who are ADA certified. Priority service is given to ADA-certified passengers. Accessibility of the ADA paratransit service is within three quarters of a mile of the fixed-route service. Regular hours of operation for Dial-A-Ride are Monday through Friday from 9:00 a.m. to 2:30 p.m. Persons with ADA certification can access Dial-A-Ride by advance reservation within the City of Banning and into a small portion of the Beaumont area during expanded service days and hours. Such service operates Monday through Friday from 6:00 a.m. to 6:30 p.m., and Saturday and Sunday from 8:00 a.m. to 5:00 p.m. Reservations for service can be made as early as 21 days in advance but no later than 3:00 p.m. the day prior to the trip.

Dial-A-Ride does not operate on New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Dial-A-Ride operates on a limited schedule for ADA-certified passengers only with a 24-hour advance reservation on Martin Luther King Jr. Day, Presidents’ Day, Veterans Day, and the day following Thanksgiving.

Fares

Banning Connect’s fares are structured based on passenger, route, and service type. Multi-trip passes are also available for purchase. Day passes are only available for purchase from the driver while monthly passes are available for purchase at the Banning Community Center. Ticket booklets and passes do not include the \$0.25 zone fare for Cabazon. The fare structures during the audit period are summarized in Table I-2.

**Table I-2  
Banning Connect Fare Schedule**

<b>Fare Category</b>	<b>Fares</b>
General Public	\$1.15
Youth (Ages 17 and under)	\$1.00
Seniors (Ages 65 and Older)	\$0.65
Persons with Disabilities (ADA or Medicare Card)	\$0.65
Military Veterans (with photo ID)	\$0.65
Child (46” tall or under accompanied by full-fare paying adult)	\$0.25
Zone Charge (One way to/from Cabazon Route 1)	\$0.25
10-Ticket Book – General Public	\$10.35
10-Ticket Book – Seniors/Disabled/Veterans	\$5.85
Day Pass – General Public	\$3.00

Fare Category	Fares
Day Pass – Seniors/Disabled/Veterans	\$1.80
Monthly Pass – General Public	\$36.00
Monthly Pass – Banning High School & Nicolet Middle School Student Pass	\$10.00
Monthly Pass – Youth	\$25.00
Monthly Pass – Seniors/Disabled/Veterans	\$21.50
Dial-A-Ride (one-way)	\$2.00
Dial-A-Ride 10-Ride Pass	\$18.00

Source: Banning Connect

**Fleet**

There were 11 vehicles in the transit fleet during the audit period: six fixed-route and five demand-response vehicles. Vehicles operated on the fixed route are powered by compressed natural gas (CNG), whereas most vehicles operated on Dial-A-Ride are gasoline-powered. All vehicles in revenue service are wheelchair accessible with tie-downs in compliance with the ADA. Table I-3 summarizes the Banning Connect fleet.

**Table I-3  
Banning Connect Fleet**

Year	Make/Model	Quantity	Fuel Type	Service Mode	Seating Capacity
2003	Ford E-450	1	Unleaded	Dial-a-Ride	12 (1 W/C)
2008	Ford Econoline	1	Unleaded	Dial-a-Ride	14 (1W/C)
2010	El Dorado XHF-3	2	CNG	Fixed-Route	31 (2 W/C)
2010	Ford E-450	1	Unleaded	Dial-a-Ride	16 (1 W/C)
2013	Ford E-450	1	CNG	Dial-a-Ride	18 (1 W/C)
2015	Ford F-550	2	CNG	Fixed-Route	30 (2 W/C)
2016	El Dorado EZRM-32	1	CNG	Fixed-Route	25 (2 W/C)
2017	El Dorado EZRM-32	1	CNG	Fixed-Route	25 (2 W/C)
2018	Ford E-450	1	Unleaded	Dial-a-Ride	16 (1 W/C)
<b>Total</b>		<b>11</b>			

Source: Banning Connect, TransTrack Manager

## Section II

### Operator Compliance Requirements

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

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p><i>Fixed Route:</i>                      FY 2019: January 27, 2020                      FY 2020: January 28, 2021                      FY 2021: January 28, 2022</p> <p><i>Specialized Services:</i>                      FY 2019: January 23, 2020                      FY 2020: January 28, 2021                      FY 2021: January 28, 2022</p> <p>Separate Transit Operators Financial Transaction Reports for both general and specialized services were submitted.</p> <p><b>Conclusion: Complied.</b></p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	<p>Completion/submittal dates:</p> <p>FY 2019: April 21, 2020                      FY 2020: April 26, 2021                      FY 2021: March 31, 2022</p> <p>Banning Connect requested and was granted a 90-day extension for the fiscal and compliance</p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<p>audits by the RCTC as allowed by law.</p> <p>The FY 2019 and FY 2020 fiscal audits were submitted after the 90-day extension period.</p> <p><b>Conclusion: Partial Compliance.</b></p>
<p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>Banning Connect participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the City of Banning located at 176 East Lincoln Street.</p> <p>Inspection dates applicable to the audit period were July 16 and 17, 2018; July 15 and 16 2019; August 5 and 6, 2020; and July 8, 2021.</p> <p>All inspections conducted were rated satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
<p>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</p>	<p>Public Utilities Code, Section 99261</p>	<p>As a condition of approval, the Banning Connect’s annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by RCTC.</p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<b>Conclusion: Complied.</b>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as Banning Connect only serves a nonurbanized area.  <b>Conclusion: Not Applicable.</b>
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in Banning Connect’s transit operating budget:  FY 2019: +17.2% FY 2020: +10.5% FY 2021: -2.1%  The increase above 15 percent in FY 2019 was substantiated in the City’s budget documentation.  <i>Source: Transit Operator Financial Transactions Reports for FYs 2018-2021.</i>  <b>Conclusion: Complied.</b>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile,	Public Utilities Code, Section 99247	Banning Connect’s definition of performance is consistent with Public Utilities Code Section 99247. A review of TransTrack performance data reports generated during the audit period indicates that correct performance data are being collected.  <b>Conclusion: Complied.</b>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
(f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as Banning Connect only serves a nonurbanized area.  <b>Conclusion: Not Applicable.</b>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Operating ratios for Banning Connect using audited data were as follows:  Audited farebox ratio accounts for local support revenue and exclusion of new or expanded service.  FY 2019: 9.61% FY 2020: 4.28% FY 2021: 24.10%  Banning Connect is subject to a system-wide farebox standard of 10 percent. The system did not meet the minimum farebox ratio in FY 2019 and FY 2020.  <i>Source: City of Banning Transit</i>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<p><i>Services Fund Financial Statements (Audited)</i></p> <p><b>Conclusion: Partial Compliance.</b></p>
<p>The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.</p>	<p>Public Utilities Code, Section 99271</p>	<p>To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the City of Banning’s retirement system is funded.</p> <p>City staff’s retirement is funded through the California Public Employees' Retirement System.</p> <p><b>Conclusion: Complied.</b></p>
<p>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.</p>	<p>California Code of Regulations, Section 6754(a)(3)</p>	<p>As a recipient of State Transit Assistance funds, Banning Connect does not utilize federal funds available under the Urban Mass Transportation Act of 1964 as amended (other than those funds that are passed through RCTC).</p> <p><b>Conclusion: Not Applicable.</b></p>

### Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Banning Connect, the operator fully complied with six out of the eight applicable requirements. Banning Connect was in partial compliance with regard to the timely completion and submittal of its annual fiscal and compliance audits and farebox recovery attainment. Three additional compliance requirements did not apply to the operator (intermediate and urban farebox recovery ratio and the use of federal funds).
2. Based on the farebox calculation in the annual Transit Services Fund Financial Statements (*audited*), Banning's farebox recovery ratio met or exceeded the required minimum standard of 10 percent in one of the three audit years. The system-wide farebox recovery ratios were 9.61 percent in FY 2019, 4.28 percent in FY 2020, and 24.10 percent in FY 2021.<sup>1</sup> It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection. Banning Connect utilized an allowable combination of additional local support revenues in order to meet minimum farebox recovery attainment in FY 2021.
3. Banning Connect participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The annual operating budget increased above 15 percent in FY 2019 and exhibited fluctuations in subsequent years. Banning saw increases of 17.2 percent and 10.5 percent, respectively, during FY 2019 and FY 2020. The budget exhibited a slight decrease of 2.1 percent in FY 2021. The FY 2019 budgetary increase is attributed to higher salaries and fringe benefits, fuel, tires, casualty, and liability insurance costs.

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<sup>1</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

## Section III

### Prior Triennial Performance Recommendations

Banning Connect’s efforts to implement the recommendations made in the FY 2016–2018 triennial performance audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of Banning Connect’s efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Ensure timely completion and submittal of external TDA financial reports.

*Background:* The prior audit noted that Banning Connect was not in compliance with the timely completion and submittal of its annual Transit Operator Financial Transactions Reports to the State Controller as well as of its fiscal and compliance audits. These late submittals may be attributed to the financial closeout procedures needed to generate the financial information required in the Controller’s report. This in turn impacted the timely submittal of its fiscal and compliance audits, which cannot be completed until the financial closeout by the City.

The TDA statute provides the submittal timelines and allowable extensions granted by the RCTC. Although City financial closeout procedures were not within the scope of the performance audit, it was suggested that a schedule be coordinated between the City’s Finance Department, TDA fiscal auditor, and RCTC to anticipate financial closeout procedures and timelines by the City and completion of the external TDA financial reports. The financial closeout triggers the undertaking of the TDA financial reports, and close tracking of the timeliness of the closeout could advance some aspects and earlier preparation of the TDA reports.

#### Actions taken by Banning Connect

During the audit period, Banning Connect has taken steps to ensure the timely completion and submittal of its Transit Operator Financial Transactions Reports to the State Controller pursuant to the TDA statute. Report submittals to the State Controller during the audit period were within the statutory time frame. In addition, Banning Connect implemented procedures that involved the separate preparation and submittal of Transit Operators Financial Transaction Reports for both general and specialized services.

However, the operator continued to have issues involving late submittals of the annual fiscal and compliance audits. Banning Connect requested and was granted a 90-day extension for the fiscal and compliance audits by the RCTC as allowed by law during the audit period. However, the FY 2019 and FY 2020 fiscal audits were submitted after the 90-day extension period. In light of this, it is suggested that the City’s Finance Department continue to work with the auditor and RCTC to improve its financial closeout procedures to ensure more timely completion of the audits.

### Conclusion

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

### Prior Recommendation 2

Continue to pursue a reimbursement agreement from the RTA and Mt. San Jacinto College for Go-Pass riders.

*Background:* This recommendation was carried forward from the prior audit for implementation. Banning Connect serves the San Gorgonio Pass Campus of Mt. San Jacinto College. Students are assessed a \$6.00 transportation fee when they enroll at the college, which allows for unlimited transit rides on any RTA bus as part of the Go-Pass program. Students participating in the Go-Pass program may use the Banning Connect system at no additional charge with a “Pass Transit” sticker on the card. Currently, Banning Connect does not receive any of the revenues generated from this program. Given the concerns cited in the prior recommendation about farebox recovery attainment, it was suggested that Banning Connect work with the RTA and Mt. San Jacinto College on a reimbursement agreement whereby Banning Connect receives a share of the revenues generated from this program.

### Actions taken by Banning Connect

In response to this recommendation, Banning Connect took steps to reach a fare revenue reimbursement agreement with Mt. San Jacinto College. In the meantime, Banning Connect has continued to honor RTA’s Go-Pass without an agreement in place. Under the Go-Pass program, Mt. San Jacinto College students get unlimited rides on RTA buses. Banning Connect was anticipating that the Mt. San Jacinto College student body would vote on the separate fare revenue agreement in early 2018; however, the vote never materialized. The parties were not able to come to an agreement due to a lack of interest on the part of the college and RTA.

### Conclusion

This recommendation has not been implemented and is no longer applicable due to the inability to secure a fare revenue agreement.

### Prior Recommendation 3

Include a link to Beaumont Transit on the Banning Connect web page.

*Background:* This recommendation is being carried forward from the prior audit for implementation. Banning Connect’s website and transit page were updated during the audit period. While there are links to RTA’s and SunLine Transit Agency’s websites concerning

Commuter Link Route 220 and RTA Routes 31 and 35, there are no links to the Beaumont Transit website. The memorandum of understanding (MOU) or cooperative services agreement between the Cities of Banning and Beaumont that has been in effect since December 2002 was terminated after the audit period and involved phasing out the Pass Transit brand and the removal of Beaumont Transit Route 2 from operating within the City of Banning. In its place, an interagency service agreement between the two cities was adopted in July 2019 and provides continued cooperation of both cities in “providing the public with specific transit information, advertising the operations of both agencies and promoting the general use of transit.” Pursuant to the interagency service agreement with the City of Beaumont, it was recommended that Banning include a link to Beaumont Transit on its transit page.

Actions taken by Banning Connect

Banning Connect added a “Regional Service Providers” web page that is accessible through the main transit page of the website. This web page lists Beaumont Transit, RTA, SunLine, Omnitrans, Metrolink, and IE511 as regional agencies along with the service areas they cover and links to each agency’s website.

Conclusion

This recommendation has been implemented.

## Section IV

### TDA Performance Indicators

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

Tables IV-1 through IV-3 provide the performance indicators for Banning Connect system-wide, fixed route, and Dial-A-Ride. Graphs are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures, while fixed route and Dial-A-Ride costs and fare revenues are unaudited. The annual fiscal audits do not provide a modal breakdown.

**Table IV-1  
Banning Connect TDA Performance Indicators  
System-wide**

Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost (less depreciation) <sup>(1)</sup>	\$1,626,239	\$1,989,651	\$2,148,508	\$2,060,262	<b>26.7%</b>
Total Passengers	126,793	116,748	112,960	87,388	<b>-31.1%</b>
Vehicle Service Hours	22,018	14,189	19,467	13,811	<b>-37.3%</b>
Vehicle Service Miles	798,183	393,143	441,497	438,887	<b>-45.0%</b>
Employee FTEs	15	14	17	18	<b>20.0%</b>
Total Passenger Fares	\$117,872	\$111,068	\$91,376	\$2,096	<b>-98.2%</b>
Other Fare Revenue Contributions	\$49,848	\$80,115	\$610	\$494,456	<b>891.9%</b>
Total Fare Revenue	\$167,720	\$191,183	\$91,986	\$496,552	<b>196.1%</b>
Operating Cost per Passenger	\$12.83	\$17.04	\$19.02	\$23.58	<b>83.8%</b>
Operating Cost per Vehicle Service Hour	\$73.86	\$140.22	\$110.37	\$149.18	<b>102.0%</b>
Operating Cost per Vehicle Service Mile	\$2.04	\$5.06	\$4.87	\$4.69	<b>130.4%</b>
Passengers per Vehicle Service Hour	5.8	8.2	5.8	6.3	<b>9.9%</b>
Passengers per Vehicle Service Mile	0.16	0.30	0.26	0.20	<b>25.3%</b>
Vehicle Service Hours per Employee	1,467.9	1,013.5	1,145.1	767.3	<b>-47.7%</b>
Average Fare per Passenger	\$0.93	\$0.95	\$0.81	\$0.02	<b>-97.4%</b>
Farebox Recovery Ratio (passenger fares only)	7.25%	5.58%	4.25%	0.10%	<b>-98.6%</b>
Adjusted Farebox Recovery Ratio <sup>(2)</sup>	10.31%	9.61%	4.28%	24.10%	<b>133.7%</b>
Consumer Price Index - (CPI-All) <sup>(3)</sup>	3.5%	3.4%	2.5%	2.0%	<b>8.1%</b>

Source: City of Banning Transit Services Fund Financial Statements (audited); Transit Operators Financial Transactions Reports

<sup>(1)</sup> System-wide operating costs are as shown in Basic Financial Statements. Modal operational costs in subsequent tables are noted in Banning Connect internal financial reports. Modal operational costs do not sum to operational costs due to differing data sources.

<sup>(2)</sup> Audited system-wide passenger fare data include supplemental revenues such as interest, City, and miscellaneous contributions.

<sup>(3)</sup> Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index from the prior year.

**Table IV-2  
Banning Connect TDA Performance Indicators  
Fixed Route**

Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost	\$1,444,377	\$1,695,227	\$1,818,789	\$1,822,132	<b>26.2%</b>
Total Passengers	116,129	106,668	106,908	86,762	<b>-25.3%</b>
Vehicle Service Hours	20,590	12,749	18,283	13,593	<b>-34.0%</b>
Vehicle Service Miles	771,908	364,946	419,752	433,112	<b>-43.9%</b>
Employee FTEs	13	13	16	17	<b>30.8%</b>
Passenger Fares	\$94,990	\$91,213	\$79,774	\$512	<b>-99.5%</b>
Operating Cost per Passenger	\$12.44	\$15.89	\$17.01	\$21.00	<b>68.9%</b>
Operating Cost per Vehicle Service Hour	\$70.15	\$132.97	\$99.48	\$134.05	<b>91.1%</b>
Operating Cost per Vehicle Service Mile	\$1.87	\$4.65	\$4.33	\$4.21	<b>124.8%</b>
Passengers per Vehicle Service Hour	5.6	8.4	5.8	6.4	<b>13.2%</b>
Passengers per Vehicle Service Mile	0.15	0.29	0.25	0.20	<b>33.2%</b>
Vehicle Service Hours per Employee	1,583.8	980.7	1,142.7	799.6	<b>-49.5%</b>
Average Fare per Passenger	\$0.82	\$0.86	\$0.75	\$0.01	<b>-99.3%</b>
Fare Recovery Ratio	6.58%	5.38%	4.39%	0.03%	<b>-99.6%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	<b>8.1%</b>

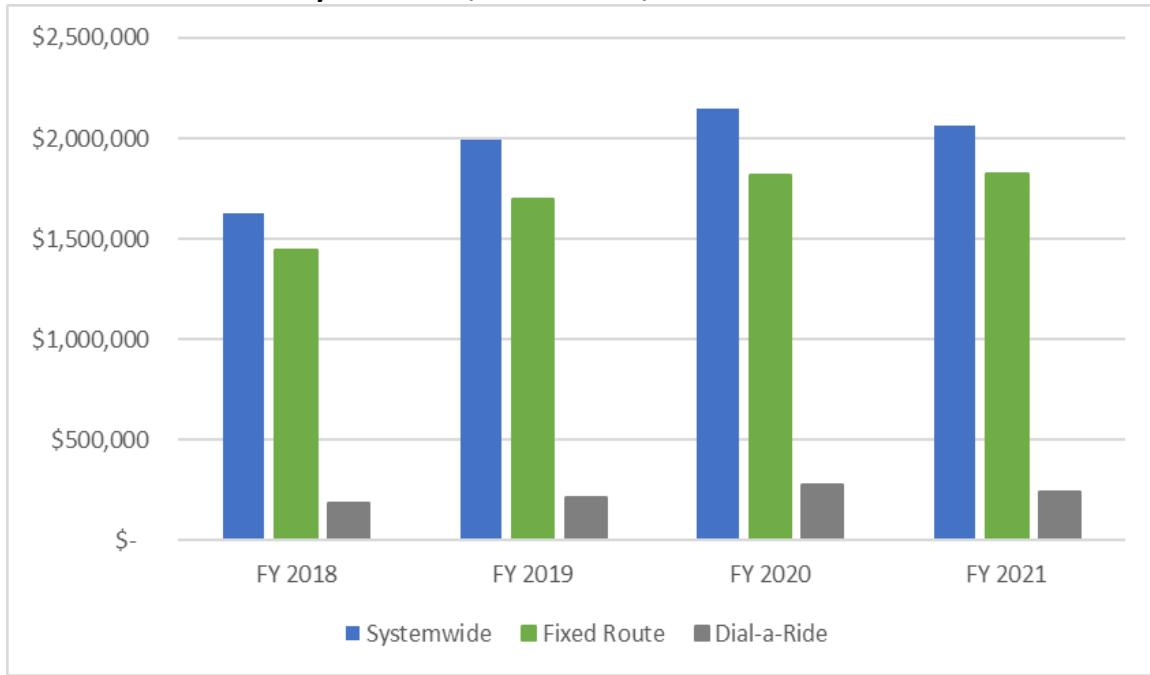
Source: Transit Operators Financial Transactions Reports

**Table IV-3  
Banning Connect TDA Performance Indicators  
Dial-A-Ride**

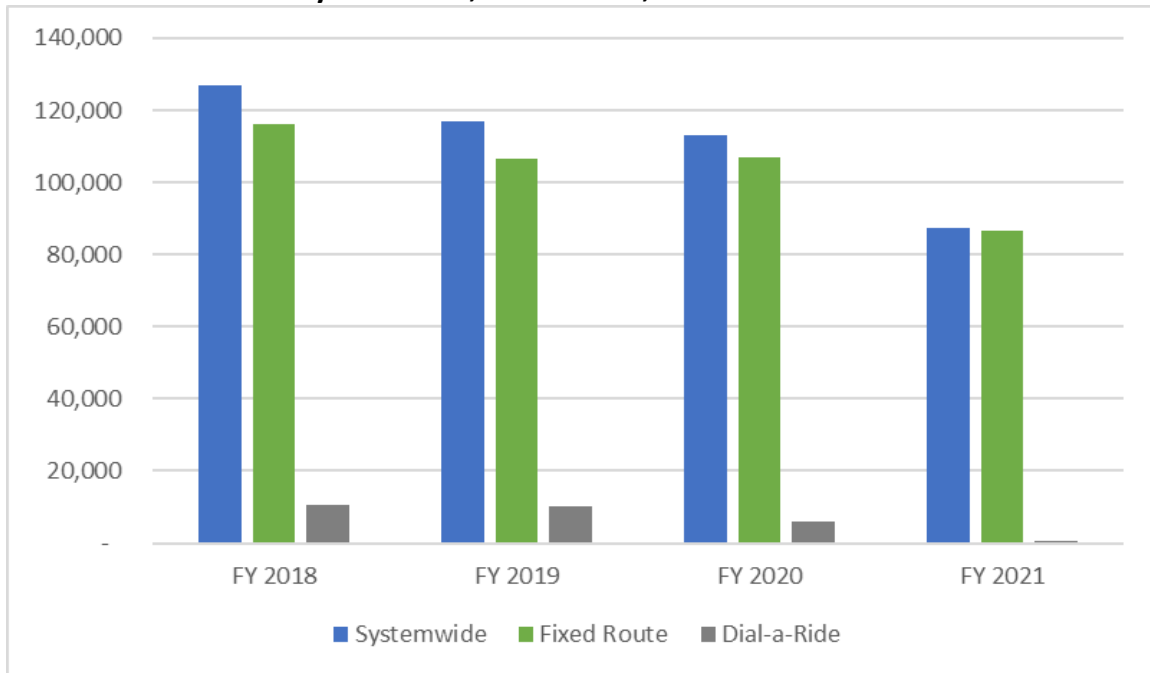
Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost	\$180,848	\$209,590	\$275,330	\$238,129	<b>31.7%</b>
Total Passengers	10,664	10,080	6,052	626	<b>-94.1%</b>
Vehicle Service Hours	1,428	1,440	1,184	218	<b>-84.7%</b>
Vehicle Service Miles	26,275	28,197	21,745	5,775	<b>-78.0%</b>
Employee FTE's	2	1	1	1	<b>-50.0%</b>
Passenger Fares	\$22,881	\$19,855	\$11,602	\$1,584	<b>-93.1%</b>
Operating Cost per Passenger	\$16.96	\$20.79	\$45.49	\$380.40	<b>2143.1%</b>
Operating Cost per Vehicle Service Hour	\$126.64	\$145.55	\$232.54	\$1,092.33	<b>762.5%</b>
Operating Cost per Vehicle Service Mile	\$6.88	\$7.43	\$12.66	\$41.23	<b>499.1%</b>
Passengers per Vehicle Service Hour	7.5	7.0	5.1	2.9	<b>-61.5%</b>
Passengers per Vehicle Service Mile	0.41	0.36	0.28	0.11	<b>-73.3%</b>
Vehicle Service Hours per Employee	714.0	1,440.0	1,184.0	218.0	<b>-69.5%</b>
Average Fare per Passenger	\$2.15	\$1.97	\$1.92	\$2.53	<b>17.9%</b>
Fare Recovery Ratio	12.65%	9.47%	4.21%	0.67%	<b>-94.7%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	<b>8.1%</b>

Source: Transit Operators Financial Transactions Reports

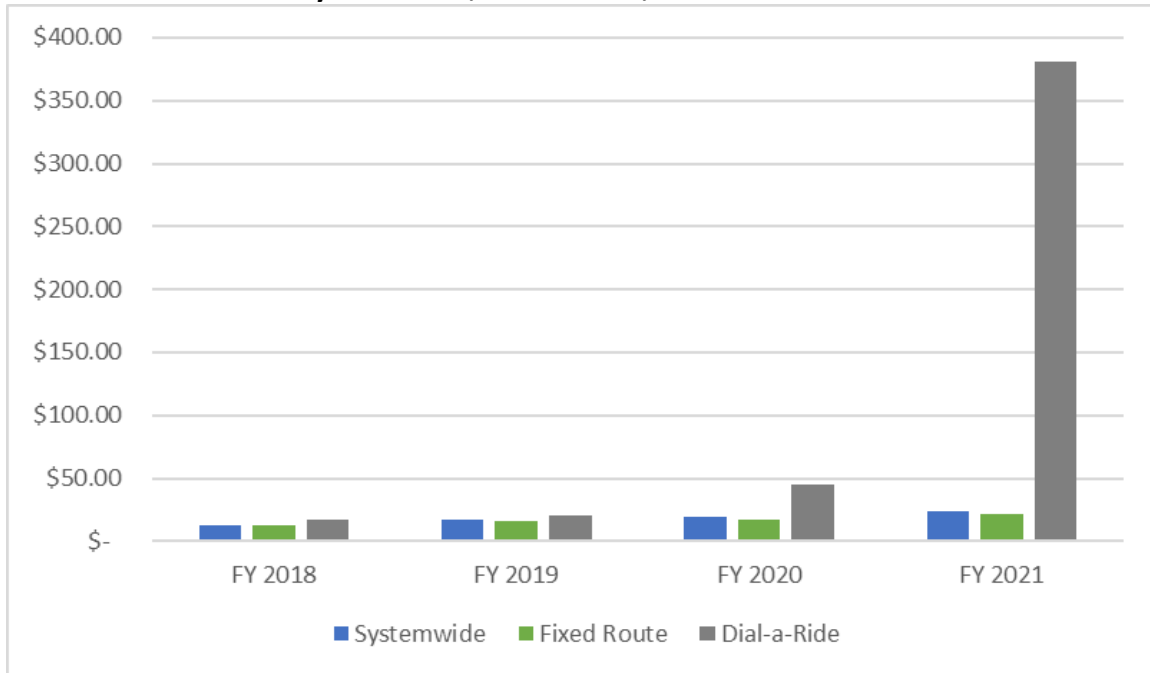
**Graph IV-1  
Operating Costs  
System-wide, Fixed Route, and Dial-A-Ride**



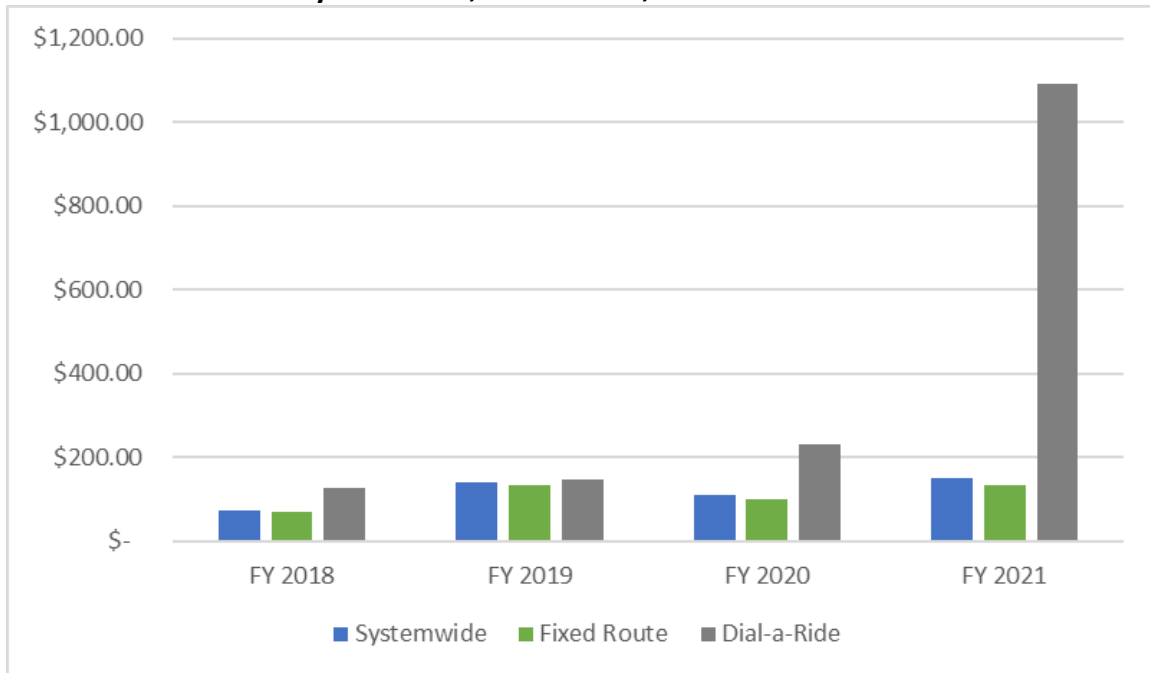
**Graph IV-2  
Ridership  
System-wide, Fixed Route, and Dial-A-Ride**



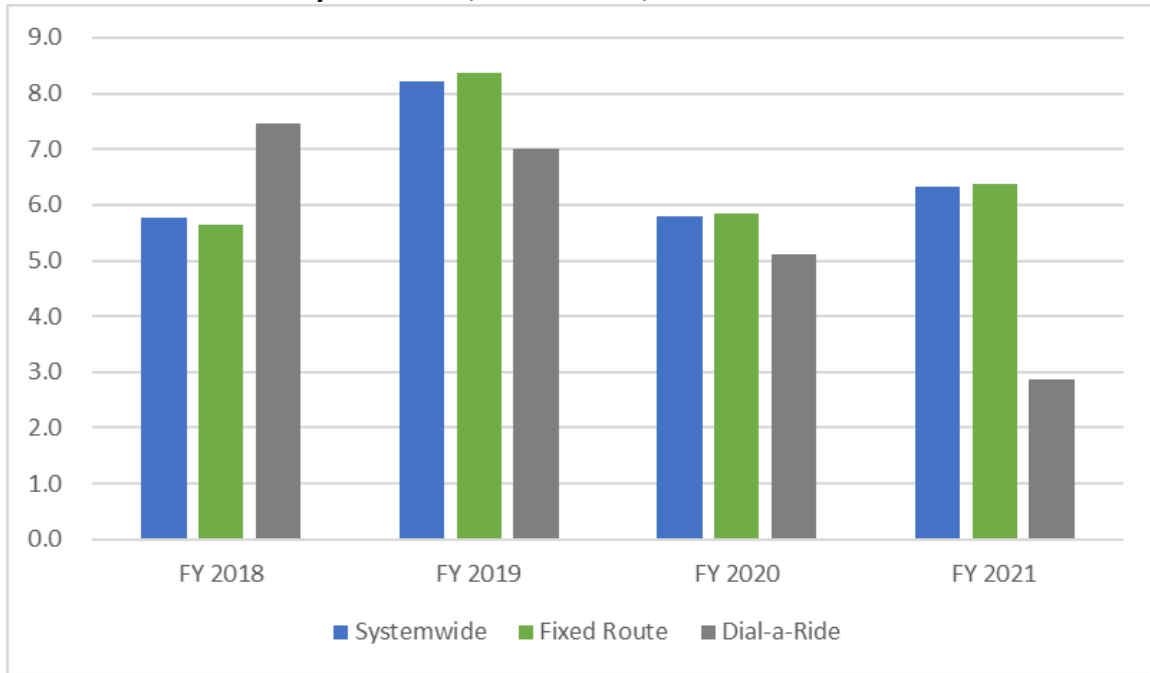
**Graph IV-3**  
**Operating Cost Per Passenger**  
**System-wide, Fixed Route, and Dial-A-Ride**



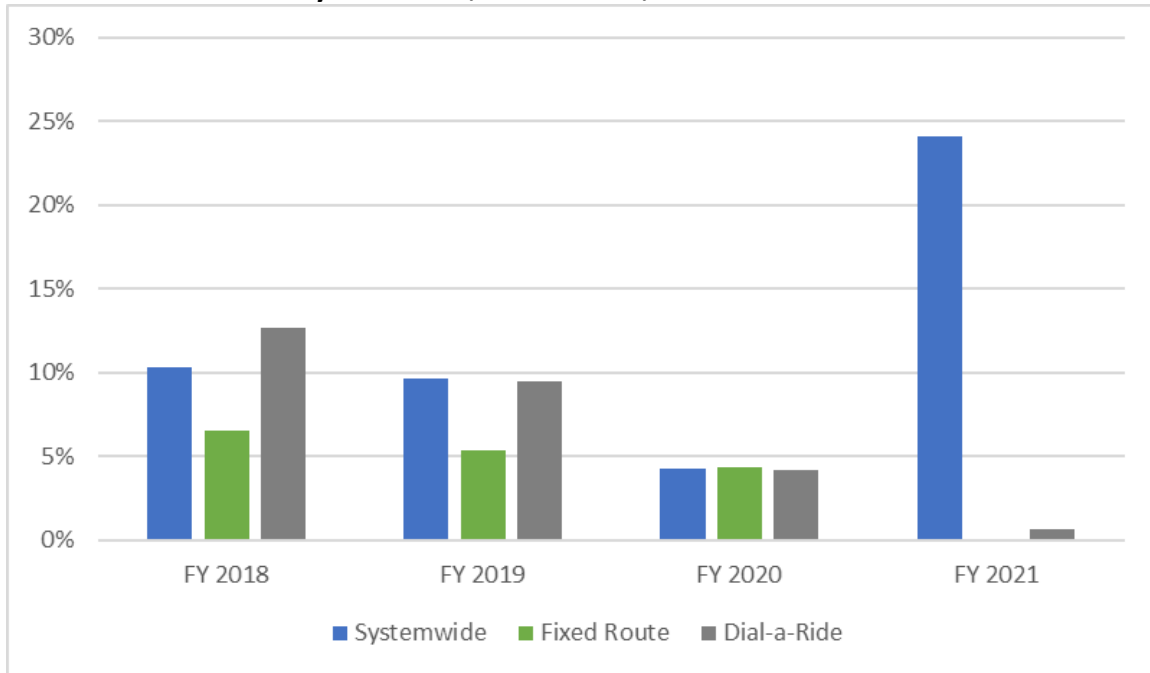
**Graph IV-4**  
**Operating Cost Per Vehicle Service Hour**  
**System-wide, Fixed Route, and Dial-A-Ride**



**Graph IV-5**  
**Passengers Per Vehicle Service Hour**  
**System-wide, Fixed Route, and Dial-A-Ride**



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



## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, more than doubled system-wide from \$73.86 in the FY 2018 base year to \$149.18 in FY 2021. Operating costs (based on audited data) increased 26.7 percent system-wide as Banning Connect kept scheduled service while operating hours decreased by 37.3 percent over the same period due to the COVID-19 pandemic. Operating costs for fixed route rose at a comparable rate as system-wide. However, Dial-A-Ride operating costs grew more quickly in percentage terms, at 31.7 percent compared to 26.2 percent for fixed route for the same period. Cost increases for both services are attributed to higher salaries and fringe benefits, fuel, tires, casualty, and liability insurance costs.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 83.8 percent system-wide from \$12.83 in the FY 2018 base year to \$23.58 in FY 2021. Ridership system-wide decreased by 31.1 percent, from 126,793 passengers in FY 2018 to 87,388 passengers in FY 2021, while operating costs increased 26.7 percent for the same period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 9.9 percent system-wide between FY 2018 and FY 2021 from 5.8 passengers per hour to 6.3 passengers per hour. Fixed-route operations reflected the system-wide trend with an increase of 13.2 percent over the same period from 5.6 to 6.4 passengers per hour. Demand-response operations exhibited a decrease of 61.5 percent from 7.5 to 2.9 passengers per hour. The trend in this indicator reflects a drastic overall decline in ridership and vehicle hours on demand-response services during the triennial period due to the COVID-19 pandemic while ridership on fixed route was less impacted percentage-wise.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased 25.3 percent system-wide, from 0.16 in FY 2018 to 0.20 in FY 2021. For fixed-route operations, the number of passengers per service mile increased 33.2 percent from 0.15 to 0.20 between FY 2018 and FY 2021. In contrast, passengers per service mile for demand-response service decreased 73.3 percent over the same period.
5. **Vehicle service hours per employee** decreased 47.7 percent system-wide between FY 2018 and FY 2021. Vehicle service hours per employee for fixed-route service decreased 49.5 percent during the reporting period, from 1,583.8 hours in FY 2018 to 799.6 hours in FY 2021, as vehicle service hours decreased, and the number of full-time equivalents (FTEs) increased (from 13 to 17) during the period, which should be verified by Banning Connect via the State Controller's report entry for FTEs to be sure it is not based on head count. For the Dial-A-Ride service mode, vehicle hours per employee decreased 69.5 percent in the reporting period.

Vehicle service hours decreased as did Dial-A-Ride employees (from 2 to 1 FTEs). Changes in this indicator reflect staffing shortages and turnover in part-time drivers.

6. **Farebox recovery** exhibited an overall percentage increase of 133.7 percent system-wide from 10.31 percent in FY 2018 to 24.10 percent in FY 2021 based on audited data. System-wide, passenger fares declined significantly due to the pandemic and suspension of fares, but fare revenue was supplemented by the City's General Fund, interest, and miscellaneous contributions, in particular in FY 2021. However, system-wide operating costs increased by more than 26 percent. At a modal level, fixed-route farebox recovery decreased 99.6 percent whereas Dial-A-Ride farebox recovery decreased 94.7 percent, neither of which account for the inclusion of local support supplemental revenues.

### **Conclusion from the Verification of TDA Performance Indicators**

Banning Connect's system-wide performance indicators reflect increases in operating costs while sustaining bus ridership to a degree despite service impacts due to the COVID-19 pandemic. Ridership on the fixed route decreased 25.3 percent whereas Dial-A-Ride ridership decreased by about 94 percent. Ridership stabilized in FY 2019 and for much of FY 2020 when Beaumont Transit Route 2 was discontinued through the City of Banning based on the new interagency service agreement between the two cities. System-wide, vehicle service hours and miles decreased 37.3 and 45.0 percent over the three years, respectively, despite exhibiting increases in FY 2020. The vehicle service hours exhibited the highest increase in FY 2019–2020 on the fixed route, which occurred pre-COVID. State Controller operating data for Dial-A-Ride submitted by Banning Connect for FY 2020-21 appear inconsistent; for example, reported vehicle miles are much too high relative to vehicle hours. In such cases, internal performance reports were used in-lieu of the SCO reports.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions in the Banning Connect system. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of Banning Public Works Department and Corporation Yard:

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

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

#### Operations

Banning Connect is a local, City-operated transit system serving Banning and the neighboring community of Cabazon located to the east. The system is composed of four fixed routes and a demand-response service.

The Pass Transit MOU between the Cities of Banning and Beaumont, which began in 2002, allowed for each respective agency to cross jurisdictional boundary lines, allowing simplified travel for passengers throughout the Pass area. However, Banning Connect expressed concerns about the adverse impacts that Beaumont's Route 2 had on its system's ridership along the Ramsey Street corridor. Coordination of fares was also an issue.

In June 2019, the City of Banning and the City of Beaumont entered an interagency service agreement for the purpose of providing coordinated transit services. This agreement ended the Pass Transit MOU. With the 2019 agreement, Beaumont Transit Route 2 was discontinued from operating within the City of Banning. Joint Pass Transit branding was also discontinued, and both Banning Connect and Beaumont Transit rebranded their services individually. Under the new branding initiative, Banning Connect adopted "Banning Connect" as its new service name. The system was fully rebranded utilizing the new "Banning Connect" logo in July 2020.

The new agreement allows for interline transfers between the two systems at the Walmart in Beaumont and the San Gorgonio Memorial Hospital in Banning. Beaumont will limit Banning to

no more than three buses per hour at Walmart and Banning will limit Beaumont to no more than three buses per hour at the San Gorgonio Memorial Hospital bus stop.

Major trip generators served by Banning Connect include the Sun Lakes Shopping Center, the 2<sup>nd</sup> Street Marketplace and Walmart Supercenter in Beaumont, the Banning Justice Center, San Gorgonio Pass Hospital, Beaver and Loma Linda Medical Plazas, the Cabazon Outlet Stores, Desert Hills Premium Outlets, Casino Morongo, and Mt. San Jacinto College, San Gorgonio Pass Campus.

The main trunk route, Route 1, operates along Ramsey Street with hourly headways during the weekday and every two hours on weekends. The route also features a circulator loop departing from Casino Morongo and servicing the Cabazon Community Center and the residential areas of Cabazon. Route 1 is the most productive in the system and accounts for 72 percent of the ridership. The route also deviates to Mt. San Jacinto College around 9:00 p.m., Monday through Friday.

Route 5 operates in the areas of Banning located north of I-10 and accounts for 17 percent of the system's ridership. Major stops on this route are the Banning Justice Center, Banning City Hall, the Banning Community Center, library, medical facilities, San Gorgonio Memorial Hospital, and the commercial area of Beaumont.

Route 6 serves the southern areas of Banning and comprises 11 percent of the system's ridership. Major stops on this route are the Mid-County Justice Center, Banning City Hall, the Mt. San Jacinto Pass Campus, Banning High School, Smith Correctional Facility, medical offices, San Gorgonio Memorial Hospital, and the commercial area of Beaumont.

Route 5/6 offers weekend-only service along an alignment that is a combination of the weekday service of the Route 5 and Route 6. Sunday ridership is reported to be low.

Banning Connect's ridership is composed primarily of the transit dependent, many of whom are transfer passengers from the RTA. Student ridership has declined due to the local school district's busing program. Anticipated increased ridership to the Justice Center has yet to materialize.

Dial-A-Ride trips are booked a minimum of 24 hours in advance; however, same-day requests can be accommodated. There is a 15-minute pickup window for Dial-A-Ride scheduling. No-shows occur when the rider is not ready, forgets, fails to call and cancel in advance, or refuses their ride when the driver arrives. If three no-shows accumulate in a 60-day period, a 30-day suspension will result. Once the rider is reinstated, if an additional three no-shows occur within another 60 days, the suspension will be extended to 45 days. After the third infraction of three no-shows, the suspension is for 60 days. If an individual continues to misuse the program, a reinstatement fee may be charged. No-shows are tracked manually on a specific log, which records the day and time of the scheduled pickup, passenger name, details, and the fare amount owed.

Driver trip sheets for both service modes include sections for recording the passenger count and fare categories, fuel mileage, hours, and mileage. Both actual and revenue hours and mileage are recorded and segregated. One white board and a calendar is used by the dispatcher to track driver availability while a second white board shows the buses on their respective routes.

Performance data are entered into TransTrack Manager on a monthly basis. On-time performance data for Dial-A-Ride are entered into TransTrack. If drivers are six to seven minutes behind schedule, they are required to call into dispatch. The Route 6 driver calls in at the San Gorgonio Pass Hospital and high school. As a general practice, drivers call into dispatch upon leaving the corporation yard and during breaks, late runs, and road calls.

Communications and dispatching rely on both electronic and manual methods. Banning utilizes Motorola push-talk radios provided by Verizon for communication between the drivers and dispatch. Banning Connect is planning to upgrade its communication system in conjunction with the police department's planned upgrade. Banning has been looking to computerize its dispatching and scheduling functions. Dispatch functions have generally been conducted manually with a reliance on typewritten schedules and manifests.

Banning Connect upgraded the surveillance camera systems on its newer vehicles. Video footage can be downloaded with GateKeeper wireless technology. Vehicles are equipped with six surveillance cameras. Older vehicles are equipped with Safety Vision surveillance camera systems. Camera footage is used to investigate customer complaints and for employee discipline.

Farebox revenues are counted and reconciled Monday through Thursday. Vehicles are equipped with Diamond vaulted fareboxes. At the end of each shift, the office specialist and lead driver pull out the vaults from the buses and transport them to City Hall by car. The vaults are taken to the Fiscal Services Department, which has a key to the vaults. Fare revenues are counted by the field supervisor and one person from the Fiscal Services Department in a safe room and reconciled with the trip sheets. Pass and ticket sales are also noted on the trip sheets. The driver farebox receipt is placed in the farebox. The Fiscal Services staff is also able to determine any significant overages or shortages during the reconciliation process. In October 2019, Banning Connect began offering riders the ability to purchase fares virtually through a mobile ticketing app called "Token Transit."

In May 2020, the City approved Banning Connect's procurement of the Swiftly platform. Swiftly software creates real-time transit data that can be utilized by third-party apps providing real-time arrival predictions to help customers and staff better utilize the transit system. The dispatcher uses Swiftly to help communicate estimated bus arrivals for passengers on both services. Banning Connect approved the use of Proposition 1B funds to purchase Swiftly service for a five-year period. The GPS units in the vehicles have been undergoing replacement to better align with the Swiftly platform.

### COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19<sup>th</sup> that same year. In response, Banning Connect implemented measures and protocols to mitigate the spread of the virus. Fare collection was suspended in March 2020. Banning installed driver barriers, enforced mandated masking protocols and social distancing, and implemented enhanced cleaning measures. Banning Connect budgeted \$25,000 toward bus disinfecting and contracts with Mobile Turtle Fleet and Auto Detailing to disinfect the vehicles three times a week.

Personal protective equipment distributed to the drivers included five pairs of gloves, five face masks, hand sanitizer, goggles, and face shields. Although service levels remained relatively unchanged, Banning decided to shave off time from its schedule in the morning and evening hours to better accommodate rider demand. These necessary activities in response to the rapidly evolving COVID-19 pandemic condition resulted in severe impacts on performance trends, which were pervasive throughout the transit industry during the fourth quarter of FY 2020 and most of FY 2021. Fare collection resumed on all service modes in the summer of 2021.

### Personnel

Banning Connect personnel are City employees. Drivers and nonexempt employees are represented by the International Brotherhood of Electrical Workers (IBEW), Local 47. The City and the IBEW entered into a three-year MOU covering July 1, 2017, through June 30, 2020. Full-time employees are covered under the general bargaining unit referenced in the MOU. Transit has been challenged by staffing shortages and high turnover. Most of the turnover occurred among part-time employees. Banning Connect utilizes a part-time employee for the Dial-A-Ride service.

According to the 2021 Transit Division organizational chart, there are 13 positions in the department: transit manager, field supervisor, and 11 drivers. There were seven full-time drivers, 2.5 part-time fixed-route drivers, and 1.39 part-time Dial-A-Ride drivers. Banning Connect perceives full-time drivers as being more invested in the transit program and more reliable compared to part-time personnel. As of October 2021, the transit manager position was vacant and has remained vacant. Banning Connect is recruiting for this hands-on transit management position and advertises on governmental-focused job websites. The field supervisor conducts monthly safety trainings. Most new drivers are recruited from outside of the area or were former school bus and Beaumont Transit drivers. Drivers undergo annual performance evaluations, which include ride-along observations, speed monitoring, and customer service skills.

At the time of application, driver candidates are required to have a valid Class B California driver license with air brake and passenger endorsements. In addition, drivers must have one of the following certifications: Verification of Transit Training, School Bus Driver, or School Pupil Activity Bus Certification. Drivers undergo a background investigation and must successfully complete

periodic physical examinations as required by federal transportation regulations. The lead driver is a certified trainer and conducts safety meetings on a monthly basis. Safety meetings cover wheelchair placement, emergency evacuations, parking and driving maneuvers, service animals, and passenger etiquette. Banning Connect utilizes training resources from the Transportation Safety Institute.

Accruals for vacation and sick time commence on the first day of employment for full-time employees. Employees with one to four years of service accrue 10 vacation days, 15 days with five to nine years, and up to 20 vacation days with 10 or more years of service. Employees accrue 3.69 hours of sick time per 80-hour pay period. Full-time employees and their dependents are provided employer-paid health insurance benefits. Under the current MOU, the City contributed \$1,400 per month to each represented employee toward medical and dental insurance.

### **Maintenance**

Vehicle maintenance is the responsibility of the City's Fleet Maintenance Division and is performed at the City Yard located at 176 East Lincoln Street. The facility is equipped with five service bays, an outside vehicle wash bay, and a CNG station with both fast- and slow-fill pumps. There are three lifts; two of the lifts are able to accommodate larger buses.

Transit vehicles are serviced in a dedicated service bay with one lift. Banning Connect reports being down to one mechanic with two vacancies. Vehicles operated on the fixed route are CNG-powered whereas all the Dial-A-Ride vehicles, except for one, are gasoline-powered. Drivers perform a 15-minute pre-trip inspection before each run and note any areas that need maintenance attention. Vehicles in need of repair are red tagged.

Preventive maintenance inspections (PMIs) are performed on a 6,000-mile or 45-day inspection schedule. Banning Connect is considering extending the PMI intervals by using higher grade motor oil and conducting regular oil analyses. The Fleet Maintenance Division utilizes Ron Turley Associates fleet management software to track PMIs and work orders. The maintenance software program interfaces with the fueling system and records vehicle mileage. The CNG station is under the oversight of the Fleet Maintenance Division. Banning Connect sells fuel to the Banning Unified School District and there is potential for sales to the general public. In addition, Banning Connect is looking at refurbishing its CNG fueling facility and has identified TDA funding available as well as \$700,000 in Carl Moyer Grant Program funds through the California Air Resources Board.

Banning Connect has not deemed it necessary to maintain a large parts inventory; however, the most common parts kept on hand include brakes and tires. Parts are barcoded and scanned. Certain maintenance work is outsourced to local vendors, such as for time-consuming repairs or if the department lacks the proper tools and materials. The CHP is responsible for certifying Banning's maintenance facilities and for inspecting vehicles on an annual basis. Inspections conducted during the audit period were rated satisfactory.

Road calls are tracked and recorded in TransTrack Manager. A summary of road calls incurred during the audit period is presented in Table V-1.

**Table V-1  
Banning Connect Road Calls**

Road Call Categories	FY 2019	FY 2020	FY 2021
<b>Fixed Route:</b>			
Major Mechanical System Failures	62	119	64
Other Mechanical System Failures	321	374	541
<b>Demand Response:</b>			
Major Mechanical System Failures	6	18	12
Other Mechanical System Failures	61	54	23
Total Major Mechanical System Failures	68	137	76
Total Other Mechanical System Failures	382	428	564
<b>Grand Total:</b>	<b>450</b>	<b>565</b>	<b>640</b>

Source: TransTrack Manager

A review of road call summary based on applying FTA definitions shows that the number of road calls due to major mechanical system failures fluctuated during the period from 68 in FY 2019 to 137 in FY 2020 to 76 in FY 2021. Road calls due to other mechanical system failures also fluctuated, although less drastically, with 382 in FY 2019, 428 in FY 2020, and 564 in FY 2021.

Banning Connect reported that its newest vehicle in the transit fleet had been involved in an accident. The City Council approved the procurement of two CNG vehicles with the use of SB 1 State of Good Repair funds. Banning Connect also has plans to procure electric vehicles in the future.

**Planning**

Banning Connect prepares a Short-Range Transit Plan (SRTP) on an annual basis. The SRTP covers a three-year planning horizon and includes a system overview; services and performance analysis for each route and service provided; service changes; and financial and capital plans. Under the Existing Service and Route Performance chapter, a series of recommendations for service improvements is presented for each route or program.

Performance data from TransTrack Manager is also included to provide an annual comparison. In adhering to the SRTP analysis element, Banning must meet at least four out of seven discretionary performance indicators. There is one mandatory indicator, which is the farebox recovery ratio set at 10 percent. Using the SRTP covering FY 2019–2020 through FY 2021–2022, Table V-2 summarizes the FY 2020–2021 performance targets system-wide. Banning met four out of the eight performance indicator targets.

**Table V-2  
Banning Connect Performance Targets**

Performance Indicators	FY 2020-21 Target	Actual Performance	Met Target
Farebox Recovery	>=10.00%	11.10%*	Yes
Operating Cost Per Revenue Hour	<=\$42.80	\$71.13	Fails to Meet Target
Subsidy Per Passenger	>=\$4.54 & <=\$6.14	\$8.70	Fails to Meet Target
Subsidy Per Passenger Mile	>=\$2.42 & <=\$7.79	\$2.20	Better Than Target
Subsidy Per Hour	>=\$30.11 & <=\$40.73	\$63.23	Fails to Meet Target
Subsidy Per Mile	>=\$1.30 & <=\$1.76	\$2.22	Fails to Meet Target
Passengers Per Revenue Hour	>=5.64 & <=7.62	7.26	Yes
Passengers Per Revenue Mile	>=0.25 & <=0.33	0.26	Yes

Source: Banning Connect, TransTrack Manager

\*Farebox recovery ratio is derived from unaudited cost and revenue data.

The City is seeking to attract development that could potentially benefit transit usage. Two major growth areas have been identified: the Atwell master planned community in the northwest part of town along Highland Springs Avenue, and a planned development of approximately 3,200 homes south of the I-10 corridor. Banning Connect has also engaged the Sun Lakes Country Club Homeowners Association about the possibility of providing supplemental service to residents on the weekends. Further, development at the City municipal airport may justify a future bus stop.

Nevertheless, Banning Connect does not foresee any formalized service changes planned for the immediate future. Banning Connect has stated its intention to monitor ridership levels as they recover from the COVID-19 pandemic as well as from the implemented changes related to the interagency services agreement with Beaumont. Banning Connect hopes to learn more about possibilities for improving its services through the development of a Comprehensive Operational Analysis.

### **Marketing**

Banning uses several media approaches in marketing its transit services. Under the current interagency service agreement, Banning Connect and Beaumont Transit have agreed to cooperate in providing the public with specific transit information by advertising the operations of both agencies and promoting the general usage of public transit. Banning honors this agreement on the “Regional Service Providers” page on the City’s website. Here users can click on a link that takes them to Beaumont Transit’s webpage as well as other regional service providers including RTA, SunLine, Omnitrans, Metrolink, and IE511.org.

The most significant marketing effort during the audit period was the rebranding of the service to Banning Connect. Printed brochures and marketing collateral are published in-house. Ride Guide brochures are published for each of the four fixed routes in the system, identifying key local bus stops and timepoints, including interline connections to the RTA, SunLine, and Beaumont Transit. Brochures are distributed to the library, Chamber of Commerce, San Gorgonio Memorial Hospital, Mt. San Jacinto College Pass Campus, local hotels, and other businesses.

Banning Connect has identified the need for the addition and replacement of bus shelters throughout the City. According to the latest SRTP, Banning Connect currently has nine bus shelters. Banning Connect plans to replace its existing bus shelters over a five-year period, will be installing mobile SMS codes on all its bus stops for real-time bus tracking.

The redesigned Banning Connect website (<http://www.banning.ca.us/351/Bus-Schedules>) contains a page devoted to the transit program. A separate page provides information on the Dial-A-Ride service (<http://www.banning.ca.us/356/Dial-A-Ride>). The main Banning Connect web page provides general information, fares, and modal links to the fixed-route and Dial-A-Ride services as well as links to the Swiftly transit app to view real-time bus arrivals by stop. Bus schedules for each route are accessible in PDF. Development of social media is restricted by City policy; therefore, Banning Connect does not have a presence on Facebook or Twitter and instead relies on more traditional channels and its website.

Banning Connect participates in the Go-Pass program in conjunction with Mt. San Jacinto College. Student pass holders ride the system for free by presenting their student identification card with the Go-Pass sticker. RTA has an agreement with the college; however, Banning Connect does not receive any of the revenues from the program. Banning Connect was anticipating that the Mt. San Jacinto College student body would vote on the separate fare revenue agreement in early 2018; however, the vote never materialized. The parties were not able to come to an agreement due to a lack of interest on the part of the college and RTA.

During the audit interview process, Banning Connect mentioned the possibility of implementing an advertising program to generate extra farebox revenue. Banning Connect currently does not have an advertising policy but has expressed interest in developing one. Given the farebox recovery trends, it is recommended that Banning Connect pursue this measure to incorporate other locally generated revenue in its farebox recovery.

### **General Administration and Management**

The City of Banning was incorporated February 6, 1913, as a general law city and currently operates under a council/manager form of government. The five-member City Council serves as the City's principal legislative body and members are elected to four-year terms, which are staggered. The mayor and the mayor pro tem are elected from the City Council and serve one-year terms. The City Council meets the second and fourth Tuesdays of each month at 5:00 p.m. in the Banning City Council Chambers.

The chief administrative officer for the City is the City manager, who is appointed by the City Council. The City manager oversees and coordinates City departments and services, including Community Services and Public Works. During the audit period, administration of the transit program was transferred from the Community Services Department to the Public Works Department with the retirement of the Community Services director from the City in June 2019. The director has been assisted by an office specialist who has worked with transit for more than 20 years.

Under Public Works, transit operations moved out of the Community Services Department and into the City's Corporation Yard where Fleet Maintenance is located. The Public Works Department is the largest department within the City of Banning. Banning Connect had funded a designated transit manager position, which was filled by two different individuals, consecutively, over a year and a half period. The position is currently vacant. An analyst with the City currently conducts data management and assists with transit operations and scheduling.

According to the SRTP, Banning Connect is implementing data collection procedures to more accurately collect data related to on-time performance, ridership growth, road calls, complaints, preventable accidents, and rider injuries. A future goal of Banning Connect is to have City Council-approved operating standards and performance metrics. The Swiftly software should be one tool, among others, to help Banning Connect obtain data for developing the standards.

The primary source of transit funding support is derived from the Local Transportation Fund (LTF) for operations. Banning Connect submits the annual TDA claim for funds to the RCTC. TDA claims are based on Banning Connect's annual budget projections and the financial element of the SRTP. Banning Connect's LTF allocation was \$1,417,294 in FY 2019; \$1,463,034 in FY 2020; and \$1,683,060 in FY 2021. State Transportation Assistance (STA) funds received by Banning Connect were \$108,130. STA is used toward capital projects.

There were increased interfund transfer payments. The City implemented a new cost allocation plan in FY 2021, which is anticipated to reduce interfund allocations charged to the Transit Services Fund. In FY 2020, the \$500,000 in transfer payments included \$220,000 for fleet maintenance expenses.

### Grants Management

Grant funding allocated toward the transit system has been derived from state sources composed of Proposition 1B, SB 1 State of Good Repair (SGR), and Low Carbon Transit Operation Program funds. Under the Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account program, Banning received funding for vehicle purchases and bus shelter and CNG facility upgrades. Another component of the Proposition 1B program is the Transit System Safety, Security & Disaster Response Account (TSSSDRA) administered by the Governor's Office of Emergency Services. TSSSDRA funds awarded to Banning Connect have been utilized toward security cameras and equipment. As of June 30, 2021, Banning Connect had an unexpended balance of \$16,125 in TSSSDRA funds. In FY 2020, Banning Connect received \$76,047 in SGR program funds.

Banning does not utilize federal transit funding for operating expenses, thus avoiding federal transit grant and Title VI reporting requirements.

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to Banning Connect, the operator fully complied with six out of the eight applicable requirements. Banning Connect was in partial compliance with regard to the timely completion and submittal of its annual fiscal and compliance audits and farebox recovery attainment. Three additional compliance requirements did not apply to the operator (intermediate and urban farebox recovery ratio and the use of federal funds).
2. Based on the farebox calculation in the annual Transit Services Fund Financial Statements (*audited*), Banning's farebox recovery ratio met or exceeded the required minimum standard of 10 percent in one of the three audit years. The system-wide farebox recovery ratios were 9.61 percent in FY 2019, 4.28 percent in FY 2020, and 24.10 percent in FY 2021.<sup>2</sup> It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection. Banning Connect applied local support revenues to the FY 2021 farebox in order to meet minimum farebox recovery attainment.
3. Banning Connect participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The annual operating budget increased above 15 percent in FY 2019 and exhibited fluctuations in subsequent years. Banning saw increases of 17.2 percent and 10.5 percent, respectively, during FY 2019 and FY 2020. The budget exhibited a slight decrease of 2.1 percent in FY 2021. The FY 2019 budgetary increase is attributed to higher salaries and fringe benefits, fuel, tires, casualty, and liability insurance costs.
5. Banning satisfactorily implemented one of the three prior audit recommendations. The implemented recommendation pertained to the inclusion of a link to Beaumont Transit on the Banning Connect web page. One recommendation pertaining to a fare-sharing agreement with the RTA and Mt. San Jacinto College for Go-Pass riders was not implemented and is no longer applicable. The recommendation pertaining to the timely completion and submittal of external TDA financial reports was partially implemented and is being carried forward for full implementation.

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<sup>2</sup> AB 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

6. Operating cost per vehicle service hour, an indicator of cost efficiency, more than doubled system-wide from \$73.86 in the FY 2018 base year to \$149.18 in FY 2021. Operating costs (based on audited data) increased 26.7 percent system-wide as Banning Connect kept scheduled service while operating hours decreased by 37.3 percent over the same period due to the COVID-19 pandemic. Operating costs for fixed route rose at a comparable rate as system-wide. However, Dial-A-Ride operating costs grew more quickly in percentage terms, at 31.7 percent compared to 26.2 percent for fixed route for the same period. Cost increases for both services are attributed to higher salaries and fringe benefits, fuel, tires, casualty, and liability insurance costs.
7. Operating cost per passenger, an indicator of cost effectiveness, increased 83.8 percent system-wide from \$12.83 in the FY 2018 base year to \$23.58 in FY 2021. Ridership system-wide decreased by 31.1 percent, from 126,793 passengers in FY 2018 to 87,388 passengers in FY 2021, while operating costs increased 26.7 percent for the same period.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 9.9 percent system-wide between FY 2018 and FY 2021 from 5.8 passengers per hour to 6.3 passengers per hour. Fixed-route operations reflected the system-wide trend with an increase of 13.2 percent over the same period from 5.6 to 6.4 passengers per hour. Demand-response operations exhibited a decrease of 61.5 percent from 7.5 to 2.9 passengers per hour. The trend in this indicator reflects a drastic overall decline in ridership and vehicle hours on demand-response services during the triennial period due to the COVID-19 pandemic while ridership on fixed route was less impacted percentage-wise.
9. Passengers per vehicle service mile, another indicator of service effectiveness, increased 25.3 percent system-wide, from 0.16 in FY 2018 to 0.20 in FY 2021. For fixed-route operations, the number of passengers per service mile increased 33.2 percent from 0.15 to 0.20 between FY 2018 and FY 2021. In contrast, passengers per service mile for demand-response service decreased 73.3 percent over the same period.
10. In June 2019, the City of Banning and the City of Beaumont entered an interagency service agreement for the purpose of providing coordinated transit services. This agreement ended the Pass Transit MOU that was previously in place between the two cities and allowed for each respective agency to cross the other’s jurisdictional boundary lines. Under the new branding initiative, Banning Transit adopted “Banning Connect” as its new service name. The system was fully rebranded utilizing the new “Banning Connect” logo in July 2020.
11. In May 2020, the City approved Banning Connect’s procurement of the Swiftly platform. Swiftly software creates real-time transit data that can be utilized by third-party apps providing real-time arrival predictions to help customers and staff better utilize the transit system. The City approved the use of Proposition 1B funds to purchase Swiftly service for a five-year period.

12. Banning Connect personnel are City employees. Drivers and nonexempt employees are represented by the International Brotherhood of Electrical Workers, Local 47. According to the 2021 Transit Division organizational chart, there are 13 positions within the department: transit manager, field supervisor, and 11 drivers. There were seven full-time drivers, 2.5 part-time fixed-route drivers, and 1.39 part-time Dial-A-Ride drivers. As of October 2021, the transit manager position was vacant.
  
13. Vehicle maintenance is the responsibility of the City's Fleet Maintenance Division and is performed at the City Yard located at 176 East Lincoln Street. The facility is equipped with five service bays, an outside vehicle wash bay, and a CNG station with both fast- and slow-fill pumps. There are three lifts; two of the lifts are able to accommodate larger buses.
  
14. During the audit period, administration of the transit program was transferred from the Community Services Department to the Public Works Department with the retirement of the Community Services director from the City in June 2019. Under Public Works, transit operations moved out of the Community Services Department and into the City's Corporation Yard where Fleet Maintenance is located.

## Recommendations

### 1. Ensure timely completion and submittal of external TDA financial reports.

Banning Connect was in partial compliance with the timely completion and submittal of its annual fiscal and compliance audits. The late submittal may be due to the financial closeout procedures needed to generate the financial information required in the Controller's report. This in turn impacts the timely submittal of its fiscal and compliance audits, which cannot be completed until the financial closeout by the City. The TDA statute provides the submittal timelines and allowable extensions granted by the RCTC. Although City financial closeout procedures are not within the scope of this performance audit, it is suggested that a schedule be coordinated between the City's Finance Department, TDA fiscal auditor, and RCTC to anticipate financial closeout procedures and timelines by the City and completion of the external TDA financial reports. The financial closeout triggers the undertaking of the TDA financial reports, and close tracking of the timeliness of the closeout could advance some aspects and earlier preparation of the TDA reports.

### 2. Consider commissioning the development of a Comprehensive Operational Analysis.

The FY 2020–2021 through FY 2022–2023 SRTP references the potential development of a Comprehensive Operational Analysis (COA) by Banning Connect. Given the service changes that have occurred as a result of the interagency services agreement with Beaumont as well as residential development taking place in the northwestern and southern portions of the city, a COA could provide a detailed look at Banning Connect's existing bus services and fare structure and provide recommendations for improving service to meet the needs of the riders. It could also identify new markets and services that could strengthen the brand identity of Banning Connect.

### 3. Consider the development of an advertising program and other local funds to support farebox recovery.

State legislation (SB 508) reinforces current RCTC practice of allowing other locally generated revenues in the farebox ratio. These other revenues could include advertising generated by the transit system, bus wraps on the vehicles, CNG fuel sales, and other local contributions from the City to the transit program. During the audit interview process, Banning Connect mentioned the possibility of implementing an advertising program to generate extra farebox revenue. Banning Connect currently does not have an advertising policy but has expressed interest in developing one. However, staffing and budgetary constraints make it difficult to pursue. Nevertheless, given the farebox recovery trends, Banning Connect should work with the RCTC and pursue this measure to incorporate other locally generated revenue in its farebox recovery. This may also include Banning Connect working with City officials internally to adopt a social media policy enabling the transit system to develop an on-line presence that drives customers to its transit services and provides a communication outlet for updates.

**4. Maintain efforts to hire and retain a transit manager.**

The transit system functions without a transit manager, and has been recruiting for the position. Banning Connect advertises the position and description on multiple platforms and online resources, such as Governmentjobs.com and the Municipal Management Association of Northern California, among many others. While the employment market has been challenging in general, Banning Connect should retain efforts to identify recruitment channels for the hiring process above existing methods. Targeted transit industry associations that post jobs online include CalACT, California Transit Association, and Mass Transit Magazine; however, the most recent job listings on these sites do not advertise the opening for Banning. Banning Connect should consider expanding its advertising resources and target the job posting in industry sites to potentially increase capture of the intended qualified job seeker. Retaining a transit manager will help implement data collection procedures to more accurately collect data related to on-time performance, ridership growth, road calls, complaints, preventable accidents, and rider injuries. The position will help meet a future goal of to have City Council-approved operating standards and performance metrics.





**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of City of Beaumont Transit**



*September 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker**  
INTERNATIONAL

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## Section I

### Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue per Public Utilities Code (PUC) 99246.

The Riverside County Transportation Commission (RCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Riverside County. This performance audit is conducted for the City of Beaumont Transit (Beaumont Transit) covering the most recent triennial period, fiscal years 2018-19 through 2020-2021.

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

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

### Overview of the Transit System

The City of Beaumont has provided public transportation service since 1975. The current transit system is composed of both fixed-route and Dial-A-Ride services. Fixed-route service began as a single 15-mile route in 1979, after the existing general public Dial-A-Ride service could not meet the growing demand. The fixed route serves the City of Beaumont and the unincorporated community of Cherry Valley to the north. Dial-A-Ride is limited to elderly and Americans with Disabilities Act (ADA) certified passengers. A combination of Dial-A-Ride and fixed-route deviations are available to assist passengers who are outside the quarter-mile border of each bus route. In July 2019, the Cities of Banning and Beaumont adopted an interagency service

agreement, which allows the two transit providers to provide interconnected service through June 30, 2022. This agreement came after the discontinuation of Pass Transit, an initiative that began in 2002 to integrate the two cities’ transit services into one regional service. With the termination of the Pass Transit agreement, Pass Transit branding has been phased out and Beaumont Transit Route 2 service was discontinued in the City of Banning.

Based on the 2020 US Census, Beaumont’s population is 53,036, which grew 43.8 percent since the 2010 US Census. The senior citizen population, composed of residents aged 65 and over, is 13.5 percent. The 2021 population for Beaumont is estimated to be 52,686 as reported by the California Department of Finance, Population Estimates for Cities, Counties, and the State January 1, 2021. The city covers a 30.91-square-mile area.

System Characteristics

Beaumont Transit operates both fixed-route and demand-responsive transit services. During the audit period, the fixed-route system was composed of three commuter/express regional and five local routes. Local routes serve Beaumont, Cherry Valley, and Cabazon, with transfers to Banning Connect routes. The commuter routes provide service between Beaumont and the San Bernardino Metrolink station, Redlands and the Loma Linda VA Hospital, and the Cabazon Outlets and Morongo Resort and Casino. The system operates Monday through Friday from 5:30 a.m. to 7:00 p.m. and Saturdays from 7:30 a.m. to 5:20 p.m. Beaumont Transit does not operate on New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Limited service following a weekend schedule is offered on Martin Luther King Jr. Day, Presidents’ Day, Columbus Day, Veterans Day, and day after Thanksgiving. Beaumont Transit’s fixed-route services during the audit period are summarized in Table I-1.

**Table I-1  
Beaumont Transit Fixed Route Services**

<b>Route</b>	<b>Destination</b>	<b>Frequency/Operation</b>	<b>Key Time Points</b>
<b>Route 3</b>	<b>Beaumont High – Walmart</b>	Every 60 minutes (Monday through Friday from 6:30 a.m. to 5:25 p.m.)	<ul style="list-style-type: none"> <li>▪ Beaumont High School</li> <li>▪ Cougar Way &amp; Beaumont Avenue</li> <li>▪ Chatigny Recreation Center</li> <li>▪ Noble Creek Apartments</li> <li>▪ Walmart</li> <li>▪ San Gorgonio Hospital</li> </ul>
<b>Route 4</b>	<b>Downtown Beaumont</b>	Every 60 minutes (Monday through Friday from 6:35 a.m. to 6:35 p.m.)	<ul style="list-style-type: none"> <li>▪ Pennsylvania &amp; 8<sup>th</sup> Street</li> <li>▪ Walmart</li> <li>▪ San Gorgonio Hospital</li> <li>▪ Three Rings Ranch Park</li> <li>▪ Beaumont Library</li> <li>▪ Beaumont Civic Center</li> <li>▪ Cougar Way @ Beaumont Avenue</li> <li>▪ Beaumont High School</li> </ul>

Route	Destination	Frequency/Operation	Key Time Points
<b>Route 3/4 (Saturday Only)</b>	<b>Walmart – Cherry Valley</b>	Every 60 minutes (Saturday from 8:00 a.m. to 5:00 p.m.)	<ul style="list-style-type: none"> <li>▪ Beaumont High School</li> <li>▪ Brookside Avenue (Sports Park)</li> <li>▪ Chatigny Recreation Center</li> <li>▪ Pennsylvania &amp; 8<sup>th</sup> Street</li> <li>▪ Walmart</li> <li>▪ San Gorgonio Hospital</li> <li>▪ Beaumont Civic Center</li> <li>▪ Cougar Way</li> </ul>
<b>Route 7</b>	<b>Tournament Hills – Fairway Canyon</b>	Two a.m. trips & two p.m. trips (Monday through Friday from 6:45 a.m. to 4:50 p.m. when school is in session)	<ul style="list-style-type: none"> <li>▪ Oak Valley Parkway &amp; Desert Lawn</li> <li>▪ Palmer &amp; Morris</li> <li>▪ Palmer &amp; Trevino</li> <li>▪ Champions &amp; Bay Hill</li> <li>▪ Monte Verde &amp; Morgan</li> <li>▪ Beaumont High School</li> <li>▪ Cougar Way @ Beaumont Avenue</li> <li>▪ Oak Valley &amp; Rite Aid</li> </ul>
<b>Route 9</b>	<b>Seneca Springs – Cherry Valley</b>	Two a.m. trips & two p.m. trips (Monday through Friday from 6:45 a.m. to 4:23 p.m. when school is in session)	<ul style="list-style-type: none"> <li>▪ Manzanita Parkway @ Brownie Way</li> <li>▪ DeForge Park</li> <li>▪ Walmart</li> <li>▪ Beaumont Co-Op</li> <li>▪ Pennsylvania Avenue @ 8<sup>th</sup> Street</li> <li>▪ Cougar Way @ Beaumont Avenue</li> <li>▪ Beaumont High School</li> </ul>
<b>Commuter Link 120</b>	<b>Beaumont Walmart – San Bernardino Metrolink</b>	Three bidirectional a.m. trips & three p.m. trips (Monday through Friday from 5:30 a.m. to 7:00 p.m.). Two bidirectional a.m. trips & two p.m. trips (Saturday from 7:30 a.m. to 5:20 p.m.)	<ul style="list-style-type: none"> <li>▪ Beaumont Walmart</li> <li>▪ Beaumont Civic Center</li> <li>▪ Beaumont Wells Fargo</li> <li>▪ Cabazon Outlets</li> <li>▪ Casino Morongo (Saturday service only)</li> <li>▪ San Bernardino Metrolink</li> </ul>
<b>Commuter Link 125</b>	<b>Beaumont-Redlands- Loma Linda VA</b>	Two a.m. trips & two p.m. trips (Monday through Friday from 6:30 a.m. to 4:30 p.m.)	<ul style="list-style-type: none"> <li>▪ Walmart</li> <li>▪ Beaumont Civic Center</li> <li>▪ Redlands Transit Center</li> <li>▪ Loma Linda VA Hospital</li> <li>▪ Kaiser Redlands Medical Offices</li> <li>▪ Beaumont Wells Fargo</li> </ul>

Route	Destination	Frequency/Operation	Key Time Points
Casino Express	Beaumont Walmart – Casino Morongo	Two a.m. trips & two p.m. trips (Monday through Friday from 7:20 a.m. to 4:45 p.m.)	<ul style="list-style-type: none"> <li>▪ Walmart</li> <li>▪ Casino Morongo</li> <li>▪ San Gorgonio Hospital</li> <li>▪ Cabazon Outlets</li> </ul>

Source: Beaumont Transit

Commuter Link 125 was implemented in September 2018 and is the second regional route connecting the Pass Area with San Bernardino County. Commuter Link 125 was designed to provide more direct service to Loma Linda Veterans Administration Hospital, thus enabling Commuter Link 120 to operate more frequencies to the San Bernardino Transit Center. The Casino Express route was implemented in August 2020, providing service to the Morongo Casino and Cabazon Outlets.

In April 2020, Beaumont Transit adjusted service schedules in response to a March 2020 shelter-in-place order resulting from the COVID-19 pandemic. Service changes included combining Routes 3 and 4 and combining Commuter Links 120 and 125.

### Dial-A-Ride

Dial-A-Ride offers complementary demand-response door-to-door service in the Beaumont/Cherry Valley area to passengers certified under the ADA and seniors (ages 65 years old and older). ADA certification is conducted through the Riverside Transit Agency (RTA). Dial-A-Ride service operates Monday through Friday from 8:00 a.m. to 4:00 p.m. with Saturday and Sunday service offered to ADA-certified persons only from 8:00 a.m. to 6:00 p.m. After March 2020, Sunday service on Dial-A-Ride was no longer offered as an impact from the pandemic. Reservations are required at least 24 hours and up to a month in advance on a first-come, first-served basis. A \$2.00 cancellation fee is charged in the event of a no-show or insufficient notice of a cancelled trip.

### Fares

Beaumont Transit’s fares are structured based on passenger, route, and service type. Multi-trip passes are also available for purchase. Fare increases were implemented in July 2018 at the beginning of the audit period. That same year, Beaumont Transit began offering mobile ticketing via the Token Transit app. In July 2019, Beaumont increased fares once more for all services except paratransit. The fare structures following the 2019 changes are summarized in Table I-2.

**Table I-2  
Beaumont Transit Fixed-Route Fare Schedule**

Fare Category	Fares
General Public	\$1.25
Youth (grades K-12)	N/A
Seniors (ages 65 and older)	\$0.75
Persons with Disabilities (ADA or Medicare Card)	\$0.75
Military Veterans (with photo ID)	\$0.75
Active Military	Free
Go-Pass (during school session only)	Free
Child (46" tall or under accompanied by full-fare paying adult)	\$0.25
Zone Deviations (one way to/from Route 3 and 4)	\$0.50
Commuter Link & Express – General Public/Go-Pass	\$3.50
Commuter Link & Express – Youth/Seniors/Disabled/Veterans	\$2.50
10-Tripper Punch Pass (youth)	N/A
10-Ticket Book – General Public	\$12.50
10-Ticket Book – Seniors/Disabled/Veterans	\$7.50
Day Pass – General Public	\$3.10
Day Pass – Youth	N/A
Day Pass – Seniors/Disabled/Veterans	\$1.90
Commuter Link Punch Pass – General Public/Go-Pass	\$31.50
Commuter Link Punch Pass – Youth	\$22.50
Commuter Link Punch Pass – Seniors/Disabled/Veterans	\$22.50
Monthly Pass – General Public	\$39.00
Monthly Pass – Youth	N/A
Monthly Pass – Seniors/Disabled/Veterans	\$24.80

Source: Beaumont Transit; fares as of July 1, 2019

Active military personnel with proper identification and students holding the Go-Pass can ride free. All jurors summoned to serve in Banning courthouses can ride free on Beaumont Transit Route 2, directly to and from the courthouse, by showing their current and valid juror summons badge to the bus driver.

From October 2020 through October 2021, Beaumont Transit offered fare-free service as part of a Low Carbon Transit Operations Program (LCTOP) Fare Free project.

**Table I-3  
Beaumont Transit Dial-A-Ride Fare Schedule**

Fare Category	Fares
One-Way	\$2.00
Companion	\$3.00
Personal Care Attendant (with ID)	Free
No-Show (collected during the next ride)	\$2.00
Child (46" tall or under accompanied by full-fare paying adult)	\$3.00
10-Ride Punch Card	\$18.00

Source: Beaumont Transit; fares as of July 1, 2019

Fleet

There were 20 vehicles in the transit fleet during the audit period: 19 fixed-route/commuter and 1 demand-response. Vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-4 summarizes the Beaumont Transit fleet.

**Table I-4  
Beaumont Transit Fleet**

Year	Make/Model	Quantity	Fuel Type	Service Mode	Seating Capacity
2009	C5500 Starcraft	1	CNG	Fixed Route	28 (2 W/C)
2009	GMC 5500	1	CNG	Fixed-Route	28 (2 W/C)
2010	C5500 Starcraft	1	CNG	Fixed-Route	28 (2 W/C)
2010	Chevy C5500 Starcraft	1	Gasoline	Fixed-Route	30 (2 W/C)
2010	Ford E-450 Starcraft	3	Gasoline	Fixed-Route	16 (2 W/C)
2011	El Dorado National	3	Gasoline	Fixed-Route	30 (2 W/C)
2011	El Dorado National	1	CNG	Fixed-Route	30 (2 W/C)
2015	El Dorado National	3	CNG	Fixed-Route	43 (2 W/C)
2016	Ford E-450 El Dorado National	1	CNG	Demand Response	20 (2 W/C)
2016	Ford F550 El Dorado National	1	CNG	Fixed Route	30 (2 W/C)
2018	EZ Rider El Dorado National	1	CNG	Fixed Route	30 (2 W/C)
2019	Glaval Entourage	3	CNG	Fixed Route	28 (2 W/C)
<b>Total</b>		<b>20</b>			

Source: Beaumont Transit

As shown, Beaumont Transit's fleet includes three 16-passenger vehicles with over 300,000 miles each and which have been in service for the past decade. Three new Ford Entourage Type E buses were purchased and delivered in FY 2020-21. A printout of the Beaumont Transit fleet in TransTrack provided to the auditor incorrectly includes three Gillig commuter buses. Beaumont Transit staff verified the incorrect listing and provided the above vehicle list. The TransTrack data should be reviewed and modified to accurately reflect the vehicle fleet.

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of Beaumont Transit’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the Caltrans guidebook *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition) to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	<p>Completion/submittal dates:                      FY 2019: March 17, 2020                      FY 2020: February 11, 2021                      FY 2021: January 31, 2022</p> <p>The FY 2019 Transit Operator Financial Transactions Report was submitted approximately one month and a half after the statutory submittal date. The FY 2020 report was also submitted slightly beyond the submittal date.</p> <p>It is also noted that a single Transit Operators Financial Transaction Report was prepared by Beaumont Transit for both fixed route and Dial-A-Ride for each of the three audit years. Since Dial-A-Ride has been designated as a specialized service for ADA-certified, senior and disabled passengers, State Controller instructions require that separate reports be submitted for each service type.</p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<b>Conclusion: Partial Compliance.</b>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	<p>Completion/submittal dates:                      FY 2019: May 4, 2020                      FY 2020: March 29, 2021                      FY 2021: March 4, 2022</p> <p>Beaumont Transit requested and was granted a 90-day extension for the FY 2020 and FY 2021 fiscal and compliance audit by RCTC as allowed by law.</p> <p>The FY 2019 fiscal and compliance audits was submitted after the 90-day extension period.</p> <p><b>Conclusion: Partial Compliance.</b></p>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.	Public Utilities Code, Section 99251 B	<p>Beaumont Transit participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the City of Beaumont located at 550 East 6<sup>th</sup> Street.</p> <p>Inspection dates applicable to the audit period were June 4 &amp; 6, 2018; May 20 &amp; 29, 2019; and May 18 &amp; 19, 2020.</p> <p><b>Conclusion: Complied.</b></p>
The operator’s claim for TDA	Public Utilities Code,	As a condition of approval,

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Section 99261	Beaumont Transit’s annual claims for Local Transportation Funds and State Transit Assistance funds are submitted in compliance with the rules and regulations adopted by RCTC.  <b>Conclusion: Complied.</b>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as Beaumont Transit only serves a nonurbanized area.  Note: In the 2020 Census maps, the City will be in the RIV-SAN UZA and thus be subject to the 20 percent farebox recovery ratio in future fiscal audits, and performance audits.  <b>Conclusion: Not Applicable.</b>
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in Beaumont Transit’s operating budget:  FY 2019: +1.9% FY 2020: +13.6% FY 2021: -10.2%  <i>Source: City of Beaumont Annual Budgets for FYs 2019-2021.</i>  <b>Conclusion: Complied.</b>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating	Public Utilities Code, Section 99247	The Beaumont Transit’s definition of performance is consistent with PUC Section 99247. A review of trip sheets generated during the audit period indicates that correct performance data are being

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		collected.  <b>Conclusion: Complied.</b>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as Beaumont Transit only serves a nonurbanized area.  <b>Conclusion: Not Applicable.</b>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Operating ratios for Beaumont Transit using audited data were as follows:  FY 2019: 11.68% FY 2020: 7.82% FY 2021: 22.52%  Audited farebox ratio accounts for local support revenue and exclusion of new or expanded service. Beaumont Transit is subject to a system-wide farebox standard of 10 percent. The system did not meet the minimum farebox ratio in FY 2020.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>Source: City of Beaumont Transit System Financial Statements (audited).</p> <p><b>Conclusion: Partial Compliance.</b></p>
<p>The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.</p>	<p>Public Utilities Code, Section 99271</p>	<p>To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the City of Beaumont’s retirement system is funded.</p> <p>City staff’s retirement is funded through the California Public Employees’ Retirement System.</p> <p><b>Conclusion: Complied.</b></p>
<p>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.</p>	<p>California Code of Regulations, Section 6754(a)(3)</p>	<p>As a recipient of State Transit Assistance funds, Beaumont Transit does not utilize federal funds (other than those funds that are passed through RCTC).</p> <p><b>Conclusion: Not Applicable.</b></p>

## Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Beaumont Transit, the operator fully complied with five out of the eight applicable requirements. Beaumont Transit was in partial compliance with regard to the timely completion and submittal of its Transit Operator Financial Transactions Report to the State Controller, annual fiscal and compliance audits, and farebox recovery attainment. Three additional compliance requirements did not apply to the operator (intermediate and urban farebox recovery ratio and the use of federal funds).
2. Based on the farebox calculation in the annual Transit System Financial Statements (*audited*), Beaumont's farebox recovery ratio met or exceeded the required minimum standard of 10 percent in two of the three audit years. The system-wide farebox recovery ratios were 11.68 percent in FY 2019, 7.82 percent in FY 2020, and 22.52 percent in FY 2021.<sup>1</sup> It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection. Beaumont Transit utilized an allowable combination of additional local support revenues plus exclusion of new services costs in order to meet minimum farebox recovery attainment in FY 2021.
3. Beaumont Transit participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The annual operating budget did not increase above 15 percent but did exhibit fluctuations during the audit period due to COVID-19 pandemic impacts. Beaumont saw increases of 1.9 percent and 13.6 percent, respectively, during FY 2019 and FY 2020. The budget exhibited a decrease of 10.2 percent in FY 2021. The FY 2020 budgetary increase is attributed to higher salaries and fringe benefits.

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<sup>1</sup> AB 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

## Section III

### Prior Triennial Performance Recommendations

Beaumont Transit's efforts to implement the recommendations made in the FY 2016-2018 triennial performance audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of Beaumont Transit's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Prepare and submit separate State Controller Transit Operators Financial Transactions Reports for general public transit and specialized service.

*Background:* This recommendation is carried over from the prior performance audit. Beaumont's annual Transit Operators Financial Transactions Report to the State Controller has historically combined information for both general public (fixed route/commuter) and specialized service for seniors and persons with disabilities (ADA-certified and noncertified). Although the State Controller's Office has not provided notice to the City, written instructions by the state to prepare this particular report require separate reporting of these modes. In the General Instruction Form completed by Beaumont Transit, a selection must be made as to which mode of transit is represented in the report. The options are general public use or elderly/disabled.

The Transit Operators Financial Transactions Report instructions contain the following passages under the General Instruction Form:

*Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service.*

*... a separate report must be filed for each type of service provided: General Public Use Service or Specialized Service exclusive for elderly and/or handicapped. For example, if an agency has received Article 4 and Article 8(c) monies to provide General Public Use Service, the agency should submit one report. If that agency has also received Article 4 monies to provide Specialized Service for the elderly and/or handicapped, then a report must be submitted for the Specialized Service operations.*

The submission of separate reports to the State Controller will further demonstrate Beaumont's proactive approach to compliance with state reporting instructions.

### Actions taken by Beaumont Transit

A review of the Transit Operators Financial Transactions Reports completed and submitted by the City to the State Controller revealed that Beaumont Transit has continued its practice of including information for both general public (Pass Transit fixed route) and specialized service for seniors and persons with disabilities (ADA-certified and noncertified) in the same report. Since Beaumont Dial-a-Ride is considered a specialized service for ADA-certified and seniors, the City would still need to complete the report entitled “Transit Operators Financial Transactions – Specialized Service.”

### Conclusion

This recommendation has not been implemented and is carried forward for full implementation. Beaumont Transit should coordinate preparation of separate reports with the City Finance Department to complete separate financial reporting of general public and specialized services. This will include obtaining a new identification number for Dial-A-Ride reports from the State Controller’s Office, and separating financial, asset, and operating data between the two modes in their respective SCO reports.

### Prior Recommendation 2

Continue to work with RTA and Mt. San Jacinto College on fare revenue reimbursement from the College Go-Pass Revenue Agreement.

*Background:* Beaumont Transit had taken steps to reach a fare revenue reimbursement agreement with Mt. San Jacinto College. In the meantime, Beaumont Transit had continued to honor RTA’s Go-Pass without an agreement in place. Under the Go-Pass program, Mt. San Jacinto College students get unlimited rides on RTA buses. Beaumont Transit was anticipating that the Mt. San Jacinto College student body would vote on the separate fare revenue agreement in early 2018; however, the vote never materialized. It was recommended that Beaumont Transit continue to work with the college and RTA on having such an agreement in place as a farebox enhancement measure.

### Actions taken by the Beaumont Transit

Beaumont Transit approached and met with representatives of Mt. San Jacinto College and RTA about executing a fare revenue agreement that would benefit Beaumont Transit. The parties were not able to come to an agreement due to a lack of interest on the part of the college and RTA. Beaumont Transit will propose in the FY 2023 Short-Range Transit Plan to remove the Go-Pass program from the fare schedule.

Conclusion

This recommendation has not been implemented and is no longer applicable due to inability to secure a fare revenue agreement.

Prior Recommendation 3

Include a link to Banning Transit on the Beaumont Transit web page.

*Background:* The Memorandum of Understanding (MOU) or cooperative services agreement between the Cities of Banning and Beaumont that has been in effect since December 2002 was terminated during the audit period and involved phasing out the Pass Transit brand and the removal of Beaumont Transit Route 2 from operating within the City of Banning. In its place, an interagency service agreement between the two cities was adopted in July 2019, which provides continued cooperation of both cities in “providing the public with specific transit information, advertising the operations of both agencies and promoting the general use of transit.” Pursuant to the interagency service agreement with the City of Banning, it was recommended that Beaumont include a link to Banning Connect on its transit page.

Actions taken by Beaumont Transit

Beaumont Transit’s website and transit page (<https://www.beaumontca.gov/90/Transit>) were updated during the audit period. Included on the updated transit webpage are regional service provider links to Banning Connect as well as RTA, SunLine Transit Agency, OmniTrans, MetroLink, and IE511 agency websites.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Report mechanical road calls and other vehicle operation metrics in TransTrack Manager.

*Background:* The Transit Division indicated that system road calls were not being regularly tracked. A mechanical failure of a bus in revenue service that causes a delay to service, and which necessitates removing the bus from service until repairs are made, can impact overall system performance. Transit performance data are routinely entered into TransTrack for trends analysis across the different service modes. TransTrack features modules that track customer service complaints, Dial-A-Ride no-shows, accidents, and mechanical road calls. The recent implementation of the Dossier fleet maintenance software and Zonar should allow for road call data to be downloaded or migrated into TransTrack. It was recommended that the Transit Division start reporting road call data in TransTrack.

Actions taken by Beaumont Transit

Beaumont Transit has been tracking system road calls on an Excel spreadsheet, which was provided for the purposes of this performance audit. The road calls are categorized according to the National Transit Database definitions. Commencing in FY 2021, Beaumont started to report mechanical road calls in TransTrack Manager.

Conclusion

This recommendation has been implemented.

## Section IV

### TDA Performance Indicators

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

Tables IV-1 through IV-3 provide the performance indicators for Beaumont Transit system-wide, fixed route, and Dial-A-Ride. Charts are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited data. Total operating costs and fare revenues are shown in the tables and include the exempted services (e.g., new or extended services) to illustrate overall expenses and revenue for the transit system. The exempted services are then excluded from expenses and revenue to generate the farebox recovery ratios as allowed by the TDA and shown in the audit figures.

**Table IV-1  
Beaumont Transit TDA Performance Indicators  
System-wide**

Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost (less depreciation) <sup>(1)</sup>	\$2,679,451	\$2,846,002	\$2,701,869	\$2,646,509	-1.2%
Adjusted Operating Costs (less depreciation & exclusions) <sup>(1)</sup>	\$2,221,266	\$2,302,689	\$1,508,389	\$1,290,883	-41.9%
Total Passengers	197,775	197,775	108,169	39,213	-80.2%
Vehicle Service Hours	24,791	24,771	18,437	15,106	-39.1%
Vehicle Service Miles	413,009	413,009	392,585	336,542	-18.5%
Employee FTEs	24	24	26	24	0.0%
Total Passenger Fares	\$234,182	\$184,282	\$174,542	\$18,116	-92.3%
Passenger Fare Exclusions (new/extended services)	\$32,371	\$49,675	\$58,940	\$9,394	-71.0%
Other Fare Revenue Contributions	\$0	\$134,444	\$2,288	\$281,999	
Total Fare Revenue with exclusions	\$201,811	\$269,051	\$117,890	\$290,721	44.1%
Operating Cost per Passenger <sup>(2)</sup>	\$13.55	\$14.39	\$24.98	\$67.49	398.2%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$108.08	\$114.89	\$146.55	\$175.20	62.1%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$6.49	\$6.89	\$6.88	\$7.86	21.2%
Passengers per Vehicle Service Hour	8.0	8.0	5.9	2.6	-67.5%
Passengers per Vehicle Service Mile	0.48	0.48	0.28	0.12	-75.7%
Vehicle Service Hours per Employee	1,033.0	1,032.1	709.1	629.4	-39.1%
Average Fare per Passenger	\$1.18	\$0.93	\$1.61	\$0.46	-61.0%
Farebox Recovery Ratio (passenger fares only) <sup>(2)</sup>	8.74%	6.48%	6.46%	0.68%	-92.2%
Adjusted Farebox Recovery Ratio (adjusted operating costs & other fare revenue contributions) <sup>(3)</sup>	9.09%	11.68%	7.82%	22.52%	147.9%
Consumer Price Index - (CPI-All) <sup>(4)</sup>	3.5%	3.4%	2.5%	2.0%	8.1%

Source: City of Beaumont Transit System Basic Financial Statements (audited); Transit Operator Financial Transactions Report

<sup>(1)</sup> System-wide operating costs are as shown in Basic Financial Statements. Modal operational costs in subsequent tables are noted in Beaumont Transit System internal financial reports. Modal operational costs do not sum to operational costs due to differing data sources.

<sup>(2)</sup> Calculation uses operating costs less depreciation.

<sup>(3)</sup> Calculation uses adjusted operational costs, per the audited financial statements.

<sup>(4)</sup> Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index from the prior year.

**Table IV-2  
Beaumont Transit TDA Performance Indicators  
Fixed Route**

Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)</sup>	\$2,438,004	\$2,630,095	\$2,457,439	\$2,462,029	1.0%
Total Passengers	187,489	187,489	102,349	37,130	-80.2%
Vehicle Service Hours	21,605	21,605	16,621	14,453	-33.1%
Vehicle Service Miles	380,714	380,714	369,039	322,449	-15.3%
Employee FTEs	22	22	24	22	0.0%
Passenger Fares	\$219,496	\$164,121	\$162,239	\$12,373	-94.4%
Operating Cost per Passenger <sup>(2)</sup>	\$13.00	\$14.03	\$24.01	\$66.31	409.9%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$112.84	\$121.74	\$147.85	\$170.35	51.0%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$6.40	\$6.91	\$6.66	\$7.64	19.2%
Passengers per Vehicle Service Hour	8.7	8.7	6.2	2.6	-70.4%
Passengers per Vehicle Service Mile	0.49	0.49	0.28	0.12	-76.6%
Vehicle Service Hours per Employee	982.0	982.0	692.5	657.0	-33.1%
Average Fare per Passenger	\$1.17	\$0.88	\$1.59	\$0.33	-71.5%
Farebox Recovery Ratio (Total Fixed Route Mode Only) <sup>(2)</sup>	9.00%	6.24%	6.60%	0.50%	-94.4%
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: City of Beaumont Transit System Financial Statements (audited); Transit Operator Financial Transactions; Beaumont Transit System Internal Financial Reports

<sup>(1)</sup> Modal operational costs are as noted in Beaumont Transit System internal financial reports. Modal operational costs do not sum to operational costs due to differing data sources.

<sup>(2)</sup> Calculation uses modal operational cost.

**Table IV-3  
Beaumont Transit TDA Performance Indicators  
Dial-A-Ride**

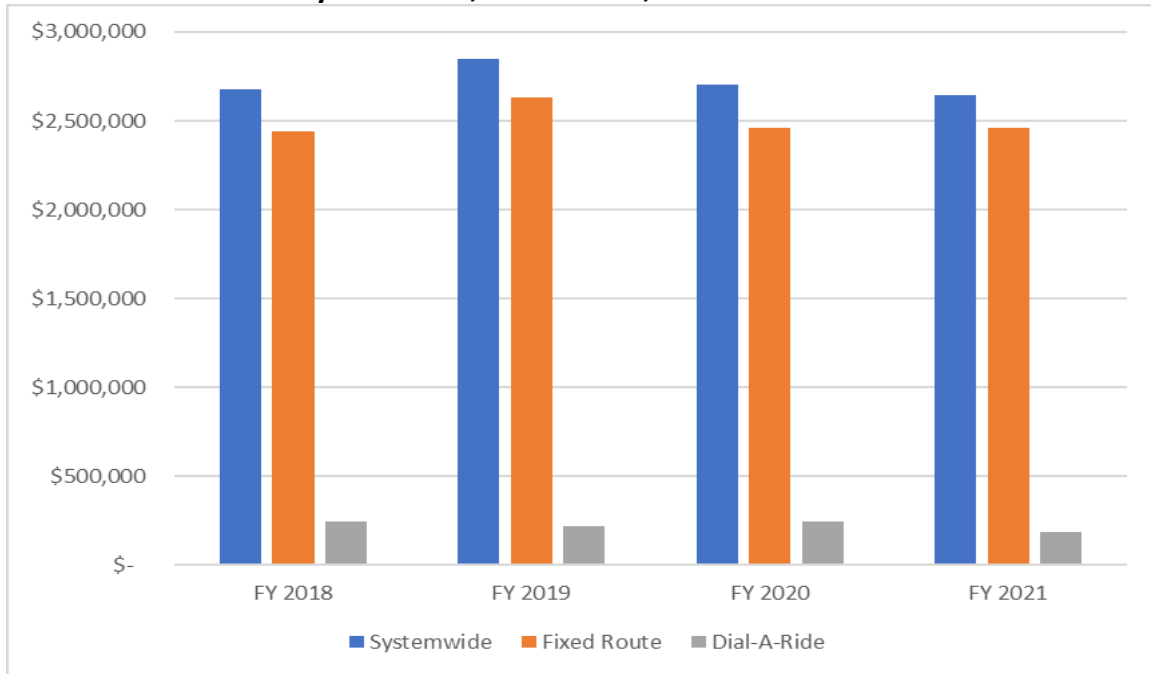
Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)</sup>	\$241,447	\$215,907	\$244,431	\$184,480	<b>-23.6%</b>
Total Passengers	10,286	10,286	5,820	2,083	<b>-79.7%</b>
Vehicle Service Hours	3,186	3,166	1,816	653	<b>-79.5%</b>
Vehicle Service Miles	32,295	32,295	23,546	14,093	<b>-56.4%</b>
Employee FTEs	2	2	2	2	<b>0.0%</b>
Passenger Fares	\$14,686	\$20,161	\$12,303	\$5,743	<b>-60.9%</b>
Operating Cost per Passenger <sup>(2)</sup>	\$23.47	\$20.99	\$42.00	\$88.56	<b>277.3%</b>
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$75.78	\$68.20	\$134.60	\$282.51	<b>272.8%</b>
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$7.48	\$6.69	\$10.38	\$13.09	<b>75.1%</b>
Passengers per Vehicle Service Hour	3.2	3.2	3.2	3.2	<b>-1.2%</b>
Passengers per Vehicle Service Mile	0.32	0.32	0.25	0.15	<b>-53.6%</b>
Vehicle Service Hours per Employee	1,593.0	1,583.0	908.0	326.5	<b>-79.5%</b>
Average Fare per Passenger	\$1.43	\$1.96	\$2.11	\$2.76	<b>93.1%</b>
Farebox Recovery Ratio <sup>(2)</sup>	6.08%	9.34%	5.03%	3.11%	<b>-48.8%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	<b>8.1%</b>

Source: City of Beaumont Transit System Financial Statements (audited); Transit Operator Financial Transactions; Beaumont Transit System Internal Financial Reports

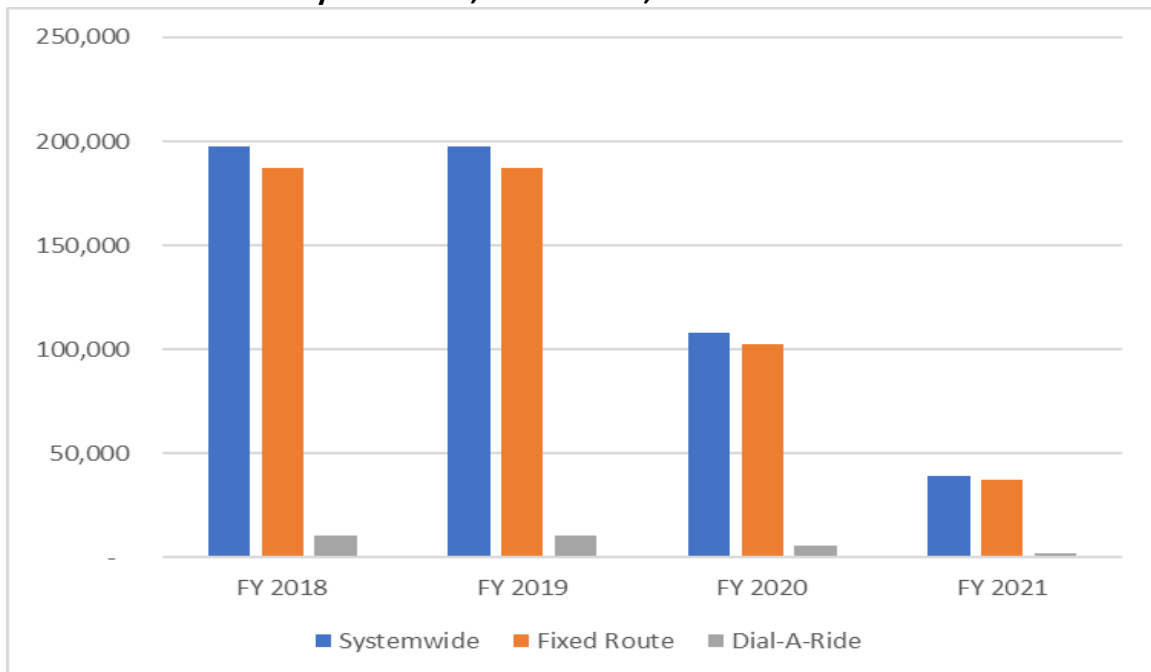
<sup>(1)</sup> Modal operational costs are as noted in Beaumont Transit System internal financial reports. Modal operational costs do not sum to operational costs due to differing data sources.

<sup>(2)</sup> Calculation uses modal operational cost.

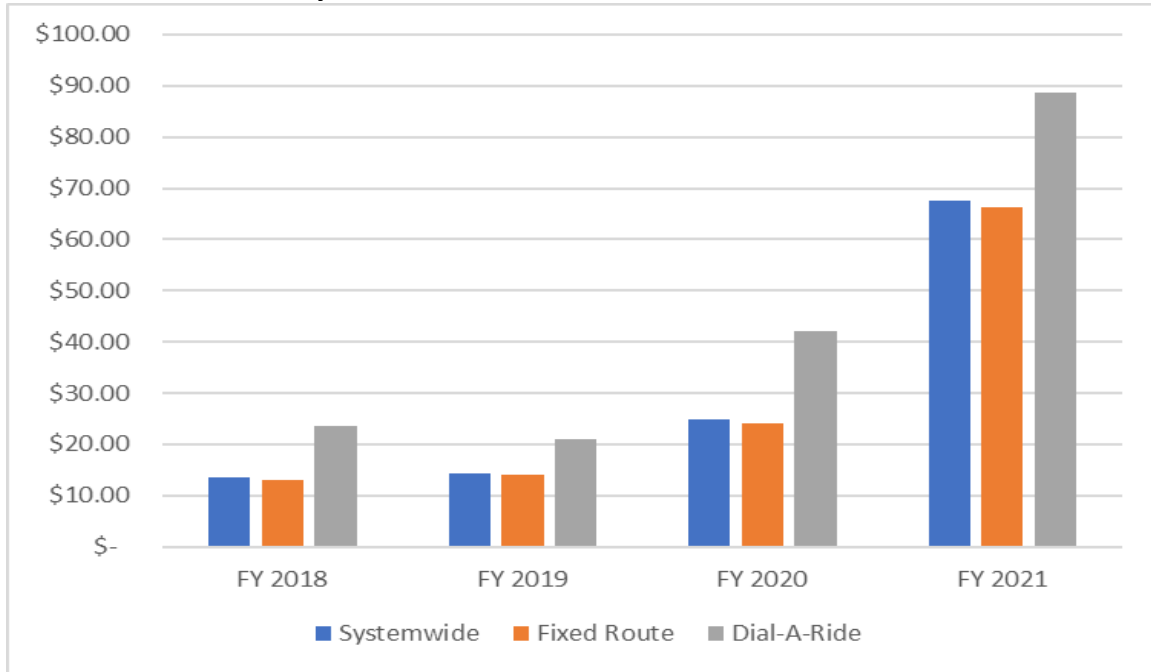
**Graph IV-1**  
**Operating Costs (less depreciation, without exemptions)**  
**System-wide, Fixed Route, and Dial-A-Ride**



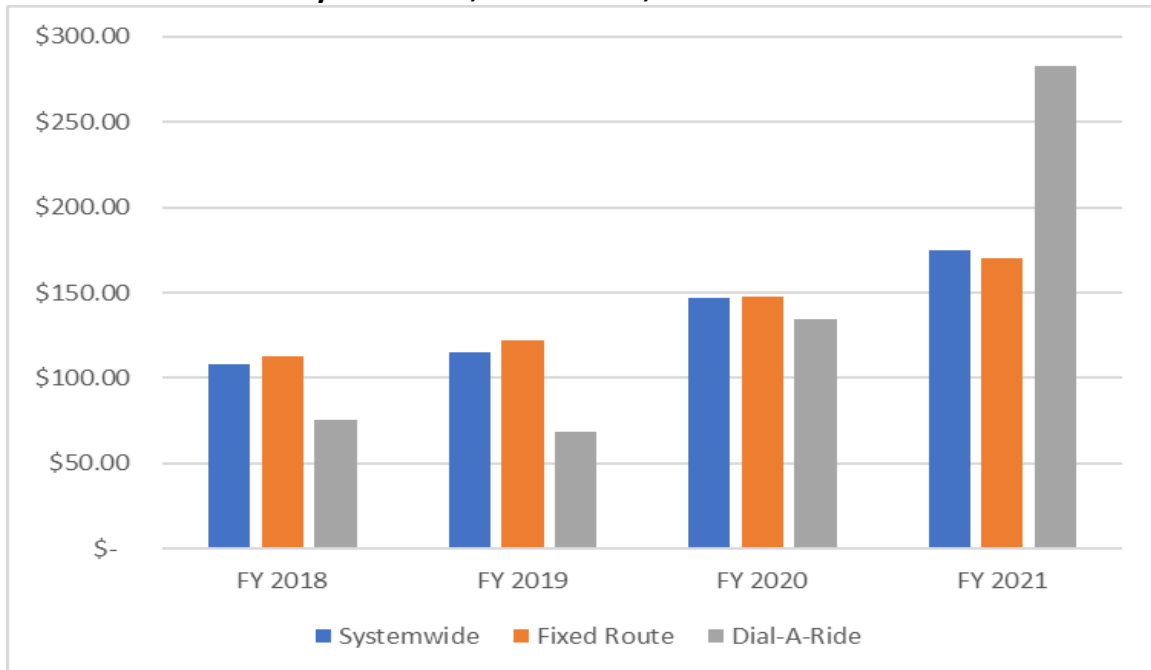
**Graph IV-2**  
**Ridership**  
**System-wide, Fixed Route, and Dial-A-Ride**



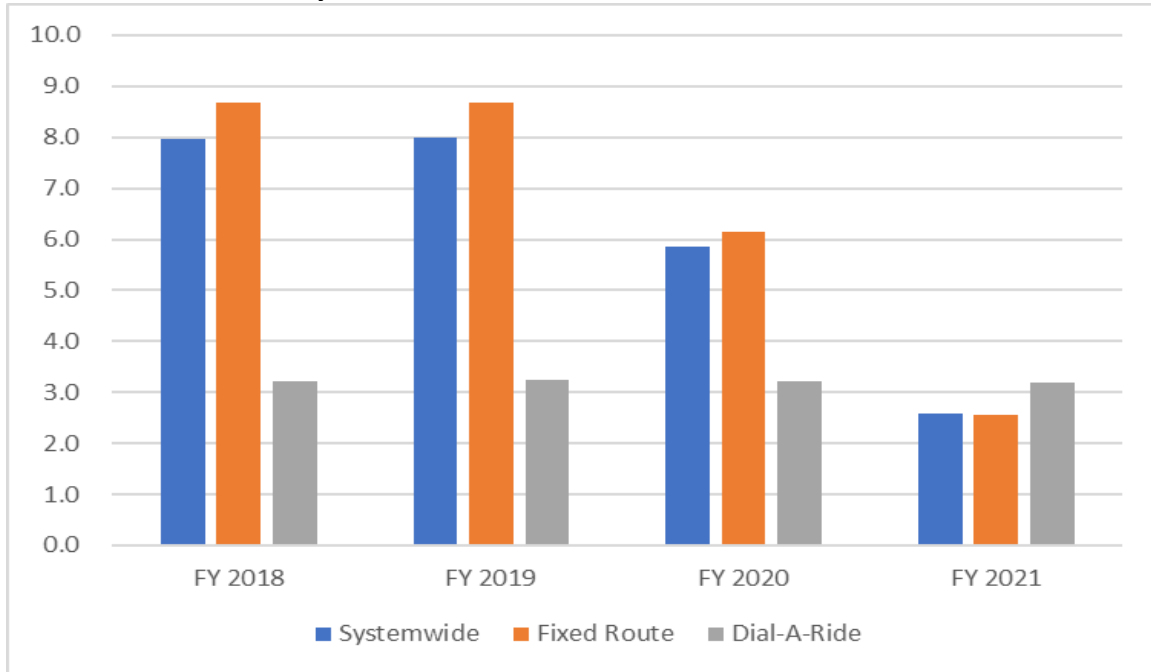
**Graph IV-3**  
**Operating Cost per Passenger**  
**System-wide, Fixed Route, and Dial-A-Ride**



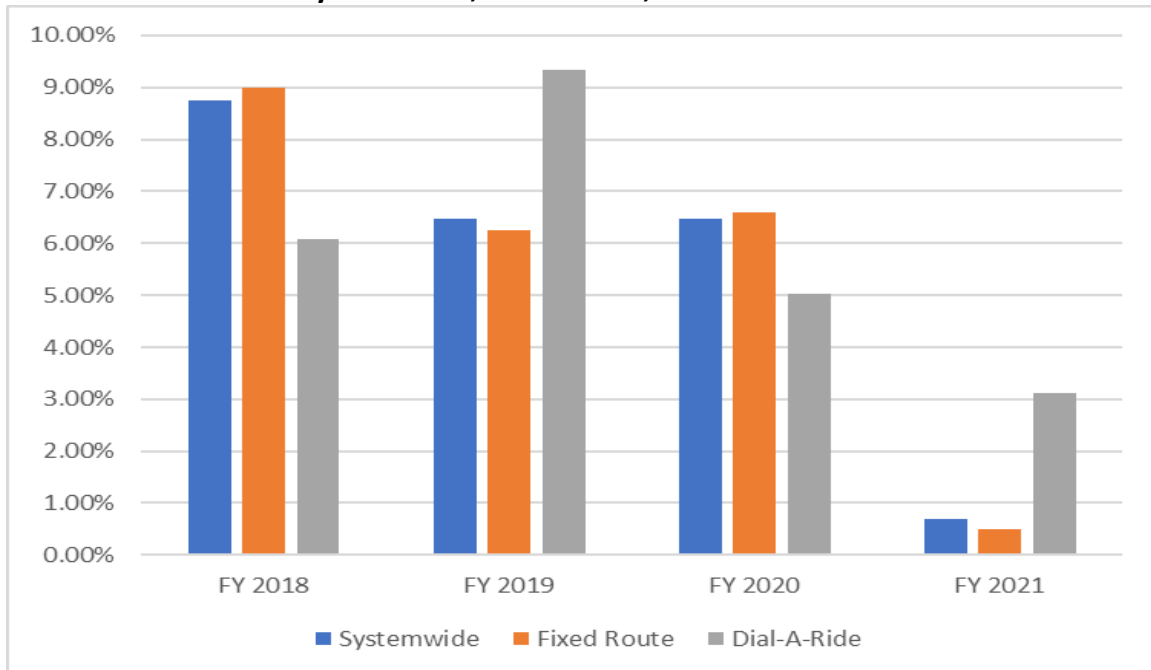
**Graph IV-4**  
**Operating Cost per Vehicle Service Hour**  
**System-wide, Fixed Route, and Dial-A-Ride**



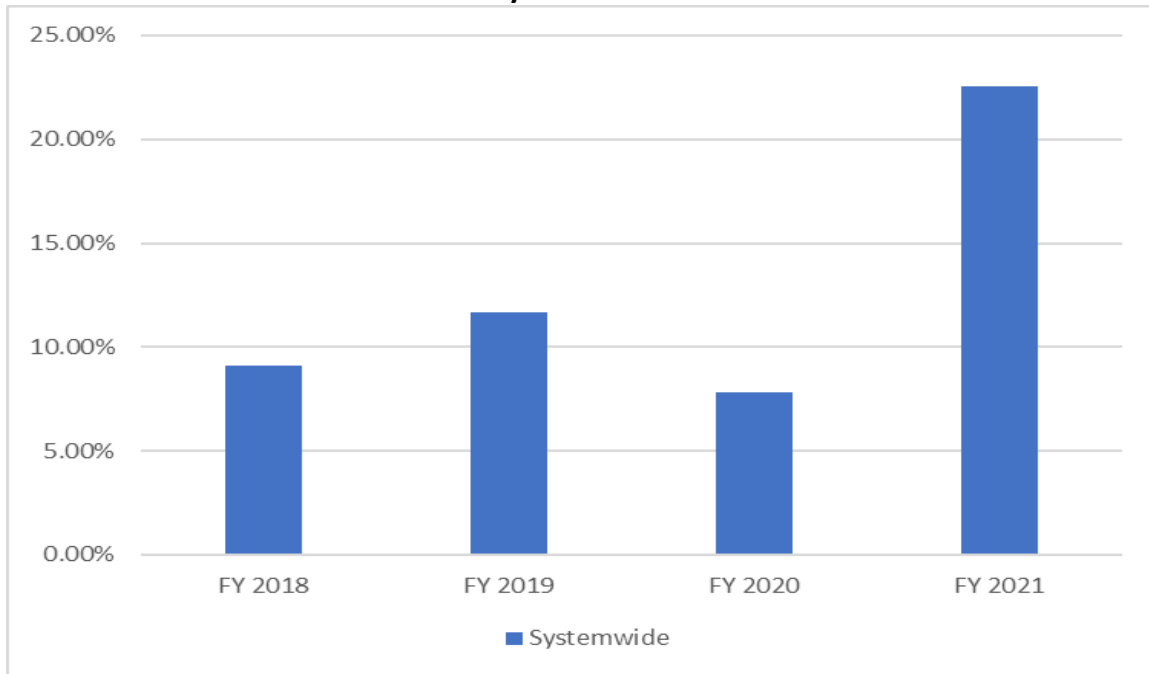
**Graph IV-5**  
**Passengers per Vehicle Service Hour**  
**System-wide, Fixed Route, and Dial-A-Ride**



**Graph IV-6**  
**Fare Recovery Ratio (passenger fares & operating costs, less depreciation)**  
**System-wide, Fixed Route, and Dial-A-Ride**



**Graph IV-7**  
**Adjusted Fare Recovery Ratio (adjusted operating costs & other fare revenue contributions)**  
**System-wide**



## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 62.1 percent system-wide from \$108.08 in the FY 2018 base year to \$175.20 in FY 2021. System-wide operating costs (based on audited data) decreased 1.2 percent during the period, while vehicle service hours decreased by 39.1 percent. The average annual decrease in operating costs was 0.3 percent.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 398.2 percent system-wide from \$13.55 in FY 2018 to \$67.49 in FY 2021. Ridership system-wide decreased 80.2 percent during the review period from 197,775 passengers in FY 2018 to 39,213 passengers in FY 2021, while operating costs decreased by 1.2 percent over the same period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 67.5 percent between FY 2018 and FY 2021 system-wide from 8 to 2.6 passengers per hour. Fixed-route operations were consistent with this trend, with a decrease of 70.4 percent over the same period from 8.7 to 2.6 passengers per hour. In contrast, Dial-A-Ride operations exhibited a lesser decrease of 1.2 percent from 3.23 to 3.19 passengers per hour. The trend in this indicator demonstrates a significant decline in passenger trips as compared to the decline in vehicle service hours.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 75.7 percent between FY 2018 and FY 2021 system-wide from 0.48 to 0.12 passengers per mile. For fixed-route operations, the number of passengers per service mile decreased by 76.6 percent from 0.49 to 0.12. Passengers per service mile on Dial-A-Ride decreased by 53.6 percent during the same period, from 0.32 in FY 2018 to 0.15 in FY 2021. From the FY 2018 base year to FY 2021, actual vehicle service miles decreased 18.5 percent system-wide.
5. **Vehicle service hours per employee** decreased 39.1 percent system-wide between FY 2018 and FY 2021. This decrease was associated with a net decrease in vehicle service hours for both fixed-route and Dial-A-Ride services, and net employee full-time equivalents (FTE) remaining constant over the audit period. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee.
6. **Farebox recovery** calculated, taking into consideration passenger fares, fare exclusions, and adjusted operating costs, less depreciation and exclusions, exhibited an overall increase of 147.9 percent system-wide between FY 2018 and FY 2021 from 9.09 percent to 22.52 percent. System-wide, passenger fare revenues decreased 92.3 percent based on audited

data while operating costs, less depreciation, decreased 1.2 percent. Adjusted operating costs, less depreciation and exclusions, decreased 41.9 percent, indicating that route exclusions increased over the audit period. Other fare contributions also increased substantially over the audit period, yielding an over 44.1 percent increase to total fare revenues system-wide. At a modal level, fixed-route farebox recovery decreased 94.4 percent whereas Dial-A-Ride farebox recovery decreased 48.8 percent.

### **Conclusion from the Verification of TDA Performance Indicators**

Despite the introduction of new and expanded services along with the associated increases in vehicle service hours and miles, ridership has decreased across both service modes. FY 2019-20 was the first year that Pass Transit split up into Banning Connect and Beaumont Transit, which essentially eliminated Beaumont's ability to effectively get passengers to social service locations in Banning without transfers. The COVID-19 pandemic and statewide shelter-in-place order starting in March 2020 further contributed to the performance decline including suspension of fare collection.

After an increase in demand over the prior audit period, passenger trips exhibited an annual decline of 36.4 percent from the FY 2018 base year to FY 2021. The decline on fixed route mirrored the system-wide percentage. On the other hand, average annual decreases in Dial-A-Ride ridership averaged a comparable 35.9 percent. Fixed-route operating costs grew 1.0 percent during the reporting period while Dial-A-Ride operating costs decreased 23.6 percent. The modal changes in cost do not include exclusions for new routes or expanded services. Vehicle service hours decreased overall by 39.1 percent and vehicle service miles decreased by 18.5 percent.

Farebox recovery should be monitored closely as the audited ratios with exclusions have hovered or dipped below the minimum standard of 10 percent system-wide. To aid the farebox with local revenue support, in FY 2020, Beaumont purchased a 6.14-acre parcel in the City's southwest industrial area, in partnership with the Wastewater Fund. This property includes a 28,000-square-foot public fueling station for compressed natural gas vehicles, which serves as a critical revenue source for Beaumont Transit's farebox recovery. In addition, Beaumont Transit completed a Comprehensive Operational Analysis (COA) in November 2020, which contained a three-phase implementation program to improve on-time performance and increase service into areas of growth.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions in the Beaumont Transit System. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of Beaumont:

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

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

#### Operations

Beaumont Transit has continued to expand and harmonize its transit system to meet the growing area population and service demand from commuters and students. The system was able to sustain basic service despite the COVID-19 pandemic impacts. Routes operate on hourly headways, but as more residents and economic development move into the area, Beaumont Transit sees the potential for implementation of new routes and amenities in the future.

An interagency services agreement was adopted between the Cities of Beaumont and Banning in July 2019. The new agreement allows for interline transfers between the two systems at the Walmart in Beaumont and the San Gorgonio Memorial Hospital in Banning. Beaumont limits Banning to no more than three buses per hour at Walmart and Banning will limit Beaumont to no more than three buses per hour at the San Gorgonio Memorial Hospital bus stop.

Route 3 has grown to be one of the busiest routes in the system due to the new subdivisions and requests for service in Cherry Valley. Tripper service was added to Route 3 to service Beaumont High School and Cherry Valley. Route 4 was realigned to run in an east–west orientation, while Route 9 was implemented in response to the high student ridership in southern Beaumont. A deviation was built into Route 4 to serve the Amazon Fulfillment Center located at 1010 West 4<sup>th</sup> Street. Beaumont Transit also placed a bus stop at the Amazon facility.

Routes 7 and 9 operate the morning and afternoon peak hours when school is in session. Route 3/4 combines Routes 3 and 4 and operates hourly headway service on Saturday and limited

service on holidays. More than 50 percent of the local fixed-route ridership is composed of students. Beaumont Transit also interlines with RTA, Banning Connect, and SunLine routes at Walmart, which serves as the main transit hub for the system.

At the request of the City of Calimesa and RTA, Beaumont Transit implemented Route 136 to Calimesa in FY 2017. The route was designed with one-hour headways and an alternative route during peak morning afternoon hours to serve local students attending the Yucaipa School District. The route only comprised 1 percent of system-wide trips and was eventually discontinued due to low ridership in its third year of service (FY 2019).

A second commuter route, Commuter Link 125, was implemented in September 2018 to provide service to the Loma Linda Veterans Administration Hospital and Kaiser in Redlands. Commuter Link Route 120, which was implemented in 2013, was realigned to provide more direct service to the San Bernardino Transit Center. This has allowed for better coordination and interline connections with Omnitrans pursuant to an interagency agreement.

In its capacity as an emergency service provider, Beaumont Transit was dispatched to evacuate mobile home communities impacted by the Apple Fire that burned through the Cherry Valley area north of Beaumont in the summer of 2020. An evacuation center was established at Beaumont High School.

Passenger amenities include refurbished bus shelters at the Walmart transit hub. The shelters are larger with lean bars installed. Beaumont Transit has applied for LCTOP funding to make improvements at three busy bus stop locations and for a free fare promotion. Vehicles operated on the commuter routes are equipped with USB ports and luggage racks. Beaumont Transit also received delivery of two electric buses outfitted with a distinctive wrap containing a green stripe and electric bolt livery. Beaumont Transit is looking to procure two EZ Rider buses for the commuter routes.

Transit operations are administered by the Community Services Department from Building D at the Beaumont Civic Center Complex from the Fleet Maintenance facility at 550 North California Avenue. A surveillance camera system was installed with 24-hour monitoring of the bus yard by the Police Department.

The City's Transit Division is looking to consolidate its administration, operations, and fleet maintenance functions on a parcel that the City has acquired in an industrial area of town at the intersection of West 4<sup>th</sup> Street and Veile Avenue. The facility would also feature a CNG fueling station open to the general public with plans to include an electric vehicle charging station in order to meet the state's zero-emission vehicle mandates.

Beaumont Transit has seen an increased number of disabled and wheelchair-bound passengers. Delivery of newer electric vehicles to replace aging ones will be able to accommodate three wheelchairs each. In response to a prior audit recommendation, Beaumont Transit reformatted

its trip sheets to account for the number of wheelchair-bound and disabled passengers, given the higher demand.

All buses are equipped with five surveillance cameras and Motorola radio systems. The radio system was upgraded as part of an overall upgrade to the City's communication system spearheaded by the City Police Department. The upgrade to a five-channel trunked 800-megahertz system has allowed the Beaumont Police and other City departments to be on the same frequency with other county, state, and federal public safety agencies in the event of a major emergency. In addition, the new radio system has allowed for better reception in more remote areas of the service area.

Dial-A-Ride serves Beaumont and the unincorporated community of Cherry Valley with service provided on Sunday for ADA-certified passengers. Three peak vehicles are used for Dial-A-Ride. ADA-certified passengers have priority over other eligible riders on Dial-A-Ride, including seniors, when the service accepts both ADA and non-ADA riders. Beaumont Transit uses a self-certification process with professional verification and accepts ADA certification by the RTA. This allows Beaumont to work under the umbrella of RTA's ADA policy as a provider of ADA paratransit. There have been no ADA denials reported. Also, according to the City's website, Beaumont Transit charges a cancellation fee if inadequate notice to cancel is given by the passenger.

Beaumont utilizes DoubleMap commuter-aided dispatching with an automatic vehicle locator feature for its fixed and Commuter Link routes. DoubleMap provides real-time bus data which are utilized to track on-time performance. On-time performance has averaged 92 percent for fixed-route and commuter services.

Trip Master software is used to schedule Dial-A-Ride trips, generating manifests and tracking no-shows. The Trip Master software contains a module that allows for electronic prepayment of fares. Prior to the adoption of Trip Master, Beaumont Transit utilized Schedule VIEW and Excel spreadsheets for trip scheduling. Driver trip sheets for both service modes include sections for recording the passenger count and fare categories, fuel mileage, revenue hours and miles, and yard hours and miles. The yard hours and miles include deadhead hours and mileage. Drivers also use Samsung-branded tablets to assist with routing and communications with dispatch.

Vehicles are equipped with Diamond vaulted fareboxes. At the end of each shift, drivers pull out the vaults but do not handle the revenues. The vaults automatically shut and lock upon removal. The vaults are then placed into a locker and are removed for counting the following day by two Transit Division employees and reconciled with the trip sheets. The count is entered into a computer system and the revenues are sealed for deposit. The Finance Department receives a copy of the deposit record and matches it up with the deposit slip for comparison.

Beaumont Transit implemented the Token Transit mobile ticketing platform for online pass and ticket purchases at the beginning of FY 2019. Token Transit receives a 10 percent commission on fares in excess of \$2.00 per trip. For all other transactions under \$2.00, the fee is \$0.06 plus 7

percent of the purchase. In addition, Beaumont phased out punch card passes, which were used by students.

### COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19 of the same year. In response, Beaumont Transit implemented measures and protocols to mitigate the spread of the virus. Fare collection was suspended in March 2020. Beaumont Transit installed driver barriers, enforced mandated masking protocols, and implemented enhanced cleaning measures.

During the pandemic, Route 3/4, which generally operates Saturdays, was expanded to operate Monday through Saturday; Commuter Routes 120 and 125 were combined; and Route 2 was eventually eliminated. In addition, office personnel began working from home and drivers were given an opportunity to continue working by doing other tasks since certain routes were suspended. This included shifting some drivers temporarily to assist other City departments, like Parks and Recreation, during transit downtimes. These necessary activities in response to the rapidly evolving COVID-19 pandemic condition resulted in severe impacts on performance trends, which were pervasive throughout the transit industry during the fourth quarter of FY 2020 and most of FY 2021. Fare collection resumed on all service modes effective October 2021.

### Personnel

Beaumont Transit personnel are City employees. The Transit Division is composed of a part-time transit director, part-time assistant director, half-time management analyst, operations manager/scheduler, dispatcher, vehicle maintenance supervisor, 12 full-time equivalent drivers, and 4 full-time equivalent mechanics.<sup>2</sup> Drivers and nonexempt employees are represented by Service Employees International Union (SEIU), Local 721. In FY 2021, an operations manager position was created with the promotion of the operations supervisor. The operations manager now oversees all transit operations including vehicle maintenance. Staff turnover and attrition were minimal prior to the pandemic. In FY 2021, Beaumont Transit hired two drivers and saw the departure of six part-time drivers which resulted in a driver shortage during portions of the pandemic.

Prospective drivers are recruited through job postings at City Hall and on the City's website as well as through newspaper classified advertising. The City has also utilized GovernmentJobs.com through the NeoGov online platform as a recruitment tool. Candidates are required to submit an H-6 printout from the Department of Motor Vehicles as well as undergoing an interview, background checks, Department of Transportation medical clearance, and fingerprinting. During the audit period, in particular during COVID-19, candidate no-shows for interviews increased to about half, a trend driven by many factors such as availability of other employment, government

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<sup>2</sup> Vehicle maintenance staff service all City vehicles including transit.

stimulus checks and unemployment benefits, and required drug and alcohol tests. Drivers are required to have a Class B license with a passenger endorsement. School bus operator experience is considered a plus. Training consists of 40 hours behind-the-wheel instruction. There are two driver trainers on staff. Drivers also undergo sensitivity training that includes wheelchair securement, as well as sessions from the CHP and quarterly police training.

### **Maintenance**

Vehicle maintenance for Beaumont Transit is conducted by the City. Preventive maintenance inspections (PMIs) are performed on a 6,000-mile or 90-day inspection schedule. Tune-ups are performed every three months on the Cummins powered CNG buses. Diesel vehicles are certified annually in October. Fire suppression systems are inspected every six months and CNG tanks are inspected every 36,000 miles.

Bus vehicle maintenance occurs at the City Fleet Maintenance facility located at 550 North California Avenue. The garage has three service bays; however, the service bays cannot accommodate the vehicles due to their size. Therefore, a portable lift is used to service the vehicles outside. The City has been seeking Automotive Service Excellence certification for its mechanics. A–Z Bus Sales offers wheelchair lift maintenance training.

Beaumont Transit utilizes the Dossier fleet maintenance software program, which operates on a web-based platform. In addition, Beaumont Transit acquired Zonar for pre- and post-trip inspections. Vehicle parts are ordered in bulk from a local vendor, O’Reilly Auto Parts, located at 695 East 6<sup>th</sup> Street in Beaumont. Inventory cycle counts are conducted on an annual basis. Beaumont Transit has reported supply chain issues with Ford vehicle parts.

Flyers Energy is the primary fuel vendor. The CNG vehicles are fueled at stations at the Beaumont Unified School District’s transportation yard, located at 1001 Cougar Way. Under construction is a dedicated \$1.5 million CNG fueling facility located on a parcel at the intersection of West 4<sup>th</sup> Street and Veile Avenue. The new facility eliminates Beaumont Transit’s reliance and dependence on the limited fueling available at the school district. Fueling the CNG buses has been problematic and, more frequently than not, the school district station is unavailable, forcing the fleet to fuel at stations located as far away as Hemet and Moreno Valley. Additionally, the parcel will include slow-fill stations for each CNG bus in the fleet, with room for expansion, giving Beaumont Transit the ability to fuel CNG vehicles during non-operational hours.

The CHP is responsible for certifying Beaumont’s maintenance facilities and inspecting vehicles on an annual basis. Inspections conducted during the audit period were rated satisfactory. Road call data were not provided by the operator. The recent implementation of the Dossier fleet maintenance software and Zonar allowed for road call data to be downloaded into TransTrack. Beaumont Transit started reporting road call data in TransTrack pursuant to a prior audit recommendation.

**Planning**

Beaumont Transit prepares a Short-Range Transit Plan (SRTP) on an annual basis. The SRTP covers a three-year planning horizon and includes a system overview; services and performance analysis for each route and service provided; service changes; and financial and capital plans. Under the Existing Service and Route Performance chapter, a series of recommendations for service improvements is presented for each route or program.

Performance data from TransTrack Manager is also included to provide an annual comparison. In adhering to the SRTP analysis element, Beaumont must meet at least four out of seven discretionary performance indicators. There is one mandatory indicator, which is the farebox recovery ratio set at 10 percent. Using the SRTP covering FY 2020-21 through FY 2022-23, Table V-1 summarizes the FY 2020-21 performance targets. Beaumont met five out of the eight performance indicator targets.

**Table V-1  
Beaumont Transit Performance Targets**

Performance Indicators	FY 2020-21 Target	Actual Performance	Met Target
<b>Farebox Recovery</b>	>=10.00%	14.43%*	Yes
<b>Operating Cost Per Revenue Hour</b>	<=\$72.21	\$104.50	No
<b>Subsidy Per Passenger</b>	>=\$15.80 & <=\$21.38	\$14.53	Yes - Better
<b>Subsidy Per Passenger Mile</b>	>=\$3.32 & <=\$4.50	\$1.44	Yes - Better
<b>Subsidy Per Hour</b>	>=\$57.43 & <=\$77.71	\$92.93	No
<b>Subsidy Per Mile</b>	>=\$2.92 & <=\$3.94	\$4.35	No
<b>Passengers Per Revenue Hour</b>	>=3.09 & <=4.19	6.39	Yes - Better
<b>Passengers Per Revenue Mile</b>	>=0.15 & <=0.21	0.30	Yes - Better

Source: City of Beaumont, TransTrack Manager

\*Farebox recovery ratio is derived from unaudited cost and revenue data.

In addition to the annual SRTP process, Beaumont conducted a COA which was completed in November 2020. The prior COA was conducted in May 2014. The latest COA involved a 100 percent ride check of all fixed-route, regional, and commuter routes to gauge service demand in light of the demographic changes that have taken place in the city. The COA is a five-year action plan with 15 service and program recommendations. The implementation plan is structured over three phases. The short-term implementation phase is focused on on-time performance adjustments and an update to the Beaumont Transit’s bus stop placement policy. The mid- and long-term phases are focused on new service opportunities and capital improvements, including a fleet maintenance and operations facility, an electric vehicle charging station in downtown, and vehicle replacement.

**Marketing**

Beaumont uses several media approaches in marketing its transit services. During the audit period, the system underwent an extensive rebranding as the shared Pass Transit branding

agreement with Banning was phased out. Under the current interagency service agreement, each agency agreed to cooperate in providing the public with specific transit information by advertising the operations of both agencies and promoting the general usage of public transit. In the spirit of this agreement, Beaumont includes a link on its transit page to Banning Transit.

Printed schedules and other marketing materials are produced in-house. Nevertheless, Beaumont Transit has relied primarily on electronic media such as its website and social media to promote transit. The City of Beaumont website contains a page devoted to the transit program (<https://www.beaumontca.gov/90/Transit>), which was updated during the audit period. The transit page provides general information, fares, and modal links to the fixed-route, commuter, and Dial-A-Ride services as well as links to other regional transit services and trip planning tools. The trip planner interactive tool is powered by Google Transit. With the phaseout of the Pass Transit brand, the City implemented a new brand identity, named Beaumont Transit. Given the relatively new branding of the service, emphasis on cleanliness during the COVID pandemic, and alterations of routes, Beaumont could re-engage with its customers to gain feedback firsthand and collect direct input about its operations. Regular surveying of riders could be undertaken either formally or informally as a gauge of the changes made to the transit system.

There are quick response (QR) codes on route maps and at bus stops for smartphone users to download transit information. Bus shelters have been equipped with kiosks containing schedule information. In the area of social media, Beaumont Transit posts content on Facebook, Instagram, and Twitter.

In addition, transit buses are equipped with GPS locators that can be accessed through a mobile app called DoubleMap, which includes website access (<http://beaumont.doublemap.com/map/>) so that users can access real-time information and GPS coordinates of all routes currently in service.

Beaumont Transit staff engages the community through events and presentations. A free shuttle service is offered during the annual Cherry Festival in Beaumont. During school orientations, staff meets with students and their parents to educate them on their transit options in the service area. In conjunction with the Commuter Link Routes 120 and 125, staff participates in regional veteran committees to promote veteran transportation services from the Pass Area to Loma Linda Veterans Administration Hospital. Travel training presentations have been conducted at local homeowners' associations, though this was suspended during COVID-19.

Beaumont Transit participates in the Go-Pass program in conjunction with Mt. San Jacinto College. Student pass holders ride the system for free by presenting their student identification card with the Go-Pass sticker. The agreement for the Go-Pass program is between RTA and the college; however, there are no provisions in the agreement for Beaumont to receive any of the revenues despite participating in the program and offering free rides to the students. Beaumont Transit approached and met with representatives of Mt. San Jacinto College and RTA about executing a fare revenue agreement that would benefit Beaumont Transit. The parties were not able to come to an agreement due to a lack of interest on the part of the college and RTA.

Beaumont Transit will propose in the FY 2023 Short-Range Transit Plan to remove it from the fare schedule.

### **General Administration and Management**

The City of Beaumont was incorporated November 18, 1912, as a general law city and currently operates under a council/manager form of government. The five-member City Council serves as the City's principal legislative body and each councilmember is elected for a four-year term. The mayor and the mayor pro tem are elected from the City Council and serve one-year terms but no more than two consecutive terms. The City Council meets the first and third Tuesdays of each month at 6:00 p.m. at the Beaumont Civic Center. The council is reported to be supportive of the transit service.

The chief administrative officer for the City is the City manager, who is appointed by the City Council. The City manager oversees and coordinates City departments and services including transit operations. Transit is a division of the Community Services Department and overseen by a transit operations director, who is assisted by two administrative employees: a transit operations manager and a management analyst.

The primary source of transit funding support is derived from the Local Transportation Fund (LTF) for operations. Beaumont Transit submits the annual TDA claim for funds to RCTC. TDA claims are based on Beaumont Transit's annual budget projections and the financial element of the SRTP. Based on the audited financial statements, Beaumont Transit's LTF allocation was \$2,349,215 in FY 2019; \$2,889,230 in FY 2020; and \$2,433,985 in FY 2021. State Transportation Assistance (STA) funds received by Beaumont Transit were \$1,575,040 in FY 2019; \$74,200 in FY 2020; and \$851,212 in FY 2021. STA is used primarily toward capital assistance.

Beaumont Transit's annual TDA claim and transit budget are based on the prior year's budget and the finance director's analysis of the SRTP projections. Costs for service expansion are estimated and include projected employee compensation and benefit increases. The finance director is tasked with completion and submittal of Beaumont Transit's TDA claim and external reports such as the Transit Operators Financial Transactions Report to the State Controller. The City's recent administrative reorganization has resulted in more financial controls and protocols.

### **Grants Management**

Grant funding allocated toward the transit system has been derived from state sources composed of Proposition 1B, SB 1 State of Good Repair (SGR), and LCTOP funds. Under the Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) program, Beaumont received funding for vehicle purchases, bus shelter, and CNG facility upgrades. At the end of June 30, 2021, Beaumont Transit had an unexpended balance of \$24,358 in PTMISEA funds.

Beaumont Transit applied for SB 1 SGR program funds toward the construction of the new consolidated administrative, fleet maintenance, and operations facility. In addition, Beaumont Transit received LCTOP funding toward the rehabilitation of three bus stops and shelter adjacent to the Walmart transfer station as well as toward free fare days.

The finance director tracks the financial element of the SRTP and provides quarterly reporting to RCTC through the capital tracking report. A management analyst in Administrative Services updates the grant spreadsheet and the resources director is responsible for capital project management and procurement with approval of the finance director. The management analyst initiates grant application process and prepares the reporting. Beaumont does not utilize federal transit funding for operating expenses, thus avoiding federal transit grant and Title VI reporting requirements.

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to Beaumont Transit, the operator fully complied with five out of the eight applicable requirements. Beaumont Transit was in partial compliance with regard to the timely completion and submittal of its Transit Operator Financial Transactions Report to the State Controller, annual fiscal and compliance audits and farebox recovery attainment. Three additional compliance requirements did not apply to the operator (intermediate and urban farebox recovery ratio and the use of federal funds).
2. Based on the farebox calculation in the annual Transit System Financial Statements (*audited*), Beaumont's farebox recovery ratio met or exceeded the required minimum standard of 10 percent in two of the three audit years. The system-wide farebox recovery ratios were 11.68 percent in FY 2019, 7.82 percent in FY 2020, and 22.52 percent in FY 2021.<sup>3</sup> Beaumont Transit utilized an allowable combination of additional local support revenues plus exclusion of new services costs in order to meet minimum farebox recovery attainment in FY 2021.
3. The audited farebox ratio in FY 2019-20 was adversely impacted from several significant factors. That year was the first Pass Transit split up into Banning Transit and Beaumont Transit, which essentially eliminated Beaumont's ability to effectively get passengers to social service locations in Banning without transfers. The COVID-19 pandemic and statewide shelter-in-place order starting in March 2020 further contributed to the performance decline including suspension of fare collection.
4. Beaumont Transit participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
5. The annual operating budget did not increase above 15 percent but did exhibit fluctuations during the audit period due to COVID-19 pandemic impacts. Beaumont saw increases of 1.9 percent and 13.6 percent, respectively, during FY 2019 and FY 2020. The budget exhibited a decrease of 10.2 percent in FY 2021. The FY 2020 budgetary increase is attributed to higher salaries and fringe benefits.

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<sup>3</sup> AB 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

6. Beaumont satisfactorily implemented two of the four prior audit recommendations. The two recommendations pertained to the inclusion of a link to Banning Transit on the Beaumont Transit web page and the tracking of road calls in TransTrack Manager. One recommendation pertaining to fare sharing agreement with RTA and Mt. San Jacinto College for Go-Pass riders was not implemented and is no longer applicable and the recommendation pertaining to the completion and submittal of separate State Controller Reports for both general and specialized service was not implemented is being carried forward for full implementation.
7. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 62.1 percent system-wide from \$108.08 in the FY 2018 base year to \$175.20 in FY 2021. System-wide operating costs (based on audited data) decreased 1.2 percent during the period, while vehicle service hours decreased by 39.1 percent. The average annual decrease in operating costs was 0.3 percent. Operating costs held relatively steady while service hours declined due to the COVID-19 pandemic.
8. Operating cost per passenger, an indicator of cost effectiveness, increased 398.2 percent system-wide from \$13.55 in FY 2018 to \$67.49 in FY 2021. Ridership system-wide decreased 80.2 percent during the review period from 197,775 passengers in FY 2018 to 39,213 passengers in FY 2021, while operating costs decreased by 1.2 percent over the same period. The split of Pass Transit and the COVID-19 pandemic resulted in a significant decline in ridership.
9. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 67.5 percent between FY 2018 and FY 2021 system-wide from 8 to 2.6 passengers per hour. Fixed-route operations were consistent with this trend, with a decrease of 70.4 percent over the same period from 8.7 to 2.6 passengers per hour. In contrast, Dial-A-Ride operations exhibited a lesser decrease of 1.2 percent from 3.23 to 3.19 passengers per hour. The trend in this indicator demonstrates a significant decline in passenger trips as compared to the decline in vehicle service hours.
10. Passengers per vehicle service mile, another indicator of service effectiveness, decreased 75.7 percent between FY 2018 and FY 2021 system-wide from 0.48 to 0.12 passengers per mile. For fixed-route operations, the number of passengers per service mile decreased by 76.6 percent from 0.49 to 0.12. Passengers per service mile on Dial-A-Ride decreased by 53.6 percent during the same period, from 0.32 in FY 2018 to 0.15 in FY 2021. From the FY 2018 base year to FY 2021, actual vehicle service miles decreased 18.5 percent system-wide.
11. A new interagency services agreement was adopted between the Cities of Beaumont and Banning in July 2019. The new agreement allows for interline transfers between the two systems at the Walmart in Beaumont and the San Gorgonio Memorial Hospital in Banning. This dissolution of the MOU resulted in the two transit systems developing their own distinct identities and service boundaries. Highland Springs Avenue became the boundary between the two systems.

12. Beaumont Transit implemented measures and protocols to mitigate the spread of COVID-19. Fare collection was suspended in March 2020. Beaumont Transit installed driver barriers, enforced mandated masking protocols, and implemented enhanced cleaning measures. During the pandemic, Route 3/4, which generally operates Saturdays, was expanded to operate Monday through Saturday; Commuter Routes 120 and 125 were combined; and Route 2 was eventually eliminated.
  
13. In FY 2021, an operations manager position was created with the promotion of the operations supervisor. The operations manager now oversees all transit operations including vehicle maintenance.
  
14. Beaumont conducted a Comprehensive Operational Analysis (COA) which was completed in November 2020. The latest COA involved a 100 percent ride check of all fixed-route, regional, and commuter routes to gauge service demand in light of the demographic changes that have taken place in the city. The COA is a five-year action plan with 15 service and program recommendations. The implementation plan is structured over three phases.

## Recommendations

### 1. Prepare and submit separate State Controller Transit Operators Financial Transactions Reports for general public transit and specialized service.

This recommendation is carried over from the prior performance audit. Beaumont's annual Transit Operators Financial Transactions Report to the State Controller has historically combined information for both general public (fixed route/commuter) and specialized service for seniors and persons with disabilities (ADA-certified and noncertified). Although the State Controller's Office has not provided notice to the City, written instructions by the state to prepare this particular report require separate reporting of these modes. In the General Instruction Form completed by Beaumont Transit, a selection must be made as to which mode of transit is represented in the report. The options are general public use or elderly/disabled.

The Transit Operators Financial Transactions Report Instructions contain the following passages under the General Instruction Form:

*Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service.*

*... a separate report must be filed for each type of service provided: General Public Use Service or Specialized Service exclusive for elderly and/or handicapped. For example, if an agency has received Article 4 and Article 8(c) monies to provide General Public Use Service, the agency should submit one report. If that agency has also received Article 4 monies to provide Specialized Service for the elderly and/or handicapped, then a report must be submitted for the Specialized Service operations.*

The submission of separate reports to the State Controller will further demonstrate Beaumont's proactive approach to compliance with state reporting instructions. Beaumont Transit should coordinate preparation of separate reports with the City Finance Department to complete separate financial reporting of general public and specialized services. This will include obtaining a new identification number for Dial-A-Ride reports from the State Controller's Office, and separating financial, asset, and operating data between the two modes in their respective SCO reports.

### 2. Ensure timely completion and submittal of external TDA financial reports.

Beaumont Transit was in partial compliance with the timely completion and submittal of its annual fiscal and compliance audits. The late submittal may be due to the financial closeout procedures needed to generate the financial information required in the Controller's report. This in turn also impacts the timely submittal of its fiscal and compliance audits which cannot be completed until the financial closeout by the City. The TDA statute provides the submittal

timelines and allowable extensions granted by RCTC. Although City financial closeout procedures are not within the scope of this performance audit, it is suggested that a schedule be coordinated between the City's Finance Department, TDA fiscal auditor, and RCTC that anticipates financial closeout by the City and completion of the external TDA financial reports. The financial closeout triggers the undertaking of the TDA financial reports, and close tracking of the timeliness of the closeout could advance some aspects and earlier preparation of the TDA reports.

**3. Regularly update the vehicle fleet list in TransTrack.**

A printout of the Beaumont Transit fleet in TransTrack provided to the auditor incorrectly includes three Gillig commuter buses in FY 2020-21, artificially raising the total fleet number. Beaumont transit staff verified the incorrect listing and provided a separate vehicle list that does not include these commuter bus models. The TransTrack data should be reviewed, modified, and verified regularly to accurately reflect the current vehicle fleet and services type, whether local, commuter, or demand response.

**4. Re-engage with riders and collect user input.**

Given the relatively new branding of the service, emphasis on cleanliness during the COVID pandemic, and alterations of routes, Beaumont Transit has undergone multiple changes over the past several years. As a way to continue to improve, the transit operator should re-engage with its customers to gain feedback firsthand and collect direct input about its operations. Regular surveying of riders could be undertaken as a customer facing activity to gauge public perception of the changes made to the transit system. Various low cost and low barrier survey means should be considered such as an on-line survey on the transit page on Beaumont Transit's website, or informal conversations occurring between passengers and drivers that are reported back to transit management. Additional assets such as electric vehicles also provide opportunity for the system to capitalize on its brand and appeal to its ridership and service area.







**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of City of Corona Transit Service**



*October 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker**  
INTERNATIONAL

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## Section I

### Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues per Public Utilities Code (PUC) 99246. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Riverside County Transportation Commission (RCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Riverside County. This performance audit is conducted for the City of Corona Transit Service (City, Corona) covering the most recent triennial period, fiscal years (FY) 2018–2019 through 2020–2021.

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

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

### Overview of the Transit System

The City of Corona had provided general public Dial-A-Ride service since April 1977. In February 2001, the City also began operating a fixed-route service under the brand “Corona Cruiser” in response to its rapid growth in population and to provide better connectivity to other transit services. The City of Corona has had a memorandum of understanding (MOU) with the Riverside Transit Agency (RTA) since January 1994 to provide complementary Americans with Disabilities Act (ADA) paratransit service to RTA buses that travel through the city. The City also has formal fare transfer agreements with RTA and the Southern California Regional Rail Authority, which operates the Metrolink rail service. In FY 2018, the City transitioned the Dial-A-Ride from general

public to specialized service. Dial-A-Ride is a shared transportation service that provides curb-to-curb service to eligible riders. The service is available to individuals certified under the ADA, seniors (60+), and persons with disabilities.

Based on the 2020 US Census, Corona’s population is 157,136, an increase of 3.1 percent since the 2010 US Census. The senior citizen population, comprising residents aged 65 and over, is 9.9 percent. The 2021 population for Corona is estimated to be 169,454 as reported by the California Department of Finance, Population Estimates for Cities, Counties, and the State, January 1, 2021. The city covers approximately 38.8 square miles.

**System Characteristics**

Corona operates both fixed-route service for the general public and demand-responsive transit services for ADA-certified residents. The fixed-route service consists of two lines and is branded under the name Corona Cruiser. The system operates Monday through Friday from 6:30 a.m. to 7:09 p.m. and Saturday from 8:52 a.m. to 5:09 p.m. The transit system does not operate on Sunday as well as on the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Corona Cruiser fixed-route services during the audit period are summarized in Table I-1.

**Table I-1  
Corona Transit Fixed-Route Services**

<b>Route</b>	<b>Frequency/Operation</b>	<b>Key Time Points</b>
<b>Blue Line</b>	Approximately every 60 minutes (Monday through Friday from 6:30 a.m. to 7:09 p.m.; Saturday from 8:52 a.m. to 3:50 p.m.)	<ul style="list-style-type: none"> <li>▪ Walmart @ McKinley</li> <li>▪ Magnolia @ McKinley</li> <li>▪ Magnolia @ Rimpau</li> <li>▪ Magnolia @ Fullerton</li> <li>▪ Mountain Gate Park</li> <li>▪ Corona Library</li> <li>▪ Corona Transit Center</li> <li>▪ Circle City Center</li> <li>▪ River Run Apartments</li> </ul>
<b>Red Line</b>	Approximately every 60 minutes (Monday through Friday from 6:30 a.m. to 7:05 p.m.; Saturday from 9:00 a.m. to 5:09 p.m.)	<ul style="list-style-type: none"> <li>▪ Target @ Cajalco</li> <li>▪ Walmart @ California</li> <li>▪ Centennial High School</li> <li>▪ Rimpau @ Magnolia</li> <li>▪ E. Grand @ E. Sixth Street</li> <li>▪ Corona Transit Center</li> <li>▪ Corona Library</li> <li>▪ Tenth @ Lincoln</li> <li>▪ W. Sixth Street @ Smith Ave</li> <li>▪ W. Sixth Street @ Harris</li> <li>▪ Dos Lagos @ Theater (Saturday only)</li> </ul>

Source: City of Corona Transit Services

Dial-A-Ride

The Corona Dial-A-Ride is a specialized demand-response service designed to provide curb-to-curb transportation for eligible, ADA-certified area residents only. The Dial-A-Ride service area encompasses the City of Corona, satellite locations in Norco, and the unincorporated Riverside County communities of Home Gardens, Coronita, and El Cerrito. Dial-A-Ride offers complementary and priority service to passengers certified under the ADA. ADA certification is provided through RTA. Reservations are accepted 1–14 days in advance. ADA expanded service operates the same days and hours as the Corona Cruiser. Dial-A-Ride does not operate on Sunday as well as on the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Fares

City of Corona Transit Service fares are structured based on passenger, mode, and media type. Fixed-route fares were last increased in July 2010; the current Dial-A-Ride fares have been in effect since January 2018. To incentivize public transit usage and reduce emissions, Corona uses State Assembly Bill 2766 funds to subsidize the cost of multiday passes on the Corona Cruiser. Tickets and passes are available online or in person at the City Corporation Yard, City Hall, and the Corona Library. The fare structures during the audit period are summarized in Table I-2. Valid Metrolink pass-holders ride at no charge on Cruiser Blue and Red Lines to and from the Corona Transit Center/North Main Metrolink Station.

**Table I-2  
Corona Transit Fare Schedule**

Fare Category	Fixed Route				Dial-A-Ride
	Per Trip	Day Pass	15-Day Pass	31-Day Pass	
Adult/General	\$1.50	\$4.00	\$17.50	\$35.00	N/A
Student (K-12 Grade)	\$1.50	\$4.00	\$12.25	\$24.50	N/A
Senior (60+)/Disabled	\$0.70	\$2.00	\$8.05	\$16.10	\$2.50
ADA-Certified	\$0.70	\$2.00	\$8.05	\$16.10	\$2.50
Medicare Card Holders	\$0.70	\$2.00	\$8.05	\$16.10	\$2.50
Children (46" tall or under)	\$0.25	N/A	N/A	N/A	\$0.50
Buddy Fare	N/A	N/A	N/A	N/A	\$1.25
Metrolink	N/A	N/A	N/A	N/A	N/A

Source: City of Corona Transit Services

The Buddy Fare on Dial-A-Ride allows for two or more seniors or persons with disabilities to ride for half fare (\$1.25) when traveling between the same locations. Personal care attendants to an ADA-certified rider may ride at no cost.

Fleet

The City maintained 20 revenue vehicles in its active transit fleet during the audit period; 7 were utilized exclusively on the fixed-route service and the remaining 13 vehicles utilized on both service modes. All vehicles in the fleet are wheelchair accessible with tie-downs in compliance with the ADA. All vehicles are fueled by compressed natural gas (CNG). The City took delivery of 11 Glaval/Universal CNG vehicles in 2017 and retired 11 older vehicles when the new vehicles were placed into service during fiscal year 2018–2019. Table I-3 summarizes the Corona Transit fleet.

**Table I-3  
Corona Transit Fleet**

<b>Year</b>	<b>Make/Model</b>	<b>Quantity</b>	<b>Fuel Type</b>	<b>Seating Capacity</b>
2012	El Dorado Aerotech 240	2	CNG	16 (2 W/C)
2016	El Dorado/EZ Rider II BRT	7	CNG	29 (2 W/C)
2017	Glaval/Universal/E-450	11	CNG	14 (2 W/C)
<b>Total</b>		<b>20</b>		

*Source: City of Corona Vehicle Fleet Inventory as of September 28, 2021*

## Section II

### Operator Compliance Requirements

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

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.</p>	<p>Public Utilities Code, Section 99243</p>	<p>Completion/submittal dates:                      FY 2019: January 28, 2020                      FY 2020: February 1, 2021                      FY 2021: January 29, 2022</p> <p>It is also noted that the City submitted a single Transit Operators Financial Transaction Report containing both fixed route and general public Dial-A-Ride information prior to FY 2019. Since Dial-A-Ride was designated as a specialized service for ADA-certified, senior, and disabled passengers effective January 2018, State Controller instructions require that separate reports be submitted for each service type.</p> <p>For FY 2020 and FY 2021, the City submitted separate Transit Operators Financial Transactions Reports for both fixed-route and Dial-A-Ride services.</p> <p><b>Conclusion: Complied.</b></p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.</p>	<p>Public Utilities Code, Section 99245</p>	<p>Completion/submittal dates:                      FY 2019: April 15, 2020                      FY 2020: March 29, 2021                      FY 2021: January 25, 2022</p> <p>A 90-day extension was granted by RCTC pursuant to the TDA statute.</p> <p>The FY 2019 fiscal audit and compliance audit was submitted after the 90-day extension period.</p> <p><b>Conclusion: Partial Compliance.</b></p>
<p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>The City participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the City of Corona Corporation Yard at 735 West Public Safety Way in Corona.</p> <p>Inspection dates applicable to the audit period were July 24, 2019; July 15, 2020; and July 14, 2021.</p> <p>All inspections conducted were rated satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
<p>The operator’s claim for TDA</p>	<p>Public Utilities Code, Section</p>	<p>As a condition of approval, the</p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	99261	City of Corona’s annual claims for Local Transportation Funds (LTF) and State Transit Assistance (STA) funds are submitted in compliance with the rules and regulations adopted by RCTC.  <b>Conclusion: Complied.</b>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as Corona Transit only serves an urbanized area.  <b>Conclusion: Not Applicable.</b>
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage increase in the City of Corona’s transit operating budget:  FY 2019: +1.9% FY 2020: +11.4% FY 2021: -4.4%  <i>Source: City of Corona Transit Services Fund Budgets for FYs 2019-2021.</i>  <b>Conclusion: Complied.</b>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, I	Public Utilities Code, Section 99247	The City of Corona’s definition of performance is consistent with Public Utilities Code Section 99247. A review of internal performance data reports and trip sheets generated during the audit period indicates that correct performance data are being collected.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		<b>Conclusion: Complied.</b>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	<p>Operating ratios for Corona Transit using audited data were as follows:</p> <p>FY 2019: 17.56%  FY 2020: 17.65%  FY 2021: 4.29%</p> <p>*Effective FY 2018, Corona adopted a blended system-wide farebox recovery ratio of 15 percent, in consultation with RCTC. The fixed route is subject to a 20 percent farebox recovery and Dial-A-Ride is subject to a 10 percent farebox recovery.</p> <p>The system did not meet the minimum farebox ratio in FY 2021. Assembly Bill 90, passed into law in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties from not maintaining the farebox ratio.</p> <p><i>Source: City of Corona Transit Services Fund Financial Statements (Audited)</i></p> <p><b>Conclusion: Partial Compliance.</b></p>
If the operator serves a rural area, or provides exclusive	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This requirement is not applicable, as Corona Transit only

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).		<p>serves an urbanized area and has historically operated general public Dial-A-Ride.</p> <p>Since Dial-A-Ride was designated as a specialized service for ADA-certified, senior, and disabled passengers effective January 2018, Dial-A-Ride would be subject to a 10 percent farebox recovery ratio as part of an overall system-wide farebox recovery ratio of 15 percent.</p> <p><b>Conclusion: Not Applicable.</b></p>
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	<p>To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the City of Corona’s retirement system is funded.</p> <p>The City contracts with a private operator, while the City staff’s retirement is funded through the California Public Employees’ Retirement System (CalPERS).</p> <p><b>Conclusion: Complied.</b></p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	As a recipient of STA funds, the City of Corona is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended. Federal Transit Administration (FTA) funds are allocated to transit agencies in the Riverside

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		urbanized area, including the City of Corona.  FY 2019: \$560,831(Operations) FY 2020: \$1,128,357 (Operations) FY 2021: \$1,810,086 (Operations)  <i>Source: Transit Operators Financial Transactions Reports</i>  <b>Conclusion: Complied.</b>

**Findings and Observations from Operator Compliance Requirements Matrix**

1. Of the compliance requirements pertaining to the City of Corona Transit Service, the operator fully complied with seven of the nine applicable requirements. The City was in partial compliance regarding the timely submittal of the FY 2019 fiscal and compliance audit and farebox recovery attainment for FY 2021.<sup>1</sup> Two additional compliance requirements are not applicable to Corona (i.e., intermediate farebox recovery ratio and rural area farebox recovery ratio).
2. Effective FY 2018, Corona adopted a blended system-wide farebox recovery ratio of 15 percent, in consultation with RCTC, based on the available data from the audited City of Corona Transit Services Fund Financial Statements. Under the revised farebox recovery standard, the fixed route is subject to a 20 percent farebox recovery and Dial-A-Ride would be subject to a 10 percent farebox recovery. The system-wide farebox recovery ratios were 17.56 percent in FY 2019, 17.65 percent in FY 2020, and 4.29 percent in FY 2021.<sup>2</sup> It is noted that the audited farebox ratio in FY 2021 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection. The City utilized an allowable combination of additional local support revenues in order to meet minimum farebox recovery attainment in FY 2019 and FY 2020.

<sup>1</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

<sup>2</sup> While the requirement to meet minimum farebox standards still applied during the pandemic, AB 90 suspended the imposition of a financial penalty by RCTC per TDA law.

3. Through its contract operator, the City participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The City of Corona Transit Fund operating budget exhibited modest fluctuations during the audit period. The budget increased by 1.9 percent in FY 2019 and 11.4 percent in FY 2020. In FY 2021, the budget decreased by 4.4 percent. The budget increases are attributed to higher salary and benefit costs as well as the new operations and maintenance contract.

## Section III

### Prior Triennial Performance Recommendations

The City of Corona's efforts to implement the recommendations made in the FY 2016–2018 triennial performance audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the City of Corona's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Prepare and submit separate State Controller Transit Operators Financial Transactions Reports for general public transit and specialized service.

*Background:* Corona's annual Transit Operators Financial Transactions Report to the State Controller has historically combined fixed route and Dial-A-Ride, as each provided general public service. With the transition to specialized Dial-A-Ride, written instructions by the state to prepare this particular report require separate reporting of fixed route and specialized service. In the General Instruction Form completed by the City, a selection must be made as to which mode of transit is represented in the report. The options are general public use or elderly/disabled.

The Transit Operators Financial Transactions Report Instructions contain the following passages under the General Instruction Form:

*Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service.*

*... a separate report must be filed for each type of service provided: General Public Use Service or Specialized Service exclusive for elderly and/or handicapped. For example, if an agency has received Article 4 and Article 8(c) monies to provide General Public Use Service, the agency should submit one report. If that agency has also received Article 4 monies to provide Specialized Service for the elderly and/or handicapped, then a report must be submitted for the Specialized Service operations.*

The prior audit emphasized that the submission of separate reports to the State Controller would demonstrate Corona's proactive approach to compliance with state reporting instructions.

#### Actions taken by the City of Corona

In 2019, the City contacted the Office of State Controller regarding the submission of separate annual Transit Operators Financial Transactions Reports for fixed-route service and Dial-A-Ride

service. The State Controller advised Corona to submit a single combined report for FY 2019 pending updates required to the State Controller database to allow for the submission of a separate specialized service report from the agency. For FY 2020 and FY 2021, the City submitted separate Transit Operators Financial Transactions Reports for both fixed-route service and Dial-A-Ride services.

### Conclusion

This recommendation has been implemented.

### Prior Recommendation 2

Continue process of implementing ADA subscription services on Dial-A-Ride.

*Background:* The City has been in the process of implementing an ADA subscription service. Dial-A-Ride's transition from general public to a specialized service for ADA-certified and senior passengers makes the subscription service option more feasible. Subscription trips to the Inland Empire Adult Day Health Care Center and other adult day care centers have been ongoing. In addition, the City has been monitoring ADA trips to ensure that there are no capacity constraints. Nevertheless, the City has indicated its willingness to work with the contract operator and review the feasibility of establishing a formal ADA Subscription Services Policy. A call-back function to remind riders of their upcoming trips would also improve operating efficiency and effectiveness. The City will be incorporating a call-back function in the next ITS project.

### Actions taken by the City of Corona

City of Corona Transit Service staff in conjunction with the contract operator continue to monitor ADA trips to ensure there are no capacity constraints and continue to work in coordination with the contractor to develop a formal ADA Subscription Services Policy. The City plans to implement a call-back feature in the next ITS project.

### Conclusion

This recommendation is in the process of implementation and will be carried forward for full implementation.

### Prior Recommendation 3

Include additional locally generated revenue in the farebox recovery.

*Background:* During the audit period, Corona adopted a blended farebox recovery standard of 15 percent. The revenues in the farebox ratio are composed primarily of passenger fares, City supplemental support revenues, and South Coast Air Quality Management District subsidies. State legislation (SB 508) reinforces current RCTC practice of allowing other locally generated

revenues in the farebox ratio. These other revenues could include advertising generated by the transit system, bus wraps on the vehicles, and other local contributions from the City to the transit program. Corona allows advertising space on its bus shelters and has expressed interest in allowing advertising on board its vehicles. The City currently does not have an advertising policy but has expressed interest in developing one. However, staffing and budgetary constraints make it difficult to pursue. Nevertheless, given the farebox recovery trends, it was suggested that the City pursue this measure to incorporate other locally generated revenue in its farebox recovery.

#### Actions taken by the City of Corona

City of Corona Transit Service staff have continued to look for additional revenue sources to satisfy the minimum farebox recovery ratios. Based on the farebox recovery ratio calculation contained in the Corona Transit Services Fund Financial Statements prepared during the audit period, the City has included local support revenues from the General Fund, interest, and South Coast Air Quality Management District fare subsidies. In consideration of the new farebox recovery standard, the City has mentioned looking into fare restructuring and a potential fare increase in the Comprehensive Operations Analysis (COA). Current state legislation now allows federal funds to be included in the farebox recovery ratio, which could benefit the transit service meet its recovery standard.

#### Conclusion

This recommendation has been partially implemented; however, the City is encouraged to identify other sources of local revenue generation, such as advertising, bus wraps, and fuel sales, and utilize additional revenue allowances from state legislation.

## **Section IV**

### **TDA Performance Indicators**

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

Tables IV-1 through IV-3 provide the performance indicators for Corona Transit Service system-wide, fixed route, and Dial-A-Ride. Graphs are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures, while fixed route and Dial-A-Ride costs and fare revenues are unaudited. The annual fiscal audits do not provide a modal breakdown.

**Table IV-1  
Corona Transit TDA Performance Indicators  
System-wide**

Performance Data and Indicators	Audit Period				% Change FY 2018- 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)</sup>	\$2,918,211	\$2,489,197	\$2,309,461	\$1,901,148	<b>-34.9%</b>
Total Passengers	234,318	170,946	140,175	90,031	<b>-61.6%</b>
Vehicle Service Hours	31,529	29,119	26,261	20,815	<b>-34.0%</b>
Vehicle Service Miles	399,240	347,239	317,754	250,039	<b>-37.4%</b>
Employee FTEs	34	30	31	27	<b>-20.6%</b>
Total Passenger Fares	\$292,647	\$272,356	\$212,953	\$51,187	<b>-82.5%</b>
Local Support Revenues	\$181,598	\$164,819	\$194,741	\$30,318	<b>-83.3%</b>
Total Fare Revenues	\$474,245	\$437,175	\$407,694	\$81,505	<b>-82.8%</b>
Operating Cost per Passenger	\$12.45	\$14.56	\$16.48	\$21.12	<b>69.6%</b>
Operating Cost per Vehicle Service Hour	\$92.56	\$85.48	\$87.94	\$91.34	<b>-1.3%</b>
Operating Cost per Vehicle Service Mile	\$7.31	\$7.17	\$7.27	\$7.60	<b>4.0%</b>
Passengers per Vehicle Service Hour	7.4	5.9	5.3	4.3	<b>-41.8%</b>
Passengers per Vehicle Service Mile	0.59	0.49	0.44	0.36	<b>-38.7%</b>
Vehicle Service Hours per Employee	927.3	970.6	847.1	770.9	<b>-16.9%</b>
Average Fare per Passenger	\$1.25	\$1.59	\$1.52	\$0.57	<b>-54.5%</b>
Fare Recovery Ratio	10.03%	10.94%	9.22%	2.69%	<b>-73.2%</b>
Fare Recovery Ratio with Local Support <sup>(2)</sup>	16.25%	17.56%	17.65%	4.29%	<b>-73.6%</b>
Consumer Price Index - (CPI-All) <sup>(3)</sup>	3.5%	3.4%	2.5%	2.0%	8.1%

Source: Annual Fiscal & Compliance Audits; NTD; State Controller Reports

<sup>(1)</sup> System-wide operating costs as shown in Basic Financial Statement reports. Modal operational costs in subsequent tables are noted as shown in NTD reports. Modal operational costs do not sum to system-wide due to unaudited data sources.

<sup>(2)</sup> Audited fare recovery ratio is the sum of fares plus local funds, interest and other revenue divided by operating cost.

<sup>(3)</sup> Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index from the prior year.

**Table IV-2  
Corona Transit TDA Performance Indicators  
Fixed Route**

Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)</sup>	\$1,111,926	\$1,205,719	\$1,249,395	\$1,264,854	<b>13.8%</b>
Total Passengers	129,972	118,366	100,186	76,645	<b>-41.0%</b>
Vehicle Service Hours	14,559	14,472	14,558	14,471	<b>-0.6%</b>
Vehicle Service Miles	173,434	170,411	172,730	167,171	<b>-3.6%</b>
Employee FTEs	13	12	14	15	<b>15.4%</b>
Passenger Fares	\$132,810	\$126,794	\$88,105	\$12,508	<b>-90.6%</b>
Operating Cost per Passenger	\$8.56	\$10.19	\$12.47	\$16.50	<b>92.9%</b>
Operating Cost per Vehicle Service Hour	\$76.37	\$83.31	\$85.82	\$87.41	<b>14.4%</b>
Operating Cost per Vehicle Service Mile	\$6.41	\$7.08	\$7.23	\$7.57	<b>18.0%</b>
Passengers per Vehicle Service Hour	8.9	8.2	6.9	5.3	<b>-40.7%</b>
Passengers per Vehicle Service Mile	0.75	0.69	0.58	0.46	<b>-38.8%</b>
Vehicle Service Hours per Employee	1,119.9	1,206.0	1,039.9	964.7	<b>-13.9%</b>
Average Fare per Passenger	\$1.02	\$1.07	\$0.88	\$0.16	<b>-84.0%</b>
Fare Recovery Ratio	11.94%	10.52%	7.05%	0.99%	<b>-91.7%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: NTD; State Controller Reports

(1) Costs are unaudited since annual fiscal and compliance audits do not include costs by mode.

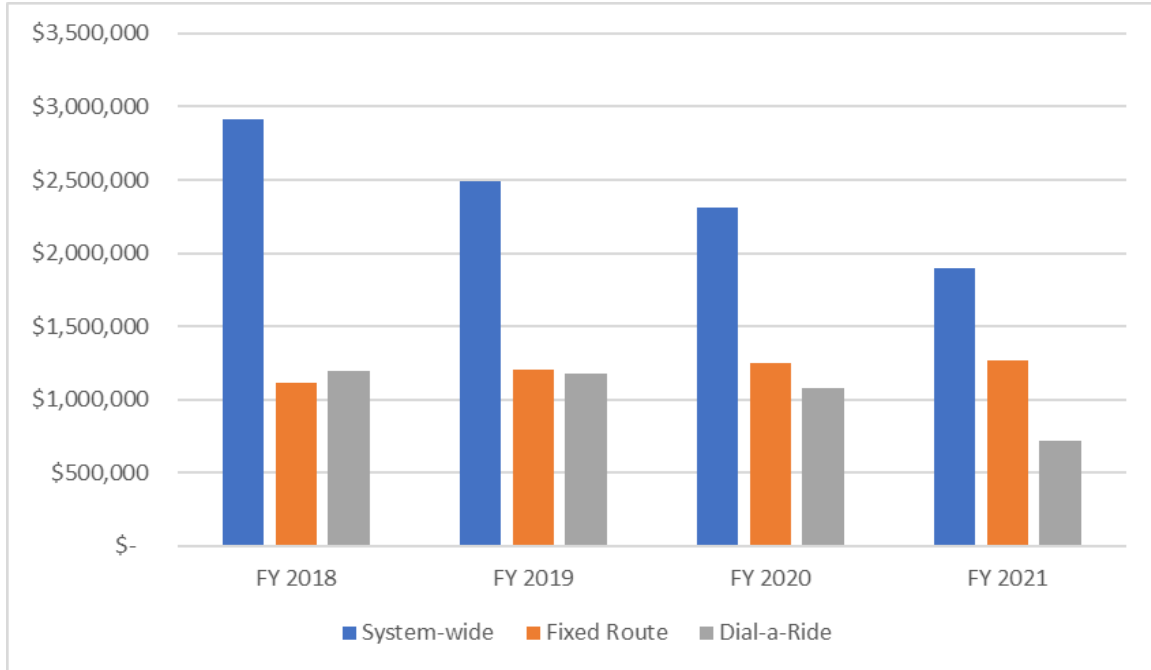
**Table IV-3  
Corona Transit TDA Performance Indicators  
Dial-A-Ride**

Performance Data and Indicators	Audit Period				% Change FY 2018-2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)</sup>	\$1,197,411	\$1,180,032	\$1,077,103	\$722,524	<b>-39.7%</b>
Total Passengers	58,089	52,580	39,989	13,386	<b>-77.0%</b>
Vehicle Service Hours	15,338	14,647	11,703	6,344	<b>-58.6%</b>
Vehicle Service Miles	195,419	176,828	145,024	82,868	<b>-57.6%</b>
Employee FTE's	18	18	17	12	<b>-33.3%</b>
Passenger Fares	\$162,529	\$146,951	\$125,260	\$45,721	<b>-71.9%</b>
Operating Cost per Passenger	\$20.61	\$22.44	\$26.93	\$53.98	<b>161.8%</b>
Operating Cost per Vehicle Service Hour	\$78.07	\$80.56	\$92.04	\$113.89	<b>45.9%</b>
Operating Cost per Vehicle Service Mile	\$6.13	\$6.67	\$7.43	\$8.72	<b>42.3%</b>
Passengers per Vehicle Service Hour	3.8	3.6	3.4	2.1	<b>-44.3%</b>
Passengers per Vehicle Service Mile	0.30	0.30	0.28	0.16	<b>-45.7%</b>
Vehicle Service Hours per Employee	852.1	813.7	688.4	528.7	<b>-38.0%</b>
Average Fare per Passenger	\$2.80	\$2.79	\$3.13	\$3.42	<b>22.1%</b>
Fare Recovery Ratio	13.57%	12.45%	11.63%	6.33%	<b>-53.4%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	8.1%

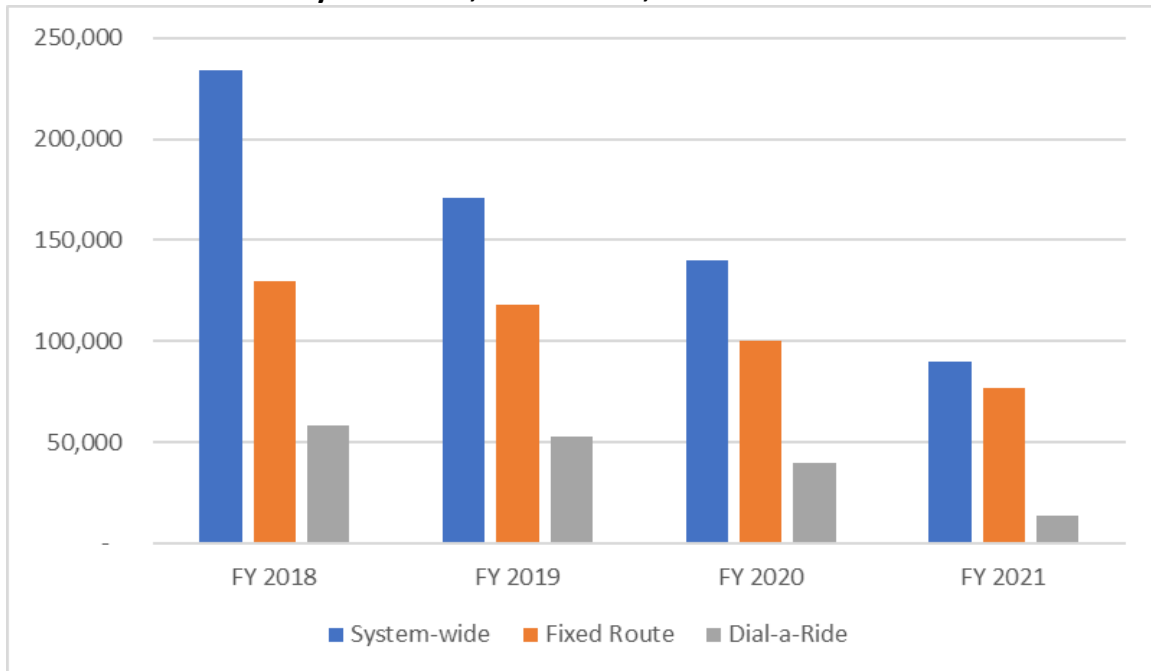
Source: NTD; State Controller Reports; TransTrack Manager

(1) Costs are unaudited since annual fiscal & compliance audits do not include costs by mode.

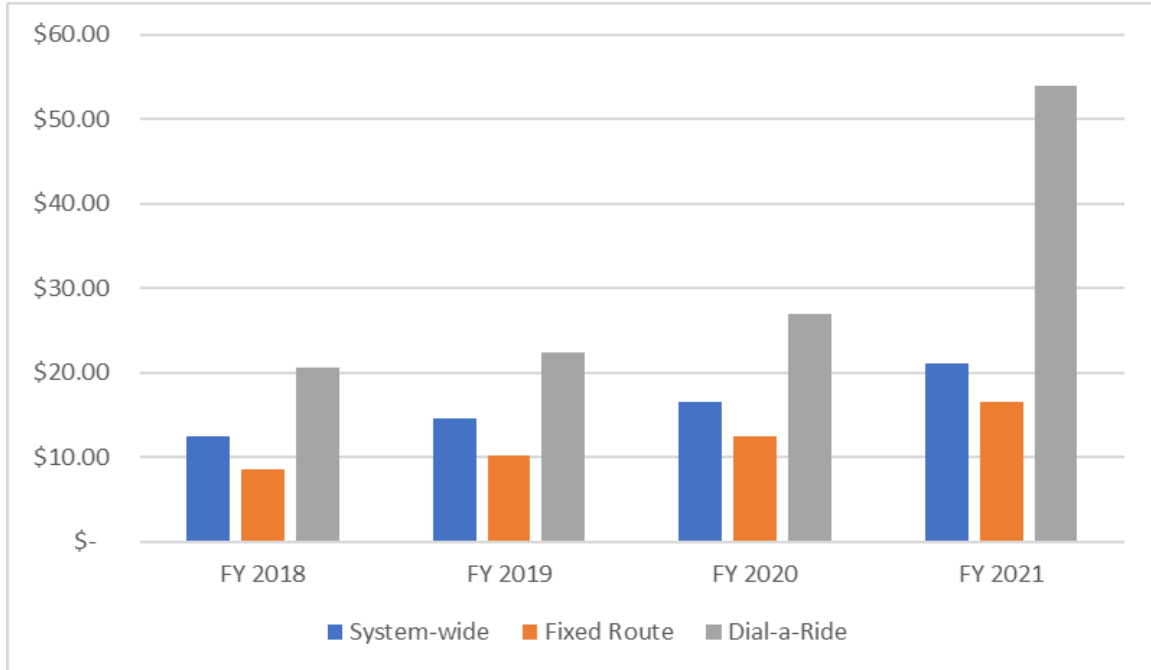
**Graph IV-1**  
**Operating Costs**  
**System-wide, Fixed Route, and Dial-A-Ride**



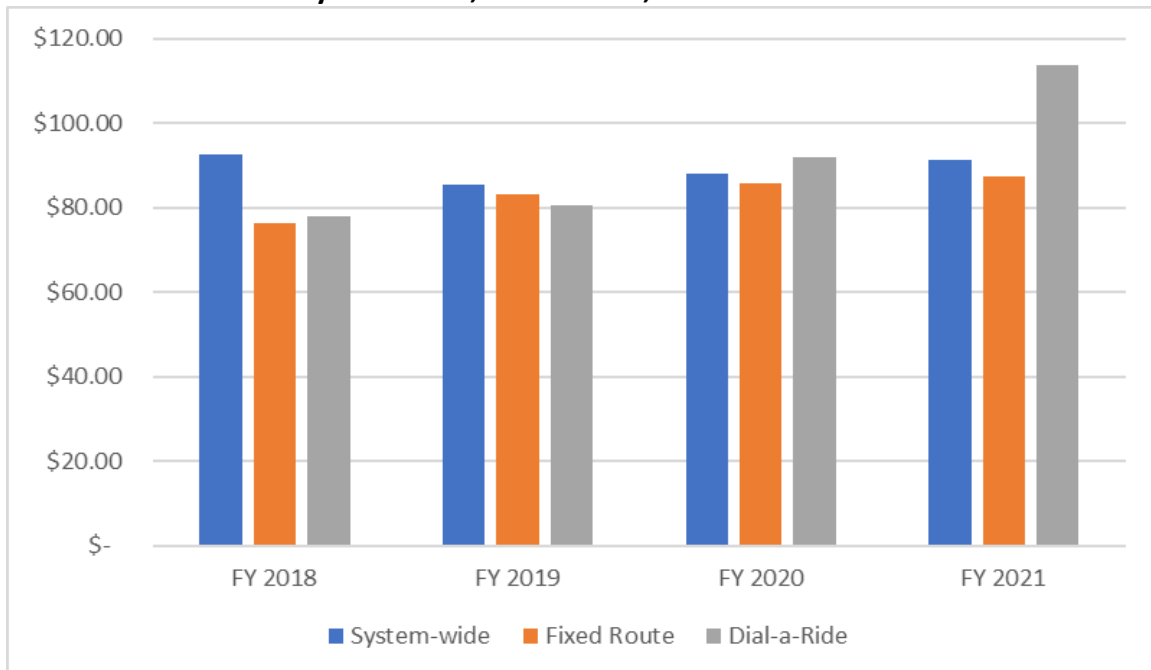
**Graph IV-2**  
**Ridership**  
**System-wide, Fixed Route, and Dial-A-Ride**



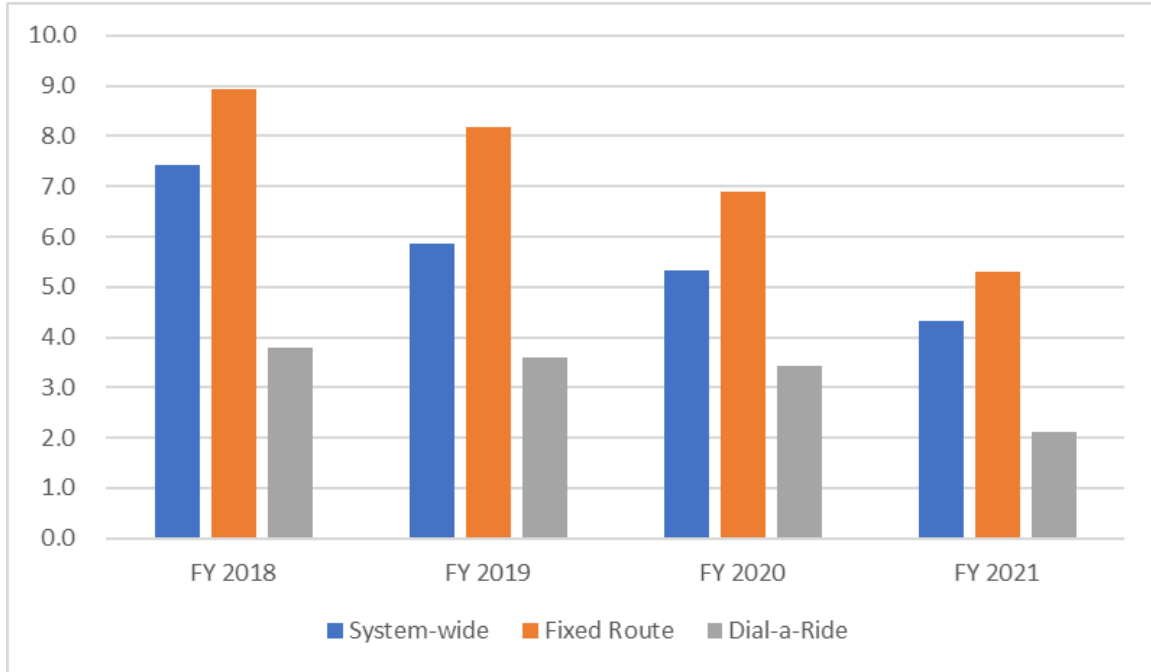
**Graph IV-3**  
**Operating Cost per Passenger**  
**System-wide, Fixed Route, and Dial-A-Ride**



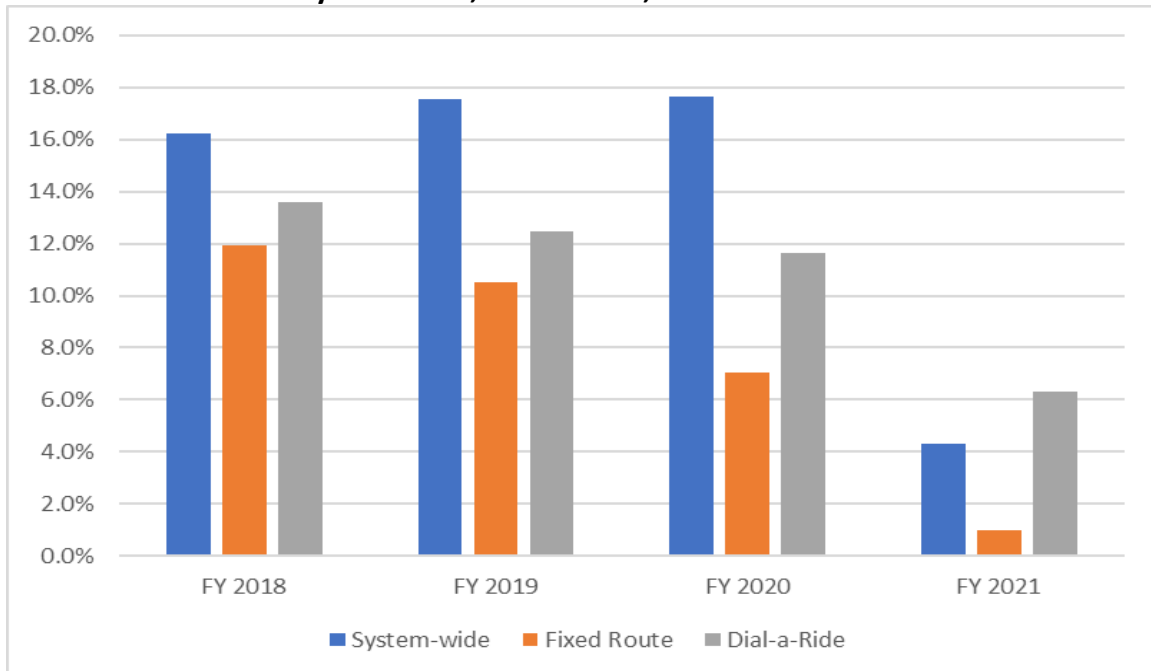
**Graph IV-4**  
**Operating Cost per Vehicle Service Hour**  
**System-wide, Fixed Route, and Dial-A-Ride**



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



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



*Note: System-wide farebox ratios include local support revenues while modal ratios do not. Corona Transit is subject to system-wide farebox ratio standard.*

## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, decreased 1.3 percent system-wide based on audited data from the FY 2018 base year through FY 2021. Based on the unaudited NTD reports, this indicator increased 14.4 percent and 45.9 percent on the fixed route and Dial-A-Ride, respectively. These relatively high growth rates on a modal basis are negative indicators of cost efficiency, or in other terms, the cost of producing a unit of transit service.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 69.6 percent system-wide based on audited data from the FY 2018 base year through FY 2021. On a modal basis, cost per passenger increased 92.9 percent and 161.8 percent on fixed route and Dial-A-Ride, respectively, during the audit period. The increased indicator is due to increased costs coupled with decreased ridership for both modes due to the COVID-19 pandemic. This higher percentage indicates reduced effectiveness in the delivery of services. Ridership system-wide decreased by 61.6 percent, from 234,318 passengers in FY 2018 to 90,031 passengers in FY 2021, while operating costs decreased 34.9 percent for the same period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, declined 41.8 percent from the FY 2018 base year through FY 2021. Fixed route experienced a decrease of 40.7 percent from FY 2018. Passengers per hour for Dial-A-Ride declined by 44.3 percent. System-wide, the number of passengers per service hour fell from 7.4 in FY 2018 to 4.3 in FY 2021. On the fixed route, this indicator decreased from 8.9 passengers per hour in FY 2018 to 5.3 passengers in FY 2021. For Dial-A-Ride, the number of passengers per hour decreased from 3.8 to 2.1 during the same time period.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 38.7 percent system-wide, from 0.59 in FY 2018 to 0.36 in FY 2021. For fixed-route operations, the number of passengers per service mile decreased 38.8 percent, from 0.75 to 0.46 between FY 2018 and FY 2021. On Dial-a-Ride, passengers per service mile decreased 45.7 percent over the same period. Passenger trips decreased at a higher percentage rate than vehicle service miles for both service modes.
5. **Vehicle service hours per employee** decreased 16.9 percent system-wide between FY 2018 and FY 2021. Vehicle service hours per employee for fixed-route service decreased 13.9 percent during the reporting period, from 1,119.9 hours in FY 2018 to 964.7 hours in FY 2021, as vehicle service hours decreased, and the number of full-time equivalents (FTEs) increased (from 13 to 15) during the period. For Dial-A-Ride, vehicle hours per employee decreased 38 percent over the same period. Dial-a-Ride employees decreased from 18 to 12 FTEs while vehicle service hours decreased 58.6 percent. This measure is based on the number of

employee FTEs using employee pay hours from the Transit Operators Financial Transactions Report and dividing by 2,000 hours per employee.

6. **Farebox recovery** exhibited an overall percentage decrease of 73.6 percent system-wide from 16.25 percent in the FY 2018 base year to 4.29 percent in FY 2021 based on audited data. Effective FY 2018, Corona adopted a blended system-wide farebox recovery ratio of 15 percent. The fixed route is subject to a 20 percent farebox recovery and Dial-A-Ride is subject to a 10 percent farebox recovery. The City's audited farebox recovery is inclusive of interest, South Coast Air Quality Management District revenue, and other local support. System-wide farebox recovery remained above 15 percent in FY 2019 and FY 2020 before dropping below 15 percent in FY 2021. The drop below 15 percent is primarily due to the impacts of the COVID-19 pandemic. Without local support revenues, system-wide farebox recovery decreased by 73.2 percent from 10.03 percent in FY 2018 to 2.69 percent in FY 2021. Farebox for fixed route decreased by 91.7 percent exclusive of local support revenues, due to the increase in modal operating costs coupled with a large decrease in farebox revenue for the service. Dial-A-Ride farebox recovery declined 53.4 percent without local support as the slight growth in operating costs was offset by the decline in Dial-A-Ride fare collection during the audit period. Fare collection was suspended in April 2020 but resumed in July 2021. The City used CARES Act funding to cover operation costs.

### **Conclusion from the Verification of TDA Performance Indicators**

The City of Corona's system-wide performance indicators reflect decreases in operating costs while exhibiting higher declines in ridership due to the service impacts of the COVID-19 pandemic. Ridership decreased 61.6 percent system-wide during the audit period. Fixed-route ridership, comprising about 85 percent of total passengers, decreased by 41 percent, while Dial-A-Ride ridership decreased 77 percent. System-wide, ridership decreased steadily from year to year (27 percent annualized). Dial-A-Ride ridership exhibited steady declines due to the Dial-A-Ride service provision changing from general public to specialized service in FY 2018 as well as the COVID-19 pandemic in the fourth quarter of FY 2020 and extending through FY 2021. The initial decline was expected as Dial-A-Ride no longer serves the general public, which included many student riders.

Operating costs system-wide decreased 34.9 percent over the review period from the FY 2018 base year through FY 2021 based on audited data. By mode (using unaudited data), fixed-route services experienced a 13.8 percent increase in operating costs during the audit period while Dial-A-Ride decreased by 39.7 percent. Vehicle service hours decreased system-wide during the audit period; fixed-route decreased .06 percent and Dial-A-Ride decreased 58.6 percent. Fixed-route vehicle service miles decreased 3.6 percent while Dial-A-Ride vehicle service miles decreased 57.6 percent. The rates of decline in Dial-A-Ride hours and miles were lower than the rate of decline in Dial-A-Ride ridership.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions within the City of Corona Transit Service. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of Corona:

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

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

#### Operations

The City of Corona Transit Service is composed of two fixed routes and a specialized Dial-A-Ride service available to individuals certified under the ADA, seniors (60+), and persons with disabilities. The City changed Dial-A-Ride to a specialized service from general public service on in FY 2018. The Dial-A-Ride operates the same hours as the fixed-route service. The transit system serves to augment RTA's routes in Corona, which are more commuter oriented. Corona Cruiser has been averaging 6 to 7 passengers an hour whereas Dial-A-Ride has been averaging nearly 3 passengers an hour.

On July 18, 2018, the City Council awarded MV Transportation the contract for the operation of City of Corona Transit Service. Previously, the service was operated under contract by Irvine-based Transportation Concepts. MV Transportation commenced operations effective September 1, 2018. The transition from Transportation Concepts to MV Transportation took approximately one year.

MV Transportation uses Optibus for bus run cuts. Optibus is a software-as-a-service platform that plans and schedules the movements of vehicles and drivers. The Routematch dispatching and scheduling program has an automated vehicle locator (AVL) feature and is used for scheduling and organizing Dial-A-Ride trips, communication between the bus operators and dispatching staff regarding pick-ups and drop-offs, messaging, navigation and tracking of vehicles. Foremost it is a scheduling software that allows report generation. Routematch software is provided by the City whereas Optibus is provided by MV. Corona has reported issues

with setting the reporting parameters and has not been using the system's optimization tools. In July 2019, Routematch provided optimization training and adjusted the reporting parameters.

Each vehicle is equipped with eight security cameras. In addition, Corona utilizes DriveCam, a video-based driver safety program that harnesses the power of video, predictive analytics, and a cloud-based platform to help improve driver safety, exonerate drivers from false claims, and significantly reduce collisions and related costs. Another safety feature that was implemented is Mobileye, which is a collision avoidance system that prevents tailgating.

Before the start of each run, drivers clock in and receive the daily manifest. The drivers perform a pre-trip inspection and note the beginning mileage. Mileage is manually reported and entered into an Access spreadsheet. The contractor's administrative assistant or project manager inputs the data and submits to the City for review.

According to monthly and annual operations reports, on average 5.81 percent of Dial-A-Ride trips are no-shows. This is a 0.4 decrease in no-shows as compared to the last audit period. While the frequency of no-shows remains above general industry norms of less than 5 percent, the notable decline indicates that the City's revised no-show policy and procedure, implemented in March 2019, is leading to some efficiency improvements.

The on-time performance standard is 95 percent and monitored by the Routematch AVL system and calls into dispatch. Road supervisors conduct periodic time checks. For the fixed route during the audit period, drivers made calls into dispatch at designated time points, generally about four per route. In the event a fixed-route bus is running behind schedule, a Dial-A-Ride vehicle may be dispatched to allow the fixed-route bus to get back on schedule. On-time performance for Dial-A-Ride is tracked through the trip sheets. There is a 30-minute pickup window that is monitored by dispatch.

On-time performance for all service modes averaged just under 93 percent in FY 2021, which is an improvement from the prior two fiscal years. While some of the improved performance was attributed to less traffic during the pandemic, traffic congestion continues to threaten the ability to efficiently maintain a high level of on-time performance. City transit staff have been adjusting bus time schedules to accommodate the increased congestion. Schedule adherence is being met on the Corona Cruiser. The City looked at peak times and construction impacts from the ongoing freeway and road construction from the SR-91 Corridor Improvement Projects and the Cajalco Road/I-15 Interchange Improvement Project. Corona's on-time performance for the audit period is summarized in Table V-1:

**Table V-1**  
**Corona Transit Service On-Time Performance**

	<b>FY 2018–19</b>	<b>FY 2019–20</b>	<b>FY 2020–21</b>
<b>Blue Line</b>	78.3%	83.2%	92.4%
<b>Red Line</b>	73.0%	79.0%	89.8%
<b>Dial-A-Ride (ADA)</b>	91.2%	85.0%	96.1%

Source: City of Corona Productivity Reports

Corona Transit vehicles are equipped with non-electronic Diamond fareboxes. Drivers verify on the spot that proper fares are placed into the farebox. After each run has been completed, the farebox vaults are secured in the dispatch office. Revenues are counted the following day by two contract staff, composed of the general manager and assistant general manager or the assistant general manager and a dispatcher. The count is conducted in a camera-equipped room. After the count is completed and reconciled, the revenues are transported to the bank for deposit.

The City conducts periodic spot checks of the fare revenues. In addition, MV Transportation has conducted an audit of its fare counting and reconciliation procedures. The audit found that there was more of a variance on the fixed route, with projected revenues being higher than the actual. This variance may be attributed to the day passes used by most student riders and the possibility that some of the drivers were entering the wrong passenger category on the trip sheets.

### Personnel

When operations were transferred from the previous contracted operator, Transportation Concepts, to MV Transportation in September 2018, the drivers and dispatchers remained on staff. In addition, more support personnel were added to operations, including road supervisors. MV Transportation personnel are composed of a general manager, assistant general manager, three maintenance employees, one utility worker, two dispatchers, two road supervisors, one trainer, and 18 drivers. Two drivers are classified as part-time and dispatchers are designated backup drivers. Non-exempt employees are non-union and there is no extraboard. The average years of experience span between 15 and 20 years. There has been limited employee turnover and five drivers were hired over the audit period.

Drivers are trained on both service modes. Routes are bid annually in February based on service needs. The bidding process begins with the Dial-A-Ride runs and extends to the fixed route. MV Transportation uses layover points to guide the bidding process. In 2020, there were a number of split shifts on the fixed route that would have drivers assigned to the Red Route in the morning and the Blue Route in the afternoon.

Recruitment takes place through MV Transportation’s corporate website as well as through online advertisements on Craigslist and Indeed. Drivers are required to have a Class B license and an air brake endorsement is encouraged. Fixed-route drivers are Verification Transit Training-certified. General Public Paratransit Vehicle certification is no longer required. Driver candidates with a Class B license undergo 15 hours of classroom training and 20 hours of behind-the-wheel

transit, plus two to three days of cadet training involving the trainee riding along with an experienced driver.

Driver candidates without a Class B license undergo 40 hours of classroom training and 30 or more hours of behind-the-wheel training, plus two to three days of cadet training. New drivers are sent to MV Transportation's Paramount facility for training and DMV testing prior to cadet training. Monthly safety meetings are held on Saturdays and on two weekdays. Topics are provided by MV Transportation's corporate office and include defensive driving, passenger awareness, operational updates, accidents, work-related injuries, COVID-19/personal protective equipment, and customer service.

The road supervisor conducts a 45- and 90-day evaluation of the drivers, which includes retraining if necessary. Observations are conducted on board the vehicle or from a remote vantage point. Preventative accidents trigger retraining. Most accidents have been minor. Footage from MV Transportation's proprietary on-board camera system, DriveCam, is reviewed daily. The Mobileye collision avoidance system has been installed on the windshields of the vehicles to prevent tailgating. The system will activate when the vehicle is less than two car lengths ahead.

In addition to MV Transportation personnel, there were also multiple City staff positions that were responsible for administrative functions at Corona Transit. During the audit period, the public works director and an administrative assistant contributed 9 percent and 13 percent of their work time to Corona Transit tasks, respectively. Additionally, a transportation planning supervisor and associate engineer were both fully dedicated to Corona Transit tasks.<sup>3</sup>

### COVID-19 Pandemic Impacts

Personal protective equipment distributed to the drivers included gloves, face masks, hand sanitizer, goggles, and face shields. Service levels for fixed route remained unchanged; however, Dial-A-Ride service hours were reduced. These necessary activities in response to the rapidly evolving COVID-19 pandemic condition resulted in impacts on performance trends which were pervasive throughout the transit industry during the fourth quarter of FY 2020 and most of FY 2021. Fare collection resumed on all service modes in the summer of 2021.

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<sup>3</sup> Slightly after the audit period, City staffing changes occurred for the transit program due to restructuring in August 2021. Both the Associate Engineer and Administrative Assistant were transitioned out of transit by October 2021. Currently, the entire transit program is being overseen by the Transportation Planning Supervisor in the Community Services Department. The staff transitions create additional challenges to balance increased day-to-day transit responsibilities from the shortage in assistance to carry out the various functions including grant administration, capital improvement, oversight, marketing, budgeting, regulatory compliance, etc.

As a result of the stay-at-home order, Corona Transit experienced a drastic decline in ridership. Corona Transit also implemented various measures to help prevent the spread of the virus including:

- Increased sanitation of buses and bus stop shelters and equipment;
- Suspension of fare collection to reduce contact and increased social distancing;
- Enforcing the mask mandate policy on board buses;
- Providing hand sanitizer and masks on board buses; and
- Installation of driver barriers on board buses.

### **Maintenance**

MV Transportation conducts vehicle maintenance in-house and employed two full-time mechanics, one A level and one B level mechanic, as well as a maintenance manager. The contract with the City included a provision for the contractor to pay prevailing wages under the state prevailing wage laws for public works, which include mechanics. The mechanics are Automotive Service Excellence (ASE) certified and the maintenance manager has ASE certification for CNG. Mechanics received incentive pay for certifications.

Vehicles are maintained at an off-site facility located in the city of Ontario. The maintenance facility is located at 1930 South Rochester Avenue in Ontario, approximately 13 miles from Corona. The facility has up to three service bays, a parts room, maintenance manager's office, and a large upstairs storage room. The facility can accommodate up to three vehicles. Body work and the fire suppression system and engine control module inspections are outsourced.

Vehicle maintenance follows City standards of 45 days or 3,000 miles, which conform to the CHP regulations. To allow a scheduling cushion, the transit contractor schedules each preventative maintenance inspection (PMI) every 40 days or 2,500 miles. The City's engineering technician reviews the PMIs. The relatively long distance between the contractor's maintenance facility and the City Corporation Yard provides a two-way road test for the vehicles. Fueling is the responsibility of the City, which has a CNG slow-fill fueling facility at the Corporation Yard where the transit fleet is fueled. Cycle counts of the parts inventory are conducted twice annually in June and December. The contractor utilizes Trapeze EAM fleet maintenance software.

Pre-trip inspection procedures involve the drivers clocking in with dispatch. The maintenance manager is present for the rollout of each vehicle. The driver vehicle inspection report is composed of a two carbon-copy booklet that remains in the vehicle for a period of 30 days.

The CHP is responsible for certifying the transit system's maintenance facilities and for inspecting vehicles on an annual basis. Corona Transit vehicles have received satisfactory terminal inspections from the CHP.

In addition to the mechanic positions, MV Transportation is responsible for staffing bus stop/shelter maintenance and bus washer and detailer staff within the maintenance

department. Currently, the bus stop/shelter maintenance role is filled by a full-time staff person. This position is responsible for the upkeep of 185 bus stops and 27 bus shelters within the Corona Transit’s service area, including maintaining the cleanliness of bus stops and repairing or replacing any damaged bus stop signs or amenities. Bus washers and detailers are responsible for the cleaning, washing, and detailing the interior and exterior of all vehicles.

In January 2019, Corona Transit completed its Shelter Battery and Light project. Through this project, the agency replaced the deteriorating batteries and components within bus stop shelter solar lighting systems at 25 Corona Cruiser bus stops throughout the service area. Part of the project included the relocation of a bus shelter from an out-of-service stop to a high ridership stop to better serve customers.

**Planning**

The City of Corona prepares a Short-Range Transit Plan (SRTP) on an annual basis. The SRTP covers a three-year planning horizon and includes a system overview; services and performance analysis for each route and service provided; service changes; and financial and capital plans. Under the existing services and route performance chapter, a series of recommendations for service improvements is presented for each route or program. Performance data from TransTrack Manager is also included in the SRTP to provide an annual comparison. In adhering to the SRTP analysis element, Corona must meet at least four out of seven discretionary performance targets. These indicators are in relation to RCTC’s Productivity Improvement Program. There is one mandatory target, which is the farebox recovery ratio set at a blended rate of 15 percent for fixed route and Dial-A-Ride. The following table shows the performance targets during the audit period.

**Table V-2  
Corona Transit Performance Target**

Performance Indicators	FY 2018–19 Target	FY 2019–20 Target	FY 2020–21 Target
Farebox Recovery	>=14.82%	>=15.00%	>=20.00%
Operating Cost Per Revenue Hour	<=\$76.48	<=\$79.16	<=\$78.67
Subsidy Per Passenger	>=\$8.47 & <=\$11.47	>=\$9.40 & <=\$12.72	>=\$10.46 & <=\$14.15
Subsidy Per Passenger Mile	>=\$1.98 & <=\$2.68	>=\$2.19 & <=\$2.97	>=\$2.41 & <=\$3.27
Subsidy Per Hour	>=\$53.87 & <=\$72.89	>=\$55.37 & <=\$74.91	>=\$54.88 & <=\$74.24
Subsidy Per Mile	>=\$4.34 & <=\$5.88	>=\$4.65 & <=\$6.29	>=\$4.56 & <=\$6.18
Passengers Per Revenue Hour	>=5.44 & <=7.36	>=5.02 & <=6.79	>=4.45 & <=6.04
Passengers Per Revenue Mile	>=0.43 & <=0.59	>=0.42 & <=0.56	>=0.37 & <=0.51

Source: City of Corona SRTP, TransTrack Manager

As shown in the SRTP, the City met the mandatory farebox ratio in FYs 2018–2019, 2019–2020, and 2020–2021. The City met two out of seven discretionary performance targets in FY 2019: passengers per hour and per mile. In FY 2020 and FY 2021, the City met six out of seven discretionary performance targets, failing to meet only operating cost per hour.

As part of the FY 2020 budgeting process, Corona Transit requested that the City allocate \$48,000 in FTA Section 5307 funding toward the development of a Comprehensive Operational Analysis (COA) and, in FY 2021, requested an additional \$52,000 in CARES act funding to go toward this project.

Corona commissioned the development of the COA in late 2021 for the Corona Cruiser fixed route and Dial-A-Ride service as well as a customer satisfaction survey of the transit system. The COA effort was delayed because of the pandemic. The primary objective of the COA is to develop a plan that will enhance the efficiency and effectiveness of existing transit services while responding to the changing demands for transit throughout its service area and to provide recommendations for service improvements for a period of one to ten years.

The trend in ridership for the three-year period shows a significant shift away from student riders. According to City ridership reports during the audit period, the number of student riders relative to total fixed-route ridership declined from about 23 percent in FY 2019 to about 7 percent in FY 2021. In contrast, students made up a larger percentage of general Dial-A-Ride ridership when that type of service was offered pre-pandemic. The COVID-19 pandemic was the largest culprit in the overall decline when schools closed. However, while the route schedule accommodates school bell times, much has changed in the city such as new developments and increased congestion which contribute to slower bus speeds and difficulty in meeting the schedule during peak hours. Although the COA is addressing this change in ridership, and as schools continue to return to more normal operations, the City should remain aware of this trend and focus on operational and marketing efforts to bring students back onto the transit system. The bus schedule also needs to be adjusted to reflect current travel times and improve on-time performance.

In accordance with FTA's compliance deadline of July 20, 2021, Corona Transit adopted and self-certified its first Public Transit Agency Safety Plan (PTASP). City Council formally adopted the plan on September 3, 2020. The plan details the process and procedures Corona Transit utilizes to implement the agency's Safety Management Systems. Annual updates to the PTASP are required; while only self-certification and board adoption are required for ratification of a PTASP, FTA will formally review the plan for compliance during the federal triennial review process.

### **Marketing**

Corona's transit services are marketed in electronic and print formats. The City has included a budget line item in the transit budget for marketing. The City's website contains a dedicated page with information about the transit system. The Corona Transit Services web page ([www.CoronaCA.gov/transit](http://www.CoronaCA.gov/transit)) includes information about fares, routes, service hours, and tips in both English and Spanish. Brochures and schedules are available as PDF downloads. In the menu on the web page is a link to the Title VI Statement in English and Spanish with links to complaint procedures and forms and disclosures regarding passenger accommodation and non-discrimination. Quick response (QR) codes have been created for mobile devices to access information about the Corona Cruiser.

The City of Corona makes transit stop and schedule data available in the General Transit Feed Specification format, subject to the City of Corona Transit Data License Agreement. Downloading and usage of the transit data is based on acceptance and agreement to the data license agreement.

Printed brochures are available for both service modes. The fixed-route colored trifold brochure, last updated in November 2020, provides a service area map with fare, schedule, and service hour information. The Dial-A-Ride color brochure was last updated in November 2020 and includes the updated no-show policy, as well as a service area map with the fixed-route lines. Brochures are published in-house.

The City has requested the contract operator to document marketing efforts. Complaints are tracked by the contract operator and recorded onto the monthly report to the City. The MV Transportation general manager and assistant general manager will investigate complaints in-house. Complaints of a more serious nature are forwarded to the City for follow-up. Complaints are placed into the driver's file for reference. The website also has an email feedback form that transfers customer comments to City transit staff.

To help with advertising transit and promoting ridership, the City is planning on implementing a new program for transit travel training and has asked the contract operator to attend and set up transit booths at various events.

As policy, advertising is not sold on the bus. Rather, the City promotes a "Poetry and Art on the Bus" contest in partnership with local high schools to showcase local and cultural talent. Poetry and visual art are judged by a committee composed of students and school and Corona Transit staff. Winners are selected for their originality, awareness of experience, expressiveness, and imagination. The winning art is showcased on transit vehicles for one month; the winning artist receives a 31-day bus pass, a certificate, and a \$150 gift card.

Corona allows advertising space on its bus shelters and has expressed interest in allowing advertising on board its vehicles. The City currently does not have an advertising policy and is looking to develop one. Revenue from advertising could be a potential source of farebox support under the provisions of the TDA.

Pursuant to the federal Civil Rights Act of 1964, the City of Corona has adopted a Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes a link to the Title VI policy on the Corona Transit Services web page (<https://www.coronaca.gov/government/departments-divisions/public-works/title-vi>) along with a complaint form in English and Spanish.

## **General Administration and Management**

The City of Corona was incorporated on July 13, 1896, as a general law city and has a council-manager form of government. The City Council serves as the principal legislative body and each councilmember is elected for a four-year term. Regular meetings of the City Council are convened on the first and fourth Wednesdays of each month at 6:30 p.m. in the Council Chambers at Corona City Hall. The City treasurer, who is also elected to a four-year term, acts as the fiscal agent for the City. The City experienced turnover in administration and leadership during the period with the election of new councilmembers as well as receiving a new city manager, assistant city manager, and public works director.

The City manager is responsible for administrative and budgetary oversight of City departments. The City's public transit operations have been under the purview of the Public Works Department and managed and administered daily by the transportation planning supervisor and engineering technician. Managerial support was provided by the Public Works director. Effective August 16, 2021, transit administration comprised solely of the Transportation Planning Supervisor was moved under Community Services. The City Finance director and transit staff are responsible for the completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.

During the audit period, the City's Public Services Committee met monthly and reviewed proposed changes to the transit service. The Public Services Committee comprised two councilmembers, the City manager (or representative), assistant City manager, and department heads. This committee also reviewed the SRTP. The Public Services Committee was disbanded in December 2020, and the annual SRTP and most transit items go straight to the City Council for adoption. Other committees exist such as the Committee of the Whole, consisting of all five members of the City Council, which provides a workshop setting for Council to discuss issues, deliberate, and give feedback, direction, or preliminarily review. However, there have not been any transit items that were required to be taken and reviewed by this committee. In addition, the T-NOW local chapter, which an elected official from Corona attends, addresses transit issues in Corona.

The City's transit facility is located at 735 West Public Safety Way in the City's Corporation Yard. From this location the contract operator provides administrative and dispatching services as well as vehicle parking and fueling. The contract operator has an on-site project manager who oversees the day-to-day transit functions and staff.

An RFP for contracted fixed-route and Dial-a-Ride operations and maintenance was released by the City in March 2018. MV Transportation was selected by the City to operate the transit system. The contract start date was pushed out to September 1, 2018, from the initial start date of July 1, 2018. In the interim, the City and Transportation Concepts executed a contract amendment for an additional two-month period prior to MV Transportation taking over as contractor. The new contract with MV Transportation contains increased oversight and accountability provisions as well as liquidated damages clauses. The City also consulted the RTA for guidance on contract administration.

Upon becoming contract operator, MV Transportation submitted an implementation plan to the City and provides daily reports. The contractor and the City meet every three weeks; meetings include the City's transportation planning supervisor, engineering technician, and public works director. Monthly performance reports are due on the tenth of the month and are formatted on an Excel spreadsheet. The City transportation planning supervisor selects sample performance reports in the invoice to investigate, and assesses liquidated damages or awards incentives for actual service measures. Liquidated damages are assessed on the contractor for not meeting specific operational standards in the contract, such as excessive early or late trips. Penalty amounts range from \$50 to \$1,000 per incident depending on the infraction, including on-time performance, complaints, late pullouts, and non-compliant PMIs. Incentives are given for exceeding on-time performance and no preventable accidents in a quarter.

The primary source of transit funding support is derived from the LTF. The City submits the annual TDA claim for funds to RCTC. TDA claims are based on the City's annual transit budget and the financial element of the SRTP. Reserve allocations for LTF and STA funds are included as separate line items on the claim form. The City's LTF allocation goes toward operations whereas STA funds are allocated toward capital purchases and improvements.

During the audit period, an FTA triennial review took place virtually on March 29 through April 12, 2021, with the final report being released on June 9, 2021. The triennial review focused on the City's compliance in 21 areas. No deficiencies were found with FTA requirements in any of the 21 areas. On June 8, 2021, the FTA issued a report closure letter.

### Grants Management

Grant funding allocated toward the transit system has been derived from state and federal sources. The City uses an Open Capital Grants report spreadsheet to track grant activity on a quarterly basis. The spreadsheet is configured based on the allocation year, assigned project number, project name, allocation of funds by source, funds spent during the quarter and to date, remaining balance, and project status and milestones.

Corona received state Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds as a part of the Proposition 1B bond act. Funds were used for the purchase of the Dial-A-Ride buses in 2018 while remaining residual PTMISEA funds were used towards the CNG slow-fill hose replacement project also completed in 2018. South Coast Air Quality Management District funds (AB2766 Subvention funds) were used for a bus pass subsidy program, and to pay for Western Riverside Council of Governments coalition fees.

Low Carbon Transit Operations Program (LCTOP) funds have been used toward free fare days to boost ridership. The City started using LCTOP funds in July 2021 for free fare for seniors on Fridays and during the first week of school for students.<sup>5</sup> FTA Section 5307 funds have been

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<sup>5</sup> Most recently, free fares for all was implemented starting February 2022 through June 2022 in order to utilize as much LCTOP funds.

applied towards vehicle procurement in the past in addition to being used primarily to cover operating costs. LTF and STA revenues are also used as matching funds for FTA grants. LTF funds are used for operating match while STA funds are used for capital match. In addition, over the past decade, Corona has been receiving a \$10,000 annual contribution from the Corona Regional Medical Center.

The annual SRTP identifies and lists capital projects for funding that are approved through the SRTP process. Using a matrix worksheet for transit grant revenues, the City tracks and categorizes projects by source, project allocation, appropriation, drawdown availability, the amount spent, and amount remaining. Capital project activity over the last three years during the performance period includes purchase of replacement Dial-A-Ride buses, CNG slow-fill hose replacement, Cruiser bus stop solar battery replacement project, relocation of bus shelter and procurement of support equipment & software. Future projects include the following:

- Intelligent Transportation System (includes advanced fare payment system)
- Route Development Buses (4)
- ADA Accessible Van (2)
- Support Equipment and Software
- Digital Land Mobile Radio System
- Bus Stop Improvements and Amenities
- Canopy/Roof Structure for Bus Parking Area
- Replacement Buses

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to the City of Corona Transit Service, the operator fully complied with seven of the nine applicable requirements. The City was in partial compliance regarding the timely submittal of the FY 2019 fiscal and compliance audit and farebox recovery attainment for FY 2021.<sup>6</sup> Two additional compliance requirements are not applicable to Corona (i.e., intermediate farebox recovery ratio and rural area farebox recovery ratio).
2. Effective FY 2018, Corona adopted a blended system-wide farebox recovery ratio of 15 percent, in consultation with RCTC, based on the available data from the audited City of Corona Transit Services Fund Financial Statements. Under the revised farebox recovery standard, the fixed route is subject to a 20 percent farebox recovery and Dial-A-Ride would be subject to a 10 percent farebox recovery. The system-wide farebox recovery ratios were 17.56 percent in FY 2019, 17.65 percent in FY 2020, and 4.29 percent in FY 2021. It is noted that the audited farebox ratio in FY 2021 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection. The City utilized an allowable combination of additional local support revenues in order to meet minimum farebox recovery attainment in FY 2019 and FY 2020.
3. Through its contract operator, the City participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The City of Corona Transit Fund operating budget exhibited modest fluctuations during the audit period. The budget increased by 1.9 percent in FY 2019 and 11.4 percent in FY 2020. In FY 2021, the budget decreased by 4.4 percent. The budget increases are attributed to higher salary and benefit costs as well as the new operations and maintenance contract.
5. Corona satisfactorily implemented one of the three prior audit recommendations. The recommendation pertained to the completion and submittal of separate State Controller Reports for both general and specialized service. The two remaining recommendations were partially implemented and pertain to the continued implementation of ADA subscription services on Dial-A-Ride and the inclusion of additional locally generated revenue in the

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<sup>6</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator by RCTC that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

farebox recovery. The ADA subscription service recommendation is being carried forward for full implementation.

6. Operating cost per vehicle service hour, an indicator of cost efficiency, decreased 1.3 percent system-wide based on audited data from the FY 2018 base year through FY 2021. Based on the unaudited NTD reports, this indicator increased 14.4 percent and 45.9 percent on the fixed route and Dial-A-Ride, respectively. These relatively high growth rates on a modal basis are negative indicators of cost efficiency, or in other terms, the cost of producing a unit of transit service.
7. Operating cost per passenger, an indicator of cost effectiveness, increased 69.6 percent system-wide based on audited data from the FY 2018 base year through FY 2021. On a modal basis, cost per passenger increased 92.9 percent and 161.8 percent on fixed route and Dial-A-Ride, respectively, during the audit period. The increased indicator is due to increased costs coupled with decreased ridership for both modes due to the COVID-19 pandemic. This higher percentage indicates reduced effectiveness in the delivery of services. Ridership system-wide decreased by 61.6 percent, from 234,318 passengers in FY 2018 to 90,031 passengers in FY 2021, while operating costs decreased 34.9 percent for the same period.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, declined 41.8 percent from the FY 2018 base year through FY 2021. Fixed route experienced a decrease of 40.7 percent from FY 2018. Passengers per hour for Dial-A-Ride declined by 44.3 percent. System-wide, the number of passengers per service hour fell from 7.4 in FY 2018 to 4.3 in FY 2021. On the fixed route, this indicator decreased from 8.9 passengers per hour in FY 2018 to 5.3 passengers in FY 2021. For Dial-A-Ride, the number of passengers per hour decreased from 3.8 to 2.1 during the same time period.
9. Passengers per vehicle service mile, another indicator of service effectiveness, decreased 38.7 percent system-wide, from 0.59 in FY 2018 to 0.36 in FY 2021. For fixed-route operations, the number of passengers per service mile decreased 38.8 percent, from 0.75 to 0.46 between FY 2018 and FY 2021. On Dial-a-Ride, passengers per service mile decreased 45.7 percent over the same period. Passenger trips decreased at a higher percentage rate than vehicle service miles for both service modes.
10. On July 18, 2018, the City Council awarded MV Transportation the contract for the operation of City of Corona Transit Service. Previously the service was operated under contract by Irvine-based Transportation Concepts. MV Transportation commenced operations effective September 1, 2018. The transition from Transportation Concepts to MV Transportation took approximately one year.
11. Corona implemented measures and protocols to mitigate the spread of COVID-19 that included increased sanitation of buses and bus stop shelters and equipment; suspension of fare collection to reduce contact and increased social distancing; enforcement of the mask mandate policy on board buses; provision of hand sanitizer and masks on board buses; and the installation of driver barriers on board buses.

12. The trend in ridership for the three-year period shows a significant shift away from student riders on fixed route, declining from about 23 percent in FY 2019 to about 7 percent in FY 2021. The COVID-19 pandemic was the largest culprit in the overall decline when schools closed. However, while the route schedule accommodates school bell times, much has changed in the city such as new developments and increased congestion which contribute to slower bus speeds and difficulty in meeting the schedule during peak hours.
13. MV Transportation conducts vehicle maintenance in-house and employed two full-time mechanics, one A level and one B level mechanic, as well as a maintenance manager. Vehicles are maintained at an off-site facility located in the city of Ontario, approximately 13 miles from the City Corporation Yard. The facility has up to three service bays, a parts room, maintenance manager's office, and a large upstairs storage room. The facility can accommodate up to three vehicles.
14. The City's public transit operations have been under the purview of the Public Works Department and managed and administered daily by the transportation planning supervisor and engineering technician. Managerial support was provided by the Public Works director. Effective August 16, 2021, transit administration was moved under Community Services.
15. Corona underwent a virtual FTA triennial review from March 29 through April 12, 2021, with the final report being released on June 9, 2021. The triennial review focused on the City's compliance in 21 areas. No deficiencies were found with FTA requirements in any of the 21 areas. On June 8, 2021, the FTA issued a report closure letter.

## Recommendations

### 1. Continue process of implementing ADA subscription services on Dial-A-Ride.

This recommendation is being carried forward from the prior audit. The City is still in the process of implementing an ADA subscription service. Dial-A-Ride's transition from general public to a specialized service for ADA-certified and senior passengers makes the subscription service option more feasible. Subscription trips to the Inland Empire Adult Day Health Care Center and other adult day care centers have been ongoing. In addition, the City already monitors ADA trips to ensure that there are no capacity constraints. Nevertheless, the City has indicated its willingness to work with the contract operator and review the feasibility of establishing a formal ADA Subscription Services Policy. A call-back function to remind riders of their upcoming trips will also improve operating efficiency and effectiveness. The City will be incorporating a call-back function in the next ITS project.

### 2. Include additional locally generated revenue in the farebox recovery.

During the audit period, Corona adopted a blended farebox recovery standard of 15 percent. The revenues in the farebox ratio are composed primarily of passenger fares, City supplemental support revenues, and South Coast Air Quality Management District subsidies. State legislation (SB 508) reinforces current RCTC practice of allowing other locally generated revenues in the farebox ratio. These other revenues could include advertising generated by the transit system, bus wraps on the vehicles, and other local contributions from the City to the transit program. Additional state legislation (Assembly Bill 149) allows other support revenue such as free and reduced transit fares to be counted toward farebox recovery at full retail value, and federal funds to be counted as "local funds." Corona allows advertising space on its bus shelters and has expressed interest in allowing advertising on board its vehicles. The City currently does not have an advertising policy but has expressed interest in developing one. However, staffing and budgetary constraints make it difficult to pursue. Nevertheless, given the farebox recovery trends, the City should pursue this measure to incorporate other locally generated revenue in its farebox recovery.

### 3. Develop COVID-19 recovery plan and target core ridership including student riders.

Significant student ridership declines were shown in City ridership reports during the audit period. The COVID-19 pandemic was the largest culprit in the overall decline when schools closed. However, while the route schedule accommodates school bell times, much has changed in the city such as new developments and increased congestion which contribute to slower bus speeds and difficulty in meeting the schedule during peak hours. Although the COA is addressing this change in ridership, and as schools continue to return to more normal operations, the City should remain aware of this trend and focus on operational and marketing efforts to bring students back into the transit system. A COVID-19 recovery plan should be developed that focuses on core rider markets including students. The recovery plan could include steps to improve bus service to continue meeting school bell times and be

part of SRTP planning. Surveys of students would help provide primary data. An evaluation of route schedules and school bell times should be conducted to address the decline and improve on-time performance over the longer term. Targeted marketing and fare pricing should also be considered in the COA process.





**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of City of Riverside Special Transportation Services**



*October 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker  
INTERNATIONAL**

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## Section I

### Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Riverside County Transportation Commission (RCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Riverside County. This performance audit is conducted for the City of Riverside Special Transportation Services (City, STS) covering the most recent triennial period, fiscal years 2018-2019 through 2020-2021.

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

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

### Overview of the Transit System

The City of Riverside has provided Dial-A-Ride service for the elderly and disabled since the summer of 1975. The service was initially conceived to provide seniors with transportation to nutrition programs. The Dial-A-Ride service has since grown with rides being provided anywhere within the city limits—a service area encompassing close to 82 square miles. Seniors using the service are transported to a variety of destinations, including shopping, adult education, work, social activities, and medical appointments.

Based on the 2020 US Census, Riverside’s population is 314,998, which has grown 3.7 percent since the 2010 US Census. The senior citizen population, comprising residents aged 60 and over, is 15.1 percent. The 2021 population for Riverside is estimated to be 324,302, as reported by the

California Department of Finance, Population Estimates for Cities, Counties, and the State January 1, 2021. The city covers 81.14 square miles.

Riverside STS is administered by the City's Parks, Recreation and Community Services Department as part of the social service programs offered by the City. The department also administers senior centers and programs, youth opportunity centers, and BRIDGE, a gang prevention program.

In August 1992, the City entered into a memorandum of understanding (MOU) with the Riverside Transit Agency (RTA) to provide complementary paratransit service to RTA's fixed-route service within the city boundaries under the Americans with Disabilities Act (ADA) of 1990. An amendment to the MOU was approved in September 1994, which eliminated STS's obligation for the provision of evening ADA service because of low ridership and transferred the hours to increase day service to meet growing demand. In April 2003, an MOU was executed between the City of Riverside and RTA (later amended and restated in November 2012) that reaffirmed the City's commitment to provide ADA service and included specific criteria for the provisions of service pursuant to the ADA.

To raise its visibility within the community, the City launched a rebranding effort for STS, which went "live" on July 1, 2021, with STS becoming "Riverside Connect." Rebranded media included new advertisements, a revised website, and new bus wraps showcasing a new logo and brand identity. These efforts were made possible through assistance from the City's Marketing Division and Riverside TV. STS staff plans to capitalize on the new attention resulting from the rebranding and focus future marketing efforts on attracting key demographics ,including disabled veterans and new seniors.

### System Characteristics

STS provides curb-to-curb demand-responsive transit services within the city limits of Riverside to senior citizens aged 60 and older as well as to persons with disabilities certified under the ADA. Operating hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. and Saturdays, Sundays, and holidays from 9:00 a.m. to 3:00 p.m. Service does not operate on Thanksgiving, Christmas, and New Year's Day. Rides are scheduled in 15-minute intervals. STS provides ADA complementary paratransit service during the service hours of RTA fixed-route service within the city limits.

### Fares

The fare for a one-way trip is \$3.00 and \$2.00 for a one-way medical trip. General multi-trip booklets are \$30.00 and medical multi-trip booklets are \$20.00. Attendants accompanying ADA-certified passengers ride free.

Fleet

STS operates a fleet of 36 revenue vehicles, including 34 minibuses powered by compressed natural gas (CNG) and two 9-passenger unleaded fuel vans. All vehicles comply with the ADA requirements by being equipped with wheelchair lifts. A detailed description of STS’s fleet is presented in Table I-1.

**Table I-1  
STS Fleet**

<b>Year</b>	<b>Make/Model</b>	<b>Quantity</b>	<b>Fuel Type</b>	<b>Seating Capacity</b>
2010	Ford E450 Glaval III	4	CNG	16 (2 W/C)
2011	Ford E450	3	CNG	16 (2 W/C)
2012	Ford E450	2	CNG	16 (2 W/C)
2013	Ford E450	5	CNG	16 (2 W/C)
2014	Ford E450	9	CNG	16 (2 W/C)
2017	Ford E450	8	CNG	16 (2 W/C)
2019	Ford E450	3	CNG	16 (2 W/C)
2019	Ford TR Van	2	Gasoline	9 (2 W/C)
<b>Total</b>		<b>36</b>		

Source: City of Riverside Specialized Transportation Services

Note: W/C=wheelchair

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of the City’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition), developed by Caltrans, to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates:  FY 2019: January 22, 2020 FY 2020: January 26, 2021 FY 2021: January 26, 2022  <b>Conclusion: Complied.</b>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates:  FY 2019: April 13, 2020 FY 2020: March 31, 2021 FY 2021: January 25, 2022  A 90-day extension was granted by the RCTC pursuant to the TDA statute.

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
		<p>The FY 2019 fiscal and compliance audits were submitted after the 90-day extension period.</p> <p><b>Conclusion: Partial Compliance.</b></p>
<p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>The City participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the City of Riverside General Services Division located at 8095 Lincoln Avenue.</p> <p>Inspection dates applicable to the audit period were March 6, 7, and 9, 2018; April 3, 4, and 5, 2019; April 29 and 30, 2020; and May 15 and 19, 2020.</p> <p>All inspections conducted were rated satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
<p>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</p>	<p>Public Utilities Code, Section 99261</p>	<p>As a condition of approval, the City’s annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by the RCTC.</p> <p><b>Conclusion: Complied.</b></p>
<p>If an operator serves</p>	<p>Public Utilities Code, Section</p>	<p>This requirement is not</p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	99270.1	applicable, as STS only serves an urbanized area.  <b>Conclusion: Not Applicable.</b>
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in STS’s operating budget:  FY 2019: -7.0% FY 2020: +4.5% FY 2021: +9.7%  Operating budget increases are attributed to salaries and benefits, contract services, and non-personnel costs.  <i>Source: City of Riverside Short-Range Transit Plan.</i>  <b>Conclusion: Complied.</b>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle	Public Utilities Code, Section 99247	STS’s definition of performance is consistent with Public Utilities Code Section 99247. A review of TransTrack Manager reports and trip sheets generated during the audit period indicates that correct performance data are being collected.  <b>Conclusion: Complied.</b>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
service miles, and (j) vehicle service hours per employee.		
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as STS provides exclusive services to ADA-certified individuals and seniors.  <b>Conclusion: Not Applicable.</b>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Operating ratios for STS using audited data were as follows:  FY 2019: 11.33% FY 2020: 9.23% FY 2021: 1.65%  Riverside STS is subject to a system-wide farebox standard of 10 percent. The system did not meet the minimum farebox ratio in FY 2020 and FY 2021.  <i>Source: City of Riverside Special Transit Fund Financial Statements (Audited)</i>  <b>Conclusion: Partial Compliance.</b>
The current cost of the operator’s retirement system is fully funded with respect to the officers and	Public Utilities Code, Section 99271	To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		<p>assurances, one of which is that the City of Riverside’s retirement system is funded.</p> <p>City staff’s retirement is funded through the California Public Employees Retirement System (CalPERS).</p> <p><b>Conclusion: Complied.</b></p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	<p>As a recipient of State Transit Assistance funds, the City of Riverside is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended.</p> <p>FY 2019: \$96,000 (Capital) \$254,766 (Capital assistance on Operations)</p> <p>FY 2020: \$457,483 (Capital) \$284,861 (Capital assistance on Operations)</p> <p>FY 2021: \$3,733,207 (Operations) \$1,458 (Capital) \$152,182 (Capital assistance on Operations)</p> <p><i>Source: Transit Operator Financial Transactions Reports</i></p> <p><b>Conclusion: Complied.</b></p>

### Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to the City, the operator fully complied with seven out of the nine applicable requirements. The City was in partial compliance with regard to the timely completion and submittal of its annual fiscal and compliance audits and farebox recovery attainment. Two additional compliance requirements did not apply to the operator (intermediate and urban farebox recovery ratios).
2. Based on the farebox calculation in the annual Transit Services Fund Financial Statements (*audited*), Riverside's farebox recovery ratio met or exceeded the required minimum standard of 10 percent in one of the three audit years. The system-wide farebox recovery ratios were 11.33 percent in FY 2019, 9.23 percent in FY 2020, and 1.65 percent in FY 2021.<sup>1</sup> It is noted that the audited farebox ratios in FY 2020 and FY 2021 were adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection.
3. The City participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. Annual operating budget fluctuations remained below 15 percent during the audit period. The budget decreased 7.0 percent in FY 2019 followed by increases of 4.5 percent in FY 2020 and 9.7 percent in FY 2021. Operating budget increases are attributed to salaries and benefits, contract services, and non-personnel costs.

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<sup>1</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

## Section III

### Prior Triennial Performance Recommendations

STS's efforts to implement the recommendations made in the FY 2016-2018 triennial performance audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of STS's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Pursue targeted marketing efforts and rebranding of the service.

*Background:* STS is tasked with serving the mobility needs of seniors, ADA-certified persons, and persons with disabilities in the City of Riverside. The prior audit found that the senior population in the city (those 60 years of age and over) accounted for approximately 15.1 percent of the population based on the 2018 American Community Survey estimates. Riverside remained below the national average of seniors aged 60 and over, which is 21.8 percent; however, due to the Baby Boomer generation aging into their sixties, it has been anticipated that the senior population will continue to increase.

With the slow erosion in ridership in recent years, STS had been contemplating strategies to improve its messaging and outreach to the community. The transportation supervisor was encouraged to conduct outreach and brainstorm ways to better engage the customer base. There is a perception in the community that the name "Special Transportation" is not particularly appealing and conveys a stodgy image. In the spirit of the City's innovative philosophy, it was suggested that STS work with the City's marketing team to develop a brand identity for the transit service. This could be done in concert with the implementation of STS's fleet of nine-passenger minibuses and mobile fare collection. With the adoption of the \$2.00 medical fare, STS could collaborate with local medical providers and services (such as dialysis centers and adult day-care facilities) that would market trips to their patients. Veterans are also another market that STS could target.

#### Actions taken by STS

In response to this recommendation as well as due to internal planning efforts, STS embarked on a total rebranding of its service name and brand identity. With the assistance of the City's Marketing Division and Riverside TV, the service, beginning July 1, 2021, officially became known as "Riverside Connect." Along with new advertisements and a revised website, all of the buses in the STS fleet were rewrapped with a new logo and image to create a brand identity for the service. Subsequently, the Special Transportation Division intends to look at other ways to market the service to key demographic markets such as disabled veterans and new seniors who

have turned 60 years of age but may not know that the City offers this type of transportation service specifically for their age group.

### Conclusion

This recommendation has been implemented.

### Prior Recommendation 2

Conduct a strategic planning process.

*Background:* The prior audit noted that the annual Short-Range Transit Plan (SRTP) process has been a useful tool in monitoring operational trends, but it does not provide a strategic vision over a 5-, 10-, or 20-year time frame. STS is self-sustaining in that it does not rely on City General Fund revenues for support. However, given changes in the transit funding landscape and the challenges in recruitment and marketing that pose potential impediments to growth and sustainability, the prior audit stressed that STS needed a process that could provide guidance and momentum.

A 5- or 10-year strategic plan would establish guiding principles of how STS can build upon its 45-year legacy as a demand-response transit operator by setting goals, objectives, and strategies for attaining its vision. A strategic plan would also build on the recent efforts of STS to be more technically innovative and offer direction on potential funding opportunities and partnerships. As part of this effort, it was suggested that STS assess its strengths, weaknesses, opportunities, and challenges for providing service in a dynamic transit market and capitalize on its position as a regional mobility provider. Furthermore, it was suggested that STS consider emerging trends and innovative strategies being implemented or considered within the industry.

### Actions taken by STS

In response to this recommendation, staff determined that in order to create a strategic plan that addressed all areas of concern, a thorough analysis of the operation would be necessary. As a result, it was decided that the City would hire a consultant to complete a Comprehensive Operational Analysis (COA). In collaboration with the City's Purchasing Division, staff researched other agencies' efforts in completing this process and developed a scope of work. On June 7, 2021, the City's Purchasing Division issued a Request for Proposals (RFP) for professional services for the development of a COA.

Part of the scope was also for consulting services for the preparation for the upcoming Federal Transit Administration (FTA) Triennial Review. One proposal was received; however, the bid was ultimately rejected on August 30, 2021, due to the timing of the upcoming FTA Triennial Review. Since then, RCTC staff has alluded to the possibility of hiring a consultant to conduct COAs for transit agencies in its jurisdiction. With this information, City of Riverside staff is considering

whether to proceed on its own or in partnership with the RCTC. Strategic planning efforts will follow the completion of the COA phase.

Conclusion

This recommendation has not been implemented; however, STS is considering whether to proceed with its own COA effort or to partner with the RCTC. This recommendation is being carried forward for full implementation.

## **Section IV**

### **TDA Performance Indicators**

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

Table IV-1 provides the performance indicators for STS, and the following graphs depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited figures.

**Table IV-1  
City of Riverside Special Transportation Services TDA Performance Indicators**

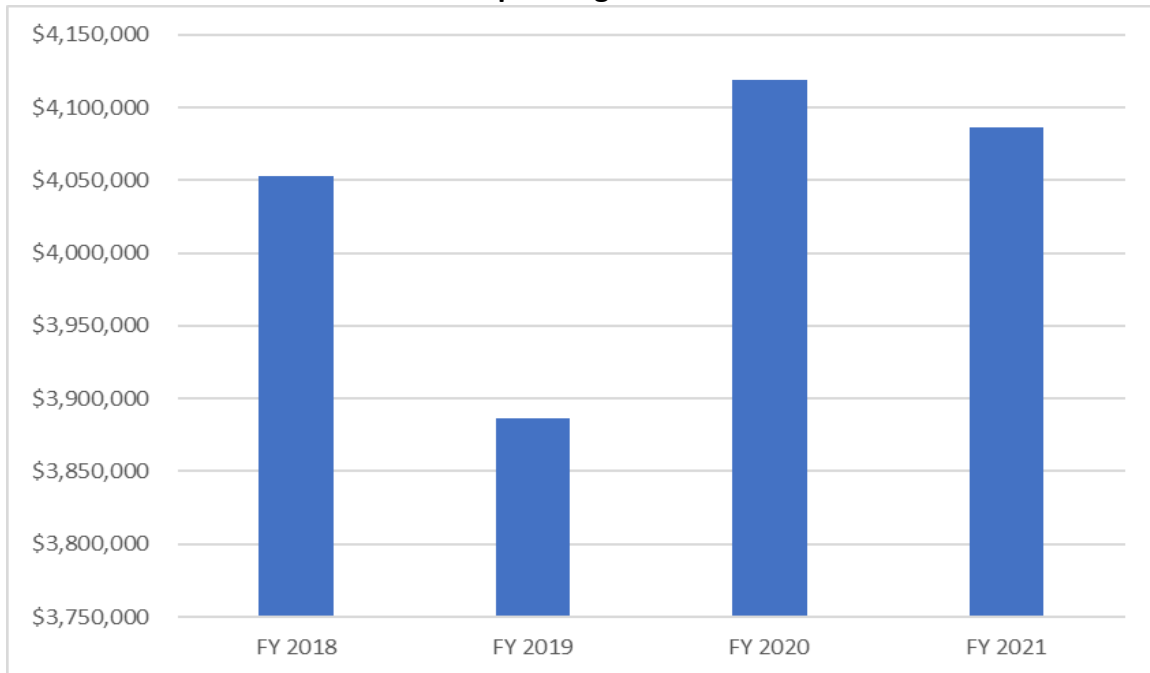
Performance Data and Indicators	Audit Period				% Change FY 2018- 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost (less depreciation)	\$4,053,083	\$3,886,137	\$4,119,034	\$4,086,508	<b>0.8%</b>
Total Passengers	153,559	139,878	97,080	26,518	<b>-82.7%</b>
Vehicle Service Hours	45,472	42,557	31,454	14,051	<b>-69.1%</b>
Vehicle Service Miles	615,113	576,393	423,571	182,643	<b>-70.3%</b>
Employee FTEs	40	42	49	48	<b>20.0%</b>
Total Passenger Fares	\$443,070	\$440,478	\$309,027	\$65,367	<b>-85.2%</b>
Local Support Revenues	\$0	\$0	\$70,972	\$2,202	<b>n/a</b>
Total Fare Revenues <sup>(1)</sup>	\$443,070	\$440,478	\$379,999	\$67,569	<b>-84.7%</b>
Operating Cost per Passenger	\$26.39	\$27.78	\$42.43	\$154.10	<b>483.9%</b>
Operating Cost per Vehicle Service Hour	\$89.13	\$91.32	\$130.95	\$290.83	<b>226.3%</b>
Operating Cost per Vehicle Service Mile	\$6.59	\$6.74	\$9.72	\$22.37	<b>239.6%</b>
Passengers per Vehicle Service Hour	3.4	3.3	3.1	1.9	<b>-44.1%</b>
Passengers per Vehicle Service Mile	0.25	0.24	0.23	0.15	<b>-41.8%</b>
Vehicle Service Hours per Employee	1,136.8	1,013.3	641.9	292.7	<b>-74.2%</b>
Average Fare per Passenger	\$2.89	\$3.15	\$3.18	\$2.47	<b>-14.6%</b>
Fare Recovery Ratio <sup>(1)</sup>	10.93%	11.33%	9.23%	1.65%	<b>-84.9%</b>
Consumer Price Index - (CPI-Los Angeles) <sup>(2)</sup>	3.5%	3.4%	2.5%	2.0%	<b>8.1%</b>

Source: Annual Fiscal & Compliance Audits; State Controller Reports

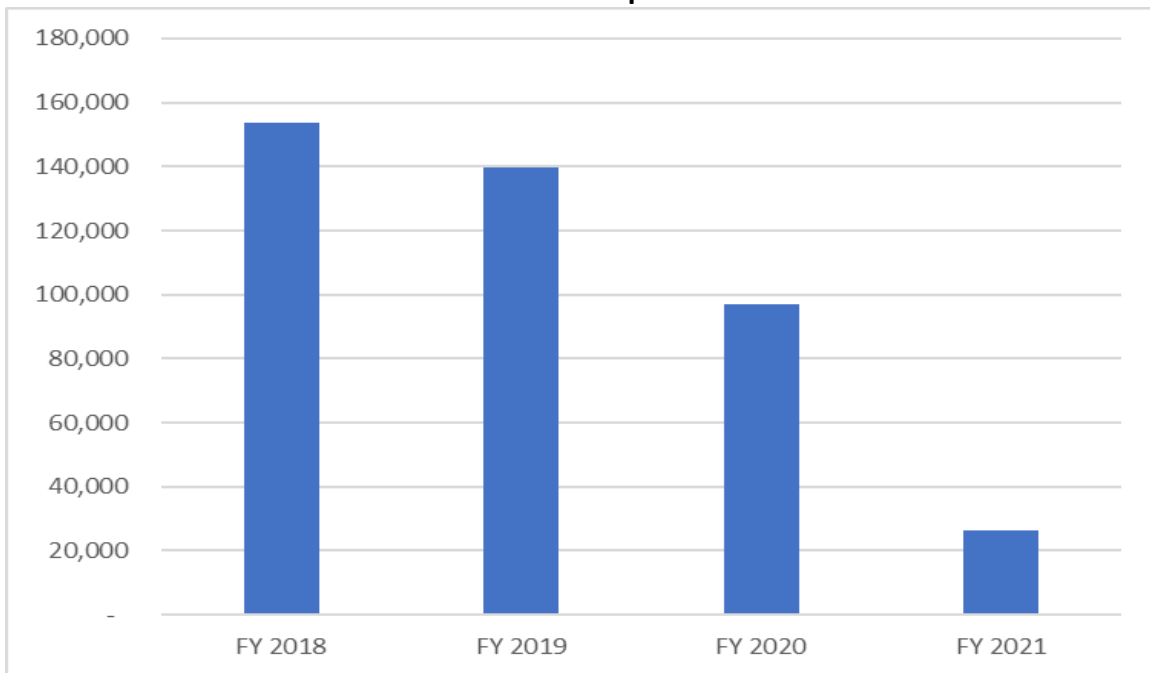
<sup>(1)</sup> Inclusive of other local contributions including interest revenue and damage claim recoveries

<sup>(2)</sup> Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index from the prior year. It is noted that the LA-Riverside- Orange CPI was updated as two separate CPI's. RCTC utilizes the Riverside-San Bernardino-Ontario CPI index as of FY 21.

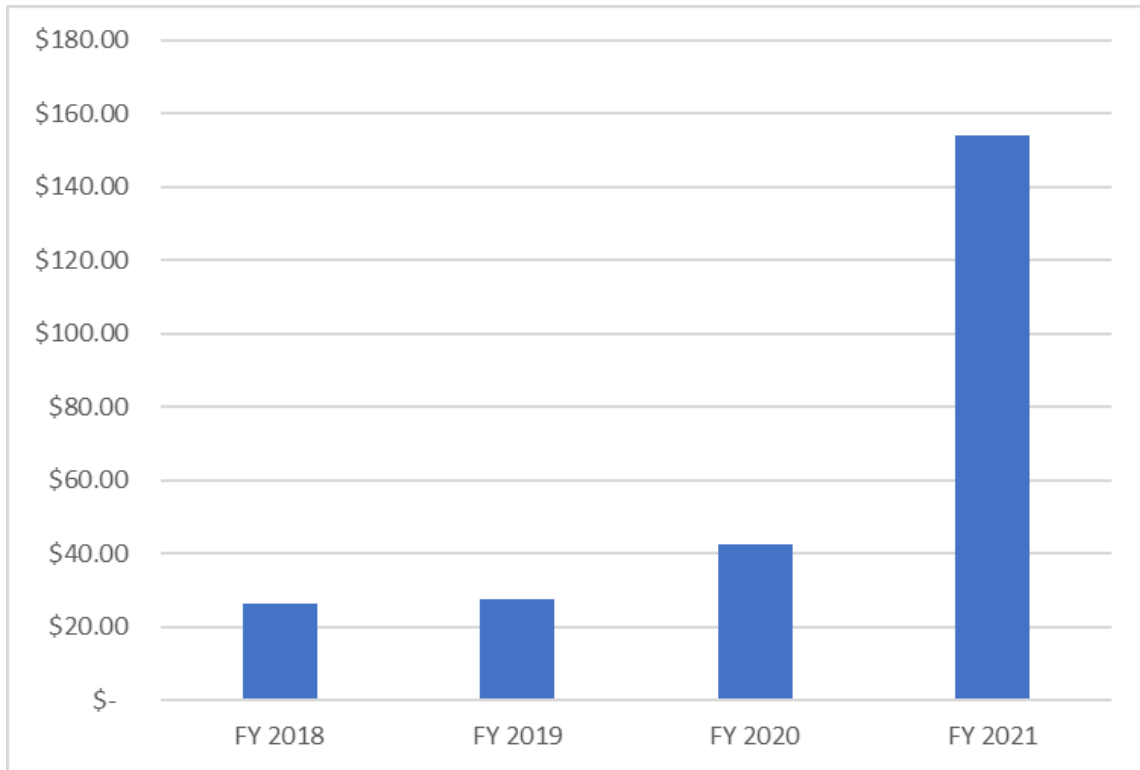
**Graph IV-1  
Operating Costs**



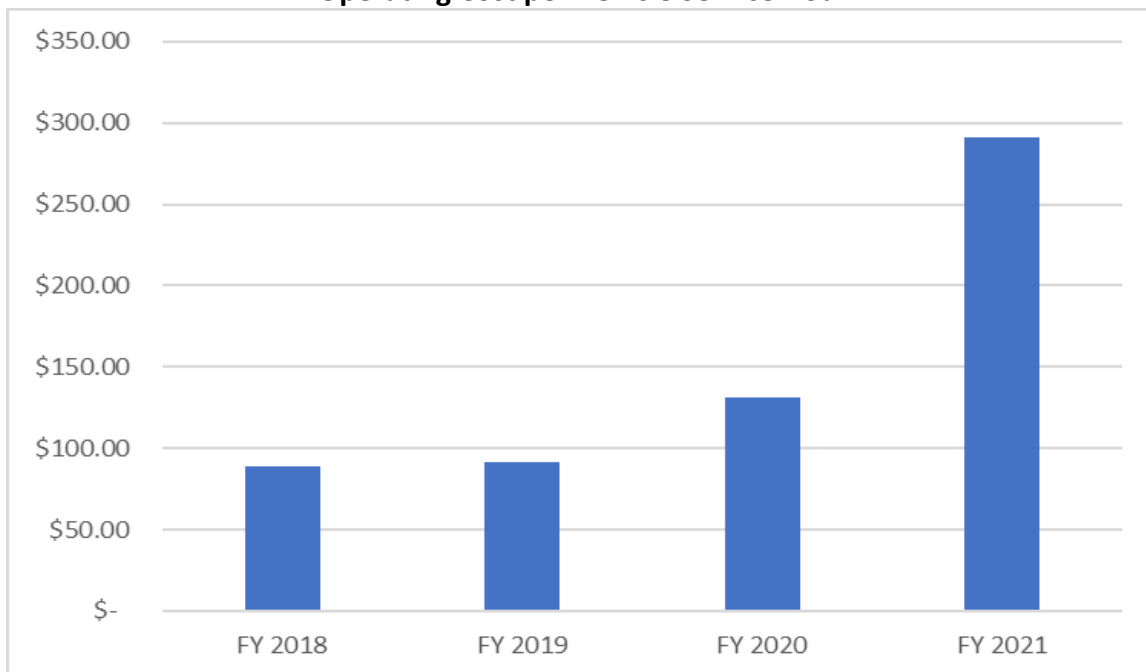
**Graph IV-2  
Ridership**



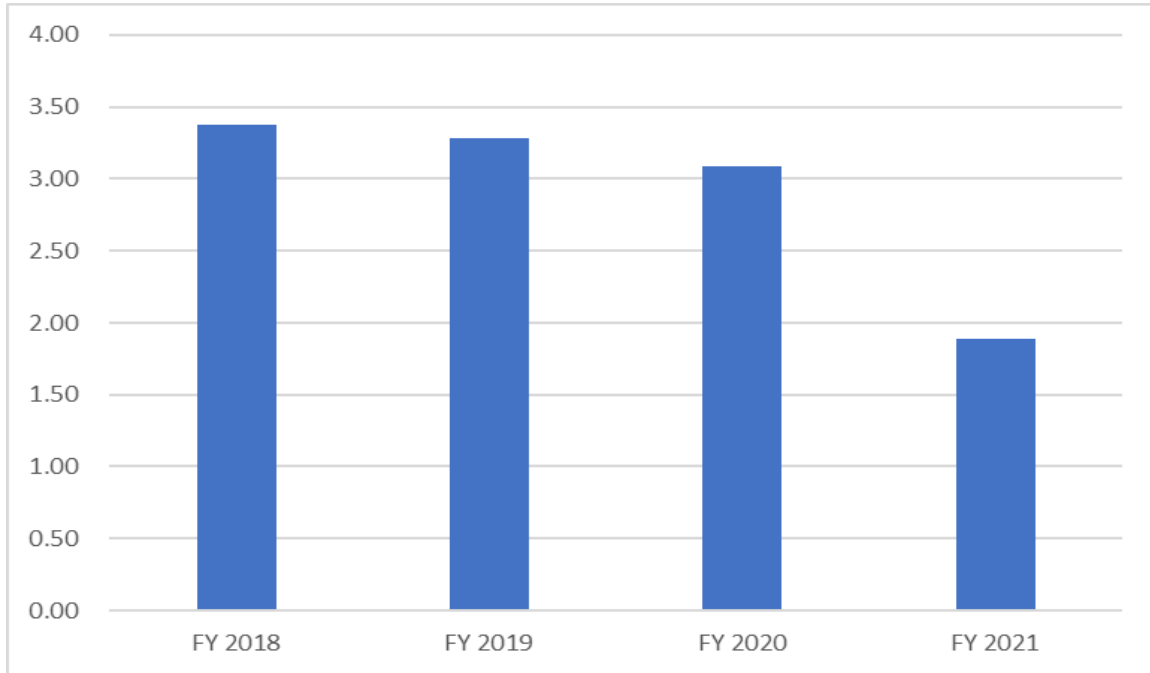
**Graph IV-3  
Operating Cost per Passenger**



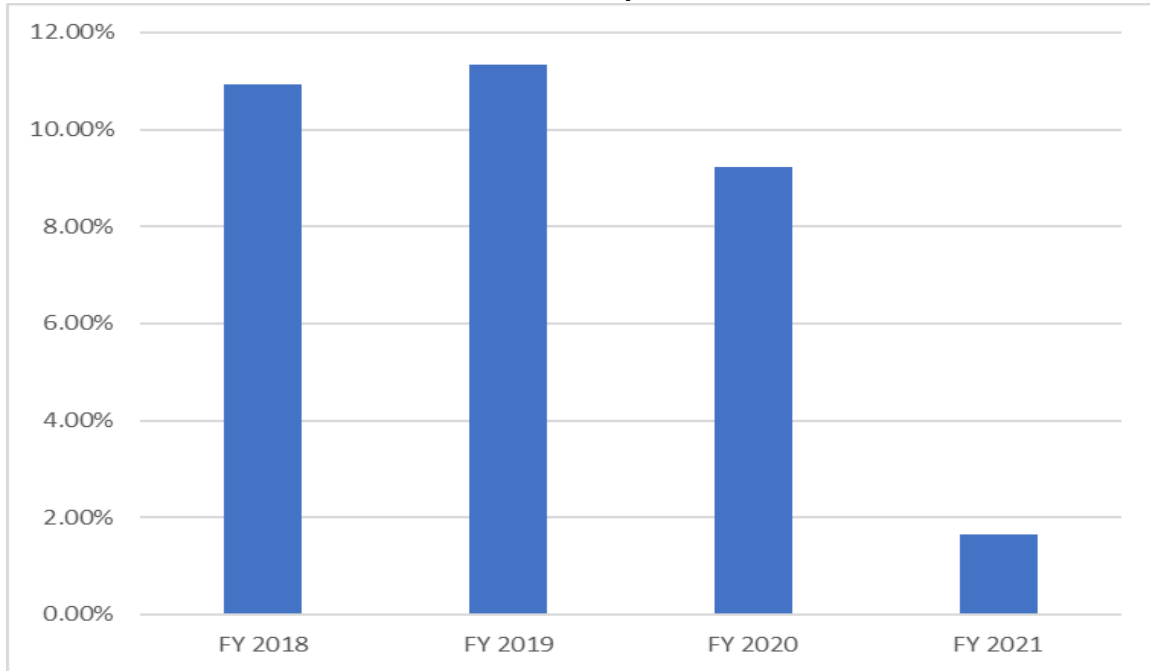
**Graph IV-4  
Operating Cost per Vehicle Service Hour**



**Graph IV-5**  
**Passengers per Vehicle Service Hour**



**Graph IV-6**  
**Fare Recovery Ratio**



## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 226.3 percent from \$89.13 in the FY 2018 base year to \$290.83 in FY 2021. This trend is consistent with the increase in STS operating costs of 0.8 percent and the 69.1 percent decrease in vehicle service hours during the same period.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 483.9 percent from \$26.39 in FY 2018 base year to \$154.10 in FY 2021. As noted above, STS operating costs increased 0.8 percent during the period; however, STS ridership decreased 82.7 percent, from 153,559 passengers in FY 2018 to 26,518 passengers in FY 2021.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 44.1 percent from 3.4 to 1.9 passengers per hour between FY 2018 and FY 2021. The trend in this indicator reflects the 82.7 percent decrease in trips as vehicle service hours exhibited a decrease of 69.1 percent.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 41.8 percent, from 0.25 in FY 2018 to 0.15 in FY 2021. In the same period, vehicle service miles decreased 70.3 percent from 615,113 vehicle service miles to 182,643 vehicle service miles.
5. **Vehicle service hours per employee** decreased 74.2 percent between FY 2018 and FY 2021. This decrease was associated with the 69.1 percent decrease in STS vehicle service hours, while the number of full-time employee equivalent (FTE) hours increased 20 percent from 40 to 48 FTEs. This measure is based on the number of FTEs reported in the Transit Operators Financial Transactions Report.
6. **Farebox recovery** exhibited an overall decrease of 84.9 percent between FY 2018 and FY 2021. After a 3.7 percent increase in FY 2019, farebox recovery decreased by 18.6 percent in FY 2020 and 82.1 percent in FY 2021. The average annual decrease in the farebox recovery ratio was 32.3 percent. Total fare revenues decreased 84.7 percent while operating costs increased 0.8 percent. Local support funding was applied primarily during FY 2020, comprising interest revenue.

### **Conclusion from the Verification of TDA Performance Indicators**

The City of Riverside STS performance indicators reflect sharp decreases in ridership, vehicle service hours, and mileage during the triennial period. The primary factor impacting all performance trends is the onset of the COVID-19 pandemic, which started in March 2020 and persisted throughout the audit period. Ridership saw an 8.9 percent decrease in FY 2019 followed by decreases in FY 2020 and FY 2021 of 30.6 and 72.7 percent, respectively. Vehicle service hours and vehicle service miles followed similar trends: vehicle service hours exhibited decreases of 6.4 percent, 26.1 percent, and 55.3 percent in FY 2019, FY 2020, and FY 2021, respectively, while vehicle service miles exhibited decreases of 6.3, 26.5, and 56.9 percent in FY 2019, FY 2020, and FY 2021, respectively. However, STS operating costs grew at an annualized rate of 0.4 percent between the FY 2018 base year and FY 2021 as the City received federal CARES stimulus funds to maintain operations. Total fare revenue decreased significantly over the audit period, by 0.6 percent in FY 2019, 13.7 percent in FY 2020, and 82.2 percent in FY 2021.

## **Section V**

### **Review of Operator Functions**

This section provides an in-depth review of various functions in the City of Riverside STS. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of Riverside STS office:

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

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

#### **Operations**

Riverside STS offers demand-responsive transit services to senior citizens and ADA-certified individuals daily. STS also operates as a complementary service to the RTA within the Riverside city limits. ADA-certified passengers can make their reservations 24 hours in advance. The non-ADA reservation period is between two and seven days in advance. The audit period saw STS undergo a brand overhaul and enhancements to its service delivery with regard to electronic fare collection, vehicle deployment, and the response to the COVID-19 pandemic.

The rebranding campaign resulted in the service taking on a new name: “Riverside Connect.” In addition, the City’s marketing team developed an eye-catching logo, and new driver uniforms were designed consisting of blue shirts and khaki pants in keeping with the logo color scheme. As a result, STS saw an increase in new passengers, with 169 new passengers using the service in August 2020 alone. Rebranding has enabled STS to distinguish its service from RTA’s Dial-A-Ride service.

STS operations are located at 8095 Lincoln Avenue within the City of Riverside Corporation Yard. Facilities include an administration building containing offices, a dispatch center, restrooms, and a break room. Adjacent to the administration building is a parking lot for the transit vehicles with each space equipped with a CNG slow-fill station, and a maintenance bay for vehicle repair and servicing.

STS has also been moving toward the adoption of an electronic fare collection platform as part of its goal to offer Mobility on Demand services. The initiative involved the implementation of “RM

Pay,” an app made available through RouteMatch. RM Pay allows riders or their designees to add fare funds to a rider account after setting up a user account. This allows payments to be uploaded electronically online, allowing for less dwell time. With RouteMatch’s acquisition by Uber, the mobile app was rebranded Amble. After a period of beta testing, STS was anticipating the rollout of Amble by July 1, 2021; however, the system was eventually implemented in January 2022.

In addition to the mobile pay function offered through Amble, STS offers customers a second app called “RM Mobility.” This allows riders to make reservations for transportation electronically and gives them the ability to track the status of their scheduled reservation and cancel if needed electronically.

Prior to COVID-19, STS provided between 400 and 500 rides daily. Most STS trips are generated by local senior programs or workshops conducted by the Friendly Stars program or other services for developmentally disabled adults. The main subscription service is to the Inland Regional Center, which conducts morning workshops for the developmentally disabled. Other subscription services include Easter Seals; Unlimited Quest, an adult day care and independent living facility; and Care Connexus, which serves Alzheimer’s patients. The Inland Regional Center shut down during the COVID-19 pandemic.

In FY 2021, no-shows comprised less than 4 percent of the total ridership. The transit supervisor will follow up and counsel repeat offenders. There is a formal no-show policy that conforms to FTA regulations and mirrors that of the RTA. The no-show policy is included in the STS rider brochure. STS defines a no-show as “a passenger’s failure to show up or cancel a ride before 6 p.m. the day before a scheduled pick-up. Penalty points will be assessed to the passenger if the passenger does not show.” Overall, the number of cancellations and no-shows exhibited downward trends over the audit period, though this trend can be partly attributed to the decline in ridership from the pandemic. Cancellations and no-shows are presented in Table V-1.

**Table V-1  
Cancellations and No-Shows**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Cancellations</b>	9,007	14,539	10,400	3,559
<b>No-Shows</b>	2,453	3,950	2,937	1,006

Source: RouteMatch; City of Riverside STS

STS uses RouteMatch dispatch and scheduling software, which underwent optimization and migration to a Cloud-based platform during the audit period. The operator reports that the software program works well and is compatible with National Transit Database reporting. The driver manifest generated by RouteMatch is configured to account for the proper recording of operating data. STS started using expanded RouteMatch functions, such as a passenger notification module. This feature makes automated calls to passengers to confirm their scheduled pickup one day and one hour in advance. It also allows the passenger to cancel their trip the day before. The automated feature can also dial calls in Spanish.

Through its global positioning system (GPS) feature, RouteMatch can transmit road and traffic condition data to the drivers. Another feature of the scheduling software is that it does not schedule for more wheelchair trips than the vehicles can accommodate. With growth in wheelchair-bound riders and those using mobility devices, STS actively tracks ridership trends for these types of passengers using RouteMatch, which will help with dispatching and deployment of vehicles. STS utilizes the Q-Straint wheelchair securement system on the vehicles. There is an online training and certification program for the use of Q-Straint. STS also documents those passengers who prefer to remain in their wheelchair instead of transferring to a seat. Vehicle wheelchair lifts were upgraded to a 1,000-pound capacity rating.

The driver manifest generated by RouteMatch contains the driver’s name, vehicle number, and duration of the run, and accounts for deadhead time and mileage (including breaks) as well as service time and mileage commencing with the first pickup and ending with the last drop-off. In addition, customer information includes the name, requested pickup time, actual pickup time, origin and destination addresses, and actual drop-off time and odometer readings. There is a 30-minute window (15 minutes before and after scheduled pickup time) for all reservations to track on-time performance. On-time performance data are entered into TransTrack Manager for trend analysis and data storage.

System on-time performance averaged 97.63 percent over the audit period and exhibited improvement during the COVID-19 pandemic. STS’s on-time performance for the audit period is summarized in Table V-2.

**Table V-2  
On-Time Performance Summary**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Late Trips</b>	4,199	3,866	2,357	230
<b>Total Trips</b>	128,895	119,019	81,416	23,964
<b>Percent of Trips On-time</b>	96.74%	96.75%	97.10%	99.04%

Source: RouteMatch; City of Riverside STS

STS employs Samsung mobile data tablets in its vehicles. In addition, STS improved the safety features on its vehicles by increasing the number of interior cameras from one to four. The cameras have been useful for investigating complaints and driver training. They also can obscure the faces of passengers on board the vehicle.

In addition to the RouteMatch optimization, TransTrack Manager was upgraded during the audit period. The upgrades included the tracking of customer service feedback and road calls as well as more efficient National Transit Database reporting. STS is also able to track DMV pull notices through TransTrack. The City continues to review TransTrack capabilities and mine available data modules through upgrades pertinent to functional areas of operations. For example, staff has interest in upgrading the preventative maintenance module of the software to enhance tracking and reporting of transit maintenance activities separately from the program used by the maintenance department that applies to all City-owned vehicles.

Farebox collection and reconciliation procedures involve a combination of manual and automated methods. STS vehicles are not equipped with fareboxes. The manifest details how much the drivers are supposed to collect from the passenger. Fares are paid in cash or by check and placed into a pouch. A daily reconciliation is performed using the RouteMatch manifests. Each morning, two administrative staff count the fare revenue from the previous day, a process taking approximately two hours. Another staff person takes the fare receipts and makes the deposit. The whole process is overseen by the transit supervisor.

### COVID-19 Pandemic Impacts

As impacts from the novel coronavirus started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response, the City implemented measures and protocols to mitigate the spread of the virus. STS was one of the first operators in the region to adopt face-masking protocols. Ionizers were used to sterilize vehicles and office space. The City mandated that all non-essential part-time employees be furloughed. Full-time employees were retained, and staff rotations were implemented in a two weeks on/two weeks off schedule. Social distancing and capacity limits were implemented on the vehicles and in the office. Drivers were assigned the same vehicle in order to reduce virus transmission.

There were no service changes; however, earlier runs were added to accommodate senior retail hours and same-day rides were offered. In an effort to ensure the health and welfare of the senior and disabled population during the pandemic, STS began offering free rides for testing and vaccinations for participants of the program. These necessary activities in response to the rapidly evolving COVID-19 pandemic condition resulted in severe impacts on performance trends which were pervasive throughout the transit industry during the fourth quarter of FY 2020 and most of FY 2021. Nevertheless, the policies and protocols adopted by the City helped to control the spread of COVID-19.

### Personnel

Over the audit period, STS restructured the organizational chart through the introduction of two addition supervisory positions. The new structure includes a field supervisor, operations supervisor, and management analyst, each reporting to the transit manager. A total of 33 full-time drivers and 4.25 part-time drivers report to field supervisor. A full-time lead dispatcher/scheduler with five full-time dispatcher/schedulers report to the operations supervisor. A full-time office specialist reports to the management analyst.

Part-time drivers were generally assigned weekend trips. Routes are bid out based on driver seniority, with drivers selecting the same route about 70 to 80 percent of the time. Driver shifts are assigned based on service demand. Nonexempt personnel are represented by the Service Employees International Union (SEIU), Local 721. In January 2021, City Council formally approved the most recent MOU between the City and the SEIU, which had a one-year term from July 1,

2020, to June 30, 2021. The City and the SEIU enjoy a good working relationship. There are two shop stewards at STS. Operators select routes and timeslots through a bidding process dictated by the MOU.

Driver recruitment has been challenging, resulting in driver shortages. Personnel separations have been attributed to retirements and staff leaving for agencies that offer higher pay and compensation. STS staff indicated that median pay is below average. A classification and compensation study is being undertaken by the City.

One of the operations supervisors is also a driver and trainer. STS conducts training bimonthly with a focus on wheelchair lift operations, sensitivity training, defensive driving, and vehicle inspection training. In addition to possessing a Class B license, driver candidates undergo four hours of orientation on the first day, two weeks (20 hours per week) of classroom and behind-the-wheel training, Vehicle for Developmentally Disabled Persons certification, and live scan fingerprinting. School Pupil Activity Bus certification training is also available, which involves a written and behind-the-wheel test.

The bimonthly safety meetings have been revamped with refreshed content. STS has brought in presenters and topics have covered railroad crossings, team building, sensitivity training, and defensive driving. Wheelchair securement training is conducted every two years. Transit management has indicated preference for an elevated training regimen for wheelchair securement, including having drivers serve as passengers during wheelchair securement training. This role-playing will help drivers further understand the challenges with wheelchair securement from both the passenger and driver perspectives. The City's safety officer has also been invited to give presentations on senior health awareness. The vehicle incidence review board reviews accidents and offers retraining.

Accruals for vacation and sick time vary according to the length of service and employment classification. Employees with up through 5 years of continuous service accrue 80 hours of annual vacation time; 120 hours for 6 to 10 years of service; and 160 hours for 11 or more years of service. The City has a two-year maximum vacation hour accumulation policy. Employees accrue 4 hours of sick leave per month. In addition, the City contributes toward employees' retirement through CalPERS based on three tiers, depending on date of hire, which define the various retirement levels for the member's retirement formula, final compensation calculation, and employee contribution/cost sharing. Employee appreciation efforts have included the distribution of thank you packages containing swag.

### **Maintenance**

Vehicle maintenance is performed at the Corporation Yard adjacent to STS's administrative offices. Mechanics from City Fleet Services assigned to STS vehicles are Automotive Service Excellence certified and have undergone CNG tank inspection training. STS vehicles are serviced in a state-of-the-art maintenance facility by a dedicated mechanic assigned to STS. The facility comprises five service bays, a CNG ventilation system, brake shop, an administrative office, and

parts storage room. This dedicated facility has resulted in improved maintenance efficiencies. Facility service hours are from 2:30 p.m. until 11:00 p.m. In addition, there are 36 slow-fill CNG pumps, which allow for every vehicle to be fueled overnight. The station supports both 3,000 PSI (earlier vehicles) and 3,600 PSI pressures.

The maintenance bay has experienced multiple issues with the CNG detection system. The issues have caused multiple false alarms, resulting in emergency responses from the Riverside Police Department and other City agencies throughout all hours of the day and night. Additional costs have been incurred in the attempts to repair the current detection system.

Preventive maintenance schedules are managed electronically through the AssetWorks FleetFocus M5 software program. This system is fully integrated and encompasses asset tracking, work orders, workflow, preventive maintenance inspections (PMI) scheduling, billing, and inventory management. PMIs are set up in the M5 system and scheduled according to time, mileage, usage, or a combination of each. Usage is gathered either at fueling times, which are tracked in the M5 Fleet System, through an updated vehicle work order entry, or from manual updates as needed. PMIs are performed every 3,000 miles. Fleet Services can transmit alerts on upcoming PMIs, allowing for a 100 percent schedule adherence rate.

Vehicle parts are managed and tracked by the FleetFocus M5 software. Stock part purchases such as brakes, filters, and tires are procured through competitive bidding. Annual purchase orders are approved by the City Council, and then awarded by the Purchasing Division. State contract pricing is also utilized for items such as automotive and pickup tires. Other non-stock parts are either competitively bid on an as-needed basis through the Purchasing Division or quoted through vendors with whom the City already has annual purchase orders.

Road calls are recorded when a tow truck and/or mechanic responds to a mechanical/service problem for a disabled transit vehicle that is in revenue service. Overall, the number of road calls decreased from the FY 2018 base year due to the procurement of newer vehicles and fewer trips during the COVID-19 pandemic. A summary of road calls is presented in Table V-3.

**Table V-3**  
**STS Road Call Summary**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Road Calls</b>	29	12	12	17

Source: City of Riverside STS

The CHP is responsible for certifying the maintenance facilities and for inspecting vehicles on an annual basis. STS vehicles have received satisfactory terminal inspections from the CHP.

The latest vehicle in the STS fleet is a 2019 model. STS has been looking at the procurement of additional smaller profile vehicles such as the Ford Transit vans, which are configured to accommodate two wheelchairs. In addition, STS recently procured its first 16-passenger electric-

powered vehicle manufactured by Diamond. Training on the new electric vehicle will be provided.

**Planning**

The City of Riverside STS prepares an SRTP on an annual basis. The SRTP covers a three-year planning horizon and includes a system overview, performance analysis, service changes, and financial and capital plans. Under the services and performance chapter, a series of recommendations for service improvement is presented for the transit service.

Performance data from TransTrack Manager is also included in the SRTP to provide an annual comparison. In adhering to the SRTP analysis element, STS must meet at least four out of seven discretionary performance indicators. There is one mandatory indicator: the farebox recovery ratio set at 10 percent. Using the SRTP covering FY 2020-2021 through FY 2022-2023, Table V-4 summarizes the FY 2019-2020 performance targets for STS. STS met five of the seven performance indicator targets and the mandatory farebox recovery ratio. The two targets that STS failed to meet were Subsidy Per Passenger Mile and Passengers Per Revenue Hour.

**Table V-4  
STS Performance Targets**

Performance Indicators	FY 2019–20 Target	Actual Performance	Met Target
<b>Farebox Recovery</b>	>=10.00%	11.03%	Yes
<b>Operating Cost Per Revenue Hour</b>	<=\$88.26	\$70.04	Yes
<b>Subsidy Per Passenger</b>	>=\$19.72 & <=\$26.68	\$23.95	Yes
<b>Subsidy Per Passenger Mile</b>	>=\$3.79 & <=\$5.13	\$5.94	Failed to Meet Target
<b>Subsidy Per Hour</b>	>=\$64.67 & <=\$87.49	\$62.31	Yes, exceeded Target
<b>Subsidy Per Mile</b>	>=\$4.78 & <=\$6.46	\$5.94	Yes
<b>Passengers Per Revenue Hour</b>	>=2.81 & <=3.80	2.60	Failed to Meet Target
<b>Passengers Per Revenue Mile</b>	>=0.20 & <=0.28	0.25	Yes

Source: City of Riverside STS, TransTrack Manager

STS has expressed interest in developing a strategic plan. Given the changes in the transit funding landscape and challenges in recruitment and marketing that pose potential impediments to growth and sustainability, STS would benefit from a strategic planning process that can provide guidance and momentum. As described in the prior performance audit section, staff determined that in order to conduct a thorough strategic plan which addresses all areas of concern, the City would hire a consultant to complete a COA. The RCTC also has alluded to the possibility of hiring a consultant to conduct COAs for transit agencies in its jurisdiction.

**Marketing**

In July 2021, STS Marketing Department staff launched a major initiative to rebrand “Specialized Transportation” as “Riverside Connect.” The rebranding efforts included a redesigned logo, a revised website, new bus wraps on all vehicles, new driver uniforms, and new print and media

advertisements. These efforts were made possible through assistance from the City's Marketing Division and Riverside TV. The new branding is intended to raise the visibility of the service within the community; STS staff plans to capitalize on the new attention resulting from the rebranding and focus future marketing efforts on attracting key demographics, including disabled veterans and new seniors. The rebranding effort bore immediate results with an increase in new passengers and greater social media exposure.

STS has used several marketing strategies to promote its transportation services such as brochures, newspaper advertisements, community events, speakers' bureaus, and electronic media. The STS brochure is a bilingual trifold publication that provides service overview, hours of operation, fares and rider etiquette, and policy information. Brochures are distributed primarily at local senior centers. Other printed collateral includes a brochure in Braille for the sight-impaired, a one-page flyer, placement of ads on the prescription bags at Ralph's Pharmacy, and advertisements in the Parks and Recreation Activity Guide and Senior Guide. The Activity Guide is published three times annually and is mailed to over 55,000 residents as well as being available online at the City's website. The service is also advertised on the rear of the vehicles. STS has started utilizing magnetic ribbons affixed to vehicles to highlight veteran, Alzheimer's, and other causes, which have received positive feedback from the community.

Electronic marketing approaches have included the City of Riverside website ([https://www.riversideca.gov/park\\_rec/programs-sports/seniors/special-transportation-division](https://www.riversideca.gov/park_rec/programs-sports/seniors/special-transportation-division)), public access cable Channel 3, and announcements on an electronic billboard located near the SR 91 and 14<sup>th</sup> Street interchange. Further outreach has consisted of presentations at senior centers and during quarterly transit operators meetings with RCTC. Social media outreach is conducted through the marketing division of the Parks, Recreation and Community Services Department. The department coordinates structured postings on Facebook and Twitter. Passenger surveys are conducted annually. As was previously mentioned, STS added 169 new passengers in August 2020 with the increased social media exposure.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program was developed and adopted by the City. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes a link to the Title VI policy on the STS web page directed to the General Services page along with a complaint form in English and Spanish.

### **General Administration and Management**

The City of Riverside was incorporated in 1883 and has a council-manager form of government. The Riverside City Charter sets forth the number of elected officials for the city and their method of election. The mayor is elected at-large by voters of the entire city while the members of the City Council are voted into office by electors in each of the city's seven wards. Regular elections for members of the City Council occur in June of odd-numbered years. The mayoral election is held in June of US presidential election years. The Council serves as the principal legislative body

and each councilmember is elected for a four-year term. Except for the months of July, August, and September, the regular meetings of the mayor and City Council are convened on the first, second, third, and fourth Tuesdays of each month at 2:00 p.m. During the months of July, August and September, the regular meetings are held on the second and fourth Tuesdays at 2:00 p.m.

The City manager is responsible for administrative and budgetary oversight of City departments. STS is overseen by the director of Parks, Recreation and Community Services. The director is assisted administratively by the deputy director and the community services superintendent. Occurring after the audit period, the director retired from the City and was replaced by a new director in October 2021. The new director has a transit and parks planning background, having worked for the City of Anaheim and the Orange County Transportation Authority.

Transit operations are administered by a transit manager and two special transportation operations supervisors. Administrative support personnel are composed of a management analyst and an office specialist. The current transit manager joined STS in August 2015 and is tasked with transportation and grants management and interaction with the RCTC. The transit manager develops a dashboard of performance statistics to better evaluate the transit service. The operations supervisors attend to staff performance, vehicle operations, and maintenance.

The primary source of transit funding support is derived from the Local Transportation Fund (LTF). Based on audited financial data, total LTF revenues received during the audit period were \$3,645,130 in FY 2019; \$3,319,442 in FY 2020; and \$1,081,008 in FY 2021 (carried over from FY 2020). State Transportation Assistance (STA) funds received by the City were \$24,000 in FY 2019 and \$160,881 in FY 2020 applied toward capital. Cost allocation involves a two-step process based on the City's General Fund and personnel costs at the departmental level.

The City submits the annual TDA claim for funds to the RCTC. TDA claims are based on the City's annual budget for STS and the financial element of the SRTP. Reserve allocations for LTF and STA funds are included as separate line items on the claim form. STA funds are utilized toward vehicle replacement, fueling infrastructure, and office equipment. The City Finance director and staff are responsible for the completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.

The City's most recent FTA triennial review took place on March 27 and 28, 2018, with the final report being released on May 25, 2018. The triennial review focused on the City's compliance in 20 areas. No deficiencies were found with FTA requirements in 19 areas. The one area where the City was found to be deficient was in technical capacity and award management. This finding was prompted by late submittals of the City's Federal Financial Reports and Milestone Progress Reports in the Transit Award Management System (TrAMS). The City had until October 30, 2018, to submit to the FTA regional office procedures for submitting future reports on time. In response to the triennial review finding, the City created a protocol of office procedures that ensure the timely submittal of financial and milestone reports in TrAMS. As of this audit, the City is currently undergoing its latest FTA triennial review and anticipates that it would serve as the basis for a potential strategic planning process and COA.

## **Grants Management**

Grant funding allocated toward STS has been derived from state and federal sources. The City maintains an annual project summary report listing the grants being managed in a general ledger format. The grants tracked are derived from STA, Proposition 1B (capital and security), and FTA Sections 5307 and 5339 (formula and discretionary). The summary report shows the allocation of funds by source, amount spent during the quarter, amount spent to date, and the remaining balance. The grant allocation year, project grant number, and project name are listed along the left-hand margin.

FTA grants have been awarded for operating and capital assistance. FTA Section 5307 grant funds (combined with 20 percent STA match) have been spent on preventative maintenance, vehicle replacement, CNG slow-fill stations communications, and office equipment. The City has also received FTA Section 5339 for vehicle replacement. STS purchased two Ford Transit 9-passenger transit vans. These vehicles are smaller than the standard Glaval 16-passenger buses that comprise most of the fleet, allowing for safer access to areas around the City that are too narrow or congested for the standard buses to access.

The City has continued to receive funding through the State Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) program, which has been extended through FY 2022. Another component of the Proposition 1B program is the Transit System Safety, Security & Disaster Response Account (TSSSDRA) administered by the Governor's Office of Emergency Services. TSSSDRA funds awarded to the City have been utilized toward the installation of an electronic access control system for all interior and exterior doors in the STS administrative office. At the end of June 30, 2021, the City had an unexpended balance of \$452,447 in PTMISEA funds and \$130,656 in TSSSDRA funds.

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to the City, the operator fully complied with seven out of the nine applicable requirements. The City was in partial compliance with regard to the timely completion and submittal of its annual fiscal and compliance audits and farebox recovery attainment. Two additional compliance requirements did not apply to the operator (intermediate and urban farebox recovery ratios).
2. Based on the farebox calculation in the annual Transit Services Fund Financial Statements (*audited*), Riverside's farebox recovery ratio met or exceeded the required minimum standard of 10 percent in one of the three audit years. The system-wide farebox recovery ratios were 11.33 percent in FY 2019, 9.23 percent in FY 2020, and 1.65 percent in FY 2021.<sup>2</sup> It is noted that the audited farebox ratios in FY 2020 and FY 2021 were adversely impacted from the COVID-19 pandemic and state shelter-in-place order as well as the suspension of fare collection.
3. The City participates in the CHP Transit Operator Compliance Program in which the CHP conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. Annual operating budget fluctuations remained below 15 percent during the audit period. The budget decreased 7.0 percent in FY 2019 followed by increases of 4.5 percent in FY 2020 and 9.7 percent in FY 2021. Operating budget increases are attributed to salaries and benefits, contract services, and non-personnel costs.
5. Riverside satisfactorily implemented one of the two prior audit recommendations. The recommendation pertained to targeted marketing efforts and rebranding. The second recommendation, which concerned a strategic planning process, was not implemented and is being carried forward for full implementation.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 226.3 percent from \$89.13 in the FY 2018 base year to \$290.83 in FY 2021. This trend is consistent with the increase in STS operating costs of 0.8 percent and the 69.1 percent decrease in vehicle service hours during the same period.

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<sup>2</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.

7. Operating cost per passenger, an indicator of cost effectiveness, increased 483.9 percent from \$26.39 in FY 2018 base year to \$154.10 in FY 2021. As noted above, STS operating costs increased 0.8 percent during the period; however, STS ridership decreased 82.7 percent, from 153,559 passengers in FY 2018 to 26,518 passengers in FY 2021.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 44.1 percent from 3.4 to 1.9 passengers per hour between FY 2018 and FY 2021. The trend in this indicator reflects the 82.7 percent decrease in trips as vehicle service hours exhibited a decrease of 69.1 percent.
9. Passengers per vehicle service mile, another indicator of service effectiveness, decreased 41.8 percent, from 0.25 in FY 2018 to 0.15 in FY 2021. In the same period, vehicle service miles decreased 70.3 percent from 615,113 vehicle service miles to 182,643 vehicle service miles.
10. A successful rebranding campaign resulted in the service taking on a new name: “Riverside Connect.” In addition, the City’s marketing team developed an eye-catching logo, and new driver uniforms were designed consisting of blue shirts and khaki pants in keeping with the logo color scheme. As a result, STS saw an increase in new passengers with 169 new passengers using the service in August 2020 alone.
11. STS has also been moving toward the adoption of an electronic fare collection platform as part of its goal to offer Mobility on Demand services. The initiative involved the implementation of the Amble app made available through RouteMatch. After a period of beta testing, STS was anticipating the rollout of Amble by July 1, 2021; however, the system was eventually implemented in January 2022.
12. In addition to the RouteMatch optimization, TransTrack Manager was upgraded during the audit period. The upgrades included the tracking of customer service feedback and road calls as well as more efficient National Transit Database reporting. STS is also able to track DMV pull notices through TransTrack.
13. STS implemented measures and protocols to mitigate the spread of COVID-19. STS was one of the first operators in the region to adopt face-masking protocols. Ionizers were used to sterilize vehicles and office space. Social distancing and capacity limits were implemented on the vehicles and in the office. Drivers were assigned the same vehicle in order to reduce virus transmission.
14. Transit operations are administered by a transit manager and two special transportation operations supervisors. Administrative support personnel are composed of a management analyst and an office specialist. The transit manager develops a dashboard of performance statistics to better evaluate the transit service. The operations supervisors attend to staff performance, vehicle operations, and maintenance.

## Recommendations

### 1. Continue efforts toward implementing a strategic planning process.

This recommendation is being carried forward for full implementation. In consideration of this recommendation, staff determined that in order to create a strategic plan that addresses all areas of concern, a thorough analysis of the operation would be necessary. As a result, it was decided that the City would hire a consultant to complete a Comprehensive Operational Analysis (COA). The City released an RFP for a COA to be conducted but only received one proposal which was ultimately rejected given the timing of the FTA Triennial Review. In anticipation of the FTA Triennial Review findings under development, STS is encouraged to resume efforts at facilitating a strategic planning process, whether it's through a COA or some other document, and/or coordinating with the RCTC on the procurement of professional services.

### 2. Continue leveraging TransTrack reporting capabilities.

STS staff continue to review TransTrack capabilities and mine available data modules through upgrades pertinent to functional areas of operations. For example, staff has interest in pursuing upgrades to the preventative maintenance module of the software to enhance tracking and reporting of transit maintenance activities separately from the program used by the maintenance department that applies to all City-owned vehicles. The rebranding efforts require collection of data that impact daily operations as part of maintaining a high level of public visibility, followed by keen interpretation of results and implementation steps to maintain and improve upon service. Staff should prioritize those existing and new capabilities in TransTrack that provide meaningful data necessary for transit performance management and business analytics.

### 3. Enhance aspects of ongoing driver training.

STS is proactive in providing the required active training to its drivers. One training aspect that evolves from advancement in mobility and technology is wheelchair securement. The number of riders who use mobility devices is growing and this group is an integral part of the City's transit program. Transit management has indicated a preference for an elevated training regimen for wheelchair securement, including having drivers serve as passengers during wheelchair securement training. This role playing will help drivers further understand the challenges with wheelchair securement from both the passenger and driver perspectives, in particular increasing empathy when securing these riders and their mobility devices, which could vary substantially in model, type (e.g., wheelchair scooters), and weight.







**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of Riverside Transit Agency**



*September 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker**  
INTERNATIONAL

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## Section I

### Introduction

The Riverside County Transportation Commission (RCTC) engaged the Michael Baker International consultant team to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction. This performance audit is conducted for Riverside Transit Agency (RTA, Agency) covering the most recent triennial period, fiscal years (FYs) 2018–2019 through 2020–2021.

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

This TDA audit is intended to provide RTA with an independent, constructive, and objective evaluation of the organization and its operations. The methodology for the audit included interviews conducted via videoconference platform with transit management, collection and review of agency documents, data evaluation and remote observation.<sup>1</sup> The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

### Overview of the Transit System

RTA is the largest transit operator within Riverside County and has one of the largest service areas in the United States. The Agency was established as a Joint Powers Agency on August 15, 1975, and began operating bus service on March 16, 1977. RTA is the Consolidated Transportation Service Agency (CTSA) for western Riverside County and is responsible for coordinating transit services throughout the approximate 2,500-square-mile service area, including providing driver training, assisting with grant applications, and developing short-range transit plans.

In FY 2021, RTA provided both local and regional services throughout the region with 36 regional, local, rural and trolley service routes, 3 CommuterLink Express routes, and Dial-A-Ride (DAR) services. In the Cities of Corona, Beaumont, and Banning, RTA coordinates regional services with municipal transit systems. In the City of Riverside, RTA coordinates with the Riverside Special Transportation Services, which provides Americans with Disabilities Act (ADA) complementary service to RTA's fixed-route services.

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<sup>1</sup> For this engagement, videoconferencing was employed in lieu of on-site visitation as part of this audit’s methodology.

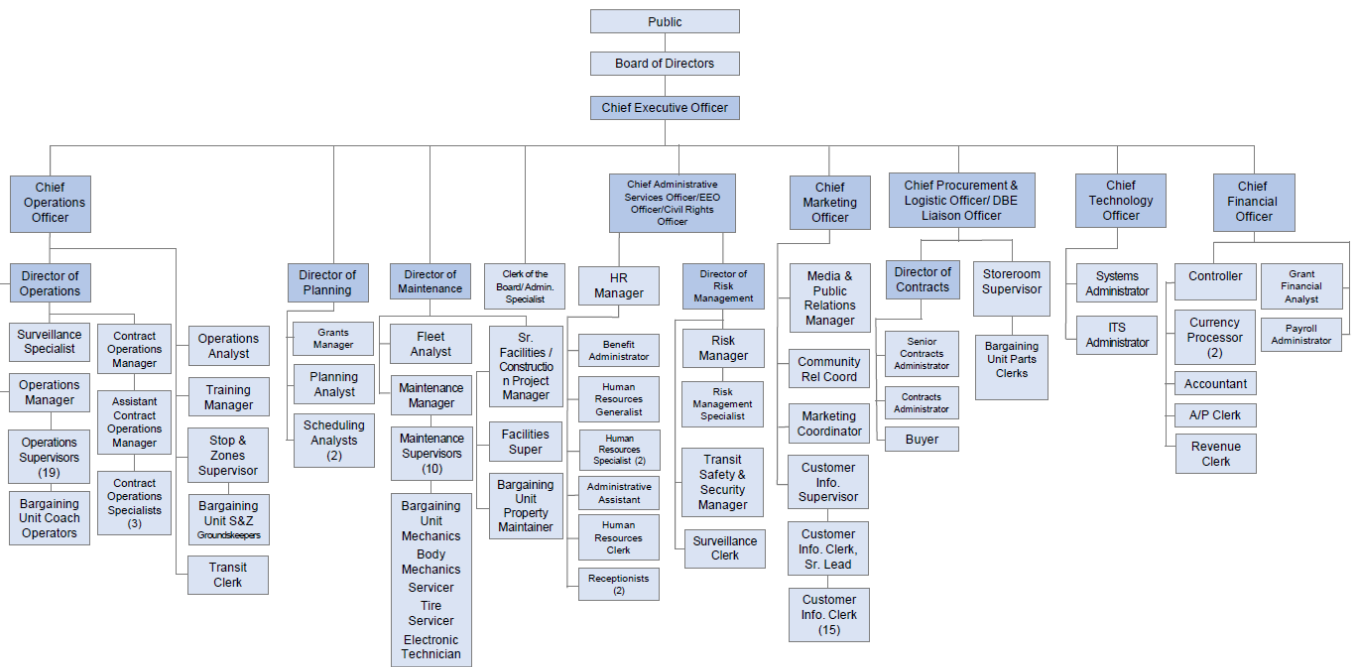
RTA is governed by a board of directors comprising 22 elected officials, 18 representing cities in western Riverside County and four members of the County Board of Supervisors. The member jurisdictions include the Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Moreno Valley, Menifee, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, and the unincorporated areas of Riverside County Supervisorial Districts I, II, III, and V. The RTA Chief Executive Officer reports directly to the Board.

RTA is managed and administered by the Chief Executive Officer with support from the entire executive team. RTA’s primary facility is located in the City of Riverside and houses the majority of the administration, operations, and maintenance departments with approximately 341 active employees on-site. RTA’s secondary facility, located in Hemet, opened in June 2000. It now has approximately 83 maintenance, administrative, and operations employees assigned to the division. Figure I-1 shows the RTA organization chart.

**Figure I-1  
Organization Chart**



**ORGANIZATIONAL STRUCTURE  
FY 2022**



Updated December 31, 2021

Source: RTA

## Transit Services

RTA has both directly operated services and contracted services. Southland Transit is a private transportation company that provides RTA's DAR service. A supplemental taxi service was used prior to the pandemic and played an important role in accommodating unproductive paratransit trips, such as trips during peak period with capacity constraints or trips to remote areas. Empire Transportation, which began providing fixed-route service in FY 2012, was the fixed-route contractor for the entirety of the current audit period. The hours of operations are based on the route classification and service area. The overall span of services is from 3:50 a.m. to 11:55 p.m. The DAR service span mirrors the hours of fixed-route service, excluding the CommuterLink Express service.

**Transit Centers:** RTA has two primary transit centers to support its bus network: the Corona Transit Center and the Perris Station Transit Center. RTA's major transfer points include the Galleria at Tyler Mall, La Sierra Metrolink Station, Moreno Valley Mall, and Riverside Downtown Metrolink Station. Other key transfer points throughout the system include University of California, Riverside (UCR), Riverside University Health System Medical Center, Moreno Valley College, Hemet Valley Mall, Mt. San Jacinto College, Lake Elsinore Outlet Center, Temecula Promenade Mall, and the County Administration Building. New mobility hubs are located at the Temecula Promenade Mall to provide increased transit access to the Cities of Temecula and Murrieta, and the Vine Street Layover next to the Riverside Downtown Metrolink Station.

RTA provides connections to Metrolink stations located within the RTA service area, including stations serving the relatively new Metrolink Perris Valley Line. These stations include North Main Corona, Riverside-La Sierra, Pedley, Riverside-Downtown, Hunter Park/UCR, Moreno Valley/March Field, Perris, and South Perris. An overview of each service follows.

**Regional and Local Fixed Routes:** Regional routes comprise the backbone of the bus network between metropolitan areas along primary corridors (including freeways). Local routes supplement regional routes by circulating through various neighborhoods and serving secondary corridors. Local routes also serve as feeders to regional and express routes by transporting customers within a community on shorter trips. All 36 routes operate Monday through Friday with many routes operating on the weekends.

**CommuterLink Express Routes:** These regional express routes provide limited-stop service designed to primarily transport commuters to and from employment sites and provide connectivity to transit operations heading outside of western Riverside County, such as Metrolink. These buses use the freeway system to provide faster service.

CommuterLink routes provide service for long-distance commuters traveling to Metrolink, Coaster, and Sprinter rail stations; business parks; shopping malls; and regional transit facilities. Service operates on weekdays only.

Table I-1 provides a summary of local, regional, and CommuterLink routes:

**Table I-1  
RTA Route Summary**

Route Number	Destinations	Service Days/Frequency (minutes)		
		Weekday	Saturday	Sunday
1	UCR, Downtown Riverside, Riverside-Downtown Metrolink Station, Smith & 6 <sup>th</sup> , W. Corona Metrolink	15-20	15-20	15-20
3	Eastvale, Norco, Corona Transit Center	120	120	120
8	Lake Elsinore, Wildomar	60-75	60-75	60-75
9	Perris Station Transit Center, Lake Elsinore Outlet Center	70-100	70-100	70-100
10	Big Springs & Watkins, Downtown Riverside, Galleria at Tyler	90	90	90
11	Moreno Valley Mall, March ARB, Alessandro & Frederick	60	60	60
12	La Cadena & Interchange, Downtown Riverside, Corona Hills Plaza	60	60	60
13	Hunter Park/UCR Metrolink Station, Downtown Riverside, Galleria at Tyler - Riverside	60	60	60
14	Galleria at Tyler, Downtown Riverside, Loma Linda VA Hospital	60	60	60
15	Riverside-Downtown Metrolink Station, Downtown Riverside, Merced & Magnolia	40	40	40
16	UCR, Moreno Valley Mall	15-30	15-30	15-30
18	Sunnymead Ranch, Moreno Valley Mall	50	50	50
19	Moreno Valley Mall, Perris Station Transit Center – Trumble Road	15-60	15-60	15-60
20	Magnolia & Elizabeth, Social Security Office, Moreno Valley/March Field Metrolink Station, RUMC, Kaiser Permanente, Moreno Valley College	60	60	60
21	Galleria at Tyler, Country Village/Fontana	70	70	70
22	Downtown Riverside, Perris Station Transit Center	30-60	30-60	30-60
23	Temecula, Murrieta, Wildomar	60-70	60-70	60-70
24	Promenade Mall, Temecula, Pechanga Resort	75	75	75
27	Galleria at Tyler, Perris Station Transit Center	50-60	50-60	50-60
28	Perris Station, Hemet, Lincoln & Florida	30-45	30-45	30-45
29	Riverside-Downtown Metrolink Station, Downtown Riverside, Eastvale, via Jurupa Valley	60-70	60-70	60-70
30	Perris Station Transit Center, May Ranch	90	90	90
31	Moreno Valley Mall, Beaumont, Banning, San Jacinto, Hemet Valley Mall	60-70	60-70	60-70
32	Hemet Valley Mall, Mt. San Jacinto College-San Jacinto	70-75	70-75	70-75

Route Number	Destinations	Service Days/Frequency (minutes)		
		Weekday	Saturday	Sunday
33	Hemet Valley Mall-Sanderson, Thorton-Stanford & Stetson	120	120	120
41	Mead Valley Comm. Center, Moreno Valley College, RUMC	110	110	110
42	Hemet Valley Mall, San Jacinto, Soboba Casino	100	100	100
49	Riverside-Downtown Metrolink Station, Downtown Riverside, Country Village, Fontana	60	50	50
50	Jury Trolley – Eden Lutheran Church, Riverside County Courthouse, Downtown Riverside	Runs Mon-Thurs: 15-30	No Service	
61	Perris Metrolink Station, Sun City, Menifee, Murrieta, Temecula	90	60-70	60-70
74	San Jacinto, Hemet, Winchester, Menifee, Sun City, South Perris Metrolink Station, Perris	90	90	90
79	San Jacinto, Hemet, Winchester, Temecula	90	90	90
200	San Bernardino Downtown Transit Center, Downtown Riverside, Riverside-Downtown Metrolink Station, Galleria at Tyler, La Sierra Metrolink Station, Village at Orange, Anaheim, Disneyland	90-120	90-120	90-120
204	UCR, Downtown Riverside, Country Village, Ontario Mills Mall, Montclair Transcenter	75 Peak	No Service	
205/206	Temecula, Murrieta, Lake Elsinore, Outlet Center Park and Ride, Tom’s Farms, Dos Lagos, Corona Transit Center, Promenade Mall	3 northbound P.M. trips daily	No Service	

Source: RTA May 2021 Ride Guide

RTA implemented the following service changes during the audit period:

- Routes 22 and 27, two of RTA’s longest local bus routes (35 and 52 miles long, respectively) were each split into two separate routes at Perris to improve reliability.
  - Route 22 (Perris-Riverside Downtown)
  - New Route 9 (Lake Elsinore-Perris)
  - Route 27 (Perris-Riverside Galleria Mall)
  - New Route 28 (Hemet-Perris)
- A comprehensive revision of weekend service in the RTA service area allowed seven-day service on all RTA local routes (excluding special weekday shuttle routes), adding Saturday and/or Sunday service on the following routes and route segments:
  - Route 30 Perris East loop
  - Route 31 Beaumont-Moreno Valley

- Route 33 East Hemet
- Route 42 Hemet-San Jacinto-Soboba Casino
- Route 61 Temecula-Murrieta-Menifee-Perris
- Route 74 San Jacinto-Hemet-Winchester-Menifee-Perris
- Route 79 Hemet-Winchester-Temecula
- Route 1 weekend frequency increased from every 30 to every 15 minutes during peak period.
- Increased weekend frequency on Routes 16 and 19 from every 30 to every 15 minutes.
- Additional weekday trips were added through the midday period on the following CommuterLink routes to meet increasing demand for regional and intercounty trips, variable working hours of many riders, and to connect with all weekday Metrolink trains:
  - Route 204 (Montclair, Ontario, Jurupa Valley, Riverside)
  - Route 206 (Corona, Lake Elsinore, Murrieta, Temecula, Temescal Valley)
- Implementation of the Free Fares for Youth and College Students Program. Using Low Carbon Transit Operations Program (LCTOP) funding, passengers 18 and younger and college students who attend Cal Baptist University, La Sierra University, Moreno Valley College, Mt. San Jacinto College, Norco College, Riverside City College, and UCR ride for free. The program began on August 1, 2020, and is scheduled to run through July 31, 2022.
- In April 2019, the Board approved a two-phase fare increase, the first of which was implemented in July 2019. The second fare increase was scheduled to be implemented in July 2021. However, on February 25, 2021, the Board unanimously approved delaying the July 2021 fare increase for one year until July 2022 due to the financial impacts of the COVID-19 pandemic. Prior to this, fares had not been increased in a decade. On April 28, 2022, the Board unanimously approved canceling the July 2022 fare increase until a new fare policy study can be conducted.
- In FY 2019, RTA launched a pilot mobile ticketing program with full implementation in FY 2020. Riders are now able to purchase and use their passes on their phones resulting in fast, convenient, contactless payments.
- Due to the COVID-19 pandemic, the following items were implemented in FY 2020 and FY 2021:
  - Sunday service schedule implemented on all seven days of the week.
  - Sweeper bus service utilized to pick up passengers when scheduled bus reaches capacity.
  - No service on major holidays.
  - Daily cleaning regimens with US Environmental Protection Agency-approved disinfectants on all areas and extra cleaning of high-contact surfaces aboard buses such

- as handrails and seatbacks.
- Installation of driver barriers.
- Continuation of DAR service at available pre-COVID levels as the Agency continues to serve the most vulnerable populations.
- Completion of the Service Reduction Plan which evaluated RTA’s transit network and to create a more efficient and sustainable system by modifying underperforming and/or duplicative routes and trips. After extensive community outreach and approval from the RTA Board of Directors, most of the recommended changes from the Service Reduction Plan were implemented during the May 2021 service change. The remaining recommendations will be further studied in FY 2022.
- In FY 2020, the Vine Street Mobility Hub Conceptual Plan was completed. It was Presented to and approved by the Board in July 2020. The Architectural and Engineering phase for the Vine Street Mobility Hub began in December 2020 and was approved by the Board of Directors in September 2021.
- Completion of the Zero-Emission Bus Implementation and Rollout Plan (ZEB Plan). At the November 2020 Board meeting, results of the energy consumption modeling and financial study were presented to the Board along with the recommendation that RTA move forward with an all-hydrogen fuel cell electric bus fleet, which the Board subsequently approved. In December 2020, RTA’s ZEB Plan was presented to the Board and approved. RTA submitted the ZEB Plan to the California Air Resources Board, and it was approved in February 2021.

**Dial-A-Ride Service:** RTA is the designated CTSA for western Riverside County and offers three types of DAR services: ADA Priority DAR, Senior/Disabled DAR, and DAR Plus Lifeline. Reservations for service must be made at least 24 hours in advance, with the option to call up to 3 days in advance. DAR operates during the same days and hours as fixed-route buses within a .75 mile range of routes. Pickup times are scheduled within one hour before or one hour after each rider’s requested pickup time. The base fare for DAR service is \$3.50 per passenger, per boarding. The maximum fare is \$10.50 per one-way trip and is based on the number of city zones that the rider travels. Depending on where the trip begins and ends, the rider may be required to transfer.

In an effort to improve the availability of appointment time slots and make DAR service more efficient for passengers, RTA has adopted a no-show policy that is designed to limit the number of late cancellations and no-shows. Any DAR rider who is a no-show or cancels their trip after 6:00 p.m. the day before their scheduled pickup may be given penalty points. If a passenger accumulates a specific number of points over a period of time, their service will be temporarily suspended.

ADA Priority DAR service offers wheelchair lift-equipped vehicles for curb-to-curb, shared-ride transportation services for persons who are ADA-certified. All ADA Priority DAR riders must apply and be certified for the service to become eligible. RTA has reduced the application processing time to an average of 10 days. Personal care attendants (PCAs) and companions are also able to ride DAR service with an ADA Priority DAR rider. PCAs can ride at no cost; however, companions and children are

required to pay a fare. ADA Priority DAR riders are eligible for trips throughout the RTA service area within .75 miles of fixed routes.

Senior/Disabled DAR service offers persons 65 years and older and persons with disabilities who do not meet ADA Priority DAR criteria are eligible for local DAR service within a single city and within .75 miles of fixed routes. Companions are not eligible for these riders. This policy ensures that space is available for those attending to ADA Priority DAR passengers. No application is required. However, on the first trip, riders are required to present proof of disability or age eligibility at the pickup location; photo identification will be required for each trip.

Fares

In April 2019, the RTA’s Board approved a two-phase fare increase, the first of which was implemented in July 2019 and is shown in Table 1-2 below. The second fare increase was scheduled to be implemented in July 2021. However, on February 25, 2021, the Board unanimously approved delaying the July 2021 fare increase for one year until July 2022 due to the financial impacts of the COVID-19 pandemic. Prior to this, fares had not been increased in a decade. On April 28, 2022, the Board unanimously approved canceling the July 2022 fare increase until a new fare policy study can be conducted.

**Table I-2  
Fare Structure**

Fixed Route (includes Rapid Link)	Prior to July 2019				As of July 2019			
	Base Fare	Day Pass	7-Day Pass	30-Day Pass	Base Fare	Day Pass	7-Day Pass	30-Day Pass
General	\$1.50	\$4.00	\$16.00	\$50.00	\$1.75	\$5.00	\$20.00	\$60.00
Student (grades 1-12)	\$1.50	\$4.00	\$16.00	\$35.00	\$1.75	\$5.00	\$20.00	\$45.00
Senior (60+)/Disabled	\$0.70	\$2.00	\$16.00	\$23.00	\$0.75	\$2.50	\$20.00	\$30.00
Medicare Card Holder	\$0.70	\$2.00	\$16.00	\$23.00	\$0.75	\$2.50	\$20.00	\$30.00
Veteran	\$0.70	\$2.00	\$16.00	\$23.00	\$0.75	\$2.50	\$20.00	\$30.00
Children 46" tall or under	\$0.25	n/a	n/a	n/a	\$0.50	n/a	n/a	n/a
CommuterLink	Base Fare	Day Pass	30-Day Pass	Base Fare	Day Pass	30-Day Pass		
General	\$3.00	\$7.00	\$75.00	\$3.50	\$10.00	\$95.00		
Student (grades 1-12)	\$3.00	\$7.00	\$75.00	\$3.50	\$10.00	\$95.00		
Senior (60+)/Disabled	\$2.00	\$5.00	\$50.00	\$2.75	\$7.00	\$70.00		
Medicare Card Holder	\$2.00	\$5.00	\$50.00	\$2.75	\$7.00	\$70.00		
Veteran	\$2.00	\$5.00	\$50.00	\$2.75	\$7.00	\$70.00		
Children 46" tall or under	\$2.00	n/a	n/a	\$2.75	n/a	n/a		
Dial-A-Ride	Base Fare	10-Ticket Books	Base Fare	10-Ticket Books				
Senior/Disabled	\$3.00	\$30.00	\$3.50	\$35.00				
Medicare Card Holder	\$3.00	\$30.00	\$3.50	\$35.00				
Children under 46"	\$0.50	n/a	\$0.75	n/a				

Source: RTA

RTA administers the following cooperative fare agreements and subsidy programs:

- University of California, Riverside – U-Pass Program, Route 51 Crest Cruiser
- Riverside Community College – Go-Pass Program
- Moreno Valley College – Go-Pass Program
- La Sierra University – U-Pass Program
- California Baptist University – U-Pass Program
- Mt. San Jacinto College – Go-Pass Program
- City of Temecula – Route 55 Temecula Trolley
- Riverside County Transportation Commission – Festival of Lights Shuttle
- Norco College – Go-Pass Program

RTA has transfer agreements with the following transit agencies:

- Corona Cruiser, Omnitrans, SunLine, Banning Connect, and City of Beaumont Transit: 1-Day and multi-day passes are accepted for base fare (\$1.50 for General/Youth and \$0.70 for Senior/ Disabled with proper ID) on local fixed-route buses at transfer locations only. Transfer media are not valid for DAR service on SunLine, Banning Connect, and Beaumont Transit. Omnitrans transfer media is valid on CommuterLink with payment of any fare differential. Omnitrans transfer media is not valid on DAR, and RTA transfer media is not valid on Access (Omnitrans demand-response service).
- Orange County Transportation Authority (OCTA): 1-Day, multi-day, and Agency-issued ID fares are accepted on Routes 15, 200, and 205 only in Orange County and only for base fare (\$1.50 for General/Youth and \$0.70 for Senior/Disabled/Veteran with proper ID). Additional fare is required. OCTA passes are not accepted in Riverside County.
- Metrolink (RCTC has agreement with Metrolink): RTA accepts valid Metrolink passes for the full fare on routes that serve Metrolink stations for customers traveling to or from a Metrolink station during the period from one hour before to one hour after Metrolink's service hours. The Metrolink pass must be valid on the day of travel. New, unvalidated 10-trip Metrolink passes carried by passengers traveling to Metrolink stations are also accepted on boardings as those pass-holders are required to validate their new passes at the stations. Metrolink passes are not valid on DAR service.

RTA has service agreements or memorandums of understanding (MOU) with the following agencies/organizations:

- Soboba Band of Luiseno Indians – bus stop agreement
- PLACE Performance – Trolley dances
- Moreno Valley Mall Holding LLC – bus stop agreement
- Menifee Valley Medical Center – bus stop agreement

- City of Riverside – Bike share facility at bus stop (Magnolia & Terracina)
- Family Service Association – bus stop agreement
- Wakeland Housing and Development Corporation – applying for funds to make sustainable transportation infrastructure improvements and the construction of transit amenities
- RCTC – ATIS equipment and maintenance of restrooms at transit centers
- Southern California Regional Rail Authority – Metrolink bus bridge service

Vehicle Fleet

In FY 2021, there were a total of 334 revenue vehicles in the RTA fleet. Fixed-route vehicles totaled 224 (145 for directly operated service and 79 for contracted service), while demand- response vehicles totaled 110 (excluding taxis). The entire fixed-route fleet has been converted to compressed natural gas (CNG) fuel.

**Table I-3  
Vehicle Fleet**

Vehicle Type	Year	Number of Vehicles	Service Mode	Seating
<b>Directly Operated Fixed Route/CommuterLink (145 vehicles)</b>				
Gillig G27D102N4	2013	78	Fixed	38
Gillig G27D102N4	2013	4	CommuterLink	38
Gillig G27D102N4	2014	13	Fixed	38
Gillig G27D102N4	2014	13	CommuterLink	38
Gillig G27D102N4	2016	15	Fixed	38
Gillig G27D102N4	2016	7	CommuterLink	38
Gillig G27D102N4	2016	15	Bus Rapid Transit	38
<b>Contracted Fixed Route/CommuterLink (79 vehicles)</b>				
Startrans Senator II HD	2018	4	Fixed	28
Hometown Trolley Villager	2018	5	Fixed	28
Glaval Entourage	2018	7	CommuterLink	28
Glaval Entourage	2018	3	Fixed	28
Glaval Entourage	2019	60	Fixed	28
<b>Contracted Demand Response (110 vehicles)</b>				
El Dorado National Aero Tech 220	2016	4	Dial-A-Ride	12
Glaval Universal	2017	30	Dial-A-Ride	12
Startrans Senator II	2018	39	Dial-A-Ride	12
Startrans Senator II	2020	37	Dial-A-Ride	12

Source: RTA, as of 06/30/2021

In addition to the revenue vehicles, RTA has a fleet of 65 non-revenue support vehicles. Replacement and expansion of the fleet is determined by the Fleet Management Plan. Due to the shorter useful life of the contracted vehicles, replacement of contracted vehicles is on-going. The contracted fixed-route vehicles have been operated and maintained by Empire Transportation since FY 2012. DAR vehicles were operated and maintained by Transdev starting in February 2014 until Southland Transit took over the operations and maintenance for DAR service in February 2018.

### Fleet Facilities

RTA operates directly operated fixed-route service out of two facilities, one located in the City of Riverside and the other in the City of Hemet. While operations and maintenance are provided at both facilities, most of RTA's administrative employees are located in the main Riverside office. Contracted fixed-route and DAR services are operated out of two facilities in the City of Perris. CNG is available at the Riverside and Hemet facilities for the Agency's alternative fueled fleet. Because of the extensive investment needed for CNG technology and fueling stations, RTA's maintenance facility in Hemet also serves as a public fueling station for CNG vehicles. RTA generates additional revenue from the sale and use of CNG. The current facilities can accommodate present operations and have room for limited expansion if necessary.

## Section II

### Operator Compliance Requirements

This section of the audit report contains the analysis of RTA’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, which was developed by Caltrans to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: <i>(For General Public and Specialized Service Submissions)</i>  FY 2019: December 19, 2019 FY 2020: November 17, 2020 FY 2021: December 6, 2021  <b>Conclusion: Complied.</b>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates:  FY 2019: October 4, 2019 FY 2020: September 22, 2020 FY 2021: October 1, 2021  <i>Source: FY 2019–2021 RTA Basic Financial Reports</i>  <b>Conclusion: Complied.</b>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>RTA and its contract operators participate in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Terminal inspections were conducted at RTA operation facilities located in Hemet at 700 Scaramella Circle, and in Riverside at 1825 3<sup>rd</sup> Street.</p> <p>Inspections were also conducted at the contract operator facilities located at 110 South G Street, Perris (Transdev/Southland Transit), and at 340 Mountain Avenue, Perris (Empire Transportation).</p> <p><i>RTA – Hemet:</i> Inspection dates applicable to the audit period were May 13 and 14, 2019; June 3 and 4, 2020; and June 16 and 17, 2021.</p> <p><i>RTA – Riverside:</i> Inspection dates applicable to the audit period were May 1, 2019; May 12, 13, and 14, 2020; and May 19, 20, and 21, 2021.</p> <p><i>Transdev/Southland Transit – Perris:</i> Inspection dates applicable to the audit period were March 5, 6, and 7, 2019; March 2, 3, 4, and 5, 2020; and April 5 and 6, 2021.</p> <p><i>Empire Transportation – Perris:</i> Inspection dates applicable to the</p>

Table II-1 Operator Compliance Requirements Matrix														
Operator Compliance Requirements	Reference	Compliance Efforts												
		<p>audit period were March 14, 18, and 20, 2019; March 11 and 12, 2020; and March 16 and 17, 2021.</p> <p>Inspections were rated satisfactory by the CHP.</p> <p><b>Conclusion: Complied.</b></p>												
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, RTA’s annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by RCTC.</p> <p><b>Conclusion: Complied.</b></p>												
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>RTA is subject to Section 99270.1 and is required to achieve or exceed a mandatory blended farebox recovery ratio target established by RCTC.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Target</td> <td style="text-align: center;">Actual*</td> </tr> <tr> <td>FY 2019:</td> <td style="text-align: center;">16.72%</td> <td style="text-align: center;">24.77%</td> </tr> <tr> <td>FY 2020:</td> <td style="text-align: center;">16.81%</td> <td style="text-align: center;">20.07%</td> </tr> <tr> <td>FY 2021:**</td> <td style="text-align: center;">17.81%</td> <td style="text-align: center;">9.80%</td> </tr> </table> <p>*Includes eligible non-fare revenue in calculation.  ** Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21.</p> <p><i>Source: FY 2019–2021 RTA Basic</i></p>		Target	Actual*	FY 2019:	16.72%	24.77%	FY 2020:	16.81%	20.07%	FY 2021:**	17.81%	9.80%
	Target	Actual*												
FY 2019:	16.72%	24.77%												
FY 2020:	16.81%	20.07%												
FY 2021:**	17.81%	9.80%												

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p><i>Financial Statements</i></p> <p><b>Conclusion: Complied.</b></p>
<p>The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage change in the annual RTA operating budget:</p> <p>FY 2019: + 8.3%</p> <p>FY 2020: + 2.0%</p> <p>FY 2021: -8.8%</p> <p><i>Source: FYs 2019–2021 RTA Basic Financial Reports; Adopted RTA Budgets for FYs 2018–2021</i></p> <p><b>Conclusion: Complied.</b></p>
<p>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</p>	<p>Public Utilities Code, Section 99247</p>	<p>RTA’s performance measures are defined in accordance with PUC requirements. RTA collects data electronically and employs a verification method including auto-entry into TransTrack.</p> <p><b>Conclusion: Complied.</b></p>
<p>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of</p>	<p>Public Utilities Code, Sections 99268.2, 99268.3, 99268.1</p>	<p>RTA must meet a blended farebox recovery ratio target that is under a separate operator compliance requirement.</p> <p><b>Conclusion: Not Applicable.</b></p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.		
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	RTA must meet a blended farebox recovery ratio target that is under a separate operator compliance requirement.  <b>Conclusion: Not Applicable.</b>
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	As described in the annual basic financial statements, RTA contributes to the California Public Employees’ Retirement System (CalPERS) under the 2% @ 62 provision on or after January 1, 2013 (2% @ 55 provision prior to January 1, 2013). Participants are required to contribute 6.25%–7% of their annual covered salary. In accordance with labor union MOUs, RTA contributes 8.018% to its employees’ retirement.  <b>Conclusion: Complied.</b>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	RTA utilizes federal funds that are available to the Agency, as reported in the Transit Operator Financial Transactions Reports as follows:  FY 2019: \$19,793,222 (Operations) \$15,054,008 (Capital) FY 2020: \$25,576,580 (Operations) \$3,139,825 (Capital) FY 2021: 56,452,454(Operations) 8,834,663(Capital)

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<b>Conclusion: Complied.</b>

### Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to RTA, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to RTA (rural and urbanized farebox recovery ratios), as the transit operator is subject to the blended ratio under PUC 99270.1.
2. The blended farebox recovery ratio target approved by RCTC for RTA service was met in FY 2019 and FY 2020. RTA did not meet the farebox recovery ratio target in FY 2021; however, Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during the FY 2019–20 or FY 2020–21. Including eligible non-fare revenue, the farebox recovery ratio was 24.77 percent in FY 2019; 20.07 percent in FY 2020; and 9.80 percent in FY 2021, according to the audited basic financial statements. The average annual farebox recovery ratio was 18.21 percent.
3. RTA and its contract operators participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Terminal inspections received satisfactory ratings by the CHP.
4. The operating budget exhibited modest increases and did not exceed 15 percent during the period. After a 8.3 percent increase in FY 2019, the budget increased 2.0 percent in FY 2020. The FY 2021 operating budget decreased by 8.8 percent. Total Agency salaries and purchased transportation costs declined in the last fiscal year as a result of the pandemic, though insurance premiums increased.

## Section III

### Prior Triennial Performance Audit Recommendations

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

#### Prior Recommendation 1

Focus efforts on evaluating the commuter ridership market.

*Background:* The RTA FY 2018–2020 Short Range Transit Plan (SRTP) indicated that the CommuterLink ridership market has been hit the hardest by the low gas prices as well as the opening of the 91/Perris Valley passenger rail line. Ridership reports during the audit period show the decline in ridership and subsequent farebox recovery from this particular service. CommuterLink riders are the most likely to have the greatest discretion when deciding to use RTA, as found in the 2018 RTA Market Assessment and Strategic Directions Study. The market assessment found that riders on the CommuterLink routes are more likely to cite traveling more in general and driving alone; however, the awareness of RTA's specialized services such as CommuterLink is lower than RTA's other services.

Amenities on CommuterLink routes such as the high-back upholstered seating, reading lights, free Wi-Fi and USB charging stations are added values to the service that attract and retain customers. The SRTP indicated this service type will continue to be monitored, and service levels adjusted, in line with demand. Findings from the market assessment study and changes in ridership patterns show a need to continue a focused effort on meeting the varying and growing demand from commuters to employment centers. A new change in demand cited by RTA is from shift-work employees who do not have regular peak morning and afternoon work hours. Additional focused surveys for CommuterLink customers and evaluation of these routes using data analytic tools from RTA's investment in technology should help enable the planning and improvement of services to meet the commuter ridership market, which will boost performance measures and farebox recovery.

#### Actions taken by RTA:

In October 2018, RTA completed a Market Assessment and Strategic Directions Study, which evaluated ridership and identified strategies that can be implemented to encourage additional ridership, including an evaluation of CommuterLink service. In January 2020, RTA secured grant funding to add off-peak CommuterLink service in response to new residential developments, increasing nontraditional work hours, and high travel demand on the main corridors linking south and north of western Riverside County. RTA plans to continue to market CommuterLink service via billboards, Rider Alerts, Rider News, RTA Reader, Ride Guide, RTA website, and social media. In April

2021, RTA surveyed Route 200 riders at major transit centers to identify their needs and ensure that service levels were meeting demand, given capacity limits of 10 people per 40-foot bus due to the COVID-19 pandemic. RTA staff was compiling and analyzing the results of these efforts at the time of Michael Baker’s staff interviews.

Conclusion:

This recommendation has been implemented.

Prior Recommendation 2

Evaluate plans for RTA facility growth that align with increased transit services in the southern section of the service area.

*Background:* Existing RTA operations and maintenance facility divisions are located in the northern and central portions of western Riverside County, including in the Cities of Riverside and Hemet, and contractor locations in the City of Perris. Tremendous population growth has occurred around the RTA service area, including the Cities of Temecula and Murrieta in the southwestern county. RTA bus services include a growing proportion of local, regional, and commuter routes in these community areas. However, with limited bus facilities available in this service area, vehicles incur relatively high non-revenue service hours and miles prior to and after revenue service by traveling to and from the existing operations facilities. This is shown, for example, in the contracted services data for commuter services. RTA has been reviewing potential options for facility locations that can more efficiently serve the southern service area, including consolidation of contractor facilities in Hemet on RTA property. Whether through expansion of existing facilities or new locations, RTA should factor in the level of non-revenue service in its planning and implementation of routes connecting the southern areas, and the infrastructure needs that align with this growth.

Actions taken by RTA:

With the RTA’s Board of Directors formally adopting an all-hydrogen fuel cell electric bus fleet (FCEB) via the approval of RTA’s ZEB Plan in November 2020, and the drastic decrease in ridership resulting from the COVID-19 pandemic, all facility growth and service increase plans have been paused until ridership and service demand returns. RTA continues to evaluate service needs and is completing a study in FY 2023 to assess whether routes need to be modified due to the range limitations associated with current FCEBs when compared to CNG fleets.

Conclusion:

This recommendation is no longer applicable.

## Section IV

### TDA Performance Indicators

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

Tables IV-1 through IV-5 provide the performance indicators for the following services:

- System-wide
- Fixed Route, Directly Operated
- Fixed Route, Contracted
- General Public (total of fixed route directly operated and contracted)
- Demand Response (Dial-A-Ride)

Graphs are also provided to depict the trends in the indicators. Data in the tables and graphs were derived from several sources, including National Transit Database (NTD) reports and RTA’s State Controller employee count. Sources are noted in footnotes below the tables.

**Table IV-1**  
**TDA Performance Indicators, System-wide**

Verified TDA Statistics & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- 2021
		FY 2019	FY 2020	FY 2021	
Operating Costs (less depreciation) <sup>(1)</sup>	\$79,372,860	\$85,930,268	\$87,610,155	\$79,902,271	0.7%
Adjusted Operating Costs (less depreciation, grant expenses, & expenses from exempt routes) <sup>(1)</sup>	\$76,320,585	\$73,902,008	\$78,761,943	\$64,462,242	-15.5%
Unlinked Passengers	8,583,410	8,697,652	6,977,135	3,015,434	-64.9%
Vehicle Service Hours	871,286	880,027	793,966	527,715	-39.4%
Vehicle Service Miles	13,276,908	13,376,950	12,009,470	8,206,886	-38.2%
Employee FTEs	815	819	762	611	-25.0%
Total Passenger Fare Revenue	\$10,712,941	\$11,003,883	\$9,320,568	\$3,217,731	-70.0%
Other Fare Revenue Contributions	\$5,838,896	\$7,298,277	\$6,488,999	\$3,100,820	-46.9%
Total Fare Revenue	\$16,551,837	\$18,302,160	\$15,809,567	\$6,318,551	-61.8%
Operating Cost per Passenger <sup>(2)</sup>	\$9.25	\$9.88	\$12.56	\$26.50	186.5%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$91.10	\$97.65	\$110.34	\$151.41	66.2%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$5.98	\$6.42	\$7.30	\$9.74	62.9%
Passengers per Vehicle Service Hour	9.85	9.88	8.79	5.71	-42.0%
Passengers per Vehicle Service Mile	0.65	0.65	0.58	0.37	-43.1%
Vehicle Service Hours per Employee FTE	1,069	1,075	1,042	864	-19.2%
Average Fare per Passenger	\$1.25	\$1.27	\$1.34	\$1.07	-14.4%
Farebox Recovery Ratio (passenger fares only) <sup>(2)</sup>	13.5%	12.8%	10.6%	4.0%	-70.4%
Adjusted Farebox Recovery Ratio (adjusted operating costs & other fare revenue contributions) <sup>(3)</sup>	21.69%	24.77%	20.07%	9.80%	-54.80%
System-wide Adjusted Farebox Recovery Ratio Target	17.44%	16.72%	16.81%	17.81%	2.12%
Percentage Change in Consumer Price Index (CPI-All Items & Consumers, LA-Riverside-Orange Co.) <sup>(4)</sup>	3.5%	3.4%	2.5%	2.0%	8.1%

Sources: NTD and Basic Financial Statements

<sup>(1)</sup> System-wide operating costs as shown in RTA's Basic Financial Statement reports. Modal operational costs in subsequent tables are noted as shown in RTA's NTD reports. Modal operational costs do not sum to operational costs due to differing data sources.

<sup>(2)</sup> Calculation uses operating costs less depreciation.

<sup>(3)</sup> Calculation uses adjusted operational costs.

<sup>(4)</sup> Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index from the prior year. It is noted that the LA-Riverside-Orange CPI was updated as two separate CPI's. RCTC utilizes the Riverside-San Bernardino-Ontario CPI index as of FY 21.

**Table IV-2  
TDA Performance Indicators  
Fixed Route, Directly Operated**

Verified TDA Statistics & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- 2021
		FY 2019	FY 2020	FY 2021	
Operating Costs <sup>(1)</sup>	\$48,439,902	\$52,752,258	\$56,480,634	\$54,432,769	12.4%
Unlinked Passengers	6,733,159	6,825,680	5,506,023	2,468,106	-63.3%
Vehicle Service Hours	454,084	477,158	455,048	335,063	-26.2%
Vehicle Service Miles	6,414,376	6,634,855	6,398,536	4,999,256	-22.1%
Employee FTEs	444	458	455	387	-12.8%
Passenger Fare Revenue	\$6,357,771	\$6,627,589	\$6,090,859	\$1,893,398	-70.2%
Operating Cost per Passenger <sup>(2)</sup>	\$7.19	\$7.73	\$10.26	\$22.05	206.7%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$106.68	\$110.56	\$124.12	\$162.46	52.3%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$7.55	\$7.95	\$8.83	\$10.89	44.2%
Passengers per Vehicle Service Hour	14.83	14.3	12.1	7.37	-50.3%
Passengers per Vehicle Service Mile	1.05	1.03	0.86	0.49	-53.3%
Vehicle Service Hours per Employee FTE	1,023	1,042	1,000	866	-15.3%
Average Fare per Passenger	\$0.94	\$0.97	\$1.11	\$0.77	-18.1%
Farebox Recovery Ratio (Fixed Route Directly Operated Mode Only) <sup>(2)</sup>	13.1%	12.6%	10.8%	3.5%	-73.3%
Percentage Change in Consumer Price Index (CPI-All Items & Consumers, LA-Riverside-Orange Co.)	3.5%	3.4%	2.5%	2.0%	8.1%

Sources: NTD and RTA's Pay Hours Report

<sup>(1)</sup> Modal operating costs as shown in RTA's NTD reports. Modal operational costs do not sum to system-wide operational costs due to differing data sources. System-wide operating costs as shown in RTA's Basic Financial Statement reports.

<sup>(2)</sup> Calculation uses modal operational cost.

**Table IV-3  
TDA Performance Indicators  
Fixed Route, Contracted**

Verified TDA Statistics & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- 2021
		FY 2019	FY 2020	FY 2021	
Operating Costs <sup>(1)</sup>	\$15,620,000	\$16,656,222	\$16,362,192	\$13,510,095	-13.5%
Unlinked Passengers	1,434,349	1,465,889	1,187,470	451,701	-68.5%
Vehicle Service Hours	206,028	209,163	193,171	128,888	-37.4%
Vehicle Service Miles	3,437,415	3,424,493	3,118,952	2,025,881	-41.1%
Employee FTEs	162	170	145	127	-21.6%
Passenger Fare Revenue	\$2,850,017	\$2,897,244	\$1,826,340	\$685,229	-76.0%
Operating Cost per Passenger <sup>(2)</sup>	\$10.89	\$11.36	\$13.78	\$29.91	174.7%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$75.81	\$79.63	\$84.70	\$104.82	38.3%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$4.54	\$4.86	\$5.25	\$19.72	334.4%
Passengers per Vehicle Service Hour	6.96	7.01	6.15	3.5	-49.7%
Passengers per Vehicle Service Mile	0.42	0.43	0.38	0.66	57.1%
Vehicle Service Hours per Employee FTE	1,272	1,230	1,332	1,015	-20.2%
Average Fare per Passenger	\$1.99	\$1.98	\$1.54	\$1.52	-23.6%
Farebox Recovery Ratio (Fixed Route, Contracted Mode Only) <sup>(2)</sup>	18.2%	17.4%	11.2%	5.1%	-72.0%
Percentage Change in Consumer Price Index (CPI-All Items & Consumers, LA-Riverside-Orange Co.)	3.5%	3.4%	2.5%	2.0%	8.1%

Sources: NTD and RTA's Pay Hours Report

<sup>(1)</sup> Modal operating costs as shown in RTA's NTD reports. Modal operational costs do not sum to system-wide operational costs due to differing data sources. System-wide operating costs as shown in RTA's Basic Financial Statement reports.

<sup>(2)</sup> Calculation uses modal operational cost.

**Table IV-4  
TDA Performance Indicators  
General Public Service (Directly Operated and Contracted Fixed Route)**

Verified TDA Statistics & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- 2021
		FY 2019	FY 2020	FY 2021	
Operating Costs <sup>(1)</sup>	\$64,059,902	\$69,408,480	\$72,842,826	\$67,942,864	6.1%
Unlinked Passengers	8,167,508	8,291,569	6,693,493	2,919,807	-64.3%
Vehicle Service Hours	660,112	686,321	648,219	463,951	-29.7%
Vehicle Service Miles	9,851,791	10,059,348	9,517,488	7,025,137	-28.7%
Employee FTEs	606	628	600	514	-15.2%
Passenger Fare Revenue	\$9,207,788	\$9,524,833	\$7,917,199	\$2,578,627	-72.0%
Operating Cost per Passenger <sup>(2)</sup>	\$7.84	\$8.37	\$10.88	\$23.27	196.8%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$97.04	\$101.13	\$112.37	\$146.44	50.9%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$6.50	\$6.90	\$7.65	\$9.67	48.8%
Passengers per Vehicle Service Hour	12.37	12.08	10.33	6.29	-49.2%
Passengers per Vehicle Service Mile	0.83	0.82	0.7	0.42	-49.4%
Vehicle Service Hours per Employee FTE	1,089	1,093	1,032	903	-17.1%
Average Fare per Passenger	\$1.13	\$1.15	\$1.18	\$0.88	-22.1%
Farebox Recovery Ratio (Total Fixed Route Mode Only) <sup>(2)</sup>	14.4%	13.7%	10.9%	3.8%	-73.6%
Percentage Change in Consumer Price Index (CPI-All Items & Consumers, LA-Riverside-Orange Co.)	3.5%	3.4%	2.5%	2.0%	8.1%

Sources: NTD and RTA's Pay Hours Report

<sup>(1)</sup> Modal operating costs as shown in RTA's NTD reports. Modal operational costs do not sum to system-wide operational costs due to differing data sources. System-wide operating costs as shown in RTA's Basic Financial Statement reports.

<sup>(2)</sup> Calculation uses modal operational cost.

**Table IV-5  
TDA Performance Indicators  
Dial-A-Ride Demand Response Service**

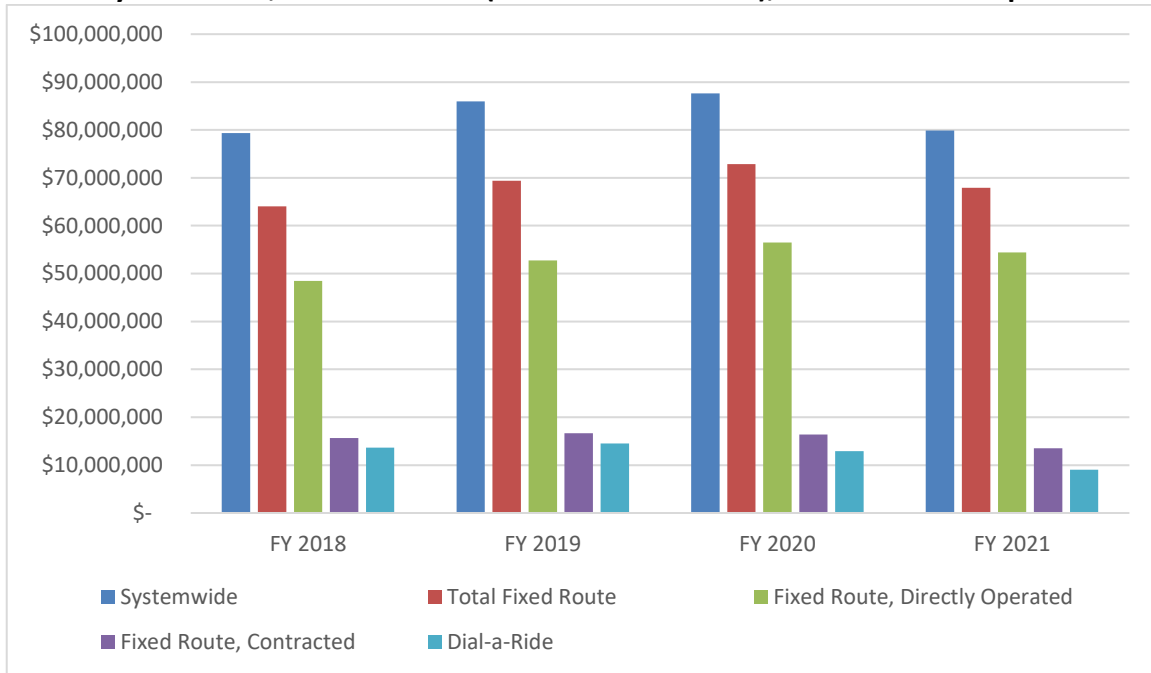
Verified TDA Statistics & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Costs <sup>(1)</sup>	\$13,645,526	\$14,484,987	\$12,941,221	\$9,032,504	-33.8%
Unlinked Passengers	415,902	406,083	283,642	95,627	-77.0%
Vehicle Service Hours	211,174	193,706	145,747	63,764	-69.8%
Vehicle Service Miles	3,425,117	3,317,602	2,491,982	1,181,749	-65.5%
Employee FTEs	209	191	162	97	-53.6%
Passenger Fare Revenue	\$1,505,152	\$1,479,050	\$1,424,495	\$835,971	-44.5%
Operating Cost per Passenger <sup>(2)</sup>	\$32.81	\$35.67	\$45.63	\$94.46	187.9%
Operating Cost per Vehicle Service Hour <sup>(2)</sup>	\$64.62	\$74.78	\$88.79	\$141.66	119.2%
Operating Cost per Vehicle Service Mile <sup>(2)</sup>	\$3.98	\$4.37	\$5.19	\$7.64	92.0%
Passengers per Vehicle Service Hour	1.97	2.1	1.95	1.5	-23.9%
Passengers per Vehicle Service Mile	0.12	0.12	0.11	0.08	-33.3%
Vehicle Service Hours per Employee FTE	1,010	1,014	900	657	-35.0%
Average Fare per Passenger	\$3.62	\$3.64	\$5.02	\$8.74	141.4%
Farebox Recovery Ratio <sup>(2)</sup>	11.0%	10.2%	11.0%	9.3%	-15.5%
Percentage Change in Consumer Price Index (CPI-All Items & Consumers, LA-Riverside-Orange Co.)	3.5%	3.4%	2.5%	2.0%	8.1%

Sources: NTD and RTA's Pay Hours Report

<sup>(1)</sup> Modal operating costs as shown in RTA's NTD reports. Modal operational costs do not sum to system-wide operational costs due to differing data sources. System-wide operating costs as shown in RTA's Basic Financial Statement reports.

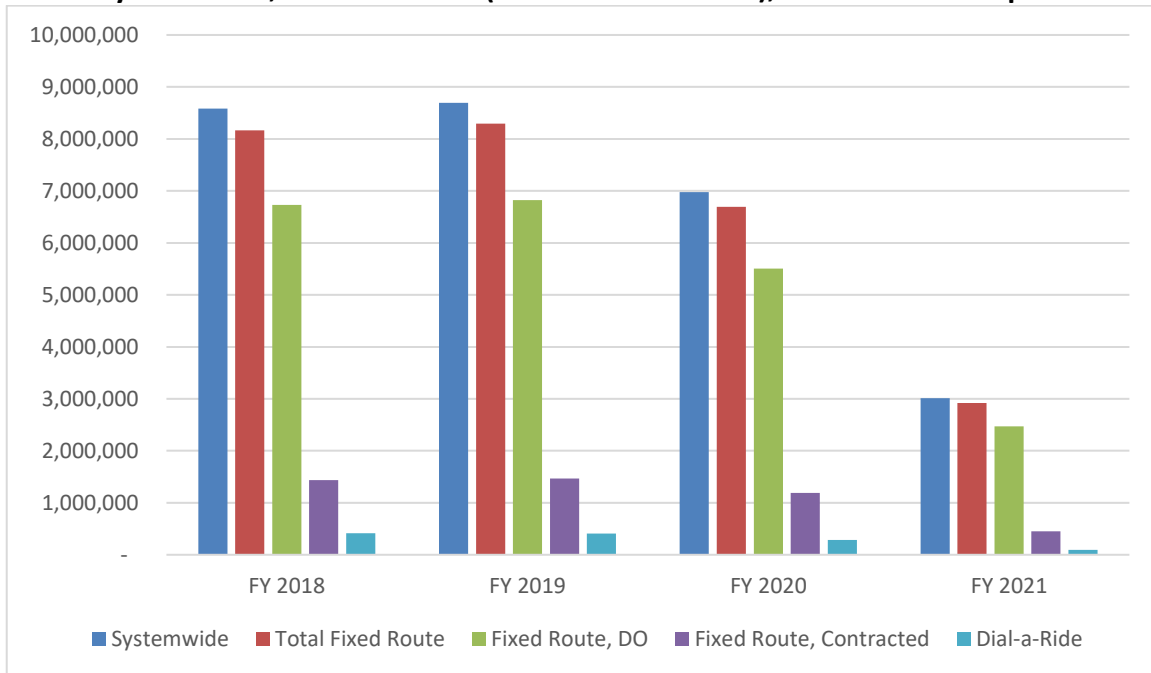
<sup>(2)</sup> Calculation uses modal operational cost.

**Graph IV-1  
Operating Costs  
System-wide, General Public (Direct & Contracted), and Demand Response**

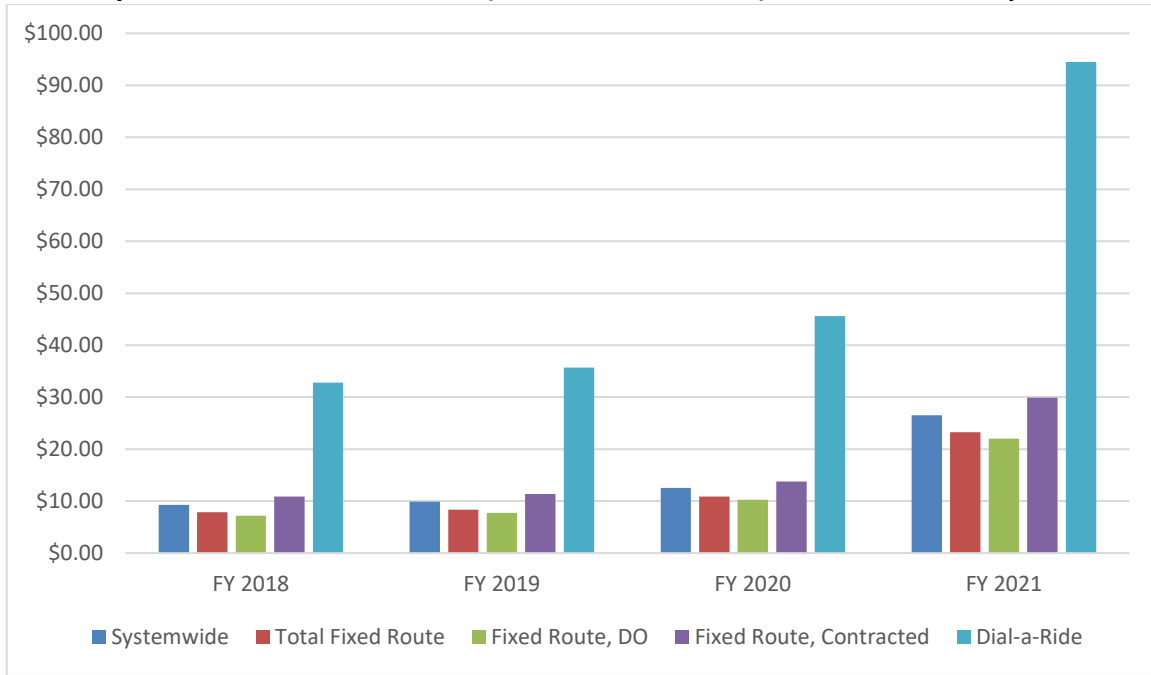


Note: Graph displays non-adjusted operating cost, less depreciation.

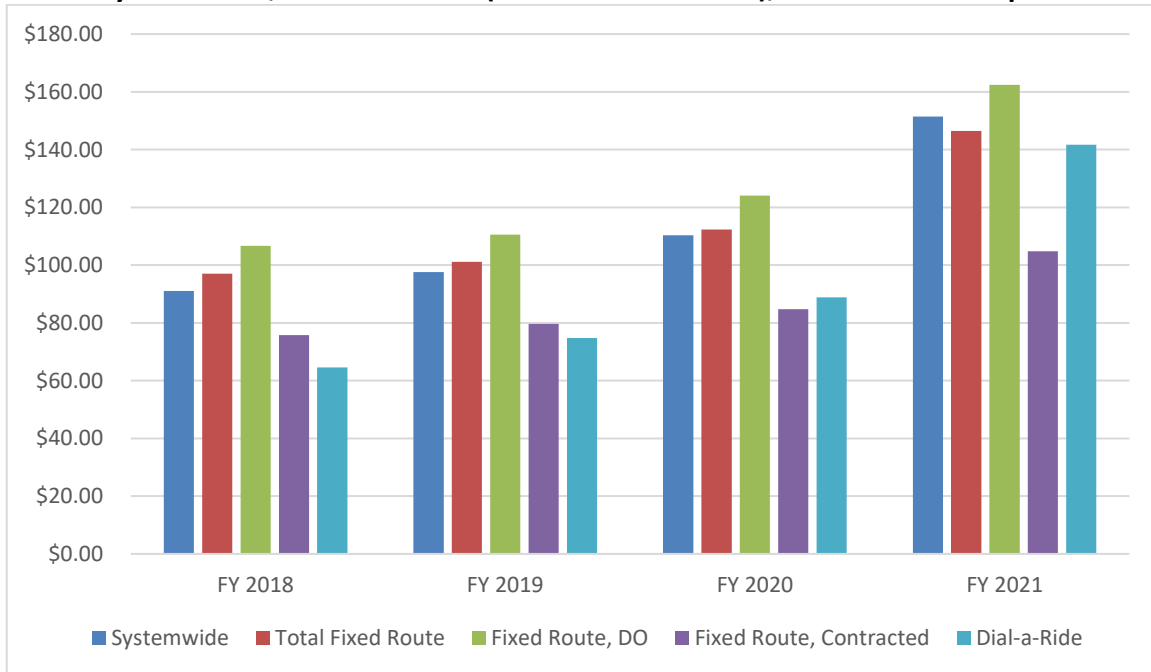
**Graph IV-2  
Ridership  
System-wide, General Public (Direct & Contracted), and Demand Response**



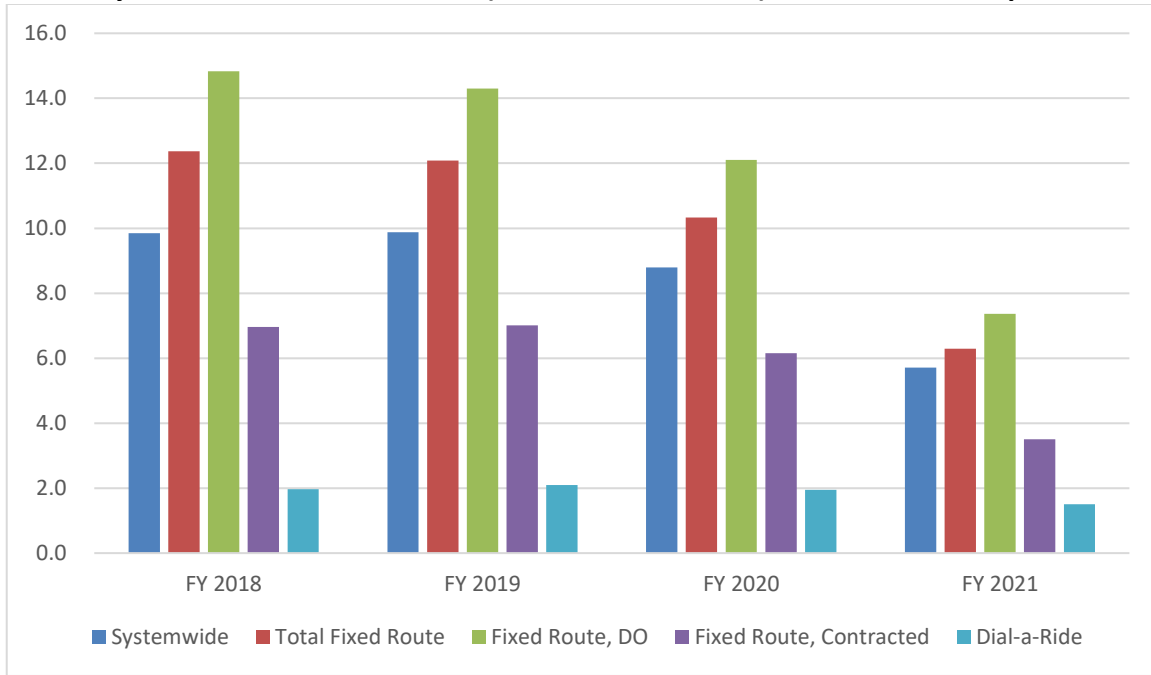
**Graph IV-3**  
**Operating Cost per Passenger**  
**System-wide, General Public (Direct & Contracted), and Demand Response**



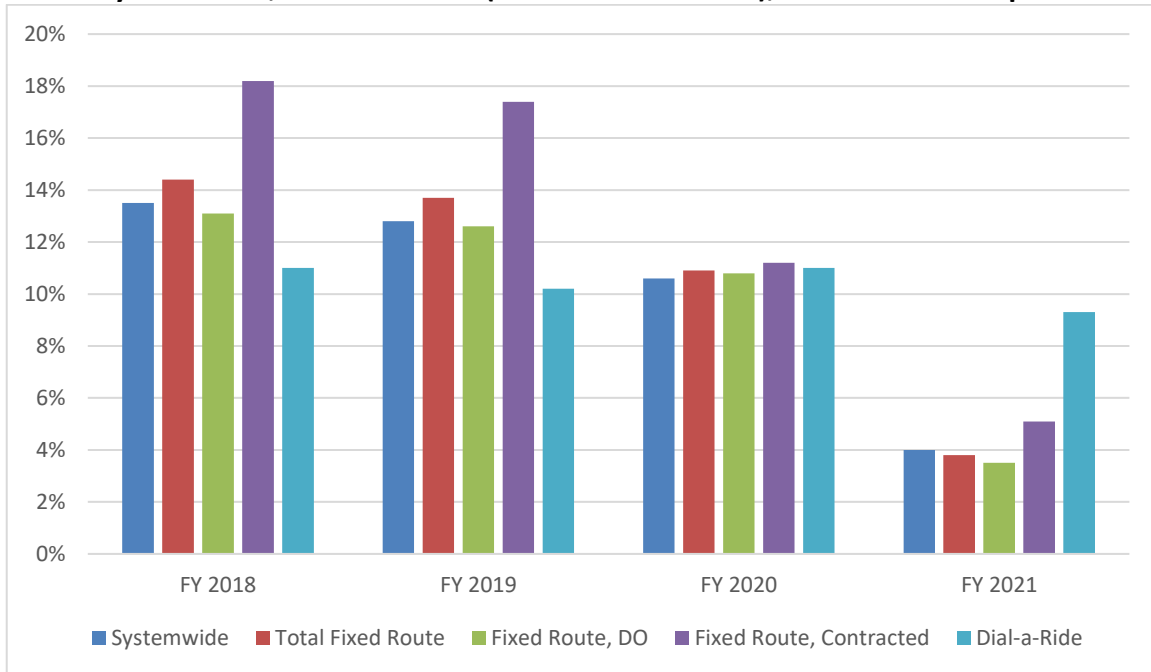
**Graph IV-4**  
**Operating Cost per Vehicle Service Hour**  
**System-wide, General Public (Direct & Contracted), and Demand Response**



**Graph IV-5**  
**Passengers per Vehicle Service Hour**  
**System-wide, General Public (Direct & Contracted), and Demand Response**

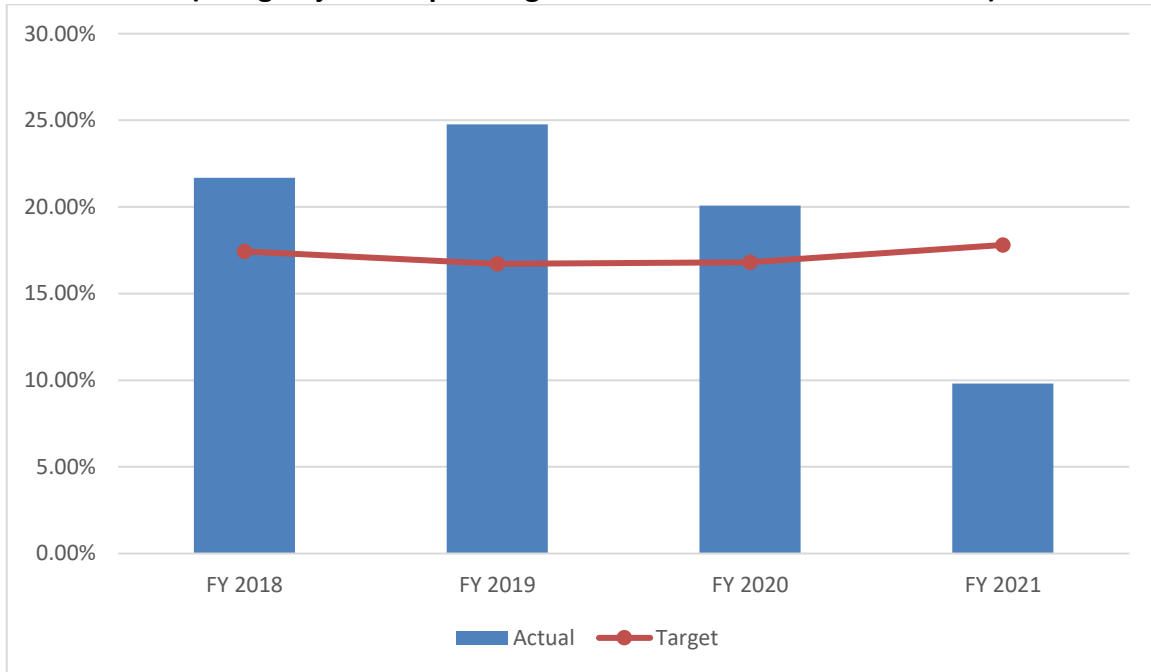


**Graph IV-6**  
**Fare Recovery Ratio (Passenger Fares Only)**  
**System-wide, General Public (Direct & Contracted), and Demand Response**



Note: System-wide ratio is audited; modal ratios are unaudited.

**Graph IV-7**  
**System-wide Fare Recovery Ratio: Actuals & Targets**  
**(Using Adjusted Operating Costs & Other Fare Contributions)**



## Statement of Facts from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. Operating costs (less depreciation) for RTA's general public service increased by 6.1 percent over the audit period while DAR service decreased by 33.8 percent. System-wide operating costs increased nominally by 0.7 percent.
2. Ridership on general public service decreased by 64.3 percent from FY 2018 to FY 2021, from 8.2 million to 3 million passengers. Ridership on DAR service decreased by 77 percent, from 416,000 to 96,000. System-wide ridership decreased by 64.9 percent during the audit period, which was symptomatic of transit industry trends during the same time period due to the COVID-19 pandemic as well as trends that were in play before the pandemic including the economy, gas prices, automobile ownership, low interest rates on auto loans, and population and demographic changes.
3. The provision of vehicle service hours and miles for general public service decreased by 29.7 percent and 28.7 percent, respectively, as RTA decreased service levels in response to the COVID-19 pandemic. DAR vehicle service hours and miles decreased by 69.8 percent and 65.5 percent, respectively.
4. Operating cost per passenger increased by 186.5 percent system-wide, by 196.8 percent for general public service, and by 187.9 percent for DAR service (as compared to an 8.1 percent change in inflation during the audit period). This performance measure reflects the drastic impacts of sudden decreases in ridership resulting from the COVID-19 pandemic.
5. Operating cost per vehicle service hour increased by 66.2 percent system-wide, by 119.2 percent for DAR service, and by 50.9 percent for general public service. Operating cost per vehicle service mile increased by 62.9 percent system-wide, by 92.0 percent for DAR service, and by 48.8 percent for general public service.
6. Passengers per vehicle service hour decreased by 42 percent system-wide, by 49.2 percent for general public service, and by 23.9 percent for DAR service. Passengers per vehicle service mile decreased by 43.1 percent system-wide, by 49.4 percent for general public service, and by 33.3 percent for DAR service.
7. Vehicle service hours per employee full time equivalent (FTE) for general public service decreased by 17.1 percent, from 1,089 in FY 2018 to 903 in FY 2021.

8. The average fare per passenger decreased 14.4 percent system-wide, from \$1.25 in FY 2018 to \$1.07 in FY 2021. Average fare for DAR service increased by 141.4 percent, from \$3.62 in FY 2018 to \$8.74 in FY 2021. The average fare for general public service decreased by 22.1 percent, from \$1.13 in FY 2018 to \$0.88 in FY 2021.
9. The fare recovery ratio for general public service decreased from 14.4 percent in FY 2018 to 3.8 percent in FY 2021, while the fare recovery ratio for DAR service decreased from 11 percent in FY 2018 to 9.3 percent in FY 2021. These fare recovery ratios do not include eligible non-fare revenue allowed by RCTC.
10. The RCTC-allowed farebox is based on a system-wide, audited, blended farebox recovery ratio target that accounts for both fixed-route and DAR service and includes multiple eligible non-fare revenue such as local Measure A sales tax contributions, LCTOP operating grant funds, Renewable Identification Numbers and Low Carbon Fuel Standard Revenues, and other locally generated revenue. The adjusted system-wide farebox recovery ratio targets for RTA are 16.72 percent, 16.81 percent, and 17.81 percent for FY 2019, FY 2020, and FY 2021, respectively. The non-fare revenues raise the farebox recovery ratio well beyond the minimum standard in FY 2019 and FY 2020, with adjusted farebox recovery ratios of 24.77 percent and 20.07 percent, respectively. In FY 2021, RTA failed to meet the adjusted system-wide farebox recovery ratio target, achieving a farebox recovery rate of 9.80 percent; however, AB 90 prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

## Section V

### Review of Operator Functions

This section provides a review of various functions within RTA. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed:

- Operations/Contract Operations
- Maintenance
- Administration and Management
- Planning
- Marketing
- Human Resources/Risk Management
- Procurement
- Information Technology

#### Operations/Contract Operations

##### RTA Mission Statement

*The Riverside Transit Agency, Riverside County's multi-modal transportation provider, shall provide for a variety of transportation needs in a cost-effective and efficient manner for all the residents of our member communities. The Agency is committed to providing safe, reliable, courteous, accessible, and user-friendly services to our customers.*

The Operations and Contract Operations Departments are responsible for delivering transit service for all the Agency's fixed-route and demand-response operations, both directly and via private contractors. These departments comprise the coach operators, dispatchers, supervisors, and managers who provide the daily interface between RTA and the riding public. Operations and Contract Operations work to maintain scheduled service, manage contracted services, adhere to regulatory requirements, and improve labor relations.

The Operations and Contract Operations Departments prepare key performance indicators (KPI) reports that track indicators on a system-wide level, including discipline violations, overtime hours, accidents, and lost service hours. Each KPI is reported at least on a monthly basis.

Major accomplishments during the audit period include:

- Continued Cooperative Agreements with other transit operators in the region and RCTC for

transit station facilities and the operation and maintenance of the Advanced Traveler Information System.

- Transitioned contracted fixed-route commuter service to directly operated service.
- Extended all pass agreements with colleges and universities an additional year, allowing additional time for ridership to normalize before reassessing new contract terms.
- Entered into a formal bus bridge service agreement with Metrolink to formalizing the billing process that was already being utilized.

As impacts from the novel coronavirus (COVID-19) started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention (CDC) protocols, RTA enacted many new protocols. Nearly all departments within the Agency were affected in some way by the impacts of COVID-19; the Operations Department was impacted most directly.

In response to the COVID-19 pandemic and the immediate drastic decline in ridership that RTA experienced as a result of the stay-at-home order, RTA began work on a virus response plan to help guide decision-making on service levels and Agency protocols during the pandemic. As part of this plan, Sunday service levels were implemented seven days a week starting in April 2020. RapidLink Gold Line service was suspended. Service in this corridor is available to riders via Route 1, which operates along the same alignment as the Gold Line. At the time of publication of this audit, no reinstatement date has been determined. An emergency bid was used so that operators could pick new work assignments resulting from the schedule adjustment.

Regular communications between RTA staff and Amalgamated Transit Union 1277 members occurred throughout the pandemic to ensure that operator and maintenance staff needs were being met. As a result of these communications, RTA staff changed extraboard policies to allow extraboard operators to remain at home on stand-by, rather than requiring operators to stand by at the RTA facility as had been required prior.

In an effort to maintain social distancing measures, a 10-passenger limit was placed on all 40-foot buses. In the event that demand exceeded this limit, operators informed dispatchers and a shadow vehicle was deployed, if an operator was available, to pick up passenger overflow. Automated passenger counter (APC) and automated vehicle locator (AVL) software was utilized by dispatch to monitor live vehicle loads and proactively dispatch vehicles when possible. Header signage and exterior audio announcements were used to inform customers waiting at bus stops if a bus had reached capacity.

In addition to increased cleaning supplies and access to personal protective equipment (PPE), RTA made further efforts to stop the spread of the virus through the adoption of a one-bus-one-operator policy. Electromagnetic cleaners were also routinely used on vehicles and throughout RTA facilities to disinfect high-touch surfaces. Additionally, new air filters were installed on vehicles and in facilities for air purification and sanitation purposes.

In 2021, RTA, in partnership with UCR and the City of Riverside, completed a mobility hub construction project near the intersection of Canyon Crest and University. The project included the installation of new sawtooth bus bays, as well as passenger amenities including bus shelters, benches, and trash cans.

In FY 2019, RTA experienced a 1.33 percent increase in ridership. However, any potential ridership growth trends were derailed with the onset of the COVID-19 pandemic; in FY 2020, RTA's system-wide ridership exhibited a 19.78 percent decrease. Even more severe impacts to ridership were seen in FY 2021 when RTA's system-wide ridership decreased by 56.78 percent. A great deal of the loss of ridership can be attributed to local colleges and universities switching to virtual learning, drastically reducing the number of faculty, staff, and students which historically have comprised such a large portion of RTA's overall ridership.

In December 2020, the RTA Board of Directors approved RTA's ZEB Plan. The plan details how RTA plans to transition to an all-hydrogen fuel cell electric bus fleet, a direction that was informed by a system-wide analysis of the feasibility of operating electric versus hydrogen-powered vehicles in the Agency's western Riverside County service area in response to the California Air Resources Board mandate. RTA expects its first hydrogen fuel cell vehicles to be in fixed-route service in 2026 and plans to phase out its current CNG vehicle fleet in response to the mandate. Additionally, in 2020, RTA purchased 12 Chevy Bolt vehicles and the necessary charging equipment to be used as support vehicles.

It should be noted that, unlike many transit operators in the country at this time, RTA has not faced large-scale operator shortages. At the onset of the pandemic, there were some operators who, due to health concerns, chose to stay home and not work, using COVID-19 leave time. However, as information, PPE, and vaccines became more widely available, these operators returned to work. While some operators were given alternative duties, such as bus servicers/cleaners, RTA did not lay off any operators due to lack of available work.

Operations Performance

Tables V-1, V-2, and V-3 provide several indicators based on NTD data (Form 30) of operations performance for RTA’s directly operated fixed route, contracted fixed route, and contracted demand-response services, respectively.

**Table V-1  
Vehicle Operations Performance Indicators  
Directly Operated Fixed Route**

Operations Data	Base Year	Audit Review Period			% Change FY 2018- FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Operations	\$24,307,423	\$26,425,133	\$27,659,736	\$25,714,321	5.8%
Operator Salaries and Wages	\$11,052,357	\$14,551,539	\$15,064,453	\$13,227,788	19.7%
Operator Pay Hours	569,969	585,490	580,164	469,228	-17.7%
Vehicle Service Hours (VSH)	454,084	477,158	455,048	335,063	-26.2%
Vehicle Service Miles (VSM)	6,414,376	6,634,855	6,398,536	4,999,256	-22.1%
Total Vehicle Hours	491,436	519,653	494,005	390,613	-20.5%
Total Vehicle Miles	7,439,877	7,755,931	7,506,116	6,425,390	-13.6%
Unlinked Passenger Trips	6,733,159	6,825,680	5,506,023	2,468,106	-63.3%
Passenger Miles	52,106,284	50,940,523	42,340,612	18,775,771	-64.0%
Preventable Accidents	75	77	98	113	50.7%
Preventable Accidents per 100,000 miles	1.01	0.99	1.31	1.76	74.3%
<b>Performance Indicators</b>					
Veh Ops Cost per VSH	\$53.53	\$55.38	\$60.78	\$76.74	43.4%
Veh Ops Cost per VSM	\$3.79	\$3.98	\$4.32	\$5.14	35.7%
Veh Ops Cost per Passenger Trip	\$3.61	\$3.87	\$5.02	\$10.42	188.6%
Veh Ops Cost per Passenger Mile	\$0.47	\$0.52	\$0.65	\$1.37	193.6%
Average Wage per Operator Pay Hour	\$19.39	\$24.85	\$25.97	\$28.19	45.4%
VSH per Operator Pay Hour	0.80	0.81	0.78	0.71	-10.4%
VSM per Operator Pay Hour	11.25	11.33	11.03	10.65	-5.3%
Service Miles per Service Hour	14.13	13.90	14.06	14.92	5.6%
Service Hours / Total Hours	92.4%	91.8%	92.1%	85.8%	-7.2%
Service Miles / Total Miles	86.2%	85.5%	85.2%	77.8%	-9.8%
Avg Psgr Miles per Psgr Trip	7.74	7.46	7.69	7.61	-1.7%
Passengers per Revenue Vehicle Hour	14.83	14.30	12.10	7.37	-50.3%
Prev Accidents per 100,000 Total Miles	1.01	0.99	1.31	1.76	74.5%
On-Time Performance	90.0%	90.0%	91.0%	90.0%	0.0%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Source: NTD Reports

Operations costs for directly operated fixed-route service increased 5.8 percent over the triennial period. Vehicle service hours per operator pay hour decreased by 10.4 percent. Vehicle service miles per operator pay hour decreased by 5.3 percent. Service hours per total hour and service miles per total mile decreased by 7.2 percent and 9.8 percent, respectively. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 1.7 percent, from 7.74 miles to 7.61 miles.

The number of directly operated fixed-route preventable accidents per 100,000 miles was 1.01 in FY 2018, 0.99 in FY 2019, 1.31 in FY 2020, and 1.76 in FY 2021 for a net increase of 74.5 percent over the audit period. On-time performance (OTP) remained stable during the audit period with little variance. In FY 2018 and FY 2019, OTP for directly operated fixed-route service was 90 percent, in FY 2020 there was a slight increase to 91 percent, and in FY 2021 OTP returned to 90 percent. The OTP target of 85 percent for directly operated fixed-route service was met for all three years of the audit period.

**Table V-2**  
**Vehicle Operations Performance Indicators**  
**Contracted Fixed Route**

Operations Data	Base Year	Audit Review Period			% Change
	FY 2018	FY 2019	FY 2020	FY 2021	FY2018- FY 2021
Cost for Operations	\$10,648,071	\$11,297,691	\$10,829,779	\$8,898,168	-16.4%
Vehicle Service Hours (VSH)	206,028	209,163	193,171	128,888	-37.4%
Vehicle Service Miles (VSM)	3,437,415	3,424,493	3,118,952	2,025,881	-41.1%
Total Vehicle Hours	254,043	254,761	231,957	153,294	-39.7%
Total Vehicle Miles	4,844,391	4,725,228	4,233,057	2,699,547	-44.3%
Unlinked Passenger Trips	1,434,349	1,465,889	1,187,470	451,701	-68.5%
Passenger Miles	14,335,956	14,664,160	12,777,998	5,331,529	-62.8%
Preventable Accidents	4	22	22	22	450.0%
<b>Performance Indicators</b>					
Veh Ops Cost per VSH	\$51.68	\$54.01	\$56.06	\$69.04	33.6%
Veh Ops Cost per VSM	\$3.10	\$3.30	\$3.47	\$4.39	41.8%
Veh Ops Cost per Passenger Trip	\$7.42	\$7.71	\$9.12	\$19.70	165.4%
Veh Ops Cost per Passenger Mile	\$0.74	\$0.77	\$0.85	\$1.67	124.7%
Service Miles Per Service Hour	16.68	16.37	16.15	15.72	-5.8%
Service Hours / Total Hours	81.1%	82.1%	83.3%	84.1%	3.7%
Service Miles / Total Miles	71.0%	72.5%	73.7%	75.0%	5.8%
Avg Psgr Miles per Psgr Trip	9.99	10.00	10.76	11.80	18.1%
Passengers per Revenue Vehicle Hour	6.96	7.01	6.15	3.50	-49.7%
Prev Accidents per 100,000 Total Miles	0.08	0.47	0.52	0.81	887.0%
On-Time Performance	91.0%	88.0%	87.0%	93.0%	2.2%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Sources: NTD Reports, Contractor Performance Indicator, Monthly, and Preventable Accidents Reports

Vehicle operations costs for contracted fixed-route service decreased by 16.4 percent during the audit period, which was due in part to RTA transitioning contracted fixed-route commuter service to directly operated service. By contrast, CPI increased by 8.1 percent during the audit period. Operations cost per vehicle service hour and cost per vehicle service mile increased by 33.6 percent and 41.8 percent, respectively. Cost per passenger trip and cost per passenger mile increased drastically, by 165.4 percent and 124.7 percent, respectively.

The number of contracted fixed-route preventable accidents per 100,000 miles was 0.08 in FY 2018, 0.47 in FY 2019, 0.52 in FY 2020, and 0.81 in FY 2021 for a net increase of 887 percent over the audit period. Over the audit period the OTP fluctuated slightly, averaging 89.3 percent. The OTP target of 90 percent established for the contract operators was not met in FY 2019 and FY 2020 and was exceeded in FY 2021.

**Table V-3**  
**Vehicle Operations Performance Indicators**  
**Dial-A-Ride Demand Response**

Operations Data	Base Year	Audit Review Period			% Change FY 2018- FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Operations	\$7,581,264	\$9,066,757	\$8,666,223	\$4,678,171	-38.3%
Vehicle Service Hours (VSH)	211,174	193,706	145,747	63,764	-69.8%
Vehicle Service Miles (VSM)	3,425,117	3,317,602	2,491,982	1,181,749	-65.5%
Unlinked Passenger Trips	415,902	406,083	283,642	95,627	-77.0%
Passenger Miles	4,052,981	3,588,828	2,325,148	1,088,666	-73.1%
Preventable Accidents	40	60	30	10	-75.0%
<b>Performance Indicators</b>					
Veh Ops Cost per VSH	\$35.90	\$46.81	\$59.46	\$73.37	104.4%
Veh Ops Cost per VSM	\$2.21	\$2.73	\$3.48	\$3.96	78.8%
Veh Ops Cost per Psgr Trip	\$18.23	\$22.33	\$30.55	\$48.92	168.4%
Veh Ops Cost per Psgr Mile	\$1.87	\$2.53	\$3.73	\$4.30	129.7%
Service Miles Per Service Hour	16.22	17.13	17.10	18.53	14.3%
Passengers per Revenue Vehicle Hour	1.97	2.10	1.95	1.50	-23.9%
Passenger Miles per Passenger Trip	9.75	8.84	8.20	11.38	16.8%
Prev Accidents per 100,000 Total Miles	1.17	1.81	1.20	0.85	-27.5%
On-Time Performance	89.0%	90.0%	90.0%	91.0%	2.2%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Sources: NTD Reports, Contractor Performance Indicator, Monthly, and Preventable Accidents Reports

Vehicle operations costs for DAR service decreased by 38.3 percent during the audit period. Operations cost per vehicle service hour and cost per vehicle service mile increased by 104.4 percent

and 78.8 percent, respectively. Cost per passenger trip also increased by 168.4 percent, while cost per passenger mile increased by 129.7 percent.

The number of contracted DAR preventable accidents per 100,000 miles was 1.17 in FY 2018, 1.81 in FY 2019, 1.20 in FY 2020, and 0.85 in FY 2021 for a net decrease of 27.5 percent over the audit period. OTP increased by 2.2 percent from 89 percent in FY 2018 to 91 percent in FY 2021. The OTP target of 90 percent established for the contract operators was met during the audit period.

### Review of Methodology for Collection and Reporting Operations Data

Data collection and reporting of operations data, including hours and miles of service, are performed by several departments within RTA. For Dial-A-Ride operations, Trapeze dispatch and scheduling software is utilized, which ensures the proper calculation of revenue service hours and miles. Initially, hours and miles are estimated by the Planning Department based on the service changes that occur three times per year. The Operations Department measures schedule variances.

RTA's primary source of ridership and fare revenue data for directly operated and contracted services is the GFI fareboxes, which show passengers by fare type. Ridership counts from the APCs are used to validate the farebox data. For directly and contracted operated fixed-route service, OTP is measured using a Global Positioning Systems (GPS) based AVL system. Since the AVL system has more observations, it is believed to be more accurate. Trapeze is used to monitor Dial-A-Ride OTP.

RTA staff and the contractors are each responsible for collecting and handling cash from fares. For fixed route bus services, the cash reported is compared to what is projected by the GFI farebox. For DAR service, the cash reported is compared to paper slips. The Finance Department reconciles the actual and expected revenues. In the event of a discrepancy with a contractor, RTA charges the contractor the higher revenue number. RTA also conducts surprise in-house audits to maintain staff accountability. Fare revenue and ridership go into the Quarterly Comprehensive Route Performance Report produced by Finance.

The Contract Operations Department oversees contracted transportation services for performance indicators, including OTP, miles between road calls, DAR no-shows, and DAR call abandonment rates.

### Maintenance

The Maintenance Department maintains the directly operated fixed-route fleet. CHP and Federal Motor Vehicle Safety Standards recommendations and requirements are being met or exceeded. For directly operated buses, the current Preventative Maintenance Vehicle Inspections (PMVIs) are due every 6,000 to 9,000 miles or as per manufacturers' recommendations during the warranty period up to 12,000 miles. Each bus that is out of warranty is due for inspection every 10,000 vehicle miles. The inspections are conducted within a variance of 500 miles from the target mileage.

Beginning in FY 2020, vehicle revenue mileage decreased drastically due to the service reductions made in response to the pandemic. To ensure all vehicles were still being properly maintained and monitored, RTA's Maintenance Department switched from a mileage-based PMI schedule to a day-

based schedule with inspections taking place every 90 days. These inspections were conducted using US Department of Transportation safety inspection guidelines. The Maintenance Department can perform most service and repairs, including body work.

RTA reviews the PMVI for contracted buses on a weekly basis to ensure quality control. Contractors perform preventative maintenance on each vehicle in accordance with the contract, OEM specifications, and/or prescribed by law. If any mechanical defect is found, the vehicle is “red-tagged” and pulled out of service. The contractor uses Zonar for daily vehicle inspections and to identify maintenance issues.

Non-revenue licensed vehicles (relief, staff, and service vehicles) are inspected every 7,500 miles in accordance with OEM recommendations and/or as prescribed by law.

In response to the COVID-19 pandemic, the Maintenance Department enacted new sanitation protocols in compliance with CDC guidelines. The new protocol includes the sanitation of vehicles using an electromagnetic sprayer and disinfectants on-board each vehicle. The vehicles are sealed with a timestamp that indicates at what time the vehicle will be done disinfecting and is ready to return to service. RTA increased the number of servicers to be able to accommodate both mid-day vehicle sanitation and nightly sanitation. Clear operator barriers were installed on all vehicles to shield operators from unnecessary contact with the public. Vehicle and facility air filters were replaced, and hand sanitizer dispensers were installed on all vehicles. Maintenance staff was also responsible for the sanitation of the facility and for maintaining RTA’s PPE and sanitation supplies inventory.

In November 2020, Maintenance began using a new maintenance tracking software called Infor, which replaced the previous Spear Technologies platform. While many Infor features are similar in function and process to the previous system, including generating work orders, logging PMI data, accessing and updating parts inventory information, generating purchase orders, and running reports, one notable improvement is the ability for maintenance staff to utilize tablets for data entry. Previously, maintenance staff utilized two stationary kiosks to log vehicle maintenance data. The new tablet system allows staff the convenience of entering vehicle data at their workstation as well as the ability to take and log photographs.

The Riverside maintenance facility has six service bays and one bus wash bay. Portable lifts are utilized. The Hemet facility has three service bays. There are two fast-fill CNG fueling pumps at the Riverside facility and two fast-fill CNG pumps at the Hemet facility.

The Maintenance Department prepares a monthly maintenance standards and performance indicators report that tracks indicators including average miles per gallon, attendance, overtime, OSHA 300 log, maintenance expenses, cost per mile, vehicle availability, daily average of buses down for parts, inventory value, training hours, road calls, miles between road calls, and inspections. Some data is oriented by base facility and is tabulated for each base such as miles per gallon, road calls, and headcounts. The remaining indicators are tracked at a system-wide level.

Maintenance staff forecast vehicle replacement needs by mileage. Mileage and age for each individual vehicle are tracked in four separate reports according to service type: directly operated

fixed-route buses, contracted fixed-route buses, DAR vehicles, and other support/staff vehicles.

It is the joint responsibility of Maintenance Department staff and the Parts Department to identify all potential warrantable items. During their routine repair and inspection of vehicles, Maintenance Department staff will mark known parts that have failed and may be eligible for warranty claims. The Parts Department then determines if an item is eligible to be processed for a warranty claim. The storeroom supervisor gathers all supporting documentation and submits a warranty request in to the vendor. The storeroom supervisor tracks warranty recoveries by month.

Major accomplishments of the Maintenance Department during the audit period include:

- Maintenance facilities passed annual CHP terminal inspections.
- In light of RTA’s new direction toward hydrogen fuel cell vehicles established in the ZEB Plan, previous planning efforts for a centralized operations, maintenance, and administration facility have been halted. The ZEB Plan identified that both the Riverside and Hemet facilities have room for expansion which can be utilized to accommodate the new vehicles at existing service levels.
- CNG control panel updates at both the Riverside and Hemet facilities. Accompanying new software allows maintenance staff to understand the cause of alarm activations remotely.

The Maintenance Department experienced turnover in the director position during the audit period. In May 2021, the former maintenance manager took on the director role. Under new directorship, the Maintenance Department continues efforts to update standard operating procedures for all tasks performed, including vehicle sanitation and cleaning procedures, and continues to cross-train staff across all tasks.

There are three levels of mechanics categorized as A, B, and C. The C category is an entry-level position. Mechanic applicants undergo a hands-on and written test for qualifications. Some mechanics are certified according to specialty and carry Automotive Service Excellence certification.

### Maintenance Performance

Tables V-4, V-5, and V-6 show the trends in maintenance performance based on NTD data (Form 30) for RTA directly operated fixed route, contracted fixed route, and contracted demand-response services, respectively.

**Table V-4  
Maintenance Performance Indicators  
Directly Operated Fixed Route**

Maintenance Data	Base Year	Audit Review Period			% Change FY 2018- FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Maintenance	\$8,759,097	\$9,639,459	\$10,190,014	\$10,093,835	15.2%
Maintenance Pay Hours	136,871	142,974	150,313	138,689	1.3%
Total Vehicle Hours	491,436	519,653	494,005	390,613	-20.5%
Total Vehicle Miles	7,439,877	7,755,931	7,506,116	6,425,390	-13.6%
Active Vehicles	145	145	145	145	0.0%
Peak Vehicles	115	119	121	115	0.0%
<b>Performance Indicators</b>					
Maintenance Cost per Veh Hour	\$17.82	\$18.55	\$20.63	\$25.84	45.0%
Maintenance Cost per Veh Mile	\$1.18	\$1.24	\$1.36	\$1.57	33.4%
Maintenance Cost per Active Veh	\$60,407	\$66,479	\$70,275	\$69,612	15.2%
Veh Hours per Maint Pay Hour	3.59	3.63	3.29	2.82	-21.6%
Veh Miles per Maint Pay Hour	54.36	54.25	49.94	46.33	-14.8%
Veh Hours per Active Vehicle	3,389	3,584	3,407	2,694	-20.5%
Veh Miles per Active Vehicle	51,309	53,489	51,766	44,313	-13.6%
Spare Ratio	26.1%	21.8%	19.8%	26.1%	0.0%
Miles Between Road Calls	27,969	23,503	22,012	23,886	-14.6%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Source: NTD Reports, Miles Between Road Call Reports

Maintenance costs for directly operated fixed-route services increased from \$8.7 million in FY 2018 to \$10 million in FY 2021, a 15.2 percent increase. The increase in cost parallels the 8.1 percent growth in the CPI. Maintenance costs per vehicle hour and per vehicle mile increased by 45 percent and 33.4 percent, respectively. Maintenance cost per active vehicle increased by 15.2 percent.

Vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, functions of maintenance productivity, decreased by 21.6 percent and 14.8 percent, respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 20.5 percent and 13.6 percent, respectively.

Total directly operated fixed-route vehicle miles between road calls showed a 14.6 percent decrease during the audit period from 27,969 miles in FY 2018 to 23,886 miles in FY 2021. The overall percentage change in vehicle spare ratio over the course of the audit period was zero percent; however, there were some fluctuations from year to year. The vehicle spare ratio was 26.1 percent in FY 2018, 21.8 percent in FY 2019, 19.8 percent in FY 2020, and 26.1 percent in FY 2021. The number of peak vehicles and active vehicles showed a zero percent net change over the audit period.

**Table V-5  
Maintenance Performance Indicators  
Contracted Fixed Route**

Maintenance Data	Base Year	Audit Review Period			% Change FY 2018-FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Maintenance	\$2,046,563	\$2,173,322	\$2,083,508	\$1,712,194	-16.3%
Total Vehicle Hours	254,043	254,761	231,957	153,294	-39.7%
Total Vehicle Miles	4,844,391	4,725,228	4,233,057	2,699,547	-44.3%
Active Vehicles	70	79	86	72	2.9%
Peak Vehicles	66	67	64	41	-37.9%
<b>Performance Indicators</b>					
Maintenance Cost per Veh Hour	\$8.06	\$8.53	\$8.98	\$11.17	38.6%
Maintenance Cost per Veh Mile	\$0.42	\$0.46	\$0.49	\$0.63	50.1%
Maintenance Cost per Active Veh	\$29,236	\$27,510	\$24,226	\$23,780	-18.7%
Veh Hours per Active Vehicle	3,629	3,225	2,697	2,129	-41.3%
Veh Miles per Active Vehicle	69,206	59,813	49,222	37,494	-45.8%
Miles Between Road Calls	18,923	19,771	27,487	22,310	17.9%
Spare Ratio	6.1%	17.9%	34.4%	75.6%	1147.6%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Sources: NTD Reports, Contractor Performance Indicator, Monthly, and Preventable Accidents Reports

Maintenance costs for contracted fixed-route service decreased by 16.3 percent during the audit period. Maintenance cost per vehicle hour and per vehicle mile increased by 38.6 percent and 50.1 percent, respectively. Maintenance cost per active vehicle decreased by 18.7 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 41.3 percent and 45.8 percent, respectively.

**Table V-6  
Maintenance Performance Indicators  
Demand Response**

Maintenance Data	Base Year	Audit Review Period			% Change FY 2018- FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Maintenance	\$4,426,093	\$3,211,947	\$2,257,085	\$1,890,007	-57.3%
Total Vehicle Hours <sup>(1)</sup>	255,740	230,972	176,371	78,191	-69.4%
Total Vehicle Miles <sup>(1)</sup>	4,352,588	4,078,022	3,102,598	1,486,640	-65.8%
Active Vehicles	113	126	126	110	-2.7%
Peak Vehicles	112	117	113	40	-64.3%
<b>Performance Indicators</b>					
Maintenance Cost per Veh Hour	\$17.31	\$13.91	\$12.80	\$24.17	39.7%
Maintenance Cost per Veh Mile	\$1.02	\$0.79	\$0.73	\$1.27	25.0%
Maintenance Cost per Active Veh	\$39,168	\$25,491	\$17,913	\$17,181	-56.1%
Veh Hours per Active Vehicle	2,263	1,833	1,400	711	-68.6%
Veh Miles per Active Vehicle	38,518	32,365	24,624	13,515	-64.9%
Miles Between Road Calls	77,844	127,600	92,296	62,197	-20.1%
Spare Ratio	0.9%	7.7%	11.5%	175.0%	19500%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Sources: NTD Reports, Contractor Performance Indicator, Monthly, and Preventable Accidents Reports

(1) Total Vehicle Hours and Miles exclude Supplemental Taxi service.

Maintenance costs for DAR service decreased by 57.3 percent during the audit period, according to the NTD. Consequently, maintenance cost per vehicle hour and per vehicle mile increased by 39.7 percent and 25 percent, respectively. Maintenance cost per active vehicle decreased by 56.1 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle decreased by 68.6 percent and 64.9 percent, respectively. Miles between road calls decreased by 20.1 percent from 77,844 in FY 2018 to 62,197 in FY 2021. The vehicle spare ratio increased from 0.9 percent to 175 percent during the audit period, as the number of peak vehicles decreased by 72 while the number of active vehicles decreased by only 3 from FY 2018 to FY 2021.

**Administration and Management**

Functions of various administrative departments include human resources, labor relations, risk management, marketing, information technology, finance/accounting, and training.

Each year, the department heads collaboratively develop overarching Agency goals. Each department then forms specific department goals with identified activities and measurements. Performance for each department goal is tracked and reported quarterly with an annual presentation to the RTA Board. Some of the identified goals include increased ridership, maximizing cost efficiencies, and continuous service improvements.

Major accomplishments by administration and management during the audit period include

continued use of innovative revenue-generating practices to offset declining funding. Examples of such programs include leasing of facilities, interest income, and commercial sale of CNG fuel at the RTA facility in Hemet. Many of these locally generated revenue strategies are included in the farebox recovery ratio enabled under RCTC policy and state legislation (Senate Bill [SB] 508).

The annual budgeting process for RTA commences with a kickoff meeting with RCTC in February. Projected funding for the upcoming fiscal year is reviewed along with revenue guidance for the SRTP. An estimate of aggregate revenue sources is determined. LTF revenues are administered through RCTC and in conjunction with the calculation of and comparison against RTA's blended farebox ratio recovery target.

RTA utilizes zero-based budgeting, which is a method of budgeting in which all expenses must be justified for each new period. The process starts from a "zero base," and every function within the Agency is analyzed for its needs and costs. Working within the total revenue projected, each department provides an estimate for the draft budget. The RTA Budget and Finance Committee convenes in early May to review the draft budget before the RTA Board adopts the final budget in late May.

Once the budget is adopted for the fiscal year, the performance against budget is reviewed monthly. RTA's expenditures generally come in under budget. Following the completion of the annual fiscal audit, budget surpluses may be rolled over into the following fiscal year, excluding any revenues that must be returned to its source.

In February 2018, prior to the audit period, the RTA Board authorized staff to enter into a second multi-year contract with GHI Energy LLC (GHI) for the Agency's natural gas commodity requirements for conversion to CNG. The new contract commenced August 1, 2018. GHI provided a fixed 10 percent discount off the Southern California Gas Co. commodity cost from August 2018 through June 2021.

The Agency's financial software license is renewed annually. The RTA Board has authorized that all legacy software be grandfathered. This measure ensures more transparency with the inclusion of licensing fees and life cycle costs. At the beginning of the audit period, RTA began efforts to transition existing desktop-based financial software to a cloud-based version of the same program. These efforts were temporarily placed on hold to allow the Information Technology (IT) Department to focus on other more pressing initiatives related to the COVID-19 pandemic. RTA plans to continue this effort.

A Federal Transit Administration (FTA) triennial review was conducted in 2019 and involved site visits on October 3 and 4, 2019. The review examined compliance in 21 areas; zero deficiencies were found in any of the FTA requirement areas.

### Grants Management

RTA tracks grant status through the Capital Project Balances Report. The report includes federal grants (FTA Sections 5307, 5309, 5316, 5317, 5339), state grants (LTF, STA, Proposition 1-B, LCTOP), and other grant programs. The report tracks grant status by project. Projects are updated based on activities which occurred during the quarter. Quarterly updates are made to project completion dates, major

milestones achieved, and projected milestones for the coming quarter. Additionally, the report tracks total allocation of funds by funding source, funds spent, and remaining funds for each project. These provisions enable RTA to stay abreast of outstanding grant monies and to spend down balances of its various grant allocations. In addition, RTA reviews relevant grant opportunities, which get presented quarterly at the Management Review meeting.

The SRTP tracks upcoming grant requests via the Summary of Funds Requested report. The report tracks requested funding at the project level. Each project lists funding requests of federal grants (FTA Sections 5307, 5309, 5316, 5317), state grants (LTF, STA, Proposition 1-B), and other grant programs. An appendix to the report provides project description and project justification for capital projects. FY 2019 was the first year that RTA has been able to program projects under the SB 1 State of Good Repair Program as per the guidance of RCTC. FY 2020 was the first year that RTA was able to program SB 1 funds toward service.

During the audit period, a grants manager position was created. Duties of this position include seeking out available grant opportunities RTA may be eligible for, presenting eligible grant opportunities to the RTA executive team, requesting compatible project ideas from RTA departments, and applying for grant opportunities RTA wishes to pursue. Additionally, this position plays a critical role in facilitating coordination with partnering organizations on grant funding pursuits that require external support.

The success of this coordination and cooperation with external parties was evident in a \$31.2 million grant award from the State of California’s Strategic Growth Council to integrate transit, urban greening, and affordable housing in Riverside’s Eastside neighborhood. Transit initiatives made possible through this funding include the future construction of the Vine Street Mobility Hub project, providing over 6,000 transit passes available to Entrada and Eastside residents, and access to travel training programs. RTA plans to continue seeking out future public-private partnership opportunities that support enhanced transit service and improved transit access to the community.

### Administrative Performance

Tables V-7, V-8, and V-9 show the trends in administration performance based on NTD data (Form 30) for RTA directly operated fixed route, contracted fixed route, and contracted demand-response services, respectively.

**Table V-7  
Administration Performance Indicators  
Directly Operated Fixed Route**

Administrative Data	Base Year	Audit Review Period			% Change
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018-FY 2021
Administration Costs	\$15,373,382	\$16,687,666	\$18,630,884	\$18,624,613	21.1%
Administration Pay Hours	103,020	113,715	91,699	73,842	-28.3%
Casualty & Liability Costs	\$2,644,621	\$3,040,751	\$3,370,118	\$4,650,640	75.9%
Vehicle Service Hours (VSH)	454,084	477,158	455,048	335,063	-26.2%
Vehicle Service Miles (VSM)	6,414,376	6,634,855	6,398,536	4,999,256	-22.1%
Unlinked Passenger Trips	6,733,159	6,825,680	5,506,023	2,468,106	-63.3%
Passenger Miles	52,106,284	50,940,523	42,340,612	18,775,771	-64.0%
<b>Performance Indicators</b>					
Admin Cost per VSH	\$33.86	\$34.97	\$40.94	\$55.59	64.2%
Admin Cost per VSM	\$2.40	\$2.52	\$2.91	\$3.73	55.4%
Admin Cost per Psgr Trip	\$2.28	\$2.44	\$3.38	\$7.55	230.5%
Admin Cost per Psgr Mile	\$0.30	\$0.33	\$0.44	\$0.99	236.2%
Casualty & Liability Costs per VSM	\$0.41	\$0.46	\$0.53	\$0.93	125.6%
VSH per Admin Pay Hour	4.41	4.20	4.96	4.54	2.9%
VSM per Admin Pay Hour	62.26	58.35	69.78	67.70	8.7%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Source: NTD Reports

As shown in the NTD, administrative costs allocated to directly operated fixed-route service increased for the period between FYs 2018 and 2021. The increase in administration costs was primarily due to the 75.9 percent increase, from \$2.64 million to \$4.6 million, in casualty and liability costs during the audit period. As a result of the increase in costs and decrease in ridership, performance indicators measured by cost per vehicle hour, per vehicle mile, and per passenger trip showed significant increases.

**Table V-8**  
**Administration Performance Indicators**  
**Contracted Fixed Route**

Administration Data	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Cost for Administration	\$2,925,366	\$3,185,209	\$3,448,905	\$2,899,733	-0.9%
Vehicle Service Hours (VSH)	206,028	209,163	193,171	128,888	-37.4%
Vehicle Service Miles (VSM)	3,437,415	3,424,493	3,118,952	2,025,881	-41.1%
Unlinked Passenger Trips	1,434,349	1,465,889	1,187,470	451,701	-68.5%
Passenger Miles	14,335,956	14,664,160	12,777,998	5,331,529	-62.8%
<b>Performance Indicators</b>					
Admin Cost per VSH	\$14.20	\$15.23	\$17.85	\$22.50	58.4%
Admin Cost per VSM	\$0.85	\$0.93	\$1.11	\$1.43	68.2%
Admin Cost per Psgr Trip	\$2.04	\$2.17	\$2.90	\$6.42	214.8%
Admin Cost per Psgr Mile	\$0.20	\$0.22	\$0.27	\$0.54	166.5%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Source: NTD Reports

Administration costs for contracted fixed-route service decreased by 0.9 percent during the audit period. Administration cost per vehicle hour and per vehicle mile increased by 58.4 percent and 68.2 percent, respectively; administrative cost per passenger trip and per passenger mile increased by 214.8 percent and 166.5 percent, respectively.

**Table V-9**  
**Administration Performance Indicators**  
**Demand Response**

Administration Data	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Cost for Administration	\$1,638,169	\$2,206,283	\$2,017,913	\$2,464,326	50.4%
Vehicle Service Hours (VSH)	211,174	193,706	145,747	63,764	-69.8%
Vehicle Service Miles (VSM)	3,425,117	3,317,602	2,491,982	1,181,749	-65.5%
Unlinked Passenger Trips	415,902	406,083	283,642	95,627	-77.0%
Passenger Miles	4,052,981	3,588,828	2,325,148	1,088,666	-73.1%
<b>Performance Indicators</b>					
Admin Cost per VSH	\$7.76	\$11.39	\$13.85	\$38.65	398.2%
Admin Cost per VSM	\$0.48	\$0.67	\$0.81	\$2.09	336.0%
Admin Cost per Psgr Trip	\$3.94	\$5.43	\$7.11	\$25.77	554.3%
Admin Cost per Psgr Mile	\$0.40	\$0.61	\$0.87	\$2.26	460.0%
Percentage Change Consumer Price Index (CPI-All)		3.4%	2.5%	2.0%	8.1%

Source: NTD Reports

Administration costs for DAR service increased by 50.4 percent during the audit period. Combined with decreases in service hours and miles, and ridership, administration cost per vehicle service hour, per vehicle service mile, per passenger trip, and per passenger mile increased significantly.

### **Planning**

The Planning Department develops short- and long-range plans and programs, including the SRTP and Comprehensive Operations Analysis. The SRTP is prepared by the Planning Department on a regular basis and serves as RTA's primary financial, planning, and service policy document. Planning is also responsible for NTD reporting, Title VI analyses, and route/trip-specific surveys.

In July 2018, at the beginning of the audit period, RTA finished its Attitude and Awareness Study. The study gathered information from riders and the greater public regarding their view of RTA's existing service and desired service changes or enhancements. CommuterLink riders expressed a desire for increased service during the mid-day time period; RTA responded by adding mid-day trips on the below routes:

- Route 204 (Montclair, Ontario, Jurupa Valley, Riverside)
- Route 206 (Corona, Lake Elsinore, Murrieta, Temecula, Temescal Valley)
- Route 208 (Murrieta, Perris, Riverside, Temecula)
- Route 217 (Escondido, Temecula)

Riders also indicated that two RTA routes, Route 22 and Route 27, were too long; RTA responded by splitting each of these routes into two separate routes, which improved reliability and shortened headways.

As part of a comprehensive revision of weekday service, RTA was able to implement seven-day service on all local routes (excluding special weekday shuttle routes). Saturday and/or Sunday service was added on the below routes:

- Route 30 Perris East loop
- Route 31 Beaumont-Moreno Valley
- Route 33 East Hemet
- Route 42 Hemet-San Jacinto-Soboba Casino
- Route 61 Temecula-Murrieta-Meniffee-Perris
- Route 74 San Jacinto-Hemet-Winchester-Meniffee-Perris
- Route 79 Hemet-Winchester-Temecula

At the onset of the COVID-19 pandemic, the Agency went to Sunday-level service with peak CommuterLink trips. Then, the Planning Department began to create a service reduction plan that reduced service levels on trips that were underutilized and/or unproductive and reallocated vehicle and operator resources to higher demand trips. The Planning Department continues to consider rider feedback and monitor ridership levels on all routes, analyzing not only which routes may require additional service to accommodate demand, but also to ensure that any added service meets new

travel patterns resulting from changes in key destinations that may have occurred during the pandemic. RTA is researching microtransit options, which could be particularly advantageous for the more rural areas within the service area.

RTA is moving forward with the new Vine Street Mobility Hub, one of the preferred locations identified in the city of Riverside’s General Plan 2025. The project site is approximately 4.7 acres owned by RTA and is located adjacent to the Downtown Riverside Metrolink Station and the public park-and-ride lot. The design phase was completed in 2021. At the time of this audit, the RFP for construction had been released; selection of a contractor is pending.

RTA is also continuing to implement the Bus Stop Amenities Strategic Policy, adopted in 2015. The policy is coupled with an inventory of all stop amenities in the service area and is used to implement a priority plan for the allocation of amenities such as benches, shelters, kiosks, signage, and lighting based on ridership and equitable distribution. A portion of the Capital Budget was set aside for the upgrade of existing bus stop amenities and another portion set aside for the installation of entirely new amenities; in FY 2020 RTA updated amenities at 30 bus stops, and installed 25 new bus shelters. RTA continues to look for partnership opportunities with private developers to ensure the transit needs of the community are considered as part of development plans and to incorporate bus stop improvements into project designs.

### **Marketing**

The Marketing and Planning Departments are responsible for providing information about RTA services, programs, projects, and activities to existing and potential customers, the community at large, other agencies, and the media. The Marketing Department prepares informational materials to support transit operations, including bus schedules, how-to guides, newsletters, and fare media information. Additional marketing initiatives include:

- The completion of the RTA website update project in June 2019, which included the creation of a more user-friendly mobile site, a more streamlined shopping cart, integration of a trip planner tool, and a digital Ride Guide.
- Transitioned from distribution of a printed Ride Guide to a fully digital Ride Guide, which was received well by customers.
- Use of several media outlets to promote and market RTA services, including billboards and radio, and email and social media.
- Hired a community relations coordinator position to help continue RTA’s efforts to grow a larger, more effective social media presence across multiple social media platforms including Facebook, Twitter, Instagram, YouTube, and LinkedIn.
- Used the Customer Information Center, social media, and print flyers to keep riders informed of safety protocols and service changes made in response to the COVID-19 pandemic.
- RTA continued the “Freedom to Go” Travel Training Program to encourage capable Dial-A-Ride customers to learn how to take general bus service and for RTA to save money on DAR. This program was funded using FTA Section 5310 – Enhanced Mobility of Seniors & Individuals with Disabilities program funding.

In response to the ridership decline RTA has experienced in recent years, RTA’s Marketing and Planning Departments conducted a Market Assessment and Strategic Directions Study in October 2018. The study identified strategies that can be immediately implemented to encourage additional transit ridership, including adjustments to routes, scheduling, and frequencies, to better meet rider demands. A second phase of this study was conducted in December 2021, which consisted of an on-board survey. The aim of the survey was to gain a better understanding of existing and potential rider needs in light of the COVID-19 pandemic. At the time of this audit, the results of this survey were not yet available. RTA plans to use the results to inform service planning efforts and ensure service levels, routing, and frequencies are meeting customer needs.

RTA’s Customer Information Center is in Hemet. As a result of decreased ridership resulting from the COVID-19 pandemic, the call center experienced a decline in call volumes. However, for those customers that were still utilizing public transit, the ability to call in to get service questions addressed was critical. RTA staff understood the vital role the call center played for riders during this time and kept the center staffed and operational throughout the entirety of the pandemic.

In-person travel training was discontinued in response to the COVID-19 pandemic. During the pandemic, customer service representatives took on additional responsibilities including over-the-phone travel training and ADA application assistance and processing. RTA continues to seek out opportunities to train potential fixed-route riders who may be apprehensive about using public transit for the first time, through its call center.

In addition to utilizing social media, RTA runs advertisements over local radio stations such as KGGI and Spanish radio station KRQB “La Que Buena.” Ads are also broadcast over Internet radio platforms such as I-Heart Radio and Pandora. RTA also sponsors booths at local community festivals and events. During the pandemic, RTA made use of more virtual ads than they had prior and also used flyers posted on bus stop sign poles as a means to disseminate critical information to riders regarding service changes and safety protocol changes, like the FTA’s mask mandate requirements.

The Marketing Department handles customer complaints and comments. Most customer comments are made through the call center, although RTA also receives comments through email/online, mail, and front desk. Comments are entered into a database with the date, time, and customer contact information. Each comment that requires follow-up is assigned to a department. All comments have to be closed out with a date stamp entered into the database. Each department can run a report to see what items are still open for their specific department. Total customer complaints are provided in Table V-10.

**Table V-10  
Customer Complaints**

Customer Complaint Data	Base Year	Audit Review Period			% Change FY 2018-FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Unlinked Passenger Trips	8,583,410	8,697,652	6,977,135	3,015,434	-64.9%
Complaints	915	970	1,185	695	-24.0%
Complaints per 100,000 Psgr Trips	11	11	17	23	116.2%

Sources: NTD Reports, Customer Complaints

The total number of complaints decreased by 24 percent. However, the number of complaints per 100,000 passenger trips increased by 116.2 percent, from 11 in FY 2018 to 23 in FY 2021, due to the trend of significant decline in ridership during the audit period. The number of complaints did not decline at the same rate of ridership, hence the increase in this measure per number of trips.

The various complaints are categorized for trend analysis. Complaint statistics for operators are monitored to encourage positive behavior by RTA staff. RTA recognizes best performers (operators with commendations and zero complaints). If three or more valid complaints are found against a specific coach operator in a quarter such as for rudeness or passing up a rider, the driver may be subject to corrective action including additional training, coaching, counseling, or ride-alongs.

**Human Resources and Risk Management**

The Human Resources Department and Risk Management Department fall under the purview of the chief administrative services officer. Human Resources recruits new hires for the Agency, including providing initial assessment and screening tests. Human Resources is also responsible for worker pay and benefits, and certain labor issues. During the audit period the Agency saw an increase in operator salaries and wages of 19.7 percent. Other maintenance salaries and wages increased 24.7 percent during the audit period from \$606,000 in FY 2018 to FY \$755,00 in FY 2021. However, operator labor hours decreased by 17.7 percent while maintenance labor hours increased nominally by 1.3 percent.

Directly operated services are provided by both represented and non-represented employees. All RTA drivers and maintenance personnel, excluding management, supervisory, professional, and confidential employees, are represented by the Amalgamated Transit Union Local 1277. All work performed on buses that seat 30 or more passengers must be performed by union employees. Contracted fixed-route Empire Transportation employees are represented by the Teamsters Union effective July 2011. Paratransit employees are represented by the International Association of Sheet Metal, Air, Rail, and Transportation Workers Union. This representation began in 2013. RTA administrative employees are not represented.

In addition, the following trends in fringe benefits costs and liability costs were identified from RTA NTD reports:

- Directly operated fixed-route fringe benefit costs decreased by 15.8 percent during the audit period, from \$13.9 million in FY 2018 to \$11.7 million in FY 2021.
- Directly operated fixed-route casualty and liability costs nearly doubled during the audit period, for the second audit period in a row, from \$2.64 million in FY 2018 to \$4.6 million in FY 2021.

The chief administrative services officer is supported by a human resources manager. At the time of this audit, the Human Resources Department has ten positions, three of which are vacant.

The recruitment protocol for coach operators is composed of an online application that leads to the candidate screening process. In addition, candidates undergo an essential duties assessment, a physical assessment and a 75-question Bus Operator Selection System survey. Candidates are also subject to Live Scan fingerprinting, criminal background checks, and an integrity test. Once the screening is completed, viable candidates are invited to an initial interview and a second interview.

RTA utilizes the NEOGOV/governmentjobs.com public employment portal as well as Indeed, Facebook, Instagram, billboards, and local radio advertising for job postings. The Agency also holds all-day hiring events on designated Saturdays that encompass the employee screening process. Hiring events offer testing, a computer assessment, and same-day conditional offers of employment. The process averages 4.5 hours. Customer service skills and an alignment of RTA's core values are the key attributes that RTA looks for in potential employees. In-person hiring events were temporarily put on hold during the pandemic; RTA is considering additional safety protocols that can be used to minimize virus spread for future events. The new hire orientation involves Human Resources, Risk Management, and Training Departments.

RTA offers several career development initiatives. One such initiative is a tuition reimbursement program for administrative employees and training opportunities for maintenance employees.

In an effort to remain competitive, the Human Resources Department regularly evaluates job titles and roles to determine whether they can be performed more efficiently. RTA's compensation and salary policies are updated annually. Implementation of salary increases for administrative employees was put on hold during the pandemic. RTA plans to conduct a salary study to better understand salary trends Agency-wide as well as RTA's relationship with comparative salaries industry- and region-wide. The Agency's drug and alcohol policy and equal opportunity policy were updated during the audit period.

Turnover of coach operators was 11 percent towards the end of the audit period and is attributed to retirements and disciplinary action. Most employee separations from RTA occur during the first year of employment. RTA also saw several of its supervisory personnel separate from the Agency due to retirement.

Administrative employees are subject to a six-month introductory period with an annual evaluation afterwards. The annual evaluation is conducted on the anniversary of the date of hire and includes a self-evaluation. At the organizational level, the Agency and each department set goals for the

upcoming fiscal year. Goals are communicated to the employees and feedback is solicited from each department.

Training procedures have remained the same other than for DMV testing standards. Coach operators undergo six weeks of training at the regular starting salary. Operators are required to have a Class B commercial license with air brake and passenger endorsements. Training is conducted on-site and involves classroom, behind-the-wheel, and line instruction or cadetting. RTA maintains a recruitment calendar based on service needs and changes in staffing.

During the pandemic, RTA temporarily put operator and mechanic recruitment efforts on hold as service reductions alleviated the need for additional staff. Servicer positions and a select number of administrative roles were back-filled during this time. Fortunately, RTA has not experienced the operator and mechanic shortages that many other transit agencies have experienced nationally, allowing RTA to continue to provide comprehensive reliable service throughout the pandemic. However, in an effort to proactively avoid any negative impacts from the national bus operator and mechanic shortages in the future, RTA does plan to reinstate recruitment efforts.

RTA implemented a telework policy for administrative staff in response to the pandemic. At the time of this audit, the majority of administrative staff was working remotely due to the Omicron virus surge. Human Resources continues to monitor the situation and is working towards staff's return to the office.

### Risk Management

The department covers risk, safety, and security, and reviews risk stemming from incidents and accidents, whether during revenue service or at any of RTA's properties. Public passenger behavior is monitored on-board buses and at bus stations. The department implements safety and development courses and is responsible for the coaching of drivers and retraining of operators after accidents, incidents, or customer service issues. Facilities also undergo inspections for compliance with the safety screening plan, and audits are conducted as needed. A safety committee convenes to discuss risk topics, solutions to issues, and implementable actions.

During the audit period, the Risk Management Department implemented a root cause analysis protocol for analyzing and preventing incidents and accidents. This analysis is conducted by a supervisor in response to every incident or accident that occurs and is intended to help determine if any changes to safety policies or processes could yield safer results. If new procedures are developed as a result of the root analysis findings, policy changes are conveyed to staff through a variety of means including safety bulletins, safety meetings, and trainings. For example, the backing up of a bus could require a modified procedure such as having a second person watch the backside.

The department increased its communication and cooperation with law enforcement. There are over 200 cameras at RTA facilities that capture incidents that could prove helpful to both RTA and law enforcement. Daily checks of the camera function are conducted. The Riverside facility is guarded at all times, while the Hemet facility has night shift security. The downtown Vine Street Mobility Hub will also receive 24/7 security surveillance. Security personnel is contracted with an outside firm to

actively report and enforce safety rules at RTA facilities. RTA receives reports from the security firm on incidents and activity at patrol check points. Liquidated damages are included in the security contract for failing to carry out responsibilities.

In response to the pandemic, RTA implemented a health screening process for each shift. The screenings include temperature scans and completion of a questionnaire for all personnel entering the facility. These screenings were intended to reduce the spread of the virus and keep staff healthy and available for work by identifying personnel who might have contracted the virus unknowingly. A team of two screeners were utilized each shift; screening roles were filled by RTA administrative employees.

RTA partnered with the County of Riverside Emergency Response Team to keep informed of all testing and vaccine opportunities in the community. Vaccine clinics were also conducted at RTA facilities.

In accordance with FTA’s July 2020 deadline, RTA adopted and self-certified its first Public Transit Agency Safety Plan (PTASP). This plan details the process and procedures RTA utilizes to implement the Agency’s Safety Management Systems. RTA staff utilized the recourses offered through FTA’s PTASP Technical Assistance Center throughout the production of this plan. Annual updates to the PTASP are required; while only self-certification and board adoption are required for ratification of a PTASP, FTA will formally review the plan for compliance during the federal triennial review process.

### **Procurement**

The Procurement Department is responsible for procuring a wide range of equipment, parts, supplies, contractors, vendors, and professional services that are used by RTA. Selected accomplishments and challenges of the department during the audit period included:

- Coordinated with Maintenance Department to ensure adequate PPE inventory kept on-site amid national supply shortages.
- Began a procurement for an initial 35 fixed-route vehicles in FY 2021. There is an option to purchase an additional 35 vehicles on this contract.
- Procured 12 Chevy Bolt support vehicles.
- In November 2020, began using the new Infor EAM software, which replaced the Spear Technologies eMaintenance software.

The department maintains the Agency’s vendor list, and filters bid notifications by vendor industry and interest. RTA does not use procurement platforms such as PlanetBids. The reason given is that the cost-to-benefit does not warrant its usage; however, staff does see potential efficiencies and staff time savings that could result from the use of such e-procurement software. This trade-off analysis should continue as e-procurement technology matures and better economies can be realized for an Agency like RTA such as through personnel cost savings, process efficiencies, procurement risk reduction, and increased competitive bidding. Procurement tasks are delegated among the employees in the department. For any purchases in excess of \$100,000, Board approval is required.

During the pandemic, the Procurement Department utilized virtual meetings for all pre-bid and

contractor interview meetings. Contractor feedback and high participant turnout indicated that virtual meetings were more appealing than in-person meetings for many contractors; as a result RTA plans to continue offering contractors a virtual meeting option for required meetings. The RTA website provides the online conduit for bid opportunities, which RTA must coordinate with the contracted webmaster to publish, a repeated, manually driven process that uses an Access database.

### **Information Technology**

The IT Department is responsible for the provision of RTA IT services. Accomplishments of the IT Department during the audit period included:

- Outfitted administrative staff with necessary equipment and programs to work remotely during pandemic.
- Proactively upgraded firewall to ensure added network security.
- Migrated Agency to new cloud-based Infor EAM software in November 2020, replacing the previously used Spear Technologies system.
- Implemented DocuSign program Agency-wide, enabling administrative staff to digitally sign documents while in a telework environment.
- Continued to utilize and maintain the IT help desk system, including ticket tracking and troubleshooting.
- Continued to maintain CCTV and access controls at Vine Street Mobility Hub site and La Sierra and Eastvale-Amazon layover restrooms.
- Replaced recorders on all directly operated fixed-route buses; increased storage time from 30 days to 60 days with accompanying software updates.

The IT Department is staffed with three employees assigned to two facilities. The department handles the Agency’s software and ERP/EAM infrastructure as well as providing technical and help desk assistance. RTA outsources hosting; this vendor manages RTA’s network functions and hosts equipment needs.

The IT Department was also involved in the upgrade of the probing computers and server for the GFI fareboxes. Vehicles are equipped with video and audio recording devices, Wi-Fi, and CAD/AVL/APC equipment and accompanying software from Clever Devices Limited. Software updates were done to video and audio recording software to increase recording storage from 30 days of memory to 60 days. CAD/AVL/APC functionalities allow RTA staff access to real-time vehicle location, ridership, passenger loads, OTP, and vehicle maintenance data. System updates were completed to allow the transmittal of updated data every 20 seconds, rather than the 30-second interval that was possible previously. IT is working on a customer-facing app feature that would utilize this data to allow riders to view vehicle capacity/bus crowding in real time. RTA anticipates that this feature will be available to the public in 2022. RTA is also currently working with Caltrans on a California Integrated Travel Project to implement General Transit Feed Specification Real Time (GTFS-real-time) technology. The result of this project would allow RTA to publish real-time vehicle information to the public in an open data format that can be easily integrated by third-party app developers.

Transit signal priority (TSP) is currently being used on Route 1 along the University Avenue and Magnolia Avenue corridors. RTA continues to work with other jurisdictions to explore the deployment of this technology to other corridors. TSP was approved on two corridors in the City of Riverside encompassing 14 intersections, and in the City of Moreno Valley.

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A single recommendation is then provided.

1. Of the compliance requirements pertaining to RTA, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to RTA (rural and urbanized farebox recovery ratios), as the transit operator is subject to the blended ratio under PUC 99270.1.
2. The blended farebox recovery ratio target approved by RCTC for RTA service was met in FY 2019 and FY 2020. RTA did not meet the farebox recovery ratio target in FY 2021; however, AB 90 prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21. Including eligible non-fare revenue, the farebox recovery ratio was 24.77 percent in FY 2019; 20.07 percent in FY 2020; and 9.80 percent in FY 2021, according to the audited basic financial statements. The average annual farebox recovery ratio was 18.21 percent.
3. RTA and its contract operators participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Terminal inspections received satisfactory ratings by the CHP.
4. The operating budget exhibited modest increases and did not exceed 15 percent during the period. After a 8.3 percent increase in FY 2019, the budget increased 2.0 percent in FY 2020. The FY 2021 operating budget decreased by 8.8 percent. Total Agency salaries and purchased transportation costs declined in the last fiscal year as a result of the pandemic, though insurance premiums increased.
5. RTA satisfactorily implemented one of the two prior audit recommendations, with the second recommendation no longer being relevant due to Agency policy changes and vehicle limitations. The recommendation pertaining to the evaluation of the commuter ridership market was fully implemented through the implementation of a Market Assessment and Strategic Directions Study in October 2018 and a follow-up survey of Route 200 riders in April 2021. The recommendation not implemented suggested analysis of RTA facility growth in the southern section of the service area. The Agency's adoption of its ZEB Plan along with the decreased ridership resulting from the COVID-19 pandemic eliminated the need and ability for facility expansion into the southern section of RTA's service area.
6. Operating cost per passenger increased by 186.5 percent systemwide, by 196.8 percent for general public service, and by 187.9 percent for DAR service (as compared to an 8.1 percent

change in inflation during the audit period). This performance measure reflects the drastic impacts of sudden decreases in ridership resulting from the COVID-19 pandemic.

7. Operating cost per vehicle service hour increased by 66.2 percent system-wide, by 119.2 percent for DAR service, and by 50.9 percent for general public service. Operating cost per vehicle service mile increased by 62.9 percent system-wide, by 92.0 percent for DAR service, and by 48.8 percent for general public service.
8. Passengers per vehicle service hour decreased by 42 percent system-wide, by 49.2 percent for general public service, and by 23.9 percent for DAR service. Passengers per vehicle service mile decreased by 43.1 percent system-wide, by 49.4 percent for general public service, and by 33.3 percent for DAR service.
9. In response to the immediate drastic decline in ridership from the COVID-19 pandemic, RTA began work on a virus response plan to help guide decision-making on service levels and Agency protocols. Other reductions were also implemented. In an effort to maintain social distancing measures, a 10-passenger limit was placed on all 40-foot buses, while RTA adopted a one-bus-one-operator policy, among other measures.
10. In April 2019, the RTA's Board approved a two-phase fare increase, the first of which was implemented in July 2019 and is shown in Table 1-2 below. The second fare increase was scheduled to be implemented in July 2021. However, on February 25, 2021, the Board unanimously approved delaying the July 2021 fare increase for one year until July 2022 due to the financial impacts of the COVID-19 pandemic. Prior to this, fares had not been increased in a decade. On April 28, 2022, the Board unanimously approved canceling the July 2022 fare increase until a new fare policy study can be conducted.
11. In December 2020, the RTA Board of Directors approved RTA's ZEB Plan. The plan details how RTA plans to transition to an all-hydrogen fuel cell electric bus fleet, a direction that was informed by a system-wide analysis of the feasibility of operating electric versus hydrogen-powered vehicles in the Agency's western Riverside County service area in response to the California Air Resources Board mandate.
12. Beginning in FY 2020, vehicle revenue mileage decreased drastically due to the service reductions made in response to the pandemic. To ensure all vehicles were still being properly maintained and monitored, RTA's Maintenance Department switched from a mileage-based PMI schedule to a day-based schedule with inspections taking place every 90 days. These inspections were conducted using US Department of Transportation safety inspection guidelines.
13. RTA and the City of Riverside are moving forward on the planning for the new Vine Street Mobility Hub, one of the preferred locations identified in the City of Riverside's General Plan 2025. The project site is approximately 4.7 acres owned by RTA and is located adjacent to the Downtown Riverside Metrolink Station and the public park-and-ride lot. The design phase was

completed in 2021. At the time of this audit, the RFP for construction had been released; selection of a contractor is pending.

## Recommendations

### 1. Conduct cost benefit for e-procurement alternatives.

The Procurement Department solicits bids through the RTA website and experiences increased competitive bids and vendor interest from a virtual, web-based environment. The department maintains the Agency's vendor list, and filters bid notifications by vendor registration. Procurement tasks are delegated among the employees in the department. For any purchases in excess of \$100,000, Board approval is required.

The RTA website provides the online conduit for bid opportunities which RTA must coordinate with the contracted webmaster to publish, a repeated, manually driven process that involves use of an Access database. RTA does not currently use established external procurement platforms such as PlanetBids due to cost-to-benefit results that do not currently warrant investment. However, procurement staff do see potential efficiencies and staff time savings that could result from the use of such e-procurement software, especially because of greater automation, increased remote vendor participation, and acceptance of electronic documentation. This trade-off analysis of transitioning to an e-procurement service should continue as the technology matures and better economies can be realized for an Agency like RTA that will see increases in the number and value of procurements. The cost-benefit analysis should include variables such as personnel time cost savings, process efficiencies, vendor profile maintenance, and increased competitive bidding, which could offset and justify the investment cost. As examples, transit agencies that use procurement services like PlanetBids include RCTC, North County Transit District, Sacramento Regional Transit District, and Long Beach Transit.







**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of SunLine Transit Agency**



*October 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker**  
INTERNATIONAL

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## Section I

### Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Riverside County Transportation Commission (RCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Riverside County. This performance audit is conducted for SunLine Transit Agency covering the most recent triennial period, fiscal years 2018–2019 through 2020–2021.

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

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

### Overview of the Transit System

SunLine was established under a Joint Powers Agreement (JPA) on July 1, 1977, between the County of Riverside and the cities in the Coachella Valley, which at the time included the City of Coachella, City of Desert Hot Springs, City of Indio, City of Palm Desert, and the City of Palm Springs. The JPA was later amended to include the Cities of Cathedral City, Indian Wells, La Quinta, and Rancho Mirage. The JPA’s governing board is composed of one elected official from each member entity and one county supervisor. SunLine is headquartered in Thousand Palms.

SunLine’s service area encompasses 1,120 square miles of the Coachella Valley from the San Gorgonio Pass in the west to the Salton Sea in the southeast. From 2010 to 2020, the Coachella Valley population grew from 346,518 to 370,135, for a net gain of 23,617 people, or 6.8 percent. The Southern California Association of Governments (SCAG) projects there will be 600,000 people

in the Coachella Valley by 2040, a nearly 62 percent increase in population between 2020 and 2040. Projected growth rates vary significantly across SunLine’s service area and not all communities are anticipating significant growth. Development is occurring predominantly in the southeastern end of the valley (Coachella and Indio), south of La Quinta, north of Interstate 10 (I-10) in Palm Desert, Cathedral City and Desert Hot Springs. A demographic snapshot of incorporated cities located in the Coachella Valley is presented in Table I-1:

**Table I-1  
Coachella Valley Demographics**

City	2020 US Census Population	Percent Change from 2010 US Census	Population 65 Years & Older (ACS)	2021 California DOF Estimate	Land Area (square miles)
Cathedral City	51,493	0.57%	17.0%	53,973	21.50
Coachella	41,941	3.04%	8.2%	47,825	28.95
Desert Hot Springs	32,512	25.35%	13.6%	30,086	23.62
Indian Wells	4,757	-4.05%	58.6%	5,428	14.32
Indio	89,137	17.23%	19.2%	91,621	29.18
La Quinta	37,558	0.24%	26.0%	41,247	35.12
Palm Desert	51,163	5.61%	36.0%	53,892	26.81
Palm Springs	44,575	0.05%	31.7%	47,754	94.12
Rancho Mirage	16,999	-1.27%	51.7%	18,799	24.45

Source: US Census, California Department of Finance, January 1, 2021

**System Characteristics**

In January 2021, SunLine launched its “SunLine Refueled” initiative, a newly redesigned transit system. The new system is composed of a new fixed-route network with accompanying ADA paratransit service, a new commuter line (which launched in July 2021, just after the audit period), and an accompanying micro transit service. In 2022, a new express route is planned to be introduced.

SunBus, SunLine’s fixed-route service, is composed of 10 routes (10 local routes, and 1 regional/express route) and operates throughout the Coachella Valley.

SunDial, SunLine’s complementary paratransit service, provides rides to those certified under the Americans with Disabilities Act (ADA) who cannot ride the fixed-route service.

SunLine’s micro transit service, SunRide, is available in four zones across Coachella Valley. Riders can connect to fixed-route service or any destination along the fixed-route network in the designated zone by requesting service via a mobile app. SunRide vehicles pick up passengers within walking distance of their location and drop them off at a fixed-route bus stop or other point destination within the designated zones. SunRide service is available weekdays from 5:30 a.m. to 6:30 p.m. Fares are \$3.00 per trip and include free transfers to local fixed-route service.

The system operates Monday through Sunday from 5:00 a.m. to 11:23 p.m. SunLine does not operate on Thanksgiving Day and Christmas Day but operates regular service on all other holidays. The Commuter Link 10 service does not operate on weekends, New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The SunBus and Commuter Link 10 routes are summarized in Table I-2.

**Table I-2  
SunBus Fixed-Route Services**

<b>Route</b>	<b>Description</b>	<b>Frequency/Operation</b>	<b>Key Time points</b>
<b>1</b>	<b>Coachella Via- HWY 111- Palm Springs</b>	Daily every 20 minutes (Weekdays from 5:00 a.m. to 11:12 p.m.)	<ul style="list-style-type: none"> <li>▪ Palm Canyon &amp; Stevens</li> <li>▪ Indian Canyon &amp; Ramon</li> <li>▪ B Street &amp; Buddy Rogers</li> <li>▪ Town Center Way &amp; Hahn</li> <li>▪ Hwy 111 &amp; Adams</li> <li>▪ Hwy 111 &amp; Golf Center</li> <li>▪ 5<sup>th</sup> &amp; Vine</li> </ul>
<b>2</b>	<b>Desert Hot Springs- Palm Springs- Cathedral City</b>	Weekdays every 20 minutes (from 5:15 a.m. to 11:23 p.m.); Weekends every 40 minutes (from 5:15 a.m. to 10:54 p.m.)	<ul style="list-style-type: none"> <li>▪ B Street &amp; Buddy Rogers</li> <li>▪ Ramon &amp; Date Palm</li> <li>▪ Indian Canyon &amp; Ramon</li> <li>▪ Sunrise &amp; Vista Chino</li> <li>▪ West &amp; Pierson</li> </ul>
<b>3</b>	<b>Desert Edge- Desert Hot Springs</b>	Daily every 60 minutes (Weekdays from 6:00 a.m. to 8:46 p.m.; weekends 6:45 a.m. to 8:40 p.m.)	<ul style="list-style-type: none"> <li>▪ West &amp; Pierson</li> <li>▪ Dillon &amp; Corkill</li> </ul>
<b>4</b>	<b>Westfield Palm Desert- Palm Springs</b>	Weekdays every 40 minutes (from 5:00 a.m. to 11:13 p.m.); weekends every 60 minutes (from 6:10 a.m. to 9:50 p.m.)	<ul style="list-style-type: none"> <li>▪ El Cielo &amp; Kirk Douglas</li> <li>▪ Vista Chino &amp; Sunrise Way</li> <li>▪ Ramon &amp; Date Palm</li> <li>▪ Dinah Shore &amp; Shoppers Lane</li> <li>▪ Town Center Way &amp; Hahn</li> <li>▪ Palm Canyon &amp; Stevens</li> <li>▪ Indian Canyon &amp; Ramon</li> </ul>
<b>5</b>	<b>Desert Hot Springs- CSUSB Palm Desert- Westfield Palm Desert</b>	Weekdays every 60 minutes (from 6:10 a.m. to 6:51 p.m.)	<ul style="list-style-type: none"> <li>▪ Town Center Way &amp; Hahn</li> <li>▪ Cook &amp; Berger</li> <li>▪ Cook &amp; University Park</li> <li>▪ West &amp; Pierson</li> </ul>

Route	Description	Frequency/Operation	Key Time points
6	Coachella- Via Fred Waring- Westfield Palm Desert	Weekdays every 45 minutes (from 5:50 a.m. to 8:45 p.m.); weekends every 60 minutes (from 6:00 a.m. to 9:18 p.m.)	<ul style="list-style-type: none"> <li>▪ Town Center Way &amp; Hahn</li> <li>▪ Fred Waring &amp; Washington</li> <li>▪ 5th &amp; Vine</li> </ul>
7	Bermuda Dunes- Indian Wells- La Quinta	Weekdays every 45 minutes (from 5:15 a.m. to 8:51 p.m.); weekdays every 90 minutes (from 5:10 a.m. to 9:20 p.m.)	<ul style="list-style-type: none"> <li>▪ Calle Madrid &amp; Avenida Vallejo</li> <li>▪ Adams &amp; Hwy 111</li> <li>▪ Washington &amp; Fred Waring</li> <li>▪ Harris Lane &amp; Washington</li> </ul>
8	North Indio- Coachella – Thermal/Mecca	Weekdays every 40 minutes (from 5:30 a.m. to 10:42 p.m.); weekends every 60 minutes (from 5:35 a.m. to 10:59 p.m.)	<ul style="list-style-type: none"> <li>▪ 66<sup>th</sup> &amp; Mecca Health Clinic</li> <li>▪ 62<sup>nd</sup> &amp; Buchanan</li> <li>▪ 5<sup>th</sup> &amp; Vine</li> <li>▪ Showcase &amp; Monroe</li> </ul>
9	North Shore- Mecca- Oasis	Daily every 60 minutes (weekdays from 5:45 a.m. to 10:34 p.m.; weekends from 5:40 a.m. to 10:29 p.m.)	<ul style="list-style-type: none"> <li>▪ Ave 66 &amp; Date Palm</li> <li>▪ Club View &amp; Windlass</li> <li>▪ 66<sup>th</sup> &amp; Mecca Health Clinic</li> <li>▪ Mountain View &amp; Harrison</li> </ul>
Commuter Link 10	Indio- CSUSB (PDC)- Beaumont- CSUSB (San Bernardino)- SBTC/Metrolink	Two AM trips in each direction & two PM trips in each direction. (Monday through Friday from 5:20 a.m. to 8:00 p.m., no weekend or holiday service)	<ul style="list-style-type: none"> <li>▪ HWY 11 &amp; Golf Center Pkwy</li> <li>▪ Cook &amp; Berger (CSUSB- PDC)</li> <li>▪ 2<sup>nd</sup> &amp; Commerce</li> <li>▪ Cal State San Bernardino</li> <li>▪ San Bernardino &amp; Transit Center</li> </ul>

Source: SunLine Transit Agency, September 2021

SunDial ADA Paratransit Service

SunDial is a curb-to-curb paratransit service for passengers certified under the ADA, who are unable to access the regular SunBus fixed-route service. Service is available at the same time as the fixed route and within .75 miles of any local SunBus route (not including Commuter Link 10). Reservations for service are required prior to pickup. Trips not cancelled a minimum of two hours prior to the scheduled pickup time are considered no-shows. The service does not operate on Thanksgiving Day and Christmas Day. One-way fare, which includes a transfer, is \$3.00. Half-fare is available for qualifying riders.

Fares

SunLine’s fares are structured based on passenger, media, and service type. It is also worth noting that SunLine implemented mobile ticketing through the Token Transit platform in May 2019. The fare structures are summarized in Table I-3.

**Table I-3  
SunLine Fare Schedule**

Fixed Route		Commuter Link 10	
Category	Fare	Category	Fare
Adult	\$1.00	Adult/Youth	\$6.00
Youth (Ages 5 to 17)	\$0.85	Senior (Age 60+)/Disabled	\$4.00
Senior (Age 60+)/Disabled	\$0.50	CSUSB Students, Staff, & Faculty	Free with valid CSUSB ID
Transfer (Valid for two hours)	\$0.25	<b>Passes</b>	
Children (Ages 4 and under)	Free	30-Day Pass	
<b>Passes</b>		Adult/Youth	\$150.00
31-Day Pass		Senior (Age 60+)/Disabled	\$100.00
Adult	\$34.00	Day Pass	
Youth (Ages 5 to 17)	\$24.00	Adult/Youth	\$14.00
Senior (Age 60+)/Disabled	\$17.00	Senior (Age 60+)/Disabled	\$10.00
Transfers	Included	<b>SunRide</b>	
Day Pass		Standard Fare (one-way, includes transfer)	\$3.00
Adult	\$3.00		
Youth (Ages 5 to 17)	\$2.00		
Senior (Age 60+)/Disabled	\$1.50		
Transfers	Included		
10-Ride Pass			
Adult	\$10.00		
Youth (Ages 5 to 17)	\$8.50		
Senior (Age 60+)/Disabled	\$5.00		
Transfers	\$0.25		

Source: SunLine Transit Agency, September 2021

Fleet

The SunLine fleet is composed of 135 vehicles, 129 of which are clean fuel vehicles, with 109 powered by compressed natural gas (CNG), 16 by hydrogen fuel cell, and 4 electric-battery. Ninety large-sized vehicles are used for the SunBus fixed-route service, and 39 are smaller cutaway-type vehicles used for SunDial service. All vehicles in fixed route and SunDial revenue service are wheelchair accessible with tie-downs in compliance with ADA. There are an additional 48 non-revenue support vehicles, most of which are powered by CNG. The fleet also includes six gasoline-powered vans that are used for vanpool service. Table I-4 summarizes the active SunLine fleet during the audit period.

**Table I-4  
SunLine Active Fleet Inventory During Audit Period**

Year	Make/Model	Quantity	Fuel Type	Seating Capacity	Service Mode
2008	New Flyer C40LF	37	CNG	39 (2 W/C)	Fixed Route
2009	El Dorado Easy Rider	10	CNG	29 (2 W/C)	Fixed Route
2012	El Dorado Axxess 40	1	Hydrogen Fuel Cell	37 (2 W/C)	Fixed Route
2014	Classic Trolley	5	CNG	24 (1 W/C)	Fixed Route
2014	El Dorado/Axxess	3	CNG	37 (2 W/C)	Fixed Route
2015	El Dorado E-450	4	CNG	12 (2 W/C)	SunDial
2015	El Dorado Axxess 40	1	CNG	37 (2 W/C)	Fixed Route
2016	El Dorado E-450	13	CNG	12 (2 W/C)	SunDial
2016	New Flyer/XN40	6	CNG	39 (2 W/C)_	Fixed Route
2017	El Dorado/Axxess	1	CNG	37 (2 W/C)	Fixed Route
2018	El Dorado/Axxess 40	5	CNG	37 (2 W/C)	Fixed Route
2018	BYD Electric Bus	4	Electric Battery	35 (2 W/C)	Fixed Route
2018	New Flyer Fuel Cell	3	Hydrogen Fuel Cell	39 (2 W/C)_	Fixed Route
2018	New Flyer/XHE40	2	Hydrogen Fuel Cell	39 (2 W/C)_	Fixed Route
2018	STARTRANS Senator II	14	CNG	12 (2 W/C)_	SunDial
2019	New Flyer/XN40	10	Hydrogen Fuel Cell	39 (2 W/C)_	Fixed Route
2019	Ford Flex Van	1	Gasoline	7	Van Pool
2020	MCI D4500-15816C	2	CNG	55 (2 W/C)_	Fixed Route
2020	Arboc Freedom	8	CNG	12 (2 W/C)	SunDial
2020	Dodge Durango Van	1	Gasoline	7	Van Pool
2020	Ford Transit 3LP Van	1	Gasoline	8	Van Pool
2021	Ford Expedition Van	1	Gasoline	8	Van Pool
2021	Ford Transit 3LP Van	1	Gasoline	10	Van Pool
2021	Ford Transit 3LP Van	1	Gasoline	13	Van Pool
<b>Total</b>		<b>135</b>			

Source: SunLine Vehicle Listing, SunLine NTD Revenue Vehicle Inventory

## Section II

### Operator Compliance Requirements

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

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates:  FY 2019: January 21, 2020 FY 2020: January 15, 2021 FY 2021: January 27, 2022  <b>Conclusion: Complied.</b>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates:  FY 2019: January 22, 2020 FY 2020: December 2, 2020 FY 2021: November 19, 2021  <b>Conclusion: Complied.</b>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.	Public Utilities Code, Section 99251 B	<p>The agency participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections for both fixed route (SunBus) and Dial-a-Ride (SunDial) vehicles were conducted at SunLine Transit Agency headquarters located at 32505 Harry Oliver Trail in Thousand Palms.</p> <p>Inspection dates applicable to the audit period were May 20, 22, 23, and 24, 2019; June 11, 12, and 16, 2020; July 8, 2020; May 26 and 27, 2021 and June 2, 2021.</p> <p>All inspections conducted were rated satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, SunLine’s annual claims for Local Transportation Funds and State Transit Assistance funds are submitted in compliance with the rules and regulations adopted by RCTC.</p> <p><b>Conclusion: Complied.</b></p>
If an operator serves urbanized and non-urbanized	Public Utilities Code, Section 99270.1	Pursuant to PUC Section 99270.1, RCTC is responsible for

<b>Table II-1 Operator Compliance Requirements Matrix</b>										
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>								
<p>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.</p>		<p>calculating an intermediate farebox recovery ratio for SunLine Transit Agency since it serves both urbanized and non-urbanized areas. The farebox is inclusive of passenger fares and local support revenue.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><b>SunLine Fare Ratio</b></th> <th style="text-align: center;"><b>Minimum Ratio</b></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FY 2019: 17.55%</td> <td style="text-align: center;">17.53%</td> </tr> <tr> <td style="text-align: center;">FY 2020: 23.74%</td> <td style="text-align: center;">19.74%</td> </tr> <tr> <td style="text-align: center;">FY 2021: 23.34%</td> <td style="text-align: center;">19.12%</td> </tr> </tbody> </table> <p>Source: Annual Fiscal &amp; Compliance Audits</p> <p><b>Conclusion: Complied.</b></p>	<b>SunLine Fare Ratio</b>	<b>Minimum Ratio</b>	FY 2019: 17.55%	17.53%	FY 2020: 23.74%	19.74%	FY 2021: 23.34%	19.12%
<b>SunLine Fare Ratio</b>	<b>Minimum Ratio</b>									
FY 2019: 17.55%	17.53%									
FY 2020: 23.74%	19.74%									
FY 2021: 23.34%	19.12%									
<p>The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage change in SunLine Transit Agency’s operating budget:</p> <p>FY 2019: +11.5%  FY 2020: +5.0%  FY 2021: +0.0%</p> <p>Source: SunLine Transit Agency Approved Budgets for FYs 2019, 2020 and FY 2021.</p> <p><b>Conclusion: Complied.</b></p>								
<p>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per</p>	<p>Public Utilities Code, Section 99247</p>	<p>SunLine Transit Agency’s definition of performance is consistent with PUC Section 99247. A review of SunLine’s monthly miles and hours reports generated during the audit</p>								

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		<p>period indicates that correct performance data are being collected.</p> <p><b>Conclusion: Complied.</b></p>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	<p>This requirement is not applicable, as SunLine Transit Agency serves both urbanized and non-urbanized areas and is subject to an intermediate farebox recovery ratio.</p> <p><b>Conclusion: Not Applicable.</b></p>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>This requirement is not applicable, as SunLine Transit Agency serves both urbanized and non-urbanized areas and is subject to an intermediate farebox recovery ratio.</p> <p><b>Conclusion: Not Applicable.</b></p>
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	Public Utilities Code, Section 99271	To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the SunLine Transit

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
by the RTPA which will fully fund the retirement system within 40 years.		<p>Agency’s retirement system is funded.</p> <p>Agency staff retirement is funded through SunLine Transit Retirement Income Plans for Bargaining and Non-Bargaining Personnel Plans, single employer defined benefit plans. The agency administers the plans through a Retirement Committee appointed by the agency’s Board of Directors.</p> <p><b>Conclusion: Complied.</b></p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	<p>As a recipient of State Transit Assistance funds, SunLine is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended.</p> <p>FY2019: \$4,540,322 (Operating) \$6,525,076(Capital)</p> <p>FY2020: \$8,488,692 (Operating) \$4,928,041 (Capital)</p> <p>FY2021: \$18,152,562 (Operating) \$1,368,394 (Capital)</p> <p>Source: Annual Fiscal &amp; Compliance Audits</p> <p><b>Conclusion: Complied.</b></p>

### **Findings and Observations from Operator Compliance Requirements Matrix**

1. Of the nine compliance requirements pertaining to SunLine Transit Agency, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to SunLine (i.e., separate urbanized and rural farebox recovery ratios).
2. SunLine is subject to an intermediate farebox recovery ratio standard set by RCTC pursuant to PUC Section 99270.1. The intermediate ratio is a blended ratio that accounts for both rural and urbanized areas. The minimum farebox recovery ratios that SunLine was required to meet were 17.53 percent in FY 2019; 19.74 percent in FY 2020; and 19.12 percent in FY 2021. SunLine's farebox recovery ratios based on audited data were 17.55 percent in FY 2019; 23.74 percent in FY 2020; and 23.34 percent in FY 2021. SunLine exceeded the minimum standard in all three audit years. The average farebox recovery ratio was 21.54 percent.
3. SunLine Transit Agency participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Inspections conducted during the audit period were rated satisfactory. All fixed-route and Dial-a-Ride vehicles were inspected at SunLine's Thousand Palms facility.
4. The annual changes in the operating budget exhibited moderate increases during the audit period. SunLine's budget for FY 2019 increased by 11.5 percent, by 5.0 percent in FY 2020, and by zero percent in FY 2021.

## Section III

### Prior Triennial Performance Recommendations

SunLine Transit Agency's efforts to implement the recommendations made in the FY 2016–2018 triennial performance audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of SunLine's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Update the employee handbook.

*Background:* The employee handbook was last updated in April 2016. Since that time, the latest memorandum of understanding (MOU) between SunLine and the Amalgamated Transit Union has included provisions for specialized training opportunities and employee contributions to the pension plan. In addition, SunLine has implemented several initiatives to nurture career growth and advancement. SunLine University offers in-services courses for employee development. A pilot employee referral program was also implemented in July 2019. Recently initiated, the update to the employee manual can incorporate these latest policies as well as changes that reflect the agency's organization structure and culture. SunLine University in-services courses are also under consideration for addition to the handbook.

#### Actions taken by SunLine Transit Agency

Due to the COVID-19 pandemic, SunLine Transit Agency has temporarily placed the employee handbook update initiative on hold. SunLine's Human Resources Department has indicated that the update resumed in late 2021/early 2022 and has convened three meetings pertaining to the handbook.

#### Conclusion

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

#### Prior Recommendation 2

Coordinate opportunities for SunLine transit redesign with intelligent transportation infrastructure in the Coachella Valley.

*Background:* According to the FY 2019-2020 Short-Range Transit Plan (SRTP), SunLine's transit redesign would consolidate existing routes and create micro transit service areas. In addition, SunLine will introduce a pilot Route 111-Express service that will offer service with less travel time

between Coachella and Palm Springs. While the transit redesign and pilot programs from SunLine’s Transit Redesign study may not immediately require heavy investment in new or additional transportation infrastructure, longer term success of next generation transit will likely rely on multiple improvements including vehicle technology and related intelligent infrastructure, such as transit priority systems.

Intelligent transportation infrastructure is being planned and studied in the Coachella Valley, including studies conducted by the Coachella Valley Association of Governments (CVAG). One of the studies develops the concept for a regional traffic signal synchronization program and interagency coordination and communication needs. A signal priority system could benefit transit innovations such as bus rapid transit in key corridors.

As SunLine progresses through implementation of the transit redesign and identifies opportunities to use advanced technology for its routes, a coordination effort should be outlined with partner agencies to plan for the necessary infrastructure for transit. Partner agencies could include the local municipalities, County of Riverside, RCTC, CVAG, and Caltrans District 8. A listing of priority corridors for signal prioritization is identified in the CVAG study, and SunLine should outline the interagency coordination to align the needs of enhanced transit with planned infrastructure investment in these corridors.

#### Actions taken by SunLine Transit Agency

The express route SunLine planned to implement that would address this recommendation was delayed due to COVID-19. Route 1X, which was scheduled to begin service in May 2021 between Indio and Palm Springs, will be operational once SunLine returns to Level 1 service in FY 2022. SunLine continues to work with CVAG on transit needs in the area and will continue to closely monitor the progress of the traffic signal prioritization project as well as other transit infrastructure projects in the region.

#### Conclusion

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

## Section IV

### TDA Performance Indicators

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

Tables IV-1 through IV-5 provide the performance indicators for SunLine system-wide, fixed route, SunDial paratransit, vanpool, and taxi service modes. Graphs are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures, while fixed-route and Dial-A-Ride costs and fare revenues are derived from unaudited data. The annual fiscal audits do not provide a modal breakdown.

**Table IV-1  
SunLine Transit Agency TDA Performance Indicators  
System-wide**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)(a)</sup>	\$32,478,309	\$33,375,691	\$36,749,538	\$38,029,995	<b>17.1%</b>
Total Passengers <sup>(b)</sup>	4,122,539	4,217,807	3,517,269	2,088,342	<b>-49.3%</b>
Vehicle Service Hours <sup>(b)</sup>	303,329	299,655	288,260	251,837	<b>-17.0%</b>
Vehicle Service Miles <sup>(b)</sup>	4,679,727	4,647,048	4,346,985	3,854,597	<b>-17.6%</b>
Employee FTEs <sup>(b)</sup>	332	359	373	361	<b>8.7%</b>
Passenger Fares <sup>(a)</sup>	\$2,900,114	\$2,866,072	\$2,032,866	\$2,202,017	<b>-24.1%</b>
Local Support Funds <sup>(2)(a)</sup>	\$4,078,029	\$2,990,153	\$6,690,163	\$6,675,414	<b>63.7%</b>
Total Revenues	\$6,978,143	\$5,856,225	\$8,723,029	\$8,877,431	<b>27.2%</b>
Operating Cost per Passenger	\$7.92	\$7.96	\$10.49	\$18.36	<b>132.0%</b>
Operating Cost per Vehicle Service Hour	\$108.76	\$113.51	\$129.02	\$154.11	<b>41.7%</b>
Operating Cost per Vehicle Service Mile	\$7.40	\$7.70	\$8.83	\$10.41	<b>40.8%</b>
Passengers per Vehicle Service Hour	13.7	14.3	12.3	8.4	<b>-38.9%</b>
Passengers per Vehicle Service Mile	0.93	0.97	0.84	0.57	<b>-39.3%</b>
Vehicle Service Hours per Employee	899.5	819.1	763.6	683.6	<b>-24.0%</b>
Average Fare per Passenger	\$0.71	\$0.68	\$0.58	\$1.06	<b>50.4%</b>
Fare Recovery Ratio (Passenger fares only)	8.93%	8.59%	5.53%	5.79%	<b>-35.2%</b>
Fare Recovery Ratio w/local support funds <sup>(3)</sup>	21.49%	17.55%	23.74%	23.34%	<b>8.6%</b>
Consumer Price Index - (CPI-All) <sup>(4)</sup>	3.5%	3.4%	2.5%	2.0%	<b>8.1%</b>

Source:

(a) Annual Fiscal & Compliance Audits

(b) National Transit Database

Notes:

(1) Operating costs exclude depreciation and vehicle leasing.

(2) Includes outside CNG and hydrogen fuel sale revenues; state emission credits and CNG rebates; advertising; and interest income. Local support is calculated as the difference between total revenues shown in Note 12, and passenger fares (Combining Statement of Revenues, Expenses, and Changes in Net Positioning) of the annual audited financial statements.

(3) System-wide farebox recovery is inclusive of local support funds as allowed by RCTC's Fare Box Recovery Ratio Policy.

(4) Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index from the prior year.

**Table IV-2  
SunLine Transit Agency TDA Performance Indicators  
SunBus - Fixed Route**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)(a)</sup>	\$26,286,982	\$27,310,333	\$27,859,559	\$24,170,286	<b>-8.1%</b>
Total Passengers <sup>(a)</sup>	3,947,023	4,039,450	3,379,520	2,000,077	<b>-49.3%</b>
Vehicle Service Hours <sup>(a)</sup>	231,781	228,131	225,942	192,662	<b>-16.9%</b>
Vehicle Service Miles <sup>(a)</sup>	3,402,692	3,364,995	3,329,355	2,921,253	<b>-14.1%</b>
Employee FTE's <sup>(a)</sup>	253	275	294	285	<b>12.6%</b>
Passenger Fares <sup>(2)(a)</sup>	\$2,574,580	\$2,536,138	\$1,779,753	\$1,990,921	<b>-22.7%</b>
Operating Cost per Passenger	\$6.66	\$6.76	\$8.24	\$12.08	<b>81.5%</b>
Operating Cost per Vehicle Service Hour	\$113.41	\$119.71	\$123.30	\$125.45	<b>10.6%</b>
Operating Cost per Vehicle Service Mile	\$7.73	\$8.12	\$8.37	\$8.27	<b>7.1%</b>
Passengers per Vehicle Service Hour	17.0	17.7	15.0	10.4	<b>-39.0%</b>
Passengers per Vehicle Service Mile	1.16	1.20	1.02	0.68	<b>-41.0%</b>
Vehicle Service Hours per Employee	916.1	829.6	768.5	676.0	<b>-26.2%</b>
Average Fare per Passenger	\$0.65	\$0.63	\$0.53	\$1.00	<b>52.6%</b>
Fare Recovery Ratio	9.79%	9.29%	6.39%	8.24%	<b>-15.9%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	8.1%

Source:

(a) National Transit Database

Notes:

(1) Data is unaudited. Audited financial statements do not provide modal breakdown.

(2) Data is unaudited. Audited financial statements do not provide modal breakdown.

**Table IV-3  
SunLine Transit Agency TDA Performance Indicators  
SunDial - Dial-A-Ride**

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018- 2021
		FY 2019	FY 2020	FY 2021	
Operating Cost <sup>(1)(a)</sup>	\$5,827,953	\$5,870,229	\$5,790,325	\$4,590,154	<b>-21.2%</b>
Total Passengers <sup>(a)</sup>	156,292	155,332	122,126	71,129	<b>-54.5%</b>
Vehicle Service Hours <sup>(a)</sup>	66,851	65,911	58,884	54,113	<b>-19.1%</b>
Vehicle Service Miles <sup>(a)</sup>	989,084	971,701	833,825	732,186	<b>-26.0%</b>
Employee FTE's <sup>(a)</sup>	79	84	79	76	<b>-3.8%</b>
Passenger Fares <sup>(2)(a)</sup>	\$325,536	\$329,938	\$253,113	\$211,096	<b>-35.2%</b>
Operating Cost per Passenger	\$37.29	\$37.79	\$47.41	\$64.53	<b>73.1%</b>
Operating Cost per Vehicle Service Hour	\$87.18	\$89.06	\$98.33	\$84.83	<b>-2.7%</b>
Operating Cost per Vehicle Service Mile	\$5.89	\$6.04	\$6.94	\$6.27	<b>6.4%</b>
Passengers per Vehicle Service Hour	2.3	2.4	2.1	1.3	<b>-43.8%</b>
Passengers per Vehicle Service Mile	0.16	0.16	0.15	0.10	<b>-38.5%</b>
Vehicle Service Hours per Employee	846.2	784.7	745.4	712.0	<b>-15.9%</b>
Average Fare per Passenger	\$2.08	\$2.12	\$2.07	\$2.97	<b>42.5%</b>
Fare Recovery Ratio	5.59%	5.62%	4.37%	4.60%	<b>-17.7%</b>
Consumer Price Index - (CPI-All)	3.5%	3.4%	2.5%	2.0%	8.1%

Source:

(a) National Transit Database

Notes:

(1) Data is unaudited. Audited financial statements do not provide modal breakdown.

(2) Data is unaudited. Audited financial statements do not provide modal breakdown.

**Table IV-4**  
**SunLine Transit Agency TDA Performance Indicators**  
**Vanpool**

Performance Data and Indicators	FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Operating Costs <sup>(a)</sup>	\$445,876	\$293,631	\$286,129	\$229,917	-48.4%
Unlinked Passengers <sup>(a)</sup>	19,224	23,025	15,623	16,028	-16.6%
Vehicle Service Hours <sup>(a)</sup>	4,697	5,613	3,434	3,613	-23.1%
Vehicle Service Miles <sup>(a)</sup>	287,951	310,352	183,805	191,501	-33.5%
Employee FTEs <sup>(a)</sup>	1.0	1.0	1.0	1.0	0.0%
Passenger Fare Revenue <sup>(a)</sup>	\$121,917	\$164,276	\$108,896	\$120,280	-1.3%
Operating Cost per Passenger	\$23.19	\$12.75	\$18.31	\$14.34	-38.2%
Operating Cost per Vehicle Service Hour	\$94.93	\$52.31	\$83.32	\$63.64	-33.0%
Operating Cost per Vehicle Service Mile	\$1.55	\$0.95	\$1.56	\$1.20	-22.5%
Passengers per Vehicle Service Hour	4.09	4.10	4.55	4.44	8.4%
Passengers per Vehicle Service Mile	0.07	0.07	0.08	0.08	25.4%
Veh Service Hours per Employee FTE	4,697	5,613	3,434	3,613	-23.1%
Average Fare per Passenger	\$6.34	\$7.13	\$6.97	\$7.50	18.3%
Farebox Recovery Ratio	27.3%	55.9%	38.1%	52.3%	91.3%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source:

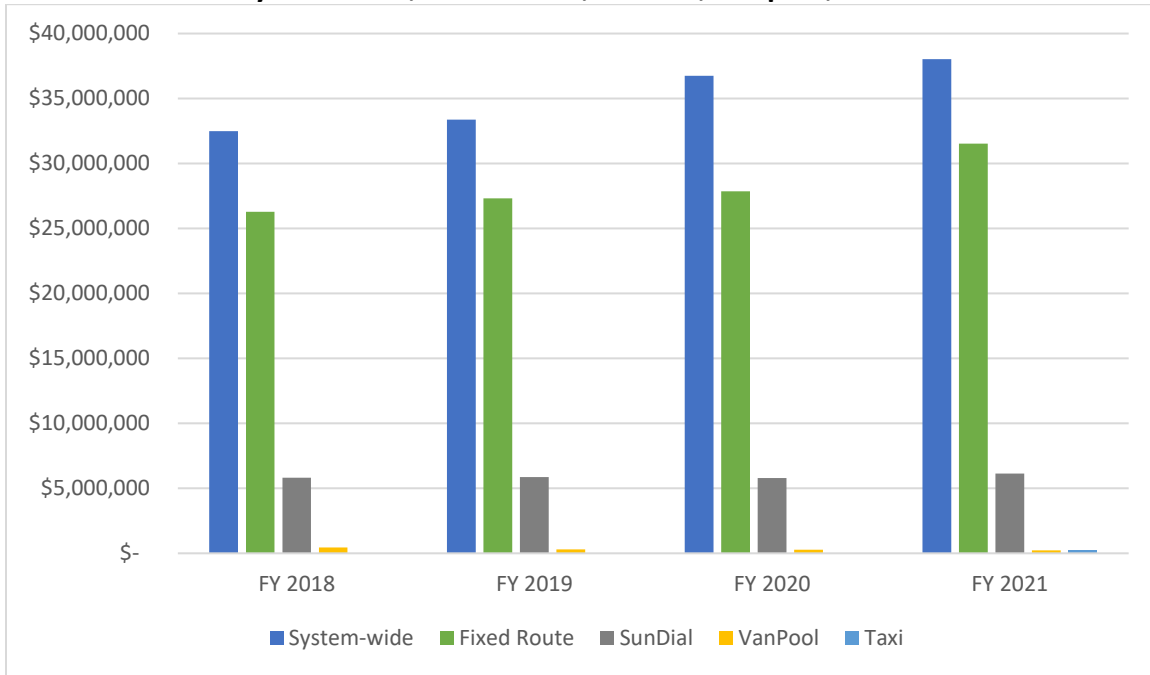
(a) National Transit Database

**Table IV-5**  
**SunLine Transit Agency TDA Performance Indicators**  
**Taxi**

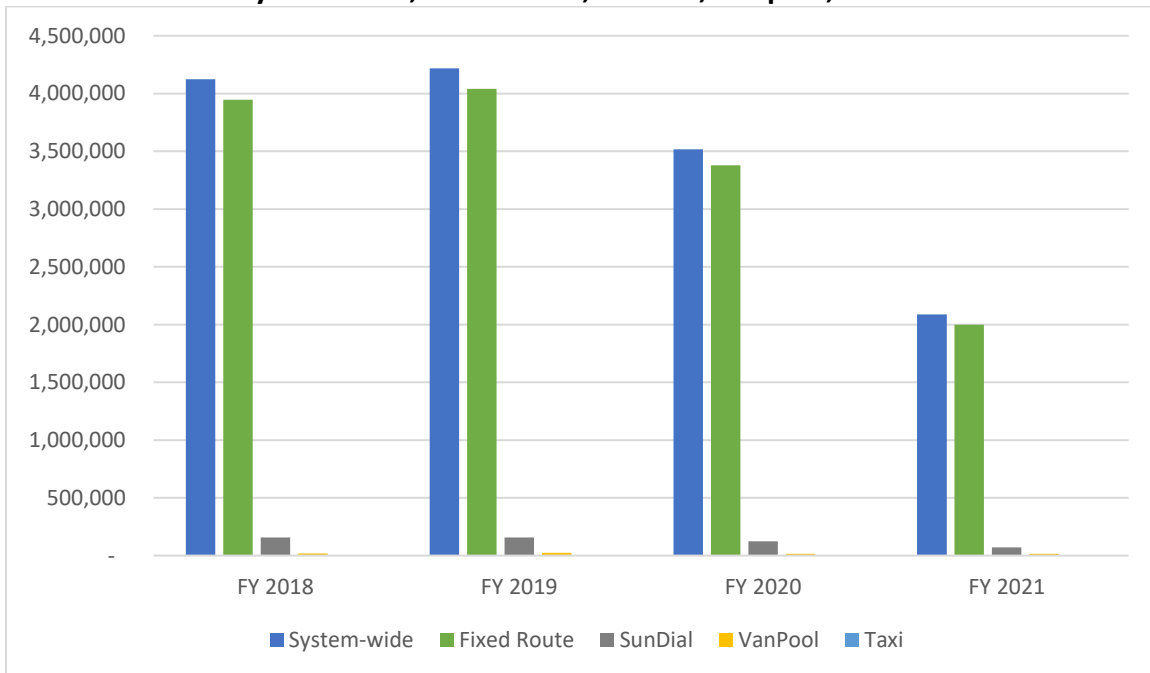
<b>Performance Data and Indicators</b>	<b>FY 2021</b>
Operating Costs	\$198,493
Unlinked Passengers	1,108
Vehicle Service Hours	1,448
Vehicle Service Miles	9,655
Employee FTEs	1.0
Passenger Fare Revenue	\$1,882
Operating Cost per Passenger	\$179.15
Operating Cost per Vehicle Service Hour	\$137.08
Operating Cost per Vehicle Service Mile	\$20.56
Passengers per Vehicle Service Hour	0.77
Passengers per Vehicle Service Mile	0.11
Veh Service Hours per Employee FTE	1,448
Average Fare per Passenger	\$1.70
Farebox Recovery Ratio	0.9%
Consumer Price Index (CPI-U)	2.0%

Source: NTD Reports

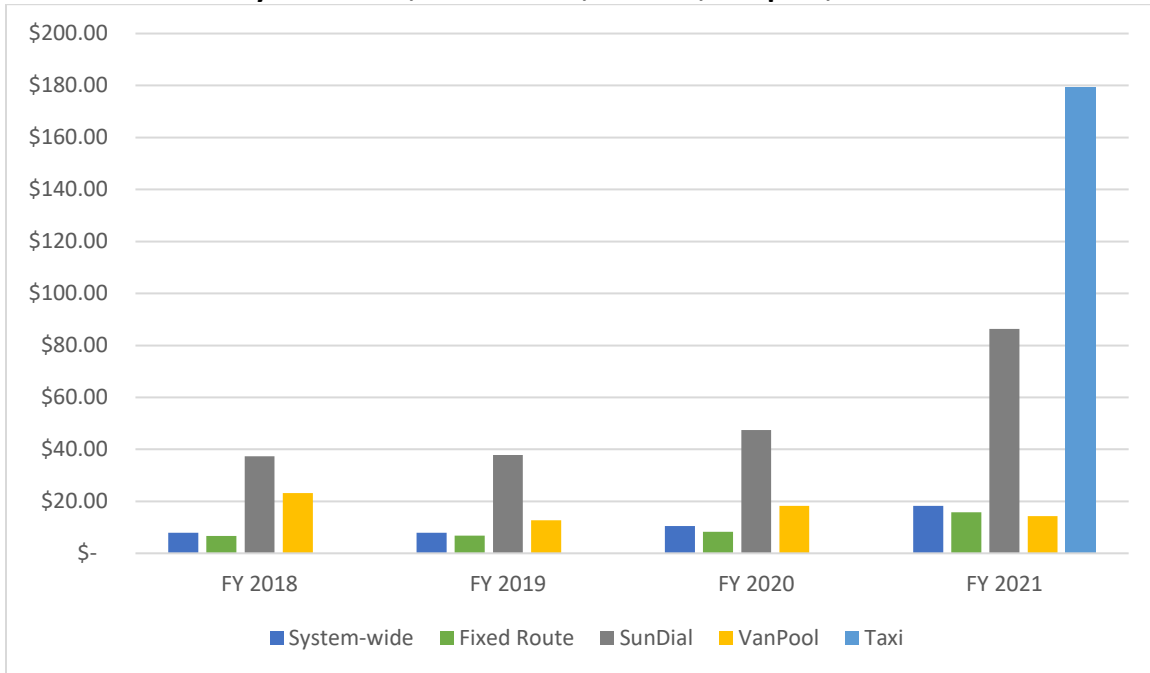
**Graph IV-1  
Operating Costs  
System-wide, Fixed Route, SunDial, Vanpool, & Taxi**



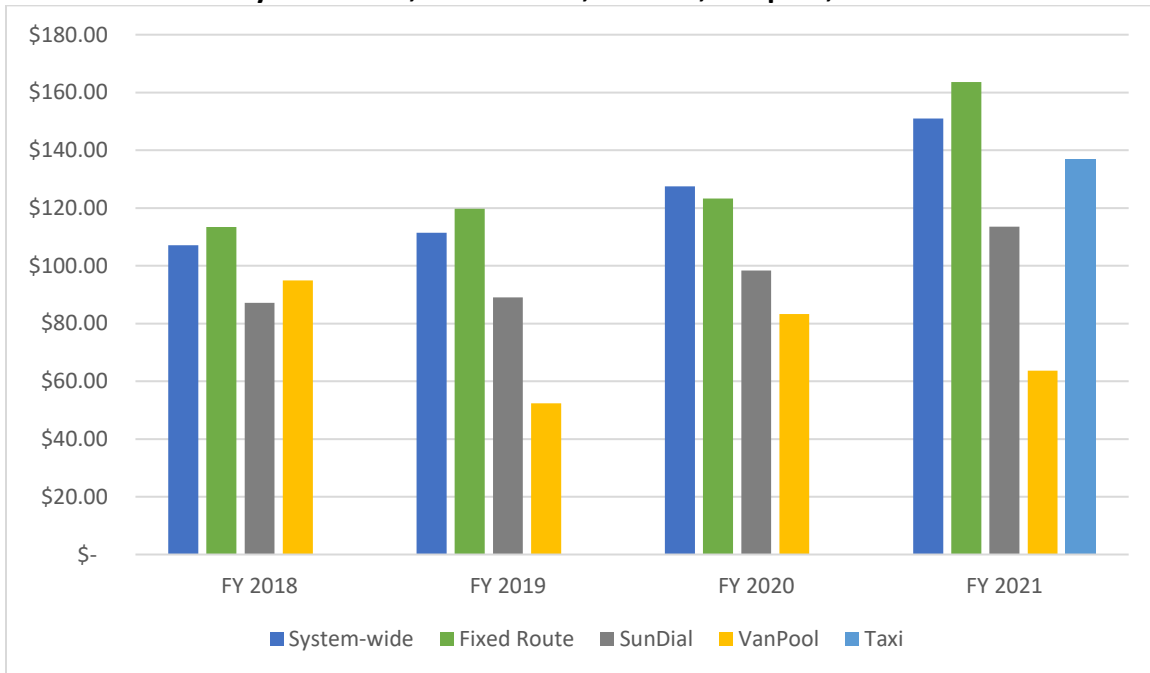
**Graph IV-2  
Ridership  
System-wide, Fixed Route, SunDial, Vanpool, & Taxi**



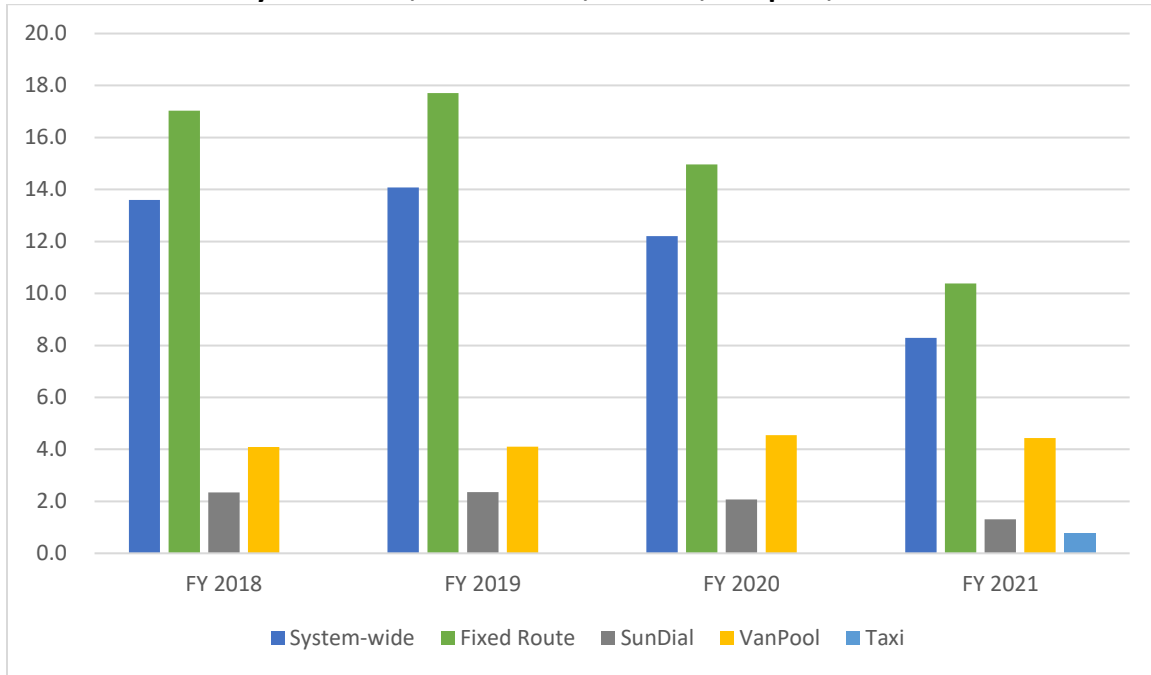
**Graph IV-3**  
**Operating Cost Per Passenger**  
**System-wide, Fixed Route, SunDial, Vanpool, & Taxi**



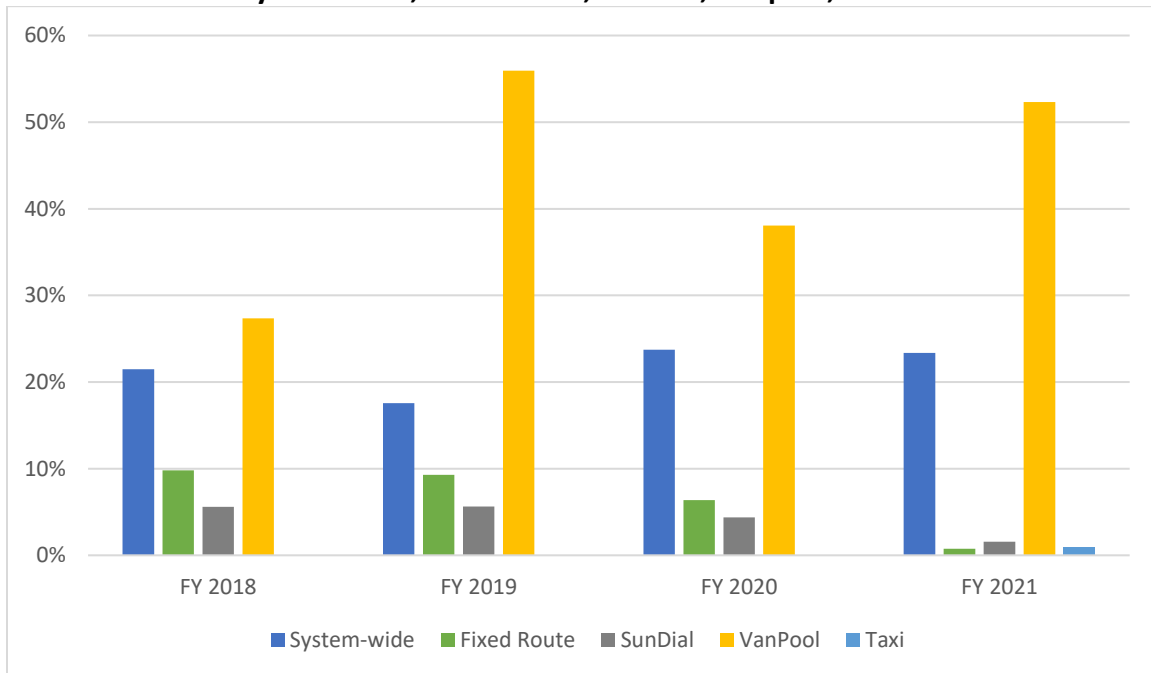
**Graph IV-4**  
**Operating Cost Per Vehicle Service Hour**  
**System-wide, Fixed Route, SunDial, Vanpool, & Taxi**



**Graph IV-5**  
**Passengers Per Vehicle Service Hour**  
**System-wide, Fixed Route, SunDial, Vanpool, & Taxi**



**Graph IV-6**  
**Fare Recovery Ratio**  
**System-wide, Fixed Route, SunDial, Vanpool, & Taxi**



Note: System-wide fare recovery includes other revenue such as CNG revenue. Modal fares do not include other revenues.

## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 41.0 percent system-wide from \$107.07 in FY 2018 to \$151.01 in FY 2021. System-wide operating costs experienced an increase of 2.8 percent between FY 2018 and FY 2019, increasing by 10.1 percent the following year and 3.5 percent between FY 2020 and FY 2021. Vehicle service hours decreased by 17.0 percent between FY 2018 and FY 2021 systemwide.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 131.2 percent system-wide from \$7.88 in FY 2018 to \$18.21 in FY 2021. Ridership system-wide decreased by 49.3 percent during the triennial period from 4,122,539 passengers in FY 2018 to 2,088,342 passengers in FY 2021, while operating costs increased by 17.1 percent during that period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 39.0 percent between FY 2018 and FY 2021 system-wide from 13.6 passengers per hour to 8.3 passengers per hour. Fixed-route operations were consistent with this trend, with a rate of decrease of 39 percent over the same period from 17.0 to 10.4 passengers per hour. SunDial operations exhibited a decrease of 43.8 percent, averaging 1.9 passengers per hour. The trend in this indicator reflects the larger decrease in passengers resulting from the COVID-19 pandemic. Conversely, the vanpool service exhibited an 8.4 percent increase in passengers per vehicle service hour over the audit period. Taxi service carried 0.8 passengers per vehicle service hour in FY2021, the inaugural year of this service.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 38.5 percent between FY 2018 and FY 2021 system-wide from 0.88 passengers per mile to 0.54 passengers per mile. For fixed-route operations, the number of passengers per service mile decreased by 41 percent from 1.16 to 0.68. SunDial exhibited a decrease in passengers per service mile of 38.5 percent during the audit period, from 0.16 in FY 2018 to 0.10 in FY 2021. For vanpool service, the number of passengers per service mile increased 25.4 percent from 0.07 in FY 2018 to 0.08 in FY 2021. Taxi service carried 0.11 passengers per vehicle service hour in FY2021, the inaugural year of this service. From the FY 2018 base year to FY 2021, total vehicle service miles decreased 17.6 percent system-wide.
5. **Vehicle service hours per employee** decreased 13.3 percent system-wide between FY 2018 and FY 2021. This decrease resulted from a net decrease in vehicle service hours of 17.0 percent and a 4.2 percent decrease in FTEs between FY 2018 and FY 2021. This measure is based on the number of employee full-time equivalents (FTE) using employee pay hours from the National Transit Data Report (NTD) and dividing by 2,000 hours per employee.

6. **Farebox recovery** exhibited an overall annual decrease of 8.6 percent system-wide between FY 2018 and 2021 based on audited data inclusive of ancillary revenues. SunLine is subject to the provisions of PUC Section 99270.1 and was required to maintain a minimum farebox recovery ratio of 17.53 percent in FY 2019; 19.74 percent in FY 2020; and 19.12 percent in FY 2021. SunLine attained the required farebox recovery standard for all three years through a combination of passenger fares and other revenue including CNG and hydrogen fuel sales, interest, and other revenues. Farebox recovery without ancillary revenue for fixed route decreased 92.4 percent, while the SunDial ADA paratransit service saw a decrease of 71.7 percent. Farebox recovery for vanpool service increased 91.3 percent over the audit period while taxi service had a 0.95 percent farebox recovery in the first year of service in FY 2021. Total system-wide revenues decreased 24.1 percent while fixed-route revenues decreased 90.9 percent and ADA paratransit revenues decreased 70.1 percent, vanpool decreased 1.3 percent and taxi passenger fares totaled \$1,882 in FY 2021.

It is noted that CNG and hydrogen revenue generated by SunLine from commercial sale of the fuel and from fuel rebates is a growing component of operations revenue counted toward the farebox ratio. This allowable revenue source under RCTC farebox policy comprised 33 percent of operations revenue in FY 2019, 58 percent in FY 2020, and 65 percent in FY 2021.

### **Conclusion from the Verification of TDA Performance Indicators**

SunLine Transit Agency's performance indicators reflect increasing operating costs along with notable decreased in vehicle service hours and miles due to impacts of the COVID-19 pandemic. Increased revenue fleet maintenance, facility maintenance, administration costs, and personnel costs increases (pension, insurance, health coverage costs) also contributed significantly to total operating costs.

The onset of the COVID-19 pandemic in March 2020 prompted SunLine to implement service reductions. The system went to Level 3 service, in which all routes were operating on a Sunday service schedule 7 days a week and with the SunRide service operating Monday through Friday only.

System-wide operating costs grew by 17.1 percent during the triennial period, whereas ridership decreased system-wide 49.3 percent. System-wide vehicle service hours decreased 17.0 percent and vehicle service miles decreased 17.6 percent between FY 2019 and FY 2021. Farebox revenues decreased while operating costs increased. Local support funding, including CNG fuel sales, increased by 63.7 percent during the audit period.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions within SunLine Transit Agency. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed with staff at the SunLine Transit Agency headquarters in Thousand Palms:

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

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

#### Operations

SunLine moved forward with a number of bold service initiatives aimed at minimizing transfers, reducing travel times, and realigning routes to growing and more productive areas. Although the COVID-19 pandemic resulted in a significant downturn in ridership, SunLine continued to maintain a forward and innovative outlook in keeping with its mission statement:

*To provide safe and environmentally conscious public transportation services and alternative fuel solutions to meet the mobility needs of the Coachella Valley.*

In 2019, SunLine announced the launch of a network redesign initiative called “SunLine Refueled.” This project aimed to improve mobility, reduce the number of transfers necessary, decrease rider wait times, and offer a more user-friendly route numbering system. Rider input and public feedback was collected through 8 public hearings and 97 community outreach events, which were held in both English and Spanish. The feedback from the community was focused on speed of service and improved infrastructure such as bus shelters and benches. The resulting system was the outcome of a nearly three-year planning effort and was adapted to accommodate new travel concerns brought to light during the COVID-19 pandemic. It is the largest service overhaul SunLine had experienced in over 40 years, and has more appeal to the choice rider market.

The new system was launched in phases, which streamlined the route network from 15 to 9 routes based on land use patterns. The first phase went into operation on January 3, 2021, and consisted of the consolidated fixed-route network. On January 4, 2021, the Route 10 Commuter Link was

introduced into service, which provides weekday service between Indio and San Bernardino. This commuter route is designed in partnership with California State University, San Bernardino (CSUSB), which participates in the funding of the service. The final phase of the network redesign, a micro-transit program called “SunRide,” went into service on May 4, 2021. The service is available in four zones in Coachella Valley. Riders are able to request service via a smartphone app and be picked up at destinations within the designated zones and brought to bus stops within the same zone. Route 1X, which was scheduled to begin service in May 2021 between Indio and Palm Springs, will be operational once SunLine returns to Level 1 service.

In addition, SunLine has been engaged in the repurposing of its Indio facility. This has included studying options to rehabilitate or replace the Indio satellite operating and maintenance facility, which was a former car dealership. The facility is currently utilized as a base for bus stop maintenance. The agency has applied for a grant toward renovations. The key transfer point for passengers transferring among routes in Indio is located just outside of this facility.

Each route is subject to monthly metric reporting, which allows the agency to identify trends in passenger trips and route performance. SunLine is seeking to attract more choice riders. This target market is being reached through large employers in the service area and the local tourism industry. Schedules are updated three times annually in January, May, and September. The updates involve a service standard and on-time performance analysis.

SunLine continues to implement its FTA compliant cancellation and no-show policy. The agency has been proactive in addressing no-shows and cancellations by calling passengers, sending follow-up letters, and informing them on how no-shows impact the system overall. Over the audit period, late cancellations and no-shows have decreased 69.17 percent and 69.84 percent, respectively, contributing to a net savings to the agency.

In July 2018, SunLine and the Desert Community College District executed an MOU to implement the Haul Pass program. CSUSB-Palm Desert Campus joined the program in September 2019. Students enrolled at the community college and CSUSB-Palm Desert may swipe their student ID on-board fixed-route buses and ride at no further charge. CSUSB has covered program costs from inception. SunLine looks forward to including other college campuses in the service area, such as the University of California, Riverside, and other California State University campuses.

On-time performance is one of the metrics closely monitored by the agency. SunLine maintains a summary report driven by its software program detailing on-time performance per route for each service day in the system. The data are categorized by early, late, and the percentage of trips within the on-time window. Daily and monthly averages are calculated as part of the summary. SunLine met internal on-time performance goals for both fixed-route and demand-response service throughout the audit period. The fixed-route on-time performance goal was 85 percent in FYs 2019, 2020, and 2021. For fixed-route, average on-time performance was 87.4 percent in FY 2019; 89.3 in FY 2020; and 90.5 in FY 2021. The demand-response on-time performance target was 90 percent in FYs 2019, 2020, and 2021. For demand-response, average on-time performance was 90.7 percent in FY 2019; 91.1 in FY 2020; and 96.9 percent in FY 2021.

Fare counting and reconciliation procedures utilize both manual and electronic handling methods. Trip sheets are counted, and revenue is recorded daily, which has resulted in more accurate accounting. There is a dedicated coin room accessible by a badge lock key, and the counting cage is equipped with multiple cameras. Vehicles are also equipped with GFI/Genfare electronic fareboxes to provide further fare collection accuracy. At the end of the day, the GFI is probed and unlocked, and the farebox vaults are exchanged. Only select administrative personnel have access to the vault keys for handling the fare. GFI software also provides financial printouts for revenue reconciliation. Following the revenue collection process, an armored vehicle picks up the farebox proceeds three times a week to deposit.

In May 2019, SunLine implemented a mobile ticketing option via the Token Transit App. Once riders download the app on their smartphones, they are able to purchase fares virtually for both immediate and future use. Approximately 11 percent of the ridership utilizes mobile ticketing. The goal is to have about one-third of riders use the app.

In July 2020, SunLine’s Board of Directors approved its Zero Emissions Bus Rollout Plan, three years before the submission date required by the state. SunLine’s plan outlines how the agency plans to implement a fully hydrogen fuel cell revenue fleet by 2035, five years prior to the 2040 deadline established by the California Air Resources Board’s Innovative Clean Transit Regulation. A critical aspect of SunLine’s ability to implement and support a zero-emission fleet is the agency’s adoption of innovative technologies that enable them to produce renewable hydrogen at their fueling station in Thousand Palms and is made possible through partnership with Southern California gas Company.

In May 2021, SunLine was a recipient of SCAG’s 2021 Sustainability Award under the Clean Cities – Alternative Fuels and Infrastructure category. The agency was recognized for its legacy of serving the Coachella Valley and Riverside County with a clean-fueled fleet of vehicles. Moreover, the agency was recognized for the completion of the nation’s largest hydrogen fueling station dedicated to transit, using electricity and renewable energy to generate clean hydrogen. It also is the first agency to develop a comprehensive workforce training program in transportation technologies – the West Coast Center of Excellence in Zero Emission Technology and Renewable Energy.

### *COVID-19 Pandemic Impacts*

As impacts from the novel coronavirus (COVID-19) started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, SunLine enacted many new protocols. Nearly all departments within the agency were affected in some way by the impacts of COVID-19; the Operations were impacted most directly.

On March 17, 2020, SunLine initiated fare-free service in response to the COVID-19 pandemic. Operating fare-free service allowed SunLine to require rear-door boarding for all riders without mobility impairments, drastically reducing the amount of close contact operators had with riders and therefore reducing their potential exposure to the virus. Fare-free service also provided a financial benefit to riders, during an economically challenging time for many who continued to rely on the service, especially essential workers.

In response to the sudden drastic drop in ridership resulting from the stay-at-home orders, on March 21, 2020, SunLine implemented a series of service reductions. The service level categories are described as follows:

- Level 1: Regular service
- Level 2: On weekdays, all routes operating with frequency modifications. Saturday and Sunday service remain unchanged.
- Level 3: All routes operating on a Sunday service schedule 7 days a week. SunRide service operating Monday through Friday only.
- Level 4: Limited service based on available resources. Paratransit service reductions.
- Level 5: No service.

Level 3 service was initiated, switching service on all routes to seven-days-a-week Sunday service levels. The 10 Commuter Link, the Palm Springs Buzz, Route 20, Route 21, and Route 54 were temporarily discontinued at this service level. The reduction of service allowed SunLine to reallocate limited operator resources to those routes that were more heavily utilized during this time.

On April 5, 2020, SunLine began enforcing a mask mandate as directed by the Riverside County Department of Health. This mandate required riders to wear face coverings in order to ride on any SunLine route. Operators were also required to wear face masks. In addition to the face mask mandate, SunLine took additional measures to protect the health of operators, including the installation of operator shields on all revenue vehicles. These transparent safety partitions create a physical barrier between operators and riders, helping to reduce operator exposure to the virus.

Other safety measures implemented during the pandemic included increased disinfecting of vehicles using a two-step cleaning and disinfecting procedure that includes fogging with a hospital-grade disinfectant through each bus's HVAC operating system each night, installation of hand sanitizer stations on every bus, and the implementation of a mobile app that helps riders effectively practice social distancing. The myStop Mobile app allows riders to view the number of passengers on board a bus in real time so that they can make a conscious decision about whether or not to board a vehicle before it reaches their stop. On May 2, 2021, SunLine resumed fare collection and front door boarding.

### Personnel

For FY 2021, SunLine budgeted 401 FTE employees. Most non-exempt personnel (except for some

hourly employees) are represented by the Amalgamated Transit Union (ATU), Local 1277 based in Los Angeles. The current MOU between SunLine and the ATU Local went into effect during the audit period on April 1, 2019, and remained in effect until March 31, 2022. Negotiation preparation began one year in advance. Research included a peer review of other transit agencies' MOUs. A facilitator was involved during the negotiation process. Article G-29 of the MOU provides a breakdown of hourly compensation based on job classification.

For employees covered under the MOU, accruals for vacation and sick time off commence on the first day of employment for full-time employees. There are two more accrual rates for 1) Non-Bargaining, non-exempt and 2) Non-Bargaining, exempt classifications. Employees with one to four years of service accrue 10 vacation and 8 floating days, while those with 25 or more years of service accrue up to 30 vacation and 8 floating days. Employees accrue 3.08 hours of sick time off per 80 hours each pay period. Full-time employees and their dependents are provided employer-paid health insurance benefits. New hires are subject to a 120-day probationary period. Employees not covered by MOU have a six-month introductory period.

The selection of vacation time off is open to bid in March. Signups for shifts occur three times per year and go into effect in January, May, and September. The agency has been focused on improving attendance as part of the performance indicator management program. Absences and sick leave are tracked carefully and classified, which has resulted in fewer absences.

Candidates for driver-operators are required to have a California Class B license or permit, passenger endorsement, and air brake certification prior to hire. New operators receive more than 150 hours combined of classroom and behind the wheel training. Training includes defensive driving, customer service, and ADA compliance. Two new segments were added to the curriculum, Smart Drive and Avail System. The Avail System is SunLine's electronic communication system that reduces paper manifests and run guides as well as aids with driving directions. The system makes all ADA announcements, changes destination signs, and keeps track of bus location.

SunLine recruits through its website, Transit Talent, Indeed, Government Jobs/NeoGov, job fairs, veteran services, the Employment Development Department, and partnerships with local colleges. The agency also uses social media sites such as LinkedIn for management and professional positions. New employee orientations are scheduled with the employee's date of joining. SunLine reports a low rate of turnover during the audit period. An employee referral program was implemented in July 2019. The pandemic brought about the need to conduct employee recruitment and interviews virtually through the Zoom videoconferencing platform. Prior to the pandemic, SunLine participated at the job fair held at the Indio Fairgrounds.

The Operations office has continued to implement the reporting protocols and procedures that had been established between drivers and supervisors prior to the audit period. A new employee orientation protocol was established that is very structured and meets all federal requirements. The agency is better able to track Family and Medical Leave Act claims, state leave mandates, and workers compensation. In addition, it has been able to piggyback the California Family Rights Act and Family and Medical Leave Act programs. Employment and duty plans have been modified for

those employees out on workers’ compensation leave. The agency has seen a reduction of workers’ compensation claims as older cases have fallen off. The SunLine employee manual was last updated in April 2016. Pursuant to a prior audit recommendation, an update to the employee manual can incorporate the latest policies as well as changes that reflect the agency’s organization structure and culture.

SunLine provides employee medical plan benefits through the California Public Employees' Retirement System, which is able to tailor plans to family needs and conditions. Other employee benefits include the employee assistance program (EAP) and stress management classes. The EAP is tied into the agency’s discipline program that requires employees to undergo anger management classes with mandatory referrals. Under the most recent MOU, represented employees contribute 3 percent to the pension plan.

Operations Performance

Tables V-1, V-2, V-3, and V-4 show performance metrics for SunBus, SunDial, vanpool, and taxi services, respectively.

**Table V-1  
SunBus Transportation Performance Indicators**

Base Data & Performance Indicators	Base Year	Audit Review Period			% Change FY 2018-FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Operations	\$12,310,863	\$12,993,726	\$13,022,152	\$14,042,099	14.1%
Operator Salaries and Wages	\$6,356,399	\$6,613,817	\$6,597,783	\$6,537,145	2.8%
Cost of Fuel and Lubricants	\$1,238,759	\$1,457,909	\$1,572,251	\$2,100,727	69.6%
Operator Pay Hours	327,996	312,586	324,898	295,947	-9.8%
Vehicle Service Hours (VSH)	231,781	228,131	225,942	192,663	-16.9%
Vehicle Service Miles (VSM)	3,402,692	3,364,995	3,329,355	2,921,255	-14.1%
Total Vehicle Hours	246,941	243,710	241,533	208,966	-15.4%
Total Vehicle Miles	3,808,757	3,778,101	3,760,624	3,405,858	-10.6%
Unlinked Passenger Trips	3,947,023	4,039,450	3,379,520	2,000,077	-49.3%
Passenger Miles	27,069,767	32,850,476	25,998,612	12,102,290	-55.3%
Veh Ops Cost per VSH	\$53.11	\$56.96	\$57.63	\$72.88	37.2%
Veh Ops Cost per VSM	\$3.62	\$3.86	\$3.91	\$4.81	32.9%
Veh Ops Cost per Psgr Trip	\$3.12	\$3.22	\$3.85	\$7.02	125.1%
Veh Ops Cost per Psgr Mile	\$0.45	\$0.40	\$0.50	\$1.16	155.1%
Avg Wage per Operator Pay Hour	\$19.38	\$21.16	\$20.31	\$22.09	14.0%
Fuel & Lubricants Cost per VSM	\$0.36	\$0.43	\$0.47	\$0.72	97.5%
VSH per Operator Pay Hour	0.71	0.73	0.70	0.65	-7.9%
VSM per Operator Pay Hour	10.37	10.77	10.25	9.87	-4.9%
Service Miles per Service Hour	14.7	14.8	14.7	15.2	3.3%

Base Data & Performance Indicators	Base Year	Audit Review Period			% Change FY 2018-FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Service Hours / Total Hours	93.9%	93.6%	93.5%	92.2%	-1.8%
Service Miles / Total Miles	89.3%	89.1%	88.5%	85.8%	-4.0%
Avg Psgr Miles per Psgr Trip	6.9	8.1	7.7	6.1	-11.8%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

SunBus operations costs saw notable changes over the triennial period, increasing by 14.1 percent. Operator salaries and wages exceeded the rate of inflation in FY 2019, increasing by 4.05 percent versus the CPI rate of 3.4 percent. In FY 2020, salaries and wages decreased by 0.24 percent versus a 2.5 percent increase in the CPI, and again in FY 2021 salaries and wages decreased by 0.92 percent while CPI increased by 2 percent. Fuel and lubricants costs increased in each year of the audit period, increasing 17.7 percent in FY 2019, 7.8 percent in FY 2020, and 33.6 percent in FY 2021. The increase in operations cost over the base year had a significant effect on the performance indicators such as cost per vehicle hour and per vehicle mile, with each increasing by 37.2 and 32.9 percent, respectively.

**Table V-2**  
**SunDial Transportation Performance Indicators**

Base Data & Performance Indicators	Base Year	Audit Review Period			% Change FY 2018-FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Cost for Operations	\$4,151,717	\$4,141,367	\$4,002,114	\$4,051,895	-2.4%
Operator Salaries and Wages	\$1,698,520	\$1,760,695	\$1,736,275	\$1,644,835	-3.2%
Cost of Fuel and Lubricants	\$200,086	\$221,283	\$197,046	\$205,788	2.8%
Operator Pay Hours	135,001	118,970	120,167	108,656	-19.5%
Vehicle Service Hours (VSH)	66,851	65,911	58,884	54,113	-19.1%
Vehicle Service Miles (VSM)	989,084	971,701	833,825	732,186	-26.0%
Total Vehicle Hours	75,800	75,474	69,967	64,192	-15.3%
Total Vehicle Miles	1,183,817	1,182,562	1,043,480	946,875	-20.0%
Unlinked Passenger Trips	156,292	155,332	122,126	71,129	-54.5%
Passenger Miles	1,801,819	1,691,066	1,294,396	568,982	-68.4%
Veh Ops Cost Per VSH	\$62.10	\$62.83	\$67.97	\$74.88	20.6%
Veh Ops Cost Per VSM	\$4.20	\$4.26	\$4.80	\$5.53	31.8%
Veh Ops Cost Per Psgr Trip	\$26.56	\$26.66	\$32.77	\$56.97	114.4%
Veh Ops Cost Per Psgr Mile	\$2.30	\$2.45	\$3.09	\$7.12	209.1%
Avg Wage per Operator Pay Hour	\$12.58	\$14.80	\$14.45	\$15.63	24.2%
Fuel & Lubricants Cost per VSM	\$0.20	\$0.23	\$0.24	\$0.27	35.1%
VSH per Operator Pay Hour	0.50	0.55	0.49	0.50	0.6%
VSM per Operator Pay Hour	7.33	8.17	6.94	6.74	-8.0%

Base Data & Performance Indicators	Base Year	Audit Review Period			% Change FY 2018-FY 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Service Miles Per Service Hr	14.8	14.7	14.2	13.5	-8.5%
Service Hours / Total Hours	88.2%	87.3%	84.2%	84.3%	-4.4%
Service Miles / Total Miles	83.6%	82.2%	79.9%	77.3%	-7.4%
Avg Psgr Miles per Psgr Trip	11.5	10.9	10.6	8.0	-30.6%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

SunDial operations costs decreased by 2.4 percent over the triennial period. Operator salaries and wages decreased by 3.2 percent, which is below the 8.1 percent rate of inflation for the three years. The cost of fuel and lubricants increased by 2.8 percent from the FY 2018 base year, from \$200,086 in FY 2018 to \$205,788 in FY 2021. Due to the significant decrease in vehicle service hours and miles and the relatively unchanged total operational cost, performance indicators such as cost per vehicle hour and vehicle mile increased by 20.6 percent and 31.8 percent, respectively.

**Table V-3**  
**VanPool Transportation Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018-FY 2021
		FY 2019	FY 2020	FY 2021	
Cost for Operations	\$58,830	\$64,262	\$38,246	\$42,030	-28.6%
Vehicle Service Hours (VSH)	4,697	5,613	3,434	3,613	-23.1%
Vehicle Service Miles (VSM)	287,951	310,352	183,805	191,501	-33.5%
Total Vehicle Hours	4,697	5,613	3,434	3,613	-23.1%
Total Vehicle Miles	287,951	310,352	183,805	191,501	-33.5%
Unlinked Passenger Trips	19,224	23,025	15,623	16,028	-16.6%
Passenger Miles	1,438,799	1,580,691	906,984	929,468	-35.4%
Veh Ops Cost Per VSH	\$12.53	\$11.45	\$11.14	\$11.63	-7.1%
Veh Ops Cost Per VSM	\$0.20	\$0.21	\$0.21	\$0.22	7.4%
Veh Ops Cost Per Psgr Trip	\$3.06	\$2.79	\$2.45	\$2.62	-14.3%
Veh Ops Cost Per Psgr Mile	\$0.04	\$0.04	\$0.04	\$0.05	10.6%
Service Miles Per Service Hr	61.3	55.3	53.5	53.0	-13.5%
Service Hours / Total Hours	100%	100%	100%	100%	0.0%
Service Miles / Total Miles	100%	100%	100%	100%	0.0%
Avg Psgr Miles per Psgr Trip	74.8	68.7	58.1	58.0	-22.5%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

Vanpool operations costs decreased by 28.6 percent over the triennial period. Due to the significant decrease in vehicle service hours, miles, and operational cost, performance indicators such as cost per vehicle hour decreased by 7.1 percent and cost per vehicle miles increased 7.4 percent.

**Table V-4  
Taxi Transportation Performance Indicators**

<b>Base Data &amp; Performance Indicators</b>	<b>FY 2021</b>
Cost for Operations	\$117,134
Cost of Fuel and Lubricants	\$57
Vehicle Service Hours (VSH)	1,448
Vehicle Service Miles (VSM)	9,655
Unlinked Passenger Trips	1,108
Passenger Miles	4,352
Veh Ops Cost Per VSH	\$80.89
Veh Ops Cost Per VSM	\$12.13
Veh Ops Cost Per Psgr Trip	\$105.72
Veh Ops Cost Per Psgr Mile	\$26.91
Service Miles Per Service Hr	6.7
Avg Psgr Miles per Psgr Trip	3.9
Consumer Price Index (CPI-U)	2.0%

Source: National Transit Database Reports

Since SunLine’s taxi service went into effect in FY 2021, there are no trends to analyze within the audit period; however, initial performance indicators illustrate relatively high operational costs in relation to how many passengers were transported using the service. Vehicle operating cost per vehicle service hour and vehicle operating cost per mile in FY 2021 were \$80.89 and \$12.13, respectively, while vehicle operating costs per passenger trip and per passenger mile were \$105.72 and \$26.91, respectively.

**Maintenance**

SunLine maintains a revenue fleet of 135 vehicles (90 buses, 39 paratransit vans, and 6 vans), consisting of CNG, hydrogen fuel cell, and electric vehicles. The newest vehicles delivered during the audit period were ten 2019 New Flyer 40-foot fixed route buses, eight 2020 ARBOC Freedom buses used for paratransit, and 2 MCI coaches for the Route 10 Commuter Link. The agency retired its fleet of 2005 Orion buses during the audit period.

The Maintenance Department oversees the maintenance of vehicles, facilities, and 659 bus stops, of which 424 have shelters. SunLine’s vehicle maintenance takes place at the Thousand Palms facility. The Thousand Palms facility is equipped with six maintenance bays and one overflow bay.

There are two in-ground, three aboveground, and two portable lifts at that facility. During the audit period, the in-ground lifts were replaced. The maintenance facility is in operation 24 hours a day, 7 days a week. All CHP terminal inspections have been conducted at the Thousand Palms facility since 2014. Approximately 12 to 14 vehicles are staged at the Indio facility where evening shift operations take place.

SunLine employs 20 mechanics out of 22 mechanics budgeted for FY 2021. Entry-level mechanics start at the “C” level and will shadow the “B” and “A” level mechanics. During the audit period, specialized training for mechanics was implemented and included in the MOU for advancement from the “C” to the “A” level. Junior-level mechanics are sent to Orange County Transportation Authority’s apprenticeship program. In addition, several mechanics on staff have been through the Automotive Service Excellence certification program.

The SunLine Vehicle Maintenance Plan was updated in January 2022. New protocols were added and reflect the newer vehicles added to the fleet. The plan outlines the agency’s preventive maintenance inspection (PMI) program based on an A-B-C-D mileage schedule. FleetNet maintenance software is utilized for PMI tracking and forecasts each category of preventative maintenance scheduled. The agency is looking to move towards more of an electronic filing format that would be more streamlined and efficient with less paperwork. Engine oil sample checks and oil changes are taken every 6,000 miles. The PMI plan is detailed in Table V-3. Mileage must be manually entered into FleetNet at the facility after bus runs since the fuel reader device does not have the capability to transfer mileage data automatically to FleetNet. All PMIs must be completed within a 10 percent plus or minus mileage window before they are due, as summarized in Table V-5.

**Table V-5  
SunLine Transit Agency  
PMI Schedule**

PM Type	PM Due Mileage	Forecast Mileage	Completion Window
<b>Fixed Route</b>			
<b>APM</b>	6,000	5,400	5,400 to 6,600
<b>BPM</b>	12,000	11,400	11,400 to 12,600
<b>CPM</b>	24,000	23,400	23,400 to 24,600
<b>DPM</b>	48,000	47,400	47,400 to 48,600
<b>Dial-A-Ride</b>			
<b>APM</b>	6,000	5,400	5,400 to 6,600
<b>BPM</b>	12,000	11,400	11,400 to 12,600
<b>CPM</b>	24,000	23,400	23,400 to 24,600

Source: SunLine Transit Agency

The majority of maintenance work is performed in-house; however, any outside repairs would fall under micro-purchases including alternators, smog testing, and wheel alignments. Pre-trip inspections involve oversight of the road supervisor during the morning pull-out. At that time, the operator will report any issues to dispatch, which get conveyed to maintenance. The post-trip

inspection involves the operator being queried on the condition of the vehicle. The GFI fareboxes are also probed at that time.

Cycle counts are performed on a monthly basis. Only supervisory staff and lead mechanics are allowed to retrieve parts. Parts are bar-coded and categorized according to vehicle make and model. SunLine maintains minimum and maximum inventory thresholds. The Finance Department conducts an annual inventory count involving personnel from accounting, procurement, and maintenance. Vehicle warranties help dictate which parts are ordered. Each part is scanned with a video checkout unit connected to the FleetNet software system. The Parts Department is camera monitored.

FleetNet keeps a history of each item in inventory. This program is also utilized for cost pricing comparisons (less than \$2,500). The micro-purchase threshold was increased from \$3,000 to \$10,000. For items or services exceeding \$100,000, an Invitation for Bid or a Request for Proposals is made. The majority of inventory as measured in value is at the Thousand Palms facility. SunLine procures parts from a variety of vendors such as Napa Auto Parts, the local Ford dealership, and Carquest for the Orion vehicles. Some after-market parts are procured directly from New Flyer and Cummins. Tires are leased through a contract.

Maintenance Performance

Tables V-6, V-7, V-8 and V-9 show performance metrics for SunBus, SunDial, VanPool, and Taxi, respectively.

**Table V-6  
SunBus Maintenance Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Cost for Maintenance	\$4,993,411	\$5,173,585	\$5,413,888	\$5,781,209	15.8%
Maintenance Pay Hours	78,857	78,173	82,535	80,629	2.2%
Total Vehicle Hours	246,941	243,710	241,533	208,966	-15.4%
Total Vehicle Miles	3,808,757	3,778,101	3,760,624	3,405,858	-10.6%
Active Vehicles	77	88	85	89	15.6%
Peak Vehicles	57	58	62	52	-8.8%
Total Vehicle Failures	563	624	478	517	-8.2%
Maintenance Cost per Veh Hour	\$20.22	\$21.23	\$22.41	\$27.67	36.8%
Maintenance Cost per Veh Mile	\$1.31	\$1.37	\$1.44	\$1.70	29.5%
Maintenance Cost per Active Veh	\$64,849	\$58,791	\$63,693	\$64,957	0.2%
Veh Hours per Maint Pay Hour	3.13	3.12	2.93	2.59	-17.2%
Veh Miles per Maint Pay Hour	48.30	48.33	45.56	42.24	-12.5%
Veh Hours per Active Vehicle	3,207	2,769	2,842	2,348	-26.8%
Veh Miles per Active Vehicle	49,464	42,933	44,243	38,268	-22.6%

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018-FY 2021
		FY 2019	FY 2020	FY 2021	
Veh Miles Between Failures	6,765	6,055	7,867	6,588	-2.6%
Spare Ratio	35.1%	51.7%	37.1%	71.2%	102.8%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

Maintenance costs for SunBus increased from \$4.9 million in FY 2018 to \$5.7 million in FY 2021, a 15.8 percent increase. The increase in cost is contrasted with the 8.1 percent growth in the CPI. The number of vehicle failures reported by SunLine to the FTA decreased by 8.2 percent over the audit period, going from 563 failures in FY 2018 to 517 failures in FY 2021. Maintenance costs using performance metrics such as cost per vehicle hour and per vehicle mile increased by 36.8 percent and 29.5 percent, respectively, due to the increasing cost trend.

Also, miles between failures decreased 2.6 percent during the audit period, going from 6,765 miles in FY 2018 to 6,588 miles in FY 2021.

**Table V-7**  
**SunDial Maintenance Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018-FY 2021
		FY 2019	FY 2020	FY 2021	
Cost for Maintenance	\$993,920	\$1,079,850	\$1,038,589	\$1,184,127	19.1%
Maintenance Pay Hours	16,307	18,489	19,705	19,823	21.6%
Total Vehicle Hours	75,800	75,474	69,967	64,192	-15.3%
Total Vehicle Miles	1,183,817	1,182,562	1,043,480	946,875	-20.0%
Active Vehicles	39	48	39	39	0.0%
Peak Vehicles	30	30	30	29	-3.3%
Total Vehicle Failures	144	71	53	49	-66.0%
Maintenance Cost Per Veh Hour	\$13.11	\$14.31	\$14.84	\$18.45	40.7%
Maintenance Cost Per Veh Mile	\$0.84	\$0.91	\$1.00	\$1.25	48.9%
Maintenance Cost Per Active Veh	\$25,485	\$22,497	\$26,630	\$30,362	19.1%
Veh Hours per Maint Pay Hour	4.65	4.08	3.55	3.24	-30.3%
Veh Miles per Maint Pay Hour	72.60	63.96	52.96	47.77	-34.2%
Veh Hours Per Active Vehicle	1,944	1,572	1,794	1,646	-15.3%
Veh Miles Per Active Vehicle	30,354	24,637	26,756	24,279	-20.0%
Veh Miles Between Failures	8,221	16,656	19,688	19,324	135.1%
Spare Ratio	30.0%	60.0%	30.0%	34.5%	14.9%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

Maintenance costs for SunDial increased 19.1 percent, exceeding the rate of inflation during the audit period. Maintenance cost performance metrics such as cost per vehicle hour and per vehicle mile both increased significantly, by 40.7 percent and 48.9 percent, respectively. Maintenance cost per vehicle increased by 19.1 percent over the audit period. SunDial vehicle miles between failures increased by 135.1 percent over the three-year period from 8,221 in FY 2018 to 19,324 in FY 2021.

**Table V-8  
Vanpool Maintenance Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Cost for Maintenance	\$8,773	\$27,270	\$4,449	\$4,522	-48.5%
Total Vehicle Hours	4,697	5,613	3,434	3,613	-23.1%
Total Vehicle Miles	287,951	310,352	183,805	191,501	-33.5%
Active Vehicles	9	7	7	6	-33.3%
Peak Vehicles	9	9	9	6	-33.3%
Maintenance Cost Per Veh Hour	\$1.87	\$4.86	\$1.30	\$1.25	-33.0%
Maintenance Cost Per Veh Mile	\$0.03	\$0.09	\$0.02	\$0.02	-22.5%
Maintenance Cost Per Active Veh	\$975	\$3,896	\$636	\$754	-22.7%
Veh Hours Per Active Vehicle	522	802	491	602	15.4%
Veh Miles Per Active Vehicle	31,995	44,336	26,258	31,917	-0.2%
Spare Ratio	0.0%	-22.2%	-22.2%	0.0%	0.0%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

Maintenance costs for SunLine’s vanpool service decreased 48.5 percent during the audit period. Maintenance cost performance metrics such as cost per vehicle hour and per vehicle mile both decreased significantly, by 33.0 percent and 22.5 percent, respectively. Maintenance cost per vehicle decreased by 22.7 percent from FY 2018 to FY 2021.

**Table V-9  
Taxi Maintenance Performance Indicators**

Base Data & Performance Indicators	FY 2021
Cost for Maintenance	\$15,991
Active Vehicles	4
Peak Vehicles	4
Maintenance Cost Per Active Veh	\$3,998
Spare Ratio	0.0%

Base Data & Performance Indicators	FY 2021
Consumer Price Index (CPI-U)	2.0%

Source: National Transit Database Reports for FY 2018-FY 2021

Maintenance costs for SunLine’s taxi in the first year of service totaled \$15,991 with maintenance costs per active vehicle totaling \$3,998.

**Planning**

SunLine prepares a Short-Range Transit Plan (SRTP) on an annual basis as part of the funding requirements of RCTC. The SRTP is developed internally and involves the solicitation of input from the nine incorporated cities and the County of Riverside. The process involves review of local municipal planning developments such as single-family housing tracts. In addition, SunLine engages the community and local stakeholder groups, including for input on unmet transit needs. Samples of stakeholders engaged during the process included Lideres Campesinas, the Leadership Counsel for Justice and Accountability, and the Torres Martinez Desert Cahuilla Indians.

The SRTP covers a three-year planning horizon and establishes objectives for the agency’s transit services and capital improvement program. Under the Planned Services Changes and Implementation chapter, a series of recommendations for service improvements is presented for each route or program. Performance data from TransTrack Manager is also included in the SRTP to provide an annual comparison. In adhering to the SRTP analysis element, SunLine must meet at least four out of seven discretionary performance indicators, with the exception of FY 2018-2019 where there were only targets set for six performance indicators. There is one mandatory indicator which is the farebox recovery ratio set by formula by RCTC each year. Table V-10 shows the general targets for the performance indicators during the triennial period. The RCTC shows TransTrack data compared against the targets in Table V-10.

**Table V-10  
SunLine System-wide Performance Targets**

Performance Indicators	FY 2018-19 Target	FY 2019-20 Target	FY 2020-21 Target
<b>Farebox Recovery</b>	>=17.5%	>=19.7%	>=20.00%
<b>Operating Cost Per Revenue Hour</b>	none	<=\$79.38	<=\$123.43
<b>Subsidy Per Passenger</b>	>=\$5.51 & <=\$7.45	>=\$4.98 & <=\$6.74	>=\$7.73 & <=\$10.45
<b>Subsidy Per Passenger Mile</b>	>=\$0.75 & <=\$1.01	>=\$0.56 & <=\$0.76	>=\$0.96 & <=\$1.30
<b>Subsidy Per Revenue Hour</b>	>=\$74.83 & <=\$101.23	>=\$55.01 & <=\$74.43	>=\$90.81 & <=\$122.85
<b>Subsidy Per Revenue Mile</b>	>=\$4.88 & <=\$6.60	>=\$4.50 & <=\$6.08	>=\$5.99 & <=\$8.11
<b>Passengers Per Revenue Hour</b>	>=11.56 & <=15.64	>=9.35 & <=12.65	>=9.99 & <=13.51
<b>Passengers Per Revenue Mile</b>	>=0.76 & <=1.02	>=0.77 & <=1.04	>=0.66 & <=0.90

Source: Riverside County Transportation Commission, TransTrack Service Provider Performance Targets Report

According to the Performance Target Reports, SunLine met two out of six performance indicator targets for FY 2018-19; for FY 2019-20, SunLine met one of seven performance indicator targets; and in FY 2019-20 the agency met all but one performance target.

On September 29, 2020, the SunLine Board of Directors approved and officially adopted SunLine’s Public Transit Agency Safety Plan (PTASP). The plan, which is required by the FTA for all urbanized transit providers, must detail the processes and procedures transit providers utilize to implement Safety Management Systems as well as establishing safety performance targets. The PTASP final rule became effective in July 2019 with plan enforcement beginning in July 2021. Plan updates and agency self-certification confirming compliance is required annually. FTA will formally review SunLine’s PTASP in the next federal triennial review.

### **Marketing**

In its FY 2022-2024 SRTP, SunLine details implementation strategies, target audiences, and areas of focus that agency marketing initiatives will focus on to assist in branding and retaining current riders and attracting new riders. The agency uses targeted marketing of transit services through print media, including advertisements in local newspapers, as a cost-effectiveness strategy to promote its services. Marketing is also conducted through a variety of other means including social media and its website. Customer service personnel are composed of three representatives and one receptionist.

The SunLine website (<http://www.sunline.org/>) contains information about routes, schedules, services, and fares, including a system-wide map. The website underwent a major upgrade during the audit period. Passengers are also able to purchase passes online. The website features a quick links menu bar to route and schedule information, service alerts, pass purchases, employment opportunities, taxi services, and contact links. There is also a Google trip planner and link to the SunBus Tracker Mobile App. SunLine developed the app in partnership with Avail Technologies to provide riders a real-time bus tracking system powered by global positioning system technology. SunLine also launched an auxiliary website that highlights the Refueled initiative (<https://www.sunlinerefueled.org/>). This website contains information about SunLine’s route and service redesign including the 10 Commuter Link, SunRide rideshare service, the consolidated fixed route network, and Route 1X. In 2021, SunLine received Caltrans’ Excellence in Transportation for the Refueled campaign.

SunLine publishes a bilingual (English/Spanish) consolidated timetable or Rider’s Guide of its routes. The Rider’s Guide provides fare information, schedules, rider etiquette, SunDial information, and a system map. The guide is updated two to three times annually to reflect route and schedule changes. The agency is considering publishing fewer copies of the Rider’s Guide as it expands mobile and electronic platforms. Other publications include the SunDial Curb-to-Curb ADA Paratransit Service brochure; the SunRide user guide pamphlet; the Taxi Voucher Program brochure; and the Half-Fare Program for SunBus. Information is posted at bus stops and other major activity centers such as schools, senior centers, retail outlets, and public facilities. Brochures and schedules are available on buses, at the various activity centers, and online.

SunLine utilizes four social media platforms: Facebook, Instagram, Twitter, and YouTube. Social media, particularly Facebook, are used to announce promotions, community events (“Pack the Bus”), service changes, and route detours. SunLine reports increased levels of followers and engagement on its social media platforms. Other social media platforms where SunLine has a presence are LinkedIn and TikTok.

There are creative marketing promotions and events such as the 111 Music Festival held in November that feature live musical performances on Route 111 buses as well as the Coachella Valley Arts Scene. Quick response or QR codes are utilized in marketing materials that direct users to the website. Additional technology enhancements include Wi-Fi on the buses and the SunBus Tracker, which can be accessed through the website and the myStop mobile app. The Operations office can view live footage on board the buses. The agency also continues to run advertising spots over local radio stations and Spanish-language television as well as on bus shelters and in print publications.

SunLine produces an annual report highlighting the agency’s accomplishments and activities for the past year. The annual report is distributed to the communities in the Coachella Valley to communicate the message that investment in transit delivers a return beyond simply helping those that ride the bus. There has been a greater emphasis on Spanish language outreach, particularly in the East Valley. The last annual report was published in May/June 2019. The agency is looking to resume publication of the report.

Travel training outreach is tailored to both groups and individuals. Travel training presentations are given at area high school campuses, civic groups, senior centers, and disabled groups to provide education about destinations and services available. Individual travel training involves meeting the prospective rider at home and walking to the nearest bus stop. The agency also works with special needs individuals such as the visually impaired and the Guide Dogs of the Desert organization. Requests for travel training are facilitated through the website. SunLine encourages each one of its employees to become “Transit Ambassadors,” empowered with the knowledge and communications skills to educate existing and potential riders about SunLine service and programs.

SunLine is a member of the Southern California Community Outreach Transit Group, composed of peer agencies such as Foothill Transit, Orange County Transportation Authority, Metrolink, Omnitrans, and Mountain Transit. The group meets quarterly at Omnitrans and Foothills Transit offices by conference call or in person. SunLine retains an outside media consultant for graphic design, press releases, and media interface.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program has been developed and adopted by the agency. Title VI of the Civil Rights Act of 1964, which requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices and complaint forms published in English

and Spanish that are posted on the transit website and vehicles. SunLine’s Title VI Policy Statement is posted on the website (<https://www.sunline.org/civil-rights>).

Customer service requests and issues are logged into the COMS module in Trapeze from the feedback form on the website. The most common complaints reported pertain to bus pass-ups, missed transfers, rude operators, and the conduct of other passengers. The most common compliments received involve extra assistance provided by the operators and personable conduct.

Throughout the audit period, the Marketing department undertook multiple marketing campaigns, increasing SunLine’s visibility and involvement in the community. Such campaigns include:

- “Get on Board” – On April 25, 2019, SunLine showcased the benefits of public transportation to the community and showed rider appreciation by handing out treats at high ridership stops.
- “#CoachellaValleyStrong” – On April 29, 2020, SunLine unveiled two new bus wraps showcasing the messages “Together We Are Strong” and “Thank You to All Those Who Have Kept Us Moving.” These buses act as a tribute to essential workers during the COVID-19 pandemic and aimed to unify the nine cities and unincorporated areas of the Coachella Valley.
- “Ride with Confidence” – In July 2020, SunLine launched this campaign to highlight the work the agency has done to maintain the health and safety of its service throughout the pandemic, intended to help bolster the public’s trust and improve the perception of public transit in the area.
- “A Drive to Change Lives” – As part of National Travel & Tourism Week, on May 7, 2021, SunLine partnered with the Greater Palm Springs Convention & Visitor Bureau to host a donation drive benefitting “Well in the Desert.” This organization provides clothing, showers, cooling centers, and hot meals to individuals in need in the Western Coachella Valley.
- Annual Student Art Contest – SunLine invites students in grades K through 9 to submit art showcasing themes including sustainability and public transit in the community. The winning students’ artwork is showcased on the bus wrap of an in-service bus for the following year.

### **General Administration and Management**

SunLine is a JPA made up of the nine incorporated cities in the Coachella Valley and the County of Riverside. The 10-member Board of Directors is composed of elected officials from each of the nine incorporated cities plus a representative from the Riverside County Board of Supervisors, Fourth District. The Board meets 10 times each year on the fourth Wednesday of the month at noon. The July and August meetings are combined and usually held on the last Wednesday in July. The November and December meetings are also combined and are held on the first Wednesday in December. Special meetings may be convened by the chairman as needed. The chair and vice-

chair are elected by the other board members for annual terms that commence on July 1 of each year.

Prior to the pandemic, all meetings were being held in the Board Room at the SunLine Transit Agency Thousand Palms Administration Building located at 32-505 Harry Oliver Trail. Pursuant to the Governor’s Executive Orders issued on March 4, 2020, and March 18, 2020, Board and committee meetings were moved to the Zoom videoconferencing platform. Serving in an advisory role to the Board are five standing committees: Finance/Audit Committee, Board Operations Committee, Strategic Planning & Operational Committee, Taxi Committee, and ACCESSS Advisory Committee. The committees have been more empowered and engaged by bringing more items before the Board. Restructuring efforts have been ongoing over the past two audit periods and include the creation of three new chief positions and adjustments to which departments report to each chief. The agency’s five departments are summarized below in Table V-11:

**Table V-11  
SunLine Departmental Structure**

<b>Department/Office</b>	<b>Key Functions &amp; Responsibilities</b>
<b>Executive Office</b>	Responsible for the overall administration and operation of the agency. This office provides support to the agency Board of Directors and maintains all records of the agency's business.
<b>Performance Management Office</b>	Responsible for improving the overall efficiency of the systems and processes that support SunLine daily operations. This office focuses on maximizing performance across all agency functions through ongoing performance reviews. It oversees the management of SunFuels, and key capital projects.
<b>Safety and Security Office</b>	Responsible for providing a safe working environment for employees and ensuring the safety of all passengers. This office investigates and documents all traffic collisions, passenger injuries, and incidents that might cause a liability to the agency. The department is also responsible for reporting to various federal and state regulatory agencies such as Cal-OSHA and the National Transit Database, training all new fixed-route and paratransit operators, and conducting ongoing perishable skills training and remedial training for employees involved in preventable incidents.
<b>Operations Office</b>	Focuses on all aspects of quality service delivery by utilizing staff, fleet, facilities, and equipment.
<b>Finance Office</b>	Responsible for the budget, accounting, sales, contracts/procurement, materials management and inventory control, warranty administration, cash management, investment portfolio, payroll, risk management and lost and found for the agency. The office is also responsible for the development of all financial statements, coordination of financial audits, and development of sales and taxation documents and specialized reports for SunFuels.

Department/Office	Key Functions & Responsibilities
Administration Office	Provides a wide range of support functions for SunLine Transit Agency, including Human Resources, Information Technology, Service Planning, and Community and Customer Relations.

Source: SunLine Transit Agency

The agency’s budget process commences in January. The Finance Department compiles two years of information along with current year projections. Protected spreadsheets are sent out to department heads and followed up by a series of three to four meetings with each department. Budget requests are reviewed by the budget analyst and CFO who in turn review the budget data with the CEO/General Manager. A final budget draft is presented to the Board in May for comment as an information item, adopted in June, and becomes effective July 1.

The agency’s most recent FTA triennial review during the audit period was conducted on June 10, 2019 (scoping meeting) with site visits on August 29 and 30, 2019. The final report was completed October 24, 2019. No deficiencies were found in any of the 21 areas of FTA requirements. The agency received its triennial review closeout letter on October 24, 2019.

SunLine University

SunLine has implemented several initiatives to nurture career growth and advancement and provide greater empowerment in decision-making. SunLine University was created in-house and offers in-services courses for employee development. This program is managed under the Performance Office. Employees from different departments are invited to participate in reviewing other department performance metrics and interact with different staff to ask questions about their office performance. These reviews are structured regularly on a monthly basis. The training provided to employees in different departments has enabled more management level advancement for a number of younger personnel who will be in line to succeed higher-level managers. An employee referral program was also implemented in July 2019. The employee handbook was last updated in April 2016 and does not reflect these developments, including modifications to and formalization of the organization chart and movement of personnel positions. An update to the employee handbook can incorporate these latest policies as well as changes that reflect the agency’s organization structure and culture.

Administrative Performance

Tables V-12, V-13, V-14, and V-15 show performance indicators for administration relative to SunBus, SunDial, VanPool, and Taxi operations, respectively.

**Table V-12**  
**SunBus Administrative Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Costs for Administration	\$8,982,708	\$9,143,022	\$9,423,519	\$11,699,605	30.2%
Administration Pay Hours	99,575	111,645	117,226	123,999	24.5%
Vehicle Service Hours (VSH)	231,781	228,131	225,942	192,663	-16.9%
Vehicle Service Miles (VSM)	3,402,692	3,364,995	3,329,355	2,921,255	-14.1%
Unlinked Passenger Trips	3,947,023	4,039,450	3,379,520	2,000,077	-49.3%
Passenger Miles	27,069,767	32,850,476	25,998,612	12,102,290	-55.3%
Admin Cost Per VSH	\$38.76	\$40.08	\$41.71	\$60.73	56.7%
Admin Cost Per VSM	\$2.64	\$2.72	\$2.83	\$4.00	51.7%
Admin Cost per Psgr Trip	\$2.28	\$2.26	\$2.79	\$5.85	157.0%
Admin Cost per Psgr Mile	\$0.33	\$0.28	\$0.36	\$0.97	191.3%
VSH per Admin Pay Hour	2.33	2.04	1.93	1.55	-33.2%
VSM per Admin Pay Hour	34.17	30.14	28.40	23.56	-31.1%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

As shown in the National Transit Database, administrative costs allocated to fixed-route service increased by 30.2 percent during the period between FYs 2018 and 2021. The primary increase was for the liability cost item in the NTD report (including insurance premiums), which increased by over 70 percent in the past three years. As a result of the increase in administrative costs and decrease in service miles, service hours, and ridership, performance indicators measured by cost per vehicle hour, vehicle mile, and per passenger trip showed significant increases as illustrated by growth in each cost measure.

**Table V-13**  
**SunDial Administrative Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Costs for Administration	\$682,316	\$649,012	\$749,622	\$908,091	33.1%
Administration Pay Hours	6,793	7,215	7,724	5,282	-22.2%
Vehicle Service Hours (VSH)	66,851	65,911	58,884	54,113	-19.1%
Vehicle Service Miles (VSM)	989,084	971,701	833,825	732,186	-26.0%
Unlinked Passenger Trips	156,292	155,332	122,126	71,129	-54.5%
Passenger Miles	1,801,819	1,691,066	1,294,396	568,982	-68.4%
Admin Cost Per VSH	\$10.21	\$9.85	\$12.73	\$16.78	64.4%
Admin Cost Per VSM	\$0.69	\$0.67	\$0.90	\$1.24	79.8%
Admin Cost per Psgr Trip	\$4.37	\$4.18	\$6.14	\$12.77	192.4%

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY 2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Admin Cost per Psgr Mile	\$0.38	\$0.38	\$0.58	\$1.60	321.5%
VSH per Admin Pay Hour	9.84	9.14	7.62	10.24	4.1%
VSM per Admin Pay Hour	145.60	134.68	107.95	138.62	-4.8%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

Administrative costs allocated to Dial-A-Ride service as shown in the National Transit Database increased significantly for the period between FYs 2018 and 2021. Costs increased by 33.1 percent, while administrative pay hours allocated to Dial-A-Ride decreased. Similar to fixed route, the primary increase was for the liability cost item in the NTD report (including insurance premiums), which increased by more than two-fold in the past three years. As a result of the increase in costs coupled with decreases in vehicle hours, vehicle miles, and ridership, performance indicators measured by cost per vehicle hour, per vehicle mile, and per passenger trip showed significant increased as illustrated by growth in each cost measure.

**Table V-14**  
**VanPool Administrative Performance Indicators**

Base Data & Performance Indicators	Base Year FY 2018	Audit Review Period			% Change FY2018- FY 2021
		FY 2019	FY 2020	FY 2021	
Costs for Administration	\$378,273	\$202,099	\$243,434	\$183,365	-51.5%
Vehicle Service Hours (VSH)	4,697	5,613	3,434	3,613	-23.1%
Vehicle Service Miles (VSM)	287,951	310,352	183,805	191,501	-33.5%
Unlinked Passenger Trips	19,224	23,025	15,623	16,028	-16.6%
Passenger Miles	1,438,799	1,580,691	906,984	929,468	-35.4%
Admin Cost Per VSH	\$80.54	\$36.01	\$70.89	\$50.75	-37.0%
Admin Cost Per VSM	\$1.31	\$0.65	\$1.32	\$0.96	-27.1%
Admin Cost per Psgr Trip	\$19.68	\$8.78	\$15.58	\$11.44	-41.9%
Admin Cost per Psgr Mile	\$0.26	\$0.13	\$0.27	\$0.20	-25.0%
Consumer Price Index (CPI-U)	3.5%	3.4%	2.5%	2.0%	8.1%

Source: National Transit Database Reports for FY 2018-FY 2021

Administrative costs allocated with vanpool service, as shown in the National Transit Database, decreased significantly for the period between FYs 2018 and 2021. Costs decreased by 51.5 percent over the audit period, while administrative costs per vehicle service hour and vehicle service mile decreased by 37.0 percent and 27.1 percent, respectively. Administrative costs per passenger trip and per passenger mile also decreased significantly over the audit period, by 41.9 percent and 25.0 percent, respectively.

**Table V-15  
Taxi Administrative Performance Indicators**

<b>Base Data &amp; Performance Indicators</b>	<b>FY 2021</b>
Costs for Administration	\$65,368
Vehicle Service Hours (VSH)	1,448
Vehicle Service Miles (VSM)	9,655
Unlinked Passenger Trips	1,108
Passenger Miles	4,352
Admin Cost Per VSH	\$45.14
Admin Cost Per VSM	\$6.77
Admin Cost per Psgr Trip	\$59.00
Admin Cost per Psgr Mile	\$15.02
Consumer Price Index (CPI-U)	2.0%

Source: National Transit Database Reports for FY 2018-FY 2021

In the first year of taxi service, the total costs of administrative for the service mode totaled \$65,368 in FY 2021 while the administrative cost per vehicle service hour and vehicle service mile totaled \$45.14 and \$6.77, respectively. Administrative costs per passenger trip and per passenger mile totaled \$59.00 and \$15.02, respectively.

Performance Management

SunLine utilizes a metric-focused performance management initiative to ensure accountability and transparency. SunLine applies performance metrics to continuously review and improve its operations in at least three areas—growing efficiencies, meeting compliance with rules and regulations, and better serving the customer. Since this initiative launched, SunLine has worked to restructure the organization in an attempt to shift the organizational culture. Since the last audit period, SunLine has continued restructuring efforts, most notably incorporating three new Chief positions to its organizational chart: Chief of Public Affairs, Chief of Human Relations, and Chief Planning Officer. With these new positions, multiple departments were realigned to report to a new or different chief.

Led by the Chief Performance Officer, monthly administrative and operations performance indicator reviews are conducted that involve a panel of three to four staff members reviewing data to determine trends and efficiencies. A detailed Performance Management system is maintained that reports on key performance indicators for each department. Staff are given ownership to present their own performance measures from their respective operational departments. Key performance indicators are selected for data collection and review as part of goal setting and development of dashboard performance measures. Data are made accessible to the public in the Board packets and on the agency’s website. SunLine management recognizes the importance of

making the performance management system a living program and looks to refocus some of its metrics program to account for the suite of evolving and new services such as SunRide microtransit.

### Grants Management

The Performance Management Office oversees key capital projects and monitors grant activity and milestones. The office has been tasked with upgrading the agency's Capital Improvement Program as well as prioritizing grant fund balances to be spent down. This effort has resulted in helping to better align revenues with expenditures which are tracked through key performance indicators. Older grant funds have been used toward the Operations Facility.

SunLine utilizes grant funding from local, state, and federal sources to support operations and capital procurement and projects. Grant status is tracked on a grant summary spreadsheet that is configured based on the project type or operational function. The grants summary worksheet details the original grant, budgeted and expended amounts, and remaining grant funds. Estimated completion dates are identified while closed grants are highlighted.

A grants analyst keeps track of the status of each grant and ensures the sign-off by the project initiation team. This process also involves the review and approval of allowable expenditures. The analyst is also responsible for programming projects into the SRTP for submittal to RCTC. FTIP programming sheets are submitted by RCTC to SCAG. The senior accountant is authorized to expedite FTA Electronic Clearing House Operation requests.

SunLine employs stringent financial control procedures that include a check signing protocol requiring two wet signatures. Any checks issued over \$50,000 require the signatures of the CEO and one Board member. Checks issued between \$25,000 and \$50,000 require the signatures of the CEO and CFO. Checks issued under \$25,000 involve monthly drawdowns. Prompted by the COVID-19 emergency declaration, SunLine added two positions that have signature authority.

Grant funds are derived from FTA Sections 5307, 5310, 5311, and 5339 as well as the State Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account program, California Transit Assistance Fund, State Transit Assistance, Low Carbon Transit Operations Program, California Energy Commission, federal Congestion Mitigation and Air Quality program, and the California Air Resources Board. Funding for operations is based on a 50/50 federal and state revenue split. SunLine has been utilizing more toll credits as a match for federal grants.

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the nine compliance requirements pertaining to SunLine Transit Agency, the operator fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to SunLine (i.e., separate urbanized and rural farebox recovery ratios).
2. SunLine is subject to an intermediate farebox recovery ratio standard set by RCTC pursuant to PUC Section 99270.1. The intermediate ratio is a blended ratio that accounts for both rural and urbanized areas. The minimum farebox recovery ratios that SunLine was required to meet were 17.53 percent in FY 2019; 19.74 percent in FY 2020; and 19.12 percent in FY 2021. SunLine's farebox recovery ratios based on audited data were 17.55 percent in FY 2019; 23.74 percent in FY 2020; and 23.34 percent in FY 2021. SunLine exceeded the minimum standard in all three audit years. The average farebox recovery ratio was 21.54 percent.
3. SunLine Transit Agency participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Inspections conducted during the audit period were rated satisfactory. All fixed-route and Dial-a-Ride vehicles were inspected at SunLine's Thousand Palms facility.
4. The annual changes in the operating budget exhibited moderate increases during the audit period. SunLine's budget for FY 2019 increased by 11.5 percent, by 5.0 percent in FY 2020, and by zero percent in FY 2021.
5. SunLine partially implemented the two prior audit recommendations. The first recommendation, pertaining to the update of the employee handbook, was temporarily placed on hold during the COVID-19 pandemic but update has resumed in late 2021/early 2022. The second recommendation pertained to the coordination of intelligent transportation infrastructure implementation in the Coachella Valley. Both recommendations have been carried forward in this audit for full implementation.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 41.0 percent system-wide from \$107.07 in FY 2018 to \$151.01 in FY 2021. System-wide operating costs experienced an increase of 2.8percent between FY 2018 and FY 2019, increasing by 10.1 percent the following year and 3.5 percent between FY 2020 and FY 2021. Vehicle service hours decreased by 17.0 percent between FY 2018 and FY 2021.
7. Operating cost per passenger, an indicator of cost effectiveness, increased 131.2 percent system-wide from \$7.88 in FY 2018 to \$18.21 in FY 2021. Ridership system-wide decreased by

49.3 percent during the triennial period from 4,122,539 passengers in FY 2018 to 2,088,342 passengers in FY 2021, while operating costs increased by 17.1 percent during that period.

8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 39.0 percent between FY 2018 and FY 2021 system-wide from 13.6 passengers per hour to 8.3 passengers per hour. Fixed-route operations were consistent with this trend, with a rate of decrease of 39 percent over the same period from 17.0 to 10.4 passengers per hour. SunDial operations exhibited a decrease of 43.8 percent, averaging 1.9 passengers per hour. The trend in this indicator reflects the larger decrease in passengers resulting from the COVID-19 pandemic. Conversely, vanpool service exhibited an 8.4 percent increase in passengers per vehicle service hour over the audit period. Taxi service carried 0.8 passengers per vehicle service hour in FY2021, the inaugural year of this service.
9. Passengers per vehicle service mile, another indicator of service effectiveness, decreased 38.5 percent between FY 2018 and FY 2021 system-wide from 0.88 passengers per mile to 0.54 passengers per mile. For fixed-route operations, the number of passengers per service mile decreased by 41 percent from 1.16 to 0.68. SunDial exhibited a decrease in passengers per service mile of 38.5 percent during the triennial period, from 0.16 in FY 2018 to 0.10 in FY 2021. For VanPool service, the number of passengers per service mile increased 25.4 percent from 0.07 in FY 2018 to 0.08 in FY 2021. Taxi service carried 0.11 passengers per vehicle service hour in FY2021, the inaugural year of this service. From the FY 2018 base year to FY 2021, total vehicle service miles decreased 17.6 percent system-wide.
10. In 2019, SunLine announced the launch of a network redesign initiative called “SunLine Refueled.” This project aimed to improve mobility, reduce the number of transfers necessary, decrease rider wait times, and offer a more user-friendly route numbering system. The new system was launched in phases, which streamlined the route network from 15 to 9 routes based on land use patterns.
11. In May 2019, SunLine implemented a mobile ticketing option via the Token Transit App. Once riders download the app on their smartphones, they are able to purchase fares virtually for both immediate and future use. Approximately 11 percent of the ridership utilizes mobile ticketing. The goal is to have about one-third of riders use the app.
12. SunLine implemented measures and protocols to mitigate the spread of COVID-19. On March 17<sup>th</sup>, 2020, SunLine initiated fare-free service Level 3 Service was initiated, switching service on all routes to seven-days-a-week Sunday service levels. The reduction of service allowed SunLine to reallocate limited operator resources to those routes that were more heavily utilized during this time.
13. In May 2021, SunLine was a recipient of SCAG’s 2021 Sustainability Award under the Clean Cities – Alternative Fuels and Infrastructure category. The agency was recognized for its legacy of serving the Coachella Valley and Riverside County with a clean-fueled fleet of vehicles. Moreover, the agency was recognized for the completion of the nation’s largest hydrogen

fueling station dedicated to transit, using electricity and renewable energy to generate clean hydrogen.

14. SunLine's most recent FTA triennial review during the audit period was conducted on June 10, 2019 (scoping meeting) with site visits on August 29 and 30, 2019. The final report was completed October 24, 2019. No deficiencies were found in any of the 21 areas of FTA requirements. The agency received its triennial review closeout letter in on October 24, 2019.

## Recommendations

**1. Resume update of the employee handbook that would address remote work and other changes to the work culture.**

This recommendation is being carried forward for full implementation. The employee handbook was last updated in April 2016. Since that time, the latest MOU between SunLine and the Amalgamated Transit Union has included provisions for specialized training opportunities and employee contributions to the pension plan. In addition, SunLine has implemented several initiatives to nurture career growth and advancement. SunLine University offers in-services courses for employee development. A pilot employee referral program was also implemented in July 2019. Due to the COVID-19 pandemic, SunLine Transit Agency has temporarily placed the employee handbook update initiative on hold. SunLine's Human Resources Department has indicated that the update resumed in late 2021/early 2022 and has convened three meetings pertaining to the handbook. Given the recent pivot to remote work and the use of videoconferencing through platforms such as Zoom, such an update is timely and could address such changes in the organizational culture.

**2. Continue efforts to coordinate opportunities for SunLine transit redesign with intelligent transportation infrastructure in the Coachella Valley.**

This recommendation is being carried forward for full implementation. The express route that SunLine planned to implement that would address this recommendation was delayed due to COVID-19. Route 1X, which was scheduled to begin service in May 2021 between Indio and Palm Springs, will be operational once SunLine returns to Level 1 service in FY 2022. SunLine has emphasized its commitment to work with CVAG on transit needs in the area and will continue to closely monitor the progress of the traffic signal prioritization project as well as other transit infrastructure projects in the region. Given that other facets of the SunLine Refueled plan have been implemented, SunLine already has the momentum towards engaging its local partners in implementing vehicle technology and related intelligent infrastructure, such as transit priority systems.





**RCTC**

**RIVERSIDE  
COUNTY  
TRANSPORTATION  
COMMISSION**

**FY 2019-2021**

# **Triennial Performance Audit of Palo Verde Valley Transit Agency**



*September 2022*

Submitted to:  
**Riverside County Transportation Commission**

Submitted by:

**Michael Baker**  
INTERNATIONAL

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## Section I

### Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Riverside County Transportation Commission (RCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Riverside County. This performance audit is conducted for the Palo Verde Valley Transit Agency (PVVTA, Agency) covering the most recent triennial period, fiscal years 2018–2019 through 2020–2021.

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

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

### Overview of the Transit System

Under a Joint Powers Agreement (JPA) between the County of Riverside and the City of Blythe executed on January 24, 1978, PVVTA was created to provide demand-response and fixed-route transit service branded as PVVTA to the City of Blythe, the adjacent unincorporated areas of Riverside County, and neighboring Ehrenberg, Arizona. PVVTA currently operates as a deviated fixed-route system. Prior to the creation of PVVTA, there were no transit services in the Palo Verde Valley. PVVTA services are operated under contract by Irvine-based Transportation Concepts, Inc.

Based on the 2020 US Census, Blythe’s population was 18,317, showing a population decrease of 12 percent since the 2010 US Census. The senior citizen population, comprising residents aged 65 and over, is 9.8 percent. The 2021 population for Blythe is estimated to be 18,556 as reported by the

California Department of Finance, Population Estimates for Cities, Counties, and the State, January 1, 2021. The city covers a 26.19-square-mile area.

Agriculturally based and a winter “snow bird” destination, Blythe is located on the California-Arizona border along the Colorado River and serves as a commercial center for eastern Riverside County. The area’s population varies seasonally. The area’s largest employer is the California State Department of Corrections and Rehabilitation, which operates the Chuckawalla Valley and Ironwood State Prisons, located approximately 20 miles west of Blythe.

Major highway connections serving Blythe and the Palo Verde Valley are Interstate 10 (I-10), State Route (SR) 78 and US Highway 95. I-10 is the main east–west highway connecting Blythe with the Coachella Valley and Inland Empire to the west and Arizona to the east. SR 78 connects Blythe with the community of Ripley and the Imperial Valley to the southwest. US Highway 95 runs northerly along the Colorado River to Needles. Major arterial streets traversing Blythe include Broadway, Hobsonway, Intake Boulevard, Lovekin Boulevard, and 7<sup>th</sup> Street.

System Characteristics

PVVTA operates a deviated fixed-route system. The transit system operates Monday through Friday from 5:20 a.m. to 6:25 p.m. and Saturdays from 8:10 a.m. to 12:10 p.m. PVVTA does not operate on Sundays and the following holidays: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. Only Silver Route 5 operates the day following Thanksgiving, Christmas Eve, and New Year’s Eve. Red Route 3 Express does not operate on any observed California state or federal holiday. PVVTA’s deviated fixed-route services during the audit period are summarized in Table I-1.

**Table I-1  
PVVTA Route Summary**

<b>Route</b>	<b>Description</b>	<b>Frequency/Operation</b>	<b>Key Time Points</b>
<b>Blue Route 1</b>	<b>City of Blythe Circulator</b>	Weekdays; every 60 minutes; approximately 30 minutes at peak (from 6:25 a.m. to 5:40 p.m.)	<ul style="list-style-type: none"> <li>▪ Kmart Transfer Center</li> <li>▪ Palo Verde High School</li> <li>▪ 7<sup>th</sup> Street/Rite Aid</li> <li>▪ 14<sup>th</sup> Avenue/7<sup>th</sup> Street</li> <li>▪ Juliana Lane at Casa Encinas (must call to request pick up)</li> <li>▪ Palo Verde Hospital</li> <li>▪ Civic Center</li> </ul>
<b>Gold Route 2</b>	<b>Palo Verde College Crosstown</b>	Weekdays; every 60 minutes (from 6:45 a.m. to 4:35 p.m.)	<ul style="list-style-type: none"> <li>▪ Hobsonway WB/7<sup>th</sup> Street</li> <li>▪ Palo Verde Hospital</li> <li>▪ Civic Center</li> <li>▪ Kmart Transfer Center</li> <li>▪ Palo Verde College</li> <li>▪ 7<sup>th</sup> Street/Rite Aid</li> </ul>

Route	Description	Frequency/Operation	Key Time Points
			<ul style="list-style-type: none"> <li>▪ Hobsonway/Intake US 95</li> </ul>
<p><b>Red Route 3 Express</b></p>	<p><b>Peak Service to California State Prisons</b></p>	<p>Weekdays; three a.m. peak trips and three p.m. peak trips (from 5:20 a.m. to 4:30 p.m.); no service on Thanksgiving Day, day after Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve</p>	<ul style="list-style-type: none"> <li>▪ Main Street Park &amp; Ride</li> <li>▪ Palos Verde Hospital</li> <li>▪ Hobsonway/SR 78 Neighbours (must call to request pick up)</li> <li>▪ Hobsonway WB/Mesa (must call to request pick up)</li> <li>▪ Carlton at DPSS (must call to request pick up)</li> <li>▪ Chuckawalla Valley State Prison</li> <li>▪ Ironwood State Prison</li> </ul>
<p><b>Green Route 4 Rural Rider</b></p>	<p><b>Ripley/Mesa Verde</b></p>	<p>Weekdays; five round trips (from 7:00 a.m. to 6:25 p.m. – with the 5:30 p.m. trip offered upon request only). Note: Service to Ehrenberg, AZ, was eliminated from this route.</p>	<ul style="list-style-type: none"> <li>▪ 7<sup>th</sup> Street/Rite Aid</li> <li>▪ Kmart</li> <li>▪ Hobsonway/SR 78 Neighbours</li> <li>▪ Ripley – Desert Rose Apts.</li> <li>▪ Mesa Verde – Roy Wilson Community Center</li> </ul>
<p><b>Silver Route 5 Saturday &amp; In-Service Holidays</b></p>	<p><b>Blythe/Ripley/Mesa Verde</b></p>	<p>Saturdays &amp; in-service holidays (day after Thanksgiving, Christmas Eve, New Year's Eve); three round trips (from 8:10 a.m. to 12:10 p.m.)</p>	<ul style="list-style-type: none"> <li>▪ Kmart Transfer Center</li> <li>▪ 7<sup>th</sup> Street East/Albertsons</li> <li>▪ Hobsonway/Intake US 95</li> <li>▪ Hobsonway/SR-78 Neighbours</li> <li>▪ Ripley – Desert Rose Apts.</li> <li>▪ Mesa Verde – Roy Wilson Community Center (must call to request pick up)</li> </ul>
<p><b>Route 6 Wellness Express On-Demand</b></p>	<p><b>Blythe Wellness Express</b></p>	<p>One round trip Monday, Wednesday, &amp; Friday (departing Blythe @ 6:30 a.m., returning @ 4:00 p.m.)</p>	<ul style="list-style-type: none"> <li>▪ Main Street Park and Ride</li> <li>▪ Mesa Verde</li> <li>▪ Desert Center Post Office</li> </ul>

Route	Description	Frequency/Operation	Key Time Points
			<ul style="list-style-type: none"> <li>▪ Chiriaco Summit</li> <li>▪ Hwy 111 @ Flower SunLine Transfer Center</li> <li>▪ Indio-JFK Hospital</li> <li>▪ Rancho Mirage – Eisenhower Med Center</li> <li>▪ Palm Springs – Desert Regional Med Center</li> </ul>

Source: PVVTA

### Desert RoadTRIP

Desert RoadTRIP is short for the Desert Road Transportation Reimbursement and Information Project, which is a partnership between PVVTA and the Partnership to Preserve Independent Living for Seniors and Persons with Disabilities. Since 1995, the Desert RoadTRIP program has offered this specialized transit service for seniors 60 years of age and disabled persons living in isolated locations in the Palo Verde Valley and eastern Riverside County, who are unable to drive and do not have access to transportation.

This service utilizes qualified volunteer drivers, who are reimbursed on a mileage basis. The volunteer drivers are required to have a valid driver’s license, a registered vehicle, and auto liability insurance. Each qualified rider identifies his/her own volunteer driver. The driver could be a family friend, neighbor, or some other trusted individual known to the rider. The eligible rider files a reimbursement claim based on the mileage traveled during the month with Desert RoadTRIP and, after receiving the claim, reimburses the driver. The reimbursement is paid at \$0.32 per mile. An individual is allowed up to 460 miles per month, and an eligible family is entitled to 690 miles per month. A \$5.00 per one-way trip fee is charged to riders. A 2018 SRTP recommendation is for Desert RoadTRIP to be integrated into the Blythe Wellness Express to expand the service to Riverside University Medical Center in Moreno Valley and medical services in Loma Linda.

### X-Tend-A-Ride

In addition to PVVTA’s fixed route, Blythe Wellness Express, and Desert RoadTRIP services, the X-Tend-A-Ride demand-responsive service operates during special events during the evening or on non-service days. The service is accessible to the public for \$5.00 a trip. It is designed to be a guaranteed ride home service when the regular fixed route is not in operation.

### Fares

On June 20, 2018, the PVVTA Board of Directors adopted a new fare schedule; new fare rates went into effect on July 1, 2019. PVVTA’s fares are structured based on passenger, route, and service type. Multi-trip passes are also available for purchase in person or by mail at the PVVTA operations office at 415 North Main Street in Blythe. The fare structure is summarized in Table I-2.

**Table I-2, PVVTA Fare Schedule**

Fare Category	Fares
General Public (Ages 5 to 59 Years Old)	\$1.75
Seniors (Ages 60 and Older)	\$0.85
Persons with Disabilities (ADA or Medicare Card)	\$0.85
Children (Under 5 Years of Age) First Boarding with Full Fare Adult	Free
Children (Under 5 Years of Age) Second & Third Boarding with Full Fare Adult	\$0.85
Red Route 3 Express (All Adult Categories)	\$3.50
Route Deviations (One Way To/From Route)	\$0.85
DV8-Card (8 One Way Deviation Fares)	\$6.80
10-Ride Punch Pass (Routes 1, 2, 3 Local & 4 & 5)	\$17.50
Senior/Disabled 10-Ride Punch Pass (Routes 1, 2, 3 Local & 4 & 5)	\$8.50
General Public 31-Day Pass (Routes 1, 2, 3 Local & 4 & 5)	\$45.00
Seniors 31-Day Pass (Routes 1, 2, 3 Local & 4 & 5)	\$30.00
Persons with Disabilities 31-Day Pass (Routes 1, 2, 3 Local & 4 & 5)	\$30.00
10-Ride Punch Pass (Ehrenberg, Arizona)	\$50.00
10-Ride Punch Pass (Red Route 3 Express)	\$35.00
20-Ride Punch Pass (Red Route 3 Express)	\$70.00
General Public 31-Day Pass (Red Route 3 Express)	\$125.00
<b>Other Cash Fare—X-Tend-A-Ride &amp; Blythe Wellness Express (BWE)</b>	
X-Tend-A-Ride, General Public, Seniors & Persons with Disabilities	\$5.00
BWE, General Public, Seniors & Persons with Disabilities, One-Way	\$10.00
BWE, General Public, Seniors & Persons with Disabilities, Round Trip	\$15.00

Source: PVVTA

Fleet

Ten vehicles were in revenue service during the audit period. In addition, PVVTA has six support vehicles and two contingency vehicles for emergency usage. Vehicles in the fleet are wheelchair accessible with tie-downs in compliance with the Americans with Disabilities Act of 1990 (ADA). Table I-3 summarizes the PVVTA fleet.

**Table I-3  
PVVTA Fleet – Revenue Service**

Year	Make/Model	Quantity	Fuel Type	Seating Capacity
2013	Ford	2	CNG	32 (2 W/C)
2016	Chevrolet	1	Gasoline	18 (2 W/C)
2016	Ford	1	Gasoline	18 (2 W/C)
2018	Ford	1	Gasoline	20 (2 W/C)
2019	Ford	1	Gasoline	20 (2 W/C)
2019	Ford	2	CNG	20 (2 W/C)
2019	Ford	1	CNG	14 (2 W/C)
2019	Dodge	1	Gasoline	6 (2 W/C)
<b>Total</b>		<b>10</b>		

Source: PVVTA

## Section II

### Operator Compliance Requirements

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

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates:  FY 2019: January 31, 2020 FY 2020: January 25, 2021 FY 2021: January 27, 2022  <b>Conclusion: Complied.</b>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates:  FY 2019: December 18, 2019 FY 2020: December 14, 2020 FY 2021: December 16, 2021  <b>Conclusion: Complied.</b>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.	Public Utilities Code, Section 99251 B	<p>PVVTA, through its contract operator, participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the PVVTA operations facility located at 415 North Main Street, Blythe.</p> <p>Inspection dates applicable to the audit period were May 21, 2019; May 12, 2020; and July 7, 2021.</p> <p>Inspections were rated satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, PVVTA’s annual claims for Local Transportation Funds (LTF) and State Transit Assistance are submitted in compliance with the rules and regulations adopted by RCTC.</p> <p><b>Conclusion: Complied.</b></p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and	Public Utilities Code, Section 99270.1	<p>This requirement is not applicable, as PVVTA only serves a non-urbanized area.</p> <p><b>Conclusion: Not Applicable.</b></p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
regulations adopted by the RTPA.		
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	<p>Percentage increase in PVVTA’s transit operating budget:</p> <p>FY 2019: +6.2%</p> <p>FY 2020: -1.9%</p> <p>FY 2021: +3.9%</p> <p>The increase in the FY 2019 operating budget is attributed to the implementation of the Blythe Wellness Express and higher operations contract costs.</p> <p><i>Source: PVVTA TDA Article 4 Financial Statements (Audited) for FYs 2019–2021</i></p> <p><b>Conclusion: Complied.</b></p>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	<p>PVVTA’s definition of performance is consistent with PUC Section 99247. A review of trip sheets and TransTrack reports generated during the audit period indicates that correct performance data are being collected.</p> <p><b>Conclusion: Complied.</b></p>

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as PVVTA only serves a non-urbanized area.  <b>Conclusion: Not Applicable.</b>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Operating ratios for PVVTA using audited data including local support revenue and exempting new services were as follows:  FY 2019: 10.43% FY 2020: 9.30% FY 2021: 17.80%  <i>Source: PVVTA TDA Article 4 Financial Statements (Audited) for FYs 2019–2021</i>  <b>Conclusion: Partial Compliance.</b>
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that PVVTA’s retirement system is funded.  PVVTA contracts with a private provider for operations, but the

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>Agency participates in the California Public Employees’ Retirement (CalPERS) System covering all regular Agency employees. The participation in CalPERS aligns with the City of Blythe’s retirement program.</p> <p><b>Conclusion: Complied.</b></p>
<p>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.</p>	<p>California Code of Regulations, Section 6754(a)(3)</p>	<p>As a recipient of State Transit Assistance funds, PVVTA utilizes federal funds that are available to the Agency, as reported in the Transit Operator Financial Transactions Reports and fiscal audits as follows:</p> <p>FY 2019: \$66,678 (Operations)                      FY 2020: \$191,289 (Operations)                      FY 2021: \$130,461 (Operations)</p> <p><i>Source: Transit Operators Financial Transactions Reports</i></p> <p><b>Conclusion: Complied.</b></p>

## Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to PVVTA, the operator fully complied with eight of the nine applicable requirements. PVVTA was in partial compliance regarding farebox recovery attainment for FY 2020. Two additional compliance requirements did not apply to PVVTA (i.e., intermediate farebox recovery ratio under PUC 99270.1 and exclusive urbanized farebox recovery ratio).
2. Based on the farebox calculation in the annual TDA Article 4 Financial Statements (*Audited*), PVVTA's farebox recovery ratio met or exceeded the required minimum standard of 10 percent during two of the three audit years. The system-wide farebox recovery ratios were 10.43 percent in FY 2019, 9.30 percent in FY 2020, and 17.80 percent in FY 2021.<sup>1</sup> It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local support revenue such as from fuel sales, private contributions, and the Low Carbon Transit Operations Program (LCTOP) included in the ratio helped to prop up the farebox calculation.
3. Through its contract operator, PVVTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The operating budget exhibited moderate fluctuations during the audit period. PVVTA saw an increase of 6.2 percent in the operating budget in FY 2019 followed by a 1.9 percent decrease in FY 2020. In FY 2021, the budget increased by 3.9 percent. The increase in the FY 2019 operating budget is attributed to the implementation of the Blythe Wellness Express and higher operations contract costs.

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<sup>1</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

## Section III

### Prior Triennial Performance Recommendations

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

#### Prior Recommendation 1

Work with local elected officials and stakeholders to expand upon the Blythe Wellness Express to serve veterans.

*Background:* The implementation of the Blythe Wellness Express during the prior audit period has provided the means for Palo Verde Valley residents to better access medical facilities and services in the Coachella Valley. This service is open to the general public and operates several days during the week. An important subcomponent of medical transportation concerns access to veteran services. Currently, veterans residing in the Palo Verde Valley have been known to access VA services in Arizona. There are VA services in the Coachella Valley that could be accessed, such as the VA Clinic in Palm Desert. The representative for the 36<sup>th</sup> Congressional District, which encompasses eastern Riverside County, is a strong advocate for veterans and PVVTA has indicated its intent to work with the congressman to secure federal funding support towards veterans' transportation. It is recommended that PVVTA continue to work with the congressman as well as other stakeholders for such a service.

#### Actions taken by PVVTA

PVVTA has engaged stakeholders, including RCTC, and secured additional LCTOP funding to provide an additional day of service for the Blythe Wellness Express, making its service available three days per week. The Agency worked with the congressional district representative to support veteran trips, and pursued grant funding from the Mohave Desert Air Quality Management District, and state and federal transit sources. This resulted in PVVTA receiving over \$65,000 in a federal grant specifically for Blythe Wellness Express in FY 2020. PVVTA continues to work with legislative stakeholders and advocacy groups to keep Blythe Wellness Express service at the forefront of transit discussions in spite of slowdowns due to the COVID-19 pandemic. Efforts to build and strengthen ridership has included outreach to physicians and medical facilities located in the Coachella Valley.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 2

Ensure that Board meeting agendas and minutes are posted on the PVVTA website.

*Background:* The PVVTA website contains links at the bottom of the home page pertaining to the Agency’s administration, including the Board of Directors and meeting minutes and agendas. Upon clicking the link entitled “Meeting Minutes/Agency Files” under Administration, the result was a page containing broken links for two meetings in 2018 and some miscellaneous verbiage. Furthermore, there were no other links to meeting agendas and minutes conducted recently. In the interest of public outreach and transparency, the prior audit noted that having the agendas and minutes accessible on the website would keep community stakeholders informed about the issues and developments in the transit system. Therefore, it was recommended that the Agency upload and archive agendas and minutes from its Board meetings on the website.

Actions taken by PVVTA

Through a contract with Trillium and their use of General Transit Feed Specification, PVVTA updated its website to include an “Agency Files/Agendas/Minutes” web page that takes users to a Dropbox file sharing site where many relevant documents are posted, including Board of Directors agenda packets and minutes for all meetings spanning the audit period. Archived or historical documentation can be requested through an email link provided on the web page.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Pursue further discussions with the City of Blythe about defining roles and responsibilities.

*Background:* The prior audit noted that the City was still involved in certain PVVTA administrative functions such as cutting checks for purchase orders. PVVTA’s purchasing guidelines involved a bidding process and signing off on purchase orders once the procurement is complete. In addition, PVVTA still utilized the City’s Eden financial management software program for the Short-Range Transit Plan and financial projections. Since most of the PVVTA service area encompasses the City of Blythe, the Agency continued to rely on city infrastructure and services. A master agreement between the Agency and the City that has been under consideration would further define roles and responsibilities such as police support services.

Actions taken by PVVTA

On June 8, 2021, PVVTA and the City of Blythe entered a formal Memorandum of Understanding (MOU) making PVVTA the sole public transit provider in the City of Blythe. This agreement formalized a long-standing informal agreement allowing PVVTA to share facilities, equipment, services, and personnel with the City of Blythe. The MOU has a five-year term with automatic one-year renewals until either party wishes to terminate.

Conclusion

This recommendation has been implemented.

## Section IV

### TDA Performance Indicators

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

Table IV-1 provides the performance indicators for PVVTA system-wide. Graphs are also provided to depict the trends in the indicators. It is noted that operating costs and fare revenues are based on audited figures. Operating costs exclude depreciation and extension of services permissible by the TDA. Fare revenue generated from service extensions are also exempt.

**Table IV-1  
PVVTA TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2018- 2021
	FY 2018	FY 2019	FY 2020	FY 2021	
Operating Cost	\$1,124,884	\$1,194,417	\$1,172,129	\$1,217,303	8.2%
Operating Costs Related to New Services/Expansion	\$259,011	\$271,835	\$85,205	\$451,068	74.2%
Adjusted Operating Cost <sup>(1)</sup>	\$865,873	\$922,582	\$1,086,924	\$766,235	-11.5%
Total Passengers	44,047	45,511	35,553	17,892	-59.4%
Vehicle Service Hours	7,956	7,222	6,464	5,032	-36.8%
Vehicle Service Miles	182,286	174,456	145,163	121,463	-33.4%
Employee FTEs	13	13	12	12	-7.7%
Total Passenger Fares	\$71,496	\$82,448	\$69,696	\$39,572	-44.7%
Local Support Revenue <sup>(2)</sup>	\$48,365	\$93,364	\$116,594	\$112,712	133.0%
Total Revenue	\$119,861	\$175,812	\$186,290	\$152,284	27.1%
Fare Revenue Related to New Services/Expansion	\$29,700	\$79,609	\$85,204	\$15,894	-46.5%
Adjusted Passenger Fare Revenue	\$90,161	\$96,203	\$101,086	\$136,390	51.3%
Operating Cost per Passenger	\$25.54	\$26.24	\$32.97	\$68.04	166.4%
Operating Cost per Vehicle Service Hour	\$141.39	\$165.39	\$181.33	\$241.91	71.1%
Operating Cost per Vehicle Service Mile	\$6.17	\$6.85	\$8.07	\$10.02	62.4%
Passengers per Vehicle Service Hour	5.5	6.3	5.5	3.6	-35.8%
Passengers per Vehicle Service Mile	0.24	0.26	0.24	0.15	-39.0%
Vehicle Service Hours per Employee	612.0	555.5	538.6	419.3	-31.5%
Average Fare per Passenger	\$1.62	\$1.81	\$1.96	\$2.21	36.3%
Fare Recovery Ratio	6.36%	6.90%	5.95%	3.25%	-48.9%
Fare Recovery Ratio with Local Support	10.41%	10.43%	9.30%	17.80%	70.9%
Consumer Price Index - (CPI-All) <sup>(3)</sup>	3.48%	3.40%	2.48%	1.98%	8.10%

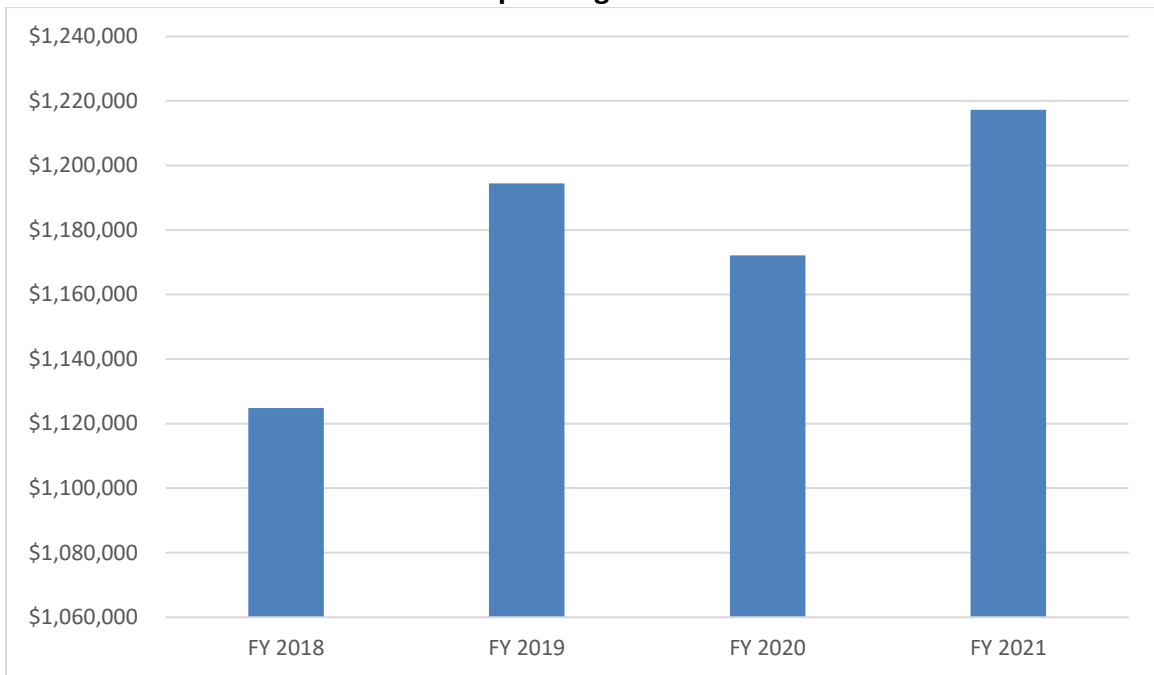
Source: Annual Fiscal & Compliance Audits, Transit Operators Financial Transactions Reports

<sup>(1)</sup> Operating costs exclude depreciation and extension of services, permissible by the TDA.

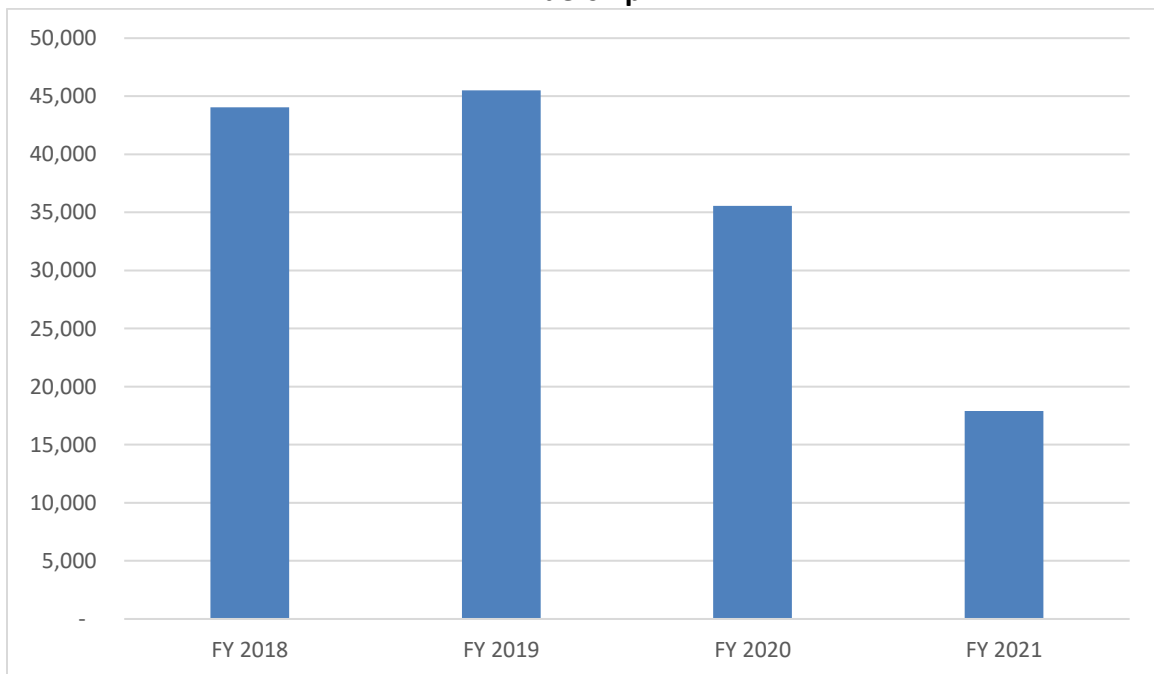
<sup>(2)</sup> Includes interest, fuel sales, private contributions, and LCTOP.

<sup>(3)</sup> Percentage change in the three-year CPI is based on the difference between the FY 2021 price index and FY 2018 price index. The annual CPI is the change in the price index.

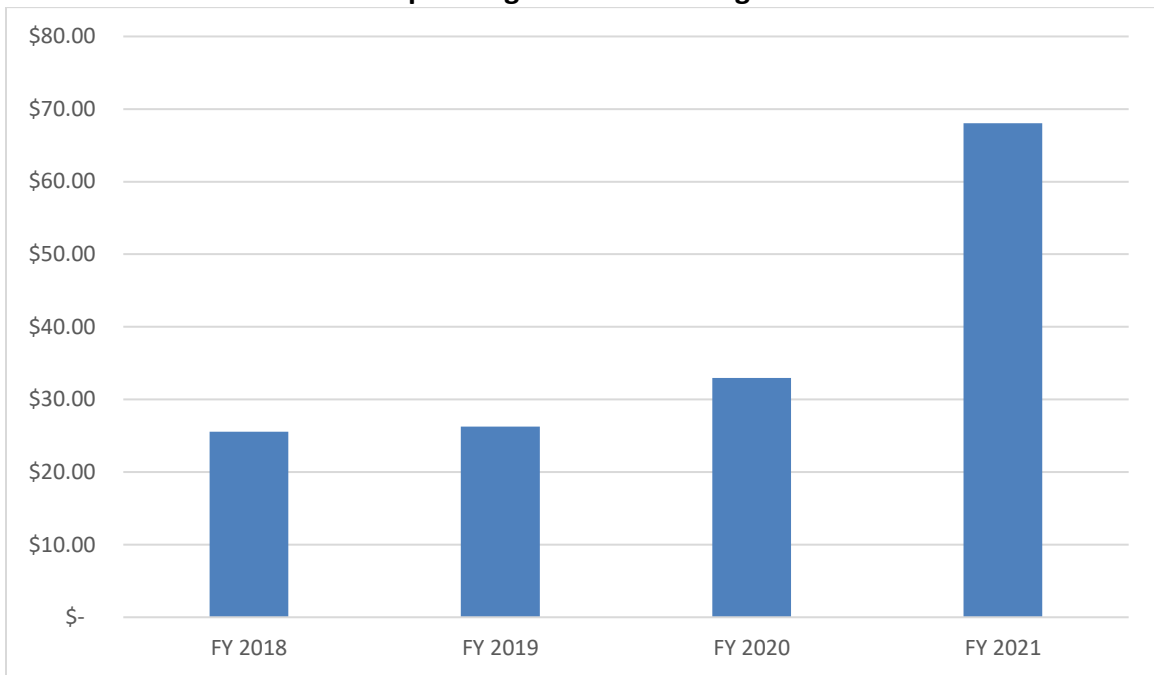
**Graph IV-1  
Operating Costs**



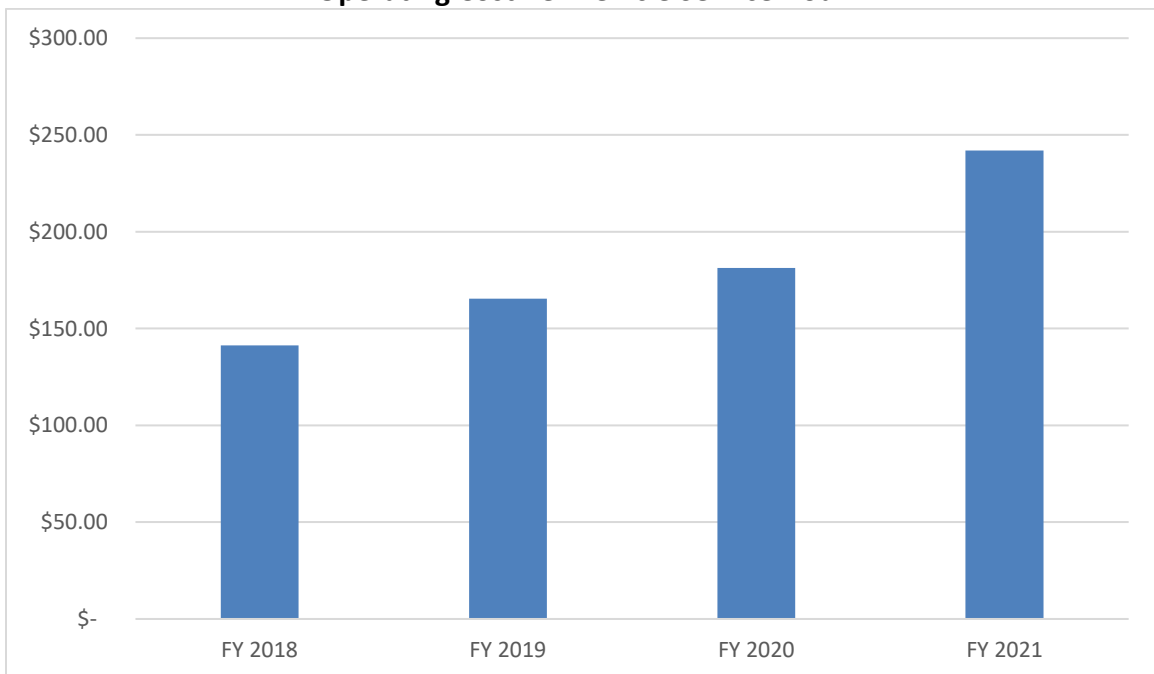
**Graph IV-2  
Ridership**



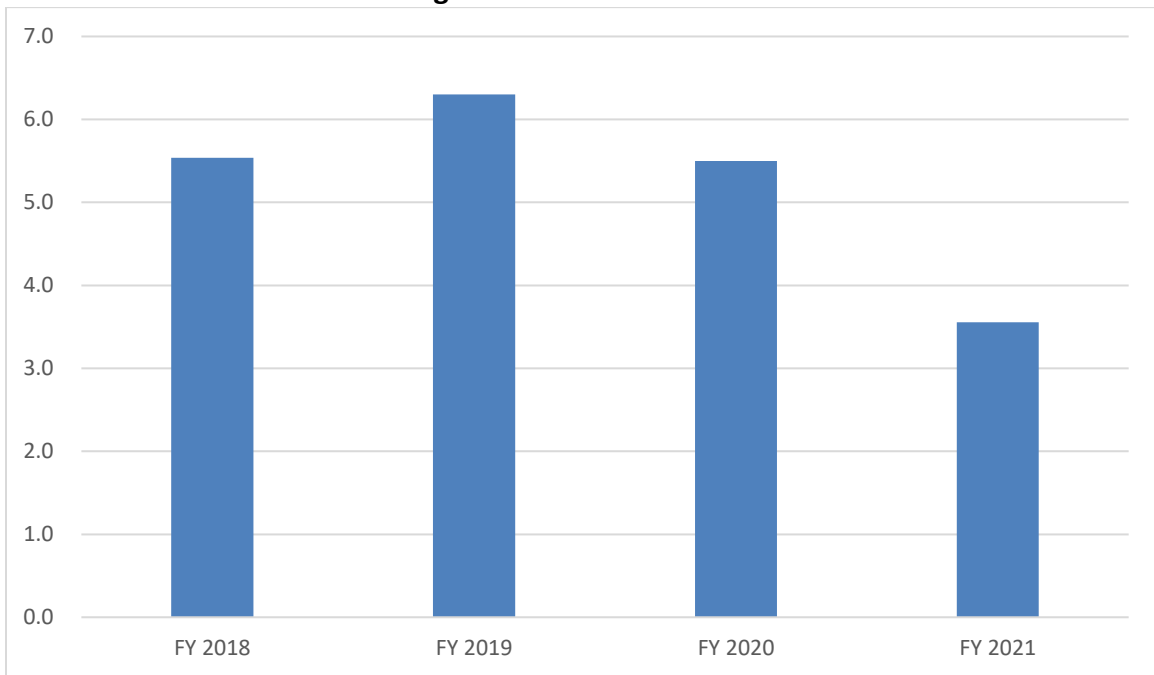
**Graph IV-3**  
**Operating Cost Per Passenger**



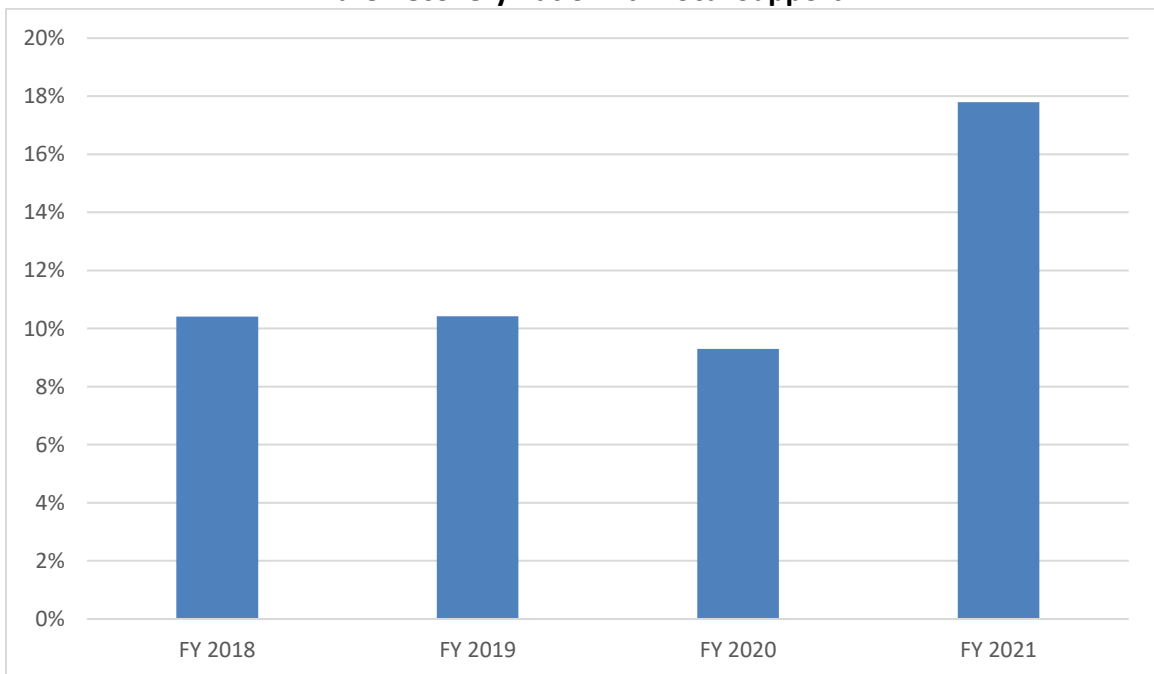
**Graph IV-4**  
**Operating Cost Per Vehicle Service Hour**



**Graph IV-5  
Passengers Per Vehicle Service Hour**



**Graph IV-6  
Fare Recovery Ratio with Local Support**



## Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operator's response during this period is contained in the functional review section of this audit.

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 71.1 percent from \$141.39 in the FY 2018 base year to \$241.91 in FY 2021. Operating costs (before new service exclusions) increased 8.2 percent while vehicle service hours decreased by 36.8 percent during the period. Pursuant to the TDA statute, PVVTA was allowed to exempt new service expansion from its operating cost and farebox revenue calculation for up to two years.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 166.4 percent system-wide from \$25.54 in FY 2018 to \$68.04 in FY 2021. Ridership system-wide decreased by 59.4 percent, from 44,047 passengers in FY 2018 to 17,892 passengers in FY 2021, while operating costs increased for the same period.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 35.8 percent system-wide between FY 2018 and FY 2021 from 5.5 passengers per hour to 3.6 passengers per hour. Overall ridership and vehicle service hours decreased by 59.4 percent and 36.8 percent, respectively, during the audit review period.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 39 percent with an annual average of 0.22 passengers. Passengers per service mile decreased from 0.24 passengers in FY 2018 to 0.15 passengers in FY 2021. The passenger trips and vehicle service miles decreased by 59.4 percent and 33.4 percent, respectively, between FY 2018 and FY 2021.
5. **Vehicle service hours per employee** decreased 31.5 percent system-wide between the FY 2018 base year and FY 2021 from 612 hours in FY 2018 to 419.3 hours in FY 2021, as vehicle hours decreased, and the number of full-time equivalents (FTEs) decreased from 13 to 12 during the period. This measure is based on the number of employee FTEs using employee pay hours from the State Controller's Report and dividing by 2,000 hours per employee.
6. **Farebox recovery** exhibited a decrease of 48.9 percent system-wide between FY 2018 and 2021, excluding local support revenues. System-wide, passenger fares decreased by 44.7 percent. Local support revenue is composed of fuel sales, interest, private contributions, and LCTOP. With the auxiliary revenues factored in, farebox recovery increased 70.9 percent. Fare revenues related to new services and system expansion were excluded during the audit period from the fare recovery ratio with auxiliary revenue. In FY 2019, Routes 3 and 5 as well as Blythe Wellness Express expenditures and revenues were exempted from the farebox recovery calculation; in FY 2020, Blythe Wellness Express expenditures and revenues were exempted; and in FY 2021, Route 1 expenditures and revenues were exempted.

**Conclusion from the Verification of TDA Performance Indicators**

PVVTA's performance indicators reflect a declining ridership due to the COVID-19 pandemic as well as a stagnant service area population, and competition from vanpools to the local state prisons. Vehicle service hours and service miles decreased by 36.8 percent and 33.4 percent, respectively. The number of passenger trips decreased by 59.4 percent. Overall operating costs increased 8.2 percent and includes a portion of the new service contract in effect during FY 2017 and FY 2018. FY 2018 saw the highest increase in operating costs of 13.2 percent due to the implementation of the Blythe Wellness Express in July 2017 as well as higher contract and maintenance costs. Local support revenues are required to help the transit system maintain its farebox recovery standard, even during pre-pandemic times.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions in the PVVTA transit system. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed with PVVTA personnel via videoconference in January 2022:

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

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

#### Operations

The mission statement for PVVTA declares its intention:

*To provide the residents and visitors of the Palo Verde Valley a public transportation system that maximizes passenger use, comfort, convenience, safety and satisfaction while efficiently using financial resources that benefits our community.*

As the only public transit operator in eastern Riverside County, PVVTA has been challenged with declines in the service area population and ridership as well as a limited number of trip generators. The Agency's approach has been to have transit grow in tandem with the region's growth. On June 20, 2018, the PVVTA Board of Directors adopted a new fare schedule; new fare rates went into effect on July 1, 2019.

During the audit period, PVVTA realigned local routes to meet up at the Main Street Park-and-Ride lot adjacent to the PVVTA administration and operations facility. Blue Route 1, the City of Blythe Circulator, continued to operate on hourly headways. Most of Blythe's population lives within 0.75 miles of this route. PVVTA has proposed 30-minute headways on this route as ridership continues to recover from the effects of the pandemic.

The Agency has continued to reach out to Palo Verde College (PVC), which is served by Gold Route 2. The route operates with one vehicle on a bidirectional alignment with 60-minute headways. PVVTA reduced its evening schedule from 6:40 p.m. to 4:30 p.m. and is serving the Main Street Park-and-Ride on request at 4:32 p.m. PVC purchases 31-day passes and tickets for its student body. Passes are purchased in lump sum quantities two to three times annually. Prior audit recommendations have

suggested a formal subsidy agreement between PVVTA and PVC as a means to secure stable farebox revenues. Nevertheless, PVC's Extended Opportunity Programs and Services and Cooperative Agencies Resources for Education programs allocate a portion of their budgets for transit and track ridership.

PVVTA Red Route 3, which serves the Chuckawalla and Ironwood State Prisons, was modified in the previous audit period in response to the increase in vanpool usage to access these destinations. Service to the state prisons was suspended during the pandemic.

The Green Route 4 connects Blythe with the rural communities of Ripley and Mesa Verde. The route operates on two-hour headways and serves four Park-and-Ride lots and local public housing developments. Due to an increase in ridership in 2019, the Agency added three round trips to Ripley and Mesa Verde. The final trip, departing the Main Street Park-and-Ride, is offered upon request only. Service to Ehrenberg, Arizona, is no longer offered on this route. In lieu of the Ehrenberg service, PVVTA entered into an interagency service agreement with Quartzite Transit to provide service between Blythe and Ehrenberg. The service was suspended during the COVID-19 pandemic.

Buses can deviate three-quarters of a mile from the scheduled route with a 30-minute advance reservation or upon request when boarding. There is a maximum of three deviations per loop and deviation requests may be denied if a bus is running 15 minutes or more late. The PVVTA X-Tend-A-Ride program operates as a demand-responsive community-based service with limited weekday afternoon service to the state prisons and the fair, as well as during special community events and outside normal operating hours. X-Tend-A-Ride does not operate in place of fixed-route services.

Saturday service is offered on the Silver Route 5 between the hours of 8:10 a.m. and 12:10 p.m. A community circulator response route was implemented on a temporary basis at the outset of the pandemic. The route was a hybrid of the Silver Route 5.

Prompted by the lack of adequate medical facilities in the Palo Verde Valley, PVVTA implemented the Blythe Wellness Express Route 6 to provide transport from Blythe to major medical facilities in the Coachella Valley. The service was initiated in July 2017 and operates Monday, Wednesday, and Friday. The service is open to the general public and interlines with SunLine Transit Agency at the Indio Transportation Center located at SR 111 and Flower. During the COVID-19 pandemic, service was initially suspended and later modified to operate two days a week as safety protocols were implemented.

Grant funding for the Blythe Wellness Express was received from the Mojave Desert Air Quality Management District and the LCTOP. Federal grant funds were also applied toward the new service and the Agency was awarded rural formula Federal Transit Administration (FTA) Section 5311 funds to support the service.

The implementation of a participant fee on the Desert RoadTRIP has helped with system farebox attainment. PVVTA also requires backup documentation and medical receipts for reimbursement.

Desert RoadTRIP participants can travel up to 460 miles a month, including using Greyhound (690 miles for a family).

The contract operator prepares an operations data report for review by PVVTA on a quarterly basis. The operations data report contains a detailed breakdown of ridership, revenue miles, total miles, revenue hours, total hours, deviations, and fare revenue. The data are categorized by route and month.

The US Department of Transportation defines an accident as an occurrence involving a commercial motor vehicle which results in: a) a fatality; b) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or c) one or more of the vehicles incurs disabling damage, requiring it to be towed from the scene. According to the Federal Motor Carrier Safety Administration, a preventable accident is one that occurs because the driver fails to act in a reasonably expected manner to prevent it. Incidents include accidents plus personal casualties (inside vehicles and while boarding and alighting vehicle) and fires. Table V-1 summarizes accidents and incidents that occurred during the audit period for PVVTA.

**Table V-1  
Accidents and Incidents**

	FY 2018	FY 2019	FY 2020	FY 2021
<b>Accidents</b>	1	0	2	0
<b>Incidents</b>	7	2	6	3
<b>Total</b>	<b>8</b>	<b>2</b>	<b>8</b>	<b>3</b>

Source: PVVTA

The number of accidents has fluctuated during the audit period from the FY 2018 base year to FY 2021. There were two reported accidents in FY 2020 and zero incidents reported in FY 2019 and FY 2021. Incidents increased from 2 in FY 2019 to 6 in FY 2020 followed by a 50 percent decrease in FY 2021. This reduction of accidents and incidents is due to driver training and the modified service changes due to the pandemic. Each vehicle is equipped with between four and six cameras that can be accessed by wireless remote from dispatch.

Dispatching functions are currently handled on a manual basis with no electronic software utilized other than an Excel spreadsheet. On-time performance is monitored by having drivers call in when running five minutes late or longer. Field supervisors also perform periodic checks to ensure schedule adherence. In addition to its bus cameras, PVVTA can access video footage from City security cameras mounted near bus stops. Table V-2 summarizes on-time performance during the audit period on PVVTA.

**Table V-2  
On-time Performance**

	FY 2018	FY 2019	FY 2020	FY 2021
<b>On-time Performance</b>	98.00%	98.81%	97.59%	98.00%

Source: PVVTA

The industry standard is 95 percent on-time performance. PVVTA exceeded the minimum standard during the audit period.

Fareboxes installed on the vehicles are standard Diamond F1 rectangular fareboxes. Fares deposited into the farebox are not accessible until the end of the run. Farebox vaults are pulled at the end of the shift and placed in a secure area. The fares are counted by the lead dispatcher and by another designated employee in a secured room monitored by cameras. The cash reconciliation form contains a line item for any overages and shortages. Once counted, fare proceeds are placed into a secured locked money pouch and a secondary count is performed by the finance director before being deposited. Random fare checks are conducted on the vehicles. Trip sheets are reviewed for accuracy and the dispatcher inputs the operations data into monthly and quarterly reports.

ADA certification is conducted at the PVVTA facility with the whole process typically taking about 24 hours to turn around. Physician verification is not required in every case. Travel training is also offered to passengers as needed. PVVTA staff has attended mobility trainings offered through CalACT to improve its capability to educate and transition riders onto transit. PVVTA also tracks and responds to customer complaints. Table V-3 summarizes complaints received during the audit period on PVVTA:

**Table V-3  
Complaints**

	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Complaints</b>	0	8	1	2

Source: PVVTA

PVVTA received an average of 3.6 complaints per year over the audit period, with 2019 being the year with the highest complaint volume. Declining ridership in the latter two years also could be a factor in the trend.

#### COVID-19 Pandemic Impacts

As impacts from the novel coronavirus (COVID-19) started to be realized in California, a state of emergency was declared on March 4, 2020. Subsequently, a mandatory statewide shelter-in-place order was implemented on March 19. In response to the initial order and the resulting changes in demand, PVVTA implemented a series of service changes and the adoption of a formal COVID-19 response plan. Nearly all departments within the Agency were affected in some way by the impacts of COVID-19, the operations department being impacted most directly.

COVID-19 related service changes implemented by PVVTA during the pandemic are summarized as follows:

- On March 13, 2020, Gold Route 2 service was suspended.
- On March 17, 2020, Blythe Wellness Express Route 6 service was suspended.

- From March 22, 2020, to June 1, 2020, all regular service was temporarily suspended and a new Community Circulator Response Route (CCRR) was implemented with scheduled service Monday through Friday from 7:00 a.m. to 3:00 p.m. The CCRR was a hybrid of the Silver Route 5, free to riders. The PVVTA Operations Center closes to the general public.
- On April 4, 2020, a mask mandate was implemented requiring all riders and operators to wear face masks while on PVVTA vehicles.
- On June 1, 2020, regular service was reinstated with some schedule modifications and the CCRR was discontinued. Fare collection resumed. Blue Route 1 service operated without extra midday peak service. Gold Route 2 continued to be temporarily suspended. Red Route 3 service was reinstated with Wednesday service only. Blythe Wellness Express Route 6 service was reinstated on Wednesdays only.
- On August 2, 2020, Blythe Wellness Express Route 6 Monday service was reinstated; on September 8, 2020, Friday service was reinstated.
- On September 8, 2020, PVVTA reinstated Route 3 regular service, along with fare collection.

In addition to these service changes, PVVTA implemented disinfecting protocols on high-touch surfaces within the facility, on vehicles, and at transit amenities at high-volume bus stops. Drivers were assigned to specific vehicles in order to mitigate against virus transmission. All protocols were compliant with Centers for Disease Control and Prevention and Riverside County Public Health Department guidelines. Personal protection equipment was made available to operators including masks, gloves, hand sanitizer, and disinfecting sprays.

### Personnel

PVVTA personnel is composed of administrative and operations staff employed by Transportation Concepts. Administrative staff includes a general manager, administrative supervisor/mobility manager, one field supervisor, a finance manager, and an accounts specialist. The current general manager was appointed by the PVVTA board whereas in the past the general manager position was filled by the Blythe City manager. This distinction is important, as the designation of a general manager with true transit management experience shows the independence of the Agency from the City and the ability of the Board to provide focused guidance on transit policy and operations.

At the onset of the COVID-19 pandemic, PVVTA had already established the necessary infrastructure to accommodate remote work. The Agency set up an online Dropbox site to serve as a document exchange. PVVTA has found driver recruitment and retention challenging. This is attributed to the relatively small labor pool, competition from the solar industry, DMV, and drug testing issues. Although the medicinal and recreational use of cannabis is legal in California, the transportation industry is subject to a different set of regulations that preclude the use of cannabis.

Operations staff includes eight drivers (two full-time, six part-time) and three dispatchers (one full-time, two part-time). Prior to the pandemic, PVVTA employed 12 drivers. Part-time drivers generally work between 20 to 30 hours weekly. Entry-level drivers are hired as part-time. Full-time drivers are generally assigned 30 to 40 hours a week and receive benefits after six months of employment. Routes are assigned weekly based on seniority. The X-Tend-A-Ride driver serves as the extraboard.

All personnel are non-union. The contractor operator Transportation Concepts has supplemented personnel levels with drivers from outside of the service area. The average years of service for employees is 10 years. Recruitment efforts have been through word-of-mouth as well as through Indeed, social media, and the Transportation Concepts website. An incentive program provides a \$1,500 hiring bonus for new employees. PVVTA has not been at full staffing since the onset of the pandemic even though a few employees were hired during the pandemic. Turnover in personnel during the audit period has been attributed to retirements, medical and family leave, and recruitment by other local firms such as solar energy companies. PVVTA management expressed that competition for employees comes from various industries including the school district, express delivery services, trucking, skilled agriculture, solar, and the prison.

Driver training is based on the Transportation Safety Institute model and consists of 40 hours classroom and 80 hours behind-the-wheel training. Overall, candidates undergo a minimum of 100 hours of training including 40 hours of cadet training with a tenured driver. Mobility and customer service training are provided through the Community Transportation Association of America. Drivers are required to have a Class B license with passenger endorsement. Drivers are evaluated every 90 days, a process which involves unobserved road checks, scheduled ride-alongs, and reviews of bus surveillance videos. Safety training is conducted once a month. During the pandemic, these trainings were conducted via the Zoom videoconference platform. In-person trainings were reinstated in 2021 with social distancing and safety protocols.

### **Maintenance**

During the audit period, vehicle maintenance was transferred from the City to Transportation Concepts. Transportation Concepts provides maintenance service with its own staff mechanic at the PVVTA operations facility. Prior to this, vehicles were serviced at the City garage located at 440 South Main Street.

Vehicle maintenance is performed on a 5,000-mile or 45-day inspection schedule. Additional preventive maintenance is conducted every 15,000 miles and annually at 36,000 miles. Maintenance duties include tire mounting and engine overhauls. Warranty repairs are performed at Larry Green Ford located at 410 East Hobsonway in Blythe.

Drivers are allotted 15 minutes to conduct pre-trip inspections. The driver vehicle inspection report (DVIR) is configured into 10 categories. The DVIR is completed in triplicate and includes post-trip details. The top white sheet stays with the vehicle during its operation, the pink copy stays in dispatch, and the yellow copy remains on the vehicle as a record. The CHP is responsible for certifying PVVTA's maintenance facilities and for inspecting vehicles on an annual basis. PVVTA vehicles have received satisfactory terminal inspections from the CHP.

Preventive maintenance is tracked using Dossier maintenance software and by using service due stickers which are placed in each vehicle. Given Blythe's remote location, vehicle parts are generally ordered in bulk so as to have an ample supply on hand such as fluids and tires. The Agency solicits

bids for bulk purchases. Parts and equipment such as tires, filters, belts, and Freon are stored in a warehouse behind the operations facility.

Vehicle fueling is conducted on a card-lock basis at the Blythe CNG Station in the City Corporation Yard located at 440 South Main Street at 14<sup>th</sup> Street. The CNG station opened in May 2014 and is accessible by the general public 24 hours daily and has portable restroom facilities with wash station, 24-hour closed-circuit surveillance cameras, free Blythe visitor information, and free Wi-Fi. Revenues from CNG fueling contribute to the system farebox recovery. In 2020, PVVTA entered an MOU with the Palo Verde Unified School District allowing them to utilize the fueling station. The property where the CNG station is located will be transferred to PVVTA in five years.

Road calls are recorded when a tow truck and/or mechanic responds to a mechanical/service problem for a disabled transit vehicle that is in revenue service. Table V-4 summarizes road calls that occurred during the audit period.

**Table V-4  
Road Calls**

	FY 2018	FY 2019	FY 2020	FY 2021
<b>Road Calls</b>	10	0	5	0

Source: PVVTA

There have been issues with the air conditioning units due to the extreme summer temperatures. Newer vehicles are equipped with higher-efficiency air conditioning units of 110 British thermal units. Solar tinting is being considered to further cooling efficiencies on the vehicles. SunLine provides operational emergency support to the Blythe Wellness Express when the vehicle operates in the SunLine service area.

PVVTA has also been planning for the implementation of zero-emission vehicles (ZEV) and infrastructure in accordance with the California Air Resources Board mandates. The Agency was awarded a \$65,000 voucher from the Volkswagen (VW) Environmental Mitigation Trust towards the procurement of two ZEVs to be delivered in FY 2023 and FY 2024. The VW Trust provides about \$423 million for California to mitigate excess nitrogen oxide emissions. PVVTA has also approached Southern California Edison about the installation of electric charging infrastructure. As the Agency moves towards the adoption of ZEV, it is suggested that it reach out to peer agencies in Riverside and San Bernardino Counties that have already adopted or are in the process of adopting such technology. The Agency is also looking to procure smaller vehicles in order to attract a wider pool of drivers who do not already have their commercial license.

## **Planning**

PVVTA prepares a Short-Range Transit Plan (SRTP) on an annual basis. The SRTP covers a three-year planning horizon and includes a system overview, performance analysis for each route and service, service changes, and financial and capital plans. Under the services and performance chapter, a series of recommendations for service improvements is presented for each route or program. Performance

data from TransTrack Manager is also included in the SRTP to provide an annual comparison. In adhering to the SRTP analysis element, PVVTA must meet at least four out of seven discretionary performance indicators. These indicators are in relation to RCTC’s Productivity Improvement Program. There is one mandatory indicator which is the farebox recovery ratio set at 10 percent.

**Table V-5  
PVVTA Performance Targets**

<b>Performance Indicators</b>	<b>FY 2018-19 Target</b>	<b>FY 2019-20 Target</b>	<b>FY 2020-21 Target</b>
<b>Farebox Recovery</b>	>=10.00%	>=10.00%	>=10.00%
<b>Operating Cost Per Revenue Hour</b>	<=\$145.56	<=\$169.97	<=\$169.97
<b>Subsidy Per Passenger</b>	>=\$19.27 & <=\$26.07	>=\$19.07 & <=\$25.79	>=\$19.07 & <=\$25.79
<b>Subsidy Per Passenger Mile</b>	>=\$1.38 & <=\$1.86	>=\$1.36 & <=\$1.84	>=\$1.36 & <=\$1.84
<b>Subsidy Per Hour</b>	>=\$110.94 & <=\$150.10	>=\$126.24 & <=\$170.80	>=\$126.24 & <=\$170.80
<b>Subsidy Per Mile</b>	>=\$4.73 & <=\$6.39	>=\$5.21 & <=\$7.05	>=\$5.21 & <=\$7.05
<b>Passengers Per Revenue Hour</b>	>=4.93 & <=6.67	>=5.61 & <=7.59	>=5.61 & <=7.59
<b>Passengers Per Revenue Mile</b>	>=0.21 & <=0.29	>=0.23 & <=0.31	>=0.23 & <=0.31

Source: PVVTA, TransTrack Manager

According to the RCTC SRTP review data, in FY 2018-19 PVVTA failed to meet the mandatory farebox recovery target and the operating cost per revenue hour targets and met the six other discretionary performance indicator targets.

For FY 2019-20, PVVTA failed to meet the operating costs per revenue hour and subsidy per passenger mile targets and met the mandatory farebox recovery target and the five other discretionary performance indicator targets.

In FY 2020-21, PVVTA failed to meet the operating costs per revenue hour target and met the mandatory farebox recovery target and the six other discretionary performance indicator targets. PVVTA exceeded performance targets in two discretionary indicator categories: subsidy per passenger and subsidy per revenue mile.

During the spring of 2021, PVVTA released an RFP to provide a Comprehensive Operational Analysis (COA) that would also feed into the development of the FY 2022–2024 SRTP. After only receiving one proposal, PVVTA rereleased the RFP to include a marketing analysis component as well as for assistance with writing an RFP for the renewal of the operations contract in 2022. The COA will assess its strengths, weaknesses, opportunities, and challenges for providing service in a dynamic transit market and capitalize on its position as a regional mobility provider.

On a local level, PVVTA participates in the City of Blythe’s project review committee process to determine how transit can better serve new development. PVVTA is working with the City to add a transit component or incentives to potential cannabis businesses that are looking to locate to the area.

## **Marketing**

PVVTA has used several marketing strategies to promote its transit services such as brochures, newspaper and radio advertisements, community events, electronic and social media, and mobility management training. The PVVTA Riders Guide serves as the Agency's principal informational brochure and contains a route map, schedules, fares, and general information about service hours and rider etiquette. The Riders Guide was updated as necessary to reflect the various route changes that have been implemented during the audit period.

The PVVTA's website (<http://pvvta.com/>) provides much of the same information as the Riders Guide, but also includes a trip planning tool, service updates, and links to social media sites such as Facebook and Twitter. The trip planner interactive tool is powered by Google Transit. The website contains links at the bottom of the home page pertaining to the Agency's administration, including the Board of Directors and meeting minutes and agendas. The website is hosted by Trillium.

Social media outreach includes a Facebook page and a Twitter feed. Standard multi-ride passes are available for purchase at the PVVTA operations office. Radio spots are broadcast over local stations such as KJMB 100.3 FM and Spanish language Radio Bilingüe KERU 88.5 FM.

The Blythe Wellness Express is branded separately from the mainline routes. Posters and flyers were posted in local hospitals and medical offices. USB chargers are installed on the vehicles. Semi-seats at bus stops are attached to the poles. Water is sold to passengers on the vehicles during the summer months.

Another effective outreach tool has been the Mobility Management Program, which is the direct result of needs identified in the RCTC Public Transit Human Services Transportation Plan, funded through FTA Section 5316 and 5317 grants. This program offers training to riders interested in using the transit system. Travel training sessions have been held at local primary and middle schools. PVVTA has also provided safe-ride shuttles through the X-Tend-A-Ride program during homecoming and New Year's Eve events, which have reduced the number of driving under the influence arrests.

With the development of the COA, PVVTA has included a marketing component that could potentially identify how the Agency could raise its profile and attract new ridership. Some elements for consideration would include a rebranding initiative. PVVTA should work with the consultant to develop a brand identity for the transit service that could center around a new name, logo, or new vehicle procurement. This could be done in concert with the implementation of ZEVs, smaller-sized vehicles, and mobile fare collection.

Pursuant to the federal Civil Rights Act of 1964, PVVTA has an adopted Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices and complaint forms posted at the PVVTA operations office and on the transit vehicles and website.

## **General Administration and Management**

The PVVTA Board of Directors is composed of five members: three members of the Blythe City Council, one member from the County of Riverside Board of Supervisors, and one public member appointed by the County of Riverside Board of Supervisors. The secretary to the board is the City Clerk of the City of Blythe. Regular meetings of the PVVTA Board of Directors are generally held the first Wednesday of the month at noon at the PVVTA administrative and operations facility located at 415 North Main Street in Blythe. The PVVTA Board has been supportive in its advocacy of transit and staff. A board member attends RCTC Board meetings to advocate for the interests of PVVTA.

Parking Concepts, Inc. dba Transportation Concepts, has served as the PVVTA contract operator since 2003 and was awarded a 2.75-year contract from October 1, 2014, through June 30, 2017. Amendment No. 3 to the professional services agreement between PVVTA and Parking Concepts extended the contract to June 30, 2018, increased the compensation to Parking Concepts, and added the Blythe Wellness Express service to the scope of services. Through consecutive amendments, PVVTA has extended the contract through June 30, 2022.

PVVTA operations were previously managed by the contract general manager provided under the Agency's agreement with Parking Concepts, Inc. In July 2021, the PVVTA Board entered into an employment agreement with the contract general manager to serve as the Agency's general manager. The agreement spells out the duties and responsibilities of the position, employment benefits, and terms of the contract. The employment contract is in effect for a five-year period through June 2026.

As mentioned in the prior audit recommendation section, on June 8, 2021, PVVTA and the City of Blythe entered into a formal MOU making PVVTA the sole public transit provider in the City of Blythe. This agreement formalized a long-standing informal agreement allowing PVVTA to share facilities, equipment, services, and personnel with the City of Blythe. The MOU has a five-year term with automatic one-year renewals until either party wishes to terminate. The City is still involved in certain administrative functions such as cutting checks for purchase orders. A separate tracking spreadsheet is maintained for each project or purchase along with its specific funding source. PVVTA still utilizes the City's EDEN financial management software program for the SRTP and financial projections. The MOU signifies formal progress in distinguishing roles and asset management between the two entities. PVVTA examines Agency functions that continue to be provided by the City, such as the accounting system, with an eye towards further independence from City-provided services.

The Transit Advisory Committee (TAC) meets twice annually in a town hall format. The TAC addresses SRTP development and any other major service changes planned by PVVTA. According to PVVTA's administration, it has been difficult to recruit and sustain membership of the TAC. According to the general manager, the TAC met only once during the audit period.

PVVTA's Transit Operators Financial Transactions Report submitted to the State Controller is prepared by an independent CPA firm and signed off by the PVVTA finance director. PVVTA submits the annual TDA claim for funds to RCTC. TDA claims are based on the PVVTA annual budget and the financial

element of the SRTP. Reserve allocations for LTF and State Transit Assistance (STA) funds are included as separate line items on the claim form.

The primary source of transit funding support is derived from TDA for operations and capital. LTF is used primarily for operations and STA funds are used for both operation and capital expenditures. Based on Transit Operator Financial Transactions Report and Agency budget data, the Agency's LTF revenue was \$945,456 in FY 2019; \$785,774 in FY 2020; and \$873,926 in FY 2021. STA funds received by the Agency were \$186,135 in FY 2019; \$138,385 in FY 2020; and \$238,000 in FY 2021. STA funds are utilized toward operations, vehicle replacement, bulk supplies, and bus stop amenities.

### Grants Management

Grant funding allocated toward the transit system has been derived from state and federal sources. Capital grants are tracked quarterly on an Excel spreadsheet that is configured into sections showing each grant and its funding amount, running balance, purpose, and drawdowns. The finance manager prepares the financial element of the SRTP and provides quarterly reporting to RCTC through the capital tracking report. The administrative supervisor/mobility manager oversees project management, and the general manager oversees vehicle procurement. Bus procurement encompasses bulk maintenance supplies, support vehicles, bus shelters, and radio equipment.

PVVTA received State Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account program funds for vehicle purchases. Another component of the Proposition 1B program is the Transit System Safety, Security and Disaster Response Account (TSSSDRA) administered by the Governor's Office of Emergency Services. The Agency was awarded \$8,476 in TSSSDRA grant funds in FY 2019 for security cameras at the operations facility and Park-and-Ride lot and on the vehicles.

The Agency secured \$20,000 in FY 2020 and an additional \$20,000 in FY 2021 in grants from the Mojave Desert Air Quality Management District for the CNG station. PVVTA received LCTOP funding for free fares in the amount of \$18,948 in FY 2019, \$50,011 in FY 2020, and \$79,431 in FY 2021. The Agency received \$65,181 in federal funds in FY 2019 for the Blythe Wellness Express Route 6 service. In FY 2020, PVVTA began receiving FTA Section 5311 funding.

PVVTA received \$35,510 in SB 1 State of Good Repair grant funds in FY 2019, \$35,758 in FY 2020, and \$36,955 in FY 2021. These funds were used for the installation of an outdoor shade structure used to maintain alternative fleet vehicles. The shade structure allows for fleet vehicles to be maintained in a safe and secure area adjacent to the vehicle maintenance facility.

## Section VI

### Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

1. Of the compliance requirements pertaining to PVVTA, the operator fully complied with eight of the nine applicable requirements. PVVTA was in partial compliance regarding farebox recovery attainment for FY 2020. Two additional compliance requirements did not apply to PVVTA (i.e., intermediate farebox recovery ratio under PUC 99270.1 and exclusive urbanized farebox recovery ratio).
2. Based on the farebox calculation in the annual TDA Article 4 Financial Statements (*Audited*), PVVTA's farebox recovery ratio met or exceeded the required minimum standard of 10 percent during two of the three audit years. The system-wide farebox recovery ratios were 10.43 percent in FY 2019, 9.30 percent in FY 2020, and 17.80 percent in FY 2021.<sup>2</sup> It is noted that the audited farebox ratio in FY 2020 was adversely impacted from the COVID-19 pandemic and state shelter-in-place order. Local support revenue such as from fuel sales, private contributions, and LCTOP included in the ratio helped to prop up the farebox calculation.
3. Through its contract operator, PVVTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
4. The operating budget exhibited moderate fluctuations during the audit period. PVVTA saw an increase of 6.2 percent in the operating budget in FY 2019 followed by a 1.9 percent decrease in FY 2020. In FY 2021, the budget increased by 3.9 percent. The increase in the FY 2019 operating budget is attributed to the implementation of the Blythe Wellness Express and higher operations contract costs.
5. PVVTA satisfactorily implemented the three prior audit recommendations. The recommendations pertained to working with local elected officials and stakeholders to expand upon the Blythe Wellness Express to serve veterans, posting Board meeting agendas and minutes on the PVVTA website, and defining roles and responsibilities between the City of Blythe and PVVTA.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 71.1 percent from \$141.39 in the FY 2018 base year to \$241.91 in FY 2021. Operating costs (before new service exclusions) increased 8.2 percent while vehicle service hours decreased by 36.8 percent during

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<sup>2</sup> Assembly Bill 90, passed into law and signed by the governor in June 2020 in response to the COVID-19 pandemic impacts, prohibits the imposition of penalties on a transit operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019–20 or FY 2020–21.

the period. Pursuant to the TDA statute, PVVTA was allowed to exempt new service expansion from its operating cost and farebox revenue calculation for up to two years.

7. Operating cost per passenger, an indicator of cost effectiveness, increased 166.4 percent system-wide from \$25.54 in FY 2018 to \$68.04 in FY 2021. Ridership system-wide decreased by 59.4 percent, from 44,047 passengers in FY 2018 to 17,892 passengers in FY 2021, while operating costs increased for the same period.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 35.8 percent system-wide between FY 2018 and FY 2021 from 5.5 passengers per hour to 3.6 passengers per hour. Overall ridership and vehicle service hours decreased by 59.4 percent and 36.8 percent, respectively, during the audit review period.
9. The PVVTA Board of Directors adopted a new fare schedule, which went into effect on July 1, 2019. In addition, PVVTA realigned local routes to meet up at the Main Street Park-and-Ride lot adjacent to the PVVTA administration and operations facility.
10. PVVTA implemented measures and protocols to mitigate the spread of COVID-19. From March 22, 2020, to June 1, 2020, all regular service was temporarily suspended, and a new Community Circulator Response Route (CCRR) was implemented with scheduled service Monday through Friday from 7:00 a.m. to 3:00 p.m. The CCRR was a hybrid of the Silver Route 5, free to riders.
11. At the onset of the COVID-19 pandemic, PVVTA had already established the necessary infrastructure to accommodate remote work. The Agency set up an online Dropbox site to serve as a document exchange.
12. The Agency was awarded a \$65,000 voucher from the VW Environmental Mitigation Trust towards the procurement of two ZEVs to be delivered in FY 2023 and FY 2024. The VW Trust provides about \$423 million for California to mitigate excess nitrogen oxide emissions. PVVTA has also approached Southern California Edison about the installation of electric charging infrastructure.
13. PVVTA operations was previously managed by the contract general manager provided under the Agency's agreement with Parking Concepts, Inc. In July 2021, the PVVTA board entered into employment negotiations with the contract general manager to serve as the Agency's general manager. The employment contract has been renewed through June 2026.
14. On June 8, 2021, PVVTA and the City of Blythe entered into a formal MOU making PVVTA the sole public transit provider in the City of Blythe. This agreement formalized a long-standing informal agreement allowing PVVTA to share facilities, equipment, services, and personnel with the City of Blythe. The MOU has a five-year term with automatic one-year renewals until either party wishes to terminate. PVVTA examines Agency functions that continue to be provided by the City, such as the accounting system, with an eye towards further independence from City-provided services.

## Recommendations

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

PVVTA has been planning for the implementation of zero emission vehicles (ZEV) and infrastructure in accordance with the California Air Resources Board mandates. The Agency was recently awarded a \$65,000 voucher from the Volkswagen (VW) Environmental Mitigation Trust towards the procurement of two ZEVs to be delivered in FY 2023 and FY 2024. PVVTA has also approached Southern California Edison about the installation of electric charging infrastructure at its facilities. As the Agency moves towards the adoption of ZEV, it is suggested that it reach out to peer agencies in Riverside and San Bernardino Counties, which could prove helpful in the evaluation process. Those peer agencies would include neighboring transit systems such as the SunLine Transit Agency and the Victor Valley Transit Authority.

### 2. Pursue targeted marketing efforts and rebranding of the service.

PVVTA has been tasked with serving the mobility needs of eastern Riverside County residents, particularly in the City of Blythe. In recent years, the Agency has implemented route restructuring and the Blythe Wellness Express route to the Coachella Valley to more efficiently serve the needs of riders. PVVTA has been contemplating strategies to improve its messaging and outreach to the community. With the development of the COA, PVVTA has included a marketing component that could potentially identify how the Agency could raise its profile and attract new ridership. Some elements for consideration would include a rebranding initiative. PVVTA should work with the consultant to develop a brand identity for the transit service that could center around a new name, logo, or new vehicle procurement. This could be done in concert with the implementation of ZEVs, smaller-sized vehicles, and mobile fare collection.

### 3. Revisit fare structure in light of low farebox recovery from passenger revenue.

While the fares were adjusted by PVVTA only a few years ago, the farebox ratio without local support for deviated fixed-route service remains well below the TDA standard of 10 percent, even before the pandemic. Trends in fare recovery and recent state legislation generally enable non-fare revenue to be included in the ratio; however, PVVTA should evaluate its fare policy and test fare scenarios in complying with the farebox recovery standard. The COA can provide operational insight on transit services that could be aligned with the various fares charged on the route. PVVTA should balance the level of fare pricing with its ridership market, and undertake a review to verify whether a rebalancing is needed to better align fares and ridership with the ability to meet the recovery standard.