RIVERSIDE COUNTY TRANSPORTATION COMMISSION

SunLine TRANSIT AGENCY

FY 2022-2024

Triennial Performance Audit of SunLine Transit Agency

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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 2021–2022 through 2023–2024.

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

The SunLine Transit Agency 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. Based on U.S. Census data, Coachella Valley's population grew from 346,518 to 370,135, for a net gain of 23,617 people, or 6.8 percent

from 2010 to 2020. The Southern California Association of Governments' (SCAG) *Connect SoCal 2024: Demographics & Growth Forecast Technical Report*, adopted in April 2024, 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 population and land area summary of incorporated cities and unincorporated communities located in the Coachella Valley is presented in Table I-1:

Table I-1
Coachella Valley Demographics

City/Community	2020 US Census Population	Percent Change from 2010 US Census	Population 65 Years & Older (ACS)	2025 California DOF Estimate	Land Area (square miles)
Bermuda Dunes CDP	8,244	19.8%	14.0%	n/a	2.95
Cathedral City	51,493	0.6%	17.0%	51,651	21.50
Coachella	41,941	3.0%	8.2%	44,384	30.10
Desert Hot Springs	32,512	25.3%	13.6%	33,262	23.62
Desert Palms CDP	6,599	-2.2%	86.0%	n/a	2.68
Indian Wells	4,757	-4.1%	58.61%	4,862	14.30
Indio	89,137	17.2%	19.2%	92,539	33.20
La Quinta	37,558	0.2%	26.0%	38,796	35.20
Mecca CDP	8,800	29.3%	7.0%	n/a	6.92
North Shore CDP	3,373	76.0%	6.0%	n/a	11.2
Oasis CDP	4,468	7.6%	6.0%	n/a	19.63
Palm Desert	51,163	5.61%	36.0%	51,980	26.81
Palm Springs	44,575	0.1%	31.7%	44,476	94.50
Rancho Mirage	16,999	-1.3%	51.7%	17,120	25.30
Thermal CDP	1,371	-44.9%	19.0%	n/a	9.39
Thousand Palms CDP	7,967	10.9%	14.0%	n/a	23.64
Villa Santa Rosa CDP	2,607	25.7%	11.0%	n/a	16.09

Source: US Census, California Department of Finance, January 1, 2025

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), and an accompanying micro transit service. SunBus, SunLine's fixed-route service, is composed of nine routes and one regional/express route called the 10 Commuter Link, serving 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. SunDial operates

within 0.75-mile on either side of SunBus local fixed routes. It does not serve areas covered by the 10 Commuter Link.

SunLine's micro transit service, SunRide, is available in eight 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

Route	Description	Frequency/Operation	Key Time points
1EV	**Coachella Via HWY 111 - Palm Desert Mall**	Daily every 30 minutes (from 5:00 a.m. to 11:03 p.m.)	▪ Coachella Transit Hub ▪ Hwy 111 @ Golf Center Pkwy ▪ Hwy 111 @ Adams ▪ Town Center Way @ Hahn
1WV	**Palm Desert Mall Via Hwy 111 – Palm Springs**	Daily every 30 minutes (from 5:00 a.m. to 10:42 p.m.)	▪ Palm Cyn @ Stevens ▪ Palm Cyn @ Baristo ▪ B St @ Buddy Rogers ▪ Town Center Way @ Hahn
2	**Desert Hot Springs - Palm Springs – Cathedral City**	Daily every 30 minutes (from 5:10 a.m. to 10:33 p.m.)	▪ B St @ Buddy Rogers ▪ Ramon @ Date Palm ▪ Indian Canyon @ Ramon ▪ Sunrise @ Vista Chino ▪ West @ Pierson
3	**Desert Edge – Desert Hot Springs**	Weekdays every 30 minutes (Weekdays from 5:00 a.m. to 8:44 p.m.); Weekends every 60 minutes (Weekends from 6:45 a.m. to 8:35 p.m.)	▪ West @ Pierson ▪ Dillon @ Corkill
4	**Palm Desert Mall – Palm Springs**	Daily every 60 minutes (from 6:10 a.m. to 10:09 p.m.)	▪ El Cielo @ Kirk Douglas ▪ Vista Chino @ Sunrise Way ▪ Ramon @ Date Palm ▪ Varner @ Harry Oliver ▪ Dinah Shore @ Shoppers Ln

Route	Description	Frequency/Operation	Key Time points
			▪ Town Center Way @ Hahn
5	**Desert Hot Springs – CSUSB Palm Desert – Palm Desert Mall**	Weekends every 60 minutes (from 6:30 a.m. to 11:26 a.m. and 2:10 p.m. to 7:27 p.m.)	▪ Town Center Way @ Hahn ▪ Cook @ Berger ▪ West @ Pierson
6	**Coachella Via Fred Waring – Palm Desert Mall**	Weekdays every 60 minutes (from 6:00 a.m. to 11:46 a.m. and 2:00 p.m. to 8:51 p.m.)	▪ Town Center Way @ Hahn ▪ Fred Waring @ Washington ▪ 4th @ Cesar Chavez
7	**North Indio-Coachella – Thermal/Mecca**	Weekdays every 45 minutes (from 5:15 a.m. to 8:51 p.m.); weekends every 90 minutes (from 5:10 a.m. to 9:20 p.m.)	▪ Calle Madrid @ Avenida Vallejo ▪ Adams @ Hwy 111 ▪ Washington @ Fred Waring ▪ Harris Lance @ Washington
8	**North Indio – Coachella – Thermal/Mecca**	Daily every 60 minutes (from 5:30 a.m. to 10:57 p.m.)	▪ 66th @ Date Palm ▪ 62nd @ Buchanan ▪ 4th @ Cesar Chavez ▪ Showcase @ Monroe
9	**North Shore – Mecca – Oasis**	Daily every 60 minutes (from 6:00 a.m. to 9:45 a.m. and 2:00 p.m. to 7:45 p.m.)	▪ Ave 66 @ Date Palm ▪ Club View @ Windlass ▪ 66th @ Mecca Health Clinic
Commuter Link 10	**Indio- CSUSB (PDC)-Thousand – Palms Transit Hub – Beaumont CSUSB (San Bernadino) SBTC/Metrolink**	Weekdays two AM trips in each direction & two PM trips in each direction. (from 5:10 a.m. to 9:13 p.m., no weekend or holiday service)	▪ HWY 11 & Golf Center Pkwy ▪ Indio Blvd @ Transportation Center ▪ Cook @ Berger (CSUSB-PDC) ▪ Varner @ Harry Oliver ▪ 2nd @ Commerce ▪ Cal State San Bernardino ▪ San Bernardino Transit Center

Source: SunLine Transit Agency, June 2025

To further distinguish between West Valley and East Valley service, Route 1WV starts at the Palm Canyon at Stevens timepoint and ends at the Town Center at Hahn timepoint by the Palm Desert Mall. Some of the key destinations accessible on Route 1WV include Downtown Palm Springs, Desert Regional Medical Center, city halls in the western end of the Valley, various shopping centers, and the Palm Desert Mall.

Route 1EV starts at the 5th at Vine timepoint and ends at the Town Center at Hahn timepoint by the Palm Desert Mall. Some of the key destinations accessible on Route 1EV include the Palm Desert Mall, JFK Hospital, the Indio Courthouse, city halls in the eastern end of the Valley, various schools, and shopping centers, as well as Downtown Coachella.

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 0.75-mile of any local SunBus route (not including Commuter Link 10). Reservations for service are required prior to pickup. Trips not cancelled at least 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. The one-way fare is $1.50 within the same city and $2.00 from city to city.

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. Maximum of 2 children (4 years and younger) ride free with a paid fare. The fare schedule is summarized in Table I-3.

Table I-3
SunLine Fare Schedule

Mode/Travel Category	Single Ride	Day Pass	10-Ride Pass	30/31 Day Pass
SunBus - Adult	$1.00	$3.00	$10.00	$34.00
SunBus – Youth (5-17)	$0.85	$2.00	$8.50	$24.00
SunBus – Age 60+/Disabled	$0.50	$1.50	$5.00	$17.00
SunBus – Transfers	$0.25	Included	$0.25	Included
Commuter Link 10 – Adult	$6.00	$14.00	n/a	$150.00
Commuter Link 10 – Youth (5-17)	$6.00	$14.00	n/a	$150.00
Commuter Link 10 – Age 60+/Disabled	$4.00	$10.00	n/a	$100.00
Commuter Link 10 - CSUSB Students, Staff & Faculty	Free with valid CSUSB ID			
SunRide	$3.00	n/a	n/a	n/a
SunDial – Same City	$1.50	n/a	$15.00	n/a
SunDial – Multiple Cities	$2.00	n/a	$20.00	n/a

Source: SunLine Transit Agency, June 2025

Fleet

The SunLine fleet is composed of 127 vehicles, 126 of which are clean fuel vehicles, with 96 powered by compressed natural gas (CNG), 26 by hydrogen fuel cell, and 4 electric-battery. Eighty-eight 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 45 non-revenue support vehicles. 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
2007	NFA C40LF	8	CNG	42 (2 W/C)	Fixed-Route
2008	NFA XCELSIOR C	29	CNG	39 (2 W/C)	Fixed-Route
2009	El Dorado National Easy Rider	2	CNG	29 (2 W/C)	Fixed-Route
2012	El Dorado National Axcess	1	Hydrogen Cell Fuel	37 (2 W/C)	Fixed-Route
2014	El Dorado National Axcess	1	Hydrogen Cell Fuel	39 (2 W/C)	Fixed-Route
2014	El Dorado National Axcess	2	Hydrogen Cell Fuel	37 (2 W/C)	Fixed-Route
2015	El Dorado National Aerotech	1	CNG	12 (2 W/C)	Demand Response
2015	El Dorado National Axcess	1	Hydrogen Cell Fuel	37 (2 W/C)	Fixed-Route
2016	El Dorado National Aerotech	9	CNG	12 (2 W/C)	Demand Response
2016	NFA XCELSIOR C	6	CNG	39 (2 W/C)	Fixed-Route
2018	BYD K9 Electric Bus	4	Electric Battery	35 (2 W/C)	Fixed-Route
2018	El Dorado National Axcess	5	Hydrogen Cell Fuel	37 (2 W/C)	Fixed-Route
2018	NFA XCELSIOR H	6	Hydrogen Cell Fuel	39 (2 W/C)	Fixed-Route
2018	Startrans Senator	14	CNG	12 (2 W/C)	Demand Response
2020	Arboc Freedom	15	CNG	12 (2 W/C)	Demand Response
2020	MCI D4500	2	CNG	40 (2 W/C)	Fixed-Route
2020	NFA XCELSIOR C	6	CNG	39 (2 W/C)	Fixed-Route
2021	MCI D4500	1	Diesel Fuel	57 (2 W/C)	Fixed-Route
2021	NFA XCELSIOR C	4	CNG	39 (2 W/C)	Fixed-Route
2021	NFA XCELSIOR H	10	Hydrogen Cell Fuel	39 (2 W/C)	Fixed-Route
2022	MCI D4500	1	CNG	57 (2 W/C)	Fixed-Route
Total		**127**			

Source: Table 1.1 – Fleet Inventory, FY 2024-25 SRTP SunLine Transit Agency – TransTrack Manager

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: *General Public:* FY 2022: January 31, 2023 FY 2023: January 19, 2024 FY 2024: January 31, 2025 *Specialized Service:* FY 2022: January 31, 2023 FY 2023: January 19, 2024 FY 2024: January 31, 2025 SunLine submitted separate Transit Operators Financial Transactions Reports for both fixed route and Dial-A-Ride services. **Conclusion: Complied.**
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2022: December 19, 2022 FY 2023: December 20, 2023

Operator Compliance Requirements	Reference	Compliance Efforts
days following the end of the fiscal year (Dec. 27) or has received the appropriate 90-day extension by the RTPA allowed by law.		FY 2024: December 27, 2024 **Conclusion: Complied.**
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	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. 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. Inspection dates applicable to the audit period were May 26 and 27, 2021 and June 2, 2021; August 8, 9, and 10, 2022; and August 25, 2023. All inspections conducted were rated satisfactory. **Conclusion: Complied.**
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	As a condition of approval, 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. **Conclusion: Complied.**

Operator Compliance Requirements	Reference	Compliance Efforts
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	Pursuant to PUC Section 99270.1, RCTC is responsible for 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. Target** Actual* FY 2022: 18.77% 33.26% FY 2023: 18.73% 32.61% FY 2024: 18.22% 33.24% *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. **AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in

Operator Compliance Requirements	Reference	Compliance Efforts
		which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19. *Source: Annual Fiscal & Compliance Audits for FYs 2022-2024* **Conclusion: Complied.**
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 SunLine Transit Agency's operating budget: FY 2022: +0.4% FY 2023: +12.4% FY 2024: +3.0% *Source: SunLine Transit Agency Annual Budgets for FYs 2022, 2023 and FY 2024.* **Conclusion: Complied.**
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles,	Public Utilities Code, Section 99247	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 period indicates that correct performance data are being collected. **Conclusion: Complied.**

Operator Compliance Requirements	Reference	Compliance Efforts
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 SunLine Transit Agency serves both urbanized and non-urbanized areas and is subject to an intermediate farebox recovery ratio. **Conclusion: Not Applicable.**
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This requirement is not applicable, as SunLine Transit Agency serves both urbanized and non-urbanized areas and is subject to an intermediate farebox recovery ratio. **Conclusion: Not Applicable.**
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	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 Agency's retirement system is funded. 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

Operator Compliance Requirements	Reference	Compliance Efforts
		plans through a Retirement Committee appointed by the agency's Board of Directors. **Conclusion: Complied.**
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	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. FY2022: $21,062,019 (Operating) $3,479,607 (Capital) FY2023: $8,494,152 (Operating) $1,350,304 (Capital) FY2024: $8,469,834 (Operating) $3,709,684 (Capital) *Source: National Transit Database* **Conclusion: Complied.**

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 18.77 percent in FY 2022; 18.73 percent in FY 2023; and 18.22 percent in FY 2024. SunLine's farebox recovery ratios based on audited data were 33.26 percent in FY 2022; 32.61 percent in FY 2023; and 33.24 percent in FY 2024[1]. The average annual farebox recovery ratio was 34.16 percent. SunLine exceeded the minimum standard in all three audit years.

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 2022 increased by 0.4 percent, by 12.4 percent in FY 2023, and by 3.0 percent in FY 2024. According to the budget, the increase in FY 2023 was mainly attributed to increased safety and security costs for vanpool and SunRide programs. The vanpool safety and security costs decreased the following fiscal year.

[1] 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. AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19.

Section III

Prior Triennial Performance Recommendations

SunLine Transit Agency's efforts to implement the recommendations made in the prior 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

Resume update of the employee handbook that would address remote work and other changes to the work culture.

Background: The employee handbook was last updated in April 2016. Since that time, the latest MOU between SunLine and the Amalgamated Transit Union included provisions for specialized training opportunities and employee contributions to the pension plan. In addition, SunLine 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 temporarily placed the employee handbook update initiative on hold. SunLine's Human Resources Department indicated that the update resumed in late 2021/early 2022 and convened three meetings pertaining to the handbook. Given the recent pivot to remote work and the use of videoconferencing through platforms such as Zoom, it was suggested that an update would be timely and could address such changes in the organizational culture.

Actions taken by SunLine Transit Agency

The Employee Handbook underwent an update and was presented for approval to the Board Operations Committee and Board of Directors in April 2023. Among the changes, staff and legal counsel provided a revision to Section 7: Separation in the Employee Handbook, which guides SunLine personnel regarding their conduct as employees of SunLine Transit Agency. The modification incorporates the language from the California State Labor law for SunLine to have consistency between the state law and the Employee Handbook. Two items were presented to the board; one being redlined copy of the Employee Handbook and the other being the Employee Handbook with red-lined changes accepted.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Continue efforts to coordinate opportunities for SunLine transit redesign with intelligent transportation infrastructure in the Coachella Valley.

Background: 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, was supposed to be operational once SunLine returned 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 had the momentum towards engaging its local partners in implementing vehicle technology and related intelligent infrastructure, such as transit priority systems.

Actions taken by SunLine Transit Agency

SunLine has had discussion with CVAG regarding this matter, as CVAG is the lead agency for such coordination effort. The agencies continue to review this coordination while CVAG has partnered with Caltrans and the cities to upgrade existing traffic signal controllers through the CV Sync program. This CVAG project consists of upgrading the local agencies' existing legacy (outdated) traffic signal controllers, traffic management systems, and communication systems with the latest off-the-shelf technologies in order to provide inter-agency traffic signal synchronization along three regional roadways including Highway 111, Ramon Road, and Washington Street. SunLine's hire of a new Chief of Planning a year ago would have sought recommendations about whether intelligent transportation infrastructure would save travel time and produce service efficiencies; however, more recently the Planning Chief was no longer with the agency, thus dampening further conversations on this topic. Also, SunLine would not be the agency with final approval and implementation of transit's involvement in the ITS infrastructure. In addition, changes in agency priority by the new SunLine executive team placed a lower priority on this ITS endeavor. In lieu of intelligent transportation investment during the audit period, SunLine has invested CMAQ funding towards the implementation of its SunRide microtransit service whereas Route 1X was also funded through CMAQ but was not implemented.

Conclusion

This recommendation is no longer applicable.

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 performance indicators for SunLine system-wide, fixed route, SunDial paratransit, vanpool, and microtransit 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 modal costs and fare revenues are derived from unaudited data contained in Table 2.1 of the SRTP Performance Report in TransTrack or the National Transit Database. The annual fiscal audits do not provide a modal breakdown.

Table IV-1
SunLine Transit Agency TDA Performance Indicators
System-wide

Verified TDA Statistics & Performance Indicators	Base Year FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost [1][a]	$35,756,449	$36,188,283	$44,027,036	$45,506,348	***27.3%***
Unlinked Passengers [b]	2,088,342	2,285,276	2,689,531	2,505,327	***20.0%***
Vehicle Service Hours [b]	251,837	249,053	243,776	255,475	***1.4%***
Vehicle Service Miles [b]	3,854,596	3,946,457	3,938,723	3,668,859	***-4.8%***
Employee FTEs [c]	361	331	328	342	***-5.3%***
Passenger Fares and other revenues [a]	$334,651	$1,590,959	$1,718,197	$1,705,165	***409.5%***
Local Support Funds [2][a]	$8,542,780	$10,447,026	$12,640,806	$13,420,166	***57.1%***
Total Revenues	$8,877,431	$12,037,985	$14,359,003	$15,125,331	***70.4%***
Operating Cost per Passenger	$17.12	$15.84	$16.37	$18.16	***6.1%***
Operating Cost per Vehicle Service Hour	$141.98	$145.30	$180.60	$178.12	***25.5%***
Operating Cost per Vehicle Service Mile	$9.28	$9.17	$11.18	$12.40	***33.7%***
Passengers per Vehicle Service Hour	8.3	9.2	11.0	9.8	***18.3%***
Passengers per Vehicle Service Mile	0.54	0.58	0.68	0.68	***26.0%***
Vehicle Service Hours per Employee	697.6	752.4	743.2	747.0	***7.1%***
Average Fare per Passenger	$0.16	$0.70	$0.64	$0.68	***324.7%***
Fare Recovery Ratio (Passenger fares only)	0.94%	4.40%	3.90%	3.75%	***300.4%***
Fare Recovery Ratio with local support funds [3]	24.83%	33.26%	32.61%	33.24%	***33.9%***
Systemwide Farebox Recovery Ratio Target	23.34%	18.77%	18.73%	18.22%	
Consumer Price Index - (CPI-All)	3.31%	2.45%	2.85%	8.24%	

(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) Calculation includes adjusted operational costs and local support funds as allowed by RCTC's Fare Box Recovery Ratio Policy.

Sources:

(a) Annual Fiscal & Compliance Audits

(b) Table 2.1 - SRTP Performance Report, TransTrack

(c) Transit Operators Financial Transactions Report

Table IV-2
SunLine Transit Agency TDA Performance Indicators
SunBus - Fixed Route

Verified TDA Statistics & Performance Indicators	Base Year FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost [(1)(a)]	$32,163,241	$33,432,684	$36,497,389	$38,396,108	***19.4%***
Unlinked Passengers [(a)]	2,000,077	2,170,875	2,559,429	2,339,661	***17.0%***
Vehicle Service Hours[(a)]	192,663	187,719	183,174	165,027	***-14.3%***
Vehicle Service Miles[(a)]	2,921,256	2,976,629	2,905,526	2,456,564	***-15.9%***
Employee FTE's[(b)]	284	267	262	268	***-5.6%***
Passenger Fares[(2)(a)]	$2,851,245	$1,372,659	$1,471,914	$1,815,061	***-36.3%***
Operating Cost per Passenger	$16.08	$15.40	$14.26	$16.41	***2.1%***
Operating Cost per Vehicle Service Hour	$166.94	$178.10	$199.25	$232.67	***39.4%***
Operating Cost per Vehicle Service Mile	$11.01	$11.23	$12.56	$15.63	***42.0%***
Passengers per Vehicle Service Hour	10.4	11.6	14.0	14.2	***36.6%***
Passengers per Vehicle Service Mile	0.68	0.73	0.88	0.95	***39.1%***
Vehicle Service Hours per Employee	678.4	703.1	699.1	615.8	***-9.2%***
Average Fare per Passenger	$1.43	$0.63	$0.58	$0.78	***-45.6%***
Fare Recovery Ratio	8.86%	4.11%	4.03%	4.73%	***-46.7%***
Consumer Price Index - (CPI-All)	3.31%	2.45%	2.85%	8.24%	

(1) Data is unaudited. Audited financial statements do not provide modal breakdown.
(2) Data is unaudited. Audited financial statements do not provide modal breakdown.

Sources:
(a) Table 2.1 - SRTP Performance Report, TransTrack
(b) Transit Operators Financial Transactions Report

Table IV-3
SunLine Transit Agency TDA Performance Indicators
SunDial - Dial-A-Ride

Verified TDA Statistics & Performance Indicators	Base Year FY 2021	Audit Period			*% Change FY 2021-2024*
		FY 2022	FY 2023	FY 2024	
Operating Cost [(1)(a)]	$6,144,079	$6,039,569	$6,506,986	$7,247,177	***18.0%***
Unlinked Passengers [(a)]	71,129	93,832	110,154	119,492	***68.0%***
Vehicle Service Hours[(a)]	54,113	50,301	56,640	58,412	***7.9%***
Vehicle Service Miles[(a)]	732,187	751,296	842,327	866,842	***18.4%***
Employee FTE's[(b)]	76	63	65	72	***-5.3%***
Passenger Fares[(2)(a)]	$277,562	$203,616	$219,977	$194,129	***-30.1%***
Operating Cost per Passenger	$86.38	$64.37	$59.07	$60.65	***-29.8%***
Operating Cost per Vehicle Service Hour	$113.54	$120.07	$114.88	$124.07	***9.3%***
Operating Cost per Vehicle Service Mile	$8.39	$8.04	$7.73	$8.36	***-0.4%***
Passengers per Vehicle Service Hour	1.3	1.9	1.9	2.0	***55.6%***
Passengers per Vehicle Service Mile	0.10	0.12	0.13	0.14	***41.9%***
Vehicle Service Hours per Employee	712.0	798.4	871.4	811.3	***13.9%***
Average Fare per Passenger	$3.90	$2.17	$2.00	$1.62	***-58.4%***
Fare Recovery Ratio	4.52%	3.37%	3.38%	2.68%	***-40.7%***
Consumer Price Index - (CPI-All)	3.31%	2.45%	2.85%	8.24%	

(1) Data is unaudited. Audited financial statements do not provide modal breakdown.
(2) Data is unaudited. Audited financial statements do not provide modal breakdown.

Source:
(a) Table 2.1 - SRTP Performance Report, TransTrack
(b) Transit Operators Financial Transactions Report

Table IV-4
SunLine Transit Agency TDA Performance Indicators
Vanpool

Verified TDA Statistics & Performance Indicators	Base Year FY 2021	Audit Review Period			% Change FY 2021-FY 2024
		FY 2022	FY 2023	FY 2024	
Operating Cost [1][a]	$229,917	$272,380	$270,166	$133,647	***-41.9%***
Unlinked Passengers [b]	16,028	17,110	19,948	23,739	***48.1%***
Vehicle Service Hours[b]	3,613	4,013	3,962	4,332	***19.9%***
Vehicle Service Miles[b]	191,498	193,042	190,870	227,418	***18.8%***
Employee FTE's[c]	1	1	1	1	***0.0%***
Passenger Fares[2][a]	$120,280	$141,154	$140,025	$152,327	***26.6%***
Operating Cost per Passenger	$14.34	$15.92	$13.54	$5.63	***-60.8%***
Operating Cost per Vehicle Service Hour	$63.64	$67.87	$68.19	$30.85	***-51.5%***
Operating Cost per Vehicle Service Mile	$1.20	$1.41	$1.42	$0.59	***-51.1%***
Passengers per Vehicle Service Hour	4.4	4.3	5.0	5.5	***23.5%***
Passengers per Vehicle Service Mile	0.08	0.09	0.10	0.10	***24.7%***
Vehicle Service Hours per Employee	3,613	4,013	3,962	4,332	***19.9%***
Average Fare per Passenger	$7.50	$8.25	$7.02	$6.42	***-14.5%***
Fare Recovery Ratio	52.31%	51.82%	51.83%	113.98%	***117.9%***
Consumer Price Index - (CPI-All)	3.31%	2.45%	2.85%	8.24%	

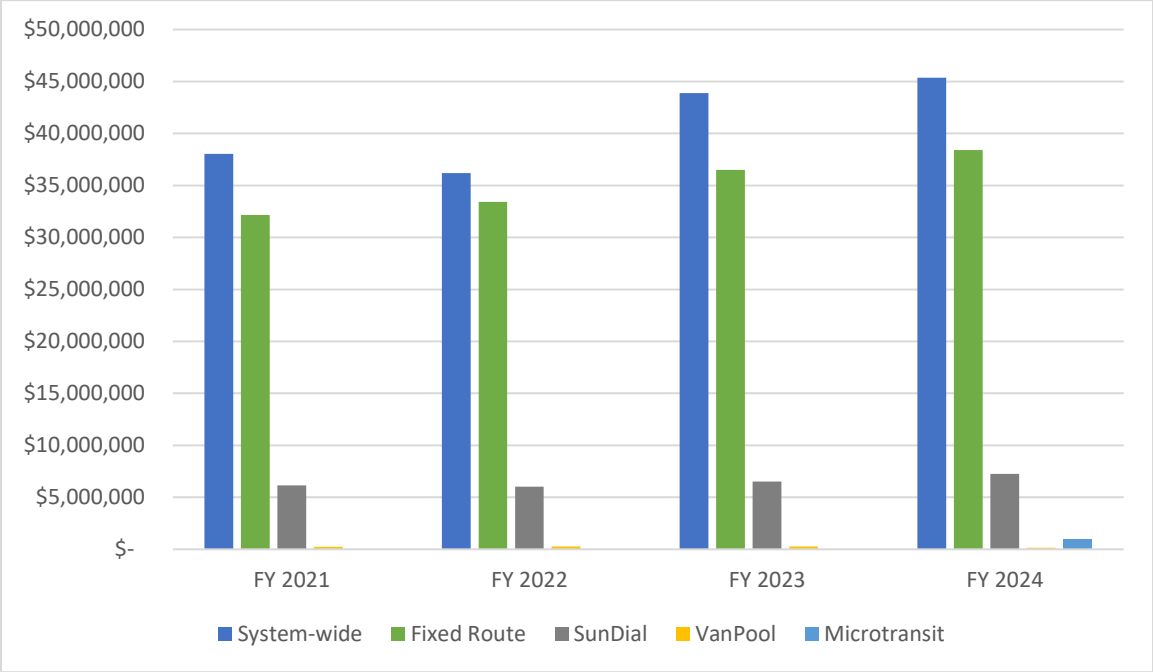
(1) Data is unaudited. Audited financial statements do not provide modal breakdown.
(2) Data is unaudited. Audited financial statements do not provide modal breakdown.
Source:
(a) National Transit Database
(b) Table 2.1 - SRTP Performance Report, TransTrack
(c) Transit Operators Financial Transactions Report

Table IV-5
SunLine Transit Agency TDA Performance Indicators
SunRide - Microtransit

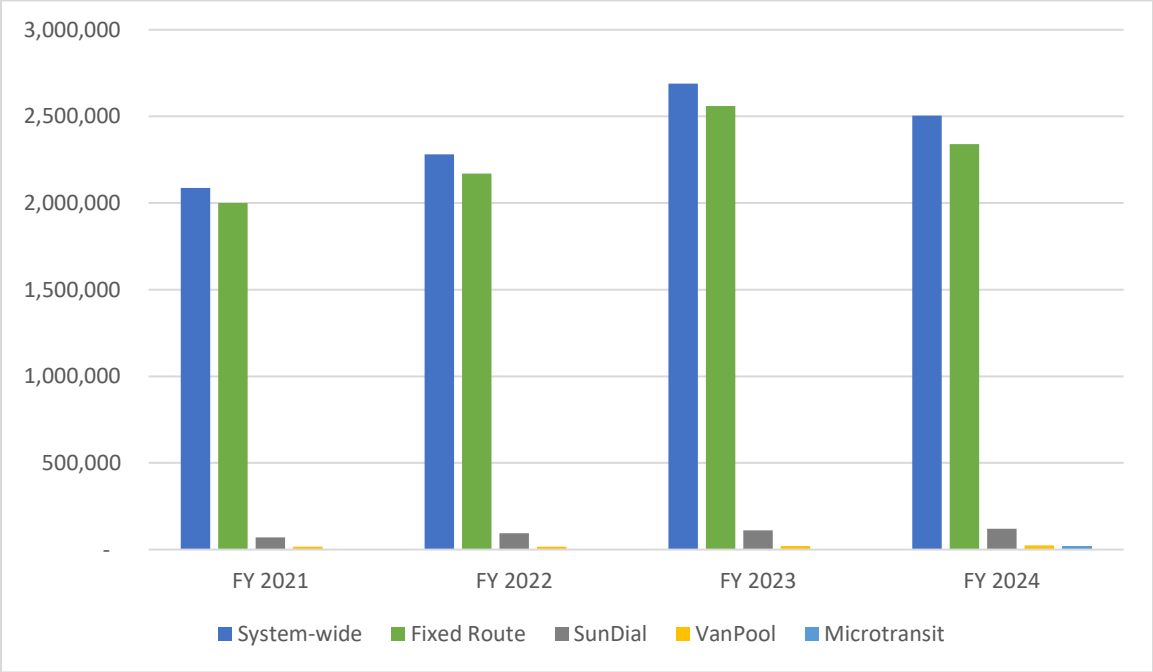
Verified TDA Statistics & Performance Indicators	FY 2024
Operating Cost [1][a]	$938,232
Unlinked Passengers [a]	22,435
Vehicle Service Hours[a]	27,705
Vehicle Service Miles[a]	118,035
Employee FTE's[a]	1
Passenger Fares[2][a]	$35,466
Operating Cost per Passenger	$41.82
Operating Cost per Vehicle Service Hour	$33.87
Operating Cost per Vehicle Service Mile	$7.95
Passengers per Vehicle Service Hour	0.8
Passengers per Vehicle Service Mile	0.19
Vehicle Service Hours per Employee	27,705
Average Fare per Passenger	$1.58
Fare Recovery Ratio	3.78%
Consumer Price Index - (CPI-All)	8.24%

(1) Data is unaudited. Audited financial statements do not provide modal breakdown.
(2) Data is unaudited. Audited financial statements do not provide modal breakdown.
Source:
(a) National Transit Database
(b) Table 2.1 - SRTP Performance Report, TransTrack
(c) Transit Operators Financial Transactions Report

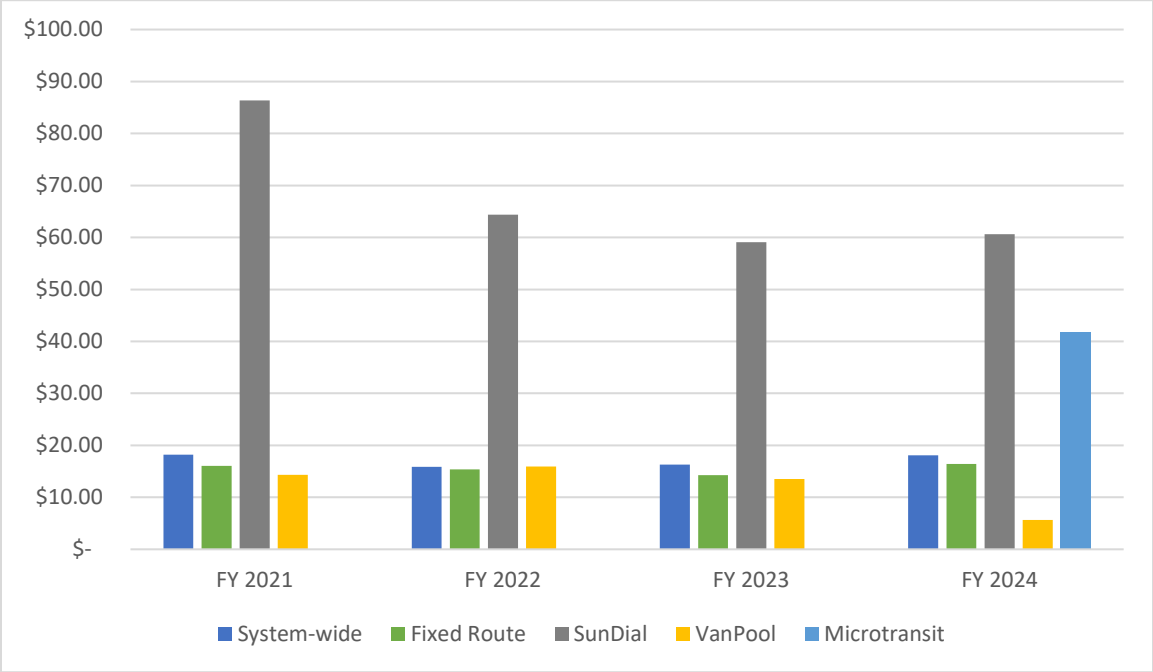
Graph IV-1
Operating Costs
System-wide – Fixed Route, Dial-A-Ride, Vanpool, & Microtransit



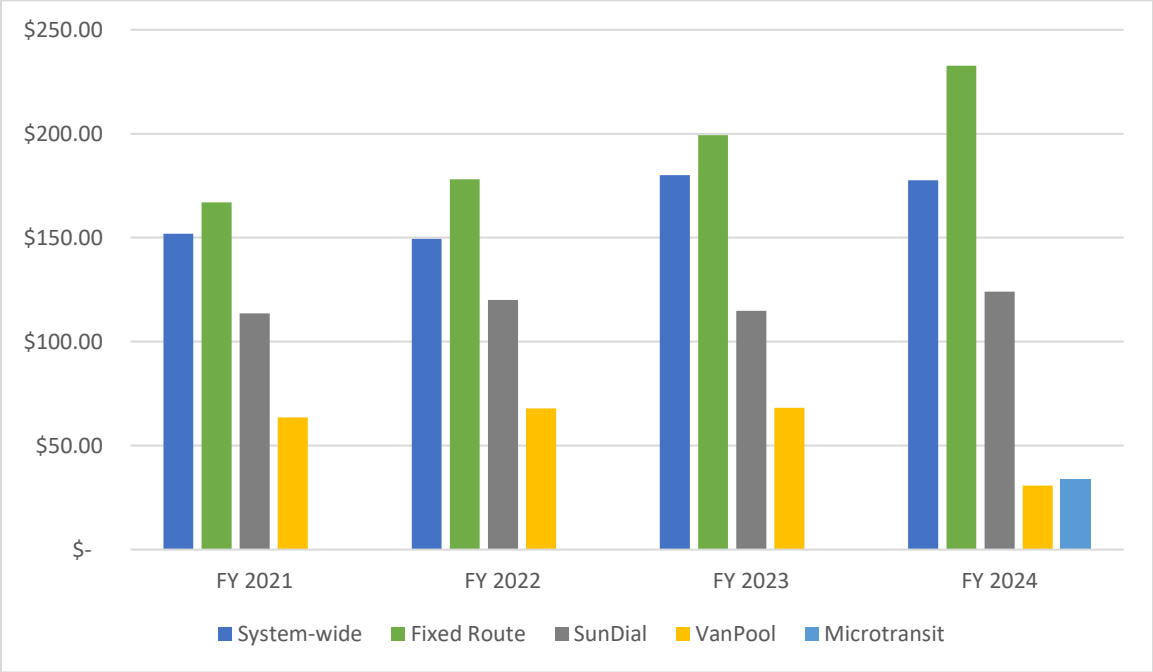
Graph IV-2
Ridership
System-wide – Fixed Route, Dial-A-Ride, Vanpool, & Microtransit



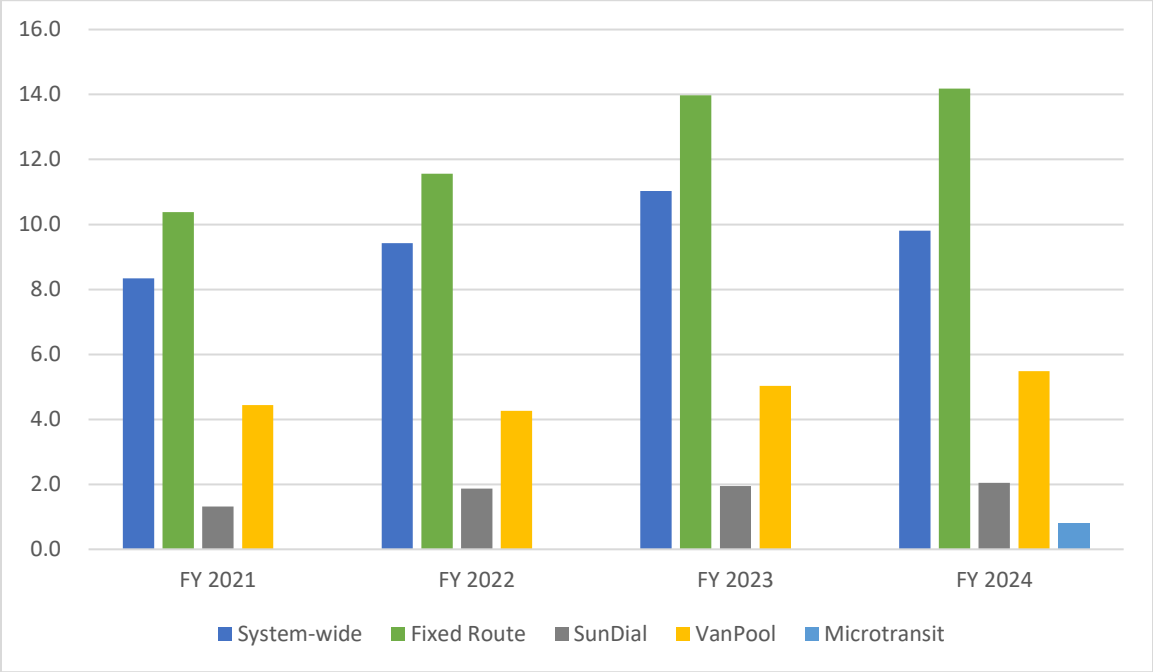
Graph IV-3
Operating Cost Per Passenger
System-wide – Fixed Route, Dial-A-Ride, Vanpool, & Microtransit



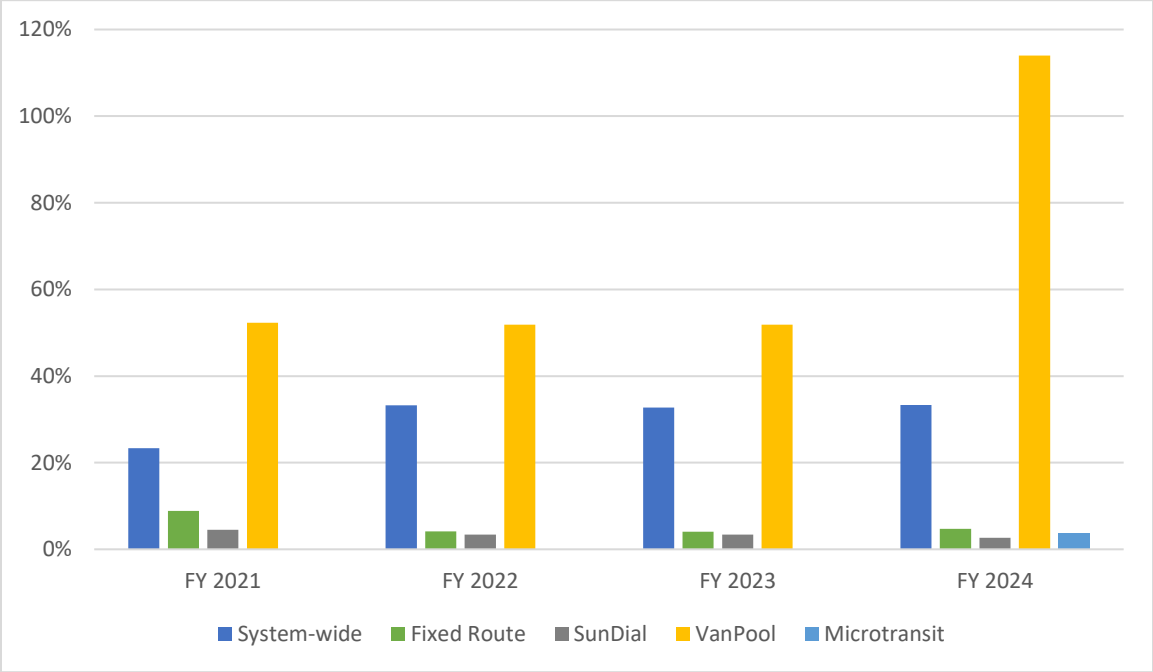
Graph IV-4
Operating Cost Per Vehicle Service Hour
System-wide – Fixed Route, Dial-A-Ride, Vanpool, & Microtransit



Graph IV-5
Passengers Per Vehicle Service Hour
System-wide – Fixed Route, Dial-A-Ride, Vanpool, & Microtransit



Graph IV-6
Fare Recovery Ratio
System-wide – Fixed Route, Dial-A-Ride, Vanpool, & Microtransit



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

1. **Operating cost per vehicle service hour,** an indicator of cost efficiency, increased 25.5 percent system-wide from $141.98 in FY 2021 to $178.12 in FY 2024. System-wide operating costs based on audited data experienced an increase of 27.3 percent during the audit period, while vehicle service hours increased by 1.4 percent between FY 2021 and FY 2024 systemwide.

2. **Operating cost per passenger,** an indicator of cost effectiveness, increased 6.1 percent system-wide from $17.12 in FY 2021 to $18.16 in FY 2024. Ridership system-wide increased by 20 percent during the triennial period from 2,088,342 passengers in FY 2021 to 2,505,327 passengers in FY 2024, while operating costs increased by 25.5 percent during that period.

3. **Passengers per vehicle service hour,** which measures the effectiveness of the service delivered, increased 17.6 percent between FY 2021 and FY 2024 system-wide from 8.3 passengers per hour to 9.8 passengers per hour. Fixed-route operations were consistent with this trend, with a rate of increase of 36.6 percent over the same period from 10.4 to 14.2 passengers per hour. SunDial operations exhibited an increase of 55.6 percent, averaging 1.8 passengers per hour. The vanpool service exhibited a 23.5 percent increase in passengers per vehicle service hour over the audit period. This reverses a trend seen during the COVID-19 pandemic where demand-response and vanpool services temporarily lost passengers at a steeper rate than fixed-route services. Microtransit service carried 0.8 passengers per vehicle service hour in reporting year FY 2024.

4. **Passengers per vehicle service mile,** another indicator of service effectiveness, increased 25.8 percent between FY 2021 and FY 2024 system-wide from 0.54 passengers per mile to 0.68 passengers per mile. For fixed-route operations, the number of passengers per service mile increased by 39.1 percent from 0.68 to 0.95. SunDial exhibited a similar increase in passengers per service mile of 41.9 percent during the audit period, from 0.10 in FY 2021 to 0.14 in FY 2024. For vanpool service, the number of passengers per service mile increased 24.7 percent from 0.08 in FY 2021 to 0.10 in FY 2024. Microtransit service carried 0.19 passengers per vehicle service mile in FY 2024. From the FY 2021 base year to FY 2024, system-wide vehicle service miles decreased 4.6 percent system-wide.

5. **Vehicle service hours per employee** increased 7.7 percent system-wide between FY 2021 and FY 2024. This increase resulted from a net increase in vehicle service hours of 2 percent and a 5.3 percent decrease in FTEs between FY 2021 and FY 2024. This measure is based on the number of employee full-time equivalents (FTE), which is calculated using employee pay hours and dividing by 2,000 hours per employee as reported in the Transit Operator Financial Transactions Report submitted to the State Controller.

6. **Farebox recovery** exhibited an overall annual increase of 33.9 percent system-wide between FY 2021 and 2024 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 18.77 percent in FY 2022; 18.73 percent in FY 2023; and 18.22 percent in FY 2024.

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 operations decreased 46.7 percent, while the SunDial ADA paratransit service saw decrease of 40.7 percent. Farebox recovery for vanpool service increased 117.9 percent over the audit period while microtransit service had a 3.78 percent farebox recovery in the first year of service in FY 2024. Total system-wide passenger fares inclusive of local support revenues increased nearly 410 percent, whereas fixed-route revenues (without local support included) decreased 36.3 percent, ADA paratransit revenues decreased 30.1 percent, vanpool increased 26.6 percent, and taxi passenger fares totaled $35,466 in FY 2024.

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 22.1 percent of total operations revenue in FY 2022, 16.7 percent in FY 2023, and 29.0 percent in FY 2024.

Conclusion from the Verification of TDA Performance Indicators

SunLine Transit Agency's performance indicators reflect increasing operating costs along with only modest recovery of passengers, and vehicle service hours following the onset of the COVID-19 pandemic. SunLine achieved higher ridership and service productivity while controlling cost per passenger, despite rising operating costs and declining fare revenues. Financial sustainability increasingly relies on local support and ancillary revenues, while farebox recovery from passenger fares alone continues to decline. Ridership increased 20 percent during the audit period, largely due to the 17 percent increase in SunBus ridership. Systemwide, vehicle service hours were up 2 percent whereas vehicle service miles declined 4.6 percent since FY 2021. The increase in ridership was impacted by the introduction of microtransit service in FY 2024, which added 22,435 passenger trips, 27,705 vehicle service hours, and 118,035 vehicle service miles to the systemwide totals.

Increased revenue fleet maintenance, facility maintenance, administration costs, and personnel costs increases (pension, insurance, health coverage costs) also contributed significantly to total operating costs. Passenger fare revenues decreased by 22.6 percent while operating costs increased. Local support funding, including CNG fuel sales, increased by 101.0 percent during the audit period. Overall, SunLine showed resilience and adaptability, with marked improvements in service effectiveness and productivity. However, rising operating costs and declining direct fare revenues highlight ongoing financial challenges, underscoring the importance of diversified revenue streams and continued efficiency efforts.

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. 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:

Connecting people and improving life by taking you from where you are to where you want to be.

SunLine had launched a network redesign initiative titled "SunLine Refueled," aimed at restructuring service levels to improve mobility, reduce the number of required transfers, decrease rider wait times, and implement a more intuitive route numbering system. While the initiative was well-suited to the conditions prior to the pandemic, its full implementation was hindered by several post-pandemic challenges.

Following the COVID-19 pandemic, the agency's priorities shifted significantly due to operational disruptions, resource constraints—including aging fleets—and difficulties in restoring Level 1 (regular) service to pre-pandemic levels. As a result, the original vision of the Refueled initiative was not fully realized.

Instead, SunLine adopted a more adaptive, data-driven approach to transit planning, grounded in present-day realities, and aligned with anticipated regional growth. This shift reflects the agency's commitment to responsive and sustainable service delivery in a rapidly evolving transit landscape.

To further refine better service delivery in the post pandemic era, the agency is currently preparing for a new era of service planning under the guidance of Jarrett Walker and Associates, who is leading a Comprehensive Operational Analysis (COA). This marks a formal shift away from the pre-COVID vision and toward a more adaptive, data-driven approach to transit service. This involved a 16-month analysis aimed at evaluating current service patterns and recommending improvements. Jarrett Walker's experience with regional transit systems, including the Morongo Basin Transit Authority (Basin Transit), was a key factor in the selection.

Key factors implemented in the post pandemic era, include:

- Route Renaming and Streamlining: Routes were renumbered and simplified.
- Route 111 Bifurcation: The agency split its busiest route into Route 1EV (East Valley) and Route 1WV (West Valley) to improve reliability and reduce delays.
- Microtransit Expansion: The agency now operates eight microtransit zones across the valley, enhancing flexibility and coverage.

Moreover, the agency officially moved away from the tiered service model that was introduced under the Sunline Refueled initiative, as it transitioned to a standardized service model, eliminating the tiered service levels. This change was driven by the need to simplify public transport and improve reliability. By smoothing out peak service demands—without reducing overall service hours or miles—the agency was able to better manage its limited fleet and operator availability. This adjustment allowed the operations and maintenance teams to deliver more dependable services, ensuring buses were available when scheduled, which was a key concern for the public and bus riders.

Throughout this transition, SunLine maintained a strong commitment to community engagement, continuing to collect rider input through public hearings and outreach events conducted in both English and Spanish. Feedback emphasized the need for faster service and improved infrastructure, such as bus shelters and benches, which aligned with the agency's revised priorities. The resulting system redesign, shaped by years of planning and informed by evolving travel patterns during the COVID-19 pandemic, represents the most significant service overhaul in SunLine's 40-year history and is designed to appeal more strongly to the choice rider market. Community involvement remained robust, with the return of popular events such as *Pack the Bus*, *Fill the Bus*, and *The Haunted Bus*, reinforcing SunLine's commitment to responsive and inclusive service delivery.

The implementation of SunLine's redesigned network was staged over several years, streamlining the route structure from 15 to 9 routes based on land use patterns and continuing through the past three years. The first stage introduced a consolidated fixed-route network. As part of this effort, the Route 10 Commuter Link was established and placed in operation July 2021 to provide weekday service between the California State University, San Bernardino (CSUSB) Palm Desert campus and the main CSUSB campus in San Bernardino, with additional tail end service to Indio and the San Bernardino Metrolink Station. This commuter route was developed in partnership with CSUSB,

which also contributes funding for the service. The final stage of the redesign introduced a microtransit program called SunRide, which began operations in late 2021 and has continued since. Initially launched in four zones within the Coachella Valley, SunRide allows riders to request trips via a smartphone app, offering flexible, on-demand service within each designated zone and connecting passengers to nearby bus stops. Through public feedback regarding this service, the agency included a stop at the local transit hub through this route, which has contributed to increased ridership, especially among students commuting between campuses. Looking ahead, the agency is exploring the possibility of weekend service for this route to further enhance intercity connectivity.

SunLine has since transformed the SunRide program from a 2021 pilot—originally operated in collaboration with local colleges and taxi providers—into a fully outsourced, turnkey service operated by Via. Via now supplies vehicles, drivers, maintenance, and customer service, enabling flexible deployment across eight zones to enhance first/last-mile connectivity and supplement fixed-route services. Although early operations faced management and compliance challenges, the turnkey model has significantly improved operational efficiency and oversight. The agency began reporting microtransit data to the National Transit Database (NTD) in FY 2024 and plans to transition the SunRide fleet to zero-emission vehicles starting in 2025. A labor agreement with the Amalgamated Transit Union (ATU) currently limits service expansion to the existing eight zones, operating Monday through Friday for 13 hours daily. Nonetheless, SunRide remains subject to full performance reporting, including metrics on ridership, cost, and service productivity.

In addition, SunLine has been engaged in the repurpose of its Indio facility. This 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 by engaging 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 indicate no serious issues, as the agency's operations have not observed an impact on their routing efficiency or overall service delivery. This contributes to a net savings to the agency.

SunLine’s Board of Directors approved its Zero Emissions Bus Rollout Plan, 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 production of renewable hydrogen at its fueling station in Thousand Palms and is made possible through partnership with the Southern California Gas Company.

As a recipient of SCAG's Sustainability Award under the Clean Cities – Alternative Fuels and Infrastructure category, the agency is 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 was 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.

SunLine remains a pioneer on the road toward zero-emission transportation and has successfully adopted innovative technology that supports a sustainable greener future. Toward this goal, SunLine is building a fleet entirely of hydrogen fuel cell buses.

In January 2022, SunLine demonstrated its continued commitment to sustainability by piloting a zero-emission hydrogen refueling project in Indio. Although the project showed promise, it did not move forward due to intellectual property issues. That same month, the agency received the Public Awareness Award from Caltrans, recognizing its community engagement efforts. Nevertheless, the agency completed its liquid hydrogen fueling station, now serving as the primary fueling source for its hydrogen bus fleet two years later, in 2024. This transition to liquid hydrogen was driven by reliability, efficiency, and cost-effectiveness.

Later in September 2022, SunLine secured $14 million in funding for bus and bus facility improvements, supporting its mission to modernize and expand transit services. Over the following years, the agency continued its investment in hydrogen infrastructure, transitioning from electric to hydrogen buses due to operational challenges with battery-electric vehicles. Hence, the agency continued its commitment to clean energy by expanding its hydrogen bus fleet to 32 vehicles and transitioned away from the Sunline Refueled initiative, opting for a standardized service model, by 2024 with route renaming, streamlining, and microtransit expansion as key components of this shift.

The following year in May 2023, SunLine hosted a Zero Emission Technology Training Workshop as part of its workforce development efforts. Under its new CEO, the agency rebranded its Center of Excellence as the Workforce Development Center, emphasizing training and development for transit staff.

In August 2023, SunLine was honored with the Outstanding Public Transportation System Award (Small Category) by APTA. Accomplishments contributing to this award include SunLine's leadership in sustainability and clean fuels as a cutting edge innovator in zero-emissions technology; its educational efforts through its Workforce Training Center; the implementation of services that deliver convenience and flexibility for riders including the Haul Pass program that allows local high

school and college students to ride for free as well as the SunRide microtransit service that provides on-demand rideshare transportation in specific Coachella Valley zones. The award also recognized SunLine's outreach programs such as Fill the Bus, the Student Art Contest, and Pack the Bus which enrich members of our community and those in need. Further SunLine is committed to enhanced safety including (1) providing buses to serve as cooling centers for the California Department of Forestry and Fire Protection (CAL FIRE) during wildfires, (2) identifying bus stops with a high population of unhoused individuals to support CVAG as it works to provide resources, and (3) implementing a bus operator training program to raise awareness and identify the signs of potential human trafficking.

Furthermore, although just slightly outside the audit period, in August 2024, the agency secured $500,000 in federal earmark funding for solar microgrid projects. This initiative reflects a strategic push to advocate transit funding and strengthen relationships with federal representatives. The Coachella Transit Hub was completed in October 2024, funded through an Affordable Housing and Sustainable Communities grant in partnership with the City of Coachella. Additionally, the agency was awarded $614,000 from the Transit and Intercity Rail Capital Program (TIRCP) funds for a contactless fare payment solution in the same year with an endowment facilitated by Cal-ITP.

Fare policy remains under review, with potential increases and fare capping under consideration. SunLine has updated its fare collection and cash reconciliation process while planning for future fare system improvement. The $1.00 base fare—the lowest among its peers—has not changed since 2002, with fares contributing only three percent of operating expenses. Monthly passes and student "Hall Pass" programs make up most fare usage, contributing to a continued decline in cash payments.

During the audit period, SunLine transitioned from fully in-house cash handling to an outsourced model. Previously, two part-time staff managed coin room operations, but by FY 2022–2023, cash counting was contracted to Sectran Security, an outsourced cash management service. SunLine staff are now responsible for emptying fareboxes and bag the cash for armored transport, while reconciliations are performed against GFI (General Farebox Information) reports, with an acceptable variance of about five percent. Looking forward, SunLine is pursuing new fare technologies using its $614,000 in TIRCP funding to introduce contactless payments which will enable fare capping—charging riders per trip until they reach the cost of a monthly pass. This initiative, along with a planned fare structure review in the upcoming COA, will support SunLine's efforts to modernize its fare system and maintain compliance with TDA farebox recovery requirements.

Financial systems were enhanced with Tyler ERP's project accounting module, improving grant tracking and budget oversight. Procurement was modernized with PlanetBids, increasing vendor engagement and transparency. Risk management efforts included infrastructure upgrades, safety peer reviews, and the implementation of a new backup generator.

Dispatch operations and training protocols were refined, with new technologies and safety measures implemented. Operator morale improved through amenities, town halls, and successful labor negotiations. The split of Route 1 improved service reliability, and Commuter Link 10 saw

strong ridership. Paratransit performance remained stable, with adjustments made to accommodate increased demand.

SunLine and Omnitrans executed a mutual aid memorandum of agreement in February 2022 that should SunLine experience an interruption or road call during the course of service provision in the Omnitrans service area, it may be more timely and more cost-effective for Omnitrans to respond to the incident. Services may include, but are not limited to, the temporary provision of Omnitrans' labor and/or contractors, installation of temporary signage, equipment including rolling stock, transit supervisor assistance/investigation services, coach operator services, maintenance services, tow services, bus storage, parts, and/or fuel. The services provided by Omnitrans under this MOU have a not-to-exceed amount of $25,000 for the duration of this MOU. SunLine has a similar MOU for mutual aid with Palo Verde Valley Transit Authority.

One of the most pressing challenges was the electrolyzer outage in late 2023, which exposed deficiencies in the hydrogen dispensing system. Although hydrogen production continued, the inability to dispense fuel at scale significantly impacted fleet availability. To maintain service, SunLine had to rely on legacy equipment and lease additional buses, underscoring the need for more resilient systems. The agency also leased buses from Complete Coach Works (CCW) for one year and purchased 15 used but serviceable buses from Riverside Transit Agency (RTA). Furthermore, to address these operational challenges, the hydrogen buses were fueled using legacy Steam Methane Reforming (SMR) equipment that is still currently on site. However, this approach was time consuming and inefficient due to heat buildup and limited cooling capacity. At the same time, the agency faced operating cost surges due to spikes in fuel prices, labor adjustments, and rising insurance premiums, putting pressure on the agency's budget and financial planning.

SunLine, Desert Community College District (DCCD), and CSUSB-Palm Desert Campus continued their engagement with the Haul Pass program where enrolled students who reside in the Coachella Valley may swipe their student ID on-board fixed-route buses and ride for no charge. The colleges provide the funding to SunLine to cover their respective program costs. When SunLine was offering free rides during COVID and students were not attending class in-person, the program was temporarily suspended by mutual agreement. When SunLine reinstated bus fares in late Spring 2021, an amendment to the CSUSB agreement was executed to re-engage the Haul Pass program at the beginning of this audit period to coincide with classrooms reopening. The existing DCCD amendment was still in effect and SunLine honored student IDs; subsequently, the program was extended by another amendment with DCCD in Fall of 2022. A grant from California's Low Carbon Transit Operations Program (LCTOP) program expanded the Haul Pass on August 1, 2021, to provide free local service to all high school students in grades 9 to 12 who apply on SunLine's website.

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 digitally 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.

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, with exception of FY 2023 for fixed route. The fixed-route on-time performance goal was 85 percent in FYs 2022, 2023, and 2024. For fixed-route, average on-time performance was 86.4 percent in FY 2022; 82.1 in FY 2023; and 89.2 in FY 2024. SunLine noted that certain routes had issues with meeting the on-time goal due to roadway barriers along the routes that cause deviations. For example, Routes 4 and 6 did not meet their service standard goal due to continuous road work at Gene Autry Trail and Vista Chino in Palm Springs and Fred Waring at Warner Trail in Palm Desert. The demand-response on-time performance target was 85 percent in FYs 2022, 2023, and 2024. For demand-response, average on-time performance was 85.9 percent in FY 2022; 88.8 in FY 2023; and 89.0 percent in FY 2024.[2] Demand response on-time is measured by SunLine when the rider is picked up within 30 minutes of the scheduled pick-up time, which is within industry standard.

Personnel

As part of the review of SunLine's workforce structure and labor relations, the agency currently employs approximately 345 staff members across various operational and administrative functions. This workforce is represented by two distinct labor unions: the Amalgamated Transit Union (ATU) Local 1277, which covers operators, mechanics and other maintenance positions, and SunLine Services Group; and the Teamsters which represent administrative and supervisory personnel, including field supervisors, controllers, safety staff, customer service representatives, and select finance roles.

In the maintenance division, SunLine has about 20 mechanics which fill its budgeted positions. In FY 2022, the agency moved the Maintenance Advanced Tech Supervisor to the Performance office. This position reflected SunLine's strategic shift toward modernized bus technologies.

On the operations side, SunLine employs between 160 to 165 full-time fixed-route operators, alongside about 40 full-time paratransit drivers. Part-time operator and paratransit positions also exist with much lower headcounts. Full-time employee status suggests a commitment to workforce stability and service reliability. This staffing configuration, along with the dual-union representation, illustrates SunLine's efforts to align labor resources with both traditional transit operations and emerging technological demands.

In 2021, labor negotiations with the ATU were notably protracted but ultimately resolved. The prior collective bargaining cycle was extended for more than a year, during which the agency continued operations under the terms of the existing agreement. The proposed contract was rejected by union

[2] Source: SunLine Transit Monthly Fixed Route Charts, and Monthly Paratransit Charts

membership multiple times, prolonging the negotiation period. During FY 2022, no scheduled wage adjustments were implemented. Upon eventual ratification, the ATU agreement covering the period April 1, 2022, through March 31, 2025, incorporated a higher wage increase in its first year to account for the missed adjustment year; however, this increase was applied prospectively rather than retroactively. This structure resulted in lower-than-typical labor costs in FY 2022 and a corresponding spike in FY 2023 as compensation levels were realigned. Article G-29 of the MOU provides a breakdown of hourly compensation based on job classification.

The finalized agreement also included retention bonuses, funded through competitive American Rescue Plan Act (ARPA) allocations. Tenure-based bonuses were awarded to existing employees, with additional incentives structured for continued employment in subsequent years. This initiative was designed to enhance workforce stability and retention.

In 2025, SunLine has made a notable improvement in labor relations and organizational culture with the latest ATU contract passed on the first vote concluded in May 2025. This contract contains a policy update allowing employees to utilize accrued sick leave without disciplinary action, aligning with recent state Senate Bill (SB) mandates. Additionally, SunLine has addressed grievances related to outsourcing vehicle repairs during periods of low bus availability. The agency has emphasized a preference for in-house repairs, demonstrating responsiveness to union concerns and a commitment to maintaining internal capabilities. Moreover, the agency has implemented culture-building initiatives, including town halls and informal "snack talks," to foster open communication and employee engagement.

Moving forward, SunLine is also collaborating with ATU to develop a mentorship program for operators and maintenance staff, supported by a $75,000 grant to reimburse travel costs. This program aims to enhance training, professional development, and retention, with active involvement from shop stewards.

SunLine Transit Agency provides vacation and sick leave benefits to represented employees in accordance with the provisions outlined in the collective bargaining agreements for Teamsters Local 1932 and ATU Local 1277. Both agreements establish tiered vacation accrual structures based on years of service, with the Teamsters MOU outlining tenure-based vacation accruals and annual maximums, and the ATU MOU defining a combined Vacation Time Off (VTO) system that includes both vacation hours and floating holidays, increasing from 144 to 304 hours annually depending on service length.

Sick leave provisions are consistent across both unions, with employees accruing 3.08 hours per 80-hour pay period, up to an annual maximum of 80 hours. The ATU agreement includes additional conditions governing usage, sell-back eligibility, and reporting requirements, while the Teamsters agreement provides standard accrual and usage parameters. These policies collectively establish clear and structured leave benefits for represented employees, aligned with the terms negotiated in each union's MOU. 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.

There is a preference for candidates for driver-operator positions who possess a California Class B commercial license or permit, along with a passenger endorsement and air brake certification, prior to hire. These qualifications are not mandatory. All newly hired operators receive more than 150 hours of combined 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 during the previous triennial and continued throughout this period.

The operations department has continued to implement the reporting protocols and procedures that have been established between drivers and supervisors. A new employee orientation protocol has been 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 in workers' compensation claims as older cases have fallen off. The SunLine employee manual was last updated in April 2023, pursuant to a prior audit recommendation, which incorporates the latest policies as well as rescinds others 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, and V-3 show performance metrics for SunBus, SunDial/SunRide, and SolVan services, respectively.

Table V-1
SunBus Transportation Performance Indicators

Operations Data	Base Year FY 2021	Audit Review Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Cost for Operations	$14,042,099	$14,679,966	$14,954,015	$15,341,816	9.3%
Operator Salaries and Wages	$6,537,145	$6,608,057	$6,434,659	$7,286,948	11.5%
Operator Pay Hours	295,947	266,990	254,564	261,943	-11.5%
Vehicle Service Hours (VSH)	192,663	188,049	183,174	181,582	-5.8%
Vehicle Service Miles (VSM)	2,921,255	2,978,952	2,905,526	2,660,900	-8.9%
Total Vehicle Hours	208,966	205,158	199,205	196,903	-5.8%
Total Vehicle Miles	3,405,858	3,528,335	3,423,771	3,126,089	-8.2%
Unlinked Passenger Trips	2,000,077	2,180,106	2,559,429	2,585,788	29.3%
Passenger Miles	12,102,290	18,748,912	21,507,123	19,864,009	64.1%
Performance Indicators					
Veh Ops Cost per VSH	$72.88	$78.06	$81.64	$84.49	15.9%
Veh Ops Cost per VSM	$4.81	$4.93	$5.15	$5.77	19.9%
Veh Ops Cost per Psgr Trip	$7.02	$6.73	$5.84	$5.93	-15.5%
Veh Ops Cost per Psgr Mile	$1.16	$0.78	$0.70	$0.77	-33.4%
Avg Wage per Operator Pay Hour	$22.09	$24.75	$25.28	$27.82	25.9%
VSH per Operator Pay Hour	0.65	0.70	0.72	0.69	6.5%
VSM per Operator Pay Hour	9.87	11.16	11.41	10.16	2.9%
Service Miles per Service Hour	15.2	15.8	15.9	14.7	-3.4%
Service Hours / Total Hours	92.2%	91.7%	92.0%	92.2%	0.0%
Service Miles / Total Miles	85.8%	84.4%	84.9%	85.1%	-0.8%
Avg Psgr Miles per Psgr Trip	6.1	8.6	8.4	7.7	27.0%
Passengers per Vehicle Service Hour	10.4	11.6	14.0	14.2	37.2%
On-Time Performance	90.5%	86.4%	82.1%	89.2%	-1.4%
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Preventable accidents data not available.
Source: NTD Reports, Monthly Performance Indicator Report

The increase in operations cost over the base year, coupled with decreases in service hours and miles, influenced the performance indicators such as cost per vehicle hour and per vehicle mile, increasing by 15.9 percent and 19.9 percent, respectively.

SunBus operations costs saw notable changes over the triennial period, increasing by 9.3 percent. From 2021 to 2024, operator Salaries and Wages rose by 11.5 percent nominally, but real wages declined in 2022 and 2023 as CPI increases (7.30 percent and 3.90 percent) surpassing wage changes (+1.08 percent and −2.62 percent). However, the FY 2024 Salaries and wages' increased by 13.25 percent, exceeding inflation (3.10 percent) and restoring the purchasing power. This trend reflects

a delayed wage adjustment in response to inflationary pressures and evolving labor market conditions.

The decrease 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 decreasing by 15.5 and 33.4 percent, respectively.

Table V-2
SunDial/SunRide Transportation Performance Indicators

Operations Data	Base Year FY 2021	Audit Review Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024[3]	
Cost for Operations	$4,051,895	$3,950,546	$4,282,438	$5,094,003	25.7%
Vehicle Service Hours (VSH)	54,113	53,828	56,641	76,941	42.2%
Vehicle Service Miles (VSM)	732,186	807,081	842,327	984,877	34.5%
Total Vehicle Hours	64,192	61,520	67,775	85,879	33.8%
Total Vehicle Miles	946,875	992,697	1,064,019	1,221,357	29.0%
Unlinked Passenger Trips	71,129	101,589	110,154	141,927	99.5%
Passenger Miles	568,982	994,482	1,107,684	1,278,471	124.7%
Performance Indicators					
Veh Ops Cost Per VSH	$74.88	$73.39	$75.61	$66.21	-11.6%
Veh Ops Cost Per VSM	$5.53	$4.89	$5.08	$5.17	-6.5%
Veh Ops Cost Per Psgr Trip	$56.97	$38.89	$38.88	$35.89	-37.0%
Veh Ops Cost Per Psgr Mile	$7.12	$3.97	$3.87	$3.98	-44.0%
Service Miles Per Service Hr	13.5	15.0	14.9	12.8	-5.4%
Service Hours / Total Hours	84.3%	87.5%	83.6%	89.6%	6.3%
Service Miles / Total Miles	77.3%	81.3%	79.2%	80.6%	4.3%
Avg Psgr Miles per Psgr Trip	8.0	9.8	10.1	9.0	12.6%
Passengers per Vehicle Service Hour	1.3	1.9	1.9	1.8	40.3%
On-Time Performance	96.9%	85.9%	88.8%	89.0%	-8.2%
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Preventable accidents data not available.
Source: NTD Reports, Monthly Performance Indicator Report

Dial-A-Ride operations costs increased by 25.7 percent over the triennial period, which includes the operations costs for SunRide microtransit service in FY 2024. With larger increases in vehicle service hours and miles compared to cost, performance indicators such as cost per vehicle hour and per vehicle mile experienced declines with decreases of 11.6 percent and 6.5 percent, respectively. Operations cost declines also resulted on a per passenger trip and per passenger trip mile basis, given the rapid growth in passenger indicators relative to cost.

[3] SunRide microtransit performance indicators are included in FY 2024.

Since SunLine's microtransit service, branded as SunRide, went into effect in FY 2021. However, NTD reports do not provide data for the service until FY 2024. During that fiscal year, operations cost was $431,784, delivering 18,529 service hours and 118,035 service miles, supporting 83,528 passenger miles. The cost efficiency was $23.30 per service hour and $3.66 per service mile. These figures provide a baseline for evaluating future cost trends and operational productivity.

Table V-3
SolVan VanPool Transportation Performance Indicators

Operations Data	Base Year FY 2021	Audit Review Period			% Change FY 2021- 2024
		FY 2022	FY 2023	FY 2024	
Cost for Operations	$42,030	$55,289	$53,209	$53,196	26.6%
Vehicle Service Hours (VSH)	3,613	4,014	3,962	4,367	20.9%
Vehicle Service Miles (VSM)	191,601	193,044	190,868	227,419	18.8%
Total Vehicle Hours	3,613	4,014	3,962	4,367	20.9%
Total Vehicle Miles	191,501	193,044	190,868	227,419	18.8%
Unlinked Passenger Trips	16,028	17,110	19,948	23,739	48.1%
Passenger Miles	929,468	907,071	1,059,616	1,273,279	37.0%
Performance Indicators					
Veh Ops Cost Per VSH	$11.63	$13.77	$13.43	$12.18	4.7%
Veh Ops Cost Per VSM	$0.22	$0.29	$0.28	$0.23	6.6%
Veh Ops Cost Per Psgr Trip	$2.62	$3.32	$2.67	$2.24	-14.5%
Veh Ops Cost Per Psgr Mile	$0.05	$0.06	$0.05	$0.04	-7.6%
Service Miles Per Service Hr	53.0	48.1	48.2	52.1	-1.7%
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	58.0	53.0	53.1	53.6	-7.5%
Passengers per Vehicle Service Hour	4.4	4.3	5.0	5.4	22.5%
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Preventable accidents data and on-time performance data not available.
Source: NTD Reports

SolVan vanpool operations costs increased by 26.6 percent over the triennial period. Due to the significant increase in vehicle service hours, miles, and operational cost, performance indicators such as cost per vehicle hour increase by 6.6 percent and cost per vehicle miles increased 7.4 percent. In 2024, SunLine transferred the SolVan program to the RCTC VanClub program, as the VanClub program expanded into the Coachella Valley and eastern Riverside County. The consolidation helped streamline services and enhance the efficiency of vanpool operations across Riverside County, thereby providing commuters with a larger pool of potential ridesharing companions.

Maintenance

SunLine maintains a revenue fleet consisting primarily of CNG, hydrogen fuel cell, and electric vehicles. This includes the addition to ten 2020 New Flyer CNG and five 2021 New Flyer hydrogen 40-foot fixed route buses, eight 2020 ARBOC Freedom buses used for paratransit, and two 2020 MCI coaches for the Route 10 Commuter Link. During this audit period, the agency has expanded its hydrogen-powered fleet to 32 buses and purchased 15 used buses from RTA during the electrolyzer issue.

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 operates 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.

The agency fleet also includes older models from 2008, some of which have accumulated over a million miles, as well as 2020 models that are currently undergoing mid-life refreshes from extensive use. Most of these buses are manufactured by New Flyer. For paratransit and microtransit services, SunLine operates ADA-accessible vans and is in the process of integrating previously leased SunRide-branded vehicles into its paratransit operations. Furthermore, two new zero-emission electric vehicles are expected to be added to the microtransit fleet in the near future.

During the audit, it was observed that the agency's primary maintenance facility—now over three decades old—no longer meets the operational demands of a modern transit fleet. The building lacks air conditioning, creating an extremely uncomfortable working environment for maintenance staff, particularly during periods of high heat. This has raised concerns regarding both employee well-being and overall productivity during summer months. Moreover, the facility was not originally designed to accommodate the technological and spatial requirements of hydrogen or electric buses, which are increasingly becoming part of the agency's fleet.

In response to this misalignment, the agency has prioritized the development of a new, state-of-the-art maintenance facility. The proposed site, located directly behind the existing administration building, will not only address current deficiencies but also enable the repurposing of the existing maintenance area into additional bus parking—an operational improvement given the agency's growing service demand.

Additionally, the audit found that the parts storage system is severely constrained as the current parts room is housed in an aging trailer, with overflow inventory stored in multiple shipping containers. This fragmented storage approach is a direct result of limited space and the need to maintain a broader inventory to support a more diverse fleet. As a result, the agency's parts inventory has grown significantly, with current values approaching $2 million.

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 the Orange County Transportation Authority's apprenticeship program. The new unionized classification of Maintenance Advanced Tech Supervisor to address the shift to new bus technologies was retitled and moved to the Performance office.

In addition to the collaboration with the Orange County Transportation Authority (OCTA) apprenticeship program for the junior-level mechanics, other training initiatives with California Transit Training Consortium, Zed Tech supported the agency this past three years in advancing the formalization and expansion of mechanic training programs—particularly in high-voltage systems for zero-emission buses—with the long-term objective of achieving college-level accreditation. In addition, several mechanics on staff have been through the Automotive Service Excellence certification program.

The SunLine Vehicle Maintenance Plan was updated in January 2025, and the agency continued the update of this January of every year. 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 was utilized through FY 2024 for PMI tracking and forecasts each category of preventative maintenance scheduled.[4] 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 for non-electric engines. 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 mileage window before they are due, as summarized in Table V-4.

Table V-4
SunLine Transit Agency
PMI Schedule

PM Type	PM Due Mileage	Forecast Mileage	Completion Window
Fixed Route			
APM	6,000	5,400	5,400 to 6,600
BPM	12,000	11,400	11,400 to 12,600
CPM	24,000	23,400	23,400 to 24,600
DPM	48,000	47,400	47,400 to 48,600
Dial-A-Ride			
APM	6,000	5,400	5,400 to 6,600
BPM	12,000	11,400	11,400 to 12,600
CPM	24,000	23,400	23,400 to 24,600

Source: SunLine Transit Agency

[4] FleetNet was replaced by Hexagon EAM following the audit period.

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-5, V-6, and V-7 show performance metrics for SunBus, SunDial/SunRide, and VanPool, respectively.

Table V-5
SunBus Maintenance Performance Indicators

Maintenance Data	Base Year	Audit Review Period			% Change
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2021-2024
Cost for Maintenance	$5,781,209	$5,627,023	$6,565,022	$7,825,758	35.4%
Maintenance Pay Hours	80,629	73,120	81,194	83,548	3.6%
Total Vehicle Hours	208,966	205,158	199,205	196,903	-5.8%
Total Vehicle Miles	3,405,858	3,528,335	3,423,771	3,126,089	-8.2%
Active Vehicles	89	84	86	88	-1.1%
Peak Vehicles	52	60	47	47	-9.6%
Total Vehicle Failures	517	530	358	531	2.7%
Performance Indicators					
Maintenance Cost per Veh Hour	$27.67	$27.43	$32.96	$39.74	43.7%
Maintenance Cost per Veh Mile	$1.70	$1.59	$1.92	$2.50	47.5%
Maintenance Cost per Active Veh	$64,957	$66,988	$76,337	$88,929	36.9%

Maintenance Data	Base Year	Audit Review Period			% Change
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2021-2024
Veh Hours per Maint Pay Hour	2.59	2.81	2.45	2.36	-9.1%
Veh Miles per Maint Pay Hour	42.24	48.25	42.17	37.42	-11.4%
Veh Hours per Active Vehicle	2,348	2,442	2,316	2,238	-4.7%
Veh Miles per Active Vehicle	38,268	42,004	39,811	35,524	-7.2%
Veh Miles Between Failures	6,588	6,657	9,564	5,887	-10.6%
Spare Ratio	71.2%	40.0%	83.0%	87.2%	22.6%
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Source: NTD Reports

Maintenance costs for SunBus increased from $5.7 million in FY 2021 to $7.8 million in FY 2024, a 35.4 percent increase. The number of vehicle failures reported by SunLine to the FTA increased by 2.7 percent over the audit period, going from 517 failures in FY 2021 to 531 failures in FY 2024, though it is noted the number of failures declined to 358 in FY 2023. Maintenance costs using performance metrics such as cost per vehicle hour and per vehicle mile increased by 43.7 percent and 47.5 percent, respectively, due to the increasing cost trend.

In addition, miles between failures decreased by 10.6 percent during the audit period, which is a negative trend, going from 6,588 miles in FY 2021 to 5,887 miles in FY 2024, but noting 9,564 miles between failures in FY 2023. The figures still met the agency's performance goal of 5,000 miles between failures.

Table V-6
SunDial/SunRide Maintenance Performance Indicators

Maintenance Data	Base Year	Audit Review Period			% Change
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2021-2024
Cost for Maintenance	$1,184,127	$1,128,973	$1,227,055	$1,626,805	37.4%
Total Vehicle Hours	64,192	61,520	67,775	85,879	33.8%
Total Vehicle Miles	946,875	992,697	1,064,019	1,221,357	29.0%
Active Vehicles	39	37	37	50	28.2%
Peak Vehicles	29	28	28	35	20.7%
Total Vehicle Failures	49	72	63	64	30.6%
Performance Indicators					
Maintenance Cost Per Veh Hour	$18.45	$18.35	$18.10	$18.94	2.7%
Maintenance Cost Per Veh Mile	$1.25	$1.14	$1.15	$1.33	6.5%
Maintenance Cost Per Active Veh	$30,362	$30,513	$33,164	$32,536	7.2%
Veh Hours Per Active Vehicle	1,646	1,663	1,832	1,718	4.4%
Veh Miles Per Active Vehicle	24,279	26,830	28,757	24,427	0.6%
Veh Miles Between Failures	19,324	13,787	16,889	19,084	-1.2%
Spare Ratio	34.5%	32.1%	32.1%	42.9%	24.3%

Maintenance Data	Base Year	Audit Review Period			% Change
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2021-2024
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Source: NTD Reports

Maintenance costs for demand response increased 37.4 percent during the audit period, inclusive of SunRide microtransit cost of $145,694 in FY 2024. FY 2024 was the first year of NTD reporting for this mode. Maintenance cost performance metrics such as cost per vehicle hour and per vehicle mile both increased marginally, by 2.7 percent and 6.5 percent, respectively. Maintenance cost per active vehicle increased by 7.2 percent over the audit period. Vehicle miles between failures decrease slightly by 1.2 percent over the three-year period from 19,324 in FY 2021 to 19,084 in FY 2024.

Table V-7
Vanpool Maintenance Performance Indicators

Maintenance Data	Base Year	Audit Review Period			% Change
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2021-2024
Cost for Maintenance	$4,522	$5,734	$6,836	$8,130	79.8%
Total Vehicle Hours	3,613	4,014	3,962	4,367	20.9%
Total Vehicle Miles	191,501	193,044	190,868	227,419	18.8%
Active Vehicles	6	7	7	7	16.7%
Peak Vehicles	6	7	7	7	16.7%
Total Vehicle Failures	0	0	0	1	--
Performance Indicators					
Maintenance Cost Per Veh Hour	$1.25	$1.43	$1.73	$1.86	48.7%
Maintenance Cost Per Veh Mile	$0.02	$0.03	$0.04	$0.04	51.4%
Maintenance Cost Per Active Veh	$754	$819	$977	$1,161	54.1%
Veh Hours Per Active Vehicle	602	573	566	624	3.6%
Veh Miles Per Active Vehicle	31,917	27,578	27,267	32,488	1.8%
Veh Miles Between Failures	--	--	--	227,419	--
Spare Ratio	0.0%	0.0%	0.0%	0.0%	--
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Source: NTD Reports

Maintenance costs for SunLine's SolVan vanpool service increased significantly by 79.8 percent during the audit period, in contrast to the number of active vehicles increasing by 16.7 percent over the same time period. Maintenance cost performance metrics such as cost per vehicle hour and per vehicle mile both increased significantly, by 48.7 percent and 51.4 percent, respectively. Maintenance cost per vehicle increased by 54.1 percent from FY 2021 to FY 2024. SunLine

transferred the SolVan program to the RCTC VanClub program in 2024 as the VanClub program expanded into the Coachella Valley and eastern Riverside County.

Planning

SunLine prepares a Short-Range Transit Plan (SRTP) on an annual basis as part of the funding requirements of RCTC. The SRTP covers a three-year planning horizon and establishes objectives for the agency's transit services and capital improvement program. 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 like CSUSB, College of the Desert (COD), and the Torres Martinez Desert Cahuilla Indians.

One of the most significant procedural enhancements has been the overhaul of the SRTP update process. The planning departments now submit project proposals through an online form, detailing scope, timelines, cost estimates, and justifications. These submissions are compiled and reviewed by the executive team, prioritized based on resource availability, and finalized with CEO concurrence. This structured approach has improved transparency and alignment across departments.

SunLine has also adopted a forward-looking service planning model, described internally as planning "two bids ahead." This allows the agency to prepare for future service changes well in advance, ensuring adequate time for internal review, bus stop modifications, and timely production of rider guides.

Community engagement and interagency collaboration have become central to SunLine's planning strategy. The agency works closely with local jurisdictions and CVAG on multimodal initiatives, including enhancements to bike infrastructure and the CV Link active transportation pathway. Notable infrastructure projects include the Coachella Hub—a joint venture with Cathedral City that provides operator amenities—and ongoing discussions for a new major time point at B Street and Buddy Rogers, envisioned as part of a mixed-use development with potential private and affordable housing components.

SunLine has also supported Desert Hot Springs in its grant application for a multimodal hub near City Hall and the local high school, with potential coordination with the Basin Transit to improve service frequency. The agency has committed to serving this future hub. In parallel, SunLine is engaged with Palm Springs International Airport to ensure transit accessibility amid planned expansions, with quarterly coordination meetings scheduled to prepare for major events such as the World Cup and Olympics.

The planning department is also responsive to regional economic development. Transit needs are being evaluated in light of new developments, including an Amazon fulfillment center and a business park in Desert Hot Springs. Discussions are underway to provide service to the new Acrisure Arena,

which hosts large-scale events. While traffic congestion presents challenges, SunLine is exploring marketing partnerships to promote transit use among event attendees.

In 2024, 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. Plan updates and agency self-certification confirming compliance is required annually.

The updated plan clarified definitions, committee responsibilities, and introduced a Safety Risk Reduction Program, along with processes for setting and tracking safety performance targets. This plan serves as the foundation for all safety initiatives. It integrates with the agency's Safety Risk Management process, primarily managed through Vector Solutions, which tracks hazards, incidents, and corrective actions, promoting transparency and continuous safety improvement.

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-effective 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 link to the Transit App, which helps riders monitor the bus system and schedule their next ride. The app provides riders with a real-time bus tracking system powered by global positioning system technology. As a result, the discontinuity of the agency refueled initiative, SunLine adopted a more adaptive, data-driven approach to transit planning, grounded in present-day realities, and aligned with anticipated regional growth. The agency continued service redesign including the 10 Commuter Link, SunRide rideshare service, and the consolidated fixed route network.

SunLine publishes a bilingual (English/Spanish) consolidated timetable or Rider's Guide of its routes which a primary communication tool for the public regarding services. 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.

The planning team places emphasis on ensuring the timely availability of Rider's Guides when considering proposed service changes and amendments to bus stops. This is an integral part of their process to streamline operations and provide sufficient time for reviewing and disseminating information about service modification. This approach is particularly relevant given past service adjustments, such as the *Sunline Refueled* initiative which involved renaming routes and bifurcating major routes like Route 111, changes that would necessitate comprehensive updates to a Rider's Guide as it must accurately reflect the current service offerings.

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.

Service modernization plays a dual role in SunLine's marketing efforts. Operational improvements—such as route restructuring, the introduction of microtransit services, and technology upgrades—are not only designed to enhance the rider experience but also function as promotional assets. By visibly investing in service quality, SunLine communicates its dedication to innovation and responsiveness, which strengthens its brand and encourages rider loyalty.

SunLine's use of data-driven feedback mechanisms reflects a mature and responsive marketing model. Rider surveys and social media monitoring provide real-time insights into public sentiment, enabling the agency to adjust its strategies based on actual user experiences. This feedback loop is essential for maintaining service relevance and addressing concerns proactively.

SunLine utilizes various social media platforms including 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 1EV/1WV 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 SunRide App, which allows passengers to book a ride on SunRide. 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. There has been a greater emphasis on Spanish language outreach, particularly in the East Valley.

SunLine previously produced an annual report highlighting the agency's accomplishments and activities for the past year. The annual report was 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. The last annual report was published five years ago. 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, OCTA, 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.

The agency's marketing efforts are carefully tailored to reach a diverse set of target audiences. Students benefit from programs like the Commuter Link 10 and the Haul Pass initiative, which reduces financial barriers and promotes transit use among young riders. The general public and current riders are retained through reliable service and responsive communication, while potential new riders are drawn in by expanded service areas, improved digital tools, and fare innovations. Vulnerable populations are supported through awareness campaigns, such as the anti-human trafficking initiative, and seniors and individuals with disabilities receive specialized travel training to ensure safe and independent transit use.

SunLine's branding and public image have been significantly bolstered by recent accolades, including the Caltrans Excellence in Public and Transit Award and the APTA Outstanding Public Transportation System Award. These recognitions validate the agency's efforts and enhance its credibility. A new website launched in 2025 further improves SunLine's digital presence, offering streamlined features and maintaining ADA compliance and bilingual accessibility. Social media platforms are actively used to engage the public, with metrics such as impressions and engagement time guiding content strategy.

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. For the audit period, systemwide customer feedback data was available in TransTrack Manager only for FY 2021-22. For that year, total customer complaints were 346. With unlinked trips totaling 2,281,817 that year, the performance indicator of complaints per 100,000 passenger trips was 15.16. For comparison, in the base year FY 2021, complaints totaled 243 for 2,087,234 unlinked trips, resulting in complaints per 100,000 passenger trips of 11.64. Also, SunLine reported complaints separately for SunDial for the three-year audit period, shown in Table V-8.

Table V-8
SunDial Customer Complaints

Customer Complaint Data	Audit Review Period			% Change
	FY 2022	FY 2023	FY 2024	FY 2022-FY 2024
Unlinked Passenger Trips	101,589	110,154	119,492	17.6%
Complaints	153	116	85	-44.4%
Complaints per 1,000 Psgr Trips	1.5	1.1	0.7	-52.6%

Sources: SunLine Monthly Paratransit Customer Complaints

The total number of complaints and the number of complaints per 100,000 passenger trips decreased by 44.4 percent and 52.6 percent respectively from FY 2022 to FY 2024.

Throughout the audit period, the Marketing department undertook multiple marketing campaigns, increasing SunLine's visibility and involvement in the community. Such campaigns include:

- "Fill the Bus" Food Drive, November (Annually). A recurring community event aimed at collecting food donations to support families in need during the holiday season.

- "Haunted Bus" Event, Halloween Season (Annually). A themed event held in partnership with the City of Palm Springs, revived after a COVID-related pause, to engage the community in a festive and fun way.

- Public Awareness Award from Caltrans, January 2022. SunLine was recognized with the Public Awareness Award as part of the 2021 Excellence in Public and Transit Awards for its outstanding communication and outreach efforts.

- Implementation of Swiftly and Transit App, Early 2025. SunLine rolled out these mobile applications to enhance trip planning and real-time transit information for riders.

- Strategic Focus on Customer Experience, Fiscal Year 2026. As part of its strategic priorities, SunLine began a comprehensive initiative to improve the rider journey, in collaboration with Insight Strategies.

- Launch of New Website, Summer 2025. A redesigned, ADA-compliant, and bilingual website aimed at improving digital communication and accessibility.

- Rollout of Mystery Rider Program, September 2025. A new internal quality assurance initiative where staff ride buses anonymously to evaluate operator performance, safety, and cleanliness.

- Launch of Anti-Human Trafficking Awareness Campaign, September 2021. SunLine introduced a campaign in collaboration with local organizations to raise awareness and train operators on identifying and responding to human trafficking. Funded by an FDA grant.

- 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 are usually held on the fourth 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 chairperson 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.

In this post-COVID era, all meetings have been resumed to in-person in the Board Room at the SunLine Transit Agency Thousand Palms Administration Building located at 32-505 Harry Oliver Trail. 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

ACCESS Advisory Committee. The committees have been more empowered and engaged by bringing more items before the Board.

The time gap between the departure of the previous Chief Executive Officer/General Manager and the hiring of the next Chief Executive Officer/General Manager was about six months between February and August 2023. During this time, an interim General Manager was contracted to manage the agency and develop a strategic plan for the year. The interim GM was already familiar with the agency and had worked earlier with the Controller/Assistance Chief Financial Officer. Restructuring efforts have been ongoing over the past two audit periods and include the creation of new positions and adjustments to which departments report to each chief. Table V-9 lists these senior positions during the end of the audit period, which were filled through hirings and promotions announced in April 2024, as well as shortly after from changes implemented by the new Chief Executive Officer/General Manager.

Table V-9
SunLine Leadership Structure Changes

During Audit Period	Transition to Next Audit Period
Chief Executive Officer/General Manager	Chief Executive Officer/General Manager
Chief Financial Officer	Chief Financial Officer
Chief Safety Officer	Chief Safety Officer
Chief of Human Relations	Chief of Human Relations
Chief Transportation Officer	Chief Transportation Officer
Chief of Staff	Chief Planning Officer
Chief Maintenance Officer	Chief Maintenance Officer
Chief of Public Affairs	Chief Capital Projects
Chief of Compliance/Labor Relations (DBELO/EEO)	Chief Administrative Officer

Source: SunLine Transit Agency SRTPs, FY 2024 & 2025

Strategic planning was aligned with budget development, and organizational culture initiatives focused on transparency, communication, and employee engagement. 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 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 to comment on it as an information item, adopted in June, and becomes effective July 1.

The Employee Handbook underwent an update and was presented for approval to the Board Operations Committee and Board of Directors in April 2023. Among the changes, staff and legal provided a revision to Section 7: Separation in the Employee Handbook, which guides SunLine personnel regarding their conduct as employees of SunLine Transit Agency. The modification incorporates the language from the California State Labor law for SunLine to have consistency between the state law and the Employee Handbook.

The agency's most recent FTA triennial review during the audit period was conducted on February 27, 2023 (scoping meeting) with site visits on September 11 and 14, 2023. The final report was completed November 7, 2023. While there were no repeat deficiencies from the FY 2019 Triennial Review, deficiencies were found in five areas including Technical Capacity – Project Management; Satisfactory Continuing Control; Maintenance; general ADA; and Drug and Alcohol Program. Most deficiencies related to insufficient or inadequate oversight of technical contractors, plus property reports not submitted and excessive spare ratio.

Administrative Performance

Tables V-10, V-11, and V-12 show performance indicators for administration relative to SunBus, SunDial/SunRide, and SolVan, respectively.

Table V-10
SunBus Administrative Performance Indicators

Administration Data	Base Year FY 2021	Audit Review Period			% Change FY 2021-FY 2024
		FY 2022	FY 2023	FY 2024	
Administration Costs	$11,699,605	$13,458,489	$15,686,078	$15,180,878	29.8%
Vehicle Service Hours (VSH)	192,663	188,049	183,174	181,582	-5.8%
Vehicle Service Miles (VSM)	2,921,255	2,978,952	2,905,526	2,660,900	-8.9%
Unlinked Passenger Trips	2,000,077	2,180,106	2,559,429	2,585,788	29.3%
Passenger Miles	12,102,290	18,748,912	21,507,123	19,864,009	64.1%
Performance Indicators					
Admin Cost Per VSH	$60.73	$71.57	$85.63	$83.60	37.7%
Admin Cost Per VSM	$4.00	$4.52	$5.40	$5.71	42.5%
Admin Cost per Psgr Trip	$5.85	$6.17	$6.13	$5.87	0.4%
Admin Cost per Psgr Mile	$0.97	$0.72	$0.73	$0.76	-20.9%
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Source: NTD Reports

As shown in the National Transit Database, administrative costs allocated to fixed-route service increased by 29.8 percent during the period between FYs 2022 and 2024, using the base year of FY2021. The increase was due to cost growth in both labor and liability cost items in the NTD report (including insurance premiums). As a result of the increase in administrative costs and decrease in service hours and service miles, performance indicators measured by cost per vehicle hour and per vehicle mile showed significant increases as illustrated by growth in each cost measure. However, administrative cost per passenger trip was relatively flat due to similar increases to both ridership and cost.

Table V-11
SunDial/SunRide Administrative Performance Indicators

Administration Data	Base Year FY 2021	Audit Review Period			% Change FY 2021-FY 2024
		FY 2022	FY 2023	FY 2024	
Costs for Administration	$908,091	$960,049	$978,032	$1,464,604	61.3%
Vehicle Service Hours (VSH)	54,113	53,828	56,641	76,941	42.2%
Vehicle Service Miles (VSM)	732,186	807,081	842,327	984,877	34.5%
Unlinked Passenger Trips	71,129	101,589	110,154	141,927	99.5%
Passenger Miles	568,982	994,482	1,107,684	1,278,471	124.7%
Performance Indicators					
Admin Cost Per VSH	$16.78	$17.84	$17.27	$19.04	13.4%
Admin Cost Per VSM	$1.24	$1.19	$1.16	$1.49	19.9%
Admin Cost per Psgr Trip	$12.77	$9.45	$8.88	$10.32	-19.2%
Admin Cost per Psgr Mile	$1.60	$0.97	$0.88	$1.15	-28.2%
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Source: NTD Reports

Administrative costs allocated to Dial-A-Ride service as shown in the National Transit Database increased by 61.3 percent during the audit period, inclusive of SunRide microtransit cost of $360,754 in FY 2024, the first year of reporting. In addition, the liability cost item for SunDial in the NTD report (including insurance premiums) increased by 35 percent in the past three years. As a result of the increase in costs coupled with increases in vehicle hours, vehicle miles, and ridership, performance indicators measured by cost per vehicle hour and per vehicle mile increase marginally, while cost per passenger and per passenger trip showed a decrease as ridership grew faster than administrative cost for these Dial-A-Ride services.

Table V-12
VanPool Administrative Performance Indicators

Administration Data	Base Year FY 2021	Audit Review Period			% Change FY2021-FY 2024
		FY 2022	FY 2023	FY 2024	
Costs for Administration	$183,365	$211,357	$210,121	$72,321	-60.6%
Vehicle Service Hours (VSH)	3,613	4,014	3,962	4,367	20.9%
Vehicle Service Miles (VSM)	191,501	193,044	190,868	227,419	18.8%
Unlinked Passenger Trips	16,028	17,110	19,948	23,739	48.1%
Passenger Miles	929,468	907,071	1,059,616	1,273,279	37.0%
Performance Indicators					
Admin Cost Per VSH	$50.75	$52.65	$53.03	$16.56	-67.4%
Admin Cost Per VSM	$0.96	$1.09	$1.10	$0.32	-66.8%
Admin Cost per Psgr Trip	$11.44	$12.35	$10.53	$3.05	-73.4%
Admin Cost per Psgr Mile	$0.20	$0.23	$0.20	$0.06	-71.2%

Administration Data	Base Year FY 2021	Audit Review Period			% Change FY2021-FY 2024
		FY 2022	FY 2023	FY 2024	
Percentage Change Consumer Price Index (CPI-U)	3.31%	2.45%	2.85%	8.24%	

Source: NTD Reports

Administrative costs allocated for vanpool service, as shown in the National Transit Database, decreased significantly for the period between FYs 2021 and 2024, as the program was transferred to RCTC. Costs decreased by 60.6 percent over the audit period, while administrative costs per vehicle service hour and vehicle service mile decreased by like amounts exceeding 60 percent. Administrative costs per passenger trip and per passenger mile also decreased significantly over the audit period, by 73.4 percent and 71.2 percent, respectively.

Grants Management

The Capital Improvement Program including grant funding focuses on continuing SunLine's investment in increasing its alternative fuel technology and energy efficient infrastructure as well as aging infrastructure and equipment to make long term investments in operational capabilities, energy strategies, and regulatory compliance by conforming with the California Air Resources Board's (CARB) Innovative Clean Transit mandate.

The ICT regulation requires SunLine to gradually transition to a 100 percent zero-emission bus (ZEB) fleet. As SunLine grows its fleet to provide additional service, it will need to evaluate daily mileage needs and the incremental capital or electricity costs of depot-charging electric buses that cannot be offset by available incentive and funding programs. SunLine is also planning for the new infrastructure needed to support hydrogen production and refueling for its fuel cell buses. It is also evaluating expansion of its satellite facility in Indio to support hydrogen and ZEB fueling and maintenance.

SunLine is working with the Coachella Valley Association of Governments to plan and fund street improvements needed to preserve bus travel times and improve service reliability. These street improvements include TSP measures, queue jumpers, and dedicated bus lanes. Super stops are another capital improvement aimed at enhancing the passenger experience. These stops include enlarged and near-level boarding areas, enhanced shelters, and upgraded amenities. SunLine is also working with its member cities to improve multimodal connections to its fixed route bus service. This includes connections to the Coachella Valley (CV) Link.

The Finance Department oversees grants management and monitors grant activity and milestones. 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. With the upgrade in Tyler

financial systems, the grant summary sheet and financial tracking should be fully transitioned into the Tyler system so that grant statuses and balances remain updated and synchronized with on-going grant activity such as reimbursements, financial data entries, and coordination with grantor agencies as well as RCTC. The grants analyst under Finance should actively monitor each grant through this module, ensuring real-time visibility into allocations, expenditures, and remaining balances.

The grants analyst keeps track of the status of each grant and ensures the sign-off by the project initiation team. This process also involves review and approval of allowable expenditures. The analyst is also responsible for programming projects into the SRTP for submittal to RCTC. SunLine should establish formal project controls procedures once projects and funding are approved in the SRTP by 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.

Operating and capital grant funds are derived from FTA Section 5307 (Urban formula, ARPA), FTA Section 5311 (Rural, ARPA), FTA Section 5311 (f) (Intercity, ARPA), FTA Section 5339, Congestion Mitigation and Air Quality, CARB, California Energy Commission, Air Quality Management District, State Transit Assistance, State of Good Repair, Low Carbon Operating Program, Local Transportation Funds, and Local Measure A funding.

Section VI

Statement of Facts

The following summarizes factual events and trends obtained from this triennial audit covering fiscal years 2022 through 2024. 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 18.77 percent in FY 2022; 18.73 percent in FY 2023; and 18.22 percent in FY 2024. SunLine's farebox recovery ratios based on audited data were 33.26 percent in FY 2022; 32.61 percent in FY 2023; and 33.24 percent in FY 2024[5]. The average annual farebox recovery ratio was 34.16 percent. SunLine exceeded the minimum standard in all three audit years.

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 2022 increased by 0.4 percent, by 12.4 percent in FY 2023, and by 3.0 percent in FY 2024. According to the budget, the increase in FY 2023 was attributed to increased safety and security costs for vanpool and SunRide programs. The vanpool safety and security costs decreased the following fiscal year.

5. SunLine implemented one prior audit recommendations while a second recommendation no longer applied. The first recommendation, pertaining to the update of the employee handbook, underwent an update and was presented for approval to the Board Operations Committee and

[5] 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. AB 149 extends the penalty exemption through FY 2022–23 and authorizes transit operators to include federal grant funds as local funds for the purpose of computing fare revenue ratios. This bill, until July 1, 2026, would exempt an operator from specified requirements related to fare box ratios and eligibility standards for a fiscal year in which the operator expended from local funding, as defined, an amount for transit operations not less than the amount the operator expended from local funding for transit operations during FY 2018–19.

Board of Directors in April 2023. The second recommendation pertained to the coordination of intelligent transportation infrastructure implementation in the Coachella Valley. This recommendation no longer applied as SunLine would not be the agency with final approval and implementation of transit's involvement in the ITS infrastructure. In addition, changes in agency priority by the new SunLine executive team placed a lower priority on this ITS endeavor.

6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 25.5 percent system-wide from $141.98 in FY 2021 to $178.12 in FY 2024. System-wide operating costs based on audited data experienced an increase of 27.3 percent during the audit period, while vehicle service hours increased by 1.4 percent between FY 2021 and FY 2024 systemwide.

7. Operating cost per passenger, an indicator of cost effectiveness, increased 6.1 percent system-wide from $17.12 in FY 2021 to $18.16 in FY 2024. Ridership system-wide increased by 20 percent during the triennial period from 2,088,342 passengers in FY 2021 to 2,505,327 passengers in FY 2024, while operating costs increased by 25.5 percent during that period.

8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 17.6 percent between FY 2021 and FY 2024 system-wide from 8.3 passengers per hour to 9.8 passengers per hour. Fixed-route operations were consistent with this trend, with a rate of increase of 36.6 percent over the same period from 10.4 to 14.2 passengers per hour. SunDial operations exhibited an increase of 55.6 percent, averaging 1.8 passengers per hour. The vanpool service exhibited a 23.5 percent increase in passengers per vehicle service hour over the audit period. This reverses a trend seen during the COVID-19 pandemic where demand-response and vanpool services temporarily lost passengers at a steeper rate than fixed-route services. Microtransit service carried 0.8 passengers per vehicle service hour in FY2024, the inaugural year of this service.

9. Passengers per vehicle service mile, another indicator of service effectiveness, increased 25.8 percent between FY 2021 and FY 2024 system-wide from 0.54 passengers per mile to 0.68 passengers per mile. For fixed-route operations, the number of passengers per service mile increased by 39.1 percent from 0.68 to 0.95. SunDial exhibited a similar increase in passengers per service mile of 41.9 percent during the audit period, from 0.10 in FY 2021 to 0.14 in FY 2024. For vanpool service, the number of passengers per service mile increased 24.7 percent from 0.08 in FY 2021 to 0.10 in FY 2024. Microtransit service carried 0.19 passengers per vehicle service mile in FY2024, the inaugural year of this service. From the FY 2021 base year to FY 2024, system-wide vehicle service miles decreased 4.6 percent system-wide.

10. The original vision of the Refueled initiative was not fully realized due to operational disruptions, resource constraints—including aging fleets—and difficulties in restoring Level 1 (regular) service to pre-pandemic levels. Instead, SunLine adopted a more adaptive, data-driven approach to transit planning, grounded in present-day realities, and aligned with anticipated regional growth. This shift reflects the agency's commitment to responsive and sustainable service delivery in a rapidly evolving transit landscape.

11. SunLine implemented several key service changes in the post-pandemic era to improve efficiency and expand mobility options. The agency streamlined its network by renaming and simplifying routes and enhanced reliability on its busiest corridor by dividing the former Route 111 into two separate services—Route 1EV in the East Valley and Route 1WV in the West Valley. SunLine also significantly expanded its microtransit program, now operating eight zones across the valley to provide more flexible, demand-responsive service.

12. SunLine secured $14 million in funding for bus and bus facility improvements, supporting its mission to modernize and expand transit services. Throughout the following years, the agency continued its investment in hydrogen infrastructure, transitioning from electric to hydrogen buses due to operational challenges with battery-electric vehicles.

13. Fare policy remains under review, with potential increases and fare capping under consideration. SunLine has updated its fare collection and cash reconciliation process while planning for future fare system improvement.

14. One of the most pressing challenges was the electrolyzer outage in late 2023, which exposed deficiencies in the hydrogen dispensing system. Although hydrogen production continued, the inability to dispense fuel at scale significantly impacted fleet availability. To maintain service, SunLine had to rely on legacy equipment and lease additional buses, then purchase 15 used but serviceable buses from Riverside Transit Agency, underscoring the need for more resilient systems.

Recommendations

1. Continue addressing maintenance facility conditions, particularly during summer season.

As described in the functional review section, the agency's primary maintenance facility—now over three decades old—no longer meets the operational demands of a modern transit fleet. The building lacks air conditioning, creating an extremely uncomfortable working environment for maintenance staff, particularly during periods of extreme heat. This has raised concerns regarding both employee well-being and overall productivity during summer months. Lower productivity results and maintenance personnel leave for vacations to escape the high heat. Moreover, the facility was not originally designed to accommodate the technological and spatial requirements of hydrogen or electric buses, which are increasingly becoming part of the agency's fleet.

The agency has prioritized the development of a new, state-of-the-art maintenance facility using a proposed site located directly behind the existing administration building. A study is being conducted for the new facility. Sunline should ensure close coordination with RCTC during the study since funding will need to be secured for the recommended facility. Meanwhile, SunLine should continue prioritizing expenditures, whether capital or O&M, to assure adequate working conditions and equipment at the existing facility. The fleet includes many older vehicles such as from 2008, and mechanics have to be able to maintain the performance goal of a minimum target between service interruptions (road calls) of 5,000 miles, hovering above 6,000 miles during the audit period.

2. Improve grant financial management.

SunLine enhanced its financial systems with Tyler ERP's project accounting module, creating an opportunity to significantly improve grant tracking and budget oversight. To fully leverage this upgrade, the grant summary sheet and financial tracking should be transitioned into the Tyler system so that grant statuses and balances remain updated and synchronized with ongoing activities such as reimbursements, financial entries, and coordination with grantor agencies and RCTC. The grants analyst under Finance should actively monitor each grant through this module, ensuring real-time visibility into allocations, expenditures, and remaining balances. In addition, SunLine should establish formal project controls procedures once projects and funding are approved in the SRTP by RCTC. These controls could include automated compliance calendars, milestone tracking, and internal review checkpoints to verify financial accuracy and readiness for external approvals, such as reimbursement requests.