



CALAVERAS COUNCIL *of* GOVERNMENTS

# FY 2015–2017 TRIENNIAL PERFORMANCE AUDIT OF CALAVERAS TRANSIT



SUBMITTED TO:

**CALAVERAS COUNCIL OF GOVERNMENTS**

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SUBMITTED BY:

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INTERNATIONAL**

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## Section I

### Introduction

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

The Calaveras Council of Governments (CCOG) engaged Michael Baker International (Michael Baker) to conduct the TDA triennial performance audit of the public transit operator under its jurisdiction in Calaveras County. This performance audit is conducted for Calaveras Transit covering the most recent triennial period, fiscal years 2014–15 through 2016–17.

The purpose of the performance audit is to evaluate Calaveras Transit's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates Calaveras Transit's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether Calaveras Transit is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of transit administrative and operational 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 County transit management and with the transit manager from the contract operator, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

### Overview of the Transit System

Calaveras Transit is the regional public transit provider for Calaveras County. Public transit services were initially provided on a demand response basis through the Human Resources Council operating under the name Calaveras Stagecoach. In 1999, CCOG implemented a deviated fixed-route service in addition to Dial-A-Ride under the name of Calaveras Transit operated by a private contractor. In 2004, administrative oversight of the transit service was transferred to the County of Calaveras. The service is currently administered by the Calaveras County Public Works Department and operated under contract by Paratransit Services, Inc., headquartered in Bremerton, Washington. The Calaveras County Equipment Service Center performs maintenance of the vehicles.

Calaveras County is geographically located in the central Sierra Nevada foothills of California adjacent to the San Joaquin Valley and the Sierra Nevada. The county was incorporated on February 18, 1850, as one of California’s 27 original counties. Calaveras County is bordered by Amador County to the north, Tuolumne County to the south, Alpine County to the east, and San Joaquin and Stanislaus Counties to the west. The highest elevation in the county is Corral Ridge at 8,174 feet above sea level. The county’s geographical land area encompasses 1,020 square miles and is traversed by 868 miles of roadway. Major highways include State Routes (SR) 4, 12, 26, and 49. A demographic snapshot of key cities and the county is presented in Table I-1:

**Table I-1  
Calaveras County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	2017 Department of Finance Estimates	Land Area (in square miles)
Angels Camp (City of Angels)	3,836	+27.4%	22.76%	4,020	3.63
Unincorporated Area	41,742	+11.2%	20.82%	41,148	1,016.38
Total Calaveras County	45,578	+12.4%	20.99%	45,168	1,020.01

Source: 2010 U.S. Census, California Department of Finance, 2017 Population Estimates

The community of San Andreas is the county seat and the City of Angels Camp (also known as the City of Angels) is the county’s only incorporated city. Rancho Calaveras is the county’s largest census-designated place with a population of 5,325 based on the 2010 Census. The county experienced notable growth between the 2000 and 2010 US Censuses, particularly in Angels Camp. The county’s senior citizen population, composed of residents aged 65 and over, is about 21 percent. The 2017 population for Calaveras County is estimated to be 45,168 as reported by the California Department of Finance, a slight decline from the 2010 Census figures. Other communities and census-designated places include Arnold, Avery, Copperopolis, Glencoe, Mokelumne Hill, Mountain Ranch, Murphys, Valley Springs, and West Point.

System Characteristics

Calaveras Transit operates six deviated fixed routes serving Calaveras County as well as adjacent counties. Route deviations are available to seniors aged 65 and older and eligible persons with disabilities within 3/4-mile of the regularly scheduled route. All deviations are limited and prioritized on a reservation basis. Flag stops are permitted mid-route between designated bus stops. In addition, interline connections to Amador Transit and Tuolumne County Transit are available on routes to Jackson and Columbia College in Sonora, respectively. During the audit period, the new Delta Gold Line was implemented in January 2016 with service between Calaveras County and Stockton but was terminated toward the end of July 2017.

The transit system operates Monday through Friday from 4:50 a.m. to 8:35 p.m. The service does not operate on weekends and the following holidays: New Year’s Day, Martin Luther King Jr. Day,

Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving, the day after Thanksgiving, Christmas Eve, Christmas, and New Year’s Eve. Holidays falling on weekends are observed on the nearest weekday. The following table contains details of each Calaveras Transit route in place during the audit period, and prior to changes implemented in April 2017.

**Table I-2  
Calaveras Transit Route System  
(prior to route changes in April 2017)**

<b>Route</b>	<b>Description</b>	<b>Frequency/Operation</b>	<b>Destinations</b>
<b>1A</b>	<b>Rancho Calaveras- Vista Del Lago-San Andreas-Angels Camp</b>	Five Bi-directional Trips (Monday through Friday from 5:10 a.m. to 7:35 p.m.)	<ul style="list-style-type: none"> <li>▪ SR 26 &amp; Garner Place</li> <li>▪ Garner Place &amp; Baldwin Street</li> <li>▪ Baldwin Street &amp; Hardwickson Lane</li> <li>▪ Vista Del Lago</li> <li>▪ Daphne Street</li> <li>▪ San Andreas Post Office</li> <li>▪ Government Center</li> <li>▪ Courthouse</li> <li>▪ SR 49 &amp; Demarest Transfer Stop</li> </ul>
<b>1B</b>	<b>Angels Camp- San Andreas- Valley Springs- Burson</b>	Four to Five Bi-directional Trips (Monday through Friday from 7:00 a.m. to 6:10 p.m.)	<ul style="list-style-type: none"> <li>▪ SR 12/Burson (on demand)</li> <li>▪ Daphne Street (Valley Springs)</li> <li>▪ San Andreas Post Office</li> <li>▪ Government Center</li> <li>▪ Courthouse</li> <li>▪ SR 49 &amp; Demarest Transfer Stop</li> </ul>
<b>2</b>	<b>West Point - Rail Road Flat-Mountain Ranch - San Andreas</b>	Two Bi-directional Trips (Monday through Friday from 6:10 a.m. to 8:35 p.m.)	<ul style="list-style-type: none"> <li>▪ West Point Community Hall</li> <li>▪ Glencoe Post Office</li> <li>▪ Rail Road Flat Road &amp; Ridge Road</li> <li>▪ Mountain Ranch Blunder Inn</li> <li>▪ Government Center</li> <li>▪ San Andreas Post Office (on demand)</li> </ul>
<b>2 Mid-Day</b>	<b>San Andreas- Mokelumne Hill-Rail Road Flat</b>	One Bi-directional Trip (Monday through Friday from 3:30 p.m. to 5:10 p.m.)	<ul style="list-style-type: none"> <li>▪ San Andreas Post Office (on demand)</li> <li>▪ Government Center</li> <li>▪ Mokelumne Hill (SR 26 &amp; SR 49)</li> <li>▪ Rail Road Flat Community Hall</li> </ul>

Route	Description	Frequency/Operation	Destinations
			<ul style="list-style-type: none"> <li>▪ Mountain Ranch Blunder Inn</li> </ul>
<b>3</b>	<b>San Andreas-Mokelumne Hill-Jackson</b>	Three Bi-directional Trips (Monday through Friday from 8:20 a.m. to 4:10 p.m.)	<ul style="list-style-type: none"> <li>▪ Government Center</li> <li>▪ SR 49/Black Bart Motel</li> <li>▪ Mobile Home Park-Gold Strike Road</li> <li>▪ Mokelumne Hill (SR 26 &amp; SR 49)</li> <li>▪ Jackson Raley's</li> </ul>
<b>4</b>	<b>Columbia College-Angels Camp-Murphys-Arnold</b>	Five Bi-directional Trips (Monday through Friday from 5:30 a.m. to 7:35 p.m.)	<ul style="list-style-type: none"> <li>▪ Columbia College</li> <li>▪ SR 49 &amp; Demarest Transfer Stop</li> <li>▪ Visitors Center</li> <li>▪ Douglas Flat</li> <li>▪ Murphys Suites</li> <li>▪ Taylor Plaza</li> <li>▪ Avery</li> <li>▪ Big Trees Market</li> <li>▪ Arnold Library</li> </ul>
<b>5</b>	<b>Copperopolis-Angels Camp</b>	Two Bi-directional Trips (Monday through Friday from 5:55 a.m. to 7:10 p.m.)	<ul style="list-style-type: none"> <li>▪ Main Street &amp; O'Byrnes Ferry Road</li> <li>▪ Copper Cove &amp; Little John Road;</li> <li>▪ Copper Town Square;</li> <li>▪ SR 49 &amp; Demarest Transfer Stop</li> </ul>
<b>Delta Gold Line</b>	<b>Calaveras County – Linden – Stockton</b>	Two Bi-directional Trips (Monday through Friday from 7:00 a.m. to 6:00 p.m.)	<ul style="list-style-type: none"> <li>▪ San Andreas Government Center</li> <li>▪ La Contenta Plaza</li> <li>▪ Linden</li> <li>▪ RTD Transit Center</li> <li>▪ Amtrak</li> <li>▪ Greyhound</li> <li>▪ Delta College, Mall</li> </ul>

Source: Calaveras Transit

The 2017 Calaveras Transit Service Plan was adopted by the Calaveras County Board of Supervisors in January 2017. The routes were rebranded to color designations and realigned with better connectivity. Frequencies were increased on the main trunk route between Valley Springs and Angels Camp. Service changes were implemented in April 2017, which are detailed in Table I-3:

**Table I-3  
Calaveras Transit Route System (Effective April 3, 2017)**

<b>Route</b>	<b>Description</b>	<b>Frequency/Operation</b>	<b>Destinations</b>
<b>Red Line</b>	<b>La Contenta Plaza (Vista del Lago) – Valley Springs – San Andreas – Angels Camp – Columbia College</b>	90 Minute Headways (Monday through Friday from 4:50 a.m. to 7:35 p.m.)	<ul style="list-style-type: none"> <li>▪ La Contenta Plaza</li> <li>▪ Daphne Street, Valley Springs</li> <li>▪ San Andreas Post Office</li> <li>▪ The Arc</li> <li>▪ Government Center</li> <li>▪ Courthouse</li> <li>▪ Main Street @ Demarest, Angels Camp</li> <li>▪ Visitors Center, Angels Camp</li> <li>▪ Columbia College</li> </ul>
<b>Blue Line</b>	<b>Angels Camp – Murphys - Arnold</b>	Five Bi-directional Trips (Monday through Friday from 5:10 a.m. to 7:52 p.m.)	<ul style="list-style-type: none"> <li>▪ Main Street @ Demarest, Angels Camp</li> <li>▪ Visitors Center, Angels Camp</li> <li>▪ Hwy 4, Douglas Flat</li> <li>▪ Tom Bell Road</li> <li>▪ Avery Hotel Road</li> <li>▪ Big Trees Market, Arnold</li> <li>▪ Arnold Library</li> </ul>
<b>Copper Line</b>	<b>Angels Camp - Copperopolis</b>	Two AM & Two PM Trips (Monday through Friday from 6:40 a.m. to 7:35 p.m.)	<ul style="list-style-type: none"> <li>▪ Main Street @ Demarest, Angels Camp</li> <li>▪ Copper Cove @ Feather Drive, Copperopolis</li> <li>▪ Copper Cove @ Little John, Copperopolis</li> <li>▪ O’Byrnes Ferry Road @ Main Street (on demand)</li> </ul>
<b>Purple Line</b>	<b>Rail Road Flat (<i>on demand</i>) – Mountain Ranch (<i>on demand</i>) – San Andreas - Jackson</b>	Four Bi-directional Trips (Monday through Friday from 7:10 a.m. to 6:35 p.m.)	<ul style="list-style-type: none"> <li>▪ Rail Road Flat</li> <li>▪ Mountain Ranch</li> <li>▪ Government Center</li> <li>▪ Hwy 49 @ Black Bart Inn</li> <li>▪ Gold Strike MHP</li> <li>▪ Mokelumne Hill</li> <li>▪ Jackson Raley’s</li> </ul>
<b>Green Line</b>	<b>West Point – Mokelumne Hill – San Andreas</b>	Three Bi-directional Trips (Mondays and Wednesday from 8:00 a.m. to 4:25 p.m.)	<ul style="list-style-type: none"> <li>▪ West Point Community Hall</li> <li>▪ Glencoe Post Office</li> <li>▪ Mokelumne Hill</li> <li>▪ San Andreas Post Office</li> <li>▪ Hwy 49, Credit Union, SA</li> <li>▪ Government Center</li> </ul>

Route	Description	Frequency/Operation	Destinations
<b>Brown Line (on demand)</b>	<b>San Andreas – Mountain Ranch – Rail Road Flat – Glencoe – West Point</b>	One On Demand PM Trip (Monday through Friday from 6:35 p.m. to 8:20 p.m.)	<ul style="list-style-type: none"> <li>▪ San Andreas Post Office</li> <li>▪ Government Center</li> <li>▪ Mountain Ranch</li> <li>▪ Rail Road Flat</li> <li>▪ Glencoe</li> <li>▪ West Point</li> </ul>
<b>Delta Gold Line</b>	<b>Calaveras County – Linden – Stockton</b>	Two Bi-directional Trips (Monday through Friday from 7:00 a.m. to 6:00 p.m.)	<ul style="list-style-type: none"> <li>▪ San Andreas Government Center</li> <li>▪ La Contenta Plaza</li> <li>▪ Linden</li> <li>▪ RTD Transit Center</li> <li>▪ Amtrak</li> <li>▪ Greyhound</li> <li>▪ Delta College, Mall</li> </ul>

Source: Calaveras Transit

Calaveras Transit implemented the Saturday Hopper service in July 2016, which combines elements of the Red and Blue Lines. The Saturday Hopper has stops in Valley Springs, San Andreas, Angels Camp, Murphys, and Arnold. The frequencies are composed of five bi-directional trips from 10:30 a.m. to 7:22 p.m. Service is not offered on the Saturday after Thanksgiving or the Saturdays before Christmas Eve and New Year’s Eve.

The County discontinued the Delta Gold Line toward the end of July 2017 as performance results showed low ridership and high operating costs. Service to Burson was also discontinued due to low ridership and reduced demand.

Fares

Calaveras Transit’s fare structure is composed of three base fare categories and several fare media. The Calaveras Transit fare media consist of cash, ticket books, and passes. Discounted fares are available for seniors aged 65 and older and eligible persons with disabilities. Students are excluded from the discounted fare; however, monthly passes are available for students at a discounted rate of \$45.00. The fare schedules are presented in Table I-4 below:

**Table I-4  
Calaveras Transit Fare Schedule**

Category	Regular Fare	Student Fare	Discounted Fare
<b>One Way Trip</b>	\$2.00	\$2.00	\$1.00
<b>Ticket Book (15 Tickets)</b>	\$28.00	\$28.00	\$14.00
<b>All-Day Pass</b>	\$5.25	\$5.25	n/a
<b>Monthly Pass</b>	\$60.00	\$45.00	\$40.00
<b>Saturday Hopper</b>	\$3.00	\$3.00	\$1.50
<b>Children under Age 6 (with fare-paying adult</b>	Free		
<b>Delta Gold Line One Way Trip</b>	\$5.00		



Category	Regular Fare	Student Fare	Discounted Fare
Delta Gold Line 10-Ride Pass		\$40.00	

Source: Calaveras Transit

Given its regional nature, the transit system’s service area is divided into seven zones. Passengers traveling within one zone are required to pay the base fare. Passengers wishing to travel into another zone are required to pay an additional \$0.25 per zone. The zones are presented in Table I-5 below:

**Table I-5  
Calaveras Transit Fare Zones**

Zone	Routing
1	Between San Andreas & Valley Springs
2	Between San Andreas & Jackson
3	Between San Andreas & West Point
4	Between San Andreas & Angels Camp
5	Between Angels Camp & Copperopolis
6	Between Angels Camp & Arnold
7	Between Angels Camp & Columbia College

Source: Calaveras Transit

Fleet

Calaveras Transit has a total fleet of 10 vehicles comprised of cutaway buses and vans. Two vehicles are diesel-powered while the remainder are powered by unleaded gasoline. All vehicles are wheelchair-accessible in compliance with the Americans with Disabilities Act (ADA) as well as equipped with bicycle racks mounted on the front of the vehicle. Table I-6 shows the vehicle fleet inventory during the audit period.

**Table I-6  
Calaveras Transit Fleet Inventory**

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2013	Glaval Freightliner	2	Diesel	26 (3 W/C)
2014	Braun Low-Floor Minivan	2	Unleaded	16 (2 W/C)
2015	Ford El Dorado Aerotech	1	Unleaded	18 (2 W/C)
2016	Ford El Dorado Aerotech	5	Unleaded	20 (2 W/C)
<b>Total</b>		<b>10</b>		

Source: Calaveras Transit

The County undertook a vehicle replacement effort during the audit period by retiring its 2009 and 2010 model vehicles and procuring new vehicles with PTMISEA funding. The new vehicles will help to address the aging fleet and maintenance costs that were found to be higher than a transit system of similar size as reported by the Transit Maintenance and Organizational Study.

## Section II

### Operator Compliance Requirements

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

<b>Table II-1 Operator Compliance Requirements Matrix</b>		
<b>Operator Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates:  FY 2015: October 19, 2015 FY 2016: October 18, 2016 FY 2017: *December 5, 2017  *Note: New state legislation was passed (AB 1113 - Bloom) on July 21, 2017 that changes the timeline to submit the annual Transit Operators Financial Transaction Reports to the State Controller effective reporting year FY 2017. The submittal date has been extended from within 110 days after fiscal year end to 7 months after fiscal year end, or end of January. This is an extension of about 100 days from the original deadline. With the change in dates, these reports are required to contain underlying data from audited financial statements. The FY 2017 report submitted by the County is prepared prior to completion of

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>the TDA fiscal audit for Calaveras Transit, given that an extension of the fiscal audit allowable by law was granted by CCOG.</p> <p>All State Controller reports were submitted electronically. Some data discrepancies exist between the State Controller Reports and audited data, as prior to the new law, the Controller reports were prepared in advance of completion of the fiscal audits to meet previous timelines.</p> <p><b>Conclusion: Complied</b></p>
<p>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</p>	<p>Public Utilities Code, Section 99245</p>	<p>Completion/submittal dates:</p> <p>FY 2015: February 16, 2016  FY 2016: March 22, 2017  FY 2017: April 11, 2018</p> <p>A 90-day extension was granted by the RTPA pursuant to the TDA statute.</p> <p><b>Conclusion: Partial Compliance, completion of the FY 2017 fiscal audit was slightly after the extension period.</b></p>
<p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>Through its contract operator, Paratransit Services, Calaveras Transit participates in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
the operator’s terminal.		<p>the 13 months prior to each TDA claim. Inspections were conducted at the Paratransit Services operations facility located at 750 Industrial Way, San Andreas.</p> <p>Transit Operator Compliance Certificates and inspections applicable to the audit period were dated February 4, 2015; March 15, 2016; and March 8, 2017.</p> <p>Inspections were found to be satisfactory.</p> <p><b>Conclusion: Complied.</b></p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>During the audit period, there were concerns raised by CCOG regarding the County’s compliance with CCOG’s TDA policies and procedures. Both State Transit Assistance and the larger Local Transportation Fund (LTF) claims submitted by the County were not in conformance. Further information is provided following this matrix.</p> <p>Other concerns with the County TDA claim include inconsistent reporting of performance data relative to audited figures to demonstrate implementation of productivity improvements as required by the CCOG TDA Policies and Procedures.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<b>Conclusion: Not in compliance with policies and procedures contained in the CCOG TDA Guidebook.</b>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This measure is not applicable, as Calaveras Transit only serves a rural area and is subject to the adopted performance criteria established by CCOG.  <b>Conclusion: Not Applicable.</b>
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage change in the County’s transit operating budget:  FY 2015: -14.3% FY 2016: +13.4% FY 2017: +3.1%  The increase in the FY 2016 operating budget is attributed to the inclusion of higher County administrative costs and an increase in service hours due to the implementation extended routes.  Source: County of Calaveras Transit Services Budget  <b>Conclusion: Complied.</b>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per	Public Utilities Code, Section 99247	Calaveras Transit’s definition of most performance measures as tracked and recorded by the contract operator is consistent with PUC Section 99247.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		<b>Conclusion: Complied</b>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This measure is not applicable, as Calaveras Transit only serves a rural area and is subject to the adopted performance criteria established by CCOG.  <b>Conclusion: Not Applicable.</b>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Calaveras Transit provides deviated fixed-route service in a rural area that is subject to a 10 percent farebox recovery ratio.  The systemwide farebox recovery for Calaveras Transit during the audit period is as follows:  FY 2015: 10.05% FY 2016: 7.50% FY 2017: 9.59%  The audited farebox recovery calculation reflects allowable

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>exclusions such as for depreciation and new route extensions. The County was not in compliance with the 10 percent farebox recovery ratio standard for FY 2016 and 2017, and is subject to the fare penalty process described in the statute and administered by CCOG.</p> <p>Source: Fiscal and Compliance Audits</p> <p><b>Conclusion: Partial compliance for meeting farebox in one of the three years.</b></p>
<p>The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.</p>	<p>Public Utilities Code, Section 99271</p>	<p>The County contracts with a private provider for operations, while the County contributes to its staff’s retirement under the California Public Employees Retirement System (CalPERS).</p> <p><b>Conclusion: Complied.</b></p>
<p>If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</p>	<p>California Code of Regulations, Section 6754(a)(3)</p>	<p>The County receives State Transit Assistance Funds and makes use of federal transit grant funds under FTA Section 5311 as follows:</p> <p>FY 2015: \$384,861 (Operations)                      FY 2016: \$274,225 (Operations)                      \$66,400 (Capital)                      FY 2017: \$293,056 (Operations)</p> <p>Note: Caltrans allowed the</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>County to receive FTA Section 5311 funding in FY 2016-17, despite FTA compliance issues, which the County used for operations.</p> <p>Source: Annual Fiscal and Compliance Audits</p> <p><b>Conclusion: Complied.</b></p>

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

1. Of the nine compliance requirements pertaining to Calaveras Transit, the operator satisfactorily complied with six requirements. The operator was partially compliant in its farebox recovery attainment over the three year period and completion of the annual fiscal audit, and was not in compliance for its LTF claim submittals. Two additional compliance requirements did not apply to Calaveras Transit (i.e., blended and urban farebox recovery ratios).
2. While the annual Calaveras Transit State Controller’s Report was submitted within the timelines for the three year period, some data entries are incorrect. For example, for passenger revenues in FY 2017, the revenue includes LCTOP state funds for Saturday Hopper, and proceeds from sale of surplus vehicles. The LCTOP funds for the year were used for general operations and not for a fare subsidy as how they were applied the year before. These revenues should be reported in the appropriate line for State revenues. Also, the sale of surplus vehicles should be reported in another revenue category (non-transportation revenue)
3. Calaveras Transit is held to a 10 percent minimum farebox recovery ratio. For the three-year audit period, the farebox recovery ratio was 10.05 percent in FY 2015; 7.50 percent in FY 2016; and 9.59 percent in FY 2017. The average systemwide farebox recovery ratio was 9.04 percent for the three years. It is noted that the audited farebox recovery ratios reflect fare revenue and supplemental local support, and operating cost exemptions from service expansion during this time frame as allowed under TDA. The farebox ratio in FY 2016 includes contribution of State Low Carbon Transit Operations Program funds for fare subsidy, while the ratio in FY 2017 includes proceeds from sale of capital assets. Despite these subsidies in their respective years, the farebox was still below the TDA minimum



requirement for two consecutive years and resulting in Calaveras Transit being subject to the fare penalty process administered by CCOG under TDA rules.

4. Through its contract operator, Calaveras Transit participates in the CHP Transit Operator Compliance Program and received inspections of its transit vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
5. The operating budget exhibited increases during two out of the three fiscal years of the audit period. The budget increased 13.4 percent in FY 2016 and 3.1 percent in FY 2017. The increases in the operating budget are attributed to professional and specialized services, equipment maintenance, and fuel and oil expenditures. For FY 2016, the 13.4 percent increase is attributed to an increase in service hours due to the implementation extended routes. For FY 2015, the budget decreased 14.3 percent.

CCOG has raised significant concerns regarding the County's budgeting practices. Budgeted costs provided by the Public Works Department were not consistent with actual and audited costs, and experienced relatively significant swings. As an example, based upon multiple certified claims submitted one year, the budget changed drastically with no explanation as to shifts between budget line items. The shift in budgets also occurred from one fiscal year to the next. This demonstrates an underlying concern and issue with budgeting practices and management of the system.

6. Both STA and LTF claims have not been in compliance with the CCOG TDA Guidebook for various reasons. One reason is the timeliness of submittal of claims for which they have not been submitted by June for this audit period. Other issues include requesting an amount greater than their actual costs of operations; ineligible costs; inconsistencies between budget and amount being claimed; missing backup documentation; and non-compliance with FTA funds. CCOG staff has offered resources and a significant amount of time meeting with County staff to assist in the relatively simple claims process. The County Auditor has also spent a vast amount of time and resources assisting staff.

In spite of the assistance, these issues have continued each year. Late submittal of the claims impacts Angel Camp's ability to budget for or claim LTF funds for streets and roads, since transit claims are made first. The issues with submittal of claims and funding applications or invoicing ultimately required County staff to seek loans from the General Fund. Further, CCOG raised concern with fiscal issues including that the County Transit Fund balance has been negative over the last three years.

CCOG, in support of the transit system, has had to approve "emergency" claims in order to get the county funds as soon as possible. To provide on-going funding for transit, CCOG staff proposed and the CCOG board approved that the County conditional LTF claim be based on "Annualized Actuals" using Budget to Actuals Report provided by the County Public Works Department. In addition, the County was required to seek certification of its funding request by the County Auditor-Controller pursuant to Section 6632 of the TDA. Monthly payments

would not be issued until a certified claim was executed by the County Auditor-Controller. Should there be a change in the county budget, a modified claim would be required. The Public Works Analyst had been working with the Public Works Business Administrator to “produce a reality---based budget” for when accurate TDA claims can be based.

7. The CCOG, in knowing the County’s operations contract was coming to an end in FY 2016-17, began assisting the County two years ago with hiring a consultant to develop a new RFP (budgeted \$20,000). The consultant worked directly with County staff; however, County staff did not release a RFP and instead extended the existing operations contract for the fourth amendment with Paratransit Services, which was outside the contract extension options. The County was notified by Caltrans that the amendment was out of compliance with Federal procurement guidelines. In an effort to assist the County, Caltrans did allow the County to claim their remaining FTA 5311 apportionment through June 30, 2017. The County was informed, though, that it would not receive FTA 5311 funds until a RFP for a new operations contract was released and executed. As the County and CCOG began to discuss the multiple compounding issues surrounding transit, this information was not revealed until a discussion with Caltrans in September 2017. CCOG then provided consultant resources again to assist County staff in moving this process forward as expeditiously as possible. A RFP was released and a new contract was executed April 1, 2018. This process was too late for the County to claim FTA funds for the next fiscal year, meaning the County is not receiving 5311 operating funds for FY 17-18.

## Section III

### Prior Triennial Performance Recommendations

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

#### Prior Recommendation 1

Confirm that the information reported within the Fiscal and Compliance Audits is accurate and note any discrepancies.

*Background:* The prior audit noted that the annual Fiscal and Compliance Audit for Calaveras Transit starting in FY 2012-13 showed the exclusion of extended services in the calculation of farebox recovery. County staff indicated that the extension was for the loop on Route 1 at SR 26/Garner Place/Baldwin Street.

The exclusionary period lasts two full fiscal years after the year of implementation, meaning that the upcoming FY 2014-15 fiscal audit will be affected by this recommendation. The criteria for exclusion include additions of geographical areas or route miles, or improvements of service frequency or service hours greater than 25 percent of the route total which the Route 1 extension does not meet. In addition, the statute requires the operator to report the costs of the extension and associated revenues to the RTPA within 90 days of end of fiscal year of the first year of implementation. While the fiscal audit shows the breakout of the route extension, it is past the 90-day period. As it does not appear that the loop extension meets the criteria in TDA for exclusion, the County should work with the fiscal auditor to review the farebox recovery calculation.

#### Actions taken by Calaveras Transit

County staff have worked with the Auditor-Controller and the fiscal auditor on the information reported in the Fiscal and Compliance Audits. To ensure accuracy, the County Auditor-Controller has been tasked with certifying submittals. The note section of the Audited Financial Statements and Compliance Report shows the exclusions for the expanded services implemented during the allowable period. For example, in the FY 2016 Audited Financial Statements and Compliance Report fare revenues are broken down into four categories: regular fare revenue, special transit fare (Low Carbon Transit Operations Program fare subsidy), local support revenues (advertising), and fares and advertising from extension of services, which are excluded. Likewise, for operating expenses, the cost of extension of services along with depreciation and amortization are excluded. Starting in FY 2017, the Audited Financial Statements and Compliance Report

specifically identifies those routes that fall under the exclusion such as the Delta Gold Line and the Saturday Hopper. This is an improvement over the general statement of excluded services made in previous audits.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 2

Report full-time equivalent data in the Transit Operators Financial Transactions Reports according to PUC guidelines.

*Background:* The prior audit found that FTE data reported in the Transit Operators Financial Transactions Reports were not being reported correctly, as the FTE includes headcount from the contract operator. The calculation of FTEs accounts for operations staff, maintenance, and County transit management. The FTE data are derived by dividing total annual employee hours by 2,000 according to PUC guidelines. It was recommended that the County determine the annual personnel hours spent on transit by administrative, contract, and public works personnel and divide the total by 2,000 annual hours to arrive at the correct FTE figure. This would require County transit management to request annual personnel paid hours data from the contractor.

#### Actions taken by Calaveras Transit

Supplemental operating data in the Transit Operators Financial Transactions Reports for FTEs are compiled by the County transit services staff. The reports are signed and submitted by the County Auditor-Controller to the State Controller. Paratransit Services reported 11 employees including the general manager, road supervisor, drivers, and dispatchers. A total of eight County public works employees support the transit program and charge their hours worked to that cost center. A review of the FTE data contained in the State Controller Report confirms that the count includes personnel hours from the contractor, Paratransit Services. As the Controller FTE's are lower than total headcount for County and contractor staff, the formula to arrive at FTE's is used.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 3

Pursue partnerships with Columbia College and other educational institutions as a means to support higher ridership and farebox recovery attainment.

*Background:* The prior audit pointed out that Columbia College and San Joaquin Delta College were significant trip generators for Calaveras Transit. Partnerships between transit systems and local colleges are formed to better serve the student rider and encourage ridership. It was

suggested that Calaveras Transit investigate and pursue potential partnerships with Columbia College and other educational institutions such as San Joaquin Delta College that could boost service which could result in enhanced visibility of the system as well as stability of farebox revenues. Partnerships employed elsewhere that have strengthened the formal relationship between a transit system and local college include written agreements that involve prepayment of student fares by the college based on an agreed-upon ridership figure or bulk purchases of discount transit passes.

#### Actions taken by Calaveras Transit

In response to this recommendation, County staff has considered pursuing such agreements with both community colleges to boost ridership and communication. In its TDA claim form, the county reported on its activities to enhance communications with Columbia College, San Joaquin Delta College, and University of the Pacific. Service to San Joaquin Delta College was implemented during the audit period with discussions held at the time of initial service planning for the college to provide financial support for its students. Following implementation of the service the college could not provide funding. With regard to Columbia College, while a formal agreement has yet to be established, the college purchased advertising on Calaveras Transit vehicles and bulk passes, and agreed to improve transit signage for the bus stop on campus. A link to the Calaveras Transit website is featured on the Visitors page of the Columbia College website.

#### Conclusion

This recommendation remains in process of being fully implemented as a means to improve ridership. The County did implement service to San Joaquin Delta College; however the service only survived one year before its cancellation and limited coordination with Delta College was established. Also, Calaveras Transit can build stronger relationships with student services staff at Columbia College who serve as a gatekeeper for its students and help facilitate further purchases of passes and other incentives to increase ridership. With changes made to increase frequency in the bus schedule to accommodate college bell times toward the end of the audit period, there should be an additional push for pass sales. Another suggestion would be to work with Columbia College to sponsor some on-board passenger amenities favorable for its students such as free Wi-Fi.

#### Prior Recommendation 4

Account for the number of route deviations and include performance data for special event service in the monthly operations report.

*Background:* Operating performance data are reported on a monthly operations report prepared by the contract operator. The report contains the general manager's summary of operational highlights such as on-time performance, preventable accidents, and ridership trends for each route. However, an added measure would be to account for the number of route deviations on a monthly and year-to-date basis in the monthly operations report. This would help to identify

ridership patterns and assist with service planning based on trends in the level and location of deviation service. In addition, it was recommended to report performance data consistently to include costs, ridership, hours, miles, and fare revenue from both regular revenue service and special event service such as the County Fair. The Calaveras Transit general manager indicated that ridership from special events was not being recorded, although other performance measures included them.

#### Actions taken by Calaveras Transit

In response to this recommendation, the contract operator, Paratransit Services, does include ridership, hours, and revenue for special events in their monthly reports. Deviations are typically minimal and were included with number and location of deviation requests in the monthly reports starting in July 2016. During the audit period, the contractor has been including all performance data as per this recommendation, as well as those performance indicators and standards put forward in the 2016 Short Range Transit Plan (SRTP) Update. However, County transit services staff have not been reporting these data to the Board of Supervisors or to the CCOG Interagency Transit Committee.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 5

Review and monitor performance measures as part of regularly scheduled discussions with the contract operator.

*Background:* The County and the transit contractor hold regular internal discussions regarding the transit service. However, there should be emphasis placed on the review of performance measures as a tool to further the discussion about current and potential operational issues. The County and the transit contractor should include in their meetings a review of performance measures such as the TDA measures contained in this audit, among others that are relevant to the system. The review could be on a regular interval such as monthly or quarterly to allow for trends in service to be shown. This effort will also enable more frequent review of the data prior to inclusion in external reports such as the State Controller Report.

#### Actions taken by Calaveras Transit

Although there is regular communication between the County transit services staff and the Paratransit Services General Manager, the goal is to establish a formal meeting each month. Discussions between the County and the transit contractor will discuss performance measures. Timely discussions will enable staff to discern causes for changes in the data, such as road construction, adverse weather, or changes in the Columbia College schedule.

## Conclusion

This recommendation remains in process of being fully implemented. A formal standing agenda including an item for performance indicator review should be developed by the County for its meetings with the contract operator on a more regular basis such as monthly. The formal meeting would be additional to other informal types of communication between the County and the transit contractor.

## Prior Recommendation 6

Record and monitor ridership on low-performing routes.

*Background:* The SRTP typically captures a small sample size of boardings and alightings to determine adjustments to services. For the transit system, especially on routes with low ridership, an additional activity to capture more regular data on ridership patterns is to have drivers record or observe boardings and alightings on low productive routes. For example, drivers could report on ridership activity at the end of line stops such as West Point on Route 2 for better planning and efficiency purposes. These observations could trigger further review and analysis by transit management. It was suggested that the operator continue with this observation as the SRTP only takes small sample size of ride checks.

## Actions taken by Calaveras Transit

In the monthly operations report, the contract operator compiles information on ridership for all routes and runs, including route deviations and wheelchair lift utilization. As part of the 2016 SRTP Update, boardings and alightings were surveyed for each route. During the audit period, the transit system has seen a consistent reduction in the number of passengers. As shown in the performance data for the system, low ridership has a negative impact on farebox recovery attainment. All the performance measures that currently show system inefficiency and ineffectiveness could be improved by increased ridership. A new transit service plan was devised and adopted in FY 2017 including reduced service days but more frequent demand response for low performing routes serving Mountain Ranch, Rail Road Flat, and West Point. All routes were rebranded to color designations and realigned with better connectivity. The contract operator continues to closely monitor each route and report on ridership figures and trends. The reporting documents are provided to the County.

## Conclusion

This recommendation has been implemented.

## Section IV

### TDA Performance Indicators

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

Table IV-1 provides the performance indicators for Calaveras Transit. Graphs are also provided to depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited figures.



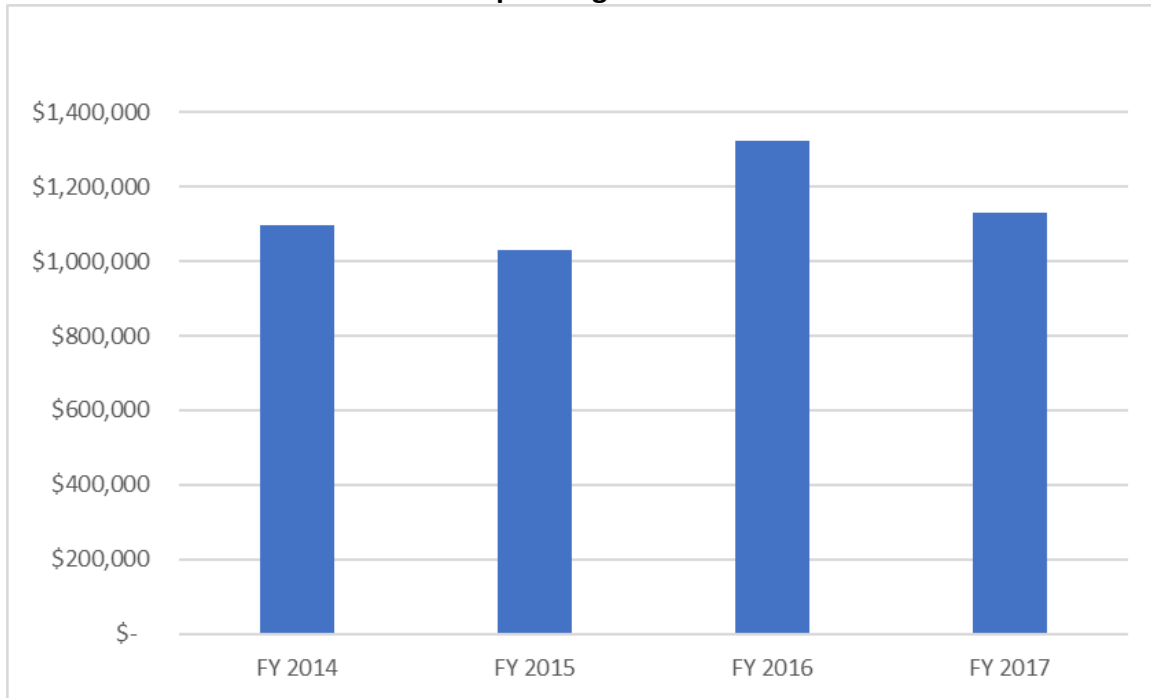
**Table IV-1  
Calaveras Transit TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2014- 2017
	FY 2014	FY 2015	FY 2016	FY 2017	
Operating Cost	\$1,094,999	\$1,029,782	\$1,323,146	\$1,131,886	3.4%
Operating Cost (excluding route extensions)*	\$1,005,329	\$936,141	\$1,279,438	\$998,753	-0.7%
Total Passengers	69,100	57,005	44,459	40,837	-40.9%
Vehicle Service Hours	9,668	9,993	11,090	13,216	36.7%
Vehicle Service Miles	275,850	277,822	303,574	353,495	28.1%
Employee FTE's	10	12	15	15	50.0%
Passenger Fares & Local Support	\$102,365	\$103,470	\$97,846	\$103,481	1.1%
Passenger Fares & Local Support (excluding route extensions)*	\$94,268	\$94,047	\$95,976	\$95,736	1.6%
Operating Cost per Passenger	\$15.85	\$18.06	\$29.76	\$27.72	74.9%
Operating Cost per Vehicle Service Hour	\$113.26	\$103.05	\$119.31	\$85.65	-24.4%
Operating Cost per Vehicle Service Mile	\$3.97	\$3.71	\$4.36	\$3.20	-19.3%
Passengers per Vehicle Service Hour	7.1	5.7	4.0	3.1	-56.8%
Passengers per Vehicle Service Mile	0.25	0.21	0.15	0.12	-53.9%
Vehicle Service Hours per Employee	966.8	832.8	739.3	881.1	-8.9%
Average Fare per Passenger	\$1.48	\$1.82	\$2.20	\$2.53	71.1%
Fare Recovery Ratio *	9.38%	10.05%	7.50%	9.59%	2.2%

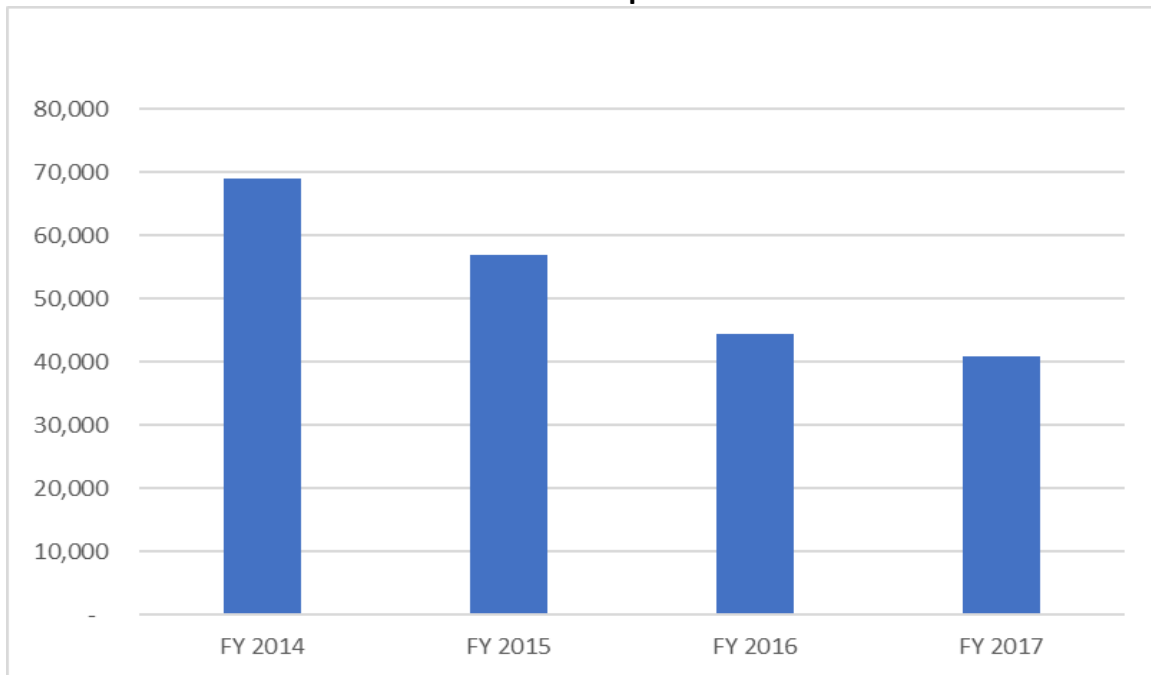
Source: FY 2014 - FY 2016 Annual Fiscal & Compliance Audits; National Transit Database; State Controller's Reports

\*Route extensions are an eligible exclusion from farebox recovery.

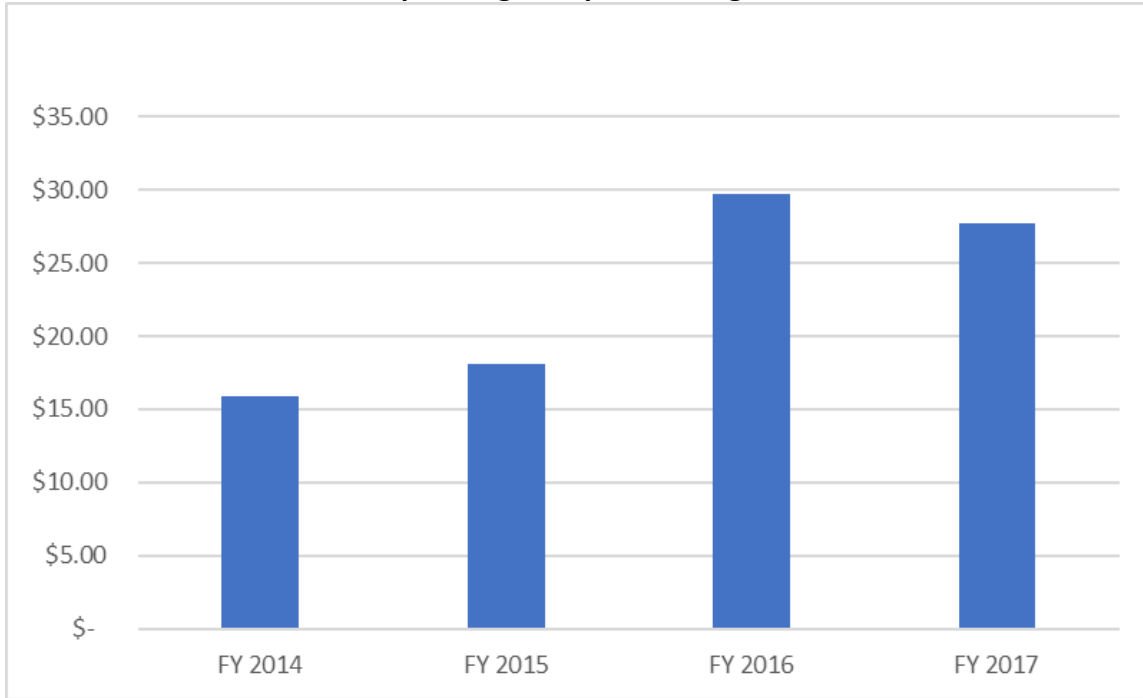
**Graph IV-1  
Operating Costs**



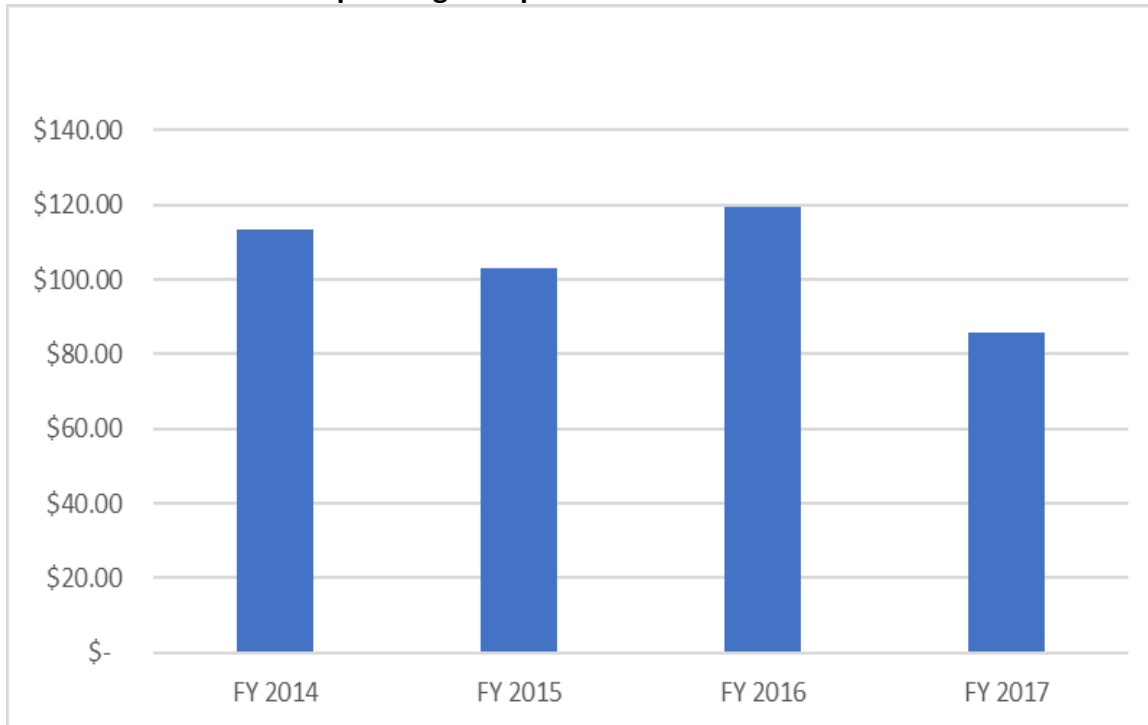
**Graph IV-2  
Ridership**



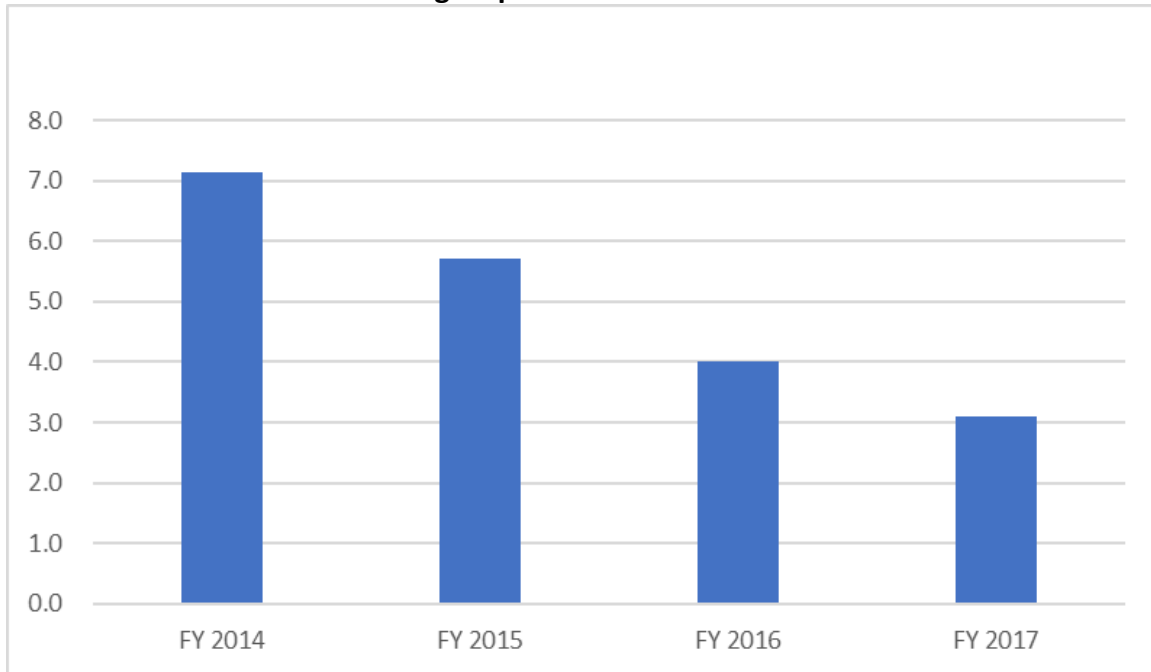
**Graph IV-3  
Operating Cost per Passenger**



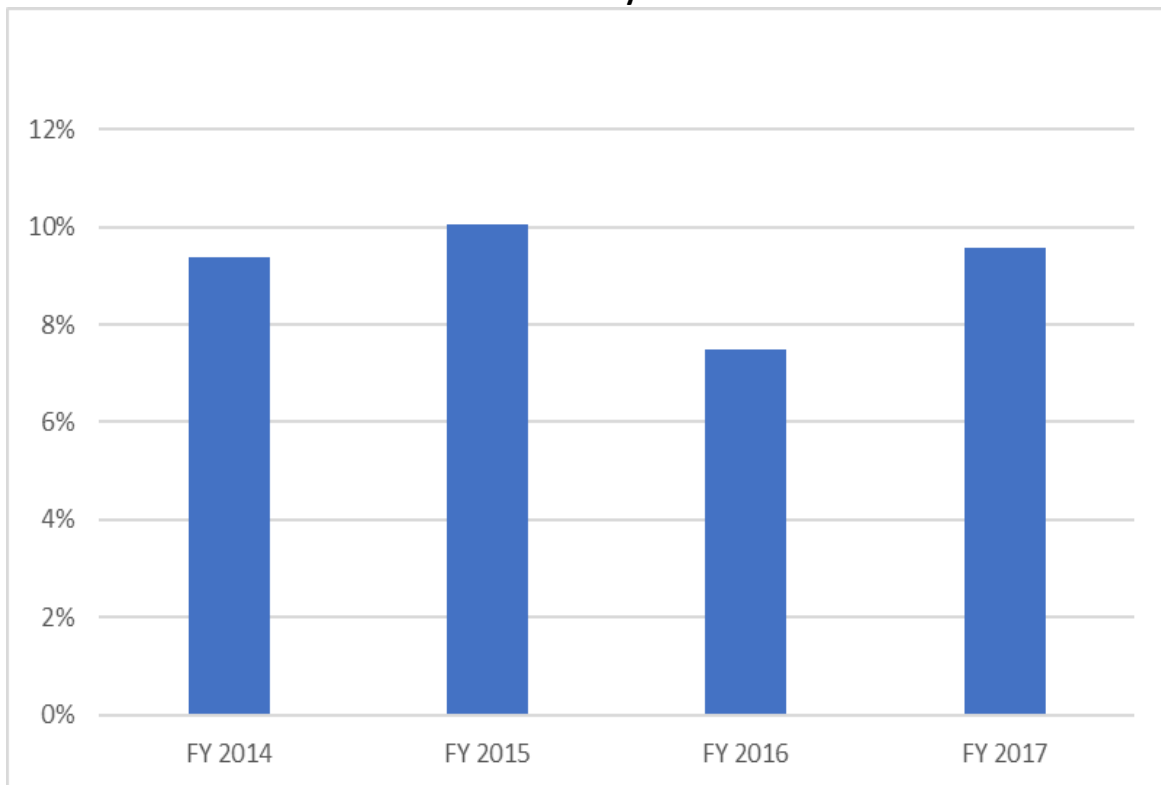
**Graph IV-4  
Operating Cost per Vehicle Service Hour**



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



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



## Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, decreased 24.4 percent from \$113.26 in FY 2014 to \$85.65 in FY 2017. Although operating costs increased by 3.4 percent based on audited data during the audit period, vehicle service hours increased by 36.7 percent. This had a positive impact on this performance indicator, allowing transit to spread costs over a greater number of service hours.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 74.9 percent from \$15.85 in FY 2014 to \$27.72 in FY 2017. As noted above, Calaveras Transit's operating costs increased during the period; coupled with a significant decrease in ridership by 40.9 percent, this performance measure has experienced a negative trend. Passenger trips decreased from 69,100 in FY 2014 to 40,837 in FY 2017.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 56.8 percent between FY 2014 and FY 2017 from 7.1 passengers per hour to 3.1 passengers per hour. The trend in this indicator is reflective of the decrease in ridership by 40.9 percent while vehicle service hours increased during the audit period.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 53.9 percent between FY 2014 and FY 2017 from 0.25 passengers to 0.12 passengers. From the FY 2014 base year to FY 2017, total vehicle service miles increased 28.1 percent from 275,850 vehicle service miles to 353,495 vehicle service miles while the number of passengers decreased 40.9 percent.
5. **Vehicle service hours per employee** increased 8.9 percent between FY 2014 and FY 2017, as vehicle service hours increased over during the period while the number of FTEs increased from 10 FTEs in FY 2014 to 15 FTEs in FY 2017. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee.
6. **Farebox recovery** exhibited a slight increase of 2.2 percent from FY 2014 through FY 2017. Passenger fares and local support revenue were relatively flat for the three year period while operating costs had a minor decline (factoring in the farebox ratio exemptions for new service extensions). Calaveras Transit is held to a 10 percent minimum farebox recovery ratio. While the farebox was met in FY 2015 (10.05 percent), the farebox was not met in FY 2016 (7.50 percent) and in FY 2017 (9.59 percent). Allowable under state law, additional funds were used in the farebox ratio including LCTOP fare subsidies in FY 2016, and proceeds from sale of capital assets in FY 2017. Advertising revenue was also counted in each year.

## Conclusion from the Verification of TDA Performance Indicators

Calaveras Transit's performance indicators reflect significant decreases in passenger trips from the FY 2014 base year, coupled with notable increases in service hours and miles due to service expansion. Operating costs increased marginally during the audit period, but when coupled with the significant drop in ridership, performance measures were adversely affected including a higher cost per passenger trip. Given that the increases in vehicle service hours and miles exceeded operating costs, the respective efficiency cost indicators (cost per vehicle hour and cost per vehicle mile) were lower which is a positive trend.

Even though operating costs decreased 6.0 percent from FY 2014 to FY 2015 and 14.5 percent from FY 2016 to FY 2017, the overall increase in operating costs during the period was attributed to the 28.5 percent increase in FY 2016. Along with annual increases in purchased transportation costs, included in the FY 2016 operating expenses was a pension expense of \$143,886 related to the County recording a pension liability for the Transit Manager, who was assigned to the Transit Fund during the year. The expense was transferred from the roads budget to the transit budget and recorded as one large expense in compliance with interpretation of a new GASB rule.<sup>1</sup> In addition to the pension charge, FY 2016 unadjusted operating costs reflect service extensions to the community of Burson and Stockton with the implementation of the Delta Gold Line.

Passenger fare and local support revenue exhibited a slight increase for the three year period in large part to the inclusion of allowable supplemental revenues. While fare receipts from passengers declined each year due to falling ridership, receipt of State Low Carbon Transit Operations Program (LCTOP) funding has been used to support expanded services, fare vouchers and the Calaveras County Fair shuttle. LCTOP funds contributed to the farebox recovery ratio in FY 2016, as did proceeds from sale of capital assets in FY 2017. Local advertising revenue has been a steady supplemental revenue for farebox, contributing about 10 percent annually to the farebox. Calaveras Transit's service for local events and festivals including its Saturday Hopper service also add to the fare revenue.

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<sup>1</sup> Caltrans has been reviewing the implications of the GASB accounting rule, and could address it in an update to the TDA statutes.

## Section V

### Review of Operator Functions

This section provides an in-depth review of various functions within Calaveras Transit. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at County Public Works Department and the contract operator facility in San Andreas:

- 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

During the audit period, Calaveras Transit vehicles were pressed into service in response to the devastation and dislocation caused by the Butte Fire in September 2015. According to the FY 2015-16 Transit Performance Mid-Year Report submitted to CCOG in May 2016, on September 14, 2015 transit service was suspended, then resumed the next day with all routes back in service by the following week. Extra runs were operated in an emergency coordinated effort with the Calaveras County Sheriff's Office and Health and Human Services Department to evacuate residents. Paratransit Services, the operations contractor, through volunteer hours and resources provided non-emergency transportation to and from evacuation centers at no fare.

A total of about 90 service hours were cancelled due to the fire over a weeklong period, primarily affecting service to West Point, Rail Road Flat, and Mountain Ranch. The wild fire caused major disruption for the service and the County as a whole while having longer term repercussions including small segments of the community moving out of the County.

During this audit period, Calaveras Transit underwent several service modifications in response to unmet needs and productivity recommendations from CCOG. At the beginning of the audit period, Calaveras Transit expanded services to the communities of Burson and Rancho Calaveras pursuant to Unmet Transit Needs findings. In addition, service to Stockton was implemented in January 2016 and then terminated in July 2017. The system has continued to operate as a deviated fixed route or "flex route" service.

Despite route expansion, the system has been challenged with declining ridership during the audit period. It is worth noting the industry-wide trend with decreased ridership among transit systems. County staff expressed that the Calaveras Transit was trying to be “everything to everyone” with its services which had some consequences of resources being stretched. Declining ridership trends have been partly attributed to reduced class schedules at the local community colleges as well as other various reasons including fluctuations in fuel prices, insufficient outreach and marketing of services, and frequent changes to bus schedules and routes. Surveys conducted through the 2016 Short Range Transit Plan (SRTP) attributed a mismatch of bus times with class schedules and overcrowding at certain times for Columbia College where students compose a large proportion of the ridership. The SRTP also identified a lack of knowledge of existing services. Lower retail fuel prices enabling more riders to opt to drive could have played a factor in reduced ridership. These actions correlate to less demand for bus travel and reduced ridership including adjustments in service such as a reduced run to Arnold.

The County Public Works Department introduced adjustments to the transit schedules in mid-FY 2017 two years after the joint workshop of the SRTP. Adjustments to the bus schedule were primarily made in order to meet up with the Delta Gold Line which was implemented in 2016. The service plan was reviewed by the Board of Supervisors at their December 13, 2016 meeting and released for public notice on January 10, 2017. The routes were rebranded from number to color designations. Three on-demand services replaced former bus runs to West Point, Mountain Ranch and Rail Road Flat. The contract operator, Paratransit Services, developed the new schedules with an emphasis on timed transfers to connect with the Delta Gold Line service to Stockton. The County implemented the Saturday Hopper service made possible in part due to Low Carbon Transit Operations Program (LCTOP) grant funding received through Caltrans.

The Red Line is composed of former Routes 1A, 1B and part of Route 4. This route serves as the backbone for the system. Changes in the start times were made for the Delta Gold Line, the intercity service to Stockton, to provide better connections with the other Calaveras Transit routes. This was intended to enable more Calaveras County residents to ride the Delta Gold Line. However, the Delta Gold Line route to Stockton was discontinued toward the end of July 2017 due to lack of ridership and increasing costs. Certain connectivity issues remain from the realigned service such as connections to Arnold which require passengers to transfer buses as well as connections to the Amador and Tuolumne services. Also, the route changes have also created driver scheduling issues where there are large layovers between runs.

In addition to the service changes, the County entered into agreements with private parties for improved and safer access to transit, which allowed for two bus stops to be located on private property. In November 2014, the County and La Contenta Plaza in Valley Springs agreed to enable the bus to enter the plaza and have a sheltered stop at the end of the plaza parking lot. In October 2016, the County entered into a Transit Facilities License Agreement with Wyndham Vacation Ownership which owns and operates the WorldMark Resort at Angels Camp. The agreement allows Calaveras Transit vehicles access to the resort as part of the Saturday Hopper service.



Calaveras Transit also upgraded its fleet of vehicles through the PTMISEA program. The County received delivery of five 2016 Ford El Dorado Aerotech vehicles in FY 2016. The County also purchased two 2014 Braun low-floor minivans that were received in September 2015 to assist with overcapacity issues during certain times primarily from Columbia College. The minivans have also been used on Brown and Green Lines to West Point and the Copper Line to Copperopolis. In addition, bus stop improvements are planned for Mokelumne Hill and Angels Camp.

Transit operations have been operated by Paratransit Services under a four-year Professional Services Agreement (PSA) in effect from July 1, 2011, through June 30, 2015, with an option for two additional years. Paratransit Services is a Bremerton, Washington-based company that manages transit systems in several other rural California counties as well as in Oregon and Washington. During the audit period, the PSA was amended four times to exercise the extension options and to accommodate service adjustments.

The first amendment to the PSA was executed in May 2015 to accommodate the increase in vehicle service hours due to the implementation of the Delta Gold Line as well as to extend the term of the agreement to the end of September 2015. The second amendment executed in September 2015 involved a two-year extension from October 2015 to the end of June 2017 as well as an adjustment in the vehicle service hourly rate. This amendment provided that the County cover the increase in the cost of insurance for the vehicles over and above the number contained in the Calaveras Transit fleet in August 2015. The third amendment was executed in July 2016 and involved the implementation of the Saturday Hopper service.

The fourth amendment was executed in May 2017 to account for the service adjustments on the Saturday Hopper as well as extend the term through March 2018. The PSA has a liquidated damages clause pertaining to metrics such as vehicle destination signage, minimum staffing levels, vehicle appearance, on-time performance, running ahead of schedule, missed trips, preventable accidents, CHP compliance, and farebox recovery attainment.

The fourth amendment was not in compliance with Federal procurement requirements; as a result the County was not eligible to receive FY 2017-18 FTA Section 5311 operating funds until a new operations contract was executed that met procurement requirements.

Operating performance data are reported to the County by the operations contractor in a monthly operations report. The report contains the general manager's summary of operational highlights such as on-time performance, preventable accidents, and ridership trends for each route. In addition, the report provides the billing invoice to the County, fare deposit summary, system-wide performance data, service disruptions, wheelchair lift usage, and the number of passengers carried categorized according to route and run. The number of route deviations are accounted for in the report.

The CCOG requires semi-annual performance reports; however, these reports have been many months late throughout the audit period, not allowing the CCOG or Interagency Transit Committee (ITC) to evaluate or monitor performance. Limited to no reporting has been provided to the County Board of Supervisors, which serves as the policy board for Calaveras Transit.

Scheduling and dispatching are currently conducted on a manual basis utilizing an Excel spreadsheet. The County had programmed PTMISEA funding since FY 2016 to purchase automated software such as RouteMatch dispatching and routing software using grant funds.

Driver manifests are categorized based on the run and vehicle numbers. The date, scheduled clock-in and -out times, fueling data, lunch periods, and scheduled times of departure and return are preprinted on the manifest. Fare media and passenger categories are manually counted on the trip sheet. At the top of the manifest, the driver records the vehicle number.

One of the vehicle operational measures is on-time performance. The criteria for Calaveras Transit are that buses depart no more than five minutes late from any scheduled stop and shall not leave any point prior to the scheduled departure time. The systemwide standard is a minimum of 95 percent on-time departures. Table V-1 provides a summary of on-time performance during the audit period for Calaveras Transit:

**Table V-1  
Calaveras Transit On-Time Performance**

<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
99.62%	99.90%	99.90%

Source: Calaveras Transit

Calaveras Transit exceeded the minimum standard during the audit period. Periods to be exempted from on-time performance monitoring, such as during severe winter storms, are subject to negotiation between the County and contractor on an as-needed basis.

Regarding vehicle safety, Calaveras Transit tracks the number of accidents, which are categorized as “preventable.” According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. The PSA states that the total vehicle miles between accidents shall be greater than 50,000 miles measured quarterly. Based on data provided by the contract operator, there were only two preventable accidents during the audit period: one in May 2015 and the second one in October 2016. According to the contract operator, cameras on the newer vehicles operate on a continuous loop, whereas on the older vehicles cameras are activated by incident.

All fares collected by the contract operator are the property of the County. Farebox handling and reconciliation are conducted on a manual basis. Calaveras Transit buses are equipped with nonelectronic Diamond fareboxes that have security aspects to prevent mishandling. The farebox vaults are pulled at the end of the driver’s run. The farebox proceeds are counted by two contract staff who use the driver’s manifest for reconciliation. Drivers denote on a fare card the number of tickets sold. Tickets are kept in a blue inventory bag. The counting takes place in the dispatching office behind locked doors and closed blinds. The procedure generally averages 20 minutes. The fare count is entered into a financial software program which generates a reconciliation sheet. Once counted and reconciled, the farebox proceeds are taken to the County

every two to three days or on the last business day of the month. If a large number of fares are received, the revenues are taken to the County that same day.

### Operations Personnel

Operations personnel is provided through Paratransit Services. There are 11 employees including the general manager, road supervisor, drivers, and dispatchers. One of the full-time dispatchers also serves as a driver and resident trainer. The contract operator increased the number of full time employees to eight in order to meet the service level output. A full-time dispatcher was also added during the audit period.

The duties of the general manager are the day-to-day operational management functions. These include, among others, responsibility for service quality, liaison with County Public Works maintenance, fare collection, driver oversight, dispatching, and accident and complaint monitoring.

Drivers are recruited through the Paratransit Services website (<http://www.paratransit.net/careers.html>) and the Calaveras Transit website (<http://transit.calaverasgov.us/>) as well as through local media publications. Candidates must be at least 21 years of age, have had a valid driver's license for at least five years and have the ability to obtain a Class B commercial driver's license as necessary for contractual requirements. In addition, candidates must be able to successfully pass a criminal background check, a motor vehicle records check, preemployment drug screening, and functional capacities assessment. They must also be able to obtain a CPR/First Aid and Defensive Driving certification.

The training protocol consists of 40 hours of classroom, 40 hours of behind-the-wheel (20 hours minimum), and between 15 and 20 hours of route training. The classroom training includes a four-hour defensive driving course and covers substance abuse, fire safety and evacuation, injury and illness prevention, and blood-borne pathogens. Drivers also undergo annual refresher courses in wheelchair securement and foggy and winter driving conditions. There is also an eight-hour Verification of Transit Training certification course.

The contract operator has experienced challenges in finding and retaining qualified drivers due to the starting compensation as compared to other local commercial vehicle operators. Paratransit Services is looking at wage increases in order to remain competitive. In addition, drivers have found it difficult adjusting to route and schedule changes such as long days for split shifts requiring the driver to return for a second shift. There was a 30 percent turnover rate during parts of the audit period.

Efforts at boosting employee morale and recognizing excellent performance include year-end safety bonuses, barbecues and an annual Christmas party. The contract operator is looking at implementing quarterly safety bonuses also tied to attendance.

**Maintenance**

Most basic maintenance for Calaveras Transit vehicles is performed at the County Equipment Service Center (ESC) located at in San Andreas. The ESC features six and a half service bays. The ESC is staffed with an administrative analyst/service writer, a fleet manager, five mechanics, and a mechanic’s helper. As part of the FY 2015-16 budget, management requested an additional part-time Administrative Services Officer to cross train and support administrative efforts. Three mechanics and the mechanic’s helper are dedicated to servicing the transit fleet.

The fleet manager in charge during the audit period was hired in late 2014. He was Automotive Service Excellence (ASE)-certified (School Bus Technician Brakes) with experience in bus fleet maintenance. Prior to his hiring, there had been a lack of consistent management at the ESC involving the turnover of four fleet managers within a span of several years. Also, mechanic training was identified as lacking during the audit period in the Transit Maintenance study. The current Fleet Manager’s certification in bus maintenance is an improvement from prior years, as well as other investments identified in the Transit Maintenance study including the purchase of tools and equipment.

The preventative maintenance inspection (PMI) program is structured on an A-B-C-D schedule summarized in the following table.

**Table V-2  
Preventive Maintenance Schedule**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Miles</b>	6,000	12,000	30,000	60,000
<b>Number of Days</b>	45	(includes A items)	(includes A items)	(includes A, B, C items)

Source: County of Calaveras

About 80 percent of all vehicle maintenance is performed by the County with a one-day turnaround. The remainder comprises warranty repairs performed off-site. Transit is given priority over other County-run vehicles. The County utilizes the CAMS-FLEET maintenance management software program that tracks PMIs, parts inventory, vehicle age, purchase date, and depreciation costs. Major repairs are itemized on a vehicle repair order form and are reviewed by the senior analyst in the Public Works Department who administers the transit service.

The Transit Maintenance and Organizational Analysis conducted in conjunction with the Short-Range Transit Plan update made several recommendations including that the County adopt the Vehicle Maintenance Reporting Standards (VMRS) coding system already included in the CAMS software program. This would enable a more systematic tracking of costs and parts inventory. CAMS is used to generate detailed vehicle repair order forms including details of labor hours, labor rates and parts costs per bus. Maintenance costs in FY 2015, compared to those in FY 2014, showed significant cost reductions according to year end performance reports, from \$176,000 to \$112,000. In FY 2016, the costs increased to \$120,000.

The driver daily vehicle inspection report completed by the driver prior to pull out includes a checkbox for condition of wheelchair lift operations and tie downs. The preventive maintenance inspection checklist used by the bus mechanic shows farebox lighting condition and operation, and a 19-point inspection for wheelchair lifts that call for checks of various sensors, mechanical areas, and lubricants. CHP inspection reports conducted annually during the audit period rated vehicle maintenance satisfactory which offers additional evidence of the improved processes during the audit period.

The parts inventory includes most preventive maintenance items. Parts vendors, such as Creative Bus Sales, offer one-day delivery. The County has shifted more toward online vendors, which offer greater cost savings. Tires are generally changed and maintained by the County. However, front tires are outsourced for balancing and the County is considering more outsourcing of its tire maintenance with vendors such as Les Schwab Tire Center in Jackson.

Drivers complete a daily vehicle inspection form prior to each run. The daily vehicle inspection consists of 44 points and three major categories: (1) vehicle exterior checks; (2) vehicle interior checks; and (3) brakes system checks. The form consists of a top copy and two carbon copies. Vehicle fueling is performed at Hunt and Sons located at 746 Pool Station Road in San Andreas. Drivers utilize a CFN fuel card and an email of fuel activity is sent to the contract general manager for review. The contract operator cleans the exterior of the vehicle, which has resulted in considerable cost savings. Calaveras Transit participates in the CHP Transit Operator Compliance Program and received satisfactory ratings for all inspections conducted during the audit period.

Road calls are recorded when a tow truck and/or mechanic responds to a mechanical/service problem for a disabled transit vehicle that is in revenue service. Vehicles are pulled out of service if a safety issue is identified and vehicles are not allowed back into service until the safety issue has been resolved. Table V-3 provides a summary of road calls that occurred during the audit period:

**Table V-3**  
**Calaveras Transit Road Calls**

<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
3	8	4

Source: Calaveras Transit

Road calls during the period more than doubled between FY 2015 and FY 2016. With the procurement and introduction of newer vehicles into the fleet, the number of road calls decreased in FY 2017 from 8 to 4.

One of the recommendations in the transit maintenance analysis was for public works to discuss the possibility of contracting out maintenance or moving it back to the operations contractor. With the expiration of the PSA in March 2018, the County released a Request for Proposals in December 2017 to solicit proposals for the management and operation of the transit service. The

new contract structure will encompass vehicle maintenance in addition to operations, thus transferring maintenance duties from the County to the contract operator.

### **Planning**

Service planning for Calaveras Transit has been a cooperative effort between the County and CCOG. The CCOG has supported transit through funding and managing various planning efforts such as the Intercity Transit Feasibility Study, Short Range Transit Plan, and Coordinated Human Services Plan. These are initiated by CCOG to ensure the County remains eligible for funding and to assist with addressing efficiency issues. During the audit period, the Calaveras County Short Range Transit Plan (SRTP) Update was undertaken by CCOG and finalized in January 2016. The prior SRTP was adopted in 2009. The aim of the current SRTP update was to evaluate services currently provided by Calaveras Transit and to develop a plan to improve system performance and provision over a five-year horizon.

The SRTP is composed of an executive summary; introduction; an analysis of existing and future transit needs, fares, services and performance; goals and performance standards; organizational assessment; service plan alternatives; financial assessment and plan; recommended service plan; and a marketing plan and recommendations. Included as an appendix to the SRTP is the Transit Maintenance and Organizational Analysis Working Paper which determined cost elements responsible for the higher than average operating cost per vehicle service hour in comparison with comparable rural transit systems. Replacement buses procured during the audit period were to help with maintenance cost containment.

The key findings and recommendations of the SRTP Update are summarized as follows:

- A new organizational structure, the Calaveras Transit Agency, would allow transit to reach its full potential in meeting customer mobility needs in a more cost-effective manner.
- In order to provide the necessary revenues for need service expansion, utilize all applicable LTF revenues for transit purposes.
- Implement a service monitoring program that will use recommended performance standards to ensure that any phased expansion of service is financially sustainable over time.
- Adopt a new mission statement:

*To provide safe and cost effective public transportation services throughout Calaveras County to serve the mobility needs of residents and visitors who need public transportation.*

The SRTP identified several financial scenarios and service packages. However, according to a news article in the Calaveras Enterprise dated February 1, 2016, County supervisors did not agree with many of the report's findings and also rejected a key recommendation by voting to keep the operation under county government control. The scenario chosen by County staff was one that

recommended cutting administrative staff and costs, as well as increasing frequency and vehicle service hours to spread fixed costs.

CCOG contends the service adjustments made by the County were not in line with the SRTP recommendations. CCOG staff attempted to bring two joint work sessions between the County Board of Supervisors and City Council; the first was to identify goals and a mission statement for transit, the second was to review service recommendations and receive direction. County staff chose to take an independent item to their board to adopt the County Efficiency Model. That model in the SRTP maintains the County Public Works as the operator but made many recommendations to cut costs and increase efficiency. Among those recommendations was cutting the transit manager position to .5 FTE and better defining the roles between the transit manager and operations contract manager.

The Calaveras Transit Service Plan, adopted in January 2017, outlines a system of convenient bus routes and schedules designed to maximize ridership and passenger convenience. The plan rebranded the routes from a numbered to a color designation; modified the Saturday Hopper schedule to include service to Arnold and reduce the number of stops in Valley Springs; changed the Saturday Hopper base fare to \$3.00 and allow for the use of monthly passes on Saturdays; and modified the Delta Gold Line schedule to facilitate better connections in the county. The Delta Gold Line service was eventually discontinued in July 2017.

The annual Unmet Transit Needs process moderated by CCOG also serves as a planning assessment tool for the transit system. As part of the annual unmet transit needs process, CCOG prepares a detailed report documenting the conditions of the transit system and service area and public testimony of any potential unmet needs. The Unmet Transit Needs Report contains a chapter on the adequacy of TDA funded transit services that provides an overview of existing services, SRTP performance benchmarks and recommendations as well as a section on the adequacy of Calaveras Transit services. Transit performance is compared against the SRTP performance targets and recommendations along with an analysis of operating costs and ridership as well as gaps between planning and implementation.

## **Marketing**

Calaveras Transit markets its services through various media and outreach. The primary form of printed collateral is the transit schedule. The schedule at the beginning of the audit period was a tri-fold brochure that opens to show a map and provides fares, schedules, customer service, and rider etiquette information. The schedule underwent several updates to reflect the service changes and route rebranding implemented as part of the 2017 Calaveras Transit Service Plan. Rather than re-printing a tri-fold brochure, the updated current schedule and map consist of a stapled paper packet with the colored routes, fares, and passenger information.

Calaveras Transit produced and distributed flyers and brochures promoting the Saturday Hopper service and Delta Gold Line. Advertisements of the general transit system and specifically the Delta Gold Line were featured in the publication “Friends & Neighbors” magazine, a quarterly magazine devoted to seniors, boomers and their families in the Sierra Nevada foothills. In

addition to connecting County residents to Delta College, County staff advertised the Delta Gold Line as a means to travel to Stockton for transit connections, medical facilities, and shopping. The marketing efforts were not enough given the cancellation of the service after a year. Feedback from rolling out any new service is critical to learning and improving upon the changes. This could be accomplished at relatively low cost with brief surveys handed to riders by the drivers and a small drop box on the bus.

Transit information is also accessible online through a dedicated website (<https://calaverastransit.com/>). The website features the same general information as the paper packet but also includes a trip planner provided through Google Transit as well as the Title VI policy, ADA application and operation reports. Social media outreach consists of a Facebook page maintained by County staff.

Other marketing initiatives have encompassed outreach to Calaveras First 5 clients, collateral printing costs, print and movie advertisements. More focused community outreach undertaken by the transit system has included well-known events and presentations. Calaveras Transit operates shuttles during the world-renowned Calaveras County Fair and Jumping Frog Jubilee, which takes place the third weekend in May in Angels Camp. The transit service has a booth and runs shuttles to and from the fairgrounds from the Calaveras County Government Center (<http://www.frogtown.org/fair-transit-schedule>) that cost \$1.00 per trip. Also, in coordination with The Resource Connection Food Bank, Calaveras Transit participates in the annual “Stuff the Bus” event that collects donated food items for hungry families during the months of November and December.

With LCTOP funding, Calaveras Transit implemented the Green Ticket fare subsidy program to provide transit vouchers to county residents in an effort to encourage the use of transit instead of personal vehicles. The vouchers were distributed at outreach events and to food banks and social service agencies that did not purchase bus tickets before, and also targeted the local tourism market in Angels Camp and Murphys. The County reports that more vouchers were distributed than were redeemed or used.

Another source of system revenue is advertising space. The Board of Supervisors approved guidelines for the marketing of advertising space on County transit vehicles in January 2015. External advertising is available for \$100 per month per vehicle and internal advertising is available for \$25 per month per vehicle.

Pursuant to the federal Civil Rights Act of 1964, the Calaveras County Public Works Department and Calaveras Transit adopted a Title VI Program in June 2014, which was amended November 2014 and April 2017. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin be excluded from, be denied the benefits of, or be subjected to discrimination, under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices posted on the website, in all transit vehicles and shelters, on the Calaveras County Public Works office bulletin board and customer service counter, and in the Calaveras County Public Works Equipment Service Center in San Andreas. Complaint forms are available on the website.



## **General Administration and Management**

The County of Calaveras was incorporated on February 18, 1850, as one of California's original counties. From its seat in the community of San Andreas, the County is governed by a five-member Board of Supervisors, which serves as the administrative and legislative body. Supervisors are elected by district to four-year terms. Supervisors' terms are staggered — two supervisors are elected in one general election, and three supervisors in the next. The Board meets the second and fourth Tuesdays at 9:00 a.m. in the Board of Supervisors Chambers in the County Government Center located at 891 Mountain Ranch Road in San Andreas.

The Board approves the County's annual budget and allocates funds for County Departments and agencies, including administration of the transit system. The composition of the Board of Supervisors experienced turnover as a result of the November 2016 election. The District 5 supervisor was recalled and the District 1 supervisorial seat changed hands. The change in governance has provided an opportunity for the Board to broaden its awareness of the transit system's challenges and opportunities despite limited to no information being presented regularly about the transit system. A lack of presentation in general about the service to the Board, serving as the policy board of the transit system, prohibits goal setting and productivity expectations. In addition, the City of Angels Camp has had limited to no involvement in transit service decisions or actions.

Administration of the transit system has been the purview of the Public Works Department. The Public Works Director was appointed in March 2015 after the prior director resigned in 2014. Previously, transit administration and planning had been contracted out to a Southern California-based consultant for less than a year but was still managed through Public Works.

A total of eight public works employees support the transit program in various labor capacities including from public works administration and maintenance. The public works analyst has served as transit manager with support from the deputy director of operations and maintenance. The public works analyst retired from the County in September 2017 after 20 years of service. With the retirement of the analyst, the County solicited a replacement for the transit manager position on an extra-hire basis in August 2017.

The County's responsibilities include grant applications and management, State and Federal compliance, system planning, service coordination with other jurisdictions, capital planning, capital project delivery, and asset management. The County also oversees the contract with the operator. The County indicated a cooperative relationship with the contract operator including holding internal informal discussions regarding the transit service. It is not apparent that a set agenda was developed for the meetings to ensure on-going performance review and addressing of issues at regular intervals.

The cooperation between the County and the contractor was recognized by the California Association for Coordinated Transportation (CalACT) at its 2016 Spring Conference and Expo held in La Jolla. The County and Paratransit Services were recipients of CalACT's "Above and Beyond

Reward” due to the volunteer effort by Paratransit Services during the Butte Fire that impacted Amador and Calaveras Counties.

Pursuant to TDA, the County receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance Funds (STAF). TDA funding is used primarily for operations as well as for capital expenditures. Based on Transit Operators Financial Transactions Report data, LTF revenues received during the audit period were \$181,912 in FY 2015; \$284,688 in FY 2016; and \$538,264 in FY 2017. STAF revenues received were \$225,498 in FY 2015; \$225,810 in FY 2016; and \$167,967 in FY 2017. The Transit Operators Financial Transactions Reports sent to the State Controller are generally prepared by the business administrator in the Public Works Department or the County Auditor-Controller’s office. The Auditor-Controller has been reviewing and certifying the report since 2013.

### Alternative Governance Considerations

With regard to the potential future administration and oversight of Calaveras Transit, the County initiated a discussion in September 2017 on exploring the development and feasibility of an alternative organizational structure for the transit system as recommended in the S RTP. The CCOG Board provided staff direction to work with the respective City and County liaisons to identify next steps and approaches. The Board also directed staff to include funding in the CCOG FY 2017-18 Overall Work Program Amendment No. 1 for consultant services to assist in facilitating and guiding the process.

The City and County liaisons, along with staff from CCOG and the County Public Works Department met on September 21 to discuss goals for the process and next steps moving forward. Consensus was reached by the group to move forward with exploring an alternative organizational structure that involves the formation of a transit agency through a Joint Powers Agreement (JPA). CCOG released a Request for Proposals on September 26, 2017 for consulting firms to facilitate and assist in a transition plan for the transit system and formation of a JPA.

One qualified proposal was received, which was subject to review and comment by the liaisons and CCOG staff on October 23, 2017. There was consensus and support to recommend the contract award to the sole bidder. The consultant has been working with the City and County on the development and feasibility of an alternative organizational structure from a County administered transit service to a JPA between the City of Angels and the County. The JPA Agreement was approved by the Calaveras County Board of Supervisors on February 13, 2018. The Agreement was subsequently approved by the City of Angels Council on February 20, 2018. The final adopted JPA Agreement was signed on March 6, 2018 to be implemented effective July 1, 2018.

### Grants Management

In addition to TDA funding, Calaveras Transit relies on a variety of federal and state grants to support its operations and capital procurement efforts. The County has made efforts in spending down unexpended grant proceeds before their termination date. As a transit service serving a

rural area, Calaveras Transit received federal funding from the FTA Section 5311 grant program. FTA Section 5311(f) funds were utilized for operation and capital costs on the Delta Gold Line.

Rural FTA Section 5311 grant funds received were applied toward operations and capital. Federal funds received toward operations were for \$308,181 in FY 2015; \$274,225 in FY 2016; and \$293,056 in FY 2017. Capital grant funds received were \$76,680 in FY 2015 and \$66,400 in FY 2016. CCOG submits a Program of Projects that identifies subrecipients and projects to receive FTA Section 5311 funds in their planning area by December 31 of each year. The County submits quarterly and semi-annual performance and accountability reports to gauge grant activity. The County was not eligible to receive FY 2017-18 FTA Section 5311 operating funds until a new operations contract was executed that met procurement requirements.

State grant funding has been derived from the LCTOP and Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) programs toward service expansion, farebox support and capital procurements. LCTOP was established by SB 862 to provide funds to transit agencies to reduce greenhouse gas emissions and improve mobility through operating and capital grants. LCTOP funds received were \$14,459 in FY 2015; \$44,235 in FY 2016; and \$38,959 in FY 2017. The funds were used toward the Green Ticket fare subsidy program for qualified riders and the implementation of the Saturday Hopper service.

Funding from the PTMISEA program has been used toward bus procurement, engine replacements, bus shelters, bus stop improvements and a vehicle maintenance lift. PTMISEA funds received were \$384,089 in FY 2015; \$447,081 in FY 2016; and \$376,247 in FY 2017. The Board of Supervisors approved the purchase of a bus in February 2015 for \$93,553 [including \$66,400 in FTA Section 5311(f) funds] and two minivans for \$91,290 in July 2015. A total of 6 new transit vehicles were delivered in 2015 and 2016 (one in 2015, five in 2016). The County also received funding through the Proposition 1B CalOES grant program for capital. CCOG has had to approve many extensions as well as amendments/revisions to the PTMISEA and CalOES expenditure plan to help ensure project delivery and reporting.

Without proper goal setting by the policy board, capital grant funds could not be programmed to fund large projects. As an example, CCOG had programmed in the OWP a Long Range Transit Plan to address more long-term capital infrastructure needs and larger demographic shifts. However, County public works did not move forward with this plan in looking long term which was to include an evaluation of transit facility needs such as an operations facility which the operations contractor currently leases for approximately \$3,000 per month. The PTMISEA program, now closed after being available for over a decade as part of State Proposition 1B, would have been a prime source of capital funds in the final cycle for any new facility projected in a long-range plan.

## Section VI

### Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2015 through 2017. A set of recommendations is then provided.

### Triennial Audit Findings

1. Of the nine compliance requirements pertaining to Calaveras Transit, the operator satisfactorily complied with six requirements. The operator was partially compliant in its farebox recovery attainment over the three year period and completion of the annual fiscal audit, and was not in compliance for its LTF claim submittals. Two additional compliance requirements did not apply to Calaveras Transit (i.e., blended and urban farebox recovery ratios). While available federal transit funds were used during the audit period, the transit system will not receive federal funding in the next fiscal year due to being out of compliance with Federal procurement guidelines in securing a new operations contract.
2. Calaveras Transit is held to a 10 percent minimum farebox recovery ratio. For the three-year audit period, the average systemwide farebox recovery ratio was 9.04 percent. It is noted that the audited farebox recovery ratios reflect fare revenue and supplemental local support, and operating cost exemptions from service expansion during this time frame as allowed under TDA. The farebox was below the TDA minimum requirement for two consecutive years in FYs 2016 and 2017 and resulting in Calaveras Transit being subject to the fare penalty process administered by CCOG under TDA rules.
3. Through its contract operator, Calaveras Transit participates in the CHP Transit Operator Compliance Program and received inspections of its transit vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited increases during two out of the three fiscal years of the audit period. CCOG has raised significant concerns regarding the County's budgeting practices as it relates to the claim for TDA funds. Both STA and LTF claims have not been in compliance with the CCOG TDA Guidebook for various reasons including requesting an amount greater than their actual costs of operations; ineligible costs; inconsistencies between budget and amount being claimed; missing backup documentation; and non-compliance with FTA funds. Budgeted costs experienced relatively significant swings with no explanation as to shifts between budget line items. The issues with submittal of claims and funding applications or invoicing ultimately required County staff to seek loans from the General Fund. Further, the County Transit Fund balance has been negative over the last three years. CCOG, in support of the transit system, has had to approve "emergency" claims in order to get the county funds as soon as possible.

5. Calaveras Transit fully implemented four of the six prior audit recommendations. The two recommendations remain in the process of full implementation. One recommendation pertains to the pursuit of partnerships with local educational institutions and the other pertains to review and monitoring of performance measures as part of regularly scheduled discussions with the contract operator.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, decreased 24.4 percent from \$113.26 in FY 2014 to \$85.65 in FY 2017. Although operating costs increased by 3.4 percent based on audited data during the audit period, vehicle service hours increased by 36.7 percent. This had a positive impact on this performance indicator, allowing transit to spread costs over a greater number of service hours.
7. Operating cost per passenger, an indicator of cost effectiveness, increased 74.9 percent from \$15.85 in FY 2014 to \$27.72 in FY 2017. Calaveras Transit's operating costs increased during the period; coupled with a significant decrease in ridership by 40.9 percent, this performance measure has experienced a negative trend. Passenger trips decreased from 69,100 in FY 2014 down to 40,837 in FY 2017.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 56.8 percent between FY 2014 and FY 2017 from 7.1 passengers per hour to 3.1 passengers per hour. The trend in this indicator is reflective of the decrease in ridership by 40.9 percent while vehicle service hours increased during the audit period.
9. Calaveras Transit vehicles were pressed into service in response to the devastation and dislocation caused by the Butte Fire in September 2015. Extra runs were operated in a coordinated effort with the Calaveras County Sheriff's Office and Health and Human Services Department to evacuate residents. Paratransit Services, the operations contractor, through volunteer hours and resources provided non-emergency transportation to and from evacuation centers at no fare.
10. Calaveras Transit underwent several service modifications in response to unmet needs and productivity recommendations from CCOG. The County Public Works Department introduced a new transit service plan in mid-FY 2017 to address the decline in ridership and make adjustments to serve the new Delta Gold Line. While the plan was not aligned directly with recommendations from the Short Range Transit Plan, the County service plan was reviewed by the Board of Supervisors at their December 13, 2016 meeting and released for public review and comment on January 10, 2017. The routes were realigned and rebranded from number to color designations.
11. Calaveras Transit also upgraded its fleet of vehicles using State funding. The County received delivery of five 2016 Ford El Dorado Aerotech vehicles in FY 2016. The County also purchased two 2014 Braun low-floor minivans to assist with overcapacity issues that were received in September 2015.

12. Operations personnel provided through Paratransit Services are composed of 11 employees including the general manager, road supervisor, drivers, and dispatchers. One of the full-time dispatchers also serves as a driver and resident trainer. The contract operator increased the number of full time employees to eight in order to meet the service level output.
13. Most basic maintenance for Calaveras Transit vehicles is performed at the County Equipment Service Center located at in San Andreas. Road calls during the period more than doubled between FY 2015 and FY 2016. With the procurement and introduction of newer vehicles into the fleet, the number of road calls decreased by half in FY 2017. Drivers utilize a CFN fuel card and an email of fuel activity is sent to the contract general manager for review.
14. The Calaveras County Short Range Transit Plan (SRTP) Update was undertaken and finalized in January 2016. A companion Transit Maintenance and Organizational Analysis was also conducted to examine the high operating cost per hour for the rural service. The SRTP identified several financial scenarios and service packages. However, according to a news article in the Calaveras Enterprise dated February 1, 2016, County supervisors did not agree with many of the report’s findings and also rejected a key recommendation by voting to keep the operation under county government control. The County’s new transit service plan was developed two years after joint workshops on the SRTP.
15. With LCTOP funding, Calaveras Transit implemented the Green Ticket fare subsidy program to provide transit vouchers to county residents to encourage the use of transit instead of personal vehicles. The vouchers were distributed at outreach events and to food banks and social service agencies that did not purchase bus tickets before, and also targeted the local tourism market in Angels Camp and Murphys.
16. Eight public works employees support the transit program in a full or limited time basis for administration and vehicle maintenance. A public works analyst has served as transit manager with support from the deputy director of operations and maintenance. The public works analyst retired from the County in September 2017 after 20 years of service. With the retirement of the analyst, the County solicited a replacement for the transit manager position on an extra-hire basis in August 2017.
17. The County and Paratransit Services were recipients of CalACT’s “Above and Beyond Reward” at its 2016 Spring Conference and Expo for Calaveras Transit’s evacuation efforts due to the volunteer effort by Paratransit Services during the Butte Fire that impacted Amador and Calaveras Counties.

## Recommendations

**1. Continue efforts to pursue partnerships with local educational institutions and tourism industry as a means to support higher ridership and farebox recovery attainment.**

This recommendation was included in the prior audit but remains in the process of implemented. The prior audit noted efforts by County transit staff to implement fare subsidy agreements with both Columbia and San Joaquin Delta College to boost ridership and communication. Calaveras Transit can build stronger relationships with student services staff at Columbia College who serve as a gatekeeper for its students and help facilitate further purchases of passes and other incentives to increase ridership. With changes made to increase frequency in the bus schedule to accommodate college bell times toward the end of the audit period, there should be an additional push for pass sales. Another suggestion would be to work with Columbia College to sponsor some on-board passenger amenities favorable for its students such as free Wi-Fi on the spine route. The SRTP on-board survey found that 65 percent of Calaveras Transit riders access the internet regularly, 75 percent have a cell phone and 43 percent have a Smartphone.

In addition, the implementation of the Saturday Hopper has presented opportunities for increased ridership by local visitors as well as partnership opportunities with the local tourism industry. Calaveras Transit entered into a Transit Facilities License Agreement with Wyndham Vacation Ownership in October 2016. The agreement allows Calaveras Transit vehicles access to the WorldMark Resort at Angels Camp as part of the Saturday Hopper service, which has grown in popularity with riders traveling to Arnold and Murphys. Local routes open to the public serving the tourism industry on weekends and other peak times could help with improved performance. Agreements with the hospitality sector for fare subsidy could be pursued that benefit those lodging and tourism attractors. Hotels could purchase tickets and place them inside guest rooms.

**2. Ensure performance measures are reviewed and monitored as part of regularly scheduled discussions with the contract operator and policy board.**

This recommendation was included in the prior audit but remains in the process of implemented. The prior audit noted that there was regular communication between the County transit services staff and the contract operator with the goal to establish a formal meeting each month. With the transit system transitioning to an alternative organizational structure and the execution of a new operations and maintenance contract, the new transit administrator and the contract operator will have opportunity to develop formalized regularly scheduled meetings to review performance measures. A formal standing agenda including an item for performance indicator review should be included for meetings with the contract operator on a more regular basis such as monthly. Topics should include performance measures review, new services, customer service trends, and general operational issues. The formal meeting would be additional to other informal types of communication between the County and the transit contractor. Timely discussions will enable staff to discern causes for changes in the data, such as road

construction, adverse weather, or changes in the college schedule that impact ridership. The performance summary from these monitoring activities should also be shared regularly with the policy board to enable goal setting, better oversight and monitoring, and discussion of productivity improvements of the service in both the short and longer terms.

### **3. Improve reporting accuracy in key TDA documents.**

As a condition of TDA receipt, the County must submit key documents and reports that justify the request for transit funds as well as the accurate collection and use of the revenue. During the audit period, several instances of incorrect or inconsistent information were submitted by the County with respect to the annual local transportation fund claims and State Controller Report. The LTF claims were found to contain budget assumptions that were not consistent with actual and audited costs, prompting CCOG to place conditions on the amount of funds approved for Calaveras Transit. An improved internal budgeting process should be developed including review of current or the past year's costs, and budgeting based on projected service hours. The County Auditor certifies the transit revenue and expenditures which is one step implemented for improvement. Other concerns with the County TDA claim include inconsistent reporting of performance data relative to audited figures to demonstrate implementation of productivity improvements as required by the CCOG TDA Policies and Procedures. The TDA claim should include audited performance data as the fiscal audits are completed prior to the claim submittal. Timely submittal of the claim with justified back-up materials would also help maintain a more stable transit fund balance.

Operating revenue data submitted to the State Controller for the annual report was also incorrect. For example, passenger fare revenue in FY 2017 included not only fares, but also general operating assistance using state funds for Saturday Hopper, and proceeds from sale of surplus vehicles. The inclusion of these revenue showed a higher farebox recovery in the State Controller Report than actual and audited data. Other revenue line items in the report are appropriate for more accurate reporting of the data. Further internal checks for accuracy should be undertaken prior to submittal to the State including spot checks against year-end accounting ledgers, and review of the State Controller instructions for filling out the report.

### **4. Conduct follow-on survey to gauge rider experience from new service plan.**

From the service changes made to the system in April 2017, feedback from the roll out is critical to learning and improving upon the changes. This could be accomplished at relatively low cost with periodic brief surveys handed to riders by the drivers and a small drop box on the bus. A request could also be made to have Columbia College administer its own student body survey to expand feedback. The survey could ask pointed questions that assist with future planning, including the following:

- Route color



- Purpose of trip
- Passenger boarding and alighting stop
- Does the service meet their needs
  - If yes, why so (checklist of items)
  - If no, why so and how could the service improve (checklist of items)

Survey results could be correlated with operations performance data by route and service to identify noticeable trends and priorities for discussion between the County and the contract operator. Action items could be developed to address issues which may differ between routes or segments. The survey will provide information along with quantitative data to make those priorities. Following the survey results and development of action items, an implementation strategy should be formulated and discussed with the policy board to deliver modified services including those that may align with the recommendations in the recent SRTP.

#### **5. Adopt a new transit mission statement.**

The SRTP Update process involved a joint workshop among the Calaveras County Board of Supervisors and the City of Angels Camp City Council to provide input on the goals and objectives for the SRTP. The input was incorporated into a new recommended Mission Statement:

*To provide safe and cost effective public transportation services throughout Calaveras County to serve the mobility needs of residents and visitors who need public transportation.*

As the administrative and governing structure of the transit system anticipates transitioning from the County to a JPA between the City of Angels and the County in mid-2018, the mission statement for the new transit entity should be reviewed and adopted as part of the new organization. The mission statement provides the underlying foundation for which the goals and objectives of the system are developed and implemented through the action items.