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# Tahoe Area Regional Transit Triennial Performance Audit

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*Fiscal Year 2010-2011 through Fiscal Year 2012-2013*



*Final*

*Prepared for the*  
**Tahoe Regional Planning Agency**

*Prepared by*



**LSC Transportation Consultants, Inc.**



***Tahoe Area Regional Transit  
Triennial Performance Audit***

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The California Public Utilities Code requires that all transit operators that receive funding under Article 4 of the Transportation Development Act (TDA) be subject to a performance audit every three years. This document presents the findings from the performance audit of transit operations managed by Placer County in the northern and western portion of the Tahoe Basin, branded as Tahoe Area Regional Transit (TART). As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in the Tahoe Region, these audits were performed under the authority of the Tahoe Regional Planning Agency (TRPA).

This audit report covers Fiscal Years (FY) 2010-11 through FY 2012-13, and was conducted by LSC Transportation Consultants, Inc. Data collection, initial review, and on-site interviews were conducted in early 2014. The audit process follows guidelines outlined in the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities developed by Caltrans (2008).

## **BACKGROUND**

TART is managed by the Placer County Department of Public Works (DPW). The TART service area extends from Incline Village, Nevada to Tahoe City on the north shore of Lake Tahoe and Sugar Pine Point State Park on the west shore of the lake, as well as to Squaw Valley, Northstar and Truckee (outside the Tahoe Region). Local fixed route services are provided directly by Placer County DPW staff, while Americans with Disabilities Act (ADA) complementary paratransit service is provided through a taxi voucher program.

## **VERIFICATION AND USE OF PERFORMANCE INDICATORS**

Table 1 and Figures 1 through 6 in Chapter 2 present operating data and performance indicators for TART fixed route services, ADA paratransit services and all services systemwide. During the audit period, systemwide ridership decreased by 7.1 percent. Cost efficiency (as measured in operating cost per vehicle service hour) remained relatively steady during the audit period, while productivity (one-way passenger-trips per vehicle service hour) decreased from 14.1 to 13.6 passengers per vehicle-hour. Cost effectiveness (operating cost per passenger trip) decreased slightly, by 4.0 percent over the three year period. TART transit services generated a total systemwide farebox ratio (the ratio of passenger fares to operating costs) of 12.6 percent to 13.2 percent during this audit period, above the 10 percent standard for rural transit services. The Auditor calculated farebox ratio for only TART Tahoe Region services within California as well as for all TART services located within California for reference purposes. The ratio ranged from a low of 12.6 percent for TART services systemwide in FY 2012-13 to a high of 14.6 percent for Tahoe Basin services in California in FY 2011-12.

TART compiled operating statistics in accordance with TDA definitions (as presented in Appendix B of the *Performance Audit Guidebook*). As for the overall data collection and recording process, TART employs electronic fareboxes which allow for accurate collection of detailed operating statistics. TART produces easy to read and informative operating data reports.

## **REVIEW OF COMPLIANCE REQUIREMENTS**

The *Performance Audit Guidebook* recommends reviewing transit operator compliance with certain TDA regulations that relate to a performance audit. Table 6 presents TART's compliance with these requirements. TART public transit services were found to be in compliance on all applicable issues.

Additionally, as demonstrated in Tables 2 – 4, the level of LTF funds TART used was not greater than 50 percent of total operating and capital costs after subtracting money anticipated to be received through federal grants and STA funds (PUC 99268) for each year of the audit period. Therefore, TART remains in compliance with the TDA 50 percent expenditure limitation for older operators.

## **STATUS OF PRIOR AUDIT RECOMMENDATIONS**

The previous audit was completed by Majic Consulting Group in August 2012. Of the six recommendations from the prior TPA, TART has implemented two recommendations, two are in progress, one has not been completed and one is no longer applicable.

## **DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS**

An important step in the performance audit process is to evaluate standard transit operator functions in terms of efficiency and effectiveness. This is done through interviews with transit staff. The review of transit operator functions is divided into the following categories:

- ◆ General Management and Organization
- ◆ Service Planning
- ◆ Administration
- ◆ Scheduling, Dispatch and Operations
- ◆ Marketing and Public Information
- ◆ Maintenance

In summary, organization and management of the transit operator appears to be appropriate for the size and scope of transit operations. TART regularly reviews operating statistics and TDA performance measures. In terms of short range planning, the TART Transit Plan is due for an update, along with on-board passenger surveys. Transit services comply with pertinent federal Americans with Disabilities Act (ADA) requirements. TART conducts sufficient public outreach prior to making significant service changes. TART has in place safety, operations, and training procedures which comply with applicable regulations. TART relies on the Truckee North Tahoe Transportation Management Association (TMA) for marketing and public outreach efforts. There appears to have been no significant issues during the audit period with respect to vehicle maintenance, although on occasion runs have been missed during the time it took place a working vehicle back into service. Vehicle replacement plans are in place to maintain a safe and operable fleet; however, TART operates with a tight spare vehicle ratio in the summer and winter peak seasons.

## **FINDINGS**

The Auditor noted no significant negative findings.

## **RECOMMENDATIONS**

Overall, the Auditors find the TART system to be a good example of a well-run regional transit program, which is making efficient use of public resources. Incomplete and recommendations considered “in progress” from the prior performance audit were carried forward as recommendation in this performance audit.



## **BACKGROUND**

The TDA, also known as the “Mills-Alquist Deddeh Act,” provides two major sources of funding for public transportation providers in California: the Local Transportation Fund (LTF) and the State Transit Assistance (STA). The LTF is derived from 0.25 cent of the 7.25 cent state sales tax collected per dollar of retail sales in each county during the audit period and can be used for a variety of transportation purposes according to a set of priorities detailed in the Act. The State Board of Equalization returns the LTF to each county in accordance with the amount of tax collected in that county. STA funds are derived from statewide excise tax on gasoline. The funds are allocated to each county based on the following formula: 50 percent according to population and 50 percent according to operator revenues from the prior fiscal year. STA funds can only be used to pay for transit planning, capital projects, and operations.

The PUC requires that a Triennial Performance Audit be conducted for all transit operators and RTPAs. A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance the performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and the degree of compliance with established policies and procedures.

## **PERFORMANCE AUDIT AND REPORT ORGANIZATION**

The performance audit consists of the following elements:

1. Initial review of transit operator functions
2. Review of compliance requirements
3. Follow-up review of prior performance audit recommendations
4. Verification and use of performance indicators
5. Detailed review of various transit operator functions
6. Preparation of the Draft Audit report
7. Preparation of the Final Audit report

## **TRANSIT PROGRAM DESCRIPTION**

Funds for TART within the Tahoe Region are allocated by TRPA, which is the designated RTPA for the Tahoe Region. Services initially began in 1974 and are currently operated by Placer County Department of Public Works (DPW). Placer County DPW operates two transit systems: Placer County Transit services in the western portion of Placer County (not included in this audit) and TART in the Tahoe Region. TART operates a fixed route system open to the general public. The TART “mainline” service runs from Tahoma (on Lake Tahoe’s West Shore in El Dorado County) to Incline Village, Nevada. The Truckee Shuttle route operates between Tahoe City and Truckee via SR 89. In the winter of 2007-08, TART added service between Northstar and Crystal Bay along SR 267 during the summer months and Truckee to Crystal Bay in the winter months. TART also contracts with Tahoe Blue Taxi, a local cab company, to provide complementary ADA paratransit services. The TART operations and maintenance

facility is located at 970 Cabin Creek Road, approximately two miles south of Truckee along the SR 89 corridor. This facility includes a Compressed Natural Gas (CNG) fueling station.

Services within Nevada are operated using funding provided by the Washoe Regional Transportation Commission. During the audit period, funding was also provided by the Town of Truckee for services in Truckee. During the first two fiscal years, DPW operated a free Trolley service on the North Shore of Lake Tahoe using funding provided by the North Lake Tahoe Resort Association.

## TART OPERATING AND FINANCIAL STATISTICS

Table 1 presents operating statistics and performance indicators for TART fixed route services, demand response services, and all TART services systemwide, respectively. This information is based on data taken from internal operating spreadsheets and annual Fiscal and Compliance Audits. At the request of the State, Placer County DPW reports transit services operated for both the eastern and western portion of the county (TART and PCT) in one State Controller Report. Therefore, internal spreadsheets were not compared to State Controller Report data.

### Data Collection Methods

As part of the TPA process, the Auditor must collect and verify the following transit operator statistics:

- Operating Cost
- Passenger Count
- Vehicle Service Hours
- Vehicle Service Miles
- Employee Hours in Full-Time Equivalents (FTE)
- Fare Revenue

**Operating Cost** data (Table 1) for TART transit services was obtained from the annual Fiscal and Compliance Audits. Operating cost data by service type was estimated based on the proportion of fixed route to paratransit services costs in internal reports. The Fiscal and Compliance Audits present total operating expenses for each object class, as presented in the Chart of Accounts for the Uniform System of Accounts and Records, minus depreciation costs. The Fiscal Auditor's tests of the TART disclosed no instance of noncompliance that would be required to be reported under Government Auditing Standards.

According to Section 99247(a), operating costs include all costs except depreciation, direct costs for charter services and vehicle lease costs. Extension of service can be excluded per Section 6633.8. Operating cost data in internal spreadsheets differs slightly from annual Fiscal and Compliance Audits. This is typical as financial data in internal reports is unaudited.

**Passenger Count** data for TART is presented in Table 1. Ridership is recorded in terms of one-way unlinked passenger trips. During the audit period, ridership decreased by around 7.1 percent. Some of the decline can be attributed to discontinuation of the Trolley and some can be attributed to swings in the number of seasonal workers in the region without transportation.

**Vehicle Service Hour** data is reported in Table 1 and was obtained from internal reports. The definition of a vehicle service hour as currently used by TART is consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*.

**TABLE 1 : Tahoe Area Regional Transit Performance Measures**

Performance Measures	Fixed Routes			ADA Paratransit Taxi Service			Systemwide		
	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13	2010-11	2011-12	2012-13
One-Way Passenger-Trips	370,644	357,828	344,393	501	198	348	371,145	358,026	344,741
% Change from Previous Year	8.1%	-3.5%	-3.8%	46.5%	-60.5%	75.8%	--	-3.5%	-3.7%
Vehicle Service Hours	26,017	25,796	25,101	145	95	169	26,163	25,890	25,270
% Change from Previous Year	2.1%	-0.9%	-2.7%	26.4%	-34.8%	78.2%	--	-1.0%	-2.4%
Vehicle Service Miles	556,775	551,437	534,907	5,817	3,157	6,327	562,592	554,594	541,234
% Change from Previous Year	2.7%	-1.0%	-3.0%	26.1%	-45.7%	100.4%	--	-1.4%	-2.4%
Operating Costs	\$3,351,668	\$3,271,026	\$3,239,813	\$37,070	\$27,101	\$43,153	\$3,388,738	\$3,298,127	\$3,282,966
% Change from Previous Year	9.4%	-2.4%	-0.9%	14.5%	-26.9%	59.2%	10.6%	-2.7%	-0.5%
# Employees <sup>(1)</sup>	--	--	--	--	--	--	23.96	24.56	24.70
% Change from Previous Year	--	--	--	--	--	--	--	2.5%	0.6%
Farebox Revenues	\$447,508	\$439,598	\$412,460	\$1,757	\$995	\$1,194	\$449,265	\$440,593	\$413,654
% Change from Previous Year	4.6%	-1.8%	-6.2%	38.5%	-43.4%	19.9%	4.7%	-1.9%	-6.1%
Operating Cost per One-Way Passenger-Trip	\$8.46	\$9.20	\$9.47	\$69.25	\$137.74	\$124.79	\$9.13	\$9.21	\$9.52
% Change from Previous Year	-5.3%	8.7%	2.9%	-26.8%	98.9%	-9.4%	1.2%	0.9%	3.4%
Operating Cost per Vehicle Service Hour	\$128.82	\$126.81	\$129.07	\$254.94	\$285.79	\$255.34	\$129.53	\$127.39	\$129.92
% Change from Previous Year	7.2%	-1.6%	1.8%	-9.4%	12.1%	-10.7%	7.1%	-1.7%	2.0%
Passengers per Vehicle Service Hour	14.25	13.87	13.72	3.45	2.09	2.06	14.19	13.83	13.64
% Change from Previous Year	5.9%	-2.6%	-1.1%	15.9%	-39.4%	-1.4%	5.8%	-2.5%	-1.3%
Passengers per Vehicle Service Mile	0.67	0.65	0.64	0.09	0.06	0.06	0.66	0.65	0.64
% Change from Previous Year	5.3%	-2.5%	-0.8%	16.2%	-27.2%	-12.3%	5.1%	-2.1%	-1.3%
Vehicle Service Hours per Employee	--	--	--	--	--	--	1,092	1,054	1,023
% Change from Previous Year	--	--	--	--	--	--	--	-3.5%	-3.0%
Farebox Recovery Ratio	14.28%	13.35%	12.65%	5.07%	3.65%	2.75%	13.26%	13.36%	12.60%
% Change from Previous Year	2.2%	-6.4%	-5.3%	29.2%	-28.0%	-24.7%	-4.4%	0.8%	-5.7%

Note: FTE figures for this audit period do not directly compare to prior audit period, as hours associated with County Administrative charges were not included prior to FY 10/11

**Vehicle Service Mile** data is displayed in Table 1. Data was obtained from internal reports. The definition of a vehicle service mile as currently used by TART is consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*.

The **Employee Hours in Full-Time Equivalents** data presented in Table 1 was obtained from internal reports. The Full-Time Equivalent (FTE) definition currently used by TART is consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*.

The **Fare Revenue** data presented in Table 1 was obtained from annual Fiscal and Compliance Audit reports. It should be noted that PUC Section 99205.7 states that fare revenues are defined as revenue object classes 401, 402, and 403, as specified in Section 630.12 of Title 49 of the *Code of Federal Regulations*:

- ◆ Object class 401 revenues include full adult, senior, student, child, handicapped, Park-and-Ride lot revenues (must be operated by transit operator), special and reduced fares collected from passengers.
- ◆ Object class 402 revenues include guaranteed revenues collected from an organization rather than a rider for rides given along special routes.
- ◆ Object class 403 revenues include revenues collected from schools for providing service to children to and from school.

Fare revenue also includes the amount of revenue received by an entity under contract for transit services not yet transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, or (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare. Fare revenue does not include other donations or general operating assistance, whether from public or private sources. Neither charter nor advertising revenues can be included in the fare revenue category.

TART calculates and reports fare revenue correctly to the State Controller. TART does not operate charter services; therefore charter revenue is not included in fare revenue. Fare revenue data in internal spreadsheets closely matches that in the Fiscal and Compliance Audits.

As for the overall data collection and recording process, TART employs GFI electronic fareboxes. With the fareboxes, TART has the ability to accurately record each boarding by type (pass, senior, etc.). At the end of the day, the fareboxes are “probed” and boarding data is electronically transferred into a main database. TART staff has found that the GFI database is able to produce only a limited set of useful reports; therefore staff export or manually enter operational data into Excel spreadsheets to customize the data for reporting requirements. These spreadsheets track all TDA performance indicators for three TPA periods by type of service and systemwide total. Although manually entering data is subject to human error, the electronic fareboxes allow for more accurate tracking and reporting of operational statistics than other methods of data collection. Overall, TART has developed a good data collection process and maintains a thorough ongoing database of operating data.

### **Calculation and Evaluation of Performance Indicators**

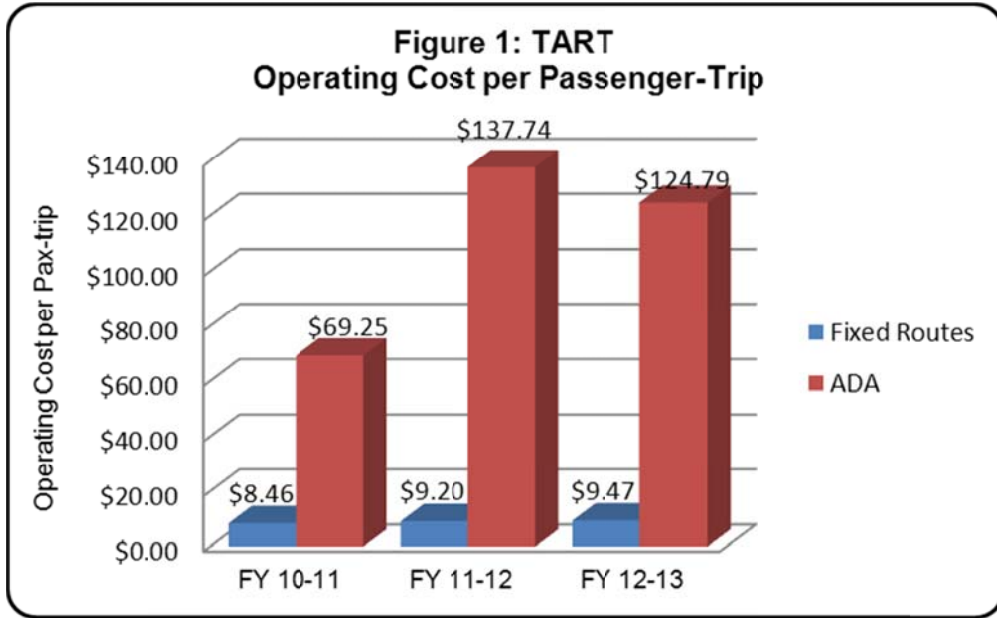
Performance indicators are frequently used to quantify and review the efficiency and effectiveness of a transit operator’s activities. Such indicators can provide insight on current operations as well as on the operator’s performance over a period of time. Using the data described above, the following performance indicators were calculated as required in Section 99246(d) of the Public Utilities Code:

- Operating Cost per Passenger
- Operating Cost per Vehicle Revenue Hour
- Passengers per Vehicle Service Hour
- Passengers per Vehicle Service Mile
- Vehicle Revenue Hours per Employee

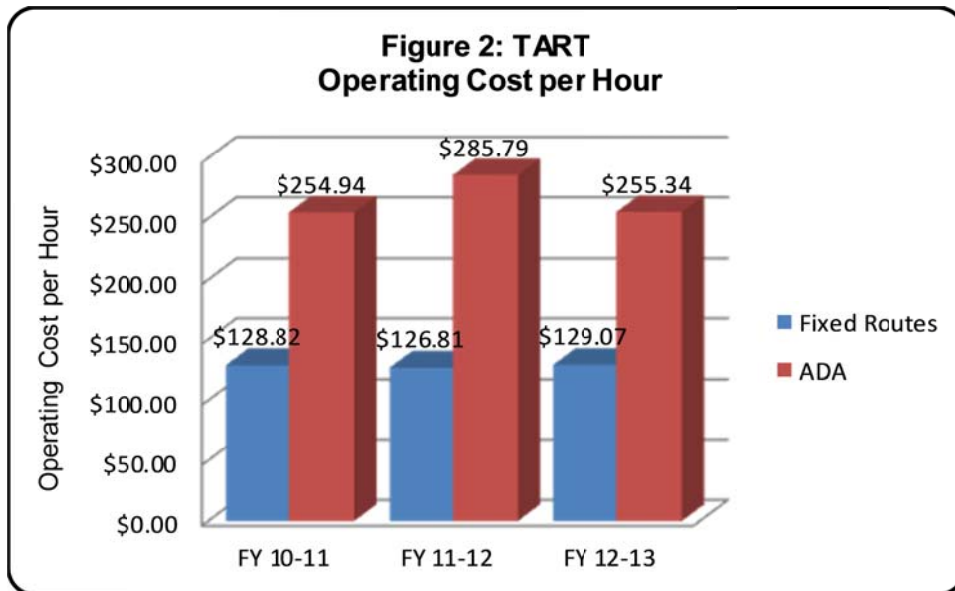
In addition, the Farebox Recovery Ratio is calculated and evaluated herein, as required in Section 99268 et seq. of the Public Utilities Code.

**Operating Cost per (One-way) Passenger Trip** data is presented in the Table 1 and Figure 1. This performance measure is a key indicator of a transit system’s cost effectiveness. Operating cost per one-way passenger-trip increased slightly over the audit period for all types of services. Systemwide operating

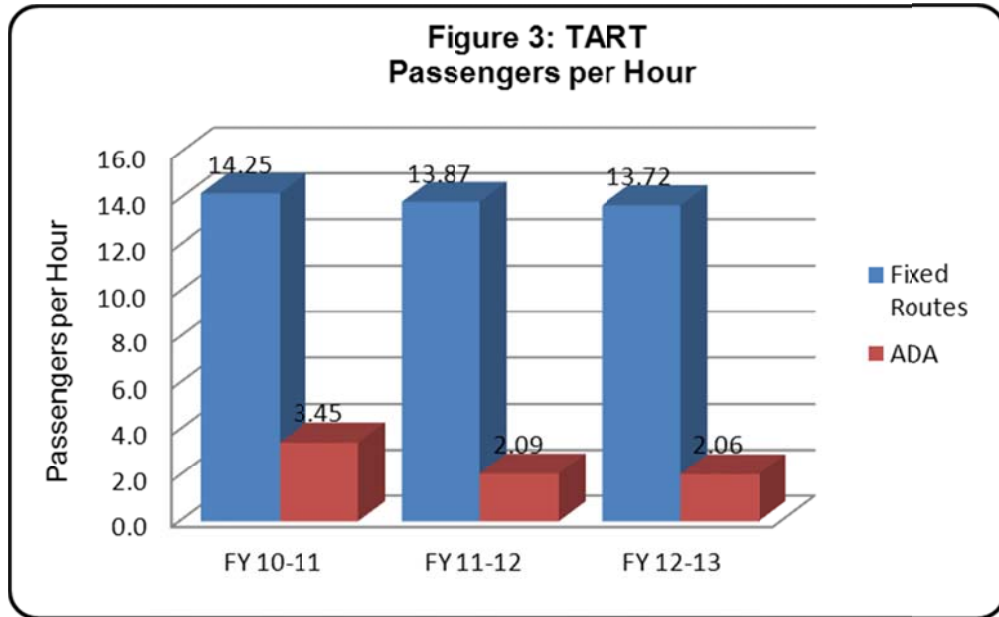
cost per trip increased from \$9.13 to \$9.52 or 4.3 percent. This decrease can be attributed to a loss in ridership over the audit period instead of an increase in operating costs.



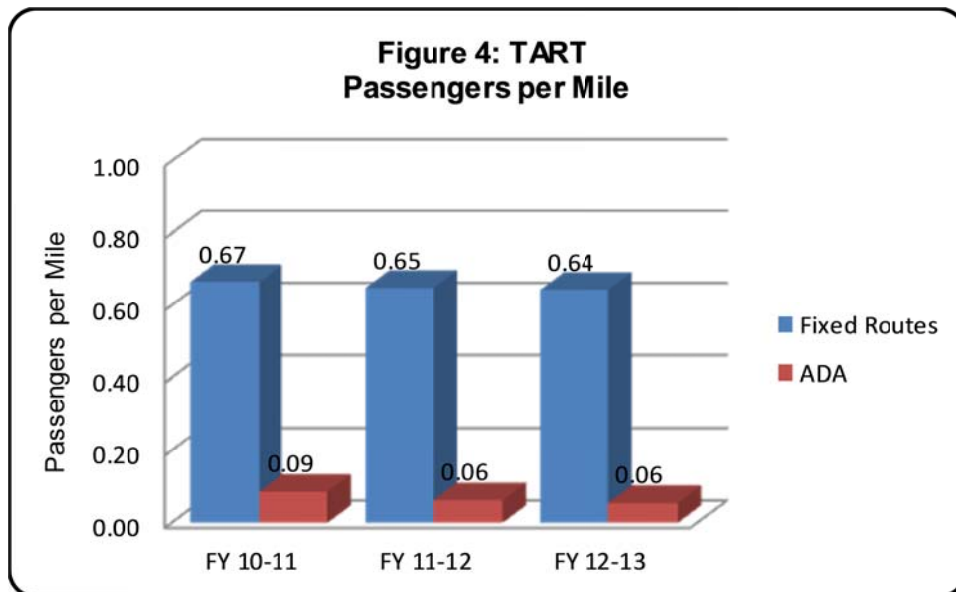
**Operating Cost per Vehicle Service Hour** data is presented in Table 1 and Figure 2. This performance measure is a key indicator of a transit system’s cost efficiency. For fixed route services and ADA paratransit services, operating cost per hour stayed relatively steady over the audit period with an (1.9 percent and 1.6 percent, respectively). Systemwide operating cost per hour stayed around the \$129 level. Both operating costs and vehicle service hours decreased slightly over the audit period. Some of the decrease in vehicle hours is due to the discontinuation of the Trolley during the last year of the audit period.



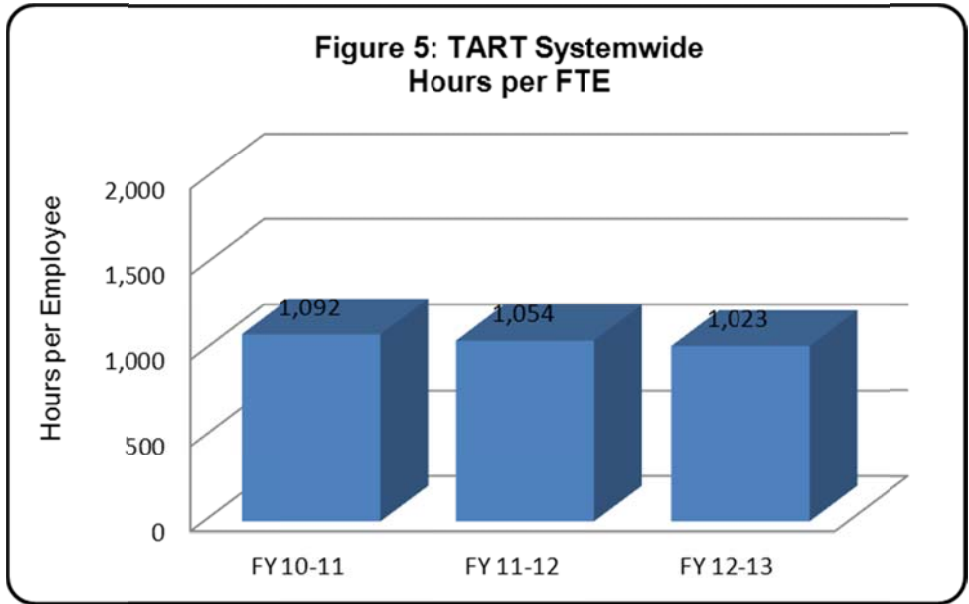
**Passengers per Vehicle Service Hour** (commonly referred to as “productivity”) is presented in Table 1 and Figure 3. As presented, overall systemwide productivity decreased slightly during the audit period from 14.19 passengers per hour to 13.64 passengers per hour as a result of a greater decrease in ridership than vehicle hours. A performance measure of 10 passenger trips per hour or greater is an indicator of a productive fixed route service. Demand response services can range from 3 to 5 passengers per hour as their productivity is limited by capacity.



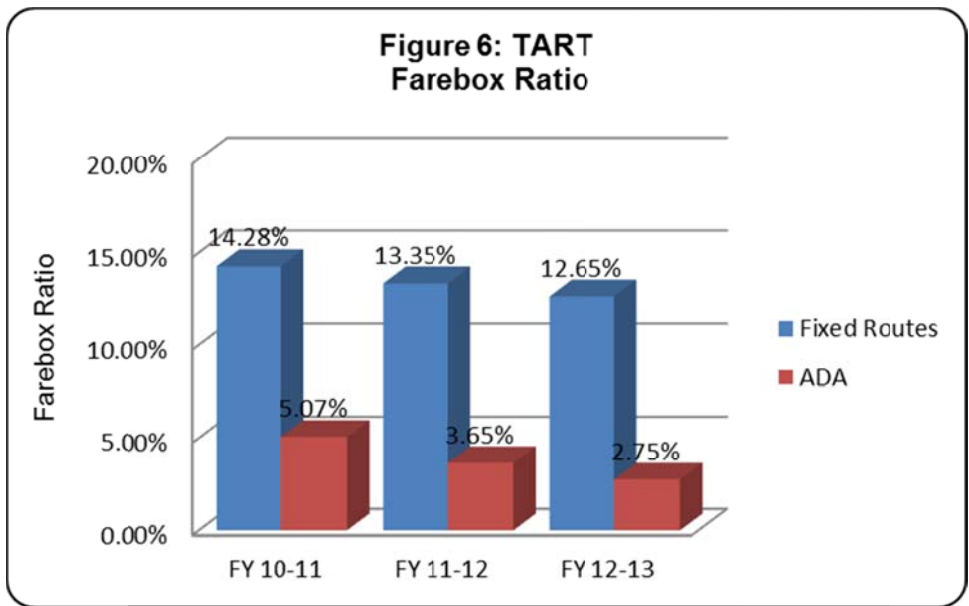
**Passengers per Vehicle Service Mile** data is presented in Table 1 and Figure 4. Similar to passengers per vehicle service hour, passengers per vehicle service mile decreased slightly but remained relatively steady during the audit period. Systemwide passengers per mile ranged from 0.66 to 0.64.



**Vehicle Service Hours per Full-Time Equivalent (FTE) Employee** data is presented in Table 1 and Figure 5. As presented, the number of vehicle service hours per FTE equivalent for TART systemwide decreased by 6.3 percent from 1,092 to 1,023 during the audit period. Vehicle hours decreased more than FTEs increased during the audit period. It should be noted that prior audit periods did not account for hours associated with Placer County administrative charges in FTEs; therefore these figures are not directly comparable to the prior audit period.



The **Farebox Recovery Ratio** data is presented in Table 1 and Figure 6. The systemwide farebox recovery ratio decreased from 13.2 percent to 12.6 percent, although it remained above the 10 percent TDA farebox ratio requirement which applies to most rural transit operators.



Per TDA, TART is considered an “older operator”, having begun transit service in FY 1978-79. When TDA was first enacted, transit operators were limited to using TDA- LTF funds to pay for no more than

50 percent of total operating and capital costs after subtracting money anticipated to be received through federal grants and STA funds (PUC 99268). At that time, many transit systems were partially funded with property tax revenues. After the passage of Proposition 13, property taxes were no longer used as a local funding source for public transit and transit operators found it difficult to provide adequate transit service under the 50 percent expenditure limitation. Therefore, the farebox recovery ratios listed in PUC 99268.2 – 99268.5 became the standard (FY 2007-2009 Triennial Performance Audit of SBCAG, September 2010, p. 68). However, per PUC 99268.1, older operators can remain eligible for LTF funds as long as they maintain the 50 percent expenditure limit.

According to PUC Section 99268.2, older transit operators (such as TART) required to be in compliance with Section 99268 under Section 99268.1 (50 percent expenditure limitation) may be allocated additional funds beyond the 50 percent expenditure limitation if the operator maintains a 10 percent farebox ratio (rural operators) **or** the same farebox ratio it had during the 1978-79 fiscal year **and** the same ratio of fare revenues and “local support” to operating costs as it had in 1978-79 if that ratio was greater than 10 percent. Although no physical evidence exists, it is understood that TART had a 25 percent farebox ratio in FY 1978-79. It is unknown whether or not the 25 percent farebox ratio calculation included “local support funds”. Examples of local support include local cash grants and reimbursements including payments from local government units. TART receives a portion of Transient Occupancy Tax (TOT) from the North Lake Tahoe Resort Association (NLTRA) which could be considered local support. Regardless of the uncertainty, it is generally accepted that TART cannot be allocated funds beyond the 50 percent expenditure limitation unless it achieves a ratio of fare revenues and local support of at least 25 percent. Nevertheless, TART and TRPA have historically calculated eligibility for LTF funds using the 50 percent expenditure limitation and TART has met this standard during this audit period, as shown in Tables 2 to 4.

TDA funds are derived from California state sales tax. TART operates public transit services in both the state of California and Nevada. For purposes of determining LTF eligibility (Tables 2 - 4), only operating costs associated with services in California were included. This is consistent with methodology used by the Fiscal and Compliance Auditor each year of the audit period. TART is a somewhat unique transit operator in that not only does TART service area includes two states but also two RTPA jurisdictions on the California side. Table 5 analyzes farebox ratio in three different ways: Tahoe California Basin portion only, California services (both within and beyond the Tahoe Basin) only, and total systemwide. Table 5 is presented only for informational purposes and for reviewing the performance of transit services within TRPA’s jurisdiction. As demonstrated in the table, farebox ratio ranges from 12 to 14 percent, regardless of the method of calculation. Again, this is comfortably above the typical rural standard of 10 percent.

### **Assessment of Internal Controls**

To ensure that the information gathered as part of this audit is reliable and valid, a review of internal controls is necessary. A transit operator’s internal controls are intended to do the following:

- ◆ Provide reasonable assurance that program goals and objectives are met
- ◆ Ensure that resources are adequately safeguarded and efficiently used
- ◆ Ensure that reliable data are obtained, maintained, and fairly disclosed in reports
- ◆ Ensure that the transit operator complies with laws and regulations

TART appears to have a reasonably well-developed system of internal controls appropriate to the size of the transit system. This statement is echoed in each of the three annual Independent Auditor’s Reports.



**TABLE 2: TART Maximum LTF Allocation Worksheet  
FY 2010-11- CA Services Only  
50% Expenditure Limitation**

	Actual FY 2010 - 2011
<b>Calculation of Maximum Eligible Operating Expense</b>	
Total system operating and capital requirements	\$ 3,234,243
ADJUSTMENTS:	
Qualified service extension	\$ -
Federal grants	\$ 490,039
STA Funds	\$ 243,245
<i>Total Adjustments:</i>	\$ 490,039
<i>Net Expenses</i>	\$ 2,744,204
<b>Net Eligible Expenses</b>	<b>\$ 1,372,102</b>
<b>Calculation of Maximum Eligible Allocation</b>	
Qualified service extension	\$ -
Capital Intensive Project	\$ -
Other	\$ -
<i>Subtotal</i>	\$ -
<b>Maximum LTF Allocation</b>	<b>\$ 1,372,102</b>
<b>FY 10/11 LTF Allocation</b>	<b>\$ 1,065,858</b>
<b>Difference</b>	<b>\$ 306,244</b>
<b>Proportion of Net Expenses that are LTF Funds</b>	<b>38.84%</b>
<i>Source: TRPA, Fiscal Audits</i>	

**TABLE 3: TART Maximum LTF Allocation Worksheet  
FY 2011-12- CA Services Only  
50% Expenditure Limitation**

	Actual FY 2011 - 2012
<b>Calculation of Maximum Eligible Operating Expense</b>	
Total system operating and capital requirements	\$ 3,091,246
ADJUSTMENTS:	
Qualified service extension	\$ -
Federal grants	\$ 549,503
STA Funds	\$ 254,519
<i>Total Adjustments:</i>	\$ 549,503
<i>Net Expenses</i>	\$ 2,541,743
<b>Net Eligible Expenses</b>	<b>\$ 1,270,872</b>
<b>Calculation of Maximum Eligible Allocation</b>	
Qualified service extension	\$ -
Capital Intensive Project	\$ -
Other	\$ -
<i>Subtotal</i>	\$ -
<b>Maximum LTF Allocation</b>	<b>\$ 1,270,872</b>
<b>FY 11/12 LTF Allocation</b>	<b>\$ 987,348</b>
<b>Difference</b>	<b>\$ 283,524</b>
<b>Proportion of Net Expenses that are LTF Funds</b>	<b>38.85%</b>
<i>Source: TRPA, Fiscal Audits</i>	

**TABLE 4: TART Maximum LTF Allocation Worksheet  
FY 2012-13- CA Services Only  
50% Expenditure Limitation**

	Actual FY 2012 - 2013
<b>Calculation of Maximum Eligible Operating Expense</b>	
Total system operating and capital requirements	\$ 3,125,051
ADJUSTMENTS:	
Qualified service extension	\$ -
Federal grants	\$ 845,880
STA Funds	\$ 284,579
<i>Total Adjustments:</i>	\$ 845,880
<i>Net Expenses</i>	\$ 2,279,171
<b>Net Eligible Expenses</b>	<b>\$ 1,139,586</b>
<b>Calculation of Maximum Eligible Allocation</b>	
Qualified service extension	\$ -
Capital Intensive Project	\$ -
Other	\$ -
<i>Subtotal</i>	\$ -
<b>Maximum LTF Allocation</b>	<b>\$ 1,139,586</b>
<b>FY 12/13 LTF Allocation</b>	<b>\$ 1,019,820</b>
<b>Difference</b>	<b>\$ 119,766</b>
<b>Proportion of Net Expenses that are LTF Funds</b>	<b>44.75%</b>
<i>Source: TRPA, Fiscal Audits</i>	

**TABLE 5: Farebox Ratios for TART**

	Tahoe CA Basin Portion			California Services			TART Systemwide		
	Operating Costs	Fare Revenue	Farebox Ratio	Operating Costs	Fare Revenue	Farebox Ratio	Operating Costs	Fare Revenue	Farebox Ratio
FY 2010-11	\$2,010,463	\$265,875	13.2%	\$2,899,851	\$396,308	13.7%	\$3,388,738	\$449,265	13.3%
FY 2011-12	\$1,766,957	\$257,453	14.6%	\$2,766,123	\$384,039	13.9%	\$3,298,127	\$440,593	13.4%
FY 2012-13	\$1,913,168	\$251,727	13.2%	\$2,832,267	\$360,952	12.7%	\$3,282,966	\$413,654	12.6%

## REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, TART is required to comply with laws and statutes set forth in the Act. Below is a discussion of TART's compliance with sections of the Public Utilities Code which relate to transit performance, as recommended in the *Performance Audit Guidebook*. Table 6 displays the results of the compliance analysis:

**TABLE 6: Transit Operator Compliance Requirements - Tahoe Area Regional Transit**

Requirement	PUC Reference	In Compliance?	
		Yes	No
(1) The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243	X	
(2) The operator has submitted annual fiscal and compliance audits to its RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the 90-day extension allowed by law.	99245	X	
(3) 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 CHP inspection of the operator's terminal.	99251 b	X	
(4) The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPE for such claims.	99261	X	
(5) 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.	99270.1	NA	
(6) The operator's operating budget has not increased by more than 15 percent 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.	99266	X	
(7) The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247.	99247	X	
(8) If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost 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 at least three-twentieths (15 percent).	99268.2, 99268.3, and 99268.1	NA	
(9) If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	99268.2, 99268.4, and 99268.5	X	
(10) The current cost of operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	99271	X	
(11) If the operator receives state transit assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754 (a) (3)	X	

1. In accordance with Public Utilities Code Section 99243, TART has submitted annual reports to the State Controller based on the Uniform System of Accounts and Records established by the State Controller. These reports must be filed with TARTPA and the State Controller 90 days from the end of the fiscal year (September 28th) for paper filing and 110 days after the end of the fiscal year (October 18th) for electronic filing. Placer County filed these reports on time for each year of the audit period.
2. Per the requirements set forth in PUC Section 99245, TART submitted annual fiscal and compliance audits to the TRPA and to the State Controller within the required time period for all three years of the audit period.
3. In accordance with PUC Section 99251, TART has submitted evidence that the California Highway Patrol has certified compliance with Vehicle Code Section 1808.1 within the 13 months prior to each TDA claim submitted.
4. In accordance with PUC Section 99261, TART's claims for TDA funds were submitted in compliance with rules and regulations adopted by the TRPA for such claims.
5. TART services are not operated in both urbanized and non-urbanized areas. Therefore, PUC Section 99270.1 does not apply.
6. PUC Section 99266 requires that TART's operating budgets not increase by more than 15 percent over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). See Table 1 for actual systemwide operating costs between FYs 2010-11 and 2012-13. Annual operating costs for all TART services did not increase by more than 4.7 percent over the preceding year during this audit period.
7. TART's definitions of performance measures are consistent with PUC Section 99247.
8. As the TART service area does not include urbanized areas, TART services are not subject to a 20 percent fare revenue ratio requirement.
9. As TART is considered an older operator, eligibility for LTF funds is determined through the 50 percent expenditure limitation PUC 99268.1. As identified in Tables 2 - 4 LTF funds do not account for more than 50 percent of TART's operating and capital requirements in California after a deduction of federal grants and STA funds is made.
10. In compliance with the requirements of PUC Section 99271, TART's retirement system, CalPERS, is fully funded for the next 40 years.
11. In accordance with California Code of Regulations Section 6754(a)(3), TART makes full use of funds available to it under the Urban Mass Transportation Act of 1964 (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds administered by Caltrans) before TDA claims are granted.

## **STATUS OF PRIOR AUDIT RECOMMENDATIONS**

The previous audit was completed by Majic Consulting Group in August 2012. The recommendations from that effort are enumerated below.

**Recommendation 1:** *Determine and track performance measures by turning in monthly management dashboards and quarterly reports to the Board of Supervisors (BOS), possibly including local Municipal Advisory Councils and TRPA.*

**Implementation Incomplete:** The Public Works Manager – Transit provides monthly reports to the Public Works Director which include performance indicators and operating statistics. There currently is no process to place these reports on the BOS agenda. Quarterly operations reports for PCT are sent to PCTPA but nothing is sent to TRPA. Placer County is also working on posting monthly operations reports on the TART website.

**Recommendation 2:** *Update SRTP to include a customer satisfaction survey component*

**Implementation in Progress:** The most recent Short Range Transit Plan Update for TART was completed in 2006. At that time, extensive boarding and alighting and customer satisfaction surveys were completed. Even though the SRTP has not been updated for nearly ten years, certain plan elements are still applicable and currently used as a guide by management. Customer satisfaction surveys along with general on-board survey questions provide a transit operator with valuable trip pattern and demographic data for passengers. TRPA and TART intend to update the SRTP in the next few years.

**Recommendation 3:** *Work toward greater public involvement with TART and improve the TART website and marketing.*

**Implementation Complete:** This recommendation highlighted three main areas where TART could improve marketing efforts: update the website, establish a standing citizen’s advisory committee and develop a Strategic Marketing Plan. Placer County recently overhauled the County website including the TART information page. Now transit schedules for each season is easy to find and presented in a simple format. The website also scales to a mobile phone and is ADA accessible. The NextBus program, which provides real time information about the status of TART buses, and Google Transit are easy to locate on the website. Transit staff is currently working with the County to post TART operations reports.

As noted in the previous audit, the seasonal nature of TART’s service makes it challenging to establish a standing citizen’s advisory committee. The Public Works Manager – Transit and the Senior Transportation Systems Supervisor regularly attend public input forums such as the Truckee North Tahoe Transportation Management Association Meetings. Public meetings are also held if significant service changes or fare increases are proposed. As both managers’ time is split between TART and PCT operations, there is less time available to conduct and attend additional meetings.

As for a strategic marketing plan, the TMA provides the majority of marketing for TART services. A separate website and transit flyers are maintained. The TMA Executive Director spends a significant amount of her time promoting all transportation services in the Tahoe Basin. In essence, the work provided by the TMA fulfills the objectives of a strategic marketing plan.

**Recommendation 4:** *Work with Fiscal and Compliance Auditor to document the requirements of TDA legislation.*

**Implementation in Progress:** The Fiscal and Compliance Audits for this audit period covered most of the elements listed in PUC 6667 such as the verification of operating cost, fare revenue and calculation of farebox ratios. However, there are multiple elements listed in PUC 6667 which are not reviewed such as verify compliance with Section 1808.1 of the Vehicle Code. Therefore this recommendation will be carried forward along with a reference to the applicable sections of the PUC.

**Recommendation 5:** *Include Special Fares and Local Support in farebox ratio calculation and work with TRPA and assemblyman to revise 25 percent farebox ratio.*

**Recommendation Not Applicable:** Although TART could include special fares and local support revenue in calculation TDA farebox ratios, TART and TRPA have been determining TART’s eligibility for LTF funds through the 50 percent expenditure limitation (PUC 99268.1). As both entities agree upon taking this conservative approach, it is not necessary to calculate farebox ratio differently for eligibility purposes. TART staff also feel that there is insufficient time and funds available to lobby for a revised farebox ratio for TART specifically.

**Recommendation 6:** *Continue to work towards improving cost structure*

**Implementation Complete:** TART’s operating costs did not increase more than 10 percent from the previous year during the audit period. In fact, from FY 2010-11 to 2012-13 operating costs declined by three percent. However, total operating cost per hour of around \$129 is on the high end for a rural operator. TART staff is aware of this issue and continually reviews reasons behind the relatively higher cost structure. In general, TART’s higher costs are due to “A-87” overhead charges from other Placer County departments and high Other Post Employee Benefits (OPEB) benefits. TART has tried to reduce labor costs by hiring more of the seasonal workforce directly through the County, which is cheaper than the contractor rate used for most seasonal employees. Unfortunately, the approval process at the County for a new employee is lengthy and involved. Private contractors (although more expensive on a per hour basis) have the ability to hire new employees quickly as seasons change or workers leave.

## **DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS**

This section presents a review of the various functions of TART. Since functions of each transit operator in California vary depending upon the scope and breadth of its operations, not all parts of this section apply to TART. In general, transit operator functions can be divided into the following areas:

- General Management and Organization
- Service Planning
- Scheduling, Dispatch, and Operations
- Personnel Management and Training
- Administration
- Marketing and Public Information
- Maintenance

### **General Management and Organization**

#### Organizational Structure

TART transit services are managed by Placer County DPW with oversight from the County CEO’s Office and the Placer County Board of Supervisors. Day to day general management of both PCT and TART, such as budgeting, personnel, system planning and interagency/board coordination, is provided by the Public Works Manager – Transit. The Senior Transportation Systems Supervisor provides oversight of operational matters for both systems and reports to the Public Works Manager - Transit. The Staff Services Analyst also reports to the Public Works Manager – Transit and assists with grant management, data reporting, and contract billing. Staff positions specific to TART consist of the Transit Supervisor, Senior Bus Driver, Administrative Dispatcher, 10 full-time drivers, 4 permanent part-time drivers and seasonal extra help drivers (varies). Given the size of the TART program, its internal organization structure is appropriate. The managerial authority is well defined within TART. Lines of reporting are clearly defined and appropriate.

## Administrative Oversight

TART regularly receives reviews and acts on performance and financial information compiled internally on a monthly basis. All TART staff meet at least four times per year and managerial positions meet eight times per year. The Senior Transportation Systems Supervisor spends two days a week on site at the TART facility. Although not on a regular schedule, the Public Works Manager – Transit regular travels to the TART facility from Auburn and meets one-on-one with various staff. The Public Works Manager – Transit reports operational data to the Public Works Director.

## Recent Program Changes and Innovations

There were no significant changes to TART service during the audit period, other than Placer County discontinuing operating the free evening trolley service. Night service is now operated through a contractor and funded through the NLTRA. The adopted SRTP includes a variety of standards with which to evaluate new services. TART is careful to use these standards generally, as public transit in a seasonal resort area is subject to sudden shifts in performance. The decision to discontinue a new service is also subject to the goals and objectives of various funding partners.

## Communications with Other Government Agencies

TART has a positive relationship with the applicable RTPA (TRPA) and notes good communication between the two entities. The Public Works Director and Public Works Manager - Transit serve as an intergovernmental liaison with the Board of Supervisors, other regional entities and within the County of Placer. Participation in the TMA and the Tahoe Transportation District also provides monthly forums for DPW transit staff to communicate / coordinate with other agencies.

## **Service Planning**

### Strategic Planning

The effectiveness of a transit system is highly dependent on the continued development of short- and long-range transit plans. These plans also help the agency meet established goals and objectives that have been implemented.

In terms of strategic planning, TART has set clear, reasonable goals and objectives in the Short Range Transit Plan and the Regional Transportation Plan. TART staff reviews established TDA performance indicators on a monthly basis.

### Short Range Planning

The most recent TART Short Range Transit Plan (SRTP), was completed in 2006. The plan did not specify specific planning periods and is still used by TART staff for service planning and grant applications. Otherwise, TART routes are reviewed periodically by staff to determine if they could be serving new developments or transit generators. TART staff is also provided the opportunity to comment on proposed major developments in the Tahoe Region.

### Evaluation of Existing Fixed Routes

The operator regularly reviews ridership data in order to evaluate existing fixed-route services. The SRTP effort included boarding and alighting, on-time performance and on-board passenger surveys of TART routes. Further, some boarding and alighting surveys are conducted as per National Transit Database

(NTD) reporting. Next Bus is a useful tool in determining on-time performance and can be used to evaluate potential schedule changes.

### Planning For and Serving Special Transportation Needs

TART's services meet the federal and state requirements, such as ADA policies, to serve persons with disabilities. The operator's current fleet of 15 vehicles is wheelchair accessible and able to meet the needs of persons with disabilities. Special fares are offered for the elderly, disabled and youth riders. To further accommodate special needs passengers, complementary paratransit service is offered to supplement the fixed-route services through a subsidized taxi voucher program. Unfortunately the taxi service does not have a wheelchair accessible vehicle. If a non-ambulatory passenger requires service, a large bus is used. Currently there are no ADA registered passengers who use a wheelchair.

### Public Participation

Public hearings are conducted before adopting changes, including fare alterations, and are held in an ADA accessible facility. Placer County has adopted a policy of holding a public hearing if there is at least a 20 percent reduction in transit service, though staff indicates that it is likely that a public hearing would be held if only a 10 percent service reduction were proposed. TART staff regularly attend TMA meetings which are open to the public.

### Surveys of Riders and Non-Riders

Other than some boarding and alighting counts as required by NTD, TART has not conducted on-board passenger surveys or community wide surveys since the last SRTP update.

## **Scheduling, Dispatch, and Operations**

This functional area concerns the short-term scheduling of routes, drivers, and vehicles, the daily coordination and assurance that each customer is served, and the specific function of providing transportation service.

### Assignment of Drivers to Routes

TART drivers are appropriately certified for the types of vehicles operated for TART. Driver bids are done seasonally (4 time per year), and route assignments are based on seniority. Shifts can be assigned if drivers do not meet performance standards. The rules for driver assignment are well-defined and the policy has not changed since the prior audit period.

### Part-Time and Cover Drivers

TART currently employs both full-time and part-time drivers, with a total of 14 permanent employees and additional extra help employees to cover shifts, and operate seasonal routes.

### Assignment of Vehicles to Routes

The operator maintains good working relationships between dispatch and maintenance staff in the Fleet Services Division through constant communication that ensures all routes have been assigned vehicles that are in good repair. TART has rarely had an availability issue due to vehicle maintenance issues. Vehicles are assigned to specific routes according to anticipated passenger loads.



## **Personnel Management and Training**

### Recruiting

TART has had difficulty finding a large enough pool of available seasonal workers. Towards the end of the season, some drivers reach their maximum level of hours while others have found other work. This requires supervisors to fill in driver shifts periodically. For the most part, new hires had previous experience and a VTT (Transit Driver Training) certification or equivalent. TART staff uses a variety of recruiting methods including through the Placer County Personnel Department, the local newspaper, internet sites (including craigslist) and word of mouth.

### Motivation

The only turnover in TART staff during the audit period was due to retirement. This indicates that the staff quality is high and that employees are generally satisfied. While no monetary incentive programs are in place, salaries are based on designated step increases. Job performance evaluations are performed annually for all employees; drivers also are evaluated through ride checks and ride alongs.

### Training and Safety

The Transit Supervisor provides initial and on-going training for drivers with some assistance from the Senior Transportation Systems Supervisor or outside consultants such as CalTIP. Driver training conforms to state requirements. Safety meetings are also held quarterly and but learning safe practices is on-going. All vehicles are equipped with fire extinguishers, safety brakes, bells for reverse, and other safety equipment.

Personnel policies regarding vacation, sick leave, benefits, and discipline are well defined in the Placer County personnel manual.

## **Administration**

### Budgeting and Management Information Systems

TART has a well-developed budget and reporting system that is appropriate to the size and scope of the transit program. If substantial excesses over the approved budget were to occur they would require approval by the Board of Supervisors. The Public Works Manager – Transit reviews the budget in detail at least three times per year. TART staff is working towards generating quarterly ridership and performance reports for review by TRPA. As no Tahoe Region TDA funds are used for streets and roads purposes, TRPA has not requested this information, other than during the claims process.

### Financial and Grants Management

The Staff Services Analyst does the majority of grant preparation work with oversight from the Public Works Manager - Transit. During the audit period, the operator had not lost any grants or neglected grant opportunities. The County has applied for and received grant funding, including FTA 5311.

### Risk Management and Insurance

According to the operator, accident and injury claims are processed through a series of reports through both the operator and the county offices. The Senior Transportation System Supervisor is responsible for reviewing the safety of the operator's practices, including safety/loss prevention initiatives. TART

vehicles are always available for evacuation purposes if required. TART has an appropriate amount of vehicle liability insurance through CalTIP.

### Facility Management

TART buses are parked and maintained at the TART facility at Cabin Creek off of SR 89, three miles south of Truckee. The facility includes a CNG fueling facility, indoor bus parking, three maintenance bus bays with two lifts, parts room, break room and office space for operational personnel. All county vehicles in the Tahoe Region are maintained here by Placer County Fleet Services. Both Fleet Services and Transit are charged by County Facility Services for maintenance of the facility. Day to day maintenance of the CNG fueling station is provided by Fleet Services while a private contractor is responsible for preventative maintenance.

### Revenue Collection and Cash Management

On-vehicle fare collection mechanisms are appropriately secure on TART buses. All buses use electronic fareboxes. Cash boxes can only be removed when locked. After each shift, the farebox is “probed” which opens the door to the farebox and allows for removal of the secure cash box. TART staff is able to track the length of time the door is open. Cash boxes are brought into the operations offices and fare revenue is counted the following day by two staff people, if available. After actual revenue is compared to ridership and fare revenue data recorded by the GFI farebox. TART employs GARDA Armored Truck service to collect fare revenue daily for deposit in the bank.

### Payroll and Accounts Payable

Payroll and Accounts Payable are performed by Placer County. TART staff fills out biweekly timesheets. There is a small change fund of \$20 maintained by the dispatcher in the office.

### Procurement

Fuel procurement is done through Fleet Services. All County departments follow Placer County’s relatively strict procurement policies. Any purchase over \$25,000 requires County Manager approval and purchases over \$50,000 require Board approval.

### **Marketing and Public Information**

Schedules and service information are available to current and potential riders through the Placer County website and the TMA. Both websites present easy to find schedules by season along with informative route maps. TART staff is involved with the TMA, Community Collaborative of Tahoe Truckee, and North Lake Tahoe Resort Association and is in regular contact with lodging properties in the area. Passenger complaints are recorded and maintained in a binder. If a driver is involved he/she is notified. A count of complaints is included on monthly reports to the Director of Public Works. Overall, the general public opinion of TART is high.

### **Maintenance**

#### Preventative Maintenance

Preventive maintenance services are provided by the Placer County DPW Fleet Services Division. A preventive maintenance schedule is in place that meets the requirements of the bus manufacturers and

FTA guidelines: every 12,000 miles for CNG vehicles and 8,000 miles for diesel vehicles. Fleet services staff contact operations personnel prior to when preventative maintenance is required.

#### Sufficiency of Facility

The TART maintenance facility is capable of completing most normal repairs, with the exception of major transmission repair, engine replacement, paint and body work. For these repairs TART contracts with either a shop in Reno or send the vehicle to the main Placer County Fleet Services shop in Auburn. This is avoided, if possible, as the vehicle would then typically be unavailable for use for at least one month. The maintenance facility includes sufficient work space for transit vehicles as well as other county vehicles.

#### Vehicle Condition

TART has a fleet of 10 CNG buses, 2 diesel buses and three trolleys (summer only). TART has a good vehicle replacement schedule in place. Several of the vehicles are scheduled for replacement in 2015. On average, TART fleet vehicles have accumulated a mileage of 432,000 miles and are an average age of 11 years old. TART operates with a tight spare ratio. Peak bus pullout in winter is 12 vehicles and 10 in summer. At times, PCT buses have been brought in to fill fleet needs.

#### Repair Prioritization and Scheduling

Vehicles are inspected daily by the drivers. There is a good relationship between Fleet Services and Transit as both departments are subdivisions of Public Works. Any driver has the ability to red-tag a vehicle. Occasionally buses have missed runs due to a vehicle maintenance issue. There is only one dispatcher at the TART facility, which is located up to 40 minutes from some portions of the route. In the case of a road call where a replacement vehicle is required to continue the route, the dispatcher must leave the office to pick up the driver and return to Cabin Creek where the driver will take a replacement bus.

#### Parts Procurement and Management

Placer County maintains as sufficient a supply of regularly used parts for transit buses as possible. Occasionally, specific parts, such as a windshield, need to be ordered from a manufacturer.

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## Conclusions and Recommendations

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The Auditor's analysis of TART services indicates that, in terms of operations, the system was efficiently run and well managed during the audit period.

### FINDINGS

- ◆ Overall, ridership decreased slightly during this audit period, as did operating costs.
- ◆ TART farebox ratio decreased from 13.26 percent to 12.60 percent during the audit period; however it remained above the 10 percent standard for most rural transit services.
- ◆ TART did not exceed the 50 percent expenditure limitation for LTF funds during the audit period as per PUC 99268.1.
- ◆ Of the six recommendations from the prior TPA, TART has implemented two recommendations, two are in progress, one has not been completed and one is no longer applicable.
- ◆ TART has a good system for data collection and reporting in place. The use of electronic fareboxes helps with data accuracy.
- ◆ During the audit period, TART met of the TDA requirements listed in Table 6 that were applicable to its operations.

### RECOMMENDATIONS

Overall, the Auditors find the TART system to be a good example of a well-run rural and small urbanized transit program, which is making efficient use of public resources. The Auditor has the following recommendations:

**Recommendation 1:** *Placer County DPW Manager – Transit and Director should report TART operating statistics and performance indicators to the County BOS and/or TRPA at least quarterly. Reports should include at a minimum:*

- |                         |                               |
|-------------------------|-------------------------------|
| – Ridership             | – Fare Revenue                |
| – Vehicle Service Hours | – Passengers per Vehicle Hour |
| – Vehicle Service Miles | – Farebox Ratio               |
| – Operating Cost        | – Operating Cost per Trip     |

*Reports should present current data as well as historical trends. The report should also include a brief discussion interpreting the data and identifying reasons for significant changes.*

This recommendation has been carried over from the prior TPA. Currently there is minimal review of TART operating statistics at the board level.

**Recommendation 2:** *Update the TART SRTP*

This recommendation is carried over from the previous audit. It has been nearly 10 years since the last update and as such the existing conditions demographic/economic, transit needs, and transit performance analysis sections are outdated. On-board passenger surveys or boarding and alighting surveys have not

been conducted since 2005. Valuable passenger information regarding trip patterns and passenger transit needs can be obtained from survey efforts. If only limited funding is available for planning, TART should consider at least conducting an onboard survey effort of all routes.

**Recommendation 3:** *As recommended previously, work with the Fiscal and Compliance Auditor to determine TART's compliance with TDA requirements particularly the verification of operating cost, fare revenue, and 50 percent expenditure limitation. The Fiscal and Compliance Auditor should refer to CCR 6667 for the list of tasks to perform in order to compliance with TDA.*