

FY 2013-2015
TRIENNIAL PERFORMANCE AUDIT OF
PLACER COUNTY TRANSIT

September 2016

SUBMITTED TO:



SUBMITTED BY:

Michael Baker
INTERNATIONAL

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Executive Summary

The Placer County Transportation Planning Agency (PCTPA) engaged Michael Baker International to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operator under its jurisdiction in Placer County. This performance audit is conducted for Placer County Transit (PCT, County) covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

The audit includes a review of the following areas:

- Compliance with TDA Requirements
- Status of Prior Audit Recommendations
- Transit System Performance Trends
- Detailed Functional Review

From the review, recommendations were developed to improve PCT's operational efficiency and effectiveness.

Compliance with TDA Requirements

The County has fully complied with all nine applicable requirements. Two additional compliance requirements did not apply to the County (i.e., exclusive rural and urbanized farebox recovery ratios).

Status of Prior Audit Recommendations

The prior triennial performance audit provided no recommendations for discussion and implementation.

System Performance Trends

1. Operating cost per passenger, a measure of cost effectiveness, increased 9.9 percent system-wide from the FY 2012 base year through FY 2015 based on audited data. On a modal basis using unaudited data, cost per passenger increased 13.5 percent on the fixed route and 13.5 percent on the Placer Commuter Express (PCE). In contrast, cost per passenger decreased on Dial-a-Ride and the vanpool by 12.2 percent and 16.6 percent, respectively. The increase in this cost indicator is attributed to the decrease in passenger trips relative to the rise in operating costs.
2. Operating cost per hour, which is a measure of cost efficiency, increased 6.4 percent system-wide based on audited data. On a modal basis using unaudited data, cost per hour increased 3.5 percent on the fixed route, 21.3 percent on the PCE, and 5.1 percent on Dial-

a-Ride. The only exception among the modes was the vanpool, which experienced a decrease of 19.7 percent between the FY 2012 base year and FY 2015. The trend is a result of the slight increase in operating costs compared to the reduction in vehicle service hours.

3. Operating cost per mile, another cost efficiency measure, increased 3.6 percent system-wide from the FY 2012 base year to FY 2015. At the modal level, cost per mile increased 2.6 percent on the fixed route and 21.1 percent on the PCE. In contrast, cost per mile decreased on Dial-a-Ride and the vanpool by 7.0 and 15.4 percent, respectively.
4. Passengers per vehicle service hour system-wide decreased 3.2 percent. Concurrent with the system-wide trend, passengers per hour decreased 8.8 percent on the fixed route, 0.7 percent on the PCE, and 3.7 percent on the vanpool. Passengers per hour on Dial-a-Ride increased 19.7 percent. System-wide, the number of passengers per service hour fluctuated in a narrow range during the audit period, between 9.4 and 9.9 passengers per vehicle service hour.

Functional Review

1. Most of PCT's fixed-route services are directly operated. The Department of Public Works contracts out the operations of its other transit service modes. The Placer Commuter Express operating contract was awarded to Amador Stage Lines in August 2012. The Placer County Dial-a-Ride contract was awarded to MV Transportation in August 2013.
2. PCT assumed operation of the Lincoln transit system in July 2015. The consolidation process was more challenging than anticipated. The process was initiated in 2012 during a period of downsizing and turnover at the City of Lincoln. Additional service was implemented to the Auburn Airport and to the new retail developments located at the Interstate 80/Sierra College Boulevard interchange in Rocklin.
3. Preventive maintenance inspections are performed daily and at every 6,000 or 8,000 miles for diesel engines (depending on engine emission ratings), 6,000 miles for gasoline engines, and 8,000 or 12,000 miles for compressed natural gas (CNG) engines (based on engine manufacturer specifications). Warranty repairs are performed on-site as well as dispatched to the vendors.
4. Transit services in Placer County are marketed through regional efforts in cooperation with peer agencies such as Roseville Transit. The County publishes a multi-fold pocket transit brochure with route and schedule information.
5. The County's most recent FTA Triennial Review was conducted in March 2015. Of the 17 review areas addressed, Placer County was found deficient in eight review areas. The County submitted its corrective responses to seven of the eight deficient areas in June 2015 and its corrective response to the Americans with Disabilities Act (ADA) deficiency finding in October 2015.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Consider counting casino subsidy as fare revenue.	The County and the United Auburn Indian Community have an agreement that involves PCT service to the Thunder Valley Casino and Resort. The County receives an annual subsidy, which has ranged between \$150,000 and \$170,000, from the United Auburn Indian Community. TDA and local PCTPA regulations authorize an operator to satisfy the applicable farebox recovery ratio by supplementing its fare revenues with local funds. Senate Bill (SB) 508 (Beall), which amended the TDA, specifies that funds such as local subsidies and advertising revenue may be used to supplement fare revenues for the farebox recovery ratio. The County should consider using this revenue stream as a local transit funding source for farebox recovery.	High Priority
2. Establish an on-time performance standard.	PCT currently does not have an adopted on-time performance standard. The industry standard is 95 percent for fixed-route trips, which is defined as not leaving early or arriving no later than 10 minutes from the published scheduled time at the route terminus. The desired standard for Dial-a-Ride trips is 90 percent, which is consistent with the industry standard of meeting passengers within 15 minutes of the scheduled pick-up and drop-off times. The Zonar technology implemented by the County during the audit period could be used to establish and track on-time performance metrics.	High Priority
3. Implement the adjusted blended farebox ratio to account for urban and rural area changes served by PCT.	The blended farebox ratio is updated in this audit to account for inclusion of the city of Lincoln, which is in the urbanized area served by PCT, and recognizing the city of Auburn as a rural area that is no longer included in the urbanized area. The formula to update the ratio is consistent with past practice and slightly decreases the required ratio. Upon approval of the updated ratio by PCTPA and Caltrans, PCT should monitor its farebox ratio for compliance.	High Priority

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 Placer County Transportation Planning Agency (PCTPA) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operator under its jurisdiction, Placer County Transit (PCT, County). This performance audit is conducted for PCT covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

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

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

Overview of the Transit System

Placer County Transit (PCT) is the public transportation service serving the southern and western areas of Placer County. The system is administered through the Transit Services division of the Placer County Public Works Department. PCT operates several service modes that are both directly operated by the County and operated under contract. The County has service agreements with the Cities of Auburn, Colfax, Lincoln, and Rocklin and the Town of Loomis to provide both fixed-route and demand-response transit service. The service agreements are renewed on an annual basis. In addition, PCT operates commuter bus service to downtown Sacramento and the Watt/I-80 Light Rail Station and coordinates 10 commuter vanpools.

Placer County encompasses portions of the Sacramento Valley and the Sierra Nevada foothills and mountain range of California. The county is bordered by El Dorado County to the south, Sacramento County to the southwest, Nevada County to the north, Yuba County to the

northwest, the state of Nevada and Lake Tahoe to the east, and Sutter County to the west. The elevation difference in the County varies from 160 feet above sea level in Roseville and Lincoln to nearly 9,000 feet at Mount Baldy-West Ridge in the Sierra Nevada. The county’s geographical land area encompasses nearly 1,407 square miles and is traversed by more than 1,000 miles of roadway. The main east–west highway is Interstate 80 (I-80), which connects the county with the Sacramento region and the Sierra Nevada range. The major north–south highways are State Routes (SR) 49 and 65. Other state highways that traverse the county include State Routes 28, 89, 174, and 267. A demographic snapshot of the county is presented in Table I-1.

**Table I-1
Placer County Demographics**

City/Town/Jurisdiction	2010 US Census Population	Change from 2000 US Census (percentage)	Population 65 Years & Older (percentage)	Land Area (in square miles)
Auburn	13,330	+8.3%	18.99%	7.15
Colfax	1,963	+27.7%	11.41%	1.41
Lincoln	42,819	+280.7%	23.47%	20.09
Loomis	6,430	+3.0%	12.97%	7.27
Rocklin	56,974	+56.2%	10.93%	19.55
Roseville	118,788	+48.8%	13.36%	42.21
Unincorporated Areas	108,128	+7.3%	16.49%	1,309.41
Total Placer County	348,432	+40.3%	15.37%	1,407.09

Source: 2010 US Census

Placer County has experienced rapid population growth in recent years. According to the 2010 US Census, the county’s population was 348,432, an increase of more than 40 percent from the 2000 Census figures. The city of Lincoln saw the fastest growth. The senior citizen population, comprising residents age 65 and over, is 15.37 percent countywide. The California Department of Finance 2016 estimate reports a countywide population of 373,796. The county seat is Auburn and the largest city is Roseville.

Notable unincorporated communities and census-designated places in western Placer County include Alta, Applegate, Baxter, Foresthill, Granite Bay, Meadow Vista, Newcastle, North Auburn, Penryn, and Weimar. The local federally recognized Native American tribe is the United Auburn Indian Community.

System Characteristics

PCT service consists of five fixed route and one deviated route directly operated by the County. Four additional routes, known as Placer Commuter Express (PCE), provide commuter service to downtown Sacramento. The County and Amador Stage Lines, a private contractor, shared in the provision of PCE service until July 2012 when the PCE service was entirely contracted to Amador Stage Lines. The County also provides the fuel and manages a 10-vehicle locally funded vanpool program in western Placer County.

PCT operates weekdays from 4:35 a.m. to 9:00 p.m. and Saturday from 7:30 a.m. to 5:50 p.m. Dial-a-Ride operates weekdays from 6:00 a.m. to 7:55 p.m. and Saturday from 9:00 a.m. to 4:00 p.m. The PCE operates weekdays from 5:40 a.m. to 7:07 p.m.

Transit services do not operate on Sundays and the following holidays: New Year’s Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, the day after Thanksgiving, and Christmas. PCT routes operated during the audit period are summarized in Table I-2.

**Table I-2
PCT Fixed Routes**

Route	Frequency/Operation	Key Time Points
Auburn to Light Rail (Watt/I-80)	60 minutes (Monday through Friday from 5:00 a.m. to 9:00 p.m. and Saturday from 8:00 a.m. to 7:00 p.m.)	<ul style="list-style-type: none"> ▪ Auburn Station/Nevada Street ▪ Sierra College/Rocklin Road ▪ Roseville Galleria ▪ Louis Lane/Orlando ▪ Light Rail-Watt/I-80
Lincoln/Rocklin/Sierra College	60 minutes (Monday through Friday from 6:00 a.m. to 8:00 p.m. and Saturday from 8:00 a.m. to 6:00 p.m.)	<ul style="list-style-type: none"> ▪ Lincoln – 3rd & F ▪ Twelve Bridges Library ▪ Thunder Valley Casino ▪ Stanford Ranch/Fairway ▪ Roseville Galleria ▪ Rocklin Commons-Granite Drive ▪ Rocklin Crossing ▪ Sierra College Campus
Highway 49	60 minutes (Monday through Friday from 4:35 a.m. to 9:00 p.m. and Saturday from 7:30 a.m. to 7:00 p.m.)	<ul style="list-style-type: none"> ▪ Dewitt – 1st & E/1st & C ▪ Richardson Drive Chana Park ▪ Highway 49 @ Dry Creek ▪ Highway 49 @ Quartz Drive ▪ Professional Drive @ Bell Road ▪ Target ▪ Rite Aid ▪ Bel Air ▪ Atwood Park-and-Ride Lot ▪ Nevada Street @ Theatre ▪ Nevada Street @ Post Office ▪ Auburn Station
Lincoln Circulator	60 minutes (Monday through Friday from 6:30 a.m. to 6:53 p.m. and Saturday from 8:30 a.m. to 6:53 p.m.)	<ul style="list-style-type: none"> ▪ 3rd Street & F Street (Walmart) ▪ Twelve Bridges Library ▪ Lincoln Blvd & Ferrari Ranch ▪ 3rd Street & O Street (Senior Complex) ▪ 7th Street & J Street (High School) ▪ McBean & A Street

Route	Frequency/Operation	Key Time Points
Alta/Colfax	Reservations required for Alta destinations (Monday through Friday from 7:00 a.m. to 4:45 p.m.)	<ul style="list-style-type: none"> ▪ Auburn Station/Nevada Street ▪ Bowman ▪ Meadow Vista ▪ Applegate ▪ Weimar ▪ Colfax Amtrak ▪ Gold Run ▪ Dutch Flat ▪ Alta Store
Taylor Road Shuttle (deviated)	Every 2 hours (Monday through Friday from 6:35 a.m. to 8:25 p.m. and Saturday from 8:35 a.m. to 5:37 p.m.)	<ul style="list-style-type: none"> ▪ Auburn Station ▪ Ophir Park-and-Ride ▪ Newcastle/Taylor Road ▪ Penryn ▪ Loomis ▪ Sierra College/Rocklin Road ▪ Campus Shopping Loop

Source: PCT

The Taylor Road Shuttle connects with the Auburn/Light Rail bus at Sierra College. This shuttle deviates three-quarters of a mile from Taylor Road by reservation only. Stops on Ophir Road between Auburn and the Ophir Road Park-and-Ride lot are by reservation only. PCT began operation of the Lincoln Circulator effective July 2015. PCT, in partnership with the City of Lincoln, began operating a special bus effective August 19, 2015, to serve bus stops near Lincoln schools to supplement the regular bus route.

Dial-a-Ride

In the PCT service area, Placer County Dial-A-Ride (DAR) provides both complementary Americans with Disabilities Act (ADA) paratransit services within the required three-quarter-mile corridor and general public Dial-a-Ride. Dial-a-Ride operates in four service areas: Rocklin/Loomis, Lincoln, Granite Bay, and the Auburn/Highway 49 corridor. This service operates Monday through Friday between 6:00 a.m. and 7:55 p.m. and on Saturday from 9:00 a.m. to 4:00 p.m. Granite Bay Dial-a-Ride does not operate on Saturday. Reservations can be made up to 14 days in advance.

Placer Commuter Express (PCE)

The PCE provides commuter bus service between Colfax and downtown Sacramento. The service is operated under contract by Amador Stage Lines. There are four morning outbound departures from Placer County and four afternoon inbound departures. One-way cash fares range from \$4.25 to \$5.75. Monthly passes range from \$131.25 to \$178.50 and 20-ride passes range from \$74.00 to \$98.00. The PCE does not operate on weekends.

Fares

PCT’s fares are structured based on passenger category and media. Multi-trip passes are also available for purchase. Seniors age 60 and over qualify for discounts with any valid proof of identification. Medicare ID card holders are eligible for half fare. Children age 5 and under ride free with an adult. Transfers are free between PCT and other transit agencies such as Auburn Transit, Gold Country Stage, and Roseville Transit. The fare structure during the audit period is summarized in Table I-3.

**Table I-3
PCT Fare Schedule**

Fare Categories	General Public	Dial-a-Ride
General Public One-Way	\$1.25	\$2.50
Senior/Youth/Disabled One-Way	\$0.60	\$1.25
General Public 24 Hour Pass	\$2.50	
Senior/Youth/Disabled 24-Hour Pass	\$1.25	
General Public 10-Ride Pass	\$10.00	
Senior/Youth/Disabled 10-Ride Pass	\$5.00	
General Public 20-Ride Pass		\$42.50
Senior/ADA/Youth/Disabled 20-Ride Pass		\$21.25
General Public 14-Day Pass	\$21.50	
Senior/Youth/Disabled 14-Day Pass	\$10.75	
General Public 30-Day Pass	\$37.50	
Senior/Youth/Disabled 30-Day Pass	\$18.75	

Source: PCT

Fleet

There were 26 vehicles in the transit fleet during the audit period. All vehicles in revenue service are wheelchair accessible with tie-downs in compliance with the Americans with Disabilities Act of 1990. Table I-4 summarizes the transit fleet.

**Table I-4
PCT Fleet**

Year	Make/Model	Quantity	Fuel Type	Seating Capacity
2000	Orion	2	Unleaded	14 (2 W/C)
2001	Orion	2	Diesel	19 (2 W/C)
2003	Orion	4	Unleaded	14 (2 W/C)
2004	Orion	3	Unleaded	10 (2 W/C)
2008	Ford	9	Unleaded	17 (2 W/C)
2009	MCI	5	Diesel	26 (2 W/C)
2015	Gillig	1	CNG	31 (2 W/C)
Total		26		

Source: PCT

Note: W/C = wheelchair

Section II

Operator Compliance Requirements

This section contains the analysis of the County’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, September 2008 (third edition)*, which was developed by the California Department of Transportation (Caltrans) to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 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 2013: October 17, 2013 FY 2014: October 18, 2014 FY 2015: October 16, 2015 Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2013: March 21, 2014 FY 2014: March 20, 2015 FY 2015: March 10, 2016 A 90-day extension was granted by PCTPA as allowed by the TDA statute. Conclusion: Complied.
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the	Public Utilities Code, Section 99251 B	The County participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.		<p>13 months prior to each TDA claim.</p> <p>Inspections were conducted at the PCT operations facility located at 11448 F Avenue in Auburn.</p> <p>Inspection dates applicable to the audit period were July 26, 2013; July 8–9, 2014; and July 28–29, 2015.</p> <p>All inspections conducted were rated satisfactory.</p> <p>Conclusion: Complied.</p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the annual claims for Local Transportation Funds and State Transit Assistance submitted by the County that administers PCT are submitted in compliance with the rules and regulations adopted by PCTPA.</p> <p>Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>Operating ratios for the transit system system-wide using audited data were as follows:</p> <p>FY 2013: 15.99% FY 2014: 15.12% FY 2015: 14.45%</p> <p>PCT has been subject to a blended farebox recovery ratio of 13.2 percent based on the portion of the service area that</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>lies within the Sacramento Urbanized Area boundary. With the recent consolidation of the Lincoln transit system into PCT, the blended farebox ratio will be adjusted to account for the larger urbanized area served by PCT.</p> <p>Source: Annual Fiscal and Compliance Audits</p> <p>Conclusion: Complied.</p>
<p>The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage change in the transit system’s operating budget:</p> <p>FY 2013: +0.3%</p> <p>FY 2014: +1.7%</p> <p>FY 2015: -1.7%</p> <p>Source: County of Placer - PCT Budgets for FYs 2012–2015</p> <p>Conclusion: Complied.</p>
<p>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</p>	<p>Public Utilities Code, Section 99247</p>	<p>The transit system’s definition of performance is consistent with Public Utilities Code Section 99247. A review of performance data reports generated during the audit period indicates that correct performance data is being collected.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as a portion of the PCT service area is non-urbanized. Conclusion: Not applicable.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This requirement is not applicable, as a portion of the PCT service area lies within the Sacramento Urbanized Area. Conclusion: Not applicable.
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	The County contributes to its employees’ retirement through the California Public Employees Retirement System (CalPERS) Miscellaneous Plan, while employees of private operators may be eligible for retirement benefits. Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims	California Code of Regulations, Section 6754(a)(3)	The transit system receives state transit assistance funds and makes use of federal transit grant funds under FTA Sections 5307 and 5311 as follows:

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
are granted.		FY 2013: Operations (\$869,880) Capital (\$539,341) FY 2014: Operations (\$1,609,211) FY 2015: Operations (\$4,642,410) Source: Transit Operators Financial Transactions Reports Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to the County, the operator satisfactorily complied with the nine applicable requirements. Two additional compliance requirements did not apply to the County (i.e., exclusive rural and urbanized farebox recovery ratios).
2. The County participates in the CHP Transit Operator Compliance Program in which the California Highway Patrol (CHP) has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget exhibited negligible changes during the audit period. The budget increased 0.3 percent in FY 2013 and 1.7 percent in FY 2014. The FY 2015 operating budget decreased 1.7 percent.
4. Based on the available data from the annual fiscal and compliance audits, the County’s farebox recovery ratio remained above the required 13.2 percent standard during the audit period. The average farebox during the triennial period was 15.19 percent.

Section III

Prior Triennial Performance Recommendations

The prior triennial performance audit provided no recommendations for discussion and implementation.

Section IV

TDA Performance Indicators

This section reviews the County’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.

Tables IV-1 through IV-5 provide the performance indicators for the transit services system-wide, fixed route, PCE, Dial-a-Ride, and vanpool. Charts are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures, while modal costs and fare revenues are unaudited. The annual fiscal audits do not provide a modal breakdown.

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

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$5,048,031	\$4,969,825	\$5,189,777	\$5,242,333	3.8%
Total Passengers	474,605	479,808	470,627	448,449	-5.5%
Vehicle Service Hours	49,109	48,551	48,695	47,947	-2.4%
Vehicle Service Miles	1,019,160	1,016,915	1,012,154	1,021,892	0.3%
Employee FTEs	42	44	44	43	2.8%
Passenger Fares	\$776,185	\$794,774	\$784,760	\$757,345	-2.4%
Operating Cost per Passenger	\$10.64	\$10.36	\$11.03	\$11.69	9.9%
Operating Cost per Vehicle Service Hour	\$102.79	\$102.36	\$106.58	\$109.34	6.4%
Operating Cost per Vehicle Service Mile	\$4.95	\$4.89	\$5.13	\$5.13	3.6%
Passengers per Vehicle Service Hour	9.7	9.9	9.7	9.4	-3.2%
Passengers per Vehicle Service Mile	0.47	0.47	0.46	0.44	-5.8%
Vehicle Service Hours per Employee	1,181.0	1,113.6	1,103.4	1,122.1	-5.0%
Average Fare per Passenger	\$1.64	\$1.66	\$1.67	\$1.69	3.3%
Fare Recovery Ratio	15.38%	15.99%	15.12%	14.45%	-6.0%

Source: Annual Fiscal and Compliance Audits; FY 2012–2015 Transit Data Reports

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

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$3,239,971	\$3,028,802	\$3,366,369	\$3,375,992	4.2%
Total Passengers	323,686	333,408	323,851	297,207	-8.2%
Vehicle Service Hours	23,902	23,853	23,850	24,062	0.7%
Vehicle Service Miles	508,379	507,224	507,119	516,354	1.6%
Employee FTEs	23	25	26	24	2.8%
Passenger Fares	\$250,178	\$267,997	\$263,766	\$245,259	-2.0%
Operating Cost per Passenger	\$10.01	\$9.08	\$10.39	\$11.36	13.5%
Operating Cost per Vehicle Service Hour	\$135.55	\$126.98	\$141.15	\$140.30	3.5%
Operating Cost per Vehicle Service Mile	\$6.37	\$5.97	\$6.64	\$6.54	2.6%
Passengers per Vehicle Service Hour	13.5	14.0	13.6	12.4	-8.8%
Passengers per Vehicle Service Mile	0.64	0.66	0.64	0.58	-9.6%
Vehicle Service Hours per Employee	1,028.0	943.9	924.4	1,006.8	-2.1%
Average Fare per Passenger	\$0.77	\$0.80	\$0.81	\$0.83	6.8%
Fare Recovery Ratio	7.72%	8.85%	7.84%	7.26%	-5.9%

Source: FY 2012–2015 Transit Data Reports

**Table IV-3
TDA Performance Indicators
Placer Commuter Express**

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$557,645	\$570,091	\$610,926	\$661,263	18.6%
Total Passengers	83,671	80,636	81,782	81,274	-2.9%
Vehicle Service Hours	3,200	3,154	3,098	3,129	-2.2%
Vehicle Service Miles	104,256	102,833	100,875	102,071	-2.1%
Employee FTEs	4	4	4	4	0.0%
Passenger Fares	\$411,563	\$419,248	\$419,028	\$408,269	-0.8%
Operating Cost per Passenger	\$6.66	\$7.07	\$7.47	\$8.14	22.1%
Operating Cost per Vehicle Service Hour	\$174.26	\$180.75	\$197.20	\$211.33	21.3%
Operating Cost per Vehicle Service Mile	\$5.35	\$5.54	\$6.06	\$6.48	21.1%
Passengers per Vehicle Service Hour	26.1	25.6	26.4	26.0	-0.7%
Passengers per Vehicle Service Mile	0.80	0.78	0.81	0.80	-0.8%
Vehicle Service Hours per Employee	714.3	704.0	691.5	698.4	-2.2%
Average Fare per Passenger	\$4.92	\$5.20	\$5.12	\$5.02	2.1%
Fare Recovery Ratio	73.80%	73.54%	68.59%	61.74%	-16.3%

Source: FY 2012–2015 Transit Data Reports

**Table IV-4
TDA Performance Indicators
Dial-a-Ride**

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$1,053,813	\$1,142,743	\$999,338	\$1,016,260	-3.6%
Total Passengers	34,684	33,444	33,139	38,110	9.9%
Vehicle Service Hours	16,311	16,070	16,140	14,969	-8.2%
Vehicle Service Miles	155,994	160,820	160,484	161,741	3.7%
Employee FTEs	14	14	14	14	3.7%
Passenger Fares	\$34,652	\$34,201	\$27,802	\$24,128	-30.4%
Operating Cost per Passenger	\$30.38	\$34.17	\$30.16	\$26.67	-12.2%
Operating Cost per Vehicle Service Hour	\$64.61	\$71.11	\$61.92	\$67.89	5.1%
Operating Cost per Vehicle Service Mile	\$6.76	\$7.11	\$6.23	\$6.28	-7.0%
Passengers per Vehicle Service Hour	2.1	2.1	2.1	2.5	19.7%
Passengers per Vehicle Service Mile	0.22	0.21	0.21	0.24	6.0%
Vehicle Service Hours per Employee	1,199.3	1,181.6	1,186.8	1,061.6	-11.5%
Average Fare per Passenger	\$1.00	\$1.02	\$0.84	\$0.63	-36.6%
Fare Recovery Ratio	3.29%	2.99%	2.78%	2.37%	-27.8%

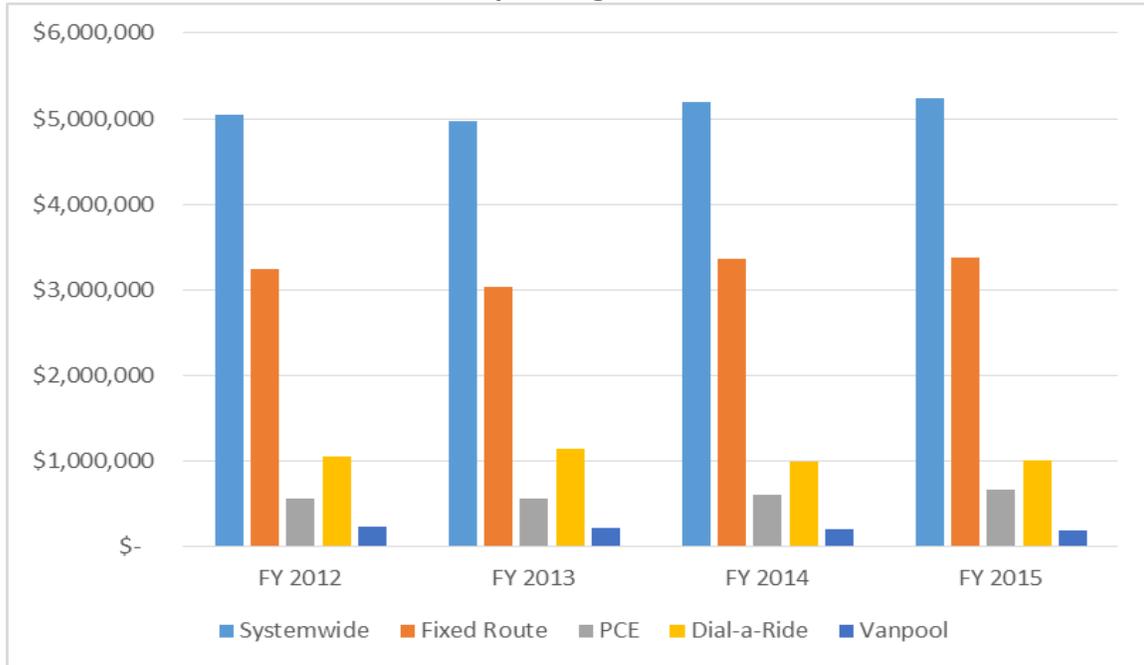
Source: FY 2012–2015 Transit Data Reports

**Table IV-5
TDA Performance Indicators
Vanpool**

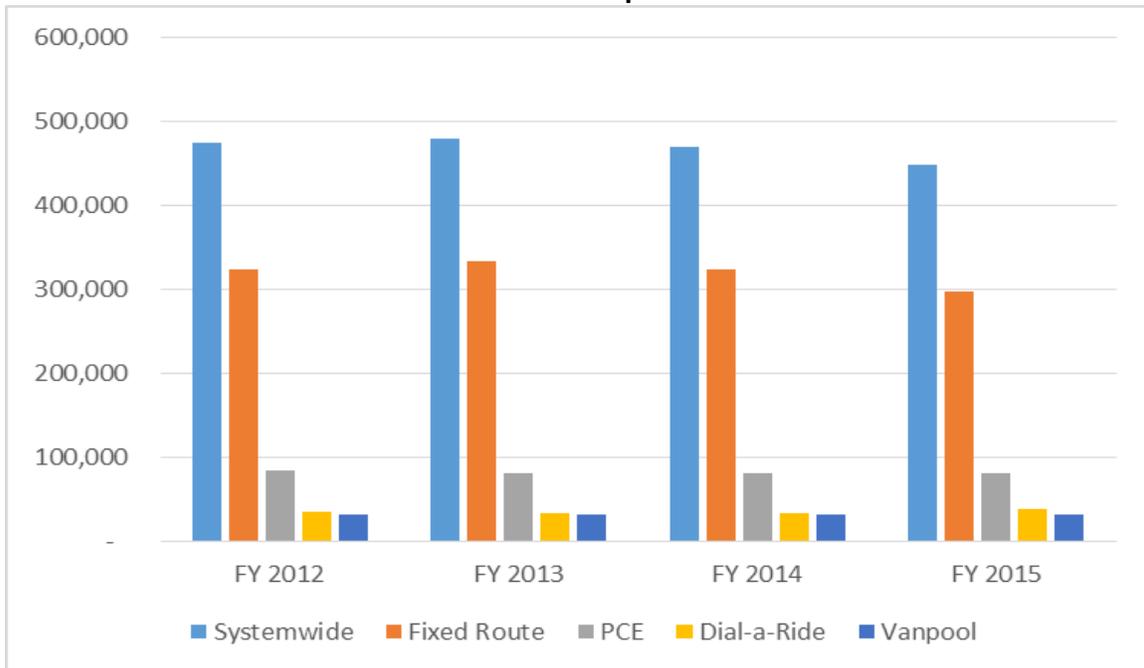
Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$231,389	\$228,189	\$213,144	\$188,817	-18.4%
Total Passengers	32,564	32,320	31,855	31,858	-2.2%
Vehicle Service Hours	5,696	5,474	5,607	5,787	1.6%
Vehicle Service Miles	250,531	246,038	243,676	241,726	-3.5%
Employee FTEs	0.25	0.25	0.25	0.25	0.0%
Passenger Fares	\$79,792	\$73,327	\$75,020	\$71,200	-10.8%
Operating Cost per Passenger	\$7.11	\$7.06	\$6.69	\$5.93	-16.6%
Operating Cost per Vehicle Service Hour	\$40.62	\$41.69	\$38.01	\$32.63	-19.7%
Operating Cost per Vehicle Service Mile	\$0.92	\$0.93	\$0.87	\$0.78	-15.4%
Passengers per Vehicle Service Hour	5.7	5.9	5.7	5.5	-3.7%
Passengers per Vehicle Service Mile	0.13	0.13	0.13	0.13	1.4%
Vehicle Service Hours per Employee	22,784	21,896	22,428	23,148	1.6%
Average Fare per Passenger	\$2.45	\$2.27	\$2.36	\$2.23	-8.8%
Fare Recovery Ratio	34.48%	32.13%	35.20%	37.71%	9.4%

Source: FY 2012–2015 Transit Data Reports

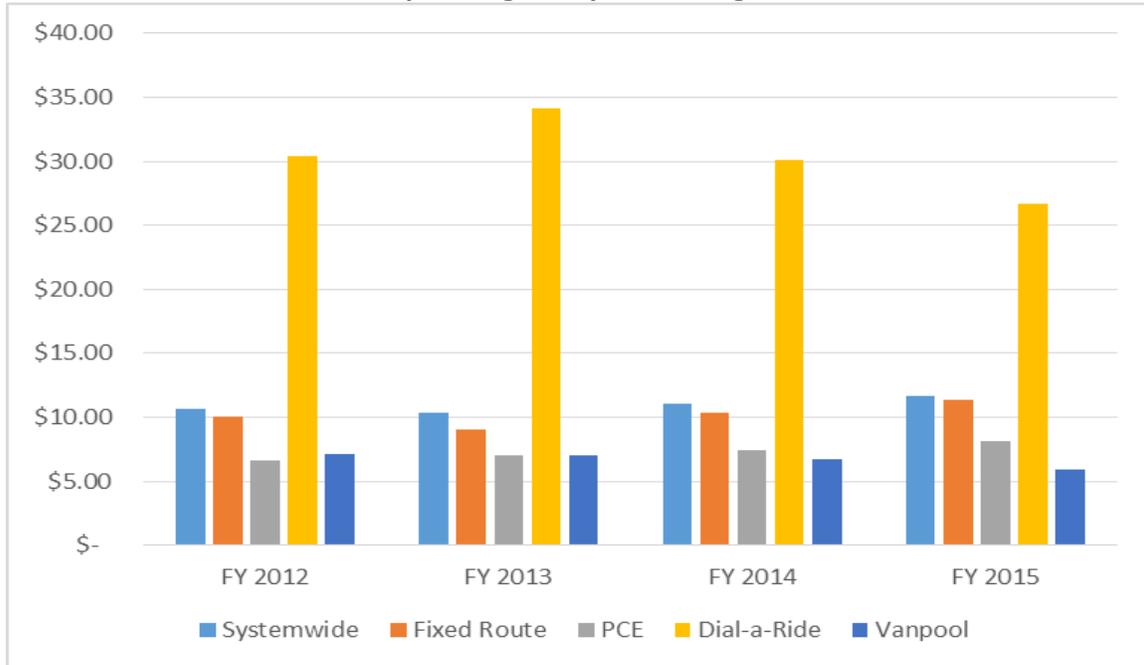
**Graph IV-1
Operating Costs**



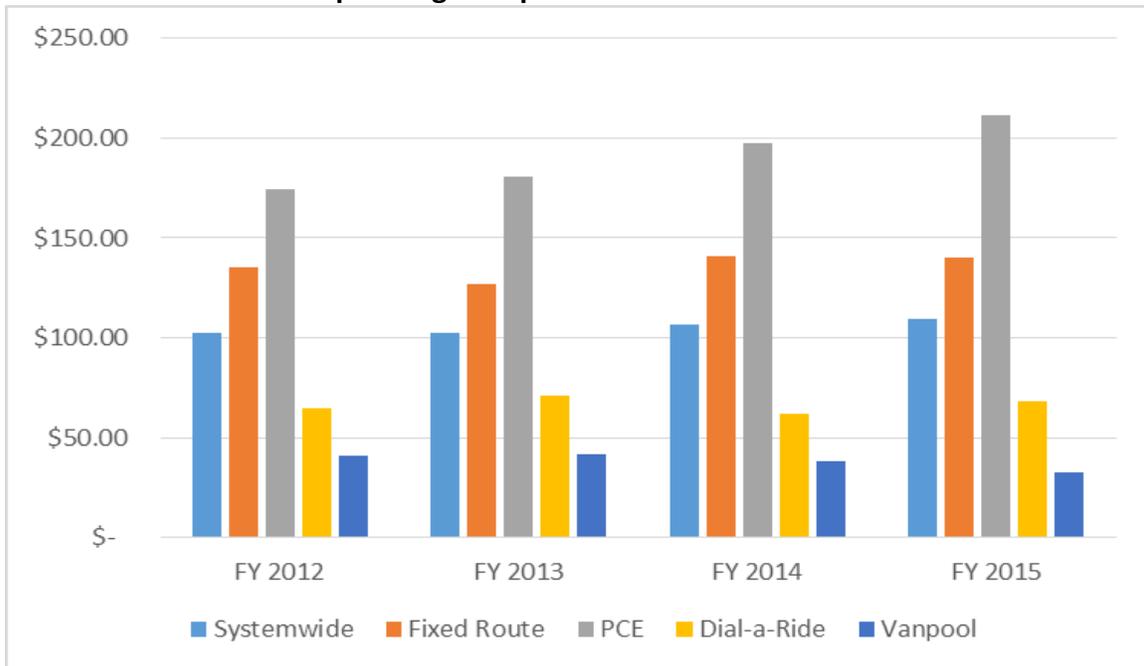
**Graph IV-2
Ridership**



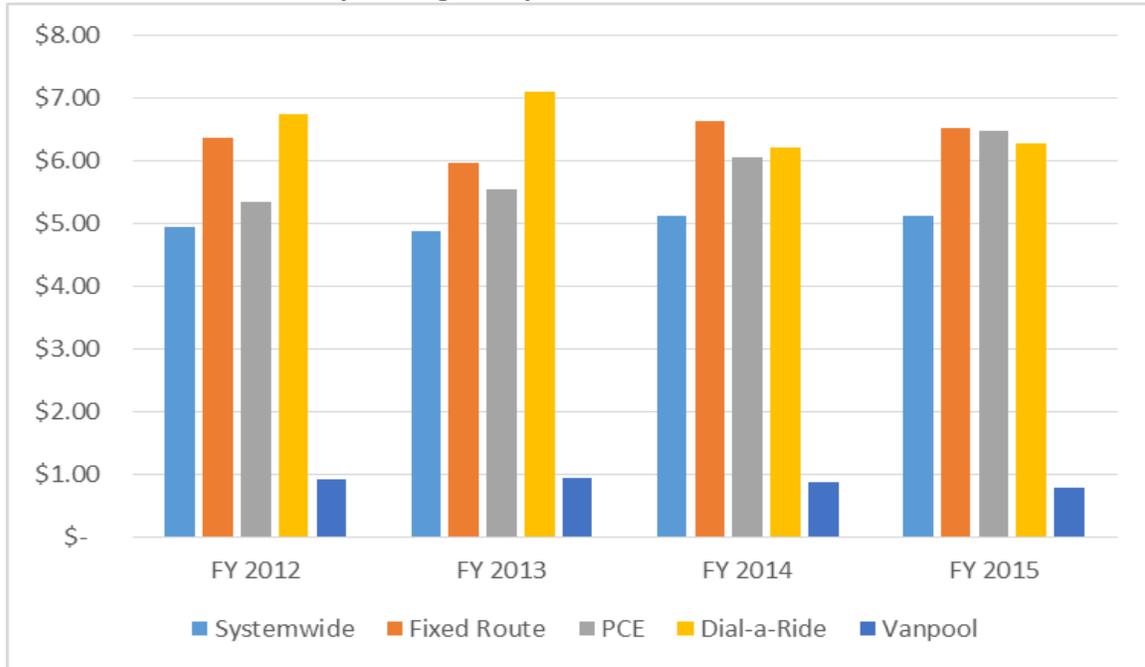
**Graph IV-3
Operating Cost per Passenger**



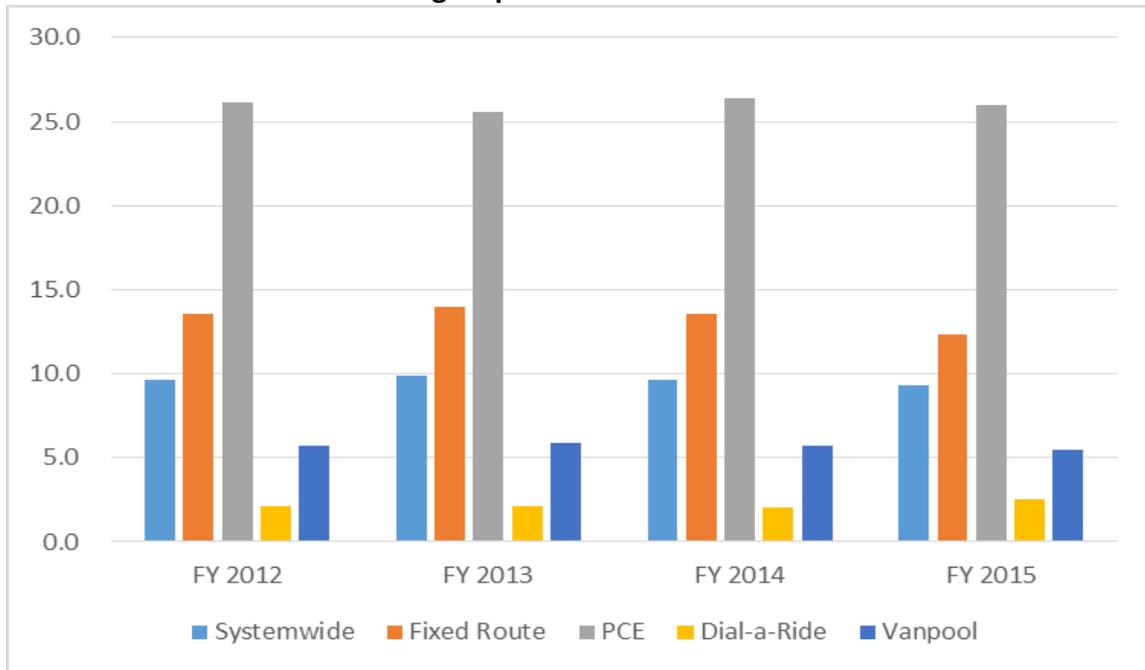
**Graph IV-4
Operating Cost per Vehicle Service Hour**



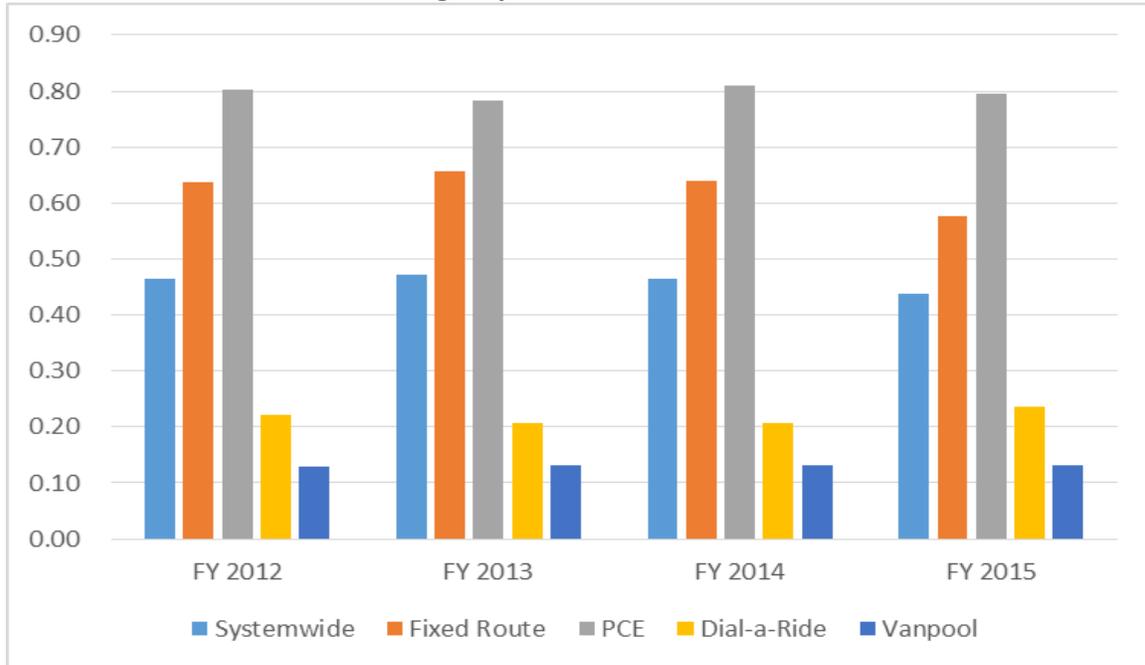
**Graph IV-5
Operating Cost per Vehicle Service Mile**



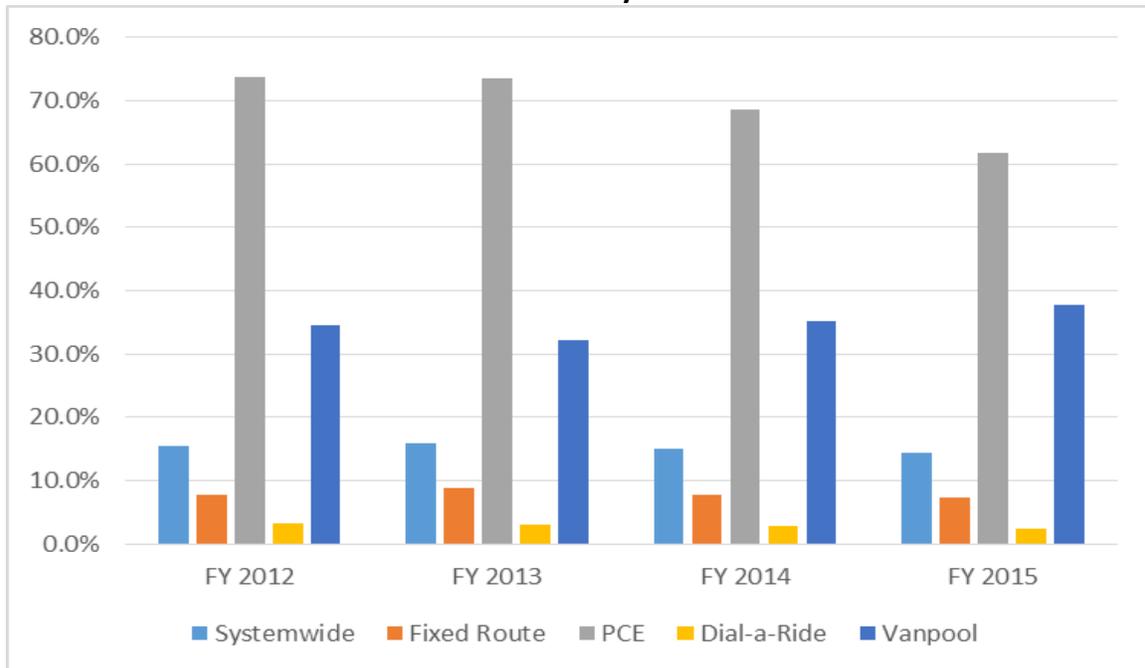
**Graph IV-6
Passengers per Vehicle Service Hour**



**Graph IV-7
Passengers per Vehicle Service Mile**



**Graph IV-8
Fare Recovery Ratio**



Findings from Verification of TDA Performance Indicators

1. Operating cost per passenger, a measure of cost effectiveness, increased 9.9 percent system-wide from the FY 2012 base year through FY 2015. On a modal basis, cost per passenger increased 13.5 percent on the fixed route and 13.5 percent on the Placer Commuter Express. In contrast, cost per passenger decreased on Dial-a-Ride and the vanpool 12.2 percent and 16.6 percent, respectively. The increase in this cost indicator is attributed to the decrease in passenger trips relative to the rise in operating costs.
2. Operating cost per hour, which is a measure of cost efficiency, increased 6.4 percent system-wide based on audited data. On a modal basis, cost per hour increased 3.5 percent on the fixed route, 21.3 percent on the PCE, and 5.1 percent on Dial-a-Ride. The only exception among the modes was the vanpool, which experienced a decrease of 19.7 percent between the FY 2012 base year and FY 2015. The trend is a result of the slight increase in operating costs compared to the reduction in vehicle service hours.
3. Operating cost per mile, another cost efficiency measure, increased 3.6 percent system-wide from the FY 2012 base year to FY 2015. At the modal level, cost per mile increased 2.6 percent on the fixed route and 21.1 percent on the PCE. In contrast, cost per mile decreased on Dial-a-Ride and the vanpool by 7.0 and 15.4 percent, respectively.
4. Passengers per vehicle service hour system-wide decreased 3.2 percent. Concurrent with the system-wide trend, passengers per hour decreased 8.8 percent on the fixed route, 0.7 percent on the PCE, and 3.7 percent on the vanpool. Passengers per hour on Dial-a-Ride increased 19.7 percent. System-wide, the number of passengers per service hour fluctuated in a narrow range during the audit period, between 9.4 and 9.9 passengers per vehicle service hour.
5. Passengers per vehicle service mile is an indicator of service effectiveness which measures service consumption and service outputs. For the audit period, passengers per vehicle service mile decreased by 5.8 percent system-wide. Concurrent with the system-wide trend, passengers per mile decreased 9.6 percent on the fixed route and 0.8 percent on the PCE. Passengers per hour increased on Dial-a-Ride and vanpool operations by 6.0 and 1.4 percent, respectively.
6. Vehicle hours per full-time equivalent (FTE), which measures labor productivity, experienced slight fluctuations between FY 2012 and FY 2015. There was a 5 percent decrease from 1,181 to 1,221 vehicle hours per FTE. System-wide, employee FTEs averaged between 42 and 44. Proper calculation of 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.
7. The system-wide fare recovery ratio exhibited a decrease of 6.0 percent from 15.38 percent in FY 2012 to 14.45 percent in FY 2015. The system-wide farebox recovery ratio

during the audit period increased 4 percent in FY 2013, but decreased in FY 2014 and in FY 2015 by 5.4 and 4.5 percent, respectively. Farebox recovery for most service modes decreased during the period, while the vanpool saw an increase of 9.4 percent based on unaudited data. Total system-wide passenger revenues decreased 2.4 percent, which reflects the trend at each modal level.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within PCT. The review highlights accomplishments, issues, and challenges that were determined during the audit period. The following functions were reviewed with the transit administration staff at the Placer County Department of Public Works in Auburn:

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

Within some departments are subfunctions that also require review, such as grants administration that falls under General Administration.

Operations

The mission statement for Placer County Transit (PCT) is as follows:

Our goal at PCT is to provide a safe and direct means of transportation service for western Placer County residents. We are committed to providing comprehensive and reliable transit service. We want our passengers to enjoy a comfortable and pleasant ride aboard our buses.

The marketing tagline adopted by PCT is “We’re going your way!”

PCT is the regional intercity transit provider serving the cities and communities in western Placer County through a compilation of service agreements renewed annually between the County and the cities and between the County and the United Auburn Indian Community, which owns and operates Thunder Valley Casino and Resort.

Most of PCT’s fixed-route services are directly operated. The Department of Public Works contracts out the operations of its other transit service modes. The Placer Commuter Express (PCE) runs between Colfax and downtown Sacramento. The PCE operating contract was awarded to Amador Stage Lines in August 2012.

The Placer County Dial-a-Ride contract was awarded to MV Transportation in August 2013. PRIDE Industries had been the Dial-a-Ride operator since 1998 under several contracts and extensions. Vanpool services are contracted out to Enterprise (formerly VPSI).

The provision of Dial-a-Ride service is based on geographic zones: Rocklin/Loomis, Lincoln, Granite Bay, and the Auburn/Highway 49 corridor. The Taylor Road Shuttle is a route-deviated service that serves Rocklin and Loomis. The County has indicated that the Granite Bay Dial-a-Ride service averages less than one passenger per hour. In addition, there has been a decline in ridership on the Highway 49 route in Auburn due to changes in medical services provided in the community.

Toward the end of the audit period, PCT assumed operation of the Lincoln transit system in July 2015. The consolidation process was more challenging than anticipated. The process was initiated in 2012 during a period of downsizing and turnover at the City of Lincoln. There used to be two buses on the Lincoln route. When PCT took over operation of the service, the service was rebranded as the Lincoln Circulator using only one bus. Additional service was implemented to the Auburn Airport and to the new retail developments located at the I-80/Sierra College Boulevard interchange in Rocklin.

The County has reported contractual issues with its Dial-a-Ride operator, MV Transportation. The issues pertained to how mileage was being reported and to employee turnover. Deadhead miles were not being reported correctly on the Trapeze electronic dispatching and scheduling printout.

System upgrades have consisted of the installation of surveillance cameras on the vehicles and the implementation of Zonar. Drivers conduct their vehicle inspections by placing the Zonar reader within inches of each tag and indicating the condition of the components in the zone with one-handed, push-button responses. When a defect is discovered, the driver selects a description from a predefined list and indicates whether the vehicle is safe to operate. Fault codes generated by the device are transmitted to the lead mechanic for attention. The County will be adding Next Bus technology as part of the Sacramento Area Council of Governments (SACOG) Connect Card system.

Dispatching and schedule monitoring procedures involve two-way radio communication. Drivers check in when they pull out of the yard and at each route endpoint. The GPS function that is included with the Zonar system emits an 18-second location ping. This technology has also been useful in accident and complaint investigations. There is no on-time performance standard or metric. Drivers use a trip sheet with fare and passenger categories. The first pick-up and last drop-off times are denoted on the trip sheet. Breaks and lunch times are also accounted for on the trip sheet.

Farebox handling and reconciliation procedures involve several checks and balances. Vehicles are equipped with GFI/Genfare electronic fareboxes. After each bus completes its run, the GFI is probed and unlocked, and the farebox vaults are exchanged. Two people perform the count in a designated counting room and use reports from the GFI to reconcile the count. Fares are

counted three times: at the Public Works operations yard, at the Community Development Resource Agency, and at the County Treasurer Department. Once the count has been completed, the fares are deposited at Wells Fargo Bank. Dial-a-Ride farebox proceeds are counted and monitored by the contractor. The County has a system in place to monitor PCE farebox revenues.

Personnel

PCT personnel for directly operated routes are employees of the County of Placer under the purview of the Civil Service Commission. The Service Employees International Union (SEIU), Local 39 provides representation of the 50 employees plus extra help in transit services. The County reports limited employee turnover. Any turnover that has occurred is attributed to employees' retirement.

Driver candidates are required to have at the time of application a valid Class B California driver license with passenger endorsements and a Verification of Transit Training (VTT) certificate. However, the County will train candidates with a Class C license. The training protocol consists of 15 hours of classroom instruction and 30 hours of behind-the-wheel instruction. Training is based on the California Transit Indemnity Pool (CalTIP) and Transportation Safety Institute (TSI) curriculum, which involves a closed course and route familiarization exercise. The transit supervisor and the lead driver are certified trainers. The County sponsored a TSI training at the City of Auburn in March 2014.

Ongoing training includes bimonthly meetings that consist of a two-hour session on safety based on TSI materials and fulfills state requirements. In addition, drivers attend an annual eight-hour classroom training. Specific training subjects include new vehicles and wheelchair lifts. Drivers bid on selected routes annually based on seniority. Extra help employees who are non-benefited fill in when full-time drivers are out on sick or vacation leave.

Maintenance

The County's Fleet Services division maintains PCT's fixed-route vehicles. Transit vehicle maintenance commands a high priority since County Sheriff's Office vehicles are no longer maintained by Fleet Services. Vehicles are serviced at the Auburn Garage located at 11428 F Avenue and adjacent to the PCT operations facility. The facility has two service bays and a fueling station that dispenses CNG, diesel, and gasoline. One service bay can accommodate two vehicles. Safety upgrades were made to the Auburn Garage that included CNG ventilation and LED lighting. A few mechanics are assigned specifically to service transit vehicles. Maintenance staff at the County's garage in Truckee will provide support as needed.

Preventive maintenance inspections are performed daily and at every 6,000 or 8,000 miles for diesel engines (depending on engine emission ratings), 6,000 miles for gasoline engines, and 8,000 or 12,000 miles for CNG engines (based on engine manufacturer specifications). Warranty repairs are performed on-site as well as dispatched to the vendors. Gillig supplies parts on a same-day basis. The County has utilized Zonar since August 2011 to automate the daily vehicle

inspection process. Maintenance costs over the last two fiscal years have increased due to an aging fleet.

The California Highway Patrol is responsible for certifying the maintenance facility and for inspecting vehicles on an annual basis. Inspections conducted during the audit period were rated satisfactory. However, there was an issue concerning the duty status on one of the driver's records.

Vehicle maintenance and fueling for Dial-a-Ride and Taylor Road Shuttle vehicles is the responsibility of the contract operator, MV Transportation. MV Transportation services these vehicles at its facility in Rancho Cordova. PCE vehicles are owned and maintained by Amador Stage Lines. The contractor maintains a maintenance facility in Sacramento with approximately 10,000 square feet of floor space, which allows up to seven coaches to be serviced inside with all the bay doors closed.

Planning

Transit planning and oversight are engaged through various approaches. Efforts to improve the productivity of transit services involve a collaborative effort between the County, the cities, PCTPA, and community stakeholders.

The most recent transit planning study focused on PCT was the Placer County Transit Short Range Transit Plan (SRTP) commissioned by PCTPA and adopted in August 2011. The plan's purpose is to objectively and comprehensively evaluate PCT's performance, identify and quantify transit demand, and identify strategies for enhancing community mobility. The SRTP has been used as a guideline for service development decisions for PCT and the communities it serves.

During the audit period, the County coordinated with the City of Lincoln to assume operation of the city's transit system. This assumption of service culminated in a fixed-route services plan to improve the efficiency of service. Both Placer County and the City of Lincoln approved a new agreement that resulted in the County assuming full operation in July 2015. Placer County also participated with the City of Rocklin and PCTPA on the development of the Rocklin Community Transit Study completed in February 2015.

Marketing

Transit services in Placer County are marketed through regional efforts in cooperation with peer agencies such as Roseville Transit. The County publishes a multi-fold pocket transit brochure with route and schedule information. However, PCT has relied less on print media and collateral in recent years. There have been no public hearings pertaining to the transit system given that the route structure has remained unchanged, and there have been no fare increases since 2008. The South Placer Transportation Call Center provides coordinated transit information that includes PCT services and access to a transit ambassador program.

Transit information is accessible online on a dedicated page through the County's main web portal (<http://www.placer.ca.gov/Departments/Works/Transit/PCT.aspx>). The website features general information and schedules (in PDF form) for each route, fares and tickets, service announcements, ADA and Title VI policies, rider etiquette, links to other transit providers, and contact information. The website is updated as needed. PCT does not have a dedicated social media presence; however, the County maintains its own social media accounts for general information.

Pursuant to the federal Civil Rights Act of 1964, the County has an adopted Title VI Program for its Transit Services division. Title VI 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 policies and procedures posted on the PCT website with a link to a version in Spanish. Complaint forms are included in the links posted on the website.

Transit Services staff receive and follow up on complaints. With no formal protocol in place, complaints are generally logged into an Access database. The County has taken steps to strengthen its ADA complaint process with an emphasis on addressing unmet needs and raising customer service standards.

General Administration and Management

Placer County was incorporated April 25, 1851, having been formed from portions of Sutter and Yuba counties. From the county seat in Auburn, 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. The Board meets the first and third Tuesdays of each month at 9:00 a.m. in the Board of Supervisors Chambers in the County Administrative Center located at 175 Fulweiler Road in Auburn. The Board approves the County's annual budget and allocates funds for County departments and agencies, including the Public Works Department, which oversees the transit system. During the audit period, the Public Works Department and Facilities Maintenance were merged.

The Public Works Manager, Transit Services oversees PCT administration. The manager is assisted by the Transportation Systems Supervisor and a Staff Services Analyst. The Staff Services Analyst is tasked with National Transit Database reporting, grants monitoring and reporting, fiscal audit coordination, and TDA claims. The Transit Services division does not provide regular reports to the Board on a regular basis but will submit data to the County Executive upon request. A brief overview of transit service is provided during the annual budget process. The Transit Operators Financial Transactions Report submitted to the State Controller is prepared by the County Auditor-Controller.

Pursuant to TDA, the County receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance Funds (STAF). TDA revenues are used primarily toward operating expenditures. Based on annual fiscal audit and internal financial reporting data, LTF revenues received during the audit period were \$3,262,520 in FY 2013; \$3,606,908 in FY 2014; and

\$4,124,258 in FY 2015. STAF revenues received were \$933,620 in FY 2013; \$608,743 in FY 2014; and \$722,506 in FY 2015. A portion of the County's LTF revenues are applied toward Tahoe Area Regional Transit (TART), which involves comingled claim submittals. This process is coordinated with the Tahoe Regional Planning Agency. The County also receives an annual subsidy of \$170,000 from the United Auburn Indian Community to provide service to the Thunder Valley Casino and Resort located near Lincoln.

The County's most recent FTA Triennial Review was conducted in March 2015. Of the 17 review areas addressed, Placer County was found deficient in eight review areas: Financial Management and Capacity, Technical Capacity, Maintenance, ADA, Procurement, Disadvantaged Business Enterprise (DBE) Program, Planning/Program of Projects, and Charter Bus. As part of this triennial review, FTA incorporated an Enhanced Review Module (ERM) in the DBE area. The purpose of an ERM is to conduct a more comprehensive review of underlying or contributing issues identified during the pre-assessment stage of the triennial review. The County submitted its corrective responses to seven of the eight deficient areas in June 2015 and its corrective response to the ADA deficiency finding in October 2015.

Grants Management

In addition to TDA funding, the County relies on several federal and state grant programs to support its operations and capital procurement needs. As a transit service serving both urbanized and non-urbanized areas, the County receives federal funding from the FTA Section 5307 and 5311 grant programs for operations and capital allocations. In addition to the federal formula grants, the County receives discretionary grants. The County submits quarterly and semi-annual reports on the activity and progress of each grant. Interest accruals for each grant are tracked on a summary spreadsheet.

Most federal capital funding has been derived from the Congestion Mitigation and Air Quality Improvement (CMAQ) program. Funding for capital has also been awarded through the State's Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and the Transit System Safety, Security & Disaster Response Account (TSSSDRA). PTMISEA funding has been applied toward the acquisition of 10 transit vehicles. TSSSDRA funds have been used toward the procurement of on-board surveillance cameras and two-way radios.

Farebox Recovery Assessment and Calculation

The prior triennial performance audit recommended a blended farebox recovery ratio of 13.2 percent as a result of the change in the Sacramento Urbanized Area boundary and population change as identified in the 2010 US Census. The incorporation of Lincoln Transit into the PCT service area toward the end of FY 2015 has necessitated the recalculation of the systemwide blended farebox recovery ratio since Lincoln lies within the Urbanized Area. In addition, Auburn was no longer included in the Urbanized Area.

Based on these factors and applying the blended formula consistent with past practice, this audit recommends an updated blended farebox recovery ratio of 12.94 percent. The methodology used to determine the new blended farebox ratio is described as follows: First, the auditor identified the 2010 census tracts that encompass the PCT fixed-route and Dial-a-Ride service areas. Next, the proportion of each census tract that lies within the Sacramento Urbanized Area 2010 designation was determined. This proportion was multiplied by the population of the census tract to determine the proportion of the “urbanized” population within PCT’s service area. According to the calculations, 58.82 percent of PCT’s service area is urbanized. Factoring the urbanized and rural proportions of the service area by their applicable minimum farebox recovery ratio, the blended farebox recovery ratio for PCT can be calculated as follows:

PCT Urbanized Service Area %	Minimum Urbanized Area Farebox Ratio	PCT Rural Service Area %	Minimum Rural Area Farebox Ratio	New Blended Farebox Ratio				
58.82%	x	15%	+	41.18%	x	10%	=	12.94%

Because Placer County has a population of less than 500,000, a 15 percent minimum farebox ratio was assumed for the urbanized area pursuant to PUC Section 99268.12.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to the County, the operator satisfactorily complied with the nine applicable requirements. Two additional compliance requirements did not apply to the County (i.e., exclusive rural and urbanized farebox recovery ratios).
2. The County participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget exhibited negligible changes during the audit period. The budget increased 0.3 percent in FY 2013 and 1.7 percent in FY 2014. The FY 2015 operating budget decreased 1.7 percent.
4. Based on the available data from the annual fiscal and compliance audits, the County's farebox recovery ratio remained above the required 13.2 percent standard during the audit period. The average farebox during the triennial period was 15.19 percent.
5. There were no prior recommendations from the prior triennial performance audit for discussion and review.
6. Operating cost per passenger, a measure of cost effectiveness, increased 9.9 percent system-wide from the FY 2012 base year through FY 2015. On a modal basis, cost per passenger increased 13.5 percent on the fixed route and 13.5 percent on the Placer Commuter Express. In contrast, cost per passenger decreased on Dial-a-Ride and the vanpool by 12.2 percent and 16.6 percent, respectively. The increase in this cost indicator is attributed to the decrease in passenger trips relative to the rise in operating costs.
7. Operating cost per hour, which is a measure of cost efficiency, increased 6.4 percent system-wide based on audited data. On a modal basis, cost per hour increased 3.5 percent on the fixed route, 21.3 percent on the PCE, and 5.1 percent on Dial-a-Ride. The only exception among the modes was the vanpool, which experienced a decrease of 19.7 percent between the FY 2012 base year and FY 2015. The trend is a result of the slight increase in operating costs compared to the reduction in vehicle service hours.
8. Operating cost per mile, another cost efficiency measure, increased 3.6 percent system-wide from the FY 2012 base year to FY 2015. At the modal level, cost per mile increased 2.6

percent on the fixed route and 21.1 percent on the PCE. In contrast, cost per mile decreased on Dial-a-Ride and the vanpool by 7.0 and 15.4 percent, respectively. Some of the factors affecting this indicator are traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.

9. Passengers per vehicle service hour system-wide decreased 3.2 percent. Concurrent with the system-wide trend, passengers per hour decreased 8.8 percent on the fixed route, 0.7 percent on the PCE, and 3.7 percent on the vanpool. Passengers per hour on Dial-a-Ride increased 19.7 percent. System-wide, the number of passengers per service hour fluctuated in a narrow range during the audit period, between 9.4 and 9.9 passengers per vehicle service hour.
10. Most of PCT's fixed-route services are directly operated. The Department of Public Works contracts out the operations of its other transit service modes. The Placer Commuter Express operating contract was awarded to Amador Stage Lines in August 2012. The Placer County Dial-a-Ride contract was awarded to MV Transportation in August 2013.
11. PCT assumed operation of the Lincoln transit system in July 2015. The consolidation process was more challenging than anticipated. The process was initiated in 2012 during a period of downsizing and turnover at the City of Lincoln. Additional service was implemented to the Auburn Airport and to the new retail developments located at the I-80/Sierra College Boulevard interchange in Rocklin.
12. Preventive maintenance inspections are performed daily and at every 6,000 or 8,000 miles for diesel engines (depending on engine emission ratings), 6,000 miles for gasoline engines, and 8,000 or 12,000 miles for CNG engines (based on engine manufacturer specifications). Warranty repairs are performed on-site as well as dispatched to the vendors.
13. Transit services in Placer County are marketed through regional efforts in cooperation with peer agencies such as Roseville Transit. The County publishes a multi-fold pocket transit brochure with route and schedule information.
14. The County's most recent FTA Triennial Review was conducted in March 2015. Of the 17 review areas addressed, Placer County was found deficient in eight review areas. The County submitted its corrective responses to seven of the eight deficient areas in June 2015 and its corrective response to the ADA deficiency finding in October 2015.

Recommendations

1. Consider counting casino subsidy as fare revenue.

The County and the United Auburn Indian Community have an agreement to provide PCT service to the Thunder Valley Casino and Resort. The County receives an annual subsidy, which has ranged between \$150,000 and \$170,000, from the United Auburn Community. TDA and local PCTPA regulations authorize an operator to satisfy the applicable farebox recovery ratio by supplementing its fare revenues with local funds. SB 508 (Beall), which amended the TDA, specifies that funds such as local subsidies and advertising revenue may be used to supplement fare revenues for the farebox recovery ratio. The County should consider using this revenue stream as a local transit funding source for farebox recovery.

2. Establish an on-time performance standard.

PCT currently does not have an adopted on-time performance standard. The industry standard is 95 percent for fixed-route trips, which is defined as not leaving early or arriving no later than 10 minutes from the published scheduled time at the route terminus. The desired standard for Dial-a-Ride trips is 90 percent, which is consistent with the industry standards of meeting passengers within 15 minutes of the scheduled pick-up and drop-off times. The Zonar technology implemented by the County during the audit period could be used to establish and track on-time performance metrics.

3. Implement the adjusted blended farebox ratio to account for urban and rural area changes served by PCT.

The blended farebox ratio is updated in this audit to account for inclusion of the city of Lincoln, which is in the urbanized area served by PCT, and recognizing the city of Auburn as a rural area that is no longer included in the urbanized area. The formula to update the ratio is consistent with past practice and slightly decreases the required ratio. Upon approval of the updated ratio by PCTPA and Caltrans, PCT should monitor its farebox ratio for compliance.