



FY 2013-2015

**Triennial Performance Audit of
Nevada County Gold Country
Stage and Gold Country Lift**

Submitted to

Nevada County Transportation Commission

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Submitted by

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INTERNATIONAL

TABLE OF CONTENTS

Executive Summary	i
Section I.....	1
Introduction.....	1
Overview of the Transit System	1
Section II.....	7
Operator Compliance Requirements	7
Section III.....	13
Prior Triennial Performance Recommendations	13
Section IV	16
TDA Performance Indicators	16
Section V	29
Review of Operator Functions	29
Operations	29
Maintenance	35
Planning	35
Marketing.....	37
General Administration and Management	37
Section VI	40
Findings.....	40
Recommendations	43

Executive Summary

The Nevada County Transportation Commission (NCTC) engaged Michael Baker International to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Nevada County. This performance audit is conducted for Nevada County Gold Country Stage and Gold Country LIFT (County or Transit Services Division [TSD]) 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 the operational efficiency and effectiveness of Nevada County Gold Country Stage and Nevada County Paratransit-Gold Country LIFT.

Compliance with TDA Requirements

The County fully complied with seven out of the nine applicable requirements. The County was partially compliant with regard to reporting of Full Time Equivalents (FTEs) for the paratransit service, and meeting the farebox recovery standard. Two additional compliance requirements did not apply to the County (e.g., intermediate farebox recovery ratio, and exclusive urbanized farebox recovery ratio).

Status of Prior Audit Recommendations

Of the four prior audit recommendations, the TSD fully implemented two recommendations. One recommendation pertaining to mounted fareboxes in paratransit vehicles was no longer applicable. One recommendation pertaining to FTE calculation was partially implemented and is carried forward in this audit for full implementation.

System Performance Trends

1. Operating cost per passenger, a measure of cost effectiveness, increased 10.6 percent system-wide based on audited data from the FY 2012 base year through FY 2015. On a modal basis, cost per passenger increased 6.6 percent on Gold Country Stage during the audit period and increased 52.3 percent on paratransit over the same time frame. The

higher cost increase on the paratransit service is attributed to the new paratransit contract as well as slower growth in the number of passenger trips.

2. Operating cost per hour, a measure of cost efficiency, increased 17 percent system-wide based on audited data. For Gold Country Stage, cost per hour increased by a modest 3.2 percent whereas paratransit saw its cost per hour increase 66.4 percent between the FY 2012 base year and FY 2015. The rate of cost increases exceeded the increases in vehicle service hours.
3. Operating cost per mile, another cost efficiency measure, increased 13.2 percent system-wide from the FY 2012 base year to FY 2015. At the modal level, cost per mile increased 3.4 percent on Gold Country Stage and 61.3 percent on paratransit. Some of the factors affecting this indicator include traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.
4. Maintenance cost per hour is a measure of maintenance program effectiveness and fleet reliability. As tracked system-wide, maintenance costs per hour increased 22.3 percent. Maintenance costs as a whole increased 41.2 percent. As the TSD proceeds with its vehicle replacement program, maintenance costs are expected to decrease along with the number of road calls.
5. Passengers per vehicle service hour system-wide increased 5.7 percent. In contrast with the system-wide trend, fixed route experienced a decrease of 3.2 percent over the audit period. Passengers per hour on paratransit increased 9.2 percent. System-wide, the number of passengers per service hour fluctuated during the period, decreasing from 6.7 passengers in FY 2012 to 6.2 passengers in FY 2013 and rebounding to 7 passengers per vehicle service hour in FY 2015. The service effectiveness standard for Gold Country Stage is 7.0 passenger trips per vehicle service hour minimum with a goal of 10.0 passenger trips.

Functional Review

1. The Tinloy Transit Center located on the corner of Tinloy Street between East Bennett and Banks Streets in Grass Valley opened in September 2012. The TSD improved operational efficiency and accessibility by staging Gold Country Stage vehicles at the Transit Center. The TSD also installed solar lighting in all bus shelters for increased safety and security.
2. During FY 2014, Saturday service was reinstated for both fixed-route and paratransit services. This was made possible through the award of a FTA Section 5316 Job Access and Reverse Commute grant. Evening service was also extended until 8:00 p.m. during the week for both service modes.
3. The TSD finalized the installation of RouteMatch software on its vehicle devices and in the dispatching center during FY 2015. This included fully training staff on the new system and

providing public outreach on the use of travel information online that provides real-time bus status information.

4. The paratransit service underwent a change in contract operator during the audit period. For years, paratransit in western Nevada County was operated by Gold Country Telecare, a local social service transportation provider. The TSD solicited a new paratransit contract operator and the contract was awarded to Paratransit Services.
5. Vehicle maintenance for Gold Country Stage vehicles is provided through the County of Nevada Fleet Services Division. There is one dedicated mechanic who services the transit fleet. Drivers conduct daily pre-trip and post-trip comprehensive mechanical and safety vehicle system checks. Gold Country LIFT vehicle maintenance is contracted out to a local vendor, Roadrunner Automotive located in Grass Valley.
6. Efforts to improve productivity of the transit services involve several methods employed by the TSD in concert with the NCTC including short-range transit plans, the unmet transit needs process, and monitoring transportation performance improvement recommendations.
7. Gold Country Stage and LIFT services are marketed through various media and community events. As part of its marketing standard goal, the TSD has established that 2 percent of its total annual administrative budget be expended on marketing.
8. The transit services manager compiles the annual operations report that is delivered to the Transit Services Commission. The operations report details productivity, trends, and accomplishments for both the fixed-route and paratransit modes. The administrative cost standard established for the TSD is 25 percent or less of total operating costs.
9. In addition to TDA funding, the TSD relies on a variety of federal and state grants to support its operations and capital procurement needs. Capital grant tracking is performed on a spreadsheet template entitled "Nevada County Grant Information Record." The spreadsheet is prepared and updated by the TSD accounting technician.

Recommendations

Performance Audit Recommendation	Background	Timeline
#1. Ensure that full-time equivalent (FTE) employee hours be calculated and reported to the State Controller in accordance with Public Utilities Code 99247(j) for the specialized	This recommendation has been carried over from the prior audit. The Transit Operators Financial Transactions Reports sent to the State Controller are prepared by an independent auditor and reviewed by the transit services manager. Separate reports are prepared for each service mode. FTE data for	High Priority

Performance Audit Recommendation	Background	Timeline
transportation service mode.	the fixed-route service appear to be calculated accurately. The FTE data included in the report for specialized services appear to reflect an actual head count of employees rather than a calculation of total employee hours worked divided by 2,000. The change in paratransit contract operator notwithstanding, the TSD should continue to work with the independent auditor, contract operator, and internal staff to ensure that the FTEs are being calculated according to the TDA statute.	
#2. Revise farebox recovery inputs to be consistent with the TDA statute.	Review of the farebox recovery calculations for Gold Country Stage and discussion with TSD staff indicated that several inputs to the calculation were not consistent with the definitions in the TDA statute. For example, TDA payments from Placer County to help fund Route 5 into Auburn were counted as local support in the farebox recovery for FY 2013-14. Also, vehicle lease payments were included in the calculation although they can be excluded. With passage of SB 508 in October 2015, other local funds can be included in the farebox recovery, including advertising revenue. The TSD should update its farebox calculation for consistency with the statute and its use as a primary productivity measure. The most recent independent fiscal audit for the transit system begins to reflect this revised calculation.	High Priority
#3. Include tracking and reporting of passenger complaints and compliments in the Annual Operations Report.	Performance monitoring is tracked in an annual operations report compiled by the TSD. The operations report details productivity, trends, and accomplishments for both the fixed-route and paratransit modes. Various service monitoring standards are included along with a performance indicator data comparison between the current and prior reporting years. The report references a passenger complaint standard which sets a minimum of less than one complaint per 5,000 passenger trips with a target objective of no more than one complaint per 10,000	Medium Priority

Performance Audit Recommendation	Background	Timeline
	<p>passenger trips. However, there are no actual complaint data contained in the report. The TSD maintains a file of passenger complaints and incidents. Along with the other performance data, it is suggested that this information be enumerated and reported in the Annual Operations Report.</p>	

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 Nevada County Transportation Commission (NCTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Nevada County. This performance audit is conducted for the Nevada County Gold Country Stage and Gold Country LIFT (County or Transit Services Division [TSD]) 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. This task involves ascertaining whether the County is meeting the code's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with TSD management and telephone interviews with management from the paratransit contract operator, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, September 2008 (third edition), published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

Public transit in western Nevada County is operated under a Joint Powers Agreement (JPA) executed on October 28, 2003, between the County of Nevada and the Cities of Grass Valley and Nevada City. The TSD of the Nevada County Public Works Department administers the two public transit systems operating in western Nevada County: Gold Country Stage and Gold Country LIFT. Gold Country Stage provides fixed-route service and is directly operated by the TSD. Gold Country LIFT consists of complementary door-to-door demand-response paratransit service within the ADA corridor, which covers three-quarters of a mile on either side of the fixed-route service operated by a private operator under contract to the TSD.

Nevada County is located in California’s Mother Lode region, topographically defined by the foothills and the mountains of the Sierra Nevada range. The county is bordered by Placer County to the south, Sierra County to the north, Yuba County to the west and northwest, and the state of Nevada to the east. The elevation varies from 1,400 feet above sea level in Penn Valley to 9,152 feet at Mount Lola in the Sierra Nevada. The county’s geographical land area encompasses nearly 958 square miles and is traversed by nearly 1,140 miles of roadway. The main north–south highway is State Route (SR) 49, which connects Grass Valley and Nevada City with other Mother Lode communities in the Sierra Nevada foothills. The two major east–west highways are SR 20 and Interstate 80. Other state highways that traverse the county include SR 99 and 174. A demographic snapshot of key cities and the county is presented in Table I-1:

**Table I-1
Nevada County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 Years & Older %	Land Area (in square miles)
Grass Valley	12,860	+8.0%	23.51%	4.74
Nevada City	3,068	+1.9%	18.16%	2.19
Truckee	16,180	+16.7%	7.76%	32.32
Unincorporated Areas	66,656	+5.4%	21.51%	918.53
Total Nevada County	98,764	+7.3%	19.41%	957.78

Source: 2010 US Census

Population growth has been fairly modest in recent years. According to the 2010 US Census, the county’s population was 98,764, an increase of 7.3 percent from the 2000 Census figures. The senior citizen population, comprising residents aged 65 and over, is 19.4 percent countywide. The California Department of Finance 2015 estimate reports a countywide population of 98,193, a slight decrease relative to the last census. The county seat is Nevada City. Notable unincorporated communities and census-designated places include Alta Sierra, Kingvale, Lake of the Pines, Lake Wildwood, Norden, North Bloomfield, North San Juan, Penn Valley, Rough and Ready, and Soda Springs.

System Characteristics

Gold Country Stage

Gold Country Stage operates local fixed-route service in western Nevada County and a commuter route to Auburn in neighboring Placer County. The system operates Monday through Friday from 6:00 a.m. to 8:00 p.m. and Saturday from 7:30 a.m. to 5:00 p.m. The main transfer hub is the Tinloy Street Transit Center located at Tinloy and Bank Streets in Grass Valley.

Gold Country Stage does not operate on New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. Gold Country Stage routes operated during the audit period are summarized in Table I-2.

**Table I-2
Gold Country Stage Routes**

Route	Description	Frequency/Operation	Key Time Points
Route 1	Grass Valley – Nevada City	60 minutes (Monday through Friday from 6:15 a.m. to 8:15 p.m.; Saturday from 7:15 a.m. to 5:30 p.m.)	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ Grass Valley City Hall ▪ East Main Street & Idaho Maryland ▪ New Mohawk Road (On-Demand) ▪ Zion Street & Argall ▪ Broad Street Bridge & Union Street ▪ Nevada County Government Center ▪ East Main Street & Eureka
Route 2	Ridge Road	Six trips (Monday through Friday from 7:15 a.m. to 8:00 p.m.; Saturday from 7:15 a.m. to 2:25 p.m.)	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ Church & Neal ▪ Alta & Ridge Road ▪ East Main Street ▪ Sierra College Drive ▪ Nevada Union Ridge Road & Ventana Sierra Road ▪ Grass Valley City Hall
Route 3	Grass Valley Loop/Loma Rica	60 minutes (Monday through Friday from 6:45 a.m. to 7:45 p.m.; Saturday from 8:00 a.m. to 4:45 p.m.)	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ Church & Neal Street ▪ Brighton Street & Minnie Park ▪ Pine Creek Shopping Center ▪ Grass Valley Shopping Center ▪ Crown Point Circle ▪ Loma Rica Drive (PRIDE) ▪ Whispering Pines Lane & Brunswick ▪ East Main Street & Eureka Street
Route 4	Brunswick Basin	60 minutes (Monday through Friday from 6:15 a.m. to 8:00 p.m.;	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ Grass Valley City Hall

Route	Description	Frequency/Operation	Key Time Points
		Saturday from 7:15 a.m. to 4:45 p.m.)	<ul style="list-style-type: none"> ▪ Berryhill ▪ Sierra College ▪ Glenbrook Shopping Center ▪ Miners Family Health Center ▪ Gold Country Shopping Center
Route 5	Auburn Regional	Six trips (Monday through Friday from 5:30 a.m. to 7:30 p.m.)	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ Grass Valley City Hall ▪ Alta Sierra Drive & Little Valley Road ▪ Hwy 49 & Lime Kiln Road ▪ Lake of the Pines ▪ Auburn Station
Route 6	Penn Valley	Seven trips (Monday through Friday from 6:30 a.m. to 8:00 p.m.)	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ West Main Street ▪ Rough & Ready ▪ Penn Valley Drive & Hwy 20 ▪ Penn Valley Drive & Spenceville Rod ▪ Wildwood Center
Route 6X	Penn Valley	Four trips (Saturday from 7:00 a.m. to 5:15 p.m.)	<ul style="list-style-type: none"> ▪ Nevada County Airport ▪ Transit Center ▪ Penn Valley Drive & Hwy 20 ▪ Penn Valley Drive & Spenceville Rod ▪ Wildwood Center
Route AS	Alta Sierra	Four trips (Saturday from 8:30 a.m. to 4:54 p.m.)	<ul style="list-style-type: none"> ▪ Transit Center ▪ Mountain Air MHP (On Demand) ▪ Alta Sierra

Source: Gold Country Stage

Several of the routes interline with each other. Route 2 continues on as Route 3 at the Transit Center. Route 3 continues on as Route 2 at the Transit Center at 7:30 a.m., 9:30 a.m., 11:30 a.m., 2:30 p.m., 4:30 p.m., and 6:30 p.m. In addition, Route 3 continues to Loma Rica at 8:26 a.m., 10:26 a.m., 12:26 p.m., 1:26 p.m., 3:26 p.m., and 5:26 p.m. Monday through Friday. On-demand stops are defined as stops that are served upon passenger request at designated scheduled times. Pickups from on-demand stops require that passengers call at least 60 minutes prior to the desired stop time.

Gold Country LIFT – Paratransit Service

Gold Country LIFT is a specialized demand-responsive service operating in western Nevada County for individuals certified under the Americans with Disabilities Act of 1990 (ADA) who cannot access the Gold Country Stage fixed-route service. The LIFT provides door-to-door service within the ADA corridor, which covers three-quarters of a mile on either side of the fixed-route service, as well as defined local areas in western Nevada County. The service operates Monday through Friday from 6:30 a.m. to 8:00 p.m. and Saturday from 7:30 a.m. to 5:00 p.m. There is no Sunday service provided. All ride requests must be made at least 24 hours in advance and up to 14 days in advance. The one-way fare within the ADA corridor is \$3.00 and outside the ADA corridor is \$5.00. LIFT is administered by the TSD and operated under contract by Paratransit Services, which is headquartered in Bremerton, Washington.

Gold Country LIFT does not operate on New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.

Fares

Gold Country Stage fares are structured based on passenger and type. Multi-trip passes are also available for purchase. One-zone fares are applicable for travel within one zone only. Two-zone fares are applicable for travel within both zones. The zone boundary for Route 5 is Alta Sierra Drive and the zone boundary for Route 6 is Bitney Springs Road. The fare structure during the audit period is summarized in Table I-3.

**Table I-3
Gold Country Fare Schedule**

Fare Categories	One Zone	Two Zones
Adult (Age 18 & Older)	\$1.50	\$3.00
Discount (Seniors Aged 65 & Older/Disabled/Youth Aged 6 to 17)	\$0.75	\$1.50
Children (Aged 3 & Under)	Free	Free
Transfers	Free	Free
Day Pass – Adult (Age 18 & Older)	\$4.50	\$7.50
Day Pass – Discount (Seniors Aged 65 & Older/Disabled/Youth Aged 6 to 17)	\$2.25	\$3.75
Monthly Pass – Adult (Age 18 & Older)	\$45.00	\$90.00
Monthly Pass – Discount (Seniors Aged 65 & Older/Disabled/Youth Aged 6 to 17)	\$22.50	\$45.00

Source: Gold Country Stage

Fleet

There were 10 vehicles in the transit fleet during the audit period. In addition, the TSD operates six support vehicles. All vehicles in revenue service are wheelchair-accessible with tie-downs in compliance with the ADA. In addition, all Gold Country Stage vehicles are equipped with front-mounted bicycle racks. Table I-4 summarizes the transit fleet.

Table I-4
Gold Country Stage Fleet

Year	Make/Model	Quantity	Fuel Type	Seating Capacity
2008	EIDorado Aero Elite 290	5	Diesel	26 (2 W/C)
2009	EIDorado Aero Elite 290	4	Diesel	26 (2 W/C)
2015	EIDorado Aero Elite 290	1	Diesel	26 (2 W/C)
Total		10		

Source: County of Nevada, Vehicles & Equipment Summary Report & National Transit Database RU-20 Report

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the County’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses Caltrans’s *Performance Audit Guidebook* to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each requirement is discussed in the table below, along with 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 16, 2013 FY 2014: October 20, 2014 FY 2015: October 16, 2015 Separate Transit Operators Financial Transaction Reports for both general and specialized services were submitted. 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: January 28, 2014 FY 2014: December 30, 2014 FY 2015: February 16, 2016 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 TSD and the paratransit contract operator participate in the CHP Transit Operator Compliance Program in which

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>the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the County of Nevada Transit Services Department located at 13081 John Bauer Avenue, Grass Valley.</p> <p>Inspection dates applicable to the audit period were: February 7, 2012; March 18, 2013; April 3, 2014; and April 15, 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 Funds submitted by each constituent agency of the JPA that administers the public transit system in western Nevada County are submitted in compliance with the rules and regulations adopted by NCTC.</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	Public Utilities Code, Section 99270.1	<p>This requirement is not applicable, as Gold Country Stage and Gold Country LIFT only serve a nonurbanized area.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
to the ratio determined by the rules and regulations adopted by the RTPA.		Conclusion: Not Applicable.
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	<p>Percentage change in the transit system’s operating budget:</p> <p>FY 2013: -2.8% FY 2014: 0.0% FY 2015: +20.3%</p> <p>The increase in the FY 2015 budget was attributed to the new paratransit services contract, increased service hours and reinstatement of Saturday service, and interfund administration costs.</p> <p>Source: County of Nevada Transit Services Department Budgets for FYs 2012–2015.</p> <p>Conclusion: Complied.</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,	Public Utilities Code, Section 99247	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 are being collected. However, the FTE data reported in the State Controller’s report for specialized (paratransit) services appear to reflect an actual head count of employees

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
and (j) vehicle service hours per employee.		rather than a calculation of total employee hours worked divided by 2,000. Conclusion: Partial Compliance.
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 Gold Country Stage and Gold Country LIFT only serve a nonurbanized area. 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	Operating ratios for the transit system system-wide using audited data were as follows: FY 2013: 13.25% FY 2014: 9.85% FY 2015: 10.44% The FY 2014 fare ratio is a revision made in the FY 2015 financial audit due to clarifications in the calculation. Source: Annual Fiscal & Compliance Audits Conclusion: Partial compliance.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 TSD contracts with a private provider for Gold Country LIFT operations, while the cost of County staff’s retirement is fully funded under the California Public Employees Retirement System (CalPERS). Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	The transit system receives State Transit Assistance Funds and makes use of federal transit grant funds under FTA Section 5311 as follows: FY 2013: Operations (\$316,301) Capital (\$272,103) FY 2014: Operations (\$325,365) FY 2015: Operations (\$350,000) 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 fully complied with seven out of the nine applicable requirements. The County was partially compliant with regard to reporting of FTEs for the paratransit service, and meeting the farebox recovery standard. Two additional compliance requirements did not apply to the County (i.e., intermediate farebox recovery ratio, and exclusive urbanized farebox recovery ratio).
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 FY 2013 and FY 2014. The budget decreased by nearly 3 percent in FY 2013 and remained fairly unchanged in FY 2014. The FY 2015 operating budget increased 20.3 percent due to the new paratransit contract, interfund costs and transfers, reinstatement of service hours on the fixed route, and the implementation of Saturday service.
4. Based on the available data from the annual fiscal and compliance audits, the County's farebox recovery ratio remained above the required 10 percent for two of the three audit years. The financial audit stated that previously it was reported the Transit Services Fund was in compliance for the year ended June 30, 2014. However, during the next fiscal year the County was informed that revenues it received from Placer County were LTF funds and thus not eligible to qualify as local support. Upon revising the calculation, it was determined that the Fund was out of compliance for the June 30, 2014 year but, as this was the first year of non-compliance, it was deemed a grace year.

Section III

Prior Triennial Performance Recommendations

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

Prior Recommendation 1

Vehicle service hours and miles should be compiled consistently with the definition of vehicle service hours and miles in Appendix B of the *Performance Audit Guidebook*. (*Gold Country Stage and Telecare*)

Actions taken by the TSD

Background: The TDA statute defines how vehicle service hours and miles should be calculated. The definitions preclude deadhead hours and miles and time for breaks and lunches. The prior audit suggested that Gold Country Stage and Telecare drivers record the time and mileage at the first passenger pickup or scheduled stop (whichever comes first) and at the last passenger drop-off or final scheduled stop end of the day. It was also suggested that staff report vehicle service hours and miles in the same manner when compiling data for the Transit Operators Financial Transactions Reports submitted to the State Controller. For demand response service, vehicle service miles/hours would begin at the time of the first passenger pickup and end at the last passenger drop-off excluding time/mileage associated with lunch breaks.

Action: In response to this recommendation, the TSD and the paratransit contract operator have taken the necessary steps to report vehicle service hours and miles according to the TDA definition. For Gold Country Stage, the TSD acquired and implemented RouteMatch dispatching and scheduling software during the audit period. Despite issues with having drivers input performance data correctly, vehicle service hours and miles are being properly reported on the run spreadsheets. For demand response, Paratransit Services, the successor contract operator to Gold Country Telecare, utilizes Mobilitat dispatching software and requires drivers to call in at each passenger pickup and drop-off as a means to properly track hours and miles. In addition, the contract operator provides the TSD a monthly operations report that shows vehicle service hours and miles reported in accordance with the TDA.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Full-time equivalent (FTE) employee hours should be calculated and reported to the State Controller in accordance with Public Utilities Code 99247(j) and the definition in Appendix B of the *Performance Audit Guidebook*. (*Gold Country Stage and Telecare*)

Actions taken by the TSD

Background: During the prior audit review process, the auditor was unable to confirm that FTEs were calculated and reported to the State Controller in accordance with the TDA definition. FTEs are calculated as part of the countywide budgeting process. A finding was made that not all department hours were added into this calculation and that it was likely that FTEs were calculated by dividing total hours worked by 2,080 instead of 2,000. It was recommended that the independent auditor who prepares the Transit Operators Financial Transactions Report be provided with the TDA definition of employee hours/full-time equivalency and the appropriate data as necessary to calculate FTEs in accordance with the TDA statute.

Action: The TSD continues to have an independent financial auditor prepare its Transit Operators Financial Transactions Reports for both service modes. FTE data for the fixed-route service appear to be calculated accurately. The FTE data reported in the report for specialized services appear to reflect an actual head count of employees rather than a calculation of total employee hours worked divided by 2,000. The change in paratransit contract operator notwithstanding, the TSD should continue to work with the independent auditor, contract operator, and internal staff to ensure that the FTEs are being calculated according to the TDA statute.

Conclusion

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

Prior Recommendation 3

Evaluate the number of “no-shows” and implement a more stringent no-show policy. (*Gold Country Telecare*)

Actions taken by the TSD

Background: The prior audit found that no-shows on paratransit continued to be an issue despite a significant decrease during the prior audit period. No-shows decrease efficiency as vehicle miles are being driven without fare-paying passengers. It was recommended that the paratransit contractor continue to educate and monitor no-show passengers. If no-shows continued to be a persistent issue, it was suggested that the paratransit operator consider reducing the

reservation window for nonsubscription passengers to one day in advance and/or implement a more stringent no-show policy.

Action: Since the prior audit, paratransit services in western Nevada County have undergone a change. Gold Country Telecare ceased operations in 2013 and Paratransit Services took over operations under the name of Gold Country LIFT, effective July 2013. The number of no-shows has continued to decline. This decrease has been attributed to the proactive efforts of the contract operator, which has included calling passengers to reconfirm their appointment, computerized scheduling, education, and the implementation of a formal no-show policy. The policy states that three no-shows in a calendar month results in suspension.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Install fareboxes on paratransit vehicles. (*Gold Country Telecare*)

Actions taken by the TSD

Background: Under the prior contract operator, the paratransit fleet was not equipped with mounted fareboxes. Fare revenue was stored in zippered bank pouches. Although there were no instances of malfeasance or mishandling of fare revenues, it was suggested that having fareboxes with locking vaults would decrease the temptation for stealing and provide a more secure method of transporting fare revenue from the vehicle to the operations facility.

Action: As was mentioned in the prior recommendation, paratransit services in western Nevada County have undergone a change. Gold Country Telecare ceased operations in 2013 and Paratransit Services took over operations under the name of Gold Country LIFT, effective July 2013. Paratransit Services has continued the practice of collecting fare revenue in zippered bank pouches. The contract operator mentioned that punch passes have gained in popularity and that subscription rides are billed directly, thus reducing the number of cash fare transactions. The fare revenue count gets reconciled against the passenger manifest to ensure accuracy. Although it does not require immediate action or particular priority, the TSD may want to consider the acquisition and installation of fareboxes for paratransit as part of its future capital program which will standardize the collection of fare revenue across the Gold Country transit system.

Conclusion

This recommendation has not been implemented and is no longer applicable, although future consideration is warranted.

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. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Four additional performance indicators—operating cost per mile, maintenance cost per hour, average passengers per day and average fare per passenger—are included as well.

Tables IV-1 through IV-3 provide the performance indicators for the transit services system-wide, fixed-route and paratransit. 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 fixed-route and paratransit 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 (including maintenance below)	\$2,429,662	\$2,426,508	\$2,932,822	\$3,281,610	35.1%
Maintenance Cost	\$314,071	\$337,786	\$447,912	\$443,453	41.2%
Total Passengers	186,313	184,507	214,642	227,516	22.1%
Vehicle Service Hours	27,962	29,873	32,974	32,291	15.5%
Vehicle Service Miles	416,491	470,916	479,355	496,942	19.3%
Annual Days of Operation	261	261	302	302	15.7%
Employee FTE's	37	37	37	48	29.7%
Passenger Fares	\$262,583	\$321,401	\$288,898	\$342,443	30.4%
Operating Cost per Passenger	\$13.04	\$13.15	\$13.66	\$14.42	10.6%
Operating Cost per Vehicle Service Hour	\$86.89	\$81.23	\$88.94	\$101.63	17.0%
Operating Cost per Vehicle Service Mile	\$5.83	\$5.15	\$6.12	\$6.60	13.2%
Maintenance Cost per Vehicle Service Hour	\$11.23	\$11.31	\$13.58	\$13.73	22.3%
Passengers per Vehicle Service Hour	6.7	6.2	6.5	7.0	5.7%
Passengers per Vehicle Service Mile	0.45	0.39	0.45	0.46	2.3%
Average Passengers per Day	714	707	711	753	5.5%
Vehicle Service Hours per Employee	755.7	807.4	891.2	672.7	-11.0%
Average Fare per Passenger	\$1.41	\$1.74	\$1.35	\$1.51	6.8%
Fare Recovery Ratio	10.81%	13.25%	9.85%	10.44%	-3.4%

* FY 2014 fare ratio revised in FY 2015 financial audit due to clarification of the calculation.

Source: Annual Fiscal & Compliance Audits; TSD Annual Operations Reports; State Controller's Reports

**Table IV-2
TDA Performance Indicators
Gold Country Stage**

Performance Data and Indicators	Audit Period				% Change FY 2012–2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$1,789,586	\$1,730,453	\$1,887,098	\$2,361,610	32.0%
Total Passengers	151,731	151,402	176,928	187,891	23.8%
Vehicle Service Hours	12,859	13,740	16,012	16,450	27.9%
Vehicle Service Miles	237,665	268,655	288,231	303,403	27.7%
Annual Days of Operation	261	261	302	302	15.7%
Employee FTEs	24	24	24	26	8.3%
Passenger Fares	\$251,757	\$254,189	\$282,822	\$299,801	19.1%
Operating Cost per Passenger	\$11.79	\$11.43	\$10.67	\$12.57	6.6%
Operating Cost per Vehicle Service Hour	\$139.17	\$125.94	\$117.86	\$143.56	3.2%
Operating Cost per Vehicle Service Mile	\$7.53	\$6.44	\$6.55	\$7.78	3.4%
Passengers per Vehicle Service Hour	11.8	11.0	11.0	11.4	-3.2%
Passengers per Vehicle Service Mile	0.64	0.56	0.61	0.62	-3.0%
Average Passengers per Day	581	580	586	622	7.0%
Vehicle Service Hours per Employee	535.8	572.5	667.2	632.7	18.1%
Average Fare per Passenger	\$1.66	\$1.68	\$1.60	\$1.60	-3.8%
Fare Recovery Ratio	14.07%	14.69%	14.99%	12.69%	-9.8%

Source: TSD Annual Operations Reports; State Controller Report

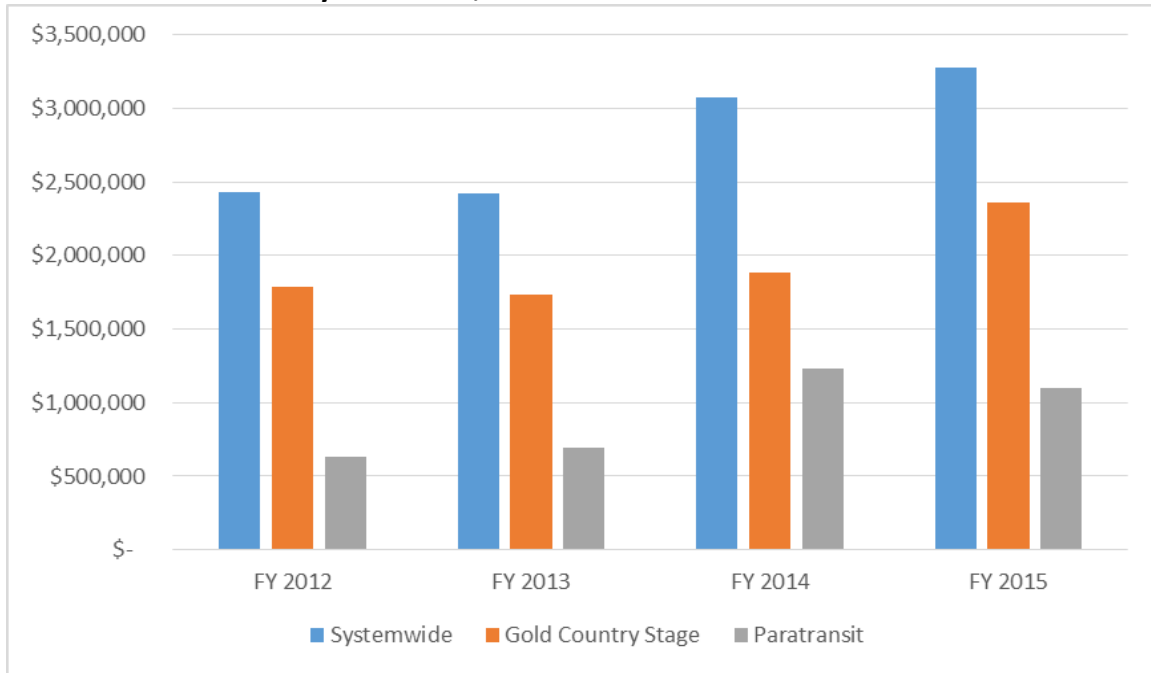
**Table IV-3
TDA Performance Indicators
Paratransit - Gold Country Telecare/LIFT**

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013*	FY 2014	FY 2015	
Operating Cost	\$630,424	\$696,055	\$1,231,482	\$1,100,221	74.5%
Total Passengers	34,582	33,105	37,714	39,625	14.6%
Vehicle Service Hours	15,103	16,133	16,962	15,841	4.9%
Vehicle Service Miles	178,826	202,261	191,124	193,539	8.2%
Annual Days of Operation	261	261	302	302	15.7%
Employee FTEs	13	13	13	22	69.2%
Passenger Fares	\$73,760	\$69,012	\$73,552	\$113,829	54.3%
Operating Cost per Passenger	\$18.23	\$21.03	\$32.65	\$27.77	52.3%
Operating Cost per Vehicle Service Hour	\$41.74	\$43.14	\$72.60	\$69.45	66.4%
Operating Cost per Vehicle Service Mile	\$3.53	\$3.44	\$6.44	\$5.68	61.3%
Passengers per Vehicle Service Hour	2.3	2.1	2.2	2.5	9.2%
Passengers per Vehicle Service Mile	0.19	0.16	0.20	0.20	5.9%
Average Passengers per Day	132	127	125	131	-1.0%
Vehicle Service Hours per Employee	1,161.8	1,241.0	1,304.8	720.0	-38.0%
Average Fare per Passenger	\$2.13	\$2.08	\$1.95	\$2.87	34.7%
Fare Recovery Ratio	11.70%	9.91%	5.97%	10.35%	-11.6%

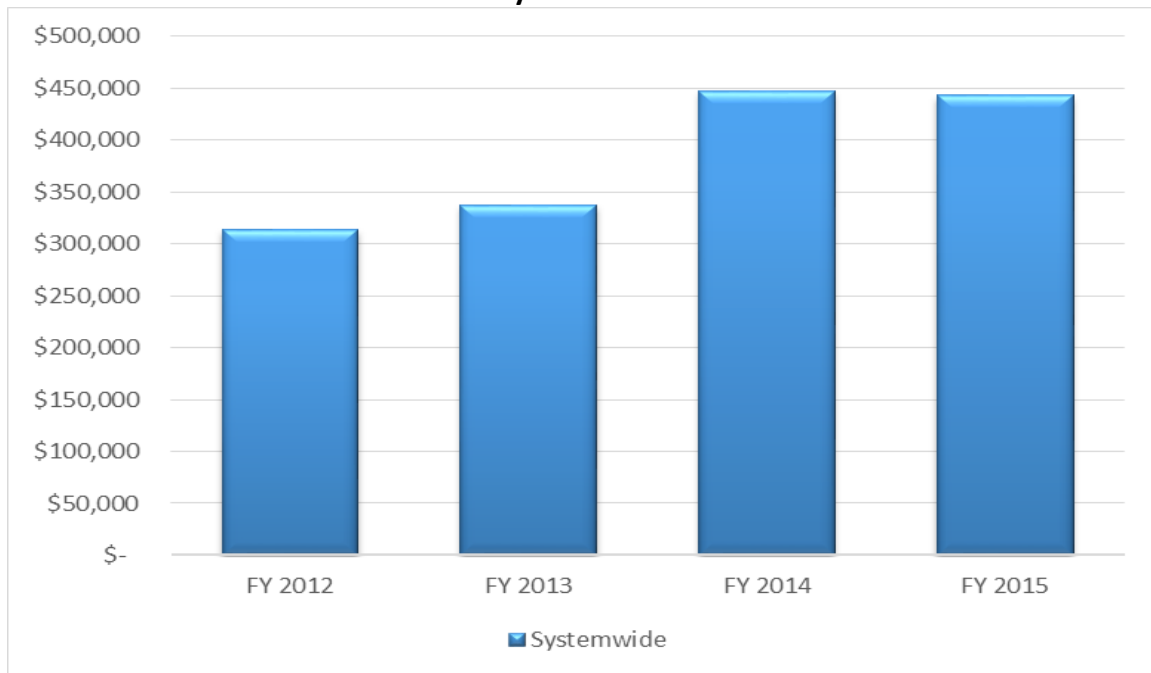
Source: TSD Annual Operations Reports; State Controller Report

*Gold Country LIFT replaced the previous contract operator effective July 2013

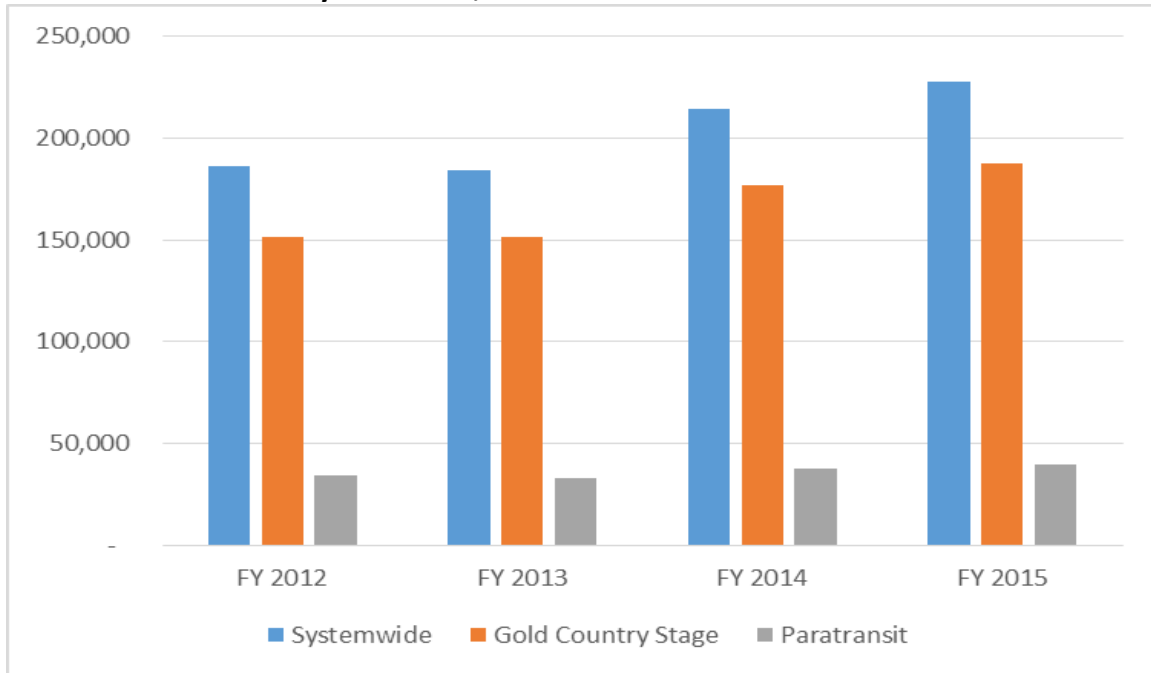
**Graph IV-1
Operating Costs
System-wide, Fixed-Route and Paratransit**



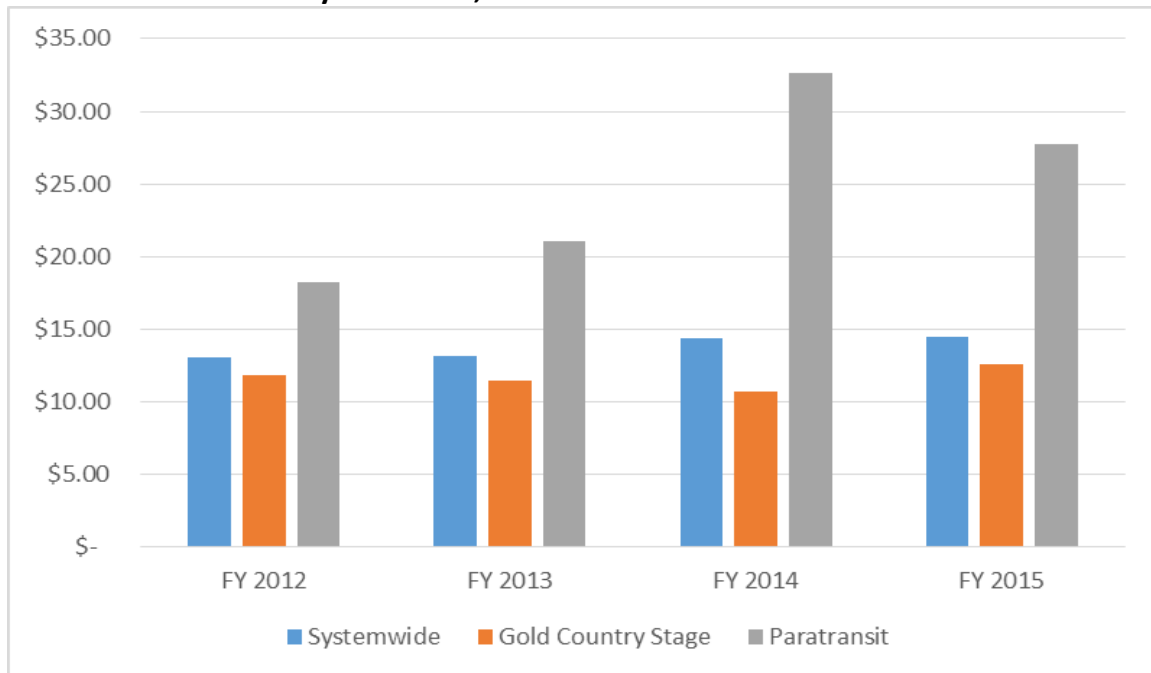
**Graph IV-2
Maintenance Costs
System-wide**



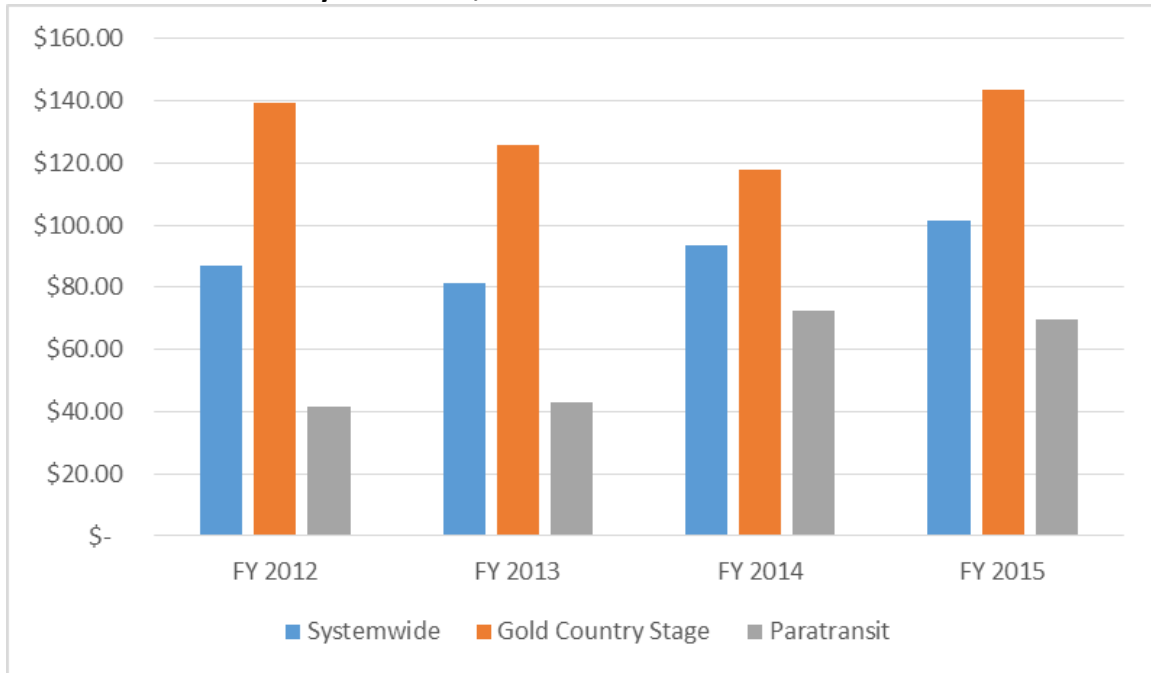
**Graph IV-3
Ridership
System-wide, Fixed-Route and Paratransit**



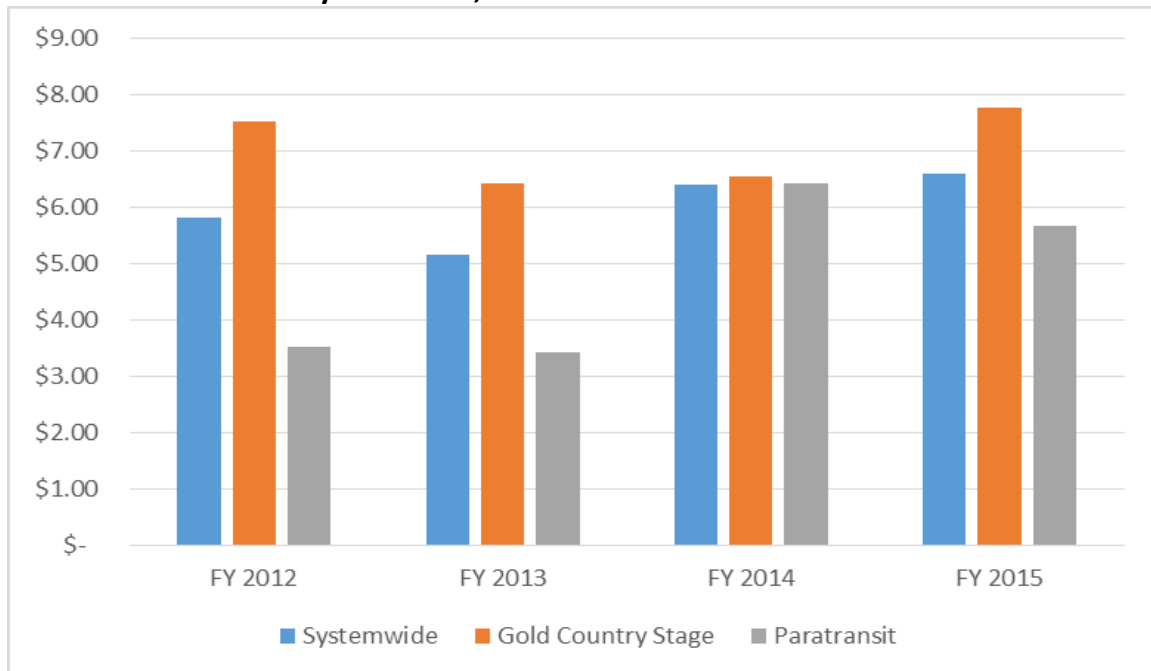
**Graph IV-4
Operating Cost per Passenger
System-wide, Fixed-Route and Paratransit**



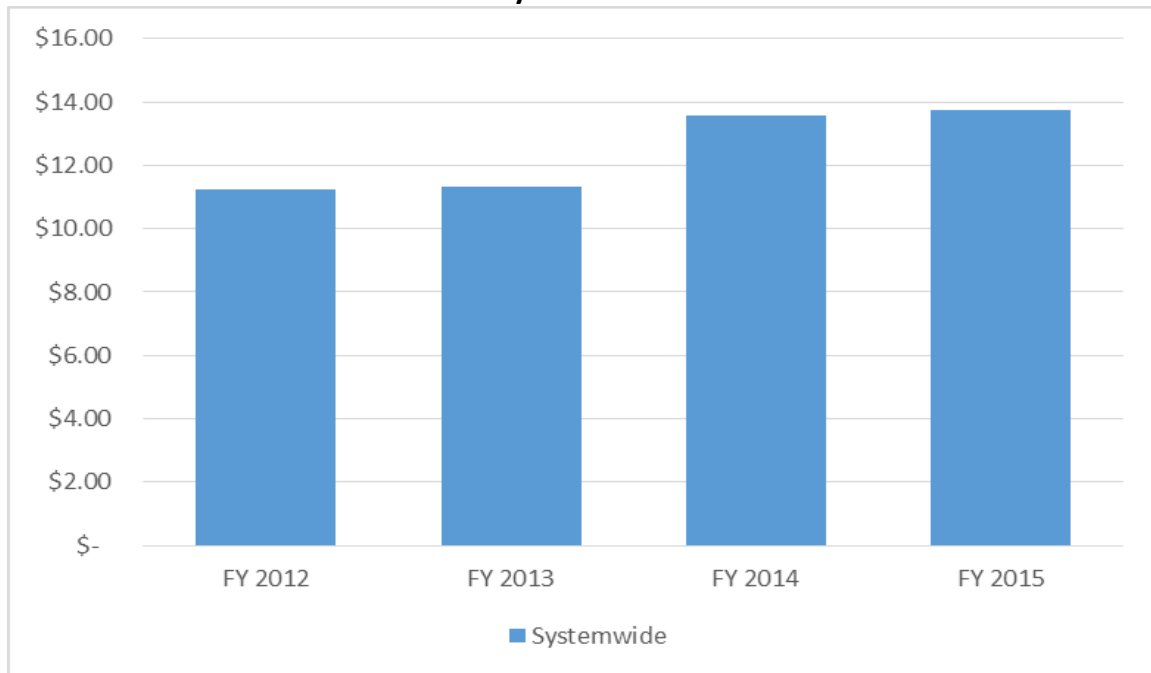
Graph IV-5
Operating Cost per Vehicle Service Hour
System-wide, Fixed-Route and Paratransit



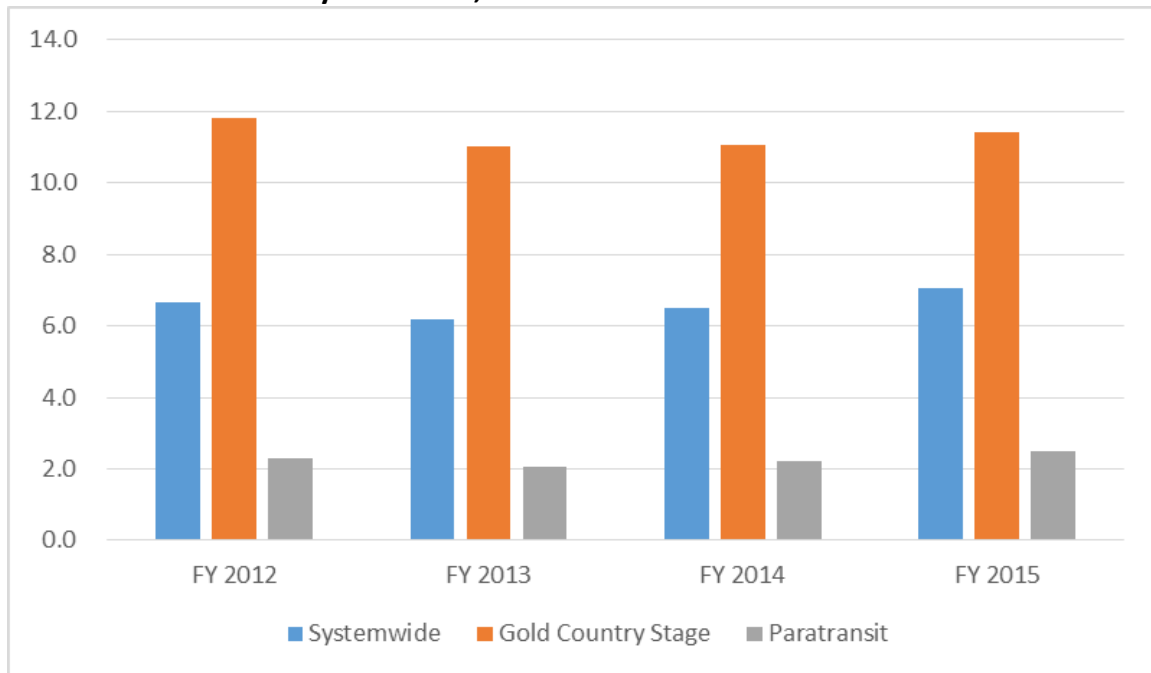
Graph IV-6
Operating Cost per Vehicle Service Mile
System-wide, Fixed-Route and Paratransit



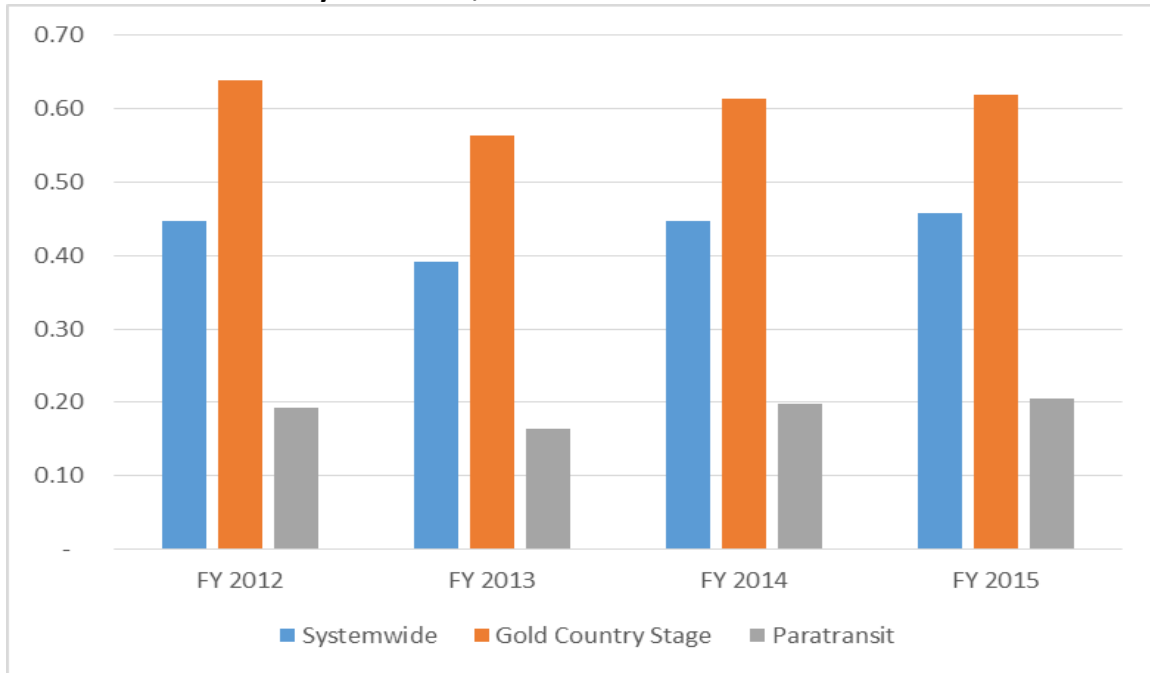
Graph IV-7
Maintenance Cost per Vehicle Service Hour
System-wide



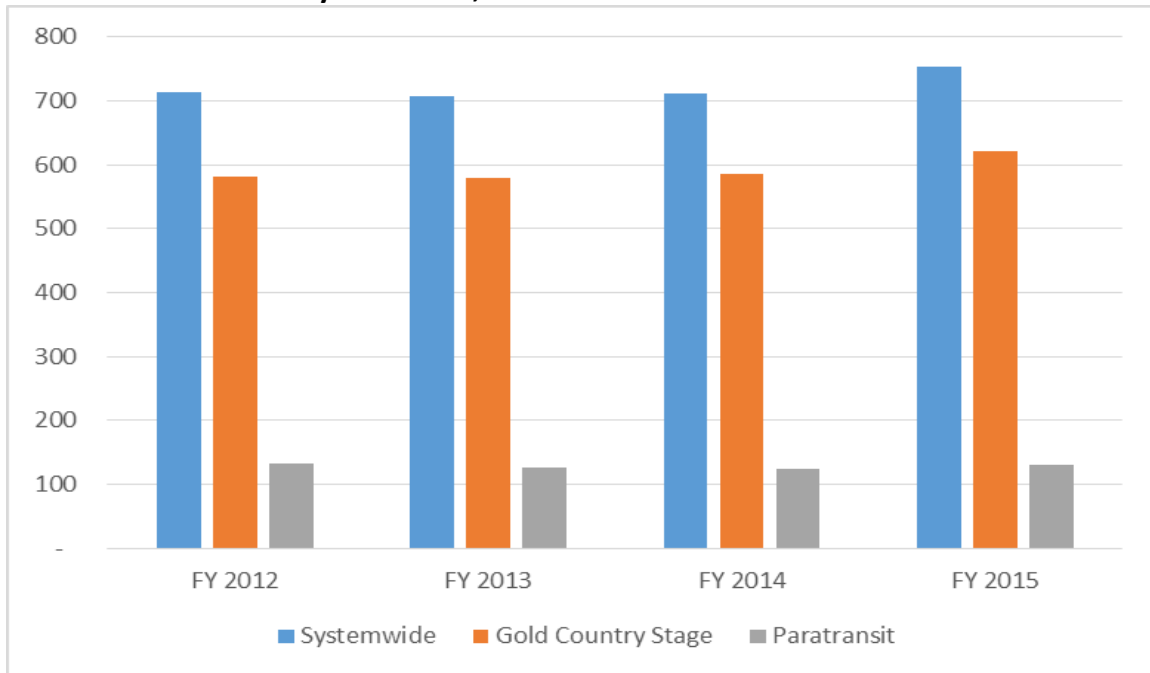
Graph IV-8
Passengers per Vehicle Service Hour
System-wide, Fixed-Route and Paratransit



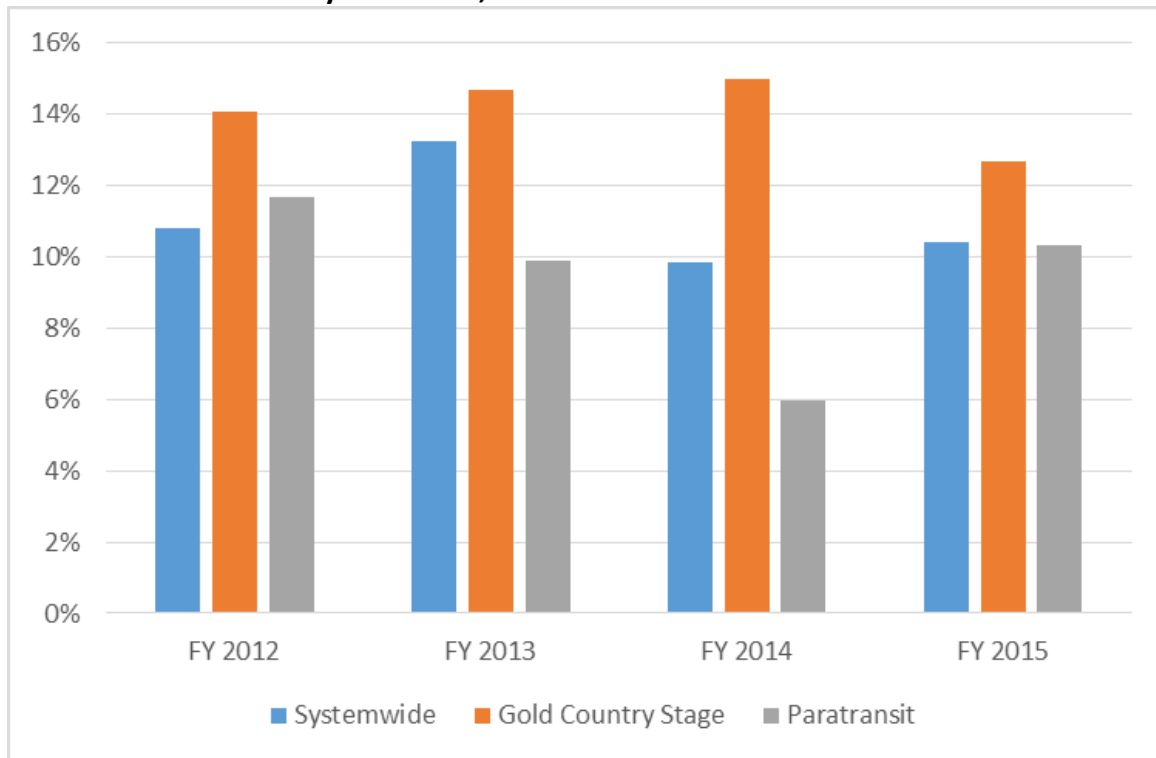
Graph IV-9
Passengers per Vehicle Service Mile
System-wide, Fixed-Route and Paratransit



Graph IV-10
Average Passengers per Day
System-wide, Fixed-Route and Paratransit



Graph IV-11
Fare Recovery Ratio
System-wide, Fixed-Route and Paratransit



Findings from Verification of TDA Performance Indicators

1. Performance indicators for the Western Nevada County transit system reflect the growth of services that were cut due to the effects of the 2008–09 economic recession as well as the change in the paratransit contract operator. Operating costs system-wide increased 35.1 percent from the FY 2012 base year through FY 2015 based on audited data. The highest cost increase occurred in FY 2014, which was attributed to the change in the paratransit contract.
2. By mode (using unaudited data), fixed-route services saw its operating costs increase 32 percent during the period. The increase reflects the reinstatement of Saturday service and expanded weekday service hours. Paratransit operating costs increased 74.5 percent from the FY 2012 base year through FY 2015. Given the service efficiencies being implemented by the new paratransit contract, cost escalation is expected to level off.
3. Ridership increased 22.1 percent system-wide during the audit period. Gold Country Stage ridership increased 23.8 percent, while paratransit ridership increased 14.6 percent. System-wide ridership fluctuated from 186,313 in FY 2012 to a low of 184,507 in FY 2013 before rebounding to 214,642 in FY 2014 and 227,516 in FY 2015. The average number of daily passengers increased 5.5 percent. The number of service days increased from 261 to 302 in FY 2014 due to the reinstatement of Saturday service. Ridership is usually measured in terms of unlinked trips, where all boardings are counted including transfers.
4. The provision of revenue hours and miles varied according to mode as well as system-wide. Gold Country Stage revenue hours increased 27.9 percent, whereas vehicle service miles increased by a comparable 27.7 percent. Paratransit revenue hours and miles increased 4.9 and 8.2 percent, respectively, between FY 2012 and FY 2015. Given the service changes during the audit period, system-wide vehicle service hours increased 15.5 percent and vehicle service miles increased 19.3 percent.
5. Operating cost per passenger, a measure of cost effectiveness, increased 10.6 percent system-wide based on audited data from the FY 2012 base year through FY 2015. On a modal basis, cost per passenger increased 6.6 percent on Gold Country Stage during the audit period and increased 52.3 percent on paratransit over the same time frame. The higher cost increase on the paratransit service is attributed to the new paratransit contract as well as slower growth in the number of passenger trips.
6. Operating cost per hour, a measure of cost efficiency, increased 17 percent system-wide based on audited data. For Gold Country Stage, cost per hour increased by a modest 3.2 percent whereas paratransit saw its cost per hour increase 66.4 percent between the FY 2012 base year and FY 2015. The rate of cost increases exceeded the increases in vehicle service hours.

7. Operating cost per mile, another cost efficiency measure, increased 13.2 percent system-wide from the FY 2012 base year to FY 2015. At the modal level, cost per mile increased 3.4 percent on Gold Country Stage and 61.3 percent on paratransit. Some of the factors affecting this indicator include traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.
8. Maintenance cost per hour is a measure of maintenance program effectiveness and fleet reliability. As tracked system-wide, maintenance costs per hour increased 22.3 percent. Maintenance costs as a whole increased 41.2 percent. As the TSD proceeds with its vehicle replacement program, maintenance costs are expected to decrease along with the number of road calls.
9. Passengers per vehicle service hour system-wide increased 5.7 percent. In contrast with the system-wide trend, fixed route experienced a decrease of 3.2 percent over the audit period. Passengers per hour on paratransit increased 9.2 percent. System-wide, the number of passengers per service hour fluctuated during the period, decreasing from 6.7 passengers in FY 2012 to 6.2 passengers in FY 2013 and rebounding to 7 passengers per vehicle service hour in FY 2015. The service effectiveness standard for Gold Country Stage is 7.0 passenger trips per vehicle service hour minimum with a goal of 10.0 passenger trips.
10. Passengers per vehicle service mile is an indicator of service effectiveness, a measure which bridges the gap between service consumption and service outputs. For the audit period, passengers per vehicle service mile increased by a modest 2.3 percent system-wide. Gold Country Stage saw a 3 percent decrease in the number of passengers per mile whereas paratransit saw a 5.9 percent increase.
11. Vehicle hours per FTE, which measures labor productivity, decreased by 11 percent system-wide. This measure increased 18.1 percent for Gold Country Stage and decreased 38 percent for Dial-a-Ride. FTEs are calculated as part of the countywide budgeting process. A finding was made in the prior audit that not all department hours were added into this calculation and that it was likely that FTEs were calculated by dividing total hours worked by 2,080 instead of 2,000. For the current audit period, FTE data reported for paratransit appear to reflect an actual head count of employees rather than a calculation of total employee hours worked divided by 2,000. 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.
12. The system-wide fare recovery ratio exhibited a slight decrease of 3.4 percent from 10.81 percent in FY 2012 to 10.44 percent in FY 2015 based on audited data. Farebox recovery increased 22.6 percent during FY 2013 yet decreased 25.6 percent the following fiscal year. This large fluctuation is the result of FY 2013 fare revenue inclusive of Placer County LTF contribution to the Route 5 which no longer is included in the subsequent

years. By mode, farebox for the Gold Country Stage decreased 9.8 percent, while paratransit saw a decrease of 11.6 percent based on unaudited data. Total system-wide passenger revenues increased in excess of 30 percent attributed to the 54.3 percent increase in paratransit passenger revenues. Gold Country Stage passenger revenues increased 19.1 percent.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions of Gold Country Stage and Gold Country LIFT. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the Nevada County TSD in Grass Valley and with the Gold Country LIFT contract operator via teleconference:

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

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

Operations

The Mission Statement of the Transit Services Division (TSD) is:

To provide safe, convenient, reliable, and affordable fixed route transit services and specialized paratransit services.

The TSD has continued to expand and reinstate service after a series of cutbacks due to the 2008–09 economic recession. The Tinloy Transit Center located on the corner of Tinloy Street between East Bennett and Banks Streets in Grass Valley opened in September 2012. The TSD improved operational efficiency and accessibility by staging Gold Country Stage vehicles at the Transit Center. The Transit Center provides an off-street loading and unloading area for transit vehicles, a driver’s safety station facility, and an information kiosk for the public. The TSD also installed solar lighting in all bus shelters for increased safety and security.

During FY 2014, Saturday service was reinstated for both fixed-route and paratransit services. This was made possible through the award of a FTA Section 5316 Job Access and Reverse Commute (JARC) grant. Evening service was also extended until 8:00 p.m. during the week for both service modes. Most of the routes maintain hourly headways. Among the new services implemented was TSD’s addition of Route A/S to serve the Alta Sierra area four times a day on Saturday. Gold Country Stage partnered with Earle Jamieson High School in Grass Valley and the Sugarloaf Mountain School in Nevada City to provide a tripper service during morning and afternoon bell times. The TSD also continued its partnership with Placer County in sharing the

cost of the regional Route 5 that runs between Grass Valley and Auburn along the SR 49 corridor.

In 2011, the County purchased 40 acres at the former Bear River Mill site in Grass Valley with plans to relocate the corporation yard, transit yard, and storage facility. Based on the assessment in the 2012 Nevada County Master Facilities Master Plan, the TSD currently rents 1,500 square feet of office space at the Nevada County Airport but will require additional office, driver, and vehicle storage space.

During the audit period, the TSD worked on the implementation of a series of transit technology upgrades. These upgrades consisted of technology equipment and software that improve accuracy, efficiency, performance, and overall operational capabilities for the Gold Country Stage system. The technology included:

- Global Positioning System platform that supports transit operations software.
- Automatic vehicle location system.
- RouteMatch scheduling and dispatching software.
- Vehicle inspection and reporting capabilities.
- Route design program and electronic tracking and recording of ridership, fares, vehicle idle, speed, and diagnostics.

The TSD finalized the installation of RouteMatch software on its vehicle devices and in the dispatching center during FY 2015. This included fully training staff on the new system and providing public outreach on the use of travel information online that provides real-time bus status information. Ridership on the system had been increasing through FY 2015 but had started to decline beginning in FY 2016 due to lower gas prices. In addition, there has been a significant decline in ticket sales to local social service agencies.

Performance monitoring is tracked in an annual operations report compiled by the TSD. The operations report details productivity, trends, and accomplishments for both the fixed-route and paratransit modes. Various service monitoring standards are included along with a performance indicator data comparison between the current and prior reporting years. Amongst the operations indicators tracked is on-time performance. Table V-1 provides a summary of on-time performance during the audit period for each route on Gold Country Stage:

**Table V-1
Gold Country Stage On-Time Performance**

Route	FY 2012	FY 2013	FY 2014	FY 2015
Route 1	100%	99.8%	98%	93%
Route 2	100%	99.6%	99%	97%

Route	FY 2012	FY 2013	FY 2014	FY 2015
Route 3	100%	99.0%	98%	95%
Route 4	98%	99.6%	98%	95%
Route 5	98%	99.3%	100%	85%
Route 6	100%	99.7%	99%	95%
Overall Average	99.33%	99.50%	98.67%	93.33%

Source: Annual Operations Reports, TSD

The TSD has established a minimum on-time performance standard of 75 percent for fixed-route trips, which is defined as not early and no more than ten minutes late measured at the route terminus. The desired standard is 95 percent on-time performance. Gold Country Stage exceeded the minimum standard during the audit period and exceeded the desired standard most years.

The standard for accidents is a minimum of 100,000 miles between preventable collision accidents and 50,000 miles between all types of accidents. According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. Table V-2 provides a summary of accidents that occurred during the audit period for Gold Country Stage:

Table V-2
Gold Country Stage In-Service Accidents

	FY 2012	FY 2013	FY 2014	FY 2015
Total Accidents	5	3	2	5
Miles Between Preventable Accidents	31,255	All accidents no fault	N/A	54,902
Miles Between All Accidents	111,100	130,212	97,000	66,690

Source: Annual Operations Reports, TSD

The three accidents reported during FY 2013 were no-fault and during FY 2014, the two accidents reported were non-collision. During FY 2015, three accidents were non-collision driver no-fault accidents and two accidents were collision/non-injury preventable where the bus driver was at fault. The drivers received counseling and refresher training.

Personnel

Gold Country Stage personnel are County employees. Drivers and other nonexempt employees are represented by International Union of Operating Engineers, Stationary Local 39, AFL-CIO (Union). The Memorandum of Understanding between the County and the Union spanned a three-year period from July 1, 2012, to June 30, 2015. The County is no longer able to hire CalPERS retired annuitants due to recent state legislation.

The TSD reports low turnover of full-time drivers but higher turnover of temporary drivers. Toward the end of the audit period, the TSD had 13 full-time employees plus temporary bus drivers. The full-time staff was composed of the transit services manager, a senior office assistant, two lead bus drivers, and nine bus drivers. The TSD is anticipating the retirement of three drivers in the near future. During FY 2015, two Gold Country Stage drivers received the County Safety Committee recognition for evacuating passengers safely in separate situations involving extinguishing a bus fire and defusing a situation where a passenger tried to hurt himself.

Driver candidates are required to have at the time of application a valid Class A or B California driver license with passenger endorsements and Verification of Transit Training (VTT) certification. Possession of School Bus Driver or School Pupil Activity Bus certification is highly desirable and a current and valid certification for the operation of airbrakes is beneficial, but not required. Drivers undergo a background investigation and must successfully complete periodic physical examinations as required by US Department of Transportation regulations. Bimonthly safety meetings are conducted by the lead drivers. Trainings are also provided through the California Transit Indemnity Pool consisting of two service days. The TSD has been pursuing a new training initiative that would train Class C licensed drivers and guide them through the VTT and passenger endorsement certification process.

Accruals for vacation and sick time commence on the first day of employment for full-time employees. Employees with one to four years of service accrue 6.67 hours of vacation leave for each full calendar month worked during the first four years of employment; at the rate of 10 hours for 5 through 12 years of employment; and 13.33 hours in excess of 12 years of employment. Employees accrue eight hours of sick leave for each full calendar month worked. The County contributes to its employees' retirement through CalPERS under the 2%@60 Plan. Full-time employees and their dependents are also provided medical insurance benefits through CalPERS.

Paratransit Services – Gold Country LIFT

The paratransit service underwent a change in contract operator during the audit period. For years paratransit in western Nevada County was operated by Gold Country Telecare, a local social service transportation provider. The TSD solicited a new paratransit contract operator in the wake of Telecare ceasing operations. Two proposals were received and the contract was awarded to Bremerton, Washington-based Paratransit Services. The contract term is for five-years, which commenced on July 1, 2013, and runs through June 30, 2018. The contract provisions allow for two two-year extensions.

As part of the new service contract, the service was rebranded to Gold Country LIFT. The service operates with eight vehicles leased by Paratransit Services and four vehicles purchased by the County and used by Gold Country LIFT. Both Paratransit Services and the TSD report that the transition was seamless and that a good partnership has developed. The paratransit service

availability standard is the provision of paratransit service to qualified residents within three-quarters of a mile of the Gold Country Stage fixed-route system, which is the ADA corridor.

As part of its outreach to the community, Gold Country LIFT established partnerships with local social service agencies such as Helping Hands Care Center, Alta California Regional Center, Gold Country Community Services, PRIDE Industries, and Neighborhood Center of the Arts, to name a few. Ridership on paratransit increased by nearly 15 percent in FY 2014 and by an additional 5 percent in FY 2015.

Gold Country LIFT’s on-time performance standard has been set at 90 percent, which is consistent with the contract requirements of meeting passengers within 15 minutes of the scheduled pickup and drop-off times. Table V-3 provides a summary of on-time performance during the audit period for paratransit:

**Table V-3
Gold Country Telecare/LIFT On-Time Performance**

	FY 2012	FY 2013	FY 2014	FY 2015
Pickups	87%	N/A	96%	98%
Drop-offs			95%	97%
Overall Average			95.50%	97.50%

Source: Annual Operations Reports, TSD

On-time performance data for FY 2013 were not reported due to Gold Country Telecare being no longer under contract by the County. Nevertheless, on-time performance exceeded the standard for FY 2014 and FY 2015. Late cancellations and no-shows are wasteful to system effectiveness and require additional resources to provide the same level of service. No-shows occur when a passenger fails to appear for the pickup for a scheduled trip. A late cancellation is defined as a passenger canceling a pickup less than two hours before the trip. Table V-4 provides a summary of customer no-shows, cancellations, and other related indicators during the audit period for paratransit:

**Table V-4
Gold Country Telecare/LIFT No-Shows/Cancellations/Denials**

	FY 2012	FY 2013	FY 2014	FY 2015
No-Shows	1,449	1,435	884	1,146
Late Cancellations	2,720	2,971	1,258	1,329
Ride Denials	28	0	3	0
Ride Refusals (by passenger)	86	91	29	4

Source: Annual Operations Reports, TSD

The trends in the aforementioned indicators show steady and dramatic declines. Late cancellations have seen the most dramatic declines, which is attributed to proactive efforts on the part of the operator in reconfirming passenger appointments and computerized scheduling.

The no-show policy, which was implemented during the audit period, mandates a suspension after three no-shows within a month.

As with the fixed-route, the standard for accidents for paratransit is a minimum of 100,000 miles between preventable collision accidents and 50,000 miles between all types of accidents. Table V-5 provides a summary of accidents that occurred during the audit period for paratransit:

Table V-5
Gold Country Telecare/LIFT In-Service Accidents

	FY 2012	FY 2013	FY 2014	FY 2015
Total Accidents	7	4	1	0
Miles Between Preventable	39,436	N/A	52,000	N/A
Miles Between All Accidents	28,619	N/A	52,000	N/A

Source: Annual Operations Reports, TSD

Gold Country LIFT is required per its contract with the County to report all accidents within 24 hours or within one hour if injuries are involved. In addition, the contract stipulates that “any vehicle with a safety defect of any kind shall have such defect remedied prior to that vehicle being permitted to re-enter passenger service.”

Gold Country LIFT Personnel

Contract operations staff provided through Paratransit Services is composed of 23 employees, which include the general manager, operations supervisor, four schedulers/dispatchers, and 17 drivers. Four of the drivers work a full-time schedule. Two former Telecare employees were hired by Paratransit Services as part of the service transition.

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

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

Maintenance

Vehicle maintenance for Gold Country Stage vehicles is provided through the County of Nevada Fleet Services Division. There is one dedicated mechanic who services the transit fleet. Drivers conduct daily pre-trip and post-trip comprehensive mechanical and safety vehicle system checks including fluid levels and basic operating systems. The TSD is studying the feasibility of contracting out vehicle maintenance as a cost efficiency measure. The California Highway Patrol (CHP) is responsible for certifying the TSD’s maintenance facilities and for inspecting vehicles on an annual basis. Inspections conducted during the audit period were rated satisfactory.

Gold Country LIFT vehicle maintenance is contracted out to a local vendor, Roadrunner Automotive located in Grass Valley. Roadrunner Automotive is staffed by an Automotive Service Excellence-certified mechanic, who is also a Ford master technician with diesel certification. Vehicle maintenance is performed on a 3,000-mile or 45-day inspection schedule in accordance with the state’s General Public Paratransit Vehicle regulations.

Road calls are recorded when a tow truck and/or mechanic responds to a mechanical/service problem for a disabled transit vehicle that is in revenue service. The TSD closely monitors maintenance trends related to road calls and takes the initiative to reduce in-service vehicle repairs. Vehicles are pulled out of service if a safety issue is identified and vehicles are not allowed back into service until the safety issue has been resolved. The standard for road calls is a minimum of 10,000 miles between road calls. Table V-6 provides a summary of road calls that occurred during the audit period for both service modes:

**Table V-6
In-Service Road Calls**

	FY 2012	FY 2013	FY 2014	FY 2015
Gold Country Stage				
Total Road Calls	6	7	7	5
Miles Between	27,582	44,929	35,025	52,523
Paratransit				
Total Road Calls	58	48	0	1
Miles Between	3,400	N/A	N/A	209,620

Source: Annual Operations Reports, TSD

Gold Country Stage met the standard for road calls during FY 2013. For FY 2014, according to the annual operations report, Gold Country Stage met the standard as an average for two vehicles whereas the remaining five road calls did not meet the standard. Three older vehicles had repair issues that were addressed. During FY 2015, Gold Country Stage met the standard for three vehicles. Two road calls did not meet the standard and involved older vehicles with more extensive repair issues. The TSD has sought to maintain a healthy spare ratio of vehicles. The spare ratio for both service modes had been at zero percent for most of the period. Table V-7 provides a summary of the transit system’s spare ratio during the audit period.

**Table V-7
Gold Country Vehicle Spare Ratio**

	FY 2012	FY 2013	FY 2014	FY 2015
Gold Country Stage				
Active Vehicles	10	10	10	10
Peak Vehicles	10	10	10	5
Spare Ratio	0%	0%	0%	100%
Paratransit				
Active Vehicles	10	10	10	10
Peak Vehicles	10	10	10	5
Spare Ratio	0%	0%	0%	100%

Source: TSD

The spare ratio increased to 100 percent for both modes for FY 2015. The TSD has been involved in replacing vehicles that have reached the end of their useful lives. New vehicle procurement has been a priority since services have been expanded.

Planning

Transit planning and oversight are engaged through various approaches. Efforts to improve productivity of the transit services involve several methods employed by the TSD in concert with the NCTC including short-range transit plans, the unmet transit needs process, and monitoring transportation performance improvement recommendations and measuring progress through statistical information provided by the TSD.

The most recent transit planning initiatives are the *Transit Development Plan (TDP) Update for Western Nevada County FY 2010/2011 to FY 2014/2015* and the *Nevada County Coordinated Public Transit-Human Services Plan Update*. The TDP was commissioned by the NCTC and adopted in December 2010. The primary objective of the TDP was to adopt a service plan that matches available revenues and resources as well as examine how effective mobility management approaches can expand mobility beyond traditional transportation services. The TDP also served as a tool to support both operating and capital funding requests.

During the audit period, an update to the TDP was initiated by the NCTC. The purpose of this TDP update is to provide guidance to the TSD and the Transit Services Commission (TSC) for making sustainable operational adjustments and capital purchases for the fixed-route transit system and paratransit services over the five-year planning horizon from FY 2016 to FY 2021. A public workshop held in July 2015 provided an overview of the study process to update the plan and an analysis of existing transit and paratransit services, and received input on transit needs and potential service alternatives. The FY 2016–2021 TDP update is expected to be finalized and adopted by the spring of 2016.

The *Nevada County Coordinated Public Transit-Human Services Plan Update* was adopted in December 2014. Pursuant to the adoption of the federal transportation reauthorization legislation, Moving Ahead for Progress in the 21st Century (MAP-21) in July 2012, agencies receiving human-services transportation grant funding must certify that projects funded are developed in context with a local coordinated plan. Such funding sources would include FTA Section 5310 as well as the FTA Section 5316 (JARC) and 5317 (New Freedom), which have been merged into Section 5310 under MAP-21. The coordinated plan addresses the following mobility issues affecting Nevada County:

- The need for travel outside of the county for specialized medical services.
- The ability for some social service program needs to only be met in the western portion of the county.
- Mobility needs that cross into neighboring Placer County.

The primary focus of the coordinated plan is to continue and expand the facilitation of mobility management coordination among the various human service organizations and the private and public transportation services in the region.

Marketing

Gold Country Stage and LIFT services are marketed through various media and community events. As part of its marketing standard goal, the TSD has established that 2 percent of its total annual administrative budget be expended on marketing. The primary form of printed collateral for Gold Country Stage is the Rider's Guide. The Rider's Guide is a glossy brochure that folds out into a map and provides fares, schedules, customer service, and rider etiquette information. A Rider's Guide available in Spanish was updated during the audit period. Also available is a printed trifold brochure detailing Gold Country LIFT services.

Transit information is accessible online through a dedicated page through the County's main web portal (<https://www.mynevadacounty.com/nc/cda/pw/transit/Pages/Home.aspx>). The website features the same general information as the brochure but also includes a trip planner provided through Google Transit as well as the Title VI policy. Gold Country LIFT has its own dedicated page through the County's web portal (<https://www.mynevadacounty.com/nc/cda/pw/transit/Pages/Paratransit-Services.aspx>). The TSD is a member of the Nevada County 211 Community Board and engages in public transit marketing through the 211 website and call center.

More focused community outreach undertaken by the transit system has included well-known events and presentations. TSD staff have given presentations and workshops before the Accessible Transportation Coalitions-Mobility Action Partners Group, the Community Living Council, and Hospitality House. Travel trainings have been offered to clients enrolled at the Turning Point program at the Nevada County Behavioral Health Department. Gold Country Stage provides free shuttle service during the annual Nevada County Fair to and from designated stops in Grass Valley and Nevada City. The TSD also has a booth promoting both the fixed-route and

paratransit services at the fair. Also, in coordination with local food banks, Gold Country Stage participates in the annual “Stuff the Bus” event that collects donated food items for hungry families during the months of November and December.

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

General Administration and Management

The County of Nevada was incorporated on April 25, 1851, having been created from portions of Yuba County. From its seat in the community of Nevada City, the county is governed by a five-member Board of Supervisors, which serves as the executive and legislative body. Supervisors are elected by district to four-year terms. Each supervisor is elected from one of the five supervisorial districts of the county. Supervisors from District 3 and 4 are elected in gubernatorial election years while supervisors from Districts 1, 2 and 5 are elected in presidential years.

Public transit services in western Nevada County are administered pursuant to a JPA between the County and the Cities of Grass Valley and Nevada City executed on October 28, 2003. The TSD of the Nevada County Public Works Department is tasked with overseeing transit operations. The TSD is headed by the transit services manager, who answers to the TSC of Western Nevada County. The seven-member TSC is composed of two County representatives from the Board of Supervisors, one member each from the city councils of Grass Valley and Nevada City, one public at-large member jointly representing Grass Valley and Nevada City, and two public at-large members representing the County. The TSC meets the third Wednesday of every other month at 8:15 a.m.

The transit services manager compiles the annual operations report that is delivered to the TSC. The operations report details productivity, trends, and accomplishments for both the fixed-route and paratransit modes. The administrative cost standard established for the TSD is 25 percent or less of total operating costs.

Pursuant to the TDA, the County receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance (STA) funds. LTF revenues are used primarily for operating expenses and STA revenues are used for capital. Based on annual fiscal audit and Transit Operators Financial Transactions Report data, LTF revenues received during the audit period were \$1,725,063 in FY 2013; \$1,989,356 in FY 2014; and \$2,443,780 in FY 2015. STA revenues received were \$559,606 in FY 2013 and \$300,000 in FY 2014. The Transit Operators Financial

Transactions Reports sent to the State Controller are prepared by an independent auditor and reviewed by the transit services manager. Separate reports are prepared for each service mode.

Grants Management

In addition to TDA funding, the TSD relies on a variety of federal and state grants to support its operations and capital procurement needs. As a transit service serving a nonurbanized area, Gold Country Stage received federal funding from FTA Section 5311 to support primarily operations and some capital. Also a FTA Section 5316 JARC grant was received to fund the reinstatement of Saturday service. Funding through the state's Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program has been applied toward the acquisition and rehabilitation of transit vehicles. The County had a beginning PTMISEA balance of \$1,193,910 and drew down \$562,449 in FY 2013 and \$358,404 in FY 2014. In February 2015, the County received \$446,771 in PTMISEA funding toward the procurement of three transit vehicles.

Capital grant tracking is performed on a spreadsheet template entitled "Nevada County Grant Information Record." The spreadsheet is prepared and updated by the TSD accounting technician. Toward the top left of the spreadsheet, the Board resolution, contract award number, and contract period information are inputted. The following sections list the agency funding source (state or federal) and a breakdown of revenues received and expended during the fiscal year. A checklist at the bottom of the spreadsheet shows how the funds are transmitted and reported.

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 fully complied with seven out of the nine applicable requirements. The County was partially compliant with regard to reporting of FTEs for the paratransit service, and meeting the farebox recovery standard. Two additional compliance requirements did not apply to the County (i.e., intermediate farebox recovery ratio, and exclusive urbanized farebox recovery ratio).
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 FY 2013 and FY 2014. The budget decreased by nearly 3 percent in FY 2013 and remained fairly unchanged in FY 2014. The FY 2015 operating budget increased 20.3 percent due to the new paratransit contract, interfund costs and transfers, reinstatement of service hours on the fixed route, and the implementation of Saturday service.
4. Based on the available data from the annual fiscal and compliance audits, the County's farebox recovery ratio remained above the required 10 percent during the audit period. The average farebox during the triennial period was 11.71 percent.
5. Of the four prior audit recommendations, the TSD fully implemented two recommendations. One recommendation pertaining to mounted fareboxes in paratransit vehicles was no longer applicable. One recommendation pertaining to FTE calculation was partially implemented and is carried forward in this audit for full implementation.
6. Operating cost per passenger, a measure of cost effectiveness, increased 10.6 percent system-wide based on audited data from the FY 2012 base year through FY 2015. On a modal basis, cost per passenger increased 6.6 percent on Gold Country Stage during the audit period and increased 52.3 percent on paratransit over the same time frame. The higher cost increase on the paratransit service is attributed to the new paratransit contract as well as slower growth in the number of passenger trips.
7. Operating cost per hour, a measure of cost efficiency, increased 17 percent system-wide based on audited data. For Gold Country Stage, cost per hour increased by a modest 3.2

percent whereas paratransit saw its cost per hour increase 66.4 percent between the FY 2012 base year and FY 2015. The rate of cost increases exceeded the increases in vehicle service hours.

8. Operating cost per mile, another cost efficiency measure, increased 13.2 percent system-wide from the FY 2012 base year to FY 2015. At the modal level, cost per mile increased 3.4 percent on Gold Country Stage and 61.3 percent on paratransit. Some of the factors affecting this indicator include traffic congestion and flow, average vehicle speed, route length, service contracting, and service reliability.
9. Maintenance cost per hour, is a measure of maintenance program effectiveness and fleet reliability. As tracked system-wide, maintenance costs per hour increased 22.3 percent. Maintenance costs as a whole increased 41.2 percent. As the TSD proceeds with its vehicle replacement program, maintenance costs are expected to decrease along with the number of road calls.
10. Passengers per vehicle service hour system-wide increased 5.7 percent. In contrast with the system-wide trend, fixed route experienced a decrease of 3.2 percent over the audit period. Passengers per hour on paratransit increased 9.2 percent. System-wide, the number of passengers per service hour fluctuated during the period, decreasing from 6.7 passengers in FY 2012 to 6.2 passengers in FY 2013 and rebounding to 7 passengers per vehicle service hour in FY 2015. The service effectiveness standard for Gold Country Stage is 7.0 passenger trips per vehicle service hour minimum with a goal of 10.0 passenger trips.
11. The Tinloy Transit Center located on the corner of Tinloy Street between East Bennett and Banks Streets in Grass Valley opened in September 2012. The TSD improved operational efficiency and accessibility by staging Gold Country Stage vehicles at the Transit Center. The TSD also installed solar lighting in all bus shelters for increased safety and security.
12. During FY 2014, Saturday service was reinstated for both fixed-route and paratransit services. This was made possible through the award of a FTA Section 5316 Job Access and Reverse Commute (JARC) grant. Evening service was also extended until 8:00 p.m. during the week for both service modes.
13. The TSD finalized the installation of RouteMatch software on its vehicle devices and in the dispatching center during FY 2015. This included fully training staff on the new system and providing public outreach on the use of travel information online that provides real-time bus status information.
14. The paratransit service underwent a change in contract operator during the audit period. For years, paratransit in western Nevada County was operated by Gold Country Telecare,

a local social service transportation provider. The TSD solicited a new paratransit contract operator and the contract was awarded to Paratransit Services.

15. Vehicle maintenance for Gold Country Stage vehicles is provided through the County of Nevada Fleet Services Division. There is one dedicated mechanic who services the transit fleet. Drivers conduct daily pre-trip and post-trip comprehensive mechanical and safety vehicle system checks. Gold Country LIFT vehicle maintenance is contracted out to a local vendor, Roadrunner Automotive located in Grass Valley.
16. Efforts to improve productivity of the transit services involve several methods employed by the TSD in concert with the NCTC including short-range transit plans, the unmet transit needs process, and monitoring transportation performance improvement recommendations.
17. Gold Country Stage and LIFT services are marketed through various media and community events. As part of its marketing standard goal, the TSD has established that 2 percent of its total annual administrative budget be expended on marketing.
18. The transit services manager compiles the annual operations report that is delivered to the TSC. The operations report details productivity, trends, and accomplishments for both the fixed-route and paratransit modes. The administrative cost standard established for the TSD is 25 percent or less of total operating costs.
19. In addition to TDA funding, the TSD relies on a variety of federal and state grants to support its operations and capital procurement needs. Capital grant tracking is performed on a spreadsheet template entitled “Nevada County Grant Information Record.” The spreadsheet is prepared and updated by the TSD accounting technician.

Recommendations

- 1. Ensure that full-time equivalent (FTE) employee hours be calculated and reported to the State Controller in accordance with Public Utilities Code 99247(j) for the specialized transportation service mode.**

This recommendation has been carried over from the prior audit. The Transit Operators Financial Transactions Reports sent to the State Controller are prepared by an independent auditor and reviewed by the transit services manager. Separate reports are prepared for each service mode. FTE data for the fixed-route service appear to be calculated accurately. The FTE data included in the report for specialized services appear to reflect an actual head count of employees rather than a calculation of total employee hours worked divided by 2,000. The change in paratransit contract operator notwithstanding, the TSD should continue to work with the independent auditor, contract operator, and internal staff to ensure that the FTEs are being calculated according to the TDA statute.

- 2. Revise farebox recovery inputs to be consistent with the TDA statute.**

Review of the farebox recovery calculations for Gold Country Stage and discussion with TSD staff indicated that several inputs to the calculation were not consistent with the definitions in the TDA statute. For example, TDA payments from Placer County to help fund Route 5 into Auburn were counted as local support in the farebox recovery for FY 2013-14. Also, vehicle lease payments were included in the calculation although they can be excluded. With passage of SB 508 in October 2015, other local funds can be included in the farebox recovery, including advertising revenue. The TSD should update its farebox calculation for consistency with the statute and its use as a primary productivity measure. The most recent independent fiscal audit for the transit system begins to reflect this revised calculation.

- 3. Include tracking and reporting of passenger complaints and compliments in the Annual Operations Report.**

Performance monitoring is tracked in an annual operations report compiled by the TSD. The operations report details productivity, trends, and accomplishments for both the fixed-route and paratransit modes. Various service monitoring standards are included along with a performance indicator data comparison between the current and prior reporting years. The report references a passenger complaint standard which sets a minimum of less than one complaint per 5,000 passenger trips with a target objective of no more than one complaint per 10,000 passenger trips. However, there are no actual complaint data contained in the report. The TSD maintains a file of passenger complaints and incidents. Along with the other performance data, it is suggested that this information be enumerated and reported in the Annual Operations Report.