
Western Nevada County Transit Operators Triennial Performance Audit

For Fiscal Years 2009/10, 2010/11 and 2011/12



Final Audit Report Prepared for the
Nevada County Transportation Commission

Prepared by



LSC Transportation Consultants, Inc.

WESTERN NEVADA COUNTY TRANSIT OPERATORS TRIENNIAL PERFORMANCE AUDITS

For Fiscal Years 2009/10 through 2011/12

Prepared for the

Nevada County Transportation Commission
101 Providence Mine Road, Suite 102
Nevada City, California 95959
530 • 265-3202



Prepared by

LSC Transportation Consultants, Inc.
Post Office Box 5875
2690 Lake Forest Road, Suite C
Tahoe City, California, 96145
530 • 583-4053

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The California Public Utilities Code requires that all transit operators that receive funding under Article 4 of the Transportation Development Act (TDA) be subject to a performance audit every three years. This document presents the findings from the performance audit of western Nevada County's transit operations, which include Gold Country Stage (GCS) fixed routes and Gold Country Telecare demand response service. As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in western Nevada County, these audits were performed under the authority of the Nevada County Transportation Commission (NCTC).

This audit report covers Fiscal Years (FY) 2009-10 through FY 2011-12, and was conducted by LSC Transportation Consultants, Inc. The field reviews, telephone interviews, and data collection efforts were conducted at the end of 2012, and draft reports were completed the following January. The audit process follows guidelines outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* developed by Caltrans (2008).

BACKGROUND

Western Nevada County transit services are provided through a joint powers agreement between the County of Nevada and the Cities of Nevada City and Grass Valley. The Nevada County Transit Services Division (TSD) is responsible for the oversight of the two public transit systems operating in western Nevada County. The TSD directly operates one of the transit programs, Gold Country Stage, providing fixed-route service using County employees. In addition, the TSD contracts with Gold Country Telecare, Inc. ("Telecare"), a private nonprofit agency, to provide door-to-door demand response services under contract to the TSD.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

Tables 1 through 3 in Chapter 2 of the audit report present operating and financial statistics for the current audit period and the prior audit period for GCS fixed route services, Gold Country Telecare demand response services, and systemwide western Nevada County transit services, respectively. Figures 1 – 18 graphically present performance indicators. As evidenced in the tables and figures, TSD was forced to reduce service on both fixed routes and demand response services as a result in a large drop in TDA revenues. During the audit period, systemwide ridership decreased by nearly 23 % as vehicle service hours decreased by 24 %. Cost efficiency (operating cost per vehicle service hour) and productivity (one-way passenger-trips per vehicle service hour) were impacted negatively by service reductions in FY 2009-10 but rebounded over the remainder of the audit period. Both fixed route and demand response services attained Transit Development Plan ridership per hour minimum standards. Cost effectiveness (operating cost per passenger trip) improved significantly at the beginning of the audit period when transit service was cut to a minimum; however, operating cost per passenger trip has slowly increased during the audit period. Western Nevada County transit services generated a farebox ratio (the ratio of passenger fares to operating costs) above the 10 % TDA minimum throughout the audit period.

GCS and Telecare compiled operating statistics in accordance with TDA definitions (as presented in Appendix B of the *Performance Audit Guidebook*) with the exception of vehicle service hours, vehicle service miles, and full-time employees. As for the overall data collection and recording process, both GCS and Telecare manually enter driver recorded data into spreadsheets which are summarized for

monthly and annual reports. This relatively straightforward process is subject to human error; however, no inaccuracies were discovered by the auditor.

REVIEW OF COMPLIANCE REQUIREMENTS

The *Performance Audit Guidebook* recommends reviewing transit operator compliance with certain TDA regulations that relate to a performance audit. Tables 4 and 5, respectively, present Gold Country Stage and Gold Country Telecare's compliance with these requirements. Western Nevada County's fixed route services were found to not be in compliance on two issues: 1) timely submittal of State Controller reports and 2) definition of performance measures. Western Nevada County demand response services were found to not be in compliance on three issues: 1) timely submittal of State Controller reports 2) timely submittal of Fiscal Audits and 3) definition of performance measures.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audits were completed by Moore and Associates in March of 2010 and covered the time period from FY 2006-07 to FY 2008-09. There was one recommendation for Gold Country Stage from the prior TPA:

***Recommendation:** Expand monthly operations reports that highlight other key performance statistics such as on-time performance and road calls.*

Implementation Complete

There were no recommendations for Gold Country Telecare in the prior audit.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

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

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

In summary, organization and management of both transit operators reviewed appear to be appropriate for the size and scope of transit operations. TSD conducts effective service planning and regularly compares operating statistics to adopted goals and performance measures for both GCS and Telecare services. Administration duties for GCS services are divided between TSD personnel and other Nevada County staff. The Transit Services Manager is responsible for the oversight of the Telecare operating contract. Both operators have in place safety, operations, and training procedures which comply with applicable regulations. Sufficient marketing and public outreach efforts are conducted by both GCS and Gold Country Telecare. Both operators have a productive relationship with maintenance services. Vehicle replacement plans are in place to maintain a safe and operable fleet.

FINDINGS

- Despite significant transit service cuts which led to a 23 % drop in ridership, western Nevada County transit services maintained a systemwide farebox ratio above the TDA mandated minimum of 10 % throughout the audit period.
- Beginning in FY 2010-11, TSD compiled a very informative Annual Operations Report which describes existing services, presents operational data and performance indicators and compares GCS and Telecare operating data to a wide range of standards and goals referenced in the most recent TDP. The report summarizes important accomplishments for both operators. The Annual Operations Report provides an easy method for TSC and NCTC members to review transit efficiency and progress towards established goals.
- GCS implemented recommendations from the prior triennial performance audit. There were no recommendations from the prior Telecare performance audit.
- Efforts have been made to improve communications between GCS and Telecare and improve efficiency and effectiveness of paratransit operations.
- The FY 2010-11 State Controller Reports for both GCS and Telecare were submitted slightly after the required deadline. It should be noted that the TSD independent auditor forwarded the GCS State Controller's Report to the County of Nevada Auditor for their required review process prior to the deadline. The Nevada County Auditor's review process extended beyond the deadline.
- The Gold Country Telecare FY 2010-11 Fiscal Audit was submitted just after the required deadline, on January 13th.
- TSD does not calculate vehicle service hours, vehicle service miles and full-time employee equivalent hours in accordance with TDA definitions, as defined in Appendix B of the *Performance Audit Guidebook*.

RECOMMENDATIONS

Gold Country Stage and Gold Country Telecare

Recommendation: 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. Definitions are presented below for reference:

Vehicle Service Hours - "That time during which a revenue vehicle is available to carry fare paying passengers, and which includes only those times between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability. (A vehicle is in revenue service despite a no-show or late cancellation, if the vehicle remains available for passenger use.) For example, demand responsive service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to a lunch break. For both demand-responsive and fixed-route, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route, a vehicle is in service from first scheduled stop to last scheduled stop, whether

or not passengers board or exit at those points (deleting lunch and breaks but including scheduled layovers).

Vehicle Service Miles - “Those miles traveled by revenue vehicles during their Vehicle Service Hours.”

In order to record vehicle service hours/miles in accordance with TDA definitions, GCS drivers should record the time and mileage at the first passenger pick up or scheduled stop (whichever comes first) and at the last passenger drop off or final scheduled stop end of the day. When compiling data for the State Controller Reports, GCS staff should report vehicle service hours and miles as those hours and miles starting from the first passenger pick up or scheduled stop (whichever comes first) and at the last passengers drop off or final scheduled stop end of the day.

Telecare should also report to Nevada County vehicle hours/miles in accordance with the TDA definition. For demand response service, vehicle service miles/hour should begin at the time of the first passenger pick-up and end at the last passenger drop-off and exclude time/miles associated with lunch breaks.

Implementation Period: Immediately

Recommendation: Full-Time Equivalent (FTE) employee hours should be calculated and reported to the State Controller in accordance with PUC 99247 (j) and the definition in Appendix B of the Performance Audit Guidebook list below for reference.

Employee Hours/Full-Time-Equivalency (For calculating vehicle service hours per employee). Transportation system-related hours worked by persons employed in connection with the public transportation system (whether or not the person is employed by the operator, for example, a city accounts payable person whose time is partly charged to transit operations). Such persons include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the number of person-hours worked by 2,000.

During the TPA process, the auditor was unable to confirm that FTEs were calculated and reported to the State Controller in accordance with TDA definitions. FTEs are calculated as part of the countywide budget process. However, not all department hours (such as Community Development Agency hours) are added in to this calculation and it is likely that they are calculated by dividing total hours worked by 2,080 instead of 2,000, as is the more common practice.

The independent auditor who prepares the State Controller Reports for FY 2012-13 should be provided with the TDA definition of Employee Hours/Full-Time Equivalency (noted above) and provided with appropriate data as necessary to calculate FTEs in accordance with TDA definitions.

Implementation Period: Beginning of next Fiscal Year

Gold Country Telecare

Recommendation: Although “no-shows” on Telecare paratransit services decreased by 23.5 % during the audit period, Telecare still reported a significantly high number of no-shows in Fiscal Year 2011-12 (1,449, or 4.2 % of all passenger-trips). No-shows decrease efficiency as vehicle miles are being driven without fare-paying passengers. Telecare staff indicated that they are working on educating passengers and enforcing the no-show policy. Telecare staff should continue to educate and monitor no-show passengers. If no-shows continue to be an issue in the future, Telecare or the new paratransit operator may wish to consider reducing the advance reservation window for non-subscription passengers to one day in advance and/or implement a more stringent no-show policy.

Implementation Period: Evaluate the number of no-shows over the next two fiscal years.

Recommendation: Telecare paratransit vehicles do not have fareboxes mounted on the transit vehicles. Fare revenue is stored in a zippered pouch. Although there has been no evidence of malfeasance, fareboxes with locking vaults decrease the temptation for stealing and provide a more secure method of transporting fare revenue from the vehicle to the operations facility. A manual locking farebox can be purchased with federal capital grant funds.

Implementation Period: As soon as funding allows.

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BACKGROUND

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

The California Public Utilities Code requires that a Triennial Performance Audit (TPA) be conducted for all transit operators and Regional Transportation Planning Agencies (RTPA). A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance the performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and the degree of compliance with established policies and procedures. Transit operators who make claims under Article 4 of the TDA in rural counties must maintain a minimum farebox recovery ratio of 10 %, unless they achieved a higher ratio in the “base year” FY 1978-79. Nevada County public transit services lie completely within a rural area as defined by the US Census Bureau, and are not subject to the higher “base year” requirement. Therefore, western Nevada County transit services are subject to a 10 % farebox ratio requirement.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The Nevada County Transportation Commission (NCTC) allocates TDA funds for public transit services in both the eastern and western portions of Nevada County. This audit addresses public transit services only in the western portion of the county: Gold Country Stage and Gold Country Telecare. The audit of the transit operator in eastern Nevada County is provided under separate cover.

The performance audit process consists of seven elements, consisting of the following:

- Initial review of transit operator functions
- Verification and use of performance indicators
- Review of compliance requirements
- Follow-up review of prior performance audit recommendations
- Detailed review of transit operator functions
- Preparation of the Draft Audit report
- Preparation and presentation of the Final Audit report

TRANSIT PROGRAM DESCRIPTION

A Joint Powers Agreement (JPA) between Nevada County, the City of Grass Valley, and Nevada City establishes public transportation services in western Nevada County. This JPA was originally executed in

1976 and last updated on January 10, 2012. The agreement states that each entity will pool TDA and other transit funding for the purpose of providing fixed route and paratransit services to the general public at a reasonable fare and convenient routing and scheduling for western Nevada County. The Nevada County TSD is responsible for the oversight of the two public transit systems operating in western Nevada County. The TSD operates one of the transit programs and contracts with Gold Country Telecare, Inc. for the other program:

- Gold Country Stage (GCS), a fixed-route program, is operated directly by the TSD using County employees.
- Gold Country Telecare, Inc. (“Telecare”), a private nonprofit agency, provides door-to-door demand response services under contract to the TSD.

Gold Country Stage

GCS operates six routes that serve the Nevada City/Grass Valley area and unincorporated western Nevada County, the SR 20 corridor between Grass Valley and Penn Valley as well as the SR 49 corridor between Nevada City and Auburn. In Auburn, connections are provided to Placer County Transit, Auburn Transit, Sacramento Light Rail, and Amtrak as schedules allow. Several on-demand stops are available at designated locations off of the fixed routes. Service is provided on weekdays from 6:00 AM to 6:30 PM.

Gold Country Telecare

Telecare is a nonprofit agency providing a variety of services, including door-to-door demand response service in western Nevada County under contract with the Nevada County TSD. Telecare provides demand response paratransit services within three-quarters of a mile of the fixed route to Americans with Disabilities Act (ADA) eligible passengers who are unable to use the fixed route, fulfilling the requirement under the ADA. If there is sufficient funding through the county contract, Telecare will provide rides for qualified seniors and disabled an additional three-quarters of a mile outside the required ADA service boundary. Telecare paratransit service is operated Monday through Friday from 7:00 AM to 6:00 PM. In addition to paratransit service for Nevada County, Telecare provides Sunday Ride Service for seniors, T.H.E. Van Program (non-emergency medical transportation), senior voucher program, and a volunteer driver program.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

The following section quantitatively analyzes the efficiency and effectiveness of public transit services in western Nevada County. Operating data and financial statistics are presented in Tables 1-3 and Figures 1-18. Operating data was obtained from annual State Controller Reports, while financial data was obtained from annual Fiscal and Compliance Audits. GCS fixed route data for this audit period and the previous audit period is presented in Table 1. Telecare data is presented in Table 2 and combined systemwide operating statistics in Table 3.

The economic downturn starting in 2008 had a significant impact on transit services in western Nevada County. In particular, three auto dealerships, which in the past were a significant source of sales tax revenue, moved out of the county. The reduction in retail activity translated into a large drop in LTF revenues. TSD responded to the drop in revenue by significantly reducing vehicle service hours. As shown in Table 3, between FY 2008-09 and FY 2011-12, systemwide vehicle hours dropped by roughly 40 %. As a result, ridership, operating cost, and fare revenue also decreased during this audit period. However, farebox recovery ratio gradually increased throughout the audit period to 13.45 %, well above the TDA mandated minimum of 10 %, indicating overall improvements in efficiency.

Table 1 : Gold Country Stage Services Performance Measures

Performance Measures	Previous Audit Period			Current Audit Period		
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
One-Way Passenger-Trips	311,180	337,381	302,490	200,752	150,913	151,731
% Change from Previous Year	--	8.4%	-10.3%	-33.6%	-24.8%	0.5%
Vehicle Service Hours	28,156	29,097	23,548	17,672	12,550	12,859
% Change from Previous Year	--	3.3%	-19.1%	-25.0%	-29.0%	2.5%
Vehicle Service Miles	531,800	554,436	485,844	305,876	235,801	237,665
% Change from Previous Year	--	4.3%	-12.4%	-37.0%	-22.9%	0.8%
Operating Costs	\$3,444,874	\$3,836,212	\$3,882,040	\$1,821,770	\$1,569,502	\$1,799,238
% Change from Previous Year	--	11.4%	1.2%	-53.1%	-13.8%	14.6%
# Employees	28	30	34	28	24	24
% Change from Previous Year	--	7.1%	13.3%	-17.6%	-14.3%	0.0%
Farebox Revenues	\$359,725	\$385,434	\$410,183	\$237,791	\$203,584	\$188,823
% Change from Previous Year	--	7.1%	6.4%	-42.0%	-14.4%	-7.3%
Operating Cost per One-Way Passenger-Trip	\$11.07	\$11.37	\$12.83	\$9.07	\$10.40	\$11.86
% Change from Previous Year	--	2.7%	12.9%	-29.3%	14.6%	14.0%
Operating Cost per Vehicle Service Hour	\$122.35	\$131.84	\$164.86	\$103.09	\$125.06	\$139.92
% Change from Previous Year	--	7.8%	25.0%	-37.5%	21.3%	11.9%
Passengers per Vehicle Service Hour	11.05	11.60	12.85	11.36	12.02	11.80
% Change from Previous Year	--	4.9%	10.8%	-11.6%	5.9%	-1.9%
Passengers per Vehicle Service Mile	0.59	0.61	0.62	0.66	0.64	0.64
% Change from Previous Year	--	4.0%	2.3%	5.4%	-2.5%	-0.2%
Vehicle Service Hours per Employee	1,005.57	969.90	692.59	631.14	522.92	535.79
% Change from Previous Year	--	-3.5%	-28.6%	-8.9%	-17.1%	2.5%
Farebox Recovery Ratio	10.44%	10.05%	10.57%	13.05%	12.97%	10.49%
% Change from Previous Year	--	-3.8%	5.2%	23.5%	-0.6%	-19.1%

Note: Previous audit period data obtained from prior performance audit.

Table 2 : Gold Country Telecare Services Performance Measures

Performance Measures	Previous Audit Period			Current Audit Period		
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
One-Way Passenger-Trips	52,432	48,257	45,243	40,924	37,862	34,582
% Change from Previous Year	--	-8.0%	-6.2%	-9.5%	-7.5%	-8.7%
Vehicle Service Hours	25,280	25,253	24,092	18,983	16,200	15,103
% Change from Previous Year	--	-0.1%	-4.6%	-26.6%	-8.3%	-6.8%
Vehicle Service Miles	315,849	331,851	289,104	254,011	234,781	178,826
% Change from Previous Year	--	5.1%	-12.9%	-12.1%	-7.6%	-23.8%
Operating Costs	\$982,506	\$1,035,550	\$934,117	\$957,915	\$726,734	\$630,424
% Change from Previous Year	--	5.4%	-9.8%	2.5%	-24.1%	-13.3%
# Employees	20.33	21.15	20.56	20	13	13
% Change from Previous Year	--	4.0%	-2.8%	-2.7%	-35.0%	0.0%
Farebox Revenues	\$109,346	\$110,192	\$103,951	\$93,464	\$77,354	\$73,760
% Change from Previous Year	--	0.8%	-5.7%	-10.1%	-17.2%	-4.6%
Operating Cost per One-Way Passenger-Trip	\$18.74	\$21.46	\$20.65	\$23.41	\$19.19	\$18.23
% Change from Previous Year	--	14.5%	-3.8%	13.4%	-18.0%	-5.0%
Operating Cost per Vehicle Service Hour	\$38.86	\$41.01	\$38.77	\$54.21	\$44.86	\$41.74
% Change from Previous Year	--	5.5%	-5.4%	39.8%	-17.2%	-7.0%
Passengers per Vehicle Service Hour	2.07	1.91	1.88	2.32	2.34	2.29
% Change from Previous Year	--	-7.9%	-1.7%	23.3%	0.9%	-2.0%
Passengers per Vehicle Service Mile	0.17	0.15	0.16	0.16	0.16	0.19
% Change from Previous Year	--	-12.4%	7.6%	3.0%	0.1%	19.9%
Vehicle Service Hours per Employee	1243.5	1194.0	1171.8	883.6	1246.2	1161.8
% Change from Previous Year	--	-4.0%	-1.9%	-24.6%	41.0%	-6.8%
Farebox Recovery Ratio	11.13%	10.64%	11.13%	9.76%	10.64%	11.70%
% Change from Previous Year	--	-4.4%	4.6%	-12.3%	9.1%	9.9%

Note: Previous audit period data obtained from prior performance audit.

Table 3 : Western Nevada County Transit Services Systemwide Performance Measures

Performance Measures	Previous Audit Period			Current Audit Period		
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
One-Way Passenger-Trips	363,612	385,638	347,733	241,676	188,775	186,313
% Change from Previous Year	--	6.1%	-9.8%	-30.5%	-21.9%	-1.3%
Vehicle Service Hours	53,436	54,350	47,640	36,655	28,750	27,962
% Change from Previous Year	--	1.7%	-12.3%	-23.1%	-21.6%	-2.7%
Vehicle Service Miles	847,649	886,287	774,948	559,887	470,582	416,491
% Change from Previous Year	--	4.6%	-12.6%	-27.8%	-16.0%	-11.5%
Operating Costs	\$4,427,380	\$4,871,762	\$4,816,157	\$2,779,685	\$2,296,236	\$2,429,662
% Change from Previous Year	--	10.0%	-1.1%	-42.3%	-17.4%	5.8%
# Employees	48	51	55	48	37	37
% Change from Previous Year	--	5.8%	6.7%	-12.0%	-22.9%	0.0%
Farebox Revenues	\$469,071	\$495,626	\$514,134	\$331,255	\$280,938	\$262,583
% Change from Previous Year	--	5.7%	3.7%	-35.6%	-15.2%	-6.5%
Operating Cost per One-Way Passenger-Trip	\$12.18	\$12.63	\$13.85	\$11.50	\$12.16	\$13.04
% Change from Previous Year	--	3.8%	9.6%	-17.0%	5.8%	7.2%
Operating Cost per Vehicle Service Hour	\$82.85	\$89.64	\$101.09	\$75.83	\$79.87	\$86.89
% Change from Previous Year	--	8.2%	12.8%	-25.0%	5.3%	8.8%
Passengers per Vehicle Service Hour	6.80	7.10	7.30	6.59	6.57	6.66
% Change from Previous Year	--	4.3%	2.9%	-9.7%	-0.4%	1.5%
Passengers per Vehicle Service Mile	0.43	0.44	0.45	0.43	0.40	0.45
% Change from Previous Year	--	1.4%	3.1%	-3.8%	-7.1%	11.5%
Vehicle Service Hours per Employee	1,105.6	1,062.6	873.2	763.6	777.0	755.7
% Change from Previous Year	--	-3.9%	-17.8%	-12.5%	1.8%	-2.7%
Farebox Recovery Ratio	10.59%	10.17%	10.68%	11.92%	12.23%	10.81%
% Change from Previous Year	--	-4.0%	4.9%	11.6%	2.7%	-11.7%

Note: Previous audit period data obtained from prior performance audit.

Figure 1: Gold Country Stage Operating Cost per Passenger-Trip

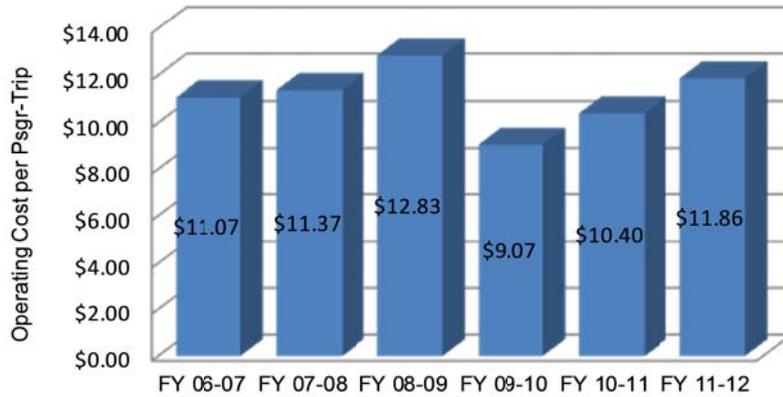


Figure 2: Telecare Operating Cost per Passenger-Trip

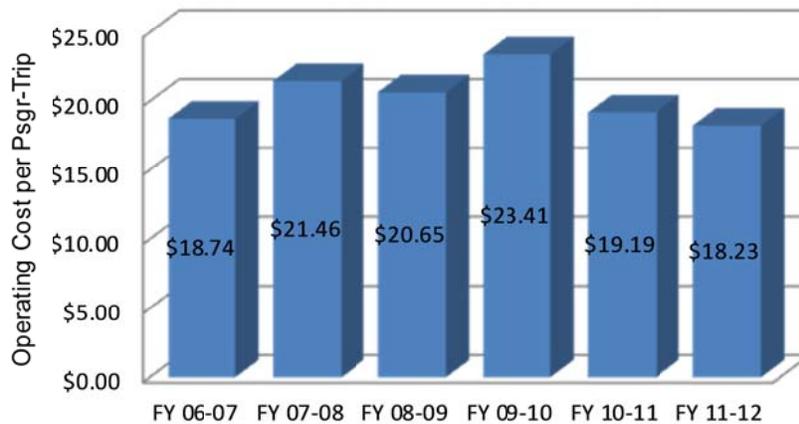


Figure 3: Systemwide Operating Cost per Passenger-Trip

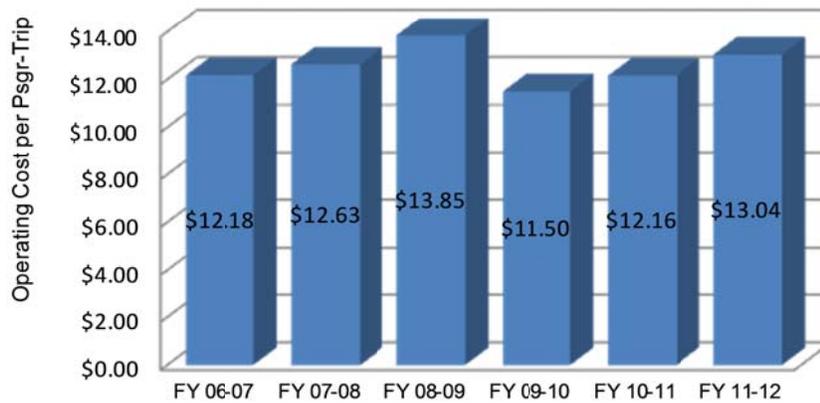


Figure 4: Gold Country Stage Operating Cost per Vehicle Service Hour

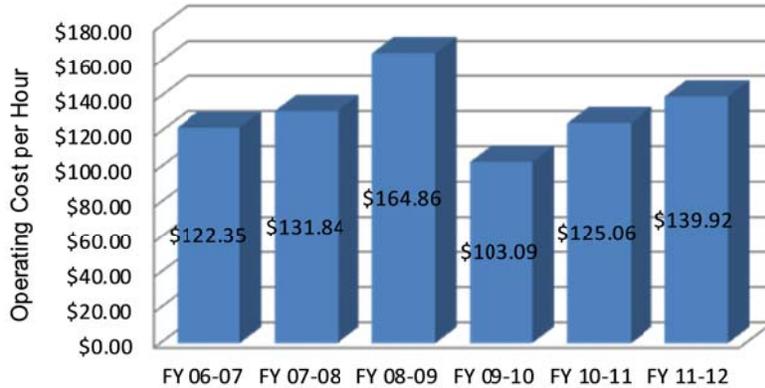


Figure 5: Telecare Operating Cost per Vehicle Service Hour

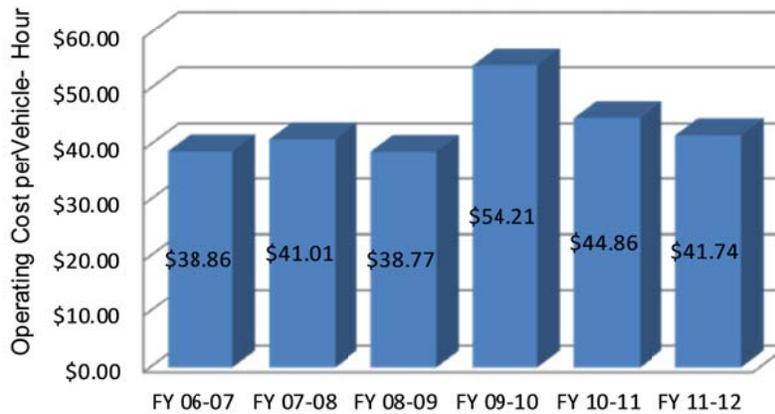


Figure 6: Systemwide Operating Cost per Vehicle Service Hour



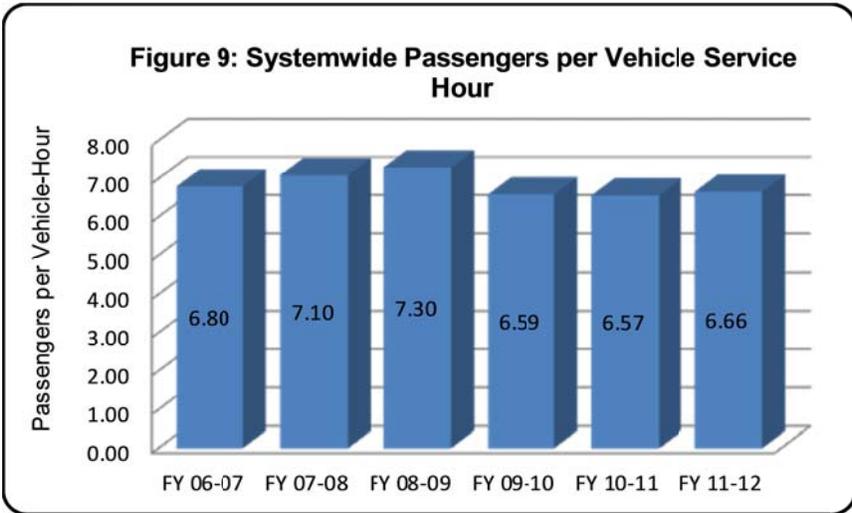
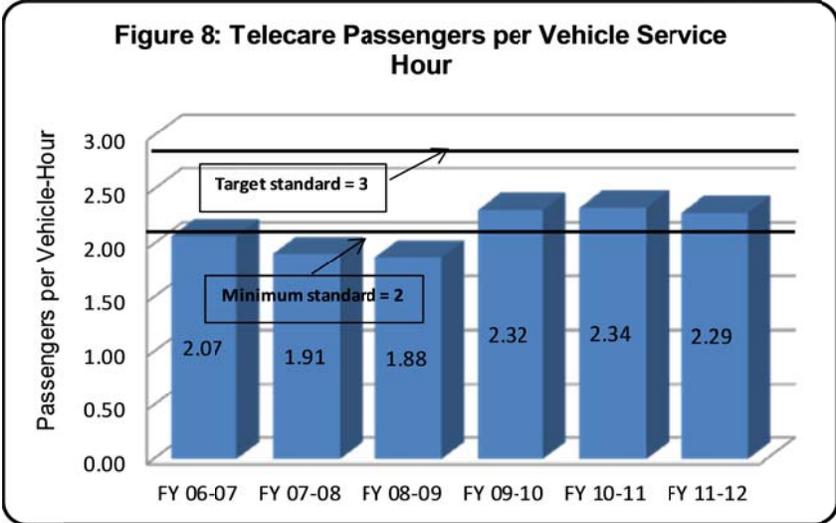
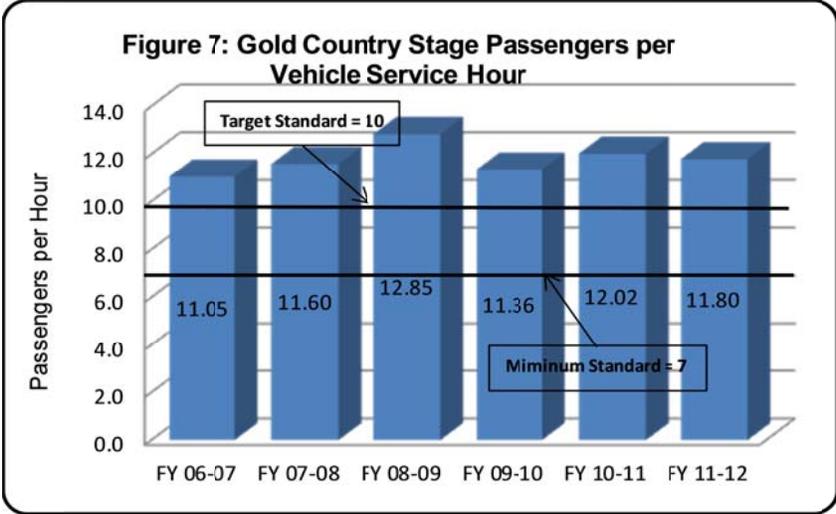


Figure 10: Gold Country Stage Passengers per Vehicle Service Mile

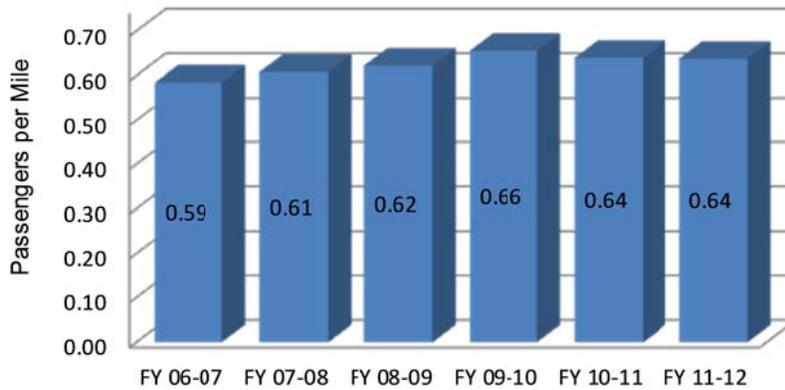


Figure 11: Telecare Passengers per Vehicle Service Mile

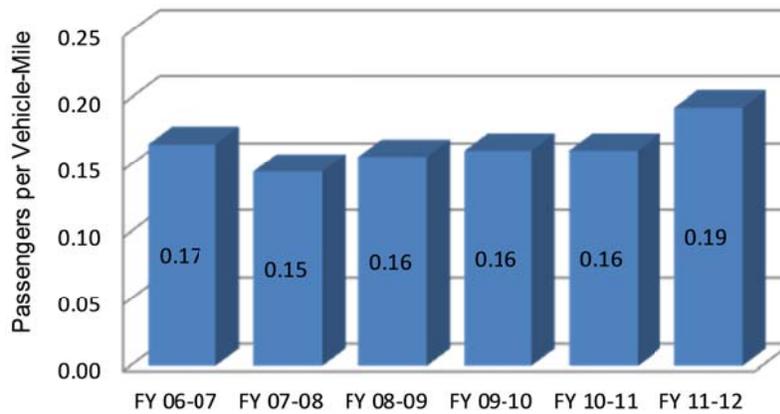


Figure 12: Systemwide Passengers per Vehicle Service Mile

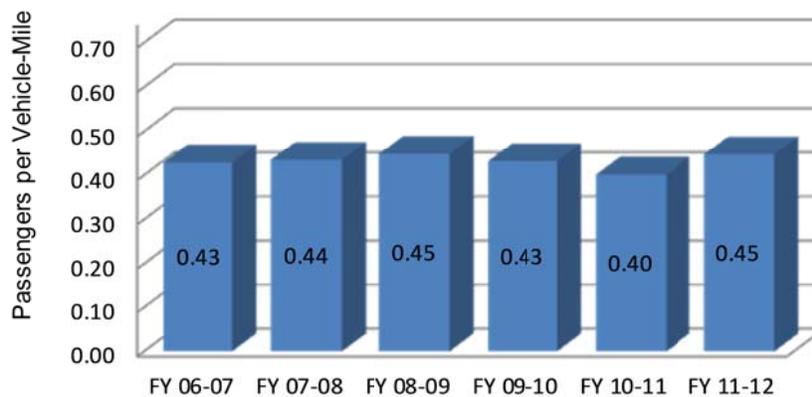


Figure 13: Gold Country Stage Vehicle Service Hours per Employee

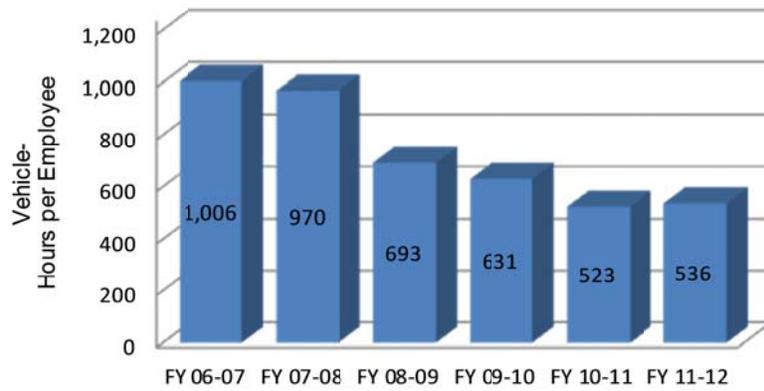


Figure 14: Telecare Vehicle Service Hours per Employee

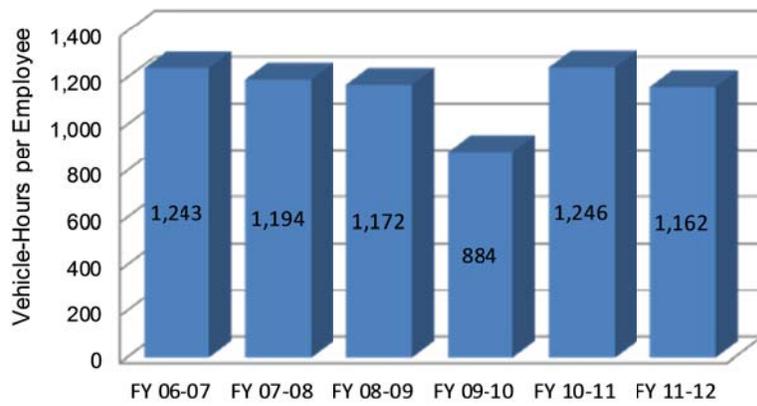


Figure 15: Systemwide Hours per Employee

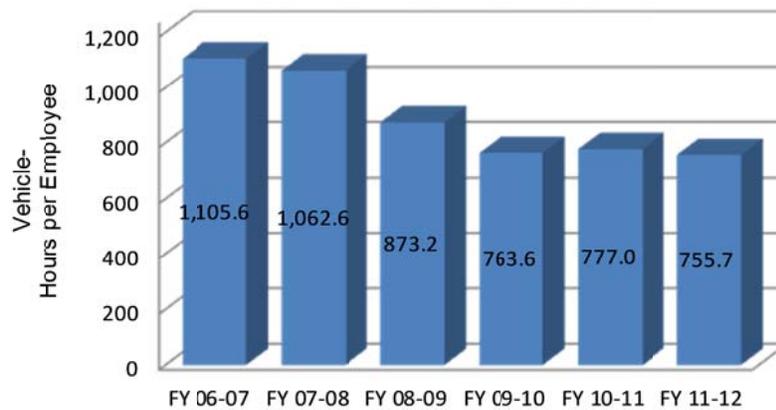


Figure 16: Gold Country Stage Farebox Ratio

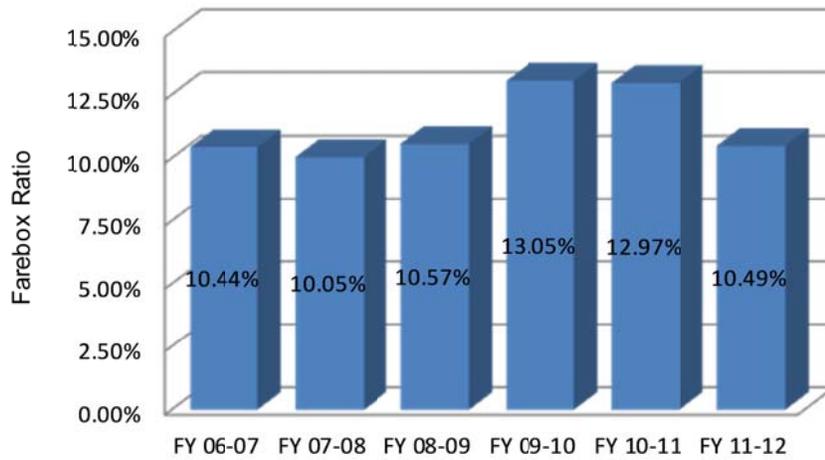


Figure 17: Telecare Farebox Ratio

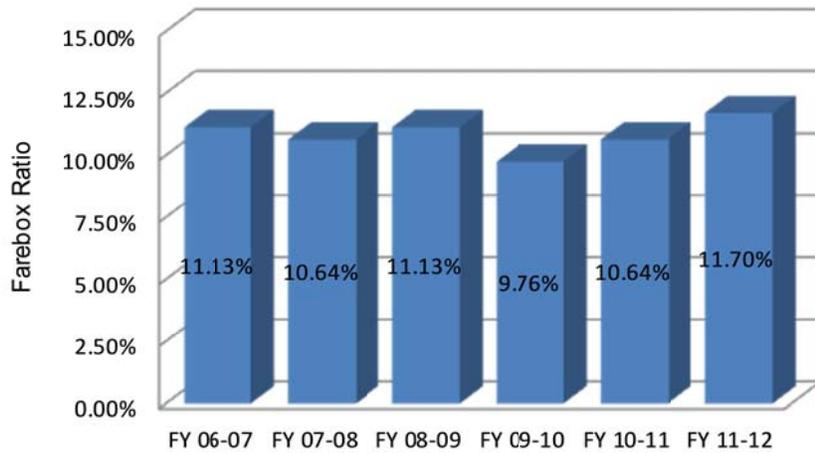
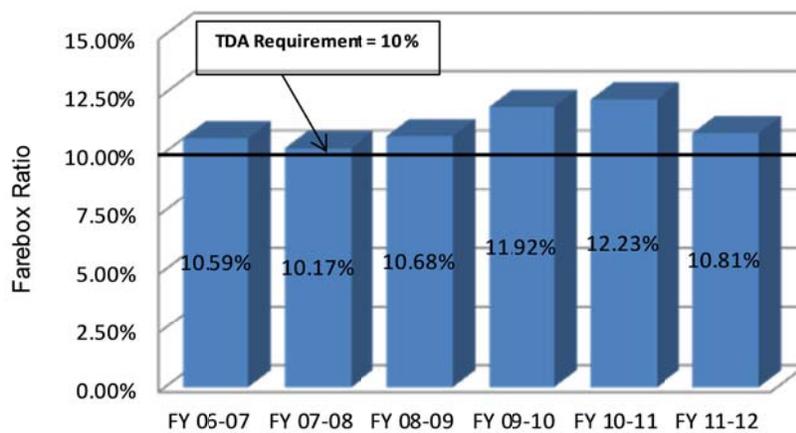


Figure 18: Systemwide Farebox Ratio



Data Collection Methods

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

- Annual Operating Cost
- Annual Passenger Count
- Annual Vehicle Service Hours
- Annual Vehicle Service Miles
- Annual Employee Hours
- Annual Fare Revenue

Operating Cost data for both GCS and Telecare (Tables 1 and 2) services were obtained from annual fiscal audits, and include total operating expenses for each object class as presented in the Chart of Accounts for the Uniform System of Accounts and Records as presented in each of the three fiscal audits, minus depreciation costs. The fiscal auditor's tests of the County of Nevada's Transit Services Fund disclosed no instance of noncompliance that would be required to be reported under Government Auditing Standards.

According to Section 99247(a), operating costs include all costs except depreciation, direct costs for charter services and vehicle lease costs. Extension of service can be excluded per Section 6633.8. It should be noted that the operating cost data presented in Table 1 is inconsistent with the data presented in the State Controller Report (albeit minor discrepancies in some cases). This is not especially unusual, as State Controller Report data is due prior to the time that the annual Fiscal and Compliance audits are typically completed. Additionally, financial reports produced by the Nevada County Auditor include different accounting categories than the other transit reports. As a result, some reconciliation is required.

For both fixed route and demand response services, **Passenger Count** data is recorded manually by drivers as unlinked one-way passenger-trips (single boarding and alighting). This data was obtained from State Controller Reports and is consistent with internal reports.

Vehicle Service Hour data is reported in Tables 1, 2, and 3. These data were obtained from State Controller Reports and match internal records. The definition of a vehicle service hour as currently used by GCS and Telecare is not consistent with the definition presented in Appendix B of the Performance Audit Guidebook. The TDA definition of a vehicle service hour is as follows:

"That time during which a revenue vehicle is available to carry fare paying passengers, and which includes only those times between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability. (A vehicle is in revenue service despite a no-show or late cancellation, if the vehicle remains available for passenger use.) For example, demand responsive service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to a lunch break. For both demand-responsive and fixed-route, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (deleting lunch and breaks but including scheduled layovers).

The TDA definition of service hour is consistent with the National Transit Database (NTD) definition of **revenue service hours**. However it should be noted that this is different from the NTD definition of **vehicle hours** which begin at driver pull out and end when the driver returns to the garage (including deadhead time).

GCS drivers record vehicle hours and miles from the time of pull-out time to the time of pull-in. In order to be consistent with the TDA definition of vehicle service hours, GCS drivers should record pull-out time and the time at the first scheduled stop as well as the time at the last scheduled stop and pull-in time. Only the time from the first scheduled stop to the last scheduled stop should be included in the calculation of **vehicle service hours** when completing the State Controller reports and reporting of **revenue service hours** for NTD.

Telecare drivers record the time and mileage at the starting point/ending point of the day and at the first pick up/drop off. However, deadhead hours/miles between pull-out and first pick-up are included as vehicle service hours reported to the County. Going forward, Telecare or the new demand response provider should provide in its report to the County total vehicle service hours excluding deadhead time on both ends of the trip. It should be noted that Telecare or the new demand response contractor can be paid for deadhead time; however, vehicle service hours should be reported to the State Controller in accordance with the definition in Appendix B of the Performance Audit Guidebook.

Vehicle Service Mile data is displayed in Tables 1 - 3. Data was obtained from State Controller Reports and are consistent with internal operating reports. As with vehicle service hours, the definition of a Vehicle Service Mile as currently used by GCS is not consistent with the definition presented in Appendix B of the Performance Audit Guidebook. According to the Guidebook vehicle service miles are:

“Those miles traveled by revenue vehicles during their Vehicle Service Hours.”

As discussed above, GCS does not record deadhead miles separately and Telecare does not report deadhead miles separately for both ends of the trip. Both operators should record and report vehicle service miles in accordance with the TDA definition.

The **Employee Hours** data presented in Table 2 and Figure 5 was obtained from the State Controller’s Reports. The Full-Time Equivalent (FTE) definition currently used by GCS is not consistent with the definition presented in Appendix B of the Performance Audit Guidebook. As referenced in the recommendations section, TDA defines FTEs as total hours spent on transit divided by 2,000.

The **Fare Revenue** data presented in Tables 1 - 3 was obtained from annual Fiscal and Compliance Audit reports. It should be noted that PUC Section 99205.7 states that fare revenues are defined in revenue object classes 401, 402, and 403, as specified in Section 630.12 of Title 49 of the Code of Federal Regulations:

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

Fare revenue also includes the amount of revenue received by an entity under contract for transit services not yet transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, or (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g. an employer, shopping center, university, etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare. Fare revenue does not include other donations or general operating assistance, whether from public or private sources (for

example, revenue from Placer County). However, neither charter nor advertising revenues can be included in the fare revenue category and neither can count toward the farebox recovery ratio calculation.

GCS calculates and reports fare revenue correctly. GCS does not operate charter services, therefore charter revenue is not included in fare revenue. Systemwide fare revenue reported to the State Controller varied from fare revenue reported in internal spreadsheets and the Fiscal Audits.

Telecare also calculates and reports fare revenue correctly to the State Controller. Fare revenue data in Fiscal Audits are consistent with fare revenue data in both State Controller Reports and internal spreadsheets.

In general, GCS and Telecare operating data is consistent between internal spreadsheets and the State Controller Reports. Financial data varies by source in some instances. This is mainly due to the fact that State Controller Reports and internal spreadsheet figures have not been audited and do not follow Generally Accepted Accounting Principles (GAAP) as the Fiscal Audits do.

Calculation and Evaluation of Performance Indicators

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

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

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

The **Operating Cost per (One-way) Passenger-Trip** data is presented in Tables 1 - 3 and Figures 1 - 3. This performance measure is a key indicator of a transit system's cost effectiveness. Systemwide operating cost per trip decreased significantly at the beginning of the audit period after service reductions were implemented to meet shrinking LTF revenues. As the audit period continued, systemwide operating costs per trip increased gradually. Telecare's operating costs per passenger trip experienced the largest decrease in FY 2010-11, whereas GCS experienced the largest decrease in FY 2009-10. Overall cost effectiveness has improved over the previous audit period.

The **Operating Cost per Vehicle Service Hour** data is presented in Tables 1- 3 and Figures 4 - 6. This performance measure is a key indicator of a transit system's cost efficiency. The operating cost per vehicle service hour also decreased significantly during the first year of the audit period, and increased slightly over the remainder of the audit period but has not returned to FY 2008-09 levels. Reviewing the individual services, GCS followed the systemwide trend, while Telecare's costs per hour increased when service levels initially decreased in FY 2009-10, but then gradually decreased over the last two years of the audit period. Overall cost efficiency has improved over the previous audit period. It should be noted that **total** operating cost per vehicle service hour is referenced in the tables. This includes all costs of operating transit service including fixed costs (such as administrative salaries); this differs from **marginal** operating cost per hour (which is referenced in monthly operating statistics) that only includes operating costs which change based on the number of vehicle hours operated, such as driver salaries.

The **Passengers per Vehicle Service Hour** (commonly referred to as “productivity”) is presented in Tables 1 - 3 and Figures 7 - 9. Systemwide productivity has decreased slightly since the service reductions in FY 2009-10 from a six year high of 7.30 to a six year low of 6.59 passenger-trips per hour in FY 2009-10, but has gradually been on the rise. This demonstrates that the service reductions had an initially large negative impact on ridership which subsequently stabilized.

The most recent *Western Nevada County Transit Development Plan* (TDP) set forth goals, standards, and performance measures for both GCS and Telecare transit services. Operating statistics are compared to these standards in the *TSD Annual Operations Report*. With respect to ridership, the TDP recommended a standard of increasing ridership, but one percent per year with a target standard of three percent per year. Given the significant service cuts that occurred during the audit period, this would be difficult to achieve. Systemwide ridership decreased by 23 % during the audit period; however, the rate of decline decreased to 1.3 % between FY 2010-11 and FY 2011-12.

The TDP identifies the following service effectiveness standards:

- Fixed Routes – Minimum 7.0 passengers per hour, target 10.0 passengers per hour
- Demand Response – Minimum 2.0 passengers per hour, target 3.0 passengers per hour

GCS exceeded the target standard during the audit period, while Telecare remained in between the minimum and target standard.

The **Passengers per Vehicle Service Mile** data is presented in Tables 1 - 3 and Figures 10 - 12. As presented, systemwide passengers per vehicle mile experienced a slight dip in FY 2009-10, but returned to previous levels by FY 2011-12. Over the current audit period, ridership stabilized, while vehicle miles continually decreased. As demonstrated in Figure 11, Telecare services had the greatest increase in passengers per mile in FY 2011-12.

The **Vehicle Service Hours per Employee** data is presented in Table 1 - 3 and Figure 13 - 15. As presented, the number of vehicle service hours per Full Time Equivalent (FTE) decreased during the audit period as a result of a decrease in FTEs and a decrease in service hours.

The **Farebox Recovery Ratio** data is presented in Tables 1 - 3 and Figures 16-18. Farebox ratio was calculated using operating cost and fare revenue information obtained from the Fiscal Audits according to TDA definitions. Farebox ratio calculations in this audit differ from the farebox ratio calculated in the Fiscal Audit. Over the last six years, western Nevada County transit services met the minimum TDA farebox ratio requirement of 10 % for rural transit services. Systemwide farebox recovery ratio increased throughout the audit period from 11.92 % to 13.45 %. This is largely a result of decreasing operating costs instead of increasing fare revenues from increased ridership. During the audit period, TSD continually sought ways to increase efficiency both at the service and administrative level.

The most recent TDP identified a farebox ratio goal of 10 percent for demand response services and 13 percent for fixed route services. This goal was generally met for fixed route services throughout the audit period. Demand response services were very close to the TDP farebox ratio goal in FY 2009-10 and met the goal in FY 2010-11 and FY 2011-12.

Data Collection Process

Regarding the overall data collection and recording process, GCS employs a straightforward manual data entry process. Drivers keep track of passenger boardings by type using a counter board and record total passenger-trips for each run manually onto the daily operations reports. Daily fare revenue collected is

recorded by hand on the daily operations report, compared to theoretical fare revenue, then entered into the computer. At the end of the month, summary reports are compiled by the Accounting Technician and reviewed by the Transit Services Manager. As of FY 2010-11 a detailed Annual Operations Report including comparisons to service standards was prepared by TSD staff. Although a system of checks is in place, manually entered data is still subject to human error.

Gold Country Telecare follows a similar data collection process. Drivers tally hours, miles, passenger-trips and fares by hand on their driver trip sheet. Data is entered into monthly Excel spreadsheets which are summarized in a separate unlinked sheet for billing purposes to Nevada County. Both the manually entered data and use of multiple spreadsheets are subject to human error.

Assessment of Internal Controls

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

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

GCS and the demand response contractor, Gold Country Telecare, appear to have a reasonably well-developed system of internal controls appropriate to the size of the transit system. This statement is echoed in each of the three annual independent fiscal auditor's reports.

REVIEW OF COMPLIANCE REQUIREMENTS

Gold Country Stage

As an entity receiving TDA funds for transit purposes, GCS is required to comply with laws and statutes set forth in the Act. Below is a discussion of GCS's compliance with sections of the Public Utilities Code which relate to transit performance, as recommended in the *Performance Audit Guidebook*. Table 4 displays the results of the compliance analysis:

- 1) In accordance with Public Utilities Code Section 99243, Gold Country Stage has submitted annual reports to the NCTC based on the Uniform System of Accounts and Records established by the State Controller. These reports must be filed with NCTC and the State Controller 90 days from the end of the fiscal year (September 28th) for paper filing and 110 days after the end of the fiscal year (October 18th) for electronic filing. The report for FY 2010-11 and FY 2011-12 were filed within the deadline. The FY 2010-11 report was submitted just after the deadline, on November 1st.
- 2) In accordance with Public Utilities Code Section 99245, GCS submitted annual fiscal and compliance audits to the NCTC and to the State Controller within 180 days following the end of the fiscal year for each year of the audit period. An independent auditor completed these fiscal and compliance audits, as required.
- 3) In accordance with Public Utilities Code Section 99251, GCS has submitted evidence that the California Highway Patrol (CHP) has certified compliance with Vehicle Code Section 1808.1 within the 13 months prior to each TDA claim submitted. NCTC requires that TDA claimants attach proof of CHP compliance certifications to TDA claims.

- 4) In accordance with Public Utilities Code Section 99261, GCS's claims for TDA funds are submitted in compliance with rules and regulations adopted by the NCTC for such claims.
- 5) There are no urbanized areas in Nevada County as designated by the US Census. Therefore, PUC 99270.1 does not apply to Gold Country Stage or Telecare services.
- 6) Public Utilities Code Section 99266 requires that GCS's operating budgets not increase by more than 15 % over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). See Table 1 for actual operating costs between Fiscal Years 2006-07 and 2011-12. During the Audit period, annual operating costs for all GCS services did not increase by more than 15 % over the preceding year. In fact GCS operating costs decreased by as much as 43 % between FY 2008-09 and FY 2009-10.
- 7) GCS's definition of performance measures are consistent with Public Utilities Code Section 99247 with the exception of vehicle service hours, vehicle service miles and full-time equivalent employees as discussed in the Calculation and Evaluation of Performance Indicators section.
- 8) GCS does not serve an urbanized area; therefore transit services are not subject to the 20 % farebox ratio.
- 9) Per PUC 99268.2 and 99268.4, Gold Country Stage systemwide transit services (including Telecare demand response services) was in compliance with minimum farebox ratio requirements of 10 % for rural transit operators.
- 10) As a department of the County of Nevada, GCS offers a retirement plan to its transportation employees through the California Public Employees Retirement System. GCS is in compliance with PUC 99271.
- 11) In accordance with California Code of Regulations Section 6754(a) (3), Gold Country Stage makes full use of funds available to it under the Urban Mass Transportation Act of 1964 and subsequent reauthorizations (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds, administered by Caltrans) before TDA claims are granted.

Requirement	PUC Reference	In Compliance?	
		Yes	No
(1) The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243		X
(2) The operator has submitted annual fiscal and compliance audits to its RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the 90-day extension allowed by law.	99245	X	
(3) The CHP has, within the 13 months prior to each TDA claim submitted by an operator certified the operator's compliance with Vehicle Code Section 1808.1 following CHP inspection of the operator's terminal.	99251 b	X	
(4) The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPE for such claims.	99261	X	
(5) If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	99270.1	NA	
(6) The operator's operating budget has not increased by more than 15 percent over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities.	99266	X	
(7) The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247.	99247		X
(8) If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of at least three-twentieths (15 percent).	99268.2, 99268.3, and 99268.1	NA	
(9) If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	99268.2, 99268.4, and 99268.5	X	
(10) The current cost of operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	99271	X	
(11) If the operator receives State Transit Assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754 (a) (3)	X	

Gold Country Telecare

The following discusses Gold Country Telecare's compliance with TDA requirements (see Table 5):

- 1) In accordance with Public Utilities Code Section 99243, Gold Country Telecare has submitted annual reports to the NCTC based on the Uniform System of Accounts and Records established by the State Controller. All except the FY 2010-11 report (which was only two weeks late) was filed within the 118-day deadline.
- 2) In accordance with Public Utilities Code Section 99245, GCS submitted annual fiscal and compliance audits to the NCTC and to the State Controller. However, the FY 2010-11 audit was submit slightly after the 180 day deadline. An independent auditor completed these fiscal and compliance audits, as required.
- 3) In accordance with Public Utilities Code Section 99251, Telecare has submitted evidence that the California Highway Patrol (CHP) has certified compliance with Vehicle Code Section 1808.1 within

the 13 months prior to each TDA claim submitted. NCTC requires that TDA claimants attach proof of CHP compliance certifications to TDA claims.

- 4) In accordance with Public Utilities Code Section 99261, Gold Country Telecare's claims for TDA funds are submitted in compliance with rules and regulations adopted by the NCTC for such claims.
- 5) There are no urbanized areas in Nevada County as designated by the US Census. Therefore, PUC 99270.1 does not apply to Gold Country Stage or Telecare services.
- 6) Public Utilities Code Section 99266 requires that transit operator's operating budgets not increase by more than 15 % over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). See Table 2 for actual operating costs between Fiscal Years 2006-07 and 2011-12. During the Audit period, annual operating costs for Telecare demand response services did not increase by more than 15 % over the preceding year. In fact, Telecare's operating costs decreased in FY 2010-11 and FY 2011-12.
- 7) Similar to GCS, Telecare's definition of performance measures are consistent with Public Utilities Code Section 99247 with the exception of vehicle service hours, vehicle service miles and full-time equivalent employees, as discussed in the Calculation and Evaluation of Performance Indicators section.
- 8) Telecare does not serve an urbanized area; therefore transit services are not subject to the 20 % farebox ratio.
- 9) As noted above GCS systemwide transit services was in compliance with minimum farebox ratio requirements of 10 % for rural transit operators. During the audit period, the farebox ratio for Telecare specifically ranged from 9.7 to 11.7 %. The TDA farebox ratio requirement applies to systemwide transit service not each individual service or route.
- 10) As Gold Country Telecare does not offer a retirement plan to employees, PUC 99271 does not apply.
- 11) In accordance with California Code of Regulations Section 6754(a) (3), Gold Country Stage makes full use of funds available to it under the Urban Mass Transportation Act of 1964 and subsequent reauthorizations (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds, administered by Caltrans) before TDA claims are granted.

TABLE 5: Transit Operator Compliance Requirements - Telecare				
	Requirement	PUC Reference	In Compliance?	
			Yes	No
(1)	The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243		X
(2)	The operator has submitted annual fiscal and compliance audits to its RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the 90-day extension allowed by law.	99245		X
(3)	The CHP has, within the 13 months prior to each TDA claim submitted by an operator certified the operator's compliance with Vehicle Code Section 1808.1 following CHP inspection of the operator's terminal.	99251 b	X	
(4)	The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	99261	X	
(5)	If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	99270.1	NA	
(6)	The operator's operating budget has not increased by more than 15 percent over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities.	99266	X	
(7)	The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247.	99247		X
(8)	If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of at least three-twentieths (15 percent).	99268.2, 99268.3, and 99268.1	NA	
(9)	If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent). ⁽¹⁾	99268.2, 99268.4, and 99268.5	X	
(10)	The current cost of operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	99271	NA	
(11)	If the operator receives state transit assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754 (a) (3)	X	

Note 1: Systemwide

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audits were completed by Moore and Associates in March of 2010 and covered the time period from FY 2006-07 to FY 2008-09.

Gold Country Stage Prior Recommendations

Recommendation: Expand monthly operations reports that highlight other key performance statistics such as on-time performance and road calls.

Implementation Complete: Staff currently tracks on-time performance and road calls and makes operational adjustments, as required, in an ongoing and timely manner. If there is a noticeable upward or downward trend in on-time performance or road calls, it is mentioned in monthly reports. The TSD Annual Operations Report also includes a wealth of performance indicator data including road calls and on-time performance.

Gold Country Telecare Recommendations

The prior auditor listed no recommendations for Gold Country Telecare; however, the auditor did note that FTEs were being reported incorrectly. This still remains an issue and is included as a recommendation at the end of this report.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of Gold Country Stage and Gold Country Telecare. In general, transit operator functions can be divided into the following areas:

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

Gold Country Stage (Fixed Route Services)

General Management and Organization

Gold Country Stage is operated by the Nevada County Transit Services Division (TSD) using County employees. Paratransit services are operated by a non-profit contractor organization (Gold Country Telecare) with oversight by the TSD Transit Services Manager.

All Nevada County staff is governed by the Nevada County Board of Supervisors. The TSD also reports to the Transit Services Commission (TSC), made up of two members of the Board of Supervisors, one Grass Valley representative, one Nevada City representative, two at-large representatives appointed by the County, and one at-large representative appointed jointly by the two cities. Roles and powers of all entities involved in the provision of public transit in western Nevada County are stipulated in the Joint Powers Agreement.

The TSD staff consists of 13 permanent employees: 1 Transit Services Manager, 1 Accounting Technician, 8 bus drivers, 2 lead drivers and 1 Senior Office Assistant. The Transit Services Manager is responsible for administration of all operations and personnel and reports to the Nevada County Public Works Director. Public Works is a department of the Community Development Agency. All TSD staff is covered by a collective bargaining Memorandum of Understanding between GCS and the Local 39 of the Operator Engineers Union. All vehicle maintenance is performed by County Fleet Services staff at the county facility only a short distance from the transit operations facility in Grass Valley. A Governance Study was conducted in 2011 which explored various forms of governance or management of public transit services in western Nevada County, such as reorganization of the TSD as a separate department and establishing a Joint Powers Authority. The study concluded that the existing institutional structure was appropriate and suggested exploring the option of contracting with a private transportation company for both fixed route and demand response service as an additional cost saving measure.

GCS has an appropriately well-defined program of administrative oversight. It regularly receives, reviews, and acts upon performance and financial information. The Transit Services Manager reviews operations reports and compares statistics to adopted standards at least monthly and more frequently if prompted by passenger complaints or service changes.

Given the size of the transit program, its internal organization structure is appropriate. Lines of reporting are clearly defined and appropriate. The Transit Services Manager conducts administrative staff meetings on a monthly basis. Driver safety meetings occur every other month.

Over the current audit period, GCS services endured dramatic service changes as well as the construction of a new transit center and transfer point on Tinloy Street. Before and after implementing service changes, TSD staff is diligent with public outreach. Public workshops are held one month prior to the change and two weeks after the change in addition to regular media outlets to obtain public input. Discussions with both GCS and NCTC staff show that there is an effective and positive relationship between the two agencies. Nevada County Department of Public Works staff also have a good working relationship with NCTC.

Service Planning

The effectiveness of a transit system is highly dependent upon the continued development of short- and long-range transit plans. During the audit period, the NCTC commissioned an update to the Western Nevada County Short Range Transit Development Plan (TDP), which was completed by Transit Resource Center in December 2010. This plan covers FYs 2010-11 through 2014-15, and was developed in response to a severe shortage in LTF revenues. The TDP service plan included a “base case scenario” where no increase in revenue was assumed and “partial recovery scenario” where 90 % recovery in LTF revenues was assumed. The TDP also included numerous mobility management recommendations. The objective was to address mobility needs through alternative forms (such as volunteer driver programs) in times when revenue limitations prevented transit service expansion.

In terms of strategic planning, GCS has set clear, reasonable goals and objectives in the TDP. GCS regularly reviews performance and financial data monthly to determine progress toward meeting its overall goals and objectives. The TDP identified a wide variety of service efficiency, service effectiveness, service quality, accessibility and planning and management goals and standards for transit services. Adopted standards range from a preventative maintenance standard to a farebox ratio standard above that of TDA, (which TSD services now currently meet). All standards are presented in the TSD Annual Operations Report. Standards are not applied to new routes for the first two years of service.

In terms of short range planning, TSD is continually analyzing future transit service needs based on developments and revenue. In addition to TDA funds, TSD uses both discretionary and non-discretionary grant funding such as FTA and ARRA for capital and operational transit service enhancements. GCS was recently successful in obtaining an FTA 5316 Jobs Access Reverse Commute grant for potential Saturday service. The Transit Services Manager reviews all major development proposals in Nevada County and provides recommendations for transit related improvements such as bus shelters, as warranted.

Majic Consulting conducted an onboard survey in November 2009 (as part of a public outreach program prepared for the Nevada County Department of Public Works) to determine how services were perceived and to ascertain what shortcomings, if any, were present. In addition, passenger origin/destination surveys are performed on Route 5 to Auburn each year in order to determine cost allocations to Placer County for operation of that bi-county service.

GCS’s current fleet of 12 revenue vehicles is wheelchair accessible. Discounted fares are available for seniors 65 years of age and older, persons with disabilities and youth age 6 to 17. GCS ADA complementary paratransit service is provided by Gold Country Telecare.

All TSC meetings are open to the public, and are conducted in an accessible facility per the requirements of the ADA. TSD staff makes a concerted effort to incorporate public participation before and after

significant service changes. Public notification is conducted, including publishing legal notices and press releases. In addition, transit service revision notices are posted on GCS vehicles, in passenger facilities and on the website. The Nevada County Social Services Transportation Advisory Council (SSTAC) and Transit Services Commission Technical Advisory Committee also act as an important conduit for soliciting public input.

Scheduling, Dispatch, and Operations

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

GCS drivers are appropriately certified for the types of vehicles operated for Gold Country Stage. Drivers choose shifts based on seniority and are trained to operate each vehicle in the fleet. GCS drivers are represented by the Local No. 39 Operating Engineers Union. Both part-time and full-time employees are eligible for vacation, sick leave, and any other employer-paid benefits on a pro rata basis. The County of Nevada Personnel Code details procedures regarding vacation, absences, and sick leave. The Lead Drivers ensure that driver shifts are adequately covered. GCS operations staff includes both part-time and full-time drivers. GCS also hires “temporary” drivers to cover shifts for drivers on vacation or sick leave. Driver breaks and lunch reliefs for full-time drivers are provided by overlapping shifts. Lead drivers communicate with Nevada County Fleet Services staff to ensure that vehicles assigned for service are in good repair. As GCS contracts with Telecare for demand response services, there is not significant need to assign smaller or larger vehicles to different routes.

Personnel Management and Training

GCS conducts open recruitment for driver positions. During the audit period, the challenge has been finding enough temporary drivers. Full-time positions are sought after and filled easily. Turnover at GCS is relatively low. Driver performance evaluations are conducted by Nevada County Human Resources staff at least once a year. If an issue arises, additional counseling is provided. No monetary incentive programs are in place; however employment at GCS includes certain benefits such as casual dress “Aloha Fridays.”

All initial and on-going driver training is provided on-site by the lead drivers. Drivers are trained on all aspects of each type of vehicle in the fleet, including training on accident procedures, and wheelchair procedures. In addition to state-required driver training, safety meetings are held bi-monthly. Over the last five years, GCS has improved their training program including the ability to train for transit training VTT certification. This expands the pool of potential driver recruits to applicants with a commercial Class B license but no transit experience. The County of Nevada’s Personnel Code details its formalized employee discipline program and conforms to labor agreements. All safety-sensitive employees are subject to Nevada County’s Drug and Alcohol Testing Policy, as well as the County’s Drug Free Workplace policy, which appears to meet all applicable state and federal requirements. GCS and Telecare have been involved with joint emergency exercises with Cal Fire and the California Highway Patrol. All GCS vehicles are equipped with safety equipment such as fire extinguishers, safety brakes and bells for reverse. GCS recently received a reduction in their CalTIP insurance premium as a result of zero claims.

Administration

GCS was formed through a Joint Powers Agreement between the County of Nevada and the Cities of Nevada City and Grass Valley. Per the agreement, two governing boards provide oversight of public transit in western Nevada County: the Nevada County Board of Supervisors and the Transit Services

Commission (TSC). Each board serves a different role. In general, the Board of Supervisors controls the finances and manages the personnel, while the TSC sets operational levels and acts as a policy advisory board. The TSC is composed of two members of the Board of Supervisors, one Grass Valley representative, one Nevada City representative, two at-large representatives appointed by the County, and one at-large representative appointed jointly by the two cities. Some TSC members also serve on the NCTC. The TSC meets bi-monthly.

Gold Country Stage has a well-developed budget and reporting system that is appropriate to the size and scope of the transit program. The accounting technician compares budgeted expectations with actual revenues and expenses at least monthly. Financial information and performance indicators for both GCS and Telecare services are summarized and presented to the TSC at each meeting. The TSC must approve substantial changes in the budget and/or spending. A new resolution was recently adopted that allows the TSC to adopt the transit budget without a joint public hearing with the Board of Supervisors.

The Transit Services Manager performs grant management duties with assistance from the Accounting Technician and Lead Drivers. During the audit period, GCS did not lose a grant due to negligence or improper procedure. GCS has been successful over the years in obtaining several federal and state monies to construct projects, such as the Tinloy Street Transit Center.

Regarding insurance, GCS is covered under the CalTip insurance pool. Established procedures for processing and investigating accident/injury claims are currently in place. GCS has a proactive risk manager. Lead Drivers regularly attend countywide safety meetings and GCS is involved with Nevada County emergency services disaster preparedness.

The Transit Services Manager is responsible for contract management, including the operations contract with Gold Country Telecare. A significant portion of the Transit Service Manager's time is spent on oversight of Telecare, including review of performance statistics. The GCS Transit Services Manager and the Telecare Executive Director meet monthly. The GCS Transit Services Manager attends Telecare board meetings quarterly. Generally, GCS competitively procures fuel, vehicles and other items of major expense. However, the Telecare contract has not been competitively bid for thirteen years. As Telecare has provided good service at a reasonable cost for this time period, there has not been an impetus to change contractors. Although FTA rules do not stipulate a maximum contract period for operations contracts, rules do require "full and open competition" when a new contract is established. In recognition of this, GCS recently prepared a Request for Proposals for the operation of paratransit service and is in the process of soliciting bids.

The GCS operations facility in Grass Valley provides adequate office space for administrative and dispatching functions. The GCS fleet is parked outside in a secure lot at the facility. As a division of Nevada County, facility maintenance is performed in-house. Bus stops are maintained by TSD staff.

On-vehicle fare collection is appropriately secure on GCS buses. All buses use a locked vault farebox system. Two staff people are present when fare revenue is counted. One staffer counts the money while the second verifies the count and compares to anticipated fare revenue. A third staff person deposits the cash into GCS's checking account.

Payroll is performed by non-TSD Nevada County staff, with assistance from the TSD accounting technician. Other accounting functions, such as accounts payable, are distributed between the TSD Accounting Technician and other Community Development Agency staff. Internal audits are also conducted by Nevada County staff.

Marketing and Public Information

GCS employs a variety of important marketing strategies, such as speaking on local radio programs, outreach community meetings and a comprehensive website. GCS has formed positive and beneficial relationships with local non-profit organizations, social service agencies, public schools and medical providers, for both marketing and service planning purposes. Passenger complaints and compliments reach the Transit Services Manager and accounting technician directly. GCS is proactive about noticing service changes on the website and through other marketing materials. GCS follows a marketing standard of spending a minimum of two percent of the total annual administrative budget on marketing.

Maintenance

GCS transit vehicles are maintained by Nevada County Fleet Services Division, located roughly one quarter mile from the GCS operations facility. GCS has a good preventative maintenance system in place. One mechanic specializes in transit vehicle repair. There is good communication between mechanics and lead drivers with respect to maintenance. The operations/maintenance facility appears to be sufficient for the various types of vehicles operated. An adequate supply of parts and mechanic time is available to minimize vehicle downtime. With the exception of body work, Nevada County can perform most vehicle repairs in-house.

Nevada County owns a fleet of 18 revenue and non-revenue transit vehicles. Two of the 30 passenger El Dorado Aerolites are leased to Telecare for operation of paratransit service while ten 26 passenger Aerolites are used for fixed route services. These vehicles were purchased with Transportation Development Act (TDA), Federal Transit Administration (FTA), Congestion Mitigation Air Quality Improvement Program (CMAQ) and Proposition 1B funding. All revenue vehicles are wheelchair accessible. The average age of the fleet is five years and the fleet has accumulated an average of 107,400 miles. GCS has a good vehicle replacement plan in place. Using FTA 5311, Proposition 1B and State Transit Assistance funds all revenue vehicles are estimated to be replaced over the next three to four years.

Gold Country Telecare

General Management and Organization

Gold Country Telecare is a non-profit organization which provides transportation for seniors and persons with disabilities in Nevada County. In addition to providing complementary paratransit service for GCS fixed routes, Telecare offers Sunday rides for seniors, funded through Area 4 Agency on Aging (a non-emergency medical transportation program funded through United Way and the PASCO Foundation), as well as a volunteer driver program. This audit only reviewed Nevada County paratransit services.

Telecare is governed by a Board of Directors. Staff includes an Executive Director who is responsible for administration of all operations and the primary point of contact for the Nevada County contract, a Statistics Coordinator, Accountant/Bookkeeper, Transportation Coordinator, Head Dispatch/Scheduler, one full time and one part time Dispatcher and one office volunteer. Telecare currently has 3 full-time Drivers, 22 part-time Drivers and 5 volunteer Drivers.

The greatest problem Telecare experienced during the audit period in terms of administrative oversight was high turnover of the Executive Director position. This has been an on-going problem. The lack of a consistent administrator has led to poor communication between Telecare and Nevada County, as well as inefficiencies as each new Executive Director learns the position. The current Executive Director reviews

paratransit performance and operating statistics monthly. She also meets monthly with the GCS Transit Manager to discuss issues with paratransit service, progress towards goals, and possible improvements.

Given the size of the transit program, its internal organization structure is appropriate. A crucial part of the Telecare organization is volunteers -- particularly an office volunteer who has been with Telecare for ten years. The Executive Director conducts staff safety meetings on a monthly basis.

Telecare's paratransit service was greatly affected by the significant service reductions of Gold Country Stage transit services during the audit period. As providing much-needed transportation for all seniors requesting service is the organization's primary goal, budget cuts have presented a particular challenge to Telecare. Overall, Telecare and Nevada County TSD have a positive relationship, although it appears to have been strained during the audit period perhaps due to turn over in the Telecare Executive Director position and need to address transit funding cuts. Both entities agree that developing a better defined contract for paratransit service through an RFP process will benefit both Nevada County and the paratransit operator.

Service Planning

As Telecare's paratransit service is part of GCS systemwide public transit service, alternatives for the paratransit program were considered in the most recent TDP effort. In fact, a large portion of the document included mobility management options which expand on current GCS and Telecare services. Many of the mobility suggestions are not currently financially feasible; however during the audit period Nevada County staff became involved in the Easter Seals Project's Accessible Transportation Coalitions Initiative (ATCI) in western Nevada County. The Accessible Transportation Plan (part of the ACTI effort) outlined a timeline of mobility objectives to be completed through comprehensive research and collaboration. In terms of strategic planning, the TSD Transit Services Manager compares Telecare operating statistics to standards developed in the TDP in the Annual Operations Report.

As part of the TDP effort, a mail-in survey was conducted of all known Telecare passengers. The survey posed a variety of customer-service-related questions regarding the application process, reservations and trip denials. Origin destination surveys were not performed. The majority of Telecare passengers surveyed were happy with the service and comfortable with the rules and limitations. Telecare also includes a survey in their biannual fundraising letter.

All Telecare Board meetings are open to the public. However, meeting dates are not advertised on the website. Decisions related to ADA paratransit service are made by the Nevada County TSC. A Gold Country Telecare representative served on the Nevada County Social Services Transportation Advisory Council (SSTAC) during the audit period.

Scheduling, Dispatch, and Operations

As a demand response transit operator, Telecare does not typically have certain runs which require specific training or certification. Therefore, drivers are appropriately certified for the types of vehicles operated for Telecare. There are some set runs for subscription service where drivers are continually assigned to the same route. Roughly 45 % of Telecare service can be attributed to subscription trips.

Paratransit scheduling is performed using Mobilitat Easy Ride software. Passengers are allowed to schedule rides up to 14 days in advance and subscription service is available. Sufficient staff is available during peak times to take calls and schedule rides as evidenced in the Telecare survey results. Although many respondents stated that they were put on hold, the majority stated it was easy to schedule a ride. One of Telecare's short-term objectives is to improve efficiency by better grouping passenger pick-ups

and drop-offs by geographic location. Telecare acknowledges that this will require increased passenger education as well as medical provider education.

Telecare is also making an effort to more strictly enforce a no show policy. Drivers are instructed to wait three minutes for the passenger. After the first “no show” the passenger receives a door hanger explaining the policy. After multiple offenses, passengers will not be eligible for service for one week. After excessive misuse of the program, a passenger may be suspended. “No-shows were an issue during the audit period. In FY 2009-10, Telecare reported 1,895 no-shows. Although this figure decreased to 1,449 in FY 2011-12, this is still a large number of no-shows. Telecare staff indicated that they are in the process of suspending a no-show passenger.

The Americans with Disability Act (ADA) requires agencies that provide general public fixed-route service to also offer complementary paratransit service for those individuals with transportation disabilities who cannot otherwise use the fixed-route service. The complementary paratransit service must be offered during the same hours and days as the fixed-route service. Western Nevada County transit services are currently in compliance with ADA service area and time requirements.

Personnel Management and Training

Telecare has little turnover of full-time drivers. Recruitment of on-call drivers for backup is more common than recruitment for full-time drivers. Telecare recruits drivers through community organizations, such as churches, or by word of mouth. If a candidate driver is deemed worthy, Telecare will hire drivers without a current Class B commercial license. The Telecare Head Dispatcher is a Certified Paratransit Driver Trainer. All drivers attend Nevada County TSD annual safety training. Staff performance evaluations are conducted by the Executive Director once a year. No monetary incentive programs are in place. Telecare vehicles are equipped with standard safety equipment and Telecare participates in Nevada County emergency exercises.

Administration

The Telecare Board is very involved in the overall budget and reviews expenses and revenue on a monthly basis. Any cost \$500 over the budgeted expense must be approved by the board. The TSD Transit Services Manager applies for transit related grants for Telecare services. Telecare’s Volunteer Driver Program and Non-Emergency Medical Transportation program has been supported in part by FTA 5317 New Freedom grants. Telecare has also acquired new vehicles through the FTA 5310 program.

Telecare maintains a \$5 million liability insurance policy for transit vehicles. The Transportation Coordinator is responsible for reviewing the safety of operating practices. The Gold Country Telecare operations facility is located in Cedar Ridge and provides adequate office space for administrative and dispatching functions. Vehicles are parked outside in a secure lot at the facility.

Telecare vehicles do not have fareboxes. Fare revenue is kept in a zippered pouch. At the end of the day, drivers bring the pouch into the administrative facility where two people are present to count the money. After fare revenue is counted and compared to recorded passenger-trips, fare revenue is stored in a locked box. A third staff person deposits fare revenue at the bank weekly.

Telecare employees submit timesheets for payroll. A third party vendor, Paychex, is used to process payroll. Employees have the option of direct deposit. Roughly 80 % of staff takes advantage of this benefit. Accounts payable is processed by the Bookkeeper and reviewed by the board. Petty cash is maintained in a locked box and receipts are required for use.

Regarding procurement policies, vehicles have been obtained through the state contract. The Telecare Board is making an increased effort to competitively procure fuel, maintenance and other items of major expense.

Marketing and Public Information

Gold Country Telecare maintains a good website, which provides information on services and contacts for further information. Brochures are also available at many community sites. The Telecare website includes a service area map displaying boundaries of both the ADA service area and the expanded paratransit service area. The map does a good job of displaying the entire service area; however there are few street names labeled. It would be difficult for a new rider to determine their location relative to the service area boundary and therefore determine if paratransit service was available to them. A Telecare staffer is available between the hours of 8:00 AM and 5:00 PM Monday through Friday to take reservations and answer questions. The office volunteer makes the majority of confirmation calls. Telecare maintains a log of customer complaints and compliments. Telecare does not currently have a travel training program.

Maintenance

Telecare transit vehicles are maintained by a private repair shop, located adjacent to the Telecare facility. Telecare has established a good relationship with the private repair shop. Telecare has a good preventative maintenance system in place; however during the audit period several of Telecare's vehicles became inoperable. Backup vehicles were used to limit service disruption, but this left no spare vehicle. Telecare is in the process of acquiring three new paratransit vehicles through FTA 5310 grants.

Telecare currently owns a fleet of 19 revenue and non-revenue transit vehicles. Additionally, Telecare leases two vehicles from Nevada County. All revenue vehicles are wheelchair accessible. The average age of the fleet is 6 years and the fleet has accumulated an average of 130,000 miles. Telecare is in the process of replacing three more vehicles. This will help Telecare attain the road call standard of 10,000 miles between road calls.

Conclusions and Recommendations

The Auditor's analysis of western Nevada County transit services indicates that, in terms of operations, both GCS and Telecare were efficiently run and well managed during the audit period.

FINDINGS

- Despite significant transit service cuts which led to a 23 % drop in ridership, western Nevada County transit services maintained a systemwide farebox ratio above the TDA mandated minimum of 10 % throughout the audit period.
- Beginning in FY 2010-11, TSD compiled a very informative Annual Operations Report which describes existing services, presents operational data and performance indicators and compares GCS and Telecare operating data to a wide range of standards and goals referenced in the most recent TDP. The report summarizes important accomplishments for both operators. The Annual Operations Report provides an easy method for TSC and NCTC members to review transit efficiency and progress towards established goals.
- GCS implemented recommendations from the prior triennial performance audit. There were no recommendations from the prior Telecare performance audit.
- Efforts have been made to improve communications between GCS and Telecare and improve efficiency and effectiveness of paratransit operations.
- The FY 2010-11 State Controller Reports for both GCS and Telecare were submitted slightly after the required deadline. It should be noted that the TSD independent auditor forwarded the GCS State Controller's Report to the County of Nevada Auditor for their required review process prior to the deadline. The Nevada County Auditor's review process extended beyond the deadline.
- The Gold Country Telecare FY 2010-11 Fiscal Audit was submitted just after the required deadline, on January 13th.
- TSD does not calculate vehicle service hours, vehicle service miles and full-time employee equivalent hours in accordance with TDA definitions, as defined in Appendix B of the *Performance Audit Guidebook*.

RECOMMENDATIONS

Gold Country Stage and Gold Country Telecare

Recommendation: 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. Definitions are presented below for reference:

Vehicle Service Hours - "That time during which a revenue vehicle is available to carry fare paying passengers, and which includes only those times between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability. (A vehicle is in revenue service despite a no-show or late cancellation, if the

vehicle remains available for passenger use.) For example, demand responsive service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to a lunch break. For both demand-responsive and fixed-route, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (deleting lunch and breaks but including scheduled layovers).

Vehicle Service Miles - "Those miles traveled by revenue vehicles during their Vehicle Service Hours."

In order to record vehicle service hours/miles in accordance with TDA definitions, GCS drivers should record the time and mileage at the first passenger pick up or scheduled stop (whichever comes first) and at the last passenger drop off or final scheduled stop end of the day. When compiling data for the State Controller Reports, GCS staff should report vehicle service hours and miles as those hours and miles starting from the first passenger pick up or scheduled stop (whichever comes first) and at the last passengers drop off or final scheduled stop end of the day.

Telecare should also report to Nevada County vehicle hours/miles in accordance with the TDA definition. For demand response service, vehicle service miles/hour should begin at the time of the first passenger pick-up and end at the last passenger drop-off and exclude time/miles associated with lunch breaks.

Implementation Period: Immediately

Recommendation: Full-Time Equivalent (FTE) employee hours should be calculated and reported to the State Controller in accordance with PUC 99247 (j) and the definition in Appendix B of the Performance Audit Guidebook list below for reference.

Employee Hours/Full-Time-Equivalency (For calculating vehicle service hours per employee). Transportation system-related hours worked by persons employed in connection with the public transportation system (whether or not the person is employed by the operator, for example, a city accounts payable person whose time is partly charged to transit operations). Such persons include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the number of person-hours worked by 2,000.

During the TPA process, the auditor was unable to confirm that FTEs were calculated and reported to the State Controller in accordance with TDA definitions. FTEs are calculated as part of the countywide budget process. However, not all department hours (such as Community Development Agency hours) are added in to this calculation and it is likely that they are calculated by dividing total hours worked by 2,080 instead of 2,000 as is the more common practice.

The independent auditor who prepares the State Controller Reports for FY 2012-13 should be provided with the TDA definition of Employee Hours/Full-Time Equivalency (noted above) and provided with appropriate data as necessary to calculate FTEs in accordance with TDA definitions.

Implementation Period: Beginning of next Fiscal Year

Gold Country Telecare

Recommendation: Although "no-shows" on Telecare paratransit services decreased by 23.5 % during the audit period, Telecare still reported a significantly high number of no-shows in Fiscal Year 2011-12

(1,449, or 4.2 % of all passenger-trips). No-shows decrease efficiency as vehicle miles are being driven without fare-paying passengers. Telecare staff indicated that they are working on educating passengers and enforcing the no-show policy. Telecare staff should continue to educate and monitor no-show passengers. If no-shows continue to be an issue in the future, Telecare or the new paratransit operator may wish to consider reducing the advance reservation window for non-subscription passengers to one day in advance and/or implement a more stringent no-show policy.

Implementation Period: Evaluate the number of no-shows over the next two fiscal years.

Recommendation: Telecare paratransit vehicles do not have fareboxes mounted on the transit vehicles. Fare revenue is stored in a zippered pouch. Although there has been no evidence of malfeasance, fareboxes with locking vaults decrease the temptation for stealing and provide a more secure method of transporting fare revenue from the vehicle to the operations facility. A manual locking farebox can be purchased with federal capital grant funds.

Implementation Period: As soon as funding allows.